



a PPL company

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MAR 30 2012

PUBLIC SERVICE
COMMISSION

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

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

March 30, 2012

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

**RE: *APPLICATION OF KENTUCKY UTILITIES COMPANY
FOR AN ORDER APPROVING ITS CALCULATION
OF THE ACQUISITION SAVINGS SHARING
DEFERRAL METHODOLOGY FOR 2011***

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten copies of the Application of Kentucky Utilities Company for an order approving its calculation of the Acquisition Savings Sharing Deferral Methodology for 2011. Please confirm your receipt of this filing by placing the stamp of your office with the date received on the enclosed additional copy of this filing.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

cc: Dennis G. Howard II
Michael L. Kurtz
Kendrick R. Riggs
Allyson K. Sturgeon

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ORDER APPROVING ITS)
CALCULATION OF THE ACQUISITION) **CASE NO. 2012-_____**
SAVINGS SHARING DEFERRAL)
METHODOLOGY FOR 2011

VERIFIED APPLICATION

Kentucky Utilities Company (“KU”) hereby petitions the Kentucky Public Service Commission (“Commission”), pursuant to KRS 278.220, to issue an order by June 30, 2012, approving its calculations of the Acquisition Savings Sharing Deferral Methodology for 2011. In support of its application, KU states as follows:

1. Address: Applicant’s full name and business address is: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU’s mailing address is Kentucky Utilities Company c/o LG&E and KU Energy LLC, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40232.

2. Articles of Incorporation: A certified copy of KU’s current Articles of Incorporation is on file with the Commission in Case No. 2010-00204, *In the Matter of: The Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities* and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

4. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Lonnie Bellar
 Vice President, State Regulation and Rates
 LG&E and KU Energy LLC
 220 West Main Street
 Louisville, Kentucky 40202
 Telephone: (502) 627-4830

Allyson K. Sturgeon
 Senior Corporate Attorney
 LG&E and KU Energy LLC
 220 West Main Street
 Louisville, KY 40202
 Telephone: (502) 627-2088

Kendrick R. Riggs
 W. Duncan Crosby III
 Stoll Keenon Ogden PLLC
 2000 PNC Plaza
 500 West Jefferson Street
 Louisville, KY 40202
 Telephone: (502) 333-6000

Acquisition Savings Sharing Deferral Methodology

5. The Commission in Case No. 2010-00204, *In the Matter of: The Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities*, issued an order on September 30, 2011 approving the transfer of ownership of KU and its sister utility, Louisville Gas and Electric Company (“LG&E”), through PPL Corporation’s acquisition of E.ON U.S. Investments’ interests in E.ON U.S. LLC. In connection with its approval of the transfer of ownership in Case No. 2010-00204, the Commission approved a Settlement Agreement, Stipulation and Recommendation (“Settlement Agreement”). Article II of that Settlement Agreement requires KU and LG&E to adopt and implement the Acquisition Savings Sharing Deferral (“ASSD”) methodology subject to the conditions contained therein.

6. KU and LG&E are to file with the Commission by April 1, beginning April 1, 2012, their applications for orders approving their ASSD calculations and the annual deferral amounts, if any, resulting therefrom. This application contains KU’s ASSD calculations for the calendar year 2011.

KU’s ASSD Calculations

7. KU’s ASSD calculations for calendar year 2011 are contained in Exhibits 1 through 9. The Index to Schedules attached to Exhibits 1 through 9 lists the revenue requirement calculations according to the applicable section in Article 2 of the Settlement Agreement with the corresponding exhibit and supporting reference schedule.¹ The work papers and source

¹ The adjustments to (1) eliminate environmental surcharge revenues and expenses (Exhibit 1, Reference Schedule 1.03), (2) reduce revenues associated with ECR-related off-system and intercompany sales (Exhibit 1, Reference Schedule 1.04) and (3) pro form capitalization (Exhibit 2, Column 11 “Environmental Compliance Plans”) are based on the assumption that the ECR monthly billing factor during 2011 continued to be calculated using the percentage

documents supporting the calculations in Exhibits 1 through 9 are attached to each schedule. The calculations are similar in kind to and where applicable correspond with the order in KU's last base rate case, Case No. 2009-548. Exhibit 8, "Calculation of Excess Return Amount at December 31, 2011" shows:

	ELECTRIC
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.54%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	<hr style="border: 0.5px solid black;"/> -1.21% <hr style="border: 0.5px solid black;"/>

Because the calculated ASSD actual earned rate of return on common equity is less than the threshold requirement of 10.75%, there is no excess return amount for KU's operations for purposes of determining a regulatory liability. Exhibit 9 further shows KU's Kentucky jurisdictional actual earned rate of return on common equity for the twelve months ended December 31, 2011 was 9.54%.

8. The adjustments to (1) eliminate environmental surcharge revenues and expenses (Exhibit 1, Reference Schedule 1.03), (2) reduce revenues associated with ECR-related off-system and intercompany sales (Exhibit 1, Reference Schedule 1.04) and (3) pro form capitalization (Exhibit 2, Column 11 "Environmental Compliance Plans"), however, do not reflect the decision by the Commission in its Order in Case No. 2009-00310, *An Examination By The Public Service Commission Of The Environmental Surcharge Mechanism Of Kentucky*

of revenue method. During the test year in Case No. 2009-00548, KU's ECR monthly billing factor was calculated using the percentage of revenue method. Effective with the ECR billing month of February 2010, KU's ECR monthly billing factor was calculated using the revenue requirement method in accordance with the Commission's Order in Case No. 2009-00310. Thus the ECR monthly billing factor for the twelve-month period ended December 31, 2011, was calculated using the revenue requirement method consistent with the Commission's Order in Case No. 2009-00310.

Utilities Company For The Two-Year Billing Period Ending April 30, 2009, to eliminate the use of the percentage of revenue method and approve the use of the revenue requirement method for calculating the monthly ECR billing factor. The calculation of these three pro forma adjustments is based on the assumption that the Commission’s order in Case No. 2009-00310 did not eliminate the use of the percentage of revenue method and the ECR monthly billing factor during 2011 continued to be calculated accordingly. In fact, KU’s ECR monthly billing factor during the twelve-month period ended December 31, 2011 was calculated using the revenue requirement method pursuant to the Commission’s Order in Case No. 2009-00310.² Supplemental Exhibits 1 through 9 contain KU’s ASSD calculations for calendar year 2011, reflecting the calculation of these adjustments in accordance with the Commission’s December 2, 2009 Order in Case No. 2009-00310. The calculations in Supplemental Exhibits 1 through 9 are similar in kind to and where applicable correspond with the orders in KU’s last base rate case, Case No. 2009-548 and two-year ECR review case, Case No. 2009-00310. Supplemental Exhibit 8, “*Calculation of Excess Return Amount at December 31, 2011*” shows:

	ELECTRIC
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	8.50%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	<hr style="width: 100%;"/> -2.25% <hr style="width: 100%;"/>

Because the supplemental analysis shows the calculated ASSD actual earned rate of return on common equity is less than the threshold requirement of 10.75%, there is no excess return amount for KU’s operations for purposes of determining a regulatory liability. Supplemental

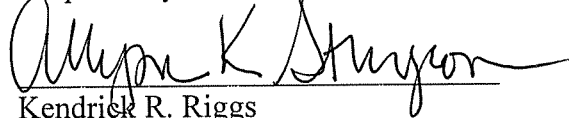
² The calculation of the monthly billing factor based on the revenue method was effective February 1, 2010.

Exhibit 9 further shows KU's Kentucky jurisdictional actual earned rate of return on common equity for the twelve months ended December 31, 2011 was 8.50%.

WHEREFORE, Kentucky Utilities Company respectfully requests the Commission issue an order by June 30, 2012, approving its calculations of the Acquisition Savings Sharing Deferral Methodology for 2011.

Dated: March 30, 2012

Respectfully submitted,



Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 333-6000

Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088


Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the above and foregoing Application was served upon the following persons by first class United States mail, this 30th day of March 2012 and no other party to Case No. 2010-00204 has requested a copy of this application as of this date:

Dennis G. Howard II
Assistant Director
Office of the Kentucky 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 E. Seventh Street, Suite 1510
Cincinnati, OH 45202



Counsel for Kentucky Utilities Company

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says he is Vice President, State Regulation and Rates for Louisville Gas and Electric Company and Kentucky Utilities Company, and that he has personal knowledge of the matters set forth in the foregoing Verified Application, and that the content thereof is true and correct to the best of his information, knowledge, and belief.

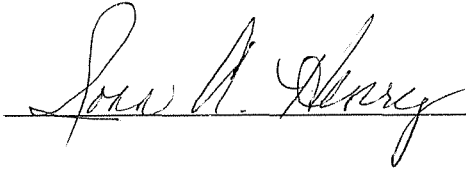


LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 28th day of March 2012.

My Commission Expires:

July 21, 2015

 (SEAL)

KENTUCKY UTILITIES

Acquisition Savings Sharing Deferral Methodology ECR Percentage of Revenue Method

Index of Schedules

<u>Settlement</u> <u>Agreement Section</u>	<u>Exhibit</u>	<u>Reference</u> <u>Schedule</u>	<u>Description</u>
Section 2.2.1	Exhibit 1		Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
	Exhibit 1	1.00	Adjustment to eliminate unbilled revenues
	Exhibit 1	1.01	To adjust mismatch in fuel cost recovery
	Exhibit 1	1.02	To adjust base rates and FAC to reflect a full year of the FAC roll-in
	Exhibit 1	1.03	Adjustment to eliminate Environmental Surcharge revenues and expenses
	Exhibit 1	1.04	Off-system sales revenue adjustment for the ECR calculation
	Exhibit 1	1.05	To eliminate net brokered and financial swap revenues and expenses
	Exhibit 1	1.06	To eliminate ECR, MSR, FAC, and DSM accruals
	Exhibit 1	1.07	To eliminate DSM revenue and expenses
	Exhibit 1	1.08	Adjustment to annualize year-end customers
	Exhibit 1	1.09	Adjustment to reflect annualized depreciation expenses
	Exhibit 1	1.10	Adjustment to reflect increases in labor and labor related costs
	Exhibit 1	1.11	Adjustment for pension, post retirement, and post employment costs
	Exhibit 1	1.12	Adjustment to reflect normalized storm damage expense
	Exhibit 1	1.13	Adjustment for injuries and damages FERC account 925
	Exhibit 1	1.14	Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016
	Exhibit 1	1.15	Adjustment to remove out-of-period items
	Exhibit 1	1.18	Calculation of Composite Federal and Kentucky Income tax rate
	Exhibit 1	1.19	Adjustment to federal and state income taxes resulting from interest synchronization
	Exhibit 1	1.20	Prior income tax true-ups and adjustments
	Exhibit 1	1.21	Calculation of Revenue Gross Up Factor
	Exhibit 1	Allocators	Kentucky Jurisdictional Allocators
Section 2.2.2	Exhibit 2		Capitalization at December 31, 2011
Section 2.2.2	Exhibit 3		Net Original Cost Kentucky Jurisdictional Rate Base
Section 2.4	Exhibit 8		Calculation of Excess Return Amount at December 31, 2011
Section 2.2.3	Exhibit 9		Kentucky Jurisdictional Rate of Return on Common Equity

KENTUCKY UTILITIES

**Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)
1. Jurisdictional amount per books		1,365,943,770	1,146,605,130	\$ 219,338,640
2. Revenue and Expense Adjustments:				
3. Adjustment to eliminate unbilled revenues	1.00	14,834,557	-	14,834,557
4. To adjust mismatch in fuel cost recovery	1.01	(9,163,730)	(10,060,372)	896,642
5. To adjust base rates and FAC to reflect a full year of the FAC roll-in	1.02	2,733,478	-	2,733,478
6. Adjustment to eliminate Environmental Surcharge revenues and expenses	1.03	(34,616,785)	(39,635,311)	5,018,526
7. Off-system sales revenue adjustment for the ECR calculation	1.04	(912,432)	-	(912,432)
8. To eliminate net brokered and financial swap revenues and expenses	1.05	297,367	(5,641)	303,008
9. To eliminate ECR, MSR, FAC, and DSM accruals	1.06	(9,317,804)	-	(9,317,804)
10. To eliminate DSM revenue and expenses	1.07	(17,120,990)	(12,541,915)	(4,579,075)
11. Adjustment to annualize year-end customers	1.08	(13,701,571)	(7,542,566)	(6,159,006)
12. Adjustment to reflect annualized depreciation expenses	1.09	-	3,629,021	(3,629,021)
13. Adjustment to reflect increases in labor and labor related costs	1.10	-	2,781,358	(2,781,358)
14. Adjustment for pension, post retirement, and post employment costs	1.11	-	(5,383,324)	5,383,324

KENTUCKY UTILITIES

**Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)
15. Adjustment to reflect normalized storm damage expense	1.12	-	(218,790)	218,790
16. Adjustment for injuries and damages FERC account 925	1.13	-	(854,518)	854,518
17. Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016	1.14	-	(787,057)	787,057
18. Adjustment to remove out-of-period items	1.15	6,057	18,185	(12,128)
19. Total of above adjustments		<u>(66,961,853)</u>	<u>(70,600,929)</u>	<u>3,639,076</u>
20. Federal and state income taxes corresponding to base revenue and expense adjustments and above adjustments -	36.7293 % 1.18		1,336,606	(1,336,606)
21. Federal and state income taxes corresponding to annualization and adjustment of year-end interest expense	1.19		387,496	(387,496)
22. Prior income tax true-ups and adjustments	1.20		347,815	(347,815)
23. Total adjustments		<u>(66,961,853)</u>	<u>(68,529,012)</u>	<u>1,567,159</u>
24. Adjusted Net Operating Income		<u>1,298,981,917</u>	<u>1,078,076,118</u>	<u>\$ 220,905,799</u>

KENTUCKY UTILITIES COMPANY
ELECTRIC COST OF SERVICE STUDY
JURISDICTIONAL SEPARATION

RATE BASE: END OF YEAR
ALLOCATION METHOD: AVG 12 CP (COMBINED CO SYS)

12 MONTHS ENDING DECEMBER 31, 2011

ALLOC	TOTAL KENTUCKY UTILITIES (1)	KENTUCKY STATE JURISDICTION (2)	VIRGINIA STATE JURISDICTION (3)	FERC & TENNESSEE JURISDICTION (4)	TENNESSEE STATE JURISDICTION (5)	FERC JURISDICTION (6)	PRIMARY (7)	TRANSMISSION (8)	
SUMMARY OF RESULTS AS ALLOCATED									
ELEMENTS OF RATE BASE									
1	PLANT IN SERVICE	6,443,488,241	5,614,477,615	376,456,372	452,554,254	183,489	452,370,765	143,796,072	308,574,693
2	LESS RESERVE FOR DEPRECIATION	2,395,037,773	2,080,817,095	147,816,116	166,404,562	111,392	166,293,170	52,935,603	113,357,566
3	NET PLANT IN SERVICE	4,048,450,468	3,533,660,520	228,640,256	286,149,692	72,097	286,077,595	90,860,468	195,217,127
4	CONST WORK IN PROGRESS	339,711,432	296,680,367	17,499,717	25,531,348	2,631	25,528,716	8,047,395	17,481,321
5	NET PLANT	4,388,161,900	3,830,340,887	246,139,973	311,681,040	74,728	311,606,312	98,907,863	212,698,448
ADD:									
6	MATERIALS & SUPPLIES	42,804,186	37,153,312	2,481,807	3,169,067	1,064	3,168,003	1,003,042	2,164,961
7	FUEL INVENTORY	90,432,767	78,471,675	4,208,795	7,752,297	377	7,751,920	2,517,133	5,234,787
8	PREPAYMENTS	7,767,704	6,956,836	379,925	430,942	187	430,755	137,945	292,810
9	WORKING CASH	103,540,986	95,623,543	-	7,917,443	1,378	7,916,065	2,562,353	5,353,712
10	EMISSION ALLOWANCES	510,543	442,484	25,355	42,704	4	42,700	13,339	29,361
11	TOTAL ADDITIONS	245,056,186	218,647,851	7,095,883	19,312,452	3,009	19,309,443	6,233,812	13,075,630
DEDUCT:									
12	RESERVE FOR DEF TAXES	475,941,762	416,040,136	27,398,303	32,503,323	13,161	32,490,162	10,325,360	22,164,801
13	RESERVE FOR ITC	101,407,768	87,006,521	5,145,678	9,255,568	762	9,254,807	2,891,115	6,363,691
14	CUSTOMER ADVANCES	3,155,939	2,998,149	157,790	-	-	-	-	-
15	CUSTOMER DEPOSITS-VIRGINIA	22,862,412	-	514,229	-	-	-	-	-
16	DEFERRED FUEL-VIRGINIA	(2,924,152)	-	(2,924,152)	-	-	-	-	-
17	OPEB UNFUNDED-VIRGINIA	61,769,169	-	3,359,730	0	-	0	-	-
18	TOTAL DEDUCTIONS	662,212,898	506,044,807	33,651,578	41,758,891	13,923	41,744,968	13,216,476	28,528,493
19	NET ORIGINAL COST RATE BASE	3,971,005,187	3,542,943,931	219,584,278	289,234,600	63,815	289,170,786	91,925,200	197,245,586
DEVELOPMENT OF RETURN									
20	OPERATING REVENUES	1,547,516,986	1,365,943,770	74,868,452	106,704,764	5,995	106,698,770	34,372,405	72,326,364
OPERATING EXPENSES									
21	OPERATION & MAINT EXPENSE	981,575,649	859,662,729	49,236,473	72,676,447	11,506	72,664,941	23,522,084	49,142,857
22	DEPRECIATION & AMORT EXP	189,190,233	165,252,726	10,074,584	13,862,923	3,687	13,859,236	4,394,303	9,464,933
23	REGULATORY CREDITS	(5,855,640)	(5,077,896)	(289,712)	(488,032)	(44)	(487,988)	(152,483)	(335,505)
24	TAXES OTHER THAN INC TAX	28,115,767	24,910,482	1,462,299	1,742,986	536	1,742,450	556,181	1,186,269
25	INCOME TAXES	109,076,966	99,407,607	4,070,706	5,620,187	(4,229)	5,624,416	1,801,295	3,823,121
26	(GAIN) / LOSS DISPOSITION ALLOWANCES	(3,293)	(2,854)	(164)	(275)	(0)	(275)	(86)	(189)
27	(GAIN) / LOSS DISPOSITION PROPERTY-VA	(46,988)	-	(2,745)	-	-	-	-	-
28	CHARITABLE CONTRIBUTIONS-VA	644,462	-	17,527	-	-	-	-	-
29	INTEREST ON CUSTOMER DEPOSITS-VA	1,363,673	-	1,921	-	-	-	-	-
30	ACCRETION EXPENSE	2,827,117	2,452,337	139,599	235,181	21	235,160	73,491	161,669
31	TOTAL OPERATING EXPENSES	1,306,887,946	1,146,605,130	64,710,487	93,649,417	11,478	93,637,940	30,194,785	63,443,154
32	RETURN	240,629,040	219,338,639	10,157,965	13,055,347	(5,483)	13,060,830	4,177,620	8,883,210
33	RATE OF RETURN	6.06%	6.19%	4.63%	4.51%	-8.59%	4.52%	4.54%	4.50%

KENTUCKY UTILITIES

Adjustment to Eliminate Unbilled Revenues

1. Unbilled revenues at December 31, 2010	\$ 82,840,000
2. Unbilled revenues at December 31, 2011	<u>(68,005,443)</u>
3. Increase/(Decrease) in book revenues due to unbilled revenues	<u>\$ 14,834,557</u>

KENTUCKY UTILITIES

To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended December 31, 2011

Expense Month	Revenue Form A Page 5 of 6 Line 3	Expense Form A* Page 5 of 6 Line 8
Jan-11	(4,235,011)	(36,966)
Feb-11	2,626,531	(445,420)
Mar-11	(30,433)	(862,022)
Apr-11	(413,989)	373,214
May-11	(764,843)	1,868,842
Jun-11	442,436	1,659,021
Jul-11	2,203,882	5,453,175
Aug-11	1,897,425	4,052,858
Sep-11	5,048,751	2,211,016
Oct-11	3,444,797	(2,873,345)
Nov-11	2,048,455	(786,511)
Dec-11	(3,104,271)	(553,491)
Total	<u>\$ 9,163,730</u>	<u>\$ 10,060,372</u>
Adjustment	<u>\$ (9,163,730)</u>	<u>\$ (10,060,372)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example,
January 2011 would be reflected in March 2011.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : January 2011

1.	Last FAC Rate Billed		<u>(\$0.00215)</u>
2.	KWH Billed at Above Rate		<u>1,969,772,373</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (4,235,011)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,564,718,307</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>225,103,957</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,339,614,350</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,880,171)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,354,840)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,165,851,031</u>
11.	Kentucky Jurisdictional Sales		<u>1,848,287,754</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.17181485</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,587,622)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2011

1.	Last FAC Rate Billed		<u>\$0.00160</u>
2.	KWH Billed at Above Rate		<u>1,641,581,988</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,626,531</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,171,295,898</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>322,313,820</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,848,982,078</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,958,371</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (331,840)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,724,874,871</u>
11.	Kentucky Jurisdictional Sales		<u>1,476,196,814</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16845861</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (387,741)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : March 2011

1.	Last FAC Rate Billed		<u>(\$0.00002)</u>
2.	KWH Billed at Above Rate		<u>1,521,658,104</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (30,433)</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,165,851,031</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>317,563,277</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,848,287,754</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (36,966)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 6,533</u>
10.	Over Recovery Correction*		<u>353,918</u>
11.	Total Adjusted Over or (Under) Recovery	(Line 9 + Line 10)	<u>\$ 360,451</u>
12.	Total Sales "Sm" (From Page 3 of 6)		<u>1,707,207,991</u>
13.	Kentucky Jurisdictional Sales		<u>1,461,054,148</u>
14.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 12 / Line 13)	<u>1.16847688</u>
15.	Total Company Over or (Under) Recovery	(Line 11 x Line 14)	<u>\$ 421,179</u>

* - Over Recovery due to the over-statement of line losses for May, Jun, Sep, Oct, Nov, and Dec 2010 and Jan 2011. Losses were over-stated because the line loss calculation did not include the partners' share (IMEA and IMPA) of the monthly test energy produced by Trimble County 2 and the effect of the Trimble County 2 test energy sold Off System during that time period. See Exhibit 1.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : April 2011

		As Billed	As Corrected (Note 1)
1.	Last FAC Rate Billed	<u>(\$0.00017)</u>	<u>(\$0.00030)</u>
2.	KWH Billed at Above Rate	<u>1,379,963,352</u>	<u>1,379,963,352</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (234,594)</u>	<u>\$ (413,989)</u>
4.	KWH Used to Determine Last FAC Rate	<u>1,724,874,871</u>	<u>1,733,410,436</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>248,678,057</u>	<u>248,678,057</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,476,196,814</u>	<u>1,484,732,379</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed	<u>\$0.00000</u>	<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	<u>\$ (250,953)</u>	<u>\$ (445,420)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ 16,359</u>	<u>\$ 31,431</u>
10.	Total Sales "Sm" (From Page 3 of 6)	<u>1,490,352,072</u>	<u>1,490,352,072</u>
11.	Kentucky Jurisdictional Sales	<u>1,286,945,210</u>	<u>1,286,945,210</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	<u>1.15805402</u>	<u>1.15805402</u>
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	<u>\$ 18,945</u>	<u>\$ 36,399</u>

Note 1 - Corrected February 2011 Last FAC Rate Billed (Line 1) and KWH Used to Determine Last FAC Rate (Line 4) can be found on Exhibit 1, page 2 of 3, as attached to the March 2011 Form A filed on April 19, 2011.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : May 2011

1.	Last FAC Rate Billed		<u>(\$0.00059)</u>
2.	KWH Billed at Above Rate		<u>1,296,344,179</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (764,843)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,707,207,991</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>246,153,843</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,461,054,148</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (862,022)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 97,179</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,573,514,629</u>
11.	Kentucky Jurisdictional Sales		<u>1,354,233,291</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.16192287</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 112,915</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : June 2011

1.	Last FAC Rate Billed		<u>\$0.00029</u>
2.	KWH Billed at Above Rate		<u>1,525,640,447</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 442,436</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,490,352,072</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>203,406,862</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,286,945,210</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 373,214</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 69,222</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,779,169,014</u>
11.	Kentucky Jurisdictional Sales		<u>1,536,130,589</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15821469</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 80,174</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : July 2011

1.	Last FAC Rate Billed		<u>\$0.00138</u>
2.	KWH Billed at Above Rate		<u>1,597,015,695</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,203,882</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,573,514,629</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>219,281,338</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,354,233,291</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,868,842</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 335,040</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,026,370,618</u>
11.	Kentucky Jurisdictional Sales		<u>1,747,812,474</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.1593753</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 388,437</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : August 2011

1.	Last FAC Rate Billed		<u>\$0.00108</u>
2.	KWH Billed at Above Rate		<u>1,756,874,684</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,897,425</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,779,169,014</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>243,038,425</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,536,130,589</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,659,021</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 238,404</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,983,922,032</u>
11.	Kentucky Jurisdictional Sales		<u>1,717,312,867</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15524787</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 275,416</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : September 2011

1.	Last FAC Rate Billed		<u>\$0.00312</u>
2.	KWH Billed at Above Rate		<u>1,618,189,554</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 5,048,751</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,026,370,618</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>278,558,144</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,747,812,474</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 5,453,175</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (404,424)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,567,929,086</u>
11.	Kentucky Jurisdictional Sales		<u>1,356,451,443</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15590506</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (467,476)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : October 2011

1.	Last FAC Rate Billed		<u>\$0.00236</u>
2.	KWH Billed at Above Rate		<u>1,459,659,884</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,444,797</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,983,922,032</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>266,609,165</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,717,312,867</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 4,052,858</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (608,061)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,581,918,011</u>
11.	Kentucky Jurisdictional Sales		<u>1,368,259,593</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15615342</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (703,012)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : November 2011

1.	Last FAC Rate Billed		<u>\$0.00163</u>
2.	KWH Billed at Above Rate		<u>1,256,720,738</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,048,455</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,567,929,086</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>211,477,643</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,356,451,443</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,211,016</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (162,561)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,629,615,195</u>
11.	Kentucky Jurisdictional Sales		<u>1,404,484,137</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16029448</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (188,619)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : December 2011

1.	Last FAC Rate Billed		<u>(\$0.00210)</u>
2.	KWH Billed at Above Rate		<u>1,478,224,470</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,104,271)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,581,918,011</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>213,658,418</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,368,259,593</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,873,345)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (230,926)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,840,157,989</u>
11.	Kentucky Jurisdictional Sales		<u>1,581,401,921</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16362448</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (268,711)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : January 2012

1.	Last FAC Rate Billed		<u>(\$0.00056)</u>
2.	KWH Billed at Above Rate		<u>1,612,798,139</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (903,167)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,629,615,195</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>225,131,058</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,404,484,137</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (786,511)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (116,656)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,997,349,084</u>
11.	Kentucky Jurisdictional Sales		<u>1,715,250,942</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16446465</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (135,842)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2012

1.	Last FAC Rate Billed		<u>(\$0.00035)</u>
2.	KWH Billed at Above Rate		<u>1,703,648,389</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (596,277)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,840,157,989</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>258,756,068</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,581,401,921</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (553,491)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (42,786)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,793,717,493</u>
11.	Kentucky Jurisdictional Sales		<u>1,544,546,376</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16132317</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (49,688)</u>

KENTUCKY UTILITIES

**To Adjust Base Rates and FAC to Reflect a Full Year of the FAC Roll-In
For the Twelve Months Ended December 31, 2011**

1. Adjustment to base rate revenues to reflect a full year of the FAC Roll-In (a)	(8,025,302)
2. Adjustment to FAC revenues to reflect a full year of the FAC Roll-In (a)	<u>10,758,780</u>
3. Net adjustment	<u>\$ 2,733,478</u>

(a) FAC roll-in pursuant to Commission's Order dated May 31, 2011 in Case No. 2010-00492.

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
BASE RATE ACTUAL FUEL ADJUSTMENT CLAUSE BILLINGS													
Residential Rate													2,485,614
Residential Rate RS	(1,788,988)	1,063,535	(10,031)	(74,369)	(212,446)	140,591	743,339	681,262	1,593,439	815,463	598,535	(1,064,716)	282
Volunteer Fire Departments	(301)	81	39	(9)	(30)	13	99	103	218	133	89	(153)	68
Residential Net Metering	(196)	90	(1)	(5)	(12)	8	45	41	95	56	58	(112)	3,815
Residential Three Phase	(1,668)	870	9	(77)	(267)	161	953	955	1,970	1,079	753	(925)	
General Service													410,969
General Service	(208,939)	117,670	3,595	(10,591)	(33,462)	18,513	101,315	92,795	229,064	141,938	90,575	(131,505)	625,580
General Service Three Phase	(228,674)	131,170	3,371	(13,729)	(50,312)	28,424	139,629	124,824	326,576	210,870	127,671	(174,240)	7
General Service Net Metering	(41)	5	6	(1)	(2)	1	8	8	15	12	10	(13)	61
General Service Net Metering Three Phase	(73)	(12)	20	(2)	(9)	6	30	28	54	29	20	(30)	
All Electric School Rate													5,363
All Electric School Secondary	(2,804)	1,049	351	(101)	34	3,042	540	652	1,568	1,272	892	(1,132)	73,345
All Electric School Three Phase	(34,987)	15,017	3,188	(1,669)	(5,987)	2,429	11,519	13,509	35,396	33,767	18,512	(17,347)	93
All Electric School Primary	(3)	2	(0)	(1)	(3)	1	7	5	36	44	18	(14)	(20)
All Electric School Primary Three Phase	(5)	-	-	-	-	-	-	-	6	35	23	(78)	
Power Service Rate													981,591
Power Service Rate PSS - Secondary	(331,570)	172,264	12,348	(21,767)	(75,570)	37,581	211,396	191,421	492,282	339,137	199,903	(245,833)	780,480
Power Service Rate PSS - Secondary Power Factor	(240,216)	134,921	7,757	(16,787)	(61,859)	25,484	155,592	143,914	385,595	280,301	168,310	(202,530)	205
Power Service Rate PSS - Secondary Net Metering	(96)	50	(0)	(2)	(4)	4	23	60	78	74	38	(20)	40,585
Power Service Rate PSP - Primary	(13,829)	12,755	415	(276)	(2,707)	1,605	8,723	7,626	18,256	10,592	6,854	(9,429)	386,735
Power Service Rate PSP - Primary Power Factor	(174,832)	88,666	8,942	(11,404)	(37,890)	15,981	86,429	76,777	205,967	142,372	85,639	(99,911)	
Time of Day Power Rate													2,166,561
Time-of-Day Service - TODS Secondary	(599,474)	374,948	15,904	(43,667)	(132,359)	46,628	402,604	356,439	1,011,592	802,126	416,849	(485,029)	233,675
Time-of-Day Service - TODP Primary	(66,518)	43,700	(603)	(5,158)	(18,894)	10,315	49,680	45,426	117,766	77,690	49,686	(69,414)	
Retail Transmission Service	(270,703)	190,526	(2,588)	(20,234)	(78,417)	38,300	154,708	135,386	389,985	419,527	223,572	(255,302)	924,760
Fluctuating Load Service	(86,378)	79,488	(899)	(7,381)	(27,400)	11,776	44,811	35,360	128,993	183,405	71,472	(95,710)	
Lighting Rates													29
Outdoor Lighting Service -- LE	-	-	-	-	(1)	(2)	1	3	3	11	8	6	600
Traffic Lighting Energy -- TE	(185)	(72)	79	(6)	(24)	(18)	89	112	187	294	184	(40)	50,402
Outdoor Lights	(29,352)	8,300	3,273	(1,494)	(4,621)	939	9,254	9,659	26,507	26,193	19,083	(17,341)	
Curtailable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(4,079,833)	2,435,023	45,175	(228,729)	(742,242)	381,783	2,120,794	1,916,366	4,965,648	3,486,420	2,078,754	(2,870,817)	9,508,341

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR													
FAC RATE CHARGED	(0.00215)	0.00160	(0.00002)	(0.00017)	(0.00059)	0.00029	0.00138	0.00108	0.00312	0.00236	0.00163	(0.00210)	
FAC Rate Rolled in	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	-	-	-	-	
FAC Rate After Roll-in	(0.00129)	0.00246	0.00084	0.00069	0.00027	0.00115	0.00224	0.00194	0.00312	0.00236	0.00163	(0.00210)	
Residential Rate													
Residential Rate RS	(1,130,833)	1,636,000	446,835	302,036	97,305	558,275	1,206,800	1,223,805	1,593,070	815,367	598,554	(1,065,622)	6,281,594
Volunteer Fire Departments	(175)	275	77	44	16	87	181	179	225	131	87	(166)	963
Residential Net Metering	(115)	138	33	18	5	30	73	73	95	57	58	(112)	354
Residential Three Phase	(1,025)	1,389	396	341	123	669	1,643	1,688	1,997	1,072	719	(1,127)	7,886
General Service													
General Service	(129,767)	199,012	60,241	43,524	15,763	81,351	168,090	165,077	233,488	139,819	89,157	(138,613)	927,143
General Service Three Phase	(144,797)	222,060	74,163	57,232	22,019	115,621	231,497	222,251	333,482	207,929	125,666	(183,929)	1,283,194
General Service Net Metering	(23)	43	9	5	1	7	15	14	19	10	9	(20)	91
General Service Net Metering Three Phase	(41)	77	23	13	5	25	52	49	59	29	20	(37)	274
All Electric School Rate													
All Electric School Secondary	(1,659)	2,936	833	494	241	3,111	1,030	1,126	1,767	1,188	835	(1,427)	10,473
All Electric School Three Phase	(20,956)	35,711	11,614	8,291	3,112	14,306	21,739	23,248	39,313	31,290	17,281	(22,914)	162,036
All Electric School Primary	(2)	4	2	4	1	6	11	8	36	44	18	(14)	118
All Electric School Primary Three Phase	(3)	-	-	-	-	-	-	-	6	35	23	(129)	(69)
Power Service Rate													
Power Service Rate PSS - Secondary	(207,268)	312,288	114,552	89,871	36,149	179,796	359,910	338,724	511,608	330,543	194,566	(270,479)	1,990,260
Power Service Rate PSS - Secondary Power Factor	(153,670)	240,359	88,284	73,146	29,748	134,180	263,885	253,946	400,161	274,694	164,251	(222,200)	1,546,782
Power Service Rate PSS - Secondary Net Metering	(58)	77	14	8	2	15	70	91	153	59	30	(65)	396
Power Service Rate PSP - Primary	(8,588)	24,459	4,460	3,744	1,266	6,632	14,053	13,736	18,376	10,495	6,739	(9,962)	85,408
Power Service Rate PSP - Primary Power Factor	(107,038)	171,393	62,087	49,291	18,598	78,036	151,887	134,107	214,367	140,297	83,860	(115,633)	881,251
Time of Day Power Rate													
Time-of-Day Service - TODS Secondary	(357,229)	621,360	233,500	182,166	63,440	333,864	738,711	629,554	1,035,695	793,445	411,325	(624,724)	4,061,107
Time-of-Day Service - TODP Primary	(40,210)	67,189	25,341	20,934	8,680	40,904	81,020	79,990	117,766	77,690	49,343	(70,423)	458,225
Retail Transmission Service	(167,679)	353,542	108,701	84,091	38,499	151,881	251,121	243,187	390,009	412,304	216,847	(255,302)	1,827,200
Fluctuating Load Service	(51,827)	122,213	37,740	29,957	12,539	46,699	72,737	63,518	128,993	183,405	71,472	(95,710)	621,737
Lighting Rates													
Outdoor Lighting Service -- LE	-	-	-	-	2	3	6	5	9	8	5	(7)	31
Traffic Lighting Energy -- TE	(123)	196	68	53	21	85	228	175	278	256	150	(201)	1,184
Street Lighting	(17,913)	27,574	9,217	6,910	2,477	9,923	18,072	16,408	30,203	24,631	17,438	(25,455)	119,483
Curtailable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(2,540,999)	4,038,294	1,278,190	952,172	350,012	1,755,505	3,582,833	3,410,959	5,051,175	3,444,797	2,048,453	(3,104,271)	20,267,122

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
INCREASED FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR													
Residential Rate													3,795,980
Residential Rate RS	658,156	572,465	456,866	376,404	309,751	417,684	463,461	542,544	(369)	(96)	19	(906)	681
Volunteer Fire Departments	126	194	39	53	47	73	82	76	8	(2)	(2)	(12)	286
Residential Net Metering	81	48	33	23	17	22	28	32	0	1	-	0	4,071
Residential Three Phase	643	519	388	418	389	508	690	732	27	(7)	(34)	(202)	
General Service													516,174
General Service	79,172	81,342	56,646	54,115	49,226	62,838	66,775	72,282	4,425	(2,119)	(1,418)	(7,108)	657,613
General Service Three Phase	83,877	90,890	70,791	70,961	72,331	87,196	91,869	97,427	6,906	(2,941)	(2,005)	(9,689)	84
General Service Net Metering	17	38	3	6	4	7	8	6	4	(1)	(1)	(7)	212
General Service Net Metering Three Phase	32	89	3	15	13	19	22	21	5	(1)	(0)	(8)	
All Electric School Rate													5,111
All Electric School Secondary	1,145	1,887	482	595	207	69	490	474	199	(85)	(57)	(295)	88,691
All Electric School Three Phase	14,031	20,695	8,427	9,960	9,099	11,877	10,220	9,739	3,918	(2,476)	(1,231)	(5,566)	25
All Electric School Primary	1	1	2	5	4	-	4	-	-	(0)	-	(51)	(49)
All Electric School Primary Three Phase	3	-	-	-	-	-	-	-	-	-	-	-	
Power Service Rate													1,008,669
Power Service Rate PSS - Secondary	124,302	140,024	102,204	111,638	111,719	142,215	148,514	147,303	19,326	(8,594)	(5,337)	(24,646)	766,302
Power Service Rate PSS - Secondary Power Factor	86,546	105,438	80,527	89,933	91,607	108,696	108,293	110,032	14,566	(5,607)	(4,059)	(19,670)	191
Power Service Rate PSS - Secondary Net Metering	39	27	15	10	6	11	46	32	74	(15)	(8)	(46)	44,823
Power Service Rate PSP - Primary	5,241	11,703	4,045	4,020	3,973	5,027	5,329	6,109	120	(97)	(114)	(534)	494,516
Power Service Rate PSP - Primary Power Factor	67,795	82,727	53,144	60,695	56,488	62,055	65,458	57,330	8,400	(2,075)	(1,779)	(15,721)	
Time of Day Power Rate													1,894,546
Time-of-Day Service - TODS Secondary	242,245	246,411	217,596	225,834	195,799	287,236	336,107	273,115	24,103	(8,682)	(5,524)	(139,695)	224,550
Time-of-Day Service - TODP Primary	26,309	23,489	25,944	26,092	27,574	30,589	31,341	34,564	0	0	(343)	(1,009)	902,440
Retail Transmission Service	103,023	163,016	111,289	104,325	116,916	113,580	96,413	107,801	24	(7,223)	(6,724)	0	284,197
Fluctuating Load Service	34,551	42,725	38,638	37,338	39,938	34,923	27,926	28,157	-	-	-	-	2
Lighting Rates													584
Outdoor Lighting Service -- LE	-	-	-	-	2	5	6	1	6	(3)	(2)	(13)	69,082
Traffic Lighting Energy -- TE	62	267	(12)	59	45	103	139	63	90	(38)	(34)	(161)	
Street Lighting	11,439	19,274	5,944	8,404	7,098	8,984	8,818	6,748	3,696	(1,563)	(1,646)	(8,114)	
Curtable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,538,835	1,603,270	1,233,015	1,180,901	1,092,255	1,373,722	1,462,039	1,494,594	85,528	(41,623)	(30,300)	(233,454)	10,758,780

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
 12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
BASE RATE ACTUAL BILLINGS														
Residential Rate														465,998,744
Residential Rate RS	RS	63,351,796	48,701,440	39,766,859	33,334,014	28,086,495	36,593,028	39,749,335	45,945,859	37,855,071	26,761,392	28,214,442	37,639,012	70,447
Volunteer Fire Departments	RSVFD	9,612	7,983	6,654	4,762	4,452	5,527	5,851	6,599	5,231	4,110	3,975	5,691	34,246
Residential Net Metering	RSNM	6,225	3,962	2,816	1,988	1,528	1,954	2,398	2,759	2,266	1,866	2,650	3,833	503,076
Residential Three Phase	RS3	56,413	40,663	34,382	35,944	33,181	41,885	51,604	60,741	45,280	32,767	31,904	38,312	
General Service														80,377,305
General Service	GS	9,025,437	7,405,488	6,737,647	6,045,386	5,688,633	6,664,876	6,916,069	7,713,472	6,899,804	5,715,452	5,351,058	6,213,983	94,499,115
General Service Three Phase	GS3	9,325,498	7,565,803	7,436,982	7,014,244	6,920,650	8,384,157	8,522,502	9,385,163	8,790,074	7,348,138	6,496,995	7,308,909	9,239
General Service Net Metering	GSNM	1,500	1,450	927	672	511	588	619	653	559	429	514	816	21,622
General Service Net Metering Three Phase	GS3NM	2,632	2,574	2,305	1,603	1,443	1,858	1,915	2,089	1,587	1,064	1,084	1,468	
All Electric School Rate														797,755
All Electric School Secondary	AES	92,705	86,325	73,228	54,470	64,319	168,910	36,982	45,020	44,008	39,980	40,425	51,382	10,076,125
All Electric School Three Phase	AES3	1,097,704	981,262	935,442	813,999	781,306	842,951	652,092	802,105	842,110	886,565	710,271	730,319	6,874
All Electric School Primary	AESP	246	258	290	505	504	478	474	418	903	1,379	851	569	6,704
All Electric School Primary Three Phase	AES3P	180	33	33	53	-	-	-	-	160	1,042	993	4,211	
Power Service Rate														128,070,034
Power Service Rate PSS - Secondary	PSS	11,129,138	9,366,413	10,043,161	9,710,685	10,907,827	12,022,261	11,952,255	12,499,170	12,100,916	10,029,979	9,035,488	9,272,742	86,271,904
Power Service Rate PSS - Secondary Power Factor	PSSPF	7,292,104	6,145,876	6,584,118	6,638,354	7,526,873	7,798,037	7,782,609	8,405,186	8,246,384	7,049,139	6,364,144	6,439,079	30,337
Power Service Rate PSS - Secondary Net Metering	PSSNM	2,872	2,317	1,521	1,201	1,207	1,416	2,866	3,985	4,080	3,098	2,662	3,112	5,218,454
Power Service Rate PSP - Primary	PSP	443,736	616,310	383,567	401,688	394,583	458,925	492,883	523,367	465,529	343,985	329,421	364,459	48,587,166
Power Service Rate PSP - Primary Power Factor	PSPPF	4,743,749	4,155,362	4,322,899	4,155,941	4,456,669	4,359,897	4,249,039	4,190,097	4,248,643	3,495,284	3,052,047	3,157,539	
Time of Day Power Rate														190,950,657
Time-of-Day Service - TODS Secondary	TODP	15,167,105	14,132,223	15,328,142	14,651,229	13,428,309	16,043,301	18,172,660	17,701,523	17,817,966	18,272,254	14,035,829	16,200,116	23,472,838
Time-of-Day Service - TODP Primary	TODS	1,796,998	1,639,274	1,772,440	1,813,694	1,913,783	2,107,158	2,110,137	2,365,922	2,177,398	1,946,256	1,826,062	2,003,716	81,915,518
Retail Transmission Service	RTS	6,675,319	7,412,150	6,705,240	6,307,765	7,477,018	6,799,350	5,916,827	6,378,664	6,241,765	8,932,895	6,901,028	6,167,497	25,183,815
Fluctuating Load Service	FLST	1,859,665	2,201,573	2,044,498	2,008,648	2,099,216	2,143,612	1,761,831	1,568,261	1,919,432	3,621,994	1,951,899	2,003,185	
Lighting Rates														1,518
Outdoor Lighting Service - LE	LE	-	-	-	-	369	155	158	136	150	183	179	187	96,705
Traffic Lighting Energy - TE	TE	8,179	6,959	7,046	6,751	6,908	6,586	10,070	8,551	8,404	9,747	8,619	8,884	22,327,195
Outdoor Lights	ODL	1,911,563	1,812,325	1,864,038	1,847,275	1,870,550	1,868,895	1,853,973	1,862,885	1,855,213	1,858,894	1,863,410	1,858,173	
Curtable Service Ruder Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtable Service Ruder Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		134,000,376	112,288,022	104,054,236	94,850,872	91,666,333	106,315,805	110,245,149	119,472,625	109,572,932	96,357,894	86,225,952	99,477,195	1,264,527,391

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
 12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR														
Residential Rate RS	RS	62,597,907	48,129,505	39,309,385	32,957,564	27,776,560	36,175,535	39,749,335	45,945,859	37,855,071	26,761,392	28,214,442	37,639,012	463,111,568
Volunteer Fire Departments	RSVFD	9,495	7,887	6,574	4,706	4,400	5,463	5,851	6,599	5,231	4,110	3,975	5,691	69,983
Residential Net Metering	RSNM	6,149	3,914	2,782	1,966	1,511	1,932	2,398	2,759	2,266	1,866	2,650	3,833	34,026
Residential Three Phase	RS3	55,730	40,177	33,976	35,519	32,791	41,384	51,604	60,741	45,280	32,767	31,904	38,312	500,185
General Service														79,994,253
General Service	GS	8,938,925	7,335,915	6,675,972	5,991,139	5,638,424	6,604,040	6,916,069	7,713,472	6,899,804	5,715,452	5,351,058	6,213,983	94,021,093
General Service Three Phase	GS3	9,228,966	7,488,172	7,361,054	6,942,912	6,850,515	8,297,693	8,522,502	9,385,163	8,790,074	7,348,138	6,496,995	7,308,909	9,182
General Service Net Metering	GSNM	1,485	1,435	917	666	506	583	619	653	559	429	514	816	21,494
General Service Net Metering Three Phase	GS3NM	2,604	2,547	2,281	1,587	1,429	1,839	1,915	2,089	1,587	1,064	1,084	1,468	
All Electric School Rate														791,059
All Electric School Secondary	AES	91,599	85,299	72,375	53,855	63,550	166,583	36,982	45,020	44,008	39,980	40,425	51,382	10,006,835
All Electric School Three Phase	AES3	1,083,733	968,777	923,551	803,665	771,394	832,253	652,092	802,105	842,110	886,565	710,271	730,319	6,856
All Electric School Primary	AESP	245	257	289	500	499	474	474	418	903	1,379	851	569	6,702
All Electric School Primary Three Phase	AES3P	178	33	33	53	-	-	-	-	160	1,042	993	4,211	
Power Service Rate														127,343,793
Power Service Rate PSS - Secondary	PSS	10,990,960	9,257,239	9,925,881	9,598,672	10,792,686	11,887,805	11,952,255	12,499,170	12,100,916	10,029,979	9,035,488	9,272,742	85,708,782
Power Service Rate PSS - Secondary Power Factor	PSSPF	7,189,658	6,061,848	6,493,732	6,547,187	7,432,122	7,697,694	7,782,609	8,405,186	8,246,384	7,049,139	6,364,144	6,439,079	30,230
Power Service Rate PSS - Secondary Net Metering	PSSNM	2,833	2,290	1,506	1,191	1,202	1,405	2,866	3,985	4,080	3,098	2,662	3,112	5,185,955
Power Service Rate PSP - Primary	PSP	438,011	607,759	379,002	397,022	390,551	453,965	492,883	523,367	465,529	343,985	329,421	364,459	48,213,296
Power Service Rate PSP - Primary Power Factor	PSPPF	4,672,390	4,095,445	4,259,334	4,094,506	4,397,432	4,301,540	4,249,039	4,190,097	4,248,643	3,495,284	3,052,047	3,157,539	
Time of Day Power Rate														189,577,432
Time-of-Day Service - TODS Secondary	TODP	14,928,952	13,914,999	15,089,083	14,424,181	13,226,239	15,793,629	18,172,660	17,701,523	17,817,966	18,272,254	14,035,829	16,200,116	23,312,270
Time-of-Day Service - TODP Primary	TODS	1,770,191	1,615,786	1,746,496	1,787,602	1,886,135	2,076,569	2,110,137	2,365,922	2,177,398	1,946,256	1,826,062	2,003,716	81,227,831
Retail Transmission Service	RTS	6,563,533	7,288,554	6,593,951	6,202,956	7,354,392	6,685,769	5,916,827	6,378,664	6,241,765	8,932,895	6,901,028	6,167,497	24,955,702
Fluctuating Load Service	FLST	1,825,114	2,158,848	2,005,860	1,971,310	2,059,277	2,108,689	1,761,831	1,568,261	1,919,432	3,621,994	1,951,899	2,003,185	
Lighting Rates														1,509
Outdoor Lighting Service - LE	LE	-	-	-	-	363	153	158	136	150	183	179	187	96,288
Traffic Lighting Energy - TE	TE	8,097	6,891	6,977	6,685	6,840	6,523	10,070	8,551	8,404	9,747	8,619	8,884	22,275,766
Street Lighting	ODL	1,902,780	1,804,005	1,855,436	1,838,766	1,861,926	1,860,305	1,853,973	1,862,885	1,855,213	1,858,894	1,863,410	1,858,173	
Curtailable Service Rider Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		132,309,536	110,877,581	102,746,448	93,664,209	90,550,745	105,001,822	110,245,149	119,472,625	109,572,932	96,357,894	86,225,952	99,477,195	1,256,502,088

KENTUCKY UTILITIES COMPANY
Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
DECREASED BASE RATE BILLINGS REFLECTING THE FUEL ADJUSTMENT CLAUSE ROLL-IN FOR A FULL YEAR														
Residential Rate														(2,887,176)
Residential Rate RS	RS	(753,888)	(571,935)	(457,474)	(376,451)	(309,936)	(417,493)	-	-	-	-	-	-	(464)
Volunteer Fire Departments	RSVFD	(117)	(96)	(79)	(55)	(52)	(65)	-	-	-	-	-	-	(220)
Residential Net Metering	RSNM	(76)	(48)	(33)	(23)	(17)	(22)	-	-	-	-	-	-	(2,892)
Residential Three Phase	RS3	(683)	(486)	(406)	(425)	(391)	(501)	-	-	-	-	-	-	
General Service														(383,052)
General Service	GS	(86,511)	(69,573)	(61,676)	(54,247)	(50,209)	(60,836)	-	-	-	-	-	-	(478,022)
General Service Three Phase	GS3	(96,531)	(77,631)	(75,928)	(71,333)	(70,134)	(86,464)	-	-	-	-	-	-	(57)
General Service Net Metering	GSNM	(16)	(15)	(9)	(6)	(5)	(6)	-	-	-	-	-	-	(128)
General Service Net Metering Three Phase	GS3NM	(28)	(27)	(24)	(16)	(14)	(19)	-	-	-	-	-	-	
All Electric School Rate														(6,695)
All Electric School Secondary	AES	(1,106)	(1,026)	(852)	(616)	(769)	(2,326)	-	-	-	-	-	-	(69,290)
All Electric School Three Phase	AES3	(13,971)	(12,484)	(11,891)	(10,334)	(9,912)	(10,698)	-	-	-	-	-	-	(18)
All Electric School Primary	AESP	(1)	(1)	(2)	(5)	(4)	(4)	-	-	-	-	-	-	(2)
All Electric School Primary Three Phase	AES3P	(2)	-	-	-	-	-	-	-	-	-	-	-	
Power Service Rate														(726,242)
Power Service Rate PSS - Secondary	PSS	(138,178)	(109,174)	(117,279)	(112,013)	(115,141)	(134,456)	-	-	-	-	-	-	(563,122)
Power Service Rate PSS - Secondary Power Factor	PSSPF	(102,447)	(84,028)	(90,386)	(91,167)	(94,751)	(100,343)	-	-	-	-	-	-	(107)
Power Service Rate PSS - Secondary Net Metering	PSSNM	(39)	(27)	(15)	(10)	(6)	(11)	-	-	-	-	-	-	(32,499)
Power Service Rate PSP - Primary	PSP	(5,725)	(8,551)	(4,566)	(4,666)	(4,032)	(4,959)	-	-	-	-	-	-	(373,870)
Power Service Rate PSP - Primary Power Factor	PSPPF	(71,358)	(59,918)	(63,565)	(61,435)	(59,237)	(58,357)	-	-	-	-	-	-	
Time of Day Power Rate														(1,373,225)
Time-of-Day Service - TODS Secondary	TODP	(238,153)	(217,223)	(239,059)	(227,048)	(202,069)	(249,672)	-	-	-	-	-	-	(160,568)
Time-of-Day Service - TODP Primary	TODS	(26,806)	(23,489)	(25,944)	(26,092)	(27,648)	(30,589)	-	-	-	-	-	-	
Retail Transmission Service	RTS	(111,786)	(123,596)	(111,289)	(104,809)	(122,626)	(113,580)	-	-	-	-	-	-	(687,687)
Fluctuating Load Service	FLST	(34,551)	(42,725)	(38,638)	(37,338)	(39,938)	(34,923)	-	-	-	-	-	-	(228,113)
Lighting Rates														(8)
Outdoor Lighting Service -- LE	LE	-	-	-	-	(6)	(2)	-	-	-	-	-	-	(417)
Traffic Lighting Energy -- TE	TE	(82)	(68)	(69)	(66)	(68)	(63)	-	-	-	-	-	-	(51,429)
Street Lighting	ODL	(8,783)	(8,320)	(8,602)	(8,510)	(8,624)	(8,591)	-	-	-	-	-	-	
Curtailable Service Rider Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
		(1,690,840)	(1,410,441)	(1,307,788)	(1,186,663)	(1,115,588)	(1,313,983)	-	-	-	-	-	-	(8,025,302)

KENTUCKY UTILITIES

**Adjustment to Eliminate Environmental Surcharge Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

Expense Month	(1) Revenues Environmental Compliance Plans (a)	(2) Expenses Environmental Compliance Plans (b)	(3) Expenses Roll-In Environmental Compliance Plans (c)	(4) Net Expenses (Col. 2 + 3)	(5) Net (Col. 1 - 4)
Jan-11	5,407,256	5,405,299	(2,139,510)	3,265,789	
Feb-11	3,026,209	5,918,947	(2,139,510)	3,779,437	
Mar-11	169,800	5,992,096	(2,139,510)	3,852,586	
Apr-11	2,360,485	5,623,331	(2,139,510)	3,483,821	
May-11	2,471,733	5,865,737	(2,139,510)	3,726,227	
Jun-11	3,699,167	6,103,676	(2,139,510)	3,964,166	
Jul-11	4,011,785	5,974,461	(2,139,510)	3,834,951	
Aug-11	3,072,496	6,556,599	(2,139,510)	4,417,089	
Sep-11	2,188,184	5,920,213	(2,139,510)	3,780,703	
Oct-11	1,928,584	5,767,324	(2,139,510)	3,627,814	
Nov-11	2,749,517	6,090,400	(2,139,510)	3,950,890	
Dec-11	3,531,568	6,183,636	(2,139,510)	4,044,126	
	<u>\$ 34,616,785</u>	<u>\$ 71,401,719</u>	<u>\$ (25,674,120)</u>	<u>\$ 45,727,599</u>	
Kentucky Jurisdiction (Ref. Sch. Allocators)				86.677%	
Total	<u>\$ 34,616,785</u>			<u>\$ 39,635,311</u>	<u>\$ (5,018,526)</u>
Adjustment	<u>\$ (34,616,785)</u>			<u>\$ (39,635,311)</u>	<u>\$ 5,018,526</u>

(a) ES Form 3.00, Column 6.

