



a PPL company

Dr. Talina Mathews, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

October 31, 2016

RE: *Louisville Gas and Electric Company - Gas Line Tracker for 2017* Case No. 2016-00383

Dear Dr. Mathews:

Louisville Gas and Electric Company (“LG&E” or the “Company”), pursuant to its Gas Line Tracker (“GLT”) Adjustment Clause approved by the Commission on December 20, 2012¹, files herewith an Application for approval of revised sheets of its Tariff P.S.C. Gas No. 10, Third Revision of Original Sheet No. 84 setting forth GLT charges as presented below.

RGS - Residential Gas Service	\$ 6.33
VFD - Volunteer Fire Department Service	\$ 6.33
CGS - Commercial Gas Service	\$ 33.76
IGS - Industrial Gas Service	\$ 319.73
AAGS - As-Available Gas Service	\$3,497.20
DGGS - Distributed Generation Gas Service	\$ 0.00

¹ Case No. 2012-00222, In the Matter of: *Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Order dated December 20, 2012.

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

Christopher M. Garrett
Director - Rates
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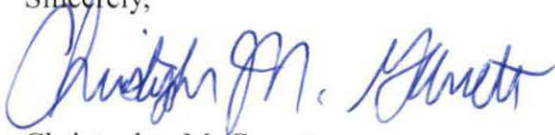
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COMMISSION

Dr. Talina Mathews, Executive Director
Public Service Commission of Kentucky
October 31, 2016

Also, enclosed in Exhibits A through F are the calculations and supporting documentation of the GLT charges proposed to become effective for bills rendered on and after January 1, 2017.

We respectfully request your acceptance of this filing for implementation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christopher M. Garrett". The signature is fluid and cursive, with the first name being the most prominent.

Christopher M. Garrett

Enclosures

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR APPROVAL OF)
REVISED RATES TO BE RECOVERED)
THROUGH ITS GAS LINE TRACKER)
BEGINNING WITH THE FIRST BILLING)
CYCLE FOR JANUARY, 2017)

CASE NO. 2016-00383

APPLICATION

Louisville Gas and Electric Company (“LG&E” or the “Company”) hereby requests, pursuant to the Commission’s Orders in Case Nos. 2012-00222¹ and 2016-00108², that the Commission issue an order approving its revised rates for its Gas Line Tracker Adjustment Clause (“GLT”) effective for bills rendered on and after January 1, 2017. In support of this Application, the Company states as follows:

1. LG&E’s full name is Louisville Gas and Electric Company. LG&E’s post office address is 220 W. Main Street, Louisville, KY 40202. LG&E may be reached by electronic mail at the electronic mail address of its counsel set forth below. LG&E was incorporated in Kentucky on July 2, 1913. LG&E attests that it is in good standing in Kentucky. LG&E is a utility as defined by KRS 278.010(3)(a) and (b) and provides retail gas service to approximately 320,000 customers in seventeen counties in Kentucky.

¹ *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Case No. 2012-00222, Order of December 20, 2012.

² *In the Matter of: Application of Louisville Gas and Electric Company for approval of Revised Rates to be Recovered through its Gas Line Tracker Beginning with the First Billing Cycle for May 2016*, Case No. 2016-00108, Order of March 31, 2016.

2. In this filing, LG&E is submitting a tariff filing, a copy of which is attached hereto as Exhibit 1, setting forth revised rates for its GLT Adjustment Clause, consistent with Commission precedent.

3. LG&E proposes to change its GLT charges to the rates presented below:

RGS - Residential Gas Service	\$ 6.33
VFD - Volunteer Fire Department Service	\$ 6.33
CGS - Commercial Gas Service	\$ 33.76
IGS - Industrial Gas Service	\$ 319.73
AAGS - As-Available Gas Service	\$3,497.20
DGGS - Distributed Generation Gas Service	\$ 0.00

4. LG&E's calculations and supporting documentation of the GLT charges proposed to become effective with LG&E's first billing cycle in January 2017 are attached hereto as Exhibit 2. In addition to updating its projected program costs for 2017, LG&E is also updating its GLT asset retirements to only include projected retirements occurring after June 30, 2016, the last month of the forecasted test year used in the Company's most recent base rate case filing, Case No. 2014-00372.

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Commission to enter an order approving the revised rates for its GLT mechanism effective for bills rendered on and after January 1, 2017.

Dated: October __, 2016

Respectfully submitted,



Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
Telephone: (502) 627-2088
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Allyson.sturgeon@lge-ku.com

*Counsel for Louisville Gas and Electric
Company*

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 31st day of October, 2016, U.S. mail, postage prepaid:

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


Counsel for Louisville Gas and Electric
Company

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EXHIBIT 1

Louisville Gas and Electric Company

P.S.C. Gas No. 10, Third Revision of Original Sheet No. 84
Canceling P.S.C. Gas No. 10, Second Revision of Original Sheet No. 84

Adjustment Clause

GLT Gas Line Tracker

APPLICABLE

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, and DGGS.

CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT

The GLT Revenue Requirement includes the following:

- a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to GLT construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals;
- e. Incremental Operation and Maintenance; and
- f. Property Taxes

GLT PROGRAM FACTORS

All customers receiving service under rate schedules RGS, VFD, CGS, IGS, AAGS, and DGGS shall be assessed an adjustment to their applicable rate schedule that will enable the Company to recover the costs associated with the GLT program. After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in Case No. 2014-00372.

A filing to update the projected program costs will be submitted annually at least two (2) months prior to the beginning of the effective period. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the upcoming year. After the completion of a plan year, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change.

GLT RATES

The charges for the respective gas service schedules are:

RGS – Residential Gas Service	\$ 6.33	
VFD – Volunteer Fire Department Service	\$ 6.33	
CGS – Commercial Gas Service	\$ 33.76	
IGS – Industrial Gas Service	\$ 319.73	
AAGS – As-Available Gas Service	\$ 3,497.20	
DGGS – Distributed Generation Gas Service	\$ 0.00	

DATE OF ISSUE: October 31, 2016

DATE EFFECTIVE: January 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00xxx dated xxxx

EXHIBIT 2

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Forecasted Revenue in Case No. 2014-00372	Allocation Percent	Revenue Requirement	Number of Bills	Year 2017	Year 2015	Net
						Monthly Rate Per Bill	Over-Recovery Trueup Monthly Rate Per Bill	Monthly Rate Reflecting Trueup
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2017								
1	Residential Gas Service - Rate RGS	\$224,938,107	67.44%	\$21,467,965	3,535,390	\$6.07	\$0.26	\$6.33
2	Commercial Gas Service - Rate CGS	\$96,486,702	28.93%	\$9,208,636	284,365	\$32.38	\$1.38	\$33.76
3	Industrial Gas Service - Rate IGS	\$9,700,703	2.91%	\$925,830	3,019	\$306.67	\$13.06	\$319.73
4	As-Available Gas Service - Rate AAGS	\$2,425,098	0.73%	\$231,450	69	\$3,354.35	\$142.85	\$3,497.20
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00	\$0.00	\$0.00
6	Total	\$333,550,610	100.00%	\$ 31,833,881	3,822,843			

Note: Rate Schedule VFD is included in Rate RGS

Line No.	Rate Schedule	Total Forecasted Revenue in Case No. 2014-00372	Allocation Percent	Revenue Requirement	Number of Bills	Year 2015
						Over-Recovery Trueup Monthly Rate Per Bill
2015 - (Over)/Under recovery						
1	Residential Gas Service - Rate RGS	\$224,938,107	67.44%	\$914,232	3,535,390	\$0.26
2	Commercial Gas Service - Rate CGS	\$96,486,702	28.93%	\$392,158	284,365	\$1.38
3	Industrial Gas Service - Rate IGS	\$9,700,703	2.91%	\$39,427	3,019	\$13.06
4	As-Available Gas Service - Rate AAGS	\$2,425,098	0.73%	\$9,856	69	\$142.85
5	Distributed Generation Gas Service - Rate DGGS	\$0	0.00%	\$0.00	-	\$0.00
6	Total	\$333,550,610	100.00%	\$ 1,355,673	3,822,843	

