

Volume 2
LG&E Response
to AG

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 76

Responding Witness: Ronald L. Miller

- Q-76. Please state whether any settlements, penalties or interest resulting from audits by taxing authorities are included in expense per books in 2007, 2008 and 2009. If so, provide full details including the periods and issues resolved, the dollar amounts of settlement by issue, the taxing authority penalty or interest by issue, the taxing authority involved, the date of settlement, the current status of the payment, and the final resolution of the matter or status of the protest if unresolved.
- A-76. The Company has reached a settlement in 2009 in connection with the Kentucky Department of Revenue's audit of Sales/Use tax for the period October 1997 to December 2001. (See response to Question No. 75) The settlement resulted in refunds of tax and interest income.

The Company's Internal Revenue Service settlements in 2007, 2008 and 2009 are discussed in our response to Question No. 69. No interest or penalties are included in the expense per books in 2007, 2008, or 2009.

Settlements are reached annually in connection with the filing of the Company's Kentucky Public Service Commission property tax returns. The results of these settlements are recorded in each year's property tax expenses. There are no penalties or interest charges associated with these settlements.

Also see response to Question No. 150 for penalties.

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LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 77

Responding Witness: S. Bradford Rives/Counsel

- Q-77. Please provide a copy of the Company's five-year (or shorter if 5 years is not prepared) operating, maintenance, and capital budgets prepared in 2007, 2008 and 2009.
- A-77. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 78

Responding Witness: S. Bradford Rives/Counsel

- Q-78. For the budgets supplied in response to the preceding question, please provide a description of all variations from actual expense levels which are due to known and certain changes, providing supporting documentation. Indicate all variations from actual levels which result from the application of inflation or escalation factors. In those instances where inflation or escalation factors were utilized, explain the derivation of the factors used in each case. If a single factor was used, a summary description will suffice.
- A-78. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
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Question No. 79

Responding Witness: Robert M. Conroy

- Q-79. Please indicate, if known and quantifiable, any anticipated changes in jurisdictional allocation factors and the impacts thereof on the test period in this case.
- A-79. The Company does not anticipate any changes in jurisdictional allocation factors, and therefore does not anticipate any changes to test period results in this case.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
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Question No. 80

Responding Witnesses: Paula H. Pottinger, Ph.D./Valerie L. Scott

Q-80. Indicate the number of and expenses related to temporary or seasonal employees included in 2007, 2008 and 2009 jurisdictional expenses.

A-80. The Company does not have any seasonal employees. The chart below reflects Kentucky jurisdictional expenses at LG&E related to temporary employees for 2007, 2008 and 2009.

Year	# of Employees	Expenses
2007	25	\$434,501
2008	27	\$250,820
2009	17	\$68,312

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 81

Responding Witness: Paula H. Pottinger, Ph.D.

- Q-81. Please provide a schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test period and the three preceding 12-month periods. Break out non-union employees between CEO, executives making more than \$150,000 and management making less than \$150,000.
- A-81. The schedule below shows the salary increase for the test period and the three preceding 12-month periods as requested above. While executives are employees of the service company, a portion of their salary is charged to rate payers as indicated in the initial request KPSC-1 Question No. 46.

	Test Period	2008	2007	2006
Union	3.5%	3.5%	3.5%	3.5%
CEO	3.0%	4.0%	4.0%	4.0%
Executives > \$150,000	3.0%	4.0%	4.0%	4.0%
Management < \$150,000	3.1%	3.6%	3.8%	3.8%
Individual Contributors	3.5%	3.5%	3.4%	3.5%
Non-Exempt	3.4%	3.5%	3.3%	3.2%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 82

Responding Witness: Shannon L. Charnas

- Q-82. Please provide jurisdictional totals and amounts by payee, and an explanation of the services provided, for all amounts charged to outside services during 2007, 2008 and 2009.
- A-82. See attached CD in folder titled Question No. 82 for the Kentucky jurisdictional amounts.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 83

Responding Witness: Paula H. Pottinger, Ph.D.

- Q-83. Please provide copies of any studies or analyses prepared by or for the Company regarding the level of the Company's wages compared to the wages paid by other utilities, service companies, or any other entity.
- A-83. The Company participates annually in a number of general and utility industry third party compensation surveys to obtain market pricing and salary planning data from which to determine competitive salaries. Attachment #1 summarizes the analysis completed for 2009.

The Company's compensation philosophy is to establish salary ranges based on the 50th percentile of each job's market pricing. A job's market price serves as a reference point from which to administer compensation. Compensation compared to the external reference point results in a compa-ratio. The analysis below was completed mid-November 2008 in order to make a recommendation for 2009's salary increase budget.

Sal Plan	Average of 09 Compa	Average of 09 Total Cash Compensation Compa	Average of Target Total Cash Compensation Compa-Ratio	Count
EX	96.10%	99.10%	98.97%	1054
MG	99.94%	101.94%	101.40%	166
NE	97.86%	101.44%	101.09%	626
SM	98.08%	100.38%	100.81%	57
Grand Total	97.07%	100.16%	99.93%	1903

From the analyses in Attachment #1 and the chart above, Attachment #2 was prepared to provide a summary and formal recommendation regarding 2009's salary increase budget.

2008 Projected and Actual Salary Increase/2009 Projected Salary Increase Budget

	National			Executive			Management			Technical / Professional			Non-Exempt			Non-Union Hourly			Union			
	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	
	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	
Survey Source	3.6%	3.6%	3.7%	3.8%	3.8%	3.8%	3.6%	3.6%	3.7%	3.6%	3.6%	3.7%	3.6%	3.6%	3.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.7%	2009
Compensation Resources - General (1)	Data not available	Data not available	3.7%	3.8%	3.8%	3.8%	3.8%	3.7%	3.7%	3.8%	3.7%	3.7%	3.8%	3.7%	3.7%	3.7%	3.6%	3.6%	3.7%	3.7%	3.7%	Data not available
Conference Board - General	3.8%	3.8%	3.7%	3.9%	3.8%	3.9%	3.9%	3.8%	3.8%	3.9%	3.9%	3.7%	3.8%	3.8%	3.8%	3.6%	3.6%	3.6%	3.7%	3.7%	3.8%	Data not available
Hewitt - General	3.8%	3.8%	3.7%	3.9%	3.8%	3.9%	3.9%	3.8%	3.8%	3.9%	3.9%	3.7%	3.8%	3.8%	3.8%	3.6%	3.6%	3.6%	3.7%	3.7%	3.8%	Data not available
Mercer - General (1)	3.7%	3.6%	3.6%	3.8%	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%	3.5%	3.5%	Data not available
World at Work - General	n/a	3.8%	n/a	n/a	4.0%	3.9%	n/a	3.8%	3.8%	3.8%	3.7%	n/a	3.8%	3.8%	3.8%	n/a	n/a	3.7%	3.7%	3.7%	3.7%	Data not available
Wyatt - General (2)	3.7%	3.7%	3.7%	3.8%	3.9%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	Data not available
General Industry Average	3.7%	3.7%	3.7%	3.8%	3.9%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

(1) National results represent the average of the reported employee groups.

(2) New survey source for 2009 salary planning.

	National			Executive			Management			Technical / Professional			Non-Exempt			Non-Union Hourly			Union			
	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	Projected	Actual	Projected	
	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	2008	2008	2009	
Survey Source	3.8%	3.8%	3.8%	4.1%	4.0%	4.0%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	Data not available
Compensation Resources - Utility (1)	Data not available	Data not available	3.8%	3.6%	4.0%	4.0%	3.5%	3.8%	3.8%	3.8%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	Data not available
Conference Board - Utility	3.8%	3.8%	3.7%	3.9%	3.9%	3.9%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	Data not available
Hewitt - Power/Gas (including 0%)	3.8%	n/a	4.1%	n/a	4.5%	4.1%	3.8%	n/a	4.1%	3.8%	n/a	4.0%	3.8%	n/a	4.0%	3.8%	n/a	3.8%	3.8%	n/a	3.9%	Data not available
Mercer - Utility (2)	3.5%	3.6%	3.7%	3.7%	3.7%	3.7%	3.5%	3.6%	3.7%	3.5%	3.6%	3.7%	3.5%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	Data not available
World at Work - Utility (1)	3.7%	3.7%	3.9%	3.9%	4.0%	3.8%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	Data not available
Wyatt - Utility	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	Data not available
Utility Industry Average	3.7%	3.7%	3.9%	3.9%	4.0%	3.8%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	Data not available

(1) National results represent the average of the reported employee groups.

(2) 2008 actual utility data not reported back in 2008/2009 Comp Planning Survey, 2009 projected numbers reported represent the Energy data cut



INTEROFFICE MEMO

Martha Jessee

Manager, Compensation and HRIS

502-627-2085

502-627-4045 (Fax)

October 30, 2008

To: Paula Pottinger

Subject: 2009 Salary Adjustments

Consistent with past practice we have finalized utility and general industry salary planning data from six sources. The attached spreadsheet captures by industry the 2008 actual and 2009 projected increases by employee group. Executive salary increases are projected to increase in 2009 by 4% in the utility industry and 3.8% for the general industry.

We will continue to monitor any changes companies may be considering since data was reported this summer. To date we have no indication that companies in the U.S. are consistently freezing executive salaries or delaying or post-poning executive increases.

The attached summary for 2009 supports a 3.5% budget for senior manager, manager, exempt and non-exempt salaried employee groups. E.ON U.S. salaries, on average, will be at market assuming a budgeted increase for 2009.

Please let me know what additional support you may need or if you have any questions.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 84

Responding Witness: Valerie L. Scott

Q-84. Please provide the FICA wage base dollars included in total wages paid for the years ended December 31, 2007 and 2008.

A-84.

Year	OASDI Taxable Wages	Medicare Wages
2007	\$ 69,075,369	\$ 70,351,250
2008	\$ 74,817,816	\$ 76,275,769

Data reported includes Louisville Gas and Electric employees only.

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Question No. 85

Responding Witness: Valerie L. Scott

Q-85. Please provide the FICA wage base anticipated for the base and test periods and explain its derivation.

A-85.

	OASDI Taxable Wages	Medicare Wages
Test Year	\$ 76,933,157	\$ 78,310,565

Data was derived from payroll records and includes Louisville Gas and Electric employees only.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 86

Responding Witness: Valerie L. Scott

Q-86. Please provide the percent of wages, employee benefits, overheads by type, employment taxes and other expenses charged to O&M on the basis of labor dollars (by the various labor categories, if possible) for 2007, 2008 and 2009. Please indicate the causes of any differences between the percentages (over 3 percent) from year to year.

A-86. The table below represents the expense item as a percent of total wages.

Type of O&M Expense	2007	2008	2008		2009	
			vs. 2007	2009	vs. 2008	2008
Wages	80.4%	79.4%	-1.0%	80.5%	1.1%	
401k	2.9%	3.4%	0.5%	3.3%	-0.1%	
Dental	0.6%	0.5%	-0.1%	0.5%	0.0%	
FASB 112	-0.3%	0.1%	0.4%	0.2%	0.1%	
FASB 106	8.2%	7.2%	-1.0%	6.9%	-0.3%	
FICA	7.2%	7.0%	-0.2%	7.0%	0.0%	
Holiday	3.5%	3.3%	-0.2%	3.5%	0.2%	
Life	0.5%	0.4%	-0.1%	0.3%	-0.1%	
Long-Term Disability	0.5%	0.5%	0.0%	0.3%	-0.2%	
Medical	8.2%	7.8%	-0.4%	8.3%	0.5%	
Miscellaneous	0.2%	0.6%	0.4%	0.8%	0.2%	
Off Duty Other	0.6%	0.5%	-0.1%	0.6%	0.1%	
Pension	8.3%	8.1%	-0.2%	26.5%	18.4%	
Retirement Income	0.1%	0.2%	0.1%	0.3%	0.1%	
Sick	1.6%	1.8%	0.2%	1.8%	0.0%	
TIA	8.9%	7.8%	-1.1%	6.7%	-1.1%	
Tuition Reimbursement	0.3%	0.4%	0.1%	0.4%	0.0%	
Unemployment	0.2%	0.2%	0.0%	0.1%	-0.1%	
Vacation	6.7%	6.3%	-0.4%	6.5%	0.2%	
Workers' Compensation	0.4%	0.4%	0.0%	0.8%	0.4%	

The increase in pension expense as a percentage of total labor from 2008 to 2009 is due to the volatility in the capital markets and the investment losses in 2008.

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Attorney General's Initial Requests for Information
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Question No. 87

Responding Witness: Valerie L. Scott

Q-87. State whether the filing includes any provision for corporate performance awards. If so, list the dollar amount for each program. Identify into which accounts and in what amounts it has been accrued.

A-87. The Team Incentive Award (TIA) is the only corporate performance award included in the filing provided to employees. The following table summarizes the charges recorded for LG&E.

LG&E Employees	\$ 5,171,185	(1)
Servco Employees	4,360,854	(2)
KU Employees	<u>72,666</u>	(3)
Total	<u>\$ 9,604,705</u>	

(1) For details by account, see PSC 2-127(a), column 17

(2) For details by account, see PSC 2-127(b), column 17

(3) For details by account, see PSC 2-127(d), column 17

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 88

Responding Witness: Valerie L. Scott

Q-88. Does overtime include normal pay plus premium or just premium? Identify the level of premium pay for 2007, 2008 and 2009.

A-88. Overtime includes straight time pay, overtime pay differentials and premium pay. The Company does not record straight time pay and overtime pay differentials separately for employees earning overtime pay rates. Premium pay (e.g. additional pay for work regularly performed outside normal daytime hours) is recorded separately. The table below represents premium pay reported for LG&E in 2007, 2008 and 2009.

Year	Premium Pay
2007	\$ 618,853
2008	\$ 754,618
2009	\$ 715,324

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Attorney General's Initial Requests for Information
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Question No. 89

Responding Witness: Paula H. Pottinger, Ph.D.

Q-89. Please provide a copy of any Company labor productivity analyses which have been performed during the past three years.

A-89. Employee performance is evaluated at all levels of the Company.

Salaried managers and employees work together to develop performance objectives, specify achievable measurements and select appropriate competencies in relation to objectives and for developmental purposes.

Managers and employees meet periodically to review performance. They note progress on achievement against objectives, competencies and the goals set forth in Individual Development Plans. They also address areas where the employee needs to improve performance in order to reach objectives or demonstrate appropriate work behaviors.

Non-salaried employees receive feedback on tasks and skills using pre-determined accountabilities.

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Question No. 90

Responding Witness: Valerie L. Scott

Q-90. Please provide a copy of the Company's most recent pension plan and post-retirement benefits actuarial studies.

A-90. See attached. For 2009 pension plan actuarial studies, refer to Question No. 91(a). For 2009 post-retirement plan actuarial studies, refer to Question No. 94.

Patrick C. Baker
Senior Associate

Scott

MERCER



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February 26, 2010

Ms. Kelli Higdon
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Private & Confidential

Subject: 2010 FAS and IFRS Expense for Postretirement Benefit Plan

Dear Kelli:

Enclosed are exhibits illustrating the 2010 FAS 106 (both for financial and regulatory accounting purposes) and the 2010 IAS 19 expense by component for the Postretirement Benefit Plans of E.ON U.S. LLC. The figures in the exhibits may be revised if assets and/or liabilities are remeasured during the year due to a plan amendment, curtailment, settlement or other significant event.

A measurement date of December 31, 2009 was used in these calculations. Plan liabilities were based on census data collected as of September 30, 2009 and claims costs were updated. The expense amounts reflect the change in the expected rate of return on assets assumption for the 401h account from 8.25% to 7.75%. All other methods, assumptions and plan provisions were the same as those used in the year end FAS and IAS disclosures, including a 5.82% discount rate for FAS purposes and 5.81% discount rate for IAS purposes.

We have assumed that E.ON U.S. LLC will make an additional prefunding contribution for the 401(h) account at the end of the year equal to the maximum tax-deductible contribution for the 2010 calendar year. Since the contribution is assumed to be at the end of the year, it does not impact the expense calculations this year. If the contribution is made earlier, the expense will be slightly reduced. Please note that we are assuming no additional prefunding for the Nonunion and Union VEBAs. We have also assumed that no benefit payments are paid out of the 401(h) account in 2010.

We have also included a reconciliation of the actual 2010 FAS and IAS expenses to the 2010 budget estimates provided on April 24, 2009.

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E.ON U.S. LLC

Based on our discussions, we have assumed that E.ON U.S. LLC will apply for and receive the subsidy available under Medicare in 2010 for the grandfathered pre-2000 Kentucky Utilities retirees that have post-65 drug coverage. The full amount of the reduction in expense has been applied to Kentucky Utilities. The following assumptions were used with the MMA calculations:

- E.ON U.S. LLC will determine actuarial equivalence by benefit option. Testing by benefit option, the grandfathered pre-2000 Kentucky Utilities post-65 retiree medical drug plan is projected to meet the definition of actuarial equivalence indefinitely.
- E.ON U.S. will apply for and receive the subsidy available under Medicare indefinitely for all pre-2000 Kentucky Utilities retirees that have post-65 drug coverage.
- Retirees do not elect the Medicare Part D benefit.

The estimated subsidy was based on Mercer's understanding of the Medicare Reform legislation based on the final Center for Medicare Services (CMS) regulations issued in January 2005 and on the provided claims information from the medical plan administrator.

Mercer has prepared this report exclusively for E.ON U.S. LLC to provide the net periodic benefit cost for the fiscal year ending December 31, 2010 under US accounting standards for the Postretirement Benefit Plan of E.ON U.S. LLC.

This valuation report may not be used or relied upon by any other party or for any other purpose. Mercer is not responsible for the consequences of any unauthorized use.

A valuation report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a plan's future financial condition or its ability to pay benefits in the future.

Over time, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, plan expenses and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the valuation date, but are predicted to fall within a reasonable range of possibilities.

To prepare this report, *actuarial assumptions*, as described above, are used to select a single scenario from the range of possibilities. The results of that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will

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E.ON U.S. LLC

differ from those assumptions, these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and results based on those assumptions would be different. Actuarial assumptions may also be changed from one valuation to the next because of changes in mandated requirements, plan experience, changes in expectations about the future and other factors. Due to the limited scope of our assignment, we did not perform, and thus do not present, an analysis of the potential range of future possibilities and scenarios.

Because actual plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a valuation report or reports.

To prepare this report, Mercer has used and relied on financial data submitted by E.ON U.S. LLC, and claims, premium and participant data supplied by the plan sponsor, third party administrator or insurance carrier. We have reviewed the financial, claims, premium and participant data for internal consistency and general reasonableness, but we have not verified or audited any of the data or information provided. We have also used and relied upon the plan documents, including amendments and summary plan descriptions, supplied by the plan sponsor, as described above. E.ON U.S. LLC is solely responsible for the validity, accuracy and comprehensiveness of this information; if the data or plan provisions supplied are not accurate and complete, the valuation results may differ significantly from the results that would be obtained with accurate and complete information; this may require a later revision of this report.

The valuation of the plan was performed in accordance with generally accepted actuarial principles and procedures. The accounting calculations reported herein are based on the assumptions and methods described in the "actuarial basis" section of this report. The actuarial assumptions were selected by the company. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

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MARSH MERCER KROLL
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February 26, 2010

Ms. Kelli Higdon

E.ON U.S. LLC

We are available to answer any questions on this material, or to provide explanations or further details, as may be appropriate. Collectively, the credentialed actuaries Marcie Gunnell and Linda Myers meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this letter. We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of our work.

If you have any questions, please call me at 502-561-4504 or Marcie Gunnell at 502-561-4622.

Sincerely,

A handwritten signature in cursive script that reads "Patrick C. Baker".

Patrick C. Baker
Senior Associate

Copy: Dan Arbough, Chris Garrett, Elliott Horne, Heather Metts, Ron Miller, Vaneca Mottley, Ken Mudd, Susan Neal, Brad Rives, Valerie Scott, Cathy Shultz, Vicki Strange, Henry Erk, Linda Myers, Wes Smith, Marcie Gunnell

Enclosure

g:\hwg\client\gk\wp\2010\fas and ias expense - letter and exhibits.doc

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

POSTRETIREMENT BENEFIT PLAN OF E.ON U.S. LLC

COMPARISON OF ACTUAL 2010 FAS 106/IFRS EXPENSE TO
ESTIMATED 2010 FAS 106/IFRS EXPENSE FROM APRIL 24, 2009
(In Millions)

	Financial Accounting Purposes	Regulatory Accounting Purposes	IFRS Accounting Purposes
2010 Projected FAS 106/IFRS expense calculated on April 24, 2009	\$ 14.1	\$ 16.3	\$ 15.7
Decrease due to change in WKE expense for July 16, 2009 transaction with Big Rivers	(0.1)	(0.1)	0.0
Increase due to reduction in discount rates	0.7	0.2	0.0
Changes due to other gains / losses	(0.3)	0.2	0.1
2010 Projected FAS 87/IFRS expense calculated on January 29, 2010	\$ 14.4	\$ 16.6	\$ 15.8
Decrease due to updated projected medical costs	(1.3)	(0.7)	(0.6)
Decrease due to other gains / losses	(0.9)	(0.7)	(0.5)
Actual 2010 FAS 106/IFRS Expense	\$ 12.2	\$ 15.2	\$ 14.7

E.ON U.S. LLC
2010 FAS 106 Expense For Postretirement Benefit Plans
 December 31, 2009 Measurement Date
 Financial Accounting (Includes Purchase Accounting)

	Non-Union				Total	LGE Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE				
Service cost	595,847	1,500,805	1,497,501			518,494		
Interest cost	1,860,968	4,281,494	1,280,720			2,827,973		
Expected return on assets	(262,305)	(1,260,738)	(1,036,862)			0		
Amortizations:								
Transition	0	0	0			0		
Prior service cost	414,137	464,306	232,583			721,267		
Gain/loss	(1,190)	(777,566)	(794)			(647,788)		
FAS 106 Expense	2,607,457	4,208,101	1,973,148			3,419,946		

Regulatory Accounting (Excludes Purchase Accounting)

	Non-Union				Total	LGE Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE				
Service cost	595,847	1,500,805	1,497,501			518,494		
Interest cost	1,860,968	4,281,494	1,280,720			2,827,973		
Expected return on assets	(262,305)	(1,260,738)	(1,036,862)			0		
Amortizations:								
Transition	252,461	1,120,930	109,514			417,204		
Prior service cost	414,137	464,306	232,583			983,667		
Gain/loss	0	0	0			(568,245)		
FAS 106 Expense	2,861,108	6,106,597	2,083,456			4,179,113		
Accumulated Postretirement Benefit Obligation (APBO) as of December 31, 2009	33,440,986	75,369,945	22,304,818			50,340,142		

E.ON U.S. LLC
2010 IAS 19 Expense For Postretirement Benefit Plans
 December 31, 2009 Measurement Date
 Accounting Under IFRS

	Non-Union						Total	LG&E Union	WKE Union	Grand Total
	LG&E	KU	ServCo	WKE	International					
Current service cost	720,299	1,809,805	1,822,394				627,589			
Interest on obligation	2,040,210	4,593,843	1,498,967				3,201,219			
Expected return on plan assets	(262,305)	(1,260,738)	(1,036,862)				0			
Net actuarial losses (gains) recognized in year	0	0	0				0			
Past service cost recognized in year	71,996	284,971	289,996				275,302			
IAS 19 Expense	2,570,200	5,427,881	2,552,495				4,104,110			
1-time charge/(credit)	0	0	0				0			
Present value of obligation as of December 31, 2008	36,581,083	81,872,611	26,084,681				56,847,976			

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February 26, 2010

Ms. Kelli Higdon
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Private & Confidential

Subject: 2010 FAS and IFRS Expense for Retirement Plans

Dear Kelli:

Enclosed are exhibits illustrating the 2010 FAS 87 regulatory and financial accounting expense as well as the 2010 IFRS expense for the retirement plans of E.ON U.S. LLC. I have also enclosed a reconciliation to the projected 2010 expense amounts provided on April 24, 2009.

The FAS 87 expense for financial accounting purposes decreases from \$59.1 million to \$52.3 million and the regulatory accounting expense decreases from \$67.8 million to \$60.9 million. For IFRS purposes, the expense decreases from \$35.8 million to \$33.1 million. The main reason for the decrease was due to favorable investment performance during 2009. For the FAS expense amounts, this reduction was partially offset by the combined increases due to the reduction in the discount rates, the expected rate of return on assets assumption and small plan liability losses. For the IFRS expense, the reduction due to favorable investment performance was partially offset by the increase due to the reduction in the expected rate of return on assets assumption. In addition, the IFRS expense decreased slightly due to the increases in the LG&E Union and Non-Union Plans' discount rate.

A measurement date of December 31, 2009 was used in these calculations. Plan liabilities were based on census data collected as of September 30, 2009. The market values of assets as of December 31, 2009 were provided by you. All other methods, assumptions and plan provisions used in calculating the 2010 FAS 87 and IFRS expenses were the same as those used in the applicable December 31, 2009 disclosures. The expense amounts reflect the change in the expected rate of return on assets assumption from 8.25% to 7.75%. For the WKE Union plan, we have used an expected rate of return of 0%.

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E.ON U.S. LLC

Lastly, we reflected the following contributions, which were made on January 13, 2010:

Plan	Amount (In Millions)
LG&E Union	\$12.4
Non-Union	
LG&E Utility	7.5
ServCo	8.7
KU	12.8
Total	\$41.4

If you have any questions or need anything else, please give me a call.

Mercer has prepared this material exclusively for E.ON U.S. LLC. This report may not be used or relied upon by any other party or for any other purpose. Mercer is not responsible for the consequences of any unauthorized use.

A report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future.

Over time, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, plan expenses and the amount earned on any assets invested to pay the benefits. These amounts and others are uncertain and unknowable at the valuation date, but are predicted to fall within a reasonable range of possibilities.

To prepare this report, *actuarial assumptions*, as described above, are used to select a single scenario from the *range of possibilities*. The results of that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. In addition, different assumptions or scenarios may also be within the reasonable range and results based on those assumptions would be different. Actuarial assumptions may also be changed from one valuation to the next because of mandated requirements, plan experience, changes in expectations about the future and other factors. Due to the limited scope of our assignment, we did not perform, and thus do not present, an analysis of the potential range of future possibilities and scenarios.

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E.ON U.S. LLC

Because actual plan experience will differ from the assumptions, decisions about benefit changes, investment policy, funding amounts, benefit security and/or benefit related issues should be made only after careful consideration of alternative future financial conditions and scenarios, and not solely on the basis of a valuation report or reports.

To prepare this report, Mercer has used and relied on financial data submitted by the trustee as well as participant data supplied by the plan sponsor. The data used is referenced above. We have reviewed the financial and participant data for internal consistency and general reasonableness, but we have not verified or audited any of the data or information provided. We have also used and relied upon the plan documents, including amendments, supplied by the plan sponsor, as summarized in the Summary of Plan Provisions section of the 2009 FAS and IAS valuation report. E.ON U.S. LLC is solely responsible for the validity, accuracy and comprehensiveness of this information; if the data or plan provisions supplied are not accurate and complete, the valuation results may differ significantly from the results that would be obtained with accurate and complete information; this may require a later revision of this report.

The valuation of the plan was performed in accordance with generally accepted actuarial principles and procedures. The accounting calculations reported herein are based on the assumptions and methods described above. The actuarial assumptions were selected by the company. Based on the information provided to us, we believe that the actuarial assumptions are reasonable for the purposes described in this report.

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MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

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February 26, 2010
Ms. Kelli Higdon
E.ON U.S. LLC

We are available to answer any questions on the material contained in the report, or to provide explanations or further details as may be appropriate. The undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of our work.

Linda C. Myers, F.S.A.
Enrolled Actuary (No. 08-04846)

2/26/2010

Date

Henry A. Erk III, F.S.A.
Enrolled Actuary (No. 08-02713)

2/26/2010

Date

Copy: Dan Arbough, Chris Garrett, Elliott Horne, Heather Metts, Ron Miller, Vaneeca Mottley, Ken Mudd, Susan Neal, Brad Rives, Valerie Scott, Cathy Shultz, Vicki Strange, Henry Erk, Wes Smith, Patrick Baker, Marcie Gunnell

Enclosures

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

E.ON U.S. LLC RETIREMENT PLANS

**COMPARISON OF PROJECTED 2010 FAS 87/IFRS EXPENSE CALCULATED ON APRIL 24, 2009
TO ACTUAL 2010 FAS 87/IFRS EXPENSE
(In Millions)**

	Financial Accounting Purposes	Regulatory Accounting Purposes	IFRS Accounting Purposes
2010 Projected FAS 87/IFRS Expense calculated on April 24, 2009*	\$ 59.1	\$ 67.8	\$ 35.8
Increase/(decrease) due to change in discount rates	2.6	2.5	(0.2)
Reduction due to favorable asset performance during 2009	(13.5)	(13.5)	(6.2)
Increase due to reduction in expected rate of return from 8.25% to 7.75%	3.5	3.5	3.5
Increase due to 2010 expense for WKE Union Plan	0.2	0.2	0.2
2010 Projected FAS 87/IFRS Expense calculated on January 29, 2010	\$ 51.9	\$ 60.5	\$ 33.1
Increase due to plan liability losses	0.4	0.4	0.0
2010 Actual FAS 87/IFRS Expense	\$ 52.3	\$ 60.9	\$ 33.1

* Includes expense amounts of \$0 for WKE Union Plan.

2010 Net Periodic Pension Cost for Qualified Plans

Regulatory Accounting Purposes

	<u>LG&E Union</u>	<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>	<u>Total</u>	<u>WKE-Union</u>
1. Service cost	\$ 1,638,375	\$ 2,164,116	\$ 10,084,377	\$ 6,474,518			
2. Interest cost	14,727,162	11,358,241	15,263,369	18,941,394			
3. Expected return on assets	(15,438,104)	(10,073,957)	(11,425,119)	(17,189,638)			
4. Amortizations:	0	0	0	0			
a. Transition							
b. Prior service cost	2,315,869	2,866,531	2,530,128	816,802			
c. Gain/loss	6,880,562	3,082,226	3,700,956	6,528,361			
5. Net periodic pension cost	\$ 10,123,864	\$ 9,397,157	\$ 20,153,711	\$ 15,571,437			

Financial Accounting Purposes

	<u>LG&E Union</u>	<u>LG&E</u>	<u>ServCo</u>	<u>KU</u>	<u>WKE</u>	<u>Total</u>	<u>WKE-Union</u>
1. Service cost	\$ 1,638,375	\$ 2,164,116	\$ 10,084,377	\$ 6,474,518			
2. Interest cost	14,727,162	11,358,241	15,263,369	18,941,394			
3. Expected return on assets	(15,438,104)	(10,073,957)	(11,425,119)	(17,189,638)			
4. Amortizations:	0	0	0	0			
a. Transition							
b. Prior service cost	1,339,645	1,154,544	2,282,697	23,752			
c. Gain/loss	5,173,742	2,840,089	2,052,910	5,770,922			
5. Net periodic pension cost	\$ 7,440,820	\$ 7,443,033	\$ 18,258,234	\$ 14,020,948			

2010 Net Periodic Pension Cost for Non-Qualified Plans

Qualified and
Non-Qualified
Plans
Grand Total

Regulatory Accounting Purposes

<u>Hale SERP</u>	<u>LG&E</u>	<u>Officer SERP</u>	<u>Total</u>	<u>Restoration Plan</u>	<u>Total</u>
		<u>ServCo</u>		<u>KU</u>	<u>WKE</u>
				<u>ServCo</u>	

1. Service cost
2. Interest cost
3. Expected return on assets
4. Amortizations:
 - a. Transition
 - b. Prior service cost
 - c. Gain/loss
5. Net periodic pension cost

Financial Accounting Purposes

<u>Hale SERP</u>	<u>LG&E</u>	<u>Officer SERP</u>	<u>Total</u>	<u>Restoration Plan</u>	<u>Total</u>
		<u>ServCo</u>		<u>KU</u>	<u>WKE</u>
				<u>ServCo</u>	

1. Service cost
2. Interest cost
3. Expected return on assets
4. Amortizations:
 - a. Transition
 - b. Prior service cost
 - c. Gain/loss
5. Net periodic pension cost

IFRS Accounting Purposes

2010 Pension Cost for Qualified Plans

	LG&E Union	LG&E	ServCo	NonUnion Retirement Plan	WKE	Total	WKE-Union
				KU			
1. Service cost	\$ 2,489,378	\$ 2,138,405	\$ 9,969,699	\$ 6,401,134			
2. Interest cost	16,309,209	11,383,637	15,257,444	18,976,477			
3. Expected return on assets	(15,438,104)	(10,066,084)	(11,427,187)	(17,194,917)			
4. Amortizations:							
a. Transition	0	0	0	0			
b. Prior service cost	0	0	0	0			
c. Gain/loss	0	0	0	0			
5. Pension cost	\$ 3,360,483	\$ 3,455,958	\$ 13,799,956	\$ 8,182,694			

1. Service cost
2. Interest cost
3. Expected return on assets
4. Amortizations:
 - a. Transition
 - b. Prior service cost
 - c. Gain/loss
- 5. Pension cost**

2010 Pension Cost for Non-Qualified Plans

	Halt SERP	LG&E	Officer SERP	Restoration Plan	Qualified and Non-Qualified Plans
			ServCo	WKE	Grand Total
			Total	KU	Total
1. Service cost					
2. Interest cost					
3. Expected return on assets					
4. Amortizations:					
a. Transition					
b. Prior service cost					
c. Gain/loss					
5. Pension cost					

1. Service cost
2. Interest cost
3. Expected return on assets
4. Amortizations:
 - a. Transition
 - b. Prior service cost
 - c. Gain/loss
- 5. Pension cost**

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 91

Responding Witness: Valerie L. Scott/Daniel K. Arbough

Q-91. With regard to pension expense:

- a. Please provide the most recent actuarial study.
- b. Please identify the amount of pension expense included in 2007, 2008 and 2009. Also please provide workpapers showing the derivation of these amounts.
- c. Please state whether the pension expense provided in part b, includes interest charges or earnings based on the time of payment. If yes, please identify the amount and provide workpapers or supporting documentation.
- d. Please state the frequency with which pension contributions are made and the relationship of the payment date(s) to the period for which the contribution is being made. If the pension contributions are paid to the parent or service company, please identify both Company payment date(s) and the date(s) on which the contribution is actually made by the affiliate.
- e. Please identify where pension expense has been included in the last working capital study and how the pension contribution date was recognized in determining the lag days for that category.
- f. Please describe and quantify the effects FASB 87, 88 and 158 had on the pension plans for the Company for 2007, 2008 and 2009 if fully reflected.

A-91. a. See attached CD in folder titled Question No. 91.

- b. Refer to part a. for the 2009 Mercer year-end disclosure, and see attached CD in folder titled Question No. 91 for 2007 and 2008 disclosures, that support all assumptions used and the derivation of the calculations detailed below.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
LGE Charging LGE:			
Mercer net periodic pension cost	\$ 2,712,042	\$ 4,939,436	\$ 25,213,118
Expense Allocation %	75.02%	74.73%	72.75%
	<u>2,034,464</u>	<u>3,691,129</u>	<u>18,342,923</u>
Servco Charging LGE:			
Mercer net periodic pension cost	14,320,177	12,257,740	21,586,653
Servco Allocation %	42.34%	42.37%	42.78%
	<u>6,063,725</u>	<u>5,193,786</u>	<u>9,234,860</u>
Expense Allocation %	80.15%	78.09%	86.10%
	<u>4,860,022</u>	<u>4,055,589</u>	<u>7,950,884</u>
Others Charging LGE:	<u>28,459</u>	<u>31,343</u>	<u>123,711</u>
Total LGE Expense:	<u>\$ 6,922,945</u>	<u>\$ 7,778,061</u>	<u>\$ 26,417,518</u>

- c. Mercer takes the expected date of plan contributions by the Company into consideration when calculating net periodic pension cost. However, Mercer does not separately disclose the interest charges or expected earnings resulting from variations in payment dates.
- d. LG&E made discretionary contributions to the pension plan of \$55.7 million in January 2007, \$7.9 million in April 2009, and \$19.9 million in January 2010. The amount of future contributions to the pension plan will depend upon the actual return on plan assets and other factors, but the Company funds its pension obligations in a manner consistent with the Pension Protection Act of 2006 (the "PPA") which requires the plans to be fully funded to the target liability (as defined in the PPA) by 2015. In addition, the PPA requires that the Company fund at least the "normal cost" for each year unless the plan is fully funded. The "normal cost" includes the current year service cost plus plan expenses. Payments are made to the plan by the services company and are reimbursed by the affiliate in the following calendar month.
- e. Not applicable. The Company does not perform working capital studies.
- f. FASB 87 was adopted in 1987 and FASB 158 was adopted in 2006. The impact of the implementation of FASB 158 is discussed in PSC 1-53. The amounts provided in b. above include the effects of the adoption of both FASB 87 and 158. Since the Company has not curtailed its plans, FASB 88 does not apply.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 92

Responding Witness: Daniel K. Arbough

Q-92. What rate of interest is the Company currently earning on its pension plan fund balance?

