THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	Year/Period of Report
Indiana-Kentucky Electric Corporation	End of 2008/Q4

Deloitte.

Deloitte & Touche LLP
250 East Fifth Street
Suite 1900
P.O. Box 5340
Cincinnati, OH 45201-5340
USA
Tel: +1 513 784 7100
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Indiana-Kentucky Electric Corporation
Piketon, Ohio

We have audited the balance sheet — regulatory basis of Indiana-Kentucky Electric Corporation (the "Company") as of December 31, 2008, and the related statements of income — regulatory basis; retained earnings — regulatory basis; cash flows — regulatory basis, and accumulated other comprehensive income, comprehensive income, and hedging income — regulatory basis, for the year ended December 31, 2008, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed on page 123.1, these financial statements were prepared in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2008, and the results of its operations and its cash flows for the year ended December 31, 2008, in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of the Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

March 27, 2009

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Reference Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of ___________ , we have also reviewed schedules ___________________of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas .

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and" firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent	02 Year/Period of Report
Indiana-Kentucky Electric Corporation	End of 2008/Q4

03 Previous Name and Date of Change *(if name changed during year)*

/ /

04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)*

3932 U.S. Route 23, Piketon, Ohio 45661

05 Name of Contact Person	06 Title of Contact Person
John D. Brodt	Secretary and Treasurer

07 Address of Contact Person *(Street, City, State, Zip Code)*

3932 U.S. Route 23, Piketon, Ohio 45661

08 Telephone of Contact Person, *Including Area Code*	09 This Report Is	10 Date of Report *(Mo, Da, Yr)*
(740) 289-7200	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name	03 Signature	04 Date Signed *(Mo, Da, Yr)*
John D. Brodt	John D. Brodt	05/20/2009
02 Title Secretary and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	

Stockholders' Reports Check appropriate box:

[X] Four copies will be submitted

[ ] No annual report to stockholders is prepared

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

John D. Brodt, Secretary and Treasurer
3932 U.S. Route 23
P.O. Box 468
Piketon, Ohio 45661

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated in the State of Indiana under Indiana General Corporation Act on October 1, 1952.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Major - Electric Utility - Indiana

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiearies for whom trust was maintained, and purpose of the trust.

All of the outstanding stock of Indiana-Kentucky Electric Corporation is owned by Ohio Valley Electric Corporation. Ohio Valley Electric Corporation, in turn, is owned by eleven entities consisting of ten investor-owned utilities or utility holding companies and one affiliate of a generation and transmission rural electric cooperative. American Electric Power Company, Inc., and its subsidiary, Columbus Southern Power Company held 43.47% of Ohio Valley Electric Corporation's capital stock at December 31, 2008.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President	Michael G. Morris	[redacted]
2	Vice President and Assistant to the President	David L. Hart	[redacted]
3	Vice President - Operations	David E. Jones	[redacted]
4	Secretary and Treasurer	John D. Brodt	[redacted]
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Schedule Page: 104 Line No.: 1 Column: c

Salaries are none.

Schedule Page: 104 Line No.: 2 Column: c

Salaries are none.

Schedule Page: 104 Line No.: 3 Column: c

Salaries are none.

Schedule Page: 104 Line No.: 4 Column: c

Salaries are none.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Karl G. Boyd	110 East Wayne St., Ft. Wayne, IN 46802
2	Curtis H. Davis***	800 Cabin Hill Dr., Greensburg, PA 15601
3	William S. Doty	One Vectren Square, Evansville, IN 47708
4	JoAnn M. Grevenow	110 East Wayne St., Ft. Wayne, IN 46802
5	Ronald G. Jochum	One Vectren Square, Evansville, IN 47708
6	Marc E. Lewis	110 East Wayne St., Ft. Wayne, IN 46802
7	Michael G. Morris, President**	1 Riverside Plaza, Columbus, OH 43215
8	Leo C. Rajter ***	800 Cabin Hill Dr., Greensburg, PA 15601
9	Stanley F. Szwed***	76 South Main St., Akron, OH 44308
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Schedule Page: 105 Line No.: 2 Column: a

Curtis H. Davis was elected 12/08 to replace Leo C. Rajter.

Schedule Page: 105 Line No.: 4 Column: a

JoAnn M. Grevenow was elected 2/08 to replace Karl G. Boyd.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

1. Not Applicable
2. Not Applicable
3. Not Applicable
4. Not Applicable
5. Not Applicable
6. Not Applicable
7. Not Applicable
8. Effective September 1, 2008, a general wage increase of approximately 3.18% was given to employees except management and clerical personnel. All 2007 employees shared a $663,678.03 bonus that was paid in 2008.
9. Not Applicable
10. Not Applicable
11. Not Applicable
12. See Notes to the Financial Statements beginning on page 122.
13. None
14. Not Applicable

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	644,147,104	631,080,568
3	Construction Work in Progress (107)	200-201	323,787,124	102,100,724
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		967,934,228	733,181,292
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	513,987,492	493,892,917
6	Net Utility Plant (Enter Total of line 4 less 5)		453,946,736	239,288,375
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		453,946,736	239,288,375
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		0	0
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		0	0
36	Special Deposits (132-134)		1,000	1,000
37	Working Fund (135)		34,853	9,207
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		0	0
41	Other Accounts Receivable (143)		3,737,856	4,415,567
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	30,987,241	33,762,232
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	9,625,130	8,564,199
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	135
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		877,786	875,622
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		45,263,866	47,627,962
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		0	0
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	41,990,505	28,911,218
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	45,262
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	4,075	7,426,450
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	18,107,604	11,217,239
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		60,102,184	47,600,169
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		559,312,786	334,516,506

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [x] An Original (2) [ ] A Rresubmission	05/20/2009	end of 2008/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	3,400,000	3,400,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	0	0
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		3,400,000	3,400,000
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		0	0
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		34,305,934	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		23,782,395	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		58,088,329	0
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		62,626,483	29,439,451
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		251,267,276	71,422,670
41	Customer Deposits (235)		0	0
42	Taxes Accrued (236)	262-263	3,654,331	1,880,335
43	Interest Accrued (237)		0	0
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [x] An Original (2) [ ] A Rresubmission	05/20/2009	end of 2008/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		73,484	0
48	Miscellaneous Current and Accrued Liabilities (242)		3,400,878	2,962,701
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		321,022,452	105,705,157
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		156,329,681	161,510,058
57	Accumulated Deferred Investment Tax Credits (255)	266-267	0	0
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	0	41,304,271
60	Other Regulatory Liabilities (254)	278	20,472,324	22,597,020
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		0	0
64	Accum. Deferred Income Taxes-Other (283)		0	0
65	Total Deferred Credits (lines 56 through 64)		176,802,005	225,411,349
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		559,312,786	334,516,506

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENT OF INCOME

Quarterly
1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	292,864,776	254,069,947		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	222,566,114	189,736,321		
5	Maintenance Expenses (402)	320-323	42,318,182	37,616,266		
6	Depreciation Expense (403)	336-337	23,387,933	22,588,693		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	4,643,607	4,302,978		
15	Income Taxes - Federal (409.1)	262-263				
16	- Other (409.1)	262-263				
17	Provision for Deferred Income Taxes (410.1)	234, 272-277				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277				
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		292,915,836	254,244,258		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		-51,060	-174,311		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.
						1
292,864,776	254,069,947					2
						3
222,566,114	189,736,321					4
42,318,182	37,616,266					5
23,387,933	22,588,693					6
						7
						8
						9
						10
						11
						12
						13
4,643,607	4,302,978					14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
292,915,836	254,244,258					25
-51,060	-174,311					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		-51,060	-174,311		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		60,261			
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		2,260	187,747		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		62,521	187,747		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	11,234	12,226		
46	Life Insurance (426.2)					
47	Penalties (426.3)		223	1,192		
48	Exp. for Certain Civic, Political & Related Activities (426.4)					
49	Other Deductions (426.5)					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		11,457	13,418		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263				
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)					
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		51,064	174,329		
61	Interest Charges					
62	Interest on Long-Term Debt (427)					
63	Amort. of Debt Disc. and Expense (428)					
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340				
68	Other Interest Expense (431)	340	4	18		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)					
70	Net Interest Charges (Total of lines 62 thru 69)		4	18		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)					
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)		
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	23,387,933	22,588,693
5	Amortization of		
6			
7			
8	Deferred Income Taxes (Net)	361,952	
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	677,711	-4,148,070
11	Net (Increase) Decrease in Inventory	1,714,060	-17,221,662
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-2,105,047	8,039,815
14	Net (Increase) Decrease in Other Regulatory Assets	-13,755,405	1,001,006
15	Net Increase (Decrease) in Other Regulatory Liabilities	-9,377,013	10,228,922
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	27,139,467	-2,253,561
19	Prepaid Epenses and Other	-2,029	70,644
20	Refundable State Income Taxes	849,123	
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	28,890,752	18,305,787
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-200,596,301	-84,248,203
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-200,596,301	-84,248,203
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-200,596,301	-84,248,203
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Advances from parent companies	171,731,195	65,939,462
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	171,731,195	65,939,462
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	171,731,195	65,939,462
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	25,646	-2,954
87			
88	Cash and Cash Equivalents at Beginning of Period	10,207	13,161
89			
90	Cash and Cash Equivalents at End of period	35,853	10,207

Schedule Page: 120 Line No.: 18 Column: b

Other:

Deferred Revenue	$ 2,933,034
Other Assets	7,422,375
Other Liabilities	16,784,058
	$27,139,467

Schedule Page: 120 Line No.: 18 Column: c

Other:

Deferred Revenue	$ 4,952,603
Other Assets	(7,271,207)
Other Liabilities	65,043
	$(2,253,561)

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

This FERC Form 1 represents the financial statements of Indiana-Kentucky Electric Corporation at December 31, 2008. Indiana-Kentucky Electric Corporation's financial statements have been prepared in conformity with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles. The following areas represent significant differences between the Uniform System of Accounts and generally accepted accounting principles: (1) the presentation of majority-owned subsidiaries, (2) the presentation of significant non-cash transactions, (3) the presentation of current and non-current portions of long-term debt, and other liabilities, (4) the presentation of preliminary survey and investigation charges, and (5) the gross presentation of certain regulatory assets and regulatory liabilities.

