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MAR 4 2013

PUBLIC SERVICE
COMMISSION



a PPL company

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

March 4, 2013

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

**RE: *AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE SIX-
MONTH BILLING PERIOD ENDING OCTOBER 31, 2012
CASE NO. 2012-00547***

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and seven (7) copies of the Response of Louisville Gas and Electric Company to the Questions Raised at the February 26, 2013 Technical Conference.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', is written over a horizontal line. The signature is fluid and cursive, with a large, looping 'S' at the end.

Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE MECHANISM OF LOUISVILLE GAS)	CASE NO.
AND ELECTRIC COMPANY FOR THE SIX-MONTH)	2012-00547
BILLING PERIOD ENDING OCTOBER 31, 2012)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
COMMISSION STAFF'S QUESTIONS RAISED AT
THE FEBRUARY 26, 2013 TECHNICAL CONFERENCE

FILED: March 4, 2013

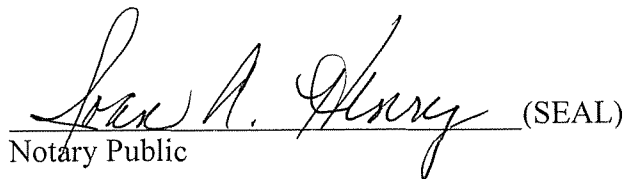
VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Director - Rates for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of March 2013.

 (SEAL)
Notary Public

My Commission Expires:

7/21/2015

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Questions Raised at the
February 26, 2013 Technical Conference**

Case No. 2012-00547

Question No. 1

Witness: Robert M. Conroy

Q-1. Explain how the ECR monthly billing factor is displayed on a customer's bills.

A-1. Please see the attached sample bill for a customer who receives service under Rate GS (subject to the Group 2 ECR billing factor) and also receives service under Rate LS (subject to the Group 1 ECR billing factor).

For customers receiving service on a rate schedule subject to the Group 2 ECR billing factor, additional information explaining the Environmental Surcharge calculation is provided in the Billing Information section of the bill.



a PPL company

Customer Service:
Telephone Payments:

1-502-627-3313 (M-F, 7 a.m. to 6 p.m. ET)
1-502-627-3313; press 2-3-1
(24 hours a day; \$2.95 fee)

Walk-In Center:
Online Customer Self-Service:

Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
02/28/13	\$1,197.56

Current due date applies to the current bill only. Previous amount due may be subject to disconnection.

ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	[REDACTED]
Service Address:	LOUISVILLE KY
Next Read Will Occur:	03/01/13 - 03/05/13
Date Bill Mailed:	02/01/13 (Meter Read Portion 02)

Averages for Billing Period	This Year	Last Year
Average Temperature	39°	40°
Number of Days Billed	29	29
Electric/kwh per day	110.7	110.2
Gas/ccf per day	11.5	8.9

BILLING SUMMARY	
Previous Balance	1,077.47
Payment(s) Received 1/4 - 2/1	-514.00
Balance as of 2/1	563.47
Current Electric Charges	303.59
Current Gas Charges	270.42
Current Unmetered Charges	15.71
Current Taxes and Fees	35.39
Current Charges as of 2/1	625.11
Other Charges (See Other Charges Box)	8.98
Total Amount Due	1,197.56

ELECTRIC CHARGES

Rate Type: General Service Single Phase

Basic Service Charge	20.00
Energy Charge (\$0.08466 x 3,037 kWh)	257.11
Electric DSM (\$0.00184 x 3,037 kWh)	5.59
Environmental Surcharge (1.80% x (\$282.70 - \$67.27))	3.88
Electric Fuel Adjustment (\$0.00560 x 3,037 kWh)	17.01
Total Electric Charges	\$303.59

Meter Reading Information

Meter # 868430	
Actual Reading on 1/31/13	32331
Previous Reading on 1/2/13	29294
Current kwh Usage	3037
Meter Multiplier	1
Metered kwh Usage	3037

GAS CHARGES

Rate Type: Firm Commercial Gas Service

Meter Reading Information

Please see reverse side for additional charges.