A-92. The LG&E Union plan earned rates of return of 21.6%, -23.8%, and 5.9% on its pension plan fund balance for years 2009, 2008, and 2007, respectively (net of fees). The three-year return as of year-end 2009 was -0.6%.

The LG&E Non-Union plan earned rates of return of 22.7%, -23.4%, 6.2% on its pension plan fund balance for years 2009, 2008, and 2007, respectively (net of fees). The three-year return as of year-end 2009 was -0.1%. The assumed rate of return used in 2010 expense calculations is 7.75%.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Attorney General's Initial Requests for Information
Dated March 1, 2010

Question No. 93

Responding Witness: Paula H. Pottinger, Ph.D.

Q-93. Has the Company considered reducing the amount of post retirement health care, dental and life insurance coverage? If yes, provide details of any proposed reductions. If no, provide an explanation of why not.

A-93. **Post Retirement Medical**

Yes, the Company reduced the amount of post retirement medical coverage for employees hired or rehired after 1/1/06.

- Future retirees, age 55 with at least 10 years of service, with a hire or rehire date on or after 1/1/06 are eligible for a notional retiree premium account that is credited with a one-time credit equal to \$2,000 multiplied by the retiree's full years of service after age 45, but not to exceed \$30,000. In addition, for the retiree's dependents, a separate premium account equal to fifty percent of the retiree's premium account is provided. Retirees can use the premium account balance to offset the full cost or partial cost for retiree medical coverage, however when the premium account is depleted, the retiree pays the full monthly cost of the retiree medical coverage. The notional account balance is not available for any other purpose, nor may it be converted to cash.
- Future retirees, age 55 with at least 10 years of service, with a hire or rehire date before 1/1/06 are eligible to receive a \$190 monthly retiree premium credit and \$100 monthly dependent premium credit to apply toward company sponsored medical options. The retiree pays the difference between the monthly premium cost of the medical coverage and the monthly premium credit.
- Retirees who retired prior to 1/1/06 under the premium credit basis continue on the premium credit basis under similar plan provisions in effect at their retirement.

Post Retirement Dental

Other than COBRA, post-retirement dental is not offered.

Post Retirement Life

The Company reduced the amount of post retirement life insurance for salaried employees who retired after 1/1/00.

- If retiring after 1/1/00, eligible retirees (age 55 with at least 10 years of service) are entitled to 1 times their basic annual salary with a \$100,000 maximum benefit. At age 65, the retiree life benefit reduces to 50%, with a \$50,000 maximum benefit. At age 70, the retiree life benefit reduces to a \$10,000 death benefit.
- Retirees who retired prior to 1/1/00 maintain the level of retiree life coverage based on plan provisions in effect at their retirement.

See also the response to KPSC-2 Question No. 40.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 94

Responding Witness: Valerie L. Scott

- Q-94. Provide a complete copy of any and all actuarial reports prepared by or for the Company during the past three years concerning the cost of post retirement benefits other than pensions.
- A-94. See attached CD in folder titled Question No. 94. Also refer to response to KPSC-1 Question No. 54(c).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 95

Responding Witness: Valerie L. Scott

Q-95. Post Retirement benefits other than pensions (OPEB's).

- a. Please provide complete workpapers showing the derivation of OPEB expense for 2007, 2008 and 2009.
- b. Please show all assumptions and the basis of all calculations.

A-95. a.

	<u>2007</u>	<u>2008</u>	<u>2009</u>
LGE Charging LGE:			
Mercer net periodic benefit cost	\$ 8,477,732	\$ 8,403,153	\$ 8,189,473
Expense Allocation %	75.29%	73.87%	73.92%
	<u>6,382,775</u>	<u>6,207,466</u>	<u>6,053,452</u>
Servco Charging LGE:			
Mercer net periodic benefit cost	2,052,565	2,020,105	2,188,474
Servco Allocation %	42.00%	43.20%	42.73%
	<u>862,077</u>	<u>872,683</u>	<u>935,077</u>
Expense Allocation %	80.78%	78.70%	85.91%
	<u>696,354</u>	<u>686,842</u>	<u>803,279</u>
Others Charging LGE:	<u>36,835</u>	<u>31,731</u>	<u>45,785</u>
Total LGE Expense:	<u>\$ 7,115,964</u>	<u>\$ 6,926,039</u>	<u>\$ 6,902,516</u>

- b. Refer to Question No. 94 for Mercer year-end disclosures for 2007, 2008, and 2009 that support all assumptions used and the derivation of the calculations detailed above.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 96

Responding Witness: Shannon L. Charnas

Q-96. List expense amounts for workers compensation insurance and claims for each year 2007, 2008 and 2009. Indicate in which expense accounts these items are recorded.

A-96. See response to Question No. 140.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 97

Responding Witness: Paula H. Pottinger, Ph.D.

- Q-97. Please state whether any amounts have been booked during the test period by the Company for the liability created pursuant to any employment severance compensation agreements.
- A-97. Severance compensation paid by the Company during the test period totaled \$154,862. No liabilities have been created pursuant to any employment severance compensation agreements.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Attorney General's Initial Requests for Information
Dated March 1, 2010

Question No. 98

Responding Witness: Paula H. Pottinger, Ph.D.

Q-98. Please list all steps the Company has taken to reduce the cost of medical insurance.

- a. Does the Company's insurance coverage require a coordination of benefits and, if so, how does it function?
- b. Does the Company plan require a co-pay percentage by the employee? If so, what is the percentage and has it increased over the past three years? State the various levels over the past three years.

A-98. In 2009 the Company conducted a dependent eligibility audit of the medical and dental options.

In 2009 the Company studied, and in 2010 implemented:

- A High Deductible PPO option
- A Low Deductible PPO option
- Required mail order feature for maintenance drugs
- Required use of a specialty drug pharmacy, including managed care features
- A "Coverage Gap" for prescriptions in our Medicare-eligible retiree option
- An additional dental network within the Delta Dental option
- A more restrictive vision network

The Company offers health care management programs within our medical options to help employees and dependents maintain their health, control chronic conditions and understand treatment options. Programs include: Vascular at Risk, Condition Care, My Health Advantage, Future Moms and health risk appraisals.

The Company offered Company sponsored wellness programs to encourage healthy behavior, to promote individual responsibility for wellness, and to reduce health care claims. Programs include annual flu shots, fitness center incentive,

weight loss program incentive, smoking cessation, annual mammograms, of health risk appraisals and annual health fairs.

- a. Yes. All benefits provided under the medical plan are subject to coordination of benefits, except prescription drug benefits.

When the participant is covered by another group plan in addition to the Company's medical plan, our medical plan will follow coordination of benefit rules to determine which plan is primary and which is secondary. For dependent children, the birthday rule applies.

- b. Under one of the available coverage options, the Standard PPO medical option, employees pay a co-insurance percentage for the following benefit provisions.

Standard PPO option	2007	2008	2009
Annual Deductible	In-network: \$300 per individual, \$600 per family Out-of-network: \$600 per individual, \$1,200 per family.	In-network: \$400 per individual, \$800 per family Out-of-network: \$800 per individual, \$1,600 per family.	In-network: \$400 per individual, \$800 per family Out-of-network: \$800 per individual, \$1,600 per family.
<ul style="list-style-type: none"> • Hospital Services • Emergency Room • Outpatient Surgery, MRA/MRI, PET Scans and CAT scans • Mental Health and Substance Abuse In-patient • Cardiac Rehabilitation • Occupational, Physical and Speech Therapy 	In-network: Employee pays 20% of the allowable amount after the deductible. Out-of-network: Employee pays 40% of the allowable amount after the deductible.	In-network: Employee pays 20% of the allowable amount after the deductible. Out-of-network: Employee pays 40% of the allowable amount after the deductible.	In-network: Employee pays 20% of the allowable amount after the deductible. Out-of-network: Employee pays 40% of the allowable amount after the deductible.

The Company also provides an EPO option, which does not contain the above co-insurance provisions.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 99

Responding Witness: Valerie L. Scott

Q-99. List employee relocation expense for the base and test periods and the previous three years. Indicate annually the amounts and accounts in which such expense is recorded.

A-99. See attached.

Louisville Gas & Electric

Period	Account	Employee Relocation Amount
Test Year (Nov 2008 to Oct 2009)	186201 - RCANDEEP LGE ADM-NOLAB	\$ 127
	426501 - OTHER DEDUCTIONS	(13,075)
	426591 - OTHER DEDUCTIONS - INDIRECT	1,596
		<u>(11,352)</u>
Calendar Year 2008	186201 - RCANDEEP LGE ADM-NOLAB	\$ 37,015
	426501 - OTHER DEDUCTIONS	97,140
	426591 - OTHER DEDUCTIONS - INDIRECT	216
	513900 - MTCE-ELECTRIC PLANT - BOILER	9,549
	921002 - EXP-GEN OFFICE EMPL	4,317
	921902 - INDIRECT EMPLOYEE OFFICE EXPENSE ALLOCATION	295
	922003 - TRIMBLE CTY TRAN-CR	(98)
		<u>148,434</u>
Calendar Year 2007	186201 - RCANDEEP LGE ADM-NOLAB	\$ 81
	426501 - OTHER DEDUCTIONS	137,401
	426591 - OTHER DEDUCTIONS - INDIRECT	93,616
	513900 - MTCE-ELECTRIC PLANT - BOILER	15,630
	921902 - INDIRECT EMPLOYEE OFFICE EXPENSE ALLOCATION	7,889
	921903 - GEN OFFICE SUPPL/EXP - INDIRECT	(1,626)
	922003 - TRIMBLE CTY TRAN-CR	(103)
		<u>252,888</u>
Calendar Year 2006	426501 - OTHER DEDUCTIONS	\$ 42,433
	426591 - OTHER DEDUCTIONS - INDIRECT	15,000
	590900 - MTCE/SUPER/ENG-SSTMT - INDIRECT	11,342
	921003 - GEN OFFICE SUPPL/EXP	73,113
	922003 - TRIMBLE CTY TRAN-CR	(1,115)
	<u>140,773</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 100

Responding Witness: Paula H. Pottinger, Ph.D.

Q-100. Provide a complete copy of the Company's policy with respect to employee relocation, including full details as to cost reimbursement.

A-100. Attached are the Company's relocation policy documents.

**Attachment to Response to LGE AG-1 Question No. 100
E.ON U.S. LLC Policy
Relocation of Employees**

E.ON U.S. LLC Policy

Revision Date 6-17-04

Relocation of Employees

Policy

It is the Company's policy to pay certain reasonable costs associated with relocation for eligible new or current employees transferring to a new location at the Company's request.

Scope

This policy applies to all E.ON U.S. and subsidiaries' employees except those covered by a collective bargaining unit agreement.

General Requirements for All Employees

Eligibility for benefits under this program is determined solely by management based on job level and distance from work location and continues for up to one year following the employee's date of hire or transfer to the new location.

The employee's new place of work must be at least fifty miles further from the employee's former residence than the employee's residence was from the former place of work. The distance between two geographic points is measured by the shortest of the more commonly traveled routes between such points. At management's discretion, exceptions to the 50-mile rule may be made for employees required to live within a certain number of miles of their work location.

The relocating employee will be required to sign a Relocation Reimbursement Agreement before any payments will be made. If employment terminates for any reason prior to completion of the relocation, relocation benefits will immediately be discontinued.

If, within twelve months of the date on which the employee reports to work at a new location, the employee voluntarily terminates employment with the Company, the employee will be required to repay the Company for relocation payments already received. Requests for reimbursement of outstanding relocation expenses must be made within thirty days of the termination date.

If an employee fails to complete a relocation or make a permanent change of residence within one year of the hire or transfer date, further relocation benefits will be forfeited and the employee will be required to repay all relocations expenses paid by the Company.

Benefits for Eligible Exempt Level Salaried Employees

Lump Sum Allowances: An eligible relocating employee will receive two lump sum allowances to cover house hunting, temporary living, return trips home, and miscellaneous expenses which are incidental to the move.

- **Incidental Expense Allowance**
 - Equal to one month's base pay
 - Taxable to the employee (not "grossed up")
 - For expenses such as: childcare, house sitting and pet sitting expenses during house hunting trips; pet expenses during the relocation (boarding, airfare, non-refundable deposits, etc.); utility hookups (electric, gas, telephone, cable, etc.); purchase of items for new residence such as drapes

E.ON U.S. LLC Policy

Relocation of Employees

and related items; costs for storage of household goods which extend beyond the sixty days provided; residence cleaning expenses; laundry expenses; car rental and food expenses during return visits home prior to final move; vehicle registration and taxes; home warranty insurance on former residence and new residence; and other similar relocation expenses.

- House Hunting, Temporary Living and Return Trips Allowance
 - Determined by a third party relocation consultant of the Company's choice using a "market basket" of reasonable and customary relocation goods and services
 - Not taxable to the employee ("grossed up")
 - For expenses such as: house hunting expenses such as airfare, meals, lodging, car rental or mileage for personal vehicle; telephone expenses; temporary living expenses including lodging; local transportation until arrival of a personal vehicle; expenses incurred traveling between the former residence and the new place of employment until the move is completed; and other similar relocation expenses.

For a newly hired employee, these lump sum allowances will be paid as soon as practical and coincident with the receipt of his or her first payroll check. A transferred employee will receive his or her checks as soon as practicable after accepting a new assignment.

Lease Cancellation: In the event a relocating employee's former residence is leased property and the lease expressly requires a lease cancellation penalty, the Company will reimburse the lease cancellation charges not to exceed two months of rent.

Home Sale Assistance: To be eligible for home sale assistance, an employee must own a home at the time an employment offer is accepted. The employee is solely responsible for selling his/her home, however, the Company will reimburse:

- the real estate broker's commission not to exceed 7% of the home's selling price
- reasonable closing costs associated with the home sale (i.e. title fee, document preparation fee, settlement or closing fee, recording fee, termite inspection, transfer fee.)

[Note: Exempt level employees who transfer to another Company location may be eligible for additional assistance through the Home Sale Assistance Program.]

Home Purchase Assistance: To be eligible for home purchase assistance, an employee must own a home at the time an employment offer is accepted. The Company will reimburse:

- if necessary, interest on an equity loan for a period not to exceed twelve months or extend beyond ten days after the date of closing on the sale of the former residence, whichever occurs first (the loan can be no greater than 80% of the difference between the employee's existing mortgage and the appraisal price of the former residence)
- prevailing mortgage loan origination and/or discount fees up to two percent (two points)

E.ON U.S. LLC Policy

Relocation of Employees

- typical seller's closing costs on the purchase of the new residence (i.e. settlement fee, tax service fee, underwriting fee, appraisal fee, credit report, title insurance, recording fee, city, county, and state tax stamps, survey fee, and attorney fee)

Moving Household Goods and Autos: The Company will pay directly:

- the cost of packing, moving, and unpacking household goods from the employee's former residence to the new residence
- if necessary, temporary storage for up to sixty days at either site (not both)
- insurance coverage for the household goods during relocation of up to \$100,000
- the cost of shipping up to two personal automobiles via the most efficient method or standard mileage allowance if a personal auto is driven
- Movement of certain items is not included in the normal relocation policy. These items are specified in a Household Goods Profile available from the relocation vendor.

Final Move Expenses: The Company will reimburse the following final move expenses incurred traveling from the former residence to the new residence:

- one-way airfare for the employee and family or the standard mileage allowance if a personal vehicle is driven
- lodging and meals for up to three days and two nights.

Tax Gross Up: Some taxable relocation expenses will be grossed up to minimize adverse tax consequences for the relocated employee. Those expenses which will be grossed up generally include those expenses which are not deductible or not excludable by the employee for federal and state taxation. Gross ups will be based on the current federal, state and local supplemental tax rates in effect as of the date of gross up. Gross ups will not be adjusted for phase outs of personal exemptions and itemized deductions that occur at certain income levels.

Submitting Expenses: The employee is responsible for submitting expense reports and receipts when required to the person designated by the Company as soon as possible and no later than sixty days after the expense is incurred.

Benefits for Eligible Non-Exempt and KU Hourly Employees

At management's discretion, non-exempt and KU hourly employees who are authorized for relocation benefits may receive one lump sum payment as follows:

- Renters Up to one month's base pay
- Home Owners Up to two month's base pay

Relocation benefits for non-exempt employees must be approved by the line-of-business officer and the Division HR director. Payment will be grossed up for tax purposes and will be made upon receipt of the signed Relocation Reimbursement Agreement and after the start date of the new job for new hires.

E.ON U.S. LLC Policy

Relocation of Employees

Key Contact: Division HR Department.

Reference: Relocation Reimbursement Agreement.

Administrative Responsibility: Director HR - Corporate.

**Attachment to Response to LGE AG-1 Question No. 100
E.ON U.S. LLC Procedure
Home Sale Assistance Program
TRANSFERRED SALARIED, EXEMPT EMPLOYEES**

**E.ON U.S. LLC Procedure
Home Sale Assistance Program
TRANSFERRED SALARIED, EXEMPT EMPLOYEES**

Revision Date 7-2-04

Who is Covered

This summary provides details of the additional home sale assistance benefits program offered to **transferred salaried, exempt employees**. This program does not apply to newly hired employees at the manager level and below.

The Company has contracted for the services of a relocation firm to administer the Home Sale Assistance Program. These professionals will counsel and guide the employee through the Program. **[Note to Employees: Do not list your home for sale before you have talked with your consultant. Your consultant will give you special wording that must be inserted in your listing agreement.]**

Appraisals

The employee will select two local independent appraisers from a listing provided by the relocation firm. All are experienced appraisers and have achieved designation or certification through a nationally recognized organization such as the American Institute of Real Estate Appraisers or the society of Real Estate Appraisers.

Using the market approach to value, appraisals will be based on a marketing time of 90 to 120 days. The definition of the market approach to value is as follows: "The price at which a property would most probably sell, if exposed to the market for a reasonable period of time in 'as is' condition, where payment is made in cash or its equivalent."

The relocation firm will offer to purchase a property for an amount equal to the average of two appraisal estimates, provided they fall within a 5% variance. If the two appraisals are not within the 5% variance, a third appraisal will be made, then the three appraisals will be averaged. The estimate furthest from that average will be disregarded and the remaining two averaged to arrive at the appraised value (see Appraisal Examples). Thereafter the employee will receive an offer package containing confirmation of the offer, contracts of sale and forms necessary to complete the appraised value sale to the relocation firm.

Marketing Period and Employee Bonus

Once the appraised value offer is confirmed (on the date of receipt of the relocation firm's appraised value offer document), a marketing period begins. The marketing period is 60 calendar days.

If during this period, the employee finds an offer equal to or better than 95% of the appraised value offer, the sale may be turned over to the relocation firm and the Company will make up the difference between the outside sale and the appraised value.

To encourage early sale, the Company will pay a bonus to the employee as follows.

- If a bona fide offer is received from a qualified buyer during the first 30 days of the marketing period, the bonus is 2% of the appraised value or outside offer (whichever is higher).
- If a bona fide offer is received from a qualified buyer during the last 30 days of the marketing period, the bonus is 1% of the appraised value or outside offer (whichever is higher).
- The maximum bonus is \$15,000.

Amended Value Sale

The relocation firm counselor will work in partnership with the employee to generate an outside sale during the marketing period. The appraisals and the impact of the comparables will be discussed at length, identifying the property's strengths and weaknesses. The counselor will suggest list price strategies and marketing techniques and help the employee negotiate the best possible sale.

All offers must be reviewed by the counselor who will determine if the offer to purchase is bona fide (represents a higher net value to the employee than the appraised value offer) and verify that the buyer is qualified to purchase. Even offers that seem unworkable, like an offer equal to only 60% of the appraised value, must be relayed to the counselor. This lead could facilitate further negotiation or, at the very least, keep the relocation firm in touch with market events.

When all the contingencies of the sale are met, the relocation firm will amend its original offer to an amount equal to the third party offer. On receipt of the employee-executed amended contract of sale and other required documents, the relocation firm will calculate and pay equity based on the amended value. The relocation firm will monitor the closing process and critical time frames (mortgage commitment, etc.) and assume all responsibility for the sale closing.

Sale Based On Appraised Value Or Amended Value

Once at least 30 days of the marketing period have passed, the employee may opt to accept the relocation firm's appraised value offer. The employee must either accept or reject the appraised value offer by the end of the applicable marketing period.

If the employee accepts the appraised value offer, the appropriate paperwork will be prepared. On receipt of the employee executed contract of sale, required documents, and a mutually agreed upon vacating date (not to exceed 60 days from date of acceptance) the relocation firm will calculate and pay full equity in the home, based on the appraised value (see Appraised Value Sale Example). Until the home is sold to an outside buyer, the relocation firm will charge the Company for all direct costs in keeping the home in inventory.

If the employee rejects the appraised value offer, the Company will pay only the broker's commissions (not to exceed 7%) and normal seller's closing costs upon eventual sale of the property. If a higher offer than the appraised value is received prior to acceptance or rejection of the appraised value offer, the relocation firm will amend the offer to reflect the sale price.

Key Contact: Division HR Department.

Reference: LG&E Energy LLC Relocation of Employees Policy and Relocation Reimbursement Agreement.

Administrative Responsibility: Director HR - Corporate.

EXAMPLES

Appraisals

Example 1: The first home appraisal is \$102,000; the second home appraisal is \$98,000. The two appraisals are within a 5% variance and are thus averaged to create an appraised value of \$100,000.

Example 2: The first home appraisal is \$105,000; the second home appraisal is \$65,000. The two appraisals are not within a 5% variance, thus a third appraisal is executed. The third home appraisal is \$95,000. The average of the three home appraisals is \$88,333. The \$65,000 estimate is furthest from that average and will be disregarded (if the extremes were equidistant from the average, for example \$90,000, \$100,000 and \$110,000, the two highest figures would be averaged). The remaining two home appraisal amounts, \$105,000 and \$95,000, are averaged to arrive at an appraisal value of \$100,000.

Marketing Period and Employee Bonus

Example: The home of the transferred salaried, exempt employee has an appraised value of \$100,000. The employee receives an offer of \$95,000 for the home. This offer is equal to or better than 95% of the appraised value offer. The sale is assigned to the relocation firm. A contract for sale is received during the first 30 calendar days of the marketing period. The Company makes up the difference between the outside sale and the appraised value. Also, the Company pays the employee a cash bonus of \$2,000 (2% of the appraised value because it is an amount greater than the outside sale and a contract for sale was received within 30 days).

Appraised Value Sale

Example: The employee originally purchased the home for \$75,000. The employee had put down \$25,000 cash and had a home mortgage note for \$50,000. The home has an appraised value of \$100,000. No buyers are found during the first 30 calendar days of the marketing period. During the last 30 days of the period, the employee accepts the appraised value offer from the relocation firm. The relocation firm pays off the balance due on the employee's home mortgage note and gives any remaining balance of the \$100,000 purchase price to the employee. The home is no longer owned by the employee.

**Attachment to Response to LGE AG-1 Question No. 100
E.ON U.S. LLC Procedure
Home Sale Assistance Program
OFFICERS AND SENIOR MANAGERS**

E.ON U.S. LLC Procedure Home Sale Assistance Program OFFICERS AND SENIOR MANAGERS

Revision Date 7-2-04

Who is Covered

This summary provides details of the additional home sale assistance benefits program offered to **officers and senior managers**. This program does not apply to newly hired employees at the manager level and below or to transferred salaried exempt employees.

The Company has contracted for the services of a relocation firm to administer the Home Sale Assistance Program. These professionals will counsel and guide the employee through the Program. **[Note to Employees: Do not list your home for sale before you have talked with your consultant. Your consultant will give you special wording that must be inserted in your listing agreement.]**

Appraisals

The employee will select two local independent appraisers from a listing provided by the relocation firm. All are experienced appraisers and have achieved designation or certification through a nationally recognized organization such as the American Institute of Real Estate Appraisers or the society of Real Estate Appraisers.

Using the market approach to value, appraisals will be based on a marketing time of 90 to 120 days. The definition of the market approach to value is as follows: "The price at which a property would most probably sell, if exposed to the market for a reasonable period of time in 'as is' condition, where payment is made in cash or its equivalent."

The relocation firm will offer to purchase a property for an amount equal to the average of two appraisal estimates, provided they fall within a 5% variance. If the two appraisals are not within the 5% variance, a third appraisal will be made, then the three appraisals will be averaged. The estimate furthest from that average will be disregarded and the remaining two averaged to arrive at the appraised value (see Appraisal Examples). Thereafter the employee will receive an offer package containing confirmation of the offer, contracts of sale and forms necessary to complete the appraised value sale to the relocation firm.

Marketing Period and Employee Bonus

Once the appraised value offer is confirmed (on the date of receipt of the relocation firm's appraised value offer document), a marketing period begins. The marketing period is 90 calendar days.

If during this period, the employee finds an offer equal to or better than 95% of the appraised value offer, the sale may be turned over to the relocation firm and the Company will make up the difference between the outside sale and the appraised value.

To encourage early sale, the Company will pay a bonus to the employee as follows.

- If a bona fide offer is received from a qualified buyer during the first 30 days of the marketing period, the bonus is 3% of the appraised value or outside offer (whichever is higher).
- If a bona fide offer is received from a qualified buyer during the second 30 days of the marketing period, the bonus is 2% of the appraised value or outside offer (whichever is higher).
- If a bona fide offer is received from a qualified buyer during the last 30 days of the marketing period, the bonus is 1% of the appraised value or outside offer (whichever is higher).
- The maximum bonus is \$15,000.

Amended Value Sale

The relocation firm counselor will work in partnership with the employee to generate an outside sale during the marketing period. The appraisals and the impact of the comparables will be discussed at length, identifying the property's strengths and weaknesses. The counselor will suggest list price strategies and marketing techniques and help the employee negotiate the best possible sale.

All offers must be reviewed by the counselor who will determine if the offer to purchase is bona fide (represents a higher net value to the employee than the appraised value offer) and verify that the buyer is qualified to purchase. Even offers that seem unworkable, like an offer equal to only 60% of the appraised value, must be relayed to the counselor. This lead could facilitate further negotiation or, at the very least, keep the relocation firm in touch with market events.

When all the contingencies of the sale are met, the relocation firm will amend its original offer to an amount equal to the third party offer. On receipt of the employee-executed amended contract of sale and other required documents, the relocation firm will calculate and pay equity based on the amended value. The relocation firm will monitor the closing process and critical time frames (mortgage commitment, etc.) and assume all responsibility for the sale closing.

Sale Based On Appraised Value Or Amended Value

Once at least 30 days of the marketing period have passed, the employee may opt to accept the relocation firm's appraised value offer. The employee must either accept or reject the appraised value offer by the end of the applicable marketing period.

If the employee accepts the appraised value offer, the appropriate paperwork will be prepared. On receipt of the employee executed contract of sale, required documents, and a mutually agreed upon vacating date (not to exceed 60 days from date of acceptance) the relocation firm will calculate and pay full equity in the home, based on the appraised value (see Appraised Value Sale Example). Until the home is sold to an outside buyer, the relocation firm will charge the Company for all direct costs in keeping the home in inventory.

If the employee rejects the appraised value offer, the Company will pay only the broker's commissions (not to exceed 7%) and normal seller's closing costs upon eventual sale of the property. If a higher offer than the appraised value is received prior to acceptance or rejection of the appraised value offer, the relocation firm will amend the offer to reflect the sale price.

Key Contact: Division HR Department.

Reference: LG&E Energy LLC Relocation of Employees Policy and Relocation Reimbursement Agreement.

Administrative Responsibility: Director HR - Corporate.

EXAMPLES

Appraisals

- Example 1:* The first home appraisal is \$102,000; the second home appraisal is \$98,000. The two appraisals are within a 5% variance and are thus averaged to create an appraised value of \$100,000.
- Example 2:* The first home appraisal is \$105,000; the second home appraisal is \$65,000. The two appraisals are not within a 5% variance, thus a third appraisal is executed. The third home appraisal is \$95,000. The average of the three home appraisals is \$88,333. The \$65,000 estimate is furthest from that average and will be disregarded (if the extremes were equidistant from the average, for example \$90,000, \$100,000 and \$110,000, the two highest figures would be averaged). The remaining two home appraisal amounts, \$105,000 and \$95,000, are averaged to arrive at an appraisal value of \$100,000.

Marketing Period and Employee Bonus

- Example 1:* The home of the new senior manager of the Company has an appraised value of \$100,000. The employee receives an offer of \$110,000 for the home. This offer is equal to or better than 95% of the appraised value offer. The sale is assigned to the relocation firm. The contract for sale is received during the second 30 calendar days of the marketing period. The Company pays the employee a cash bonus of \$2,200 (2% of the outside sale because it is an amount greater than the appraised value and a contract for sale was received in the last 30 days).
- Example 2:* A home has an appraised value of \$100,000. The employee receives an offer of \$100,000 for the home. This offer is equal to or better than 95% of the appraised value offer. The sale is assigned to the relocation firm. The contract for sale is received during the last 30 calendar days of the 90 day marketing period. The Company pays the employee a cash bonus of \$1,000 (1% of the appraised value and offer because a contract for sale was received in the last 30 days).

Appraised Value Sale

- Example:* The employee originally purchased the home for \$75,000. The employee had put down \$25,000 cash and had a home mortgage note for \$50,000. The home has an appraised value of \$100,000. No buyers are found during the first 30 calendar days of the marketing period. During the last 30 days of the period, the employee accepts the appraised value offer from the relocation firm. The relocation firm pays off the balance due on the employee's home mortgage note and gives any remaining balance of the \$100,000 purchase price to the employee. The home is no longer owned by the employee.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 101

Responding Witness: Shannon L. Charnas

- Q-101. Provide the following information for the total company operations. If any amounts were allocated, show a calculation of the factor used to allocate each amount.
- a. An analysis of Miscellaneous General expenses for the test period. Include a complete breakdown of this account, including industry association dues, stockholder and debt service expenses, institutional advertising, conservation advertising, rate department load studies, director's fees and expenses, dues and subscriptions, and miscellaneous expenses. Provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the account number, date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more.
 - b. An analysis of Other Income Deductions for the test period. Include a complete breakdown of this account including donations, civic activities, political activities and other, and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the account number, date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more.
- A-101. a. See response to KPSC-1 Question No. 30(b) and Question No. 115.
- b. See response to KPSC-1 Question No. 30(c).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 102

Responding Witness: Shannon L. Charnas

- Q-102. Provide a detailed analysis of expenses incurred during the test period for professional services, including legal, engineering, accounting and other, and provide all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the services provided.
- A-102. See response to KPSC-1 Question No. 31.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 103

Responding Witness: Shannon L. Charnas

- Q-103. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Other Income Deductions. Show the amount of the expenditure, the recipient of the contribution, and the specific account charged. If amounts are allocated, show a calculation of the factor used to allocate each amount. Detailed analysis is not required for amounts less than \$100, provided the items are grouped by classes.
- A-103. There were no contributions for charitable or political purposes recorded in accounts other than in Account No. 426. See KPSC-1 Question No. 32.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 104

Responding Witness: Lonnie E. Bellar

- Q-104. Describe LG&E's lobbying activities and provide a schedule showing the name, salary, affiliation, all company-paid or reimbursed expenses or allowances, and the account charged for each individual whose principal function is lobbying on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.
- A-104. Please see the response to KPSC-1 Question No. 33 in this proceeding.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 105

Responding Witness: Shannon L. Charnas

Q-105. List each athletic and employee association to which the Company contributes, the associated amounts for the test period and preceding year and the accounts charged. State how the Company has treated these expenses in the test period.

A-105. See attached.

Attachment to Response to LGE AG-1 Question No. 105

Page 1 of 1

Charnas

Louisville Gas and Electric Company
Athletic and Employee Associations to Which the Company Contributes

12 Months Ended October 31, 2009

AP Vendor Name or JE Batch Name	Invoice Line Description of JE Line Description	Amount
UNIVERSITY OF LOUISVILLE	WOMENS BASKETBALL SPONSOR	\$ 3,000
MEADE COUNTY BASEBALL ASSOCIATION	CONTRIBUTION	800
SCHNEIDER, JEFFREY W	SPONSOR USA NATIONAL CHAMPIONSHIP	500

12 Months Ended December 31, 2008

AP Vendor Name or JE Batch Name	Invoice Line Description of JE Line Description	Amount
UNIVERSITY OF LOUISVILLE	CHARITABLE CONTRIBUTION	\$ 3,000
VINE GROVE ELEMENTARY SCHOOL	ARCHERY PROGRAM	750
JAMES T ALTON SCHOOL	ARCHERY PROGRAM	750
TRIMBLE COUNTY SADDLE CLUB 08	SPONSOR	250
TRIMBLE CO YOUTH LEAGUE	SPONSOR TEAM	200
ASSUMPTION SOFTBALL	GOLF SCRAMBLE SPONSOR	300
TRIMBLE COUNTY HIGH SCHOOL	TEAM SPONSOR	150

All of these expenses were charged to account 426 below the line. None of the charges were included for rate making purposes.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 106

Responding Witness: Lonnie E. Bellar

- Q-106. List the dollar value of discounts for service and merchandise the Company provides to employees. Provide these amounts for the test period. Show in what accounts and amounts such expense was recorded. What employees are eligible to receive such discounts?
- A-106. The Company does not provide discounts for electric service to employees or sell merchandise at a discount to employees.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 107

Responding Witness: Butch Cockerill

Q-107. List all Company owned automobiles, other than service vehicles, and state the Company's policy for charging employees for the personal use of these automobiles and the Company policy of reporting the personal usage of these automobiles for Federal income tax purposes.

A-107. The Company follows the guidelines established in the U.S. Internal Revenue Service's Publication 15-B (2010), Employer's Tax Guide to Fringe Benefits for charging and reporting employees personal use of Company vehicles. Personal usage of automobiles is tracked for each applicable employee and the imputed value is included in W-2 earnings. The value is determined by applying either the IRS "Commuting Rule" or "Lease Value Rule" as deemed appropriate.

Please see attached for a list of all Company vehicles, other than service vehicles, where the possibility of personal use exists.

Utility	Unit	Year	Make	Model
LG&E	5434	2007	FORD	ESCAPE
LG&E	5435	2007	FORD	ESCAPE
LG&E	5401	2007	FORD	ESCAPE
LG&E	5402	2007	FORD	ESCAPE
LG&E	5269	2006	FORD	ESCAPE
LG&E	5342	2006	FORD	ESCAPE
LG&E	5341	2006	FORD	ESCAPE
LG&E	5443	2007	FORD	ESCAPE
LG&E	5320	2006	FORD	ESCAPE
LG&E	5276	2006	FORD	ESCAPE
LG&E	6033	2009	FORD	ESCAPE
LG&E	5395	2006	FORD	ESCAPE
LG&E	5446	2007	FORD	ESCAPE
LG&E	5701	2006	FORD	ESCAPE
LG&E	5445	2007	FORD	ESCAPE
LG&E	5437	2007	FORD	ESCAPE
LG&E	5347	2006	FORD	ESCAPE
LG&E	6032	2009	FORD	ESCAPE
LG&E	5319	2006	FORD	ESCAPE
LG&E	5438	2007	FORD	ESCAPE
LG&E	5275	2006	FORD	ESCAPE
LG&E	6012	2009	FORD	ESCAPE-Hybrid
LG&E	6013	2009	FORD	ESCAPE-Hybrid
LG&E	6011	2009	FORD	ESCAPE-Hybrid
LG&E	6000	2008	FORD	ESCAPE-Hybrid
LG&E	5343	2006	FORD	F-150
LG&E	5340	2006	FORD	F-150
LG&E	5315	2006	FORD	F-150
LG&E	5309	2006	FORD	F-150
LG&E	5308	2006	FORD	F-150
LG&E	5306	2006	FORD	F-150
LG&E	5307	2006	FORD	F-150
LG&E	5293	2006	FORD	F-150
LG&E	5313	2006	FORD	F-150
LG&E	5314	2006	FORD	F-150
LG&E	5310	2006	FORD	F-150
LG&E	5317	2006	FORD	F-150

Utility	Unit	Year	Make	Model
LG&E	5338	2006	FORD	F-150
LG&E	5294	2006	FORD	F-150
LG&E	5295	2006	FORD	F-150
LG&E	6071	2010	FORD	F-150
LG&E	5421	2006	FORD	F-150
LG&E	5420	2006	FORD	F-150
LG&E	5398	2006	FORD	F-150
LG&E	5419	2006	FORD	F-150
LG&E	5428	2006	FORD	F-150
LG&E	5456	2007	FORD	F-150
LG&E	5455	2007	FORD	F-150
LG&E	6072	2010	FORD	F-150
LG&E	6044	2010	FORD	F-150
LG&E	5934	2009	FORD	F-150
LG&E	6036	2009	FORD	F-150
LG&E	6034	2009	FORD	F-150
LG&E	6035	2009	FORD	F-150
LG&E	F51	1997	FORD	F-250
LG&E	5470	2007	FORD	F-250
LG&E	5386	2006	FORD	F-250
LG&E	5387	2006	FORD	F-250
LG&E	6065	2010	FORD	F-250
LG&E	5447	2007	FORD	F-350
LG&E	5414	2007	FORD	RANGER
LG&E	5413	2007	FORD	RANGER
LG&E	5430	2007	FORD	RANGER
LG&E	5301	2006	FORD	RANGER
LG&E	5300	2006	FORD	RANGER
LG&E	5299	2006	FORD	RANGER
LG&E	5297	2006	FORD	RANGER
LG&E	6030	2009	FORD	RANGER
LG&E	5863	2007	FORD	RANGER
LG&E	5344	2006	FORD	RANGER
LG&E	5345	2006	FORD	RANGER
LG&E	6029	2009	FORD	RANGER

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 108

Responding Witness: Lonnie E. Bellar

- Q-108. Does the Company maintain any recreational sites for the use of the public and/or Company employees? If so, please:
- a. Identify each site and the type of recreational facility.
 - b. State whether each site is for public use or exclusively for employee use.
 - c. For each site identified in (a) above, state the amount of expense incurred during the test period to maintain it.
- A-108. The Company does not maintain any recreational sites.
- a. Not applicable.
 - b. Not applicable.
 - c. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 109

Responding Witness: Shannon L. Charnas

- Q-109. For the test period list all payments made for employee gifts, employee awards, employee luncheons and dinners, employee picnics and all other similar type items. For each, list the dollar amount paid, the payee, the account charged and state the purpose. Provide copies of invoices which exceed \$5,000.
- A-109. Attached is a list of payments for employee recognition transactions, excluding meals. Meals related to employee recognition events are not segregated from all other employee meals. Business rules call for meals related to employee recognition to be charged below-the-line; however, other employee meals could also be charged below-the-line.

