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KENTUCKY UTILITIES COMPANY

SEP 11 2008

CASE NO. 2008-00251

CASE NO. 2007-00565

**PUBLIC SERVICE
COMMISSION**

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 68

Responding Witness: Butch Cockerill / William Steven Seelye

Q-68. Refer to Exhibit 6, page 8, of the Seelye Testimony.

- a. "Jurisdictional Ultimate Consumer Revenue" is stated at \$1,111,405,132. Separate this total by rate class using the same list of rate classes shown at Seelye Exhibit 3.
- b. LG&E's "Ultimate Consumer Billed Electric Revenue" is shown for years 2007, 2006, 2005, 2004 and 2003. Provide a list of revenues by rate class for each annual total showing each rate class separately. Also, show on this schedule, the amount of late payment penalty revenue collected from each rate class and the late payment penalty percentage (5 percent or 1 percent) that is applicable to each rate class.
- c. At page 5 of the Cockerill Testimony it is stated that the late payment penalty will not be assessed against Street Lighting. Is this statement correct?
- d. KU's estimated annual revenues from implementing the late payment penalty is based upon LG&E's average percentage of late payment penalty revenues to total revenues for the previous 5 years weighted on "charge-offs" and Accounts Receivable balances. Explain why this method is more appropriate than simply applying LG&E's .3026 percent 5-year average to KU's "Jurisdictional Ultimate Consumer Revenue."
- e. When weighting the average based upon Accounts Receivable balances stated as a percentage of sales, what consideration was given to the differences in LG&E's and KU's billing practices, i.e., difference in billing and due dates relative to the end of the accounting period?
- f. Provide all evidence compiled by KU demonstrating that the level of late payment penalty revenues is directly correlated to the level of "charge offs."
- g. Provide all evidence compiled by KU demonstrating that the level of late payment penalty revenues is directly correlated to the level of Accounts Receivable at the end of a period stated as a percentage of sales.

- A-68. a. Seelye Exhibit 3 shows the breakdown of this amount, net of KU's merger surcredit amortization (\$1,069,892), excluding charged billed customers for redundant capacity (\$10,854) and other minor items.
- b. See attached for LG&E's annual revenues by rate class. Late payment revenues are not available by rate class.
- c. Yes.
- d. Other factors, such as the net charge-off relationship between KU and LG&E and differences in accounts receivable balances, should be taken into consideration in estimating the likely increase in miscellaneous revenue due to the implementation of a late payment charge. These other measurements indicate the customers in KU's service territory will likely be charged fewer late payment charges than customers in LG&E's service territory.
- e. This factor was considered, but after examining *both* the Account Receivable balances and the charge-off relationship between the two companies, the Company concluded that there will likely be fewer late payment charges as a percentage of revenues for KU than LG&E.
- f. Due to "charge offs" taking place well after the date a late payment penalty would be imposed, late payment revenues would rise and fall relative to the rise and fall in the level of "charge off." No studies or analysis has been performed linking late payment penalty revenues directly with levels of "charge offs."
- g. By nature of the account, as late payment penalties are imposed they would increase Accounts Receivable. No studies or analyses have been performed linking late payment penalty revenues directly with levels of Accounts Receivable.

Kentucky Utilities Company
Case No. 2008-00251
LG&E's Ultimate Consumer Billed Electric Revenue
For the Years 2003 through 2007

	Total 2003	Total 2004	Total 2005	Total 2006	Total 2007	Late Payment Percent
Revenue						
Residential Service RS	\$ 221,324,854	\$ 237,127,302	\$ 271,447,651	\$ 267,568,266	\$ 305,156,529	5.00%
Total General Service GS	84,052,134	90,153,252	97,657,900	100,430,346	111,355,940	5.00%
Large Commercial LC	106,936,524	114,947,334	125,111,546	128,686,672	137,494,373	1.00%
Large Commercial Time of Day LC-TOD	25,003,944	26,812,840	29,154,275	30,935,424	33,427,389	1.00%
Large Commercial Special Contracts	6,895,010	7,100,739	7,706,010	7,357,076	9,415,688	1.00%
Large Power Industrial Service LP	30,554,315	32,533,185	34,588,447	36,041,114	37,493,453	1.00%
Large Power Industrial Time of Day LP-TOD	71,949,378	77,528,178	94,088,474	100,737,975	102,602,849	1.00%
Large Power Industrial Special Contracts	19,669,584	20,564,848	9,817,018	8,152,851	8,929,139	1.00%
Public Street Lighting PSL	4,947,964	5,285,362	5,404,813	5,547,904	5,691,532	0.00%
Street Lighting Energy SLE	140,363	141,037	153,652	166,484	176,475	0.00%
Outdoor Lighting OL	6,147,417	6,730,625	7,175,017	7,526,868	7,864,960	0.00%
Traffic Lighting Energy TLE	557,512	555,472	354,437	241,375	231,318	0.00%
Total	<u>\$ 578,178,999</u>	<u>\$ 619,480,174</u>	<u>\$ 682,659,240</u>	<u>\$ 693,392,355</u>	<u>\$ 759,839,645</u>	
Forfeited Discounts	\$ 1,652,461	\$ 1,723,118	\$ 2,008,726	\$ 2,120,450	\$ 2,581,212	

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 69

Responding Witness: Chris Hermann / Shannon L. Charnas

- Q-69. KU will not have the capability of assessing the proposed late payment penalty until the first quarter of 2009 (See Cockerill Testimony, page 5, Line 15) when it is anticipated that the Customer Care System will come on-line.
- a. Provide a complete description of the Customer Care System and describe the benefits and efficiencies it will bring to KU when compared to KU's current system.
 - b. Provide a list by account number and title of Customer Care System costs included in the test year end CWIP balance and test year operating expense.
- A-69. The anticipated implementation date for the CCS project is April 1, 2009. Therefore, KU will not have the capability of assessing the proposed late payment penalty until after implementation of CCS.
- a. The Customer Care Solution system is described in the Testimony of Chris Hermann at page 11. CCS will provide numerous efficiencies and benefits to KU relative to the existing system ("CIS").

First, the CCS mitigates the risk of an extended outage of the current mainframe-based system, which was deployed in 1987. This avoids loss of ability to render bills, perform daily customer-facing activities, etc. The CIS utilizes the legacy technology of COBOL, CICS, DB2, and IMS. The CIS applications are rigid and are not easily altered. On-going maintenance support and enhancement projects are becoming more risky, costly, and time-consuming. It is becoming increasingly difficult to obtain experienced mainframe development and support due to the obsolescence of the required skill set in the IT market. In short, the existing CIS is becoming difficult to maintain, and increasingly obsolete.

CCS will permit the establishment of business processes that utilize SAP applications, to add value and improve the performance of KU and LG&E operations. The database and operational structure of the existing system does not support the conceptual changes required to keep pace with evolving industry trends and customer demands, such as real-time pricing, "green power," energy efficiency programs,

flexible billing contracts, and billing options which did not exist when the current CIS applications were implemented. The new system supports these and other more current practices within SAP applications.

The CCS will provide a more standard software implementation, requiring minimal source code modifications—which permits more efficient system upgrades and software enhancements over time.

The CCS will provide a foundation that is scalable (i.e., can be expanded).

Finally, the CCS will provide a single SAP solution for KU and LG&E, combining the existing LG&E and KU systems into one and reducing the number of billing systems overall across the two utilities. This will allow greater unification of customer service operations across KU and LG&E while alleviating challenges to the business associated with duplicate training for customer-facing employees.

- b. Please see the following table for Customer Care System costs included in the test year end CWIP balance and test year operating expense.

Construction Work In Progress Balance As of April 30, 2008

<u>Account</u>	<u>Acct. Title</u>		<u>Amount</u>
107001	Construction Work In Progress	\$	18,369,441.77

Operating Expenses For Test Year Ending April 30, 2008

<u>Account</u>	<u>Acct. Title</u>		<u>Amount</u>
910001	Misc. Customer Service - Info	\$	509,512.24
920900	Other Gen. & Adm. Salaries - Indirect	\$	23,560.96
921903	General Office Supplies/Exp - Indirect	\$	1,773.48
923900	Outside Service - Indirect	\$	1,363.11
926001	Tuition Refund Plan	\$	4,851.61
Total O&M			\$ 541,061.40

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 70

Responding Witness: William Steven Seelye

- Q-70. Reconcile the "Revenue as Billed" total of \$1,112,462,089 as stated at Exhibit 3, page 1, of the Seelye Testimony to the "Operating Revenues" of \$1,154,156,041 as stated at Exhibit 1, page 1, of the Rives Testimony.
- A-70. The "Revenue as Billed" total of \$1,112,462,089 as stated at Seelye Exhibit 3, page 1, is reconciled to the "Operating Revenues" of \$1,154,156,041 as stated at Rives Exhibit 1, as follows:

Revenue Reconciliation

Total Operating Revenue (Rives Exhibit 1 Page 1 line 1)	\$1,154,156,041
Less:	
Accrued Revenues	(17,682,129)
Intercompany Sales	41,161,612
Off-System Sales	6,327,778
Brokered Sales	(90,748)
Redundant Capacity	10,854
Misc Service Revenues	1,578,059
Rent From Electric Property	1,994,812
Other Electric Revenue	2,585,939
Unbilled Revenue	6,878,000
Revenue Adjustment	(334)
Merger Surcredit Amortization	(1,069,892)
Seelye Exhibit 3 Page 1 of 24	\$1,112,462,089

KENTUCKY UTILITIES COMPANY**CASE NO. 2008-00251****CASE NO. 2007-00565****Response to Second Data Request of Commission Staff****Dated August 27, 2008****Question No. 71****Responding Witness: Shannon L. Charnas**

- Q-71. a. The Merger Surcredit accounts shown below were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13, pages 8-10. Explain and show how the amounts charged to these accounts were determined.

Account	Total Co	Allocator	Kentucky Jurisdictional
440112 Residential MSR	\$ 7,316,570	94.210%	\$ 6,892,941
442212 Large Comm. MSR	4,963,489	96.149%	4,772,345
442312 Industrial MSR	4,566,971	96.149%	4,391,097
442614 Mine Power MSR	818,179	96.149%	786,671
444112 Street Lighting MSR	155,907	97.335%	151,752
445112 Public Authority MSR	1,428,014	97.335%	1,389,957
445312 Muni pumping MSR	75,395	94.764%	71,447
Total	\$ 19,324,525		\$ 18,456,210

- b. Reconcile the Kentucky Jurisdictional total of \$18,456,210 as shown in the table above to the amount of Adjustment 1.01 as shown in Volume 4 of 5 of KU's Application at Exhibit 1, page 1, of the Rives Testimony, \$18,568,431.
- A-71. a. The amounts recorded to the above accounts consist of the monthly adjustment for the Merger Surcredit factor applied to each of the rate schedules to which this surcredit is applicable. For record-keeping purposes, the Merger Surcredit is subdivided into customer classes (e.g., residential, commercial, industrial, etc.) with separate general ledger accounts maintained. The amounts include "billed" Merger Surcredit, the Merger Surcredit applied to unbilled revenues, amortization of the amounts prepaid to certain customers, and an adjustment for amounts over/under refunded during the period.

b. Item 13, pages 8-10 as amended.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440112 Residential MSR	\$ 7,316,570	93.101%	\$ 6,811,830
442212 Large Commercial MSR	4,963,489	95.216%	4,726,017
442312 Industrial MSR	4,566,971	99.370%	4,538,221
442612 Mine Power MSR	818,179	70.439%	576,314
444112 Street Lighting MSR	155,907	98.644%	153,793
445112 Public Authority MSR	1,428,014	93.074%	1,329,106
445312 Muni Pumping MSR	75,395	95.807%	72,234
	<u>\$ 19,324,525</u>		<u>\$ 18,207,515</u>

Reconciliation of the Kentucky Jurisdictional total of \$18,207,515, as amended, as shown in the table above to the amount of Adjustment 1.01 as shown in Volume 4 of 5 of KU's Application at Exhibit 1, page 1, of the Rives Testimony, \$18,568,431:

Jurisdictional MSR billed	\$ 18,568,431
Net MSR related to unbilled and the over-refunded MSR	(360,916)
Kentucky Jurisdictional Total	<u>\$ 18,207,515</u>

KENTUCKY UTILITIES COMPANY

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Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 72

Responding Witness: Shannon L. Charnas

- Q-72. a. The Value Delivery Surcredit accounts shown below were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13, pages 8-10. Explain and show how the amounts charged to these accounts were determined.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440114 Residential VDT	\$ 1,232,012	94.210%	\$ 1,160,678
442214 Large Commer VDT	858,748	96.149%	825,677
442314 Industrial VDT	796,988	96.149%	766,296
442614 Mine Power VDT	105,347	96.149%	101,291
444114 Street Lighting VDT	27,800	97.335%	27,059
445114 Public Authority VDT	242,667	94.764%	229,961
445314 Muni Pumping VDT	12,654	94.764%	11,992
Total	\$ 3,276,217		\$ 3,122,954

- b. Reconcile the Kentucky Jurisdictional total of \$3,122,954 as shown in the table above to the amount of Adjustment 1.02 as shown in Exhibit 1, page 1 of the Rives Testimony, \$3,405,550.
- A-72. a. The amounts recorded to the above accounts consist of the monthly adjustment for the Value Delivery Surcredit factor applied to each of the rate schedules. For record-keeping purposes, the Value Delivery Surcredit is subdivided into customer classes (e.g., residential, commercial, industrial, etc.) with separate general ledger accounts maintained. The amounts include "billed" Value Delivery Surcredit, the Value Delivery Surcredit applied to unbilled revenues, and an adjustment for amounts over/under refunded during the period.

b. Item 13, pages 8-10 as amended.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440114 Residential VDT	\$ 1,232,012	100.000%	\$ 1,232,012
442214 Large Commercial VDT	858,748	100.000%	858,748
442314 Industrial VDT	796,988	100.000%	796,988
442614 Mine Power VDT	105,347	100.000%	105,347
444114 Street Lighting VDT	27,800	100.000%	27,800
445114 Public Authority VDT	242,667	100.000%	242,667
445314 Muni Pumping VDT	12,654	100.000%	12,654
	<u>\$ 3,276,216</u>		<u>\$ 3,276,216</u>

Reconciliation of the Kentucky Jurisdictional total of \$3,276,216, as amended, as shown in the table above to the amount of Adjustment 1.02 as shown in Exhibit 1, page 1 of the Rives Testimony, \$3,405,550:

Jurisdictional VDT billed	\$3,405,550
Net VDT related to unbilled and the over-refunded VDT	(129,334)
Kentucky Jurisdictional Total	<u>\$3,276,216</u>

KENTUCKY UTILITIES COMPANY

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Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 73

Responding Witness: Shannon L. Charnas

- Q-73. a. The Fuel Adjustment Clause accounts shown below were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13, pages 8-10. Reconcile the Kentucky Jurisdictional total for these accounts of \$87,413,884 to KU's proposed adjustment in the amount of \$116,253,633 as shown in Exhibit 1, page 1, Adjustment 1.03 of the Rives Testimony.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440104 Residential FAC	\$ 30,086,295	94.210%	\$ 28,344,299
442204 Large Commercial FAC	23,561,997	96.149%	22,654,624
442304 Industrial FAC	26,781,732	96.149%	25,750,368
442604 Mine Power FAC	2,964,391	96.149%	2,850,232
444104 Street Lighting FAC	248,678	97.335%	242,051
445104 Public Authority FAC	7,622,105	94.764%	7,223,011
445304 Muni Pumping FAC	368,598	94.764%	349,298
Total	\$ 91,633,796		\$ 87,413,884

- A-73. a. Item 13, pages 8-10 as amended.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440104 Residential FAC	\$ 30,086,295	100.000%	\$ 30,086,295
442204 Large Commercial FAC	23,561,997	100.000%	23,561,997
442304 Industrial FAC	26,781,732	100.000%	26,781,732
442604 Mine Power FAC	2,964,391	100.000%	2,964,391
444104 Street Lighting FAC	248,678	100.000%	248,678
445104 Public Authority FAC	7,622,105	100.000%	7,622,105
445304 Muni Pumping FAC	368,598	100.000%	368,598
	\$ 91,633,796		\$ 91,633,796

Reconciliation of the Kentucky Jurisdictional total for these accounts of \$91,633,796, as amended, to KU's proposed adjustment in the amount of \$116,253,633 as shown in Exhibit 1, page 1, Adjustment 1.03 of the Rives Testimony:

Jurisdictional FAC billed	\$ 116,253,633
Net FAC related to unbilled, partially offset by the regulatory lag and the under-recovered FAC	(24,619,837)
Kentucky Jurisdictional Total	<u>\$ 91,633,796</u>

KENTUCKY UTILITIES COMPANY

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**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 74

Responding Witness: Robert M. Conroy

- Q-74. It appears that the adjustments in Reference Schedules 1.03 and 1.04 as shown at Exhibit 1, page 1, of the Rives Testimony result in an understatement of operating revenues and operating expenses at the pro forma present rate level of approximately \$84 million, the amount of the FAC "roll-in." Explain where the revenues shifted from the FAC to base rates through the FAC "roll-in" (approximately \$84 million) appear in pro forma operating revenues as shown on Rives Exhibit 1.
- A-74. Reference Schedule 1.04 shows the increase to base rate revenues to reflect a full year of the FAC roll-in of \$84,205,087. Also shown on Reference Schedule 1.04 is the decrease to FAC revenues to reflect a full year of the FAC roll-in of \$84,106,820 for a net adjustment of \$98,267. The net adjustment appears on Rives Exhibit 1, page 1 of 2 on line 7 titled "To adjust base rates and FAC to reflect a full year of the FAC roll-in."

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

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**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 75

Responding Witness: Robert M. Conroy

Q-75. Refer to Exhibit 1, page 1, Adjustment 1.03 of the Rives Testimony. This "mismatch" adjustment represents a \$20,098,577 decrease to net operating income. Compare this mismatch for the 12 months ending April 30, 2005, 2006 and 2007.

A-75. See attached.

KENTUCKY UTILITIES**To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended April 30, 2005**

<u>Expense Month</u>	<u>Revenue Form A Page 5 of 6 Line 3</u>	<u>Expense Form A* Page 5 of 6 Line 8</u>
May-04	488,733	114,415
Jun-04	1,726,897	1,973,800
Jul-04	106,127	2,348,631
Aug-04	1,961,685	3,243,211
Sep-04	2,247,312	4,367,088
Oct-04	2,761,803	3,871,540
Nov-04	3,841,201	2,703,124
Dec-04	4,516,505	4,475,728
Jan-05	3,431,547	5,061,676
Feb-05	4,229,000	4,922,385
Mar-05	4,847,682	4,019,243
Apr-05	4,774,175	6,523,479
Total	<u>\$ 34,932,667</u>	<u>\$ 43,624,320</u>
Adjustment	<u>\$ (34,932,667)</u>	<u>\$ (43,624,320)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example, example, January 2005 would be reflected in March 2005.

KENTUCKY UTILITIES**To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended April 30, 2006**

<u>Expense Month</u>	<u>Revenue Form A Page 5 of 6 Line 3</u>	<u>Expense Form A* Page 5 of 6 Line 8</u>
May-05	3,304,805	5,860,308
Jun-05	7,417,374	14,560,077
Jul-05	1,982,723	11,387,181
Aug-05	14,817,224	13,429,525
Sep-05	11,080,994	10,129,688
Oct-05	10,688,248	8,020,910
Nov-05	8,614,486	3,190,134
Dec-05	9,180,808	4,507,237
Jan-06	3,866,413	3,120,547
Feb-06	3,945,430	6,667,044
Mar-06	3,015,827	10,702,492
Apr-06	6,056,299	7,752,729
Total	<u>\$ 83,970,631</u>	<u>\$ 99,327,872</u>
Adjustment	<u>\$ (83,970,631)</u>	<u>\$ (99,327,872)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example, January 2006 would be reflected in March 2006.

KENTUCKY UTILITIES**To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended April 30, 2007**

<u>Expense Month</u>	<u>Revenue Form A Page 5 of 6 Line 3</u>	<u>Expense Form A* Page 5 of 6 Line 8</u>
May-06	9,371,996	9,996,490
Jun-06	8,887,285	12,357,111
Jul-06	11,531,629	15,851,086
Aug-06	14,070,248	23,135,586
Sep-06	14,786,826	6,750,059
Oct-06	17,456,671	10,851,541
Nov-06	6,972,391	6,116,480
Dec-06	12,048,324	5,794,143
Jan-07	7,032,798	6,703,436
Feb-07	6,594,708	10,554,628
Mar-07	6,277,159	9,250,421
Apr-07	8,794,904	13,707,433
Total	<u>\$ 123,824,939</u>	<u>\$ 131,068,414</u>
Adjustment	<u>\$ (123,824,939)</u>	<u>\$ (131,068,414)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example, January 2007 would be reflected in March 2007.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 76

Responding Witness: Shannon L. Charnas

- Q-76. a. The Environmental Cost Recovery revenue accounts shown below were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13, pages 8-10. Explain and show how the amounts charged to these accounts were determined.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440111 Residential ECR	\$ 22,730,902	94.210%	\$ 21,414,783
442211 Large Commercial ECR	15,884,813	96.149%	15,273,089
442311 Industrial ECR	15,426,591	96.149%	14,832,513
442611 Mine Power ERC	2,030,875	96.149%	1,952,666
444111 Street Lighting ERC	495,202	97.335%	482,005
445111 Public Authority ECR	4,526,173	94.764%	4,289,183
445311 Muni Pumping ECR	247,462	94.764%	234,505
Total	\$ 61,342,019		\$ 58,478,744

- b. Reconcile the Kentucky Jurisdictional total of \$58,478,744 as shown in the table above to the amount of Adjustment 1.05 as shown on Exhibit 1, page 1 of the Rives Testimony, \$54,342,557.
- A-76. a. The amounts recorded to the above accounts consist of the monthly adjustment for the Environmental Cost Recovery factor applied to each of the rate schedules. For record-keeping purposes, the Environmental Cost Recovery is subdivided into customer classes (e.g., residential, commercial, industrial, etc.) with separate general ledger accounts maintained. The amounts include "billed" Environmental Cost Recovery, the Environmental Cost Recovery applied to unbilled revenues, and an adjustment for amounts over/under refunded during the period.

b. Item 13, pages 8-10 as amended.

Account	Total Co.	Allocator	Kentucky Jurisdictional
440111 Residential ECR	\$ 22,730,902	100.000%	\$ 22,730,902
442211 Large Commercial ECR	15,884,813	100.000%	15,884,813
442311 Industrial ECR	15,426,591	100.000%	15,426,591
442611 Mine Power ECR	2,030,875	100.000%	2,030,875
444111 Street Lighting ECR	495,202	100.000%	495,202
445111 Public Authority ECR	4,526,173	100.000%	4,526,173
445311 Muni Pumping ECR	<u>247,462</u>	100.000%	<u>247,462</u>
	<u>\$ 61,342,018</u>		<u>\$ 61,342,018</u>

Reconciliation of the Kentucky Jurisdictional total of \$58,478,744 as shown in the table above to the amount of Adjustment 1.05 as shown on Exhibit 1, page 1 of the Rives Testimony, \$54,342,557:

Jurisdictional ECR billed	\$ 54,342,557
Net unbilled, regulatory lag and under-recovered ECR	<u>6,999,461</u>
Kentucky Jurisdictional Total	<u>\$ 61,342,018</u>

KENTUCKY UTILITIES COMPANY

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Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 77

Responding Witness: Robert M. Conroy

- Q-77. Using the account numbers, titles and account balances shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13, identify the expenses that were eliminated for rate-making purposes through Reference Schedule 1.05 as shown at Exhibit 1, page 1, of the Rives Testimony.
- A-77. See attached. Certain account balances as shown in Volume 1 of 4, Item 13 are greater than the expenses that were eliminated for rate-making purposes through Reference Schedule 1.05 of Exhibit 1. These accounts include expenses that are already included in KU's base rates and are therefore excluded from ECR recovery.

Expense Month	Account Number	Description	Removed for Rate-making Purposes Expenses Post '94 ECR Plan
May-07	506104	NOX REDUCTION REAGENT	\$157,694
May-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	16,149
May-07	506109	SORBENT INJECTION OPERATION	34,982
May-07	512102	SORBENT INJECTION MAINTENANCE	6,118
May-07	403011	DEPRECIATION EXP - STEAM POWER GEN	495,449
May-07	408102	REAL AND PERSONAL PROPERTY TAX	53,477
May-07	509001	SO2 EMISSION ALLOWANCE	236,459
		Total - MAY 2007	<u>\$1,000,328</u>
Jun-07	506104	NOX REDUCTION REAGENT	\$189,199
Jun-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	4,845
Jun-07	502006	SCRUBBER REACTANT EXPENSE	76,533
Jun-07	506109	SORBENT INJECTION OPERATION	57,471
Jun-07	512102	SORBENT INJECTION MAINTENANCE	304,574
Jun-07	403011	DEPRECIATION EXP - STEAM POWER GEN	810,502
Jun-07	408102	REAL AND PERSONAL PROPERTY TAX	53,223
Jun-07	509001	SO2 EMISSION ALLOWANCE	263,068
		Total - JUNE 2007	<u>\$1,759,415</u>
Jul-07	506104	NOX REDUCTION REAGENT	\$214,503
Jul-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	24,857
Jul-07	502006	SCRUBBER REACTANT EXPENSE	293,171
Jul-07	506109	SORBENT INJECTION OPERATION	139,020
Jul-07	512102	SORBENT INJECTION MAINTENANCE	26,623
Jul-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,132,992
Jul-07	408102	REAL AND PERSONAL PROPERTY TAX	53,223
Jul-07	509001	SO2 EMISSION ALLOWANCE	259,920
		Total - JULY 2007	<u>\$2,144,308</u>
Aug-07	506104	NOX REDUCTION REAGENT	\$201,262
Aug-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	7,493
Aug-07	502006	SCRUBBER REACTANT EXPENSE	125,452
Aug-07	512005	MAINTENANCE - SDRS	194
Aug-07	506109	SORBENT INJECTION OPERATION	137,151
Aug-07	512102	SORBENT INJECTION MAINTENANCE	58,589
Aug-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,132,992
Aug-07	408102	REAL AND PERSONAL PROPERTY TAX	53,223
Aug-07	509001	SO2 EMISSION ALLOWANCE	312,369
		Total - AUGUST 2007	<u>\$2,028,724</u>
Sep-07	506104	NOX REDUCTION REAGENT	\$168,033
Sep-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	2,505
Sep-07	502006	SCRUBBER REACTANT EXPENSE	(184,698)
Sep-07	512005	MAINTENANCE - SDRS	155
Sep-07	506109	SORBENT INJECTION OPERATION	83,205
Sep-07	512102	SORBENT INJECTION MAINTENANCE	13,190
Sep-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,132,992
Sep-07	408102	REAL AND PERSONAL PROPERTY TAX	53,193
Sep-07	509001	SO2 EMISSION ALLOWANCE	231,319
		Total - SEPTEMBER 2007	<u>\$1,499,893</u>

Expense Month	Account Number	Description	Removed for Rate-making Purposes Expenses Post '94 ECR Plan
Oct-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	\$58,342
Oct-07	502006	SCRUBBER REACTANT EXPENSE	79,476
Oct-07	512005	MAINTENANCE - SDRS	542
Oct-07	506109	SORBENT INJECTION OPERATION	16,288
Oct-07	512102	SORBENT INJECTION MAINTENANCE	23,994
Oct-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,133,941
Oct-07	408102	REAL AND PERSONAL PROPERTY TAX	53,194
Oct-07	509001	SO2 EMISSION ALLOWANCE	252,021
		Total - OCTOBER 2007	<u>\$1,617,797</u>
Nov-07	506104	NOX REDUCTION REAGENT	\$28,399
Nov-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	9,932
Nov-07	502006	SCRUBBER REACTANT EXPENSE	97,465
Nov-07	512005	MAINTENANCE - SDRS	535
Nov-07	506109	SORBENT INJECTION OPERATION	2,540
Nov-07	512102	SORBENT INJECTION MAINTENANCE	7
Nov-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,134,890
Nov-07	408102	REAL AND PERSONAL PROPERTY TAX	53,194
Nov-07	509001	SO2 EMISSION ALLOWANCE	227,645
		Total - NOVEMBER 2007	<u>\$1,554,607</u>
Dec-07	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	\$98,268
Dec-07	502006	SCRUBBER REACTANT EXPENSE	70,434
Dec-07	512005	MAINTENANCE - SDRS	1,637
Dec-07	403011	DEPRECIATION EXP - STEAM POWER GEN	1,146,595
Dec-07	408102	REAL AND PERSONAL PROPERTY TAX	53,191
Dec-07	509001	SO2 EMISSION ALLOWANCE	257,265
		Total - DECEMBER 2007	<u>\$1,627,390</u>
Jan-08	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	\$29,374
Jan-08	502006	SCRUBBER REACTANT EXPENSE	83,948
Jan-08	512005	MAINTENANCE - SDRS	7,911
Jan-08	403011	DEPRECIATION EXP - STEAM POWER GEN	1,158,544
Jan-08	408102	REAL AND PERSONAL PROPERTY TAX	106,605
Jan-08	509001	SO2 EMISSION ALLOWANCE	38,611
		Total - JANUARY 2008	<u>\$1,424,993</u>
Feb-08	506104	NOX REDUCTION REAGENT	\$49,954
Feb-08	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	18,213
Feb-08	502006	SCRUBBER REACTANT EXPENSE	72,009
Feb-08	512005	MAINTENANCE - SDRS	8,858
Feb-08	403011	DEPRECIATION EXP - STEAM POWER GEN	1,158,544
Feb-08	408102	REAL AND PERSONAL PROPERTY TAX	106,605
Feb-08	509001	SO2 EMISSION ALLOWANCE	35,444
		Total - FEBRUARY 2008	<u>\$1,449,628</u>

Expense Month	Account Number	Description	Removed for Rate-making Purposes Expenses Post '94 ECR Plan
Mar-08	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	\$22,036
Mar-08	502006	SCRUBBER REACTANT EXPENSE	144,582
Mar-08	512005	MAINTENANCE - SDRS	6,200
Mar-08	411801	GAIN - DISPOSITION OF ALLOWANCES	(296,941)
Mar-08	403011	DEPRECIATION EXP - STEAM POWER GEN	1,158,571
Mar-08	408102	REAL AND PERSONAL PROPERTY TAX	106,605
Mar-08	509001	SO2 EMISSION ALLOWANCE	37,346
		Total - MARCH 2008	<u>\$1,178,399</u>
Apr-08	506104	NOX REDUCTION REAGENT	\$112,726
Apr-08	512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	51,395
Apr-08	502006	SCRUBBER REACTANT EXPENSE	68,868
Apr-08	512005	MAINTENANCE - SDRS	4,545
Apr-08	506109	SORBENT INJECTION OPERATION	34,800
Apr-08	512102	SORBENT INJECTION MAINTENANCE	13,935
Apr-08	403011	DEPRECIATION EXP - STEAM POWER GEN	1,158,571
Apr-08	408102	REAL AND PERSONAL PROPERTY TAX	106,605
Apr-08	509001	SO2 EMISSION ALLOWANCE	28,960
		Total - APRIL 2008	<u>\$1,580,406</u>
		TOTAL	<u><u>\$18,865,888</u></u>

TWELVE MONTHS ENDED APRIL 30, 2008

506104	NOX REDUCTION REAGENT	\$1,121,770
512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP	343,409
502006	SCRUBBER REACTANT EXPENSE	927,240
512005	MAINTENANCE - SDRS	30,577
506109	SORBENT INJECTION OPERATION	505,457
411801	GAIN - DISPOSITION OF ALLOWANCES	(296,941)
512102	SORBENT INJECTION MAINTENANCE	447,030
403011	DEPRECIATION EXP - STEAM POWER GEN	12,754,583
408102	REAL AND PERSONAL PROPERTY TAX	852,338
509001	SO2 EMISSION ALLOWANCE	2,180,427
	TOTAL	<u><u>\$18,865,888</u></u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 78

Responding Witness: Robert M. Conroy

- Q-78. Refer to Exhibit 3, page 3 of 3, of the Rives Testimony.
- a. Show the calculation of Columns 2 and 3 using Column 4. This calculation should show the allocation factors used to make these calculations and discuss why each factor is appropriate to make the allocation.
 - b. Reconcile each amount shown in Column 5 to the amounts provided to the Commission on the page labeled as "Calculation of ECR Roll-in At February 28, 2007" in KU's Monthly Environmental Surcharge Report submitted to the Commission on April 22, 2008.
- A-78. a. See attached.
- b. See attached.

KENTUCKY UTILITIES

**Net Original Cost Kentucky Jurisdictional Rate Base
At April 30, 2008**

Title of Account (1)	Total Company ECR Rate Base at April 30, 2008 (1) (2)	Allocation Title (2) (3)	Allocation Factor (3) (4)	Kentucky Jurisdictional ECR Rate Base at April 30, 2008 (5)	Other Jurisdictional ECR Rate Base at April 30, 2008 (6)
1. Utility Plant at Original Cost	\$ 1,004,734,627	DEMPROD	0.86537	\$ 869,467,204	\$ 135,267,423
2. Deduct:					
3. Reserve for Depreciation	28,646,301	STMSYS	0.86537	24,789,649	3,856,652
4. Net Utility Plant	<u>976,088,326</u>			<u>844,677,555</u>	<u>131,410,771</u>
5. Deduct:					
6. Customer Advances for Construction	-			-	-
7. Accumulated Deferred Income Taxes	35,129,461	PRODSYS	0.86537	30,399,982	4,729,479
8. Asset Retirement Obligation-Net Assets	-			-	-
9. Asset Retirement Obligation-Liabilities	-			-	-
10. Asset Retirement Obligation-Regulatory Assets	-			-	-
11. Asset Retirement Obligation-Regulatory Liabilities	-			-	-
12. Reclassification of Accumulated Depreciation associated with Cost of Removal for underlying ARO Assets	-			-	-
13. Investment Tax Credit (a)	13,659,670	PRODPLT	0.85582	11,690,219	1,969,451
14. Total Deductions	<u>48,789,131</u>			<u>42,090,201</u>	<u>6,698,930</u>
15. Net Plant Deductions	927,299,195			802,587,354	124,711,841
16. Add:					
17. Materials and Supplies	310,999	M&S	0.86173	267,997	43,002
18. Prepayments	-			-	-
19. Emission Allowances	153,191	DEMPROD	0.86537	132,567	20,624
20. Cash Working Capital	421,936	EXP5017	0.86756	366,055	55,881
21. Total Additions	<u>886,126</u>			<u>766,619</u>	<u>119,507</u>
22. Total Net Original Cost Rate Base	<u>\$ 928,185,321</u>			<u>\$ 803,353,973</u>	<u>\$ 124,831,348</u>

(1) ES Form 2.00 Determination of Environmental Compliance Rate Base for the Expense Month of April 2008.

(2) Allocation title pursuant to Appendix B in the Commission's Order dated January 7, 2000 in Case No. 1998-00474.

(3) Allocation factors from Seelye Exhibit 16.

(a) Reflects investment tax credit treatment per Case No. 2007-00178.

Attachment to Response to PSC-2 Question No. 78(a)

Kentucky Utilities Company
Calculation of ECR Roll-in At February 28, 2007

Calculation of Revenue Requirement for Roll-In:

		(A)	(B)	(C)	(D)	Column D
		Post-1994 Plan at Feb. 28, 2007	Allocation Title	Allocation Factor	Kentucky Jurisdictional ECR Roll-In Rate Base	Exhibit 3 Column 5 Reference
Environmental Compliance Rate Base						
Pollution Control Plant in Service	ES Form 2.00, February 2007	240,437,831	DEMPROD	0.86537	208,067,685	
Pollution Control CWIP Excluding AFUDC	ES Form 2.00, February 2007	<u>255,269,869</u>	PRODSYS	0.86537	<u>220,902,087</u>	
	Subtotal	495,707,700			428,970,572	Line 1
Additions:						
Emission Allowances, net of baseline	ES Form 2.00, February 2007	1,286,517	DEMPROD	0.86537	1,113,313	Line 19
	ES Form 2.00, February 2007 per corrections made in Case No. 2007-00379	<u>153,616</u>	EXP5017	0.86756	<u>133,271</u>	Line 20
Cash Working Capital Allowance		1,440,133			1,246,584	Line 21
	Subtotal					
Deductions:						
Accumulated Depreciation on Pollution Control Plant	ES Form 2.00, February 2007	16,772,692	STMSYS	0.86537	14,514,584	Line 2
Pollution Control Deferred Income Taxes	ES Form 2.00, February 2007	30,600,634	PRODSYS	0.86537	26,480,871	Line 7
	ES Form 2.00, February 2007 as revised September 21, 2007	<u>2,049,747</u>	PRODPLT	0.85582	<u>1,754,214</u>	Line 13
Pollution Control Deferred Investment Tax Credit		49,423,073			42,749,669	
	Subtotal					
Environmental Compliance Rate Base		<u>\$ 447,724,760</u>			<u>\$ 387,467,487</u>	Line 22
Rate of Return -- Environmental Compliance Rate Base	ES Form 1.10, February 2007 as revised April 23, 2007		11.52%			
Return on Environmental Compliance Rate Base		<u>\$ 51,577,892</u>				
Pollution Control Operating Expenses						
12 Month Depreciation and Amortization Expense	See Support Schedule A	5,927,060				
12 Month Taxes Other than Income Taxes	See Support Schedule A	425,002				
12 Month Operating and Maintenance Expense	See Support Schedule A	1,228,923				
12 Month Emission Allowance Expense, net of amounts in base rates	See Support Schedule A	<u>3,162,166</u>				
Total Pollution Control Operating Expenses		<u>\$ 10,743,151</u>				
Gross Proceeds from By-Product & Allowance Sales	See Support Schedule B	997,763				
Total Company Environmental Surcharge Gross Revenue Requirement -- Roll In Amount						
Return on Environmental Compliance Rate Base		51,577,892				
Pollution Control Operating Expenses		10,743,151				
Less Gross Proceeds from By-Product & Allowance Sales		<u>(997,763)</u>				
Roll In Amount		<u>\$ 61,323,280</u>				
Jurisdictional Allocation Ratio -- Roll In	See Support Schedule C	<u>80.7487%</u>				
Jurisdictional Revenues for 12 Months for Roll In	See Support Schedule C	<u>947,408,732</u>				
Roll In Jurisdictional Environmental Surcharge Factor:						
Total Company Environmental Surcharge Gross Revenue Requirement -- Roll In Amount		<u>\$ 61,323,280</u>				
Jurisdictional Allocation Ratio -- Roll In		<u>80.7487%</u>				
Jurisdictional Environmental Surcharge Gross Revenue Requirement -- Gross Roll In Amount		49,517,782				
Less Jurisdictional Environmental Revenue Previously Rolled In (Case No. 2006-00129)		<u>25,837,275</u>				
Jurisdictional Environmental Surcharge Gross Revenue Requirement -- Net Roll In Amount		<u>\$ 23,680,507</u>				

Base Revenues for the 12-Months Ending March 2008 \$ 898,641,240

BESF Gross Roll-In Amount 5.5103%

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 79

Responding Witness: Paul W. Thompson / Shannon L. Charnas

Q-79. Refer to Exhibit 1, Reference Schedule 1.08, of the Rives Testimony.

- a. Explain the process through which KU markets, negotiates, finalizes, and delivers brokered sales. This explanation should discuss who KU's existing brokerage customers and potential brokerage customers are, how brokered sales are priced, delivered, and recorded on the books, and the resources used in this process.
- b. The following accounts were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13. Provide an analysis showing all entries to these accounts. An explanation for each entry should be included in the analysis along with customer names.

447200 - Brokered Purchases;

447210 - Settled Swap Expense;

447220 - Settled Swap Expense – Proprietary;

447221 - Settled Swap Expense – Proprietary – Netting

- c. Explain the accounting process employed by KU to insure that all expenses related to brokerage sales are accounted for properly in the accounts listed in b. instead of being incorrectly charged to operation and maintenance expenses.
- d. Provide a detailed analysis of the labor and labor related costs from trading activities that was used to determine the \$9,359 in "Operating Expense related to Brokered Sales."
- e. Explain how the labor and labor related costs from trading activities in the assumed amount of \$345,350 ($\$9,359 / 2.71$ percent) were determined.
- f. Explain why an allocation factor of 2.71 percent is appropriate to determine the operating expenses related to brokered sales.
- g. Provide a discussion describing KU's trading sales activities.

- A-79. a. KU's trading strategy is an asset-based trading strategy that is intended to optimize the economic value of the Company's asset portfolio. Off-system sales are made when economic generation above the requirements of our native load customers exists and a transaction can be made in the wholesale market. In addition, purchases are made in the wholesale market to serve either native load customers or off-system sales when they can be made at a cost lower than the companies' generation cost.

Periodically, the Company enters into certain forward financial swap transactions (fixed-for-float swaps). These transactions are called "brokered transactions" and are typically executed via the trading platform, Intercontinental Exchange (ICE), and cleared through our current clearing broker, MF Global. Since these transactions are cleared, MF Global is the counterparty for the trade. The price of these transactions is determined by the wholesale marketplace. Future counterparties for these transaction types are unknown. Brokered purchases and sales and settled swaps are financial in nature, no physical energy is delivered. KU's customers are not at risk for any losses associated with these transactions.

Please see section (c) for the discussion on how brokered and settled swaps purchases and sales are recorded.

- b. See attached.
- c. All brokered sales and purchases and swaps for KU are entered into the Commodity Trading System (CTS) by the regulated trading department when the sale or purchase is brokered or swapped. During the close process, CTS reports are run to determine if there are any brokered or settled swap sales or purchases for the closing month. The data for the swaps from CTS is reconciled to MF Global's website. The data for both the brokered transactions and the swaps is then recorded into the accounting system into the accounts noted above.

These procedures ensure that brokered sales and purchases transactions are completely and accurately recorded to the correct accounts.

- d. See attached.
- e. See attachment to response to part (d). The total Company (KU and LG&E) test period labor costs from regulated trading activities are \$3,232,059. This amount is allocated to brokered trading expense (2.71%) determined by the ratio of brokered sales revenues to total trading activities sales revenues (6%) and percentage of staff performing trading activities (45%). The brokered trading expense (\$87,527) is apportioned to KU and LG&E based upon the proportionate share of total brokered sales revenues.
- f. The allocation factor of 2.71% represents the composite percentage of the ratio of brokered sales revenues to total trading activities sales revenues (6%) and the

percentage of staff dedicated to trading activities (45%). This approach is consistent with the method used in the Companies' last rate cases (Case Nos. 2003-00433 and 2003-00434).

- g. As mentioned in response to Question No. 79(a), KU's trading strategy is an asset-based trading strategy that is intended to optimize the economic value of the Company's asset portfolio. Off-system sales are made when economic generation above the requirements of our native load customers exists and a transaction can be made in the wholesale market. In addition, purchases are made in the wholesale market to serve either native load customers or off-system sales when they can be made at a cost lower than the companies' generation cost.

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565

Analysis of Account 447200 (Brokered Purchases)

GL Date	Description	Customer	Debit	Credit
31-May-07	Current Month Brokered Purchase	Owensboro Municipal Utilities	105,437.31	-
31-May-07	Adjustment - Brokered Sales - Feb 07 (booked in May 07)	Owensboro Municipal Utilities	-	0.05
31-May-07	Current Month Brokered Purchase	Municipalities ¹	158,086.08	-
30-Jun-07	Current Month Brokered Purchase	Associated Electric Coop	134.86	-
30-Jun-07	Current Month Brokered Purchase	Owensboro Municipal Utilities	15,882.12	-
30-Jun-07	Current Month Brokered Purchase	Southern Energy	136.40	-
30-Jun-07	Adjustment - Brokered Sales - May 07 (booked in Jun 07)	Owensboro Municipal Utilities	-	401.80
30-Jun-07	Current Month Brokered Purchase	Municipalities ²	26,479.05	-
31-Aug-07	Current Month Brokered Purchase	Associated Electric Coop	667.15	-
31-Jan-08	Current Month Brokered Purchase	Associated Electric Coop	230.65	-
31-Jan-08	Current Month Brokered Purchase	Southern Energy	116.29	-
30-Apr-08	Current Month Brokered Purchase	Constellation Energy	878.37	-
Total KU Brokered Purchases			\$308,048.28	\$ 401.85

¹ City of Bardstown	9,600.55
Bardwell electric	2,315.75
Electric Plant Board of Benham	1,059.60
City Utilities Commission of Corbin	11,100.18
City of Falmouth	2,520.84
Frankfort Electric & Whole Plant Board	66,742.25
Municipal Light & Water-East Sub	4,693.37
Municipal Light & Water-GE Sub	5,111.36
Municipal Light & Water-Hospital	5,838.38
Municipal Light & Water-McCoy Ave Sub	4,812.01
Municipal Light & Water-S/N	5,401.05
Municipal Light & Water-West Sub	7,482.89
City of Nicholasville 3	4,000.72
City of Nicholasville 4&5	6,920.03
City of Paris	5,827.82
City of Providence	2,962.82
City of Providence-East Sub	2,296.75
	148,686.37

² City of Bardstown	1,608.06
Bardwell Electric	387.91
Electric Plant Board of Benham	177.48
City Utilities Commission of Corbin	1,859.24
City of Falmouth	422.23
Frankfort Electric & Whole Plant Board	11,179.17
Municipal Light & Water-East Sub	794.01
Municipal Light & Water-GE Sub	822.83
Municipal Light & Water-Hospital	954.56
Municipal Light & Water-McCoy Ave Sub	875.98
Municipal Light & Water-S/N	907.38
Municipal Light & Water-West Sub	1,229.45
City of Nicholasville 3	685.70
City of Nicholasville 4&5	1,143.52
City of Paris	976.14
City of Providence	518.09
City of Providence-East Sub	362.88
	24,904.63

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565

Analysis of Account 447210 (Settled Swap Expense)

GL Date	Description	Customer	Debit	Credit
31-May-07	Current Month Settled Swaps	MFGlobal	5,381.16	-
30-Jun-07	Current Month Settled Swaps	MFGlobal	17,986.05	-
31-Jul-07	Current Month Settled Swaps	MFGlobal	4,439.34	-
31-Aug-07	Current Month Settled Swaps	MFGlobal	914.44	-
30-Sep-07	Current Month Settled Swaps	MFGlobal	83,744.35	-
31-Oct-07	Current Month Settled Swaps	MFGlobal	66,211.96	-
30-Nov-07	Current Month Settled Swaps	MFGlobal	7,136.66	-
31-Dec-07	Current Month Settled Swaps	MFGlobal	29,970.46	-
31-Dec-07	Reclassified to 447220 in Dec 07 (Swaps settled in Jan 07)	MFGlobal	-	141.60
31-Dec-07	Reclassified to 447220 in Dec 07 (Swaps settled in Feb 07)	MFGlobal	-	92.85
31-Dec-07	Reclassified to 447220 in Dec 07 (Swaps settled in Mar 07)	MFGlobal	-	263.07
31-Dec-07	Reclassified to 447220 in Dec 07 (Swaps settled in May 07)	MFGlobal	-	331.60
31-Dec-07	Current Month Settled Swaps	MFGlobal	17,986.05	-
31-Dec-07	Current Month Settled Swaps	MFGlobal	-	17,986.05
31-Jan-08	Current Month Settled Swaps	MFGlobal	15,254.50	-
29-Feb-08	Current Month Settled Swaps	MFGlobal	9,027.26	-
31-Mar-08	Current Month Settled Swaps	MFGlobal	9,496.08	-
30-Apr-08	Correct Feb 08 Settled EL Swaps	MFGlobal	0.03	-
Total - KU Settled Swap Expense			\$ 267,548.34	\$ 18,815.17

Kentucky Utilities

Case No. 2008-00251

Case No. 2007-00565

Analysis of Account 447220 (Settled Swap Expense - Proprietary)

GL Date	Description	Customer	Debit	Credit
30-Sep-07	Current Month Settled Swaps - Proprietary	MFGlobal	94,129.71	-
31-Oct-07	Current Month Settled Swaps - Proprietary	MFGlobal	1,621.57	-
30-Nov-07	Current Month Settled Swaps - Proprietary	MFGlobal	7.96	-
31-Dec-07	Current Month Settled Swaps - Proprietary	MFGlobal	1,446.83	-
31-Dec-07	Reclass from 447210 from February 07	MFGlobal	92.85	-
31-Dec-07	Reclass from 447210 from March 07	MFGlobal	263.07	-
31-Dec-07	Reclass from 447210 from May 07	MFGlobal	331.60	-
31-Dec-07	Reclass from 447210 from January 07	MFGlobal	141.60	-
31-Jan-08	Current Month Settled Swaps - Proprietary	MFGlobal	17,045.96	-
29-Feb-08	Current Month Settled Swaps - Proprietary	MFGlobal	3,374.96	-
Total - KU Settled Swap Expense			\$ 118,456.11	\$ -

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565

Analysis of Account 447221 (Settled Swap Expense - Proprietary - Netting)

GL Date	Description	Customer	Debit	Credit
30-Nov-07	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	38,289.96	-
30-Nov-07	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	76,579.92
31-Dec-07	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	1,013.53
31-Dec-07	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	4,937.81
31-Jan-08	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	13,608.22
29-Feb-08	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	4,874.47
31-Mar-08	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	-	1,518.31
30-Apr-08	Netting Adjustment only This account is used for financial statement preparation only. Does not reflect any counterparty transactions.	MFGlobal	2.85	-
Total - KU Settled Swap Expense - Proprietary - Netting			\$ 38,292.81	\$ 102,532.26

Regulated Trading O&M
May 1, 2007 through April 30, 2008

Exp Type	Account	Total
0101	Labor	\$ 3,231,970
0175	Labor - accting JE	89
	Total burdened labor	<u>\$ 3,232,059</u>
	Brokered Trading Percentage (from below)	<u>2.71%</u>
	Total Brokered Trading Expense	<u>\$ 87,527</u>
	KU (proportional share of total brokered from below)	10.7% \$ 9,359
	LG&E (proportional share of total brokered from below)	89.3% \$ 78,168
		<u>\$ 87,527</u>

Brokered, Swap, and Sales for Resale Sales Statistics
May 1, 2007 through April 30, 2008

	TME APR 2008 Revenues	TME APR 2008 KWH	Total Brokered & Swap Revenues
KU	\$ 337,295	5,322,000	
LG&E	\$ -	-	
Total Brokered	<u>\$ 337,295</u>	<u>5,322,000</u>	
KU	\$ 168,801		
LG&E	\$ 4,227,017		
Total Settled Swap Revenue	<u>\$ 4,395,818</u>	-	
KU	\$ 6,443,982	155,443,000	
LG&E	\$ 67,472,720	1,422,520,000	
Total Sales for Resale (SFR)	<u>\$ 73,916,702</u>	<u>1,577,963,000</u>	
KU	\$ 6,950,078	160,765,000	10.7%
LG&E	\$ 71,699,737	1,422,520,000	89.3%
Total Brokered, Swap & SFR (Excludes Intercompany)	<u>\$ 78,649,815</u>	<u>1,583,285,000</u>	100.0%
Brokered to Total Percent	6.0%	0.3%	
Staff Trading Percentage	<u>45.0%</u>		
Brokered Trading Percentage	<u>2.71%</u>		

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 80

Responding Witness: Shannon L. Charnas

Q-80. Refer to Exhibit 1, Reference Schedule 1.09, of the Rives Testimony.

- a. Provide a calculation for each of the accrued revenues shown.
- b. For each of the accrued revenues shown indicate, by account number and name, where it is included in the trial balance provided in Volume 1 of 4 of KU's response to Staff's first request, Item 13.

A-80. a. See attached.

- b. See attached.

Kentucky Utilities Company Case No. 2008-00251 Calculation of Eliminated Accrual Revenues For the Test Year Ending April 30, 2008	
Change in ECR regulatory lag amount	\$ 7,380,000
Change in ECR over/under recovery balance	<u>(668,129)</u>
1. ECR accrued revenue in accounts:	<u>\$ 6,711,871</u>
440111 - Electric Residential ECR	444111 - Electric Street Lighting ECR
442211 - Electric Large Commercial ECR	445111 - Electric Public Authority ECR
442311 - Electric Industrial ECR	445311 - Municipal Pumping ECR
442611 - Mine Power ECR	
Change in MSR over/under refunded balance	<u>\$ 489,000</u>
2. MSR accrued revenue in accounts:	<u>\$ 489,000</u>
440112 - Electric Residential MSR	444112 - Electric Street Lighting MSR
442212 - Electric Large Commercial MSR	445112 - Electric Public Authority MSR
442312 - Electric Industrial MSR	445312 - Municipal Pumping MSR
442612 - Mine Power MSR	
Change in VDT over/under refunded balance	<u>\$ 132,000</u>
3. VDT accrued revenue in accounts:	<u>\$ 132,000</u>
440114 - Electric Residential VDT	444114 - Electric Street Lighting VDT
442214 - Electric Large Commercial VDT	445114 - Electric Public Authority VDT
442314 - Electric Industrial VDT	445314 - Municipal Pumping VDT
442614 - Mine Power VDT	

Kentucky Utilities Company Case No. 2008-00251 Calculation of Eliminated Accrual Revenues For the Test Year Ending April 30, 2008	
Change in FAC regulatory lag amount	\$ (26,028,000)
Change in FAC over/under recovery balance	<u>1,013,000</u>
4. FAC accrued revenue in accounts:	<u>\$ (25,015,000)</u>
440104 - Electric Residential FAC	444104 - Electric Street Lighting FAC
442204 - Electric Large Commercial FAC	445104 - Electric Public Authority FAC
442304 - Electric Industrial FAC	445304 - Municipal Pumping FAC
442604 - Mine Power FAC	
5. Total Accrued Revenues	<u>\$ (17,682,129)</u>
6. Adjustment	<u>\$ 17,682,129</u>

Kentucky Utilities Company Case No. 2008-00251 Calculation of Eliminated Accrual Revenues For the Test Year Ending April 30, 2008		
ECR Revenue		
Billed ECR	\$ 54,342,557	Schedule 1.05
Net Unbilled ECR	287,592	Attachment to Question 56(b)
Net Accrued ECR	<u>6,711,871</u>	Schedule 1.09
Total ECR Revenue	<u>\$ 61,342,020</u>	
ECR General Ledger Activity		
440111	\$ 22,730,902	Revised Attachment to Question 13(a)(b)
442211	15,884,813	Revised Attachment to Question 13(a)(b)
442311	15,426,591	Revised Attachment to Question 13(a)(b)
442611	2,030,875	Revised Attachment to Question 13(a)(b)
444111	495,202	Revised Attachment to Question 13(a)(b)
445111	4,526,173	Revised Attachment to Question 13(a)(b)
445311	<u>247,462</u>	Revised Attachment to Question 13(a)(b)
Total ECR Revenue	<u>\$ 61,342,018</u>	
Difference due to rounding	<u>\$ 2</u>	
MSR Revenue		
Billed MSR	\$ (18,568,431)	Schedule 1.01
Net Unbilled MSR	(128,083)	Attachment to Question 56(b)
Net Accrued MSR	<u>489,000</u>	Schedule 1.09
Total MSR Revenue	<u>\$ (18,207,514)</u>	

Kentucky Utilities Company
Case No. 2008-00251
Calculation of Eliminated Accrual Revenues
For the Test Year Ending April 30, 2008

MSR General Ledger Activity

440112	\$ (6,811,830)	Revised Attachment to Question 13(a)(b)
442212	(4,726,017)	Revised Attachment to Question 13(a)(b)
442312	(4,538,221)	Revised Attachment to Question 13(a)(b)
442612	(576,314)	Revised Attachment to Question 13(a)(b)
444112	(153,793)	Revised Attachment to Question 13(a)(b)
445112	(1,329,106)	Revised Attachment to Question 13(a)(b)
445312	(72,234)	Revised Attachment to Question 13(a)(b)
	<u>\$ (18,207,515)</u>	
Total MSR Revenue	<u>\$ (18,207,515)</u>	
Difference due to rounding	<u>\$ 1</u>	

VDT Revenue

Billed VDT	\$ (3,405,550)	Schedule 1.02
Net Unbilled VDT	(2,666)	Attachment to Question 56(b)
Net Accrued VDT	<u>132,000</u>	Schedule 1.09
Total VDT Revenue	<u>\$ (3,276,216)</u>	

VDT General Ledger Activity

440114	\$ (1,232,012)	Revised Attachment to Question 13(a)(b)
442214	(858,748)	Revised Attachment to Question 13(a)(b)
442314	(796,988)	Revised Attachment to Question 13(a)(b)
442614	(105,347)	Revised Attachment to Question 13(a)(b)
444114	(27,800)	Revised Attachment to Question 13(a)(b)
445114	(242,667)	Revised Attachment to Question 13(a)(b)
445314	(12,654)	Revised Attachment to Question 13(a)(b)
	<u>\$ (3,276,216)</u>	
Total VDT Revenue	<u>\$ (3,276,216)</u>	
Difference	<u>\$ -</u>	

Kentucky Utilities Company
Case No. 2008-00251
Calculation of Eliminated Accrual Revenues
For the Test Year Ending April 30, 2008

FAC Revenue

Billed FAC	\$ 116,253,633	Schedule 1.03
Billing adjustments during the period	\$ (14,045)	
Net Unbilled FAC	409,208	Attachment to Question 56(b)
Net Accrued FAC	<u>(25,015,000)</u>	Schedule 1.09
Total FAC Revenue	<u>\$ 91,633,796</u>	

FAC General Ledger Activity

440104	\$ 30,086,295	Revised Attachment to Question 13(a)(b)
442204	23,561,997	Revised Attachment to Question 13(a)(b)
442304	26,781,732	Revised Attachment to Question 13(a)(b)
442604	2,964,391	Revised Attachment to Question 13(a)(b)
444104	248,678	Revised Attachment to Question 13(a)(b)
445104	7,622,105	Revised Attachment to Question 13(a)(b)
445304	<u>368,598</u>	Revised Attachment to Question 13(a)(b)

Total FAC Revenue \$ 91,633,796

Difference \$ -

⁽¹⁾ Over time billing adjustments net to zero, however, at any specific point in time they may increase or decrease revenue.

KENTUCKY UTILITIES COMPANY

**CASE NO. 2008-00251
CASE NO. 2007-00565**

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 81

Responding Witness: Shannon L. Charnas

- Q-81. a. The Demand Side Management Revenue accounts shown below were taken from Volume 1 of 4 of KU's response to Staff's first request, Item 13, pages 8-10. Explain and show how the amounts charged to these accounts were determined.

Account	Total Co	Allocator	Kentucky Jurisdictional
440101 Residential DSM	\$ 4,004,103	94 210%	\$ 3,772,265
442201 Large Commercial DSM	342,022	96 149%	328,851
442301 Industrial DSM	4,859	96 149%	4,672
442601 Mine Power DSM	4,231	96 149%	4,068
444101 Street Lighting DSM	811	97 335%	790
445101 Public Authority DSM	75,094	94 764%	71,162
445301 Muni Pumping DSM	6,028	94 764%	5,712
	<u>\$ 4,437,148</u>		<u>\$ 4,187,520</u>

- b. Reconcile the Kentucky Jurisdictional total of \$4,187,520 as shown in the table above to the amount of Adjustment 1.10 as shown on Exhibit 1, page 1, of the Rives Testimony, \$4,429,150.
- A-81. a. The amounts recorded to the above accounts consist of the monthly adjustment for the Demand Side Management factor applied to each of the rate schedules. For record-keeping purposes, the Demand Side Management is subdivided into customer classes (e.g., residential, commercial, industrial, etc.) with separate general ledger accounts maintained. The amounts include "billed" Demand Side Management, the Demand Side Management applied to unbilled revenues, and an adjustment for amounts over/under refunded during the period.

b. Item 13, pages 8-10. As amended

Account	Total Co.	Allocator	Kentucky Jurisdictional
440101 Residential DSM	\$4,004,103	100.000%	\$ 4,004,103
442201 Large Commercial DSM	342,022	100.000%	342,022
442301 Industrial DSM	4,859	100.000%	4,859
442601 Mine Power DSM	4,231	100.000%	4,231
444101 Street Lighting DSM	811	100.000%	811
445101 Public Authority DSM	75,094	100.000%	75,094
445301 Muni Pumping DSM	6,028	100.000%	6,028
	<u>\$ 4,437,148</u>		<u>\$ 4,437,148</u>

Reconciliation of the Kentucky Jurisdictional total of \$4,737,148, as amended, to the amount of Adjustment 1.10 as shown on Exhibit 1, page 1, of the Rives Testimony, \$4,429,150:

Jurisdictional DSM billed	\$ 4,429,150
Net unbilled	<u>7,998</u>
Kentucky Jurisdictional Total	<u>\$ 4,737,148</u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 82

Responding Witness: Shannon L. Charnas

- Q-82. a. Refer to Exhibit 1, Reference Schedule 1.10, of the Rives Testimony. The DSM expenses eliminated from test year operations on this schedule appears to be the amount for the total company as reported in account 908005 as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13, page 13. Explain why the total company amount was eliminated.
- b. Provide a detailed analysis of account 908005 that includes an explanation for all entries to the account.
- c. Do the amounts included in account 908005 represent all test year expenses related KU's DSM program?
- d. Describe the accounting processes and procedures employed to insure that all DSM expenses are properly charged to account 908005.
- A-82. a. The DSM expense adjustment on Reference Schedule 1.10 is the total Company amount from account 908005 as shown in Volume 1 of 4 of KU's response to PSC-1 Question No. 13, page 13. The total Company amounts for the revenue and expense were used as the adjustment to completely remove the DSM impact from the revenue requirements calculation since it is recovered separately through the DSM regulatory mechanism.
- b. See attached. Account 908005 is used to record DSM expenses that offset the DSM revenues billed to customers and an accrual for unbilled DSM revenues. DSM revenue accounts 440101, 442201, 442301, 442601, 444101, 445101 and 445301 are totaled each month and the resulting total is booked to account 908005.
- c. Yes, the amounts included in account 908005 represent all test year expenses related to KU's DSM program.
- d. Each month a journal entry, derived from 82(b) above, is made to record DSM expense equal to DSM revenue. The journal entry is reviewed to ensure the amounts are correct.

Kentucky Utilities Company
Case No. 2008-00251
Summary of DSM Expenses to Account 908005
For the Test Year Ending April 30, 2008

	Apr-08	Mar-08	Feb-08	Jan-08	Dec-07	Nov-07	Oct-07	Sep-07	Aug-07	Jul-07	Jun-07	May-07	Total
Unbilled DSM Expenses	\$ (141,309)	\$ (162,745)	\$ (202,855)	\$ (224,277)	\$ (192,691)	\$ (154,558)	\$ (147,991)	\$ (174,341)	\$ (228,716)	\$ (178,734)	\$ (163,695)	\$ (145,944)	\$ (2,117,854)
Billed DSM Expenses	(343,104)	(410,340)	(459,929)	(479,600)	(371,852)	(274,363)	(297,323)	(418,933)	(407,227)	(371,491)	(325,429)	(269,558)	(4,429,150)
Reversal of Unbilled DSM Expenses	162,745	202,855	224,277	192,691	154,558	147,991	174,341	228,716	178,734	163,695	145,944	133,312	2,109,857
Total DSM Expenses	<u>\$ (321,669)</u>	<u>\$ (370,229)</u>	<u>\$ (438,507)</u>	<u>\$ (511,187)</u>	<u>\$ (409,984)</u>	<u>\$ (280,931)</u>	<u>\$ (270,972)</u>	<u>\$ (364,559)</u>	<u>\$ (457,209)</u>	<u>\$ (386,530)</u>	<u>\$ (343,180)</u>	<u>\$ (282,190)</u>	<u>\$ (4,437,148)</u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 83

Responding Witness: William Steven Seelye

Q-83. Refer to Exhibit 15 of the Seelye Testimony.

- a. Provide the number of customers for each customer class shown on page 1 for the most recent month for which the information is available.
- b. With regard to the change in the number of customers shown for the two residential groups on page 1.
 - (1) State the amount of the decrease to the number of customers for rate codes 010 and 050 that can be attributed to reclassification to rate codes 020, 060 and 080, if any.
 - (2) If none can be attributed to reclassification, provide an explanation for the decrease of 646 customers in codes 010 and 050.
 - (3) Is this decrease isolated to certain areas of KU's service territory or evenly spread throughout its territory?
 - (4) Identify the areas of KU's service territory where the reduction of customers is concentrated.
 - (5) Does KU expect the number of customers in the 010 and 050 rate codes to rebound? Explain this response.
- c. With regard to the change in the number of customers shown for the Large Power Rate – Secondary.
 - (1) Provide an explanation for the decrease of 271 Large Power Rate Secondary customers.
 - (2) Is this decrease isolated to certain areas of KU's service territory or evenly spread throughout its territory?

(3) Identify the areas of KU's service territory where the reduction of customers is concentrated.

(4) Does KU expect the number of customers in this rate class to rebound? Explain this response.

A-83.

a. See attached.

b. KU does not have the systems or processes in place to track and analyze the information requested in this question.

c. KU does not have the systems or processes in place to track and analyze the information requested in this question.

Aug-2008

Number of Customers

Residential Rate - RS (Rate Code 010, 050)	221,294
Residential Rate - RS (Rate Code 020, 060, 080)	192,225
General Service - GS	
Secondary	79,162
Primary	73
All Electric Schools - AES	309
Large Power Rate - LP	
Secondary	8,551
Primary	349
Transmission	2
Small TOD - Secondary	44
Small TOD - Primary	2
Small TOD - Transmission	0
Large Comm/Ind TOD	
Primary - LCI-TOD	40
Transmission - LCI-TOD	7
Large Industrial TOD	1
Mine Power - MP	
Primary	30
Transmission	12
Large Mine Power - LMP TOD	
Primary	3
Transmission	6
<u>Number of Lights</u>	
Street Lighting - SL	70,456
Decorative Street Lighting - SLDEC	8,139
Private Outdoor Lighting - POL	29,352
Customer Outdoor Lighting - OL	56,662
TOTAL	666,719

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 84

Responding Witness: John J. Spanos

- Q-84. In Case No 2007-00565, KU proposes to switch from the average life group method to the equal life group method. In that case, KU also calculated depreciation using the average life group method.
- a. Provide workpapers used to derive KU's 2006 depreciation expense that demonstrate the root or core differences between average life group method and equal life group method for KU.
 - b. At what point in time of the depreciation study process was the decision made to calculate KU's depreciation using the equal life group method?
 - c. Which method was first used to calculate KU's depreciation during the process of the depreciation study, the average life group method or the equal life group method?
 - d. Explain why the decision was made to switch from average life group method to the equal life group method.
- A-84. a. Mr. Spanos' rebuttal testimony, pages 1 through 4, in Case No. 2007-00565 for an explanation of the root differences between the average service life and equal life group procedures.
- b. The decision was made during the presentation of the depreciation results from Gannett Fleming to KU management on October 11, 2007.
 - c. The average service life and equal life group procedures were calculated at the same time in preparation for the presentation to KU management.
 - d. The decision to utilize the equal life group procedure was made because it is the most accurate procedure and a better match of recovery to consumption of the asset.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 85

Responding Witness: John J. Spanos

- Q-85. a. Provide a list of cases known to Mr. Spanos where a regulatory commission has explicitly accepted the equal life group method where the issue was actively disputed and litigated.
- b. Provide two of the most recent regulatory orders where a regulatory commission explicitly accepted the equal life group method at the recommendation of Mr. Spanos.
- c. Provide two of the most recent regulatory orders where a regulatory Commission explicitly rejected the equal life group method recommended by Mr. Spanos.
- A-85. a. Most actively litigated cases do not explicitly address in the order the depreciation procedure utilized. However, Mr. Spanos is sure that in all non-settled cases to date in which he has testified, the results of his study utilizing the equal life group procedure were accepted including cases in Indiana, Pennsylvania and Kentucky. Over the last 10 years, the attached list of cases involved, and acceptance of, equal life group procedure based on Mr. Spanos' recommendation.
- b. See response to part (a). The two most recent cases with an order are: Pennsylvania Suburban Water Company, Pennsylvania PUC Docket No. R-00038805 and PSI Energy, Inc., Indiana URC Docket No. 42359, the orders are provided on CD.
- c. Mr. Spanos is not aware of any cases to date that a regulatory Commission explicitly rejected the equal life group procedure recommended by Mr. Spanos.

LIST OF CASES FOR JOHN J. SPANOS IN WHICH EQUAL LIFE GROUP PROCEDURE UTILIZED

<u>Year</u>	<u>Jurisdiction</u>	<u>Docket No.</u>	<u>Client/Utility</u>	<u>Subject</u>
1. 1998	Pa. PUC	R-00984375	City of Bethlehem-Bureau of Water	Original Cost and Depreciation
2. 1998	Pa. PUC	R-00984567	City of Lancaster	Original Cost and Depreciation
3. 1999	Pa. PUC	R-00994605	The York Water Company	Depreciation
4. 2001	Pa. PUC	R-00016114	City of Lancaster	Original Cost and Depreciation
5. 2001	Pa. PUC	R-00016236	The York Water Company	Depreciation
6. 2001	Pa. PUC	R-00016339	Pennsylvania-American Water Company	Depreciation
7. 2001	Ky. PSC	2001-092	Cinergy Corp. - Union Light, Heat and Power Company	Depreciation
8. 2002	Pa. PUC	R-00016750	Philadelphia Suburban Water Co.	Depreciation
9. 2003	Pa. PUC	R-0027975	The York Water Company	Depreciation
10. 2003	Ind. URC	Cause 42359	Cinergy Corp. - PSI Energy, Inc.	Depreciation
11. 2003	Pa. PUC	R-00038304	Pennsylvania-American Water Co.	Depreciation
12. 2003	Pa. PUC	R-00038805	Pennsylvania Suburban Water Co.	Depreciation
13. 2004	Pa. PUC	R-00038168	National Fuel Gas Distribution Corp. (Pa.)	Depreciation
14. 2004	Pa. PUC	R-00049165	The York Water Company	Depreciation
15. 2006	Pa. PUC	R-00051030	Aqua Pennsylvania, Inc.	Depreciation
16. 2006	Pa. PUC	R-00051178	T.W. Phillips Gas and Oil Co.	Depreciation
17. 2006	Pa. PUC	R-00051167	City of Lancaster	Depreciation
18. 2006	Pa. PUC		Duquesne Light Company	Depreciation
19. 2006	Pa. PUC	R-00061322	The York Water Company	Depreciation
20. 2006	Pa. PUC	R-00051298	PPL Gas Utilities	Depreciation
21. 2006	In. URC	IURC43081	Indiana American Water Co.	Depreciation
22. 2006	Pa PUC	R-00061493	National Fuel Gas Distribution Corp. (PA)	Depreciation
23. 2007	Pa PUC	R-00072229	Pennsylvania American Water Co.	Depreciation
24. 2008	Pa PUC	R-2008-2023067	The York Water Company	Depreciation

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 86

Responding Witness: John J. Spanos

Q-86. Refer to the Joint Rebuttal Testimony of John J. Spanos, pages 2 through 4 in Case No. 2007-00565.

- a. Explain how Mr. Spanos's example would be affected if the hypothetical utility performed depreciation studies every 4 years and remaining service life was considered as part of those studies.
- b. Assume for purposes of this question that Unit A in Mr. Spanos's example actually remains in service for 6 years and Unit B actually remains in service 12 years. Explain how these additional assumptions would affect Mr. Spanos's example comparing the average service life approach with the equal life group approach.

A-86. a. There are many variables to take into consideration when attempting to utilize the two unit example on pages 2 through 4 of Mr. Spanos' rebuttal testimony in a ratemaking scenario. For example, service life decisions will be reevaluated for the account and reserve-to-plant ratios are left out of the formula. Thus, the purpose of the two unit example is to describe and compare the two depreciation procedures: average service life and equal life group.

Consequently, all of the variables must be resolved or determined to be able to properly respond to the affects to the two unit example in the regulatory environment.

- b. The change to the example would produce an average service life of 9 years, rate of 11.11%, and annual depreciation amount of approximately \$222. At the end of year 6, the accumulated depreciation would be \$332 or 33% of the Unit B value; however, it has survived two-thirds of life. In the equal life group procedure, Unit A would have a 16.67% rate and Unit B would have a 8.33% rate. Thus, after year 6, the accumulated depreciation would be \$500, which is half of the recovery of Unit B with half of its service life remaining.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 87

Responding Witness: John J. Spanos

- Q-87. The Spanos Rebuttal often notes that the equal life group approach is the most accurate approach and provides the better match of recovery to consumption. Are there other reasons or events which have occurred at KU within the last 5 years that support the adoption and use of the equal life group approach? Explain the response.
- A-87. No, there are no other reasons or events which have occurred at KU within the last 5 years that require the adoption of the equal life group procedure. It is Mr. Spanos' opinion that the equal life group procedure is the most accurate approach so it should be implemented.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 88

Responding Witness: John J. Spanos

Q-88. As part of the depreciation study, did Mr. Spanos perform a comparison of the theoretic depreciation reserve with the actual depreciation reserve?

- a. If yes, what was the results of this comparison and describe what actions, if any, resulted from the comparison.
- b. If no, explain why such a comparison was not performed.

A-88. a. Yes, a comparison of the theoretical reserve to the actual reserve was performed. However, it must be understood that the theoretical depreciation reserve is a measure of past recovery assuming the same life and salvage parameters were in place from the first day of installation which is not realistic for long-lived assets and utilities that have rate cases.

The comparison of the theoretical reserve to the actual reserve is part of the depreciation calculation in Mr. Spanos' Depreciation Study. The detailed calculations are presented on pages III-212 through III-343 of the Depreciation Study.

- b. Not applicable.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 89

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-89. Refer to Case No. 2007-00565 at KU's Response to the Second Data Request of Commission Staff dated 4/14/08, Item 3. In this response a letter dated April 14, 2008 from the Virginia State Corporation Commission was provided where the Virginia Staff recommended that KU not switch to the equal life group method stating that: 1) it resulted in less stable rates than the average life method; 2) can compound any inaccuracies in estimating retirement dispersion; 3) introduce inter-generational inequities, and 4) can be more costly and time-consuming to maintain.

- a. Provide the status of KU's follow-up to the Virginia Staff's letter.
- b. Provide a response addressing each of Virginia Staff's concerns regarding the equal life method separately.

A-89. a. The letter is an administrative recommendation by the VSCC Accounting Division. It does not bind the Virginia Commission. KU expects to contest the recommendation in its next rate case.

- b. As stated above, there are four issues the Virginia State Corporation Commission provides in their recommended letter related to the Equal Life Group (ELG) procedure.

- 1) Issue: Average service life approach tends to produce more stable rates, all other variables being equal.

The equal life group procedure produces the most accurate match of recovery to plant utilization. If the plant balances change drastically, then the recovery should be changed to match the new plant balance distribution which is achieved more effectively with the ELG procedure. Finally, the application of the rates is another key issue. If utilizing a composite rate as shown in the Depreciation Study, no instability occurs regardless of the procedure. Thus, I do not agree with the less stable rates claim when the ELG procedure is utilized consistently. There are changes in the rate, which are sometimes large when converting to the ELG procedure from the average service life procedure.

- 2) Issue: A switch to the equal life group approach can compound any inaccuracies in estimation of the retirement dispersion.

The ELG procedure does not compound any inaccuracies in estimation of retirement dispersion any more than the average service life procedure. Studies are performed on a regular basis and life estimations are independent of the retirement dispersion.

- 3) Issue: A switch to the equal life group approach can introduce inter-generational inequities.

The ELG procedure in itself does not introduce inter-generational inequities. As described in testimony, the ELG procedure does a much better job of matching recovery to consumption of the asset, so in turn, the conversion to ELG actually corrects inter-generational inequities that have occurred in the past.

- 4) Issue: A switch to the equal life group approach can be more costly and time-consuming to maintain.

There is no issue of the ELG procedure being more time consuming or costly to maintain with the advent of computers. The calculations are the same regardless of the depreciation procedure.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 90

Responding Witness: Shannon L. Charnas

- Q-90. Refer to Exhibit 1, Reference Schedule 1.14, of the Rives Testimony. The adjustment of \$270,131 accounts for both the proposed depreciation rates and annualizing depreciation for test year plant balances.
- a. Provide a schedule in the same format as used in Case No. 2007-00565 in the Application and Testimony at Exhibit 2 comparing test year depreciation expense to depreciation expense calculated using the proposed rates. This schedule should not include annualization. It should only demonstrate the impact of using the proposed depreciation rates compared to the existing depreciation rates.
 - b. Using the same format provided in a. demonstrate the test year annualization adjustment.
- A-90. a. and b. See attached. KU is unable to provide a schedule in the same format as used in Case No. 2007-00565 in the Application and Testimony at Exhibit 2 to demonstrate annualization due to Oracle Fixed Asset System constraints. The data required to perform this calculation is not maintained in the system. The Company estimated the change in depreciation expense in the test year by calculating the annualized depreciation using both the proposed and the current rates and compared that amount to the pro forma depreciation adjustment on Reference Schedule 1.14. Catch-up depreciation is the result of property being classified to plant-in-service with an in-service date earlier than the classification date. Depreciation is calculated for the period from the in-service date to the classification date and thus results in catch-up depreciation.

