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October 16, 2009

VIA HAND DELIVERY

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

RECEIVED

OCT 16 2009

PUBLIC SERVICE
COMMISSION

RE: Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge
Case No. 2009-00197

Application of Louisville Gas and Electric Company for a Certificate of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge
Case No. 2009-00198

Dear Mr. DeRouen:

Enclosed please find and accept for filing two originals and ten copies of a Motion for Leave to File Supplemental Direct Testimonies of Lonnie E. Bellar and Robert M. Conroy on behalf of Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") in the above-referenced matters. Attached as an exhibit to Mr. Bellar's testimony is a Settlement Agreement between KU, LG&E and the Kentucky Industrial Utility Customers, Inc. ("KIUC"). The original signature page of counsel for KIUC will be tendered under separate cover.

Please confirm your receipt of these filings by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Jeff DeRouen
October 16, 2009
Page 2

Should you have any questions please contact me at your convenience.

Yours very truly,



Kendrick R. Riggs

KRR:ec
Enclosures
cc: Michael L. Kurtz (w/ enclosures)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR CERTIFICATES OF)	
PUBLIC CONVENIENCE AND NECESSITY)	CASE NO. 2009-00197
AND APPROVAL OF ITS 2009 COMPLIANCE)	
PLAN FOR RECOVERY BY)	
ENVIRONMENTAL SURCHARGE)	

In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY)	CASE NO. 2009-00198
AND APPROVAL OF ITS 2009 COMPLIANCE)	
PLAN FOR RECOVERY BY ENVIRONMENTAL)	
SURCHARGE)	

MOTION FOR LEAVE TO FILE
SUPPLEMENTAL DIRECT TESTIMONIES

Pursuant to 807 KAR 5:001, Section 3(5), Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”) hereby move the Kentucky Public Service Commission (“Commission”) to issue an order granting KU and LG&E leave to file Supplemental Direct Testimonies with the Commission. The Supplemental Direct Testimonies of Lonnie E. Bellar and Robert M. Conroy, including a written unanimous settlement agreement are attached to and tendered with this Motion. As grounds for this Motion for the Companies state as follows:

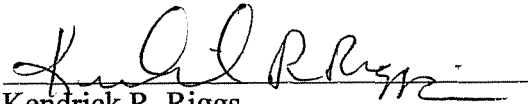
Representatives of the Companies and Kentucky Industrial Utility Customers, Inc. (“KIUC”) attended an informal conference at the Commission’s offices on October 1, 2009 at which an agreement in principal to settle the case was reached. Through the leave sought by this Motion, the Companies seek to present the written unanimous settlement agreement of the

parties and testimony supporting that agreement. Under separate cover, counsel for KIUC has filed a letter stating KIUC did not intend to file testimony because of the settlement reached with the Companies.

WHEREFORE, Kentucky Utilities Company and Louisville Gas and Electric Company respectfully request that the Commission issue an order granting leave to file the Supplemental Direct Testimonies of Lonnie E. Bellar and Robert M. Conroy in these proceedings.

Dated: October 16, 2009

Respectfully submitted,



Kendrick R. Riggs
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2828
Telephone: (502) 333-6000


Allyson K. Sturgeon
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202

Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Motion was served via U.S. mail, first-class, postage prepaid, this 16th day of October 2009, upon the following persons:

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


Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR CERTIFICATES OF)
PUBLIC CONVENIENCE AND NECESSITY) CASE NO. 2009-00197
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PLAN FOR RECOVERY BY)
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In the Matter of:

THE APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
AND APPROVAL OF ITS 2009 COMPLIANCE) CASE NO. 2009-00198
PLAN FOR RECOVERY BY ENVIRONMENTAL)
SURCHARGE)

SUPPLEMENTAL DIRECT TESTIMONY OF
LONNIE E. BELLAR
VICE PRESIDENT, STATE REGULATION AND RATES
E.ON U.S. SERVICES, INC.

Dated: October 16, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Lonnie E. Bellar. I am the Vice President, State Regulation and Rates for
3 Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company
4 (“KU”) (collectively, “the Companies”), and am an employee of E.ON U.S. Services
5 Inc., which provides services to the Companies. My business address is 220 West Main
6 Street, Louisville, Kentucky. A statement of my professional history and education is
7 attached to this testimony as Appendix A.

8 **Q. What is the purpose of your testimony?**

9 A. The purpose of my testimony is to review the terms of the written unanimous settlement
10 agreement between the Companies and the Kentucky Industrial Utility Customers, Inc.
11 (“KIUC”) and show why it provides for the reasonable disposition of these cases. In
12 separate testimony, Mr. Robert M. Conroy, Director of Rates for E.ON U.S. Services
13 Inc., presents the proposed monthly environmental surcharge report forms to implement
14 the Settlement Agreement.

