

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVISED GAS LINE TRACKER FILING OF) CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY) 2013-00394

ORDER

On October 31, 2013, Louisville Gas and Electric Company ("LG&E") submitted a tariff filing, a copy of which is attached to the Appendix hereto, requesting to revise rates for its Gas Line Tracker Adjustment Clause ("GLT"). The Commission's Order in Case No. 2012-00222¹ approved the GLT program and associated rates. Subsequently, LG&E filed its original GLT tariff on January 31, 2013, with an effective date of January 1, 2013. The October 31, 2013 filing proposes revised rates effective December 31, 2013.

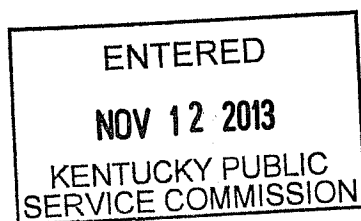
Having reviewed the tariff filing and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of LG&E's rates, and that such investigation cannot be concluded by December 31, 2013. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed tariff for up to five months. The Commission will use its best efforts to expedite the review of the revised GLT rates.

¹ Case No. 2012-00222, *Application of Louisville Gas and Electric for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Line and Risers, and a Gas Line Surcharge* (KY PSC. Dec 20, 2012).

IT IS THEREFORE ORDERED that:

1. LG&E's proposed tariff is suspended for five months, up to and including May 30, 2014.
2. Nothing shall prevent the Commission from issuing further Orders prior to the end of the suspension period.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00394 DATED NOV 12 2013



a PPL company

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

October 31, 2013

RE: *Louisville Gas and Electric Company -
Gas Line Tracker for 2014*

Dear Mr. DeRouen:

Louisville Gas and Electric Company ("LG&E" or the "Company"), pursuant to its Gas Line Tracker ("GLT") Adjustment Clause approved by the Commission on December 20, 2012¹, files herewith revised sheets of its Tariff P.S.C. Gas No. 9, First Revision of Original Sheet No. 84 setting forth GLT charges as presented below.

RGS - Residential Gas Service	\$ 2.28
VFD - Volunteer Fire Department Service	\$ 2.28
CGS - Commercial Gas Service	\$ 11.28
IGS - Industrial Gas Service	\$ 90.67
AAGS - As-Available Gas Service	\$ 500.03
DGGS - Distributed Generation Gas Service	\$ 0.0

Also, enclosed in Exhibits A through F are the calculations and supporting documentation of the GLT charges proposed to become effective with LG&E's first billing cycle for January, 2014. In addition to updating its projected

¹ Case No. 2012-00222, In the Matter of: *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Order dated December 20, 2012.

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

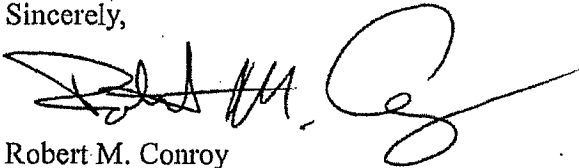
Robert M. Conroy
Director - Rates
T 502-627-3324
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robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
October 31, 2013

program costs for 2014, LG&E is also modifying its calculation of the GLT rate base to reflect investments made in 2013. Consistent with the Company's annual demand-side management update filing, LG&E respectfully requests that the GLT rate base be calculated on the basis of a 13-month average, rather than on an end-of-year value. This change follows traditional ratemaking procedures, lowers the return on net rate base and depreciation expense associated with the assets, and results in a lower monthly rate for customers.

We respectfully request your acceptance of this filing for implementation with the first billing cycle for January, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a long horizontal flourish extending to the right.

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company

P.S.C. Gas No. 9, First Revision of Original Sheet No. 84
Canceling P.S.C. Gas No. 9, Original Sheet No. 84

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Adjustment Clause

GLT Gas Line Tracker

APPLICABLE

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, and DGGS.

CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT

The GLT Revenue Requirement includes the following:

- a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to GLT construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals; and
- e. Incremental Operation and Maintenance

GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGS shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover the costs associated with the GLT program. After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in Case No. 2012-00222.

