KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 23

Witness: Shannon L. Charnas

Q-23. Provide a summary of annual maintenance expense by USoA account (for all accounts) for the last 20 years. If the requested data is not available for the last 20 years, provide the data for as many years as are available. Please provide data in both hard copy and electronic format.

A-23. See attached hard copy and electronic Excel file on the attached CD.

Kentucky Utilities Company
Summary of Annual Maintenance Expense
For the Years, 1988 - 2007

	1988	1989	1990	1991
Steam Power Generation:				
(510) Maint. Supervision and Engineering	2,297,238	2,831,077	3,900,678	3,933,500
(511) Maint. of Structures	1,976,617	2,452,044	2,801,394	2,507,508
(512) Maint. of Boiler Plant	17,597,257	15,433,729	17,103,205	19,093,180
(513) Maint. of Electric Plant	5,826,005	5,800,802	3,855,390	7,743,416
(514) Maint. of Misc. Steam Plant	858,968	1,013,695	800,133	949,135
Total Steam Generation Maintenance	28,556,085	27,531,347	28,460,800	34,226,739
Hydraulic Power Generation:				
(541) Maint. Supervision and Engineering	54,649	112,453	67,473	69,991
(542) Maint. of Structures	77,721	20,514	19,233	9,149
(543) Maint. of Reservoirs, Dams & Waterways	20,680	71,555	1,670,028	1,278,598
(544) Maint. of Electric Plant	73,217	180,440	171,284	120,703
(545) Maint. of Misc. Hydraulic Plant	8,018	40,646	75,162	64,208
Total Hydraulic Pwr Generation Maintenance	234,285	425,608	2,003,180	1,542,649
Other Power Generation:				
(551) Maint. Supervision and Engineering	11,539	11,229	12,589	14,312
(552) Maint. of Structures	7,109	852	687	11
(553) Maint. of Generating and Electric Plant	8,864	18,635	32,875	33,861
(554) Maint. of Misc. Other Pwr Generation Plant	2,075	2,432	1,340	1,864
Total Other Power Generation Maintenance	29,587	33,148	47,491	50,048
Transmission:				
(568) Maint. Supervision and Engineering	326,621	287,662	271,472	258,352
(569) Maint. of Structures	85,855	87,878	96,560	125,849
(570) Maint. of Station Equipment	1,219,757	1,397,765	1,484,809	1,493,966
(571) Maint. of Overhead Lines	2,546,174	2,822,917	2,981,845	3,650,428
(572) Maint. of Underground Lines	2,121	260	828	766
(573) Maint. of Misc. Transmission Plant	14,407	15,704	15,718	13,422
Total Transmission Maintenance	4,194,935	4,612,186	4,851,232	5,542,783
Distribution:				
(590) Maint. Supervision and Engineering	1,035,480	1,107,960	1,158,079	1,203,555
(591) Maint. of Structures	107,673	35,396	25,782	95,332
(592) Maint. of Station Equipment	849,193	1,032,743	1,218,566	1,219,576
(593) Maint. of Overhead Lines	8,655,049	8,963,081	10,509,462	12,019,670
(594) Maint. of Underground Lines	295,902	311,957	327,345	378,098
(595) Maint. of Line Transformers	924,725	1,000,028	1,103,840	1,068,819
(596) Maint. of St. Lighting and Signal Systems	438,253	435,215	316,820	272,882
(597) Maint. of Meters	103,623	102,811	113,995	104,772
(598) Maint. of Misc. Distribution Plant	144,765	139,184	125,158	107,306
Total Distribution Maintenance	12,554,663	13,128,375	14,899,047	16,470,010
Administrative and General:				
(935) Maint. of General Plant	860,937	833,858	765,244	758,037
Total Adm. and General Maintenance	860,937	833,858	765,244	758,037
Total Annual Maintenance Expense:	46,430,492	46,564,522	51,026,994	58,590,266

Kentucky Utilities Company
Summary of Annual Maintenance Expense
For the Years, 1988 - 2007

	1992	1993	1994	1995
Steam Power Generation:				
(510) Maint. Supervision and Engineering	3,474,008	3,225,028	3,349,627	3,470,534
(511) Maint. of Structures	2,855,190	3,084,461	3,057,448	3,290,114
(512) Maint. of Boiler Plant	18,051,421	15,029,460	17,638,876	15,755,802
(513) Maint. of Electric Plant	10,297,436	9,292,820	9,066,302	11,496,915
(514) Maint. of Misc. Steam Plant	1,144,390	852,444	931,772	869,300
Total Steam Generation Maintenance	35,822,445	31,484,213	34,044,025	34,882,665
Hydraulic Power Generation:				
(541) Maint. Supervision and Engineering	74,577	76,493	73,152	85,485
(542) Maint. of Structures	15,743	55,688	39,028	38,086
(543) Maint. of Reservoirs, Dams & Waterways	98,863	47,314	61,065	32,694
(544) Maint. of Electric Plant	102,748	146,413	81,088	71,117
(545) Maint. of Misc. Hydraulic Plant	167,590	71,063	24,517	28,317
Total Hydraulic Pwr Generation Maintenance	459,521	396,971	278,850	255,699
Other Power Generation:				
(551) Maint. Supervision and Engineering	12,294	16,146	39,773	435,271
(552) Maint. of Structures	8,846	775	2,351	64,976
(553) Maint. of Generating and Electric Plant	2,837	12,370	14,361	229,806
(554) Maint. of Misc. Other Pwr Generation Plant	757	1,034	59,633	237,838
Total Other Power Generation Maintenance	24,734	30,325	116,118	967,891
Transmission:				
(568) Maint. Supervision and Engineering	328,237	405,546	428,534	576,060
(569) Maint. of Structures	206,368	103,616	114,876	87,278
(570) Maint. of Station Equipment	2,311,275	1,932,189	1,925,638	1,771,408
(571) Maint. of Overhead Lines	3,339,530	3,755,283	3,951,902	3,987,162
(572) Maint. of Underground Lines	69	361	297	15,405
(573) Maint. of Misc. Transmission Plant	10,605	17,595	(2,155)	10,839
Total Transmission Maintenance	6,196,084	6,214,590	6,419,092	6,448,152
Distribution:				
(590) Maint. Supervision and Engineering	1,276,354	1,310,144	1,339,347	1,165,937
(591) Maint. of Structures	108,827	79,152	115,569	49,243
(592) Maint. of Station Equipment	1,414,483	1,292,042	1,478,229	1,687,106
(593) Maint. of Overhead Lines	12,972,845	15,323,110	19,058,640	14,015,779
(594) Maint. of Underground Lines	352,565	372,807	344,960	227,716
(595) Maint. of Line Transformers	987,408	1,104,805	1,108,734	1,042,362
(596) Maint. of St. Lighting and Signal Systems	256,099	271,693	276,149	289,978
(597) Maint. of Meters	170,330	147,396	178,964	164,195
(598) Maint. of Misc. Distribution Plant	157,157	170,809	146,943	162,641
Total Distribution Maintenance	17,696,068	20,071,958	24,047,535	18,804,957
Administrative and General:				
(935) Maint. of General Plant	919,463	1,252,469	1,228,506	1,232,839
Total Adm. and General Maintenance	919,463	1,252,469	1,228,506	1,232,839
Total Annual Maintenance Expense:	61,118,315	59,450,526	66,134,126	62,592,203

Kentucky Utilities Company
Summary of Annual Maintenance Expense
For the Years, 1988 - 2007

	1996	1997	1998	1999
Steam Power Generation:				
(510) Maint. Supervision and Engineering	3,513,184	3,610,193	3,458,397	3,515,194
(511) Maint. of Structures	3,317,761	3,665,128	3,373,097	3,673,223
(512) Maint. of Boiler Plant	17,277,994	21,071,694	23,568,168	19,711,851
(513) Maint. of Electric Plant	10,781,327	6,956,271	4,242,094	4,761,461
(514) Maint. of Misc. Steam Plant	1,168,227	1,185,623	1,340,368	1,013,133
Total Steam Generation Maintenance	36,058,493	36,488,909	35,982,124	32,674,862
Hydraulic Power Generation:				
(541) Maint. Supervision and Engineering	70,337	77,877	72,615	70,642
(542) Maint. of Structures	43,620	44,019	71,053	34,500
(543) Maint. of Reservoirs, Dams & Waterways	48,246	47,452	70,180	20,825
(544) Maint. of Electric Plant	54,614	61,637	92,896	209,857
(545) Maint. of Misc. Hydraulic Plant	42,001	27,429	30,722	18,313
Total Hydraulic Pwr Generation Maintenance	258,818	258,414	337,466	354,137
Other Power Generation:				
(551) Maint. Supervision and Engineering	198,730	163,836	141,153	146,826
(552) Maint. of Structures	41,949	15,656	39,172	21,975
(553) Maint. of Generating and Electric Plant	348,053	218,292	265,399	475,949
(554) Maint. of Misc. Other Pwr Generation Plant	385,742	273,137	311,632	362,618
Total Other Power Generation Maintenance	974,474	670,921	757,356	1,007,368
Transmission:				
(568) Maint. Supervision and Engineering	632,094	596,668	408,753	317,851
(569) Maint. of Structures	75,768	104,978	80,271	31,955
(570) Maint. of Station Equipment	2,027,316	2,298,833	2,225,051	2,780,479
(571) Maint. of Overhead Lines	3,490,148	3,805,145	3,857,688	2,694,918
(572) Maint. of Underground Lines	4,650	297	91	221
(573) Maint. of Misc. Transmission Plant	64,467	11,130	4,535	854
Total Transmission Maintenance	6,294,443	6,817,051	6,576,389	5,826,278
Distribution:				
(590) Maint. Supervision and Engineering	1,194,765	1,255,788	1,302,879	1,332,570
(591) Maint. of Structures	38,744	90,507	18,240	12,527
(592) Maint. of Station Equipment	1,544,169	1,422,538	1,700,065	1,525,355
(593) Maint. of Overhead Lines	14,389,188	13,463,211	13,418,302	11,682,789
(594) Maint. of Underground Lines	172,812	146,156	182,357	239,935
(595) Maint. of Line Transformers	972,796	920,110	841,264	770,143
(596) Maint. of St. Lighting and Signal Systems	348,202	459,933	506,989	820,678
(597) Maint. of Meters	132,135	133,996	129,657	93,367
(598) Maint. of Misc. Distribution Plant	208,455	269,016	341,342	218,706
Total Distribution Maintenance	19,001,266	18,161,255	18,441,095	16,696,070
Administrative and General:				
(935) Maint. of General Plant	1,573,554	2,593,669	1,513,477	759,766
Total Adm. and General Maintenance	1,573,554	2,593,669	1,513,477	759,766
Total Annual Maintenance Expense:	64,161,048	64,990,219	63,607,907	57,318,481

Kentucky Utilities Company
Summary of Annual Maintenance Expense
For the Years, 1988 - 2007

	2000	2001	2002	2003
Steam Power Generation:				
(510) Maint. Supervision and Engineering	3,968,409	3,794,379	3,761,102	4,482,960
(511) Maint. of Structures	4,295,208	3,592,992	3,572,373	3,671,417
(512) Maint. of Boiler Plant	19,824,942	16,775,632	20,107,275	17,808,904
(513) Maint. of Electric Plant	8,841,599	6,311,132	8,903,276	7,441,135
(514) Maint. of Misc. Steam Plant	698,081	646,159	884,905	816,500
Total Steam Generation Maintenance	37,628,239	31,120,294	37,228,931	34,220,916
Hydraulic Power Generation:				
(541) Maint. Supervision and Engineering	82,996	76,291	84,888	83,906
(542) Maint. of Structures	61,852	102,539	92,084	129,650
(543) Maint. of Reservoirs, Dams & Waterways	0	0	0	0
(544) Maint. of Electric Plant	198,339	17,075	22,647	54,395
(545) Maint. of Misc. Hydraulic Plant	32,574	29,518	40,838	20,803
Total Hydraulic Pwr Generation Maintenance	375,761	225,423	240,457	288,754
Other Power Generation:				
(551) Maint. Supervision and Engineering	96,755	68,362	74,768	39,844
(552) Maint. of Structures	105,524	1,103,913	12,316	(969,260)
(553) Maint. of Generating and Electric Plant	494,112	674,081	1,220,029	466,951
(554) Maint. of Misc. Other Pwr Generation Plant	453,752	366,592	606,896	297,856
Total Other Power Generation Maintenance	1,150,143	2,212,948	1,914,009	(164,609)
Transmission:				
(568) Maint. Supervision and Engineering	76,086	0	211	0
(569) Maint. of Structures	34,895	1,748	0	0
(570) Maint. of Station Equipment	1,147,686	1,295,562	1,093,971	1,130,267
(571) Maint. of Overhead Lines	2,816,365	3,700,364	3,460,838	3,345,631
(572) Maint. of Underground Lines	0	0	0	0
(573) Maint. of Misc. Transmission Plant	0	339,973	247,699	334,851
Total Transmission Maintenance	4,075,032	5,337,647	4,802,719	4,810,749
Distribution:				
(590) Maint. Supervision and Engineering	1,342,238	333,290	40,398	29,371
(591) Maint. of Structures	(128)	7	0	0
(592) Maint. of Station Equipment	793,941	462,613	502,190	506,857
(593) Maint. of Overhead Lines	10,847,107	11,968,137	14,012,978	17,350,573
(594) Maint. of Underground Lines	789,213	386,393	255,252	509,386
(595) Maint. of Line Transformers	996,492	354,511	90,841	50,489
(596) Maint. of St. Lighting and Signal Systems	1,346,990	722,230	383,554	374,599
(597) Maint. of Meters	149,891	161,109	226,468	(1,980)
(598) Maint. of Misc. Distribution Plant	8,541	6,650	1,190	684
Total Distribution Maintenance	16,274,285	14,394,940	15,512,871	18,819,979
Administrative and General:				
(935) Maint. of General Plant	2,139,687	3,729,344	83,102	2,294,722
Total Adm. and General Maintenance	2,139,687	3,729,344	83,102	2,294,722
Total Annual Maintenance Expense:	61,643,147	57,020,596	59,782,089	60,270,511

Kentucky Utilities Company
Summary of Annual Maintenance Expense
For the Years, 1988 - 2007

	2004	2005	2006	2007
Steam Power Generation:				
(510) Maint. Supervision and Engineering	3,759,538	4,051,265	4,592,397	4,952,714
(511) Maint. of Structures	4,410,785	4,456,544	4,535,489	5,036,929
(512) Maint. of Boiler Plant	20,536,496	19,774,591	20,380,208	27,400,811
(513) Maint. of Electric Plant	4,436,290	11,035,715	5,407,895	10,556,105
(514) Maint. of Misc. Steam Plant	1,070,738	833,643	1,151,325	1,065,291
Total Steam Generation Maintenance	34,213,847	40,151,758	36,067,314	49,011,850
Hydraulic Power Generation:				
(541) Maint. Supervision and Engineering	94,031	107,998	96,497	107,573
(542) Maint. of Structures	92,036	63,237	102,634	144,686
(543) Maint. of Reservoirs, Dams & Waterways	6,600	47,566	0	0
(544) Maint. of Electric Plant	44,265	117,793	79,995	197,756
(545) Maint. of Misc. Hydraulic Plant	49,134	29,148	15,344	5,459
Total Hydraulic Pwr Generation Maintenance	286,066	365,742	294,470	455,474
Other Power Generation:				
(551) Maint. Supervision and Engineering	58,291	32,236	30,947	42,895
(552) Maint. of Structures	15,057	110,246	142,707	150,424
(553) Maint. of Generating and Electric Plant	1,391,673	1,897,547	3,090,188	2,975,965
(554) Maint. of Misc. Other Pwr Generation Plant	654,474	188,187	124,990	252,060
Total Other Power Generation Maintenance	2,119,495	2,228,216	3,388,832	3,421,344
Transmission:				
(568) Maint. Supervision and Engineering	7	0	0	0
(569) Maint. of Structures	0	0	0	0
(570) Maint. of Station Equipment	1,209,390	1,209,611	1,419,942	1,169,930
(571) Maint. of Overhead Lines	2,369,507	2,570,166	3,230,365	3,515,529
(572) Maint. of Underground Lines	0	0	0	0
(573) Maint. of Misc. Transmission Plant	182,036	274,008	366,416	309,324
Total Transmission Maintenance	3,760,940	4,053,785	5,016,723	4,994,783
Distribution:				
(590) Maint. Supervision and Engineering	14,389	4,258	5,742	7,927
(591) Maint. of Structures	0	0	0	0
(592) Maint. of Station Equipment	614,087	1,033,634	1,510,368	813,560
(593) Maint. of Overhead Lines	15,695,121	19,144,279	19,402,799	19,293,285
(594) Maint. of Underground Lines	412,240	451,505	639,610	621,863
(595) Maint. of Line Transformers	75,532	98,681	64,791	112,521
(596) Maint. of St. Lighting and Signal Systems	266,247	232,057	182,499	81,269
(597) Maint. of Meters	0	0	0	0
(598) Maint. of Misc. Distribution Plant	0	834	7,183	11,846
Total Distribution Maintenance	17,077,616	20,965,248	21,812,992	20,942,271
Administrative and General:				
(935) Maint. of General Plant	3,433,762	4,491,394	6,296,915	6,416,472
Total Adm. and General Maintenance	3,433,762	4,491,394	6,296,915	6,416,472
Total Annual Maintenance Expense:	60,891,726	72,256,143	72,877,246	85,242,194

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 24

Witness: John J. Spanos

Q-24. Please explain what consideration, if any, was given to annual maintenance expense data in Mr. Spanos's estimation of service lives, dispersion patterns and net salvage.

