



RECEIVED
JUN 19 2009
PUBLIC SERVICE
COMMISSION

Jeff DeRouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

Kentucky Utilities Company
State Regulation and Rates
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PO Box 32010
Louisville, Kentucky 40232
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Robert M. Conroy
Director - Rates
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June 19, 2009

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of May 2009. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2007-00379, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after June 29, 2009.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Calculation of Monthly Billed Environmental Surcharge Factor - MESF
For the Expense Month of May 2009**

$$\text{MESF} = \text{CESF} - \text{BESF}$$

Where:

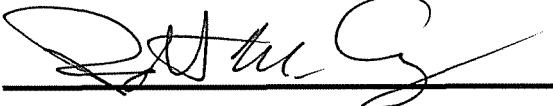
CESF = Current Period Jurisdictional Environmental Surcharge Factor

BESF = Base Period Jurisdictional Environmental Surcharge Factor

Calculation of MESF:

CESF, from ES Form 1.10	=	17.20%
BESF, from Case No. 2007-00379	=	5.51%
MESF	=	11.69%

Effective Date for Billing: July billing cycle beginning June 29, 2009

Submitted by: 

Title: Director, Rates

Date Submitted: June 19, 2009

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2009

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS$, where

RB = Environmental Compliance Rate Base
ROR = Rate of Return on the Environmental Compliance Rate Base
DR = Debt Rate (both short-term and long-term debt)
TR = Composite Federal & State Income Tax Rate
OE = Pollution Control Operating Expenses
BAS = Total Proceeds from By-Product and Allowance Sales

		Environmental Compliance Plans	
RB	= \$		1,237,608,696
RB / 12	=		103,134,058
$(ROR + (ROR - DR) (TR / (1 - TR)))$	=		11 12%
OE	=		3,784,709
BAS	=		-
E(m)	= \$		15,253,216

Calculation of Jurisdictional Environmental Surcharge Billing Factor

Jurisdictional Allocation Ratio for Expense Month	=		84.60%
Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio	= \$		12,904,221
Adjustment for Monthly True-up (from Form 2 00)	=		2,872,755
Adjustment for Under-collection pursuant to Case No. 2008-00216	=		-
Prior Period Adjustment (if necessary)	=		-
Net Jurisdictional E(m) = Jurisdictional E(m) minus Adjustment for Monthly True-up plus/minus Prior Period Adjustment	= \$		15,776,976
Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month	= \$		91,746,609
Jurisdictional Environmental Surcharge Billing Factor: Net Jurisdictional E(m) / Jurisdictional R(m) ; as a % of Revenue	=		17.20%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2009

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 857,357,236	
Eligible Pollution CWIP Excluding AFUDC	507,496,303	
Subtotal		\$ 1,364,853,539
Additions:		
Inventory - Limestone	\$ 762,965	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	1,973,788	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	1,904,373	
Cash Working Capital Allowance	1,257,789	
Subtotal		3,848,653
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	57,898,282	
Pollution Control Deferred Income Taxes	47,958,336	
Pollution Control Deferred Investment Tax Credit	25,236,878	
Subtotal		131,093,496
Environmental Compliance Rate Base		\$ 1,237,608,696

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,080,137
Monthly Depreciation & Amortization Expense	2,481,998
Monthly Taxes Other Than Income Taxes	151,261
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	76,175
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	71,313
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 3,784,709

Proceeds From By-Product and Allowance Sales

	Total Proceeds
Allowance Sales	\$ -
Scrubber By-Products Sales	-
Total Proceeds from Sales	\$ -

True-up Adjustment: Over/Under Recovery of Monthly Surcharge Due to Timing Differences

A. MESF for two months prior to Expense Month	9.27%
B. Net Jurisdictional E(m) for two months prior to Expense Month	13,538,512
C. Environmental Surcharge Revenue, current month (from ES Form 3.00)	6,846,073
D. Retail E(m) recovered through base rates (Base Revenues, ES Form 3.00 times 5.51%)	3,819,684
E. Over/(Under) Recovery due to Timing Differences ((D + C) - B)	(2,872,755)
Over-recoveries will be deducted from the Jurisdictional E(m); under-recoveries will be added to the Jurisdictional E(m)	

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: May 31, 2009

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	94,144.36	32,925.00		33,389.00	93,680.36	
Dollars	\$ 778,160.81	\$ 257,115.27	\$ -	\$ 272,311.40	\$ 762,964.68	
\$/Ton	\$ 8.27	\$ 7.81		\$8.16	\$8.14	
At E.W. Brown:						
Tons						
Dollars						
\$/Ton						

