Standard Rate Schedule EPBR

Electric Performance-Based Rate

Applicable:
To all electric rate schedules

Rate Mechanism:
The monthly amount computed under each of the rate schedules to which this tariff is applicable shall be increased or decreased by the Electric Performance-Based Rate Adjustment Factor (EPBRAF) at a rate per kilowatt-hour of monthly consumption during the billing calendar quarter computed as follows:

$$\mathbf{EPBRAF(q) = EPBRA(q) / KWH(q)}$$

$$\mathbf{EPBRA(q) = FCR + MDS + GP + SQ + BA}$$

Where:

EPBRAF(q) = Electric Performance-Based Rate Adjustment Factor for the current quarter
EPBRA(q) = Electric Performance-Based Rate Amount for the current quarter
FCR = Fuel Cost Recovery
MDS = Merger Dispatch Savings expressed as a credit
GP = Generation Performance expressed as a credit
SQ = Service Quality
BA = Balancing Adjustment
KWH(q) = Kentucky Retail Jurisdictional Kilowatt-hour Sales in the current quarter
q = Current quarter shall be the second calendar quarter preceding the billing calendar quarter in which the EPBRAF is billed (Due to FERC Form 423 data availability the current quarter for the FCR computation will be defined as the three-month period ending February, May, August, or November)

Fuel Cost Recovery (FCR)

Fuel Cost Recovery (FCR): Changes in the level of purchased fuel cost on a ¢/MMBTU basis will be compared to changes in a fuel cost index to determine the level of fuel cost to be charged to customers. Each quarter, the Company's current purchased fuel cost will be compared to the cost of fuel purchased by the Company during the Base Period and the fuel cost index for each quarter will be compared to the fuel cost index for the same Base Period. The resulting percentage change in the Company's cost of purchased fuel will be compared to the percentage change in the fuel cost index. When the percentage change in the Company's fuel cost is greater than the percentage change in the index, the percentage change in the index will be used for fuel cost recovery purposes. When the Company's percentage change in actual fuel cost is less than the change in the fuel cost index, the difference will be shared equally between the Company and customers by using the average of the two percentages for fuel cost recovery purposes.

Current Quarter Actual Fuel Cost (QA): Actual fuel cost shall be the average weighted cost of fuel purchased for each quarter, stated in ¢/MMBTU. Included therein will be the cost of coal delivered (including transportation costs) and the cost of gas delivered.

Fuel Cost Recovery (FCR) Continued

Current Quarter Fuel Cost Index (QI):

$$QI = (a\% \times CC) + (b\% \times PR) + (c\% \times MS) + (d\% \times HS) + (e\% \times NG)$$

Where:

The percentages: a, b, c, d and e will be based on the relative amounts of MMBTU purchased by KU during the current three-month period.

All prices are weighted averages for the current three-month period and are expressed in ¢/ MMBTU

The source for all coal data is FERC Form 423 for reporting electric utilities in a five-state region which includes Indiana, Ohio, Kentucky (excluding LG&E Energy Utilities), West Virginia, and Tennessee.

CC = Compliance Coal: Weighted average spot price of delivered compliance coal ($\leq$ 1.2 lb. SO_2/MMBTU) excluding Powder River Basin Coal

PR = Powder River Basin Coal Weighted average spot price of delivered coal from the Powder River Basin

MS = Medium Sulfur Coal: Weighted average spot price of delivered medium sulfur coal (1.21 to 3.0 lb. SO_2/MMBTU)

HS = High Sulfur Coal: Weighted average spot price of delivered high sulfur coal (> 3.0 lb. SO_2/MMBTU)

NG = Natural Gas: The natural gas price shall be the average of the current three-month period of weekly *Natural Gas Week* postings for Spot Prices on Interstate Pipeline Systems for CNG Transmission Co. - North and South

Fuel Cost Recovery (FCR) will be computed on a quarterly basis as follows:

$$FCR = BK \times CR \times KWH$$

$$\text{If } CA > CI \text{ then } CR = CI$$

$$\text{If } CA < CI \text{ then } CR = (CA + CI) / 2$$

Fuel Cost Recovery (FCR) Continued

Where:

Base Period = 12 months ended (Date) determined as the most recent 12-month period prior to the effective date of this tariff for which data is available

BK = Base Period Fuel Cost Recovery included in Base Rates expressed as $._____/Kwh as determined using 12 months of data for F(m)/S(m) as defined by 807 KAR 5:056 for the Base Period excluding any Merger Dispatch Savings

CR = Percentage Change in the Fuel Cost Recovery

KWH = Kentucky Retail Jurisdictional Kwh Sales for the current three-month period

BPA = Base Period Actual Fuel Cost = ____¢/MMBTU based on the weighted average cost of fuel purchased during the Base Period

BPI = Base Period Fuel Cost Index = ____¢/MMBTU consistent with the computation of the quarterly index (QI) using the 12 month Base Period

QA = Current Quarter Actual Fuel Cost in ¢/MMBTU

QI = Current Quarter Fuel Cost Index in ¢/MMBTU

CA = Percentage Change in Actual Fuel Cost = (QA - BPA) / BPA

CI = Percentage Change in Fuel Cost Index = (QI - BPI) / BPI

Merger Dispatch Savings (MDS)

Merger Dispatch Savings (MDS) will be expressed as a credit in the quarterly EPBRA(q) and will be computed on a monthly basis pursuant to the Power Supply System Agreement (PSSA) approved in LG&E Energy Rate Schedule FERC No. 1. Each quarterly computation of the EPBRA will include the three month accumulation of the Kentucky retail jurisdictional merger dispatch savings computed as follows:

$$\mathbf{MDS = IEP\$ + IES\$}$$

Where:

IEP$ = Internal Economy Purchases equal to one-half of the difference in the purchasing company's avoided fuel cost and selling company's fuel cost pursuant to Rate Schedule FERC No. 1.

IES$ = Internal Economy Sales equal to the difference in the transaction price and the selling company's own fuel cost pursuant to Rate Schedule FERC No. 1.

Kentucky retail jurisdictional MDS will be determined by multiplying the MDS savings amount calculated above by the ratio of Kentucky retail jurisdictional Kwh sales to total company full requirements Kwh sales for the current quarter.

Generation Performance (GP)

Generation Performance (GP) will be expressed as a credit in the quarterly EBPRA(q) and is based on the Composite Performance (CP) of the Equivalent Availability Factor(EAF) and the Capacity Factor(CF) computed on a 12-month rolling quarter-ended basis using the combined LG&E/KU generation system computed as follows:

$$CP = (EAF + CF)/2$$

$$ISV = (CP - THRESHOLD) \times \$625{,}000 \text{ per \% point}$$

$$\text{IF } CP < THRESHOLD \text{ then } ISV = \text{zero}$$

$$GP = 50\% \times ISV$$

Where:

CP = Composite Performance.

ISV = Indicated Savings Value of $625,000 for each percentage point improvement in the Composite Performance over the established Threshold.

Maximum ISV = $2,500,000 per quarter.

Maximum GP = $1,250,000 per quarter.

EAF = Equivalent Availability Factor expressed as a percentage. The EAF is the availability of installed generation capacity (adjusted for de-ratings and excluding hydro) to meet load requirements for the 12-month rolling quarter-ended period. The 12-month rolling average EAF is the weighted average of the 12 monthly system EAF values weighted by the number of hours per month.

CF = Capacity Factor expressed as a percentage. The CF is a measure of the utilization of the generating units (excluding hydro) for the 12-month rolling quarter-ended period. The 12-month rolling average CF is the weighted average of the 12 monthly system EAF values weighted by the number of hours per month.

THRESHOLD = **71.8%** = The established composite benchmark which must be exceeded to produce an ISV.

Service Quality (SQ)

Service Quality (SQ) is comprised of five measures with separate penalties or rewards to the Company that are accumulated for an overall Service Quality (SQ) amount. SQ is computed each quarter as follows:

SQ = SAIDI$ + SAIFI$ + CUSTSAT$ + CALLHANDL$ + SAFETY$ + PREVSQ$

Where:

SAIDI$ = System Average Interruption Duration Index (SAIDI) Measure
SAIFI$ = System Average Interruption Frequency Index (SAIFI) Measure
CUSTSAT$ = Overall Customer Satisfaction Measure
CALLHANDL$ = Call Handling Customer Satisfaction Measure
SAFETY$ = Safety Performance Measure
PREVSQ$ = Net Service Quality rewards carried forward from previous quarters
Maximum Penalty SQ = $1,250,000 per quarter (prior to the recovery of any PREVSQ$)
Maximum Reward SQ = lesser of $1,250,000 per quarter or GP

**SAIDI$** = System Average Interruption Duration Index (SAIDI) Measure. SAIDI$ shall be calculated quarterly by subtracting the current 12-month rolling quarter-ended measurement (QSAIDI) in minutes of average duration of interruption per customer from the established SAIDI benchmark of 67.0 minutes and multiplying the resulting difference by $30,000 per minute of duration. Positive improvements in SAIDI shall produce rewards and negative values will produce penalties.

SAIDI$ = (67.0 minutes - QSAIDI) x $30,000/minute

**SAIFI$** = System Average Interruption Frequency (SAIFI) Measure. SAIFI$ shall be calculated quarterly by subtracting the current 12-month rolling quarter-ended measurement (QSAIFI) in average frequency of interruption per customer from the established SAIFI benchmark of .76 outages and multiplying the resulting difference by $425,000 per outage. Positive values in SAIFI$ will result in rewards and negative values will result in penalties.

SAIFI$ = (.76 outages - QSAIFI) x $425,000/outage

Service Quality (SQ) Continued

**CUSTSAT$** = Overall Customer Satisfaction Measure. CUSTSAT$ shall be calculated quarterly by comparing the current 12-month rolling quarter-ended measurement (QCUSTSAT) of the company's overall customer satisfaction to a similar measurement (PEERS) of the established peer group of comparable companies. The Company will be rewarded for having overall customer satisfaction in excess of 10 percentage points above this peer group's average performance and penalized for customer satisfaction below this peer group's average performance. Each percentage point in overall customer satisfaction will be worth $72,500 of reward or penalty. No penalty or reward will be assessed if the Company's performance is within the deadband between the peer group's average performance and the peer group's average performance plus 10 percentage points.

