

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 26

Responding Witness: Robert M. Conroy

Q-26. Provide an analysis for the last 3 years of Environmental Compliance Surcharge Activity (by year) – Detail of costs deferred for collection; customer collections under the surcharge; annual balances; etc.

A-26. Attached to this response as Attachment 1 is a table listing all of the projects submitted to the Commission for approval in each of the Companies Environmental Compliance Plans. These projects have received Commission approval for recovery through the Environmental Cost Recovery (“ECR”) mechanism. As noted in the attachment, those projects associated with the 1994 Plan (KU) and the 1995 Plan (LG&E) have been removed from the ECR and were embedded in base rates with the Companies 2003 base rate case.

Attached to this response as Attachment 2 are copies of KU’s and LG&E’s monthly ECR filing for the November 2007 expense month. These filings contain the details of all cost components included in the ECR mechanism for each project.

Attached to this response as Attachment 3 are copies of the attachments to Commission Staff’s request for information in the last 6-month and 2-year ECR review proceeding. These attachments show the components of the monthly recovery and the over/under recovery position for this time period.

LOUISVILLE GAS AND ELECTRIC COMPANY
 2006 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2006-00208)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
18	Fly Ash, NO _x , SO ₂ , SO ₃ , Hg and Particulate	Selective Catalytic Reduction, Dry Electrostatic Precipitator, Pulverized Activated Carbon Injection, Hydrated Lime Injection, Fabric Filter Bag House, Wet Flue Gas Desulfurization, Wet Electrostatic Precipitator	Trimble Co. Unit 2	Clean Air Act Amendments (1990), Clean Air Interstate Rule (2005), Clean Air Mercury Rule (2005), Clean Air Visibility Rule (2005)	Title V Permit V-02-043 rev. 2	2010	\$43.46 (E)
19	NO _x /SO ₃	Sorbent Injection	Mill Creek Unit 3, Mill Creek Unit 4, Trimble Co. Unit 1	KRS Chapter 224, General Duty Provisions, Clean Air Interstate Rule (2005)	Title V Permit 145-97-TV, Title V Permit V-02-043, rev. 2	2007	\$18.66 (E)
20	Mercury	Mercury Monitors	All Plants	Clean Air Mercury Rule (2005)	To be Incorporated into Title V Operating Permits before 2009	2007	\$2.84 (E)
21	Fly Ash and Particulate	Particulate Monitors	Mill Creek Plant	40CFR Part 60, LMAPCD Regulations 6.02, 6.07, 7.01, and 7.06	Title V Permit 145-97-TV	2006	\$0.84 (E)

*Sponsored by witness Dodson

\$65.79

LOUISVILLE GAS AND ELECTRIC COMPANY

2005 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2004-00421)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
11	Fly & Bottom Ash	Landfill	Mill Creek Station	401 KAR Chapter 5 401 KAR Chapter 45	KPDES - KY0003221 KDWM - 056-00029	2008	\$12.50 (E)
12	Fly & Bottom Ash	Landfill	Cane Run Station	401 KAR Chapter 5 401 KAR Chapter 45	KPDES-KY0002062 KDWM - 056-00030	2015	\$4.10 (E)
13	SO ₂	Flue Gas Desulfurization	Trimble Co. Unit 1	Clean Air Act (1990)	Title V Operating Permit V-02-043	2009	\$9.50 (E)
14	SO ₂	Flue Gas Desulfurization	Cane Run Unit 6	Clean Air Act (1990)	Title V Operating Permit 175-00-TV (R1)	2009	\$5.20 (E)
15	SO ₂	Flue Gas Desulfurization	Cane Run Unit 5	Clean Air Act (1990)	Title V Operating Permit 175-00-TV (R1)	2008	\$2.80 (E)
16	SO ₂	Flue Gas Desulfurization	Trimble Co. Unit 1	Clean Air Act (1990)	Title V Operating Permit V-02-043	2005	\$6.10 (E)
17	SO ₂	Emission Allowances	All Plants	Clean Air Act (1990)	Phase II Acid Rain Permits	2010	\$10.50 (E)

*Sponsored by Witness Dodson

\$50.70

LOUISVILLE GAS AND ELECTRIC COMPANY

2003 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2002-00147)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
7	Fly Ash & SO ₂	Wet Stack Conversion	MC - 1	Dist Regs 1.09 & 1.12	JAPCD Agreed Order	2003	\$8.50 (E)
			MC - 2			2001	\$5.80 (A)
			MC - 3			2004	\$7.90 (E)
			MC - 4			2002	\$6.40 (A)
8	Fly Ash	Electrostatic Precipitators	All Plants	401 KAR 59:015 - Dist. Regs. 6.07 & 7.06	Title V Operating Permits	2001	\$5.60 (A)
						2003	\$0.80 (E)
						2005	\$2.20 (E)
						2006	\$2.10 (E)
9	SO ₂	FGD Make-up Water System	Mill Creek Station	CAAAA Sec. 405 40 CFR Part 72	Phase II Acid Rain Permit	2002	\$1.20 (A)
10	SO ₂	FGD System enhancement - installation of perforated trays to increase FGD system efficiency	MC - 3 MC - 4	CAAAA Sec. 405 40 CFR Part 72	Phase II Acid Rain Permit	2001	\$2.60 (A)

* Sponsored by Witness Pfeifer

\$43.10

LOUISVILLE GAS AND ELECTRIC COMPANY

2001 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2000-386)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
6	NO _x	Selective Catalytic Reduction NO _x Control Technology	Mill Creek - 3	CAAAA Sec. 110 40 CFR Part 51; CAAAA Sec. 126 40 CFR Part 52 & 97 401 KAR 51:200	Title V Operating Permits	2002	\$46.30 (E)
			Mill Creek - 4				\$48.30 (E)
			Trimble Co. - 1				\$34.60 (E)
		Neural Network	Cane Run - 4			\$0.50 (E)	
			Cane Run - 5			\$1.40 (E)	
		Neural Network and Overfire Air System	Cane Run - 6			\$0.50 (E)	
			Neural Network			\$6.60 (E)	
		Neural Network and Burner Modifications	Mill Creek - 1			\$6.60 (E)	
			Mill Creek - 2			\$6.60 (E)	
		Advanced Low Nox Burner Systems	Mill Creek - 3			\$5.70 (E)	
			Mill Creek - 4			\$7.30 (E)	
			Trimble Co. - 1			\$5.60 (E)	

* Sponsored by Witness Pfeiffer

\$163.40

LOUISVILLE GAS AND ELECTRIC COMPANY

1995 ORIGINAL ENVIRONMENTAL COMPLIANCE PLAN (Case No. 94-332) (in Base Rates as of 2004)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
1	SO ₂	Scrubber	Mill Creek Station	Agreed Order (1-92) APCD Regulation 6.07	JCAPCD Permit No.	1994	\$28.60 (E)
2	SO ₂	Scrubber	Mill Creek Station	Agreed Order (7-92) APCD Regulation 1.09	JCAPCD Permit No.	1994	\$7.30 (E)
3	Fly Ash	Precipitator	CR 4	Agreed Order (1-92) APCD Regulation 6.07	JCAPCD Permit No.	1993	\$8.50 (A)
4	SO ₂ /NO _x /Fly Ash	Emission Monitors	All Plants	CAAA Section 412 40 CFR 75 401 KAR 59:015; 61:015 APCD Regulation 6.02	Phase I Acid Rain Permits	1994	\$3.80 (E)
5	NO _x	Boiler Modifications	All Plants	CAAA Section 182, Section 407 40 CFR 76 APCD Regulation 6.42	Phase I Acid Rain Permits	1994-1997	\$39.40 (A)

* Sponsored by Witness Pfeiffer

\$87.60

KENTUCKY UTILITIES COMPANY

2006 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2006-00206)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
23	Fly Ash, NO _x , SO ₂ , SO ₃ , Hg and Particulate	Selective Catalytic Reduction, Dry Electrostatic Precipitator, Pulverized Activated Carbon Injection, Hydrated Lime Injection, Fabric Filter Gag House, Wet Flue Gas Desulfurization, Wet Electrostatic Precipitator	Trimble Co. Unit 2	Clean Air Act Amendments (1990), Clean Air Interstate Rule (2005), Clean Air Mercury Rule (2005), Clean Air Visibility Rule (2005)	Title V Permit V-02-043 rev. 2	2010	\$185.29 (E)
24	NO _x / SO ₃	Sorbent Injection	Ghent Unit 1, Ghent Unit 3, Ghent Unit 4	KRS Chapter 224, General Duty Provisions, Clean Air Interstate Rule (2005)	Title V Permit V-97-025	2008	\$39.59 (E)
25	Mercury	Mercury Monitors	All Plants	Clean Air Mercury Rule (2005)	to be incorporated into Title V Operating Permits before 2009	2007	\$2.97 (E)
26	NO _x	Selective Catalytic Reduction,	Ghent Unit 2	Clean Air Act Amendments (1990), Clean Air Interstate Rule (2005)	Title V Permit V-97-025	2009	\$95.00 (E)
27	Fly Ash and Particulate	Electrostatic Precipitators	Brown Plant	401 KAR: 50:055	Title V Permit V-03-034	2008	\$2.23 (E)
							<u>\$325.08</u>

* Sponsored by witness Dodson

KENTUCKY UTILITIES COMPANY

2005 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2004-00426)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
19	Fly & Bottom Ash	Ash Handling Equipment	Ghent Station	401 KAR Chapter 5	KPDES - KY0002038	2009	\$3.75 (E)
	Fly & Bottom Ash	Ash Treatment Basin (Phase I)	E.W. Brown Station	402 KAR Chapter 5	KPDES - KY0002020	2009	\$39.78 (E)
21	SO ₂	Flue Gas Desulfurization	Ghent Unit 2	Clean Air Act (1990)	Title V Operating Permit Ghent - V-97-025	2008	\$149.57 (E)
			Ghent Unit 3			2007	\$129.02 (E)
			Ghent Unit 4			2009	\$146.15 (E)
			E.W. Brown Station			2009	\$234.19 (E)
22	SO ₂	Emission Allowances	All Plants	Clean Air Act (1990)	Phase II Acid Rain Permits	2009	\$58.10 (E)

* Sponsored by Witness Dodson

\$760.56

KENTUCKY UTILITIES COMPANY
 2003 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2002-00146)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation *	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
18	Fly & Bottom Ash	Ash Pond Dike Elevation	Ghent Station	401 KAR 5:005,05:031, 5:050, 5:055, 5:060, 5:065 & 5.080	KPDES Permit No. 0002038	2003	\$17.30

(E)

* Sponsored by Witness Pfeiffer

\$17.30

KENTUCKY UTILITIES COMPANY

2001 ENVIRONMENTAL COMPLIANCE PLAN (Case No. 2000-00439)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
16	NO _x	Advanced Low NO _x Burner Systems	Ghent - 2	CAAAA Sec. 407 - 40 CFR Part 76	Phase II Acid Rain Permits	2000	\$4.80 (E)
			Ghent - 4			1999	\$4.60 (A)
		Selective Catalytic Reduction NO _x Control Technology	Brown - 3	Title V Operating Permits	2003	\$46.90 (E)	
			Ghent - 1			\$50.00 (E)	
Ghent - 3	\$41.60 (E)						
Ghent - 4	\$41.50 (E)						
17	NO _x	Overfire Air System	Brown - 1	CAAAA Sec. 110 - 40 CFR Part 51 CAAA Sec. 126- 40 CFR Part 52 & 97 , 401 KAR 51:200	Title V Operating Permits	2001	\$1.20 (E)
			Brown - 2			2002	\$1.20 (E)
		Advanced Low NO _x Burner Systems	Ghent - 1	2002	\$6.90 (E)		
			Ghent - 2		\$4.00 (E)		
		Enhanced Overfire Air System	Green River - 3 Pineville - 3 Tyrone - 3	2002	\$1.10 (E)		
				2001	\$0.70 (E)		
				2002	\$1.10 (E)		

\$205.60

* Sponsored by Witness Pfeiffer

KENTUCKY UTILITIES COMPANY

1994 ORIGINAL ENVIRONMENTAL COMPLIANCE PLAN (Case No. 93-465) (in Base Rates as of 2004)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation *	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
1	SO ₂	Scrubber	GH-1	CAAA Sec. 404 40 CFR Part 72 401 KAR 50:035	Phase I Acid Rain Permits KYDAQ Permit No. C-92-121	1995	\$94.70 (E)
2	Gypsum	Gypsum Facility	Ghent Station	CAAA Sec. 404 40 CFR Part 72 401 KAR 5:005, 5:031, 5:050, 5:055, 5:060 & 5:065	Phase I Acid Rain Permits KPDES Permit No. KY0002038 & KYDOW Const. Permit No. 5131	1995	\$13.00 (E)
3	SO ₂	Flue Gas Dispersion	EWB-2 EWB-3	401 KAR 53:010	KYDAQ Permit No. 0-86-068	1993	\$7.00 (A)
4	SO ₂ /NO _x /Fly Ash	Emission Monitors	All Plants	CAAA Sec. 412 40 CFR Part 75 401 KAR 59:015 & 61:015	Phase I Acid Rain Permits KYDAQ Air Permits to Operate	1993 & 94 1984-1990	\$8.60 (E)
5	NO _x	Burner Modifications	EWB-1 EWB-3	CAAA Sec. 407 40 CFR Part 76	Phase I Acid Rain Permits	1992 & 93	\$8.80 (A)
6	NO _x	Burner Modifications	EWB-2 GH-1 GR-4	CAAA Sec. 407 40 CFR Part 76	Phase I Acid Rain Permits	1994	\$9.60 (E)
7	Fly & Bottom Ash	Elevating of Ash Pond	Brown Station	401 KAR 5:005, 5:031, 5:050, 5:055, 5:060 & 5:065	KPDES Permit No. KY0002020 & KYDOW Construction Permit No. 3949	1991	\$20.00 (A)
8	Fly & Bottom Ash	New Ash Pond	Ghent Station	401 KAR 5:005, 5:031, 5:050, 5:055, 5:060 & 5:065	KPDES Permit No. KY0002038 & KYDOW Const. Permit No. 5132	1994	\$25.20 (E)

KENTUCKY UTILITIES COMPANY

1994 ORIGINAL ENVIRONMENTAL COMPLIANCE PLAN (Case No. 93-465) (in Base Rates as of 2004)

Project	Air Pollutant or Waste/By-Product To Be Controlled	Control Facility	Generating Station	Environmental Regulation*	Environmental Permit*	Actual or Scheduled Completion	Actual (A) or Estimated (E) Projected Cost Per Million
9	Fly & Bottom Ash	Precipitator & Ash Handling	GH-4	40 CFR Part 60 Subpart D 401 KAR 59:015 401 KAR 5:005, 5:031, 5:050, 5:055, 5:060 & 5:065	USEPA PSD Permit KYDAQ Permit No. C-77-15 & KYDAQ Permit No. 0-85-48 KPDES Permit No. KY0002038	1984	\$41.20
10	Fly & Bottom Ash	Ash Pond Filtration System	GH-3 GH-4	40 CFR Part 423	NPDES Permit No. KY0002038	1983	\$5.30
11	Fly Ash	Precipitators	All Plants	401 KAR 59:015 & 61:015	KYDAQ Air Permits to Operate	1986-1993	\$1.00
12	Fly Ash	Precipitator	GH-1	401 KAR 61:015 CAAA Sec. 404	KYDAQ Permit No. 0-85-048 Phase I Acid Rain Permit	1994	\$4.80
13	Fly Ash	Precipitator	EWB-1	401 KAR 61:015 CAAA Sec. 404	KYDAQ Permit No. 0-86-068 Phase I Acid Rain Permit	1994	\$1.20
14	Dry Fly Ash Handling	Dry Fly Ash Handling Equipment	Brown Station	401 KAR 5:005, 5:031, 5:050, 5:055, 5:060 & 5:065	KPDES Permit No. KY0002020	1984-1986	\$0.60
15	Fugitive Dust	Dust Elimination Systems	Brown & Ghent Stations	401 KAR 59:010, 59:155, 61:020, & 63:010	KYDAQ Permit Nos. 0-86-068 & 0-85-048	1985	\$0.60