A-24. Maintenance expense is an ongoing activity for utilities. Therefore, Mr. Spanos considers any changes to annual maintenance and whether maintenance practices will alter capital expenditures. There were no plans to change the current maintenance practices; therefore, future service lives, dispersion patterns, and net salvage were not altered by maintenance.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 25

Witness: John J. Spanos

Q-25. If not provided elsewhere, please provide the calculation of the proposed depreciation rates in electronic format (Excel) with all formulae intact.

A-25. Please see the attachment to the response for AG-16.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 26

Witness: John J. Spanos

Q-26. Does the Company maintain its book reserve by plant account? If not, please explain why not, and provide the calculation of the 2006 recorded reserve shown in the Depreciation Study.

A-26. The Company maintains its book reserve by plant account.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 27

Witness: John J. Spanos

Q-27. Was reciprocal, harmonic, or ELG weighting used in any of the depreciation rate calculations? If yes, please provide all calculations using direct weighting. Also, provide this in hardcopy and in electronic format (Excel).

A-27. The depreciation study calculations for KU were performed using ELG weighting. The attached document sets forth the depreciation rates using direct weighting. The electronic Excel files are included on the attached CD.

KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

ACCOUNT		SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)		(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
DEPRECIABLE PLANT										
STEAM PRODUCTION PLANT										
311.00	STRUCTURES AND IMPROVEMENTS									
	TYRONE UNIT 3	100-S1.5	*	(5)	5,447,348.04	5,719,715	0	0	-	-
	TYRONE UNITS 1 & 2	100-S1.5	*	(5)	594,089.12	623,794	0	0	-	-
	GREEN RIVER UNIT 3	100-S1.5	*	(5)	2,818,747.44	2,959,685	0	0	-	-
	GREEN RIVER UNIT 4	100-S1.5	*	(5)	4,475,383.64	4,699,153	0	0	-	-
	GREEN RIVER UNITS 1 & 2	100-S1.5	*	(5)	2,596,589.06	2,726,419	0	0	-	-
	E W BROWN STEAM UNIT 1	100-S1.5	*	(5)	4,294,488.60	4,007,844	501,368	25,845	0.60	19.4
	E W BROWN STEAM UNIT 2	100-S1.5	*	(5)	1,542,703.85	1,595,211	24,629	1,266	0.08	19.5
	E W BROWN STEAM UNIT 3	100-S1.5	*	(5)	12,466,774.95	11,779,068	1,311,046	67,803	0.54	19.3
	GHENT UNIT 1 SCRUBBER	100-S1.5	*	(5)	24,298,756.00	13,016,631	12,497,063	644,511	2.65	19.4
	GHENT UNIT 1	100-S1.5	*	(5)	17,160,534.10	16,736,391	1,282,170	66,702	0.39	19.2
	GHENT UNIT 2	100-S1.5	*	(5)	16,175,819.55	15,355,831	1,628,781	81,369	0.50	20.0
	GHENT UNIT 3	100-S1.5	*	(5)	43,264,065.36	30,770,444	14,656,826	512,840	1.19	28.6
	GHENT UNIT 4	100-S1.5	*	(5)	22,674,768.92	14,633,236	9,175,272	319,236	1.41	28.7
	SYSTEM LABORATORY	100-S1.5	*	(5)	805,717.00	488,697	357,306	12,400	1.54	28.8
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				158,615,785.63	125,112,119	41,434,461	1,731,972	1.09	23.9
312.00	BOILER PLANT EQUIPMENT									
	TYRONE UNIT 3	65-R2	*	(20)	12,078,002.67	9,052,070	5,441,534	480,468	3.98	11.3
	TYRONE UNITS 1 & 2	65-R2	*	(20)	3,531,623.26	4,193,561	44,386	3,995	0.11	11.1
	GREEN RIVER UNIT 3	65-R2	*	(20)	11,195,261.77	9,565,842	3,868,472	342,647	3.06	11.3
	GREEN RIVER UNIT 4	65-R2	*	(20)	23,652,944.82	17,191,266	11,192,270	989,652	4.18	11.3
	GREEN RIVER UNITS 1 & 2	65-R2	*	(20)	399,431.39	382,655	96,664	8,633	2.16	11.2
	E W BROWN STEAM UNIT 1	65-R2	*	(20)	35,546,187.28	22,971,136	19,684,289	1,055,029	2.97	18.7
	E W BROWN STEAM UNIT 2	65-R2	*	(20)	29,161,949.77	18,640,534	16,353,806	876,626	3.01	18.7
	E W BROWN STEAM UNIT 3	65-R2	*	(20)	79,655,480.64	54,260,794	41,325,781	2,224,398	2.79	18.6
	PINEVILL UNIT 3	65-R2	*	(20)	279,751.37	335,702	0	0	-	-
	GHENT UNIT 1 SCRUBBER	65-R2	*	(20)	86,520,258.20	40,651,742	63,172,568	3,343,532	3.86	18.9
	GHENT UNIT 1	65-R2	*	(20)	162,626,761.08	77,653,906	117,498,208	6,234,675	3.83	18.8
	GHENT UNIT 2	65-R2	*	(20)	89,742,087.02	67,526,984	40,163,521	2,086,217	2.32	19.3
	GHENT UNIT 3	65-R2	*	(20)	244,747,430.08	118,161,545	175,535,370	6,428,604	2.63	27.3
	GHENT UNIT 4	65-R2	*	(20)	247,916,189.17	107,189,341	190,310,084	6,912,298	2.79	27.5
	GHENT LOCOMOTIVES - RAIL CARS	25-R2		20	7,647,232.00	3,735,435	2,382,351	191,047	2.50	12.5
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				1,034,700,590.52	551,512,513	687,069,304	31,177,821	3.01	22.0

KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
314.00	TURBOGENERATOR UNITS									
	TYRONE UNIT 3	55-R2.5	*	(15)	4,154,426.75	3,150,207	1,627,384	142,875	3.44	11.4
	TYRONE UNITS 1 & 2	55-R2.5	*	(15)	1,592,029.00	1,830,833	0	0	-	-
	GREEN RIVER UNIT 3	55-R2.5	*	(15)	4,214,807.78	3,456,160	1,390,868	122,123	2.90	11.4
	GREEN RIVER UNIT 4	55-R2.5	*	(15)	10,005,416.72	7,204,057	4,302,172	379,045	3.79	11.4
	E W BROWN STEAM UNIT 1	55-R2.5	*	(15)	4,997,832.45	4,768,484	979,022	56,161	1.12	17.4
	E W BROWN STEAM UNIT 2	55-R2.5	*	(15)	10,874,093.96	6,624,591	5,880,617	316,738	2.91	18.6
	E W BROWN STEAM UNIT 3	55-R2.5	*	(15)	27,652,379.12	15,467,528	16,332,708	875,203	3.17	18.7
	PINEVILL UNIT 3	55-R2.5	*	(15)	6.00	7	0	0	-	-
	GHENT UNIT 1	55-R2.5	*	(15)	25,577,292.00	19,103,945	10,309,940	569,356	2.23	18.1
	GHENT UNIT 2	55-R2.5	*	(15)	29,546,660.86	22,424,968	11,553,692	613,544	2.08	18.8
	GHENT UNIT 3	55-R2.5	*	(15)	39,424,927.73	24,916,555	20,422,112	798,801	2.03	25.6
	GHENT UNIT 4	55-R2.5	*	(15)	51,736,214.11	29,734,684	29,761,963	1,137,802	2.20	26.2
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				209,776,086.48	138,682,019	102,560,478	5,011,648	2.39	20.5
315.00	ACCESSORY ELECTRIC EQUIPMENT									
	TYRONE UNIT 3	70-S3	*	(5)	570,737.00	599,274	0	0	-	-
	TYRONE UNITS 1 & 2	70-S3	*	(5)	828,017.00	869,418	0	0	-	-
	GREEN RIVER UNIT 3	70-S3	*	(5)	741,256.89	778,320	0	0	-	-
	GREEN RIVER UNIT 4	70-S3	*	(5)	1,145,214.38	1,010,620	191,856	16,683	1.46	11.5
	E W BROWN STEAM UNIT 1	70-S3	*	(5)	3,329,621.65	2,136,619	1,359,485	69,775	2.10	19.5
	E W BROWN STEAM UNIT 2	70-S3	*	(5)	997,856.05	954,378	93,372	4,793	0.48	19.5
	E W BROWN STEAM UNIT 3	70-S3	*	(5)	5,145,132.14	4,865,606	536,781	27,693	0.54	19.4
	PINEVILL UNIT 3	70-S3	*	(5)	4,091.00	4,296	0	0	-	-
	GHENT UNIT 1 SCRUBBER	70-S3	*	(5)	3,016,784.00	1,580,263	1,587,360	81,487	2.70	19.5
	GHENT UNIT 1	70-S3	*	(5)	7,641,004.90	7,214,612	808,444	42,128	0.55	19.2
	GHENT UNIT 2	70-S3	*	(5)	10,785,959.00	10,038,015	1,287,242	64,799	0.60	19.9
	GHENT UNIT 3	70-S3	*	(5)	25,961,222.00	19,793,702	7,465,581	268,633	1.03	27.8
	GHENT UNIT 4	70-S3	*	(5)	21,911,934.44	15,446,906	7,560,624	267,375	1.22	28.3
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				82,078,830.45	65,292,029	20,890,745	843,366	1.03	24.8
316.00	MISCELLANEOUS PLANT EQUIPMENT									
	TYRONE UNIT 3	70-R1.5	*	0	508,751.25	329,761	178,990	15,874	3.12	11.3
	TYRONE UNITS 1 & 2	70-R1.5	*	0	59,096.15	59,096	0	0	-	-
	GREEN RIVER UNIT 3	70-R1.5	*	0	153,389.71	84,649	68,741	6,085	3.97	11.3
	GREEN RIVER UNIT 4	70-R1.5	*	0	2,096,051.79	1,455,549	640,502	56,857	2.71	11.3
	GREEN RIVER UNITS 1 & 2	70-R1.5	*	0	84,747.63	84,748	0	0	-	-
	E W BROWN STEAM UNIT 1	70-R1.5	*	0	424,040.93	243,531	180,510	9,584	2.26	18.8
	E W BROWN STEAM UNIT 2	70-R1.5	*	0	85,648.00	74,409	11,239	606	0.71	18.5
	E W BROWN STEAM UNIT 3	70-R1.5	*	0	4,233,635.79	2,389,102	1,844,533	98,615	2.33	18.7
	PINEVILL UNIT 3	70-R1.5	*	0	56,611.00	56,611	0	0	-	-
	GHENT UNIT 1 SCRUBBER	70-R1.5	*	0	985,410.00	454,155	531,255	28,319	2.87	18.8
	GHENT UNIT 1	70-R1.5	*	0	1,756,976.98	1,308,821	448,156	24,202	1.38	18.5
	GHENT UNIT 2	70-R1.5	*	0	1,493,092.78	1,187,409	305,684	15,946	1.07	19.2
	GHENT UNIT 3	70-R1.5	*	0	3,118,291.77	1,956,104	1,162,188	43,528	1.40	26.7
	GHENT UNIT 4	70-R1.5	*	0	6,052,103.27	2,685,232	3,366,872	122,832	2.03	27.4
	SYSTEM LABORATORY	70-R1.5	*	0	2,198,264.39	525,026	1,673,239	60,165	2.74	27.8
	TOTAL ACCOUNT 316 - MISCELLANEOUS PLANT EQUIPMENT				23,306,111.44	12,894,203	10,411,909	482,613	2.07	21.6
	TOTAL STEAM PRODUCTION PLANT				**1,508,477,404.52**	**893,492,883**	**862,366,897**	**39,247,420**		

KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT (1)	SURVIVOR CURVE (2)		NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
	HYDROELECTRIC PRODUCTION PLANT									
330.10	LAND AND LAND RIGHTS									
	DIX DAM	100-R4	*	0	879,311.47	905,781	(26,470)	0	-	-
	TOTAL ACCOUNT 330.1 - LAND RIGHTS				879,311.47	905,781	(26,470)	0	-	-
331.00	STRUCTURES AND IMPROVEMENTS									
	DIX DAM	90-S2.5	*	(5)	453,195.00	316,800	159,057	5,836	1.29	27.3
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				453,195.00	316,800	159,057	5,836	1.29	27.3
332.00	RESERVOIRS, DAMS & WATERWAY									
	DIX DAM	100-S2.5	*	0	7,954,452.04	6,384,461	1,569,991	56,906	0.72	27.6
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS & WATERWAYS				7,954,452.04	6,384,461	1,569,991	56,906	0.72	27.6
333.00	WATER WHEELS, TURBINES & GENERATORS									
	DIX DAM	80-R3	*	(10)	420,536.56	394,072	68,518	2,770	0.66	24.7
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES & GENERATORS				420,536.56	394,072	68,518	2,770	0.66	24.7
334.00	ACCESSORY ELECTRIC EQUIPMENT									
	DIX DAM	40-L2.5	*	0	85,383.14	76,888	8,495	707	0.83	12.0
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				85,383.14	76,888	8,495	707	0.83	12.0
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT									
	DIX DAM	35-L1	*	0	101,512.96	39,455	62,058	3,603	3.55	17.2
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				101,512.96	39,455	62,058	3,603	3.55	17.2
336.00	ROADS, RAILROADS, & BRIDGES									
	DIX DAM	55-R4	*	0	46,976.13	48,390	(1,414)	0	-	-
	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES				46,976.13	48,390	(1,414)	0	-	-
	TOTAL HYDROELECTRIC PRODUCTION PLANT				**9,941,367.30**	**8,165,847**	**1,840,235**	**69,822**		
	OTHER PRODUCTION PLANT									
340.10	LAND RIGHTS									
	E W BROWN CT UNIT 9 GAS PIPE	30-R0.5	*	0	176,409.31	71,698	104,711	5,231	2.97	20.0
	TOTAL ACCOUNT 340.1 - LAND RIGHTS				176,409.31	71,698	104,711	5,231	2.97	20.0

