

a PPL company

Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 13 2011

PUBLIC SERVICE  
COMMISSION

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

Robert M. Conroy  
Director - Rates  
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September 13, 2011

**RE: *AN EXAMINATION OF THE APPLICATION OF THE  
FUEL ADJUSTMENT CLAUSE OF KENTUCKY  
UTILITIES COMPANY FROM NOVEMBER 1, 2010  
THROUGH APRIL 30, 2011 – CASE NO. 2011-00247***

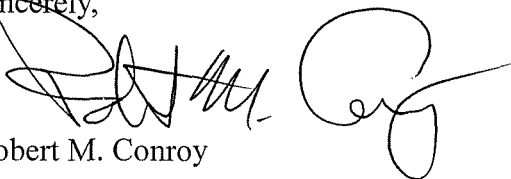
Dear Mr. DeRouen:

Enclosed please find an original and ten (10) copies of the Response of Kentucky Utilities Company to Information Requested in the Appendix of the Commission's Order dated August 23, 2011, in the above-referenced proceeding.

Also enclosed are an original and ten (10) copies of a Petition for Confidential Protection regarding certain information provided in response to Question No. 12 and Question No. 19.

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

Sincerely,

  
Robert M. Conroy

Enclosures

RECEIVED

SEP 13 2011

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE	)	
APPLICATION OF THE FUEL	)	
ADJUSTMENT CLAUSE OF	)	CASE NO. 2011-00247
KENTUCKY UTILITIES	)	
COMPANY FROM NOVEMBER 1, 2010	)	
THROUGH APRIL 30, 2011	)	

**PETITION OF KENTUCKY UTILITIES COMPANY  
FOR CONFIDENTIAL PROTECTION**

Kentucky Utilities Company (“KU”), pursuant to 807 KAR 5:001, Section 7, respectfully petitions the Commission to classify as confidential and protect from public disclosure certain information provided by KU in response to Question Nos. 12(a) and 19 of the Commission’s data requests, as contained in the Appendix to the Commission’s Order dated August 23, 2011. KU requests confidential protection for settlement agreements provided in response to Question No. 12(a) and for coal bid analysis information contained in Question No. 19. In support of this Motion, KU notes that the Commission has consistently treated this same kind of information as confidential in KU’s previous fuel adjustment clause review proceedings.

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. Disclosure of the terms and conditions of KU’s settlement of contract disputes would damage KU’s competitive position and business interests. This information reveals the

terms and conditions under which KU agreed to settle contract disputes with a coal supplier. If the Commission grants public access to the information requested in Question No. 12(a), KU's negotiating position in future litigation of contract disputes could be seriously compromised to the detriment of KU and its ratepayers by granting litigators access to terms and conditions KU has found acceptable in the past. As noted above, the Commission has treated such information as confidential in the past.

3. Disclosure of the factors underlying KU's bid analysis/selection process would 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. 19, 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.

4. 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.

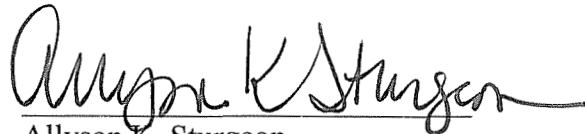
5. KU does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

6. 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.

Dated: September 13, 2011

Respectfully submitted,




Allyson K. Sturgeon  
Senior Corporate Attorney  
LG&E and KU Services Company  
220 West Main Street  
Louisville, Kentucky 40202  
Telephone: (502) 627-2088

Counsel for Kentucky Utilities Company

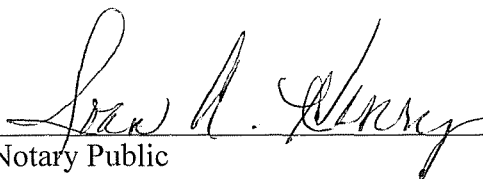
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Mike Dotson**, being duly sworn, deposes and says that he is Manager – LG&E and KU Fuels for LG&E and KU Services Company, and 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

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9<sup>th</sup> day of September 2011.

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

My Commission Expires:

July 21, 2015



VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Charles R. Schram**, being duly sworn, deposes and says that he is Director – Energy Planning, Analysis and Forecasting for LG&E and KU Services Company, and 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 9<sup>th</sup> day of September 2011.

*Joan A. Henry* (SEAL)  
Notary Public

My Commission Expires:

*July 21, 2015*





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

**In the Matter of:**

<b>AN EXAMINATION OF THE</b>	)	
<b>APPLICATION OF THE FUEL</b>	)	
<b>ADJUSTMENT CLAUSE OF KENTUCKY</b>	)	<b>CASE NO.</b>
<b>UTILITIES COMPANY FROM</b>	)	<b>2011-00247</b>
<b>NOVEMBER 1, 2010 THROUGH APRIL</b>	)	
<b>30, 2011</b>	)	

**RESPONSE OF**  
**KENTUCKY UTILITIES COMPANY**  
**TO**  
**INFORMATION REQUESTED IN**  
**APPENDIX OF COMMISSION'S ORDER**  
**DATED AUGUST 23, 2011**

**FILED: September 13, 2011**



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 1**

**Witness: Mike Dotson**

Q-1. For the period from November 1, 2010 through April 30, 2011, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (e.g., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus contract.

A-1. Please see the attached sheet.

PURCHASE VENDOR	PURCHASE TONNAGE	TYPE
Alliance Coal LLC - J09002	289,107	Contract
Arch Coal Sales Company Inc. - J10025	37,789	Spot
Armstrong Coal Company - J07032	456,467	Contract
Armstrong Coal Company - J10007	27,885	Spot
Armstrong Coal Company - J10009	193,104	Contract
Armstrong Coal Company - K11002	59,742	Contract
Coalsales, LLC - K06118	131,137	Contract
Coaltrade LLC - L10006	15,999	Spot
CONSOL Energy Inc. - J10008	498,037	Contract
CONSOL Energy Inc. - J10004	1,098	Spot
Cumberland Elkhorn Coal & Coke K10030	10,728	Spot
Hopkins County Coal LLC - K08027	26,532	Contract
Koch Carbon - K10029	4,827	Spot
Koch Carbon - K10033	4,955	Spot
Koch Carbon - K11018	10,060	Spot
Nally & Hamilton Enterprises Inc. - K08018	20,501	Contract
Oxford Mining Company - Kentucky LLC - J07003 B	210,233	Contract
Oxford Mining Company - Kentucky LLC - K07031 B	70,640	Contract
Peabody Coaltrade, LLC - J11017	131,737	Spot
Patriot Coal Corporation - J07037	27,040	Contract
Patriot Coal Corporation - J09001	119,887	Contract
Patriot Coal Corporation - J10003	39,301	Spot
Patriot Coal Corporation - J10002	79,838	Contract
Patriot Coal Corporation - J10010	98,952	Contract
Patriot Coal Corporation - K11001	72,327	Contract
Perry County Coal Corporation - K06108	76,695	Contract
Rhino Energy LLC - J08028	117,116	Contract
The American Coal Company - J08016	139,571	Contract
The American Coal Company - J10005	231,583	Contract
Trinity Coal Marketing LLC - K05109	437,329	Contract
Western Kentucky Minerals Inc. - J10001	118,652	Contract
<b>TOTAL</b>	<u>3,758,867</u>	
	3,474,489	92% Contract
	<u>284,378</u>	8% Spot
	<u>3,758,867</u>	



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 2**

**Witness: Robert M. Conroy**

Q-2. For the period from November 1, 2010 through April 30, 2011, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (e.g., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

A-2. Please see the attachment for the list of vendors, associated quantities, and nature of natural gas purchases. Please note that purchases from Louisville Gas & Electric are primarily for LG&E owned coal and gas fired generation and purchases from Columbia Gas are for KU owned gas fired generation served by the local distribution company; however, other natural gas purchases are made on an aggregate basis and not by utility ownership percentages of individual generating units. KU and LG&E have joint ownership in certain CT units. Trimble County Units 5 and 6 are owned 71% by KU and 29% by LG&E. Trimble County Units 7, 8, 9, and 10 are owned 63% by KU and 37% by LG&E. Brown Unit 5 and Paddy's Run Unit 13 are owned 47% by KU and 53% by LG&E. Brown Units 6 and 7 are owned 62% by KU and 38% by LG&E. Fuel expenses, not individual natural gas purchase transactions, are allocated to the Companies based on their respective ownership percentages.

Purchases from Louisville Gas and Electric Company's Gas Distribution Business are Special Contract purchases. The Special Contract for Firm Gas Sales and Firm Transportation Service dated September 28, 2007 and effective April 11, 2008, between Louisville Gas and Electric Company, on behalf of its Gas Distribution Business, and Louisville Gas and Electric Company and Kentucky Utilities Company, on behalf of their Electric Generation Business, was originally filed with the Kentucky Public Service Commission in Case No. 2007-00449. All remaining purchases are spot purchases.

**Natural Gas Purchases 11/1/2010 - 4/31/2011**

Purchase Vendor	Type	MMBTU
Anadarko Trading	Spot	54,525
Atmos Energy	Spot	102,450
BG Energy Merchants	Spot	67,200
BNP Paribas	Spot	5,500
BP Energy	Spot	40,900
Chevron NG	Spot	15,800
CIMA Energy	Spot	350,816
Columbia Gas of KY	Spot*	6,294
Colonial Energy	Spot	89,700
Conoco	Spot	78,700
Enbridge	Spot	11,900
Gavilon	Spot	10,000
JLA Energy	Spot	44,500
Louis Dreyfus Energy	Spot	300
MacquarieCook Energy	Spot	242,308
Mieco	Spot	900
National Energy & Trade	Spot	137,838
NJR Energy Services	Spot	461,738
ONEOK Energy	Spot	52,800
Petrocom	Spot	11,000
Proliance Energy	Spot	137,425
Sequent Energy	Spot	518,950
Shell Energy NA	Spot	23,400
Spark Energy	Spot	6,500
Southwestern Energy Svcs	Spot	30,000
Tenaska Market Ventures	Spot	407,576
Total Gas & Power Mktg	Spot	55,949
United Energy	Spot	18,463
Vitol Inc.	Spot	50,000
Tennessee Gas Pipeline	Imbalance	826
Louisville Gas and Electric	Special Contract*	305,073
		3,339,331

\*-Local Distribution Company service, with no volume purchase commitments.





**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 3**

**Witness: Mike Dotson / Robert M. Conroy**

Q-3. State whether KU engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.

A-3. KU does not engage in hedging activities for natural gas purchases.

KU does not engage in financial hedging activities for its coal purchases. KU does use physical hedging in contracting for coal. KU uses the following guidelines in utilization of coal under contract:

1 year out	95 – 100%
2 years out	90 – 100%
3 years out	40 – 90%
4 years out	30 - 70%
5 years out	20 - 50%



# KENTUCKY UTILITIES COMPANY

## Response to Information Requested in Appendix of Commission's Order Dated August 23, 2011

Case No. 2011-00247

### Question No. 4

Witness: Charles R. Schram / Mike Dotson

Q-4. For each generating station or unit for which a separate coal pile is maintained, state for the period from November 1, 2010 through April 30, 2011 the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

A-4. For November 1, 2010 to April 30, 2011

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 and the unit rating.

