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February 23, 2012

RECEIVED

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

FEB 23 2012

PUBLIC SERVICE
COMMISSION


**RE: An Examination by the Public Service Commission of the Environmental
Surcharge Mechanism of Kentucky Utilities Company for the Two-Year Billing
Period Ending April 30, 2011**
Case No. 2011-00231

Dear Mr. DeRouen:

Enclosed please find and accept for filing an original and ten copies of Kentucky Utilities Company's Motion to Approve Revised ES Forms and Issue Order Granting Motion to Correct in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me via our office courier.

Should you have any questions please contact me at your convenience.

Yours very truly,


Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

400001.139563/791798.1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF KENTUCKY) CASE NO. 2011-00231
UTILITIES COMPANY FOR THE TWO-YEAR)
BILLING PERIOD ENDING APRIL 30, 2011)**

**MOTION TO APPROVE REVISED ES FORMS AND
ISSUE ORDER GRANTING MOTION TO CORRECT**

Kentucky Utilities Company (“KU”) requests the Kentucky Public Service Commission (“KPSC” or “Commission”) approve proposed revisions and additions (described below) to KU’s monthly ES forms and to issue an order granting KU’s Motion to Correct Order by February 29, 2012. As grounds for its motion, KU states as follows:

1. On August 9, 2011, the Commission initiated a two-year review of Kentucky Utilities Company’s (“KU”) environmental surcharge as billed to customers for the two-year period from May 1, 2009 to April 30, 2011.¹ Pursuant to KRS 278.183(3), the Commission must review, at six-month intervals, the past operations of the environmental surcharge; disallow any surcharge amounts that are not just and reasonable; and reconcile past surcharge collections with actual costs recoverable. At two-year intervals, the Commission must review and evaluate the past operations of the environmental surcharge, disallow improper expenses and, to the extent appropriate, incorporate surcharge amounts found just and reasonable into the existing base rates of the utility.

¹ KU’s surcharge is billed on a two-month lag. Thus surcharge billings for May 2009 through April 2011 are based on costs incurred from March 2009 through February 2011.

2. The Commission issued a procedural schedule for this proceeding on August 9, 2011. KU filed prepared direct testimony and responded to requests for information. On November 10, 2011, KU requested that the Commission delay issuing an order in this proceeding until the issuance of a final Order in Case No. 2011-00161 concerning the Settlement Agreement, Stipulation, and Recommendation (“Settlement Agreement”) submitted in that case.² Kentucky Industrial Utility Customers, Inc. (“KIUC”) petitioned to intervene, which petition was granted on November 18, 2011.

3. On November 21, 2011, KU filed in Case No. 2011-00161 proposed revisions and additions to its monthly ES forms. An accurate copy of this filing is contained in Appendix A to this motion. On December 15, 2011, the Commission issued an order in Case No. 2011-00161 approving the Settlement Agreement, including a change in ECR allocation methodology to be implemented with the January 2012 expense month filing, and proposed ES forms. Following the Commission’s December 15, 2011 Order in Case No. 2011-00161, KU filed supplemental information in this case on January 5, 2012 concerning the allocation methodology to be used for its roll-in to base rates of environmental costs. KU requested that this case be submitted for a decision based on the existing record without a public hearing. Finding good cause, the Commission granted KU’s request, decided this case based on the evidence of record without a hearing and issued its order on January 31, 2012.

4. The Commission’s January 31, 2012 Order approved the past operations of KU’s environmental surcharge for the period under review and directed KU to incorporate the surcharge amounts found just and reasonable into KU’s existing base rates using the allocation

² See *In the Matter of: Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2011-00161.

methodology approved by the Commission in the Settlement Agreement in Case No. 2011-00161.

5. On February 3, 2012, KU filed a Motion to Correct Order requesting the Commission to correct certain inadvertent errors or omissions, *nunc pro tunc*, in the January 31, 2012 Order in this proceeding. On February 6, 2012, the KIUC filed a Response in which KIUC expressed its support for KU's Motion to Correct.