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KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
341.00	STRUCTURES AND IMPROVEMENTS								
	PADDY'S RUN GENERATOR 13	40-R2.5	* 0	1,910,328.00	374,109	1,536,219	57,947	3.03	26.5
	E W BROWN CT UNIT 5	40-R2.5	* 0	775,082.20	149,820	625,262	23,569	3.04	26.5
	E W BROWN CT UNIT 6	40-R2.5	* 0	192,813.69	36,791	156,023	5,890	3.05	26.5
	E W BROWN CT UNIT 7	40-R2.5	* 0	544,966.20	126,941	418,026	15,978	2.93	26.2
	E W BROWN CT UNIT 8	40-R2.5	* 0	2,012,654.53	717,642	1,295,013	52,375	2.60	24.7
	E W BROWN CT UNIT 9	40-R2.5	* 0	4,641,054.53	1,654,146	2,986,909	120,844	2.60	24.7
	E W BROWN CT UNIT 10	40-R2.5	* 0	1,865,718.54	662,603	1,203,116	48,615	2.61	24.7
	E W BROWN CT UNIT 11	40-R2.5	* 0	1,858,754.33	579,307	1,279,447	50,541	2.72	25.3
	TRIMBLE COUNTY CT UNIT 5	40-R2.5	* 0	3,740,231.26	592,365	3,147,866	117,507	3.14	26.8
	TRIMBLE COUNTY CT UNIT 6	40-R2.5	* 0	3,588,684.33	588,760	2,999,924	112,134	3.12	26.8
	TRIMBLE COUNTY CT UNIT 7	40-R2.5	* 0	3,559,154.97	343,098	3,216,057	118,324	3.32	27.2
	TRIMBLE COUNTY CT UNIT 8	40-R2.5	* 0	3,548,851.71	342,104	3,206,748	117,982	3.32	27.2
	TRIMBLE COUNTY CT UNIT 9	40-R2.5	* 0	3,655,976.41	352,432	3,303,544	121,543	3.32	27.2
	TRIMBLE COUNTY CT UNIT 10	40-R2.5	* 0	3,653,029.99	352,147	3,300,883	121,445	3.32	27.2
	HAEFLING UNITS 1, 2 & 3	40-R2.5	* 0	434,853.00	337,009	97,844	28,116	6.47	3.5
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS			35,982,153.69	7,209,274	28,772,881	1,112,810	3.09	25.9
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES								
	PADDY'S RUN GENERATOR 13	45-R2.5	* (5)	1,995,102.07	402,765	1,692,092	62,056	3.11	27.3
	E W BROWN CT UNIT 5	45-R2.5	* (5)	727,929.00	147,963	616,363	22,611	3.11	27.3
	E W BROWN CT UNIT 6	45-R2.5	* (5)	146,515.00	38,566	115,275	4,285	2.92	26.9
	E W BROWN CT UNIT 7	45-R2.5	* (5)	145,745.00	38,363	114,669	4,263	2.92	26.9
	E W BROWN CT UNIT 8	45-R2.5	* (5)	19,613.00	7,132	13,461	516	2.63	26.1
	E W BROWN CT UNIT 9	45-R2.5	* (5)	1,932,186.25	694,487	1,334,308	51,129	2.65	26.1
	E W BROWN CT UNIT 10	45-R2.5	* (5)	31,737.00	11,607	21,717	834	2.63	26.0
	E W BROWN CT UNIT 11	45-R2.5	* (5)	52,430.00	17,145	37,907	1,436	2.74	26.4
	E W BROWN CT UNIT 9 GAS PIPE	45-R2.5	* (5)	8,106,131.85	3,135,265	5,376,173	208,199	2.57	25.8
	TRIMBLE COUNTY CT UNIT 5	45-R2.5	* (5)	239,584.64	40,738	210,825	7,685	3.21	27.4
	TRIMBLE COUNTY CT UNIT 6	45-R2.5	* (5)	239,245.94	40,695	210,513	7,674	3.21	27.4
	TRIMBLE COUNTY CT PIPELINE	45-R2.5	* (5)	4,850,114.45	786,421	4,306,200	156,779	3.23	27.5
	TRIMBLE COUNTY CT UNIT 7	45-R2.5	* (5)	578,059.38	57,997	548,965	19,797	3.42	27.7
	TRIMBLE COUNTY CT UNIT 8	45-R2.5	* (5)	576,385.74	57,829	547,376	19,739	3.42	27.7
	TRIMBLE COUNTY CT UNIT 9	45-R2.5	* (5)	593,786.01	59,574	563,901	20,335	3.42	27.7
	TRIMBLE COUNTY CT UNIT 10	45-R2.5	* (5)	593,307.31	59,526	563,447	20,319	3.42	27.7
	HAEFLING UNITS 1, 2 & 3	45-R2.5	* (5)	181,132.00	190,189	0	0	-	-
	TOTAL ACCOUNT 342 - FULE HOLDERS, PRODUCERS AND ACCESSORIES			21,009,004.64	5,786,262	16,273,192	607,657	2.89	26.8
343.00	PRIME MOVERS								
	PADDY'S RUN GENERATOR 13	35-R1	* (5)	17,420,148.57	3,208,506	15,082,650	631,235	3.62	23.9
	E W BROWN CT UNIT 5	35-R1	* (5)	13,164,181.28	2,305,155	11,517,235	480,759	3.65	24.0
	E W BROWN CT UNIT 6	35-R1	* (5)	30,399,242.38	6,414,963	25,504,241	1,078,577	3.55	23.6
	E W BROWN CT UNIT 7	35-R1	* (5)	30,001,197.85	6,051,587	25,449,672	1,072,644	3.58	23.7
	E W BROWN CT UNIT 8	35-R1	* (5)	20,074,864.20	5,994,874	15,083,733	662,762	3.30	22.8
	E W BROWN CT UNIT 9	35-R1	* (5)	21,502,645.45	6,950,677	15,627,102	695,270	3.23	22.5
	E W BROWN CT UNIT 10	35-R1	* (5)	19,670,647.49	6,157,363	14,496,817	641,188	3.26	22.6
	E W BROWN CT UNIT 11	35-R1	* (5)	34,239,853.35	8,782,372	27,169,474	1,169,194	3.41	23.2
	TRIMBLE COUNTY CT UNIT 5	35-R1	* (5)	30,530,609.97	4,681,480	27,375,660	1,134,897	3.72	24.1
	TRIMBLE COUNTY CT UNIT 6	35-R1	* (5)	30,442,270.01	4,682,426	27,281,957	1,131,153	3.72	24.1
	TRIMBLE COUNTY CT UNIT 7	35-R1	* (5)	22,773,833.23	2,046,994	21,865,531	891,491	3.91	24.5
	TRIMBLE COUNTY CT UNIT 8	35-R1	* (5)	22,568,286.07	2,036,130	21,660,571	883,200	3.91	24.5

Attachment to Question No. AG-1-27
Page 4 of 7
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KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	TRIMBLE COUNTY CT UNIT 9	35-R1	*	(5)	22,401,685.39	2,020,924	21,500,846	876,686	3.91	24.5
	TRIMBLE COUNTY CT UNIT 10	35-R1		(5)	22,378,127.55	2,018,755	21,478,279	875,765	3.91	24.5
	TOTAL ACCOUNT 343 - PRIME MOVERS				337,567,592.79	63,352,206	291,093,768	12,224,821	3.62	23.8
344.00	GENERATORS									
	PADDY'S RUN GENERATOR 13	55-S3	*	(5)	5,185,636.00	1,003,503	4,441,415	152,468	2.94	29.1
	E W BROWN CT UNIT 5	55-S3	*	(5)	2,831,528.00	548,012	2,425,092	83,251	2.94	29.1
	E W BROWN CT UNIT 6	55-S3	*	(5)	3,712,349.00	930,433	2,967,533	102,435	2.76	29.0
	E W BROWN CT UNIT 7	55-S3	*	(5)	3,722,788.00	931,357	2,977,570	102,776	2.76	29.0
	E W BROWN CT UNIT 8	55-S3	*	(5)	4,953,961.00	1,736,820	3,464,839	121,659	2.46	28.5
	E W BROWN CT UNIT 9	55-S3	*	(5)	5,452,041.03	2,153,184	3,571,459	126,095	2.31	28.3
	E W BROWN CT UNIT 10	55-S3	*	(5)	4,944,693.00	1,733,570	3,458,358	121,431	2.46	28.5
	E W BROWN CT UNIT 11	55-S3	*	(5)	5,187,040.00	1,694,228	3,752,164	131,089	2.53	28.6
	TRIMBLE COUNTY CT UNIT 5	55-S3	*	(5)	3,763,274.68	610,505	3,340,933	114,413	3.04	29.2
	TRIMBLE COUNTY CT UNIT 6	55-S3	*	(5)	3,757,946.86	609,864	3,335,980	114,243	3.04	29.2
	TRIMBLE COUNTY CT UNIT 7	55-S3	*	(5)	2,950,282.37	282,683	2,815,113	96,079	3.26	29.3
	TRIMBLE COUNTY CT UNIT 8	55-S3	*	(5)	2,937,930.22	281,499	2,803,328	95,677	3.26	29.3
	TRIMBLE COUNTY CT UNIT 9	55-S3	*	(5)	2,957,520.12	283,376	2,822,020	96,315	3.26	29.3
	TRIMBLE COUNTY CT UNIT 10	55-S3	*	(5)	2,954,148.53	283,053	2,818,803	96,205	3.26	29.3
	HAEFLING UNITS 1, 2 & 3	55-S3	*	(5)	4,023,003.00	4,224,153	0	0	-	-
	TOTAL ACCOUNT 344 - GENERATORS				59,334,141.81	17,306,240	44,994,607	1,554,136	2.62	29.0
345.00	ACCESSORY ELECTRIC EQUIPMENT									
	PADDY'S RUN GENERATOR 13	45-R3	*	0	2,456,320.00	488,379	1,967,941	70,864	2.88	27.8
	E W BROWN CT UNIT 5	45-R3	*	0	1,332,167.00	264,860	1,067,307	38,434	2.89	27.8
	E W BROWN CT UNIT 6	45-R3	*	0	1,354,817.00	349,592	1,005,225	36,700	2.71	27.4
	E W BROWN CT UNIT 7	45-R3	*	0	1,347,700.00	347,755	999,945	36,508	2.71	27.4
	E W BROWN CT UNIT 8	45-R3	*	0	1,797,054.00	650,416	1,146,638	43,382	2.41	26.4
	E W BROWN CT UNIT 9	45-R3	*	0	3,226,185.73	1,256,027	1,970,159	74,763	2.32	26.4
	E W BROWN CT UNIT 10	45-R3	*	0	1,804,419.00	637,098	1,167,321	43,992	2.44	26.5
	E W BROWN CT UNIT 11	45-R3	*	0	916,326.00	308,077	608,249	22,764	2.48	26.7
	TRIMBLE COUNTY CT UNIT 5	45-R3	*	0	1,677,092.15	279,094	1,397,998	50,032	2.98	27.9
	TRIMBLE COUNTY CT UNIT 6	45-R3	*	0	1,674,719.12	278,801	1,395,918	49,958	2.98	27.9
	TRIMBLE COUNTY CT UNIT 7	45-R3	*	0	3,146,235.12	308,469	2,837,766	100,487	3.19	28.2
	TRIMBLE COUNTY CT UNIT 8	45-R3	*	0	3,137,127.45	307,577	2,829,550	100,197	3.19	28.2
	TRIMBLE COUNTY CT UNIT 9	45-R3	*	0	3,231,827.28	316,862	2,914,965	103,221	3.19	28.2
	TRIMBLE COUNTY CT UNIT 10	45-R3	*	0	3,229,222.72	316,607	2,912,616	103,138	3.19	28.2
	HAEFLING UNITS 1, 2 & 3	45-R3	*	0	621,207.00	621,207	0	0	-	-
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				30,952,419.57	6,730,821	24,221,598	874,440	2.83	27.7

KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
346.00	MISCELLANEOUS PLANT EQUIPMENT								
	PADDY'S RUN GENERATOR 13	35-R2 *	0	1,089,549.00	224,313	865,236	34,901	3.20	24.8
	E W BROWN CT UNIT 5	35-R2 *	0	2,108,910.25	435,769	1,673,141	67,461	3.20	24.8
	E W BROWN CT UNIT 6	35-R2 *	0	48,958.88	7,842	41,117	1,632	3.33	25.2
	E W BROWN CT UNIT 7	35-R2 *	0	35,647.85	6,968	28,680	1,153	3.23	24.9
	E W BROWN CT UNIT 8	35-R2 *	0	230,069.23	86,699	143,370	6,378	2.77	22.5
	E W BROWN CT UNIT 9	35-R2 *	0	760,256.23	287,309	472,947	21,049	2.77	22.5
	E W BROWN CT UNIT 10	35-R2 *	0	274,390.79	94,590	179,801	7,833	2.85	23.0
	E W BROWN CT UNIT 11	35-R2 *	0	548,588.10	111,544	437,044	17,664	3.22	24.7
	TRIMBLE COUNTY CT UNIT 5	35-R2 *	0	15,274.16	324	14,950	569	3.73	26.3
	TRIMBLE COUNTY CT UNIT 7	35-R2 *	0	8,888.93	899	7,990	311	3.50	25.7
	TRIMBLE COUNTY CT UNIT 8	35-R2 *	0	8,861.01	895	7,966	310	3.50	25.7
	TRIMBLE COUNTY CT UNIT 9	35-R2 *	0	9,113.52	921	8,193	319	3.50	25.7
	TRIMBLE COUNTY CT UNIT 10	35-R2 *	0	9,105.52	921	8,185	318	3.49	25.7
	HAEFLING UNITS 1, 2 & 3	35-R2 *	0	35,805.00	35,805	0	0	-	-
	TOTAL ACCOUNT 346 - MISCELLANEOUS PLANT EQUIPMENT			5,183,418.47	1,294,799	3,888,620	159,898	3.08	24.3
	TOTAL OTHER PRODUCTION PLANT			**490,205,140.28**	**101,751,300**	**409,349,377**	**16,538,993**		
	TRANSMISSION PLANT								
350.10	LAND AND LAND RIGHTS	60-R3	0	23,341,455.00	15,050,587	8,290,867	229,612	0.98	36.1
352.10	STRUCTURES & IMPROVEMENTS-NON SYS CONTROL/COM	65-S2.5	(25)	6,979,653.25	3,813,782	4,910,791	107,419	1.54	45.7
352.20	STRUCTURES & IMPROVEMENTS - SYS CONTROL/COM	60-R3	(25)	1,167,783.17	813,907	645,823	16,739	1.43	38.6
353.10	STATION EQUIPMENT - NON SYS CONTROL/COM	60-R2	(20)	173,142,340.90	59,471,929	148,298,883	3,431,123	1.98	43.2
353.20	STATION EQUIPMENT - SYS CONTROL/COM	30-R2.5	(20)	14,749,280.69	16,016,356	1,682,783	68,381	0.46	24.6
354.00	TOWERS AND FIXTURES	70-R4	(25)	63,308,079.23	42,955,413	36,179,691	763,846	1.21	47.4
355.00	POLES AND FIXTURES	50-R2	(60)	91,302,830.77	64,368,897	81,715,632	2,079,841	2.28	39.3
356.00	OVERHEAD CONDUCTORS AND DEVICES	60-R3	(50)	129,755,652.44	100,060,047	94,573,434	2,325,390	1.79	40.7
357.00	UNDERGROUND CONDUIT	40-L2.5	0	448,760.26	134,595	314,165	11,690	2.60	26.9
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35-R3	0	1,114,761.90	802,730	312,032	14,059	1.26	22.2
	TOTAL TRANSMISSION PLANT			**505,310,597.61**	**303,488,243**	**376,924,101**	**9,048,100**		
	DISTRIBUTION PLANT								
360.10	LAND AND LAND RIGHTS	65-R4	0	1,496,173.36	1,022,041	474,132	9,748	0.65	48.6
361.00	STRUCTURES AND IMPROVMENTS	60-R2.5	(10)	4,457,893.55	1,509,377	3,394,311	73,727	1.65	46.0
362.00	STATION EQUIPMENT	52-R2	(15)	100,792,637.54	30,916,216	84,995,316	2,295,433	2.28	37.0
364.00	POLES, TOWERS, AND FIXTURES	48-S0	(45)	193,793,678.56	108,962,347	172,038,488	4,466,396	2.30	38.5
365.00	OVERHEAD CONDUCTORS AND DEVICES	48-R2	(75)	180,861,758.25	105,672,071	210,836,003	6,121,679	3.38	34.4
366.00	UNDERGOUND CONDUIT	55-S4	0	1,728,495.59	702,456	1,026,041	33,382	1.93	30.7
367.00	UNDERGROUND CONDUCTORS AND DEVICES	44-S0.5	(5)	70,302,254.23	18,432,179	55,385,190	1,471,673	2.09	37.6
368.00	LINE TRANSFORMERS	40-R2	(20)	238,783,304.20	85,924,490	200,615,470	7,390,399	3.10	27.1
369.00	SERVICES	43-R1.5	(30)	83,111,706.05	53,033,588	55,011,631	1,652,284	1.99	33.3
370.00	METERS	40-R1.5	0	64,856,075.30	26,969,792	37,886,282	1,375,808	2.12	27.5
371.00	INSTALLATIONS ON CUSTOMER PREMISES	20-R0.5	(10)	18,276,458.22	14,013,191	6,090,914	434,205	2.38	14.0
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	33-R1	(5)	53,640,293.35	23,870,883	32,451,424	1,229,177	2.29	26.4
	TOTAL DISTRIBUTION PLANT			**1,012,100,728.20**	**471,028,631**	**860,205,202**	**26,553,911**		

KENTUCKY UTILITIES
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	GENERAL PLANT								
390.10	STRUCTURES AND IMPROVEMENTS-TO OWNED PROPERTY	60-S0	(5)	32,199,743.43	8,632,707	25,177,023	534,030	1.66	47.1
390.20	STRUCTURES AND IMPROVEMENTS - LEASED PROPERTY	30-R1	(5)	531,973.44	372,366	186,206	8,315	1.56	22.4
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	6,646,812.13	2,868,652	3,778,161	278,250	4.19	13.6
391.20	NON PC COMPUTER EQUIPMENT	5-SQ	0	11,291,984.97	7,567,325	3,724,660	1,144,982	10.14	3.3
391.30	CASH PROCESSING EQUIPMENT	10-SQ	0	817,574.88	532,363	285,212	45,133	5.52	6.3
391.40	PERSONAL COMPUTER EQUIPMENT	4-SQ	0	1,932,338.58	779,327	1,153,012	407,756	21.10	2.8
393.00	STORES EQUIPMENT	25-SQ	0	738,677.31	289,571	449,105	38,795	5.25	11.6
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	5,333,517.39	1,597,795	3,735,722	253,441	4.75	14.7
395.00	LABORATORY EQUIPMENT	15-SQ	0	3,202,201.94	1,586,334	1,615,868	877,936	27.42	1.8
396.00	POWER OPERATED EQUIPMENT	17-R5	0	270,941.73	99,450	171,492	17,258	6.37	9.9
397.10	COMMUNICATION EQUIPMENT - CARRIER	15-SQ	0	7,578,905.59	1,666,583	5,912,323	540,646	7.13	10.9
397.20	COMMUNICATION EQUIPMENT - REMOTE CONTROL	15-SQ	0	3,913,059.76	1,567,195	2,345,866	311,023	7.95	7.5
397.30	COMMUNICATION EQUIPMENT - MOBILE	15-SQ	0	4,659,773.21	1,806,815	2,852,958	340,124	7.30	8.4
398.00	MISCELLANEOUS EQUIPMENT	10-SQ	0	394,808.70	252,657	142,152	81,105	20.54	1.8
	TOTAL GENERAL PLANT			**79,512,313.06**	**29,619,140**	**51,529,760**	**4,878,794**		
	TOTAL DEPRECIABLE PLANT			**3,605,547,550.97**	**1,807,546,044**	**2,562,215,572**	**96,337,040**		
	NONDEPRECIABLE PLANT								
301.00	ORGANIZATION			44,455.58					
302.00	FRANCHISE AND CONSENTS			83,453.04	43,306				
303.00	MISCELLANEOUS INTANGIBLE PLANT			25,522,749.20	14,549,634				
310.10	LAND			10,478,524.56					
340.10	LAND			118,514.41					
350.10	LAND			1,168,238.43	329				
360.10	LAND			1,744,769.88					
389.10	LAND			2,811,100.83					
	TOTAL NONDEPRECIABLE PLANT			**41,971,805.93**	**14,593,269**				
	ACCOUNTS NOT STUDIED								
392.00	TRANSPORTATION EQUIPMENT			23,860,353.39	23,717,823				
	TOTAL ACCOUNTS NOT STUDIED			**23,860,353.39**	**23,717,823**				
	TOTAL ELECTRIC PLANT			**3,671,379,710.29**	**1,845,857,136**	**2,562,215,572**	**96,337,040**		

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 28

Witness: John J. Spanos

Q-28. If applicable, please calculate all depreciation rates using the same weighting procedure used in the current depreciation rates, i.e., the same procedure used the last time depreciation rates were calculated.