A filing to update the projected program costs will be submitted annually at least two (2) months prior to the beginning of the effective period. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the upcoming year. After the completion of a plan year, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change.

GLT RATES

The charges for the respective gas service schedules for the first billing cycle of January 2014 are:

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RGS – Residential Gas Service	\$ 2.28	I
VFD – Volunteer Fire Department Service	\$ 2.28	I
CGS – Commercial Gas Service	\$ 11.28	I
IGS – Industrial Gas Service	\$ 90.67	I
AAGS – As-Available Gas Service	\$ 500.03	I
DGGS – Distributed Generation Gas Service	\$ 0.00	I

DATE OF ISSUE: October 31, 2013

DATE EFFECTIVE: December 31, 2013

ISSUED BY: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2012-00222 dated December 20, 2012

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Current Revenue for YE 3/31/12 in Case No. 2012-00222	Allocation Percent	Revenue Requirement	Number of Bills	Year 2014 Monthly Rate Per Bill	Year 2013 Monthly Rate Per Bill	Change to Monthly Rate Per Bill
2014								
1	Residential Gas Service - Rate RGS	\$157,968,420	67.76%	\$7,974,108	3,492,362	\$2.28	\$2.27	\$0.01
2	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$3,481,970	308,576	\$11.28	\$11.24	\$0.04
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$235,660	2,599	\$90.67	\$90.32	\$0.35
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$76,004	152	\$500.03	\$498.09	\$1.94
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$ 11,767,741</u>	<u>3,803,689</u>			

Note: Rate Schedule VFD is included in Rate RGS

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
REVENUE REQUIREMENT**

Line No.	Description (1)	2013 December (2)	2014 January (3)	2014 February (4)	2014 March (5)	2014 April (6)	2014 May (7)	2014 June (8)	2014 July (9)	2014 August (10)	2014 September (11)	2014 October (12)	2014 November (13)	2014 December (14)	2014 Year (n) (15)
Rate Base															
1	Gas Plant Investment	51,084,606	55,067,375	59,050,934	63,285,769	67,887,925	72,526,057	77,393,506	82,397,821	87,453,566	92,488,212	97,304,435	98,331,742	102,310,512	77,429,420
2	Cost of Removal	1,490,496	1,575,086	1,662,802	1,765,858	1,853,537	1,960,315	2,076,464	2,184,361	2,282,553	2,381,976	2,470,901	2,559,526	2,650,673	2,070,350
3	Accumulated Depreciation Reserve	2,517,961	2,400,353	2,273,006	2,135,501	1,986,852	1,826,432	1,653,820	1,468,437	1,270,034	1,058,585	834,474	3,979,587	3,744,079	2,088,394
4	Net Gas Plant	55,093,063	59,042,814	62,986,742	67,187,127	71,728,314	76,312,804	81,123,790	86,050,619	91,006,153	95,928,772	100,609,810	104,870,856	108,705,265	81,588,164
5	Accumulated Deferred Taxes	(8,448,547)	(8,803,702)	(9,159,085)	(9,612,860)	(10,060,587)	(10,521,187)	(11,018,721)	(11,513,983)	(12,004,034)	(12,491,101)	(12,919,448)	(13,244,463)	(13,549,676)	(11,026,723)
6	Net Rate Base	46,644,516	50,239,112	53,827,657	57,574,267	61,667,727	65,791,617	70,105,069	74,536,637	79,002,119	83,437,671	87,690,362	91,626,392	95,155,589	70,561,441
7	Rate of Return	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	11.01%
8	Return on Net Rate Base	428,012	460,996	493,924	528,303	565,865	603,706	643,286	683,950	724,926	765,627	804,649	840,767	873,151	7,769,687
Operating Expenses															
9	Depreciation	108,177	117,609	127,346	137,506	148,648	160,420	172,612	185,383	198,403	211,450	224,110	230,448	235,508	2,149,443
10	Incremental Operation & Maintenance	345,588	75,738	75,738	75,738	77,738	257,978	258,978	256,979	252,178	253,478	163,858	58,314	41,897	1,848,611
11	Total Operating Expenses	453,765	193,346	203,084	213,243	226,386	418,398	431,589	442,362	450,581	464,928	387,969	288,762	277,406	3,998,054
12	Total Revenue Requirement	881,776	654,342	697,008	741,547	792,251	1,022,104	1,074,876	1,126,312	1,175,507	1,230,555	1,192,618	1,129,529	1,150,556	11,767,741