If QCUSTSAT > (PEERS +10%pt) then CUSTSAT$ = [QCUSTSAT - (PEERS + 10%pt)] x $72,500/%point

If QCUSTSAT < PEERS then CUSTSAT$ = (QCUSTSAT - PEERS) x $72,500/%point

If PEERS ≤ QCUSTSAT ≤ (PEERS + 10%pt) then CUSTSAT$ = Zero

**CALLHANDL$** = Call Handling Customer Satisfaction Measure. The CALLHANDL$ shall be calculated quarterly by comparing the current 12-month rolling quarter-ended measurement (QCALLHANDL) of Call Handling Customer Satisfaction to the established Call Handling Performance Range (CHPR) or deadband within which no penalties or rewards will be assessed. CHPR will be established as the sample margin of error for the Customer Call Handling Callback Survey with UCHPR being the upper boundary of the performance band and LCHPR being the lower boundary of the performance band. Performance above the UCHPR will result in rewards. Penalties are assessed when the QCALLHANDL is lower than the LCHPR. Each percentage point outside the range will be worth $18,000.

If QCALLHANDL > UCHPR then CALLHANDL$ = (QCALLHANDL - UCHPR) x $18,000/%pt

If QCALLHANDL < LCHPR then CALLHANDL$ = (QCALLHANDL - LCHPR) x $18,000/%pt

If LCHPR ≤ QCALLHANDL ≤ UCHPR then CALLHANDL$ = Zero

Service Quality (SQ) Continued

**SAFETY$** = Safety Performance Measure. The SAFETY$ shall be calculated quarterly by comparing the current 12-month rolling quarter-ended measurement (QSAFETY) of the company's OSHA Recordable Incidence Rate to the established Safety Performance Range (SPR) or deadband of 3.39 to 5.01 incidence rate within which no penalties or rewards will be assessed. Performance outside the SPR will result in rewards when the incidence rate is lower than the range and penalties when the incidence rate is higher than the range. Each .1 incidence outside the range will be worth $32,500.

If QSAFETY < 3.39 then SAFETY$ = (3.39 - QSAFETY) x $32,500 per .1 incidence rate

If QSAFETY > 5.01 then SAFETY$ = (5.01 - QSAFETY) x $32,500 per .1 incidence rate

If 3.39 ≤ QSAFETY ≤ 5.01 then SAFETY$ = Zero

PREVSQ$ = Net Service Quality rewards carried forward from previous quarters. If the preliminary sum of the five SQ measures is greater than GP for any quarter, the difference (Net Service Quality rewards) will be carried forward for up to four quarters after which time any unrecovered amount will be forfeited. SQ will be set equal to GP for the current quarter.

Balancing Adjustment (BA)

The Balancing Adjustment (BA) will be computed on a quarterly basis to reconcile any variance in the EPBRA calculated from the second preceding quarter and the EPBRAF billed in the current billing quarter computed as follows:

$$BA = EPBRA(q-2) - [\ EPBRAF(q-2) \times KWH(q)\ ]$$

Where:
EPBRA(q-2) = EPBR Amount calculated from the second preceding quarter
EPBRAF(q-2) = EPBR Adjustment Factor calculated from the second preceding quarter and billed in the current quarter
KWH(q) = KY Retail Jurisdictional Kwh sales for the current billing quarter

Fuel Cost Indexing

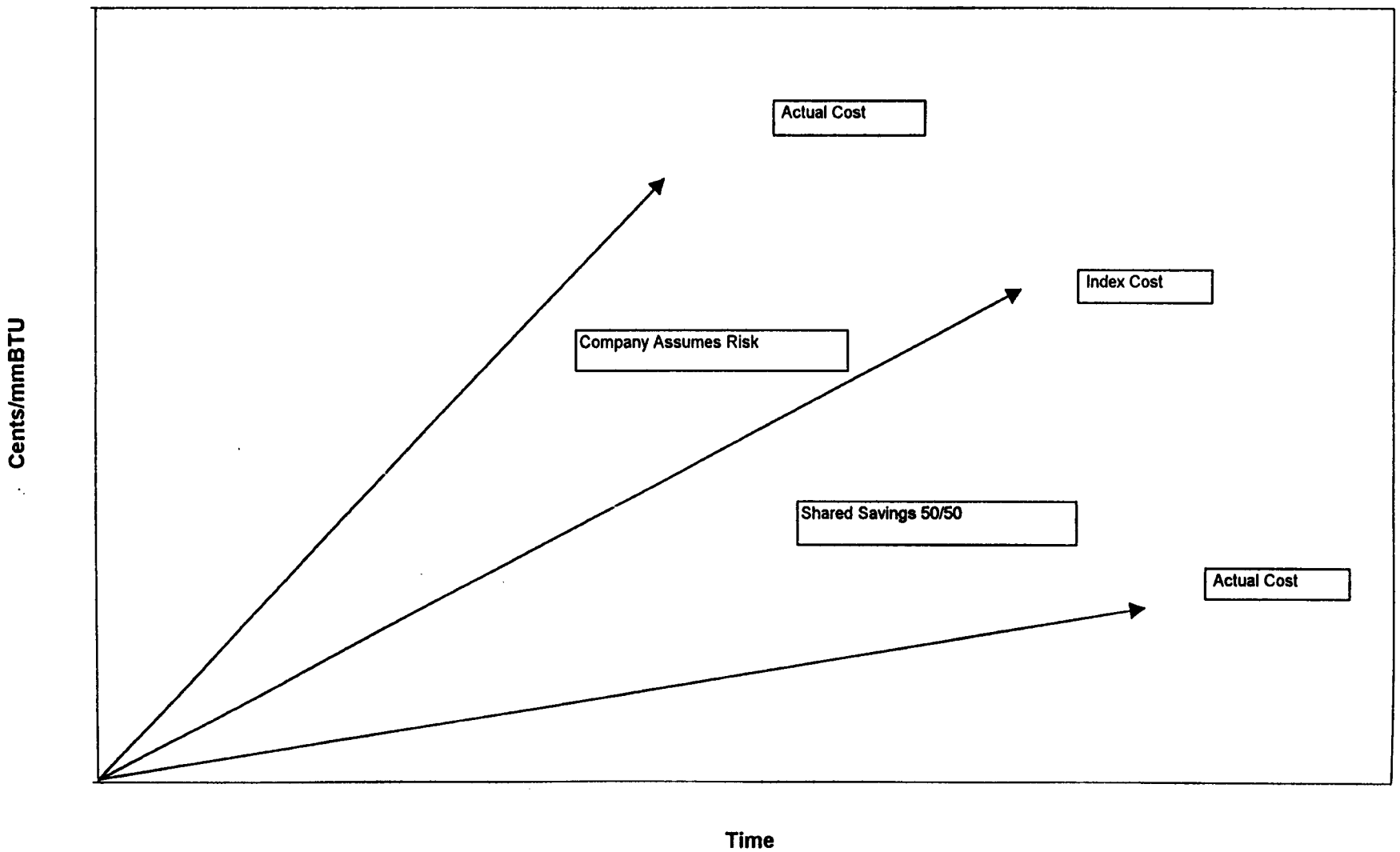

Exhibit RLW-2

Historic Generation Performance

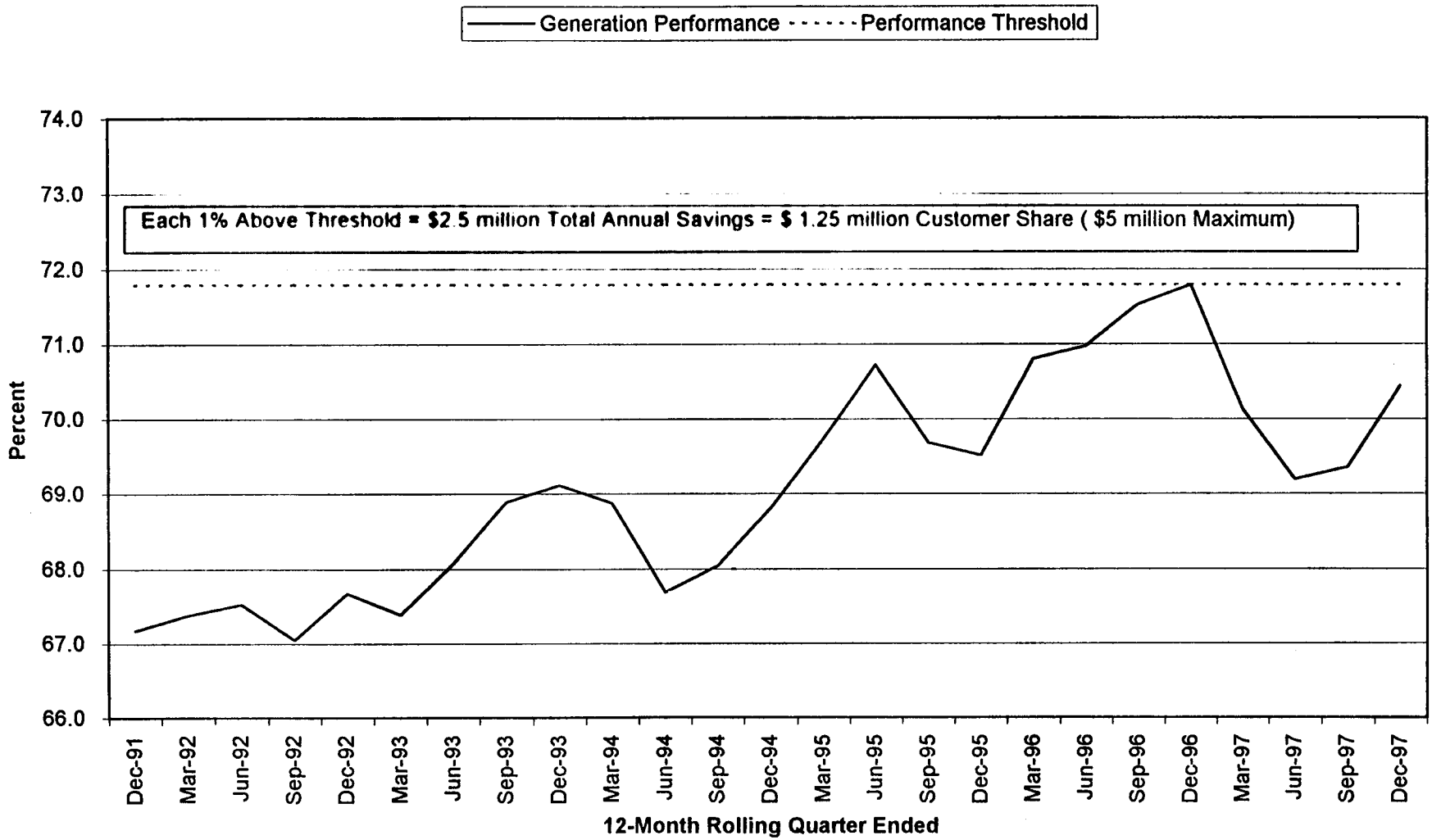

Exhibit RLW-3

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 1.0

ELECTRIC PERFORMANCE-BASED RATEMAKING ADJUSTMENT FACTOR (EPBRAF(q))

