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OCT 31 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

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

October 31, 2014

Case No. 2014-00381

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

**RE: *Louisville Gas and Electric Company -
Gas Line Tracker for 2015***

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 an Application for approval of revised sheets of its Tariff P.S.C. Gas No. 9, Third Revision of Original Sheet No. 84 setting forth GLT charges as presented below.

RGS - Residential Gas Service	\$ 2.53
VFD - Volunteer Fire Department Service	\$ 2.53
CGS - Commercial Gas Service	\$ 11.37
IGS - Industrial Gas Service	\$ 100.59
AAGS - As-Available Gas Service	\$ 554.69
DGGS - Distributed Generation Gas Service	\$ 0.00

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, 2015. In addition to updating its projected

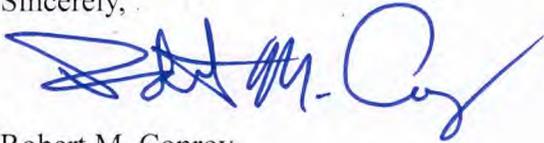
¹ Case No. 2012-00222, In the Matter of: *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Order dated December 20, 2012.

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
October 31, 2014

program costs for 2015, LG&E is also modifying its calculation of the GLT rate base to reflect investments made in 2014.

We respectfully request your acceptance of this filing for implementation with the first billing cycle for January, 2015.

Sincerely,



Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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OCT 31 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR APPROVAL OF)
REVISED RATES TO BE RECOVERED)
THROUGH ITS GAS LINE TRACKER)
BEGINNING WITH THE FIRST BILLING)
CYCLE FOR JANUARY, 2015)

CASE NO. 2014- 00381

APPLICATION

Louisville Gas and Electric Company (“LG&E” or the “Company”) hereby requests, pursuant to the Commission’s Orders in Case Nos. 2012-00222¹ and 2014-00070², that the Commission issue an order approving its revised rates for its Gas Line Tracker Adjustment Clause (“GLT”) effective with the first billing cycle for January, 2015. In support of this Application, the Company states as follows:

1. LG&E’s full name is Louisville Gas and Electric Company. LG&E’s post office address is 220 W. Main Street, Louisville, KY 40202. LG&E was incorporated in Kentucky on July 2, 1913 and LG&E attests that it is in good standing in Kentucky. LG&E is a utility as defined by KRS 278.010(3)(a) and (b) and as of October 31, 2014, provides retail gas service to approximately 318,990 customers in seventeen counties in Kentucky.

2. In this filing, LG&E is submitting a tariff filing, a copy of which is attached hereto as Exhibit 1, setting forth revised rates for its GLT Adjustment Clause. The

¹ *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*, Case No. 2012-00222, Order of December 20, 2012.

² *In the Matter of: Revised Gas Line Tracker Filing for Louisville Gas and Electric Company*, Case No. 2014-00070, Order of April 29, 2014.

Commission's Order in Case No. 2012-00222 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. LG&E made an October 31, 2013 filing proposing revised rates effective December 31, 2013. On December 13, 2013, the Commission approved revised GLT rates for service rendered by LG&E on and after December 31, 2013. Following the filing of revised GLT rates on February 28, 2014, the Commission approved a revised GLT tariff filing effective April 29, 2014.³

3. LG&E proposes to change its GLT charges to the rates presented below:

RGS - Residential Gas Service	\$2.53
VFD - Volunteer Fire Department Service	\$ 2.53
CGS - Commercial Gas Service	\$ 11.37
IGS - Industrial Gas Service	\$ 100.59
AAGS - As-Available Gas Service	\$ 554.69
DGGS - Distributed Generation Gas Service	\$ 0.00

4. LG&E's calculations and supporting documentation of the GLT charges proposed to become effective with LG&E's first billing cycle in January 2015 are attached hereto as Exhibit 2. In addition to updating its projected program costs for 2015, LG&E is also modifying its calculation of the GLT rate base to reflect investments made in 2014. Consistent with the Company's original GLT update filing, LG&E has calculated the GLT rate base on the basis of a 13-month average.