KENTUCKY UTILITIES COMPANY**Depreciation adjustment under current rates vs. proposed rates****At April 30, 2008**

1. Annualized depreciation expense under proposed rates	111,536,507
2. Annualized depreciation expense under current rates	<u>110,801,271</u>
3. Increase in annualized depreciation expense under proposed rates	735,236
Total adjustment to reflect annualized depreciation expense per	
4. Reference Schedule 1.14	<u>270,131</u>
5. Difference	(465,105)
6. Catch-up depreciation	1,999,000
7. Estimated increase in depreciation expense in test year	<u><u>\$ 1,533,895</u></u>

Attachment to Response to PSC- 2 Question No.90

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Charnas

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
Intangible Plant					
301 Organization	44,456	0.00%	-	0.00%	-
302 Franchises and Consents	83,453	0.00%	-	0.00%	-
303 Misc. Intangible Plant	25,536,344	20.00%	5,107,269	20.00%	5,107,269
Total Intangible Plant	25,664,252		5,107,269		5,107,269
Steam Production Plant					
310.00 Land	10,874,263	0.00%	-	0.00%	-
311.00 Structures and Improvements					
5603 Tyrone Unit 3	5,540,781	2.13%	118,019	0.00%	-
5604 Tyrone Units 1&2	583,381	0.00%	-	0.00%	-
5613 Green River Unit 3	2,818,745	1.94%	54,684	0.00%	-
5614 Green River Unit 4	4,584,599	3.10%	142,123	0.00%	-
5615 Green River Units 1&2	2,596,587	1.71%	44,402	0.00%	-
5621 Brown Unit 1	4,703,190	2.90%	136,393	0.59%	27,749
5622 Brown Unit 2	2,102,892	2.88%	60,563	0.06%	1,262
5623 Brown Unit 3	20,393,087	3.91%	797,370	0.55%	112,162
5643 Pineville Unit 3	16,204	2.28%	369	0.00%	-
5650 Ghent Unit 1 Scrubber	24,301,127	5.67%	1,377,874	2.69%	653,700
5651 Ghent Unit 1	17,401,172	3.12%	542,917	0.40%	69,605
5652 Ghent Unit 2	16,011,013	1.84%	294,603	0.52%	83,257
5653 Ghent Unit 3	41,471,559	2.22%	920,669	1.19%	493,512
5654 Ghent Unit 4	29,847,745	2.16%	644,711	1.42%	423,838
5591 System Laboratory	805,716	4.22%	34,001	1.56%	12,569
	173,177,798		5,168,696		1,877,653
312.00 Boiler Plant Equipment					
5603 Tyrone Unit 3	12,871,948	2.13%	274,172	4.30%	553,494
5604 Tyrone Units 1&2	421,900	0.00%	-	0.00%	-
5613 Green River Unit 3	11,306,456	1.94%	219,345	3.39%	383,289
5614 Green River Unit 4	24,333,224	3.10%	754,330	4.50%	1,094,995
5615 Green River Units 1&2	127,047	1.71%	2,173	2.52%	3,202
5621 Brown Unit 1	35,820,003	2.90%	1,038,780	3.10%	1,110,420
5622 Brown Unit 2	29,419,949	2.88%	847,295	3.14%	923,786
5623 Brown Unit 3	86,541,309	3.91%	3,383,765	2.95%	2,552,969
5643 Pineville Unit 3	226,832	2.28%	5,172	0.00%	-
5650 Ghent Unit 1 Scrubber	86,520,141	5.67%	4,905,692	4.01%	3,469,458
5651 Ghent Unit 1	163,735,182	3.12%	5,108,538	4.02%	6,582,154
5652 Ghent Unit 2	89,995,577	1.84%	1,655,919	2.45%	2,204,892
5653 Ghent Unit 3	259,377,006	2.22%	5,758,170	2.76%	7,158,805
5654 Ghent Unit 4	231,652,822	2.16%	5,003,701	2.94%	6,810,593
5659 Coal Cars	7,647,232	4.59%	351,008	2.41%	184,298
5660 Ghent 3 Scrubber	118,758,718	5.67%	6,733,619	4.01%	4,762,225
	1,158,755,347		36,041,678		37,794,579
314.00 Turbogenerator Units					

Attachment to Response to PSC- 2 Question No.90

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Charnas

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
5603 Tyrone Unit 3	4,717,000	2.13%	100,472	3.68%	173,586
5604 Tyrone Units 1&2	68,206	0.00%	-	0.00%	-
5613 Green River Unit 3	4,469,895	1.94%	86,716	3.14%	140,355
5614 Green River Unit 4	10,171,918	3.10%	315,329	4.05%	411,963
5621 Brown Unit 1	4,833,421	2.90%	140,169	1.16%	56,068
5622 Brown Unit 2	11,041,057	2.88%	317,982	3.04%	335,648
5623 Brown Unit 3	27,652,377	3.91%	1,081,208	3.31%	915,294
5651 Ghent Unit 1	25,577,290	3.12%	798,011	2.36%	603,624
5652 Ghent Unit 2	29,546,661	1.84%	543,659	2.19%	647,072
5653 Ghent Unit 3	40,076,564	2.22%	889,700	2.11%	845,616
5654 Ghent Unit 4	51,922,998	2.16%	1,121,537	2.30%	1,194,229
	<u>210,077,388</u>		<u>5,394,784</u>		<u>5,323,453</u>
315.00 Accessory Electric Equipment					
5603 Tyrone Unit 3	707,890	2.13%	15,078	0.00%	-
5604 Tyrone Units 1&2	99,211	0.00%	-	0.00%	-
5613 Green River Unit 3	781,287	1.94%	15,157	0.00%	-
5614 Green River Unit 4	1,147,502	3.10%	35,573	1.47%	16,868
5621 Brown Unit 1	3,329,621	2.90%	96,559	2.09%	69,589
5622 Brown Unit 2	997,856	2.88%	28,738	0.45%	4,490
5623 Brown Unit 3	6,453,917	3.91%	252,348	0.54%	34,851
5650 Ghent Unit 1 Scrubber	3,016,784	5.67%	171,052	2.73%	82,358
5651 Ghent Unit 1	7,703,537	3.12%	240,350	0.57%	43,910
5652 Ghent Unit 2	10,873,596	1.84%	200,074	0.63%	68,504
5653 Ghent Unit 3	25,991,761	2.22%	577,017	1.05%	272,913
5654 Ghent Unit 4	21,911,936	2.16%	473,298	1.24%	271,708
5660 Ghent 3 Scrubber	11,277,367	5.67%	639,427	2.73%	307,872
	<u>94,292,263</u>		<u>2,744,671</u>		<u>1,173,064</u>
316.00 Miscellaneous Plant Equipment					
5603 Tyrone Unit 3	526,592	2.13%	11,216	3.45%	18,167
5604 Tyrone Units 1&2	50,127	0.00%	-	0.00%	-
5613 Green River Unit 3	153,382	1.94%	2,976	4.28%	6,565
5614 Green River Unit 4	2,165,959	3.10%	67,145	3.04%	65,845
5615 Green River Units 1&2	84,750	1.71%	1,449	0.00%	-
5621 Brown Unit 1	424,540	2.90%	12,312	2.41%	10,231
5622 Brown Unit 2	106,658	2.88%	3,072	0.82%	875
5623 Brown Unit 3	4,317,609	3.91%	168,819	2.47%	106,645
5650 Ghent Unit 1 Scrubber	985,410	5.67%	55,873	3.00%	29,562
5651 Ghent Unit 1	1,718,709	3.12%	53,624	1.51%	25,953
5652 Ghent Unit 2	1,500,525	1.84%	27,610	1.17%	17,556
5653 Ghent Unit 3	3,150,438	2.22%	69,940	1.41%	44,421
5654 Ghent Unit 4	6,247,981	2.16%	134,956	2.12%	132,457
5591 System Laboratory	2,229,677	4.22%	94,092	2.96%	65,998
	<u>23,662,356</u>		<u>703,082</u>		<u>524,276</u>
317.00 Asset Retirement Obligations - Steam *	9,249,179				

Attachment to Response to PSC- 2 Question No.90

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Charnas

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
Total Steam	<u>1,680,088,593</u>		<u>50,052,910</u>		<u>46,693,026</u>
Hydraulic Production Plant					
5691 Dix Dam					
330.10 Land Rights	879,311	1.59%	13,981	0.00%	-
331.00 Structures and Improvements	453,195	1.59%	7,206	1.31%	5,937
332.00 Reservoirs, Dams & Waterways	9,025,249	1.59%	143,501	0.73%	65,884
333.00 Water Wheels, Turbines and Generators	436,634	1.59%	6,942	0.68%	2,969
334.00 Accessory Electric Equipment	85,383	1.59%	1,358	0.93%	794
335.00 Misc. Power Plant Equipment	101,513	1.59%	1,614	4.21%	4,274
336.00 Roads, Railroads and Bridges	46,976	1.59%	747	0.00%	-
337.00 Asset Retirement Obligation - Hydro *	4,970				
	<u>11,033,232</u>		<u>175,349</u>		<u>79,858</u>
Other Production Plant					
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	176,409	3.39%	5,980	3.62%	6,386
340.20 Land	118,514	0.00%	-	0.00%	-
341.00 Structures and Improvements					
5697 Paddy's Run Generator 13	1,910,328	3.43%	65,524	3.33%	63,614
5635 Brown CT 5	775,082	3.43%	26,585	3.34%	25,888
5636 Brown CT 6	192,814	3.39%	6,536	3.40%	6,556
5637 Brown CT 7	544,966	3.28%	17,875	3.24%	17,657
5638 Brown CT 8	2,012,655	3.51%	70,644	2.87%	57,763
5639 Brown CT 9	4,641,055	3.39%	157,332	2.87%	133,198
5640 Brown CT 10	1,865,718	3.48%	64,927	2.87%	53,546
5641 Brown CT 11	1,858,754	3.55%	65,986	3.00%	55,763
0470 Trimble County CT 5	3,740,231	3.43%	128,290	3.47%	129,786
0471 Trimble County CT 6	3,588,684	3.43%	123,092	3.44%	123,451
0474 Trimble County CT 7	3,559,155	3.43%	122,079	3.69%	131,333
0475 Trimble County CT 8	3,548,852	3.43%	121,726	3.69%	130,953
0476 Trimble County CT 9	3,655,976	3.43%	125,400	3.69%	134,906
0477 Trimble County CT 10	3,653,030	3.43%	125,299	3.69%	134,797
5696 Haefling Units 1,2,&3	434,853	0.00%	-	8.89%	38,658
	<u>35,982,154</u>		<u>1,221,295</u>		<u>1,237,867</u>
342.00 Fuel Holders, Producers and Accessories					
5697 Paddy's Run Generator 13	1,995,101	3.43%	68,432	3.37%	67,235
5635 Brown CT 5	727,929	3.43%	24,968	3.36%	24,458
5636 Brown CT 6	146,515	3.39%	4,967	3.16%	4,630
5637 Brown CT 7	145,745	3.28%	4,780	3.16%	4,606
5638 Brown CT 8	19,613	3.51%	688	2.86%	561
5639 Brown CT 9	1,932,187	3.39%	65,501	2.87%	55,454
5640 Brown CT 10	31,738	3.48%	1,104	2.85%	905
5641 Brown CT 11	52,430	3.55%	1,861	2.96%	1,552
5645 Brown CT 9 Gas Pipeline	8,106,131	3.39%	274,798	2.79%	226,161

Attachment to Response to PSC- 2 Question No.90

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Charnas

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
0470 Trimble County CT 5	239,584	3.43%	8,218	3.48%	8,338
0471 Trimble County CT 6	239,246	3.43%	8,206	3.48%	8,326
0473 Trimble County CT Pipeline	4,850,115	3.43%	166,359	3.51%	170,239
0474 Trimble County CT 7	578,059	3.43%	19,827	3.74%	21,619
0475 Trimble County CT 8	576,386	3.43%	19,770	3.74%	21,557
0476 Trimble County CT 9	593,786	3.43%	20,367	3.74%	22,208
0477 Trimble County CT 10	622,873	3.43%	21,365	3.74%	23,295
5696 Haefling Units 1,2,&3	227,578	0.00%	-	0.48%	1,092
	<u>21,085,015</u>		<u>711,212</u>		<u>662,235</u>
343.00 Prime Movers					
5697 Paddy's Run Generator 13	17,421,691	3.43%	597,564	4.49%	782,234
5635 Brown CT 5	13,182,503	3.43%	452,160	4.60%	606,395
5636 Brown CT 6	30,423,304	3.39%	1,031,350	4.52%	1,375,133
5637 Brown CT 7	30,024,907	3.28%	984,817	4.56%	1,369,136
5638 Brown CT 8	26,344,009	3.51%	924,675	4.13%	1,088,008
5639 Brown CT 9	21,502,647	3.39%	728,940	4.00%	860,106
5640 Brown CT 10	19,670,646	3.48%	684,538	4.04%	794,694
5641 Brown CT 11	34,931,891	3.55%	1,240,082	4.17%	1,456,660
0470 Trimble County CT 5	30,564,294	3.43%	1,048,355	4.66%	1,424,296
0471 Trimble County CT 6	30,443,723	3.43%	1,044,220	4.66%	1,418,677
0474 Trimble County CT 7	22,773,708	3.43%	781,138	5.17%	1,177,401
0475 Trimble County CT 8	22,568,161	3.43%	774,088	5.16%	1,164,517
0476 Trimble County CT 9	22,401,560	3.43%	768,374	5.16%	1,155,920
0477 Trimble County CT 10	22,385,894	3.43%	767,836	5.16%	1,155,112
	<u>344,638,937</u>		<u>11,828,137</u>		<u>15,828,290</u>
344.00 Generators					
5697 Paddy's Run Generator 13	5,185,636	3.43%	177,867	2.96%	153,495
5635 Brown CT 5	2,831,528	3.43%	97,121	2.96%	83,813
5636 Brown CT 6	3,712,620	3.39%	125,858	2.78%	103,211
5637 Brown CT 7	3,722,788	3.28%	122,107	2.78%	103,494
5638 Brown CT 8	4,953,961	3.51%	173,884	2.49%	123,354
5639 Brown CT 9	5,452,041	3.39%	184,824	2.36%	128,668
5640 Brown CT 10	4,944,423	3.48%	172,066	2.49%	123,116
5641 Brown CT 11	5,187,040	3.55%	184,140	2.56%	132,788
0470 Trimble County CT 5	3,763,275	3.43%	129,080	3.06%	115,156
0471 Trimble County CT 6	3,757,947	3.43%	128,898	3.06%	114,993
0474 Trimble County CT 7	2,950,282	3.43%	101,195	3.26%	96,179
0475 Trimble County CT 8	2,937,930	3.43%	100,771	3.26%	95,777
0476 Trimble County CT 9	2,957,520	3.43%	101,443	3.26%	96,415
0477 Trimble County CT 10	2,954,149	3.43%	101,327	3.26%	96,305
5696 Haefling Units 1,2,&3	4,023,002	0.00%	-	0.00%	-
	<u>59,334,142</u>		<u>1,900,582</u>		<u>1,566,764</u>
345.00 Accessory Electric Equipment					
5697 Paddy's Run Generator 13	2,456,320	3.43%	84,252	3.04%	74,672
5635 Brown CT 5	1,332,167	3.43%	45,693	3.04%	40,498

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
5636 Brown CT 6	1,354,816	3.39%	45,928	2.86%	38,748
5637 Brown CT 7	1,347,700	3.28%	44,205	2.86%	38,544
5638 Brown CT 8	1,799,436	3.51%	63,160	2.56%	46,066
5639 Brown CT 9	3,226,186	3.39%	109,368	2.49%	80,332
5640 Brown CT 10	1,804,419	3.48%	62,794	2.58%	46,554
5641 Brown CT 11	916,326	3.55%	32,530	2.63%	24,099
0470 Trimble County CT 5	1,677,092	3.43%	57,524	3.14%	52,661
0471 Trimble County CT 6	1,674,719	3.43%	57,443	3.14%	52,586
0474 Trimble County CT 7	3,146,235	3.43%	107,916	3.35%	105,399
0475 Trimble County CT 8	3,137,127	3.43%	107,603	3.35%	105,094
0476 Trimble County CT 9	3,231,827	3.43%	110,852	3.35%	108,266
0477 Trimble County CT 10	3,229,223	3.43%	110,762	3.35%	108,179
5696 Haefling Units 1,2,&3	623,419	0.00%	-	0.00%	-
	30,957,013		1,040,030		921,698
346.00 Miscellaneous Plant Equipment					
5697 Paddy's Run Generator 13	1,089,550	3.43%	37,372	3.70%	40,313
5635 Brown CT 5	2,139,353	3.43%	73,380	3.71%	79,370
5636 Brown CT 6	48,960	3.39%	1,660	3.93%	1,924
5637 Brown CT 7	35,647	3.28%	1,169	3.76%	1,340
5638 Brown CT 8	230,069	3.51%	8,075	3.20%	7,362
5639 Brown CT 9	760,255	3.39%	25,773	3.19%	24,252
5640 Brown CT 10	274,391	3.48%	9,549	3.30%	9,055
5641 Brown CT 11	548,588	3.55%	19,475	3.76%	20,627
0470 Trimble County CT 5	28,964	3.43%	993	4.81%	1,393
0474 Trimble County CT 7	8,889	3.43%	305	4.13%	367
0475 Trimble County CT 8	8,861	3.43%	304	4.13%	366
0476 Trimble County CT 9	9,114	3.43%	313	4.14%	377
0477 Trimble County CT 10	9,106	3.43%	312	4.13%	376

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
5696 Haefling Units 1,2,&3	35,805	0.00%	-	1.97%	705
	<u>5,227,550</u>		<u>178,679</u>		<u>187,829</u>
347.00 Asset Retirement Obligations Othe Prod *	70,990				
Total Other Production	<u><u>497,590,725</u></u>		<u><u>16,885,915</u></u>		<u><u>20,411,068</u></u>
Transmission Plant					
350.1 Land Rights	23,341,455	1.34%	312,775	1.12%	261,424
350.2 Land	1,232,665	0.00%	-	0.00%	-
352.1 Struct. and Impr. Non Sys Control	7,228,687	2.65%	191,560	1.75%	126,502
352.2 Struct. and Impr. Sys Control	1,154,520	2.65%	30,595	1.63%	18,819
353.1 Station Equipment	175,730,576	2.21%	3,883,646	2.46%	4,322,972
353.2 Syst Control/Microwave Equip	14,749,281	6.18%	911,506	0.56%	82,596
354 Towers & Fixtures	63,279,467	2.84%	1,797,137	1.30%	822,633
355 Poles & Fixtures	100,687,186	4.03%	4,057,694	2.91%	2,929,997
356 Overhead Conductors and Devices	132,799,950	3.25%	4,315,998	2.05%	2,722,399
357 Underground Conduit	448,760	2.01%	9,020	3.19%	14,315
358 Underground Conductors & Devices	1,114,762	3.52%	39,240	1.45%	16,164
359 Transmission ARO's *	11,027				
Total Transmission Plant	<u>521,778,335</u>		<u>15,549,170</u>		<u>11,317,822</u>
Distribution Plant					
360.1 Land Rights	1,496,173	1.14%	17,056	0.70%	10,473
360.2 Land	1,998,646	0.00%	-	0.00%	-
361 Structures and Improvements	5,058,913	1.89%	95,613	2.00%	101,178
362 Station Equipment	103,445,343	2.24%	2,317,176	2.82%	2,917,159
364 Poles Towers & Fixtures	212,853,185	3.52%	7,492,432	3.25%	6,917,729
365 Overhead Conductors and Devices	199,717,218	3.02%	6,031,460	4.23%	8,448,038
366 Underground Conduit	1,546,234	1.75%	27,059	2.06%	31,852
367 Underground Conductors & Devices	86,404,514	3.29%	2,842,709	2.86%	2,471,169
368 Line Transformers	248,482,289	2.41%	5,988,423	3.83%	9,516,872
369 Services	83,122,059	3.75%	3,117,077	2.57%	2,136,237
370 Meters	65,364,852	2.79%	1,823,679	2.79%	1,823,679
371 Installations on Customer Premises	18,284,592	6.27%	1,146,444	3.05%	557,680
373 Street Lighting & Signal Systems	53,771,544	3.85%	2,070,204	3.16%	1,699,181
374 Asset Retirement Cost - Distribution *	18,610				-
Total Distribution Plant	<u>1,081,564,173</u>		<u>32,969,333</u>		<u>36,631,247</u>

Attachment to Response to PSC- 2 Question No.90

8 of 10

Charnas

Kentucky Utilities Company
Annualized Depreciation
as of April 30, 2008

Property Group	Depreciable Balance 4-30-08	Current Rates ASL	Depreciation Using Curr. Rates	Rates ELG	Depreciation Using ELG Rates
General Plant					
389.2 Land	2,575,973	0.00%	-	0.00%	-
390.1 Structures & Improvements	29,901,859	1.76%	526,273	2.30%	687,743
390.2 Improvements to Leased Property	531,973	1.76%	9,363	2.04%	10,852
391.1 Office Furniture & Equipment	6,548,609	5.82%	381,129	4.19%	274,387
391.2 Non PC Computer Equipment	10,163,473	20.00%	2,032,695	10.14%	1,030,576
391.3 Cash Processing Equipment	448,191	10.00%	44,819	23.26%	104,249
391.4 Personal Computer Equipment	2,486,306	33.34%	828,934	21.10%	524,610
392 Transportation Equipment	18,955,798	20.00%	3,791,160	20.00%	3,791,160
393 Stores Equipment	735,053	2.87%	21,096	5.25%	38,590
394 Tool, Shop & Garage Equipment	5,473,498	2.74%	149,974	4.75%	259,991
395 Laboratory Equipment	3,160,382	3.16%	99,868	27.42%	866,577
396 Power Operated Equipment	270,942	3.56%	9,646	6.62%	17,936
397.10 Communication Equipment - Carrier	8,835,076	3.55%	313,645	7.13%	629,941
397.20 Communication Equip. - Remote Contr	3,913,060	3.55%	138,914	7.95%	311,088
397.30 Communication Equipment - Mobile	5,087,846	3.55%	180,619	7.30%	371,413
398 Misc Equipment	373,590	5.19%	19,389	20.54%	76,735
Total General Plant	99,461,628		8,547,522		8,995,849
Total Plant in Service	3,917,180,938				
Total Annual Depreciation excluding ARO amounts			129,287,469		129,236,140
Less Amounts not included in Income Statement Depreciation					
Coal Cars			351,008		184,298
Brown Gas Pipeline			274,798		226,161
TC Gas Pipeline			166,359		170,239
Account 139200 Transportation Equip.			3,791,160		3,791,160
Subtotal			4,583,324		4,371,858
Total Annualized Depr. less ARO and Amts not in Inc. St. Depr.			124,704,144		124,864,282
Less ECR Depreciation			13,902,873		13,327,774
Total Annualized Depreciation excluding ECR and ARO			\$ 110,801,271		\$ 111,536,507

* Represents list of ARO assets. Please note these amounts are not included in the calculation

Kentucky Utilities Company - ECR April 2008

		Existing Depreciation Rates	Depreciation	2006 Proposed ELG Rates	Depreciation
2001 Plan					
<u>Project 16 -- NOx Ghent Plant</u>					
<u>Ghent 4</u>					
Investments	1/1/2002				
	4,551,149	2 16%	98,304 82	2 94%	133,803 78
Retirements, Original Cost	(44,311)		(960 00)		(960 00)
<u>Ghent 2</u>					
Investments	3/1/2002				
	5,224,392	1 84%	96,128 81	2 45%	127,997 60
Retirements, Original Cost	(41,180)		(756 00)		(756 00)
<u>Project 17 -- SCRs and NOx Modifications</u>					
<u>Tyrone 3 -- Original In-service amount</u>					
Investments	11/1/2001				
	1,262,166	2 13%	26,884 14	4 30%	54,273 14
Retirements, Original Cost	(216,581)		(4,608 00)		(4,608 00)
<u>Tyrone 3 -- December 2004 Additions</u>					
Investments	12/1/2004				
	87,293	2 13%	1,859 34	4 30%	3,753 60
<u>Green River 3 Original Investments</u>					
Investments	7/1/2002				
	1,358,579	1 94%	26,356 43	3 39%	46,055 83
Retirements, Original Cost	(149,233)		(2,892 00)		(2,892 00)
<u>Green River 3 December 2004 Additions</u>					
Investments	12/1/2004				
	269,265	1 94%	5,223 74	3 39%	9,128 08
<u>Brown 2 Original Investment</u>					
Investments	12/1/2002				
	1,937,045	2 88%	55,786 90	3 15%	61,016 92
Retirements, Original Cost	(918,431)		(26,448 00)		(26,448 00)
<u>Brown 2 December 2004 Additions</u>					
Investments	12/1/2004				
	776,167	2 88%	22,353 60	3 15%	24,449 25
<u>Ghent 3 Original Investment</u>					
Investments	3/1/2004				
	71,476,281	2 22%	1,586,773 44	2 76%	1,972,745 36
Retirements, Original Cost	(172,301)		(3,828 00)		(3,828 00)
<u>Ghent 3 December 2004 Additions</u>					
Investments	12/1/2004				
	2,958,119	2 22%	65,670 24	2 76%	81,644 08
<u>Ghent 3 April 2005 Additions</u>					
Investments	3/1/2004				
	2,971,181	2 22%	65,960 23	2 76%	82,004 61
<u>Ghent 4 Original Investment</u>					
Investments	4/1/2004				
	53,324,763	2 16%	1,151,814 88	2 94%	1,567,748 03
Retirements, Original Cost	(216,248)		(4,668 00)		(4,668 00)
<u>Ghent 4 December 2004 Additions</u>					
Investments	12/1/2004				
	3,288,376	2 16%	71,028 93	2 94%	96,678 26
<u>Ghent 4 April 2005 Additions</u>					
Investments	4/1/2004				
	3,518,957	2 16%	76,009 48	2 94%	103,457 34
<u>Brown 3 Original Investment</u>					
Investments	5/1/2004				
	2,102,228	3 91%	82,197 11	2 95%	62,015 73
Retirements, Original Cost	(848,647)		(33,180 00)		(33,180 00)
<u>Brown 3 December 2004 Additions</u>					
Investments	12/1/2004				
	364,407	3 91%	14,248 32	2 95%	10,750 01
<u>Brown 3 April 2005 Additions</u>					
Investments	5/1/2004				
	754	3 91%	29 48	2 95%	22 24
<u>Ghent 1 Original Investment</u>					
Investments	5/1/2004				
	56,004,868	3 12%	1,747,351 88	4 02%	2,251,395 69
Retirements, Original Cost	(113,614)		(3,540 00)		(3,540 00)
<u>Ghent 1 December 2004 Additions</u>					
Investments	12/1/2004				
	9,617,570	3 12%	300,068 18	4 02%	386,626 31

Kentucky Utilities Company - ECR April 2008

		Existing Depreciation Rates	Depreciation	2006 Proposed ELG Rates	Depreciation
Ghent 1 April 2005 Additions					
	5/1/2004				
Investments	3,520,209	3 12%	109,830 52	4 02%	141,512 40
Ghent 2 - December 2004 Addition					
	12/1/2004				
Investments	13,192	1 84%	242 73	2 45%	323 20
GH1 SCR Catalyst Addition May 2006					
	5/1/2006				
Investments	2,112,857	3 12%	65,921 13	4 02%	84,936 84
2001 Plan Additions	226,739,818				
2001 Plan Retirements	(2,720,546)				
2003 Plan					
Project 18 -- Ghent Ash Pond					
	12/1/2003				
Investments	16,148,295	2 16%	348,803 17	2 94%	474,759 87
2005 Plan					
Project 19 - Ash Handling at Ghent 1 and Ghent Station					
Ghent Station - Ash Pipe Repl Addition 4/30/06					
	4/1/2006				
Investments	398,915	2 16%	8,616 57	2 94%	11,728 11
Retirements, Original Cost	(292,425)		(6,312 00)		(6,312 00)
Project 21 - FGDs					
Ghent 3					
	6/1/2007				
Investments-Total	136,503,019	5 67%	7,739,721 18	4 01%	5,473,771 06
Retirements, Original Cost	(4,047,526)		(89,220 00)		(89,220 00)
Brown Training Bldg/Warehouse					
	12/1/2007				
Investments-Total	7,334,344	3 91%	286,772 84	2 95%	216,363 14
Retirements -- Original Cost	(74,700)		(2,916 00)		(2,916 00)
2005 Plan Additions	144,236,278				
2005 Plan Retirements	(4,414,651)				
2006 Plan					
Project 25 -- Mercury Monitors					
Tyrone 3					
	12/31/2006				
Investments	18,149	2 13%	386 56	4 30%	780 39
Brown 3					
	12/31/2006				
Investments	68,158	3 91%	2,664 98	2 95%	2,010 66
Ghent 4					
	12/31/2006				
Investments	45,279	2 16%	978 03	2 94%	1,331 21
Green River 4					
	12/31/2006				
Investments	18,164	3 10%	563 07	4 50%	817 36
CEMS Stackvision EDR Upgrade					
	10/1/2007				
Investments	115,540	20 00%	23,108 00	20 00%	23,108 00
Project 27 -- ESP					
Brown					
	6/15/2006				
Investments	46,715	3 91%	1,826 57	2 95%	1,378 10
Retirements, Original Cost	(32,691)		(1,284 00)		(1,284 00)
2006 Plan Additions	312,005				
2006 Plan Retirements	(32,691)				
Total Additions	387,436,395 58	Total	<u>13,902,873.30</u>		<u>13,327,774.21</u>
Total Retirements	(7,167,887.87)				
	<u>380,268,507.71</u>				

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 91

Responding Witness: Shannon L. Charnas

- Q-91. Are Green River Units 1 and 2 or Tyrone Units 1 and 2 included in the calculation of pro forma depreciation?
- A-91. All generating assets associated with Green River Units 1 and 2 and Tyrone Units 1 and 2 have been retired and are not in the calculation of pro forma depreciation. Non-generating assets that are common to the general use of the facility are included in the calculation of pro forma depreciation for both Green River Units 1 and 2 and Tyrone Units 1 and 2.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 92

Responding Witness: Counsel / Shannon L. Charnas

- Q-92. a. Provide a schedule in the same format shown in Case No. 2007-00565 in the Application and Testimony at Exhibit JJS-KU, page III-4 detailing the calculation of test year depreciation expense as shown at Exhibit 1, Reference Schedule 1.14, of the Seelye Testimony. This schedule should exclude annualization. Also, on this schedule indicate which assets are considered to be post-1995 ECR assets and ARO assets. If post-1995 ECR assets and ARO assets are not included on this schedule, provide a separate schedule detailing their depreciation. Also, for this calculation, use the LG&E rates for the Paddy's Run – Generator 13 and the Trimble County CTs 5-10.
- b. Provide a schedule in the same format as provided in a. recalculating test year depreciation using depreciation rates based on the average life group method. This schedule should not include annualization. Also, on this schedule indicate which assets are considered to be post-1995 ECR assets and ARO assets. If post-1995 ECR assets and ARO assets are not included on this schedule, provide a separate schedule detailing their depreciation. Also, for this calculation, use the LG&E rates for the Paddy's Run – Generator 13 and the Trimble County CTs 5-10.
- c. Provide adjustments to (b) showing annualized test year depreciation using the average life group method.
- A-92. Without waiver of its objection filed on September 5, 2008 to this request for information, KU states as follows:
- a. Please see the Company's response to Question No. 90(a) in this case.
- b. Per telephone conference with the Commission Staff and other parties on September 3, 2008, it was agreed that this question was intended to be the same as Question No. 90(b), with the exception of the request for the post-1995 ECR and ARO information and the use of the LG&E rates on the jointly owned CTs. Please see the Company's response to Question No. 90(b) in this case. This recalculation uses only the LG&E rates for CTs jointly owned by LG&E and KU as it is inappropriate to calculate depreciation expense on LG&E assets using KU rates as explained in Company's response to Question No. 29 in this case.
- c. Please see the Company's response to Question No. 90(b) in this case.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 93

Responding Witness: Shannon L. Charnas

- Q-93. Refer to Exhibit 1, Reference Schedule 1.14, of the Rives Testimony.
- a. Provide the calculation of depreciation on ARO's in the amount of \$335,141 showing each ARO separately.
 - b. Provide the calculation of depreciation on post-1995 environmental cost recovery of \$12,754,702 showing each asset separately.
- A-93. a. The ARO depreciation amounts are taken directly from the 12 months ended income statement. ARO depreciation is tracked in separate general ledger accounts. Depreciation expense is calculated by the fixed asset software which multiplies the depreciation rate times the account balance taking into consideration additions and retirements for the month. The software accumulates these charges and generates a journal entry for depreciation expense each month.
- b. See attached for the ECR depreciation calculation by ECR project and location. Individual asset depreciation expense is not maintained.

Month	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008	Apr-2008	Total
2001 Plan													
Project 16 – NOx Ghent Plant													
Ghent 4													
Investments	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	4,551,149	
Retirements	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	(44,311)	
Monthly Depreciation Expense	8,192	8,192	8,192	8,192	8,192	8,192	8,192	8,192	8,192	8,192	8,192	8,192	98,305
Depreciation Expense on Retirements	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(80)	(957)
Ghent 2													
Investments	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	5,224,392	
Retirements	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	(41,180)	
Monthly Depreciation Expense	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	8,011	96,129
Depreciation Expense on Retirements	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(63)	(758)
Project 17 – SCR and NOx Modifications													
Tyrone 3 – Original In-service amount													
Investments	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	1,262,166	
Retirements	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	(216,581)	
Monthly Depreciation Expense	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	2,240	26,684
Depreciation Expense on Retirements	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(384)	(4,613)
Tyrone 3 – December 2004 Additions													
Investments	87,293	87,293	87,293	87,293	87,293	87,293	87,293	87,293	87,293	87,293	87,293	87,293	
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Depreciation Expense	155	155	155	155	155	155	155	155	155	155	155	155	1,859
Depreciation Expense on Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Green River 3 Original Investments													
Investments	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	1,358,579	
Retirements	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	(149,233)	
Monthly Depreciation Expense	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	2,196	26,356
Depreciation Expense on Retirements	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(241)	(2,895)
Green River 3 December 2004 Additions													
Investments	269,265	269,265	269,265	269,265	269,265	269,265	269,265	269,265	269,265	269,265	269,265	269,265	
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Depreciation Expense	435	435	435	435	435	435	435	435	435	435	435	435	5,224
Depreciation Expense on Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Brown 2 Original Investment													
Investments	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	1,937,045	
Retirements	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	(918,431)	
Monthly Depreciation Expense	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	4,649	55,787
Depreciation Expense on Retirements	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(2,204)	(26,451)
Brown 2 December 2004 Additions													
Investments	776,167	776,167	776,167	776,167	776,167	776,167	776,167	776,167	776,167	776,167	776,167	776,167	
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Depreciation Expense	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	22,354
Depreciation Expense on Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Ghent 3 Original Investment													
Investments	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	71,476,281	
Retirements	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	(172,301)	
Monthly Depreciation Expense	132,231	132,231	132,231	132,231	132,231	132,231	132,231	132,231	132,231	132,231	132,231	132,231	1,586,773
Depreciation Expense on Retirements	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(319)	(3,825)
Ghent 3 December 2004 Additions													
Investments	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	2,958,119	
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Depreciation Expense	5,473	5,473	5,473	5,473	5,473	5,473	5,473	5,473	5,473	5,473	5,473	5,473	65,670
Depreciation Expense on Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Ghent 3 April 2005 Additions													
Investments	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	2,971,181	
Retirements	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Depreciation Expense	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	65,960
Depreciation Expense on Retirements	-	-	-	-	-	-	-	-	-	-	-	-	

Ghent Station - Ash Pipe Repl Addition 4/30/06

Investments	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	398,915	
Retirements	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	(292,425)	
Monthly Depreciation Expense	718	718	718	718	718	718	718	718	718	718	718	718	718	8,617
Depreciation Expense on Retirements	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(526)	(6,316)

Project 21 - FGDs

Ghent 3

Investments		136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	136,503,019	
Retirements		(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	(4,047,526)	
Monthly Depreciation Expense		322,488	644,977	644,977	644,977	644,977	644,977	644,977	644,977	644,977	644,977	644,977	644,977	6,772,256
Depreciation Expense on Retirements		(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(7,435)	(81,785)

Brown Training Bldg/Warehouse

Investments								7,334,344	7,334,344	7,334,344	7,334,344	7,334,344	7,334,344	
Retirements								(74,700)	(74,700)	(74,700)	(74,700)	(74,700)	(74,700)	
Monthly Depreciation Expense								11,949	23,898	23,898	23,898	23,898	23,898	107,540
Depreciation Expense on Retirements								(243)	(243)	(243)	(243)	(243)	(243)	(1,217)

Project 25 - Mercury Monitors

Tyrone 3

Investments	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	18,149	
Retirements														
Monthly Depreciation Expense	32	32	32	32	32	32	32	32	32	32	32	32	32	387
Depreciation Expense on Retirements														

Brown 3

Investments	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	68,158	
Retirements														
Monthly Depreciation Expense	222	222	222	222	222	222	222	222	222	222	222	222	222	2,665
Depreciation Expense on Retirements														

Ghent 4

Investments	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	45,279	
Retirements														
Monthly Depreciation Expense	82	82	82	82	82	82	82	82	82	82	82	82	82	978
Depreciation Expense on Retirements														

Green River 4

Investments	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	18,164	
Retirements														
Monthly Depreciation Expense	47	47	47	47	47	47	47	47	47	47	47	47	47	563
Depreciation Expense on Retirements														

CEMS Stack/Vision EDR Upgrade

Investments						115,540	115,540	115,540	115,540	115,540	115,540	115,540	115,540	
Retirements														
Monthly Depreciation Expense						563	1,926	1,926	1,926	1,926	1,926	1,926	1,926	12,517
Depreciation Expense on Retirements														

Project 27 - ESP

Brown

Investments	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	46,715	
Retirements	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	(32,691)	
Monthly Depreciation Expense	152	152	152	152	152	152	152	152	152	152	152	152	152	1,827
Depreciation Expense on Retirements	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(107)	(1,278)

Total, All Plans

Investments	243,483,493	379,986,511	379,986,511	379,986,511	379,986,511	380,102,052	380,102,052	387,436,395	387,436,395	387,436,395	387,436,395	387,436,395	387,436,395	
Retirements	(3,045,662)	(7,093,188)	(7,093,188)	(7,093,188)	(7,093,188)	(7,093,188)	(7,093,188)	(7,167,888)	(7,167,888)	(7,167,888)	(7,167,888)	(7,167,888)	(7,167,888)	
Depreciation Expense	502,824	826,312	1,147,800	1,147,800	1,147,800	1,148,763	1,149,726	1,161,675	1,173,624	1,173,624	1,173,624	1,173,624	1,173,624	12,926,195
Depreciation Expense on Retirements	(7,374)	(14,809)	(14,809)	(14,809)	(14,809)	(14,809)	(14,809)	(15,053)	(15,053)	(15,053)	(15,053)	(15,053)	(15,053)	(171,493)
														12,754,702

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 94

Responding Witness: Shannon L. Charnas

- Q-94. Would you agree that KU has removed the entire effect of SFAS 143 from rates through: 1) making the \$335,141 adjustment to test year depreciation per books as shown in Exhibit 1, Reference Schedule 1.14, of the Rives Testimony; 2) reducing rate base by ARO Liabilities totaling \$28,756,745 as shown in Exhibit 4, page 1, of the Rives Testimony; and 3) recording regulatory credits to accounts 407401, 407402 and 407405 for the test year off-setting accretion expense totaling \$1,901,344 as shown in KU's response to Staff's first request, Item 13, page 7? If no, explain.
- A-94. Yes. KU has removed the entire effect of SFAS No. 143 and FIN 47 from rate base as shown in Exhibit 3, page 1, lines 8-12, of the Rives Testimony. Consistent with the response to Question No. 96, no adjustment to capitalization is necessary. The adjustment to test year depreciation per books as shown in Exhibit 1, Reference Schedule 1.14 excludes the effect of SFAS No. 143 and FIN 47. Depreciation and accretion expense associated with ARO assets and liabilities has been removed from test year net operating income by recording offsetting regulatory credits.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 95

Responding Witness: Shannon L. Charnas

Q-95. Was total accretion expense for the test year \$1,901,344?

A-95. Yes.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 96

Responding Witness: Shannon L. Charnas

- Q-96. In Case No. 2003-00434 the Commission's Order dated June 30, 2004 at page 22 reduced KU's capitalization by \$7,408,501 to account for the removal ARO assets. Has KU adjusted its capitalization in this case to remove ARO assets? If no, explain. Show the calculation of the adjustment necessary in this case to follow the method of the Commission's previous Order regarding ARO's and its impact on KU's capitalization.
- A-96. No. Please see response to Question No. 94. KU has not adjusted its capitalization to remove ARO assets since it does not believe a capitalization adjustment is needed. No capitalization adjustment is needed because the net ARO asset indicated below is offset by higher accumulated depreciation as a result of adoption of SFAS 143.

Asset Retirement Obligation-Net Assets	Exhibit 3, page 1 of 3, column 6, line 8	\$ 4,232,200
Asset Retirement Obligation-Liabilities	Exhibit 3, page 1 of 3, column 6, line 9	(26,805,403)
Asset Retirement Obligation-Regulatory Assets	Exhibit 3, page 1 of 3, column 6, line 10	21,526,237
Asset Retirement Obligation-Regulatory Liabilities	Exhibit 3, page 1 of 3, column 6, line 11	(1,951,342)
Reclassification of Accumulated Depreciation associated with Cost of Removal for underlying ARO Assets	Exhibit 3, page 1 of 3, column 6, line 12	2,066,847
Cost of Removal for underlying ARO Assets--Depreciation Expense		<u>1,163,943</u>
Cash Outlay for Settlement of Liabilities for Assets not yet Retired and Other		<u>\$ 232,482</u>

Consistent with the Commission's Order in Case No. 2003-00427, the Company has adjusted rate base to exclude ARO assets and liabilities as shown on Rives Exhibit 3, page 1 of 3.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 97

Responding Witness: John J. Spanos

Q-97. Are AROs included in the estimated cost of removal as stated as a percentage of original costs in the depreciation study submitted in Case No. 2007-00565?

A-97. No. AROs are not part of the estimated cost of removal as a percentage of original cost in the depreciation study.

KENTUCKY UTILITIES COMPANY**CASE NO. 2008-00251****CASE NO. 2007-00565****Response to Second Data Request of Commission Staff****Dated August 27, 2008****Question No. 98****Responding Witness: Shannon L. Charnas**

- Q-98. a. State the year when KU first began recovery, through depreciation, of estimated asset removal costs stated as a percentage of original cost.
- b. Provide a schedule showing the annual balances in accumulated depreciation attributable to asset removal costs starting with the year provided in response to (a). This schedule should show depreciation accruals separately from the cost of removal and salvage.
- c. For GAAP purposes the amount disclosed in (b) is reported as a regulatory liability but for regulatory purposes it is reported as Accumulated Depreciation. What impact would reclassifying this amount as a regulatory liability for regulatory reporting purposes have on KU.
- A-98. a. KU has recovered the estimated asset removal costs through rates for many years, although the precise date of when recovery began is unknown. With the adoption of SFAS No. 143 in 2003, KU was first required to maintain a separate record of net cost of removal percentages as a component of the depreciation rate.

- b. Please see the following schedule:

	<u>Depreciation Accruals</u>	<u>Net Cost of Removal</u>	<u>Total Accumulated Depreciation</u>
12/31/2003	\$1,345,859,901	\$256,744,263	\$1,602,604,164
12/31/2004	\$1,406,195,587	\$266,804,997	\$1,673,000,584
12/31/2005	\$1,494,702,678	\$280,929,076	\$1,775,631,754
12/31/2006	\$1,538,106,079	\$297,313,136	\$1,835,419,215
12/31/2007	\$1,604,704,855	\$309,927,077	\$1,914,631,932

- c. Reclassifying this amount as a regulatory liability for regulatory accounting purposes would eliminate a difference between GAAP and regulatory reporting. However, for regulatory purposes, the net cost of removal has historically been recognized as a

component of depreciation rates to address generational inequities that arise if future customers are charged for the cost of removing assets that served previous customers. Reserving the net cost of removal within accumulated depreciation is consistent with including the net cost of removal component in depreciation rates and is consistent with prior practice. Absent a justifiable reason to change the accounting practice followed by the Commission for many years, the Company recommends net cost of removal continue to be recorded in accumulated depreciation.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 99

Responding Witness: Valerie L. Scott

- Q-99. a. State the amount of expense for compensated absences that is included in KU's test year operations and the account numbers to which this expense was charged.
- b. State how the compensated absence expense reported in a. is accounted for in Exhibit 1, Reference Schedule 1.15, page 1, of the Rives Testimony.
- A-99. a. See attached.
- b. The compensated absences operations expense is included in the Operating total on line 2 of Exhibit 1, Reference Schedule 1.15, page 1, of the Rives Testimony.

Kentucky Utilities Company**Case No. 2008-00251****Case No. 2007-00565****KENTUCKY UTILITIES COMPANY
COMPENSATED ABSENCES EXPENSES
FOR THE 12 MONTHS ENDING 04/30/08**

ACCOUNT	TOTAL
500100	\$ 334,783
500900	126,335
501090	293,991
501251	944
501990	35,980
502002	771,551
502003	90,685
502004	96,104
502006	1,151
502100	31,784
505100	674,389
506001	3,364
506100	49,486
510100	702,358
511100	167,196
512005	44,738
512011	50,528
512017	70,118
512100	441,533
512101	12,914
512102	1,497
513100	204,360
513900	1,526
514100	21,194
535100	1,322
539100	550
541100	14,046
542100	6,740
544100	10,644
545100	612
546100	15,968
551100	5,077
552100	14,222
553100	44,439
554100	12,323
556100	12,080
556900	174,872
560100	2,828
560900	119,131
561601	3,291
561900	82,768

**KENTUCKY UTILITIES COMPANY
COMPENSATED ABSENCES EXPENSES
FOR THE 12 MONTHS ENDING 04/30/08**

ACCOUNT	TOTAL
561901	48,416
562100	34,293
563100	5,396
566100	35,525
566900	2,391
570100	70,139
571100	13,212
573100	9,167
580100	106,661
580900	39,378
581900	85,680
582100	97,722
583001	221,915
583008	130
583009	6,669
583100	101
584001	4,830
584008	19
585100	1,266
586100	487,620
586101	(6,403)
587100	491
588100	338,535
588900	22,067
590100	867
591003	70
592100	53,960
593001	30,018
593002	382,486
593003	3
593004	82,542
594001	14,254
594002	1,047
595100	237
596100	3,238
598100	16
901001	218,945
901900	30,635
902001	101,742
902002	1,597
903001	75,969
903002	7,477
903003	443,137
903006	10,647
903007	4,549
903008	15,044
903012	10,084

**KENTUCKY UTILITIES COMPANY
COMPENSATED ABSENCES EXPENSES
FOR THE 12 MONTHS ENDING 04/30/08**

ACCOUNT	TOTAL
903013	103
903022	25,995
903023	6,042
903025	22,598
903030	143,583
903031	11,194
903035	7,492
903036	25,293
903901	235
903902	3,473
903906	16,998
903907	1,334
903912	14,445
903930	66,774
903931	1,646
903936	12,861
905001	11,262
905002	8,078
905003	1
907001	3,413
907900	15,853
908009	58
908901	18,944
908909	46
910001	3,689
920001	12,106
920100	334,684
920900	1,534,755
920901	81,522
925004	1,572
925904	4,933
935391	94,136
935401	15,697
935402	126
935403	779
935488	292,688
TOTAL	\$ 10,657,618

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 100

Responding Witness: Valerie L. Scott

- Q-100. Refer to Exhibit 1, Reference Schedule 1.15, page 2, of the Rives Testimony.
- a. Provide workpapers supporting the construction/other labor rate of 28.7 percent. These workpapers should separate construction labor from other labor. Provide a detailed description for all entries on these workpapers for other labor.
 - b. Provide workpapers supporting the calculation of:
 - (1) Number of union employees and gross pay of 144 and \$9,036,805, respectively.
 - (2) Number of exempt employees and gross pay of 133 and \$10,636,390, respectively.
 - (3) Number of non-exempt employees and gross pay of 684 and \$38,194,236, respectively.
 - (4) Number of exempt SERVCO employees and gross pay allocated to KU of 357 and \$31,190,524, respectively.
 - (5) Number of non-exempt SERVCO employees and gross pay allocated to KU of 110 and \$4,473,183.
 - (6) The SERVCO allocation percentage to KU of 45.4 percent.
 - (7) The union overtime premium.
 - (8) Non-Exempt/Hourly/Servco overtime/Premium.
- A-100. a. See attached.
- b. (1) and (6 – 8) See attached.
 - b. (2) – (5) See the attached information, which is being provided under a Petition for Confidential Protection.

Kentucky Utilities Company
Case No. 2007-00565
Case No. 2008-00251

Computation of Operating and Construction/Other Labor %

		KU	Servco	Total
ORIGINAL				
1 Construction and Other Labor		\$ 19,906,490	\$ 9,617,207	\$ 29,523,697
2 Operating Labor		47,224,897	25,959,234	73,184,131
3 Total Labor Excluding TIA	(Line 1 + Line 2)	\$ 67,131,387	\$ 35,576,441	\$ 102,707,828
(Rives Exhibit 1, Schedule 1 15, Line 7)				
4 Construction/Other %	(Line 1/Line 3)			28.7%
REVISED				
5 Construction and Other Labor	See (A) Below	\$ 21,328,835	\$ 9,602,282	\$ 30,931,117
6 Operating Labor	See (B) Below	46,091,588	25,959,320	72,050,908
7 Total Labor Excluding TIA	(Line 5 + Line 6)	\$ 67,420,423	\$ 35,561,602	\$ 102,982,025
8 Construction/Other %	(Line 5/Line 7)			30.0%
DIFFERENCE *				
9 Construction and Other Labor	(Line 5 - Line 1)	\$ 1,422,345	\$ (14,925)	\$ 1,407,420
10 Operating Labor	(Line 6 - Line 2)	(1,133,309)	86	(1,133,223)
11 Total Labor Excluding TIA	(Line 7 - Line 3)	\$ 289,036	\$ (14,839)	\$ 274,197
12 Construction/Other %	(Line 8 - Line 4)			1.3%

* The difference is due to omission of certain balance sheet accounts from the original calculation of labor charged to other in line (1) which resulted in a change in the O&M/Capital percentage ratios

Labor Costs per GL

FERC Account	KU	KU Overtime and Premium	Total KU	Overtime and Premium		Total Charged from Servco	Grand Total
				Charged from Servco	Charged from Servco		
107	\$ 13,240,734	\$ 1,612,778	\$ 14,853,512	\$ 6,535,332	\$ 47,303	\$ 6,582,635	\$ 21,436,147
108	822,290	121,736	944,027	46,881	901	47,782	991,808
Total Construction Labor	14,063,024	1,734,514	15,797,538	6,582,213	48,204	6,630,417	22,427,955
143	32,497	18,849	51,346	796	-	796	52,142
146	657,121	282,255	939,376	-	-	-	939,376
163	1,346,505	61,223	1,407,728	103,638	-	103,638	1,511,366
183	-	-	-	109,043	-	109,043	109,043
184	3,041,013	29,213	3,070,226	2,782,018	2,543	2,784,561	5,854,787
186	32,273	28,789	61,062	225,439	-	225,439	286,501
426	1,162	397	1,559	421,050	546	421,596	423,156
Total Other Labor Before Excluded Employees	5,110,571	420,727	5,531,297	3,641,984	3,089	3,645,073	9,176,370
Less Excluded Employees	-	-	-	(673,208)	-	(673,208)	(673,208)
Total Other Labor	5,110,571	420,727	5,531,297	2,968,776	3,089	2,971,865	8,503,162
Total Construction/Other Labor	19,173,595	2,155,240	21,328,835	9,550,989	51,293	9,602,282	30,931,117 (A)
500	1,868,916	55,448	1,924,365	966,842	5,581	972,423	2,896,788
501	1,384,538	307,567	1,692,104	633,703	5,508	639,211	2,331,315
502	5,600,412	1,167,026	6,767,439	165,405	7,686	173,091	6,940,530
505	3,902,221	784,676	4,686,897	-	-	-	4,686,897
506	309,145	3,803	312,948	-	-	-	312,948
510	3,808,643	230,235	4,038,878	332,288	2,208	334,496	4,373,374
511	972,936	114,273	1,087,209	40	-	40	1,087,248
512	3,602,848	1,040,946	4,643,794	-	-	-	4,643,794
513	1,114,464	405,174	1,519,638	92,403	1,328	93,731	1,613,369
514	123,421	19,217	142,637	-	-	-	142,637
535	7,721	61	7,782	-	-	-	7,782
539	3,193	-	3,193	-	-	-	3,193
541	81,459	4,106	85,565	-	-	-	85,565
542	39,632	1,767	41,399	-	-	-	41,399
544	62,955	16,204	79,160	-	-	-	79,160
545	3,613	-	3,613	-	-	-	3,613
546	94,755	1,487	96,242	-	-	-	96,242
551	29,217	3,328	32,545	-	-	-	32,545
552	82,556	11,982	94,538	-	-	-	94,538
553	258,366	95,470	353,836	-	-	-	353,836
554	71,157	16,563	87,720	-	-	-	87,720
556	(16,391)	16,391	-	1,286,118	-	1,286,118	1,286,118
560	-	-	-	841,002	1,646	842,649	842,649
561	-	-	-	923,574	5,241	928,816	928,816

Kentucky Utilities Company
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Computation of Operating and Construction/Other Labor %

562	215.635	-	215.635	-	-	-	215.635
563	-	-	-	37.868	-	37.868	37.868
566	178.953	1.857	180.810	50.427	10.332	60.759	241.570
570	246.778	87.675	334.454	192.656	3.162	195.819	530.272
571	38.358	21.132	59.490	46.154	-	46.154	105.644
573	23.689	5.435	29.124	35.157	-	35.157	64.281
580	192.248	19.307	211.555	778.454	3.323	781.777	993.331
581	-	-	-	587.968	4.345	592.313	592.313
582	571.049	21.629	592.678	2.276	-	2.276	594.954
583	1,321.776	631.446	1,953.222	10,232	6,930	17,162	1,970.384
584	27.477	20.942	48.419	-	-	-	48.419
585	7.167	540	7,707	-	-	-	7,707
586	2,713.584	291.939	3,005.523	88.722	-	88.722	3,094.245
587	2.794	500	3,294	-	-	-	3,294
588	1,764.601	185.401	1,950.002	394.169	9.112	403.282	2,353.284
590	-	-	-	5.883	-	5.883	5.883

FERC Account	KU	KU Overtime and Premium	Total KU	Overtime and Premium		Total Charged from Servco	Grand Total
				Charged from Servco	Charged from Servco		
591	441	-	441	-	-	-	441
592	313,315	68,493	381,809	379	-	379	382,187
593	2,826,325	2,351,266	5,177,591	82,732	(719)	82,013	5,259,603
594	89,408	37,493	126,901	-	-	-	126,901
595	1,336	6,339	7,676	-	-	-	7,676
596	18,501	23,336	41,837	-	-	-	41,837
598	76	-	76	-	-	-	76
901	347,165	327	347,492	1,310,267	5,076	1,315,343	1,662,835
902	559,068	12,427	571,495	46,844	-	46,844	618,338
903	3,591,609	181,049	3,772,658	2,124,301	83,022	2,207,323	5,979,981
905	5,654	1,042	6,696	127,465	3,957	131,423	138,118
907	-	-	-	132,699	595	133,293	133,293
908	-	-	-	132,296	-	132,296	132,296
910	1,051	-	1,051	23,952	-	23,952	25,003
920	87,405	70,811	158,216	13,513,747	62,149	13,575,896	13,734,111
922	(1,047,530)	-	(1,047,530)	-	-	-	(1,047,530)
925	2,624	39	2,662	41,746	-	41,746	44,408
935	231,044	18,061	249,105	2,528,349	13,675	2,542,024	2,791,128
Total Operating Before Excluded Employees	37,737,379	8,354,209	46,091,588	27,536,117	234,157	27,770,274	73,861,862
Excluded Employees	-	-	-	(1,810,954)	-	(1,810,954)	(1,810,954)
Total Operating Labor	37,737,379	8,354,209	46,091,588	25,725,163	234,157	25,959,320	72,050,908 (B)
Total Construction/Other Labor	19,173,595	2,155,240	21,328,835	9,550,989	51,293	9,602,282	30,931,117
Total Labor Excluding TIA	\$ 56,910,973	\$ 10,509,450	\$ 67,420,423	\$ 35,276,152	\$ 285,450	\$ 35,561,602	\$ 102,982,025
Other Operating and Construction/Other%							30.0%

Kentucky Utilities Company
 Case No. 2007-00565
 Case No. 2008-00251

Computation of Operating and Construction/Other Labor %

Employees and Salaries Excluded from Pro forma Adjustment

As of 12/30/2007

As of 4/30/08

Yrs of Service	Sum of Annual Rd	Count
4	\$ 148,500	1
9	\$ 443,200	2
10	\$ 183,600	1
11	\$ 176,540	1
14	\$ 615,450	2
16	\$ 928,080	2
17	\$ 350,400	1
18	\$ 195,430	1
20	\$ 279,600	1
21	\$ 166,000	1
24	\$ 276,100	1
25	\$ 566,500	2
28	\$ 362,563	2
32	\$ 381,800	2
38	\$ 295,400	1

Yrs of Service	Sum of Annual Rd	Count of ID
5	\$ 153,700	1
9	\$ 178,850	1
10	\$ 569,830	2
11	\$ 183,700	1
14	\$ 639,390	2
16	\$ 787,592	1
17	\$ 541,260	2
18	\$ 202,280	1
21	\$ 462,610	2
24	\$ 287,200	1
25	\$ 390,500	1
26	\$ 197,790	1
28	\$ 377,740	2
32	\$ 397,100	2
38	\$ 307,300	1

\$ 5,369,163 21

\$ 5,676,842 21

5/07 - 12/07 (8/12 of \$5,369,163 for 2007 above) \$ 3,579,442
 1/08 - 4/08 (4/12 of \$5,676,842 for 2008 above) \$ 1,892,281
 Total Test Year \$ 5,471,723

Total Test Year \$ 5,471,723
 Servco labor allocation to I.G&E 45.4%
 Est amt chrged to I.G&E based on overall labor charges \$ 2,484,162

	<u>Income Stmt</u>	<u>Balance Sheet</u>	<u>Total</u>
Total labor charged to I.G&E	\$ 2,484,162	\$ 2,484,162	
Allocation percentage	72.9%	27.1%	100.0%
Allocated labor	<u>\$ 1,810,954</u>	<u>\$ 673,208</u>	<u>\$ 2,484,162</u>

Kentucky Utilities Company
Case No. 2007-00565
Case No. 2008-00251

Employee Annualized Base Labor

	Employees	Base Labor
1. KU Union Cumulative Annual Pay as of April 30, 2008 ⁽¹⁾	144	\$ 9,036,805

⁽¹⁾The PeopleSoft System Report for Annualized Salaries does not provide a breakdown for KU hourly employees between union and hourly, therefore the actual test year labor was used for this amount. See table below:

FERC	Total
107	\$ 2,291,260
108	270,982
143	702
146	3,279
163	84,664
184	1,607,377
186	270
501	150,211
502	603,778
505	582,007
506	1,664
510	81,218
511	99,606
512	306,397
513	86,650
514	16,555
544	238
554	54
562	70,294
570	72,908
571	30,403
573	10,000
582	168,304
583	187,689
584	459
586	945,308
588	222,815
591	239
592	82,317
593	713,752
594	3,718
595	716
596	5,968
902	334,120
910	346
935	537
Total	\$ 9,036,805

As of Date: 4/30/2008

Company: 110

Estimated Vacation Liability Report
Hourly and Salaried

5/20/2008

Department	Vacation Weeks	Liability
016260	56.00	67,165.05
016270	35.00	42,773.97
016300	38.00	48,041.09
016340	8.00	10,066.54
016360	28.00	43,914.23
016370	47.00	55,091.54
016520	15.00	18,662.15
016550	61.00	73,492.38
016560	42.00	50,268.97
016570	53.00	63,982.80
016580	52.00	62,330.97
016600	10.00	18,275.96
016620	26.00	31,727.48
016630	46.00	50,029.80
016640	20.00	23,769.62
016650	242.00	297,071.02
016660	60.00	88,025.15
016670	16.00	19,625.48
016910	27.00	33,359.97
017660	22.00	30,616.69
018915	34.00	37,303.85
		Hourly and Salaried
		3,596,275.47

Total :	768
Total Part Time:	0
Total Full Time:	768

011050	9.00	10,738.80
011090	19.00	22,670.80
011370	80.00	74,817.60
011560	109.00	127,572.00
013180	7.00	6,724.80
014050	13.00	15,511.60
014160	37.00	44,353.20
014260	44.00	52,389.20
014940	36.00	42,485.20
016100	5.00	5,206.00
016130	58.00	69,566.80
016150	11.00	12,080.40
016170	19.00	22,374.40
016180	16.00	18,699.60
017660	58.00	69,057.60

Bargaining Union **594,248.00**

Total :	144
Total Part Time:	0
Total Full Time:	144

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Employee Annualized Base Labor

	<u>Employees</u>	<u>Base Labor</u>
1. KU Exempt Cumulative Annual Pay as of April 30, 2008	130	\$ 10,193,990
2. KU Senior Management Cumulative Annual Pay as of April 30, 2008	3	442,400
3. Total KU Exempt Employees	<u>133</u>	<u>\$ 10,636,390</u>

source: PeopleSoft System Report for Annualized Salaries

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Exempt

Report for Company : 110

As of Date: 4/30/2008

Years of Service	Number of Employees	Total Actual Pay	Cumulative Annual Pay	Average Annual Pay
	4	\$260,980.00	260,980.00	\$65,245.00
	1	\$69,420.00	330,400.00	\$69,420.00
	1	\$75,560.00	405,960.00	\$75,560.00
	1	\$77,260.00	483,220.00	\$77,260.00
	4	\$325,130.00	808,350.00	\$81,282.50
	4	\$298,370.00	1,106,720.00	\$74,592.50
	1	\$77,780.00	1,184,500.00	\$77,780.00
	1	\$40,210.00	1,224,710.00	\$40,210.00
	1	\$82,880.00	1,307,590.00	\$82,880.00
	4	\$342,630.00	1,650,220.00	\$85,657.50
	8	\$648,410.00	2,298,630.00	\$81,051.25
	1	\$61,720.00	2,360,350.00	\$61,720.00
	4	\$223,100.00	2,583,450.00	\$55,775.00
	4	\$342,020.00	2,925,470.00	\$85,505.00
	5	\$399,800.00	3,325,270.00	\$79,960.00
	3	\$272,530.00	3,597,800.00	\$90,843.33
	7	\$519,860.00	4,117,660.00	\$74,265.71
	3	\$241,530.00	4,359,190.00	\$80,510.00
	2	\$142,570.00	4,501,760.00	\$71,285.00
	5	\$421,050.00	4,922,810.00	\$84,210.00
	9	\$662,740.00	5,585,550.00	\$73,637.78
	7	\$488,440.00	6,073,990.00	\$69,777.14
	6	\$447,000.00	6,520,990.00	\$74,500.00
	8	\$646,670.00	7,167,660.00	\$80,833.75
	2	\$139,700.00	7,307,360.00	\$69,850.00
	9	\$768,920.00	8,076,280.00	\$85,435.56
	5	\$400,750.00	8,477,030.00	\$80,150.00
	2	\$176,640.00	8,653,670.00	\$88,320.00
	8	\$668,890.00	9,322,560.00	\$83,611.25
	5	\$442,970.00	9,765,530.00	\$88,594.00
	2	\$178,600.00	9,944,130.00	\$89,300.00
	1	\$83,830.00	10,027,960.00	\$83,830.00
	2	\$166,030.00	10,193,990.00	\$83,015.00
Total Employees	130			

5/20/2008

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Senior Management

Report for Company : 110

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	1	\$130,300.00	130,300.00	\$130,300.00
	1	\$151,000.00	281,300.00	\$151,000.00
	1	\$161,100.00	442,400.00	\$161,100.00
Total Employees	3			

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Employee Annualized Base Labor

	<u>Employees</u>	<u>Base Labor</u>
1 KU Non-Exempt Cumulative Annual Pay as of April 30, 2008 ⁽¹⁾	228	\$ 11,464,567
2 KU Hourly Cumulative Annual Pay as of April 30, 2008 ⁽¹⁾	600	35,766,473
3 KU Union Cumulative Annual Pay as of April 30, 2008 ⁽²⁾	(144)	(9,036,805)
4 Rounding		1
5 Total Non-Exempt/Hourly	<u>684</u>	<u>\$ 38,194,236</u>

⁽¹⁾source: PeopleSoft System Report for Annualized Salaries

⁽²⁾ The KU Hourly HR PeopleSoft Report for Annualized Salaries includes Hourly and Union (See part b-1, page 1)

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Nonexempt

Report for Company : 110

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	6	\$179,620.00	179,620.00	\$29,936.67
	8	\$264,980.00	444,600.00	\$33,122.50
	4	\$140,090.00	584,690.00	\$35,022.50
	2	\$79,970.00	664,660.00	\$39,985.00
	2	\$58,170.00	722,830.00	\$29,085.00
	8	\$316,428.00	1,039,258.00	\$39,553.50
	6	\$265,740.00	1,304,998.00	\$44,290.00
	2	\$96,480.00	1,401,478.00	\$48,240.00
	5	\$216,590.00	1,618,068.00	\$43,318.00
	1	\$36,650.00	1,654,718.00	\$36,650.00
	3	\$150,840.00	1,805,558.00	\$50,280.00
	1	\$36,820.00	1,842,378.00	\$36,820.00
	8	\$292,850.00	2,135,228.00	\$36,606.25
	5	\$228,650.00	2,363,878.00	\$45,730.00
	4	\$188,890.00	2,552,768.00	\$47,222.50
	5	\$223,940.00	2,776,708.00	\$44,788.00
	10	\$495,050.00	3,271,758.00	\$49,505.00
	6	\$325,450.00	3,597,208.00	\$54,241.67
	11	\$564,290.00	4,161,498.00	\$51,299.09
	11	\$637,380.00	4,798,878.00	\$57,943.64
	12	\$547,980.00	5,346,858.00	\$45,665.00
	9	\$503,240.00	5,850,098.00	\$55,915.56
	7	\$391,430.00	6,241,528.00	\$55,918.57
	12	\$654,680.00	6,896,208.00	\$54,556.67
	11	\$660,300.00	7,556,508.00	\$60,027.27
	14	\$773,420.00	8,329,928.00	\$55,244.29
	16	\$895,689.00	9,225,617.00	\$55,980.56
	11	\$629,170.00	9,854,787.00	\$57,197.27
	6	\$367,250.00	10,222,037.00	\$61,208.33
	6	\$345,420.00	10,567,457.00	\$57,570.00
	5	\$256,910.00	10,824,367.00	\$51,382.00
	2	\$146,040.00	10,970,407.00	\$73,020.00
	2	\$146,420.00	11,116,827.00	\$73,210.00
	1	\$42,800.00	11,159,627.00	\$42,800.00
	1	\$77,520.00	11,237,147.00	\$77,520.00
	2	\$84,930.00	11,322,077.00	\$42,465.00
	1	\$43,620.00	11,365,697.00	\$43,620.00
	2	\$98,870.00	11,464,567.00	\$49,435.00
Total Employees	228			

CONFIDENTIAL INFORMATION REDACTED

Kentucky Utilities Hourly

Report for Company : 110

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	33	\$1,491,942.40	1,491,942.40	\$45,210.38
	26	\$1,341,433.60	2,833,376.00	\$51,593.60
	15	\$760,552.00	3,593,928.00	\$50,703.47
	10	\$566,633.60	4,160,561.60	\$56,663.36
	9	\$529,630.40	4,690,192.00	\$58,847.82
	15	\$855,233.60	5,545,425.60	\$57,015.57
	44	\$2,603,473.60	8,148,899.20	\$59,169.85
	6	\$280,321.60	8,429,220.80	\$46,720.27
	3	\$181,875.20	8,611,096.00	\$60,625.07
	17	\$1,048,132.80	9,659,228.80	\$61,654.87
	1	\$62,046.40	9,721,275.20	\$62,046.40
	2	\$114,275.20	9,835,550.40	\$57,137.60
	1	\$62,046.40	9,897,596.80	\$62,046.40
	20	\$1,224,620.80	11,122,217.60	\$61,231.04
	16	\$995,612.80	12,117,830.40	\$62,225.80
	26	\$1,553,864.00	13,671,694.40	\$59,764.00
	25	\$1,549,392.00	15,221,086.40	\$61,975.68
	23	\$1,412,569.60	16,633,656.00	\$61,416.07
	17	\$1,069,099.20	17,702,755.20	\$62,888.19
	23	\$1,406,932.80	19,109,688.00	\$61,170.99
	16	\$968,968.00	20,078,656.00	\$60,560.50
	23	\$1,401,088.00	21,479,744.00	\$60,916.87
	33	\$2,033,491.20	23,513,235.20	\$61,620.95
	20	\$1,239,638.40	24,752,873.60	\$61,981.92
	24	\$1,519,419.20	26,272,292.80	\$63,309.13
	18	\$1,105,249.60	27,377,542.40	\$61,402.76
	24	\$1,480,232.00	28,857,774.40	\$61,676.33
	16	\$980,636.80	29,838,411.20	\$61,289.80
	14	\$890,011.20	30,728,422.40	\$63,572.23
	22	\$1,357,179.20	32,085,601.60	\$61,689.96
	18	\$1,136,969.60	33,222,571.20	\$63,164.98
	11	\$683,280.00	33,905,851.20	\$62,116.36
	7	\$469,331.20	34,375,182.40	\$67,047.31
	8	\$513,801.60	34,888,984.00	\$64,225.20
	5	\$321,547.20	35,210,531.20	\$64,309.44
	1	\$62,046.40	35,272,577.60	\$62,046.40
	3	\$195,000.00	35,467,577.60	\$65,000.00
	2	\$122,574.40	35,590,152.00	\$61,287.20
	2	\$114,275.20	35,704,427.20	\$57,137.60
	1	\$62,046.40	35,766,473.60	\$62,046.40
Total Employees	600			

5/20/2008

query : LOB_SUM_COMP_TOTALS

8

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Employee Annualized Base Labor

	<u>Employees</u>	<u>Base Labor</u>
1. Servco Exempt Cumulative Annual Pay as of April 30, 2008 ⁽¹⁾	748	\$ 63,013,452
2. Servco Senior Management Cumulative Annual Pay as of April 30, 2008 ⁽¹⁾	59	11,364,984
3. Employees and Salaries Excluded from Pro forma adjustment ⁽²⁾	<u>(21)</u>	<u>(5,676,842)</u>
4. Total Servco Exempt Subject to Pro forma Adjustment	786	68,701,594
5. Servco Allocation Percentage to KU	45.4%	45.4%
6. Servco Exempt Allocated to KU	<u>357</u>	<u>\$ 31,190,524</u>

⁽¹⁾source: PeopleSoft System Report for Annualized Salaries

⁽²⁾ See part a , page 3 of 3.

CONFIDENTIAL INFORMATION REDACTED

E ON U S Services Inc Exempt

Report for Company : 020

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	53	\$3,670,950.00	3,670,950.00	\$69,263.23
	31	\$2,022,390.00	5,693,340.00	\$65,238.39
	32	\$2,342,190.00	8,035,530.00	\$73,193.44
	17	\$1,263,270.00	9,298,800.00	\$74,310.00
	4	\$366,670.00	9,665,470.00	\$91,667.50
	19	\$1,738,132.00	11,403,602.00	\$91,480.63
	34	\$2,681,000.00	14,084,602.00	\$78,852.94
	41	\$3,325,870.00	17,410,472.00	\$81,118.78
	12	\$1,013,200.00	18,423,672.00	\$84,433.33
	51	\$4,135,720.00	22,559,392.00	\$81,092.55
	31	\$2,864,570.00	25,423,962.00	\$92,405.48
	18	\$1,700,780.00	27,124,742.00	\$94,487.78
	16	\$1,540,010.00	28,664,752.00	\$96,250.63
	17	\$1,562,730.00	30,227,482.00	\$91,925.29
	8	\$697,890.00	30,925,372.00	\$87,236.25
	13	\$1,056,420.00	31,981,792.00	\$81,263.08
	11	\$965,790.00	32,947,582.00	\$87,799.09
	21	\$1,820,770.00	34,768,352.00	\$86,703.33
	18	\$1,592,240.00	36,360,592.00	\$88,457.78
	17	\$1,473,580.00	37,834,172.00	\$86,681.18
	14	\$1,341,520.00	39,175,692.00	\$95,822.86
	23	\$2,007,900.00	41,183,592.00	\$87,300.00
	25	\$2,231,340.00	43,414,932.00	\$89,253.60
	22	\$1,941,390.00	45,356,322.00	\$88,245.00
	7	\$584,210.00	45,940,532.00	\$83,458.57
	18	\$1,664,520.00	47,605,052.00	\$92,473.33
	18	\$1,618,140.00	49,223,192.00	\$89,896.67
	15	\$1,134,850.00	50,358,042.00	\$75,656.67
	20	\$1,682,710.00	52,040,752.00	\$84,135.50
	20	\$1,865,240.00	53,905,992.00	\$93,262.00
	15	\$1,258,060.00	55,164,052.00	\$83,870.67
	17	\$1,630,410.00	56,794,462.00	\$95,906.47
	18	\$1,560,930.00	58,355,392.00	\$86,718.33
	11	\$987,820.00	59,343,212.00	\$89,801.82
	9	\$770,440.00	60,113,652.00	\$85,604.44
	8	\$766,760.00	60,880,412.00	\$95,845.00
	10	\$884,320.00	61,764,732.00	\$88,432.00
	7	\$618,710.00	62,383,442.00	\$88,387.14
	2	\$200,660.00	62,584,102.00	\$100,330.00
	1	\$88,440.00	62,672,542.00	\$88,440.00
	1	\$78,460.00	62,751,002.00	\$78,460.00
	2	\$177,460.00	62,928,462.00	\$88,730.00
	1	\$84,990.00	63,013,452.00	\$84,990.00
Total Employees	748			

5/20/2008

CONFIDENTIAL INFORMATION REDACTED

E.ON U.S. Services Inc Senior Management

Report for Company : 020

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	1	\$0.01	0.01	\$0.01
	2	\$315,270.00	315,270.01	\$157,635.00
	1	\$183,700.00	498,970.01	\$183,700.00
	2	\$274,450.00	773,420.01	\$137,225.00
	1	\$152,980.00	926,400.01	\$152,980.00
	1	\$178,850.00	1,105,250.01	\$178,850.00
	2	\$320,300.00	1,425,550.01	\$160,150.00
	2	\$348,810.00	1,774,360.01	\$174,405.00
	5	\$958,819.00	2,733,179.01	\$191,763.80
	5	\$1,134,400.00	3,867,579.01	\$226,880.00
	2	\$295,550.00	4,163,129.01	\$147,775.00
	4	\$1,316,772.00	5,479,901.01	\$329,193.00
	2	\$551,170.00	6,031,071.01	\$275,585.00
	1	\$202,280.00	6,233,351.01	\$202,280.00
	2	\$416,783.00	6,650,134.01	\$208,391.50
	2	\$331,470.00	6,981,604.01	\$165,735.00
	2	\$282,440.00	7,264,044.01	\$141,220.00
	5	\$743,340.00	8,007,384.01	\$148,668.00
	2	\$438,330.00	8,445,714.01	\$219,165.00
	5	\$1,059,980.00	9,505,694.01	\$211,996.00
	3	\$496,480.00	10,002,174.01	\$165,493.33
	1	\$204,370.00	10,206,544.01	\$204,370.00
	1	\$210,300.00	10,416,844.01	\$210,300.00
	2	\$356,920.00	10,773,764.01	\$178,460.00
	1	\$147,050.00	10,920,814.01	\$147,050.00
	2	\$444,170.00	11,364,984.01	\$222,085.00
Total Employees	59			

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Employee Annualized Base Labor

	<u>Employees</u>	<u>Base Labor</u>
1. Servco Non-Exempt Cumulative Annual Pay as of April 30, 2008	243	\$ 9,852,827
2. Servco Allocation Percentage to KU	45.4%	45.4%
3. Servco Non-Exempt Allocated to KU	<u>110</u>	<u>\$ 4,473,183</u>

source: PeopleSoft System Report for Annualized Salaries

CONFIDENTIAL INFORMATION REDACTED

E.ON U.S. Services Inc. Nonexempt

Report for Company : 020

As of Date: 4/30/2008

<u>Years of Service</u>	<u>Number of Employees</u>	<u>Total Actual Pay</u>	<u>Cummulative Annual Pay</u>	<u>Average Annual Pay</u>
	33	\$969,446.80	969,446.80	\$29,377.18
	22	\$715,750.00	1,685,196.80	\$32,534.09
	11	\$408,460.00	2,093,656.80	\$37,132.73
	8	\$257,090.00	2,350,746.80	\$32,136.25
	1	\$39,400.00	2,390,146.80	\$39,400.00
	7	\$228,700.00	2,618,846.80	\$32,671.43
	19	\$746,240.00	3,365,086.80	\$39,275.79
	25	\$1,011,030.00	4,376,116.80	\$40,441.20
	9	\$393,410.00	4,769,526.80	\$43,712.22
	14	\$600,210.00	5,369,736.80	\$42,872.14
	7	\$325,700.00	5,695,436.80	\$46,528.57
	9	\$414,490.00	6,109,926.80	\$46,054.44
	4	\$197,140.00	6,307,066.80	\$49,285.00
	6	\$291,710.00	6,598,776.80	\$48,618.33
	2	\$122,560.00	6,721,336.80	\$61,280.00
	5	\$243,330.00	6,964,666.80	\$48,666.00
	2	\$84,730.00	7,049,396.80	\$42,365.00
	4	\$226,560.00	7,275,956.80	\$56,640.00
	3	\$117,120.00	7,393,076.80	\$39,040.00
	3	\$160,730.00	7,553,806.80	\$53,576.67
	2	\$111,960.00	7,665,766.80	\$55,980.00
	4	\$168,610.00	7,834,376.80	\$42,152.50
	7	\$343,290.00	8,177,666.80	\$49,041.43
	2	\$84,790.00	8,262,456.80	\$42,395.00
	2	\$99,000.00	8,361,456.80	\$49,500.00
	3	\$132,730.00	8,494,186.80	\$44,243.33
	5	\$241,410.00	8,735,596.80	\$48,282.00
	3	\$144,360.00	8,879,956.80	\$48,120.00
	4	\$180,300.00	9,060,256.80	\$45,075.00
	5	\$242,080.00	9,302,336.80	\$48,416.00
	3	\$130,640.00	9,432,976.80	\$43,546.67
	2	\$92,620.00	9,525,596.80	\$46,310.00
	1	\$34,940.00	9,560,536.80	\$34,940.00
	1	\$46,340.00	9,606,876.80	\$46,340.00
	2	\$99,360.00	9,706,236.80	\$49,680.00
	3	\$146,590.00	9,852,826.80	\$48,863.33
Total Employees	243			

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Servco Allocation Percentage to KU

1	Total Servco Straight Time Labor for 12 months ended April 30, 2008	\$ 71,149,522
2	Servco Straight Time Labor allocated to KU	<u>32,298,382</u>
3	% Servco allocated to KU to total	45.4%

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Union Overtime/Premiums

Per KU General Ledger

Exp Type	0111	0112	0145	
	Union			
FERC	Union Overtime	Doubletime	Labor Premiums	Total
107	\$ 303,052	\$ 118,406	\$ 58,661	\$ 480,119
108	27,652	13,487	3,900	45,039
143	2,027	6,734	380	9,142
146	5,603	6,413	6,982	18,998
163	2,740	-	1,273	4,013
184	-	-	12,234	12,234
186	-	-	274	274
426	395	-	-	395
500	-	-	4,501	4,501
501	21,134	6,955	10,041	38,129
502	145,993	26,123	74,107	246,222
505	144,969	23,701	55,338	224,007
506	358	-	24	382
510	5,454	756	32	6,241
511	2,297	292	128	2,717
512	76,886	6,165	3,012	86,063
513	10,034	-	176	10,210
514	309	183	43	536
552	-	-	295	295
553	-	-	2,482	2,482
554	-	-	224	224
562	2,872	-	1,679	4,551
566	-	-	170	170
570	18,065	243	2,064	20,373
571	17,123	2,345	223	19,691
573	1,274	-	264	1,539
580	-	-	2,576	2,576
582	2,639	922	4,585	8,147
583	110,477	23,833	16,236	150,546
584	269	-	13	282
585	-	-	61	61
586	119,904	433	2,105	122,442
588	3,315	-	29,460	32,775
592	14,911	895	2,015	17,821
593	726,719	147,218	38,726	912,662
594	3,923	56	119	4,099
595	781	-	5	787
596	86	-	33	120
902	2,646	-	8	2,654
903	-	-	958	958
905	-	-	35	35
920	18,919	-	-	18,919
935	-	-	2	2
Total	\$ 1,792,826	\$ 385,161	\$ 335,445	\$ 2,513,431

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Non-Exempt Overtime/Premiums

Per KU General Ledger								
Exp Type	0121	0126	0127	0121	0131	0145	0146	
	KU		KU		Charged from Servco		Charged from Servco	
	Non-Bargaining Unit	Hourly Non-Union Overtime	Hourly Non-Union Double Time	Non-Bargaining Unit Overtime	Temporary Overtime	Labor Premiums	Exempt Overtime Premium	Total
FERC	Overtime	Overtime	Double Time	Overtime	Overtime	Premiums	Premium	
107	\$ 82,233	\$ 901,872	\$ 148,553	\$ 47,246	\$ -	\$ 57	\$ -	\$ 1,179,961
108	-	62,847	13,850	901	-	-	-	77,598
143	-	9,129	578	-	-	-	-	9,707
146	83,244	84,912	95,101	-	-	-	-	263,257
163	4,814	47,891	4,505	-	-	-	-	57,210
184	13,122	1,872	1,986	2,389	153	-	-	19,522
186	-	24,689	3,826	-	-	-	-	28,514
426	-	2	-	546	-	-	-	548
500	1,635	49,312	-	5,581	-	-	-	56,528
501	477	266,015	2,945	5,508	-	-	-	274,945
502	54,114	838,079	28,611	7,686	-	-	-	928,490
505	791	543,845	16,032	-	-	-	-	560,668
506	57	3,364	-	-	-	-	-	3,421
510	1,645	220,570	1,779	2,124	84	-	-	226,201
511	0	97,104	14,452	-	-	-	-	111,556
512	648	811,317	142,919	-	-	-	-	954,883
513	324	330,088	64,553	1,328	-	-	-	396,292
514	-	17,305	1,376	-	-	-	-	18,681
535	61	-	-	-	-	-	-	61
541	-	4,106	-	-	-	-	-	4,106
542	-	1,767	-	-	-	-	-	1,767
544	-	10,373	5,831	-	-	-	-	16,204
546	51	1,436	-	-	-	-	-	1,487
551	-	3,328	-	-	-	-	-	3,328
552	-	9,137	2,551	-	-	-	-	11,688
553	-	76,620	16,367	-	-	-	-	92,987
554	-	15,058	1,281	-	-	-	-	16,339
560	-	-	-	1,646	-	-	-	1,646
561	-	-	-	-	-	5,241	-	5,241
562	-	10,307	1,533	-	-	-	-	11,840
566	80	1,217	390	10,332	-	-	-	12,019
570	-	56,006	11,297	3,162	-	-	-	70,465
571	-	1,441	-	-	-	-	-	1,441
573	45	3,851	-	-	-	-	-	3,896
580	6,223	10,507	-	3,323	-	-	-	20,054
581	-	-	-	-	-	4,345	-	4,345
582	39	8,923	4,520	-	-	-	-	13,482
583	18,488	365,051	97,361	5,915	-	1,015	-	487,830
584	-	18,980	1,681	-	-	-	-	20,660
585	-	479	-	-	-	-	-	479
586	11,863	155,809	1,825	-	-	-	-	169,497
587	-	22	477	-	-	-	-	500

Kentucky Utilities Company

Case No. 2007-00565

Case No. 2008-00251

Non-Exempt Overtime/Premiums

Per KU General Ledger Exp Type	0121	0126	0127	0121	0131	0145	0146	
				Charged from	Charged from	Charged from	Charged from	
	KU	KU	KU	Servco	Servco	Servco	Servco	
	Non-			Non-				
	Bargaining	Hourly Non-	Hourly Non-	Bargaining	Temporary	Labor	Exempt	
	Unit	Union	Union	Unit	Overtime	Premiums	Overtime	
FERC	Overtime	Overtime	Double Time	Overtime			Premium	Total
588	12,446	137,837	2,343	9,112	-	-	-	161,738
592	13	41,021	9,639	-	-	-	-	50,672
593	7,152	1,055,931	375,519	574	-	-	(1,293)	1,437,884
594	-	29,427	3,967	-	-	-	-	33,395
595	-	5,523	30	-	-	-	-	5,553
596	671	22,546	-	-	-	-	-	23,217
901	327	-	-	4,926	-	150	-	5,403
902	9,773	-	-	-	-	-	-	9,773
903	180,143	(52)	-	79,460	-	3,681	(119)	263,112
905	1,007	-	-	3,957	-	-	-	4,964
907	-	-	-	595	-	-	-	595
920	2,770	49,122	-	60,593	1,407	148	-	114,041
925	39	-	-	-	-	-	-	39
935	18,059	-	-	10,775	-	2,899	-	31,734
Grand Total	\$ 512,353	\$ 6,405,988	\$ 1,077,678	\$ 267,682	\$ 1,645	\$ 17,536	\$ (1,412)	\$ 8,281,469

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 101

Responding Witness: Valerie L. Scott

- Q-101.
- a. Provide a schedule listing all accounts as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13 to which salaries and payroll overheads were reported for KU employee salaries and salary overheads during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.
 - b. Provide a schedule listing all accounts as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13 to which salaries and payroll overheads were reported by KU for services provided by SERVCO employees during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.
 - c. Provide a schedule listing all accounts as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13 to which salaries, other compensation and payroll overheads were reported by KU during the test year for services provided by the executive employees listed in Volume 1 of 4 of KU's response to Staff's first request, Item 46. State the amount of salaries, other compensation and each individual payroll overhead charged to each account separately.
 - d. Provide a schedule listing all accounts as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13 to which salaries and payroll overheads were reported by KU for services provided by LG&E employees during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.
 - e. Provide a schedule listing all accounts as shown in Volume 1 of 4 of KU's response to Staff's first request, Item 13 to which any salaries, other compensation and payroll overheads were reported during the test year that are not captured in the responses to (a), (b), (c), and (d). State the amount of salaries, other compensation and each individual payroll overhead charged to each account separately. Provide an employer name for all employees included in this response.

- A-101. a. See attached.
- b. See attached.
- c. Expenses related to salary, other compensation and payroll overheads are not recorded in the Company's general ledger by individual employee or type of employee. Executive employee salary, other compensation and payroll overheads are intermingled with other exempt employee salary, other compensation and payroll overheads and are included in the response to part (b), as executive employees are all Servco employees.
- d. See attached.
- e. None.