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Electric Performance-Based Rate Amount for the Current Expense Quarter (q) -

EPBRA(q) =	FCR (Fuel Cost Recovery)		**Form 2.0 (G)**	$1,361,416
	+ MDS (Merger Dispatch Savings)	+	**Form 3.0 (E)**	(583,265)
	+ GP (Generation Performance)	+	**Form 4.0 (F)**	(218,750)
	+ SQ (Service Quality)	+	**Form 5.2 (J)**	(538,250)
	+ BA (Balancing Adjustment)	+	**Form 6.0 (C)**	91,341
EPBRA(q) =				**$112,492**

(B) kWh Sales for the Current Expense Quarter (q) -

kWh(q) = 3,490,810,232

(C) Electric Performance-Based Ratemaking Adjustment Factor (per kWh) for the Current Expense Quarter (q) -

EPBRAF(q) =	EPBRA(q)	**(A)**	$112,492
	/ kWh(q)	/ **(B)**	3,490,810,232
EPBRAF(q) =			**$0.00003**

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.0

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Actual Fuel Cost Performance -

CA =	Change in Actual =	(QA - BPA) / BPA			
QA =	Quarterly Actual =		**Form 2.1**	1.1893	**$ / MMBtu**
BPA =	Base Period Actual =		**Base**	1.1320	**$ / MMBtu**
CA =	Change in Actual =	(1.1893 - 1.1320) / 1.1320 =		**5.07%**	

(B) Fuel Cost Index Performance -

CI =	Change in Index =	(QI - BPI) / BPI			
QI =	Quarterly Index =		**Form 2.7**	1.1715	**$ / MMBtu**
BPI =	Base Period Index =		**Base**	1.1353	**$ / MMBtu**
CI =	Change in Index =	(1.1715 - 1.1353) / 1.1353 =		**3.19%**	

(C) Percentage Change to be Applied to Base -

If Actual (CA) > Index (CI), then
Change in Fuel Recovery (CR) = Index (CI)
If Actual (CA) < Index (CI), then
Change in Fuel Recovery (CR) = [Actual (CA) + Index (CI)] / 2

CR = Change in Fuel Cost Recovery = **3.19%**

(D) Base Period Fuel Cost Recovery included in Base Rates

BK = Base Period Fuel Cost in Base Rates = **$0.01210** / kWh

(E) Fuel Cost Change to be applied to KY Retail Jurisdictional kWh -

Fuel Cost Change = (CR x BK)

CR =		3.19%	
BK =		$0.01210	/ kWh
Fuel Cost Change =	(3.19% x $0.01210) =	**$0.00039**	

(F) KY Retail Jurisdictional kWh Sales for Current Expense Quarter (q) -

KWH = 3,490,810,232

(G) Fuel Cost Recovery (FCR) -

FCR =	Fuel Cost Change	**(E)**	$0.00039
	x KWH	**x (F)**	3,490,810,232
FCR =			**$1,361,416**

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.1

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

FOR THE MONTH OF April, 1998

Coal Unit	$	MMBtu Purchased	$/Mmbtu
Coal Purchase	$12,115,257	12,688,752	0.9548
Freight	$2,635,555		
Locomotive Charges			
Leased Coal Cars			
Total Coal	$14,750,812	12,688,752	1.1625
Natural Gas	$33,147	12,874	2.5747
Grand Total	$14,783,960	12,701,626	1.1639

Retail Kwh: 1,137,610,068

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.1

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

FOR THE MONTH OF May, 1998

Coal Unit	$	MMBtu Purchased	$/Mmbtu
Coal Purchase	$14,511,103	15,158,530	0.9573
Freight	$3,255,099		
Locomotive Charges			
Leased Coal Cars			
Total Coal	$17,766,202	15,158,530	1.1720
Natural Gas	$1,279,916	534,732	2.3936
Grand Total	$19,046,118	15,693,263	1.2136

Retail Kwh: 1,032,583,705

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.1

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

FOR THE MONTH OF June, 1998

Coal Unit	$	MMBtu Purchased	$/Mmbtu
Coal Purchase	$16,148,543	17,564,219	0.9194
Freight	$3,362,506		
Locomotive Charges			
Leased Coal Cars			
Total Coal	$19,511,049	17,564,219	1.1108
Natural Gas	$2,088,377	645,973	3.2329
Grand Total	$21,599,426	18,210,193	1.1861

Retail Kwh: 1,320,616,459

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.1

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

Coal Unit	$	MMBtu Purchased	$/Mmbtu
Coal Purchase	$42,774,904	45,411,502	0.9419
Freight	$9,253,160		
Locomotive Charges			
Leased Coal Cars			
Total Coal	$52,028,063	45,411,502	1.1457
Natural Gas	$3,401,440	1,193,580	2.8498
Grand Total	$55,429,504	46,605,081	1.1893

Retail Kwh: 3,490,810,232

Medium Sulfur — Form 2.2

UTILNAME	TRYEAR	TRMONTH	TONS (000's)	DOLTON	CENTS PER MMBTU	BTU PER POUND	MMBTU	TOTAL COST (000's)
Appalachian Power Co.	1998	4	103.04	26.98	110.72	12180	2,510.0544	$ 2,779.13
Big Rivers Electric Corp.	1998	4	78.90	24.13	107.80	11194	1,766.4132	$ 1,904.19
Cardinal Operating Co.	1998	4	17.80	27.88	111.60	12491	444.6796	$ 496.26
Central Operating Co.	1998	4	127.30	24.66	102.70	12008	3,057.2388	$ 3,139.78
Cincinnati Gas & Electric Co.	1998	4	184.80	26.83	113.06	11868	4,386.4128	$ 4,959.28
Dayton Power & Light Co.	1998	4	75.80	25.66	111.70	11487	1,741.4292	$ 1,945.18
East Kentucky Power Coop, Inc.	1998	4	22.20	28.95	113.56	12744	565.8336	$ 642.56
Indiana Michigan Power Co.	1998	4	11.30	29.65	119.06	12450	281.3700	$ 335.00
Indianapolis Power & Light Co.	1998	4	40.00	21.47	100.60	10673	853.8400	$ 858.96
Kentucky Power Co.	1998	4	76.50	25.12	103.21	12171	1,862.1630	$ 1,921.94
Ohio Edison Co.	1998	4	66.60	28.83	110.06	13098	1,749.8928	$ 1,925.93
Ohio Power Co.	1998	4	47.20	27.26	110.04	12389	1,169.5216	$ 1,286.94
PSI Energy, Inc.	1998	4	260.60	23.30	106.45	10942	6,145.0272	$ 6,541.38
Southern Indiana Gas & Electric Co	1998	4	10.45	33.53	136.26	12304	257.1536	$ 350.40
Tennessee Valley Authority	1998	4	207.22	31.25	126.33	12369	5,126.2084	$ 6,475.94
Appalachian Power Co.	1998	5	126.60	25.76	106.74	12068	3,060.4448	$ 3,266.72
Big Rivers Electric Corp.	1998	5	46.60	24.30	107.42	11311	1,058.7096	$ 1,137.27
Cardinal Operating Co.	1998	5	9.10	27.05	112.70	12002	218.4364	$ 246.18
Central Operating Co.	1998	5	98.80	24.55	103.03	11912	2,353.8112	$ 2,425.13
Cincinnati Gas & Electric Co.	1998	5	151.30	25.44	108.99	11668	3,530.7368	$ 3,848.15
Dayton Power & Light Co.	1998	5	185.00	23.55	106.20	11088	4,102.5600	$ 4,356.92
East Kentucky Power Coop, Inc.	1998	5	21.00	27.75	111.10	12489	524.5380	$ 582.76
Indiana Michigan Power Co.	1998	5	8.80	31.96	119.00	13428	236.3328	$ 281.24
Indianapolis Power & Light Co.	1998	5	40.00	21.79	101.00	10786	862.8800	$ 871.51
Kentucky Power Co.	1998	5	86.60	25.20	103.15	12216	2,115.8112	$ 2,182.46
Ohio Edison Co.	1998	5	72.40	28.54	110.32	12934	1,872.8432	$ 2,066.12
Ohio Power Co.	1998	5	20.50	27.47	113.00	12157	498.4370	$ 563.23
PSI Energy, Inc.	1998	5	308.50	26.88	124.42	10801	6,664.2170	$ 8,291.62
Southern Indiana Gas & Electric Co.	1998	5	0.25	30.67	134.10	11437	5.7185	$ 7.67
Tennessee Valley Authority	1998	5	236.00	30.77	123.76	12431	5,867.4320	$ 7,261.53
Appalachian Power Co.	1998	6	100.40	27.46	112.53	12201	2,449.9608	$ 2,756.94
Big Rivers Electric Corp.	1998	6	52.90	24.03	107.28	11200	1,184.9600	$ 1,271.23
Central Operating Co.	1998	6	121.60	24.40	101.69	11996	2,917.4272	$ 2,966.73
Cincinnati Gas & Electric Co.	1998	6	162.90	26.04	110.77	11754	3,829.4532	$ 4,241.89
Cleveland Electric Illuminating Co.	1998	6	101.80	59.18	227.85	12986	2,643.9496	$ 6,024.24
Dayton Power & Light Co.	1998	6	160.40	25.86	113.33	11411	3,660.6488	$ 4,148.61
East Kentucky Power Coop, Inc.	1998	6	42.10	28.45	113.07	12578	1,059.0676	$ 1,197.49
Indiana Michigan Power Co.	1998	6	64.90	33.23	128.42	12937	1,679.2226	$ 2,156.46
Indianapolis Power & Light Co.	1998	6	37.00	22.04	101.61	10844	802.4560	$ 815.38
Kentucky Power Co.	1998	6	78.10	24.65	101.85	12101	1,890.1762	$ 1,925.14
Monongahela Power Co.	1998	6	13.24	24.69	97.00	12728	337.0374	$ 326.93
Ohio Edison Co.	1998	6	53.60	29.02	109.16	13291	1,424.7952	$ 1,555.31
Ohio Power Co.	1998	6	19.00	28.24	114.41	12342	468.9960	$ 536.58
PSI Energy, Inc.	1998	6	218.40	22.08	101.29	10896	4,759.3728	$ 4,820.77
Southern Indiana Gas & Electric Co.	1998	6	3.69	30.37	134.10	11322	83.5564	$ 112.05
Tennessee Valley Authority	1998	6	235.12	31.86	127.58	12485	5,870.9464	$ 7,490.15
							99,952.1709	$ 115,297.27
						Average Dollars Per MMBtu		$ 1.1535