(b) ES Form 2.00, Total Pollution Control Operations Expense less Proceeds from By-Product and Allowance Sales

(c) ECR Roll-in pursuant to Commission's Order dated December 2, 2009 in Case No. 2009-00310. Determination of Expenses Roll-In (Attachment to Response to Question No. 6 (a)(c)):

1. Total Pollution Control Operating Expenses	\$ 34,445,958
2. Less Total Pollution Control Operating Expenses '01 & '03 Plans	(9,072,379)
3. Less Gross Proceeds from By-Product & Allowance Sales	300,541
4. Total Expenses Roll-In excluding '01 & '03 Plans	<u>\$ 25,674,120</u>

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	120,351,944	
Subtotal		\$ 1,372,945,523
Additions:		
Inventory - Limestone	\$ 915,541	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	557,137	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	487,722	
Cash Working Capital Allowance	1,906,078	
Subtotal		3,232,868
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	75,134,023	
Pollution Control Deferred Income Taxes	55,677,458	
Pollution Control Deferred Investment Tax Credit	27,533,594	
Subtotal		158,345,075
Environmental Compliance Rate Base		\$ 1,217,833,316

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,627,292
Monthly Depreciation & Amortization Expense	3,579,198
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,222
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,360
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,373,215

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	\$ 12,727	\$ -	\$ 12,727
Scrubber By-Products Sales	5,786	50,597	(44,811)
Total Proceeds from Sales	\$ 18,513	\$ 50,597	\$ (32,084)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	123,872,733	
Subtotal		\$ 1,376,466,312
Additions:		
Inventory - Limestone	\$ 704,986	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	548,746	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	479,331	
Cash Working Capital Allowance	1,989,279	
Subtotal		3,097,123
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	79,045,364	
Pollution Control Deferred Income Taxes	59,015,174	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		165,526,519
Environmental Compliance Rate Base		\$ 1,214,036,916

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,839,149
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,495
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	3,633
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,906,623

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	38,274	50,597	(12,324)
Total Proceeds from Sales	\$ 38,274	\$ 50,597	\$ (12,324)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.75

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	131,087,969	
Subtotal		\$ 1,383,681,548
Additions:		
Inventory - Limestone	\$ 771,146	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	539,862	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	470,447	
Cash Working Capital Allowance	2,064,001	
Subtotal		3,229,121
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	82,956,704	
Pollution Control Deferred Income Taxes	62,352,891	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		172,775,576
Environmental Compliance Rate Base		\$ 1,214,135,093

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,628,590
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,885
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,023
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,696,454

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	\$ 3,293	\$ 286,166	\$ (282,873)
Scrubber By-Products Sales	37,829	50,597	(12,769)
Total Proceeds from Sales	\$ 41,122	\$ 336,763	\$ (295,642)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.58

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	136,368,498	
Subtotal		\$ 1,389,165,639
Additions:		
Inventory - Limestone	\$ 781,592	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	530,627	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	461,212	
Cash Working Capital Allowance	2,149,034	
Subtotal		3,315,365
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	86,868,281	
Pollution Control Deferred Income Taxes	65,694,618	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		179,904,740
Environmental Compliance Rate Base		\$ 1,212,576,264

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,592,835
Monthly Depreciation & Amortization Expense	3,901,712
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	9,235
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,373
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,661,285

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	88,551	50,597	37,954
Total Proceeds from Sales	\$ 88,551	\$ 50,597	\$ 37,954

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0 01

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	142,424,012	
Subtotal		\$ 1,395,221,153
Additions:		
Inventory - Limestone	\$ 689,930	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	523,248	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	453,833	
Cash Working Capital Allowance	2,224,234	
Subtotal		3,291,524
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	90,780,094	
Pollution Control Deferred Income Taxes	69,036,294	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		187,158,229
Environmental Compliance Rate Base		\$ 1,211,354,448

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,790,381
Monthly Depreciation & Amortization Expense	3,901,949
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,409
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,547
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,857,242

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	42,102	50,597	(8,495)
Total Proceeds from Sales	\$ 42,102	\$ 50,597	\$ (8,495)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	140,939,582	
Subtotal		\$ 1,405,178,454
Additions:		
Inventory - Limestone	\$ 619,310	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	512,262	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	442,847	
Cash Working Capital Allowance	2,310,811	
Subtotal		3,296,495
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	94,683,811	
Pollution Control Deferred Income Taxes	72,367,195	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		194,268,707
Environmental Compliance Rate Base		\$ 1,214,206,242

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,005,186
Monthly Depreciation & Amortization Expense	3,920,254
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,026
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,164
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 6,093,956

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	40,878	50,597	(9,720)
Total Proceeds from Sales	\$ 40,878	\$ 50,597	\$ (9,720)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	146,734,588	
Subtotal		\$ 1,410,973,460
Additions:		
Inventory - Limestone	\$ 563,097	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	501,264	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	431,849	
Cash Working Capital Allowance	2,368,745	
Subtotal		3,287,217
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	98,633,052	
Pollution Control Deferred Income Taxes	75,718,218	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		201,568,971
Environmental Compliance Rate Base		\$ 1,212,691,706

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,865,556
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,050
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,188
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,973,395

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	49,531	50,597	(1,066)
Total Proceeds from Sales	\$ 49,531	\$ 50,597	\$ (1,066)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.78

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	154,525,896	
Subtotal		\$ 1,418,764,768
Additions:		
Inventory - Limestone	\$ 614,230	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	490,256	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	420,841	
Cash Working Capital Allowance	2,464,257	
Subtotal		3,422,855
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	102,582,293	
Pollution Control Deferred Income Taxes	79,069,241	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		208,869,235
Environmental Compliance Rate Base		\$ 1,213,318,388

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,435,952
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,046
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,184
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 6,543,787

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	37,785	50,597	(12,812)
Total Proceeds from Sales	\$ 37,785	\$ 50,597	\$ (12,812)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	159,344,971	
Subtotal		\$ 1,423,583,843
Additions:		
Inventory - Limestone	\$ 612,729	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	481,593	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	412,178	
Cash Working Capital Allowance	2,523,192	
Subtotal		3,471,626
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	106,531,533	
Pollution Control Deferred Income Taxes	82,419,799	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		216,169,033
Environmental Compliance Rate Base		\$ 1,210,886,436

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,788,869
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,836
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,974
Monthly Surcharge Consultant Fee - Case No. 2011-00161	16,425
Total Pollution Control Operations Expense	\$ 5,909,919

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	\$ 864	\$ -	\$ 864
Scrubber By-Products Sales	39,439	50,597	(11,158)
Total Proceeds from Sales	\$ 40,303	\$ 50,597	\$ (10,294)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.43

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	182,770,493	
Subtotal		\$ 1,447,009,365
Additions:		
Inventory - Limestone	\$ 589,086	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	471,469	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	402,054	
Cash Working Capital Allowance	2,609,648	
Subtotal		3,524,315
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	110,480,774	
Pollution Control-Deferred Income Taxes	85,770,356	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		223,468,831
Environmental Compliance Rate Base		\$ 1,227,064,849

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,589,445
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,133
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,271
Monthly Surcharge Consultant Fee - Case No. 2011-00161	61,393
Total Pollution Control Operations Expense	\$ 5,757,759

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	41,032	50,597	(9,565)
Total Proceeds from Sales	\$ 41,032	\$ 50,597	\$ (9,565)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.55

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	188,754,688	
Subtotal		\$ 1,452,993,560
Additions:		
Inventory - Limestone	\$ 661,141	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	460,727	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	391,312	
Cash Working Capital Allowance	2,725,817	
Subtotal		3,701,797
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	114,430,015	
Pollution Control Deferred Income Taxes	89,120,914	
Pollution Control Deferred Investment Tax Credit	27,155,631	
Subtotal		230,706,560
Environmental Compliance Rate Base		\$ 1,225,988,797

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,970,117
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,743
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,881
Monthly Surcharge Consultant Fee - Case No. 2011-00161	8,480
Total Pollution Control Operations Expense	\$ 6,086,129

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	46,327	50,597	(4,271)
Total Proceeds from Sales	\$ 46,327	\$ 50,597	\$ (4,271)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.16

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

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	160,117,611		19,254,282	
Subtotal		\$ 1,476,567,865		\$ 19,254,282
Additions:				
Inventory - Limestone	\$ 708,595			
Less: Limestone Inventory in base rates	76,473			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	450,225			
Less: Allowance Inventory Baseline	69,415			
Net Emission Allowance Inventory	380,810			
Cash Working Capital Allowance	2,649,591		115,073	
Subtotal		3,662,522		115,073
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	118,457,818		-	
Pollution Control Deferred Income Taxes	92,960,020		-	
Pollution Control Deferred Investment Tax Credit	27,155,631			
Subtotal		238,573,469		-
Environmental Compliance Rate Base		\$ 1,241,656,918		\$ 19,369,355

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,063,355	\$ 920,585
Monthly Depreciation & Amortization Expense	4,017,862	-
Monthly Taxes Other Than Income Taxes	162,352	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,502	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,640	
Monthly Surcharge Consultant Fee		16,258
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,249,209	\$ 936,843

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	53,014	50,597	2,416
Total Proceeds from Sales	\$ 53,014	\$ 50,597	\$ 2,416

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

For the Month Ended: December 31, 2011

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)
Jan-11	\$ 79,737,150	\$ 54,246,175	\$ (4,079,961)	\$ 2,482,893	\$ 5,407,256	\$ 137,793,514	\$ 132,386,258
Feb-11	67,038,171	45,209,443	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648
Mar-11	62,170,354	41,905,870	45,175	1,568,534	169,800	105,859,733	105,689,933
Apr-11	56,843,357	38,004,130	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475
May-11	55,933,365	35,702,353	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703
Jun-11	64,274,550	42,040,661	381,783	1,271,511	3,699,167	111,667,672	107,968,505
Jul-11	67,568,168	42,674,259	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668
Aug-11	72,619,227	46,902,303	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042
Sep-11	66,398,438	43,186,740	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324
Oct-11	57,391,197	38,932,694	3,485,600	962,525	1,928,584	102,700,601	100,772,017
Nov-11	52,704,870	33,557,570	2,079,249	963,030	2,749,517	92,054,236	89,304,719
Dec-11	60,036,690	39,439,553	(2,870,818)	1,272,580	3,531,568	101,409,572	97,878,004
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 107,595,608
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 97,878,004
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month							100.00%

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)
Jan-11						\$ -	\$ -	\$ -
Feb-11						\$ -	\$ -	\$ -
Mar-11						\$ -	\$ -	\$ -
Apr-11						\$ -	\$ -	\$ -
May-11						\$ -	\$ -	\$ -
Jun-11						\$ -	\$ -	\$ -
Jul-11						\$ -	\$ -	\$ -
Aug-11						\$ -	\$ -	\$ -
Sep-11						\$ -	\$ -	\$ -
Oct-11						\$ -	\$ -	\$ -
Nov-11						\$ -	\$ -	\$ -
Dec-11						\$ -	\$ -	\$ -
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 =							\$ 97,878,004	
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month							0.00%	

Kentucky Utilities Company
Calculation of ECR Roll-in At February 28, 2009

Calculation of Revenue Requirement	TOTAL		Eliminated Plans (2001 & 2003)		Post Rate Case ECR Plans (05 & 06)	
	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis
Environmental Compliance Rate Base						
Pollution Control Plant in Service	688,693,392	564,353,691	240,167,567	196,806,670	448,525,825	367,547,021
Pollution Control CWIP Excluding AFUDC	609,548,490	499,497,954	1,142,172	935,959	608,406,318	498,561,994
Subtotal	1,298,241,882	1,063,851,644	241,309,739	197,742,629	1,056,932,143	866,109,015
Additions:						
Limestone, net of amount in base rates	689,005	564,609	-	-	689,005	564,609
Emission Allowances, net of amount in base rates	4,202	3,443	-	-	4,202	3,443
Cash Working Capital Allowance	1,014,107	831,016	336,597	275,826	677,510	555,189
Subtotal	1,707,314	1,399,068	336,597	275,826	1,370,717	1,123,242
Deductions:						
Accumulated Depreciation on Pollution Control Plant	50,725,431	41,567,241	29,010,589	23,772,891	21,714,842	17,794,350
Pollution Control Deferred Income Taxes	43,419,013	35,579,955	34,245,697	28,062,830	9,173,316	7,517,126
Pollution Control Deferred Investment Tax Credit	23,755,600	19,466,661	-	-	23,755,600	19,466,661
Subtotal	117,900,044	96,613,857	63,256,286	51,835,721	54,643,758	44,778,136
Environmental Compliance Rate Base	\$ 1,182,049,152	\$ 968,636,855	\$ 178,390,050	\$ 146,182,734	\$ 1,003,659,102	\$ 822,454,121
Rate of Return – Environmental Compliance Rate Base			11.12%		11.12%	
Return on Environmental Compliance Rate Base	\$ 131,443,866	\$ 107,712,418	\$ 19,836,974	\$ 16,255,520	\$ 111,606,892	\$ 91,456,898
Pollution Control Operating Expenses						
12 Month Depreciation and Amortization Expense	24,486,356	20,065,483	6,053,383	4,960,479	18,432,974	15,105,004
12 Month Taxes Other than Income Taxes	1,368,589	1,121,498	326,224	267,326	1,042,365	854,172
12 Month Operating and Maintenance Expense	8,112,850	6,648,121	2,692,772	2,206,608	5,420,078	4,441,513
12 Month Emission Allowance Expense, net of amounts in base rates	478,162	391,833	-	-	478,162	391,833
Total Pollution Control Operating Expenses	\$ 34,445,958	\$ 28,226,935	\$ 9,072,379	\$ 7,434,412	\$ 25,373,579	\$ 20,792,523
Gross Proceeds from By-Product & Allowance Sales	300,541	246,280	-	-	300,541	246,280
Total Company Environmental Surcharge Gross Revenue Requirement						
Return on Environmental Compliance Rate Base	131,443,866	107,712,418	19,836,974	16,255,520	111,606,892	91,456,898
Pollution Control Operating Expenses	34,445,958	28,226,935	9,072,379	7,434,412	25,373,579	20,792,523
Less Gross Proceeds from By-Product & Allowance Sales	(300,541)	(246,280)	-	-	(300,541)	(246,280)
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 165,589,283	\$ 135,693,073	\$ 28,909,353	\$ 23,689,932	\$ 136,679,930	\$ 112,003,141
Jurisdictional Allocation Ratio	81.9456%		81.9456%		81.9456%	
Jurisdictional Revenues for 12 Months	\$ 1,104,927,147		\$ 1,104,927,147		\$ 1,104,927,147	
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 165,589,283		\$ 28,909,353		\$ 136,679,930	
Jurisdictional Allocation Ratio	81.9456%		81.9456%		81.9456%	
Jurisdictional Environmental Surcharge Gross Revenue Requirement	\$ 135,693,073		\$ 23,689,932		\$ 112,003,141	

KENTUCKY UTILITIES

**Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011**

	(1)	(2)	(3)	(4)
	KU Off-System Sales Revenue	Monthly Environmental Surcharge Factor (a)	Average Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
Jan-11	3,292,556	0.08%	2.86%	94,167
Feb-11	3,901,358	2.54%	2.86%	111,579
Mar-11	2,985,203	2.70%	2.86%	85,377
Apr-11	949,605	3.46%	2.86%	27,159
May-11	3,354,999	3.53%	2.86%	95,953
Jun-11	4,125,254	2.46%	2.86%	117,982
Jul-11	3,209,313	1.87%	2.86%	91,786
Aug-11	1,733,633	1.92%	2.86%	49,582
Sep-11	2,458,310	3.12%	2.86%	70,308
Oct-11	5,362,669	3.63%	2.86%	153,372
Nov-11	2,048,034	5.13%	2.86%	58,574
Dec-11	3,345,362	3.92%	2.86%	95,677
Total	<u><u>\$ 36,766,296</u></u>			<u><u>\$ 1,051,516</u></u>
Average		2.86%		
Kentucky Jurisdiction (Ref. Sch. Allocators)				<u>86.773%</u>
Total				<u><u>\$ 912,432</u></u>
Adjustment				<u><u>\$ (912,432)</u></u>

(a) ES Form 1.00

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Kentucky Only						
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

EA 36,766,296

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	86,002
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.08%

Effective Date for Billing: March billing cycle beginning February 28, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: February 18, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 2,721,724

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.54%

Effective Date for Billing: April billing cycle beginning March 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: March 18, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	2,886,173
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		2.70%

Effective Date for Billing: May billing cycle beginning April 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: April 19, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 3,723,617

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.46%

Effective Date for Billing: June billing cycle beginning May 31, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: May 20, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 3,820,591

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.53%

Effective Date for Billing: July billing cycle beginning June 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: June 17, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of June 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	2,683,040
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		2.46%

Effective Date for Billing: August billing cycle beginning July 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: July 19, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of July 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 2,039,000

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 1.87%

Effective Date for Billing: September billing cycle beginning August 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: August 19, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	2,100,716
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		1.92%

Effective Date for Billing: October billing cycle beginning September 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: September 20, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	3,382,800
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		3.12%

Effective Date for Billing: November billing cycle beginning October 28, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: October 18, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of October 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14	=	\$	3,947,541
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		3.63%

Effective Date for Billing: December billing cycle beginning November 29, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: November 18, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of November 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 5,576,601

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 5.13%

Effective Date for Billing: January billing cycle beginning December 30, 2011

Submitted by: _____

Title: Director, Rates

Date Submitted: December 20, 2011

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of December 2011**

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 = \$ 4,215,138

Group 1 ES Billing Factor -- ES Form 1.10, line 20 = 3.92%

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 = 0.00%

Effective Date for Billing: February billing cycle beginning January 31, 2012

Submitted by: _____

Title: Director, Rates

Date Submitted: January 20, 2012

KENTUCKY UTILITIES

To Eliminate Net Brokered and Financial Swap Revenues and Expenses
For the Twelve Months Ended December 31, 2011

1. Brokered and Financial Swap Revenues	\$ 231,838
2. Brokered and Financial Swap Expenses recorded in revenues	574,533
	(342,695)
3. Net Brokered and Financial Swap Revenues	86.773%
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	86.773%
	86.773%
5. Kentucky Jurisdiction Net Brokered and Financial Swap Revenues	\$ (297,367)
	(297,367)
6. Kentucky Jurisdiction Net Brokered and Financial Swap Revenues adjustment	\$ 297,367
	297,367
7. Operating Expenses related to Brokered and Financial Swap	6,501 *
8. Kentucky Jurisdiction (Ref. Sch. Allocators)	86.773%
	86.773%
9. Kentucky Jurisdiction Brokered and Financial Swap Operating Expenses	\$ 5,641
	5,641
10. Kentucky Jurisdiction Net Brokered and Financial Swap Operating Expenses adjustment	\$ (5,641)
	(5,641)
11. Net Kentucky Jurisdictional adjustment (Line 6 - Line 10)	\$ 303,008
	303,008

*NOTE: Reflects 0.14% of total labor and labor related costs from regulated trading sales activities.

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading Labor
For Year Ended January 1, 2011 through December 31, 2011

1 Total Labor		<u>Total</u> \$ 4,736,545
2 Brokered/Swap Trading Percentage		<u>1.64%</u>
3 Total Brokered/Swap Trading Expense		<u><u>77,570</u></u>
4 KU	8.4%	6,501
5 LG&E	91.6%	<u>71,069</u>
6		<u><u>77,570</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

	TME DEC 2011 REVENUES	TME DEC 2011 KWH	TOTAL BROKERED & SWAP REVENUES
1 KU	-	-	
2 LG&E	-	-	
3 TOTAL BROKERED	-	-	
4 KU	231,838		
5 LG&E	2,534,557		
6 TOTAL SETTLED SWAP REVENUE	2,766,396	-	
7 KU	4,364,303	99,010,000	
8 LG&E	60,437,290	1,544,495,000	
9 TOTAL SALES FOR RESALE	64,801,594	1,643,505,000	
10 KU	4,596,142	99,010,000	8.4%
11 LG&E	62,971,848	1,544,495,000	91.6%
12 TOTAL BROKERED, SWAP & SFR (EXCLUDES INTERCOMPANY)	67,567,989	1,643,505,000	100.0%
13 BROKERED/SWAP TO TOTAL PERCENT	4.1%	0.0%	
14 STAFF TRADING PERCENTAGE	40.0%		
15 BROKERED TRADING PERCENTAGE	1.64%		

Energy Marketing
Regulated Trading Labor
For Year Ended 12/31/2011
\$'s

COMBINED

Exp Org
029660

Department Name
Regulated Trading

	<u>Actual YTD</u>
Labor	2,532,183
Burdens	2,204,362
Total Burdened Labor	<u><u>4,736,545</u></u>

LGE

Exp Org
029660

Department Name
Regulated Trading

	<u>Actual YTD</u>
Labor	1,157,011
Burdens	1,008,354
Total Burdened Labor	<u><u>2,165,365</u></u>

KU

Exp Org
029660

Department Name
Regulated Trading

	<u>Actual YTD</u>
Labor	1,374,811
Burdens	1,195,114
Total Burdened Labor	<u><u>2,569,925</u></u>

CAPITAL CORP

Exp Org
029660

Department Name
Regulated Trading

	<u>Actual YTD</u>
Labor	361
Burdens	894
Total Burdened Labor	<u><u>1,255</u></u>

KENTUCKY UTILITIES COMPANY
To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011

Regulated Trading & Dispatch Department Personnel

Trading Positions

- 1 Trader
- 2 Dir Trading
- 3 Assoc Trader
- 4 Sr. Trader
- 5 Trader
- 6 Mgr Hourly Trading
- 7 Trader
- 8 Mgr of Trading
- 9 Trader
- 10 Sr. Trader

Dispatching Positions

- 11 Sr Market Compliance Analyst
- 12 Assoc Mkt Compliance Analyst
- 13 Generation Dispatcher
- 14 Dir Marketing
- 15 Generation Dispatcher
- 16 Generation Dispatcher
- 17 Account Manager II Municipals
- 18 Generation Dispatcher
- 19 Mgr Reg Generation Dispatch Op
- 20 Generation Dispatcher
- 21 Mgr Market Compliance
- 22 Generation Dispatcher
- 23 Scheduler
- 24 Sr Market Compliance Analyst
- 25 Sr Dispatcher

26 Trading Positions	10
27 Total Regulated Trading and Dispatch Positions	25
28 Trading Positions as a % of the total	40.00%

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
	Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

Louisville Gas and Electric Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales	336,416,687	432,578,551	4,260,121,989	4,591,882,579	4,260,121,989	4,591,882,579
Small Commercial and Industrial Sales	105,690,595	131,402,076	1,420,199,307	1,461,031,299	1,420,199,307	1,461,031,299
Large Commercial Sales	172,809,440	197,632,817	2,288,544,888	2,332,211,310	2,288,544,888	2,332,211,310
Large Industrial Sales	169,976,251	213,851,648	2,430,194,056	2,602,851,775	2,430,194,056	2,602,851,775
Public Street and Highway Lighting Sales	5,349,392	6,253,957	51,351,317	54,324,659	51,351,317	54,324,659
Other Sales to Public Authorities	73,289,356	105,882,864	1,190,642,794	1,295,935,082	1,190,642,794	1,295,935,082
Total Sales - Ultimate Consumers	863,531,721	1,087,601,913	11,641,054,351	12,338,236,704	11,641,054,351	12,338,236,704
Sales for Resale	158,719,000	54,968,000	1,544,495,000	535,022,000	1,544,495,000	535,022,000
Intercompany Sales for Resale	425,541,000	489,542,000	3,641,187,000	4,709,981,000	3,641,187,000	4,709,981,000
Brokered Purchases	-	(20,000)	-	(61,000)	-	(61,000)
Total Sales	1,447,791,721	1,632,091,913	16,826,736,351	17,583,178,704	16,826,736,351	17,583,178,704
Used by Electric Department - Station Auxillary	-	-	-	-	-	-
Used by Electric Department - Duplicate Charges	296,146	325,021	2,148,627	2,311,841	2,148,627	2,311,841
Used by Other Departments	1,122,135	-	13,046,118	-	13,046,118	-
Delivered to US Government - Hydro License	418,437	449,402	1,571,011	1,708,802	1,571,011	1,708,802
Used by IMEA	48,477,000	50,808,000	527,689,000	466,320,000	527,689,000	466,320,000
Used by IMPA	52,647,000	53,811,000	556,383,000	497,961,000	556,383,000	497,961,000
Total Kwh Sales, Co. Uses, Etc.	1,550,752,439	1,737,485,336	17,927,574,107	18,551,480,347	17,927,574,107	18,551,480,347
Total System Losses (1)	77,447,561	11,023,414	708,284,049	520,344,403	708,284,049	520,344,403
Total Kwh Output	1,628,200,000	1,748,508,750	18,635,858,156	19,071,824,750	18,635,858,156	19,071,824,750

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts	1,588,000	1,900,000	2,704,000	2,852,000	2,704,000	2,852,000
Day of the Week	Wednesday	Monday	Tuesday	Wednesday	Tuesday	Wednesday
Date	12/7/2011	12/13/2010	7/12/2011	08/04/2010	7/12/2011	08/04/2010
Hour	7:00 PM	7:00 PM	2:00 PM	3:00 PM	2:00 PM	3:00 PM
Type of Reading - 60 Minute Integrated						

Record Peak

Net 2,852,000 - 08/04/2010

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Kentucky Only						
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

Kentucky Utilities Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales.....	656,058,761	949,103,354	6,549,421,114	7,181,625,474	6,549,421,114	7,181,625,474
Small Commercial and Industrial Sales	164,303,201	204,006,743	2,018,961,791	2,072,007,449	2,018,961,791	2,072,007,449
Large Commercial Sales	166,496,755	224,231,525	2,287,663,933	2,498,175,382	2,287,663,933	2,498,175,382
Industrial Sales.....	504,550,509	526,055,295	6,013,408,031	5,764,353,504	6,013,408,031	5,764,353,504
Mine Power Sales.....	57,531,832	73,137,000	684,726,723	693,997,362	684,726,723	693,997,362
Public Street and Highway Lighting Sales.....	4,280,864	5,839,269	50,815,039	55,934,105	50,815,039	55,934,105
Other Sales to Public Authorities.....	106,098,390	164,662,159	1,584,237,158	1,600,139,247	1,584,237,158	1,600,139,247
Municipal Pumping.....	5,542,348	6,792,300	67,203,674	69,676,728	67,203,674	69,676,728
Total Sales - Ultimate Consumers.....	1,664,862,660	2,153,827,645	19,256,437,463	19,935,909,251	19,256,437,463	19,935,909,251
Sales for Resale.....	539,000	-	99,010,000	4,515,000	99,010,000	4,515,000
Intercompany Sales for Resale.....	120,983,000	30,373,000	1,120,336,000	439,210,000	1,120,336,000	439,210,000
Wholesale Sales.....	156,587,862	185,182,349	1,905,867,063	2,002,284,155	1,905,867,063	2,002,284,155
Total Sales	1,942,972,522	2,369,382,994	22,381,650,526	22,381,918,406	22,381,650,526	22,381,918,406
Kwh Supplied - Company Lighting.....	1,950,988	2,331,643	22,014,658	23,251,969	22,014,658	23,254,105
Kwh Supplied - Free Lighting.....	4,500	4,500	53,768	51,830	53,768	48,687
Used By IMEA.....	42,238,000	19,453,000	459,156,000	44,892,000	459,156,000	44,892,000
Used by IMPA.....	44,940,000	20,678,000	488,140,000	47,694,000	488,140,000	47,694,000
Total Kwh Sales, Co. Uses, Etc.....	2,032,106,010	2,411,850,137	23,351,014,952	22,497,808,205	23,351,014,952	22,497,807,198
Total System Losses (1).....	97,618,990	(26,420,887)	993,779,892	1,444,270,045	993,779,892	1,444,270,045
Total Kwh Output.....	2,129,725,000	2,385,429,250	24,344,794,844	23,942,078,250	24,344,794,844	23,942,077,243

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts.....	3,546,000	4,517,000	4,292,000	4,517,000	4,292,000	4,517,000
Day of the Week.....	Thursday	Wednesday	Friday	Wednesday	Friday	Wednesday
Date.....	12/8/2011	12/15/2010	02/11/2011	12/15/2010	02/11/2011	12/15/2010
Hour.....	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM
Type of Reading - 60 Minute Integrated						

Record Peak - Net 4,640,000 Kwh - 01/16/2009

KENTUCKY UTILITIES

To Eliminate ECR, MSR, FAC and DSM Accruals
For the Twelve Months Ended December 31, 2011

1. ECR Accrued Revenue in Accounts 440-445	\$ 5,218,913
2. MSR Accrued Revenue in Accounts 440-445	396
3. FAC Accrued Revenue in Accounts 440-445	1,161,000
4. DSM Accrued Revenue in Accounts 440-445	<u>2,937,495</u>
5. Total Kentucky Jurisdictional Accrued Revenues	<u>\$ 9,317,804</u>
6. Total Adjustment	<u>\$ (9,317,804)</u>

Exhibit 1
Reference Schedule 1.07

KENTUCKY UTILITIES

To Eliminate DSM Revenues and Expenses
For the Twelve Months Ended December 31, 2011

1. DSM Revenue adjustment	\$ (17,120,990)
2. DSM Expense adjustment	<u>(12,541,915)</u>
3. Net Adjustment	<u><u>\$ (4,579,075)</u></u>

KU
 Reconciliation of DSM Expenses per GL to ASSD Filing
 FY 2011

	General Ledger (Acct. 908005) (1)	Accrual Adjustment (2)	Adjusted Total Expenses (1) + (2)	Total Expense for ASSD Filing	Difference
Dec-11	\$ 1,700,630.01	\$ (61,000.00)	\$ 1,761,630.01	\$ 1,761,630.01	\$ -
Nov-11	\$ 996,703.86	\$ 166,000.00	\$ 830,703.86	\$ 830,703.86	\$ -
Oct-11	\$ 750,263.77	\$ (84,000.00)	\$ 834,263.77	\$ 834,263.77	\$ -
Sep-11	\$ 1,103,305.85	\$ 15,000.00	\$ 1,088,305.85	\$ 1,088,305.85	\$ -
Aug-11	\$ 1,593,096.33	\$ (118,000.00)	\$ 1,711,096.33	\$ 1,711,096.33	\$ -
Jul-11	\$ 1,416,811.55	\$ (14,000.00)	\$ 1,430,811.55	\$ 1,430,811.35	\$ 0.20
Jun-11	\$ 1,176,043.75	\$ (25,000.00)	\$ 1,201,043.75	\$ 1,201,043.95	\$ (0.20)
May-11	\$ 989,070.40	\$ (11,000.00)	\$ 1,000,070.40	\$ 1,000,070.40	\$ -
Apr-11	\$ 525,262.34	\$ (143,000.00)	\$ 668,262.34	\$ 668,262.34	\$ -
Mar-11	\$ 805,577.60	\$ 67,000.00	\$ 738,577.60	\$ 738,577.60	\$ -
Feb-11	\$ 378,260.13	\$ (118,000.00)	\$ 496,260.13	\$ 496,260.10	\$ 0.03
Jan-11	\$ 1,163,888.87	\$ 383,000.00	\$ 780,888.87	\$ 780,888.87	\$ -
	\$ 12,598,914.46	\$ 57,000.00	\$ 12,541,914.46	\$ 12,541,914.43	\$ 0.03

KU
Adjusted DSM Expenses
For the 12 Months Ended December 31, 2011

Total Expenses Per DSM File	RECONCILIATION					
	Accrual Adjustment (a)	CCS Expense (b)	T-STAT Expenses (c)	Adjusted Total Expenses	(Acc 908005) General Ledger	Difference
Dec-11 \$ 1,768,551.33	\$ (61,000.00)	\$ -	\$ (6,921.32)	\$ 1,700,630.01	\$ 1,700,630.01	\$ -
Nov-11 \$ 830,528.86	\$ 166,000.00	\$ -	\$ 175.00	\$ 996,703.86	\$ 996,703.86	\$ -
Oct-11 \$ 834,263.77	\$ (84,000.00)	\$ -	\$ -	\$ 750,263.77	\$ 750,263.77	\$ -
Sep-11 \$ 1,097,142.17	\$ 15,000.00	\$ 85.00	\$ (8,921.32)	\$ 1,103,305.85	\$ 1,103,305.85	\$ -
Aug-11 \$ 1,703,987.24	\$ (118,000.00)	\$ 25.00	\$ 7,084.09	\$ 1,593,096.33	\$ 1,593,096.33	\$ -
Jul-11 \$ 1,430,728.95	\$ (14,000.00)	\$ -	\$ 82.40	\$ 1,416,811.35	\$ 1,416,811.55	\$ (0.20)
Jun-11 \$ 1,201,043.95	\$ (25,000.00)	\$ -	\$ -	\$ 1,176,043.95	\$ 1,176,043.75	\$ 0.20
May-11 \$ 1,000,070.40	\$ (11,000.00)	\$ -	\$ -	\$ 989,070.40	\$ 989,070.40	\$ -
Apr-11 \$ 668,124.34	\$ (143,000.00)	\$ -	\$ 138.00	\$ 525,262.34	\$ 525,262.34	\$ -
Mar-11 \$ 738,439.60	\$ 67,000.00	\$ -	\$ 138.00	\$ 805,577.60	\$ 805,577.60	\$ -
Feb-11 \$ 507,720.40	\$ (118,000.00)	\$ -	\$ (11,460.30)	\$ 378,260.10	\$ 378,260.13	\$ (0.03)
Jan-11 \$ 748,034.84	\$ 383,000.00	\$ -	\$ 32,854.03	\$ 1,163,888.87	\$ 1,163,888.87	\$ -
\$ 12,528,635.85	\$ 57,000.00	\$ 110.00	\$ 13,168.58	\$ 12,598,914.43	\$ 12,598,914.46	\$ (0.03)

TRUE

- (a) Accruals are made on a monthly basis to Oracle Account 908005 for estimated DSM expenses. Accruals for estimated expenses are not recoverable through the DCR mechanism until the actual amount of the expenditures are known and recorded to the GL. As a result, the accruals are excluded from the DSM expenses for purposes of the ASSD filing.
- (b) CCS expenses (expenses that are recorded directly from CCS to Oracle Account 908005) should be recoverable expenses. However, when they were incurred, they did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The CCS expenses were customer account write-offs. Certain customers signed up for energy audit, HVAC diagnostic, and HVAC tune up programs, but did not pay for these charges even though the company performed these services. As such, the expenses are allowed through the mechanism and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.
- (c) The T-Stat expenses are similar to (b) above. These expenses were recorded to Oracle Account 908005 when they occurred, but did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The T-STAT expenses are now considered recoverable and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

Total Expenses Per DSM File	Additional Expense not recovered in O/U file (CCS and T-Stat Expense)	Total Expense for ASSD Filing
Dec-11 \$ 1,768,551.33	\$ (6,921.32)	\$ 1,761,630.01
Nov-11 \$ 830,528.86	\$ 175.00	\$ 830,703.86
Oct-11 \$ 834,263.77	\$ -	\$ 834,263.77
Sep-11 \$ 1,097,142.17	\$ (8,836.32)	\$ 1,088,305.85
Aug-11 \$ 1,703,987.24	\$ 7,109.09	\$ 1,711,096.33
Jul-11 \$ 1,430,728.95	\$ 82.40	\$ 1,430,811.35
Jun-11 \$ 1,201,043.95	\$ -	\$ 1,201,043.95
May-11 \$ 1,000,070.40	\$ -	\$ 1,000,070.40
Apr-11 \$ 668,124.34	\$ 138.00	\$ 668,262.34
Mar-11 \$ 738,439.60	\$ 138.00	\$ 738,577.60
Feb-11 \$ 507,720.40	\$ (11,460.30)	\$ 496,260.10
Jan-11 \$ 748,034.84	\$ 32,854.03	\$ 780,888.87
\$ 12,528,635.85	\$ 13,278.58	\$ 12,541,914.43

KENTUCKY UTILITIES

Adjustment to Annualize Year-End Customers
At December 31, 2011

1. Revenue adjustment	\$ (13,701,571)
2. Expense adjustment	(7,542,566)
	<hr/>
3. Net adjustment	<u><u>\$ (6,159,006)</u></u>

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Average Number of Customers, 13 Months Ended December 31, 2011	Number of Customers Served at December 31, 2011	Year-End Over / (Under) 13-Month Average (2) - (1)	Actual kWh	Average kWh per Customer per Year (4) / (1)	Year-End kWh Adjustment (3) * (5)	Current Rates Net Revenue (Base Rates + FAC - Base ECR)	Average Revenue per kWh (7) / (4)	Revenue Adjustment (6) * (8)
RS	419,495	418,163		6,894,677,300			\$ 466,664,711		
RS3	268	265		7,667,163			\$ 498,139		
RSVFD	45	46		1,060,705			\$ 69,624		
RSNM	24	29		512,720			\$ 33,787		
Residential Service excluding Rate LEV	419,832	418,503	(1,329)	6,903,917,888	16,444	(21,854,076)	\$ 467,266,261	\$ 0.06768	\$ (1,479,084)
RSLEV	0	0		0	0	0	\$ -	\$ -	\$ -
Residential Service – Electric Vehicle Only	0	0	0	-	0	0	\$ -	\$ -	\$ -
GS	64,954	64,285		937,411,626			\$ 80,305,832		
GSNM	5	5		117,542			\$ 9,321		
GS3	16,982	17,106		1,225,840,655			\$ 92,939,213		
GS3NM	4	3		278,763			\$ 21,111		
General Service	81,945	81,399	(546)	2,163,648,586	26,403	(14,416,038)	\$ 173,275,477	\$ 0.08008	\$ (1,154,436)
AES	371	365		11,855,542			\$ 764,928		
AESP	8	8		83,340			\$ 6,847		
AES3	254	246		162,682,304			\$ 9,714,815		
AES3P	1	4		94,360			\$ 5,935		
Rate AES	634	623	(11)	174,715,546	275,576	(3,031,336)	\$ 10,492,526	\$ 0.06005	\$ (182,032)
Power Service									
PSP	173	173		75,769,716			\$ 5,028,311		
PSPPF	151	136		890,081,173			\$ 48,987,472		
Primary	324	309	(15)	965,850,889	2,981,021	(44,715,315)	\$ 54,015,783	\$ 0.05593	\$ (2,500,928)
PSS	5,273	5,007		1,871,060,629			\$ 124,966,519		
PSSPF	573	560		1,461,086,208			\$ 84,845,552		
PSSNM	2	3		352,400			\$ 28,814		
Secondary	5,848	5,570	(278)	3,332,499,237	569,852	(158,418,856)	\$ 209,840,885	\$ 0.06297	\$ (9,975,635)
Industrial Time of Day									
TODP	135	129		3,765,039,046			\$ 177,701,771		
Primary	135	129	(6)	3,765,039,046	27,889,178	(167,335,068)	\$ 177,701,771	\$ 0.04720	\$ (7,898,215)
TODS	110	133		428,965,236			\$ 21,411,959		
Secondary	110	133	23	428,965,236	3,899,683	89,692,709	\$ 21,411,959	\$ 0.04992	\$ 4,477,460
RTS	32	34		1,725,192,489			\$ 78,556,300		
Retail Transmisison Service	32	34	2	1,725,192,489	53,912,265	107,824,530	\$ 78,556,300	\$ 0.04553	\$ 4,909,251
FLSP	0	0		0			\$ -		
FLST	1	1		578,471,246			\$ 23,476,823		
Fluctuating Load Service	1	1	0	578,471,246	578,471,246	0	\$ 23,476,823	\$ 0.04058	\$ -
LE	1	1		28,013			\$ 1,355		
Lighting Energy	1	1	0	28,013	28,013	0	\$ 1,355	\$ 0.04838	\$ -
TE	596	719		1,135,421			\$ 96,042		
Traffic Energy	596	719	123	1,135,421	1,905	234,315	\$ 96,042	\$ 0.08459	\$ 19,821
ODL									
Lighting Service	Lights 169,050	Lights 169,684	634	135,384,140	800	507,200	\$ 21,948,264	\$ 0.16212	\$ 82,227
Totals	678,508	677,105		20,174,847,737			\$ 1,238,083,446		\$ (13,701,571)
Expenses at an Operating Ratio of	0.550489098	(see page 2)							\$ (7,542,566)
ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES									\$ (6,159,006)

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

CALCULATION OF ELECTRIC OPERATING RATIO

TOTAL ELECTRIC OPERATING EXPENSES	\$ 859,662,125	
LESS WAGES AND SALARIES	97,239,491	
LESS PENSIONS AND BENEFITS	37,398,933	
LESS REGULATORY COMMISSION EXPENSE	<u>1,524,688</u>	
NET EXPENSES	\$ 723,499,013	
TOTAL ELECTRIC OPERATIONS REVENUES (AS BILLED)	\$ 1,314,283,999	
OPERATING RATIO	<table border="1"><tr><td>0.550489098</td></tr></table>	0.550489098
0.550489098		

KENTUCKY UTILITIES

**Adjustment To Reflect Annualized Depreciation Expenses
At December 31, 2011**

1. Annualized direct depreciation expense under current rates excluding ARO and ECR	\$ 143,476,996
2. Depreciation expense per books for test year	\$ 189,190,233
3. Depreciation expense for asset retirement costs (ARO)	(3,028,523)
4. Depreciation for environmental cost recovery (ECR) plans	(46,839,413)
5. Depreciation expense per books excluding ARO and ECR	\$ 139,322,297
6. Total Adjustment to reflect annualized depreciation expense (Line 1 - Line 5)	4,154,699
7. Kentucky Jurisdiction (Ref. Sch. Allocators)	87.347%
8. Kentucky Jurisdictional adjustment	\$ 3,629,021

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group		Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
Intangible Plant				
301	Organization	\$ 44,456	0.00%	\$ -
302	Franchises and Consents	55,919	0.00%	-
303	Misc. Intangible Plant - Software	18,338,712	20.00%	3,667,742
303.1	CCS Software	40,210,208	10.00%	4,021,021
	Total Intangible Plant	<u>\$ 58,649,295</u>		<u>\$ 7,688,763</u>
Steam Production Plant				
310.00	Land	\$ 10,881,104	0.00%	\$ -
311.00	Structures and Improvements			
	5603 Tyrone Unit 3	5,608,825	0.00%	-
	5604 Tyrone Units 1&2	583,381	0.00%	-
	5613 Green River Unit 3	2,821,437	0.00%	-
	5614 Green River Unit 4	5,476,054	0.00%	-
	5615 Green River Units 1&2	2,560,764	0.00%	-
	5621 Brown Unit 1	4,703,190	0.60%	28,219
	5622 Brown Unit 2	2,232,100	0.08%	1,786
	5623 Brown Unit 3	21,039,674	0.54%	113,614
	5630 Brown Unit 1,2,3 FGD	43,917,221	2.65%	1,163,806
	5643 Pineville Unit 3	16,204	0.00%	-
	5651 Ghent Unit 1	18,842,151	0.39%	73,484
	5650 Ghent Unit 1 FGD	8,483,789	2.65%	224,820
	5652 Ghent Unit 2	16,011,013	0.50%	80,055
	5658 Ghent Unit 2 FGD	15,817,338	2.65%	419,159
	5653 Ghent Unit 3	42,177,126	1.19%	501,908
	5654 Ghent Unit 4	31,022,091	1.41%	437,411
	0321 Trimble County Unit 2	106,290,581	2.10%	2,232,102
	0322 Trimble County Unit 2 FGD	5,522,307	2.10%	115,968
	5591 System Laboratory	824,969	1.54%	12,705
		<u>\$ 333,950,215</u>		<u>\$ 5,405,039</u>
312.00	Boiler Plant Equipment			
	5603 Tyrone Unit 3	\$ 13,993,286	3.99%	\$ 558,332
	5604 Tyrone Units 1&2	421,900	0.14%	591
	5613 Green River Unit 3	12,145,770	3.08%	374,090
	5614 Green River Unit 4	25,165,914	4.20%	1,056,968
	5615 Green River Units 1&2	349,298	2.18%	7,615
	5621 Brown Unit 1	45,302,489	2.98%	1,350,014
	5622 Brown Unit 2	41,956,868	3.01%	1,262,902
	5623 Brown Unit 3	142,628,390	2.80%	3,993,595
	5630 Brown Unit 1,2,3 FGD	323,725,099	3.87%	12,528,161
	5643 Pineville Unit 3	236,470	0.00%	-
	5650 Ghent Unit 1 FGD	144,202,759	3.87%	5,580,647
	5651 Ghent Unit 1	198,785,055	3.84%	7,633,346
	5652 Ghent Unit 2	98,446,686	2.33%	2,293,808
	5658 Ghent Unit 2 FGD	93,278,511	3.87%	3,609,878
	5653 Ghent Unit 3	254,967,910	2.63%	6,705,656
	5660 Ghent 3 FGD	127,988,949	3.87%	4,953,172
	5654 Ghent Unit 4	267,856,280	2.79%	7,473,190
	5661 Ghent Unit 4 FGD	307,100,359	3.87%	11,884,784
	0321 Trimble County Unit 2	505,158,969	4.28%	21,620,804
	0322 Trimble County Unit 2 FGD	70,735,320	4.28%	3,027,472
		<u>\$ 2,674,446,283</u>		<u>\$ 95,915,025</u>
314.00	Turbogenerator Units			
	5603 Tyrone Unit 3	\$ 4,805,514	3.44%	\$ 165,310
	5604 Tyrone Units 1&2	68,206	0.00%	-
	5613 Green River Unit 3	4,562,194	2.90%	132,304
	5614 Green River Unit 4	10,390,486	3.79%	393,799
	5621 Brown Unit 1	7,512,825	1.12%	84,144
	5622 Brown Unit 2	12,299,722	2.91%	357,922

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
5623 Brown Unit 3	29,293,398	3.17%	928,601
5651 Ghent Unit 1	36,687,321	2.23%	818,127
5652 Ghent Unit 2	30,417,592	2.08%	632,686
5653 Ghent Unit 3	42,595,557	2.03%	864,690
5654 Ghent Unit 4	57,036,973	2.20%	1,254,813
0321 Trimble County Unit 2	83,994,733	2.78%	2,335,054
	\$ 319,664,520		\$ 7,967,449
315.00 Accessory Electric Equipment			
5603 Tyrone Unit 3	\$ 2,081,693	0.00%	\$ -
5604 Tyrone Units 1&2	99,211	0.00%	-
5613 Green River Unit 3	1,205,362	0.00%	-
5614 Green River Unit 4	2,695,329	1.46%	39,352
5621 Brown Unit 1	3,859,109	2.10%	81,041
5622 Brown Unit 2	2,165,577	0.48%	10,395
5623 Brown Unit 3	8,597,466	0.54%	46,426
5630 Brown Unit 1,2,3 FGD	29,503,821	2.70%	796,603
5650 Ghent Unit 1 FGD	13,292,785	2.70%	358,905
5651 Ghent Unit 1	8,872,543	0.55%	48,799
5652 Ghent Unit 2	13,858,389	0.60%	83,150
5658 Ghent Unit 2 FGD	1,155,753	2.70%	31,205
5653 Ghent Unit 3	30,932,405	1.03%	318,604
5660 Ghent 3 FGD	12,041,998	2.70%	325,134
5654 Ghent Unit 4	24,412,797	1.22%	297,836
5661 Ghent 4 FGD	3,844,595	2.70%	103,804
0321 Trimble County Unit 2	41,600,357	2.49%	1,035,849
0322 Trimble County Unit 2 FGD	1,415,469	2.49%	35,245
	\$ 201,634,659		\$ 3,612,349
316.00 Miscellaneous Plant Equipment			
5603 Tyrone Unit 3	\$ 553,355	3.12%	\$ 17,265
5604 Tyrone Units 1&2	50,127	0.00%	-
5613 Green River Unit 3	152,146	3.97%	6,040
5614 Green River Unit 4	2,408,143	2.71%	65,261
5615 Green River Units 1&2	84,750	0.00%	-
5621 Brown Unit 1	432,578	2.26%	9,776
5622 Brown Unit 2	106,658	0.71%	757
5623 Brown Unit 3	5,070,448	2.33%	118,141
5650 Ghent Unit 1 FGD	1,033,027	2.87%	29,648
5651 Ghent Unit 1	1,747,527	1.38%	24,116
5652 Ghent Unit 2	1,500,525	1.07%	16,056
5653 Ghent Unit 3	3,150,438	1.40%	44,106
5654 Ghent Unit 4	7,455,181	2.03%	151,340
0321 Trimble County Unit 2	3,502,447	3.00%	105,073
5591 System Laboratory	2,763,049	2.74%	75,708
	\$ 30,010,399		\$ 663,287
317.00 Asset Retirement Obligations - Steam *	56,489,771		
Total Steam	\$ 3,627,076,951		\$ 113,563,149
Hydraulic Production Plant			
5691 Dix Dam			
330.10 Land Rights	\$ 879,311	0.00%	\$ -
331.00 Structures and Improvements	616,527	1.29%	7,953
332.00 Reservoirs, Dams & Waterways	21,603,970	0.72%	155,549
333.00 Water Wheels, Turbines and Generators	4,430,624	0.66%	29,242
334.00 Accessory Electric Equipment	578,333	0.83%	4,800
335.00 Misc. Power Plant Equipment	297,024	3.55%	10,544
336.00 Roads, Railroads and Bridges	176,360	0.00%	-
337.00 Asset Retirement Obligations - Hydro *	57,609		
Total Hydraulic Plant	\$ 28,639,758		\$ 208,088

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
Other Production Plant			
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	\$ 176,409	2.97%	\$ 5,239
340.20 Land	118,514	0.00%	-
341.00 Structures and Improvements			
5697 Paddy's Run Generator 13	1,910,328	3.03%	57,883
5635 Brown CT 5	775,082	3.04%	23,562
5636 Brown CT 6	192,814	3.05%	5,881
5637 Brown CT 7	544,966	2.93%	15,968
5638 Brown CT 8	2,012,655	2.60%	52,329
5639 Brown CT 9	4,641,055	2.60%	120,667
5640 Brown CT 10	1,865,718	2.61%	48,695
5641 Brown CT 11	1,895,014	2.72%	51,544
0470 Trimble County CT 5	3,740,231	3.14%	117,443
0471 Trimble County CT 6	3,588,684	3.12%	111,967
0474 Trimble County CT 7	3,559,155	3.32%	118,164
0475 Trimble County CT 8	3,548,852	3.32%	117,822
0476 Trimble County CT 9	3,655,976	3.32%	121,378
0477 Trimble County CT 10	3,653,030	3.32%	121,281
5696 Haefling Units 1,2,&3	434,853	6.47%	28,135
	\$ 36,018,413		\$ 1,112,720
342.00 Fuel Holders, Producers and Accessories			
5697 Paddy's Run Generator 13	\$ 1,995,101	3.11%	\$ 62,048
5635 Brown CT 5	795,788	3.11%	24,749
5636 Brown CT 6	406,460	2.92%	11,869
5637 Brown CT 7	405,871	2.92%	11,851
5638 Brown CT 8	252,006	2.63%	6,628
5639 Brown CT 9	2,018,754	2.65%	53,497
5640 Brown CT 10	264,131	2.63%	6,947
5641 Brown CT 11	284,823	2.74%	7,804
5645 Brown CT 9 Gas Pipeline	8,106,131	2.57%	208,328
0470 Trimble County CT 5	239,584	3.21%	7,691
0471 Trimble County CT 6	239,246	3.21%	7,680
0473 Trimble County CT Pipeline	4,850,115	3.23%	156,659
0474 Trimble County CT 7	578,059	3.42%	19,770
0475 Trimble County CT 8	576,386	3.42%	19,712
0476 Trimble County CT 9	593,786	3.42%	20,307
0477 Trimble County CT 10	622,873	3.42%	21,302
5696 Haefling Units 1,2,&3	518,705	0.00%	-
	\$ 22,747,817		\$ 646,841
343.00 Prime Movers			
5697 Paddy's Run Generator 13	\$ 17,803,364	3.62%	\$ 644,482
5635 Brown CT 5	14,666,936	3.65%	535,343
5636 Brown CT 6	34,600,149	3.55%	1,228,305
5637 Brown CT 7	31,657,719	3.58%	1,133,346
5638 Brown CT 8	26,710,990	3.30%	881,463
5639 Brown CT 9	23,335,363	3.23%	753,732
5640 Brown CT 10	20,074,766	3.26%	654,437
5641 Brown CT 11	34,794,971	3.41%	1,186,509
0470 Trimble County CT 5	31,137,756	3.72%	1,158,325
0471 Trimble County CT 6	32,030,243	3.72%	1,191,525
0474 Trimble County CT 7	23,223,116	3.91%	908,024
0475 Trimble County CT 8	23,034,741	3.91%	900,658
0476 Trimble County CT 9	22,902,196	3.91%	895,476
0477 Trimble County CT 10	22,850,722	3.91%	893,463
	\$ 358,823,032		\$ 12,965,088
344.00 Generators			
5697 Paddy's Run Generator 13	\$ 5,185,636	2.94%	\$ 152,458
5635 Brown CT 5	2,858,148	2.94%	84,030
5636 Brown CT 6	3,712,620	2.76%	102,468

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
5637 Brown CT 7	3,722,788	2.76%	102,749
5638 Brown CT 8	4,953,961	2.46%	121,867
5639 Brown CT 9	5,452,041	2.31%	125,942
5640 Brown CT 10	4,944,423	2.46%	121,633
5641 Brown CT 11	5,187,040	2.53%	131,232
0470 Trimble County CT 5	3,763,275	3.04%	114,404
0471 Trimble County CT 6	3,757,947	3.04%	114,242
0474 Trimble County CT 7	2,950,282	3.26%	96,179
0475 Trimble County CT 8	2,937,930	3.26%	95,777
0476 Trimble County CT 9	2,957,520	3.26%	96,415
0477 Trimble County CT 10	2,954,149	3.26%	96,305
5696 Haefling Units 1,2,&3	4,023,002	0.00%	-
	\$ 59,360,761		\$ 1,555,700
345.00 Accessory Electric Equipment			
5697 Paddy's Run Generator 13	\$ 2,456,320	2.88%	\$ 70,742
5635 Brown CT 5	2,277,020	2.89%	65,806
5636 Brown CT 6	1,975,216	2.71%	53,528
5637 Brown CT 7	1,935,782	2.71%	52,460
5638 Brown CT 8	2,720,730	2.41%	65,570
5639 Brown CT 9	4,205,847	2.32%	97,576
5640 Brown CT 10	2,744,493	2.44%	66,966
5641 Brown CT 11	1,863,053	2.48%	46,204
0470 Trimble County CT 5	1,693,975	2.98%	50,480
0471 Trimble County CT 6	4,324,591	2.98%	128,873
0474 Trimble County CT 7	3,148,439	3.19%	100,435
0475 Trimble County CT 8	3,139,332	3.19%	100,145
0476 Trimble County CT 9	3,234,031	3.19%	103,166
0477 Trimble County CT 10	7,196,618	3.19%	229,572
5696 Haefling Units 1,2,&3	1,451,957	0.00%	-
	\$ 44,367,406		\$ 1,231,521
346.00 Miscellaneous Plant Equipment			
5697 Paddy's Run Generator 13	\$ 1,089,550	3.20%	\$ 34,866
5635 Brown CT 5	2,139,353	3.20%	68,459
5636 Brown CT 6	53,749	3.33%	1,790
5637 Brown CT 7	35,647	3.23%	1,151
5638 Brown CT 8	285,932	2.77%	7,920
5639 Brown CT 9	760,255	2.77%	21,059
5640 Brown CT 10	274,391	2.85%	7,820
5641 Brown CT 11	590,563	3.22%	19,016
0470 Trimble County CT 5	28,964	3.73%	1,080
0474 Trimble County CT 7	8,889	3.50%	311
0475 Trimble County CT 8	8,861	3.50%	310
0476 Trimble County CT 9	9,114	3.50%	319
0477 Trimble County CT 10	41,869	3.49%	1,461
5696 Haefling Units 1,2,&3	35,805	0.00%	-
	\$ 5,362,941		\$ 165,564
347.00 Asset Retirement Obligations Other Production*	17,791		
Total Other Production	\$ 526,993,085		\$ 17,682,673
Transmission Plant			
350.1 Land Rights	\$ 23,413,729	0.98%	\$ 229,455
350.2 Land	2,199,383	0.00%	-
352.1 Struct. and Impr. Non Sys Control	17,020,059	1.54%	262,109
352.2 Struct. and Impr. Sys Control	1,220,543	1.43%	17,454
353.1 Station Equipment	191,753,788	1.98%	3,796,725
353.2 Syst Control/Microwave Equip	14,668,404	0.46%	67,475
354 Towers & Fixtures	95,353,357	1.21%	1,153,776
355 Poles & Fixtures	148,658,780	2.28%	3,389,420

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
356 Overhead Conductors and Devices	160,446,879	1.79%	2,871,999
357 Underground Conduit	448,760	2.60%	11,668
358 Underground Conductors & Devices	1,161,549	1.26%	14,636
359 Asset Retirement Obligations - Transmission *	539,999		
Total Transmission Plant	\$ 656,885,230		\$ 11,814,715
Distribution Plant			
360.1 Land Rights	\$ 2,039,033	0.65%	\$ 13,254
360.2 Land	3,271,807	0.00%	-
360.2 Land (Plant Held for Future Use)	792,599	0.00%	-
361 Structures and Improvements	7,658,288	1.65%	126,362
362 Station Equipment	141,200,431	2.28%	3,219,370
364 Poles Towers & Fixtures	287,791,623	2.30%	6,619,207
365 Overhead Conductors and Devices	276,286,079	2.70%	7,459,724
366 Underground Conduit	1,861,963	1.93%	35,936
367 Underground Conductors & Devices	140,620,011	2.09%	2,938,958
368 Line Transformers	286,070,399	3.10%	8,868,182
369 Services	89,050,186	1.99%	1,772,099
370 Meters	70,049,355	1.76%	1,232,869
371 Installations on Customer Premises	18,253,214	2.38%	434,427
373 Street Lighting & Signal Systems	81,534,876	2.29%	1,867,149
374 Asset Retirement Obligations - Distribution *	787,035		
Total Distribution Plant	\$ 1,407,266,900		\$ 34,587,536
General Plant			
389.2 Land	\$ 2,567,847	0.00%	\$ -
390.1 Structures & Improvements	47,011,270	1.66%	780,387
390.2 Improvements to Leased Property	531,973	1.56%	8,299
391.1 Office Furniture & Equipment	7,513,788	4.19%	314,828
391.2 Non PC Computer Equipment	17,256,012	10.14%	1,749,760
391.31 Personal Computer Equipment	6,398,372	15.47%	989,828
392 Transportation Equipment	15,967,079	20.00%	3,193,416
393 Stores Equipment	551,794	5.25%	28,969
394 Tool, Shop & Garage Equipment	7,648,755	4.75%	363,316
395 Laboratory Equipment	-	27.42%	-
396 Power Operated Equipment	1,174,225	6.37%	74,798
397.00 Communication Equipment	30,872,565	7.13%	2,201,214
398 Misc Equipment	-	20.54%	-
Total General Plant	\$ 137,493,681		\$ 9,704,814
TOTAL PLANT IN SERVICE	\$ 6,443,004,900		
Total Annual Depreciation (excludes ARO amounts)			\$ 195,249,739
Less: Amounts not included in Income Statement Depreciation			
5645 Brown CT 9 Gas Pipeline			208,328
0473 Trimble County CT Pipeline			156,659
392 Transportation Equipment			3,193,416
Less: ECR Depreciation			48,214,341
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 143,476,996

* Represents list of ARO assets. Please note these amounts are not included in the calculation.

**Kentucky Utilities Company
Environmental Surcharge Depreciation
Period Ended December 31, 2011**

Depreciation per ECR filings:	<u>2005-2009 Plans</u>
January, 2011	3,579,198
February, 2011	3,901,476
March, 2011	3,901,476
April, 2011	3,901,712
May, 2011	3,920,940
June, 2011	3,920,254
July, 2011	3,939,299
August, 2011	3,939,299
September, 2011	3,939,299
October, 2011	3,939,299
November, 2011	3,939,299
December, 2011	4,017,862
Total Depreciation Per ECR Filings	<u><u>\$ 46,839,413</u></u>
December 2011 Depreciation Amount	\$ 4,017,862
12 months per year	12
Annualized ECR Depreciation at December 31, 2009	<u><u>\$ 48,214,341</u></u>

KENTUCKY UTILITIES

Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011

1	Wages (Page 2)	\$	2,824,655
2	Payroll Taxes (Page 3)		194,354
3	401(k) (Page 4)		108,467
4	Total		<u>3,127,476</u>
5	Kentucky Jurisdiction (Ref. Sch. Allocators)		88.933%
6	Kentucky Jurisdictional Adjustment	\$	<u><u>2,781,358</u></u>

KENTUCKY UTILITIES

Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011

	Operating	Construction/Other	Total
1 Labor for 12 months ended December 31, 2011			
2 Base	\$ 87,633,745	\$ 33,870,737	\$ 121,504,482
3 Overtime and Premium	11,375,938	4,367,380	15,743,318
4 TIA	7,314,936	2,639,604	9,954,540
5 Total Labor (Sum of Lines 2 - 4)	\$ 106,324,619	\$ 40,877,721	\$ 147,202,340
6 Total labor Excluding TIA (Line 5 - Line 4)	\$ 99,009,683	\$ 38,238,117	\$ 137,247,800
7 Total Operating and Construction/Other %	72.139%	27.861%	100.000%
8 Annualized base labor at December 31, 2011:			
9 Union - KU	100% of total		\$ 9,703,782
10 Exempt - KU	100% of total		12,189,654
11 Non-Exempt - KU	100% of total		11,623,440
12 Hourly - KU	100% of total		30,989,234
13 Exempt - Servco (allocated to KU)	52.573% of total		47,130,718
14 Non-Exempt - Servco (allocated to KU)	52.573% of total		8,032,720
15 Union - LGE (allocated to KU)	7.926% of total		3,650,936
16 Exempt - LGE (allocated to KU)	7.926% of total		1,697,286
17 Non-Exempt - LGE (allocated to KU)	7.926% of total		180,553
18 Total Annualized Base Labor (Sum of Lines 9 - 17)			125,198,323
19 Overtime & Premiums - (increases allocated as noted):			15,743,318
20 Wage increase applied to KU union and hourly overtime annualized for 2011 (01/01/11 - 07/16/11 OT Labor x 3.0%)			190,147
21 Wage increase applied to KU non-exempt overtime annualized for 2011 (01/01/11 - 02/26/11 OT Labor x 3.0%)			5,194
22 Wage increase applied to LG&E union overtime annualized for 2011 (01/01/11 - 11/13/2011 OT labor x 2.5%)			23,213
23 Wage increase applied to LG&E non-exempt overtime annualized for 2011 (01/01/2011 - 02/20/2011 OT Labor x 3.0%)			308
24 Wage increase applied to Servco non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			3,553
25 Total Annualized Labor (Sum of Lines 18 - 24)			\$ 141,164,055
26 Operating Labor based on annualized labor	\$ 141,164,055	x	72.139%
			\$ 101,834,338
27 Less: Test Year Operating Labor for 12 months ending 12/31/2011			99,009,683
28 Labor Adjustment Total (Line 26 - Line 27)			\$ 2,824,655

KENTUCKY UTILITIES

**Adjustments to Reflect Increases in Payroll Taxes
As Applied to the Twelve Months Ended December 31, 2011**

1	Operating Labor increase (Page 2 Line 28)	\$	2,824,655
2	Percentage of wages that do not exceed Social Security (OASDI) limit		<u>87.591%</u>
3	Operating Labor increase subject to Social Security tax (Line 1 x Line 2)	\$	<u>2,474,144</u>
4	Medicare Tax (Line 1 x 1.45%)	\$	40,957
5	Social Security Tax (Line 3 x 6.2%)		<u>153,397</u>
6	Payroll Tax adjustment (Line 4 + Line 5)	\$	<u>194,354</u>

KENTUCKY UTILITIES

**Adjustment to Reflect Increases in Company Contribution to 401(k)
As Applied to the Twelve Months Ended December 31, 2011**

1	Direct total payroll for 12 months ended 12/31/11 (Page 2 Line 5)	\$ 147,202,340
2	Total 401(k) Company Match for 12 months ended 12/31/11	<u>5,652,335</u>
3	401(k) Company Match as a percent of payroll (Line 2 ÷ Line 1)	3.840%
4	Operating Labor increase (Page 2 Line 28)	<u>2,824,655</u>
5	401(k) Company Match operating increase (Line 3 x Line 4)	<u>\$ 108,467</u>

KU, Servco, and LGE Labor Charged to KU

	Operating				Construction/Other				
	Per KU Summary	Per Servco Summary	Per LGE Summary	Total Operating	Per KU Summary	Per Servco Summary	Per KU to Others Summary	Per LGE Summary	Total Construction/ Other
Base	\$ 40,722,135	\$ 42,371,269	\$ 4,540,341	\$ 87,633,745	\$ 20,828,700	\$ 11,618,917	\$ 640,322	\$ 782,798	\$ 33,870,737
Overtime	9,694,868	629,601	1,051,469	11,375,938	3,632,870	63,247	496,243	175,020	4,367,380
TIA	2,778,608	4,212,986	323,342	7,314,936	1,366,998	1,166,202	45,149	61,255	2,639,604
Total Labor	\$ 53,195,611	\$ 47,213,856	\$ 5,915,152	\$ 106,324,619	\$ 25,828,568	\$ 12,848,366	\$ 1,181,714	\$ 1,019,073	\$ 40,877,721
Union OT & Premiums	2,057,532		1,049,819	3,107,351	945,023		27,625	175,020	1,147,668

Kentucky Utilities

Report for Company: 110

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	145	9,703,782.40 A	66,922.64
Exempt			
Total Employees	136	11,701,914.00 (B)	86,043.49
Hourly			
Total Employees	446	30,989,233.60 D	69,482.59
Nonexempt			
Total Employees	210	11,623,440.20 C	55,349.72
Senior Management			
Total Employees	3	487,740.00 (B)	162,580.00

$\Sigma (B) = 12,189,694 = \text{total Exempt KU}$

LG&E and KU Services Company

Report for Company: 020

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Exempt			
Total Employees	852	76,657,932.20 (A)	89,974.10
Nonexempt			
Total Employees	372	15,279,173.00 (B)	41,073.05
Senior Management			
Total Employees	61	12,990,210.00 (A)	212,954.26

$$\begin{aligned}
 (A) &= 89,648,142.20 \\
 &\times 52.57\% \\
 &= 47,128,028
 \end{aligned}$$

$$\begin{aligned}
 B &= 15,279,173 \times 52.57\% \\
 &= 8,032,261.25
 \end{aligned}$$

Y

Louisville Gas & Electric Co.