* Sponsored by Witness Pfeiffer

\$241.60

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Calculation of Monthly Billed Environmental Surcharge Factor - MESF
For the Expense Month of November 2007
As Revised December 28, 2007**

$$\text{MESF} = \text{CESF} - \text{BESF}$$

Where:

CESF = Current Period Jurisdictional Environmental Surcharge Factor

BESF = Base Period Jurisdictional Environmental Surcharge Factor

Calculation of MESF:

CESF, from ES Form 1.10	=	10.25%
BESF, from Case No. 2006-00129	=	3.11%
MESF	=	7.14%

Effective Date for Billing: January billing cycle beginning January 4, 2008

Submitted by: 

Title: Manager, Rates

Date Submitted: December 28, 2007

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 2007
As Revised December 28, 2007

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS$, 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

		Environmental Compliance Plans
RB	= \$	781,567,118
RB / 12	=	65,130,593
$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.52%
OE	=	1,581,844
BAS	=	-
E(m)	= \$	9,084,888

Calculation of Jurisdictional Environmental Surcharge Billing Factor

Jurisdictional Allocation Ratio for Expense Month	=	83.75%
Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	= \$	7,608,594
Adjustment for Monthly True-up (from Form 2.00)	=	1,044,495
Recovery of OMU NOx Expenditures (Case No. 2003-00434-Settlement Agreement, Section 3.19, pg. 13)	=	83,333
Prior Period Adjustment (if necessary)	=	
Net Jurisdictional E(m) = Jurisdictional E(m) minus Adjustment for Monthly True-up plus/minus Prior Period Adjustment	= \$	8,736,422
Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month	= \$	85,220,895
Jurisdictional Environmental Surcharge Billing Factor: Net Jurisdictional E(m) / Jurisdictional R(m) ; as a % of Revenue	=	10.25%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2007

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 378,771,743	
Eligible Pollution CWIP Excluding AFUDC	465,228,372	
Subtotal		\$ 844,000,115
Additions:		
Inventory - Limestone	\$ 175,509	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	641,800	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	572,385	
Cash Working Capital Allowance	349,740	
Subtotal		1,021,160
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	22,994,142	
Pollution Control Deferred Income Taxes	33,044,341	
Pollution Control Deferred Investment Tax Credit	7,421,167	
Subtotal		63,459,650
Environmental Compliance Rate Base		\$ 781,561,625

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 138,879
Monthly Depreciation & Amortization Expense	1,162,127
Monthly Taxes Other Than Income Taxes	53,193
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	232,507
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	227,645
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 1,581,844

Proceeds From By-Product and Allowance Sales

	Total Proceeds
Allowance Sales	\$ -
Scrubber By-Products Sales	-
Total Proceeds from Sales	\$ -

True-up Adjustment: Over/Under Recovery of Monthly Surcharge Due to Timing Differences

A. MESF for two months prior to Expense Month	4.67%
B. Net Jurisdictional E(m) for two months prior to Expense Month	6,541,150
C. Environmental Surcharge Revenue, current month (from ES Form 3.00)	3,486,782
D. Retail E(m) recovered through base rates (Base Revenues, ES Form 3.00 times 0.3%)	2,009,873
E. Over/(Under) Recovery due to Timing Differences ((D + C) - B)	(1,044,495)
Over-recoveries will be deducted from the Jurisdictional E(m); under-recoveries will be added to the Jurisdictional E(m)	

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended November 30, 2007

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
At Ghent:	23,805.36	16,291.00	0.00	15,064.00	25,032.36	
Tons	\$ 146,315.74	\$ 127,236.14	\$ -	\$ 98,043.38	\$ 175,508.50	
Dollars	\$ 6.15	\$ 7.81		\$6.51	\$7.01	
\$/Ton	At E.W. Brown:					
Tons						
Dollars						
\$/Ton						

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

Net to be included in ECR \$ 99,035.16

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWP & Depreciation Expense

For the Month Ended: November 30, 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 11/30/2007	Deferred Tax Balance as of 11/30/2007	Monthly Depreciation Expense	Monthly Property Tax Expense
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,134,378	\$ -	\$ 8,641,163	\$ -	\$ 979,081	\$ 16,203	\$ 1,102
Project 17 - KU Nox SCR's	216,964,277	19,818,404	-	197,145,873	-	29,156,687	456,301	25,271
Subtotal	226,739,818	20,952,782	-	205,787,036	-	30,135,768	472,504	26,373
Less Retirements and Replacement resulting from implementation of 2001 Plan	(2,720,546)	(961,856)	-	(1,758,690)	-	(224,168)	(6,741)	(220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 19,990,926	\$ -	\$ 204,028,346	\$ -	\$ 29,911,600	\$ 465,762	\$ 26,153
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	16,148,295	1,380,679	-	14,767,616	-	2,241,071	29,067	1,886
Subtotal	16,148,295	1,380,679	-	14,767,616	-	2,241,071	29,067	1,886
Less Retirements and Replacement resulting from implementation of 2003 Plan	-	-	-	-	-	-	-	-
Net Total - 2003 Plan:	\$ 16,148,295	\$ 1,380,679	\$ -	\$ 14,767,616	\$ -	\$ 2,241,071	\$ 29,067	\$ 1,886
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	398,915	14,002	-	384,913	-	23,323	718	49
Project 20 - Ash Treatment Basin Expansion at E.W. Brown Station	-	-	30,000,591	30,000,591	-	-	-	1,116
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	142,267,554	3,697,178	384,821,890	523,392,266	-	1,645,150	672,214	22,803
Subtotal	142,666,470	3,711,180	414,822,481	533,777,770	-	1,668,472	672,932	23,968
Less Retirements and Replacement resulting from implementation of 2005 Plan	(4,339,951)	(2,085,720)	-	(2,254,232)	-	(785,018)	(7,961)	(281)
Net Total - 2005 Plan:	\$ 138,326,518	\$ 1,625,460	\$ 414,822,481	\$ 531,523,538	\$ -	\$ 883,455	\$ 664,971	\$ 23,687

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWP & Depreciation Expense
 For the Month Ended: November 30, 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized TTC as of 11/30/2007	Deferred Tax Balance as of 11/30/2007	Monthly Depreciation Expense	Monthly Property Tax Expense
2006 Plan:								
Project 23 - TC2 AQCS Equipment	-	-	49,474,448	49,474,448	7,421,167	-	-	1,458
Project 24 - Sorbent Injection	-	-	931,443	931,443	-	-	-	4
Project 25 - Mercury Monitors	263,633	7,248	-	256,385	-	7,481	2,281	19
Project 26 - Ghent 2 SCR	-	-	-	-	-	-	-	-
Project 27 - E. W. Brown Electrostatic Precipitators	46,715	2,664	-	44,052	-	3,008	152	6
Subtotal	310,349	9,912	50,405,891	50,706,328	7,421,167	10,489	2,433	1,486
Less: Retirements and Replacements resulting from implementation of 2006 Plan	(32,691)	(12,835)	-	(19,856)	-	(2,274)	(107)	(19)
Net Total - 2006 Plan:	\$ 277,658	\$ (2,923)	\$ 50,405,891	\$ 50,686,472	\$ 7,421,167	\$ 8,215	\$ 2,326	\$ 1,467
Net Total - All Plans:	\$ 378,771,743	\$ 22,994,142	\$ 465,228,372	\$ 821,005,972	\$ 7,421,167	\$ 33,044,341	\$ 1,162,127	\$ 53,193

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

For the Month Ended: November 30, 2007

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year		Comments and Explanations
	SO ₂	NOx	Annual	NOx	NOx	
2008	83,343	83,343	24,229	\$ 3,390	\$ 645,074.48	
2009	83,343	83,343	6,607			
2010	77,535	77,535				
2011	77,535	77,535				
2012	77,535	77,535				
2013	77,535	77,535				
2014	77,535	77,535				
2015	77,535	77,535				
2016	77,535	77,535				
2017	77,535	77,535				
2018	77,535	77,535				
2019	77,535	77,535				
2020	77,535	77,535				
2021	77,535	77,535				
2022	77,535	77,535				
2023	77,535	77,535				
2024	77,535	77,535				
2025	77,535	77,535				
2026	77,535	77,535				
2027 - 2037	852,885					

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

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

For the Expense Month of November 2007

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS	32,960	0	8,731	0	0	24,229	
Dollars	\$ 877,581	\$ -	\$ 232,507	\$ -	\$ -	\$ 645,074	
\$/Allowance	\$ 26.63	\$ -	\$ 26.63	\$ -	\$ -	\$ 26.62	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL	32,837	-	8,731	-	-	24,106	
Dollars	\$ 874,306	\$ 0	\$ 232,507	\$ -	\$ -	\$ 641,800	
Quantity	123	0	0	0	0	123	
Dollars	\$ 3,275	\$ (0)	\$ -	\$ -	\$ -	\$ 3,275	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity	0	0	0	0	0	0	
ALLOWANCES FROM PURCHASES:							
From Market:	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity	0	0	0	0	0	0	
From L&E	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity	0	0	0	0	0	0	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
 For the Expense Month of November 2007

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS	Quantity 3,390	Quantity 0	Quantity 0	Quantity 0	Quantity 0	Quantity 3,390	
	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	
	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL	Quantity 2,806	Quantity -	Quantity -	Quantity -	Quantity -	Quantity 2,806	
	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	
	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS	Quantity 584	Quantity -	Quantity -	Quantity -	Quantity -	Quantity 584	
	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	
	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	
ALLOWANCES FROM PURCHASES:							
From Market:	Quantity 0	Quantity 0	Quantity 0	Quantity 0	Quantity 0	Quantity 0	
	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	
	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	
From LG&E:	Quantity 0	Quantity 0	Quantity 0	Quantity 0	Quantity 0	Quantity 0	
	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	Dollars \$ -	
	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	\$/Allowance	

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

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

For the Expense Month of November 2007

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:	0	0	0	0	0	0	
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:	0	0	0	0	0	0	
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

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

For the Month Ended: November 30, 2007
As Revised December 28, 2007

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 182,825
10th Previous Month	2,505
9th Previous Month	5,975
8th Previous Month	43,620
7th Previous Month	131,151
6th Previous Month	214,943
5th Previous Month	632,622
4th Previous Month	698,174
3rd Previous Month	530,141
2nd Previous Month	82,389
Previous Month	178,642
Current Month	138,879
Total 12 Month O&M	\$ 2,841,866

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 2,841,866
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 355,233

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses
For the Month Ended: November 30, 2007

O&M Expense Account		E. W. Brown	Ghent	Green River	Tyrone	Total
2001 Plan						
506104 - NOx Operation -- Consumables			28,399			\$ 28,399
506105 - NOx Operation -- Labor and Other			-			-
512101 - NOx Maintenance			9,932			9,932
Total 2001 Plan O&M Expenses			\$ 38,332			\$ 38,332
2005 Plan						
502006 - Scrubber Operations			97,465			97,465
512005 - Scrubber Maintenance			535			535
Total 2005 Plan O&M Expenses			\$ 98,000			\$ 98,000
2006 Plan						
506104 - NOx Operation -- Consumables			-			-
506105 - NOx Operation -- Labor and Other			-			-
512101 - NOx Maintenance			-			-
506109 - Sorbent Injection Operation			2,540			2,540
512102 - Sorbent Injection Maintenance			7			7
506110 - Mercury Monitors Operation			-			-
512103 - Mercury Monitors Maintenance			-			-
Total 2006 Plan O&M Expenses			\$ 2,547			\$ 2,547
Current Month O&M Expense for All Plans			\$ -			\$ 138,879
			\$ -			\$ -
			\$ 138,879			\$ 138,879

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computations of R (in)

For the Month Ended: November 30, 2007
 As Revised December 28, 2007

(1) Month	Kentucky Jurisdictional Revenues							(9) Total Including Off-System Sales (See Note 1)	(10) Total	(11) Total Excluding Environmental Surcharge
	(2) Base Rate Revenues	(3) Fuel Clause Revenues	(4) DSM Revenues	(5) STOD Program Cost Recovery Factor Revenues	(6) Environmental Surcharge Revenues	(7) Total (2)+(3)+(4)+(5)+(6)	(8) Total Excluding Environmental Surcharge (7)-(6)			
Dec-06	\$ 71,792,642	\$ 12,017,211	\$ 354,998	\$ 24,903	\$ 3,519,296	\$ 87,710,050	\$ 84,190,754	\$ 18,137,611	\$ 105,247,661	\$ 102,328,365
Jan-07	74,752,422	7,643,326	368,776	26,530	3,345,193	85,538,247	82,191,054	22,047,518	107,583,765	104,238,572
Feb-07	82,623,930	6,612,532	448,344	26,556	4,180,625	93,892,006	89,711,361	19,177,773	113,069,778	106,889,154
Mar-07	76,000,748	6,280,781	363,028	23,645	1,562,637	84,232,839	82,670,202	16,436,323	100,869,162	98,108,525
Apr-07	68,099,973	8,795,997	295,889	34,955	1,389,996	78,818,808	77,228,814	12,770,244	91,387,053	89,967,058
May-07	66,404,803	8,717,582	269,558	26,368	2,339,019	77,737,331	75,418,312	15,357,169	93,114,500	90,775,481
Jun-07	72,913,608	17,051,601	325,429	29,689	3,973,879	94,293,454	91,814,872	15,067,463	109,360,917	105,387,038
Jul-07	77,109,821	14,103,870	371,491	29,689	4,092,263	95,710,135	93,114,500	16,517,560	112,227,496	108,132,232
Aug-07	81,006,470	8,438,606	407,227	30,626	4,367,489	94,250,219	90,862,730	17,611,147	109,781,401	106,413,912
Sep-07	83,069,297	12,855,756	418,933	32,008	5,094,711	101,470,705	98,375,984	15,531,182	116,081,852	113,967,141
Oct-07	69,577,343	18,469,899	297,323	28,159	4,696,399	93,089,122	88,572,723	15,203,235	106,272,367	103,676,968
Nov-07	64,626,143	9,750,939	274,363	24,889	3,486,782	78,183,115	74,678,333	14,489,065	92,667,180	89,165,368
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month:									\$ 85,220,885	
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations):										83.75%
Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (8) / Column (11) =										Total for Current Month = \$ (400.58)

Note 1 - Excludes Brokered Sales.

