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Ms. Doris Good 239 Good Lane Middlesboro, KY 40965-7000

January 12, 2011

RE: Notice of Proposed Increase in Electric Rates

Dear Ms. Good:

By registered letter dated November 30, 2010, Kentucky Utilities Company ('KU") attempted to provide you notice of an anticipated increase in your electric rates, including an attachment detailing the proposed billing impact on your particular billing. That registered letter was unclaimed. Please find the proposed billing impact on your particular billing enclosed.

KU is proud to provide you with safe, reliable electric service at competitive rates. We strive to exceed the needs of our customers by providing exceptional service. Due to KU's continuing investment in electric generation, distribution, and transmission facilities to provide the electric service our customers expect, an increase in rates is necessary.

We recognize the impact of any rate increase on our customers. With this in mind, our petition to the Tennessee Regulatory Authority ("TRA") will continue the phase-in period that began on August 1, 2009, and was previously approved by the TRA. The enclosed document provides you with the predicted impact of the proposed rate change on the average customer.

KU filed a petition with the TRA on December 1, 2010, 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

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

Lonnie E. Bellar Vice President T 502-627-4830 F 502-217-2109 Ionnie.bellar@ige-ku.com

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TN REGULATORY AUTHORITY UTILITIES DIVISION

Ms. Doris Good January 12, 2011

and at the TRA office:

460 James Robertson Parkway Nashville, TN 37243-0505

or on-line at the TRA's web site:

http://www.state.tn.us/tra/dockets/1000223.htm

The TRA has scheduled a Hearing to consider the proposed rate increase for Monday, January 24, 2011, during the Authority Conference scheduled to begin at 1:00 p.m. (central) in the Hearing Room on the Ground Floor at 460 James Robertson Parkway, Nashville, Tennessee.

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

Sincerely

onnie E. Bellar

Comparison of Current Tennessee Rates and Proposed Tennessee Rates

	KENTUCKY UTILITIES COMPANY Current			NY TENNESSEE RATES Proposed	
	RS	Outdoor	RS	Outdoor	
Base Rates		Light		Light	
Residential Service					
Basic Service Charge	\$5.00		\$8.50		
Energy Charge	\$0.05716		\$0.06805		
Outdoor Lights					

7000MV 9500MV \$8.68

\$5.57

\$9.52

\$6.90

	Typical Usage Base Outdoor Light		KENTUCKY UTILITIES COM		MPANY TENNESSE RATES Proposed	
	KWH	KWH	RS	Outdoor Light	RS	Outdoor Light
Base Rate Billing	2,241	69	\$133.10	\$8.68 / \$5.57	\$161.00	\$9.52 / \$6.90
Phase In Factors		Multiplier	Cui	rrent	Proposed w	ith Phase-In
Phase-In Factors Phase-In Factor Effective Aug 2010 - Jul 2011 Phase-In Factor Effective Aug 2011 - Jul 2012 For all subsequent monthly billings		0.6341 0.8171 1.0000	\$84.40	\$5.50 / \$3.53	\$102.09 \$131.55 \$161.00	\$6.04 / \$4.38 \$7.78 / \$5.64 \$9.52 / \$6.90

Note: 1 This is the average monthly usage in kWh for the 4 Kentucky Utilities Company residential customers in Tennessee. The average monthly usage for a residential customer in Kentucky is 1,303 kWh.



Mr. Dan Byrd, Jr. 522 Wheeler Road Harrogate, Tennessee 37752-5154

January 12, 2011

RE: Notice of Proposed Increase in Electric Rates

Dear Mr. Byrd:

By registered letter dated November 30, 2010, Kentucky Utilities Company ('KU") provided notice of an anticipated increase in your electric rates. That same letter included an attachment detailing the proposed billing impact on your particular billing.

KU is proud to provide you with safe, reliable electric service at competitive rates. We strive to exceed the needs of our customers by providing exceptional service. Due to KU's continuing investment in electric generation, distribution, and transmission facilities to provide the electric service our customers expect, an increase in rates is necessary.

