



S T O L L · K E E N O N · O G D E N
P L L C

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099
www.skofirm.com

J. WADE HENDRICKS
DIRECT DIAL: (502) 560-4227
DIRECT FAX: (502) 627-8727
wade.hendricks@skofirm.com

August 17, 2011

RECEIVED

AUG 17 2011

PUBLIC SERVICE
COMMISSION

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

**RE: Application of Louisville Gas and Electric Company for An Order Authorizing the Restructure and Refinancing of Unsecured Debt and the Assumption of Obligations and for Amendment of Existing Authority
Case No. 2010-00205**

Dear Mr. DeRouen:

Enclosed please find and accept for filing an original and twelve (12) copies of the Motion of Louisville Gas and Electric Company ("LG&E") for amendment and extension of authority with respect to its revolving line of credit. An additional copy to be file stamped and returned to the undersigned is also enclosed.

In its May 28, 2010 Application in Case No. 2010-00205, *The Application of Louisville Gas and Electric Company for an Order Authorizing the Restructure and Refinancing of Unsecured Debt and the Assumption of Obligations and for Amendment of Existing Authority*, LG&E requested authority to enter into new multi-year revolving credit facilities. In its application, LG&E stated the term of such facilities would not exceed five years and that the expected term would run through December 31, 2014. For the reasons set forth in its Motion, LG&E moves for authority to extend the term of its existing revolving credit facility beyond the term originally contemplated in its Application in Case No. 2010-00205.

Should the Commission determine that a new proceeding is necessary, LG&E requests that this Motion be considered an Application and that a new case be initiated.

Jeff DeRouen
August 17, 2011
Page 2

Please contact the undersigned should there be any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Wade Hendricks". The signature is written in a cursive style with a large initial "J" and a long horizontal flourish at the end.

J. Wade Hendricks

JWH/dvg
Enclosure

cc: Dennis G. Howard, II
Lawrence W. Cook
Michael L. Kurtz
Allyson K. Sturgeon
Kendrick R. Riggs

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 17 2011

In the Matter of:

**THE APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN ORDER)
AUTHORIZING THE RESTRUCTURE AND)
REFINANCING OF UNSECURED DEBT AND)
THE ASSUMPTION OF OBLIGATIONS AND)
FOR AMENDMENT OF EXISTING AUTHORITY)**

PUBLIC SERVICE
COMMISSION

CASE NO. 2010-00205

**MOTION FOR AMENDMENT AND EXTENSION OF AUTHORITY WITH RESPECT
TO REVOLVING LINE OF CREDIT**

Louisville Gas and Electric Company (“LG&E”) hereby moves for amendment and extension of LG&E’s existing authority with respect to its multi-year revolving line of credit. In support of this Motion, LG&E states as follows:

1. LG&E’s full name is Louisville Gas and Electric Company. The post office address of LG&E is 220 West Main Street, Louisville, Kentucky 40202. A certified copy of LG&E’s Articles of Incorporation was filed with the Commission in Case No. 2010-00204.¹

2. On May 28, 2010 in Case No. 2010-00205, along with other matters related to LG&E’s restructure of its debt, LG&E applied for authority to replace its then current revolving credit facilities (the “Application”). Original authority for the revolving credit facilities being replaced was granted in Case No. 2007-00232² by Orders dated August 2, 2007 and August 9, 2007. In Case No. 2007-00232, the Commission found that granting LG&E authority to enter

¹(Joint Application of PPL Corporation, E.ON AG, E.ON US Investment Corp., E.ON LLC, Louisville Gas and Electric Company, and Kentucky Utilities Company for approval of an acquisition of ownership and control of utilities)

²(Application of Louisville Gas and Electric Company for an Order authorizing issuance of securities and the assumption of obligations)

into multi-year revolving credit facilities under which LG&E could incur short-term debt from time to time would alleviate the time and cost of annually negotiating and renewing short-term debt arrangements.³

3. In its Application in Case No. 2010-00205, LG&E requested authority to enter into one or more new credit facilities (the “New Credit Facilities”) to replace the existing multi-year revolving credit facilities authorizing in Case No. 2007-00232. This was necessary because the credit facilities in effect at that time were to be unavailable following consummation of the change of control contemplated in Case No. 2010-00204.