6. On February 17, 2012, KU filed its Environmental Surcharge Report for the expense month of January 2012. The Environmental Surcharge Report included the calculation and supporting documentation for the Monthly Surcharge Factors to be billed for service rendered on and after February 29, 2012. In its filing letter, KU advised that the calculation of the Monthly Surcharge Factors reflected the implementation of the changes to the allocation methodology of the monthly revenue requirement approved by the Commission in its January 31, 2011 Order in this proceeding.³ KU's letter further noted that some changes were made to ES Form 1.10, with conforming changes to ES Forms 1.00 and 3.00. These revisions and modifications are shown in the blank ES forms contained in Appendix B. An accurate copy of the February 17, 2012 filing, utilizing the proposed forms, is contained in Appendix C to this motion.

7. At KU's request, an informal conference with Commission Staff was held on February 22, 2012. KIUC attended the conference in person. The Attorney General attended the conference by telephone. During the informal conference, KU provided a summary of and detailed work papers supporting the proposed changes to the ES Forms.

³ The Commission's January 31, 2012 Order in this proceeding implemented the allocation methodology portion of the Settlement Agreement the Commission approved in its December 15, 2011 Order in *In the Matter of: Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2011-00161.

8. There are two principal changes to ES Form 1.10. The first adjusts the calculation of “Revenue as a Percentage of Total Revenue for the Current Month” by replacing the one-month value with a 12-month average value to arrive at “Revenue as a Percentage of 12-month Total Revenue ending with the Current Month.” The use of a 12-month average in lieu of a single month should reduce the volatility of the changes in the Monthly Surcharge Factors over time and comports with the use of 12-month revenues used to determine the billing factor. The second change is in the calculation of “Adjusted Net Jurisdictional E(m).” The calculation of E(m) is modified to include the adjustments for “(Over)/Under-collection” and “Revenue Collected through Base Rates” as part of the calculation prior to the allocation between Group 1 and Group 2. In doing so, the resulting calculation of the Group Environmental Surcharge Billing Factors more accurately reflects the requirements of the Settlement Agreement approved by the Commission in Case No. 2011-00161 by keeping the revenue allocated to Group 1 approximately the same as the revenue that would be allocated to those rate classes in Group 1 if there was no change to the allocation methodology.⁴ The proposed change in the calculation of E(m) continues to provide the rate classes in Group 2 the benefits of the revenue allocation methodology in the Settlement Agreement approved by the Commission in Case No. 2011-00161 through the use of net-revenues (total revenues less fuel revenues) to reallocate the revenues within Group 2.⁵

⁴ For KU, Group 1 would include the following rate classes: Residential Service, Volunteer Fire Department Service, All Electric School, Street Lighting Service, Private Outdoor Lighting, Lighting Energy Service, Traffic Energy Service, Dark Sky Friendly, and Low Emission Vehicle Service.

⁵ For KU, Group 2 would include the following rate classes: General Service, Power Service, Time-of-Day Secondary Service, Time-of-Day Primary Service, Retail Transmission Service, Fluctuating Load Service, and special contracts.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission issue an order by February 29, 2012 granting the following relief:

1. The sentence appearing on page 4 of the January 31, 2012 Order, under the section Allocation of Roll-In, should be corrected, *nunc pro tunc*, as follows:

The \$161,413,973 total roll-in was allocated between the two groups based on the percentage of each group's total revenue, excluding base environmental surcharge revenue, to KU's total revenue, excluding base environmental surcharge revenue.

2. The sentence appearing on page 5 of the January 31, 2012 Order, under the section Allocation of Roll-In, should be corrected, *nunc pro tunc*, as follows:

The Commission has reviewed and finds reasonable KU's proposal to allocate the roll-in of \$161,413,973 pursuant to the terms of the Settlement Agreement in Case No. 2011-00161.