A-28. The spreadsheet in response to AG-27 sets forth the same weighting procedure used in the current depreciation rates with the proposed life and salvage estimates.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 29

Witness: John J. Spanos

Q-29. Please provide the proposed depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

A-29. The attached document sets forth the proposed depreciation rates split into the three components. The electronic Excel files are included on the attached CD.

KENTUCKY UTILITIES

CALCULATED ANNUAL ACCRUAL RATE AND AMOUNT BY
COMPONENT AS OF DECEMBER 31, 2006

ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ANNUAL ACCRUAL AMOUNT	CAPITAL RECOVERY ACCRUAL RATE	CAPITAL RECOVERY ACCRUAL AMOUNT	COST OF REMOVAL ACCRUAL RATE	COST OF REMOVAL ACCRUAL AMOUNT	GROSS SALVAGE ACCRUAL RATE	GROSS SALVAGE ACCRUAL AMOUNT
(1)	(2)		(3)	(4)	(5)	(6)	(8)=(7)/(4)	(7)						
DEPRECIABLE PLANT														
STEAM PRODUCTION PLANT														
311.00 STRUCTURES AND IMPROVEMENTS														
TYRONE UNIT 3	100-S1.5	*	(5)	5,447,348.04	5,719,715	0	0.00	0	0.00	0	0.00	0	0.00	0
TYRONE UNITS 1 & 2	100-S1.5	*	(5)	594,089.12	623,794	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 3	100-S1.5	*	(5)	2,818,747.44	2,959,685	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 4	100-S1.5	*	(5)	4,475,383.84	4,699,153	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNITS 1 & 2	100-S1.5	*	(5)	2,596,589.06	2,726,419	0	0.00	0	0.00	0	0.00	0	0.00	0
E W BROWN STEAM UNIT 1	100-S1.5	*	(5)	4,294,488.60	4,019,371	489,841	0.59	25,348	0.53	22,761	0.06	2,585	0.00	0
E W BROWN STEAM UNIT 2	100-S1.5	*	(5)	1,542,703.85	1,601,064	18,776	0.06	967	0.06	967	0.00	0	0.00	0
E W BROWN STEAM UNIT 3	100-S1.5	*	(5)	12,466,774.95	11,772,698	1,317,416	0.55	68,473	0.49	61,087	0.06	7,386	0.00	0
GHENT UNIT 1 SCRUBBER	100-S1.5	*	(5)	24,298,756.00	12,908,242	12,605,452	2.69	652,456	2.43	590,460	0.26	61,996	0.00	0
GHENT UNIT 1	100-S1.5	*	(5)	17,160,534.10	16,693,763	1,324,798	0.40	69,345	0.35	60,062	0.05	9,283	0.00	0
GHENT UNIT 2	100-S1.5	*	(5)	16,175,819.55	15,322,267	1,662,345	0.52	83,706	0.46	74,409	0.06	9,297	0.00	0
GHENT UNIT 3	100-S1.5	*	(5)	43,264,065.36	30,879,487	14,547,783	1.19	515,455	1.01	436,987	0.18	78,488	0.00	0
GHENT UNIT 4	100-S1.5	*	(5)	22,674,788.92	14,896,973	9,111,535	1.42	321,933	1.24	281,167	0.18	40,766	0.00	0
SYSTEM LABORATORY	100-S1.5	*	(5)	805,717.00	489,488	356,515	1.56	12,554	1.38	11,119	0.18	1,435	0.00	0
TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				158,615,785.63	125,112,119	41,434,461	1.10	1,750,235		1,538,998		211,236		0
312.00 BOILER PLANT EQUIPMENT														
TYRONE UNIT 3	65-R2	*	(20)	12,078,002.67	8,722,987	5,770,617	4.30	519,882	3.49	421,522	0.91	110,438	(0.10)	(12,078)
TYRONE UNITS 1 & 2	65-R2	*	(20)	3,531,623.26	4,237,948	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 3	65-R2	*	(20)	11,195,261.77	9,229,286	4,205,028	3.39	379,029	2.77	310,109	0.72	80,115	(0.10)	(11,195)
GREEN RIVER UNIT 4	65-R2	*	(20)	23,652,944.82	16,557,439	11,826,097	4.50	1,063,270	3.69	872,794	0.91	214,129	(0.10)	(23,653)
GREEN RIVER UNITS 1 & 2	65-R2	*	(20)	399,431.39	368,045	111,274	2.52	10,056	1.90	7,590	0.69	2,746	(0.07)	(280)
E W BROWN STEAM UNIT 1	65-R2	*	(20)	35,546,187.28	22,619,327	20,036,098	3.10	1,103,182	2.39	849,554	0.81	289,174	(0.10)	(35,546)
E W BROWN STEAM UNIT 2	65-R2	*	(20)	29,161,949.77	18,383,045	16,611,295	3.14	916,666	2.42	705,719	0.82	240,109	(0.10)	(29,162)
E W BROWN STEAM UNIT 3	65-R2	*	(20)	79,655,480.64	53,468,196	42,118,379	2.95	2,346,042	2.32	1,848,007	0.73	577,690	(0.10)	(79,655)
PINEVILLE UNIT 3	65-R2	*	(20)	279,751.37	335,702	0	0.00	0	0.00	0	0.00	0	0.00	0
GHENT UNIT 1 SCRUBBER	65-R2	*	(20)	86,520,258.20	39,966,835	63,857,475	4.01	3,465,712	3.22	2,785,952	0.89	766,280	(0.10)	(86,520)
GHENT UNIT 1	65-R2	*	(20)	162,626,761.08	76,622,234	118,529,880	4.02	6,529,927	3.22	5,236,582	0.87	1,407,184	(0.07)	(113,839)
GHENT UNIT 2	65-R2	*	(20)	89,742,087.02	66,731,446	40,959,059	2.45	2,197,679	1.87	1,678,177	0.65	582,321	(0.07)	(62,819)
GHENT UNIT 3	65-R2	*	(20)	244,747,430.08	120,644,237	173,052,678	2.76	6,756,924	2.27	5,555,767	0.56	1,372,481	(0.07)	(171,323)
GHENT UNIT 4	65-R2	*	(20)	247,916,189.17	109,503,263	187,996,162	2.94	7,280,499	2.36	5,850,822	0.65	1,603,218	(0.07)	(173,541)
GHENT LOCOMOTIVES - RAIL CARS	25-R2		20	7,647,232.00	4,122,523	1,995,263	2.41	184,405	3.06	234,095	0.00	0	(0.65)	(49,600)
TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				1,034,700,590.52	551,512,513	687,069,305	3.17	32,753,273		26,356,600		7,245,885		(849,212)
314.00 TURBOGENERATOR UNITS														
TYRONE UNIT 3	55-R2.5	*	(15)	4,154,426.75	3,064,045	1,713,546	3.68	152,742	3.24	134,603	0.59	24,371	(0.15)	(6,232)
TYRONE UNITS 1 & 2	55-R2.5	*	(15)	1,592,029.00	1,630,833	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 3	55-R2.5	*	(15)	4,214,807.78	3,360,699	1,486,329	3.14	132,222	2.70	113,800	0.59	24,744	(0.15)	(6,322)
GREEN RIVER UNIT 4	55-R2.5	*	(15)	10,005,416.72	6,952,620	4,553,609	4.05	405,353	3.60	360,195	0.60	60,166	(0.15)	(15,008)
E W BROWN STEAM UNIT 1	55-R2.5	*	(15)	4,997,832.45	4,772,139	975,367	1.16	57,983	0.84	41,982	0.35	17,501	(0.03)	(1,499)
E W BROWN STEAM UNIT 2	55-R2.5	*	(15)	10,874,093.96	6,579,585	5,925,623	3.04	330,582	2.65	288,163	0.54	58,730	(0.15)	(16,311)
E W BROWN STEAM UNIT 3	55-R2.5	*	(15)	27,652,379.12	15,279,800	16,520,436	3.31	916,484	2.85	788,093	0.61	169,870	(0.15)	(41,479)
PINEVILLE UNIT 3	55-R2.5	*	(15)	8.00	7	0	0.00	0	0.00	0	0.00	0	0.00	0
GHENT UNIT 1	55-R2.5	*	(15)	25,577,292.00	18,903,112	10,510,773	2.36	603,143	2.00	511,546	0.44	112,059	(0.08)	(20,462)
GHENT UNIT 2	55-R2.5	*	(15)	29,546,660.86	22,189,630	11,789,030	2.19	647,734	1.80	531,840	0.47	139,531	(0.08)	(23,637)
GHENT UNIT 3	55-R2.5	*	(15)	39,424,927.73	25,475,619	19,863,048	2.11	831,070	1.77	697,821	0.42	164,789	(0.08)	(31,540)
GHENT UNIT 4	55-R2.5	*	(15)	51,736,214.11	30,273,930	29,222,717	2.30	1,189,148	1.90	982,988	0.48	247,547	(0.08)	(41,389)
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				209,776,086.48	138,682,019	102,560,478	2.51	5,266,459		4,451,031		1,019,308		(203,879)
315.00 ACCESSORY ELECTRIC EQUIPMENT														
TYRONE UNIT 3	70-S3	*	(5)	570,737.00	599,274	0	0.00	0	0.00	0	0.00	0	0.00	0
TYRONE UNITS 1 & 2	70-S3	*	(5)	828,017.00	869,418	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 3	70-S3	*	(5)	741,256.89	778,320	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 4	70-S3	*	(5)	1,145,214.38	1,008,938	193,538	1.47	16,833	1.38	15,804	0.09	1,029	0.00	0
E W BROWN STEAM UNIT 1	70-S3	*	(5)	3,329,621.65	2,140,357	1,355,747	2.09	69,582	1.99	66,259	0.10	3,323	0.00	0
E W BROWN STEAM UNIT 2	70-S3	*	(5)	997,856.05	960,046	87,704	0.45	4,503	0.39	3,892	0.06	611	0.00	0
E W BROWN STEAM UNIT 3	70-S3	*	(5)	5,145,132.14	4,867,800	534,587	0.54	27,602	0.48	24,697	0.06	2,905	0.00	0
PINEVILLE UNIT 3	70-S3	*	(5)	4,091.00	4,296	0	0.00	0	0.00	0	0.00	0	0.00	0
GHENT UNIT 1 SCRUBBER	70-S3	*	(5)	3,016,784.00	1,584,330	1,603,293	2.73	82,305	2.47	74,515	0.26	7,790	0.00	0
GHENT UNIT 1	70-S3	*	(5)	7,641,004.90	7,191,574	831,482	0.57	43,533	0.53	40,497	0.04	3,036	0.00	0
GHENT UNIT 2	70-S3	*	(5)	10,785,959.00	9,980,211	1,345,046	0.63	68,085	0.60	64,716	0.03	3,369	0.00	0
GHENT UNIT 3	70-S3	*	(5)	25,961,222.00	19,868,126	7,391,157	1.05	272,300	0.86	223,267	0.19	49,033	0.00	0
GHENT UNIT 4	70-S3	*	(5)	21,911,934.44	15,459,339	7,548,191	1.24	271,762	1.06	232,267	0.18	39,495	0.00	0
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				82,078,830.45	65,292,029	20,890,745	1.04	856,505		745,912		110,591		0
316.00 MISCELLANEOUS PLANT EQUIPMENT														
TYRONE UNIT 3	70-R1.5	*	0	508,751.25	315,228	193,523	3.45	17,551	3.45	17,551	0.00	0	0.00	0
TYRONE UNITS 1 & 2	70-R1.5	*	0	59,096.15	59,096	0	0.00	0	0.00	0	0.00	0	0.00	0
GREEN RIVER UNIT 3	70-R1.5	*	0	153,389.71	81,176	72,214	4.28	6,560	4.28	6,560	0.00	0	0.00	0
GREEN RIVER UNIT 4	70-R1.5	*	0	2,096,051.79	1,391,491	704,560	3.04	63,637	3.04	63,637	0.00	0	0.00	0
GREEN RIVER UNITS 1 & 2	70-R1.5	*	0	84,747.63	84,748	0	0.00	0	0.00	0	0.00	0	0.00	0
E W BROWN STEAM UNIT 1	70-R1.5	*	0	424,040.93	240,971	183,070	2.41	10,204	2.41	10,204	0.00	0	0.00	0
E W BROWN STEAM UNIT 2	70-R1.5	*	0	85,648.00	73,141	12,507	0.82	701	0.82	701	0.00	0	0.00	0

KENTUCKY UTILITIES

CALCULATED ANNUAL ACCRUAL RATE AND AMOUNT BY
COMPONENT AS OF DECEMBER 31, 2006

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ANNUAL ACCRUAL AMOUNT	CAPITAL RECOVERY ACCRUAL RATE	CAPITAL RECOVERY ACCRUAL AMOUNT	COST OF REMOVAL ACCRUAL RATE	COST OF REMOVAL ACCRUAL AMOUNT	GROSS SALVAGE ACCRUAL RATE	GROSS SALVAGE ACCRUAL AMOUNT
	(1)	(2)		(3)	(4)	(5)	(6)	(8)=(7)/(4)	(7)						
	E W BROWN STEAM UNIT 3	70-R1.5	*	0	4,233,635.79	2,355,622	1,878,013	2.47	104,641	2.47	104,641	0.00	0	0.00	0
	PINEVILLE UNIT 3	70-R1.5	*	0	56,811.00	55,936	673	0.34	193	0.34	193	0.00	0	0.00	0
	GHENT UNIT 1 SCRUBBER	70-R1.5	*	0	985,410.00	450,352	535,058	3.00	29,529	3.00	29,529	0.00	0	0.00	0
	GHENT UNIT 1	70-R1.5	*	0	1,756,976.98	1,283,365	473,612	1.51	26,492	1.51	26,492	0.00	0	0.00	0
	GHENT UNIT 2	70-R1.5	*	0	1,493,092.78	1,168,299	324,794	1.17	17,453	1.17	17,453	0.00	0	0.00	0
	GHENT UNIT 3	70-R1.5	*	0	3,118,291.77	2,004,428	113,864	1.41	43,990	1.41	43,990	0.00	0	0.00	0
	GHENT UNIT 4	70-R1.5	*	0	6,052,103.27	2,775,136	3,276,968	2.12	128,225	2.12	128,225	0.00	0	0.00	0
	SYSTEM LABORATORY	70-R1.5	*	0	2,198,264.39	555,212	1,643,053	2.96	65,004	2.96	65,004	0.00	0	0.00	0
	TOTAL ACCOUNT 316 - MISCELLANEOUS PLANT EQUIPMENT				23,306,111.44	12,894,203	9,411,909	2.21	514,180		514,180		0		0
	TOTAL STEAM PRODUCTION PLANT				**1,508,477,404.52**	**893,492,883**	**861,366,898**		**41,140,852**		**33,606,722**		**8,587,020**		**(1,053,092)**
	HYDROELECTRIC PRODUCTION PLANT														
330.10	LAND AND LAND RIGHTS														
	DIX DAM	100-R4	*	0	879,311.47	905,781	(26,470)	0.00	0	0.00	0	0.00	0	0.00	0
	TOTAL ACCOUNT 330.1 - LAND RIGHTS				879,311.47	905,781	(26,470)	0.00	0		0		0		0
331.00	STRUCTURES AND IMPROVEMENTS														
	DIX DAM	90-S2.5	*	(5)	453,195.00	316,800	159,057	1.31	5,936	1.20	5,438	0.11	498	0.00	0
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				453,195.00	316,800	159,057	1.31	5,936		5,438		498		0
332.00	RESERVOIRS, DAMS & WATERWAY														
	DIX DAM	100-S2.5	*	0	7,954,452.04	6,384,461	1,569,991	0.73	57,862	0.73	57,862	0.00	0	0.00	0
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS & WATERWAYS				7,954,452.04	6,384,461	1,569,991	0.73	57,862		57,862		0		0
333.00	WATER WHEELS, TURBINES & GENERATORS														
	DIX DAM	80-R3	*	(10)	420,536.56	394,072	68,518	0.68	2,877	0.57	2,397	0.14	606	(0.03)	(126)
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES & GENERATORS				420,536.56	394,072	68,518	0.68	2,877		2,397		606		(126)
334.00	ACCESSORY ELECTRIC EQUIPMENT														
	DIX DAM	40-L2.5	*	0	85,383.14	76,888	8,495	0.93	796	0.93	796	0.00	0	0.00	0
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				85,383.14	76,888	8,495	0.93	796		796		0		0
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT														
	DIX DAM	35-L1	*	0	101,512.96	39,455	62,058	4.21	4,275	4.21	4,275	0.00	0	0.00	0
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				101,512.96	39,455	62,058	4.21	4,275		4,275		0		0
336.00	ROADS, RAILROADS & BRIDGES														
	DIX DAM	55-R4	*	0	46,976.13	48,390	(1,414)	0.00	0	0.00	0	0.00	0	0.00	0
	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES				46,976.13	48,390	(1,414)	0.00	0		0		0		0
	TOTAL HYDROELECTRIC PRODUCTION PLANT				**9,941,367.30**	**8,165,847**	**1,840,235**		**71,746**		**70,768**		**1,104**		**(126)**
	OTHER PRODUCTION PLANT														
340.10	LAND AND LAND RIGHTS														
	E W BROWN CT UNIT 9 GAS PIPE	30-R0.5	*	0	176,409.31	71,698	104,711	3.62	6,381	3.62	6,381	0.00	0	0.00	0
	TOTAL ACCOUNT 340.1 - LAND AND LAND RIGHTS				176,409.31	71,698	104,711	3.62	6,381		6,381		0		0
341.00	STRUCTURES AND IMPROVEMENTS														
	PADDY'S RUN GENERATOR 13	40-R2.5	*	0	1,910,328.00	375,728	1,534,600	3.33	63,702	3.33	63,702	0.00	0	0.00	0
	E W BROWN CT UNIT 5	40-R2.5	*	0	775,082.20	150,496	624,586	3.34	25,915	3.34	25,915	0.00	0	0.00	0
	E W BROWN CT UNIT 6	40-R2.5	*	0	192,813.69	38,979	155,835	3.40	6,564	3.40	6,564	0.00	0	0.00	0
	E W BROWN CT UNIT 7	40-R2.5	*	0	544,968.20	127,359	417,608	3.24	17,648	3.24	17,648	0.00	0	0.00	0
	E W BROWN CT UNIT 8	40-R2.5	*	0	2,012,854.53	717,185	1,295,470	2.87	57,754	2.87	57,754	0.00	0	0.00	0
	E W BROWN CT UNIT 9	40-R2.5	*	0	4,641,054.53	1,653,708	2,987,347	2.87	133,370	2.87	133,370	0.00	0	0.00	0
	E W BROWN CT UNIT 10	40-R2.5	*	0	1,865,718.54	662,136	1,203,583	2.87	53,599	2.87	53,599	0.00	0	0.00	0
	E W BROWN CT UNIT 11	40-R2.5	*	0	1,858,754.33	579,363	1,279,391	3.00	55,693	3.00	55,693	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 5	40-R2.5	*	0	3,740,231.26	596,982	3,143,249	3.47	129,823	3.47	129,823	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 6	40-R2.5	*	0	3,588,684.33	593,132	2,995,552	3.44	123,571	3.44	123,571	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 7	40-R2.5	*	0	3,559,154.97	349,559	3,209,596	3.69	131,272	3.69	131,272	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 8	40-R2.5	*	0	3,548,851.71	348,547	3,200,305	3.69	130,892	3.69	130,892	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 9	40-R2.5	*	0	3,655,976.41	359,069	3,296,907	3.69	134,843	3.69	134,843	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 10	40-R2.5	*	0	3,653,029.99	358,779	3,294,251	3.69	134,734	3.69	134,734	0.00	0	0.00	0
	HAEFLING UNITS 1, 2 & 3	40-R2.5	*	0	434,853.00	300,252	134,601	8.89	38,680	8.89	38,680	0.00	0	0.00	0
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS				35,982,153.69	7,209,274	28,772,881	3.44	1,238,060		1,238,060		0		0