(a) 2014 Year Rate Base amounts based upon thirteen-month average (December 2013 - December 2014).

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
RATE OF RETURN**

<u>Line No.</u>	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Tax Gross-up @ 38.9%</u> (5)	<u>Rate of Return Adjusted for Income Taxes</u> (6)
1	Short term debt	0.00%	0.41%	0.00%		0.00%
2	Long term debt	44.36%	3.78%	1.68%		1.68%
3	Common equity	<u>55.64%</u>	10.25%	<u>5.70%</u>	<u>3.63%</u>	<u>9.33%</u>
4	Total	100.00%		7.38%	3.63%	11.01%

Note: Capital structure and cost rates pursuant to Case No. 2012-00222

LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CAPITAL AND OPERATING COSTS

Description	TOTAL 2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Main Capex	\$21,576,251	\$1,806,968	\$1,783,409	\$1,777,415	\$1,775,434	\$1,786,178	\$1,775,422	\$1,784,183	\$1,836,575	\$1,811,051	\$1,846,313	\$1,805,107	\$1,788,196
Service Line Capex	\$1,901,653	\$94,738	\$97,655	\$171,171	\$172,980	\$171,171	\$205,726	\$210,193	\$207,960	\$210,193	\$171,514	\$95,847	\$92,504
Riser Capex	\$24,534,980	\$1,717,449	\$1,717,449	\$1,717,449	\$2,085,473	\$2,085,473	\$2,208,148	\$2,330,823	\$2,330,823	\$2,330,823	\$2,208,148	\$2,085,473	\$1,717,449
Customer Service Capex	\$6,588,583	\$363,615	\$385,046	\$568,800	\$568,269	\$595,310	\$678,152	\$679,116	\$680,386	\$682,578	\$590,248	\$416,441	\$380,622
Gas Plant Investment	\$54,601,467	\$3,982,770	\$3,983,558	\$4,234,835	\$4,602,156	\$4,638,132	\$4,867,449	\$5,004,316	\$5,055,745	\$5,034,645	\$4,816,223	\$4,402,868	\$3,978,770
Main Retirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Line Retirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Riser Retirements	(\$3,375,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,375,560)	\$0
Retirements	(\$3,375,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,375,560)	\$0
Main Cost of Removal	\$810,759	\$61,001	\$65,437	\$70,983	\$63,219	\$69,874	\$72,092	\$63,219	\$68,765	\$72,092	\$63,219	\$68,765	\$72,092
Service Line Cost of Removal	\$349,418	\$23,588	\$22,278	\$32,073	\$24,460	\$36,904	\$44,057	\$44,677	\$29,427	\$27,331	\$25,706	\$19,860	\$19,055
Riser Cost of Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Removal	\$1,160,177	\$84,589	\$87,716	\$103,056	\$87,679	\$106,778	\$116,149	\$107,897	\$98,192	\$99,423	\$88,926	\$88,625	\$91,147
Incremental Operation & Maintenance	\$1,848,611	\$75,738	\$75,738	\$75,738	\$77,738	\$257,978	\$258,978	\$256,979	\$252,178	\$253,478	\$163,858	\$58,314	\$41,897