4. In its Application in Case No. 2010-00205, LG&E stated that the term of the New Credit Facilities would not exceed five years, and that it expected the actual term of any New Credit Facility would run through December 31, 2014. By Order dated September 30, 2010, the Commission authorized LG&E to enter into one or more multi-year revolving New Credit Facilities with one or more financial institutions in an aggregate amount not to exceed \$400,000,000, as described in LG&E’s Application.

5. LG&E subsequently entered into such facilities. However, significant changes in the credit markets have recently occurred that have made it advantageous for LG&E to extend the New Credit Facilities beyond the current December 31, 2014 termination date, or the five year term contemplated in LG&E’s Application. LG&E therefore seeks authority to amend and extend the New Credit Facilities for an additional period for either five (5) years from the date of extension or through December 31, 2016.

³ Case No. 2007-00232, Order of August 2, 2007.

6. The amended and extended New Credit Facilities would be available for the same purposes for which they are currently available. Loan proceeds could be used to provide short-term financing for LG&E's general financing needs, for example, general costs of operation or costs of LG&E's various construction programs, until permanent or long-term financing can be arranged. However, LG&E does not assign specific financing to any particular capital project or use, and does not project finance projects. Thus, these are general reasons that LG&E might have need for short-term financing, rather than uses to which such financing would be assigned. In addition, the amended and extended New Credit Facilities could be used to provide liquidity or credit support for LG&E's other debt, for example, ensuring that LG&E had readily available funds with which to make payments with respect to variable rate bonds that could be tendered for purchase and not remarketed.

7. By amending and extending the existing New Credit Facilities, LG&E will be able to pay lower on-going commitment fees immediately and LG&E anticipates paying a lower upfront fee to extend the existing facility than if it waited until the term of the current facility ended to replace the line of credit. The amendment would also significantly reduce the credit spread the Company would pay if it borrows under the line of credit. Attached to this Motion as Exhibit 1 is a net present value analysis showing significant savings to LG&E if it is able to amend and extend the New Credit Facilities. The model is conservative in that it assumes the current market conditions, which are very favorable, would continue to be available at the end of 2014 when the existing line of credit expires. Also attached as Exhibits 2 and 3, respectively, are a Description of LG&E's Property and a Financial Exhibit pursuant to 807 KAR 5:001, Section 11(2)(1) as described by 807 KAR 5:001, Section 11(2)(b).

THEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission amend its September 30, 2010 Order in Case No. 2010-00205, as follows:

1. That Louisville Gas and Electric Company be authorized to amend and extend the term of its multi-year revolving credit facilities through December 31, 2016.

2. Other than as expressly set out herein, that the authority granted by the Commission in its September 30, 2010 Order in Case No. 2010-00205 remain in force and effect.

Dated: August 17, 2011

Respectfully Submitted,



Kendrick R. Riggs
John Wade Hendricks
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 W. Jefferson Street
Louisville, KY 40202
(502) 333-6000

Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 W. Main Street
Louisville, KY 40202
(502) 627-2088

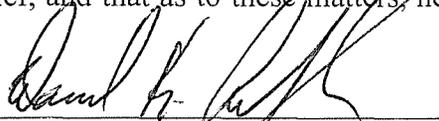
*Counsel for Louisville and Gas and Electric
Company*

VERIFICATION

COMMONWEALTH OF KENTUCKY

COUNTY OF JEFFERSON

Daniel K. Arbough being first duly sworn, deposes and says that he is Treasurer for Louisville Gas and Electric Company, that he has read the foregoing Motion and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that as to these matters, he believes them to be true.



DANIEL K. ARBOUGH

Subscribed and sworn before me this 15th that day of August, 2011.