15 **Q. Have you previously testified before the Kentucky Public Service Commission?**

16 A. Yes. I have testified before the Kentucky Public Service Commission (“PSC” or
17 “Commission”) multiple times, most recently in Case No. 2009-00325 concerning
18 temporary transmission line facilities in Hardin County, Kentucky. I also present direct
19 testimony in these cases concerning the Companies’ environmental compliance plans and
20 cost recovery through their environmental surcharge mechanisms (“2009 Plan”).

21 **Q. Would you please describe the negotiations?**

22 A. Yes. Representatives of the Companies and KIUC attended an informal conference at the
23 Commission’s offices on October 1, 2009. The Companies made a presentation of the

1 evidence in the records of the two cases and the associated issues. Thereafter, a
2 discussion on the outstanding ratemaking issues ensued between the representatives of
3 the Companies and KIUC; and an agreement in principal to settle the case was reached.
4 Following an exchange of drafts and some phone calls and conferences between the
5 parties, on October 9, 2009, the draft agreement was submitted by e-mail to Commission
6 Staff Counsel. On October 12, 2009, Commission Staff Counsel advised the parties by e-
7 mail of a potential legal issue in the draft agreement. The parties conferred, revised the
8 draft agreement and on October 16, 2009, filed the executed version with the
9 Commission. A complete and accurate copy is attached to my testimony as Exhibit LEB-
10 1 (“Settlement Agreement”). The agreement represents the full and complete agreement
11 and statement of consideration exchanged between the parties. There are no other written
12 or verbal agreements or promises of any kind and nothing of value outside of the
13 Settlement Agreement has been given or received or will be given or received to or from
14 any employee or agent of the parties in connection with the settlement in these cases.

15 **Q. Would you please describe Section 1 of the Settlement Agreement?**

16 **A.** Yes. In this section, the parties recommend the Commission approve the respective
17 applications of LG&E and KU by entering orders on or before December 23, 2009,
18 granting the specific relief set for in the Settlement Agreement, subject to the conditions
19 contained in the remaining sections of the Settlement Agreement.

20 **Q. Would you please describe Section 2 of the Settlement Agreement?**

21 **A.** Yes. In general, Section 2 sets forth the resolution of the ratemaking issues associated
22 with the recovery of the incremental capital costs, operation and maintenance expense
23 and other costs associated with certain pollution control facilities at the Companies’

1 generation stations. These facilities are identified as specific environmental pollution
2 control projects in each utility's respective environmental surcharge compliance plan and
3 as part of each utility's environmental surcharge application in these cases.

4 **Q. Would you please describe Section 2.01 of the Settlement Agreement?**

5 A. Yes. To the extent that the installation of the pollution control projects contained in the
6 Companies' 2009 Plan causes retirements or replacements of pollution control plant, the
7 cost of which is already included in base rates, Section 2.01 addresses the ratemaking
8 treatment of this impact. This section is consistent with the Commission's previous
9 orders in Case Nos. 2004-00426 and 2004-00421 and is consistent with the Companies'
10 practice through the monthly filings on ES Form 2.00 for each of prior plans.

11 **Q. Would you please describe Section 2.02 of the Settlement Agreement?**

12 A. Section 2.02 of the Settlement Agreement addresses the ratemaking issues associated
13 operation and maintenance expenses with certain new pollution control projects identified
14 in the 2009 Plan. Once the facilities are placed in service, LG&E or KU will include the
15 incremental expense associated with the operation and maintenance of these new
16 facilities to the monthly environmental surcharge expense reported in the determination
17 of the surcharge operation and maintenance expenses for the current expense month.
18 This section identifies the new facilities which will have only incremental operation and
19 maintenance expense.

20 **Q. Would you please describe Section 2.03 of the Settlement Agreement?**

21 A. This section addresses the ratemaking treatment for the operation and maintenance
22 expense associated with expansions of or additions to existing ash disposal facilities. The
23 calculation of the operation and maintenance expense is consistent with the

1 Commission's prior orders in Case No. 2002-00147. To the extent that the expansion of
2 or additions to these ash disposal projects reduces operation and maintenance expenses
3 for existing ash disposal facilities at the applicable generation stations, LG&E or KU will
4 include the necessary reductions in expense reported in the determination of the
5 environmental surcharge operation and maintenance expenses for the current expense
6 month. Section 2.03 specifically restricts or caps the amount that can be collected
7 through the environmental surcharge mechanism to no more than the operation and
8 maintenance expenses associated with the new pollution control ash disposal facilities
9 included in the 2009 Plan. Customers will benefit because this section specifies a
10 methodology that will reflect any reduction to the level of ash disposal expense in base
11 rates, associated with these projects, as a reduction to the expense collected through the
12 environmental surcharge mechanism for the new project. However, customers will not
13 pay for any increase in expenses associated with the existing ash disposal facilities if
14 those expenses are already included in base rates. This in essence will limit or cap the
15 recovery through the environmental surcharge mechanism to no more than the cost of the
16 new ash disposal facility and effectively prohibit the potential for double recovery of
17 expenses between base rates and the environmental surcharge.