Total for Current Month = \$ (400.58)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Reconciliation of Reported Revenues

For the Month Ended: November 30, 2007

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 64,626,142.61	\$ 64,626,142.61
Fuel Adjustment Clause	9,750,939.05	9,750,939.05
DSM	274,363.45	274,363.45
STOD Program Cost Recovery Factor	24,888.59	24,888.59
Environmental Surcharge		3,486,781.54
CSR Credits		(466,058.77)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 74,676,333.70	
Non-Jurisdictional Revenues		
Tennessee Retail	219.41	219.41
Virginia Retail	4,597,352.65	4,597,352.65
Wholesale	6,064,074.45	6,064,074.45
InterSystem (Total Less Transmission Portion Booked in Account 447)	3,827,418.31	3,827,418.31
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,489,064.82	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 89,165,398.52	
Reconciling Revenues		
Brokered	(400.58)	(400.58)
InterSystem (Transmission Portion Booked in Account 447)		13,128,000.00
Unbilled		(1,055,900.00)
Provision for Refund		(1,172,644.31)
Merger Surcredit		(89,158.00)
Merger Surcredit - Non Jurisdictional		(231,061.89)
Value Delivery Surcredit		286,725.64
Miscellaneous		\$ 103,051,682.15
Total Company Revenues per Income Statement =		

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Monthly Billed Environmental Surcharge Factor - MESF
For the Expense Month of November 2007

$$\text{MESF} = \text{CESF} - \text{BESF}$$

Where:

CESF = Current Period Jurisdictional Environmental Surcharge Factor
BESF = Base Period Jurisdictional Environmental Surcharge Factor

Calculation of MESF:

CESF, from ES Form 1.10	=	5.47%
BESF, from Case No. 2006-00130	=	3.39%
MESF	=	2.08%

Effective Date for Billing: January billing cycle beginning January 4, 2008

Submitted by: 

Title: Manager, Rates

Date Submitted: December 21, 2007

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 2007

Calculation of Total E(m)

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

		Environmental Compliance Plans
RB	= \$	224,035,526
RB / 12	=	18,669,627
(ROR + (ROR - DR) (TR / (1 - TR)))	=	11.23%
OE	=	789,972
BAS	=	-
E(m)	= \$	2,886,571

Calculation of Jurisdictional Environmental Surcharge Billing Factor

Jurisdictional Allocation Ratio for Expense Month	=	83.52%
Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	= \$	2,410,864
Adjustment for Monthly True-up (from Form 2.00)	=	535,652
Adjustment for Under-collection, Case No. 2006-00130	=	576,006
Prior Period Adjustment (if necessary)	=	-
Net Jurisdictional E(m) = Jurisdictional E(m) minus Adjustment for Monthly True-up plus/minus Prior Period Adjustment	= \$	3,522,522
Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month	= \$	64,442,120
Jurisdictional Environmental Surcharge Billing Factor: Net Jurisdictional E(m) / Jurisdictional R(m) ; as a % of Revenue	=	5.47%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2007

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 238,050,899	
Eligible Pollution CWIP Excluding AFUDC	13,995,029	
Subtotal		\$ 252,045,928
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	384,732	
Deferred Debit Balance -- Mill Creek Ash Dredging	3,428,495	
Subtotal		3,813,227
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	21,226,408	
Pollution Control Deferred Income Taxes	10,597,221	
Subtotal		31,823,629
Environmental Compliance Rate Base		\$ 224,035,526

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 40,304
Monthly Depreciation & Amortization Expense	603,434
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	28,010
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	118,224
Less: Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	-
Total Pollution Control Operations Expense	\$ 789,972

Proceeds From By-Product and Allowance Sales

	Total Proceeds
Allowance Sales	\$ -
Scrubber By-Products Sales	-
Total Proceeds from Sales	\$ -

True-up Adjustment: Over/Under Recovery of Monthly Surcharge Due to Timing Differences

A. MESF for two months prior to Expense Month	0.90%
B. Net Jurisdictional E(m) for two months prior to Expense Month	2,708,636
C. Environmental Surcharge Revenue, current month (from ES Form 3.00)	489,473
D. Retail E(m) recovered through base rates (Base Revenues, ES Form 3.00 times 3.39%)	1,683,511
E. Over/(Under) Recovery due to Timing Differences ((D + C) - B)	(535,652)
Over-recoveries will be deducted from the Jurisdictional E(m); under-recoveries will be added to the Jurisdictional E(m)	

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWP & Depreciation Expense

For the Month Ended: November 30, 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant in Service	Eligible Accumulated Depreciation	CWP Excluding AFUDC	Eligible Net Plant in Service	Deferred Tax Balance as of 11/30/2007	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 6 - LGE NOX	\$ 192,860,844	\$ 21,562,427	\$ -	\$ 171,298,417	\$ 10,180,495	\$ -	\$ 450,398	\$ 21,829
Subtotal	192,860,844	21,562,427	-	171,298,417	10,180,495	-	450,398	21,829
Less Retirements and Replacement resulting from implementation of 2001 Plan	(5,850,987)	(2,914,284)	-	(2,936,683)	(1,053,265)	-	(13,202)	(339)
Net Total - 2001 Plan:	\$ 187,009,877	\$ 18,648,143	\$ -	\$ 168,361,734	\$ 9,127,230	\$ -	\$ 437,196	\$ 21,490
2003 Plan:								
Project 7 - Mill Creek FGD Scrubber Conversion	\$ 30,881,686	\$ 5,961,163	\$ -	\$ 24,900,523	\$ 782,068	\$ -	\$ 115,078	\$ 3,271
Project 8 - Precipitator Upgrades - All Plants	11,929,133	1,622,463	-	10,306,670	792,796	-	28,278	1,327
Project 9 - Clearwell Water System - Mill Creek	1,197,310	287,185	-	910,125	24,268	-	5,368	121
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	2,734,621	887,282	-	1,847,339	75,481	-	11,303	248
Subtotal	46,722,750	8,758,103	-	37,964,647	1,674,595	-	160,028	4,966
Less Retirements and Replacement resulting from implementation of 2003 Plan	(7,389,520)	(6,665,433)	-	(1,174,087)	(798,041)	-	(27,128)	(387)
Net Total - 2003 Plan:	\$ 38,883,230	\$ 2,092,670	\$ -	\$ 36,790,560	\$ 878,554	\$ -	\$ 132,902	\$ 4,579
2005 Plan:								
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$ 2,282,981	\$ 151,830	\$ 726,502	\$ 2,857,653	\$ 93,754	\$ -	\$ 5,568	\$ 364
Project 12 - Special Waste Landfill Expansion at Cane Run Station	2,323,293	62,787	590,315	2,850,821	69,821	-	5,460	300
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	-	-	807,197	807,197	-	-	-	-
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	282,134	10,607	26,373	297,900	17,168	-	513	35
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	-	-	-	-	-	-	-	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	7,361,078	444,818	-	6,916,260	431,849	-	21,286	894
Subtotal	12,249,487	670,042	2,150,386	13,729,830	612,592	-	32,826	1,592
Less Retirements and Replacement of 2005 Plan	(650,890)	(211,397)	-	(439,494)	(56,653)	-	(1,840)	(55)
Net Total - 2005 Plan:	\$ 11,598,597	\$ 458,646	\$ 2,150,386	\$ 13,290,337	\$ 555,938	\$ -	\$ 30,986	\$ 1,537

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2007

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Deferred Tax Balance as of 11/30/2007	(7) Monthly ITC Authorization Credit	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plans:								
Project 18 - TC2 AQCS Equipment	\$ -	\$ -	\$ 11,633,148	\$ 11,633,148	\$ -		\$ -	342
Project 19 - Sorbent Injection	-	-	211,486	211,486	-		-	4
Project 20 - Mercury Monitors	182,048	4,210	-	157,837	3,988		1,465	11
Project 21 - Mill Creek Opacity and Particulate Monitors	387,148	22,738	-	374,409	31,511		884	48
Subtotal	\$ 559,195	\$ 26,950	\$ 11,844,644	\$ 12,376,890	\$ 35,499		\$ 2,350	\$ 405
Leas Retirements and Replacement resulting from implementation of 2006 Plan	-	-	-	-	-		-	-
Net Total - 2006 Plan:	\$ 559,195	\$ 26,950	\$ 11,844,644	\$ 12,376,890	\$ 35,499		\$ 2,350	\$ 405
Net Total - All Plans:	\$ 238,050,899	\$ 21,226,408	\$ 13,995,029	\$ 230,819,521	\$ 10,597,221		\$ 603,434	\$ 28,010

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances**

For the Month Ended: November 30, 2007

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	136,357	-	2,427	\$ 11,790.49	\$ -	\$ -	
2008	64,864		6,317				
2009	64,864						
2010	62,379						
2011	62,379						
2012	62,379						
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027 - 2037	686,169						

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

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (SQ) - Current Vintage Year

For the Expense Month of November 2007

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	139,559	0	3,202	0	0	136,357	
Dollars	\$ 12,078.67	\$ -	\$ 288.18	\$ -	\$ -	\$ 11,790.49	
\$/Allowance	\$ 0.09	\$ -	\$ 0.09	\$ -	\$ -	\$ 0.09	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	132,069	0	3,189	0	0	128,880	
Dollars	\$ 11,404.40	\$ -	\$ 287.01	\$ -	\$ -	\$ 11,117.39	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	7,490	0	13	0	0	7,477	
Dollars	\$ 674.27	\$ -	\$ 1.17	\$ -	\$ -	\$ 673.10	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation**

For the Expense Month of November 2007

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS	Quantity 2,427	\$ -	\$ -	\$ -	0	\$ 2,427	
	Quantity 0	\$ -	\$ -	\$ -	0	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL	Quantity 2,041	\$ -	\$ -	\$ -	-	\$ -	
	Quantity -	\$ -	\$ -	\$ -	-	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS	Quantity 386	\$ -	\$ -	\$ -	0	\$ -	
	Quantity -	\$ -	\$ -	\$ -	0	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:	Quantity 0	\$ -	\$ -	\$ -	0	\$ -	
	Quantity 0	\$ -	\$ -	\$ -	0	\$ -	
From KU:	Quantity 0	\$ -	\$ -	\$ -	0	\$ -	
	Quantity 0	\$ -	\$ -	\$ -	0	\$ -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of November 2007

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2007

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 185,127
10th Previous Month	73,177
9th Previous Month	129,073
8th Previous Month	141,068
7th Previous Month	264,691
6th Previous Month	346,546
5th Previous Month	416,724
4th Previous Month	450,242
3rd Previous Month	353,650
2nd Previous Month	399,170
Previous Month	159,856
Current Month	158,528
Total 12 Month O&M	\$ 3,077,852

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 3,077,852
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 384,732

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses
For the Month Ended: November 30, 2007

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation -- Consumables		-	-	\$ -
506105 - NOx Operation -- Labor and Other		1,908	2,404	4,312
512101 - NOx Maintenance		3,286	54,716	58,003
Total 2001 Plan O&M Expenses		\$ 5,194	\$ 57,121	\$ 62,315
2005 Plan				
502006-Scrubber Operations			(22,011)	(22,011)
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		118,224		118,224
Total 2005 Plan O&M Expenses		\$ 118,224	\$ (22,011)	\$ 96,213
2006 Plan				
506109 - Sorbent Injection Operation		-	-	-
512102 - Sorbent Injection Maintenance		-	-	-
506110 - Mercury Monitors Operation		-	-	-
512103 - Mercury Monitors Maintenance		0	-	0
Total 2006 Plan O&M Expenses		\$ 0	\$ 0	\$ 0
Current Month O&M Expense for All Plans	\$ -	\$ 123,418	\$ 35,110	\$ 158,528

502006 TC is a negative because the actual expense exceeded amount included in base rates. (Actual expense=\$32,495.97; base rate amount is \$54,507.28)

LOUISVILLE GAS AND ELECTRIC COMPANY
 ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2007

Month	Kentucky Jurisdictional Revenues					Total Company Revenues	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dec-06	\$1,504,515	4,469,905	292,041	27,660	806,646	\$57,100,767	\$56,294,121
Jan-07	55,177,489	1,538,620	304,402	29,330	555,247	57,049,841	74,827,360
Feb-07	55,262,543	2,470,971	316,631	28,210	835,960	68,914,336	62,398,176
Mar-07	52,278,199	3,005,039	275,289	27,984	836,584	68,422,485	56,666,911
Apr-07	50,398,686	2,903,957	271,996	28,394	444,925	64,047,558	59,602,833
May-07	52,516,638	3,542,901	287,976	29,462	718,773	67,085,761	66,376,878
Jun-07	66,651,602	5,100,352	397,104	33,911	1,616,567	72,182,889	72,182,827
Jul-07	72,337,129	5,058,375	456,829	35,030	1,688,880	79,576,242	77,887,362
Aug-07	77,877,161	4,386,857	509,527	36,585	941,268	83,761,287	82,810,128
Sep-07	77,845,147	5,859,200	507,304	38,230	597,810	84,647,892	84,249,862
Oct-07	58,458,491	6,137,225	349,909	32,287	384,007	65,361,818	64,877,912
Nov-07	49,661,083	4,253,169	267,334	27,756	489,473	54,888,816	54,208,242
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharges:							
For 12 Months Ending Current Expense Month:							
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharges Excluded from Calculations):							
Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (8) / Column (1) =							
83.52%							
Note 1 - Excludes Brokered Sales.							
Total for Current Month = \$ (27,480.38)							

Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	STOD Program Cost Recovery Factor Revenues	Environmental Surcharges	Total	Total Excluding Environmental Surcharges	Total Including Off-System Sales (See Note 1)	Total	Total Excluding Environmental Surcharges
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Dec-06	\$1,504,515	4,469,905	292,041	27,660	806,646	\$57,100,767	\$56,294,121	\$31,622,016	\$88,722,783	\$87,916,137
Jan-07	55,177,489	1,538,620	304,402	29,330	555,247	57,049,841	68,914,336	17,222,262	74,827,360	74,272,109
Feb-07	55,262,543	2,470,971	316,631	28,210	835,960	68,914,336	68,076,366	23,483,440	62,398,176	61,662,198
Mar-07	52,278,199	3,005,039	275,289	27,984	836,584	68,422,485	56,666,911	18,812,628	76,236,123	74,388,638
Apr-07	50,398,686	2,903,957	271,996	28,394	444,925	64,047,558	59,602,833	15,373,804	69,421,362	68,878,437
May-07	52,516,638	3,542,901	287,976	29,462	718,773	67,085,761	66,376,878	11,007,686	68,103,437	67,384,664
Jun-07	66,651,602	5,100,352	397,104	33,911	1,616,567	72,182,889	72,182,827	12,182,827	66,982,363	64,366,798
Jul-07	72,337,129	5,058,375	456,829	35,030	1,688,880	79,576,242	77,887,362	11,409,618	69,686,980	68,286,980
Aug-07	77,877,161	4,386,857	509,527	36,585	941,268	83,761,287	82,810,128	10,423,508	84,174,806	83,233,837
Sep-07	77,845,147	5,859,200	507,304	38,230	597,810	84,647,892	84,249,862	7,315,821	82,185,613	81,686,703
Oct-07	58,458,491	6,137,225	349,909	32,287	384,007	65,361,818	64,877,912	13,329,725	78,881,644	78,307,637
Nov-07	49,661,083	4,253,169	267,334	27,756	489,473	54,888,816	54,208,242	10,684,469	65,383,274	64,803,801