KENTUCKY UTILITIES

CALCULATED ANNUAL ACCRUAL RATE AND AMOUNT BY
COMPONENT AS OF DECEMBER 31, 2006

ACCOUNT		SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ANNUAL ACCRUAL AMOUNT	CAPITAL RECOVERY ACCRUAL RATE	CAPITAL RECOVERY ACCRUAL AMOUNT	COST OF REMOVAL ACCRUAL RATE	COST OF REMOVAL ACCRUAL AMOUNT	GROSS SALVAGE ACCRUAL RATE	GROSS SALVAGE ACCRUAL AMOUNT
(1)		(2)		(3)	(4)	(5)	(6)	(8)=(7)/(4)	(7)						
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES														
	PADDY'S RUN GENERATOR 13	45-R2.5	*	(5)	1,995,102.07	404,157	1,690,700	3.37	67,171	3.17	63,245	0.20	3,926	0.00	0
	E W BROWN CT UNIT 5	45-R2.5	*	(5)	727,929.00	148,463	615,863	3.36	24,468	3.16	23,003	0.20	1,465	0.00	0
	E W BROWN CT UNIT 6	45-R2.5	*	(5)	146,515.00	38,638	115,203	3.16	4,634	2.96	4,337	0.20	297	0.00	0
	E W BROWN CT UNIT 7	45-R2.5	*	(5)	145,745.00	38,436	114,596	3.16	4,610	2.96	4,314	0.20	296	0.00	0
	E W BROWN CT UNIT 8	45-R2.5	*	(5)	19,813.00	7,143	13,450	2.86	561	2.65	520	0.21	41	0.00	0
	E W BROWN CT UNIT 9	45-R2.5	*	(5)	1,932,186.25	695,345	1,333,450	2.87	55,420	2.66	51,396	0.21	4,024	0.00	0
	E W BROWN CT UNIT 10	45-R2.5	*	(5)	31,737.00	11,625	21,699	2.85	904	2.64	838	0.21	66	0.00	0
	E W BROWN CT UNIT 11	45-R2.5	*	(5)	52,430.00	17,146	37,906	2.96	1,553	2.76	1,447	0.20	106	0.00	0
	E W BROWN CT UNIT 9 GAS PIPE	45-R2.5	*	(5)	8,106,131.85	3,123,195	5,388,243	2.79	226,400	2.58	209,138	0.21	17,262	0.00	0
	TRIMBLE COUNTY CT UNIT 5	45-R2.5	*	(5)	239,584.64	41,085	210,478	3.48	8,333	3.28	7,858	0.20	475	0.00	0
	TRIMBLE COUNTY CT UNIT 6	45-R2.5	*	(5)	239,245.94	41,042	210,168	3.48	8,320	3.28	7,847	0.20	473	0.00	0
	TRIMBLE COUNTY CT PIPELINE	45-R2.5	*	(5)	4,850,114.45	793,544	4,299,077	3.51	170,253	3.31	160,539	0.20	9,714	0.00	0
	TRIMBLE COUNTY CT UNIT 7	45-R2.5	*	(5)	578,059.38	59,057	547,905	3.74	21,614	3.54	20,463	0.20	1,151	0.00	0
	TRIMBLE COUNTY CT UNIT 8	45-R2.5	*	(5)	576,385.74	58,886	546,319	3.74	21,551	3.54	20,404	0.20	1,147	0.00	0
	TRIMBLE COUNTY CT UNIT 9	45-R2.5	*	(5)	593,768.01	60,664	562,811	3.74	22,202	3.54	21,020	0.20	1,182	0.00	0
	TRIMBLE COUNTY CT UNIT 10	45-R2.5	*	(5)	593,307.31	60,615	562,358	3.74	22,184	3.54	21,003	0.20	1,181	0.00	0
	HAEFLING UNITS 1, 2 & 3	45-R2.5	*	(5)	181,132.00	167,221	2,967	0.48	878	0.44	797	0.04	81	0.00	0
	TOTAL ACCOUNT 342 - FULE HOLDERS, PRODUCERS AND ACCESSORIES				21,009,004.64	5,786,262	16,273,191	3.15	661,056		618,169		42,887		0
343.00	PRIME MOVERS														
	PADDY'S RUN GENERATOR 13	35-R1	*	(5)	17,420,148.57	3,256,031	15,035,125	4.49	781,353	4.23	736,872	0.26	44,481	0.00	0
	E W BROWN CT UNIT 5	35-R1	*	(5)	13,164,181.28	2,344,303	11,478,087	4.60	605,724	4.34	571,325	0.26	34,399	0.00	0
	E W BROWN CT UNIT 6	35-R1	*	(5)	30,399,242.38	6,340,154	25,579,050	4.52	1,374,653	4.26	1,295,008	0.26	79,645	0.00	0
	E W BROWN CT UNIT 7	35-R1	*	(5)	30,001,197.85	6,014,949	25,486,310	4.56	1,366,988	4.29	1,287,051	0.27	79,937	0.00	0
	E W BROWN CT UNIT 8	35-R1	*	(5)	20,074,864.20	5,723,980	15,354,627	4.13	829,899	3.87	776,897	0.26	53,002	0.00	0
	E W BROWN CT UNIT 9	35-R1	*	(5)	21,502,645.45	6,583,994	15,993,785	4.00	860,046	3.73	802,049	0.27	57,997	0.00	0
	E W BROWN CT UNIT 10	35-R1	*	(5)	19,670,647.49	5,861,311	14,792,869	4.04	794,130	3.77	741,583	0.27	52,547	0.00	0
	E W BROWN CT UNIT 11	35-R1	*	(5)	34,239,853.35	8,550,689	27,401,157	4.17	1,426,488	3.91	1,338,778	0.26	87,710	0.00	0
	TRIMBLE COUNTY CT UNIT 5	35-R1	*	(5)	30,530,609.97	4,851,540	27,205,600	4.66	1,424,174	4.40	1,343,347	0.26	80,827	0.00	0
	TRIMBLE COUNTY CT UNIT 6	35-R1	*	(5)	30,442,270.01	4,852,084	27,112,299	4.66	1,417,650	4.40	1,339,460	0.26	78,190	0.00	0
	TRIMBLE COUNTY CT UNIT 7	35-R1	*	(5)	22,773,833.23	2,261,673	21,650,852	5.17	1,177,184	4.90	1,115,918	0.27	61,266	0.00	0
	TRIMBLE COUNTY CT UNIT 8	35-R1	*	(5)	22,568,286.07	2,249,154	21,447,547	5.16	1,164,991	4.89	1,103,589	0.27	61,402	0.00	0
	TRIMBLE COUNTY CT UNIT 9	35-R1	*	(5)	22,401,685.39	2,232,370	21,289,400	5.16	1,156,427	4.89	1,095,442	0.27	60,985	0.00	0
	TRIMBLE COUNTY CT UNIT 10	35-R1	*	(5)	22,378,127.55	2,229,974	21,267,060	5.16	1,155,221	4.89	1,094,290	0.27	60,931	0.00	0
	TOTAL ACCOUNT 343 - PRIME MOVERS				337,567,592.79	63,352,206	291,093,768	4.60	15,534,928		14,641,611		893,319		0
344.00	GENERATORS														
	PADDY'S RUN GENERATOR 13	55-S3	*	(5)	5,185,636.00	1,000,671	4,444,247	2.96	153,355	2.78	144,161	0.21	10,750	(0.03)	(1,556)
	E W BROWN CT UNIT 5	55-S3	*	(5)	2,831,528.00	546,464	2,426,640	2.96	83,734	2.78	78,716	0.21	5,867	(0.03)	(849)
	E W BROWN CT UNIT 6	55-S3	*	(5)	3,712,349.00	930,025	2,967,941	2.78	103,305	2.61	96,892	0.20	7,526	(0.03)	(1,114)
	E W BROWN CT UNIT 7	55-S3	*	(5)	3,722,788.00	930,935	2,977,992	2.78	103,647	2.61	97,165	0.20	7,599	(0.03)	(1,117)
	E W BROWN CT UNIT 8	55-S3	*	(5)	4,953,961.00	1,744,701	3,456,958	2.49	123,375	2.31	114,437	0.21	10,425	(0.03)	(1,486)
	E W BROWN CT UNIT 9	55-S3	*	(5)	5,452,041.03	2,147,930	3,576,713	2.36	128,546	2.18	118,854	0.21	11,327	(0.03)	(1,636)
	E W BROWN CT UNIT 10	55-S3	*	(5)	4,944,693.00	1,741,437	3,450,491	2.49	123,144	2.31	114,222	0.21	10,405	(0.03)	(1,483)
	E W BROWN CT UNIT 11	55-S3	*	(5)	5,187,040.00	1,697,580	3,748,812	2.56	132,628	2.38	123,452	0.21	10,731	(0.03)	(1,556)
	TRIMBLE COUNTY CT UNIT 5	55-S3	*	(5)	3,763,274.68	608,829	3,342,609	3.06	115,019	2.88	108,382	0.21	7,766	(0.03)	(1,129)
	TRIMBLE COUNTY CT UNIT 6	55-S3	*	(5)	3,757,946.86	608,189	3,337,655	3.06	114,849	2.88	108,229	0.21	7,748	(0.03)	(1,127)
	TRIMBLE COUNTY CT UNIT 7	55-S3	*	(5)	2,950,282.37	281,361	2,816,435	3.26	96,321	3.09	91,164	0.20	6,042	(0.03)	(885)
	TRIMBLE COUNTY CT UNIT 8	55-S3	*	(5)	2,937,930.22	280,183	2,804,644	3.26	95,918	3.09	90,782	0.20	6,017	(0.03)	(881)
	TRIMBLE COUNTY CT UNIT 9	55-S3	*	(5)	2,957,520.12	282,052	2,823,344	3.26	96,558	3.09	91,387	0.20	6,058	(0.03)	(887)
	TRIMBLE COUNTY CT UNIT 10	55-S3	*	(5)	2,954,148.53	281,730	2,820,126	3.26	96,448	3.09	91,283	0.20	6,051	(0.03)	(886)
	HAEFLING UNITS 1, 2 & 3	55-S3	*	(5)	4,023,003.00	4,224,153	0	0.00	0	0.00	0	0.00	0	0.00	0
	TOTAL ACCOUNT 344 - GENERATORS				59,334,141.81	17,306,240	44,994,607	2.64	1,565,845		1,469,127		114,312		(16,593)
345.00	ACCESSORY ELECTRIC EQUIPMENT														
	PADDY'S RUN GENERATOR 13	45-R3	*	0	2,456,320.00	489,484	1,966,836	3.04	74,641	3.04	74,641	0.00	0	0.00	0
	E W BROWN CT UNIT 5	45-R3	*	0	1,332,167.00	265,460	1,066,707	3.04	40,481	3.04	40,481	0.00	0	0.00	0
	E W BROWN CT UNIT 6	45-R3	*	0	1,354,817.00	350,766	1,004,051	2.86	38,707	2.86	38,707	0.00	0	0.00	0
	E W BROWN CT UNIT 7	45-R3	*	0	1,347,700.00	348,924	998,776	2.86	38,503	2.86	38,503	0.00	0	0.00	0
	E W BROWN CT UNIT 8	45-R3	*	0	1,797,054.00	656,655	1,140,399	2.56	45,919	2.56	45,919	0.00	0	0.00	0
	E W BROWN CT UNIT 9	45-R3	*	0	3,226,185.73	1,235,538	1,990,648	2.49	80,416	2.49	80,416	0.00	0	0.00	0
	E W BROWN CT UNIT 10	45-R3	*	0	1,804,419.00	642,291	1,162,128	2.58	46,535	2.58	46,535	0.00	0	0.00	0
	E W BROWN CT UNIT 11	45-R3	*	0	916,326.00	311,168	605,158	2.63	24,105	2.63	24,105	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 5	45-R3	*	0	1,677,092.15	279,612	1,397,480	3.14	52,610	3.14	52,610	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 6	45-R3	*	0	1,674,719.12	279,319	1,395,400	3.14	52,533	3.14	52,533	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 7	45-R3	*	0	3,146,235.12	308,688	2,837,547	3.35	105,446	3.35	105,446	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 8	45-R3	*	0	3,137,127.45	307,794	2,829,333	3.35	105,141	3.35	105,141	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 9	45-R3	*	0	3,231,827.28	317,085	2,914,742	3.35	108,314	3.35	108,314	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 10	45-R3	*	0	3,229,222.72	316,830	2,912,393	3.35	108,227	3.35	108,227	0.00	0	0.00	0
	HAEFLING UNITS 1, 2 & 3	45-R3	*	0	621,207.00	621,207	0	0.00	0	0.00	0	0.00	0	0.00	0
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				30,952,419.57	6,730,821	24,221,598	2.98	921,578		921,578		0		0
346.00	MISCELLANEOUS PLANT EQUIPMENT														
	PADDY'S RUN GENERATOR 13	35-R2	*	0	1,089,549.00	227,012	862,537	3.70	40,342	3.70	40,342	0.00	0	0.00	0
	E W BROWN CT UNIT 5	35-R2	*	0	2,108,910.25	437,065	1,671,845	3.71	78,184	3.71	78,184	0.00	0	0.00	0
	E W BROWN CT UNIT 6	35-R2	*	0	48,958.88	8,009	40,950	3.93	1,922	3.93	1,922	0.00	0	0.00	0
	E W BROWN CT UNIT 7	35-R2	*	0	35,647.85	7,076	28,572	3.76	1,341	3.76	1,341	0.00	0	0.00	0
	E W BROWN CT UNIT 8	35-R2	*	0	230,069.23	85,995	144,074	3.20	7,354	3.20	7,354	0.00	0	0.00	0
	E W BROWN CT UNIT 9	35-R2	*	0	760,256.23	284,968	475,288	3.19	24,261	3.19	24,261	0.00	0	0.00	0
	E W BROWN CT UNIT 10	35-R2	*	0	274,390.79	94,028	180,365	3.30	9,047	3.30	9,047	0.00	0	0.00	0