Note: Rate Schedule VFD is included in Rate RGS

LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
REVENUE REQUIREMENT

Line No.	Description (1)	2016 December (2)	2017 January (3)	2017 February (4)	2017 March (5)	2017 April (6)	2017 May (7)	2017 June (8)	2017 July (9)	2017 August (10)	2017 September (11)	2017 October (12)	2017 November (13)	2017 December (14)	2017 Year (a) (15)
Rate Base															
1	Gas Plant Investment	218,673,519	221,555,022	224,484,282	228,235,661	232,266,198	236,524,388	240,904,618	245,267,773	250,006,112	254,284,155	258,553,202	259,075,994	262,466,024	240,945,919
2	Cost of Removal	4,540,287	4,642,448	4,749,274	4,860,000	4,969,442	5,089,002	5,209,607	5,308,483	5,418,317	5,527,740	5,632,938	5,738,218	5,845,569	5,194,717
3	Accumulated Depreciation Reserve	(11,624,581)	(12,223,719)	(12,830,572)	(13,446,162)	(14,071,952)	(14,708,755)	(15,357,043)	(16,016,804)	(16,688,504)	(17,372,129)	(18,067,258)	(16,852,431)	(17,568,788)	(15,140,669)
4	Net Gas Plant	211,589,224	213,973,752	216,402,984	219,649,498	223,163,688	226,904,635	230,757,182	234,559,452	238,735,924	242,439,767	246,118,883	247,961,780	250,742,806	230,999,967
5	Accumulated Deferred Taxes	(29,925,581)	(36,933,741)	(37,531,663)	(38,157,646)	(38,708,864)	(39,205,883)	(39,638,805)	(39,988,217)	(40,281,998)	(40,491,771)	(40,623,223)	(40,668,287)	(40,670,180)	(40,670,180)
6	Net Rate Base	181,663,644	177,040,011	178,871,321	181,491,853	184,454,824	187,698,752	191,118,377	194,571,235	198,453,926	201,947,996	205,495,659	207,293,493	210,072,626	190,329,788
7	Rate of Return	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%	10.44%
8	Return on Net Rate Base	1,581,197	1,540,953	1,556,893	1,579,702	1,605,492	1,633,727	1,663,491	1,693,545	1,727,340	1,757,752	1,788,631	1,804,279	1,828,469	19,879,529
Operating Expenses															
9	Depreciation	579,468	588,476	596,192	604,929	615,129	626,142	637,627	649,100	661,039	672,963	684,468	690,352	695,034	7,721,451
10	Incremental Operation & Maintenance	117,915	139,511	73,321	111,290	45,198	140,280	120,956	102,067	136,533	129,354	148,435	116,795	115,896	1,379,636
11	Property Taxes	178,960	237,772	237,772	237,772	237,772	237,772	237,772	237,772	237,772	237,772	237,772	237,772	237,772	2,853,264
12	Total Operating Expenses	876,343	965,759	907,285	953,992	898,099	1,004,193	996,355	988,939	1,035,344	1,040,089	1,070,675	1,044,919	1,048,702	11,954,351
13	Total Revenue Requirement	<u>2,457,540</u>	<u>2,506,712</u>	<u>2,464,178</u>	<u>2,533,694</u>	<u>2,503,591</u>	<u>2,637,920</u>	<u>2,659,847</u>	<u>2,682,484</u>	<u>2,762,684</u>	<u>2,797,841</u>	<u>2,859,306</u>	<u>2,849,198</u>	<u>2,877,171</u>	<u>31,833,881</u>

(a) 2017 Year Rate Base amounts based upon thirteen-month average (December 2016 - December 2017).

NOTE: Retirement adjustments included in the revenue requirements calculation reflect projected retirements occurring after June 30, 2016, the last month of the forecasted test year used in the Company's most recent base rate case filing, Case No. 2014-00372.

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
RATE OF RETURN**

Line No.	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Tax Gross-up @ 38.9%</u> (5)	<u>Rate of Return Adjusted for Income Taxes</u> (6)
1	Short term debt	4.47%	0.90%	0.04%		0.04%
2	Long term debt	42.77%	4.14%	1.77%		1.77%
3	Common equity	<u>52.75%</u>	10.00%	<u>5.28%</u>	<u>3.36%</u>	<u>8.63%</u>
4	Total	100.00%		7.09%	3.36%	10.44%

Note: Capital structure and cost rates pursuant to Case No. 2014-00372

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CAPITAL AND OPERATING COSTS**

Line No.	Description	TOTAL 2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1)	(2)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Main Capex	\$14,688,460	\$869,406.67	\$975,673.61	\$1,313,172.07	\$1,326,366.28	\$1,296,475.22	\$1,426,665.66	\$1,522,731.47	\$1,551,030.29	\$1,372,552.00	\$1,143,969.48	\$982,437.45	\$907,979.32
2	Service Line Capex	\$2,093,053	\$183,513	\$166,147	\$188,440	\$164,131	\$180,409	\$176,424	\$161,144	\$196,374	\$175,933	\$181,167	\$173,112	\$146,259
3	Riser Capex	\$24,001,385	\$1,270,051	\$1,289,820	\$1,677,343	\$2,051,290	\$2,229,638	\$2,212,993	\$2,185,828	\$2,398,315	\$2,204,703	\$2,400,243	\$2,221,422	\$1,859,740
4	Customer Service Capex	\$6,385,169	\$558,534	\$497,619	\$572,424	\$488,750	\$551,667	\$564,148	\$493,452	\$592,619	\$524,856	\$543,667	\$521,380	\$476,053
5	Gas Plant Investment	\$47,168,066	\$2,881,504	\$2,929,259	\$3,751,379	\$4,030,538	\$4,258,190	\$4,380,230	\$4,363,155	\$4,738,339	\$4,278,043	\$4,269,047	\$3,898,352	\$3,390,031
6	Main Retirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Service Line Retirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Riser Retirements	(\$3,375,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,375,560)	\$0
9	Total Retirements	(\$3,375,560)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,375,560)	\$0
10	Reserve Retirements	(\$1,921,170)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,921,170)	\$0
11	Main Cost of Removal	\$906,300	\$70,680	\$75,240	\$78,660	\$70,680	\$77,520	\$79,800	\$70,680	\$76,380	\$79,800	\$70,680	\$76,380	\$79,800
12	Service Line Cost of Removal	\$398,982	\$31,481	\$31,586	\$32,066	\$38,762	\$42,040	\$40,805	\$28,196	\$33,454	\$29,623	\$34,518	\$28,899	\$27,551
13	Riser Cost of Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	Cost of Removal	\$1,305,282	\$102,161	\$106,826	\$110,726	\$109,442	\$119,560	\$120,605	\$98,876	\$109,834	\$109,423	\$105,198	\$105,279	\$107,351
15	Incremental Operation & Maintenance	\$1,379,636	\$139,511	\$73,321	\$111,290	\$45,198	\$140,280	\$120,956	\$102,067	\$136,533	\$129,354	\$148,435	\$116,795	\$115,896
16	Property Taxes	\$2,853,264	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772	\$237,772