Generally accepted accounting principles require that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires majority-owned subsidiaries be reported as set forth in the Uniform System of Accounts and published accounting releases, which require majority-owned subsidiaries to be presented on an unconsolidated basis.

Generally accepted accounting principles require that the current and non-current portions of long-term debt, and other liabilities be appropriately identified and reported on the balance sheet. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which does not recognize any segregation between the current and non-current portions of these items for reporting purposes.

Generally accepted accounting principles require that preliminary survey and investigation charges be recorded as a component of construction work in progress. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require preliminary survey and investigation charges be recorded as a deferred debit.

Generally accepted accounting principles require that intercompany receivables be recorded as a component of current assets. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require intercompany receivables be recorded as a component of current and accrued liabilities.

Generally accepted accounting principles allow for net presentation of certain regulatory assets and liabilities when the legal right of offset exists. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require gross presentation of certain regulatory assets and liabilities.

Indiana-Kentucky Electric Corporation's Notes to Consolidating Financial Statements have been prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of Indiana-Kentucky Electric Corporation's Financial Statements contained herein.

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Consolidating Financial Statements — The consolidating financial statements include the accounts of Ohio

Valley Electric Corporation (OVEC) and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation (IKEC), collectively, the "Companies." All intercompany transactions have been eliminated in consolidation.

Organization — The Companies own two generating stations located in Ohio and Indiana with a combined electric production capability of approximately 2,256 megawatts. OVEC is owned by several investor-owned utilities or utility holding companies and an affiliate of a generation and transmission rural electric cooperative. These entities and their affiliates comprise the Sponsoring Companies. The Sponsoring Companies purchase power from OVEC according to the terms of the Inter-Company Power Agreement (ICPA), which in 2004 was extended for an additional 20 years from March 13, 2006 to March 13, 2026. Approximately 30% of the Companies' employees are covered by a collective bargaining agreement that expires August 31, 2011.

Rate Regulation — The proceeds from the sale of power to the Sponsoring Companies are designed to be sufficient for OVEC to meet its operating expenses and fixed costs, as well as earn a return on equity before federal income taxes. In addition, the proceeds from power sales are designed to cover debt amortization and interest expense associated with financings. The Companies have continued and expect to continue to operate pursuant to the cost plus rate of return recovery provisions at least to March 13, 2026, the date of termination of the ICPA.

Statement of Financial Accounting Standards (SFAS) No. 71, *Accounting for the Effects of Certain Types of Regulation*, provides that rate-regulated utilities account for and report assets and liabilities consistent with the economic effect of the way in which rates are established, if the rates established are designed to recover the costs of providing the regulated service and it is probable that such rates can be charged and collected. The Companies follow the accounting and reporting requirements of SFAS No. 71. Certain expenses and credits subject to utility regulation or rate determination normally reflected in income are deferred on the accompanying consolidating balance sheets and are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers.

The Companies' regulatory assets, liabilities, and amounts authorized for recovery through Sponsor billings at December 31, 2008 and 2007, were as follows:

	2008		2007	
	OVEC	IKEC	OVEC	IKEC
Regulatory assets:				
Current assets — income taxes billable to customers	$ -	$ 1,034,148	$ -	$ -
Total	-	1,034,148	-	-
Other assets:				
Asset retirement costs	2,163,613	12,479,169	2,722,771	13,379,702
Unrecognized postemployment benefits	936,047	1,300,950	889,553	1,333,047
Deferred depreciation	13,525,524	13,522,351	24,444,960	14,198,469
Pension benefits	14,593,086	12,668,424	-	-
Postretirement benefits	-	985,463	-	-
Total	31,218,270	40,956,357	28,057,284	28,911,218
Total regulatory assets	$31,218,270	$41,990,505	$28,057,284	$28,911,218
Regulatory liabilities:				
Current liabilities:				
Deferred credit — EPA emission allowance proceeds	$ 725,522	$ 851,909	$ 426,959	$ 466,811
Advance collection of interest	2,652,969	-	1,884,902	-
Fuel related settlement	-	-	-	2,335,661
Total	3,378,491	851,909	2,311,861	2,802,472
Other liabilities:				
Postretirement benefits	14,655,525	-	18,947,629	-
Pension benefits	-	-	8,623,799	7,426,450
Investment tax credits	3,393,146	-	3,393,146	-
Net antitrust settlement	673,070	1,150,859	673,070	1,150,859
Income taxes refundable to customers	28,601,321	18,469,556	37,617,295	11,217,239
Total	47,323,062	19,620,415	69,254,939	19,794,548
Total regulatory liabilities	$50,701,553	$20,472,324	$71,566,800	$22,597,020

Regulatory Assets — Regulatory assets consist primarily of deferred depreciation, asset retirement cost, and pension benefits. Deferred depreciation is recovered over the life of the debt that was used to fund the related plant additions. The Companies follow the sinking fund depreciation method for ratemaking purposes, and the difference between straight-line depreciation and the debt principal payments billed to customers is recorded as deferred depreciation. With the exception of income taxes billable to customers, which will be recovered during 2009, other regulatory assets are being recovered on a long-term basis.

Regulatory Liabilities — The regulatory liabilities classified as current in the accompanying consolidating balance sheets represent emission allowance auction proceeds, a gain on a fuel related settlement, and interest expense collected from customers in advance of expense recognition. These amounts outstanding will be credited to customer bills during 2009. Other regulatory liabilities consist primarily of income taxes refundable to customers, postretirement benefits, and pension benefits. Income taxes refundable to customers are credited to customer bills in the period when the related deferred tax assets are realized. The Companies' current ratemaking policy recovers pension expense in an amount equal to plan contributions and postretirement benefits in an amount equal to service cost. As a result, related regulatory liabilities are being credited to customer bills on a long-term basis. The remaining regulatory liabilities are awaiting credit to customer bills in a future period that is yet to be determined.

Cash and Cash Equivalents — For purposes of these statements, the Companies consider temporary cash investments to be cash equivalents since they are readily convertible into cash and have original maturities of less than three months.

Electric Plant — Property additions and replacements are charged to utility plant accounts. Depreciation expense is recorded at the time property additions and replacements are billed to customers or at the date the property is placed in service if the in-service date occurs subsequent to the customer billing. Customer billings for construction in progress are recorded as deferred revenue-advances for construction. These amounts are closed to revenue at the time the related property is placed in service. Deferred depreciation, depreciation expense, and accumulated depreciation are recorded when financed property additions and replacements are recovered over a period of years through customer debt retirement billing. All depreciable property will be fully billed and depreciated prior to the expiration of the ICPA. Repairs of property are charged to maintenance expense.

Fuel in Storage, Emission Allowances, and Materials and Supplies — The Companies maintain coal, reagent, and oil inventories for use in the generation of electricity and emission allowance inventories for regulatory compliance purposes due to the generation of electricity. These inventories are valued at average cost. Materials and supplies consist primarily of replacement parts necessary to maintain the generating facilities and are valued at average cost.

Long-Term Investments — Long-term investments consist of marketable securities that are held for the purpose of funding postretirement benefits. These securities have been classified as trading securities. Due to tax limitations, the amounts held in this portfolio have not yet been transferred to the Voluntary Employee Beneficiary Association trusts (see Note 9). Long-term investments primarily consist of municipal bonds and money market mutual fund investments. Net unrealized gains recognized during 2008 on securities still held at the balance sheet date were $638,007.

Unamortized Debt Expense — Unamortized debt expense relates to loan origination costs incurred to secure financing. These costs are being amortized over the life of the related loans.

Asset Retirement Obligations and Asset Retirement Costs — The Companies recognize the fair value of legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. The initial recognition of this liability is accompanied by a corresponding increase in depreciable electric plant. Subsequent to the initial recognition, the liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to electric plant) and for accretion of the liability due to the passage of time.

These asset retirement obligations are primarily related to obligations associated with future asbestos abatement at certain generating stations and certain plant closure costs. As of December 31, 2008 and 2007, the Companies had a regulatory asset of $14.6 million and $16.1 million, respectively, related to asset retirement obligations.