KENTUCKY UTILITIES

CALCULATED ANNUAL ACCRUAL RATE AND AMOUNT BY COMPONENT AS OF DECEMBER 31, 2006

ACCOUNT		SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL RATE	CALCULATED ANNUAL ACCRUAL AMOUNT	CAPITAL RECOVERY ACCRUAL RATE	CAPITAL RECOVERY ACCRUAL AMOUNT	COST OF REMOVAL ACCRUAL RATE	COST OF REMOVAL ACCRUAL AMOUNT	GROSS SALVAGE ACCRUAL RATE	GROSS SALVAGE ACCRUAL AMOUNT
(1)		(2)	(3)	(4)	(5)	(6)	(8)=(7)/(4)	(7)						
	E W BROWN CT UNIT 11	35-R2	* 0	548,588.10	112,820	435,768	3.76	20,615	3.76	20,615	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 5	35-R2	* 0	15,274.16	375	14,899	4.81	734	4.81	734	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 7	35-R2	* 0	8,888.93	937	7,952	4.13	367	4.13	367	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 8	35-R2	* 0	8,861.01	934	7,927	4.13	366	4.13	366	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 9	35-R2	* 0	9,113.52	961	8,153	4.14	377	4.14	377	0.00	0	0.00	0
	TRIMBLE COUNTY CT UNIT 10	35-R2	* 0	9,105.52	960	8,146	4.13	376	4.13	376	0.00	0	0.00	0
	HAEFLING UNITS 1, 2 & 3			35,805.00	33,661	2,144	1.97	707	1.97	707		0		0
	TOTAL ACCOUNT 346 - MISCELLANEOUS PLANT EQUIPMENT			5,183,418.47	1,294,799	3,888,620	3.59	185,993		185,993		0		(16,593)
	TOTAL OTHER PRODUCTION PLANT			**490,205,140.28**	**101,751,300**	**409,349,376**		**20,114,841**		**19,080,919**		**1,050,518**		
	TRANSMISSION PLANT													
350.10	LAND AND LAND RIGHTS	60-R3	0	23,341,455.00	15,050,587	8,290,867	1.12	261,836	1.12	261,836	0.00	0	0.00	0
352.10	STRUCTURES & IMPROVEMENTS-NON SYS CONTROL/COM	65-S2.5	(25)	6,979,853.25	3,813,782	4,910,791	1.75	122,181	1.27	88,642	0.48	33,539	0.00	0
352.20	STRUCTURES & IMPROVEMENTS - SYS CONTROL/COM	60-R3	(25)	1,167,783.17	813,907	645,823	1.63	18,983	1.22	14,247	0.41	4,736	0.00	0
353.10	STATION EQUIPMENT - NON SYS CONTROL/COM	60-R2	(20)	173,142,340.90	59,471,929	148,298,883	2.48	4,293,680	2.15	3,722,560	0.48	835,462	(0.17)	(294,342)
353.20	STATION EQUIPMENT - SYS CONTROL/COM	30-R2.5	(20)	14,749,280.69	15,016,356	1,682,783	0.56	81,930	0.46	67,847	0.48	19,983	(0.04)	(5,900)
354.00	TOWERS AND FIXTURES	70-R4	(25)	63,308,079.23	42,955,413	36,179,691	1.30	825,342	1.00	633,081	0.14	255,569	(0.10)	(63,308)
355.00	POLES AND FIXTURES	50-R2	(60)	91,302,830.77	64,368,897	81,715,632	2.91	2,658,331	1.96	1,789,535	0.40	1,124,444	(0.28)	(255,648)
356.00	OVERHEAD CONDUCTORS AND DEVICES	60-R3	(50)	129,755,652.44	100,060,047	94,573,434	2.05	2,662,982	1.54	1,998,237	1.23	950,207	(0.22)	(285,462)
357.00	UNDERGROUND CONDUIT	40-L2.5	0	448,760.26	134,595	314,165	3.19	14,316	3.19	14,316	0.73	0	0.00	0
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35-R3	0	1,114,761.90	802,730	312,032	1.45	16,119	1.45	16,119	0.00	0	0.00	0
	TOTAL TRANSMISSION PLANT			**505,310,597.61**	**303,488,243**	**376,924,101**		**10,925,700**		**8,606,419**		**3,223,940**		**(904,660)**
	DISTRIBUTION PLANT													
360.10	LAND AND LAND RIGHTS	65-R4	0	1,496,173.36	1,022,041	474,132	0.70	10,512	0.70	10,512	0.00	0	0.00	0
361.00	STRUCTURES AND IMPROVEMENTS	60-R2.5	(10)	4,457,893.55	1,509,377	3,394,311	2.00	89,107	1.71	76,230	0.29	12,877	0.00	0
362.00	STATION EQUIPMENT	52-R2	(15)	100,792,837.54	30,916,216	84,995,316	2.82	2,844,305	2.48	2,499,657	0.48	485,757	(0.14)	(141,110)
364.00	POLES, TOWERS, AND FIXTURES	48-S0	(45)	193,793,878.56	108,962,347	172,038,488	3.25	6,290,146	2.35	4,554,151	1.11	2,142,961	(0.21)	(406,967)
365.00	OVERHEAD CONDUCTORS AND DEVICES	48-R2	(75)	160,661,758.25	105,672,071	210,836,003	4.23	7,645,571	3.13	5,660,973	1.33	2,400,580	(0.23)	(415,982)
366.00	UNDERGROUND CONDUIT	55-S4	0	1,728,495.59	702,456	1,026,041	2.06	35,586	2.06	35,586	0.00	0	0.00	0
367.00	UNDERGROUND CONDUCTORS AND DEVICES	44-S0.5	(5)	70,302,254.23	18,432,179	55,385,190	2.68	1,884,100	2.68	1,884,100	0.00	0	0.00	0
368.00	LINE TRANSFORMERS	40-R2	(20)	238,783,304.20	85,924,490	200,815,470	3.04	7,259,012	3.04	7,259,012	0.18	127,794	(0.07)	(167,148)
369.00	SERVICES	43-R1.5	(30)	83,111,706.05	53,033,588	55,011,631	2.05	1,703,790	2.05	1,703,790	0.86	2,057,055	0.00	0
370.00	METERS	40-R1.5	0	64,856,075.30	26,969,792	37,886,282	2.57	2,134,681	2.57	2,134,681	0.52	430,891	0.00	0
371.00	INSTALLATIONS ON CUSTOMER PREMISES	20-R0.5	(10)	18,276,456.22	14,013,191	6,090,914	2.79	493,464	2.79	1,812,299	0.00	0	0.00	0
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	33-R1	(5)	53,640,293.35	23,870,883	32,451,424	3.05	557,915	2.70	493,464	0.35	64,451	(0.02)	(10,728)
	TOTAL DISTRIBUTION PLANT			**1,012,100,728.20**	**471,028,631**	**860,205,202**	3.16	**1,896,174**	2.98	**1,598,481**	0.20	**108,421**		**(1,141,935)**
								34,277,109		**27,588,257**		**7,830,787**		
	GENERAL PLANT													
390.10	STRUCTURES AND IMPROVEMENTS-TO OWNED PROPERTY	60-S0	(5)	32,199,743.43	8,632,707	25,177,023	2.30	742,058	2.15	692,294	0.15	49,764	0.00	0
390.20	STRUCTURES AND IMPROVEMENTS - LEASEHOLDS	30-R1	(5)	531,973.44	372,366	186,206	2.04	10,855	1.83	9,735	0.21	1,120	0.00	0
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	6,646,812.13	2,866,652	3,778,161	4.19	278,250	4.19	278,250	0.00	0	0.00	0
391.20	NON PC COMPUTER EQUIPMENT	5-SQ	0	11,291,984.97	7,567,325	3,724,660	10.14	1,144,982	10.14	1,144,982	0.00	0	0.00	0
391.30	CASH PROCESSING EQUIPMENT	5-SQ	0	817,574.88	532,363	285,212	23.26	190,141	23.26	190,141	0.00	0	0.00	0
391.40	PERSONAL COMPUTER EQUIPMENT	4-SQ	0	1,932,338.58	778,327	1,153,012	21.10	407,756	21.10	407,756	0.00	0	0.00	0
393.00	STORES EQUIPMENT	25-SQ	0	738,677.31	289,571	449,105	5.25	38,795	5.25	38,795	0.00	0	0.00	0
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	5,333,517.39	1,597,795	3,735,722	4.75	253,441	4.75	253,441	0.00	0	0.00	0
395.00	LABORATORY EQUIPMENT	15-SQ	0	3,202,201.94	1,586,334	1,615,868	27.42	877,936	27.42	877,936	0.00	0	0.00	0
396.00	POWER OPERATED EQUIPMENT	17-R5	0	270,941.73	99,450	171,492	6.62	17,939	6.62	17,939	0.00	0	0.00	0
397.10	COMMUNICATION EQUIPMENT - CARRIER	15-SQ	0	7,578,905.59	1,666,583	5,912,323	7.13	540,646	7.13	540,646	0.00	0	0.00	0
397.20	COMMUNICATION EQUIPMENT - REMOTE CONTROL	15-SQ	0	3,913,059.78	1,567,195	2,345,866	7.95	311,023	7.95	311,023	0.00	0	0.00	0
397.30	COMMUNICATION EQUIPMENT - MOBILE	15-SQ	0	4,659,773.21	1,806,815	2,852,958	7.30	340,124	7.30	340,124	0.00	0	0.00	0
398.00	MISCELLANEOUS EQUIPMENT	10-SQ	0	394,808.70	252,857	142,152	20.54	81,105	20.54	81,105		0		0
	TOTAL GENERAL PLANT			**79,512,313.06**	**29,619,140**	**51,529,760**		**5,235,051**		**5,184,168**		**50,884**		**(3,116,406)**
	TOTAL DEPRECIABLE PLANT			**3,605,547,550.97**	**1,807,546,044**	**2,561,215,572**		**111,765,099**		**94,137,253**		**20,744,253**		

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 30

Witness: John J. Spanos

Q-30. If not provided elsewhere, please provide all remaining life calculations resulting from the Depreciation Study both in hard copy and in electronic format with all formulae intact.

A-30. The remaining life calculations resulting from the Depreciation Study are set forth on pages III-212 through III-342. The electronic format is available in .txt format as part of the response to AG-16.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 31

Witness: John J. Spanos

Q-31. If not provided elsewhere, electronic (Excel) versions of each net salvage study prepared for the Depreciation Study, with all formulae intact.

A-31. There is no electronic (Excel) version of the net salvage analyses prepared for the Depreciation Study. The electronic version in .txt format is part of the response to AG-16.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 32

Witness: John J. Spanos

Q-32. If not provided elsewhere, please provide on diskette or CD all workpapers supporting terminal net salvage (decommissioning) estimates for each account for which terminal net salvage is a factor. Please include all calculations in electronic format (Excel), with all formulae intact. Also, explain and provide an example of how the terminal net salvage estimates are incorporated into Mr. Spanos's total proposed net salvage estimate.

A-32. There is no terminal net salvage estimate incorporated in the Depreciation Study performed by Mr. Spanos for Kentucky Utilities.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 33

Witness: John J. Spanos

Q-33. Refer to each net salvage study in the Depreciation Study. For each of the five years ending 2006 explain whether the Company perceives the gross salvage and cost of removal as normal or abnormal and why.

A-33. For each plant account, the net salvage analyses over the most recent 5 years ending 2006 in the Depreciation Study, sets forth entries viewed to be normal. However, the level of cost of removal or gross salvage as a percentage of retirement over the past five years may not be exactly the same in the future.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 34

Witness: John J. Spanos

Q-34. Please explain why there appears to be no retirements, cost of removal or gross salvage recorded in 2005 for most accounts.

A-34. There are retirements, cost of removal and gross salvage recorded in 2005 for some accounts, however, many of the transmission and distribution accounts do not have entries in 2005 due to a delay in recording. Many of these amounts were recorded in 2006 or are still pending due to the large volume of entries to be processed.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 35

Witness: John J. Spanos

Q-35. If not provided elsewhere, please provide the net salvage estimates of other companies that Mr. Spanos considered, per page 12 of his testimony.

A-35. The industry statistics that were considered by Mr. Spanos are provided as an attachment to the response to AG-8.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 36

Witness: John J. Spanos

Q-36. On page 11-29 of the depreciation study, Mr. Spanos states that "The high removal more recently related to current practices in place." Please explain what is meant by that statement, and provide an explanation of the current practices in place that caused the high removal costs.

A-36. On page II-29 of the Depreciation Study, Mr. Spanos is describing the methodology of how he arrived at the net salvage percents for each account, and specifically Account 365, Overhead Conductors and Devices. The most recent practice for distribution, which is reflective of the past four or five years, sets forth the recording of cost of removal based on an allocation of costs incurred to remove distribution assets. The practice followed the Company in and of itself does not result in high removal costs and the removal costs will fluctuate over the years.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 37

Witness: Shannon L. Charnas

Q-37. Please explain, and provide examples of, the Company's retirement unit cost procedures for each account. Identify all changes to retirement unit costs which have occurred over the years.

A-37. KU employs the retirement unit cost procedure prescribed in the Code of Federal Regulations 18 CFR, Chapter 1, Subchapter C, Part 101, Electric Plant Instructions 10 and 11.

The Company utilizes work orders and a property records system to associate costs with property record units to ensure accurate accounting for retirements. For identifiable major units of property the records include the location, cost and plant account to which the cost is charged. For mass property, cost data is maintained at an average cost of similar units recorded at the same time.

There have been no changes to retirement unit costs procedures over the years.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 38

Witness: John J. Spanos

Q-38. Were any retirements, classified as sales or reimbursements, excluded from the life studies? If yes, were the retirements and related gross salvage and cost of removal also excluded from the net salvage studies?

A-38. No.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 39

Witness: Shannon L. Charnas

Q-39. Please explain the Company's procedures for gross salvage and cost of removal for each plant account. Also, please explain how cost of removal relating to replacements is allocated between cost of removal and new additions. Provide copies of actual source documents showing this allocation.

A-39. KU employs the salvage and cost of removal procedures prescribed in the Code of Federal Regulations 18 CFR, Chapter 1, Subchapter C, Part 101, Electric Plant Instruction 10.

Gross salvage is the dollar amount received for property retired if sold. Salvage is recorded by a credit to the depreciation reserve and a debit to cash if the item is sold or to the material and supplies account if it is used within the utility.

Cost of removal is the cost of demolishing, dismantling, or otherwise removing plant. It is recorded as a debit to the accumulated depreciation account and a credit to the accounts affected by the removal project.

Cost of removal is not allocated to new additions.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 40

Witness: Shannon L. Charnas

Q-40. Does KU agree that, in the case of a replacement, KU has control over how much of the cost of the replacement is assigned to the retirement as cost of removal, and how much is capitalized to plant-in-service? Please explain the answer fully.

A-40. As capital projects are planned, KU takes care to ensure that the proper amount is charged to capital versus the cost of removal. As part of the estimation process, each project is analyzed as to how much labor, materials and related overheads will be needed to remove any existing equipment from the site. If any of the removed equipment can be resold, a salvage amount is estimated based on the current market value.

As construction and removal occur, the appropriate cost of removal work order is charged with the actual cost required to remove the old equipment. The salvage value is the actual scrap value of the removed material.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 41

Witness: Shannon L. Charnas

Q-41. Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies on the assignment of capital costs and net salvage with regard to the replacement of retired plant. Also, please provide a sample workorder for a replacement project, showing these cost assignments.

A-41. KU assigns capital costs and net salvage with regard to the replacement of retired plant as prescribed in the Code of Federal Regulations 18 CFR, Chapter 1, Subchapter C, Part 101, Electric Plant Instructions 10 and 11.

The Company utilizes work orders and a property records system to associate costs of removal and salvage with the associated accumulated provision for cost of removal and salvage as applicable to such property to ensure accurate accounting for retirements.

See response to AG-12 for a copy of the Company's current Capitalization Policy.

See the attached documents for an example of a replacement project showing the cost assignments and the Capitalization and Retirement Policy and Procedures.