HIGH SULFUR

Form 2.3

UTILNAME	TRYEAR	TRMONTH	TONS (000's)	DOLLAR PER TON	CENTS PER MMBTU	BTU PER POUND	MMBTU	TOTAL COST (000's)
Big Rivers Electric Corp.	1998	4	245.70	22.04	97.58	11293	5,549	$ 5,415.09
Cardinal Operating Co.	1998	4	23.80	23.42	93.10	12577	599	$ 557.36
Cincinnati Gas & Electric Co.	1998	4	108.00	22.81	92.37	12343	2,666	$ 2,462.67
Cleveland Electric Illuminating Co.	1998	4	47.80	30.65	123.23	12433	1,189	$ 1,464.71
Columbus Southern Power Co.	1998	4	80.80	22.99	98.34	11689	1,889	$ 1,857.59
Indiana Michigan Power Co.	1998	4	9.40	22.98	104.10	11039	208	$ 216.04
Indiana-Kentucky Electric Corp.	1998	4	58.00	22.60	102.70	11003	1,276	$ 1,310.81
Indianapolis Power & Light Co.	1998	4	186.00	18.90	86.09	10978	4,084	$ 3,515.76
Monongahela Power Co.	1998	4	9.02	20.55	80.50	12763	230	$ 185.35
Northern Indiana Public Service Co.	1998	4	42.70	28.30	125.27	11298	965	$ 1,208.45
Ohio Edison Co.	1998	4	152.50	25.13	99.41	12640	3,855	$ 3,832.45
PSI Energy, Inc.	1998	4	115.70	22.29	101.44	10986	2,542	$ 2,578.77
Southern Indiana Gas & Electric Co.	1998	4	355.64	21.24	93.31	11379	8,094	$ 7,552.19
Tennessee Valley Authority	1998	4	256.05	25.37	108.25	11717	6,000	$ 6,495.30
Big Rivers Electric Corp.	1998	5	233.60	21.48	96.08	11178	5,222	$ 5,017.65
Cardinal Operating Co.	1998	5	10.60	23.46	93.00	12614	267	$ 248.70
Central Operating Co.	1998	5	20.90	23.18	96.20	12048	504	$ 484.47
Cincinnati Gas & Electric Co.	1998	5	28.90	23.42	95.83	12223	706	$ 677.03
Cleveland Electric Illuminating Co.	1998	5	31.90	31.60	126.61	12479	796	$ 1,008.02
Columbus Southern Power Co.	1998	5	69.20	22.50	96.61	11645	1,612	$ 1,557.03
East Kentucky Power Coop, Inc.	1998	5	3.00	27.08	104.40	12971	78	$ 81.25
Indiana-Kentucky Electric Corp.	1998	5	71.00	24.22	108.70	11143	1,582	$ 1,719.97
Indianapolis Power & Light Co.	1998	5	180.00	18.98	85.66	11075	3,987	$ 3,415.26
Monongahela Power Co.	1998	5	11.99	20.44	80.50	12695	304	$ 245.06
Northern Indiana Public Service Co.	1998	5	43.20	25.21	117.05	10771	931	$ 1,089.28
Ohio Edison Co.	1998	5	103.00	26.15	100.82	12970	2,672	$ 2,693.73
PSI Energy, Inc.	1998	5	52.50	24.08	109.04	11040	1,159	$ 1,263.99
Southern Indiana Gas & Electric Co.	1998	5	285.12	21.33	93.08	11457	6,533	$ 6,081.14
Tennessee Valley Authority	1998	5	247.11	25.18	108.29	11628	5,747	$ 6,223.20
Big Rivers Electric Corp.	1998	6	222.10	21.15	94.98	11131	4,944	$ 4,696.18
Cardinal Operating Co.	1998	6	6.80	23.58	93.00	12679	172	$ 160.36
Cincinnati Gas & Electric Co.	1998	6	199.50	23.78	97.58	12186	4,862	$ 4,744.55
Cleveland Electric Illuminating Co.	1998	6	31.70	30.01	119.40	12564	797	$ 951.09
Columbus Southern Power Co.	1998	6	94.30	22.51	94.25	11940	2,252	$ 2,122.40
East Kentucky Power Coop, Inc.	1998	6	3.30	24.41	98.43	12399	82	$ 80.55
Hoosier Energy Rural Electric Coop, Inc.	1998	6	5.30	21.29	97.30	10941	116	$ 112.84
Indiana-Kentucky Electric Corp.	1998	6	75.00	24.00	109.30	10979	1,647	$ 1,800.01
Indianapolis Power & Light Co.	1998	6	183.00	19.32	86.85	11121	4,070	$ 3,535.04
Monongahela Power Co.	1998	6	16.19	20.17	80.07	12598	408	$ 326.62
Northern Indiana Public Service Co.	1998	6	10.20	25.58	118.60	10784	220	$ 260.91
Ohio Edison Co.	1998	6	69.10	25.90	100.83	12844	1,775	$ 1,789.77
Ohio Power Co.	1998	6	42.20	23.73	93.80	12647	1,067	$ 1,001.23
PSI Energy, Inc.	1998	6	99.40	24.24	110.28	10989	2,185	$ 2,409.19
Southern Indiana Gas & Electric Co.	1998	6	306.23	21.40	93.46	11448	7,011	$ 6,552.89
Tennessee Valley Authority	1998	6	287.34	25.78	109.43	11776	6,767	$ 7,405.60
							109,623	$ 108,407.55
						Average Dollars Per MMBtu		$ 0.9889

Compliance Coal

Form 2.4

UTILNAME	TRYEAR	TRMONTH	TONS (000's)	DOLLAR PER TON	CENTS PER MMBTU	BTU PER POUND	MMBTU	TOTAL COST (000's)
Appalachian Power Co.	4	1998	0.90	27.06	113.40	11933	21.4794	$ 24.36
Cincinnati Gas & Electric Co.	4	1998	154.20	31.44	130.35	12061	3,719.6124	$ 4,848.51
Dayton Power & Light Co.	4	1998	69.00	25.92	112.24	11548	1,593.6240	$ 1,788.68
East Kentucky Power Coop, Inc.	4	1998	56.00	27.63	113.20	12204	1,366.6480	$ 1,547.27
Indiana Michigan Power Co.	4	1998	47.60	28.19	118.40	11905	1,133.3560	$ 1,341.89
Kentucky Power Co.	4	1998	32.30	27.51	112.61	12214	769.0244	$ 888.52
Ohio Edison Co.	4	1998	31.40	18.10	88.40	10239	643.0092	$ 568.42
Ohio Power Co.	4	1998	6.00	34.73	143.60	12093	145.1160	$ 208.39
Ohio Valley Electric Corp.	4	1998	15.00	28.50	117.50	12127	363.8100	$ 427.48
PSI Energy, Inc.	4	1998	17.40	27.25	123.09	11066	385.0968	$ 474.02
Tennessee Valley Authority	4	1998	43.93	33.04	135.65	12178	1,069.9591	$ 1,451.40
Appalachian Power Co.	5	1998	20.30	28.98	118.37	12236	496.7816	$ 588.04
Cincinnati Gas & Electric Co.	5	1998	52.60	28.36	117.58	12060	1,273.5360	$ 1,497.42
Cleveland Electric Illuminating Co.	5	1998	10.30	32.68	133.70	12221	251.7526	$ 336.59
Dayton Power & Light Co.	5	1998	73.90	25.79	111.68	11548	1,706.7944	$ 1,906.15
East Kentucky Power Coop, Inc.	5	1998	74.00	27.75	112.37	12348	1,827.5040	$ 2,053.57
Indiana Michigan Power Co.	5	1998	56.90	26.97	114.77	11749	1,337.0362	$ 1,534.52
Kentucky Power Co.	5	1998	24.40	27.53	112.20	12267	598.6296	$ 671.66
Ohio Edison Co.	5	1998	6.90	17.30	86.40	10009	138.1242	$ 119.34
Ohio Power Co.	5	1998	80.80	28.00	115.61	12110	1,956.9760	$ 2,262.48
PSI Energy, Inc.	5	1998	35.00	28.32	126.85	11164	781.4800	$ 991.31
Tennessee Valley Authority	5	1998	69.00	34.53	136.59	12639	1,744.1820	$ 2,382.38
Appalachian Power Co.	6	1998	30.00	24.63	104.90	11739	704.3400	$ 738.85
Cincinnati Gas & Electric Co.	6	1998	65.40	25.27	111.95	11284	1,475.9472	$ 1,652.32
Cleveland Electric Illuminating Co.	6	1998	55.70	39.33	151.55	12976	1,445.5264	$ 2,190.70
Dayton Power & Light Co.	6	1998	67.70	25.58	111.08	11513	1,558.8602	$ 1,731.58
East Kentucky Power Coop, Inc.	6	1998	60.00	27.68	112.72	12279	1,473.4800	$ 1,660.91
Indiana Michigan Power Co.	6	1998	53.20	26.88	115.65	11621	1,236.4744	$ 1,429.98
Ohio Power Co.	6	1998	61.60	28.21	116.32	12127	1,494.0464	$ 1,737.87
Ohio Valley Electric Corp.	6	1998	24.00	26.23	108.70	12064	579.0720	$ 629.45
PSI Energy, Inc.	6	1998	83.20	26.47	119.10	11114	1,849.3696	$ 2,202.60
							35,160.8481	$ 41,886.64
						Average Dollars per MMBtu		$ 1.1913