Customer Service 1-502-627-3313

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Help Donation	Amount Enclosed
[REDACTED]	02/28/13	\$1,197.56	\$1,215.81		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:
MRU02837700, G000000
P1,077.47
PF:Y eB:P



PO BOX 9001960
LOUISVILLE, KY 40290-1960

RECYCLED PAPER
3.01.23

PRINTED

GAS CHARGES (cont)			
Basic Service Charge	35.00	Meter # 160890	
Gas Distribution Charge (\$0.20999 x 336 ccf)	70.56	Actual Reading on 1/31/13	4905
Gas Supply Component (\$0.42501 x 336 ccf)	142.80	Previous Reading on 1/2/13	<u>4569</u>
Weather Normalization Adjustment (\$0.20999 x 50.024 ccf)	10.50	Current ccf Usage	336
Gas DSM (\$0.00094 x 336 ccf)	0.32	Meter Multiplier	<u>1</u>
Gas Line Tracker	11.24	Metered ccf Usage	336
Total Gas Charges	\$270.42		
UNMETERED CHARGES			
Rate Type: RLS 207: OH MV Directional 25000L F			
Unit Charge (\$14.54 x 1 Light)	14.54		
Electric Fuel Adjustment (\$0.00560 x 176 kWh)	0.99		
Environmental Surcharge (1.140% x \$15.53)	0.18		
Total Unmetered Charges	\$15.71		
METER AND USAGE INFORMATION			
UNMETERED			
<u>OL</u>	<u>Service</u>	<u>Number</u>	<u>Number</u>
<u>Number</u>	<u>Type</u>	<u>of Lights</u>	<u>of Poles</u>
n/a	RLS 207: OH MV Directional 250	1	n/a
			<u>Billing</u>
			<u>From</u>
			<u>Period</u>
			<u>To</u>
			01/03/13
			01/31/13
			<u>Usage</u>
			<u>kWh</u>
			176
			Total Usage
			176
OTHER CHARGES			
Late Payment Charge	8.98		
Total Other Charges Due	\$8.98		
TAXES AND FEES			
Electric Sales Tax (6.00% x \$319.30)	19.16		
Gas Sales Tax (6.00% x \$270.42)	16.23		
Total Taxes and Fees	\$35.39		
BILLING INFORMATION			
Rate GS Environmental Surcharge: The fuel cost of \$67.27 included in the Energy Charge and the Fuel Adjustment were deducted from the Electric Charges before multiplying the Billing Factor of 1.80%.			
Late Charge to be Assessed After Due Date	\$18.25		

New enrollment only - Please check box(es) below and on front of stub.

- Auto Pay (voided check must be provided). Please note that any past due balance on your LG&E account will be debited from your bank account immediately upon enrollment in the Auto Pay program. To avoid unintended debits to your bank account, please make sure your LG&E account balance is current before enrolling in Auto Pay.

Please deduct my Auto Pay Payment from my Checking Account.

I hereby authorize LG&E to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future LG&E accounts, and will remain in effect until revoked by me or LG&E.

Signature: _____

Date: _____

Processing Auto Pay requests can take up to two billing cycles. Please continue making regular payments until you receive a bill that indicates the amount due will be deducted from your bank account on the payment due date.

BILLING INFORMATION (cont)

Environmental Surcharge: A monthly charge or credit passed on to customers to pay for the cost of pollution-control equipment needed to meet government-mandated air emission reduction requirements.

IMPORTANT INFORMATION

You now have more time to pay your bill. Effective Jan. 1, 2013, you have at least 22 days from the date your LG&E bill is issued to make your payment. Late payment fees will be added only if full payment is not received by the payment due date.