	OVEC	IKEC	Consolidated
Balance — December 31, 2006	$ 9,236,687	$21,162,868	$30,399,555
Accretion	554,201	1,269,772	1,823,973
Balance — December 31, 2007	9,790,888	22,432,640	32,223,528
Accretion	589,110	1,349,755	1,938,865
Balance — December 31, 2008	$10,379,998	$23,782,395	$34,162,393

The Companies do not recognize liabilities for asset retirement obligations for which the fair value cannot be reasonably estimated. The Companies have asset retirement obligations associated with transmission assets and river structures at certain generating stations. However, the retirement date for these assets cannot be determined; therefore, the fair value of the associated liability currently cannot be estimated and no amounts are recognized in the consolidating financial statements herein.

Use of Estimates — The preparation of consolidating financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidating financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. RELATED-PARTY TRANSACTIONS

Transactions with the Sponsoring Companies during 2008 and 2007 included the sale of all generated power to them, the purchase of Arranged Power from them and other utility systems in order to meet the Department of Energy's power requirements, contract barging services, railcar services, and minor transactions for services and materials. The Companies have Power Agreements with Louisville Gas and Electric Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, Kentucky Utilities Company, Ohio Edison Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies; and Transmission Service Agreements with Louisville Gas and Electric Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, The Toledo Edison Company, Ohio Edison Company, Kentucky Utilities Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies.

In September 2006, the Companies sold two transformers and associated equipment to Duke Energy Ohio, Inc. for a total maximum purchase price of $3 million, which subject to the terms of the asset purchase agreement, is payable in equal annual installments over ten years. The purchase price is contingent on the performance of the transformers, and as such, no receivable has been recognized in the accompanying consolidating balance sheets. In 2008, the Companies were informed that one of the transformers failed, and as such, no further payments from Duke Energy Ohio, Inc. are anticipated.

At December 31, 2008 and 2007, balances due from or to the Sponsoring Companies are as follows:

	2008	2007
Accounts receivable	$31,668,608	$23,136,138
Accounts payable	-	1,352,250

American Electric Power Company, Inc. and a subsidiary company owned 43.47% of the common stock of OVEC as of December 31, 2008. The following is a summary of the principal services received from the American Electric Power Service Corporation as authorized by the Companies' Boards of Directors:

	2008	2007
General services	$ 2,198,238	$ 2,473,834
Specific projects	21,274,966	10,623,656
Total	$23,473,204	$13,097,490

General services consist of regular recurring operation and maintenance services. Specific projects primarily represent nonrecurring plant construction projects and engineering studies, which are approved by the Companies' Boards of Directors. The services are provided in accordance with the service agreement dated December 15, 1956, between the Companies and the American Electric Power Service Corporation.

3. COAL SUPPLY

The Companies have coal supply agreements with certain nonaffiliated companies that expire at various dates from the year 2009 through 2017. Pricing for coal under these contracts is subject to contract provisions and adjustments. The Companies currently have approximately 100% of their 2009 coal requirements under long-term agreements of one year or greater.

4. INVENTORIES

Inventories, net of reserves, at December 31, 2008 and 2007, consist of the following:

	2008	2007
Fuel in storage — at average cost	$52,220,614	$63,913,331
Materials and supplies — at average cost	19,223,210	16,863,327
Emission allowances	2,244,126	11,787,964
Total inventories	$73,687,950	$92,564,622

5. ELECTRIC PLANT

Electric plant at December 31, 2008 and 2007, consists of the following:

	2008		2007	
	OVEC	IKEC	OVEC	IKEC
Intangible	$ 18,924	$ 7,640	$ 18,924	$ 7,640
Steam production plant	535,762,721	616,694,861	527,006,731	603,715,430
Transmission plant	33,793,422	26,398,065	46,022,703	26,189,185
General plant	23,907,502	1,046,538	8,067,949	1,168,313
	593,482,569	644,147,104	581,116,307	631,080,568
Less accumulated depreciation	393,319,793	513,987,492	372,034,376	493,892,917
	200,162,776	130,159,612	209,081,931	137,187,651
Construction in progress	444,061,731	323,787,124	214,414,070	102,145,986
Total electric plant	$644,224,507	$453,946,736	$423,496,001	$239,333,637

6. BORROWING ARRANGEMENTS AND NOTES

OVEC has an unsecured bank revolving line of credit agreement with a borrowing limit of $200 million as of December 31, 2008. The $200 million line of credit has an expiration date of August 4, 2010. At December 31, 2008 and 2007, OVEC had borrowed $50 and $0 million, respectively, under this line of credit. Interest expense related to line of credit borrowings was $255,699 in 2008 and $3,051,247 in 2007. During 2008 and 2007, OVEC incurred annual commitment fees of $343,729 and $288,736, respectively, based on the borrowing limits of the line of credit.

7. LONG-TERM DEBT

The following amounts were outstanding at December 31, 2008 and 2007:

	Interest Rate	2008	2007
Senior 2006 Notes due February 15, 2026	5.80 %	$ 413,013,876	$426,359,355
Senior 2007 Notes:			
Tranche A due February 15, 2026	5.90	190,703,342	196,990,760
Tranche B due February 15, 2026	5.90	48,027,572	49,611,288
Tranche C due February 15, 2026	5.90	48,407,206	50,000,000
Senior 2008 Notes:			
Tranche A due February 15, 2026	5.92	48,780,045	-
Tranche B due February 15, 2026	6.71	147,157,899	-
Tranche C due February 15, 2026	6.71	149,228,369	-
Total debt		1,045,318,309	722,961,403
Current portion of long-term debt		35,453,528	22,809,408
Total long-term debt		$1,009,864,781	$700,151,995

During 2007, OVEC issued $300 million unsecured senior notes (Senior 2007 Notes) in private placements in three tranches. The $200 million Tranche A notes were issued in June 2007, the $50 million Tranche B notes were issued in September 2007, and the $50 million Tranche C notes were issued in December 2007.

During 2008, OVEC issued $350 million unsecured senior notes (Senior 2008 Notes) in private placements in three tranches. The $50 million Tranche A notes were issued in March 2008, the $150 million Tranche B notes were issued in June 2008, and the $150 million Tranche C notes were issued in August 2008.

The annual maturities of long-term debt as of December 31, 2008, are as follows:

2009	$ 35,453,528
2010	37,642,055
2011	39,966,243
2012	42,404,535
2013	45,055,902
2014–2026	844,796,046
Total	$1,045,318,309

8. INCOME TAXES

OVEC and IKEC file a consolidated federal income tax return. The effective tax rate varied from the statutory federal income tax rate due to differences between the book and tax treatment of various transactions as follows:

	2008	2007
Income tax expense at 35% statutory rate	$ 2,140,093	$ 2,117,079
State income taxes net of federal benefit	66,042	53,707
Temporary differences flowed through to customer bills	(1,218,762)	(1,274,392)
Permanent differences	36,008	11,022
Income tax provision	$ 1,023,381	$ 907,416
Effective tax rate	16.7 %	15.0 %

Components of the income tax provision were as follows:

	2008	2007
Current income tax expense	$ 977,761	$125,036
Deferred income tax expense	45,620	782,380
Total income tax provision	$1,023,381	$907,416

OVEC and IKEC record deferred tax assets and liabilities based on differences between book and tax basis of assets and liabilities measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets and liabilities are adjusted for changes in tax rates. The deferred tax assets recorded in the accompanying consolidated balance sheets consist primarily of the net deferred taxes on depreciation, postretirement benefits obligation, net operating loss carryforwards, asset retirement obligations, regulatory assets and regulatory liabilities.

To the extent that the Companies have not reflected credits in customer billings for deferred tax assets, they have recorded a regulatory liability representing income taxes refundable to customers under the applicable agreements among the parties. The liability was $47,070,877 at December 31, 2008, and $48,834,534 at December 31, 2007.

Deferred income tax assets (liabilities) consisted of the following at December 31, 2008 and 2007:

	2008	2007
Deferred tax assets:		
Deferred revenue — advances for construction	$ 9,619,159	$ 8,942,781
Federal net operating loss carryforwards	4,456,189	22,341,256
State net operating loss carryforwards	39,212	273,971
AMT credit carryforwards	2,532,919	1,505,920
Postretirement benefit obligation	20,445,933	13,374,669
Pension liability	9,832,499	10,113,109
Postemployment benefit obligation	806,825	808,337
Asset retirement obligations	12,321,464	11,719,375
Miscellaneous accruals	2,649,351	2,834,718
Regulatory liability — postretirement benefits	4,930,427	6,891,063
Regulatory liability — investment tax credits	1,223,817	1,234,053
Regulatory liability — net antitrust settlement	657,843	663,345
Regulatory liability — income taxes refundable to customers	16,977,211	17,621,791
Total deferred tax assets	86,492,849	98,324,388
Deferred tax liabilities:		
Regulatory asset — income taxes billable to customers	(361,952)	-
Prepaid expenses	(582,702)	(576,140)
Electric plant	(21,120,348)	(34,610,360)
Regulatory asset — pension benefits	(9,832,499)	(5,837,815)
Regulatory asset — unrecognized postemployment benefits	(806,825)	(808,337)
Regulatory asset — asset retirement costs	(5,281,261)	(5,856,308)
Total deferred tax liabilities	(37,985,587)	(47,688,960)
Deferred income tax assets (liabilities)	$ 48,507,262	$ 50,635,428

The Companies had federal income tax net operating loss carryforwards (NOLs) of $12.7 million as of December 31, 2008. These federal income tax NOLs result in part from accelerated depreciation methods for property, plant and equipment for income tax reporting purposes. The Companies also have alternative minimum tax (AMT) credit carryforwards of approximately $2.5 million, which are not limited by expiration dates. Management periodically assesses the need for a valuation allowance on deferred tax assets. As of December 31, 2008 and 2007, management believes that realization of the Companies' deferred tax assets is more likely than not.