5. LG&E has proposed an amendment to the GLT tariff to include property taxes on the additional pipelines, which is consistent with such riders in place with other local distribution companies, such as Atmos Energy Corporation, Columbia Gas of Kentucky and Delta Natural

³ *In the Matter of: Revised Gas Line Tracker of Louisville Gas and Electric Company*, Case No. 2014-00070, Order of April 29, 2014.

Gas Company, Inc. Additional property taxes are an expense associated with the installation of new pipelines and should be included in the GLT tariff.

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Commission to enter an order approving the revised rates for its Gas Line Tracker Adjustment Clause (“GLT”), including the inclusion of property taxes, effective with the first billing cycle for January, 2015.

Dated: October ^{31st}, 2014

Respectfully submitted,



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 Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the following persons on the 31st day of October, 2014, U.S. mail, postage prepaid:

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


Counsel for Louisville Gas and Electric
Company

EXHIBIT 1

Louisville Gas and Electric Company

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

T

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 DGGGS.

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
- f. Property Taxes

T

GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGGS 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 2015 are:

RGS – Residential Gas Service	\$ 2.53	I
VFD – Volunteer Fire Department Service	\$ 2.53	I
CGS – Commercial Gas Service	\$ 11.37	I
IGS – Industrial Gas Service	\$ 100.59	I
AAGS – As-Available Gas Service	\$ 554.69	I
DGGGS – Distributed Generation Gas Service	\$ 0.00	I

DATE OF ISSUE: October 31, 2014

DATE EFFECTIVE: December 31, 2014

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

EXHIBIT 2

**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 2015	Year 2013	Net
						Monthly Rate Per Bill	Over-Recovery Trueup Monthly Rate Per Bill	Monthly Rate Reflecting Trueup
2015								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	\$13,287,144	3,492,362	\$3.80	(\$1.27)	\$2.53
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	\$5,270,917	308,576	\$17.08	(\$5.71)	\$11.37
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	\$392,677	2,599	\$151.09	(\$50.50)	\$100.59
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	\$126,645	152	\$833.19	(\$278.50)	\$554.69
5	Distributed Generation Gas Service - Rate DGGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	Total	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ 19,077,383</u>	<u>3,803,689</u>			

Note: Rate Schedule VFD is included in Rate RGS

2013 - (Over)/Under recovery								
1	Residential Gas Service - Rate RGS	\$157,968,420	69.65%	(\$4,441,344)	3,492,362		(\$1.27)	
2	Commercial Gas Service - Rate CGS	\$62,664,972	27.63%	(\$1,761,850)	308,576		(\$5.71)	
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.06%	(\$131,256)	2,599		(\$50.50)	
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.66%	(\$42,332)	152		(\$278.50)	
5	Distributed Generation Gas Service - Rate DGGGS	\$0	0.00%	\$0.00	-		\$0.00	
6	Total	<u>\$226,807,515</u>	<u>100.00%</u>	<u>\$ (6,376,782)</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)	2014 December (2)	2015 January (3)	2015 February (4)	2015 March (5)	2015 April (6)	2015 May (7)	2015 June (8)	2015 July (9)	2015 August (10)	2015 September (11)	2015 October (12)	2015 November (13)	2015 December (14)	2015 Year (a) (15)
Rate Base															
1	Gas Plant Investment	102,196,777	105,322,050	108,957,391	112,899,577	117,311,492	122,197,012	127,323,305	132,660,621	137,830,326	142,923,299	147,965,698	148,484,415	151,568,898	127,510,835
2	Cost of Removal	1,910,046	1,998,664	2,089,483	2,195,546	2,286,226	2,389,495	2,492,091	2,583,112	2,684,437	2,786,655	2,878,524	2,969,138	3,063,375	2,486,676
3	Accumulated Depreciation Reserve	157,577	(126,785)	(418,993)	(720,326)	(1,031,911)	(1,355,059)	(1,690,816)	(2,039,824)	(2,402,146)	(2,777,463)	(3,165,579)	(1,899,588)	(2,307,580)	(1,521,423)
4	Net Gas Plant	104,264,400	107,193,929	110,627,881	114,374,796	118,565,806	123,231,448	128,124,580	133,203,908	138,112,617	142,932,491	147,678,642	149,553,965	152,324,692	128,476,089
5	Accumulated Deferred Taxes	(11,854,875)	(12,279,919)	(12,713,709)	(13,154,355)	(13,591,882)	(14,036,717)	(14,479,897)	(14,916,497)	(15,349,483)	(15,776,641)	(16,194,056)	(16,362,977)	(16,745,021)	(14,419,694)
6	Net Rate Base	92,409,526	94,914,010	97,914,171	101,220,441	104,973,924	109,194,731	113,644,684	118,287,411	122,763,134	127,155,851	131,484,586	133,190,988	135,579,671	114,056,395
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	847,953	870,934	898,463	928,802	963,244	1,001,974	1,042,807	1,085,409	1,126,478	1,166,786	1,206,507	1,222,165	1,244,083	12,559,019
Operating Expenses															
9	Depreciation	253,069	261,465	269,310	278,435	288,687	300,249	312,859	326,110	339,424	352,418	365,218	371,082	374,433	3,839,689
10	Incremental Operation & Maintenance	41,897	93,365	118,944	119,865	126,444	120,865	121,144	116,432	121,810	116,365	125,344	110,365	115,144	1,406,085
11	Property Taxes	-	106,049	106,049	106,049	106,049	106,049	106,049	106,049	106,049	106,049	106,049	106,049	106,049	1,272,590
12	Total Operating Expenses	294,966	460,878	494,302	504,349	521,179	527,164	540,051	548,591	567,283	574,832	596,611	587,496	595,626	6,518,364
13	Total Revenue Requirement	<u>1,142,919</u>	<u>1,331,812</u>	<u>1,392,766</u>	<u>1,433,151</u>	<u>1,484,423</u>	<u>1,529,138</u>	<u>1,582,859</u>	<u>1,634,000</u>	<u>1,693,761</u>	<u>1,741,618</u>	<u>1,803,117</u>	<u>1,809,661</u>	<u>1,839,709</u>	<u>19,077,383</u>