Report for Company: 100
As of Date: 12/31/2011

		<u>Cumulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	686	46,062,785.60 <i>A</i>	67,146.92
Exempt			
Total Employees	230	20,719,760.00 <i>B</i>	90,085.91
Nonexempt			
Total Employees	46	2,277,990.00	49,521.52
Senior Management			
Total Employees	4	694,390.00 <i>B</i>	173,597.50

A
 $46062785.60 \times 7.93\% = 3,652,778.90$

B
 $21414150 \times 7.93\% = 1698142.10$

C
 $2779990 \times 7.93\% = 220444.11$

Z

Labor Charged by Exp Org Company to Company (Exp Types 0101-0174)

2011

Row Labels	Values					Pct of Total
	Sum of 1st	Sum of 2nd	Sum of 3rd	Sum of 4th	Sum of Total	
P00020: TOTAL LG&E AND KU SERVICES COMPANY	22,884,184	22,131,751	22,940,427	21,478,865	89,435,226	100.000%
4	547,399	444,312	390,717	355,521	1,737,949	1.943%
20	159	33,405	40,281	43,145	116,990	0.131%
100 (LG&E)	10,273,278	9,961,243	10,440,357	9,759,505	40,434,382	45.211%
110 (KU)	12,032,265	11,661,102	12,038,547	11,287,292	47,019,205	52.573%
301	29,856	31,900	28,975	33,403	124,135	0.139%
304	-	-	1,550	-	1,550	0.002%
507	-	891	-	-	891	0.001%
508	1,228	(1,103)	-	-	125	0.000%
P01000: TOTAL LGE UTILITY	18,289,650	18,511,637	18,145,783	17,279,313	72,226,382	100.000%
4	391	536	310	107	1,344	0.002%
100 (LG&E)	16,875,423	16,947,441	16,722,548	15,954,927	66,500,340	92.072%
110 (KU)	1,413,835	1,563,660	1,422,925	1,324,278	5,724,698	7.926%
P10040: TOTAL KU COMPANY	16,897,764	17,275,402	17,364,610	15,134,154	66,671,929	100.000%
4	3,191	3,246	3,395	2,597	12,429	0.019%
20	-	-	-	160	160	0.000%
100 (LG&E)	180,149	312,695	393,658	129,509	1,016,011	1.524%
110 (KU)	16,714,424	16,959,461	16,967,557	15,001,888	65,643,330	98.457%
Grand Total	58,071,597	57,918,790	58,450,820	53,892,332	228,333,538	

Kentucky Utilities Company
401k Company Match
12/31/11

	<u>Exp Type</u>		
	<u>0708</u>	<u>0729</u>	
KU Charging KU			
Construction/Other	\$ 944,205	\$ 115,036	
Operating	1,936,442	223,439	
Servco Charging KU			
Construction/Other	439,719	80,076	
Operating	1,556,503	266,294	
LGE Charging KU			
Construction/Other	32,719	4,156	
Operating	22,455	3,522	
KU Charging Others			
Construction/Other	\$ 24,902	\$ 2,867	
Total 401k Company Match	<u>\$ 4,956,945</u>	<u>\$ 695,390</u>	<u>\$ 5,652,335</u>

Calculation for Percentage of Wages That Do Not Exceed the Social Security Limit

		<u>SS Wages</u>		<u>Medicare Wages</u>		
Servco		94,723,156.02	3	122,101,354.61	4	77.6%
Allocated to LGE	45.2%	42,824,338.84		55,202,022.42		
Allocated to KU	52.6%	49,795,963.12		64,188,682.12		
KU		76,803,680.11	1	80,885,552.88	2	95.0%
Servco Allocated to KU	52.6%	49,795,963.12		64,188,682.12		77.6%
LGE Allocated to KU	7.93%	6,090,531.83		6,414,224.34		95.0%
		<u>132,690,175.06</u>		<u>151,488,459.34</u>		87.591%
LG&E		81,472,455.57	5	86,118,340.35	6	94.6%
Servco Allocated to LGE		42,824,338.84		55,202,022.42		77.6%
KU Allocated to LGE	1.52%	1,241,640.22		1,312,443.51		94.6%

KENTUCKY UTILITIES

To Adjust for Pension, Post Retirement, and Post Employment
For the Twelve Months Ended December 31, 2011

	<u>Pension</u>	<u>Post Retirement</u>	<u>Post Employment</u>	<u>Total</u>
1. Pension, Post Retirement and Post Employment expenses in test year	\$ 19,448,725	\$ 4,672,628	\$ 1,012,638	\$ 25,133,991
2. Pension, Post Retirement, and Post Employment expenses annualized for 2012 Mercer Study	<u>14,605,093</u>	<u>4,199,880</u>	<u>275,782</u>	<u>19,080,755</u>
3. Total adjustment (Line 2 - Line 1)	<u>\$ (4,843,632)</u>	<u>\$ (472,748)</u>	<u>\$ (736,856)</u>	<u>\$ (6,053,236)</u>
4. Kentucky Jurisdiction (Ref. Sch Allocators)				<u>88.933%</u>
5. Kentucky Jurisdictional adjustment				<u>\$ (5,383,324)</u>

**Kentucky Utilities Company
Pension Proforma Calculation**

		<u>KU</u>	<u>Servco</u>
1. Company O&M Pension expense (excluding Servco)		\$ 10,158,866	
2. Total Company Pension costs (excluding Servco)		<u>17,148,804</u>	
3. % O&M to total	(Line 1/Line 2)	59.2%	
4. Servco O&M Pension expense charged to KU			\$ 9,289,859
5. Total Servco Pension costs charged to KU			<u>11,808,501</u>
6. % O&M to total	(Line 4/Line 5)		78.7%
7. Projected 2012 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)		\$ 12,794,781	\$ 16,599,016
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 7,579,564	\$ 8,930,271
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	<u>7,025,528</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 14,605,093	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 10,158,866	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>9,289,859</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 19,448,725	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (4,843,632)</u>	

**Kentucky Utilities Company
Post-retirement Proforma Calculation**

		<u>KU</u>	<u>Servco</u>
1. Company O&M Post-retirement expense (excluding Servco)		\$ 3,889,185	
2. Total Company Post-retirement costs (excluding Servco)		<u>5,794,076</u>	
3. % O&M to total	(Line 1/Line 2)	67.1%	
4. Servco O&M Post-retirement expense charged to KU			\$ 783,443
5. Total Servco Post-retirement costs charged to KU			<u>995,267</u>
6. % O&M to total	(Line 4/Line 5)		78.7%
7. Projected 2012 Cost per Mercer Study		\$ 5,001,551	\$ 1,989,779
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 3,357,215	\$ 1,070,501
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	<u>842,665</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 4,199,880	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 3,889,185	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>783,443</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 4,672,628	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (472,748)</u>	

**Kentucky Utilities Company
Post-employment Proforma Calculation**

		<u>KU</u>	<u>Servco</u>
1. Company O&M Post-employment expense (excluding Servco)		\$ 800,474	
2. Total Company Post-employment costs (excluding Servco)		<u>1,157,812</u>	
3. % O&M to total	(Line 1/Line 2)	69.1%	
4. Servco O&M Post-employment expense charged to KU			\$ 212,164
5. Total Servco Post-employment costs charged to KU			<u>269,004</u>
6. % O&M to total	(Line 4/Line 5)		78.9%
7. Projected 2012 Cost per Mercer Study		\$ 113,187	\$ 465,516
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 78,254	\$ 250,448
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	<u>197,529</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 275,782	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 800,474	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>212,164</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 1,012,638	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (736,856)</u>	

Service to KU

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M	O&M	O&M	O&M	O&M	BS/BTL	BS/BTL	BS/BTL	BS/BTL	BS/BTL
						FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730	FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730
C. Service to KU	107001	CONSTR WORK IN PROG	0020	0110		0.00	0.00	0.00	0.00	0.00	105,772.62	111.99	28,125.79	1,246,209.96	14,162.93
C. Service to KU	108901	RETIREMENT - RWIP	0020	0110		0.00	0.00	0.00	0.00	0.00	2,826.54	3.89	764.03	33,088.82	458.62
C. Service to KU	143022	ACCTS REC - BEYOND THE METEF	0020	0110		0.00	0.00	0.00	0.00	0.00	25.29	0.44	7.12	227.81	51.79
C. Service to KU	143024	A/R MUTUAL AID	0020	0110		0.00	0.00	0.00	0.00	0.00	100.87	0.00	29.98	1,212.22	0.00
C. Service to KU	163002	WAREHOUSE EXPENSES	0020	0110		0.00	0.00	0.00	0.00	0.00	706.70	1.61	193.68	7,991.35	190.72
C. Service to KU	163100	OTHER	0020	0110		0.00	0.00	0.00	0.00	0.00	4,602.28	3.20	1,232.79	54,873.13	375.42
C. Service to KU	183301	PRELIM SURV/INV-ELEC	0020	0110		0.00	0.00	0.00	0.00	0.00	125.26	0.00	34.92	1,542.17	0.00
C. Service to KU	184307	ADMIN/OTH EXP-TRANSP	0020	0110		0.00	0.00	0.00	0.00	0.00	1,708.19	3.36	455.11	19,713.82	394.75
C. Service to KU	184600	ENGINEERING OVERHEADS - GEN	0020	0110		0.00	0.00	0.00	0.00	0.00	3,992.20	4.91	1,099.64	46,326.81	577.96
C. Service to KU	184602	ENGINEERING OVERHEADS - DIST	0020	0110		0.00	0.00	0.00	0.00	0.00	5,121.91	6.78	1,394.50	60,050.52	797.92
C. Service to KU	184605	ENGINEERING OVERHEADS - TRAI	0020	0110		0.00	0.00	0.00	0.00	0.00	52,568.60	59.23	14,275.53	617,970.08	7,626.38
C. Service to KU	184612	ENGINEERING OVERHEADS - DIST	0020	0110		0.00	0.00	0.00	0.00	0.00	24,580.79	32.24	6,657.58	288,626.84	3,892.71
C. Service to KU	426401	EXP-CIVIC/POL/REL	0020	0110		0.00	0.00	0.00	0.00	0.00	71.72	0.40	21.23	808.64	45.81
C. Service to KU	426491	EXP-CIVIC/POL/REL - INDIRECT	0020	0110		0.00	0.00	0.00	0.00	0.00	9,055.91	12.64	2,457.27	106,059.27	1,491.03
C. Service to KU	426501	OTHER DEDUCTIONS	0020	0110		0.00	0.00	0.00	0.00	0.00	71.08	0.09	20.08	852.42	10.13
C. Service to KU	426591	OTHER DEDUCTIONS - INDIRECT	0020	0110		0.00	0.00	0.00	0.00	0.00	252.80	0.25	69.97	2,982.97	29.24
C. Service to KU	908005	DSM CONSERVATION PROG	0020	0110		12,432.10	18.53	3,351.18	145,507.58	2,180.68	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926101	PENSIONS EXPENSE - BURDENS	0020	0110		0.00	0.00	0.00	3,562,503.73	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926105	FASB 112 (OPEB) POST EMPLOYM	0020	0110		0.00	0.00	75,158.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926106	FASB 106 (OPEB) POST RETIREME	0020	0110		280,751.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926117	CLOSED 04/11 - PENSION INTEREE	0020	0110		0.00	0.00	0.00	0.00	102,467.73	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926118	CLOSED 04/11 - FASB 106 INTEREE	0020	0110		0.00	(21,670.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926911	PENSIONS EXPENSE - BURDENS II	0020	0110		0.00	0.00	0.00	5,451,076.97	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926915	FASB 112 (OPEB) POST EMPLOYM	0020	0110		0.00	0.00	133,654.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926916	FASB 106 (OPEB) POST RETIREME	0020	0110		489,085.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926917	PENSION INTEREST EXPENSE - BL	0020	0110		0.00	0.00	0.00	0.00	26,122.20	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926918	FASB 106 INTEREST (OPEB) POST	0020	0110		0.00	22,826.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Totals						782,268.77	1,173.97	212,164.40	9,159,088.28	130,770.61	211,582.76	241.03	56,839.22	2,488,536.83	30,105.41

Pension	
9,289,858.89	O&M
2,518,642.24	B/S
<u>11,808,501.13</u>	Total 2011

FAS 106	
783,442.74	O&M
211,823.79	B/S
<u>995,266.53</u>	Total 2011

FAS 112	
212,164.40	O&M
56,839.22	B/S
<u>269,003.62</u>	Total 2011

78.71688%
21.28312%

KU

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M	O&M	O&M	O&M	O&M	BS/BTL	BS/BTL	BS/BTL	BS/BTL	BS/BTL
						FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730	FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730
A. KU to KU	107001	CONSTR WORK IN PROG	0110	0110		0.00	0.00	0.00	0.00	0.00	1,276,960.92	47,574.13	314,410.04	3,919,590.51	21,370.44
A. KU to KU	108901	RETIREMENT - RWIP	0110	0110		0.00	0.00	0.00	0.00	0.00	89,342.03	2,538.92	5,637.71	271,587.73	1,140.44
A. KU to KU	143003	ACCTS REC - IMEA	0110	0110		0.00	0.00	0.00	0.00	0.00	55,977.84	1,618.21	(1,012.27)	172,577.98	(286.99)
A. KU to KU	143004	ACCTS REC - IMPA	0110	0110		0.00	0.00	0.00	0.00	0.00	59,487.98	1,719.68	(1,075.73)	183,399.72	(304.98)
A. KU to KU	143022	ACCTS REC - BEYOND THE METEF	0110	0110		0.00	0.00	0.00	0.00	0.00	3,911.96	47.50	155.23	10,885.61	21.51
A. KU to KU	143024	A/R MUTUAL AID	0110	0110		0.00	0.00	0.00	0.00	0.00	76.86	0.00	4.77	233.01	0.00
A. KU to KU	163002	WAREHOUSE EXPENSES	0110	0110		0.00	0.00	0.00	0.00	0.00	136,494.86	6,141.82	8,653.85	418,412.08	2,758.91
A. KU to KU	163100	OTHER	0110	0110		0.00	0.00	0.00	0.00	0.00	514.79	21.11	32.29	1,579.35	9.49
A. KU to KU	182311	FERC JURISDICTIONAL PENSION I	0110	0110		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,084,915.92	0.00
A. KU to KU	184076	ADMINISTRATIVE AND GENERAL -	0110	0110		0.00	0.00	0.00	0.00	0.00	26,073.74	33.44	7,128.56	316,093.50	3,260.00
A. KU to KU	184605	ENGINEERING OVERHEADS - TRA	0110	0110		0.00	0.00	0.00	0.00	0.00	1,879.16	0.00	134.34	5,932.40	0.00
A. KU to KU	184612	ENGINEERING OVERHEADS - DIST	0110	0110		0.00	0.00	0.00	0.00	0.00	182,364.41	7,462.47	11,467.71	559,932.95	3,352.19
A. KU to KU	506100	MISC STM PWR EXP	0110	0110		(0.16)	0.00	(0.02)	(0.51)	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	514100	MTCE-MISC/STM PLANT	0110	0110		(0.04)	0.00	(0.01)	(0.09)	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	922003	TRIMBLE CTY TRAN-CR	0110	0110		(0.14)	0.00	94.56	(0.43)	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	926101	PENSIONS EXPENSE - BURDENS	0110	0110		0.00	0.00	0.00	10,129,251.58	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	926105	FASB 112 (OPEB) POST EMPLOYM	0110	0110		0.00	0.00	771,864.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	926106	FASB 106 (OPEB) POST RETIREME	0110	0110		3,825,867.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A. KU to KU	926117	CLOSED 04/11 - PENSION INTERE	0110	0110		0.00	0.00	0.00	0.00	(101,956.56)	0.00	0.00	0.00	0.00	0.00
A. KU to KU	926118	CLOSED 04/11 - FASB 106 INTERE	0110	0110		0.00	18,748.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	107001	CONSTR WORK IN PROG	0110	0100		0.00	0.00	0.00	0.00	0.00	4,402.01	216.94	246.40	13,302.91	97.48
B. KU to Others	107001	CONSTR WORK IN PROG	0110	0100		0.00	0.00	0.00	0.00	0.00	27.93	0.00	0.72	71.23	0.00
B. KU to Others	108901	RETIREMENT - RWIP	0110	0100		0.00	0.00	0.00	3,213.85	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926101	PENSIONS EXPENSE - BURDENS	0110	0004		0.00	0.00	0.00	127,519.29	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926101	PENSIONS EXPENSE - BURDENS	0110	0100		0.00	0.00	63.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926105	FASB 112 (OPEB) POST EMPLOYM	0110	0004		0.00	0.00	2,569.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926105	FASB 112 (OPEB) POST EMPLOYM	0110	0100		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926106	FASB 106 (OPEB) POST RETIREME	0110	0004		1,045.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926106	FASB 106 (OPEB) POST RETIREME	0110	0100		41,657.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926117	CLOSED 04/11 - PENSION INTERE	0110	0004		0.00	0.00	0.00	0.00	19.41	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926117	CLOSED 04/11 - PENSION INTERE	0110	0100		0.00	0.00	0.00	0.00	819.09	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926118	CLOSED 04/11 - FASB 106 INTERE	0110	0004		0.00	43.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. KU to Others	926118	CLOSED 04/11 - FASB 106 INTERE	0110	0100		0.00	1,823.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Totals

3,868,570.38 20,615.01 774,592.36 10,259,983.69 (101,118.06) 1,837,516.34 67,374.22 345,783.66 6,958,519.61 31,418.49

Pension

10,158,865.63 O&M 59.23950%
 6,989,938.10 B/S 40.76050%
 17,148,803.73 Total 2011

FAS 106

3,889,185.39 O&M 67.12348%
 1,904,890.56 B/S 32.87652%
 5,794,075.95 Total 2011

17,148,803.73 Total above

17,148,804.00 Per Mercer Disclosures

5,794,075.95 Total above

5,794,076.00 Per Mercer Disclosures

FAS 112

774,592.36 O&M 69.13682%
 345,783.66 B/S 30.86318%
 1,120,376.02

Alloc. Subsidy

25,882.06 800,474.42 69.13682%
 11,553.94 357,337.60 30.86318%
 1,157,812.02

37,436.00 Medicare subsidy

1,157,812.02 Total

1,157,812.00 Per Mercer Disclosures

(0.02) Difference

2012 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	2,485,200	2,011,714	2,505,928	691,710			
c. Gain/loss	10,667,520	3,819,343	3,547,219	7,533,540			
5. Net periodic pension cost	\$ 10,639,398	\$ 6,417,392	\$ 16,599,016	\$ 12,794,781			

Financial Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	778,382	0	0	0			
c. Gain/loss	0	0	0	0			
5. Net periodic pension cost	\$ (1,734,940)	\$ 586,335	\$ 10,545,869	\$ 4,569,531			

LG&E and KU Energy LLC
2012 Net Periodic Benefit Cost For Postretirement Benefit Plans
December 31, 2011 Measurement Date
Financial Accounting (Includes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	0	0	0				0		
Prior service cost	283,863	586,092	512,905				375,701		
Gain/loss	(9,653)	(796,052)	(8,490)				(346,738)		
Net periodic benefit cost	\$1,844,453	\$2,925,605	\$1,699,281				\$2,841,929		

Regulatory Accounting (Excludes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	252,457	1,120,928	109,514				417,201		
Prior service cost	568,983	912,738	685,399				1,220,885		
Gain/loss	0	(167,680)	0				(818,162)		
Net periodic benefit cost	\$2,391,683	\$5,001,551	\$1,989,779				\$3,632,890		
Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2011	33,701,479	76,240,751	29,641,760				50,568,553		

LG&E & KU Energy. LLC

Estimated Year End FAS 112 Liability For Post-Employment Benefits For Disabled Employees

Liability Date	LG&E	KU	ServCo	International	WKE	Total
12/31/2011	4,311,798	5,422,837	2,186,069			
12/31/2012	4,991,769	5,536,024	2,651,585			
12/31/2013	5,658,500	5,626,845	3,107,206			
12/31/2014	6,262,101	5,733,038	3,557,025			
12/31/2015	6,827,619	5,820,825	3,955,462			

Notes

1. Plan costs have been based on census data as of November 2010.
2. Future employees were projected to become disabled based on the assumptions used in the determination of the 2011 FAS 106 expense.
3. All other data, methods, plan provisions and assumptions (including 4.55% discount rate) are the same as those used in the determination of the December 31, 2010 FAS 112 liability, including a reduction in liability for Medicare-eligible disableds associated with the Medicare Modernization Act of 2003.

KENTUCKY UTILITIES

**Adjustment to Reflect Normalized Storm Damage Expense
For the Twelve Months Ended December 31, 2011**

1. Storm damage provision based upon ten year average	\$ 3,765,868
2. Storm damage expenses incurred during the 12 months ended December 31, 2011	3,998,403
3. Adjustment	(232,535)
4. Kentucky Jurisdiction	94.089%
5. Kentucky Jurisdictional adjustment	\$ (218,790)

Year	Expense (a)	CPI-All Urban Consumers	Amount
2011	\$ 3,998,403	1.0000	\$ 3,998,403
2010	2,626,597	1.0316	2,709,597
2009	5,225,248 (a)	1.0485	5,478,673
2008	6,951,799 (a)	1.0448	7,263,240
2007	2,035,291	1.0849	2,208,087
2006	4,113,534	1.1158	4,589,881
2005	2,539,379	1.1518	2,924,857
2004	4,120,482	1.1908	4,906,670
2003	1,434,000	1.2225	1,753,065
2002	1,460,495	1.2504	1,826,203
Total			\$ 37,658,676
Ten Year Average			\$ 3,765,868

(a) 2008 and 2009 expenses do not include 2008 Wind Storm and 2009 Winter Storm expenses that were recorded as regulatory assets.

Total Company Storm costs -- Opex

Company	Org	Acct Type	Project	2004	2005	2006	2007	2008	2009	2010	2011
KUTL	013085-	CORE-TOTAL OPERATING EXPENSES	111424 Norton-Storm Restoration	31,124.11	49,967.47	86,099.49	112,093.95	79,342.96	58.99	0.00	0.00
			111425 Pineville-Storm Restoration	89,818.45	117,014.89	152,959.39	86,198.65	250,794.70	1,578.98	0.00	0.00
			111426 London-Storm Restoration	37,444.21	8,609.70	15,395.37	15,290.11	55,333.96	22.39	0.00	0.00
			111427 Earlington-Storm Restoration	99,458.85	85,582.38	293,998.40	212,295.62	178,144.73	2,011.46	0.00	0.00
			111429 Danville-Storm Restoration	21,583.12	6,796.77	35,996.12	58,075.53	55,341.46	-286.25	0.00	0.00
			111430 Etown-Storm Restoration	20,373.98	12,693.56	4,025.30	32,605.83	6,761.15	0.90	0.00	0.00
			111431 Shelbyville-Storm Restoration	22,094.70	3,339.66	19,742.71	52,453.56	94,926.65	17.79	0.00	0.00
			111432 Maysville-Storm Restoration	81,198.77	46,275.50	42,976.95	78,044.63	108,672.81	0	0.00	0.00
			111433 Lexington-Storm Restoration	114,783.09	105,555.88	189,755.56	270,006.26	289,785.61	5,479.13	0.00	0.00
			111434 Richmond-Storm Restoration	33,829.76	14,376.31	21,889.60	28,424.80	26,330.13	0.00	0.00	0.00
			113493 Storm Damage III	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			115715 KU ICE STORM 2/15/03	-466,245.76	0.00	756.07	0.00	0.00	0.00	0.00	0.00
			116467 KU STORMS 7/23/03	0.00	0.00	203.61	0.00	0.00	0.00	0.00	0.00
			116828 KU STORMS 8/22/03	0.00	0.00	894.09	0.00	0.00	0.00	0.00	0.00
			116840 EARLINGTON STORM 8/27/03	102.45	0.00	447.01	0.00	0.00	0.00	0.00	0.00
			117216 KU STORMS - 1/25/04	93,394.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			117548 KU Storm 5/19/04	91,932.10	6,172.20	0.00	0.00	0.00	0.00	0.00	0.00
			117628 KU/ODP STORMS 5/26-27/04	1,135,000.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			117639 KU/ODP Storms 5/30/04	768,826.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			117695 KU Storms 6/12/04	53,048.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			118161 Storm 7/5/04	244,525.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			118233 KU STORMS 7/13/04	809,126.62	-932.33	0.00	0.00	0.00	0.00	0.00	0.00
			118265 KU STORMS 7/22/04	141,080.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			118408 KU - Storm 8/28 & 29/04	42,055.48	16.35	0.00	0.00	0.00	0.00	0.00	0.00
			118409 KU - STORMS 9/17/04	112,339.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			119254 KU - Florida Storm 9/04	-3,388.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			119287 KU - Alabama Storm	691.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			119288 Florida Power & Light Storm	2,627.62	3,750.00	0.00	0.00	0.00	0.00	0.00	0.00
			119521 Florida Power & Light Storm II	1,708.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			119786 KU Storms 11/24/04	39,206.59	377.66	7,002.26	0.00	0.00	0.00	0.00	0.00
			119827 KU Storms 12/07/04	109,998.55	6,432.27	0.00	0.00	0.00	0.00	0.00	0.00
			119866 KU ICE STORM 12-23-04	392,744.01	484,679.88	0.00	0.00	0.00	0.00	0.00	0.00
			119933 KU Storms 1/13/05	0.00	55,497.84	0.00	0.00	0.00	0.00	0.00	0.00
			120163 KU Storms 4/22/2005	0.00	77,783.94	0.00	0.00	0.00	0.00	0.00	0.00
			120164 KU Storms 5/19 & 20/2005	0.00	116,999.80	0.00	0.00	0.00	0.00	0.00	0.00
			120188 KU Storms 6/14/2005	0.00	111,032.81	0.00	0.00	0.00	0.00	0.00	0.00
			120250 PSRT TRAINING	0.00	35,026.89	46,710.74	0.00	0.00	0.00	0.00	0.00
			120738 KU Storms - August 5, 2005	0.00	49,927.11	7.60	0.00	0.00	0.00	0.00	0.00
			120739 KU Storms - August 20, 2005	0.00	9,370.11	17.39	0.00	0.00	0.00	0.00	0.00
			120954 Storm Trailer Stocking KU	0.00	1,710.00	0.00	0.00	0.00	0.00	0.00	0.00
			121126 KU Storms - August 30, 2005	0.00	105,893.90	-903.37	0.00	0.00	0.00	0.00	0.00
			121205 STORM BONUS	0.00	88,000.00	3,748.43	0.00	0.00	0.00	0.00	0.00
			121323 KU Storms - November 6, 2005	0.00	138,542.67	4,572.39	0.00	0.00	0.00	0.00	0.00
			121329 KU Storms - November 15, 2005	0.00	737,377.02	952,842.99	137.86	0.00	0.00	0.00	0.00
			121361 KU Storms - November 28, 2005	0.00	61,508.94	5,189.79	0.00	0.00	0.00	0.00	0.00
			121511 KU Storms - March 9, 2006	0.00	0.00	272,532.54	0.00	0.00	0.00	0.00	0.00
			121512 KU Storms - April 2, 2006	0.00	0.00	331,412.41	2,501.92	0.00	0.00	0.00	0.00
			121513 KU Storms - May 25, 2006	0.00	0.00	140,066.46	0.00	0.00	0.00	0.00	0.00
			121674 KU Storms - May 31, 2006	0.00	0.00	130,959.66	0.00	0.00	0.00	0.00	0.00
			121675 KU Storms - June 10 & 11, 2006	0.00	0.00	103,627.88	0.00	0.00	0.00	0.00	0.00
			121687 KU Storms - June 23, 2006	0.00	0.00	205,083.85	16.80	0.00	0.00	0.00	0.00
			121706 KU Storms - July 21, 2006	0.00	0.00	231,686.75	-4,501.19	0.00	0.00	0.00	0.00

Total Company Storm costs -- Opex
Company Org Acct Type

Project	2004	2005	2006	2007	2008	2009	2010	2011
122185 KU Storms-August 3, 2006	0.00	0.00	19,306.15	396.90	0.00	0.00	0.00	0.00
122186 KU Storms - August 10, 2006	0.00	0.00	294,101.43	-1,004.76	0.00	0.00	0.00	0.00
122204 KU Storms - Sept. 22, 2006	0.00	0.00	217,553.68	204.55	0.00	0.00	0.00	0.00
122205 KU Storms - Dec. 1, 2006	0.00	0.00	282,798.23	2,614.71	0.00	0.00	0.00	0.00
122635 KU Storms - April 3, 2007	0.00	0.00	76.62	496,260.62	0.22	0.00	0.00	0.00
122786 KU Storms - July 4 & 5, 2007	0.00	0.00	0.00	112,252.36	0.00	0.00	0.00	0.00
123126 KU STORMS July 17, 2007	0.00	0.00	0.00	62,634.85	0.00	0.00	0.00	0.00
123127 KU storms July 19, 2007	0.00	0.00	0.00	101,978.49	0.00	0.00	0.00	0.00
123174 KU Storms - August 16, 2007	0.00	0.00	0.00	193,317.40	24.46	0.00	0.00	0.00
123175 KU Storms - Oct 18 & 19, 2007	0.00	0.00	0.00	119,964.67	2,775.06	0.00	0.00	0.00
123324 KU Storms - January 29, 2008	0.00	0.00	0.00	3,026.85	390,762.73	-245.86	0.00	0.00
123757 KU Storm - Feb 5 & 6, 2008	0.00	0.00	0.00	0.00	1,946,556.88	0.00	0.00	0.00
123772 KU Storms - Feb 11, 2008	0.00	0.00	0.00	0.00	1,458,430.47	-10.42	0.00	0.00
123773 KU Storms Feb. 21-22, 2008	0.00	0.00	0.00	0.00	151,983.54	1,081.39	0.00	0.00
123813 KU/ODP Storm - March 4, 2008	0.00	0.00	0.00	0.00	139,623.36	0.00	0.00	0.00
123814 KU Storms - May 11, 2008	0.00	0.00	0.00	0.00	231,286.31	0.00	0.00	0.00
123815 KU Storms - June 3, 2008	0.00	0.00	0.00	0.00	188,858.35	0.00	0.00	0.00
124599 KU Storms - June 9 - 10, 2008	0.00	0.00	0.00	0.00	279,744.68	0.00	0.00	0.00
124600 KU - WINDSTORM 9/14/08	0.00	0.00	0.00	0.00	1,016,319.00	0.00	0.00	0.00
KMS013010 KU Major Storm - 01/30/10	0.00	0.00	0.00	0.00	0.00	0.00	471.60	0.00
KMS062110 062110 KU Major Storm	0.00	0.00	0.00	0.00	0.00	0.00	205,902.35	0.00
KMS080510 KU Major Storm 08-05-2010	0.00	0.00	0.00	0.00	0.00	0.00	267,304.87	1,063.66
STRM11560 KU Minor Storm Earlington	0.00	0.00	0.00	0.00	0.00	0.00	151,715.56	271,477.51
STRM12160 KU Minor Storms Danville	0.00	0.00	0.00	0.00	0.00	0.00	97,866.51	128,966.99
STRM12360 KU Minor Storms Richmond	0.00	0.00	0.00	0.00	0.00	0.00	89,396.94	90,459.00
STRM12460 KU Minor Storms Elizabethtown	0.00	0.00	0.00	0.00	0.00	0.00	24,761.83	73,148.18
STRM12560 KU Minor Storms Shelbyville	0.00	0.00	0.00	0.00	0.00	0.00	146,687.10	134,745.90
STRM13150 KU Minor Storms Lexington	0.00	0.00	0.00	0.00	0.00	0.00	349,708.27	649,530.72
STRM13660 KU Minor Storm Maysville	0.00	0.00	0.00	0.00	0.00	0.00	227,419.14	197,886.25
STRM14160 KU Minor Storms Pineville	0.00	0.00	0.00	0.00	0.00	0.00	147,647.33	354,517.70
STRM14260 KU Minor Storms London	0.00	0.00	0.00	0.00	0.00	0.00	57,370.35	176,549.28
STRM17660 KU Minor Storms Norton	0.00	0.00	0.00	0.00	0.00	0.00	81,781.86	269,048.83
STRMDANOC Minor Storm Event Danville	0.00	0.00	0.00	0.00	0.00	51,855.45	0.00	0.00
STRMEAROC Minor Storm Event Earlington	0.00	0.00	0.00	0.00	0.00	145,681.23	18.86	0.00
STRMELIOC Minor Storm Event Elizbtwn	0.00	0.00	0.00	0.00	0.00	29,639.57	1,091.91	0.00
STRMKU KU Major Storm Event	0.00	0.00	0.00	0.00	0.00	4,567,625.20	776,262.28	1,010.48
STRMLEXOC Minor Storm Event Lexington	0.00	0.00	0.00	0.00	0.00	68,214.36	402.97	0.00
STRMLONOC Minor Storm Event London	0.00	0.00	0.00	0.00	0.00	56,464.60	722.11	0.00
STRMMAYOC Minor Storm Event Maysville	0.00	0.00	0.00	0.00	0.00	50,499.22	0.00	0.00
STRMNOROC Minor Storm Event Norton	0.00	0.00	0.00	0.00	0.00	36,160.82	12.18	0.00
STRMPINOC Minor Storm Event Pineville	0.00	0.00	0.00	0.00	0.00	139,365.19	0.00	0.00
STRMRICOC Minor Storm Event Richmond	0.00	0.00	0.00	0.00	0.00	33,611.19	53.35	0.00
STRMSHEOC Minor Storm Event Shelbyville	0.00	0.00	0.00	0.00	0.00	36,433.14	0.00	0.00
STRM13085 STORM 013085	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KMS040411 KU MAJOR STORM 040411	0.00	0.00	0.00	0.00	0.00	0.00	0.00	287,921.01
KMS042011 KU MAJOR STORM 042011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,905.72
KMS042211 KU MAJOR STORM 042211	0.00	0.00	0.00	0.00	0.00	0.00	0.00	712,794.17
KMS052511 KU MAJOR STORM 052511	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,266.36
KMS062110 062110 KU Major Storm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,222.91
KMS081311 KU MAJOR STORM 081311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	534,887.63
	4,120,482.25	2,539,379.20	4,113,533.55	2,035,290.97	6,951,799.22	5,225,248.47	2,626,597.37	3,998,403.30

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

KENTUCKY UTILITIES

**Adjustment for Injuries and Damages FERC Account 925
For the Twelve Months Ended December 31, 2011**

1. Injury/Damage provision based upon ten year average	\$ 2,119,490
2. Injury/Damage expenses incurred during the 12 months ended December 31, 2011	3,080,346
3. Adjustment	(960,856)
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	88.933%
5. Kentucky Jurisdictional adjustment	\$ (854,518)

Year	Amount	CPI-All Urban Consumers	Adjusted Amount
2011	\$ 3,080,346	1.0000	\$ 3,080,346
2010	2,451,761	1.0316	2,529,237
2009	1,840,625	1.0485	1,929,895
2008	1,226,235	1.0448	1,281,170
2007	1,178,212	1.0849	1,278,242
2006	1,690,654	1.1158	1,886,432
2005	2,268,036	1.1518	2,612,324
2004	1,080,732	1.1908	1,286,936
2003	1,776,006	1.2225	2,171,167
2002	2,510,515	1.2504	3,139,148
Total			\$ 21,194,897
Ten Year Average			\$ 2,119,490

KU and LG&E FERC 913, 925, and 930.1 GL Totals GL Start Date : '01-JAN-11' , GL End Date : '31-DEC-11'

		Period Net		
		Electric	Gas	Sum
Company	FERC			
0100	913	25,095.44	8,365.15	33,460.59
	925	2,523,087.51	750,641.78	3,273,729.29
	930.1	487,584.38	195,409.76	682,994.14
LG&E	Sum	3,035,767.33	954,416.69	3,990,184.02
0110	913	33,460.59	NULL	33,460.59
	925	3,080,346.27	NULL	3,080,346.27
	930.1	795,813.82	NULL	795,813.82
KU	Sum	3,909,620.68		3,909,620.68

KENTUCKY UTILITIES COMPANY

Period:<All> Company:0110

		Net Amount						
		C. Payables	D. Labor	E1. Burden Charges	G. Accounting Entries	H. Mass Allocation s	Other	Account Totals
Account	Account Description							
925001	PUBLIC LIABILITY	212,518.19			1,824,384.09			2,036,902.28
925002	WORKERS COMP EXPENSE - BURDENS			462,637.95	199,135.85	-29,745.06		632,028.74
925003	AUTO LIABILITY	53,511.97			-31,258.00			22,253.97
925004	SAFETY AND INDUSTRIAL HEALTH	6,637.86	55,226.02	15,145.47	81.20		6,276.23	83,366.78
925100	OTHER INJURIES AND DAMAGES	243,057.93			48,000.00			291,057.93
925902	WORKERS COMP EXPENSE - BURDENS INDIRECT					12,452.92		12,452.92
925904	SAFETY & INDUSTRIAL HEALTH - INDIRECT	2,283.65						2,283.65

TOTALS

518,009.60 55,226.02 477,783.42 2,040,343.14 -17,292.14 6,276.23 3,080,346.27

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

Exhibit 1
Reference Schedule 1.14

KENTUCKY UTILITIES

**Adjustment to Eliminate Advertising Expenses
Pursuant to Commission Rule 807 KAR 5:016
For the Twelve Months Ended December 31, 2011**

1. Uniform System of Accounts - Account No. 930.1 General Advertising Expenses	\$ 795,814
2. Account No. 913 Advertising Expenses	33,461
3. Total	829,275
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	94.909%
5. Kentucky Jurisdictional amount	\$ 787,057
6. Kentucky Jurisdictional adjustment	\$ (787,057)

Company: Kentucky Utilities Company

Line Num	Account	Period Net				Totals	Total
		Prod Qtr	1	2	3		
4	909004				2,250.00		2,250.00
	909010		37,541.98	29,384.25	47,548.64	19,317.20	133,792.07
	909011		464.00	430.80	817.36	133.84	1,846.00
	909013		1,280.00	4,250.01	7,390.00	4,223.42	17,143.43
	910001		10,000.00	2,552.50	-9,913.64	5,406.25	8,045.11
	910900		35,574.71	97,237.28	76,418.68	90,761.34	299,992.01
	913012		10,270.40	10,162.22	8,671.30	4,356.67	33,460.59
	920100		876,072.06	842,992.04	587,398.13	384,155.57	2,690,617.80
	920900		5,088,239.91	4,662,665.72	4,746,066.44	4,416,825.63	18,913,797.70
	921002		71,377.98	149,620.43	96,951.55	158,665.60	476,615.56
	921003		653,112.45	377,457.24	466,494.27	498,629.85	1,995,693.81
	921004		147,045.35	163,786.28	236,424.32	367,288.73	914,544.68
	921902		265,204.24	180,283.23	150,164.54	191,301.14	786,953.15
	921903		780,460.81	812,112.88	798,440.22	791,294.28	3,182,308.19
	922001		-357,893.39	-331,010.93	-479,530.96	-431,918.52	-1,600,353.80
	922002		-112,574.76	-93,737.43	-149,929.17	-164,470.95	-520,712.31
	922003		-108,600.37	-116,342.79	-130,749.95	-134,013.77	-489,706.88
	923100		895,840.75	903,807.32	1,421,618.08	779,715.56	4,000,981.71
	923101		124,531.41	139,118.00	57,158.00	139,614.00	460,421.41
	923301		3,093.86	3,093.86	3,093.86	3,093.86	12,375.44
	923302		2,100.00	2,100.00	2,100.00	2,100.00	8,400.00
	923900		563,990.36	867,269.60	1,199,468.52	1,505,185.12	4,135,913.60
	924100		781,058.77	1,267,483.51	996,664.19	1,160,712.16	4,205,918.63
	925001		326,946.13	747,741.24	470,095.12	492,119.79	2,036,902.28
	925002		92,376.92	410,416.30	68,550.34	60,685.18	632,028.74
	925003		20,471.27	3,439.07	19,056.79	-20,713.16	22,253.97
	925004		21,731.21	18,833.06	22,304.08	20,498.43	83,366.78
	925100		124,732.93	35,100.00		131,225.00	291,057.93
	925902		3,417.82	2,473.96	2,522.06	4,039.08	12,452.92
	925904		56.25	1,002.50	972.40	252.50	2,283.66
	926001		32,071.85	38,113.37	18,070.92	9,748.49	98,004.63
	926002		48,810.22	59,701.01	62,789.21	65,543.21	236,843.65
	926003		2,105,222.42	1,706,587.33	1,637,021.31	1,830,940.26	7,279,771.32
	926004		106,160.80	104,820.50	110,641.26	56,629.61	378,252.17
	926005		106,888.51	59,537.39	42,966.71	39,883.39	249,276.00
	926019		275,095.48	204,236.20	42,555.70	-191,818.39	330,068.99
	926101		3,992,548.23	3,639,784.88	3,193,190.16	3,064,926.66	13,890,449.93
	926102		629,845.02	614,881.08	615,688.31	657,996.08	2,518,410.49
	926105		42,547.08	40,123.55	88,224.40	672,016.23	842,911.26
	926106		927,175.59	1,207,843.31	1,026,236.83	998,847.77	4,160,103.50
	926110		18,574.67	8,262.80	12,452.31	19,293.79	58,583.57
	926116		58,412.31	59,587.19	62,483.30	135,844.42	316,327.22
	926117		175,259.83	-175,259.83			0.00
	926118		147,057.59	-147,057.59			0.00
	926901		33,216.75	37,345.45	39,175.44	38,863.21	148,600.85
	926902		45,103.40	28,391.63	29,290.57	20,349.67	123,135.27
	926903		677,222.10	632,256.50	776,747.95	591,002.12	2,677,228.67
	926904		46,934.36	38,071.79	39,264.44	29,077.89	153,348.48
	926905		51,450.82	25,197.85	17,196.12	20,627.25	114,472.04

33,460.59

Income Statement Accounts Period Name : 'JAN-2011, FEB-2011, MAR-2011, APR-2011, MAY-2011, JUN-2011, JUL-2011, AUG-2011, SEP-2011, OCT-2011, NOV-2011, DEC-2011' , Company : '0100,0110' Excludes Org 999001

Company:Kentucky Utilities Company

Line Num	Account	Period Net				Totals	Total	
		Prod	Electric					
		Qtr	1	2	3			4
	926911		927,945.64	1,433,652.82	1,546,044.21	1,543,434.30	5,451,076.97	
	926912		303,639.16	282,331.66	291,015.30	120,007.82	996,993.94	
	926915		34,239.40	32,042.79	38,003.29	29,368.86	133,654.34	
	926916		117,854.62	120,195.11	125,646.17	125,389.40	489,085.30	
	926917		26,122.20				26,122.20	
	926918		22,826.40				22,826.40	
	926919		28,380.38	81,003.18	29,462.63	-112,472.73	26,373.46	
	926990		40,464.86	33,275.89	34,277.63	68,910.34	176,928.72	
	927002		850.84	899.78	904.97	940.72	3,596.31	
	928001			4,185.88	5,217.98	3,473.50	12,877.36	
	928002		77,282.44	198,852.94	92,513.00	83,801.00	452,449.38	
	928003		283,020.39	283,020.39	283,020.39	283,020.39	1,132,081.56	
	928006		-25.00				25.00	
	928007		44,595.12	135,600.89	58,323.88	30,383.52	268,903.41	
	929002		-850.84	-899.78	-904.97	-940.72	-3,596.31	
	930101		187,634.29	270,598.42	146,413.12	161,142.67	765,788.50	795,813.82
	930191		5,110.00	4,270.00	2,555.00	18,090.32	30,025.32	
	Sum		21,976,609.98	22,255,176.53	21,185,002.71	20,894,804.85	86,311,594.07	
Net Income			21,976,609.98	22,255,176.53	21,185,002.71	20,894,804.85	86,311,594.07	

Exhibit 1
Reference Schedule 1.15

KENTUCKY UTILITIES

Adjustment to Remove Out-of-Period Items
For the Twelve Months Ended December 31, 2011

	<u>Revenue</u>	<u>Expense</u>
1. Out of Period adjustment	\$ 6,404	\$ 20,764
2. Kentucky Jurisdiction (Ref. Sch. Allocators)	<u>94.580%</u>	<u>87.580%</u>
3. Kentucky Jurisdictional adjustment	<u>\$ 6,057</u>	<u>\$ 18,185</u>

**Kentucky Utilities Company
Out-of-Period Adjustments**

(1) GL Period Entered	(2) Account	(3) Out of Period Month	(4) Out of Period Amt.	(5) Revenue	(5) Expense	(6) Journal Entry	(7) Description
Sep-11	573100	Oct-10	682.78		682.78	J423-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	593002	Mar-10	5,154.36		5,154.36	J426-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	593002	Aug-10	1,017.00		1,017.00	J426-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Apr-10	4,947.98		4,947.98	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	May-10	5,266.51		5,266.51	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jun-10	3,264.60		3,264.60	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jul-10	(8,531.11)		(8,531.11)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Sep-10	(4,947.98)		(4,947.98)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Oct-10	346.36		346.36	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Dec-10	187.75		187.75	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Apr-10	5,052.02		5,052.02	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	May-10	5,377.24		5,377.24	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jun-10	3,333.24		3,333.24	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jul-10	(8,710.48)		(8,710.48)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Sep-10	(5,052.02)		(5,052.02)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Oct-10	353.64		353.64	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Dec-10	191.70		191.70	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Nov-11	571100	Nov-10	7,881.92		7,881.92	J425-0110-1111	No capital additions/material - tsf chgs to O&M
Nov-11	571100	Dec-10	(7,929.20)		(7,929.20)	J425-0110-1111	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	260.96		260.96	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	9,328.65		9,328.65	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	379.27		379.27	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	2,366.68		2,366.68	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	325.41		325.41	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	106.32		106.32	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	686.13		686.13	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	602.81		602.81	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	200.88		200.88	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	130.78		130.78	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	2,137.62		2,137.62	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	1,055.32		1,055.32	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	1,243.77		1,243.77	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	541.81		541.81	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	1,481.44		1,481.44	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	1,177.24		1,177.24	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	2,480.13		2,480.13	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	164.86		164.86	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	988.89		988.89	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	182.25		182.25	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	1,460.06		1,460.06	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	4,681.79		4,681.79	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	878.98		878.98	J431-0110-1211	No capital additions/material - tsf chgs to O&M

(1) GL Period Entered	(2) Account	(3) Out of Period Month	(4) Out of Period Amt.	(5) Revenue	(5) Expense	(6) Journal Entry	(7) Description
Dec-11	593002	Oct-10	1,132.40		1,132.40	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	181.85		181.85	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	196.16		196.16	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	689.83		689.83	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	475.32		475.32	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	509.78		509.78	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	52.60		52.60	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Dec-10	2,616.88		2,616.88	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	1,308.23		1,308.23	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	(130.13)		(130.13)	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	455.38		455.38	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	1.27		1.27	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	1,168.19		1,168.19	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Sep-10	2,742.36		2,742.36	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	255.67		255.67	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	205.62		205.62	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	311.31		311.31	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	1,632.43		1,632.43	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	482.65		482.65	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	106.74		106.74	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	4,394.77		4,394.77	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	3,608.02		3,608.02	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	2,385.34		2,385.34	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Feb-10	28,515.88		28,515.88	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Aug-10	933.33		933.33	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Oct-10	(667.65)		(667.65)	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Sep-11	923900	Dec-10	(4,361.50)		(4,361.50)	J241-0110-0911	LS Power Acquisition Reclass from Exp to Other Def Debits
Sep-11	923900	Dec-10	(5,120.03)		(5,120.03)	J241-0110-0911	LS Power Acquisition Reclass from Exp to Other Def Debits
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(340.54)	(340.54)		J241-0110-1011	Correct Dynege Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(71.17)	(71.17)		J241-0110-1011	Correct Dynege Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(5,992.10)	(5,992.10)		J241-0110-1011	Correct Dynege Transmission Payable
Mar-11	501001	Dec-10	(105,594.57)		(105,594.57)	FWX Interface	Correction of Fuels A/P accrual due to incorrect pricing. (waived adj)
TOTAL				(6,403.81)	(20,763.51)		
ADJUSTMENT				6,403.81	20,763.51		

KENTUCKY UTILITIES

**Calculation of Composite Federal and Kentucky
Income Tax Rate
(Based on Law in Effect January 1, 2012)**

1. Assume pre-tax income of		\$ 100.0000
2. State income tax at 6.00%		5.7560
3. Taxable income for Federal income tax before production deduction		94.2440
Production Rate	9%	
Allocation to Production Income	0.6779	
Allocated Production Rate	6.10%	
4. Less: Production tax deduction (6.10% of Line 3)		5.7489
5. Taxable income for Federal income tax (Line 3 - Line 4)		88.4952
6. Federal income tax at 35% (Line 5 x 35%)		30.9733
7. Total State and Federal income taxes (Line 2 + Line 6)		\$ 36.7293
8. Therefore, the composite rate is:		
9. Federal	30.9733%	
10. State	5.7560%	
11. Total	36.7293%	

State Income Tax Calculation

1. Assume pre-tax income of		\$ 100.0000
2. Less: Production tax deduction (6% x 0.6779) (1)		4.0674
3. Taxable income for State income tax		95.9326
4. State Tax Rate		6.0000%
5. State Income Tax		5.7560

Notes: (1) Pursuant to KRS 141.010(11)(c) and (13)(c), for taxable years beginning on or after January 1, 2010, the amount of domestic production activities deduction calculated at six percent (6%) as allowed in Section 199(a)(2) of the Internal Revenue Code for taxable years beginning before 2010.