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JANUARY 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>January Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>January Depr on Beginning Balance</u> (5)=(3)*(4)	<u>January Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>January Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	30,689,969	0.16%	48,337	1,806,968	1,423	49,760	32,496,937
2	Services-Lines	380	2,171,677	0.32%	6,859	94,738	150	7,008	2,266,415
3	Services-Risers	380	15,188,012	0.32%	47,969	1,717,449	2,712	50,681	16,905,461
4	Services-Customer Lines	380	6,410,508	0.32%	20,247	363,615	574	20,821	6,774,123
5	Total Additions		<u>54,460,166</u>		<u>123,411</u>	<u>3,982,770</u>	<u>4,859</u>	<u>128,270</u>	<u>58,442,936</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>51,084,606</u>		<u>112,750</u>	<u>3,982,770</u>	<u>4,859</u>	<u>117,609</u>	<u>55,067,375</u>
<u>Cost of Removal</u>									
11	Mains	376	870,014			61,001			931,015
12	Services-Lines	380	620,482			23,588			644,071
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,490,496</u>		<u>-</u>	<u>84,589</u>	<u>-</u>	<u>-</u>	<u>1,575,086</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
FEBRUARY 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>February Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>February Depr on Beginning Balance</u> (5)=(3)*(4)	<u>February Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>February Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	32,496,937	0.16%	51,183	1,783,409	1,404	52,587	34,280,346
2	Services-Lines	380	2,266,415	0.32%	7,158	97,655	154	7,312	2,364,070
3	Services-Risers	380	16,905,461	0.32%	53,393	1,717,449	2,712	56,105	18,622,909
4	Services-Customer Lines	380	6,774,123	0.32%	21,395	385,046	608	22,003	7,159,169
5	Total Additions		58,442,936		133,129	3,983,558	4,879	138,008	62,426,494
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		55,067,375		122,468	3,983,558	4,879	127,346	59,050,934
<u>Cost of Removal</u>									
11	Mains	376	931,015			65,437			996,452
12	Services-Lines	380	644,071			22,278			666,349
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		1,575,086		-	87,716	-	-	1,662,802

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MARCH 2014 BOOK DEPRECIATION**

Line No.	Description (1)	Account No. (2)	March Beginning Plant Balance (3)	Monthly Depr Rates (4)	March Depr on Beginning Balance (5)=(3)*(4)	March Additions and Retirements (6)	Current Month Depr on Adds/Ret (7)=(4)*(6)*50%	Current Month Book Depreciation (8)=(5)+(7)	March Ending Plant Balance (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	34,280,346	0.16%	53,992	1,777,415	1,400	55,391	36,057,761
2	Services-Lines	380	2,364,070	0.32%	7,467	171,171	270	7,737	2,535,241
3	Services-Risers	380	18,622,909	0.32%	58,817	1,717,449	2,712	61,529	20,340,358
4	Services-Customer Lines	380	7,159,169	0.32%	22,611	568,800	898	23,509	7,727,969
5	Total Additions		62,426,494		142,886	4,234,835	5,280	148,167	66,661,329
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		59,050,934		132,225	4,234,835	5,280	137,506	63,285,769
<u>Cost of Removal</u>									
11	Mains	376	996,452			70,983			1,067,435
12	Services-Lines	380	666,349			32,073			698,422
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		1,662,802		-	103,056	-	-	1,765,858