(a) 2015 Year Rate Base amounts based upon thirteen-month average (December 2014 - December 2015).

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

Line No.	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	Weighted <u>Cost</u> (4)	Tax Gross-up <u>@ 38.9%</u> (5)	Rate of Return Adjusted for <u>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 2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Main Capex	\$22,480,369	\$1,777,603	\$1,798,477	\$1,789,938	\$1,924,895	\$2,015,447	\$2,027,929	\$2,105,330	\$2,036,553	\$2,020,394	\$2,028,907	\$1,656,763	\$1,298,132
Service Line Capex	\$1,987,411	\$131,001	\$153,069	\$152,502	\$174,646	\$179,550	\$184,473	\$179,550	\$209,653	\$183,461	\$157,992	\$142,553	\$138,960
Riser Capex	\$22,991,929	\$796,024	\$1,283,978	\$1,553,233	\$1,861,253	\$2,258,216	\$2,484,997	\$2,598,115	\$2,483,349	\$2,438,161	\$2,416,621	\$1,625,892	\$1,192,090
Customer Service Capex	\$5,287,973	\$420,645	\$399,817	\$446,512	\$451,121	\$432,306	\$428,894	\$454,320	\$440,150	\$450,957	\$438,879	\$469,071	\$455,300
Gas Plant Investment	\$52,747,681	\$3,125,273	\$3,635,341	\$3,942,186	\$4,411,915	\$4,885,520	\$5,126,294	\$5,337,316	\$5,169,705	\$5,092,973	\$5,042,399	\$3,894,278	\$3,084,483
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
Total Retirements	(\$3,375,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,375,560)	\$0
Reserve Retirements	(\$1,665,302)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,665,302)	\$0
Main Cost of Removal	\$828,411	\$62,329	\$66,863	\$72,529	\$64,595	\$71,395	\$73,662	\$64,595	\$70,262	\$73,662	\$64,595	\$70,262	\$73,662
Service Line Cost of Removal	\$324,917	\$26,289	\$23,955	\$33,534	\$26,085	\$31,874	\$28,934	\$26,426	\$31,064	\$28,556	\$27,274	\$20,352	\$20,575
Riser Cost of Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Removal	\$1,153,328	\$88,618	\$90,818	\$106,063	\$90,680	\$103,269	\$102,596	\$91,021	\$101,326	\$102,218	\$91,869	\$90,614	\$94,237
Incremental Operation & Maintenance	\$1,406,085	\$93,365	\$118,944	\$119,865	\$126,444	\$120,865	\$121,144	\$116,432	\$121,810	\$116,365	\$125,344	\$110,365	\$115,144
Property Taxes	\$1,272,590	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049	\$106,049