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2007

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 49,661,083.40	\$ 49,661,083.40
Fuel Adjustment Clause	4,253,169.21	4,253,169.21
DSM	267,333.52	267,333.52
STOD Program Cost Recovery Factor	27,756.01	27,756.01
Environmental Surcharge		489,472.89
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 54,209,342.14	
Non-Jurisdictional Revenues		
InterSystem (Total Less Transmission Portion Booked in Account 447)	10,694,459.43	10,694,459.43
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 10,694,459.43	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 64,903,801.57	
Reconciling Revenues		
Brokered		(27,480.38)
InterSystem (Transmission Portion Booked in Account 447)		(2,009,840.00)
Unbilled		(1,210,946.93)
Merger Surcredit		(115,178.79)
Merger Surcredit - Non Jurisdictional		(502,759.49)
Value Delivery Surcredit		423,982.86
Miscellaneous		\$ 61,951,051.73
Total Company Revenues per Income Statement =		\$ 61,951,051.73

Louisville Gas & Electric Company
Calculation of E(m) and Jurisdictional Surcharge Billing Factor
Summary Schedule for Expense Months March 2005 through February 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Expense Month	Rate Base as Revised ES Form 2.00	Monthly Rate Base as Revised (2) / 12	Rate of Return as Revised	Operating Expenses (net of allowance proceeds) ES Form 2.00	Adjustments to Operating Expenses**	Total E(m) (3) * (4) + (5) + (6)	Retail Allocation Ratio ES Form 1.00	Retail E(m) (7) * (8)
								Comments: As Revised in Review
Mar-05	213,555,725	17,796,310	11.00%	601,240		2,558,834	65.39%	1,673,222
Apr-05	213,362,311	17,780,193	11.00%	629,608		2,585,429	74.98%	1,938,555
May-05	212,533,047	17,711,087	11.00%	(74,421)		1,873,799	68.97%	1,292,359
Jun-05	215,843,243	17,986,937	10.83%	961,467		2,909,452	78.37%	2,280,138
Jul-05	215,114,791	17,926,233	10.83%	900,787		2,842,198	91.73%	2,607,148
Aug-05	216,033,709	18,002,809	10.83%	737,189		2,686,893	85.18%	2,288,696
Sep-05	216,392,095	18,032,675	11.30%	978,832		3,015,803	75.74%	2,284,169
Oct-05	217,388,273	18,115,689	11.30%	653,861		2,700,209	74.76%	2,018,676
Nov-05	219,364,978	18,280,415	11.30%	628,248		2,693,204	61.10%	1,645,547
Dec-05	220,762,268	18,396,856	11.30%	693,707		2,771,816	59.82%	1,658,100
Jan-06	220,253,454	18,354,454	11.30%	608,437		2,681,756	67.76%	1,817,158
Feb-06	221,730,247	18,477,521	11.30%	685,219		2,772,440	80.14%	2,221,833
Mar-06	220,931,064	18,410,922	11.17%	637,445	22,593	2,716,906	83.21%	2,260,765
Apr-06	221,895,202	18,491,267	11.17%	798,581	22,593	2,887,018	82.10%	2,370,329
May-06	221,483,244	18,456,937	11.17%	42,115	22,593	2,126,717	72.30%	1,537,531
Jun-06	221,087,195	18,423,933	11.17%	866,561	22,593	2,947,476	80.89%	2,384,272
Jul-06	220,526,532	18,377,211	11.17%	874,312	22,593	2,950,007	79.00%	2,330,358
Aug-06	219,888,881	18,324,073	11.17%	930,690	22,593	3,000,448	84.97%	2,549,511
Sep-06	219,080,345	18,256,695	11.01%	804,168	22,593	2,837,371	83.50%	2,369,063
Oct-06	218,229,519	18,185,793	11.01%	733,898	22,593	2,759,292	72.08%	1,988,815
Nov-06	217,626,865	18,135,572	11.01%	714,948	22,593	2,734,812	61.16%	1,672,529
Dec-06	220,286,371	18,357,198	11.01%	757,234	22,593	2,801,505	76.57%	2,145,225
Jan-07	219,445,795	18,287,150	11.01%	670,963		2,684,927	70.84%	1,902,002
Feb-07	219,199,794	18,266,650	11.01%	754,597		2,766,303	75.53%	2,089,472

(1) Rate Base as Revised reflects in the expense month any adjustments made through monthly filings after the filing of the expense month.

* Rate of Return adjusted to reflect Trimble County 2 JTC in the Weighted Cost of Capital calculation

** Per Commissioner's January 31, 2007 Order in Case No. 2006-00130.

Louisville Gas & Electric Company
Calculation of E(m) and Jurisdictional Surcharge Billing Factor
Summary Schedule for Expense Months March 2005 through February 2007

(1) Expense Month	(2) Retail E(m)	(3) Adjustment to Retail E(m) for Monthly True-up Case No. 2006-00130	(5) Retail E(m) Including all Adjustments	(6) Average Monthly Retail Revenues ES Form 1.00	(7) Current Environmental Surcharge Factor (CESF) (5) / (6)	(8) Base Environmental Surcharge Factor (BESF)	(9) Monthly Environmental Surcharge Factor (MESF) (7) - (8)	(10) ECR Billing Factor Revenues (7) - (8)	(11) ECR Revenue Recovered Through Base Rates	(12) Combined Total Over/(Under) Recovery
Mar-05	1,673,222		1,673,222	52,866,896	3.16%	2.38%	0.78%	402,786	1,051,906	(218,530)
Apr-05	1,938,555		1,938,555	53,222,864	3.64%	2.38%	1.26%	908,066	1,296,301	265,812
May-05	1,292,359		1,292,359	53,222,864	2.43%	2.38%	0.05%	264,696	1,553,513	525,850
Jun-05	2,280,138		2,280,138	52,808,246	4.32%	2.38%	1.94%	1,430,295	1,622,548	772,705
Jul-05	2,607,148		2,607,148	53,119,058	4.91%	2.38%	2.53%	1,845,097	1,529,066	767,015
Aug-05	2,288,696		2,288,696	54,205,386	4.22%	2.38%	1.84%	274,845	1,262,586	(751,264)
Sep-05										(1,361,954)
Oct-05										
Over Collection per Case No. 2006-00130*										
Mar-05	2,284,169		2,284,169	55,043,223	4.15%	2.38%	1.77%	166,492	1,063,009	(1,054,668)
Apr-05	2,018,676		2,018,676	55,800,992	3.62%	2.38%	1.24%	430,592	1,211,672	(376,413)
May-05	1,645,547		1,645,547	55,874,790	2.95%	2.38%	0.57%	374,323	1,268,795	(2,430)
Jun-05	1,658,100		1,658,100	56,386,994	2.94%	2.38%	0.56%	207,650	1,133,545	(316,905)
Jul-05	1,817,158		1,817,158	56,406,124	3.22%	2.38%	0.84%	268,594	1,113,017	(435,547)
Aug-05	2,221,833		2,221,833	56,249,899	3.95%	2.38%	1.57%	1,717,339	1,093,926	589,432
Sep-05										1,574,019
Oct-05										
Under Collection per Case No. 2006-00130**										
Mar-06	2,260,765		2,260,765	56,343,377	4.01%	2.38%	1.63%	1,674,717	1,099,838	513,790
Apr-06	2,370,329		2,370,329	56,840,612	4.17%	2.38%	1.79%	1,480,155	1,291,342	401,168
May-06	1,537,531		1,537,531	57,248,439	2.69%	2.38%	0.31%	618,329	1,484,038	564,836
Jun-06	2,384,272		2,384,272	57,725,698	4.13%	2.38%	1.75%	864,840	1,578,797	59,365
Jul-06	2,330,358		2,330,358	57,725,050	4.04%	2.38%	1.66%	549,246	1,396,171	(384,941)
Aug-06	2,549,511		2,549,511	57,716,028	4.42%	2.38%	2.04%	443,486	1,115,460	(990,565)
Sep-06										
Oct-06										
Sep-06	2,369,063		2,369,063	57,182,807	4.14%	2.38%	1.76%	595,728	1,085,143	(688,192)
Oct-06	1,988,815		1,988,815	56,789,174	3.50%	2.38%	1.12%	806,646	1,165,999	(16,170)
Nov-06	1,672,529		1,672,529	57,093,987	2.93%	2.38%	0.55%	555,247	1,229,173	111,891
Dec-06	2,145,225		2,145,225	57,247,693	3.75%	2.38%	1.37%	835,980	1,238,326	(70,918)
Jan-07	1,902,002		1,902,002	57,445,965	4.31%	3.39%	0.92%	836,584	1,803,778	162,354
Feb-07	2,089,472		2,089,472	58,308,228	4.57%	3.39%	1.18%	444,925	1,740,864	(479,688)
Mar-07										
Apr-07										
Grand Total									31,428,813	(839,948)
50,477,483										

* Summation of May '05 through Oct '05 Over/Under calculation in Case No. 2006-00130, KPSC Data Request, Corrected Attachment 1 to Response to Question 2, Page 4 of 4 filed on November 21, 2006.

** Summation of Nov '05 through Apr '06 Over/Under calculation in Case No. 2006-00130, KPSC Data Request, Corrected Attachment 1 to Response to Question 2, Page 4 of 4 filed on November 21, 2006.

Kentucky Utilities
 Calculation of E(m) and Jurisdictional Surcharge Billing Factor
 Summary Schedule for Expense Months March 2006 through February 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Expense Month	Rate Base as Revised	Monthly Rate Base as Revised	Rate of Return as Revised	Operating Expenses (net of allowance proceeds)	Total E(m)	Retail Allocation Ratio	Retail E(m)
	ES Form 2.00	(2) / 12		ES Form 2.00	(3) * (4) + (5)	ES Form 1.10	(6) * (7)
Mar-06	243,003,837	20,250,320	11.83%	617,360	3,013,378	82.99%	2,500,863
Apr-06	261,398,788	21,783,232	11.83%	809,514	3,386,906	82.28%	2,786,746
May-06	270,306,146	22,525,512	11.83%	(40,172)	2,625,047	78.03%	2,048,429
Jun-06	281,941,228	23,495,102	11.83%	1,028,197	3,808,138	80.81%	3,077,204
Jul-06	304,251,842	25,354,320	11.83%	975,702	3,975,625	79.68%	3,167,699
Aug-06	311,057,801	25,921,483	11.83%	1,216,670	4,283,700	82.84%	3,548,703
Sep-06	328,882,956	27,406,913	11.38%	859,694	3,977,778	81.66%	3,248,174
Oct-06	344,875,587	28,739,632	11.38%	952,170	4,221,878	83.68%	3,532,910
Nov-06	363,914,461	30,326,205	11.38%	861,317	4,311,529	73.34%	3,161,860
Dec-06	397,680,410	33,140,034	11.38%	1,055,304	4,825,646	82.28%	3,970,397
Jan-07	420,800,200	35,066,683	11.38%	697,295	4,686,832	78.85%	3,695,520
Feb-07	447,724,759	37,310,397	11.38%	712,340	4,957,144	82.39%	4,084,092
							Working Capital Correction - See KPSC Data Response - Question #8
							Working Capital Correction - See KPSC Data Response - Question #8
							Working Capital Correction - See KPSC Data Response - Question #8

(1) Rate Base as Revised reflects in the expense month any adjustments made through monthly filings after the filing of the expense month and revisions as noted in the comments above.

Kentucky Utilities
 Calculation of E(m) and Jurisdictional Surcharge Billing Factor
 Summary Schedule for Expense Months March 2006 through February 2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Expense Month	Retail E(m)	Adjustment For OML Environmental Expenses E(m) for Monthly True- up per Case No. 2003-00434	Adjustment to Retail E(m) for Monthly True- up Case No. 2006-00129	Adjustments Including all	Average Monthly Retail Revenues ES Form 1.00	Surcharge Factor Environmental (CESF)	Surcharge Factor Base Environmental (BESF)	Surcharge Factor Environmental (MESF)	ECR Billing Factor Revenues	Through Base Rates	Combined Total Over/Under Recovery
Mar-06	2,500,863	83,333	2,584,196	73,686,424	3.51%	0.30%	3.21%	2,154,869	165,644	(263,683)	
Apr-06	2,786,746	83,333	2,870,079	74,191,643	3.87%	0.30%	3.57%	2,154,869	165,644	(263,683)	
May-06	2,048,429	83,333	2,131,762	75,301,551	2.83%	0.30%	2.53%	2,154,869	165,644	(263,683)	
Jun-06	3,077,204	83,333	3,160,537	75,852,300	4.17%	0.30%	3.87%	2,154,869	165,644	(263,683)	
Jul-06	3,167,699	83,333	3,251,032	76,366,770	4.26%	0.30%	3.96%	2,154,869	165,644	(263,683)	
Aug-06	3,548,703	83,333	3,632,036	76,602,331	4.74%	0.30%	4.44%	2,154,869	165,644	(263,683)	
Sep-06	3,548,703	83,333	3,632,036	76,602,331	4.74%	0.30%	4.44%	2,154,869	165,644	(263,683)	
Oct-06	3,548,703	83,333	3,632,036	76,602,331	4.74%	0.30%	4.44%	2,154,869	165,644	(263,683)	
Sep-06	3,248,174	83,333	3,331,507	76,591,157	4.35%	0.30%	4.05%	2,527,342	178,035	(626,130)	
Oct-06	3,532,910	83,333	3,616,243	76,951,812	4.70%	0.30%	4.40%	2,527,342	178,035	(626,130)	
Nov-06	3,161,860	83,333	3,245,193	77,182,074	4.20%	0.30%	3.90%	2,527,342	178,035	(626,130)	
Dec-06	3,970,397	83,333	4,053,730	77,415,083	5.24%	0.30%	4.94%	2,527,342	178,035	(626,130)	
Jan-07	3,695,520	83,333	4,178,228	77,579,797	5.39%	0.30%	5.24%	2,527,342	178,035	(626,130)	
Feb-07	4,084,092	83,333	4,566,800	78,950,728	5.78%	0.30%	5.78%	2,527,342	178,035	(626,130)	
Mar-07	4,084,092	83,333	4,566,800	78,950,728	5.78%	0.30%	5.78%	2,527,342	178,035	(626,130)	
Apr-07	4,084,092	83,333	4,566,800	78,950,728	5.78%	0.30%	5.78%	2,527,342	178,035	(626,130)	
Grand Total	38,822,595	40,621,341	32,550,304	6,371,282	(1,699,755)						

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 27

Responding Witness: John Wolfram / Robert M. Conroy

- Q-27. Provide an analysis for the last 3 years of DSM surcharge (as provided by 278.285) activity (by year) -- Detail of costs deferred (by program, if available) for collection; customer collections under the surcharge; annual balances; etc.
- A-27. The tables below show individual components of the DSM surcharge by rate class for the years 2005 through 2007. A filing is made prior to the start of each year to divide the budgets of each of the 3 DSM components into the forecasted energy sales for the year to determine the amount of surcharge to collect for each unit of energy expected to be sold. Each March (Effective April), a subsequent balancing filing is made to correct for over- or under-collection for the previous year. The balancing adjustment corrects for variances in both energy sales and DSM expenditures compared to budget.