Kentucky Utilities Company
CASE NO. 2007-00565
CASE NO. 2008-00251
Salaries and Payroll Overheads by Account
For Services Provided by KU Employees to KU

Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL
107001	12,572,942.65	518,581.81	122,064.19	(265,021.19)	1,394,069.29	1,110,073.88	549,805.94	87,294.28	89,496.52	1,596,465.26	17,523.00	131,425.91	1,012,135.45	28,587.66	528,315.73	1,090,173.51		19,318.84	1,071,021.85	152,139.74	21,826,414.32
108901	802,297.53	32,401.31	7,624.44	(15,908.35)	86,583.37	71,018.41	34,180.27	5,394.37	5,512.60	99,492.30	1,206.16	8,157.89	62,436.36	1,789.46	32,979.26	69,790.69		43.16	66,411.58	9,255.00	1,381,858.93
143022	37,681.51	1,409.63	308.50	4.68	3,298.75	3,375.31	1,351.89	206.91	215.74	4,164.52	140.01	319.01	2,205.32	101.87	1,329.29	3,239.68		6.32	2,536.13	155.47	62,087.38
143024	8,127.74					697.45									620.41			6.32			9,451.92
163002	1,171,348.73	52,944.74	12,417.05	(29,355.54)	141,262.53	103,929.98	55,609.52	8,752.73	9,103.37	162,523.56	1,976.80	13,320.62	102,177.76	2,891.67	53,507.74	102,119.47		6.76	108,683.96	14,649.41	2,089,671.61
163100	4,349.85	207.23	48.71	(131.99)	554.19	389.84	217.79	33.85	35.85	638.27	7.42	52.22	402.11	10.92	211.22	382.42			426.41	57.29	7,900.16
182311															374,403.35						374,403.35
184076	1,047,530.07	35,732.36	8,307.21	(20,421.52)	93,968.24	71,643.19		5,732.54	6,082.37	109,144.41	1,572.66	67,747.97	1,233.46							8,951.86	1,438,456.37
184612	1,677,467.95	78,767.84	18,509.61	(43,668.02)	211,069.56	149,145.78	83,135.72	13,067.18	13,582.10	242,494.73	2,670.20	19,886.14	153,827.36	4,287.84	80,105.72	146,422.03		2,595.25	162,100.45	22,671.22	3,038,138.66
186050	55,290.19	1,237.37	293.75	(214.30)	3,448.18	4,722.15	1,389.56	212.49	246.57	3,906.83	23.33	318.93	2,864.30	76.49	1,365.91	4,839.43		76.41	2,697.06	418.96	83,213.61
228201																				608,982.03	608,982.03
232105																		(121,072.00)			(121,072.00)
236005																		(58,788.60)			(58,788.60)
236006																					(5,113,757.92)
236007																					(6,330.26)
236115																					2,062.42
236116																					85,908.69
408105																					3,040,968.59
408106																					61,715.55
408107																					312.69
408115																					31,587.68
408116																					225.00
408117																					1,530.81
408125																					130,446.12
408126																					769.06
408127																					8.07
408145																					457.99
408146																					1.19
408147																					3,894.84
408188																					2,183.01
408189																					347,200.48
408190																					56.87
426501	397.35																				56.88
426591	965.24	35.81	8.52	1.35	123.24	82.83	49.71	7.89	8.93	133.18		11.21	92.41	2.63	48.84	73.68				0.75	86.87
500100	1,603,428.57																				150,527.08
501098	1,442,151.16																				111,788.15
501091	225.86																				18.17
501251	10,968.16																				223.75
502002	4,675,100.17																				432.31
502003	532,947.65																				223.75
502004	544,474.24																				954.79
502006	5,579.26																				223.75
502100	42,052.45																				54.04
505100	4,012,507.99																				54.04
506001	16,300.62																				54.04
506100	243,795.73																				54.04
510100	3,384,186.43																				54.04
511100	920,018.18																				54.04
512005	250,204.95																				54.04
512011	316,172.51																				54.04
512017	404,057.12																				54.04
512100	2,954,887.14																				54.04
512101	89,525.42																				54.04
512102	7,617.92																				54.04
513100	1,327,115.09																				54.04
514100	121,443.08																				54.04
535100	6,460.43																				54.04
539108	2,643.15																				54.04
541100	71,518.76																				54.04
542100	34,658.41																				54.04
544100	68,515.14																				54.04
545100	3,000.96																				54.04

Kentucky Utilities Company
CASE NO. 2007-00565
CASE NO. 2008-00251
Salaries and Payroll Overheads by Account
For Services Provided by KU Employees to KU

Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL	
546100	80,274.14						3,910.36					928.56			3,675.12	6,835.39					7,453.69	103,077.26
549100	0.10						0.04					(0.06)			(0.07)	0.03					(0.03)	0.01
551100	27,468.08						1,205.84					289.91			1,213.00	2,522.37					2,368.50	35,067.70
552100	80,316.01						3,432.18					817.83			3,316.43	6,960.13					6,655.27	101,497.85
553100	309,397.78						10,719.89					2,564.04			10,257.67	26,723.80					20,896.96	380,560.14
554100	75,397.20						2,958.75					707.47			2,880.75	6,506.58					3,776.11	94,226.86
562100	181,342.22						8,315.80					1,981.08			7,855.04	15,326.23					16,141.28	230,961.65
566100	150,067.98						7,420.82					1,770.28			7,085.98	12,979.84					14,385.67	193,710.57
566900	79.53															6.07						85.60
570100	292,301.38						10,223.95					2,422.43			9,824.12	25,215.52					19,681.92	359,669.32
571100	52,988.74						1,607.76					373.43			1,552.49	4,578.17					2,967.27	64,067.86
573100	25,034.40						986.21					235.35			946.45	2,256.08					1,921.57	31,380.06
580100	178,460.48						7,984.01					1,909.98			7,613.14	15,392.96					15,587.10	226,947.67
582100	495,283.28						23,700.72					5,626.02			22,572.04	42,662.70					45,495.80	635,340.56
583001	1,690,580.15						53,061.20					12,714.40			51,033.41	146,987.56					103,662.02	2,058,038.74
583008	2,362.58						32.75					7.38			32.29	195.71					57.24	2,687.95
583009	32,416.57						1,601.46					388.61			1,488.47	2,779.86					3,190.51	41,865.48
583100	492.10						24.78					5.78			24.79	42.28					45.52	635.25
584001	43,476.37						1,123.04					275.32			1,145.39	3,953.44					2,285.83	52,259.39
584008	91.78						4.83					1.09			4.75	7.16					8.44	120.05
585100	6,440.91						290.45					73.01			284.83	590.61					617.96	8,297.77
586100	2,569,178.40						113,871.39					27,381.87			109,538.02	224,385.22					223,958.31	3,268,313.21
586101	(32,001.95)						(1,609.00)					(368.37)			(1,539.67)	(2,717.78)					(2,885.70)	(41,122.47)
587100	2,803.35						113.92					28.32			109.69	253.51					238.59	3,547.38
588100	1,646,404.27						73,196.22					17,521.32			69,950.79	142,712.24	1,998.00				142,929.35	2,094,712.19
591003	370.28						17.74					4.21			15.13	29.99					33.41	470.76
592100	327,916.95						13,021.48					3,101.20			12,573.43	28,389.83					25,195.60	410,198.49
593001	161,204.34						7,281.52					1,729.14			7,018.46	14,118.23					13,988.51	205,340.20
593002	4,183,253.34						92,470.69					22,010.65			87,948.06	359,276.12					178,320.94	4,923,279.80
593003	14.92						0.73					0.17			0.62	1.17					1.38	18.99
593004	350,069.67						17,486.08					4,172.54			16,675.50	30,197.58					33,943.44	452,544.81
594001	100,524.96						3,449.07					822.52			3,303.19	8,749.39					6,679.71	123,528.84
594002	10,975.79						261.50					60.54			249.05	900.01					476.37	12,923.26
594003	98.73														14.16							112.89
595100	7,438.65						54.99					13.35			58.89	664.22					109.85	8,339.95
596100	38,599.20						766.01					183.37			790.75	3,441.40					1,498.10	45,278.83
598100	59.66						2.87					0.86			4.16	8.56					8.20	84.31
901001	285,487.30						14,301.66					3,416.98			13,757.91	24,805.14					27,829.08	369,598.07
901900	2,221.35						113.47					27.77			101.73	181.23					235.18	2,880.73
903001	465,934.11						22,966.93					5,430.07			22,175.50	48,571.99					44,256.09	601,454.69
902002	9,014.55						379.43					91.37			377.74	796.33					748.91	11,408.33
903001	370,232.95						18,153.06					4,351.42			17,514.61	32,338.36					35,534.09	478,124.49
903002	37,093.99						1,798.35					430.12			1,742.36	3,245.23					3,505.94	47,815.99
903003	2,284,896.09						106,792.28					25,546.06			102,468.23	198,591.30					208,232.09	2,926,526.05
903006	36,230.45						1,585.76					386.55			1,506.81	3,165.61					3,187.40	46,062.58
903008	72,231.71						3,620.35					867.09			3,477.92	6,289.18					7,078.78	93,565.03
903013	468.93						23.65					6.02			20.16	36.33					52.81	607.90
903022	124,292.49						6,209.50					1,483.80			5,925.91	10,741.93					12,065.83	160,719.46
903023	28,564.60						1,442.57					345.49			1,415.10	2,531.59					2,839.14	37,138.49
903025	108,709.43						5,452.44					1,303.26			5,217.05	9,409.73					10,624.88	140,716.79
903030	52,442.62						1,932.99					460.31			1,867.27	4,602.52					3,732.41	65,038.12
903035	36,235.67						1,814.29					432.66			1,725.19	3,125.68					3,519.85	46,853.34
903930	2,985.00						146.57					34.75			124.93	234.56					275.96	3,801.77
905001	35.00															3.14						38.14
905002	5,704.72						238.56					53.84			233.83	494.52					418.07	7,143.54
905003	10.63						0.22					0.05			0.21	0.95					0.38	12.44
910001	871.14						43.94					10.47			39.80	72.03					85.48	1,122.86
920100	58,048.56						2,770.71					659.03			2,661.26	4,987.53					5,339.47	74,466.56
920900	85,075.85						875.04					209.81			891.38	7,424.66					1,684.75	96,161.49
922001	(1,047,530.07)																					(1,047,530.07)
925002																						72,260.67
925004	2,215.18						109.21					25.88			103.34	187.90					208.85	2,850.36

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Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL
915012																				(5,307.71)	(5,307.71)
915022																				15,144.30	15,144.30
915024																				113.29	113.29
915026																				51,499.24	51,499.24
916001																	74,119.91				74,119.91
916002								211,709.34													211,709.34
916003										1,958,450.67	48,770.99										4,007,221.66
916004			302,352.53																		302,352.53
916005									221,318.08												221,318.08
916012								(3,634.41)													(3,634.41)
916013										(69,795.59)	497.66										(69,297.93)
916014			(5,320.17)																		(5,320.17)
916015									(3,932.96)												(3,932.96)
916019												(1,749.77)									(1,749.77)
916022								8,933.16													8,933.16
916023										168,010.00	1,959.24										169,969.24
916024			12,835.11																		12,835.11
916025									9,400.50												9,400.50
916042								50.33													50.33
916043										758.95											758.95
916044			61.76																		61.76
916045									41.12												41.12
916101													3,711,481.15								3,711,481.15
916102		1,289,979.03																			1,289,979.03
916105				(709,547.80)																	(709,547.80)
916106					1,485,322.44																1,485,322.44
916112													387,215.98								387,215.98
916116														70,565.51							70,565.51
916117													(1,986,596.82)								(1,986,596.82)
916118					1,953,317.06																1,953,317.06
916121													(23,579.56)								(23,579.56)
916122		(22,933.01)																			(22,933.01)
916123				15,327.01																	15,327.01
916124					(79,281.44)																(79,281.44)
916126														(490.11)							(490.11)
916127													(19,572.30)								(19,572.30)
916128																					19,320.95
916131																					190,690.55
916132		54,612.72																			54,612.72
916133				(33,860.25)																	(33,860.25)
916134										63,038.87											63,038.87
916136														2,897.28							2,897.28
916137														(84,875.95)							(84,875.95)
916138																					83,000.77
916151														969.61							969.61
916152		250.61																			250.61
916153				7.09																	7.09
916154																					294.13
916156														14.86							14.86
916157														(453.65)							(453.65)
916158																					402.40
916181														621,641.20							621,641.20
916182		176,683.76																			176,683.76
916183				(91,595.77)																	(91,595.77)
916184					204,504.68																204,504.68
916186														9,704.30							9,704.30
916187														(277,612.27)							(277,612.27)
916188																					270,012.46
916189			41,589.07																		41,589.07
916190								29,617.62													29,617.62
916191									30,409.33												30,409.33
916192										543,570.05	6,044.43										549,614.48

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Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL	
926901																	4,346.90				4,346.90	
926903										(1,031.36)											(1,031.36)	
926904			(58.96)																		(58.96)	
926905									(74.08)												(74.08)	
935391	205,331.24						9,368.67					2,219.40			8,974.44	17,766.37			17,894.35		261,554.47	
935402	644.67						31.51					7.40			28.52	53.36			58.61		824.07	
935403	3,766.42						188.67					44.86			182.14	329.39			363.64		4,875.12	
TOTAL	56,791,354.28	2,219,911.21	521,041.32	(1,194,384.70)	5,934,309.67	(47,961.36)	1,333,688.47	367,378.18	381,446.04	6,818,925.78	80,642.13	558,427.71	4,297,600.33	121,673.84	2,743,696.68	4,941,142.07	80,464.81		(1,255.62)	4,552,880.70	869,652.40	91,871,634.04

Kentucky Utilities Company
CASE NO. 2007-00565
CASE NO. 2008-00251
Salaries and Payroll Overheads by Account
For Services Provided by Servco Employees to KU

Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL
107001	5,635,197.58	225,143.16	41,341.95	(59,212.92)	149,146.91	477,386.22	265,780.58	38,022.51	42,934.31	563,657.09	7,529.99	56,696.37	1,095,894.72	9,859.08	118,515.72	820,694.16	149.98	21,395.22	506,445.08	(998.55)	10,015,579.16
108901	41,038.31	1,673.69	302.78	33.39	1,088.80	3,604.01	1,911.87	297.85	298.07	4,093.55	45.14	408.33	8,144.45	100.01	934.47	5,993.78		159.77	3,488.95	(2.28)	73,614.94
143022	684.76	17.76	5.10	4.22	18.74	56.60	30.50	6.76	6.36	57.92		6.14	148.30	1.98	0.72	107.54		1.90	74.04	(1.90)	1,227.44
163002	17,731.33	686.57	127.24	(302.28)	452.06	1,456.30	839.19	117.02	143.76	1,765.68	29.77	176.99	3,408.97	23.99	350.62	2,601.61		63.37	1,657.48	(7.33)	31,322.36
163100	70,836.96	2,891.21	526.88	(707.09)	1,891.74	6,048.45	3,385.15	480.93	537.16	7,208.31	90.67	721.78	14,009.58	(28.04)	1,571.69	10,303.38		274.52	6,366.42	(5.97)	126,559.81
183301	93,168.61	3,838.27	710.00	(983.11)	2,689.61	8,145.09	4,500.33	617.61	664.52	9,589.22	69.86	988.40	18,667.20	166.15	2,040.23	13,404.30		379.97	8,245.31	(1.61)	167,013.18
184307	83,150.88	3,404.26	618.63	(725.50)	2,226.03	7,106.71	3,968.83	570.71	630.92	8,454.03	107.40	847.39	16,449.82	156.86	1,845.82	12,096.34		320.52	7,447.18	(7.33)	148,669.50
184600	370,283.68	14,905.02	2,730.51	(3,083.21)	9,842.65	31,942.87	17,556.42	2,531.14	2,752.15	37,428.88	370.48	3,744.45	74,015.00	700.95	8,271.73	54,005.47		1,437.55	32,796.44	(29.12)	662,203.06
184602	238,195.64	9,723.64	1,764.37	(1,513.02)	6,401.75	20,721.16	11,399.70	1,665.71	1,772.81	24,378.54	223.27	2,448.14	48,391.94	485.61	5,503.47	34,736.95		926.80	21,037.07	(7.75)	428,255.80
184605	727,760.75	29,627.42	5,388.54	(7,250.02)	19,480.20	61,878.09	34,681.55	4,945.32	5,550.88	73,777.15	954.64	7,414.05	143,242.46	1,313.39	15,901.20	105,868.30		2,773.30	65,448.02	(80.76)	1,298,674.48
184612	961,851.82	39,429.26	7,127.64	(7,796.51)	25,773.07	82,556.27	45,907.81	6,613.13	7,255.96	97,969.62	1,144.86	9,838.77	191,415.38	1,849.45	21,677.71	139,896.26		3,709.28	85,582.23	(53.50)	1,721,748.51
186200	86,778.09	3,438.17	633.63	(789.75)	2,283.93	7,468.20	4,080.93	588.35	646.25	8,678.00	86.84	870.67	17,186.56	158.67	1,876.25	12,657.37		337.03	7,689.12	(11.53)	154,656.78
186225	25,919.84	1,054.24	191.94	(261.20)	692.93	2,207.06	1,236.97	176.26	197.68	2,631.39	34.03	264.55	5,110.08	46.66	567.54	3,771.26		99.33	2,333.68	(2.85)	46,217.39
186235	14,326.36	583.87	106.13	(147.63)	382.73	1,221.51	684.42	97.04	108.91	1,457.24	18.53	146.35	2,828.08	25.62	316.87	2,083.57		55.16	1,287.96	(1.16)	25,581.56
186251	44,039.53	1,833.05	331.11	(387.82)	1,180.79	3,765.24	2,105.89	298.76	331.09	4,497.69	58.46	446.70	8,692.29	82.83	1,007.15	6,390.60		171.86	3,923.17	(0.22)	78,768.17
186260	21,828.92	887.51	161.47	(222.24)	583.32	1,858.48	1,041.79	148.28	166.52	2,216.41	28.78	223.05	4,301.43	39.16	478.03	3,175.70		83.67	1,965.23	(2.34)	38,963.17
408105																			198.88		198.88
408106																					35,802.41
408107																			2,256.04		2,256.04
408115																			206.63		206.63
408116																					80,077.62
408117																					4,850.74
408125																			80.39		80.39
408126																					22,604.20
408127																					981.10
408175																					77.91
408176																					24,061.33
408177																					968.13
408185																					3,645.46
408186																					1,103,564.70
408187																					44,465.28
408188																					556.87
408189																					7,090.12
408190																					165,800.34
408191																					456.18
408193																					126,325.68
408194																					5,041.34
408195																					1,530.52
408196																					471,874.31
408197																					18,909.87
426491	319,720.84	13,276.35	2,368.35	(1,792.06)	8,585.94	27,478.71	15,232.00	2,235.94	2,413.86	32,575.37	410.63	3,280.44	63,387.74	664.19	7,292.61	46,429.58		1,229.25	28,156.33	(8.93)	572,937.14
426501	2,095.12	74.55	15.58	(2.61)	57.48	180.10	96.80	17.91	17.11	198.60	0.41	20.42	446.82	5.92	30.40	314.63		7.07	197.43	(2.39)	3,786.57
426591	38,935.28	1,597.00	282.54	(452.08)	1,029.45	3,347.78	1,835.01	256.25	300.85	3,905.16	70.68	396.72	7,310.74	65.13	830.56	5,629.32		145.48	3,476.34	(3.21)	68,859.00
500100	82,413.97																				68,293.31
500900	749,828.11																				985,287.48
501090	335,612.67																				440,616.32
501990	211,441.35																				278,232.47
502100	149,101.46																				194,775.32
506100	(0.39)																				(1.14)
510100	286,829.38																				377,310.16
511100	33.99																				44.75
513100	71,614.13																				94,133.08
513900	8,754.61																				11,541.63
556100	70,846.57																				93,234.38
556900	1,028,319.16																				1,352,937.81
560100	17,043.59																				22,347.51
560900	703,646.41																				925,142.37
561601	19,476.67																				25,573.41
561900	486,696.47																				640,214.72
561901	288,167.04																				377,998.89
563100	32,471.40																				42,597.95
566100	39,091.29																				49,645.13
566900	14,414.34																				18,850.74
570100	167,831.75																				220,304.54
571100	39,443.23																				51,892.20

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573100	30,079.70						1,434.26					312.80			688.30	4,368.48				2,641.63	39,525.17
580100	436,645.76						20,692.33					4,428.95			9,614.12	63,550.31				38,831.75	573,763.22
580900	232,185.91						11,091.19					2,383.73			5,248.08	33,747.36				20,654.73	305,310.90
581900	506,632.92						24,037.19					5,116.02			10,973.37	73,257.09				45,553.34	665,569.93
582100	1,948.28						94.21					21.02			53.94	284.72				158.70	2,560.87
583001	15,718.07						414.42					91.82			248.50	2,063.42				689.55	19,225.78
586100	75,830.99						3,618.09					773.81			1,665.27	11,034.57				6,813.43	99,756.16
588100	215,087.31						9,847.26					2,116.57			4,674.24	31,195.75				18,299.08	281,220.21
588900	131,190.50						6,251.49					1,356.61			3,140.45	19,041.12				11,318.24	172,298.41
590100	5,016.21						243.06					50.39			118.78	733.61				454.69	6,616.74
592100	310.23						15.98					2.44			(5.66)	49.83				55.55	428.37
593002	9,841.00						498.04					110.42			298.43	1,365.66				828.87	12,942.42
593004	60,171.41						2,873.26					614.74			1,275.88	8,753.98				5,500.67	79,189.94
901001	944,804.41						44,959.34					9,641.74			21,136.88	137,351.62				83,901.39	1,241,795.38
901900	180,742.00						8,491.27					1,827.40			3,937.28	26,261.99				15,901.36	237,161.30
902001	40,050.16						1,911.40					409.31			893.42	5,819.64				3,579.33	52,663.26
903001	2,711.82						119.43					26.46			71.55	376.71				198.77	3,504.74
903003	767.14						27.75					6.05			(5.20)	106.64				48.92	971.70
903006	23,233.87						1,104.94					235.94			392.56	1,456.34				2,247.11	30,670.36
903007	26,744.64						1,280.50					272.74			567.55	3,966.19				2,428.27	35,259.89
903012	59,356.97						2,833.54					606.76			1,301.46	8,642.02				5,341.82	78,082.57
903022	1,960.51						88.84					19.68			53.22	261.17				147.83	2,531.25
903030	839,243.07						38,057.37					8,111.17			17,324.54	122,053.41				72,197.20	1,096,886.76
903031	64,600.06						3,094.71					646.38			1,181.82	9,513.03				6,271.31	85,307.31
903036	148,901.14						7,108.01					1,522.49			3,267.84	21,676.07				13,394.43	195,869.98
903901	1,405.42						66.94					14.84			32.04	208.08				120.96	1,848.28
903902	20,713.46						973.87					207.26			432.96	3,036.27				1,859.00	27,222.82
903906	101,682.17						4,788.90					1,027.36			2,294.95	14,723.44				8,886.45	133,403.27
903907	8,659.00						382.24					84.92			225.80	1,202.95				641.18	11,196.09
903912	94,082.10						4,048.16					858.38			1,848.30	13,572.76				7,690.02	122,099.92
903930	417,549.20						18,620.21					3,987.08			8,711.45	60,582.24				34,872.94	544,322.12
903931	10,088.92						472.32					104.69			282.99	1,397.16				786.12	13,132.20
903936	76,926.15						3,622.80					769.71			1,716.10	11,210.32				6,752.14	100,997.22
905001	67,263.68						3,179.93					690.65			1,559.96	9,566.76				5,831.37	88,092.35
905002	45,763.15						2,000.37					425.27			910.45	6,664.76				3,797.75	59,561.75
907003	20,634.48						957.57					204.07			432.61	3,004.56				1,818.74	27,052.03
907900	93,392.54						4,456.14					954.42			2,046.88	13,598.54				8,395.91	122,844.43
908009	353.60						16.54					3.67			9.91	48.76				27.53	460.01
908901	112,614.25						5,336.50					1,145.01			2,508.18	16,343.78				9,954.73	147,902.45
908909	280.19						12.48					2.51			0.30	44.00				30.29	369.77
910001	20,442.44						991.50					202.99			528.03	2,980.02				1,786.78	26,931.76
920001	70,619.90						3,364.11					714.80			1,348.51	10,309.44				6,678.75	93,035.51
920100	1,953,250.49						90,710.08					19,461.36			41,228.35	428,594.68				171,854.10	2,705,099.06
920900	9,123,641.43						430,817.84					92,187.09			200,863.24	1,327,670.06				807,226.25	11,982,405.91
920901	480,408.06						22,924.79					4,893.63			10,652.42	69,999.65				43,051.11	631,929.66
921002																	2,366.39				2,366.39
925002																				(2,296.12)	(2,296.12)
925004	6,700.25						323.70					70.54			201.38	956.65				529.55	8,782.07
925012																				(4,420.80)	(4,420.80)
925022																				(122.18)	(122.18)
925016																				(723.14)	(723.14)
925017																				405.46	405.46
925902																				1,369.42	1,369.42
925904	28,986.74						1,385.72					293.93			632.92	4,235.85				2,620.87	38,156.03
925912																				3,186.46	3,186.46
925922																				68.90	68.90
926001																	31,945.78				31,945.78
926002								13,467.53													13,467.53
926003										166,322.75	7,254.02										175,576.77
926004			16,668.00																		16,668.00
926005									13,659.38												13,659.38
926012								31,801.58													31,801.58
926013										389,042.00	17,014.36										406,056.36
926014			38,189.71																		38,189.71
926015									31,619.45												31,619.45

Kentucky Utilities Company
CASE NO. 2007-00565
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For Services Provided by Servco Employees to KU

Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL	
926019											(5,189.79)										(5,189.79)	
926022								2,288.22														2,288.22
926023										32,960.57	677.26											33,637.83
926024			2,619.36																			2,619.36
926025									2,516.17													2,516.17
926101													348,039.72									348,039.72
926102	68,590.66																					68,590.66
926105				(14,099.49)																		(14,099.49)
926106					37,475.01																	37,475.01
926116													12,711.41	7,868.99								20,580.40
926117																						2,092.36
926118					2,092.36								803,649.06									803,649.06
926121																						161,178.60
926122	161,178.60																					(17,537.39)
926123				(17,537.39)																		86,580.41
926124					86,580.41									18,793.32								18,793.32
926126													29,996.90									29,996.90
926127																						27,181.98
926128					27,181.98									63,433.02								63,433.02
926131																						13,207.74
926132	13,207.74																					(3,540.23)
926133				(3,540.23)																		6,789.27
926134					6,789.27																	792.59
926136													2,342.67	792.59								2,342.67
926137																						2,107.77
926138					2,107.77								433,032.27									433,032.27
926181																						90,571.78
926182	90,571.78																					(21,737.84)
926183				(21,737.84)																		46,318.22
926184					46,318.22									5,301.51								5,301.51
926186													15,978.44									15,978.44
926187																						14,416.10
926188					14,416.10																	17,581.61
926189			17,581.61																			15,717.50
926190								15,717.50														17,221.63
926191									17,221.63													225,982.42
926192										225,982.42	4,279.69							117,876.22				4,279.69
926901																						26,889.30
926902								26,889.30														432,428.83
926903										432,428.83												27,104.52
926904			27,104.52																			31,266.86
926905									31,266.86													783,224.87
926911													783,224.87									171,441.16
926912	171,441.16																					(43,088.21)
926915				(43,088.21)																		83,162.87
926916					83,162.87									28,810.60								28,810.60
926917																						35,461.02
926918					35,461.02																	5,189.79
926919														66,561.07								66,561.07
926920					59,746.43																	59,746.43
926921								61,952.73														61,952.73
926922										1,000,128.47												1,000,128.47
926923																						63,110.75
926924			63,110.75																			72,093.41
926925									72,093.41													1,809,392.97
926926													1,809,392.97									1,809,392.97
926927	396,780.07																					(102,834.61)
926929				(102,834.61)																		396,780.07
926930					192,223.02																	192,223.02
926932								1,369.24														1,369.24
926933										22,116.17												22,116.17
926934			1,392.39																			1,392.39
926935									1,596.66													1,596.66
926936													39,931.55									39,931.55
926937	8,754.55																					8,754.55

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Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM DISABILITY	MEDICAL	MISC	OTHER OFF DUTY	PENSION	RETIREMENT INCOME	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL	
926939				(2,321.50)																	(2,321.50)	
926940					4,248.74																	4,248.74
926941													1,465.59									1,465.59
926942					1,322.42																	1,322.42
926982		45,419.98																				45,419.98
926983			7,123.01																			7,123.01
926984					21,657.53																	21,657.53
926985				(9,334.51)																		(9,334.51)
926986								7,047.38														7,047.38
926987									8,116.05													8,116.05
926987										112,584.47												112,584.47
926988																						
926989													201,863.54									201,863.54
926990														10,837.79								10,837.79
926991													7,669.07									7,669.07
926992					6,767.10																	6,767.10
935391	329,257.48						15,689.31					3,353.23			7,569.47	47,602.54					29,067.05	432,539.08
935401	92,657.05						4,446.04					959.78			2,290.80	13,422.57					8,000.51	121,776.75
935488	1,756,045.54						82,392.42					17,662.06			38,617.56	255,218.09					154,015.68	2,303,951.35
TOTAL	32,583,833.27	1,310,029.54	238,523.74	(300,070.00)	861,358.40	1,778,439.44	1,535,488.03	210,210.96	244,818.78	3,268,105.53	40,499.77	328,439.52	6,371,154.31	59,467.89	708,122.69	4,854,110.67	153,312.78	124,886.51	1,889,880.29	(3,747.51)	58,296,874.61	

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For Services Provided by LG&E Employees to KU

Account	LABOR	401(K)	DENTAL	FASB 112	FASB 106	FICA	HOLIDAY	LIFE	LONG-TERM			OTHER		RETIREMENT	SICK	TIA	TUITION	UNEMPLOYMENT	VACATION	WORKERS' COMP	TOTAL
									DISABILITY	MEDICAL	MISC	OFF DUTY	PENSION								
107001	358,580.95	13,915.75	2,939.53	334.16	51,041.67	30,817.51	14,889.97	2,016.62	2,269.94	39,141.41	496.78	1,461.43	21,368.37	596.31	7,880.26	31,528.44		535.47	29,740.93	4,318.37	613,873.87
108901	23,793.25	1,082.17	235.07	(62.75)	3,987.83	2,033.19	1,189.28	150.04	178.66	3,042.03	41.95	115.53	1,689.74	28.63	630.25	2,165.28		36.74	2,412.97	188.18	42,938.04
184307	19,952.70	891.22	190.12	(0.90)	3,233.12	1,773.55	957.10	122.98	142.80	2,504.61	31.91	91.35	1,351.33	33.18	493.80	1,780.53		31.73	1,892.29	234.35	35,707.77
184319	6,433.36	288.78	61.45	(1.55)	1,045.95	570.40	310.54	39.52	46.21	811.97	10.43	29.49	437.24	10.48	159.64	574.54		10.16	612.85	73.55	11,525.01
184612	7,743.80	349.63	77.14	39.85	1,269.24	789.84	378.11	48.74	48.47	1,012.62		25.97	406.03	22.13	180.13	695.03		14.45	668.10	173.80	13,943.08
186201	59.12	3.09	0.60	0.38	9.18	5.84	2.84	0.36	0.47	8.25	0.39	0.34	5.57	0.16	1.55	5.06		0.11	5.42	1.12	109.85
408105																		256.75			256.75
408106						23,616.36													157.95		157.95
408107																			301.10		301.10
408115																					26,678.21
408116						26,678.21															176.45
408117																					0.15
408188																					0.11
408189																					15.28
408190						15.28															
500900	88.68						4.27					0.51			2.33	7.59				8.13	111.51
506100							(0.02)					0.01			(0.01)	(0.01)					(0.03)
510100	378.90						14.78					1.75			6.52	30.49				28.14	460.58
513100	228.48						11.20					0.73			5.25	20.78				19.50	285.94
548100	361,387.80						14,261.69					1,339.07			7,153.68	32,141.88			27,758.50		444,042.62
553100	40,794.83						1,378.17					139.24			730.20	3,574.79			2,712.26		49,329.49
560900	193.27						9.47					0.62			4.44	17.58				16.50	241.88
570100	765.42						37.51					2.46			17.57	69.60			65.33		957.89
573100	137.19															12.48					149.67
582100	0.19															0.02					0.21
583001	51,301.34						189.12					22.57			83.47	4,126.69			360.16		56,083.35
593002	6,670.12						176.88					21.12			78.07	536.56			336.85		7,819.60
595100	37,366.11						1,825.91					172.84			950.01	3,295.84			3,541.64		47,152.35
903930	150.00						7.16					0.86			3.16	12.07			13.64		186.89
920100	2,480.35						134.85					11.30			62.94	240.85			266.75		3,197.04
920900	6,779.96						287.76					29.48			133.63	567.43			538.82		8,337.08
920901	152.80						5.11					0.61			2.25	12.29			9.73		182.79
925002																				2,168.93	2,168.93
925004	50,926.02						1,844.10					175.85			951.39	4,602.51			3,641.71		62,141.58
925012																				2.82	2.82
925026								972.79													972.79
926002										20,234.63	117.64										20,352.27
926003																					1,374.96
926004			1,374.96																		1,150.13
926005											1,150.13										1,672.21
926012								1,672.21													35,232.58
926013										34,751.67	480.91										2,611.61
926014			2,611.61																		1,956.56
926015											1,956.56										221.24
926019												221.24									35,623.05
926101													35,623.05								
926102		7,212.92																			7,212.92
926105				166.46																	166.46
926106					10,093.36									293.51							10,093.36
926116																					293.51
926117																					(24,562.06)
926118					15,478.23																15,478.23
926121																					62,092.46
926122		12,375.63																			12,375.63
926123				111.61																	111.61
926124					17,587.34																17,587.34
926126														477.11							477.11

Kentucky Utilities Company
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926127													(43,441.75)								(43,441.75)
926128					26,800.89																26,800.89
926181													31.94								31.94
926182		7.78																			7.78
926183				0.96																	0.96
926184					9.68																9.68
926186														0.41							0.41
926187													(18.00)								(18.00)
926188					15.31																15.31
926189			1.50																		1.50
926190								0.90													0.90
926191									1.18												1.18
926192										20.78	0.98										21.76
926901																	735.39				735.39
935391	236,178.95						10,912.84					1,027.18			5,520.65	21,018.92				21,285.39	295,943.93
TOTAL	1,212,543.59	36,126.97	7,491.98	588.22	130,571.80	86,300.18	48,828.64	5,024.16	5,794.42	101,527.97	1,402.23	4,670.31	54,983.92	1,461.92	25,051.18	107,037.24	735.39	1,521.17	95,935.61	10,542.67	1,938,139.57

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 102

Responding Witness: Paula H. Pottinger, Ph.D. / Lonnie E. Bellar

- Q-102. Refer to Volume 4 of 4 of KU's response to Staff's first request, Item 46.
- a. State the name of the employer of each executive officer.
 - b. Provide a list of "other compensation" paid to each executive officer separately stating the amount and description of each component of other compensation.
 - c. For each executive officer whose annual salary increased by more than 3.5 percent, explain in detail the reason(s) for the executive officer's annual increase being greater than the increase granted to other KU employees during the test year.
 - d. Provide all executive salary studies and surveys relied upon to determine the test year and pro forma level of executive employee compensation.
 - e. At page 1 it is stated that 32.5 percent of the executive pay was included in the cost of providing service to KU ratepayers.
 - (1) Provide a schedule detailing the distribution of each individual's salary listed on page 1 to KU and each of KU's affiliates and subsidiaries separately. The total for KU on this schedule should equal 32.5 percent of the total distributed salary. On this schedule show separately the amounts that were directly assigned to KU and each of its affiliates and subsidiaries from the amounts that were allocated.
 - (2) For each allocation provided in response to (1), state the method of allocation and explain why the method of allocation is appropriate.
 - f. At page 1 it is stated that 3.8 percent of other compensation is included in the cost of providing service to KU ratepayers.

- (1) Provide a schedule detailing the distribution of each individual's other compensation listed on page 1 to KU and each of KU's affiliates and subsidiaries separately. The total for KU on this schedule should equal 3.8 percent of the total distributed other compensation. On this schedule show separately the amounts that were directly assigned to KU and each of its affiliates and subsidiaries from the amounts that were allocated.
 - (2) For each allocation provided in response to (1), state the method of allocation and explain why the method of allocation is appropriate.
- A-102.
- a. Each executive officer is employed by E.ON U.S. Services Inc.
 - b. A schedule of "other compensation" listed separately by amount and description for each executive officer as of the end of the test year and the two preceding calendar years is attached. Certain information is being filed under seal pursuant to a Petition for Confidential Protection.
 - c. Of the 16 officers whose annual salary increased by more than 3.5%;
 - Eleven officers (names filed under seal) received annual increases consistent with our 2008 salary planning process.
 - An additional adjustment was made to salaries for five officers (names filed under seal) to recognize their new roles.
 - d. A copy of the applicable page from each survey source has been filed under seal due to copyright law and the competitive nature of the information.
 - e. (1) Schedule 102(e)(1a) details the distribution of each officer's salary listed on page 1 to KU and each of KU affiliates separately. Schedule 102(e)(1b) reflects direct and indirect charges of officer wages. Schedule 102(e)(1c) reflects the above the line and below the line charges of these same officers' wages. As the schedule reflects, 32.5% was included in the cost of providing service. Of the 32.5%, 29.5% was charged above the line to rate payers. Certain information contain in these schedules is being filed under seal pursuant to a Petition for Confidential Protection.
 - (2) The indirect charges were determined by the respective Budget Coordinator in a manner consistent with the procedures in the Cost Allocation Manual (CAM). The CAM can be referenced in the original filing requirement 39 in this proceeding.

f. (1) Schedule 102(f)(1a) details the distribution of each individual's other compensation listed on page 1 to KU and each of KU affiliates separately. The total for KU on this schedule equals 3.8 % of the total other compensation. Schedule 102(f)(1b) reflects direct and indirect charges of other compensation. Schedule 102(f)(1c) reflects the above the line and below the line charges of these same officers' other compensation. Certain information contain in these schedules is being filed under seal pursuant to a Petition for Confidential Protection.

(2) The indirect charges were determined by the respective Budget Coordinator in a manner consistent with the procedures in the CAM. The CAM can be referenced in the original filing in requirement 39 in this proceeding.

Schedule 102(f)(1c) shows, 3.2% (\$216,466) of other compensation was charged above the line to rate payers. The Company proposes an adjustment to move this expense below the line.

**Question No. 102b (KU)
Information as of 4/30/2008**

CONFIDENTIAL INFORMATION REDACTED

<i>Name</i>	<i>Title</i>	<i>Short-Term Bonus</i>	<i>Long-Term Bonus</i>	<i>Perquisites</i>	<i>Total Other Compensation (1)</i>
Daniel K Arbough	Treasurer				
Michael S. Beer	VP Federal Regulation & Policy				
Lonnie Bellar	VP State Regulation and Rates				
Kent W Blake	VP Corp Plan and Development				
Ralph Bowling	VP Power Operations - WKE				
Laura Green Douglas	VP Corp Resp&Community Affairs				
Chris Hermann	SVP Energy Delivery				
Chip Keeling	VP Communications				
John P Malloy	VP Energy Delivery - Retail Business				
John R McCall	EVP General Counsel & Corp Secretary				
Dorothy O'Brien	VP Deputy Gen Counsel/Environmental				
Paula H Pottinger	SVP Human Resources				
S Bradford Rives	Chief Financial Officer				
Valerie Leah Scott	Controller				
George R Siemens	VP External Affairs				
David Sinclair	VP Energy Marketing				
Victor A Staffieri	Chief Executive Officer				
Paul Gregory Thomas	VP Energy Delivery - Distribution Operations				
Paul W. Thompson	SVP Energy Services				
John N Voyles	VP Regulated Generation				
Wendy C Welsh	SVP Information Technology				
Average of all Executive Officers		\$150,741	\$142,722	\$24,198	\$317,662

KU Footnote

(1) Total Other Compensation is comprised of short-term bonus, long-term bonus and perquisites. Of the Total Other Compensation, 3.8% was included in the cost of providing service to KU rate payers.

Question No. 102b (KU)
Information as of 12/31/2007

CONFIDENTIAL INFORMATION REDACTED

<i>Name</i>	<i>Title</i>	<i>Short-Term Bonus</i>	<i>Long-Term Bonus</i>	<i>Perquisites</i>	<i>Total Other Compensation (1)</i>
Daniel K. Arbough	Treasurer				
Michael S Beer	VP Federal Regulation & Policy				
Lonnie Bellar	VP State Regulation and Rates				
Kent W Blake	VP Corp Plan and Development				
Ralph Bowling	VP Power Operations - WKE				
Laura Green Douglas	VP Corp Resp&Community Affairs				
Martyn Gallus	SVP Energy Marketing				
Chris Hermann	SVP Energy Delivery				
Chip Keeling	VP Communications				
John P Malloy	VP Energy Delivery - Retail Business				
John R McCall	EVP General Counsel & Corp Secretary				
Dorothy O'Brien	VP Deputy Gen Counsel/Environmental				
Paula H Pottinger	SVP Human Resources				
S Bradford Rives	Chief Financial Officer				
Valerie Leah Scott	Controller				
George R. Siemens	VP External Affairs				
Victor A Staffieri	Chief Executive Officer				
Paul Gregory Thomas	VP Energy Delivery - Distribution Operations				
Paul W Thompson	SVP Energy Services				
John N Voyles	VP Regulated Generation				
Wendy C Welsh	SVP Information Technology				
Average of all Executive Officers		\$140,527	\$275,923	\$28,072	\$444,522

KU Footnote

(1) Total Other Compensation is comprised of short-term bonus, long-term bonus and perquisites. Of the Total Other Compensation, 2.7% was included in the cost of providing service to KU rate payers.

**Question No. 102b (KU)
Information as of 12/31/2006**

CONFIDENTIAL INFORMATION

<i>Name</i>	<i>Title</i>	<i>Short-Term Bonus</i>	<i>Long-Term Bonus</i>	<i>Perquisites</i>	<i>Total Other Compensation (1)</i>
Daniel K Arbough	Treasurer				
Michael S. Beer	VP Federal Regulation & Policy				
Ralph Bowling	VP Power Operations - WKE				
Martyn Gallus	SVP Energy Marketing				
Chris Hermann	SVP - Energy Delivery				
Chip Keeling	VP Communications				
John R. McCall	EVP General Counsel & Corp Sec				
Paula H. Pottinger	SVP Human Resources				
S. Bradford Rives	Chief Financial Officer				
Valerie Leah Scott	Controller				
George R. Siemens	VP External Affairs				
Victor A. Staffieri	Chief Executive Officer				
Paul W. Thompson	SVP Energy Services				
David A. Vogel	VP Retail and Gas Storage Ops				
John N. Voyles	VP Regulated Generation				
Wendy C. Welsh	SVP Information Technology				
Average of all Executive Officers		\$159,202	\$376,351	\$36,393	\$571,946

KU Footnote

(1) Total Other Compensation is comprised of short-term bonus, long-term bonus and perquisites. Of the Total Other Compensation, 1.1% was included in the cost of providing service to KU rate payers.

**Question No. 102e(1a) (KU)
Information as of 4/30/2008**

CONFIDENTIAL INFORMATION REDACTED

<i>Name</i>	<i>Title</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>	<i>Salary</i>
			<i>Charged to KU</i>	<i>Charged to LG&E</i>	<i>Charged to Servco</i>	<i>Charged to Cap Corp</i>	<i>Charged to WKE</i>	<i>Charged to LEM</i>	<i>Charged to International</i>	<i>Charged to LGE Power Dev Inc</i>
Daniel K. Arbough	Treasurer									
Michael S. Beer	VP Federal Regulation & Policy									
Lonnie Bellar	VP State Regulation and Rates									
Kent W. Blake	VP Corp Plan and Development									
Ralph Bowling	VP Power Operations - WKE									
Laura Green Douglas	VP Corp Resp&Community Affairs									
Chris Hermann	SVP Energy Delivery									
Chip Keeling	VP Communications									
John P. Malloy	VP Energy Delivery - Retail Business									
John R. McCall	EVP General Counsel & Corp Secretary									
Dorothy O'Brien	VP Deputy Gen Counsel/Environmental									
Paula H. Pottinger	SVP Human Resources									
S. Bradford Rives	Chief Financial Officer									
Valerie Leah Scott	Controller									
George R. Siemens	VP External Affairs									
David Sinclair	VP Energy Marketing									
Victor A. Staffier	Chief Executive Officer									
Paul Gregory Thomas	VP Energy Delivery - Distribution Operations									
Paul W. Thompson	SVP Energy Services									
John N. Voyles	VP Regulated Generation									
Wendy C. Welsh	SVP Information Technology									
Average of all Executive Officers		\$257,798	32.5%	35.3%						

Question No. 102e(1b) (KU)

E ON U.S. OFFICER WAGES - DIRECT AND INDIRECTLY CHARGED
TEST YEAR (5/1/07 - 4/30/08)

CONFIDENTIAL INFORMATION REDACTED

	100 LGE					110 KU						
	DIR	%	INDIR	%	TOT WGS	TOT %	DIR	%	INDIR	%	TOT WGS	TOT %
Arbough				43.8%		43.8%				43.0%		43.0%
Beer				43.8%		43.7%				37.5%		37.5%
Bellar				52.0%		52.0%	2.5%			39.8%		42.2%
Blake				46.9%		46.9%				42.9%		42.9%
Bowling		0.5%						3.4%				3.4%
Douglas				46.9%		46.9%				27.4%		27.4%
Hermann		40.0%		5.7%		45.7%		28.6%		5.7%		34.3%
Keeling				46.9%		46.9%				40.6%		40.6%
Malloy		53.9%		6.1%		60.0%		33.8%		6.1%		40.0%
McCall				24.0%		23.9%				23.1%		23.1%
O'Brien		22.4%		0.0%		22.4%		34.7%		0.0%		34.7%
Pottinger				38.0%		38.0%				38.1%		38.0%
Rives		1.1%		23.3%		24.4%		1.1%		23.3%		24.4%
Scott				39.4%		39.4%				35.9%		35.9%
Siemens				43.8%		43.7%				37.5%		37.5%
Sinclair				33.5%		33.5%				34.7%		34.7%
Staffieri				18.8%		18.8%				18.8%		18.8%
Thomas		12.5%		37.5%		50.0%		12.5%		37.5%		50.0%
Thompson		14.8%		19.3%		34.1%		17.1%		19.5%		36.6%
Voyles				50.0%		50.0%				50.0%		50.0%
Welsh				49.6%		49.6%				41.1%		41.1%
TOTAL	338,800	6.3%	1,571,929	29.0%	1,910,729	35.3%	312,572	5.8%	1,447,804	26.7%	1,760,376	32.5%

	20 Servco		4 Cap Corp		301 WKE		507 LEM		508 LGE INT'L		518 LGE PWR DEV		530 - LGE PWR INC	
	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %
Arbough				3.8%		9.4%								
Beer				18.7%										
Bellar				4.7%		1.1%								
Blake				3.4%		6.7%								
Bowling						96.1%								
Douglas				24.1%		1.7%								
Hermann										20.0%				
Keeling				12.5%										
Malloy														
McCall				52.9%										
O'Brien				28.4%		1.0%				13.5%				0.1%
Pottinger				9.4%		11.7%		2.9%						
Rives				51.2%										
Scott				17.1%		0.5%		7.2%						
Siemens				18.7%										
Sinclair						31.8%								
Staffieri				62.5%										
Thomas														
Thompson		1.1%		0.5%		21.7%		4.1%			2.1%			
Voyles														
Welsh		0.2%		0.8%		5.6%		2.8%						
TOTAL	4,285	0.1%	1,197,934	22.2%	402,552	7.4%	43,144	0.8%	87,096	1.6%	7,465	0.1%	177	0.0%

Question No. 102e(1c) (KU)

E.ON U.S. OFFICER WAGES ABOVE/BELOW THE LINE
TEST YEAR (5/1/07 - 4/30/08)

CONFIDENTIAL INFORMATION REDACTED

	100 LGE						110 KU					
	ATL	%	BTL	%	TOT WGS	TOT %	ATL	%	BTL	%	TOT WGS	TOT %
Arbough		100.0%				43.8%		100.0%				43.0%
Beer				100.0%		43.7%				100.0%		37.5%
Bellar		100.0%				52.0%		100.0%				42.2%
Blake		100.0%				46.9%		100.0%				42.9%
Bowling		100.0%						100.0%				3.4%
Douglas		100.0%				46.9%		100.0%				27.4%
Hermann		100.0%				45.7%		100.0%				34.3%
Keeling		100.0%				46.9%		100.0%				40.6%
Malloy		100.0%				60.0%		100.0%				40.0%
McCall		100.0%				23.9%		100.0%				23.1%
O'Brien		99.9%		0.1%		22.4%		100.0%		0.0%		34.7%
Pottinger		100.0%				38.0%		100.0%				38.0%
Rives		100.0%				24.4%		100.0%				24.4%
Scott		100.0%				39.4%		100.0%				35.9%
Siemens				100.0%		43.7%				100.0%		37.5%
Sinclair		100.0%				33.5%		100.0%				34.7%
Staffieri		100.0%				18.8%		100.0%				18.8%
Thomas		100.0%				50.0%		100.0%				50.0%
Thompson		83.7%		16.3%		34.1%		84.8%		15.2%		36.6%
Voyles		100.0%				50.0%		100.0%				50.0%
Welsh		100.0%				49.6%		100.0%		0.0%		41.1%
TOTAL	1,722,935	31.8%	187,794	3.5%	1,910,729	35.3%	1,596,566	29.5%	163,810	3.0%	1,760,376	32.5%

	20 Servco		4 Cap Corp		301 WKE		507 LEM		508 LGE INT'L		518 LGE PWR DEV		530 - LGE PWR INC	
	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %	TOT WGS	TOT %
Arbough				3.8%		9.4%								
Beer				18.7%										
Bellar				4.7%		1.1%								
Blake				3.4%		6.7%								
Bowling						96.1%								
Douglas				24.1%		1.7%								
Hermann										20.0%				
Keeling				12.5%										
Malloy														
McCall				52.9%										
O'Brien				28.4%		1.0%				13.5%				
Pottinger				9.4%		11.7%								
Rives				51.2%				2.9%						
Scott				17.1%		0.5%		7.2%						
Siemens				18.7%										
Sinclair						31.8%								
Staffieri				62.5%										
Thomas														
Thompson		1.1%		0.5%		21.7%		4.1%				2.1%		
Voyles														
Welsh		0.2%		0.8%		5.6%		2.8%						
TOTAL	4,285	0.1%	1,197,934	22.2%	402,552	7.4%	43,144	0.8%	87,096	1.6%	7,465	0.1%	177	0.0%

Question No. 102f(1a) (KU)
Information as of 4/30/2008

CONFIDENTIAL INFORMATION REDACTED

<i>Name</i>	<i>Title</i>	<i>Other Compensation</i>	<i>Other Charged to KU</i>	<i>Other Charged to LG&E</i>	<i>Other Charged to Servco</i>	<i>Other Charged to Capital Corp</i>	<i>Other Charged to WKE</i>	<i>Other Charged to LEM</i>	<i>Other Charged to International</i>	<i>Other Charged to LGE Power Dev Inc</i>
Daniel K. Arbough	Treasurer									
Michael S. Beer	VP Federal Regulation & Policy									
Lonnie Bellar	VP State Regulation and Rates									
Kent W. Blake	VP Corp Plan and Development									
Ralph Bowling	VP Power Operations - WKE									
Laura Green Douglas	VP Corp Resp&Community Affairs									
Chris Hermann	SVP Energy Delivery									
Chip Keeling	VP Communications									
John P. Malloy	VP Energy Delivery - Retail Business									
John R. McCall	EVP General Counsel & Corp Secretary									
Dorothy O'Brien	VP Deputy Gen Counsel/Environmental									
Paula H. Pottinger	SVP Human Resources									
S. Bradford Rives	Chief Financial Officer									
Valerie Leah Scott	Controller									
George R. Siemens	VP External Affairs									
David Sinclair	VP Energy Marketing									
Victor A. Staffieri	Chief Executive Officer									
Paul Gregory Thomas	VP Energy Delivery - Distribution Opera									
Paul W. Thompson	SVP Energy Services									
John N. Voyles	VP Regulated Generation									
Wendy C. Welsh	SVP Information Technology									
Average of all Executive Officers		\$317,662	3.8%	4.2%						

Question No. 102f(1b) (KU)

E ON U.S OFFICER OTHER COMP DIRECT AND INDIRECTLY CHARGED
TEST YEAR (5/1/07 - 4/30/08)

CONFIDENTIAL INFORMATION REDACTED

	100 LGE				110 KU							
	DIR	%	INDIR	TOT OTH CMP	TOT %	DIR	%	INDIR	%	TOT OTH CMP	TOT %	
Arbough				43.75%					43.04%			
Beer				43.75%					37.50%			
Bellar				51.96%			2.46%		39.78%			
Blake				46.92%					42.93%			
Bowling		0.48%					3.38%					
Douglas				46.87%					27.38%			
Hermann		40.00%		5.72%			28.58%		5.72%			
Keeling				46.88%					40.62%			
Malloy		53.90%		6.14%			33.82%		6.14%			
McCall				23.95%					23.13%			
O'Brien		22.35%		0.01%			34.65%		0.01%			
Pottinger				38.00%					38.05%			
Rives		1.07%		23.30%			1.07%		23.30%			
Scott				39.44%					35.87%			
Siemens				43.75%					37.50%			
Sinclair				33.52%					34.66%			
Staffieri				18.75%					18.75%			
Thomas		12.50%		37.50%			12.50%		37.50%			
Thompson		14.77%		19.32%			17.11%		19.45%			
Voyles				50.00%					50.00%			
Welsh				49.56%					41.06%			
TOTAL	52.637	0.79%	226.071	3.39%	278.708	4.18%	50.810	0.76%	198.872	2.98%	249.683	3.74%

	20 Servco		4 Cap Corp		301 WKE		507 LEM		508 LGE INT'L		518 LGE PWR DEV		530 - LGE PWR INQ	
	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %
Arbough														
Beer														
Bellar														
Blake														
Bowling														
Douglas														
Hermann														
Keeling														
Malloy														
McCall														
O'Brien														
Pottinger														
Rives														
Scott														
Siemens														
Sinclair														
Staffieri														
Thomas														
Thompson														
Voyles														
Welsh														
TOTAL			6.096.105	91.39%	33.427	0.50%	4.062	0.06%	8.850	0.13%	65	0.00%		

Note: All "OTHER COMP" for Servco, Capital Corp, WKE, LEM, LGE INT'L and LGE POWER was DIRECT

Question No. 102f(1c) (KU)

E.ON U.S. OFFICER OTHER COMP ABOVE/BELOW THE LINE
TEST YEAR (5/1/07 - 4/30/08)

CONFIDENTIAL INFORMATION REDACTED

	100 LGE						110 KU					
	ATL	%	BTL	%	TOT OTH CMP	TOT %	ATL	%	BTL	%	TOT OTH CMP	TOT %
Arbough		0.34%		0.00%				0.33%		0.00%		0.33%
Beer		0.00%		0.00%				0.00%		0.00%		0.00%
Bellar		0.43%		0.00%				0.35%		0.00%		0.35%
Blake		0.00%		0.00%				0.00%		0.00%		0.00%
Bowling		0.00%		0.00%				0.00%		0.00%		0.00%
Douglas		0.32%		0.00%				0.19%		0.00%		0.19%
Hermann		0.00%		0.00%				0.00%		0.00%		0.00%
Keeling		0.53%		0.00%				0.46%		0.00%		0.46%
Malloy		0.50%		0.00%				0.33%		0.00%		0.33%
McCall		0.00%		0.00%				0.00%		0.00%		0.00%
O'Brien		0.22%		0.00%				0.34%		0.00%		0.34%
Pottinger		0.00%		0.00%				0.00%		0.00%		0.00%
Rives		0.00%		0.00%				0.00%		0.00%		0.00%
Scott		0.34%		0.00%				0.31%		0.00%		0.31%
Siemens		0.00%		0.58%				0.00%		0.50%		0.50%
Sinclair		0.42%		0.00%				0.43%		0.00%		0.43%
Staffieri		0.00%		0.00%				0.00%		0.00%		0.00%
Thomas		0.51%		0.00%				0.51%		0.00%		0.51%
Thompson		0.00%		0.00%				0.00%		0.00%		0.00%
Voyles		0.00%		0.00%				0.00%		0.00%		0.00%
Welsh		0.00%		0.00%				0.00%		0.00%		0.00%
TOTAL	239,955	3.6%	38,751	0.58%	278,707	4.18%	216,466	3.24%	33,217	0.50%	249,683	3.74%

	20 Servco		4 Cap Corp		301 WKE		507 LEM		508 LGE INT'L		18 LGE PWR DE		530 - LGE PWR INC	
	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %	TOT OTH CMP	TOT %
Arbough				0.23%		0.07%		0.00%		0.00%		0.00%		0.00%
Beer				2.43%		0.00%		0.00%		0.00%		0.00%		0.00%
Bellar				0.25%		0.01%		0.00%		0.00%		0.00%		0.00%
Blake				1.73%		0.00%		0.00%		0.00%		0.00%		0.00%
Bowling				2.34%		0.00%		0.00%		0.00%		0.00%		0.00%
Douglas				0.42%		0.01%		0.00%		0.00%		0.00%		0.00%
Hermann				6.06%		0.00%		0.00%		0.00%		0.00%		0.00%
Keeling				1.14%		0.00%		0.00%		0.00%		0.00%		0.00%
Malloy				0.88%		0.00%		0.00%		0.00%		0.00%		0.00%
McCall				12.19%		0.00%		0.00%		0.00%		0.00%		0.00%
O'Brien				0.88%		0.01%		0.00%		0.13%		0.00%		0.00%
Pottinger				4.97%		0.00%		0.00%		0.00%		0.00%		0.00%
Rives				8.06%		0.00%		0.00%		0.00%		0.00%		0.00%
Scott				0.54%		0.00%		0.06%		0.00%		0.00%		0.00%
Siemens				1.45%		0.00%		0.00%		0.00%		0.00%		0.00%
Sinclair				1.43%		0.39%		0.00%		0.00%		0.00%		0.00%
Staffieri				30.06%		0.00%		0.00%		0.00%		0.00%		0.00%
Thomas				0.44%		0.00%		0.00%		0.00%		0.00%		0.00%
Thompson				7.87%		0.00%		0.00%		0.00%		0.00%		0.00%
Voyles				2.72%		0.00%		0.00%		0.00%		0.00%		0.00%
Welsh				5.29%		0.00%		0.00%		0.00%		0.00%		0.00%
TOTAL			6,096,108	91.39%	33,427	0.50%	4,062	0.06%	8,850	0.13%	65	0.00%		

Note: All "OTHER COMP" for Servco, Capital Corp, WKE, LEM, LGE INT'L and LGE POWER was ATL

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 103

Responding Witness: Valerie L. Scott

- Q-103. Refer to Volume 3 of 5 of KU's Application at Tab 39.
- a. Confirm that the expenses listed at Tab 39 include all test year charges assigned or allocated to KU by affiliates or subsidiaries and that there are no other cost assignments or allocations included in KU's test year or pro forma expenses from any of the other companies listed on the organizational chart provided at Volume 1 of 4 of KU's response to Staff's first request, Item 2.
 - b. Explain why there was a significant decrease in intercompany charges to KU during the test year when compared to the level of expense for the calendar years ended 2006 and 2007.
 - c. Provide the following information for the charges between LG&E and KU.
 - (1) A schedule detailing the costs directly charged to and costs allocated to KU from LG&E. Indicate the KU accounts where these costs were originally recorded and whether the costs were associated with Kentucky jurisdictional electric operations only, other jurisdictional electric operations only, or total company electric operations. For costs that are allocated, included a description of the allocation factors utilized.
 - (2) A schedule detailing the costs directly charged to and costs allocated by KU to LG&E. Indicate the KU accounts where these costs were recorded. For costs that are allocated, included a description of the allocation factors utilized.
- A-103.
- a. The expenses listed at Tab 39 include all test year charges assigned or allocated to KU by affiliates or subsidiaries and there are no other cost assignments or allocations included in KU's test year or pro forma expenses from any other company.
 - b. The decrease in intercompany charges to KU during the test year is a result of netting all intercompany billings beginning in August 2007. Prior to August 2007, KU sent an intercompany bill to Servco and Servco sent an intercompany bill to

KU. Currently all intercompany charges are netted together to produce one intercompany bill each month.

- c. For allocation methodologies, refer to the Cost Allocation Manual filed with the PSC on July 29, 2008 at tab 39 and see attached for a detailed schedule of allocation rates.

- 1) See Attached.

- 2) See Attached. For allocation methodologies, refer to the Cost Allocation Manual filed with the PSC on July 29, 2008 at Tab 99 and see attached for a detailed schedule of allocation rates.

ALLOCATION METHODOLOGIES
RATES IN AFFECT FOR MAY 1, 2007 - APRIL 30, 2008

RATIO	LG&E %	KU %	WKE %	LEM-CONT %	ECC %	SERVCO %	TOTAL %
Ratios calculated using data from 12/31/06							
CONTRACT RATIO - KU, LG&E (coal)	51.01%	48.99%					100.00%
CONTRACT RATIO - KU, LG&E, WKE (coal)	37.22%	35.75%	27.03%				100.00%
CONTRACT RATIO - KU, LG&E (gas for CT's)	44.43%	55.57%					100.00%
ELECTRIC PEAK LOAD RATIO (KU & LG&E)	36.51%	63.49%					100.00%
ELECTRIC PEAK LOAD RATIO (KU & LG&E & WKE)	29.22%	50.81%	19.97%				100.00%
NUMBER OF CUSTOMERS RATIO-TOTAL	44.22%	55.78%					100.00%
NUMBER OF CUSTOMERS RATIO-RESIDENTIAL	45.79%	54.21%					100.00%
NUMBER OF CUSTOMERS RATIO-COMMERCIAL	34.41%	65.59%					100.00%
NUMBER OF CUSTOMERS RATIO-INDUSTRIAL	24.64%	75.36%					100.00%
TWO STEP NUMBER OF EMPLOYEES RATIO	40.37%	41.31%	15.49%	0.71%	2.11%		100.00%
PAYROLL RATIO - ALL	39.77%	41.82%	15.09%	1.07%	2.25%		100.00%
PAYROLL RATIO - KU & LG&E	48.74%	51.26%					100.00%
PAYROLL RATIO - KU & LG&E & WKE	41.13%	43.25%	15.61%				100.00%
PAYROLL RATIO - KU & LG&E & LEM	48.12%	50.60%		1.29%			100.00%
REVENUE RATIO - ALL	47.23%	42.71%	10.00%	0.03%	0.03%		100.00%
REVENUE RATIO - KU & LG&E	52.51%	47.49%					100.00%
REVENUE RATIO - KU & LG&E & WKE	47.26%	42.74%	10.01%				100.00%
REVENUE RATIO - KU & LG&E & LEM	52.49%	47.47%		0.04%			100.00%
TOTAL ASSETS RATIO - ALL	47.09%	46.00%	6.53%	0.12%	0.26%		100.00%
TOTAL ASSETS RATIO - KU & LG&E	50.58%	49.42%					100.00%
TOTAL ASSETS RATIO - KU & LG&E & WKE	47.27%	46.16%	6.55%				100.00%
TOTAL ASSETS RATIO - KU & LG&E & LEM	50.52%	49.35%		0.13%			100.00%
TOTAL UTILITY PLANT ASSETS RATIO - KU & LG&E	49.75%	50.25%					100.00%
COMBINATION REVENUE/TOTAL ASSETS/PAYROLL	44.67%	43.49%	10.53%	0.46%	0.64%		100.00%
COMBINATION REVENUE/TOTAL ASSETS/PAYROLL-LGE/KU	50.61%	49.39%					100.00%
COMBINATION REVENUE/TOTAL ASSETS/PAYROLL-LGE/KU/WKE	45.22%	44.06%	10.72%				100.00%
COMBINATION REVENUE/TOTAL ASSETS/PAYROLL-LGE/KU/LEM	50.37%	49.14%		0.49%			100.00%
NUMBER OF TRANSACTIONS RATIO - INVOICE A/P	45.22%	53.28%	0.62%	0.07%	0.61%		100.00%
NUMBER OF TRANSACTIONS RATIO - WAREHOUSE (LGE & KU)	16.37%	83.63%					100.00%
NUMBER OF TRANSACTIONS RATIO - WAREHOUSE (LGE & KU & WKE)	14.88%	76.01%	9.10%				100.00%
NON-FUEL MATERIAL & SERVICES EXP. RATIO	54.16%	45.84%					100.00%
RETAIL REVENUE RATIO	49.90%	50.10%					100.00%
NUMBER OF METERS RATIO	57.64%	42.36%					100.00%
REGULATORY MANDATE RATIO	30.48%	69.52%					100.00%
ENERGY MARKETING RATIO-LGE/KU	47.30%	52.70%					100.00%
ENERGY MARKETING RATIO-LGE/KU/WKE	18.23%	20.32%	61.45%				100.00%
<u>LINE OF BUSINESS RATIOS</u>	<u>GENERATION</u>	<u>RETAIL</u>	<u>TRADING</u>	<u>TRANSMISSION</u>	<u>DISTRIBUTION</u>	<u>METERING</u>	
NUMBER OF EMPLOYEES RATIO - LOB - LGE	17.99%	2.88%	1.51%	1.98%	14.52%	1.48%	40.37%
NUMBER OF EMPLOYEES RATIO - LOB - KU	15.48%	5.92%	1.76%	3.45%	12.96%	1.74%	41.31%
	<u>33.47%</u>	<u>8.81%</u>	<u>3.27%</u>	<u>5.43%</u>	<u>27.48%</u>	<u>3.23%</u>	<u>81.68%</u>

RATIOS NOT LISTED ABOVE

DEPARTMENTAL CHARGE RATIOS
INFORMATION SYSTEMS CHARGEBACK RATES
PROJECT RATIO

CALCULATED BY VARIOUS DEPARTMENTS - SEE DOCUMENTS ON FILE IN CORPORATE ACCOUNTING
CALCULATED BY IT DEPARTMENT - SEE DOCUMENTS ON FILE IN CORPORATE ACCOUNTING
CALCULATED BY AUDITING DEPARTMENT - SEE DOCUMENTS ON FILE IN CORPORATE ACCOUNTING

NOTE: These ratios were used from May 2007 through April 2008.

BILLED TO KENTUCKY UTILITIES FROM LOUISVILLE GAS AND ELECTRIC COMPANY
May 1, 2007 to April 30, 2008

KU FERC Account Charged	FERC Account Description	Kentucky Jurisdictional Electric			Other Electric			Total Electric		
		Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
107	Construction work in progress	149,403,551.41	-	149,403,551.41	21,967,725.98	-	21,967,725.98	171,371,277.39	-	171,371,277.39
108	Accumulated provision for depreciation of utility plant	1,371,283.86	-	1,371,283.86	212,565.40	-	212,565.40	1,583,849.26	-	1,583,849.26
128	Other special funds	-	-	-	1,443,647.21	-	1,443,647.21	1,443,647.21	-	1,443,647.21
131	Cash	282,288,815.64	-	282,288,815.64	38,635,634.66	-	38,635,634.66	320,924,450.30	-	320,924,450.30
134	Other special deposits	(2,045,660.43)	-	(2,045,660.43)	(279,980.59)	-	(279,980.59)	(2,325,641.02)	-	(2,325,641.02)
142	Customer accounts receivable	(35,681,177.44)	-	(35,681,177.44)	(13,753,204.17)	-	(13,753,204.17)	(49,434,381.61)	-	(49,434,381.61)
143	Other accounts receivable	(249,609,688.31)	-	(249,609,688.31)	(32,682,025.11)	-	(32,682,025.11)	(282,291,713.42)	-	(282,291,713.42)
144	Accumulated provision for uncollectible accounts - Credit	1,514.52	-	1,514.52	198.30	-	198.30	1,712.82	-	1,712.82
151	Fuel stock	(1,934,010.11)	-	(1,934,010.11)	(293,051.62)	-	(293,051.62)	(2,227,061.73)	-	(2,227,061.73)
154	Plant materials and operating supplies	(34,516.46)	-	(34,516.46)	(7,486.91)	-	(7,486.91)	(42,003.37)	-	(42,003.37)
163	Stores expense undistributed	(65,653.80)	-	(65,653.80)	(12,265.43)	-	(12,265.43)	(77,919.23)	-	(77,919.23)
171	Interest and dividends receivable	(29,205.27)	-	(29,205.27)	(3,997.20)	-	(3,997.20)	(33,202.47)	-	(33,202.47)
182.3	Other regulatory assets	(928,281.92)	-	(928,281.92)	(127,566.39)	-	(127,566.39)	(1,055,848.31)	-	(1,055,848.31)
183	Preliminary survey and investigation charges	305.52	-	305.52	41.81	-	41.81	347.33	-	347.33
184	Cleaning accounts	(13,076,335.43)	-	(13,076,335.43)	(1,593,294.91)	-	(1,593,294.91)	(14,669,630.34)	-	(14,669,630.34)
186	Miscellaneous deferred debits	(470,422.87)	-	(470,422.87)	(66,424.33)	-	(66,424.33)	(536,847.20)	-	(536,847.20)
228.2	Accumulated provision for injuries and damages	(172,018.21)	-	(172,018.21)	(23,543.38)	-	(23,543.38)	(195,561.59)	-	(195,561.59)
228.3	Accumulated provision for pensions and benefits	(10,742.06)	-	(10,742.06)	(1,308.87)	-	(1,308.87)	(12,050.93)	-	(12,050.93)
232	Accounts payable	(205,500,348.25)	-	(205,500,348.25)	(25,039,328.59)	-	(25,039,328.59)	(230,539,676.84)	-	(230,539,676.84)
234	Accounts payable to associated companies	10,017,762.67	-	10,017,762.67	1,371,087.33	-	1,371,087.33	11,388,850.00	-	11,388,850.00
236	Taxes accrued	(2,924,258.62)	-	(2,924,258.62)	(400,230.48)	-	(400,230.48)	(3,324,489.10)	-	(3,324,489.10)
237	Interest accrued	2,406,925.95	-	2,406,925.95	329,425.42	-	329,425.42	2,736,351.37	-	2,736,351.37
241	Tax collections payable	15,294,674.39	-	15,294,674.39	1,863,453.42	-	1,863,453.42	17,158,127.81	-	17,158,127.81
242	Miscellaneous current and accrued liabilities	4,160,428.45	-	4,160,428.45	257,957.82	-	257,957.82	4,418,386.27	-	4,418,386.27
252	Customer advances for construction	13,441.66	-	13,441.66	79.28	-	79.28	13,520.94	-	13,520.94
253	Other deferred credits	35,339.11	-	35,339.11	4,141.53	-	4,141.53	39,480.64	-	39,480.64
408.1	Taxes other than income taxes, utility operating income	1,273,154.78	-	1,273,154.78	149,447.38	-	149,447.38	1,422,602.16	-	1,422,602.16
417	Revenues from nonutility operations	-	-	-	39,265.15	-	39,265.15	39,265.15	-	39,265.15
419	Interest and dividend income	-	-	-	(241,450.86)	-	(241,450.86)	(241,450.86)	-	(241,450.86)
421	Miscellaneous nonoperating income	-	-	-	(1,557.25)	-	(1,557.25)	(1,557.25)	-	(1,557.25)
426.1	Donations	-	-	-	53,751.22	-	53,751.22	53,751.22	-	53,751.22
426.4	Expenditures for certain civic, political and related activities	-	-	-	1,189.83	2,239.60	3,429.43	1,189.83	2,239.60	3,429.43
426.5	Other deductions	-	-	-	11,557.26	2,053.54	13,610.80	11,557.26	2,053.54	13,610.80
430	Interest on debt to associated companies	9,956.74	-	9,956.74	1,098.39	-	1,098.39	11,055.13	-	11,055.13
431	Other interest expense	7.35	-	7.35	0.81	-	0.81	8.16	-	8.16
447	Sales for resale	(15,875,774.51)	-	(15,875,774.51)	(2,405,582.82)	-	(2,405,582.82)	(18,281,357.33)	-	(18,281,357.33)
454	Rent from electric property	(1,098.19)	-	(1,098.19)	(91.56)	-	(91.56)	(1,189.75)	-	(1,189.75)
456	Other electric revenues	(1,206,440.21)	-	(1,206,440.21)	(162,829.89)	-	(162,829.89)	(1,369,270.10)	-	(1,369,270.10)
500	Operation supervision and engineering	489,817.34	2,654.99	492,472.33	83,737.29	453.89	84,191.18	573,554.63	3,108.88	576,663.51
501	Fuel	990,059.66	3,376.96	993,436.62	150,019.17	511.70	150,530.87	1,140,078.83	3,888.66	1,143,967.49
502	Steam expenses	2,480,519.71	252.36	2,480,772.07	424,060.13	43.14	424,103.27	2,904,579.84	295.50	2,904,875.34
505	Electric expenses	1,611,630.58	-	1,611,630.58	275,518.18	-	275,518.18	1,887,148.76	-	1,887,148.76
506	Miscellaneous steam power expenses	1,338,023.68	-	1,338,023.68	228,743.39	-	228,743.39	1,566,767.07	-	1,566,767.07
510	Maintenance supervision and engineering	1,310,419.94	-	1,310,419.94	224,024.36	-	224,024.36	1,534,444.30	-	1,534,444.30
511	Maintenance of structures	960,385.17	-	960,385.17	164,183.76	-	164,183.76	1,124,568.93	-	1,124,568.93
512	Maintenance of boiler plant	3,793,663.60	-	3,793,663.60	574,836.33	-	574,836.33	4,368,499.93	-	4,368,499.93
513	Maintenance of electric plant	1,293,314.06	252.44	1,293,566.50	195,969.91	38.25	196,008.16	1,489,574.66	290.69	1,489,865.35
514	Maintenance of miscellaneous steam plant	144,338.60	-	144,338.60	24,675.57	-	24,675.57	169,014.17	-	169,014.17
535	Operation supervision and engineering	2,469.54	-	2,469.54	384.54	-	384.54	2,854.08	-	2,854.08
539	Miscellaneous hydraulic power generation expenses	695.29	-	695.29	108.27	-	108.27	803.56	-	803.56
541	Maintenance supervision and engineering	31,563.53	-	31,563.53	4,914.82	-	4,914.82	36,478.35	-	36,478.35
542	Maintenance of structures	11,621.67	-	11,621.67	1,809.63	-	1,809.63	13,431.30	-	13,431.30
544	Maintenance of electric plant	20,445.83	-	20,445.83	3,098.06	-	3,098.06	23,543.89	-	23,543.89
545	Maintenance of miscellaneous hydraulic plant	214.44	-	214.44	33.39	-	33.39	247.83	-	247.83
546	Operation supervision and engineering	50,941.82	-	50,941.82	8,172.49	-	8,172.49	59,114.31	-	59,114.31
547	Fuel	22,328,676.04	-	22,328,676.04	3,383,361.21	-	3,383,361.21	25,712,037.25	-	25,712,037.25
548	Generation Expenses	1,245,335.86	-	1,245,335.86	199,786.52	-	199,786.52	1,445,122.38	-	1,445,122.38
549	Miscellaneous other power generation expenses	37,160.88	-	37,160.88	5,961.64	-	5,961.64	43,122.52	-	43,122.52
551	Maintenance supervision and engineering	12,417.36	-	12,417.36	1,992.09	-	1,992.09	14,409.45	-	14,409.45
552	Maintenance of structures	21,480.18	-	21,480.18	3,446.02	-	3,446.02	24,926.20	-	24,926.20

BILLED TO KENTUCKY UTILITIES FROM LOUISVILLE GAS AND ELECTRIC COMPANY
May 1, 2007 to April 30, 2008

KU FERC Account Charged	FERC Account Description	Kentucky Jurisdictional Electric			Other Electric			Total Electric		
		Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
553	Maintenance of generating and electric equipment	256,951.29	-	256,951.29	41,222.14	-	41,222.14	298,173.43	-	298,173.43
554	Maintenance of miscellaneous other power generation plant	43,724.67	-	43,724.67	7,014.65	-	7,014.65	50,739.32	-	50,739.32
555	Purchased power	74,911,105.76	-	74,911,105.76	11,379,851.11	-	11,379,851.11	86,290,956.87	-	86,290,956.87
556	System control and load dispatching	1,307.39	1,555.15	2,862.55	203.40	241.95	445.34	1,510.79	1,797.10	3,307.89
557	Other expenses	248,551.43	-	248,551.43	41,873.04	-	41,873.04	290,424.47	-	290,424.47
560	Operation supervision and engineering	454.02	4,215.83	4,669.85	112.88	1,048.12	1,161.00	566.90	5,263.95	5,830.85
561	Load dispatching	7,329.50	-	7,329.50	1,822.23	-	1,822.23	9,151.73	-	9,151.73
562	Station expenses	53,354.80	-	53,354.80	13,264.88	-	13,264.88	66,619.68	-	66,619.68
563	Overhead line expenses	36,565.09	-	36,565.09	9,090.68	-	9,090.68	45,655.77	-	45,655.77
565	Transmission of electricity by others	3,016,471.29	-	3,016,471.29	749,944.04	-	749,944.04	3,766,415.33	-	3,766,415.33
566	Miscellaneous transmission expenses	349,609.28	(16,576.12)	333,033.16	86,918.58	(4,121.09)	82,797.49	436,527.86	(20,697.21)	415,830.65
567	Rents	60,023.31	-	60,023.31	14,922.78	-	14,922.78	74,946.09	-	74,946.09
570	Maintenance of station equipment	87,983.39	-	87,983.39	21,874.11	-	21,874.11	109,857.50	-	109,857.50
571	Maintenance of overhead lines	894,377.11	-	894,377.11	222,356.76	-	222,356.76	1,116,733.87	-	1,116,733.87
573	Maintenance of miscellaneous transmission plant	38,824.35	-	38,824.35	9,652.37	-	9,652.37	48,476.72	-	48,476.72
575.7	Market administration, monitoring and compliance services	3,781.56	-	3,781.56	940.16	-	940.16	4,721.72	-	4,721.72
580	Operation supervision and engineering	110,375.69	2,135.93	112,511.61	6,923.71	133.98	7,057.70	117,299.40	2,269.91	119,569.31
582	Station expenses	170,984.77	-	170,984.77	15,527.79	-	15,527.79	186,512.56	-	186,512.56
583	Overhead line expenses	1,261,786.75	-	1,261,786.75	94,642.10	-	94,642.10	1,356,428.85	-	1,356,428.85
584	Underground line expenses	22,505.73	-	22,505.73	354.01	-	354.01	22,859.74	-	22,859.74
585	Street lighting and signal system expenses	2,088.58	-	2,088.58	52.46	-	52.46	2,141.04	-	2,141.04
586	Meter expenses	1,728,769.99	-	1,728,769.99	108,968.12	-	108,968.12	1,837,738.11	-	1,837,738.11
587	Customer installations expenses	1,070.68	-	1,070.68	53.40	-	53.40	1,124.08	-	1,124.08
588	Miscellaneous distribution expenses	1,364,332.73	2,184.71	1,366,517.44	85,582.70	137.04	85,719.74	1,449,915.43	2,321.75	1,452,237.18
589	Rents	2,436.06	-	2,436.06	152.81	-	152.81	2,588.87	-	2,588.87
592	Maintenance of station equipment	231,080.41	-	231,080.41	20,985.31	-	20,985.31	252,065.72	-	252,065.72
593	Maintenance of overhead lines	5,917,263.01	-	5,917,263.01	443,832.66	-	443,832.66	6,361,095.67	-	6,361,095.67
594	Maintenance of underground lines	167,422.66	-	167,422.66	2,633.52	-	2,633.52	170,056.18	-	170,056.18
595	Maintenance of line transformers	46,033.69	-	46,033.69	2,554.10	-	2,554.10	48,587.79	-	48,587.79
596	Maintenance of street lighting and signal systems	32,536.74	-	32,536.74	817.28	-	817.28	33,354.02	-	33,354.02
901	Supervision	140,119.44	632.06	140,751.50	8,834.01	39.85	8,873.86	148,953.45	671.91	149,625.36
902	Meter reading expenses	760,029.32	-	760,029.32	47,917.04	-	47,917.04	807,946.36	-	807,946.36
903	Customer records and collection expenses	1,712,623.08	5,279.59	1,717,902.67	107,974.55	332.86	108,307.41	1,820,597.63	5,612.45	1,826,210.08
905	Miscellaneous customer accounts expenses	4,579.81	-	4,579.81	288.74	-	288.74	4,868.55	-	4,868.55
908	Customer assistance expenses	-	202.98	202.98	-	12.02	12.02	-	215.00	215.00
910	Miscellaneous customer service and informational expenses	402.10	-	402.10	23.81	-	23.81	425.91	-	425.91
920	Administrative and general salaries	23,149.30	73,241.47	96,390.77	2,820.64	8,924.16	11,744.80	25,969.94	82,165.63	108,135.57
921	Office supplies and expenses	141,443.79	32,366.49	173,810.28	17,234.31	3,943.72	21,178.03	158,678.10	36,310.21	194,988.31
923	Outside services employed	3,296.45	(4,535.43)	(1,238.98)	401.66	(552.62)	(150.96)	3,698.11	(5,088.05)	(1,389.94)
925	Injures and damages	132,385.11	2,088.18	134,473.29	16,130.55	254.44	16,384.99	148,515.66	2,342.62	150,858.28
926	Employee pensions and benefits	4,976,084.90	1,503.28	4,977,588.18	606,314.42	183.17	606,497.59	5,582,399.32	1,686.45	5,584,085.77
928	Regulatory commission expenses	2,762.35	-	2,762.35	418.57	-	418.57	3,180.92	-	3,180.92
930.2	Miscellaneous general expenses	19,552.97	162,916.39	182,469.37	2,382.45	19,850.66	22,233.10	21,935.42	182,767.05	204,702.47
931	Rents	783,663.22	-	783,663.22	95,485.97	-	95,485.97	879,149.19	-	879,149.19
935	Maintenance of general plant	18,553.75	285,249.41	303,803.16	2,260.69	34,756.41	37,017.10	20,814.44	320,005.82	340,820.26
Totals		74,674,472.07	558,996.69	75,233,468.76	9,498,515.79	70,524.77	9,569,040.56	84,172,987.86	629,521.46	84,802,509.32

Miscellaneous 68,245.35
Total Intracompany Billings 84,870,754.67

BILLED TO LOUISVILLE GAS AND ELECTRIC FROM KENTUCKY UTILITIES
May 1, 2007 to April 30, 2008

KU FERC				
Account				
Charged	FERC Account Description	Direct	Indirect	
			Total	
107	Construction work in progress	465,531.877 07	-	465,531.877 07
108	Accumulated provision for depreciation of utility plant	3,919.138 70	-	3,919.138 70
128	Other special funds	(2,951.304 22)	-	(2,951.304 22)
131	Cash	234,302.482 34	-	234,302.482 34
134	Other special deposits	(8,805.312 82)	-	(8,805.312 82)
142	Customer accounts receivable	(37,155.927 24)	-	(37,155.927 24)
143	Other accounts receivable	(266,851.245 80)	-	(266,851.245 80)
144	Accumulated provision for uncollectible accounts - Credit	70 49	-	70 49
146	Accounts receivable from associated companies	7,639.751 23	-	7,639.751 23
151	Fuel stock	(11,361.926 74)	-	(11,361.926 74)
154	Plant materials and operating supplies	(4,871 72)	-	(4,871 72)
163	Stores expense undistributed	(585.263 78)	-	(585.263 78)
165	Prepayments	1,790.516 71	-	1,790.516 71
171	Interest and dividends receivable	(5,431.747 19)	-	(5,431.747 19)
181	Unamortized debt expense	19,630 81	-	19,630 81
183	Preliminary survey and investigation charges	8,291 36	-	8,291 36
184	Clearing accounts	(26,445.773 63)	-	(26,445.773 63)
186	Miscellaneous deferred debits	53,793 67	-	53,793 67
189	Unamortized loss on reacquired debt	(36,378 00)	-	(36,378 00)
230	Pollution Control Bonds series due within one year	27,510 00	-	27,510 00
232	Accounts payable	(694,257.414 50)	-	(694,257.414 50)
234	Accounts payable to associated companies	15,832.850 00	-	15,832.850 00
236	Taxes accrued	(8,983.949 98)	-	(8,983.949 98)
237	Interest accrued	4,316.714 62	-	4,316.714 62
241	Tax collections payable	30,598.846 32	-	30,598.846 32
242	Miscellaneous current and accrued liabilities	8,521.718 89	-	8,521.718 89
252	Customer advances for construction	22,215 30	-	22,215 30
253	Other deferred credits	(5,763.639 50)	-	(5,763.639 50)
408 1	Taxes other than income taxes, utility operating income	2,322.631 79	-	2,322.631 79
417	Revenues from nonutility operations	690 22	-	690 22
419	Interest and dividend income	(274,533 94)	-	(274,533 94)
421	Miscellaneous nonoperating income	(229,568 88)	-	(229,568 88)
426 1	Donations	57,804 56	-	57,804 56
426 3	Penalties	4,094 39	-	4,094 39
426 4	Expenditures for certain civic, political and related activities	683 33	4,342 70	5,026 03
426 5	Other deductions	27,307 60	1,832 91	29,140 51
428	Amortization of debt discount and expense	66,971 23	-	66,971 23
430	Interest on debt to associated companies	2,030 91	-	2,030 91
447	Sales for resale	(33,901.331 96)	-	(33,901.331 96)
454	Rent from electric property	(1,890 00)	-	(1,890 00)
456	Other electric revenues	(2,610.007 44)	-	(2,610.007 44)
500	Operation supervision and engineering	1,062.495 97	3,987 13	1,066.483 10
501	Fuel	37,728.234 42	2,232 76	37,730.467 18
502	Steam expenses	5,587.933 61	-	5,587,933 61
505	Electric expenses	3,588.473 17	-	3,588.473 17
506	Miscellaneous steam power expenses	2,803.366 36	-	2,803.366 36
510	Maintenance supervision and engineering	2,796.881 61	-	2,796.881 61
511	Maintenance of structures	1,877.977 55	-	1,877,977 55
512	Maintenance of boiler plant	11,428.190 34	-	11,428.190 34
513	Maintenance of electric plant	5,811.767 27	100 35	5,811.867 62
514	Maintenance of miscellaneous steam plant	359,013 36	-	359,013 36
535	Operation supervision and engineering	5,489 76	-	5,489 76
539	Miscellaneous hydraulic power generation expenses	37,503 67	-	37,503 67
541	Maintenance supervision and engineering	76,252 48	-	76,252 48
542	Maintenance of structures	92,597 03	-	92,597 03
544	Maintenance of electric plant	8,725 13	-	8,725 13
545	Maintenance of miscellaneous hydraulic plant	1,448 34	-	1,448 34
546	Operation supervision and engineering	48,885 67	-	48,885 67
547	Fuel	14,777.808 90	-	14,777,808 90
548	Generation Expenses	245,848 03	-	245,848 03
549	Miscellaneous other power generation expenses	47,526 41	-	47,526 41
551	Maintenance supervision and engineering	24,763 22	-	24,763 22

**BILLED TO LOUISVILLE GAS AND ELECTRIC FROM KENTUCKY UTILITIES
May 1, 2007 to April 30, 2008**

KU FERC

Account Charged	FERC Account Description	Direct	Indirect	Total
552	Maintenance of structures	7,968 59	-	7,968 59
553	Maintenance of generating and electric equipment	1,686,800 10	-	1,686,800 10
554	Maintenance of miscellaneous other power generation plant	56,380 54	-	56,380 54
555	Purchased power	88,640,973 23	-	88,640,973 23
556	System control and load dispatching	17,783 92	2,344 00	20,127 92
557	Other expenses	329,537 37	-	329,537 37
560	Operation supervision and engineering	-	2,636 41	2,636 41
561	Load dispatching	217 22	-	217 22
562	Station expenses	168,348 88	-	168,348 88
563	Overhead line expenses	186,330 73	-	186,330 73
565	Transmission of electricity by others	1,888,196 55	-	1,888,196 55
566	Miscellaneous transmission expenses	97,904 98	562 29	98,467 27
567	Rents	25,940 83	-	25,940 83
570	Maintenance of station equipment	375,484 81	-	375,484 81
571	Maintenance of overhead lines	1,760,548 51	-	1,760,548 51
573	Maintenance of miscellaneous transmission plant	70,802 60	-	70,802 60
575 7	Market administration, monitoring and compliance services	3,418 93	-	3,418 93
580	Operation supervision and engineering	174,510 56	839 71	175,350 27
582	Station expenses	484,174 22	-	484,174 22
583	Overhead line expenses	1,807,920 16	-	1,807,920 16
584	Underground line expenses	46,647 48	-	46,647 48
585	Street lighting and signal system expenses	8,286 66	-	8,286 66
586	Meter expenses	3,746,174 16	-	3,746,174 16
587	Customer installations expenses	2,890 97	-	2,890 97
588	Miscellaneous distribution expenses	2,112,141 84	1,630 12	2,113,771 96
589	Rents	2,741 97	-	2,741 97
591	Maintenance of structures	470 76	-	470 76
592	Maintenance of station equipment	301,396 49	-	301,396 49
593	Maintenance of overhead lines	10,320,940 96	-	10,320,940 96
594	Maintenance of underground lines	444,915 98	-	444,915 98
595	Maintenance of line transformers	29,127 22	-	29,127 22
596	Maintenance of street lighting and signal systems	21,992 63	-	21,992 63
598	Maintenance of miscellaneous distribution plant	12,581 38	-	12,581 38
901	Supervision	268,178 62	3,904 27	272,082 89
902	Meter reading expenses	1,854,915 99	-	1,854,915 99
903	Customer records and collection expenses	3,218,167 11	4,072 84	3,222,239 95
905	Miscellaneous customer accounts expenses	16,955 58	-	16,955 58
909	Informational and instructional advertising expenses	278 40	-	278 40
910	Miscellaneous customer service and informational expenses	9,620 62	-	9,620 62
920	Administrative and general salaries	50,110 95	62,389 01	112,499 96
921	Office supplies and expenses	199,164 65	19,753 30	218,917 95
923	Outside services employed	9,562 37	1,072 82	10,635 19
925	Injuries and damages	420,891 28	2,401 06	423,292 34
926	Employee pensions and benefits	8,204,361 31	(1,118 56)	8,203,242 75
928	Regulatory commission expenses	21 58	-	21 58
930 1	General advertising expenses	550 00	-	550 00
930 2	Miscellaneous general expenses	16,963 80	(2,092 16)	14,871 64
931	Rents	664,241 01	-	664,241 01
935	Maintenance of general plant	41,494 90	339,437 20	380,932 10
		<u>(112,364,254.10)</u>	<u>450,328.16</u>	<u>(111,913,925.94)</u>

Miscellaneous 7,300 09

Total Intercompany Billings: (111,906,625.85)

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 104

Responding Witness: Valerie L. Scott

- Q-104. a. State the total operating costs of SERVCO for the 12 months ended April 30, 2008.
- b. Provide a schedule detailing the full distribution of SERVCO's operating costs as reported in a. to KU and all KU affiliates and subsidiaries. Separate directly assigned costs from allocated costs on this schedule.
- c. Provide the allocation factor used for the allocated costs reported in b. and explain how each allocation factor is appropriate.
- d. Provide a schedule detailing all charges by KU to SERVCO.
- A-104. a. Total operating costs for the test year for Servco are \$326,974,847, all of which are allocated to other companies within the E.ON U.S. LLC group of companies.
- b. See attached.
- c. See attachment to response to PSC-2 Question No. 103(c) for the allocation factors used during the test year. See the Cost Allocation Manual filed with the Commission on July 29, 2008 in Tab 39, for the explanation of each factor. Some operating costs are direct charged, where appropriate, rather than allocated. As each charge is incurred it is analyzed to determine if it should be direct charged or to identify the appropriate allocation method.
- d. See attachment to response to PSC-1 Question No. 42(a).