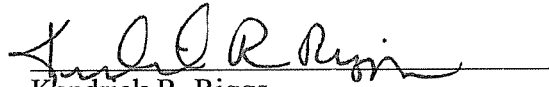
3. Ordering paragraph number 3, at page 7 of the Order, inadvertently omits the word "total" from the second sentence when describing the total amount of the roll-in to be allocated in accordance with the Settlement Agreement. The second sentence appearing in ordering paragraph number 3, at page 7 of the Order should be corrected, *nunc pro tunc*, as follows:

The total roll-in shall be allocated to the customer classes as described in the Settlement Agreement approved in Case No. 2011-00161.

4. KU's proposed revisions and modifications to its monthly ES Form 1.00, 1.10 and 3.00 as shown in Appendix B are approved effective with the date of the order.

Dated: February 23, 2012

Respectfully submitted,



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- and -

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LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Motion was served via U.S. mail first-class, postage prepaid, this 23rd day of February 2012 upon the following persons:

Michael L. Kurtz
Kurt J. Boehm
Jody M. Kyler
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202

Dennis G. Howard II
Lawrence W. Cook
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204



Counsel for Kentucky Utilities Company

Appendix A

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Group E(m) and
Group Environmental Surcharge Billing Factors
For the Expense Month of**

GROUP 1 (Total Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 18 =

Group 1 ES Billing Factor -- ES Form 1.10, line 20 =

GROUP 2 (Net Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 18 =

Group 2 ES Billing Factor -- ES Form 1.10, line 20 =

Effective Date for Billing:

Submitted by: _____

Title: Director, Rates

Date Submitted:

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Group Surcharge Billing Factors

For the Expense Month of

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where
 RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	=		
(2) RB / 12	=		
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=		
(4) OE	=		
(5) BAS	=		Not Applicable
(6) BR	=		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$		
(8) Total E(m)	=	sum of Pre-2011 E(m) + 2011 E(m)	

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdiction Allocation Ratio for Expense Month -- ES Form 3.10	=
(10) Jurisdictional E(m) = Total E(m) x Jurisdiction Allocation Ratio [(8) x (9)]	=
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	=
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=

Calculation of Group Environmental Surcharge Billing Factors

		GROUP 1 (Total Revenue)	GROUP 2 (Net Revenue)
(13) Revenue as a Percentage of Total Revenue for Current Month -- ES Form 3.00	=		
(14) Group E(m) [(12) x (13)]	=		
(15) Adjustment for (Over)/Under-collection pursuant to Case No.	=		
(16) Prior Period Adjustment related to Revenue (if necessary)	=		
(17) Revenue Collected through Base Rates	=		
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	=		
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	=		
(20) Group Environmental Surcharge Billing Factors [(18) ÷ (19)]	=		

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant		
Eligible Pollution CWIP Excluding AFUDC		
Subtotal		
Additions:		
Inventory - Limestone		
Less: Limestone Inventory in base rates		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Less: Allowance Inventory Baseline		
Net Emission Allowance Inventory		
Cash Working Capital Allowance		
Subtotal		
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant		
Pollution Control Deferred Income Taxes		
Pollution Control Deferred Investment Tax Credit		
Subtotal		
Environmental Compliance Rate Base		

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense		
Monthly Depreciation & Amortization Expense		
Monthly Taxes Other Than Income Taxes		
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31		
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)		
Net Recoverable Emission Allowance Expense		
Monthly Surcharge Consultant Fee		
Total Pollution Control Operations Expense		

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
Net Beneficial Reuse Operations Expense	

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales			
Scrubber By-Products Sales			
Total Proceeds from Sales			

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended:

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons						
Dollars						
\$/Ton						
At E.W. Brown:						
Tons						
Dollars						
\$/Ton						

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Plant, CWIP & Depreciation Expense