For a copy of your rate schedule, visit www.lge-ku.com or call our Customer Service Department.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Questions Raised at the
February 26, 2013 Technical Conference**

Case No. 2012-00547

Question No. 2

Witness: Robert M. Conroy

- Q-2. Refer to the Response to Commission Staff's First Information Request, Question No. 1. Please provide an explanation and additional details for the calculation of the short- and long-term debt rates using average daily balances and daily interest rates.
- A-2. The calculation of the average daily balance and interest rates is performed on each debt issuance for each day of the six month period under review. Such calculation and documentation is voluminous. The average daily interest rate for each debt issuance is utilized in the Analysis of the Embedded Cost of Capital report to develop the annual cost rate for short-term and long-term debt shown in the Attachment to Response to Question No. 1, pages 3 and 4 of the Commission Staff's First Request for Information in Appendix B of Commission's Order dated January 2, 2013. Please see page 1 of the attached for the Analysis of the Embedded Cost of Capital at October 31, 2012. As a sample, pages 2 through 6 of the attachment also includes supporting calculations for the Rate as shown for the Jefferson Co. 2000 Series A pollution control bond utilizing the Embedded Cost of Capital report. A similar calculation is performed for each bond and debt issuance listed on the Embedded Cost of Capital report. In addition, voluminous documentation is maintained as source material for each of the supporting calculations.

LOUISVILLE GAS AND ELECTRIC COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
October 31, 2012
USING AVERAGE DAILY BALANCES AND INTEREST RATES FOR ECR FILINGS

LONG-TERM DEBT									
See pages 2 through 6 for the calculation of this rate based on the daily interest rates for the 6-mo period									
	Due	Rate	Principal	Interest/(Income)	Annualized Cost				Embedded Cost
					Amortized Debt Issuance Exp/Discout	Amortized Loss-Reacquired Debt	Letter of Credit and other fees	Total	
Pollution Control Bonds -									
Jefferson Co 2000 Series A	05/01/27	0.833% *	\$ 25,000,000	4 \$ 208,233	\$ -	\$ 135,301	\$ -	\$ 343,534	1.374%
Trimble Co 2000 Series A	08/01/30	0.228% *	83,335,000	190,004	38,707	143,700	305,898 d	678,309	0.814%
Jefferson Co 2001 Series A	09/01/27	0.240% *	10,104,000	24,250	20,393	-	35,546 d	80,189	0.794%
Jefferson Co 2001 Series A	09/01/26	0.350% *	22,500,000	78,750	9,924	77,424	22,500 b	188,598	0.838%
Trimble Co 2001 Series A	09/01/26	0.382% *	27,500,000	105,050	10,790	65,400	27,500 b	208,740	0.759%
Jefferson Co 2001 Series B	11/01/27	0.421% *	35,000,000	147,350	10,995	49,056	35,000 b	242,401	0.693%
Trimble Co 2001 Series B	11/01/27	0.420% *	35,000,000	147,000	10,997	48,864	35,000 b	241,861	0.691%
Trimble Co 2002 Series A	10/01/32	0.265% *	41,665,000	110,412	37,221	55,812	176,268 d	379,713	0.911%
Louisville Metro 2003 Series A	10/01/33	1.650%	128,000,000	3 2,112,000	53,146	313,727	- a	2,478,873	1.937%
Louisville Metro 2005 Series A	02/01/35	5.750%	40,000,000	4 2,300,000	-	96,444	-	2,396,444	5.991%
Trimble Co 2007 Series A	06/01/33	4.600%	60,000,000	2,760,000	47,534	6,615	18,270 a	2,832,419	4.721%
Louisville Metro 2007 Series A	06/01/33	5.625%	31,000,000	4 1,743,750	-	41,718	-	1,785,468	5.760%
Louisville Metro 2007 Series B	06/01/33	1.600%	35,200,000	3 563,200	17,975	27,526	- a	608,701	1.729%
Called Bonds						167,868	2	167,868	
First Mortgage Bonds -									
2010 due 2015	11/15/15	1.625%	250,000,000	4,062,500	522,243 **	-	-	4,584,743	1.834%
Debt discount on FMB	11/15/15	1.625%	(573,625)		176,500 **	-	-	176,500	-30.769%
2010 due 2020	11/15/40	5.125%	285,000,000	14,606,250	119,249 **	-	-	14,725,499	5.167%
Debt discount on FMB	11/15/40	5.125%	(2,919,920)		103,360 **	-	-	103,360	-3.540%
S-3 SEC Shelf Registration	03/27/15				2,084			2,084	
Revolving Credit Facility	10/19/16				782,880	6&7	500,000	1,282,880	
Total External Debt			\$ 1,105,810,455	\$ 29,158,749	\$ 1,963,999	\$ 1,229,455	\$ 1,155,982	\$ 33,508,185	3.030%
Interest Rate Swaps:									
JP Morgan Chase Bank 5.495%	11/01/20	1		\$ 4,409,124	\$ -	\$ -	\$ -	\$ 4,409,124	
Morgan Stanley Capital Services 3.657%	10/01/33	1		1,111,715	-	-	-	1,111,715	
Morgan Stanley Capital Services 3.645%	10/01/33	1		1,107,896	-	-	-	1,107,896	
Bank of America	10/01/33	1		1,123,809	-	-	-	1,123,809	
Interest Rate Swaps External Debt				\$ 7,752,545	\$ -	\$ -	\$ -	\$ 7,752,545	0.701%
Notes Payable to PPL	5		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Internal Debt			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
Total			\$ 1,105,810,455	\$ 36,911,294	\$ 1,963,999	\$ 1,229,455	\$ 1,155,982	\$ 41,260,730	3.731%