Invoices for non-meal related employee recognition which exceed \$5,000 are attached.

Louisville Gas and Electric Company
Case No. 2009-00549
Employee Recognition Expenses
For the Year Ended October 31, 2009

Account	Amount (\$)	Payee
426501	\$ 5.47	HOBBY LOBBY #312 #181835
426501	7.18	THE THARPE COMPANY INC #205891
426501	8.94	DIVERSITY ADVENTURES I #721377
426501	9.83	DIVERSITY ADVENTURES I #721377
426501	9.86	CREATIVE WALKING INC #721377
426501	9.99	WAL-MART #5417 #743664
426501	10.31	FRANKLIN COVEY #7058 #178076
426501	12.04	THE THARPE COMPANY INC #205891
426501	13.50	KROGER #767 #767702
426501	13.80	DIVERSITY ADVENTURES I #302971
426501	14.38	KROGER #763 #302971
426501	14.88	SAMSClub #8276 #435983
426501	17.00	WAL-MART #1269 #721377
426501	18.51	LANDSENBUSINESS #507114
426501	18.98	EXCHANGE CATALOG/ONLIN #721377
426501	20.00	KROGER #191 #743664
426501	20.00	THORNTONS #0061 Q35 #743664
426501	23.73	LANDSENBUSINESS #507114
426501	27.35	SAMSClub #8276 #435983
426501	27.50	LOUISVILLE GS/ELEC/ #470237
426501	30.48	COLONIAL DESIGNS #175007
426501	30.48	COLONIAL DESIGNS #175007
426591	30.48	COLONIAL DESIGNS #175007
426501	31.96	HEITZMAN GERMANTOWN #434838
426501	31.96	HEITZMAN GERMANTOWN #434838
426501	31.96	HEITZMAN GERMANTOWN #434838
426501	33.06	C & S H INC
426501	37.50	LEI*LANDS END CLOTHING #767702
426501	37.79	KROGER #315 #767702
426501	39.20	HICKORY FARMS CATALOG #175007
426501	39.75	FTD*FLOWER SHOPPE, THE #175007
426501	41.28	AWARDS CENTER #743999
426501	42.04	LILLYS #558679
426501	42.38	MACY'S EAST #570 #181835
426501	42.39	KOHL'S #0513 #703082
426501	43.45	SWEETS AND SUCH BAKERY #435983
426501	44.50	MEIJER INC #160 Q01 #302971
426501	44.52	IN BLOOM AGAIN #111893
426501	45.83	WM SUPERCENTER #181835
426591	47.70	IN BLOOM AGAIN #947567
426501	48.00	DIXIE WICKS #226733
426501	50.00	WAL-MART #3294 #302971
426501	50.94	SWEETS AND SUCH BAKERY #435983
426501	51.17	A TASTE OF KENTUCKY #721377
426501	58.05	AWARDS CENTER #743999
426501	58.76	C & S H INC

Louisville Gas and Electric Company
Case No. 2009-00549
Employee Recognition Expenses
For the Year Ended October 31, 2009

Account	Amount (\$)	Payee
426501	59.36	HUDDLESTON'S JEWEL GAL #607690
426501	64.38	AMERICAN EXPRESS GI #612049
426501	65.64	LANDSENBUSINESS #096712
426501	65.78	DIVERSITY ADVENTURES I #461909
426501	70.94	LANDSENBUSINESS #096712
426501	74.20	MIDWAY FLORIST #434937
426501	74.75	WAL-MART #3610 #226733
426501	75.00	JOE HUBER FARM #830885
426501	75.00	KROGER #729 #026139
426591	75.00	MASSAGE ENVY LIMITED #175007
426501	83.86	THE THARPE COMPANY INC #205891
426501	84.80	THE THARPE COMPANY INC #205891
426501	85.56	DIXIE WICKS #226733
426501	100.00	WAL-MART #1269 #302971
426501	111.64	EXCHANGE CATALOG/ONLIN #302971
426501	114.53	DIXIE WICKS #226733
426501	120.00	DICK'S SPORTING GOODS #322970
426501	120.07	COOLBAKER'S INTERNATIO #703082
426501	128.00	WOODFORD CTY THEATRICA #096712
426501	134.62	PFG*PROFORMA #484733
426591	135.00	WM SUPERCENTER #209064
426501	141.94	HOOP'S GRILL & SPORTS #550555
426501	143.10	LOUISVILLE STONEWARE #743999
426501	143.23	WM SUPERCENTER #743664
426501	150.00	WAL-MART #5418 #026139
426501	156.05	DIVERSITY ADVENTURES I #302971
426501	157.50	LOUISVILLE GS/ELEC/ #062098
107001	(158.69)	TYLER TOOL CO INC #181032
426501	176.10	DIVERSITY ADVENTURES I #461909
426591	183.41	DIVERSITY ADVENTURES I #209064
426501	200.00	LOWES #01923* #026139
426501	200.00	OUTBACK #1813 #643479
426501	204.95	JOHN F TROMPETER CO
426501	210.00	WM SUPERCENTER #767702
426501	211.96	MARK'S FEED STORE BARD #703082
426501	213.95	CHEESECAKE FACTORY #00 #302971
426591	219.99	Landsend- shirts
426501	225.00	ANGEL HAD THERA MASSAG #767702
426501	225.00	MEIJER INC #164 Q01 #322970
426501	229.20	JOHN F TROMPETER CO
426591	236.48	ARROW PROMOTIONS LLC #175007
426501	250.00	KROGER #729 #026139
426501	250.00	LOUISVILLE GS/ELEC/ #102954
426501	250.00	LOUISVILLE GS/ELEC/ #435983
426501	250.00	LOUISVILLE GS/ELEC/ #943124
426401	250.00	SHELL OIL 574248128QPS #102954

Louisville Gas and Electric Company
Case No. 2009-00549
Employee Recognition Expenses
For the Year Ended October 31, 2009

Account	Amount (\$)	Payee
426501	257.44	C & S H INC
426501	(267.65)	THE THARPE COMPANY INC #205891
426501	270.00	WAL-MART #3610 #181835
426501	282.92	A TASTE OF KENTUCKY #302971
426501	300.00	LOWES #01923* #026139
426501	307.38	PFG*PROFORMA #824251
426501	307.38	PFG*PROFORMA #824251
426501	307.39	PFG*PROFORMA #824251
426501	315.00	AUSTAD'S GOLF PHONE OR #102954
426501	315.00	AUSTAD'S GOLF PHONE OR #102954
426591	318.67	Landsend- thermachek pullovers
426591	324.59	ARROW PROMOTIONS LLC #175007
426501	331.72	CEI*SUCCESSORIES #096712
426501	332.31	ARROW PROMOTIONS LLC #175007
426591	340.25	LG&E Credit Union
426501	375.00	WAL-MART #5418 #026139
426501	375.63	THE THARPE COMPANY INC #205891
426501	378.51	FSG CREST HOLIDAY CARD #226733
426501	381.10	SAMS CLUB #712269
426501	409.00	LOUISVILLE BATS #802251
426501	417.77	BAUDVILLE, INC #096712
426501	429.61	BROOKHOLLOWCARDS.COM #226733
426591	445.04	DIVERSITY ADVENTURES I #209064
426501	(450.00)	ANGEL HAD THERA MASSAG #767702
426501	478.82	CLEVELAND'S #096712
426501	486.23	ARROW PROMOTIONS LLC #175007
426501	490.46	PFG*PROFORMA #824251
426591	502.44	PFG*PROFORMA #175007
426591	(510.00)	ChooseWell Grant for pedometers
426501	510.27	AMERICAN EXPRESS GI #612049
426501	524.88	POSITIVE PROMOTIONS #181835
426501	525.00	LEI*LANDS END CLOTHING #767702
426501	537.54	ARROW PROMOTIONS LLC #507114
426501	545.80	MEIJER INC #983 Q01 #310651
426501	548.39	PFG*PROFORMA #824251
426501	577.50	LOUISVILLE GS/ELEC/ #847847
426591	593.79	DIVERSITY ADVENTURES I #751937
426501	625.00	WAL-MART #1170 #226733
426501	631.76	IN BLOOM AGAIN #947567
426591	671.41	ARROW PROMOTIONS LLC #175007
426501	746.88	PFG*PROFORMA #712269
426501	815.00	WALMART.COM #226733
426501	850.00	MEIJER INC #164 Q01 #928412
426501	852.15	MOTIVATORS INC #507114
426591	878.91	LANDSEND
426501	948.90	STEPHEN LIBS CANDY CO #454357

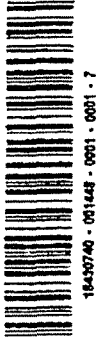
Louisville Gas and Electric Company
Case No. 2009-00549
Employee Recognition Expenses
For the Year Ended October 31, 2009


Account	Amount (\$)	Payee
426401	1,000.00	BP OIL 08517Q09 #102954
426501	1,000.00	LOUISVILLE GS/ELEC/ #226733
426501	1,023.52	WM SUPERCENTER #181835
426501	1,066.80	USPS 2047860072 QQQ #226733
426501	1,074.17	EXPRESSIONS OF YOU #181835
426501	1,091.59	MEIJER INC #983 Q01 #310651
426501	1,151.78	BESTBUYCOM 88994009 #097949
107001	1,496.25	TYLER TOOL CO INC #181032
426501	1,750.85	THE THARPE COMPANY INC #205891
426501	1,845.00	LOUISVILLE GS/ELEC/ #111760
426501	1,885.37	THE THARPE COMPANY INC #205891
426501	1,910.28	MEIJER INC #983 Q01 #310651
426501	1,910.28	MEIJER INC #983 Q01 #310651
426501	1,993.75	PFG*PROFORMA #226733
426501	2,135.87	THE THARPE COMPANY INC #205891
426501	2,255.00	LANDSENBUSINESS #096712
426501	2,266.58	THE THARPE COMPANY INC #205891
426501	2,384.69	THE THARPE COMPANY INC #205891
426501	2,444.25	THE THARPE COMPANY INC #205891
426501	2,726.80	PFG*PROFORMA #175007
426501	2,838.71	THE THARPE COMPANY INC #205891
426501	2,897.16	THE THARPE COMPANY INC #205891
426501	2,924.98	THE THARPE COMPANY INC #205891
426501	2,968.96	THE THARPE COMPANY INC #205891
426501	3,418.80	PFG*PROFORMA #030273
426501	3,945.62	THE THARPE COMPANY INC #205891
426501	3,950.72	THE THARPE COMPANY INC #205891
426501	3,955.22	THE THARPE COMPANY INC #205891
426501	4,425.66	THE THARPE COMPANY INC #205891
426501	4,516.59	THE THARPE COMPANY INC #205891
426501	5,000.00	ADRENALINE FORCE AMUSE #743999
426501	7,892.50	LOUISVILLE GS/ELEC/ #612049
426501	8,586.00	KENTUCKY MUSEUM OF ART #947567
426501	9,225.00	LOUISVILLE GS/ELEC/ #709091
426501	10,557.50	LOUISVILLE GS/ELEC/ #226733
426501	21,120.00	DEPT OF PARKS C.O. #346412
Total	\$ 160,297.62	



JPMORGAN CHASE BANK NA
 PO BOX 2030
 MAIL SUITE IL1-6225
 ELGIN IL 60121

**MEMO STATEMENT
 THIS IS NOT A BILL**




DAN KREMER
 BELOW THE LINE
 5252 CANE RUN RD
 LOUISVILLE KY 40216-1108

ACCOUNT NUMBER [REDACTED]
 STATEMENT DATE 03-13-09
 NET CHARGES \$7,892.50

FOR RECONCILIATION PURPOSES ONLY. DO NOT SEND PAYMENT.

NAME: DAN KREMER CYCLE LIMIT: \$15,000
 ACCOUNTING CODE: CRADMIN BTLEMP 0643002030

CARDHOLDER ACTIVITY			
Miscellaneous Activity			
Post Date	Tran Date	Reference Number	Transaction Description
02-26	02-25	05140489058060000368100	CASH ADVANCE FROM - LOUISVILLE GS/ELEC/ LOUISVILLE KY
			<i>Gift cards for empl. that presented. Being ice/</i>
			<i>Amount 7,780.00 ✓</i>
			<i>See down.</i>
03-04	03-03	05140489062080000357915	CASH ADVANCE FROM - LOUISVILLE GS/ELEC/ LOUISVILLE KY
			<i>Amount 102.50 ✓</i>
Total Miscellaneous Activity			7,882.50

*SBT
 3-20-09*

FOR CUSTOMER SERVICE CALL: 1-800-316-6056 FOR LOST/STOLEN CARDS CALL: 1-800-316-6056	ACCOUNT NUMBER	ACCOUNT SUMMARY
	STATEMENT DATE:	
SEND BILLING INQUIRIES TO: JPMORGAN CHASE BANK NA COMMERCIAL CARD SOLUTIONS P.O. BOX 2015 MAIL SUITE IL1-6225 ELGIN, IL 60121		PURCHASES & OTHER CHARGES 0.00 CASH ADVANCES 7,892.50 CREDITS .00 CASH ADVANCE FEE .00 NET CHARGES \$7,892.50 DISPUTE AMOUNT .00



715 WEST MAIN STREET
LOUISVILLE, KY 40202
PH: 502-589-0102 FAX: 502-589-0154
www.KentuckyArts.org

**KENTUCKY MUSEUM
OF ART AND CRAFT**

PHYLLIS GEORGE, Founder
MARY JUDITH SHIELDS, Chairperson Emerita
OFFICERS
MARY STONE, President
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MARY-STARLIE REICHARD, Co-Chair, Education Committee
KEVIN O'BRIEN, Executive Director

INVOICE

May, 2009

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KEVIN O'BRIEN

**TO: EON - US
220 West Main Street
Louisville, KY 40202
Attn: Lourie Keene**

**FROM: KMAC
715 W. Main Street
Louisville, KY 40202**

**180 Ceramic Platters commissioned from
Artist: Melvin Rowe. (\$90.00 each)**

**Amount: \$16,200.00
Tax \$972.00**

Grand Total \$17,172.00

Thanks so much for your support!

Exp Org
026485

5290
003915
122537
1115C
0636

4870
018915
122538
MISC
0636

J. Keene
5/21/09



**MEMO STATEMENT
THIS IS NOT A BILL**

JPMORGAN CHASE BANK NA
PO BOX 2030
MAIL SUITE IL1-6225
ELGIN IL 60121

ACCOUNT NUMBER [REDACTED]

STATEMENT DATE 03-13-09

NET CHARGES \$9,225.00



MARCI L HULMAN
EMPLOYEE RECOGNITION
487 CORN CREEK RD
BEDFORD KY 40006-8514

FOR RECONCILIATION PURPOSES ONLY. DO NOT SEND PAYMENT.

NAME: MARCI L HULMAN

CYCLE LIMIT: \$15,000

ACCOUNTING CODE: TCADMIN 1216282 0638002850

CARDHOLDER ACTIVITY				
Miscellaneous Activity				
Post Date	Tran Date	Reference Number	Transaction Description	Amount
03-02	02-27	05140489058080003412575	CASH ADVANCE FROM - LOUISVILLE GS/ELEC/ LOUISVILLE KY	9,225.00
			<i>4000 Visa gift cards for employees who worked during the storm.</i>	
			Total Miscellaneous Activity	\$,225.00

Marci Hulman 3/20/09
Thomas K... 3/20/09

FOR CUSTOMER SERVICE CALL: 1-800-316-6056 FOR LOST/STOLEN CARDS CALL: 1-800-316-6056	ACCOUNT NUMBER [REDACTED]	ACCOUNT SUMMARY
	STATEMENT DATE: 03/13/09	PURCHASES & OTHER CHARGES 0.00 CASH ADVANCES 9,225.00 CREDITS .00 CASH ADVANCE FEE .00 NET CHARGES \$9,225.00 DISPUTE AMOUNT .00
SEND BILLING INQUIRIES TO: JPMORGAN CHASE BANK NA COMMERCIAL CARD SOLUTIONS P.O. BOX 2015 MAIL SUITE IL1-6225 ELGIN, IL 60121		



JPMORGAN CHASE BANK NA
PO BOX 2030
MAIL SUITE IL1-6225
ELGIN IL 60121

**MEMO STATEMENT
THIS IS NOT A BILL**

ACCOUNT NUMBER [REDACTED]

STATEMENT DATE 03-13-09

NET CHARGES \$11,372.50

ROSIE HEATH
BTL EMPLOYEE REC
14660 DIXIE HWY
LOUISVILLE KY 40272-1016

RT
MK
3/27/09

FOR RECONCILIATION PURPOSES ONLY. DO NOT SEND PAYMENT.

NAME: ROSIE HEATH

CYCLE LIMIT: \$15,000

ACCOUNTING CODE: MCADMIN

BTLEMP

0638002401

CARDHOLDER ACTIVITY

Purchasing Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
02-25	02-24	55432860055000078261387	WALMART.COM WALMART.COM AR	\$15.00
Total Purchasing Activity				\$15.00

Miscellaneous Activity

Post Date	Tran Date	Reference Number	Transaction Description	Amount
02-28	02-25	05140489056080000368118	CASH ADVANCE FROM - LOUISVILLE GS/ELEC/ LOUISVILLE KY	10,557.50
Total Miscellaneous Activity				10,557.50

FOR CUSTOMER SERVICE CALL: 1-800-316-6056 FOR LOST/STOLEN CARDS CALL: 1-800-316-6056	ACCOUNT NUMBER	ACCOUNT SUMMARY
	[REDACTED]	
	STATEMENT DATE:	
	03/13/09	
SEND BILLING INQUIRIES TO: JPMORGAN CHASE BANK NA COMMERCIAL CARD SOLUTIONS P.O. BOX 2015 MAIL SUITE IL1-6225 ELGIN, IL 60121		PURCHASES & OTHER CHARGES \$15.00
		CASH ADVANCES 10,557.50
		CREDITS .00
		CASH ADVANCE FEE .00
		NET CHARGES \$11,372.50
		DISPUTE AMOUNT .00

KENTUCKY STATE PARKS
500 Mero Street, 10th Floor
Frankfort, KY 40601
(502)564-2172

INVOICE

March 2, 2009

SOLD TO: Sandy Gentry
LG&E
Louisville, KY
(502)627-2713
(502)396-6075

SOLD BY: Robin Caldwell - Welch
Kentucky Department of Parks
(502)564 - 8110 Ext. 224
Robin.Caldwell-Welch@ky.gov

(80) Getaway Packages #3	Two night stay with meals@ \$264 each	\$21,120.00
Shipping & Handling		\$0.00
Payment	M/C ending in 6412	\$21,120.00
TOTAL DUE		\$0.00

THANK YOU FOR CHOOSING KENTUCKY STATE PARKS GETAWAY PACKAGES!



LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 110

Responding Witness: Shannon L. Charnas

- Q-110. Identify all expenses incurred during the test period for athletic events, tickets, sky boxes and all sporting activities.
- a. Specifically identify the activity, dollar amount and account charged.
 - b. Provide copies of paid vouchers and invoices supporting these expenditures.
- A-110. a. LG&E does not maintain a separate account code for specific expenses for athletic events, tickets, sky boxes and all sporting activities. LG&E's expenses for these activities should be charged below-the-line in accordance with its accounting procedures. Through an inquiry in responding to this question, the Company identified that one charge of this type that was inadvertently charged to account 921. The Company agrees that this amount should have been charged to an account below the line and should be removed from the calculation of the revenue requirements in this case.
- b. See attached.



LOUISVILLE CARDINALS

University of Louisville
Athletic Ticket Office
Louisville, KY 40292
(502) 852-5151 Fax: (502) 852-7025

FAXED
9/10/09

SEASON TICKET HOLDER INFORMATION

E.ON U.S. LLC
c/o Victor Staffieri
Attn Julie Quinn
220 W Main St
Louisville, KY 40202

Account No.
338315

Home:
Office:
Email: julie.quinn@eon-us.com

SEATING INFORMATION

DESCRIPTION	SECTION	ROW	SEATS	PRICE
Handling 09MBBFS	135	B	9 - 12	\$10.00 \$2,736.00

The U of L Cards are poised for another exciting basketball season when they open up play for the 2009-2010 season on Oct. 28, 2009. The Cards will play 21 home games during the final season in Freedom Hall. Payment deadline for season tickets is Sept. 8, 2009.

SAVE THE DATE for the following upcoming events:
 Card Park 10th Ann. Celeb. - Sept. 18 at halftime of Men's Soccer Game
 MBB Tipoff Luncheon - Oct. 8 at Marriott Downtown (852-2015 for info.)
 Athletic Hall of Fame Dinner - Oct. 9 at Brown and Williamson Club
 WBB Tipoff Luncheon - Nov. 10 at Galt House (call 852-2015 more info.)

Invoice Summary

Men's Season Tickets:	\$2,746.00
Amount Paid:	\$0.00
Total Due for Men's Season Tickets:	\$2,746.00
(_____ X \$80) Women's Season Tickets:	\$ _____
Total Amount Enclosed:	\$ _____

Return Bottom Portion With Your Remittance For Proper Credit

0003383157 0002746001 0002746001 0003523322

2009-2010 MEN'S BASKETBALL SEASON TICKET RENEWAL

Amount Due: **\$2,746.00** Amount Due by: **9/8/2009**

Amount Enclosed: \$ 2,746.00

Check here to order Women's Basketball Season Tickets (_____ x \$80 each)

Check (Payable to: University of Louisville) Check# _____

Charge my VISA MC


 Card Number _____ Exp. Date _____ CVV # _____

Signature Julie Quinn

Account No.
338315

E.ON U.S. LLC
c/o Victor Staffieri
Attn Julie Quinn
220 W Main St
Louisville, KY 40202

Mail To:
UofL Athletic Tickets
8286 Reliable Parkway
Chicago, IL 60686-0092

Address Change? Check here and complete reverse side

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 111

Responding Witness: Lonnie E. Bellar

Q-111. Does the Company or any affiliates employ chauffeurs? If so, identify the expenses included in the test period, including account number.

A-111. LG&E does not employ chauffeurs.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 112

Responding Witness: Paul W. Thompson/Counsel

- Q-112. With regard to research and development (R&D) expenditures, please provide:
- a. A monthly breakdown of the R&D expenses by project included in 2007, 2008 and 2009.
 - b. A comparison of actual vs. budgeted expenditures for 2007, 2008 and 2009.
 - c. A detailed explanation of the causes of any increase from 2005 levels to 2006 levels and from 2006 to 2007 levels and why such an increase is necessary and reasonable.
 - d. A summary description of each of the R&D projects identified and the benefit to be derived by ratepayers.
 - e. Please provide the costs by project for each year of 2007, 2008 and 2009.

A-112. a, b, and e.

The requested information under sub-parts a, b, and e is provided on the attached schedule.

- b. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company is providing the actual information requested which is contained in the schedule attached and referenced above.
- c. The level of expenditures was \$605,000 in 2005, \$1,448,000 in 2006, and \$785,000 in 2007. The increase of \$843,000 from 2005 to 2006 was driven

by \$550,000 paid to FutureGen, \$250,000 paid to the University of Kentucky Center for Applied Energy Research (CAER), and an increase in EPRI funding of \$43,000. The decrease of \$663,000 from 2006 to 2007 was due to no payment being made to FutureGen in 2007, and \$113,000 less being paid to EPRI. As described in the project benefits (see item d below), the Company believes that its investments in EPRI are critical to realizing operational and efficiency improvements and preparing to meet escalating levels of environmental regulations.

- d. A summary description of each R&D project and the benefits from each project was included in the response to the First Data Request of Commission Staff, question number 47, pages 3-20.

Research and Development Expenditures

Calendar Year 2007

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Full Year
EPRI	15,330	57,145	4,568	82,504	82,504	-	89,204	-	-	-	-	203,477	534,731
FUTUREGEN INDUSTRIAL ALLIANCE INC	-	-	-	-	-	-	-	-	-	-	-	-	-
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION INC	-	-	-	-	-	-	-	-	-	-	-	-	-
UNIVERSITY OF KY RESEARCH FOUNDATION	-	-	-	-	-	-	-	250,000	-	-	-	-	250,000
WESTERN KENTUCKY CARBON STORAGE FOUNDATION INC	-	-	-	-	-	-	-	-	-	-	-	-	-
UNIVERSITY OF KENTUCKY	-	-	-	-	-	-	-	-	-	-	-	-	-
Total For the Year	15,330	57,145	4,568	82,504	82,504	-	89,204	250,000	-	-	-	203,477	784,731

Calendar Year 2008

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Full Year
EPRI	2,868	-	244,765	364,215	-	2,640	238,647	-	-	210,208	-	6,219	1,069,561
FUTUREGEN INDUSTRIAL ALLIANCE INC	-	-	-	-	-	-	-	-	-	-	-	-	-
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION INC	-	-	-	-	-	810	-	-	-	-	-	21,306	22,116
UNIVERSITY OF KY RESEARCH FOUNDATION	-	-	-	4,611	-	-	-	-	-	250,000	-	3,990	258,601
WESTERN KENTUCKY CARBON STORAGE FOUNDATION INC	-	-	-	-	-	-	500	-	66,178	57,154	-	-	123,832
UNIVERSITY OF KENTUCKY	-	-	-	-	-	-	-	-	250,000	-	-	-	250,000
Total For the Year	2,868	-	244,765	368,826	-	3,450	239,147	-	316,178	517,362	-	31,515	1,724,111

Test Year Ending October 31, 2009

	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Full Year
EPRI	-	6,219	-	15,866	233,610	-	222,956	-	210,917	-	-	-	269,917
FUTUREGEN INDUSTRIAL ALLIANCE INC	-	-	-	-	-	-	-	16,176	16,176	-	-	-	32,352
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION INC	-	21,306	-	-	11,589	-	14,820	-	-	-	-	-	47,714
UNIVERSITY OF KY RESEARCH FOUNDATION	-	3,990	-	650	-	-	99,500	1,350	255	824	-	-	107,828
WESTERN KENTUCKY CARBON STORAGE FOUNDATION INC	-	-	-	-	536,580	-	-	-	108,820	-	-	-	645,400
UNIVERSITY OF KENTUCKY	-	-	-	-	-	-	-	-	-	-	-	-	-
Total For the Year	-	31,515	-	16,516	781,779	-	337,276	17,526	336,168	824	-	271,175	1,792,780

Calendar Year 2009

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Full Year
EPRI	-	15,866	233,610	-	222,956	-	210,917	-	-	269,917	-	80,533	1,033,799
FUTUREGEN INDUSTRIAL ALLIANCE INC	-	-	-	-	-	16,176	16,176	-	-	-	-	-	32,352
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION INC	-	-	-	-	14,820	-	-	-	-	-	-	-	26,408
UNIVERSITY OF KY RESEARCH FOUNDATION	-	650	-	-	99,500	1,350	255	824	-	1,258	-	-	107,507
WESTERN KENTUCKY CARBON STORAGE FOUNDATION INC	-	-	536,580	-	-	-	108,820	-	-	-	-	-	754,220
UNIVERSITY OF KENTUCKY	-	-	-	-	-	-	-	-	-	-	-	-	-
Total For the Year	-	16,516	781,779	-	337,276	17,526	336,168	824	-	271,175	-	193,022	1,954,287

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 113

Responding Witness: Paul W. Thompson

- Q-113. With regard to R&D projects, does LG&E's regulated operations realize any royalties, profits from commercialization, or other forms or reimbursement or funding? If yes, please identify the amounts of all such items in 2007, 2008 and 2009.
- A-113. LG&E does not realize any royalties, profits, or reimbursements from its R&D projects.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 114

Responding Witness: Shannon L. Charnas/Counsel

- Q-114. With regard to all capital and expense accounts included in the filing, please provide:
- a. A monthly breakdown of the expense by capital project and/or expense account included in 2007, 2008 and 2009.
 - b. A comparison of actual vs. budgeted expenditures for 2007, 2008 and 2009.
 - c. A detailed explanation of the causes of any increase from 2005 levels to 2006 levels and from 2006 to 2007 levels and why such an increase is necessary and reasonable.
 - d. A summary description of each of the capital projects identified and the benefit to be derived by ratepayers.
 - e. Please provide the costs by project for each year of 2007, 2008 and 2009.
- A-114. a. See attached CD, in folder titled Question No. 114.
- b. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. Without waiver of this objection, the Company is providing the requested information in the attachment referenced in response to (a.) above.
 - c. See attached.
 - d. See response to (a.) above for the description of each project. These projects were necessary to provide safe, reliable service to customers.
 - e. See the response to (a.) above.

Louisville Gas and Electric Company

Explanations 2005 vs. 2006

Expenses

Fuel for electric generation and natural gas supply expenses comprise a large component of LG&E's total operating expenses. Increases or decreases in the cost of fuel and natural gas supply are reflected in LG&E's electric and natural gas retail rates, through the FAC and GSC, subject to the approval of the Kentucky Commission.

Fuel for electric generation increased \$12 million (4%) in 2006 primarily due to:

- Increased cost of fuel burned (\$15 million) due to higher prices for coal
- Decreased generation (\$3 million) due to lower demand

Fuel for electric generation increased \$74 million (36%) in 2005 primarily due to:

- Increased cost of fuel burned (\$62 million) due to the MISO's dispatch of natural gas-fired units and higher coal and natural gas prices
- Increased generation (\$12 million) due to increased demand and the dispatch of units for MISO Day 2

Power purchased expense decreased \$27 million (19%) in 2006 primarily due to:

- Decreased volumes purchased (\$35 million) due to lower demand
- Increased unit cost per Mwh of purchases (\$9 million) due to higher fuel prices

Power purchased expense increased \$49 million (53%) in 2005 primarily due to:

- Increased unit cost per Mwh of purchases (\$41 million) due to higher fuel prices
- Increased volumes purchased (\$8 million) due to increased demand and unit outages
 - Purchased power costs from the MISO due to unit outages totaled \$10 million

Gas supply expenses decreased \$44 million (13%) in 2006 primarily due to:

- Decreased volumes of natural gas delivered to the distribution system (\$64 million) due to milder winter weather
- Increased cost of net gas supply (\$20 million) due to higher inventory unit cost

Gas supply expenses increased \$73 million (27%) in 2005 primarily due to:

- Increased cost of net gas supply (\$62 million) due to the increase in natural gas prices
- Increased volumes of natural gas delivered to the distribution system (\$12 million)

Louisville Gas and Electric Company

Other operation and maintenance expenses decreased \$20 million (6%) in 2006 primarily due to decreased other operation expenses (\$37 million) partially offset by increased maintenance expenses (\$15 million) and property and other taxes (\$1 million).

Other operation expenses decreased \$37 million (16%) in 2006 primarily due to:

- Decreased administrative and general expense (\$21 million) primarily due to the completion of the VDT amortization
- Decreased other power supply costs (\$11 million) resulting from lower MISO Day 2 costs
- Decreased electrical transmission costs (\$9 million) due to lower MISO related expenses
- Increased steam generation expense (\$2 million) primarily for scrubber reactant and waste disposal
- Increased distribution operations costs (\$1 million) primarily due to higher storm restoration costs
- Increased underground storage costs (\$1 million) due to higher costs of materials and contractor expenses

Maintenance expenses increased \$15 million (24%) in 2006 primarily due to:

- Increased steam maintenance (\$8 million) primarily related to Mill Creek Unit 4
- Increased distribution maintenance (\$5 million) primarily related to vegetation management and storm restoration
- Increased administrative and general maintenance (\$2 million)

Other operation and maintenance expenses increased \$3 million (1%) in 2005 primarily due to higher other operation expenses (\$11 million) and higher property taxes (\$2 million), partially offset by lower maintenance expenses (\$9 million).

Other operation expenses increased \$11 million (5%) in 2005 primarily due to:

- Increased other power supply costs (\$17 million) due largely to MISO Day 2 costs (\$18 million) for administrative and allocated charges from the MISO for Day 2 operations
- Increased steam generation expense (\$4 million) primarily for scrubber reactant and waste disposal
- Increased employee benefit costs (\$3 million)
- Increased customer service and collection expenses (\$2 million)
- Decreased transmission costs (\$11 million), due largely to MISO Day 2 (\$13 million). Prior to the MISO Day 2 market, most bilateral transactions required the purchase of transmission; however, with the Day 2 market, most transactions are handled directly with the MISO and no additional transmission is necessary

Louisville Gas and Electric Company

- Decreased distribution operating costs (\$5 million) due to fewer storms

Maintenance expenses decreased \$9 million (13%) in 2005 primarily due to:

- Decreased distribution maintenance (\$9 million) due to fewer storms
- Decreased steam generation expense (\$2 million)
- Increased administrative and general maintenance (\$1 million)

Other expense (income) – net decreased \$4 million in 2006 primarily due to:

- Decreased other income (\$2 million)
- Increased other expense (\$2 million)

Other expense (income) - net increased \$4 million in 2005 primarily due to:

- Increased other income (\$2 million)
- Decreased other expense (\$1 million)

Interest expense, including interest expense to affiliated companies, increased \$4 million (11%) in 2006 primarily due to:

- Increased interest rates on variable rate debt (\$5 million)
- Increased interest on tax deficiencies (\$2 million)
- Decreased interest expense on swaps (\$2 million)

Interest expense, including interest expense to affiliated companies, increased \$4 million (12%) in 2005 primarily due to:

- Increased interest rates on variable rate debt (\$6 million)
- Increased borrowing from the money pool (\$2 million)
- Decreased cost of interest rate swaps (\$3 million)
- Decreased costs due to refinancing fixed rate debt with variable rate debt (\$1 million)

Investing Activities

LG&E's primary use of funds for investing activities continues to be for capital expenditures. Capital expenditures were \$146 million, \$139 million and \$148 million in 2006, 2005 and 2004, respectively. LG&E expects its capital expenditures for the three-year period ending December 31, 2009, to total approximately \$665 million, which consists primarily of construction estimates associated with the construction of TC2 totaling approximately \$150 million (including \$40 million for environmental controls), other environmental control equipment of approximately \$80 million, redevelopment of

Louisville Gas and Electric Company

the Ohio Falls hydro facility totaling approximately \$30 million and on-going construction related to generation and distribution assets.

Net cash used for investing activities in 2006 increased \$9 million in 2006 compared to 2005 and decreased \$21 million in 2005 compared to 2004, primarily due to the level of construction expenditures.

Explanations 2006 vs. 2007

Expenses

Fuel for electric generation and natural gas supply expenses comprise a large component of total operating expenses. Increases or decreases in the cost of fuel and natural gas supply are reflected in electric and natural gas retail rates, through the FAC and GSC, subject to the approval of the Kentucky Commission.

Fuel for electric generation increased \$24 million in 2007 primarily due to:

- Increased cost of fuel burned (\$17 million) due to higher coal prices
- Increased generation (\$7 million) due to higher demand

Power purchased expense decreased \$32 million in 2007 primarily due to:

- Decreased volumes purchased (\$33 million) due to increased internal generation
- Increased cost per Mwh of purchases (\$2 million) due to higher fuel prices

Gas supply expenses decreased \$41 million in 2007 primarily due to:

- Decreased cost of net gas supply (\$77 million) due to lower inventory unit cost and adjustments to the GSC for recoveries
- Increased volumes of natural gas delivered to the distribution system (\$36 million) due to higher demand

Other operation and maintenance expenses decreased \$12 million in 2007 primarily due to decreased other operation expenses (\$17 million), partially offset by increased maintenance expenses (\$4 million).