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JANUARY 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>January Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>January Depr on Beginning Balance</u> (5)=(3)*(4)	<u>January Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>January Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	66,966,175	0.16%	105,472	869,407	685	106,156	67,835,581
2	Services-Lines	380	7,567,314	0.32%	23,900	183,513	290	24,190	7,750,826
3	Services-Risers	380	85,991,835	0.32%	271,591	1,270,051	2,006	273,596	87,261,885
4	Services-Customer Lines	380	61,523,756	0.32%	194,313	558,534	882	195,195	62,082,290
5	Total Additions		222,049,079		595,275	2,881,504	3,862	599,137	224,930,583
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		218,673,519		584,614	2,881,504	3,862	588,476	221,555,022
<u>Cost of Removal</u>									
11	Mains	376	2,901,051			70,680			2,971,731
12	Services-Lines	380	1,639,236			31,481			1,670,717
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		4,540,287		-	102,161	-	-	4,642,448

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
FEBRUARY 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>February Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>February Depr on Beginning Balance</u> (5)=(3)*(4)	<u>February Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>February Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	67,835,581	0.16%	106,841	975,674	768	107,609	68,811,255
2	Services-Lines	380	7,750,826	0.32%	24,480	166,147	262	24,742	7,916,973
3	Services-Risers	380	87,261,885	0.32%	275,602	1,289,820	2,037	277,639	88,551,705
4	Services-Customer Lines	380	62,082,290	0.32%	196,077	497,619	786	196,862	62,579,909
5	Total Additions		<u>224,930,583</u>		<u>602,999</u>	<u>2,929,259</u>	<u>3,853</u>	<u>606,853</u>	<u>227,859,842</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	<u>(3,375,560)</u>	0.32%	<u>(10,661)</u>	-	-	<u>(10,661)</u>	<u>(3,375,560)</u>
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>221,555,022</u>		<u>592,338</u>	<u>2,929,259</u>	<u>3,853</u>	<u>596,192</u>	<u>224,484,282</u>
<u>Cost of Removal</u>									
11	Mains	376	2,971,731			75,240			3,046,971
12	Services-Lines	380	1,670,717			31,586			1,702,303
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>4,642,448</u>		<u>-</u>	<u>106,826</u>	<u>-</u>	<u>-</u>	<u>4,749,274</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MARCH 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>March Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>March Depr on Beginning Balance</u> (5)=(3)*(4)	<u>March Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>March Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	68,811,255	0.16%	108,378	1,313,172	1,034	109,412	70,124,427
2	Services-Lines	380	7,916,973	0.32%	25,004	188,440	298	25,302	8,105,413
3	Services-Risers	380	88,551,705	0.32%	279,676	1,677,343	2,649	282,325	90,229,048
4	Services-Customer Lines	380	62,579,909	0.32%	197,648	572,424	904	198,552	63,152,333
5	Total Additions		<u>227,859,842</u>		<u>610,706</u>	<u>3,751,379</u>	<u>4,884</u>	<u>615,591</u>	<u>231,611,221</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>224,484,282</u>		<u>600,045</u>	<u>3,751,379</u>	<u>4,884</u>	<u>604,929</u>	<u>228,235,661</u>
<u>Cost of Removal</u>									
11	Mains	376	3,046,971			78,660			3,125,631
12	Services-Lines	380	1,702,303			32,066			1,734,369
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>4,749,274</u>		<u>-</u>	<u>110,726</u>	<u>-</u>	<u>-</u>	<u>4,860,000</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
APRIL 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>April Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>April Depr on Beginning Balance</u> (5)=(3)*(4)	<u>April Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>April Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	70,124,427	0.16%	110,446	1,326,366	1,045	111,490	71,450,793
2	Services-Lines	380	8,105,413	0.32%	25,600	164,131	259	25,859	8,269,545
3	Services-Risers	380	90,229,048	0.32%	284,973	2,051,290	3,239	288,213	92,280,337
4	Services-Customer Lines	380	63,152,333	0.32%	199,456	488,750	772	200,228	63,641,084
5	Total Additions		<u>231,611,221</u>		<u>620,475</u>	<u>4,030,538</u>	<u>5,315</u>	<u>625,790</u>	<u>235,641,759</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>228,235,661</u>		<u>609,814</u>	<u>4,030,538</u>	<u>5,315</u>	<u>615,129</u>	<u>232,266,198</u>
<u>Cost of Removal</u>									
11	Mains	376	3,125,631			70,680			3,196,311
12	Services-Lines	380	1,734,369			38,762			1,773,130
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>4,860,000</u>		<u>-</u>	<u>109,442</u>	<u>-</u>	<u>-</u>	<u>4,969,442</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
MAY 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>May Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>May Depr on Beginning Balance</u> (5)=(3)*(4)	<u>May Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>May Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	71,450,793	0.16%	112,535	1,296,475	1,021	113,556	72,747,269
2	Services-Lines	380	8,269,545	0.32%	26,118	180,409	285	26,403	8,449,954
3	Services-Risers	380	92,280,337	0.32%	291,452	2,229,638	3,521	294,973	94,509,975
4	Services-Customer Lines	380	63,641,084	0.32%	201,000	551,667	871	201,871	64,192,750
5	Total Additions		235,641,759		631,105	4,258,190	5,698	636,803	239,899,949
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		<u>232,266,198</u>		<u>620,444</u>	<u>4,258,190</u>	<u>5,698</u>	<u>626,142</u>	<u>236,524,388</u>
<u>Cost of Removal</u>									
11	Mains	376	3,196,311			77,520			3,273,831
12	Services-Lines	380	1,773,130			42,040			1,815,170
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		4,969,442		-	119,560	-	-	5,089,002

