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SARA KYLE, COMMISSIONER
TN REGULATORY AUTHORITY

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August 10, 2006

VIA HAND DELIVERY

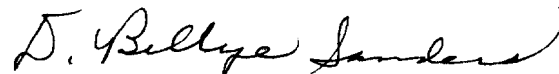
Chairman Sara Kyle
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Appropriateness of Implementation of PURPA Standard 11 (Net Metering), Standard 12 (Fuel Sources), Standard 13 (Fossil Fuel Generation Efficiency), Standard 14 (Time Based Metering and Communication) and Standard 15 (Interconnection) for Kentucky Utilities Company
Docket No. 06-00183

Dear Chairman Kyle:

Enclosed you will find a letter dated August 10, 2006 from F. Howard Bush, Jr., Manager of Tariffs/Special Contracts for Kentucky Utilities to be filed in the above-referenced docket. This letter supercedes the letter dated July 19, 2006 that was filed on July 20, 2006.

Sincerely,



D. Billye Sanders
Attorney for Kentucky Utilities Company

DBS/dh
Enclosure

Chairman Sara Kyle

August 10, 2006

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cc: John Wade Hendricks, Esq.
Allyson Sturgeon, Esq.
F. Howard Bush, Jr.



Ms. Darlene Standley
Chief, Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
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State Regulation and Rates
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August 10, 2006

RE: Docket No. 06-00183

F. Howard Bush
Manager - Tariffs/Special
Contracts
T 859-367-5636 (Lexington)
T 502-627-4136 (Louisville)
F 502-627-3213
howard.bush@eon-us.com

Dear Ms. Standley:

This letter regards Kentucky Utilities Company's ("KU") intentions related to the five residential KU customers served under the Tennessee Regulatory Authority's ("TRA") jurisdiction and the impact on those customers by the Energy Policy Act of 2005 ("EPA"). KU currently does not serve any other customers under TRA jurisdiction.

The current KU Tennessee tariff under which the five residential customers are served contains a off-peak water heating rate which meets Standard 14, "Time Based Metering and Communication" of the EPA.

KU's tariff, as approved for its Kentucky customers, contains a provision for Standard 11, "Net Metering". The Net Metering tariff contains the conditions for Interconnection, Standard 15. Larger customers also have available time-of-day rates and load curtailment incentives which address Standard 14, "Time Based Metering and Communication".

KU has no generation in the State of Tennessee and does not believe that Standard 12, "Fuel Sources", or Standard 13, "Fossil Fuel Generation Efficiency", as provided for by the EPA, are relevant for consideration by the TRA as they relate to KU's Tennessee jurisdiction.

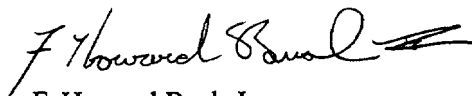
KU will make Net Metering in its Kentucky tariff available to its five Tennessee customers upon request. If a customer requests Net Metering, all terms and conditions applicable to the service will be applied. As stated above, Time Based Metering is available in KU's TN tariff. Therefore, KU requests that the TRA find KU in compliance with the Net Metering/Interconnection, and Time

Ms. Darlene Standley
August 10, 2006

Based Metering and Communication standards of the Public Utility Regulatory Policies Act of 1978 (PURPA) as amended by the EPA. Since KU has no generation in TN, KU requests that the TRA find that the standards regarding generation are not applicable to KU in TN.

If you have any questions, please contact me at (859) 367-5636.

Sincerely,



F. Howard Bush Jr.