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWh	Capacity Factor (Net MWh)/ (period hrs x MW rating)
E. W. Brown	657,877	599,536	1,402,274	46.7%
Ghent	2,819,703	2,805,144	6,042,202	73.3%
Green River	192,328	186,451	412,566	54.9%
Tyrone	27,151	20,000	51,297	16.2%
Trimble County HS	N/A	1,152,565	N/A	N/A
Trimble County PRB	N/A	147,736	N/A	N/A
Trimble County 2	602,024	N/A	1,402,091	42.4%

Notes: 1 – Tyrone 3 was placed on Inactive Reserve on April 21, 2011.  
2 – Trimble County values reflect 100% of the unit. Trimble County 2 is owned by KU (60.75%), LG&E (14.25%), IMPA (12.88%), and IMEA (12.12%).  
3 – Trimble County 2 values reflect preliminary testing until the unit began commercial operation on January 22, 2011.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 5**

**Witness: Charles R. Schram**

Q-5. List all firm power commitments for KU from November 1, 2010 through April 30, 2011 for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

A-5. a. Firm Purchases

The firm purchases from Ohio Valley Electric Corporation (OVEC) for the review period are shown in the table below. KU purchased its participation ratio (2.5%) of the OVEC released capacity for the months in question.

<u>Utility</u>	<u>Companies' Amt (MW)</u>	<u>KU Portion (MW)</u>	<u>Purpose</u>
OVEC (Nov 2010)	~ 154	~ 47	Baseload
OVEC (Dec 2010)	~ 161	~ 50	Baseload
OVEC (Jan 2011)	~ 162	~ 50	Baseload
OVEC (Feb 2011)	~ 147	~ 45	Baseload
OVEC (Mar 2011)	~ 139	~ 43	Baseload
OVEC (Apr 2011)	~ 135	~ 41	Baseload

b. Sales

None.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 6**

**Witness: Robert M. Conroy**

Q-6. Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2010 through April 30, 2011.

A-6. Please see the attached sheets.

Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: November 30, 2010

Company	Type of Transaction	KWH	Demand(\$)	Billing Components		Total Charges(\$)
				Fuel Charges(\$)	Other Charges(\$)	
Sales						
LOUISVILLE GAS & ELECTRIC	LGE	36,980,000		\$ 1,096,666.60	\$ 33,873.72	\$ 1,130,540.32
SUBTOTAL		36,980,000	\$ -	\$ 1,096,666.60	\$ 33,873.72	\$ 1,130,540.32
TOTAL		36,980,000	\$ -	\$ 1,096,666.60	\$ 33,873.72	\$ 1,130,540.32

Note:

In May 2010, Trimble County Unit #2 began producing test power. In November 2010 there were 1,900 MW's and \$78,322.39 of test power assigned to Kentucky Utilities off-system sales that were credited to the project and are excluded from this report.



Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: December 31, 2010

Company

Type of Transaction	KWH	Demand(\$)	Billing Components			Total Charges(\$)
			Fuel Charges(\$)	Other Charges(\$)		
Economy	30,373,000	\$ -	\$ 958,111.64	\$ 25,911.15	\$ 984,022.79	
	30,373,000	\$ -	\$ 958,111.64	\$ 25,911.15	\$ 984,022.79	
	30,373,000	\$ -	\$ 958,111.64	\$ 25,911.15	\$ 984,022.79	

Sales  
LOUISVILLE GAS & ELECTRIC  
SUBTOTAL

LOSSES ACROSS OTHER SYSTEMS (NOT BILLED)  
TOTAL

Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: January 31, 2011

Company	Type of Transaction	KWH	Demand(\$)	Billing Components			Total Charges(\$)
				Fuel Charges(\$)	Other Charges(\$)		
<u>Sales</u>							
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	6,000		\$ 184.94	\$ 87.69	\$	\$ 272.63
PJM	Economy	222,000		\$ 7,380.39	\$ 3,433.35	\$	\$ 10,813.74
PJM INTERCONNECTION ASSOCIATION	Economy	12,000		\$ 384.41	\$ 182.26	\$	\$ 566.67
AMERICAN ELECTRIC POWER SERVICE CORP.	Economy	1,000		\$ 40.25	\$ 19.08	\$	\$ 59.33
BNP PARIBAS ENERGY TRADING GP	Economy	13,000		\$ 447.50	\$ 212.17	\$	\$ 659.67
CARGILL- ALLIANT, LLC	Economy	1,000		\$ 27.13	\$ 12.86	\$	\$ 39.99
CONSTELLATION ENERGY COMDS. GRP, INC.	Economy	4,000		\$ 164.15	\$ 77.83	\$	\$ 241.98
EDF TRADING	Economy	2,000		\$ 65.82	\$ 31.21	\$	\$ 97.03
EAST KENTUCKY POWER COOPERATIVE	Economy	2,000		\$ 82.32	\$ 39.03	\$	\$ 121.35
ENDURE ENERGY	Economy	1,000		\$ 46.41	\$ 22.00	\$	\$ 68.41
ILLINOIS MUNICIPAL ELECTRIC AGENCY	Economy	1,000		\$ 49.91	\$ 23.67	\$	\$ 73.58
INDIANA MUNICIPAL POWER AGENCY	Economy	2,000		\$ 71.83	\$ 34.06	\$	\$ 105.89
ENERGY IMBALANCE	Economy	2,000		\$ 71.85	\$ 34.06	\$	\$ 105.91
MERRILL LYNCH COMMODITIES INC.	Economy	8,000		\$ 422.87	\$ 200.50	\$	\$ 623.37
PROGRESS ENERGIES CAROLINAS INC.	Economy	1,000		\$ 30.74	\$ 14.58	\$	\$ 45.32
RAINBOW ENERGY MARKETING CORP	Economy	37,000		\$ 1,353.33	\$ 641.64	\$	\$ 1,994.97
THE ENERGY AUTHORITY	Economy	10,000		\$ 305.53	\$ 144.86	\$	\$ 450.39
TENNESSEE VALLEY AUTHORITY	Economy	1,000		\$ 32.63	\$ 15.46	\$	\$ 48.09
WESTAR ENERGY, INC.	Economy	103,075,000		\$ 3,163,571.59	\$ 112,595.90	\$	\$ 3,276,167.49
LOUISVILLE GAS & ELECTRIC	Economy	103,401,000		\$ 3,174,733.60	\$ 117,822.21	\$	\$ 3,292,555.81
SUBTOTAL		103,401,000	\$ -	\$ 3,174,733.60	\$ 117,822.21	\$	\$ 3,292,555.81
TOTAL		103,401,000	\$ -	\$ 3,174,733.60	\$ 117,822.21	\$	\$ 3,292,555.81

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.

Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: February 28, 2011

Company	Type of Transaction	KWH	Demand(\$)	Billing Components			Total Charges(\$)
				Fuel Charges(\$)	Other Charges(\$)		
Sales							
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	825,000		\$ 31,270.42	\$ 13,798.08	\$ 45,068.50	
PJM INTERCONNECTION ASSOCIATION	PJM	7,071,000		\$ 191,738.20	\$ 84,604.47	\$ 276,342.67	
ASSOCIATED ELECT COOPERATIVE	AECI	18,000		\$ 544.01	\$ 245.25	\$ 789.26	
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	256,000		\$ 6,667.74	\$ 2,942.14	\$ 9,609.88	
BNP PARIBAS ENERGY TRADING GP	BNPPARIBAS	12,000		\$ 337.62	\$ 152.21	\$ 489.83	
CARGILL- ALLIANT, LLC	CARG	412,000		\$ 11,194.73	\$ 4,939.67	\$ 16,134.40	
CONSTELLATION ENERGY COMDS. GRP. INC.	CONS	1,000		\$ 31.04	\$ 14.00	\$ 45.04	
EDF TRADING	EDF	33,000		\$ 908.76	\$ 409.69	\$ 1,318.45	
EAST KENTUCKY POWER COOPERATIVE	EKPC	23,000		\$ 518.04	\$ 233.54	\$ 751.58	
ENDURE ENERGY	ENDU	57,000		\$ 1,596.79	\$ 719.86	\$ 2,316.65	
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	29,000		\$ 1,794.47	\$ 808.98	\$ 2,603.45	
INDIANA MUNICIPAL POWER AGENCY	IMPA	64,000		\$ 3,159.63	\$ 1,424.42	\$ 4,584.05	
ENERGY IMBALANCE	IMBL	28,000		\$ 938.41	\$ 423.06	\$ 1,361.47	
MERRILL LYNCH COMMODITIES INC.	MLCM	33,000		\$ 1,039.10	\$ 468.45	\$ 1,507.55	
THE ENERGY AUTHORITY	TEA	216,000		\$ 5,717.56	\$ 2,522.87	\$ 8,240.43	
TENASKA POWER SERVICES CO.	TPS	118,000		\$ 3,455.48	\$ 1,524.73	\$ 4,980.21	
TENNESSEE VALLEY AUTHORITY	TVA	771,000		\$ 21,093.45	\$ 9,307.49	\$ 30,400.94	
AMEREN ENERGY, INC.	AMRN	24,000		\$ 626.40	\$ 282.40	\$ 908.80	
WESTAR ENERGY, INC.	WSTR	12,000		\$ 320.94	\$ 144.67	\$ 465.61	
LOUISVILLE GAS & ELECTRIC	LGE	117,563,000		\$ 3,331,613.06	\$ 160,226.17	\$ 3,491,839.23	
SUBTOTAL		127,566,000	\$ -	\$ 3,614,565.85	\$ 285,192.15	\$ 3,899,758.00	
TOTAL		127,566,000	\$ -	\$ 3,614,565.85	\$ 285,192.15	\$ 3,899,758.00	

Energy Imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.

Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: March 31, 2011

Company	Type of Transaction	KWH	Demand(\$)	Billing Components			Total Charges(\$)
				Fuel Charges(\$)	Other Charges(\$)		
Sales							
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	MISO	227,000		\$ 7,097.67	\$ 2,103.93	\$	\$ 9,201.60
PJM INTERCONNECTION ASSOCIATION	PJM	1,299,000		\$ 36,097.90	\$ 10,700.48	\$	\$ 46,798.38
ASSOCIATED ELECT COOPERATIVE	AECI	9,000		\$ 235.52	\$ 71.51	\$	\$ 307.03
AMERICAN ELECTRIC POWER SERVICE CORP.	AEP	32,000		\$ 942.06	\$ 286.05	\$	\$ 1,228.11
BNP PARIBAS ENERGY TRADING GP	BNPPARIBAS	1,000		\$ 30.60	\$ 9.29	\$	\$ 39.89
CARGILL- ALLIANT, LLC	CARG	102,000		\$ 2,984.84	\$ 906.31	\$	\$ 3,891.15
ENDURE ENERGY	ENDU	4,000		\$ 128.23	\$ 38.93	\$	\$ 167.16
ILLINOIS MUNICIPAL ELECTRIC AGENCY	IMEA	22,000		\$ 1,354.87	\$ 853.48	\$	\$ 2,208.35
INDIANA MUNICIPAL POWER AGENCY	IMPA	29,000		\$ 1,773.86	\$ 1,107.00	\$	\$ 2,880.86
ENERGY IMBALANCE	IMBL	6,000		\$ 199.30	\$ 60.52	\$	\$ 259.82
MERRILL LYNCH COMMODITIES INC.	MLCM	1,000		\$ 32.72	\$ 9.94	\$	\$ 42.66
THE ENERGY AUTHORITY	TEA	53,000		\$ 1,454.40	\$ 441.61	\$	\$ 1,896.01
TENASKA POWER SERVICES CO.	TPS	8,000		\$ 253.66	\$ 77.02	\$	\$ 330.68
TENNESSEE VALLEY AUTHORITY	TVA	155,000		\$ 4,506.35	\$ 1,335.82	\$	\$ 5,842.17
AMEREN ENERGY, INC.	AMRN	23,000		\$ 689.53	\$ 209.37	\$	\$ 898.90
LOUISVILLE GAS & ELECTRIC	LGE	100,968,000		\$ 2,802,312.19	\$ 107,998.28	\$	\$ 2,910,310.47
SUBTOTAL		102,939,000	\$ -	\$ 2,860,093.70	\$ 126,209.54	\$	\$ 2,986,303.24
TOTAL		102,939,000	\$ -	\$ 2,860,093.70	\$ 126,209.54	\$	\$ 2,986,303.24

Energy imbalance is used to supply energy for mismatch between scheduled delivery and actual loads that have occurred over an hour.