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JANUARY 2015 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	41,351,841	0.16%	65,129	1,777,603	1,400	66,529	43,129,444
2	Services-Lines	380	3,088,701	0.32%	9,755	131,001	207	9,962	3,219,703
3	Services-Risers	380	40,291,523	0.32%	127,254	796,024	1,257	128,511	41,087,547
4	Services-Customer Lines	380	24,917,060	0.32%	78,696	420,645	664	79,361	25,337,705
5	Total Additions		<u>109,649,125</u>		<u>280,835</u>	<u>3,125,273</u>	<u>3,528</u>	<u>284,363</u>	<u>112,774,399</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>102,196,777</u>		<u>257,936</u>	<u>3,125,273</u>	<u>3,528</u>	<u>261,465</u>	<u>105,322,050</u>
<u>Cost of Removal</u>									
11	Mains	376	906,291			62,329			968,620
12	Services-Lines	380	1,003,755			26,289			1,030,044
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,910,046</u>		<u>-</u>	<u>88,618</u>	<u>-</u>	<u>-</u>	<u>1,998,664</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
FEBRUARY 2015 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	43,129,444	0.16%	67,929	1,798,477	1,416	69,345	44,927,921
2	Services-Lines	380	3,219,703	0.32%	10,169	153,069	242	10,411	3,372,771
3	Services-Risers	380	41,087,547	0.32%	129,768	1,283,978	2,028	131,796	42,371,525
4	Services-Customer Lines	380	25,337,705	0.32%	80,025	399,817	631	80,656	25,737,522
5	Total Additions		<u>112,774,399</u>		<u>287,891</u>	<u>3,635,341</u>	<u>4,317</u>	<u>292,208</u>	<u>116,409,740</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>105,322,050</u>		<u>264,993</u>	<u>3,635,341</u>	<u>4,317</u>	<u>269,310</u>	<u>108,957,391</u>
<u>Cost of Removal</u>									
11	Mains	376	968,620			66,863			1,035,483
12	Services-Lines	380	1,030,044			23,955			1,053,999
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>1,998,664</u>		<u>-</u>	<u>90,818</u>	<u>-</u>	<u>-</u>	<u>2,089,483</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MARCH 2015 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>March Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>March Depr on Beginning Balance</u> (5)=(3)*(4)	<u>March 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>March Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	44,927,921	0.16%	70,761	1,789,938	1,410	72,171	46,717,860
2	Services-Lines	380	3,372,771	0.32%	10,652	152,502	241	10,893	3,525,274
3	Services-Risers	380	42,371,525	0.32%	133,823	1,553,233	2,453	136,276	43,924,758
4	Services-Customer Lines	380	25,737,522	0.32%	81,288	446,512	705	81,993	26,184,034
5	Total Additions		<u>116,409,740</u>		<u>296,525</u>	<u>3,942,186</u>	<u>4,808</u>	<u>301,333</u>	<u>120,351,926</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	<u>Total Plant</u>		<u>108,957,391</u>		<u>273,627</u>	<u>3,942,186</u>	<u>4,808</u>	<u>278,435</u>	<u>112,899,577</u>
<u>Cost of Removal</u>									
11	Mains	376	1,035,483			72,529			1,108,012
12	Services-Lines	380	1,053,999			33,534			1,087,533
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,089,483</u>		<u>-</u>	<u>106,063</u>	<u>-</u>	<u>-</u>	<u>2,195,546</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
APRIL 2015 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	46,717,860	0.16%	73,581	1,924,895	1,516	75,096	48,642,755
2	Services-Lines	380	3,525,274	0.32%	11,134	174,646	276	11,410	3,699,919
3	Services-Risers	380	43,924,758	0.32%	138,729	1,861,253	2,939	141,668	45,786,011
4	Services-Customer Lines	380	26,184,034	0.32%	82,698	451,121	712	83,410	26,635,155
5	Total Additions		<u>120,351,926</u>		<u>306,142</u>	<u>4,411,915</u>	<u>5,443</u>	<u>311,585</u>	<u>124,763,840</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>112,899,577</u>		<u>283,243</u>	<u>4,411,915</u>	<u>5,443</u>	<u>288,687</u>	<u>117,311,492</u>
<u>Cost of Removal</u>									
11	Mains	376	1,108,012			64,595			1,172,607
12	Services-Lines	380	1,087,533			26,085			1,113,619
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,195,546</u>		<u>-</u>	<u>90,680</u>	<u>-</u>	<u>-</u>	<u>2,286,226</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MAY 2015 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	48,642,755	0.16%	76,612	2,015,447	1,587	78,200	50,658,202