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
APRIL 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>April Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>April Depr on Beginning Balance</u> (5)=(3)*(4)	<u>April Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>April Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	36,057,761	0.16%	56,791	1,775,434	1,398	58,189	37,833,195
2	Services-Lines	380	2,535,241	0.32%	8,007	172,980	273	8,280	2,708,221
3	Services-Risers	380	20,340,358	0.32%	64,242	2,085,473	3,293	67,535	22,425,831
4	Services-Customer Lines	380	7,727,969	0.32%	24,408	568,269	897	25,305	8,296,238
5	Total Additions		<u>66,661,329</u>		<u>153,447</u>	<u>4,602,156</u>	<u>5,862</u>	<u>159,309</u>	<u>71,263,485</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>63,285,769</u>		<u>142,786</u>	<u>4,602,156</u>	<u>5,862</u>	<u>148,648</u>	<u>67,887,925</u>
<u>Cost of Removal</u>									
11	Mains	376	1,067,435			63,219			1,130,655
12	Services-Lines	380	698,422			24,460			722,882
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,765,858</u>		<u>-</u>	<u>87,679</u>	<u>-</u>	<u>-</u>	<u>1,853,537</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MAY 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>May Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>May Depr on Beginning Balance</u> (5)=(3)*(4)	<u>May Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>May Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	37,833,195	0.16%	59,587	1,786,178	1,407	60,994	39,619,373
2	Services-Lines	380	2,708,221	0.32%	8,553	171,171	270	8,824	2,879,392
3	Services-Risers	380	22,425,831	0.32%	70,828	2,085,473	3,293	74,122	24,511,304
4	Services-Customer Lines	380	8,296,238	0.32%	26,202	595,310	940	27,142	8,891,548
5	Total Additions		<u>71,263,485</u>		<u>165,171</u>	<u>4,638,132</u>	<u>5,910</u>	<u>171,082</u>	<u>75,901,617</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>67,887,925</u>		<u>154,510</u>	<u>4,638,132</u>	<u>5,910</u>	<u>160,420</u>	<u>72,526,057</u>
<u>Cost of Removal</u>									
11	Mains	376	1,130,655			69,874			1,200,529
12	Services-Lines	380	722,882			36,904			759,787
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,853,537</u>		<u>-</u>	<u>106,778</u>	<u>-</u>	<u>-</u>	<u>1,960,315</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JUNE 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>June Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>June Depr on Beginning Balance</u> (5)=(3)*(4)	<u>June Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>June Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	39,619,373	0.16%	62,401	1,775,422	1,398	63,799	41,394,795
2	Services-Lines	380	2,879,392	0.32%	9,094	205,726	325	9,419	3,085,118
3	Services-Risers	380	24,511,304	0.32%	77,415	2,208,148	3,487	80,902	26,719,453
4	Services-Customer Lines	380	8,891,548	0.32%	28,082	678,152	1,071	29,153	9,569,700
5	Total Additions		<u>75,901,617</u>		<u>176,992</u>	<u>4,867,449</u>	<u>6,281</u>	<u>183,273</u>	<u>80,769,066</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>72,526,057</u>		<u>166,331</u>	<u>4,867,449</u>	<u>6,281</u>	<u>172,612</u>	<u>77,393,506</u>
<u>Cost of Removal</u>									
11	Mains	376	1,200,529			72,092			1,272,621
12	Services-Lines	380	759,787			44,057			803,843
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,960,315</u>		<u>-</u>	<u>116,149</u>	<u>-</u>	<u>-</u>	<u>2,076,464</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JULY 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>July Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>July Depr on Beginning Balance</u> (5)=(3)*(4)	<u>July Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>July Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	41,394,795	0.16%	65,197	1,784,183	1,405	66,602	43,178,979
2	Services-Lines	380	3,085,118	0.32%	9,744	210,193	332	10,076	3,295,312
3	Services-Risers	380	26,719,453	0.32%	84,389	2,330,823	3,681	88,070	29,050,276
4	Services-Customer Lines	380	9,569,700	0.32%	30,224	679,116	1,072	31,297	10,248,815
5	Total Additions		<u>80,769,066</u>		<u>189,554</u>	<u>5,004,316</u>	<u>6,490</u>	<u>196,044</u>	<u>85,773,382</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>77,393,506</u>		<u>178,893</u>	<u>5,004,316</u>	<u>6,490</u>	<u>185,383</u>	<u>82,397,821</u>
<u>Cost of Removal</u>									
11	Mains	376	1,272,621			63,219			1,335,840
12	Services-Lines	380	803,843			44,677			848,520
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,076,464</u>		<u>-</u>	<u>107,897</u>	<u>-</u>	<u>-</u>	<u>2,184,361</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