Kentucky Utilities Company

POWER TRANSACTION SCHEDULE

Month Ended: April 30, 2011

Sales Company	Type of Transaction	KWH	Demand(\$)	Billing Components			Total Charges(\$)
				Fuel Charges(\$)	Other Charges(\$)		
PJM	Economy	7,000	\$ -	\$ 298.43	\$ 33.08	\$ 331.51	
IMEA	Economy	2,000	\$ -	\$ 58.62	\$ 141.38	\$ 200.00	
IMPA	Economy	3,000	\$ -	\$ 87.93	\$ 212.07	\$ 300.00	
INDIANA MUNICIPAL POWER AGENCY	Economy	1,000	\$ -	\$ 39.87	\$ 11.45	\$ 51.32	
THE ENERGY AUTHORITY	Economy	1,000	\$ -	\$ 40.34	\$ 11.58	\$ 51.92	
TENNESSEE VALLEY AUTHORITY	Economy	32,742,000	\$ -	\$ 910,858.45	\$ 38,311.40	\$ 949,169.85	
LOUISVILLE GAS & ELECTRIC		32,756,000	\$ -	\$ 911,383.64	\$ 38,720.96	\$ 950,104.60	
SUBTOTAL		32,756,000	\$ -	\$ 911,383.64	\$ 38,720.96	\$ 950,104.60	
TOTAL		32,756,000	\$ -	\$ 911,383.64	\$ 38,720.96	\$ 950,104.60	



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 7**

**Witness: David L. Tummonds**

Q-7. List KU's scheduled, actual, and forced outages between November 1, 2010 and April 30, 2011.

A-7. Please see the attached sheets.

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown Unit 1 - Coal - 101 MW  
 In-service May 1957  
 November 2010 through April 2011

MONTH	MAINTENANCE		Actual		HOURS OF DURATION			REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	FROM	TO	Scheduled	Forced	Actual	
Nov	S	11/21/2010 15:00	→	→	11/20/2010 6:45	495:00	462:45	Boiler inspection.
	F		11/20/2010 6:45	11/22/2010 4:12			45:27	Turbine main stop valve.
	F		11/22/2010 4:12	11/22/2010 16:41			12:29	Generator main leads.
	S	11/25/2010 18:51	11/25/2010 18:51	11/26/2010 23:00	28:09		28:09	Turbine governor valve.
	F		11/26/2010 23:00	11/27/2010 12:13			13:13	Turbine throttle valves.
Dec	F		12/10/2010 22:57	12/11/2010 13:07			14:10	Generator lockout trip.
Jan								
Feb								
Mar								
Apr	S	4/2/2011 0:00	4/2/2011 1:02	4/19/2011 22:05	375:00		429:03	Minor boiler overhaul.
	F		4/20/2011 2:41	4/20/2011 21:39			18:58	Turning gear housing seals.



Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown Unit 2 - Coal - 167 MW  
 In-service June 1963  
 November 2010 through April 2011

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Actual TO	Scheduled	Actual	
Nov	S 11/27/2010 0:00	→ 12/19/2010 15:00	→ 11/26/2010 14:30	→ 12/19/2010 17:24	105:30 Minor boiler overhaul.
Dec	S	→	447:00	449:24	" " "
Jan	No Outages > or = 6 Hours				
Feb	F		28:10		Circulating water header.
Mar	No Outages > or = 6 Hours				
Apr	F		35:54		Second superheater leak.

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown Unit 3 - Coal - 429 MW  
 In-service July 1971  
 November 2010 through April 2011

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO	Forced	Actual	
Nov	No Outages > or = 6 Hours						
Dec	No Outages > or = 6 Hours						
Jan	No Outages > or = 6 Hours						
Feb	S	2/28/2011 22:17	→	2/28/2011 22:17	→	1:43	1:43 Heater extraction stop valve.
Mar	S	→	3/3/2011 2:58	→	3/3/2011 2:58	50:58	" " " "
	F		3/28/2011 13:31	→	3/28/2011 21:33	8:02	Flue gas expansion joint.
	F		3/29/2011 0:20	→	3/29/2011 9:07	8:47	Flue gas expansion joint.
Apr	S	4/2/2011 0:00	→	4/24/2011 15:00	→	525:51	543:00 Minor boiler overhaul.

Schedule vs. Actual

Kentucky Utilities Company  
 Ghent Unit 1 - Coal - 475 MW  
 in-service February 1974  
 November 2010 through April 2011

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	
Nov	No Outages > or = 6 Hours						
Dec			12/16/2010 18:23	12/17/2010 0:57	6:34		Pulverizer coal mill.
Jan			1/14/2011 23:19	1/15/2011 23:08	23:49		First reheater leak.
Feb			2/5/2011 11:17	2/7/2011 6:47	43:30		Conductors and buses - bushing failure.
Mar			2/26/2011 0:00	→	72:00	70:38	Boiler inspection.
Apr			3/13/2011 15:00	→	303:00	255:25	" "
No Outages > or = 6 Hours							

Schedule vs. Actual

Kentucky Utilities Company  
 Ghent Unit 2 - Coal - 484 MW  
 In-service April 1977  
 November 2010 through April 2011

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled	Actual	FROM	TO	Scheduled	Actual	
	FROM	FROM	FROM	TO	Forced	Actual	
Nov	No Outages > or = 6 Hours						
Dec	F		12/2/2010 20:07	12/3/2010 22:47	26:40		Economizer tube leak.
	F		12/9/2010 10:49	12/10/2010 23:21	36:32		First reheater leak.
Jan	S	1/29/2011 1:42	1/29/2011 21:26	1/29/2011 21:26	19:44	19:44	Boiler tube waterwall leak.
Feb	F		2/24/2011 12:10	2/25/2011 10:38	22:28		First superheater leak.
Mar	No Outages > or = 6 Hours						
Apr	F		4/16/2011 0:29	4/16/2011 23:00	22:31		Boiler tube waterwall leak.

Schedule vs. Actual

Kentucky Utilities Company  
 Ghent Unit 3 - Coal - 480 MW  
 In-service May 1981  
 November 2010 through April 2011

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	TO	FROM	TO	Scheduled	Forced Actual	
Nov	F		11/3/2010 18:38	11/4/2010 9:41		15:03	Economizer tube leak.
	S	12/11/2010 0:00	11/20/2010 0:18	11/24/2010 20:49	207:00	116:31	Boiler inspection.
Dec	F		12/28/2010 21:30	12/30/2010 19:30		46:00	Cooling tower return line leak.
	S	12/30/2010 19:30	12/30/2010 19:30	12/31/2010 22:22	26:52	26:52	Circulating water piping.
Jan	F		1/5/2011 11:07	1/8/2011 4:54		65:47	Cooling tower distribution line leak.
Feb		No Outages > or = 6 Hours					
Mar	S	3/12/2011 0:00	3/12/2011 0:18		480:00	479:42	Major turbine overhaul.
Apr	S				720:00	720:00	" " " "

Kentucky Utilities Company  
 Ghent Unit 4 - Coal - 479 MW  
 In-service August 1984  
 November 2010 through April 2011

Schedule vs. Actual

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Scheduled	Actual	
Nov	→	→	720:00	509:43	Induced draft fan replacement and boiler chemical clean.
Dec	→	12/12/2010 15:00	279:00	0:00	" " " " " " " "
Jan	→	→	6:55	6:55	Induced draft fan oil pumps.
Feb	→	→	6:40	6:40	Induced draft fan controls.
Mar	2/5/2011 0:02	2/6/2011 13:25	28:42	37:23	Electrohydraulic pumps.
Apr	→	→	67:29	67:29	Turbine hydraulic system leaks. Boiler tube waterwall leak.

Schedule vs. Actual

Kentucky Utilities Company  
 Green River Unit 3 - Coal - 68 MW  
 In-service April 1954  
 November 2010 through April 2011

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	TO	FROM	TO	Scheduled	Actual	
Nov	F		11/2/2010 0:27	11/5/2010 3:16		74:49	Generator main leads.
	F		11/5/2010 7:49	11/30/2010 2:08		594:19	Main lead to GSU.
	F		11/30/2010 6:01	11/30/2010 18:43		12:42	Generator terminal connections.
	F		11/30/2010 20:21	→		3:39	Exciter controls.
	F		→	12/1/2010 2:38		2:38	" "
Dec	F		12/1/2010 5:14	12/2/2010 5:12		23:58	Generator bushing.
	F		12/12/2010 5:53	12/14/2010 2:12		44:19	Second superheater leak.
Jan			No Outages > or = 6 Hours				
Feb			No Outages > or = 6 Hours				
Mar	F		3/11/2011 22:46	3/13/2011 6:09		31:23	Condenser tube leak.
	F		3/14/2011 15:35	3/16/2011 22:02		54:27	Condenser tube leak.
Apr			No Outages > or = 6 Hours				

Schedule vs. Actual

Kentucky Utilities Company  
 Green River Unit 4 - Coal - 95 MW  
 In-service July 1959  
 November 2010 through April 2011

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	
Nov	F	11/11/2010 13:30	11/12/2010 19:20	11/11/2010 13:30	11/12/2010 19:20	29:50	Second superheater leak.
	F	11/12/2010 19:20	11/13/2010 2:37	11/12/2010 19:20	11/13/2010 2:37	7:17	Throttle valve line leak.
	F	11/17/2010 9:39	11/18/2010 9:29	11/17/2010 9:39	11/18/2010 9:29	23:50	High pressure steam leak.
	S	11/26/2010 22:13	11/27/2010 11:20	11/26/2010 22:13	11/27/2010 11:20	13:07	Main steam header leak.
Dec	F	12/14/2010 5:17	12/15/2010 12:29	12/14/2010 5:17	12/15/2010 12:29	31:12	Second superheater leak.
Jan	F	1/6/2011 9:08	1/11/2011 11:07	1/6/2011 9:08	1/11/2011 11:07	121:59	Boiler tube waterwall leak.
	F	1/11/2011 13:59	1/12/2011 20:03	1/11/2011 13:59	1/12/2011 20:03	30:04	Boiler tube waterwall leak.
	S	1/15/2011 13:13	1/16/2011 7:44	1/15/2011 13:13	1/16/2011 7:44	18:31	Condenser tube leak.
Feb	F	2/21/2011 20:20	2/22/2011 20:44	2/21/2011 20:20	2/22/2011 20:44	24:24	Boiler tube waterwall leak.
Mar	S	3/4/2011 12:18	3/6/2011 5:40	3/4/2011 12:18	3/6/2011 5:40	41:22	Boiler tube waterwall leak.
	S	3/18/2011 21:47	3/19/2011 17:46	3/18/2011 21:47	3/19/2011 17:46	19:59	Second superheater leak.
Apr	F	4/1/2011 21:15	4/2/2011 14:00	4/1/2011 21:15	4/2/2011 14:00	16:45	Second superheater leak.
	F	4/2/2011 14:00	4/2/2011 20:34	4/2/2011 14:00	4/2/2011 20:34	6:34	Main steam stop valve leak.
	S	4/23/2011 0:00	4/22/2011 18:43	4/22/2011 18:43	192:00	197:17	Minor turbine overhaul.