18 **Q. Would you please describe Section 2.04 of the Settlement Agreement?**

19 A. This section of the Settlement Agreement describes the ratemaking treatment for the
20 expenses and revenues associated with the beneficial reuse pollution control projects
21 proposed in the 2009 Plan. Under Section 2.04, the expenses and revenues associated
22 with beneficial reuse opportunities for coal combustion by-products not already included
23 in base rates will be reflected in the environmental surcharge mechanism. Like Section

1 2.03 discussed above, Section 2.04 restricts or caps the amount LG&E and KU can
2 collect through the environmental surcharge mechanism to no more than the expenses
3 associated with new beneficial reuse opportunities included in the 2009 Plan. Again,
4 customers will benefit because this section specifies a methodology that will reflect the
5 changes in base rates associated with these projects, but will limit the recovery. Thus, if
6 base rates contain revenues associated with the sale of beneficial reuse and those
7 revenues change or decline over time, customers will not be charged as a result of that
8 change in revenue through the environmental surcharge.

9 **Q. Would you please describe Section 3 of the Settlement Agreement?**

10 A. Section 3 contains the miscellaneous provisions which are typically included in the
11 Settlement Agreements the Companies submit to the Commission. These provisions
12 include such items as Section 3.07 which provides that the Settlement Agreement
13 constitutes the complete agreement and understanding of the parties.

14 **Q. Do you have a recommendation for the Commission?**

15 A. Yes. I recommend the Commission approve the Settlement Agreement as a resolution of
16 all the outstanding issues by issuing an order no later than December 23, 2009.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

APPENDIX A

Lonnie E. Bellar

E.ON U.S. Services Inc.
220 West Main Street
Louisville, Kentucky 40202

Education

Bachelors in Electrical Engineering;
University of Kentucky, May 1987
Bachelors in Engineering Arts;
Georgetown College, May 1987
E.ON Academy, Intercultural Effectiveness Program: 2002-2003
E.ON Finance, Harvard Business School: 2003
E.ON Executive Pool: 2003-2007
E.ON Executive Program, Harvard Business School: 2006
E.ON Academy, Personal Awareness and Impact: 2006

Professional Experience

E.ON U.S. LLC

Vice President, State Regulation and Rates	Aug. 2007 – Present
Director, Transmission	Sept. 2006 – Aug. 2007
Director, Financial Planning and Controlling	April 2005 – Sept. 2006
General Manager, Cane Run, Ohio Falls and Combustion Turbines	Feb. 2003 – April 2005
Director, Generation Services	Feb. 2000 – Feb. 2003
Manager, Generation Systems Planning	Sept. 1998 – Feb. 2000
Group Leader, Generation Planning and Sales Support	May 1998 – Sept. 1998

Kentucky Utilities Company

Manager, Generation Planning	Sept. 1995 – May 1998
Supervisor, Generation Planning	Jan. 1993 – Sept. 1995
Technical Engineer I, II and Senior, Generation System Planning	May 1987 – Jan. 1993

Professional Memberships

IEEE

Civic Activities

E.ON U.S. Power of One Co-Chair – 2007
Louisville Science Center – Board of Directors – 2008
Metro United Way Campaign – 2008
UK College of Engineering Advisory Board -- 2009

EXHIBIT LEB-1
“SETTLEMENT AGREEMENT”

SETTLEMENT AGREEMENT, STIPULATION AND RECOMMENDATION

This Settlement Agreement, Stipulation and Recommendation (“Settlement Agreement”) is entered into this 16th day of October 2009, by and between Kentucky Utilities Company (“KU”); Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”); and the Kentucky Industrial Utility Customers, Inc. (“KIUC”) in the proceedings involving KU and LG&E which are the subject of this Settlement Agreement as set forth below:

WITNESSETH:

WHEREAS, KU filed on June 26, 2009 with the Kentucky Public Service Commission (“Commission”) its Application and Testimony in *The Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge*, and the Commission has established Case No. 2009-00197 to review KU’s application;

WHEREAS, LG&E filed on June 26, 2009 with the Commission its Application and Testimony in *The Application of Louisville Gas and Electric Company for a Certificate of Public Convenience and Necessity and Approval of Its 2009 Compliance Plan for Recovery by Environmental Surcharge*, and the Commission has established Case No. 2009-00198 to review LG&E’s application;

WHEREAS, KIUC filed Petitions to Intervene in both proceedings with the Commission on July 20, 2009 and was granted intervention by the Commission in both proceedings on July 30, 2009;

WHEREAS, KIUC through its data requests and supplemental data requests has raised certain concerns relating to the potential for double recovery of costs through base rates and the proposed environmental surcharges in these proceedings;

WHEREAS, LG&E and KU through their respective responses to the KIUC data requests and supplemental data requests have addressed the concerns of KIUC for the potential for double recovery of costs through base rates and the proposed environmental surcharges in these proceedings;

WHEREAS, an informal conference for the purpose of reviewing the status of the case and discussing the possible settlement of issues, attended in person by representatives of the KIUC, the Commission Staff and the Companies, took place on October 1, 2009 at the offices of the Commission;

