



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

December 14, 2011

PARTIES OF RECORD

Re: Case No. 2011-00161

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the November 18, 2011 technical conference, please do so within five days of receipt of this letter. If you have any questions, please contact Faith Burns of the Commission staff at 502/564-3940, Extension 235.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachments

cc: Parties of record

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2011-00161
FROM: Faith B. Burns, Staff Attorney *F.B.B. 12-14-11*
DATE: December 14, 2011
RE: Technical Conference of November 18, 2011

On November 16, 2011, Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company requested a technical conference with Commission Staff and the parties to be held on November 18, 2011 at 10:30 a.m. for the purpose of reviewing the changes to the proposed Environmental Cost Recovery Surcharge monthly forms to reflect some of the terms of the Settlement Agreement, Stipulation, and Recommendation (“Settlement Agreement”).

The technical conference was conducted as scheduled. A list of attendees is attached.¹ Also attached is a copy of KU’s proposed environmental cost recovery surcharge tariff to conform to the terms of the Settlement Agreement; and KU’s proposed Environmental Surcharge (“ES”) Forms to conform to the Terms of the Settlement Agreement.

Attachments:

Sign-in Sheet
Proposed Tariff
Proposed ES Forms

¹ Dennis Howard, Larry Cook, Iris Skidmore, and David Barberie appeared telephonically.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
 COMPANY FOR CERTIFICATES OF PUBLIC)
 CONVENIENCE AND NECESSITY AND) CASE NO.
 APPROVAL OF ITS 2011 COMPLIANCE PLAN) 2011-00161
 FOR RECOVERY BY ENVIRONMENTAL)
 SURCHARGE)

APPLICATION OF LOUISVILLE GAS AND)
 ELECTRIC COMPANY FOR CERTIFICATES OF)
 PUBLIC CONVENIENCE AND NECESSITY AND) CASE NO.
 APPROVAL OF ITS 2011 COMPLIANCE PLAN) 2011-00162
 FOR RECOVERY BY ENVIRONMENTAL)
 SURCHARGE)

November 18, 2011

Please sign in:

NAME	REPRESENTING
<u>RICHARD RAFF</u>	<u>PSC-LEGAL</u>
<u>Mike Kurtz</u>	<u>KIUC</u>
<u>Ron Havelgrat</u>	<u>PSC-FA</u>
<u>JEFF SHAW</u>	<u>PSC-FA</u>
<u>Allison Sturgeon</u>	<u>LGE/KU</u>
<u>Kendrick Riggs</u>	<u>SKD for LGE/KU</u>
<u>Robert Conroy</u>	<u>LGE/KU</u>
<u>Andrea Schroeder</u>	<u>LGE/KU</u>
<u>Quang D. Nguyen</u>	<u>PSC</u>

Case No. 2011-00161
Case No. 2011-00162
November 18, 2011

NAME

REPRESENTING

Justin B. Powell

PSC-Legal

Kimma Coly

PSC-Engr.

Fereydoon Gorjian

PSC-Engineering

DENNIS HOWARD

AG

LARRY COOK

AG

IRIS SKIDMORE

CAC

DAVID BARBERIE

LFUCB

Kentucky Utilities Company

P.S.C. No. 15, First Revision of Original Sheet No. 87
 Canceling P.S.C. No. 15, Original Sheet No. 87

Adjustment Clause	ECR
Environmental Cost Recovery Surcharge	
<p>APPLICABLE In all territory served.</p>	
<p>AVAILABILITY OF SERVICE This schedule is mandatory to all Standard Electric Rate Schedules listed in Section 1 of the General Index except CTAC and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC and DSM Adjustment Clauses. <u>Standard Electric Rate Schedules subject to this schedule are divided into Group 1 or Group 2 as follows:</u></p> <p style="margin-left: 40px;">Group 1: Rate Schedules RS; VFD; AES; ST.LT; P.O.LT.; DSK; LE; TE; and Pilot Program LEV.</p> <p style="margin-left: 40px;">Group 2: Rate Schedules GS; PS; TODS; TODP; RTS; and FLS.</p> <p style="margin-left: 40px;"><u>Prior to billings for the first billing cycle in March 2012 (cycle beginning February 29, 2012), all rate schedules noted above will be included in Group 1 for purposes of determining and applying the Environmental Surcharge Billing Factor.</u></p>	
<p>RATE The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula</p> <p style="margin-left: 40px;">$\text{Group Environmental Surcharge Billing Factor} = \text{Group E(m)} / \text{Group R(m)}$</p> <p>As set forth below, <u>Group E(m)</u> is the <u>sum of Jurisdictional E(m)</u> of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month <u>allocated to each of Group 1 and Group 2.</u> <u>Group R(m) for Group 1 is the 12-month average revenue for the current expense and for Group 2 it is the 12-month average non-fuel revenue for the current expense month.</u></p>	
<p>DEFINITIONS</p> <p>1) For all Plans, $E(m) = [(RB/12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE - BAS + BR$</p> <p>a) RB is the Total Environmental Compliance Rate Base.</p> <p>b) ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].</p> <p>c) DR is the Debt Rate [cost of short-term debt and long-term debt].</p> <p>d) TR is the Composite Federal and State Income Tax Rate.</p> <p>e) OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Emission Allowance Expense, and O&M expense adjusted for the Average Month Expense already included in existing rates]. <u>OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.</u></p> <p>f) BAS is the total proceeds from by-product and allowance sales <u>applicable to the pre-2011-Plans only.</u></p> <p>g) BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse <u>applicable to the pre-2011 Plans only.</u></p> <p>h) Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.</p>	