DISTRIBUTION OF SERVCO OPERATING COSTS
 May 1, 2007 to April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FERC		BILLINGS TO KENTUCKY UTILITIES			BILLINGS FROM	BILLINGS TO LOUISVILLE GAS & ELECTRIC			BILLINGS FROM	BILLINGS TO	BILLINGS FROM	SERVCO
Account	FERC Account Description	Direct	Indirect	Total	KU TO SERVCO	Direct	Indirect	Total	LGE TO SERVCO	OTHER AFFILIATES	OTHER AFFILIATES	Total
107	Construction Work In Progress	227,769,564.76	-	227,769,564.76	89,230.42	65,594,913.98	-	65,594,913.98	(24,491.59)	-	-	-
108	Accumulated Provision For Depreciation Of Utility Plant	208,655.60	-	208,655.60	26.21	582,207.72	-	582,207.72	964.13	-	-	-
128	Other Special Funds	9,966.60	-	9,966.60	-	280,000.00	-	280,000.00	-	-	-	-
131	Cash	145,347,744.69	-	145,347,744.69	35,135.10	512,182.55	-	512,182.55	68,853.15	-	-	-
134	Other Special Deposits	-	-	-	-	1,509,063.00	-	1,509,063.00	-	-	-	-
142	Customer Accounts Receivable	(19,901,964.01)	-	(19,901,964.01)	-	(2,488,690.78)	-	(2,488,690.78)	-	-	-	-
143	Other Accounts Receivable	(111,594,738.68)	-	(111,594,738.68)	450.66	(16,312.91)	-	(16,312.91)	817.60	-	-	-
146	Accounts Receivable From Associated Companies	(12,442,421.56)	-	(12,442,421.56)	101,447,787.42	(899.25)	-	(899.25)	45,569,125.50	-	-	-
151	Fuel Stock	628.18	-	628.18	-	5,414.65	-	5,414.65	-	-	-	-
154	Plant Materials And Operating Supplies	2,451.20	-	2,451.20	1,090.45	-	-	-	(73,181.56)	-	-	-
163	Stores Expense Undistributed	317,857.89	-	317,857.89	(194.76)	606,557.70	-	606,557.70	100,910.18	-	-	-
165	Prepayments	6,856,220.05	-	6,856,220.05	381,239.29	6,829,529.35	-	6,829,529.35	360,148.38	-	-	-
171	Interest And Dividends Receivable	(234.02)	-	(234.02)	-	-	-	-	-	-	-	-
174	Miscellaneous Current And Accrued Assets	5,051.99	-	5,051.99	-	1,108.97	-	1,108.97	-	-	-	-
183	Preliminary Survey And Investigation Charges	1,785,795.21	-	1,785,795.21	-	475,797.37	-	475,797.37	72,334.19	-	-	-
184	Cleaning Accounts	18,777,064.43	-	18,777,064.43	(1,398,116.94)	21,076,082.79	-	21,076,082.79	(1,806.18)	-	-	-
186	Miscellaneous Deferred Debits	20,119,483.85	-	20,119,483.85	-	3,808,851.52	-	3,808,851.52	-	-	-	-
228.3	Accumulated Provision For Pensions And Benefits	5,669,811.25	-	5,669,811.25	-	8,668,127.84	-	8,668,127.84	-	-	-	-
230	Pollution Control Bonds Series Due Within One Year	-	-	-	-	32,086.34	-	32,086.34	-	-	-	-
232	Accounts Payable	(63,613,453.21)	-	(63,613,453.21)	(12,793.75)	44,338,425.96	-	44,338,425.96	125,380.28	-	-	-
234	Accounts Payable To Associated Companies	40,189,395.48	-	40,189,395.48	(2,051,186.43)	6,509,639.34	-	6,509,639.34	2,424,278.75	-	-	-
236	Taxes Accrued	55,535,529.77	-	55,535,529.77	26,837,537.62	58,307,652.36	-	58,307,652.36	11,446,341.87	-	-	-
237	Interest Accrued	749,418.35	-	749,418.35	-	1,272,109.18	-	1,272,109.18	-	-	-	-
241	Tax Collections Payable	2,327,913.16	-	2,327,913.16	-	6,918,105.54	-	6,918,105.54	38.77	-	-	-
242	Miscellaneous Current And Accrued Liabilities	4,591,086.65	-	4,591,086.65	-	330,320.95	-	330,320.95	-	-	-	-
243	Obligations Under Capital Leases - Current	-	-	-	-	72,426.17	-	72,426.17	-	-	-	-
252	Customer Advances For Construction	15,988.35	-	15,988.35	-	-	-	-	-	-	-	-
253	Other Deferred Credits	1,156,837.06	-	1,156,837.06	-	703,298.47	-	703,298.47	3,251.99	-	-	-
283	Accumulated Deferred Income Taxes - Other	113,551.05	-	113,551.05	-	127,633.23	-	127,633.23	-	-	-	-
401	Operating Expense	(716.40)	-	(716.40)	565,658.47	-	-	-	450.95	-	-	870,160.59
403	Depreciation expense	-	-	-	-	-	-	-	-	-	-	6,544,792.58
408.1	Taxes Other Than Income Taxes, Utility Operating Income	2,120,660.57	-	2,120,660.57	264,500.57	2,109,923.86	-	2,109,923.86	4,946.84	-	-	-
410.1	Provision For Deferred Income Taxes, Utility Operating Income	(113,551.05)	-	(113,551.05)	-	(127,633.23)	-	(127,633.23)	-	-	-	33,510,076.70
412	Cost and Expense of Construction or Other Services	-	-	-	-	-	-	-	-	-	-	-
416	Cost And Expenses Of Merchandising, Jobbing And Contract Work	-	-	-	-	1,696.59	-	1,696.59	-	-	-	-
421	Miscellaneous Nonoperating Income	(264,480.09)	-	(264,480.09)	-	(295,573.88)	-	(295,573.88)	-	-	-	-
426.1	Donations	247,976.13	6,883.00	254,859.13	87,000.00	887,750.22	15,777.00	903,527.22	97,982.00	-	-	-
426.4	Expenditures For Certain Civic, Political And Related Activities	145,891.36	725,179.85	871,071.21	(1,393.66)	222,718.27	599,422.47	822,140.74	118,305.72	-	-	-
426.5	Other Deductions	286,062.06	299,282.81	585,344.87	7,042.07	966,700.76	284,805.06	1,271,505.82	70,432.05	-	-	11,751,617.31
430	Interest On Debt To Associated Companies	3,999,261.72	-	3,999,261.72	(1,771,173.95)	3,459,900.92	-	3,459,900.92	(482,761.32)	-	-	-
431	Other Interest Expense	-	-	-	-	-	-	-	(38.59)	-	-	-
456	Other Electric Revenues	(3,023.07)	-	(3,023.07)	-	(1,065.00)	-	(1,065.00)	-	-	-	-
495	Other Gas Revenues	-	-	-	-	(435.00)	-	(435.00)	-	-	-	-
500	Operation Supervision And Engineering	187,974.80	1,550,475.46	1,738,450.26	79,980.28	264,982.28	1,355,842.50	1,620,824.78	319.95	-	-	988,788.69
501	Fuel	973,905.04	424,643.69	1,398,548.73	39,634.56	994,556.99	401,815.25	1,396,372.24	5,785.62	-	-	-
502	Steam Expenses	415,513.82	52,477.42	467,991.24	80,524.04	1,847,277.92	51,984.54	1,899,262.46	(1.02)	-	-	-
505	Electric Expenses	51,340.31	-	51,340.31	41,857.73	8,699.35	-	8,699.35	-	-	-	260,990.66
506	Miscellaneous Steam Power Expenses	757,518.22	-	757,518.22	14,312.80	1,333,089.13	2,321.36	1,335,410.49	832.50	-	-	-
510	Maintenance Supervision And Engineering	1,041,629.34	-	1,041,629.34	64,916.40	806,832.85	-	806,832.85	(125.40)	-	-	1,010,733.45
511	Maintenance Of Structures	440,400.56	-	440,400.56	7,516.67	166,528.21	-	166,528.21	477.44	-	-	3,998.37
512	Maintenance Of Boiler Plant	1,521,088.85	-	1,521,088.85	155,232.80	2,230,888.97	-	2,230,888.97	11,117.71	-	-	136,225.65
513	Maintenance Of Electric Plant	595,420.17	40,071.33	635,491.50	40,195.86	367,844.66	67,381.57	435,226.17	1,879.23	-	-	180,632.13
514	Maintenance Of Miscellaneous Steam Plant	98,414.62	-	98,414.62	3,884.88	45,871.29	-	45,871.29	338.65	-	-	3,729.98
535	Operation Supervision And Engineering	-	-	-	-	17.07	-	17.07	-	-	-	-
538	Electric Expenses	-	-	-	-	83.02	-	83.02	-	-	-	-
539	Miscellaneous Hydraulic Power Generation Expenses	36,345.29	-	36,345.29	-	14,205.05	-	14,205.05	-	-	-	597.15
541	Maintenance Supervision And Engineering	3,503.19	-	3,503.19	-	33.00	-	33.00	-	-	-	-

DISTRIBUTION OF SERVO OPERATING COSTS
 May 1, 2007 to April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FERC Account	FERC Account Description	BILLINGS TO KENTUCKY UTILITIES			BILLINGS FROM KU TO SERVO	BILLINGS TO LOUISVILLE GAS & ELECTRIC			BILLINGS FROM LGE TO SERVO	BILLINGS TO OTHER AFFILIATES	BILLINGS FROM OTHER AFFILIATES	SERVO Total
		Direct	Indirect	Total		Direct	Indirect	Total				
		4,733.13		4,733.13		58.59		58.59				
542	Maintenance Of Structures					2,165.54		2,165.54				
543	Maintenance Of Reservoirs, Dams And Waterways					397.84		397.84				
544	Maintenance Of Electric Plant	3,104.73		3,104.73								
545	Maintenance Of Miscellaneous Hydraulic Plant	277.54		277.54								
546	Operation Supervision And Engineering	78.29		78.29								
548	Generation Expenses	535.81		535.81		32,848.22		32,848.22				
549	Miscellaneous Other Power Generation Expenses	11,278.88		11,278.88								
551	Maintenance Supervision And Engineering	20.22		20.22		2.21		2.21				
552	Maintenance Of Structures	10,431.70		10,431.70		3.32		3.32				320.00
553	Maintenance Of Generating And Electric Equipment	362,211.68		362,211.68	61.65	142,630.96		142,630.96				
554	Maintenance Of Miscellaneous Other Power Generation Plant	15,801.66		15,801.66			1,012,771.66	1,012,771.66				898,151.27
556	System Control And Load Dispatching	94,815.50	1,432,515.67	1,527,331.17								
557	Other Expenses	417.18		417.18		182.89		182.89	529.50			778,626.89
560	Operation Supervision And Engineering	23,172.23	1,037,209.85	1,060,382.08		28,047.57	670,277.52	698,325.09				600,684.53
561	Load Dispatching	377,998.89	640,214.72	1,018,213.61		252,279.82	438,866.40	691,146.22				
561.6	Transmission Service Studies	25,117.03		25,117.03		14,421.16		14,421.16				10,096.15
562	Station Expenses	38,397.90		38,397.90		69,902.78		69,902.78				32,044.25
563	Overhead Line Expenses	69,010.54	27,271.43	96,281.97		19,419.41		19,419.41				475,078.35
566	Miscellaneous Transmission Expenses	404,922.12	686,990.02	1,091,912.14		262,486.65	367,420.55	649,907.20				
567	Rents					650.00		650.00				
570	Maintenance Of Station Equipment	307,263.10		307,263.10		304,315.49		304,315.49	180.54			162,571.10
571	Maintenance Of Overhead Lines	697,680.89		697,680.89		72,281.10		72,281.10				30,657.60
573	Maintenance Of Miscellaneous Transmission Plant	89,895.76		89,895.76		44.66		44.66				25,642.41
575.7	Market Administration, Monitoring And Compliance Services	30.64		30.64		13.43		13.43				
580	Operation Supervision And Engineering	762,723.89	305,784.93	1,068,508.82		858,367.58	299,467.75	1,157,835.33	352.98			749,210.79
581	Load Dispatching		565,268.33	665,268.33	(301.60)		333,426.89	333,426.89				314,239.87
582	Station Expenses	45,083.85		45,083.85		36,515.15		36,515.15				924.16
583	Overhead Line Expenses	192,978.57		192,978.57		346,686.57		346,686.57				183,106.08
584	Underground Line Expenses	2,483.22		2,483.22		10,511.70		10,511.70				
585	Street Lighting And Signal System Expenses	676.84		676.84		5,343.26		5,343.26				75,949.50
586	Meter Expenses	417,182.50	3,686.44	420,868.94		84,877.10	2,745.64	87,622.74	200.00			
587	Customer Installations Expenses	366.57		366.57								715,474.81
588	Miscellaneous Distribution Expenses	974,987.88	201,440.87	1,176,428.75	29,790.42	1,012,094.69	283,022.89	1,295,117.58	25,381.67			
589	Rents					150.00		150.00				1,406.82
590	Maintenance Supervision And Engineering	5,787.84		5,787.84			303.21	303.21				
591	Maintenance Of Structures	214.15		214.15		47.89		47.89				426.23
592	Maintenance Of Station Equipment	115,057.00		115,057.00		30,197.49		30,197.49				95,564.74
593	Maintenance Of Overhead Lines	2,161,313.40		2,161,313.40		979,501.25		979,501.25				714.18
594	Maintenance Of Underground Lines	31,299.99		31,299.99		57,095.10		57,095.10				
595	Maintenance Of Line Transformers	610.96		610.96		20,137.35		20,137.35				
596	Maintenance Of Street Lighting And Signal Systems	50.89		50.89		41,360.81		41,360.81				
807	Purchased Gas Expenses					5,526.12		5,526.12				
813	Other Gas Supply Expenses					350.82		350.82				
814	Operation Supervision And Engineering					3,996.24		3,996.24				
816	Wells Expenses					21,929.35		21,929.35				
817	Lines Expenses					19,649.33		19,649.33				2,140.70
818	Compressor Station Expenses					59,407.87		59,407.87				
821	Purification Expenses					6,013.03		6,013.03				
824	Other Expenses					277.76		277.76				
825	Storage Well Royalties											
826	Rents					(41.33)		(41.33)				
830	Maintenance Supervision And Engineering					2,518.16		2,518.16				
832	Maintenance Of Reservoirs And Wells					28,607.53		28,607.53				160.50
833	Maintenance Of Lines					3,151.98		3,151.98				
834	Maintenance Of Compressor Station Equipment					7,181.86		7,181.86				
835	Maintenance Of Measuring And Regulating Station Equipment					421.57		421.57				
836	Maintenance Of Purification Equipment					6,125.35		6,125.35				

DISTRIBUTION OF SERVCO OPERATING COSTS
 May 1, 2007 to April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
FERC Account	FERC Account Description	BILLINGS TO KENTUCKY UTILITIES			BILLINGS FROM KU TO SERVCO	BILLINGS TO LOUISVILLE GAS & ELECTRIC			BILLINGS FROM LGE TO SERVCO	BILLINGS TO OTHER AFFILIATES	BILLINGS FROM OTHER AFFILIATES	SERVCO Total
		Direct	Indirect	Total		Direct	Indirect	Total				
837	Maintenance Of Other Equipment	-	-	-	-	1,325.06	-	1,325.06	-	-	-	-
850	Operation Supervision And Engineering	-	-	-	-	31.33	-	31.33	-	-	-	-
851	System Control And Load Dispatching	-	-	-	-	450.00	-	450.00	-	-	-	-
856	Mains Expenses	-	-	-	-	12,813.01	-	12,813.01	-	-	-	234.74
863	Maintenance Of Mains	-	-	-	-	46,012.94	-	46,012.94	-	-	-	-
874	Mains And Services Expenses	-	-	-	-	179,265.08	-	179,265.08	-	-	-	167.61
875	Measuring And Regulating Station Expenses-General	-	-	-	-	7,441.70	-	7,441.70	-	-	-	1,005.18
876	Measuring And Regulating Station Expenses-Industrial	-	-	-	-	4,421.60	-	4,421.60	-	-	-	-
877	Measuring And Regulating Station Expenses-City Gate Check Stations	-	-	-	-	1,359.32	-	1,359.32	-	-	-	-
878	Meter And House Regulator Expenses	-	-	-	-	639.58	-	639.58	-	-	-	-
879	Customer Installations Expenses	-	-	-	-	3,971.86	-	3,971.86	-	-	-	-
880	Other Expenses	-	-	-	-	1,032,736.52	109,448.89	1,142,185.41	122.08	-	-	440,282.65
881	Rents	-	-	-	-	15.00	-	15.00	-	-	-	-
886	Maintenance Of Structures And Improvements	-	-	-	-	31.56	-	31.56	-	-	-	-
887	Maintenance Of Mains	-	-	-	-	502,009.96	-	502,009.96	-	-	-	717.53
889	Maintenance Of Measuring And Regulating Station Equipment-General	-	-	-	-	2,904.14	-	2,904.14	-	-	-	-
890	Maintenance Of Measuring And Regulating Station Equipment-Industrial	-	-	-	-	2,063.43	-	2,063.43	-	-	-	-
891	Maintenance Of Measuring And Regulating Station Equipment-City Gate	-	-	-	-	2,151.83	-	2,151.83	-	-	-	-
892	Maintenance Of Services	-	-	-	-	156,578.72	-	156,578.72	-	-	-	-
894	Maintenance Of Other Equipment	-	-	-	-	5,701.72	-	5,701.72	-	-	-	-
901	Supervision	1,268,995.71	261,626.57	1,530,622.28	(740.25)	890,215.90	314,127.15	1,204,343.05	11,882.42	-	-	956,864.38
902	Meter Reading Expenses	310,039.88	110.00	310,149.88	-	74,640.16	46.35	74,686.51	-	-	-	51,493.44
903	Customer Records And Collection Expenses	4,598,472.37	2,095,483.68	6,693,956.05	(1,055.65)	4,268,269.84	2,397,628.89	6,665,898.73	2,034.75	-	-	4,498,414.80
904	Uncollectible Accounts	-	-	-	-	2,000.00	-	2,000.00	-	-	-	-
905	Miscellaneous Customer Accounts Expenses	219,115.28	-	219,115.28	28.80	112,251.56	37.50	112,289.06	-	-	-	171,129.95
907	Supervision	111,273.43	126,033.22	237,306.65	-	91,873.98	125,916.74	217,790.72	4,174.88	-	-	145,867.87
908	Customer Assistance Expenses	2,312.00	579,879.82	582,191.82	-	5,266.19	508,448.03	513,714.22	718.15	-	-	415,554.23
909	Informational And Instructional Advertising Expenses	478,879.32	-	478,879.32	-	548,448.83	-	548,448.83	-	-	-	30,930.12
910	Miscellaneous Customer Service And Informational Expenses	537,304.59	285,128.60	822,433.19	-	749,836.45	228,223.54	978,059.99	-	-	-	310,244.16
913	Advertising Expenses	29,500.01	-	29,500.01	160.00	32,409.13	-	32,409.13	160.00	-	-	43,208.98
920	Administrative And General Salaries	2,949,048.18	12,857,152.18	15,806,200.36	215,944.21	2,822,051.10	13,597,489.45	16,419,540.55	133,022.85	-	-	74,218,666.16
921	Office Supplies And Expenses	2,833,162.10	4,279,423.29	7,112,585.39	185,102.55	3,522,634.69	4,765,320.45	8,287,955.14	196,323.19	-	-	65,147,081.69
923	Outside Services Employed	7,826,775.68	3,049,455.90	10,876,231.58	177,613.16	3,448,556.31	2,949,084.37	6,397,640.68	8,241.38	-	-	73,532,723.11
924	Property Insurance	26,775.00	-	26,775.00	-	27,731.24	-	27,731.24	-	-	-	429,561.03
925	Injuries And Damages	113,602.08	39,662.93	153,265.01	12,473.25	84,164.26	53,364.87	137,529.13	590.60	-	-	1,205,862.73
926	Employee Pensions And Benefits	9,091,354.63	117,876.22	9,209,230.85	887,517.84	9,062,884.28	139,163.99	9,202,048.27	18,258.35	-	-	29,825,995.17
928	Regulatory commission expenses	-	-	-	-	-	-	-	-	-	-	969,038.09
930.1	General Advertising Expenses	769,900.47	11,912.67	781,813.14	350,031.20	566,053.35	12,075.11	578,128.46	278,816.91	-	-	1,099,215.75
930.2	Miscellaneous General Expenses	122,324.57	1,540,150.30	1,662,474.87	1,749.96	135,987.77	1,245,450.05	1,381,437.82	19,551.42	-	-	3,018,349.59
931	Rents	70.38	-	70.38	-	73.53	-	73.53	633,920.50	-	-	(6,446.22)
935	Maintenance Of General Plant	1,331,491.91	4,668,565.93	6,000,057.84	63,175.23	1,057,338.20	4,935,061.75	5,992,399.95	59,725.22	-	-	8,828,297.53
		<u>376,207,730.09</u>	<u>38,011,857.13</u>	<u>414,219,587.22</u>	<u>126,932,445.58</u>	<u>275,695,269.63</u>	<u>37,588,539.39</u>	<u>313,283,809.02</u>	<u>61,297,094.18</u>	<u>598,106,119.17</u>	<u>168,737,176.14</u>	<u>326,974,847.42</u>

Total intercompany billings (Total of Column (5) - (6) + (9) - (10) + (11) - (12)) 966,642,819.51

Reconciling Items Included in Intercompany Billings, but not included in Servco Operating Expenses:		
Servco convenience payments other than fuel		(140,077,846.87)
Fuel convenience payments		(108,023,721.61)
ZBA transfers/sweeps from E.ON Capital Corp.		(309,423,490.61)
Tax Settlements		8,949,927.90
Cash receipts transferred by receiving company to applicable company through Servco		(99,933,281.73)
Other miscellaneous (i.e., reclassification of charges within Servco)		6,840,440.83
		<u>326,974,847.42</u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 105

Responding Witness: Valerie L. Scott

- Q-105. For the pro forma, test year, and calendar years ended 2007, 2006, 2005, 2004, and 2003:
- a. Provide the total annual costs of pensions, post retirement benefits, and post employment benefits for KU separating the total costs for each into the following components: Service Costs, Interest Costs, Return on Assets, Amortization of Transition Obligation, Amortization of Prior Service Costs and Gains and Losses.
 - b. Provide the actuarial studies relied upon to respond to Item (a) for the year 2007, the test year and pro forma. Demonstrate how the test year and pro forma amounts were derived from these studies.
 - c. On the schedule provided in (a) apply the capitalization rate used to determine KU's annual expense for each year in the analysis and state how the capitalization rate was determined.
 - d. On the schedule provided in (c) apply the allocation factors used to determine the portion of the expense that is Kentucky jurisdictional and explain the appropriateness of these factors.
 - e. If the amounts provided in response to Item (d) for the test year and pro forma do not match the amounts shown in Exhibit 1, Reference Schedules 1.16 and 1.17, of the Rives Testimony, provide a reconciliation of the amounts shown in Schedules 1.16 and 1.17 to the amounts provided in response to Item (d).
- A-105. a. See attached for the annual costs of pensions, post retirement benefits, and post employment benefits for calendar years 2003-2007 and the test year (a-1). The Company does not break out pensions, post retirement benefits, or post employment benefits costs by the components requested in the general ledger. The pro forma annual cost broken down as requested is attached for pension and post retirement costs (a-2 and a-3). However, post employment benefits are not reported in this manner due to the nature of the cost and it is included with the calendar year and test year attachment (a-4). In addition, an error in the calculation of the O&M

percentage ratio was identified and corrected so the corrected pro forma calculations are included also for each category requested (a-5, a-5, a-7 and a-8).

- b. See attached for the Mercer pension study used for the pro forma. See the response to PSC-1 Question No. 54 for the Mercer post retirement study used for the pro forma. See the response to PSC-1 Question No. 55 for the Mercer post employment study used for the pro forma. Mercer studies are only provided on a calendar year basis; therefore, there are no studies available for the test year. See attached for the Mercer pension, post retirement, and post employment studies used for the 2007 calendar year end. See attached for Mercer to pro forma derivations for pension, post retirement and post employment expenses as originally stated and as corrected due to the capitalized percentage ratio issue discussed in (a). Information related to non-regulated affiliates is not responsive and has been redacted.
- c. See the attachment in (a) for the applied O&M rates. See response for PSC-1 Question No. 22 for the determination of the capitalization rate.
- d. See the schedule in (a) for the applied Kentucky jurisdictional expense (a-7 and a-8, 2 of 2). The Kentucky jurisdictional rate for pension, post retirement and post employment expenses are labor related and are allocated based on direct labor costs.
- e. The jurisdictional allocations used in Exhibit 1, Reference Schedules 1.16 and 1.17 are correct. However, an error occurred during the calculation of the capital vs. expense ratios. We have provided the schedules that originally reconciled to Exhibit 1, Reference Schedules 1.16 and 1.17, of the Rives Testimony. We have also provided an attachment with schedules 1.16 and 1.17 amended (a-7 and a-8, 2 of 2) for the corrected capitalization ratios as well as all schedules required to reconcile to the corrected figures. The corrected schedule 1.16 (a-7) reflects an additional decrease in expense for the pro forma adjustment of \$301,053. The corrected schedule 1.17 (a-8, 2 of 2) reflects a decrease in expense for the pro forma adjustment of \$624.

KENTUCKY UTILITIES
Annual costs of pensions, post retirement benefits and post employment benefits for the test year and 2003-2007

	2003		2004		2005		2006		2007		Test Yr.		Test Yr. Pro forma (Original)		Test Yr. Pro forma (Corrected)	
	KU	Charge from	KU	Charge from	KU	Charge from	KU	Charge from	KU	Charge from	KU	Charge from	KU	Charge from	KU	Charge from
		Other Cos. to		Other Cos. to		Other Cos. to		Other Cos. to		Other Cos. to		Other Cos. to		Other Cos. to		Other Cos. to
(1) Pensions	6,020,849	2,049,609	1,779,563	2,545,021	4,649,278	4,813,454	8,359,027	6,653,226	4,860,120	6,533,014	4,297,600	6,426,138		See additional attachment a-2		See additional attachment a-5
(2) % allocated to Balance Sheet	30.54%	18.86%	29.10%	18.65%	40.32%	17.74%	38.44%	20.43%	40.94%	24.40%	41.38%	26.10%				
(3) % allocated to Income Statement	69.46%	81.14%	70.90%	81.35%	59.68%	82.26%	61.56%	79.57%	59.06%	75.60%	58.62%	73.90%				
Sub total (line 1 x line 3)	4,182,082	1,663,053	1,261,710	2,070,375	2,774,689	3,959,547	5,145,817	5,293,972	2,670,387	4,938,958	2,519,253	4,748,916				
(4) Total pension expense	5,845,135		3,332,084		6,734,237		10,439,789		7,809,345		7,268,169					
(5) KY Jurisdictional percentage	87.934%		88.874%		88.929%		89.035%		88.952%		89.141%					
KY Juris. pension expense (line 4 x line 5)	5,139,861		2,961,357		5,988,689		9,295,066		6,946,569		6,478,919					
(1) Post-retirement Benefits	9,636,167	714,478	9,431,045	939,372	7,933,535	1,145,322	7,956,654	1,393,611	6,228,942	1,048,791	5,934,310	991,930		See additional attachment a-3		See additional attachment a-6
(2) % allocated to Balance Sheet	30.13%	20.90%	31.66%	21.95%	32.64%	19.15%	31.87%	22.38%	32.76%	26.24%	32.59%	28.70%				
(3) % allocated to Income Statement	69.87%	79.10%	68.34%	78.05%	67.36%	80.85%	68.13%	77.62%	67.24%	73.76%	67.41%	71.30%				
Sub total (line 1 x line 3)	6,732,790	565,152	6,445,176	733,180	5,344,029	925,993	5,420,868	1,081,721	4,188,341	773,588	4,000,318	707,246				
(4) Total post retirement expense	7,297,942		7,178,356		6,270,022		6,502,589		4,961,929		4,707,564					
(5) KY Jurisdictional percentage	87.934%		88.874%		88.929%		89.035%		88.952%		89.141%					
KY Juris. pension expense (line 4 x line 5)	6,417,372		6,379,692		5,575,868		5,789,580		4,413,735		4,196,370					
(1) Post-employment Benefits	467,215	96,997	924,520	(13,419)	85,597	88,710	(211,299)	256,415	(1,183,765)	(318,032)	(1,194,385)	(299,482)	59,587	221,713	59,587	221,713
(2) % allocated to Balance Sheet	30.16%	18.56%	30.02%	-55.20%	29.71%	16.60%	30.40%	20.40%	31.22%	27.55%	31.37%	27.73%	30.26%	27.78%	31.45%	27.78%
(3) % allocated to Income Statement	69.84%	81.44%	69.98%	155.20%	70.29%	83.40%	69.60%	79.60%	68.78%	72.45%	68.63%	72.27%	69.72%	72.22%	68.55%	72.22%
Sub total (line 1 x line 3)	326,303.08	78,994.00	646,979.24	(20,826.51)	60,166.17	73,984.21	(147,064.18)	204,105.18	(814,193.73)	(230,414.08)	(619,706.22)	(216,435.48)	41,544.06	160,121.13	40,846.89	160,121.13
(4) Total post employment expense	405,297.08		626,152.74		134,150.37		57,042.00		(1,044,607.81)		(1,036,141.70)		201,665.19		200,968.02	
(5) KY Jurisdictional percentage	87.934%		88.874%		88.929%		89.035%		88.952%		89.139%		89.139%		89.139%	
KY Juris. pension expense (line 4 x line 5)	356,393.93		556,466.95		119,298.59		50,787.34		(928,199.54)		(923,604.28)		179,761.93		179,140.48	

KENTUCKY UTILITIES

Total annual costs of Pensions for the Test Year Pro Forma - Original

	45.4 % Servco Charged to Kentucky			Total Kentucky Utilities	Kentucky Jurisdiction 89.1388%
	Servco	Utilities	Kentucky Utilities		
Service Costs	\$ 8,911,696	\$ 4,045,909	\$ 5,465,928	\$ 9,511,837	\$ 8,478,737
Interest Costs	12,473,629	5,663,028	18,275,304	23,938,332	21,338,342
Return on Assets	(11,657,064)	(5,292,307)	(20,890,311)	(26,182,618)	(23,338,871)
Amortization of Transition Obligations	-	-	-	-	-
Amortization of Prior Service Cost	2,530,129	1,148,679	861,310	2,009,989	1,791,680
Gains and (Losses)	116,225	52,766	316,518	369,284	329,175
Totals	\$ 12,374,615	\$ 5,618,075	\$ 4,028,749	\$ 9,646,824	\$ 8,599,063

Percent Capitalized	27.04%	34.66%		
Amount Capitalized	\$ 1,519,388	\$ 1,396,200	\$ 2,915,587	\$ 2,598,919

Percent Expensed	72.96%	65.34%		
Amount Expensed	\$ 4,098,687	\$ 2,632,549	\$ 6,731,237	\$ 6,000,144

Kentucky Utilities Company
Case No. 2007-00565
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Pension Expense Annualization - Original

	KU	Servco
1. Company O&M Pension expense (excluding Servco)	\$ 2,519,308	
2. Total Company Pension costs (excluding Servco)	3,855,449	
3. % O&M to total (Line 1/Line 2)	65.34409%	
4. Servco O&M Pension expense charged to KU		\$ 4,648,092
5. Total Servco Pension costs charged to KU		6,371,144
6. % O&M to total (Line 4/Line 5)		72.95538%
7. Projected 2008 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)	\$ 4,028,749	\$ 12,374,615
8. Servco % allocated to KU based on labor split(1)		45.4%
9. Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 2,632,549	\$ 9,027,948
10. Servco O&M charged to KU (Line 8 x Line 9 Servco)	4,098,688	
11. Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	\$ 6,731,237	

⁽¹⁾ See Exhibit 1 of Rives Testimony, Reference Schedule 1.15, page 2 of 4

KENTUCKY UTILITIES

Total annual costs of Post-retirement for the Test Year Pro Forma - Original

	45.4 % Servco Charged to Kentucky			Total Kentucky	Kentucky Jurisdiction 89.1388%
	Servco	Utilities	Kentucky Utilities	Utilities	
Service Costs	\$ 1,269,419	\$ 576,317	\$ 1,343,150	\$ 1,919,467	\$ 1,710,990
Interest Costs	1,146,761	520,630	4,521,764	5,042,394	4,494,730
Return on Assets	(654,550)	(297,166)	(1,119,075)	(1,416,241)	(1,262,420)
Amortization of Transition Obligations	109,514	49,719	1,120,930	1,170,649	1,043,502
Amortization of Prior Service Cost	148,961	67,628	301,013	368,641	328,602
Gains and (Losses)	-	-	-	-	-
Totals	\$ 2,020,105	\$ 917,128	\$ 6,167,782	\$ 7,084,910	\$ 6,315,404
Percent Capitalized		27.14%	31.51%		
Amount Capitalized		\$ 248,947	\$ 1,943,592	\$ 2,192,539	\$ 1,954,403
Percent Expensed		72.86%	68.49%		
Amount Expensed		\$ 668,181	\$ 4,224,190	\$ 4,892,371	\$ 4,361,001

Kentucky Utilities Company
Case No. 2007-00565
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Post Retirement (SFAS 106) Expense Annualization - Original

	KU	Servco
1. Company O&M SFAS 106 expense (excluding Servco)	\$ 3,999,932	
2. Total Company SFAS 106 costs (excluding Servco)	5,840,341	
3. % O&M to total (Line 1/Line 2)	68.48799%	
4. Servco O&M SFAS 106 expense charged to KU		\$ 627,549
5. Total Servco SFAS 106 costs charged to KU		861,357
6. % O&M to total (Line 4/Line 5)		72.85583%
7. Projected 2008 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)	\$ 6,167,782	\$ 2,020,105
8. Servco % allocated to KU based on labor split(1)		45.4%
9. Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 4,224,190	\$ 1,471,764
10. Servco O&M charged to KU (Line 8 x Line 9 Servco)	668,181	
11. Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	\$ 4,892,371	

⁽¹⁾ See Exhibit 1 of Rives Testimony, Reference Schedule 1.15, page 2 of 4

Kentucky Utilities Company
Case No. 2007-00565
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Post-Employment Expense Annualization

	KU	Servco
1. Company O&M SFAS 112 (excluding Servco)	\$ (831,786)	
2. Total Company SFAS 112(excluding Servco)	<u>(1,193,027)</u>	
3. % O&M to total (Line 1/Line 2)	69.72060%	
4. Servco O&M SFAS 112 charged to KU		\$ (216,725)
5. Total Servco SFAS 112 charged to KU		<u>(300,070)</u>
6. % O&M to total (Line 4/Line 5)		72.22492%
7. Projected 2008 Cost per Mercer Study	\$ 59,587	\$ 488,355
8. Servco % allocated to KU based on labor split(1)		45.4%
9. Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 41,544	\$ 352,714
10. Servco O&M charged to KU (Line 8 x Line 9 Servco)	<u>160,132</u>	
11. Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	<u><u>\$ 201,677</u></u>	

⁽¹⁾ See Exhibit 1 of Rives Testimony, Reference Schedule 1.15, page 2 of 4

KENTUCKY UTILITIES

Total annual costs of Pensions for the Test Year Pro Forma - Corrected for Capitalization Rate Change

		45.4 % Servco Charged to Kentucky		Total Kentucky Utilities	Kentucky Jurisdiction 89.1388%
	Servco	Utilities	Kentucky Utilities		
Service Costs	\$ 8,911,696	\$ 4,045,909	\$ 5,465,928	\$ 9,511,837	\$ 8,478,737
Interest Costs	12,473,629	5,663,028	18,275,304	23,938,332	21,338,342
Return on Assets	(11,657,064)	(5,292,307)	(20,890,311)	(26,182,618)	(23,338,871)
Amortization of Transition Obligations	-	-	-	-	-
Amortization of Prior Service Cost	2,530,129	1,148,679	861,310	2,009,989	1,791,680
Gains and (Losses)	116,225	52,766	316,518	369,284	329,175
Totals	\$ 12,374,615	\$ 5,618,075	\$ 4,028,749	\$ 9,646,824	\$ 8,599,063
Percent Capitalized		27.04462%	41.37872%		
Amount Capitalized		\$ 1,519,387	\$ 1,667,045	\$ 3,186,432	\$ 2,840,347
Percent Expensed		72.95538%	58.62128%		
Amount Expensed		\$ 4,098,688	\$ 2,361,704	\$ 6,460,392	\$ 5,758,716

Kentucky Utilities Company
Case No. 2007-00565
Case No. 2008-00251

Pension Expense Annualization - Corrected for Capitalization Rate Change

	KU	Servco
1. Company O&M Pension expense (excluding Servco)	\$ 2,519,308	
2. Total Company Pension costs (excluding Servco)	4,297,600	
3. % O&M to total (Line 1/Line 2)	58.62128%	
4. Servco O&M Pension expense charged to KU		\$ 4,648,092
5. Total Servco Pension costs charged to KU		6,371,144
6. % O&M to total (Line 4/Line 5)		72.95538%
7. Projected 2008 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)	\$ 4,028,749	\$ 12,374,615
8. Servco % allocated to KU based on labor split(1)		45.4%
9. Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 2,361,704	\$ 9,027,948
10. Servco O&M charged to KU (Line 8 x Line 9 Servco)	4,098,688	
11. Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	\$ 6,460,392	

KENTUCKY UTILITIES

Total annual costs of Post-retirement for the Test Year Pro Forma - Corrected for Capitalization Rate Change

	45.4 % Servco Charged to Kentucky	Total Kentucky	Kentucky Jurisdiction 89.1388%
	Servco Utilities	Kentucky Utilities	Utilities
Service Costs	\$ 1,269,419	\$ 576,317	\$ 1,343,150
Interest Costs	1,146,761	520,630	4,521,764
Return on Assets	(654,550)	(297,166)	(1,119,075)
Amortization of Transition Obligations	109,514	49,719	1,170,930
Amortization of Prior Service Cost	148,961	67,628	301,013
Gains and (Losses)	-	-	-
Totals	\$ 2,020,105	\$ 917,128	\$ 6,167,782
		27.14419%	32.59651%
Amount Capitalized		\$ 248,947	\$ 2,010,481
		72.85581%	67.40349%
Amount Expensed		\$ 668,181	\$ 4,157,301
		\$ 4,825,482	\$ 4,301,376

Kentucky Utilities Company
Case No. 2007-00565
Case No. 2008-00251

Post Retirement (SFAS 106) Expense Annualization - Corrected for Capitalization Rate Change

	KU	Servco
1. Company O&M SFAS 106 expense (excluding Servco)	\$ 3,999,932	
2. Total Company SFAS 106 costs (excluding Servco)	5,934,310	
3. % O&M to total (Line 1/Line 2)	67.40349%	
4. Servco O&M SFAS 106 expense charged to KU		\$ 627,549
5. Total Servco SFAS 106 costs charged to KU		861,357
6. % O&M to total (Line 4/Line 5)		72.85583%
7. Projected 2008 Cost per Mercer Study (for KU includes KU Union and Non-Union Plans)	\$ 6,167,782	\$ 2,020,105
8. Servco % allocated to KU based on labor split(1)		45.4%
9. Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 4,157,301	\$ 1,471,764
10. Servco O&M charged to KU (Line 8 x Line 9 Servco)	668,181	
11. Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	\$ 4,825,482	

KENTUCKY UTILITIES

Revised
To Adjust for Pension and Post Retirement
For the Twelve Months Ended April 30, 2008

	<u>Pension</u>	<u>Post Retirement</u>	<u>Total</u>
1. Pension and Post Retirement expenses in test year	\$ 7,167,400	\$ 4,627,481	\$ 11,794,881
2. Pension and Post Retirement expenses annualized for 2008 Mercer study	<u>6,460,392</u>	<u>4,825,482</u>	<u>11,285,874</u>
3. Total adjustment (Line 2 - Line 1)	<u>\$ (707,008)</u>	<u>\$ 198,001</u>	<u>\$ (509,007)</u>
4. Kentucky Jurisdiction (Reference Schedule Allocators)			<u>89.139%</u>
5. Kentucky Jurisdictional adjustment			<u>\$ (453,724)</u>

Kentucky Utilities Company
Case No. 2007-00565
Case No. 2008-00251

Post-Employment Expense Annualization - Corrected for Capitalization Rate Change

		<u>KU</u>	<u>Servco</u>
1.	Company O&M SFAS 112 (excluding Servco)	\$ (831,786)	
2.	Total Company SFAS 112(excluding Servco)	<u>(1,213,449)</u>	
3.	% O&M to total (Line 1/Line 2)	68.54723%	
4.	Servco O&M SFAS 112 charged to KU		\$ (216,725)
5.	Total Servco SFAS 112 charged to KU		<u>(300,070)</u>
6.	% O&M to total (Line 4/Line 5)		72.22492%
7.	Projected 2008 Cost per Mercer Study	\$ 59,587	\$ 488,355
8.	Servco % allocated to KU based on labor split(1)		45.4%
9.	Expected O&M expenses (Line 3, Line 6 x Line 7)	\$ 40,845	\$ 352,714
10.	Servco O&M charged to KU (Line 8 x Line 9 Servco)	<u>160,132</u>	
11.	Total O&M costs for 2008 Mercer target (Line 9 + Line 10)	<u><u>\$ 200,977</u></u>	

Exhibit 1
Revised Reference Schedule 1.17
Sponsoring Witness: Scott

KENTUCKY UTILITIES

Revised
Adjustment for Post-Employment Benefits
For the Twelve Months Ended April 30, 2008

	<u>Total</u>
1. Post-Employment Benefits expenses in test year	\$ (1,048,511)
2. Post-Employment expenses per 2008 Mercer Study	<u>200,977</u>
3. Total adjustment (Line 2 - Line 1)	<u>\$ 1,249,488</u>
4. Kentucky Jurisdiction (Reference Schedule Allocators)	<u>89.139%</u>
5. Kentucky Jurisdictional adjustment	<u>\$ 1,113,781</u>

Marcie S. Gunnell, ASA, MAAA
Principal

MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

462 South Fourth Street, Suite 1100
Louisville, KY 40202
502 561 4622 Fax 502 561 4700
marcie.gunnell@mercer.com
www.mercer.com

December 21, 2007

Mr. Chris Garrett
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40232

Confidential

Subject: FAS 112 Liability as of December 31, 2007

Dear Chris:

The purpose of this letter is to provide you with the liabilities resulting from the valuation associated with post employment benefits for disabled employees of E.ON U.S. LLC under Statement of Financial Accounting Standards No. 112 (FAS 112). FAS 112 defines accounting standards for employer-provided benefits which are paid after active employment ceases but before retirement, whether or not the employee is expected to return to work.

The post employment benefit obligation, calculated in accordance with FAS 112 as of December 31, 2007 with a 5.95% discount rate, is a liability of \$10,703,486. The liabilities and participant counts by division are shown below. These figures may be revised if liabilities are remeasured during the year due to a plan amendment, changes in assumptions or other significant event.

Division	Liability			
	Prior to Medicare Part D	Subsidy	With Medicare Part D	Counts
LG&E	\$ 3,762,588	\$ 211,878	\$ 3,550,710	83
Kentucky Utilities	5,349,374	282,973	5,066,401	106
ServCo	672,807	49,145	623,662	10



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Page 2
December 21, 2007
Mr. Chris Garrett
E.ON U.S. LLC

The decrease in the liability over the prior valuation is due to an increase in the discount rate from 5.40% to 5.95%, a decrease in claims costs for non-disabled dependents and a decrease in the number of non-disabled dependents.

FAS 112 requires a "terminal accrual" accounting method, under which the cost of benefits is recognized in full generally at the time of termination from employment. For purposes of this valuation, we valued those individuals who were disabled as of November, 2007. The liability reflects expected savings from the 28% prescription drug subsidy under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 for the disabled employees eligible or expected to be eligible for Medicare. We project that E.ON U.S. LLC will qualify for the subsidy indefinitely beginning in 2008.

The FAS 112 liability includes the actuarial present value of continued medical benefits and life insurance for each disabled employee and their dependents until the disabled's age 65, when the FAS 112 benefit terminates (benefits beyond age 65 are accounted for under FAS 106).

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MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Page 3
December 21, 2007
Mr. Chris Garrett
E.ON U.S. LLC

Please distribute copies of this report to the appropriate parties. Please call me at 502 561 4622 or Patrick Baker at 502 561 4504 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Marcie S. Gunnell".

Marcie S. Gunnell, A.S.A., M.A.A.A.
Principal

Copy:
Becky Smith, Heather Metts, Cathy Shultz, Henry Erk, Linda Myers, Patrick Baker

Enclosure

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The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

Postemployment Benefit Valuation Report (FAS 112) E.ON U.S. LLC

Certification

We have prepared an actuarial valuation of the postemployment benefits provided to disabled employees by E.ON U.S. LLC as of December 31, 2007. The results of the valuation are set forth in this report, which reflects the provisions of the postemployment benefits plan effective December 31, 2007.

This report has been prepared exclusively for E.ON U.S. LLC to present accounting results under FAS Nos. 112. Mercer is not responsible for consequences arising from the use of any elements of this report for any other than their intended purpose. Determinations for other purposes may be significantly different from the results shown in this report.

Data


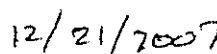
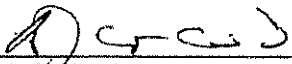
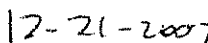
We have also used and relied upon participant data provided by the company. We have reviewed this data for reasonableness but have not completed an audit of this information. We have also used and relied upon the plan information supplied by the plan sponsor. The plan sponsor is solely responsible for the validity and completeness of this information.

Accounting results

The accounting calculations reported herein are consistent with our understanding of E.ON U.S. LLC's interpretation of the provisions of FAS Nos. 112. The actuarial assumptions were selected by the company. We believe that each of these assumptions is reasonable.

Professional qualifications

We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate. Collectively, the undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any relationship, including investments or other services that could create a conflict of interest, that would impair our objectivity.

	
Marcie S. Gunnell, A.S.A., M.A.A.A.	Date
Reviewed By:	
	
Alan J. Craig, F.S.A., M.A.A.A.	Date
December 2007	
Mercer	
462 South Fourth Street, Suite 1100	
Louisville, KY 40202-3431	
Phone No. 502 561 4500	

Mercer

Postemployment Benefit Valuation Report (FAS 112) E.ON U.S. LLC

Actuarial Basis

Accounting Policies

FAS 112 requires a "terminal accrual" accounting method, under which the cost of benefits is recognized (in full) generally at the time of termination from employment.

Valuation Procedures

Financial and census data: The valuation is based on participant data as of November, 2007 provided by E.ON U.S. LLC. Although we have reviewed this data for reasonableness, we have not performed an audit of the data.

Method Changes Since the Prior Valuation

None.

Assumption Changes Since the Prior Valuation

- The discount rate was changed from 5.40% to 5.95%.
- The healthy mortality tables were updated from the RP 2000 combined tables for males and females with no collar adjustments projected to 2006 by Scale AA to the combined annuitant and nonannuitant mortality tables for current liability for defined benefit pension plans for the 2007 plan year as set forth in regulations section 1.412(l)(7)-1.

Plan Provision Changes Since the Prior Valuation

None.

Impact of the Medicare Modernization Act of 2003

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the MMA) was reflected as of December 8, 2003 assuming that E.ON U.S. LLC will continue to provide a prescription drug benefit to Medicare-eligible disabled employees that is at least actuarially equivalent to Medicare Part D and that E.ON U.S. LLC will receive the federal subsidy.

The following assumptions were used with the MMA calculations:

- E.ON U.S. LLC will determine actuarial equivalence by benefit option. Testing by benefit option, the Medicare-eligible disabled employees' medical drug plan is projected to meet the definition of actuarial equivalence indefinitely.
- E.ON U.S. LLC will apply for and receive the subsidy available under Medicare starting 2008 for all Medicare-eligible disabled employees that have drug coverage.
- Medicare-eligible disabled employees do not elect Medicare Part D benefit.

The estimated subsidy was based on Mercer's understanding of the Medicare Reform legislation based on the final Center for Medicare Services (CMS) regulations issued January 2005 and on the provided claims information from the medical plan administrator.

Mercer Health & Benefits

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Actuarial Basis (continued)

Summary of Actuarial Assumptions

The following assumptions were used in valuing the liabilities and benefits under the plan.

<i>Measurement Date</i>	December 31, 2007	
<i>Discount rate</i>	5.95%	
<i>Health care cost trend rates</i>	The trend rates of incurred claims represent the rate of increase in employer claim payments:	
	Years	Medical Annual Rates of Increase
	2007	9.00%
	2008	8.00%
	2009	7.00%
	2010	7.00%
	2011	6.00%
	2012	6.00%
	2013	5.50%
	2014	5.50%
	2015+	5.00%
<i>Medical cost for disabled employees</i>	<ul style="list-style-type: none"> ▪ Before Medicare offset ▪ After Medicare offset ▪ Projected federal drug subsidy ▪ Healthy spouse pre-Medicare age 65 cost 	\$ 17,685 6,093 710 8,036
	<i>Disabled claims costs are based on 2006 and 2007 disabled claims and administrative fees, trended to the measurement date. Healthy claims costs are based on the claims costs shown in the 2007 Postretirement Benefit Plan Valuation Report trended to the measurement date.</i>	
<i>Medicare benefits</i>	Medicare is assumed to be primary in the medical plan after two years of disability and will reduce the company's cost by 70%. Certain disabled individuals were identified by the company as ineligible for Medicare benefits with no expectation that they will become Medicare eligible. It is assumed that these individuals' status will not change and that Medicare will not be primary.	
<i>Administrative expenses</i>	Included in the per-capita claims cost for medical benefits. None for life insurance benefits	

Postemployment Benefit Valuation Report (FAS 112) E.ON US LLC

Actuarial Basis (continued)

Summary of Actuarial Assumptions (continued)

<i>Healthy mortality</i>	Combined annuitant and nonannuitant mortality tables for current liability for defined benefit pension plans for the 2007 plan year as set forth in regulations section 1.412(l)(7)-1).
<i>Disabled mortality</i>	IRS Prescribed Tables for male and female lives disabled before 1995. See table of sample rates below.
<i>Recovery</i>	To reflect the probability of recovery from disability and return to active work, an adjustment factor of 92.08 percent was developed from the 1987 Commissioner's Group Disability Table and multiplied by the present values that were calculated assuming no recovery.
<i>Other assumptions</i>	All other assumptions are as shown in the 2007 FAS 106 actuarial valuation report.

Table of Sample Rates

Attained Age	Percentage			
	Mortality Disabled Lives		Mortality Healthy Lives	
	Male Mortality	Female Mortality	Male Mortality	Female Mortality
20	0.76%	0.58%	0.02%	0.01%
25	0.92%	0.72%	0.03%	0.02%
30	1.12%	0.89%	0.04%	0.02%
35	1.34%	1.09%	0.07%	0.04%
40	1.60%	1.26%	0.09%	0.05%
45	1.93%	1.44%	0.11%	0.08%
50	2.36%	1.65%	0.16%	0.12%
55	2.95%	1.91%	0.25%	0.23%
60	3.62%	2.26%	0.52%	0.46%

Postemployment Benefit Valuation Report (FAS 112) E ON U.S. LLC

Actuarial Basis *(continued)*

Summary of Plan Provisions

Eligibility	Employees who are approved for LTD benefits. The elimination period is 6 months (3 months for WKE union).
Medical benefits	Eligible for continuation of the medical plans offered to active employees for themselves and eligible dependents generally until the disabled employee's age 65. Upon reaching age 65 participants are assumed to elect retirement and are covered under the terms of the retiree medical plan.
Surviving spouse coverage	Surviving spouses of deceased disabled employees are covered under the medical plan following the disabled employee's death, provided they make any required monthly premium contributions.
Contributions	Disabled employees contribute toward the coverage on the same basis as active employees.
Life Insurance	Eligible for continuation of the life insurance plan offered to active employees until age 65. Upon reaching age 65 participants are assumed to elect retirement and are covered under the terms of the retiree life insurance plan (if any).

Mercer Health & Benefits

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MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Patrick C. Baker
Senior Associate

462 South Fourth Street, Suite 1100
Louisville, KY 40202
502 561 4504 Fax 502 561 4700
patrick.baker@mercer.com
www.mercer.com

January 4, 2008

Ms. Becky Smith
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40232

Confidential

Subject: FAS 132 and IAS 19 Disclosure for Postretirement Benefit Plan

Dear Becky:

We have enclosed the FAS and IAS disclosure exhibits for the Postretirement Benefit Plan of E.ON U.S. LLC for the fiscal year ending December 31, 2007.

We used the September 30, 2006 valuation data to compute the year end benefit obligation amounts. This is the same data that was used to determine the 2007 FAS 106 and IAS 19 expenses.

The actuarial assumptions and methods used to determine the year end liability amounts are the same as those shown in the 2007 actuarial valuation report with the exception that the discount rate was determined by the Mercer Yield Curve as of November 30, 2007 based on matching projected benefit cash flows by plan. The discount rate was then increased by 4 basis points for the change in the Moody's Aa index for the period from November 30, 2007 to December 31, 2007. In addition, the healthy mortality tables were updated to reflect the tables required for defined benefit pension plans under the Pension Protection Act beginning in 2008.

The plan provisions used in determining the year end liability amounts are the same as those shown in the 2007 actuarial valuation report with the exception of the monthly retiree credit, which was increased from \$170 per month to \$180 per month effective January 1, 2008. The liabilities under IAS 19 already include an assumption for this change.

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Page 2
January 4, 2008
Ms. Becky Smith
E.ON U.S. LLC

The asset values, benefit payments, contributions and plan expense amounts from the non-union and union VEBA's and 401(h) account and unsubsidized death benefit premiums were provided by E.ON U.S. LLC. Employer contributions for 2007 and year end accruals were also provided by entity by E.ON U.S. LLC. Note that the FAS year end benefit obligation includes the impact of the Medicare Modernization Act of 2003 (MMA) using the same assumptions and methods as those used in the determination of the 2007 FAS 106 and IAS 19 expense. The IAS year end benefit obligation is a "gross" benefit obligation, meaning it is not reduced by the value of the retiree drug subsidy under the MMA. The value of the retiree drug subsidy is shown as a "reimbursement right" under the "Amount recognized in the balance sheet" section of the IAS exhibits.

In addition, the disclosure exhibits include a schedule of the estimated future benefit payments and the estimated gross amount of Medicare subsidy receipts. We have also included a special disclosure for the impact of MMA for FAS 109 purposes. Note that in determining the current and noncurrent liabilities, we calculated the amounts for the Non-Union, LG&E Union and WKE Union plans and then added the amounts together for the disclosure exhibits.

Lastly, please remember to include the FAS and IAS disclosure requirements regarding asset allocation, a narrative on management's rationale for the expected rate of return, management's description of investment policies and strategies for plan assets and expected contributions for the next fiscal year.

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MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Page 3
January 4, 2008
Ms. Becky Smith
E.ON U.S. LLC

We are available to answer any questions on this material, or to provide explanations or further details, as may be appropriate. The credentialed actuaries Marcie Gunnell and Linda Myers meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Please distribute copies of this letter to the appropriate parties. If you have any questions, please call me at 502 561 4504 or Marcie Gunnell at 502 561 4622.

Sincerely,

A handwritten signature in cursive script that reads "Patrick C. Baker".

Patrick C. Baker
Senior Associate

Copy:
Heather Metts, Chris Garrett, Henry Erk, Linda Myers, Marcie Gunnell, Jason Renfro

Enclosure

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The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

For Regulatory Accounting

E.ON U.S. LLC FAS 132 Disclosure
for Postretirement Benefit Plan

	2007	2007
	LG&E	ServCo
Change in benefit obligation		
Benefit obligation at 12/31/2006	\$ 105,393,991	\$ 20,609,125
Service cost	1,024,631	1,376,280
Interest cost	5,189,820	1,028,090
Plan amendments	2,026,395	413,931
Acquisitions/divestitures	-	-
Exchange rate changes	-	-
Curtailment (gain) or loss	-	-
Settlement (gain) or loss	-	-
Special termination benefits	-	-
Benefits paid net of retiree contributions	(8,925,815)	(508,774)
Settlement payments	-	-
Actuarial (gain) or loss	(15,943,538)	(4,207,416)
Benefit obligation at 12/31/2007	\$ 88,765,484	\$ 18,711,236
Change in plan assets		
Fair value of plan assets at 12/31/2006	\$ 6,077,844	\$ 6,225,116
Adjustment for transfers	-	-
Actual return on plan assets	377,326	437,567
Acquisitions/divestitures	-	-
Employer contributions	-	-
Contributions from general assets	238,363	96,844
Contributions to 401k/VEBAs	6,693,456	1,695,128
Total	7,231,819	1,791,972
Benefits paid net of retiree contributions	(8,925,815)	(508,774)
Settlement payments	-	-
Trustee fees	(7,888)	(11,942)
Exchange rate changes	-	-
Fair value of plan assets at 12/31/2007	\$ 4,753,286	\$ 7,933,939
Funded status		
Funded status at end of year	\$ (84,012,198)	\$ (10,777,297)
Employer contributions between measurement date and fiscal year-end	-	-
Net amount recognized in statement of financial position	\$ (84,012,198)	\$ (10,777,297)
Amounts recognized in the statement of financial position consist of		
Noncurrent assets	\$ (3,061,339)	\$ -
Current liabilities	(80,950,859)	(10,777,297)
Noncurrent liabilities	(84,012,198)	(10,777,297)
Net amount recognized in statement of financial position	\$ (84,012,198)	\$ (10,777,297)
		KU
	\$	\$ 88,197,887
		1,505,121
		4,510,207
		816,763
		-
		-
		-
		(4,921,396)
		(14,019,278)
	\$	\$ 76,090,304
	\$	\$ 11,747,803
		748,102
		-
		212,855
		5,797,596
		6,010,451
		(4,921,396)
		-
		(20,417)
	\$	\$ 13,564,543
	\$	\$ (62,525,761)
	\$	\$ (62,525,761)
	\$	\$ -
	\$	\$ (62,525,761)
	\$	\$ (62,525,761)

For Regulatory Accounting

E.ON U.S. LLC FAS 132 Disclosure
for Postretirement Benefit Plan

	2007	2007
	LG&E	KU
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income		
Transition asset (obligation)	\$ (3,348,318)	\$ (5,804,648)
Prior service credit (cost)	(8,639,255)	(1,367,400)
Accumulated gain (loss)	(4,564,949)	16,110,554
	\$ (16,552,522)	\$ 9,138,508
Cumulative employer contributions in excess of net periodic benefit cost	(67,459,876)	(71,664,267)
Net amount recognized in statement of financial position	\$ (84,012,198)	\$ (62,525,761)
Additional year-end information for plans with benefit obligations in excess of plan assets		
Benefit obligation at 12/31/2007	\$ 88,765,484	\$ 76,090,304
Fair value of plan assets at 12/31/2007	4,753,286	13,864,543
	\$ 1,024,631	\$ 1,505,121
Components of net periodic benefit cost		
Service cost	\$ 1,024,631	\$ 1,376,280
Interest cost	5,189,820	1,028,090
Expected return on plan assets	(115,951)	(527,494)
Amortization of prior service cost (credit)	1,709,567	66,175
Amortization of transitional (asset) obligation	669,665	109,514
Amortization of net (gain) or loss	-	-
Net periodic benefit cost	\$ 8,477,732	\$ 2,052,565
FAS 88 special charges	\$ -	\$ -
Other changes recognized in other comprehensive income:		
Prior service cost arising during period	\$ 2,026,395	\$ 413,931
Net loss/(gain) arising during period	(16,187,025)	(4,105,547)
Amortization of prior service (cost) credit	(1,709,567)	(66,175)
Amortization of transitional (obligation) or asset	(669,665)	(109,514)
Amortization of gain/(loss)	-	-
Total recognized in other comprehensive income	\$ (16,549,862)	\$ (3,867,305)

1/4/2008

For Regulatory Accounting

E.ON U.S. LLC FAS 132 Disclosure
for Postretirement Benefit Plan

	2007	2007	2007
	LG&E	ServCo	KU
Weighted-average assumptions used to determine benefit obligation as of December 31			
Discount rate	6.56%	6.56%	6.56%
Rate of compensation increase	5.25%	5.25%	5.25%
Health care cost trend rates	8.00%	8.00%	8.00%
Health care cost trend rate assumed for next year			
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015	2015
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31			
Discount rate	5.90%	5.90%	5.90%
Expected long-term rate of return on plan assets			
Union VEBA	3.00%	N/A	3.00%
Non-union VEBA	2.00%	N/A	2.00%
401(k)	N/A	N/A	8.25%
Rate of compensation increase	5.25%	5.25%	5.25%
Health care cost trend rates	9.00%	9.00%	9.00%
Health care cost trend rate assumed for next year			
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015	2015
Assumed health care cost trend			
Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plan. E.ON U.S. LLC's plan design reduces the impact of cost fluctuations by capping a portion of E.ON U.S. LLC's obligation. A one-percentage-point change in assumed health care cost trend rates would have the following effects:			
Effect on total of service and interest cost components for 2007	\$ (154,709)	\$ (91,316)	\$ (301,019)
Effect on year-end 2007 benefit obligation	(1,729,152)	(523,110)	(3,836,548)
Effect on total of service and interest cost components for 2007	\$ 174,800	\$ 102,243	\$ 338,031
Effect on year-end 2007 benefit obligation	1,908,635	573,874	4,290,961
		One-Percentage-Point Increase	One-Percentage-Point Decrease

E.ON U.S. LLC FAS 132 Disclosure
 for Postretirement Benefit Plan

For Regulatory Accounting

	2007	
	LG&E	KU
Expected cash flows		
Expected return of assets to employer in next year	\$ -	\$ -
Expected employer contributions for next fiscal year	\$ 7,494,815	\$ 8,315,618
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:		
2008	\$ 7,494,815	\$ 6,315,618
2009	7,600,473	6,597,686
2010	7,690,018	6,805,591
2011	7,866,263	7,026,883
2012	7,838,846	7,115,917
Years 2013-2017	38,225,962	36,716,604
Estimated gross amount of Medicare subsidy receipts		
The following subsidy receipts are expected to be received:		
2008	\$ -	\$ 516,707
2009	-	551,092
2010	-	568,795
2011	-	582,116
2012	-	588,543
Years 2013-2017	-	2,913,003
Estimated amounts that will be amortized from accumulated other comprehensive income over the next fiscal year		
Amortization of transitional (asset) or obligation	\$ 669,665	\$ 1,120,930
Amortization of prior service cost	1,894,393	273,787
Amortization of net (gain) or loss	(97,513)	-
Total estimated amortizations	\$ 2,466,545	\$ 1,394,717

1/12/2010

E.ON U.S. LLC FAS 132 Disclosure
for Postretirement Benefit Plan

	2007	2007	2007
	LG&E	ServCo	KU
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income			
Transition asset (obligation)	\$ (7,102,309)	\$ (666,459)	\$ -
Prior service credit (cost)	3,390,795	1,105,982	22,562,000
Accumulated gain (loss)	\$ (3,711,514)	\$ 439,523	\$ 21,194,600
Accumulated other comprehensive income (AOCI)	(80,300,684)	(11,216,820)	(83,720,361)
Cumulative employer contributions in excess of net periodic benefit cost	\$ (84,012,198)	\$ (10,777,297)	\$ (62,525,761)
Net amount recognized in statement of financial position			
Additional year-end information for plans with benefit obligations in excess of plan assets			
Benefit obligation at 12/31/2007	\$ 88,765,484	\$ 18,711,236	\$ 76,090,304
Fair value of plan assets at 12/31/2007	4,763,286	7,933,939	13,564,543
Components of net periodic benefit cost			
Service cost	\$ 1,024,631	\$ 1,376,280	\$ 1,505,121
Interest cost	5,189,820	1,028,090	4,510,207
Expected return on plan assets	(115,951)	(527,494)	(881,009)
Amortization of prior service cost (credit)	1,129,373	66,175	137,660
Amortization of transitional (asset) obligation	-	-	-
Amortization of net (gain) or loss	(43,517)	-	-
Net periodic benefit cost	\$ 7,184,356	\$ 1,943,051	\$ 5,171,979
FAS 88 special charges	\$ -	\$ -	\$ -
Other changes recognized in other comprehensive income:			
Prior service cost arising during period	\$ 2,026,395	\$ 413,931	\$ 816,763
Net loss/(gain) arising during period	(16,197,025)	(4,105,547)	(13,764,954)
Amortization of prior service (cost) credit	(1,129,373)	(66,175)	(137,660)
Amortization of transitional (obligation) or asset	-	-	-
Amortization of gain/(loss)	43,517	-	-
Total recognized in other comprehensive income	\$ (15,256,486)	\$ (3,757,791)	\$ (13,085,851)

For Financial Accounting

E.ON U.S. LLC FAS 132 Disclosure
for Postretirement Benefit Plan

	2007	2007
	LG&E	KU
	Service	Service
Weighted-average assumptions used to determine benefit obligation as of December 31		
Discount rate	6.56%	6.56%
Rate of compensation increase	5.25%	5.25%
Health care cost trend rates		
Health care cost trend rate assumed for next year	8.00%	8.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	5.90%	5.90%
Expected long-term rate of return on plan assets		
Union VEBA	3.00%	3.00%
Non-union VEBA	2.00%	2.00%
401(h)	N/A	N/A
Rate of compensation increase	5.25%	5.25%
Health care cost trend rates		
Health care cost trend rate assumed for next year	9.00%	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015

Assumed health care cost trend

Assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plan. E.ON U.S. LLC's plan design reduces the impact of cost fluctuations by capping a portion of E.ON U.S. LLC's obligation. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	2007	2007
	Service	Service
Effect on total of service and interest cost components for 2007	\$ (154,709)	\$ (91,316)
Effect on year-end 2007 benefit obligation	(1,729,152)	(523,110)
		One-Percentage-Point Decrease
		\$ (301,019)
		(3,836,549)
Effect on total of service and interest cost components for 2007	\$ 174,800	\$ 102,243
Effect on year-end 2007 benefit obligation	1,908,635	573,874
		One-Percentage-Point Increase
		\$ 338,031
		4,290,961

**E.ON U.S. LLC FAS 132 Disclosure
 for Postretirement Benefit Plan**

For Financial Accounting

	2007	2007	2007
	LG&E	ServCo	KU
Expected cash flows			
Expected return of assets to employer in next year	\$ -	\$ -	\$ -
Expected employer contributions for next fiscal year	\$ 7,494,815	\$ 633,328	\$ 6,315,818
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:			
2008	\$ 7,494,815	\$ 633,328	\$ 6,315,818
2009	7,600,473	735,035	6,597,686
2010	7,680,018	858,638	6,805,591
2011	7,866,263	1,020,200	7,026,883
2012	7,838,846	1,215,800	7,115,917
Years 2013-2017	38,225,962	9,288,709	36,716,604
Estimated gross amount of Medicare subsidy receipts			
The following subsidy receipts are expected to be received:			
2008	\$ -	\$ -	\$ 516,707
2009	-	-	551,092
2010	-	-	568,795
2011	-	-	582,116
2012	-	-	588,543
Years 2013-2017	-	-	2,913,003
Estimated amounts that will be amortized from accumulated other comprehensive income over the next fiscal year			
Amortization of transitional (asset) or obligation	\$ -	\$ 135,164	\$ 273,787
Amortization of prior service cost	\$ 1,381,904	(10,071)	(898,164)
Amortization of net (gain) or loss	\$ (192,015)	\$ -	\$ -
Total estimated amortizations	\$ 1,189,889	\$ 125,093	\$ (625,377)

E.ON U.S. LLC Special Disclosure for Fiscal Year Ending December 31, 2007
Impact of the Medicare Modernization Act of 2003
 for Postretirement Benefit Plan

For Regulatory Accounting

	2007		2007	
	LG&E	ServCo	with subsidiary	KU subsidy
Components of net periodic benefit cost				
Service cost	\$ 1,024,631	\$ 1,376,280	\$ 1,505,121	-
Interest cost	5,189,820	1,028,090	4,510,207	-
Expected return on plan assets	(115,951)	(527,494)	(981,009)	-
Amortization of prior service cost	1,709,567	66,175	137,660	-
Amortization of transitional (asset) or obligation	669,665	109,514	1,120,930	-
Amortization of net (gain) or loss	-	-	-	-
Net periodic benefit cost	\$ 8,477,732	\$ 2,052,565	\$ 6,292,909	-
FAS 88 special charges	\$ -	\$ -	\$ -	-
Components of net periodic benefit cost				
Service cost	\$ -	\$ -	\$ -	353,910
Interest cost	-	-	-	-
Expected return on plan assets	-	-	-	-
Amortization of prior service cost	-	-	-	-
Amortization of transitional (asset) or obligation	-	-	-	-
Amortization of net (gain) or loss	-	-	-	-
Net periodic benefit cost	\$ -	\$ -	\$ -	353,910
FAS 88 special charges	\$ -	\$ -	\$ -	-
Components of net periodic benefit cost				
Service cost	\$ 1,024,631	\$ 1,376,280	\$ 1,505,121	-
Interest cost	5,189,820	1,028,090	4,884,117	-
Expected return on plan assets	(115,951)	(527,494)	(981,009)	-
Amortization of prior service cost	1,709,567	66,175	137,660	-
Amortization of transitional (asset) or obligation	669,665	109,514	1,120,930	-
Amortization of net (gain) or loss	-	-	-	-
Net periodic benefit cost	\$ 8,477,732	\$ 2,052,565	\$ 6,646,819	-
FAS 88 special charges	\$ -	\$ -	\$ -	-

11/2/2008

E.ON U.S. LLC Special Disclosure for Fiscal Year Ending December 31, 2007
Impact of the Medicare Modernization Act of 2003
for Postretirement Benefit Plan
For Regulatory Accounting

	2007	
	LG&E	ServCo
Prepaid (Accrued) benefit cost at 12/31/2006		
Net periodic benefit cost without subsidy	\$ (86,213,763)	\$ (8,149,821)
Employer contributions January 1 to December 31	8,477,732	2,052,565
Transfers within plan	7,231,819	1,791,972
FAS 88 charges	-	-
Prepaid (Accrued) benefit cost at 12/31/2007 (prior to FAS 158)	\$ (67,459,676)	\$ (8,410,414)
Funded status		
Funded status at end of year	\$ (84,012,198)	\$ (10,777,297)
Employer contributions between measurement date and fiscal year-end	-	-
Net amount recognized in statement of financial position	\$ (84,012,198)	\$ (10,777,297)

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E.ON U.S. LLC Special Disclosure for Fiscal Year Ending December 31, 2007
Impact of the Medicare Modernization Act of 2003
 for Postretirement Benefit Plan

For Financial Accounting

	2007	2007	2007
	LG&E	ServiceCo	KU (with subsidiary)
Components of net periodic benefit cost			
Service cost	\$ 1,024,631	\$ 1,376,280	\$ 1,505,121
Interest cost	5,189,820	1,028,090	4,510,207
Expected return on plan assets	(115,951)	(527,494)	(981,009)
Amortization of prior service cost	1,129,373	66,175	137,660
Amortization of transitional (asset) or obligation	-	-	-
Amortization of net (gain) or loss	(43,517)	-	-
Net periodic benefit cost	\$ 7,184,356	\$ 1,943,051	\$ 5,171,979
FAS 88 special charges	\$ -	\$ -	\$ -
Components of net periodic benefit cost			
Service cost	\$ -	\$ -	\$ -
Interest cost	-	-	353,910
Expected return on plan assets	-	-	-
Amortization of prior service cost	-	-	-
Amortization of transitional (asset) or obligation	-	-	-
Amortization of net (gain) or loss	-	-	-
Net periodic benefit cost	\$ -	\$ -	\$ 353,910
FAS 88 special charges	\$ -	\$ -	\$ -
Components of net periodic benefit cost			
Service cost	\$ 1,024,631	\$ 1,376,280	\$ 1,505,121
Interest cost	5,189,820	1,028,090	4,884,117
Expected return on plan assets	(115,951)	(527,494)	(981,009)
Amortization of prior service cost	1,129,373	66,175	137,660
Amortization of transitional (asset) or obligation	-	-	-
Amortization of net (gain) or loss	(43,517)	-	-
Net periodic benefit cost	\$ 7,184,356	\$ 1,943,051	\$ 5,525,889
FAS 88 special charges	\$ -	\$ -	\$ -

11/2/2008

For Financial Accounting

E.ON U.S. LLC Special Disclosure for Fiscal Year Ending December 31, 2007
 Impact of the Medicare Modernization Act of 2003
 for Postretirement Benefit Plan

	2007	2007
	LG&E	Service
Prepaid (Accrued) benefit cost at 12/31/2006	\$ (80,348,147)	\$ (11,065,741)
Net periodic benefit cost without subsidy	7,184,356	1,943,051
Employer contributions	7,231,819	1,791,972
January 1 to December 31	-	-
Transfers within plan	-	-
FAS 88 changes	-	-
Prepaid (Accrued) benefit cost at 12/31/2007 (prior to FAS 158)	<u>\$ (80,300,684)</u>	<u>\$ (11,216,820)</u>
Funded status		
Funded status at end of year	\$ (84,012,198)	\$ (10,777,287)
Employer contributions between measurement date and fiscal year-end	-	-
Net amount recognized in statement of financial position	<u>\$ (84,012,198)</u>	<u>\$ (10,777,287)</u>

	2007	2007
	LG&E	Service
Prepaid (Accrued) benefit cost at 12/31/2006	\$ (86,197,473)	\$ (86,197,473)
Net periodic benefit cost without subsidy	5,525,889	5,525,889
Employer contributions	6,010,451	6,010,451
January 1 to December 31	-	-
Transfers within plan	-	-
FAS 88 changes	-	-
Prepaid (Accrued) benefit cost at 12/31/2007 (prior to FAS 158)	<u>\$ (85,712,911)</u>	<u>\$ (85,712,911)</u>
Funded status		
Funded status at end of year	\$ (68,309,153)	\$ (68,309,153)
Employer contributions between measurement date and fiscal year-end	-	-
Net amount recognized in statement of financial position	<u>\$ (68,309,153)</u>	<u>\$ (68,309,153)</u>

**E.ON U.S. LLC IAS 19 Disclosure
for Postretirement Benefit Plan**

	2007	2006
Change in benefit obligation		
Benefit obligation at 12/31/2006	\$ 116,782,458	\$ 23,861,746
Current service cost	1,253,224	1,698,761
Interest cost	5,787,877	1,208,088
Plan amendments	-	-
Change due to transfers	-	-
Acquisitions/divestitures	-	-
Exchange rate changes	-	-
Curtailment (gain) or loss	-	-
Settlement (gain) or loss	-	-
Special termination benefits	-	-
Benefits paid, net of participant contributions	(6,925,815)	(508,774)
Medicare Part D subsidy payments	-	-
Settlement payments	-	-
Actuarial (gain) or loss	(15,840,690)	(4,375,267)
Benefit obligation at 12/31/2007	\$ 98,057,052	\$ 21,880,554
Change in plan assets		
Fair value of plan assets at 12/31/2006	\$ 6,077,844	\$ 6,225,116
Adjustment to December 31, 2005 Market Value	-	-
Expected return on plan assets	115,951	527,494
Actual gain/(loss) on plan assets	261,375	(89,927)
Change due to transfers	-	-
Acquisitions/divestitures	-	-
Employer contributions	238,363	96,844
Contributions from general assets	6,993,458	1,695,128
Contributions to 401(k)/EBA's	7,231,619	1,791,972
Total	(6,925,815)	(508,774)
Benefits paid, net of participant contributions	-	-
Medicare Part D subsidy payments	-	-
Settlement payments	-	-
Administrative expenses	(7,888)	(11,942)
Exchange rate changes	-	-
Fair value of plan assets at 12/31/2007	\$ 4,753,288	\$ 7,933,939
Amounts recognized in the balance sheet		
Present value of funded obligations	\$ 98,057,052	\$ 21,880,554
Fair value of plan assets at 12/31/2007	4,753,288	7,933,939
Deficit or (surplus) for funded plans	\$ 94,303,766	\$ 13,946,615
Present value of unfunded obligations	-	-
Unrecognized net actuarial gain/(loss)	-	-
Unrecognized past service (cost) benefit	(2,458,153)	(1,079,984)
Effect of paragraph 58(b) limit	-	-
Value of reimbursement right	-	-
Net liability or (asset)	\$ 91,845,613	\$ 12,866,631
Amounts in the balance sheet:		
Liabilities	\$ 91,845,613	\$ 12,866,631
Assets	-	-
Net liability (asset)	\$ 91,845,613	\$ 12,866,631

E.ON U.S. LLC IAS 19 Disclosure
 for Postretirement Benefit Plan

	2007	
	LG&E	KU
Components of pension cost		
Amounts recognized in profit and loss statement		
Current service cost	\$ 1,253,224	\$ 1,829,608
Interest cost	5,787,877	4,798,370
Expected return on plan assets	(115,951)	(981,009)
Amortization of past service cost including §58(e)	347,288	284,971
Amortization of net (gain) or loss including §58(φ)	-	-
Effect of paragraph 58(b) limit	-	-
Curtainment (gain) or loss recognized	-	-
Settlement (gain) or loss recognized	-	-
Total pension cost recognized in the P&L account	\$ 7,272,448	\$ 5,931,940
Actual return on assets	\$ 377,326	\$ 748,102
Actual return on plan assets	\$ 377,326	\$ 748,102
Amounts recognized in statement of recognized income and expense		
Actuarial (gains)/losses immediately recognized *	\$ (16,094,177)	\$ (14,156,123)
Effect of paragraph 58(b) limit	-	-
Total pension cost recognized in the SORIE	\$ (16,094,177)	\$ (14,156,123)
Cumulative amount of actuarial (gains)/losses recognized	\$ (20,918,404)	\$ (19,716,587)
Principal actuarial assumptions		
Weighted-average assumptions to determine benefit obligations		
Discount rate	6.56%	6.56%
Rate of compensation increase	5.25%	5.25%
Health care cost trend rates		
Health care cost trend rate assumed for next year	8.00%	8.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015
Weighted-average assumptions to determine net cost		
Discount rate	5.88%	5.88%
Rate of compensation increase	5.25%	5.25%
Expected long-term rate of return on plan assets	3.00%	3.00%
Union VEBA	2.00%	2.00%
Non-union VEBA	N/A	6.25%
401 (k)	N/A	9.00%
Health care cost trend rates		
Health care cost trend rate assumed for next year	9.00%	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2015	2015

E.ON U.S. LLC IAS 19 Disclosure
for Postretirement Benefit Plan

	2007	2007	2007
	LG&E	Service	KU
History of experience gains and losses			
Difference between the expected and actual return on plan assets			
Amount	\$ (261,375)	\$ 89,927	\$ 232,907
Percentage of plan assets	-5%	1%	2%
Experience (gain) or loss on plan liabilities			
Amount	\$ (15,840,690)	\$ (4,375,267)	\$ (15,620,810)
Percentage of plan liabilities	-16%	-20%	-18%
Balance sheet recognition			
Balance sheet liability (asset) as of beginning of year	\$ 107,899,161	\$ 16,286,650	\$ 80,676,609
Pension expense recognized in P&L in the financial year	7,272,448	2,645,351	5,931,940
Amounts recognized in the SORIE in the financial year *	(16,094,177)	(4,273,398)	(14,156,123)
Employer contributions made in the financial year	6,993,456	1,695,128	5,797,596
Benefits paid directly by company in the financial year	238,363	96,844	212,655
Credit to reimbursements	-	-	-
Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	-	-
Balance sheet liability (asset) as of end of year	\$ 91,845,613	\$ 12,866,631	\$ 66,441,975
Sensitivity to trend rate assumptions			
A one-percentage-point change in assumed health care cost trend rates would have the following effects:			
Effect on total service and interest cost components	\$ (156,024)	\$ (92,482)	\$ (303,614)
Effect on defined benefit obligation	(1,730,428)	(523,645)	(4,112,040)
Effect on total service and interest cost components	\$ 176,281	\$ 103,548	\$ 340,950
Effect on defined benefit obligation	1,910,018	574,474	4,599,108

Note:
 * Amounts recognized in the SORIE in the financial year for KU include the change in the value of reimbursement right.

MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Linda C. Myers, F.S.A.
Principal

462 South Fourth Street, Suite 1100
Louisville, KY 40202
502 561 4726 Fax 502 561 4748
linda.myers@mercer.com
www.mercer.com

January 4, 2008

Ms. Becky Smith
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Private & Confidential

Dear Becky:

Enclosed are the FAS and IAS year-end disclosure exhibits for the Qualified Retirement Plans and SERPs of E.ON U.S. LLC for the fiscal year ending December 31, 2007.

We used the September 30, 2006 valuation data to compute the year-end liability amounts. This is the same data that was used to determine the 2007 FAS 87 and IAS 19 expenses.

The actuarial assumptions and methods used to determine the year-end liability amounts are the same as those used in the determination of the 2007 FAS 87 and IAS 19 expenses with the exception that the discount rates were determined by the Mercer Yield Curve as of November 30, 2007 based on matching projected benefit cash flows by plan. These discount rates were then increased by 4 basis points for the change in the Moody's Aa index for the period from November 30, 2007 to December 31, 2007. In addition, the healthy mortality tables were updated to reflect the tables required under the Pension Protection Act beginning in 2008.

The plan provisions used in determining the year-end liability amounts are the same as those used in the determination of the 2007 FAS 87 and IAS expenses with the exception that for the LG&E Union Plan the benefit multiplier increases negotiated in November of 2007 were reflected.

We relied upon the year-end asset information as provided by you in order to complete the disclosures.

Lastly, please remember to include the FASB and IAS disclosure requirements regarding asset allocation, a narrative on management's rationale for the expected rate of return,

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Page 2
January 4, 2008
Ms. Becky Smith
E.ON U.S. LLC

management's description of investment policies and strategies for plan assets and expected contributions for the next fiscal year.

If you have any questions or need anything else, please give me a call.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Sincerely,

A handwritten signature in cursive script that reads "Linda".

Linda C. Myers, F.S.A.
Principal

Copy:
Chris Garrett, Heather Metts, Henry Erk, Jeff Thornton, Patrick Baker, Marcie Gunnell

Enclosures

For Regulatory Accounting

E.ON U.S. LLC FAS 158 Disclosure

Change in benefit obligation					
Benefit obligation at 12/31/2006	\$ 236,834,400	\$ 170,762,627	\$ 168,670,173	\$ 303,271,706	
Service cost	1,964,340	2,454,605	9,741,232	6,040,508	
Interest cost	13,459,911	10,378,987	11,081,774	17,378,184	
Participant contributions				167,710	
Plan amendments	8,914,279	9,596,459	18,688,132		
Change due to transfers					
Acquisitions/divestitures					
Exchange rate changes					
Curtailment (gain) or loss					
Settlement (gain) or loss					
Special termination benefits					
Benefits paid	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)	
Settlement payments					
Actuarial (gain) or loss	(7,354,967)	(11,535,673)	(21,735,655)	(23,464,380)	
Benefit obligation at 12/31/2007	\$ 237,697,002	\$ 169,978,537	\$ 185,048,952	\$ 284,168,027	
Change in plan assets					
Fair value of plan assets at 12/31/2006	\$ 215,002,099	\$ 140,862,565	\$ 100,039,937	\$ 253,788,773	
Adjustment to December 31, 2006 Market Value					
Actual return on plan assets	15,343,729	10,287,289	9,238,103	17,339,440	
Change due to transfers					
Acquisitions/divestitures					
Employer contributions	38,000,000	17,700,000	33,000,000	13,000,000	
Employer contributions - unfunded plans					
Participant contributions					
Benefits paid	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)	
Settlement payments					
Administrative expenses	(375,662)	(334,471)	(40,002)	(550,623)	
Exchange rate changes					
Fair value of plan assets at 12/31/2007	\$ 251,849,205	\$ 156,836,915	\$ 140,841,334	\$ 284,351,889	
Funded status					
Funded status at the end of the year	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)	
Employer contrib. between measurement date and fiscal yr. end					
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)	
Amounts recognized in the statement of financial position consist of:					
Noncurrent assets					
Current liabilities		(13,141,622)	(44,207,618)	(19,816,138)	
Noncurrent liabilities		(13,141,622)	(44,207,618)	(19,816,138)	
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)	
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income:					
Transition obligation asset (obligation)					
Prior service credit (cost)	(20,771,810)	(22,710,479)	(26,566,866)	(6,021,571)	
Accumulated gain (loss)	(45,099,631)	(4,849,961)	(18,413,906)	(30,961,565)	
Accumulated other comprehensive income (AOCI)	\$ (65,871,641)	\$ (27,559,460)	\$ (44,980,772)	\$ (36,983,136)	
Cumulative employer contributions in excess of net periodic benefit cost	80,023,844	14,417,638	773,154	17,066,998	
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)	

1/4/2008

Prepared by Mercor

For Regulatory Accounting

E.ON U.S. LLC FAS 158 Disclosure

Change in benefit obligation

Benefit obligation at 12/31/2006	\$ 308,096	\$ 2,531,034	\$ 66,226
Service cost	5,343	207,151	19
Interest cost	20,888	188,291	581
Participant contributions	-	-	-
Plan amendments	-	-	-
Change due to transfers	-	-	-
Acquisitions/divestitures	-	-	-
Exchange rate changes	-	-	-
Curtailment (gain) or loss	-	-	-
Settlement (gain) or loss	-	-	-
Special termination benefits	-	-	-
Benefits paid	(21,314)	(14,062)	(691)
Settlement payments	-	-	-
Actuarial (gain) or loss	(32,970)	(788,418)	(56,801)
Benefit obligation at 12/31/2007	\$ 339,518	\$ 3,124,382	\$ 9,334

Change in plan assets

Fair value of plan assets at 12/31/2006	\$ -	\$ -	\$ -
Adjustment to December 31, 2006 Market Value	-	-	-
Actual return on plan assets	-	-	-
Change due to transfers	-	-	-
Acquisitions/divestitures	-	-	-
Employer contributions	21,314	14,062	691
Employer contributions - unfunded plans	-	-	-
Participant contributions	(21,314)	(14,062)	(691)
Benefits paid	-	-	-
Settlement payments	-	-	-
Administrative expenses	-	-	-
Exchange rate changes	-	-	-
Fair value of plan assets at 12/31/2007	\$ -	\$ -	\$ -

Funded status

Funded status at the end of the year	\$ (339,518)	\$ (3,124,382)	\$ (9,334)
Employer contrib. between measurement date and fiscal yr. and	-	-	-
Net amount recognized in statement of financial position	\$ (339,518)	\$ (3,124,382)	\$ (9,334)

Amounts recognized in the statement of financial position consist of:

Noncurrent assets	(21,120)	(16,073)	(689)
Current liabilities	(318,398)	(3,108,309)	(8,645)
Net amount recognized in statement of financial position	\$ (339,518)	\$ (3,124,382)	\$ (9,334)

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income:

Transition obligation asset (obligation)	(95,523)	(1,145,455)	1,114
Prior service credit (cost)	5,079	(261,492)	17,169
Accumulated gain (loss)	(90,444)	(1,406,947)	18,283
Accumulated other comprehensive income (AOCI)	(249,074)	(1,717,435)	(27,617)
Cumulative employer contributions in excess of net periodic benefit cost	(339,518)	(3,124,382)	(9,334)
Net amount recognized in statement of financial position	\$ -	\$ -	\$ -

1/4/2008

Prepared by Mercer

For Regulatory Accounting

E.ON U.S. LLC FAS 158 Disclosure

Additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets:

Projected benefit obligation	\$ 237,697,002	\$ 169,978,537	\$ 185,048,952	\$ 284,168,027
Accumulated benefit obligation	231,898,365	145,782,524	124,855,335	242,694,609
Fair value of plan assets	251,849,205	156,836,915	140,841,334	264,351,889

Components of net periodic benefit cost

Service cost	\$ 1,964,340	\$ 2,454,605	\$ 9,741,232	\$ 6,040,508
Interest cost	13,459,911	10,378,987	11,081,774	17,378,184
Expected return on plan assets	(19,971,291)	(12,507,601)	(10,780,152)	(21,118,847)
Amortization of prior service cost	1,868,925	3,218,112	2,530,129	861,309
Amortization of transitional (asset) or obligation	-	-	-	-
Amortization of actuarial (gain) or loss	1,846,054	-	1,757,194	1,655,793
Net periodic benefit cost	\$ (832,061)	\$ 3,544,103	\$ 14,320,177	\$ 4,816,947

FAS88 special charges

	\$ -	\$ -	\$ -	\$ -
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Other changes recognized in other comprehensive income:

Prior service cost arising during period	\$ 8,914,279	\$ 9,596,459	\$ 18,688,132	\$ 167,710
Net loss/(gain) arising during period	(2,351,743)	(8,980,890)	(20,143,604)	(19,134,350)
Amortization of prior service (cost)/credit	(1,868,925)	(3,218,112)	(2,530,129)	(861,309)
Amortization of gain/(loss)	(1,846,054)	-	(1,757,194)	(1,655,793)
Total recognized in other comprehensive income	\$ 2,847,557	\$ (2,602,543)	\$ (5,742,795)	\$ (21,463,742)

Weighted-average assumptions to determine benefit obligations

Discount rate	6.56%	6.66%	6.66%	6.66%
Rate of compensation increase	N/A	5.25%	5.25%	5.25%
Measurement date	December 31			

Expected cash flows

Expected benefit payments for fiscal year ending in:

2008	\$ 16,483,575	\$ 11,205,015	\$ 1,646,625	\$ 18,325,298
2009	15,882,361	10,989,112	2,248,509	17,845,420
2010	15,344,596	10,822,335	2,906,000	17,428,995
2011	14,894,328	10,670,892	3,509,851	17,104,299
2012	14,748,508	10,670,165	4,508,266	16,899,879
2013-2017	73,602,552	55,258,721	44,950,063	89,815,582

Expected amortizations for 2008

Amortization of prior service cost	\$ 2,468,352	\$ 3,218,112	\$ 2,530,129	\$ 861,309
Amortization of transitional (asset) or obligation	1,422,494	-	-	203,730
Amortization of actuarial (gain) or loss	3,890,846	3,218,112	2,530,129	1,065,039
Total amortizations	\$ 7,781,692	\$ 6,436,224	\$ 5,060,258	\$ 2,130,078

Prepared by Mercer

1/4/2009

For Regulatory Accounting

E.ON U.S. LLC FAS 158 Disclosure

Additional year-end information for pension plans with accumulated benefit obligations

In excess of plan assets:
 Projected benefit obligation
 Accumulated benefit obligation
 Fair value of plan assets

\$ 339,518 \$ 3,124,382 \$ 9,334
 282,525 1,152,699 9,334

Components of net periodic benefit cost

Service cost
 Interest cost
 Expected return on plan assets
 Amortization of prior service cost
 Amortization of transitional (asset) or obligation
 Amortization of actuarial (gain) or loss
 Net periodic benefit cost

\$ 5,343 \$ 207,151 \$ 19
 20,888 188,291 581
 17,617 115,083 (162)
 35,479 (1,552)
 \$ 43,848 \$ 548,004 \$ (1,114)

FAS88 special charges

Other changes recognized in other comprehensive income:

Prior service cost arising during period
 Net loss/(gain) arising during period
 Amortization of prior service (cost)/credit
 Amortization of gain/(loss)
 Total recognized in other comprehensive income

\$ 59,475 \$ 1,000,386 \$
 (32,970) (788,418) (56,801)
 (17,617) (115,083) 162
 (35,479) 1,552
 \$ 8,888 \$ 61,406 \$ (55,087)

Weighted-average assumptions to determine benefit obligations

Discount rate
 Rate of compensation increase
 Measurement date

6.77% 6.77% 6.77%
 5.25% 5.25% 5.25%

Expected cash flows

Expected benefit payments for fiscal year ending in:

2008
 2009
 2010
 2011
 2012
 2013-2017

\$ 21,120 \$ 16,073 \$ 689
 20,972 18,193 686
 20,807 21,359 684
 20,846 28,343 726
 20,967 37,638 767
 104,865 682,738 3,767

Expected amortizations for 2008

Amortization of prior service cost
 Amortization of transitional (asset) or obligation
 Amortization of actuarial (gain) or loss
 Total amortizations

\$ 12,971 \$ 115,083 \$ (162)
 (1,476)
 \$ 12,971 \$ 115,083 \$ (1,638)

1/4/2008

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For Financial Accounting

E.ON U.S. LLC FAS 158 Disclosure

Change in benefit obligation				
Benefit obligation at 12/31/2006	\$ 236,834,400	\$ 170,762,627	\$ 168,670,173	\$ 303,271,706
Service cost	1,964,340	2,454,605	9,741,232	6,040,508
Interest cost	13,459,911	10,378,987	11,081,774	17,378,184
Participant contributions	8,914,279	9,596,459	18,688,132	167,710
Plan amendments	-	-	-	-
Change due to transfers	-	-	-	-
Acquisitions/divestitures	-	-	-	-
Exchange rate changes	-	-	-	-
Curtailement (gain) or loss	-	-	-	-
Settlement (gain) or loss	-	-	-	-
Special termination benefits	-	-	-	-
Benefits paid	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)
Settlement payments	(7,354,957)	(11,535,673)	(21,735,655)	(23,464,380)
Actuarial (gain) or loss	\$ 237,697,002	\$ 169,978,537	\$ 185,048,952	\$ 284,168,027
Benefit obligation at 12/31/2007				
Change in plan assets				
Fair value of plan assets at 12/31/2006	\$ 215,002,099	\$ 140,862,565	\$ 100,039,937	\$ 253,788,773
Adjustment to December 31, 2006 Market Value				
Actual return on plan assets	15,343,729	10,287,269	9,238,103	17,339,440
Change due to transfers	-	-	-	-
Acquisitions/divestitures	38,000,000	17,700,000	33,000,000	13,000,000
Employer contributions	-	-	-	-
Employer contributions - unfunded plans	-	-	-	-
Participant contributions	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)
Benefits paid	(375,662)	(334,471)	(40,002)	(550,623)
Administrative expenses	-	-	-	-
Exchange rate changes	-	-	-	-
Fair value of plan assets at 12/31/2007	\$ 251,849,205	\$ 156,836,915	\$ 140,841,334	\$ 264,351,869
Funded status				
Funded status at the end of the year	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)
Employer contrib. between measurement date and fiscal yr. end				
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)
Amounts recognized in the statement of financial position consist of:				
Noncurrent assets	\$ 14,152,203	\$ -	\$ -	\$ -
Current liabilities	-	(13,141,622)	(44,207,618)	(19,816,138)
Noncurrent liabilities	-	(13,141,622)	(44,207,618)	(19,816,138)
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income:				
Transition obligation asset (obligation)	\$ -	\$ -	\$ -	\$ -
Prior service credit (cost)	(16,753,159)	(12,469,769)	(24,608,820)	(255,807)
Accumulated gain (loss)	(22,056,327)	(1,971,543)	1,286,878	(21,544,013)
Accumulated other comprehensive income (AOCI)	\$ (38,809,482)	\$ (14,441,312)	\$ (23,321,942)	\$ (21,799,820)
Cumulative employer contributions in excess of net periodic benefit cost	52,861,665	1,299,690	(20,885,679)	1,983,682
Net amount recognized in statement of financial position	\$ 14,152,203	\$ (13,141,622)	\$ (44,207,618)	\$ (19,816,138)

1/4/2008

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For Financial Accounting

E.ON U.S. LLC FAS 158 Disclosure

Change in benefit obligation

Benefit obligation at 12/31/2006	\$ 308,096	\$ 2,531,034	\$ 66,226
Service cost	5,343	207,151	19
Interest cost	20,888	188,291	581
Participant contributions			
Plan amendments			
Change due to transfers			
Acquisitions/divestitures			
Exchange rate changes			
Curtailment (gain) or loss			
Settlement (gain) or loss			
Special termination benefits			
Benefits paid	(21,314)	(14,062)	(691)
Settlement payments	(32,970)	(788,418)	(56,801)
Actuarial (gain) or loss			
Benefit obligation at 12/31/2007	\$ 339,518	\$ 3,124,382	\$ 9,334

Change in plan assets

Fair value of plan assets at 12/31/2006	\$ -	\$ -	\$ -
Adjustment to December 31, 2006 Market Value			
Actual return on plan assets			
Change due to transfers			
Acquisitions/divestitures			
Employer contributions	21,314	14,062	691
Employer contributions - unfunded plans			
Participant contributions			
Benefits paid	(21,314)	(14,062)	(691)
Settlement payments			
Administrative expenses			
Exchange rate changes			
Fair value of plan assets at 12/31/2007	\$ -	\$ -	\$ -

Funded status

Funded status at the end of the year	\$ (339,518)	\$ (3,124,382)	\$ (9,334)
Employer contrib. between measurement date and fiscal yr. end			
Net amount recognized in statement of financial position	\$ (339,518)	\$ (3,124,382)	\$ (9,334)

Amounts recognized in the statement of financial position consist of:

Noncurrent assets	(21,120)	(16,073)	(689)
Current liabilities	(318,398)	(3,108,309)	(8,645)
Noncurrent liabilities	(339,518)	(3,124,382)	(9,334)
Net amount recognized in statement of financial position			

Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive income:

Transition obligation asset (obligation)	(68,444)	(1,166,271)	(142)
Prior service credit (cost)	(43,645)	(189,661)	24,524
Accumulated gain (loss)	(112,089)	(1,350,232)	24,382
Accumulated other comprehensive income (AOCI)	(227,429)	(1,774,150)	(33,716)
Cumulative employer contributions in excess of net periodic benefit cost	(339,518)	(3,124,382)	(9,334)
Net amount recognized in statement of financial position			

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1/4/2008

For Financial Accounting

E.ON U.S. LLC FAS 158 Disclosure

Additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets:

Projected benefit obligation	\$ 237,697,002	\$ 169,976,537	\$185,048,952	\$ 284,168,027
Accumulated benefit obligation	231,898,365	145,782,524	124,655,335	242,694,609
Fair value of plan assets	251,849,205	156,836,915	140,841,394	264,351,889

Components of net periodic benefit cost

Service cost	\$ 1,964,340	\$ 2,454,605	\$ 9,741,232	\$ 6,040,508
Interest cost	13,459,911	10,370,987	11,081,774	17,376,184
Expected return on plan assets	(19,971,291)	(12,507,601)	(10,790,152)	(21,116,947)
Amortization of prior service cost	653,931	1,154,544	2,282,697	23,752
Amortization of transitional (asset) or obligation	73,477	-	-	808,742
Amortization of actuarial (gain) or loss	(3,819,632)	1,480,535	12,315,551	3,132,339
Net periodic benefit cost	\$ -	\$ -	\$ -	\$ -