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48 to clarify the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement No. 109. Interpretation No. 48 addresses the determination of whether the tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Interpretation No. 48, the Companies may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. Upon adoption of FIN 48, the Companies have not identified any uncertain tax positions.

The Companies file income tax returns with the Internal Revenue Service and the states of Ohio, Indiana and the

Commonwealth of Kentucky. The Companies are no longer subject to federal tax examinations for tax years 2004 and earlier. The Companies are no longer subject to states of Ohio and Indiana tax examinations for tax years 2004 and earlier. The Companies are no longer subject to the Commonwealth of Kentucky examinations for tax years 2003 and earlier.

9. PENSION PLAN, OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

The Companies have a noncontributory qualified defined benefit pension plan (the Pension Plan) covering substantially all of their employees. The benefits are based on years of service and each employee's highest consecutive 36-month compensation period. Employees are vested in the Pension Plan after five years of service with the Companies.

Funding for the Pension Plan is based on actuarially determined contributions, the maximum of which is generally the amount deductible for income tax purposes and the minimum being that required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The full cost of the pension benefits and related obligations has been allocated to OVEC and IKEC in the accompanying consolidating financial statements. The allocated amounts represent approximately a 54% and 46% split for OVEC and IKEC, respectively, as of December 31, 2008 and 2007. The Pension Plan's assets consist of an insurance contract and investments in equity and debt securities. In the following disclosures, the insurance contract is treated as a debt security because its long-term yield is tied to the debt markets.

In addition to the Pension Plan, the Companies provide certain health care and life insurance benefits (Other Postretirement Benefits) for retired employees. Substantially all of the Companies' employees become eligible for these benefits if they reach retirement age while working for the Companies. These and similar benefits for active employees are provided through employer funding and insurance policies. In December 2004, the Companies established Voluntary Employee Beneficiary Association (VEBA) trusts. The main objectives of the VEBA trusts are to maintain the purchasing power of the current assets and all future contributions, to have the ability to pay all benefits and expense obligations when due and to achieve a "funding cushion" to maximize return within prudent levels of risk. The investment horizon for the Pension Plan and VEBA trusts is greater than five years and the strategic asset allocation is based on a long-term perspective.

Projected Pension Plan and Other Postretirement Benefits obligations and funded status as of December 31, 2008 and 2007:

	Pension Plan		Other Postretirement Benefits	
	2008	2007	2008	2007
Change in projected benefit obligation:				
Projected benefit obligation — beginning of year	$ 153,972,014	$ 161,065,647	$ 97,431,448	$ 102,541,624
Service cost	3,899,052	4,221,650	2,781,098	3,219,492
Interest cost	9,799,772	9,243,320	6,173,680	5,855,237
Plan participants' contributions	-	-	613,383	585,570
Benefits paid	(7,755,609)	(7,499,086)	(3,286,320)	(3,279,279)
Net actuarial (gain) loss	9,056,558	(13,018,717)	1,242,881	(11,761,744)
Medicare subsidy	-	-	-	270,548
Expenses paid from assets	(45,200)	(40,800)	-	-
Projected benefit obligation — end of year	168,926,587	153,972,014	104,956,170	97,431,448
Change in fair value of plan assets:				
Fair value of plan assets — beginning of year	170,022,263	169,811,906	60,656,532	55,395,876
Actual return on plan assets	(26,056,377)	1,750,243	(728,513)	2,760,656
Expenses paid from assets	(45,200)	(40,800)	-	-
Employer contributions	5,500,000	6,000,000	5,171,937	4,923,161
Plan participants' contributions	-	-	613,383	585,570
Medicare subsidy	-	-	-	270,548
Benefits paid	(7,755,609)	(7,499,086)	(3,286,320)	(3,279,279)
Fair value of plan assets — end of year	141,665,077	170,022,263	62,427,019	60,656,532
Funded (underfunded) status — end of year	$ (27,261,510)	$ 16,050,249	$ (42,529,151)	$ (36,774,916)

On December 8, 2003, the President of the United States of America signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). The Act introduced a prescription drug benefit to retirees as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is actuarially equivalent to the benefit provided by Medicare. The Companies believe that the coverage for prescription drugs is at least actuarially equivalent to the benefits provided by Medicare for most current retirees because the benefits for that group substantially exceed the benefits provided by Medicare, thereby allowing the Companies to qualify for the subsidy. The Companies' employer contributions for Other Postretirement Benefits in the above table are net of subsidies received of $0 and $270,548 for 2008 and 2007, respectively. The Companies have accounted for the subsidy as a reduction of the benefit obligation detailed in the above table. The benefit obligation was reduced by approximately $14.2 and $11.3 million as of December 31, 2008 and 2007.

The accumulated benefit obligation for the Pension Plan was $144,698,788 and $131,992,635 at December 31, 2008 and 2007, respectively.

Components of Net Periodic Benefit Cost — The Companies record the expected cost of Other Postretirement Benefits over the service period during which such benefits are earned.

Pension expense is recognized as amounts are contributed to the Pension Plan and billed to customers. The accumulated difference between recorded pension expense and the yearly net periodic pension expense as calculated under SFAS No. 87, *Employers' Accounting for Pensions*, is billable as a cost of operations under the ICPA when contributed to the pension fund. This accumulated difference has been recorded as a regulatory asset in the accompanying consolidating balance sheets.

	Pension Plan		Other Postretirement Benefits	
	2008	2007	2008	2007
Service cost	$ 3,899,052	$ 4,221,650	$ 2,781,098	$ 3,219,492
Interest cost	9,799,772	9,243,320	6,173,680	5,855,237
Expected return on plan assets	(11,049,029)	(11,668,332)	(2,880,712)	(2,631,976)
Amortization of prior service cost	531,437	531,437	(379,000)	(379,000)
Recognized actuarial loss	-	-	(263,945)	126,175
Net periodic benefit cost	$ 3,181,232	$ 2,328,075	$ 5,431,121	$ 6,189,928
Pension and Other Postretirement Benefits expense recognized in the consolidating statement of income and retained earnings and billed to sponsoring companies under the ICPA	$ 5,500,000	$ 6,000,000	$ 3,260,000	$ 3,219,492

Pension Plan and Other Postretirement Benefit Assumptions — Actuarial assumptions used to determine benefit obligations at December 31, 2008 and 2007, were as follows:

	Pension Plan		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount rate	6.10 %	6.50 %	5.90 %	6.50 %
Rate of compensation increase	4.00	4.00	4.00	4.00

Actuarial assumptions used to determine net periodic benefit cost for the years ended December 31, 2008 and 2007, were as follows:

	Pension Plan		Other Postretirement Benefits	
	2008	2007	2008	2007
Discount rate	6.50 %	5.90 %	6.50 %	5.90 %
Expected long-term return on plan assets	6.50	7.00	4.70	4.70
Rate of compensation increase	4.00	4.00	4.00	4.00

In selecting the expected long-term rate of return on assets, the Companies considered the average rate of earnings expected on the funds invested or to be invested to provide for plan benefits. This included considering the Pension Plan and VEBA trusts' asset allocation, as well as the target asset allocations for the future, and the expected returns likely to be earned over the life of the Pension Plan and the VEBAs.

Assumed health care cost trend rates at December 31, 2008 and 2007, were as follows:

	2008	2007
Health care trend rate assumed for next year — participants under 65	8.00 %	9.00 %
Health care trend rate assumed for next year — participants over 65	9.50	11.29
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) — participants under 65	5.00	5.00
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) — participants over 65	5.00	5.00
Year that the rate reaches the ultimate trend rate	2015	2012

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One-Percentage Point Increase	One-Percentage Point Decrease
Effect on total service and interest cost	$ 1,553,985	$ (1,222,418)
Effect on postretirement benefit obligation	16,334,303	(13,014,742)

Pension Plan and Other Postretirement Benefit Assets — The asset allocation for the Pension Plan and VEBA trusts at December 31, 2008 and 2007, by asset category was as follows:

	Pension Plan		VEBA Trusts	
	2008	2007	2008	2007
Asset category:				
Equity securities	24 %	31 %	24 %	- %
Debt securities	76	69	76	100

The target asset allocation for the Pension Plan is 30% equity securities and 70% debt securities and for the VEBA trust is 40% equity securities and 60% debt securities.

Pension Plan and Other Postretirement Benefit Contributions — The Companies expect to contribute $5,700,000 to their Pension Plan and $6,227,701 to their Other Postretirement Benefits plan in 2009.