ES FORM 2.10

For the Month Ended:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of	Deferred Tax Balance as of	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 19 - Ash Handling at Ghent 1 and Ghent Station Project 20 - ATB Expansion at E.W. Brown Station (Phase I) Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4								
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan								
Net Total - 2005 Plan:								
2006 Plan: Project 23 - TC2 AQCS Equipment Project 24 - Sorbent Injection Project 25 - Mercury Monitors Project 27 - E.W. Brown Electrostatic Precipitators								
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan								
Net Total - 2006 Plan:								
2009 Plan: Project 28 - Brown 3 SCR Project 29 - Brown Aux Pond (Phase II) Project 30 - Ghent CCP Storage (Landfill- Phase I) Project 31 - Trimble County Ash Treatment Basin (BAP/GSP) Project 32 - Trimble County CCP Storage (Landfill - Phase I) Project 33 - Beneficial Reuse								
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan								
Net Total - 2009 Plan:								
2011 Plan: Project 29 - Brown Landfill (Phase I) Project 34 - E.W. Brown Station Air Compliance Project 35 - Ghent Station Air Compliance								
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan								
Net Total - 2011 Plan:								
Net Total - All Plans:								

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Inventory of Emission Allowances

For the Month Ended:

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031 - 2040							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (SO₂) - Current Vintage Year**

For the Month Ended:

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity							
Dollars							
\$/Allowance							
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity							
Dollars							
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity							
Dollars							
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity							
Dollars							
\$/Allowance							
From LG&E							
Quantity							
Dollars							
\$/Allowance							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Month Ended:

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity							
Dollars							
\$/Allowance							
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity							
Dollars							
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity							
Dollars							
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity							
Dollars							
\$/Allowance							
From LG&E:							
Quantity							
Dollars							
\$/Allowance							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Month Ended:

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity							
Dollars							
\$/Allowance							
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity							
Dollars							
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity							
Dollars							
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity							
Dollars							
\$/Allowance							
From LG&E:							
Quantity							
Dollars							
\$/Allowance							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended:

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month		
10th Previous Month		
9th Previous Month		
8th Previous Month		
7th Previous Month		
6th Previous Month		
5th Previous Month		
4th Previous Month		
3rd Previous Month		
2nd Previous Month		
Previous Month		
Current Month		
Total 12 Month O&M		

Determination of Working Capital Allowance		
12 Months O&M Expenses		
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance		

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses**

For the Month Ended:

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations						
512055 - ECR Scrubber Maintenance						
Total 2005 Plan O&M Expenses						
2006 Plan						
506159 - ECR Sorbent Injection Operation						
506152 - ECR Sorbent Reactant - Reagent Only						
512152 - ECR Sorbent Injection Maintenance						
506150 - ECR Mercury Monitors Operation						
512153 - ECR Mercury Monitors Maintenance						
506154 - ECR NOx Operation -- Consumables						
506155 - ECR NOx Operation -- Labor and Other						
512151 - ECR NOx Maintenance						
502056 - ECR Scrubber Operations						
512055 - ECR Scrubber Maintenance						
506051 - ECR Precipitator Operation						
506151 - ECR Activated Carbon						
512051 - ECR Precipitator Maintenance						
Total 2006 Plan O&M Expenses						
2009 Plan						
506154 - ECR NOx Operation -- Consumables						
506155 - ECR NOx Operation -- Labor and Other						
512151 - ECR NOx Maintenance						
502012 - ECR Landfill Operations						
512105 - ECR Landfill Maintenance						
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)						
Total 2009 Plan O&M Expenses						
2011 Plan						
506159 - ECR Sorbent Injection Operation						
506152 - ECR Sorbent Reactant - Reagent Only						
512152 - ECR Sorbent Injection Maintenance						
506156 - ECR Baghouse Operations						
512156 - ECR Baghouse Maintenance						
506151 - ECR Activated Carbon						
Total 2011 Plan O&M Expenses						
Current Month O&M Expense for All Plans						

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended:**

On-Site CCP Disposal O&M Expense		Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1)	12 Months Ending with Expense Month		
(2)	Monthly Amount [(1) / 12]		
2009 Plan Project			
(3)	Monthly Expense		
Total Generating Station			
(4)	Monthly Expense [(2) + (3)]		
Base Rates			
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)		
(6)	Monthly Expense Amount [(5) / 12]		
(7)	Total Generating Station Less Base Rates [(4) - (6)]		
(8)	Less 2009 Plan Project [(7) - (3)]		
	If Line (8) Greater than Zero, No Adjustment		
	If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)			