AUGUST 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>August Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>August Depr on Beginning Balance</u> (5)=(3)*(4)	<u>August Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>August Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	43,178,979	0.16%	68,007	1,836,575	1,446	69,453	45,015,554
2	Services-Lines	380	3,295,312	0.32%	10,408	207,960	328	10,736	3,503,272
3	Services-Risers	380	29,050,276	0.32%	91,750	2,330,823	3,681	95,431	31,381,099
4	Services-Customer Lines	380	10,248,815	0.32%	32,369	680,386	1,074	33,444	10,929,201
5	Total Additions		<u>85,773,382</u>		<u>202,534</u>	<u>5,055,745</u>	<u>6,530</u>	<u>209,064</u>	<u>90,829,127</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>82,397,821</u>		<u>191,873</u>	<u>5,055,745</u>	<u>6,530</u>	<u>198,403</u>	<u>87,453,566</u>
<u>Cost of Removal</u>									
11	Mains	376	1,335,840			68,765			1,404,605
12	Services-Lines	380	848,520			29,427			877,948
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,184,361</u>		<u>-</u>	<u>98,192</u>	<u>-</u>	<u>-</u>	<u>2,282,553</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
SEPTEMBER 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>September Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>September Depr on Beginning Balance</u> (5)=(3)*(4)	<u>September Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>September Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	45,015,554	0.16%	70,899	1,811,051	1,426	72,326	46,826,605
2	Services-Lines	380	3,503,272	0.32%	11,065	210,193	332	11,396	3,713,466
3	Services-Risers	380	31,381,099	0.32%	99,112	2,330,823	3,681	102,793	33,711,922
4	Services-Customer Lines	380	10,929,201	0.32%	34,518	682,578	1,078	35,596	11,611,779
5	Total Additions		<u>90,829,127</u>		<u>215,594</u>	<u>5,034,645</u>	<u>6,517</u>	<u>222,111</u>	<u>95,863,772</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>87,453,566</u>		<u>204,933</u>	<u>5,034,645</u>	<u>6,517</u>	<u>211,450</u>	<u>92,488,212</u>
<u>Cost of Removal</u>									
11	Mains	376	1,404,605			72,092			1,476,697
12	Services-Lines	380	877,948			27,331			905,279
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,282,553</u>		<u>-</u>	<u>99,423</u>	<u>-</u>	<u>-</u>	<u>2,381,976</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
OCTOBER 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>October Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>October Depr on Beginning Balance</u> (5)=(3)*(4)	<u>October Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>October Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	46,826,605	0.16%	73,752	1,846,313	1,454	75,206	48,672,917
2	Services-Lines	380	3,713,466	0.32%	11,728	171,514	271	11,999	3,884,979
3	Services-Risers	380	33,711,922	0.32%	106,473	2,208,148	3,487	109,961	35,920,070
4	Services-Customer Lines	380	11,611,779	0.32%	36,674	590,248	932	37,606	12,202,028
5	Total Additions		<u>95,863,772</u>		<u>228,628</u>	<u>4,816,223</u>	<u>6,144</u>	<u>234,772</u>	<u>100,679,995</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>92,488,212</u>		<u>217,966</u>	<u>4,816,223</u>	<u>6,144</u>	<u>224,110</u>	<u>97,304,435</u>
<u>Cost of Removal</u>									
11	Mains	376	1,476,697			63,219			1,539,916
12	Services-Lines	380	905,279			25,706			930,985
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,381,976</u>		<u>-</u>	<u>88,926</u>	<u>-</u>	<u>-</u>	<u>2,470,901</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
NOVEMBER 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>November Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>November Depr on Beginning Balance</u> (5)=(3)*(4)	<u>November Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>November Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	48,672,917	0.16%	76,660	1,805,107	1,422	78,081	50,478,024
2	Services-Lines	380	3,884,979	0.32%	12,270	95,847	151	12,421	3,980,826
3	Services-Risers	380	35,920,070	0.32%	113,448	2,085,473	3,293	116,741	38,005,544
4	Services-Customer Lines	380	12,202,028	0.32%	38,538	416,441	658	39,196	12,618,469
5	Total Additions		100,679,995		240,916	4,402,868	5,524	246,439	105,082,863
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	(3,375,560)	(5,331)	(15,992)	(6,751,121)
9	Total Retirements		(3,375,560)		(10,661)	(3,375,560)	(5,331)	(15,992)	(6,751,121)
10	Total Plant		97,304,435		230,254	1,027,308	193	230,448	98,331,742
<u>Cost of Removal</u>									
11	Mains	376	1,539,916			68,765			1,608,681
12	Services-Lines	380	930,985			19,860			950,845
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		2,470,901		-	88,625	-	-	2,559,526