WHEREAS, KIUC and the Companies hereto desire to settle issues pending before the Commission in the above-referenced proceedings;

WHEREAS, the adoption of this Settlement Agreement will eliminate the need for the Commission and the parties to expend significant resources litigating these proceedings, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein;

WHEREAS, KIUC and the Companies agree that this Settlement Agreement, viewed in its entirety, is a fair, just and reasonable resolution of all the issues in the above-referenced proceedings;

WHEREAS, it is understood by the parties hereto that this Settlement Agreement is subject to the approval of the Commission insofar as it constitutes an agreement by the parties to the proceedings for settlement and, absent express agreement stated herein, does not represent agreement on any specific claim, methodology or theory supporting the appropriateness of any proposed or recommended adjustments to the Companies' rates, terms and conditions; and

WHEREAS, it is the position of the parties hereto that this Settlement Agreement is supported by sufficient and adequate data and information, and should be approved by the Commission.

NOW; THEREFORE, for and in consideration of the premises and conditions set forth herein, the parties hereto stipulate and agree as follows:

SECTION 1. The parties to this Settlement Agreement recommend the Commission approve the respective applications of LG&E and KU in the above-captioned cases filed on June 26, 2009 and grant the relief requested therein as amended by their responses to the requests for information in these proceedings and as more specifically stated below, subject to the conditions contained in this Settlement Agreement by entering orders on or before December 23, 2009 as follows:

SECTION 1.01 Kentucky Utilities Company

- (A) granting KU Certificates of Public Convenience and Necessity to permit the construction of the Selective Catalytic Reduction Nitrogen Oxide emission control technology at Brown Unit 3 as herein described, and to permit the construction of new landfills at the Ghent and Trimble County Generating Stations;
- (B) approving the new projects to KU's Environmental Compliance Plan for purposes of recovering the costs of the projects through the environmental surcharge ("KU 2009 Plan");
- (C) approving the revised Rate Schedule ECR to become effective for bills rendered on and after January 28, 2010 (i.e., beginning

with the environmental surcharge expense month of December 2009);

- (D) approving the proposed ES monthly filing forms, including revised ES Form 2.50; and
- (E) approving the recovery of the overall rate of return requested in KU's application.

SECTION 1.02 **Louisville Gas and Electric Company**

- (A) granting LG&E a Certificate of Public Convenience and Necessity to permit the construction of a new landfill at the Trimble County Generating Station;
- (B) approving the new projects to LG&E's Environmental Compliance Plan for purposes of recovering the costs of the projects through the environmental surcharge ("LG&E 2009 Plan")(collectively the "2009 Plans");
- (C) approving the revised Rate Schedule ECR to become effective for bills rendered on and after January 28, 2010 (i.e., beginning with the environmental surcharge expense month of December 2009);
- (D) approving the proposed ES monthly forms, including revised ES Form 2.50; and
- (E) approving the recovery of the overall rate of return requested in LG&E's application.

SECTION 2. LG&E and KU have proposed to recover the incremental capital costs, operation and maintenance expense and other costs associated with certain pollution control facilities at the Companies' generation stations. These facilities are identified as specific environmental pollution control projects in each utility's respective environmental surcharge compliance plan and as part of each utility's environmental surcharge application in these cases.

SECTION 2.01 Retirements or Replacements

For certain pollution control projects (Nos. 22, 23 and 24 for LG&E and Nos. 28, 29, 30, 31 and 32 for KU) contained in these environmental compliance plans, consistent with previous Commission orders,¹ to the extent that the installation of these facilities causes retirements or replacements of pollution control plant, the cost of which is already included in base rates, once the facilities are placed in-service LG&E or KU will include the necessary adjustment(s) to the cost reported in the determination of the surcharge capital costs for the current expense month to credit consumers to remove the costs of the retirements or replacements caused by the installation of the new pollution control facilities.

SECTION 2.02 Operation and Maintenance Expense for New Facilities

For certain new pollution control projects (No. 18 for LG&E and Nos. 23 and 28 for KU) contained in these environmental compliance plans, once the facilities are placed in-service, LG&E or KU will include

¹ Case No. 2004-00426, *Application of Kentucky Utilities Company for Approval of Its 2004 Compliance Plan for Recovery by Environmental Surcharge*, Final Order (June 20, 2005); Case No. 2004-00421, *Application of Louisville Gas and Electric Company for Approval of Its 2004 Compliance Plan for Recovery by Environmental Surcharge*, Final Order (June 20, 2005).

the incremental expense associated with the operation and maintenance (“O&M”) of these new facilities to the expense reported in the determination of the surcharge O&M expenses for the current expense month.