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended:**

Third Party	O&M Expense Account	Plant	Total O&M
Total Monthly Beneficial Reuse Expense			
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			
Net Beneficial Reuse O&M Expense			

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended:

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month						
(2) Monthly Amount [(1) / 12]						
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)						
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]						
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)						
(6) Monthly Expense Amount [(5) / 12]						
(7) Total Generating Station Less Base Rates [(4) - (6)]						
(8) Less 2009 Plan Project 33 [(7) - (3)]						
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)						

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended:

GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge
						(2)+(3)+(4)+(5)+(6)	(7)-(6)
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$	-
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =						\$	-
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month							%

GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$	-
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							-	
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month							%	

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues and Calculation of Jurisdictional Allocation Percentage for Current Month

For the Month Ended:

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ -	\$ -
(2) Fuel Adjustment Clause	\$ -	\$ -
(3) DSM	\$ -	\$ -
(4) Environmental Surcharge		\$ -
(5) CSR Credits		\$ -
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ -	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ -	\$ -
(8) Virginia Retail	\$ -	\$ -
(9) Wholesale	\$ -	\$ -
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ -	\$ -
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ -	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ -	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ -
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ -
(18) Total Company Revenues per Income Statement =		\$ -

Appendix B

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16 =

Group 1 ES Billing Factor -- ES Form 1.10, line 18 =

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16 =

Group 2 ES Billing Factor -- ES Form 1.10, line 18 =

Effective Date for Billing:

Submitted by: _____

Title: Director, Rates

Date Submitted:

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR) (TR / (1 - TR)))\} + OE - BAS + BR$, where
 RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	=		
(2) RB / 12	=		
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=		
(4) OE	=		
(5) BAS	=		Not Applicable
(6) BR	=		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$		
(8) Total E(m)	= sum of Pre-2011 E(m) + 2011 E(m)		

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	=
(12) Prior Period Adjustment (if necessary)	=
(13) Revenue Collected through Base Rates	=
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(15) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=		
(16) Group E(m) [(14) x (15)]	=		
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	=		
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=		

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended:

GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							

GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.								
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =								
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month								

Appendix C



a PPL company

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

February 17, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of January 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 29, 2012.

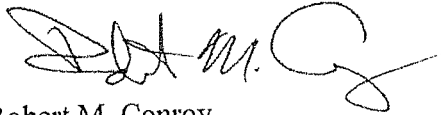
Included with this filing is the implementation of the changes to the allocation of the monthly revenue requirement approved by the Commission's Final Order dated January 31, 2012 in Case No. 2011-00231. Please note that some changes have been made to ES Form 1.10, with conforming changes to ES Forms 1.00 and 3.00. KU is requesting a technical conference with Commission Staff on Wednesday, February 22, 2012, to explain these changes.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in January 2012.

Mr. Jeff DeRouen
February 17, 2012

Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy". The signature is stylized with a large, looping initial "R" and a long, sweeping underline.

Robert M. Conroy

Enclosures

Dennis G. Howard II
Lawrence W. Cook
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Michael L. Kurtz
Kurt J. Boehm
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202

INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR : VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # . 27-2585037

INVOICE DATE: 1/4/2011
 INVOICE #: 20111206
 INVOICE PERIOD: 12/1/2011-12/31/2011
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-56

FIRM INVOICED: Mr. John A. Rogness III
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	December	8	\$260	\$2,080.00		\$2,080.00	✓
Chuck Buechel	December	6	\$240	\$1,440.00		\$1,440.00	✓
Mike Bolsmenu	December	1	\$240	\$240.00		\$240.00	✓
Mark Fowler	December	0	\$240	\$0.00		\$0.00	
SUB TOTALS		15		\$3,760.00	\$0.00	\$3,760.00	
TOTAL FEES							\$3,760.00
TOTAL PERSONAL EXPENSES							\$0.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$3,760.00
TOTAL MONTHLY INVOICE AMOUNT							\$3,760.00