Powder River Basin

Form 2.5

UTILNAME	TRYEAR	TRMONTH	TONS (000's)	DOLTON	CENTS PER MMBTU	BTU PER POUND	MMBTU		TOTAL COST (000's)
Indiana Michigan Power Co.	1998	4	226.40	16.92	98.86	8559	3,875.5152	$	3,831.33
Indiana Michigan Power Co.	1998	5	165.30	16.68	98.93	8431	2,787.2886	$	2,757.46
Indiana-Kentucky Electric Corp.	1998	5	39.00	16.20	91.60	8842	689.6760	$	631.74
Indiana Michigan Power Co.	1998	6	84.40	16.63	98.48	8444	1,425.3472	$	1,403.68
Indiana-Kentucky Electric Corp.	1998	6	37.00	19.71	112.50	8761	648.3140	$	729.35
Northern Indiana Public Service Co.	1998	6	48.70	20.91	119.64	8740	851.2760	$	1,018.47
							10,277.4170	$	10,372.04
						Average Dollars per MMBtu		$	1.0092

Natural Gas Index

Form 2.6

Natural Gas Week
Quarter Ended June 30, 1998
In Dollars per MMBtu

Date	CNG - North	CNG - South	
4/6/98	$ 2.55	$ 2.56	
4/13/98	2.75	2.74	
4/20/98	2.66	2.67	
4/27/98	2.63	2.64	
5/4/98	2.48	2.46	
5/11/98	2.33	2.32	
5/18/98	2.38	2.39	
5/25/98	2.33	2.33	
6/1/98	2.24	2.24	
6/8/98	2.26	2.26	
6/15/98	2.14	2.13	
6/22/98	2.24	2.23	
6/29/98	2.57	2.55	
Average for Quarter	$ 2.43	$ 2.42	$ 2.43

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 2.7

FUEL COST RECOVERY (FCR)

FOR THE EXPENSE QUARTER ENDED 06-30-98

CALCULATION OF COMPOSITE INDEX VALUES

Fuel Type	Total MMBtu Purchased	Percentage of Total MMBtu	Index Values ($/MMBtu)		Weighted Average of Index Values ($/MMBtu)
Medium Sulfur	7,913,198	16.979%	1.1535	(1)	0.1959
High Sulfur	10,376,833	22.265%	0.9889	(2)	0.2202
Compliance Coal	27,121,470	58.194%	1.1913	(3)	0.6933
Natural Gas	1,193,580	2.561%	2.4300	(4)	0.0622
Total	46,605,082	100.000%			1.1715

(1) Index calculation is on Form 2.2
(2) Index calculation is on Form 2.3
(3) Index calculation is on Form 2.4
(4) Index calculation is on Form 2.6

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 3.0

MERGER DISPATCH SAVINGS (MDS)

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Internal Economy Purchases -

IEP$ (Month 1) =	April, 1998	$0
IEP$ (Month 2) =	May, 1998	72,595
IEP$ (Month 3) =	June, 1998	116,867
IEP$(q) =		**$189,462**

(B) Internal Economy Sales -

IES$ (Month 1) =	April, 1998	$0
IES$ (Month 2) =	May, 1998	290,471
IES$ (Month 3) =	June, 1998	206,261
IES$(q) =		**$496,732**

(C) Merger Dispatch Savings -

Total MDS =	IEP$(q)	**(A)**	$189,462
	+ IES$(q)	**+ (B)**	496,732
Total MDS =			**$686,194**

(D) KY Retail Jurisdictional Percentage -

KY Retail Kwh sales for quarter	3,490,810,232	**85.00%**
VA Retail Kwh sales for quarter	178,842,334	4.35%
FERC requirements Kwh sales for quarter	437,181,820	10.65%
Total Kwh Sales	4,106,834,386	100.00%

(E) KY Retail Jurisdictional MDS

Total MDS =	$686,194
KY Retail Kwh sales as a percentage of toal	85.00%
KY Retail Jurisdictional MDS =	**$583,265**
KY Retail Jurisdictional MDS as a Credit =	**($583,265)**

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 4.0

GENERATION PERFORMANCE (GP)

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Equivalent Availability Factor for the 12-Month Rolling Quarter Ended -

EAF =		86.0%

(B) Capacity Factor for the 12-Month Rolling Quarter Ended -

CF =		58.9%

(C) Composite Performance -

CP =	[EAF + CF] / 2	72.5%

(D) Generation Performance Threshold -

THRESHOLD =		71.8%

(E) Calcuate Indicated Savings Values (ISV) -

If CP < THRESHOLD, then

Indicated Savings Value (ISV) = 0

If CP > THRESHOLD, then

Indicated Savings Value (ISV) = [CP - THRESHOLD] x $625,000 per % point

ISV =	[CP	[(C)	72.5%
	- THRESHOLD]	- (D)]	71.8%
	x $625,000 / % pt	x	$625,000
ISV =			**$437,500**

(F) Generation Performance (GP) -

Generation Performance (GP) = 50.0% of the ISV

GP =	50.0 %	50.0%
	x ISV(q)	$437,500
GP =		**$218,750**
GP expressed as a Credit =		**($218,750)**

ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 4.1

GENERATION PERFORMANCE (GP)

FOR THE EXPENSE QUARTER ENDED 06-30-98

	EAF				Capacity Factor					
		Period		12M	---------- Monthly ----------				12M	Composite
	Monthly	Hours	12ME	Qtr End	MWH	Rated MW	Hours	12ME	Qtr End	Performance
Jan-97	86.9%	744	85.2%		2,633,507	6,356	744	57.7%		
Feb-97	83.8%	672	84.9%		2,170,630	6,354	672	56.9%		
Mar-97	77.6%	744	84.8%		2,174,669	6,349	744	55.7%		
Apr-97	71.2%	720	84.6%		2,127,640	6,174	720	55.1%		
May-97	78.8%	744	85.0%		2,214,194	6,168	744	54.6%		
Jun-97	88.6%	720	84.8%		2,524,892	6,163	720	53.9%		
Jul-97	94.3%	744	84.9%		2,972,097	6,159	744	54.3%		
Aug-97	90.0%	744	84.6%		2,700,641	6,160	744	54.2%		
Sep-97	87.7%	720	84.4%		2,563,550	6,164	720	54.5%		
Oct-97	85.2%	744	84.2%		2,806,415	6,340	744	54.8%		
Nov-97	84.4%	720	84.4%		2,650,251	6,348	720	54.9%		
Dec-97	94.0%	744	85.2%	85.2%	2,936,368	6,353	744	55.6%	55.6%	**70.4%**
Jan-98	92.5%	744	85.7%		2,588,283	6,356	744	55.5%		
Feb-98	83.0%	672	85.7%		2,284,524	6,354	672	55.7%		
Mar-98	76.1%	744	85.5%	85.5%	2,553,106	6,349	744	56.4%	56.4%	**71.0%**
Apr-98	76.8%	720	86.0%		2,477,450	6,174	720	57.1%		
May-98	79.4%	744	86.0%		2,788,372	6,168	744	58.1%		
Jun-98	88.4%	720	86.0%	86.0%	2,977,620	6,163	720	58.9%	58.9%	**72.5%**
Jul-98										
Aug-98										
Sep-98										
Oct-98										
Nov-98										
Dec-98										

Louisville Gas & Electric/Kentucky Utilities Power Generation
Twelve Month Ended (TME) Capacity Factor (CF)
All Units less Hydro
For the Twelve Months Ended (TME): Jun-98
Form 4.2

	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
LG&E (1)												
MWH Generation	1,426,782	1,272,145	1,300,365	1,454,844	1,333,938	1,398,252	1,220,730	991,991	1,136,234	1,219,079	1,332,156	1,395,284
Rate Capacity (MW)	2,636	2,637	2,641	2,649	2,657	2,662	2,665	2,663	2,658	2,651	2,645	2,640
Period Hours	744	744	720	744	720	744	744	672	744	720	744	720
KU (2)												
MWH Generation	1,545,315	1,428,496	1,263,185	1,351,571	1,316,313	1,538,116	1,367,553	1,292,533	1,416,872	1,258,371	1,456,216	1,582,336
Rate Capacity (MW)	3,523	3,523	3,523	3,691	3,691	3,691	3,691	3,691	3,691	3,523	3,523	3,523
Period Hours	744	744	720	744	720	744	744	672	744	720	744	720
Combined												
MWH Generation	2,972,097	2,700,641	2,563,550	2,806,415	2,650,251	2,936,368	2,588,283	2,284,524	2,553,106	2,477,450	2,788,372	2,977,620
Rate Capacity (MW)	6,159	6,160	6,164	6,340	6,348	6,353	6,356	6,354	6,349	6,174	6,168	6,163
Period Hours	744	744	720	744	720	744	744	672	744	720	744	720
Combined Capacity Factor	64.9	58.9	57.8	59.5	58.0	62.1	54.7	53.5	54.0	55.7	60.8	67.1
Rolling 12 Month Average	54.3	54.2	54.5	54.8	54.9	55.6	55.5	55.7	56.4	57.1	58.1	58.9
Quarter Ending 12 Month Average			54.5			55.6			56.4			58.9