January 2005 through March 2005

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	HEA Implementation Recovery	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.069	0.002	0.003	(0.017)	0.001	0.058 ¢/kWh
General Service GS	0.024	0.006	0.000	(0.008)		0.022 ¢/kWh
Rate LP (excludes industrial)	0.003	0.001	0.000	(0.001)		0.003 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.090	0.005	0.004	(0.004)	0.095 ¢/kWh
General Service Rate GS	0.018	0.008	0.000	(0.006)	0.020 ¢/kWh
Large Commercial Rate LC	0.007	0.006	0.000	(0.002)	0.011 ¢/kWh
Large Commercial Rate LC-TOD	0.006	0.007	0.000	(0.001)	0.012 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AG	DSM Revenues From Lost Sales Component (DRLS) Exhibit BG	DSM Incentive Component (DSMI) Exhibit CG	DSM Balance Adjustment Component (DBA) Exhibit DG	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.453	0.057	0.024	(0.185)	0.349 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.007	0.002	0.000	(0.060)	(0.051) ¢/Ccf

April 2005 through December 2005

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) (Exhibit AE)	DSM Revenues From Lost Sales Component (DRLS) (Exhibit BE)	DSM Incentive Component (DSMI) (Exhibit CE)	DSM Balance Adjustment Component (DBA) (Exhibit DE)	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.069	0.002	0.003	(0.025)	0.049 ¢/kWh
General Service GS	0.024	0.006	0.000	(0.013)	0.017 ¢/kWh
Rate LP (excludes industrial)	0.003	0.001	0.000	0.000	0.004 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) (Exhibit AE)	DSM Revenues From Lost Sales Component (DRLS) (Exhibit BE)	DSM Incentive Component (DSMI) (Exhibit CE)	DSM Balance Adjustment Component (DBA) (Exhibit DE)	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.090	0.005	0.004	(0.021)	0.078 ¢/kWh
General Service Rate GS	0.018	0.008	0.000	(0.008)	0.018 ¢/kWh
Large Commercial Rate LC	0.007	0.006	0.000	(0.004)	0.009 ¢/kWh
Large Commercial Rate LC-TOD	0.006	0.007	0.000	(0.004)	0.009 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) (Exhibit AG)	DSM Revenues From Lost Sales Component (DRLS) (Exhibit BG)	DSM Incentive Component (DSMI) (Exhibit CG)	DSM Balance Adjustment Component (DBA) (Exhibit DG)	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.453	0.057	0.024	(0.020)	0.514 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.007	0.002	0.000	(0.060)	(0.051) ¢/Ccf

January 2006 through March 2006

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.067	0.002	0.003	(0.025)	0.047 ¢/kWh
General Service GS	0.021	0.006	0.000	(0.013)	0.014 ¢/kWh
Rate LP (excludes industrial)	0.004	0.001	0.000	0.000	0.005 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.089	0.005	0.004	(0.021)	0.077 ¢/kWh
General Service Rate GS	0.018	0.008	0.000	(0.008)	0.018 ¢/kWh
Large Commercial Rate LC	0.008	0.006	0.000	(0.004)	0.010 ¢/kWh
Large Commercial Rate LC-TOD	0.005	0.006	0.000	(0.004)	0.007 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AG	DSM Revenues From Lost Sales Component (DRLS) Exhibit BG	DSM Incentive Component (DSMI) Exhibit CG	DSM Balance Adjustment Component (DBA) Exhibit DG	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.457	0.058	0.024	(0.020)	0.519 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.007	0.002	0.000	(0.060)	(0.051) ¢/Ccf

April 2006 through December 2006

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.067	0.002	0.003	(0.015)	0.057 ¢/kWh
General Service GS	0.021	0.006	0.000	(0.014)	0.013 ¢/kWh
Rate LP (excludes industrial)	0.004	0.001	0.000	0.002	0.007 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.089	0.005	0.004	(0.026)	0.072 ¢/kWh
General Service Rate GS	0.018	0.008	0.000	0.002	0.028 ¢/kWh
Large Commercial Rate LC	0.008	0.006	0.000	0.001	0.015 ¢/kWh
Large Commercial Rate LC-TOD	0.005	0.006	0.000	0.002	0.013 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2006

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AG	DSM Revenues From Lost Sales Component (DRLS) Exhibit BG	DSM Incentive Component (DSMI) Exhibit CG	DSM Balance Adjustment Component (DBA) Exhibit DG	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.457	0.058	0.024	0.324	0.863 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.007	0.002	0.000	(0.005)	0.004 ¢/Ccf

January 2007 through March 2007

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.065	0.002	0.003	(0.015)	0.055 ¢/kWh
General Service GS	0.018	0.005	0.000	(0.014)	0.009 ¢/kWh
Rate LP (excludes industrial)	0.004	0.001	0.000	0.002	0.007 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.085	0.005	0.004	(0.026)	0.068 ¢/kWh
General Service Rate GS	0.017	0.009	0.000	0.002	0.028 ¢/kWh
Large Commercial Rate LC	0.008	0.006	0.000	0.001	0.015 ¢/kWh
Large Commercial Rate LC-TOD	0.005	0.006	0.000	0.002	0.013 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning January 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AG	DSM Revenues From Lost Sales Component (DRLS) Exhibit BG	DSM Incentive Component (DSMI) Exhibit CG	DSM Balance Adjustment Component (DBA) Exhibit DG	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.492	0.062	0.026	0.324	0.904 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.009	0.002	0.000	(0.005)	0.006 ¢/Ccf

April 2007 through December 2007

Kentucky Utilities
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.065	0.002	0.003	(0.009)	0.061 ¢/kWh
General Service GS	0.018	0.005	0.000	(0.016)	0.007 ¢/kWh
Rate LP (excludes industrial)	0.004	0.001	0.000	0.003	0.008 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Rate RS	0.085	0.005	0.004	(0.010)	0.084 ¢/kWh
General Service Rate GS	0.017	0.009	0.000	(0.006)	0.020 ¢/kWh
Large Commercial Rate LC	0.008	0.006	0.000	(0.005)	0.009 ¢/kWh
Large Commercial Rate LC-TOD	0.005	0.006	0.000	(0.001)	0.010 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY
Summary of Total DSM Cost Recovery Component (DSMRC)
12-Month Period Beginning April 1, 2007

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AG	DSM Revenues From Lost Sales Component (DRLS) Exhibit BG	DSM Incentive Component (DSMI) Exhibit CG	DSM Balance Adjustment Component (DBA) Exhibit DG	DSM Recovery Component (DSMRC) Total
Residential Rate RGS	0.492	0.062	0.026	0.156	0.736 ¢/Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	0.009	0.002	0.000	(0.020)	(0.009) ¢/Ccf

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 28

Responding Witness: John Wolfram / Howard Bush

Q-28. Does KU/LG&E currently have a "Green Energy" tariff in Kentucky? If so, provide a summary of the program, including a copy of the tariff; the current number of customers on the tariff; the premium over standard service, etc. If not, will it be submitting such a tariff for approval in the near future? If such a submission is planned, please provide information, including a summary of the program; the status of this filing; and a draft tariff, if currently available. What is the expected premium to the current standard service offering?

A-28. Yes. The Companies' Green Energy program is a voluntary program available to all LG&E and KU customers who wish to make financial contributions toward the purchase of Renewable Energy Certificates (RECs) which support the operation and further development of renewable energy. In addition, should these voluntary contributions rise to a level that would make it economically feasible for LG&E and KU to purchase or develop Green Power energy sources themselves, the Companies may elect to do so. Participating customers will continue to be billed for their electric and/or gas service pursuant to the applicable standard tariffs and riders. Customers' contributions to the Green Energy program will be added to their total electric bills as a separate line item.

Any customer receiving service under Standard Rate Schedules RS or GS may elect to contribute in any whole multiple of \$5 each month. Each \$5 contribution from a residential or small commercial customer under Electric Rate Schedule SGE will allow the Companies to acquire 300 kWh of green energy in the form of RECs. RECs are commonly sold in increments of 1,000 kWh. The program will aggregate the demand of many customers and purchase the appropriate quantity of RECs to match the aggregate customer demand accurately.

All customers receiving utility service from LG&E or KU pursuant to a special contract or any standard rate schedule other than RS or GS may elect to contribute any whole multiple of \$13 per month toward the purchase of Green Energy. For each \$13 contribution from a customer pursuant to Electric Rate Schedule LGE, the Companies will purchase a REC which represents the environmental attributes of one megawatt hour of generation from a renewable source.

Attached to this response as Attachment 1 are the program tariffs.

Attached to this response as Attachment 2 is the November 30, 2007 bi-annual report provided to the KPSC.

ELECTRIC RATE SCHEDULE

SGE

Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in the Company's "Green Energy Program" whereby the Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

RATE

\$5.00 per 300 kWh block per month

TERMS AND CONDITIONS

- a) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue: June 4, 2007

Issued By

Date Effective: May 31, 2007

**Kent W. Blake, Vice President,
State Regulation and Rates
Louisville, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

ELECTRIC RATE SCHEDULE

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard LC, LP, LC-TOD, LP-TOD, or LI-TOD rate schedules as an option to participate in the Company's "Green Energy Program" whereby the Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- c) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- d) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWH of green power.

RATE

\$13.00 per 1,000 kWh block per month

TERMS AND CONDITIONS

- d) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by entering into a written one year agreement that will renew in one year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable.
- e) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- f) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- g) The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue: June 4, 2007

Issued By

Date Effective: May 31, 2007

Kent W. Blake, Vice President,
State Regulation and Rates
Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

ELECTRIC RATE SCHEDULE SGE
Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in the Company's "Green Energy Program" whereby the Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWH of green power.

RATE

\$5.00 per 300 kWh block per month

TERMS AND CONDITIONS

- a) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- d) The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue: June 4, 2007

Issued By

Date Effective: May 31, 2007

**Kent W. Blake, Vice President,
State Regulation and Rates
Lexington, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

ELECTRIC RATE SCHEDULE

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard LP, LCI-TOD, MP, LMP-TOD, or LI-TOD rate schedules as an option to participate in the Company's "Green Energy Program" whereby the Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- c) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- d) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWH of green power.

RATE

\$13.00 per 1,000 kWh block per month

TERMS AND CONDITIONS

- e) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by entering into a written one year agreement that will renew in one year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable.
- f) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- g) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- h) The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue: June 4, 2007

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**Kent W. Blake, Vice President,
State Regulation and Rates
Lexington, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007



GREEN ENERGY REPORTING TEMPLATE

For period: Six months ending November 30, 2007

	Number of Program Participants (A)	REC's Subscribed ¹ (B)	Actual Cost of REC's (C)
Small Green Energy (RS and GS)	170	194 \$	2,425.00
Large Green Energy (LC, LP, LC-TOD, LP-TOD and LL-TOD)	0	0 \$	-
Totals	170	194 \$	2,425.00

Expenditures For

Education and Promotion	\$ -
Research	\$ -
Administrative Costs (includes 3 Degrees Support Services)	\$ 1,875.00

Payments to 3Degrees (formerly 3 Phases Climate Solutions, LLC)

Costs of REC's ²	\$ 2,425.00
Support Services	\$ 1,250.00
Total	\$ 3,675.00

¹ One REC is the equivalent of 1,000 kWh
² Actual payment may not have occurred in this reporting period



GREEN ENERGY REPORTING TEMPLATE

For period: Six months ending November 30, 2007

	Number of Program Participants (A)	REC's Subscribed ¹ (B)	Actual Cost of REC's (C)
Small Green Energy (RS and GS)	84	73	\$ 912.50
Large Green Energy (LC, LP, LC-TOD, LP-TOD and LI-TOD)			
Totals	84	73	\$ 912.50

Expenditures For	
Education and Promotion	\$ -
Research	\$ 1,875.00
Administrative Costs (includes 3 Degrees Support Services)	

Payments to 3Degrees (formerly 3 Phases Climate Solutions, LLC)	
Costs of REC's ²	\$ 912.50
Support Services	\$ 1,250.00
Total	\$ 2,162.50

¹ One REC is the equivalent of 1,000 kWh
² Actual payment may not have occurred in this reporting period

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 29

Responding Witness: David Sinclair / Shannon Charnas

- Q-29. On a 3 year historic calendar year basis; by year (2004-2006):
- Actual and weather adjusted sales by residential, commercial, industrial, other retail and wholesale. Provide a total.
 - Actual and weather adjusted retail peak demand by residential, commercial, industrial, other retail and wholesale. Provide a total.
 - Year-end customers by residential, commercial, industrial, other retail and wholesale. Provide a total.

A-29.

Calendar Electric Sales (GWh)

	LG&E			KU			ODP			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Residential												
Actual	3,924	4,265	4,018	5,755	6,178	5,908	406	421	405	10,085	10,864	10,330
W/N	3,931	4,144	4,141	5,883	6,042	6,113	408	417	414	10,222	10,604	10,669
Commercial												
Actual	3,534	3,682	3,614	4,130	4,276	4,270	193	191	187	7,857	8,149	8,071
W/N	3,529	3,626	3,658	4,144	4,260	4,284	193	191	188	7,866	8,076	8,130
Industrial												
Actual	3,019	3,077	3,068	5,880	6,004	6,083	252	257	236	9,151	9,338	9,386
W/N	3,019	3,077	3,068	5,880	6,004	6,083	252	257	236	9,151	9,338	9,386
Other Retail												
Actual	1,248	1,268	1,265	1,521	1,566	1,525	75	84	83	2,844	2,917	2,874
W/N	1,247	1,263	1,269	1,522	1,564	1,528	75	83	83	2,845	2,910	2,881
Wholesale - Municipals												
Actual				1,959	2,014	1,978				1,959	2,014	1,978
W/N				1,981	1,989	1,997				1,981	1,989	1,997
Total Native Load (Retail Sales plus Municipal Sales)												
Actual	11,724	12,292	11,965	19,245	20,038	19,765	926	953	910	31,895	33,282	32,639
W/N	11,726	12,110	12,136	19,410	19,860	20,006	928	948	921	32,064	32,918	33,063
Wholesale - Off-System Sales												
Actual	7,819	8,704	7,622	3,747	3,767	2,473	-	-	-	11,566	12,471	10,095

Peak Demand (MW)

	Recorded Peak (Actual)			Weather-Normalized Peak	
	Combined Company	LG&E	KU	LG&E	KU
2004	6,223	2,485	3,744	2,562	3,800
2005	6,833	2,754	4,079	2,685	4,049
2006	6,863	2,729	4,207	2,784	4,288

Notes:

1. Combined Company recorded peak represents coincident peak of LG&E and KU combined systems. Individual LG&E and KU recorded peaks are not necessarily coincident.

2. Weather normalization of peak demands is conducted at Company level; W/N peak is coincident with given individual company recorded peak. No weather-normalized equivalent value is available for the combined company recorded peak.

3. Peak demand by customer class is not available routinely. It may be estimated by reference to (sample) customer hourly load profiles captured by load research recorders and reconciled to system-level load curves. This exercise is conducted for purposes of capacity-cost allocation in cost-of-service studies supporting rate filings. The last indication of class shares of system peak demand was provided in the Companies' 2004 Rate Case.