My Commission Expires: August 31, 2011



NOTARY PUBLIC, STATE AT LARGE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the following persons on the 17th day of August 2011, U.S. mail, postage prepaid:

Dennis G. Howard II
Lawrence W. Cook
Assistant Attorneys General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, OH 45202



Counsel for Louisville Gas and Electric Company

400001.141071/743140.4

LG&E 2011 Credit Facility Analysis
(Refinance in 2011 or Wait Until 2014*)

Assumptions:

Tax Rate	38.9%	Average LC Outstanding:	\$0
Discount Rate (WACC):	6.68%	Average Drawn ¹ :	\$0
Size:	\$400,000,000	Close Date:	October 1, 2011
New Rates:		2011 Unamortized Fee Write-off due to Bank Commitment Changes	\$0
5-Year Terms			
Up-Front Fee	0.375%		
Ammendment Fee	0.150%		
Arranger Fee - Now	\$125,000		
Arranger Fee - Wait	0.100%		
Grid Pricing on Attachment 1			
* Interest on credit facility draws calculated using credit spread only			

* Assumed that Credit Facility pricing (37.5 bps and 10 bps arranger fees) and tenor availability remain available in 2014.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Cash Analysis</u>	(3 Months)					
<i>Current</i>						
Upfronts/Arranger Fees				\$2,100,000		
Funded Fees	\$0	\$0	\$0	0	\$0	\$0
Unfunded Fees	200,000	800,000	800,000	800,000	600,000	600,000
LC Fees	0	0	0	0	0	0
Sub-Total (Before-Tax)	\$200,000	\$800,000	\$800,000	\$2,900,000	\$600,000	\$600,000
Total After-Tax (A)	\$122,200	\$488,800	\$488,800	\$1,771,900	\$366,600	\$366,600
<i>Proposed</i>						
Upfronts/Arranger Fees	\$925,000					
Funded	0	\$0	\$0	\$0	\$0	\$0
Unfunded	150,000	600,000	600,000	600,000	600,000	600,000
LC Fees	0	0	0	0	0	0
Sub-Total (Before-Tax)	\$1,075,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Total After-Tax (B)	\$656,825	\$366,600	\$366,600	\$366,600	\$366,600	\$366,600
Benefit/ (Cost) - After-Tax ((A)-(B))	(\$534,625)	\$122,200	\$122,200	\$1,405,300	\$0	\$0
NPV	\$822,007					

LOUISVILLE GAS AND ELECTRIC COMPANY
(807 KAR 5:001, Section 11, Item 1 (a))

A DESCRIPTION OF APPLICANT'S PROPERTY, INCLUDING A
STATEMENT OF THE NET ORIGINAL COST OF THE PROPERTY
AND THE COST THEREOF TO APPLICANT

June 30, 2011

The applicant's generating, transmission and distribution systems described herein are calculated annually. As of December 31, 2010, the applicant owned 10 and operated 8 coal fired steam electric generating units having a total capacity of 2,552 Mw; 14 combustion turbine generating units having a total capacity of 667 Mw; and 1 hydroelectric generating station, the operation of which is affected by the water level and flow of the Ohio River, having a total capacity of 52 Mw.

With limited exceptions the Company took care, custody and control of TC2 on January 22, 2011, and has dispatched the unit to meet customer demand since that date. LG&E and the contractor agreed to a further amendment of the construction agreement whereby the contractor will complete certain actions relating to identifying and completing any necessary modifications to allow operation of TC2 on all fuels in accordance with initial specifications prior to certain dates, and amending the provisions relating to liquidated damages. Unit 2 is coal-fired and has a capacity of 760 Mw, of which LG&E's share is 108 Mw.

The applicant's owned electric transmission system included 45 substations (32 of which are shared with the distribution system) with a total capacity of approximately 6,760 MVA and 911 miles of lines. The electric distribution system included 95 substations (32 of which are shared with the transmission system) with a total capacity of approximately 5,224 MVA, 3,920 miles of overhead lines and 2,350 miles of underground conduit.

The applicant operated underground gas storage facilities with a current working gas capacity of 15 million Mcf used for seasonal and peak-day augmentation of winter pipeline supply.

The applicant's natural gas transmission system included 380 miles of transmission mains, consisting of 255 miles of natural gas transmission lines, 119 miles of natural gas storage lines and 6 miles of natural gas combustion turbine lines. The applicant's natural gas distribution system includes 4,235 miles of distribution mains.