Note(s):
(1).- Source for LG&E Input Data is Monthly KWh Output Reports/Performance Reports and Generation Planning
(2).- Source for KU Input Data is KU's GADS database and Generation Planning

Louisville Gas & Electric/Kentucky Utilities Power Generation
Twelve Month Ended (TME) Equivalent Availability Factors (EAF)
All Units less Hydro
Form 4.3

Station	Unit	Net Capacity	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Cane Run	4	155	99.8%	91.0%	99.2%	99.2%	100.0%	96.4%	3.4%	92.3%	98.0%	91.1%	97.9%	91.3%
Cane Run	5	168	76.4%	46.7%	77.1%	54.9%	93.4%	96.3%	95.6%	88.0%	99.1%	81.0%	74.9%	99.6%
Cane Run	6	240	69.6%	47.3%	64.9%	99.2%	100.0%	83.2%	63.8%	51.1%	90.7%	92.3%	92.7%	83.3%
Cane Run	Total (CW)	563	80.0%	59.2%	78.0%	86.0%	98.0%	90.7%	56.6%	73.4%	95.2%	88.6%	88.8%	90.4%
Mill Creek	1	303	86.7%	73.4%	78.5%	86.9%	87.5%	99.5%	94.3%	71.0%	79.3%	0.0%	20.6%	91.8%
Mill Creek	2	301	90.9%	87.9%	91.3%	82.8%	100.0%	67.1%	91.4%	62.6%	81.0%	94.3%	85.7%	90.6%
Mill Creek	3	386	98.8%	97.2%	92.8%	99.8%	86.1%	94.5%	84.9%	56.0%	73.1%	88.3%	99.5%	95.7%
Mill Creek	4	490	97.5%	87.5%	99.5%	78.9%	88.1%	79.5%	90.0%	52.5%	82.1%	70.9%	86.1%	90.7%
Mill Creek	Total (CW)	1480	94.3%	87.2%	91.8%	86.8%	89.9%	85.0%	89.8%	59.2%	78.9%	65.7%	76.1%	92.2%
Trimble Co.	1	495	100.0%	99.8%	95.1%	99.6%	66.0%	100.0%	99.8%	84.2%	7.6%	96.9%	91.5%	90.9%
Cane Run	11	16	96.2%	97.2%	37.5%	95.2%	93.1%	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	89.2%
Waterside	7	17	96.7%	83.7%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	97.1%	96.5%	89.7%	86.8%
Waterside	8	16	0.0%	34.0%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	37.7%	0.0%	0.0%	16.1%
Paddys Run	11	17	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	92.2%	0.0%	0.0%	25.1%	96.8%	99.3%
Paddys Run	12	26	97.0%	99.8%	100.0%	100.0%	86.4%	46.1%	0.0%	0.0%	0.0%	28.4%	100.0%	92.4%
Zorn	1	16	83.9%	100.0%	99.6%	90.0%	100.0%	100.0%	100.0%	100.0%	90.4%	4.6%	28.2%	93.8%
Other	Total (CW)	108	81.0%	87.2%	90.7%	97.7%	95.7%	87.0%	74.7%	60.2%	49.0%	41.5%	72.4%	81.0%
LGE	Total (CW)	2646	91.8%	83.6%	89.4%	89.5%	87.4%	89.1%	84.0%	67.0%	67.8%	75.4%	81.5%	91.1%
	Rolling 12 month Average		78.0%	77.5%	77.5%	77.7%	79.5%	80.9%	81.9%	82.0%	82.2%	82.7%	82.9%	83.2%
Ghent	1	487	87.2%	99.7%	93.8%	100.0%	86.3%	99.9%	100.0%	89.9%	93.8%	99.6%	19.5%	85.4%
Ghent	2	497	100.0%	99.5%	100.0%	34.7%	99.9%	100.0%	91.8%	100.0%	95.8%	100.0%	100.0%	80.6%
Ghent	3	513	100.0%	96.0%	100.0%	93.2%	23.0%	100.0%	100.0%	99.9%	100.0%	88.3%	96.9%	78.1%
Ghent	4	500	99.6%	77.8%	36.4%	81.8%	96.4%	95.8%	100.0%	99.7%	97.2%	95.1%	80.2%	92.9%
Ghent	Total (CW)	1997	96.8%	93.2%	82.6%	77.4%	76.0%	98.9%	98.0%	97.4%	96.7%	95.7%	74.6%	84.2%
Brown	1	106	99.4%	100.0%	99.6%	100.0%	98.4%	100.0%	100.0%	99.9%	100.0%	97.6%	92.9%	30.3%
Brown	2	170	91.0%	100.0%	99.9%	100.0%	99.8%	100.0%	99.3%	96.4%	100.0%	99.7%	44.1%	99.2%
Brown	3	441	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	98.1%	19.2%	7.9%	93.5%	100.0%
Brown	Total (CW)	717	97.8%	100.0%	99.9%	100.0%	99.7%	99.6%	99.8%	98.0%	50.3%	42.9%	81.7%	89.5%
Green River	1	29	78.8%	69.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.5%	100.0%
Green River	2	30	81.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	97.8%
Green River	3	73	99.9%	87.2%	94.3%	32.8%	79.7%	96.8%	100.0%	96.0%	100.0%	91.5%	90.3%	89.0%

Louisville Gas & Electric/Kentucky Utilities Power Generation
Twelve Month Ended (TME) Equivalent Availability Factors (EAF)
All Units less Hydro
Form 4.3

Station	Unit	Net Capacity	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98	Mar-98	Apr-98	May-98	Jun-98
Green River	4	107	96.1%	93.8%	92.2%	95.4%	91.5%	96.2%	97.3%	100.0%	100.0%	26.5%	98.9%	95.8%
Green River	Total (CW)	239	93.3%	89.7%	94.8%	77.4%	90.0%	97.3%	98.8%	98.8%	100.0%	64.5%	96.1%	94.5%
Tyrone	1	30	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%
Tyrone	2	33	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%
Tyrone	3	73	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%	100.0%	94.9%	100.0%
Tyrone	Total (CW)	136	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%	97.3%	99.8%
Pineville	3	34	100.0%	99.6%	100.0%	28.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.8%
Haefling	1	17	100.0%	100.0%	100.0%	100.0%	27.5%	100.0%	100.0%	100.0%	100.0%	100.0%	99.5%	100.0%
Haefling	2	16	100.0%	100.0%	100.0%	100.0%	31.1%	95.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Haefling	3	17	100.0%	100.0%	100.0%	100.0%	77.8%	88.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Haefling	Total (CW)	50	100.0%	100.0%	100.0%	100.0%	45.8%	94.6%	100.0%	100.0%	100.0%	100.0%	99.8%	100.0%
Brown	8	110	100.0%	86.4%	0.0%	0.0%	0.0%	52.6%	100.0%	100.0%	100.0%	96.3%	94.8%	97.0%
Brown	9	105	100.0%	83.3%	88.6%	100.0%	99.7%	100.0%	100.0%	19.6%	0.0%	2.1%	76.5%	98.6%
Brown	10	110	71.2%	98.3%	94.3%	91.8%	100.0%	98.9%	100.0%	99.0%	96.5%	96.5%	90.9%	95.4%
Brown	11	110	88.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	69.6%	0.0%	0.0%	0.0%	31.3%
Brown	Total (CW)	435	89.9%	92.1%	70.5%	72.6%	74.6%	87.7%	100.0%	72.7%	49.7%	49.3%	65.4%	80.4%
KU	Total (CW)	3608	96.1%	94.6%	86.4%	82.1%	82.2%	97.6%	98.8%	94.8%	82.2%	77.8%	77.8%	86.3%
KU	Rolling 12 month Average		90.0%	89.8%	89.4%	88.9%	88.0%	88.4%	88.5%	88.3%	88.0%	88.4%	88.3%	88.1%
LGE & KU	Combined (CW)	6254	94.3%	90.0%	87.7%	85.2%	84.4%	94.0%	92.5%	83.0%	76.1%	76.8%	79.4%	88.4%
	Rolling 12 month Average		84.9%	84.6%	84.4%	84.2%	84.4%	85.2%	85.7%	85.7%	85.5%	86.0%	86.0%	86.0%
LGE & KU	Combined (CW) Quarter Ending				84.4%			85.2%			85.5%			86.0%
	Period Hours		744	744	720	744	720	744	744	672	744	720	744	720

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 5.0

SERVICE QUALITY (SQ)

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Calculate System Average Interruption Duration Index (**SAIDI$**) -

SAIDI$ = (BENCHMARK - QSAIDI) x $30,000 / minute

BENCHMARK =		67.0	Minutes
QSAIDI =	Quarterly Measurement =	101.3	Minutes
SAIDI$ =	(67.0 - 101.3) x $30,000 =	**($1,029,000)**	

(B) Calculate System Average Interruption Frequency Index (**SAIFI$**) -

SAIFI$ = (BENCHMARK - QSAIFI) x $425,000 / outage

BENCHMARK =		0.76	Outages
QSAIFI =	Quarterly Measurement =	0.91	Outages
SAIFI$ =	(0.76 - 0.91) x $425,000 =	**($63,750)**	

(C) Calculate Customer Satisfaction (**CUSTSAT$**) -

If QCUSTSAT > (PEERS + 10%pts), **CUSTSAT$ =** [QCUSTSAT - (PEERS + 10%pts)] x $72,500 per 1 % pt
If QCUSTSAT < PEERS, **CUSTSAT$ =** [QCUSTSAT - PEERS] x $72,500 per 1 % pt

PEERS =		55.5
PEERS + 10%pts =		65.5
QCUSTSAT =	Quarterly Measurement =	69.7
CUSTSAT$ =	(69.7 - 65.5) x $72,500 =	**$304,500**