Schedule vs. Actual

Kentucky Utilities Company  
 Tyrone Unit 3 - Coal - 71 MW  
 In-service July 1953  
 November 2010 through April 2011

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Actual TO	Scheduled FROM	Actual TO	
Nov	No Outages > or = 6 Hours				
Dec	No Outages > or = 6 Hours				
Jan	No Outages > or = 6 Hours				
Feb	S	2/12/2011 17:30	2/14/2011 21:30	2/14/2011 21:30	52:00 Electrostatic precipitator.
Mar	No Outages > or = 6 Hours				
Apr	No Outages > or = 6 Hours				

\*TY3 on Inactive Reserve beginning 4/21/2011 8:00

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 5 - Gas CT - 117 MW  
 In-service June 2001  
 November 2010 through April 2011

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	FROM	TO	Scheduled	Actual	
Nov			11/29/2010 17:20	11/30/2010 11:03		17:43	Power supply in fire panel.
Dec	No Outages > or = 6 Hours						
Jan	No Outages > or = 6 Hours						
Feb	No Outages > or = 6 Hours						
Mar			3/3/2011 6:00	3/12/2011 11:31		221:31	Gas pipeline maintenance.
Apr	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 6 - Gas CT - 154 MW  
 In-service August 1999  
 November 2010 through April 2011

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	
Nov	No Outages > or = 6 Hours						
Dec	No Outages > or = 6 Hours						
Jan	S	1/11/2011 7:00	1/11/2011 14:20	1/11/2011 7:00	1/11/2011 14:20	7:20	Ignition system.
Feb	No Outages > or = 6 Hours						
Mar	S	3/15/2011 5:30	3/15/2011 19:47	3/15/2011 5:30	3/15/2011 19:47	14:17	Fuel oil meter.
Apr	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 7 - Gas CT - 154 MW  
 In-service August 1999  
 November 2010 through April 2011

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	
Nov	No Outages > or = 6 Hours						
Dec	F	12/8/2010 6:03	12/8/2010 15:18		9:15	Turbine inspection.	
	F	12/8/2010 15:26	12/10/2010 16:31		49:05	Turbine inspection.	
	F	12/17/2010 8:30	12/17/2010 19:49		11:19	Rotor barring motor.	
	S	12/28/2010 6:30	12/29/2010 6:00		23:30	Rotor barring motor.	
Jan	S	1/17/2011 6:50	1/17/2011 6:50	1/18/2011 6:10	23:20	Lube oil system.	
	S	1/18/2011 7:05	1/18/2011 14:28	1/18/2011 14:28	7:23	Instrument calibration.	
	S	1/19/2011 7:30	1/19/2011 14:27	1/19/2011 14:27	6:57	Instrument calibration.	
Feb	F		2/15/2011 0:31	2/15/2011 9:15	8:44	Lube oil pump.	
Mar	S	3/15/2011 17:02	3/15/2011 17:02	3/16/2011 9:09	16:07	Fuel oil meter.	
Apr	S	4/6/2011 6:30	4/6/2011 13:25	4/6/2011 13:25	6:55	Voltage regulator.	

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 8 - Gas CT - 106 MW  
 In-service February 1995  
 November 2010 through April 2011

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	
Nov	No Outages > or = 6 Hours						
Dec	No Outages > or = 6 Hours						
Jan	S	1/24/2011 7:14	1/24/2011 7:14	1/26/2011 13:30	54:16	54:16	Boroscope inspection.
Feb	S	2/15/2011 9:16	2/15/2011 9:16	2/18/2011 13:52	76:36	76:36	Starting system switch.
Mar	No Outages > or = 6 Hours						
Apr	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 9 - Gas C.T. - 106 MW  
 In-service January 1995  
 November 2010 through April 2011

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Scheduled	Actual	
Nov	No Outages > or = 6 Hours				
Dec	No Outages > or = 6 Hours				
Jan	No Outages > or = 6 Hours				
Feb	S	2/15/2011 9:16	2/18/2011 13:52	2/15/2011 9:16	76:36 Starting system switch.
Mar	No Outages > or = 6 Hours				
Apr	No Outages > or = 6 Hours				

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 10 - Gas CT - 106 MW  
 In-service December 1995  
 November 2010 through April 2011

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		
Nov	S	11/29/2010 9:20	→	11/29/2010 9:20	→	38:40	38:40	Starting system switch.
Dec	S	→	12/2/2010 20:00	→	12/2/2010 20:00	44:00	44:00	" " "
Jan		No Outages > or = 6 Hours						
Feb	S	2/4/2011 7:00	→	2/4/2011 13:15	→	6:15	6:15	Starting system brush.
Mar		No Outages > or = 6 Hours						
Apr		No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company  
 E. W. Brown 11 - Gas CT - 106 MW  
 In-service May 1996  
 November 2010 through April 2011

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	TO	FROM	TO	Scheduled	Actual	
Nov	S	11/22/2010 16:26	→	11/22/2010 16:26	520:26	520:26	Stack repairs.
	S	11/29/2010 9:20	→	11/29/2010 9:20	38:40	38:40	Starting system switch.
Dec	S	12/2/2010 18:30	→	12/2/2010 18:30	42:30	42:30	" " "
Jan							
Feb							
Mar							
Apr							



Schedule vs. Actual

Kentucky Utilities Company  
 Haefling 1 - Gas CT - 12 MW  
 In-service October 1970  
 November 2010 through April 2011

MONTH	SCHEDULED		ACTUAL		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	FROM	TO	FROM	TO	Scheduled	Actual
Nov	No Outages > or = 6 Hours					
Dec	No Outages > or = 6 Hours					
Jan	No Outages > or = 6 Hours					
Feb	No Outages > or = 6 Hours					
Mar	No Outages > or = 6 Hours					
Apr	No Outages > or = 6 Hours					

Schedule vs. Actual

Kentucky Utilities Company  
 Haefling 2 - Gas CT - 12 MW  
 In-service October 1970  
 November 2010 through April 2011

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	

Nov	No Outages > or = 6 Hours						
Dec	S	12/6/2010 9:00	12/10/2010 14:36	12/6/2010 9:00	12/10/2010 14:36	101:36	101:36 Generator output breaker.
Jan	No Outages > or = 6 Hours						
Feb	No Outages > or = 6 Hours						
Mar	No Outages > or = 6 Hours						
Apr	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company  
 Haefling 3 - Gas CT - 12 MW  
 In-service October 1970  
 November 2010 through April 2011

MONTH	SCHEDULED		ACTUAL		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	FROM	TO	FROM	TO	Scheduled	Actual
Nov	No Outages > or = 6 Hours					
Dec	No Outages > or = 6 Hours					
Jan	No Outages > or = 6 Hours					
Feb	No Outages > or = 6 Hours					
Mar	No Outages > or = 6 Hours					
Apr	No Outages > or = 6 Hours					



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 8**

**Witness: Mike Dotson**

Q-8. List all existing fuel contracts categorized as long-term (i.e., one year or more in length). Provide the following information for each contract:

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

A-8. Please see the attached sheets.

A. NAME/ADDRESS:	Alliance Coal, LLC / J09002 1717 South Boulder Av., Suite 400 Tulsa, Oklahoma 74119-4886	
B. PRODUCTION FACILITY:		
OPERATOR	River View Coal, LLC	
MINE	River View Mine	
LOCATION	Union County, Kentucky	
C. CONTRACT EXECUTED DATE:	November 10, 2008	
D. CONTRACT DURATION:	November 3, 2008 – December 31, 2015	
E. CONTRACT AMENDMENTS:	Amendment No. 1, effective May 1, 2010 amending Barge Delivery and adding Barge Shifting Fee.	
F. ANNUAL TONNAGE REQUIREMENTS:	2010 969,072 tons (includes FM of 30,928 tons) 2011 2,000,000 tons 2012 2,000,000 tons 2013 2,000,000 tons 2014 2,000,000 tons 2015 2,000,000 tons	
G. ACTUAL TONNAGE RECEIVED:	<u>LG&amp;E</u>	<u>KU</u>
	2010 525,414 tons	443,658 tons
	2011 378,015 tons	217,313 tons
	(through 4/30/11)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2010 100% 2011 20% (through 4/30/11)	
I. BASE PRICE (FOB Barge):	April 1, 2008	\$41.00 per ton
J. ESCALATIONS TO DATE:	\$6.18 per ton	
K. CURRENT CONTRACT PRICE:	\$47.18 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
2011	Reopener – contract not extended

G. ACTUAL TONNAGE RECEIVED:

2007	285,132 tons
2008	366,381 tons
2009	465,821 tons
2010	283,714 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2007	88%
2008	113%
2009	93%
2010	113%

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: \$72.00 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, 2016

E. CONTRACT AMENDMENTS: Amendment No. 1, effective July 1, 2008  
amending base quantity and modifying  
diesel fuel adjustment to include explosives.  
Amendment No. 2, effective December 22,  
2009 amending term, base quantity, price  
and environmental force majeure.

F. ANNUAL TONNAGE REQUIREMENTS:

2008	600,000 tons
2009	2,200,000 tons
2010	1,800,000 tons
2011 through 2015	- 2,100,000 tons per year
2016	900,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&amp;E</u>	<u>KU</u>
2008	511,414 tons	82,623 tons
2009	1,530,482 tons	632,077 tons
2010	1,180,206 tons	657,930 tons
2011	370,029 tons	365,268 tons

(through 4/30/11)

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	99%
2009	98%
2010	102%
2011	35% (through 4/30/11)

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	Quality 1 - \$28.18 per ton Quality 2 - N/A
2011	Quality 1 - \$28.19 per ton Quality 2 - \$29.61 per ton
2012	Quality 1 - \$28.35 per ton Quality 2 - \$29.77 per ton
2013	Quality 1 - \$28.35 per ton Quality 2 - \$29.77 per ton
2014	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2015	Quality 1 - \$28.50 per ton Quality 2 - \$29.92 per ton
2016	Quality 1 - \$30.25 per ton Quality 2 - \$31.67 per ton

J. ESCALATIONS TO DATE: \$0.00 per ton

K. CURRENT CONTRACT PRICE: Quality 1 - \$28.19 per ton

A. NAME/ADDRESS:	Armstrong Coal Company, Inc / J10009 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 22, 2009	
D. CONTRACT DURATION:	January 1, 2011 - December 31, 2016	
E. CONTRACT AMENDMENTS:	None	
F. ANNUAL TONNAGE REQUIREMENTS:	2011 1,250,000 tons 2012 1,250,000 tons 2013 1,250,000 tons 2014 750,000 tons 2015 750,000 tons 2016 750,000 tons	
G. ACTUAL TONNAGE: RECEIVED:	<u>LG&amp;E</u> 2011 171,166 tons (through 4/30/11)	<u>KU</u> 194,684 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2011 29% (through 4/30/11)	
I. BASE PRICE (FOB Barge)	2011 \$42.00 per ton 2012 \$43.50 per ton 2013 \$45.00 per ton	
J. ESCALATIONS TO DATE:	\$1.68 per ton	
K. CURRENT CONTRACT PRICE:	\$43.68 per ton	

A. NAME/ADDRESS:	Armstrong Coal Company, Inc / K11002 407 Brown Road Madisonville, Kentucky 42431
B. PRODUCTION FACILITY: OPERATOR MINES LOCATION	Armstrong Coal Company, Inc Various Muhlenberg County and Ohio County, Kentucky
C. CONTRACT EXECUTED DATE:	July 27, 2010
D. CONTRACT DURATION:	January 1, 2011 - December 31, 2013
E. CONTRACT AMENDMENTS:	None
F. ANNUAL TONNAGE REQUIREMENTS:	2011 150,000 tons 2012 200,000 tons 2013 200,000 tons
G. ACTUAL TONNAGE: RECEIVED:	<u>KU</u> 2011 59,742 tons (through 4/30/11)
H. PERCENT OF ANNUAL REQUIREMENTS:	2011 40% (through 4/30/11)
I. BASE PRICE (FOB Plant)	2011 \$56.00 per ton 2012 \$57.00 per ton 2013 \$59.25 per ton
J. ESCALATIONS TO DATE:	\$0.55 per ton
K. CURRENT CONTRACT PRICE:	\$56.55 per ton