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

Net to be included in ECR \$ 686,491.34

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 5/31/2009	Deferred Tax Balance as of 5/31/2009	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,444,118	\$ -	\$ 8,331,423	\$ -	\$ 1,125,356	\$ 20,725	\$ 1,054
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 28,441,519	\$ 1,142,172	\$ 189,664,931	\$ -	\$ 31,157,685	\$ 558,726	\$ 24,045
Subtotal	\$ 226,739,818	\$ 29,885,637	\$ 1,142,172	\$ 197,996,353	\$ -	\$ 32,283,041	\$ 579,451	\$ 25,098
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 28,923,781	\$ 1,142,172	\$ 196,237,663	\$ -	\$ 32,058,873	\$ 572,711	\$ 24,878
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 1,937,795	\$ -	\$ 14,210,500	\$ -	\$ 2,410,954	\$ 37,545	\$ 1,799
Subtotal	\$ 16,148,295	\$ 1,937,795	\$ -	\$ 14,210,500	\$ -	\$ 2,410,954	\$ 37,545	\$ 1,799
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 1,937,795	\$ -	\$ 14,210,500	\$ -	\$ 2,410,954	\$ 37,545	\$ 1,799
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 31,314	\$ -	\$ 803,732	\$ -	\$ 44,969	\$ 1,941	\$ 101
Project 20 - Ash Treatment Basin Expansion at E.W. Brown Station	\$ 19,697,162	\$ 601,010	\$ 24,029,109	\$ 43,125,262	\$ -	\$ 816,172	\$ 45,960	\$ 5,184
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 592,380,842	\$ 28,460,999	\$ 308,543,376	\$ 872,463,219	\$ -	\$ 13,231,604	\$ 1,811,247	\$ 99,316
Subtotal	\$ 612,913,050	\$ 29,093,322	\$ 332,572,485	\$ 916,392,213	\$ -	\$ 14,092,746	\$ 1,859,148	\$ 104,601
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 608,205,665	\$ 26,867,731	\$ 332,572,485	\$ 913,910,419	\$ -	\$ 13,251,898	\$ 1,850,418	\$ 104,291

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 5/31/2009	Deferred Tax Balance as of 5/31/2009	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 168,245,852	\$ 168,245,852	\$ 25,236,878	\$ -	\$ -	\$ 18,887
Project 24 - Sorbent Injection	\$ 7,397,285	\$ 126,595	\$ 4,606,470	\$ 11,877,160	\$ -	\$ 212,412	\$ 16,679	\$ 1,240
Project 25 - Mercury Monitors	\$ 265,290	\$ 45,065	\$ 942,975	\$ 1,163,199	\$ -	\$ 18,151	\$ 1,365	\$ 146
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 10,150	\$ (13,650)	\$ 1,330,320	\$ -	\$ 8,321	\$ 3,388	\$ 39
Subtotal	\$ 9,016,694	\$ 181,810	\$ 173,781,646	\$ 182,616,530	\$ 25,236,878	\$ 238,885	\$ 21,432	\$ 20,312
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691)	\$ (12,835)	\$ -	\$ (19,856)	\$ -	\$ (2,274)	\$ (107)	\$ (19)
Net Total - 2006 Plan:	\$ 8,984,003	\$ 168,975	\$ 173,781,646	\$ 182,596,674	\$ 25,236,878	\$ 236,611	\$ 21,325	\$ 20,293
Net Total - All Plans:	\$ 857,357,236	\$ 57,898,282	\$ 507,496,303	\$ 1,306,955,256	\$ 25,236,878	\$ 47,958,336	\$ 2,481,998	\$ 151,261

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2009

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	65,870	10.601	8,619	\$ 1,907,330.62	-	\$ 68,310.86	5,084 allowances and \$1,977,471 of balance represent OMU allowances received in May 2009 applicable to 2007 and 2008
2010	77,535		-				
2011	77,535						
2012	77,535						
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029 - 2038	775,350						

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

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

For the Expense Month of May 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	63,938	5,084	3,152	0	0	65,870	
Dollars	\$ 225	\$ 1,977,471	\$ 70,366	\$ -	\$ -	\$ 1,907,331	
\$/Allowance	\$ -	\$ 388.96	\$ 22.32	\$ -	\$ -	\$ 28.96	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	63,900	5,084	3,152	-	-	65,832	
Dollars	\$ 225	\$ 1,976,371	\$ 70,366	\$ -	\$ -	\$ 1,906,230	OMU allowances; inventory adjustment
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 0	\$ 1,100	\$ -	\$ -	\$ -	\$ 1,100	Inventory adjustment
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

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

For the Expense Month of May 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,352	0	733	0	0	8,619	
Dollars	\$ 74,120	\$ -	\$ 5,809	\$ -	\$ -	\$ 68,311	
\$/Allowance	\$ 7.93	\$ -	\$ 7.93	\$ -	\$ -	\$ 7.93	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,257		733	-	-	8,524	
Dollars	\$ 73,367	\$ -	\$ 5,809	\$ -	\$ -	\$ 67,558	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	95			-	-	95	
Dollars	\$ 753	\$ -	\$ -	\$ -	\$ -	\$ 753	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

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

For the Expense Month of May 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,334	0	733	0	0	10,601	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	11,233	-	733	-	-	10,500	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	101	0	0	0	0	101	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