KENTUCKY UTILITIES

**Calculation of Current Tax Adjustment Resulting
From "Interest Synchronization"**

1. Adjusted Jurisdictional Capitalization - Exhibit 2	\$ 3,238,764,432
2. Weighted Cost of Debt - Exhibit 2	<u>1.71%</u>
3. "Interest Synchronization"	\$ 55,382,872
4. Kentucky Jurisdictional Interest per books (excluding other interest)	<u>56,437,877</u>
5. "Interest Synchronization" adjustment (Line 4 - 3)	\$ 1,055,005
6. Composite Federal and State tax rate	<u>36.7293%</u>
7. Current tax adjustment from "Interest Synchronization"	<u><u>\$ 387,496</u></u>

SUPPORT FOR PER BOOKS INTEREST CALCULATION

Total Interest per books (a)	70,333,584
Less: Customer Deposits Interest	1,363,673
Less: Other Tax Deficiencies Interest	18,359
Less: Interest on DSM Recovery	11,695
Less: AFUDC Borrowed Funds	(12,955)
Total Interest per books excluding other interest	<u>68,952,813</u>
Kentucky Jurisdiction Percent (b)	81.850%
Kentucky Jurisdictional Interest	<u><u>56,437,877</u></u>

(a) Financial Report page 12

(b) Supporting Schedule-Exhibit 3, Page 1, Col 6, Line 20

Kentucky Utilities Company
Analysis of Interest Charges
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Interest on Long-Term Debt						
Loan Agreement - Pollution Control Bonds						
Mercer County 2000 Series A due 05/01/23 Var%.....	\$ 1,297.07	\$ 3,735.70	\$ 24,276.33	\$ 42,209.43	\$ 24,276.33	\$ 42,209.43
Carroll County 2002 Series A due 02/01/32 Var%.....	9,776.89	13,274.79	173,627.27	148,431.00	173,627.27	148,431.00
Carroll County 2002 Series B due 02/01/32 Var%.....	1,121.10	1,522.19	19,490.49	17,020.27	19,490.49	17,020.27
Carroll County 2002 Series C due 10/01/32 Var%.....	8,000.00	42,160.00	254,410.76	687,799.96	254,410.76	687,799.96
Mercer County 2002 Series A due 02/01/32 Var%.....	3,456.71	4,693.42	58,916.16	52,479.19	58,916.16	52,479.19
Muhlenburg County 2002 Series A due 02/01/32 Var%.....	1,121.10	1,522.19	19,107.98	17,020.27	19,107.98	17,020.27
Carroll County 2004 Series A due 10/01/34 Var%.....	5,616.44	13,150.68	103,260.21	150,301.37	103,260.21	150,301.37
Carroll County 2006 Series B due 10/01/34 Var%.....	5,991.78	14,439.45	112,837.80	166,467.95	112,837.80	166,467.95
Carroll County 2007 Series A due 02/01/26 5.75%.....	85,651.04	85,651.05	1,027,812.50	1,027,812.50	1,027,812.50	1,027,812.50
Trimble County 2007 Series A due 03/01/37 6.00%.....	44,635.00	44,635.00	535,620.00	535,620.00	535,620.00	535,620.00
Carroll County 2008 Series A due 02/01/32 Var%.....	8,627.60	20,287.68	161,190.94	240,227.48	161,190.94	240,227.48
Loan Agreement - First Mortgage Bonds						
First Mortgage Bond due 11/01/15 1.625%.....	338,541.66	338,541.67	4,062,499.99	507,812.51	4,062,499.99	507,812.51
First Mortgage Bond due 11/01/20 3.250%.....	1,354,166.66	1,354,166.67	16,249,999.99	2,031,250.01	16,249,999.99	2,031,250.01
First Mortgage Bond due 11/01/40 5.125%.....	3,203,125.00	3,203,125.00	38,437,500.00	4,804,687.50	38,437,500.00	4,804,687.50
Fidelia/PPL.....	-	-	-	64,015,302.78	-	64,015,302.78
Total.....	5,071,128.05	5,140,905.49	61,240,550.42	74,444,442.22	61,240,550.42	74,444,442.22
Amortization of Debt Expense - Net						
Amortization of Debt/Discount Expense.....	255,443.25	238,663.61	3,123,233.71	584,124.41	3,123,233.71	584,124.41
Amortization of Loss on Reacquired Debt.....	50,414.39	50,414.39	604,972.68	604,817.50	604,972.68	604,817.50
Total.....	305,857.64	289,078.00	3,728,206.39	1,188,941.91	3,728,206.39	1,188,941.91
Other Interest Charges						
Customers' Deposits.....	113,597.83	107,358.30	1,363,672.66	1,363,569.87	1,363,672.66	1,363,569.87
Other Tax Deficiencies.....	-	4,496.00	18,358.75	87,641.07	18,358.75	87,641.07
Interest on DSM Cost Recovery.....	1,175.70	1,254.61	11,695.03	18,380.69	11,695.03	18,380.69
Interest on Debt to Associated Companies.....	-	1,160.64	6,321.35	127,043.41	6,321.35	127,043.41
AFUDC Borrowed Funds.....	(575.60)	(82,702.68)	(12,955.08)	(968,596.93)	(12,955.08)	(968,596.93)
Other Interest Expense.....	260,844.22	483,825.81	3,977,734.69	2,362,787.93	3,977,734.69	2,362,787.93
Total.....	375,042.15	515,392.68	5,364,827.40	2,990,826.04	5,364,827.40	2,990,826.04
Total Interest.....	\$ 5,752,027.84	\$ 5,945,376.17	\$ 70,333,584.21	\$ 78,624,210.17	\$ 70,333,584.21	\$ 78,624,210.17

KENTUCKY UTILITIES

Adjustment for Prior Period Income Tax True-Ups and Adjustments
For the Twelve Months Ended December 31, 2011

1. Prior Year Income Tax True-up:	
2. Federal Tax expense (benefit)	\$ 979,690
3. State Tax expense (benefit)	(626,260)
	<hr/>
4. Total Income Tax True-up	\$ 353,430
5. Other Tax adjustments:	
6. Kentucky Coal Credit	(1,468,105)
	<hr/>
7. Total Other Tax adjustments:	\$ (1,468,105)
8. Federal benefit for State Tax adjustments	733,028
9. Total adjustments (Line 4 + Line 7 + Line 8)	<hr/> <u>\$ (381,647)</u>
10. Kentucky Jurisdiction (Ref. Sch. Allocators)	<hr/> 91.135%
11. Kentucky Jurisdiction amount (Line 9 x Line 10)	<hr/> <u>\$ (347,815)</u>
12. Kentucky Jurisdiction adjustment	<hr/> <u>\$ 347,815</u>

KENTUCKY UTILITIES

	12ME 12/31/2011	12ME 12/31/2011
	FEDERAL	STATE
Development of Income Taxes		
Operating Income Before Tax		
Operating Income (including change in accounting)	242,590,188	242,590,188
Add Back: Income Taxes	<u>109,076,966</u>	<u>109,076,966</u>
 SUBTOTAL	 351,667,154	 351,667,154
Interest expense including AFUDC Debt	(70,333,584)	(70,333,584)
Customer deposits	1,363,673	1,363,673
Other interest expense taxed below the line	30,054	30,054
State income tax	(14,429,640)	
Sec. 199 Manufacturing Deduction	(446,629)	(4,635,413)
Meals	137,097	137,097
AFUDC Equity Depreciation	<u>1,000,000</u>	<u>1,000,000</u>
 OPERATING TAXABLE INCOME	 268,988,125	 279,228,981
	 94,145,844	 16,753,739
Adjustments:		
Tax return prior year true-up	570,486 ①	(809,201) ②
Tax Adjustments		-
203(E) Excess deferred taxes prior year true-up	409,204 ①	182,941 ②
203(E) Excess deferred taxes	(1,118,077)	(386,652)
TC2 depreciation basis adjustment	915,357	156,918
Reserve Release/Additions		
R&E Credits	(275,485)	
Coal Credit	<u>-</u>	<u>(1,468,105)</u>
 Total Operating Income Tax	 94,647,329	 14,429,640
	 <u>94,647,327</u>	 <u>14,429,639</u>
 Difference	 2	 1

① = 979,690

② = (626,260)

KENTUCKY UTILITIES

**Calculation of Revenue Gross Up Factor
(Based on Law in Effect January 1, 2012)**

	STATE	FEDERAL
1. Assume pre-tax income of	\$ 100.000000	\$ 100.000000
2. Bad Debt at .4600%	0.460000	0.460000
3. PSC Assessment at .1529%	0.152900	0.152900
4. Production Tax Credit-State (Reference Schedule 1.18)	4.067400	
5. Taxable income for State income tax	95.319700	99.387100
6. State income tax at 6.00%	5.719182	5.719182
7. Production Tax Credit-Federal (Reference Schedule 1.18)		5.748887
8. Taxable income for Federal income tax		87.919031
9. Federal income tax at 35%		30.771661
10. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 9)		37.103743
11. Assume pre-tax income of		\$ 100.000000
12. Gross Up Revenue Factor		62.896257

KENTUCKY UTILITIES

Kentucky Jurisdictional Allocators
At December 31, 2011

Title	Reference Schedule	Factor	Allocation Based On
ECR Operating Expense	1.03	86.677%	Composite rate developed from steam depreciation allocator (86.669%), steam plant O&M allocator (85.981%), energy allocator (86.773%) and net plant allocator for property tax (87.284%)
Brokered and Off-System Energy	1.04, 1.05	86.773%	Ratio of Kentucky retail kilowatt-hour sales to Total Company kilowatt-hour sales
Depreciation	1.09	87.347%	Composite rate developed by dividing Kentucky retail depreciation by Total Company depreciation
Labor	1.10	88.933%	Direct labor
Pension and Post Retirement and Benefits	1.11	88.933%	Direct labor
Distribution O&M (Storm Damages)	1.12	94.089%	Distribution plant
Injuries/Damages	1.13	88.933%	Direct labor
Advertising Expense	1.14	94.909%	Retail energy
Miscellaneous Revenue-Account 456	1.15	94.580%	Demand Non-Ferc
Total O&M	1.15	87.580%	Total O&M
Income Taxes	1.20	91.135%	Income tax expense

KENTUCKY UTILITIES

Capitalization at December 31, 2011

	Per Books 12-31-11 (1)	Capital Structure (2)	Undistributed Subsidiary Earnings (3)	Investment in EEI (Col 2 x Col 4 Line 4) (4)	Investments in OVEC and Other (Col 2 x Col 5 Line 4) (5)	Adjustments to Total Co. Capitalization (Sum of Col 3 - Col 5) (6)	Adjusted Total Company Capitalization (Col 1 + Col 6) (7)	Jurisdictional Rate Base Percentage (Exhibit 3 Line 19) (8)	Kentucky Jurisdictional Capitalization (Col 7 x Col 8) (9)
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	87.43%	\$ -
2. Long Term Debt	1,840,591,561	46.38%	-	(600,992)	(199,026)	(800,018)	1,839,791,543	87.43%	1,608,529,746
3. Common Equity	2,128,238,257	53.62%	(7,535,369)	(694,808)	(230,095)	(8,460,272)	2,119,777,985	87.43%	1,853,321,893
4. Total Capitalization	<u>\$ 3,968,829,818</u>	<u>100.00%</u>	<u>\$ (7,535,369)</u>	<u>\$ (1,295,800)</u>	<u>\$ (429,121)</u>	<u>\$ (9,260,290)</u>	<u>\$ 3,959,569,528</u>		<u>\$ 3,461,851,639</u>

	Kentucky Jurisdictional Capitalization (9)	Capital Structure (10)	Adjusted Environmental Compliance Plans (a) (Col 10 x Col 11 Line 4) (11)	Adjusted Kentucky Jurisdictional Capitalization (Col 9 + Col 11) (12)	Adjusted Capital Structure (13)	Annual Cost Rate (14)	Cost of Capital (Col 14 x Col 13) (15)
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	0.00%	0.45%	(b) 0.00%
2. Long Term Debt	1,608,529,746	46.46%	(103,646,316)	1,504,883,430	46.46%	3.68%	(b) 1.71%
3. Common Equity	1,853,321,893	53.54%	(119,440,891)	1,733,881,002	53.54%	10.75%	(c) 5.76%
4. Total Capitalization	<u>\$ 3,461,851,639</u>	<u>100.00%</u>	<u>\$ (223,087,207)</u>	<u>\$ 3,238,764,432</u>	<u>100.00%</u>		<u>7.47%</u>

- (a) Environmental Compliance Plans:
Total Jurisdictional ECR Rate Base at 12/31/11 \$ 1,093,156,124
Less: Juris ECR Rate Base Roll-In '05 and '06 Plans 870,068,917
Jurisdictional Net ECR Rate Base \$ 223,087,207
- (b) Embedded cost as of December 31, 2011
- (c) Threshold Rate of Return on Common Equity (Section 2.3)

Kentucky Utilities Company
Comparative Balance Sheets as of December 31, 2011 and 2010

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 6,783,199,672.46	\$ 6,496,781,295.39	Common Stock.....	\$ 308,139,977.56	\$ 308,139,977.56
Less: Reserves for Depreciation and Amortization.....	<u>2,395,037,772.83</u>	<u>2,261,926,782.36</u>	Less: Common Stock Expense.....	321,288.87	321,288.87
Total.....	<u>4,388,161,899.63</u>	<u>4,234,854,513.03</u>	Paid-In Capital.....	315,858,083.00	315,858,083.00
			Other Comprehensive Income.....	(2,457,900.37) ^(c)	(1,993,677.24)
			Retained Earnings.....	1,490,663,791.10	1,439,351,593.82
			Unappropriated Undistributed Subsidiary Earnings...	<u>16,355,594.75</u>	<u>14,432,395.75</u>
Investments			Total Proprietary Capital.....	<u>2,128,238,257.17</u>	<u>2,075,467,084.02</u>
Electric Energy, Inc.....	13,628,644.55	12,465,221.55	Pollution Control Bonds.....	350,779,405.00	350,779,405.00
Ohio Valley Electric Company.....	250,000.00	250,000.00	First Mortgage Bonds.....	1,489,812,156.25	1,489,176,906.25
Nonutility Property-Less Reserve.....	<u>179,120.94</u>	<u>179,120.94</u>	L/T Notes Payable to Associated Companies.....	-	-
Total.....	<u>14,057,765.49</u>	<u>12,894,342.49</u>	Total Long-Term Debt.....	<u>1,840,591,561.25</u>	<u>1,839,956,311.25</u>
			Total Capitalization.....	<u>3,968,829,818.42</u>	<u>3,915,423,395.27</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	31,096,140.42	3,132,599.79	ST Notes Payable to Associated Companies.....	-	10,434,000.00
Special Deposits.....	45,500.00	418,600.30	Accounts Payable.....	119,658,898.66	76,307,786.67
Temporary Cash Investments.....	43,674.49	200,847.07	Accounts Payable to Associated Companies.....	33,178,775.21	45,351,361.74
Accounts Receivable-Less Reserve.....	164,311,372.23	198,513,561.39	Customer Deposits.....	22,862,411.92	22,839,133.25
Accounts Receivable from Associated Companies.....	39,615.59	11,996,433.15	Taxes Accrued.....	10,729,937.99	24,614,782.98
Materials and Supplies-At Average Cost			Interest Accrued.....	10,619,839.16	8,149,642.02
Fuel.....	96,745,428.76	94,898,528.15	Dividends Declared.....	-	-
Plant Materials and Operating Supplies.....	34,036,932.19	32,560,243.26	Miscellaneous Current and Accrued Liabilities.....	19,177,240.61	19,512,357.41
Stores Expense.....	9,914,010.27	8,854,899.43	Total.....	<u>216,227,103.55</u>	<u>207,209,064.07</u>
Emission Allowances.....	450,462.32	566,579.00			
Prepayments.....	7,285,320.31	8,173,724.00			
Miscellaneous Current and Accrued Assets.....	-	20,501.20			
Total.....	<u>343,968,456.58</u>	<u>359,336,516.74</u>			
			Deferred Credits and Other		
Deferred Debits and Other			Accumulated Deferred Income Taxes.....	559,462,412.30	396,607,180.67
Unamortized Debt Expense.....	21,600,912.97	21,213,642.72	Investment Tax Credit.....	101,407,768.32	104,094,169.32
Unamortized Loss on Bonds.....	11,775,117.37	12,380,090.05	Regulatory Liabilities.....	108,313,656.21	55,112,630.40
Accumulated Deferred Income Taxes.....	86,746,693.05	34,511,064.10	Customer Advances for Construction.....	3,155,939.30	2,869,273.92
Deferred Regulatory Assets.....	268,828,295.77	208,403,355.44	Asset Retirement Obligations.....	61,789,582.18	53,981,306.41
Other Deferred Debits.....	<u>45,192,019.67</u>	<u>42,753,151.34</u>	Other Deferred Credits.....	6,945,601.15	8,491,442.40
Total.....	<u>434,143,038.83</u>	<u>319,261,303.65</u>	Miscellaneous Long-Term Liabilities.....	2,695,347.71	2,423,615.65
			Accum Provision for Postretirement Benefits.....	151,503,931.39	180,134,597.80
			Total.....	<u>995,274,238.56</u>	<u>803,714,216.57</u>
Total Assets.....	<u>\$ 5,180,331,160.53</u>	<u>\$ 4,926,346,675.91</u>	Total Liabilities and Stockholders Equity.....	<u>\$ 5,180,331,160.53</u>	<u>\$ 4,926,346,675.91</u>

January 26, 2012

Kentucky Utilities Company
Analysis of Retained Earnings
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	Total Retained Earnings	Undistributed Subsidiary Earnings	Total Retained Earnings	Undistributed Subsidiary Earnings	Total Retained Earnings	Undistributed Subsidiary Earnings
Retained Earnings and Undistributed Earnings						
Balance at Beginning of Period.....	\$ 1,475,266,420.61	\$ 16,092,121.75	\$ 1,439,351,593.82	\$ 14,432,395.75	\$ 1,439,351,593.82	\$ 14,432,395.75
Add:						
Net Income for Period.....	15,660,843.49	-	176,735,396.28	-	176,735,396.28	-
Deduct:						
Common Dividends						
Common Stock Without Par Value	-	-	(123,500,000.00)	-	(123,500,000.00)	-
EE Inc.....	(263,473.00)	263,473.00	(1,923,199.00)	1,923,199.00	(1,923,199.00)	1,923,199.00
Balance at End of Period.....	\$ 1,490,663,791.10	\$ 16,355,594.75 ^(A)	\$ 1,490,663,791.10	\$ 16,355,594.75	\$ 1,490,663,791.10	\$ 16,355,594.75
Deferred Taxes Related to Undistributed Subsidiary Earnings		-		-		-
Balance of Undistributed Subsidiary Earnings.....		16,355,594.75		16,355,594.75		16,355,594.75
Statutory Tax Rate.....		38.9%		38.9%		38.9%
Deferred Taxes on Equity in Subsidiary.....		\$ 6,362,326.36 ^(B)		\$ 6,362,326.36		\$ 6,362,326.36

$$\begin{aligned}
 & \text{EE Inc} - 16,355,595 - 6,362,326 - (2,457,900) = 7,535,369 \\
 & \qquad \qquad \qquad \text{OCI from B/S}
 \end{aligned}$$

January 26, 2012

Kentucky Utilities Company
Rollforward of Investment in EEI

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Year	Capital Stock Ownership (Initial Investment)	Beginning Balance Equity in Earnings	Earnings	Dividends	Net Activity	Ending Balance Equity in Earnings	Other Comprehensive Income	Ending Balance Total Investment
	(Form 1 p 224)	(Form 1 p 224)	(Form 1 p 225)	(Form 1 p 225)	+(d)-(e)	(c)+(f)		+(g)+(b)+(h)
1996	\$ 1,295,800	\$ 848,998	\$ 2,436,136	\$ 2,460,420	\$ (24,284)	\$ 824,714		\$ 2,120,514
1997	1,295,800	824,714	2,480,168	2,443,622	36,546	861,260		2,157,060
1998	1,295,800	861,260	2,167,436	2,168,058	(622)	860,638		2,156,438
1999	1,295,800	860,638	2,333,723	2,366,775	(33,052)	827,586		2,123,386
2000	1,295,800	827,586	2,242,280	2,312,037	(69,757)	757,829		2,053,629
2001	1,295,800	757,829	1,802,856	2,060,553	(257,697)	500,132		1,795,932
2002	1,295,800	500,132	6,967,101	1,585,021	5,382,080	5,882,212		7,178,012
2003	1,295,800	5,882,212	3,644,247	-	3,644,247	9,526,459		10,822,259
2004	1,295,800	9,526,459	2,559,212	-	2,559,212	12,085,671		13,381,471
2005	1,295,800	12,085,671	2,256,843	-	2,256,843	14,342,514		15,638,314
2006	1,295,800	14,342,514	29,405,773	27,500,000	1,905,773	16,248,287		17,544,087
2007	1,295,800	16,248,287	26,358,781	21,400,000	4,958,781	21,207,068		22,502,868
2008	1,295,800	21,207,068	29,548,519	30,000,000	(451,481)	20,755,587		22,051,387
2009	1,295,800	20,755,587	765,782	10,850,000	(10,084,218)	10,671,369		11,967,169
2010	1,295,800	10,671,369	3,761,027	-	3,761,027	14,432,396	(3,262,974)	12,465,222
2011	1,295,800	14,432,396	1,923,199	-	1,923,199	16,355,595	(4,022,750)	13,628,645

KENTUCKY UTILITIES COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
December 31, 2011

LONG-TERM DEBT									
	Due	Rate	Principal	Interest	Amortized Debt Issuance Exp/Discount	Annualized Cost			Embedded Cost
						Reacquired Debt	Letter of Credit and other fees	Total	
Pollution Control Bonds -									
Mercer Co 2000 Series A	05/01/23	0 110% *	\$ 12,900,000	\$ 14,190	\$ -	\$ 46,743	\$ 156,549 a	\$ 217,482	1 69%
Carroll Co 2002 Series A	02/01/32	0 550% *	20,930,000	115,115	4,104	36,300	20,930 b	176,449	0 84%
Carroll Co 2002 Series B	02/01/32	0 550% *	2,400,000	13,200	2,856	4,164	2,400 b	22,620	0 94%
Muhlenberg Co 2002 Series A	02/01/32	0 550% *	2,400,000	13,200	1,140	12,744	2,400 b	29,484	1 23%
Mercer Co 2002 Series A	02/01/32	0 550% *	7,400,000	40,700	3,180	12,900	7,400 b	64,180	0 87%
Carroll Co 2002 Series C	10/01/32	0 080% *	96,000,000	76,800	73,658	186,036	300,538 c	637,032	0 66%
Carroll Co 2004 Series A	10/01/34	0 130% *	50,000,000	65,000	-	105,023	609,493 a	779,516	1 56%
Carroll Co 2006 Series B	10/01/34	0 100% *	54,000,000	54,000	47,920	-	658,985 a	760,905	1 41%
Carroll Co 2007 Series A	02/01/26	5 750%	17,875,000	1,027,813	33,342	-	-	1,061,155	5 94%
Trimble Co 2007 Series A	03/01/37	6 000%	8,927,000	535,620	16,072	-	-	551,692	6 18%
Carroll Co 2008 Series A	02/01/32	0 110% *	77,947,405	85,742	34,400	-	951,225 a	1,071,367	1 37%
Called Bonds						201,063 1		201,063	
First Mortgage Bonds -									
2010 due 2015	11/01/15	1 625%	250,000,000	4,062,500	461,126 **	-	-	4,523,626	1 81%
Debt discount on FMB	11/01/15	1 625%	(678,125)	-	175,000 **	-	-	175,000	-25 81%
2010 due 2020	11/01/20	3 250%	500,000,000	16,250,000	418,360 **	-	-	16,668,360	3 33%
Debt discount on FMB	11/01/15	3 250%	(1,677,375)	-	189,000 **	-	-	189,000	-11 27%
2010 due 2040	11/01/40	5 125%	750,000,000	38,437,500	249,641 **	-	-	38,687,141	5 16%
Debt discount on FMB	11/01/40	5 125%	(7,832,344)	-	271,250 **	-	-	271,250	-3 46%
Revolving Credit Facility	10/19/16				785,357	3&4	500,000	1,285,357	
Letter of Credit Facility	04/29/14				298,913			298,913	
Total External Debt			\$ 1,840,591,561	\$ 60,791,380	\$ 3,065,319	\$ 604,973	\$ 3,209,920	\$ 67,671,593	3.68%
Notes Payable to PPL			2 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Internal Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Total			\$ 1,840,591,561	\$ 60,791,380	\$ 3,065,319	\$ 604,973	\$ 3,209,920	\$ 67,671,593	3.68%

SHORT-TERM DEBT								
	Rate	Principal	Interest	Expense	Annualized Cost			Embedded Cost
					Loss	Premium	Total	
Notes Payable to Associated Company	0 450% *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0 000%
Revolving Credit Facility Payable		-	-	-	-	-	-	-
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Embedded Cost of Total Debt **\$ 1,840,591,561 \$ 60,791,380 \$ 3,065,319 \$ 604,973 \$ 3,209,920 \$ 67,671,593 3.68%**

* Composite rate at end of current month
 ** Debt discount shown on separate line

1 Series P and R bonds were redeemed in 2003, and 2005, respectively. They were not replaced with other bond series. The remaining unamortized expense is being amortized over the remainder of the original lives (due 5/15/07, 6/1/25, 6/1/35, and 6/1/36 respectively) of the bonds as loss on reacquired debt

2 Fidelity Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010

3 Included setup fees for the Wachovia Credit Facility in Long-term Debt due to 4 year credit arrangement

4 Credit Facility amended effective October 19, 2011. New term of 5 years at lower interest rate

a - Letter of credit fee = (principal bal + 45 days interest)*2% L/C Fee and .25% L/C Fronting Fee. Rate based on company credit rating. Remarketing Fee = 10 basis points
 b - Remarketing fee = 10 basis points
 c - Remarketing fee = 25 basis points

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Other Jurisdictional Rate Base (3)	Total Company Rate Base (4)
1. Utility Plant at Original Cost	\$ 5,911,157,982	\$ 872,041,691	\$ 6,783,199,673
2. Deduct:			
3. Reserve for Depreciation	2,080,817,095	314,220,678	2,395,037,773
4. Net Utility Plant	<u>3,830,340,887</u>	<u>557,821,013</u>	<u>4,388,161,900</u>
5. Deduct:			
6. Customer Advances for Construction	2,998,149	157,790	3,155,939
7. Accumulated Deferred Income Taxes	416,040,136	59,901,626	475,941,762
8. Asset Retirement Obligation-Net Assets	47,120,453	7,247,837	54,368,290
9. Asset Retirement Obligation-Regulatory Liabilities	3,062,534	471,064	3,533,598
10. Investment Tax Credit (a)	87,006,521	14,401,246	101,407,767
11. Total Deductions	<u>556,227,793</u>	<u>82,179,563</u>	<u>638,407,356</u>
12. Add:			
13. Materials and Supplies (b)	115,624,987	17,611,966	133,236,953
14. Prepayments (b)(c)	6,956,836	810,868	7,767,704
15. Emission Allowances (b)	442,484	68,059	510,543
16. Cash Working Capital (page 2)	95,623,543	7,917,443	103,540,986
17. Total Additions	<u>218,647,850</u>	<u>26,408,336</u>	<u>245,056,186</u>
18. Total Net Original Cost Rate Base	<u>\$ 3,492,760,944</u>	<u>\$ 502,049,786</u>	<u>\$ 3,994,810,730</u>
19. Percentage of Rate Base to Total Company Rate Base	<u>87.43%</u>	<u>12.57%</u>	<u>100.00%</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

(b) Average for 13 months.

(c) Excludes PSC fees.

KENTUCKY UTILITIES

**Calculation of Cash Working Capital
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Other Jurisdictional Rate Base (3)	Total Company Rate Base (4)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 859,662,729	\$ 101,912,920	\$ 961,575,649
2. Deduct:			
3 Electric Power Purchased	<u>94,674,385</u>	<u>14,440,563</u>	<u>109,114,948</u>
4 Total Deductions	\$ <u>94,674,385</u>	\$ <u>14,440,563</u>	\$ <u>109,114,948</u>
5 Remainder (Line 1 - Line 4)	<u>\$ 764,988,344</u>	<u>\$ 87,472,357</u>	<u>\$ 852,460,701</u>
6 Cash Working Capital	<u>\$ 95,623,543</u>	<u>\$ 7,917,443</u>	<u>\$ 103,540,986</u>
Kentucky Jurisdictional (12 1/2% of Line 5)			
Other Jurisdictional comprised of FERC, Tennessee, and Virginia Jurisdictional methodologies			

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3) (Page 3 Col 2)	Kentucky Jurisdictional ECR Roll-In Rate Base (4) (Page 3 Col 7)	Kentucky Jurisdictional Net ECR Rate Base (5) (3 - 4)	Kentucky Jurisdictional Base Rate Base (6) (2 - 5)	Other Jurisdictional Rate Base (7)	Total Company Rate Base (8) (5 + 6 + 7)
1 Utility Plant at Original Cost	\$ 5,911,157,982	\$ 1,296,414,097	\$ 916,032,519	\$ 380,381,578	\$ 5,530,776,404	\$ 872,041,691	\$ 6,783,199,673
2. Deduct							
3. Reserve for Depreciation	2,080,817,095	102,666,206	18,820,037	83,846,169	1,996,970,926	314,220,678	2,395,037,773
4. Net Utility Plant	3,830,340,887	1,193,747,891	897,212,482	296,535,409	3,533,805,478	557,821,013	4,388,161,900
5. Deduct:							
6. Customer Advances for Construction	2,998,149	-	-	-	2,998,149	157,790	3,155,939
7. Accumulated Deferred Income Taxes	416,040,136	80,567,520	7,950,421	72,617,099	343,423,037	59,901,626	475,941,762
8. Asset Retirement Obligation-Net Assets	47,120,453	-	-	-	47,120,453	7,247,837	54,368,290
9. Asset Retirement Obligation-Regulatory Liabilities	3,062,534	-	-	-	3,062,534	471,064	3,533,598
10. Investment Tax Credit (a)	87,006,521	23,299,260	20,382,067	2,917,193	84,089,328	14,401,246	101,407,767
11. Total Deductions	556,227,793	103,866,780	28,332,488	75,534,292	480,693,501	82,179,563	638,407,356
12. Net Plant Deductions	3,274,113,094	1,089,881,111	868,879,994	221,001,117	3,053,111,977	475,641,450	3,749,754,544
13. Add							
14. Materials and Supplies (b)	115,624,987	548,669	598,043	(49,374)	115,674,361	17,611,966	133,236,953
15. Prepayments (b)(c)	6,956,836	-	-	-	6,956,836	810,868	7,767,704
16. Emission Allowances (b)	442,484	330,044	3,642	326,402	116,082	68,059	510,543
17. Cash Working Capital (page 2)	95,623,543	2,396,300	587,238	1,809,062	93,814,481	7,917,443	103,540,986
18. Total Additions	218,647,850	3,275,013	1,188,923	2,086,090	216,561,760	26,408,336	245,056,186
19. Total Net Original Cost Rate Base	<u>\$ 3,492,760,944</u>	<u>\$ 1,093,156,124</u>	<u>\$ 870,068,917</u>	<u>\$ 223,087,207</u>	<u>\$ 3,269,673,737</u>	<u>\$ 502,049,786</u>	<u>\$ 3,994,810,730</u>
20. Percentage of Rate Base to Total Company Rate Base	<u>87.43%</u>			<u>5.58%</u>	<u>81.85%</u>	<u>12.57%</u>	<u>100.00%</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

(b) Average for 13 months.

(c) Excludes PSC fees.

KENTUCKY UTILITIES

Calculation of Cash Working Capital
At December 31, 2011

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3)	Kentucky Jurisdictional ECR Roll-In Rate Base (4)	Kentucky Jurisdictional Net ECR Rate Base (5)	Kentucky Jurisdictional Base Rate Base (6)	Other Jurisdictional Rate Base (7)	Total Company Rate Base (8)
				(3 - 4)	(2 - 5)		(5 + 6 + 7)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 859,662,729	\$ 19,170,400	\$ 7,031,896	\$ 12,138,504	\$ 847,524,225	\$ 101,912,920	\$ 961,575,649
2. Deduct:							
3. Electric Power Purchased	94,674,385	-	-	-	94,674,385	14,440,563	109,114,948
4. Total Deductions	\$ 94,674,385	\$ -	\$ -	\$ -	\$ 94,674,385	\$ 14,440,563	\$ 109,114,948
5. Remainder (Line 1 - Line 4)	<u>\$ 764,988,344</u>	<u>\$ 19,170,400</u>	<u>\$ 7,031,896</u>	<u>\$ 12,138,504</u>	<u>\$ 752,849,840</u>	<u>\$ 87,472,357</u>	<u>\$ 852,460,701</u>
6 Cash Working Capital	<u>\$ 95,623,543</u>	<u>\$ 2,396,300</u>	<u>\$ 878,987</u>	<u>\$ 1,517,313</u>	<u>\$ 94,106,230</u>	<u>\$ 7,917,443</u>	<u>\$ 103,540,986</u>

Kentucky Jurisdictional (12 1/2% of Line 5)
Other Jurisdictional comprised of FERC, Tennessee,
and Virginia Jurisdictional methodologies

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional ECR Rate Base at December 31, 2011 (2)	Other Jurisdictional ECR Rate Base at December 31, 2011 (3)	Total Company ECR Rate Base at December 31, 2011 (4)	Kentucky Jurisdictional ECR Roll-In Rate Base (1) (5)	Kentucky Jurisdictional ECR '01 & '03 Rate Base at February 28, 2009 (6)	Kentucky Jurisdictional ECR Post '03 Rate Base at February 28, 2009 (7) (5 - 6)
1. Utility Plant at Original Cost	\$ 1,296,414,097	\$ 199,408,050	\$ 1,495,822,147	\$ 1,125,173,257	\$ 209,140,738	\$ 916,032,519
2. Deduct:						
3. Reserve for Depreciation	102,666,206	15,791,612	118,457,818	43,963,224	25,143,187	18,820,037
4. Net Utility Plant	<u>1,193,747,891</u>	<u>183,616,438</u>	<u>1,377,364,329</u>	<u>1,081,210,033</u>	<u>183,997,551</u>	<u>897,212,482</u>
5. Deduct:						
6. Customer Advances for Construction	-	-	-	-	-	-
7. Accumulated Deferred Income Taxes	80,567,520	12,392,500	92,960,020	37,630,824	29,680,403	7,950,421
8. Asset Retirement Obligation-Net Assets	-	-	-	-	-	-
9. Asset Retirement Obligation-Regulatory Liabilities	-	-	-	-	-	-
10. Investment Tax Credit (a)	23,299,260	3,856,371	27,155,631	20,382,067	-	20,382,067
11. Total Deductions	<u>103,866,780</u>	<u>16,248,871</u>	<u>120,115,651</u>	<u>58,012,891</u>	<u>29,680,403</u>	<u>28,332,488</u>
12. Net Plant Deductions	<u>1,089,881,111</u>	<u>167,367,567</u>	<u>1,257,248,678</u>	<u>1,023,197,142</u>	<u>154,317,148</u>	<u>868,879,994</u>
13. Add:						
14. Materials and Supplies	548,669	83,453	632,122	598,043	-	598,043
15. Prepayments	-	-	-	-	-	-
16. Emission Allowances	330,044	50,766	380,810	3,642	-	3,642
17. Cash Working Capital	2,396,300	368,364	2,764,664	878,987	291,749	587,238
18. Total Additions	<u>3,275,013</u>	<u>502,583</u>	<u>3,777,596</u>	<u>1,480,672</u>	<u>291,749</u>	<u>1,188,923</u>
19. Total Net Original Cost Rate Base	<u>\$ 1,093,156,124</u>	<u>\$ 167,870,150</u>	<u>\$ 1,261,026,274</u>	<u>\$ 1,024,677,814</u>	<u>\$ 154,608,897</u>	<u>\$ 870,068,917</u>

(1) ECR Roll-in pursuant to Commission's Order dated December 2, 2009 in Case No. 2009-00310.

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

KENTUCKY UTILITIES COMPANY
ELECTRIC COST OF SERVICE STUDY
JURISDICTIONAL SEPARATION

12 MONTHS ENDING DECEMBER 31, 2011

RATE BASE: END OF YEAR
ALLOCATION METHOD: AVG 12 CP (COMBINED CO SYS)

ALLOC	TOTAL KENTUCKY UTILITIES (1)	KENTUCKY STATE JURISDICTION (2)	VIRGINIA STATE JURISDICTION (3)	FERC & TENNESSEE JURISDICTION (4)	TENNESSEE STATE JURISDICTION (5)	FERC JURISDICTION (6)	PRIMARY (7)	TRANSMISSION (8)	
SUMMARY OF RESULTS AS ALLOCATED									
ELEMENTS OF RATE BASE									
1	PLANT IN SERVICE	6,443,488,241	5,614,477,615	376,456,372	452,554,254	183,489	452,370,765	143,796,072	308,574,693
2	LESS RESERVE FOR DEPRECIATION	2,395,037,773	2,080,817,095	147,816,116	166,404,562	111,392	166,293,170	52,935,603	113,357,566
3	NET PLANT IN SERVICE	4,048,450,468	3,533,660,520	228,640,256	286,149,692	72,097	286,077,595	90,860,468	195,217,127
4	CONST WORK IN PROGRESS	339,711,432	296,680,367	17,499,717	25,531,348	2,631	25,528,716	8,047,395	17,481,321
5	NET PLANT	4,388,161,900	3,830,340,887	246,139,973	311,681,040	74,728	311,606,312	98,907,863	212,698,448
ADD:									
6	MATERIALS & SUPPLIES	42,804,186	37,153,312	2,481,807	3,169,067	1,064	3,168,003	1,003,042	2,164,961
7	FUEL INVENTORY	90,432,767	78,471,675	4,208,795	7,752,297	377	7,751,920	2,517,133	5,234,787
8	PREPAYMENTS	7,767,704	6,956,836	379,925	430,942	187	430,755	137,945	292,810
9	WORKING CASH	103,540,986	95,623,543	-	7,917,443	1,378	7,916,065	2,562,353	5,353,712
10	EMISSION ALLOWANCES	510,543	442,484	25,355	42,704	4	42,700	13,339	29,361
11	TOTAL ADDITIONS	245,056,186	218,647,851	7,095,883	19,312,452	3,009	19,309,443	6,233,812	13,075,630
DEDUCT:									
12	RESERVE FOR DEF TAXES	475,941,762	416,040,136	27,398,303	32,503,323	13,161	32,490,162	10,325,360	22,164,801
13	RESERVE FOR ITC	101,407,768	87,006,521	5,145,678	9,255,568	762	9,254,807	2,891,115	6,363,691
14	CUSTOMER ADVANCES	3,155,939	2,998,149	157,790	-	-	-	-	-
15	CUSTOMER DEPOSITS-VIRGINIA	22,862,412	-	514,229	-	-	-	-	-
16	DEFERRED FUEL-VIRGINIA	(2,924,152)	-	(2,924,152)	-	-	-	-	-
17	OPEB UNFUNDED-VIRGINIA	61,769,169	-	3,359,730	0	-	0	-	-
18	TOTAL DEDUCTIONS	662,212,898	506,044,807	33,651,578	41,758,891	13,923	41,744,968	13,216,476	28,528,493
19	NET ORIGINAL COST RATE BASE	3,971,005,187	3,542,943,931	219,584,278	289,234,600	63,815	289,170,786	91,925,200	197,245,586
DEVELOPMENT OF RETURN									
20	OPERATING REVENUES	1,547,516,986	1,365,943,770	74,868,452	106,704,764	5,995	106,698,770	34,372,405	72,326,364
OPERATING EXPENSES									
21	OPERATION & MAINT EXPENSE	981,575,649	859,662,729	49,236,473	72,676,447	11,506	72,664,941	23,522,084	49,142,857
22	DEPRECIATION & AMORT EXP	189,190,233	165,252,726	10,074,584	13,862,923	3,687	13,859,236	4,394,303	9,464,933
23	REGULATORY CREDITS	(5,855,640)	(5,077,896)	(289,712)	(488,032)	(44)	(487,988)	(152,483)	(335,505)
24	TAXES OTHER THAN INC TAX	28,115,767	24,910,482	1,462,299	1,742,986	536	1,742,450	556,181	1,186,269
25	INCOME TAXES	109,076,966	99,407,607	4,070,706	5,620,187	(4,229)	5,624,416	1,801,295	3,823,121
26	(GAIN) / LOSS DISPOSITION ALLOWANCES	(3,293)	(2,854)	(164)	(275)	(0)	(275)	(86)	(189)
27	(GAIN) / LOSS DISPOSITION PROPERTY-VA	(46,988)	-	(2,745)	-	-	-	-	-
28	CHARITABLE CONTRIBUTIONS-VA	644,462	-	17,527	-	-	-	-	-
29	INTEREST ON CUSTOMER DEPOSITS-VA	1,363,673	-	1,921	-	-	-	-	-
30	ACCRETION EXPENSE	2,827,117	2,452,337	139,599	235,181	21	235,160	73,491	161,669
31	TOTAL OPERATING EXPENSES	1,306,887,946	1,146,605,130	64,710,487	93,649,417	11,478	93,637,940	30,194,785	63,443,154
32	RETURN	240,629,040	219,338,639	10,157,965	13,055,347	(5,483)	13,060,830	4,177,620	8,883,210
33	RATE OF RETURN	6.06%	6.19%	4.63%	4.51%	-8.59%	4.52%	4.54%	4.50%

Account Balance for KU

Period Name DEC-2011

Account	Account	Company	Balance SUM	
			0110	Sum
101107	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		57,517,877.87	57,517,877.87
101125	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		374,327.29	374,327.29
108107	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		-3,517,277.38	-3,517,277.38
108125	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		-6,637.64	-6,637.64
108799	RWIP-ARO LEGAL		410,549.80	410,549.80
182317	OTHER REGULATORY ASSETS ARO - GENERATION		7,387,106.47	7,387,106.47
182318	OTHER REG ASSETS ARO - TRANSMISSION		8,472.85	8,472.85
182325	OTHER REGULATORY ASSETS ARO - DISTRIBUTION		25,712.72	25,712.72
230012	ASSET RETIREMENT OBLIGATIONS - STEAM		-60,261,506.99	-60,261,506.99
230013	ASSET RETIREMENT OBLIGATIONS - TRANSMISSION		-545,748.17	-545,748.17
230015	ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION		-806,034.02	-806,034.02
230022	ASSET RETIREMENT OBLIGATIONS - STEAM - ST		-176,293.00	-176,293.00
254014	REGULATORY LIABILITY ARO - GENERATION		-3,533,597.56	-3,533,597.56
254015	REGULATORY LIABILITY ARO - TRANSMISSION		0.00	0.00
	Sum		-3,123,047.76	-3,123,047.76

Rate Base
Surplus % 86.669
Demand

Rate Base

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Revenue Requirements of Environmental Compliance Costs
 For the Expense Month of December 2011

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 CWTP Excluding AFUDC		160,117,611	19,254,282
Subtotal		\$ 1,476,567,865	\$ 19,254,282
Additions:			
Inventory - Limestone		\$ 708,595	
Less: Limestone Inventory in base rates		76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		450,225	
Less: Allowance Inventory Baseline		69,415	
Net Emission Allowance Inventory		380,810	
Cash Working Capital Allowance		2,649,591	
Subtotal		3,662,522	115,073
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant		118,457,818	
Pollution Control Deferred Income Taxes		92,960,020	
Pollution Control Deferred Investment Tax Credit		27,155,631	
Subtotal		238,573,469	
Environmental Compliance Rate Base		\$ 1,241,656,918	\$ 19,369,355

Determination of Pollution Control Operating Expenses		Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense		\$ 1,063,355	\$ 920,585
Monthly Depreciation & Amortization Expense		4,017,862	-
Monthly Taxes Other Than Income Taxes		162,352	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		10,502	-
Add KU Current Month TC2 SQ Emission Allowance Expense not reflected on ES Form 2.31		0	-
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)		4,862	-
Net Recoverable Emission Allowance Expense		5,640	16,258
Monthly Surcharge Consultant Fee			-
Construction Monitoring Consultant Fee			-
Total Pollution Control Operations Expense		\$ 5,249,209	\$ 936,843

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	\$ 53,014	\$ 50,597	\$ 2,416
Total Proceeds from Sales	\$ 53,014	\$ 50,597	\$ 2,416

Kentucky Utilities Company
Calculation of ECR Roll-in At February 28, 2009

	TOTAL		Eliminated Plans (2001 & 2003)		Post Rate Case ECR Plans (05 & 06)	
	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis	Environmental Compliance Plans at Feb. 28, 2009	Jurisdictional Basis
Calculation of Revenue Requirement						
Environmental Compliance Rate Base						
Pollution Control Plant in Service	688,693,392	564,353,691	240,167,567	196,806,670	448,525,825	367,547,021
Pollution Control CWIP Excluding AFUDC	609,548,490	499,497,954	1,142,172	935,959	608,406,318	498,561,994
Subtotal	1,298,241,882	1,063,851,644	241,309,739	197,742,629	1,056,932,143	866,109,015
Additions:						
Limestone, net of amount in base rates	689,005	564,609	-	-	689,005	564,609
Emission Allowances, net of amount in base rates	4,202	3,443	-	-	4,202	3,443
Cash Working Capital Allowance	1,014,107	831,016	336,597	275,826	677,510	555,189
Subtotal	1,707,314	1,399,068	336,597	275,826	1,370,717	1,123,242
Deductions:						
Accumulated Depreciation on Pollution Control Plant	50,725,431	41,567,241	29,010,589	23,772,891	21,714,842	17,794,350
Pollution Control Deferred Income Taxes	43,419,013	35,579,955	34,245,697	28,062,830	9,173,316	7,517,126
Pollution Control Deferred Investment Tax Credit	23,755,600	19,466,661	-	-	23,755,600	19,466,661
Subtotal	117,900,044	96,613,857	63,256,286	51,835,721	54,643,758	44,778,136
Environmental Compliance Rate Base	\$ 1,182,049,152	\$ 968,636,855	\$ 178,390,050	\$ 146,182,734	\$ 1,003,659,102	\$ 822,454,121
Rate of Return – Environmental Compliance Rate Base			11.12%		11.12%	
Return on Environmental Compliance Rate Base	\$ 131,443,866	\$ 107,712,418	\$ 19,836,974	\$ 16,255,520	\$ 111,606,892	\$ 91,456,898
Pollution Control Operating Expenses						
12 Month Depreciation and Amortization Expense	24,486,356	20,065,483	6,053,383	4,960,479	18,432,974	15,105,004
12 Month Taxes Other than Income Taxes	1,368,589	1,121,498	326,224	267,326	1,042,365	854,172
12 Month Operating and Maintenance Expense	8,112,850	6,648,121	2,692,772	2,206,608	5,420,078	4,441,513
12 Month Emission Allowance Expense, net of amounts in base rates	478,162	391,833	-	-	478,162	391,833
Total Pollution Control Operating Expenses	\$ 34,445,958	\$ 28,226,935	\$ 9,072,379	\$ 7,434,412	\$ 25,373,579	\$ 20,792,523
Gross Proceeds from By-Product & Allowance Sales	300,541	246,280	-	-	300,541	246,280
Total Company Environmental Surcharge Gross Revenue Requirement						
Return on Environmental Compliance Rate Base	131,443,866	107,712,418	19,836,974	16,255,520	111,606,892	91,456,898
Pollution Control Operating Expenses	34,445,958	28,226,935	9,072,379	7,434,412	25,373,579	20,792,523
Less Gross Proceeds from By-Product & Allowance Sales	(300,541)	(246,280)	-	-	(300,541)	(246,280)
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 165,589,283	\$ 135,693,073	\$ 28,909,353	\$ 23,689,932	\$ 136,679,930	\$ 112,003,141
Jurisdictional Allocation Ratio	81.9456%		81.9456%		81.9456%	
Jurisdictional Revenues for 12 Months	\$ 1,104,927,147		\$ 1,104,927,147		\$ 1,104,927,147	
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 165,589,283		\$ 28,909,353		\$ 136,679,930	
Jurisdictional Allocation Ratio	81.9456%		81.9456%		81.9456%	
Jurisdictional Environmental Surcharge Gross Revenue Requirement	\$ 135,693,073		\$ 23,689,932		\$ 112,003,141	

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	ECR RATE BASE JURIS FACTORS ALLOCATIONS (PER PSC 98-474)
1. Utility Plant at Original Cost	0.86669 DEMPROD
2. Deduct:	
3. Reserve for Depreciation	0.86669 STMSYS
4. Net Utility Plant	
5. Deduct:	
6. Customer Advances for Construction	
7. Accumulated Deferred Income Taxes	0.86669 PRODSYS
8. Asset Retirement Obligation-Net Assets	
9. Asset Retirement Obligation-Regulatory Liabilities	
10. Investment Tax Credit (a)	0.85799 PRODPLT
11. Total Deductions	
12. Net Plant Deductions	
13. Add:	
14. Materials and Supplies	0.86798 M&S
15. Prepayments	
16. Emission Allowances	0.86669 DEMPROD
17. Cash Working Capital	0.86676 EXP5017 STEAM OPERATING EXP
18. Total Additions	
19. Total Net Original Cost Rate Base	86.6878%

KENTUCKY UTILITIES

Calculation of Excess Return Amount at December 31, 2011

	<u>ELECTRIC</u> <u>(1)</u>
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	9.54%
2. Threshold Rate of Return on Common Equity (Section 2.3)	<u>10.75%</u>
3. Difference (Lines: 1 - 2)	<u>-1.21%</u>
4. Actual ROE is less than 10.75%. There is no excess return amount.	

KENTUCKY UTILITIES

**Kentucky Jurisdictional Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Kentucky Jurisdictional Capitalization (Exhibit 2 Col 12) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 14) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$1,504,883,430	46.46%	3.68%	1.71%
3. Common Equity	\$1,733,881,002	53.54%	9.54% (a)	5.11% (b)
4. Total Capitalization	\$3,238,764,432	100.00%		6.82%
5. Pro-forma Net Operating Income				\$220,905,799 (c)
6. Net Operating Income / Total Capitalization				6.82% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
 (b) - Column 4, Line 4 - Line 1 - Line 2
 (c) - Exhibit 1, Line 24, Column 4
 (d) - Column 4, Line 5 divided by Column 1, Line 4

KENTUCKY UTILITIES

Acquisition Savings Sharing Deferral Methodology ECR Revenue Requirement Method

Index of Schedules

<u>Settlement</u> <u>Agreement Section</u>	<u>Supplemental</u> <u>Exhibit</u>	<u>Reference</u> <u>Schedule</u>	<u>Description</u>
Section 2.2.1	Exhibit 1		Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
	Exhibit 1	1.00	Adjustment to eliminate unbilled revenues
	Exhibit 1	1.01	To adjust mismatch in fuel cost recovery
	Exhibit 1	1.02	To adjust base rates and FAC to reflect a full year of the FAC roll-in
	Exhibit 1	1.03	Adjustment to eliminate Environmental Surcharge revenues and expenses
	Exhibit 1	1.04	Off-system sales revenue adjustment for the ECR calculation
	Exhibit 1	1.05	To eliminate net brokered and financial swap revenues and expenses
	Exhibit 1	1.06	To eliminate ECR, MSR, FAC, and DSM accruals
	Exhibit 1	1.07	To eliminate DSM revenue and expenses
	Exhibit 1	1.08	Adjustment to annualize year-end customers
	Exhibit 1	1.09	Adjustment to reflect annualized depreciation expenses
	Exhibit 1	1.10	Adjustment to reflect increases in labor and labor related costs
	Exhibit 1	1.11	Adjustment for pension, post retirement, and post employment costs
	Exhibit 1	1.12	Adjustment to reflect normalized storm damage expense
	Exhibit 1	1.13	Adjustment for injuries and damages FERC account 925
	Exhibit 1	1.14	Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016
	Exhibit 1	1.15	Adjustment to remove out-of-period items
	Exhibit 1	1.18	Calculation of Composite Federal and Kentucky Income tax rate
	Exhibit 1	1.19	Adjustment to federal and state income taxes resulting from interest synchronization
	Exhibit 1	1.20	Prior income tax true-ups and adjustments
	Exhibit 1	1.21	Calculation of Revenue Gross Up Factor
	Exhibit 1	Allocators	Kentucky Jurisdictional Allocators
Section 2.2.2	Exhibit 2		Capitalization at December 31, 2011
Section 2.2.2	Exhibit 3		Net Original Cost Kentucky Jurisdictional Rate Base
Section 2.4	Exhibit 8		Calculation of Excess Return Amount at December 31, 2011
Section 2.2.3	Exhibit 9		Kentucky Jurisdictional Rate of Return on Common Equity

KENTUCKY UTILITIES

**Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)
1. Jurisdictional amount per books		1,365,943,770	1,146,605,130	\$ 219,338,640
2. Revenue and Expense Adjustments:				
3. Adjustment to eliminate unbilled revenues	1.00	14,834,557	-	14,834,557
4. To adjust mismatch in fuel cost recovery	1.01	(9,163,730)	(10,060,372)	896,642
5. To adjust base rates and FAC to reflect a full year of the FAC roll-in	1.02	2,733,478	-	2,733,478
6. Adjustment to eliminate Environmental Surcharge revenues and expenses	1.03	(168,477,042)	(61,888,868)	(106,588,174)
7. Off-system sales revenue adjustment for the ECR calculation	1.04	(4,204,844)	-	(4,204,844)
8. To eliminate net brokered and financial swap revenues and expenses	1.05	297,367	(5,641)	303,008
9. To eliminate rate mechanisms revenue accruals	1.06	(9,317,804)	-	(9,317,804)
10. To eliminate DSM revenue and expenses	1.07	(17,120,990)	(12,541,915)	(4,579,075)
11. Adjustment to annualize year-end customers	1.08	(13,701,571)	(7,542,566)	(6,159,006)
12. Adjustment to reflect annualized depreciation expenses	1.09	-	3,629,021	(3,629,021)
13. Adjustment to reflect increases in labor and labor related costs	1.10	-	2,781,358	(2,781,358)
14. Adjustment for pension, post retirement, and post employment costs	1.11	-	(5,383,324)	5,383,324

KENTUCKY UTILITIES

**Adjustments to Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended December 31, 2011**

	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)
15. Adjustment to reflect normalized storm damage expense	1.12	-	(218,790)	218,790
16. Adjustment for injuries and damages FERC account 925	1.13	-	(854,518)	854,518
17. Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016	1.14	-	(787,057)	787,057
18. Adjustment to remove out-of-period items	1.15	6,057	18,185	(12,128)
19. Total of above adjustments		<u>(204,114,522)</u>	<u>(92,854,486)</u>	<u>(111,260,036)</u>
20. Federal and state income taxes corresponding to base revenue and expense adjustments and above adjustments -	36.7293 % 1.18		(40,864,989)	40,864,989
21. Federal and state income taxes corresponding to annualization and adjustment of year-end interest expense	1.19		336,169	(336,169)
22. Prior income tax true-ups and adjustments	1.20		347,815	(347,815)
23. Total adjustments		<u>(204,114,522)</u>	<u>(133,035,491)</u>	<u>(71,079,031)</u>
24. Adjusted Net Operating Income		<u>1,161,829,248</u>	<u>1,013,569,639</u>	<u>\$ 148,259,609</u>

KENTUCKY UTILITIES COMPANY
ELECTRIC COST OF SERVICE STUDY
JURISDICTIONAL SEPARATION

12 MONTHS ENDING DECEMBER 31, 2011

RATE BASE: END OF YEAR
ALLOCATION METHOD: AVG 12 CP (COMBINED CO SYS)

ALOC	TOTAL KENTUCKY UTILITIES (1)	KENTUCKY STATE JURISDICTION (2)	VIRGINIA STATE JURISDICTION (3)	FERC & TENNESSEE JURISDICTION (4)	TENNESSEE STATE JURISDICTION (5)	FERC JURISDICTION (6)	PRIMARY (7)	TRANSMISSION (8)
SUMMARY OF RESULTS AS ALLOCATED								
ELEMENTS OF RATE BASE								
1 PLANT IN SERVICE	6,443,488,241	5,614,477,615	376,456,372	452,554,254	183,489	452,370,765	143,796,072	308,574,693
2 LESS RESERVE FOR DEPRECIATION	2,395,037,773	2,080,817,095	147,816,116	166,404,562	111,392	166,293,170	52,935,603	113,357,566
3 NET PLANT IN SERVICE	4,048,450,468	3,533,660,520	228,640,256	286,149,692	72,097	286,077,595	90,860,468	195,217,127
4 CONST WORK IN PROGRESS	339,711,432	296,680,367	17,499,717	25,531,348	2,631	25,528,716	8,047,395	17,481,321
5 NET PLANT	4,388,161,900	3,830,340,887	246,139,973	311,681,040	74,728	311,606,312	98,907,863	212,698,448
ADD:								
6 MATERIALS & SUPPLIES	42,804,186	37,153,312	2,481,807	3,169,067	1,064	3,168,003	1,003,042	2,164,961
7 FUEL INVENTORY	90,432,767	78,471,675	4,208,795	7,752,297	377	7,751,920	2,517,133	5,234,787
8 PREPAYMENTS	7,767,704	6,956,836	379,925	430,942	187	430,755	137,945	292,810
9 WORKING CASH	103,540,986	95,623,543	-	7,917,443	1,378	7,916,065	2,562,353	5,353,712
10 EMISSION ALLOWANCES	510,543	442,484	25,355	42,704	4	42,700	13,339	29,361
11 TOTAL ADDITIONS	245,056,186	218,647,851	7,095,883	19,312,452	3,009	19,309,443	6,233,812	13,075,630
DEDUCT:								
12 RESERVE FOR DEF TAXES	475,941,762	416,040,136	27,398,303	32,503,323	13,161	32,490,162	10,325,360	22,164,801
13 RESERVE FOR ITC	101,407,768	87,006,521	5,145,678	9,255,568	762	9,254,807	2,891,115	6,363,691
14 CUSTOMER ADVANCES	3,155,939	2,998,149	157,790	-	-	-	-	-
15 CUSTOMER DEPOSITS-VIRGINIA	22,862,412	-	(2,924,152)	0	-	0	-	-
16 DEFERRED FUEL-VIRGINIA	(2,924,152)	-	3,359,730	13,923	13,923	41,744,968	13,216,476	28,528,493
17 OPEB UNFUNDED-VIRGINIA	61,769,169	506,044,807	33,651,578	41,758,891	63,815	289,170,786	91,925,200	197,245,586
18 TOTAL DEDUCTIONS	662,212,898	3,542,943,931	219,584,278	289,234,600	63,815	289,170,786	91,925,200	197,245,586
19 NET ORIGINAL COST RATE BASE	3,971,005,187	3,542,943,931	219,584,278	289,234,600	63,815	289,170,786	91,925,200	197,245,586
DEVELOPMENT OF RETURN								
20 OPERATING REVENUES	1,547,516,986	1,365,943,770	74,868,452	106,704,764	5,995	106,698,770	34,372,405	72,326,364
OPERATING EXPENSES								
21 OPERATION & MAINT EXPENSE	981,575,649	859,662,729	49,236,473	72,676,447	11,506	72,664,941	23,522,084	49,142,857
22 DEPRECIATION & AMORT EXP	189,190,233	165,252,726	10,074,584	13,862,923	3,687	13,859,236	4,394,303	9,464,933
23 REGULATORY CREDITS	(5,855,640)	(5,077,896)	(289,712)	(488,032)	(44)	(487,988)	(152,483)	(335,505)
24 TAXES OTHER THAN INC TAX	28,115,767	24,910,482	1,462,299	1,742,986	536	1,742,450	556,181	1,186,269
25 INCOME TAXES	109,076,966	99,407,607	4,070,706	5,620,187	(4,229)	5,624,416	1,801,295	3,823,121
26 (GAIN) / LOSS DISPOSITION ALLOWANCES	(3,293)	(2,854)	(164)	(275)	(0)	(275)	(86)	(189)
27 (GAIN) / LOSS DISPOSITION PROPERTY-VA	(46,988)	-	(2,745)	-	-	-	-	-
28 CHARITABLE CONTRIBUTIONS-VA	644,462	-	17,527	-	-	-	-	-
29 INTEREST ON CUSTOMER DEPOSITS-VA	1,363,673	2,452,337	139,599	235,181	21	235,160	73,491	161,669
30 ACCRETION EXPENSE	2,827,117	1,146,605,130	64,710,487	93,649,417	11,478	93,637,940	30,194,785	63,443,154
31 TOTAL OPERATING EXPENSES	1,306,887,946	219,338,639	10,157,965	13,055,347	(5,483)	13,060,830	4,177,620	8,883,210
32 RETURN	240,629,040	6.19%	4.63%	4.51%	-8.59%	4.52%	4.54%	4.50%
33 RATE OF RETURN	6.06%							

KENTUCKY UTILITIES

Adjustment to Eliminate Unbilled Revenues

1. Unbilled revenues at December 31, 2010	\$ 82,840,000
2. Unbilled revenues at December 31, 2011	<u>(68,005,443)</u>
3. Increase/(Decrease) in book revenues due to unbilled revenues	<u>\$ 14,834,557</u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

KU (Electric) (KY and TN only)

TOTAL Ultimate Consumers:

	KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH
Actual	18,507,215,314	\$ 70,876,976	\$ 157,516,769	\$ 71,723,350	\$ 389,119,187	\$ 62,004,293	\$ 501,801,750	\$ 9,509,017	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,314,289,515	\$ 71.01
Budget	18,385,858,862	\$ 78,373,235	\$ 180,527,121	\$ 63,344,263	\$ 387,837,500	\$ 61,701,300	\$ 506,346,554	\$ 18,355,210	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,389,899,858	\$ 75.60
Variance	121,356,452	\$ (7,496,259)	\$ (23,010,352)	\$ 8,379,087	\$ 1,281,687	\$ 302,993	\$ (4,544,804)	\$ (8,846,193)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (75,610,343)	\$ (4.58)
Dollars per MWH - Actual		\$ 3.83	\$ 8.51	\$ 3.88	\$ 21.03	\$ 3.35	\$ 27.11	\$ 0.51	\$ 0.93	\$ 1.87	\$ -	\$ -	\$ 71.01	
Dollars per MWH - Budget		\$ 4.26	\$ 9.82	\$ 3.45	\$ 21.09	\$ 3.36	\$ 27.54	\$ 1.00	\$ 1.29	\$ 3.79	\$ -	\$ -	\$ 75.60	

Wholesale-Municipals:

Actual	1,756,275,201	\$ 312,864	\$ 40,350,276	\$ -	\$ 6,989,864	\$ -	\$ 43,081,431	\$ 5,483,169	\$ -	\$ -	\$ -	\$ -	\$ 96,217,604	\$ 54.79
Budget	2,019,073,644	\$ -	\$ 48,912,880	\$ -	\$ 8,000,031	\$ -	\$ 49,527,878	\$ 1,807,391	\$ -	\$ -	\$ -	\$ -	\$ 108,248,180	\$ 53.61
Variance	(262,798,443)	\$ 312,864	\$ (8,562,604)	\$ -	\$ (1,010,167)	\$ -	\$ (6,446,447)	\$ 3,675,778	\$ -	\$ -	\$ -	\$ -	\$ (12,030,576)	\$ 1.17
Dollars per MWH - Actual		\$ 0.18	\$ 22.97	\$ -	\$ 3.98	\$ -	\$ 24.53	\$ 3.12	\$ -	\$ -	\$ -	\$ -	\$ 54.79	
Dollars per MWH - Budget		\$ -	\$ 24.23	\$ -	\$ 3.96	\$ -	\$ 24.53	\$ 0.90	\$ -	\$ -	\$ -	\$ -	\$ 53.61	

TOTAL Internal Sales:

Actual	20,263,490,515	\$ 71,169,840	\$ 197,867,045	\$ 71,723,350	\$ 396,109,051	\$ 62,004,293	\$ 544,883,181	\$ 14,992,186	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,410,507,118	\$ 69.61
Budget	20,404,932,506	\$ 78,373,235	\$ 229,440,001	\$ 63,344,263	\$ 395,837,531	\$ 61,701,300	\$ 555,874,432	\$ 20,162,501	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,498,148,038	\$ 73.42
Variance	(141,441,991)	\$ (7,183,395)	\$ (31,572,956)	\$ 8,379,087	\$ 271,520	\$ 302,993	\$ (10,991,251)	\$ (5,170,415)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (87,640,920)	\$ (3.81)
Dollars per MWH - Actual		\$ 3.51	\$ 9.76	\$ 3.54	\$ 19.55	\$ 3.06	\$ 26.89	\$ 0.74	\$ 0.84	\$ 1.71	\$ -	\$ -	\$ 69.61	
Dollars per MWH - Budget		\$ 3.84	\$ 11.24	\$ 3.10	\$ 19.40	\$ 3.02	\$ 27.24	\$ 0.99	\$ 1.16	\$ 3.42	\$ -	\$ -	\$ 73.42	

ACCRUED REVENUES

TOTAL Ultimate Consumers:

	KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH
Actual: Unbilled Accrued	929,796,638	\$ 3,232,000	\$ 8,006,139	\$ 3,418,689	\$ 21,551,070	\$ 3,283,000	\$ 24,777,098	\$ (359,879)	\$ 859,525	\$ 3,237,801	\$ -	\$ -	\$ 68,005,443	\$ 73.14
Actual: Unbilled Reversal	(1,116,803,000)	\$ (3,154,000)	\$ (8,186,000)	\$ (3,595,000)	\$ (26,003,000)	\$ (4,254,000)	\$ (30,749,000)	\$ (2,465,000)	\$ (1,153,000)	\$ (3,275,000)	\$ (6,000)	\$ -	\$ (82,840,000)	\$ 74.18
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161,000	\$ 2,937,495	\$ 5,218,913	\$ -	\$ -	\$ 9,317,408	\$ -
Actual: Net Accrued Revenues	(187,006,362)	\$ 78,000	\$ (179,861)	\$ (176,311)	\$ (4,451,930)	\$ (971,000)	\$ (5,971,902)	\$ (1,663,879)	\$ 2,644,020	\$ 5,181,714	\$ (6,000)	\$ -	\$ (5,517,149)	\$ 29.50
Budget: Unbilled Accrued	948,785,323	\$ -	\$ -	\$ -	\$ 20,574,240	\$ 3,525,116	\$ 26,129,548	\$ (447,225)	\$ 1,160,570	\$ 3,276,370	\$ -	\$ -	\$ 54,218,619	\$ 57.15
Budget: Unbilled Reversal	(883,288,741)	\$ -	\$ -	\$ -	\$ (23,027,363)	\$ (647,421)	\$ (24,325,772)	\$ (1,720,889)	\$ (1,105,418)	\$ (7,712,585)	\$ -	\$ -	\$ (58,539,448)	\$ 66.27
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	65,496,582	\$ -	\$ -	\$ -	\$ (2,453,123)	\$ 2,877,695	\$ 1,803,776	\$ (2,168,114)	\$ 55,152	\$ (4,436,215)	\$ -	\$ -	\$ (4,320,829)	\$ (65.97)