SECTION 2.03 O&M for Expansions of or Additions to Existing Ash Disposal Facilities

For certain pollution control projects (Nos. 22 and 24 for LG&E and Nos. 30 and 32 for KU) contained in these environmental compliance plans, which expand or add to existing pollution control ash disposal facilities the cost of which are already included in base rates, consistent with past Commission orders,² to the extent that the expansion of or additions to these ash disposal projects reduces the O&M expenses for existing associated ash disposal facilities at the applicable generation stations, LG&E or KU will include the necessary reduction(s) in the expense reported in the determination of the environmental surcharge O&M expenses for the current expense month. LG&E or KU will collect through the environmental surcharge mechanism the O&M expenses associated with ash disposal facilities at the applicable generation stations above a baseline level of O&M expenses associated with the ash disposal at the applicable stations included in base rates; however, LG&E or KU shall not collect through the environmental surcharge mechanism more

² Case No. 2002-00147, *The Application of Louisville Gas and Electric Company for Approval of Its 2002 Compliance Plan for Recovery by Environmental Surcharge*, Final Order (February 11, 2003) and Order on Rehearing (September 4, 2003).

than the O&M expenses associated with the new pollution control ash disposal facilities included in the 2009 Plans.

The baseline for determining the O&M expenses already included in base rates will be the expense for the operation and maintenance of the existing associated ash disposal facilities at the applicable generation stations prior to the expansions of or additions to the ash disposal facilities being placed in-service and incurred during the test year in the most recent base rate case prior to the in-service date of the new pollution control ash disposal facilities included in these environmental compliance plans.

SECTION 2.04 Beneficial Reuse Projects

The expenses and revenues associated with the beneficial reuse pollution control projects (No. 25 for LG&E and No. 33 for KU) not already included in existing base rates from beneficial reuse opportunities for coal combustion byproducts (“CCP”) will be reflected in the calculation of the respective environmental surcharge. LG&E or KU will include in the environmental surcharge mechanism the total expenses and revenues associated with beneficial reuse at the applicable generation stations above a baseline level included in base rates; however, LG&E or KU will not collect through the environmental surcharge mechanism more than the expenses associated with the new beneficial reuse opportunities included in the 2009 Plans under Project No. 25 for LG&E and Project No. 33 for KU.

The baseline for determining the beneficial reuse revenues and expenses already included in base rates will be the revenues and expenses incurred during the test year in the most recent base rate case for beneficial reuse opportunities at the applicable generation stations.

SECTION 3. Miscellaneous Provisions

SECTION 3.01 The signatories hereto agree that making this Settlement Agreement shall not be deemed in any respect to constitute an admission by any party hereto that any computation, formula, allegation, assertion or contention made by any other party in these proceedings is true or valid.

SECTION 3.02 The signatories hereto agree that the foregoing stipulations and agreements represent a fair, just and reasonable resolution of the issues addressed herein and request the Commission to approve the Settlement Agreement.

SECTION 3.03 The signatories hereto agree that, following the execution of this Settlement Agreement, the signatories shall cause the Settlement Agreement to be filed with the Commission by October 15, 2009, together with a request to the Commission for consideration and approval of this Settlement Agreement.

SECTION 3.04 The signatories hereto agree that this Settlement Agreement is subject to the acceptance of and approval by the Kentucky Public Service Commission. The signatories hereto further agree to act in good faith and to use their best efforts to recommend to the Commission that this Settlement Agreement be accepted and approved.

SECTION 3.05 The signatories hereto agree that, if the Commission does not accept and approve this Settlement Agreement in its entirety, then: (a) this Settlement Agreement shall be void and withdrawn by the parties hereto from further consideration by the Commission and none of the parties shall be bound by any of the provisions herein, provided that no party is precluded from advocating any position contained in this Settlement Agreement; and (b) neither the terms of this Settlement Agreement nor any matters raised during the settlement negotiations shall be binding on any of the signatories to this Settlement Agreement or be construed against any of the signatories.

SECTION 3.06 The signatories hereto agree that this Settlement Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

SECTION 3.07 The signatories hereto agree that this Settlement Agreement constitutes the complete agreement and understanding among the parties hereto, and any and all oral statements, representations or agreements made prior hereto or contained contemporaneously herewith shall be null and void and shall be deemed to have been merged into this Settlement Agreement.

SECTION 3.08 The signatories hereto agree that, for the purpose of this Settlement Agreement only, the terms are based upon the independent analysis of the parties to reflect a fair, just and reasonable resolution of the issues herein and are the product of compromise and negotiation.

SECTION 3.09 The signatories hereto agree that neither the Settlement Agreement nor any of the terms shall be admissible in any court or commission except insofar as such court or commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Settlement Agreement. This Settlement Agreement shall not have any precedential value in this or any other jurisdiction.

SECTION 3.10 The signatories hereto warrant that they have informed, advised and consulted with the respective parties hereto in regard to the contents and significance of this Settlement Agreement and based upon the foregoing are authorized to execute this Settlement Agreement on behalf of the parties hereto.

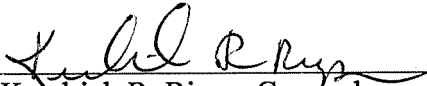
SECTION 3.11 The signatories hereto agree that this Settlement Agreement is a product of negotiation among all parties hereto, and no provision of this Settlement Agreement shall be strictly construed in favor of or against any party. Notwithstanding anything contained in the Settlement Agreement, the parties recognize and agree that the effects, if any, of any future events upon the operating income of the Companies are unknown and this Settlement Agreement shall be implemented as written.