Other properties include an office building, service centers, warehouses, garages and other structures and equipment, the use of which is common to both the electric and gas departments.

The net original cost of the property and cost thereof to the applicant at June 30, 2011, was:

	<u>Electric</u>	<u>Gas</u>	<u>Common</u>	<u>Total</u>
Original Cost	\$ 3,822,322,630	\$ 738,226,836	\$ 241,798,847	\$ 4,802,348,313
Less Reserve for				
Depreciation	1,536,568,771	176,483,730	101,822,609	1,814,875,110 *
Net Original Cost	<u>2,285,753,859</u>	<u>561,743,106</u>	<u>139,976,238</u>	<u>2,987,473,203</u>
Allocation of Common				
To Electric and Gas	102,182,654	37,793,584	(139,976,238)	-
Total	<u>\$ 2,387,936,513</u>	<u>\$ 599,536,690</u>	<u>\$ -</u>	<u>\$ 2,987,473,203</u>

*

Excludes \$278,304,148 related to cost of removal reserves that is not included in the reserve in the Financial Statements and Additional Information, but instead is included as a regulatory liability.

LOUISVILLE GAS AND ELECTRIC COMPANY

FINANCIAL EXHIBIT
(807 KAR 5:001 SEC. 6)

June 30, 2011

- (1) Amount and kinds of stock authorized.

75,000,000 shares of Common Stock, without par value
1,720,000 shares of Preferred Stock at \$25.00 par value – authorized, but unissued
6,750,000 shares of Preferred Stock, without par value – authorized, but unissued

- (2) Amount and kinds of stock issued and outstanding.

Common Stock:
21,294,223 shares issued and outstanding, without par value, recorded at \$424,334,535.

- (3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

None

- (4) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.

Date of Execution: As of October 1, 2010 (Supplemental Indentures were executed on October 15, 2010 and November 1, 2010.)

Mortgagor: Louisville Gas and Electric Company

Trustee: The Bank of New York Mellon

Amount of Authorized Debt: One quintillion dollars

Amount of Debt Secured: \$1,109,304,000

Sinking Fund Provisions: None

Pledged Assets: Substantially all assets of Louisville Gas and Electric Company located in Kentucky

- (5) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with an amount of interest paid thereon during the last 12-month period.

Secured by first mortgage lien on substantially all assets in Kentucky.

Louisville Gas and Electric Company

Date of Issue	Date of Maturity	Rate of Interest	Principal Amount		Interest Expense Year Ended June 30, 2011
			Authorized	Outstanding at June 30, 2011	
Pollution Control Bonds					
05/19/00	05/01/27	5.375%	\$ 25,000,000	\$ 25,000,000	\$ 1,343,750
08/09/00	08/01/30	Variable	83,335,000	83,335,000	307,691
09/11/01	09/01/27	Variable	10,104,000	10,104,000	245,034
03/06/02	09/01/26	Variable	22,500,000	22,500,000	36,004
03/06/02	09/01/26	Variable	27,500,000	27,500,000	133,695
03/22/02	11/01/27	Variable	35,000,000	35,000,000	375,813
03/22/02	11/01/27	Variable	35,000,000	35,000,000	372,227
10/23/02	10/01/32	Variable	41,665,000	41,665,000	181,399
11/20/03	10/01/33	1.900%	128,000,000	128,000,000 *	1,141,689
04/13/05	02/01/35	5.750%	40,000,000	40,000,000	2,300,000
04/26/07	06/01/33	5.625%	31,000,000	31,000,000	1,743,750
04/26/07	06/01/33	1.900%	35,200,000	35,200,000 *	313,964
04/26/07	06/01/33	4.600%	60,000,000	60,000,000	2,760,000
Interest Rate Swaps					7,411,387
			<u>\$ 574,304,000</u>	<u>\$ 574,304,000</u>	<u>\$ 18,666,403</u>
First Mortgage Bonds					
11/16/10	11/15/15	1.625%	\$ 250,000,000	\$ 250,000,000	\$ 2,539,063
11/16/10	11/15/40	5.125%	285,000,000	285,000,000	9,128,906
			<u>\$ 535,000,000</u>	<u>\$ 535,000,000</u>	<u>\$ 11,667,969</u>