Wholesale-Municipals:

Actual: Unbilled Accrued	156,587,862	\$ 26,072	\$ 3,066,694	\$ -	\$ 627,398	\$ -	\$ 3,841,100	\$ 212,323	\$ -	\$ -	\$ -	\$ -	\$ 7,773,588	\$ 49.64
Actual: Unbilled Reversal	(6,996,000)	\$ -	\$ (64,000)	\$ -	\$ (199,000)	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ (261,000)	\$ 37.31
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual: Net Accrued Revenues	149,591,862	\$ 26,072	\$ 3,002,694	\$ -	\$ 428,398	\$ -	\$ 3,841,100	\$ 214,323	\$ -	\$ -	\$ -	\$ -	\$ 7,512,588	\$ 50.22
Budget: Unbilled Accrued	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Unbilled Reversal	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

OPERATING REVENUES

TOTAL Ultimate Consumers:

Actual	18,320,208,952	\$ 70,954,976	\$ 157,336,907	\$ 71,547,039	\$ 384,667,257	\$ 61,033,293	\$ 495,829,848	\$ 7,845,138	\$ 19,765,010	\$ 39,798,499	\$ (5,616)	\$ 12	\$ 1,308,772,366	\$ 71.44
Budget	18,451,355,444	\$ 78,373,235	\$ 180,527,121	\$ 63,344,263	\$ 385,384,377	\$ 64,578,995	\$ 508,150,330	\$ 16,187,096	\$ 23,709,290	\$ 65,324,322	\$ -	\$ -	\$ 1,385,579,029	\$ 75.09
Variance	(131,146,492)	\$ (7,418,259)	\$ (23,190,214)	\$ 8,202,776	\$ (717,120)	\$ (3,545,701)	\$ (12,320,482)	\$ (8,341,958)	\$ (3,944,280)	\$ (25,525,823)	\$ (5,616)	\$ 12	\$ (76,806,663)	\$ (3.65)
Dollars per MWH - Actual		\$ 3.87	\$ 8.59	\$ 3.91	\$ 21.00	\$ 3.33	\$ 27.06	\$ 0.43	\$ 1.08	\$ 2.17	\$ -	\$ -	\$ 71.44	
Dollars per MWH - Budget		\$ 4.25	\$ 9.78	\$ 3.43	\$ 20.89	\$ 3.50	\$ 27.54	\$ 0.88	\$ 1.28	\$ 3.54	\$ -	\$ -	\$ 75.09	

Wholesale-Municipals:

Actual	1,905,867,063	\$ 338,936	\$ 43,352,970	\$ -	\$ 7,418,262	\$ -	\$ 46,922,531	\$ 5,697,493	\$ -	\$ -	\$ -	\$ -	\$ 103,730,192	\$ 54.43
Budget	2,019,073,644	\$ -	\$ 48,912,880	\$ -	\$ 8,000,031	\$ -	\$ 49,527,878	\$ 1,807,391	\$ -	\$ -	\$ -	\$ -	\$ 108,248,180	\$ 53.61
Variance	(113,206,581)	\$ 338,936	\$ (5,559,910)	\$ -	\$ (581,769)	\$ -	\$ (2,605,347)	\$ 3,890,102	\$ -	\$ -	\$ -	\$ -	\$ (4,517,988)	\$ 0.81
Dollars per MWH - Actual		\$ 0.18	\$ 22.75	\$ -	\$ 3.89	\$ -	\$ 24.62	\$ 2.99	\$ -	\$ -	\$ -	\$ -	\$ 54.43	
Dollars per MWH - Budget		\$ -	\$ 24.23	\$ -	\$ 3.96	\$ -	\$ 24.53	\$ 0.90	\$ -	\$ -	\$ -	\$ -	\$ 53.61	

TOTAL Internal Sales:

Actual	20,226,076,015	\$ 71,293,912	\$ 200,689,878	\$ 71,547,039	\$ 392,085,519	\$ 61,033,293	\$ 542,752,379	\$ 13,542,631	\$ 19,765,010	\$ 39,798,499	\$ (5,616)	\$ 12	\$ 1,412,502,557	\$ 69.84
Budget	20,470,429,088	\$ 78,373,235	\$ 229,440,001	\$ 63,344,263	\$ 393,384,408	\$ 64,578,995	\$ 557,678,208	\$ 17,994,487	\$ 23,709,290	\$ 65,324,322	\$ -	\$ -	\$ 1,493,827,209	\$ 72.97
Variance	(244,353,073)	\$ (7,079,323)	\$ (28,750,123)	\$ 8,202,776	\$ (1,298,889)	\$ (3,545,701)	\$ (14,925,829)	\$ (4,451,856)	\$ (3,944,280)	\$ (25,525,823)	\$ (5,616)	\$ 12	\$ (81,324,652)	\$ (3.14)
Dollars per MWH - Actual		\$ 3.52	\$ 9.92	\$ 3.54	\$ 19.39	\$ 3.02	\$ 26.83	\$ 0.67	\$ 0.98	\$ 1.97	\$ -	\$ -	\$ 69.84	

**Supplemental Exhibit 1
Reference Schedule 1.01**

KENTUCKY UTILITIES

**To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended December 31, 2011**

Expense Month	Revenue Form A Page 5 of 6 Line 3	Expense Form A* Page 5 of 6 Line 8
Jan-11	(4,235,011)	(36,966)
Feb-11	2,626,531	(445,420)
Mar-11	(30,433)	(862,022)
Apr-11	(413,989)	373,214
May-11	(764,843)	1,868,842
Jun-11	442,436	1,659,021
Jul-11	2,203,882	5,453,175
Aug-11	1,897,425	4,052,858
Sep-11	5,048,751	2,211,016
Oct-11	3,444,797	(2,873,345)
Nov-11	2,048,455	(786,511)
Dec-11	(3,104,271)	(553,491)
Total	<u>\$ 9,163,730</u>	<u>\$ 10,060,372</u>
Adjustment	<u>\$ (9,163,730)</u>	<u>\$ (10,060,372)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example,
January 2011 would be reflected in March 2011.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : January 2011

1.	Last FAC Rate Billed		<u>(\$0.00215)</u>
2.	KWH Billed at Above Rate		<u>1,969,772,373</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (4,235,011)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,564,718,307</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>225,103,957</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,339,614,350</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,880,171)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,354,840)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,165,851,031</u>
11.	Kentucky Jurisdictional Sales		<u>1,848,287,754</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.17181485</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,587,622)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2011

1.	Last FAC Rate Billed		<u>\$0.00160</u>
2.	KWH Billed at Above Rate		<u>1,641,581,988</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,626,531</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,171,295,898</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>322,313,820</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,848,982,078</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,958,371</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (331,840)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,724,874,871</u>
11.	Kentucky Jurisdictional Sales		<u>1,476,196,814</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16845861</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (387,741)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : March 2011

1.	Last FAC Rate Billed	<u>(\$0.00002)</u>
2.	KWH Billed at Above Rate	<u>1,521,658,104</u>
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	<u>\$ (30,433)</u>
4.	KWH Used to Determine Last FAC Rate	<u>2,165,851,031</u>
5.	Non-Jurisdictional KWH (Included in Line 4)	<u>317,563,277</u>
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	<u>1,848,287,754</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)	<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	<u>\$ (36,966)</u>
9.	Over or (Under) Recovery (Line 3 - Line 8)	<u>\$ 6,533</u>
10.	Over Recovery Correction*	<u>353,918</u>
11.	Total Adjusted Over or (Under) Recovery (Line 9 + Line 10)	<u>\$ 360,451</u>
12.	Total Sales "Sm" (From Page 3 of 6)	<u>1,707,207,991</u>
13.	Kentucky Jurisdictional Sales	<u>1,461,054,148</u>
14.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 12 / Line 13)	<u>1.16847688</u>
15.	Total Company Over or (Under) Recovery (Line 11 x Line 14)	<u>\$ 421,179</u>

* - Over Recovery due to the over-statement of line losses for May, Jun, Sep, Oct, Nov, and Dec 2010 and Jan 2011. Losses were over-stated because the line loss calculation did not include the partners' share (IMEA and IMPA) of the monthly test energy produced by Trimble County 2 and the effect of the Trimble County 2 test energy sold Off System during that time period. See Exhibit 1.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : April 2011

		As Billed	As Corrected (Note 1)
1.	Last FAC Rate Billed	(\$0.00017)	(\$0.00030)
2.	KWH Billed at Above Rate	1,379,963,352	1,379,963,352
3.	FAC Revenue/(Refund) (Line 1 x Line 2)	\$ (234,594)	\$ (413,989)
4.	KWH Used to Determine Last FAC Rate	1,724,874,871	1,733,410,436
5.	Non-Jurisdictional KWH (Included in Line 4)	248,678,057	248,678,057
6.	Kentucky Jurisdictional KWH (Line 4 - Line 5)	1,476,196,814	1,484,732,379
7.	Revised FAC Rate Billed, if prior period adjustment is needed	\$0.00000	\$0.00000
8.	Recoverable FAC Revenue/(Refund) (Line 1 x Line 6)	\$ (250,953)	\$ (445,420)
9.	Over or (Under) Recovery (Line 3 - Line 8)	\$ 16,359	\$ 31,431
10.	Total Sales "Sm" (From Page 3 of 6)	1,490,352,072	1,490,352,072
11.	Kentucky Jurisdictional Sales	1,286,945,210	1,286,945,210
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)	1.15805402	1.15805402
13.	Total Company Over or (Under) Recovery (Line 9 x Line 12)	\$ 18,945	\$ 36,399

Note 1 - Corrected February 2011 Last FAC Rate Billed (Line 1) and KWH Used to Determine Last FAC Rate (Line 4) can be found on Exhibit 1, page 2 of 3, as attached to the March 2011 Form A filed on April 19, 2011.

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : May 2011

1.	Last FAC Rate Billed		<u>(\$0.00059)</u>
2.	KWH Billed at Above Rate		<u>1,296,344,179</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (764,843)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,707,207,991</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>246,153,843</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,461,054,148</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (862,022)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 97,179</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,573,514,629</u>
11.	Kentucky Jurisdictional Sales		<u>1,354,233,291</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales(Line 10 / Line 11)		<u>1.16192287</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 112,915</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : June 2011

1.	Last FAC Rate Billed		<u>\$0.00029</u>
2.	KWH Billed at Above Rate		<u>1,525,640,447</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 442,436</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,490,352,072</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>203,406,862</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,286,945,210</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 373,214</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 69,222</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,779,169,014</u>
11.	Kentucky Jurisdictional Sales		<u>1,536,130,589</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15821469</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 80,174</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : July 2011

1.	Last FAC Rate Billed		<u>\$0.00138</u>
2.	KWH Billed at Above Rate		<u>1,597,015,695</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,203,882</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,573,514,629</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>219,281,338</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,354,233,291</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,868,842</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 335,040</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,026,370,618</u>
11.	Kentucky Jurisdictional Sales		<u>1,747,812,474</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.1593753</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 388,437</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : August 2011

1.	Last FAC Rate Billed		<u>\$0.00108</u>
2.	KWH Billed at Above Rate		<u>1,756,874,684</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 1,897,425</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,779,169,014</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>243,038,425</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,536,130,589</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 1,659,021</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 238,404</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,983,922,032</u>
11.	Kentucky Jurisdictional Sales		<u>1,717,312,867</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15524787</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 275,416</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : September 2011

1.	Last FAC Rate Billed		<u>\$0.00312</u>
2.	KWH Billed at Above Rate		<u>1,618,189,554</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 5,048,751</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,026,370,618</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>278,558,144</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,747,812,474</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 5,453,175</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (404,424)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,567,929,086</u>
11.	Kentucky Jurisdictional Sales		<u>1,356,451,443</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15590506</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (467,476)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : October 2011

1.	Last FAC Rate Billed		<u>\$0.00236</u>
2.	KWH Billed at Above Rate		<u>1,459,659,884</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,444,797</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,983,922,032</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>266,609,165</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,717,312,867</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 4,052,858</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (608,061)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,581,918,011</u>
11.	Kentucky Jurisdictional Sales		<u>1,368,259,593</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15615342</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (703,012)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : November 2011

1.	Last FAC Rate Billed		<u>\$0.00163</u>
2.	KWH Billed at Above Rate		<u>1,256,720,738</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 2,048,455</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,567,929,086</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>211,477,643</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,356,451,443</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 2,211,016</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (162,561)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,629,615,195</u>
11.	Kentucky Jurisdictional Sales		<u>1,404,484,137</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16029448</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (188,619)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : December 2011

1.	Last FAC Rate Billed		<u>(\$0.00210)</u>
2.	KWH Billed at Above Rate		<u>1,478,224,470</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,104,271)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,581,918,011</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>213,658,418</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,368,259,593</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,873,345)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (230,926)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,840,157,989</u>
11.	Kentucky Jurisdictional Sales		<u>1,581,401,921</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16362448</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (268,711)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : January 2012

1.	Last FAC Rate Billed		<u>(\$0.00056)</u>
2.	KWH Billed at Above Rate		<u>1,612,798,139</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (903,167)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,629,615,195</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>225,131,058</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,404,484,137</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (786,511)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (116,656)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,997,349,084</u>
11.	Kentucky Jurisdictional Sales		<u>1,715,250,942</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16446465</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (135,842)</u>

KENTUCKY UTILITIES COMPANY
FUEL ADJUSTMENT CLAUSE
OVER OR (UNDER) RECOVERY SCHEDULE

Expense Month : February 2012

1.	Last FAC Rate Billed		<u>(\$0.00035)</u>
2.	KWH Billed at Above Rate		<u>1,703,648,389</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (596,277)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,840,157,989</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>258,756,068</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,581,401,921</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (553,491)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (42,786)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,793,717,493</u>
11.	Kentucky Jurisdictional Sales		<u>1,544,546,376</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16132317</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (49,688)</u>

KENTUCKY UTILITIES

**To Adjust Base Rates and FAC to Reflect a Full Year of the FAC Roll-In
For the Twelve Months Ended December 31, 2011**

1. Adjustment to base rate revenues to reflect a full year of the FAC Roll-In (a)	(8,025,302)
2. Adjustment to FAC revenues to reflect a full year of the FAC Roll-In (a)	<u>10,758,780</u>
3. Net adjustment	<u>\$ 2,733,478</u>

(a) FAC roll-in pursuant to Commission's Order dated May 31, 2011 in Case No. 2010-00492.

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
BASE RATE ACTUAL FUEL ADJUSTMENT CLAUSE BILLINGS													
Residential Rate													
Residential Rate RS	(1,788,988)	1,063,535	(10,031)	(74,369)	(212,446)	140,591	743,339	681,262	1,593,439	815,463	598,535	(1,064,716)	2,485,614
Volunteer Fire Departments	(301)	81	39	(9)	(30)	13	99	103	218	133	89	(153)	282
Residential Net Metering	(196)	90	(1)	(5)	(12)	8	45	41	95	56	58	(112)	68
Residential Three Phase	(1,668)	870	9	(77)	(267)	161	953	955	1,970	1,079	753	(925)	3,815
General Service													
General Service	(208,939)	117,670	3,595	(10,591)	(33,462)	18,513	101,315	92,795	229,064	141,938	90,575	(131,505)	410,969
General Service Three Phase	(228,674)	131,170	3,371	(13,729)	(50,312)	28,424	139,629	124,824	326,576	210,870	127,671	(174,240)	625,580
General Service Net Metering	(41)	5	6	(1)	(2)	1	8	8	15	12	10	(13)	7
General Service Net Metering Three Phase	(73)	(12)	20	(2)	(9)	6	30	28	54	29	20	(30)	61
All Electric School Rate													
All Electric School Secondary	(2,804)	1,049	351	(101)	34	3,042	540	652	1,568	1,272	892	(1,132)	5,363
All Electric School Three Phase	(34,987)	15,017	3,188	(1,669)	(5,987)	2,429	11,519	13,509	35,396	33,767	18,512	(17,347)	73,345
All Electric School Primary	(3)	2	(0)	(1)	(3)	1	7	5	36	44	18	(14)	93
All Electric School Primary Three Phase	(5)	-	-	-	-	-	-	-	6	35	23	(78)	(20)
Power Service Rate													
Power Service Rate PSS - Secondary	(331,570)	172,264	12,348	(21,767)	(75,570)	37,581	211,396	191,421	492,282	339,137	199,903	(245,833)	981,591
Power Service Rate PSS - Secondary Power Factor	(240,216)	134,921	7,757	(16,787)	(61,859)	25,484	155,592	143,914	385,595	280,301	168,310	(202,530)	780,480
Power Service Rate PSS - Secondary Net Metering	(96)	50	(0)	(2)	(4)	4	23	60	78	74	38	(20)	205
Power Service Rate PSP - Primary	(13,829)	12,755	415	(276)	(2,707)	1,605	8,723	7,626	18,256	10,592	6,854	(9,429)	40,585
Power Service Rate PSP - Primary Power Factor	(174,832)	88,666	8,942	(11,404)	(37,890)	15,981	86,429	76,777	205,967	142,372	85,639	(99,911)	386,735
Time of Day Power Rate													
Time-of-Day Service - TODS Secondary	(599,474)	374,948	15,904	(43,667)	(132,359)	46,628	402,604	356,439	1,011,592	802,126	416,849	(485,029)	2,166,561
Time-of-Day Service - TODP Primary	(66,518)	43,700	(603)	(5,158)	(18,894)	10,315	49,680	45,426	117,766	77,690	49,686	(69,414)	233,675
Retail Transmission Service	(270,703)	190,526	(2,588)	(20,234)	(78,417)	38,300	154,708	135,386	389,985	419,527	223,572	(255,302)	924,760
Fluctuating Load Service	(86,378)	79,488	(899)	(7,381)	(27,400)	11,776	44,811	35,360	128,993	183,405	71,472	(95,710)	337,540
Lighting Rates													
Outdoor Lighting Service - LE	-	-	-	-	(1)	(2)	1	3	3	11	8	6	29
Traffic Lighting Energy - TE	(185)	(72)	79	(6)	(24)	(18)	89	112	187	294	184	(40)	600
Outdoor Lights	(29,352)	8,300	3,273	(1,494)	(4,621)	939	9,254	9,659	26,507	26,193	19,083	(17,341)	50,402
Curtailable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(4,079,833)	2,435,023	45,175	(228,729)	(742,242)	381,783	2,120,794	1,916,366	4,965,648	3,486,420	2,078,754	(2,870,817)	9,508,341

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR													
<i>FAC RATE CHARGED:</i>	(0.00215)	0.00160	(0.00002)	(0.00017)	(0.00059)	0.00029	0.00138	0.00108	0.00312	0.00236	0.00163	(0.00210)	
<i>FAC Rate Rolled in:</i>	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	0.00086	-	-	-	-	
<i>FAC Rate After Roll-in:</i>	(0.00129)	0.00246	0.00084	0.00069	0.00027	0.00115	0.00244	0.00194	0.00312	0.00236	0.00163	(0.00210)	
Residential Rate													
Residential Rate RS	(1,130,833)	1,636,000	446,835	302,036	97,305	558,275	1,206,800	1,223,805	1,593,070	815,367	598,554	(1,065,622)	6,281,594
Volunteer Fire Departments	(175)	275	77	44	16	87	181	179	225	131	87	(166)	963
Residential Net Metering	(115)	138	33	18	5	30	73	73	95	57	58	(112)	354
Residential Three Phase	(1,025)	1,389	396	341	123	669	1,643	1,688	1,997	1,072	719	(1,127)	7,886
General Service													
General Service	(129,767)	199,012	60,241	43,524	15,763	81,351	168,090	165,077	233,488	139,819	89,157	(138,613)	927,143
General Service Three Phase	(144,797)	222,060	74,163	57,232	20,919	115,621	231,497	222,251	333,482	207,929	125,666	(183,929)	1,283,194
General Service Net Metering	(23)	43	9	5	1	7	15	14	19	10	9	(20)	91
General Service Net Metering Three Phase	(41)	77	23	13	5	25	52	49	59	29	20	(37)	274
All Electric School Rate													
All Electric School Secondary	(1,659)	2,936	833	494	241	3,111	1,030	1,126	1,767	1,188	835	(1,427)	10,473
All Electric School Three Phase	(20,956)	35,711	11,614	8,291	3,112	14,306	21,739	23,248	39,313	31,290	17,281	(22,914)	162,036
All Electric School Primary	(2)	4	-	4	1	6	11	8	36	44	18	(14)	118
All Electric School Primary Three Phase	(3)	-	-	-	-	-	-	-	6	35	23	(129)	(69)
Power Service Rate													
Power Service Rate PSS - Secondary	(207,268)	312,288	114,552	89,871	36,149	179,796	359,910	338,724	511,608	330,543	194,566	(270,479)	1,990,260
Power Service Rate PSS - Secondary Power Factor	(153,670)	240,359	88,284	73,146	29,748	134,180	263,885	253,946	400,161	274,694	164,251	(222,200)	1,546,782
Power Service Rate PSS - Secondary Net Metering	(58)	77	14	8	2	15	70	91	153	59	30	(65)	396
Power Service Rate PSP - Primary	(8,588)	24,459	4,460	3,744	1,266	6,632	14,053	13,736	18,376	10,495	6,739	(9,962)	85,408
Power Service Rate PSP - Primary Power Factor	(107,038)	171,393	62,087	49,291	18,598	78,036	151,887	134,107	214,367	140,297	83,860	(115,633)	881,251
Time of Day Power Rate													
Time-of-Day Service - TODS Secondary	(357,229)	621,360	233,500	182,166	63,440	333,864	738,711	629,554	1,035,695	793,445	411,325	(624,724)	4,061,107
Time-of-Day Service - TODP Primary	(40,210)	67,189	25,341	20,934	8,680	40,904	81,020	79,990	117,766	77,690	49,343	(70,423)	458,225
Retail Transmission Service	(167,679)	353,542	108,701	84,091	38,499	151,881	251,121	243,187	390,009	412,304	216,847	(255,302)	1,827,200
Fluctuating Load Service	(51,827)	122,213	37,740	29,957	12,539	46,699	72,737	63,518	128,993	183,405	71,472	(95,710)	621,737
Lighting Rates													
Outdoor Lighting Service - LE	-	-	-	-	2	3	6	5	9	8	5	(7)	31
Traffic Lighting Energy - TE	(123)	196	68	53	21	85	228	175	278	256	150	(201)	1,184
Street Lighting	(17,913)	27,574	9,217	6,910	2,477	9,923	18,072	16,408	30,203	24,631	17,438	(25,455)	119,483
Curtailable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	(2,540,999)	4,038,294	1,278,190	952,172	350,012	1,755,505	3,582,833	3,410,959	5,051,175	3,444,797	2,048,453	(3,104,271)	20,267,122

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 12 Months Ended December 31, 2011

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
INCREASED FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR													
Residential Rate													3,795,980
Residential Rate RS	658,156	572,465	456,866	376,404	309,751	417,684	463,461	542,544	(369)	(96)	19	(906)	681
Volunteer Fire Departments	126	194	39	53	47	73	82	76	8	(2)	(2)	(12)	286
Residential Net Metering	81	48	33	23	17	22	28	32	0	1	-	0	4,071
Residential Three Phase	643	519	388	418	389	508	690	732	27	(7)	(34)	(202)	
General Service													516,174
General Service	79,172	81,342	56,646	54,115	49,226	62,838	66,775	72,282	4,425	(2,119)	(1,418)	(7,108)	657,613
General Service Three Phase	83,877	90,890	70,791	70,961	72,331	87,196	91,869	97,427	6,906	(2,941)	(2,005)	(9,689)	84
General Service Net Metering	17	38	3	6	4	7	8	6	4	(1)	(1)	(7)	212
General Service Net Metering Three Phase	32	89	3	15	13	19	22	21	5	(1)	(0)	(8)	
All Electric School Rate													5,111
All Electric School Secondary	1,145	1,887	482	595	207	69	490	474	199	(85)	(57)	(295)	88,691
All Electric School Three Phase	14,031	20,695	8,427	9,960	9,099	11,877	10,220	9,739	3,918	(2,476)	(1,231)	(5,566)	25
All Electric School Primary	1	1	2	5	4	4	4	4	-	0	-	0	(49)
All Electric School Primary Three Phase	3	-	-	-	-	-	-	-	-	(0)	-	(51)	
Power Service Rate													1,008,669
Power Service Rate PSS - Secondary	124,302	140,024	102,204	111,638	111,719	142,215	148,514	147,303	19,326	(8,594)	(5,337)	(24,646)	766,302
Power Service Rate PSS - Secondary Power Factor	86,546	105,438	80,527	89,933	91,607	108,696	108,293	110,032	14,566	(5,607)	(4,059)	(19,670)	191
Power Service Rate PSS - Secondary Net Metering	39	27	15	10	6	11	46	32	74	(15)	(8)	(46)	44,823
Power Service Rate PSP - Primary	5,241	11,703	4,045	4,020	3,973	5,027	5,329	6,109	120	(97)	(114)	(534)	494,516
Power Service Rate PSP - Primary Power Factor	67,795	82,727	53,144	60,695	56,488	62,055	65,458	57,330	8,400	(2,075)	(1,779)	(15,721)	
Time of Day Power Rate													1,894,546
Time-of-Day Service - TODS Secondary	242,245	246,411	217,596	225,834	195,799	287,236	336,107	273,115	24,103	(8,682)	(5,524)	(139,695)	224,550
Time-of-Day Service - TODP Primary	26,309	23,489	25,944	26,092	27,574	30,589	31,341	34,564	0	0	(343)	(1,009)	902,440
Retail Transmission Service	103,023	163,016	111,289	104,325	116,916	113,580	96,413	107,801	24	(7,223)	(6,724)	0	284,197
Fluctuating Load Service	34,551	42,725	38,638	37,338	39,938	34,923	27,926	28,157	-	-	-	-	
Lighting Rates													2
Outdoor Lighting Service -- LE	-	-	-	-	2	5	6	1	6	(3)	(2)	(13)	584
Traffic Lighting Energy -- TE	62	267	(12)	59	45	103	139	63	90	(38)	(34)	(161)	69,082
Street Lighting	11,439	19,274	5,944	8,404	7,098	8,984	8,818	6,748	3,696	(1,563)	(1,646)	(8,114)	
Curtailable Service Rider Credits - Primary	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,538,835	1,603,270	1,233,015	1,180,901	1,092,255	1,373,722	1,462,039	1,494,594	85,528	(41,623)	(30,300)	(233,454)	10,758,780

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
 12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
BASE RATE ACTUAL BILLINGS														
Residential Rate														465,998,744
Residential Rate RS	RS	63,351,796	48,701,440	39,766,859	33,334,014	28,086,495	36,593,028	39,749,335	45,945,859	37,855,071	26,761,392	28,214,442	37,639,012	70,447
Volunteer Fire Departments	RSVFD	9,612	7,983	6,654	4,762	4,452	5,527	5,851	6,599	5,231	4,110	3,975	5,691	34,246
Residential Net Metering	RSNM	6,225	3,962	2,816	1,988	1,528	1,954	2,398	2,759	2,266	1,866	2,650	3,833	3,833
Residential Three Phase	RS3	56,413	40,663	34,382	35,944	33,181	41,885	51,604	60,741	45,280	32,767	31,904	38,312	503,076
General Service														80,377,305
General Service	GS	9,025,437	7,405,488	6,737,647	6,045,386	5,688,633	6,664,876	6,916,069	7,713,472	6,899,804	5,715,452	5,351,058	6,213,983	94,499,115
General Service Three Phase	GS3	9,325,498	7,565,803	7,436,982	7,014,244	6,920,650	8,384,157	8,522,502	9,385,163	8,790,074	7,348,138	6,496,995	7,308,909	9,239
General Service Net Metering	GSSNM	1,500	1,450	927	672	511	588	619	653	559	429	514	816	21,622
General Service Net Metering Three Phase	GS3NM	2,632	2,574	2,305	1,603	1,443	1,858	1,915	2,089	1,587	1,064	1,084	1,468	
All Electric School Rate														797,755
All Electric School Secondary	AES	92,705	86,325	73,228	54,470	64,319	168,910	36,982	45,020	44,008	39,980	40,425	51,382	
All Electric School Three Phase	AES3	1,097,704	981,262	935,442	813,999	781,306	842,951	652,092	802,105	842,110	886,565	710,271	730,319	10,076,125
All Electric School Primary	AESP	246	258	290	505	504	478	474	-	903	1,379	851	569	6,874
All Electric School Primary Three Phase	AES3P	180	33	33	53	-	-	-	-	160	1,042	993	4,211	6,704
Power Service Rate														128,070,034
Power Service Rate PSS - Secondary	PSS	11,129,138	9,366,413	10,043,161	9,710,685	10,907,827	12,022,261	11,952,255	12,499,170	12,100,916	10,029,979	9,035,488	9,272,742	86,271,904
Power Service Rate PSS - Secondary Power Factor	PSSPF	7,292,104	6,145,876	6,584,118	6,638,354	7,526,873	7,798,037	7,782,609	8,405,186	8,246,384	7,049,139	6,364,144	6,439,079	30,337
Power Service Rate PSS - Secondary Net Metering	PSSNM	2,872	2,317	1,521	1,201	1,207	1,416	2,866	3,985	4,080	3,098	2,662	3,112	5,218,454
Power Service Rate PSP - Primary	PSP	443,736	616,310	383,567	401,688	394,583	458,925	492,883	523,367	465,529	343,985	329,421	364,459	48,587,166
Power Service Rate PSP - Primary Power Factor	PSPPF	4,743,749	4,155,362	4,322,899	4,155,941	4,456,669	4,359,897	4,249,039	4,190,097	4,248,643	3,495,284	3,052,047	3,157,539	
Time of Day Power Rate														190,950,657
Time-of-Day Service - TODS Secondary	TODP	15,167,105	14,132,223	15,328,142	14,651,229	13,428,309	16,043,301	18,172,660	17,701,523	17,817,966	18,272,254	14,035,829	16,200,116	23,472,838
Time-of-Day Service - TODS Primary	TODS	1,796,998	1,639,274	1,772,440	1,813,694	1,913,783	2,107,158	2,110,137	2,365,922	2,177,398	1,946,256	1,826,062	2,003,716	
Retail Transmission Service	RTS	6,675,319	7,412,150	6,705,240	6,307,765	7,477,018	6,799,350	5,916,827	6,378,664	6,241,765	8,932,895	6,901,028	6,167,497	81,915,518
Fluctuating Load Service	FLST	1,859,665	2,201,573	2,044,498	2,008,648	2,099,216	2,143,612	1,761,831	1,568,261	1,919,432	3,621,994	1,951,899	2,003,185	25,183,815
Lighting Rates														1,518
Outdoor Lighting Service - LE	LE	-	-	-	-	369	155	158	136	150	183	179	187	96,705
Traffic Lighting Energy - TE	TE	8,179	6,959	7,046	6,751	6,908	6,586	10,070	8,551	8,404	9,747	8,619	8,884	22,327,195
Outdoor Lights	ODL	1,911,563	1,812,325	1,864,038	1,847,275	1,870,550	1,868,895	1,853,973	1,862,885	1,855,213	1,858,894	1,863,410	1,858,173	
Curtailable Service Rider Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		134,000,376	112,288,022	104,054,236	94,850,872	91,666,333	106,315,805	110,245,149	119,472,625	109,572,932	96,357,894	86,225,952	99,477,195	1,264,527,391

KENTUCKY UTILITIES COMPANY
 Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
 12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
FUEL ADJUSTMENT CLAUSE BILLINGS REFLECTING BASE RATE ROLL-IN FOR A FULL YEAR														
Residential Rate RS	RS	62,597,907	48,129,505	39,309,385	32,957,564	27,776,560	36,175,535	39,749,335	45,945,859	37,855,071	26,761,392	28,214,442	37,639,012	463,111,568
Volunteer Fire Departments	RSVFD	9,495	7,887	6,574	4,706	4,400	5,463	5,851	6,599	5,231	4,110	3,975	5,691	69,983
Residential Net Metering	RSNM	6,149	3,914	2,782	1,966	1,511	1,932	2,398	2,759	2,266	1,866	2,650	3,833	34,026
Residential Three Phase	RS3	55,730	40,177	33,976	35,519	32,791	41,384	51,604	60,741	45,280	32,767	31,904	38,312	500,185
General Service														
General Service	GS	8,938,925	7,335,915	6,675,972	5,991,139	5,638,424	6,604,040	6,916,069	7,713,472	6,899,804	5,715,452	5,351,058	6,213,983	79,994,253
General Service Three Phase	GS3	9,228,966	7,488,172	7,361,054	6,942,912	6,850,515	8,297,693	8,522,502	9,385,163	8,790,074	7,348,138	6,496,995	7,308,909	94,021,093
General Service Net Metering	GSNM	1,485	1,435	917	666	506	583	619	653	559	429	514	816	9,182
General Service Net Metering Three Phase	GS3NM	2,604	2,547	2,281	1,587	1,429	1,839	1,915	2,089	1,587	1,064	1,084	1,468	21,494
All Electric School Rate														
All Electric School Secondary	AES	91,599	85,299	72,375	53,855	63,550	166,583	36,982	45,020	44,008	39,980	40,425	51,382	791,059
All Electric School Three Phase	AES3	1,083,733	968,777	923,551	803,665	771,394	832,253	652,092	802,105	842,110	886,565	710,271	730,319	10,006,835
All Electric School Primary	AESP	245	257	289	500	499	474	474	418	903	1,379	851	569	6,856
All Electric School Primary Three Phase	AESP3P	178	33	33	53	-	-	-	-	160	1,042	993	4,211	6,702
Power Service Rate														
Power Service Rate PSS - Secondary	PSS	10,990,960	9,257,239	9,925,881	9,598,672	10,792,686	11,887,805	11,952,255	12,499,170	12,100,916	10,029,979	9,035,488	9,272,742	127,343,793
Power Service Rate PSS - Secondary Power Factor	PSSPF	7,189,658	6,061,848	6,493,732	6,547,187	7,432,122	7,697,694	7,782,609	8,405,186	8,246,384	7,049,139	6,364,144	6,439,079	85,708,782
Power Service Rate PSS - Secondary Net Metering	PSSNM	2,833	2,290	1,506	1,191	1,202	1,405	2,866	3,985	4,080	3,098	2,662	3,112	30,230
Power Service Rate PSP - Primary	PSP	438,011	607,759	379,002	397,022	390,551	453,965	492,883	523,367	465,529	343,985	329,421	364,459	5,185,955
Power Service Rate PSP - Primary Power Factor	PSPPF	4,672,390	4,095,445	4,259,334	4,094,506	4,397,432	4,301,540	4,249,039	4,190,097	4,248,643	3,495,284	3,052,047	3,157,539	48,213,296
Time of Day Power Rate														
Time-of-Day Service - TODS Secondary	TODP	14,928,952	13,914,999	15,089,083	14,424,181	13,226,239	15,793,629	18,172,660	17,701,523	17,817,966	18,272,254	14,035,829	16,200,116	189,577,432
Time-of-Day Service - TODP Primary	TODS	1,770,191	1,615,786	1,746,496	1,787,602	1,886,135	2,076,569	2,110,137	2,365,922	2,177,398	1,946,256	1,826,062	2,003,716	23,312,270
Retail Transmission Service	RTS	6,563,533	7,288,554	6,593,951	6,202,956	7,354,392	6,685,769	5,916,827	6,378,664	6,241,765	8,932,895	6,901,028	6,167,497	81,227,831
Fluctuating Load Service	FLST	1,825,114	2,158,848	2,005,860	1,971,310	2,059,277	2,108,689	1,761,831	1,568,261	1,919,432	3,621,994	1,951,899	2,003,185	24,955,702
Lighting Rates														
Outdoor Lighting Service -- LE	LE	-	-	-	-	363	153	158	136	150	183	179	187	1,509
Traffic Lighting Energy -- TE	TE	8,097	6,891	6,977	6,685	6,840	6,523	10,070	8,551	8,404	9,747	8,619	8,884	96,288
Street Lighting	ODL	1,902,780	1,804,005	1,855,436	1,838,766	1,861,926	1,860,305	1,853,973	1,862,885	1,855,213	1,858,894	1,863,410	1,858,173	22,275,766
Curtailable Service Rider Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		132,309,536	110,877,581	102,746,448	93,664,209	90,550,745	105,001,822	110,245,149	119,472,625	109,572,932	96,357,894	86,225,952	99,477,195	1,256,502,088

KENTUCKY UTILITIES COMPANY
Adjustment to Reflect Base Rate Billings for a Full Year of the FAC Roll-in
12 Months Ended December 31, 2011

		Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	TOTAL 12 Mos. Ended
DECREASED BASE RATE BILLINGS REFLECTING THE FUEL ADJUSTMENT CLAUSE ROLL-IN FOR A FULL YEAR														
Residential Rate														(2,887,176)
Residential Rate RS	RS	(753,888)	(571,935)	(457,474)	(376,451)	(309,936)	(417,493)	-	-	-	-	-	-	(464)
Volunteer Fire Departments	RSVFD	(117)	(96)	(79)	(55)	(52)	(65)	-	-	-	-	-	-	(220)
Residential Net Metering	RSNM	(76)	(48)	(33)	(23)	(17)	(22)	-	-	-	-	-	-	(2,892)
Residential Three Phase	RS3	(683)	(486)	(406)	(425)	(391)	(501)	-	-	-	-	-	-	
General Service														(383,052)
General Service	GS	(86,511)	(69,573)	(61,676)	(54,247)	(50,209)	(60,836)	-	-	-	-	-	-	(478,022)
General Service Three Phase	GS3	(96,531)	(77,631)	(75,928)	(71,333)	(70,134)	(86,464)	-	-	-	-	-	-	(57)
General Service Net Metering	GSNM	(16)	(15)	(9)	(6)	(5)	(6)	-	-	-	-	-	-	(128)
General Service Net Metering Three Phase	GS3NM	(28)	(27)	(24)	(16)	(14)	(19)	-	-	-	-	-	-	
All Electric School Rate														(6,695)
All Electric School Secondary	AES	(1,106)	(1,026)	(852)	(616)	(769)	(2,326)	-	-	-	-	-	-	(69,290)
All Electric School Three Phase	AES3	(13,971)	(12,484)	(11,891)	(10,334)	(9,912)	(10,698)	-	-	-	-	-	-	(18)
All Electric School Primary	AESP	(1)	(1)	(2)	(5)	(4)	(4)	-	-	-	-	-	-	(2)
All Electric School Primary Three Phase	AES3P	(2)	-	-	-	-	-	-	-	-	-	-	-	
Power Service Rate														(726,242)
Power Service Rate PSS - Secondary	PSS	(138,178)	(109,174)	(117,279)	(112,013)	(115,141)	(134,456)	-	-	-	-	-	-	(563,122)
Power Service Rate PSS - Secondary Power Factor	PSSPF	(102,447)	(84,028)	(90,386)	(91,167)	(94,751)	(100,343)	-	-	-	-	-	-	(107)
Power Service Rate PSS - Secondary Net Metering	PSSNM	(39)	(27)	(15)	(10)	(6)	(11)	-	-	-	-	-	-	(32,499)
Power Service Rate PSP - Primary	PSP	(5,725)	(8,551)	(4,566)	(4,666)	(4,032)	(4,959)	-	-	-	-	-	-	(373,870)
Power Service Rate PSP - Primary Power Factor	PSPPF	(71,358)	(59,918)	(63,565)	(61,435)	(59,237)	(58,357)	-	-	-	-	-	-	
Time of Day Power Rate														(1,373,225)
Time-of-Day Service - TODS Secondary	TODP	(238,153)	(217,223)	(239,059)	(227,048)	(202,069)	(249,672)	-	-	-	-	-	-	(160,568)
Time-of-Day Service - TODP Primary	TODS	(26,806)	(23,489)	(25,944)	(26,092)	(27,648)	(30,589)	-	-	-	-	-	-	(687,687)
Retail Transmission Service	RTS	(111,786)	(123,596)	(111,289)	(104,809)	(122,626)	(113,580)	-	-	-	-	-	-	(228,113)
Fluctuating Load Service	FLST	(34,551)	(42,725)	(38,638)	(37,338)	(39,938)	(34,923)	-	-	-	-	-	-	
Lighting Rates														(8)
Outdoor Lighting Service - LE	LE	-	-	-	-	(6)	(2)	-	-	-	-	-	-	(417)
Traffic Lighting Energy - TE	TE	(82)	(68)	(69)	(66)	(68)	(65)	-	-	-	-	-	-	(51,429)
Street Lighting	ODL	(8,783)	(8,320)	(8,602)	(8,510)	(8,624)	(8,591)	-	-	-	-	-	-	
Curtailable Service Rider Credits - Primary	CSRP	-	-	-	-	-	-	-	-	-	-	-	-	-
Curtailable Service Rider Credits - Transmission	CSRT	-	-	-	-	-	-	-	-	-	-	-	-	-
		(1,690,840)	(1,410,441)	(1,307,788)	(1,186,663)	(1,115,588)	(1,313,983)	-	-	-	-	-	-	(8,025,302)

KENTUCKY UTILITIES

**Adjustment to Eliminate Environmental Surcharge Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

Expense Month	(1) Environmental Compliance Revenues Collected in Base Rates (a)	(2) Environmental Compliance Revenues Collected in Environmental Surcharge (b)	(3) Total Revenues Environmental Compliance Plans (Col. 1+2)	(4) Total Expenses Environmental Compliance Plans (c)	(5) Net (Col. 3 - 4)
Jan-11	13,818,379	5,407,256	19,225,635	5,405,299	
Feb-11	11,827,563	3,026,209	14,853,772	5,918,947	
Mar-11	10,993,252	169,800	11,163,052	5,992,096	
Apr-11	10,044,427	2,360,485	12,404,912	5,623,331	
May-11	9,618,565	2,471,733	12,090,298	5,865,737	
Jun-11	11,018,257	3,699,167	14,717,424	6,103,676	
Jul-11	11,760,729	4,011,785	15,772,514	5,974,461	
Aug-11	12,465,088	3,072,496	15,537,584	6,556,599	
Sep-11	11,546,729	2,188,184	13,734,913	5,920,213	
Oct-11	10,611,735	1,928,584	12,540,319	5,767,324	
Nov-11	9,449,751	2,749,517	12,199,268	6,090,400	
Dec-11	10,705,782	3,531,568	14,237,350	6,183,636	
	<u>\$ 133,860,257</u>	<u>\$ 34,616,785</u>	<u>\$ 168,477,042</u>	<u>\$ 71,401,719</u>	
Kentucky Jurisdiction (Ref. Sch. Allocators)				86.677%	
Total			<u>\$ 168,477,042</u>	<u>\$ 61,888,868</u>	<u>\$ 106,588,174</u>
Adjustment			<u>\$ (168,477,042)</u>	<u>\$ (61,888,868)</u>	<u>\$ (106,588,174)</u>

- (a) ES Form 1.10, Line 13 for Jan-Nov; Line 17 for Dec expense month filings.
(b) ES Form 3.00, Column 6.
(c) ES Form 2.00, Total Pollution Control Operations Expense less Proceeds from By-Product and Allowance Sales.

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,217,833,316
(2)	RB / 12	= \$	101,486,110
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4)	OE	= \$	5,373,215
(5)	BAS	= \$	(32,084)
(6)	BR	= \$	-
(7)	E(m)	= \$	16,426,691
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.12%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,982,399
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11)	Prior Period Adjustment (if necessary)	=	(78,018)
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,904,381
(13)	Revenue Collected through Base Rates	= \$	13,818,379
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	86,002
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	106,403,777
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.08%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,036,916
(2)	RB / 12	= \$	101,169,743
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4)	OE	= \$	5,906,623
(5)	BAS	= \$	(12,324)
(6)	BR	= \$	-
(7)	E(m)	= -\$	16,905,981
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.06%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,549,287
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,549,287
(13)	Revenue Collected through Base Rates	= \$	11,827,563
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,721,724
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,016,860
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.54%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of March 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,135,093
(2)	RB / 12	= \$	101,177,924
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,696,454
(5)	BAS	= \$	(295,642)
(6)	BR	= \$	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	17,162,138

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.01%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,761,155
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,879,425
(13)	Revenue Collected through Base Rates	= \$	10,993,252
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,886,173
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,050,264
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.70%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of April 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,212,576,264
(2)	RB / 12	= \$	101,048,022
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,661,285
(5)	BAS	= \$	37,954
(6)	BR	= \$	-
(7)	E(m)	= \$	16,779,033
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.31%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,649,774
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,768,044
(13)	Revenue Collected through Base Rates	= \$	10,044,427
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,723,617
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,531,674
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.46%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of May 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,211,354,448
(2)	RB / 12	= \$	100,946,204
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,857,242
(5)	BAS	= \$	(8,495)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,010,198
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	84.19%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,320,886
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,439,156
(13)	Revenue Collected through Base Rates	= \$	9,618,565
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,820,591
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,246,609
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.53%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of June 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,206,242
(2)	RB / 12	= \$	101,183,854
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	6,093,956
(5)	BAS	= \$	(9,720)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,274,374
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3 00	=	84.42%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,583,027
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,701,297
(13)	Revenue Collected through Base Rates	= \$	11,018,257
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,683,040
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3 00	= \$	109,115,040
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.46%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of July 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,212,691,706
(2)	RB / 12	= \$	101,057,642
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,973,395
(5)	BAS	= \$	(1,066)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,131,224
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3 00	=	85.70%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,681,459
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,799,729
(13)	Revenue Collected through Base Rates	= \$	11,760,729
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,039,000
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3 00	= \$	109,303,925
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.87%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of August 2011

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

		Environmental Compliance Plans	
(1) RB	=	\$	1,213,318,388
(2) RB / 12	=	\$	101,109,866
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		11.04%
(4) OE	=	\$	6,543,787
(5) BAS	=	\$	(12,812)
(6) BR	=	\$	-
(7) E(m)		\$	17,719,128
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=		87.18%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	15,447,536
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=		(881,732)
(11) Prior Period Adjustment (if necessary)	=		-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=		14,565,804
(13) Revenue Collected through Base Rates	=	\$	12,465,088
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$	2,100,716
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	=	\$	109,140,745
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		1.92%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of September 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,210,886,436
(2)	RB / 12	= \$	100,907,203
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,909,919
(5)	BAS	= \$	(10,294)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,060,369
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.51%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,929,529
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,929,529
(13)	Revenue Collected through Base Rates	= \$	11,546,729
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,382,800
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,584,502
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.12%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of October 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,227,064,849
(2)	RB / 12	= \$	102,255,404
(3)	(ROR + (ROR - DR) (TR / (1 - TR)))	=	11.04%
(4)	OE	= \$	5,757,759
(5)	BAS	= \$	(9,565)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,056,321
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.36%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,559,276
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,559,276
(13)	Revenue Collected through Base Rates	= \$	10,611,735
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,947,541
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,871,982
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.63%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,225,988,797
(2)	RB / 12	= \$	102,165,733
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	6,086,129
(5)	BAS	= \$	(4,271)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,369,497
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3 00	=	86.51%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,026,352
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,026,352
(13)	Revenue Collected through Base Rates	= \$	9,449,751
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	5,576,601
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3 00	= \$	108,673,513
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	5.13%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of December 2011

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	= \$	1,241,656,918	\$ 19,369,355
(2) RB / 12	= \$	103,471,410	\$ 1,614,113
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%	10.59%
(4) OE	= \$	5,249,209	\$ 936,843
(5) BAS	= \$	2,416	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 16,670,037	\$ 1,107,778
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,777,815	

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3 10	=	83.93%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	14,920,920
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	= \$	-
(12) Adjusted Total Jurisdictional E(m) $[(10) + (11)]$	=	14,920,920

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	=	100%	0%
(14) Group E(m) $[(12) \times (13)]$	= \$	14,920,920	\$ -
(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	= \$	10,705,782	\$ -
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates $[(14) + (15) + (16) - (17)]$	= \$	4,215,138	\$ -
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3 00	= \$	107,595,608	\$ -
(20) Group Environmental Surcharge Billing Factors $[(18) \div (19)]$	=	3.92%	0.00%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	120,351,944	
Subtotal		\$ 1,372,945,523
Additions:		
Inventory - Limestone	\$ 915,541	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	557,137	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	487,722	
Cash Working Capital Allowance	1,906,078	
Subtotal		3,232,868
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	75,134,023	
Pollution Control Deferred Income Taxes	55,677,458	
Pollution Control Deferred Investment Tax Credit	27,533,594	
Subtotal		158,345,075
Environmental Compliance Rate Base		\$ 1,217,833,316

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,627,292
Monthly Depreciation & Amortization Expense	3,579,198
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,222
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,360
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,373,215

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	\$ 12,727	\$ -	\$ 12,727
Scrubber By-Products Sales	5,786	50,597	(44,811)
Total Proceeds from Sales	\$ 18,513	\$ 50,597	\$ (32,084)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	123,872,733	
Subtotal		\$ 1,376,466,312
Additions:		
Inventory - Limestone	\$ 704,986	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	548,746	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	479,331	
Cash Working Capital Allowance	1,989,279	
Subtotal		3,097,123
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	79,045,364	
Pollution Control Deferred Income Taxes	59,015,174	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		165,526,519
Environmental Compliance Rate Base		\$ 1,214,036,916

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,839,149
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,495
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	3,633
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,906,623

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	38,274	50,597	(12,324)
Total Proceeds from Sales	\$ 38,274	\$ 50,597	\$ (12,324)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31 Current month KU TC2 emission allowance expense = \$ 0.75

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	131,087,969	
Subtotal		\$ 1,383,681,548
Additions:		
Inventory - Limestone	\$ 771,146	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	539,862	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	470,447	
Cash Working Capital Allowance	2,064,001	
Subtotal		3,229,121
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	82,956,704	
Pollution Control Deferred Income Taxes	62,352,891	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		172,775,576
Environmental Compliance Rate Base		\$ 1,214,135,093

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,628,590
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,885
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,023
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,696,454

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	\$ 3,293	\$ 286,166	\$ (282,873)
Scrubber By-Products Sales	37,829	50,597	(12,769)
Total Proceeds from Sales	\$ 41,122	\$ 336,763	\$ (295,642)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.58

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	136,368,498	
Subtotal		\$ 1,389,165,639
Additions:		
Inventory - Limestone	\$ 781,592	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	530,627	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	461,212	
Cash Working Capital Allowance	2,149,034	
Subtotal		3,315,365
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	86,868,281	
Pollution Control Deferred Income Taxes	65,694,618	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		179,904,740
Environmental Compliance Rate Base		\$ 1,212,576,264

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,592,835
Monthly Depreciation & Amortization Expense	3,901,712
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	9,235
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,373
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,661,285

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	88,551	50,597	37,954
Total Proceeds from Sales	\$ 88,551	\$ 50,597	\$ 37,954

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.01

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	142,424,012	
Subtotal		\$ 1,395,221,153
Additions:		
Inventory - Limestone	\$ 689,930	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	523,248	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	453,833	
Cash Working Capital Allowance	2,224,234	
Subtotal		3,291,524
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	90,780,094	
Pollution Control Deferred Income Taxes	69,036,294	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		187,158,229
Environmental Compliance Rate Base		\$ 1,211,354,448

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,790,381
Monthly Depreciation & Amortization Expense	3,901,949
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,409
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,547
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,857,242

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	42,102	50,597	(8,495)
Total Proceeds from Sales	\$ 42,102	\$ 50,597	\$ (8,495)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	140,939,582	
Subtotal		\$ 1,405,178,454
Additions:		
Inventory - Limestone	\$ 619,310	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	512,262	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	442,847	
Cash Working Capital Allowance	2,310,811	
Subtotal		3,296,495
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	94,683,811	
Pollution Control Deferred Income Taxes	72,367,195	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		194,268,707
Environmental Compliance Rate Base		\$ 1,214,206,242

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,005,186
Monthly Depreciation & Amortization Expense	3,920,254
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,026
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,164
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 6,093,956

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	40,878	50,597	(9,720)
Total Proceeds from Sales	\$ 40,878	\$ 50,597	\$ (9,720)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 2 32

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	146,734,588	
Subtotal		\$ 1,410,973,460
Additions:		
Inventory - Limestone	\$ 563,097	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	501,264	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	431,849	
Cash Working Capital Allowance	2,368,745	
Subtotal		3,287,217
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	98,633,052	
Pollution Control Deferred Income Taxes	75,718,218	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		201,568,971
Environmental Compliance Rate Base		\$ 1,212,691,706

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,865,556
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,050
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,188
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,973,395

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	49,531	50,597	(1,066)
Total Proceeds from Sales	\$ 49,531	\$ 50,597	\$ (1,066)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.78

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	154,525,896	
Subtotal		\$ 1,418,764,768
Additions:		
Inventory - Limestone	\$ 614,230	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	490,256	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	420,841	
Cash Working Capital Allowance	2,464,257	
Subtotal		3,422,855
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	102,582,293	
Pollution Control Deferred Income Taxes	79,069,241	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		208,869,235
Environmental Compliance Rate Base		\$ 1,213,318,388

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,435,952
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,046
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,184
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 6,543,787

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	37,785	50,597	(12,812)
Total Proceeds from Sales	\$ 37,785	\$ 50,597	\$ (12,812)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	159,344,971	
Subtotal		\$ 1,423,583,843
Additions:		
Inventory - Limestone	\$ 612,729	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	481,593	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	412,178	
Cash Working Capital Allowance	2,523,192	
Subtotal		3,471,626
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	106,531,533	
Pollution Control Deferred Income Taxes	82,419,799	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		216,169,033
Environmental Compliance Rate Base		\$ 1,210,886,436

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,788,869
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,836
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,974
Monthly Surcharge Consultant Fee - Case No. 2011-00161	16,425
Total Pollution Control Operations Expense	\$ 5,909,919

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	\$ 864	\$ -	\$ 864
Scrubber By-Products Sales	39,439	50,597	(11,158)
Total Proceeds from Sales	\$ 40,303	\$ 50,597	\$ (10,294)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.43

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	182,770,493	
Subtotal		\$ 1,447,009,365
Additions:		
Inventory - Limestone	\$ 589,086	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	471,469	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	402,054	
Cash Working Capital Allowance	2,609,648	
Subtotal		3,524,315
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	110,480,774	
Pollution Control Deferred Income Taxes	85,770,356	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		223,468,831
Environmental Compliance Rate Base		\$ 1,227,064,849

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,589,445
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,133
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,271
Monthly Surcharge Consultant Fee - Case No. 2011-00161	61,393
Total Pollution Control Operations Expense	\$ 5,757,759

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	41,032	50,597	(9,565)
Total Proceeds from Sales	\$ 41,032	\$ 50,597	\$ (9,565)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.55

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	188,754,688	
Subtotal		\$ 1,452,993,560
Additions:		
Inventory - Limestone	\$ 661,141	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	460,727	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	391,312	
Cash Working Capital Allowance	2,725,817	
Subtotal		3,701,797
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	114,430,015	
Pollution Control Deferred Income Taxes	89,120,914	
Pollution Control Deferred Investment Tax Credit	27,155,631	
Subtotal		230,706,560
Environmental Compliance Rate Base		\$ 1,225,988,797

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,970,117
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,743
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,881
Monthly Surcharge Consultant Fee - Case No. 2011-00161	8,480
Total Pollution Control Operations Expense	\$ 6,086,129

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	46,327	50,597	(4,271)
Total Proceeds from Sales	\$ 46,327	\$ 50,597	\$ (4,271)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SQ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense =

\$ 1.16

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

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	160,117,611	19,254,282
Subtotal	\$ 1,476,567,865	\$ 19,254,282
Additions:		
Inventory - Limestone	\$ 708,595	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	450,225	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	380,810	
Cash Working Capital Allowance	2,649,591	115,073
Subtotal	3,662,522	115,073
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	118,457,818	-
Pollution Control Deferred Income Taxes	92,960,020	-
Pollution Control Deferred Investment Tax Credit	27,155,631	-
Subtotal	238,573,469	-
Environmental Compliance Rate Base	\$ 1,241,656,918	\$ 19,369,355

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,063,355	\$ 920,585
Monthly Depreciation & Amortization Expense	4,017,862	-
Monthly Taxes Other Than Income Taxes	162,352	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,502	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,640	
Monthly Surcharge Consultant Fee		16,258
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,249,209	\$ 936,843

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	53,014	50,597	2,416
Total Proceeds from Sales	\$ 53,014	\$ 50,597	\$ 2,416

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

For the Month Ended: December 31, 2011

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)
Jan-11	\$ 79,737,150	\$ 54,246,175	\$ (4,079,961)	\$ 2,482,893	\$ 5,407,256	\$ 137,793,514	\$ 132,386,258
Feb-11	67,038,171	45,209,443	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648
Mar-11	62,170,354	41,905,870	45,175	1,568,534	169,800	105,859,733	105,689,933
Apr-11	56,843,357	38,004,130	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475
May-11	55,933,365	35,702,353	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703
Jun-11	64,274,550	42,040,661	381,783	1,271,511	3,699,167	111,667,672	107,968,505
Jul-11	67,568,168	42,674,259	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668
Aug-11	72,619,227	46,902,303	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042
Sep-11	66,398,438	43,186,740	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324
Oct-11	57,391,197	38,932,694	3,485,600	962,525	1,928,584	102,700,601	100,772,017
Nov-11	52,704,870	33,557,570	2,079,249	963,030	2,749,517	92,054,236	89,304,719
Dec-11	60,036,690	39,439,553	(2,870,818)	1,272,580	3,531,568	101,409,572	97,878,004
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 107,595,608
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 97,878,004
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month							100.00%

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)
Jan-11						\$ -	\$ -	\$ -
Feb-11						\$ -	\$ -	\$ -
Mar-11						\$ -	\$ -	\$ -
Apr-11						\$ -	\$ -	\$ -
May-11						\$ -	\$ -	\$ -
Jun-11						\$ -	\$ -	\$ -
Jul-11						\$ -	\$ -	\$ -
Aug-11						\$ -	\$ -	\$ -
Sep-11						\$ -	\$ -	\$ -
Oct-11						\$ -	\$ -	\$ -
Nov-11						\$ -	\$ -	\$ -
Dec-11						\$ -	\$ -	\$ -
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 =							\$ 97,878,004	\$ -
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month							0.00%	

KENTUCKY UTILITIES

**Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011**

	(1)	(2)	(3)	(4)
	KU Off-System Sales Revenue	Total Environmental Surcharge Factor	Average Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
	(Page 2, Col. 3)			
Jan-11	3,292,556	13.07%	13.18%	433,959
Feb-11	3,901,358	13.60%	13.18%	514,199
Mar-11	2,985,203	12.97%	13.18%	393,450
Apr-11	949,605	12.80%	13.18%	125,158
May-11	3,354,999	12.42%	13.18%	442,189
Jun-11	4,125,254	12.56%	13.18%	543,708
Jul-11	3,209,313	12.63%	13.18%	422,987
Aug-11	1,733,633	13.35%	13.18%	228,493
Sep-11	2,458,310	13.75%	13.18%	324,005
Oct-11	5,362,669	13.37%	13.18%	706,800
Nov-11	2,048,034	13.83%	13.18%	269,931
Dec-11	3,345,362	13.87%	13.18%	440,919
Total	\$ 36,766,296			\$ 4,845,798
Average		13.18%		
Kentucky Jurisdiction (Ref. Sch. Allocators)				86.773%
Total				\$ 4,204,844
Adjustment				\$ (4,204,844)

KENTUCKY UTILITIES

**Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended December 31, 2011**

	(1)	(2)	(3)
	Adjusted		Total
	Jurisdictional	Jurisdictional	Environmental
	E(m) (a)	R(m) (a)	Surcharge
			Factor
			(Col. 1 / 2)
Jan-11	13,904,381	106,403,777	13.07%
Feb-11	14,549,287	107,016,860	13.60%
Mar-11	13,879,425	107,050,264	12.97%
Apr-11	13,768,044	107,531,674	12.80%
May-11	13,439,156	108,246,609	12.42%
Jun-11	13,701,297	109,115,040	12.56%
Jul-11	13,799,729	109,303,925	12.63%
Aug-11	14,565,804	109,140,745	13.35%
Sep-11	14,929,529	108,584,502	13.75%
Oct-11	14,559,276	108,871,982	13.37%
Nov-11	15,026,352	108,673,513	13.83%
Dec-11	14,920,920	107,595,608	13.87%
Average			13.18%

(a) ES Form 1.10

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
- Kentucky Only						
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

20,766,296

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2011

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

		Environmental Compliance Plans
(1) RB	= \$	1,217,833,316
(2) RB / 12	= \$	101,486,110
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4) OE	= \$	5,373,215
(5) BAS	= \$	(32,084)
(6) BR	= \$	-
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	16,426,691

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.12%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,982,399
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11) Prior Period Adjustment (if necessary)	=	(78,018)
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,904,381
(13) Revenue Collected through Base Rates	= \$	13,818,379
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	86,002
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	106,403,777
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.08%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,036,916
(2)	RB / 12	= \$	101,169,743
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4)	OE	= \$	5,906,623
(5)	BAS	= \$	(12,324)
(6)	BR	= \$	-
(7)	E(m)	= \$	16,905,981
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.06%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,549,287
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,549,287
(13)	Revenue Collected through Base Rates	= \$	11,827,563
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,721,724
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,016,860
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.54%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of March 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,135,093
(2)	RB / 12	= \$	101,177,924
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,696,454
(5)	BAS	= \$	(295,642)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,162,138
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.01%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,761,155
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,879,425
(13)	Revenue Collected through Base Rates	= \$	10,993,252
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,886,173
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,050,264
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.70%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of April 2011

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

		Environmental Compliance Plans
(1) RB	= \$	1,212,576,264
(2) RB / 12	= \$	101,048,022
(3) $(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.04%
(4) OE	= \$	5,661,285
(5) BAS	= \$	37,954
(6) BR	= \$	-
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 16,779,033

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.31%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,649,774
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,768,044
(13) Revenue Collected through Base Rates	= \$	10,044,427
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,723,617
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,531,674
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.46%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of May 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,211,354,448
(2)	RB / 12	= \$	100,946,204
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,857,242
(5)	BAS	= \$	(8,495)
(6)	BR	= \$	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	17,010,198

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	84.19%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,320,886
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,439,156
(13)	Revenue Collected through Base Rates	= \$	9,618,565
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,820,591
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,246,609
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.53%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of June 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,206,242
(2)	RB / 12	= \$	101,183,854
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	6,093,956
(5)	BAS	= \$	(9,720)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,274,374
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	84.42%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,583,027
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,701,297
(13)	Revenue Collected through Base Rates	= \$	11,018,257
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,683,040
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	109,115,040
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.46%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,212,691,706
(2)	RB / 12	= \$	101,057,642
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,973,395
(5)	BAS	= \$	(1,066)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,131,224
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.70%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,681,459
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,799,729
(13)	Revenue Collected through Base Rates	= \$	11,760,729
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,039,000
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	109,303,925
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.87%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of August 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,213,318,388
(2)	RB / 12	= \$	101,109,866
(3)	(ROR + (ROR - DR) (TR / (1 - TR)))	=	11.04%
(4)	OE	= \$	6,543,787
(5)	BAS	= \$	(12,812)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,719,128
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.18%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,447,536
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,732)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,565,804
(13)	Revenue Collected through Base Rates	= \$	12,465,088
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,100,716
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	109,140,745
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.92%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of September 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,210,886,436
(2)	RB / 12	= \$	100,907,203
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	5,909,919
(5)	BAS	= \$	(10,294)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,060,369
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.51%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,929,529
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,929,529
(13)	Revenue Collected through Base Rates	= \$	11,546,729
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,382,800
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,584,502
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.12%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of October 2011

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

		Environmental Compliance Plans	
(1) RB	= \$		1,227,064,849
(2) RB / 12	= \$		102,255,404
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		11.04%
(4) OE	= \$		5,757,759
(5) BAS	= \$		(9,565)
(6) BR	= \$		-
(7) E(m)		(2) x (3) + (4) - (5) + (6)	17,056,321

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=		85.36%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$		14,559,276
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=		-
(11) Prior Period Adjustment (if necessary)	=		-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=		14,559,276
(13) Revenue Collected through Base Rates	= \$		10,611,735
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$		3,947,541
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$		108,871,982
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		3.63%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of November 2011

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,225,988,797
(2)	RB / 12	= \$	102,165,733
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4)	OE	= \$	6,086,129
(5)	BAS	= \$	(4,271)
(6)	BR	= \$	-
(7)	E(m)	= \$	17,369,497
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.51%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,026,352
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,026,352
(13)	Revenue Collected through Base Rates	= \$	9,449,751
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	5,576,601
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,673,513
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	5.13%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of December 2011

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	= \$	1,241,656,918	\$	19,369,355
(2) RB / 12	= \$	103,471,410	\$	1,614,113
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%		10.59%
(4) OE	= \$	5,249,209	\$	936,843
(5) BAS	= \$	2,416		Not Applicable
(6) BR	= \$	-		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	16,670,037	\$	1,107,778
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,777,815		

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	83.93%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	14,920,920
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	= \$	-
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=	14,920,920

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	=	100%		0%
(14) Group E(m) [(12) x (13)]	= \$	14,920,920	\$	-
(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	= \$	10,705,782	\$	-
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	= \$	4,215,138	\$	-
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,595,608	\$	-
(20) Group Environmental Surcharge Billing Factors [(18) + (19)]	=	3.92%		0.00%

KENTUCKY UTILITIES

**To Eliminate Net Brokered and Financial Swap Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

1. Brokered and Financial Swap Revenues	\$ 231,838
2. Brokered and Financial Swap Expenses recorded in revenues	<u>574,533</u>
3. Net Brokered and Financial Swap Revenues	(342,695)
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	<u>86.773%</u>
5. Kentucky Jurisdiction Net Brokered and Financial Swap Revenues	<u>\$ (297,367)</u>
6. Kentucky Jurisdiction Net Brokered and Financial Swap Revenues adjustment	<u>\$ 297,367</u>
7. Operating Expenses related to Brokered and Financial Swap	6,501 *
8. Kentucky Jurisdiction (Ref. Sch. Allocators)	<u>86.773%</u>
9. Kentucky Jurisdiction Brokered and Financial Swap Operating Expenses	<u>\$ 5,641</u>
10. Kentucky Jurisdiction Net Brokered and Financial Swap Operating Expenses adjustment	<u>\$ (5,641)</u>
11. Net Kentucky Jurisdictional adjustment (Line 6 - Line 10)	<u>\$ 303,008</u>

*NOTE: Reflects 0.14% of total labor and labor related costs from regulated trading sales activities.