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC.
 21460 Overseas Hwy.
 Cudjoe Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

[Handwritten signature]
 1/18/2012

Approved PO # 60185
 OK *[Handwritten signature]* 1/20/12
 ECR proceeding

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2012**

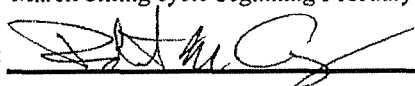
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	987,137
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.36%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,511,943
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		4.13%

Effective Date for Billing: March billing cycle beginning February 29, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: February 17, 2012

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and
 Jurisdictional Surcharge Billing Factor

For the Expense Month of January 2012

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where

RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,242,892,839	\$ 19,986,822
(2) RB / 12	= \$	103,574,403	\$ 1,665,569
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,347,905	\$ 901,392
(5) BAS	= \$	(2,152)	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	\$ 16,287,514	\$ 1,070,114
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,357,628	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	84.75%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	14,710,590
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,811)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,614,699
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	2,499,080

Calculation of Group Environmental Surcharge Billing Factors

		GROUP 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	39.50%	60.50%
(16) Group E(m) [(14) x (15)]	= \$	987,137	\$ 1,511,943
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,768,106	\$ 36,566,487
(18) Group Environmental Surcharge Billing Factors [(16) + (17)]	=	2.36%	4.13%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,316,450,254	\$ -
Eligible Pollution CWIP Excluding AFUDC	168,797,824	19,759,625
Subtotal	\$ 1,485,248,078	\$ 19,759,625
Additions:		
Inventory - Limestone	\$ 814,016	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	437,694	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	368,279	
Cash Working Capital Allowance	2,580,444	227,197
Subtotal	3,686,266	227,197
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	122,564,184	-
Pollution Control Deferred Income Taxes	96,445,830	-
Pollution Control Deferred Investment Tax Credit	27,031,491	-
Subtotal	246,041,505	-
Environmental Compliance Rate Base	\$ 1,242,892,839	\$ 19,986,822

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,074,115	\$ 896,992
Monthly Depreciation & Amortization Expense	4,096,425	-
Monthly Taxes Other Than Income Taxes	169,695	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	12,531	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	7,670	
Monthly Surcharge Consultant Fee		1,993
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,347,905	\$ 901,392

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	48,446	50,597	(2,152)
Total Proceeds from Sales	\$ 48,446	\$ 50,597	\$ (2,152)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: January 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	72,872.36	59,062.00	0.00	47,850.00	84,084.36	
Dollars	\$ 668,954.73	\$ 565,694.74	\$ -	\$ 447,672.76	\$ 786,976.71	
\$/Ton	\$ 9.18	\$ 9.58		\$9.36	\$9.36	
At E.W. Brown:						
Tons	2,577.45	2,655.60	0.00	3,220.00	2,013.05	
Dollars	\$ 39,640.06	\$ 30,651.07	\$ -	\$ 43,251.54	\$ 27,039.59	
\$/Ton	\$ 15.38	\$ 11.54		\$13.43	\$ 13.43	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 737,542.96