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JUNE 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>June Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>June Depr on Beginning Balance</u> (5)=(3)*(4)	<u>June Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>June Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	72,747,269	0.16%	114,577	1,426,666	1,123	115,700	74,173,934
2	Services-Lines	380	8,449,954	0.32%	26,688	176,424	279	26,966	8,626,378
3	Services-Risers	380	94,509,975	0.32%	298,494	2,212,993	3,495	301,989	96,722,968
4	Services-Customer Lines	380	64,192,750	0.32%	202,742	564,148	891	203,633	64,756,898
5	Total Additions		239,899,949		642,501	4,380,230	5,788	648,288	244,280,179
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		<u>236,524,388</u>		<u>631,840</u>	<u>4,380,230</u>	<u>5,788</u>	<u>637,627</u>	<u>240,904,618</u>
<u>Cost of Removal</u>									
11	Mains	376	3,273,831			79,800			3,353,631
12	Services-Lines	380	1,815,170			40,805			1,855,976
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		5,089,002		-	120,605	-	-	5,209,607

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
JULY 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>July Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>July Depr on Beginning Balance</u> (5)=(3)*(4)	<u>July Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>July Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	74,173,934	0.16%	116,824	1,522,731	1,199	118,023	75,696,666
2	Services-Lines	380	8,626,378	0.32%	27,245	161,144	254	27,499	8,787,522
3	Services-Risers	380	96,722,968	0.32%	305,483	2,185,828	3,452	308,935	98,908,796
4	Services-Customer Lines	380	64,756,898	0.32%	204,524	493,452	779	205,303	65,250,350
5	Total Additions		<u>244,280,179</u>		<u>654,076</u>	<u>4,363,155</u>	<u>5,685</u>	<u>659,761</u>	<u>248,643,334</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>240,904,618</u>		<u>643,415</u>	<u>4,363,155</u>	<u>5,685</u>	<u>649,100</u>	<u>245,267,773</u>
<u>Cost of Removal</u>									
11	Mains	376	3,353,631			70,680			3,424,311
12	Services-Lines	380	1,855,976			28,196			1,884,171
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>5,209,607</u>		<u>-</u>	<u>98,876</u>	<u>-</u>	<u>-</u>	<u>5,308,483</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
AUGUST 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>August Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>August Depr on Beginning Balance</u> (5)=(3)*(4)	<u>August Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>August Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	75,696,666	0.16%	119,222	1,551,030	1,221	120,444	77,247,696
2	Services-Lines	380	8,787,522	0.32%	27,754	196,374	310	28,064	8,983,896
3	Services-Risers	380	98,908,796	0.32%	312,387	2,398,315	3,787	316,174	101,307,111
4	Services-Customer Lines	380	65,250,350	0.32%	206,082	592,619	936	207,018	65,842,969
5	Total Additions		<u>248,643,334</u>		<u>665,445</u>	<u>4,738,339</u>	<u>6,255</u>	<u>671,700</u>	<u>253,381,673</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>245,267,773</u>		<u>654,784</u>	<u>4,738,339</u>	<u>6,255</u>	<u>661,039</u>	<u>250,006,112</u>
<u>Cost of Removal</u>									
11	Mains	376	3,424,311			76,380			3,500,691
12	Services-Lines	380	1,884,171			33,454			1,917,625
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>5,308,483</u>		<u>-</u>	<u>109,834</u>	<u>-</u>	<u>-</u>	<u>5,418,317</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
SEPTEMBER 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>September Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>September Depr on Beginning Balance</u> (5)=(3)*(4)	<u>September Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>September Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	77,247,696	0.16%	121,665	1,372,552	1,081	122,746	78,620,248
2	Services-Lines	380	8,983,896	0.32%	28,374	175,933	278	28,652	9,159,829
3	Services-Risers	380	101,307,111	0.32%	319,962	2,204,703	3,482	323,443	103,511,814
4	Services-Customer Lines	380	65,842,969	0.32%	207,954	524,856	829	208,783	66,367,825
5	Total Additions		253,381,673		677,955	4,278,043	5,669	683,624	257,659,716
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		(3,375,560)		(10,661)	-	-	(10,661)	(3,375,560)
10	Total Plant		<u>250,006,112</u>		<u>667,294</u>	<u>4,278,043</u>	<u>5,669</u>	<u>672,963</u>	<u>254,284,155</u>
<u>Cost of Removal</u>									
11	Mains	376	3,500,691			79,800			3,580,491
12	Services-Lines	380	1,917,625			29,623			1,947,249
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		5,418,317		-	109,423	-	-	5,527,740