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

Regulated Trading Labor
For Year Ended January 1, 2011 through December 31, 2011

1 Total Labor		<u>Total</u> \$ 4,736,545
2 Brokered/Swap Trading Percentage		<u>1.64%</u>
3 Total Brokered/Swap Trading Expense		<u><u>77,570</u></u>
4 KU	8.4%	6,501
5 LG&E	91.6%	<u>71,069</u>
6		<u><u>77,570</u></u>

**To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011**

	TME DEC 2011 REVENUES	TME DEC 2011 KWH	TOTAL BROKERED & SWAP REVENUES
1 KU	-	-	
2 LG&E	-	-	
3 TOTAL BROKERED	-	-	
4 KU	231,838		
5 LG&E	2,534,557		
6 TOTAL SETTLED SWAP REVENUE	2,766,396	-	
7 KU	4,364,303	99,010,000	
8 LG&E	60,437,290	1,544,495,000	
9 TOTAL SALES FOR RESALE	64,801,594	1,643,505,000	
10 KU	4,596,142	99,010,000	8.4%
11 LG&E	62,971,848	1,544,495,000	91.6%
12 TOTAL BROKERED, SWAP & SFR (EXCLUDES INTERCOMPANY)	67,567,989	1,643,505,000	100.0%
13 BROKERED/SWAP TO TOTAL PERCENT	4.1%	0.0%	
14 STAFF TRADING PERCENTAGE	40.0%		
15 BROKERED TRADING PERCENTAGE	1.64%		

Energy Marketing
 Regulated Trading Labor
 For Year Ended 12/31/2011
 \$'s

COMBINED

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	2,532,183
		Burdens	2,204,362
		Total Burdened Labor	<u><u>4,736,545</u></u>

LGE

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,157,011
		Burdens	1,008,354
		Total Burdened Labor	<u><u>2,165,365</u></u>

KU

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	1,374,811
		Burdens	1,195,114
		Total Burdened Labor	<u><u>2,569,925</u></u>

CAPITAL CORP

Exp Org	Department Name		<u>Actual YTD</u>
029660	Regulated Trading	Labor	361
		Burdens	894
		Total Burdened Labor	<u><u>1,255</u></u>

KENTUCKY UTILITIES COMPANY
To Eliminate Electric Brokered Sales Revenues and Expenses
For the Test Year Ended December 31, 2011

Regulated Trading & Dispatch Department Personnel

Trading Positions

- 1 Trader
- 2 Dir Trading
- 3 Assoc Trader
- 4 Sr. Trader
- 5 Trader
- 6 Mgr Hourly Trading
- 7 Trader
- 8 Mgr of Trading
- 9 Trader
- 10 Sr. Trader

Dispatching Positions

- 11 Sr Market Compliance Analyst
- 12 Assoc Mkt Compliance Analyst
- 13 Generation Dispatcher
- 14 Dir Marketing
- 15 Generation Dispatcher
- 16 Generation Dispatcher
- 17 Account Manager II Municipals
- 18 Generation Dispatcher
- 19 Mgr Reg Generation Dispatch Op
- 20 Generation Dispatcher
- 21 Mgr Market Compliance
- 22 Generation Dispatcher
- 23 Scheduler
- 24 Sr Market Compliance Analyst
- 25 Sr Dispatcher

26 Trading Positions	10
27 Total Regulated Trading and Dispatch Positions	25
28 Trading Positions as a % of the total	40.00%

Louisville Gas and Electric Company
Electric Utility Revenues and Expenses
December 31, 2011.

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Residential Sales.....	\$ 30,016,141.82	\$ 34,948,425.79	\$ 366,263,254.94	\$ 366,497,652.16	\$ 366,263,254.94	\$ 366,497,652.16
Small Commercial and Industrial Sales.....	10,470,563.71	11,909,197.45	137,198,907.66	128,289,585.29	137,198,907.66	128,289,585.29
Large Commercial Sales.....	12,240,081.68	12,801,289.63	162,803,411.74	152,587,640.61	162,803,411.74	152,587,640.61
Large Industrial Sales.....	10,280,712.20	11,555,283.74	145,251,812.13	140,028,632.78	145,251,812.13	140,028,632.78
Public Street and Highway Lighting.....	619,541.72	612,809.20	7,235,355.29	7,041,069.30	7,235,355.29	7,041,069.30
Other Sales to Public Authorities.....	4,932,708.75	6,937,291.33	84,489,064.85	80,391,397.29	84,489,064.85	80,391,397.29
Total Electric Revenue - Ultimate Consumers	68,559,749.88	78,764,297.14	903,241,806.61	874,835,977.43	903,241,806.61	874,835,977.43
Sales for Resale.....	5,706,104.81	2,441,206.88	60,437,290.25	22,404,813.92	60,437,290.25	22,404,813.92
Intercompany Sales for Resale.....	9,545,512.73	11,120,084.15	82,377,392.16	99,275,772.30	82,377,392.16	99,275,772.30
Brokered Purchases.....	-	(784.00)	-	(2,765.00)	-	(2,765.00)
Settled Swap Revenue.....	-	1,067,752.00	2,534,557.33	7,192,669.48	2,534,557.33	7,192,669.48
Settled Swap Expense.....	-	(885,944.00)	(5,271,858.07)	(4,011,484.98)	(5,271,858.07)	(4,011,484.98)
Late Charge Payments.....	427,402.24	476,515.28	5,670,214.90	6,445,070.26	5,670,214.90	6,445,070.26
Miscellaneous Service Revenue.....	117,679.50	56,564.00	1,562,779.56	1,457,360.65	1,562,779.56	1,457,360.65
Rent from Electric Property.....	(49,710.09)	208,655.91	2,791,700.54	2,696,832.13	2,791,700.54	2,696,832.13
Other Electric Revenue.....	495,215.75	503,099.98	6,406,420.21	5,317,320.78	6,406,420.21	5,317,320.78
Total Electric Operating Revenue.....	84,801,954.82	93,751,447.34	1,059,750,303.49	1,015,611,566.97	1,059,750,303.49	1,015,611,566.97
Fuel.....	31,916,581.86	31,529,026.04	343,602,284.48	347,218,737.33	343,602,284.48	347,218,737.33
Operation Expenses	3,910,525.05	6,554,841.47	56,196,787.48	55,754,968.95	56,196,787.48	55,754,968.95
Maintenance.....	4,512,152.76	7,201,953.99	57,856,947.55	62,921,664.84	57,856,947.55	62,921,664.84
Rents.....	13,414.49	8,752.74	89,098.35	89,061.86	89,098.35	89,061.86
Total Steam Power Generation Expenses.....	40,352,674.16	45,294,574.24	457,745,117.86	465,984,432.98	457,745,117.86	465,984,432.98
Operation Expenses.....	44,282.89	46,807.77	536,979.32	412,215.67	536,979.32	412,215.67
Maintenance.....	54,521.28	44,535.97	735,377.68	639,950.53	735,377.68	639,950.53
Rents	29,303.70	36,663.99	379,817.78	414,964.64	379,817.78	414,964.64
Total Hydraulic Generation Expenses.....	128,107.87	128,007.73	1,652,174.78	1,467,130.84	1,652,174.78	1,467,130.84
Fuel.....	512,910.57	2,966,054.04	17,366,108.88	21,337,589.01	17,366,108.88	21,337,589.01
Operation Expenses.....	12,578.48	19,908.22	237,713.70	209,853.69	237,713.70	209,853.69
Maintenance.....	118,147.14	2,550,215.62	1,562,397.01	3,652,520.28	1,562,397.01	3,652,520.28
Rents.....	2,258.49	2,072.17	21,314.08	19,585.53	21,314.08	19,585.53
Total Other Power Generation Expenses.....	645,894.68	5,538,250.05	19,187,533.67	25,219,548.51	19,187,533.67	25,219,548.51
Purchased Power.....	6,940,294.11	4,790,428.59	74,894,547.12	54,379,718.69	74,894,547.12	54,379,718.69
System Control and Load Dispatch.....	124,194.86	183,997.06	1,588,107.38	1,626,044.81	1,588,107.38	1,626,044.81
Other Expenses.....	167,040.79	116,271.01	2,164,861.78	621,822.70	2,164,861.78	621,822.70
Other Credits.....	-	-	-	-	-	-
Total Other Power Supply Expenses	7,231,529.76	5,090,696.66	78,647,516.28	56,627,586.20	78,647,516.28	56,627,586.20
Total Power Production Expenses.....	\$ 48,358,206.47	\$ 56,051,528.68	\$ 557,232,342.59	\$ 549,298,698.53	\$ 557,232,342.59	\$ 549,298,698.53

**Louisville Gas and Electric Company
Distribution of Kwh Output and Load Data
December 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales	336,416,687	432,578,551	4,260,121,989	4,591,882,579	4,260,121,989	4,591,882,579
Small Commercial and Industrial Sales	105,690,595	131,402,076	1,420,199,307	1,461,031,299	1,420,199,307	1,461,031,299
Large Commercial Sales	172,809,440	197,632,817	2,288,544,888	2,332,211,310	2,288,544,888	2,332,211,310
Large Industrial Sales	169,976,251	213,851,648	2,430,194,056	2,602,851,775	2,430,194,056	2,602,851,775
Public Street and Highway Lighting Sales	5,349,392	6,253,957	51,351,317	54,324,659	51,351,317	54,324,659
Other Sales to Public Authorities	73,289,356	105,882,864	1,190,642,794	1,295,935,082	1,190,642,794	1,295,935,082
Total Sales - Ultimate Consumers	863,531,721	1,087,601,913	11,641,054,351	12,338,236,704	11,641,054,351	12,338,236,704
Sales for Resale	158,719,000	54,968,000	1,544,495,000	535,022,000	1,544,495,000	535,022,000
Intercompany Sales for Resale	425,541,000	489,542,000	3,641,187,000	4,709,981,000	3,641,187,000	4,709,981,000
Brokered Purchases	-	(20,000)	-	(61,000)	-	(61,000)
Total Sales	1,447,791,721	1,632,091,913	16,826,736,351	17,583,178,704	16,826,736,351	17,583,178,704
Used by Electric Department - Station Auxillary	-	-	-	-	-	-
Used by Electric Department - Duplicate Charges	296,146	325,021	2,148,627	2,311,841	2,148,627	2,311,841
Used by Other Departments	1,122,135	-	13,046,118	-	13,046,118	-
Delivered to US Government - Hydro License	418,437	449,402	1,571,011	1,708,802	1,571,011	1,708,802
Used by IMEA	48,477,000	50,808,000	527,689,000	466,320,000	527,689,000	466,320,000
Used by IMPA	52,647,000	53,811,000	556,383,000	497,961,000	556,383,000	497,961,000
Total Kwh Sales, Co. Uses, Etc.	1,550,752,439	1,737,485,336	17,927,574,107	18,551,480,347	17,927,574,107	18,551,480,347
Total System Losses (1)	77,447,561	11,023,414	708,284,049	520,344,403	708,284,049	520,344,403
Total Kwh Output	1,628,200,000	1,748,508,750	18,635,858,156	19,071,824,750	18,635,858,156	19,071,824,750

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts	1,588,000	1,900,000	2,704,000	2,852,000	2,704,000	2,852,000
Day of the Week	Wednesday	Monday	Tuesday	Wednesday	Tuesday	Wednesday
Date	12/7/2011	12/13/2010	7/12/2011	08/04/2010	7/12/2011	08/04/2010
Hour	7:00 PM	7:00 PM	2:00 PM	3:00 PM	2:00 PM	3:00 PM
Type of Reading - 60 Minute Integrated						

Record Peak

Net 2,852,000 - 08/04/2010

Kentucky Utilities Company
Jurisdictional Utility Revenues
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Kentucky Only						
Residential Sales	\$ 47,988,375.38	\$ 64,633,053.34	\$ 493,167,717.03	\$ 507,149,614.38	\$ 493,167,717.03	\$ 507,149,614.38
Small Commercial and Industrial Sales	14,341,239.39	16,290,100.33	177,368,049.63	169,057,147.22	177,368,049.63	169,057,147.22
Large Commercial Sales	10,432,119.75	13,552,378.13	153,478,796.41	156,054,735.56	153,478,796.41	156,054,735.56
Large Industrial Sales	26,564,713.72	26,813,733.79	333,374,938.84	315,272,945.34	333,374,938.84	315,272,945.34
Mine Power	2,494,770.91	3,218,867.38	31,439,098.55	32,341,102.17	31,439,098.55	32,341,102.17
Public Street and Highway Lighting	763,827.61	988,675.68	10,752,067.99	10,595,234.96	10,752,067.99	10,595,234.96
Other Sales to Public Authorities	6,000,776.36	10,065,394.97	104,491,353.23	98,314,510.52	104,491,353.23	98,314,510.52
Municipal Pumping	374,424.02	426,322.15	4,700,344.05	4,540,381.37	4,700,344.05	4,540,381.37
Rate Refunds.....	-	-	-	6.12	-	6.12
Total Electric Revenue - Ultimate Consumers	108,960,247.14	135,988,525.77	1,308,772,365.73	1,293,325,677.64	1,308,772,365.73	1,293,325,677.64
Sales for Resale	22,804.55	-	4,364,303.42	190,343.93	4,364,303.42	190,343.93
Intercompany Sales for Resale	3,322,557.64	984,022.79	32,401,992.52	13,775,333.51	32,401,992.52	13,775,333.51
Wholesale Sales	8,049,227.69	8,707,299.85	103,730,191.53	103,291,802.77	103,730,191.53	103,291,802.77
Settled Swap Revenue.....	-	-	231,838.17	31,586.52	231,838.17	31,586.52
Settled Swap Expense.....	-	-	(574,533.43)	(11,867.02)	(574,533.43)	(11,867.02)
Late Charge Payments.....	427,151.69	758,626.67	7,457,495.97	9,988,850.61	7,457,495.97	9,988,850.61
Miscellaneous Service Revenue	182,102.82	109,782.09	2,341,512.20	2,197,507.35	2,341,512.20	2,197,507.35
Rent from Electric Property	(134,978.61)	48,105.52	1,685,513.88	941,884.34	1,685,513.88	941,884.34
Other Electric Revenue	1,296,927.59	1,004,133.98	14,709,782.04	10,533,681.78	14,709,782.04	10,533,681.78
Total Electric Operating Revenue	\$ 122,126,040.51	\$ 147,600,496.67	\$ 1,475,120,462.03	\$ 1,434,264,801.43	\$ 1,475,120,462.03	\$ 1,434,264,801.43
Virginia Only						
Residential Sales	\$ 4,165,788.49	\$ 6,437,219.11	\$ 32,436,910.41	\$ 38,559,512.54	\$ 32,436,910.41	\$ 38,559,512.54
Small Commercial and Industrial Sales	641,763.69	1,005,951.27	6,454,197.04	7,489,242.95	6,454,197.04	7,489,242.95
Large Commercial Sales	804,973.85	1,208,563.95	9,698,647.17	9,990,934.89	9,698,647.17	9,990,934.89
Large Industrial Sales	288,023.61	217,105.64	3,124,274.32	1,614,283.33	3,124,274.32	1,614,283.33
Mine Power	1,115,827.45	1,520,141.60	13,391,315.25	13,102,181.57	13,391,315.25	13,102,181.57
Public Street and Highway Lighting	15,786.55	33,470.20	395,101.75	312,286.01	395,101.75	312,286.01
Other Sales to Public Authorities	525,149.76	857,358.93	6,193,969.67	6,551,117.89	6,193,969.67	6,551,117.89
Municipal Pumping	16,520.18	22,632.58	171,475.49	197,448.34	171,475.49	197,448.34
Rate Refunds.....	-	-	-	(632,390.04)	-	(632,390.04)
Total Electric Revenue - Ultimate Consumers	7,573,833.58	11,302,443.28	71,865,891.10	77,184,617.48	71,865,891.10	77,184,617.48
Late Charge Payments.....	23,911.45	16,573.21	212,213.81	95,931.55	212,213.81	95,931.55
Miscellaneous Service Revenue	13,897.13	6,353.59	129,150.67	111,635.34	129,150.67	111,635.34
Rent from Electric Property	15,989.62	4,062.88	171,029.49	48,169.20	171,029.49	48,169.20
Other Electric Revenue	10,637.50	61.00	18,239.00	4,557.00	18,239.00	4,557.00
Total Electric Operating Revenue	\$ 7,638,269.28	\$ 11,329,493.96	\$ 72,396,524.07	\$ 77,444,910.57	\$ 72,396,524.07	\$ 77,444,910.57

Kentucky Utilities Company
Distribution of Kwh Output and Load Data
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Distribution of Kwh Output						
Residential Sales.....	656,058,761	949,103,354	6,549,421,114	7,181,625,474	6,549,421,114	7,181,625,474
Small Commercial and Industrial Sales	164,303,201	204,006,743	2,018,961,791	2,072,007,449	2,018,961,791	2,072,007,449
Large Commercial Sales	166,496,755	224,231,525	2,287,663,933	2,498,175,382	2,287,663,933	2,498,175,382
Industrial Sales.....	504,550,509	526,055,295	6,013,408,031	5,764,353,504	6,013,408,031	5,764,353,504
Mine Power Sales.....	57,531,832	73,137,000	684,726,723	693,997,362	684,726,723	693,997,362
Public Street and Highway Lighting Sales.....	4,280,864	5,839,269	50,815,039	55,934,105	50,815,039	55,934,105
Other Sales to Public Authorities.....	106,098,390	164,662,159	1,584,237,158	1,600,139,247	1,584,237,158	1,600,139,247
Municipal Pumping.....	5,542,348	6,792,300	67,203,674	69,676,728	67,203,674	69,676,728
Total Sales - Ultimate Consumers.....	1,664,862,660	2,153,827,645	19,256,437,463	19,935,909,251	19,256,437,463	19,935,909,251
Sales for Resale.....	539,000	-	99,010,000	4,515,000	99,010,000	4,515,000
Intercompany Sales for Resale.....	120,983,000	30,373,000	1,120,336,000	439,210,000	1,120,336,000	439,210,000
Wholesale Sales.....	156,587,862	185,182,349	1,905,867,063	2,002,284,155	1,905,867,063	2,002,284,155
Total Sales	1,942,972,522	2,369,382,994	22,381,650,526	22,381,918,406	22,381,650,526	22,381,918,406
Kwh Supplied - Company Lighting.....	1,950,988	2,331,643	22,014,658	23,251,969	22,014,658	23,254,105
Kwh Supplied - Free Lighting.....	4,500	4,500	53,768	51,830	53,768	48,687
Used By IMEA.....	42,238,000	19,453,000	459,156,000	44,892,000	459,156,000	44,892,000
Used by IMPA.....	44,940,000	20,678,000	488,140,000	47,694,000	488,140,000	47,694,000
Total Kwh Sales, Co. Uses, Etc.....	2,032,106,010	2,411,850,137	23,351,014,952	22,497,808,205	23,351,014,952	22,497,807,198
Total System Losses (1).....	97,618,990	(26,420,887)	993,779,892	1,444,270,045	993,779,892	1,444,270,045
Total Kwh Output.....	2,129,725,000	2,385,429,250	24,344,794,844	23,942,078,250	24,344,794,844	23,942,077,243

(1) Includes Losses from Transmission Lines, Station Lights and Power.

Net Firm Peak Load

Kilowatts.....	3,546,000	4,517,000	4,292,000	4,517,000	4,292,000	4,517,000
Day of the Week.....	Thursday	Wednesday	Friday	Wednesday	Friday	Wednesday
Date.....	12/8/2011	12/15/2010	02/11/2011	12/15/2010	02/11/2011	12/15/2010
Hour.....	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM	8:00 AM
Type of Reading - 60 Minute Integrated						

Record Peak - Net 4,640,000 Kwh - 01/16/2009

**Supplemental Exhibit 1
Reference Schedule 1.06**

KENTUCKY UTILITIES

**To Eliminate Rate Mechanism Revenue Accruals
For the Twelve Months Ended December 31, 2011**

1. ECR Accrued Revenue in Accounts 440-445	\$ 5,218,913
2. MSR Accrued Revenue in Accounts 440-445	396
3. FAC Accrued Revenue in Accounts 440-445	1,161,000
4. DSM Accrued Revenue in Accounts 440-445	<u>2,937,495</u>
5. Total Kentucky Jurisdictional Accrued Revenues	<u>\$ 9,317,804</u>
6. Total Adjustment	<u>\$ (9,317,804)</u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

KU (Electric) (KY and TN only)

TOTAL Ultimate Consumers:

Actual	18,507,215,314
Budget	18,385,858,862
Variance	121,356,452
Dollars per MWH - Actual	\$ 3.83
Dollars per MWH - Budget	\$ 4.26

Wholesale-Municipals:

Actual	1,756,275,201
Budget	2,019,073,644
Variance	(262,798,443)
Dollars per MWH - Actual	\$ 0.18
Dollars per MWH - Budget	\$ 22.97

TOTAL Internal Sales:

Actual	20,263,490,515
Budget	20,404,932,506
Variance	(141,441,991)
Dollars per MWH - Actual	\$ 3.51
Dollars per MWH - Budget	\$ 3.84

KWH	BILLED REVENUES											Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	70,876,976	157,516,769	71,723,350	389,119,187	62,004,293	501,801,750	9,509,017	17,120,990	34,616,785	384	12	1,314,289,515	71.01
Budget	78,373,235	180,527,121	63,344,263	387,837,500	61,701,300	506,346,554	18,355,210	23,654,138	69,760,537			1,389,899,858	75.60
Variance	(7,496,259)	(23,010,352)	8,379,087	1,281,687	302,993	(4,544,804)	(8,846,193)	(6,533,148)	(35,143,752)	384	12	(75,610,343)	(4.58)
Dollars per MWH - Actual	\$ 3.83	\$ 8.51	\$ 3.88	\$ 21.03	\$ 3.35	\$ 27.11	\$ 0.51	\$ 0.93	\$ 1.87	\$ -	\$ -	\$ 71.01	
Dollars per MWH - Budget	\$ 4.26	\$ 9.82	\$ 3.45	\$ 21.09	\$ 3.36	\$ 27.54	\$ 1.00	\$ 1.29	\$ 3.79	\$ -	\$ -	\$ 75.60	

TOTAL Ultimate Consumers:

Actual: Unbilled Accrual	929,796,638
Actual: Unbilled Reversal	(1,116,803,000)
Actual: Other Accrued Revenues	-
Actual: Net Accrued Revenues	(187,006,362)
Budget: Unbilled Accrual	948,785,323
Budget: Unbilled Reversal	(883,288,741)
Budget: Other Accrued Revs.	-
Budget: Net Accrued Revs.	65,496,582

Wholesale-Municipals:

Actual: Unbilled Accrual	156,587,862
Actual: Unbilled Reversal	(6,998,000)
Actual: Other Accrued Revenues	-
Actual: Net Accrued Revenues	149,591,862
Budget: Unbilled Accrual	-
Budget: Unbilled Reversal	-
Budget: Other Accrued Revs.	-
Budget: Net Accrued Revs.	-

TOTAL Ultimate Consumers:

Actual	18,320,208,952
Budget	18,451,355,444
Variance	(131,146,492)
Dollars per MWH - Actual	\$ 3.87
Dollars per MWH - Budget	\$ 4.25

Wholesale-Municipals:

Actual	1,905,867,063
Budget	2,019,073,644
Variance	(113,206,581)
Dollars per MWH - Actual	\$ 0.18
Dollars per MWH - Budget	\$ 22.75

TOTAL Internal Sales:

Actual	20,226,076,015
Budget	20,470,429,088
Variance	(244,353,073)
Dollars per MWH - Actual	\$ 3.52

KWH	ACCRUED REVENUES											Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	3,232,000	8,006,139	3,418,689	21,551,070	3,283,000	24,777,098	(359,879)	859,525	3,237,801	-	-	68,005,443	73.14
Budget	(3,154,000)	(8,186,000)	(3,595,000)	(3,595,000)	(4,254,000)	(30,749,000)	(2,681,000)	(1,452,000)	(2,279,000)	(6,000)	-	(62,840,000)	74.18
Variance	6,386,000	16,192,139	7,013,689	25,146,070	7,537,000	55,526,098	1,321,121	2,311,525	5,516,801	6,000	-	120,845,443	-0.04
Dollars per MWH - Actual	\$ 3.51	\$ 9.76	\$ 3.54	\$ 19.55	\$ 3.06	\$ 26.89	\$ 0.74	\$ 0.84	\$ 1.71	\$ -	\$ -	\$ 69.61	
Dollars per MWH - Budget	\$ 3.84	\$ 11.24	\$ 3.10	\$ 19.40	\$ 3.02	\$ 27.24	\$ 0.99	\$ 1.16	\$ 3.42	\$ -	\$ -	\$ 73.42	

KWH	OPERATING REVENUES											Total Revenue	\$/MWH
	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue		
Actual	70,954,976	157,336,907	71,547,039	384,667,257	61,033,293	495,829,848	7,845,138	19,765,010	39,798,499	(5,616)	12	1,308,772,366	71.44
Budget	78,373,235	180,527,121	63,344,263	385,384,377	64,578,995	508,150,330	16,187,096	23,709,290	65,324,322	-	-	1,385,579,029	75.09
Variance	(7,418,259)	(23,190,214)	8,202,776	(7,717,120)	(3,545,701)	(12,320,482)	(8,341,958)	(3,944,280)	(25,525,823)	(5,616)	12	(76,806,663)	(3.65)
Dollars per MWH - Actual	\$ 3.87	\$ 8.59	\$ 3.91	\$ 21.00	\$ 3.33	\$ 27.06	\$ 0.43	\$ 1.08	\$ 2.17	\$ -	\$ -	\$ 71.44	
Dollars per MWH - Budget	\$ 4.25	\$ 9.78	\$ 3.43	\$ 20.89	\$ 3.50	\$ 27.54	\$ 0.88	\$ 1.28	\$ 3.54	\$ -	\$ -	\$ 75.09	

**Supplemental Exhibit 1
Reference Schedule 1.07**

KENTUCKY UTILITIES

**To Eliminate DSM Revenues and Expenses
For the Twelve Months Ended December 31, 2011**

1. DSM Revenue adjustment	\$ (17,120,990)
2. DSM Expense adjustment	<u>(12,541,915)</u>
3. Net Adjustment	<u><u>\$ (4,579,075)</u></u>

Louisville Gas & Electric and Kentucky Utilities Companies
Revenue Component Variances
12 Months Ending December 2011 vs. Budget
(in whole dollars, except for price per unit data)

KU (Electric) (KY and TN only)

TOTAL Ultimate Consumers:

Actual	18,507,215,314	\$ 70,876,976	\$ 157,516,769	\$ 71,723,350	\$ 389,119,187	\$ 62,004,293	\$ 501,801,750	\$ 9,509,017	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,314,289,515	\$ 71.01
Budget	18,385,858,862	\$ 78,373,235	\$ 180,527,121	\$ 63,344,263	\$ 387,837,500	\$ 61,701,300	\$ 506,346,554	\$ 18,355,210	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,389,899,858	\$ 75.60
Variance	121,356,452	\$ (7,496,259)	\$ (23,010,352)	\$ 8,379,087	\$ 1,281,687	\$ 302,993	\$ (4,544,804)	\$ (8,846,193)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (75,610,343)	\$ (4.58)
Dollars per MWH - Actual		\$ 3.83	\$ 8.51	\$ 3.88	\$ 21.03	\$ 3.35	\$ 27.11	\$ 0.51	\$ 0.93	\$ 1.87	\$ -	\$ -	\$ 71.01	
Dollars per MWH - Budget		\$ 4.26	\$ 9.82	\$ 3.45	\$ 21.09	\$ 3.36	\$ 27.54	\$ 1.00	\$ 1.29	\$ 3.79	\$ -	\$ -	\$ 75.60	

Wholesale-Municipals:

Actual	1,756,275,201	\$ 312,864	\$ 40,350,276	\$ -	\$ 6,989,864	\$ -	\$ 43,081,431	\$ 5,483,169	\$ -	\$ -	\$ -	\$ -	\$ 96,217,604	\$ 54.79
Budget	2,019,073,644	\$ -	\$ 48,912,880	\$ -	\$ 8,000,031	\$ -	\$ 49,527,878	\$ 1,807,391	\$ -	\$ -	\$ -	\$ -	\$ 108,248,180	\$ 53.61
Variance	(262,798,443)	\$ 312,864	\$ (8,562,604)	\$ -	\$ (1,010,167)	\$ -	\$ (6,446,447)	\$ (3,324,222)	\$ -	\$ -	\$ -	\$ -	\$ (12,030,576)	\$ 1.17
Dollars per MWH - Actual		\$ 0.18	\$ 22.97	\$ -	\$ 3.98	\$ -	\$ 24.53	\$ 3.12	\$ -	\$ -	\$ -	\$ -	\$ 54.79	
Dollars per MWH - Budget		\$ -	\$ 24.23	\$ -	\$ 3.96	\$ -	\$ 24.53	\$ 0.90	\$ -	\$ -	\$ -	\$ -	\$ 53.61	

TOTAL Internal Sales:

Actual	20,263,490,515	\$ 71,189,840	\$ 197,867,045	\$ 71,723,350	\$ 396,109,051	\$ 62,004,293	\$ 544,883,181	\$ 14,992,186	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,410,507,118	\$ 69.61
Budget	20,404,932,506	\$ 78,373,235	\$ 229,440,001	\$ 63,344,263	\$ 395,837,531	\$ 61,701,300	\$ 555,874,432	\$ 20,162,601	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,498,148,038	\$ 73.42
Variance	(141,441,991)	\$ (7,183,395)	\$ (31,572,956)	\$ 8,379,087	\$ 271,520	\$ 302,993	\$ (10,991,251)	\$ (5,170,415)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (87,640,920)	\$ (3.81)
Dollars per MWH - Actual		\$ 3.51	\$ 9.76	\$ 3.54	\$ 19.55	\$ 3.06	\$ 26.89	\$ 0.74	\$ 0.84	\$ 1.71	\$ -	\$ -	\$ 69.61	
Dollars per MWH - Budget		\$ 3.84	\$ 11.24	\$ 3.10	\$ 19.40	\$ 3.02	\$ 27.24	\$ 0.99	\$ 1.16	\$ 3.42	\$ -	\$ -	\$ 73.42	

TOTAL Ultimate Consumers:

Actual: Unbilled Accrual	929,796,638	\$ 3,232,000	\$ 8,006,139	\$ 3,418,689	\$ 21,551,070	\$ 3,283,000	\$ 24,777,098	\$ (359,879)	\$ 859,525	\$ 3,237,801	\$ -	\$ -	\$ 68,005,443	\$ 73.14
Actual: Unbilled Reversal	(1,116,803,000)	\$ (3,154,000)	\$ (8,186,000)	\$ (3,595,000)	\$ (26,003,000)	\$ (4,254,000)	\$ (30,749,000)	\$ (2,465,000)	\$ (1,153,000)	\$ (3,275,000)	\$ (6,000)	\$ -	\$ (82,840,000)	\$ 74.18
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161,000	\$ 2,937,495	\$ 5,218,913	\$ -	\$ -	\$ 9,317,408	\$ -
Actual: Net Accrued Revenues	(187,006,362)	\$ 78,000	\$ (179,861)	\$ (176,311)	\$ (4,451,930)	\$ (971,000)	\$ (5,971,902)	\$ (1,663,879)	\$ 2,644,020	\$ 5,181,714	\$ (6,000)	\$ -	\$ (5,517,149)	\$ 29.50
Budget: Unbilled Accrual	948,785,323	\$ -	\$ -	\$ -	\$ 20,574,240	\$ 3,525,116	\$ 26,129,548	\$ (447,225)	\$ 1,160,570	\$ 3,276,370	\$ -	\$ -	\$ 54,218,619	\$ 57.15
Budget: Unbilled Reversal	(883,288,741)	\$ -	\$ -	\$ -	\$ (23,027,363)	\$ (647,421)	\$ (24,325,772)	\$ (1,720,889)	\$ (1,105,418)	\$ (7,712,585)	\$ -	\$ -	\$ (58,539,448)	\$ 66.27
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	65,496,582	\$ -	\$ -	\$ -	\$ (2,453,123)	\$ 2,877,695	\$ 1,803,776	\$ (2,168,114)	\$ 55,152	\$ (4,436,215)	\$ -	\$ -	\$ (4,320,829)	\$ (65.97)

Wholesale-Municipals:

Actual: Unbilled Accrual	156,587,862	\$ 26,072	\$ 3,066,694	\$ -	\$ 627,398	\$ -	\$ 3,841,100	\$ 212,323	\$ -	\$ -	\$ -	\$ -	\$ 7,773,588	\$ 49.64
Actual: Unbilled Reversal	(6,996,000)	\$ -	\$ (64,000)	\$ -	\$ (199,000)	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ (261,000)	\$ 37.31
Actual: Other Accrued Revenues	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual: Net Accrued Revenues	149,591,862	\$ 26,072	\$ 3,002,694	\$ -	\$ 428,398	\$ -	\$ 3,841,100	\$ 214,323	\$ -	\$ -	\$ -	\$ -	\$ 7,512,588	\$ 50.22
Budget: Unbilled Accrual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Unbilled Reversal	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Other Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budget: Net Accrued Revs.	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL Ultimate Consumers:

Actual	18,320,208,952	\$ 70,954,976	\$ 157,336,907	\$ 71,547,039	\$ 384,667,257	\$ 61,033,293	\$ 495,829,848	\$ 7,845,138	\$ 19,765,010	\$ 39,798,499	\$ (5,616)	\$ 12	\$ 1,308,772,366	\$ 71.44
Budget	18,451,355,444	\$ 78,373,235	\$ 180,527,121	\$ 63,344,263	\$ 385,384,377	\$ 64,578,995	\$ 508,150,330	\$ 16,187,096	\$ 23,709,290	\$ 65,324,322	\$ -	\$ -	\$ 1,385,579,029	\$ 75.09
Variance	(131,146,492)	\$ (7,418,259)	\$ (23,190,214)	\$ 8,202,776	\$ (717,120)	\$ (3,545,701)	\$ (12,320,482)	\$ (8,341,958)	\$ (3,944,280)	\$ (25,525,823)	\$ (5,616)	\$ 12	\$ (76,806,663)	\$ (3.65)
Dollars per MWH - Actual		\$ 3.87	\$ 8.59	\$ 3.91	\$ 21.00	\$ 3.33	\$ 27.06	\$ 0.43	\$ 1.08	\$ 2.17	\$ -	\$ -	\$ 71.44	
Dollars per MWH - Budget		\$ 4.25	\$ 9.78	\$ 3.43	\$ 20.89	\$ 3.50	\$ 27.54	\$ 0.88	\$ 1.28	\$ 3.54	\$ -	\$ -	\$ 75.09	

Wholesale-Municipals:

Actual	1,905,867,063	\$ 338,936	\$ 43,352,970	\$ -	\$ 7,418,262	\$ -	\$ 46,922,531	\$ 5,697,493	\$ -	\$ -	\$ -	\$ -	\$ 103,730,192	\$ 54.43
Budget	2,019,073,644	\$ -	\$ 48,912,880	\$ -	\$ 8,000,031	\$ -	\$ 49,527,878	\$ 1,807,391	\$ -	\$ -	\$ -	\$ -	\$ 108,248,180	\$ 53.61
Variance	(113,206,581)	\$ 338,936	\$ (5,559,910)	\$ -	\$ (581,769)	\$ -	\$ (2,605,347)	\$ (3,890,102)	\$ -	\$ -	\$ -	\$ -	\$ (4,517,988)	\$ 0.81
Dollars per MWH - Actual		\$ 0.18	\$ 22.75	\$ -	\$ 3.89	\$ -	\$ 24.62	\$ 2.99	\$ -	\$ -	\$ -	\$ -	\$ 54.43	
Dollars per MWH - Budget		\$ -	\$ 24.23	\$ -	\$ 3.96	\$ -	\$ 24.53	\$ 0.90	\$ -	\$ -	\$ -	\$ -	\$ 53.61	

TOTAL Internal Sales:

Actual	20,226,076,015	\$ 71,293,912	\$ 200,689,878	\$ 71,547,039	\$ 392,085,519	\$ 61,033,293	\$ 542,752,379	\$ 13,542,631	\$ 19,765,010	\$ 39,798,499	\$ (5,616)	\$ 12	\$ 1,412,502,557	\$ 69.84
Budget	20,470,429,088	\$ 78,373,235	\$ 229,440,001	\$ 63,344,263	\$ 393,384,408	\$ 64,578,995	\$ 557,878,208	\$ 17,994,487	\$ 23,709,290	\$ 65,324,322	\$ -	\$ -	\$ 1,493,827,209	\$ 72.97
Variance	(244,353,073)	\$ (7,079,323)	\$ (28,750,123)	\$ 8,202,776	\$ (1,298,889)	\$ (3,545,701)	\$ (14,925,829)	\$ (4,451,856)	\$ (3,944,280)	\$ (25,525,823)	\$ (5,616)	\$ 12	\$ (81,324,652)	\$ (3.14)
Dollars per MWH - Actual		\$ 3.52	\$ 9.92	\$ 3.54	\$ 19.39	\$ 3.02	\$ 26.83	\$ 0.67	\$ 0.98	\$ 1.97	\$ -	\$ -	\$ 69.84	

BILLED REVENUES														
KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH	
Actual	18,507,215,314	\$ 70,876,976	\$ 157,516,769	\$ 71,723,350	\$ 389,119,187	\$ 62,004,293	\$ 501,801,750	\$ 9,509,017	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,314,289,515	\$ 71.01
Budget	18,385,858,862	\$ 78,373,235	\$ 180,527,121	\$ 63,344,263	\$ 387,837,500	\$ 61,701,300	\$ 506,346,554	\$ 18,355,210	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,389,899,858	\$ 75.60
Variance	121,356,452	\$ (7,496,259)	\$ (23,010,352)	\$ 8,379,087	\$ 1,281,687	\$ 302,993	\$ (4,544,804)	\$ (8,846,193)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (75,610,343)	\$ (4.58)
Dollars per MWH - Actual		\$ 3.83	\$ 8.51	\$ 3.88	\$ 21.03	\$ 3.35	\$ 27.11	\$ 0.51	\$ 0.93	\$ 1.87	\$ -	\$ -	\$ 71.01	
Dollars per MWH - Budget		\$ 4.26	\$ 9.82	\$ 3.45	\$ 21.09	\$ 3.36	\$ 27.54	\$ 1.00	\$ 1.29	\$ 3.79	\$ -	\$ -	\$ 75.60	
Actual	1,756,275,201	\$ 312,864	\$ 40,350,276	\$ -	\$ 6,989,864	\$ -	\$ 43,081,431	\$ 5,483,169	\$ -	\$ -	\$ -	\$ -	\$ 96,217,604	\$ 54.79
Budget	2,019,073,644	\$ -	\$ 48,912,880	\$ -	\$ 8,000,031	\$ -	\$ 49,527,878	\$ 1,807,391	\$ -	\$ -	\$ -	\$ -	\$ 108,248,180	\$ 53.61
Variance	(262,798,443)	\$ 312,864	\$ (8,562,604)	\$ -	\$ (1,010,167)	\$ -	\$ (6,446,447)	\$ (3,324,222)	\$ -	\$ -	\$ -	\$ -	\$ (12,030,576)	\$ 1.17
Dollars per MWH - Actual		\$ 0.18	\$ 22.97	\$ -	\$ 3.98	\$ -	\$ 24.53	\$ 3.12	\$ -	\$ -	\$ -	\$ -	\$ 54.79	
Dollars per MWH - Budget		\$ -	\$ 24.23	\$ -	\$ 3.96	\$ -	\$ 24.53	\$ 0.90	\$ -	\$ -	\$ -	\$ -	\$ 53.61	
Actual	20,263,490,515	\$ 71,189,840	\$ 197,867,045	\$ 71,723,350	\$ 396,109,051	\$ 62,004,293	\$ 544,883,181	\$ 14,992,186	\$ 17,120,990	\$ 34,616,785	\$ 384	\$ 12	\$ 1,410,507,118	\$ 69.61
Budget	20,404,932,506	\$ 78,373,235	\$ 229,440,001	\$ 63,344,263	\$ 395,837,531	\$ 61,701,300	\$ 555,874,432	\$ 20,162,601	\$ 23,654,138	\$ 69,760,537	\$ -	\$ -	\$ 1,498,148,038	\$ 73.42
Variance	(141,441,991)	\$ (7,183,395)	\$ (31,572,956)	\$ 8,379,087	\$ 271,520	\$ 302,993	\$ (10,991,251)	\$ (5,170,415)	\$ (6,533,148)	\$ (35,143,752)	\$ 384	\$ 12	\$ (87,640,920)	\$ (3.81)
Dollars per MWH - Actual		\$ 3.51	\$ 9.76	\$ 3.54	\$ 19.55	\$ 3.06	\$ 26.89	\$ 0.74	\$ 0.84	\$ 1.71	\$ -	\$ -	\$ 69.61	
Dollars per MWH - Budget		\$ 3.84	\$ 11.24	\$ 3.10	\$ 19.40	\$ 3.02	\$ 27.24	\$ 0.99	\$ 1.16	\$ 3.42	\$ -	\$ -	\$ 73.42	
ACCRUED REVENUES														
KWH	Cust. Charge Revenue	Demand Revenue	Demand Rev. (Demand ECR)	Energy Rev. (excl. fuel)	Energy Rev. (Base ECR)	Energy Rev. (Base Fuel)	FAC Revenue	DSM Revenue	ECR Revenue	MSR Revenue	STOD, ESM & VDT Revenue	Total Revenue	\$/MWH	
Actual: Unbilled Accrual	929,796,638	\$ 3,232,000	\$ 8,006,139	\$ 3,418,689	\$ 21,551,070	\$ 3,283,000	\$							

KU
Reconciliation of DSM Expenses per GL to ASSD Filing
FY 2011

	General Ledger (Acct. 908005) (1)	Accrual Adjustment (2)	Adjusted Total Expenses (1) + (2)	Total Expense for ASSD Filing	Difference
Dec-11	\$ 1,700,630.01	\$ (61,000.00)	\$ 1,761,630.01	\$ 1,761,630.01	\$ -
Nov-11	\$ 996,703.86	\$ 166,000.00	\$ 830,703.86	\$ 830,703.86	\$ -
Oct-11	\$ 750,263.77	\$ (84,000.00)	\$ 834,263.77	\$ 834,263.77	\$ -
Sep-11	\$ 1,103,305.85	\$ 15,000.00	\$ 1,088,305.85	\$ 1,088,305.85	\$ -
Aug-11	\$ 1,593,096.33	\$ (118,000.00)	\$ 1,711,096.33	\$ 1,711,096.33	\$ -
Jul-11	\$ 1,416,811.55	\$ (14,000.00)	\$ 1,430,811.55	\$ 1,430,811.35	\$ 0.20
Jun-11	\$ 1,176,043.75	\$ (25,000.00)	\$ 1,201,043.75	\$ 1,201,043.95	\$ (0.20)
May-11	\$ 989,070.40	\$ (11,000.00)	\$ 1,000,070.40	\$ 1,000,070.40	\$ -
Apr-11	\$ 525,262.34	\$ (143,000.00)	\$ 668,262.34	\$ 668,262.34	\$ -
Mar-11	\$ 805,577.60	\$ 67,000.00	\$ 738,577.60	\$ 738,577.60	\$ -
Feb-11	\$ 378,260.13	\$ (118,000.00)	\$ 496,260.13	\$ 496,260.10	\$ 0.03
Jan-11	\$ 1,163,888.87	\$ 383,000.00	\$ 780,888.87	\$ 780,888.87	\$ -
	\$ 12,598,914.46	\$ 57,000.00	\$ 12,541,914.46	\$ 12,541,914.43	\$ 0.03

KU
Adjusted DSM Expenses
For the 12 Months Ended December 31, 2011

Total Expenses Per DSM File		RECONCILIATION					
		Accrual Adjustment (a)	CCS Expense (b)	T-STAT Expenses (c)	Adjusted Total Expenses	(acct 908005) General Ledger	Difference
Dec-11	\$ 1,768,551.33	\$ (61,000.00)	\$ -	\$ (6,921.32)	\$ 1,700,630.01	\$ 1,700,630.01	\$ -
Nov-11	\$ 830,528.86	\$ 166,000.00	\$ -	\$ 175.00	\$ 996,703.86	\$ 996,703.86	\$ -
Oct-11	\$ 834,263.77	\$ (84,000.00)	\$ -	\$ -	\$ 750,263.77	\$ 750,263.77	\$ -
Sep-11	\$ 1,097,142.17	\$ 15,000.00	\$ 85.00	\$ (8,921.32)	\$ 1,103,305.85	\$ 1,103,305.85	\$ -
Aug-11	\$ 1,703,987.24	\$ (118,000.00)	\$ 25.00	\$ 7,084.09	\$ 1,593,096.33	\$ 1,593,096.33	\$ -
Jul-11	\$ 1,430,728.95	\$ (14,000.00)	\$ -	\$ 82.40	\$ 1,416,811.35	\$ 1,416,811.55	\$ (0.20)
Jun-11	\$ 1,201,043.95	\$ (25,000.00)	\$ -	\$ -	\$ 1,176,043.95	\$ 1,176,043.75	\$ 0.20
May-11	\$ 1,000,070.40	\$ (11,000.00)	\$ -	\$ -	\$ 989,070.40	\$ 989,070.40	\$ -
Apr-11	\$ 668,124.34	\$ (143,000.00)	\$ -	\$ 138.00	\$ 525,262.34	\$ 525,262.34	\$ -
Mar-11	\$ 738,439.60	\$ 67,000.00	\$ -	\$ 138.00	\$ 805,577.60	\$ 805,577.60	\$ -
Feb-11	\$ 507,720.40	\$ (118,000.00)	\$ -	\$ (11,460.30)	\$ 378,260.10	\$ 378,260.13	\$ (0.03)
Jan-11	\$ 748,034.84	\$ 383,000.00	\$ -	\$ 32,854.03	\$ 1,163,888.87	\$ 1,163,888.87	\$ -
	<u>\$ 12,528,635.85</u>	<u>\$ 57,000.00</u>	<u>\$ 110.00</u>	<u>\$ 13,168.58</u>	<u>\$ 12,598,914.43</u>	<u>\$ 12,598,914.46</u>	<u>\$ (0.03)</u>

TRUE

- (a) Accruals are made on a monthly basis to Oracle Account 908005 for estimated DSM expenses. Accruals for estimated expenses are not recoverable through the DCR mechanism until the actual amount of the expenditures are known and recorded to the GL. As a result, the accruals are excluded from the DSM expenses for purposes of the ASSD filing.
- (b) CCS expenses (expenses that are recorded directly from CCS to Oracle Account 908005) should be recoverable expenses. However, when they were incurred, they did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The CCS expenses were customer account write-offs. Certain customers signed up for energy audit, HVAC diagnostic, and HVAC tune up programs, but did not pay for these charges even though the company performed these services. As such, the expenses are allowed through the mechanism and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.
- (c) The T-Stat expenses are similar to (b) above. These expenses were recorded to Oracle Account 908005 when they occurred, but did not go through the normal DCR recovery process and are therefore not included in the expenses in column B above. The T-STAT expenses are now considered recoverable and will be adjusted through the DSM DBA mechanism in the 2012 DBA filing.