Estimated Future Benefit Payments — The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

		Other Postretirement Benefits	
Years Ending December 31	Pension Plan	With Medicare Subsidy	Without Medicare Subsidy
2009	$ 8,190,118	$ 4,042,701	$ 4,388,179
2010	8,563,310	4,454,986	4,833,964
2011	8,860,448	4,797,783	5,211,111
2012	9,258,537	5,136,259	5,587,667
2013	9,646,383	5,403,058	5,892,674
Five years thereafter	57,038,752	32,929,845	35,939,277

Postemployment Benefits — The Companies follow SFAS No. 112, *Employers' Accounting for Postemployment Benefits*, and accrue the estimated cost of benefits provided to former or inactive employees after employment but before retirement. Such benefits include, but are not limited to, salary continuations, supplemental unemployment, severance, disability (including workers' compensation), job training, counseling, and continuation of benefits, such as health care and life insurance coverage. The cost of such benefits and related obligations has been allocated to OVEC and IKEC in the accompanying consolidating financial statements. The allocated amounts represent approximately a 42% and 58% split between OVEC and IKEC, respectively, as of December 31, 2008, and approximately a 40% and 60% split between OVEC and IKEC, respectively, as of December 31, 2007. The liability is offset with a corresponding regulatory asset and represents unrecognized postemployment benefits billable in the future to customers. The accrued cost of such benefits was $2,236,997 and $2,222,600 at December 31, 2008 and 2007, respectively.

Defined Contribution Plan — The Companies have a trustee-defined contribution supplemental pension and savings plan that includes 401(k) features and is available to employees who have met eligibility requirements. In 2007, the Companies' contributions to the savings plan were made in amounts equal to 50% of the employee-participants' contributions up to 6% of total compensation. In January 2008, the Companies' contributions to the savings plan were changed to amounts equal to 100% of the first 1% and 50% of the next 5% of employee-participants' contributions based upon total compensation. Benefits to participating employees are based solely upon amounts contributed to the participants' accounts and investment earnings. By its nature, the plan is fully funded at all times. The employer contributions for 2008 and 2007 were $1,634,334 and $1,278,249, respectively.

Adoption of SFAS No. 158 — Pension and Other Postretirement Benefits — The Companies adopted SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, effective December 31, 2007. SFAS No. 158 requires employers to fully recognize the obligations associated with defined benefit pension plans and other postretirement plans, which include retiree healthcare, in their balance sheets. Previous standards required an employer to disclose the complete funded status of its plan only in the notes to the financial statements and provided that an employer delay recognition of certain changes in plan assets and obligations that affected the costs of providing benefits resulting in an asset or liability that often differed from the plan's funded status. SFAS No. 158 requires a defined benefit pension or postretirement plan sponsor to recognize in its statement of financial position an asset for a plan's overfunded status or a liability for the plan's underfunded status. The effects of the Companies' adoption of SFAS No. 158 were as follows:

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Pension asset	$ 3,671,925	$12,378,324	$ 16,050,249
Postretirement benefits obligation	(40,299,341)	3,524,425	(36,774,916)

The adjustments detailed in the above table represent the unrecognized actuarial gains and unrecognized prior service cost for the plans as of December 31, 2007. These amounts were recorded as additions to regulatory liabilities (see Note 1).

10. ENVIRONMENTAL MATTERS

Title IV of the 1990 Clean Air Act Amendments required the Companies to reduce sulfur dioxide ($SO2$) emissions in two phases: Phase I in 1995 and Phase II in 2000. The Companies selected a fuel switching strategy to comply with the emission reduction requirements. The Companies also purchased additional SO2 allowances. The cost of these purchased allowances was inventoried and included on an average cost basis in the cost of fuel consumed when used. The cost of unused allowances at December 31, 2008 and 2007, was $2,244,126 and $11,787,964, respectively.

Title IV of the 1990 Clean Air Act Amendments also required the Companies to comply with a nitrogen oxides (NOx) emission rate limit of 0.84 lb/mmBtu in 2000. The Companies installed overfire air systems on all eleven units at the plants to comply with this limit. The total capital cost of the eleven overfire air systems was approximately $8.2 million.

During 2002 and 2003, Ohio and Indiana finalized respective NOx State Implementation Plan (SIP) Call regulations that required further significant NOx emission reductions for coal-burning power plants during the ozone control period (May through September). The Companies installed selective catalytic reduction (SCR) systems on ten of its eleven units to comply with these rules. The total capital cost of the ten SCR systems was approximately $355 million.

On March 10, 2005, the U.S. EPA signed the Clean Air Interstate Rule (CAIR) that will require significant further reductions of SO2 and NOx emissions from coal-burning power plants. On March 15, 2005, the U.S. EPA also signed the Clean Air Mercury Rule (CAMR) that will require significant mercury emission reductions for coal-burning power plants. These emission reductions will be required in two phases: 2009 and 2015 for NOx; 2010 and 2015 for SO2; and 2010 and 2018 for mercury. Ohio and Indiana also subsequently finalized their respective versions of CAIR and CAMR. In response, the Companies determined that it would be necessary to install flue gas desulfurization (FGD) systems at both plants to comply with these new rules and have since been conducting the necessary engineering, permitting, and construction to install these new FGD systems.

In February 2008, the D.C. Circuit Court of Appeals issued a decision which vacated the federal CAMR and remanded the rule to the U.S. EPA with a determination that the rule be rewritten under the maximum achievable control technologies (MACT) provision of Section 112(d) of the Clean Air Act. A group of electric utilities and the U.S. EPA requested a rehearing of the decision, which was denied by the court. Following those denials, both the group of electric utilities and the U.S. EPA requested that the U.S. Supreme Court hear the case. However, in February 2009, the U.S. EPA withdrew its request and the group of utilities' request was denied. These actions left the original court decision in place, which vacated the federal CAMR and remanded the rule to the U.S. EPA with a determination that the rule be rewritten under the MACT provision of Section 112(d) of the Clean Air Act.

In July 2008, the D.C. Circuit Court of Appeals issued a decision that vacated the federal CAIR and remanded the rule to the U.S. EPA. In September 2008, the U.S. EPA, a group of electric utilities and other parties filed petitions for rehearing. In December 2008, the D.C. Circuit Court of Appeals granted the U.S. EPA's petition and remanded the rule to the U.S. EPA without vacatur, allowing the federal CAIR to remain in effect while a new rule is developed and promulgated.

In December 2008, the Companies Boards of Directors authorized a delay in construction of the FGD at the Clifty Creek Plant of at least 18 months due to economic uncertainty in the capital markets.

In March 2009, the Board of Directors of OVEC authorized a delay in the anticipated tie-in of the first three generating units to the Kyger Creek Plant's FGD system pending an investigation into the structural integrity of the two newly constructed jet bubbling reactors, which are major components of the FGD system. Additional SO2 allowances will be purchased to operate the Clifty Creek and Kyger Creek generating units to comply with the current environmental emission rules during the delays. The current cost to complete the new Kyger Creek and

Clifty Creek FGD systems and the associated landfills is estimated not to exceed $1.33 billion.

11. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires disclosure of the fair value of certain financial instruments. The estimates of fair value under SFAS No. 107 require the application of broad assumptions and estimates. Accordingly, any actual exchange of such financial instruments could occur at values significantly different from the amounts disclosed. As cash and cash equivalents, current receivables, current payables, and line of credit borrowings are all short term in nature, their carrying amounts approximate fair value. The fair values of the Senior Notes were estimated using discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

The fair values and recorded values of the Senior Notes as of December 31, 2008 and 2007, are as follows:

	2008		2007	
	Fair Value	**Recorded Value**	**Fair Value**	**Recorded Value**
Senior 2006 Notes	$365,930,295	$ 413,013,876	$420,070,000	$426,359,355
Senior 2007 Notes	256,988,617	287,138,120	288,450,000	296,602,048
Senior 2008 Notes	324,385,533	345,166,313	-	-
Total	$947,304,445	$1,045,318,309	$708,520,000	$722,961,403

12. OPERATING LEASES

OVEC has entered into operating leases to secure railcars for the transportation of coal in connection with the fuel switching modifications at the OVEC and the IKEC generating stations. OVEC has railcar lease agreements that extend to as long as December 31, 2025, with options to exit the leases under certain conditions.

Future minimum lease payments for operating leases at December 31, 2008, are as follows:

Years Ending December 31	
2009	$ 4,726,988
2010	4,758,188
2011	3,356,810
2012	3,266,568
2013	3,254,088
Thereafter	25,886,781
Total future minimum lease payments	$45,249,423

The annual lease cost incurred was $4,761,224 and $4,767,379 for 2008 and 2007, respectively.

13. COMMITMENTS AND CONTINGENCIES

The Companies are party in or may be affected by various matters under litigation. Management believes that the ultimate outcome of these matters will not have a significant adverse effect on either the Companies' future results of operation or financial position.

14. FAIR VALUE MEASUREMENTS

Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. The Companies have adopted SFAS 157 and FASB Staff Position FAS No. 157-2 — *Effective Date of FASB Statement No. 157*, effective January 1, 2008. The adoption of SFAS 157 for financial instruments as required at January 1, 2008 did not have a material effect on the Companies' consolidating financial statements; however, the Companies are required to provide additional disclosure as part of the Companies' consolidating financial statements. As of December 31, 2008, the Companies have not adopted SFAS 157 for non-financial assets and non-financial liabilities. However, the provisions associated with non-financial assets and non-financial liabilities will be included in the disclosures in the Companies' 2009 consolidating financial statements, as required, and will not have a material effect on the Companies' consolidating financial statements.