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
DECEMBER 2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>December Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>December Depr on Beginning Balance</u> (5)=(3)*(4)	<u>December Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>December Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	50,478,024	0.16%	79,503	1,788,196	1,408	80,911	52,266,220
2	Services-Lines	380	3,980,826	0.32%	12,573	92,504	146	12,719	4,073,330
3	Services-Risers	380	38,005,544	0.32%	120,034	1,717,449	2,712	122,746	39,722,992
4	Services-Customer Lines	380	12,618,469	0.32%	39,853	380,622	601	40,454	12,999,091
5	Total Additions		105,082,863		251,963	3,978,770	4,867	256,831	109,061,633
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		(6,751,121)		(21,322)	-	-	(21,322)	(6,751,121)
10	Total Plant		98,331,742		230,641	3,978,770	4,867	235,508	102,310,512
<u>Cost of Removal</u>									
11	Mains	376	1,608,681			72,092			1,680,773
12	Services-Lines	380	950,845			19,055			969,900
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		2,559,526		-	91,147	-	-	2,650,673

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
TAX DEPRECIATION**

Line No.	MACRS Tax Rate Life Rates	Month	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ 38.9%	Accumulated Deferred Taxes
1	20-year		2,280,739	20,023,809	43,736,690						
2	Repairs				10,864,778						
Tax Depreciation											
3	0.037500	1	12,690	120,460	812,862	946,013	84,589	117,609	912,993	355,154	8,448,547
4	0.072190	2	12,690	120,460	820,062	953,212	87,716	127,346	913,581	355,383	8,803,702
5	0.066770	3	12,690	120,460	1,067,816	1,200,966	103,056	137,506	1,166,517	453,775	9,159,085
6	0.061770	4	12,690	120,460	1,078,789	1,211,939	87,679	148,648	1,150,970	447,727	9,612,860
7	0.057130	5	12,690	120,460	1,104,552	1,237,703	106,778	160,420	1,184,060	460,599	10,060,587
8	0.052850	6	12,690	120,460	1,202,321	1,335,472	116,149	172,612	1,279,009	497,534	10,521,187
9	0.048880	7	12,690	120,460	1,217,502	1,350,652	107,897	185,383	1,273,166	495,262	11,018,721
10	0.045220	8	12,690	120,460	1,226,834	1,359,984	98,192	198,403	1,259,773	490,052	11,513,983
11	0.044620	9	12,690	120,460	1,230,977	1,364,127	99,423	211,450	1,252,100	487,067	12,004,034
12	0.044610	10	12,690	120,460	1,103,184	1,236,334	88,926	224,110	1,101,149	428,347	12,491,101
13	0.044620	11	12,690	120,460	844,186	977,537	88,625	230,448	835,514	325,015	12,919,448
14	0.044610	12	12,690	120,460	795,819	928,969	91,147	235,508	784,608	305,212	13,244,463
15	0.044620										13,549,676
16	0.044610										
17	0.044620										
18	0.044610										
19	0.044620										
20	0.044610										
21	0.044620										
22	0.044610										
23	0.022310										
24	-										
25	-										
26	-										
27	-										
28	-										
29	-										
30			152,285 (a)	1,445,519 (b)	12,504,904 (c)	14,102,707	1,160,177	2,149,443			11,026,723

- (a) 2012 20-year additions at MACRS Year 3 tax rate (0.066770)
- (b) 2013 20-year additions at MACRS Year 2 tax rate (0.072190)
- (c) 2014 20-year additions at MACRS Year 1 tax rate (0.037500), plus repairs

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