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Date of Issue: June 1, 2011
 Date Effective: December 16, 2011
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 15, Original Sheet No. 87.1

Adjustment Clause	ECR
Environmental Cost Recovery Surcharge	
<p>2) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Ratio to arrive at Jurisdictional E(m). Jurisdictional E(m) is multiplied by the Group 1 and Group 2 percentages of total revenues to arrive at Group 1 E(m) and Group 2 E(m). Each individual Group E(m) is reduced by current expense month ECR revenue collected through base rates of each Rate Schedule included in the applicable Group to arrive at the Net Group 1 E(m) and Net Group 2 E(m).</p> <p>3) The Group 1 R(m) is the average of total Group 1 monthly base revenue for the 12 months ending with the current expense month. Base revenue includes the customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.</p> <p>4) The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the 12 months ending with the current expense month. Base non-fuel revenue includes the customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.</p> <p>5) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.</p>	<p>T</p> <p>↓</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>↓</p> <p>T</p> <p>↓</p>

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Date of Issue: June 1, 2011
 Date Effective: December 16, 2011
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Group E(m) and
Group Environmental Surcharge Billing Factors
For the Expense Month of**

GROUP 1 (Total Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 18 =

Group 1 ES Billing Factor -- ES Form 1.10, line 20 =

GROUP 2 (Net Revenue)

Net Group E(m) = Group E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 18 =

Group 2 ES Billing Factor -- ES Form 1.10, line 20 =

Effective Date for Billing:

Submitted by: _____

Title: Director, Rates

Date Submitted:

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and
Group Surcharge Billing Factors

For the Expense Month of

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE - BAS + BR$, where
 RB = Environmental Compliance Rate Base
 ROR = Rate of Return on the Environmental Compliance Rate Base
 DR = Debt Rate (both short-term and long-term debt)
 TR = Composite Federal & State Income Tax Rate
 OE = Pollution Control Operating Expenses
 BAS = Total Proceeds from By-Product and Allowance Sales
 BR = Beneficial Reuse Operating Expenses

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	=		
(2) RB / 12	=		
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		
(4) OE	=		
(5) BAS	=		Not Applicable
(6) BR	=		Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)		
(8) Total E(m)	= sum of Pre-2011 E(m) + 2011 E(m)		

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3 10	=
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	=
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(13) Revenue as a Percentage of Total Revenue for Current Month -- ES Form 3 00	=		
(14) Group E(m) [(12) x (13)]	=		
(15) Adjustment for (Over)/Under-collection pursuant to Case No	=		
(16) Prior Period Adjustment related to Revenue (if necessary)	=		
(17) Revenue Collected through Base Rates	=		
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	=		
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3 00	=		
(20) Group Environmental Surcharge Billing Factors [(18) ÷ (19)]	=		

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant				
Eligible Pollution CWIP Excluding AFUDC				
Subtotal				
Additions:				
Inventory - Limestone				
Less: Limestone Inventory in base rates				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33				
Less: Allowance Inventory Baseline				
Net Emission Allowance Inventory				
Cash Working Capital Allowance				
Subtotal				
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant				
Pollution Control Deferred Income Taxes				
Pollution Control Deferred Investment Tax Credit				
Subtotal				
Environmental Compliance Rate Base				

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense		
Monthly Depreciation & Amortization Expense		
Monthly Taxes Other Than Income Taxes		
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31		
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)		
Net Recoverable Emission Allowance Expense		
Monthly Surcharge Consultant Fee		
Total Pollution Control Operations Expense		

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
Net Beneficial Reuse Operations Expense	

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales			
Scrubber By-Products Sales			
Total Proceeds from Sales			

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended:

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons						
Dollars						
\$/Ton						
At E.W. Brown:						
Tons						
Dollars						
\$/Ton						