AUTHORIZATION FOR INVESTMENT PROPOSAL

121972

[X] Original
[ ] Revised

[ ] EON U.S. Services Co. [ ] Louisville Gas & Electric Co. [X] Kentucky Utilities Company
[ ] LG&E Energy Marketing [ ] Western Kentucky Energy [ ] LG&E Power Inc.
[ ] Other:

Name of Project:	GR Boiler #5 "O" High Pressure Feedwater Heater Retube		
Date Requested:	6/29/2006	**Project Number:** 121972	**Related Project Numbers:**
Budgeted [1]	Y [ ] N [X]	**If unbudgeted, list alternate budget ref. Number(s) [1]:**	120424, 117416
Expected Start Date [2]:	6/29/2006	**Expected In-service Date [2]:** 12/31/2006	**Expected Completion Date [2]:** 12/31/2006
AIP Prepared by:	Danny Faulkner	**Phone:**	270-757-3155
Project Manager:	Danny Faulkner	**Phone:**	270-757-3155

Product Code [3]	Resp. Center [4]	Location # [5]	OBU Name [6]	Environmental Code/Category [7]
111	016120	5616	Generation	

REASONS AND DETAILED DESCRIPTION OF PROJECT
(include sketch no., if applicable)

This project will include the removal of the existing tube bundle, replacement of tubes, reinstalling of new bundle and reconnection of bypass piping. The tube work will be preformed by "TEI Struthers" and the pipe connections will be preformed by "The State Group"

290K

AFUDC Tax-444 Acct-131200

Costs	Capital Investment	Cost of Removal/ Retirement	Capital Cost Subtotal [8]	Initial O&M Cost [9]	Lifetime Maintenance Cost [9]	O&M Cost Subtotal	TOTAL INVESTMENT
Company Labor			-			-	-
Contract Labor	136,063	24,130	160,193			-	160,193
Materials	120,000		120,000			-	120,000
Other (Describe)			-			-	-
Less Salvage			-			-	-
Local Engineering [10] GA 1.9 LE 1.8	8,962	845	9,807			-	9,807
Subtotal	265,025	24,975	290,000	-	-	-	290,000
Contr. In Aid on Constr. (CIAC) [11]			-			-	-
Net Expenditures	265,025	24,975	290,000	-	-	-	290,000

Signature Required (Based on CAPITAL COST SUBTOTAL COLUMN) [8]:

	Authorized by	Typed or Printed Name	Signature	Date
1.	Supervisor/Team Leader (Non-IT and IT up to $25k)	Danny Faulkner	Danny S Faulkner	7-6-06
2	Commercial Operations Manager [12]			
3	Manager (Non-IT >$25k up to $100k; IT >$25k up to $50k)	Jim Edalen		7-6-06
4	Director (Non-IT >$100k up to $300k; IT >$50k up to $100k)	Tom Troost		7/6/06
5.	OBU Budget Coordinator [13]	Sandy Laster		7/12/06
6.	Financial Planning (Non-IT and IT >$300k; all unbudgeted projects; all Development Proposals) [14] or Investment Committee Coordinator (Non-IT >$1.0M; IT >$500k; Development >$500k) [15]	Lonnie Bellar	Lonnie Bellar	8/2/06
7.	Vice-President (Non-IT>$300k up to $750k; IT>$100k up to $200k; Development up to $200k)			
8.	Senior Officer (Non-IT>$750k up to $1.0M; IT>$200k up to $500k; Development >$200k up to $500k)			
9	CFO (Non-IT >$1.0M; IT >$500k; Development >$500k) [15]			
10	CEO (Non-IT >$1.0M up to €25.0M; IT >$500k up to €25.0M; Development >$500k up to €25.0M [15]			
11	E.On Board (Non-IT, IT, and Development > €25.0M)			
12	Information Technology [16]			
13	Property Accounting (including budget check)			8-3-06

E.ON U.S. LLC Accounting Policy and Procedures

Capital Additions and Retirements Policy and Procedures

Policy: The Fixed Asset records (capitalization and retirement of assets) of LG&E, KU and Servco must be maintained according to company guidelines and policies.

Procedure: The procedures for adding and removing capital assets from the financial books of the company are described in the detailed instructions below.

Scope: All asset additions and retirements of LG&E, KU and Servco.

Objective of Procedure: Ensure that all capital assets and retirements are properly added or removed from the financial books.

General Requirements:

Detailed Procedures Performed: According to the Corporate Capital Policy guidelines, projects with a total cost of $2,000 or less will be expensed, and any Authorization for Investment Proposal (AIP) that is received for $2,000 or less is returned to the Project Manager with an explanation. All other capital expenditures are subject to mandatory capitalization. All fixed assets are recorded at cost as mandated by the Federal Energy Regulatory Commission (FERC).

To ensure timely capitalization and retirement of projects, a report is generated by the Fixed Asset System Administrator on a quarterly basis identifying capital and cost of removal projects which are in "active" status but having no activity for 90 days or more. This report is sent to every line of business budget coordinator with a request to update the project status to "complete" or verify that the project is still active. If the project status is "complete", the Property Accounting Department will capitalize it in a timely matter.

Monthly, the Fixed Asset System Administrator generates a report identifying all capital projects, which are in "completed" or "closed" status with no activity for 90 days or more. The purpose of this report is to identify projects eligible for capitalization/retirement. The report is saved on the Property Accounting Department shared drive (fs2\propacct\Oracle Classification\Job Logs\Current Year Job Logs\Current Month and Company).

During the accounting period, Property Accounting Analysts select projects from this file for capitalization/retirement. The Property Accounting Analyst uses the Work Order Analysis Checklist posted on the Property Accounting Department's shared drive (fs2\propacct\Oracle Classification\Analysis Tools) to aid in the capitalization and retirement process. This checklist ensures that fixed asset records are processed consistently by all Property Accounting Analysts, reducing the risk of misstatement of fixed assets in the financial statements. The capitalization process includes the following:

- Review AIP.
- Reconcile capital and cost of removal expenditure charges to the AIP to ensure that all expenditures have been properly authorized. If the variance compared to the original AIP is 10%

Capital Additions and Retirements Policy and Procedures

or $100,000 over; (whichever is less subject to a minimum of $25,000), a revised AIP must be completed as soon as possible.

- Review all project charges to ensure that all charges should be properly capitalized or classified as cost of removal.
- Reconcile units of property listed on the back of the AIP form to what has been charged to the project.
- Confirm Construction Work in Process Access Database reconciles to the Transaction Detail Report less any prior unitizations.

Transaction processing is accomplished in the ORACLE Fixed Asset System with a combination of manual and automated processes as documented in the Capitalization Procedure Manual maintained in Property Accounting. The Property Accounting Analyst creates manual as-builts in the Fixed Asset System for all non-mass property. Mass property such as utility poles, crossarms etc., is unitized through an automated as-built process. In both processes, costs charged to capital projects are distributed automatically by the system based on units of property established by the analyst in the case of manual as-builts, and those established from inventory transactions in the case of automated as-builts. The Property Accounting Analyst again verifies the segmentation is correct and assigns the asset to a segmented plant account pursuant to FERC regulations.

The retirement process includes the following:

- Review AIP and the associated retirement/salvage information to determine if a retirement is listed or should be listed based on a description of the project (i.e., if a project addition is to replace an asset a retirement should be listed). The Property Accounting Analyst will question the responsible Budget Analyst if retirements are not listed where it appears they should be.
- Review all project removal charges in the Transaction Detail Report – Actual Cost (RWIP).

Manual retirements are those related to a one time retirement event. The cost (complete or partial) of manual retirements based on units retired is entered into Oracle Fixed Assets via the Mass Transactions Function. The cost of manual partial retirements where units are not applicable is entered into Oracle Fixed Assets via the Asset Workbench. Retirement Work in Process (RWIP) related to manual retirements is allocated to the appropriate reserve accounts by the establishment of Retirement Adjustment Assets in Oracle Projects via the PA Capital Analyst Responsibility.

Blanket retirements are those related to ongoing projects which are processed periodically. The requests for Oracle Fixed Assets retirements and Oracle Projects retirement adjustment assets are created automatically based upon data supplied from the Work Management system. The job process "Create Periodic Events" is run to create retirement requests and retirement adjustment assets.

For both manual and automated retirements, the job process "Generate Asset Lines" is run which creates retirement cost lines for the retirement adjustment assets.

~~For both additions and retirements, ORACLE system cross validation rules prevent the analyst from~~ choosing invalid units of property, plant accounts and business segment combinations in order to prevent

incorrect data from being entered. An error message is generated in the event of an invalid combination and the analyst must correct the error before proceeding. In addition, mandatory input fields are required including in service dates, tax districts, locations, units of property, etc. The Fixed Asset System does not allow the posting of assets with incomplete data fields.

After the Property Accounting Analyst creates the as-builts in the ORACLE Fixed Asset System, the work is reviewed as a final check to ensure additions and retirements are compliant with the various accounting rules (FERC, company guidelines, etc.) by the Property Accounting Senior Accounting Analyst or other designee who then runs the ORACLE "Generate Asset Lines" Process and the ORACLE "Interface Asset Lines to Oracle Assets" Process. In the case of Generation projects, the Property Accounting Analyst runs the ORACLE "Generate Asset Lines" Process before the project is passed on to the Senior Accounting Analyst for review. After the ORACLE "Interface Asset Lines to Oracle Assets" Process is completed, relevant data including project number, amount added or retired, cost of removal, salvage amount, and the analyst's initials are entered into the Oracle Classification Spreadsheet maintained on the Property Accounting shared drive (fs2\propacct\Oracle Classification\Current Year Class). The spreadsheet calculates a control total of all additions, retirements, removal and salvage costs entered by Property Accounting Analysts during the month. The as-built folder is then passed to the Fixed Asset System Administrator for posting.

Toward the end of the closing period, the Fixed Asset System Administrator notifies the Property Accounting Analysts via e-mail of the last day to stop all capitalization transactions. At the end of the closing period, the Fixed Asset System Administrator begins the closing process.

The Fixed Asset System Administrator then runs the ORACLE processes to post all acquisitions for assets and retirements. These procedures are documented in the "Property Accounting Monthly Closing Procedures". This binder is maintained by the Fixed Asset System Administrator and a duplicate binder is retained by the Manager of Property Accounting.

To ensure that fixed asset listings are complete after posting current period additions and retirements, the Fixed Asset System Administrator reconciles all addition and retirement postings in the general ledger to control totals in the Oracle Classification Spreadsheet (fs2\propacct\Oracle Classification\Current Year Class). Discrepancies are investigated and cleared as discovered. The Manager of Property Accounting reviews and signs off on the reconciliation. Posting exceptions are identified through the ORACLE "PRC Tieback Asset Lines from Oracle Assets". This report is run after the posting of additions and retirements and before running depreciation. The Fixed Asset System Administrator investigates and resolves each exception before the next month end close. Once all totals are reconciled, the Fixed Asset System Administrator runs the depreciation calculations and completes the monthly reconciliation and closing process. The Fixed Asset System Administrator maintains all supporting documentation in binders stored in the Property Accounting Department. During the closing process, the Fixed Asset System Administrator uses a closing checklist saved on the Property Accounting Shared Drive (fs2\propacct\Closing\Closing Reports\Closing Checklist) to ensure that all steps are completed.

Reports Generated and Recipients:

Capital Additions and Retirements Policy and Procedures

- Plant Additions and Retirement Report.

Additional Controls or Responsibility Provided by Other Procedures:

- General ledger debits and credits for Account 101 Plant in Service should tie to the additions and retirements.
- Budget Coordinators, Financial Planning personnel and Property Accounting Analysts review AIPs to confirm assets are to be capitalized.

Regulatory Requirements:

- FERC Accounting Guidelines

Reference:

- Code of Federal Regulations 18 PT 101 Electric Plant Instructions

Key Contact: Manager-Property Accounting

Administrative Responsibility: Director, Utility Accounting and Reporting

Date Created: 11/24/04
Dates Revised: 10/15/07
Dates Reviewed:

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 42

Witness: Shannon L. Charnas

Q-42. Please provide narrative explanations of the Company's aging and pricing procedures.

A-42. KU employs the pricing procedures prescribed in the Code of Federal Regulations 18 CFR, Subchapter C, Part 101, Electric Plant Instruction 9. Actual cost, representing the amount of cash outlaid for property purchased or services rendered, is employed.

For purposes of aging, an in-service date is assigned to each asset based on the date such asset is certified as in-service by the project engineer. Facilities are considered "in service" when they are energized or are used or useful for the purpose for which they have been constructed.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 43

Witness: John J. Spanos

Q-43. Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

A-43. There are no changes to the Company's current expectations with respect to future removal requirements and markets for retired equipment. The typical practice is equipment removed from service through retirement is evaluated for possible reuse. If it is not able to be reused, then it is scrapped. There is minimal scrap value for most assets.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 44

Witness: Shannon L. Charnas

Q-44. Please provide the Company's construction and capital budgets for the years 2007-2011 inclusive. Please identify all retirements, replacements, new additions and cost of removal reflected in these budgets. Please provide by account where available and explain how the cost estimates are derived for these items.

A-44. See the attached three-year capital budget filed with the Kentucky Public Service Commission on March 28, 2008, in conjunction with the Powergen/LG&E Energy Corp. merger in Case No. 2000-095. Five-year capital budgets are not developed.

E.ON U.K. Ltd *(formerly Powergen LTD, formerly Powergen plc)*, E.ON U.S. LLC *(formerly LG&E Energy LLC, formerly LG&E Energy Corp.)*, Louisville Gas and Electric Company, and Kentucky Utilities Company
Case No. 2000-095 - Response to Summary of Findings, No. 15
Three-Year Capital Budgets
[$ 000,000's]

	2008	2009	2010	Change from Prior Report [Increase; (Decrease)] 2008	2009	
Louisville Gas & Electric Company -						
Generation	$ 100.7	$ 106.2	$ 122.6	$ 1.0	$ 3.9	
Transmission	17.5	11.6	10.2	2.6	(6.2)	1
Distribution	96.3	97.0	98.8	24.0	19.3	
Cust Svc, Sales & Mkting (incl Metering)	4.0	3.7	4.0	0.1	(0.2)	
Information Technology	29.2	13.2	10.2	(0.5)	(0.8)	
Other	2.8	3.7	2.5	0.5	1.3	
Total	**$ 250.5**	**$ 235.4**	**$ 248.3**	**$ 27.7**	**$ 17.3**	
Kentucky Utilities Company -						
Generation	$ 657.9	$ 241.4	$ 167.2	$ 56.8	$ (35.3)	2
Transmission	50.6	35.9	25.9	8.2	(9.8)	1
Distribution	69.5	75.5	73.4	12.2	14.5	
Cust Svc, Sales & Mkting (incl Metering)	2.6	2.2	2.4	0.5	0.3	
Information Technology	28.0	14.3	10.7	0.4	(0.1)	
Other	1.8	2.8	1.6	0.4	1.5	
Total	**$ 810.4**	**$ 372.1**	**$ 281.2**	**$ 78.5**	**$ (28.9)**	

Note(s) -

1. Accelerated project schedules and capital expenditures in 2007 and 2008
2. Delay of Ghent 2 SCR and spend on other environmental equipment

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 45

Witness: John J. Spanos

Q-45. Please explain how the Company accounts for third party reimbursements and how they are reflected in the Depreciation Study.

A-45. The Company accounts for third party reimbursements as prescribed in the Code of Federal Regulations 18 CFR, Chapter 1, Subchapter C, Part 101, Electric Plant Instruction 2, paragraph D and Electric Plant Instruction 3, paragraph A(8) and in the instructions for Account 108.

Insurance proceeds received, related to the retirement of a capital asset, are recorded as a credit to Account 108 consistent with FERC instructions for Account 108.

All third party reimbursements are reflected in the Depreciation Study as a reduction in net plant consistent with FERC regulation.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 46

Witness: John J. Spanos

Q-46. If third-party reimbursements were excluded from the net salvage studies, was the related retirement also excluded from the life studies?

A-46. Third party reimbursements were not excluded from the net salvage studies.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 47

Witness: Shannon L. Charnas

Q-47. For 2006 please identify the amount and proportion of each account that was capitalized as overhead to construction and the proportion and amount that was treated as an annual expense.

A-47. Please see the table below for the amount and proportion of overheads charged to Capital, the Income Statement and Other Balance Sheet Accounts for 2006.

	Capital		Income Statement		Other Balance Sheet		Total
Burden Component	$	%	$	%	$	%	$
Offduty - Accounts 184001-184031	$ 2,731,150	20%	$10,220,952	73%	$1,037,802	7%	$13,989,904
Benefits - Accounts 184040-184075 and 184096-184119	9,813,692	20%	35,607,942	73%	3,572,518	7%	48,994,152
Payroll taxes - Account 236	1,489,877	19%	5,687,636	74%	523,719	7%	7,701,233
Stores Expense - Account 163	3,305,873	77%	1,001,659	23%	12,828	0%	4,320,360
Admin and General - Account 184076	1,624,075	97%	-	0%	45,830	3%	1,669,905
Local Engineering - Account 184.6	7,776,629	100%	-	0%	-	0%	7,776,629
Total	$26,741,297	32%	$52,518,189	62%	$5,192,696	6%	$84,452,182

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 48

Witness: John J. Spanos

Q-48. Do Mr. Spanos's net salvage estimates for mass property accounts incorporate inflation expected to be incurred in the future? If yes, provide the net present value of all of these ratios.

A-48. The net salvage estimates for mass property accounts have been determined by Mr. Spanos in the same fashion as has been determined by all of his studies and the traditional methodology utilized by almost all utilities across the United States and Canada. The cost of removal and gross salvage are the last record of the service value of an asset when taken out of service.

Therefore, the net salvage estimates in this study are calculated using historical data of plant retired each year with the corresponding cost of removal and gross salvage incurred for the retired assets. Consequently, the annual retirements are based on the original cost installed and the cost of removal and gross salvage are recorded in the final year in service. These annual percentages are used in the determination of future net salvage accruals. Consequently, net salvage percents are traditionally calculated based on plant dollars installed earlier in time than the time period the cost of removal is booked. This is the only way to calculate net salvage in an equitable fashion for ratepayers today and in the future.

As a result, no inflation is added to the percentages for future recovery, just the comparable percentages of the historical data. No net present value ratios were calculated for the mass property accounts.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 49

Witness: John J. Spanos

Q-49. Is it correct that Mr. Spanos's mass property cost of removal estimates extrapolate past inflation into the future cost of removal estimate? If not, please explain why not.