On October 10, 2008, the FASB issued Staff Position FAS No. 157-3, *Fair Value Measurements* (FSP FAS 157-3), which clarifies the application of SFAS 157 in an inactive market and provides an example to demonstrate how the fair value of a financial asset is determined when the market for that financial asset is inactive. FSP FAS 157-3 was effective upon issuance, including prior periods for which financial statements had not been issued. The adoption of this standard as of December 31, 2008 did not have a material impact on the Companies' consolidated financial statements.

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of December 31, 2008, the Companies held certain assets that are required to be measured at fair value on a recurring basis. These consist of investments recorded within cash and cash equivalents. The investments consist of money market mutual funds and debt securities. Changes in the observed trading prices and liquidity of money market funds are monitored as additional support for determining fair value, and losses are recorded in earnings if fair value falls below recorded cost.

Assets measured at fair value on a recurring basis subject to the disclosure requirements of SFAS 157 at December 31, 2008, were as follows:

	Fair Value Measurements at Reporting Date Using		
	Quoted Prices in Active for Market Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents	$ -	$45,118,305	$ -
Marketable securities	$ -	$53,609,545	$ -

15. NEW ACCOUNTING STANDARDS

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115*. This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The election is made on an instrument-by-instrument basis and is irrevocable. If the fair value option is elected for an instrument, SFAS 159 specifies that all subsequent changes in fair value for that instrument shall be reported in earnings. The objective of the pronouncement is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007, and was adopted by the Companies on January 1, 2008. There was no impact on the Companies' financial position and results of operations, because the Companies made no fair value elections upon adoption.

On December 30, 2008, the FASB issued FSP FAS 132(R)-1, which amends Statement of Financial Accounting Standards No. 132(R), *Employers' Disclosures About Pensions and Other Postretirement Benefits — an amendment of FASB Statements No. 87, 88, and 106*, to require more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. The disclosure requirements of FSP FAS 132(R)-1 will be effective for the Companies for the year ended December 31, 2009.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.

2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.

3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

Name of Respondent Indiana-Kentucky Electric Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 05/20/2009	Year/Period of Report End of 2008/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) X An Original (2) _ A Resubmission	05/20/2009	2008/Q4

FOOTNOTE DATA

Schedule Page: 122(a)(b) Line No.: 4 Column: i

Net income is zero.

Schedule Page: 122(a)(b) Line No.: 9 Column: i

Net income is zero.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (f) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	644,147,104	644,147,104
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	644,147,104	644,147,104
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	323,787,124	323,787,124
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	967,934,228	967,934,228
14	Accum Prov for Depr, Amort, & Depl	513,987,492	513,987,492
15	Net Utility Plant (13 less 14)	453,946,736	453,946,736
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	513,987,492	513,987,492
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	513,987,492	513,987,492
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	513,987,492	513,987,492

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
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					31
					32
					33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	7,640	
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	7,640	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	872,193	214,000
9	(311) Structures and Improvements	75,031,351	2,776,029
10	(312) Boiler Plant Equipment	429,471,496	6,436,296
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	54,374,267	4,299,145
13	(315) Accessory Electric Equipment	30,633,481	
14	(316) Misc. Power Plant Equipment	13,332,642	1,142,133
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	603,715,430	14,867,603
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	603,715,430	14,867,603

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			7,640		2
					3
					4
			7,640		5
					6
					7
			1,086,193		8
57,682			77,749,698		9
686,370			435,221,422		10
					11
552,281			58,121,131		12
209,177			30,424,304		13
382,657			14,092,118		14
					15
1,888,167			616,694,866		16
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1,888,167			616,694,866		46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	176,939	
49	(352) Structures and Improvements	734,090	16,920
50	(353) Station Equipment	20,474,365	200,926
51	(354) Towers and Fixtures	2,483,460	
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices	2,320,331	
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	26,189,185	217,846
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights		
61	(361) Structures and Improvements		
62	(362) Station Equipment		
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures		
65	(365) Overhead Conductors and Devices		
66	(366) Underground Conduit		
67	(367) Underground Conductors and Devices		
68	(368) Line Transformers		
69	(369) Services		
70	(370) Meters		
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems		
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	4,946	
87	(390) Structures and Improvements	14,633	
88	(391) Office Furniture and Equipment	9,100	48,437
89	(392) Transportation Equipment		
90	(393) Stores Equipment	396	
91	(394) Tools, Shop and Garage Equipment		
92	(395) Laboratory Equipment	910	
93	(396) Power Operated Equipment	629	
94	(397) Communication Equipment	1,137,699	268,022
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	1,168,313	316,459
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	1,168,313	316,459
100	TOTAL (Accounts 101 and 106)	631,080,568	15,401,908
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	631,080,568	15,401,908

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Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
			176,939		48
8,964			742,046		49
			20,675,291		50
			2,483,460		51
					52
			2,320,331		53
					54
					55
					56
					57
8,964			26,398,067		58
					59
					60
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					85
			4,946		86
			14,633		87
			57,537		88
					89
			396		90
					91
			910		92
			629		93
438,241			967,480		94
					95
438,241			1,046,531		96
					97
					98
438,241			1,046,531		99
2,335,372			644,147,104		100
					101
					102
					103
2,335,372			644,147,104		104

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Handheld Data Recording Device	137,641
2	Barge Hauling System	149,889
3	Screenhouse Trash Rake	150,068
4	Power Meter and Frequency Counter	151,486
5	Security System	208,926
6	Public Branch Exchange	230,821
7	Unit #3 and 5 Large Particle Ash System	292,121
8	Generator Stator Bar Rewind - Labor	303,717
9	Unit #3 Slope Tubes	364,049
10	High Pressure Feedwater Heater	371,624
11	Unit #3 Air Preheater Baskets	378,114
12	Unit #5 Traveling Screen Assemblies	406,311
13	Mercury Monitoring System	522,924
14	Coal Scraper	635,181
15	Auxiliary Transformers	642,137
16	Ammonia Slip Monitors	711,302
17	Unit #3 Primary Furnace and Lower Sidewall Tubes	1,429,563
18	Fuel Oil Storage Tanks	1,805,814
19	Unit #3 Secondary Superheater	1,808,122
20	Unit #1 and 2 Large Particle Ash System	2,255,149
21	Oil Lighter System	2,877,503
22	Flue Gas Desulfurization Landfill Project	8,055,549
23	Out of Period Estimate	15,526,719
24	Flue Gas Desulfurization Project	283,694,080
25	Projects Less Than $100,000	678,314
26		
27		
28		
29		
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31		
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41		
42		
43	TOTAL	323,787,124

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	493,892,917	493,892,917		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	23,387,933	23,387,933		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	23,387,933	23,387,933		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,335,372	2,335,372		
13	Cost of Removal	2,295,860	2,295,860		
14	Salvage (Credit)	62,839	62,839		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	4,568,393	4,568,393		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17	Change in RWIP, Deferred Depreciation	1,275,035	1,275,035		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	513,987,492	513,987,492		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	492,190,452	492,190,452		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	20,964,274	20,964,274		
26	Distribution				
27	Regional Transmission and Market Operation				
28	General	832,766	832,766		
29	TOTAL (Enter Total of lines 20 thru 28)	513,987,492	513,987,492		

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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	33,762,232	30,987,241	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	8,249,028	9,316,659	Electric
8	Transmission Plant (Estimated)	315,171	308,471	Electric
9	Distribution Plant (Estimated)			
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	8,564,199	9,625,130	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	135		Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	42,326,566	40,612,371	

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Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2009 No. (d)	2009 Amt. (e)
1	Balance-Beginning of Year	7,146.00			
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	52,767.00		59,328.00	
5	Returned by EPA	429.00		429.00	
6					
7					
8	Purchases/Transfers:				
9	SO2 transfers from OVEC	14,446.00	4,974,910		
10					
11					
12					
13					
14					
15	Total	14,446.00	4,974,910		
16					
17	Relinquished During Year:				
18	Charges to Account 509	69,117.00	4,974,910		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	5,671.00		59,757.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	146.00			
37	Add: Withheld by EPA	730.00		730.00	
38	Deduct: Returned by EPA				
39	Cost of Sales	730.00			
40	Balance-End of Year	146.00		730.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	730.00	285,648		
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2010		2011		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						7,146.00		1
								2
								3
59,706.00		59,706.00		878,059.00		1,109,566.00		4
183.00		183.00		3,111.00		4,335.00		5
								6
								7
								8
						14,446.00	4,974,910	9
								10
								11
								12
								13
								14
						14,446.00	4,974,910	15
								16
								17
						69,117.00	4,974,910	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
59,889.00		59,889.00		881,170.00		1,066,376.00		29
								30
								31
								32
								33
								34
								35
						146.00		36
728.00		728.00		24,024.00		26,940.00		37
								38
				728.00		1,458.00		39
728.00		728.00		23,296.00		25,628.00		40
								41
								42
								43
				728.00	99,449	1,458.00	385,097	44
								45
								46