2	Services-Lines	380	3,699,919	0.32%	11,686	179,550	284	11,969	3,879,470
3	Services-Risers	380	45,786,011	0.32%	144,607	2,258,216	3,566	148,174	48,044,228
4	Services-Customer Lines	380	26,635,155	0.32%	84,123	432,306	683	84,805	27,067,461
5	Total Additions		<u>124,763,840</u>		<u>317,028</u>	<u>4,885,520</u>	<u>6,119</u>	<u>323,148</u>	<u>129,649,360</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>117,311,492</u>		<u>294,130</u>	<u>4,885,520</u>	<u>6,119</u>	<u>300,249</u>	<u>122,197,012</u>
<u>Cost of Removal</u>									
11	Mains	376	1,172,607			71,395			1,244,002
12	Services-Lines	380	1,113,619			31,874			1,145,493
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,286,226</u>		<u>-</u>	<u>103,269</u>	<u>-</u>	<u>-</u>	<u>2,389,495</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JUNE 2015 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	50,658,202	0.16%	79,787	2,027,929	1,597	81,384	52,686,131
2	Services-Lines	380	3,879,470	0.32%	12,253	184,473	291	12,544	4,063,943
3	Services-Risers	380	48,044,228	0.32%	151,740	2,484,997	3,924	155,664	50,529,225
4	Services-Customer Lines	380	27,067,461	0.32%	85,488	428,894	677	86,165	27,496,355
5	Total Additions		<u>129,649,360</u>		<u>329,267</u>	<u>5,126,294</u>	<u>6,490</u>	<u>335,757</u>	<u>134,775,654</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u><u>122,197,012</u></u>		<u><u>306,369</u></u>	<u><u>5,126,294</u></u>	<u><u>6,490</u></u>	<u><u>312,859</u></u>	<u><u>127,323,305</u></u>
<u>Cost of Removal</u>									
11	Mains	376	1,244,002			73,662			1,317,664
12	Services-Lines	380	1,145,493			28,934			1,174,427
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,389,495</u>		<u>-</u>	<u>102,596</u>	<u>-</u>	<u>-</u>	<u>2,492,091</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JULY 2015 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	52,686,131	0.16%	82,981	2,105,330	1,658	84,639	54,791,461
2	Services-Lines	380	4,063,943	0.32%	12,835	179,550	284	13,119	4,243,493
3	Services-Risers	380	50,529,225	0.32%	159,588	2,598,115	4,103	163,691	53,127,340
4	Services-Customer Lines	380	27,496,355	0.32%	86,843	454,320	717	87,560	27,950,675
5	Total Additions		<u>134,775,654</u>		<u>342,247</u>	<u>5,337,316</u>	<u>6,762</u>	<u>349,009</u>	<u>140,112,969</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>127,323,305</u>		<u>319,348</u>	<u>5,337,316</u>	<u>6,762</u>	<u>326,110</u>	<u>132,660,621</u>
<u>Cost of Removal</u>									
11	Mains	376	1,317,664			64,595			1,382,259
12	Services-Lines	380	1,174,427			26,426			1,200,852
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,492,091</u>		<u>-</u>	<u>91,021</u>	<u>-</u>	<u>-</u>	<u>2,583,112</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
AUGUST 2015 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	54,791,461	0.16%	86,297	2,036,553	1,604	87,900	56,828,014
2	Services-Lines	380	4,243,493	0.32%	13,402	209,653	331	13,733	4,453,146
3	Services-Risers	380	53,127,340	0.32%	167,794	2,483,349	3,922	171,715	55,610,689
4	Services-Customer Lines	380	27,950,675	0.32%	88,278	440,150	695	88,973	28,390,826
5	Total Additions		<u>140,112,969</u>		<u>355,770</u>	<u>5,169,705</u>	<u>6,552</u>	<u>362,322</u>	<u>145,282,675</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>132,660,621</u>		<u>332,872</u>	<u>5,169,705</u>	<u>6,552</u>	<u>339,424</u>	<u>137,830,326</u>
<u>Cost of Removal</u>									
11	Mains	376	1,382,259			70,262			1,452,521
12	Services-Lines	380	1,200,852			31,064			1,231,916
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,583,112</u>		<u>-</u>	<u>101,326</u>	<u>-</u>	<u>-</u>	<u>2,684,437</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
SEPTEMBER 2015 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	56,828,014	0.16%	89,504	2,020,394	1,591	91,095	58,848,408
2	Services-Lines	380	4,453,146	0.32%	14,065	183,461	290	14,354	4,636,607
