



Mr. Ron Jones
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Kentucky Utilities Company
State Regulation and Rates
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VIA UPS OVERNIGHT DELIVERY

June 4, 2007

**RE: Petition of Kentucky Utilities Company for an Order Authorizing the
 Issuance of Securities and the Assumption of Obligations
 Docket No. 06-00140**

Dear Mr. Jones:

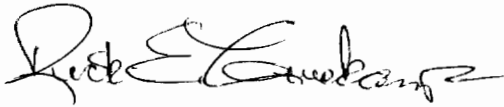
Pursuant to Ordering Paragraph No. 5 of the Commission's Order in the aforementioned proceeding, Kentucky Utilities Company ("KU") hereby files an original and three (3) copies of all correspondence submitted to the Kentucky Public Service Commission ("KPSC") and the Virginia State Corporation Commission ("VSCC) under said Order.

On July 28, 2006, KU filed pursuant to the KPSC Order Authorizing the Issuance of Securities and the Assumption of Obligations, a report setting forth the issuance provisions of \$16,693,620 of Environmental Facilities Revenue Bonds.

Additionally, KU, d/b/a Old Dominion Power ("ODP") filed pursuant to the VSCC Order Authorizing the Issuance of Securities and the Assumption of Obligations, Preliminary and Final Reports of Action as stipulated in the order. On May 17, 2007, the VSCC issued a Dismissal Order acknowledging that KU fully met all requirements on this matter.

Attached are copies of all correspondence submitted to the KPSC, VSCC, and the VSCC Dismissal Order. Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy. Should you have any questions regarding this transaction or this information, please contact me or Don Harris at (502)627-2021.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp". The signature is fluid and cursive, with a large initial "R" and "L".

Rick E. Lovekamp

cc: Eddie Roberson – Tennessee Regulatory Authority
Pat Miller – Tennessee Regulatory Authority
Dan Arbough
Kendrick Riggs – Stoll · Keenon · Ogden



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

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July 28, 2006

**RE: The Application of Kentucky Utilities Company for an Order Authorizing
the Issuance of Securities and the Assumption of Obligations
(Case No. 2006-00187)**

Dear Ms. O'Donnell:

Pursuant to Ordering Paragraph No. 5 of the Commission's Order in the
aforementioned proceeding, Kentucky Utilities Company ("KU") hereby files an
original and three (3) copies of information related to an issuance under said Order.

Please be advised that on July 20, 2006, KU completed the sale of \$16,693,620
Environmental Facilities Revenue Bonds (Kentucky Utilities Company Project) as
contemplated in the above-referenced Case. The details of the bond issue are as
follows:

\$16,693,620 County of Carroll, Kentucky,
Environmental Facilities Revenue Bonds, 2006 Series A

The sale of the securities was negotiated with Citigroup Global Markets and was
completed as shown in the table below:

<u>Face Value</u>	<u>Initial Interest Rate</u>	<u>Rate Adjustment Date</u>	<u>Maturity</u>
\$16,693,620	3.70%	8/29/2006	6/1/2036

The interest rate on this bond issuance will be reset every 35 days through an auction
mechanism that will reflect existing market conditions. The auction rate mode allows
KU to take advantage of the low interest rates in the variable rate market. The yield
curve for tax-exempt bonds is currently steep with long-term rates very near those for
taxable bonds. In such an environment, KU did not feel issuing fixed rate bonds was

Ms. Elizabeth O'Donnell
July 28, 2006

an attractive alternative. KU will continue to monitor the market for opportunities to enter into an interest rate swap to fix the rate of interest on all or some portion of the bond.

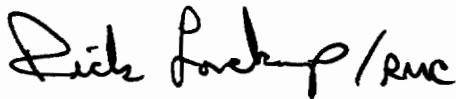
The auction rate option was selected among the short-term alternatives because it does not require bank liquidity support, which eliminates future uncertainty of cost and availability of bank liquidity. It is also less costly than a bank letter of credit backed issue. The auction rate procedures are detailed in Appendix B of the enclosed Official Statement. Citigroup Global Markets will act as the Remarketing Agent with respect to the bonds.

Total underwriter's commission of \$58,427.67 was paid to Citigroup Global Markets. An insurance premium in the amount of \$186,926.34 was paid at closing to Ambac Assurance Corporation covering the entire life of the bond. Other fees and expenses involved in the issuance and distribution (legal, printing, accounting, etc.) are estimated to be \$300,000.

Enclosed are three copies of the Official Statement and information related to the issuance of these securities. Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copies of this letter and the Official Statement.

Please contact me if you have any questions regarding this transaction at (502)627-3780 or contact Don Harris at (502)627-2021.

Sincerely,

A handwritten signature in black ink that reads "Rick Lovekamp /enc". The signature is written in a cursive, flowing style.