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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year
				Written off During the Quarter/Year Account Charged	Written off During the Period Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Unrecognized Pension Expense					
2	per SFAS 87		12,668,424			12,668,424
3						
4	Unrecognized Postemployment Benefit Exp.					
5	per SFAS 112	1,333,047		253	32,097	1,300,950
6						
7	Deferred Postretirement Benefit					
8	per SFAS 106		985,463			985,463
9						
10	Deferred Postretirement Employer					
11						
12	Deferred Depreciation	14,198,469		403	676,118	13,522,351
13						
14	Asset Retirement Costs	13,379,702	1,349,755	401	2,250,288	12,479,169
15						
16	Income Taxes Billable to Customers		1,034,148			1,034,148
17						
18						
19						
20						
21						
22						
23						
24						
25						
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27						
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41						
42						
43						
44	TOTAL	28,911,218	16,037,790		2,958,503	41,990,505

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3	Maintenance on Circuit Breakers					
4	for another Utility		465			465
5						
6	Required billing of maintenance					
7	due to incompletion of work by					
8	contractor		3,610			3,610
9						
10	Unrecognized Pension Expense					
11	per SFAS 87	7,426,450		253	7,426,450	
12						
13						
14						
15						
16						
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42						
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44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	7,426,450				4,075

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Begining of Year (b)	Balance at End of Year (c)
1	Electric		
2	Future FIT Benefits, per SFAS 109	11,217,239	12,056,711
3	Tax on Deferred Billings		6,050,893
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	11,217,239	18,107,604
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	11,217,239	18,107,604

Notes

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common	100,000	200.00	
2				
3				
4				
5	Preferred-None authorized, issued or			
6	outstanding			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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42				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
17,000	3,400,000					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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						42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax:	
29		
30		
31		
32		
33	A consolidated federal income tax return is filed with the parent	
34	company, Ohio Valley Electric Corporation.	
35		
36		
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43		
44		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust- ments (f)
1	FEDERAL:					
2	FICA	171,839		1,965,503	1,944,215	
3	Unemployment	12,941		23,385	22,478	
4	Excise Tax			7,176	7,176	
5	SUBTOTAL	184,780		1,996,064	1,973,869	
6						
7	INDIANA					
8	Unemployment	17,794		32,153	30,907	
9	SUBTOTAL	17,794		32,153	30,907	
10	Income Tax					
11	--2008			672,196		
12	--2005	-849,123			-849,123	
13	SUBTOTAL	-849,123		672,196	-849,123	
14						
15						
16	Property:					
17	--2007	2,526,884		91,140	2,618,024	
18	--2008			2,756,120		
19	SUBTOTAL	2,526,884		2,847,260	2,618,024	
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	1,880,335		5,547,673	3,773,677	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
193,127		1,744,576			220,927	2
13,848		20,789			2,596	3
					7,176	4
206,975		1,765,365			230,699	5
						6
						7
19,040		30,982			1,171	8
19,040		30,982			1,171	9
						10
672,196					672,196	11
						12
672,196					672,196	13
						14
						15
						16
		91,140				17
2,756,120		2,756,120				18
2,756,120		2,847,260				19
						20
						21
						22
						23
						24
						25
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						39
						40
3,654,331		4,643,607			904,066	41

FOOTNOTE DATA

Schedule Page: 262 Line No.: 2 Column: l

Apportioned to Accounts 107, 108, 142, and 143 through overhead rates applied to labor charged to work orders and account 401 on basis of payroll distribution.

Schedule Page: 262 Line No.: 3 Column: l

Apportioned to Accounts 107, 108, 142, and 143 through overhead rates applied to labor charged to work orders and account 401 on basis of payroll distribution.

Schedule Page: 262 Line No.: 4 Column: l

Charged to account 401.

Schedule Page: 262 Line No.: 8 Column: l

Apportioned to Accounts 107, 108, 142, and 143 through overhead rates applied to labor charged to work orders and account 401 on basis of payroll distribution.

Schedule Page: 262 Line No.: 11 Column: l

Charged to account 182.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Postemployment Benefit					
2	Obligations, per SFAS 112	1,333,047	228.3	1,333,047		
3						
4	Postretirement Benefit					
5	Obligations, per SFAS 106	17,538,584	228.3	17,538,584		
6						
7	Asset Retirement Obligations	22,432,640	230	22,432,640		
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
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33						
34						
35						
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37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	41,304,271		41,304,271		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $50,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities	Balance at Begining of Current Quarter/Year	DEBITS		Credits	Balance at End of Current Quarter/Year
			Account Credited	Amount		
	(a)	(b)	(c)	(d)	(e)	(f)
1	Antitrust Settlements Pending					
2	Final Disposition	1,150,860				1,150,860
3						
4	Federal Income Tax Benefits					
5	per SFAS 109	11,217,239			7,252,317	18,469,556
6						
7	Def. Cr.- SO2 Allowances	466,811			385,097	851,908
8						
9	Kinder Morgan Settlement	2,335,660	401	2,335,660		
10						
11	Unrecognized Pension Expense					
12	per SFAS 87	7,426,450	228.3	7,426,450		
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	22,597,020		9,762,110	7,637,414	20,472,324

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)		
5	Large (or Ind.) (See Instr. 4)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers		
11	(447) Sales for Resale	292,864,776	254,069,947
12	TOTAL Sales of Electricity	292,864,776	254,069,947
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	292,864,776	254,069,947
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues		
27	TOTAL Electric Operating Revenues	292,864,776	254,069,947

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
8,369,854	8,255,454	1	1	11
8,369,854	8,255,454	1	1	12
				13
8,369,854	8,255,454	1	1	14

Line 12, column (b) includes $ 0 of unbilled revenues.

Line 12, column (d) includes 0 MWH relating to unbilled revenues

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1						
2						
3						
4	Ohio Valley Electric Corporation	OS	FPC 1-B	NA	NA	NA
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
					1
					2
					3
8,369,854	101,144,168	191,720,608		292,864,776	4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
8,369,854	101,144,168	191,720,608	0	292,864,776	
8,369,854	**101,144,168**	**191,720,608**	**0**	**292,864,776**	

Schedule Page: 310 Line No.: 4 Column: a

All power generated by Indiana-Kentucky Electric Corporation is purchased by Ohio Valley Electric Corporation, the Parent Company, under the Power Agreement between the two companies dated July 10, 1953.

Schedule Page: 310 Line No.: 4 Column: b

Footnote Linked. See note on 310, Row: 4, col/item:

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,549,837	1,397,666
5	(501) Fuel	183,172,561	145,881,810
6	(502) Steam Expenses	5,820,335	5,874,334
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,949,867	2,905,888
10	(506) Miscellaneous Steam Power Expenses	9,125,140	8,037,790
11	(507) Rents		
12	(509) Allowances	4,974,910	12,226,111
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	207,592,650	176,323,599
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	611,152	592,206
16	(511) Maintenance of Structures	2,321,814	2,955,334
17	(512) Maintenance of Boiler Plant	30,652,463	28,534,552
18	(513) Maintenance of Electric Plant	7,552,713	4,366,860
19	(514) Maintenance of Miscellaneous Steam Plant	851,408	895,334
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	41,989,550	37,344,286
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	249,582,200	213,667,885
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power		
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses	2,251,687	2,250,288
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	2,251,687	2,250,288
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	251,833,887	215,918,173
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84	(561) Load Dispatching		
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	171,905	162,420
94	(563) Overhead Lines Expenses	11,812	19,277
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses	36,423	31,886
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	220,140	213,583
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures	19,541	19,910
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	248,997	200,258
108	(571) Maintenance of Overhead Lines		34,762
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	60,094	17,050
111	TOTAL Maintenance (Total of lines 101 thru 110)	328,632	271,980
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	548,772	485,563

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses		
137	(583) Overhead Line Expenses		
138	(584) Underground Line Expenses		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses		
141	(587) Customer Installations Expenses		
142	(588) Miscellaneous Expenses		
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)		
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment		
149	(593) Maintenance of Overhead Lines		
150	(594) Maintenance of Underground Lines		
151	(595) Maintenance of Line Transformers		
152	(596) Maintenance of Street Lighting and Signal Systems		
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of lines 146 thru 154)		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)		
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses		
161	(903) Customer Records and Collection Expenses		
162	(904) Uncollectible Accounts		
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)		

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses		
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)		
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	79,435	77,430
182	(921) Office Supplies and Expenses	302	270
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	1,351,106	1,219,905
185	(924) Property Insurance	693,935	796,398
186	(925) Injuries and Damages	632,879	620,152
187	(926) Employee Pensions and Benefits	9,732,051	8,232,204
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses		
190	(929) (Less) Duplicate Charges-Cr.		-730
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	11,929	1,762
193	(931) Rents		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	12,501,637	10,948,851
195	Maintenance		
196	(935) Maintenance of General Plant		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	12,501,637	10,948,851
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	264,884,296	227,352,587

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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	1,199
6	Indiana Energy Association	10,730
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46	TOTAL	11,929

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant					
8	Distribution Plant					
9	Regional Transmission and Market Operation					
10	General Plant					
11	Common Plant-Electric	23,387,933				23,387,933
12	TOTAL	23,387,933				23,387,933