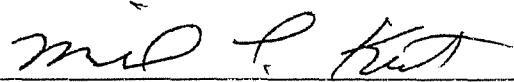
SECTION 3.12 The signatories hereto agree that this Settlement Agreement may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures:

Louisville Gas and Electric Company
and Kentucky Utilities Company

HAVE SEEN AND AGREED:

By: 
Kendrick R. Riggs, Counsel



Michael L. Kurtz
Boehm Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, Ohio 45202
Telephone: (513) 421-2255

Counsel for Kentucky Industrial
Utility Customers, Inc.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
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AND APPROVAL OF ITS 2009 COMPLIANCE) CASE NO. 2009-00198
PLAN FOR RECOVERY BY ENVIRONMENTAL)
SURCHARGE)

SUPPLEMENTAL DIRECT TESTIMONY OF
ROBERT M. CONROY
DIRECTOR, RATES
E.ON U.S. SERVICES, INC.

Dated: October 16, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Robert M. Conroy. I am the Director of Rates for E.ON U.S. Services Inc.,
3 which provides services to Louisville Gas and Electric Company (“LG&E”) and
4 Kentucky Utilities Company (“KU”) (collectively, “the Companies”). My business
5 address is 220 West Main Street, Louisville, Kentucky. A statement of my professional
6 history and education is attached to this testimony as Appendix A.

7 **Q. What is the purpose of your testimony?**

8 A. The purpose of my testimony is to present the proposed monthly environmental surcharge
9 report forms and answer any questions related to them.

10 **Q. Have you previously testified before the Kentucky Public Service Commission?**

11 A. Yes. I have testified before the Kentucky Public Service Commission (“PSC” or
12 “Commission”) multiple times, most recently in Case Nos. 2009-00287 (KU) and 2009-
13 00288 (LG&E) concerning the Companies fuel adjustment clause. I present direct
14 testimony in the above-captioned proceedings concerning the Companies’ environmental
15 compliance plans and cost recovery through their environmental surcharge mechanisms
16 (“2009 Plan”).

17 **Q. Have LG&E and KU filed proposed monthly environmental surcharge report forms
18 in these cases?**

19 A. Yes. The forms proposed by LG&E are contained in Exhibit RMC-4 to my direct
20 testimony for LG&E; and the forms proposed by KU are contained in Exhibit RMC-4 to
21 my direct testimony for KU. My direct testimony also contains descriptions of the details
22 in the proposed forms.

1 **Q. Did LG&E and KU propose further revisions to the monthly environmental**
2 **surcharge report forms during the course of these proceedings?**

3 **A.** Yes. LG&E and KU proposed further changes to ES Form 2.50 in responding to the
4 second set of data requests from the Kentucky Industrial Utility Customers, Inc.
5 (“KIUC”). ES Form 2.50 shows the monthly operation and maintenance expenses by
6 specific account and environmental surcharge compliance plan and according to
7 generation station.

8 **Q. Do LG&E and KU propose any further revisions to the monthly environmental**
9 **surcharge report forms?**

10 **A.** Yes. LG&E and KU propose to revise the FERC subaccount numbers shown on ES
11 Form 2.50 for the ash disposal facilities included in the 2009 Plan. By using the revised
12 subaccounts numbers, LG&E and KU are able to separately identify the monthly
13 operation and maintenance (“O&M”) expenses included in the 2009 Plan and the O&M
14 for the existing ash disposal facilities at each generation station.

15 **Q. Do LG&E and KU propose to add any additional monthly environmental surcharge**
16 **report forms?**

17 **A.** Yes. In connection with the Settlement Agreement executed by the Companies and
18 KIUC and presented in the testimony of Mr. Bellar, LG&E and KU propose two
19 additional forms:

20 1. ES Form 2.51 provides the detail for the calculation of the baseline and
21 overall methodology to implement the provisions of Sections 2.03 “O&M for
22 Expansions of or Additions to Existing Ash Disposal Facilities” of the

1 Settlement Agreement and provides greater transparency of the calculation
2 and data.

- 3 2. ES Form 2.61 provides the detail for the calculation of the baseline and
4 overall methodology to implement the provisions of Sections 2.04 “Beneficial
5 Reuse Projects” of the Settlement Agreement. It also provides greater
6 transparency of the calculation and data.

7 The proposed forms for LG&E’s environmental surcharge are contained in Exhibit RMC-
8 6 (LGE). The proposed forms for KU’s environmental surcharge are contained in Exhibit
9 RMC-6 (KU). Both exhibits are attached to my testimony.