Rick Lovekamp

cc: Dan Arbough
Kendrick Riggs – Stoll · Keenon · Ogden



an **e-on** company

Mr. Joel Peck, Clerk
Virginia State Corporation Commission
Document Control Center
1300 East Main Street
Tyler Building 1F
Richmond, Virginia 23218

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VIA UPS OVERNIGHT DELIVERY

February 16, 2007

**RE: Kentucky Utilities Company (Case No. PUE-2006-00066)
Final Report of Action**

Dear Mr. Peck:

Pursuant to the Commission's Order, Ordering Paragraph No. 5, dated May 25, 2006, in the aforementioned proceeding, Kentucky Utilities Company, d/b/a Old Dominion Power Company (KU/ODP or "the Company") hereby submits a Final Report of Action with respect to \$16,693,620 of long-term debt issued on July 20, 2006. The detail of the financing is shown below:

Type of Security:	Pollution Control Bonds
Issuance Date:	July 20, 2006
Principal Amount:	\$16,693,620
Remaining to be Issued:	\$0
Net Proceeds:	\$16,693,620 with 5,840,085 remaining in escrow pending qualifying expenditures
Maturity Date:	June 1, 2036
Interest Rate:	variable--will be reset every 35 days
Initial Interest Rate:	3.70%

Mr. Joel Peck, Clerk
February 16, 2007

A balance sheet reflecting the capital structure following the issuance of the debt is attached. Issuance expenses realized to date are as follows:

Bond Insurance	\$186,926.34
Underwriting Fee	58,427.67
Printing	7,579.50
Accountants	30,560.00
Trustee Counsel	3,000.00
Underwriter Counsel	41,341.84
County Legal Fees	525.00
Supp. Indenture Review	3,000.00
Bond Counsel	<u>50,275.41</u>
Total	\$381,635.76

The proceeds of the bond will be used to fund a portion of the costs of pollution control facilities at the Ghent Generating Station in Carroll County, Kentucky. There are no material unfavorable variances from the estimated expenses contained in the Financing Summary attached to the original application. KU elected to issue a thirty-year loan, the maximum possible term, to take full advantage of low cost tax-exempt financing. Approximately \$10.9 million of the proceeds have been drawn down through December 2006 to pay for qualifying pollution control equipment costs.

Please confirm your receipt of this information by placing the File Stamp of your Office on the enclosed additional copy and returning it in the enclosed self-addressed, stamped envelope.

Should you have any questions regarding the information filed herewith, please contact me at your convenience.

Sincerely,



Rick E. Lovekamp

cc: Dan Arbough
Kendrick Riggs – Stoll · Keenon · Ogden

KENTUCKY UTILITIES COMPANY
BALANCE SHEET AS OF JULY 31, 2006

ASSETS AND OTHER DEBITS		THIS YEAR	LIABILITIES AND OTHER CREDITS		THIS YEAR
Utility Plant			Capitalization		
Utility Plant at Original Cost.....		3,983,962,719.49	Common Stock.....		308,139,977.56
Less Reserves for Depreciation & Amortization....		1,828,745,080.75	Common Stock Expense.....		(321,288.87)
Total.....		2,155,217,638.74	Paid-In Capital.....		15,000,000.00
			Other Comprehensive Income.....		(19,336,790.74)
			Retained Earnings.....		778,875,913.43
			Unappropriated Undistributed Subsidiary Earnings....		15,904,726.80
Investments - At Cost			Total Common Equity.....		1,098,262,538.18
Ohio Valley Electric Corporation.....	250,000.00		Preferred Stock.....		-
Nonutility Property-Less Reserve.....	895,517.34		First Mortgage Bonds.....		289,257,520.00
Investments in Subsidiary Companies.....	17,200,526.80		Other Long-Term Debt.....		-
Special Funds.....	5,945,293.92		LT Notes Payable to Associated Companies.....		433,000,000.00
Other.....	426,140.00		Long-Term Debt Marked to Market.....		751,540.00
Total.....	24,717,478.06		Total Long-Term Debt.....		723,009,060.00
Current and Accrued Assets			Total Capitalization.....		1,821,271,598.18
Cash.....	7,197,558.94		Current and Accrued Liabilities		
Special Deposits.....	25,170,124.38		Advances from Associated Companies.....		-
Temporary Cash Investments.....	2,027.67		Long-Term Debt Due in 1 Year.....		53,000,000.00
Accounts Receivable-Less Reserve.....	120,255,008.24		Notes Payable.....		-
Notes Receivable from Assoc. Companies.....	-		Notes Payable to Associated Companies.....		76,299,254.00
Accounts Receivable from Assoc Companies.....	20,696,009.79		Accounts Payable.....		85,890,607.48
Materials & Supplies-At Average Cost			Accounts Payable to Associated Companies.....		45,108,956.29
Fuel.....	68,439,931.50		Customer Deposits.....		17,982,944.35
Plant Materials & Operating Supplies.....	25,816,999.89		Taxes Accrued.....		13,484,853.47
Stores Expense.....	6,172,971.19		Interest Accrued.....		6,683,324.75
Allowance Inventory.....	3,286,493.48		Dividends Declared.....		-
Prepayments.....	3,235,973.95		Misc. Current & Accrued Liabilities.....		12,649,698.95
Miscellaneous Current & Accrued Assets.....	514,883.26		Total.....		311,099,639.29
Total.....	280,787,982.29		Deferred Credits and Other		
Deferred Debits and Other			Accumulated Deferred Income Taxes.....		330,266,506.20
Unamortized Debt Expense.....			Investment Tax Credit.....		1,474,555.32
Unamortized Loss on Bonds.....	5,295,936.74		Regulatory Liabilities.....		31,087,175.21
Accumulated Deferred Income Taxes.....	10,595,947.03		Customer Advances for Construction.....		1,423,238.48
Deferred Regulatory Assets.....	53,093,812.32		Asset Retirement Obligations.....		27,818,123.79
Other Deferred Debits.....	31,143,813.92		Other Deferred Credits.....		21,245,435.64
Total.....	84,115,998.17		Misc. Long-Term Liabilities.....		31,942,186.76
			Accum Provision for Post-Retirement Benefits.....		67,340,148.40
Total.....	184,245,508.18		Total.....		512,597,369.80
Total Assets and Other Debits.....	2,644,968,607.27		Total Liabilities and Other Credits.....		2,644,968,607.27