We recognize the impact of any rate increase on our customers. With this in mind, our petition to the Tennessee Regulatory Authority ("TRA") will continue the phase-in period that began on August 1, 2009, and was previously approved by the TRA. The enclosed document provides you with the predicted impact of the proposed rate change on the average customer.

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2201 Cumberland Avenue Middlesboro, KY 40965

and at the TRA office:

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

Lonnie E. Bellar Vice President T 502-627-4830 F 502-217-2109 Ionnie.bellar@lge-ku.com

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TN REGULATORY AUTHORITY
UTILITIES DIVISION

460 James Robertson Parkway Nashville, TN 37243-0505

or on-line at the TRA's web site:

http://www.state.tn.us/tra/dockets/1000223.htm

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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

Comparison of Current Tennessee Rates and Proposed Tennessee Rates

,	KENTUCKY UTILITIES COMPANY TENNESSEE RATE					
	Current		Prop	osed		
	RS	Outdoor	RS	Outdoor		
Base Rates	Ligh			Light		
Residential Service						
Basic Service Charge	\$5.00		\$8.50			
Energy Charge	\$0.05716		\$0.06805			
Outdoor Lights						
7000MV		\$8.68		\$9.52		
9500MV		\$5.57		\$6.90		

	Typical Usage Base Outdoor Light		KENTUCKY UTILITIES COM		MPANY TENNESSE RATES Proposed	
	KWH	KWH	RS	Outdoor Light	RS	Outdoor Light
Base Rate Billing	2,241	69	\$133.10	\$8.68 / \$5.57	\$161.00	\$9.52 / \$6.90
		Multiplier	Cu	rrent	Proposed w	rith Phase-In
Phase-In Factors	2010 7 1 2011	0.4044	004.40	0	****	*******
Phase-In Factor Effective Au	-	0.6341	\$84.40	\$5.50 / \$3.53	\$102.09	\$6.04 / \$4.38
Phase-In Factor Effective Au		0.8171			\$131.55	\$7.78 / \$5.64
For all subsequent monthly b	illings	1.0000			\$161.00	\$9.52 / \$6.90

Note: ¹ This is the average monthly usage in kWh for the 4 Kentucky Utilities Company residential customers in Tennessee. The average monthly usage for a residential customer in Kentucky is 1,303 kWh.



Mr. Everett Suttle 5811 Fork Ridge Road Middlesboro, KY 40965-7002

January 12, 2011

RE: Notice of Proposed Increase in Electric Rates

Dear Mr. Suttle:

By registered letter dated November 30, 2010, Kentucky Utilities Company ('KU") provided notice of an anticipated increase in your electric rates. That same letter included an attachment detailing the proposed billing impact on your particular billing.

KU is proud to provide you with safe, reliable electric service at competitive rates. We strive to exceed the needs of our customers by providing exceptional service. Due to KU's continuing investment in electric generation, distribution, and transmission facilities to provide the electric service our customers expect, an increase in rates is necessary.

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2201 Cumberland Avenue Middlesboro, KY 40965

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and at the TRA office:

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Lonnie E. Bellar Vice President T 502-627-4830 F 502-217-2109 lonnie.bellar@lge-ku.com 460 James Robertson Parkway Nashville, TN 37243-0505

or on-line at the TRA's web site:

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

Sincerel

Lonnie E. Bellar

Comparison of Current Tennessee Rates and Proposed Tennessee Rates

	KENTUCKY UTILITIES COMPANY TENNESSEE RA					
	Current		Prop	osed		
Base Rates	RS	Outdoor Light	RS	Outdoor Light		
Residential Service						
Basic Service Charge	\$5.00		\$8.50			
Energy Charge	\$0.05716		\$0.06805			
Outdoor Lights						
7000MV		\$8.68		\$9.52		
9500MV		\$5.57		\$6.90		