* On January 13, 2011, Louisville Gas and Electric (LG&E) remarketed the Louisville/Jefferson County Metro Government 2003 Series A and 2007 Series B bonds. In connection with the remarketing, each bond series was converted to a mode wherein the interest rate is fixed for an intermediate term but not the full term of the bond. The bonds will bear interest at the rate of 1.900% each, until April 2012 and June 2012, in the case of the 2003 Series A and 2007 Series B bonds, respectively. At the end of the

intermediate term, the Company must remarket the bonds or buy them back. As of January 13, 2011, the Company has no remaining repurchased bonds.

- (6) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last 12-month period.

There are no notes outstanding as of June 30, 2011. In connection with the PPL Corporation acquisition, on November 1, 2010, LG&E borrowed \$485,000,000 from PPL Investment Corporation, a PPL subsidiary, in order to repay loans from Fidelia Corporation, a subsidiary of E.ON AG. The Company used the net proceeds received from the sale of the first mortgage bonds to repay the debt owed to PPL Investment Corporation arising from the borrowing.

Total interest paid for twelve months ending June 30, 2011:

Payee	Date of Issue	Date of Maturity	Rate of Interest	Amount	Interest Expense Year Ended June 30, 2011
Fidelia Corp.	01/15/04	01/16/12	4.33%	\$ 25,000,000	\$ 360,833
Fidelia Corp.	04/30/03	04/30/13	4.55%	100,000,000	1,516,668
Fidelia Corp.	08/15/03	08/15/13	5.31%	100,000,000	1,770,000
Fidelia Corp.	11/21/08	11/23/15	6.48%	50,000,000	1,089,000
Fidelia Corp.	07/25/08	07/25/18	6.21%	25,000,000	517,500
Fidelia Corp.	11/26/07	11/26/22	5.72%	47,000,000	896,133
Fidelia Corp.	04/13/07	04/13/31	5.93%	68,000,000	1,344,133
Fidelia Corp.	04/13/07	04/13/37	5.98%	70,000,000	1,395,333
					<u>\$ 8,889,600</u>
PPL Inv Corp.	11/01/10	01/16/12	4.33%	\$ 25,000,000	\$ 45,104
PPL Inv Corp.	11/01/10	04/30/13	4.55%	100,000,000	189,583
PPL Inv Corp.	11/01/10	08/15/13	5.31%	100,000,000	221,250
PPL Inv Corp.	11/01/10	11/23/15	6.48%	50,000,000	135,000
PPL Inv Corp.	11/01/10	07/25/18	6.21%	25,000,000	64,687
PPL Inv Corp.	11/01/10	11/26/22	5.72%	47,000,000	112,017
PPL Inv Corp.	11/01/10	04/13/31	5.93%	68,000,000	168,017
PPL Inv Corp.	11/01/10	04/13/37	5.98%	70,000,000	174,417
					<u>\$ 1,110,075</u>

- (7) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

None, other than current and accrued liabilities.

- (8) Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year. (1)

Dividends on Common Stock, without par value (not based on rate per share)

2006	\$ 95,000,000
2007	65,000,000
2008	40,000,000
2009	80,000,000
2010	55,000,000

(1) On November 1, 2010, PPL Corporation completed its acquisition of E.ON U.S. LLC., the Company's parent. Upon completion of the acquisition, E.ON U.S. LLC was renamed LG&E and KU Energy LLC. The 21,294,223 shares are currently owned by LG&E and KU Energy LLC. From May 1998 to October 31, 2010, the 21,294,223 shares were all owned by E.ON U.S. LLC (formerly LG&E Energy LLC) and all dividends declared by LG&E's Board of Directors were paid to E.ON U.S. LLC. During the 1st and 2nd quarters of 2011, LG&E declared and paid a dividend on common stock of \$17,250,000 and \$25,000,000, respectively.