SHORT-TERM DEBT									
	Maturity	Rate	Principal	Interest	Annualized Cost				Embedded Cost
					Expense	Loss	Premium	Total	
Notes Payable to Associated Company	NA	0.450% *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%
Revolving Credit Facility Payable			-	-	-	-	-	-	0.000%
Commercial Paper Program	Varies	0.410%	-	-	-	-	-	-	0.000%
Total			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%

Embedded Cost of Total Debt **\$ 1,105,810,455** **\$ 36,911,294** **\$ 1,963,999** **\$ 1,229,455** **\$ 1,155,982** **\$ 41,260,730** **3.731%**

* Composite rate at end of current month for Embedded Cost of Capital report and daily average rate for ECR filings
** Debt discount shown on separate line.

1 Additional interest due to Swap Agreements:

Underlying Debt Being Hedged	Notional Amount	Expiration of Swap Agreement	Fixed LG&E Swap Position	Fixed LG&E Swap Position	Variable Counterparty Swap Position
Series Z - PCB	83,335,000	11/01/20	5.495%	5.495%	BMA Index
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.657%	3.657%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.645%	3.645%	68% of 1 mo LIBOR
Series CC, DD & EE - PCB	32,000,000	10/01/33	3.695%	3.695%	68% of 1 mo LIBOR
	<u>179,335,000</u>				

- 2 Call premium and debt expense is being amortized over the remaining life of bonds due 6/1/15, 7/1/13 and 8/1/17.
3 Reacquired bonds were reissued 1/13/11.
4 Remarketed bonds, issued at long term fixed rate
5 Fidelity Notes Payable were paid off on 11/1/2010 with PPL Notes Payable that were paid off with the new FMB issues on 11/16/2010
6 Included setup fees for the Wachovia Credit Facility in Long-term Debt due to 4 year credit arrangement
7 Credit Facility amended effective October 19, 2011 New term of 5 years at lower interest rate

- a - Insurance premiums annualized - based on actual invoices
b - Remarketing fee = 10 basis points
c - Remarketing fee = 25 basis points
d - Combination of a and c.

2000 SERIES A JEFFERSON COUNTY BONDS
VARIABLE INTEREST RATE CALCULATION
\$25,000,000
237128

		DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
May-12	1-May-12	0.835	580.08				
	2-May-12	0.835	580.08				
	3-May-12	0.835	580.08				
	4-May-12	0.835	580.08				
	5-May-12	0.835	580.08				
	6-May-12	0.835	580.08				
	7-May-12	0.835	580.08				
	8-May-12	0.835	580.08				
	9-May-12	0.835	580.08				
	10-May-12	0.835	580.08				
	11-May-12	0.835	580.08				
	12-May-12	0.835	580.08				
	13-May-12	0.835	580.08				
	14-May-12	0.835	580.08				
	15-May-12	0.835	580.08				
	16-May-12	0.835	580.08				
	17-May-12	0.835	580.08				
	18-May-12	0.835	580.08				
	19-May-12	0.835	580.08				
	20-May-12	0.835	580.08				
	21-May-12	0.835	580.08				
	22-May-12	0.835	580.08				
	23-May-12	0.835	580.08				
	24-May-12	0.835	580.08				
	25-May-12	0.835	580.08				
	26-May-12	0.835	580.08				
	27-May-12	0.835	580.08				
	28-May-12	0.835	580.08				
	29-May-12	0.835	580.08				
	30-May-12	0.835	580.08				
	31-May-12			0.00	17,402.34	0.835	0.676
Jun-12	1-Jun-12	0.835	580.08				
	2-Jun-12	0.835	580.08				
	3-Jun-12	0.835	580.08				
	4-Jun-12	0.835	580.08				
	5-Jun-12	0.835	580.08				
	6-Jun-12	0.835	580.08				
	7-Jun-12	0.835	580.08				
	8-Jun-12	0.835	580.08				
	9-Jun-12	0.835	580.08				
	10-Jun-12	0.835	580.08				