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
OCTOBER 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>October Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>October Depr on Beginning Balance</u> (5)=(3)*(4)	<u>October Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>October Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	78,620,248	0.16%	123,827	1,143,969	901	124,728	79,764,217
2	Services-Lines	380	9,159,829	0.32%	28,930	181,167	286	29,216	9,340,995
3	Services-Risers	380	103,511,814	0.32%	326,925	2,400,243	3,790	330,715	105,912,058
4	Services-Customer Lines	380	66,367,825	0.32%	209,612	543,667	859	210,470	66,911,492
5	Total Additions		<u>257,659,716</u>		<u>689,293</u>	<u>4,269,047</u>	<u>5,836</u>	<u>695,129</u>	<u>261,928,763</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	-	-	(10,661)	(3,375,560)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>-</u>	<u>-</u>	<u>(10,661)</u>	<u>(3,375,560)</u>
10	Total Plant		<u>254,284,155</u>		<u>678,632</u>	<u>4,269,047</u>	<u>5,836</u>	<u>684,468</u>	<u>258,553,202</u>
<u>Cost of Removal</u>									
11	Mains	376	3,580,491			70,680			3,651,171
12	Services-Lines	380	1,947,249			34,518			1,981,767
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>5,527,740</u>		<u>-</u>	<u>105,198</u>	<u>-</u>	<u>-</u>	<u>5,632,938</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
NOVEMBER 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>November Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>November Depr on Beginning Balance</u> (5)=(3)*(4)	<u>November Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>November Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	79,764,217	0.16%	125,629	982,437	774	126,402	80,746,655
2	Services-Lines	380	9,340,995	0.32%	29,502	173,112	273	29,775	9,514,108
3	Services-Risers	380	105,912,058	0.32%	334,506	2,221,422	3,508	338,014	108,133,480
4	Services-Customer Lines	380	66,911,492	0.32%	211,329	521,380	823	212,152	67,432,872
5	Total Additions		<u>261,928,763</u>		<u>700,965</u>	<u>3,898,352</u>	<u>5,378</u>	<u>706,343</u>	<u>265,827,115</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(3,375,560)	0.32%	(10,661)	(3,375,560)	(5,331)	(15,992)	(6,751,121)
9	Total Retirements		<u>(3,375,560)</u>		<u>(10,661)</u>	<u>(3,375,560)</u>	<u>(5,331)</u>	<u>(15,992)</u>	<u>(6,751,121)</u>
10	Total Plant		<u>258,553,202</u>		<u>690,304</u>	<u>522,792</u>	<u>48</u>	<u>690,352</u>	<u>259,075,994</u>
<u>Cost of Removal</u>									
11	Mains	376	3,651,171			76,380			3,727,551
12	Services-Lines	380	1,981,767			28,899			2,010,667
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>5,632,938</u>		<u>-</u>	<u>105,279</u>	<u>-</u>	<u>-</u>	<u>5,738,218</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
DECEMBER 2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>December Beginning Plant Balance</u> (3)	<u>Monthly Depr Rates</u> (4)	<u>December Depr on Beginning Balance</u> (5)=(3)*(4)	<u>December Additions and Retirements</u> (6)	<u>Current Month Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Month Book Depreciation</u> (8)=(5)+(7)	<u>December Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	80,746,655	0.16%	127,176	907,979	715	127,891	81,654,634
2	Services-Lines	380	9,514,108	0.32%	30,049	146,259	231	30,280	9,660,367
3	Services-Risers	380	108,133,480	0.32%	341,522	1,859,740	2,937	344,458	109,993,220
4	Services-Customer Lines	380	67,432,872	0.32%	212,975	476,053	752	213,727	67,908,925
5	Total Additions		<u>265,827,115</u>		<u>711,722</u>	<u>3,390,031</u>	<u>4,635</u>	<u>716,356</u>	<u>269,217,145</u>
<u>Retirements</u>									
6	Mains	376	-	0.16%	-	-	-	-	-
7	Services-Lines	380	-	0.32%	-	-	-	-	-
8	Services-Risers	380	(6,751,121)	0.32%	(21,322)	-	-	(21,322)	(6,751,121)
9	Total Retirements		<u>(6,751,121)</u>		<u>(21,322)</u>	<u>-</u>	<u>-</u>	<u>(21,322)</u>	<u>(6,751,121)</u>
10	Total Plant		<u>259,075,994</u>		<u>690,399</u>	<u>3,390,031</u>	<u>4,635</u>	<u>695,034</u>	<u>262,466,024</u>
<u>Cost of Removal</u>									
11	Mains	376	3,727,551			79,800			3,807,351
12	Services-Lines	380	2,010,667			27,551			2,038,218
13	Services-Risers	380	-			-			-
14	Total Cost of Removal		<u>5,738,218</u>		<u>-</u>	<u>107,351</u>	<u>-</u>	<u>-</u>	<u>5,845,569</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
TAX DEPRECIATION**