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 1/31/2012	Deferred Tax Balance as of 1/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent I and Ghent Station	\$ 835,046	\$ 93,440.95	\$ -	\$ 741,605	\$ -	\$ 94,086	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,469,186.58	\$ 2,783,797	\$ 34,969,839	\$ -	\$ 4,161,877	\$ 75,401	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,076,601,003	\$ 113,329,946.92	\$ 5,732,038	\$ 969,003,093	\$ -	\$ 88,086,605	\$ 3,322,564	\$ 121,502
Subtotal	\$ 1,112,091,277	\$ 115,892,574	\$ 8,515,834	\$ 1,004,714,537	\$ -	\$ 92,342,568	\$ 3,399,907	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (525)
Net Total - 2005 Plan:	\$ 1,107,348,721	\$ 113,640,504	\$ 8,515,834	\$ 1,002,224,051	\$ -	\$ 91,498,339	\$ 3,391,099	\$ 125,652
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 8,099,084.66	\$ 3,154,245	\$ 180,167,119	\$ 27,031,491	\$ 3,375,517	\$ 650,175	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 929,661.76	\$ -	\$ 12,025,171	\$ -	\$ 1,307,435	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 147,421.90	\$ -	\$ 884,531	\$ -	\$ 76,184	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 118,336.47	\$ -	\$ 1,230,829	\$ -	\$ 59,596	\$ 3,376	\$ 154
Subtotal	\$ 200,447,910	\$ 9,294,505	\$ 3,154,245	\$ 194,307,650	\$ 27,031,491	\$ 4,818,733	\$ 687,046	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (15,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 8,894,560	\$ 3,154,245	\$ 194,258,749	\$ 27,031,491	\$ 4,804,736	\$ 685,912	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 59,747,142	\$ 59,747,142	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 14,932,369	\$ 14,932,369	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 77,886,411	\$ 77,886,411	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 29,120	\$ (63,054)	\$ 9,010,295	\$ -	\$ 142,756	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 3,221,263	\$ 3,221,263	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 1,403,614	\$ 1,403,614	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 29,120	\$ 157,127,745	\$ 166,201,094	\$ -	\$ 142,756	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 29,120	\$ 157,127,745	\$ 166,201,094	\$ -	\$ 142,756	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,316,450,254	\$ 122,564,184	\$ 168,797,824	\$ 1,362,683,894	\$ 27,031,491	\$ 96,445,830	\$ 4,096,425	\$ 169,695

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 1/31/2012	Deferred Tax Balance as of 1/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,297,359	\$ 14,297,359	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 74,000	\$ 74,000	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 5,388,266	\$ 5,388,266	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 19,759,625	\$ 19,759,625	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 19,759,625	\$ 19,759,625	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,316,450,254	\$ 122,564,184	\$ 188,557,449	\$ 1,382,443,518	\$ 27,031,491	\$ 96,445,830	\$ 4,096,425	\$ 172,102

Note 1: Trumble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances**

For the Month Ended: January 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	218,317	13,887	9,945	\$ 434,172.82	\$ -	\$ 3,758.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2040	697,815						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	224,618	0	6,301	0	0	218,317	
Dollars	\$ 446,703.79	\$ -	\$ 12,530.97	\$ -	\$ -	\$ 434,172.82	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	224,618	-	6,301	-	-	218,317	Beginning inventory includes 77,535 2012 vintage allowances
Dollars	\$ 446,703.79	\$ -	\$ 12,530.97	\$ -	\$ -	\$ 434,172.82	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0						
Dollars	\$ -						
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of January 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY. ALL CLASSIFICATIONS							
Quantity	9,945	0	0	0	0	9,945	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	-	-	-	9,644	Beginning inventory includes 6,588 2012 vintage allowances
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	-	-	301	Beginning inventory includes 95 2012 vintage allowances
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of January 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15,160	0	1,273	0	0	13,887	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,025	-	1,271	-	-	13,754	Beginning inventory includes 15,024 2012 vintage allowances
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	135	0	2	0	0	133	Beginning inventory includes 134 2012 vintage allowances
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,839,149	
10th Previous Month	1,628,590	
9th Previous Month	1,592,835	
8th Previous Month	1,790,381	
7th Previous Month	2,005,186	
6th Previous Month	1,865,556	
5th Previous Month	2,435,952	
4th Previous Month	1,788,869	
3rd Previous Month	1,589,445	
2nd Previous Month	1,970,117	
Previous Month	1,063,355	920,585
Current Month	1,074,115	896,992
Total 12 Month O&M	\$ 20,643,550	\$ 1,817,577

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	20,643,550	\$ 1,817,577
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,580,444	\$ 227,197