B. Basis for Amortization Charges

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:
 (1) Generation
  a. hydroelectric
   i. Recreation fish and wildlife
   ii Other hydroelectric
  b. Fossil-fuel steam
  c. Internal combustion or gas turbine
  d. Nuclear
  e. Unconventional generation
  f. Siting and heat rejection
 (2) Transmission
  a. Overhead
  b. Underground
 (3) Distribution
 (4) Regional Transmission and Market Operation
 (5) Environment (other than equipment)
 (6) Other (Classify and include items in excess of $5,000.)
 (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:
 (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A - (5)	Ohio River Ecological Research Program
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (Classify)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing $5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D &D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
31,750		923.2	31,750		1
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	13,751,633		
4	Transmission	183,657		
5	Regional Market			
6	Distribution			
7	Customer Accounts			
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	79,436		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	14,014,726		
12	Maintenance			
13	Production	12,041,265		
14	Transmission	236,079		
15	Regional Market			
16	Distribution			
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	12,277,344		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	25,792,898		
21	Transmission (Enter Total of lines 4 and 14)	419,736		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)			
24	Customer Accounts (Transcribe from line 7)			
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	79,436		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	26,292,070		26,292,070
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

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Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	26,292,070		26,292,070
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	548,518		548,518
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	548,518		548,518
72	Plant Removal (By Utility Departments)			
73	Electric Plant	168,367		168,367
74	Gas Plant			
75	Other (provide details in footnote):	3,950		3,950
76	TOTAL Plant Removal (Total of lines 73 thru 75)	172,317		172,317
77	Other Accounts (Specify, provide details in footnote):			
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95	TOTAL Other Accounts			
96	TOTAL SALARIES AND WAGES	27,012,905		27,012,905

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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	100	10	1800			2,725			
2	February	121	20	600			2,725			
3	March	113	27	400			2,725			
4	Total for Quarter 1	334					8,175			
5	April	112	4	400			2,725			
6	May	112	15	2000			2,725			
7	June	92	4	900			2,725			
8	Total for Quarter 2	316					8,175			
9	July	86	21	1600			2,725			
10	August	95	27	700			2,725			
11	September	82	12	800			2,725			
12	Total for Quarter 3	263					8,175			
13	October	99	21	100			2,719		56	
14	November	81	24	800			2,725		469	
15	December	97	1	700			2,256			
16	Total for Quarter 4	277					7,700		525	
17	Total Year to Date/Year	1,190					32,225		525	

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FOOTNOTE DATA

Schedule Page: 400 Line No.: 1 Column: b

Transmission data includes both Ohio Valley Electric Corporation and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation. This information is not tracked on an individual company basis.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	
3	Steam	8,414,451			
4	Nuclear		23	Requirements Sales for Resale (See instruction 4, page 311.)	
5	Hydro-Conventional				
6	Hydro-Pumped Storage		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	8,369,854
7	Other				
8	Less Energy for Pumping		25	Energy Furnished Without Charge	
9	Net Generation (Enter Total of lines 3 through 8)	8,414,451	26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
10	Purchases		27	Total Energy Losses	44,597
11	Power Exchanges:		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	8,414,451
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	8,414,451			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

MONTHLY PEAKS AND OUTPUT

(1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
(2) Report on line 2 by month the system's output in Megawatt hours for each month.
(3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
(4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
(5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirments Sales for Resale & Associated Losses (c)	MONTHLY PEAK Megawatts (See Instr. 4) (d)	MONTHLY PEAK Day of Month (e)	MONTHLY PEAK Hour (f)
29	January	827,952	823,564	1,268	23	1900
30	February	631,709	628,361	1,265	1	0400
31	March	706,153	702,410	1,068	12	1100
32	April	701,634	697,915	1,033	14	1800
33	May	593,800	590,653	1,152	12	1800
34	June	698,011	694,312	1,187	13	0800
35	July	746,527	742,570	1,188	24	2100
36	August	762,602	758,561	1,197	23	0700
37	September	679,611	676,009	1,205	5	2000
38	October	690,364	686,705	1,216	20	2200
39	November	680,546	676,939	1,208	28	2300
40	December	695,542	691,855	1,233	24	1200
41	TOTAL	8,414,451	8,369,854			

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *CLIFTY CREEK* (b)			Plant Name: (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	STEAM					
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL					
3	Year Originally Constructed	1955					
4	Year Last Unit was Installed	1955					
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	1303.56			0.00		
6	Net Peak Demand on Plant - MW (60 minutes)	1268			0		
7	Plant Hours Connected to Load	8784			0		
8	Net Continuous Plant Capability (Megawatts)	1284			0		
9	When Not Limited by Condenser Water	0			0		
10	When Limited by Condenser Water	1284			0		
11	Average Number of Employees	380			0		
12	Net Generation, Exclusive of Plant Use - KWh	8414451000			0		
13	Cost of Plant: Land and Land Rights	1086193			0		
14	Structures and Improvements	77749698			0		
15	Equipment Costs	537858975			0		
16	Asset Retirement Costs	0			0		
17	Total Cost	616694866			0		
18	Cost per KW of Installed Capacity (line 17/5) Including	473.0851			0.0000		
19	Production Expenses: Oper, Supv, & Engr	1549837			0		
20	Fuel	183172561			0		
21	Coolants and Water (Nuclear Plants Only)	5820335			0		
22	Steam Expenses	0			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	2949867			0		
26	Misc Steam (or Nuclear) Power Expenses	9125140			0		
27	Rents	0			0		
28	Allowances	4974910			0		
29	Maintenance Supervision and Engineering	611152			0		
30	Maintenance of Structures	2321814			0		
31	Maintenance of Boiler (or reactor) Plant	30652463			0		
32	Maintenance of Electric Plant	7552713			0		
33	Maintenance of Misc Steam (or Nuclear) Plant	851408			0		
34	Total Production Expenses	249582200			0		
35	Expenses per Net KWh	0.0297			0.0000		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	COAL	OIL				
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	TONS	GALLONS				
38	Quantity (Units) of Fuel Burned	4344759	423297	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	9956	136000	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	39.898	3.078	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	39.895	3.049	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	202.586	2323.038	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.022	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	10289.000	0.000	0.000	0.000	0.000	0.000

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Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0.0000	0.0000	0.0000	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

									36
									37
0	0	0	0	0	0	0	0	0	38
0	0	0	0	0	0	0	0	0	39
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

Schedule Page: 402 Line No.: 43 Column: b1

Includes coal and oil.

Schedule Page: 402 Line No.: 44 Column: b1

Includes coal and oil.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of
	From (a)	To (b)	Operating (c)	Designed (d)	Structure (e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	Circuits (h)
1	Clifty Creek	Dearborn	345.00	330.00	Steel Tower	42.20		2
2								
3								
4	Clifty Creek	Ind.-Ky State Line						
5		(Pierce)	345.00	330.00	Steel Tower	0.20		2
6								
7								
8	Dearborn	Ind.-Ky State Line						
9		(Pierce)	345.00	330.00	Steel Tower	0.50		1
10								
11								
12	Clifty Creek	Junction Miami Ft.-						
13		Louisville Line	138.00	132.00	Steel Tower	0.30		2
14								
15								
16	Clifty Creek	Ind.-Ky State Line						
17		(Carrollton)	138.00	132.00	Steel Tower	1.50		1
18								
19								
20	Dearborn	Ind.-Ky State Line						
21		(Buffington-CG&E)	345.00	330.00	Steel Tower		0.50	1
22								
23								
24	Expenses Applicable							
25	To all Lines							
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	44.70	0.50	9

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana-Kentucky Electric Corporation	(1) [X] An Original (2) [ ] A Resubmission	05/20/2009	End of 2008/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) Land (j)	Construction and Other Costs (k)	Total Cost (l)	EXPENSES, EXCEPT DEPRECIATION AND TAXES Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	Line No.
1.75 in.	167,186	4,570,385	4,737,571					1
								2
								3
								4
1.75 in.		65,275	65,275					5
aluminum								6
								7
								8
1.75 in.		151,149	151,149					9
aluminum								10
								11
								12
795,000 cm		16,982	16,982					13
ACSR								14
								15
								16
556,000 cm								17
ACSR								18
								19
								20
1.75 in.								21
aluminum								22
								23
								24
				220,140	328,632		548,772	25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	167,186	4,803,791	4,970,977	220,140	328,632		548,772	36

Schedule Page: 422 Line No.: 20 Column: a

The pole miles and cost of the transmission line are included in the Dearborn to Indiana-Kentucky State Line (Pierce) information. One circuit of this double circuit transmission line is interconnected in Kentucky at the Buffington Substation owned by Cincinnati Gas & Electric Company.

Name of Respondent Indiana-Kentucky Electric Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 05/20/2009	Year/Period of Report End of 2008/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Clifty Creek - Madison, IN	Transmission	15.50	345.00	
2		Partially Attended	345.00	138.00	13.80
3					
4					
5	Dearborn - Lawrenceburg, IN	Transmission			
6		Unattended	345.00		
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20	* MVa changed to KV				
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Indiana-Kentucky Electric Corporation	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) 05/20/2009	Year/Period of Report End of 2008/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
1440	18	2	None			1
250	2		None			2
						3
						4
			None			5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						19
						20
						21
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