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

For the Month Ended: May 31, 2009

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 805,076
10th Previous Month	727,902
9th Previous Month	1,070,238
8th Previous Month	1,064,230
7th Previous Month	263,781
6th Previous Month	350,688
5th Previous Month	1,110,870
4th Previous Month	945,823
3rd Previous Month	632,411
2nd Previous Month	992,331
Previous Month	1,018,826
Current Month	1,080,137
Total 12 Month O&M	\$ 10,062,313

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 10,062,313
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,257,789

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses
For the Month Ended: May 31, 2009

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Total
2001 Plan					
506104 - NOx Operation -- Consumables		259,216.08			259,216.08
506105 - NOx Operation -- Labor and Other		0.00			0.00
512101 - NOx Maintenance		10,641.20			10,641.20
Total 2001 Plan O&M Expenses		269,857.28			269,857.28
2005 Plan					
502006 - Scrubber Operations	-	158,935.45			158,935.45
512005 - Scrubber Maintenance	-	29,021.35			29,021.35
Total 2005 Plan O&M Expenses	-	187,956.80			187,956.80
2006 Plan					
506109 - Sorbent Injection Operation		614,306.34			614,306.34
512102 - Sorbent Injection Maintenance		8,016.93			8,016.93
506110 - Mercury Monitors Operation	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	0.00
Total 2006 Plan O&M Expenses	-	622,323.27	-	-	622,323.27
Current Month O&M Expense for All Plans	-	1,080,137.35	-	-	1,080,137.35

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2009

(1)	Kentucky Jurisdictional Revenues							Non-Jurisdictional Revenues	Total Company Revenues		
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	STOD Program Cost Recovery Factor Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge	
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(See Note 1)	(7)+(9)	(10)-(6)	
Jun-08	\$ 81,577,064	\$ 1,284,590	\$ 1,063,124	\$ 26,828	\$ 4,470,912	\$ 88,422,518	\$ 83,951,606	\$ 16,633,443	\$ 105,055,961	\$ 100,585,049	
Jul-08	91,497,390	403,284	1,292,295	29,001	6,243,205	99,465,174	93,221,969	21,842,334	121,307,508	115,064,303	
Aug-08	90,868,140	12,057,987	1,299,976	28,150	7,422,675	111,676,929	104,254,254	18,167,362	129,844,291	122,421,616	
Sep-08	90,521,028	8,053,359	1,273,590	29,211	5,832,354	105,709,543	99,877,189	21,228,659	126,938,202	121,105,848	
Oct-08	76,940,137	7,495,420	948,728	25,547	5,175,991	90,585,823	85,409,832	24,962,871	115,548,694	110,372,703	
Nov-08	74,813,379	7,161,803	974,653	22,894	5,235,307	88,208,036	82,972,729	26,900,069	115,108,105	109,872,798	
Dec-08	92,880,410	2,645,683	1,498,515	24,824	6,771,154	103,820,586	97,049,432	24,311,874	128,132,460	121,361,306	
Jan-09	97,188,749	4,081,788	1,915,396	23,536	7,615,494	110,824,963	103,209,469	19,944,827	130,769,790	123,154,296	
Feb-09	94,730,238	6,517,796	1,770,598	7,381	6,688,271	109,714,284	103,026,013	16,175,231	125,889,515	119,201,244	
Mar-09	79,073,285	4,236,244	1,236,800	(18)	5,529,205	90,075,515	84,546,310	14,728,775	104,804,290	99,275,085	
Apr-09	79,755,294	8,174,078	840,441	3	5,801,057	94,570,875	88,769,818	12,485,494	107,056,369	101,255,312	
May-09	69,322,766	4,718,187	629,731	-	6,846,073	81,516,758	74,670,685	13,588,043	95,104,801	88,258,728	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 91,746,609				
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (8) / Column (11) =										84.60%	
								Note 1 - Excludes Brokered Sales, Total for Current Month = \$		4,088.49	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2009

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 69,322,766.27	\$ 69,322,766.27
Fuel Adjustment Clause	4,718,187.29	4,718,187.29
DSM	629,731.10	629,731.10
STOD Program Cost Recovery Factor	-	-
Environmental Surcharge		6,846,073.21
CSR Credits		(519,441.08)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 74,670,684.66	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 118.76	118.76
Virginia Retail	4,280,608.01	4,280,608.01
Wholesale	6,073,662.77	6,073,662.77
InterSystem (Total Less Transmission Portion Booked in Account 447)	3,233,653.32	3,233,653.32
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,588,042.86	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 88,258,727.52	
Reconciling Revenues		
Brokered	4,088.49	4,088.49
InterSystem (Transmission Portion Booked in Account 447)		-
Unbilled		4,690,669.34
Provision for Refund		(4,131,196.46)
Merger Surcredit		4,860.06
Merger Surcredit - Non Jurisdictional		-
Value Delivery Surcredit		-
Miscellaneous		1,607,692.74
Total Company Revenues per Income Statement =		\$ 96,761,473.82