3	Services-Risers	380	55,610,689	0.32%	175,637	2,438,161	3,850	179,487	58,048,850
4	Services-Customer Lines	380	28,390,826	0.32%	89,668	450,957	712	90,380	28,841,782
5	Total Additions		<u>145,282,675</u>		<u>368,873</u>	<u>5,092,973</u>	<u>6,443</u>	<u>375,317</u>	<u>150,375,648</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>137,830,326</u>		<u>345,975</u>	<u>5,092,973</u>	<u>6,443</u>	<u>352,418</u>	<u>142,923,299</u>
<u>Cost of Removal</u>									
11	Mains	376	1,452,521			73,662			1,526,183
12	Services-Lines	380	1,231,916			28,556			1,260,471
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,684,437</u>		<u>-</u>	<u>102,218</u>	<u>-</u>	<u>-</u>	<u>2,786,655</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
OCTOBER 2015 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	58,848,408	0.16%	92,686	2,028,907	1,598	94,284	60,877,315
2	Services-Lines	380	4,636,607	0.32%	14,644	157,992	249	14,893	4,794,599
3	Services-Risers	380	58,048,850	0.32%	183,338	2,416,621	3,816	187,154	60,465,471
4	Services-Customer Lines	380	28,841,782	0.32%	91,092	438,879	693	91,785	29,280,662
5	Total Additions		<u>150,375,648</u>		<u>381,760</u>	<u>5,042,399</u>	<u>6,357</u>	<u>388,116</u>	<u>155,418,046</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(7,452,349)</u>
10	Total Plant		<u>142,923,299</u>		<u>358,861</u>	<u>5,042,399</u>	<u>6,357</u>	<u>365,218</u>	<u>147,965,698</u>
<u>Cost of Removal</u>									
11	Mains	376	1,526,183			64,595			1,590,778
12	Services-Lines	380	1,260,471			27,274			1,287,746
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,786,655</u>		<u>-</u>	<u>91,869</u>	<u>-</u>	<u>-</u>	<u>2,878,524</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
NOVEMBER 2015 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	60,877,315	0.16%	95,882	1,656,763	1,305	97,186	62,534,078
2	Services-Lines	380	4,794,599	0.32%	15,143	142,553	225	15,368	4,937,152
3	Services-Risers	380	60,465,471	0.32%	190,970	1,625,892	2,568	193,538	62,091,362
4	Services-Customer Lines	380	29,280,662	0.32%	92,478	469,071	741	93,219	29,749,733
5	Total Additions		<u>155,418,046</u>		<u>394,473</u>	<u>3,894,278</u>	<u>4,838</u>	<u>399,311</u>	<u>159,312,324</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	(3,375,560)	(5,331)	(26,653)	(10,126,681)
9	Total Retirements		<u>(7,452,349)</u>		<u>(22,898)</u>	<u>(3,375,560)</u>	<u>(5,331)</u>	<u>(28,229)</u>	<u>(10,827,909)</u>
10	Total Plant		<u>147,965,698</u>		<u>371,575</u>	<u>518,718</u>	<u>(492)</u>	<u>371,082</u>	<u>148,484,415</u>
<u>Cost of Removal</u>									
11	Mains	376	1,590,778			70,262			1,661,040
12	Services-Lines	380	1,287,746			20,352			1,308,097
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,878,524</u>		<u>-</u>	<u>90,614</u>	<u>-</u>	<u>-</u>	<u>2,969,138</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
DECEMBER 2015 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	62,534,078	0.16%	98,491	1,298,132	1,022	99,513	63,832,210
2	Services-Lines	380	4,937,152	0.32%	15,593	138,960	219	15,813	5,076,112
3	Services-Risers	380	62,091,362	0.32%	196,105	1,192,090	1,883	197,988	63,283,452
4	Services-Customer Lines	380	29,749,733	0.32%	93,960	455,300	719	94,679	30,205,033
5	Total Additions		<u>159,312,324</u>		<u>404,149</u>	<u>3,084,483</u>	<u>3,843</u>	<u>407,992</u>	<u>162,396,807</u>
<u>Retirements</u>									
6	Mains	376	(403,395)	0.16%	(635)	-	-	(635)	(403,395)
7	Services-Lines	380	(297,832)	0.32%	(941)	-	-	(941)	(297,832)
8	Services-Risers	380	(10,126,681)	0.32%	(31,983)	-	-	(31,983)	(10,126,681)
9	Total Retirements		<u>(10,827,909)</u>		<u>(33,559)</u>	<u>-</u>	<u>-</u>	<u>(33,559)</u>	<u>(10,827,909)</u>
10	Total Plant		<u>148,484,415</u>		<u>370,590</u>	<u>3,084,483</u>	<u>3,843</u>	<u>374,433</u>	<u>151,568,898</u>
<u>Cost of Removal</u>									
11	Mains	376	1,661,040			73,662			1,734,702
12	Services-Lines	380	1,308,097			20,575			1,328,672
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>2,969,138</u>		<u>-</u>	<u>94,237</u>	<u>-</u>	<u>-</u>	<u>3,063,375</u>