(D) Calculate Customer Handling Satisfaction (**CALLHANDL$**) -

If QCALLHANDL > UCHPR, **CALLHANDL$ =** (QCALLHANDL - UCHPR) x $18,000 per 1 % pt
If QCALLHANDL < LCHPR, **CALLHANDL$ =** (QCALLHANDL - LCHPR) x $18,000 per 1 % pt

UCHPR =		74.4
LCHPR =		64.4
QCALLHANDL =	Quarterly Measurement =	67.2
CALLHANDL$ =	(00.0 - 00.0) x $18,000 =	**$0**

(E) Calculate Safety Performance Measure (**SAFETY$**) -

If QSAFETY < 3.39, **SAFETY$ =** (3.39 - QSAFETY) x $32,500 per .1 incidence rate
If QSAFETY > 5.01, **SAFETY$ =** (5.01 - QSAFETY) x $32,500 per .1 incidence rate

QSAFETY =	Quarterly Measurement =	4.33
SAFETY$ =	(00.0 - 0.00) x $32,500 =	**$0**

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATEMAKING (EPBR) SUMMARY REPORT
Form 5.1

SERVICE QUALITY (SQ)

FOR THE EXPENSE QUARTER ENDING 06-30-98

(F) Preliminary Service Quality (PSQ) Amount -

PSQ =	SAIDI$	**(A)**	($1,029,000)
	+ SAIFI$	**+ (B)**	(63,750)
	+ CUSTSAT$	**+ (C)**	304,500
	+ CALLHANDL$	**+ (D)**	0
	+ SAFETY$	**+ (E)**	0
PSQ =			**($788,250)**

(G) Determine if PSQ is greater than Maximum Penalty SQ or Maximum Reward SQ -

(i) If PSQ less than -$1,250,000, then set PSQ = -$1,250,000

PSQ =

(ii) If PSQ greater than $1,250,000, then set PSQ = $1,250,000

PSQ =

(H) Determine if PSQ is greater than GP -

(i) If PSQ greater than GP, then set SQ = GP and PREVSQ$ (Quarter Ending: 06-30-98) = PSQ - GP

GP =
PSQ =
SQ =
PREVSQ$ (Quarter Ending: 06-30-98) =

(ii) Go to Step **(J)**

(I) Determine if Net Service Quality rewards from previous quarters (PREVSQ$) can be credited -

Vintage of Net Service Quality Rewards carried forward from Prior Quarters

Quarter Ending:	*03-31-98*	*$250,000*	
Quarter Ending:	*12-31-97*	*$0*	
Quarter Ending:	*09-30-97*	*$0*	
Quarter Ending:	*06-30-97*	*$0*	
	PREVSQ$ =		**$250,000**

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATEMAKING (EPBR) SUMMARY REPORT
Form 5.2

SERVICE QUALITY (SQ)

FOR THE EXPENSE QUARTER ENDING 06-30-98

(I) Determine if Net Service Quality rewards from previous quarters (PREVSQ$) can be credited (***continued***) -

(i) If PREVSQ$ equal to 0, then set SQ = PSQ ***and*** go to Step **(J)**

PREVSQ$ =	
PSQ =	
SQ =	

(ii) If PREVSQ$ not equal to 0, then set PSQ = PSQ + PREVSQ$

PREVSQ$ =	**$250,000**
PSQ =	**($538,250)**

(iii) If PSQ(I)(ii) greater than GP, then set SQ = GP and PREVSQ$ (Quarter Ending:06-30-98) = PSQ - GP

GP =	
PSQ =	**($538,250)**
SQ =	**($538,250)**
PREVSQ$ (Quarterly Vintages thru: 06-30-98) =	

(J) Service Quality Amount (SQ) -

SQ =	**($538,250)**

(K) Determine Vintage of Net Service Quality Rewards for Next Quarter

Net Service Quality Rewards Vintages to Carryforward to Next Quarter

		Beginning	*less: Utilized/Forfeited*	*plus: CarryForward*	*Ending*
Quarter Ending: 06-30-98				*$0*	*$0*
Quarter Ending: 03-31-98		*$250,000*	*250,000*	*0*	*$0*
Quarter Ending: 12-31-97		*$0*	*0*	*0*	*$0*
Quarter Ending: 09-30-97		*$0*	*0*	*0*	*$0*
Quarter Ending: 06-30-97	*Forfeit*	*$0*	*0*	*0*	*$0*

PREVSQ$ = $0

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 5.3

SERVICE QUALITY (SQ)

FOR THE EXPENSE QUARTER ENDED 06-30-98

	SAIDI - Minutes		SAIFI - Outages	
	Monthly	12ME	Monthly	12ME
Jan-97	3.7403		0.0526	
Feb-97	3.2741		0.0376	
Mar-97	5.2459		0.0617	
Apr-97	1.7882		0.0217	
May-97	3.1192		0.0598	
Jun-97	3.8161		0.0400	
Jul-97	6.9963		0.0770	
Aug-97	14.7852		0.1060	
Sep-97	2.2588		0.0206	
Oct-97	3.1730		0.0386	
Nov-97	3.4559		0.0433	
Dec-97	2.3687	54.0	0.0301	0.59
Jan-98	3.8521		0.0449	
Feb-98	2.0987		0.0226	
Mar-98	3.8440	51.6	0.0495	0.55
Apr-98	6.9746		0.0627	
May-98	17.3930		0.1515	
Jun-98	34.0940	101.3	0.2596	0.91
Jul-98				
Aug-98				
Sep-98				
Oct-98				
Nov-98				
Dec-98				

OSHA Recordable Incidence Rate		
	Monthly	12ME
Jan-97	1.67	
Feb-97	3.34	
Mar-97	5.02	
Apr-97	5.03	
May-97	1.67	
Jun-97	5.55	
Jul-97	6.11	
Aug-97	5.00	
Sep-97	4.44	
Oct-97	2.78	
Nov-97	3.89	
Dec-97	6.11	4.22
Jan-98	1.76	
Feb-98	3.51	
Mar-98	3.52	4.13
Apr-98	3.56	
May-98	3.55	
Jun-98	7.62	4.33
Jul-98		
Aug-98		
Sep-98		
Oct-98		
Nov-98		
Dec-98		

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 5.4

SERVICE QUALITY (SQ)

FOR THE EXPENSE QUARTER ENDED 06-30-98

Overall Customer Satisfaction *					
	Quarterly KU	12ME KU	Quarterly Peers	12ME Peers	12ME Peers + 10% pts
Jan-97					
Feb-97					
Mar-97	70.0%		52.0%		
Apr-97					
May-97					
Jun-97	68.0%		56.0%		
Jul-97					
Aug-97					
Sep-97	69.0%		55.7%		
Oct-97					
Nov-97					
Dec-97	70.1%	69.3%	55.2%	54.7%	64.7%
Jan-98					
Feb-98					
Mar-98	70.3%	69.4%	55.0%	55.5%	65.5%
Apr-98					
May-98					
Jun-98	69.2%	69.7%	56.0%	55.5%	65.5%
Jul-98					
Aug-98					
Sep-98					
Oct-98					
Nov-98					
Dec-98					

Call Handling Customer Satisfaction *			
	Quarterly KU	12ME KU	Cumulative Benchmark
Jan-97			
Feb-97			
Mar-97	69.0%		
Apr-97			
May-97			
Jun-97	74.4%		
Jul-97			
Aug-97			
Sep-97	73.0%		
Oct-97			
Nov-97			
Dec-97	66.9%	70.8%	70.8%
Jan-98			
Feb-98			
Mar-98	66.0%	70.1%	70.5%
Apr-98			
May-98			
Jun-98	62.9%	67.2%	69.4%
Jul-98			
Aug-98			
Sep-98			
Oct-98			
Nov-98			
Dec-98			

* Figures shown are for illustrative purposes only.

KENTUCKY UTILITIES COMPANY
ELECTRIC PERFORMANCE-BASED RATE (EPBR)
Form 6.0

BALANCING ADJUSTMENT (BA)

FOR THE EXPENSE QUARTER ENDED 06-30-98

(A) Electric Performance-Based Rate Amount from Quarter (q-2) -

EPBRA(q-2) =		$2,500,000

(B) Electric Performance-Based Rate Amount Billed in Quarter (q) -

EPBRAF(q-2) =	$0.000690 /Kwh	
x kWh(q) =	3,490,810,232	
EPBRA(billed in q) =		$2,408,659

(C) Balancing Adjustment -

BA =	EPBRA(q-2)	**(A)**	$2,500,000
	- EPBRA(billed in q)	**- (B)**	2,408,659
BA =			**$91,341**

LG&E and KU
Return on Equity
12-months Ended March 1998

	LG&E	KU
As Reported Per Books	15.77%	13.48%
KY Jurisdictional Return Per Book	13.52%	12.50%
KY Jurisdictional Return Per Books with Merger Adjustments	12.81%	12.57%

LOUISVILLE GAS AND ELECTRIC COMPANY
Rate of Return on Common Equity
for the 12 months ended March 31, 1998 (000's)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Per Books	Eliminate Other Income-net & other interest	Adjusted Income	Capitalization Adjustments (1)	PSC Method	Non-Recurring Decoupling Revenues (2)	July 1997 Charge-offs (3)	Kentucky Jurisdiction	Merger Dispatch/OATT (4)	Kentucky Jurisdiction
Common Equity	$685,825		$685,825	$34,962	$720,787	$0	$0	$720,787	$0	$720,787
Net Operating Income	147,617	-	147,617	731	148,348	(9,399)	3,502	142,451	(5,129)	$137,322
Other Income - Net	3,702	($3,702)	-	-	-	-	-		-	-
Interest Charges	(38,614)	251	(38,363)	(1,812)	(40,175)	-	-	(40,175)	-	($40,175)
Net Income	112,705	(3,451)	109,254	(1,081)	108,173	(9,399)	3,502	102,276	(5,129)	97,147
Preferred Dividends	(4,581)	-	(4,581)	(229)	(4,810)	-	-	(4,810)	-	(4,810)
Net Income Available for Common Stock	$108,124	($3,451)	$104,673	($1,310)	$103,363	($9,399)	$3,502	$97,466	($5,129)	$92,337
Return on Equity	15.77%				14.34%			13.52%		12.81%

(1) See supporting schedule attached.