A-49. Mr. Spanos' mass property estimates for net salvage incorporate the ratio of annual original cost of plant retired to the summation of annual scrap value of the asset minus the cost to remove the asset. Therefore, historical activity is utilized for estimating future estimates. The net salvage estimates are calculated from different time periods, however, that is the only way to insure full recovery so the changes in the costs are a basis for the estimate.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 50

Witness: Shannon L. Charnas

Q-50. Please provide a comparison of the annual cost of removal and gross salvage amounts shown on the Company's federal tax returns with the corresponding book amounts, for the last 5 years. Provide the annual deferred tax expense associated with each of the differences. Also, provide the beginning and ending accumulated deferred tax balances and state whether they are rate base additions or rate base deductions.

A-50. See attached. The 2007 tax return has not been completed yet. The attached table is the last five years of available information for tax and books. The tax return amounts represent a tax deduction claimed for the Cost of Removal (COR) and income for salvage. For tax return purposes salvage is segregated from COR as Gain/Loss. The book amounts are the charges to the reserve (Account 108). Amounts on the table do not include the COR in the book depreciation rates.

A-50. The 2007 tax return has not been completed yet, below is the last five years information for tax and books.
The tax return amounts represent a tax deduction claimed for the Cost of Removal (COR) and income for salvage. For tax return purposes salvage is segregated from COR as Gain/Loss.
The book amounts are the charges to the reserve (account 108). Amounts below do not include the COR in the book depreciation rates.

	2006 Tax Return	2006 Book	2005 Tax Return	2005 Book	2004 Tax Return	2004 Book	2003 Tax Return	2003 Book	2002 Tax Return	2002 Book
Cost of Removal	5,940,333.21	4,988,458.59	8,573,407.80	5,957,218.04	7,554,083.81	6,177,958.36	1,077,597.28	1,277,973.19	(1,808,299.00)	(2,328,672.85)
Gain/Loss	(873,703.01)	-	(2,489,613.76)	-	(23,147.45)	-	(665,161.41)	-	(596,374.10)	-
Total	5,066,630.20	4,988,458.59	6,083,794.04	5,957,218.04	7,530,936.36	6,177,958.36	412,435.87	1,277,973.19	(2,404,673.10)	(2,328,672.85)
Deferred Tax										
Federal Expense	1,649,188.13		1,980,274.96		2,451,319.79		134,247.88		(782,721.09)	
State Expense	354,664.11		425,865.58		621,302.25		34,025.96		(198,385.53)	
Total Expense	2,003,852.24		2,406,140.54		3,072,622.03		168,273.83		(981,106.62)	
Rate Base Additions or Deductions		Addition		Addition		Addition		Addition		Deduction

The accumulated deferred tax balances for COR are included with other property related deferred taxes and as a result the cumulative balance for COR is not available.

Attachment to Question No. AG-1-50
Page 1 of 1
Charnas

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 51

Witness: John J. Spanos

Q-51. Provide all alternative calculations of the net present value of future net salvage estimates that Mr. Spanos has contemplated, written about, or addressed in presentations over his career. Explain the pros and cons of each alternative approach.

A-51. Mr. Spanos has not contemplated, written about or addressed in presentations alternative calculations of the net present value of future net salvage in his career, other than his continual rebuttal of the methodology presented by Snavely, O'Connor, King & Majoros.

The cons of each of the methodologies presented by Snavely, O'Connor, King & Majoros are intergenerational inequities for ratepayers and underrecovery of the full service value of the asset during the time the asset is in service.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 52

Witness: John J. Spanos

Q-52. If not provided in the workpapers, please provide the retirement rate analysis ranking of best-fit life/curve combinations for each account.

A-52. The retirement rate analysis and the respective curve fitting calculation workpapers are included as an attachment to the response to AG-1.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 53

Witness: John J. Spanos

Q-53. For any accounts where Mr. Spanos did not base his service life/curve selection on the results of his retirement rate analysis, explain why he did not. Also, explain in detail how those service live/curve combinations were selected.

A-53. Mr. Spanos has stated for which accounts the historical results of the retirement rate analysis was a major component of the service life and survivor curve (pages II-24 and II-25). He also discusses within the Depreciation Study, on page II-24, the factors that were involved in determining all of the accounts.

Thus, the accounts where the historical data was not conclusive or representative of future life characteristics, Mr. Spanos combined the past estimate for this Company, the industry ranges and future plans of the Company for each account to develop his selection of the most appropriate life and survivor curve combination. There is informed and experienced judgment for each estimate selected, however, there is not any specific mathematical computation performed on the estimates of other utilities.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 54

Witness: John J. Spanos

Q-54. Please provide copies of any and all actuarial and semi-actuarial studies prepared by the Company since the last depreciation studies.

A-54. The Company has not prepared any actuarial or semi-actuarial studies since the last depreciation study submitted in the Company's last general rate case proceeding, Case No. 2003-00434.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 55

Witness: John J. Spanos

Q-55. Identify and explain all Company programs which might affect plant lives.

A-55. There are no specific plans in place as the Company continually evaluates capital and maintenance needs by project for each production unit and mass asset class. All replacement projects are determined to maintain quality service to the customers and integrity of the asset lives.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 56

Witness: J. Scott Cooke

Q-56. Please provide all internal life extension studies prepared by the Company since January 1, 2000. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of existing plant. Identify the functions to which these studies relate.

A-56. Following a generator failure on Pineville 3 on November 20, 2001, KU performed a Life Assessment Study on the unit. Details of this study have formerly been provided in the evaluation titled *Pineville Unit 3 Generator Failure Evaluation Repair/Retire Analysis* dated January 31, 2002, in Case No. 2002-00367, Response 22 in the Second Data request of the Attorney General. Based upon the results of this study, KU retired Pineville 3 on December 31, 2001.

Green River 1 & 2 were retired on December 31, 2003 after a detailed internal evaluation. Details have formerly been provided in the evaluation titled *Phase II Evaluation of the Economic Viability of Green River Units 1 and 2,* in Case No. 2003-00434, Response 15.b(1) in the Second Data Request of the Kentucky Commission Staff.

Following the approvals and orders to transfer Lock 7 from both the FERC (FERC Project No. 539-006) and the Kentucky Commission in Case No. 2005-00405, KU's Lock No. 7 (generators 1-3) was sold to Lock 7 Hydro Partners, LLC ("Lock 7 Partners") on December 29, 2005. All studies were filed with Case No. 2005-00405 with the Kentucky Commission, which can be found at the following website address: http://psc.ky.gov/pscscf/2005%20cases/2005-00405/.

KU completed a Life Assessment Study on Tyrone 1 & 2 in January 2007. A third party, Sargent & Lundy, completed an engineering assessment on the units as a part of the Life Assessment Study. Based upon this study, the Operating Committee voted to retire Tyrone 1 & 2 as of February 26, 2007. This assessment was provided in the March 2, 2007 supplemental response to Kentucky Commission Staff's Interrogatories of February 8, 2007 in the two-year FAC review approved by the Kentucky Commission in Case No. 2006-00509. Details of that case, including the life assessment performed, can be found at http://psc.ky.gov/pscscf/2006%20cases/2006-00509/KU_Response_030207.pdf.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 57

Witness: John J. Spanos / Shannon L. Charnas

Q-57. Provide the following information for all final retirements for the last 15 years. If requested data is not available for the last 15 years, provide the data for as many years as are available.

a. Date of retirement
b. Amount of retirement
c. Account
d. Reason for retirement
e. Whether or not retirement was excluded from historical interim retirement rate studies.

A-57. Kentucky Utilities Company has recorded two final retirements of generating facilities in the past 15 years. The first retirement was at Pineville Unit 3 and the second was at Tyrone Units 1 & 2. The tables below set forth the information for parts a) and d) of the response. However, it should be understood the retirement of Tyrone Units 1 & 2 was outside the scope of the study as analysis ended as of December 31, 2006.

a-d.

Pineville Unit 3

a. Date of retirement	December 2002
b. Amount of retirement	$9,934,337
c. Accounts	311-316
d. Reason for retirement	Catastrophic Failure

Tyrone Units 1 & 2

a. Date of retirement	March 2007
b. Amount of retirement	$5,380,367
c. Accounts	311-316
d. Reason for retirement	End of economic useful life

e. The Pineville Unit 3 retirement was inadvertently included in the interim retirement rate analyses; however, recalculation did not result in any major impact in the statistical analysis of the interim survivor curve. The revised steam account analysis is included on the attached CD.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 58

Witness: Shannon L. Charnas

Q-58. Please provide the ARO/ARC calculations for each of KU's property accounts assuming that KU has legal AROs for all of its plant.

A-58. Please see the files included on the attached CD for the ARO/ARC calculations as of 12/31/2006 for the AROs established by the Company. KU does not have AROs on all of its plant—only those required by SFAS No. 143 and FIN 47.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 59

Witness: John J. Spanos

Q-59. Describe the relationship of the dollars in Mr. Spanos's life studies to the actual unpriced retirement units to which they relate.

A-59. The dollars reflected in Mr. Spanos' retirement rate analyses set forth assets exposed to retirement by age interval and those dollars retired at each age interval. Therefore, all dollars in the life analyses reflect assets that have been placed in service for the designated experience band and those assets that have survived to the respective age intervals. The life analysis performed by Mr. Spanos is done on a dollar basis not a unit basis.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 60

Witness: John J. Spanos

Q-60. Provide and explain all life studies (actuarial or semi-actuarial) Mr. Spanos conducted for KU using actual unpriced retirement units.

A-60. The actuarial life studies presented by Mr. Spanos in Kentucky Utilities' Depreciation Study are the basis for his life estimates. These studies set forth the dollars added and retired over the life of the account.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 61

Witness: John J. Spanos

Q-61. Page II-27 of the depreciation study indicates that Tyrone Units 1 and 2 were slated for retirement in 2007.

a. Were these units retired?
b. If the units were retired, please provide all accounting entries related to those retirements. Include a schedule showing the dollar impact on each plant account.
c. If they were not retired in 2007 please provide all retirement plans related to these units.
d. Provide all decommissioning plans specifically related to the retirement of these units.

A-61. a. Tyrone Units 1 and 2 were retired in 2007. Some amounts of these units are still on the books that were common to Unit 3.

b. The attached documents set forth the plant dollars retired by account in 2007 for the Tyrone Units 1 & 2.

c. Assets were retired in 2007.

d. There are no specific decommissioning plans for these two units at this time since Unit 3 is still in operation. No decommissioning component of the depreciation rate has been calculated or established as part of this Depreciation Study.

KENTUCKY UTILITIES

SUMMARY OF DATA FROM COMPANY RECORDS
COMPILED FOR SERVICE LIFE STUDIES

ACCT	GR	CO	TR CD	TRAN YEAR	ADJ YEAR	INST YEAR	TRANSACTION AMOUNT	CLASSI-FICATION
311.00	56	04	0	2007		1948	505.70CR	
311.00	56	04	0	2007		1970	301.56CR	
311.00	56	04	0	2007		1971	127.60CR	
311.00	56	04	0	2007		2001	9,771.96CR	
TOTAL							10,706.82CR	

KENTUCKY UTILITIES

SUMMARY OF DATA FROM COMPANY RECORDS
COMPILED FOR SERVICE LIFE STUDIES

ACCT	GR	CO	TR CD	TRAN YEAR	ADJ YEAR	INST YEAR	TRANSACTION AMOUNT	CLASSI-FICATION
312.00	56	04	0	2007		1948	2,316,454.74CR	
312.00	56	04	0	2007		1949	237,536.61CR	
312.00	56	04	0	2007		1950	891.85CR	
312.00	56	04	0	2007		1951	2,017.64CR	
312.00	56	04	0	2007		1954	57,233.59CR	
312.00	56	04	0	2007		1960	2,172.29CR	
312.00	56	04	0	2007		1971	447,739.25CR	
312.00	56	04	0	2007		1972	3,390.14CR	
312.00	56	04	0	2007		1978	21,030.05CR	
312.00	56	04	0	2007		2000	21,257.64CR	
TOTAL							3,109,723.80CR	

KENTUCKY UTILITIES

SUMMARY OF DATA FROM COMPANY RECORDS
COMPILED FOR SERVICE LIFE STUDIES

ACCT	GR	CO	TR CD	TRAN YEAR	ADJ YEAR	INST YEAR	TRANSACTION AMOUNT	CLASSI-FICATION
314.00	56	04	0	2007		1948	1,523,152.76CR	
314.00	56	04	0	2007		1954	670.56CR	
TOTAL							1,523,823.32CR	

KENTUCKY UTILITIES

SUMMARY OF DATA FROM COMPANY RECORDS
COMPILED FOR SERVICE LIFE STUDIES

ACCT	GR	CO	TR CD	TRAN YEAR	ADJ YEAR	INST YEAR	TRANSACTION AMOUNT	CLASSI-FICATION
315.00	56	04	0	2007		1948	592,700.26CR	
315.00	56	04	0	2007		1949	77,198.36CR	
315.00	56	04	0	2007		1950	18,612.27CR	
315.00	56	04	0	2007		1951	1,220.07CR	
315.00	56	04	0	2007		1954	3,860.34CR	
315.00	56	04	0	2007		1955	441.15CR	
315.00	56	04	0	2007		1959	4,406.22CR	
315.00	56	04	0	2007		1960	1,312.42CR	
315.00	56	04	0	2007		1965	21,252.17CR	
315.00	56	04	0	2007		1983	10,983.65	
315.00	56	04	0	2007		1991	18,786.11CR	
TOTAL							728,805.72CR	

KENTUCKY UTILITIES

SUMMARY OF DATA FROM COMPANY RECORDS
COMPILED FOR SERVICE LIFE STUDIES

ACCT	GR	CO	TR CD	TRAN YEAR	ADJ YEAR	INST YEAR	TRANSACTION AMOUNT	CLASSI-FICATION
316.00	56	04	0	2007		1948	3,473.35CR	
316.00	56	04	0	2007		1949	1,279.42CR	
316.00	56	04	0	2007		1950	66.84CR	
316.00	56	04	0	2007		1954	993.60CR	
316.00	56	04	0	2007		1961	1,394.89CR	
316.00	56	04	0	2007		1969	989.11CR	
316.00	56	04	0	2007		1972	769.64CR	
TOTAL							8,966.85CR	

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 62

Witness: John J. Spanos

Q-62. Page II-27 of the depreciation study indicates that Pineville Unit 3 and Haefling Units 1, 2 and 3 will be retired in 2010, 2 years hence. Please provide all specific plans related to these upcoming retirements, including decommissioning plans.

A-62. The majority of Pineville Unit 3, $9.9M of the $10.3M in assets, was retired in December 2002. The remaining assets are almost fully recovered, as only $673 remains to be depreciated over the next few years. Consequently, the Unit has, for all intents and purposes, been retired and no immediate plans for decommissioning have been established.

The Haefling Units 1, 2 and 3 have only a small percentage of future accruals over the next few years. There is no immediate plan to decommission the units.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 63

Witness: John J. Spanos

Q-63. Was the life span methodology utilized in the prior depreciation studies? If so, please provide a comparison, by account and location, of the probable retirement year forecasted in the prior studies, with the probable retirement year forecasted in the Depreciation Study submitted in this case.

A-63. The life span methodology was utilized in the prior depreciation studies. The attached document sets forth the probable retirement year for each unit by the most recent prior studies and this Depreciation Study. All accounts under each unit shown in the table would have the same retirement year.

KENTUCKY UTILITIES

PRODUCTION UNIT LIFE SPAN COMPARISON

Unit	2006 Life Span Date	2002 Life Span Date
Tyrone Units 1 & 2	2007	2005
Tyrone Unit 3	2018	2020
Green River Units 1 & 2	2018	2004
Green River Unit 3	2018	2020
Green River Unit 4	2018	2020
E W Brown Steam Unit 1	2026	2020
E W Brown Steam Unit 2	2026	2020
E W Brown Steam Unit 3	2026	2020
Ghent Unit 1 Scrubber	2026	2022
Ghent Unit 1	2026	2022
Ghent Unit 2	2027	2025
Ghent Unit 3	2036	2029
Ghent Unit 4	2036	2032
Ghent Locomotive Rail Cars	-	2032
System Laboratory	2036	2032
Pineville Unit 3	2010	2003
Dix Dam	2036	2022
Lock 7	N/A	2004
E W Brown CT Unit 9 Gas Pipe	2036	2024
E W Brown CT Unit 5	2036	2031
E W Brown CT Unit 6	2036	2028
E W Brown CT Unit 7	2036	2029
E W Brown CT Unit 8	2036	2029
E W Brown CT Unit 9	2036	2024
E W Brown CT Unit 10	2036	2025
E W Brown CT Unit 11	2036	2025
Paddy's Run Generator 13	2036	2031
Trimble County CT Unit 5	2036	2032
Trimble County CT Unit 6	2036	2032
Trimble County CT Unit 7	2036	N/A
Trimble County CT Unit 8	2036	N/A
Trimble County CT Unit 9	2036	N/A
Trimble County CT Unit 10	2036	N/A
Trimbel County CT Pipeline	2036	2032
Haefling Units 1, 2 & 3	2010	2010

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 64

Witness: John J. Spanos

Q-64. Do the life span analyses include interim additions? If so, please provide a detailed explanation of how and why interim additions are included.

A-64. No.

KENTUCKY UTILITIES COMPANY

Response to the Attorney General's
Initial Requests for Information Dated February 4, 2008

Case No. 2007-00565

Question No. 65

Witness: John J. Spanos

Q-65. Identify all circumstances unique to Kentucky that the Company believes influences or has an impact on the life span estimates.

A-65. There are no known circumstances unique to Kentucky that the Company believes influence or have an impact on the life span estimates.