

## Louisville Gas and Electric Company

Incremental Connection Cost of Service Based on the Cost of Service Study  
For the 12 Months Ended June 30, 2016

## Rate RS

Description	Distribution	Customer Service Expenses	Total
(1) Rate Base	\$ 31,117,339	\$ 2,152,032	\$ 33,269,371
(2) Rate Base Adjustments	-	-	\$ -
(3) Rate Base as Adjusted	\$ 31,117,339	\$ 2,152,032	\$ 33,269,371
(4) Rate of Return	4.52%	4.52%	
(5) Return	\$ 1,405,291	\$ 97,188	\$ 1,502,479
(6) Interest Expenses	\$ 761,423	\$ 52,659	\$ 814,082
(7) Net Income	\$ 643,868	\$ 44,529	\$ 688,397
(8) Income Taxes	\$ 455,221	\$ 31,482	\$ 486,704
(9) Operation and Maintenance Expenses	\$ 9,108,911	\$ 16,569,169	\$ 25,678,080
(10) Depreciation Expenses	\$ 1,702,197	\$ -	\$ 1,702,197
(11) Other Taxes	\$ 397,746	\$ -	\$ 397,746
(12) Other Depreciation Expenses	\$ -	\$ -	\$ -
(13) Curtailable Service Credit	\$ -	\$ -	\$ -
(14) Expense Adjustments - Prod. Demand	\$ -	\$ -	\$ -
(15) Expense Adjustments - Energy	\$ -	\$ -	\$ -
(16) Expense Adjustments - Trans. Demand	\$ -	\$ -	\$ -
(17) Expense Adjustments - Distribution	\$ -	\$ -	\$ -
(18) Expense Adjustments - Other	\$ 24,134	\$ 1,669	\$ 25,803
(19) Expense Adjustments - Total	\$ 24,134	\$ 1,669	\$ 25,803
(20) Total Cost of Service	\$ 13,093,500	\$ 16,699,509	\$ 29,793,009
(21) Less: Misc Revenue - Energy	\$ -	\$ -	\$ -
(22) Less: Misc Revenue - Other	\$ (251,998)	\$ (17,428)	\$ (269,426)
(23) Less: Misc Revenue - Total	\$ (251,998)	\$ (17,428)	\$ (269,426)
(24) Net Cost of Service	\$ 12,841,502	\$ 16,682,081	\$ 29,523,583
(25) Billing Units	4,338,229	4,338,229	
(26) Unit Costs	\$ 2.96	\$ 3.85	\$ 6.81