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, 2011

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.  
Amendment No. 6 effective January 1, 2009 amending term, tonnage and price

F. ANNUAL TONNAGE REQUIREMENTS:

2006	937,500 tons
2007	2,000,000 tons
2008	1,400,000 tons
2009	1,000,000 tons
2010	1,000,000 tons
2011	1,000,000 tons

G. ACTUAL TONNAGE RECEIVED (through 4/30/11):

	<u>KU</u>	<u>LGE</u>
2006	0 tons	957,654 tons
2007	225,229 tons	1,770,880 tons
2008	181,615 tons	1,142,551 tons
2009	3,106 tons	991,558 tons
2010	0 tons	962,437 tons
2011	131,137 tons	282,973 tons

H. PERCENT OF ANNUAL REQUIREMENTS:	2006	102%
	2007	100%
	2008	96%
	2009	99%
	2010	96%
	2011	41% (through 4/30/11)
I. BASE PRICE (FOB Barge):	2006	\$29.95 per ton – Quality A Barge \$30.36 per ton – 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	\$30.41 – Rail (first 750,000 tons) \$36.25 – Rail (next 250,000 tons)
	2010	\$37.25 per ton
	2011	\$39.25 per ton
J. ESCALATIONS TO DATE:		\$1.16 per ton
K. CURRENT CONTRACT PRICE:		\$40.41 per ton

A. NAME/ADDRESS:	Consol Energy / J10008 1800 Washington Road Pittsburgh, PA 15241												
B. PRODUCTION FACILITY: OPERATOR: MINES: LOCATION:	Consolidation Coal Company Shoemaker Marshall County, WV												
C. CONTRACT EXECUTED DATE:	January 7, 2010												
D. CONTRACT DURATION:	June 1, 2010 - December 31, 2014												
E. CONTRACT AMENDMENTS:	None												
F. ANNUAL TONNAGE REQUIREMENTS	2010 250,000 tons 2011 1,210,478 tons (includes FM of 39,522 tons) 2012 0 tons 2013 500,000 tons 2014 1,000,000 tons												
G. ACTUAL TONNAGE: RECEIVED:	<table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: center;"><u>KU</u></td> <td style="text-align: center;"><u>LGE</u></td> </tr> <tr> <td>2010</td> <td>142,822 tons</td> <td>205,534 tons</td> </tr> <tr> <td>2011</td> <td>355,215 tons</td> <td>44,735 tons</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">(through 4/30/11)</td> </tr> </table>		<u>KU</u>	<u>LGE</u>	2010	142,822 tons	205,534 tons	2011	355,215 tons	44,735 tons		(through 4/30/11)	
	<u>KU</u>	<u>LGE</u>											
2010	142,822 tons	205,534 tons											
2011	355,215 tons	44,735 tons											
	(through 4/30/11)												
H. PERCENT OF ANNUAL REQUIREMENTS:	2010 139% 2011 33% (through 4/30/11)												
I. BASE PRICE: (FOB Barge)	2010 \$52.50 per ton 2011 \$54.50 per ton 2012 Reopener – no agreement for 2012 2013 Reopener 2014 Reopener												
J. ESCALATIONS TO DATE:	None												
K. CURRENT CONTRACT PRICE:	\$54.50 per ton												

A. NAME/ADDRESS:	Hopkins County Coal LLC / K08027 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:	November 3, 2008
D. CONTRACT DURATION:	November 3, 2008 – December 31, 2010
E. CONTRACT AMENDMENTS:	None
F. ANNUAL TONNAGE REQUIREMENTS:	2009 200,000 tons 2010 200,000 tons
G. ACTUAL TONNAGE RECEIVED:	2009 208,708 tons 2010 192,010 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2009 104% 2010 96%
I. BASE PRICE (FOB Plant):	2009 \$50.59 per ton 2010 \$53.12 per ton
J. ESCALATIONS TO DATE:	\$0.00 per ton
K. CURRENT CONTRACT PRICE:	\$53.12 per ton



- A. NAME/ADDRESS: Nally and Hamilton Enterprises, Inc./  
K08018  
109 South 4<sup>th</sup> 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                     |
| 2011            | Reopener – contract not extended |
- 
- |              |                                 |
|--------------|---------------------------------|
| <u>Ghent</u> |                                 |
| 2008         | 60,000 tons                     |
| 2009         | 120,000 tons                    |
| 2010         | 120,000 tons                    |
| 2011         | Reopener- contract not extended |
- G. ACTUAL TONNAGE RECEIVED:
- |                 |              |
|-----------------|--------------|
| <u>EW Brown</u> |              |
| 2008            | 100,368 tons |
| 2009            | 175,943 tons |
| 2010            | 172,715 tons |
- 
- |              |              |
|--------------|--------------|
| <u>Ghent</u> |              |
| 2008         | 47,666 tons  |
| 2009         | 101,786 tons |
| 2010         | 141,187 tons |

H. PERCENT OF ANNUAL  
REQUIREMENTS:

EW Brown  
2008 112%  
2009 98%  
2010 96%

Ghent  
2008 79%  
2009 85%  
2010 118%

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  
\$0.00 per ton

Ghent  
\$0.00 per ton

K. CURRENT CONTRACT PRICE:

EW Brown  
\$69.00 per ton

Ghent  
\$49.50 per ton

A. NAME/ADDRESS: Oxford Mining Company – Kentucky, LLC  
(contract acquired on 9/30/09 from  
Charolais Coal Sales, LLC) / J07003  
544 Chestnut Street  
Coshocton, Ohio 43812

B. PRODUCTION FACILITY:  
OPERATOR Charolais Coal No.1, LLC & Charolais Coal  
Resources, LLC  
MINE Vogue West & Rock Crusher Mines  
LOCATION Muhlenberg County, Kentucky

C. CONTRACT EXECUTED DATE: December 21, 2006

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

E. CONTRACT AMENDMENTS: Contract assigned from Phoenix Coal Corp.  
& Charolais Coal Sales, LLC effective  
October 1, 2009. Amendment No. 1,  
effective October 1, 2009, extended term to  
December 31, 2011, adjusted yearly base  
quantity. Amendment No. 2 effective April  
15, 2011, extended term to December 31,  
2012, adjusted yearly base quantity.

F. ANNUAL TONNAGE REQUIREMENTS:	2007	591,172 tons
	2008	464,372 tons
	2009	791,336 tons
	2010	642,579 tons
	2011	673,197 tons
	2012	250,000 tons

G. ACTUAL TONNAGE RECEIVED:		<u>KU</u>	<u>LGE</u>
	2007	361,950 tons	229,223 tons
	2008	384,389 tons	79,983 tons
	2009	598,474 tons	192,863 tons
	2010	367,542 tons	275,035 tons
	2011	150,602 tons (through 4/30/11)	26,824 tons

H. PERCENT OF ANNUAL REQUIREMENTS:	2007	100%
	2008	100%
	2009	100%
	2010	100%
	2011	26% (through 4/30/11)

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
	2011	\$36.10 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$36.10 per ton

A. NAME/ADDRESS: Oxford Mining Company – Kentucky, LLC  
 (contract acquired on 9/30/09 from  
 Charolais Coal Sales, LLC) / K07031  
 544 Chestnut Street  
 Coshocton, Ohio 43812

B. PRODUCTION FACILITY:  
 OPERATOR Rapid Energy, Inc., & Phoenix Coal Corp.  
 MINE Caterpillarville, Briar Hill  
 LOCATION Hopkins, Muhlenberg Counties, Kentucky

C. CONTRACT EXECUTED DATE: August 1, 2007

D. CONTRACT DURATION: August 15, 2007 – December 31, 2010

E. CONTRACT AMENDMENTS: Contract assigned from American Mining &  
 Manufacturing, LLC.  
 Amendment No. 1 effective 1/1/09,  
 extending term, adding delivery points,  
 changing quality and price.  
 Contract assigned from Phoenix Coal Corp.  
 & Charolais Coal Sales, LLC effective  
 October 1, 2009.

F. ANNUAL TONNAGE REQUIREMENTS:	2007	94,273 tons
	2008	74,708 tons
	2009	290,509 tons
	2010	290,509 tons

G. ACTUAL TONNAGE RECEIVED:	2007	94,274 tons
	2008	74,708 tons
	2009	288,514 tons
	2010	276,484 tons
	2011	17,252 tons

H. PERCENT OF ANNUAL REQUIREMENTS:	2007	100%
	2008	100%
	2009	99%
	2010	95%
	2011	carry-over

I. BASE PRICE (FOB Plant):	2007/2008	\$39.79 per ton
	2008/2009	\$40.46 per ton
	2009	\$40.67 per ton
	2009/2010	\$41.54 per ton
	2010	\$40.42 per ton
	(FOB Barge):	
	2009	\$39.24 per ton
	2009/2010	\$39.44 per ton
	2010	\$40.29 per ton
	2010	\$41.89 per ton
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE:		
FOB Barge		\$41.89 per ton

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J07037 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141	
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Patriot Coal and Ohio County Coal Patriot and Freedom Mines Henderson County, Kentucky	
C. CONTRACT EXECUTED DATE:	January 15, 2008	
D. CONTRACT DURATION:	January 1, 2008 - December 31, 2011	
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective January 1, 2010 extending term to 12/31/2011	
F. ANNUAL TONNAGE REQUIREMENTS:	2008	1,250,000 tons
	2009	1,250,000 tons
G. ACTUAL TONNAGE RECEIVED:		
		<u>LG&amp;E</u>
	2008	699,815 tons
	2009	428,872 tons
	2010	0 tons
	2011	4,807 tons
		(through 4/30/11)
		<u>KU</u>
	2008	470,649 tons
	2009	733,892 tons
	2010	89,733 tons
	2011	20,620 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2008	94%
	2009	93%
	2010	carry-over
	2011	carry-over
I. BASE PRICE (FOB Barge):	2008	\$30.00 per ton
	2009	\$31.00 per ton
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE:	\$31.00 per ton	

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J09001 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141		
B. PRODUCTION FACILITY: OPERATOR	Patriot Coal, Ohio County Coal and Highland Mining Company, LLC		
MINE LOCATION	Patriot, Freedom and HighlandMines Henderson and Union Counties, Kentucky		
C. CONTRACT EXECUTED DATE:	February 24, 2009		
D. CONTRACT DURATION:	January 1, 2009 - December 31, 2010		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2009	200,000 tons	
	2010	1,000,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>LG&amp;E</u>	<u>KU</u>
	2009	63,647 tons	136,923 tons
	2010	467,745 tons	511,292 tons
	2011	0 tons	15,946 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2009	100%	
	2010	98%	
	2011	carry-over	
I. BASE PRICE (FOB Barge):	2009	\$38.00 per ton Quality 1 \$49.00 per ton Quality 2	
	2010	\$39.00 per ton Quality 1 \$51.00 per ton Quality 2	
J. ESCALATIONS TO DATE:	\$1.277 per ton Quality 1 \$1.685 per ton Quality 2		
K. CURRENT CONTRACT PRICE:	\$40.277 per ton Quality 1 \$52.685 per ton Quality 2		