Customer Count - Electric Only

	LG&E Electric	KU Only	ODP	Total
December 31, 2004				
Residential	343,025	400,655	25,332	769,012
Commercial	40,389	76,513	3,710	120,612
Industrial	387	1,912	103	2,402
Other	5,816	8,708	734	15,258
Wholesale - Municipals	-	12	-	12
Wholesale - OSS*	63	63	-	126
Total	389,680	487,863	29,879	907,422
December 31, 2005				
Residential	346,446	407,533	25,435	779,414
Commercial	40,869	77,069	3,657	121,595
Industrial	396	1,901	99	2,396
Other	5,859	8,673	818	15,350
Wholesale - Municipals	-	13	-	13
Wholesale - OSS*	59	60	-	119
Total	393,629	495,249	30,009	918,887
December 31, 2006				
Residential	350,348	412,287	25,387	788,022
Commercial	41,246	78,574	3,641	123,461
Industrial	393	1,870	95	2,358
Other	5,761	8,618	861	15,240
Wholesale - Municipals	-	12	-	12
Wholesale - OSS*	29	30	-	59
Total	397,777	501,391	29,984	929,152

Due to the nature of the wholesale business, a year-end count is not representative of the actual number of customers. Alternatively, we have provided a count of the unique wholesale-OSS customer with which the companies had sales during the year.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 30

Responding Witness: John Voyles

Q-30. Provide a listing, by company, of current generation sources: generation plant, by unit indicating date of commercial operation, fuel type, capacity. Identify any generating facilities that are currently under construction, and provide a brief description of such facilities.

A-30. See attached 2007 Generator Ratings for LG&E and KU.

Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "the Companies") filed a joint application on December 17, 2004 for a Certificate of Public Convenience and Necessity and a Site Compatibility Certificate ("CPCN") to construct Trimble County Unit 2 ("TC2"), a 750 MW super-critical pulverized-coal base load unit. TC2 will be located adjacent to Trimble County Unit 1 ("TC1"), the existing base load generating unit at LG&E's Trimble County Generating Station in Trimble County, Kentucky. The Commission granted approval of this application on November 1, 2005.

Pursuant to the terms of a Participation Agreement filed in this case, TC2 will be built in partnership with the Indiana Municipal Power Agency ("IMPA") and the Illinois Municipal Electric Agency ("IMEA"). The Companies will own 75 percent of the capacity of TC2. KU will own 81 percent and LG&E will own 19 percent of the Companies' collective 75 percent share of TC2, based on their energy and capacity needs, pursuant to the Power Supply System Agreement executed by KU and LG&E on October 9, 1997. The remaining 25 percent will be owned by IMPA and IMEA.

Kentucky Utilities Company / Louisville Gas and Electric Company

2007 Generator Ratings (MW)

5-Dec-2007

Plant Name ^{5,6}	Owner	In-Service Date	Current Date	Age	Ownership Percentage		Generator Nameplate Ratings	Net Minimum Load	Net		Gross	
					KU	LGE			Winter ³	Summer ³	Winter ³	Summer ³
									2007	2007	2007	2007
Brown 1	KU	May 1, 1957	December 5, 2007	50.63			114	60	102	101	110	109
Brown 2	KU	June 1, 1963	December 5, 2007	44.54			180	85	169	167	180	177
Brown 3	KU	July 1, 1971	December 5, 2007	36.45			446	190	433	429	457	455
Total Brown Coal							740	335	704	697	747	741
IAC on 11N2	KU	June 1, 2006	December 5, 2007	7.52	90%	10%				98		98
Brown 5	Joint	June 8, 2001	December 5, 2007	6.50	47%	53%	123	55	143	117	143	120
Brown 6	Joint	August 11, 1999	December 5, 2007	8.32	62%	38%	177	80	166	154	171	154
Brown 7	Joint	August 8, 1999	December 5, 2007	8.33	62%	38%	177	80	168	154	171	154
Brown 8	KU	February 1, 1995	December 5, 2007	12.85			126	55	140	106	141	107
Brown 9	KU	August 1, 1994	December 5, 2007	13.35			126	55	140	106	141	107
Brown 10	KU	December 1, 1995	December 5, 2007	12.02			126	55	140	106	141	107
Brown 11	KU	May 1, 1996	December 5, 2007	11.60			126	55	140	106	141	107
Total Brown CT							981	435	1,039	947	1,049	954
Cane Run 4	LGE	May 1, 1962	December 5, 2007	45.63			164	80	155	155	168	168
Cane Run 5	LGE	May 1, 1966	December 5, 2007	41.62			209	80	168	168	181	181
Cane Run 6	LGE	May 1, 1969	December 5, 2007	38.62			272	100	240	240	261	261
Total Cane Run							645	260	563	563	610	610
Dix Dam 1	KU	November 1, 1925	December 5, 2007	82.15			9	8	8	8	8	8
Dix Dam 2	KU	November 1, 1925	December 5, 2007	82.15			9	8	8	8	8	8
Dix Dam 3	KU	November 1, 1925	December 5, 2007	82.15			9	8	8	8	8	8
Total Dix Dam							28	24	24	24	24	24
Ghent 1	KU	February 1, 1974	December 5, 2007	33.86			557	150	468	475	510	520
Ghent 2	KU	April 1, 1977	December 5, 2007	30.70			556	150	466	484	490	510
Ghent 3	KU	May 1, 1981	December 5, 2007	26.61			557	200	482	480	525	525
Ghent 4	KU	August 1, 1984	December 5, 2007	23.36			556	200	495	493	525	525
Total Ghent							2,226	700	1,911	1,932	2,050	2,080
Green River 3	KU	April 1, 1954	December 5, 2007	53.72			75	35	71	68	75	72
Green River 4	KU	July 1, 1959	December 5, 2007	48.46			114	50	102	95	109	102
Total Green River							189	85	173	163	184	174
Haefling 1	KU	October 1, 1970	December 5, 2007	37.20			21	7	14	12	14	12
Haefling 2	KU	October 1, 1970	December 5, 2007	37.20			21	7	14	12	14	12
Haefling 3	KU	October 1, 1970	December 5, 2007	37.20			21	7	14	12	14	12
Total Haefling							62	20	42	36	42	36
Mill Creek 1	LGE	August 1, 1972	December 5, 2007	35.37			356	110	303	303	330	330
Mill Creek 2	LGE	July 1, 1974	December 5, 2007	33.45			356	125	299	301	330	330
Mill Creek 3	LGE	August 1, 1978	December 5, 2007	29.36			463	200	397	391	423	422
Mill Creek 4	LGE	September 1, 1982	December 5, 2007	25.28			544	275	492	477	525	517
Total Mill Creek							1,717	710	1,491	1,472	1,608	1,599
Ohio Falls 1 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Ohio Falls 2 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Ohio Falls 3 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Ohio Falls 4 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Ohio Falls 5 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Ohio Falls 6 ^{1, 1a}	LGE	January 1, 1928	December 5, 2007	79.98			10	2	5	8	5	8
Ohio Falls 7 ¹	LGE	January 1, 1928	December 5, 2007	79.98			13	2	5	8	5	8
Ohio Falls 8 ¹	LGE	January 1, 1928	December 5, 2007	79.98			10	2	4	6	4	6
Total Ohio Falls Hydro							83	15	34	52	34	52
Paddy's Run 13	Joint	June 27, 2001	December 5, 2007	6.44	47%	53%	178	= Net Rating	175	158	176	159
Total Paddy's Run CT							178	0	175	158	176	159
Trimble County 1 ²	LGE	December 23, 1990	December 5, 2007	16.96			566	206	386	383	411	410
Total Trimble County							566	206	386	383	411	410
Trimble County 5	Joint	May 14, 2002	December 5, 2007	5.56	71%	29%	199	90	180	160	180	160
Trimble County 6	Joint	May 14, 2002	December 5, 2007	5.56	71%	29%	199	90	180	160	180	160
Trimble County 7	Joint	June 1, 2004	December 5, 2007	3.51	63%	37%	199	90	180	160	180	160
Trimble County 8	Joint	June 1, 2004	December 5, 2007	3.51	63%	37%	199	90	180	160	180	160
Trimble County 9	Joint	July 1, 2004	December 5, 2007	3.43	63%	37%	199	90	180	160	180	160
Trimble County 10	Joint	July 1, 2004	December 5, 2007	3.43	63%	37%	199	90	180	160	180	160
Total Trimble CT							1,193	540	1,080	960	1,080	960
Tyrone 3	KU	July 1, 1953	December 5, 2007	54.47			75	35	73	71	77	75
Total Tyrone							75	35	73	71	77	75
Cane Run 11	LGE	June 1, 1968	December 5, 2007	39.54			16	= Net Rating	14	14	14	14
Paddy's Run 11	LGE	June 1, 1968	December 5, 2007	39.54			16	= Net Rating	13	12	13	12
Paddy's Run 12	LGE	July 1, 1968	December 5, 2007	39.45			33	= Net Rating	28	23	28	23
Zorn 1	LGE	May 1, 1969	December 5, 2007	38.62			18	= Net Rating	16	14	16	14
Total LG&E CT's							83	0	71	63	71	63

KU System

Coal	3,229				
Peaking ⁴	1,711		2,861	2,863	
Hydro	28		24	24	
Total KU System	4,968		4,554	4,386	3,058 3,070

LG&E System

Coal	2,928				
Peaking ⁴	787		2,440	2,418	
Hydro	83		738	665	
Total LG&E System	3,798		3,212	3,135	2,629 2,619

Total System

Coal	6,157				
Peaking ⁴	2,498		5,301	5,281	
Hydro	111		2,407	2,164	
Total System	37.96	8,766	7,766	7,521	5,687 5,689 2,172 76 76 7,937

¹ Ohio Falls units have a monthly rating. Winter rating is Jan & Summer Rating is Jul. As units are rehabbed, Nameplate will be 12.7MW; Net Winter will be 5 MW; Net Summer will be 8 MW

^{1a} At time of creating this spreadsheet, it was anticipated that OF6 will complete rehab in December 2007.

² Ratings represent LG&E's ownership (75%) of Trimble County Unit 1, except Nameplate Rating

³ Winter Rating Period Oct-Mar Summer Rating Period Apr-Sept

⁴ Peaking units include Brown CTs, Haefling, Trimble CTs, and LG&E CT's

⁵ Lock 7 was sold on December 29, 2005 to Lock 7 Hydro Partners, LLC.

⁶ Retired units - midnight of date shown: Pineville 3 (12/31/01); Green River 1/2 (12/31/03); Waterside 7/8 (8/21/06); Tyrone 1/2 (2/26/07)

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 31

Responding Witness: David Sinclair

Q-31. For the forecast period 2007-2020 (or a similar period most readily available), provide by year:

- Expected generation capacity additions and retirements (by year), indicating type of unit, fuel type, capacity.
- Estimate of any generation sources (by year) from distributed generation, cogeneration, or other non-utility sources.
- Estimated cumulative annual effect of new DSM programs on sales and peak demand.
- Average annual estimated growth rate for:
 - Total retail customers; sales; and peak demand.
 - Residential; total retail usage per customer
 - Total retail number of customers
 - Inflation rate
 - Residential, Industrial, and total retail energy cost per kWh

A-31. Pending completion of analysis for the 2008 IRP, the current long-term projection of generation requirements – including allowance for DSM initiatives – is outlined in the 2005 IRP (Vol I, Section 8, “Resource Assessment and Acquisition Plan”, Table 8.5(c)-4, p. 8-130).

Proposed energy savings impacts for enhancements to existing and implementation of new DSM/energy efficiency programming pending before the Kentucky Public Service Commission (Case No. 2007-00319)

Projected Annual Savings for DSM/Energy Efficiency Programs							
	2008	2009	2010	2011	2012	2013	2014
MWh	125,621	248,466	368,816	484,966	598,093	707,193	813,058
MW	47	95	142	186	229	267	303
MCF	490	978	1,482	1,939	2,406	2,818	3,209

Forecast Average Annual Growth Rates (2007 - 2020)

	KU	LG&E	CC
Total Retail Customers	1.2%	1.2%	1.2%
Total Retail Sales	1.5%	1.4%	1.5%
Peak Demand			1.5%
Residential Use-per-Customer	0.4%	0.2%	0.3%

The Companies projection of average annual inflation over the period 2007 through 2020 is 2.2%.

The Companies do not model how the costs of long-term development of system capacity will be allocated to individual customer classes.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 32

Responding Witness: Butch Cockerill / Howard Bush

- Q-32. Provide statistics maintained on energy and demand impacts of customers (if any) on net metering tariff. Indicate the technology employed; summarize the basic costs of interconnection and maintenance (e.g., connection charges, costs of backup power), describe any transmission issues of note, etc.
- A-32. The Companies maintain no statistics on net metering customers. Prior to offering Net Metering Service as standard rate, it existed as a pilot program with one customer. That customer generated approximately 30% of his own energy and reduced his own coincident peak by almost 50% but the impact on non-coincident demand was only 15%. The tariff is set by law so that it is limited to 15kw and compensation does not allow for recovery of back-up power. Customers bear the cost of connection and due to the load limitation there are no transmission issues.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 33

Responding Witness: David Sinclair / John Wolfram

Q-33. Identify and describe what resources are currently committed to energy planning and energy conservation activities. This response should include both operating company personnel, as well as E.ON US. For E.ON US staff, provide an estimate of percent of time spent on KU/LG&E activities.

- Full time employees – department, title, brief job descriptions.
- Educational programs re energy conservation; programs available.
- IRP process.
- Screening and administration of DSM programs.
- Other.

A-33. The Companies' Generation Planning group, within E.ON U.S. Services, is responsible for system reliability assessments and for long-term planning of system generation capacity needs – including requirements for environmental and other retrofits – as well as for optimal dispatch of existing and planned generation units. It has a full-time complement of eight individuals - focused almost exclusively on Utility (LG&E and KU) activities - as follows:

1 Generation Planning Manager
3 Senior Planning Engineers
2 Planning Engineers
1 Senior Planning Analyst
1 Commodity Risk Control Analyst

The Sales Analysis and Forecasting group, also within E.ON U.S. Services, provides the long-term projections of electricity sales and of peak demand against which system capacity plans are assessed, and provides associated analysis of load characteristics and trends. This group comprises five full-time staff - again focused exclusively on Utility activities - as follows:

- 1 Supervisor, Sales Analysis and Forecasting
- 1 Senior Economic Analyst
- 3 Economic Analysts

In addition, the Generation Planning and Sales Analysis and Forecasting groups have access to ad hoc analytical support from the Economic Analysis and Market Analysis groups (10 individuals in total), which on average spend approximately 85% of their time on Utility activities. The work of all of the above groups is directed by David Sinclair, Director, Energy Planning, Analysis and Forecasting.

Energy conservation and DSM programs and initiatives are handled by the Energy Efficiency Operations group directed by John Wolfram, Director, Marketing and Customer Service, within the Energy Delivery division of E.ON U.S. This group has a full-time complement of six staff, working exclusively on Utility energy efficiency/DSM related activities, as follows:

- 1 Manager, Energy Efficiency Operations
- 3 Energy Efficiency Program Managers (adding a 4th effective February 2008)
- 2 Energy Efficiency Customer Service Associates

The Companies expect the Energy Efficiency Operations department staff to expand upon Commission approval of the programs proposed in Case No. 2007-00319.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 34

Responding Witness: John Wolfram / Howard Bush

- Q-34. Does the Company currently provide programs for Energy Assistance Funding? If so, provide program details.

Does the company currently have any low-income or lifeline rates in place? If so, provide a copy of relevant tariffs or tariff provisions. Also indicate if the company provides direct support to its low-income customers. Provide amounts associated with these programs/tariffs, by year, for the three years ending December 31, 2006.