Dividends on 5% Cumulative Preferred Stock, \$25 par value

For each of the quarters in the year 2006, the Company declared and paid dividends of \$.3125 per share on the 860,287 shares of 5% Cumulative Preferred Stock, \$25 par value, outstanding for a total of \$268,841 each quarter. The annual amount of dividends for 2006 was \$1,075,365. All shares were redeemed on April 16, 2007. The amount of dividends declared and paid through April 16, 2007 was \$316,636.

Dividends on \$5.875 Cumulative Preferred Stock, without par value

For each of the quarters in the year 2006, the Company declared and paid dividends of \$1.46875 per share on the \$5.875 series preferred stock outstanding. The preferred stock had a sinking fund requirement sufficient to retire a minimum of 12,500 shares on July 15 of each year commencing with July 15, 2003, and the remaining 187,500 shares on July 15, 2008 at \$100 per share. The Company redeemed 12,500 shares in accordance with these provisions annually on July 15, 2003 through July 15, 2006. The 200,000 remaining shares were redeemed April 16, 2007.

Annual dividends and interest on preferred stock, without par value for the previous five fiscal years were:

2006	\$1,211,719
2007	345,972
2008	0
2009	0
2010	0

Dividends on Auction Rate Cumulative Preferred Stock, without par value

<u>Declared Date</u>	<u>Payment Date</u>	<u>Rate Per Share</u>	<u>Amount</u>
March 2006	04/15/06	1.20000	\$600,000
June 2006	07/15/06	1.33750	668,750
September 2006	10/15/06	1.44750	723,750
December 2006	01/15/07	1.27500	637,500
			<u>\$2,630,000</u>
March 2007	04/13/07	1.25000	\$625,000
			<u>\$625,000</u>

Dividend is based on 500,000 shares for all periods. All shares were redeemed on April 16, 2007.

(9) Detailed Income Statement, Balance Sheet and Statement of Retained Earnings

Monthly Financial and Operating Reports are filed each month with the Kentucky Public Service Commission. Attached are detailed Statements of Income, Balance Sheets and Retained Earnings for the Company for the period ending June 30, 2011.

Louisville Gas and Electric Company
Statement of Income
June 30, 2011

	Year Ended 6/30/2011
Electric Operating Revenues.....	\$ 1,046,548,778.99
Gas Operating Revenues.....	316,842,688.81
	1,363,391,467.80
Fuel for Electric Generation.....	367,673,555.71
Power Purchased.....	62,487,602.02
Gas Supply Expenses.....	177,196,746.21
Other Operation Expenses.....	235,423,969.42
Maintenance.....	116,624,587.24
Depreciation.....	137,008,823.24
Amortization Expense.....	7,699,670.45
Regulatory Credits.....	(6,478,025.18)
Taxes	
Federal Income.....	19,465,706.02
State Income.....	11,361,257.23
Deferred Federal Income - Net.....	41,591,770.97
Deferred State Income - Net.....	(2,274,096.83)
Property and Other.....	24,368,947.26
Investment Tax Credit.....	-
Amortization of Investment Tax Credit.....	(2,640,423.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)
Accretion Expense.....	3,600,439.67
	1,193,107,952.49
Net Operating Income.....	170,283,515.31
Other Income Less Deductions.....	16,206,338.30
	186,489,853.61
Income Before Interest Charges.....	186,489,853.61
Interest on Long-Term Debt.....	41,113,732.38
Amortization of Debt Expense - Net.....	2,619,351.19
Other Interest Expenses.....	2,479,027.05
	46,212,110.62
Total Interest Charges.....	46,212,110.62
Net Income.....	\$ 140,277,742.99

Louisville Gas and Electric Company
Analysis of Retained Earnings
June 30, 2011

	<u>Year Ended 6/30/11</u>
Balance at Beginning of Period.....	\$ 771,804,572.18
Add:	
Net Income for Period.....	140,277,742.99
Deduct:	
Common Dividends	
Common Stock Without Par Value.....	<u>67,250,000.00</u>
Balance at End of Period.....	<u><u>\$ 844,832,315.17</u></u>