Other operation expenses decreased \$17 million in 2007 primarily due to:

- Decreased VDT workforce reduction expense (\$8 million) due to completion of VDT amortization in March 2006
- Decreased MISO Day 1 and Day 2 expense (\$8 million) due to the exit from the MISO effective September 1, 2006, and refunds from the MISO for certain

Louisville Gas and Electric Company

charges

- Decreased steam expense (\$5 million) due to lower lease expense
- Decreased pension expense (\$3 million) due to a pension contribution early in 2007
- Decreased write-offs of uncollectible accounts (\$3 million) primarily due to lower gas prices in 2007 as compared with prices in the first quarter of 2006
- Increased wholesale expense (\$6 million) due to a recorded credit in April 2006 for a FERC ordered refund from the MISO for charges assessed in excess of the rates in the MISO transmission tariff
- Increased scrubber reactant expense (\$2 million) due to a higher priced lime contract in 2007

Maintenance expenses increased \$4 million in 2007 primarily due to:

- Increased boiler maintenance expense (\$3 million)
- Increased gas main distribution maintenance and other maintenance services (\$2 million)
- Decreased overhead conductor and devices maintenance (\$1 million)

Other expense – net decreased \$2 million in 2007 primarily due to increased other income (\$1 million) and decreased other expense (\$1 million).

Interest expense increased \$9 million in 2007 primarily due to increased interest to affiliated companies (\$8 million) due to increased affiliate borrowings to fund the pension plan and redeem the Company's preferred stock and increased interest rates on variable rate debt (\$1 million).

Investing Activities

The primary use of funds for investing activities continues to be for capital expenditures. Net cash used for investing activities in 2007 increased \$50 million in 2007 compared to 2006, primarily due to increased capital expenditures of \$48 million and \$2 million in restricted cash. Restricted cash primarily relates to cash received as a prepayment for equipment on order for the Louisville Arena project.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 115

Responding Witness: Shannon L. Charnas

Q-115. Please provide a detailed analysis of all charges booked during the test period for advertising expenditures. Include a complete breakdown, including but not limited to these categories: (1) sales or promotional, (2) institutional, (3) conservation related, (4) rate case, and (5) other. The analysis should specify the account charged, the purpose of the expenditure and the expected benefit to be derived.

A-115. See attached.

Louisville Gas and Electric Company
 Total Advertising
 12 Months Ended October 31, 2009

Category	Account	AP Vendor Name or JE Batch Name	Purpose	Benefit	Amount	Over \$10,000	Component
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Printing	(1)	400.00	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	75.00	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,364.86	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,349.86	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,364.86	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,349.86	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,357.36	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,357.36	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	7,349.86	No	Outside Services-3rd Party Labor
Institutional	930101	ADHAWKS ADVERTISING AND PR INC	Customer Newsletter	(1)	24,959.56	Yes	Outside Services-3rd Party Labor
Institutional	930101	THE PARADIGM ALLIANCE INC	Public Awareness Program	(1)	15,257.94	Yes	Outside Services-3rd Party Labor
Institutional	930101	THE PARADIGM ALLIANCE INC	Public Awareness Program	(1)	38,203.08	Yes	Outside Services-3rd Party Labor
Institutional	930101	THE PARADIGM ALLIANCE INC	Public Awareness Program	(1)	447.97	No	Outside Services-3rd Party Labor
Institutional	930101	THE PARADIGM ALLIANCE INC	Public Awareness Program	(1)	4,066.16	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED GRAPHICS OF LOUISVILLE	Printing and Mail Services	(1)	1,357.11	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	26.13	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	59.56	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	269.62	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	320.39	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	12.13	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	27.65	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	125.16	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	148.72	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	2.68	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	6.11	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	27.65	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	32.85	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	14.41	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	32.86	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	148.73	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	176.74	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	1.18	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	2.68	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	12.13	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	14.41	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	67.34	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	185.02	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	397.93	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	768.94	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	16.20	No	Outside Services-3rd Party Labor

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Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	44.52	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	95.75	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	185.04	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	37.50	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	34.85	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	95.75	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	205.93	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	397.93	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	5.90	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	16.20	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	34.85	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	67.34	No	Outside Services-3rd Party Labor
Institutional	930101	UNITED MAIL LLC	Printing and Mail Services	(1)	828.00	No	Outside Services-3rd Party Labor
Institutional	930101	XEROX CORP	Printing Services	(1)	275.85	No	Outside Services-Material & Equipment
Institutional	930101	XEROX CORP	Printing Services	(1)	1,482.05	No	Purchase Material-Office Supplies
Institutional	930101	CLARK & RIGGS PRINTING	News Transmission Printing	(1)	1,482.05	No	Purchase Material-Office Supplies
Institutional	930101	CREATIVE ALLIANCE	Print Ads	(1)	1,925.00	No	Advertising-Magazine/Other
Institutional	930101	CATS PAUSE	Media Sponsorship	(1)	62.50	No	Advertising-Magazine/Other
Institutional	930101	NICK BONURA PHOTOGRAPH	Face Of Customer Service	(1)	375.00	No	Purchase Material-Office Supplies
Institutional	930101	WORKFLOWONE OH	Gas Tags for Customers	(1)	3,877.29	No	Purchase Material-Office Supplies
Institutional	930101	WORKFLOWONE OH	Gas Tags for Customers	(1)	10,500.00	Yes	Advertising
Institutional	930101	THE CATS PAUSE INC	Media Sponsorship	(1)	638.00	No	Purchase Material-Office Supplies
Institutional	930101	MASS PRODUCTION, INC.	Carbon Video	(1)	728.00	No	Purchase Material-Office Supplies
Institutional	930101	MASS PRODUCTION, INC.	Carbon Video	(1)	54.40	No	Purchase Material-Office Supplies
Institutional	930101	NICK BONURA PHOTOGRAPH	Trimble County Unit 2 Line Shoot	(1)	226.40	No	Purchase Material-Office Supplies
Institutional	930101	NICK BONURA PHOTOGRAPH	Trimble County Unit 2 Line Shoot	(1)	573.60	No	Purchase Material-Office Supplies
Institutional	930101	NICK BONURA PHOTOGRAPH	Misc Photos of State	(1)	112.00	No	Purchase Material-Office Supplies
Institutional	930101	UTILITY COMMUNICATORS	Membership Renewal - Communication Organization	(1)	9,974.54	No	Advertising-Newspaper
Institutional	930101	CREATIVE ALLIANCE	Newspaper	(1)	10,500.00	Yes	Advertising-Newspaper
Institutional	930101	CREATIVE ALLIANCE	Newspaper	(1)	6,500.00	No	Advertising-Newspaper
Institutional	930101	CREATIVE ALLIANCE	Newspaper	(1)	974.51	No	Advertising-Newspaper
Institutional	930101	WORKFLOWONE OH	Gas Tags	(1)	719.03	No	Outside Services-Material & Equipment
Institutional	930101	WORKFLOWONE OH	Red Warning Tags	(1)	906.74	No	Outside Services-3rd Party Labor
Institutional	930101	WORKFLOWONE OH	Leak Survey Tags	(1)	1,516.92	No	Outside Services-Material & Equipment
Institutional	930101	WORKFLOWONE OH	Gas Tags	(1)	4,256.75	No	Outside Services-Material & Equipment
Institutional	930101	PFG*PROFORMA	Brand Advertising	(1)	16.55	No	Outside Services-Material & Equipment
Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	58.47	No	Outside Services-Material & Equipment
Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	43.14	No	Outside Services-3rd Party Labor
Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	232.64	No	Purchase Material-Office Supplies
Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	22.50	No	Purchase Material-Office Supplies

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Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	54.40	No	Outside Services-Material & Equipment
Institutional	930101	KENTUCKY STATE TREASURER	Sales Tax	(1)	91.02	No	Outside Services-Material & Equipment
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	187.50	No	Outside Services-Material & Equipment
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	1,590.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	75.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	1,125.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	125.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	570.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	125.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	250.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	116.66	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	116.67	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	58.33	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	58.34	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	162.50	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	175.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	175.00	No	Outside Services-3rd Party Labor
Institutional	930101	PUSH DESIGN LLC	Collateral Development	(1)	6,500.00	No	Advertising-Other
Institutional	930101	THE CUBERO GROUP INC	DSM Items	(1)	20.99	No	Miscellaneous
Institutional	930101	WILLIAMS, CHERYL A	Power Of One Campaign	(1)	87.87	No	Miscellaneous
Institutional	930101	WILLIAMS, CHERYL A	Power Of One Campaign	(1)	153.95	No	Miscellaneous
Institutional	930101	WILLIAMS, CHERYL A	Power Of One Campaign	(1)	14.30	No	Mileage Reimbursement
Institutional	930101	WILLIAMS, CHERYL A	Power Of One Campaign	(1)	92.40	No	Mileage Reimbursement
Institutional	930101	WILLIAMS, CHERYL A	Power Of One Campaign	(1)	528.38	No	Purchase Material-Office Supplies
Institutional	930101	WILLIAMS, CHERYL A	Promotional Items	(1)	28.66	No	Purchase Material-Office Supplies
Institutional	930191	B2B CASUALS, INC.	Promotional Items	(1)	7.51	No	Subscriptions
Institutional	930191	COURIER-JOURNAL CIRC	Newspaper Subscription	(1)	15.02	No	Subscriptions
Institutional	930191	EVANSVILLE COURIER	Newspaper Subscription	(1)	420.32	No	Purchase Material-Office Supplies
Institutional	930191	EVANSVILLE COURIER	Newspaper Subscription	(1)	10.72	No	Purchase Material-Office Supplies
Institutional	930191	FREE ENTERPRISE SYSTEM	Transportation Charge	(1)	62.59	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	97.94	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	2.03	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	23.44	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	2.80	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	17.97	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	5.53	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	25.13	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	5.80	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	72.27	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	4.45	No	Purchase Material-Office Supplies

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Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	27.33	No	Purchase Material-Office Supplies
Institutional	930191	GUY BROWN PD	Misc Office Supplies	(1)	1.30	No	Purchase Material-Office Supplies
Institutional	930191	INSIGHT CABLE	Lex Suite Cable Service	(1)	13.05	No	Purchase Material-Office Supplies
Institutional	930191	MASS PRODUCTION, INC.	Carbon Video	(1)	164.50	No	Outside Services-3rd Party Labor
Institutional	930191	MASS PRODUCTION, INC.	Carbon Video	(1)	658.00	No	Outside Services-3rd Party Labor
Institutional	930191	PGF*PROFORMA	Sponsor-Patnot Games	(1)	471.58	No	Purchase Material-Office Supplies
Institutional	930191	THE UPPER CRUST	Breakfast with Vic	(1)	47.15	No	Meals
Institutional	930191	CARMA INTERNATIONAL INC	Media Analysis	(1)	672.00	No	Outside Services-3rd Party Labor
Institutional	930101	IMG COMMUNICATIONS INC	Uk Media Buy	(1)	4,567.05	No	Advertising-Radio
Institutional	930101	IMG COMMUNICATIONS INC	Uk Media Buy	(1)	4,567.05	No	Advertising-Radio
Institutional	930101	IMG COMMUNICATIONS INC	Uk Media Buy	(1)	4,567.05	No	Advertising-Radio
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	13,748.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	17,573.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	13,748.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	5,525.00	No	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	27,263.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	24,458.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	27,773.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	13,748.75	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	1,916.61	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	2,890.82	No	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	5,525.00	No	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	1,870.00	No	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	14,436.19	Yes	Advertising-Television
Institutional	930101	CREATIVE ALLIANCE	Television	(1)	6,409.00	No	Advertising-Television
Institutional	930101	IMG COMMUNICATIONS INC	Uk Media Buy	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	15,000.00	Yes	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	2,170.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	5,000.00	No	Advertising-Television
Institutional	930101	RAYCOM MEDIA INC	Sponsor-Troublesooter Show Ads	(1)	718.08	No	Purchase Material-Office Supplies
Institutional	930191	WTVQ-TV	TV Ads Lexington Market	(1)	47.50	No	Advertising-Magazine/Other
Conservation	909004	JEANEEN BARNHART STUDI	Energy Efficiency Brochure Revisions		4,154.10	No	Advertising-Magazine/Other
Conservation	909010	KETCHUM DIRECTORY ADVERTISING I	Telephone Book Listings		9,462.60	No	Advertising-Magazine/Other
Conservation	909010	KETCHUM DIRECTORY ADVERTISING I	Telephone Book Listings		2,686.20	No	Advertising-Magazine/Other
Conservation	909010	KETCHUM DIRECTORY ADVERTISING I	Telephone Book Listings		7,554.30	No	Advertising-Magazine/Other

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Category	Account	AP Vendor Name or JE Batch Name	Purpose	Benefit	Amount	Over \$10,000	Component
Conservation	909010	KETCHUM DIRECTORY ADVERTISING I	Telephone Book Listings	Telephone Book Listings	9,093.40	No	Advertising-Magazine/Other
Conservation	909013	CREATIVE ALLIANCE	Thank You Ad	Safety Education	2,817.50	No	Advertising-Newspaper
Conservation	909004	JEANEEN BARNHART STUDI	Economic Dev Network Event Materials	Energy Conservation	275.00	No	Advertising-Other
Conservation	909004	KY STATE FAIR EXPO SAL	Energy Efficiency Fair Booth	Conservation	33.00	No	Advertising-Other
Conservation	909004	WWW.HBAL.COM	Sponsor-Home Garden & Remodeling Show	Conservation	7,500.00	No	Advertising-Other
Conservation	909004	WWW.HBAL.COM	Sponsor-Home Garden & Remodeling Show	Conservation	7,500.00	No	Advertising-Other
Conservation	909004	THE CUBERO GROUP INC	Demand Side Management Items	Conservation	3,650.00	No	Advertising-Other
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	3.52	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	15.40	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	17.10	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	33.58	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	63.49	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	528.00	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	795.06	No	Outside Services-Material & Equipment
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	21.36	No	Miscellaneous
Conservation	909004	AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	Conservation	40.93	No	Miscellaneous
Conservation	909004	ALISON AND ASSOCIATES	Giveaways for the Parade After Light Up Louisville	Energy Conservation	606.84	No	Miscellaneous
Conservation	909004	KY STATE FAIR EXPO SAL	Giveaways for the Parade After Light Up Louisville	Energy Conservation	1,325.00	No	Miscellaneous
Conservation	909013	DIVERSITY ADVENTURES I	Giveaways for the Parade After Light Up Louisville	Energy Conservation	216.00	No	Miscellaneous
Conservation	909013	PFG*PROFORMA	Louie the Lightning Bug & Mimi City Charges	Safety Education	279.36	No	Outside Services-3rd Party Labor
Conservation	909013	MOORE SYNDICATION INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	361.01	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	571.34	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	896.72	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	904.72	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	1,034.50	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	1,267.04	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	1,354.76	No	Outside Services-3rd Party Labor
Conservation	909013	WE CAN DO THAT LLC	Louie the Lightning Bug & Mimi City Charges	Safety Education	1,666.67	No	Outside Services-3rd Party Labor
Conservation	909013	PFG*PROFORMA	Safety Program	Safety Education	1,853.46	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	2,286.23	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	2,384.50	No	Outside Services-3rd Party Labor
Conservation	909013	DIVERSITY ADVENTURES INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	2,587.50	No	Outside Services-3rd Party Labor
Conservation	909013	MOORE SYNDICATION INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	3,000.00	No	Outside Services-3rd Party Labor
Conservation	909013	PFG*PROFORMA	Louie the Lightning Bug Licensing	Safety Education	3,292.74	No	Outside Services-3rd Party Labor
Conservation	909013	PFG*PROFORMA	Louie the Lightning Bug & Mimi City Charges	Safety Education	4,138.99	No	Outside Services-3rd Party Labor
Conservation	909013	PFG*PROFORMA	Louie the Lightning Bug & Mimi City Charges	Safety Education	5,021.30	No	Outside Services-3rd Party Labor
Conservation	909013	GUY BROWN PD	Louie the Lightning Bug & Mimi City Charges	Safety Education	53.67	No	Purchase Material-Office Supplies
Conservation	909013	DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mimi City Charges	Safety Education	1,208.06	No	Purchase Material-Safety Supplies
Conservation	909013	MOORE SYNDICATION INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	465.00	No	Purchase Material-Other
Conservation	909013	MOORE SYNDICATION INC	Louie the Lightning Bug & Mimi City Charges	Safety Education	45.30	No	Freight

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Conservation	909013	TARGET	Louie the Lightning Bug & Mini City Charges	Safety Education	6.88	No	Miscellaneous
Conservation	909013	SAMSCLUB	Louie the Lightning Bug & Mini City Charges	Safety Education	19.90	No	Miscellaneous
Conservation	909004	HULSE, MELODY	Mileage	Energy Conservation	5.50	No	Mileage Reimbursement
Conservation	909004	KY EXPO CTR SVC DESK	Energy Efficiency Fair Booth	Energy Conservation	90.00	No	Advertising-Other
Conservation	909013		Labor	Safety Education	187.50	No	Labor
Conservation	909013		Labor	Safety Education	250.00	No	Labor
Conservation	909013		Labor	Safety Education	19.46	No	Overheads
Conservation	909013		Labor	Safety Education	14.60	No	Overheads
Conservation	909013		Labor	Safety Education	1,191.20	No	Overheads
Conservation	909013		Labor	Safety Education	9.99	No	Overheads
Conservation	909013		Labor	Safety Education	55.05	No	Overheads
Conservation	909013		Labor	Safety Education	102.69	No	Overheads
Conservation	909013		Labor	Safety Education	101.03	No	Overheads
Conservation	909013		Labor	Safety Education	38.61	No	Overheads
Conservation	909013		Labor	Safety Education	375.00	No	Labor
Conservation	909013		Labor	Safety Education	3.15	No	Overheads
Conservation	909013		Labor	Safety Education	17.33	No	Overheads
Conservation	909013		Labor	Safety Education	32.33	No	Overheads
Conservation	909013		Labor	Safety Education	31.80	No	Overheads
Conservation	909013		Labor	Safety Education	12.15	No	Overheads
Conservation	909013		Labor	Safety Education	(0.81)	No	Advertising-Other
Conservation	909010	Marketing Endeavors (invoice correction)	Telephone Book Listings	Telephone Book Listings	67,569.05	Yes	Advertising-Radio
Conservation	909013	CREATIVE ALLIANCE	Radio	Safety Education	4,879.00	No	Advertising-Radio
Conservation	909013	CREATIVE ALLIANCE	Radio	Safety Education	13,068.75	Yes	Advertising-Radio
Conservation	909013	CREATIVE ALLIANCE	Television	Safety Education	5,525.00	No	Advertising-Television
Conservation	909004	CREATIVE ALLIANCE	Television	Conservation	5,525.00	No	Advertising-Television
Conservation	909004	CREATIVE ALLIANCE	Television	Conservation	5,525.00	No	Advertising-Television
Conservation	909004	CREATIVE ALLIANCE	Television	Conservation	3,906.80	No	Advertising-Television
Conservation	909004	CREATIVE ALLIANCE	Television	Conservation	1,618.20	No	Advertising-Television
Conservation	909013	CREATIVE ALLIANCE	Television	Safety Education	24,373.75	Yes	Advertising-Television
Conservation	909013	CREATIVE ALLIANCE	Television	Safety Education	2,890.00	No	Advertising-Television
Conservation	909013	CREATIVE ALLIANCE	Television	Safety Education	5,185.00	No	Advertising-Television
Conservation	909013	CREATIVE ALLIANCE	Television	Safety Education	230.00	No	Advertising-Television
Conservation	909013	CREATIVE ALLIANCE	Weather Crawls	Safety Education	275.00	No	Outside Services-3rd Party Labor
Other	908001	GREENLIST LOUISVILLE	Advertisement For Green Energy	Energy Conservation	35.00	No	Advertising-Magazine/Other
Other	908001	JEANNEEN BARNHART STUDI	Green Energy Promotional Posters	Energy Conservation	740.16	No	Advertising-Magazine/Other
Other	456008	MPI PRINTING	Green Energy Quarterly Report	Energy Conservation	550.00	No	Advertising-Magazine/Other
Other	456008	GREENLIST LOUISVILLE	Cost To Recruit Green Energy Participants Via Magazine Ad	Energy Conservation	550.00	No	Advertising-Magazine/Other
Other	908901	THE GROUP TRAVEL LEADE	Cost To Recruit Green Energy Participants Via Magazine Ad	Energy Conservation	500.00	No	Advertising-Magazine/Other
Other	910900	KETCHUM DIRECTORY ADVERTISING I	Ky Home Builders Ad	Energy Conservation	6,773.50	No	Advertising-Magazine/Other
Other			Telephone Book Listings	Telephone Book Listings			

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 Total Advertising
 12 Months Ended October 31, 2009

Category	Account	AP Vendor Name or JE Batch Name	Purpose	Benefit	Amount	Over \$10,000	Component
Other	908001	MPI PRINTING	Green Energy Brochure	Energy Conservation	325.33	No	Advertising-Other
Other	908001	UNITED GRAPHICS OF LOU	Green Energy Insert	Energy Conservation	116.60	No	Advertising-Other
Other	908001	WORKFLOWONE OH	Green Energy Mailing Envelopes	Energy Conservation	44.50	No	Advertising-Other
Other	908001	WORKFLOWONE OH	Green Energy Mailing Envelopes	Energy Conservation	53.00	No	Advertising-Other
Other	908001	WORKFLOWONE OH	Green Energy Mailing Envelopes	Energy Conservation	302.00	No	Advertising-Other
Other	908001	WORKFLOWONE OH	Green Energy Mailing Envelopes	Energy Conservation	364.50	No	Advertising-Other
Other	908001	WORKFLOWONE OH	Green Energy Mailing Envelopes	Energy Conservation	244.28	No	Advertising-Other
Other	908901	UNITED MAIL	Printing And Mail Services	Energy Conservation	668.05	No	Advertising-Other
Other	908001	PHOTOCRAFT INC	Green Energy Window Clings	Energy Conservation	1,495.68	No	Advertising-Other
Other	908901	JEANEEN BARNHART STUDI	Smart Meter Materials,Chartwell Award Materials,Co Van Wrap Design	Energy Conservation	657.50	No	Advertising-Other
Other	908901	MPI PRINTING	Smart Meter Brochure	Energy Conservation	211.72	No	Advertising-Other
Other	908901	JEANEEN BARNHART STUDI	Chartwell Campaign Materials-Printing & Processing	Energy Conservation	180.00	No	Advertising-Other
Other	908901	JEANEEN BARNHART STUDI	Comm Audit Brochure Design	Energy Conservation	105.00	No	Advertising-Other
Other	908901	JEANEEN BARNHART STUDI	Energy Efficiency Panel Card Designs	Energy Conservation	175.00	No	Advertising-Other
Other	908901	MPI PRINTING	Economic Dev Network Event Materials	Education	506.36	No	Advertising-Other
Other	910900	JEANEEN BARNHART STUDI	Posters To Promote 2007 Microsoft Office Rollout	Safety Education	112.50	No	Advertising-Other
Other	921902	CLARK & RIGGS PRINTING	Safety Conference	Safety Education	488.13	No	Advertising-Other
Other	921903	PFG*PROFORMA	Environmental Champions Program	Conservation	10,054.22	Yes	Advertising-Other
					<u>\$ 815,520.47</u>		

(1) These advertising costs were not initiated for the sole benefit of the ratepayers, these costs were included in pro forma adj 1.23.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 116

Responding Witness: Shannon L. Charnas

- Q-116. For each advertising expense over \$10,000 recorded by the Company during the test period, state the payee, amount, date and purpose. Also provide a copy of the associated invoice and a copy of (or if a non-print ad, the text of) each advertisement.
- A-116. See response to Question No. 115 for detail of charges over \$10,000. See attached CD in folder titled Question No. 116 for copies of TV and radio advertisements and for invoices and copies of print ads.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 117

Responding Witness: Shannon L. Charnas

Q-117. Are there any advertising costs being incurred by the Company which cannot be identified with a specific advertisement? If so, please itemize and describe each such cost, and list the associated amounts for each year 2007, 2008 and 2009.

A-117. See attached.

Louisville Gas and Electric Company
Advertising Costs Which Cannot be Identified with a Specific Advertisement
2007 - 2009

Vendor	Description	Amount
WORKFLOWONE OH	JPMORGAN CHASE BANK	543.75
WORKFLOWONE OH	JPMORGAN CHASE BANK	543.75
DIVERSITY ADVENTURES INC	CHARGE-Services for Safty Program	583.50
WORKFLOWONE OH	JPMORGAN CHASE BANK	600.00
WORKFLOWONE OH	JPMORGAN CHASE BANK	621.55
DIVERSITY ADVENTURES INC	CHARGE-Outside Services	621.75
PUSH DESIGN LLC	CHARGE-Outside Services	675.00
MEDIA GOFER INC	CHARGE-OCT 2007 CLIP MONTH	683.82
MEDIA GOFER INC	CHARGE-SEPT 2007 CLIP MONTH	689.33
DIVERSITY ADVENTURES INC	CHARGE-Services for Safty Program	699.25
PREFERRED MARKETING SOLUTIONS	CHARGE-Safety inserts plus tax	715.50
DOUBLE DOG DARE LLC	CHARGE-Outside Services	758.45
MOORE SYNDICATION INC	CHARGE-LOUIE TATOOS	780.00
MEDIA GOFER INC	CHARGE-NOVEMBER CLIP MONTH	809.68
WORKFLOWONE OH	JPMORGAN CHASE BANK	(845.49)
WORKFLOWONE OH	JPMORGAN CHASE BANK	845.49
WORKFLOWONE OH	JPMORGAN CHASE BANK	995.53
MOORE SYNDICATION INC	CHARGE-Coloring books	1,002.00
POWER CREATIVE	CHARGE-March newsletters	1,058.13
DIVERSITY ADVENTURES INC	CHARGE-Outside Services	1,062.50
DIVERSITY ADVENTURES INC	CHARGE-Outside Services	(1,062.50)
DIVERSITY ADVENTURES INC	CHARGE-Outside Services	1,062.50
WORKFLOWONE OH	JPMORGAN CHASE BANK	1,154.87
VIVID IMPACT CORP	CHARGE-Outside Services	1,170.00
POWER CREATIVE	CHARGE-February newsletters	1,196.25
DIVERSITY ADVENTURES INC	CHARGE-Outside Services	1,232.50
PLATTS	JPMORGAN CHASE BANK	1,242.50
MEDIA LIBRARY INC	CHARGE-Monitor news Jan 07 coverage	1,336.20
DOUBLE DOG DARE LLC	CHARGE-Outside Services	1,337.48
POWER CREATIVE	CHARGE-January newsletters	1,349.38
UNITED MAIL LLC	CHARGE-Outside Services	1,448.59
POWER CREATIVE	CHARGE-Prepare Dec 06 newsletters	1,766.25
CARMA INTERNATIONAL INC	CHARGE-Media Analysis	1,844.40
THE CUBERO GROUP INC	CHARGE-Outside Services	1,921.31
MEDIA LIBRARY INC	CHARGE-News recordings	2,113.98
MEDIA LIBRARY INC	CHARGE-Monthly tape/monitoring	2,172.70
POWER CREATIVE	CHARGE-Outside Services	2,326.25
MEDIA LIBRARY INC	CHARGE-MONTHLY TAPE MONITORING	2,327.01
CARMA INTERNATIONAL INC	CHARGE-Changing project/task numbers	2,818.80
MEDIA LIBRARY INC	CHARGE-Monthly tape monitoring	2,819.61
POWER CREATIVE	CHARGE-Outside Services	2,968.35
MOORE SYNDICATION INC	CHARGE-Licensing Louie 11/01/07-10/31/08	3,000.00
MEDIA LIBRARY INC	CHARGE-News coverage monitoring	3,006.89
MEDIA LIBRARY INC	CHARGE-Media monitoring	3,047.42
MEDIA LIBRARY INC	CHARGE-Monthly tape/monitoring	3,180.72
MASS PRODUCTION, INC.	JPMORGAN CHASE BANK	3,512.50
MEDIA LIBRARY INC	CHARGE-News Recording/Summaries	3,620.19
THE CUBERO GROUP INC	CHARGE-Outside Services	4,901.45
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	5,024.40
MOORE SYNDICATION INC	CHARGE-Annual website fees	5,400.00
DOUBLE DOG DARE LLC	CHARGE-Outside Services	5,737.25
MEDIA LIBRARY INC	CHARGE-MEDIA MONITORING	5,922.61
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	6,695.49
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	6,969.50
PUSH DESIGN LLC	CHARGE-Outside Services	7,287.00
PREFERRED MARKETING SOLUTIONS	CHARGE-Printed material	7,717.00
PREFERRED MARKETING SOLUTIONS	CHARGE-LGE newsletters	7,717.00
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	8,179.49
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	8,179.49
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	8,180.02
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	8,180.02
PREFERRED MARKETING SOLUTIONS	CHARGE-Newsletters plus tax	8,180.02
THE CUBERO GROUP INC	CHARGE-Outside Services	16,909.52
INTERNAL LABOR	INTERNAL LABOR	1,783.05
WM SUPERCENTER	JPMORGAN CHASE BANK	5.67
UNITED MAIL LLC	CHARGE-Corbett's Invitation	497.11
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	510.00

Louisville Gas and Electric Company
Advertising Costs Which Cannot be Identified with a Specific Advertisement
2007 - 2009

Vendor	Description	Amount
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	712.50
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	772.50
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	840.00
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	896.72
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,062.50
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,062.50
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,076.25
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,166.25
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,328.26
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,686.67
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	1,890.00
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	2,587.50
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	2,650.00
DIVERSITY ADVENTURES INC	CHARGE-Safety Program	3,042.50
AMERICAN EXPRESS CORP	CHARGE-EMPLOYEE EXPENSE REPORT DATED 19-DEC-08	21.36
AMERICAN EXPRESS CORP	CHARGE-EMPLOYEE EXPENSE REPORT DATED 19-DEC-08	40.93
AMERICAN EXPRESS CORP	CHARGE-EMPLOYEE EXPENSE REPORT DATED 26-AUG-08	100.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Monthly Service Fee for Newservice	250.00
FACTIVA	CHARGE-Change Accounting	250.00
FACTIVA	CHARGE-Monthly Service Fee for Newservice	250.00
THE CUBERO GROUP INC	CHARGE-Outside Services	657.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	840.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	840.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	840.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	840.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	840.00
THE CUBERO GROUP INC	CHARGE-Outside Services	871.90
AMERICAN EXPRESS CORP	CHARGE-EMPLOYEE EXPENSE REPORT DATED 26-AUG-08	1,000.00
PFG*PROFORMA	JPMORGAN CHASE BANK	1,060.67
MEDIA LIBRARY INC	CHARGE-Monthly tape/Monitoring	1,563.82
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,590.00
MEDIA LIBRARY INC	CHARGE-MONTHLY TAPE/MONITORING	1,668.70
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,715.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,715.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,715.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,715.00
CARMA INTERNATIONAL INC	CHARGE-CHANGE ACCOUNTING NUMBERS	1,715.00
MEDIA LIBRARY INC	CHARGE-MONTHLY TAPE MONITORING	1,894.77
MEDIA LIBRARY	JPMORGAN CHASE BANK	2,187.05
PFG*PROFORMA	JPMORGAN CHASE BANK	2,404.29
MEDIA LIBRARY INC	CHARGE-Monthly tape/monitoring	2,595.77
MEDIA LIBRARY INC	CHARGE-MONTHLY TAPE/MONITORING	2,988.10
MEDIA LIBRARY INC	CHARGE-news/media coverage	5,284.85
MEDIA LIBRARY INC	CHARGE-Monthly tape/monitoring	6,075.30
MEDIA LIBRARY INC	CHARGE-Monthly tape/monitoring	6,230.72
FORREST KEELING NURSER	JPMORGAN CHASE BANK	9,026.13
MEDIA LIBRARY	JPMORGAN CHASE BANK	11,344.95
INTERNAL LABOR	INTERNAL LABOR	3,063.67
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	1,354.76
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	571.34
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	216.00
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	1,267.04
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	2,286.23
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	904.72
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	2,384.50
PFG*PROFORMA	Louie the Lightning Bug & Mini City Charges	3,292.74
MOORE SYNDICATION INC	Louie the Lightning Bug & Mini City Charges	361.01
MOORE SYNDICATION INC	Louie the Lightning Bug & Mini City Charges	4,138.99
PFG*PROFORMA	Louie the Lightning Bug & Mini City Charges	279.36
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	1,034.50

Louisville Gas and Electric Company
Advertising Costs Which Cannot be Identified with a Specific Advertisement
2007 - 2009

Vendor	Description	Amount
WE CAN DO THAT LLC	Safety Program	1,666.67
PFG*PROFORMA	Louie the Lightning Bug & Mini City Charges	1,853.46
PFG*PROFORMA	Louie the Lightning Bug & Mini City Charges	5,021.30
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	3.52
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	15.40
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	17.10
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	33.58
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	63.49
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	528.00
AMERICAN EXPRESS CORP	Giveaways for the Parade After Light Up Louisville	795.06
GUY BROWN PD	Louie the Lightning Bug & Mini City Charges	53.67
DIVERSITY ADVENTURES I	Louie the Lightning Bug & Mini City Charges	1,208.06
MOORE SYNDICATION INC	Louie the Lightning Bug & Mini City Charges	465.00
JEANEEN BARNHART STUDI	Economic Dev Network Event Materials	275.00
MPI PRINTING	Economic Dev Network Event Materials	506.36
PFG*PROFORMA	Environmental Champions Program	10,054.22
CLARK & RIGGS PRINTING	Safety Conference	488.13
HULSE, MELODY	Mileage	5.50
MOORE SYNDICATION INC	Louie the Lightning Bug & Mini City Charges	45.30
TARGET	Louie the Lightning Bug & Mini City Charges	6.88
SAMSClub	Louie the Lightning Bug & Mini City Charges	19.90
ALISON AND ASSOCIATES	Giveaways for the Parade After Light Up Louisville	606.84
KY STATE FAIR EXPO SAL	JPMORGAN CHASE BANK	1,325.00
WE CAN DO THAT LLC	CHARGE-Safety Program Administration	560.00
MIMAN INDUSTRIES LLC	CHARGE-Two High Voltage Demonstration Units	3,360.00
WE CAN DO THAT LLC	CHARGE-Safety Program Administration	4,260.00
CREATIVE ALLIANCE	CHARGE-Outside Services	460.00
MEDIA LIBRARY INC	CHARGE-Media	1,597.50
FACTIVA	CHARGE-Monthly Service Fee for Newservice	250.00
MEDIA LIBRARY INC	CHARGE-Media	2,312.37
MEDIA LIBRARY INC	CHARGE-Media	2,181.25
FACTIVA	CHARGE-Monthly Service Fee for Newservice	250.00
MASS PRODUCTION, INC. #160721	JPMORGAN CHASE BANK	4,682.50
INTERNAL LABOR	INTERNAL LABOR	2,808.04

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 118

Responding Witness: Shannon L. Charnas

Q-118. Break down the Company's advertising expense for the test period into its components, i.e., labor, overhead, materials and fees to agencies, etc.

A-118. See response to Question No. 115.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 119

Responding Witness: Lonnie E. Bellar

- Q-119. Does the Company have any studies as to the effectiveness of its advertising and marketing programs? If so, describe by name, date and contents each study the Company has. Provide a copy of all such studies in the last three years.
- A-119. LG&E has proposed an adjustment to eliminate advertising expenses that are primarily institutional and promotional in nature, see Reference Schedule 1.23 of Rives Exhibit 1 in KU's application. Also, advertising expenses related to Energy Efficiency initiatives are eliminated as part of an adjustment to remove DSM revenue and expenses, see Reference Schedule 1.10 of Rives Exhibit 1 in LG&E's application. LG&E does not have any studies as to the effectiveness of the remaining LG&E advertising which is conducted primarily to inform customers about electrical and natural gas safety.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 120

Responding Witness: Shannon L. Charnas

Q-120. Please list the trend in advertising expense per dollar of revenue for the five year period ending with 2007. If the Company has not made this calculation, please supply the information necessary to make it.

A-120.

	Advertising Expense	Revenue	\$	%
2003	\$ 417,802	\$ 1,093,520,776	0.0004	0.0382
2004	906,485	1,424,299,536	0.0005	0.0496
2005	998,122	1,172,768,395	0.0009	0.0851
2006	907,018	1,337,890,107	0.0007	0.0678
2007	1,025,749	1,285,137,296	0.0008	0.0798

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 121

Responding Witness: Lonnie E. Bellar

- Q-121. Please provide a listing of and a copy of any and all Commission Orders the Company has reviewed or relied upon in preparation of its filing in this case concerning the ratemaking treatment of costs for each distinct type of advertising expense it incurs, including but not limited to these categories: (1) sales or promotional, (2) institutional, (3) conservation related, (4) rate case, and (5) other.
- A-121. In preparing its rate case filing, the Company did not review any Commission Orders concerning the ratemaking treatment of costs for each distinct type of advertising expense it incurs. However, the Company is aware of, and complies with, the Commission's regulation on advertising which can be found at 807 KAR 5:016.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 122

Responding Witness: Lonnie E. Bellar

Q-122. List any antitrust expense included in the test period.