2000 SERIES A JEFFERSON COUNTY BONDS
VARIABLE INTEREST RATE CALCULATION
\$25,000,000
237128

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
11-Jun-12	0.835	580.08				
12-Jun-12	0.835	580.08				
13-Jun-12	0.835	580.08				
14-Jun-12	0.835	580.08				
15-Jun-12	0.835	580.08				
16-Jun-12	0.835	580.08				
17-Jun-12	0.835	580.08				
18-Jun-12	0.835	580.08				
19-Jun-12	0.835	580.08				
20-Jun-12	0.835	580.08				
21-Jun-12	0.835	580.08				
22-Jun-12	0.835	580.08				
23-Jun-12	0.835	580.08				
24-Jun-12	0.835	580.08				
25-Jun-12	0.835	580.08				
26-Jun-12	0.835	580.08				
27-Jun-12	0.835	580.08				
28-Jun-12	0.835	580.08				
29-Jun-12	0.835	580.08				
30-Jun-12	0.835	580.08	17,402.34	0.835	0.842	0.835
Jul-12						
1-Jul-12	0.840	583.46				
2-Jul-12	0.840	583.46				
3-Jul-12	0.840	583.46				
4-Jul-12	0.840	583.46				
5-Jul-12	0.840	583.46				
6-Jul-12	0.840	583.46				
7-Jul-12	0.840	583.46				
8-Jul-12	0.840	583.46				
9-Jul-12	0.840	583.46				
10-Jul-12	0.840	583.46				
11-Jul-12	0.840	583.46				
12-Jul-12	0.840	583.46				
13-Jul-12	0.840	583.46				
14-Jul-12	0.840	583.46				
15-Jul-12	0.840	583.46				
16-Jul-12	0.840	583.46				
17-Jul-12	0.840	583.46				
18-Jul-12	0.840	583.46				
19-Jul-12	0.840	583.46				
20-Jul-12	0.840	583.46				
21-Jul-12	0.840	583.46				

**2000 SERIES A JEFFERSON COUNTY BONDS
VARIABLE INTEREST RATE CALCULATION
\$25,000,000
237128**

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
22-Jul-12	0.840	583.46				
23-Jul-12	0.840	583.46				
24-Jul-12	0.840	583.46				
25-Jul-12	0.840	583.46				
26-Jul-12	0.840	583.46				
27-Jul-12	0.840	583.46				
28-Jul-12	0.840	583.46				
29-Jul-12	0.840	583.46				
30-Jul-12	0.840	583.46				
31-Jul-12		0.00	17,503.91	0.840	0.842	0.837
Aug-12						
1-Aug-12	0.841	583.70				
2-Aug-12	0.841	583.70				
3-Aug-12	0.841	583.70				
4-Aug-12	0.841	583.70				
5-Aug-12	0.841	583.70				
6-Aug-12	0.841	583.70				
7-Aug-12	0.841	583.70				
8-Aug-12	0.841	583.70				
9-Aug-12	0.841	583.70				
10-Aug-12	0.841	583.70				
11-Aug-12	0.841	583.70				
12-Aug-12	0.841	583.70				
13-Aug-12	0.841	583.70				
14-Aug-12	0.841	583.70				
15-Aug-12	0.841	583.70				
16-Aug-12	0.841	583.70				
17-Aug-12	0.841	583.70				
18-Aug-12	0.841	583.70				
19-Aug-12	0.841	583.70				
20-Aug-12	0.841	583.70				
21-Aug-12	0.841	583.70				
22-Aug-12	0.841	583.70				
23-Aug-12	0.841	583.70				
24-Aug-12	0.841	583.70				
25-Aug-12	0.841	583.70				
26-Aug-12	0.841	583.70				
27-Aug-12	0.841	583.70				
28-Aug-12	0.841	583.70				
29-Aug-12	0.841	583.70				
30-Aug-12	0.841	583.70				
31-Aug-12		0.00	17,510.94	0.841	0.842	0.838