	Typical Usage		KENTUCKY UTILITIES COMPANY TENNESSE RA				
	Base	Outdoor Light	Current		Proposed		
	KWH	KWH	RS	Outdoor Light	RS	Outdoor Light	
Base Rate Billing	2,241	69	\$133.10	\$8.68 / \$5.57	\$161.00	\$9.52 / \$6.90	
		Multiplier	Cui	rrent	Proposed w	ith Phase-In	
Phase-In Factors							
Phase-In Factor Effective Aug	2010 - Jul 2011	0.6341	\$84.40	\$5.50 / \$3.53	\$102.09	\$6.04 / \$4.38	
Phase-In Factor Effective Aug	2011 - Jul 2012	0.8171			\$131.55	\$7.78 / \$5.64	
For all subsequent monthly bil	lings	1.0000			\$161.00	\$9.52 / \$6.90	

Note: ¹ This is the average monthly usage in kWh for the 4 Kentucky Utilities Company residential customers in Tennessee. The average monthly usage for a residential customer in Kentucky is 1,303 kWh.



Mr. James E. Phillips 5640 Fork Ridge Road # TN Middlesboro, KY 40965-7002

January 12, 2011

RE: Notice of Proposed Increase in Electric Rates

Dear Mr. Phillips:

By registered letter dated November 30, 2010, Kentucky Utilities Company ('KU") provided notice of an anticipated increase in your electric rates. That same letter included an attachment detailing the proposed billing impact on your particular billing.

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

Comparison of Current Tennessee Rates and Proposed Tennessee Rates

			KENTUCKY UTILITIES COMPANY TENNESSEE RATES					
			Cı	ırrent	Proposed			
Base Rates			RS	Outdoor Light	RS	Outdoor Light		
Residential Service Basic Service Charge Energy Charge			\$5.00 \$0.05716		\$8.50 \$0.06805			
Outdoor Lights 7000MV 9500MV			\$8.68 \$5.57			\$9.52 \$6.90		
	Typic Base	al Usage Outdoor Light		Y UTILITIES CON		ESSE RATES		
	KWH	KWH	RS	Outdoor Light	RS	Outdoor Light		
Base Rate Billing	2,241 1	69	\$133.10	\$8.68 / \$5.57	\$161.00	\$9.52 / \$6.90		
		Multiplier	Си	rrent	Proposed w	ith Phase-In		
Phase-In Factors Phase-In Factor Effective Aug 20 Phase-In Factor Effective Aug 20		0.6341 0.8171	\$84.40	\$5.50 / \$3.53	\$102.09 \$131.55	\$6.04 / \$4.38 \$7.78 / \$5.64		

\$161.00

\$9.52 / \$6.90

1.0000

For all subsequent monthly billings

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Mr. James E. Phillips January 12, 2011

> 460 James Robertson Parkway Nashville, TN 37243-0505

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Sincerely,

Lonnie E. Bellar

NOTICE OF PROPOSED ELECTRIC SERVICE RATE INCREASE FOR TENNESSEE CUSTOMERS

KU is proud to provide you with safe, reliable electric service at competitive rates. We strive to exceed the needs of our customers by providing exceptional service. Due to KU's continuing investment in electric generation, distribution, and transmission facilities to provide the electric service our customers expect, an increase in rates is necessary.

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Date of this Notice: January 12, 2011

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Comparison of Current Tennessee Rates and Proposed Tennessee Rates

	KENTUCKY UTILITIES COMPANY TENNESSEE RA					
	Cur	Current		osed		
Base Rates	RS	Outdoor Light	RS	Outdoor Light		
Residential Service		_				
Basic Service Charge	\$5.00		\$8.50			
Energy Charge	\$0.05716		\$0.06805			
Outdoor Lights						
7000MV		\$8.68		\$9.52		
9500MV		\$5.57		\$6.90		

	Typical Usage		KENTUCK	Y UTILITIES CON	MPANY TENN	ESSE RATES
	Base	Outdoor Light	Current		Proposed	
	KWH	KWH	RS	Outdoor Light	RS	Outdoor Light
Base Rate Billing	2,241	69	\$133.10	\$8.68 / \$5.57	\$161.00	\$9.52 / \$6.90
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