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	43,251.54	331,806.31				375,057.85
512055 - ECR Scrubber Maintenance	77,565.93	238,914.11				316,480.04
Total 2005 Plan O&M Expenses	120,817.47	570,720.42				691,537.89
2006 Plan						
506159 - ECR Sorbent Injection Operation					11,005.18	11,005.18
506152 - ECR Sorbent Reactant - Reagent Only					40,252.56	40,252.56
512152 - ECR Sorbent Injection Maintenance					654.83	654.83
506150 - ECR Mercury Monitors Operation	(332.12)	(996.36)	(86.64)	(28.88)	(99.49)	-1,543.49
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation - Consumables					86,312.08	86,312.08
506155 - ECR NOx Operation - Labor and Other					3,326.84	3,326.84
512151 - ECR NOx Maintenance					2,735.32	2,735.32
502056 - ECR Scrubber Operations					70,515.21	70,515.21
512055 - ECR Scrubber Maintenance					36,100.80	36,100.80
506051 - ECR Precipitator Operation					6,327.63	6,327.63
506151 - ECR Activated Carbon					125,720.30	125,720.30
512051 - ECR Precipitator Maintenance					1,169.43	1,169.43
Total 2006 Plan O&M Expenses	(332)	-996.36	(87)	(29)	384,020.69	382,576.69
2009 Plan						
506154 - ECR NOx Operation - Consumables	-					-
506155 - ECR NOx Operation - Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	120,485.35	569,724.06	(86.64)	(28.88)	384,020.69	1,074,114.58
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	22,808.70				22,808.70
506152 - ECR Sorbent Reactant - Reagent Only	(7,003)	878,146.46				871,143.18
512152 - ECR Sorbent Injection Maintenance	-	3,040.35				3,040.35
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	(7,005.28)	903,995.51				896,992.23
Current Month O&M Expense for All Plans	115,482.07	1,473,719.57	(86.64)	(28.88)	384,020.69	1,971,106.81

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: January 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ -	
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ -	
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ -	\$ -	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ -	\$ -	\$ -	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	\$ -	\$ -	
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ -	
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: January 31, 2012

GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	
Feb-11	\$ 32,635,322	\$ 18,969,026	\$ 1,088,872	\$ 1,623,831	\$ 1,396,963	\$ 55,714,014	\$ 54,317,051	
Mar-11	27,450,296	15,266,098	(3,093)	1,299,831	52,404	44,065,538	44,013,133	
Apr-11	25,497,876	12,598,013	(77,729)	954,628	924,135	37,896,924	36,972,789	
May-11	20,385,022	10,436,993	(223,356)	785,163	846,707	32,230,529	31,383,822	
Jun-11	25,633,377	13,896,895	147,165	917,307	1,406,254	42,000,998	40,594,743	
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661	
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557	
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696	
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875	
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310	
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204	
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,429	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,768,106	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,753,858	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.50%	

GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Feb-11	\$ 34,402,849	\$ 26,240,417	\$ 1,546,151	\$ 282,180	\$ 1,629,246	\$ 63,900,843	\$ 62,271,597	\$ 34,685,029
Mar-11	34,720,057	26,639,771	48,268	268,703	117,396	61,794,195	61,676,800	34,988,760
Apr-11	33,345,481	25,406,117	(151,000)	309,088	1,436,350	60,346,036	58,909,686	33,654,569
May-11	35,548,343	25,265,360	(518,887)	302,065	1,625,026	62,221,907	60,596,881	35,850,408
Jun-11	38,641,173	28,143,767	234,618	354,204	2,292,913	69,666,675	67,373,762	38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,372,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,334,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 63,985,752	\$ 36,566,487
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,753,858	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.50%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 109,697,793	\$ 109,697,793
(2) Fuel Adjustment Clause	\$ (1,012,204)	\$ (1,012,204)
(3) DSM	\$ 1,599,665	\$ 1,599,665
(4) Environmental Surcharge		\$ 5,588,609
(5) CSR Credits		\$ (46,844)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 110,285,253	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 965	\$ 965
(8) Virginia Retail	\$ 8,836,055	\$ 8,836,055
(9) Wholesale	\$ 8,358,935	\$ 8,358,935
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,649,618	\$ 2,649,618
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 19,845,574	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 130,130,828	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	84.75%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 1,580,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 276,708
(18) Total Company Revenues per Income Statement =		\$ 137,529,301