10 **Q. Does the inclusion of these new forms necessitate any changes in the other forms**
11 **proposed in these proceedings?**

12 **A.** Yes. The proposed ES Forms 2.51 and 2.61 required some changes in the text in ES
13 Forms 2.50 and 2.60 to reflect the relationship between ES Forms 2.51 and 2.50 and ES
14 Forms 2.60 and 2.61. In addition, there are text changes proposed in ES Form 2.00 in the
15 section labeled “Determination of Beneficial Reuse Operating Expenses” to show the
16 amount reflected in the environmental surcharge for beneficial reuse. The changes to the
17 monthly environmental surcharge report ES Forms 2.00, 2.50 and 2.60 are also contained
18 in Exhibit RMC-6 (LGE) and Exhibit RMC-6 (KU).

19 **Q. Please explain why the Companies are proposing to add two new forms to the**
20 **environmental surcharge mechanism monthly filings.**

21 **A.** The new forms are being proposed in order to allow transparency in the implementation
22 of Sections 2.03 and 2.04 of the Settlement Agreement.

1 The information proposed to be included on ES Form 2.51 will show the O&M
2 expense for ash disposal at the generating stations which have new ash disposal facilities
3 contained in the 2009 Plan, the O&M expense for the new ash disposal facilities
4 contained in the 2009 Plan and the amount of ash disposal cost contained in base rates.
5 With this information, any impact on the O&M expense recovered through the
6 environmental surcharge mechanism for the amount in base rates will be clearly
7 identified. Likewise, the information proposed to be included on ES Form 2.61 will
8 contain the expense related to beneficial reuse opportunities that will allow for the
9 determination of any adjustment for the amount included in base rates for beneficial reuse
10 projects.

11 ES Form 2.51 will not be utilized until the month in which the ash disposal
12 facilities contained in the 2009 Plan are placed in service and the Companies begin to
13 incur O&M expenses for such facilities. Until such time as O&M expenses for ash
14 disposal related to the 2009 Plan projects are being recovered through the environmental
15 surcharge, an adjustment for the amount included in base rates is not necessary. ES Form
16 2.61 will not be implemented until cost associated with beneficial reuse projects are being
17 recovered through the environmental surcharge

18 **Q. Do you have a recommendation?**

19 **A. Yes.** If the Commission accepts and approves the Settlement Agreement presented in the
20 testimony of Mr. Bellar, I recommend the Commission approve the changes to the
21 monthly environmental surcharge report forms described in my testimony.

22 **Q. Does this conclude your testimony?**

23 **A. Yes.**

VERIFICATION

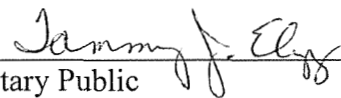
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Director - Rates for E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.



Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of October 2009.

 (SEAL)

Notary Public

My Commission Expires:

November 9, 2010

APPENDIX A

Robert M. Conroy

Director, Rates

E.ON U.S. Services Inc.

220 West Main Street

Louisville, Kentucky 40202

Telephone: (502) 627-3324

Education

Masters of Business Administration

Indiana University (Southeast campus), December 1998. GPA: 3.9

Bachelor of Science in Electrical Engineering

Rose Hulman Institute of Technology, May 1987. GPA: 3.3

Essentials of Leadership, London Business School, 2004

Center for Creative Leadership, Foundations in Leadership program, 1998

Registered Professional Engineer in Kentucky, 1995

Previous Positions

Manager, Rates

April 2004 – Feb 2008

Manager, Generation Systems Planning

Feb. 2001 – April 2004

Group Leader, Generation Systems Planning

Feb. 2000 – Feb. 2001

Lead Planning Engineer

Oct. 1999 – Feb. 2000

Consulting System Planning Analyst

April 1996 – Oct. 1999

System Planning Analyst III & IV

Oct. 1992 - April 1996

System Planning Analyst II

Jan. 1991 - Oct. 1992

Electrical Engineer II

Jun. 1990 - Jan. 1991

Electrical Engineer I

Jun. 1987 - Jun. 1990

Professional/Trade Memberships

Registered Professional Engineer in Kentucky, 1995

ES FORM 2.00

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Month Ended:

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant		
Eligible Pollution CWIP Excluding AFUDC		
Subtotal		
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Cash Working Capital Allowance		
Deferred Debit Balance -- Mill Creek Ash Dredging		
Subtotal		
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant		
Pollution Control Deferred Income Taxes		
Subtotal		
Environmental Compliance Rate Base		

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	
Monthly Depreciation & Amortization Expense	
less investment tax credit amortization	
Monthly Property and Other Applicable Taxes	
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	
Less : Operating Expenses Associated with Retirements or Replacements Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
Net Beneficial Reuse Operations Expense	

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	
B. Net Jurisdictional E(m) for two months prior to Expense Month	
C. Environmental Surcharge Revenue, current month (from ES Form 3.00)	
D. Retail E(m) recovered through base rates (Base Revenues, ES Form 3.00 times 3.62%)	
E. Over/(Under) Recovery due to Timing Differences ((D + C) - B)	
Over-recoveries will be deducted from the Jurisdictional E(m); under-recoveries will be added to the Jurisdictional E(m)	

LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses
 For the Month Ended:

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation -- Consumables				
506105 - NOx Operation -- Labor and Other				
512101 - NOx Maintenance				
Total 2001 Plan O&M Expenses				
2005 Plan				
502006-Scrubber Operations				
512005-Scrubber Maintenance				
Ashpond Dredging Expense				
Total 2005 Plan O&M Expenses				
2006 Plan				
506109 - Sorbent Injection Operation				
512102 - Sorbent Injection Maintenance				
506110 - Mercury Monitors Operation				
512103 - Mercury Monitors Maintenance				
502006 - Scrubber Operations				
512005 - Scrubber Maintenance				
506104 - NOx Operation -- Consumables				
506105 - NOx Operation -- Labor and Other				
512101 - NOx Maintenance				
506001 - Precipitator Operation				
512011 - Precipitator Maintenance				
Total 2006 Plan O&M Expenses				
2009 Plan				
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance				
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses				
Current Month O&M Expense for All Plans				

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**CCP Disposal Facilities Expenses
For the Month Ended:**

On-Site CCP Disposal O&M Expense		Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1)	12 Months Ending with Expense Month	\$ -	\$ -
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project			
(3)	Monthly Expense	\$ -	\$ -
Total Generating Station			
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates			
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6)	Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7)	Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8)	Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
Adjustment for Base Rate Amount (to ES Form 2.50)		\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

ES FORM 2.60

**LOUISVILLE GAS AND ELECTRIC COMPANY
 ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended:**

Third Party	O&M Expense Account	Plant	Total O&M
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

**LOUISVILLE GAS AND ELECTRIC COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended:

	On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ -	
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	
2009 Plan Project 25					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	
Beneficial Reuse in Base Rates					
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ -	
(6)	Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ -	
(7)	Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	
(8)	Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ -	
If Line (8) Greater than Zero, No Adjustment					
If Line (8) Less than Zero, Adjustment for Base Rates					
Adjustment for Base Rate Amount (to ES Form 2.60)					
		\$ -	\$ -	\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Month Ended:

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant		
Eligible Pollution CWIP Excluding AFUDC		
Subtotal		
Additions:		
Inventory - Limestone		
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory		
Cash Working Capital Allowance		
Subtotal		
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant		
Pollution Control Deferred Income Taxes		
Pollution Control Deferred Investment Tax Credit		
Subtotal		-
Environmental Compliance Rate Base		\$ -

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	
Monthly Depreciation & Amortization Expense	
Monthly Taxes Other Than Income Taxes	
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	
Net Recoverable Emission Allowance Expense	
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
Net Beneficial Reuse Operations Expense	

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	
B. Net Jurisdictional E(m) for two months prior to Expense Month	
C. Environmental Surcharge Revenue, current month (from ES Form 3.00)	
D. Retail E(m) recovered through base rates (Base Revenues, ES Form 3.00 times 5.51%)	
E. Over/(Under) Recovery due to Timing Differences ((D + C) - B)	
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
 Pollution Control - Operations & Maintenance Expenses
 For the Month Ended:

O&M Expense Account	E W Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables						
506105 - NOx Operation -- Labor and Other						
512101 - NOx Maintenance						
Total 2001 Plan O&M Expenses						
2005 Plan						
502006 - Scrubber Operations						
512005 - Scrubber Maintenance						
Total 2005 Plan O&M Expenses						
2006 Plan						
506109 - Sorbent Injection Operation						
512102 - Sorbent Injection Maintenance						
506110 - Mercury Monitors Operation						
512103 - Mercury Monitors Maintenance						
506104 - NOx Operation -- Consumables						
506105 - NOx Operation -- Labor and Other						
512101 - NOx Maintenance						
502006 - Scrubber Operations						
512005 - Scrubber Maintenance						
506001 - Precipitator Operation						
512011 - Precipitator Maintenance						
Total 2006 Plan O&M Expenses						
2009 Plan						
506104 - NOx Operation -- Consumables						
506105 - NOx Operation -- Labor and Other						
512101 - NOx Maintenance						
506109 - Sorbent Injection Operation						
512102 - Sorbent Injection Maintenance						
502012 - ECR Landfill Operations						
512105 - ECR Landfill Maintenance						
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)						
Net 2009 Plan O&M Expenses						
Current Month O&M Expense for All Plans						

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**CCP Disposal Facilities Expenses
For the Month Ended:**

On-Site CCP Disposal O&M Expense		Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1)	12 Months Ending with Expense Month	\$ -	\$ -
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project			
(3)	Monthly Expense	\$ -	\$ -
Total Generating Station			
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates			
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6)	Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7)	Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8)	Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
	If Line (8) Greater than Zero, No Adjustment		
	If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

ES FORM 2.60

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended:**

Third Party	O&M Expense Account	Plant	Total O&M
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
 For the Month Ended:

	On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan Project 33							
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Beneficial Reuse - Generating Station							
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Beneficial Reuse in Base Rates							
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6)	Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7)	Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.