- A-34. Yes. LG&E and KU each have a Home Energy Assistance (HEA) program. LG&E partners with Association of Community Ministries (ACM) and Affordable Energy Corporation (AEC) in administering the program. KU partners with Kentucky Association of Community Action Agencies in administering the program. The original HEA program was a three year pilot that began in October 2004. The current five year program was approved (LG&E: Case No. 2007-00337; KU: Case No. 2007-00338) by the KPSC in 2007 and began on October 1, 2007. The HEA charge of ten cents per meter will be applied to all residential electric and gas bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income HEA programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission. Together the HEA program serves an average of 2,400 customers per year, between the Companies. Program participants will be active customers who are enrolled in the Federal LIHEAP Subsidy Program and the ratepayer of record for their household. Eligible households will be those at or below the then-effective LIHEAP Federal Poverty guidelines adopted by the Commonwealth of Kentucky for its LIHEAP program.

Attached to this response as Attachment 1 are the proposed budgets filed in each respective case mentioned above.

Attached to this response as Attachment 2 are the HEA tariffs.

The Companies do not provide low-income or lifeline rates. Assistance to customers is provided via the HEA arrangements noted above, or from external sources, rather than via rate design that does not adhere to traditional cost-of-service ratemaking.

**Louisville Gas and Electric Company
Affordable Energy Program
HEA Program
Five Year Budget**

	2007	2008	2009	2010	2011	2012	Total
Net HEA Collected (as projected by LG&E in 6/2007)	Oct - Dec.				Jan - Sep.		
Electric	\$ 106,113.00	\$ 427,008.00	\$ 431,123.00	\$ 435,281.00	\$ 439,479.00	\$ 332,387.00	\$ 2,171,391.00
Gas	90,201.00	362,973.00	366,475.00	370,007.00	373,576.00	282,542.00	1,845,774.00
Total	\$ 196,314.00	\$ 789,981.00	\$ 797,598.00	\$ 805,288.00	\$ 813,055.00	\$ 614,929.00	\$ 4,017,165.00
Administrative Funds (10% of Net HEA Collected)	19,631.40	78,998.10	79,759.80	80,528.80	81,305.50	61,492.90	401,716.50
Discretionary Energy Assistance Funds (up to 5% of Net HEA Collected may be spent each year)	9,815.70	39,499.05	39,879.90	40,264.40	40,652.75	30,746.45	200,858.25
Net HEA Funding	\$ 671,483.85	\$ 677,958.30	\$ 684,494.80	\$ 691,096.75	\$ 522,689.65	\$ 3,414,590.25	
ADMINISTRATIVE EXPENSES							
Personnel	\$ 13,741.98	\$ 55,298.67	\$ 55,831.86	\$ 56,370.16	\$ 56,913.85	\$ 43,045.03	\$ 281,201.55
Includes program staff, fringe benefits, health insurance, mileage, etc.							
Contracts	2,944.71	11,849.72	11,963.97	12,079.32	12,195.83	9,223.94	60,257.48
Payroll service, clerical support, technology support, legal, enrollment training, accommodations, data purchase, etc.							
General Office	2,944.71	11,849.72	11,963.97	12,079.32	12,195.83	9,223.94	60,257.48
Insurance, postage, rent, supplies, telephone, printing, advertising, etc.							
Total Administrative Expenses	\$ 19,631.40	\$ 78,998.10	\$ 79,759.80	\$ 80,528.80	\$ 81,305.50	\$ 61,492.90	\$ 401,716.50

**Kentucky Utilities Company
Kentucky Association for Community Action, Inc.
HEA Program
Five Year Budget**

	2007	2008	2009	2010	2011	2012	Total
Net HEA Collected (as projected by KU in 6/2007)	Oct - Dec.	\$ 124,078.00	\$ 499,301.00	\$ 504,116.00	\$ 508,977.00	\$ 513,885.00	\$ 388,662.00
Electric							\$ 2,539,019.00
Administrative Funds (10% of Net HEA Collected)	12,407.80	49,930.10	50,411.60	50,897.70	51,388.50	38,866.20	253,901.90
Discretionary Energy Assistance Funds (up to 5% of Net HEA Collected may be spent each year)	6,203.90	24,965.05	25,205.80	25,448.85	25,694.25	19,433.10	126,950.95
Net HEA Funding	\$ 105,466.30	\$ 424,405.85	\$ 428,498.60	\$ 432,630.45	\$ 436,802.25	\$ 330,362.70	\$ 2,158,166.15
ADMINISTRATIVE EXPENSES							
Personnel	3,226.03	12,981.83	13,107.02	13,233.40	13,361.01	10,105.21	66,014.49
includes program staff, fringe benefits, health insurance, mileage, etc.							
Contracts	8,685.46	34,951.07	35,288.12	35,628.39	35,971.95	27,206.34	177,731.33
Payroll service, clerical support, technology support, legal, enrollment training, accommodations, data purchase, etc.							
General Office	496.31	1,997.20	2,016.46	2,035.91	2,055.54	1,554.65	10,156.08
Insurance, postage, rent, supplies, telephone, printing, advertising, etc							
Total Administrative Expenses	12,407.80	49,930.10	50,411.60	50,897.70	51,388.50	38,866.20	253,901.90

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

10¢ per meter per month.

BILLING

The HEA charge shall be shown as a separate item on customer bills.

SERVICE PERIOD

The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

Date of Issue: September 21, 2007
Cancelling Original Sheet No. 78
Issued October 7, 2004

Issued By

Date Effective: October 1, 2007

**Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2007-00337 dated September 14, 2007

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

10¢ per meter per month.

BILLING

The HEA charge shall be shown as a separate item on customer bills.

SERVICE PERIOD

The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

**Date of Issue: September 21, 2007
Cancelling Original Sheet No. 78
Issued October 7, 2004**

Issued By

Date Effective: October 1, 2007

**Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2007-00338 dated September 14, 2007

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 35

Responding Witness: Butch Cockerill

Q-35. Please provide customer disconnect statistics for 2006. Compare KU/LG&E disconnect rates to industry average experience. Do reconnect charges recover actual costs? Provide analyses and/or management's opinion about whether the implementation of "Smart Meters" would reduce these costs?

A-35. The total number of residential and non-residential customers disconnected for 2006 was 144,701.

The Company is not aware of any industry average for disconnected services.

Our current tariff allow rate of \$20.00 for disconnecting and reconnecting service for residential and general service customers is not sufficient to recover the actual costs to perform these services. It is the opinion of management that the implementation of "Smart Meters" would reduce these costs only when a remote disconnect/reconnect device was included as part of the "Smart Meter" installation.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 36

Responding Witness: John Wolfram

Q-36. Please provide the total number of industrial customers at June 30, 2007. Of these customers, how many have opted-out of participating in the DSM program? Briefly describe the process an industrial customer must follow to opt out of the DSM program.

A-36. Below are the total number of industrial customers as of June 30, 2007.

LG&E Electric	397
LG&E Gas	273
KU Electric	1,656

The industrial representative on our DSM Advisory Group and the Kentucky Industrial Utility Customers (KIUC), who represent the industrial customers are opposed to a DSM surcharge. As a result, DSM programs are not currently offered to industrial customers.

In 2001, the Companies received approval for an Industrial Lighting Program as part of the DSM plan. To comply with statute KRS 278.285 (3), the Companies contacted approximately 900 LG&E and KU industrial customers to explain the proposed DSM program and the "opt-out" provision of the statute. Approximately 68% of the Industrial customers elected to "opt-out" and approximately 24% did not respond to the inquiry. Based on these results the proposed Industrial Lighting Program would not be cost beneficial to the remaining Industrial customers and thus the Companies cancelled this program.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 37

Responding Witness: Dan Arbough

Q-37. Referring to Discovery Response, Item 2, to the extent that more recent reports are now available, or become available by February 22, 2008, please provide copies of such documents. Provide a summary of the current credit ratings for E.ON AG, E.ON US, KU, and LG&E from Moody's and S&P.

A-37. There have not been recent releases regarding E.ON AG, E.ON U.S., KU, or LG&E by the rating agencies. A summary of the ratings for each company is shown below.

	<u>Moody's</u>	<u>S&P</u>
E.ON AG	A2	A
E.ON U.S.	A3	BBB+
KU	A2	BBB+
LG&E	A2	BBB+

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 38

Responding Witness: David Sinclair / Lonnie Bellar

Q-38. Recognizing that utilities are generally opposed to the imposition of a renewables portfolio standard (RPS), if such a standard were considered in Kentucky, what percent do you believe would be realistic as a 2020 target? What factors, if any, would make it easier or more difficult for KU/LG&E to meet a statewide standard, based on specific service area considerations? If renewables projects are developed outside of the KU/LG&E Kentucky service area, what are the major considerations, benefits, impediments to meeting an RPS on this basis?

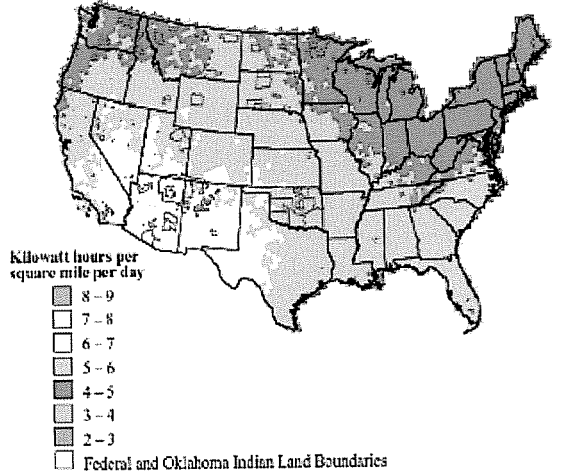
A-38. KU and LG&E are not opposed to renewable generation per se but rather the imposition of policies that would increase rates for customers and that could have a negative impact on system reliability. Historically, KU and LG&E have considered renewable generation as an option in the IRP process but the various technologies have not proven to be least-cost resources. The Companies have not performed any analysis that would set forth a “realistic” target. Furthermore, the term “realistic” could be defined in many ways based on one’s perspective and could include elements of timing, volume, economics, location, etc. The Company has not endeavored to develop such a definition.

If targets were to be set, issues related to practicability and affordability to the ratepayer - particularly with regard to development of significant local resources – should be considered. As a result of a long record of development of low-cost, conventional generation resources within Kentucky, the Companies’ rates are amongst the lowest in the nation; and accordingly the gap between current average rates and the average incremental cost associated with most sources of renewable energy is significant.

Kentucky’s rankings, in terms of average windspeed or intensity of solar radiation, are no better than average for the nation (see following charts). There is limited potential for significant new *economic* hydropower development. Local biomass-based energy resources may offer greater ultimate potential but are currently undeveloped. Based on a non-exhaustive review of opportunities that

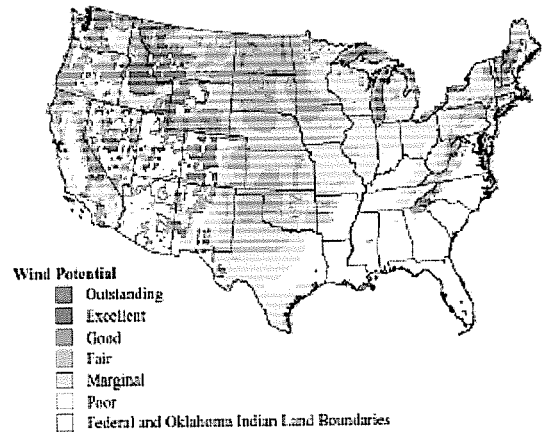
could be introduced within a reasonably short period of time, the Companies' initial estimate of their potential to develop renewable energy sources is restricted to several tens of MWs (only): around 20-30MW of windpower, and around 10-20MW each of hydropower and biomass-based generation (including landfill gas).

SOLAR PHOTOVOLTAIC POTENTIAL



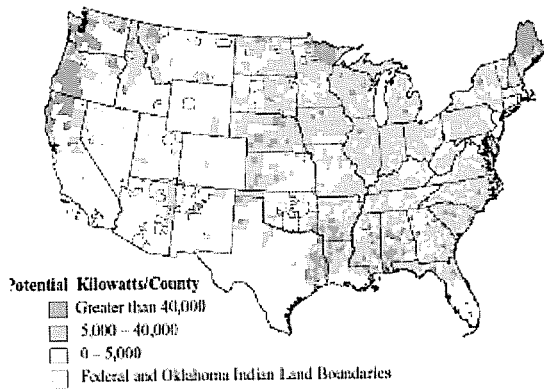
Source: U.S. Department of Energy, National Renewable Energy Laboratory

WIND POTENTIAL



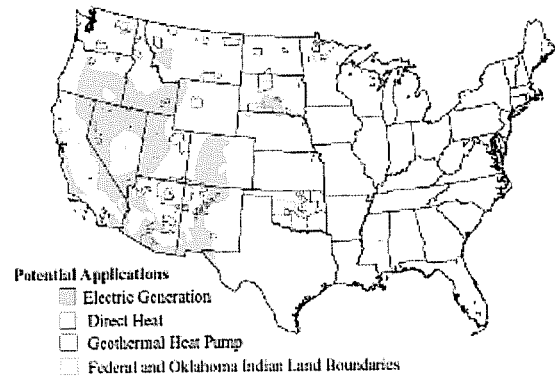
Source: U.S. Department of Energy, National Renewable Energy Laboratory

BIOMASS AND BIOFUEL POTENTIAL



Source: U.S. Department of Energy, National Renewable Energy Laboratory

GEOHERMAL POTENTIAL



Source: U.S. Department of Energy, National Renewable Energy Laboratory

Beyond Kentucky, in many cases the renewable resource potential is considerably greater and the costs of development lower. Obvious concerns regarding reliability of supply – generally relating to transmission access and cost – may be mitigated by considering arrangements which do not require physical delivery of the renewable-sourced power, for example portfolio swaps with financial settlement only. Recognizing the global context of the challenge – at least with regard to CO₂ abatement – the principal benefits associated with renewables development are secured irrespective of location. Given the limited scope and small scale of renewable energy project opportunities in Kentucky, the local economic development benefits may in any event be minor and temporary.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 39

Responding Witness: John Wolfram

Q-39. Please provide any available forecasts on the potential for DSM within the KU/LG&E service territory.

A-39. The potential for DSM or Energy Efficiency in the KU/LG&E service territory is addressed explicitly by the Companies' filing in Case No. 2007-00319, in which the Companies seek authority to extend existing programs and establish new ones. See the response to Question No. 31. Also, see response to Question Nos. 5 and 11 from original information requested, dated December 7, 2007. Quantitative forecasts beyond those included in that filing will be completed and included in the filing of the 2008 Integrated Resource plan later this year.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 40

Responding Witness: David Sinclair

Q-40. Please provide any available forecasts on the potential for utilization of renewables and distributed generation within the KU/LG&E service area.

A-40. Please see response to Question No. 38.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 41

Responding Witness: David Sinclair

Q-41. Please describe the process by which computer-based models are deployed to run sensitivity analyses in KU/LG&E's IRP process.

Please describe the inputs to the modeling:

- (a) Summarize all the cases run in the last IRP
- (b) How are different supply-side and demand-side technologies pre-selected and selected in the modeling process?
- (c) What input variables are employed to run sensitivity analyses?
- (d) What distributional assumptions are employed for each of these variables?
- (e) What statistical measures are employed to quantify the impact of individual input variables, and perhaps also combinations of variables, on results?