(2) Electric ($10,063) and gas ($5,697) decoupling revenues for 12 months ended March 1998 of $15,760, less taxes of $6,361.

(3) Charge-off of deferred expenses, $5,872 less taxes of $2,370.

(4) Merger adjustments - Economic Dispatching and Transmission switch $8,600, less taxes of $3,471.

LOUISVILLE GAS AND ELECTRIC COMPANY
SUPPORT FOR RATE OF RETURN CALCULATION
FOR THE TWELVE MONTHS ENDED MARCH 1998

	CAPITALIZATION	ADJUSTED FOR FMB RETIREMENT	ADJUSTED CAPITALIZATION	% OF CAPITAL	(1) ADJUSTMENTS	ADJUSTED CAPITALIZATION
DEBT	$646,800	($20,000)	$626,800	44.52%	$31,954	$658,754
PREFERRED STOCK	95,328		95,328	6.77%	4,859	$100,187
COMMON EQUITY	685,825		685,825	48.71%	34,962	$720,787
TOTAL	$1,427,953		$1,407,953	100.00%	$71,775	$1,479,728

Debt Capital Adjustment	$31,954
Embedded Cost Rate	5.67%
Increase in Interest Charges	$1,812
Tax Rate	40.3625%
Increase in Net Operating Income	$731

Preferred Stock Adjustment	$4,859
Embedded Cost Rate	4.71%
Increase in Preferred Dividends	$229

(1) ADJUSTMENTS TO CAPITALIZATION

JDC	$74,448
Trimble County	(2,673) (2)
	$71,775

(2) 25% OF TRIMBLE COUNTY @ MONTH END

Coal & Petcoke	$7,119
Oil	52
Limestone	480
M & S, Garage	2,635
Stores Expense	404
	$10,690
DISALLOWED RATE	25.00%
Total Trimble Co. Not Allowed	$2,673

KENTUCKY UTILITIES COMPANY
Rate of Return on Common Equity
for the 12 months ended March 31, 1998 (000's)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Per Books	Eliminate Other Income-net & other interest	Adjusted Income	Capitalization Adjustments (1)	PSC Method	Non-Kentucky Jurisdiction Amount	Kentucky Jurisdiction as Allocated	Merger Dispatch/OATT KY Jurisdiction (1)	Kentucky Jurisdiction
Common Equity	$619,762		$619,762	($6,356)	$613,406	($82,748)	$530,658	$ -	$530,658
Net Operating Income	118,020	-	118,020	-	118,020	(15,515)	102,505	400	102,905
Other Income - Net	7,304	($7,304)	-	-	-	-	-	-	-
Interest Charges	(39,523)	-	(39,523)	-	(39,523)	5,266	(34,257)	-	(34,257)
Net Income	85,801	(7,304)	78,497	-	78,497	(10,249)	68,248	400	68,648
Preferred Dividends	(2,256)	-	(2,256)	-	(2,256)	314	(1,942)	-	(1,942)
Net Income Available for Common Stock	$83,545	($7,304)	$76,241	$0	$76,241	($9,935)	$66,306	$400	$66,706
Return on Equity	13.48%				12.43%		12.50%		12.57%

(1) See supporting schedules.

KENTUCKY UTILITIES COMPANY
ELECTRIC COST OF SERVICE STUDY
12 MONTHS ENDED MARCH 31, 1998

SCHEDULE 1

RATE BASE: END OF YEAR

JURISDICTIONAL SEPARATION

		ALLOC	TOTAL KENTUCKY UTILITIES (1)-1	KENTUCKY STATE JURISDICTION (2)	TENNESSEE STATE JURISDICTION (3)	VIRGINIA TOTAL (4)	(5)	FERC JURISDICTION (6)
	SUMMARY OF RESULTS AS ALLOCATED							
	ELEMENTS OF RATE BASE							
1	PLANT IN SERVICE		2,561,149,327	2,195,627,373	173,428	179,345,211	0	186,003,315
2	LESS RESERVE FOR DEPRECIATION		1,149,284,656	978,777,597	123,675	81,467,575	0	88,915,808
3	NET PLANT IN SERVICE		1,411,864,671	1,216,849,776	49,753	97,877,636	0	97,087,507
4	CONST WORK IN PROGRESS		64,079,021	56,316,455	884	3,962,340	0	3,799,342
5	NET PLANT		1,475,943,692	1,273,166,231	50,637	101,839,976	0	100,886,849
	ADD:							
6	MATERIALS & SUPPLIES		24,147,167	20,799,391	1,775	1,620,644	0	1,725,357
7	FUEL INVENTORY		22,892,313	19,542,617	143	1,164,706	0	2,184,846
8	PREPAYMENTS		1,047,761	938,129	54	57,526	0	52,052
9	WORKING CASH		46,108,175	38,842,541	732	1,332,658	0	5,932,242
10	EMISSION ALLOWANCES		775,580	660,751	2	41,447	0	73,379
11	TOTAL ADDITIONS		94,970,996	80,783,430	2,707	4,216,982	0	9,967,877
	DEDUCT:							
12	RESERVE FOR DEF TAXES		295,089,774	250,942,311	20,403	21,941,876	0	22,185,183
13	RESERVE FOR ITC		25,162,840	20,968,251	1,024	2,122,836	0	2,070,730
14	CUSTOMER ADVANCES		1,444,080	1,397,737	0	46,343	0	0
15	OPEB UNFUNDED		0	0	0	0	0	0
16	TOTAL DEDUCTIONS		321,696,694	273,308,299	21,427	24,111,055	0	24,255,913
17	NET ORIGINAL COST RATE BASE		1,249,217,994	1,080,641,362	31,917	81,945,903	0	86,598,813
	DEVELOPMENT OF RETURN							
18	OPERATING REVENUES		720,742,012	585,578,270	2,217	39,988,674	0	95,172,851
	OPERATING EXPENSES							
19	OPERATION & MAINT EXPENSE		451,821,386	372,946,997	6,213	24,474,221	0	54,393,955
20	DEPRECIATION & AMORT EXP		84,761,970	72,897,848	5,431	5,820,277	0	6,038,414
21	TAXES OTHER THAN INC TAX		15,380,230	12,658,589	606	1,890,103	0	830,933
22	INCOME TAXES		51,130,787	36,563,558	(3,933)	1,857,109	(0)	12,714,053
23	GAIN DISPOSITION ALLOWANCES		(371,941)	(317,517)	(2)	(18,923)	0	(35,498)
24	TOTAL OPERATING EXPENSES		602,722,432	494,749,475	8,314	34,022,786	0	73,941,858
25	RETURN		118,019,580	90,828,796	(6,097)	5,965,888	(0)	21,230,993
26	RATE OF RETURN		9.45%	8.41%	-19.10%	7.28%	-10.49%	24.52%
27	RELATIVE RATE OF RETURN		1.000	0.890	-2.022	0.771	-1.111	2.595

KENTUCKY UTILITIES COMPANY
CAPITALIZATION
AS OF MARCH 31, 1998

Unadjusted DESCRIPTION	TOTAL (1)	OTHER INVESTMENTS ADJUSTMENTS (2)	ADJUSTED BALANCE	KENTUCKY JURISDICTION (3)
COMMON STOCK EQUITY	$619,761,999	($6,355,912)	$613,406,087	$530,657,606
PREFERRED STOCK	$40,000,000	($359,992)	$39,640,008	$34,292,571
LONG TERM DEBT	$546,351,279	($4,917,053)	$541,434,226	$468,394,749
SHORT TERM DEBT	$0	$0	$0	$0
TOTAL CAPITALIZATION	$1,206,113,278	($11,632,957)	$1,194,480,321	$1,033,344,926

(1) FINANCIAL REPORT PAGE 5.
(2) SEE PAGE 2
(3) RATE BASE 3/98 = UNADJUSTED

TOTAL	$1,249,217,994
KY JUR	$1,080,641,362
KYJUR	86.51%

DESCRIPTION	KY JURIS RATIOS
COMMON STOCK EQUITY	85.62%
PREFERRED STOCK	85.73%
LONG TERM DEBT	85.73%
SHORT TERM DEBT	0.00%

KENTUCKY UTILITIES COMPANY
ADJUSTMENTS TO CAPITALIZATION
AS OF MARCH 31, 1998

DESCRIPTION	AMOUNT	COMMENTS
COMMON STOCK EQUITY	($785,245)	SUBSIDIARY EARNINGS
	($5,570,667)	PORTION OF OTHER INVESTMENTS
TOTAL	($6,355,912)	
PREFERRED STOCK	($359,992)	PORTION OF OTHER INVESTMENTS
LONG TERM DEBT	($4,917,053)	PORTION OF OTHER INVESTMENTS
SHORT TERM DEBT	$0	PORTION OF OTHER INVESTMENTS
TOTAL ADJ TO CAP.	($11,632,957)	

OTHER INVESTMENTS
SOURCE: P 4 FIN'L 3/98
ASSETS

TEMPORARY CASH INVESTMENTS	($6,110,000)	
NON UTILITY PLANT	($2,620,890)	
INVESTMENTS IN SUBSIDIARY	($1,295,800)	Excludes Sub. Earnings
OTHER INVESTMENTS	($821,022)	
TOTAL TO SPREAD	($10,847,712)	
SUB EARNINGS(DIR TO CE)	($785,245)	
TOTAL	($11,632,957)	

Merger Adjustments
March-98

				LG&E	KU Total	KU Ky Juris
1) Internal Economy Revenue Reduction						
	$1.20 M	May/July	LG&E x 4	$4.8 M		
	$0.45 M	May/July	KU x 4		$1.8 M	$1.5 M
3) OATT Transmission Cost Increase (Decrease)				$3.8 M	($3.8) M	($3.2) M
4) Reduced Revenues EKPC				$0.0 M	$1.2 M	$1.0 M
Total Revenue Reduction (Increase)				$8.6 M	($0.8) M	($0.7) M
After Tax Revenue Reduction (Increase)				$5.1 M	($0.5) M	($0.4) M