A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J10002 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141												
B. PRODUCTION FACILITY: OPERATOR	Patriot Coal, Ohio County Coal and Highland Mining Company, LLC												
MINE LOCATION	Patriot, Freedom and Highland Mines Henderson and Union Counties, Kentucky												
C. CONTRACT EXECUTED DATE:	December 3, 2009												
D. CONTRACT DURATION:	January 1, 2010 - December 31, 2011												
E. CONTRACT AMENDMENTS:	None												
F. ANNUAL TONNAGE REQUIREMENTS:	2010 100,000 tons 2011 200,000 tons												
G. ACTUAL TONNAGE RECEIVED:	<table border="0"> <tr> <td></td> <td style="text-align: center;"><u>LG&amp;E</u></td> <td style="text-align: center;"><u>KU</u></td> </tr> <tr> <td>2010</td> <td>3,186 tons</td> <td>88,988 tons</td> </tr> <tr> <td>2011</td> <td>14,408 tons</td> <td>62,046 tons</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">(through 4/30/11)</td> </tr> </table>		<u>LG&amp;E</u>	<u>KU</u>	2010	3,186 tons	88,988 tons	2011	14,408 tons	62,046 tons		(through 4/30/11)	
	<u>LG&amp;E</u>	<u>KU</u>											
2010	3,186 tons	88,988 tons											
2011	14,408 tons	62,046 tons											
	(through 4/30/11)												
H. PERCENT OF ANNUAL REQUIREMENTS:	2010 92% 2011 38% (through 4/30/11)												
I. BASE PRICE (FOB Barge):	2010 \$43.00 per ton 2011 \$43.00 per ton												
J. ESCALATIONS TO DATE:	\$3.613 per ton												
K. CURRENT CONTRACT PRICE:	\$46.613 per ton												

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J10010 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141		
B. PRODUCTION FACILITY: OPERATOR	Patriot Coal, Ohio County Coal and Highland Mining Company, LLC		
MINE	Patriot, Freedom and Highland Mines		
LOCATION	Henderson and Union Counties, Kentucky		
C. CONTRACT EXECUTED DATE:	January 20, 2010		
D. CONTRACT DURATION:	January 1, 2010 - December 31, 2011		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2010	240,000 tons	
	2011	240,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>LG&amp;E</u>	<u>KU</u>
	2010	15,969 tons	206,827 tons
	2011	12,757 tons	69,692 tons (through 4/30/11)
H. PERCENT OF ANNUAL REQUIREMENTS:	2010	93%	
	2011	34% (through 4/30/11)	
I. BASE PRICE (FOB Barge):	2010	\$41.25 per ton	
	2011	\$41.25 per ton	
J. ESCALATIONS TO DATE:	\$2.137 per ton		
K. CURRENT CONTRACT PRICE:	\$43.387 per ton		

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / K11001 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Dodge Hill Mining Company, LLC Dodge Hill Union County, Kentucky
C. CONTRACT EXECUTED DATE:	September 17, 2010
D. CONTRACT DURATION:	January 1, 2011 - December 31, 2013
E. CONTRACT AMENDMENTS:	None
F. ANNUAL TONNAGE REQUIREMENTS:	2011 220,000 tons 2012 120,000 tons
G. ACTUAL TONNAGE RECEIVED:	<u>KU</u> 2011 72,327 tons (through 4/30/11)
H. PERCENT OF ANNUAL REQUIREMENTS:	2011 33% (through 4/30/11)
I. BASE PRICE (FOB Plant):	2011 \$63.32 per ton 2012 \$63.32 per ton
J. ESCALATIONS TO DATE:	\$0.55 per ton
K. CURRENT CONTRACT PRICE:	\$63.87 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.  
Amendment No. 4 effective March 1, 2009. Adding new delivery source and quality.

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	138,477 tons
2009	119,047 tons
2010	161,821 tons
2011	61,339 tons (through 4/30/11)

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	100%
2007	127%
2008	115%
2009	99%
2010	135%
2011	51% (through 4/30/11)

I. BASE PRICE: (FOB Plant)	2006	\$66.25 per ton delivered price
	2007	\$66.25 per ton delivered price
	2008	\$66.25 per ton delivered price
	2009	\$77.50 per ton delivered price
	2009	\$65.25 per ton fob railcar
	2010	\$65.25 per ton fob railcar
	2010	\$77.50 per ton delivered price
	2011	\$65.25 per ton for railcar

J. ESCALATIONS TO DATE: none

K. CURRENT CONTRACT PRICE: \$65.25 per ton fob railcar

A. NAME/ADDRESS:	Rhino Energy, LLC / J08028 3120 Wall Street, Suite 310 Lexington, Kentucky 40513	
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Sands Hill Coal Company Sands Hill Mine Jackson and Vinton Counties, Ohio	
C. CONTRACT EXECUTED DATE:	July 13, 2008	
D. CONTRACT DURATION:	July 1, 2008 – December 31, 2012	
E. CONTRACT AMENDMENTS:	None	
F. ANNUAL TONNAGE REQUIREMENTS:	2008 90,000 tons 2009 360,000 tons 2010 360,000 tons 2011 360,000 tons 2012 360,000 tons	
G. ACTUAL TONNAGE RECEIVED:	<u>LG&amp;E</u>	<u>KU</u>
	2008 31,033 tons	53,552 tons
	2009 148,063 tons	218,005 tons
	2010 118,375 tons	225,346 tons
	2011 0 tons	80,504 tons
	(through 4/30/11)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2008 94% 2009 102% 2010 95% 2011 22% (through 4/30/11)	
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:	-\$1.52 per ton	
K. CURRENT CONTRACT PRICE:	\$50.33 per ton	

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

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

C. CONTRACT EXECUTED DATE: April 1, 2008

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

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

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

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2008	203,131 tons	35,918 tons
2009	589,290 tons	0 tons
2010	631,384 tons	7,898 tons
2011	12,779 tons	0 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	85%
2009	98%
2010	107%
2011	carry-over

I. BASE PRICE: (FOB Plant)

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

BASE PRICE: (FOB Barge)

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

J. ESCALATIONS TO DATE:

FOB Plant  
\$1.67 per ton

FOB Barge  
\$2.29 per ton





A. NAME/ADDRESS:	The American Coal Company / J10005 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:	December 23, 2009		
D. CONTRACT DURATION:	January 1, 2010 - December 31, 2014		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2010	250,000 tons	
	2011	750,000 tons	
	2012	Reopener – no agreement after 2011	
G. ACTUAL TONNAGE: RECEIVED:		<u>KU</u>	<u>LGE</u>
	2010	243,808 tons	0 tons
	2011	201,114 tons (through 4/30/11)	27,351 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2010	98%	
	2011	30% (through 4/30/11)	
I. BASE PRICE: (FOB Barge)	2010	\$43.00 per ton	
	2011	\$46.00 per ton	
J. ESCALATIONS TO DATE:	\$0.68 per ton		
K. CURRENT CONTRACT PRICE:	\$46.68 per ton		

A. NAME/ADDRESS: Trinity Coal Marketing (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	792,595 tons
2009	1,050,007 tons
2010	1,094,467 tons
2011	293,624 tons (through 4/30/11)

H. PERCENT OF ANNUAL  
REQUIREMENTS:

2006	96%
2007	89%
2008	99%
2009	93%
2010	109%
2011	29% (through 4/30/11)

I. BASE PRICE: (FOB Railcar)

2006	\$47.35 per ton
2007	\$47.35 per ton
2008	\$44.59 per ton
2009	\$63.85 per ton
2010	\$63.00 per ton
2011	\$61.00 per ton

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

\$61.00 per ton

A. NAME/ADDRESS:	Western Kentucky Minerals, Inc. / J10001 P.O. Box 155 Philpot, Kentucky 42366		
B. PRODUCTION FACILITY:			
OPERATOR:	Western Kentucky Minerals, Inc.		
MINES:	Joe's Run and Sun Energy Mines		
LOCATION:	Daviess County, Kentucky and Pike County, Indiana		
C. CONTRACT EXECUTED DATE:	December 8, 2009		
D. CONTRACT DURATION:	April 1, 2010 - December 31, 2012		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2010	253,300 tons	
	2011	403,300 tons	
	2012	403,300 tons	
G. ACTUAL TONNAGE: RECEIVED:		<u>KU</u>	<u>LGE</u>
	2010	141,289 tons	98,507 tons
	2011	90,184 tons (through 4/30/11)	1,605 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2010	95%	
	2011	23% (through 4/30/11)	
I. BASE PRICE: (FOB Barge)	2010	\$48.35 per ton	
	2011	\$48.35 per ton	
	2012	\$48.35 per ton	
J. ESCALATIONS TO DATE:	\$16.58 per ton		
K. CURRENT CONTRACT PRICE:	\$64.93 per ton		



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 9**

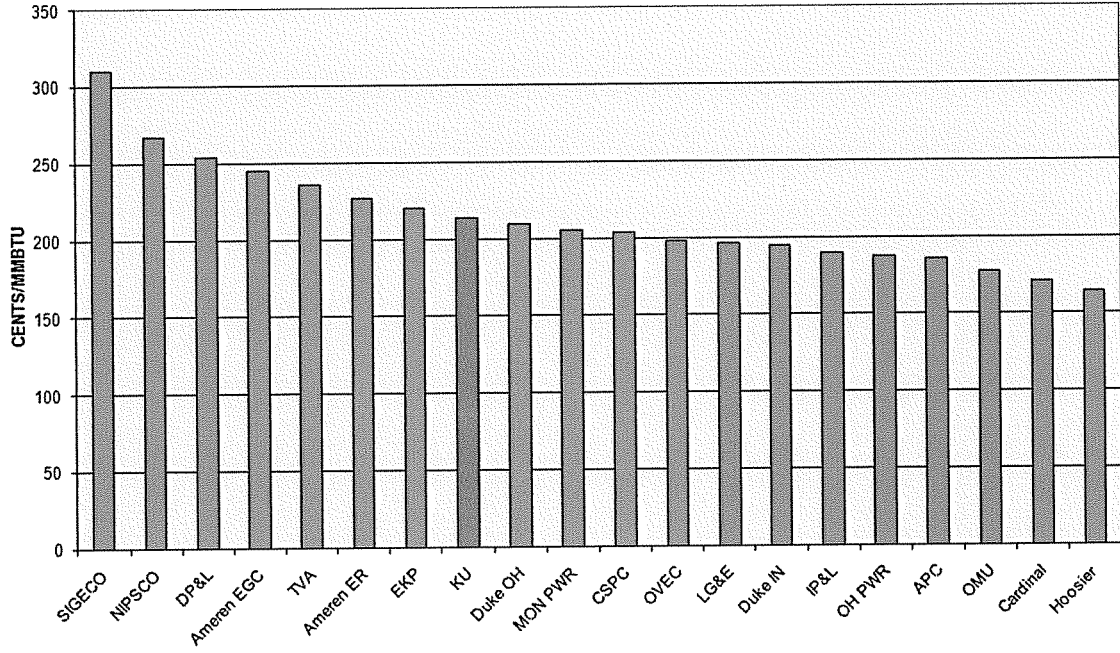
**Witness: Mike Dotson**

- Q-9. a. State whether KU regularly compares the price of its coal purchases with those paid by other electric utilities.
- b. If yes, state:
- (1) How KU's prices compare with those of other utilities for the review period. Include all prices used in the comparison in cents per MMBtu.
  - (2) The utilities that are included in this comparison and their locations.
- A-9. a. Yes.
- b. KU compares pricing of its coal purchases with neighboring utilities from data that is compiled by Energy Velocity database. The utilities included in the comparison are shown on the list found on page 1 of the Attachment to this response. The chart found on page 2 of the Attachment shows the comparison for coal greater than 5.0 lbs. SO<sub>2</sub> content, which are in line with KU's scrubbed units. The chart found on page 3 of the Attachment shows the comparison for coal less than 5.0 lbs. SO<sub>2</sub>, which would be in line with KU's non-scrubbed units, Tyrone Station for NYMEX coal, Brown Station for low sulfur coal, and Green River Station for mid-sulfur coal.