Line No.	MACRS Tax Rate Life	Month	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	2015 Year 4 Additions	2016 Year 5 Additions	2017 Year 6 Additions	Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Federal Deferred Tax @ 35%	State Deferred Tax Page 2	Federal Benefit of State @ 35%	Deferred Tax on Retirements	Accumulated Deferred Taxes	Monthly Change ADIT	Monthly Proration	Prorated Accumulated Deferred Taxes
1	20-year		2,280,739	14,885,573	31,937,687	32,613,882	31,750,278	24,601,023												
2	Repairs							8,476,178												
3	Bonus							14,090,865												
Tax Depreciation																				
4	0.037500	1	10,045	166,084	164,399	181,469	191,004	1,709,790	2,422,792	102,161	599,137	1,925,816	674,035	64,112	(22,439)		36,276,858	715,708	335,765	36,276,858
5	0.072190	2	10,045	166,084	164,399	181,469	191,004	1,700,439	2,413,441	106,826	606,853	1,913,414	669,695	63,368	(22,179)		36,992,566	710,884	307,365	36,933,741
6	0.066770	3	10,045	166,084	164,399	181,469	191,004	2,005,935	2,718,937	110,726	615,591	2,214,073	774,925	81,407	(28,493)		38,531,290	827,840	276,365	38,157,646
7	0.061770	4	10,045	166,084	164,399	181,469	191,004	1,991,774	2,704,775	109,442	625,790	2,188,427	765,950	79,869	(27,954)		39,349,155	817,864	246,365	38,708,864
8	0.057130	5	10,045	166,084	164,399	181,469	191,004	2,059,281	2,772,283	119,560	636,803	2,255,040	789,264	83,865	(29,353)		40,192,931	843,776	215,765	39,205,883
9	0.052850	6	10,045	166,084	164,399	181,469	191,004	2,096,372	2,809,374	120,605	648,288	2,281,691	798,592	85,464	(29,913)		41,047,075	854,144	185,365	39,638,005
10	0.048880	7	10,045	166,084	164,399	181,469	191,004	2,062,755	2,775,757	98,876	659,761	2,214,872	775,205	81,455	(28,599)		41,875,226	828,151	154,365	39,988,217
11	0.045220	8	10,045	166,084	164,399	181,469	191,004	2,175,920	2,888,922	109,834	671,700	2,327,055	814,469	88,186	(30,865)		42,747,017	871,791	123,365	40,281,998
12	0.044620	9	10,045	166,084	164,399	181,469	191,004	2,063,604	2,776,606	109,423	683,624	2,202,405	770,842	80,707	(28,248)		43,570,318	823,302	93,365	40,491,771
13	0.044610	10	10,045	166,084	164,399	181,469	191,004	1,952,269	2,665,271	105,198	695,129	2,075,340	726,369	73,083	(25,579)		44,344,191	773,873	62,365	40,623,223
14	0.044620	11	10,045	166,084	164,399	181,469	191,004	1,913,754	2,626,756	105,279	706,343	2,025,692	708,992	70,105	(24,537)	(240,552)	44,858,200	514,008	32,365	40,668,287
15	0.044610	12	10,045	166,084	164,399	181,469	191,004	1,757,688	2,470,690	107,351	716,356	1,861,685	651,590	60,264	(21,092)		45,548,961	690,761	1,365	40,670,180
16	0.044620																			
17	0.044610																			
18	0.044620																			
19	0.044610																			
20	0.044620																			
21	0.044610																			
22	0.044620																			
23	0.044610																			
24	0.022310																			
25	-																			
26	-																			
27	-																			
28	-																			
29	-																			
30	-																			
31			120,537 (a)	1,993,013 (b)	1,972,791 (c)	2,177,629 (d)	2,292,053 (e)	23,489,582 (f)	32,045,604	1,305,282	7,865,376	25,485,510	8,919,929	911,887	(319,160)	(240,552)	41,002,865			