A-122. No antitrust expense is included in the test period.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 123

Responding Witness: Lonnie E. Bellar

- Q-123. Does the Company's proposed rate increase include any claim for attrition or suppression of sales?
- a. If so, please reference where this is presented.
 - b. Provide a complete copy of any and all attrition studies or analyses prepared by or for the Company during the period 2006 through 2007.
- A-123. No.
- a. Not applicable.
 - b. No studies were prepared during the period 2006 through 2007.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 124

Responding Witness: Valerie L. Scott

Q-124. Explain the method used by the Company to project uncollectibles for the test period. Include an explanation of all assumptions used and a detailed explanation, including examples, of whether and how historical data was used in making this projection.

A-124. The allowance for doubtful accounts included in retail customer accounts receivable is based on the ratio of the amounts charged-off during the last twelve months to the retail revenues billed over the same period multiplied by the retail revenues billed over the last four months. Accounts with no payment activity are charged-off after four months, although collection efforts continue thereafter.

The Company reviews wholesale accounts receivable to identify potential uncollectible accounts using specific customer identification. Amounts are reserved as necessary.

The allowance for doubtful accounts included in other accounts receivable is composed of accounts aged more than four months. Adjustments are made to this balance quarterly. Increases to the balance are the result of new items that reach the four months aged criteria. Decreases are the result of items for which payment has been received and items deemed uncollectible and written off.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 125

Responding Witness: Valerie L. Scott

Q-125. Provide for each year 2006, 2007, 2008 and 2009 the total dollar write-offs to uncollectibles reserve with and without subsequent recoveries.

A-125. Retail Receivables:

<u>Year</u>	<u>Write-Offs to Uncollectible Reserve</u>	<u>Write-Offs net of Subsequent Recoveries</u>
2006	\$ 6,493,196	\$ 4,024,653
2007	4,589,192	2,118,995
2008	5,335,740	3,210,974
2009	5,670,864	4,248,439

Wholesale Receivables:

<u>Year</u>	<u>Write-Offs to Uncollectible Reserve</u>	<u>Write-Offs net of Subsequent Recoveries</u>
2006	\$ 0	\$ 0
2007	0	0
2008	49,991	47,501
2009	9,525	4,998

Other Receivables:

<u>Year</u>	<u>Write-Offs to Uncollectible Reserve</u>	<u>Write-Offs net of Subsequent Recoveries</u>
2006	\$ 342,322	\$ 341,014
2007	540,604	533,800
2008	354,640	354,305
2009	395,689	394,985

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 126

Responding Witness: Butch Cockerill

- Q-126. Please list by customer and amount and by year for the period 2005 through 2008 any uncollectible accounts which have been written off and which exceeded \$1,000.00.
- A-126. See attached CD in folder titled Question No. 126. A motion for confidential treatment of the redacted portion of this information is filed simultaneously herewith.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 127

Responding Witness: Lonnie E. Bellar

- Q-127. List and describe in detail any cost-saving programs implemented 2005 through the present.
- a. For each program listed in response to this request, show the anticipated and achieved savings. Include calculations of savings amounts and explain any assumptions used in such calculations.
 - b. Provide the cost-benefit analyses for each such program.
 - c. Show the impact of any such cost-saving programs on the test period.
- A-127. a-c. Please see the direct testimony of Paul W. Thompson and Chris Hermann in this case, 2008 rate case (Case No. 2008-00251) and 2003 rate case (Case No. 2003-00434) for descriptions of business processes or initiatives for operating the Company's systems cost-effectively to provide service and a discussion of their costs and benefits. Please also see the response to AG-1 Question No. 38. The cost-effective impacts of these programs are embedded in the test year in this case. The Company does not track savings.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 128

Responding Witness: S. Bradford Rives/Counsel

- Q-128. Provide a complete explanation of any and all expense reduction goals (cost savings programs) the Company had concerning the development of the 2007, 2008 and 2009 budgets.
- A-128. Consistent with its historical practice, the Company does not disclose information relating to budgets. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. The Company has used an historic test year in this proceeding; not a forecasted test year. The Commission determined in its September 6, 1990 Ruling and September 21, 1990 Order in Case No. 90-158 that such information is not discoverable in historical test year rate cases. The budgetary information requested in this data request is not relevant to the analysis of known and measurable pro forma adjustments in this case.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 129

Responding Witness: Shannon L. Charnas

- Q-129. List for the test period, the amount of country club initiation fees, stock purchase payments, if applicable, annual dues and expenses which were paid and to what account these fees were charged.
- a. For each payment list the individual whose name the membership is in or who uses the club, his (her) title, and name of the country club.
- A-129. LG&E did not pay any country club initiation fees, stock purchase payments, annual dues, or annual expenses.
- a. None.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 130

Responding Witness: Lonnie E. Bellar

Q-130. Provide a copy of the Annual Report of EEI/AGA and every other organization of which Company was/is a dues-paying member during 2007, 2008 and 2009.

A-130. LG&E does not collect and retain the requested information for its corporate files. The requested information is thus not readily available.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 131

Responding Witness: Shannon L. Charnas

- Q-131. Provide a copy of the formula used to compute, and the actual calculation of the Company's EEI/AGA dues in 2006, 2007, 2008 and 2009. Also, provide a complete copy of invoices received from EEI/AGA for dues for these years.
- A-131. LG&E paid dues in the amounts listed below to Edison Electric Institute and the American Gas Association during 2006, 2007, 2008 and 2009. EEI dues listed below are LG&E's allocation of the invoice. AGA dues were charged fully to LG&E. The invoices received and calculations of dues billed during these years are attached.

Year	EEI	AGA
2006	\$ 216,900	\$ 116,370
2007	246,679	121,781
2008	307,231	128,126
2009	299,168	138,889
Total	\$ 1,069,978	\$ 505,166



INVOICE FOR MEMBERSHIP DUES

701 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20004-2696
PHONE (202) 508-5000

Date	Invoice Number
12/14/2005	1-000038257

MR. VICTOR A. STAFFIERI
CHAIRMAN, PRESIDENT AND CEO
E. ON U.S.
220 W MAIN ST
LOUISVILLE, KY 40202-0000

Payment Due on or before February 1, 2006
(Interest charges will accrue after due date)

Description	Total
2006 Membership Dues for:	
Regular Activities of Edison Electric Institute ¹	\$ 519,594
Industry Structure Assessment ²	77,939
Mutual Assistance Program ³	5,000
Total	\$ 602,533
¹ Pursuant to OBRA, the portion of membership dues allocable during 2006 relating to influencing legislation not deductible for Federal Income Tax purposes is estimated to be 25%.	
² The portion of the voluntary Industry Structure Assessment allocable during 2006 relating to influencing legislation is estimated to be 70%.	
³ Voluntary assessment approved by EEI Executive Committee relating to improvements for the rapid response to disasters. No portion of this assessment is allocable to influencing legislation.	

PLEASE NOTE INFORMATION FOR WIRING.

The following is instruction for transferring funds electronically to Edison Electric Institute's account at the Wachovia Bank N.A. in Washington, DC:

Beneficiary's Bank: Wachovia Bank, N.A.
 Bank's Address: Washington, DC
 Bank's ABA Number: 054001220
 Beneficiary: Edison Electric Institute
 Beneficiary's Acct No: 2000013842897
 Beneficiary's Address: 701 Pennsylvania Avenue, NW
 Washington, DC 20004-2696 USA
 Beneficiary Reference: 2006 Membership Dues

Please refer any questions to Ed Milad at: phone-(202) 508-5430; fax-(202) 508-5030; or e-mail-emilad@eei.org.

EDISON ELECTRIC INSTITUTE

2006 MEMBER DUES FORMULA WORKSHEET

w/2004 Stats

E.ON U.S.

<u>I. Transmission & Distribution Component</u>	STATISTICS	RATE	AMOUNT
<u>Total Average no. of Customers</u>			
903,834	500,000	0.189500	\$94,750
	403,834	0.088190	35,614
	0	0.055990	0
Customers	903,834		<u>\$130,364</u>
<u>Total Revenue (000's)</u>			
\$1,465,494	\$1,000,000	0.154800	\$154,800
	465,494	0.093240	43,403
	0	0.069780	0
Revenue	\$1,465,494		<u>\$198,203</u>
Total T&D Component			<u>\$328,567</u>
<u>II. Generation Component (Kilowatts)</u>			
Generation			
<u>Owned Capacity</u>			
7,610,000	3,000,000	0.028655	\$85,965
	4,610,000	0.022790	105,062
	0	0.009860	0
Total Gen Component	7,610,000		<u>\$191,027</u>
TOTAL 2006 DUES CALCULATED BY FORMULA			<u>\$519,594</u>

2005 DUES	\$529,498	Percent Change	-1.9%
-----------	-----------	----------------	-------

True-up @	<u>\$519,594</u>	-1.9%
-----------	------------------	-------

Dues	\$519,594
SFA	77,939
Restore Power	5,000
Total	\$602,533
Invoice Number	1-000038257

* This calculation was prepared by the Edison Electric Institute.

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JAN 11 2007


**EDISON ELECTRIC
INSTITUTE**

ACCOUNTS PAYABLE

INVOICE FOR MEMBERSHIP DUES

 701 PENNSYLVANIA AVENUE, NW
 WASHINGTON, DC 20004-2696
 PHONE (202) 508-5000

Date	Invoice Number
11/17/2006	1-000050669

 MR. VICTOR A. STAFFIERI
 CHAIRMAN, PRESIDENT AND CEO
 E.ON U.S.
 220 W MAIN ST
 LOUISVILLE, KY 40202-0000

*Payment Due upon Receipt 2/1/2007
 (Interest charges will accrue after due date)*

Description	Total
2007 Membership Dues for:	
Regular Activities of Edison Electric Institute ¹	\$ 570,465
Industry Structure Assessment ²	57,047
Mutual Assistance Program ³	5,000
Total	\$ 632,512
¹ Pursuant to OBRA, the portion of membership dues allocable during 2007 relating to influencing legislation not deductible for Federal Income Tax purposes is estimated to be 20%.	
² The portion of the voluntary Industry Structure Assessment allocable during 2007 relating to influencing legislation is estimated to be 40%.	
³ Voluntary assessment approved by EEI Executive Committee relating to improvements for the rapid response to disasters. No portion of this assessment is allocable to influencing legislation.	

PLEASE NOTE INFORMATION FOR WIRING.

The following is instruction for transferring funds electronically to Edison Electric Institute's account at the Wachovia Bank N.A. in Washington, DC:

Beneficiary's Bank: Wachovia Bank, N.A.
 Bank's Address: Washington, DC
 Bank's ABA Number: 054001220
 Beneficiary: Edison Electric Institute
 Beneficiary's Acct No: 2000013842897
 Beneficiary's Address: 701 Pennsylvania Avenue, NW
 Washington, DC 20004-2696 USA
 Beneficiary Reference: 2007 Membership Dues

Please refer any questions to Ed Milad at: phone-(202) 508-5430; fax-(202) 508-5030; or e-mail-emilad@eei.org.

EDISON ELECTRIC INSTITUTE

2007 MEMBER DUES FORMULA WORKSHEET

w/2005 Stats

E.ON U.S.**I. Transmission & Distribution Component**

<u>Component</u>	STATISTICS	RATE	AMOUNT
<u>Total Average no. of Customers</u>			
914,354	500,000	0.199000	\$99,500
	414,354	0.087000	36,049
	0	0.055990	0
Customers	914,354		<u>\$135,549</u>
<u>Total Revenue (000's)</u>			
\$2,193,981	\$1,000,000	0.160000	\$160,000
	1,193,981	0.088780	106,002
	0	0.069800	0
Revenue	\$2,193,981		<u>\$266,002</u>
Total T&D Component			<u>\$401,550</u>

II. Generation Component (Kilowatts)

Generation			
<u>Owned Capacity</u>			
7,610,000	3,000,000	0.037980	\$113,940
	4,610,000	0.022960	105,846
	0	0.009980	0
Total Gen Component	7,610,000		<u>\$219,786</u>
TOTAL 2007 DUES CALCULATED BY FORMULA			<u>\$621,336</u>

2006 DUES	\$519,594	Percent Change	19.6%
-----------	-----------	----------------	-------

True-up @	<u>\$570,465</u>	9.8%
-----------	------------------	------

Dues	\$570,465
SFA	57,047
Restore Power	5,000
Total	\$632,512
Invoice Number	1-000050669

* This calculation was prepared by the Edison Electric Institute.

Attachment to Response to LGE AG-1 Question No. 131
Page 5 of 20
Charnas



INVOICE FOR MEMBERSHIP DUES

701 PENNSYLVANIA AVENUE, NW
 WASHINGTON, DC 20004-2696
 PHONE (202) 508-5000

MR. VICTOR A. STAFFIERI
 CHAIRMAN, PRESIDENT & CEO
 E.ON U.S. LLC
 220 W MAIN ST
 LOUISVILLE, KY 40202-0000

Date	Invoice Number
12/12/07	1-000065447

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JAN 21 2008

ACCOUNTS PAYABLE *Payment Due on or before 02/01/08*
(Interest charges will accrue after due date)

Description	Total
2008 Membership Dues for:	
Regular Activities of Edison Electric Institute ¹	\$641,536
Industry Issues ²	64,154
Mutual Assistance Program ³	5,000
2008 Contribution to The Thomas Alva Edison Foundation (Edison Foundation), including the Institute for Electric Efficiency⁴	15,000
Total	710,690 \$725,690
1- The portion of membership dues allocable during 2008 relating to influencing legislation not deductible for federal income tax purposes is estimated to be 20%. 2- The portion of the voluntary industry issues allocable during 2008 relating to influencing legislation is estimated to be 40%. 3- Voluntary assessment approved by EEL Executive Committee relating to improvements for the rapid response to disasters. No portion of this assessment is allocable to influencing legislation. 4- The Edison Foundation is an IRC 501(c)(3) educational and charitable organization. The Institute for Electric Efficiency (IEE) is a program of the Edison Foundation.	

PLEASE NOTE INFORMATION FOR WIRING.

The following is instruction for transferring funds electronically to Edison Electric Institute's account at the Wachovia Bank N.A. in Washington, DC:

Beneficiary's Bank: Wachovia Bank, N.A.
Bank's Address: Washington, DC
Bank's ABA Number: 054001220
Beneficiary: Edison Electric Institute
Beneficiary's Acct No: 2000013842897
Beneficiary's Address: 701 Pennsylvania Avenue, NW
 Washington, DC 20004-2696 USA
Beneficiary Reference: 2008 Membership Dues

Please refer any questions to Ed Milad at: phone-(202) 508-5430; fax-(202) 508-5037; or e-mail-emilad@eei.org.

EDISON ELECTRIC INSTITUTE

2008 MEMBER DUES FORMULA WORKSHEET

w/2006 Stats

E.ON U.S.**I. Customer and Revenue
Component**

<u>Component</u>	STATISTICS	RATE	AMOUNT
<u>Total Average no. of Customers</u>			
925,286	500,000	0.21250	\$106,250
	425,286	0.07295	31,025
	0	0.07285	0
Customers	925,286		<u>\$137,275</u>
<u>Total Revenue (000's)</u>			
\$2,152,680	\$2,000,000	0.12726	\$254,520
	152,680	0.07050	10,764
	0	0.05140	0
Revenue	\$2,152,680		<u>\$265,284</u>
Total T&D Component			<u>\$402,559</u>

II. Generation Component (Kilowatts)

Generation			
<u>Owned Capacity</u>			
8,621,000	3,000,000	0.03263	\$97,890
	5,621,000	0.02510	141,087
	0	0.01240	0
Total Gen Component	8,621,000		<u>\$238,977</u>
TOTAL 2008 DUES CALCULATED BY FORMULA			<u>\$641,536</u>

2007 DUES	\$570,465	Percent Change	12.5%
True-up @	<u>\$641,536</u>		12.5%

Dues	\$641,536
SFA	64,154
Restore Power	5,000
Foundation	15,000
Total	\$725,690
Invoice Number	<u>1-000065447</u>

* This calculation was prepared by the Edison Electric Institute.



701 PENNSYLVANIA AVENUE, NW
 WASHINGTON, DC 20004-2696
 PHONE (202) 508-5000

INVOICE FOR MEMBERSHIP DUES
Remittance Copy

MR. VICTOR A. STAFFIERI
 CHAIRMAN, PRESIDENT & CEO
 E.ON U.S. LLC
 220 W MAIN ST
 LOUISVILLE, KY 40202-0000

Date	Invoice Number
11/14/2008	DUES200924

*Payment Due on or before 2/1/2009
 (Interest charges will accrue after due date)*

Description	Total
2009 EEI Membership Dues for:	
Regular Activities of Edison Electric Institute ¹	\$624,928
Industry Issues ²	62,493
Mutual Assistance Program ³	5,000
2009 Contribution to The Thomas Alva Edison Foundation (Edison Foundation), including the Institute for Electric Efficiency	
The Edison Foundation is an IRC 501(c)(3) educational and charitable organization. The Institute for Electric Efficiency (IEE) is a program of the Edison Foundation. Contributions are tax deductible in the same manner as contributions to any 501(c)(3) organization.	15,000
Total	\$707,421
1- The portion of membership dues allocable during 2009 relating to influencing legislation not deductible for federal income tax purposes is estimated to be 16%. 2- The portion of the voluntary industry issues allocable during 2009 relating to influencing legislation is estimated to be 35%. 3- Voluntary assessment approved by EEI Executive Committee relating to improvements for the rapid response to disasters. No portion of this assessment is allocable to influencing legislation.	

PLEASE NOTE INFORMATION FOR WIRING.

The following is instruction for transferring funds electronically to Edison Electric Institute's account at the Wachovia Bank N.A. in Washington, DC:

Beneficiary's Bank: Wachovia Bank, N.A.
 Bank's Address: Washington, DC
 Bank's ABA Number: 054001220
 Beneficiary: Edison Electric Institute
 Beneficiary's Acct No: 2000013842897
 Beneficiary's Address: 701 Pennsylvania Avenue, NW
 Washington, DC 20004-2696 USA
 Beneficiary Reference: 2009 Membership Dues

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JAN 27 2009
ACCOUNTS PAYAP

Please refer any questions to Ed Milad at: phone-(202) 508-5430; fax-(202) 508-5037; or e-mail-emilad@eei.org.

EDISON ELECTRIC INSTITUTE

2009 MEMBER DUES FORMULA WORKSHEET *

w/2007 Stats

E.ON U.S.I. Customer and Revenue Component

<u>Component</u>	STATISTICS	RATE	AMOUNT
<u>Total Average no. of Customers</u>			
934,287	500,000	0.21250	\$106,250
	434,287	0.07295	31,681
	0	0.07285	0
Customers	934,287		<u>\$137,931</u>
<u>Total Revenue (000's)</u>			
\$2,205,004	\$2,000,000	0.11740	\$234,800
	205,004	0.06630	13,592
	0	0.04560	0
Revenue	\$2,205,004		<u>\$248,392</u>
Total T&D Component			<u>\$386,323</u>

II. Generation Component (Kilowatts)

Generation			
<u>Owned Capacity</u>			
8,767,000	3,000,000	0.03263	\$97,890
	5,767,000	0.02440	140,715
	0	0.01240	0
Total Gen Component	8,767,000		<u>\$238,605</u>
TOTAL 2008 DUES CALCULATED BY FORMULA			<u>\$624,928</u>

2008 DUES	\$641,536	Percent Change	-2.6%
-----------	-----------	----------------	-------

True-up @	<u>\$624,928</u>	-2.6%
-----------	------------------	-------

Dues	\$624,928
SFA	62,493
Restore Power	5,000
Foundation	15,000
Total	\$707,421
Invoice Number	DUES200924

* This calculation was prepared by the Edison Electric Institute.



American Gas Association

Post Office Box 79226
 Bethesda, Maryland 20879-0226
 Telephone (202)824-7226
 Fax (202)824-9156

Louisville Gas and Electric Company

2006 DUES

Year ending December 31, 2006

Full Member Company X Limited Member Company

A.G.A. Dues Rules are attached. Dues are based upon the following operating income information (\$000):

2002 15,062 2003 16,367 2004 14,201 Average 15,210

YOUR 2005 DUES WERE \$ **112,002**

YOUR 2006 DUES ARE \$ **116,370**

2006 Payment Schedule

 ✓ Full amount enclosed Semi-annually (Jan.1, July 1)
 Quarterly (Jan.1, Apr.1, July 1, Oct.1) Other (Please state)

Please return this completed form to the A.G.A. Treasurer at the above address. Payments may also be directed to the address noted above.

Invoice to: Approved:
 Title
 Date:
 Phone: () Fax ()

IMPORTANT IRS REQUIRED NOTICE

Federal regulations require us to advise you that contributions or gifts to the American Gas Association are not deductible as charitable contributions for federal income tax purposes. Dues payments are usually deductible by members as an ordinary and necessary business expense. The American Gas Association expects that a portion of your dues may be used to influence legislation. The Association will pay directly the federal tax that is due on lobbying activities.

per year for U.S. and Canadian subscribers and \$110.00 per

\$ 87,278 **024475 / 008810**
117622
ASSOC DUES

29,092 **021520 / 008850**
117501
DUES

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JAN 31 2006
ACCOUNTS PAYABLE

AMERICAN GAS ASSOCIATION
2006 DUES RULES*

FULL MEMBERS

1. AGA Dues for U.S. Gas Utility members are based on the average of 2002, 2003, and 2004 gas operating income ** and the following income blocks and rates:

First	\$ 10,000,000	.9301 %
Next	\$ 7,500,000	.5962 %
Next	\$ 20,000,000	.3981 %
Next	\$ 40,000,000	.2651 %
Next	\$ 80,000,000	.1767 %
Over	\$ 157,500,000	.1178 %

In applying the above formula, the maximum annual increase/decrease for any company equals the GDP Deflator plus 2%. For 2006, the maximum increase/decrease is 3.9%.

2. For distribution companies with less than 75,000 meters, the maximum distribution company dues are equal to \$0.90/meter.** When dues are capped at \$0.90/meter, the maximum annual increase/decrease provision does not apply.
3. For companies whose dues are recalibrated as a result of a merger or acquisition, the dues impact will be phased-in over a 4-year period or until the phased-in amount equals the formula dues, whichever comes first.
4. No company, whose full company or subsidiary meets the eligibility standards of full membership, will be allowed to join as a Limited Member. All regulated U.S. gas distribution subsidiaries of a parent organization must be included in the dues calculations.
5. Minimum Gas Company 2006 dues are \$1,000.

*Gas operating income is defined as Line 11, Schedule II of the Uniform Statistical Report.

**Meters are defined as Line 17 (total), Schedule XX of the Uniform Statistical Report.

Please contact Kevin Hardardt, Chief Financial and Administrative Officer at (202) 824-7250 regarding any questions about the invoice or rules.

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JAN 31 2006
ACCOUNTS PAYABLE

AMERICAN GAS ASSOCIATION

2006 MEMBER DUES FORMULA WORKSHEET

Louisville Gas and Electric Company**I. Gas Operating Income**

<u>Analysis</u>		STATISTICS	RATE	AMOUNT
<u>Gas Operating Income</u>				
2002	\$15,062,000	\$10,000,000	0.9301%	\$93,010
2003	16,367,000	5,210,000	0.5962%	31,062
2004	14,201,000	0	0.3981%	0
3-Year Average	<u>\$15,210,000</u>	<u>\$15,210,000</u>		<u>\$124,072</u>

II. Maximum Dues Increase**Analysis**

For 2006, the maximum dues increase is 3.90%.

2005 Annual Dues	\$112,002
Maximum Increase from 2005	3.90%
Maximum 2006 Dues	<u>\$116,370</u>

III. Actual 2006**Dues**

Actual 2006 dues are the lower of amounts calculated in parts I. and II. above.

2006 Dues: \$116,370

* This calculation was prepared by Louisville Gas and Electric Company based on information provided by the American Gas Association.



American Gas Association

Post Office Box 79226
Baltimore, Maryland 21279-0226
Telephone (202)824-7256
Fax (202)824-9156

Louisville Gas and Electric Company

2007 DUES

Year ending December 31, 2007

Full Member Company [X] Limited Member Company []

A.G.A. Dues Rules are attached. Dues are based upon the following operating income information (\$000):

2003 [16,367] 2004 [14,201] 2005 [18,514] Average [16,361]

YOUR 2006 DUES WERE \$ [116,370]

YOUR 2007 DUES ARE \$ [121,781]

2007 Payment Schedule

[] Full amount enclosed [] Semi-annually (Jan.1, July 1)
[] Quarterly (Jan.1, Apr.1, July 1, Oct.1) [] Other (Please state)

Please return this completed form to the A.G.A. Treasurer at the above address. Payments may also be directed to the address noted above.

Invoice to: Approved:
..... Title
..... Date:
.....
Phone: () Fax ()

IMPORTANT IRS REQUIRED NOTICE

Federal regulations require us to advise you that contributions or gifts to the American Gas Association are not deductible as charitable contributions for federal income tax purposes. Dues payments are usually deductible by members as an ordinary and necessary business expense. The American Gas Association expects that a portion of your dues may be used to influence legislation. The Association will pay directly the federal tax that is due on lobbying activities.

Dues include a one-year subscription to American Gas, the normal subscription rate for which is \$59.00 per year for U.S. and Canadian subscribers and \$110.00 per year for international subscribers.

Attachment to Response to LGE AG-1 Question No. 131
Page 13 of 20
Charnas

**AMERICAN GAS ASSOCIATION
2007 DUES RULES***

FULL MEMBERS

1. AGA Dues for U.S. Gas Utility members are based on the average of 2003, 2004, and 2005 gas operating income * and the following income blocks and rates:

First	\$ 10,000,000	.9301 %
Next	\$ 7,500,000	.5962 %
Next	\$ 20,000,000	.3981 %
Next	\$ 40,000,000	.2651 %
Next	\$ 80,000,000	.1767 %
Over	\$ 157,500,000	.1178 %

In applying the above formula, the maximum annual increase/decrease for any company equals the GDP Deflator plus 2%. For 2007, the maximum increase/decrease is 4.65%.

2. For distribution companies with less than 75,000 meters, the maximum distribution company dues are equal to \$0.90/meter.** When dues are capped at \$0.90/meter, the maximum annual increase/decrease provision does not apply.
3. For companies whose dues are recalibrated as a result of a merger or acquisition, the dues impact will be phased-in over a 4-year period or until the phased-in amount equals the formula dues, whichever comes first.
4. No company, whose full company or subsidiary meets the eligibility standards of full membership, will be allowed to join as a Limited Member. All regulated U.S. gas distribution subsidiaries of a parent organization must be included in the dues calculations.
5. Minimum Gas Company 2007 dues are \$1,000.

*Gas operating income is defined as Line 11, Schedule II of the Uniform Statistical Report.

**Meters are defined as Line 17 (total), Schedule XX of the Uniform Statistical Report.

Please contact Kevin Hardardt, Chief Financial and Administrative Officer at (202) 824-7250 regarding any questions about the invoice or rules.

AMERICAN GAS ASSOCIATION

2007 MEMBER DUES FORMULA WORKSHEET

Louisville Gas and Electric Company**I. Gas Operating Income**

Analysis		STATISTICS	RATE	AMOUNT
Gas Operating Income				
2003	\$16,367,000	\$10,000,000	0.9301%	\$93,010
2004	14,201,000	6,360,667	0.5962%	37,922
2005	18,514,000	0	0.3981%	0
3-Year Average	<u>\$16,360,667</u>	<u>\$16,360,667</u>		<u>\$130,932</u>

II. Maximum Dues Increase**Analysis**

For 2007, the maximum dues increase is 4.65%.

2006 Annual Dues	\$116,370
Maximum Increase during 2007	4.65%
Maximum 2007 Dues	<u>\$121,781</u>

III. Actual 2007**Dues**

Actual 2007 dues are the lower of amounts calculated in parts I. and II. above.

2007 Dues: \$121,781

* This calculation was prepared by Louisville Gas and Electric Company based on information provided by the American Gas Association.



American Gas Association

Post Office Box 79226
Baltimore, Maryland 21279-0226
Telephone (202)824-7256
Fax (202)824-9156

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ACCOUNTS PAID

Louisville Gas and Electric Company

2008 DUES

Year ending December 31, 2008

Full Member Company [X] Limited Member Company []

A.G.A. Dues Rules are attached. Dues are based upon the following operating income information (\$000):

2004 [14,201] 2005 [18,514] 2006 [17,371] Average [16,695]

YOUR 2007 DUES WERE \$ [121,781]

YOUR 2008 DUES ARE \$ [128,126]

2008 Payment Schedule

[X] Full amount enclosed [] Semi-annually (Jan.1, July 1)
[] Quarterly (Jan.1, Apr.1, July 1, Oct.1) [] Other (Please state)

Please return this completed form to the A.G.A. Treasurer at the above address. Payments may also be directed to the address noted above.

Invoice to: Approved:
..... Title
..... Date:

Phone: () Fax ()

IMPORTANT IRS REQUIRED NOTICE

Federal regulations require us to advise you that contributions or gifts to the American Gas Association are not deductible as charitable contributions for federal income tax purposes. Dues payments are usually deductible by members as an ordinary and necessary business expense. The American Gas Association expects that a portion of your dues may be used to influence legislation. It is estimated that approximately four percent of your dues may be non-deductible as an ordinary and necessary business expense. The Association will inform you if the actual non-deductible amount materially exceeds this estimate.

Dues include a one-year subscription to American Gas, the normal subscription rate for which is \$59.00 per year for U.S. and Canadian subscribers and \$110.00 per year for international subscribers.

**AMERICAN GAS ASSOCIATION
2008 DUES RULES***

FULL MEMBERS

1. AGA Dues for U.S. Gas Utility members are based on the average of 2004, 2005, and 2006 gas operating income* and the following income blocks and rates:

First	\$ 10,000,000	.9301 %
Next	\$ 7,500,000	.5962 %
Next	\$ 20,000,000	.3981 %
Next	\$ 40,000,000	.2651 %
Next	\$ 80,000,000	.1767 %
Over	\$ 157,500,000	.1178 %

In applying the above formula, the maximum annual increase/decrease for any company equals the GDP Deflator plus 2%. For 2008, the maximum increase/decrease is 5.21%.

2. For distribution companies with less than 75,000 meters, the maximum distribution company dues are equal to \$0.90/meter** When dues are capped at \$0.90/meter, the maximum annual increase/decrease provision does not apply.
3. For companies whose dues are recalibrated as a result of a merger or acquisition, the dues impact will be phased-in over a 4-year period or until the phased-in amount equals the formula dues, whichever comes first.
4. No company, whose full company or subsidiary meets the eligibility standards of full membership, will be allowed to join as a Limited Member. All regulated U.S. gas distribution subsidiaries of a parent organization must be included in the dues calculations.
5. Minimum Gas Company 2008 dues are \$1,000.

*Gas operating income is defined as Line 11, Schedule II of the Uniform Statistical Report.

**Meters are defined as Line 17 (total), Schedule XX of the Uniform Statistical Report.

Please contact Kevin Hardardt, Chief Financial and Administrative Officer at (202) 824-7250 regarding any questions about the invoice or rules.

AMERICAN GAS ASSOCIATION

2008 MEMBER DUES FORMULA WORKSHEET

Louisville Gas and Electric Company**I. Gas Operating Income**

<u>Analysis</u>		STATISTICS	RATE	AMOUNT
<u>Gas Operating Income</u>				
2004	\$14,201,000	\$10,000,000	0.9301%	\$93,010
2005	18,514,000	6,695,333	0.5962%	39,918
2006	17,371,000	0	0.3981%	0
3-Year Average	<u>\$16,695,333</u>	<u>\$16,695,333</u>		<u>\$132,928</u>

II. Maximum Dues IncreaseAnalysis

For 2008, the maximum dues increase is 5.21%.

2007 Annual Dues	\$121,781
Maximum Increase during 2008	5.21%
Maximum 2008 Dues	<u>\$128,126</u>

III. Actual 2008Dues

Actual 2008 dues are the lower of amounts calculated in parts I. and II. above.

2008 Dues: \$128,126

* This calculation was prepared by Louisville Gas and Electric Company based on information provided by the American Gas Association.



American Gas Association

Post Office Box 79226
Baltimore, Maryland 21279-0226
Telephone (202)824-7256
Fax (202)824-9156

Louisville Gas and Electric Company

2009 DUES

Year ending December 31, 2009

Full Member Company Limited Member Company

A.G.A. Dues Rules are attached. Dues are based upon the following operating income information (\$000):

2005 18,514 2006 17,371 2007 17,416 Average 17,767

YOUR 2008 DUES WERE \$ 128,126

YOUR 2009 DUES ARE \$ 138,889

2009 Payment Schedule

Full amount enclosed Semi-annually (Jan.1, July 1)
 Quarterly (Jan.1, Apr.1, July 1, Oct.1) Other (Please state)

Please return this completed form to the A.G.A. Treasurer at the above address. Payments may also be directed to the address noted above.

Invoice to: Approved:
..... Title
..... Date:
.....

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MAR 24 2009

Phone: () Fax: ()
ACCOUNTSPAYABI

IMPORTANT IRS REQUIRED NOTICE

Federal regulations require us to advise you that contributions or gifts to the American Gas Association are not deductible as charitable contributions for federal income tax purposes. Dues payments are usually deductible by members as an ordinary and necessary business expense. The American Gas Association expects that a portion of your dues may be used to influence legislation. It is estimated that approximately four percent of your dues may be non-deductible as an ordinary and necessary business expense. The Association will inform you if the actual non-deductible amount materially exceeds this estimate.

Dues include a one-year subscription to *American Gas*, the normal subscription rate for which is \$59.00 per year for U.S. and Canadian subscribers and \$110.00 per year for international subscribers.

**AMERICAN GAS ASSOCIATION
2009 DUES RULES***

FULL MEMBERS

1. AGA Dues for U.S. Gas Utility members are based on the average of 2005, 2006, and 2007 gas operating income* and the following income blocks and rates:

First	\$ 10,000,000	.9580%
Next	\$ 7,500,000	.6141%
Next	\$ 20,000,000	.4100%
Next	\$ 40,000,000	.2731%
Next	\$ 80,000,000	.1820%
Over	\$ 157,500,000	.1213%

In applying the above formula, the maximum annual increase for any company equals 8.40%. The maximum decrease equals 5.40%.

2. For distribution companies with less than 75,000 meters, the maximum distribution company dues are equal to \$0.90/meter**. When dues are capped at \$0.90/meter, the maximum annual increase/decrease provision does not apply.
3. For companies whose dues are recalibrated as a result of a merger or acquisition, the dues impact will be phased-in over a 4-year period or until the phased-in amount equals the formula dues, whichever comes first.
4. No company, whose full company or subsidiary meets the eligibility standards of full membership, will be allowed to join as a Limited Member. All regulated U.S. gas distribution subsidiaries of a parent organization must be included in the dues calculations.
5. Minimum Gas Company 2009 dues are \$1,250.

*Gas operating income is defined as Line 11, Schedule II of the Uniform Statistical Report.

**Meters are defined as Line 17 (total), Schedule XX of the Uniform Statistical Report.

Please contact Kevin Hardardt, Chief Financial and Administrative Officer at (202) 824-7250 regarding any questions about the invoice or rules.

AMERICAN GAS ASSOCIATION

2009 MEMBER DUES FORMULA WORKSHEET *

Louisville Gas and Electric Company

I. Gas Operating Income Analysis

		STATISTICS	RATE	AMOUNT
<u>Gas Operating Income</u>				
2005	\$18,514,000	\$10,000,000	0.9580%	\$95,800
2006	17,371,000	7,500,000	0.6141%	46,058
2007	17,416,000	267,000	0.4100%	1,095
3-Year Average	<u>\$17,767,000</u>	<u>\$17,767,000</u>		<u>\$142,952</u>

II. Maximum Dues Increase Analysis

For 2009, the maximum dues increase is 8.40%.

2008 Annual Dues	\$128,126
Maximum Increase during 2009	8.40%
Maximum 2009 Dues	<u>\$138,889</u>

III. Actual 2009 Dues

Actual 2009 dues are the lower of amounts calculated in parts I. and II. above.