Total Expenses Per DSM File	Additional Expense not recovered in O/U file (CCS and T-Stat Expense)	Total Expense for ASSD Filing
Dec-11 \$ 1,768,551.33	\$ (6,921.32)	\$ 1,761,630.01
Nov-11 \$ 830,528.86	\$ 175.00	\$ 830,703.86
Oct-11 \$ 834,263.77	\$ -	\$ 834,263.77
Sep-11 \$ 1,097,142.17	\$ (8,836.32)	\$ 1,088,305.85
Aug-11 \$ 1,703,987.24	\$ 7,109.09	\$ 1,711,096.33
Jul-11 \$ 1,430,728.95	\$ 82.40	\$ 1,430,811.35
Jun-11 \$ 1,201,043.95	\$ -	\$ 1,201,043.95
May-11 \$ 1,000,070.40	\$ -	\$ 1,000,070.40
Apr-11 \$ 668,124.34	\$ 138.00	\$ 668,262.34
Mar-11 \$ 738,439.60	\$ 138.00	\$ 738,577.60
Feb-11 \$ 507,720.40	\$ (11,460.30)	\$ 496,260.10
Jan-11 \$ 748,034.84	\$ 32,854.03	\$ 780,888.87
<u>\$ 12,528,635.85</u>	<u>\$ 13,278.58</u>	<u>\$ 12,541,914.43</u>

**Supplemental Exhibit 1
Reference Schedule 1.08**

KENTUCKY UTILITIES

**Adjustment to Annualize Year-End Customers
At December 31, 2011**

1. Revenue adjustment	\$ (13,701,571)
2. Expense adjustment	(7,542,566)
	<hr/>
3. Net adjustment	<u><u>\$ (6,159,006)</u></u>

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Average Number of Customers, 13 Months Ended December 31, 2011	Number of Customers Served at December 31, 2011	Year-End Over / (Under) 13-Month Average (2) - (1)	Actual kWh	Average kWh per Customer per Year (4) / (1)	Year-End kWh Adjustment (3) * (5)	Current Rates Net Revenue (Base Rates + FAC - Base ECR)	Average Revenue per kWh (7) / (4)	Revenue Adjustment (6) * (8)
RS	419,495	418,163		6,894,677,300			\$ 466,664,711		
RS3	268	265		7,667,163			\$ 498,139		
RSVFD	45	46		1,060,705			\$ 69,624		
RSNM	24	29		512,720			\$ 33,787		
Residential Service excluding Rate LEV	419,832	418,503	(1,329)	6,903,917,888	16,444	(21,854,076)	\$ 467,266,261	\$ 0.06768	\$ (1,479,084)
RSLEV	0	0		0	0	0	\$ -	\$ -	\$ -
Residential Service -- Electric Vehicle Only	0	0	0	-	0	0	\$ -	\$ -	\$ -
GS	64,954	64,285		937,411,626			\$ 80,305,832		
GSNM	5	5		117,542			\$ 9,321		
GS3	16,982	17,106		1,225,840,655			\$ 92,939,213		
GS3NM	4	3		278,763			\$ 21,111		
General Service	81,945	81,399	(546)	2,163,648,586	26,403	(14,416,038)	\$ 173,275,477	\$ 0.08008	\$ (1,154,436)
AES	371	365		11,855,542			\$ 764,928		
AESP	8	8		83,340			\$ 6,847		
AES3	254	246		162,682,304			\$ 9,714,815		
AES3P	1	4		94,360			\$ 5,935		
Rate AES	634	623	(11)	174,715,546	275,576	(3,031,336)	\$ 10,492,526	\$ 0.06005	\$ (182,032)
Power Service							\$ 5,028,311		
PSP	173	173		75,769,716			\$ 48,987,472		
PSPPF	151	136		890,081,173			\$ 54,015,783	\$ 0.05593	\$ (2,500,928)
Primary	324	309	(15)	965,850,889	2,981,021	(44,715,315)	\$ 124,966,519		
PSS	5,273	5,007		1,871,060,629			\$ 84,845,552		
PSSPF	573	560		1,461,086,208			\$ 28,814		
PSSNM	2	3		352,400			\$ 209,840,885	\$ 0.06297	\$ (9,975,635)
Secondary	5,848	5,570	(278)	3,332,499,237	569,852	(158,418,856)	\$ 177,701,771	\$ 0.04720	\$ (7,898,215)
Industrial Time of Day							\$ 177,701,771		
TODP	135	129		3,765,039,046	27,889,178	(167,335,068)	\$ 21,411,959	\$ 0.04992	\$ 4,477,460
Primary	135	129	(6)	3,765,039,046			\$ 21,411,959		
TODS	110	133	23	428,965,236	3,899,683	89,692,709	\$ 78,556,300	\$ 0.04553	\$ 4,909,251
Secondary	110	133	23	428,965,236			\$ 78,556,300		
RTS	32	34		1,725,192,489	53,912,265	107,824,530	\$ 23,476,823	\$ 0.04058	\$ -
Retail Transmission Service	32	34	2	1,725,192,489			\$ 23,476,823		
FLSP	0	0		0			\$ -		
FLST	1	1		578,471,246	578,471,246	0	\$ 23,476,823	\$ 0.04058	\$ -
Fluctuating Load Service	1	1	0	578,471,246			\$ 23,476,823		
LE	1	1		28,013	28,013	0	\$ 1,355	\$ 0.04838	\$ -
Lighting Energy	1	1	0	28,013			\$ 1,355		
TE	596	719		1,135,421	1,905	234,315	\$ 96,042	\$ 0.08459	\$ 19,821
Traffic Energy	596	719	123	1,135,421			\$ 96,042		
ODL							\$ 21,948,264	\$ 0.16212	\$ 82,227
Lighting Service	<i>Lights</i> 169,050	<i>Lights</i> 169,684	634	135,384,140	800	507,200	\$ 21,948,264	\$ 0.16212	\$ 82,227
Totals	<u>678,508</u>	<u>677,105</u>		<u>20,174,847,737</u>			<u>1,238,083,446</u>		<u>\$ (13,701,571)</u>
Expenses at an Operating Ratio of	0.550489098	(see page 2)							<u>\$ (6,159,006)</u>

ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended December 31, 2011

CALCULATION OF ELECTRIC OPERATING RATIO

TOTAL ELECTRIC OPERATING EXPENSES	\$	859,662,125
LESS WAGES AND SALARIES		97,239,491
LESS PENSIONS AND BENEFITS		37,398,933
LESS REGULATORY COMMISSION EXPENSE		1,524,688
NET EXPENSES	\$	723,499,013

TOTAL ELECTRIC OPERATIONS REVENUES (AS BILLED) \$ 1,314,283,999

OPERATING RATIO 0.550489098

KENTUCKY UTILITIES

**Adjustment To Reflect Annualized Depreciation Expenses
At December 31, 2011**

1. Annualized direct depreciation expense under current rates excluding ARO and ECR	\$ 143,476,996
2. Depreciation expense per books for test year	\$ 189,190,233
3. Depreciation expense for asset retirement costs (ARO)	(3,028,523)
4. Depreciation for environmental cost recovery (ECR) plans	(46,839,413)
5. Depreciation expense per books excluding ARO and ECR	\$ 139,322,297
6. Total Adjustment to reflect annualized depreciation expense (Line 1 - Line 5)	4,154,699
7. Kentucky Jurisdiction (Ref. Sch. Allocators)	87.347%
8. Kentucky Jurisdictional adjustment	\$ 3,629,021

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group		Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
Intangible Plant				
301	Organization	\$ 44,456	0.00%	\$ -
302	Franchises and Consents	55,919	0.00%	-
303	Misc. Intangible Plant - Software	18,338,712	20.00%	3,667,742
303.1	CCS Software	40,210,208	10.00%	4,021,021
	Total Intangible Plant	<u>\$ 58,649,295</u>		<u>\$ 7,688,763</u>
Steam Production Plant				
310.00	Land	\$ 10,881,104	0.00%	\$ -
311.00	Structures and Improvements			
	5603 Tyrone Unit 3	5,608,825	0.00%	-
	5604 Tyrone Units 1&2	583,381	0.00%	-
	5613 Green River Unit 3	2,821,437	0.00%	-
	5614 Green River Unit 4	5,476,054	0.00%	-
	5615 Green River Units 1&2	2,560,764	0.00%	-
	5621 Brown Unit 1	4,703,190	0.60%	28,219
	5622 Brown Unit 2	2,232,100	0.08%	1,786
	5623 Brown Unit 3	21,039,674	0.54%	113,614
	5630 Brown Unit 1,2,3 FGD	43,917,221	2.65%	1,163,806
	5643 Pineville Unit 3	16,204	0.00%	-
	5651 Ghent Unit 1	18,842,151	0.39%	73,484
	5650 Ghent Unit 1 FGD	8,483,789	2.65%	224,820
	5652 Ghent Unit 2	16,011,013	0.50%	80,055
	5658 Ghent Unit 2 FGD	15,817,338	2.65%	419,159
	5653 Ghent Unit 3	42,177,126	1.19%	501,908
	5654 Ghent Unit 4	31,022,091	1.41%	437,411
	0321 Trimble County Unit 2	106,290,581	2.10%	2,232,102
	0322 Trimble County Unit 2 FGD	5,522,307	2.10%	115,968
	5591 System Laboratory	824,969	1.54%	12,705
		<u>\$ 333,950,215</u>		<u>\$ 5,405,039</u>
312.00	Boiler Plant Equipment			
	5603 Tyrone Unit 3	\$ 13,993,286	3.99%	\$ 558,332
	5604 Tyrone Units 1&2	421,900	0.14%	591
	5613 Green River Unit 3	12,145,770	3.08%	374,090
	5614 Green River Unit 4	25,165,914	4.20%	1,056,968
	5615 Green River Units 1&2	349,298	2.18%	7,615
	5621 Brown Unit 1	45,302,489	2.98%	1,350,014
	5622 Brown Unit 2	41,956,868	3.01%	1,262,902
	5623 Brown Unit 3	142,628,390	2.80%	3,993,595
	5630 Brown Unit 1,2,3 FGD	323,725,099	3.87%	12,528,161
	5643 Pineville Unit 3	236,470	0.00%	-
	5650 Ghent Unit 1 FGD	144,202,759	3.87%	5,580,647
	5651 Ghent Unit 1	198,785,055	3.84%	7,633,346
	5652 Ghent Unit 2	98,446,686	2.33%	2,293,808
	5658 Ghent Unit 2 FGD	93,278,511	3.87%	3,609,878
	5653 Ghent Unit 3	254,967,910	2.63%	6,705,656
	5660 Ghent 3 FGD	127,988,949	3.87%	4,953,172
	5654 Ghent Unit 4	267,856,280	2.79%	7,473,190
	5661 Ghent Unit 4 FGD	307,100,359	3.87%	11,884,784
	0321 Trimble County Unit 2	505,158,969	4.28%	21,620,804
	0322 Trimble County Unit 2 FGD	70,735,320	4.28%	3,027,472
		<u>\$ 2,674,446,283</u>		<u>\$ 95,915,025</u>
314.00	Turbogenerator Units			
	5603 Tyrone Unit 3	\$ 4,805,514	3.44%	\$ 165,310
	5604 Tyrone Units 1&2	68,206	0.00%	-
	5613 Green River Unit 3	4,562,194	2.90%	132,304
	5614 Green River Unit 4	10,390,486	3.79%	393,799
	5621 Brown Unit 1	7,512,825	1.12%	84,144
	5622 Brown Unit 2	12,299,722	2.91%	357,922

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
5623 Brown Unit 3	29,293,398	3.17%	928,601
5651 Ghent Unit 1	36,687,321	2.23%	818,127
5652 Ghent Unit 2	30,417,592	2.08%	632,686
5653 Ghent Unit 3	42,595,557	2.03%	864,690
5654 Ghent Unit 4	57,036,973	2.20%	1,254,813
0321 Trimble County Unit 2	83,994,733	2.78%	2,335,054
	<u>\$ 319,664,520</u>		<u>\$ 7,967,449</u>
315.00 Accessory Electric Equipment			
5603 Tyrone Unit 3	\$ 2,081,693	0.00%	\$ -
5604 Tyrone Units 1&2	99,211	0.00%	-
5613 Green River Unit 3	1,205,362	0.00%	-
5614 Green River Unit 4	2,695,329	1.46%	39,352
5621 Brown Unit 1	3,859,109	2.10%	81,041
5622 Brown Unit 2	2,165,577	0.48%	10,395
5623 Brown Unit 3	8,597,466	0.54%	46,426
5630 Brown Unit 1,2,3 FGD	29,503,821	2.70%	796,603
5650 Ghent Unit 1 FGD	13,292,785	2.70%	358,905
5651 Ghent Unit 1	8,872,543	0.55%	48,799
5652 Ghent Unit 2	13,858,389	0.60%	83,150
5658 Ghent Unit 2 FGD	1,155,753	2.70%	31,205
5653 Ghent Unit 3	30,932,405	1.03%	318,604
5660 Ghent 3 FGD	12,041,998	2.70%	325,134
5654 Ghent Unit 4	24,412,797	1.22%	297,836
5661 Ghent 4 FGD	3,844,595	2.70%	103,804
0321 Trimble County Unit 2	41,600,357	2.49%	1,035,849
0322 Trimble County Unit 2 FGD	1,415,469	2.49%	35,245
	<u>\$ 201,634,659</u>		<u>\$ 3,612,349</u>
316.00 Miscellaneous Plant Equipment			
5603 Tyrone Unit 3	\$ 553,355	3.12%	\$ 17,265
5604 Tyrone Units 1&2	50,127	0.00%	-
5613 Green River Unit 3	152,146	3.97%	6,040
5614 Green River Unit 4	2,408,143	2.71%	65,261
5615 Green River Units 1&2	84,750	0.00%	-
5621 Brown Unit 1	432,578	2.26%	9,776
5622 Brown Unit 2	106,658	0.71%	757
5623 Brown Unit 3	5,070,448	2.33%	118,141
5650 Ghent Unit 1 FGD	1,033,027	2.87%	29,648
5651 Ghent Unit 1	1,747,527	1.38%	24,116
5652 Ghent Unit 2	1,500,525	1.07%	16,056
5653 Ghent Unit 3	3,150,438	1.40%	44,106
5654 Ghent Unit 4	7,455,181	2.03%	151,340
0321 Trimble County Unit 2	3,502,447	3.00%	105,073
5591 System Laboratory	2,763,049	2.74%	75,708
	<u>\$ 30,010,399</u>		<u>\$ 663,287</u>
317.00 Asset Retirement Obligations - Steam *	56,489,771		
Total Steam	<u>\$ 3,627,076,951</u>		<u>\$ 113,563,149</u>
Hydraulic Production Plant			
5691 Dix Dam			
330.10 Land Rights	\$ 879,311	0.00%	\$ -
331.00 Structures and Improvements	616,527	1.29%	7,953
332.00 Reservoirs, Dams & Waterways	21,603,970	0.72%	155,549
333.00 Water Wheels, Turbines and Generators	4,430,624	0.66%	29,242
334.00 Accessory Electric Equipment	578,333	0.83%	4,800
335.00 Misc. Power Plant Equipment	297,024	3.55%	10,544
336.00 Roads, Railroads and Bridges	176,360	0.00%	-
337.00 Asset Retirement Obligations - Hydro *	57,609		
Total Hydraulic Plant	<u>\$ 28,639,758</u>		<u>\$ 208,088</u>

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
Other Production Plant			
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	\$ 176,409	2.97%	\$ 5,239
340.20 Land	118,514	0.00%	-
341.00 Structures and Improvements			
5697 Paddy's Run Generator 13	1,910,328	3.03%	57,883
5635 Brown CT 5	775,082	3.04%	23,562
5636 Brown CT 6	192,814	3.05%	5,881
5637 Brown CT 7	544,966	2.93%	15,968
5638 Brown CT 8	2,012,655	2.60%	52,329
5639 Brown CT 9	4,641,055	2.60%	120,667
5640 Brown CT 10	1,865,718	2.61%	48,695
5641 Brown CT 11	1,895,014	2.72%	51,544
0470 Trimble County CT 5	3,740,231	3.14%	117,443
0471 Trimble County CT 6	3,588,684	3.12%	111,967
0474 Trimble County CT 7	3,559,155	3.32%	118,164
0475 Trimble County CT 8	3,548,852	3.32%	117,822
0476 Trimble County CT 9	3,655,976	3.32%	121,378
0477 Trimble County CT 10	3,653,030	3.32%	121,281
5696 Haefling Units 1,2,&3	434,853	6.47%	28,135
	\$ 36,018,413		\$ 1,112,720
342.00 Fuel Holders, Producers and Accessories			
5697 Paddy's Run Generator 13	\$ 1,995,101	3.11%	\$ 62,048
5635 Brown CT 5	795,788	3.11%	24,749
5636 Brown CT 6	406,460	2.92%	11,869
5637 Brown CT 7	405,871	2.92%	11,851
5638 Brown CT 8	252,006	2.63%	6,628
5639 Brown CT 9	2,018,754	2.65%	53,497
5640 Brown CT 10	264,131	2.63%	6,947
5641 Brown CT 11	284,823	2.74%	7,804
5645 Brown CT 9 Gas Pipeline	8,106,131	2.57%	208,328
0470 Trimble County CT 5	239,584	3.21%	7,691
0471 Trimble County CT 6	239,246	3.21%	7,680
0473 Trimble County CT Pipeline	4,850,115	3.23%	156,659
0474 Trimble County CT 7	578,059	3.42%	19,770
0475 Trimble County CT 8	576,386	3.42%	19,712
0476 Trimble County CT 9	593,786	3.42%	20,307
0477 Trimble County CT 10	622,873	3.42%	21,302
5696 Haefling Units 1,2,&3	518,705	0.00%	-
	\$ 22,747,817		\$ 646,841
343.00 Prime Movers			
5697 Paddy's Run Generator 13	\$ 17,803,364	3.62%	\$ 644,482
5635 Brown CT 5	14,666,936	3.65%	535,343
5636 Brown CT 6	34,600,149	3.55%	1,228,305
5637 Brown CT 7	31,657,719	3.58%	1,133,346
5638 Brown CT 8	26,710,990	3.30%	881,463
5639 Brown CT 9	23,335,363	3.23%	753,732
5640 Brown CT 10	20,074,766	3.26%	654,437
5641 Brown CT 11	34,794,971	3.41%	1,186,509
0470 Trimble County CT 5	31,137,756	3.72%	1,158,325
0471 Trimble County CT 6	32,030,243	3.72%	1,191,525
0474 Trimble County CT 7	23,223,116	3.91%	908,024
0475 Trimble County CT 8	23,034,741	3.91%	900,658
0476 Trimble County CT 9	22,902,196	3.91%	895,476
0477 Trimble County CT 10	22,850,722	3.91%	893,463
	\$ 358,823,032		\$ 12,965,088
344.00 Generators			
5697 Paddy's Run Generator 13	\$ 5,185,636	2.94%	\$ 152,458
5635 Brown CT 5	2,858,148	2.94%	84,030
5636 Brown CT 6	3,712,620	2.76%	102,468

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
5637 Brown CT 7	3,722,788	2.76%	102,749
5638 Brown CT 8	4,953,961	2.46%	121,867
5639 Brown CT 9	5,452,041	2.31%	125,942
5640 Brown CT 10	4,944,423	2.46%	121,633
5641 Brown CT 11	5,187,040	2.53%	131,232
0470 Trimble County CT 5	3,763,275	3.04%	114,404
0471 Trimble County CT 6	3,757,947	3.04%	114,242
0474 Trimble County CT 7	2,950,282	3.26%	96,179
0475 Trimble County CT 8	2,937,930	3.26%	95,777
0476 Trimble County CT 9	2,957,520	3.26%	96,415
0477 Trimble County CT 10	2,954,149	3.26%	96,305
5696 Haefling Units 1,2,&3	4,023,002	0.00%	-
	<u>\$ 59,360,761</u>		<u>\$ 1,555,700</u>
345.00 Accessory Electric Equipment			
5697 Paddy's Run Generator 13	\$ 2,456,320	2.88%	\$ 70,742
5635 Brown CT 5	2,277,020	2.89%	65,806
5636 Brown CT 6	1,975,216	2.71%	53,528
5637 Brown CT 7	1,935,782	2.71%	52,460
5638 Brown CT 8	2,720,730	2.41%	65,570
5639 Brown CT 9	4,205,847	2.32%	97,576
5640 Brown CT 10	2,744,493	2.44%	66,966
5641 Brown CT 11	1,863,053	2.48%	46,204
0470 Trimble County CT 5	1,693,975	2.98%	50,480
0471 Trimble County CT 6	4,324,591	2.98%	128,873
0474 Trimble County CT 7	3,148,439	3.19%	100,435
0475 Trimble County CT 8	3,139,332	3.19%	100,145
0476 Trimble County CT 9	3,234,031	3.19%	103,166
0477 Trimble County CT 10	7,196,618	3.19%	229,572
5696 Haefling Units 1,2,&3	1,451,957	0.00%	-
	<u>\$ 44,367,406</u>		<u>\$ 1,231,521</u>
346.00 Miscellaneous Plant Equipment			
5697 Paddy's Run Generator 13	\$ 1,089,550	3.20%	\$ 34,866
5635 Brown CT 5	2,139,353	3.20%	68,459
5636 Brown CT 6	53,749	3.33%	1,790
5637 Brown CT 7	35,647	3.23%	1,151
5638 Brown CT 8	285,932	2.77%	7,920
5639 Brown CT 9	760,255	2.77%	21,059
5640 Brown CT 10	274,391	2.85%	7,820
5641 Brown CT 11	590,563	3.22%	19,016
0470 Trimble County CT 5	28,964	3.73%	1,080
0474 Trimble County CT 7	8,889	3.50%	311
0475 Trimble County CT 8	8,861	3.50%	310
0476 Trimble County CT 9	9,114	3.50%	319
0477 Trimble County CT 10	41,869	3.49%	1,461
5696 Haefling Units 1,2,&3	35,805	0.00%	-
	<u>\$ 5,362,941</u>		<u>\$ 165,564</u>
347.00 Asset Retirement Obligations Other Production*	17,791		
Total Other Production	<u>\$ 526,993,085</u>		<u>\$ 17,682,673</u>
Transmission Plant			
350.1 Land Rights	\$ 23,413,729	0.98%	\$ 229,455
350.2 Land	2,199,383	0.00%	-
352.1 Struct. and Impr. Non Sys Control	17,020,059	1.54%	262,109
352.2 Struct. and Impr. Sys Control	1,220,543	1.43%	17,454
353.1 Station Equipment	191,753,788	1.98%	3,796,725
353.2 Syst Control/Microwave Equip	14,668,404	0.46%	67,475
354 Towers & Fixtures	95,353,357	1.21%	1,153,776
355 Poles & Fixtures	148,658,780	2.28%	3,389,420

Kentucky Utilities Company
Annualized Depreciation
as of December 31, 2011

Property Group	Depreciable Plant 12/31/11	Current Rates ASL	Depreciation Using Curr. Rates
356 Overhead Conductors and Devices	160,446,879	1.79%	2,871,999
357 Underground Conduit	448,760	2.60%	11,668
358 Underground Conductors & Devices	1,161,549	1.26%	14,636
359 Asset Retirement Obligations - Transmission *	539,999		
Total Transmission Plant	\$ 656,885,230		\$ 11,814,715
Distribution Plant			
360.1 Land Rights	\$ 2,039,033	0.65%	\$ 13,254
360.2 Land	3,271,807	0.00%	-
360.2 Land (Plant Held for Future Use)	792,599	0.00%	-
361 Structures and Improvements	7,658,288	1.65%	126,362
362 Station Equipment	141,200,431	2.28%	3,219,370
364 Poles Towers & Fixtures	287,791,623	2.30%	6,619,207
365 Overhead Conductors and Devices	276,286,079	2.70%	7,459,724
366 Underground Conduit	1,861,963	1.93%	35,936
367 Underground Conductors & Devices	140,620,011	2.09%	2,938,958
368 Line Transformers	286,070,399	3.10%	8,868,182
369 Services	89,050,186	1.99%	1,772,099
370 Meters	70,049,355	1.76%	1,232,869
371 Installations on Customer Premises	18,253,214	2.38%	434,427
373 Street Lighting & Signal Systems	81,534,876	2.29%	1,867,149
374 Asset Retirement Obligations - Distribution *	787,035		
Total Distribution Plant	\$ 1,407,266,900		\$ 34,587,536
General Plant			
389.2 Land	\$ 2,567,847	0.00%	\$ -
390.1 Structures & Improvements	47,011,270	1.66%	780,387
390.2 Improvements to Leased Property	531,973	1.56%	8,299
391.1 Office Furniture & Equipment	7,513,788	4.19%	314,828
391.2 Non PC Computer Equipment	17,256,012	10.14%	1,749,760
391.31 Personal Computer Equipment	6,398,372	15.47%	989,828
392 Transportation Equipment	15,967,079	20.00%	3,193,416
393 Stores Equipment	551,794	5.25%	28,969
394 Tool, Shop & Garage Equipment	7,648,755	4.75%	363,316
395 Laboratory Equipment	-	27.42%	-
396 Power Operated Equipment	1,174,225	6.37%	74,798
397.00 Communication Equipment	30,872,565	7.13%	2,201,214
398 Misc Equipment	-	20.54%	-
Total General Plant	\$ 137,493,681		\$ 9,704,814
TOTAL PLANT IN SERVICE	\$ 6,443,004,900		
Total Annual Depreciation (excludes ARO amounts)			\$ 195,249,739
Less: Amounts not included in Income Statement Depreciation			
5645 Brown CT 9 Gas Pipeline			208,328
0473 Trimble County CT Pipeline			156,659
392 Transportation Equipment			3,193,416
Less: ECR Depreciation			48,214,341
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 143,476,996

* Represents list of ARO assets. Please note these amounts are not included in the calculation.

Kentucky Utilities Company
Environmental Surcharge Depreciation
Period Ended December 31, 2011

Depreciation per ECR filings:	<u>2005-2009 Plans</u>
January, 2011	3,579,198
February, 2011	3,901,476
March, 2011	3,901,476
April, 2011	3,901,712
May, 2011	3,920,940
June, 2011	3,920,254
July, 2011	3,939,299
August, 2011	3,939,299
September, 2011	3,939,299
October, 2011	3,939,299
November, 2011	3,939,299
December, 2011	4,017,862
Total Depreciation Per ECR Filings	<u><u>\$ 46,839,413</u></u>
December 2011 Depreciation Amount	\$ 4,017,862
12 months per year	<u>12</u>
Annualized ECR Depreciation at December 31, 2009	<u><u>\$ 48,214,341</u></u>

KENTUCKY UTILITIES

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

1	Wages (Page 2)	\$	2,824,655
2	Payroll Taxes (Page 3)		194,354
3	401(k) (Page 4)		108,467
4	Total		<u>3,127,476</u>
5	Kentucky Jurisdiction (Ref. Sch. Allocators)		88.933%
6	Kentucky Jurisdictional Adjustment	\$	<u><u>2,781,358</u></u>

KENTUCKY UTILITIES

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended December 31, 2011**

	Operating	Construction/Other	Total
1 Labor for 12 months ended December 31, 2011			
2 Base	\$ 87,633,745	\$ 33,870,737	\$ 121,504,482
3 Overtime and Premium	11,375,938	4,367,380	15,743,318
4 TIA	7,314,936	2,639,604	9,954,540
5 Total Labor (Sum of Lines 2 - 4)	<u>\$ 106,324,619</u>	<u>\$ 40,877,721</u>	<u>\$ 147,202,340</u>
6 Total labor Excluding TIA (Line 5 - Line 4)	\$ 99,009,683	\$ 38,238,117	\$ 137,247,800
7 Total Operating and Construction/Other %	72.139%	27.861%	100.000%
8 Annualized base labor at December 31, 2011:			
9 Union - KU	100% of total		\$ 9,703,782
10 Exempt - KU	100% of total		12,189,654
11 Non-Exempt - KU	100% of total		11,623,440
12 Hourly - KU	100% of total		30,989,234
13 Exempt - Servco (allocated to KU)	52.573% of total		47,130,718
14 Non-Exempt - Servco (allocated to KU)	52.573% of total		8,032,720
15 Union - LGE (allocated to KU)	7.926% of total		3,650,936
16 Exempt - LGE (allocated to KU)	7.926% of total		1,697,286
17 Non-Exempt - LGE (allocated to KU)	7.926% of total		180,553
18 Total Annualized Base Labor (Sum of Lines 9 - 17)			<u>125,198,323</u>
19 Overtime & Premiums - (increases allocated as noted):			15,743,318
20 Wage increase applied to KU union and hourly overtime annualized for 2011 (01/01/11 - 07/16/11 OT Labor x 3.0%)			190,147
21 Wage increase applied to KU non-exempt overtime annualized for 2011 (01/01/11 - 02/26/11 OT Labor x 3.0%)			5,194
22 Wage increase applied to LG&E union overtime annualized for 2011 (01/01/11 - 11/13/2011 OT labor x 2.5%)			23,213
23 Wage increase applied to LG&E non-exempt overtime annualized for 2011 (01/01/2011 - 02/20/2011 OT Labor x 3.0%)			308
24 Wage increase applied to Servco non-exempt overtime annualized for 2011 (01/01/11 - 02/20/11 OT Labor x 3.0%)			3,553
25 Total Annualized Labor (Sum of Lines 18 - 24)			<u>\$ 141,164,055</u>
26 Operating Labor based on annualized labor	\$ 141,164,055	x	72.139%
			\$ 101,834,338
27 Less: Test Year Operating Labor for 12 months ending 12/31/2011			<u>99,009,683</u>
28 Labor Adjustment Total (Line 26 - Line 27)			<u>\$ 2,824,655</u>

KENTUCKY UTILITIES

**Adjustments to Reflect Increases in Payroll Taxes
As Applied to the Twelve Months Ended December 31, 2011**

1	Operating Labor increase (Page 2 Line 28)	\$ 2,824,655
2	Percentage of wages that do not exceed Social Security (OASDI) limit	<u>87.591%</u>
3	Operating Labor increase subject to Social Security tax (Line 1 x Line 2)	<u>\$ 2,474,144</u>
4	Medicare Tax (Line 1 x 1.45%)	\$ 40,957
5	Social Security Tax (Line 3 x 6.2%)	<u>153,397</u>
6	Payroll Tax adjustment (Line 4 + Line 5)	<u>\$ 194,354</u>

KENTUCKY UTILITIES

**Adjustment to Reflect Increases in Company Contribution to 401(k)
As Applied to the Twelve Months Ended December 31, 2011**

1	Direct total payroll for 12 months ended 12/31/11 (Page 2 Line 5)	\$ 147,202,340
2	Total 401(k) Company Match for 12 months ended 12/31/11	<u>5,652,335</u>
3	401(k) Company Match as a percent of payroll (Line 2 ÷ Line 1)	3.840%
4	Operating Labor increase (Page 2 Line 28)	<u>2,824,655</u>
5	401(k) Company Match operating increase (Line 3 x Line 4)	<u><u>\$ 108,467</u></u>

KU, Servco, and LGE Labor Charged to KU

	Operating				Construction/Other				
	Per KU Summary	Per Servco Summary	Per LGE Summary	Total Operating	Per KU Summary	Per Servco Summary	Per KU to Others Summary	Per LGE Summary	Total Construction/ Other
Base	\$ 40,722,135	\$ 42,371,269	\$ 4,540,341	\$ 87,633,745	\$ 20,828,700	\$ 11,618,917	\$ 640,322	\$ 782,798	\$ 33,870,737
Overtime	9,694,868	629,601	1,051,469	11,375,938	3,632,870	63,247	496,243	175,020	4,367,380
TIA	2,778,608	4,212,986	323,342	7,314,936	1,366,998	1,166,202	45,149	61,255	2,639,604
Total Labor	\$ 53,195,611	\$ 47,213,856	\$ 5,915,152	\$ 106,324,619	\$ 25,828,568	\$ 12,848,366	\$ 1,181,714	\$ 1,019,073	\$ 40,877,721
Union OT & Premiums	2,057,532		1,049,819	3,107,351	945,023		27,625	175,020	1,147,668

Kentucky Utilities

Report for Company : 110

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	145	9,703,782.40 <i>A</i>	66,922.64
Exempt			
Total Employees	136	11,701,914.00 <i>(B)</i>	86,043.49
Hourly			
Total Employees	446	30,989,233.60 <i>D</i>	69,482.59
Nonexempt			
Total Employees	210	11,623,440.20 <i>C</i>	55,349.72
Senior Management			
Total Employees	3	487,740.00 <i>(B)</i>	162,580.00

$\Sigma (B) = 12,189,654 = \text{total Exempt KLL}$

X

LG&E and KU Services Company

Report for Company: 020

As of Date: 12/31/2011

		<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
Exempt			
Total Employees	852	76,657,932.20 (A)	89,974.10
Nonexempt			
Total Employees	372	15,279,173.00 B	41,073.05
Senior Management			
Total Employees	61	12,990,210.00 (A)	212,954.26

$$E(A) = 89,648,142.20 \times 52.57\% = 47,120,020$$

$$B = 15,279,173 \times 52.57\% = 8,032,241.25$$

Y

Louisville Gas & Electric Co.

Report for Company : 100

As of Date: 12/31/2011

		<u>Cumulative Annual Pay</u>	<u>Average Annual Pay</u>
Union Wage			
Total Employees	686	46,062,785.60 <i>A</i>	67,146.92
Exempt			
Total Employees	230	20,719,760.00 <i>B</i>	90,085.91
Nonexempt			
Total Employees	46	2,277,990.00	49,521.52
Senior Management			
Total Employees	4	694,390.00 <i>B</i>	173,597.50

A
 $46062785.60 \times 7.93\% = 3,652,778.90$

B
 $21414150 \times 7.93\% = 1698142.10$

C
 $2779990 \times 7.93\% = 220344.11$

Z

Labor Charged by Exp Org Company to Company (Exp Types 0101-0174)

2011

Row Labels	Values					Pct of Total
	Sum of 1st	Sum of 2nd	Sum of 3rd	Sum of 4th	Sum of Total	
P00020: TOTAL LG&E AND KU SERVICES COMPANY	22,884,184	22,131,751	22,940,427	21,478,865	89,435,226	100.000%
4	547,399	444,312	390,717	355,521	1,737,949	1.943%
20	159	33,405	40,281	43,145	116,990	0.131%
100 (LG&E)	10,273,278	9,961,243	10,440,357	9,759,505	40,434,382	45.211%
110 (KU)	12,032,265	11,661,102	12,038,547	11,287,292	47,019,205	52.573%
301	29,856	31,900	28,975	33,403	124,135	0.139%
304	-	-	1,550	-	1,550	0.002%
507	-	891	-	-	891	0.001%
508	1,228	(1,103)	-	-	125	0.000%
P01000: TOTAL LGE UTILITY	18,289,650	18,511,637	18,145,783	17,279,313	72,226,382	100.000%
4	391	536	310	107	1,344	0.002%
100 (LG&E)	16,875,423	16,947,441	16,722,548	15,954,927	66,500,340	92.072%
110 (KU)	1,413,835	1,563,660	1,422,925	1,324,278	5,724,698	7.926%
P10040: TOTAL KU COMPANY	16,897,764	17,275,402	17,364,610	15,134,154	66,671,929	100.000%
4	3,191	3,246	3,395	2,597	12,429	0.019%
20	-	-	-	160	160	0.000%
100 (LG&E)	180,149	312,695	393,658	129,509	1,016,011	1.524%
110 (KU)	16,714,424	16,959,461	16,967,557	15,001,888	65,643,330	98.457%
Grand Total	58,071,597	57,918,790	58,450,820	53,892,332	228,333,538	

**Kentucky Utilities Company
401k Company Match
12/31/11**

	<u>Exp Type</u>	
	<u>0708</u>	<u>0729</u>
KU Charging KU		
Construction/Other	\$ 944,205	\$ 115,036
Operating	1,936,442	223,439
Servco Charging KU		
Construction/Other	439,719	80,076
Operating	1,556,503	266,294
LGE Charging KU		
Construction/Other	32,719	4,156
Operating	22,455	3,522
KU Charging Others		
Construction/Other	\$ 24,902	\$ 2,867
Total 401k Company Match	<u>\$ 4,956,945</u>	<u>\$ 695,390</u> \$ 5,652,335

Calculation for Percentage of Wages That Do Not Exceed the Social Security Limit

		<u>SS Wages</u>		<u>Medicare Wages</u>		
Servco		94,723,156.02	3	122,101,354.61	4	77.6%
Allocated to LGE	45.2%	42,824,338.84		55,202,022.42		
Allocated to KU	52.6%	49,795,963.12		64,188,682.12		
KU		76,803,680.11	1	80,885,552.88	2	95.0%
Servco Allocated to KU	52.6%	49,795,963.12		64,188,682.12		77.6%
LGE Allocated to KU	7.93%	6,090,531.83		6,414,224.34		95.0%
		<u>132,690,175.06</u>		<u>151,488,459.34</u>		87.591%
LG&E		81,472,455.57	5	86,118,340.35	6	94.6%
Servco Allocated to LGE		42,824,338.84		55,202,022.42		77.6%
KU Allocated to LGE	1.52%	1,241,640.22		1,312,443.51		94.6%

KENTUCKY UTILITIES

**To Adjust for Pension, Post Retirement, and Post Employment
For the Twelve Months Ended December 31, 2011**

	<u>Pension</u>	<u>Post Retirement</u>	<u>Post Employment</u>	<u>Total</u>
1. Pension, Post Retirement and Post Employment expenses in test year	\$ 19,448,725	\$ 4,672,628	\$ 1,012,638	\$ 25,133,991
2. Pension, Post Retirement, and Post Employment expenses annualized for 2012 Mercer Study	<u>14,605,093</u>	<u>4,199,880</u>	<u>275,782</u>	<u>19,080,755</u>
3 Total adjustment (Line 2 - Line 1)	<u>\$ (4,843,632)</u>	<u>\$ (472,748)</u>	<u>\$ (736,856)</u>	<u>\$ (6,053,236)</u>
4 Kentucky Jurisdiction (Ref. Sch. Allocators)				<u>88.933%</u>
5. Kentucky Jurisdictional adjustment				<u>\$ (5,383,324)</u>

**Kentucky Utilities Company
Pension Proforma Calculation**

		KU	Servco
1. Company O&M Pension expense (excluding Servco)		\$ 10,158,866	
2. Total Company Pension costs (excluding Servco)		<u>17,148,804</u>	
3. % O&M to total	(Line 1/Line 2)	59.2%	
4. Servco O&M Pension expense charged to KU			\$ 9,289,859
5. Total Servco Pension costs charged to KU			<u>11,808,501</u>
6. % O&M to total	(Line 4/Line 5)		78.7%
7. Projected 2012 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)		\$ 12,794,781	\$ 16,599,016
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 7,579,564	\$ 8,930,271
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	<u>7,025,528</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	<u>\$ 14,605,093</u>	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 10,158,866	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>9,289,859</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	<u>\$ 19,448,725</u>	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u><u>\$ (4,843,632)</u></u>	

**Kentucky Utilities Company
Post-retirement Proforma Calculation**

		KU	Servco
1. Company O&M Post-retirement expense (excluding Servco)		\$ 3,889,185	
2. Total Company Post-retirement costs (excluding Servco)		5,794,076	
3. % O&M to total	(Line 1/Line 2)	67.1%	
4. Servco O&M Post-retirement expense charged to KU			\$ 783,443
5. Total Servco Post-retirement costs charged to KU			995,267
6. % O&M to total	(Line 4/Line 5)		78.7%
7. Projected 2012 Cost per Mercer Study		\$ 5,001,551	\$ 1,989,779
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 3,357,215	\$ 1,070,501
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	842,665	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 4,199,880	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 3,889,185	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	783,443	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 4,672,628	
15. Expenses over (under) test year	(Line 11 - Line 14)	\$ (472,748)	

**Kentucky Utilities Company
Post-employment Proforma Calculation**

		KU	Servco
1. Company O&M Post-employment expense (excluding Servco)		\$ 800,474	
2. Total Company Post-employment costs (excluding Servco)		<u>1,157,812</u>	
3. % O&M to total	(Line 1/Line 2)	69.1%	
4. Servco O&M Post-employment expense charged to KU			\$ 212,164
5. Total Servco Post-employment costs charged to KU			<u>269,004</u>
6. % O&M to total	(Line 4/Line 5)		78.9%
7. Projected 2012 Cost per Mercer Study		\$ 113,187	\$ 465,516
8. Servco % allocated to KU based on labor split			53.8%
9. Expected O&M expenses	(Line 3, Line 8 x Line 7)	\$ 78,254	\$ 250,448
10. Servco O&M charged to KU	(Line 6 x Line 9 Servco)	<u>197,529</u>	
11. Total O&M costs for 2012 Mercer target	(Line 9 + Line 10)	\$ 275,782	
12. KU 12 months ended December 2011 O&M	(Line 1)	\$ 800,474	
13. Servco allocation for 12 months ended December 2011 O&M	(Line 4)	<u>212,164</u>	
14. Test Year O&M for 12 months ended December 2011	(Line 12 + Line 13)	\$ 1,012,638	
15. Expenses over (under) test year	(Line 11 - Line 14)	<u>\$ (736,856)</u>	

Service to KU

Category	Account	Account Description	From Comp	To Comp	Acct Type Benefit Exp Type	O&M	O&M	O&M	O&M	O&M	BS/BTL	BS/BTL	BS/BTL	BS/BTL	BS/BTL
						FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730	FASB 106 0721	FASB 106 0731	FASB 112 0724	Pensions 0728	Pensions 0730
C. Service to KU	107001	CONSTR WORK IN PROG	0020	0110		0.00	0.00	0.00	0.00	0.00	105,772.62	111.99	28,125.79	1,246,209.96	14,162.93
C. Service to KU	108901	RETIREMENT - RWIP	0020	0110		0.00	0.00	0.00	0.00	0.00	2,826.54	3.89	764.03	33,088.82	458.62
C. Service to KU	143022	ACCTS REC - BEYOND THE METEF	0020	0110		0.00	0.00	0.00	0.00	0.00	25.29	0.44	7.12	227.81	51.79
C. Service to KU	143024	A/R MUTUAL AID	0020	0110		0.00	0.00	0.00	0.00	0.00	100.87	0.00	29.98	1,212.22	0.00
C. Service to KU	163002	WAREHOUSE EXPENSES	0020	0110		0.00	0.00	0.00	0.00	0.00	706.70	1.61	193.68	7,991.35	190.72
C. Service to KU	163100	OTHER	0020	0110		0.00	0.00	0.00	0.00	0.00	4,602.28	3.20	1,232.79	54,873.13	375.42
C. Service to KU	183301	PRELIM SURV/INV-ELEC	0020	0110		0.00	0.00	0.00	0.00	0.00	125.26	0.00	34.92	1,542.17	0.00
C. Service to KU	184307	ADMIN/OTH EXP-TRANSP	0020	0110		0.00	0.00	0.00	0.00	0.00	1,708.19	3.36	455.11	19,713.82	394.75
C. Service to KU	184600	ENGINEERING OVERHEADS - GEN	0020	0110		0.00	0.00	0.00	0.00	0.00	3,992.20	4.91	1,099.64	46,326.81	577.96
C. Service to KU	184602	ENGINEERING OVERHEADS - DIST	0020	0110		0.00	0.00	0.00	0.00	0.00	5,121.91	6.78	1,394.50	60,050.52	797.92
C. Service to KU	184605	ENGINEERING OVERHEADS - TRAI	0020	0110		0.00	0.00	0.00	0.00	0.00	52,568.60	59.23	14,275.53	617,970.08	7,626.38
C. Service to KU	184612	ENGINEERING OVERHEADS - DIST	0020	0110		0.00	0.00	0.00	0.00	0.00	24,580.79	32.24	6,657.58	288,626.84	3,892.71
C. Service to KU	426401	EXP-CIVIC/POL/REL	0020	0110		0.00	0.00	0.00	0.00	0.00	71.72	0.40	21.23	808.64	45.81
C. Service to KU	426491	EXP-CIVIC/POL/REL - INDIRECT	0020	0110		0.00	0.00	0.00	0.00	0.00	9,055.91	12.64	2,457.27	106,059.27	1,491.03
C. Service to KU	426501	OTHER DEDUCTIONS	0020	0110		0.00	0.00	0.00	0.00	0.00	71.08	0.09	20.08	852.42	10.13
C. Service to KU	426591	OTHER DEDUCTIONS - INDIRECT	0020	0110		0.00	0.00	0.00	0.00	0.00	252.80	0.25	69.97	2,982.97	29.24
C. Service to KU	908005	DSM CONSERVATION PROG	0020	0110		12,432.10	18.53	3,351.18	145,507.58	2,180.68	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926101	PENSIONS EXPENSE - BURDENS	0020	0110		0.00	0.00	0.00	3,562,503.73	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926105	FASB 112 (OPEB) POST EMPLOYM	0020	0110		0.00	0.00	75,158.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926106	FASB 106 (OPEB) POST RETIREME	0020	0110		280,751.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926117	CLOSED 04/11 - PENSION INTERE	0020	0110		0.00	0.00	0.00	0.00	102,467.73	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926118	CLOSED 04/11 - FASB 106 INTERE	0020	0110		0.00	(21,670.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926911	PENSIONS EXPENSE - BURDENS II	0020	0110		0.00	0.00	0.00	5,451,076.97	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926915	FASB 112 (OPEB) POST EMPLOYM	0020	0110		0.00	0.00	133,654.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926916	FASB 106 (OPEB) POST RETIREME	0020	0110		489,085.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926917	PENSION INTEREST EXPENSE - BL	0020	0110		0.00	0.00	0.00	0.00	26,122.20	0.00	0.00	0.00	0.00	0.00
C. Service to KU	926918	FASB 106 INTEREST (OPEB) POST	0020	0110		0.00	22,826.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Totals **782,268.77** **1,173.97** **212,164.40** **9,159,088.28** **130,770.61** **211,582.76** **241.03** **56,839.22** **2,488,536.83** **30,105.41**

Pension
 9,289,858.89 O&M
 2,518,642.24 B/S
 11,808,501.13 Total 2011

FAS 106
 783,442.74 O&M
 211,823.79 B/S
 995,266.53 Total 2011

FAS 112
 212,164.40 O&M
 56,839.22 B/S
 269,003.62 Total 2011

78.71688%
 21.28312%

78.87046%
 21.12954%

2012 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	2,485,200	2,011,714	2,505,928	691,710			
c. Gain/loss	10,667,520	3,819,343	3,547,219	7,533,540			
5. Net periodic pension cost	\$ 10,639,398	\$ 6,417,392	\$ 16,599,016	\$ 12,794,781			

Financial Accounting Purposes

	<u>LG&E Union</u>	<u>NonUnion Retirement Plan</u>				<u>Total</u>	<u>WKE-Union</u>
		<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>		
1. Service cost	\$ 1,843,972	\$ 1,895,083	\$ 11,013,002	\$ 7,075,655			
2. Interest cost	14,461,112	10,339,722	16,861,449	18,053,285			
3. Expected return on assets	(18,818,406)	(11,648,470)	(17,328,582)	(20,559,409)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	778,382	0	0	0			
c. Gain/loss	0	0	0	0			
5. Net periodic pension cost	\$ (1,734,940)	\$ 586,335	\$ 10,545,869	\$ 4,569,531			

LG&E and KU Energy LLC
2012 Net Periodic Benefit Cost For Postretirement Benefit Plans
December 31, 2011 Measurement Date
Financial Accounting (Includes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	0	0	0				0		
Prior service cost	283,863	586,092	512,905				375,701		
Gain/loss	(9,653)	(796,052)	(8,490)				(346,738)		
Net periodic benefit cost	\$1,844,453	\$2,925,605	\$1,699,281				\$2,841,929		

Regulatory Accounting (Excludes Purchase Accounting)

	Non-Union						LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International	Total			
Service cost	\$491,450	\$1,406,855	\$1,577,596				\$470,007		
Interest cost	1,545,476	3,521,798	1,398,839				2,342,959		
Expected return on assets	(466,683)	(1,793,088)	(1,781,569)				0		
Amortizations:									
Transition	252,457	1,120,928	109,514				417,201		
Prior service cost	568,983	912,738	685,399				1,220,885		
Gain/loss	0	(167,680)	0				(818,162)		
Net periodic benefit cost	\$2,391,683	\$5,001,551	\$1,989,779				\$3,632,890		
Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2011	33,701,479	76,240,751	29,641,760				50,568,553		

LG&E & KU Energy. LLC

Estimated Year End FAS 112 Liability For Post-Employment Benefits For Disabled Employees

Liability Date	LG&E	KU	ServCo	International	WKE	Total
12/31/2011	4,311,798	5,422,837	2,186,069			
12/31/2012	4,991,769	5,536,024	2,651,585			
12/31/2013	5,658,500	5,626,845	3,107,206			
12/31/2014	6,262,101	5,733,038	3,557,025			
12/31/2015	6,827,619	5,820,825	3,955,462			

Notes

1. Plan costs have been based on census data as of November 2010.
2. Future employees were projected to become disabled based on the assumptions used in the determination of the 2011 FAS 106 expense.
3. All other data, methods, plan provisions and assumptions (including 4.55% discount rate) are the same as those used in the determination of the December 31, 2010 FAS 112 liability, including a reduction in liability for Medicare-eligible disableds associated with the Medicare Modernization Act of 2003.

KENTUCKY UTILITIES

Adjustment to Reflect Normalized Storm Damage Expense
For the Twelve Months Ended December 31, 2011

1. Storm damage provision based upon ten year average	\$ 3,765,868
2. Storm damage expenses incurred during the 12 months ended December 31, 2011	3,998,403
3. Adjustment	(232,535)
4. Kentucky Jurisdiction	94.089%
5. Kentucky Jurisdictional adjustment	\$ (218,790)

Year	Expense	CPI-All Urban Consumers	Amount
2011	\$ 3,998,403	1.0000	\$ 3,998,403
2010	2,626,597	1.0316	2,709,597
2009	5,225,248 (a)	1.0485	5,478,673
2008	6,951,799 (a)	1.0448	7,263,240
2007	2,035,291	1.0849	2,208,087
2006	4,113,534	1.1158	4,589,881
2005	2,539,379	1.1518	2,924,857
2004	4,120,482	1.1908	4,906,670
2003	1,434,000	1.2225	1,753,065
2002	1,460,495	1.2504	1,826,203
Total			\$ 37,658,676
Ten Year Average			\$ 3,765,868

(a) 2008 and 2009 expenses do not include 2008 Wind Storm and 2009 Winter Storm expenses that were recorded as regulatory assets.

Total Company Storm costs -- Opex

Company Org Acct Type
 KUTL 013085- CORE-TOTAL OPERATING EXPENSES

Project	2004	2005	2006	2007	2008	2009	2010	2011
111424 Norton-Storm Restoration	31,124.11	49,967.47	86,099.49	112,093.95	79,342.96	58.99	0.00	0.00
111425 Pineville-Storm Restoration	89,818.45	117,014.89	152,959.39	86,198.65	250,794.70	1,578.98	0.00	0.00
111426 London-Storm Restoration	37,444.21	8,609.70	15,395.37	15,290.11	55,333.96	22.39	0.00	0.00
111427 Earlington-Storm Restoration	99,458.85	85,582.38	293,998.40	212,295.62	178,144.73	2,011.46	0.00	0.00
111429 Danville-Storm Restoration	21,593.12	6,796.77	35,996.12	58,075.53	55,341.46	-296.25	0.00	0.00
111430 Etown-Storm Restoration	20,373.98	12,693.56	4,025.30	32,605.83	6,761.15	0.90	0.00	0.00
111431 Shelbyville-Storm Restoration	22,094.70	3,339.68	19,742.71	52,453.56	94,926.65	17.79	0.00	0.00
111432 Maysville-Storm Restoration	81,198.77	46,275.50	42,976.95	78,044.53	108,672.81	0	0.00	0.00
111433 Lexington-Storm Restoration	114,783.09	105,555.88	189,755.56	270,006.26	289,785.61	5,479.13	0.00	0.00
111434 Richmond-Storm Restoration	33,829.76	14,376.31	21,889.60	28,424.80	26,330.13	0.00	0.00	0.00
113493 Storm Damage III	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
115715 KU ICE STORM 2/15/03	-466,245.76	0.00	756.07	0.00	0.00	0.00	0.00	0.00
116467 KU STORMS 7/23/03	0.00	0.00	203.61	0.00	0.00	0.00	0.00	0.00
116828 KU STORMS 8/22/03	0.00	0.00	894.09	0.00	0.00	0.00	0.00	0.00
116840 EARLINGTON STORM 8/27/03	102.45	0.00	447.01	0.00	0.00	0.00	0.00	0.00
117216 KU STORMS - 1/25/04	93,394.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00
117548 KU Storm 5/19/04	91,932.10	6,172.20	0.00	0.00	0.00	0.00	0.00	0.00
117628 KU/ODP STORMS 5/26-27/04	1,135,000.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00
117639 KU/ODP Storms 5/30/04	768,826.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
117695 KU Storms 6/12/04	53,048.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00
118161 Storm 7/5/04	244,525.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00
118233 KU STORMS 7/13/04	809,126.62	-932.33	0.00	0.00	0.00	0.00	0.00	0.00
118265 KU STORMS 7/22/04	141,080.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00
118408 KU - Storm 8/28 & 29/04	42,055.48	16.35	0.00	0.00	0.00	0.00	0.00	0.00
118409 KU - STORMS 9/17/04	112,339.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00
119254 KU - Florida Storm 9/04	-3,388.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00
119287 KU - Alabama Storm	691.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
119288 Florida Power & Light Storm	2,627.62	3,750.00	0.00	0.00	0.00	0.00	0.00	0.00
119521 Florida Power & Light Storm II	1,708.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
119786 KU Storms 11/24/04	39,206.59	377.66	7,002.26	0.00	0.00	0.00	0.00	0.00
119827 KU Storms 12/07/04	109,998.55	6,432.27	0.00	0.00	0.00	0.00	0.00	0.00
119866 KU ICE STORM 12-23-04	392,744.01	484,679.88	0.00	0.00	0.00	0.00	0.00	0.00
119933 KU Storms 1/13/05	0.00	55,497.84	0.00	0.00	0.00	0.00	0.00	0.00
120163 KU Storms 4/22/2005	0.00	77,783.94	0.00	0.00	0.00	0.00	0.00	0.00
120164 KU Storms 5/19 & 20/2005	0.00	116,999.80	0.00	0.00	0.00	0.00	0.00	0.00
120188 KU Storms 6/14/2005	0.00	111,032.81	0.00	0.00	0.00	0.00	0.00	0.00
120250 PSRT TRAINING	0.00	35,026.89	46,710.74	0.00	0.00	0.00	0.00	0.00
120738 KU Storms - August 5, 2005	0.00	49,927.11	7.60	0.00	0.00	0.00	0.00	0.00
120739 KU Storms - August 20, 2005	0.00	9,370.11	17.39	0.00	0.00	0.00	0.00	0.00
120954 Storm Trailer Stocking KU	0.00	1,710.00	0.00	0.00	0.00	0.00	0.00	0.00
121126 KU Storms - August 30, 2005	0.00	105,893.90	-903.37	0.00	0.00	0.00	0.00	0.00
121205 STORM BONUS	0.00	88,000.00	3,748.43	0.00	0.00	0.00	0.00	0.00
121323 KU Storms - November 6, 2005	0.00	138,542.67	4,572.39	0.00	0.00	0.00	0.00	0.00
121329 KU Storms - November 15, 2005	0.00	737,377.02	952,842.99	137.86	0.00	0.00	0.00	0.00
121361 KU Storms - November 28, 2005	0.00	61,508.94	5,189.79	0.00	0.00	0.00	0.00	0.00
121511 KU Storms - March 9, 2006	0.00	0.00	272,532.54	0.00	0.00	0.00	0.00	0.00
121512 KU Storms - April 2, 2006	0.00	0.00	331,412.41	2,501.92	0.00	0.00	0.00	0.00
121513 KU Storms - May 25, 2006	0.00	0.00	140,066.46	0.00	0.00	0.00	0.00	0.00
121674 KU Storms - May 31, 2006	0.00	0.00	130,959.66	0.00	0.00	0.00	0.00	0.00
121675 KU Storms - June 10 & 11, 2006	0.00	0.00	103,627.88	0.00	0.00	0.00	0.00	0.00
121687 KU Storms - June 23, 2006	0.00	0.00	205,083.85	16.80	0.00	0.00	0.00	0.00
121706 KU Storms - July 21, 2006	0.00	0.00	231,686.75	-4,501.19	0.00	0.00	0.00	0.00

Total Company Storm costs -- Opex
 Company Org Acct Type

Project	2004	2005	2006	2007	2008	2009	2010	2011
122185 KU Storms-August 3, 2006	0.00	0.00	19,306.15	396.90	0.00	0.00	0.00	0.00
122186 KU Storms - August 10, 2006	0.00	0.00	294,101.43	-1,004.76	0.00	0.00	0.00	0.00
122204 KU Storms - Sept. 22, 2006	0.00	0.00	217,553.68	204.55	0.00	0.00	0.00	0.00
122205 KU Storms - Dec. 1, 2006	0.00	0.00	282,798.23	2,614.71	0.00	0.00	0.00	0.00
122635 KU Storms - April 3, 2007	0.00	0.00	76.62	496,260.62	0.22	0.00	0.00	0.00
122786 KU Storms - July 4 & 5, 2007	0.00	0.00	0.00	112,252.36	0.00	0.00	0.00	0.00
123126 KU STORMS July 17, 2007	0.00	0.00	0.00	62,634.85	0.00	0.00	0.00	0.00
123127 KU storms July 19, 2007	0.00	0.00	0.00	101,978.49	0.00	0.00	0.00	0.00
123174 KU Storms - August 16, 2007	0.00	0.00	0.00	193,317.40	24.46	0.00	0.00	0.00
123175 KU Storms - Oct 18 & 19, 2007	0.00	0.00	0.00	119,964.67	2,775.06	0.00	0.00	0.00
123324 KU Storms - January 29, 2008	0.00	0.00	0.00	3,026.85	390,762.73	-245.86	0.00	0.00
123757 KU Storm - Feb 5 & 6, 2008	0.00	0.00	0.00	0.00	1,946,556.88	0.00	0.00	0.00
123772 KU Storms - Feb 11, 2008	0.00	0.00	0.00	0.00	1,458,430.47	-10.42	0.00	0.00
123773 KU Storms Feb. 21-22, 2008	0.00	0.00	0.00	0.00	151,983.54	1,081.39	0.00	0.00
123813 KU/ODP Storm - March 4, 2008	0.00	0.00	0.00	0.00	139,623.36	0.00	0.00	0.00
123814 KU Storms - May 11, 2008	0.00	0.00	0.00	0.00	231,286.31	0.00	0.00	0.00
123815 KU Storms - June 3, 2008	0.00	0.00	0.00	0.00	188,858.35	0.00	0.00	0.00
124599 KU Storms - June 9 - 10, 2008	0.00	0.00	0.00	0.00	279,744.68	0.00	0.00	0.00
124600 KU - WINDSTORM 9/14/08	0.00	0.00	0.00	0.00	1,016,319.00	0.00	0.00	0.00
KMS013010 KU Major Storm - 01/30/10	0.00	0.00	0.00	0.00	0.00	0.00	471.60	0.00
KMS062110 062110 KU Major Storm	0.00	0.00	0.00	0.00	0.00	0.00	205,902.35	0.00
KMS080510 KU Major Storm 08-05-2010	0.00	0.00	0.00	0.00	0.00	0.00	267,304.87	1,063.66
STRM11560 KU Minor Storm Earlington	0.00	0.00	0.00	0.00	0.00	0.00	151,715.56	271,477.51
STRM12160 KU Minor Storms Danville	0.00	0.00	0.00	0.00	0.00	0.00	97,866.51	128,966.99
STRM12360 KU Minor Storms Richmond	0.00	0.00	0.00	0.00	0.00	0.00	89,396.94	90,459.00
STRM12460 KU Minor Storms Elizabethtown	0.00	0.00	0.00	0.00	0.00	0.00	24,761.83	73,149.18
STRM12560 KU Minor Storms Shelbyville	0.00	0.00	0.00	0.00	0.00	0.00	146,687.10	134,745.90
STRM13150 KU Minor Storms Lexington	0.00	0.00	0.00	0.00	0.00	0.00	349,708.27	649,530.72
STRM13660 KU Minor Storm Maysville	0.00	0.00	0.00	0.00	0.00	0.00	227,419.14	197,886.25
STRM14160 KU Minor Storms Pineville	0.00	0.00	0.00	0.00	0.00	0.00	147,647.33	354,517.70
STRM14260 KU Minor Storms London	0.00	0.00	0.00	0.00	0.00	0.00	57,370.35	176,549.28
STRM17660 KU Minor Storms Norton	0.00	0.00	0.00	0.00	0.00	0.00	81,781.86	269,048.83
STRMDANOC Minor Storm Event Danville	0.00	0.00	0.00	0.00	0.00	51,855.45	0.00	0.00
STRMEAROC Minor Storm Event Earlington	0.00	0.00	0.00	0.00	0.00	145,681.23	18.86	0.00
STRMELIOC Minor Storm Event Elizbtwn	0.00	0.00	0.00	0.00	0.00	29,639.57	1,091.91	0.00
STRMKU KU Major Storm Event	0.00	0.00	0.00	0.00	0.00	4,567,625.20	776,262.28	-1,010.48
STRMLEXOC Minor Storm Event Lexington	0.00	0.00	0.00	0.00	0.00	68,214.36	402.97	0.00
STRMLONOC Minor Storm Event London	0.00	0.00	0.00	0.00	0.00	56,464.60	722.11	0.00
STRMMAYOC Minor Storm Event Maysville	0.00	0.00	0.00	0.00	0.00	50,499.22	0.00	0.00
STRMNOROC Minor Storm Event Norton	0.00	0.00	0.00	0.00	0.00	36,160.82	12.18	0.00
STRMPINOC Minor Storm Event Pineville	0.00	0.00	0.00	0.00	0.00	139,365.19	0.00	0.00
STRMRICOC Minor Storm Event Richmond	0.00	0.00	0.00	0.00	0.00	33,611.19	53.35	0.00
STRMSHEOC Minor Storm Event Shelbyville	0.00	0.00	0.00	0.00	0.00	36,433.14	0.00	0.00
STRM13085 STORM 013085	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KMS040411 KU MAJOR STORM 040411	0.00	0.00	0.00	0.00	0.00	0.00	0.00	287,921.01
KMS042011 KU MAJOR STORM 042011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49,905.72
KMS042211 KU MAJOR STORM 042211	0.00	0.00	0.00	0.00	0.00	0.00	0.00	712,794.17
KMS052511 KU MAJOR STORM 052511	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54,266.36
KMS062110 062110 KU Major Storm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,222.91
KMS081311 KU MAJOR STORM 081311	0.00	0.00	0.00	0.00	0.00	0.00	0.00	534,887.63
	4,120,482.25	2,539,379.20	4,113,533.55	2,035,290.97	6,951,799.22	5,225,246.47	2,626,597.37	3,998,403.30

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

KENTUCKY UTILITIES

Adjustment for Injuries and Damages FERC Account 925
For the Twelve Months Ended December 31, 2011

1. Injury/Damage provision based upon ten year average	\$ 2,119,490
2. Injury/Damage expenses incurred during the 12 months ended December 31, 2011	3,080,346
3. Adjustment	(960,856)
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	88.933%
5. Kentucky Jurisdictional adjustment	\$ (854,518)

Year	Amount	CPI-All Urban Consumers	Adjusted Amount
2011	\$ 3,080,346	1.0000	\$ 3,080,346
2010	2,451,761	1.0316	2,529,237
2009	1,840,625	1.0485	1,929,895
2008	1,226,235	1.0448	1,281,170
2007	1,178,212	1.0849	1,278,242
2006	1,690,654	1.1158	1,886,432
2005	2,268,036	1.1518	2,612,324
2004	1,080,732	1.1908	1,286,936
2003	1,776,006	1.2225	2,171,167
2002	2,510,515	1.2504	3,139,148
Total			\$ 21,194,897
Ten Year Average			\$ 2,119,490