**2000 SERIES A JEFFERSON COUNTY BONDS
VARIABLE INTEREST RATE CALCULATION
\$25,000,000
237128**

		DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
Sep-12	1-Sep-12	0.829	575.78				
	2-Sep-12	0.829	575.78				
	3-Sep-12	0.829	575.78				
	4-Sep-12	0.829	575.78				
	5-Sep-12	0.829	575.78				
	6-Sep-12	0.829	575.78				
	7-Sep-12	0.829	575.78				
	8-Sep-12	0.829	575.78				
	9-Sep-12	0.829	575.78				
	10-Sep-12	0.829	575.78				
	11-Sep-12	0.829	575.78				
	12-Sep-12	0.829	575.78				
	13-Sep-12	0.829	575.78				
	14-Sep-12	0.829	575.78				
	15-Sep-12	0.829	575.78				
	16-Sep-12	0.829	575.78				
	17-Sep-12	0.829	575.78				
	18-Sep-12	0.829	575.78				
	19-Sep-12	0.829	575.78				
	20-Sep-12	0.829	575.78				
	21-Sep-12	0.829	575.78				
	22-Sep-12	0.829	575.78				
	23-Sep-12	0.829	575.78				
	24-Sep-12	0.829	575.78				
	25-Sep-12	0.829	575.78				
	26-Sep-12	0.829	575.78				
	27-Sep-12	0.829	575.78				
	28-Sep-12	0.829	575.78				
	29-Sep-12	0.829	575.78				
	30-Sep-12	0.829	575.78		17,273.44	0.829	0.8434702
Oct-12	1-Oct-12	0.817	567.45				
	2-Oct-12	0.817	567.45				
	3-Oct-12	0.817	567.45				
	4-Oct-12	0.817	567.45				
	5-Oct-12	0.817	567.45				
	6-Oct-12	0.817	567.45				
	7-Oct-12	0.817	567.45				
	8-Oct-12	0.817	567.45				
	9-Oct-12	0.817	567.45				
	10-Oct-12	0.817	567.45				
	11-Oct-12	0.817	567.45				

2000 SERIES A JEFFERSON COUNTY BONDS
VARIABLE INTEREST RATE CALCULATION
\$25,000,000
237128

	DAILY INTEREST RATE	DAILY INTEREST	MONTHLY INTEREST	AVG MTHLY INT RATE	AVG INT RATE - YTD	AVG INT RATE - Beginning 05/01/12
12-Oct-12	0.817	567.45				
13-Oct-12	0.817	567.45				
14-Oct-12	0.817	567.45				
15-Oct-12	0.817	567.45				
16-Oct-12	0.817	567.45				
17-Oct-12	0.817	567.45				
18-Oct-12	0.817	567.45				
19-Oct-12	0.817	567.45				
20-Oct-12	0.817	567.45				
21-Oct-12	0.817	567.45				
22-Oct-12	0.817	567.45				
23-Oct-12	0.817	567.45				
24-Oct-12	0.817	567.45				
25-Oct-12	0.817	567.45				
26-Oct-12	0.817	567.45				
27-Oct-12	0.817	567.45				
28-Oct-12	0.817	567.45				
29-Oct-12	0.817	567.45				
30-Oct-12	0.817	567.45				
31-Oct-12		0.00	17,023.44	0.817	0.841	0.833

This is the Rate shown on page 1 of this attachment. It is the average of the Daily Interest Rates shown on pages 2 through 6 of this attachment.

0.833