2009 Dues: \$138,889

* This calculation was prepared by Louisville Gas and Electric Company based on information provided by the American Gas Association.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 132

Responding Witness: Lonnie E. Bellar

- Q-132. Please provide any documents in LG&E's possession that show how EEI/AGA spends the dues it collects, including the percentage that goes to legislative advocacy, legislative policy research, regulatory advocacy, regulatory policy research, advertising, marketing, utility operations and engineering, finance legal, planning and customer service, and public relations.
- A-132. Please see the response to Question No. 131.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 133

Responding Witness: Shannon L. Charnas

- Q-133. Has the Company included in test period operating expense any amount for EEI/AGA Media Communications? If so, state the amount, indicate in which account this has been recorded, and provide a citation to any and all Commission Orders or other authority upon which the Company is relying for the inclusion of such expense in the test period.
- A-133. LG&E has not incurred any expense for Media Communications from EEI or AGA during the test period.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 134

Responding Witness: Shannon L. Charnas

- Q-134. Is the Company relying upon any NARUC reports or other studies for the exclusion from or inclusion in rates of a portion of its EEI/AGA dues? If so, please provide a copy of such report and indicate how the report's recommendations have been included in its filing.
- A-134. LG&E does not rely upon any NARUC reports or other studies for the exclusion from or inclusion in rates of a portion of its EEI and AGA dues. LG&E relies on information provided on the invoices received from EEI and the AGA in order to determine the lobbying portion of dues that should be excluded from rates. See the attachment to response to Question No. 131 for copies of the EEI and AGA dues invoices.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 135

Responding Witness: Lonnie E. Bellar

- Q-135. List all travel and entertainment expenses incurred in the test period by Company employees in relation to EEI/AGA and other industry association activities. Show accounts, amounts, descriptions, person, job title and reason for the expense. Provide a copy of employee time and expense reports and invoices documenting such expenses.
- A-135. The Company does not track the requested information specifically related to EEI/AGA and other industry association activities. Company employees participate in various industry associations and organizations to gain knowledge and experience throughout the industry to allow for the Company to provide service to its customers in the most economical, cost effective and reliable manner. The gaining of industry knowledge through these associations benefits customers through the use of best practices in providing services.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 136

Responding Witness: Lonnie E. Bellar

- Q-136. Do any of the Company's personnel actively participate on Committees and/or any other work for any industry organization to which the Company belongs?
- a. If so, state specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work.
 - b. List any and all reimbursements received from industry associations, for work performed for such organizations by Company employees.
- A-136. Company employees participate in various industry associations and organizations to gain knowledge and experience throughout the industry to allow for the Company to provide service to its customers in the most economical, cost effective and reliable manner. The gaining of industry knowledge through these associations benefits customers through the use of best practices in providing services.
- a. The Company does not track employee participation in industry organizations. Employees are not compensated by industry organizations for participation on committees.
 - b. See the response to (a.) above.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 137

Responding Witness: Lonnie E. Bellar

- Q-137. Please provide copies of all expense reports (or similar documents) which exceed \$1,000 submitted by Company officers during 2007, 2008 and 2009 for reimbursement of business or personal expenses.
- A-137. Please see the attached which summarizes LG&E monthly expense charges which exceeded \$1,000 during 2007, 2008, and 2009 by officer and charge type. The information requested is not readily available in the form in which it is requested. LG&E's expense system provides the level of detail in the attached, but is unable to systematically provide all of the specific expense detail in the granular format which it was entered. This granular level of data is available for individual line items in the attached upon request.

Attachment to Response to LGE AG-1 Question No. 137

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010
Question No. 137**

Employee	Invoice Date	Amount SUM	Account
ARBOUGH, DAN	28-Mar-2007	6,138.67	921002
ARBOUGH, DAN	28-Mar-2007	121.04	921002
ARBOUGH, DAN	28-Mar-2007	56.24	921002
ARBOUGH, DAN	28-Mar-2007	56.20	921002
ARBOUGH, DAN	28-Mar-2007	6.93	921002
ARBOUGH, DAN	27-Aug-2007	4,564.72	921002
ARBOUGH, DAN	27-Aug-2007	119.21	921002
ARBOUGH, DAN	27-Aug-2007	21.37	921002
ARBOUGH, DAN	26-Oct-2007	3,678.18	921002
ARBOUGH, DAN	26-Oct-2007	45.80	921002
ARBOUGH, DAN	28-Mar-2008	1,270.81	921002
ARBOUGH, DAN	28-Mar-2008	106.32	921002
ARBOUGH, DAN	28-Mar-2008	46.20	921002
ARBOUGH, DAN	26-Jun-2008	1,064.58	921002
ARBOUGH, DAN	26-Aug-2008	1,243.55	921002
ARBOUGH, DAN	26-Aug-2008	126.21	921002
ARBOUGH, DAN	26-Aug-2008	12.55	921002
BELLAR, LONNIE	27-Apr-2007	1,763.09	566900
BELLAR, LONNIE	27-Apr-2007	105.06	566900
BELLAR, LONNIE	27-Apr-2007	102.67	566900
BLAKE, KENT	26-Feb-2007	673.10	921903
BLAKE, KENT	26-Feb-2007	606.30	921903
BLAKE, KENT	26-Feb-2007	39.75	921903
BLAKE, KENT	28-May-2007	740.41	921903
BLAKE, KENT	28-May-2007	227.05	921903
BLAKE, KENT	28-May-2007	40.23	921903
BLAKE, KENT	27-Nov-2007	2,365.59	921903
BLAKE, KENT	26-May-2008	3,246.77	921903
BLAKE, KENT	26-May-2008	5.83	921903
BOWLING, RALPH	27-May-2009	1,182.47	500900
DOUGLAS, LAURA	26-Jun-2007	472.15	921003
DOUGLAS, LAURA	26-Jun-2007	407.77	921003
DOUGLAS, LAURA	26-Jun-2007	117.52	921003
DOUGLAS, LAURA	26-Jun-2007	101.50	921003
DOUGLAS, LAURA	27-Aug-2007	1,728.43	921003
DOUGLAS, LAURA	27-Aug-2007	1,492.74	921003
DOUGLAS, LAURA	27-Aug-2007	24.48	921003
HERMANN, CHRIS	27-Jan-2007	2,865.19	588100
HERMANN, CHRIS	27-Jan-2007	126.41	580100
HERMANN, CHRIS	27-Jan-2007	79.46	880100
HERMANN, CHRIS	27-Jan-2007	52.50	580100
HERMANN, CHRIS	27-Jan-2007	33.00	880100
HERMANN, CHRIS	26-Feb-2007	6,093.24	588100
HERMANN, CHRIS	26-Feb-2007	152.38	588100
HERMANN, CHRIS	26-Feb-2007	37.46	580100
HERMANN, CHRIS	26-Feb-2007	31.43	921002
HERMANN, CHRIS	26-Feb-2007	23.55	880100
HERMANN, CHRIS	26-Feb-2007	15.75	580100
HERMANN, CHRIS	26-Feb-2007	9.89	880100
HERMANN, CHRIS	26-Feb-2007	5.55	580100
HERMANN, CHRIS	26-Feb-2007	3.49	880100
HERMANN, CHRIS	28-Mar-2007	992.31	580100

Attachment to Response to LGE AG-1 Question No. 137

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Bellar

Employee	Invoice Date	Amount SUM	Account
HERMANN, CHRIS	28-Mar-2007	683.07	880100
HERMANN, CHRIS	28-Mar-2007	237.77	580100
HERMANN, CHRIS	28-Mar-2007	149.45	880100
HERMANN, CHRIS	28-Mar-2007	10.48	921002
HERMANN, CHRIS	27-Apr-2007	79.70	588100
HERMANN, CHRIS	27-Apr-2007	18.64	580100
HERMANN, CHRIS	27-Apr-2007	15.83	580100
HERMANN, CHRIS	27-Apr-2007	13.23	580100
HERMANN, CHRIS	27-Apr-2007	11.71	880100
HERMANN, CHRIS	27-Apr-2007	9.96	880100
HERMANN, CHRIS	27-Apr-2007	8.32	880100
HERMANN, CHRIS	27-Apr-2007	7.93	580100
HERMANN, CHRIS	27-Apr-2007	4.99	880100
HERMANN, CHRIS	27-Apr-2007	(1,703.44)	880100
HERMANN, CHRIS	27-Apr-2007	(2,710.03)	580100
HERMANN, CHRIS	28-May-2007	3,831.66	588100
HERMANN, CHRIS	28-May-2007	643.49	580100
HERMANN, CHRIS	28-May-2007	404.48	880100
HERMANN, CHRIS	28-May-2007	10.48	921002
HERMANN, CHRIS	28-May-2007	7.71	580100
HERMANN, CHRIS	28-May-2007	4.85	880100
HERMANN, CHRIS	26-Jun-2007	7,394.42	588100
HERMANN, CHRIS	26-Jun-2007	104.06	588100
HERMANN, CHRIS	26-Jun-2007	28.69	580100
HERMANN, CHRIS	26-Jun-2007	23.79	580100
HERMANN, CHRIS	26-Jun-2007	23.40	580100
HERMANN, CHRIS	26-Jun-2007	18.03	880100
HERMANN, CHRIS	26-Jun-2007	14.96	880100
HERMANN, CHRIS	26-Jun-2007	14.70	880100
HERMANN, CHRIS	26-Jun-2007	8.98	921002
HERMANN, CHRIS	26-Jun-2007	0.67	588100
HERMANN, CHRIS	26-Jun-2007	(9.63)	880100
HERMANN, CHRIS	26-Jun-2007	(15.31)	580100
HERMANN, CHRIS	27-Aug-2007	3,266.34	580100
HERMANN, CHRIS	27-Aug-2007	2,053.12	880100
HERMANN, CHRIS	27-Aug-2007	29.64	580100
HERMANN, CHRIS	27-Aug-2007	18.64	880100
HERMANN, CHRIS	26-Sep-2007	684.56	588100
HERMANN, CHRIS	26-Sep-2007	410.94	588100
HERMANN, CHRIS	26-Sep-2007	14.15	588100
HERMANN, CHRIS	26-Sep-2007	12.98	580100
HERMANN, CHRIS	26-Sep-2007	10.09	580100
HERMANN, CHRIS	26-Sep-2007	8.21	880100
HERMANN, CHRIS	26-Sep-2007	8.16	880100
HERMANN, CHRIS	26-Sep-2007	3.91	580100
HERMANN, CHRIS	26-Sep-2007	3.30	588100
HERMANN, CHRIS	26-Sep-2007	2.46	880100
HERMANN, CHRIS	27-Dec-2007	590.24	580100
HERMANN, CHRIS	27-Dec-2007	370.98	880100
HERMANN, CHRIS	27-Dec-2007	100.10	580100
HERMANN, CHRIS	27-Dec-2007	53.03	580100
HERMANN, CHRIS	27-Dec-2007	33.33	880100
HERMANN, CHRIS	27-Dec-2007	9.97	580100
HERMANN, CHRIS	27-Dec-2007	6.27	880100
HERMANN, CHRIS	26-Jul-2008	509.59	580100
HERMANN, CHRIS	26-Jul-2008	320.32	880100
HERMANN, CHRIS	26-Jul-2008	87.04	580100

Employee	Invoice Date	Amount SUM	Account
HERMANN, CHRIS	26-Jul-2008	86.85	580100
HERMANN, CHRIS	26-Jul-2008	54.72	880100
HERMANN, CHRIS	26-Jul-2008	54.58	880100
HERMANN, CHRIS	26-Jul-2008	30.52	580100
HERMANN, CHRIS	26-Jul-2008	19.18	880100
HERMANN, CHRIS	26-Jul-2008	6.96	580100
HERMANN, CHRIS	26-Jul-2008	4.37	880100
HERMANN, CHRIS	26-Jul-2008	2.72	580100
HERMANN, CHRIS	26-Jul-2008	1.71	880100
HERMANN, CHRIS	28-Mar-2009	1,834.92	580100
HERMANN, CHRIS	28-Mar-2009	1,259.54	880100
HERMANN, CHRIS	28-Mar-2009	11.13	580100
HERMANN, CHRIS	28-Mar-2009	6.99	880100
HERMANN, CHRIS	28-Mar-2009	6.07	580100
HERMANN, CHRIS	28-Mar-2009	3.81	880100
KEELING, RUDOLPH	27-Jan-2007	1,939.30	921003
KEELING, RUDOLPH	27-Jan-2007	112.45	921003
KEELING, RUDOLPH	27-Jan-2007	33.09	921003
KEELING, RUDOLPH	26-Feb-2007	1,122.07	921003
KEELING, RUDOLPH	26-Feb-2007	74.50	921003
KEELING, RUDOLPH	26-Feb-2007	42.51	921003
KEELING, RUDOLPH	26-Feb-2007	22.66	921003
KEELING, RUDOLPH	27-Apr-2007	3,937.46	921003
KEELING, RUDOLPH	27-Apr-2007	150.75	921003
KEELING, RUDOLPH	28-May-2007	1,873.11	921003
KEELING, RUDOLPH	28-May-2007	280.14	921003
KEELING, RUDOLPH	28-May-2007	154.01	921003
KEELING, RUDOLPH	26-Sep-2007	5,699.83	921003
KEELING, RUDOLPH	26-Sep-2007	140.02	921003
KEELING, RUDOLPH	26-Sep-2007	37.50	921003
KEELING, RUDOLPH	26-May-2008	1,215.29	921003
KEELING, RUDOLPH	26-May-2008	231.29	921003
MALLOY, JOHN	27-Apr-2007	7,156.00	588100
MALLOY, JOHN	27-Apr-2007	10.28	500900
MALLOY, JOHN	28-May-2007	3,179.49	921001
MALLOY, JOHN	28-May-2007	120.64	921001
MALLOY, JOHN	28-May-2007	49.98	921001
MALLOY, JOHN	26-Jun-2007	1,052.06	921001
MALLOY, JOHN	26-Jun-2007	755.51	921001
MALLOY, JOHN	26-Jun-2007	81.83	921001
MALLOY, JOHN	26-Jun-2007	29.37	921001
MALLOY, JOHN	27-Nov-2007	5,292.99	921001
MALLOY, JOHN	27-Nov-2007	3,075.00	921001
MALLOY, JOHN	27-Nov-2007	70.35	921001
MALLOY, JOHN	27-Nov-2007	22.57	921001
MALLOY, JOHN	28-Jan-2008	5,549.37	588100
MALLOY, JOHN	28-Jan-2008	857.09	588100
MALLOY, JOHN	28-Jan-2008	32.50	588100
MALLOY, JOHN	28-Mar-2008	5,011.57	921901
MALLOY, JOHN	28-Mar-2008	350.00	921001
MALLOY, JOHN	28-Mar-2008	134.50	921001
MALLOY, JOHN	28-Mar-2008	39.92	921001
MALLOY, JOHN	28-Mar-2008	37.51	921001
MALLOY, JOHN	26-Jun-2008	4,448.30	588100
MALLOY, JOHN	26-Jul-2008	1,164.35	588100
MALLOY, JOHN	26-Jul-2008	45.17	588100
MALLOY, JOHN	26-Aug-2008	2,566.32	588100

Attachment to Response to LGE AG-1 Question No. 137

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Bellar

Employee	Invoice Date	Amount SUM	Account
MALLOY, JOHN	26-Aug-2008	895.00	588100
MALLOY, JOHN	26-Aug-2008	409.81	588100
MALLOY, JOHN	26-Aug-2008	197.04	588100
MALLOY, JOHN	26-Aug-2008	138.57	588100
MALLOY, JOHN	27-Oct-2008	2,677.04	921001
MALLOY, JOHN	27-Oct-2008	24.35	921001
MALLOY, JOHN	27-Oct-2008	10.59	921001
MALLOY, JOHN	26-Nov-2008	12,995.00	588100
MALLOY, JOHN	26-Nov-2008	1,324.14	588100
MALLOY, JOHN	26-Nov-2008	1,086.61	588100
MALLOY, JOHN	26-Nov-2008	122.35	588100
MALLOY, JOHN	26-Nov-2008	(796.00)	588100
MALLOY, JOHN	26-Feb-2009	2,881.16	588100
MALLOY, JOHN	26-Feb-2009	857.90	588100
MALLOY, JOHN	26-Feb-2009	672.31	588100
MALLOY, JOHN	26-Feb-2009	45.45	588100
MALLOY, JOHN	26-Feb-2009	17.20	588100
MALLOY, JOHN	26-Feb-2009	10.00	588100
MALLOY, JOHN	28-Mar-2009	2,146.46	588100
MALLOY, JOHN	28-Mar-2009	1,954.92	588100
MALLOY, JOHN	28-Mar-2009	1,506.96	588100
MALLOY, JOHN	27-May-2009	2,485.48	588100
MALLOY, JOHN	27-May-2009	431.67	588100
MALLOY, JOHN	27-May-2009	59.95	588100
MALLOY, JOHN	27-May-2009	19.00	588100
MCCALL, JOHN R	28-Mar-2007	1,114.31	921903
MCCALL, JOHN R	28-Mar-2007	348.25	921903
MCCALL, JOHN R	27-Apr-2007	2,529.31	921903
MCCALL, JOHN R	27-Apr-2007	83.97	921903
MCCALL, JOHN R	27-Apr-2007	50.31	921903
MCCALL, JOHN R	26-Oct-2007	1,788.98	921903
MCCALL, JOHN R	26-Oct-2007	174.53	921903
MCCALL, JOHN R	28-Mar-2008	687.83	921903
MCCALL, JOHN R	28-Mar-2008	608.65	921903
MCCALL, JOHN R	28-Mar-2008	48.10	921903
MCCALL, JOHN R	26-Apr-2008	2,575.24	921903
MCCALL, JOHN R	26-Apr-2008	152.32	921903
POTTINGER, PAULA	27-Nov-2007	465.69	921902
POTTINGER, PAULA	27-Nov-2007	16.44	921902
POTTINGER, PAULA	27-Nov-2007	(39.16)	921902
POTTINGER, PAULA	27-Nov-2007	(2,504.19)	921902
POTTINGER, PAULA	26-Feb-2008	2,129.64	921902
POTTINGER, PAULA	26-Feb-2008	63.16	921902
POTTINGER, PAULA	26-Feb-2008	12.92	921902
POTTINGER, PAULA	28-Mar-2008	1,285.62	921902
POTTINGER, PAULA	28-Mar-2008	289.59	921902
RIVES, STEPHEN	26-Feb-2007	754.86	921902
RIVES, STEPHEN	26-Feb-2007	178.13	921902
RIVES, STEPHEN	26-Feb-2007	64.58	921902
RIVES, STEPHEN	26-Feb-2007	5.55	921902
RIVES, STEPHEN	28-May-2007	4,174.73	921902
RIVES, STEPHEN	28-May-2007	818.20	921902
RIVES, STEPHEN	28-May-2007	602.68	921902
RIVES, STEPHEN	26-Jun-2007	956.51	921902
RIVES, STEPHEN	26-Jun-2007	71.74	921902
RIVES, STEPHEN	27-Aug-2007	789.48	921902
RIVES, STEPHEN	27-Aug-2007	284.47	921902

Employee	Invoice Date	Amount SUM	Account
RIVES, STEPHEN	27-Dec-2007	1,190.98	921902
RIVES, STEPHEN	27-Dec-2007	31.68	921902
RIVES, STEPHEN	28-Mar-2008	2,327.76	921002
RIVES, STEPHEN	28-Mar-2008	18.62	921902
RIVES, STEPHEN	26-Jun-2008	5,682.81	921902
RIVES, STEPHEN	26-Jun-2008	5,412.20	921902
RIVES, STEPHEN	26-Dec-2008	1,388.16	921902
RIVES, STEPHEN	26-Dec-2008	57.60	921902
RIVES, STEPHEN	26-Dec-2008	23.94	921902
RIVES, STEPHEN	26-Dec-2008	3.98	921902
SINCLAIR, DAVID	26-Feb-2007	802.21	921902
SINCLAIR, DAVID	26-Feb-2007	593.47	921902
SINCLAIR, DAVID	28-May-2007	1,412.34	921902
THOMAS, PAUL GREG	27-Apr-2007	4,653.10	580100
THOMAS, PAUL GREG	27-Apr-2007	123.85	580100
THOMAS, PAUL GREG	27-Apr-2007	19.00	580100
THOMAS, PAUL GREG	26-Jul-2007	8,466.14	580100
THOMAS, PAUL GREG	26-Jul-2007	40.75	580100
THOMAS, PAUL GREG	26-Jul-2007	29.00	580100
THOMAS, PAUL GREG	26-Oct-2007	5,557.85	580100
THOMAS, PAUL GREG	26-Oct-2007	61.00	580100
THOMAS, PAUL GREG	27-Nov-2007	495.00	580100
THOMAS, PAUL GREG	27-Nov-2007	448.30	580100
THOMAS, PAUL GREG	27-Nov-2007	57.89	580100
THOMAS, PAUL GREG	27-Nov-2007	29.00	580100
THOMAS, PAUL GREG	28-Mar-2008	1,100.48	580100
THOMAS, PAUL GREG	28-Mar-2008	103.44	580100
THOMAS, PAUL GREG	28-Mar-2008	67.00	580100
THOMAS, PAUL GREG	26-Apr-2008	1,089.90	580100
THOMAS, PAUL GREG	26-Apr-2008	111.00	580100
THOMAS, PAUL GREG	26-Apr-2008	30.94	580100
THOMAS, PAUL GREG	27-Oct-2008	625.00	580100
THOMAS, PAUL GREG	27-Oct-2008	523.38	580100
THOMAS, PAUL GREG	27-Oct-2008	111.37	580100
THOMAS, PAUL GREG	27-Oct-2008	19.00	580100
THOMAS, PAUL GREG	26-Nov-2008	934.34	580100
THOMAS, PAUL GREG	26-Nov-2008	401.92	580100
THOMAS, PAUL GREG	26-Nov-2008	263.94	580100
THOMAS, PAUL GREG	26-Nov-2008	64.00	580100
THOMPSON, PAUL	26-Feb-2007	792.36	500900
THOMPSON, PAUL	26-Feb-2007	107.88	500100
VOYLES, JOHN	26-Feb-2007	469.02	500900
VOYLES, JOHN	26-Feb-2007	296.70	500900
VOYLES, JOHN	26-Feb-2007	296.69	500900
VOYLES, JOHN	26-Jun-2007	893.54	500900
VOYLES, JOHN	26-Jun-2007	90.94	500900
VOYLES, JOHN	26-Jun-2007	18.64	500900
VOYLES, JOHN	28-Mar-2008	1,450.97	500900
VOYLES, JOHN	28-Mar-2008	167.20	500900
VOYLES, JOHN	28-Mar-2008	75.09	500900
VOYLES, JOHN	26-Apr-2008	1,500.00	500900
VOYLES, JOHN	26-Apr-2008	34.85	500900
VOYLES, JOHN	26-Apr-2008	(380.16)	500900
VOYLES, JOHN	28-Mar-2009	995.75	560900
VOYLES, JOHN	28-Mar-2009	788.20	560900
VOYLES, JOHN	28-Mar-2009	418.32	500900
VOYLES, JOHN	28-Mar-2009	324.94	560900

Attachment to Response to LGE AG-1 Question No. 137

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Bellar

Employee	Invoice Date	Amount SUM	Account
VOYLES, JOHN	28-Mar-2009	29.64	500900
WELSH, WENDY	26-Feb-2007	5,568.00	921903
WELSH, WENDY	26-Feb-2007	1,444.16	921903
WELSH, WENDY	26-Feb-2007	28.93	921903
WELSH, WENDY	28-Mar-2007	1,940.55	921903
WELSH, WENDY	28-Mar-2007	775.86	921903
WELSH, WENDY	28-Mar-2007	772.34	921903
WELSH, WENDY	28-Mar-2007	13.56	921903
WELSH, WENDY	28-Mar-2007	(1,910.93)	921903
WELSH, WENDY	28-May-2007	995.42	921903
WELSH, WENDY	28-May-2007	815.10	107001
WELSH, WENDY	28-May-2007	538.25	921903
WELSH, WENDY	28-May-2007	261.53	921903
WELSH, WENDY	28-May-2007	173.64	107001
WELSH, WENDY	28-May-2007	99.22	107001
WELSH, WENDY	26-Sep-2007	4,234.25	921903
WELSH, WENDY	26-Sep-2007	288.08	921903
WELSH, WENDY	26-Sep-2007	55.88	107001
WELSH, WENDY	27-Nov-2007	1,071.19	921903
WELSH, WENDY	27-Nov-2007	628.68	921903
WELSH, WENDY	27-Nov-2007	39.66	921903
WELSH, WENDY	26-Jun-2008	2,424.41	921903
WELSH, WENDY	26-Jun-2008	16.93	921903
WELSH, WENDY	26-Jun-2008	(6,692.30)	921903
WELSH, WENDY	26-Aug-2008	1,685.21	921903
WELSH, WENDY	26-Aug-2008	916.43	921903
WELSH, WENDY	26-Aug-2008	213.99	921903
WELSH, WENDY	26-Aug-2008	115.24	921903
WELSH, WENDY	26-Aug-2008	17.89	921903
WELSH, WENDY	26-Aug-2008	5.80	921903
WELSH, WENDY	27-Oct-2008	1,137.34	921903
WELSH, WENDY	27-Oct-2008	17.89	921903
WELSH, WENDY	28-Mar-2009	1,006.51	921903
WELSH, WENDY	28-Mar-2009	66.82	921903
WELSH, WENDY	27-May-2009	475.88	921903

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 138

Responding Witness: Daniel K. Arbough

- Q-138. For each injury and damage claim, where the settlement exceeded \$10,000 for the years 2007, 2008 and 2009, list by year each such claim, the basis for the claim, the dollar amount of the claim paid and the associated legal fees.
- A-138. The attached schedule shows injury and damage claims where payment exceeded \$10,000. This data is based on payments made rather than accounting accruals.

Louisville Gas and Electric Company 2007 Claims Paid Above \$10,000

Event Type	Description	Paid To Date	Legal Fees ¹	Total Incurred
Vehicle Accident	Injury and property damage from accident	\$ 20,135.79	\$ -	\$ 20,135.79
Vehicle Accident	Injury and property damage from accident	\$ 19,173.10	\$ -	\$ 19,173.10
Vehicle Accident	Personal Injury	\$ 56,000.00	\$ 1,729.00	\$ 57,729.00
Vehicle Accident	Personal Injury	\$ 16,000.00	\$ 1,989.00	\$ 17,989.00
Fatality	Electrocution	\$ 1,200,455.01	\$ 56,356.89	\$ 1,256,811.90
Injury	Electric Shock	\$ 1,525,000.00	\$ 576,795.75	\$ 2,101,795.75
Vehicle Accident	Personal Injury	\$ 10,000.00	\$ 2,759.70	\$ 12,759.70
Workers' Compensation	burns	\$ 17,198.69		\$ 17,198.69
Workers' Compensation	back injury	\$ 10,305.64		\$ 10,305.64
Workers' Compensation	back injury	\$ 17,515.08		\$ 17,515.08
Workers' Compensation	back injury	\$ 31,710.72		\$ 31,710.72
Workers' Compensation	sprain/strain	\$ 28,819.24		\$ 28,819.24
Workers' Compensation	contusion	\$ 11,072.10		\$ 11,072.10
Workers' Compensation	back injury	\$ 51,580.26		\$ 51,580.26
Workers' Compensation	back injury	\$ 41,892.70		\$ 41,892.70
Workers' Compensation	back injury	\$ 20,089.77		\$ 20,089.77
Workers' Compensation	over exertion	\$ 10,814.44		\$ 10,814.44
Workers' Compensation	sprain/strain	\$ 24,859.83		\$ 24,859.83
Workers' Compensation	broken bone	\$ 11,930.31		\$ 11,930.31
Workers' Compensation	sprain/strain	\$ 18,508.11	\$ 6,208.00	\$ 24,716.11
Workers' Compensation	fall	\$ 13,366.60		\$ 13,366.60
Workers' Compensation	burns and cuts	\$ 23,281.57		\$ 23,281.57
Workers' Compensation	sprain/strain	\$ 30,006.20		\$ 30,006.20
Workers' Compensation	mental stress	\$ 23,142.78		\$ 23,142.78
Workers' Compensation	sprain/strain	\$ 20,301.68		\$ 20,301.68
Workers' Compensation	contusion	\$ 32,188.71		\$ 32,188.71
	Sum:	\$ 3,285,348.33	\$ 645,838.34	\$ 3,931,186.67

¹ Legal fees represent the lifetime fees for the matter, presented in the most recent year of payment

² Insurance covered amount above \$1 million

Louisville Gas and Electric 2008 Claims Paid Above \$10,000

Event Type	Description	Paid To Date	Legal Fees ¹	Total Incurred
Vehicle Accident	Injury and property damage from accident	\$ 80,868.16		\$ 80,868.16
Property Damage	Damage to leased vehicle	\$ 19,142.98		\$ 19,142.98
Property Damage	LG&E pole broke causing damage.	\$ 11,954.25		\$ 11,954.25
Property Damage	Power surge property damage	\$ 10,466.22		\$ 10,466.22
Injury	Wrongful Death	\$ 55,000.00	\$ 131,379.74	\$ 186,379.74
Workers' Compensation	sprain/strain	\$ 10,280.90		\$ 10,280.90
Workers' Compensation	back injury	\$ 10,454.15		\$ 10,454.15
Workers' Compensation	back injury	\$ 17,515.08		\$ 17,515.08
Workers' Compensation	back injury	\$ 37,514.95		\$ 37,514.95
Workers' Compensation	Injury	\$ 16,957.13		\$ 16,957.13
Workers' Compensation	contusion	\$ 30,422.31		\$ 30,422.31
Workers' Compensation	sprain/strain	\$ 11,047.27		\$ 11,047.27
Workers' Compensation	sprain/strain	\$ 48,734.44		\$ 48,734.44
Workers' Compensation	over exertion	\$ 10,814.44		\$ 10,814.44
Workers' Compensation	sprain/strain	\$ 24,644.06		\$ 24,644.06
Workers' Compensation	sprain/strain	\$ 14,565.96		\$ 14,565.96
Workers' Compensation	broken bone	\$ 18,023.89		\$ 18,023.89
Workers' Compensation	injury	\$ 13,666.60		\$ 13,666.60
Workers' Compensation	burns/cuts	\$ 21,897.33		\$ 21,897.33
Workers' Compensation	sprain/strain	\$ 37,356.00		\$ 37,356.00
Workers' Compensation	mental stress	\$ 22,285.64		\$ 22,285.64

Louisville Gas and Electric 2008 Claims Paid Above \$10,000

Event Type	Description	Paid To Date	Legal Fees ¹	Total Incurred
Workers' Compensation	contusion	\$ 81,742.42		\$ 81,742.42
Workers' Compensation	sprain/strain	\$ 12,475.21		\$ 12,475.21
Workers' Compensation	back injury	\$ 29,447.18		\$ 29,447.18
Workers' Compensation	sprain/strain	\$ 12,005.11		\$ 12,005.11
Workers' Compensation	back injury	\$ 34,037.34		\$ 34,037.34
	Sum:	\$ 693,319.02	\$ 131,379.74	\$ 824,698.76

¹ Legal fees represent the lifetime fees for the matter, presented in the most recent year of payment

Louisville Gas and Electric Company 2009 Claims Paid Above

Event Type	Description	Paid To Date	Legal Fees ¹	Total Incurred
Injury	Personal Injury	\$ 14,000.00	\$ 25,469.81	\$ 39,469.81
Injury	Asbestos Litigation	\$ 31,913.00	\$ 66,820.00	\$ 98,733.00
Workers' Compensation	sprain/strain	\$ 14,417.60		\$ 14,417.60
Workers' Compensation	back injury	\$ 13,073.30		\$ 13,073.30
Workers' Compensation	back injury	\$ 15,415.68		\$ 15,415.68
Workers' Compensation	sprain/strain	\$ 50,390.78	\$ 3,531.92	\$ 53,922.70
Workers' Compensation	back injury	\$ 69,634.31		\$ 69,634.31
Workers' Compensation	back injury	\$ 18,478.68		\$ 18,478.68
Workers' Compensation	contusion	\$ 17,811.18	\$ 11,637.70	\$ 29,448.88
Workers' Compensation	back injury	\$ 36,326.07		\$ 36,326.07
Workers' Compensation	back injury	\$ 29,986.71	\$ 8,295.41	\$ 38,282.12
Workers' Compensation	over exertion	\$ 11,414.44		\$ 11,414.44
Workers' Compensation	sprain/strain	\$ 25,113.69		\$ 25,113.69
Workers' Compensation	broken bone	\$ 19,896.78	\$ 319.92	\$ 20,216.70
Workers' Compensation	injury	\$ 13,666.60		\$ 13,666.60
Workers' Compensation	burns/cuts	\$ 18,203.84	\$ 5,252.50	\$ 23,456.34
Workers' Compensation	sprain/strain	\$ 37,572.10	\$ 5,442.00	\$ 43,014.10
Workers' Compensation	mental stress	\$ 22,285.64		\$ 22,285.64
Workers' Compensation	contusion	\$ 22,842.16		\$ 22,842.16
Workers' Compensation	back injury	\$ 59,638.23	\$ 9,172.70	\$ 68,810.93
Workers' Compensation	back injury	\$ 26,720.12		\$ 26,720.12
Workers' Compensation	back injury	\$ 12,551.64		\$ 12,551.64
Workers' Compensation	broken bone	\$ 29,056.33		\$ 29,056.33
	Sum	\$ 610,408.88	\$ 135,941.96	\$ 746,350.84

¹ Legal fees represent the lifetime fees for the matter, presented in the most recent year of payment

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 139

Responding Witness: Shannon L. Charnas

Q-139. State the amount of injuries and damages expense for each of the last three years.

A-139. The amount of injuries and damages expense is as follows:

2007	\$2,590,515
2008	\$1,777,752
2009	\$2,231,083

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 140

Responding Witness: Paula H. Pottinger, Ph.D./Daniel K. Arbough/Shannon L. Charnas

Q-140. Itemize each component of insurance expense included in the test period, and provide comparative information for 2007, 2008 and 2009. Indicate the accounts and amounts in which each item of insurance expense is recorded.

a. For any component of the Company's insurance expense which has fluctuated by more than 10% or \$10,000 from one year to the next, provide an explanation as to the cause of such fluctuation.

A-140. The insurance expense is itemized in the attachment for the test period and each of 2007, 2008, and 2009.

Property insurance expense decreased from 2007 to 2008 due to Louisville Gas and Electric Company qualifying for both a credit based on no claims being filed in the prior year and a credit associated with the length of the relationship (a membership credit) from the lead insurance carrier which is a mutual insurance company. Property insurance expense increased in 2009 from 2008 due to increases in the replacement cost value of the Louisville Gas and Electric Company property and the lead carrier did not offer a credit in 2009 for no claims being filed. The test year expense is lower than 2009 due to an increase in premiums that became effective in November 2009. See Rives Exhibit 1, Reference Schedule 1.18.

Public liability expenses decreased from 2007 to 2008 due to fluctuations in the magnitude of claim payments during the year in spite of a minor insurance premium increase. The 2009 expense increased due to a significant increase in the insurance premium rate as a result of the crisis in the financial markets, which was partially offset by lower claims payments. The test year expense is lower than 2009 due to the 2009 premium increase impacting only 10 months of the test year.

The Company is self-insured for workers' compensation. This expense decreased in 2008 and increased in 2009 due to the value of claim payments. The test year expense is impacted by the timing of claims.

Auto liability expense increased in 2008 due to fluctuations in the volume and magnitude of claim payments. The decrease in 2009 expense is due to the fluctuation in the value of claim payments. The test year expense is impacted by the timing of claims.

Safety and industrial health decreased from 2008 to 2009 due to lower labor expense in 2009. An employee retired in 2009 and there was a delay in hiring a replacement. Also, higher mutual assistance labor was provided to other utilities for storm restoration in 2009 and related labor costs were reimbursed. The decrease in labor was partially offset by higher safety supply expense in 2009.

Injuries and damages increased from 2007 to 2008 due to safety training costs. Costs in 2009 were down due to a change in the allocation of insurance brokerage fees and lower safety training costs partially offset by higher settlements. Brokerage fees were incurred, but were charged to account 923 in 2009.

Group life insurance costs are based on a negotiated insured premium times the amount of life insurance for covered employees. Due to a competitive bid process in 2008, the Company negotiated a lower life insurance premium with the current carrier for 2009, 2010 and 2011.

The hospitalization plan is self-insured, paying medical claims incurred that year plus insured fees for administration, vision, stop-loss insurance and health care management program fees. Fluctuations from year to year are primarily based on an increase or decrease of medical claims.

The dental plan is self-insured, paying dental claims incurred that year plus an administrative fee. Fluctuations from year to year are primarily based on an increase or decrease of dental claims.

Long-term disability insurance costs are based on a negotiated insured premium times the amount of covered base salary for covered employees. Due to a competitive bid process in 2008, the Company negotiated a lower long-term disability insurance premium with a different long-term disability carrier for 2009 and 2010.