KU and LG&E FERC 913, 925, and 930.1 GL Totals GL Start Date : '01-JAN-11' , GL End Date : '31-DEC-11'

		Period Net		
		Electric	Gas	Sum
Company	FERC			
0100	913	25,095.44	8,365.15	33,460.59
	925	2,523,087.51	750,641.78	3,273,729.29
	930.1	487,584.38	195,409.76	682,994.14
LG&E	Sum	3,035,767.33	954,416.69	3,990,184.02
0110	913	33,460.59	NULL	33,460.59
	925	3,080,346.27	NULL	3,080,346.27
	930.1	795,813.82	NULL	795,813.82
KU	Sum	3,909,620.68		3,909,620.68

KENTUCKY UTILITIES COMPANY

Period:<All> Company:0110

		Net Amount						
		C. Payables	D. Labor	E1. Burden Charges	G. Accounting Entries	H. Mass Allocations	Other	Account Totals
Account	Account Description							
925001	PUBLIC LIABILITY	212,518.19			1,824,384.09			2,036,902.28
925002	WORKERS COMP EXPENSE - BURDENS			462,637.95	199,135.85	-29,745.06		632,028.74
925003	AUTO LIABILITY	53,511.97			-31,258.00			22,253.97
925004	SAFETY AND INDUSTRIAL HEALTH	6,637.86	55,226.02	15,145.47	81.20		6,276.23	83,366.78
925100	OTHER INJURIES AND DAMAGES	243,057.93			48,000.00			291,057.93
925902	WORKERS COMP EXPENSE - BURDENS INDIRECT					12,452.92		12,452.92
925904	SAFETY & INDUSTRIAL HEALTH - INDIRECT	2,283.65						2,283.65

TOTALS

518,009.60 55,226.02 477,783.42 2,040,343.14 -17,292.14 6,276.23 3,080,346.27

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers
Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2001 to 2011

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6	177.5
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9	180.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3	184.6
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280

**Supplemental Exhibit 1
Reference Schedule 1.14**

KENTUCKY UTILITIES

**Adjustment to Eliminate Advertising Expenses
Pursuant to Commission Rule 807 KAR 5:016
For the Twelve Months Ended December 31, 2011**

1. Uniform System of Accounts - Account No. 930.1 General Advertising Expenses	\$ 795,814
2. Account No. 913 Advertising Expenses	33,461
3. Total	829,275
4. Kentucky Jurisdiction (Ref. Sch. Allocators)	94.909%
5. Kentucky Jurisdictional amount	\$ 787,057
6. Kentucky Jurisdictional adjustment	\$ (787,057)

Company: Kentucky Utilities Company

Line Num	Account	Period Net				Totals	
		Prod Qtr	Electric				
			1	2	3		4
4	909004			2,250.00		2,250.00	
	909010		37,541.98	29,384.25	47,548.64	19,317.20	133,792.07
	909011		464.00	430.80	817.36	133.84	1,846.00
	909013		1,280.00	4,250.01	7,390.00	4,223.42	17,143.43
	910001		10,000.00	2,552.50	-9,913.64	5,406.25	8,045.11
	910900		35,574.71	97,237.28	76,418.68	90,761.34	299,992.01
	913012		10,270.40	10,162.22	8,671.30	4,356.67	33,460.59
	920100		876,072.06	842,992.04	587,398.13	384,155.57	2,690,617.80
	920900		5,088,239.91	4,662,665.72	4,746,066.44	4,416,825.63	18,913,797.70
	921002		71,377.98	149,620.43	96,951.55	158,665.60	476,615.56
	921003		653,112.45	377,457.24	466,494.27	498,629.85	1,995,693.81
	921004		147,045.35	163,786.28	236,424.32	367,288.73	914,544.68
	921902		265,204.24	180,283.23	150,164.54	191,301.14	786,953.15
	921903		780,460.81	812,112.88	798,440.22	791,294.28	3,182,308.19
	922001		-357,893.39	-331,010.93	-479,530.96	-431,918.52	-1,600,353.80
	922002		-112,574.76	-93,737.43	-149,929.17	-164,470.95	-520,712.31
	922003		-108,600.37	-116,342.79	-130,749.95	-134,013.77	-489,706.88
	923100		895,840.75	903,807.32	1,421,618.08	779,715.56	4,000,981.71
	923101		124,531.41	139,118.00	57,158.00	139,614.00	460,421.41
	923301		3,093.86	3,093.86	3,093.86	3,093.86	12,375.44
	923302		2,100.00	2,100.00	2,100.00	2,100.00	8,400.00
	923900		563,990.36	867,269.60	1,199,468.52	1,505,185.12	4,135,913.60
	924100		781,058.77	1,267,483.51	996,664.19	1,160,712.16	4,205,918.63
	925001		326,946.13	747,741.24	470,095.12	492,119.79	2,036,902.28
	925002		92,376.92	410,416.30	68,550.34	60,685.18	632,028.74
	926003		20,471.27	3,439.07	19,056.79	-20,713.16	22,253.97
	926004		21,731.21	18,833.06	22,304.08	20,498.43	83,366.78
	926100		124,732.93	35,100.00		131,225.00	291,057.93
	926902		3,417.82	2,473.96	2,522.06	4,039.08	12,452.92
	926904		56.25	1,002.50	972.40	252.50	2,283.65
	926001		32,071.85	38,113.37	18,070.92	9,748.49	98,004.63
	926002		48,810.22	59,701.01	62,789.21	65,543.21	236,843.65
	926003		2,105,222.42	1,706,587.33	1,637,021.31	1,830,940.26	7,279,771.32
	926004		106,160.80	104,820.50	110,641.26	56,629.61	378,252.17
	926005		106,888.51	59,537.39	42,966.71	39,883.39	249,276.00
	926019		275,095.48	204,236.20	42,555.70	-191,818.39	330,068.99
	926101		3,992,548.23	3,639,784.88	3,193,190.16	3,064,926.66	13,890,449.93
	926102		629,845.02	614,881.08	615,688.31	657,996.08	2,518,410.49
	926105		42,547.08	40,123.55	88,224.40	672,016.23	842,911.26
	926106		927,175.59	1,207,843.31	1,026,236.83	998,847.77	4,160,103.50
	926110		18,574.67	8,262.80	12,452.31	19,293.79	58,583.57
	926116		58,412.31	59,587.19	62,483.30	135,844.42	316,327.22
	926117		175,259.83	-175,259.83			0.00
	926118		147,057.59	-147,057.59			0.00
	926901		33,216.75	37,345.45	39,175.44	38,863.21	148,600.85
	926902		45,103.40	28,391.63	29,290.57	20,349.67	123,135.27
	926903		677,222.10	632,256.50	776,747.95	591,002.12	2,677,228.67
	926904		46,934.36	38,071.79	39,264.44	29,077.89	153,348.48
	926905		51,450.82	25,197.85	17,196.12	20,627.25	114,472.04

Total

33,460.59

Income Statement Accounts Period Name : 'JAN-2011, FEB-2011, MAR-2011, APR-2011, MAY-2011, JUN-2011, JUL-2011, AUG-2011, SEP-2011, OCT-2011, NOV-2011, DEC-2011', Company : '0100, 0110' Excludes Org 999001

Company: Kentucky Utilities Company

Line Num	Account	Period Net				Totals	
		Prod	Electric				
		Qtr	1	2	3		4
	926911		927,945.64	1,433,652.82	1,546,044.21	1,543,434.30	5,451,076.97
	926912		303,639.16	282,331.66	291,015.30	120,007.82	996,993.94
	926915		34,239.40	32,042.79	38,003.29	29,368.86	133,654.34
	926916		117,854.62	120,195.11	125,646.17	125,389.40	489,085.30
	926917		26,122.20				26,122.20
	926918		22,826.40				22,826.40
	926919		28,380.38	81,003.18	29,462.63	-112,472.73	26,373.46
	926990		40,464.86	33,275.89	34,277.63	68,910.34	176,928.72
	927002		850.84	899.78	904.97	940.72	3,596.31
	928001			4,185.88	5,217.98	3,473.50	12,877.36
	928002		77,282.44	198,852.94	92,513.00	83,801.00	452,449.38
	928003		283,020.39	283,020.39	283,020.39	283,020.39	1,132,081.56
	928006		-25.00				-25.00
	928007		44,595.12	135,600.89	58,323.88	30,383.52	268,903.41
	929002		-850.84	-899.78	-904.97	-940.72	-3,596.31
	930101		187,634.29	270,598.42	146,413.12	161,142.67	765,788.50
	930191		5,110.00	4,270.00	2,555.00	18,090.32	30,025.32
	Sum		21,976,609.98	22,255,176.53	21,185,002.71	20,894,804.85	86,311,594.07
	Net Income		21,976,609.98	22,255,176.53	21,185,002.71	20,894,804.85	86,311,594.07

Total

795,813.82

**Supplemental Exhibit 1
Reference Schedule 1.15**

KENTUCKY UTILITIES

**Adjustment to Remove Out-of-Period Items
For the Twelve Months Ended December 31, 2011**

	<u>Revenue</u>	<u>Expense</u>
1. Out of Period adjustment	\$ 6,404	\$ 20,764
2. Kentucky Jurisdiction (Ref. Sch. Allocators)	94.580%	87.580%
3. Kentucky Jurisdictional adjustment	<u>\$ 6,057</u>	<u>\$ 18,185</u>

**Kentucky Utilities Company
Out-of-Period Adjustments**

(1) GL Period Entered	(2) Account	(3) Out of Period Month	(4) Out of Period Amt.	(5) Revenue	(5) Expense	(6) Journal Entry	(7) Description
Sep-11	573100	Oct-10	682.78		682.78	J423-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	593002	Mar-10	5,154.36		5,154.36	J426-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	593002	Aug-10	1,017.00		1,017.00	J426-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Apr-10	4,947.98		4,947.98	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	May-10	5,266.51		5,266.51	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jun-10	3,264.60		3,264.60	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jul-10	(8,531.11)		(8,531.11)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Sep-10	(4,947.98)		(4,947.98)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Oct-10	346.36		346.36	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Dec-10	187.75		187.75	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Apr-10	5,052.02		5,052.02	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	May-10	5,377.24		5,377.24	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jun-10	3,333.24		3,333.24	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Jul-10	(8,710.48)		(8,710.48)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Sep-10	(5,052.02)		(5,052.02)	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Oct-10	353.64		353.64	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Sep-11	921903	Dec-10	191.70		191.70	J424-0110-0911	No capital additions/material - tsf chgs to O&M
Nov-11	571100	Nov-10	7,881.92		7,881.92	J425-0110-1111	No capital additions/material - tsf chgs to O&M
Nov-11	571100	Dec-10	(7,929.20)		(7,929.20)	J425-0110-1111	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	260.96		260.96	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	9,328.65		9,328.65	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	379.27		379.27	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	2,366.68		2,366.68	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	325.41		325.41	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	106.32		106.32	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	686.13		686.13	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	602.81		602.81	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	200.88		200.88	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	130.78		130.78	J428-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	2,137.62		2,137.62	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	1,055.32		1,055.32	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	1,243.77		1,243.77	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Apr-10	541.81		541.81	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	1,481.44		1,481.44	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	1,177.24		1,177.24	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	2,480.13		2,480.13	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593001	Apr-10	164.86		164.86	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	988.89		988.89	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	182.25		182.25	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	1,460.06		1,460.06	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	4,681.79		4,681.79	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	878.98		878.98	J431-0110-1211	No capital additions/material - tsf chgs to O&M

(1) GL Period Entered	(2) Account	(3) Out of Period Month	(4) Out of Period Amt.	(5) Revenue	(5) Expense	(6) Journal Entry	(7) Description
Dec-11	593002	Oct-10	1,132.40		1,132.40	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	181.85		181.85	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	May-10	196.16		196.16	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	689.83		689.83	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	475.32		475.32	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	509.78		509.78	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	52.60		52.60	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Dec-10	2,616.88		2,616.88	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	1,308.23		1,308.23	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	(130.13)		(130.13)	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	455.38		455.38	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	1.27		1.27	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	1,168.19		1,168.19	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Sep-10	2,742.36		2,742.36	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	255.67		255.67	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	205.62		205.62	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	311.31		311.31	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	1,632.43		1,632.43	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jun-10	482.65		482.65	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Oct-10	106.74		106.74	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Nov-10	4,394.77		4,394.77	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Aug-10	3,608.02		3,608.02	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	593002	Jul-10	2,385.34		2,385.34	J431-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Feb-10	28,515.88		28,515.88	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Aug-10	933.33		933.33	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Dec-11	571100	Oct-10	(667.65)		(667.65)	J430-0110-1211	No capital additions/material - tsf chgs to O&M
Sep-11	923900	Dec-10	(4,361.50)		(4,361.50)	J241-0110-0911	LS Power Acquisition Reclass from Exp to Other Def Debits
Sep-11	923900	Dec-10	(5,120.03)		(5,120.03)	J241-0110-0911	LS Power Acquisition Reclass from Exp to Other Def Debits
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(340.54)	(340.54)		J241-0110-1011	Correct Dynegy Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(71.17)	(71.17)		J241-0110-1011	Correct Dynegy Transmission Payable
Oct-11	456109	Dec-08 - Mar-09, Aug-09	(5,992.10)	(5,992.10)		J241-0110-1011	Correct Dynegy Transmission Payable
Mar-11	501001	Dec-10	(105,594.57)		(105,594.57)	FWX Interface	Correction of Fuels A/P accrual due to incorrect pricing. (waived adj)
TOTAL				(6,403.81)	(20,763.51)		
ADJUSTMENT				6,403.81	20,763.51		

KENTUCKY UTILITIES

Calculation of Composite Federal and Kentucky
Income Tax Rate
(Based on Law in Effect January 1, 2012)

1. Assume pre-tax income of		\$ 100.0000
2. State income tax at 6.00%		<u>5.7560</u>
3. Taxable income for Federal income tax before production deduction		94.2440
Production Rate	9%	
Allocation to Production Income	0.6779	
Allocated Production Rate	6.10%	
4. Less: Production tax deduction (6.10% of Line 3)		<u>5.7489</u>
5. Taxable income for Federal income tax (Line 3 - Line 4)		88.4952
6. Federal income tax at 35% (Line 5 x 35%)		<u>30.9733</u>
7. Total State and Federal income taxes (Line 2 + Line 6)		<u><u>\$ 36.7293</u></u>
8. Therefore, the composite rate is:		
9. Federal	30.9733%	
10. State	<u>5.7560%</u>	
11. Total	<u><u>36.7293%</u></u>	

State Income Tax Calculation

1. Assume pre-tax income of	\$ 100.0000
2. Less: Production tax deduction (6% x 0.6779) (1)	<u>4.0674</u>
3. Taxable income for State income tax	95.9326
4. State Tax Rate	<u>6.0000%</u>
5. State Income Tax	<u><u>5.7560</u></u>

Notes: (1) Pursuant to KRS 141.010(11)(c) and (13)(c), for taxable years beginning on or after January 1, 2010, the amount of domestic production activities deduction calculated at six percent (6%) as allowed in Section 199(a)(2) of the Internal Revenue Code for taxable years beginning before 2010.

**Supplemental Exhibit 1
Reference Schedule 1.19**

KENTUCKY UTILITIES

**Calculation of Current Tax Adjustment Resulting
From "Interest Synchronization"**

1. Adjusted Jurisdictional Capitalization - Exhibit 2	\$	2,368,695,515
2. Weighted Cost of Debt - Exhibit 2		1.71%
3. "Interest Synchronization"	\$	40,504,693
4. Kentucky Jurisdictional Interest per books (excluding other interest)		41,419,955
5. "Interest Synchronization" adjustment (Line 4 - 3)	\$	915,262
6. Composite Federal and State tax rate		36.7293%
7. Current tax adjustment from "Interest Synchronization"	\$	336,169

SUPPORT FOR PER BOOKS INTEREST CALCULATION

Total Interest per books (a)	70,333,584
Less: Customer Deposits Interest	1,363,673
Less: Other Tax Deficiencies Interest	18,359
Less: Interest on DSM Recovery	11,695
Less: AFUDC Borrowed Funds	(12,955)
Total Interest per books excluding other interest	<u>68,952,813</u>
Kentucky Jurisdiction Percent (b)	60.070%
Kentucky Jurisdictional Interest	<u><u>41,419,955</u></u>

(a) Financial Report page 12

(b) Supporting Schedule-Exhibit 3, Page 1, Col 4, Line 20

**Kentucky Utilities Company
Analysis of Interest Charges
December 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Interest on Long-Term Debt						
Loan Agreement - Pollution Control Bonds						
Mercer County 2000 Series A due 05/01/23 Var%.....	\$ 1,297.07	\$ 3,735.70	\$ 24,276.33	\$ 42,209.43	\$ 24,276.33	\$ 42,209.43
Carroll County 2002 Series A due 02/01/32 Var%.....	9,776.89	13,274.79	173,627.27	148,431.00	173,627.27	148,431.00
Carroll County 2002 Series B due 02/01/32 Var%.....	1,121.10	1,522.19	19,490.49	17,020.27	19,490.49	17,020.27
Carroll County 2002 Series C due 10/01/32 Var%.....	8,000.00	42,160.00	254,410.76	687,799.96	254,410.76	687,799.96
Mercer County 2002 Series A due 02/01/32 Var%.....	3,456.71	4,693.42	58,916.16	52,479.19	58,916.16	52,479.19
Muhlenburg County 2002 Series A due 02/01/32 Var%.....	1,121.10	1,522.19	19,107.98	17,020.27	19,107.98	17,020.27
Carroll County 2004 Series A due 10/01/34 Var%.....	5,616.44	13,150.68	103,260.21	150,301.37	103,260.21	150,301.37
Carroll County 2006 Series B due 10/01/34 Var%.....	5,991.78	14,439.45	112,837.80	166,467.95	112,837.80	166,467.95
Carroll County 2007 Series A due 02/01/26 5.75%.....	85,651.04	85,651.05	1,027,812.50	1,027,812.50	1,027,812.50	1,027,812.50
Trimble County 2007 Series A due 03/01/37 6.00%.....	44,635.00	44,635.00	535,620.00	535,620.00	535,620.00	535,620.00
Carroll County 2008 Series A due 02/01/32 Var%.....	8,627.60	20,287.68	161,190.94	240,227.48	161,190.94	240,227.48
Loan Agreement - First Mortgage Bonds						
First Mortgage Bond due 11/01/15 1.625%.....	338,541.66	338,541.67	4,062,499.99	507,812.51	4,062,499.99	507,812.51
First Mortgage Bond due 11/01/20 3.250%.....	1,354,166.66	1,354,166.67	16,249,999.99	2,031,250.01	16,249,999.99	2,031,250.01
First Mortgage Bond due 11/01/40 5.125%.....	3,203,125.00	3,203,125.00	38,437,500.00	4,804,687.50	38,437,500.00	4,804,687.50
Fidelia/PPL.....	-	-	-	64,015,302.78	-	64,015,302.78
Total.....	5,071,128.05	5,140,905.49	61,240,550.42	74,444,442.22	61,240,550.42	74,444,442.22
Amortization of Debt Expense - Net						
Amortization of Debt/Discount Expense.....	255,443.25	238,663.61	3,123,233.71	584,124.41	3,123,233.71	584,124.41
Amortization of Loss on Reacquired Debt.....	50,414.39	50,414.39	604,972.68	604,817.50	604,972.68	604,817.50
Total.....	305,857.64	289,078.00	3,728,206.39	1,188,941.91	3,728,206.39	1,188,941.91
Other Interest Charges						
Customers' Deposits.....	113,597.83	107,358.30	1,363,672.66	1,363,569.87	1,363,672.66	1,363,569.87
Other Tax Deficiencies.....	-	4,496.00	18,358.75	87,641.07	18,358.75	87,641.07
Interest on DSM Cost Recovery.....	1,175.70	1,254.61	11,695.03	18,380.69	11,695.03	18,380.69
Interest on Debt to Associated Companies.....	-	1,160.64	6,321.35	127,043.41	6,321.35	127,043.41
AFUDC Borrowed Funds.....	(575.60)	(82,702.68)	(12,955.08)	(968,596.93)	(12,955.08)	(968,596.93)
Other Interest Expense.....	260,844.22	483,825.81	3,977,734.69	2,362,787.93	3,977,734.69	2,362,787.93
Total.....	375,042.15	515,392.68	5,364,827.40	2,990,826.04	5,364,827.40	2,990,826.04
Total Interest.....	\$ 5,752,027.84	\$ 5,945,376.17	\$ 70,333,584.21	\$ 78,624,210.17	\$ 70,333,584.21	\$ 78,624,210.17

Supplemental Exhibit 1
Reference Schedule 1.20

KENTUCKY UTILITIES

Adjustment for Prior Period Income Tax True-Ups and Adjustments
For the Twelve Months Ended December 31, 2011

1. Prior Year Income Tax True-up:	
2. Federal Tax expense (benefit)	\$ 979,690
3. State Tax expense (benefit)	(626,260)
	<hr/>
4. Total Income Tax True-up	\$ 353,430
5. Other Tax adjustments:	
6. Kentucky Coal Credit	(1,468,105)
	<hr/>
7. Total Other Tax adjustments:	\$ (1,468,105)
8. Federal benefit for State Tax adjustments	733,028
9. Total adjustments (Line 4 + Line 7 + Line 8)	<hr/> <u>\$ (381,647)</u>
10. Kentucky Jurisdiction (Ref. Sch. Allocators)	<hr/> 91.135%
11. Kentucky Jurisdiction amount (Line 9 x Line 10)	<hr/> <u>\$ (347,815)</u>
12. Kentucky Jurisdiction adjustment	<hr/> <u>\$ 347,815</u>

KENTUCKY UTILITIES

	12ME 12/31/2011	12ME 12/31/2011
Development of Income Taxes	FEDERAL	STATE
Operating Income Before Tax		
Operating Income (including change in accounting)	242,590,188	242,590,188
Add Back: Income Taxes	<u>109,076,966</u>	<u>109,076,966</u>
SUBTOTAL	351,667,154	351,667,154
Interest expense including AFUDC Debt	(70,333,584)	(70,333,584)
Customer deposits	1,363,673	1,363,673
Other interest expense taxed below the line	30,054	30,054
State income tax	(14,429,640)	
Sec. 199 Manufacturing Deduction	(446,629)	(4,635,413)
Meals	137,097	137,097
AFUDC Equity Depreciation	<u>1,000,000</u>	<u>1,000,000</u>
OPERATING TAXABLE INCOME	268,988,125	279,228,981
	94,145,844	16,753,739
Adjustments:		
Tax return prior year true-up	570,486 ①	(809,201) ②
Tax Adjustments		-
203(E) Excess deferred taxes prior year true-up	409,204 ①	182,941 ②
203(E) Excess deferred taxes	(1,118,077)	(386,652)
TC2 depreciation basis adjustment	915,357	156,918
Reserve Release/Additions		
R&E Credits	(275,485)	
Coal Credit	<u>-</u>	<u>(1,468,105)</u>
Total Operating Income Tax	94,647,329	14,429,640
	<u>94,647,327</u>	<u>14,429,639</u>
Difference	2	1

① = 979,690

② = (626,260)

KENTUCKY UTILITIES

**Calculation of Revenue Gross Up Factor
(Based on Law in Effect January 1, 2012)**

	<u>STATE</u>	<u>FEDERAL</u>
1. Assume pre-tax income of	\$ 100.000000	\$ 100.000000
2. Bad Debt at .4600%	0.460000	0.460000
3. PSC Assessment at .1529%	0.152900	0.152900
4. Production Tax Credit-State (Reference Schedule 1.18)	4.067400	
5. Taxable income for State income tax	95.319700	99.387100
6. State income tax at 6.00%	5.719182	5.719182
7. Production Tax Credit-Federal (Reference Schedule 1.18)		5.748887
8. Taxable income for Federal income tax		87.919031
9. Federal income tax at 35%		30.771661
10. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 9)		37.103743
11. Assume pre-tax income of		\$ 100.000000
12. Gross Up Revenue Factor		<u>62.896257</u>

KENTUCKY UTILITIES

Kentucky Jurisdictional Allocators
At December 31, 2011

Title	Reference Schedule	Factor	Allocation Based On
ECR Operating Expense	1.03	86.677%	Composite rate developed from steam depreciation allocator (86.669%), steam plant O&M allocator (85.981%), energy allocator (86.773%) and net plant allocator for property tax (87.284%)
Brokered and Off-System Energy	1.04, 1.05	86.773%	Ratio of Kentucky retail kilowatt-hour sales to Total Company kilowatt-hour sales
Depreciation	1.09	87.347%	Composite rate developed by dividing Kentucky retail depreciation by Total Company depreciation
Labor	1.10	88.933%	Direct labor
Pension and Post Retirement and Benefits	1.11	88.933%	Direct labor
Distribution O&M (Storm Damages)	1.12	94.089%	Distribution plant
Injuries/Damages	1.13	88.933%	Direct labor
Advertising Expense	1.14	94.909%	Retail energy
Miscellaneous Revenue-Account 456	1.15	94.580%	Demand Non-Ferc
Total O&M	1.15	87.580%	Total O&M
Income Taxes	1.20	91.135%	Income tax expense

KENTUCKY UTILITIES

Capitalization at December 31, 2011

	Per Books 12-31-11 (1)	Capital Structure (2)	Undistributed Subsidiary Earnings (3)	Investment in EEI (Col 2 x Col 4 Line 4) (4)	Investments in OVEC and Other (Col 2 x Col 5 Line 4) (5)	Adjustments to Total Co. Capitalization (Sum of Col 3 - Col 5) (6)	Adjusted Total Company Capitalization (Col 1 + Col 6) (7)	Jurisdictional Rate Base Percentage (Exhibit 3 Line 19) (8)	Kentucky Jurisdictional Capitalization (Col 7 x Col 8) (9)
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	87.43%	\$ -
2. Long Term Debt	1,840,591,561	46.38%	-	(600,992)	(199,026)	(800,018)	1,839,791,543	87.43%	1,608,529,746
3. Common Equity	2,128,238,257	53.62%	(7,535,369)	(694,808)	(230,095)	(8,460,272)	2,119,777,985	87.43%	1,853,321,893
4. Total Capitalization	<u>\$ 3,968,829,818</u>	<u>100.00%</u>	<u>\$ (7,535,369)</u>	<u>\$ (1,295,800)</u>	<u>\$ (429,121)</u>	<u>\$ (9,260,290)</u>	<u>\$ 3,959,569,528</u>		<u>\$ 3,461,851,639</u>

	Kentucky Jurisdictional Capitalization (9)	Capital Structure (10)	Adjusted Environmental Compliance Plans (a) (Col 10 x Col 11 Line 4) (11)	Adjusted Kentucky Jurisdictional Capitalization (Col 9 + Col 11) (12)	Adjusted Capital Structure (13)	Annual Cost Rate (14)	Cost of Capital (Col 14 x Col 13) (15)
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	0.00%	0.45%	(b) 0.00%
2. Long Term Debt	1,608,529,746	46.46%	(507,924,061)	1,100,605,685	46.46%	3.68%	(b) 1.71%
3. Common Equity	1,853,321,893	53.54%	(585,232,063)	1,268,089,830	53.54%	10.75%	(c) 5.76%
4. Total Capitalization	<u>\$ 3,461,851,639</u>	<u>100.00%</u>	<u>\$ (1,093,156,124)</u>	<u>\$ 2,368,695,515</u>	<u>100.00%</u>		<u>7.47%</u>

- (a) Supporting Schedule-Exhibit 3, Page 1, Line 19, Column 3
(b) Embedded cost as of December 31, 2011
(c) Threshold Rate of Return on Common Equity (Section 2.3)

\$ 1,093,156,124

Kentucky Utilities Company
Comparative Balance Sheets as of December 31, 2011 and 2010

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 6,783,199,672.46	\$ 6,496,781,295.39	Common Stock.....	\$ 308,139,977.56	\$ 308,139,977.56
Less: Reserves for Depreciation and Amortization.....	<u>2,395,037,772.83</u>	<u>2,261,926,782.36</u>	Less: Common Stock Expense.....	321,288.87	321,288.87
Total.....	<u>4,388,161,899.63</u>	<u>4,234,854,513.03</u>	Paid-In Capital.....	315,858,083.00	315,858,083.00
			Other Comprehensive Income.....	(2,457,900.37) ^(c)	(1,993,677.24)
			Retained Earnings.....	1,490,663,791.10	1,439,351,593.82
			Unappropriated Undistributed Subsidiary Earnings...	<u>16,355,594.75</u>	<u>14,432,395.75</u>
Investments			Total Proprietary Capital.....	<u>2,128,238,257.17</u>	<u>2,075,467,084.02</u>
Electric Energy, Inc.....	13,628,644.55	12,465,221.55			
Ohio Valley Electric Company.....	250,000.00	250,000.00	Pollution Control Bonds.....	350,779,405.00	350,779,405.00
Nonutility Property-Less Reserve.....	<u>179,120.94</u>	<u>179,120.94</u>	First Mortgage Bonds.....	1,489,812,156.25	1,489,176,906.25
Total.....	<u>14,057,765.49</u>	<u>12,894,342.49</u>	LT Notes Payable to Associated Companies.....	-	-
			Total Long-Term Debt.....	<u>1,840,591,561.25</u>	<u>1,839,956,311.25</u>
Current and Accrued Assets			Total Capitalization.....	<u>3,968,829,818.42</u>	<u>3,915,423,395.27</u>
Cash.....	31,096,140.42	3,132,599.79			
Special Deposits.....	45,500.00	418,600.30	Current and Accrued Liabilities		
Temporary Cash Investments.....	43,674.49	200,847.07	ST Notes Payable to Associated Companies.....	-	10,434,000.00
Accounts Receivable-Less Reserve.....	164,311,372.23	198,513,561.39	Accounts Payable.....	119,658,898.66	76,307,786.67
Accounts Receivable from Associated Companies.....	39,615.59	11,996,433.15	Accounts Payable to Associated Companies.....	33,178,775.21	45,351,361.74
Materials and Supplies-At Average Cost			Customer Deposits.....	22,862,411.92	22,839,133.25
Fuel.....	96,745,428.76	94,898,528.15	Taxes Accrued.....	10,729,937.99	24,614,782.98
Plant Materials and Operating Supplies.....	34,036,932.19	32,560,243.26	Interest Accrued.....	10,619,839.16	8,149,642.02
Stores Expense.....	9,914,010.27	8,854,899.43	Dividends Declared.....	-	-
Emission Allowances.....	450,462.32	566,579.00	Miscellaneous Current and Accrued Liabilities.....	19,177,240.61	19,512,357.41
Prepayments.....	7,285,320.31	8,173,724.00	Total.....	<u>216,227,103.55</u>	<u>207,209,064.07</u>
Miscellaneous Current and Accrued Assets.....	-	20,501.20			
Total.....	<u>343,968,456.58</u>	<u>359,336,516.74</u>	Deferred Credits and Other		
			Accumulated Deferred Income Taxes.....	559,462,412.30	396,607,180.67
Deferred Debits and Other			Investment Tax Credit.....	101,407,768.32	104,094,169.32
Unamortized Debt Expense.....	21,600,912.97	21,213,642.72	Regulatory Liabilities.....	108,313,656.21	55,112,630.40
Unamortized Loss on Bonds.....	11,775,117.37	12,380,090.05	Customer Advances for Construction.....	3,155,939.30	2,869,273.92
Accumulated Deferred Income Taxes.....	86,746,693.05	34,511,064.10	Asset Retirement Obligations.....	61,789,582.18	53,981,306.41
Deferred Regulatory Assets.....	268,828,295.77	208,403,355.44	Other Deferred Credits.....	6,945,601.15	8,491,442.40
Other Deferred Debits.....	<u>45,192,019.67</u>	<u>42,753,151.34</u>	Miscellaneous Long-Term Liabilities.....	2,695,347.71	2,423,615.65
Total.....	<u>434,143,038.83</u>	<u>319,261,303.65</u>	Accum Provision for Postretirement Benefits.....	<u>151,503,931.39</u>	<u>180,134,597.80</u>
			Total.....	<u>995,274,238.56</u>	<u>803,714,216.57</u>
Total Assets.....	<u>\$ 5,180,331,160.53</u>	<u>\$ 4,926,346,675.91</u>	Total Liabilities and Stockholders Equity.....	<u>\$ 5,180,331,160.53</u>	<u>\$ 4,926,346,675.91</u>

January 26, 2012

Kentucky Utilities Company
Analysis of Retained Earnings
December 31, 2011

	Current Month		Year to Date		Year Ended Current Month	
	Total Retained Earnings	Undistributed Subsidiary Earnings	Total Retained Earnings	Undistributed Subsidiary Earnings	Total Retained Earnings	Undistributed Subsidiary Earnings
Retained Earnings and Undistributed Earnings						
Balance at Beginning of Period.....	\$ 1,475,266,420.61	\$ 16,092,121.75	\$ 1,439,351,593.82	\$ 14,432,395.75	\$ 1,439,351,593.82	\$ 14,432,395.75
Add:						
Net Income for Period.....	15,660,843.49	-	176,735,396.28	-	176,735,396.28	-
Deduct:						
Common Dividends						
Common Stock Without Par Value	-	-	(123,500,000.00)	-	(123,500,000.00)	-
EE Inc.....	(263,473.00)	263,473.00	(1,923,199.00)	1,923,199.00	(1,923,199.00)	1,923,199.00
Balance at End of Period.....	<u>\$ 1,490,663,791.10</u>	<u>\$ 16,355,594.75</u> ^(A)	<u>\$ 1,490,663,791.10</u>	<u>\$ 16,355,594.75</u>	<u>\$ 1,490,663,791.10</u>	<u>\$ 16,355,594.75</u>
Deferred Taxes Related to Undistributed Subsidiary Earnings		-		-		-
Balance of Undistributed Subsidiary Earnings.....		16,355,594.75		16,355,594.75		16,355,594.75
Statutory Tax Rate.....		38.9%		38.9%		38.9%
Deferred Taxes on Equity in Subsidiary.....		<u>\$ 6,362,326.36</u> ^(B)		<u>\$ 6,362,326.36</u>		<u>\$ 6,362,326.36</u>

$$EEInc - 16,355,595 - 6,362,326 - (2,457,900) = 7,535,369$$
 OCI from B/S

January 26, 2012

Kentucky Utilities Company
Rollforward of Investment in EEI

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Year	Capital Stock Ownership (Initial Investment)	Beginning Balance Equity in Earnings	Earnings	Dividends	Net Activity	Ending Balance Equity in Earnings	Other Comprehensive Income	Ending Balance Total Investment
	(Form 1 p 224)	(Form 1 p 224)	(Form 1 p 225)	(Form 1 p 225)	+(d)-(e)	(c)+(f)		+(g)+(b)+(h)
1996	\$ 1,295,800	\$ 848,998	\$ 2,436,136	\$ 2,460,420	\$ (24,284)	\$ 824,714		\$ 2,120,514
1997	1,295,800	824,714	2,480,168	2,443,622	36,546	861,260		2,157,060
1998	1,295,800	861,260	2,167,436	2,168,058	(622)	860,638		2,156,438
1999	1,295,800	860,638	2,333,723	2,366,775	(33,052)	827,586		2,123,386
2000	1,295,800	827,586	2,242,280	2,312,037	(69,757)	757,829		2,053,629
2001	1,295,800	757,829	1,802,856	2,060,553	(257,697)	500,132		1,795,932
2002	1,295,800	500,132	6,967,101	1,585,021	5,382,080	5,882,212		7,178,012
2003	1,295,800	5,882,212	3,644,247	-	3,644,247	9,526,459		10,822,259
2004	1,295,800	9,526,459	2,559,212	-	2,559,212	12,085,671		13,381,471
2005	1,295,800	12,085,671	2,256,843	-	2,256,843	14,342,514		15,638,314
2006	1,295,800	14,342,514	29,405,773	27,500,000	1,905,773	16,248,287		17,544,087
2007	1,295,800	16,248,287	26,358,781	21,400,000	4,958,781	21,207,068		22,502,868
2008	1,295,800	21,207,068	29,548,519	30,000,000	(451,481)	20,755,587		22,051,387
2009	1,295,800	20,755,587	765,782	10,850,000	(10,084,218)	10,671,369		11,967,169
2010	1,295,800	10,671,369	3,761,027	-	3,761,027	14,432,396	(3,262,974)	12,465,222
2011	1,295,800	14,432,396	1,923,199	-	1,923,199	16,355,595	(4,022,750)	13,628,645

KENTUCKY UTILITIES COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
December 31, 2011

LONG-TERM DEBT										
	Due	Rate	Principal	Interest	Annualized Cost					Embedded Cost
					Amortized Debt Issuance Exp/Discount	Amortized Loss-Reacquired Debt	Letter of Credit and other fees	Total		
Pollution Control Bonds -										
Mercer Co. 2000 Series A	05/01/23	0.110% *	\$ 12,900,000	\$ 14,190	\$ -	\$ 46,743	\$ 156,549 a	\$ 217,482	1.69%	
Carroll Co. 2002 Series A	02/01/32	0.550% *	20,930,000	115,115	4,104	36,300	20,930 b	176,449	0.84%	
Carroll Co. 2002 Series B	02/01/32	0.550% *	2,400,000	13,200	2,856	4,164	2,400 b	22,620	0.94%	
Muhlenberg Co. 2002 Series A	02/01/32	0.550% *	2,400,000	13,200	1,140	12,744	2,400 b	29,484	1.23%	
Mercer Co. 2002 Series A	02/01/32	0.550% *	7,400,000	40,700	3,180	12,900	7,400 b	64,180	0.87%	
Carroll Co. 2002 Series C	10/01/32	0.080% *	96,000,000	76,800	73,658	186,036	300,538 c	637,032	0.66%	
Carroll Co. 2004 Series A	10/01/34	0.130% *	50,000,000	65,000	-	105,023	609,493 a	779,516	1.56%	
Carroll Co. 2006 Series B	10/01/34	0.100% *	54,000,000	54,000	47,920	-	658,985 a	760,905	1.41%	
Carroll Co. 2007 Series A	02/01/26	5.750%	17,875,000	1,027,813	33,342	-	-	1,061,155	5.94%	
Trimble Co. 2007 Series A	03/01/37	6.000%	8,927,000	535,620	16,072	-	-	551,692	6.18%	
Carroll Co. 2008 Series A	02/01/32	0.110% *	77,947,405	85,742	34,400	-	951,225 a	1,071,367	1.37%	
Called Bonds						201,063 1		201,063		
First Mortgage Bonds -										
2010 due 2015	11/01/15	1.625%	250,000,000	4,062,500	461,126 **	-	-	4,523,626	1.81%	
Debt discount on FMB	11/01/15	1.625%	(678,125)	-	175,000 **	-	-	175,000	-25.81%	
2010 due 2020	11/01/20	3.250%	500,000,000	16,250,000	418,360 **	-	-	16,668,360	3.33%	
Debt discount on FMB	11/01/15	3.250%	(1,677,375)	-	189,000 **	-	-	189,000	-11.27%	
2010 due 2040	11/01/40	5.125%	750,000,000	38,437,500	249,641 **	-	-	38,687,141	5.16%	
Debt discount on FMB	11/01/40	5.125%	(7,832,344)	-	271,250 **	-	-	271,250	-3.46%	
Revolving Credit Facility	10/19/16				785,357 3&4		500,000	1,285,357		
Letter of Credit Facility	04/29/14				298,913			298,913		
Total External Debt			\$ 1,840,591,561	\$ 60,791,380	\$ 3,065,319	\$ 604,973	\$ 3,209,920	\$ 67,671,593	3.68%	
Notes Payable to PPL			2 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Internal Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	
Total			\$ 1,840,591,561	\$ 60,791,380	\$ 3,065,319	\$ 604,973	\$ 3,209,920	\$ 67,671,593	3.68%	

SHORT-TERM DEBT								
	Rate	Principal	Interest	Expense	Annualized Cost			Embedded Cost
					Loss	Premium	Total	
Notes Payable to Associated Company	0.450% *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
Revolving Credit Facility Payable		-	-	-	-	-	-	
Total		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%

Embedded Cost of Total Debt **\$ 1,840,591,561 \$ 60,791,380 \$ 3,065,319 \$ 604,973 \$ 3,209,920 \$ 67,671,593 3.68%**

* Composite rate at end of current month
** Debt discount shown on separate line

1 Series P and R bonds were redeemed in 2003, and 2005, respectively. They were not replaced with other bond series. The remaining unamortized expense is being amortized over the remainder of the original lives (due 5/15/07, 6/1/25, 6/1/35, and 6/1/36 respectively) of the bonds as loss on reacquired debt.

2 Fidelity Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010.

3 Included setup fees for the Wachovia Credit Facility in Long-term Debt due to 4 year credit arrangement

4 Credit Facility amended effective October 19, 2011. New term of 5 years at lower interest rate.

a - Letter of credit fee = (principal bal + 45 days interest)*2% L/C Fee and .25% L/C Fronting Fee. Rate based on company credit rating. Remarketing Fee = 10 basis points.

b - Remarketing fee = 10 basis points

c - Remarketing fee = 25 basis points

KENTUCKY UTILITIES

Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Other Jurisdictional Rate Base (3)	Total Company Rate Base (4)
1. Utility Plant at Original Cost	\$ 5,911,157,982	\$ 872,041,691	\$ 6,783,199,673
2. Deduct:			
3. Reserve for Depreciation	2,080,817,095	314,220,678	2,395,037,773
4. Net Utility Plant	<u>3,830,340,887</u>	<u>557,821,013</u>	<u>4,388,161,900</u>
5. Deduct:			
6. Customer Advances for Construction	2,998,149	157,790	3,155,939
7. Accumulated Deferred Income Taxes	416,040,136	59,901,626	475,941,762
8. Asset Retirement Obligation-Net Assets	47,120,453	7,247,837	54,368,290
9. Asset Retirement Obligation-Regulatory Liabilities	3,062,534	471,064	3,533,598
10. Investment Tax Credit (a)	87,006,521	14,401,246	101,407,767
11. Total Deductions	<u>556,227,793</u>	<u>82,179,563</u>	<u>638,407,356</u>
12. Add:			
13. Materials and Supplies (b)	115,624,987	17,611,966	133,236,953
14. Prepayments (b)(c)	6,956,836	810,868	7,767,704
15. Emission Allowances (b)	442,484	68,059	510,543
16. Cash Working Capital (page 2)	95,623,543	7,917,443	103,540,986
17. Total Additions	<u>218,647,850</u>	<u>26,408,336</u>	<u>245,056,186</u>
18. Total Net Original Cost Rate Base	<u>\$ 3,492,760,944</u>	<u>\$ 502,049,786</u>	<u>\$ 3,994,810,730</u>
19. Percentage of Rate Base to Total Company Rate Base	<u>87.43%</u>	<u>12.57%</u>	<u>100.00%</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

(b) Average for 13 months

(c) Excludes PSC fees.

KENTUCKY UTILITIES

Calculation of Cash Working Capital
At December 31, 2011

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Other Jurisdictional Rate Base (3)	Total Company Rate Base (4)
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 859,662,729	\$ 101,912,920	\$ 961,575,649
2. Deduct:			
3. Electric Power Purchased	94,674,385	14,440,563	109,114,948
4. Total Deductions	\$ 94,674,385	\$ 14,440,563	\$ 109,114,948
5. Remainder (Line 1 - Line 4)	<u>\$ 764,988,344</u>	<u>\$ 87,472,357</u>	<u>\$ 852,460,701</u>
6. Cash Working Capital	<u>\$ 95,623,543</u>	<u>\$ 7,917,443</u>	<u>\$ 103,540,986</u>
Kentucky Jurisdictional (12 1/2% of Line 5)			
Other Jurisdictional comprised of FERC, Tennessee, and Virginia Jurisdictional methodologies.			

KENTUCKY UTILITIES

Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3) (Page 3 Col 2)	Kentucky Jurisdictional Non-ECR Rate Base (4) (2 - 3)	Other Jurisdictional Rate Base (5)	Total Company Rate Base (6) (3 + 4 + 5)
1. Utility Plant at Original Cost	\$ 5,911,157,982	\$ 1,296,414,097	\$ 4,614,743,885	\$ 872,041,691	\$ 6,783,199,673
2. Deduct:					
3. Reserve for Depreciation	2,080,817,095	102,666,206	1,978,150,889	314,220,678	2,395,037,773
4. Net Utility Plant	<u>3,830,340,887</u>	<u>1,193,747,891</u>	<u>2,636,592,996</u>	<u>557,821,013</u>	<u>4,388,161,900</u>
5. Deduct:					
6. Customer Advances for Construction	2,998,149	-	2,998,149	157,790	3,155,939
7. Accumulated Deferred Income Taxes	416,040,136	80,567,520	335,472,616	59,901,626	475,941,762
8. Asset Retirement Obligation-Net Assets	47,120,453	-	47,120,453	7,247,837	54,368,290
9. Asset Retirement Obligation-Regulatory Liabilities	3,062,534	-	3,062,534	471,064	3,533,598
10. Investment Tax Credit (a)	87,006,521	23,299,260	63,707,261	14,401,246	101,407,767
11. Total Deductions	<u>556,227,793</u>	<u>103,866,780</u>	<u>452,361,013</u>	<u>82,179,563</u>	<u>638,407,356</u>
12. Net Plant Deductions	<u>3,274,113,094</u>	<u>1,089,881,111</u>	<u>2,184,231,983</u>	<u>475,641,450</u>	<u>3,749,754,544</u>
13. Add					
14. Materials and Supplies (b)	115,624,987	548,669	115,076,318	17,611,966	133,236,953
15. Prepayments (b)(c)	6,956,836	-	6,956,836	810,868	7,767,704
16. Emission Allowances (b)	442,484	330,044	112,440	68,059	510,543
17. Cash Working Capital (page 2)	95,623,543	2,396,300	93,227,243	7,917,443	103,540,986
18. Total Additions	<u>218,647,850</u>	<u>3,275,013</u>	<u>215,372,837</u>	<u>26,408,336</u>	<u>245,056,186</u>
19. Total Net Original Cost Rate Base	<u>\$ 3,492,760,944</u>	<u>\$ 1,093,156,124</u>	<u>\$ 2,399,604,820</u>	<u>\$ 502,049,786</u>	<u>\$ 3,994,810,730</u>
20. Percentage of Rate Base to Total Company Rate Base	<u>87.43%</u>	<u>27.36%</u>	<u>60.07%</u>	<u>12.57%</u>	<u>100.00%</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

(b) Average for 13 months

(c) Excludes PSC fees.

KENTUCKY UTILITIES

**Calculation of Cash Working Capital
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional Rate Base (2)	Kentucky Jurisdictional ECR Rate Base (3)	Kentucky Jurisdictional Non-ECR Rate Base (4) <small>(2 - 3)</small>	Other Jurisdictional Rate Base (5)	Total Company Rate Base (6) <small>(3 + 4 + 5)</small>
1. Operating and maintenance expense for the 12 months ended December 31, 2011	\$ 859,662,729	\$ 19,170,400	\$ 840,492,329	\$ 101,912,920	\$ 961,575,649
2. Deduct:					
3. Electric Power Purchased	94,674,385	-	94,674,385	14,440,563	109,114,948
4. Total Deductions	<u>\$ 94,674,385</u>	<u>\$ -</u>	<u>\$ 94,674,385</u>	<u>\$ 14,440,563</u>	<u>\$ 109,114,948</u>
5. Remainder (Line 1 - Line 4)	<u>\$ 764,988,344</u>	<u>\$ 19,170,400</u>	<u>\$ 745,817,944</u>	<u>\$ 87,472,357</u>	<u>\$ 852,460,701</u>
6. Cash Working Capital	<u>\$ 95,623,543</u>	<u>\$ 2,396,300</u>	<u>\$ 93,227,243</u>	<u>\$ 7,917,443</u>	<u>\$ 103,540,986</u>

Kentucky Jurisdictional (12 1/2% of Line 5)
Other Jurisdictional comprised of FERC, Tennessee,
and Virginia Jurisdictional methodologies

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	Kentucky Jurisdictional ECR Rate Base (2)	Other Jurisdictional ECR Rate Base (3)	Total Company ECR Rate Base (4)
1. Utility Plant at Original Cost	\$ 1,296,414,097	\$ 199,408,050	\$ 1,495,822,147
2. Deduct:			
3. Reserve for Depreciation	102,666,206	15,791,612	118,457,818
4. Net Utility Plant	<u>1,193,747,891</u>	<u>183,616,438</u>	<u>1,377,364,329</u>
5. Deduct:			
6. Customer Advances for Construction	-	-	-
7. Accumulated Deferred Income Taxes	80,567,520	12,392,500	92,960,020
8. Asset Retirement Obligation-Net Assets	-	-	-
9. Asset Retirement Obligation-Regulatory Liabilities	-	-	-
10. Investment Tax Credit (a)	23,299,260	3,856,371	27,155,631
11. Total Deductions	<u>103,866,780</u>	<u>16,248,871</u>	<u>120,115,651</u>
12. Net Plant Deductions	<u>1,089,881,111</u>	<u>167,367,567</u>	<u>1,257,248,678</u>
13. Add:			
14. Materials and Supplies	548,669	83,453	632,122
15. Prepayments	-	-	-
16. Emission Allowances	330,044	50,766	380,810
17. Cash Working Capital	2,396,300	368,364	2,764,664
18. Total Additions	<u>3,275,013</u>	<u>502,583</u>	<u>3,777,596</u>
19. Total Net Original Cost Rate Base	<u>\$ 1,093,156,124</u>	<u>\$ 167,870,150</u>	<u>\$ 1,261,026,274</u>

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

KENTUCKY UTILITIES COMPANY
ELECTRIC COST OF SERVICE STUDY
JURISDICTIONAL SEPARATION

RATE BASE: END OF YEAR
ALLOCATION METHOD: AVG 12 CP (COMBINED CO SYS)

12 MONTHS ENDING DECEMBER 31, 2011

ALLOC	TOTAL KENTUCKY UTILITIES (1)	KENTUCKY STATE JURISDICTION (2)	VIRGINIA STATE JURISDICTION (3)	FERC & TENNESSEE JURISDICTION (4)	TENNESSEE STATE JURISDICTION (5)	FERC JURISDICTION (6)	PRIMARY (7)	TRANSMISSION (8)
SUMMARY OF RESULTS AS ALLOCATED								
ELEMENTS OF RATE BASE								
1 PLANT IN SERVICE	6,443,488,241	5,614,477,615	376,456,372	452,554,254	183,489	452,370,765	143,796,072	308,574,693
2 LESS RESERVE FOR DEPRECIATION	2,395,037,773	2,080,817,095	147,816,116	166,404,562	111,392	166,293,170	52,935,603	113,357,566
3 NET PLANT IN SERVICE	4,048,450,468	3,533,660,520	228,640,256	286,149,692	72,097	286,077,595	90,860,468	195,217,127
4 CONST WORK IN PROGRESS	339,711,432	296,680,367	17,499,717	25,531,348	2,631	25,528,716	8,047,395	17,481,321
5 NET PLANT	4,388,161,900	3,830,340,887	246,139,973	311,681,040	74,728	311,606,312	98,907,863	212,698,448
ADD:								
6 MATERIALS & SUPPLIES	42,804,186	37,153,312	2,481,807	3,169,067	1,064	3,168,003	1,003,042	2,164,961
7 FUEL INVENTORY	90,432,767	78,471,675	4,208,795	7,752,297	377	7,751,920	2,517,133	5,234,787
8 PREPAYMENTS	7,767,704	6,956,836	379,925	430,942	187	430,755	137,945	292,810
9 WORKING CASH	103,540,986	95,623,543	-	7,917,443	1,378	7,916,065	2,562,353	5,353,712
10 EMISSION ALLOWANCES	510,543	442,484	25,355	42,704	4	42,700	13,339	29,361
11 TOTAL ADDITIONS	245,056,186	218,647,851	7,095,883	19,312,452	3,009	19,309,443	6,233,812	13,075,630
DEDUCT:								
12 RESERVE FOR DEF TAXES	475,941,762	416,040,136	27,398,303	32,503,323	13,161	32,490,162	10,325,360	22,164,801
13 RESERVE FOR ITC	101,407,768	87,006,521	5,145,678	9,255,568	762	9,254,807	2,891,115	6,363,691
14 CUSTOMER ADVANCES	3,155,939	2,998,149	157,790	-	-	-	-	-
15 CUSTOMER DEPOSITS-VIRGINIA	22,862,412	-	514,229	-	-	-	-	-
16 DEFERRED FUEL-VIRGINIA	(2,924,152)	-	(2,924,152)	-	-	-	-	-
17 OPEB UNFUNDED-VIRGINIA	61,769,169	-	3,359,730	0	-	0	-	-
18 TOTAL DEDUCTIONS	662,212,898	506,044,807	33,651,578	41,758,891	13,923	41,744,968	13,216,476	28,528,493
19 NET ORIGINAL COST RATE BASE	3,971,005,187	3,542,943,931	219,584,278	289,234,600	63,815	289,170,786	91,925,200	197,245,586
DEVELOPMENT OF RETURN								
20 OPERATING REVENUES	1,547,516,986	1,365,943,770	74,868,452	106,704,764	5,995	106,698,770	34,372,405	72,326,364
OPERATING EXPENSES								
21 OPERATION & MAINT EXPENSE	981,575,649	859,662,729	49,236,473	72,676,447	11,506	72,664,941	23,522,084	49,142,857
22 DEPRECIATION & AMORT EXP	189,190,233	165,252,726	10,074,584	13,862,923	3,687	13,859,236	4,394,303	9,464,933
23 REGULATORY CREDITS	(5,855,640)	(5,077,896)	(289,712)	(488,032)	(44)	(487,988)	(152,483)	(335,505)
24 TAXES OTHER THAN INC TAX	28,115,767	24,910,482	1,462,299	1,742,986	536	1,742,450	556,181	1,186,269
25 INCOME TAXES	109,076,966	99,407,607	4,070,706	5,620,187	(4,229)	5,624,416	1,801,295	3,823,121
26 (GAIN) / LOSS DISPOSITION ALLOWANCES	(3,293)	(2,854)	(164)	(275)	(0)	(275)	(86)	(189)
27 (GAIN) / LOSS DISPOSITION PROPERTY-VA	(46,988)	-	(2,745)	-	-	-	-	-
28 CHARITABLE CONTRIBUTIONS-VA	644,462	-	17,527	-	-	-	-	-
29 INTEREST ON CUSTOMER DEPOSITS-VA	1,363,673	-	1,921	-	-	-	-	-
30 ACCRETION EXPENSE	2,827,117	2,452,337	139,599	235,181	21	235,160	73,491	161,669
31 TOTAL OPERATING EXPENSES	1,306,887,946	1,146,605,130	64,710,487	93,649,417	11,478	93,637,940	30,194,785	63,443,154
32 RETURN	240,629,040	219,338,639	10,157,965	13,055,347	(5,483)	13,060,830	4,177,620	8,883,210
33 RATE OF RETURN	6.06%	6.19%	4.63%	4.51%	-8.59%	4.52%	4.54%	4.50%

Account Balance for KU

Period Name DEC-2011

Account	Account	Company	Balance SUM	
			0110	Sum
101107	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		57,517,877.87	57,517,877.87
101125	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		374,327.29	374,327.29
108107	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT		-3,517,277.38	-3,517,277.38
108125	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING		-6,637.64	-6,637.64
108799	RWIP-ARO LEGAL		410,549.80	410,549.80
182317	OTHER REGULATORY ASSETS ARO - GENERATION		7,387,106.47	7,387,106.47
182318	OTHER REG ASSETS ARO - TRANSMISSION		8,472.85	8,472.85
182325	OTHER REGULATORY ASSETS ARO - DISTRIBUTION		25,712.72	25,712.72
230012	ASSET RETIREMENT OBLIGATIONS - STEAM		-60,261,506.99	-60,261,506.99
230013	ASSET RETIREMENT OBLIGATIONS - TRANSMISSION		-545,748.17	-545,748.17
230015	ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION		-806,034.02	-806,034.02
230022	ASSET RETIREMENT OBLIGATIONS - STEAM - ST		-176,293.00	-176,293.00
254014	REGULATORY LIABILITY ARO - GENERATION		-3,533,597.56	-3,533,597.56
254015	REGULATORY LIABILITY ARO - TRANSMISSION		0.00	0.00
	Sum		-3,123,047.76	-3,123,047.76

Rate Base
Series 90 86.669
Demand

Rate Base

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

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	160,117,611	19,254,282
Subtotal	\$ 1,476,567,865	\$ 19,254,282
Additions:		
Inventory - Limestone	\$ 708,595	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	450,225	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	380,810	
Cash Working Capital Allowance	2,649,591	115,073
Subtotal	3,662,522	115,073
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	118,457,818	-
Pollution Control Deferred Income Taxes	92,960,020	-
Pollution Control Deferred Investment Tax Credit	27,155,631	
Subtotal	238,573,469	-
Environmental Compliance Rate Base	\$ 1,241,656,918	\$ 19,369,355

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,063,355	\$ 920,585
Monthly Depreciation & Amortization Expense	4,017,862	-
Monthly Taxes Other Than Income Taxes	162,352	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,502	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,640	
Monthly Surcharge Consultant Fee		16,258
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,249,209	\$ 936,843

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	53,014	50,597	2,416
Total Proceeds from Sales	\$ 53,014	\$ 50,597	\$ 2,416

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At December 31, 2011**

Title of Account (1)	ECR RATE BASE JURIS FACTORS ALLOCATIONS (PER PSC 98-474)
1. Utility Plant at Original Cost	0.86669 DEMPROD
2. Deduct:	
3. Reserve for Depreciation	0.86669 STMSYS
4. Net Utility Plant	
5. Deduct:	
6. Customer Advances for Construction	
7. Accumulated Deferred Income Taxes	0.86669 PRODSYS
8. Asset Retirement Obligation-Net Assets	
9. Asset Retirement Obligation-Regulatory Liabilities	
10. Investment Tax Credit (a)	0.85799 PRODPLT
11. Total Deductions	
12. Net Plant Deductions	
13. Add:	
14. Materials and Supplies	0.86798 M&S
15. Prepayments	
16. Emission Allowances	0.86669 DEMPROD
17. Cash Working Capital	0.86676 EXP5017 STEAM OPERATING EXP
18. Total Additions	
19. Total Net Original Cost Rate Base	86.6878%

KENTUCKY UTILITIES

Calculation of Excess Return Amount at December 31, 2011

	ELECTRIC (1)
1. Actual Earned Rate of Return on Common Equity (Section 2.2)	8.50%
2. Threshold Rate of Return on Common Equity (Section 2.3)	10.75%
3. Difference (Lines: 1 - 2)	-2.25%
4. Actual ROE is less than 10.75%. There is no excess return amount.	

KENTUCKY UTILITIES

**Kentucky Jurisdictional Rate of Return on Common Equity
For the Twelve Months Ended December 31, 2011**

	Adjusted Kentucky Jurisdictional Capitalization (Exhibit 2 Col 12) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 14) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
1. Short Term Debt	\$0	0.00%	0.45%	0.00%
2. Long Term Debt	\$1,100,605,685	46.46%	3.68%	1.71%
3. Common Equity	\$1,268,089,830	53.54%	8.50% (a)	4.55% (b)
4. Total Capitalization	\$2,368,695,515	100.00%		6.26%
5. Pro-forma Net Operating Income				\$148,259,609 (c)
6. Net Operating Income / Total Capitalization				6.26% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 24, Column 4
(d) - Column 4, Line 5 divided by Column 1, Line 4