**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	2015 Year 4 Additions	Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Federal Deferred Tax @ 35%	State Deferred Tax Page 2	Federal Benefit of State @ 35%	Deferred Tax on Retirements	Accumulated Deferred Taxes
1	20-year		2,280,739	34,885,573	44,397,636	43,540,178									
2	Repairs					9,207,504									
3	Bonus					-									
Tax Depreciation															
4	0.037500	1	11,740	194,109	267,089	810,301	1,283,239	88,618	284,363	1,087,494	380,623	68,341	(23,919)		11,854,875
5	0.072190	2	11,740	194,109	267,089	838,427	1,311,365	90,818	292,208	1,109,975	388,491	69,690	(24,391)		12,279,919
6	0.066770	3	11,740	194,109	267,089	849,933	1,322,871	106,063	301,333	1,127,601	394,660	70,748	(24,762)		12,713,709
7	0.061770	4	11,740	194,109	267,089	867,548	1,340,486	90,680	311,585	1,119,582	391,854	70,266	(24,593)		13,154,355
8	0.057130	5	11,740	194,109	267,089	885,308	1,358,246	103,269	323,148	1,138,368	398,429	71,394	(24,988)		13,591,882
9	0.052850	6	11,740	194,109	267,089	894,337	1,367,275	102,596	335,757	1,134,114	396,940	71,138	(24,898)		14,036,717
10	0.048880	7	11,740	194,109	267,089	902,251	1,375,189	91,021	349,009	1,117,201	391,020	70,124	(24,543)		14,479,897
11	0.045220	8	11,740	194,109	267,089	895,965	1,368,903	101,326	362,322	1,107,907	387,767	69,566	(24,348)		14,916,497
12	0.044620	9	11,740	194,109	267,089	893,088	1,366,026	102,218	375,317	1,092,927	382,524	68,667	(24,033)		15,349,483
13	0.044610	10	11,740	194,109	267,089	891,191	1,364,129	91,869	388,116	1,067,882	373,759	67,164	(23,508)		15,776,641
14	0.044620	11	11,740	194,109	267,089	848,137	1,321,075	90,614	399,311	1,012,378	354,332	63,834	(22,342)	(226,904)	16,194,056
15	0.044610	12	11,740	194,109	267,089	817,769	1,290,708	94,237	407,992	976,952	341,933	61,709	(21,598)		16,362,977
16	0.044620														16,745,021
17	0.044610														
18	0.044620														
19	0.044610														
20	0.044620														
21	0.044610														
22	0.044620														
23	0.044610														
24	0.022310														
25	-														
26	-														
27	-														
28	-														
29	-														
30	-														
31			140,881 (a)	2,329,310 (b)	3,205,065 (c)	7,895,596 (d)	16,069,513	1,153,328	4,130,460	13,092,381	4,582,333	822,641	(287,924)	(226,904)	14,419,694

