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D. Billye Sanders
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June 19, 2009

VIA HAND DELIVERY

Eddie Roberson, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37219

filed electronically in docket office on 06/19/09

Re: Petition of Kentucky Utilities Company for Approval of
Adjustment of its Electric Rates, Terms and Conditions of
Service and Revised Tariff Docket No. 09-00059

Dear Chairman Roberson:

Enclosed you will find 5 copies of the two prototype letter notices that were sent to the 5 Tennessee Customers of Kentucky Utilities Company. This filing is also being made electronically. One prototype was sent to the customers who accepted the Registered notice letter that was sent on January 9, 2009. The other prototype was sent to the customers who did not accept the Registered notice letter that was sent on January 9, 2009. These letters were mailed on June 10, 2009 by U.S. Mail postage pre-paid. We have not included the names of the customers or the personal customer information that was attached in order to protect the privacy of the customers.

I have also enclosed the notice that was posted at the office of Kentucky Utilities at 2201 Cumberland Avenue, Middlesboro, KY 40965.

April 30, 2009
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Please contact me if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink that reads "D. Billye Sanders/hmd". The signature is written in a cursive, flowing style.

D. Billye Sanders
Attorney for Kentucky Utilities Company

DBS/hmd

cc: Gary Hotvedt, Hearing Officer
Kendrick Riggs
W. Duncan Crosby, III
Allyson Sturgeon
Lonnie E. Bellar



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

Lonnie E. Bellar
Vice President
T 502-627-4830
F 502-217-2109
lonnie.bellar@eon-us.com

June 10, 2009

Dear Ms.

By registered letter dated January 9, 2009, Kentucky Utilities Company ("KU") attempted to provide you notice of an anticipated increase in your electric rates. That same letter, which was not accepted, included:

- a) information regarding a public forum to be held January 23, 2009, from 3 P.M. until 7 P.M. in KU's Middlesboro, Kentucky office should you wish to voice any concerns,
- b) contact information as an alternate avenue should you wish to address the rate change, and
- c) an attachment detailing the proposed billing impact on your particular billing.

A follow-up letter dated February 27, 2009, providing the information in b) and c), above, was included with your February billing.

For over forty years KU has provided your electric service at the same rates. During that time, we have made significant investments to build, operate, and maintain electric generation, transmission, and distribution facilities to meet our customers' growing energy needs. We have also experienced increases resulting from inflation and changes in the market that have caused prices for fuel and materials to rise. Throughout this time, KU has absorbed the increases; however, we cannot continue to provide service at these rates in light of the continuous price increases.

KU recognizes the proposed rate increase will have a significant impact on your billing. With this in mind, our proposal to the Tennessee Regulatory Authority ("TRA") asks that the new rates be phased in over a four-year period. Attached you will find a comparison of:

June 10, 2009

- a) a typical residential customer billing on your current rates and on the proposed rates,
- b) your specific billing impact.

KU filed a petition with the TRA on May 1, 2009, seeking approval of these rates. A complete copy of the petition including the proposed tariff (with rate changes) and reasons for the increase is available for public inspection at KU's Middlesboro, Kentucky office

2201 Cumberland Avenue
Middlesboro, KY 40965

and at the TRA office

460 James Robertson Parkway
Nashville, TN 37243-0505

or on-line at the TRA's web site

www.state.tn.us/tra/dockets/0900059.htm

A hearing to consider the proposed rate increase will be held immediately following the TRA C onference beginning at 1 P.M. on June 29, 2009, at the TRA office listed above.

If you have questions about this issue, please do not hesitate to contact Howard Bush, Manager, Tariffs/Special Contracts, at (859) 367-5636.