Louisville Gas & Electric Company
Insurance Expenses

Insurance Type	Account	Test Period	2009	2008	2007
Property Insurance	924	\$ 3,488,665	\$ 3,614,433	\$ 3,116,665	\$ 3,413,437
Public Liability	925	1,226,598	1,255,079	1,199,185	2,039,958
Workers Compensation	925	749,417	839,110	339,221	378,487
Auto Liability	925	102,526	35,399	102,140	39,710
Safety and Industrial Health	925	89,298	84,574	87,893	103,376
Injuries and Damages	925	18,491	16,921	49,313	28,984
Group Life Insurance	926	386,351	303,576	417,273	390,092
Hospitalization Insurance	926	8,387,875	8,302,260	7,948,043	7,093,410
Dental Insurance	926	479,140	482,128	521,882	535,517
Long Term Disability	926	410,019	297,258	445,653	411,309
Total Insurance Expense		<u>\$ 15,338,380</u>	<u>\$ 15,230,738</u>	<u>\$ 14,227,268</u>	<u>\$ 14,434,280</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 141

Responding Witness: Shannon L. Charnas

- Q-141. Itemize the legal services expenses included in 2007, 2008 and 2009 for rate case related work. For each distinct item state: payee; amount; account; purpose; docket, case, or proceeding reference; and describe briefly the nature of the case or legal service received.
- A-141. See attached. There were no legal services expenses for rate case related work in 2007.

Louisville Gas and Electric Company
 Legal Expenses Included for Rate Case Related Work
 2007 - 2009

Payee	Amount	Account	Purpose	Case	Legal Service Received
Stoll Keenon Ogden PLLC	\$ 8,035.32	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,923.58	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	3,030.31	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,152.90	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	4,250.64	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	5,408.79	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	20,025.20	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	38,807.31	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	20,786.31	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	20,967.00	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	24,627.87	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	33,058.17	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	2,678.44	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	641.19	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,802.93	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	384.30	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,416.88	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,010.10	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	6,675.07	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	12,935.77	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	6,928.78	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	6,989.00	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	11,019.38	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	8,209.28	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,593.75	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Winston and Strawn	688.50	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Winston and Strawn	531.25	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Winston and Strawn	229.50	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Winston and Strawn	29,244.34	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	29,556.31	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	9,748.11	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	9,852.10	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	646.90	186021	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
Stoll Keenon Ogden PLLC	215.63	186022	Legal Consultation for Rate Case	2008-00252	2008 KPSC Rate Case
	<u>\$ 325,070.91</u>				
Stoll Keenon Ogden PLLC	\$ 3,261.95	186021	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
Stoll Keenon Ogden PLLC	10,159.38	186021	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
Stoll Keenon Ogden PLLC	20,643.35	186021	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
Stoll Keenon Ogden PLLC	1,866.91	186022	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
Stoll Keenon Ogden PLLC	5,814.49	186022	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
Stoll Keenon Ogden PLLC	11,814.74	186022	Legal Consultation for Rate Case	2009-00549	2009 KPSC Rate Case
	<u>\$ 53,560.82</u>				

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 142

Responding Witness: Shannon L. Charnas/Counsel

- Q-142. Please itemize the amount of non-rate case legal expense for 2006, 2007, 2008, 2009 and 2010 to date. For each distinct item over \$5,000 show payee, amount, account and indicate what services were performed and what the subject matter of the services was.
- a. Provide copies of all invoices which exceed \$10,000. This should be the complete document including a complete description of work performed.
- A-142. See attached.
- a. The information requested herein is voluminous and would require a significant amount of time to compile. If the AG has specific invoices that it would like to review, please advise and the Company will agree to provide copies of those invoices, appropriately redacted to protect the attorney-client privilege.

Louisville Gas and Electric

Year	Vendor	Account	Invoice Number	Period	Total	Services Provided	Subject Matter
2006	APPLIED MECHANICS CO	923100	402122	MAR-2006	6,411.00	Legal Services	Continental Field Systems (CFS) adv. LG&E
2007	BAKER BOTTS LLP	923100	996522	DEC-2007	10,212.50	Legal Services	Facilities Response Plan-Trimble, Mill Creek
2008	BAKER BOTTS LLP	923100	1026801	APR-2008	6,450.23	Legal Services	Facilities Response Plan-Trimble, Mill Creek
2007	BARNES AND THORNBURG LLP	923100	1056870	MAY-2007	5,507.90	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	BARNES AND THORNBURG LLP	923900	1062886	MAY-2007	9,896.47	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2008	BARNES AND THORNBURG LLP	923100	1180716	OCT-2008	17,931.91	Legal Services	Doe Run Storage Field-Leakage Concerns
2008	BARNES AND THORNBURG LLP	923100	1199788	DEC-2008	12,685.81	Legal Services	Cedar Farm v. LG&E
2008	BARNES AND THORNBURG LLP	923100	1203055	DEC-2008	12,791.05	Legal Services	Cedar Farm v. LG&E
2009	BARNES AND THORNBURG LLP	923100	1247444	APR-2009	17,453.17	Legal Services	Cedar Farm v. LG&E
2009	BARNES AND THORNBURG LLP	923100	1240743	JUL-2009	5,303.00	Legal Services	Cedar Farm v. LG&E
2009	BARNES AND THORNBURG LLP	923100	1249882	SEP-2009	5,115.00	Legal Services	Cedar Farm v. LG&E
2009	BARNES AND THORNBURG LLP	923100	1262843	SEP-2009	9,264.34	Legal Services	Cedar Farm v. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1121334	APR-2006	28,333.97	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1122666	MAY-2006	37,402.30	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1125197	JUL-2006	53,166.43	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1124236	JUL-2006	116,151.23	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1133172	DEC-2006	10,624.43	Legal Services	Edlin, Richard v. LG&E and Energy Corp.
2006	BOEHL STOPHER AND GRAVES LLP	923100	1132949	DEC-2006	13,272.06	Legal Services	Roberson, Jonathan et al. v. LG&E
2006	BOEHL STOPHER AND GRAVES LLP	923100	1133175	DEC-2006	19,943.20	Legal Services	Edwards, Patricia & Rickey v. LG&E
2007	BOEHL STOPHER AND GRAVES LLP	923100	1136909	APR-2007	6,273.33	Legal Services	Edwards, Patricia & Rickey v. LG&E
2007	BOEHL STOPHER AND GRAVES LLP	923100	1145973	DEC-2007	6,279.08	Legal Services	Edwards, Patricia & Rickey v. LG&E
2008	BOEHL STOPHER AND GRAVES LLP	923100	1150350	MAY-2008	12,325.08	Legal Services	Roberson, Jonathan et al. v. LG&E
2008	BOEHL STOPHER AND GRAVES LLP	923900	1155406	NOV-2008	5,542.16	Legal Services	Peyton, Anthony Wayne v. E.ON U.S. LLC, LG&E & KU
2008	BOEHL STOPHER AND GRAVES LLP	923900	1157098	DEC-2008	7,072.18	Legal Services	Peyton, Anthony Wayne v. E.ON U.S. LLC, LG&E & KU
2009	BOEHL STOPHER AND GRAVES LLP	923900	1160730	MAY-2009	9,667.72	Legal Services	Peyton, Anthony Wayne v. E.ON U.S. LLC, LG&E & KU
2009	BOEHL STOPHER AND GRAVES LLP	923900	1163083	JUN-2009	7,678.24	Legal Services	Peyton, Anthony Wayne v. E.ON U.S. LLC, LG&E & KU
2009	BOEHL STOPHER AND GRAVES LLP	923900	1161804	JUN-2009	13,491.80	Legal Services	Peyton, Anthony Wayne v. E.ON U.S. LLC, LG&E & KU
2006	BROWN, DAVID C	923100	DC8032406A	APR-2006	20,780.00	Legal Services	Continental Field Systems (CFS) adv. LG&E
2007	BWS Spreadsheet 11465941: A 10937	923100	3190-0100-0807	AUG-2007	9,324.88	Legal Services	Durban, Willie (5/23/06 Fatality-Sheley St.)
2008	BWS Spreadsheet 15872905: A 10937	925100	3092-0100-0808	AUG-2008	5,639.22	Legal Services	Edlin, Richard v. LG&E and Energy Corp.
2009	CENTER FOR TOXICOLOGY AND	923100	114540	OCT-2009	7,289.04	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al
2006	CRA INTERNATIONAL INC	923900	041554	AUG-2006	6,272.76	Legal Services	Market-Based Rate Authority
2007	DEWEY AND LEROEUF LLP	923100	255716	DEC-2007	16,690.46	Legal Services	FERC Natural Gas Misc.
2008	DEWEY AND LEROEUF LLP	923100	260022	MAR-2008	5,884.65	Legal Services	FERC Natural Gas Misc.
2008	DEWEY AND LEROEUF LLP	923100	261683	MAY-2008	7,860.95	Legal Services	FERC Natural Gas Misc.
2008	DEWEY AND LEROEUF LLP	923900	258987	MAY-2008	9,726.51	Legal Services	FERC Natural Gas Misc.
2008	DEWEY AND LEROEUF LLP	923100	254496	JUN-2008	5,301.86	Legal Services	FERC Natural Gas Misc.
2008	DEWEY AND LEROEUF LLP	923100	264133	AUG-2008	5,375.00	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2008	DEWEY AND LEROEUF LLP	923100	538876	NOV-2008	9,146.45	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2008	DEWEY AND LEROEUF LLP	923100	545320	DEC-2008	19,802.93	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	549751	FEB-2009	7,292.50	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	549749	FEB-2009	8,771.40	Legal Services	FERC Natural Gas Misc.
2009	DEWEY AND LEROEUF LLP	923100	553900	MAR-2009	10,200.55	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	553902	MAR-2009	13,809.58	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	556902	APR-2009	7,498.35	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	556901	APR-2009	8,953.90	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	559032	MAY-2009	6,676.25	Legal Services	Tennessee Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	559032	MAY-2009	6,599.55	Legal Services	Tennessee Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	561418	JUL-2009	6,599.55	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	562958	JUL-2009	12,022.80	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	561442	JUL-2009	20,413.00	Legal Services	Tennessee Gas Pipeline Rates/Regulatory Matters (Billing)
2009	DEWEY AND LEROEUF LLP	923100	574861	DEC-2009	8,781.55	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2006	DEWEY BALLANTINE	923100	221320	FEB-2006	11,017.14	Legal Services	Texas Gas Rate Case 2005 #RP05-317; Pipeline Contract Advice; Texas Pipeline Regulatory
2006	DEWEY BALLANTINE	923100	232540	SEP-2006	5,304.52	Legal Services	Gas Supply Contract Matters (Billing)
2006	DEWEY BALLANTINE	923100	232539	SEP-2006	11,262.98	Legal Services	Doe Run Storage Field-Leakage Concerns

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2006	DEWEY BALLANTINE	923100	235800	NOV-2006	6,627.81	Legal Services	Tennessee Gas Pipeline Rates/Regulatory Matters (Billing)
2006	DEWEY BALLANTINE	923100	235795	NOV-2006	7,247.76	Legal Services	FERC Natural Gas Misc.
2006	DEWEY BALLANTINE	923100	236588	DEC-2006	18,702.36	Legal Services	Doe Run Storage Field-Leakage Concerns
2007	DEWEY BALLANTINE	923900	241688	APR-2007	7,875.95	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	DEWEY BALLANTINE	923100	244295	MAY-2007	28,687.46	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	DEWEY BALLANTINE	923100	244301	MAY-2007	29,562.31	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2007	DEWEY BALLANTINE	923100	246876	JUL-2007	5,759.10	Legal Services	Texas Gas Pipeline Rates/Regulatory Matters (Billing)
2007	DEWEY BALLANTINE	923100	249692	SEP-2007	6,194.95	Legal Services	FERC Natural Gas Misc.
2007	DEWEY BALLANTINE	923100	245465	SEP-2007	12,091.24	Legal Services	Doe Run Storage Field-Hinshaw Investigation; FERC Nat. Gas Misc.
2007	DEWEY BALLANTINE	923100	246873	SEP-2007	22,367.69	Legal Services	Doe Run Storage Field-Hinshaw Investigation; FERC Nat. Gas Misc.
2007	DEWEY BALLANTINE	923100	248207	OCT-2007	14,401.60	Legal Services	Doe Run Storage Field-Hinshaw Investigation; FERC Nat. Gas Misc.
2009	DINSMORE AND SHOHL LLP	923100	2299037	NOV-2009	6,017.90	Legal Services	Federal Insurance Company v. LG&E
2009	FISHER AND PHILLIPS LLP	923100	553066	MAY-2009	6,353.80	Legal Services	CR-Deriving Promotion to Station Operator Classification
2010	FOLEY AND LARDNER LLP	923900	31123653	JAN-2010	6,134.40	Legal Services	NITSA-OMU 2009
2010	FOLEY AND LARDNER LLP	923900	31130505	JAN-2010	11,948.55	Legal Services	NITSA-OMU 2009
2006	FROST BROWN TODD LLC	923100	10335964	APR-2006	5,878.57	Legal Services	DL Peterson Trust as Assignee PHH Vehicle Mgmt. Svs. v. LG&E
2006	FROST BROWN TODD LLC	923100	10345854	JUN-2006	10,064.00	Legal Services	Waterside Station-Potential Arena Site
2006	FROST BROWN TODD LLC	923100	10352762	JUL-2006	8,351.50	Legal Services	Waterside Station-Potential Arena Site
2006	FROST BROWN TODD LLC	923100	10356451	AUG-2006	8,449.00	Legal Services	Murphy, Pamela (Michael Murphy) v. LG&E, et al.
2006	FROST BROWN TODD LLC	923100	10368575	OCT-2006	5,073.56	Legal Services	Murphy, Pamela (Michael Murphy) v. LG&E, et al.
2006	FROST BROWN TODD LLC	923900	10365972	OCT-2006	5,988.35	Legal Services	Gridley, Edwin & Betty v. LG&E/KU, et al.
2006	FROST BROWN TODD LLC	923900	10362877	OCT-2006	29,476.94	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	FROST BROWN TODD LLC	923100	10372518	NOV-2006	7,205.98	Legal Services	Murphy, Pamela (Michael Murphy) v. LG&E, et al.
2006	FROST BROWN TODD LLC	923100	10378271	NOV-2006	7,808.50	Legal Services	Waterside Station-Potential Arena Site
2006	FROST BROWN TODD LLC	923100	10368226	NOV-2006	8,255.50	Legal Services	Waterside Station-Potential Arena Site
2006	FROST BROWN TODD LLC	923100	10371067	NOV-2006	13,014.05	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	FROST BROWN TODD LLC	923100	10385994	DEC-2006	7,406.00	Legal Services	Rhodes, Inc.-Bankruptcy
2006	FROST BROWN TODD LLC	923100	10382267	DEC-2006	16,782.56	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	FROST BROWN TODD LLC	923100	10378705	DEC-2006	21,601.71	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	FROST BROWN TODD LLC	923900	10385368	DEC-2006	34,949.77	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10397270	MAR-2007	9,290.60	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10395017	MAR-2007	10,716.15	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10390560	MAR-2007	17,693.08	Legal Services	Roberson, Jonathan et al. v. LG&E
2007	FROST BROWN TODD LLC	923100	10408613	JUN-2007	5,298.85	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10414104	JUN-2007	5,593.92	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10403487	JUN-2007	12,348.37	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10419046	JUL-2007	7,289.83	Legal Services	Waterside Station-Gait House Property
2007	FROST BROWN TODD LLC	923100	10417985	AUG-2007	14,938.27	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10425247	AUG-2007	39,144.97	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10423837	SEP-2007	33,463.99	Legal Services	Bilateral Lines of Credit Agreements-LG&E/KU

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2007	FROST BROWN TODD LLC	923900	10431908	OCT-2007	9,616.86	Legal Services	Response Franklin Circuit Court Opinion (FAC)
2007	FROST BROWN TODD LLC	923100	10429422	OCT-2007	16,658.92	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10440713	DEC-2007	5,648.15	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10435362	DEC-2007	27,113.19	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	FROST BROWN TODD LLC	923100	10437980	DEC-2007	30,409.07	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	FROST BROWN TODD LLC	923100	10454420	MAR-2008	6,778.51	Legal Services	Middendorp, Matthew J. (440 Aberdeen Ct.) #06-320
2008	FROST BROWN TODD LLC	923100	10460997	APR-2008	7,886.40	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	FROST BROWN TODD LLC	923100	10466611	JUN-2008	9,221.70	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	FROST BROWN TODD LLC	923100	10458705	JUN-2008	9,409.82	Legal Services	Middendorp, Matthew J. (440 Aberdeen Ct.) #06-320
2008	FROST BROWN TODD LLC	923100	10475370	JUN-2008	9,834.27	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	FROST BROWN TODD LLC	923100	10504744	DEC-2008	6,370.65	Legal Services	O'Bannon, Edward, Jr.-Discrimination Charge
2008	FROST BROWN TODD LLC	923100	10499998	DEC-2008	8,690.00	Legal Services	Waterside Station-Potential Arena Site
2008	FROST BROWN TODD LLC	923100	10533048	MAY-2009	7,044.28	Legal Services	3112 Woodland Ave., Louisville (2/1/09 Fatal House Fire)
2009	FROST BROWN TODD LLC	923100	10526034	MAY-2009	8,341.42	Legal Services	Otte-Frank-Substation Site Option/Purchase
2009	FROST BROWN TODD LLC	923100	10524447	MAY-2009	19,795.04	Legal Services	3112 Woodland Ave., Louisville (2/1/09 Fatal House Fire)
2009	FROST BROWN TODD LLC	923100	10531498	JUN-2009	7,727.05	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10546497	JUN-2009	10,483.90	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10541680	JUL-2009	15,842.80	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10548149	AUG-2009	11,906.00	Legal Services	Otte-Frank-Substation Site Option/Purchase
2009	FROST BROWN TODD LLC	923100	10548970	SEP-2009	5,327.03	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10540090	SEP-2009	17,667.77	Legal Services	3112 Woodland Ave., Louisville (2/1/09 Fatal House Fire)
2009	FROST BROWN TODD LLC	923100	10556679	SEP-2009	45,908.20	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10565989	NOV-2009	34,293.27	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10569087	NOV-2009	41,206.93	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10577313	DEC-2009	32,003.49	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	FROST BROWN TODD LLC	923100	10579955	DEC-2009	97,109.38	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2009	GALLOWAY APPRAISAL	923100	090080	JUL-2009	10,100.00	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	GALLOWAY APPRAISAL	923100	090229	SEP-2009	25,513.00	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	GALLOWAY APPRAISAL	923100	090256	OCT-2009	30,563.50	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	GREENBAUM DOLL AND MCDONALD PLLC	923100	4072833	FEB-2006	6,496.50	Legal Services	Glass, Eric
2006	GREENBAUM DOLL AND MCDONALD PLLC	923100	4090106	JUL-2006	9,347.55	Legal Services	Blake, James-Unemployment
2006	GREENBAUM DOLL AND MCDONALD PLLC	923100	4092978	AUG-2006	6,380.00	Legal Services	Hamilton, Jerrold-Arbitration
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4111328	MAR-2007	6,907.00	Legal Services	Museum Plaza Relocation Agreement
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4111305	MAR-2007	9,202.00	Legal Services	Museum Plaza Relocation Agreement
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4118420	MAY-2007	6,453.00	Legal Services	EPI-Enterprise Process Integration Project (SAP)
2007	GREENBAUM DOLL AND MCDONALD PLLC	923900	4116041	MAY-2007	7,778.55	Legal Services	Hunter, Larry-Arbitration
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4136419	DEC-2007	6,569.00	Legal Services	Museum Plaza Relocation Agreement
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4133150	DEC-2007	7,490.00	Legal Services	Hunter, Larry-Arbitration
2007	GREENBAUM DOLL AND MCDONALD PLLC	923100	4147817	DEC-2007	5,872.00	Legal Services	Museum Plaza Relocation Agreement
2008	GREENBAUM DOLL AND MCDONALD PLLC	923100	4144845	MAY-2008	9,665.00	Legal Services	Bridges, Deborah
2008	GREENBAUM DOLL AND MCDONALD PLLC	923100	4149916	MAY-2008	8,237.00	Legal Services	Bridges, Deborah
2008	GREENBAUM DOLL AND MCDONALD PLLC	923100	4165133	JUL-2008	6,655.00	Legal Services	CR-Denying Promotion to Station Operator Classification
2008	GREENBAUM DOLL AND MCDONALD PLLC	923100	4190623	DEC-2008	5,175.00	Legal Services	Byrd, David & Joanna v. LG&E
2008	GREENBAUM DOLL AND MCDONALD PLLC	923100	4190623	DEC-2008	7,157.92	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	F960913	DEC-2006	6,832.31	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	F934117	MAR-2006	9,598.92	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	HW121205	MAR-2006	9,900.00	Legal Services	New Source Review (NSR)- Legal Resources Group

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2006	HUNTON AND WILLIAMS LLP	923900	F911462	MAR-2006	13,757.31	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	G010805	JUL-2006	6,107.39	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	G039298	AUG-2006	8,601.13	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	G060583	OCT-2006	5,840.94	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	G092079	OCT-2006	13,877.67	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923100	G123871	DEC-2006	8,487.77	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	G101454	DEC-2006	9,687.38	Legal Services	Standards of Conduct-FERC Audit
2006	HUNTON AND WILLIAMS LLP	923900	HW120806	FEB-2007	11,700.00	Legal Services	New Source Review (NSR)- Legal Resources Group
2007	HUNTON AND WILLIAMS LLP	923900	G221496	MAR-2007	5,623.74	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G155380	MAR-2007	5,655.10	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G211808	MAR-2007	5,875.87	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G211807	MAR-2007	7,884.12	Legal Services	Bi-Lateral Trading Agmts.
2007	HUNTON AND WILLIAMS LLP	923900	G292063	AUG-2007	8,226.40	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G308444	SEP-2007	6,135.55	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G327631	DEC-2007	5,018.04	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G418155	DEC-2007	6,183.92	Legal Services	No Action Letter (FERC) Customer Comms.-Standards of Conduct
2007	HUNTON AND WILLIAMS LLP	923900	G377961	DEC-2007	9,605.12	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G355226	DEC-2007	11,492.53	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2007	HUNTON AND WILLIAMS LLP	923900	G417829	DEC-2007	12,658.19	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	HW120707	FEB-2008	11,700.00	Legal Services	New Source Review (NSR)- Legal Resources Group
2008	HUNTON AND WILLIAMS LLP	923900	G478402	MAR-2008	7,879.79	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G491348	JUL-2008	8,799.90	Legal Services	Standards of Conduct/Affiliate Rest. NOPRS Comments 2008-09
2008	HUNTON AND WILLIAMS LLP	923900	G537474	JUL-2008	11,115.74	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G523042	JUL-2008	11,289.17	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G551970	SEP-2008	7,721.24	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G592695	DEC-2008	8,429.73	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G628534	DEC-2008	10,530.94	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2008	HUNTON AND WILLIAMS LLP	923900	G684021	MAR-2009	5,487.04	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2009	HUNTON AND WILLIAMS LLP	923900	G694740	MAR-2009	8,883.54	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2009	HUNTON AND WILLIAMS LLP	923900	G642087	MAR-2009	18,790.39	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2009	HUNTON AND WILLIAMS LLP	923100	G747774	JUL-2009	8,823.13	Legal Services	Federal Legislative Advice Compliance-2009-2012
2009	HUNTON AND WILLIAMS LLP	923100	G757128	SEP-2009	5,875.02	Legal Services	Standards of Conduct/Code of Conduct FERC Misc. 2007-2009
2006	IMR METALLURGICAL SERVICES	923100	4635	MAR-2006	6,544.85	Legal Services	Continental Field Systems (CFS) adv. LG&E
2007	JACKSON KELLY PLLC	923900	JK112106	FEB-2007	23,265.00	Legal Services	Midwest Ozone Group Membership
2008	JACKSON KELLY PLLC	923900	JK110207	FEB-2008	23,265.00	Legal Services	Midwest Ozone Group Membership

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2006	JONES DAY	923900	31474306	APR-2006	8,305.72	Legal Services	10-K Form-2006; FERC Short Term Borrowing App.; PUHCA
2006	JONES DAY	923900	31492085	JUN-2006	9,431.64	Legal Services	Repeal Issues; 10K, 10Q, 10Q Elim. Of SEC
2006	JONES DAY	923900	31518868	AUG-2006	13,953.57	Legal Services	10-K Form-2006; 10K, 10Q Elim. Of SEC
2006	JONES DAY	923900	31506828	AUG-2006	14,906.83	Legal Services	10-K Form-2006
2007	JONES DAY	923900	31717088	AUG-2007	294,745.32	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	JONES DAY	923900	31699264	SEP-2007	30,543.21	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	JONES DAY	923900	31747710	OCT-2007	87,510.06	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	JONES DAY	923900	31735266	OCT-2007	111,422.74	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	JONES DAY	923900	31783693	DEC-2007	8,084.10	Legal Services	FERC-Short Term Borrowing Application-LG&E/KU 2007-2009; 10K, 10Q
2007	JONES DAY	923900	31825523	DEC-2007	12,619.49	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	JONES DAY	923900	31768115	DEC-2007	20,658.99	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2009	JWB Spreadsheet 20290431: A 10216	923100	3187-0100-1209	DEC-2009	701,502.01	Legal Services	McCauley, Eddie et al. v. LG&E et al. (E.ON U.S. Services)
2006	LIBERTY MUTUAL INSURANCE CO	923100	LIBERTY062906	JUN-2006	21,931.53	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	MORRIS NICHOLS ARSHT AND TUNNELL LLP	923900	827993	JUN-2006	7,162.16	Legal Services	Dana Corp.-Bankruptcy
2007	MOSSES AND SINGER LLP	923900	53172	DEC-2007	7,144.63	Legal Services	Bilateral Lines of Credit Agreements-LG&E/KU
2006	NIXON PEABODY LLP	923900	8812489	DEC-2006	6,874.42	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2007	NIXON PEABODY LLP	923900	8826488	MAR-2007	10,774.27	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2006	PENN NATIONAL MUTUAL CASUALTY INSURANC	923100	PENNA061306	JUN-2006	17,664.46	Legal Services	Continental Field Systems (CFS) adv. LG&E
2006	Reverses "J003-0020-1205 Adjustment USD 31-C	923100	Reverses "J003-0020-1205 Adjustment USD	JAN-2006	(48,893.00)	Legal Services	Monthly accrual of anticipated legal expenses
2006	Reverses "J003-0020-1205 Adjustment USD 31-C	923900	Reverses "J003-0020-1205 Adjustment USD	JAN-2006	(131,025.00)	Legal Services	Monthly accrual of anticipated legal expenses
2008	RJ LEE GROUP	923100	291899	DEC-2008	30,270.33	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	RJ LEE GROUP INC	923100	295498	APR-2009	40,035.36	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	RJ LEE GROUP INC	923100	298006	JUL-2009	7,365.00	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	RJ LEE GROUP INC	923100	298134	JUL-2009	16,613.75	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	RJ LEE GROUP INC	923100	703503	SEP-2009	18,613.75	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	RJ LEE GROUP INC	923100	703539	OCT-2009	13,093.75	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	SKS Spreadsheet 14497811: A 8920	923100	J017-0020-0408	APR-2008	(23,423.09)	Legal Services	Murphy, Pamela (Michael Murphy) v. LG&E, et al.
2007	SLO Spreadsheet 9175700: A 8985	923100	J017-0020-0207	FEB-2007	(19,153.34)	Legal Services	Williams, Stephen v. Chemline/LG&E
2010	SLR Spreadsheet 20484271: A 13047	923900	J255-0020-0110	JAN-2010	5,396.02	Legal Services	Monthly accrual of anticipated legal expenses
2010	SLR Spreadsheet 20484271: A 13047	923900	J255-0020-0110	JAN-2010	109,898.81	Legal Services	Monthly accrual of anticipated legal expenses
2010	SLR Spreadsheet 20484271: A 13047	923100	J255-0020-0110	JAN-2010	139,348.93	Legal Services	Monthly accrual of anticipated legal expenses
2006	STOLL KEENON OGDEN PLLC	923900	501922	MAR-2006	6,488.87	Legal Services	Value Delivery Surcredit (LG&E/KU) #05-352/351
2006	STOLL KEENON OGDEN PLLC	923900	502829	APR-2006	8,344.21	Legal Services	Value Delivery Surcredit (LG&E/KU) #05-352/351
2006	STOLL KEENON OGDEN PLLC	923900	507574	MAY-2006	6,195.83	Legal Services	Clean Coal Gen. Surcharge Legislation-2006
2006	STOLL KEENON OGDEN PLLC	923100	505969	MAY-2006	7,323.20	Legal Services	Emergency Gas Curtailment Procedures 2005
2006	STOLL KEENON OGDEN PLLC	923900	505984	MAY-2006	6,660.72	Legal Services	Value Delivery Surcredit (LG&E/KU) #05-352/351
2006	STOLL KEENON OGDEN PLLC	923900	510618	JUL-2006	10,320.53	Legal Services	MISO Exit-PSC Approval/Transfer (SPP) #05-471
2006	STOLL KEENON OGDEN PLLC	923900	506273	JUL-2006	5,575.68	Legal Services	Joint and Several Trading Agreements (LGE/KU)
2006	STOLL KEENON OGDEN PLLC	923900	515616	AUG-2006	5,619.72	Legal Services	Joint and Several Trading Agreements (LGE/KU)
2006	STOLL KEENON OGDEN PLLC	923100	517529	AUG-2006	7,976.06	Legal Services	ECR CCN 2004
2006	STOLL KEENON OGDEN PLLC	923100	517529	AUG-2006	12,712.91	Legal Services	MISO Exit-PSC Approval/Transfer (SPP) #05-471
2006	STOLL KEENON OGDEN PLLC	923900	521552	OCT-2006	5,139.48	Legal Services	Sales/Use Tax Protest-LG&E 10/01/97-12/31/01
2006	STOLL KEENON OGDEN PLLC	923900	518790	OCT-2006	6,945.86	Legal Services	Generation CCN 2007
2006	STOLL KEENON OGDEN PLLC	923100	518776	OCT-2006	8,789.32	Legal Services	MISO Exit
2006	STOLL KEENON OGDEN PLLC	923100	518776	OCT-2006	17,618.69	Legal Services	Signature Point-Natural Gas Easement
2006	STOLL KEENON OGDEN PLLC	923900	518794	OCT-2006	6,169.13	Legal Services	MISO Exit-PSC Approval/Transfer (SPP) #05-471
2006	STOLL KEENON OGDEN PLLC	923100	532190	NOV-2006	8,618.29	Legal Services	Worthington ROW Acquisitions (Route 22)
2006	STOLL KEENON OGDEN PLLC	923900	525474	NOV-2006	8,618.29	Legal Services	ECR CCN 2004

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2006	STOLL KEENON OGDEN PLLC	923100	525468	NOV-2006	20,372.00	Legal Services	Waterside Station-Potential Arena Site (Reg. Issues) #03-691
2006	STOLL KEENON OGDEN PLLC	923900	531180	DEC-2006	7,065.61	Legal Services	ECR CCN 2004
2006	STOLL KEENON OGDEN PLLC	923100	528068	DEC-2006	7,970.46	Legal Services	Waterside Station-Potential Arena Site (Reg. Issues) #03-691
2006	STOLL KEENON OGDEN PLLC	923100	533856	DEC-2006	11,630.50	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	STOLL KEENON OGDEN PLLC	923100	531220	DEC-2006	26,782.48	Legal Services	Ghent 1-Scrubber Investigation #06-449
2007	STOLL KEENON OGDEN PLLC	923900	536563	MAR-2007	7,263.84	Legal Services	Investment Tax Credit Regulatory Approval
2007	STOLL KEENON OGDEN PLLC	923100	541178	APR-2007	6,170.85	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	STOLL KEENON OGDEN PLLC	923100	543071	MAY-2007	12,140.55	Legal Services	FAC Two-Year Review #06-509/510
2007	STOLL KEENON OGDEN PLLC	923100	552018	JUL-2007	5,287.93	Legal Services	Hamilton, James Charles-Condensation
2007	STOLL KEENON OGDEN PLLC	923100	545764	JUL-2007	6,526.22	Legal Services	FAC Two-Year Review #06-509/510
2007	STOLL KEENON OGDEN PLLC	923900	549922	JUL-2007	8,694.78	Legal Services	Legislation-General (all years)
2007	STOLL KEENON OGDEN PLLC	923100	550053	JUL-2007	12,204.19	Legal Services	FAC Two-Year Review #06-509/510
2007	STOLL KEENON OGDEN PLLC	923100	552069	AUG-2007	5,100.30	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2007	STOLL KEENON OGDEN PLLC	923100	554968	AUG-2007	6,343.95	Legal Services	FAC Two-Year Review #06-509/510
2007	STOLL KEENON OGDEN PLLC	923100	552068	AUG-2007	6,709.01	Legal Services	Natural Gas Regulatory Matters-LG&E
2007	STOLL KEENON OGDEN PLLC	923100	552085	AUG-2007	17,155.17	Legal Services	FAC Two-Year Review #06-509/510
2007	STOLL KEENON OGDEN PLLC	923900	559839	NOV-2007	39,061.92	Legal Services	Response Franklin Circuit Court Opinion (FAC)
2007	STOLL KEENON OGDEN PLLC	923100	566614	DEC-2007	5,334.30	Legal Services	Buehler Foods, Inc.-Bankruptcy
2007	STOLL KEENON OGDEN PLLC	923100	566624	DEC-2007	6,986.40	Legal Services	Env. Surcharge Six Month Review-2008-216: Env. Surcharge
2008	STOLL KEENON OGDEN PLLC	923900	580148	APR-2008	5,003.13	Legal Services	Two Year Review
2008	STOLL KEENON OGDEN PLLC	923100	580151	APR-2008	7,653.82	Legal Services	DSM Collaborative-2007 Application #07-319
2008	STOLL KEENON OGDEN PLLC	923100	583203	MAY-2008	5,014.35	Legal Services	LG&E Collection Cycle Application #07-00410
2008	STOLL KEENON OGDEN PLLC	923900	583215	MAY-2008	6,728.90	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923100	588364	AUG-2008	5,130.45	Legal Services	LG&E/KU Depreciation Studies-#06-283
2008	STOLL KEENON OGDEN PLLC	923100	591783	AUG-2008	7,978.43	Legal Services	Buehler Foods, Inc.-Bankruptcy
2008	STOLL KEENON OGDEN PLLC	923100	591760	AUG-2008	10,838.22	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923900	588370	AUG-2008	13,676.55	Legal Services	Merger Surcredit Extension # 2007-562/563
2008	STOLL KEENON OGDEN PLLC	923100	588382	AUG-2008	13,720.13	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923100	593816	SEP-2008	23,892.57	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923100	596742	NOV-2008	11,473.34	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923100	603184	DEC-2008	29,972.36	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2008	STOLL KEENON OGDEN PLLC	923100	601466	DEC-2008	51,468.92	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923900	611073	MAY-2009	5,303.12	Legal Services	Knoli, Kay v. E.ON U.S. LLC
2009	STOLL KEENON OGDEN PLLC	923100	613543	MAY-2009	5,311.43	Legal Services	Electric Power-Regulatory Matters (LG&E)
2009	STOLL KEENON OGDEN PLLC	923100	611088	MAY-2009	22,526.84	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	613722	MAY-2009	24,471.80	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	607985	MAY-2009	25,186.66	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	616908	JUN-2009	38,919.11	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.