(a) 2012 20-year additions at MACRS Year 4 tax rate (0.061770)

(b) 2013 20-year additions at MACRS Year 3 tax rate (0.066770)

(c) 2014 20-year additions at MACRS Year 2 tax rate (0.072190)

(d) 2015 20-year additions at MACRS Year 1 tax rate (0.037500) plus Repairs and Bonus

**LOUISVILLE GAS AND ELECTRIC COMPANY
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TAX DEPRECIATION**

Line No.	MACRS Tax Rate Life	Month	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	2015 Year 4 Additions	Tax Depreciation	Cost of Removal	Book Depreciation	Difference	State Deferred Tax @ 6%
1	20-year		2,280,739	44,145,661	44,397,636	43,540,178					
2	Repairs					9,207,504					
3	Bonus					-					
Tax Depreciation											
4	0.037500	1	11,740	245,634	267,089	810,301	1,334,763	88,618	284,363	1,139,019	68,341
5	0.072190	2	11,740	245,634	267,089	838,427	1,362,889	90,818	292,208	1,161,500	69,690
6	0.066770	3	11,740	245,634	267,089	849,933	1,374,396	106,063	301,333	1,179,126	70,748
7	0.061770	4	11,740	245,634	267,089	867,548	1,392,011	90,680	311,585	1,171,106	70,266
8	0.057130	5	11,740	245,634	267,089	885,308	1,409,771	103,269	323,148	1,189,893	71,394
9	0.052850	6	11,740	245,634	267,089	894,337	1,418,800	102,596	335,757	1,185,639	71,138
10	0.048880	7	11,740	245,634	267,089	902,251	1,426,713	91,021	349,009	1,168,726	70,124
11	0.045220	8	11,740	245,634	267,089	895,965	1,420,428	101,326	362,322	1,159,432	69,566
12	0.044620	9	11,740	245,634	267,089	893,088	1,417,551	102,218	375,317	1,144,452	68,667
13	0.044610	10	11,740	245,634	267,089	891,191	1,415,654	91,869	388,116	1,119,407	67,164
14	0.044620	11	11,740	245,634	267,089	848,137	1,372,600	90,614	399,311	1,063,902	63,834
15	0.044610	12	11,740	245,634	267,089	817,769	1,342,232	94,237	407,992	1,028,477	61,709
16	0.044620										
17	0.044610										
18	0.044620										
19	0.044610										
20	0.044620										
21	0.044610										
22	0.044620										
23	0.044610										
24	0.022310										
25	-										
26	-										
27	-										
28	-										
29	-										
30	-										
31			140,881 (a)	2,947,606 (b)	3,205,065 (c)	7,895,596 (d)	16,687,809	1,153,328	4,130,460	13,710,677	822,641

- (a) 2012 20-year additions at MACRS Year 4 tax rate (0.061770)
- (b) 2013 20-year additions at MACRS Year 3 tax rate (0.066770)
- (c) 2014 20-year additions at MACRS Year 2 tax rate (0.072190)
- (d) 2015 20-year additions at MACRS Year 1 tax rate (0.037500) plus Repairs and Bonus