(a) 2012 20-year additions at MACRS Year 6 tax rate (0.052850)
(b) 2013 20-year additions at MACRS Year 5 tax rate (0.057130)
(c) 2014 20-year additions at MACRS Year 4 tax rate (0.061770)
(d) 2015 20-year additions at MACRS Year 3 tax rate (0.066770)
(e) 2016 20-year additions at MACRS Year 2 tax rate (0.072190)
(f) 2017 20-year additions at MACRS Year 1 tax rate (0.037500) plus Repairs and Bonus

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
TAX DEPRECIATION**

Line No.	MACRS Tax Rate Life Rates	Month	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	2015 Year 4 Additions	2016 Year 5 Additions	2017 Year 6 Additions	Tax Depreciation	Cost of Removal	Book Depreciation	Difference	State Deferred Tax @ 6%
1	20-year		2,280,739	44,145,661	45,777,644	46,532,740	45,073,101	38,691,888					
2	Repairs							8,476,178					
3	Bonus												
Tax Depreciation													
4	0.037500	1	10,045	210,170	235,640	258,916	271,152	579,585	1,565,508	102,161	599,137	1,068,532	64,112
5	0.072190	2	10,045	210,170	235,640	258,916	271,152	570,234	1,556,158	106,826	606,853	1,056,130	63,368
6	0.066770	3	10,045	210,170	235,640	258,916	271,152	875,731	1,861,654	110,726	615,591	1,356,789	81,407
7	0.061770	4	10,045	210,170	235,640	258,916	271,152	861,569	1,847,492	109,442	625,790	1,331,144	79,869
8	0.057130	5	10,045	210,170	235,640	258,916	271,152	929,076	1,914,999	119,560	636,803	1,397,757	83,865
9	0.052850	6	10,045	210,170	235,640	258,916	271,152	966,168	1,952,091	120,605	648,288	1,424,406	85,464
10	0.048880	7	10,045	210,170	235,640	258,916	271,152	932,551	1,918,474	98,876	659,761	1,357,589	81,455
11	0.045220	8	10,045	210,170	235,640	258,916	271,152	1,045,715	2,031,638	109,834	671,700	1,469,772	88,186
12	0.044620	9	10,045	210,170	235,640	258,916	271,152	933,399	1,919,323	109,423	683,624	1,345,122	80,707
13	0.044610	10	10,045	210,170	235,640	258,916	271,152	822,064	1,807,988	105,198	695,129	1,218,057	73,083
14	0.044620	11	10,045	210,170	235,640	258,916	271,152	783,550	1,769,473	105,279	706,343	1,168,409	70,105
15	0.044620	12	10,045	210,170	235,640	258,916	271,152	627,483	1,613,407	107,351	716,356	1,004,402	60,264
16	0.044620												
17	0.044610												
18	0.044620												
19	0.044610												
20	0.044620												
21	0.044610												
22	0.044620												
23	0.044610												
24	0.022310												
25	-												
26	-												
27	-												
28	-												
29	-												
30	-												
31			120,537 (a)	2,522,042 (b)	2,827,685 (c)	3,106,991 (d)	3,253,827 (e)	9,927,124 (f)	21,758,206	1,305,282	7,865,376	15,198,112	911,887

(a) 2012 20-year additions at MACRS Year 6 tax rate (0.052850)
(b) 2013 20-year additions at MACRS Year 5 tax rate (0.057130)
(c) 2014 20-year additions at MACRS Year 4 tax rate (0.061770)
(d) 2015 20-year additions at MACRS Year 3 tax rate (0.066770)
(e) 2016 20-year additions at MACRS Year 2 tax rate (0.072190)
(f) 2017 20-year additions at MACRS Year 1 tax rate (0.037500) plus Repairs