A-41. The process for conducting sensitivity analyses in the Companies' IRP process is outlined in detail in Vol III of the 2005 IRP filing (Section "Optimal Expansion Plan Analysis") which addresses how the Companies' "Strategist" model accommodates uncertainties regarding the load forecast, the cost of fuel(s), the retirement of existing capacity, the capital cost for new units, and the cost of O&M.

In the 2005 IRP, further sensitivities – including the impact of a CO₂ cost adder – were addressed in the pre-screening analysis of supply-side alternatives (the pool of candidate technologies made available to the capacity expansion optimization model), as outlined in Vol III Section "Supply Side Analysis" p.23.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 42

Responding Witness: David Sinclair

Q-42. What is the variable that is optimized within KU/LG&E's planning models? To the extent that a model's objective function is focused on minimizing cost of service, describe the elements constituting the cost measure. To the extent the objective function embodies components other than costs currently incurred by utilities (such as, for example, social welfare impacts related to environmental and health costs), describe the justification for their inclusion and the methodologies for estimating their values.

A-42. The Companies' capacity planning model seeks to minimize the present value of the total 'revenue requirement' (the amount that must be charged to ratepayers) associated with building and operating the power system to meet forecasted energy and power demands – over a 35-year horizon – at a predetermined level of reliability². The costs which feature in the calculation of revenue requirements include the financial carrying costs associated with capital investment in new plant construction (depreciation charge, interest on debt and return on equity), fixed O&M (labor, insurance and property taxes), and all fuel, emissions and other variable O&M costs for operation of the entire fleet. Financing costs associated with existing capacity are not included, since these are not affected by any current decisions regarding new investment.

Environmental impacts are considered to the extent that these are internalized in emissions-charging mechanisms such as the Clean Air Act and CAIR. Broader social welfare impacts are not incorporated explicitly.

² The target reliability standard is set by reference to the estimated economic cost (damage) associated with failure to supply ('unserved demand').

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 43

Responding Witness: David Sinclair / John Wolfram

Q-43. Please provide any existing forecasts of the costs of developing and deploying the following in any of E.ON's U.S. service territories.

New conventional generation, for all types of fuels
New renewable generation, for all types
New DSM / energy efficiency programs, for all types, preferably organized by customer class

To the extent possible, disaggregate cost estimates into sub-categories such as, capital costs; fixed and variable operations and maintenance costs; fuel costs; etc. Provide expectations of cost of capital or discount rates assumed for new projects.

If forecasts are not available, please provide the information identified above for actual projects that have recently been developed by E.ON U.S.

A-43. See following page for estimates of the cost and performance of new generation plant, by technology and size (source: Cummins & Barnard, Dec 2007, "Generation Technology Options Study").

The cost of capital assumed for new projects is:
4.7% interest on debt capital; and
10.5% return on equity capital.

The assumed capital structure for the Utilities is 45:55 debt:equity.

Generating Technology Options Summary								
2007 \$								
Unit Type	Fuel Type	Size MW	Cost \$/kW	F O&M (\$/kW-yr.)	V O&M (\$/MWh)	Heat Rate (Btu/kWh)	Comm Avail.	Tech. Rating
Combustion Turbine								
Simple Cycle GE LM6000 CT - Peaking Capacity	Gas	35	\$1,235	\$23	\$28	9,624	Yes	Mature
Simple Cycle GE 7EA CT - Peaking Capacity	Gas	76	\$869	\$16	\$26	12,041	Yes	Mature
Simple Cycle GE 7FA CT - Peaking Capacity	Gas	155	\$980	\$12	\$24	10,815	Yes	Mature
Combined Cycle GE 7EA CT - Intermediate Load	Gas	114	\$1,402	\$32	\$5	8,264	Yes	Mature
Combined Cycle GE 7FA CT - Intermediate Load	Gas	238	\$1,082	\$20	\$5	7,222	Yes	Mature
Combined Cycle 2x1 GE 7FA CT - Intermediate Load	Gas	475	\$879	\$18	\$4	7,214	Yes	Mature
Combined Cycle 3x1 GE 7FB CT - Intermediate Load	Gas	817	\$756	\$14	\$4	7,161	Yes	Commercial
Siemens 5000F CC CT - Intermediate Load	Gas	267	\$1,026	\$15	\$5	7,257	Yes	Mature
Humid Air Turbine Cycle CT - 366 MW	Gas	364	\$953	\$8	\$5	10,382	No	Developmental
Kalina Cycle CC CT - 282 MW	Gas	260	\$1,185	\$16	\$2	6,373	No	Developmental
Cheng Cycle CT - 140 MW	Gas	127	\$1,245	\$15	\$5	7,437	No	Developmental
Peaking Microturbine - 0.03 MW	Gas	0.03	\$2,266	\$148	\$32	14,561	Yes	Commercial
Baseload Microturbine - 0.03 MW	Gas	0.03	\$2,266	\$148	\$6	14,561	Yes	Commercial
Pulverized Coal								
Subcritical Pulverized Coal - 250 MW	Coal	250	\$2,800	\$55	\$3	9,260	Yes	Mature
Subcritical Pulverized Coal - 500 MW	Coal	500	\$2,539	\$42	\$3	9,218	Yes	Mature
Subcritical Pulverized Coal, High Sulfur - 500 MW	Coal	500	\$2,551	\$46	\$3	9,145	Yes	Mature
Circulating Fluidized Bed - 250 MW	Coal	250	\$2,864	\$49	\$2	9,384	Yes	Mature
Circulating Fluidized Bed - 500 MW	Coal	500	\$2,591	\$40	\$2	9,348	Yes	Mature
Supercritical Pulverized Coal - 500 MW	Coal	500	\$2,581	\$46	\$2	8,920	Yes	Mature
Supercritical Pulverized Coal, High Sulfur - 500 MW	Coal	500	\$2,604	\$46	\$3	8,852	Yes	Mature
Supercritical Pulverized Coal - 750 MW	Coal	739	\$2,485	\$35	\$2	8,928	Yes	Mature
Supercritical Pulverized Coal, High Sulfur - 750 MW	Coal	739	\$2,498	\$35	\$3	8,858	Yes	Mature
Pressurized Fluid Bed Combust. Coal								
Pressurized Fluidized Bed Combustion	Coal	248	\$3,333	\$80	\$3	10,396	No	Developmental
Integrated Gasification Combined Cycle								
1x1 IGCC	Coal Gasification	289	\$3,182	\$55	\$3	8,448	Yes	Commercial
2x1 IGCC	Coal Gasification	500	\$2,907	\$44	\$3	8,412	Yes	Commercial
2x1 IGCC, High Sulfur	Coal Gasification	584	\$2,911	\$43	\$3	8,391	Yes	Commercial
Coal Technologies with Carbon Capture & Sequestration								
Subcritical Pulverized Coal - 500 MW - CCS	Coal	501	\$4,883	\$51	\$5	12,808	No	Developmental
Subcritical Pulverized Coal, High Sulfur - 500 MW - CCS	Coal	500	\$4,913	\$55	\$5	12,570	No	Developmental
Circulating Fluidized Bed - 500 MW - CCS	Coal	500	\$4,999	\$49	\$4	12,940	No	Developmental
Supercritical Pulverized Coal - 500 MW - CCS	Coal	500	\$4,906	\$55	\$4	12,258	No	Developmental
Supercritical Pulverized Coal, High Sulfur - 500 MW - CCS	Coal	500	\$4,969	\$55	\$5	12,080	No	Developmental
Supercritical Pulverized Coal - 750 MW - CCS	Coal	739	\$4,734	\$43	\$4	12,198	No	Developmental
Supercritical Pulverized Coal, High Sulfur - 750 MW - CCS	Coal	739	\$4,776	\$43	\$5	12,018	No	Developmental
1x1 IGCC - CCS	Coal Gasification	261	\$4,528	\$67	\$3	10,110	No	Developmental
2x1 IGCC - CCS	Coal Gasification	516	\$4,186	\$54	\$3	10,099	No	Developmental
2x1 IGCC, High Sulfur - CCS	Coal Gasification	522	\$4,202	\$54	\$3	10,076	No	Developmental
Energy Storage								
Pumped Hydro Energy Storage - 500 MW	Charging Only	500	\$1,338	\$12	\$35	0	Yes	Mature
Lead-Acid Battery Energy Storage - 5 MW	Charging Only	5	\$1,988	\$19	\$32	0	Yes	Mature
Compressed Air Energy Storage - 500 MW	Gas and Charging	500	\$1,182	\$19	\$24	4,600	Yes	Commercial
Renewable Energy								
Wind Energy Conversion - 50 MW	No Fuel	50	\$2,022	\$48	\$0	0	Yes	Commercial
Geothermal - 30 MW	Renew	30	\$4,082	\$65	\$6	0	Yes	Commercial
Solar Photovoltaic								
Solar Photovoltaic - 50 kW	No Fuel	0.1	\$7,208	\$40	\$0	0	Yes	Commercial
Solar Thermal								
Solar Thermal, Parabolic Trough - 100 MW	No Fuel	100	\$4,285	\$67	\$1	0	Yes	Commercial
Solar Thermal, Parabolic Dish - 1.2 MW	No Fuel	1.2	\$6,650	\$60	\$0	0	Yes	Commercial
Solar Thermal, Central Receiver - 50 MW	No Fuel	50	\$6,322	\$120	\$1	0	No	Commercial
Solar Thermal, Solar Chimney - 50 MW	No Fuel	50	\$5,653	\$69	\$0	0	No	Developmental
Waste Energy								
MSW Mass Burn - 7 MW	MSW	7	\$10,732	\$568	\$38	19,568	Yes	Commercial

Proposed budgets for enhancements to existing and implementation of new DSM/energy efficiency programming pending before the Kentucky Public Service Commission (Case No. 2007-00319)

	2008	2009	2010	2011	2012	2013	2014
Residential Programs							
Residential Conservation	642,432	698,339	741,895	770,249	777,624	796,276	815,473
Residential Demand Conservation	9,991,125	10,247,157	10,793,803	9,782,181	10,241,082	9,091,041	8,661,803
WeCare	1,728,665	1,738,166	1,788,208	1,868,463	1,892,711	1,947,260	2,003,401
Responsive Pricing Pilot	1,094,220	221,810	221,810	107,500	0	0	0
Residential High Efficiency Lighting	3,434,829	3,388,963	3,396,569	3,416,046	3,447,148	3,489,677	3,543,481
Residential New Construction	859,994	864,292	1,064,054	1,102,635	1,204,469	1,281,140	1,401,685
Residential HVAC Diagnostics & Tune Up	204,825	339,747	392,391	487,332	482,994	492,092	537,642
Customer Education & Public Information	2,480,594	2,531,811	2,606,787	2,703,261	2,825,110	2,978,045	3,170,248
Dealer Referral Network	129,058	118,886	121,750	124,686	127,695	130,781	133,943
Program Development & Administration	603,782	622,110	637,899	654,104	670,737	687,808	705,331
Total Residential Programs	21,169,525	20,771,282	21,765,166	21,016,458	21,669,571	20,894,119	20,973,008
Commercial Programs							
Commercial Demand Conservation	436,110	398,688	450,564	438,750	431,397	447,948	432,350
Comm. Conservation w/Prescriptive Rebates	3,177,328	3,149,081	3,170,021	3,214,230	3,213,256	3,235,571	3,258,365
Responsive Pricing Pilot	178,129	38,465	38,465	17,500	0	0	0
Commercial HVAC Diagnostics & Tune Up	190,077	268,122	328,117	411,778	455,180	466,894	512,048
Customer Education & Public Information	544,521	555,763	572,222	593,399	620,146	653,717	695,908
Dealer Referral Network	28,330	26,097	26,726	27,370	28,031	28,708	29,402
Program Development & Administration	132,538	136,561	140,027	143,584	147,235	150,982	154,829
Total Commercial Programs	4,687,033	4,572,777	4,726,141	4,846,611	4,895,245	4,983,821	5,082,902
Total Plan	25,856,558	25,344,059	26,491,306	25,863,068	26,564,816	25,877,939	26,055,910

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 44

Responding Witness: John Voyles / David Sinclair

Q-44. Please provide a description of any plans to modify existing coal and/or gas facilities to improve plant efficiency; to utilize renewable technologies. Please address the costs and benefits associated with these projects.

A-44. The Companies have fulfilled numerous environmentally mandated actions that have had negative impacts on heat rate. These actions include, but are not limited to, the following additional equipment: Flue Gas Desulfurization units (FGD), Selective Catalytic Reduction Systems (SCR), low NOx burners, and by-product disposal installations and operations. Fuel switching also had negative heat rate impacts when the Companies used Powder River Basin coal from Wyoming due to a shortage of Eastern compliance coal from central Appalachia.

The Companies have also performed numerous actions, which have had a positive impact on maintaining heat rates. These actions include, but are not limited to, the following: FGD stack plume reheat elimination, control system modernizations (pneumatic and early electronic systems were replaced with modern DCS, etc.), steam turbine projects (including: last row turbine blade replacements using modern more efficient blade designs, original turbine steam seal packing replacements with modern more efficient retractable packing, feedwater heater replacements, and cooling tower modernizations (including fill replacements with state-of-the-art materials).

The Companies also perform numerous routine maintenance activities designed to maintain current performance. These activities include, but are not limited to, the following: turbine-generator overhauls, worn turbine blade replacements, boiler overhauls and repairs (including boiler tube replacements), coal mill maintenance, condenser re-tubing, feedwater heater re-tubing, etc.

In addition to major new investments in state-of-the-art power generation and environmental controls, E.ON U.S. is increasing its non-emitting generation capacity to enhance the diversity of its generation portfolio and minimize its effect on the environment. In 2005, LG&E renewed its license to operate the Ohio Falls Hydroelectric Station. A rehabilitation project costing more than \$75 million is currently underway that will update and refurbish eight existing turbine/generator units over the next several years. As a result, generating capacity will be increased from 80 megawatts to 100 megawatts.

See response to Question No. 12 regarding the Companies recent RFP for renewables.

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ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
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Question No. 45

Responding Witness: David Sinclair

- Q-45. At the time of the December 20 interview, it was mentioned that House Bill 1 could produce up to \$300-\$400 million in tax benefits, principally associated with gas produced from Kentucky coal. Please provide the company's estimates of intended and potential benefits to be produced from HB 1, as well as the likely recipients of such benefits. Provide specific analyses of potential benefits that might be derived by Kentucky regulated utilities, and explain the circumstances required for these companies to actually benefit from the provisions of HB 1.
- A-45. Neither E.ON U.S. nor its regulated utility subsidiaries is presently engaged in the gasification business, and the Companies do not foresee any tax benefits arising from the provisions of HB1. The Utilities (KU and LG&E) are consumers rather than producers of gas and handle all fuel costs on a pass-through basis only.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

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**Response to Second Data Request
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Question No. 46

Responding Witness: Butch Cockerill / John Wolfram

- Q-46. There was some discussion during the December 20 interview, of the responsive pricing and smart metering pilot program that is just beginning. Please provide all information about this program not previously provided in response to earlier discovery requests.
- A-46. At this time the implementation of the program is underway. The routes for the pilot have been identified, meter installations are underway, and customers are being contacted about their preferences for receiving certain equipment as outlined in previous responses. No additional information is available at this time.