**Utilities in Comparison List**

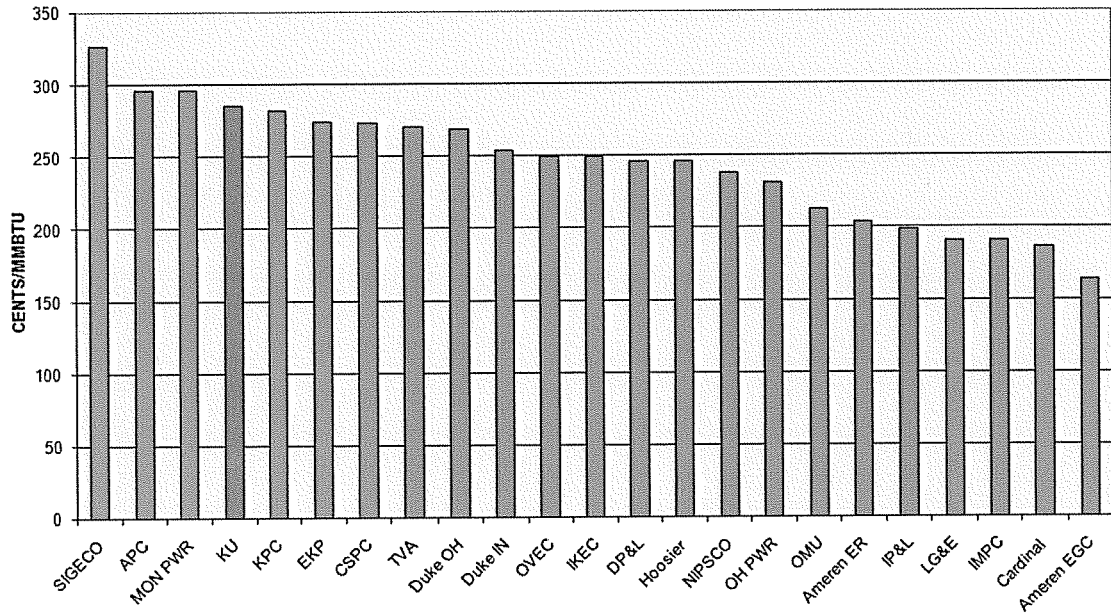
<b>UTILITY</b>	<b>ABBREVIATED</b>	<b>PLANT LOCATIONS</b>
AmerenEnergy Generating Co	Ameren ER	Illinois
AmerenEnergy Resources Generating Co	Ameren EGC	Illinois
Appalachian Power Co	APC	Virginia, West Virginia
Cardinal Operating (AEP)	Cardinal	Ohio
Columbus Southern Power Co	CSPC	Kentucky, Ohio
Dayton 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

"Scrubbed" Price Comparison  
(Jun 10 - May 11)





"Non-Scrubbed" Price Comparison  
< 5.0 Lbs SO<sub>2</sub>





**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 10**

**Witness: Mike Dotson**

Q-10. State 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-10. a. Rail - 16%
- b. Truck - 6%
- c. Barge - 78%



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 11**

**Witness: Mike Dotson**

- Q-11. a. State KU's coal inventory level in tons and in number of days' supply as of April 30, 2011. Provide this information by generating station and in the aggregate.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare KU's coal inventory as of April 30, 2011 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 excessive inventory.
- (1) State whether KU expects 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-11. a. As of April 30, 2011;

EW Brown	233,078 Tons	36 Days	Target 22 – 37 Days
Ghent	857,207 Tons	41 Days	Target 21 – 40 Days
Green River	108,796 Tons	52 Days	Target 37 – 69 Days
Tyrone	7,447 Tons	9 Days	Target 29 – 76 Days
Trimble County*	326,798 Tons	51 Days	Target 25 – 46 Days
Total	1,533,326 Tons	42 Days	Target 23 – 42 Days

\* Trimble County coal inventory includes both PRB and high sulfur coal used for Trimble County Unit 2.

- b. The method of calculating days in inventory is based on each plant's coal burn capability (coal tons divided by 90% of each generating unit's heat input description from its air permit to operate).

Upper and lower tons/day targeted inventory days were established for each plant taking into consideration each plant's operating parameters. Each plant's "least cost" inventory range is established annually during the planning process based on historical coal burn/receipt variances, procurement reaction time for long-term fuel supply agreements, current coal and electricity prices offset by carrying and outage costs.

c. See (a) above.

d. Not applicable.

(1) KU does not expect significant changes in its current coal inventory target levels; however, during the Companies' planning cycle minor adjustments may be made to the inventory targets if warranted.

(2) Not applicable.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 12**

**Witness: Mike Dotson**

- Q-12. a. State whether KU has audited any of its coal contracts during the period from November 1, 2010 through April 30, 2011.
- 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-12. a. No. KU has not conducted any financial audits of coal companies. KU's current coal contracts are fixed price or a portion of the base contract price is adjusted using government published indices to reflect the changes in the cost. These agreements thus do not require audits. KU's Manager Fuels Technical Services or Mining Engineer does 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 requests.

Smoky Mountain Coal, in accordance with the provisions of Section 8.3 New Imposition of Agreement KUF-02860, requested a price increase for the periods of July 1, 2007 – May 31, 2008 and June 1, 2008 – September 30, 2008. Weir is reviewing the claims for this period. As indicated in the response to Question No. 14, KU is currently in litigation on this contract.



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, has requested price increases for various time periods from February 8, 2006 through December 31, 2008. KU had previously paid per ton price adjustments to Alpha for the above time periods. The Parties agreed to settle the claims with Alpha refunding a portion of the GI claims to KU. A copy of the Settlement letter from Alpha Coal Sales dated February 22, 2011 is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

Patriot Coal Sales LLC, in accordance with the provisions of Section 8.5 Price Adjustment for Changes in Governmental Impositions of Contract J09001, requested price increase for the period of July 1, 2010 through the expiration of the Agreement. A copy of the Settlement Agreement and Release is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

Patriot Coal Sales LLC, in accordance with the provisions of Section 8.5 Price Adjustment for Changes in Governmental Impositions of Contract J10010, requested price increase effective October 1, 2010 through the expiration of the Agreement for rock dusting per the "September 2010 ETS". A copy of the Settlement Agreement and Release is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

Patriot Coal Sales LLC, in accordance with the provisions of Section 8.5 Price Adjustment for Changes in Governmental Impositions of Contract J10002, requested price increase effective October 1, 2010 through the expiration of the Agreement for rock dusting per the "September 2010 ETS". A copy of the Settlement Agreement and Release is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

b. Not applicable



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 13**

**Witness: Robert M. Conroy**

- Q-13. a. State whether KU has received any customer complaints regarding its FAC during the period from November 1, 2010 through April 30, 2011.
- b. If yes, for each complaint, state:
- (1) The nature of the complaint; and
  - (2) KU's response.
- A-13. a. No.
- b. Not applicable.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 14**

**Witness: Mike Dotson**

- Q-14. a. State whether KU is 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 any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.
- c. State the current status of all litigation with coal suppliers.

A-14. a. Yes

**Coal Supply Agreement KUF02860/LGE02013**

- (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 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 demands that the 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, a copy of the First Amended Complaint filed by the Plaintiffs in the Circuit Court of Webster, Kentucky, Civil Action No. 08-CI-00334, and a copy of the Answer and Counterclaim filed by KU was filed with the Commission in Case No. 2008-00520.
- c. This case is in the discovery phase and is ongoing. The Plaintiffs recently filed a motion for judgment on the pleadings, seeking a ruling from the Court interpreting the contract in their favor. KU filed a response in opposition to that motion, arguing, among other things, that the contract is governed by the UCC and thus its interpretation must be informed by extrinsic evidence of course of conduct, course of dealing and usage of trade. The Court denied Plaintiffs' motion and agreed with KU's argument regarding the application of the UCC.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 15**

**Witness: Mike Dotson**

Q-15. a. During the period from November 1, 2010 through April 30, 2011, have there been any changes to KU's written policies and procedures regarding its fuel procurement?

b. If yes:

- (1) Describe the changes;
- (2) Provide the written policies and procedures as changes;
- (3) State the date(s) the changes were made; and
- (4) Explain why the changes were made.

c. If no, provide the date KU's current fuel procurement policies and procedures were last changed, when they were last provided to the Commission, and identify the proceeding in which they were provided.

A-15. a. Yes.

b. (1) The Fuel Procurement Policies and Procedures were update to reflect the change in ownership from E.ON to PPL and the expansion to include procurement of other consumables.

(2) Changes were made to the Fuel Policies and Procedures effective January 1, 2011.

(3) See b (1).

(4) See b (1) for an explanation of why changes were made. See attached for a copy of KU's updated fuels procurement policies and procedures.

c. Not Applicable



**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

**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, extreme market conditions 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 protection 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 coal, fuel oil, or natural gas purchased by the Company for one of its generating stations.

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

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 D.8. 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. "Spot Purchase" means any purchase of Fuel and/or Transportation Services by the Company where the terms and conditions are incorporated into a Purchase Order or Contract with a term typically of one year or less.
18. "Station" means one of the Company's generating stations.
19. "Supplier" means the seller who is a party to an Agreement and is obligated to comply with the Agreement's terms.
20. "Transportation Services" means the mode(s) of moving fuel from the point of purchase to the receiving station, including all related costs and activities (owned/leased equipment, maintenance and repair, barge fleeting services, blending, transloading, etc).
21. "Unit" means a generating unit at a Station.
22. "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 that yields 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 the Statement of Trading, Authority Limit Matrices, Sarbanes Oxley compliance and Internal Audit Services' recommendations. The Company has detailed internal control procedures covering Demand Analysis, Contract Management, Supplier Assessment and Rating,

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

Receipt of Coal (including weighing, sampling, and invoice payment), Complaint Management, Inventory Management, and Stockpile Surveys.

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:

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

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
LG&E and KU Energy LLC, Chief Executive Officer	Over 5 years	Over 5 years	\$180,000,000
LG&E and KU Energy LLC Board			Over \$180,000,000

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

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

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

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

prices. The Department shall use its best efforts to keep current on Fuel market conditions, prices and availability, and other developments relating to Fuel procurement.

**D. Fuel Supply Procedures:**

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

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**

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

- The volume and term requested in the RFQ
- Past experience the Company has with the supplier
- The size and financial stability of the supplier
- Past experience the Company has with the type coal being offered
- Previous knowledge the Company has concerning the source operation (possibly under a different source name)

The data requested may include coal reserve data such as property maps and drill logs, mining plans, listing of all production equipment, coal preparation facilities such as coal preparation plants, sampling and analysis capabilities on site, mine staffing and organization, past production records, and status of permits. In addition, financial data 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 5.b., 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 5.b. 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:

- o 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.
- o Scope of supply Agreement

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- Listing of typical information required from Supplier

Quantity and quality of coal being offered

Bid Price

Length of purchase

Transportation capabilities

Mining capabilities

- 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

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Sulfur content

Moisture content

Ash content

Chlorine content

Size

Arsenic content

Hardgrove Index

Other technical specifications as appropriate

The bids are secured in the Fuels Procurement area.

The Department's Manager LG&E and KU Fuels will independently verify that all bid data is correctly entered into the bid evaluation spreadsheet.

- 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 Standards and economic criteria. Based upon the bid evaluation spreadsheet, 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 may be considered, including but not limited to, ranking reports generated by a software model that evaluates the impact of different coal qualities on Unit bus bar costs, supplier credit assessment, supplier past performance, 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, existing and future Environmental Standards, transportation



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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.

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 C.3. 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 C.3. 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 the ability of the Company's power plants to burn similar fuels.
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

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**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 outside the existing 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. If the parties do not come to agreement on the new terms, 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:**

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.

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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 strives to 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 minimize the risks of unforeseen conditions. Inventory ranges 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. 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. Regular inventory reports are made to senior management and inventory is reviewed by the Risk Management Oversight Committee to ensure compliance with internal policies.