Sincerely,

Lonnie E. Bellar

KENTUCKY UTILITIES COMPANY

Comparison of Current Tennessee Rates and Proposed Tennessee Rates

	KENTUCKY UTILITIES COMPANY TENNESSEE RATES			
	Current		Proposed	
Base Rates	RS	(1) FERS	(2) Outdoor Light	RS Outdoor Light
Residential Service				
Customer Charge	\$1.00	\$1.00		\$5.00
Energy Charge				
1st 16 kwh	\$0.00000	\$0.00000		\$0.05716
next 34 kwh	\$0.04500	\$0.05000		\$0.05716
next 50 kwh	\$0.03000	\$0.03000		\$0.05716
next 50 kwh	\$0.03000	\$0.02500		\$0.05716
next 50 kwh	\$0.02000	\$0.02500		\$0.05716
next 200 kwh	\$0.02000	\$0.02000		\$0.05716
next 600 kwh	\$0.02000	\$0.01500		\$0.05716
excess kwh	\$0.02000	\$0.01250		\$0.05716
Outdoor Lights			\$4.00	\$8.68

	Typical Usage		KENTUCKY UTILITIES COMPANY TENNESSEE RATES			
	Base KWH	Outdoor Light KWH	Current		Proposed	
Base Rate Billing	2,590 (3)	69	\$54.33	\$39.58	\$4.00	\$153.04
						\$8.68

Note : (1) RS is the Residential Service rate.

(2) FERS is the Full Electric Residential Service rate. In the proposed rates it is combined with RS.

(3) This is the average monthly usage for the 5 Kentucky Utilities Company residential customers in Tennessee. The average monthly usage for a residential customer in Kentucky is 1,135 kWh.



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- b) contact information as an alternate avenue should you wish to address the rate change, and
- c) an attachment detailing the proposed billing impact on your particular billing.

For over forty years KU has provided your electric service at the same rates. During that time, we have made significant investments to build, operate, and maintain electric generation, transmission, and distribution facilities to meet our customers' growing energy needs. We have also experienced increases resulting from inflation and changes in the market that have caused prices for fuel and materials to rise. Throughout this time, KU has absorbed the increases; however, we cannot continue to provide service at these rates in light of the continuous price increases.

KU recognizes the proposed rate increase will have a significant impact on your billing. With this in mind, our proposal to the Tennessee Regulatory Authority ("TRA") asks that the new rates be phased in over a four-year period. Attached you will find a comparison of:

- a) a typical residential customer billing on your current rates and on the proposed rates,
- b) your specific billing impact.

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	KENTUCKY UTILITIES COMPANY TENNESSEE RATES			
	Current		Proposed	
	RS	FERS	Outdoor Light	RS Outdoor Light
Base Rate Billing				
	2,590 (1)	69	\$54.33	\$39.58
			\$4.00	\$153.04
				\$8.68

Note : (1) RS is the Residential Service rate.

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NOTICE OF PROPOSED RATE INCREASE FOR TENNESSEE CUSTOMERS

For over forty, years KU has provided Tennessee Customers electric service at the same rates. During that time, we have made significant investments to build, operate, and maintain electric generation, transmission, and distribution facilities to meet our customers' growing energy needs. We have also experienced increases resulting from inflation and changes in the market that have caused prices for fuel and materials to rise. Throughout this time, KU has absorbed the increases; however, we cannot continue to provide service at these rates in light of the continuous price increases.

KU recognizes the proposed rate increase will have a significant impact on customers' billings. With this in mind, our proposal to the Tennessee Regulatory Authority ("TRA") asks that the new rates be phased in over a four-year period. Attached is a comparison of: a typical residential customer billing on based on current rates and on the proposed rates,

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KENTUCKY UTILITIES COMPANY

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Base Rates	RS	(1) FERS	(2) Outdoor Light	RS Outdoor Light
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Outdoor Lights			\$4.00	\$8.68

	KENTUCKY UTILITIES COMPANY TENNESSEE RATES			
	Current		Proposed	
Typical Usage	Base KWH	Outdoor Light KWH	RS	FERS Outdoor Light RS Outdoor Light
Base Rate Billing	2,590 (3)	69	\$54.33	\$39.58 \$4.00 \$153.04 \$8.68

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