FAS88 special charges

Other changes recognized in other comprehensive income:				
Prior service cost arising during period	\$ 8,914,279	\$ 9,596,459	\$ 18,688,132	\$ 167,710
Net loss/(gain) arising during period	(2,351,743)	(8,980,890)	(20,143,604)	(19,134,350)
Amortization of prior service (cost)/credit	(653,931)	(1,154,544)	(2,282,697)	(23,752)
Amortization of gain/(loss)	(73,477)	-	-	(808,742)
Total recognized in other comprehensive income	\$ 5,835,128	\$ (538,975)	\$ (3,738,169)	\$ (19,799,134)

Weighted-average assumptions to determine benefit obligations

Discount rate	6.56%	6.66%	6.66%	6.66%
Rate of compensation increase	N/A	5.25%	5.25%	5.25%
Measurement date	December 31			

Expected cash flows

Expected benefit payments for fiscal year ending in:				
2008	\$ 16,483,575	\$ 11,205,015	\$ 1,846,625	\$ 18,325,298
2009	15,882,361	10,989,112	2,248,509	17,845,420
2010	15,344,596	10,822,335	2,906,000	17,428,995
2011	14,984,328	10,670,982	3,509,851	17,104,299
2012	14,748,508	10,670,165	4,508,266	16,899,879
2013-2017	73,602,552	55,258,721	44,950,063	89,815,582

Expected amortizations for 2008

Amortization of prior service cost	\$ 1,290,665	\$ 1,154,544	\$ 2,282,697	\$ 23,752
Amortization of transitional (asset) or obligation	-	-	-	-
Amortization of actuarial (gain) or loss	-	-	-	-
Total amortizations	\$ 1,290,665	\$ 1,154,544	\$ 2,282,697	\$ 23,752

Prepared by Mercer

1/4/2008

For Financial Accounting

E.ON U.S. LLC FAS 158 Disclosure

Additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets:
 Projected benefit obligation
 Accumulated benefit obligation
 Fair value of plan assets

\$ 339,518 \$ 3,124,382 \$ 9,334
 262,525 1,152,699 9,334

Components of net periodic benefit cost
 Service cost
 Interest cost
 Expected return on plan assets
 Amortization of prior service cost
 Amortization of transitional (asset) or obligation
 Amortization of actuarial (gain) or loss
 Net periodic benefit cost

\$ 5,343 \$ 207,151 \$ 19
 20,888 188,291 581
 6,998 118,056 17
 3,329 27,726 (2,287)
 \$ 35,558 \$ 541,224 \$ (1,670)

FAS98 special charges

Other changes recognized in other comprehensive income:
 Prior service cost arising during period
 Net loss/(gain) arising during period
 Amortization of prior service (cost)/credit
 Amortization of gain/(loss)
 Total recognized in other comprehensive income

\$ 59,475 \$ 1,000,386 \$
 (32,970) (788,418) (56,801)
 (6,998) (118,056) (17)
 (3,329) (27,726) 2,287
 \$ 16,178 \$ 66,186 \$ (54,531)

Weighted-average assumptions to determine benefit obligations
 Discount rate
 Rate of compensation increase
 Measurement date

6.77% 6.77% 6.77%
 5.25% 5.25% 5.25%

Expected cash flows
 Expected benefit payments for fiscal year ending in:
 2008
 2009
 2010
 2011
 2012
 2013-2017

\$ 21,120 \$ 16,073 \$ 689
 20,972 16,193 686
 20,807 21,359 684
 20,846 28,343 726
 20,867 37,638 767
 104,665 682,736 3,767

Expected amortizations for 2008
 Amortization of prior service cost
 Amortization of transitional (asset) or obligation
 Amortization of actuarial (gain) or loss
 Total amortizations

\$ 6,998 \$ 118,056 \$ 17
 681
 \$ 7,879 \$ 118,056 \$ (2,145)
 (2,128)

1/4/2008

Prepared by Mercer

E.ON U.S. LLC IAS 19 Disclosure

Change in benefit obligation				
Benefit obligation at 12/31/2006	\$ 263,454,902	\$ 180,702,017	\$ 188,164,068	\$ 304,454,900
Current service cost	3,292,480	2,484,877	9,782,393	6,065,955
Interest cost	15,019,745	10,370,395	11,086,196	17,366,636
Participant contributions	-	-	-	-
Plan amendments	-	-	-	-
Change due to transfers	-	-	-	-
Acquisitions/divestitures	-	-	-	-
Exchange rate changes	-	-	-	-
Curtaiment (gain) or loss	-	-	-	-
Settlement (gain) or loss	-	-	-	-
Special termination benefits	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)
Benefits paid from plan/company	(9,392,138)	(11,880,264)	(22,587,001)	(24,493,763)
Settlement payments	\$ 256,264,028	\$ 169,978,537	\$ 185,048,952	\$ 284,168,027
Actuarial (gain) or loss				
Benefit obligation at 12/31/2007	\$ 215,002,099	\$ 140,752,666	\$ 100,072,618	\$ 253,660,654
Change in plan assets				
Fair value of plan assets at 12/31/2006				
Adjustment to December 31, 2006 Market Value	19,971,291	12,498,536	10,792,848	21,124,777
Expected return on plan assets	(4,627,562)	(2,218,960)	(1,552,452)	(3,780,292)
Actuarial gain/(loss) on plan assets				
Change due to transfers				
Acquisitions/divestitures	38,000,000	17,700,000	33,000,000	13,000,000
Employer contributions				
Employer contributions - unfunded plans				
Participant contributions	(16,120,961)	(11,678,468)	(1,396,704)	(19,225,701)
Benefits paid from plan/company	(375,662)	(334,471)	(40,002)	(650,623)
Settlement payments				
Administrative expenses				
Exchange rate changes				
Fair value of plan assets at 12/31/2007	\$ 251,849,205	\$ 156,719,323	\$ 140,876,308	\$ 264,428,815
Amounts recognized in the balance sheet				
Present value of funded obligations	\$ 256,264,028	\$ 169,978,537	\$ 185,048,952	\$ 284,168,027
Fair value of plan assets at 12/31/2007	251,849,205	156,719,323	140,876,308	264,428,815
Deficit or (surplus) for funded plans	\$ 4,414,823	\$ 13,259,214	\$ 44,172,644	\$ 19,739,212
Present value of unfunded obligations				
Unrecognized net actuarial gain/(loss)				
Unrecognized past service (cost) benefit				
Effect of paragraph 58(b) limit				
Net liability or (asset)	\$ 4,414,823	\$ 13,259,214	\$ 44,172,644	\$ 19,739,212
Amounts in the balance sheet:				
Liabilities	\$ 4,414,823	\$ 13,259,214	\$ 44,172,644	\$ 19,739,212
Assets				
Net liability (asset)	\$ 4,414,823	\$ 13,259,214	\$ 44,172,644	\$ 19,739,212

1/4/2008

Prepared by Mercer

E.ON U.S. LLC IAS 19 Disclosure

Change in benefit obligation			
Benefit obligation at 12/31/2006			66,344
Current service cost	\$ 367,554	\$ 3,535,308	\$ 19
Interest cost	5,352	207,560	581
Participant contributions	20,879	188,339	-
Plan amendments	-	-	-
Change due to transfers	-	-	-
Acquisitions/divestitures	-	-	-
Exchange rate changes	-	-	-
Curtaiment (gain) or loss	-	-	-
Settlement (gain) or loss	-	-	-
Special termination benefits	(21,314)	(14,062)	(691)
Benefits paid from plan/company	-	-	-
Settlement payments	(32,953)	(792,763)	(56,919)
Actuarial (gain) or loss	\$ 339,518	\$ 3,124,382	\$ 9,334
Benefit obligation at 12/31/2007			
Change in plan assets			
Fair value of plan assets at 12/31/2006	\$ -	\$ -	\$ -
Adjustment to December 31, 2006 Market Value	-	-	-
Expected return on plan assets	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-
Change due to transfers	-	-	-
Acquisitions/divestitures	-	-	-
Employer contributions	21,314	14,062	691
Employer contributions - unfunded plans	-	-	-
Participant contributions	(21,314)	(14,062)	(691)
Benefits paid from plan/company	-	-	-
Settlement payments	-	-	-
Administrative expenses	-	-	-
Exchange rate changes	-	-	-
Fair value of plan assets at 12/31/2007	\$ -	\$ -	\$ -
Amounts recognized in the balance sheet			
Present value of funded obligations	\$ -	\$ -	\$ -
Fair value of plan assets at 12/31/2007	\$ 339,518	\$ 3,124,382	\$ 9,334
Deficit or (surplus) for funded plans	-	-	-
Present value of unfunded obligations	-	-	-
Unrecognized net actuarial gain/(loss)	-	-	-
Unrecognized past service (cost) benefit	-	-	-
Effect of paragraph 58(b) limit	-	-	-
Net liability or (asset)	\$ 339,518	\$ 3,124,382	\$ 9,334
Amounts in the balance sheet:			
Liabilities	\$ 339,518	\$ 3,124,382	\$ 9,334
Assets			
Net liability (asset)	\$ 339,518	\$ 3,124,382	\$ 9,334

1/4/2008

Prepared by Mercer

E.ON U.S. LLC IAS 19 Disclosure

Components of pension cost			
Amounts recognized in profit and loss statement			
Current service cost	\$ 3,292,480	\$ 2,464,877	\$ 9,782,393
Interest cost	15,018,745	10,370,395	11,086,198
Expected return on plan assets	(19,971,291)	(12,498,538)	(10,792,848)
Amortization of past service cost including §58(a)			
Amortization of net (gain) or loss including §58(a)			
Effect of paragraph 58(b) limit			
Curtailment (gain) or loss recognized			
Settlement (gain) or loss recognized			
Total pension cost recognized in the P&L account	\$ (1,659,066)	\$ 336,736	\$ 10,075,741
			\$ 2,307,814
Actual return on assets			
Actual return on plan assets	\$ 15,343,729	\$ 10,279,576	\$ 9,240,396
			\$ 17,344,485
Amounts recognized in statement of recognized income and expense			
Actuarial (gains)/losses immediately recognized	\$ (4,378,914)	\$ (9,326,853)	\$ (20,994,547)
Effect of paragraph 58(b) limit			
Total pension cost recognized in the SORIE	\$ (4,378,914)	\$ (9,326,853)	\$ (20,994,547)
			\$ (20,162,848)
Cumulative amount of actuarial (gains)/losses recognized			
	\$ (22,563,932)	\$ (22,982,008)	\$ (40,546,721)
			\$ (44,994,244)
Principal actuarial assumptions			
<i>Weighted-average assumptions to determine benefit obligations</i>			
Discount rate	6.66%	6.66%	6.66%
Rate of compensation increase	N/A	5.25%	5.25%
Rate of price inflation	3.00%	3.00%	3.00%
<i>Weighted-average assumptions to determine net cost</i>			
Discount rate	5.90%	5.94%	5.94%
Expected long-term rate of return on plan assets during financial yr.	8.25%	8.25%	8.25%
Rate of compensation increase	N/A	5.25%	5.25%
Rate of price inflation	3.00%	3.00%	3.00%
History of experience gains and losses			
Difference between the expected and actual return on plan assets			
Amount	\$ 4,627,562	\$ 2,218,960	\$ 1,552,452
Percentage of plan assets	2%	1%	1%
Experience (gain) or loss on plan liabilities	\$ (9,382,138)	\$ (11,880,284)	\$ (22,587,001)
Amount			\$ (24,493,763)
Percentage of present value of plan liabilities	-4%	-7%	-12%
			-9%
Balance sheet recognition			
Balance sheet liability (asset)	\$ 48,452,803	\$ 39,949,331	\$ 88,091,450
Pension expense recognized in P&L in the financial year	(1,659,066)	336,736	10,075,741
Amounts recognized in the SORIE in the financial year	(4,378,914)	(9,326,853)	(20,994,547)
Employer contributions made in the financial year	38,000,000	17,700,000	33,000,000
Benefits paid directly by company in the financial year			
Credit to reimbursements			
Net transfer in/(out) (including the effect of any business combinations/divestitures)			
Balance sheet liability (asset) as of end of year	\$ 4,414,823	\$ 13,259,214	\$ 44,172,644
			\$ 19,739,212

1/4/2008

Prepared by Mercer

E.ON U.S. LLC IAS 19 Disclosure

Components of pension cost	
Amounts recognized in profit and loss statement	19
Current service cost	591
Interest cost	
Expected return on plan assets	
Amortization of past service cost including §58(a)	
Amortization of net (gain) or loss including §58(a)	
Effect of paragraph 58(b) limit	
Curtailed (gain) or loss recognized	
Settlement (gain) or loss recognized	
Total pension cost recognized in the P&L account	600
Actual return on assets	
Actual return on plan assets	
Amounts recognized in statement of recognized income and expense	
Actuarial (gains)/losses immediately recognized	(56,919)
Effect of paragraph 58(b) limit	
Total pension cost recognized in the SORIE	(56,919)
Cumulative amount of actuarial (gains)/losses recognized	(63,107)
Principal actuarial assumptions	
<i>Weighted-average assumptions to determine benefit obligations</i>	
Discount rate	6.77%
Rate of compensation increase	5.25%
Rate of price inflation	3.00%
<i>Weighted-average assumptions to determine net cost</i>	
Discount rate	5.98%
Expected long-term rate of return on plan assets during financial yr.	N/A
Rate of compensation increase	5.25%
Rate of price inflation	3.00%
History of experience gains and losses	
Difference between the expected and actual return on plan assets	
Amount	\$ -
Percentage of plan assets	N/A
Experience (gain) or loss on plan liabilities	
Amount	\$ (32,953)
Percentage of present value of plan liabilities	-10%
Balance sheet recognition	
Balance sheet liability (asset)	\$ 367,554
Pension expense recognized in P&L in the financial year	\$ 3,535,308
Amounts recognized in the SORIE in the financial year	\$ 66,344
Employer contributions made in the financial year	26,231
Benefits paid directly by company in the financial year	(32,953)
Credit to reimbursements	(792,763)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	21,314
Balance sheet liability (asset) as of end of year	\$ 14,062
	\$ 691
	\$ -
	\$ -
	\$ 9,334

1/4/2008

Prepared by Mercer

Linda C. Myers, F.S.A.
Principal

MERCER

 MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

462 South Fourth Street, Suite 1100
Louisville, KY 40202
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linda.myers@mercer.com
www.mercer.com

February 29, 2008

Ms. Becky Smith
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Private & Confidential

Subject: 2008 FAS 87 and IFRS Expense for Retirement Plans

Dear Becky:

Enclosed are exhibits illustrating the 2008 FAS 87 expense (both for financial and regulatory accounting purposes) and the 2008 IFRS expense by component for the Qualified and Non-Qualified Retirement Plans of E.ON U.S. LLC. Due to the increase in discount rates, the expense amounts are less than the 2008 budgeted amounts provided last year. We have included a reconciliation of the actual 2008 FAS 87 and IFRS expenses to the 2008 budget estimates provided on April 13, 2007.

A measurement date of December 31, 2007 was used in these calculations. Plan liabilities were based on census data collected as of September 30, 2007. The market values of assets as of December 31, 2007 were provided by you. All other methods, assumptions and plan provisions used in calculating the 2008 FAS 87 and IFRS expenses were the same as those used in the applicable December 31, 2007 disclosures. The 2008 expense amounts do not anticipate any contributions to the qualified plans during the 2008 calendar year.

The undersigned credentialed actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Page 2
February 29, 2008
Ms. Becky Smith
E.ON U.S. LLC

If you have any questions, please give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Linda".

Linda C. Myers, F.S.A.
Principal

Copy:

Dan Arbough, Chris Garrett, Elliott Horne, Heather Metts, Ron Miller, Vaneeca Mottley,
Ken Mudd, Susan Neal, Brad Rives, Valerie Scott, Cathy Shultz, Vicki Strange, Henry Erk,
Marcie Gunnell, Patrick Baker, Jeff Thornton

Enclosures

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

**Comparison of Actual 2008 FAS 87 Expense
to 2008 Estimated FAS 87 Expense
Provided on April 13, 2007 for Retirement Plans
of E.ON U.S. LLC**

	(In Millions)	
	Financial Accounting Purposes (Includes Purchase Accounting)	Regulatory Accounting Purposes (Excludes Purchase Accounting)
2008 Estimated FAS 87 expense provided on April 13, 2007	\$24.4	\$33.5
Decrease due to increase in discount rates	(5.5)	(8.2)
Increase due to reflection of 3 additional years of LG&E Union multiplier increases	1.3	1.3
Increase due to liability losses	0.2	0.5
Increase due to assets earning less than assumed	1.2	1.4
Actual 2008 FAS 87 expense	\$21.6	\$28.5

**Comparison of Actual 2008 IFRS Expense
to 2008 Estimated Expense
Provided on April 13, 2007 for Retirement Plans
of E.ON U.S. LLC**

(In Millions)

2008 Estimated IFRS expense provided on April 13, 2007	\$20.2
Decrease due to increase in discount rates	(3.1)
Increase due to liability losses	0.2
Increase due to assets earning less than assumed	0.9
Actual 2008 IFRS expense	\$18.2

2008 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	NonUnion Retirement Plan		
	<u>LG&E Union</u>	<u>LG&E</u>	<u>ServCo</u> <u>KU</u>
1. Service cost	\$ 1,884,766	\$ 2,201,011	\$ 8,911,696 \$ 5,465,928
2. Interest cost	14,903,019	11,181,199	12,473,629 18,275,304
3. Expected return on assets	(19,974,817)	(12,467,974)	(11,657,064) (20,890,311)
4. Amortizations:			
a. Transition	0	0	0
b. Prior service cost	2,517,335	3,218,112	2,530,129 861,310
c. Gain/loss	1,476,785	0	116,225 316,518
5. Net periodic pension cost	\$ 807,088	\$ 4,132,348	\$ 12,374,615 \$ 4,028,749

Financial Accounting Purposes

	NonUnion Retirement Plan		
	<u>LG&E Union</u>	<u>LG&E</u>	<u>ServCo</u> <u>KU</u>
1. Service cost	\$ 1,884,766	\$ 2,201,011	\$ 8,911,696 \$ 5,465,928
2. Interest cost	14,903,019	11,181,199	12,473,629 18,275,304
3. Expected return on assets	(19,974,817)	(12,467,974)	(11,657,064) (20,890,311)
4. Amortizations:			
a. Transition	0	0	0
b. Prior service cost	1,339,645	1,154,544	2,282,697 23,752
c. Gain/loss	0	0	0
5. Net periodic pension cost	\$ (1,847,387)	\$ 2,068,780	\$ 12,010,958 \$ 2,874,673

2008 Net Periodic Pension Cost for Non-Qualified Plans

Regulatory Accounting Purposes

	Officer SERP		Restoration Plan	
	LG&E	ServCo	LG&E	ServCo
1. Service cost	\$ 0	\$ 208,090	\$ 6,691	\$ 208,975
2. Interest cost	164,423	2,204,880	24,951	244,617
3. Expected return on assets	0	0	0	0
4. Amortizations:				
a. Transition	0	0	0	0
b. Prior service cost	15,184	109,655	12,971	115,083
c. Gain/loss	61,350	467,354	0	39,661
5. Net periodic pension cost	\$ 240,957	\$ 2,989,979	\$ 44,613	\$ 608,336

Financial Accounting Purposes

	Officer SERP		Restoration Plan	
	LG&E	ServCo	LG&E	ServCo
1. Service cost	\$ 0	\$ 208,090	\$ 6,691	\$ 208,975
2. Interest cost	164,423	2,204,880	24,951	244,617
3. Expected return on assets	0	0	0	0
4. Amortizations:				
a. Transition	0	0	0	0
b. Prior service cost	0	(59,844)	6,998	118,056
c. Gain/loss	16,971	318,428	4,622	31,908
5. Net periodic pension cost	\$ 181,394	\$ 2,671,554	\$ 43,262	\$ 603,556

2008 Pension Cost for Qualified Plans

IFRS Accounting Purposes

	LG&E Union	LG&E	ServCo	NonUnion Retirement Plan	KU
1. Service cost	\$ 2,744,056	\$ 2,201,011	\$ 8,911,696	\$ 5,465,928	
2. Interest cost	16,111,005	11,181,199	12,473,629	18,275,304	
3. Expected return on assets	(19,974,817)	(12,458,381)	(11,659,904)	(20,896,613)	
4. Amortizations:	0	0	0	0	
a. Transition	0	0	0	0	
b. Prior service cost	0	0	0	0	
c. Gain/loss	0	0	0	0	
5. Pension cost	\$ (1,119,756)	\$ 923,829	\$ 9,725,421	\$ 2,844,619	

2008 Pension Cost for Non-Qualified Plans

	LG&E	Officer SERP	ServCo	Restoration Plan	KU
1. Service cost	\$ 0	\$ 208,090	\$ 208,975	\$ 966	
2. Interest cost	164,423	2,204,880	244,617	2,317	
3. Expected return on assets	0	0	0	0	
4. Amortizations:	0	0	0	0	
a. Transition	0	0	0	0	
b. Prior service cost	0	0	0	0	
c. Gain/loss	0	0	0	0	
5. Pension cost	\$ 164,423	\$ 2,412,970	\$ 453,592	\$ 3,283	

1. Service cost
2. Interest cost
3. Expected return on assets
4. Amortizations:
 - a. Transition
 - b. Prior service cost
 - c. Gain/loss
5. Pension cost

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 106

Responding Witness: Chris Hermann / Shannon L. Charnas

Q-106. Refer to Exhibit 1, Reference Schedules 1.18, of the Rives Testimony.

- a. Identify, by account number and title as shown at Volume 1 of 4 of KU's response to Staff's first request, Item 13, the accounts charged with storm damage during the test year and the amounts charged to each account.
- b. Discuss and explain the accounting processes and procedures in place to ensure proper classification of all costs related to storm damage.
- c. Provide support for the CPI-U factors used to gross-up prior storm damage expenses.

A-106. a. The accounts charged with storm damage during the test year and the amounts charged to each account are as follows:

Account Number	Account Name	Operating Expenses
583001	OPR-O/H LINES	\$ 547,144
584001	OPR-UNDERGRND LINES	3,111
588100	MISC DIST EXP-SSTMTC	265,907
592100	MTCE-ST EQ-SSTMTC	135,888
593002	MTCE-COND/DEVICE-DIS	4,600,008
593004	TREE TRIMMING	129,859
594001	MTCE-ELEC MANHOL ETC	10,784
595100	MTCE-TRANSF/REG	14,346
596100	MTCE OF STREET LIGHTING AND SIGNALS	204
925001	PUBLIC LIABILITY	850
	TOTAL	<u>\$5,708,101</u>

- b. KU utilizes a standard task naming convention for the various types of work functions during a storm. Construction crews, team and group leaders, and management have been instructed and educated in the process of charging crew time. Timesheets are coded to the appropriate task and verified by the supervisor. An audit of the storm event takes place after all charges have been accumulated. If a charge needs to be corrected an accounting change of distribution is requested.

- c. See attached.

Year	TME Apr 2008 Average	÷	Yearly Average	=	CPI-All Urban Consumers
2008*	210.107		210.107		1.0000
2007	210.107		207.342		1.0133
2006	210.107		201.600		1.0422
2005	210.107		195.300		1.0758
2004	210.107		188.900		1.1123
2003	210.107		184.000		1.1419
2002	210.107		179.900		1.1679
2001	210.107		177.100		1.1864
2000	210.107		172.200		1.2201

* NOTE: 2008 yearly average is for 12 months ended April 30, 2008.

All other years expenses are for calendar year.

Month	CPI
May 2007	207.949
Jun	208.352
Jul	208.299
Aug	207.917
Sep	208.49
Oct	208.936
Nov	210.177
Dec	210.036
Jan 2008	211.08
Feb	211.693
Mar	213.528
Apr	214.823
TME Apr 2008 Avg.	210.107

Consumer Price Index-All Urban Consumers

Series Catalog:

Series ID : CUUR0000SA0

Not Seasonally Adjusted

Area : U.S. city average

Item : All items

Base Period : 1982-84=100

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1998	161.6	161.9	162.2	162.5	162.8	163	163.2	163.4	163.6	164	164	163.9	163
1999	164.3	164.5	165	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174	174.1	174	172.2
2001	175.1	175.8	176.2	176.9	177.7	178	177.5	177.5	178.3	177.7	177.4	176.7	177.1
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181	181.3	181.3	180.9	179.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185	184.5	184.3	184
2004	185.2	186.2	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	188.9
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.49	208.936	210.177	210.036	207.342
2008	211.08	211.693	213.528	214.823									

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 107

Responding Witness: Shannon L. Charnas

Q-107. Refer to Exhibit 1, Reference Schedules 1.19, of the Rives Testimony.

- a. Identify, by account number and title as shown at Volume 1 of 4 of KU's response to Staff's first request, Item 13, the accounts charged with injuries and damages during the test year and the amounts charged to each account.
- b. Discuss and explain the accounting processes and procedures in place to ensure proper classification of all costs related to injuries and damages.

A-107. a. See attached.

- b. Supervisors and managers have the responsibility for approving all expenses, including injuries and damages. As part of this approval process, they are responsible for reviewing and approving the account coding.

**KENTUCKY UTILITIES COMPANY
925 - INJURIES AND DAMAGES
FOR THE PERIOD MAY 1, 2007 - APRIL 30, 2008**

Account	Description	Total Company Amount	Jurisdictional Allocator (1)	Kentucky Retail Balance
925001	PUBLIC LIABILITY	\$ 904,114.69	0.89139	\$ 805,917.17
925002	WORKERS' COMP INS - O&M	72,133.48	0.89139	64,298.93
925003	AUTO LIABILITY	(18,756.76)	0.89139	(16,719.55)
925004	SAFETY AND INDUSTRIAL HEALTH	78,629.48	0.89139	70,089.39
925012	WORKERS' COMP INS-A&G	(6,346.96)	0.89139	(5,657.61)
925022	WORKERS' COMP INS-ELECTRIC COS	15,022.12	0.89139	13,390.54
925024	WORKERS' COMP INS-OTHER COS	113.29	0.89139	100.99
925026	WORKERS COMP - SELLING EXP	50,778.92	0.89139	45,263.73
925027	WORKERS COMP - SELLING - INDIRECT	405.46	0.89139	361.42
925100	OTHER INJURIES AND DAMAGES	43,240.92	0.89139	38,544.45
925902	WORKERS' COMP INS - INDIRECT - O&M	1,369.42	0.89139	1,220.68
925904	SAFETY & INDUSTRIAL HEALTH - INDIRECT	44,406.61	0.89139	39,583.53
925912	WORKERS' COMP INS INDIRECT-A&G	3,186.46	0.89139	2,840.37
925922	WORKERS' COMP INS-INDIRECT-ELECTRIC COS	68.90	0.89139	61.42
		<u>\$ 1,188,366.03</u>		<u>\$ 1,059,295.46</u>

(1) Jurisdictional Allocator is truncated from actual.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 108

Responding Witness: Chris Hermann / Shannon L. Charnas

- Q-108. Refer to Volume 1 of 4 of KU's response to Staff's first request, Item 30(a) and 30(b).
- a. Provide the level of conservation advertising reported for the years 2007, 2006, 2005, 2004, and 2003.
 - b. Discuss the decision-making process when determining whether an advertising expense is institutional (not includable for rate recovery) or conservation (includable for rate recovery). Include in this discussion how advertisements that include both institutional and conservation advertising are split into these two categories of expense.
 - c. Explain why KU ratepayers should fund payments to the Chambers of Commerce included in account 930904.
 - d. What is the E.ON Loyalty Survey and explain why KU ratepayers should fund payments for it.
 - e. Explain the nature of each charge to account 930904 for JD Power and Associates, Chartwell Inc., Management Consultant, Schmidt Consulting, and Guideline and explain why these expenses should be funded by KU ratepayers.

A-108. a. Conservation advertising – FERC account 909:

2007	\$ 536,622.88
2006	184,059.33
2005	208,402.98
2004	95,783.09
2003	347,458.92

- b. To be included for rate recovery advertising expenses must meet one of the following criteria:

- Information that directly impacts the customer's service or account (e.g. pricing information)
- Contact Information (e.g. telephone book listings)
- Billing and Payment Options (e.g. budget billing, automatic bank draft, e-bill, low income programs, etc.)
- Safety (e.g. electric)

Expenses that do not meet the above criteria are charged to below-the-line accounts. The only exception is the McGruff Truck Campaign. While the program is related to safety it is not directly tied to utility safety and is therefore charged to a below-the-line account.

- c. The Chambers of Commerce payments are included in account 930207. The Code of Federal Regulations definition of account 930.2 states that account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere, including industry association dues for Company memberships.
- d. The E.ON Loyalty Survey is a polling survey conducted annually during the months of May and June. Six hundred telephone interviews are conducted among residential customers of KU and LG&E. These interviews are equally distributed across the KU and LG&E residential customer population. The survey measures customers' perceptions of performance in the categories of: pricing, image, customer orientation, reliability, communications products and services, billing and payment, and customer service. Survey results are blended with benchmark data, performance metrics and other surveys to develop an overall picture of the Company's performance and the cost associated with improving each category. Business plans are then developed and implemented to address potential improvement areas. The survey provides LG&E and KU with empirical data upon which to assess possible improvements to service for the benefit of customers.
- e. Payments for JD Power and Associates, Chartwell Inc., Management Consultant, Schmidt Consulting, and Guideline are included in account 930903. The nature of these invoices involves research work which provides customers with an opportunity to have an active voice and provides the Company with an opportunity to better serve its customers. The invoices are broken down by company as follows:

The J.D. Power & Associates invoices relate to the Electric Residential Study, a syndicated study conducted among subscribing and non-subscribing utilities across the United States. The charges represent E.ON U.S. subscription fees for the study, divided equally among KU and LG&E.

The Chartwell Inc. invoices represent membership renewals and access to the entire Chartwell Inc. database. Chartwell Inc. provides in-depth research on the most

current issues affecting energy markets, technologies and services. They provide research reports, newsletters, online publications and information services on issues facing utility and energy company managers.

Schmidt Consulting Services conducted the telephone interviewing for the Residential and SME (Small to Medium Size Energy Users) E.ON Loyalty Surveys.

Management Consultant performed analysis of the results for the E.ON Loyalty Surveys, and the invoice represents these charges.

Guideline provided business research and analytical services. Guideline is a knowledge services company that offers a full suite of customized research and consulting solutions to address clients' critical business issues.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 109

Responding Witness: Valerie L. Scott

- Q-109. Refer to Exhibit 1, Reference Schedule 1.23 and 1.24, of the Rives Testimony; Volume 1 of 4 of KU's response to Staff's first request, Item 13; pages 8-9 of the Bellar Testimony; and pages 4-5 of the Scott Testimony.
- a. When was the MISO exit fee shown on Schedule 1.23 of \$18,907,345 paid?
 - b. Provide a detailed analysis of the \$6,551,955 Schedule 10 accumulated regulatory liability as shown on Schedule 1.23.
 - c. Explain why a 5-year amortization period is appropriate for the net MISO exit fee and the EKPC depancaking settlement charges shown on Schedules 1.23 and 1.24.
 - d. Provide an analysis, by account, showing all transactions in the accounts shown in Item 13 related to MISO and EKPC. Provide a description for each transaction and state whether or not it will be a recurring item subsequent to KU's exit from MISO.
 - e. Pending Commission approval, provide an estimate of the regulatory liability that will be accrued as a result of revenues related to MISO Schedule 10 expenses between the end of the test year and the date new rates will go into effect.
 - f. Provide the calculation showing how the accrued depancaking settlement in the amount of \$1,933,838 as shown in schedule 1.24 was derived from the annual payments of \$550,000 as stated by Mr. Bellar.
- A-109. a. The MISO exit fee was paid on October 13, 2006, with a small true-up amount paid on October 20, 2006. The original amount paid was \$20,097,352 and the subsequent true-up amount paid was \$142. The balance reported as of the April 30, 2008 test year of \$18,907,345 reflects reductions for a refund payment in March 2008, of \$1,055,848 and accruals for future refunds receivable of \$134,301.

- b. The annual accrual amount as derived from testimony in the Third Amended Joint Application in Case No. 2005-00471 is \$3,931,171 / 12 months = \$327,598 per month. The accumulated regulatory liability was derived using the monthly amount times the months since the exit from the MISO as illustrated in the table below.

Period	Amount
Sept – Dec 2006	\$1,310,392
Jan – Dec 2007	\$3,931,171
Jan – April 2008	\$1,310,392
Total	\$6,551,955

- c. A 5-year amortization period was selected for the MISO exit fee based on discussions with the involved parties in Case No. 2003-00266. A 5-year amortization period was selected for the EKPC depencaking settlement as the related payments are to be made over a 5-year period per the draft Settlement of Proceedings in FERC Docket No. ER06-1458 (for which a final order has not yet been issued). The costs of the EKPC depencaking settlement would not have been incurred but for the MISO exit.

- d. See attached.

- e. The estimated regulatory liability that will be accrued between the end of the test year and the date the new rates go into effect is \$2,948,382, calculated as follows:

The annual accrual amount as derived from testimony in the Third Amended Joint Application in Case No. 2005-00471 is \$3,931,171 / 12 months x 9 months from May 2008 through January 2009 = \$2,948,382, assuming new rates go into effect February 1, 2009. Each additional day thereafter, until new rates go into effect, will result in an additional \$10,770 accrual.

- f.

	100%	30.48%	69.52%
	Total	LG&E	KU
5 annual payments of \$550K	2,750,000.00	838,200.00	1,911,800.00
October 2006 imbalance charge forgiven	31,700.00	9,662.16	22,037.84
Total	\$ 2,781,700.00	\$ 847,862.16	\$ 1,933,837.84

Note: The depencaking settlement charges are being allocated between LG&E and KU using the percentages specified in Schedule B of the LG&E/KU Transmission Coordination Agreement.

Kentucky Utilities
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Analysis of Account No. 143012 (Accounts Receivable - Misc)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Mar-08	143012	1st Qtr 2008 MISO Exit Fee Accrual	112,114.21	-	0.88423	99,134.75	Y
30-Apr-08	143012	Apr 2008 MISO Exit Fee Accrual	22,185.84	-	0.88423	19,617.39	Y
			134,300.05	-			
Net Activity for Account 143012			\$ 134,300.05			\$ 118,752.13	

Kentucky Utilities
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Analysis of Account No. 171001 (Interest Receivable)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Mar-08	171001	Interest Income on 1st Qtr 08 MISO Exit Fee	3,742.20	-	0.87961	3,291.68	Y
30-Apr-08	171001	Interest Income on Apr 08 MISO Exit Fee	1,247.40	-	0.87961	1,097.23	Y
			<u>4,989.60</u>	<u>-</u>			
Net Activity for Account 171001			<u>\$ 4,989.60</u>			<u>\$ 4,388.90</u>	

Kentucky Utilities
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Analysis of Account No. 182321 (MISO Exit Fee)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
39538	182321	MISO Exit Refund Accrual	-	112,114.21	0.86537	(97,020.27)	Y
39538	182321	MISO Exit refund received	-	1,055,848.31	0.86537	(913,699.45)	Y
39568	182321	MISO Exit Refund Accrual	-	22,185.84	0.86537	(19,198.96)	Y
			<u>-</u>	<u>1,190,148.36</u>			
Net Activity for Account 182321				<u><u>\$ (1,190,148.36)</u></u>		<u><u>\$ (1,029,918.69)</u></u>	

Kentucky Utilities
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Analysis of Account No. 232010 (Wholesale Purchases A/P)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	232010	Net Settlement payment	4,650.00	-	0.89139	4,144.96	Y
30-Jun-07	232010	Purchase accrual	-	9,600.00	0.89139	(8,557.34)	Y
31-Jul-07	232010	Net Settlement payment	9,600.00	-	0.89139	8,557.34	Y
31-Aug-07	232010	Purchase accrual	-	96,580.00	0.89139	(86,090.45)	Y
30-Sep-07	232010	Payment	96,580.00	-	0.89139	86,090.45	Y
30-Sep-07	232010	Purchase accrual	-	3,000.00	0.89139	(2,674.17)	Y
31-Oct-07	232010	Purchase accrual	-	4,650.00	0.89139	(4,144.96)	Y
30-Nov-07	232010	Purchase accrual	-	24,120.79	0.89139	(21,501.03)	Y
30-Nov-07	232010	Net Settlement payment	3,000.00	-	0.89139	2,674.17	Y
30-Nov-07	232010	Net Settlement payment	4,650.00	-	0.89139	4,144.96	Y
31-Dec-07	232010	Payment	32,611.41	-	0.89139	29,069.48	Y
31-Dec-07	232010	Purchase accrual	-	1,600.00	0.89139	(1,426.22)	Y
31-Dec-07	232010	Purchase accrual	-	7,800.00	0.89139	(6,952.84)	Y
31-Dec-07	232010	Purchase accrual	-	8,490.62	0.89139	(7,568.45)	Y
31-Jan-08	232010	Net Settlement payment	1,600.00	-	0.89139	1,426.22	Y
			<u>152,691.41</u>	<u>155,841.41</u>			
Net Activity for Account 232010				<u>\$ (3,150.00)</u>	<u>\$ (2,807.88)</u>		

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Case No. 2007-00565
Current Month O/S Sales & Purchases, XM Exp, Broke
Analysis of Account No. 232010 (Wholesale Purchases A/P)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	232010	Payment	49.95	-	0.89139	44.52	Y
31-May-07	232010	Payment	49.82	-	0.89139	44.41	Y
31-May-07	232010	Payment	31.37	-	0.89139	27.96	Y
31-May-07	232010	Payment	53.93	-	0.89139	48.07	Y
31-May-07	232010	Payment	31.33	-	0.89139	27.93	Y
31-May-07	232010	Payment	85.00	-	0.89139	75.77	Y
31-May-07	232010	Payment	64.42	-	0.89139	57.42	Y
31-May-07	232010	True-up AR-AP balances for MISODay2	655.13	-	0.89139	583.98	Y
31-May-07	232010	Purchase accrual reclass	-	7,528.20	0.89139	(6,710.56)	Y
31-May-07	232010	Current Month Purchases Accrual	-	333.55	0.89139	(297.32)	Y
31-May-07	232010	Current Month Purchases Accrual	-	0.01	0.89139	(0.01)	Y
31-May-07	232010	Misc AR-AP reclasses	-	-	0.89139	-	Y
31-May-07	232010	True-up Apr 07 MISO txns to Actual S14's	100.87	-	0.89139	89.91	Y
30-Jun-07	232010	Payment	52.85	-	0.89139	47.11	Y
30-Jun-07	232010	Payment	64.15	-	0.89139	57.18	Y
30-Jun-07	232010	Payment	75.14	-	0.89139	66.98	Y
30-Jun-07	232010	Payment	7,533.36	-	0.89139	6,715.16	Y
30-Jun-07	232010	Payment	29.72	-	0.89139	26.49	Y
30-Jun-07	232010	Payment	95.40	-	0.89139	85.04	Y
30-Jun-07	232010	Payment	63.63	-	0.89139	56.72	Y
30-Jun-07	232010	True-up May 07 MISO txns to Actual S14's	-	101.60	0.89139	(90.57)	Y
30-Jun-07	232010	True-up AR-AP balances for MISODay2	-	13,339.49	0.89139	(11,890.69)	Y
30-Jun-07	232010	Current Month Purchases Accrual	-	113,269.89	0.89139	(100,967.65)	Y
30-Jun-07	232010	Current Month Purchases Accrual	-	240,916.06	0.89139	(214,750.17)	Y
30-Jun-07	232010	Current Month Purchases Accrual	7.31	-	0.89139	6.52	Y
30-Jun-07	232010	Current Month Purchases Accrual	427.56	-	0.89139	381.12	Y
30-Jun-07	232010	Current Month Purchases Accrual	15,812.42	-	0.89139	14,095.03	Y
30-Jun-07	232010	Current Month Purchases Accrual	45,209.12	-	0.89139	40,298.96	Y
30-Jun-07	232010	Current Month Purchases Accrual	75,664.28	-	0.89139	67,446.38	Y
30-Jun-07	232010	Current Month Purchases Accrual	-	5.16	0.89139	(4.60)	Y
30-Jun-07	232010	Current Month Purchases Accrual	-	398.63	0.89139	(355.33)	Y
30-Jun-07	232010	Current Month Purchases Accrual	-	9,746.42	0.89139	(8,687.86)	Y
30-Jun-07	232010	Rvrs MISO neg AR balance to AP	-	-	0.89139	-	Y
31-Jul-07	232010	Payment	74.97	-	0.89139	66.83	Y
31-Jul-07	232010	Payment	31.45	-	0.89139	28.03	Y
31-Jul-07	232010	Payment	38.71	-	0.89139	34.51	Y
31-Jul-07	232010	Payment	13,988.34	-	0.89139	12,469.07	Y
31-Jul-07	232010	Payment	89.78	-	0.89139	80.03	Y
31-Jul-07	232010	Payment	1.83	-	0.89139	1.63	Y
31-Jul-07	232010	Payment net settlement	-	5,229.95	0.89139	(4,661.93)	Y
31-Jul-07	232010	Payment net settlement	-	70,074.69	0.89139	(62,463.88)	Y

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Analysis of Account No. 232010 (Wholesale Purchases A/P)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Jul-07	232010	Payment	41.61	-	0.89139	37.09	Y
31-Jul-07	232010	Payment	121,338.58	-	0.89139	108,160.00	Y
31-Jul-07	232010	Payment	2,634.25	-	0.89139	2,348.14	Y
31-Jul-07	232010	True-up Jun 07 MISO txns to Actual S14's	-	2,762.38	0.89139	(2,462.36)	Y
31-Jul-07	232010	True-up Jun 07 MISO txns to Actual S14's	62.68	-	0.89139	55.87	Y
31-Jul-07	232010	True-up AR-AP balances for MISODay2	232,290.80	-	0.89139	207,061.70	Y
31-Jul-07	232010	Current Month Purchases Accrual	100.63	-	0.89139	89.70	Y
31-Jul-07	232010	Current Month Purchases Accrual	15,964.46	-	0.89139	14,230.56	Y
31-Jul-07	232010	Current Month Purchases Accrual	485.89	-	0.89139	433.12	Y
31-Jul-07	232010	Current Month Purchases Accrual	-	630.03	0.89139	(561.60)	Y
31-Jul-07	232010	Current Month Purchases Accrual	-	9,313.77	0.89139	(8,302.20)	Y
31-Jul-07	232010	Current Month Purchases Accrual	-	12,780.00	0.89139	(11,391.96)	Y
31-Jul-07	232010	Current Month Purchases Accrual	-	90,967.45	0.89139	(81,087.48)	Y
31-Jul-07	232010	Current Month MISO Non-energy Charges	-	388,543.51	0.89139	(346,343.80)	Y
31-Jul-07	232010	Current Month MISO Non-energy Charges	-	216.45	0.89139	(192.94)	Y
31-Jul-07	232010	Current Month MISO Non-energy Charges	0.78	-	0.89139	0.70	Y
31-Jul-07	232010	Record MISO RSG MWP-July 2007	98,344.05	-	0.89139	87,662.90	Y
31-Aug-07	232010	Payment	63.82	-	0.89139	56.89	Y
31-Aug-07	232010	Payment	98,242.90	-	0.89139	87,572.74	Y
31-Aug-07	232010	Payment	54,318.01	-	0.89139	48,418.53	Y
31-Aug-07	232010	Payment	52.26	-	0.89139	46.58	Y
31-Aug-07	232010	Payment	10,089.61	-	0.89139	8,993.78	Y
31-Aug-07	232010	Payment	49.74	-	0.89139	44.34	Y
31-Aug-07	232010	Payment	42.27	-	0.89139	37.68	Y
31-Aug-07	232010	Payment net settlement	-	34,498.70	0.89139	(30,751.80)	Y
31-Aug-07	232010	Payment	181.15	-	0.89139	161.48	Y
31-Aug-07	232010	Payment	263,896.97	-	0.89139	235,235.12	Y
31-Aug-07	232010	True-up July 07 MISO txns to Actual S14's	762.49	-	0.89139	679.68	Y
31-Aug-07	232010	True-up July 07 MISO txns to Actual S14's	16.93	-	0.89139	15.09	Y
31-Aug-07	232010	True-up AR-AP balances for MISODay2	172,800.31	-	0.89139	154,032.47	Y
31-Aug-07	232010	Current Month MISO Non-energy Charges	-	1,156.23	0.89139	(1,030.65)	Y
31-Aug-07	232010	Current Month MISO Non-energy Charges	-	232,629.81	0.89139	(207,363.89)	Y
31-Aug-07	232010	Purchase Accrual	-	18.82	0.89139	(16.78)	Y
31-Aug-07	232010	Current Month Purchases Accrual	331.54	-	0.89139	295.53	Y
31-Aug-07	232010	Current Month Purchases Accrual	8,148.33	-	0.89139	7,263.34	Y
31-Aug-07	232010	Current Month Purchases Accrual	-	775.84	0.89139	(691.58)	Y
31-Aug-07	232010	Current Month Purchases Accrual	-	53,970.28	0.89139	(48,108.57)	Y
31-Aug-07	232010	Current Month Purchases Accrual	-	138,145.71	0.89139	(123,141.70)	Y
31-Aug-07	232010	Current Month Purchases Accrual	-	1,822,073.24	0.89139	(1,624,177.87)	Y

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Analysis of Account No. 232010 (Wholesale Purchases A/P)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Sep-07	232010	Payment	147.97	-	0.89139	131.90	Y
30-Sep-07	232010	Payment net settlement	-	41,374.37	0.89139	(36,880.70)	Y
30-Sep-07	232010	Payment	233,932.63	-	0.89139	208,525.21	Y
30-Sep-07	232010	Payment net settlement	-	111,319.73	0.89139	(99,229.29)	Y
30-Sep-07	232010	Payment	138.59	-	0.89139	123.54	Y
30-Sep-07	232010	Payment	295,711.36	-	0.89139	263,594.15	Y
30-Sep-07	232010	Payment	54,016.46	-	0.89139	48,149.73	Y
30-Sep-07	232010	Payment net settlement	-	208,903.73	0.89139	(186,214.70)	Y
30-Sep-07	232010	Payment	173.53	-	0.89139	154.68	Y
30-Sep-07	232010	Payment	336,817.76	-	0.89139	300,235.98	Y
30-Sep-07	232010	Payment	63.57	-	0.89139	56.67	Y
30-Sep-07	232010	True-up AR-AP balances for MISODay2	1,450,369.54	-	0.89139	1,292,844.90	Y
30-Sep-07	232010	Misc KU MISO Reclass	-	336,043.74	0.89139	(299,546.03)	Y
30-Sep-07	232010	True-up Aug 07 MISO txns to Actual S14's	156.95	-	0.89139	139.90	Y
30-Sep-07	232010	Current Month Purchases Accrual	-	590,213.36	0.89139	(526,110.29)	Y
30-Sep-07	232010	Current Month Purchases Accrual	993.67	-	0.89139	885.75	Y
30-Sep-07	232010	Current Month Purchases Accrual	20,607.64	-	0.89139	18,369.44	Y
30-Sep-07	232010	Current Month Purchases Accrual	-	4,981.97	0.89139	(4,440.88)	Y
30-Sep-07	232010	Current Month Purchases Accrual	-	3,955.88	0.89139	(3,526.23)	Y
30-Sep-07	232010	Current Month Purchases Accrual	-	3,302.43	0.89139	(2,943.75)	Y
30-Sep-07	232010	Current Month MISO Non-energy Charges	-	431.28	0.89139	(384.44)	Y
30-Sep-07	232010	Current Month MISO Non-energy Charges	485,147.71	-	0.89139	432,455.82	Y
31-Oct-07	232010	Payment	47.01	-	0.89139	41.90	Y
31-Oct-07	232010	Payment	23.07	-	0.89139	20.56	Y
31-Oct-07	232010	Payment	141.48	-	0.89139	126.11	Y
31-Oct-07	232010	Payment	4,174.62	-	0.89139	3,721.21	Y
31-Oct-07	232010	Payment	173,434.55	-	0.89139	154,597.82	Y
31-Oct-07	232010	Payment	48,331.19	-	0.89139	43,081.94	Y
31-Oct-07	232010	Payment	5.01	-	0.89139	4.47	Y
31-Oct-07	232010	Payment	55.28	-	0.89139	49.28	Y
31-Oct-07	232010	True-up Sept 07 MISO txns to Actual S14's	1,607.33	-	0.89139	1,432.76	Y
31-Oct-07	232010	True-up Sept 07 MISO txns to Actual S14's	-	0.03	0.89139	(0.03)	Y
31-Oct-07	232010	True-up AR-AP balances for MISODay2	199,588.61	-	0.89139	177,911.29	Y
31-Oct-07	232010	Current Month Purchases Accrual	-	17.75	0.89139	(15.82)	Y
31-Oct-07	232010	Current Month Purchases Accrual	83,115.75	-	0.89139	74,088.55	Y
31-Oct-07	232010	Current Month Purchases Accrual	798.17	-	0.89139	711.48	Y
31-Oct-07	232010	Current Month Purchases Accrual	20.56	-	0.89139	18.33	Y
31-Oct-07	232010	Current Month Purchases Accrual	-	342,316.45	0.89139	(305,137.46)	Y
31-Oct-07	232010	Current Month Purchases Accrual	-	558.10	0.89139	(497.48)	Y

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Oct-07	232010	Current Month Purchases Accrual	-	368.17	0.89139	(328.18)	Y
31-Oct-07	232010	Current Month Purchases Accrual	-	62.30	0.89139	(55.53)	Y
31-Oct-07	232010	Current Month MISO & PJM Non-energy Charges	-	213,941.22	0.89139	(190,705.06)	Y
31-Oct-07	232010	Current Month MISO & PJM Non-energy Charges	-	615.59	0.89139	(548.73)	Y
30-Nov-07	232010	Payment	228.52	-	0.89139	203.70	Y
30-Nov-07	232010	Payment	141.57	-	0.89139	126.19	Y
30-Nov-07	232010	Payment	577.68	-	0.89139	514.94	Y
30-Nov-07	232010	Payment	102.90	-	0.89139	91.72	Y
30-Nov-07	232010	Payment	28.09	-	0.89139	25.04	Y
30-Nov-07	232010	Payment	83.16	-	0.89139	74.13	Y
30-Nov-07	232010	Payment	-	1,590.50	0.89139	(1,417.76)	Y
30-Nov-07	232010	True-up Oct 07 MISO txns to Actual S14's	-	0.01	0.89139	(0.01)	Y
30-Nov-07	232010	True-up Oct 07 MISO txns to Actual S14's	474,403.49	-	0.89139	422,878.53	Y
30-Nov-07	232010	True-up AR-AP balances for MISODay2	-	19.58	0.89139	(17.45)	Y
30-Nov-07	232010	Current Month Purchases Accrual	-	728.03	0.89139	(648.96)	Y
30-Nov-07	232010	Current Month Purchases Accrual	-	9,006.13	0.89139	(8,027.97)	Y
30-Nov-07	232010	Current Month Purchases Accrual	-	16,949.88	0.89139	(15,108.95)	Y
30-Nov-07	232010	Current Month Purchases Accrual	-	964,526.67	0.89139	(859,769.43)	Y
30-Nov-07	232010	Current Month Purchases Accrual	8.46	-	0.89139	7.54	Y
30-Nov-07	232010	Current Month Purchases Accrual	286.14	-	0.89139	255.06	Y
30-Nov-07	232010	Current Month Purchases Accrual	7,777.00	-	0.89139	6,932.34	Y
30-Nov-07	232010	Current Month Purchases Accrual	42,700.43	-	0.89139	38,062.74	Y
30-Nov-07	232010	Current Month Purchases Accrual	4,752.16	-	0.89139	4,236.03	Y
30-Nov-07	232010	Reclass amounts in Account 232010	-	17.36	0.89139	(15.47)	Y
30-Nov-07	232010	Reclass amounts in Account 232010	147,832.58	-	0.89139	131,776.48	Y
31-Dec-07	232010	Payment	140.05	-	0.89139	124.84	Y
31-Dec-07	232010	Payment	177,920.42	-	0.89139	158,596.48	Y
31-Dec-07	232010	Payment	77.77	-	0.89139	69.32	Y
31-Dec-07	232010	Payment	92.24	-	0.89139	82.22	Y
31-Dec-07	232010	Payment	17,448.88	-	0.89139	15,553.76	Y
31-Dec-07	232010	Payment net settlement	-	49,462.09	0.89139	(44,090.01)	Y
31-Dec-07	232010	Payment net settlement	-	49,462.09	0.89139	(44,090.01)	Y
31-Dec-07	232010	Payment	49,462.09	-	0.89139	44,090.01	Y
31-Dec-07	232010	Payment	199.95	-	0.89139	178.23	Y
31-Dec-07	232010	Payment	85,832.32	-	0.89139	76,510.07	Y
31-Dec-07	232010	Payment	128.97	-	0.89139	114.96	Y
31-Dec-07	232010	Payment	-	5,727.19	0.89139	(5,105.16)	Y
31-Dec-07	232010	True-up Nov 07 MISO txns to Actual S14's	566,499.82	-	0.89139	504,972.27	Y
31-Dec-07	232010	True-up AR-AP balances for MISODay2	-	628.24	0.89139	(560.01)	Y
31-Dec-07	232010	Current Month Purchases Accrual	-	-	-	-	-

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Dec-07	232010	Current Month Purchases Accrual	-	713.03	0.89139	(635.59)	Y
31-Dec-07	232010	Current Month Purchases Accrual	-	4,148.44	0.89139	(3,697.88)	Y
31-Dec-07	232010	Change Task in Account 232010	17.36	-	0.89139	15.47	Y
31-Dec-07	232010	Change Task in Account 232010	-	4,752.16	0.89139	(4,236.03)	Y
31-Dec-07	232010	Change Task in Account 232010	4,752.16	-	0.89139	4,236.03	Y
31-Dec-07	232010	Change Task in Account 232010	-	17.36	0.89139	(15.47)	Y
31-Jan-08	232010	Payment	105,363.42	-	0.89139	93,919.90	Y
31-Jan-08	232010	Payment	71.53	-	0.89139	63.76	Y
31-Jan-08	232010	Payment net settlement	-	41,230.72	0.89139	(36,752.65)	Y
31-Jan-08	232010	Payment	142.12	-	0.89139	126.68	Y
31-Jan-08	232010	Payment	127.18	-	0.89139	113.37	Y
31-Jan-08	232010	Payment	4,140.64	-	0.89139	3,690.93	Y
31-Jan-08	232010	Payment	135.26	-	0.89139	120.57	Y
31-Jan-08	232010	Payment	114.50	-	0.89139	102.06	Y
31-Jan-08	232010	True-up Dec 07 MISO txns to Actual S14's	-	0.02	0.89139	(0.02)	Y
31-Jan-08	232010	True-up AR-AP balances for MISODay2	-	87,579.07	0.89139	(78,067.11)	Y
31-Jan-08	232010	Rcls PJM Oct PPAs-AP to Unbilled AR	214.03	-	0.89139	190.78	Y
31-Jan-08	232010	Current Month Purchases Accrual	-	41,427.00	0.89139	(36,927.61)	Y
31-Jan-08	232010	Current Month Purchases Accrual	-	2,523.19	0.89139	(2,249.15)	Y
31-Jan-08	232010	Current Month Purchases Accrual	-	1,657.07	0.89139	(1,477.10)	Y
31-Jan-08	232010	Current Month Purchases Accrual	-	1,566.70	0.89139	(1,396.54)	Y
31-Jan-08	232010	Current Month Purchases Accrual	207,735.92	-	0.89139	185,173.72	Y
31-Jan-08	232010	Current Month Purchases Accrual	-	720,420.36	0.89139	(642,175.50)	Y
31-Jan-08	232010	Current Month Purchases Accrual	12.24	-	0.89139	10.91	Y
31-Jan-08	232010	Current Month Purchases Accrual	585.89	-	0.89139	522.26	Y
31-Jan-08	232010	Current Month Purchases Accrual	978.24	-	0.89139	871.99	Y
29-Feb-08	232010	Payment	40.08	-	0.89139	35.73	Y
29-Feb-08	232010	Payment	28.70	-	0.89139	25.58	Y
29-Feb-08	232010	Payment	4,236.64	-	0.89139	3,776.50	Y
29-Feb-08	232010	Payment	1,878.69	-	0.89139	1,674.65	Y
29-Feb-08	232010	Payment	2,575.01	-	0.89139	2,295.34	Y
29-Feb-08	232010	Payment	2.22	-	0.89139	1.98	Y
29-Feb-08	232010	Payment	42.13	-	0.89139	37.55	Y
29-Feb-08	232010	True-up Jan 08 MISO txns to Actual S14's	-	4,665.00	0.89139	(4,158.33)	Y
29-Feb-08	232010	True-up Jan 08 MISO txns to Actual S14's	-	0.03	0.89139	(0.03)	Y
29-Feb-08	232010	True-up AR-AP balances for MISODay2	-	6.82	0.89139	(6.08)	Y
29-Feb-08	232010	True-up AR-AP balances for MISODay2	572,906.44	-	0.89139	510,683.07	Y
29-Feb-08	232010	Current Month Purchases Accrual	-	15,847.87	0.89139	(14,126.63)	Y
29-Feb-08	232010	Current Month Purchases Accrual	-	7,748.40	0.89139	(6,906.85)	Y

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
29-Feb-08	232010	Current Month Purchases Accrual	-	2,182.46	0.89139	(1,945.42)	Y
29-Feb-08	232010	Current Month Purchases Accrual	-	483.84	0.89139	(431.29)	Y
29-Feb-08	232010	Current Month Purchases Accrual	-	173,218.94	0.89139	(154,405.63)	Y
29-Feb-08	232010	Current Month Purchases Accrual	-	2,699,902.58	0.89139	(2,406,666.16)	Y
29-Feb-08	232010	Current Month Purchases Accrual	83.94	-	0.89139	74.82	Y
29-Feb-08	232010	Current Month Purchases Accrual	18,486.20	-	0.89139	16,478.41	Y
31-Mar-08	232010	Payment	41.16	-	0.89139	36.69	Y
31-Mar-08	232010	Payment	2,334.77	-	0.89139	2,081.19	Y
31-Mar-08	232010	Payment	35,986.13	-	0.89139	32,077.68	Y
31-Mar-08	232010	Payment	25.61	-	0.89139	22.83	Y
31-Mar-08	232010	Payment	50.15	-	0.89139	44.70	Y
31-Mar-08	232010	Payment	79,485.11	-	0.89139	70,852.23	Y
31-Mar-08	232010	Payment	7,052.23	-	0.89139	6,286.29	Y
31-Mar-08	232010	Payment	2,251.68	-	0.89139	2,007.13	Y
31-Mar-08	232010	Payment	2,342.88	-	0.89139	2,088.42	Y
31-Mar-08	232010	Payment	29.64	-	0.89139	26.42	Y
31-Mar-08	232010	Payment	7,842.62	-	0.89139	6,990.83	Y
31-Mar-08	232010	Payment	26.61	-	0.89139	23.72	Y
31-Mar-08	232010	Payment	11,520.96	-	0.89139	10,269.67	Y
31-Mar-08	232010	Payment	1,758.26	-	0.89139	1,567.30	Y
31-Mar-08	232010	Payment	-	0.07	0.89139	(0.06)	Y
31-Mar-08	232010	True-up Feb 08 MISO txns to Actual S14's	-	4,097.45	0.89139	(3,652.43)	Y
31-Mar-08	232010	True-up Feb 08 MISO txns to Actual S14's	4,665.00	-	0.89139	4,158.33	Y
31-Mar-08	232010	True-up AR-AP balances for MISODay2	2,751,808.46	-	0.89139	2,452,934.54	Y
31-Mar-08	232010	True-up AR-AP balances for MISODay2	-	98,591.67	0.89139	(87,883.63)	Y
31-Mar-08	232010	Current Month MISO Non-energy Charges	-	2,045.36	0.89139	(1,823.21)	Y
31-Mar-08	232010	Current Month MISO Non-energy Charges	-	2,035,973.92	0.89139	(1,814,846.79)	Y
31-Mar-08	232010	Current Month Purchases Accrual	-	73,431.30	0.89139	(65,455.93)	Y
31-Mar-08	232010	Current Month Purchases Accrual	-	13,089.00	0.89139	(11,667.40)	Y
31-Mar-08	232010	Current Month Purchases Accrual	312,566.38	-	0.89139	278,618.55	Y
31-Mar-08	232010	Current Month Purchases Accrual	-	82.81	0.89139	(73.82)	Y
31-Mar-08	232010	Current Month Purchases Accrual	1,307.28	-	0.89139	1,165.30	Y
31-Mar-08	232010	Current Month Purchases Accrual	114.63	-	0.89139	102.18	Y
31-Mar-08	232010	Correction to Common Sales and Purchases	0.26	-	0.89139	0.23	Y
31-Mar-08	232010	Correction to Common Sales and Purchases	-	2.92	0.89139	(2.60)	Y
31-Mar-08	232010	Correction to Common Sales and Purchases	-	1.61	0.89139	(1.44)	Y
31-Mar-08	232010	Correction to Common Sales and Purchases	33.14	-	0.89139	29.54	Y
30-Apr-08	232010	Payment	47.24	-	0.89139	42.11	Y
30-Apr-08	232010	Payment	44.88	-	0.89139	40.01	Y

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Apr-08	232010	Payment	44,006.22	-	0.89139	39,226.70	Y
30-Apr-08	232010	Payment	2,796.72	-	0.89139	2,492.97	Y
30-Apr-08	232010	Payment	16,117.91	-	0.89139	14,367.34	Y
30-Apr-08	232010	Payment	19.98	-	0.89139	17.81	Y
30-Apr-08	232010	Payment	29.06	-	0.89139	25.90	Y
30-Apr-08	232010	True-up Mar 08 MISO txns to Actual S14's	4,247.45	-	0.89139	3,786.13	Y
30-Apr-08	232010	True-up Mar 08 MISO txns to Actual S14's	-	0.05	0.89139	(0.04)	Y
30-Apr-08	232010	True-up AR-AP balances for MISODay2	1,826,886.03	-	0.89139	1,628,467.94	Y
30-Apr-08	232010	Reclass MCRSG between LGE and KU Payable Accounts	432.02	-	0.89139	385.10	Y
30-Apr-08	232010	Reclass MCRSG between LGE and KU Payable Accounts	-	4.44	0.89139	(3.96)	Y
30-Apr-08	232010	Reclass MCRSG between LGE and KU Payable Accounts	-	11.41	0.89139	(10.17)	Y
30-Apr-08	232010	Current Month Purchases Accrual	1,146.11	-	0.89139	1,021.63	Y
30-Apr-08	232010	Current Month Purchases Accrual	292.84	-	0.89139	261.03	Y
30-Apr-08	232010	Current Month Purchases Accrual	52.25	-	0.89139	46.58	Y
30-Apr-08	232010	Current Month Purchases Accrual	-	2,488,120.76	0.89139	(2,217,885.96)	Y
30-Apr-08	232010	Current Month Purchases Accrual	-	110,829.39	0.89139	(98,792.21)	Y
30-Apr-08	232010	Current Month Purchases Accrual	-	2,270.88	0.89139	(2,024.24)	Y
30-Apr-08	232010	Current Month Purchases Accrual	-	976.98	0.89139	(870.87)	Y
30-Apr-08	232010	Current Month Purchases Accrual	295,178.90	-	0.89139	263,119.52	Y
			<u>12,544,197.71</u>	<u>14,845,570.82</u>			

Net Activity for Account 232010

\$ (2,301,373.11)

\$ (2,051,420.98)

NOTE: MISO continues to make adjustments to prior periods. Based on past practice, we expect resettlements to continue.

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Analysis of Account No. 232011 (Transmission Payable)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	232011	Payment	113,460.71	-	0.89139	101,137.74	Y
31-May-07	232011	Transmission Expense - May 07	-	129,600.00	0.89139	(115,524.14)	Y
31-May-07	232011	Transmission Expense - May 07	16,139.29	-	0.89139	14,386.40	Y
30-Jun-07	232011	Payment	143,655.14	-	0.89139	128,052.76	Y
30-Jun-07	232011	Transmission Expense - June 07	-	14,055.14	0.89139	(12,528.61)	Y
30-Jun-07	232011	Transmission Expense - June 07	-	129,600.00	0.89139	(115,524.14)	Y
31-Jul-07	232011	Payment	159,809.17	-	0.89139	142,452.30	Y
31-Jul-07	232011	Transmission Expense - July 07	-	30,209.17	0.89139	(26,928.15)	Y
31-Jul-07	232011	Transmission Expense - July 07	-	129,600.00	0.89139	(115,524.14)	Y
31-Aug-07	232011	Payment	154,655.45	-	0.89139	137,858.32	Y
31-Aug-07	232011	Transmission Expense - August 07	-	129,600.00	0.89139	(115,524.14)	Y
31-Aug-07	232011	Transmission Expense - August 07	-	25,055.45	0.89139	(22,334.18)	Y
30-Sep-07	232011	Payment	173,798.14	-	0.89139	154,921.92	Y
30-Sep-07	232011	Transmission Expense - September 07	-	129,600.00	0.89139	(115,524.14)	Y
30-Sep-07	232011	Transmission Expense - September 07	-	44,198.14	0.89139	(39,397.78)	Y
31-Oct-07	232011	Payment	162,532.02	-	0.89139	144,879.42	Y
31-Oct-07	232011	Transmission Expense - October 07	-	32,932.02	0.89139	(29,355.27)	Y
31-Oct-07	232011	Transmission Expense - October 07	-	129,600.00	0.89139	(115,524.14)	Y
30-Nov-07	232011	Payment	138,937.82	-	0.89139	123,847.78	Y
30-Nov-07	232011	Transmission Expense - November 07	-	9,337.82	0.89139	(8,323.64)	Y
30-Nov-07	232011	Transmission Expense - November 07	-	140,000.00	0.89139	(124,794.60)	Y
31-Dec-07	232011	Payment	141,956.85	-	0.89139	126,538.92	Y
31-Dec-07	232011	Transmission Rev/Exp-Native Load - Dec 07	-	1,956.85	0.89139	(1,744.32)	Y
31-Dec-07	232011	Transmission Rev/Exp-Native Load - Dec 07	-	140,000.00	0.89139	(124,794.60)	Y
31-Jan-08	232011	Payment	149,349.76	-	0.89139	133,128.88	Y
31-Jan-08	232011	Transmission Rev/Exp-Native Load - January 2008	-	140,000.00	0.89139	(124,794.60)	Y
31-Jan-08	232011	Transmission Rev/Exp-Native Load - January 2008	-	9,349.76	0.89139	(8,334.28)	Y
29-Feb-08	232011	Payment	229,438.16	-	0.89139	204,518.88	Y
29-Feb-08	232011	Reclass I/C Native Load Energy Expense for Feb 200	-	140,000.00	0.89139	(124,794.60)	Y
29-Feb-08	232011	Reclass I/C Native Load Energy Expense for Feb 200	-	89,438.16	0.89139	(79,724.28)	Y
31-Mar-08	232011	Payment	158,742.75	-	0.89139	141,501.70	Y
31-Mar-08	232011	I/C Transmission Revenue/Expense Native Load for	-	18,742.75	0.89139	(16,707.10)	Y
31-Mar-08	232011	I/C Transmission Revenue/Expense Native Load for	-	140,000.00	0.89139	(124,794.60)	Y
30-Apr-08	232011	Payment	136,361.13	-	0.89139	121,550.95	Y
30-Apr-08	232011	I/C Transmission Revenue/Expense Native Load for A	-	140,000.00	0.89139	(124,794.60)	Y
30-Apr-08	232011	I/C Transmission Revenue/Expense Native Load for A	3,638.87	-	0.89139	3,243.65	Y
			<u>1,882,475.26</u>	<u>1,892,875.26</u>			

Net Activity for Account 232011

\$ (10,400.00)

\$ (9,270.46)

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	232011	Payment	27.11	-	0.89139	24.17	Y
31-May-07	232011	Payment	6.06	-	0.89139	5.40	Y
31-May-07	232011	Current Month Purchases Accrual	-	1.41	0.89139	(1.26)	Y
31-May-07	232011	Current Month Purchases Accrual	2.14	-	0.89139	1.91	Y
31-May-07	232011	Current Month Purchases Accrual	1.76	-	0.89139	1.57	Y
31-May-07	232011	Current Month Purchases Accrual	-	22.78	0.89139	(20.31)	Y
31-May-07	232011	Transmission Expense - May 07	-	73.00	0.89139	(65.07)	Y
31-May-07	232011	Transmission Expense - May 07	-	89,921.00	0.89139	(80,154.68)	Y
31-May-07	232011	CASH RECEIPTS	-	2.14	0.89139	(1.91)	Y
30-Jun-07	232011	Payment	5.14	-	0.89139	4.58	Y
30-Jun-07	232011	Payment	24.31	-	0.89139	21.67	Y
30-Jun-07	232011	Current Month Purchases Accrual	0.01	-	0.89139	0.01	Y
30-Jun-07	232011	Current Month Purchases Accrual	-	1,803.84	0.89139	(1,607.92)	Y
30-Jun-07	232011	Current Month Purchases Accrual	-	5.49	0.89139	(4.89)	Y
30-Jun-07	232011	Current Month Purchases Accrual	-	1.19	0.89139	(1.06)	Y
30-Jun-07	232011	Transmission Expense - June 07	-	73.00	0.89139	(65.07)	Y
30-Jun-07	232011	Transmission Expense - June 07	-	89,921.00	0.89139	(80,154.68)	Y
31-Jul-07	232011	Payment	236.33	-	0.89139	210.66	Y
31-Jul-07	232011	Payment	1,903.53	-	0.89139	1,696.79	Y
31-Jul-07	232011	Current Month Purchases Accrual	0.01	-	0.89139	0.01	Y
31-Jul-07	232011	Current Month Purchases Accrual	-	1.75	0.89139	(1.56)	Y
31-Jul-07	232011	Current Month Purchases Accrual	-	16.03	0.89139	(14.29)	Y
31-Jul-07	232011	Current Month Purchases Accrual	-	305.39	0.89139	(272.22)	Y
31-Jul-07	232011	KU Correction to FERC Accrual	139,133.21	-	0.89139	124,021.95	Y
31-Jul-07	232011	KU FERC Accrual Move fr Acct 232011 to 232001	762,944.91	-	0.89139	680,081.46	Y
31-Aug-07	232011	Payment	4.52	-	0.89139	4.03	Y
31-Aug-07	232011	Payment	21.22	-	0.89139	18.92	Y
31-Aug-07	232011	Payment	245.00	-	0.89139	218.39	Y
31-Aug-07	232011	CASH RECEIPTS	-	333,693.62	0.89139	(297,451.16)	Y
31-Aug-07	232011	Current Month Purchases Accrual	-	318.24	0.89139	(283.68)	Y
31-Aug-07	232011	Current Month Purchases Accrual	-	223,558.37	0.89139	(199,277.70)	Y
31-Aug-07	232011	Current Month Purchases Accrual	-	5.50	0.89139	(4.90)	Y
31-Aug-07	232011	Current Month Purchases Accrual	34.56	-	0.89139	30.81	Y
30-Sep-07	232011	Payment	164.00	-	0.89139	146.19	Y

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GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Sep-07	232011	Payment	9,829.52	-	0.89139	8,761.94	Y
30-Sep-07	232011	Payment	9,043.59	-	0.89139	8,061.37	Y
30-Sep-07	232011	Payment	5.59	-	0.89139	4.98	Y
30-Sep-07	232011	Current Month Purchases Accrual	-	68,626.64	0.89139	(61,173.10)	Y
30-Sep-07	232011	Current Month Purchases Accrual	-	21,660.90	0.89139	(19,308.31)	Y
30-Sep-07	232011	Current Month Purchases Accrual	-	164.00	0.89139	(146.19)	Y
30-Sep-07	232011	Current Month Purchases Accrual	31,155.51	-	0.89139	27,771.71	Y
30-Sep-07	232011	MISO Trans Refund Ref DYMP	333,693.62	-	0.89139	297,451.16	Y
31-Oct-07	232011	Payment	60,760.99	-	0.89139	54,161.74	Y
31-Oct-07	232011	Payment	6,555.56	-	0.89139	5,843.56	Y
31-Oct-07	232011	Payment	222.17	-	0.89139	198.04	Y
31-Oct-07	232011	Current Month Purchases Accrual	1,087.92	-	0.89139	969.76	Y
31-Oct-07	232011	Current Month Purchases Accrual	-	49,882.58	0.89139	(44,464.83)	Y
31-Oct-07	232011	Misc adj to JE 14	9.52	-	0.89139	8.49	Y
31-Oct-07	232011	Move amounts between LG&E 232011 & KU 232011	195,190.65	-	0.89139	173,990.99	Y
31-Oct-07	232011	Move amounts between LG&E 232011 & KU 232011	195,190.65	-	0.89139	173,990.99	Y
31-Oct-07	232011	Reverses "J145-0100-1007 Adjustment USD 31-OCT-07"	-	195,190.65	0.89139	(173,990.99)	Y
30-Nov-07	232011	Payment	45,352.22	-	0.89139	40,426.52	Y
30-Nov-07	232011	Payment	4,906.62	-	0.89139	4,373.71	Y
30-Nov-07	232011	Payment	60.77	-	0.89139	54.17	Y
30-Nov-07	232011	Current Month Purchases Accrual	-	60.77	0.89139	(54.17)	Y
30-Nov-07	232011	Current Month Purchases Accrual	149,322.53	-	0.89139	133,104.61	Y
30-Nov-07	232011	Current Month Purchases Accrual	6,771.79	-	0.89139	6,036.31	Y
30-Nov-07	232011	Current Month Purchases Accrual	-	5,153.27	0.89139	(4,593.57)	Y
30-Nov-07	232011	Current Month Purchases Accrual	-	115,680.75	0.89139	(103,116.66)	Y
30-Nov-07	232011	CASH RECEIPTS	-	149,322.53	0.89139	(133,104.61)	Y
31-Dec-07	232011	Payment	11,402.48	-	0.89139	10,164.06	Y
31-Dec-07	232011	Payment	102,619.64	-	0.89139	91,474.12	Y
31-Dec-07	232011	Payment	44.24	-	0.89139	39.44	Y
31-Dec-07	232011	Payment	12,558.09	-	0.89139	11,194.16	Y
31-Dec-07	232011	Current Month Purchases Accrual	-	17,801.10	0.89139	(15,867.72)	Y
31-Dec-07	232011	Current Month Purchases Accrual	-	31.76	0.89139	(28.31)	Y
31-Dec-07	232011	Current Month Purchases Accrual	3,513.43	-	0.89139	3,131.84	Y
31-Dec-07	232011	Current Month Purchases Accrual	-	12.48	0.89139	(11.12)	Y

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Analysis of Account No. 232011 (Transmission Payable)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Dec-07	232011	Current Month Purchases Accrual	-	11,791.97	0.89139	(10,511.24)	Y
31-Dec-07	232011	CASH RECEIPTS	-	1.02	0.89139	(0.91)	Y
31-Jan-08	232011	Payment	1,869.64	-	0.89139	1,666.58	Y
31-Jan-08	232011	Payment	368.66	-	0.89139	328.62	Y
31-Jan-08	232011	Payment	15,831.71	-	0.89139	14,112.23	Y
31-Jan-08	232011	0	-	-	0.89139	-	Y
31-Jan-08	232011	Current Month Purchases Accrual	60.77	-	0.89139	54.17	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	79,398.93	0.89139	(70,775.41)	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	6,771.79	0.89139	(6,036.31)	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	6,771.79	0.89139	(6,036.31)	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	1,796.72	0.89139	(1,601.58)	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	21.17	0.89139	(18.87)	Y
31-Jan-08	232011	Current Month Purchases Accrual	-	9.10	0.89139	(8.11)	Y
31-Jan-08	232011	Current Month Purchases Accrual	5,153.27	-	0.89139	4,593.57	Y
31-Jan-08	232011	Current Month Purchases Accrual	5,153.27	-	0.89139	4,593.57	Y
31-Jan-08	232011	Current Month Purchases Accrual	60.77	-	0.89139	54.17	Y
31-Jan-08	232011	Current Month Purchases Accrual	1,896.48	-	0.89139	1,690.50	Y
31-Jan-08	232011	Current Month Purchases Accrual	70.05	-	0.89139	62.44	Y
31-Jan-08	232011	CASH RECEIPTS	-	2.34	0.89139	(2.09)	Y
31-Jan-08	232011	CASH RECEIPTS	-	67.71	0.89139	(60.36)	Y
29-Feb-08	232011	Payment	2,004.42	-	0.89139	1,786.72	Y
29-Feb-08	232011	Payment	7,501.04	-	0.89139	6,686.35	Y
29-Feb-08	232011	Payment	69,165.91	-	0.89139	61,653.80	Y
29-Feb-08	232011	Current Month Purchases Accrual	26.63	-	0.89139	23.74	Y
29-Feb-08	232011	Current Month Purchases Accrual	-	8,946.67	0.89139	(7,974.97)	Y
29-Feb-08	232011	Current Month Purchases Accrual	11,678.65	-	0.89139	10,410.23	Y
29-Feb-08	232011	Current Month Purchases Accrual	-	503.23	0.89139	(448.57)	Y
29-Feb-08	232011	Current Month Purchases Accrual	-	1,501.19	0.89139	(1,338.15)	Y
29-Feb-08	232011	Current Month Purchases Accrual	-	238,400.79	0.89139	(212,508.08)	Y
29-Feb-08	232011	Current Month Purchases Accrual	9,936.14	-	0.89139	8,856.98	Y
29-Feb-08	232011	Current Month Purchases Accrual	1,111.20	-	0.89139	990.51	Y
29-Feb-08	232011	Accrue Unpaid SECA Settlement Exp	-	89,680.80	0.89139	(79,940.57)	Y
29-Feb-08	232011	CASH RECEIPTS	-	26.63	0.89139	(23.74)	Y
31-Mar-08	232011	Payment	234,195.06	-	0.89139	208,759.13	Y

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Analysis of Account No. 232011 (Transmission Payable)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
			22,033.95	-	0.89139	19,640.84	Y
31-Mar-08	232011	Payment	4,927.90	-	0.89139	4,392.68	Y
31-Mar-08	232011	Payment	8,544.92	-	0.89139	7,616.86	Y
31-Mar-08	232011	Current Month Purchases Accrual	-	4,927.90	0.89139	(4,392.68)	Y
31-Mar-08	232011	Current Month Purchases Accrual	-	26,373.15	0.89139	(23,508.76)	Y
31-Mar-08	232011	Current Month Purchases Accrual	-	201,557.14	0.89139	(179,666.02)	Y
31-Mar-08	232011	Current Month Purchases Accrual	125.53	-	0.89139	111.90	Y
31-Mar-08	232011	Current Month Purchases Accrual	13.48	-	0.89139	12.02	Y
31-Mar-08	232011	Correction to Common Sales and Purchases	-	125.53	0.89139	(111.90)	Y
31-Mar-08	232011	CASH RECEIPTS	16,882.67	-	0.89139	15,049.04	Y
30-Apr-08	232011	Payment	178,460.91	-	0.89139	159,078.27	Y
30-Apr-08	232011	Payment	4,677.28	-	0.89139	4,169.28	Y
30-Apr-08	232011	Payment	-	20,189.31	0.89139	(17,996.55)	Y
30-Apr-08	232011	Current Month Purchases Accrual	2.05	-	0.89139	1.83	Y
30-Apr-08	232011	Current Month Purchases Accrual	26,389.41	-	0.89139	23,523.26	Y
30-Apr-08	232011	Current Month Purchases Accrual	-	1,141.28	0.89139	(1,017.33)	Y
30-Apr-08	232011	Current Month Purchases Accrual	-	3,535.99	0.89139	(3,151.95)	Y
30-Apr-08	232011	Current Month Purchases Accrual	-	258,968.95	0.89139	(230,842.33)	Y
			<u>2,712,192.69</u>	<u>2,325,822.28</u>			
		Net Activity for Account 232011	<u>\$ 386,370.41</u>			<u>\$ 344,406.72</u>	

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Analysis of Account No. 419206 (Interest Income from Loans & Receivables)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Mar-08	419206	MISO Exit refund Interest income accrual	-	3,742.20	1.00000	(3,742.20)	Y
31-Mar-08	419206	MISO Exit refund income received	-	60,825.09	1.00000	(60,825.09)	Y
30-Apr-08	419206	MISO Exit refund Interest income accrual	-	1,247.40	1.00000	(1,247.40)	Y
			<u>-</u>	<u>65,814.69</u>			
Net account activity for account No. 419206				<u><u>\$ (65,814.69)</u></u>		<u><u>\$ (65,814.69)</u></u>	

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Analysis of Account No. 447016 (Sales - MISO Day 2 - OSS)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	447016	MISO off system sales	-	1,794.46	0.86841	(1,558.33)	Y
30-Jun-07	447016	MISO off system sales	-	15,812.42	0.86841	(13,731.66)	Y
31-Jul-07	447016	MISO off system sales	-	15,964.46	0.86841	(13,863.70)	Y
31-Jul-07	447016	MISO off system sales true up	0.60	-	0.86841	0.52	Y
31-Aug-07	447016	MISO off system sales	-	8,148.33	0.86841	(7,076.09)	Y
30-Sep-07	447016	MISO off system sales	-	20,607.64	0.86841	(17,895.88)	Y
31-Oct-07	447016	MISO off system sales	-	83,115.75	0.86841	(72,178.55)	Y
31-Oct-07	447016	MISO off system sales true up	62.30	-	0.86841	54.10	Y
30-Nov-07	447016	MISO off system sales	-	7,777.00	0.86841	(6,753.62)	Y
31-Dec-07	447016	MISO off system sales	-	83,218.56	0.86841	(72,267.83)	Y
31-Dec-07	447016	MISO off system sales reclass	-	62.30	0.86841	(54.10)	N
31-Jan-08	447016	MISO off system sales true up	-	3.63	0.86841	(3.15)	Y
31-Jan-08	447016	MISO off system sales	-	207,732.29	0.86841	(180,396.80)	Y
29-Feb-08	447016	MISO off system sales	-	18,486.20	0.86841	(16,053.60)	Y
31-Mar-08	447016	MISO off system sales	-	312,566.38	0.86841	(271,435.77)	Y
31-Mar-08	447016	MISO off system sales correction	-	114.63	0.86841	(99.55)	N
30-Apr-08	447016	MISO off system sales true up	-	292.84	0.86841	(254.31)	Y
30-Apr-08	447016	MISO off system sales	-	295,178.90	0.86841	(256,336.31)	Y
			<u>\$ 62.90</u>	<u>\$ 1,070,875.79</u>			
Net Activity for Account No. 447016				<u>\$(1,070,812.89)</u>		<u>\$ (929,904.62)</u>	

NOTE: MISO continues to make adjustments to prior periods. Based on past practice, we expect resettlements to continue.

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Analysis of Account No. 447109 (Brokered Sales - MISO Day 2)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	447109	Brokered Sales - MISO	-	289,384.15	1.00000	(289,384.15)	Y
31-May-07	447109	Brokered Sales - MISO true up	30.28	-	1.00000	30.28	Y
30-Jun-07	447109	Brokered Sales - MISO	-	45,209.12	1.00000	(45,209.12)	Y
31-Jul-07	447109	Brokered Sales - MISO	-	100.63	1.00000	(100.63)	Y
			<u>30.28</u>	<u>334,693.90</u>			
Net Activity for Account No. 447109			<u><u>\$ (334,663.62)</u></u>		<u><u>\$ (334,663.62)</u></u>		

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Analysis of Account No. 456025 (OSS RSG MWP)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Jul-07	456025	MISO non-energy charges revenue for off system sales	-	98,344.05	0.88108	(86,648.98)	Y
31-Aug-07	456025	MISO non-energy charges revenue for off system sales	59,457.26	-	0.88108	52,386.60	Y
30-Sep-07	456025	MISO non-energy charges revenue for off system sales	-	101,087.69	0.88108	(89,066.34)	Y
31-Oct-07	456025	MISO non-energy charges revenue for off system sales	-	18,163.20	0.88108	(16,003.23)	Y
30-Nov-07	456025	MISO non-energy charges revenue for off system sales	-	181,407.60	0.88108	(159,834.61)	Y
31-Dec-07	456025	MISO non-energy charges revenue for off system sales	-	315,329.72	0.88108	(277,830.71)	Y
			<u>59,457.26</u>	<u>714,332.26</u>			
Net Activity for Account No. 446025						<u><u>\$ (654,875.00)</u></u>	<u><u>\$ (490,348.29)</u></u>

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Analysis of Account No. 456043 (MISO Schedule 10 Offset)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
30-Jun-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Jul-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Aug-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,593.00	-	0.88108	288,635.64	Y
30-Sep-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Oct-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
30-Nov-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Dec-07	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Jan-08	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
29-Feb-08	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
31-Mar-08	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
30-Apr-08	456043	Amortization to remove MISO Sch 10 charges from revenue	327,598.00	-	0.88108	288,640.05	Y
			3,931,171.00	-			
Net Activity for Account No. 456043			\$ 3,931,171.00		\$ 3,463,676.14		

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Analysis of Account No. 456101 (Base Other Electric Revenues-Wheeling-MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Jun-07	456101	Payment of other electric charges	8,452.12	-	0.88108	7,446.99	Y
31-Jul-07	456101	Base other electric revenue MISO wheeling	-	63.71	0.88108	(56.13)	Y
31-Aug-07	456101	Base other electric revenue MISO wheeling	-	13.74	0.88108	(12.11)	Y
30-Sep-07	456101	Base other electric revenue MISO wheeling	-	59.61	0.88108	(52.52)	Y
31-Oct-07	456101	Base other electric revenue MISO wheeling	-	63.47	0.88108	(55.92)	Y
31-Oct-07	456101	Base other electric revenue MISO wheeling	-	411.71	0.88108	(362.75)	Y
30-Nov-07	456101	Payment of other electric charges	294,928.67	-	0.88108	259,855.75	Y
30-Nov-07	456101	Base other electric revenue MISO wheeling	-	140.64	0.88108	(123.92)	Y
31-Dec-07	456101	Base other electric revenue MISO wheeling	-	75.17	0.88108	(66.23)	Y
31-Jan-08	456101	Base other electric revenue MISO wheeling	-	334.15	0.88108	(294.41)	Y
29-Feb-08	456101	MISO (SECA-First Energy) settlement	89,680.80	-	0.88108	79,015.96	N
			<u>393,061.59</u>	<u>1,162.20</u>			
Net Activity for Account No. 456101			<u>\$ 391,899.39</u>			<u>\$ 345,294.71</u>	

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Analysis of Account No. 456103 (Ancillary Service Shedule 2-MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	456103	Payment against ancillary services revenue	466.25	-	0.88108	410.80	Y
31-May-07	456103	MISO Ancillary services revenue	-	2.51	0.88108	(2.21)	Y
30-Jun-07	456103	Payment against ancillary services revenue	2.35	-	0.88108	2.07	Y
30-Jun-07	456103	Correct MISO Ancillary services revenue	-	933.06	0.88108	(822.10)	N
30-Jun-07	456103	MISO Ancillary services revenue	-	1,305.94	0.88108	(1,150.64)	Y
31-Aug-07	456103	KU portion of remaining MISO AR balance that was expected to be collected	41,332.65	-	0.88108	36,417.37	N
30-Sep-07	456103	MISO Ancillary services revenue	-	0.03	0.88108	(0.03)	Y
			<u>41,801.25</u>	<u>2,241.54</u>			
Net Activity for Account No. 456103			<u><u>\$39,559.71</u></u>		<u><u>\$ 34,855.27</u></u>		

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Analysis of Account No. 456106 (Ancillary Service Schedule 2-OSS-MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Jun-07	456106	Reclass of revenue from account 456106 to 456103	933.06	-	0.88108	822.10	N
			<u>933.06</u>	<u>-</u>			
Net Activity for Account No. 456106			<u><u>\$ 933.06</u></u>			<u><u>\$ 822.10</u></u>	

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Analysis of Account No. 555006 (MISO Day 2 Purchased Power - OSS)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
30-Jun-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	1,342.88	-	0.86841	1,166.17	Y
31-Jul-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	13,748.55	-	0.86841	11,939.38	Y
31-Aug-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	6,900.95	-	0.86841	5,992.85	Y
30-Sep-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	18,185.94	-	0.86841	15,792.85	Y
31-Oct-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	17,074.08	-	0.86841	14,827.30	Y
30-Nov-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	99,269.85	-	0.86841	86,206.93	Y
31-Dec-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	2,647.42	-	0.86841	2,299.05	Y
31-Dec-07	555006	Other power purchases -MISO Day 2 energy for Off system sales	6.82	-	0.86841	5.92	Y
31-Jan-08	555006	Other power purchases -MISO Day 2 energy for Off system sales	240.49	-	0.86841	208.84	Y
29-Feb-08	555006	Other power purchases -MISO Day 2 energy for Off system sales	2,028.80	-	0.86841	1,761.83	Y
31-Mar-08	555006	Other power purchases -MISO Day 2 energy for Off system sales	152,184.45	-	0.86841	132,158.50	Y
31-Mar-08	555006	Correction to other power purchases - MISO day 2	2.92	-	0.86841	2.54	N
30-Apr-08	555006	Other power purchases -MISO Day 2 energy for Off system sales	189,375.78	-	0.86841	164,455.82	Y
			<u>503,008.93</u>	<u>-</u>			
Net Activity for Account No. 555006			<u>\$ 503,008.93</u>			<u>\$ 436,817.98</u>	

NOTE: MISO continues to make adjustments to prior periods. Based on past practice, we expect resettlements to continue.