**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. 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 Fuel 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 Fuel 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 selections 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. Transportation Service Agreements must be in writing and signed by all parties, unless provided under an approved tariff. The approval procedures set forth in Section C.3 shall be used for the approval of all Transportation Contracts.

**K. Other Fuels/Bulk Commodities/Service Contracts:**

Bulk Commodity Supplies (including, but not limited to scrubber reagent, ammonia, hydrated lime, Trona and activated carbon) to be used by the Company's generating Stations and laboratory services, weighing and sampling services, stockpile surveys, governmental imposition claims assessment and coal pricing information services shall be requested and Contracts negotiated by Fuels, whenever appropriate. Associated transportation services related to Section J. such as railcar leases, railcar maintenance and repair, barge maintenance and repair, barge fleetling services, coal blending, and

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coal transloading services shall also be requested and Contracts negotiated by Fuels whenever appropriate. All of these Bulk Commodity/Service Contracts will abide by the Approval Authority Limits as set forth in Section C.3. above.

Natural Gas. Natural gas is procured on an "as-needed" basis due to the unpredictability of use. The need for natural gas fired generation is determined by many real-time variables; including, but not limited to, weather, customer demand, generation availability, transmission availability, and market prices. Purchases of natural gas are typically conducted in the day-ahead or intra-day spot market. The Regulated Trading & Dispatch Department is responsible for the purchase of natural gas and associated pipeline transportation.

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 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.

**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.

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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.

Revised effective January 1, 2011.

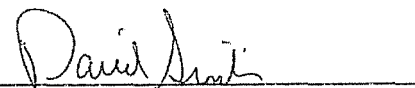
Louisville Gas and Electric Company

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 of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 16**

**Witness: Mike Dotson**

- Q-16. a. State whether KU is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2010 through April 30, 2011.
- b. If yes, for each violation:
- (1) Describe the violation;
  - (2) Describe the action(s) that KU took upon discovering the violation; and
  - (3) Identify the person(s) who committed the violation.
- A-16. a. No.
- b. Not applicable





**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 17**

**Witness: Mike Dotson**

Q-17. Identify and explain the reasons for 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 November 1, 2010 through April 30, 2011.

A-17. Changes occurred in the Fuels Department during the period referenced above as follows:

Effective January 1, 2011, Chris Balmer joined the Fuels Department as Manager of Fuels Risk Management. The position will entail developing, implementing and coordinating risk mitigation strategies for all generation-related fuels, reagents and transportation.

Effective January 1, 2011, Carolyn Ambrosino, Financial Analyst moved from being an indirect report to Caryl Pfeiffer, Director of Corporate Fuels and By-Products to be a direct report to Manager of Fuels Risk Management.

Effective July 11, 2011, Chris Balmer left the Fuels Department as Manager of Fuels Risk Management to become Director Transmission Strategy and Planning.

Effective July 18, 2011, Delbert Billiter, moved from Manager Fuels Technical Services to Manager of Fuels Risk Management.

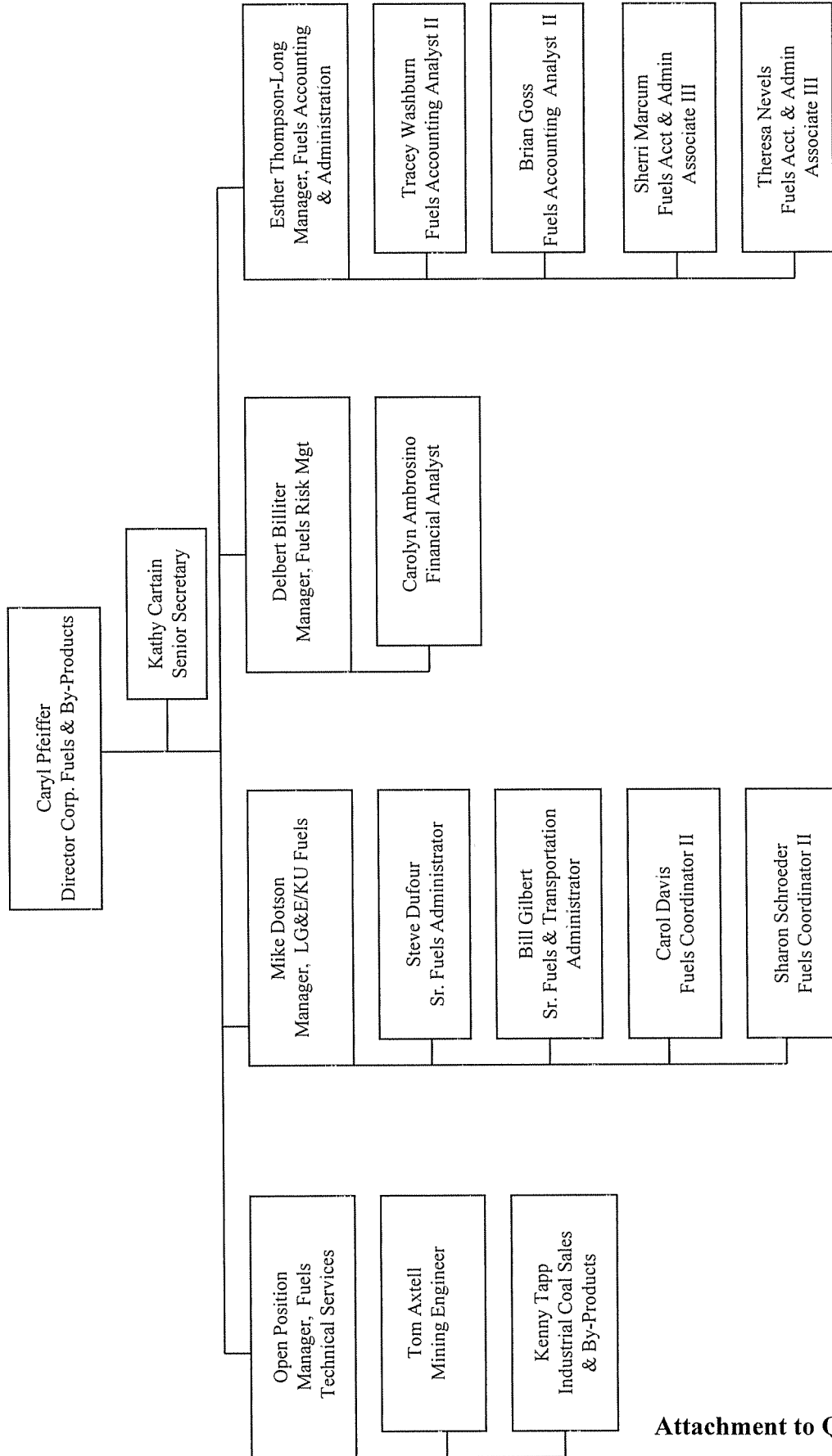
Position of Manager Fuels Technical Services remains open.

Effective July 18, 2011, Kenny Tapp, Industrial Coal Sales and By-Products moved from being a direct report to Caryl Pfeiffer, Director of Corporate Fuels and By-Products to be a direct report to Manager Fuels Technical Services.

See attached Department organization chart July 2011.

# *Corporate Fuels and By-Products*

## *July, 2011*





**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 18**

**Witness: David L. Tummonds**

- Q-18. a. Identify all changes that KU has made during the period under review to its maintenance and operation practices that also affect fuel usage at KU's generation facilities.
- b. Describe the impact of these changes on KU's fuel usage.
- A-18. a. None.
- b. Not applicable.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 19**

**Witness: Mike Dotson**

Q-19. List each written coal supply solicitation issued during the period from November 1, 2010 through April 30, 2011.

- a. For each solicitation, provide the date of the solicitation, the type of 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 unit(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 ranked the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

A-19. In Case No. 2010-00492, a review of KU's FAC for the period May 1, 2010 through November 30, 2010, the final selection of the vendors who responded to the solicitation dated August 27, 2010 was not complete at the time the data responses were filed.

- a. Date: August 27, 2010  
Contract/Spot: Contract or Spot  
Quantities: No minimum or maximum specified  
Quality: Suitable for LG&E power plants and KU's Ghent power plant (beginning year 2011)  
Period: Up to 10 years  
  
Generating Units: All LG&E coal fired units and KU's Ghent power plant (beginning year 2011)
- b. Number of vendors receiving bids: 159

Number of vendors responded: 23 companies / 37 offers

Selected vendor(s) High Sulfur Coal: The final selection of the vendors has been made, however, negotiations are still in progress. The names of the selected vendors and supporting bid tabulation sheet will be provided to the Commission after the negotiations are complete and the agreements signed.

Selected vendor(s) PRB Coal: The vendor selected was based upon the lowest evaluated delivered cost.

Peabody Coaltrade, LLC – J11017

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.

- a. Date: March 14, 2011  
Contract/Spot: Contract or Spot  
Quantities: No minimum or maximum specified  
Quality: Suitable for LG&E power plants and KU's Ghent power plant (beginning year 2012)  
Period: Up to 10 years  
Generating Units: All LG&E coal fired units and KU's Ghent power plant (beginning year 2012)

- b. Number of vendors receiving bids: 157

Number of vendors responded: 21 companies / 42 offers

Selected vendor(s) High Sulfur Coal: The final selection of the vendors has been made; however, negotiations are still in progress. The names of the selected vendors and supporting bid tabulation sheet will be provided to the Commission after the negotiations are complete and the agreements signed.

Selected vendor(s) PRB Coal: The vendor selected was based upon the lowest evaluated delivered cost.

Peabody Coaltrade, LLC – J12008

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.



LGE/KU 10-03 Bid Summary  
 Fall Solicitation August 27, 2010

Bid No.	Company	2011 FOB		Trans \$/mmbtu	Delivered \$/mmbtu	BTU
		Tons	\$/mmbtu			
13 B						
2						
23 C						
14 A						
6 A						
6 B						
8						
9C						
14 B						

Bid No. 13 B was the lowest bid and was purchased.

LGE/KU 11-01 BIDS  
 Spring Solicitation March 14, 2011

Bid No.	Company	2012 FOB		Trans \$/mmbtu	Delivered \$/mmbtu	BTU
		Tons	\$/mmbtu			
9						
17A						
3C						
9						
4B						
18E						

Bid No. 9 was the lowest bid and was purchased.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 20**

**Witness: Mike Dotson**

- Q-20. List each oral coal supply solicitation issued during the period from November 1, 2010 through April 30, 2011.
- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
  - b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.
- A-20. KU did not issue any oral coal supply solicitations.



**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 21**

**Witness: Robert M. Conroy**

- Q-21. a. List all intersystem sales during the period under review in which KU used a third party's transmission system.
- b. For each sale listed above:
- (1) Describe how KU addressed, for FAC 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 that line loss factor was determined.
- A-21. a. There were no inter-system sales from November 1, 2010 through April 30, 2011 which required a third party's transmission system.
- b. Not applicable



**KENTUCKY UTILITIES COMPANY**

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Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 22**

**Witness: Robert M. Conroy**

- Q-22. Describe each change that KU made to its methodology for calculating intersystem sales line losses during the period under review.
- A-22. There have been no changes regarding the calculation of losses associated with intersystem sales. 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 Order in Case Nos. 94-461-A, 94-461-B, 94-461-C and 95-523, and the March 25, 2003 Order in Case No. 2002-00224.





**KENTUCKY UTILITIES COMPANY**

**Response to Information Requested in Appendix of  
Commission's Order Dated August 23, 2011**

**Case No. 2011-00247**

**Question No. 23**

**Witness: Mike Dotson**

Q-23. State whether KU has solicited bids for coal with the restriction that it was not mined through strip mining or mountain top removal. If yes, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

A-23. KU has not solicited bids with this restriction.