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

Net to be included in ECR

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

ES FORM 2.10

Plant, CWIP & Depreciation Expense

For the Month Ended:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of	Deferred Tax Balance as of	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station								
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)								
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4								
Subtotal								
Less Retirements and Replacement resulting from implementation of 2005 Plan								
Net Total - 2005 Plan:								
2006 Plan:								
Project 23 - TC2 AQCS Equipment								
Project 24 - Sorbent Injection								
Project 25 - Mercury Monitors								
Project 27 - E.W. Brown Electrostatic Precipitators								
Subtotal								
Less Retirements and Replacement resulting from implementation of 2006 Plan								
Net Total - 2006 Plan:								
2009 Plan:								
Project 28 - Brown 3 SCR								
Project 29 - Brown Aux Pond (Phase II)								
Project 30 - Ghent CCP Storage (Landfill- Phase I)								
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)								
Project 32 - Trimble County CCP Storage (Landfill - Phase I)								
Project 33 - Beneficial Reuse								
Subtotal								
Less Retirements and Replacement resulting from implementation of 2009 Plan								
Net Total - 2009 Plan:								
2011 Plan:								
Project 29 - Brown Landfill (Phase I)								
Project 34 - E.W. Brown Station Air Compliance								
Project 35 - Ghent Station Air Compliance								
Subtotal								
Less Retirements and Replacement resulting from implementation of 2011 Plan								
Net Total - 2011 Plan:								
Net Total - All Plans:								

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 46% and LG&E at 52%

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

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

For the Month Ended:

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031 - 2040							

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Month Ended:

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

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

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

For the Month Ended:

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

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

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

For the Month Ended:

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

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

ES FORM 2.40

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

For the Month Ended:

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month		
10th Previous Month		
9th Previous Month		
8th Previous Month		
7th Previous Month		
6th Previous Month		
5th Previous Month		
4th Previous Month		
3rd Previous Month		
2nd Previous Month		
Previous Month		
Current Month		
Total 12 Month O&M		

Determination of Working Capital Allowance		
12 Months O&M Expenses		
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance		

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses**

For the Month Ended:

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations						
512055 - ECR Scrubber Maintenance						
Total 2005 Plan O&M Expenses						
2006 Plan						
506159 - ECR Sorbent Injection Operation						
506152 - ECR Sorbent Reactant - Reagent Only						
512152 - ECR Sorbent Injection Maintenance						
506150 - ECR Mercury Monitors Operation						
512153 - ECR Mercury Monitors Maintenance						
506154 - ECR NOx Operation -- Consumables						
506155 - ECR NOx Operation -- Labor and Other						
512151 - ECR NOx Maintenance						
502056 - ECR Scrubber Operations						
512055 - ECR Scrubber Maintenance						
506051 - ECR Precipitator Operation						
506151 - ECR Activated Carbon						
512051 - ECR Precipitator Maintenance						
Total 2006 Plan O&M Expenses						
2009 Plan						
506154 - ECR NOx Operation -- Consumables						
506155 - ECR NOx Operation -- Labor and Other						
512151 - ECR NOx Maintenance						
502012 - ECR Landfill Operations						
512105 - ECR Landfill Maintenance						
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)						
Total 2009 Plan O&M Expenses						
2011 Plan						
506159 - ECR Sorbent Injection Operation						
506152 - ECR Sorbent Reactant - Reagent Only						
512152 - ECR Sorbent Injection Maintenance						
506156 - ECR Baghouse Operations						
512156 - ECR Baghouse Maintenance						
506151 - ECR Activated Carbon						
Total 2011 Plan O&M Expenses						
Current Month O&M Expense for All Plans						

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended:

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month		
(2) Monthly Amount [(1) / 12]		
2009 Plan Project		
(3) Monthly Expense		
Total Generating Station		
(4) Monthly Expense [(2) + (3)]		
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)		
(6) Monthly Expense Amount [(5) / 12]		
(7) Total Generating Station Less Base Rates [(4) - (6)]		
(8) Less 2009 Plan Project [(7) - (3)]		
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended:**

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month						
(2) Monthly Amount [(1) / 12]						
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)						
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]						
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)						
(6) Monthly Expense Amount [(5) / 12]						
(7) Total Generating Station Less Base Rates [(4) - (6)]						
(8) Less 2009 Plan Project 33 [(7) - (3)]						
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)						

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues and Calculation of Jurisdictional Allocation Percentage for Current Month

For the Month Ended:

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ -	\$ -
(2) Fuel Adjustment Clause	\$ -	\$ -
(3) DSM	\$ -	\$ -
(4) Environmental Surcharge		\$ -
(5) CSR Credits		\$ -
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ -	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ -	\$ -
(8) Virginia Retail	\$ -	\$ -
(9) Wholesale	\$ -	\$ -
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ -	\$ -
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ -	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ -	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ -
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ -
(18) Total Company Revenues per Income Statement =		\$ -