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Analysis of Account No. 555007 (MISO Day 2 Purchased Power - NL)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	92,804.40	-	0.86841	80,592.27	Y
30-Jun-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	239,573.18	-	0.86841	208,047.75	Y
31-Jul-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	77,218.90	-	0.86841	67,057.66	Y
31-Aug-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	1,815,172.29	-	0.86841	1,576,313.77	Y
30-Sep-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	572,027.42	-	0.86841	496,754.33	Y
31-Oct-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	325,242.37	-	0.86841	282,443.73	Y
30-Nov-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	865,256.82	-	0.86841	751,397.68	Y
31-Dec-07	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	113,129.83	-	0.86841	98,243.08	Y
31-Jan-08	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	720,179.87	-	0.86841	625,411.40	Y
29-Feb-08	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	2,697,873.78	-	0.86841	2,342,860.57	Y
31-Mar-08	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	1,883,789.47	-	0.86841	1,635,901.61	Y
30-Apr-08	555007	Other Power Purchases - MISO day 2 - Energy for Native Load	2,298,744.98	-	0.86841	1,996,253.13	Y
			11,701,013.31	-			
Net Activity for Account No. 555007			\$ 11,701,013.31			\$ 10,161,276.97	

NOTE: MISO continues to make adjustments to prior periods. Based on past practice, we expect resettlements to continue.

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Analysis of Account No. 557206 (MISO Day 2 Other - Native Load)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	557206	Payment for MISO Day 2 other - Native Load	55.89	-	0.85582	47.83	Y
31-May-07	557206	Prior Period adj to MISO Day 2 non-energy expenses	-	30.28	0.85582	(25.91)	Y
31-May-07	557206	MISO Day 2 non-energy expenses for Native Load	11,771.58	-	0.85582	10,074.35	Y
31-May-07	557206	prior month true up for MISO transactions to actual s14s	-	60.96	0.85582	(52.17)	Y
30-Jun-07	557206	Payment for MISO Day 2 other - Native Load	615.78	-	0.85582	527.00	Y
30-Jun-07	557206	prior month true up for MISO transactions to actual s14s	-	1,765.79	0.85582	(1,511.20)	Y
30-Jun-07	557206	MISO Day 2 non-energy expenses for Native Load	-	4,902.00	0.85582	(4,195.23)	Y
30-Jun-07	557206	Reclass MCRSG ytd charges from 557110 to 557206	-	671.67	0.85582	(574.83)	N
31-Jul-07	557206	prior month true up for MISO transactions to actual s14s	2,541.89	-	0.85582	2,175.40	Y
31-Jul-07	557206	MISO Day 2 non-energy expenses for Native Load	431,794.58	-	0.85582	369,538.44	Y
31-Aug-07	557206	Payment for MISO Day 2 other - Native Load	19.51	-	0.85582	16.70	Y
31-Aug-07	557206	Payment for MISO Day 2 other - Native Load	64.33	-	0.85582	55.05	Y
31-Aug-07	557206	Payment for MISO Day 2 other - Native Load	8.02	-	0.85582	6.86	Y
31-Aug-07	557206	Payment for MISO Day 2 other - Native Load	19.91	-	0.85582	17.04	Y
31-Aug-07	557206	Payment for MISO Day 2 other - Native Load	74.73	-	0.85582	63.96	Y
31-Aug-07	557206	prior month true up for MISO transactions to actual s14s	-	743.38	0.85582	(636.20)	Y
31-Aug-07	557206	MISO Day 2 non-energy expenses for Native Load	200,384.07	-	0.85582	171,492.69	Y
31-Aug-07	557206	Reclass OCT 06 MISO adj to reflect correct cost allocation factor	-	332.42	0.85582	(284.49)	N
30-Sep-07	557206	Payment for MISO Day 2 other - Native Load	41.31	-	0.85582	35.35	Y
30-Sep-07	557206	prior month true up for MISO transactions to actual s14s	-	115.08	0.85582	(98.49)	Y
30-Sep-07	557206	MISO Day 2 non-energy expenses for Native Load	-	253,970.14	0.85582	(217,352.73)	Y
31-Oct-07	557206	prior month true up for MISO transactions to actual s14s	-	1,540.43	0.85582	(1,318.33)	Y
31-Oct-07	557206	MISO Day 2 non-energy expenses for Native Load	290,973.61	-	0.85582	249,021.03	Y
30-Nov-07	557206	prior month true up for MISO transactions to actual s14s	1,529.53	-	0.85582	1,309.00	Y
30-Nov-07	557206	Reclass misc amounts for true up for AR/AP balances between LGE/KU	59.96	-	0.85582	51.31	N
30-Nov-07	557206	MISO Day 2 non-energy expenses for Native Load	191,706.07	-	0.85582	164,065.89	Y
30-Nov-07	557206	Prior Period adj to MISO Day 2 non-energy expenses	-	8.46	0.85582	(7.24)	Y
31-Dec-07	557206	Payment for MISO Day 2 other - Native Load	25.92	-	0.85582	22.18	Y
31-Dec-07	557206	Payment for MISO Day 2 other - Native Load	49.92	-	0.85582	42.72	Y
31-Dec-07	557206	prior month true up for MISO transactions to actual s14s	5,848.92	-	0.85582	5,005.62	Y
31-Dec-07	557206	Prior Period adj to MISO Day 2 non-energy expenses	-	62.30	0.85582	(53.32)	Y
31-Dec-07	557206	MISO Day 2 non-energy expenses for Native Load	264,993.74	-	0.85582	226,786.94	Y
31-Dec-07	557206	Prior Period adj to MISO Day 2 non-energy expenses	-	6.82	0.85582	(5.84)	Y
31-Dec-07	557206	Inadvertently recorded to 447016 account	62.30	-	0.85582	53.32	N
31-Jan-08	557206	Payment for MISO Day 2 other - Native Load	84.39	-	0.85582	72.22	Y
31-Jan-08	557206	Payment for MISO Day 2 other - Native Load	2.20	-	0.85582	1.88	Y
31-Jan-08	557206	Payment for MISO Day 2 other - Native Load	26.81	-	0.85582	22.94	Y
31-Jan-08	557206	Payment for MISO Day 2 other - Native Load	0.08	-	0.85582	0.07	Y
31-Jan-08	557206	prior month true up for MISO transactions to actual s14s	-	63.33	0.85582	(54.20)	Y
31-Jan-08	557206	MISO Day 2 non-energy expenses for Native Load	39,186.35	-	0.85582	33,536.46	Y
29-Feb-08	557206	Payment for MISO Day 2 other - Native Load	0.05	-	0.85582	0.04	Y
29-Feb-08	557206	prior month true up for MISO transactions to actual s14s	4,477.31	-	0.85582	3,831.77	Y
29-Feb-08	557206	True up MISO balances between LGE/KU	6.82	-	0.85582	5.84	Y
29-Feb-08	557206	MISO Day 2 non-energy expenses for Native Load	171,959.56	-	0.85582	147,166.43	Y
31-Mar-08	557206	prior month true up for MISO transactions to actual s14s	4,058.57	-	0.85582	3,473.41	Y
31-Mar-08	557206	MISO Day 2 non-energy expenses for Native Load	90,323.05	-	0.85582	77,300.27	Y
30-Apr-08	557206	prior month true up for MISO transactions to actual s14s	-	4,100.78	0.85582	(3,509.53)	Y
30-Apr-08	557206	MISO Day 2 non-energy expenses for Native Load	106,903.89	-	0.85582	91,490.49	Y
			<u>1,819,670.65</u>	<u>268,373.84</u>			

Net Activity for Account No. 557206

\$ 1,551,296.81

\$ 1,327,630.84

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Analysis of Account No. 557207 (MISO Day 2 Other - Off System Sales)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	557207	payment for MISO Other charges off system sales	10.85	-	0.85582	9.29	Y
31-May-07	557207	MISO Day 2 non-energy charges for off system sales	27,851.70	-	0.85582	23,836.04	Y
31-May-07	557207	True-up of MISO transactions to Actual S14's	53.22	-	0.85582	45.55	Y
30-Jun-07	557207	payment for MISO Other charges off system sales	7.83	-	0.85582	6.70	Y
30-Jun-07	557207	True-up of MISO transactions to Actual S14's	-	3,969.90	0.85582	(3,397.52)	Y
30-Jun-07	557207	MISO Day 2 other charges for off system sales	-	70,762.28	0.85582	(60,559.77)	Y
30-Jun-07	557207	Reclass MCRSG ytd charges from 557110 to 557207	-	19,586.92	0.85582	(16,762.88)	N
31-Jul-07	557207	True-up of MISO transactions to Actual S14's	220.49	-	0.85582	188.70	Y
31-Jul-07	557207	MISO Day 2 non-energy charges for off system sales	-	43,251.07	0.85582	(37,015.13)	Y
31-Aug-07	557207	True-up of MISO transactions to Actual S14's	-	19.11	0.85582	(16.35)	Y
31-Aug-07	557207	MISO Day 2 non-energy charges for off system sales	-	27,211.52	0.85582	(23,288.16)	Y
31-Aug-07	557207	Reclass OCT 06 MISO adj to reflect correct cost allocation factor	191.18	-	0.85582	163.62	N
30-Sep-07	557207	True-up of MISO transactions to Actual S14's	-	41.87	0.85582	(35.83)	Y
30-Sep-07	557207	MISO Day 2 non-energy charges for off system sales	-	130,089.88	0.85582	(111,333.52)	Y
31-Oct-07	557207	True-up of MISO transactions to Actual S14's	-	66.90	0.85582	(57.25)	Y
31-Oct-07	557207	MISO Day 2 non-energy charges for off system sales	-	58,869.19	0.85582	(50,381.43)	Y
30-Nov-07	557207	True-up of MISO transactions to Actual S14's	60.97	-	0.85582	52.18	Y
30-Nov-07	557207	MISO Day 2 other charges for off system sales	-	52,998.90	0.85582	(45,357.52)	Y
31-Dec-07	557207	True-up of MISO transactions to Actual S14's	-	121.73	0.85582	(104.18)	Y
31-Dec-07	557207	MISO Day 2 other charges for off system sales	-	45,552.20	0.85582	(38,984.48)	Y
31-Jan-08	557207	True-up of MISO transactions to Actual S14's	-	34.78	0.85582	(29.77)	Y
31-Jan-08	557207	MISO Day 2 other charges for off system sales	2,240.65	-	0.85582	1,917.59	Y
29-Feb-08	557207	True-up of MISO transactions to Actual S14's	187.69	-	0.85582	160.63	Y
29-Feb-08	557207	MISO Day 2 other charges for off system sales	1,259.38	-	0.85582	1,077.80	Y
31-Mar-08	557207	True-up of MISO transactions to Actual S14's	38.88	-	0.85582	33.27	Y
31-Mar-08	557207	MISO Day 2 non-energy charges for off system sales	8,268.62	-	0.85582	7,076.45	Y
30-Apr-08	557207	True-up of MISO transactions to Actual S14's	-	146.67	0.85582	(125.52)	Y
30-Apr-08	557207	MISO Day 2 other charges for off system sales	3,925.50	-	0.85582	3,359.52	Y
			<u>44,316.96</u>	<u>452,722.92</u>			

Net Activity for Account No. 557207

\$ (408,405.96)

\$ (349,521.99)

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Analysis of Account No. 561402 (MISO Day 1 Sch. 10 - Reserve)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	1.27	-	0.80089	1.02	Y
30-Jun-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	1.07	-	0.80089	0.86	Y
31-Jul-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	1.59	-	0.80089	1.27	Y
31-Aug-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	4.97	-	0.80089	3.98	Y
30-Sep-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	148.25	-	0.80089	118.73	Y
31-Oct-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	200.84	-	0.80089	160.85	Y
30-Nov-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	54.93	-	0.80089	43.99	Y
31-Dec-07	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	28.71	-	0.80089	22.99	Y
31-Dec-07	561402	Reclass MISO Sch 10 FERC DMD charges to 928002	-	192.65	0.80089	(154.29)	N
31-Jan-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	19.13	-	0.80089	15.32	Y
31-Jan-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	-	54.93	0.80089	(43.99)	Y
31-Jan-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	-	54.93	0.80089	(43.99)	Y
29-Feb-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	1,356.51	-	0.80089	1,086.42	Y
29-Feb-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	0.57	-	0.80089	0.46	Y
31-Mar-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	3,064.46	-	0.80089	2,454.30	Y
31-Mar-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	1.44	-	0.80089	1.15	Y
30-Apr-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	161.50	-	0.80089	129.34	Y
30-Apr-08	561402	Prior period adjustment to MISO Day 1 SCH 10 charges	3,035.05	-	0.80089	2,430.74	Y
			<u>8,080.29</u>	<u>302.51</u>			
Net Activity for Account No. 561402			<u><u>\$7,777.78</u></u>			<u><u>\$ 6,229.15</u></u>	

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Analysis of Account No. 561802 (MISO Day 1 Sch. 10 - Reserve)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.09	-	0.80089	0.07	Y
30-Jun-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.08	-	0.80089	0.06	Y
31-Jul-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.11	-	0.80089	0.09	Y
31-Aug-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.36	-	0.80089	0.29	Y
30-Sep-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	10.66	-	0.80089	8.54	Y
31-Oct-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	14.44	-	0.80089	11.56	Y
30-Nov-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	3.95	-	0.80089	3.16	Y
31-Dec-07	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	2.06	-	0.80089	1.65	Y
31-Dec-07	561802	Reclass MISO Sch 10 FERC DMD charges to 928002	-	13.85	0.80089	(11.09)	N
31-Jan-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	-	3.95	0.80089	(3.16)	Y
31-Jan-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	-	3.95	0.80089	(3.16)	Y
31-Jan-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	1.38	-	0.80089	1.11	Y
29-Feb-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.04	-	0.80089	0.03	Y
29-Feb-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	97.54	-	0.80089	78.12	Y
31-Mar-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	0.10	-	0.80089	0.08	Y
31-Mar-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	220.34	-	0.80089	176.47	Y
30-Apr-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	218.23	-	0.80089	174.78	Y
30-Apr-08	561802	Prior period adjustment to MISO Day 1 SCH 10 charges	11.61	-	0.80089	9.30	Y
			<u>580.99</u>	<u>21.75</u>			
Net Activity for Account No. 561802			<u>\$ 559.24</u>			<u>\$ 447.89</u>	

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Analysis of Account No. 565005 (Transmission Electric Native Load)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Aug-07	565005	Prior period adjustment of transmission expense - native load	223,004.27	-	0.80089	178,601.89	Y
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	4,481.42	-	0.80089	3,589.12	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	7,119.99	-	0.80089	5,702.33	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	8,844.26	-	0.80089	7,083.28	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	9,246.95	-	0.80089	7,405.79	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	36,354.02	-	0.80089	29,115.57	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	-	70.72	0.80089	(56.64)	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	-	360.17	0.80089	(288.46)	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	-	855.52	0.80089	(685.18)	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	-	1,784.68	0.80089	(1,429.33)	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	-	1,869.23	0.80089	(1,497.05)	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	30.51	-	0.80089	24.44	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	51.06	-	0.80089	40.89	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	384.85	-	0.80089	308.22	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	532.63	-	0.80089	426.58	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	547.70	-	0.80089	438.65	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	619.98	-	0.80089	496.54	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	822.71	-	0.80089	658.90	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	922.27	-	0.80089	738.64	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	1,598.47	-	0.80089	1,280.20	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	1,860.61	-	0.80089	1,490.14	N
30-Sep-07	565005	Reclass transmission expense that was originally recorded at 100% off system sales	4,243.47	-	0.80089	3,398.55	N
30-Sep-07	565005	Prior period adjustment of transmission expense - native load	-	31,078.30	0.80089	(24,890.30)	Y
30-Sep-07	565005	Prior period adjustment of transmission expense - native load	21,607.21	-	0.80089	17,305.00	Y
30-Sep-07	565005	Prior period adjustment of transmission expense - native load	66,513.90	-	0.80089	53,270.32	Y
31-Oct-07	565005	Prior period adjustment of transmission expense - native load	47,793.77	-	0.80089	38,277.55	Y
31-Oct-07	565005	Prior period adjustment of transmission expense - native load	6,677.35	-	0.80089	5,347.82	Y
31-Oct-07	565005	Prior period adjustment of transmission expense - native load	-	7,947.11	0.80089	(6,364.76)	Y
30-Nov-07	565005	Prior period adjustment of transmission expense - native load	4,938.43	-	0.80089	3,955.14	Y
30-Nov-07	565005	Prior period adjustment of transmission expense - native load	108,468.04	-	0.80089	86,870.97	Y
30-Nov-07	565005	Prior period adjustment of transmission expense - native load	-	6,489.46	0.80089	(5,197.34)	Y
31-Dec-07	565005	Prior period adjustment of transmission expense - native load	17,475.65	-	0.80089	13,996.07	Y
31-Dec-07	565005	Prior period adjustment of transmission expense - native load	-	3,294.32	0.80089	(2,638.39)	Y
31-Dec-07	565005	Prior period adjustment of transmission expense - native load	11,056.60	-	0.80089	8,855.12	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	-	1.24	0.80089	(0.99)	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	-	0.04	0.80089	(0.03)	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	79,366.19	-	0.80089	63,563.59	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	-	1,861.81	0.80089	(1,491.11)	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	1,763.87	-	0.80089	1,412.67	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	6,489.46	-	0.80089	5,197.34	Y

31-Jan-08	565005	Prior period adjustment of transmission expense - native load	6,489.46	-	0.80089	5,197.34	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	-	4,938.43	0.80089	(3,955.14)	Y
31-Jan-08	565005	Prior period adjustment of transmission expense - native load	-	4,938.43	0.80089	(3,955.14)	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	-	25.60	0.80089	(20.50)	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	5,267.97	-	0.80089	4,219.06	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	2,229.92	-	0.80089	1,785.92	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	1,951.21	-	0.80089	1,562.70	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	1,600.99	-	0.80089	1,282.22	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	1,445.01	-	0.80089	1,157.29	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	238,291.38	-	0.80089	190,845.18	Y
29-Feb-08	565005	Prior period adjustment of transmission expense - native load	-	11,673.72	0.80089	(9,349.37)	Y
31-Mar-08	565005	reclass TVA shedule 10 expenses to correct account and task	-	1,600.99	0.80089	(1,282.22)	N
31-Mar-08	565005	reclass TVA shedule 10 expenses to correct account and task	-	1,951.21	0.80089	(1,562.70)	N
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	4,337.15	-	0.80089	3,473.58	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	6,512.96	-	0.80089	5,216.16	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	15,510.64	-	0.80089	12,422.32	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	721.24	-	0.80089	577.63	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	879.01	-	0.80089	703.99	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	-	8,540.91	0.80089	(6,840.33)	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	-	125.47	0.80089	(100.49)	Y
31-Mar-08	565005	Prior period adjustment of transmission expense - native load	191,361.24	-	0.80089	153,259.30	Y
30-Apr-08	565005	Prior period adjustment of transmission expense - native load	-	25,056.15	0.80089	(20,067.22)	Y
30-Apr-08	565005	Prior period adjustment of transmission expense - native load	4,752.53	-	0.80089	3,806.25	Y
30-Apr-08	565005	Prior period adjustment of transmission expense - native load	3,139.59	-	0.80089	2,514.47	Y
30-Apr-08	565005	Prior period adjustment of transmission expense - native load	245,779.42	-	0.80089	196,842.28	Y
30-Apr-08	565005	Prior period adjustment of transmission expense - native load	11,277.20	-	0.80089	9,031.80	Y

1,414,362.56 114,463.51

Net Activity for Account No. 565005

\$ 1,299,899.05

\$ 1,041,076.15

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Analysis of Account No. 565005 (Transmission Electric Native Load)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	565005	Prior period adj for EKPC transmission expense	-	16,139.29	0.80089	(12,925.80)	Y
31-May-07	565005	Prior period adj for EKPC transmission expense	129,600.00	-	0.80089	103,795.34	Y
30-Jun-07	565005	Prior period adj for EKPC transmission expense	14,055.14	-	0.80089	11,256.62	Y
30-Jun-07	565005	Prior period adj for EKPC transmission expense	129,600.00	-	0.80089	103,795.34	Y
31-Jan-08	565005	Prior period adj for EKPC transmission expense	3,398.16	-	0.80089	2,721.55	Y
29-Feb-08	565005	Prior period adj for EKPC transmission expense	5,220.41	-	0.80089	4,180.97	Y
31-Mar-08	565005	Prior period adj for EKPC transmission expense	3,611.88	-	0.80089	2,892.72	Y
30-Apr-08	565005	Prior period adj for EKPC transmission expense	3,102.63	-	0.80089	2,484.87	Y
			<u>288,588.22</u>	<u>16,139.29</u>			
Net Activity for Account No. 565005			<u><u>272,448.93</u></u>		<u><u>\$ 218,201.62</u></u>		

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Analysis of Account No. 565006 (Transmission Electric OSS - MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	565006	Prior Period adjustment for transmission service expenses	-	1.76	0.80089	(1.41)	Y
31-May-07	565006	Prior Period adjustment for transmission service expenses	-	2.14	0.80089	(1.71)	Y
31-May-07	565006	Prior Period adjustment for transmission service expenses	22.78	-	0.80089	18.24	Y
30-Jun-07	565006	Prior Period adjustment for transmission service expenses	-	0.01	0.80089	(0.01)	Y
30-Jun-07	565006	Prior Period adjustment for transmission service expenses	1,803.84	-	0.80089	1,444.68	Y
30-Jun-07	565006	Prior Period adjustment for transmission service expenses	5.49	-	0.80089	4.40	Y
31-Jul-07	565006	Prior Period adjustment for transmission service expenses	-	0.01	0.80089	(0.01)	Y
31-Jul-07	565006	Prior Period adjustment for transmission service expenses	16.03	-	0.80089	12.84	Y
31-Jul-07	565006	Prior Period adjustment for transmission service expenses	305.39	-	0.80089	244.58	Y
31-Aug-07	565006	Prior Period adjustment for transmission service expenses	-	61.73	0.80089	(49.44)	Y
31-Aug-07	565006	Prior Period adjustment for transmission service expenses	554.10	-	0.80089	443.77	Y
31-Aug-07	565006	Prior Period adjustment for transmission service expenses	27.17	-	0.80089	21.76	Y
31-Aug-07	565006	Prior Period adjustment for transmission service expenses	318.24	-	0.80089	254.88	Y
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	8.25	-	0.80089	6.61	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	10.22	-	0.80089	8.19	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	10.95	-	0.80089	8.77	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	11.17	-	0.80089	8.95	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	18.38	-	0.80089	14.72	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	25.46	-	0.80089	20.39	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	61.73	-	0.80089	49.44	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	87.82	-	0.80089	70.33	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	138.54	-	0.80089	110.96	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	218.15	-	0.80089	174.71	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	987.06	-	0.80089	790.53	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	0.95	0.80089	(0.76)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	2.07	0.80089	(1.66)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	5.41	0.80089	(4.33)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	5.49	0.80089	(4.40)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	7.20	0.80089	(5.77)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	27.17	0.80089	(21.76)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	25.46	0.80089	(20.39)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	22.78	0.80089	(18.24)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	10.81	0.80089	(8.66)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	16.03	0.80089	(12.84)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	33.53	0.80089	(26.85)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	84.34	0.80089	(67.55)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	140.00	0.80089	(112.12)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	199.53	0.80089	(159.80)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	305.39	0.80089	(244.58)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	-	318.24	0.80089	(254.88)	N

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Analysis of Account No. 565006 (Transmission Electric OSS - MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
			-	1,803.84	0.80089	(1,444.68)	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.01	-	0.80089	0.01	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.01	-	0.80089	0.01	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.01	-	0.80089	0.01	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	7.15	-	0.80089	5.73	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	6.51	-	0.80089	5.21	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	5.41	-	0.80089	4.33	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	4.92	-	0.80089	3.94	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	3.51	-	0.80089	2.81	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	1.76	-	0.80089	1.41	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	1.07	-	0.80089	0.86	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.67	-	0.80089	0.54	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.64	-	0.80089	0.51	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.61	-	0.80089	0.49	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	0.21	-	0.80089	0.17	N
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	53.69	-	0.80089	43.00	Y
30-Sep-07	565006	Prior Period adjustment for transmission service expenses	2,112.74	-	0.80089	1,692.07	Y
30-Sep-07	565006	Prior Period adjustment for transmission service expenses	-	77.21	0.80089	(61.84)	Y
30-Sep-07	565006	Prior Period adjustment for transmission service expenses	-	333,693.62	0.80089	(267,251.88)	Y
30-Sep-07	565006	MISO Transmission expense refund	-	333,693.62	0.80089	(267,251.88)	Y
30-Sep-07	565006	Reclass transmission expense that was originally recorded at 100% off system sales	667,387.24	-	0.80089	534,503.77	N
30-Sep-07	565006	Correct refund for MISO day 1 reactive power from Dynergy	212.10	-	0.80089	169.87	Y
31-Oct-07	565006	Prior Period adjustment for transmission service expenses	2,088.81	-	0.80089	1,672.91	Y
31-Oct-07	565006	Prior Period adjustment for transmission service expenses	-	252.43	0.80089	(202.17)	Y
31-Oct-07	565006	Prior Period adjustment for transmission service expenses	-	9.52	0.80089	(7.62)	Y
31-Oct-07	565006	Transmission Service Expense off system sales MISO	214.84	-	0.80089	172.06	Y
30-Nov-07	565006	Prior Period adjustment for transmission service expenses	-	282.33	0.80089	(226.12)	Y
30-Nov-07	565006	Prior Period adjustment for transmission service expenses	7,212.71	-	0.80089	5,776.59	Y
30-Nov-07	565006	Prior Period adjustment for transmission service expenses	-	149,322.53	0.80089	(119,590.92)	Y
30-Nov-07	565006	Prior Period adjustment for transmission service expenses	-	219.11	0.80089	(175.48)	Y
31-Dec-07	565006	Prior Period adjustment for transmission service expenses	735.37	-	0.80089	588.95	Y
31-Dec-07	565006	Prior Period adjustment for transmission service expenses	325.45	-	0.80089	260.65	Y
31-Dec-07	565006	Prior Period adjustment for transmission service expenses	-	2.30	0.80089	(1.84)	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	32.74	-	0.80089	26.22	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	282.33	-	0.80089	226.12	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	282.33	-	0.80089	226.12	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	-	214.84	0.80089	(172.06)	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	-	66.47	0.80089	(53.24)	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	-	34.67	0.80089	(27.77)	Y
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	-	214.84	0.80089	(172.06)	Y

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Analysis of Account No. 565006 (Transmission Electric OSS - MISO)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Jan-08	565006	Prior Period adjustment for transmission service expenses	32.85	-	0.80089	26.31	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	109.41	-	0.80089	87.63	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	0.60	-	0.80089	0.48	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	0.94	-	0.80089	0.75	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	2.23	-	0.80089	1.79	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	2.63	-	0.80089	2.11	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	3.20	-	0.80089	2.56	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	-	1.03	0.80089	(0.82)	Y
29-Feb-08	565006	Prior Period adjustment for transmission service expenses	-	4.93	0.80089	(3.95)	Y
31-Mar-08	565006	reclass TVA transmission purchase to correct account and task	-	3.20	0.80089	(2.56)	N
31-Mar-08	565006	reclass TVA transmission purchase to correct account and task	-	2.63	0.80089	(2.11)	N
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	0.85	-	0.80089	0.68	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	1.04	-	0.80089	0.83	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	2.05	-	0.80089	1.64	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	3.06	-	0.80089	2.45	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	10,195.90	-	0.80089	8,165.79	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	7.29	-	0.80089	5.84	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	-	4.01	0.80089	(3.21)	Y
31-Mar-08	565006	Prior Period adjustment for transmission service expenses	-	0.06	0.80089	(0.05)	Y
31-Mar-08	565006	Transmission Service Expense off system sales MISO	-	13.48	0.80089	(10.80)	N
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	-	1,333.26	0.80089	(1,067.79)	Y
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	-	2.05	0.80089	(1.64)	Y
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	13,189.53	-	0.80089	10,563.36	Y
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	252.88	-	0.80089	202.53	Y
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	600.05	-	0.80089	480.57	Y
30-Apr-08	565006	Prior Period adjustment for transmission service expenses	167.06	-	0.80089	133.80	Y
			<u>710,175.18</u>	<u>822,522.03</u>			

Net Activity for Account No. 565006

(112,346.85)

\$ (89,977.47)

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Analysis of Account No. 575701 (MISO Day 2 Sch. 17-Market Admin Fee-OSS)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	575701	MISO current month non-energy charges	229.01	-	0.80089	183.41	Y
31-May-07	575701	True-up MISO txns to Actual S14's	-	87.81	0.80089	(70.33)	Y
30-Jun-07	575701	True-up MISO txns to Actual S14's	-	43.68	0.80089	(34.98)	Y
30-Jun-07	575701	MISO non-energy expense	52.67	-	0.80089	42.18	Y
31-Jul-07	575701	True-up MISO txns to Actual S14's	-	8.17	0.80089	(6.54)	Y
31-Jul-07	575701	MISO current month non-energy charges	0.79	-	0.80089	0.63	Y
31-Aug-07	575701	True-up MISO txns to Actual S14's	-	0.06	0.80089	(0.05)	Y
31-Aug-07	575701	MISO current month non-energy charges	2.23	-	0.80089	1.79	Y
30-Sep-07	575701	MISO current month non-energy charges	6.81	-	0.80089	5.45	Y
31-Oct-07	575701	MISO current month non-energy charges	22.10	-	0.80089	17.70	Y
30-Nov-07	575701	MISO non-energy expense	-	15.90	0.80089	(12.73)	Y
31-Dec-07	575701	MISO non-energy expense	42.43	-	0.80089	33.98	Y
31-Jan-08	575701	MISO non-energy expense	126.19	-	0.80089	101.06	Y
29-Feb-08	575701	True-up MISO txns to Actual S14's	0.01	-	0.80089	0.01	Y
29-Feb-08	575701	MISO non-energy expense	4.46	-	0.80089	3.57	Y
31-Mar-08	575701	MISO current month non-energy charges	136.48	-	0.80089	109.31	Y
30-Apr-08	575701	MISO non-energy expense	31.48	-	0.80089	25.21	Y
			654.66	155.62			
Net Activity for Account No. 575701			\$ 499.04			\$ 399.68	

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Analysis of Account No. 575703 (MISO Day 2 Sch. 17-Market Admin Fee-NL)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	575703	MISO non-energy charges	104.54	-	0.80089	83.73	Y
31-May-07	575703	True MISO transactions to actual S14s	-	13.06	0.80089	(10.46)	Y
30-Jun-07	575703	True MISO transactions to actual S14s	-	19.95	0.80089	(15.98)	Y
30-Jun-07	575703	MISO Day 2 Sch 17 NL expense	345.96	-	0.80089	277.08	Y
31-Jul-07	575703	True MISO transactions to actual S14s	-	54.51	0.80089	(43.66)	Y
31-Jul-07	575703	MISO non-energy charges	215.66	-	0.80089	172.72	Y
31-Aug-07	575703	payment of MISO sch 17	30.64	-	0.80089	24.54	Y
31-Aug-07	575703	True MISO transactions to actual S14s	-	16.87	0.80089	(13.51)	Y
31-Aug-07	575703	MISO non-energy charges	1,154.00	-	0.80089	924.23	Y
30-Sep-07	575703	MISO non-energy charges	424.47	-	0.80089	339.95	Y
31-Oct-07	575703	True MISO transactions to actual S14s	0.03	-	0.80089	0.02	Y
31-Oct-07	575703	MISO non-energy charges	593.49	-	0.80089	475.32	Y
30-Nov-07	575703	True MISO transactions to actual S14s	0.01	-	0.80089	0.01	Y
30-Nov-07	575703	MISO Day 2 Sch 17 NL expense	743.93	-	0.80089	595.81	Y
31-Dec-07	575703	MISO Day 2 Sch 17 NL expense	585.81	-	0.80089	469.17	Y
31-Jan-08	575703	True MISO transactions to actual S14s	0.02	-	0.80089	0.02	Y
31-Jan-08	575703	MISO Day 2 Sch 17 NL expense	1,530.88	-	0.80089	1,226.07	Y
29-Feb-08	575703	True MISO transactions to actual S14s	0.02	-	0.80089	0.02	Y
29-Feb-08	575703	MISO Day 2 Sch 17 NL expense	2,178.00	-	0.80089	1,744.34	Y
31-Mar-08	575703	True MISO transactions to actual S14s	0.07	-	0.80089	0.06	Y
31-Mar-08	575703	MISO non-energy charges	1,908.88	-	0.80089	1,528.80	Y
30-Apr-08	575703	True MISO transactions to actual S14s	0.05	-	0.80089	0.04	Y
30-Apr-08	575703	MISO Day 2 Sch 17 NL expense	2,239.40	-	0.80089	1,793.51	Y

12,055.86 104.39

Net Activity for Account No. 575703 \$ 11,951.47

\$ 9,571.81

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Analysis of Account No. 575704 (MISO Day 1 Sch. 10 - Reserve)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-May-07	575704	MISO sch 10 expense adjustment	0.05	-	0.80089	0.04	Y
30-Jun-07	575704	MISO sch 10 expense adjustment	0.04	-	0.80089	0.03	Y
31-Jul-07	575704	MISO sch 10 expense adjustment	0.05	-	0.80089	0.04	Y
31-Aug-07	575704	MISO sch 10 expense adjustment	0.17	-	0.80089	0.14	Y
30-Sep-07	575704	MISO sch 10 expense adjustment	5.09	-	0.80089	4.08	Y
31-Oct-07	575704	MISO sch 10 expense adjustment	6.89	-	0.80089	5.52	Y
30-Nov-07	575704	MISO sch 10 expense adjustment	1.89	-	0.80089	1.51	Y
31-Dec-07	575704	MISO sch 10 expense adjustment	0.99	-	0.80089	0.79	Y
31-Dec-07	575704	reclass from 575704 to 928002	-	6.61	0.80089	(5.29)	N
31-Jan-08	575704	MISO sch 10 expense adjustment	-	1.89	0.80089	(1.51)	Y
31-Jan-08	575704	MISO sch 10 expense adjustment	-	1.89	0.80089	(1.51)	Y
31-Jan-08	575704	MISO sch 10 expense adjustment	0.66	-	0.80089	0.53	Y
29-Feb-08	575704	MISO sch 10 expense adjustment	0.01	-	0.80089	0.01	Y
29-Feb-08	575704	MISO sch 10 expense adjustment	46.52	-	0.80089	37.26	Y
31-Mar-08	575704	MISO sch 10 expense adjustment	105.09	-	0.80089	84.17	Y
31-Mar-08	575704	MISO sch 10 expense adjustment	0.06	-	0.80089	0.05	Y
30-Apr-08	575704	MISO sch 10 expense adjustment	104.08	-	0.80089	83.36	Y
30-Apr-08	575704	MISO sch 10 expense adjustment	5.52	-	0.80089	4.42	Y
			277.11	10.39			
Net Activity for Account No. 575704			\$ 266.72			\$ 213.61	

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Analysis of Account No. 928002 (Reg Upkeep Assessments)

GL Date	Account	Description	Debit	Credit	Jurisdictional percent	Jurisdictional amount	Recurring
31-Aug-07	928002	Accrue 2007 FERC Annual Electric Charges true up	660,184.91	-	0.86841	573,311.18	Y
31-Aug-07	928002	FERC Annual Charge Electric Accrual	10,426.00	-	0.86841	9,054.04	Y
30-Sep-07	928002	FERC Annual Charge Electric Accrual	11,744.00	-	0.86841	10,198.61	Y
31-Oct-07	928002	FERC Annual Charge Electric Accrual	11,744.00	-	0.86841	10,198.61	Y
30-Nov-07	928002	FERC Annual Charge Electric Accrual	11,744.00	-	0.86841	10,198.61	Y
31-Dec-07	928002	FERC Annual Charge Electric Accrual	12,346.00	-	0.86841	10,721.39	Y
31-Dec-07	928002	FERC Annual Charge Electric Accrual	152,012.61	-	0.86841	132,009.27	Y
31-Dec-07	928002	FERC Annual Charge Electric Accrual	12.48	-	0.86841	10.84	Y
31-Dec-07	928002	FERC Annual Charge Electric Accrual	213.11	-	0.86841	185.07	N
31-Jan-08	928002	FERC Annual Charge Electric Accrual	9.10	-	0.86841	7.90	Y
31-Jan-08	928002	FERC Annual Charge Electric Accrual	10,540.00	-	0.86841	9,153.04	Y
29-Feb-08	928002	FERC Annual Charge Electric Accrual	19,892.11	-	0.86841	17,274.51	Y
29-Feb-08	928002	Correct the Organization for the monthly FERC Annual Electric Charges	0.21	-	0.86841	0.18	Y
29-Feb-08	928002	FERC Annual Charge Elec MISO expense adj	503.02	-	0.86841	436.83	Y
29-Feb-08	928002	FERC Annual Charge Elec MISO expense adj	151,234.47	-	0.86841	131,333.53	Y
29-Feb-08	928002	FERC Annual Charge Elec MISO expense adj	22,570.00	-	0.86841	19,600.01	Y
31-Mar-08	928002	FERC Annual Charge Elec MISO expense adj	1,535.70	-	0.86841	1,333.62	Y
31-Mar-08	928002	FERC Annual Charge Elec MISO expense adj	0.71	-	0.86841	0.62	Y
31-Mar-08	928002	FERC Annual Charge Elec MISO expense adj	22,049.00	-	0.86841	19,147.57	Y
30-Apr-08	928002	FERC Annual Charge Elec MISO expense adj	57.66	-	0.86841	50.07	Y
30-Apr-08	928002	FERC Annual Charge Elec MISO expense adj	1,083.62	-	0.86841	941.03	Y
30-Apr-08	928002	Reclass from Accts 561402, 561802, 575704 to 928002	22,393.00	-	0.86841	19,446.31	Y
			1,122,295.71	-			
Net Activity for Account No. 928002			\$ 1,122,295.71	-	\$ 974,612.82		

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 110

Responding Witness: Valerie L. Scott

Q-110. Refer to Exhibit 1, Reference Schedule 1.25, of the Rives Testimony and Volume 1 of 4 of KU's response to Staff's first request, Item 13.

- a. Using the accounts provided in Item 13, provide an analysis of test year expenses paid to OVEC and state the basis for each charge.
- b. Explain how the change from allocating demand charges based on the percent of generation contributed to off-system sales to allocating demand charges based on ownership share better aligns OVEC charges used to serve native loads. This response should explain the relationship between native load use and ownership share.

A-110. a. See attached.

- b. Ownership share was selected as a better allocation of OVEC demand than percent of generation contributed to off-system sales because OVEC, as a lowest cost resource for power purchases, is almost always allocated to native load. The OVEC energy charges are allocated to KU based on the Inter-Company Power Agreement (ICPA) between the Companies, as the energy is used to serve KU's native load. The OVEC demand charges should be allocated using this same methodology. The ICPA reflects KU's ownership share and participation ratio of OVEC's energy production.

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Gross Amounts			Jurisdictional Percentage				
				Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100
31-May-07	(569,466.70)	Apr-07	Purchase Power Demand True up	569,466.70		(569,466.70)		507,616.92	-	(492,799.40)	
31-May-07	(46,958.89)	Apr-07	Purchase Power Energy True up	46,958.89	(46,958.89)			41,858.68	(40,779.57)	-	
1-May-07	919,832.00	Apr-07	2nd Estimated Payment for Demand and Energy	919,832.00				819,929.05	-	-	
23-May-07	7,091.00	Apr-07	True up Payment for Demand and Energy	7,091.00				6,320.85	-	-	
31-May-07	(1,074,282.95)	Apr-07	Intercompany A/P True up with LGE	(1,074,282.95)			1,074,282.95	(957,605.08)	-	-	
31-May-07	640,149.88	May-07	Purchase Power Demand Current Month Accrual	(640,149.88)		640,149.88	-	(570,623.20)	-	553,966.50	-
31-May-07	567,645.70	May-07	Purchase Power Energy Current Month Accrual	(567,645.70)	567,645.70		-	(505,993.70)	492,949.20	-	-
30-Jun-07	1,237.83	May-07	Purchase Power Energy True up	(1,237.83)	1,237.83		-	(1,103.39)	1,074.94	-	-
30-Jun-07	(592,623.14)	May-07	Purchase Power Demand True up	592,623.14		(592,623.14)	-	528,258.34	-	(512,838.29)	-
24-May-07	694,546.00	May-07	1st Estimated Payment for Demand and Energy	694,546.00			-	619,111.36	-	-	-
4-Jun-07	909,939.50	May-07	2nd Estimated Payment for Demand and Energy	909,939.50			-	811,110.97	-	-	-
28-Jun-07	32,206.42	May-07	True up Payment for Demand and Energy	32,206.42			-	28,708.48	-	-	-
30-Jun-07	(1,020,281.65)	May-07	Intercompany A/P True up with LGE	(1,020,281.65)			1,020,281.65	(909,468.86)	-	-	909,468.86
30-Jun-07	619,484.52	Jun-07	Purchase Power Demand Current Month Accrual	(619,484.52)		619,484.52	-	(552,202.31)	-	536,083.32	-
31-Jul-07	(500,959.54)	Jun-07	Purchase Power Demand True up	500,959.54		(500,959.54)	-	446,550.32	-	(433,515.36)	-
30-Jun-07	677,098.66	Jun-07	Purchase Power Energy Current Month Accrual	(677,098.66)	677,098.66		-	(603,558.97)	587,999.25	-	-

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Wholesale Purchase A/P 232010	Gross Amounts			Jurisdictional Percentage			
					Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100
31-Jul-07	(275.64)	Jun-07	Purchase Power Energy True up	275.64	(275.64)	-	245.70	(239.37)	-	-	
19-Jun-07	929,601.50	Jun-07	1st Estimated Payment for Demand and Energy	929,601.50	-	-	828,637.48	-	-	-	
3-Jul-07	1,005,422.00	Jun-07	2nd Estimated Payment for Demand and Energy	1,005,422.00	-	-	896,223.12	-	-	-	
23-Jul-07	49,741.40	Jun-07	True up Payment for Demand and Energy	49,741.40	-	-	44,338.99	-	-	-	
30-Jun-07	(1,189,416.90)	Jun-07	Intercompany A/P True up with LGE	(1,189,416.90)	-	1,189,416.90	(1,060,234.33)	-	-	1,060,234.33	
31-Jul-07	640,136.51	Jul-07	Purchase Power Demand Current Month Accrual	(640,136.51)	-	640,136.51	(570,611.28)	-	553,954.93	-	
31-Aug-07	(563,493.73)	Jul-07	Purchase Power Demand True up	563,493.73	-	(563,493.73)	502,292.68	-	(487,630.57)	-	
31-Jul-07	612,496.25	Jul-07	Purchase Power Energy Current Month Accrual	(612,496.25)	612,496.25	-	(545,973.03)	531,897.87	-	-	
31-Aug-07	24,299.84	Jul-07	Purchase Power Energy True up	(24,299.84)	24,299.84	-	(21,660.63)	21,102.22	-	-	
30-Sep-07	808,683.50	Jul-07	1st Estimated Payment for Demand and Energy	808,683.50	-	-	720,852.39	-	-	-	
3-Aug-07	987,126.50	Jul-07	2nd Estimated Payment for Demand and Energy	987,126.50	-	-	879,914.69	-	-	-	
31-Aug-07	(14,171.54)	Jul-07	True up Payment for Demand and Energy	(14,171.54)	-	-	(12,632.37)	-	-	-	
31-Aug-07	(1,068,199.61)	Jul-07	Intercompany A/P True up with LGE	(1,068,199.61)	-	1,068,199.61	(952,182.45)	-	-	952,182.45	
1-Oct-07	(3.99)	Jul-07	True up Payment for Demand and Energy	(3.99)	-	-	(3.56)	-	-	-	
30-Sep-07	(2.66)	Jul-07	Purchase Power Energy True up	2.66	-	-	2.37	-	-	-	
30-Nov-07	1.35	Jul-07	Intercompany A/P True up with LGE	1.35	-	(1.35)	1.20	-	-	(1.20)	
31-Aug-07	640,136.76	Aug-07	Purchase Power Demand Current Month Accrual	(640,136.76)	-	640,136.76	(570,611.51)	-	553,955.15	-	
30-Sep-07	(531,849.86)	Aug-07	Purchase Power Demand True up	531,849.86	-	(531,849.86)	474,085.65	-	(460,246.91)	-	

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Gross Amounts				Jurisdictional Percentage			
				Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100
31-Aug-07	633,212.63	Aug-07	Purchase Power Energy Current Month Accrual	(633,212.63)	633,212.63	-	-	(564,439.41)	549,888.18	-	-
30-Sep-07	24,344.78	Aug-07	Purchase Power Energy True up	(24,344.78)	24,344.78	-	-	(21,700.69)	21,141.25	-	-
20-Aug-07	927,875.50	Aug-07	1st Estimated Payment for Demand and Energy	927,875.50	-	-	-	827,098.94	-	-	-
5-Sep-07	872,856.97	Aug-07	2nd Estimated Payment for Demand and Energy	872,856.97	-	-	-	778,055.97	-	-	-
1-Oct-07	93,815.84	Aug-07	True up Payment for Demand and Energy	93,815.84	-	-	-	83,626.50	-	-	-
30-Sep-07	(1,128,704.00)	Aug-07	Intercompany A/P True up with LGE	(1,128,704.00)	-	-	1,128,704.00	(1,006,115.46)	-	-	1,006,115.46
30-Sep-07	619,502.17	Sep-07	Purchase Power Demand Current Month Accrual	(619,502.17)	-	619,502.17	-	(552,218.04)	-	536,098.59	-
31-Oct-07	(312,810.03)	Sep-07	Purchase Power Demand True up	312,810.03	-	(312,810.03)	-	278,835.73	-	(270,696.42)	-
30-Sep-07	616,186.62	Sep-07	Purchase Power Energy Current Month Accrual	(616,186.62)	616,186.62	-	-	(549,262.59)	535,102.62	-	-
31-Oct-07	20,520.79	Sep-07	Purchase Power Energy True up	(20,520.79)	20,520.79	-	-	(18,292.03)	17,820.46	-	-
18-Sep-07	888,951.50	Sep-07	1st Estimated Payment for Demand and Energy	888,951.50	-	-	-	792,402.48	-	-	-
1-Oct-07	994,593.50	Sep-07	2nd Estimated Payment for Demand and Energy	994,593.50	-	-	-	886,570.70	-	-	-
23-Oct-07	(4,671.12)	Sep-07	True up Payment for Demand and Energy	(4,671.12)	-	-	-	(4,163.79)	-	-	-
31-Oct-07	(935,474.33)	Sep-07	Intercompany A/P True up with LGE	(935,474.33)	-	-	935,474.33	(833,872.46)	-	-	833,872.46
31-Oct-07	640,133.62	Oct-07	Purchase Power Demand Current Month Accrual	(640,133.62)	-	640,133.62	-	(570,608.71)	-	553,952.43	-
30-Nov-07	(483,334.38)	Oct-07	Purchase Power Demand True up	483,334.38	-	(483,334.38)	-	430,839.43	-	(418,263.07)	-
31-Oct-07	567,792.47	Oct-07	Purchase Power Energy Current Month Accrual	(567,792.47)	567,792.47	-	-	(506,124.53)	493,076.66	-	-
30-Nov-07	(11,568.33)	Oct-07	Purchase Power Energy True up	11,568.33	(11,568.33)	-	-	10,311.89	(10,046.05)	-	-

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Wholesale Purchase A/P 232010	Gross Amounts			Jurisdictional Percentage			
					Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100
23-Oct-07	792,637.00	Oct-07	1st Estimated Payment for Demand and Energy	792,637.00			-	706,548.70	-	-	-
6-Nov-07	949,633.00	Oct-07	2nd Estimated Payment for Demand and Energy	949,633.00			-	846,493.36	-	-	-
20-Nov-07	11,145.23	Oct-07	True up Payment for Demand and Energy	11,145.23			-	9,934.75	-	-	-
30-Nov-07	(1,040,391.85)	Oct-07	Intercompany A/P True up with LGE	(1,040,391.85)			1,040,391.85	(927,394.89)	-	-	927,394.89
30-Nov-07	619,491.67	Nov-07	Purchase Power Demand Current Month Accrual	(619,491.67)		619,491.67	-	(552,208.68)	-	536,089.51	-
31-Dec-07	(549,272.92)	Nov-07	Purchase Power Demand True up	549,272.92		(549,272.92)	-	489,616.39	-	(475,324.31)	-
30-Nov-07	643,256.30	Nov-07	Purchase Power Energy Current Month Accrual	(643,256.30)	643,256.30		-	(573,392.23)	558,610.20	-	-
31-Dec-07	(13,161.66)	Nov-07	Purchase Power Energy True up	13,161.66	(13,161.66)		-	11,732.17	(11,429.72)	-	-
20-Nov-07	874,115.00	Nov-07	1st Estimated Payment for Demand and Energy	874,115.00			-	779,177.37	-	-	-
10-Dec-07	1,089,388.00	Nov-07	2nd Estimated Payment for Demand and Energy	1,089,388.00			-	971,069.57	-	-	-
21-Dec-07	58,932.41	Nov-07	True up Payment for Demand and Energy	58,932.41			-	52,531.76	-	-	-
31-Dec-07	(1,322,122.02)	Nov-07	Intercompany A/P True up with LGE	(1,322,122.02)			1,322,122.02	(1,178,526.35)	-	-	1,178,526.35
31-Dec-07	640,136.55	Dec-07	Purchase Power Demand Current Month Accrual	(640,136.55)		640,136.55	-	(570,611.32)	-	553,954.97	-
31-Jan-08	(500,341.19)	Dec-07	Purchase Power Demand True up	500,341.19		(500,341.19)	-	445,999.13	-	(432,980.26)	-
31-Mar-08	358,325.16	Dec-07	Demand Reallocation - True up	(358,325.16)		358,325.16	-	(319,407.46)	-	310,083.84	-
31-Dec-07	655,753.23	Dec-07	Purchase Power Energy Current Month Accrual	(655,753.23)	655,753.23		-	(584,531.87)	569,462.66	-	-
31-Jan-08	19,187.78	Dec-07	Purchase Power Energy True up	(19,187.78)	19,187.78		-	(17,103.80)	16,662.86	-	-
21-Dec-07	992,213.50	Dec-07	1st Estimated Payment for Demand and Energy	992,213.50			-	884,449.19	-	-	-

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Wholesale Purchase A/P 232010	Gross Amounts			Jurisdictional Percentage			
					Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010 0.89139	Native Load Purchases - Energy 555015 0.86841	Native Load Purchases - Demand 555016 0.86537	Intercompany 146100 0.89139
9-Jan-08	858,994.50	Dec-07	2nd Estimated Payment for Demand and Energy True up Payment for	858,994.50			-	765,699.11	-	-	-
8-Feb-08	56,219.77	Dec-07	Demand and Energy Intercompany A/P True up with LGE	56,219.77			-	50,113.74	-	-	-
31-Jan-08	(1,092,691.40)	Dec-07	Demand Reallocation - True up	(1,092,691.40)			1,092,691.40	(974,014.19)	-	-	974,014.19
31-Mar-08	358,325.16	Dec-07	Purchase Power Demand Current Month Accrual				-	319,407.46	-	-	-
31-Jan-08	722,441.48	Jan-08	Purchase Power Demand True up	(722,441.48)		722,441.48	-	(643,977.11)	-	625,179.18	-
29-Feb-08	(186,706.07)	Jan-08	Purchase Power Energy Current Month Accrual	186,706.07		(186,706.07)	-	166,427.92	-	(161,569.83)	-
31-Jan-08	757,343.19	Jan-08	Purchase Power Energy True up	(757,343.19)	757,343.19		-	(675,088.15)	657,684.40	-	-
29-Feb-08	(60,159.69)	Jan-08	1st Estimated Payment for Demand and Energy 2nd Estimated Payment for Demand and Energy True up Payment for	60,159.69	(60,159.69)		-	53,625.75	(52,243.28)	-	-
21-Jan-08	932,046.50	Jan-08	Demand and Energy Intercompany A/P True up with LGE	932,046.50			-	830,816.93	-	-	-
8-Feb-08	1,256,578.50	Jan-08	Intercompany A/P True up with LGE	1,256,578.50			-	1,120,101.51	-	-	-
11-Mar-08	(112,872.63)	Jan-08	Intercompany A/P True up with LGE	(112,872.63)			-	(100,613.53)	-	-	-
29-Feb-08	(772,173.37)	Jan-08	Intercompany A/P True up with LGE	(772,173.37)			772,173.37	(688,307.62)	-	-	688,307.62
30-Apr-08	(70,660.09)	Jan-08	Purchase Power Demand Current Month Accrual	(70,660.09)			-	(62,985.70)	-	-	62,985.70
29-Feb-08	652,224.48	Feb-08	Purchase Power Demand True up	(652,224.48)		652,224.48	-	(581,386.38)	-	564,415.50	-
31-Mar-08	(164,592.85)	Feb-08	Purchase Power Energy Current Month Accrual	164,592.85		(164,592.85)	-	146,716.42	-	(142,433.71)	-
29-Feb-08	571,860.26	Feb-08	Purchase Power Energy True up	(571,860.26)	571,860.26		-	(509,750.52)	496,609.17	-	-
31-Mar-08	4,495.11	Feb-08	1st Estimated Payment for Demand and Energy	(4,495.11)	4,495.11		-	(4,006.90)	3,903.60	-	-
27-Feb-08	471,323.39	Feb-08		471,323.39			-	420,132.96	-	-	-

Kentucky Utilities
Case No. 2008-00251
Case No. 2007-00565
Test Year Expenses Paid to OVEC

General Ledger Date	Amount	Flow Date	Transaction Description	Wholesale Purchase A/P 232010	Gross Amounts			Jurisdictional Percentage			
					Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100	Wholesale Purchase A/P 232010	Native Load Purchases - Energy 555015	Native Load Purchases - Demand 555016	Intercompany 146100
11-Mar-08	590,476.57	Feb-08	2nd Estimated Payment for Demand and Energy	590,476.57				526,344.91	-	-	-
28-Mar-08	2,630.24	Feb-08	True up Payment for Demand and Energy	2,630.24				2,344.57	-	-	-
31-Mar-08	(443.20)	Feb-08	Intercompany A/P True up with LGE	(443.20)			443.20	(395.06)	-	-	395.06
31-Mar-08	723,545.13	Mar-08	Purchase Power Demand Current Month Accrual	(723,545.13)		723,545.13		(644,960.89)	-	626,134.25	-
30-Apr-08	(107,916.48)	Mar-08	Purchase Power Demand True up	107,916.48		(107,916.48)		96,195.67	-	(93,387.68)	-
31-Mar-08	654,830.64	Mar-08	Purchase Power Energy Current Month Accrual	(654,830.64)	654,830.64			(583,709.48)	568,661.48	-	-
30-Apr-08	(18,868.00)	Mar-08	Purchase Power Energy True up	18,868.00	(18,868.00)			16,818.75	(16,385.16)	-	-
28-Mar-08	543,775.62	Mar-08	1st Estimated Payment for Demand and Energy	543,775.62				484,716.15	-	-	-
8-Apr-08	717,381.51	Mar-08	2nd Estimated Payment for Demand and Energy	717,381.51				639,466.70	-	-	-
30-Apr-08	777.03	Mar-08	Intercompany A/P True up with LGE	777.03			(777.03)	692.64	-	-	(692.64)
30-Apr-08	699,143.69	Apr-08	Purchase Power Demand Current Month Accrual	(699,143.69)		699,143.69		(623,209.69)	-	605,017.98	-
30-Apr-08	649,945.10	Apr-08	Purchase Power Energy Current Month Accrual	(649,945.10)	649,945.10			(579,354.56)	564,418.82	-	-
23-Apr-08	567,932.82	Apr-08	1st Estimated Payment for Demand and Energy	567,932.82				506,249.64	-	-	-
				<u>(301,747.46)</u>	<u>7,550,514.97</u>	<u>3,151,484.73</u>	<u>10,714,062.99</u>	<u>(268,974.67)</u>	<u>6,556,942.71</u>	<u>2,727,200.34</u>	<u>8,592,803.53</u>

Note: Jurisdictional Amounts for Accounts 555015 and 555016 (Native Load Purchase Power Energy and Demand) will not match the amount paid due to different jurisdictional percentages.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 111

Responding Witness: Lonnie E. Bellar

- Q-111. Refer to Exhibit 1, Reference Schedule 1.26, of the Rives Testimony; Volume 1 of 4 of KU's response to Staff's first request, Item 13; and page 9 of the Bellar Testimony.
- a. Using the accounts provided in Item 13, provide an analysis of all test year reserve margin demand purchases.
 - b. For all purchases listed in a. state whether they will recur annually on a going-forward basis.
 - c. For each charge related to a contract, provide the contract's expiration date and the likelihood that the contract will be renewed.
- A-111.
- a. There were no reserve margin demand purchases during the test year.
 - b. Not applicable.
 - c. KU has entered into a contract with Dynegy for reserve margin purchases for 2008 and 2009. See response to AG-1 Question No. 44.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 112

Responding Witness: Shannon L. Charnas

- Q-112. Refer to Exhibit 1, Reference Schedule 1.26, of the Rives Testimony and to Volume 4 of 4 of KU's response to Staff's first request, Item 57(b). Provide the actual news paper publication costs from KU's previous rate case.
- A-112. The actual newspaper publication costs from KU's previous rate case were \$537,784.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 113

Responding Witness: Shannon L. Charnas

- Q-113. Refer to Exhibit 1, Reference Schedule 1.29, of the Rives Testimony and Volume 1 of 4 of KU's response to Staff's first request, Item 13.
- a. Using the account titles and numbers provided in Item 13, provide an analysis of test year expenses related to the IT contracts.
 - b. State the amount of IT contract expense reported in the test year when prepayments were not being accrued.
 - c. Provide a complete list of KU's IT contracts and provide a description of each contract, the duration of each contract, the current annual cost of each contract, the annual cost of the contract for the previous annual period, and the date last paid.
 - d. Using the list provided in (c) develop an annual cost for all IT contracts and the prepaid balances at May 1, 2007 and April 30, 2008.
- A-113. a. The test year expenses of \$2,051,795 were recorded in account 935488 Maintenance-Other General Equipment – Indirect.
- b. The amortization of prepaid IT contracts began in August 2007, therefore the amount of IT contract expense reported for May – July 2007 was \$1,117,530.
 - c. See attached for a complete list of Servco's IT contracts allocated to KU. All IT contracts are held by Servco and allocated to KU based on the IT departmental allocation of 44.2573%. The cost for the contracts shown on pages 1-7 represent the annual expense during the test year. The annual expense recorded in the test year in (a) above includes the effects of the adjustment detailed in Rives Exhibit 1, Reference Schedule 1.29. The annual expense recorded in the test year would have been \$3,149,518 if the IT contracts had been amortized from inception. The expenses for the contracts shown on pages 8-12 represent the expenses for the 12 months prior to the test period.

- d. See attached. Assuming all contracts were appropriately amortized since inception, the annual cost for the test year was \$2,536,802 (excluding single month contracts). The amount for the year prior to the test year was \$2,102,331. KU's portion of the prepaid balances for April 30, 2008 (\$1,060,183) was recorded on Servco's balance sheet (page 7 of 14). If the prepaid contracts had been appropriately amortized since inception, the prepaid balance as of May 1, 2007 would have been \$1,078,568 (page 14 of 14). However, the actual prepaid balance at May 1, 2007 was zero.

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
AASTRA USA INC	Maintenance for Intecom Switch Software for Phone Service	JUN-07	5/07-4/08	\$ 123,490.00
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	DEC-06	1/07-12/07	-
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	DEC-07	12/07-11/08	40,228.03
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for Mainframe Software	JUN-06	7/06-6/07	-
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for Mainframe Software	JUN-07	7/07-6/08	4,663.33
ADVANCED SOLUTIONS INC	Maintenance for AutoCAD Software	JAN-07	1/07-12/07	(0.00)
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-06	12/06-11/07	-
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-07	12/07-11/08	26,626.56
ADVANTICA INC	Maintenance for Distribution System Analysis Software	NOV-06	11/06-10/07	-
AGILYSYS	Maintenance for HP Hardware	DEC-07	12/07	9,044.03
AGILYSYS	Maintenance for Storage Software and Equipment	SEP-07	9/07	4,983.30
AGILYSYS	Maintenance on Channel Extension Equipment	DEC-07	12/07	14,061.82
AGILYSYS	Maintenance on Channel Extension Equipment	DEC-07	12/07-11/08	2,205.07
AGILYSYS Total	Maintenance for Software used for server management	JUL-07	7/07	23,117.36
ALG SOFTWARE	Maintenance for Financial Reporting Software	OCT-06	12/06-11/07	-
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	OCT-06	11/06-10/07	-
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	OCT-07	11/07-10/08	8,372.50
APOGEE INTERACTIVE INC	Maintenance for Commercial Calculator Software for Customer Self Service	FEB-08	2/08-12/08	1,750.36
APOGEE INTERACTIVE INC	Maintenance for Residential Calculator Software for Customer Self Service	FEB-08	2/08-12/08	9,136.36
APPLIED FLOW TECHNOLOGY CORP	Maintenance for Software used by Power Generation to analyze and control fluid flow	OCT-07	10/07	400.00
APRISO CORP	Maintenance for Barcoding Software	FEB-07	3/07-2/08	0.00
APTARE INC	Maintenance for Reporting Tool for Backup Software	AUG-07	8/07	310.64
APTARE INC	Maintenance for Reporting Tool for Backup Software	FEB-07	1/07-12/07	-
ASPECT COMMUNICATIONS CORP	Maintenance for EWFm Software for Retail Call Center	APR-08	4/08-1/09	1,561.60
ASPECT COMMUNICATIONS CORP	Maintenance for EWFm Software for Retail Call Center	FEB-08	2/08-1/09	3,904.00
AVAYA INC	Maintenance for the Conference Bridge Software	MAY-07	2/07-1/08	3,999.96
AVAYA INC	Maintenance for the Conference Bridge Software	JUL-07	7/07	288.00
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	DEC-06	12/06-11/07	-
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	DEC-07	12/07	18,800.60
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	JAN-07	1/07-12/07	0.00
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	OCT-06	10/06-09/07	-
BLACKBERRY MADE SIMPLE	Customization of training video for E.ON US IT Training	OCT-07	10/07	200.00
BLACKBERRY MADE SIMPLE	Purchase of software license for training video for E.ON US IT Training	OCT-07	10/07	2,995.00
BLADELOGIC INC	Maintenance for Server Management Software	DEC-07	12/07-11/08	25,114.96
BMC FINANCIAL SERVICES CO	Maintenance for Mainframe Software	JUN-07	6/07-5/08	33,916.67
BMC FINANCIAL SERVICES CO	Maintenance for Service Desk Software	JUN-06	7/06-6/07	-
BMC SOFTWARE DISTRIBUTION INC	Maintenance for Service Desk Software	APR-07	4/07-3/08	-
CA INC	Maintenance for Mainframe Job Scheduler Software	DEC-07	12/07-11/08	17,987.20
CA INC	Maintenance for Mainframe Job Scheduler Software	FEB-07	1/07-12/07	-
CA INC	Maintenance for Mainframe Job Scheduler Software	JAN-07	1/07-12/07	-
CA INC	Maintenance for Mainframe Software	DEC-07	12/07-11/08	148,309.66
CA INC	Maintenance for Mainframe Software	JAN-07	1/07-12/07	-

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	DEC-06	1/07-12/07	-
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	OCT-06	10/06-09/07	-
CADRE COMPUTER RESOURCES CO	Maintenance for Bluecoat Appliances and Software for Security	DEC-07	1/08-12/08	7,350.28
CADRE COMPUTER RESOURCES CO	Maintenance for Bluecoat Appliances and Software for Security	DEC-07	12/07-11/08	1,859.81
CADRE COMPUTER RESOURCES CO	Maintenance for Desktop Security Software	DEC-06	12/06-11/07	-
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	NOV-07	11/07-10/08	11,861.45
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	OCT-07	10/07	21,298.75
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	SEP-06	11/06-10/07	-
CALAMP SOLUTIONS INC	Maintenance for Software that provides alerts from Network Mgmt Systems	AUG-07	8/07	1,600.00
CHICAGO SOFT LTD	Maintenance for Mainframe Software	AUG-06	10/06-09/07	-
CHICAGO SOFT LTD	Maintenance for Mainframe Software	SEP-07	9/07	5,400.00
CINCINNATI BELL TECHNOLOGY SOLUTIONS	Maintenance and Subscription for Internet Security Systems appliance for Security	JAN-08	1/08	8,776.93
CINCINNATI BELL TECHNOLOGY SOLUTIONS	Maintenance and Subscription for Internet Security Systems appliance for Security	JAN-08	1/08-12/08	46,725.79
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JAN-07	1/07-7/07	-
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JUL-06	7/06-6/07	-
CITRIX SYSTEMS INC	Maintenance for Citrix Software	AUG-07	8/07-7/08	12,187.50
CITRIX SYSTEMS INC	Maintenance for Citrix Software	OCT-06	9/06-8/07	-
COADE INC	Maintenance for Software used by Engineering as a Piping Design and Drafting Program	SEP-07	9/07	500.00
COGNOS CORP	Maintenance for Adhoc Reporting Software	SEP-07	9/07-5/08	8,565.33
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-06	7/06-6/07	-
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-07	6/07-5/08	71,225.00
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	JUN-06	6/06-5/07	-
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	JUN-07	6/07-5/08	15,153.88
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	FEB-08	2/08	10,450.00
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	JAN-07	1/07-12/07	0.00
COURION CORP	Maintenance for the Password Reset Software	AUG-06	9/06-8/07	-
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07	482.87
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07-5/08	4,444.33
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07-8/08	4,556.84
COURION CORP	Maintenance for the Password Reset Software	APR-07	5/07-4/08	-
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	DEC-06	1/07-12/07	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	JAN-08	1/08-12/08	15,811.05
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	MAY-07	1/07-12/07	10,875.00
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	APR-07	1/07-12/07	0.00
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	DEC-07	1/08-12/08	5,424.35
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	JAN-08	1/08-12/08	3,509.00
DOCUMENT CONTROL SYSTEMS INC	Maintenance on Imaging Software	AUG-07	8/07	1,525.00
DOCUMENT CONTROL SYSTEMS INC	Payment for Services for Imaging Extraction	DEC-06	12/06-11/07	-
DOLBEY AND CO	Maintenance for Call Recording Equipment	JUL-07	7/07	3,600.00
DOLBEY AND CO	Maintenance for Call Recording Equipment	SEP-06	7/06-6/07	-
DOLBEY AND CO	Maintenance for Call Recording Equipment	JAN-07	1/07-9/07	-
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools	OCT-07	10/07	5,800.00
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools			

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
EMC CORP	Maintenance for Mainframe Hardware	JUL-07	7/07	17,258.07
EMC CORP	Maintenance for Mainframe Software	MAY-07	2/07-1/08	13,674.00
EON	Maintenance for Cryptoguide Security Software	AUG-07	8/07	790.70
EON	Maintenance for Cryptoguide Security Software	JUN-07	6/07	660.97
EON	Maintenance for Public Key Infrastructure Security Software	AUG-07	8/07	10,657.32
EON	Maintenance for Public Key Infrastructure Security Software	DEC-07	DEC-2007	4,413.53
EON	Maintenance for Public Key Infrastructure Security Software	JUN-07	6/07	9,830.66
EON	Maintenance for Risk Management System Software	DEC-07	DEC-2007	9,858.57
EON	Maintenance for Security Software	JAN-07	1/07-12/07	-
EXCALIBUR INTEGRATED SYSTEMS INC	Maintenance for Security Software	JUN-07	6/07	3,644.00
FILENET CORP	Maintenance for Imaging Software	MAY-07	5/07	3,644.00
FILENET CORP	Maintenance for Imaging Software	MAY-07	5/07	3,644.00
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	FEB-08	2/08-12/08	88,434.00
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	JUN-07	6/07	11,002.50
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	MAR-07	1/07-12/07	(28,795.56)
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	APR-08	6/08-8/08	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-07	3/07-5/07	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-08	3/08-5/08	4,498.40
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JUL-07	6/07 - 8/07	9,240.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAY-07	6/07-8/07	10,365.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	NOV-07	12/07-2/08	11,685.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAR-08	4/08-3/09	5,061.92
GROUP 1 SOFTWARE	Maintenance for Enterprise Bill Print Software	JAN-07	1/07-12/07	0.00
GT SOFTWARE INC	Maintenance for Mainframe Software	JAN-08	1/08	11,758.86
GT SOFTWARE INC	Maintenance for Mainframe Software	FEB-08	2/08-1/09	1,066.01
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	JAN-07	1/07-12/07	-
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	FEB-07	10/06-9/07	-
HEWLETT PACKARD	Maintenance for Guardium Database Monitoring Software	MAY-07	5/07-4/08	40,710.60
HEWLETT PACKARD	Maintenance for Monitoring Software	JUL-07	3/07-2/08	14,745.27
HEWLETT PACKARD	Maintenance for Purge Archive Software for Oracle	JAN-08	1/08-9/08	195,337.02
HEWLETT PACKARD	Maintenance for Server	NOV-07	7/07-6/08	35,839.99
IBM CORPORATION	Maintenance for Imaging Software	APR-08	4/08	4,506.22
IBM CORPORATION	Maintenance for Mainframe Database Software	AUG-07	8/07	17,107.00
IBM CORPORATION	Maintenance for Mainframe Database Software	DEC-07	12/07	4,506.22
IBM CORPORATION	Maintenance for Mainframe Database Software	FEB-08	2/08	4,506.22
IBM CORPORATION	Maintenance for Mainframe Database Software	JAN-08	1/08	4,506.22
IBM CORPORATION	Maintenance for Mainframe Database Software	JUL-07	07/07	17,107.00
IBM CORPORATION	Maintenance for Mainframe Database Software	JUN-07	6/07	21,316.00
IBM CORPORATION	Maintenance for Mainframe Database Software	MAR-08	3/08	4,506.22
IBM CORPORATION	Maintenance for Mainframe Database Software	MAY-07	5/07	21,316.00
IBM CORPORATION	Maintenance for Mainframe Database Software	OCT-07	10/07	20,299.00
IBM CORPORATION	Maintenance for Mainframe Database Software	SEP-07	9/07	18,072.00
IBM CORPORATION	Maintenance for Mainframe Database Software	AUG-07	8/07	2,794.71
IBM CORPORATION	Maintenance for Mainframe Hardware			

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
IBM CORPORATION	Maintenance for Mainframe Hardware	JUN-07	6/07	2,794.71
IBM CORPORATION	Maintenance for Mainframe Software	APR-08	4/08	27,844.00
IBM CORPORATION	Maintenance for Mainframe Software	AUG-07	8/07	15,479.00
IBM CORPORATION	Maintenance for Mainframe Software	DEC-07	12/07	44,656.00
IBM CORPORATION	Maintenance for Mainframe Software	FEB-08	2/08	27,844.00
IBM CORPORATION	Maintenance for Mainframe Software	JAN-08	1/08	27,844.00
IBM CORPORATION	Maintenance for Mainframe Software	JUL-07	07/07	15,479.00
IBM CORPORATION	Maintenance for Mainframe Software	JUN-07	6/07	11,270.00
IBM CORPORATION	Maintenance for Mainframe Software	MAR-08	3/08	27,844.00
IBM CORPORATION	Maintenance for Mainframe Software	MAY-07	5/07	11,270.00
IBM CORPORATION	Maintenance for Mainframe Software	OCT-07	10/07	14,514.00
IBM CORPORATION	Maintenance for Mainframe Software	SEP-07	9/07	14,514.00
INFOGIX INC	Maintenance for Mainframe Software	JUL-06	7/06-6/07	-
INFOGIX INC	Maintenance for Mainframe Software	JUL-07	7/07-6/08	14,305.95
INFORMATION INTELLECT INC	Maintenance for Tax Software	MAY-07	5/07-4/08	28,001.00
INFOTEL CORP	Maintenance for Mainframe Database Software	OCT-06	10/06-9/07	-
INFOTEL CORP	Maintenance for Mainframe Database Software	SEP-07	9/07	6,093.45
INNOVATION DATA PROCESSING INC	Maintenance for Customer Information System Software	APR-07	5/07-4/08	-
INTERMEC TECHNOLOGIES CORP	Maintenance for Barcode Printers	JAN-07	1/07-12/07	-
INTERMEC TECHNOLOGIES CORP	Maintenance for Barcode Printers	OCT-07	10/07	13,728.00
IRON MOUNTAIN INTELLECTUAL PROPERTY MGMT INC	Escrow Fees for the Source Code to the Convergent Model Office Software	JUL-07	7/07	1,750.00
ITRON INC	Maintenance for Handheld Radio for Customer Service Retail	APR-08	4/08	112,695.72
ITRON INC	Maintenance for Handheld Radio for Customer Service Retail	APR-08	5/08-7/08	-
ITRON INC	Maintenance for Handheld Radio Software for Customer Service Retail	APR-08	4/08-3/09	5,200.00
KENTUCKY STATE TREASURER	Sales Tax for Oracle Software Updates	MAY-07	5/07	32,503.47
KENTUCKY STATE TREASURER	Sales Tax for Software	JUL-07	7/07	219.08
LANDMARK GRAPHICS CORPORATION	Maintenance for Geographical Model Software	MAR-07	11/06-10/07	-
LATUSPOINT INC	Maintenance for Disk Encryption Software	DEC-07	1/08-12/08	4,703.33
LATUSPOINT INC	Maintenance for Disk Encryption Software	JAN-07	1/07-12/07	0.00
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-07	2/07-1/08	-
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-08	1/08-12/08	1,454.52
LIGHTRIVER TECHNOLOGIES INC	Maintenance on VitalSuite Systems and Application Monitoring Software	JAN-08	1/08	10,875.14
LIGHTRIVER TECHNOLOGIES INC	Maintenance on VitalSuite Systems and Application Monitoring Software	JAN-08	1/08-12/08	11,363.47
LIVEDATA INC	Maintenance for Inter-Control Communications Protocol Software for Outage Management System	DEC-06	12/06-11/07	-
LOGICACMG INC	Maintenance for reporting tool for Work Management System	FEB-07	2/07-1/08	-
LOGICACMG INC	Maintenance on the Work Management System Software	FEB-07	2/07-1/08	-
LOGICACMG INC	Maintenance on the Work Management System Software	FEB-08	2/08-1/09	54,250.00
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	License Fee for Mapping Application from Louisville and Jefferson County	DEC-07	12/07-11/08	32,272.83
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	License Fee for Mapping Application from Louisville and Jefferson County	OCT-06	10/06-9/07	-
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	JAN-07	1/07-12/07	-
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	JAN-08	1/08-12/08	3,414.14
MAPFRAME CORP	Maintenance for Smallworld Geospatial Information System Mobile Application	DEC-07	12/07-11/08	19,542.08

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
MAXIMUS	Maintenance for Transportation Management Software	NOV-05	08/05-07/07	-
MAXIMUS	Maintenance for Transportation Management Software	SEP-07	9/07-8/08	15,833.33
METEORLOGIX LLC	Maintenance for Weather Software	JUL-05	7/05-6/07	-
METEORLOGIX LLC	Maintenance for Weather Software	JUL-07	7/07-6/08	3,978.81
METRETEK INC	Maintenance for Gas Monitoring Software	DEC-06	1/07-12/07	-
MICROSOFT CORP	Microsoft Premier Support	FEB-07	2/07-1/08	-
MICROSOFT CORP	Microsoft Premier Support	MAR-08	3/08-2/09	9,082.95
MICROSOFT LICENSING GP	Microsoft Enterprise Agreement	MAY-07	5/07-3/08	613,482.84
MIR3 INC	Maintenance for Software that provides alerts from Network Mgmt Systems	SEP-07	9/07	1,600.00
MRO SOFTWARE INC	Maintenance for Work Management System Software	MAR-07	3/07-2/08	-
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	AUG-06	7/06-6/07	-
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	AUG-06	8/06-7/07	-
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software	DEC-06	12/06-11/07	-
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software	NOV-07	12/07-11/08	1,100.00
NET IQ CORP	Maintenance for Security and Incident Management Software	DEC-06	12/06-11/07	-
NET IQ CORP	Maintenance for Security and Incident Management Software	DEC-07	12/07-11/08	3,674.83
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	APR-07	12/06-11/07	-
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	NOV-07	11/07-10/08	1,850.00
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	MAY-07	5/07	11,957.89
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	NOV-06	11/06-10/07	-
NEWERA SOFTWARE INC	Maintenance for Mainframe Software	NOV-06	12/06-11/07	-
NOETIX CORP	Maintenance for Financial Reporting for Oracle	FEB-07	2/07-1/08	-
NOETIX CORP	Maintenance for Financial Reporting for Oracle	MAR-08	3/08-2/09	2,631.46
OPEN SOFTWARE TECHNOLOGIES INC	Maintenance for Mainframe Software	DEC-06	12/06-11/07	-
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAY-06	6/06-5/07	-
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAY-07	6/07-5/08	748,958.05
ORACLE USA INC	Maintenance for Oracle Database Software	MAR-08	3/08	8,079.79
ORACLE USA INC	Maintenance for Outage Management Software	JAN-08	1/08-12/08	45,129.80
ORACLE USA INC	Maintenance for Peoplesoft Software	AUG-07	8/07-7/08	106,755.29
ORACLE USA INC	Maintenance for Peoplesoft Software	JUL-06	8/06-7/07	-
ORACLE USA INC	Maintenance for Peoplesoft Software	JUN-07	6/07	25,979.49
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-07	4/07-3/08	-
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-08	3/08-2/09	5,298.56
ORACLE USA INC	Maintenance for Peoplesoft Software	JAN-07	1/07-12/07	-
ORACLE USA INC	Maintenance for Siebel products for the Customer Information System overlay	JAN-08	1/08-12/08	58,889.24
ORACLE USA INC	Maintenance for Software to support Peoplesoft (Microfocus)	MAY-07	5/07	5,500.00
ORASI SOFTWARE INC	Maintenance for Development Tool Software	JUN-06	6/06-5/07	-
ORASI SOFTWARE INC	Maintenance for Development Tool Software	MAY-07	5/07-4/08	3,150.00
PLATTS	Subscription for Energy Marketing	JAN-07	3/07-5/07	-
PLATTS	Subscription for Energy Marketing	JAN-08	3/08-5/08	4,371.21
PLATTS	Subscription for Energy Marketing	JUL-07	9/07-11/07	14,546.00
PLATTS	Subscription for Energy Marketing	MAY-07	6/07-8/07	14,546.00

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	AUG-06	7/06-6/07	-
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	SEP-07	9/07-8/08	14,420.00
PLIXER INTERNATIONAL INC	Maintenance for Software for Network Troubleshooting	AUG-07	8/07	1,995.00
PRINCETON SOFTECH INC	Maintenance for Mainframe Software	JAN-07	1/07-12/07	0.00
PRODUCT SUPPORT SOLUTIONS INC	Maintenance for Call Center Interactive Voice Response System	APR-08	4/08	13,491.50
PRODUCT SUPPORT SOLUTIONS INC	Maintenance for Call Center Interactive Voice Response System	FEB-08	2/08	13,491.50
PROSYS INFORMATION SYSTEMS INC	Maintenance for Network Attached Storage Devices	DEC-07	12/07-11/08	18,426.87
PROSYS INFORMATION SYSTEMS INC	Maintenance for Trend Micro Internet Security Software	JAN-08	1/08	9,333.39
QUEST SOFTWARE INC	Maintenance for Development Tool Software	AUG-07	9/07-8/08	(666.67)
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-06	9/06-8/07	-
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-07	10/07	5,460.01
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	DEC-06	12/06-11/07	-
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	DEC-07	12/07-11/08	8,125.00
RAXCO SOFTWARE INC	Maintenance for Defrag Software	AUG-07	9/07-8/08	(4,130.00)
RED HAT INC	Subscription for Operating System for Server	AUG-06	8/06-7/09	(38,902.15)
RED HAT INC	Subscription for Operating System for Server	JUN-07	5/07-7/08	29,821.44
RESEARCH IN MOTION CORP	Maintenance for Blackberry Phones	SEP-07	9/07	233.58
RESEARCH IN MOTION CORP	Maintenance for Blackberry Phones	SEP-07	9/07-8/08	4,370.95
RJR INNOVATIONS INC	Maintenance for Service Desk Software	APR-08	4/08-3/09	3,152.63
SANDSTORM ENTERPRISES INC	Maintenance for Software used to scan our Analog Lines and used by IT Security	SEP-07	9/07	560.00
SECURE COMPUTING CORP	Maintenance for e-mail filtering hardware	DEC-07	12/07-11/08	7,200.90
SECURE COMPUTING CORP	Subscription for Antivirus Software	DEC-07	12/07-11/08	6,651.58
SERENA SOFTWARE INC	Maintenance for Source Management Software	DEC-07	12/07-11/08	8,346.83
SERENA SOFTWARE INC	Maintenance for Source Management Software	OCT-06	11/06-10/07	-
SERENA SOFTWARE INC	Maintenance for Source Management Software	OCT-07	10/07	9,891.00
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	APR-07	4/07-3/08	0.00
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	AUG-07	8/07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	FEB-07	2/07-1/08	-
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	JAN-08	1/08-12/08	21,271.76
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	JUL-07	7/07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	JUN-07	6/07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	MAR-07	3/07-2/08	0.00
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	MAY-07	5/07	14,499.88
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	NOV-07	11/07-10/08	2,279.47
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	OCT-07	10/07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	SEP-07	9/07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	JAN-07	1/07-12/07	0.00
SKILLSOFT CORPORATION	Maintenance for Software for online training	DEC-07	12/07-11/08	4,382.92
SKILLSOFT TELESALUS US	Maintenance for Software for online training	DEC-06	12/06-11/07	-
SOFTBASE SYSTEMS INC	Maintenance for Mainframe Database Software	DEC-06	12/06-11/07	-
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software	NOV-07	12/07-11/08	2,083.33
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software	JUL-07	7/07	11,753.00

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Backup Software	SEP-07	9/07	794.08
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Software used by IT Security	SEP-07	9/07	445.00
SOFTWARE HOUSE INTERNATIONAL INC	Software used to learn German	JUL-07	7/07	315.00
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for AS/400 Software	JUN-06	6/06-5/07	-
SOFTWARE INFORMATION SYSTEMS	Maintenance for AS/400 Software	JUL-07	7/07	1,357.48
SOFTWARE INFORMATION SYSTEMS LLC	Maintenance for AS/400 Software	SEP-07	9/07-5/08	7,520.00
SPATIAL BUSINESS SYSTEMS INC	Maintenance for GIS/CAD Translation Software	DEC-06	12/06-11/07	-
SPI DYNAMICS INC	Maintenance for Security Software	JAN-07	1/07-12/07	-
SPL WORLDGROUP INC	Maintenance for Outage Management Software	DEC-06	12/06-11/07	-
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	DEC-07	12/07-11/08	2,083.33
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	JAN-07	1/07-12/07	-
STERLING COMMERCE INC	Maintenance for EDI transaction software	APR-08	4/08	11,900.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-07	8/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	DEC-07	12/07	11,900.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	FEB-08	2/08	11,900.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JAN-08	1/08	11,900.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUL-07	7/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUN-07	6/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAR-08	3/08	11,900.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAY-07	5/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	NOV-07	11/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	OCT-07	10/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	SEP-07	9/07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-07	8/07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	JUL-07	7/07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	JUN-07	6/07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	MAY-07	5/07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	OCT-07	10/07	193.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	SEP-07	9/07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	FEB-08	2/08-1/09	21,514.50
SUNGARD ENERGY SYSTEMS INC	Maintenance for Fuelworx and Budgetworx Software for Energy Marketing	APR-08	5/08	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	AUG-07	8/07	59,037.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-07	1/08-12/08	6,026.36
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-07	2/07-8/07	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-08	2/08	18,079.09
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JAN-08	1/08	8,426.55
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-07	3/07-6/07	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-08	4/08	18,079.09
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-07	5/07-7/07	22,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-07	5/07-7/07	22,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	NOV-07	11/07	19,679.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	OCT-07	10/07	19,679.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee			

Current Test Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Duration	Annual Cost
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	SEP-07	10/07	19,679.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-8	2/08	9,652.54
SURFCONTROL	Maintenance for Bluecoat Appliances and Software for Security	DEC-06	1/07-12/07	-
SYCLO LLC	Maintenance for Software for the Work Management System	OCT-06	10/06-9/07	-
SYMANTEC CORP	Maintenance for Backup Software	DEC-07	DEC-2007	9,170.46
SYMANTEC CORP	Maintenance for Backup Software	NOV-07	11/07-10/08	41,059.78
TOTAL RESOURCE MANAGEMENT INC	Maintenance for Safely Tagging System Software	MAR-07	3/07-12/07	-
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	DEC-06	12/06-11/07	-
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	DEC-07	12/07-11/08	10,000.00
VANGUARD INTEGRITY PROFESSIONALS	Maintenance on Mainframe Software	JUN-06	6/06-5/07	-
VANGUARD INTEGRITY PROFESSIONALS	Maintenance on Mainframe Software	JUN-07	6/07-5/08	13,329.25
VERAMARK TECHNOLOGIES INC	Maintenance for Telemanagement Software for the Phones	MAR-07	3/07-2/08	-
VERISIGN INC	Subscription for Digital Certificates	AUG-07	8/07	10,240.00
VERISIGN INC	Subscription for Digital Certificates	JUN-06	6/06-5/07	-
VERITAS SOFTWARE CORP	Maintenance for Backup Software	OCT-06	11/06-10/07	-
VMWARE INC	Maintenance for VM Infrastructure Software	AUG-06	8/06-7/07	-
WEBTRENDS INC	Maintenance for Reporting Software	FEB-07	11/06-10/07	-
WEBTRENDS INC	Maintenance for Reporting Software	OCT-07	10/07	2,800.00
WORLD WIDE TECHNOLOGY INC	Maintenance for Security Server Software	JUL-07	7/07-6/08	158,311.01
WORLD WIDE TECHNOLOGY INC	Maintenance on Cisco Equipment	AUG-06	8/06-7/07	-
XEROX GLOBAL SERVICES INC	Maintenance for Sun Servers	JUL-06	7/06-6/07	-
Grand Total				\$ 4,636,059.17

Add Back August 2007 IT Correction	2,479,889.24 ⁽¹⁾
Total Actual Expenses Excluding the IT Adjustment	<u>\$ 7,115,948.41</u>
Current annual cost included above	<u>4,636,059.17</u>
KU allocation	44.2573%
IT contract allocation of expense to KU	<u>\$ 2,051,794.61</u>

(1) This amount is the total IT adjustment 44.2573% (\$1,097,532) is allocated to KU as shown in Reference Schedule 1.29.

Prior Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Total
AASTRA INTECOM INC	Maintenance for Intecom Switch Software for Phone Service	JUN-06	\$ 123,490.00
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	DEC-06	99,902.93
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	SEP-06	4,006.40
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for AutoCAD Software	JUN-06	5,596.00
ADVANCED SOLUTIONS INC	Maintenance for AutoCAD Software	JAN-07	2,870.00
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-06	32,937.98
ADVANTICA INC	Maintenance for Distribution System Analysis Software	NOV-06	45,162.92
AGILYSYS	Maintenance on Channel Extension Equipment	DEC-06	785.92
ALG SOFTWARE	Maintenance for Financial Reporting Software	OCT-06	14,926.95
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	OCT-06	16,065.00
APPLIED FLOW TECHNOLOGY CORP	Maintenance for Software used by Power Generation to analyze and control fluid flow	NOV-06	350.00
APRISO CORP	Maintenance for Barcoding Software	FEB-07	58,052.97
APTARE INC	Maintenance for Reporting Tool for Backup Software	FEB-07	5,190.95
ATR DISTRIBUTING CO INC	Maintenance for Software used by Utility Trading and Marketing for Asset Mgmt.	AUG-06	1,782.00
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	DEC-06	22,822.32
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	JAN-07	20,841.00
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	OCT-06	206,040.00
BMC FINANCIAL SERVICES CO	Maintenance for Service Desk Software	JUN-06	37,000.00
BMC SOFTWARE DISTRIBUTION INC	Maintenance for Service Desk Software	APR-07	46,107.75
BOICE ENTERPRISES INC	Maintenance for Software to assist in Network Monitoring	DEC-06	1,743.30
CA INC	Maintenance for Mainframe Job Scheduler Software	FEB-07	7,649.85
CA INC	Maintenance for Mainframe Job Scheduler Software	JAN-07	46,990.15
CA INC	Maintenance for Mainframe Software	JAN-07	360,651.00
CA INC	Maintenance for Mainframe Software	JUN-06	9,435.00
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	DEC-06	131,945.59
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	OCT-06	14,143.75
CADRE COMPUTER RESOURCES CO	Maintenance for Desktop Security Software	DEC-06	7,902.12
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	SEP-06	49,138.99
CALAMP SOLUTIONS INC	Maintenance for Software that provides alerts from Network Mgmt Systems	NOV-06	1,600.00
CHICAGO SOFT LTD	Maintenance for Mainframe Software	AUG-06	5,400.00
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JAN-07	5,670.00
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JUL-06	28,800.00
CITRIX SYSTEMS INC	Maintenance for Citrix Software	OCT-06	16,250.00
COADE INC	Maintenance for Software used by Engineering as a Piping Design and Drafting Program	DEC-06	500.00
COGNOS CORP	Maintenance for Adhoc Reporting Software	JUN-06	7,426.30
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-06	77,700.00
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	JUN-06	16,531.50
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	JAN-07	181,450.00
COURION CORP	Maintenance for the Password Reset Software	AUG-06	11,731.00
DATA PROCESSING SCIENCES CORP	Maintenance for Imaging Software	DEC-06	43,936.00
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	APR-07	9,148.50
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	MAY-06	9,148.50
DATA PROCESSING SCIENCES CORP	Maintenance for Scanners and Jukebox for Imaging System	APR-07	16,811.00
DOLBEY AND CO	Maintenance for Call Recording Equipment	DEC-06	3,300.00
DOLBEY AND CO	Maintenance for Call Recording Equipment	SEP-06	3,600.00

Prior Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Total
EASY SOFTWARE PRODUCTS	Maintenance for Printing Software for Oracle	AUG-06	390.00
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools	JAN-07	2,967.54
EON	Maintenance for Cryptoguide Security Software	JAN-07	2,553.34
EON	Maintenance for Public Key Infrastructure Security Software	JAN-07	30,115.50
EXCALIBUR INTEGRATED SYSTEMS INC	Maintenance for Security Software	JAN-07	1,110.00
FILENET CORP	Maintenance for Imaging Software	APR-07	3,644.00
FILENET CORP	Maintenance for Imaging Software	AUG-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	DEC-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	FEB-07	7,288.00
FILENET CORP	Maintenance for Imaging Software	JUL-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	JUN-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	MAR-07	3,644.00
FILENET CORP	Maintenance for Imaging Software	MAY-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	NOV-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	OCT-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	SEP-06	3,644.00
FILENET CORP	Maintenance for Imaging Software	MAR-07	309,588.00
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	OCT-06	1,949.76
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	DEC-06	1,848.00
GFI USA INC	Maintenance for Software to allow faxes to come direct into desktops	JAN-07	8,040.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JUL-06	7,740.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAY-06	7,740.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	OCT-06	7,740.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-07	11,252.50
GT SOFTWARE INC	Maintenance for Mainframe Software	JAN-07	9,825.00
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	FEB-07	331,759.43
HEWLETT PACKARD	Maintenance for Server	APR-07	25,636.00
IBM CORPORATION	Maintenance for Mainframe Database Software	FEB-07	21,316.00
IBM CORPORATION	Maintenance for Mainframe Database Software	JAN-07	21,316.00
IBM CORPORATION	Maintenance for Mainframe Database Software	MAR-07	21,316.00
IBM CORPORATION	Maintenance for Mainframe Database Software	SEP-06	3,501.23
IBM CORPORATION	Maintenance for Mainframe Hardware	APR-07	2,794.71
IBM CORPORATION	Maintenance for Mainframe Hardware	AUG-06	36,944.00
IBM CORPORATION	Maintenance for Mainframe Hardware	DEC-06	36,087.21
IBM CORPORATION	Maintenance for Mainframe Hardware	JUL-06	41,264.00
IBM CORPORATION	Maintenance for Mainframe Hardware	JUN-06	38,843.23
IBM CORPORATION	Maintenance for Mainframe Hardware	MAY-06	35,342.00
IBM CORPORATION	Maintenance for Mainframe Hardware	NOV-06	34,813.00
IBM CORPORATION	Maintenance for Mainframe Hardware	OCT-06	36,944.00
IBM CORPORATION	Maintenance for Mainframe Hardware	SEP-06	36,944.00
IBM CORPORATION	Maintenance for Mainframe Hardware	APR-07	11,270.00
IBM CORPORATION	Maintenance on Mainframe Software	FEB-07	11,270.00
IBM CORPORATION	Maintenance on Mainframe Software	JAN-07	11,270.00
IBM CORPORATION	Maintenance on Mainframe Software	MAR-07	11,270.00
IBM CORPORATION	Maintenance on Mainframe Software	JUL-06	15,895.50
INFOGIX INC	Maintenance for Mainframe Software	MAY-06	26,668.00
INFORMATION INTELLECT INC	Maintenance for Tax Software	OCT-06	6,093.45
INFOTEL CORP	Maintenance for Mainframe Database Software	APR-07	7,438.50
INNOVATION DATA PROCESSING INC	Maintenance for Customer Information System Software		

Prior Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Total
INNOVATION DATA PROCESSING INC	Maintenance for Customer Information System Software	MAY-06	7,438.50
INTERFACE LOGIC SYSTEMS INC	Maintenance for Software that calibrates the scales at Green River	DEC-06	1,500.00
INTERMEC TECHNOLOGIES CORP	Maintenance for Barcode Printers	JAN-07	13,733.20
IRON MOUNTAIN INTELLECTUAL PROPERTY MGMT INC	Escrow Fees for the Source Code to the Convergent Model Office Software	AUG-06	1,650.00
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	AUG-06	92.15
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	DEC-06	2,518.35
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	JAN-07	332.31
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	JUN-06	1,208.22
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	SEP-06	1,736.73
KENTUCKY STATE TREASURER	Sales Tax for Software for online training	JUL-06	1,676.15
KENTUCKY STATE TREASURER	Sales Tax for Software for online training	MAR-07	156.31
KENTUCKY STATE TREASURER	Sales Tax for Software for online training	NOV-06	83.54
LANDMARK GRAPHICS CORPORATION	Maintenance for Geographical Model Software	MAR-07	1,896.00
LATUSPOINT INC	Maintenance for Disk Encryption Software	JAN-07	17,600.00
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-07	7,858.00
LIGHTRIVER TECHNOLOGIES INC	Sales Tax	JAN-07	38,850.01
LIVEDATA INC	Maintenance for Inter-Control Communications Protocol Software for Outage Management System	DEC-06	6,373.00
LOGICACMG INC	Maintenance on the Work Management System Software	FEB-07	175,012.00
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	License Fee for Mapping Application from Louisville and Jefferson County	OCT-06	56,725.00
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	JAN-07	13,387.50
MAXIMUS	Maintenance for Transportation Management Software	NOV-06	23,750.00
MERCURY INTERACTIVE CORP	Maintenance for Monitoring Software	JUL-06	2,000.00
METEORLOGIX LLC	Maintenance for Weather Software	JUL-06	4,553.92
METRETEK INC	Maintenance for Gas Monitoring Software	DEC-06	4,932.00
MICROSOFT CORP	Microsoft Premier Support	FEB-07	55,160.00
MICROSOFT CORP	Microsoft Premier Support	OCT-06	4,833.36
MRO SOFTWARE INC	Maintenance for Work Management System Software	MAR-07	171,639.86
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	AUG-06	17,000.75
MTM TECHNOLOGIES INC	Maintenance for Citrix Software	DEC-06	9,500.00
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software	DEC-06	2,500.00
NET IQ CORP	Maintenance for Security and Incident Management Software	DEC-06	8,815.02
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	APR-07	3,600.00
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	NOV-06	1,050.00
NEWERA SOFTWARE INC	Maintenance for Mainframe Software	NOV-06	2,925.00
NOETIX CORP	Consulting services for Database Upgrade	FEB-07	18,630.00
OPEN SOFTWARE TECHNOLOGIES INC	Maintenance for Mainframe Software	DEC-06	3,018.88
ORACLE USA INC	Maintenance for Oracle Application and Database Software	DEC-06	1,587.95
ORACLE USA INC	Maintenance for Oracle Application and Database Software	JUN-06	25,222.74
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAY-06	759,565.43
ORACLE USA INC	Maintenance for Peoplesoft Software	JUL-06	138,194.53
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-07	32,124.65
ORACLE USA INC	Maintenance for Peoplesoft Software	SEP-06	405.32
ORACLE USA INC	Maintenance for Siebel products for the Customer Information System overlay	JAN-07	168,255.00
ORASI SOFTWARE INC	Maintenance for Development Tool Software	JUN-06	3,150.00
PLATTS	Subscription for Energy Marketing	JAN-07	13,898.75
PLATTS	Subscription for Energy Marketing	JUL-06	13,898.75
PLATTS	Subscription for Energy Marketing	MAY-06	13,898.75
PLATTS	Subscription for Energy Marketing	OCT-06	13,898.75

Prior Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Total
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	AUG-06	20,600.00
PRINCETON SOFTECH INC	Maintenance for Mainframe Software	JAN-07	3,118.84
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-06	7,382.22
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	DEC-06	19,500.00
RED HAT INC	Subscription for Operating System for Server	AUG-06	93,813.75
SANDSTORM ENTERPRISES INC	Maintenance for Software used to scan our Analog Lines and used by IT Security	AUG-06	560.00
SERENA SOFTWARE INC	Maintenance for Source Management Software	OCT-06	9,891.00
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	APR-07	7,249.94
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	FEB-07	14,499.88
SERVICESTOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	MAR-07	7,249.94
SKILLSOFT CORPORATION	Maintenance for Software for online training	JAN-07	12,650.00
SKILLSOFT TELESALUS US	Maintenance for Software for online training	MAR-07	1,131.51
SOFTBASE SYSTEMS INC	Maintenance for Mainframe Database Software	DEC-06	7,252.00
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software	DEC-06	5,000.00
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Antivirus Software	FEB-07	20,732.50
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Backup Software	JAN-07	732.14
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Development Tool Software	MAR-07	1,498.00
SOFTWARE INFORMATION SYSTEMS	Maintenance for AS/400 Software	JUN-06	1,357.00
SPI DYNAMICS INC	Maintenance for Security Software	DEC-06	5,000.00
SPL WORLDGROUP INC	Maintenance for Outage Management Software	JAN-07	131,446.00
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	DEC-06	5,000.00
STERLING COMMERCE INC	Maintenance for EDI transaction software	JAN-07	12,000.00
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	AUG-06	18,560.09
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	DEC-06	15,781.51
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	FEB-07	2,243.04
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JAN-07	1,979.50
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JUL-06	15,483.09
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JUN-06	18,596.09
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	MAY-06	16,566.09
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	NOV-06	14,274.59
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	OCT-06	16,344.20
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	SEP-06	18,515.42
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	APR-07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-06	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	DEC-06	35,000.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	FEB-07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JAN-07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUL-06	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUN-06	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAR-07	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAY-06	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	OCT-06	17,500.00
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	SEP-06	17,500.00
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	APR-07	3,484.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	FEB-07	2,409.50
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	MAR-07	2,617.55
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	AUG-06	24,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-06	22,239.00

Prior Year Annual Cost for IT Contracts

Vendor Name	Description	Period Paid	Total
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-07	66,717.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JUL-06	22,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JUN-06	24,109.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-07	22,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-06	21,304.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	OCT-06	22,239.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	SEP-06	22,239.00
SURFCONTROL	Maintenance for Bluecoat Appliances and Software for Security	DEC-06	21,802.55
SYCLO LLC	Maintenance for Software for the Work Management System	OCT-06	9,000.00
SYMANTEC CORP	Maintenance for Backup Software	DEC-06	1,672.29
SYMON COMMUNICATIONS INC	Maintenance for Communication Board used in the Help Desk	SEP-06	1,133.00
TOTAL RESOURCE MANAGEMENT INC	Maintenance for Safety Tagging System Software	MAR-07	12,937.50
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	DEC-06	24,000.00
UNISYS PULSEPOINT COMMUNICATIONS	Maintenance for Voice Server System Software	MAY-06	36,750.00
VANGUARD INTEGRITY PROFESSIONALS	Maintenance on Mainframe Software	JUN-06	14,541.00
VERAMARK TECHNOLOGIES INC	Maintenance for Telemanagement Software for the Phones	MAR-07	5,604.00
VERISIGN INC	Subscription for Digital Certificates	APR-07	8,450.00
VERISIGN INC	Subscription for Digital Certificates	FEB-07	8,016.00
VERISIGN INC	Subscription for Digital Certificates	JUN-06	6,950.00
VERITAS SOFTWARE CORP	Maintenance for Backup Software	OCT-06	66,350.33
VERITY INC	Maintenance for Software used as a Search Engine for our Intranet	NOV-06	2,700.00
VMWARE INC	Maintenance for VM Infrastructure Software	AUG-06	12,270.00
WEBTRENDS INC	Maintenance for Reporting Software	FEB-07	3,700.00
WEBTRENDS INC	Maintenance for Reporting Software	JUL-06	3,747.60
WORLD WIDE TECHNOLOGY INC	Maintenance on Cisco Equipment	AUG-06	195,824.96
XEROX GLOBAL SERVICES INC	Maintenance for Sun Servers	JUL-06	91,663.11
Grand Total			\$ 6,472,150.15

KU allocation

44.26%

IT Maintenance Contract Allocation of Expense to KU

\$ 2,864,573.66

2008 Prepaid IT Contracts as of April 30, 2008

Per Books as of 4/30/2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
AASTRA USA INC	Maintenance for Intecom Switch Software for Phone Service	JUN-07	5/07-4/08	\$ 123,490.01	\$ -
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	DEC-06	1/07-12/07	66,601.95	-
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	DEC-07	12/07-11/08	40,228.03	56,319.24
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for Mainframe Software	JUN-06	7/06-6/07	932.67	-
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for Mainframe Software	JUN-07	7/07-6/08	4,663.33	932.67
ADVANCED SOLUTIONS INC	Maintenance for AutoCAD Software	JAN-07	1/07-12/07	1,913.33	-
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-06	12/06-11/07	15,130.49	-
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-07	12/07-11/08	26,626.56	37,277.19
ADVANTICA INC	Maintenance for Distribution System Analysis Software	NOV-06	11/06-10/07	22,581.46	-
AGILYSYS	Maintenance for HP Hardware	DEC-07	12/07	9,044.03	-
AGILYSYS	Maintenance for Software used for server management	JUL-07	7/07	23,117.36	-
AGILYSYS	Maintenance for Storage Software and Equipment	SEP-07	9/07	4,983.30	-
AGILYSYS	Maintenance on Channel Extension Equipment	DEC-07	12/07	14,061.82	-
AGILYSYS	Maintenance on Channel Extension Equipment	DEC-07	12/07-11/08	2,205.07	3,087.09
ALG SOFTWARE	Maintenance for Financial Reporting Software	OCT-06	12/06-11/07	8,707.39	-
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	OCT-06	11/06-10/07	8,032.50	-
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	OCT-07	11/07-10/08	8,372.50	8,372.50
APOGEE INTERACTIVE INC	Maintenance for Commercial Calculator Software for Customer Self Service	FEB-08	2/08-12/08	1,750.36	4,667.64
APOGEE INTERACTIVE INC	Maintenance for Residential Calculator Software for Customer Self Service	FEB-08	2/08-12/08	9,136.36	24,363.64
APPLIED FLOW TECHNOLOGY CORP	Maintenance for Software used by Power Generation to analyze and control fluid flow	OCT-07	10/07	400.00	-
APRISO CORP	Maintenance for Barcoding Software	FEB-07	3/07-2/08	48,377.48	-
APTARE INC	Maintenance for Reporting Tool for Backup Software	AUG-07	8/07	310.64	-
APTARE INC	Maintenance for Reporting Tool for Backup Software	FEB-07	1/07-12/07	3,460.63	-
ASPECT COMMUNICATIONS CORP	Maintenance for EWFM Software for Retail Call Center	APR-08	4/08-1/09	1,561.60	14,054.40
ASPECT COMMUNICATIONS CORP	Maintenance for EWFM Software for Retail Call Center	FEB-08	2/08-1/09	3,904.00	11,712.00
AVAYA INC	Maintenance for the Conference Bridge Software	MAY-07	2/07-1/08	3,999.96	-
AVAYA INC	Maintenance for the Conference Bridge Software	JUL-07	7/07	288.00	-
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	DEC-06	12/06-11/07	13,313.02	-
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	DEC-07	12/07	18,800.60	-
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	JAN-07	1/07-12/07	12,613.33	-
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	OCT-06	10/06-09/07	85,850.00	-
BLACKBERRY MADE SIMPLE	Customization of training video for E.ON US IT Training	OCT-07	10/07	200.00	-
BLACKBERRY MADE SIMPLE	Purchase of software license for training video for E.ON US IT Training	OCT-07	10/07	2,995.00	-
BLADELOGIC INC	Maintenance for Server Management Software	DEC-07	12/07-11/08	25,114.96	35,160.95
BMC FINANCIAL SERVICES CO	Maintenance for Mainframe Software	JUN-07	6/07-5/08	33,916.67	3,083.33
BMC FINANCIAL SERVICES CO	Maintenance for Service Desk Software	JUN-06	7/06-6/07	6,166.67	-
BMC SOFTWARE DISTRIBUTION INC	Maintenance for Service Desk Software	APR-07	4/07-3/08	42,265.44	-
CA INC	Maintenance for Mainframe Job Scheduler Software	DEC-07	12/07-11/08	17,987.20	25,182.09
CA INC	Maintenance for Mainframe Job Scheduler Software	FEB-07	1/07-12/07	5,099.90	-
CA INC	Maintenance for Mainframe Job Scheduler Software	JAN-07	1/07-12/07	31,326.77	-

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		DEC-07	12/07-11/08	148,309.66	207,633.53
CA INC	Maintenance for Mainframe Software	JAN-07	1/07-12/07	240,434.00	-
CA INC	Maintenance for Mainframe Software	DEC-06	1/07-12/07	82,897.19	-
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	OCT-06	10/06-09/07	5,893.23	-
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	DEC-07	1/08-12/08	7,350.28	12,862.98
CADRE COMPUTER RESOURCES CO	Maintenance for Bluecoat Appliances and Software for Security	DEC-07	12/07-11/08	1,859.81	2,603.74
CADRE COMPUTER RESOURCES CO	Maintenance for Bluecoat Appliances and Software for Security	DEC-06	12/06-11/07	4,609.57	-
CADRE COMPUTER RESOURCES CO	Maintenance for Desktop Security Software	NOV-07	11/07-10/08	11,861.45	11,861.45
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	OCT-07	10/07	21,298.75	-
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	SEP-06	11/06-10/07	24,569.50	-
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	AUG-07	8/07	1,600.00	-
CALAMP SOLUTIONS INC	Maintenance for Software that provides alerts from Network Mgmt Systems	AUG-06	10/06-09/07	2,250.00	-
CHICAGO SOFT LTD	Maintenance for Mainframe Software	SEP-07	9/07	5,400.00	-
CHICAGO SOFT LTD	Maintenance for Mainframe Software	JAN-08	1/08	8,776.93	-
CINCINNATI BELL TECHNOLOGY SOLUTIONS	Maintenance and Subscription for Internet Security Systems appliance for Security	JAN-08	1/08-12/08	46,725.79	93,451.59
CINCINNATI BELL TECHNOLOGY SOLUTIONS	Maintenance and Subscription for Internet Security Systems appliance for Security	JAN-07	1/07-7/07	2,430.00	-
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JUL-06	7/06-6/07	4,800.00	-
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	AUG-07	8/07-7/08	12,187.50	4,062.50
CITRIX SYSTEMS INC	Maintenance for Citrix Software	OCT-06	9/06-8/07	5,416.67	-
CITRIX SYSTEMS INC	Maintenance for Citrix Software	SEP-07	9/07	500.00	-
COADE INC	Maintenance for Software used by Engineering as a Piping Design and Drafting Program	SEP-07	9/07-5/08	8,565.33	1,070.67
COGNOS CORP	Maintenance for Adhoc Reporting Software	JUN-06	7/06-6/07	12,950.00	-
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-07	6/07-5/08	71,225.00	6,475.00
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-06	6/06-5/07	1,377.63	-
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	JUN-07	6/07-5/08	15,153.88	1,377.63
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	FEB-08	2/08	10,450.00	-
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	JAN-07	1/07-12/07	120,956.67	-
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	AUG-06	9/06-8/07	3,910.33	-
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07	482.87	-
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07-5/08	4,444.33	555.54
COURION CORP	Maintenance for the Password Reset Software	SEP-07	9/07-8/08	4,556.84	2,278.42
COURION CORP	Maintenance for the Password Reset Software	APR-07	5/07-4/08	9,148.50	-
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	DEC-06	1/07-12/07	29,290.67	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	JAN-08	1/08-12/08	15,811.05	31,622.11
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	MAY-07	1/07-12/07	10,875.00	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	APR-07	1/07-12/07	11,207.33	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	DEC-07	1/08-12/08	5,424.35	10,848.70
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	JAN-08	1/08-12/08	3,509.00	7,018.00
DOCUMENT CONTROL SYSTEMS INC	Maintenance on Imaging Software	AUG-07	8/07	1,525.00	-
DOCUMENT CONTROL SYSTEMS INC	Payment for Services for Imaging Extraction	DEC-06	12/06-11/07	1,925.00	-
DOLBEY AND CO	Maintenance for Call Recording Equipment	JUL-07	7/07	3,600.00	-
DOLBEY AND CO	Maintenance for Call Recording Equipment	SEP-06	7/06-6/07	600.00	-
DOLBEY AND CO	Maintenance for Call Recording Equipment	JAN-07	1/07-9/07	1,648.63	-
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools				

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		OCT-07	10/07	5,800.00	-
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools	JUL-07	7/07	17,258.07	-
EMC CORP	Maintenance for Mainframe Hardware	MAY-07	2/07-1/08	13,674.00	-
EMC CORP	Maintenance for Mainframe Software	AUG-07	8/07	675.88	-
EON	Maintenance for Cryptoguide Security Software	JUN-07	6/07	660.97	-
EON	Maintenance for Cryptoguide Security Software	AUG-07	8/07	9,981.44	-
EON	Maintenance for Public Key Infrastructure Security Software	DEC-07	12/07	14,272.10	-
EON	Maintenance for Public Key Infrastructure Security Software	JUN-07	6/07	9,830.66	-
EON	Maintenance for Public Key Infrastructure Security Software	AUG-07	8/07	790.70	-
EON	Maintenance for Risk Management System Software	JAN-07	1/07-12/07	740.00	-
EXCALIBUR INTEGRATED SYSTEMS INC	Maintenance for Security Software	JUN-07	6/07	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	MAY-07	5/07	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	FEB-08	2/08-12/08	88,434.00	235,824.00
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	JUN-07	6/07	11,002.50	-
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	MAR-07	1/07-12/07	240,790.67	-
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	APR-08	6/08-8/08	-	6,681.53
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-07	3/07-5/07	2,680.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-08	3/08-5/08	4,498.40	2,249.20
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JUL-07	6/07 - 8/07	9,240.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAY-07	6/07-8/07	10,365.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	NOV-07	12/07-2/08	11,685.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAR-08	4/08-3/09	5,061.92	55,681.08
GROUP 1 SOFTWARE	Maintenance for Enterprise Bill Print Software	JAN-07	1/07-12/07	7,501.67	-
GT SOFTWARE INC	Maintenance for Mainframe Software	JAN-08	1/08	11,758.86	-
GT SOFTWARE INC	Maintenance for Mainframe Software	FEB-08	2/08-1/09	1,066.01	3,198.04
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	JAN-07	1/07-12/07	6,550.00	-
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	MAY-07	5/07-4/08	40,710.60	-
HEWLETT PACKARD	Maintenance for Monitoring Software	JUL-07	3/07-2/08	14,745.27	-
HEWLETT PACKARD	Maintenance for Purge Archive Software for Oracle	FEB-07	10/06-9/07	138,233.10	-
HEWLETT PACKARD	Maintenance for Server	JAN-08	1/08-9/08	195,337.02	244,171.28
HEWLETT PACKARD	Maintenance for Server	NOV-07	7/07-6/08	35,839.99	7,168.00
IBM CORPORATION	Maintenance for Imaging Software	APR-08	4/08	4,506.22	-
IBM CORPORATION	Maintenance for Mainframe Database Software	AUG-07	8/07	17,107.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	DEC-07	12/07	4,506.22	-
IBM CORPORATION	Maintenance for Mainframe Database Software	FEB-08	2/08	4,506.22	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JAN-08	1/08	4,506.22	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JUL-07	07/07	17,107.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JUN-07	6/07	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	MAR-08	3/08	4,506.22	-
IBM CORPORATION	Maintenance for Mainframe Database Software	MAY-07	5/07	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	OCT-07	10/07	20,299.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	SEP-07	9/07	18,072.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	AUG-07	8/07	2,794.71	-
IBM CORPORATION	Maintenance for Mainframe Hardware				

Attachment to Response to PSC-2 Question No. 113 (d)

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Charnas

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		JUN-07	6/07	2,794.71	-
IBM CORPORATION	Maintenance for Mainframe Hardware	APR-08	4/08	27,844.00	-
IBM CORPORATION	Maintenance for Mainframe Software	AUG-07	8/07	15,479.00	-
IBM CORPORATION	Maintenance for Mainframe Software	DEC-07	12/07	44,656.00	-
IBM CORPORATION	Maintenance for Mainframe Software	FEB-08	2/08	27,844.00	-
IBM CORPORATION	Maintenance for Mainframe Software	JAN-08	1/08	27,844.00	-
IBM CORPORATION	Maintenance for Mainframe Software	JUL-07	07/07	15,479.00	-
IBM CORPORATION	Maintenance for Mainframe Software	JUN-07	6/07	11,270.00	-
IBM CORPORATION	Maintenance for Mainframe Software	MAR-08	3/08	27,844.00	-
IBM CORPORATION	Maintenance for Mainframe Software	MAY-07	5/07	11,270.00	-
IBM CORPORATION	Maintenance for Mainframe Software	OCT-07	10/07	14,514.00	-
IBM CORPORATION	Maintenance for Mainframe Software	SEP-07	9/07	14,514.00	-
IBM CORPORATION	Maintenance for Mainframe Software	JUL-06	7/06-6/07	2,649.25	-
IBM CORPORATION	Maintenance for Mainframe Software	JUL-07	7/07-6/08	14,305.95	2,861.19
INFOGIX INC	Maintenance for Mainframe Software	MAY-07	5/07-4/08	28,001.00	-
INFOGIX INC	Maintenance for Tax Software	OCT-06	10/06-9/07	2,538.94	-
INFORMATION INTELLECT INC	Maintenance for Mainframe Database Software	SEP-07	9/07	6,093.45	-
INFOTEL CORP	Maintenance for Mainframe Database Software	APR-07	5/07-4/08	7,438.50	-
INFOTEL CORP	Maintenance for Customer Information System Software	JAN-07	1/07-12/07	9,155.47	-
INNOVATION DATA PROCESSING INC	Maintenance for Barcode Printers	OCT-07	10/07	13,728.00	-
INTERMEC TECHNOLOGIES CORP	Maintenance for Barcode Printers	JUL-07	7/07	1,750.00	-
INTERMEC TECHNOLOGIES CORP	Escrow Fees for the Source Code to the Convergent Model Office Software	APR-08	4/08	112,695.72	-
IRON MOUNTAIN INTELLECTUAL PROPERTY MGMT INC	Maintenance for Handheld Radio for Customer Service Retail	APR-08	5/08-7/08	-	58,600.61
ITRON INC	Maintenance for Handheld Radio for Customer Service Retail	APR-08	4/08-3/09	5,200.00	57,200.00
ITRON INC	Maintenance for Handheld Radio Software for Customer Service Retail	MAY-07	5/07	32,503.47	-
ITRON INC	Sales Tax for Oracle Software Updates	JUL-07	7/07	219.08	-
KENTUCKY STATE TREASURER	Sales Tax for Software	MAR-07	11/06-10/07	948.00	-
KENTUCKY STATE TREASURER	Maintenance for Geographical Model Software	DEC-07	1/08-12/08	4,703.33	9,406.67
LANDMARK GRAPHICS CORPORATION	Maintenance for Disk Encryption Software	JAN-07	1/07-12/07	11,733.33	-
LATUSPOINT INC	Maintenance for Disk Encryption Software	JAN-07	2/07-1/08	5,893.50	-
LATUSPOINT INC	Maintenance for Mainframe Software	JAN-08	1/08-12/08	1,454.52	2,909.04
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-08	1/08	10,875.14	-
LEVI RAY AND SHOUP INC	Maintenance on VitalSuite Systems and Application Monitoring Software	JAN-08	1/08-12/08	11,363.47	22,726.94
LIGHTRIVER TECHNOLOGIES INC	Maintenance on VitalSuite Systems and Application Monitoring Software	DEC-06	12/06-11/07	3,717.58	-
LIGHTRIVER TECHNOLOGIES INC	Maintenance for Inter-Control Communications Protocol Software for Outage Management System	FEB-07	2/07-1/08	131,259.00	-
LIVEDATA INC	Maintenance on the Work Management System Software	FEB-08	2/08-1/09	54,250.00	162,750.00
LOGICACMG INC	Maintenance on the Work Management System Software	DEC-07	12/07-11/08	32,272.83	45,181.97
LOGICACMG INC	License Fee for Mapping Application from Louisville and Jefferson County	OCT-06	10/06-9/07	23,635.42	-
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	License Fee for Mapping Application from Louisville and Jefferson County	JAN-07	1/07-12/07	8,925.00	-
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	Support and Subscription for QIP & SNMP for Data Networks	JAN-08	1/08-12/08	3,414.14	6,828.28
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	DEC-07	12/07-11/08	19,542.08	27,358.92
LUCENT TECHNOLOGIES INC	Maintenance for Smallworld Geospatial Information System Mobile Application	NOV-06	08/06-07/07	5,937.50	-
MAPFRAME CORP	Maintenance for Transportation Management Software	SEP-07	9/07-8/08	15,833.33	7,916.67
MAXIMUS	Maintenance for Transportation Management Software				
MAXIMUS	Maintenance for Transportation Management Software				

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		JUL-06	7/06-6/07	758.99	-
METEORLOGIX LLC	Maintenance for Weather Software	JUL-07	7/07-6/08	3,978.81	795.76
METEORLOGIX LLC	Maintenance for Weather Software	DEC-06	1/07-12/07	3,288.00	-
METRETEK INC	Maintenance for Gas Monitoring Software	FEB-07	2/07-1/08	41,370.00	-
MICROSOFT CORP	Microsoft Premier Support	MAR-08	3/08-2/09	9,082.95	45,414.73
MICROSOFT CORP	Microsoft Premier Support	MAY-07	5/07-3/08	613,482.84	-
MICROSOFT LICENSING GP	Microsoft Enterprise Agreement	SEP-07	9/07	1,600.00	-
MIR3 INC	Maintenance for Software that provides alerts from Network Mgmt Systems	MAR-07	3/07-2/08	143,033.22	-
MRO SOFTWARE INC	Maintenance for Work Management System Software	AUG-06	7/06-6/07	1,566.79	-
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	AUG-06	8/06-7/07	1,900.00	-
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	DEC-06	12/06-11/07	1,458.33	-
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software	NOV-07	12/07-11/08	1,100.00	1,540.00
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software	DEC-06	12/06-11/07	5,142.10	-
NET IQ CORP	Maintenance for Security and Incident Management Software	DEC-07	12/07-11/08	3,674.83	5,144.76
NET IQ CORP	Maintenance for Security and Incident Management Software	APR-07	12/06-11/07	2,100.00	-
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	NOV-07	11/07-10/08	1,850.00	1,850.00
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	MAY-07	5/07	11,957.89	-
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	NOV-06	11/06-10/07	525.00	-
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	NOV-06	12/06-11/07	1,706.25	-
NEWERA SOFTWARE INC	Maintenance for Mainframe Software	FEB-07	2/07-1/08	13,972.50	-
NOETIX CORP	Maintenance for Financial Reporting for Oracle	MAR-08	3/08-2/09	2,831.46	14,157.28
NOETIX CORP	Maintenance for Financial Reporting for Oracle	DEC-06	12/06-11/07	1,761.01	-
OPEN SOFTWARE TECHNOLOGIES INC	Maintenance for Mainframe Software	MAY-06	6/06-5/07	63,297.12	-
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAY-07	6/07-5/08	748,958.05	68,087.10
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAR-08	3/08	8,079.79	-
ORACLE USA INC	Maintenance for Oracle Database Software	JAN-08	1/08-12/08	45,129.80	90,259.60
ORACLE USA INC	Maintenance for Outage Management Software	AUG-07	8/07-7/08	106,755.29	35,585.10
ORACLE USA INC	Maintenance for Peoplesoft Software	JUL-06	8/06-7/07	34,548.63	-
ORACLE USA INC	Maintenance for Peoplesoft Software	JUN-07	6/07	25,979.49	-
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-07	4/07-3/08	29,447.60	-
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-08	3/08-2/09	5,298.56	26,492.78
ORACLE USA INC	Maintenance for Peoplesoft Software	JAN-07	1/07-12/07	112,170.00	-
ORACLE USA INC	Maintenance for Siebel products for the Customer Information System overlay	JAN-08	1/08-12/08	58,889.24	117,778.49
ORACLE USA INC	Maintenance for Siebel products for the Customer Information System overlay	MAY-07	5/07	5,500.00	-
ORACLE USA INC	Maintenance for Software to support Peoplesoft (Microfocus)	JUN-06	6/06-5/07	262.50	-
ORASI SOFTWARE INC	Maintenance for Development Tool Software	MAY-07	5/07-4/08	3,150.00	-
ORASI SOFTWARE INC	Maintenance for Development Tool Software	JAN-07	3/07-5/07	4,632.92	-
PLATTS	Subscription for Energy Marketing	JAN-08	3/08-5/08	4,371.21	2,165.61
PLATTS	Subscription for Energy Marketing	JUL-07	9/07-11/07	14,546.00	-
PLATTS	Subscription for Energy Marketing	MAY-07	6/07-8/07	14,546.00	-
PLATTS	Subscription for Energy Marketing	AUG-06	7/06-6/07	3,433.33	-
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	SEP-07	9/07-8/08	14,420.00	7,210.00
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	AUG-07	8/07	1,995.00	-
PLIXER INTERNATIONAL INC	Maintenance for Software for Network Troubleshooting				

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		JAN-07	1/07-12/07	2,079.23	-
PRINCETON SOFTECH INC	Maintenance for Mainframe Software	APR-08	4/08	13,491.50	-
PRODUCT SUPPORT SOLUTIONS INC	Maintenance for Call Center Interactive Voice Response System	FEB-08	2/08	13,491.50	-
PRODUCT SUPPORT SOLUTIONS INC	Maintenance for Call Center Interactive Voice Response System	DEC-07	12/07-11/08	18,426.87	25,797.62
PROSYS INFORMATION SYSTEMS INC	Maintenance for Network Attached Storage Devices	JAN-08	1/08	9,333.39	-
PROSYS INFORMATION SYSTEMS INC	Maintenance for Trend Micro Internet Security Software	AUG-07	9/07-8/08	1,333.33	666.67
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-06	9/06-8/07	1,794.07	-
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-07	10/07	5,460.01	-
QUEST SOFTWARE INC	Maintenance for Development Tool Software	DEC-06	12/06-11/07	11,375.00	-
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	DEC-07	12/07-11/08	8,125.00	11,375.00
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	AUG-07	9/07-8/08	8,260.00	4,130.00
RAXCO SOFTWARE INC	Maintenance for Defrag Software	AUG-06	8/06-7/09	31,271.25	39,089.06
RED HAT INC	Subscription for Operating System for Server	JUN-07	5/07-7/08	29,821.44	12,580.91
RED HAT INC	Subscription for Operating System for Server	SEP-07	9/07	233.58	-
RESEARCH IN MOTION CORP	Maintenance for Blackberry Phones	SEP-07	9/07-8/08	4,370.95	2,185.47
RESEARCH IN MOTION CORP	Maintenance for Blackberry Phones	APR-08	4/08-3/09	3,152.63	34,678.88
RJR INNOVATIONS INC	Maintenance for Service Desk Software	SEP-07	9/07	560.00	-
SANDSTORM ENTERPRISES INC	Maintenance for Software used to scan our Analog Lines and used by IT Security	DEC-07	12/07-11/08	7,200.90	10,081.27
SECURE COMPUTING CORP	Maintenance for e-mail filtering hardware	DEC-07	12/07-11/08	6,851.58	9,592.21
SECURE COMPUTING CORP	Subscription for Antivirus Software	DEC-07	12/07-11/08	8,346.83	11,685.57
SERENA SOFTWARE INC	Maintenance for Source Management Software	OCT-06	11/06-10/07	4,945.50	-
SERENA SOFTWARE INC	Maintenance for Source Management Software	OCT-07	10/07	9,891.00	-
SERENA SOFTWARE INC	Maintenance for Source Management Software	APR-07	4/07-3/08	6,645.78	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	AUG-07	8/07	7,249.94	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	FEB-07	2/07-1/08	10,874.91	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	JAN-08	1/08-12/08	21,271.76	42,543.52
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	JUL-07	7/07	7,249.94	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	JUN-07	6/07	7,249.94	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	MAR-07	3/07-2/08	6,041.62	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	MAY-07	5/07	14,499.88	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	NOV-07	11/07-10/08	2,279.47	2,279.47
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	OCT-07	10/07	7,249.94	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	SEP-07	9/07	7,249.94	-
SERVICEMASTER INTERNATIONAL LLC	Maintenance for Backup Equipment	JAN-07	1/07-12/07	6,433.33	-
SKILLSOFT CORPORATION	Maintenance for Software for online training	DEC-07	12/07-11/08	4,382.92	6,135.08
SKILLSOFT TELESales US	Maintenance for Software for online training	DEC-06	12/06-11/07	4,230.33	-
SOFTBASE SYSTEMS INC	Maintenance for Mainframe Database Software	DEC-06	12/06-11/07	2,916.67	-
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software	NOV-07	12/07-11/08	2,083.33	2,916.67
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software	JUL-07	7/07	11,753.00	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Backup Software	SEP-07	9/07	794.08	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Backup Software	SEP-07	9/07	445.00	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Software used by IT Security	JUL-07	7/07	315.00	-
SOFTWARE HOUSE INTERNATIONAL INC	Software used to learn German	JUN-06	6/06-5/07	113.08	-
SOFTWARE INFORMATION SYSTEMS	Maintenance for AS/400 Software				

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
SOFTWARE INFORMATION SYSTEMS LLC	Maintenance for AS/400 Software	JUL-07	7/07	1,357.48	
SPATIAL BUSINESS SYSTEMS INC	Maintenance for GIS/CAD Translation Software	SEP-07	9/07-5/08	7,520.00	940.00
SPI DYNAMICS INC	Maintenance for Security Software	DEC-06	12/06-11/07	2,916.67	
SPL WORLDGROUP INC	Maintenance for Outage Management Software	JAN-07	1/07-12/07	87,630.67	
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	DEC-06	12/06-11/07	2,916.67	
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	DEC-07	12/07-11/08	2,083.33	2,916.67
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	JAN-07	1/07-12/07	8,000.00	
STERLING COMMERCE INC	Maintenance for EDI transaction software	APR-08	4/08	11,900.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-07	8/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	DEC-07	12/07	11,900.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	FEB-08	2/08	11,900.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JAN-08	1/08	11,900.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUL-07	7/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUN-07	6/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAR-08	3/08	11,900.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAY-07	5/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	NOV-07	11/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	OCT-07	10/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	SEP-07	9/07	17,500.00	
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-07	8/07	3,484.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	JUL-07	7/07	3,484.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	JUN-07	6/07	3,484.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	MAY-07	5/07	3,484.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	OCT-07	10/07	193.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	SEP-07	9/07	3,484.50	
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	FEB-08	2/08-1/09	21,514.50	64,543.50
SUNGARD ENERGY SYSTEMS INC	Maintenance for Fuelworx and Budgetworx Software for Energy Marketing	APR-08	5/08		18,079.09
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	AUG-07	8/07	59,037.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-07	1/08-12/08	6,026.35	12,052.73
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-07	2/07-8/07	38,124.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-08	2/08	18,079.09	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JAN-08	1/08	8,426.55	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-07	3/07-6/07	11,119.50	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-08	4/08	18,079.09	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-07	5/07	22,239.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-07	5/07	22,239.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	NOV-07	11/07	19,679.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	OCT-07	10/07	19,679.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	SEP-07	10/07	19,679.00	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-08	2/08	9,652.54	
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-06	1/07-12/07	14,535.03	
SURFCONTROL	Maintenance for Bluecoat Appliances and Software for Security	OCT-06	10/06-9/07	3,750.00	
SYCLO LLC	Maintenance for Software for the Work Management System	DEC-07	12/07	9,170.46	
SYMANTEC CORP	Maintenance for Backup Software				

Per Books as of 4/30/2008

2008 Prepaid IT Contracts as of April 30, 2008

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		NOV-07	11/07-10/08	41,059.78	41,059.78
SYMANTEC CORP	Maintenance for Backup Software	MAR-07	3/07-12/07	5,175.00	-
TOTAL RESOURCE MANAGEMENT INC	Maintenance for Safety Tagging System Software	DEC-06	12/06-11/07	14,000.00	-
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	DEC-07	12/07-11/08	10,000.00	14,000.00
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	JUN-06	6/06-5/07	1,211.75	-
TOTAL SOLUTION INC	Maintenance on Mainframe Software	JUN-07	6/07-5/08	13,329.25	1,211.75
VANGUARD INTEGRITY PROFESSIONALS	Maintenance on Mainframe Software	MAR-07	3/07-2/08	4,670.00	-
VANGUARD INTEGRITY PROFESSIONALS	Maintenance for Telemanagement Software for the Phones	AUG-07	8/07	10,240.00	-
VERAMARK TECHNOLOGIES INC	Subscription for Digital Certificates	JUN-06	6/06-5/07	579.17	-
VERISIGN INC	Subscription for Digital Certificates	OCT-06	11/06-10/07	27,902.25	-
VERISIGN INC	Maintenance for Backup Software	AUG-06	8/06-7/07	3,067.50	-
VERITAS SOFTWARE CORP	Maintenance for VM Infrastructure Software	FEB-07	11/06-10/07	1,850.00	-
VMWARE INC	Maintenance for Reporting Software	OCT-07	10/07	2,800.00	-
WEBTRENDS INC	Maintenance for Reporting Software	JUL-07	7/07-6/08	158,311.01	31,662.20
WEBTRENDS INC	Maintenance for Security Server Software	AUG-06	8/06-7/07	48,956.24	-
WORLD WIDE TECHNOLOGY INC	Maintenance on Cisco Equipment	JUL-06	7/06-6/07	15,277.19	-
WORLD WIDE TECHNOLOGY INC	Maintenance for Sun Servers				
XEROX GLOBAL SERVICES INC					
Grand Total				\$ 7,115,948.43	\$ 2,395,353.25

\$ 1,384,356.97

\$ 5,731,591.46

Less single month contracts included above not amortized through prepaid

Prepaid expense amortization

44.26%

44.26%

\$ 2,536,802.38 \$ 1,060,183.35

KU Allocation

IT Contract Allocation of Amortization Expense to KU

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		JUN-06	5/06-4/07	\$ 123,490.00	\$ -
AASTRA INTECOM INC	Maintenance for Intecom Switch Software for Phone Service	DEC-06	1/07-12/07	33,300.98	66,601.95
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	SEP-06	10/06-12/06	4,006.40	-
ACTUATE CORP	Maintenance for Web Reporting Development Tool Software	JUN-06	7/06-6/07	4,663.33	932.67
ADVANCED SOFTWARE PRODUCTS GRP	Maintenance for Mainframe Software	JAN-07	1/07-12/07	956.67	1,913.33
ADVANCED SOLUTIONS INC	Maintenance for AutoCAD Software	DEC-06	12/06-11/07	10,807.49	15,130.49
ADVANTICA INC	Maintenance for Distribution System Analysis Software	MAR-06	4/06-3/07	7,056.33	-
ADVANTICA INC	Maintenance for Distribution System Analysis Software	NOV-06	11/06-10/07	22,581.46	22,581.46
ADVANTICA INC	Maintenance for Distribution System Analysis Software	DEC-06	12/06	7,000.00	-
ADVANTICA INC	Services for Upgrade of the Distribution System Analysis Software	DEC-06	12/06	785.92	-
AGILYSYS	Maintenance for Storage Equipment	OCT-06	12/06-11/07	6,219.56	8,707.39
ALG SOFTWARE	Maintenance for Financial Reporting Software	OCT-06	11/06-10/07	8,032.50	8,032.50
AMERICAN INNOVATIONS LTD	Maintenance for Software for Pipeline Integrity for Distribution	NOV-06	11/06	350.00	-
APPLIED FLOW TECHNOLOGY CORP	Maintenance for Software used by Power Generation to analyze and control fluid flow	FEB-07	3/07-2/08	9,675.50	48,377.48
APRISO CORP	Maintenance for Barcoding Software	JAN-06	3/06-2/07	46,073.78	-
APRISO CORP	Maintenance for Barcoding Software	FEB-07	1/07-12/07	1,730.32	3,460.63
APTARE INC	Maintenance for Reporting Tool for Backup Software	AUG-06	8/06	1,782.00	-
ATR DISTRIBUTING CO INC	Maintenance for Software used by Utility Trading and Marketing for Asset Mgmt.	MAR-06	2/06-1/07	2,999.97	-
AVAYA INC	Maintenance for Conference Bridge Software	DEC-06	12/06-11/07	9,509.30	13,313.02
BENTLEY SYSTEMS INC	Maintenance for Version Management Software	JAN-07	1/07	1,921.00	-
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	JAN-07	1/07-12/07	6,306.67	12,613.33
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	OCT-06	10/06-09/07	120,190.00	85,850.00
BERBEE INFORMATION NETWORKS CORPORATION	Maintenance for Mainframe Software	JUN-06	7/06-6/07	30,833.33	6,166.67
BMC FINANCIAL SERVICES CO	Maintenance for Service Desk Software	APR-06	4/06-3/07	37,757.41	-
BMC SOFTWARE DISTRIBUTION INC	Maintenance for Service Desk Software	APR-07	4/07-3/08	3,842.31	42,265.44
BMC SOFTWARE DISTRIBUTION INC	Maintenance for Service Desk Software	DEC-06	12/06	1,743.30	-
BOICE ENTERPRISES INC	Maintenance for Software to assist in Network Monitoring	FEB-06	2/06-1/07	173,256.00	-
CA INC	Maintenance for Mainframe Job Scheduler Software	FEB-07	1/07-12/07	2,549.95	5,099.90
CA INC	Maintenance for Mainframe Job Scheduler Software	JAN-07	1/07-12/07	15,663.38	31,326.77
CA INC	Maintenance for Mainframe Job Scheduler Software	JAN-07	1/07-12/07	120,217.00	240,434.00
CA INC	Maintenance for Mainframe Software	JUN-06	3/06-2/07	9,435.00	-
CA INC	Maintenance for Mainframe Software	DEC-06	1/07-12/07	41,448.59	82,897.19
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	DEC-06	12/06	2,275.41	-
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	JAN-06	1/06-12/06	35,591.91	-
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	OCT-06	10/06-09/07	8,250.52	5,893.23
CADRE COMPUTER RESOURCES CO	Maintenance and Subscription for Internet Security Systems appliance for Security	DEC-06	12/06	5,324.40	-
CADRE COMPUTER RESOURCES CO	Maintenance for Desktop Security Software	DEC-06	12/06-11/07	3,292.55	4,609.57
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	SEP-06	11/06-10/07	24,569.50	24,569.50
CADRE COMPUTER RESOURCES CO	Maintenance for Firewall Software	NOV-06	11/06	1,600.00	-
CALAMP SOLUTIONS INC	Maintenance for Software that provides alerts from Network Mgmt Systems	AUG-06	10/06-09/07	3,150.00	2,250.00
CHICAGO SOFT LTD	Maintenance for Mainframe Software				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JAN-07	1/07-7/07	3,240.00	2,430.00
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	JUL-06	7/06-6/07	24,000.00	4,800.00
CIPHERTRUST INC	Maintenance for e-mail filtering hardware	OCT-06	9/06-9/07	10,833.33	5,416.67
CITRIX SYSTEMS INC	Maintenance for Citrix Software	DEC-06	12/06	500.00	-
COADE INC	Maintenance for Software used by Engineering as a Piping Design and Drafting Program	JUN-06	5/06-10/06	7,426.30	-
COGNOS CORP	Maintenance for Adhoc Reporting Software	JUN-06	7/06-6/07	64,750.00	12,950.00
COMPUWARE CORP	Maintenance for Mainframe Software	JUN-06	6/06-5/07	15,153.88	1,377.63
COMWARE SYSTEMS INC	Maintenance for the Telephone Management Software	JAN-06	1/06-12/06	120,966.67	-
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	JAN-07	1/07-12/07	60,483.33	120,966.67
CONVERGENT GROUP CORP	Maintenance for Outage Management Software	AUG-06	9/06-8/07	7,820.67	3,910.33
COURION CORP	Maintenance for the Password Reset Software	APR-07	5/07-4/08	-	9,148.50
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	MAY-06	5/06-4/07	9,148.50	-
DATA PROCESSING SCIENCES CORP	Maintenance for RSA Server	APR-06	1/06-12/06	6,973.19	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	DEC-06	1/07-12/07	14,645.33	29,290.67
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Imaging Software	APR-07	1/07-12/07	5,603.67	11,207.33
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	MAR-06	3/06-2/07	12,292.50	-
DOCUMENT CONTROL SYSTEMS INC	Maintenance for Scanners and Jukebox for Imaging System	DEC-06	12/06-11/07	1,375.00	1,925.00
DOLBEY AND CO	Maintenance for Call Recording Equipment	SEP-06	7/06-6/07	3,000.00	600.00
DOLBEY AND CO	Maintenance for Call Recording Equipment	AUG-06	8/06	390.00	-
EASY SOFTWARE PRODUCTS	Maintenance for Printing Software for Oracle	JAN-07	1/07-9/07	1,318.91	1,648.63
EMBARCADERO TECHNOLOGIES INC	Maintenance for database software tools	JAN-06	10/05-9/06	7,596.67	-
EMC CORP	Maintenance for Mainframe Software	JAN-07	1/07	2,553.34	-
EON	Maintenance for Cryptoguide Security Software	JAN-07	1/07	30,115.50	-
EON	Maintenance for Public Key Infrastructure Security Software	JAN-07	1/07-12/07	370.00	740.00
EXCALIBUR INTEGRATED SYSTEMS INC	Maintenance for Security Software	APR-07	4/07	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	AUG-06	8/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	DEC-06	12/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	FEB-07	2/07	7,288.00	-
FILENET CORP	Maintenance for Imaging Software	JAN-06	1/06-12/06	2,429.33	-
FILENET CORP	Maintenance for Imaging Software	JUL-06	7/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	JUN-06	6/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	MAR-07	3/07	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	MAY-06	5/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	NOV-06	11/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	OCT-06	10/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	SEP-06	9/06	3,644.00	-
FILENET CORP	Maintenance for Imaging Software	MAR-06	1/06-12/06	208,318.00	-
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	MAR-07	1/07-12/07	68,797.32	240,790.68
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	OCT-06	10/06	1,949.76	-
GE ENERGY MANAGEMENT SERVICES INC	Maintenance for Smallworld Geospatial Information System	DEC-06	12/06	1,848.00	-
GFI USA INC	Maintenance for Software to allow faxes to come direct into desktops				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		JAN-06	3/06-5/06	2,580.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-07	3/07-5/07	5,360.00	2,660.00
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JUL-06	9/06-11/06	7,740.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	MAY-06	6/06-8/06	7,740.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	OCT-06	12/06-2/07	7,740.00	-
GLOBALVIEW SOFTWARE INC	Subscription for Energy Marketing	JAN-06	3/06-2/07	8,973.29	-
GT SOFTWARE INC	Maintenance for Mainframe Software	JAN-07	1/07-12/07	3,750.83	7,501.67
GT SOFTWARE INC	Maintenance for Mainframe Software	JAN-07	1/07-12/07	3,275.00	6,550.00
GUARDIUM INC	Maintenance for Guardium Database Monitoring Software	FEB-07	10/06-9/07	193,526.33	138,233.10
HEWLETT PACKARD	Maintenance for Server	APR-07	4/07	25,636.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	AUG-06	8/06	24,501.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	DEC-06	12/06	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	FEB-07	2/07	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JAN-06	1/06-12/06	20,832.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JAN-07	1/07	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JUL-06	7/06	28,821.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	JUN-06	6/06	22,899.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	MAR-07	3/07	21,316.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	MAY-06	5/06	22,899.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	NOV-06	11/06	23,543.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	OCT-06	10/06	24,501.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	SEP-06	9/06	24,501.00	-
IBM CORPORATION	Maintenance for Mainframe Database Software	APR-07	4/07	2,794.71	-
IBM CORPORATION	Maintenance for Mainframe Hardware	DEC-06	12/06	3,501.21	-
IBM CORPORATION	Maintenance for Mainframe Hardware	JUN-06	6/06	3,501.23	-
IBM CORPORATION	Maintenance for Mainframe Hardware	SEP-06	9/06	3,501.23	-
IBM CORPORATION	Maintenance for Mainframe Hardware	APR-07	4/07	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	AUG-06	8/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	DEC-06	12/06	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	FEB-07	2/07	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	JAN-06	1/06-12/06	940.67	-
IBM CORPORATION	Maintenance on Mainframe Software	JAN-07	1/07	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	JUL-06	7/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	JUN-06	6/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	MAR-07	3/07	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	MAY-06	5/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	NOV-06	11/06	11,270.00	-
IBM CORPORATION	Maintenance on Mainframe Software	OCT-06	10/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	SEP-06	9/06	12,443.00	-
IBM CORPORATION	Maintenance on Mainframe Software	JUL-06	7/06-6/07	13,246.25	2,649.25
INFOGIX INC	Maintenance for Mainframe Software				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		MAY-06	5/06-4/07	26,668.00	-
INFORMATION INTELLECT INC	Maintenance for Tax Software	OCT-06	10/06-9/07	3,554.51	2,538.94
INFOTEL CORP	Maintenance for Mainframe Database Software	APR-07	5/07-4/08	-	7,438.50
INNOVATION DATA PROCESSING INC	Maintenance for Customer Information System Software	MAY-06	5/06-4/07	7,438.50	-
INNOVATION DATA PROCESSING INC	Maintenance for Customer Information System Software	DEC-06	12/06	1,500.00	-
INTERFACE LOGIC SYSTEMS INC	Maintenance for Software that calibrates the scales at Green River	JAN-07	1/07-12/07	4,577.73	9,155.47
INTERMEC TECHNOLOGIES CORP	Maintenance for Barcode Printers	AUG-06	8/06	1,650.00	-
IRON MOUNTAIN INTELLECTUAL PROPERTY MGMT INC	Escrow Fees for the Source Code to the Convergent Model Office Software	JUL-06	7/06	1,676.15	-
KENTUCKY STATE TREASURER	Sales Tax for Antivirus Subscription	JAN-07	1/07	332.31	-
KENTUCKY STATE TREASURER	Sales tax for e-mail filtering hardware	AUG-06	8/06	92.15	-
KENTUCKY STATE TREASURER	Sales Tax for Software	JUN-06	6/06	1,208.22	-
KENTUCKY STATE TREASURER	Sales Tax for Software	SEP-06	9/06	1,736.73	-
KENTUCKY STATE TREASURER	Sales Tax for Software	MAR-07	3/07	156.31	-
KENTUCKY STATE TREASURER	Sales Tax for Software for online training	NOV-06	11/06	83.54	-
KENTUCKY STATE TREASURER	Sales Tax for Software Subscription	DEC-06	12/06	2,518.35	-
KENTUCKY STATE TREASURER	Sales Tax for Storage Equipment	MAR-07	11/06-10/07	948.00	948.00
LANDMARK GRAPHICS CORPORATION	Maintenance for Geographical Model Software	JAN-07	1/07-12/07	5,866.67	11,733.33
LATUSPOINT INC	Maintenance for Disk Encryption Software	JAN-06	1/06-12/06	5,036.67	-
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-07	2/07-1/08	1,964.50	5,893.50
LEVI RAY AND SHOUP INC	Maintenance for Mainframe Software	JAN-07	1/07	38,850.01	-
LIGHTRIVER TECHNOLOGIES INC	Sales Tax	DEC-06	12/06-11/07	2,655.42	3,717.58
LIVEDATA INC	Maintenance for Inter-Control Communications Protocol Software for Outage Management System	FEB-07	2/07-1/08	43,753.00	131,259.00
LOGICACMG INC	Maintenance on the Work Management System Software	OCT-06	10/06-9/07	33,089.58	23,635.42
LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN	License Fee for Mapping Application from Louisville and Jefferson County	JAN-06	1/06-12/06	8,925.00	-
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	JAN-07	1/07-12/07	4,462.50	8,925.00
LUCENT TECHNOLOGIES INC	Support and Subscription for QIP & SNMP for Data Networks	NOV-06	08/06-07/07	17,812.50	5,937.50
MAXIMUS	Maintenance for Transportation Management Software	JUL-06	7/06	2,000.00	-
MERCURY INTERACTIVE CORP	Maintenance for Monitoring Software	MAR-06	3/06-2/07	32,234.93	-
MERCURY INTERACTIVE CORP	Maintenance for Monitoring Software	JUL-06	7/06-6/07	3,794.93	758.99
METEORLOGIX LLC	Maintenance for Weather Software	DEC-06	1/07-12/07	1,644.00	3,288.00
METRETEK INC	Maintenance for Gas Monitoring Software	APR-06	5/06-4/07	613,482.84	-
MICROSOFT CORP	Microsoft Enterprise Agreement	FEB-07	2/07-1/08	13,790.00	41,370.00
MICROSOFT CORP	Microsoft Premier Support	MAR-06	2/06-1/07	40,230.00	-
MICROSOFT CORP	Microsoft Premier Support	OCT-06	10/06	4,833.36	-
MICROSOFT CORP	Microsoft Subscription for Microsoft Developer Network	MAR-06	3/06-2/07	138,330.05	-
MRO SOFTWARE INC	Maintenance for Work Management System Software	MAR-07	3/07-2/08	28,606.64	143,033.22
MRO SOFTWARE INC	Maintenance for Work Management System Software	AUG-06	7/06-6/07	7,833.96	1,566.79
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	AUG-06	8/06-7/07	5,700.00	1,900.00
MSI SYSTEMS INTEGRATORS	Consulting services for Database Upgrade	DEC-06	12/06	9,500.00	-
MTM TECHNOLOGIES INC	Maintenance for Citrix Software	DEC-06	12/06-11/07	1,041.67	1,458.33
NAVIGANT CONSULTING INC	Maintenance for Departmental Application Developer Software				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		DEC-06	12/06-11/07	3,672.93	5,142.10
NET IQ CORP	Maintenance for Security and Incident Management Software	MAR-06	4/06-3/07	2,066.65	-
NET IQ CORP	Maintenance for Security and Incident Management Software	APR-07	12/06-11/07	1,500.00	2,100.00
NETEC INTERNATIONAL INC	Maintenance for Mainframe Software	NOV-06	11/06-10/07	525.00	525.00
NEW AGE TECHNOLOGIES INC	Maintenance for Software that Manages VMWare Host Servers	NOV-06	12/06-11/07	1,218.75	1,706.25
NEWERA SOFTWARE INC	Maintenance for Mainframe Software	FEB-06	3/06-2/07	14,979.17	-
NOETIX CORP	Maintenance for Financial Reporting for Oracle	FEB-07	2/07-1/08	4,657.50	13,972.50
NOETIX CORP	Maintenance for Financial Reporting for Oracle	DEC-06	12/06-11/07	1,257.87	1,761.01
OPEN SOFTWARE TECHNOLOGIES INC	Maintenance for Mainframe Software	DEC-06	12/06	1,587.95	-
ORACLE USA INC	Maintenance for Oracle Application and Database Software	MAY-06	6/06-5/07	696,268.31	63,297.12
ORACLE USA INC	Maintenance for Oracle Application and Database Software	SEP-06	9/06	405.32	-
ORACLE USA INC	Maintenance for Oracle Application and Database Software	APR-06	4/06-3/07	28,589.90	-
ORACLE USA INC	Maintenance for Peoplesoft Software	JUL-06	8/06-7/07	103,645.90	34,548.63
ORACLE USA INC	Maintenance for Peoplesoft Software	JUN-06	6/06	25,222.74	-
ORACLE USA INC	Maintenance for Peoplesoft Software	MAR-07	4/07-3/08	2,677.05	29,447.60
ORACLE USA INC	Maintenance for Peoplesoft Software	JAN-07	1/07-12/07	56,085.00	112,170.00
ORACLE USA INC	Maintenance for Siebel products for the Customer Information System overlay	JUN-06	6/06-5/07	2,887.50	262.50
ORACLE USA INC	Maintenance for Development Tool Software	JAN-06	3/06-5/06	4,586.67	-
PLATTS	Subscription for Energy Marketing	JAN-07	3/07-5/07	9,265.83	4,632.92
PLATTS	Subscription for Energy Marketing	JUL-06	9/06-11/06	13,898.75	-
PLATTS	Subscription for Energy Marketing	MAY-06	6/06-8/06	13,898.75	-
PLATTS	Subscription for Energy Marketing	OCT-06	12/06-2/07	13,898.75	-
PLATTS	Subscription for Energy Marketing	AUG-06	7/06-6/07	17,166.67	3,433.33
PLEXOS INTERNATIONAL LLC	Maintenance for Software that measures the risk of Gas	JAN-07	1/07-12/07	1,039.61	2,079.23
PRINCETON SOFTECH INC	Maintenance for Mainframe Software	OCT-06	10/06	2,000.00	-
QUEST SOFTWARE INC	Maintenance for Development Tool Software	OCT-06	9/06-8/07	3,588.15	1,794.07
QUEST SOFTWARE INC	Maintenance for Development Tool Software	DEC-06	12/06-11/07	8,125.00	11,375.00
RADIO SATELLITE INTEGRATORS INC	Maintenance for AVL Software	AUG-06	8/06-7/09	23,453.44	70,360.31
RED HAT INC	Subscription for Operating System for Server	AUG-06	8/06	560.00	-
SANDSTORM ENTERPRISES INC	Maintenance for Software used to scan our Analog Lines and used by IT Security	OCT-06	11/06-10/07	4,945.50	4,945.50
SERENA SOFTWARE INC	Maintenance for Source Management Software	APR-07	4/07-3/08	604.16	6,645.78
SERVICOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	FEB-07	2/07-1/08	3,624.97	10,874.91
SERVICOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	MAR-07	3/07-2/08	1,208.32	6,041.62
SERVICOURCE INTERNATIONAL LLC	Maintenance for Backup Equipment	JAN-06	1/06-12/06	106,828.56	-
SIEBEL SYSTEMS INC	Maintenance for Siebel products for the Customer Information System overlay	JAN-07	1/07-12/07	4,216.67	8,433.33
SKILLSOFT CORPORATION	Maintenance for Software for online training	MAR-07	3/07	1,131.51	-
SKILLSOFT TELESALLES US	Maintenance for Software for online training	MAR-06	3/06-2/07	9,833.33	-
SMARTDB CORP	Maintenance for Mainframe Database Software	DEC-06	12/06-11/07	3,021.67	4,230.33
SOFTBASE SYSTEMS INC	Maintenance for Mainframe Database Software	JAN-06	2/06-1/07	4,944.75	-
SOFTBASE SYSTEMS INC	Maintenance for Mainframe Database Software	DEC-06	12/06-11/07	2,083.33	2,916.67
SOFTWARE ENGINEERING OF AMERICA	Maintenance for Mainframe Software				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		FEB-07	1/07-3/07	20,732.50	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Antivirus Software	JAN-07	1/07	732.14	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Backup Software	MAR-07	3/07	1,498.00	-
SOFTWARE HOUSE INTERNATIONAL INC	Maintenance for Development Tool Software	JUN-06	6/06-5/07	1,243.92	113.08
SOFTWARE INFORMATION SYSTEMS	Maintenance for AS/400 Software	DEC-06	12/06-11/07	2,083.33	2,916.67
SPI DYNAMICS INC	Maintenance for Security Software	JAN-06	1/06-12/06	85,862.00	-
SPL WORLDGROUP INC	Maintenance for Outage Management Software	JAN-07	1/07-12/07	43,815.33	87,630.67
SPL WORLDGROUP INC	Maintenance for Outage Management Software	DEC-06	12/06-11/07	2,083.33	2,916.67
STARQUEST VENTURES INC	Maintenance for Software for Customer Information System	JAN-07	1/07-12/07	4,000.00	8,000.00
STERLING COMMERCE INC	Maintenance for EDI transaction software	AUG-06	8/06	18,560.09	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	DEC-06	12/06	15,781.51	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	FEB-07	2/07	2,243.04	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JAN-07	1/07	1,979.50	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JUL-06	7/06	15,483.09	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	JUN-06	6/06	18,596.09	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	MAY-06	5/06	16,566.09	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	NOV-06	11/06	14,274.59	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	OCT-06	10/06	16,344.20	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	SEP-06	9/06	18,515.42	-
STORAGE TECHNOLOGY CORP	Maintenance for Backup Equipment	APR-07	4/07	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	AUG-06	8/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	DEC-06	12/06	35,000.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	FEB-07	2/07	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JAN-07	1/07	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUL-06	7/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	JUN-06	6/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAR-07	3/07	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	MAY-06	5/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	OCT-06	10/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	SEP-06	9/06	17,500.00	-
STRUCTURE GROUP LLC	Maintenance for Energy Marketing Software	APR-07	4/07	3,484.50	-
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	FEB-07	2/07	2,409.50	-
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	MAR-07	3/07	2,617.55	-
SUN MICROSYSTEMS INC	Maintenance for Backup Equipment	AUG-06	8/06	22,239.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-06	12/06	22,239.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	FEB-07	2/07-8/07	28,593.00	38,124.00
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JUL-06	7/06	22,239.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	JUN-06	6/06	24,109.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAR-07	3/07-6/07	11,119.50	11,119.50
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	MAY-06	5/06	21,304.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee				

Developed as of May 1, 2007

Prepaid IT Contracts as of May 1, 2007

Vendor Name	Description	Period Paid	Duration	Amortization Expense	Unamortized Balance
		OCT-06	10/06	22,239.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	SEP-06	9/06	22,239.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	AUG-06	8/06	2,000.00	-
SUNGARD RECOVERY SERVICES INC	Disaster Recovery Site Fee	DEC-06	1/07-12/07	7,267.52	14,535.03
SURFCONTROL	Maintenance for Bluecoat Appliances and Software for Security	OCT-06	10/06-9/07	5,250.00	3,750.00
SYCLO LLC	Maintenance for Software for the Work Management System	DEC-06	12/06	1,672.29	-
SYMANTEC CORP	Maintenance for Backup Software	SEP-06	9/06	1,133.00	-
SYMON COMMUNICATIONS INC	Maintenance for Communication Board used in the Help Desk	MAR-07	3/07	6,468.75	-
TOTAL RESOURCE MANAGEMENT INC	Maintenance for Safety Tagging System Software	MAR-07	3/07-12/07	1,293.75	5,175.00
TOTAL RESOURCE MANAGEMENT INC	Maintenance for Safety Tagging System Software	DEC-06	12/06-11/07	10,000.00	14,000.00
TOTAL SOLUTION INC	Maintenance for Base Software Scoring for Customer Information System	MAY-06	5/06-4/07	36,750.00	-
UNISYS PULSEPOINT COMMUNICATIONS	Maintenance for Voice Server System Software	JUN-06	6/06-5/07	13,329.25	1,211.75
VANGUARD INTEGRITY PROFESSIONALS	Maintenance on Mainframe Software	MAR-07	3/07-2/08	934.00	4,670.00
VERAMARK TECHNOLOGIES INC	Maintenance for Telemanagement Software for the Phones	APR-07	4/07	8,450.00	-
VERISIGN INC	Subscription for Digital Certificates	FEB-07	2/07	8,016.00	-
VERISIGN INC	Subscription for Digital Certificates	JUN-06	6/06-5/07	6,370.83	579.17
VERISIGN INC	Subscription for Digital Certificates	OCT-06	10/06	10,545.84	-
VERITAS SOFTWARE CORP	Maintenance for Backup Software	OCT-06	11/06-10/07	27,902.25	27,902.25
VERITAS SOFTWARE CORP	Maintenance for Backup Software	NOV-06	11/06	2,700.00	-
VERITY INC	Maintenance for Software used as a Search Engine for our Intranet	AUG-06	8/06-7/07	9,202.50	3,067.50
VMWARE INC	Maintenance for VM Infrastructure Software	FEB-07	11/06-10/07	1,850.00	1,850.00
WEBTRENDS INC	Maintenance for Reporting Software	JUL-06	7/06	3,747.60	-
WEBTRENDS INC	Maintenance for Reporting Software	FEB-06	2/06-1/07	123,606.00	-
WORKSUITE LLC	Maintenance on the Work Management System Software	AUG-06	8/06-7/07	146,868.72	48,956.24
WORLD WIDE TECHNOLOGY INC	Maintenance on Cisco Equipment	JUL-06	7/06-6/07	76,385.93	15,277.19
XEROX GLOBAL SERVICES INC	Maintenance for Sun Servers			\$ 5,949,435.79	\$ 2,436,890.60
Grand Total				\$ 1,199,479.45	

Less single month contracts included above not amortized through prepaid

Prepaid expense amortization

KU Allocation

IT Contract Allocation of Amortization Expense to KU

\$	1,199,479.45		
\$	4,749,856.34		
	44.26%		44.26%
\$	2,102,330.68	\$	1,078,567.78

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 114

Responding Witness: Shannon L. Charnas

Q-114. Refer to Exhibit 1, Reference Schedule 1.31, of the Rives Testimony.

- a. Provide the average per gallon costs for fuel for each of the 5 months preceding April of the test year.
- b. Provide the average per gallon costs of fuel for each month subsequent to the test year up to and including August, 2008.

A-114. a. November 2007: \$3.13
December 2007: \$3.02
January 2008: \$3.08
February 2008: \$3.19
March 2008: \$3.47

b. May 2008: \$4.05
June 2008: \$4.19
July 2008: \$4.17
August 2008: \$3.82

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 115

Responding Witness: S. Bradford Rives

- Q-115. Refer to Exhibit 1, Reference Schedule 1.32, of the Rives Testimony.
- a. At page 17 of his testimony, Mr. Rives states that the fees are based upon proposals from banks willing to provide the facilities. Provide the number of financial institutions from which KU solicited proposals for the new credit facilities, the number of proposals KU received and an explanation for why the proposal in question was chosen by KU.
 - b. Provide a copy of all proposals received by KU along with any supporting workpapers and related documents that show the derivation of the \$2,288,510 adjustment to KU's test year operations.
- A-115. a. This information is being filed pursuant to a Petition for Confidential Protection.
- b. This information is being filed pursuant to a Petition for Confidential Protection.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 116

Responding Witness: Valerie L. Scott

Q-116. Refer to Exhibit 1, Reference Schedule 1.33, of the Rives Testimony and pages 6-7 of the Scott Testimony.

- a. Provide the amount of the coal tax credits applied against property taxes by KU for each year since the inception of the credit.
- b. Provide the amount of the coal tax credit first applied against income for each year since the inception of the credit.
- c. To what portion of income taxes must the credit first be applied before the credit can be applicable to property taxes?
- d. State the final tax period that the coal tax credit will be available to KU.

A-116. a. See attached.

b. See attached.

c. The coal tax credit must be applied first to the entire income tax liability; if any credit remains after it is applied to income tax then the credit is applied to property taxes.

d. KRS 141.0406, enacted as HB 805, Chapter 320 on April 5, 2000, states that "except in the case of an alternative fuel facility as defined in KRS 154.27-010 or a gasification facility as defined in KRS 154.27-010, the Coal Incentive Credit authorized under KRS 141.0405 shall be allowed for ten (10) consecutive years beginning on July 15, 2001."

KRS 141.0405 (4) (a) states: The base year amount shall be equal to: For entities existing on July 14, 2000, that meet the eligibility requirements imposed under subsection (1) of this section, the tons of coal purchased and used to generate electricity during the twelve (12) calendar months ending in December 31, 1999, that were subject to the tax imposed by KRS 143.020.

The calendar year of 2000 was the first period whereby Kentucky coal purchases in excess of 1999 base year levels were eligible for the \$2 per ton credit. Given the ten year period in the statute, coal purchases in 2009 (through December 31, 2009) will be the final year in which Kentucky coal purchases will be eligible for the coal tax credit. An application for 2009 must be submitted for approval by the Department of Revenue by March 15, 2010 for use on either the Company's 2009 Kentucky Income Tax Return or its 2010 Kentucky Property Tax Return.

Kentucky Utilities Company
Case No. 2008-00251
PSC - 2nd Data Response
Questions 116a & 116b

Year of Coal Purchases	Year Recorded	Coal Tax Credit Applied Against Property Taxes	Coal Tax Credit Applied Against Income	Didn't Qualify for Coal Tax Credit
2000	2001	0	0	X
2001	2002	0	0	X
2002	2003	0	0	X
2003	2004	84,473	0	
2004	2005	238,566	0	
2005	2006	0	176,544	
2006	2007	507,797	0	
2007	2008	0	2,490,758	

Note 1: For coal purchased in 2001, KU received a coal tax credit of \$496,326. KU applied the \$496,326 amount to its originally filed 2001 income tax return, however, as a result of reductions in taxable income (and the corresponding limitations permitting use of the credit) resulting from the filing of an amended return, the credit could no longer be applied to the income tax return. KU reversed the coal tax credit from income tax expense and applied \$84,473 of the \$496,326 coal tax credit to property tax expense in 2004 and the remaining \$411,853 to property tax expense in 2007. The total applied to property tax expense in 2007 includes this \$411,853 as well as \$95,944 of coal tax credit received for coal purchased in 2006.

Note 2: One quarter, \$622,690, of the \$2,490,758 coal tax credit for coal purchased in calendar year 2007 has been recorded in the test year.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 117

Responding Witness: Valerie L. Scott

Q-117. Refer to Exhibit 1, Reference Schedule 1.34, of the Rives Testimony. Provide the calculation of the eliminated use tax expense in the amount of \$236,848.

A-117. See attached.

Kentucky Utilities Company
Case No. 2008-00251
Case No. 2007-00565
PSC - 2nd Data Response
Question 117

Use tax Journal Entries recorded in test year
accruing some amounts that are outside of test year

	Total JE Dollar Amount	Amounts Outside Test Yr
Adjustment for period 9/2004-12/2006	224,793.93	224,793.93
Adjustment for Jan 2007 - May 2007	40,141.77	32,113.42
	<u>264,935.70</u>	<u>256,907.35</u>
Amount transferred to LG&E from KU above amounts		(20,059.41)
Total KU pro forma adjustment to remove expense		<u><u>236,847.94</u></u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 118

Responding Witness: Valerie L. Scott

- Q-118. Refer to Exhibit 1, Reference Schedule 1.41, of the Rives Testimony.
- a. Provide workpapers and tax returns supporting the 2006 federal and state tax “true-ups” in the respective amounts of \$(497,646) and \$333,891, and the Kentucky Coal Credit in the amount of \$(598,704).
 - b. Provide the tax returns where the basis for the “true-ups” originated.
 - c. Provide an explanation of the “true-ups” and discuss why it is appropriate to exclude them in rates.
 - d. State whether KU will apply for the coal tax credit in the coming 2 years. If no, explain.
 - e. Has KU ever been denied the coal tax credit.
 - f. Provide the amount of the coal tax credit applied to income for federal and state tax purposes for each year since the credits inception.
- A-118. a. See attached.
- b. The basis for the true-ups originates with the 2006 tax return. KU will file the 2006 income tax returns pursuant to a Petition for Confidential Protection.
 - c. The “true-ups” are adjustments recorded in the current year that adjust the estimated income tax expense recorded in a prior year as a result of the actual tax return filed. The true-ups represent prior period adjustments. KU has excluded the true-ups due to the fact that if the prior year true-ups are included in rates, income tax expense would reflect a period greater than 12 months. For this reason excluding the prior period income tax adjustments is reasonable. The methodology of removing the true-ups is consistent with the Company’s prior rate case, Case No. 2003-00434.

- d. KU's ability to apply for the coal credit is dependent upon the amount of Kentucky coal purchases, which amounts are not known at this time. If the actual purchases in those years exceed KU's 1999 base amount for Kentucky coal purchases, KU anticipates it will apply for the coal tax credit.
- e. KU has not been denied the credit in years when KU's Kentucky coal purchases exceeded the 1999 base. However, KU has had years when the coal purchased base amount was not exceeded and no credit was available to KU.
- f. The coal credit is only eligible for state income taxes. See the Company's response to Question No. 116 for coal tax credit applied to state income tax since inception.

Kentucky Utilities Company
Case No. 2008-00251
Question PSC 118a
Other Adjustments
12 Months Ended 4/30/08

Federal Tax Adjustments:

Over (under) Accrual of Taxes for non quarter end estimate	1,323,192
Reserves Release due to expiring 2003 statutes	(242,921)
Reallocation of 2006 Tax Benefits	(240,077)
2006 Def Tax Adj - Other Permanent	(1,449,287)
Excess Deferred Tax Adj - 2006 EVA-Temp & Perm	(141,140)
Prior Year Reserve Adjustment	(304,692)
Adjustment to prior year deferred tax - Software	170,724
Prior Period Accounting Tax Adjustment	177,009
Total	<u>(707,192)</u>

Federal effect of removing Kentucky Coal Tax Credit:

Kentucky Coal Credit (See response to Q 119)	598,704
Federal Income Tax Rate	x 35%
	<u>209,546</u>

Total Federal Adjustment

(497,646)

State Tax Adjustments:

Over (under) Accrual of Taxes for non quarter end estimate	20,072
Reserves Release due to expiring 2003 statutes	182,902
2006 State Apportionment KY/VA	(158,127)
Adjustment to prior year deferred tax - Software	31,135
Def Tax Adj - Excess 2006 EVA-Temp & Perm	211,888
Prior Period Accounting Tax Adjustment	46,021
Total	<u><u>333,891</u></u>

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 119

Responding Witness: Valerie L. Scott

- Q-119. a. Refer to Exhibit 1, Reference Schedules 1.33 and 1.41, of the Rives Testimony. On 1.33 it appears that the coal tax credit applied to property taxes in the amount of \$447,054 is added back to test year expenses. On 1.41 it appears that \$598,704 for the coal tax credit applied to income taxes is added back to test year expenses. The sum of the coal tax credit "add back" appears to then be \$1,045,758. However, at page 9, lines 4-6 of the Scott Testimony, it appears to indicate that adjustment 1.41 includes the net effect of adjustment 1.33. Has the coal tax credit applied to property taxes been removed from test year expenses twice? Explain.
- b. Discuss why it is appropriate to remove the coal tax credits from test year operations when establishing rates for KU.
- A-119. a. No, the coal tax credit has not been removed from the test year twice. See attached. During the first and second quarters of 2007 the coal tax credit was applied to income taxes based on anticipated state taxable income for 2007. In the third quarter of 2007, the anticipated state taxable income changed to an anticipated state taxable loss; therefore the credit was removed from income taxes and applied to property taxes. During the first quarter of the next calendar/tax year, 2008, the coal tax credit was applied to income taxes based on anticipated state taxable income for the year. The coal credit was applied to property tax in year 2007 and income taxes in year 2008.
- b. The coal tax credit expires for the Company with the calendar year coal purchases of 2009. The nature of the credit is contingent on exceeding the 1999 base level of Kentucky coal purchases. This can be impacted by several factors including availability of Kentucky coal and the weather conditions. The coal tax credit received has varied from year to year; the Company received no coal tax credit in several previous years due to the fact that the Kentucky coal purchases did not exceed the base amounts. If the Company is eligible for the coal tax credit the application of the credit can vary between income tax and property tax depending on levels of taxable income. For these reasons the coal tax credit should not be considered an on-going reduction to property tax expenses, and should be removed from the test year.

Kentucky Utilities Company
Case No. 2008-00251
PSC - 2nd Data Response
Question 119a.

Debit/(Credit) to Expense	<u>Applied Coal Tax Credit</u>				2008 <u>1st Quarter</u>	Test Year Total <u>2nd Q 2007 - 1st Q 2008</u>
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>		
		2007				
Income Taxes	(23,986)	(23,986)	47,972	0	(622,690)	(598,704)
Property Taxes	0	0	(507,797)	0	0	(507,797)

Notes:

The above amounts are before Kentucky jurisdictional percentage is applied.

The amount applied against income tax in the first quarter 2008 represents one quarter of coal tax credit for Kentucky coal purchases in 2007.

For a discussion of the amount applied to 2007 property tax see response to Question 116.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 120

Responding Witness: Lonnie E. Bellar

- Q-120. List all buildings and facilities used by KU that are common to KU and its affiliates and subsidiaries. For each building and facility provide its location and physical address and separately state the following information:
- a. List all tenants.
 - b. The amount of annual rent charged to KU and each of the other occupants.
 - c. The name of the company receiving the rent payments
 - d. Documentation demonstrating that KU's rent cost included in b. are at fair market value.
 - e. An itemized list of annual building maintenance and cleaning costs.
 - f. A schedule showing the allocation of the costs reported in e. to all occupants.
 - g. An explanation of why the allocations included in f. are appropriate.

A-120.

	FACILITY	LOCATION	PHYSICAL ADDRESS	ZIP
1	Broadway Office Complex	Louisville	820 West Broadway	40202
2	E.ON US Building	Louisville	220 West Main Street	40202
3	Kentucky Utilities General Office	Lexington	One Quality Street	40507

a. All tenants, including all affiliates and subsidiaries, that pay rent are listed below.

	FACILITY	TENANTS
1	Broadway Office Complex	N/A
2	E.ON US Building	LG&E KU CAP CORP LEM WKE
3	Kentucky Utilities General Office	University of Kentucky

b.

	FACILITY	ANNUAL RENT COST	ANNUAL RENT COLLECTED																					
1	Broadway Office Complex	N/A	N/A																					
2	E.ON US Building	COST BY COMPANY	N/A																					
		<table border="1"> <thead> <tr> <th>CO</th> <th>TOTAL \$</th> <th>% OF ALLOC.</th> </tr> </thead> <tbody> <tr> <td>LGE</td> <td>\$1,506,783.94</td> <td>42%</td> </tr> <tr> <td>KU</td> <td>\$1,456,024.93</td> <td>41%</td> </tr> <tr> <td>CAP CORP</td> <td>\$397,927.25</td> <td>11%</td> </tr> <tr> <td>LEM</td> <td>\$76,754.63</td> <td>2%</td> </tr> <tr> <td>WKE</td> <td>\$157,586.73</td> <td>4%</td> </tr> <tr> <td>TOTAL</td> <td>\$3,595,077.48</td> <td>100%</td> </tr> </tbody> </table>	CO	TOTAL \$	% OF ALLOC.	LGE	\$1,506,783.94	42%	KU	\$1,456,024.93	41%	CAP CORP	\$397,927.25	11%	LEM	\$76,754.63	2%	WKE	\$157,586.73	4%	TOTAL	\$3,595,077.48	100%	
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LEM	\$76,754.63	2%																						
WKE	\$157,586.73	4%																						
TOTAL	\$3,595,077.48	100%																						
3	Kentucky Utilities General Office	N/A	\$294,156																					

c.

	FACILITY	LANDLORD
1	Broadway Office Complex	N/A
2	E.ON US Building	Louisville Financial Associates/ Harbor Group Management
3	Kentucky Utilities General Office	Kentucky Utilities

d.

	FACILITY	DEMONSTRATION OF FAIR MARKET VALUE
1	Broadway Office Complex	N/A
2	E.ON US Building	<ul style="list-style-type: none"> ◆ The lease term is not 75% of the economic life of the asset being leased. ◆ The NPV of the lease payment is not more than 90% of the fair market value of the facility. ◆ E.ON US, LLC occupies 62% of the building; however, the lease is only 26% of the economic life of the building.
3	Kentucky Utilities General Office	N/A

e.

	FACILITY	ANNUAL MAINTENANCE AND CLEANING COST										
1	Broadway Office Complex	N/A										
2	E.ON US Building	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Service</th> <th style="text-align: center;">Total Cost</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Day Matron & Janitorial Expense</td> <td style="text-align: right;">\$ 31,360.44</td> </tr> <tr> <td style="text-align: center;">Real Estate Taxes</td> <td style="text-align: right;">\$ 36,369.72</td> </tr> <tr> <td style="text-align: center;">Common Area Maintenance</td> <td style="text-align: right;">\$ 142,949.43</td> </tr> <tr> <td style="text-align: center;">Total Cost</td> <td style="text-align: right;">\$ 210,679.59</td> </tr> </tbody> </table>	Service	Total Cost	Day Matron & Janitorial Expense	\$ 31,360.44	Real Estate Taxes	\$ 36,369.72	Common Area Maintenance	\$ 142,949.43	Total Cost	\$ 210,679.59
Service	Total Cost											
Day Matron & Janitorial Expense	\$ 31,360.44											
Real Estate Taxes	\$ 36,369.72											
Common Area Maintenance	\$ 142,949.43											
Total Cost	\$ 210,679.59											
3	Kentucky Utilities General Office	N/A										

f.

FACILITY	ALLOCATION OF COST (FROM PART E)																					
1 Broadway Office Complex	N/A																					
2 E.ON US Building	COST BY COMPANY																					
	<table border="1"> <thead> <tr> <th>CO</th> <th>TOTAL \$</th> <th>% OF ALLOC.</th> </tr> </thead> <tbody> <tr> <td>LGE</td> <td>\$88,409.77</td> <td>42%</td> </tr> <tr> <td>KU</td> <td>\$84,205.27</td> <td>40%</td> </tr> <tr> <td>CAP CORP</td> <td>\$23,366.99</td> <td>11%</td> </tr> <tr> <td>LEM</td> <td>\$5,635.63</td> <td>3%</td> </tr> <tr> <td>WKE</td> <td>\$9,061.93</td> <td>4%</td> </tr> <tr> <td>TOTAL</td> <td>\$210,679.59</td> <td>100%</td> </tr> </tbody> </table>	CO	TOTAL \$	% OF ALLOC.	LGE	\$88,409.77	42%	KU	\$84,205.27	40%	CAP CORP	\$23,366.99	11%	LEM	\$5,635.63	3%	WKE	\$9,061.93	4%	TOTAL	\$210,679.59	100%
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LEM	\$5,635.63	3%																				
WKE	\$9,061.93	4%																				
TOTAL	\$210,679.59	100%																				
3 Kentucky Utilities General Office	N/A																					

g.

FACILITY	JUSTIFICATIONS FOR ALLOCATIONS OF COST (FROM PART F)
1 Broadway Office Complex	N/A
2 E.ON US Building	The allocations are appropriate in part f because they are based on the percentage of square feet occupied by each affiliate and subsidiary.
3 Kentucky Utilities General Office	N/A

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251
CASE NO. 2007-00565

Response to Second Data Request of Commission Staff
Dated August 27, 2008

Question No. 121

Responding Witness: Valerie L. Scott

Q-121. Describe the safeguards in place to protect KU from unauthorized employee use of its credit cards and credit accounts.

A-121. The Company administers a Procurement Card (Pro Card) program as well as an American Express (AMEX) card program.

The Pro Card is registered in the Company's name and assigned to a specific employee to purchase low dollar items (i.e., books, subscriptions, classes or seminars, miscellaneous maintenance requirements, office, safety and crew supplies and automotive fuel and parts). Safeguards in place to protect the Company from unauthorized employee use include:

1. Each Pro Card is issued to a specific individual. The individual's supervisor or manager must authorize the request and issuance of the card. Pro Cards are issued only to employees of the Company.
2. Each Pro Card is assigned an individual credit limit (a transaction limit and monthly limit). The Pro Card may also be restricted to limit purchases to only certain merchant categories. Changes to the transaction limit, the monthly limit, and/or the merchant restrictions require written authorization.
3. When a new card is issued, the cardholder and the cardholder's line of authority Manager must each sign a written affirmation attesting to the proper use of the Pro Card.
4. Receipts for all purchases must be retained for 7 years by the cardholder with the business purpose noted and the supporting documentation. Supporting documentation includes a detailed description of the function, event or business purpose.
5. Receipts must be reconciled and attached to the monthly cardholder statement by the cardholder. The cardholder will sign the monthly statement as evidence of review

and reconciliation, then forward to the cardholder's supervisor or manager for review and approval.

6. The supervisor or manager of each cardholder must review the inventory of Pro Card(s) in use on an annual basis.
7. The cardholder is responsible for the security of the Pro Card and it must be kept in an accessible, but secure, location. A lost or stolen Pro Card must be reported to the bank by the cardholder immediately.
8. The Pro Card must be used strictly for business purposes and, under no circumstances, for personal use.
9. When a cardholder either leaves the Company or transfers from his/her work location, the card must be returned to the cardholder's supervisor or manager.

The AMEX card (corporate credit card) is issued to certain employees who have a need for recurring business travel throughout the year or other justified expenses as determined by management, and who obtain written approval from their Line of Business Vice President and the Corporate Credit Card Program Administrator. Other safeguards in place to protect the Company from unauthorized employee use include:

1. Corporate credit cards are issued only to employees of the Company and are to be used solely by the person to whom the card is issued.
2. When a new corporate credit card is issued, the cardholder must sign a written affirmation attesting to the proper use of the credit card and the abiding of the Corporate credit card policy. On an annual basis, each cardholder will receive a copy of the policy describing the proper use of the credit card.
3. All files, cards reports and related information are kept locked under the supervision of the AMEX Administrator.
4. All requests for cards are matched to the internal telephone directory to ensure that an employee is an active, current employee. Contractors are not eligible for the American Express card.
5. Applications are processed on a secured website by the AMEX Card Program Administrator.
6. The Company maintains a record of newly acquired company property assigned to employees in Peoplesoft. The assignment of the card to an employee is recorded before sending the AMEX card to the user. Charge card numbers are never put into the Peoplesoft system for security reasons.

7. A log of all American Express Cardholders is maintained in an email listing.
8. Renewal cards are sent to the AMEX Card Program Administrator's department. They are sent via intra-office mail, marked confidential, to the employee.
9. Human Resources sends a notification when an employee is terminated to the AMEX Card Program Administrator who reviews the company property owned records in Peoplesoft. The card for any employee with an AMEX card is canceled via the americanexpress.com site, noted in Peoplesoft and deleted from the distribution listing.
10. Monthly, the AMEX Card Program Administrator reviews the delinquency history report. Any cards delinquent more than 90 days are canceled by American Express.
11. There are no preset limits on the cards unless the cardholder is considered a credit risk. If a credit risk, they start with a \$500 retail limit and a \$4,000 travel limit. The card limit may not be increased more than 3 times in a 12 month period by AMEX. *Retail limits are generally set at much lower than travel limits.*
12. Payments to AMEX are made via company reimbursement system requiring certain approvals, etc. Only approved company expenses are paid, leaving non-approved and personal expenses as the responsibility of the employee. Employee expense reports must be approved by the employee's manager. Personal expenses must be reimbursed to the Company when the expense report is submitted for approval.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 122

Responding Witness: Chris Hermann / Shannon L. Charnas

- Q-122. a. For the test year and the 3 previous calendar years provide the annual expense reported by KU for contracted labor related to the following services. If possible, separate the amounts reported for each category by vendor name.

Vegetation Management
Storm Damage
Meter Reading
Maintenance Contracts
Temporary Clerical/Accounting Services
Temporary Legal

- b. Explain how KU selects the contractors providing the services listed in a. and how KU ensures that it is securing a competitive market based cost.

- A-122. a. See attached.

- b. Contractors are selected as a result of a competitive bid process. This process includes
- Developing a well defined scope of work
 - Determining the timeframe over which this work will be performed
 - Identifying the qualified contractors capable of safely performing the work
 - Developing a Request For Quotation (RFQ) that includes all technical and commercial requirements and expectations. Pricing can be requested in a number of ways based on the scope of work, but will always include a comprehensive breakdown of the contractors overhead costs, not just hourly rates
 - Soliciting responses to that RFQ from the contractors identified above
 - Developing an evaluation criteria for analyzing the responses
 - Analyzing the responses consistent with the evaluation criteria
 - Conducting follow-up meetings on all or a short list of the contractors providing responses to clarify the submittals and/or negotiate alternates to the original submittal
 - Developing an award recommendation that is presented and approved to the appropriate level of management

- Award of the work to the recommended contractor(s)

To ensure we are getting the best pricing, we:

- Do a comprehensive analysis of the contractors cost structure and negotiate out aspects we believe do not add value
- Attempt to lock in pricing for the term of the contract that we feel should remain firm
- Isolate those cost aspects that are more volatile and agree to routine reviews - but offer no guarantee to change (i.e. Fuel)
- Offer no guarantee of work
- Reserve the right to competitively bid individual scopes of work
- Conduct routine performance review meetings with contractors performing key work

**KENTUCKY UTILITIES COMPANY
CONTRACTED LABOR**

SERVICE	TEST YEAR	2007	2006	2005
Vegetation Management	\$14,788,658.74	\$13,906,685.64	\$12,454,879.42	\$13,244,683.32
Storm Damage	1,574,828.73	944,313.68	1,595,583.89	1,396,778.59
Meter Reading	5,648,545.97	5,382,080.11	5,550,057.39	5,753,409.39
Maintenance Contracts	17,945,643.37	16,217,708.70	9,080,895.17	10,899,984.65
Temporary Clerical/Accounting Services	2,895,283.50	1,942,701.60	1,746,728.65	2,001,460.15
Temporary Legal	6,109,822.47	4,901,509.25	3,585,448.88	4,192,081.87
Total	\$48,962,782.78	\$43,294,998.98	\$34,013,593.40	\$37,488,397.97

VEGETATION MANAGEMENT BY VENDOR

Acrt Inc	\$ -	\$ 650.56	\$ 76,928.72	\$ 73,025.37
Aspiundh Tree Expert Co	3,620,710.37	3,400,470.12	2,852,847.05	3,814,745.31
Environmental Consultants Inc (Forestry)	230,068.67	206,534.50	150,620.83	166,032.89
Nelson Tree Service Inc	31,041.82	-	-	-
Phillips Tree Experts Inc	4,494,077.98	4,165,690.21	3,950,960.27	3,114,243.52
Townsend Tree Service Company Inc	4,848,830.07	4,665,043.21	4,416,560.68	4,948,755.99
Wright Tree Service Inc	1,563,929.83	1,468,297.04	1,006,961.87	1,127,880.24
Total Vegetation Management by Vendor	\$ 14,788,658.74	\$ 13,906,685.64	\$ 12,454,879.42	\$ 13,244,683.32

STORM DAMAGE BY VENDOR

Abel Construction Company Inc	\$ -	\$ -	\$ 48,964.67	\$ 79,977.08
B And B Electric Co Inc	27,665.84	34,687.99	72,614.99	12,907.26
Bowlin Group Llc	27,555.10	20,664.31	-	-
Brownstown Electric Supply Co Inc	-	-	3,354.74	-
C R Cable Construction Inc	7,518.00	-	-	8,571.60
Chu Con Inc	23,882.34	15,309.95	42,432.81	43,129.29
Davis H Elliot Company Inc	873,420.91	614,110.70	546,285.62	517,437.52
Dillard Smith Construction Company	-	-	120.29	-
Dozil Company Inc	275.17	275.17	1,745.34	-
Electric Service Co Ltd	-	120.00	57,474.45	74,403.86
Fishel Co	2,139.88	2,076.46	21,829.65	26,411.59
Gary Lynn Construction Co Inc	(69.30)	2,663.58	14,578.06	2,448.86
Hall Contracting Of Kentucky Inc	6,870.00	2,085.00	-	-
Hamby Construction Inc	13,415.00	14,349.65	3,718.00	31,615.91
Hendrix Electric Inc	51,426.93	22,397.60	102,256.39	36,735.12
Henkels And Mccoy Inc	28,188.25	-	-	-
Miller Construction Company Inc	28,706.56	-	-	-
Ops Plus Inc	53,610.12	85,466.31	334,832.76	198,196.44
Pecco Inc	38,992.89	38,808.21	39,266.39	74,020.14
Pike Electric Inc	169,066.50	13,961.78	11,555.73	168,830.63
Serco Management Services Inc	71,458.32	22,284.34	33,196.48	77,962.10
Southern Pipeline Const Co	-	-	10,879.00	-
William E Groves Construction Inc	124,995.13	51,124.81	250,478.52	44,131.19
Willis Lane Construction Co Inc	25,711.09	3,927.82	-	-
Total Storm Damage by Vendor	\$ 1,574,828.73	\$ 944,313.68	\$ 1,595,583.89	\$ 1,396,778.59

METER READING BY VENDOR

Tru Check Inc	\$ 5,648,545.97	\$ 5,382,080.11	\$ 5,550,057.39	\$ 5,753,409.39
Total Meter Reading by Vendor	\$ 5,648,545.97	\$ 5,382,080.11	\$ 5,550,057.39	\$ 5,753,409.39

MAINTENANCE CONTRACTS BY VENDOR

Aastra Usa Inc	\$ 1,449.18	\$ -	\$ -	\$ -
Advanced Solutions Inc	260.00	2,768.52	260.00	190.85
Aetna Building Maintenance Inc	197,270.20	196,914.47	182,221.85	170,839.38
Alg Software	-	-	7,299.42	7,144.29
Assured Assets Protection	1,033.00	-	-	-
Avaya Inc	78,054.04	63,773.53	56,227.41	61,304.45
Beacon Pointe Corp	16,020.00	2,905.18	-	-
Bentley Systems Inc	-	-	-	1,727.04
Bray Electric Services Inc	125,854.08	141,856.54	51,624.62	59,702.00
C E Power Solutions Llc	376,381.79	363,302.78	-	1,350.00
Charah Inc	678,489.85	490,108.66	-	-
Chucks Construction Co Inc	(1,419.22)	-	-	-
Comware Systems Inc	-	-	-	207.00

SERVICE	TEST YEAR	2007	2006	2005
Data Processing Sciences Corp	250 85	387 61	-	-
DII Solutions Inc	874 00	874 00	-	168 00
Document Control Systems Inc	79,298 07	50,864 63	4,961 50	-
Enspira Solutions Inc	64,038 59	64,038 59	-	-
Evans Construction Co Inc	5,479,551 14	4,956,094 08	4,188,913 15	4,134,025 16
G And G Utility Construction Inc	51,415 67	64,137 54	66,013 81	61,042 54
Ge Energy Management Services Inc	-	-	2,000 00	55,616 00
Group 1 Software	34,828 52	34,828 52	-	-
Honeywell	19,780 92	-	-	-
Information Intellect Inc	-	2,160 00	-	-
Intermec Technologies Corp	608 11	608 11	1,145 86	1,820 00
Internet Security Systems Inc	-	-	-	5,794 42
Itron Inc	444 63	1,775 74	2,002 42	8,421 72
Liebert Global Services	14,442 85	23,239 85	21,859 47	13,207 68
Matrix Integration Llc	45,845 74	45,631 60	45,587 03	44,461 24
Mechanical Construction Services Inc	2,714,058 37	2,591,952 85	1,819,390 79	2,322,975 18
Mechanical Dynamics And Analysis Llc	1,020,030 55	575,518 53	900 00	710,259 52
Moore Security Llc	638,170 06	704,622 98	630,871 79	508,502 08
Motorola	-	-	1,360 40	1,323 09
Mro Software inc	-	-	-	10,044 09
Mtm Technologies Inc	4,067 90	-	-	-
National Environmental Contracting Inc	-	-	40 00	640 00
Net Iq Corp	3,990 53	-	-	-
New Energy Associates Llc	9,385 00	50,723 04	8,643 79	103,942 24
Northrop Grumman Commercial Information Services, Inc	-	-	-	113 22
Oracle Usa Inc	8,142 36	4,960 86	1,269 20	8,591 50
Payformance Corp	-	-	352 50	-
Pic Energy Services Inc	2,608,826 62	2,353,394 98	1,725,576 42	1,893,245 22
Powerplan Consultants Inc	5,713 50	5,713 50	-	-
Product Support Solutions Inc	-	-	-	2,000 00
Prosys Information Systems Inc	2,569 20	2,569 20	-	-
Radio Communications Systems	15,903 85	14,662 91	15,489 57	17,361 93
Real Resume Corporation	1,386 00	1,386 00	1,386 00	1,476 00
Reed Utilities Co	19,841 64	7,295 58	14,394 59	5,994 41
Rus Sales	11,875 31	10,858 32	10,984 62	13,740 26
Saratoga Systems Inc	-	-	-	12,250 00
Scientech Inc	-	-	1,500 00	-
Siemens Power Generation Inc	3,459,309 33	3,275,777 15	134,511 80	218,397 92
Software Engineering Of America	-	-	-	2,250 00
Software House International Inc	964 00	800 00	-	-
Sterling Commerce Inc	7,309 45	8,051 25	6,037 98	7,748 95
Storagetek	-	-	1,392 33	-
Structure Group Llc	-	-	-	92,526 85
Symantec Corp	45,180 24	-	51,442 17	-
Televox Software Inc	78,926 28	75,317 28	12,727 57	-
Total Resource Management Inc	11,506 86	5,881 86	-	-
Vector Esp Inc	-	-	-	4,675 90
Veramark Technologies Inc	-	-	3,355 13	2,022 12
Wilhod Inc	13,714 31	21,952 46	9,151 98	331,368 89
Worksuite Llc	-	-	-	1,513 51
Total Maintenance Contracts by Vendor	\$ 17,945,643.37	\$ 16,217,708.70	\$ 9,080,895.17	\$ 10,899,984.65

TEMPORARY CLERICAL/ACCOUNTING SERVICES BY VENDOR

Accent Training Llc	\$ -	\$ -	\$ 283 33	\$ -
Access Computer Careers Division	58,917 60	39,297 30	26,073 75	70,500 15
Accountemps	3,462 72	3,462 72	-	-
Agilysys	476 74	-	-	-
Ajilon Professional Staffing Llc	54,106 91	23,432 50	29,672 00	37,418 00
Analysts International	79,039 88	83,899 65	185,919 74	268,035 98
Computer Progress United	-	-	14,112 00	38,446 56
Computer Task Group Inc	-	-	-	300 00
Cook Systems Intl Inc	6,796 16	-	-	-
Duncan Technologies	-	-	-	5,356 20
Four Sight Corporation	119,811 25	98,995 00	10,916 00	13,296 00
Interactive Business Systems Inc	6,526 85	4,666 61	-	-
J Y Legner Associates Inc	740,341 04	567,368 83	307,656 58	280,789 49
Kelly Services Incorporated	24,119 58	55,973 36	107,686 86	95,046 26
Kforce Inc	165,927 82	132,720 89	111,178 98	88,300 05
Koinonia Computing Inc	-	-	38,580 25	71,733 50

SERVICE	TEST YEAR	2007	2006	2005
Lakeshore Staffing Group	-	-	8,062.74	49,289.37
Manpower Inc	18,254.46	33,268.95	39,088.94	84,688.37
Ness Global Services Inc	-	-	10,244.22	102,643.44
New Age Technologies Inc	72,789.20	20,988.90	73,053.86	9,703.16
Practical Solutions	386,333.96	162,998.75	-	402,630.46
Remedy Intelligent Staffing	209,271.26	193,858.03	294,910.46	-
Robert Half Management Resources	35,940.80	21,796.34	-	-
Robert Half Technology	-	-	-	7,431.50
Surrex Solutions Corp	15,433.84	1,212.96	-	-
Tek Systems	197,265.52	138,408.36	87,772.16	29,744.64
Todays Staffing inc	251,718.16	293,042.69	391,476.78	344,689.74
Other	448,749.75	67,309.76	10,040.00	1,417.28
Total Temporary Clerical/Accounting Services by Vendor	\$ 2,895,283.50	\$ 1,942,701.60	\$ 1,746,728.65	\$ 2,001,460.15

TEMPORARY LEGAL BY VENDOR

Baker Botts Llp	\$ 567,973.11	\$ 289,904.27	\$ 34,131.48	\$ -
Barnes And Thornburg Llp	1,451.75	-	-	-
Boehi Stopher And Graves Llp	42,884.64	60,946.93	152,364.99	119,438.29
Covington & Burling	649.00	-	-	-
Dewey Ballantine	-	773.88	-	809.67
Fernandez Friedman Grossman And Kohn	-	-	175.42	-
Ferri & Fogle	-	-	8.00	452.00
Foley And Mansfield Pllp	7,992.84	6,356.44	-	-
Frost Brown Todd Llc	1,468,071.89	1,354,663.72	549,655.53	747,685.43
Fulton And Devlin	6,169.46	2,741.63	689.00	-
Greenebaum Doll And Mcdonald Pllc	552,517.21	343,130.76	17,299.37	35,837.04
Holly M Everett Psc	2,712.00	3,198.00	-	-
Hoskins Law Offices Pllc	-	-	2,453.10	4,956.00
Howrey Llp	-	-	4,050.63	-
Hunton And Williams Llp	271,129.63	196,013.96	181,890.20	305,858.13
Jackson Kelly Pllc	32,430.00	32,430.00	-	64,860.00
Jones Day	38,391.79	36,065.63	44,743.00	60,658.26
Kennedy Covington	11,465.62	18,733.12	-	-
Kilpatrick Stockton Llp	634.95	2,282.70	-	-
Kirkpatrick And Lockhart Preston	1,317.50	-	-	-
Leclair Ryan	-	-	63,992.43	3,694.42
Mcquirewoods Llp	-	-	-	121.43
Morris Nichols Arshnt And Tunnell Llp	-	-	5,403.04	-
Moses And Singer Llp	7,144.62	7,144.62	-	-
Mullins Harris & Jessee	21,955.44	25,315.44	7,011.28	7,469.07
Nixon Peabody Llp	48,647.43	11,455.78	8,213.42	2,539.47
Novack And Macey Llp	22,627.22	22,627.22	-	-
Ogden Newell And Welch	-	-	-	546,434.08
Reed Weitkamp Schell And Vice Pllc	-	-	426.17	-
Robinson. Mark A	-	-	4,835.32	17,118.91
Rosso Alba, Francia And Ruiz Moreno	937.73	979.00	-	-
Sands Anderson Marks And Miller	2,307.00	2,675.00	9,751.61	6,118.36
Scot S Farthing Esq	-	-	2,325.00	530.93
Scott P Zoppoth Pllc	-	-	-	1,368.00
Scoville Firm Pllc	40.00	40.00	2,513.69	540.00
Smith And Smith	55.00	-	4,968.99	2,709.03
Stoll Keenon Ogden Pllc	656,648.63	684,476.47	765,855.75	72,123.10
Sturgeon. Allyson	-	-	44,265.99	18,800.28
Sutherland Asbill And Brennan Llp	-	-	-	23,394.13
Thelen Reid Brown Raysman And Steiner Llp	12,933.12	5,126.62	-	-
Troutman Sanders Llp	1,477,917.47	1,401,439.57	1,622,282.72	2,145,520.71
Valenti Hanley And Robinson Pllc	3,288.45	2,903.45	-	-
Van Ness Feldman	70.41	94.25	70.92	130.79
Vinson And Elkins	133,581.92	133,581.92	-	-
Waller Lansden Dortch & Davis	9,475.99	3,376.79	6,174.27	-
Watkins And Eager Pllc	833.13	1,701.87	2,071.63	-
Weltman Weinberg And Reis Co Lpa	4,875.00	4,875.00	-	-
White Pllc, Jackson W	-	786.60	-	-
Woodward Hobson And Fulton Llp	43,754.51	44,899.68	51,087.31	1,411.00
Wyatt Tarrant & Combs Llp	4,864.28	-	16,338.62	4,848.43
Other	652,073.73	200,768.93	(19,599.90)	(3,345.09)
Total Temporary Legal by Vendor	\$ 6,109,822.47	\$ 4,901,509.25	\$ 3,585,448.98	\$ 4,192,081.87

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 123

Responding Witness: Chris Hermann

Q-123. Provide a discussion of KU's current vegetation management program and explain any changes made to that program since KU's last rate application.

A-123. The Distribution Vegetation Management Program encompasses right of way maintenance for Kentucky Utilities Company and Louisville Gas and Electric Company (referred to as the "Companies"). The program is centralized and managed by a Forestry Manager and nine company Utility Arborists. Six arborists are dedicated to KU, and two are dedicated to LG&E with one arborist working for both KU and LG&E. (KU has determined that mention of this shared employee was inadvertently omitted from Mr. Hermann's testimony at page 7, line 13.) All arborists are certified by the International Society of Arboriculture. The Companies employ four professional tree contractor companies (Nelson, Phillips, Townsend and Wright). Utility line clearing is undertaken to maintain safety, reliability of service, and access to the utility's facilities for maintenance and repair.

KU's Distribution Vegetation Management Program encompasses 13,600 miles of right of way maintenance.

The Companies' primary focus and core value is to ensure the health and safety of our employees, business partners, and the public while maintaining the right of way for reliability purposes. Contractors and their employees will recognize and follow all laws, rules and regulations regarding public and worker safety. Any incident must be reported to the appropriate safety consultant immediately. Tree Trimming Contractors are held accountable for safety per OSHA and Company standards. Every new contract employee must complete a safety training program in the first 30 days.

The Companies employ an Integrated Vegetation Management (IVM) Program that is the process of using chemical, manual, or mechanical techniques to control undesirable vegetation and includes natural or directional pruning, environmentally safe herbicides, and tree removals.

The IVM program includes flexibility to operate and maintain variable easement widths, differences between rural and urban service areas, applicable codes or

ordinances, and the need to maintain some level of flexibility in addressing landowner requests or concerns. Schedules and priorities for tree trimming are based on vegetation growth, cycle-last trim date, reliability data, and visual inspections. Reliability centered maintenance concepts are employed in establishing tree trimming priorities.

The plan includes the application of a flexible multi-cycle strategy to address growth and tree density which will vary across the service area. The Companies' plan is to maintain a proactive trim cycle while balancing the reactive needs of worst performing circuits. The Companies' goal is to maintain an average trim cycle of five years or less.

All tree-trimming is governed by approved principles of modern arboriculture and shall adhere to International Society of Arboriculture ("ISA") standards. Other standards utilized in the program include ANSI A300, NESC, and OSHA 1910.269 as well as compliance with tree ordinances and local codes. Contractors are held accountable for safety per OSHA and Company standards. The reliability criteria used to develop the vegetation management plan are system SAIDI, SAIFI, and CAIDI.

Work plans are prepared annually by circuit based on vegetation growth, cycle-last trim date, reliability data, and visual inspections by arborists who develop work plans to target trees that need to be trimmed or removed as well as the flexibility to prescribe a different trim cycle by circuit that addresses growth and tree density for that circuit. A mid-cycle "touch up" is used as needed based on field inspections for multi-phase lines. The vegetation plan strategy will balance the routine trimming plan to maintain an average trim cycle with the reliability centered maintenance plan to address the worst performing circuits. The top 10 worst performing circuits are identified by each reliability index. These circuits are evaluated to determine root cause of the outages. If the root cause is tree related, the arborist will visually inspect the circuit to determine the appropriate plan of action.

Each customer on the circuit receives a mailing notification letter, one to two weeks prior to beginning the circuit work. The crew "knocks on the door" before the work begins. Customer complaints are investigated. Customer satisfaction is included in the contractor evaluation. Customer education about tree trimming and planting trees is provided in consumer mail inserts, participation in community events, and media announcements.

The vegetation management strategy includes target pricing and firm bid work. Target pricing promotes efficiency in contractor resource management. The target price strategy deploys prescriptive tree management techniques. All trees and brush are planned, counted, and marked on a circuit map, span by span. Contractor work is prescribed and a target price is established for the work. Every circuit is inspected after the tree work is complete. Approximately 8 to 10 percent of the tree work is bid on a firm basis to validate target pricing and encourage contractor competition. Contractor's

performance is evaluated based on safety, productivity, quality, and customer satisfaction on a quarterly and annual basis.

Changes made to the distribution program since the last rate application include:

- Added a Mid-Cycle Touch Up Plan to focus on fast growing trees on multi-phase lines.
- Increased focus on removal of hazard trees located off the right of way.
- Increased focus on tree clearance and removal of overhang limbs on three phase feeder circuits.
- Initiated a tree outage investigation program that focuses on tree caused outages.
- Increased application of herbicides. The herbicide plan is a proactive plan to control brush and small trees.

A Vegetation Management Plan was submitted, pursuant to the Commissions Order, Administrative Case 2006-00494, on December 19, 2007.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 124

Responding Witness: S. Bradford Rives

Q-124. Provide an analysis showing test year amortization of debt issuance costs and debt discounts and premiums.

A-124. See attached.

KENTUCKY UTILITIES COMPANY
Amortization of Debt Expense
For the test year ended April 30, 2008

															TOTAL
Unamortized Debt Expense Acct	181145	181184	181185	181186	181187	181188	181192	181195	181196	181197	181198	181199	181004	181005	
TYPE SERIES	PCB 11 or MC 2000 A	PCB 12	PCB 13	PCB 15 - Mercer	PCB 14 - Muhlenberg	PCB 16	PCB 17	PCB 18	PCB 19	PCB 20	PCB 21	PCB 22	PCB CC2007A	PCB TC2007A	
BALANCE															
May 1, 2007	\$ 276,644.29	\$ 101,498.34	\$ 70,557.62	\$ 78,547.11	\$ 28,308.40	\$ 1,847,926.04	\$ 1,098,727.59	\$ 496,922.30	\$ 505,039.04	\$ 601,784.05	\$ 532,545.92	\$ 856,065.05	\$	\$	\$ 6,494,563.75
MONTHLY AMORTIZATION															
MAY	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,531.30	2,671.96	1,140.27	449.45	\$ 22,269.98
JUN	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,531.30	2,777.37	1,140.27	449.45	\$ 22,375.39
JUL	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,546.85	2,612.03	1,302.77	567.98	\$ 22,706.63
AUG	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,546.85	2,844.18	1,372.65	613.45	\$ 22,854.13
SEP	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,546.85	2,853.45	1,466.81	674.55	\$ 23,018.66
OCT	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,546.85	2,853.45	1,602.06	756.84	\$ 23,236.20
NOV	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,546.85	2,885.06	1,602.06	756.84	\$ 23,247.81
DEC	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,716.76	3,111.91	1,856.51	896.94	\$ 24,059.12
JAN	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,716.76	3,111.91	1,856.51	896.94	\$ 24,059.12
FEB	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,716.76	3,111.91	1,856.51	896.94	\$ 24,059.12
MAR	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,716.76	3,111.91	1,856.51	896.94	\$ 24,059.12
APR	1,441.00	342.00	238.00	265.00	95.00	6,059.00	3,339.00	1,475.00	1,499.00	1,724.00	1,716.76	3,111.91	2,420.67	1,079.78	\$ 23,089.36
Total Year	\$ 17,292.00	\$ 4,104.00	\$ 2,856.00	\$ 3,180.00	\$ 1,140.00	\$ 72,708.00	\$ 40,068.00	\$ 17,700.00	\$ 17,988.00	\$ 20,688.00	\$ 17,663.89	\$ 35,237.05	\$ 19,473.60	\$ 8,936.10	\$ 279,034.64 (A)
New costs to be amortized											\$ 65,381.63	\$ 168,760.25	\$ 537,497.97	\$ 383,619.73	\$ 1,155,259.58
Transfer to account 189098 for repurchased bond											\$ (580,263.66)				\$ (580,263.66)
Balance April 30, 2008	\$ 259,352.29	\$ 97,392.34	\$ 67,701.62	\$ 75,367.11	\$ 27,168.40	\$ 1,775,218.04	\$ 1,058,659.59	\$ 479,222.30	\$ 487,051.04	\$ 581,096.05	\$	\$ 989,588.25	\$ 518,024.37	\$ 374,683.63	\$ 6,790,525.03

(A) Amortization Expense on schedule of \$279,034.64 is different from the Trial Balance Expense of \$291,703.44 in account 428090 because of expenses incurred on retired debt.

Kentucky Utilities Company
 Amortization of Loss on reacquired debt
 For the test year ended April 30, 2008

	TOTAL												
Amort. of Loss on Reacquired Debt	189091	189033	189034	189042	189084	189085	189086	189087	189088	189092	189093	189094	189098
TYPE	FMB	FMB	PCB	PCB	PCB	PCB	PCB	PCB	PCB	PCB	PCB	PCB	PCB
SERIES	P \$33M 5/15	08/07 - P 7.92%	R 7.55%	A 4.75%	CC2002A	CC2002B	MC2002A	MC2002A	CC2002C	CC2004A	\$7.2M Redeemed	JC2005A	PCB 21
BALANCE													
May 1, 2007	\$ 1,593,739.02	\$ 9,237.90	\$ 328,792.53	\$ 288,661.90	\$ 898,377.84	\$ 102,902.93	\$ 315,570.55	\$ 319,337.96	\$ 4,728,254.63	\$ 1,479,009.80	\$ 68,302.97	\$ 361,740.62	\$ 10,473,928.65
MONTHLY AMORTIZATION													
MAY	6,627.00	9,237.90	1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	45,615.90
JUN	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
JUL	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
AUG	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
SEP	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
OCT	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
NOV	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
DEC	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
JAN	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
FEB	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
MAR	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	36,378.00
APR	6,627.00		1,515.00	1,399.00	3,025.00	347.00	1,062.00	1,075.00	15,503.00	4,495.00	230.00	1,100.00	38,109.22
Total Year	\$ 79,524.00	\$ 9,237.90	\$ 18,180.00	\$ 16,788.00	\$ 36,300.00	\$ 4,164.00	\$ 12,744.00	\$ 12,900.00	\$ 186,036.00	\$ 53,940.00	\$ 2,760.00	\$ 13,200.00	\$ 447,505.12
New costs													\$ 585,153.91
Balance April 30, 2008	\$ 1,514,215.02	\$ 0.00	\$ 310,612.53	\$ 251,873.90	\$ 862,077.84	\$ 98,738.93	\$ 302,826.55	\$ 306,437.96	\$ 4,542,218.63	\$ 1,425,069.80	\$ 65,542.97	\$ 348,540.82	\$ 583,422.69

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 125

Responding Witness: Counsel

- Q-125. a. List, and provide workpapers for, all adjustments to test year operations that were developed and contemplated by KU when preparing its application but were not included in KU's application.
- b. Explain why KU decided not to include the adjustments listed in a. in its application.
- A-125. All decisions regarding which adjustments to include in the application in this proceeding were made in consultation with legal counsel. Any response to this question necessarily requires the Company to reveal the contents of communications with counsel and the mental impressions of counsel, which information is protected from disclosure by the attorney-client privilege and the work product doctrine.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 126

Responding Witness: Shannon L. Charnas / Robert M. Conroy

Q-126. Refer to Volume 2 of 4 of KU's response to Staff's first request, Item 31, concerning outside legal services

- a. Describe how KU determines the allocation of outside legal services between Kentucky Jurisdictional and Other Jurisdictional.
- b. For each of the outside legal service providers listed below, describe the legal service provided and indicate whether the level of expense constitutes a recurring expense for KU. Also indicate whether the expense was for Kentucky jurisdictional only, Other jurisdictional only, or both.

- 1) Boehl Stopher and Graves, LLP
- 2) Frost Brown Todd, LLC
- 3) Hunton & Williams
- 4) Jones Day Reavis & Pogue
- 5) Ogden Newell and Welch
- 6) Stoll Keenon and Park, LLP
- 7) Sutherland Asbill and Brennan LLP
- 8) Troutman Sanders LLP
- 9) Wright & Talisman PC
- 10) Wyatt Tarrant & Combs
- 11) Others included in Item 31 but not listed above

A-126. a. Outside legal services that are not directly assigned to jurisdictions are allocated between Kentucky jurisdictions and Other jurisdictions based on the allocator for FERC account 923 – Outside Services. Outside services are allocated between jurisdictions using a Labor allocator. The sum of jurisdictional direct O&M labor divided by total direct O&M labor yields the Labor allocator, which is used to jurisdictionalize expenses that are typically comprised only of labor expense, and that typically serve all areas of the Company.

b.

Firm²	Legal Service	Recurring	Jurisdiction
Baker Botts	Litigation Representation and Regulatory Representation	Yes	Both
Barnes & Thornburg	Regulatory and Litigation Representation	Yes	Other
Boehl Stopher & Graves, LLP	Litigation Representation	Yes	Kentucky
Covington & Burling	Litigation Representation	Yes	Both
Foley and Mansfield PLLP	Litigation Representation	Yes	Both
Frost Brown Todd, LLC	Litigation, Corporate and Real Estate Representation	Yes	Both
Fulton and Devlin	Workers Comp Representation	Yes	Kentucky
Greenebaum Doll & McDonald	Litigation, Regulatory and Corporate Representation	Yes	Both
Holly M. Everett PSC	General Corporate Representation	Yes	Both
Hunton & Williams	Litigation Representation and Regulatory Representation	Yes	Both
Jackson Kelly PLLC	Litigation Representation and Regulatory Representation	Yes	Both
Jones Day Reavis & Pogue	Corporate Representation	Yes	Both
Kennedy Covington	Litigation Representation	Yes	Kentucky
Kilpatrick Stockton LLP	Corporate Representation	Yes	Kentucky
Kirkpatrick and Lockhart Preston	Corporate Representation	Yes	Other
Moses and Singer LLP	Corporate Representation	Yes	Both
Mullins Harris & Jessee	Litigation Representation	Yes	Other
Nixon Peabody LLC	Corporate Representation	Yes	Both
Novack and Macey LLP	Corporate Representation	Yes	Other
Leonard D. Rogers, PC	Corporate Representation	Yes	Other

Rosso Alba, Francia and Ruiz Mareno	Litigation and Corporate Representation	Yes	Other
Sands Anderson Marks and Miller	Workers Comp and Litigation Representation	Yes	Other
Scoville Firm PLLC	Litigation Representation	Yes	Kentucky
Smith and Smith	Labor Representation	Yes	Kentucky
Stoll Keenon and Ogden PLLC ²	Litigation and Regulatory Representation	Yes	Both
Sutherland Asbill & Brennan LLP	No Representation during period		
Thelen Reid Brown Raysman and Steiner LLP	OSHA Practice	Yes	Kentucky
Troutman Sanders	Regulatory Representation	Yes	Both
Valenti Hanley & Robinson PLLV	Litigation and Bankruptcy Representation	Yes	Both
Van Ness Feldman	Regulatory Representation	Yes	Both
Vinson and Elkins	Litigation Representation	Yes	Kentucky
Waller Lansden Dortch & Davis	Regulatory and Corporate Representation	Yes	Both
Watkins and Eager PLLC	Litigation Representation	Yes	Other
Weltman Weinberg and Reis Co LPA	Corporate Representation	Yes	Kentucky
Woodward Hobson & Fulton	Litigation Representation	Yes	Kentucky
Wright & Talisman PC	No Representation during period		
Wyatt Tarrant & Combs	Corporate Transactional Advice	Yes	Both

¹ Some items listed in Item 31 were not for outside legal service providers and therefore have been omitted.

² Ogden Newell and Welch PLLC and Stoll Keenon and Park, LLP merged to form Stoll Keenon and Ogden PLLC. All payments for services provided during the test period were provided by Stoll, Keenon and Ogden PLLC.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 127

Responding Witness: Robert M. Conroy / Shannon L. Charnas

Q-127. Refer to Volume 4 of 4 of KU's response to Staff's first request, Item 47.

- a. Provide an analysis showing the test year research and development expenses separated by the name of the fund recipients. Also show separation of each amount by Kentucky and Other jurisdictional and state how the jurisdictional allocation was determined and why it is appropriate.
- b. State whether each amount provided in (a) is an annual recurring expense for KU.

A-127. a. The test year research and development expenses charged to expenses above net operating income are as follows:

	Total Company	Kentucky Jurisdiction
EPRI	\$1,619,745	\$1,423,605

EPRI expenses were charged to differing accounts, depending on the type of research being conducted. Of the above amount, \$10,540 was charged to a steam maintenance account, and was therefore jurisdictionalized on a steam plant allocator. The balance of the EPRI expenses were charged to various expense accounts and, for the most part, were jurisdictionalized using a labor allocator. A *small portion* of the total expense was allocated using the Retail Energy allocator. Please see the response to Question No. 53 for a description of the allocators.

- b. The amounts are recurring.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 128

Responding Witness: Valerie L. Scott

- Q-128. For each of the past 5 years, provide a list of the companies that have filed a consolidated federal income tax return with KU. Identify which companies are regulated and which are not regulated. For each year provide the taxable income or tax losses incurred by each company.
- A-128. See attached. The requested information is being filed pursuant to a Petition for Confidential Protection.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 129

Responding Witness: Valerie L. Scott

- Q-129. For each of the past 5 years, provide a list of the companies that have filed a consolidated state income tax return with KU. Identify which companies are regulated and which are not regulated. For each year provide the taxable income or tax losses incurred by each company.
- A-129. See attached. The requested information is being filed pursuant to a Petition for Confidential Protection.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 130

Responding Witness: Shannon L. Charnas

- Q-130. Refer to Exhibit 3, page 1 of the Rives Testimony. Using the account numbers, titles and account balances provided in Volume 1 of 4 of KU's response to Staff's first request, Item 19, show the derivation of each Jurisdictional Rate Base item included in columns (6) and (8)
- A-130. The derivation of column (8) of Exhibit 3, page 1 of the Rives Testimony may be found on Item 19 of the Staff's first request as follows:

Line 1 of Exhibit 3, Utility Plant at Original Cost, is the sum of "Total Electric Plant in Service" (\$3,917,181) and Account Number 107 "Construction Work in Progress" (\$1,234,054) on Item 19, page 8 of 8, as rounded to the nearest thousand. Item 19 shows in detail, by plant account on pages 1-7, the total of electric plant in service.

Line 3 of Exhibit 3, Reserve for Depreciation, is Account Number 108 "Reserve for Depreciation" (\$1,953,924) on Item 19, page 8 of 8. Line 3 of Exhibit 3 also includes Amortization (\$18,439) which was not included on Item 19. All numbers have been rounded to the nearest thousand.

Line 8 of Exhibit 3, Asset Retirement Obligation – Net Assets is found on Exhibit 19 on various pages. All numbers have been rounded to the nearest thousand:

Account Number 317 "Asset Retirement Cost – Steam" (\$9,249),
Account Number 337 "Asset Retirement Cost – Hydraulic" (\$5),
Account Number 347 "Asset Retirement Cost – Other Production" (\$71),
Account Number 359 "Asset Retirement Cost – Transmission" (\$11),
Account Number 374 "Asset Retirement Cost – Distribution" (\$19).

The total of these items (\$9,355) has been reduced by the associated accumulated depreciation of each item which is included in total in line 3 of Exhibit 3.

The derivations of items in column (6) are jurisdictionalized amounts. Jurisdictional amounts are not kept in the general ledger. Please see Exhibit 16 of the Seelye testimony for these items.

Item 19 is a source for the computation of Exhibit 16, which is a source for some of the items on Exhibit 3.

KENTUCKY UTILITIES COMPANY

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Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 131

Responding Witness: S. Bradford Rives

- Q-131. Refer to Volume 1 of 4 of KU's response to Staff's first request, Item 19. For each of the accounts listed below, provide the reason(s) for the change in the ending balances between the "Test Year" and "Prior Year."
- a. 312 – Boiler Plant Equipment - \$126,397,000 increase.
 - b. 315 – Accessory Electric Equipment - \$12,823,000 increase.
 - c. 367 – Underground Conductors and Devices – \$16,075,000 increase.
 - d. 397 – Communication Equipment - \$1,261,000 increase.
 - e. 107 – CWIP - \$531,860,000 increase.
- A-131.
- a. In the test year, \$132.1 million in capital plant was added to account 312 and \$5.7 million was retired. Major projects which caused the change in this account are the addition of the Ghent 3 FGD (\$119 million) and the installation of new system controls at E.W. Brown station (\$6 million).
 - b. In the test year, \$13.3 million in capital plant was added to account 315 and \$0.5 million in plant was retired. This resulted in a net increase of \$12.8 million primarily attributable to \$11 million related to the Ghent FGD equipment and \$1 million related to the E.W. Brown voltage switchgear and breakers.
 - c. In the test year, \$16.1 million in additions to capital plant were recorded to account 367. These additions are related to new residential business and commercial development.
 - d. In the test year, \$1.3 million in capital plant was added to account 397. The majority of the increase is attributed to various projects including new mobile radios, telephone equipment and upgrades to the Sonet networking system.

- e. In the test year, the increase of \$531.8 million in account 107 is mainly attributable to Construction Work in Progress charges of \$796.8 million offset by amounts classified to Plant in Service of \$264.9 million. The major additions to Construction Work in Progress are related to construction activities for Trimble County 2 (\$278 million), the Ghent 1 & 2 FGDs (\$188 million) and the FGD at E.W. Brown (\$99 million).

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 132

Responding Witness: Shannon L. Charnas

- Q-132. Refer to Volume 1 of 4 of KU's response to Staff's first request, Item 23. For each of the following electric expense accounts, provide the reasons for the change in the amount of expense from the 12 months immediately preceding the test year to the 12 months of the test year.
- a. Account 502, Steam Expenses, which increased from \$9.139 million to \$10.568 million.
 - b. Account 509, Allowances, which decreased from \$3.082 million to \$2.239 million.
 - c. Account 512, Mtce of Boiler Plant, which increased from \$21.643 million to \$28.382 million.
 - d. Account 513, Mtce of Electric Plant, which increased from \$5.903 million to \$10,813 million.
 - e. Account 548, Generation Expenses, which increased from \$.698 million to \$1.694 million.
 - f. Account 557, Other Expenses, which decreased from \$7.861 million to \$1.216 million.
 - g. Account 561, Load Dispatching, which decreased from \$3.190 million to \$1.052 million.
 - h. Account 565, Transmission of Elec by Others, which increased from \$2.721 million to \$5.766 million.
 - i. Account 566, Misc Transmission Expenses, which increased from \$(-.843) million to \$5.774 million.
 - j. Account 571, Mtce of Overhead Lines, which increased from \$3.299 million to \$4.121 million.

- k. Account 575, Mkt Facilitation, Monitoring & Compliance Svcs, which decreased from \$1.246 million to \$.013 million.
 - l. Account 593, Mtce of Overhead Lines, which increased from \$18.202 million to \$22.260 million.
 - m. Account 903, Cust Records and Collection Exp, which increased from \$11.458 million to \$12.013 million.
 - n. Account 904, Uncollectible Accounts, which increased from \$1.957 million to \$3.331 million.
 - o. Account 909, Info and Instructional Adv Exp, which increased from \$.203 million to \$.476 million.
 - p. Account 910, Misc Cust Srvc and Information Exp, which increased from \$.255 million to \$.833 million.
 - q. Account 913, Advertising Expenses, which increased from \$0.0 million to \$.070 million.
 - r. Account 921, Office Supplies & Expense, which increased from \$6.621 million to \$7.564 million.
 - s. Account 923, Outside Services Employed, which increased from \$6.741 million to \$10.722 million.
 - t. Account 935, Mtce of Gen Plnt & Eq, which decreased from \$7.253 million to \$6.303 million.
- A-132.
- a. Account 502, Steam Expenses, increased from \$9.139 million to \$10.568 million due to higher scrubber costs, primarily limestone purchases, for the operation of the FGD at Ghent Unit 3, which went on line as of June 2007.
 - b. Account 509, Allowances, decreased from \$3.082 million to \$2.239 million due to transferring fewer allowances during the test year to KU from OMU and at a lower cost per ton based on the fair market value at time of transfer.
 - c. Account 512, Maintenance of Boiler Plant, increased from \$21.643 million to \$28.382 million due to a scheduled major outage at Brown Steam Unit 1 during the fall of 2007.
 - d. Account 513, Maintenance of Electric Plant, increased from \$5.903 million to \$10.813 million due to a scheduled major boiler/turbine outage at Ghent Unit 1 in October and November of 2007.

- e. Account 548, Generation Expenses, increased from \$0.698 million to \$1.694 million as a result of the Trimble County Combustion Turbine outage work during the spring of 2008.
- f. Account 557, Other Expenses, which decreased from \$7.861 million to \$1.216 million, is related to KU's exit from the MISO. MISO Day 2 other expenses (which include such non-energy charges as Revenue Sufficiency Guarantee (RSG) charges, Revenue Neutrality Uplift charges and Schedule 24 Control Area Operator Cost Recovery charges) were much higher before KU ceased being a MISO member in September 2006. Charges and true-ups related to the period when KU was a MISO member tapered off after 2006 and only the charges related to KU continuing to transact in the MISO market were incurred thereafter.
- g. Account 561, Load Dispatching, decreased from \$3.190 million to \$1.052 million primarily in connection with KU's exit from the MISO. In June 2006, there was an accrual of approximately \$1.8 million for Schedule 10 administrative costs. Subsequent accruals amounted to approximately \$0.36 million. On September 1, 2006, KU exited the MISO and the Schedule 10 expenses decreased.
- h. Account 565, Transmission of Electricity by Others, increased from \$2.721 million to \$5.766 million due to increased third party transmission expense during the test year primarily due to outages, weather and less optimization of combustion turbines due to higher gas prices. In addition, intercompany transmission was higher during the test year as it included a full twelve months of expense, while there were only 8 months of intercompany transmission during the preceding 12 month period as while still a member of the MISO during May 2006 through August 2006, transactions took place at the generator bus and no transmission purchases were incurred for transactions within the MISO footprint under the MISO OATT. While in the MISO, such transmission expenses were a portion of the LMP which was recorded in Account 447 and Account 555.
- i. Account 566, Miscellaneous Transmission Expenses, increased from (\$0.843) million to \$5.774 million due to the following reasons. During the test year, expenses were charged to Account 566 for native load independent entity costs. In addition, there was a credit in July 2006, for the reversal of previously accrued Schedule 2 expenses of approximately \$4.6 million and in December 2006, there was an adjustment to reduce excess congestion charges of \$2.8 million.
- j. Account 571, Maintenance of Overhead Lines, increased from \$3.299 million to \$4.121 million due to the need to comply with the NERC regulation for vegetation compliance of the transmission system. This regulation was effective in July 2007, causing an increase in spending on vegetation management.
- k. Account 575, Market Facilitation, Monitoring & Compliance Services, decreased from \$1.246 million to \$0.013 million due to KU's exit from the MISO. During the

12 months preceding the test year, while KU was still in the MISO, expenses were incurred for Schedule 16 and Schedule 17 administrative costs in May through August 2006. Once KU exited the MISO, these costs were no longer incurred.

- l. Account 593, Maintenance of Overhead Lines, increased from \$18.202 million to \$22.260 million due to an increase in storm restoration expenses in 2008.
- m. Account 903, Customer Records and Collection Expense, increased from \$11.458 million to \$12.013 million due to an increase in outside services for \$0.46 million which was partially offset by lower labor expenses of (\$0.3 million), an increase for materials and supplies of \$0.1 million, and increases in building management expenses and contracted services in the amount of \$0.2 million.
- n. Account 904, Uncollectible Accounts, increased from \$1.957 million to \$3.331 million which was driven primarily by an increase of \$0.7 million for billing disputes with Owensboro Municipal Authority and an increase in net charge-offs versus billed revenue. The net charge-off ratio for the 12 months immediately preceding the test year was 0.1804%, as compared to 0.2030% for the test year.
- o. Account 909, Information and Instructional Advertising Expense, increased from \$0.203 million to \$0.476 million due to an increase in advertising expenses for environmental and energy efficiency programs. Also, see explanation q. below for Account 913 for test year explanation on Media Relations.
- p. Account 910, Miscellaneous Customer Service and Information Expense, increased from \$0.255 million to \$0.833 million due to non-capitalizable costs related to the Customer Care System project, which began in April 2007, to install a replacement system for our current Customer Information System.
- q. Account 913, Advertising Expenses, increased from \$0.0 million to \$0.070 million due to the Communications Department Media Library services monthly usage. These services provide information from other media outlets reflecting the Company's image to the public/customers (supports customer service) and general industry news shared throughout the Company. (Charges were included in account 909 for periods prior to the test year.)
- r. Account 921, Office Supplies & Expense, increased from \$6.621 million to \$7.564 million due to an increase for the Microsoft Enterprise Agreement of \$0.835 million and an increase in the Oracle maintenance agreement of \$0.237 million.
- s. Account 923, Outside Services Employed, increased from \$6.741 million to \$10.722 million due primarily to an increase for outside counsel services in the amount of \$3.4 million.

- t. Account 935, Maintenance of General Plant & Equipment, decreased from \$7.253 million to \$6.303 million due to out of period corrections for amortization of prepaid software.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 133

Responding Witness: Shannon L. Charnas

- Q-133. a. Refer to the response to Staff First Request, Item 31. For each of the professional service providers listed below, describe the services provided to KU and indicate whether the level of expense constitutes a recurring expense for KU.
- (1) Baker Botts LLP, all listed transactions, page 1 of 267.
 - (2) Foley and Mansfield PLLP, all listed transactions, page 1 of 267.
 - (3) Greenebaum Doll and McDonald, all listed transactions, page 3 of 267.
 - (4) KAF Spreadsheet 10320582: A 10965, all listed transactions, page 5 of 267.
 - (5) NMK Spreadsheet 14492470: A 9906, all listed transactions, page 5 of 267.
 - (6) Alstom Power, Account 512100, \$52,215.00, page 15 of 267.
 - (7) Alstom Power, Account 512100, \$109,773.58, page 15 of 267.
 - (8) Babcock & Wilcox Company, Account 512100, \$144,760.00 and \$43,785.00, page 16 of 267.
 - (9) Black and Veatch Corp, Account 923100, \$70,000.00, page 16 of 267.
 - (10) Siemens Power Generation Inc, Account 513100, \$23,791.08 and \$86,115.60, page 17 of 267.
 - (11) Structural Integrity Assoc Inc, Account 512100, \$93,500.00, \$85,000.00 and \$47,500.00, page 18 of 267.
 - (12) PWC, Account 923101, \$29,401.00 and \$315,886.00, page 18 of 267.
 - (13) Alvarez and Marsal Inc, all listed transactions, page 25 of 267.

- (14) Asplundh, Account 571100, \$71,677.29, page 27 of 267.
- (15) Bank of America, Account 903907, \$40,000.00, page 35 of 267.
- (16) Brattle Group, all listed transactions, page 36 of 267.
- (17) Charah Inc, Account 501251, \$118,723.32, \$247,406.11, \$26,778.40 and \$72,968.33, page 42 of 267.
- (18) Davis H Elliot Company Inc, Account 571100, \$23,868.16 and \$33,712.84, page 51 of 267.
- (19) Davis H Elliot Company Inc, Account 571100, \$23,842.62, page 52 of 267.
- (20) Davis H Elliot Company Inc, Account 593002, \$81,047.57 and \$21,087.49, page 53 of 267.
- (21) East Kentucky Power Cooperative, Account 910001, \$41,691.41, page 58 of 267.
- (22) EON, Account 921902, \$7,871.66, page 60 of 267.
- (23) EON, Account 923100, \$68,830.57, page 60 of 267.
- (24) EON, Account 923900, \$8,596.58, page 60 of 267.
- (25) EON Engineering Corp, Account 512101, \$60,000.00 and \$41,200.00, page 60 of 267.
- (26) Evans Construction, Account 501090, \$29,070.00 and 40,000.00, page 60 of 267.
- (27) Evans Construction, Account 511100, \$38,000.00, page 60 of 267.
- (28) Evans Construction, Account 512100, \$94,900.00, page 60 of 267.
- (29) Evans Construction, Account 514100, \$58,000.00, page 60 of 267.
- (30) Helicopter Minit Men Inc, all listed transactions, page 101 of 267.
- (31) KEMA, Account 560900, \$16,250.00, page 147 of 267.
- (32) Kentuckiana Food Service, all listed transactions, page 147 of 267.

- (33) Kessinger Service Industries LLC, Account 513100, \$260,000.00 and \$23,688.94, page 151 of 267.
- (34) Kessinger Service Industries LLC, Account 512005, \$1,695.86 and \$2,263.14, page 151 of 267.
- (35) Kessinger Service Industries LLC, Account 553100, \$17,637.00 and \$19,909.00, page 151 of 267.
- (36) Mechanical Construction, all listed transactions, page 162 of 267.
- (37) Mechanical Construction Services Inc, all listed transactions, page 162 of 267.
- (38) NMK Spreadsheet 13094023: A 9906, Account 553100, \$1,394,430.00, page 176 of 267.
- (39) Precipitator Services Group Inc, all listed transactions, page 206 of 267.
- (40) Proenergy Services LLC, all listed transactions, page 208 of 267.
- (41) PSG, Account 512100, \$55,000.00, page 209 of 267.
- (42) R and P Industrial Chimney Co Inc, all listed transactions, page 210 of 267.
- (43) Risk Management Services Corporation, all listed transactions, page 216 of 267.
- (44) Siemens Power Generation Inc, Account 513100, \$344,462.40, \$175,681.40, \$93,576.61, \$263,522.10, \$344,462.40, \$947,271.60, \$395,283.15, \$75,831.00, \$78,032.48 and \$159,390.50, page 222 of 267.
- (45) Siemens Power Generation Inc, Account 513100, \$42,250.00 and \$64,951.19, page 223 of 267.
- (46) Sterling Boiler and Mechanical Inc, Account 512100, \$107,664.46 and \$46,489.34, page 228 of 267.
- (47) Sterling Boiler and Mechanical Inc, Account 512100, \$64,039.04, \$140,115.64 and \$233,478.29, page 229 of 267.
- (48) Structural Integrity, Account 510100, \$125,000.00, page 231 of 267.
- (49) Symantec Corp, Account 923900, \$41,402.12, page 231 of 267.

(50) Thyssenkrupp Safway Inc, Account 512100, \$46,651.27 and \$81,654.05, page 236 of 267.

(51) United Scaffolding Inc, Account 512100, \$120,250.00 and \$22,000.00, page 254 of 267.

(52) Veolia Environmental Services, Account 512100, \$474,296.00, page 258 of 267.

A-133. See attached.

Kentucky Utilities

A. 133 - Description of Professional Services

		Description of Services	Recurring?
(1)	Baker Botts LLP, all listed transactions, page 1 of 267.	Legal Services	Yes
(2)	Foley and Mansfield PLLP, all listed transactions, page 1 of 267.	Legal Services	Yes
(3)	Greenebaum Doll and McDonald, all listed transactions, page 3 of 267.	Legal Services	Yes
(4)	KAF Spreadsheet 10320582: A 10965, all listed transactions, page 5 of 267.	Legal Services	Yes
(5)	NMK Spreadsheet 14492470: A 9906, all listed transactions, page 5 of 267.	Legal Services	Yes
(6)	Alstom Power, Account 512100, \$52,215.00, page 15 of 267.	Technical resource for boiler inspection	Yes
(7)	Alstom Power, Account 512100, \$109,773.58, page 15 of 267.	Technical resource for boiler inspection	Yes
(8)	Babcock & Wilcox Company, Account 512100, \$144,760.00 and \$43,785.00, page 16 of 267.	Boiler Service Engineer	Yes
(9)	Black and Veatch Corp, Account 923100, \$70,000.00, page 16 of 267.	Engineering Study at Mill Creek	Yes
(10)	Siemens Power Generation Inc, Account 513100, \$23,791.08 and \$86,115.60, page 17 of 267.	Generator Service Person and Turbine Service Engineer	Yes
(11)	Structural Integrity Assoc Inc, Account 512100, \$93,500.00, \$85,000.00 and \$47,500.00, page 18 of 267.	High Energy Piping Inspection	Yes
(12)	PWC, Account 923101, \$29,401.00 and \$315,886.00, page 18 of 267.	Audit Fees	Yes
(13)	Alvarez and Marsal Inc, all listed transactions, page 25 of 267.	Legal Fees - City of Owensboro	Yes
(14)	Asplundh, Account 571100, \$71,677.29, page 27 of 267.	Vegetation Management	Yes
(15)	Bank of America, Account 903907, \$40,000.00, page 35 of 267.	Outsource Vendor for Customer Payments	Yes
(16)	Brattle Group, all listed transactions, page 36 of 267.	Legal Fees - City of Owensboro	Yes
(17)	Charah Inc, Account 501251, \$118,723.32, \$247,406.11, \$26,778.40 and \$72,968.33, page 42 of 267.	Landfill Management	Yes
(18)	Davis H Elliot Company Inc, Account 571100, \$23,868.16 and \$33,712.84, page 51 of 267.	Electric Distribution work	Yes
(19)	Davis H Elliot Company Inc, Account 571100, \$23,842.62, page 52 of 267.	Electric Distribution Work	Yes
(20)	Davis H Elliot Company Inc, Account 593002, \$81,047.57 and \$21,087.49, page 53 of 267.	Electric Distribution Work	Yes
(21)	East Kentucky Power Cooperative, Account 910001, \$41,691.41, page 58 of 267.	Transmission Impact Study	Yes
(22)	EON, Account 921902, \$7,871.66, page 60 of 267.	CERA Retainer	Yes
(23)	EON, Account 923100, \$68,830.57, page 60 of 267.	Expatriate Cost	This expense was reversed See page 223 of 267.
(24)	EON, Account 923900, \$8,596.58, page 60 of 267.	Employee Opinion Survey 2007	Yes
(25)	EON Engineering Corp, Account 512101, \$60,000.00 and \$41,200.00, page 60 of 267.	Engineering Services	Yes
(26)	Evans Construction, Account 501090, \$29,070.00 and 40,000.00, page 60 of 267.	Maintenance	Yes
(27)	Evans Construction, Account 511100, \$38,000.00, page 60 of 267.	Maintenance	Yes
(28)	Evans Construction, Account 512100, \$94,900.00, page 60 of 267.	Maintenance	Yes
(29)	Evans Construction, Account 514100, \$58,000.00, page 60 of 267.	Maintenance	Yes
(30)	Helicopter Minit Men Inc, all listed transactions, page 101 of 267.	Transmission Line Inspection	Yes
(31)	KEMA, Account 560900, \$16,250.00, page 147 of 267.	Compliance Assessment	Yes
(32)	Kentuckiana Food Service, all listed transactions, page 147 of 267.	Food Service and Vending at BOC and KUGO	Yes
(33)	Kessinger Service Industries LLC, Account 513100, \$260,000.00 and \$23,688.94, page 151 of 267.	Apply Protective Coating to Equipment	Yes
(34)	Kessinger Service Industries LLC, Account 512005, \$1,695.86 and \$2,263.14, page 151 of 267.	Apply Protective Coating to Equipment	Yes
(35)	Kessinger Service Industries LLC, Account 553100, \$17,637.00 and \$19,909.00, page 151 of 267.	Apply Protective Coating to Equipment	Yes
(36)	Mechanical Construction, all listed transactions, page 162 of 267.	Boiler and/or mechanical repair services	Yes
(37)	Mechanical Construction Services Inc, all listed transactions, page 162 of 267.	Boiler and/or mechanical repair services	Yes
(38)	NMK Spreadsheet 13094023: A 9906, Account 553100, \$1,394,430.00, page 176 of 267.	Combustion Turbine Maintenance	Yes
(39)	Precipitator Services Group Inc, all listed transactions, page 206 of 267.	Precipitator Repair Services	Yes
(40)	Proenergy Services LLC, all listed transactions, page 208 of 267.	Legal Services	Yes

Kentucky Utilities
A. 133 - Description of Professional Services

		Description of Services	Recurring?
(1)	Baker Botts LLP, all listed transactions, page 1 of 267.	Legal Services	Yes
(41)	PSG, Account 512100, \$55,000.00, page 209 of 267.	Precipitator Repair Services	Yes
(42)	R and P Industrial Chimney Co Inc, all listed transactions, page 210 of 267.	Chimney Inspection and Repair Services	Yes
(43)	Risk Management Services Corporation, all listed transactions, page 216 of 267.	Insurance and Risk Management Services	Yes
(44)	Siemens Power Generation Inc, Account 513100. \$344,462 40, \$175,681.40, \$93,576 61, \$263,522 10, \$344,462 40. \$947,271 60, \$395,283 15. \$75,831.00, \$78,032.48 and \$159,390.50, page 222 of 267.	Turbine-Generator Services	Yes
(45)	Siemens Power Generation Inc. Account 513100, \$42,250 00 and \$64,951.19, page 223 of 267.	Turbine-Generator Services	Yes
(46)	Sterling Boiler and Mechanical Inc. Account 512100, \$107,664 46 and \$46,489.34, page 228 of 267.	Boiler and/or mechanical repair services	Yes
(47)	Sterling Boiler and Mechanical Inc, Account 512100. \$64,039 04. \$140,115.64 and \$233,478.29, page 229 of 267.	Boiler and/or mechanical repair services	Yes
(48)	Structural Integrity, Account 510100, \$125,000.00, page 231 of 267.	High Energy Piping Services	Yes
(49)	Symantec Corp, Account 923900, \$41,402.12, page 231 of 267.	Security Assessment Services	No
(50)	Thyssenkrupp Safway Inc, Account 512100. \$46,651 27 and \$81,654 05. page 236 of 267.	Boiler Scaffolding	Yes
(51)	United Scaffolding Inc, Account 512100, \$120,250 00 and \$22,000 00. page 254 of 267.	Boiler Scaffolding	Yes
(52)	Veolia Environmental Services, Account 512100, \$474,296 00, page 258 of 267.	Boiler Chemical Cleaning	Yes

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 134

Responding Witness: S. Bradford Rives

Q-134. Refer to Volume 1 of 4 of KU's response to Staff's first request at Item 4(a), page 3 of 3. Included on this list of long-term debt instruments are 8 issuances of variable rate "Pollution Control Bonds" for which this Commission has granted KU authority to refinance. The date of issue, outstanding balance, and cost rate to maturity for each of these issues is shown below.

Date	Outstanding	Cost
5/19/00	\$12,900,000	8.139186%
10/3/02	96,000,000	4.585525
10/20/04	50,000,000	6.188016
7/7/05	13,266,950	4.023412
11/17/05	13,266,950	4.025582
7/20/06	16,693,620	4.197927
12/7/06	16,693,620	2.554447
2/23/07	54,000,000	4.389154

a. For each issue shown above provide the following information:

(1) The anticipated date refinancing will be completed.

(2) The anticipated cost rate to maturity.

(3) Provide updates to this request as new information becomes available.

b. If the specific cost rates to maturity cannot be reasonable estimated at the time of this response, state whether the anticipated cost rates will general be higher or lower than those shown in the schedule above.

A-134. a. The attached file shows the anticipated refinancing date for each bond and the initial cost rate based on current market conditions. The actual rates will not be known until the refinancing transactions are completed since market rates change daily. None of these costs are expected to apply through maturity since these are variable rate or limited term fixed rate bonds whose rates will reset periodically

until maturity. Updates will be provided monthly beginning with the end of September.

- b. The rate to maturity for variable rate bonds or limited term fixed rate bonds cannot be known as the rates reset periodically until maturity. In general, as shown in the Attachment to 134a, current market conditions generally support an interest rate below the rate included in Volume 1 of 4 of KU's response to PSC-1 Question No. 4(a), page 3 of 3.

Kentucky Utilities - Tax Exempt Restructuring

<u>Series</u>	<u>Amount</u>	<u>AMT Status</u>	<u>Restructuring Option</u>	<u>Anticipated Cost Rate at Issuance*</u>	<u>Anticipated Date Refinancing Completed</u>
Mercer 2000 A	\$ 12,900,000	AMT	Variable backed by L/C	3.83%	11/26/2008
Carroll 2002 C	\$ 96,000,000	Non-AMT	Put-Bond	3.90% - 4.65%	12/10/2008
Carroll 2004 A	\$ 50,000,000	AMT	Variable backed by L/C	3.83%	11/26/2008
Carroll 2005 A	\$ 13,266,950	AMT	Variable	3.23%	10/21/2008
Carroll 2005 B	\$ 13,266,950	AMT	Variable	3.23%	10/21/2008
Carroll 2006 A	\$ 16,693,620	AMT	Variable	3.23%	10/21/2008
Carroll 2006 C	\$ 16,693,620	AMT	Variable	3.23%	10/21/2008
Carroll 2006 B	\$ 54,000,000	AMT	Variable backed by L/C	3.83%	11/26/2008

Notes

*Interest rate assumptions will vary depending upon market conditions at the time of issuance. The interest rate for the Put-Bond will change at the end of the term of the put to reflect market conditions at that time.

<u>Assumptions for Variable Backed by Letter of Credit</u>	
10-Year Avg. SIFMA (as of 8/28/08)	2.58%
LOC Spread Over SIFMA	0.05%
Remarketing Fee	0.10%
All-In Rate	2.73%
L/C Facility Fee	1.10%
AMT Rate	3.83%
Non-AMT Favorability	0.20%
Non-AMT Rate	3.63%

<u>Interest Rate Estimate</u>			
	<u>Put Bonds</u>		
	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>
Non-AMT	3.90%	4.25%	4.65%
AMT	4.40%	4.75%	5.15%

<u>Assumptions for Variable Backed by Credit Facility</u>	
10-Year Avg. SIFMA (as of 8/21/08)	2.58%
Credit Facility Spread Over SIFMA	0.05%
Remarketing Fee	0.10%
All-In Rate	2.73%
Credit Facility Fee	0.50%
AMT Rate	3.23%
Non-AMT Favorability	0.20%
Non-AMT Rate	3.03%

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 135

Responding Witness: S. Bradford Rives

- Q-135. State E.ON AG's investment in KU as a percentage of E.ON AG's total assets.
- A-135. E.ON AG's investment in E.ON U.S. LLC is €5.5 billion including intercompany loans as of June 30, 2008. It does not separately allocate this investment among the separate subsidiaries of E.ON U.S. LLC. E.ON AG's total assets as of June 30, 2008, were €165.6 billion. Amounts reported by E.ON AG are calculated using International Accounting Standards.

KENTUCKY UTILITIES COMPANY

CASE NO. 2008-00251

CASE NO. 2007-00565

Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 136

Responding Witness: S. Bradford Rives

Q-136. Refer to pages 19-21 of the Rives Testimony.

- a. Provide the article entitled "U.S. Utilities Ratings Analysis Now Portrayed in the S&P Corporate Ratings Matrix" dated November 30, 2007.
- b. Rives states KU is committed to maintaining the financial strength of KU. To that end, Rives states that based on the financial scoring systems established by Standard's and Poor's ("S&P"), KU has targeted an equity to total capitalization ratio of between 50.5 and 57 percent. The equity portion of capital in this case falls within that range at 52.63 percent. Discuss the implications to KU stockholders and its customers separately, if KU's equity portion of capital dropped significantly below the 50.5 percent target threshold. When responding, include discussion of KU's resultant financial score using S&P's scoring system. Explain how these scores would "limit" (page 20, line 17) KU's future access to attractively priced debt. Provide specific calculations demonstrating how these anticipated scores would impact the weighted cost of debt as shown at Volume 1 of 4 of KU's response to Staff's first request, Item 4.

A-136. a. See attached.

- b. The impact to shareholders of reducing the percentage of equity (and a corresponding increase in debt) in the capital structure would be an increase in the risk. Increasing the debt would place additional obligations in a senior position to the shareholders in claiming rights to the cash flow of the Company. In exchange for accepting this additional risk, the shareholders would require a higher rate of return from the Company.

For customers, the impact of reducing the percentage of equity in the capital structure may be detrimental. It is in the best interest of the customers to have a financially sound utility that can attract capital to make the necessary investments required to provide reliable utility service. Bondholders, like shareholders, will be subjected to additional risk if additional debt is added to the capital structure. As a result, they will require a higher interest rate on the debt. This higher

interest rate will apply to all of the Company's debt, not just the additional debt. The shareholders will require a higher return, but on a smaller equity base. The customer pays higher rates if the weighted average cost of capital is higher with the reduced equity base.

As the creditworthiness of a company declines some investors are no longer willing to loan money to the company. For example, the bonds shown on lines 2 through 5 of Volume 1 of 4 of KU's response to PSC-1 Question No. 4 would not be marketable in the current structure at lower ratings. The Company would be forced to convert to a different mode which would increase the interest rates significantly for those bonds. As the risk increases fewer investors are willing to purchase the Company's bonds and capital is no longer available at attractive rates.

The S&P rating is based on a variety of factors, including capital structure. Clearly, as more debt is added to the capital structure the rating would decline, but the rating is not based on a formula. The Company cannot speculate on the reaction of the rating agency to changes in capital structure, however, market interest rates for differing credit ratings are available in the market.

The attached spreadsheet shows the impact, based on current market conditions, on debt rates assuming the company's rating was reduced to BBB-. The resulting increase in interest expense is over \$29 million annually.

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RATINGS DIRECT®

November 30, 2007

U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

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U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

The electric, gas, and water utility ratings ranking lists published today by Standard & Poor's U.S. Utilities & Infrastructure Ratings practice are categorized under the business risk/financial risk matrix used by the Corporate Ratings group. This is designed to present our rating conclusions in a clear and standardized manner across all corporate sectors. Incorporating utility ratings into a shared framework to communicate the fundamental credit analysis of a company furthers the goals of transparency and comparability in the ratings process. Table 1 shows the matrix.

Table 1

Business Risk Profile	Financial Risk Profile				
	Minimal	Modest	Intermediate	Aggressive	Highly leveraged
Excellent	AAA	AA	A	BBB	BB
Strong	AA	A	A-	BBB-	BB-
Satisfactory	A	BBB+	BBB	BB+	B+
Weak	BBB	BBB-	BB+	BB-	B
Vulnerable	BB	B+	B+	B	B-

The utilities rating methodology remains unchanged, and the use of the corporate risk matrix has not resulted in any changes to ratings or outlooks. The same five factors that we analyzed to produce a business risk score in the familiar 10-point scale are used in determining whether a utility possesses an "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" business risk profile:

- Regulation,
- Markets,
- Operations,
- Competitiveness, and
- Management.

Regulated utilities and holding companies that are utility-focused virtually always fall in the upper range ("Excellent" or "Strong") of business risk profiles. The defining characteristics of most utilities--a legally defined service territory generally free of significant competition, the provision of an essential or near-essential service, and the presence of regulators that have an abiding interest in supporting a healthy utility financial profile--underpin the business risk profiles of the electric, gas, and water utilities.

As the matrix concisely illustrates, the business risk profile loosely determines the level of financial risk appropriate for any given rating. Financial risk is analyzed both qualitatively and quantitatively, mainly with financial ratios and other metrics that are calculated after various analytical adjustments are performed on financial statements prepared under GAAP. Financial risk is assessed for utilities using, in part, the indicative ratio ranges in table 2.

U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

Table 2

Financial Risk Indicative Ratios - U.S. Utilities			
(Fully adjusted, historically demonstrated, and expected to consistently continue)			
	Cash flow		Debt leverage
	(FFO/debt) (%)	(FFO/interest) (x)	(Total debt/capital) (%)
Modest	40 - 60	4.0 - 6.0	25 - 40
Intermediate	25 - 45	3.0 - 4.5	35 - 50
Aggressive	10 - 30	2.0 - 3.5	45 - 60
Highly leveraged	Below 15	2.5 or less	Over 50

The indicative ranges for utilities differ somewhat from the guidelines used for their unregulated counterparts because of several factors that distinguish the financial policy and profile of regulated entities. Utilities tend to finance with long-maturity capital and fixed rates. Financial performance is typically more uniform over time, avoiding the volatility of unregulated industrial entities. Also, utilities fare comparatively well in many of the less-quantitative aspects of financial risk. Financial flexibility is generally quite robust, given good access to capital, ample short-term liquidity, and the like. Utilities that exhibit such favorable credit characteristics will often see ratings based on the more accommodative end of the indicative ratio ranges, especially when the company's business risk profile is solidly within its category. Conversely, a utility that follows an atypical financial policy or manages its balance sheet less conservatively, or falls along the lower end of its business risk designation, would have to demonstrate an ability to achieve financial metrics along the more stringent end of the ratio ranges to reach a given rating.

Note that even after we assign a company a business risk and financial risk, the committee does not arrive by rote at a rating based on the matrix. The matrix is a guide--it is not intended to convey precision in the ratings process or reduce the decision to plotting intersections on a graph. Many small positives and negatives that affect credit quality can lead a committee to a different conclusion than what is indicated in the matrix. Most outcomes will fall within one notch on either side of the indicated rating. Larger exceptions for utilities would typically involve the influence of related unregulated entities or extraordinary disruptions in the regulatory environment.

We will use the matrix, the ranking list, and individual company reports to communicate the relative position of a company within its business risk peer group and the other factors that produce the ratings.

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Kentucky Utilities
Case No. 2008-00251

Responding Witness: S. Bradford Rives

Schedule of Outstanding Long-Term Debt
For the Year Ended April 30, 2008

Schedule 3

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate (1) (e)	Cost Rate at 04/30/08 (2) (f)	Cost Rate to Maturity (3) (g)	Bond Rating at 04/30/08 (4) (h)	Type of Obligation (i)	Estimated Additional Debt Cost (j)	Annualized Cost Col. (d) x Col. (g) (k)	Actual Test Year Interest Cost (5) (l)	Incremental Interest Expense (m)
1	Pollution Control Bond	5/19/2000	5/1/2023	12,900,000	Variable	7.875000%	8.139186%	AAA/Aaa	Unsecured	0.000000%	1,049,955	672,531	377,424
2	Pollution Control Bond	5/23/2002	2/1/2032	20,930,000	Variable	1.650000%	1.843043%	BBB+/A2	Unsecured	4.350000%	1,296,204	708,983	587,221
3	Pollution Control Bond	5/23/2002	2/1/2032	2,400,000	Variable	1.650000%	1.942500%	BBB+/A2	Unsecured	4.350000%	151,020	83,685	67,335
4	Pollution Control Bond	5/23/2002	2/1/2032	2,400,000	Variable	1.650000%	2.228500%	BBB+/A2	Unsecured	4.350000%	157,884	93,465	64,419
5	Pollution Control Bond	5/23/2002	2/1/2032	7,400,000	Variable	1.650000%	1.904595%	BBB+/A2	Unsecured	4.350000%	462,840	252,307	210,533
6	Pollution Control Bond	10/3/2002	10/1/2032	96,000,000	Variable	4.316000%	4.585525%	AAA/Aaa	Unsecured	1.684000%	6,018,744	4,238,973	1,779,771
7	Pollution Control Bond	10/20/2004	10/1/2034	50,000,000	Variable	6.000000%	6.188016%	A/A2	Unsecured	0.000000%	3,094,008	2,329,911	764,097
8	Pollution Control Bond	7/7/2005	6/1/2035	13,266,950	Variable	3.890000%	4.023412%	AAA/Aaa	Unsecured	2.110000%	813,717	552,238	261,479
9	Pollution Control Bond	11/17/2005	6/1/2035	13,266,950	Variable	3.890000%	4.025582%	AAA/Aaa	Unsecured	2.110000%	814,005	543,417	270,588
10	Pollution Control Bond	7/20/2006	6/1/2036	16,693,620	Variable	4.074000%	4.197927%	AAA/Aaa	Unsecured	1.926000%	1,022,305	737,347	284,958
11	Pollution Control Bond	12/7/2006	6/1/2036	16,693,620	Variable	2.430000%	2.554447%	A-/A2	Unsecured	3.570000%	1,022,392	822,415	199,977
12	Pollution Control Bond	2/23/2007	10/1/2034	54,000,000	Variable	4.320000%	4.389154%	AAA/Aaa	Unsecured	1.680000%	3,277,343	2,294,394	982,949
13	Pollution Control Bond	5/24/2007	2/1/2026	17,875,000	Variable	5.750000%	5.912509%	AAA/Aaa	Unsecured	0.250000%	1,101,548	762,349	339,199
14	Pollution Control Bond	5/24/2007	3/1/2037	8,927,000	Variable	6.000000%	6.145148%	AAA/Aaa	Unsecured	0.000000%	548,577	381,579	166,998
15	Fidelity - Unsecured Loan	4/30/2003	4/30/2013	100,000,000	4.550000%	4.550000%	4.550000%	not rated	Unsecured	2.450000%	7,000,000	4,550,000	2,450,000
16	Fidelity - Unsecured Loan	8/15/2003	8/15/2013	75,000,000	5.310000%	5.310000%	5.310000%	not rated	Unsecured	1.690000%	5,250,000	3,982,500	1,267,500
17	Fidelity - Unsecured Loan	11/24/2003	11/24/2010	33,000,000	4.240000%	4.240000%	4.240000%	not rated	Unsecured	2.760000%	2,310,000	1,399,200	910,800
18	Fidelity - Unsecured Loan	1/15/2004	1/16/2012	50,000,000	4.390000%	4.390000%	4.390000%	not rated	Unsecured	2.610000%	3,500,000	2,195,000	1,305,000
19	Fidelity - Unsecured Loan	7/8/2005	7/8/2015	50,000,000	4.735000%	4.735000%	4.735000%	not rated	Unsecured	2.265000%	3,500,000	2,367,500	1,132,500
20	Fidelity - Unsecured Loan	12/19/2005	12/21/2015	75,000,000	5.360000%	5.360000%	5.360000%	not rated	Unsecured	1.640000%	5,250,000	4,020,000	1,230,000
21	Fidelity - Unsecured Loan	6/23/2006	6/23/2036	50,000,000	6.330000%	6.330000%	6.330000%	not rated	Unsecured	0.670000%	3,500,000	3,165,000	335,000
22	Fidelity - Unsecured Loan	10/25/2006	10/25/2016	50,000,000	5.675000%	5.675000%	5.675000%	not rated	Unsecured	1.325000%	3,500,000	2,837,500	662,500
23	Fidelity - Unsecured Loan	2/7/2007	2/7/2022	53,000,000	5.690000%	5.690000%	5.690000%	not rated	Unsecured	1.310000%	3,710,000	3,015,700	694,300
24	Fidelity - Unsecured Loan	3/30/2007	3/30/2037	75,000,000	5.860000%	5.860000%	5.860000%	not rated	Unsecured	1.140000%	5,250,000	4,395,000	855,000
25	Fidelity - Unsecured Loan	6/20/2007	6/20/2017	50,000,000	5.980000%	5.980000%	5.980000%	not rated	Unsecured	1.020000%	3,500,000	2,583,028	916,972
26	Fidelity - Unsecured Loan	9/14/2007	9/14/2028	100,000,000	5.960000%	5.960000%	5.960000%	not rated	Unsecured	1.040000%	7,000,000	3,758,111	3,241,889
27	Fidelity - Unsecured Loan	10/25/2007	10/25/2019	70,000,000	5.710000%	5.710000%	5.710000%	not rated	Unsecured	1.290000%	4,900,000	2,076,219	2,823,781
28	Fidelity - Unsecured Loan	12/20/2007	12/19/2014	100,000,000	5.450000%	5.450000%	5.450000%	not rated	Unsecured	1.550000%	7,000,000	1,998,333	5,001,667
29	Called Bond Expense										110,905	111,872	(967)
30													
31	Total Long-Term Debt and Annualized Cost			1,263,753,140							86,111,447	56,928,557	29,182,890
32													
33	Annualized Cost Rate (Total col (k) / Total Col. (d))			6.814%									
34	Annualized Cost Rate as filed			5.205%									
35	Incremental Interest Rate			1.609%									

- (1) Nominal Rate
- (2) Nominal Rate Plus Discount or Premium Amortization
- (3) Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- (4) Standard and Poor's / Moody's Agency Ratings
- (5) Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost.
- (6) As of April 30, 2008, the offsetting interest was booked as Interest Revenue. Subsequent to the end of the test year, it was reclassified to Interest Expense.

Note 1: The cost to maturity of the variable rate bonds are based on interest rates at April 30, 2008.

KENTUCKY UTILITIES COMPANY

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**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 137

Responding Witness: S. Bradford Rives

Q-137. Does Fidelity Corporation provide financing to any companies outside of the E.ON AG family? If yes, state the percentage of loans outside of the E.ON AG family to total loans issued by Fidelity.

A-137. Fidelity does not provide financing to companies outside the E.ON AG family.

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Response to Second Data Request of Commission Staff

Dated August 27, 2008

Question No. 138

Responding Witness: S. Bradford Rives / William E. Avera

- Q-138. Provide the capital structure for years 2007, 2006, and 2005 for the listed entities showing the cost of each debt and preferred stock component separately from the return on common equity. Also, state the most recently approved return on common equity for all entities providing regulated services.
- a. E.ON AG
 - b. E.ON Energie AG
 - c. E.ON US Holding GmbH
 - d. Fidelia Corporation
 - e. E.ON Ruhrgas Holding GmbH
 - f. The 17 entities included in Mr. Avera's utility proxy group as listed at Schedule WEA-1 of the Avera Testimony.
- A-138. a-e. The financial information provided below is from the E.ON AG annual reports for 2007, 2006 and 2005. These financial statements are prepared based on International Accounting Standards, not U.S. GAAP, and are presented in Euros not dollars. Fidelia Corporation is a wholly owned subsidiary of E.ON AG and the principal financing entity for the operations in the U.S. E.ON US Holding GmbH is a wholly owned subsidiary of E.ON AG and is an interim holding company for U.S. operations. E.ON Ruhrgas Holding GmbH and E.ON Energie AG are E.ON AG subsidiaries with significant operations throughout Europe. Other than E.ON AG, the other E.ON AG entities do not separately publish financial results and this information is not available to KU and LG&E. None of the E.ON AG companies in this request operate under a similar method of regulation to that under the Kentucky PSC and therefore none have "approved returns on equity".

2007 Net Income was Euro 7.724 Billion with year-end equity of Euro 49.374 Billion. Debt at the end of 2007 was Euro 18.466 Billion with interest expense during 2007 of Euro 1.986 Billion. There is no preferred stock.

2006 Net Income was Euro 6.082 Billion with year-end equity of Euro 48.712 Billion. Debt at the end of 2006 was Euro 10.607 Billion with interest expense during 2006 of Euro 2.214 Billion. There is no preferred stock.

2005 Net Income was Euro 7.407 Billion with year-end equity of Euro 44.484 Billion. Debt at the end of 2005 was Euro 11.068 Billion with interest expense during 2005 of Euro .736 Billion. There is no preferred stock.

- f. The information requested for the 17 entities listed in Schedule WEA-1 of Mr. Avera's testimony is attached. The most recently approved return on common equity for these entities as reported by Value Line indicated. Please note that not all cases have reported allowed returns and the dates of the most recent cases vary between jurisdictions.

Utility Proxy Group - Capital Structure / Cost/Return

Allowed ROE

	2005		2006		2007		Allowed ROE
	Capital Structure	Cost/Return	Capital Structure	Cost/Return	Capital Structure	Cost/Return	
Alliote							
common equity	60.69%	2.21%	63.09%	11.47%	63.73%	11.80%	11.60%
preferred stock	0.00%	n/a	0.00%	n/a	0.00%	n/a	
debt	39.31%	6.76%	36.91%	7.03%	36.27%	5.82%	
Alliant Energy							
common equity	48.25%	-0.32%	57.74%	11.81%	58.53%	15.86%	10.80%
preferred stock	4.82%	7.67%	5.31%	7.67%	5.32%	7.67%	
debt	46.88%	7.42%	36.95%	8.59%	36.15%	7.05%	
Consolidated Edison							
common equity	46.57%	9.84%	47.07%	9.21%	48.93%	10.24%	9.10%
preferred stock	1.36%	5.16%	1.25%	5.16%	1.15%	5.16%	
debt	52.08%	5.25%	51.68%	5.87%	49.92%	5.69%	
Constellation Energy							
common equity	49.32%	12.68%	46.56%	20.32%	50.45%	15.38%	11.00%
preferred stock	1.91%	6.95%	1.92%	6.95%	1.79%	6.95%	
debt	48.77%	6.31%	51.52%	6.45%	47.76%	6.17%	
Dominion Resources							
common equity	35.54%	0.94%	39.40%	10.69%	35.99%	26.99%	11.40%
preferred stock	0.88%	6.23%	0.78%	6.23%	0.98%	6.23%	
debt	63.58%	4.89%	59.61%	5.16%	63.02%	7.04%	
Duke Energy							
common equity	50.63%	11.02%	56.41%	7.14%	64.31%	7.08%	NC 11.0%
preferred stock	0.00%	n/a	0.00%	n/a	0.00%	n/a	SC 12.25%
debt	49.37%	2.38%	43.59%	3.13%	35.69%	5.82%	OH 12.9%
							IN 10.3%
Entergy Corp.							
common equity	45.08%	11.60%	46.69%	13.82%	41.55%	14.43%	10.0%-13.0%
preferred stock	2.68%	5.53%	2.02%	7.82%	1.64%	8.07%	
debt	52.23%	5.63%	51.29%	6.37%	56.81%	6.16%	
Exelon Corp.							
common equity	39.37%	10.12%	43.25%	15.91%	42.39%	26.99%	10.05%
preferred stock	0.38%	4.60%	0.38%	4.60%	0.36%	4.60%	
debt	60.25%	5.94%	56.38%	6.75%	57.24%	6.21%	
Integrus Energy Group							
common equity	52.35%	12.07%	42.35%	10.16%	53.26%	7.77%	10.90%
preferred stock	2.05%	6.07%	1.41%	6.07%	0.84%	6.07%	
debt	45.60%	5.46%	56.24%	4.87%	45.90%	5.90%	
MDU Resources Group							
common equity	60.57%	14.62%	62.87%	14.66%	65.50%	17.15%	11.4%-13.0%
preferred stock	0.48%	4.57%	0.44%	4.57%	0.39%	4.57%	
debt	38.94%	4.51%	36.69%	5.75%	34.11%	5.51%	
PG&E Corp.							
common equity	40.37%	12.70%	42.53%	12.69%	44.02%	11.76%	11.35%
preferred stock	1.41%	6.35%	1.37%	5.56%	1.30%	5.56%	
debt	58.22%	5.60%	56.10%	7.16%	54.69%	7.17%	
P S Enterprise Group							
common equity	31.67%	10.98%	37.19%	10.95%	42.36%	18.29%	9.75%
preferred stock	0.42%	5.00%	0.44%	5.00%	0.46%	5.00%	
debt	67.91%	5.83%	62.37%	6.99%	57.17%	7.40%	
SCANA Corp.							
common equity	40.00%	13.06%	43.40%	10.89%	43.45%	10.81%	SC Electric
preferred stock	1.86%	6.14%	1.74%	6.14%	1.66%	6.19%	11.00%
debt	58.14%	5.95%	54.86%	5.81%	54.89%	5.51%	SC Gas
							10.25%
Sempra Energy							
common equity	49.98%	14.94%	57.13%	18.72%	58.97%	13.18%	SDG&E 11.1%
preferred stock	1.45%	5.59%	1.36%	5.59%	1.27%	5.59%	SoCalGas
debt	48.57%	5.18%	41.51%	6.43%	39.77%	4.84%	10.82%
Vectren Corp.							
common equity	42.42%	11.97%	40.61%	9.27%	40.63%	11.60%	12.25%
preferred stock	0.00%	n/a	0.00%	n/a	0.00%	n/a	
debt	57.58%	5.41%	59.39%	5.57%	59.37%	5.60%	
Wisconsin Energy							
common equity	40.04%	11.52%	40.12%	10.95%	41.02%	10.83%	10.75%
preferred stock	0.45%	3.95%	0.42%	3.95%	0.40%	3.95%	
debt	59.51%	4.32%	59.46%	4.01%	58.58%	3.76%	
Xcel Energy, Inc.							
common equity	41.57%	9.43%	43.62%	9.76%	43.53%	9.10%	MN 11.47%
preferred stock	0.81%	4.04%	0.78%	4.04%	0.73%	4.04%	WI 10.75%
debt	57.62%	6.20%	55.59%	6.57%	55.74%	6.45%	TX 15.05%
							CO E 10.75%
							CO G 10.25%

Return on Common Equity = Net Income / Common Equity

Cost of Preferred Stock = Preferred Dividends / Preferred Stock

Cost of Debt = Interest Expense / Total Debt

Debt includes "Short-Term Debt"

Allowed Return As Reported in Value Line

Please note that some cases in some states have no reported ROE

KENTUCKY UTILITIES COMPANY

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**Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Question No. 139

Responding Witness: William E. Avera

- Q-139. Page 23 of the Avera Testimony states that the utility proxy group selected for KU included companies providing both electric and gas services. Explain why this proxy group is more appropriate than a proxy group of utilities providing only electric service considering that KU provides only electric service.
- A-139. All of the utilities in Dr. Avera's Utility Proxy Group are classified by Value Line as electric utilities and included in their Electric Utility Industry groups. In order to achieve consistency with the filing of KU's affiliate, Louisville Gas and Electric Company, which does provide gas utility service, Dr. Avera considered combination utilities providing both electric and gas service.