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2009	STOLL KEENON OGDEN PLLC	923100	618539	JUN-2009	51,436.90	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923900	623837	JUL-2009	9,360.14	Legal Services	Env. Cost Recovery (ECR)-LG&E #09-198/KU #09-197
2009	STOLL KEENON OGDEN PLLC	923100	621748	JUL-2009	55,453.31	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	623856	JUL-2009	57,623.21	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	627650	SEP-2009	112,199.52	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923900	629595	OCT-2009	21,106.60	Legal Services	Renewables Project Application-2009
2009	STOLL KEENON OGDEN PLLC	923100	629662	OCT-2009	79,568.39	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923100	631262	NOV-2009	5,293.33	Legal Services	Env. Surcharge Two Year Review
2009	STOLL KEENON OGDEN PLLC	923100	631244	NOV-2009	89,204.02	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2009	STOLL KEENON OGDEN PLLC	923900	634139	DEC-2009	5,988.93	Legal Services	Response Franklin Circuit Court Opinion (FAC)
2009	STOLL KEENON OGDEN PLLC	923900	634755	DEC-2009	10,827.37	Legal Services	Env. Cost Recovery (ECR)-LG&E #09-198/KU #09-197
2009	STOLL KEENON OGDEN PLLC	923100	636794	DEC-2009	56,307.81	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	STOLL KEENON OGDEN PLLC	923100	634765	DEC-2009	116,573.10	Legal Services	Burkhead, Monika, et al. (Riverside Gardens) v. E.ON, et al.
2006	THE PRIME GROUP LLC	923900	TPG090205A	JAN-2006	8,091.00	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	THE PRIME GROUP LLC	923900	TPG010506	APR-2006	7,531.41	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	THE PRIME GROUP LLC	923900	TPG020106	APR-2006	15,144.36	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	430298	FEB-2006	49,666.55	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	430301	FEB-2006	58,654.15	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	439419	APR-2006	5,000.10	Legal Services	Appeal of Station Power Ruling #05-1403
2006	TROUTMAN SANDERS LLP	923900	439407	APR-2006	6,731.85	Legal Services	EKPC Contract Dispute-Blue Lick/Bullitt Co. #ER02-2560/02-97
2006	TROUTMAN SANDERS LLP	923900	435683	APR-2006	7,086.72	Legal Services	Man Financial OTC Products Addendum
2006	TROUTMAN SANDERS LLP	923900	439421	APR-2006	8,109.07	Legal Services	IMPA/IMEA Reactive Power Filing-Billing Dispute
2006	TROUTMAN SANDERS LLP	923900	439425	APR-2006	8,837.86	Legal Services	MISO-EKPC Load Drive Out
2006	TROUTMAN SANDERS LLP	923900	439414	APR-2006	56,472.41	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	444826	MAY-2006	20,063.89	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	444824	MAY-2006	25,497.06	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	439416	MAY-2006	57,003.90	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923100	450876	JUN-2006	6,568.20	Legal Services	Doe Run Storage Field-Leakage Concerns
2006	TROUTMAN SANDERS LLP	923900	450874	JUN-2006	6,782.02	Legal Services	IMPA/IMEA Reactive Power Filing-Billing Dispute
2006	TROUTMAN SANDERS LLP	923900	450868	JUN-2006	8,743.17	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	444830	JUN-2006	17,584.24	Legal Services	IMPA/IMEA Reactive Power Filing-Billing Dispute
2006	TROUTMAN SANDERS LLP	923900	450870	JUN-2006	51,558.86	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	456547	JUL-2006	6,280.21	Legal Services	Market-Based Rate Authority
2006	TROUTMAN SANDERS LLP	923900	456550	JUL-2006	10,475.33	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	462412	JUL-2006	11,610.43	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2006	TROUTMAN SANDERS LLP	923900	456552	JUL-2006	36,902.74	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	462416	AUG-2006	5,252.68	Legal Services	IMPA/IMEA Reactive Power Filing-Billing Dispute
2006	TROUTMAN SANDERS LLP	923900	462421	AUG-2006	5,270.17	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2006	TROUTMAN SANDERS LLP	923900	462414	AUG-2006	7,955.73	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	430293	AUG-2006	10,009.73	Legal Services	EKPC Contract Dispute-Blue Lick/Bullitt Co. #ER02-2560/02-97
2006	TROUTMAN SANDERS LLP	923900	417488	AUG-2006	13,313.08	Legal Services	EKPC Contract Dispute-Blue Lick/Bullitt Co. #ER02-2560/02-97
2006	TROUTMAN SANDERS LLP	923900	462408	SEP-2006	21,557.42	Legal Services	Market-Based Rate Authority
2006	TROUTMAN SANDERS LLP	923900	468340	SEP-2006	6,510.47	Legal Services	EKPC Interconnection Agreement 2006 #06-147
2006	TROUTMAN SANDERS LLP	923900	468334	SEP-2006	19,756.38	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	473750	OCT-2006	5,800.27	Legal Services	Meldahl Locks & Dam Hydroelectric Project

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2006	TROUTMAN SANDERS LLP	923900	468346	OCT-2006	5,938.10	Legal Services	Return on Equity (ROE) KPSC/FERC Filings-2006
2006	TROUTMAN SANDERS LLP	923900	468330	OCT-2006	6,939.85	Legal Services	Market-Based Rate Authority
2006	TROUTMAN SANDERS LLP	923900	473742	OCT-2006	8,493.60	Legal Services	EKPC Interconnection Agreement 2006 #06-147
2006	TROUTMAN SANDERS LLP	923900	468341	OCT-2006	15,100.39	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2006	TROUTMAN SANDERS LLP	923900	485599	NOV-2006	5,415.38	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2006	TROUTMAN SANDERS LLP	923900	485600	NOV-2006	8,092.32	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923100	485601	NOV-2006	12,045.15	Legal Services	Texas Gas Summer No-Notice Service
2006	TROUTMAN SANDERS LLP	923900	473734	NOV-2006	37,697.36	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	489082	DEC-2006	5,102.21	Legal Services	EKPC Transmission Service Agmt.
2006	TROUTMAN SANDERS LLP	923900	490615	DEC-2006	5,247.94	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2006	TROUTMAN SANDERS LLP	923900	479647	DEC-2006	6,854.33	Legal Services	MISO Exit
2006	TROUTMAN SANDERS LLP	923900	491714	DEC-2006	7,767.98	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2006	TROUTMAN SANDERS LLP	923900	489074	DEC-2006	8,076.11	Legal Services	Routine Federal Government Affairs Advice
2006	TROUTMAN SANDERS LLP	923900	479654	DEC-2006	8,114.91	Legal Services	Meldahl Locks & Dam Hydroelectric Project
2006	TROUTMAN SANDERS LLP	923900	485593	DEC-2006	20,047.38	Legal Services	EKPC Transmission Service Agmt.; Transm. Services for Post
2006	TROUTMAN SANDERS LLP	923900	479644	DEC-2006	31,444.87	Legal Services	EKPC Transmission Service Agmt.
2007	TROUTMAN SANDERS LLP	923900	497390	FEB-2007	9,460.15	Legal Services	MISO Exit
2007	TROUTMAN SANDERS LLP	923900	508757	APR-2007	5,344.24	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2007	TROUTMAN SANDERS LLP	923900	507542	APR-2007	9,365.03	Legal Services	ITO-Protocol & Training
2007	TROUTMAN SANDERS LLP	923900	507545	APR-2007	10,424.38	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2007	TROUTMAN SANDERS LLP	923900	508762	APR-2007	13,219.44	Legal Services	EKPC Transmission Rate Increase
2007	TROUTMAN SANDERS LLP	923100	516770A	MAY-2007	5,501.25	Legal Services	ATC Disputes/Issues-DTE/KU Municipals
2007	TROUTMAN SANDERS LLP	923900	525607	JUN-2007	5,584.60	Legal Services	Texas Gas Summer No-Notice Service
2007	TROUTMAN SANDERS LLP	923900	516760	JUN-2007	5,820.77	Legal Services	Order 890-Compliance - LSE
2007	TROUTMAN SANDERS LLP	923900	516757	JUN-2007	8,797.71	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2007	TROUTMAN SANDERS LLP	923900	516788	JUN-2007	11,344.58	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923100	525585	JUN-2007	96,303.24	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2007	TROUTMAN SANDERS LLP	923100	516765A	JUN-2007	106,394.85	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923900	525592	JUL-2007	5,434.92	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	TROUTMAN SANDERS LLP	923900	525599	JUL-2007	6,724.74	Legal Services	ATC Disputes/Issues-DTE/KU Municipals
2007	TROUTMAN SANDERS LLP	923900	525600	JUL-2007	11,730.85	Legal Services	ITO-Protocol & Training
2007	TROUTMAN SANDERS LLP	923900	525601	JUL-2007	11,771.29	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923900	525598	JUL-2007	12,072.02	Legal Services	Transmission Incentive Rates 2007
2007	TROUTMAN SANDERS LLP	923900	508765	JUL-2007	13,049.53	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2007	TROUTMAN SANDERS LLP	923900	516786	JUL-2007	38,031.90	Legal Services	EKPC Transmission Service Agmt.
2007	TROUTMAN SANDERS LLP	923900	531292	AUG-2007	5,528.23	Legal Services	Order 890-Rehearing
2007	TROUTMAN SANDERS LLP	923100	531285	AUG-2007	6,872.77	Legal Services	Gas Transportation Compliance Issues
2007	TROUTMAN SANDERS LLP	923100	531198	AUG-2007	11,195.94	Legal Services	General Advice - Gas
2007	TROUTMAN SANDERS LLP	923100	531204	AUG-2007	15,046.20	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2007	TROUTMAN SANDERS LLP	923900	531270	AUG-2007	15,199.81	Legal Services	Natural Gas Trading Business
2007	TROUTMAN SANDERS LLP	923900	531285	AUG-2007	15,688.58	Legal Services	ATC Disputes/Issues-DTE/KU Municipals
2007	TROUTMAN SANDERS LLP	923900	531189	AUG-2007	72,205.85	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923900	854672	SEP-2007	5,361.12	Legal Services	Order 890-Compliance - LSE
2007	TROUTMAN SANDERS LLP	923900	861370	SEP-2007	5,462.04	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	TROUTMAN SANDERS LLP	923100	861358	SEP-2007	8,115.20	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923900	854673	SEP-2007	10,899.26	Legal Services	Gas Transportation Compliance Issues
2007	TROUTMAN SANDERS LLP	923900	854658	SEP-2007	12,452.51	Legal Services	ATC Disputes/Issues-DTE/KU Municipals
2007	TROUTMAN SANDERS LLP	923900	854663	SEP-2007	15,948.59	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923100	854652	SEP-2007	43,762.05	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	TROUTMAN SANDERS LLP	923900	861361	OCT-2007	5,212.13	Legal Services	ATC Disputes/Issues-DTE/KU Municipals
2007	TROUTMAN SANDERS LLP	923900	868081	OCT-2007	6,050.03	Legal Services	Order 890-Compliance
2007	TROUTMAN SANDERS LLP	923100	854678	OCT-2007	6,068.70	Legal Services	Doe Run Storage Field-Hinshaw Investigation
2007	TROUTMAN SANDERS LLP	923100	868091	OCT-2007	7,060.50	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2007	TROUTMAN SANDERS LLP	923900	861383	OCT-2007	7,192.90	Legal Services	FERC Post-Exit Power Sales Issues
2007	TROUTMAN SANDERS LLP	923900	861383	OCT-2007	7,192.90	Legal Services	FERC Gas Audit 2007
2007	TROUTMAN SANDERS LLP	923900	861383	OCT-2007	7,192.90	Legal Services	General Advice - Gas
2007	TROUTMAN SANDERS LLP	923900	861383	OCT-2007	7,192.90	Legal Services	Direct Assignment Tariff Amendments

Louisville Gas and Electric

Year	Vendor	Account	Invoice Number	Period	Total	Services Provided	Subject Matter
2007	TROUTMAN SANDERS LLP	923900	868102	OCT-2007	8,649.79	Legal Services	FERC Investigation 2007-SIS
2007	TROUTMAN SANDERS LLP	923900	868079	OCT-2007	9,953.50	Legal Services	MISO-RSG #EL07-100/#04-691J/#EL07-86
2007	TROUTMAN SANDERS LLP	923100	868100	OCT-2007	11,455.42	Legal Services	FERC Gas Audit 2007
2007	TROUTMAN SANDERS LLP	923100	861380	OCT-2007	28,590.45	Legal Services	FERC Gas Audit 2007
2007	TROUTMAN SANDERS LLP	923100	861384	OCT-2007	44,289.45	Legal Services	Paddy's Run-Reliability Standards
2007	TROUTMAN SANDERS LLP	923100	874004	NOV-2007	11,629.86	Legal Services	FERC Gas Audit 2007
2007	TROUTMAN SANDERS LLP	923900	879690	DEC-2007	5,433.47	Legal Services	FERC Investigation 2007-SIS
2007	TROUTMAN SANDERS LLP	923900	874008	DEC-2007	6,201.47	Legal Services	NITSA-KMPA 2007; NITSA LSE 2007 Amend.; Joint Planning Att. K; Gen. Adv. Transmission
2007	TROUTMAN SANDERS LLP	923900	854674	DEC-2007	7,581.60	Legal Services	EKPC-Power Sales Agmt. (PSA)
2007	TROUTMAN SANDERS LLP	923100	879678	DEC-2007	7,825.04	Legal Services	Order 890-Compliance - LSE
2007	TROUTMAN SANDERS LLP	923900	879670	DEC-2007	7,895.36	Legal Services	MISO-RSG #EL07-100/#04-691J/#EL07-86
2007	TROUTMAN SANDERS LLP	923900	861367	DEC-2007	8,513.24	Legal Services	Order 890-Compliance; Direct Assignment Tariff Amend.
2007	TROUTMAN SANDERS LLP	923100	879688	DEC-2007	9,218.51	Legal Services	FERC Gas Audit 2007
2007	TROUTMAN SANDERS LLP	923900	873996	DEC-2007	9,278.45	Legal Services	Order 890-Compliance - LSE
2007	TROUTMAN SANDERS LLP	923100	874007	DEC-2007	9,819.45	Legal Services	Paddy's Run-Reliability Standards
2007	TROUTMAN SANDERS LLP	923900	868087	DEC-2007	10,363.59	Legal Services	Order 890-Compliance; Joint Planning Att. K; NITSA LSE 2007; Direct Assignment Tariff
2007	TROUTMAN SANDERS LLP	923900	873989	DEC-2007	10,510.71	Legal Services	MISO-RSG #EL07-100/#04-691J/#EL07-86
2007	TROUTMAN SANDERS LLP	923900	879675	DEC-2007	12,377.71	Legal Services	Joint Planning-Attachment K; Order 890 Compliance LSE; MISO RSG EL07; Market Base Rate Authority; Gen. Adv. Transmission
2007	TROUTMAN SANDERS LLP	923900	873995	DEC-2007	13,752.01	Legal Services	Order 890-Compliance; Joint Planning Att. K.
2007	TROUTMAN SANDERS LLP	923900	868104	DEC-2007	19,960.86	Legal Services	Paddy's Run-Reliability Standards; Gen. Advice Transmission
2007	TROUTMAN SANDERS LLP	923100	879695	DEC-2007	23,624.26	Legal Services	Paddy's Run-Reliability Standards
2008	TROUTMAN SANDERS LLP	923900	882766	FEB-2008	5,107.14	Legal Services	Joint Planning-Attachment K
2008	TROUTMAN SANDERS LLP	923900	882782	FEB-2008	5,351.22	Legal Services	TVA Request 2007
2008	TROUTMAN SANDERS LLP	923100	882768	FEB-2008	6,788.41	Legal Services	General Advice - Gas
2008	TROUTMAN SANDERS LLP	923100	882760	FEB-2008	9,345.33	Legal Services	Doe Run Storage Field-Leakage Concerns
2008	TROUTMAN SANDERS LLP	923100	891320	FEB-2008	12,276.87	Legal Services	General Advice - Gas
2008	TROUTMAN SANDERS LLP	923900	897595	MAR-2008	6,577.78	Legal Services	Routine Federal Government Affairs Advice
2008	TROUTMAN SANDERS LLP	923900	897623	MAR-2008	7,796.99	Legal Services	Market-Based Rate Authority
2008	TROUTMAN SANDERS LLP	923900	897595	MAR-2008	12,148.86	Legal Services	Compliance w/NERC and SERC Reliability Standards
2008	TROUTMAN SANDERS LLP	923100	897616	MAR-2008	13,329.45	Legal Services	General Advice - Gas
2008	TROUTMAN SANDERS LLP	923100	903142	APR-2008	37,519.63	Legal Services	FERC Gas Capacity Release Inquiry
2008	TROUTMAN SANDERS LLP	923900	897628	MAY-2008	5,257.83	Legal Services	Order 890-Compliance
2008	TROUTMAN SANDERS LLP	923100	909147	MAY-2008	5,763.66	Legal Services	FERC Gas Capacity Release Inquiry
2008	TROUTMAN SANDERS LLP	923900	909147	MAY-2008	6,015.80	Legal Services	FERC Gas Capacity Release Inquiry
2008	TROUTMAN SANDERS LLP	923900	909135	MAY-2008	8,273.66	Legal Services	Order 890-Compliance
2008	TROUTMAN SANDERS LLP	923900	903133	MAY-2008	8,564.25	Legal Services	Order 890-Compliance
2008	TROUTMAN SANDERS LLP	923900	903139	MAY-2008	9,685.14	Legal Services	Compliance w/NERC and SERC Reliability Standards
2008	TROUTMAN SANDERS LLP	923900	903146	MAY-2008	10,036.74	Legal Services	MISO-RSG #EL07-100/#04-691J/#EL07-86
2008	TROUTMAN SANDERS LLP	923900	903120	MAY-2008	10,253.57	Legal Services	Order 890-Compliance - LSE
2008	TROUTMAN SANDERS LLP	923900	909156	MAY-2008	10,363.27	Legal Services	Compliance w/NERC and SERC Reliability Standards
2008	TROUTMAN SANDERS LLP	923900	897627	MAY-2008	11,831.24	Legal Services	Order 890-Compliance
2008	TROUTMAN SANDERS LLP	923100	915437	JUN-2008	5,242.05	Legal Services	Transmission Strategy 2008
2008	TROUTMAN SANDERS LLP	923100	915432	JUN-2008	5,644.80	Legal Services	Order 890-Rehearing
2008	TROUTMAN SANDERS LLP	923900	915421	JUN-2008	5,778.86	Legal Services	FERC Natural Gas Misc.
2008	TROUTMAN SANDERS LLP	923900	915424	JUN-2008	6,601.21	Legal Services	Natural Gas Regulatory Matters-LG&E
2008	TROUTMAN SANDERS LLP	923900	915442	JUN-2008	11,550.30	Legal Services	MISO-RSG #EL07-100/#04-691J/#EL07-86
2008	TROUTMAN SANDERS LLP	923900	915442	JUN-2008	15,694.92	Legal Services	Direct Assignment Tariff Amendments
2008	TROUTMAN SANDERS LLP	923900	909154	JUN-2008	21,116.39	Legal Services	Order 890-Compliance
2008	TROUTMAN SANDERS LLP	923900	915786	JUN-2008	5,307.23	Legal Services	Reliability Standards Compliance-General Transmission
2008	TROUTMAN SANDERS LLP	923900	920994	AUG-2008	5,475.68	Legal Services	Reliability Standards Compliance-General Transmission
2008	TROUTMAN SANDERS LLP	923900	921011	AUG-2008	6,665.19	Legal Services	Bluegrass Gen. Co.-Reactive Power Filing #05-522
2008	TROUTMAN SANDERS LLP	923100	920992	AUG-2008	6,665.19	Legal Services	Transmission Strategy 2008

Louisville Gas and Electric

Year	Vendor	Account	Invoice Number	Period	Total	Services Provided	Subject Matter
2008	TROUTMAN SANDERS LLP	923100	928776	AUG-2008	27,786.60	Legal Services	FERC Gas Capacity Release Inquiry
2008	TROUTMAN SANDERS LLP	923100	928779	SEP-2008	5,043.60	Legal Services	Order 890-Compliance - LSE
2008	TROUTMAN SANDERS LLP	923900	928771	SEP-2008	7,745.87	Legal Services	Market-Based Rate Authority
2008	TROUTMAN SANDERS LLP	923900	928781	SEP-2008	12,575.21	Legal Services	MISO-Contingency Reserve Sharing Group Agmt.
2008	TROUTMAN SANDERS LLP	923900	897603	OCT-2008	5,803.27	Legal Services	IMEA/IMPA Power Sales Issues
2008	TROUTMAN SANDERS LLP	923900	915449	OCT-2008	11,988.20	Legal Services	MISO-Contingency Reserve Sharing Group Agmt.;
2008	TROUTMAN SANDERS LLP	923900	956840	DEC-2008	5,169.00	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2008	TROUTMAN SANDERS LLP	923900	928790	DEC-2008	5,579.98	Legal Services	Bi-Lateral Trading Agmt.
2008	TROUTMAN SANDERS LLP	923900	957359	DEC-2008	5,901.81	Legal Services	Transmission Strategy 2008
2008	TROUTMAN SANDERS LLP	923900	954384	DEC-2008	6,074.25	Legal Services	NITSA-KMPA 2007
2008	TROUTMAN SANDERS LLP	923900	949918	DEC-2008	7,047.26	Legal Services	Emergency Assistance Agreements (EOP-001)
2008	TROUTMAN SANDERS LLP	923900	954375	DEC-2008	7,236.81	Legal Services	Market-Based Rate Authority
2008	TROUTMAN SANDERS LLP	923900	954370	DEC-2008	7,300.70	Legal Services	Transmission Strategy 2008
2008	TROUTMAN SANDERS LLP	923900	949938	DEC-2008	7,875.97	Legal Services	Transmission Strategy 2008
2008	TROUTMAN SANDERS LLP	923900	941856	DEC-2008	12,248.38	Legal Services	MISO-Contingency Reserve Sharing Group Agmt.
2008	TROUTMAN SANDERS LLP	923100	949936	DEC-2008	30,022.08	Legal Services	FERC Gas Capacity Release Inquiry
2008	TROUTMAN SANDERS LLP	923900	963175	FEB-2009	8,128.66	Legal Services	NITSA-KMPA 2007
2009	TROUTMAN SANDERS LLP	923100	1185851	FEB-2009	45,089.28	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2009	TROUTMAN SANDERS LLP	923100	1177646	APR-2009	11,999.73	Legal Services	FERC Gas Capacity Release Inquiry
2009	TROUTMAN SANDERS LLP	923900	1177651	APR-2009	16,699.05	Legal Services	FERC Gas Capacity Release Inquiry
2009	TROUTMAN SANDERS LLP	923100	1193456	APR-2009	18,178.75	Legal Services	NITSA-KMPA 2007
2009	TROUTMAN SANDERS LLP	923100	1193028	MAY-2009	6,452.15	Legal Services	FERC Gas Capacity Release Inquiry
2009	TROUTMAN SANDERS LLP	923900	1185839	MAY-2009	6,913.45	Legal Services	FERC Gas Capacity Release Inquiry
2009	TROUTMAN SANDERS LLP	923900	1185855	MAY-2009	19,543.87	Legal Services	FERC Gas Capacity Release Inquiry
2009	TROUTMAN SANDERS LLP	923900	1193025	MAY-2009	5,333.86	Legal Services	NITSA-OMIU 2009
2009	TROUTMAN SANDERS LLP	923900	1223555	JUN-2009	25,051.03	Legal Services	MISO-RSG #EL07-100/#04-691/#EL07-86
2009	TROUTMAN SANDERS LLP	923900	1231335	JUN-2009	6,474.84	Legal Services	NITSA-KMPA 2007
2009	TROUTMAN SANDERS LLP	923100	1198862	SEP-2009	5,703.28	Legal Services	NITSA-KMPA 2007
2009	TROUTMAN SANDERS LLP	923100	1231313	SEP-2009	5,494.23	Legal Services	ITO Fee Dispute
2009	TROUTMAN SANDERS LLP	923100	1198862	DEC-2009	6,699.69	Legal Services	Transmission Strategy 2009-ITO Termination
2009	TROUTMAN SANDERS LLP	923100	1193027	DEC-2009	7,628.12	Legal Services	Renewable Power Supply
2009	TROUTMAN SANDERS LLP	923100	1185860	DEC-2009	8,637.46	Legal Services	Renewable Power Supply
2009	TROUTMAN SANDERS LLP	923900	1242144	DEC-2009	9,233.28	Legal Services	Renewable Power Supply
2009	TROUTMAN SANDERS LLP	923900	1236431	DEC-2009	9,636.50	Legal Services	MISO-Contingency Reserve Sharing Group Agmt.
2009	TROUTMAN SANDERS LLP	923900	1247425	DEC-2009	10,738.58	Legal Services	Transmission Strategy 2009-ITO Termination
2009	TROUTMAN SANDERS LLP	923900	1247438	DEC-2009	15,124.51	Legal Services	LSE SPP/TO Tariff Issues
2009	TROUTMAN SANDERS LLP	923900	1242154	DEC-2009	24,929.55	Legal Services	Transmission Strategy 2009-ITO Termination
2009	TROUTMAN SANDERS LLP	923900	144114	JUN-2006	8,370.10	Legal Services	Transmission Strategy 2009-ITO Termination
2006	WOODWARD HOBSON AND FULTON LLP	923100	154816	MAR-2007	11,933.24	Legal Services	Cherry, Garland E. Jr. v. Rohm and Haas Co./LG&E
2007	WOODWARD HOBSON AND FULTON LLP	923100	154816	MAR-2007	6,273.99	Legal Services	Durbin, Willie (5/23/06 Fatality-Shelby St.)
2007	WOODWARD HOBSON AND FULTON LLP	923100	158255	AUG-2007	6,273.99	Legal Services	Durbin, Willie (5/23/06 Fatality-Shelby St.)
2007	SLO Spreadsheet 9559941: A 8985	923100	0017-0020-0307	MAR-2007	3,396,795.37	Legal Services	Murphy, Pamela (Michael Murphy) v. LG&E, et al.
Various	Distinct Items Less than \$5,000	Various	Various	Various	11,013,456.22	Legal Services	Various

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 143

Responding Witness: Daniel K. Arbough

Q-143. List all fees during the test period, the previous two years and 2010 to date for maintaining lines of credit. List such fees for each line of credit which the Company maintains. Indicate in which account such fees are recorded.

A-143.

	2008	2009	2010 1/1-2/28	Test Period 11/1/2008- 10/31/2009
\$50 million bilateral line of credit	\$ 35,000	\$ 35,000	\$ 5,658	\$ 35,000
\$50 million bilateral line of credit	35,000	35,000	5,658	35,000
\$25 million bilateral line of credit	17,500	17,500	2,829	17,500
Total line of credit fees	\$ 87,500	\$ 87,500	\$ 8,486	\$ 87,500

Fees for lines of credit are recorded in account # 921003 - General office expense / supplies

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 144

Responding Witness: Valerie L. Scott

Q-144. Does the Company employ a fringe-benefit or overhead factor to assign overhead costs to specific projects? If so, state what these factors were in 2007 and 2008 and show in detail how they were calculated.

A-144. Yes. See attached.

Stores expense rate for 2007 was calculated in April 2006 for use in preliminary development.
 Amounts for March 2006 were used in the calculation
 Balances in accounts remained consistent during 2007, therefore rate was not adjusted in 2008

	MAR-2006
LGE	
154001 MATERIALS/SUPPLIES	23,773,651
154003 LIMESTONE	162,999
163001 STORES EXPENSE	3,882,818
163002 WAREHOUSE EXPENSES	328,912
163003 FREIGHT	65,077
163004 ASSET RECOVERY	9,556
163005 SALES TAX	99,035
163006 PHYS INVENT ADJUSTMT	(143,656)
163007 INVOICE PRICE VARIANCES	(19,256)
163100 OTHER	35,063
	<u>4,257,548</u>
	0.179
KU	
154001 MATERIALS/SUPPLIES	25,153,336
154003 LIMESTONE	134,151
163001 STORES EXPENSE	5,147,821
163002 WAREHOUSE EXPENSES	686,306
163003 FREIGHT	108,095
163005 SALES TAX	194,264
163006 PHYS INVENT ADJUSTMT	(82,828)
163007 INVOICE PRICE VARIANCES	15,787
163100 OTHER	44,695
	<u>6,114,139</u>
	0.243

Distribution Operations
Local Engineering Rates - Applied to Capital Projects
For the years 2007 and 2008

	<u>2007</u>	<u>LGE</u>	<u>KU</u>
January		18%	13%
February - April		18%	20%
May - December		18%	24%

January 2007	Actuals Year 05			Year 2007-2009		
	Raw Capital	Bur LE		Raw Capital	Bur LE	
LGE:						
P01055 - TOTAL DIRECTOR ENERGY DELIVERY	55,271,468	5,040,123				
P03600 - TOTAL ASSET MANAGEMENT - LGE	1,933,288	994,903				
P04460 - TOTAL GAS STORAGE, CONTROL AND COMPLIANCE	4,275,184	1,497,011	2006			
008810	50,421	2,873,761	Using .20			Use 18%
Total	61,530,361	10,405,798	0.17	58,000,000	10,700,000	0.18
KU:						
P11015 - TOTAL KU DISTRIBUTION OPER. - OPER AND MAINT NETWORK	36,776,642	2,623,231				
P10660 - TOTAL ASSET MANAGEMENT - KU	938,139	727,108	2006			
018810	0	1,452,218	Using .10			Use 13%
Total	37,714,781	4,802,557	0.13	38,000,000	5,000,000	0.13

February-April 2007	Feb-Dec 2007		Calculated Rate	Current Rate	New Rate
LGE:	Raw Capital	Bur LE			
Total	52,000,000	8,600,000			
LE Balance Jan 2007		0			
		8,600,000	17%	18%	18%
KU:					
Total	48,000,000	8,500,000			
LE Balance Jan 2007		1,504,000			
		10,004,000	21%	13%	20%

May-December 2007	May-Dec 2007		Calculated Rate	Current Rate	New Rate
LGE:	Raw Capital	Bur LE			
Total	43,500,000	7,000,000			
LE Balance March 2007		285,000			
		7,285,000	17%	18%	18%
KU:					
Total	38,000,000	7,500,000			
LE Balance March 2007		1,466,000			
		8,966,000	24%	20%	24%

Generation Local Engineering Clearing Accounts

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>2007</u>	<u>Preliminary</u>
LG&E														
Capital	(519,916)	1,078,529	3,233,855	2,168,055	3,579,383	4,064,117	3,891,359	3,478,228	1,027,340	2,199,452	3,120,327	8,319,277	35,640,005	
Clearing Account Balance	558,666	613,398	674,157	720,257	721,659	736,985	728,634	681,621	593,796	625,545	592,068	519,454	558,666	661,499
Debits	70,919	67,499	56,239	63,194	91,096	60,294	60,000	60,000	60,000	60,000	60,000	60,000	769,241	
Credits	(16,187)	(6,740)	(10,140)	(61,791)	(75,771)	(68,645)	(107,012)	(147,825)	(28,252)	(93,477)	(132,614)	(228,780)	(977,233)	
Clearing Account Balance	613,398	674,157	720,257	721,659	736,985	728,634	681,621	593,796	625,545	592,068	519,454	350,674	350,674	
Local Eng	0.40%	0.40%	0.40%	2.75%	2.75%	2.75%	2.75%	4.25%	2.75%	4.25%	4.25%	2.75%	2.75%	
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Total Rate Used	1.90%	1.90%	1.90%	4.25%	4.25%	4.25%	4.25%	5.75%	4.25%	5.75%	5.75%	4.25%	4.25%	

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>2007</u>	<u>Preliminary</u>
KU														
Capital	311,810	528,205	1,095,133	1,336,083	3,010,085	2,773,168	3,484,765	2,309,900	3,888,750	4,873,181	3,571,514	10,900,822	38,083,417	
Clearing Account Balance	374,270	480,759	595,096	663,715	717,782	761,879	765,798	759,967	757,571	740,630	635,703	582,843	374,270	
Debits	131,689	200,471	82,393	129,475	90,523	857,979	90,000	90,000	90,000	90,000	90,000	90,000	2,032,529	
Credits	(25,200)	(86,134)	(13,773)	(75,408)	(46,427)	(854,059)	(95,831)	(92,396)	(106,941)	(194,927)	(142,861)	(299,773)	(2,033,730)	677,473
Clearing Account Balance	480,759	595,096	663,715	717,782	761,879	765,798	759,967	757,571	740,630	635,703	582,843	373,070	373,070	
Local Eng	1.10%	1.10%	1.10%	2.75%	2.75%	2.75%	2.75%	4.00%	2.75%	4.00%	4.00%	2.75%	2.75%	
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Total Rate Used	2.60%	2.60%	2.60%	4.25%	4.25%	4.25%	4.25%	5.50%	4.25%	5.50%	5.50%	4.25%	4.25%	

Transmission Local Engineering Clearing Accounts

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2007
Capital	480,593	514,957	(71,470)	1,869,575	445,044	1,050,967	1,261,000	1,209,000	1,356,000	1,356,000	1,388,000	3,874,884	13,739,000
Clearing Account Balance	(97,890)	44,760	84,707	135,854	233,650	314,008	398,952	408,072	421,352	422,872	424,392	423,352	(97,890)
Debits	253,701	112,305	103,385	118,692	110,870	110,677	110,000	110,000	110,000	110,000	110,000	110,000	1,469,630
Credits	(111,051)	(72,358)	(52,238)	(20,896)	(30,511)	(25,734)	(100,880)	(96,720)	(108,480)	(108,480)	(111,040)	(309,991)	(1,148,379)
Clearing Account Balance	44,760	84,707	135,854	233,650	314,008	398,952	408,072	421,352	422,872	424,392	423,352	223,361	223,361
Local Eng	20.00%	20.00%	20.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Rate Used	21.50%	21.50%	21.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2007
Capital	1,221,622	1,221,809	1,486,058	1,045,274	1,233,870	1,290,869	1,290,870	1,981,829	1,784,870	2,082,871	2,090,370	3,506,044	17,792,925
Clearing Account Balance	263,705	474,187	164,080	152,035	90,059	42,328	98,719	157,831	154,755	169,407	157,238	144,394	263,705
Debits	384,459	(91,236)	138,026	105,678	140,875	373,935	175,290	175,290	175,290	175,290	175,290	175,290	2,103,475
Credits	(173,977)	(218,871)	(150,071)	(167,654)	(188,606)	(317,544)	(116,178)	(178,365)	(160,638)	(187,458)	(188,133)	(315,544)	(2,363,040)
Clearing Account Balance	474,187	164,080	152,035	90,059	42,328	98,719	157,831	154,755	169,407	157,238	144,394	4,140	4,140
Local Eng	17.50%	17.50%	17.50%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
G&A	1.90%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Rate Used	19.40%	19.00%	19.00%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%

LGE Utility, KU and SERVO
Labor Base for Burden Calculation
2007

Hours	2007				Total
	Exempt	Non Exempt	Bargaining Unit	Hrly-non union	
	197	76	625	0	963
LGE UTILITY Staffing level	34,080	12,400	102,840	5,200	154,520
Vacation Hours	39.35	20.56	27.29	28.32	
Average Rate after increase	16,184,032	3,263,062	35,607,699	0	58,898,383
Total Labor	2,088				
Vacation dollars	1,340,879	254,978	2,806,050	0	4,549,171
Holiday dollars	682,086	137,524	1,500,708	0	2,482,307
Sick dollars	248,031	50,009	545,712	0	902,657
Other off-duty	186,023	37,506	409,284	0	676,993
Total off-duty	2,457,019	480,017	5,261,754	0	8,611,129
1,944					
Net Available Dollars	13,727,013	2,783,045	30,345,945	0	50,287,254
include 10% of union			33,380,539	0	53,321,848
KU UTILITY Staffing level	134	203	150	441	985
Vacation Hours	23,200	34,360	23,480	69,160	154,760
Average Rate after increase	37.23	22.97	27.47	28.77	27.35
Total Labor	2,088				
Vacation dollars	10,415,675	9,735,656	8,605,105	26,492,104	58,503,628
Holiday dollars	863,655	789,209	645,108	1,989,768	4,412,455
Sick dollars	438,975	410,315	362,667	1,116,525	2,465,670
Other off-duty	195,534	186,507	164,849	507,512	1,220,759
Total off-duty	1,191,720	1,119,904	989,909	3,045,507	6,724,455
1,936					
Net Available Dollars	8,793,792	8,237,721	7,333,572	22,573,792	49,832,288
			8,066,929	24,831,171	52,823,024

LGE SERVICES COMPANY INC	2007				Total
	Exempt	Non Exempt	Bargaining Unit	Hrly-non union	
Staffing level	740	239	0	0	39
Vacation Hours	110,160	31,080	0	0	3,120
Average Rate after increase	43.42	18.97			36.39
Total Labor	2,088				
Vacation dollars	67,088,723	9,467,301	0	0	79,519,335
Holiday dollars	4,783,120	589,629	0	0	5,486,285
Sick dollars	2,827,494	399,005	0	0	3,351,390
Other off-duty	1,028,180	145,093	0	0	1,218,687
Total off-duty	771,135	108,820	0	0	914,015
9,409,928	1,242,546	0	0	0	10,970,377
Net Available Dollars	57,678,795	8,224,755	0	0	68,548,957

LGE Utility, KU and SERVO Benefit Dollars for Burden Calculation 2007	2007				Total
	LGE	KU	Servo	Total	
Dental Insurance	517,835	561,303	535,348	1,614,486	
Group Life Insurance	309,871	366,120	478,092	1,154,083	
Medical Insurance	7,021,690	7,564,054	7,194,341	21,780,085	
Pension	11,845,629	10,256,724	12,995,391	35,097,745	
Pension Interest	(8,234,269)	(3,522,355)	22,820	(11,753,804)	
FASB 106	4,028,134	3,687,070	1,938,470	9,673,674	
Fasb 106 interest	5,838,277	4,048,255	709,859	10,596,391	
Thrift (401K)	2,300,629	2,277,042	3,161,464	7,739,134	
Worker's Comp	1,100,000	945,000	64,500	2,109,500	
L.T. Disability	306,040	304,219	409,406	1,019,664	
Fasb 112	251,719	58,985	415,438	726,142	
Retirement Inc. acct	144,384	130,456	193,209	468,048	
Accrued TIA	4,433,657	4,150,067	9,119,882	17,703,606	
Vacation Holiday	4,708,392	4,566,891	5,678,305	14,953,589	
Sick	2,482,307	2,465,670	3,351,390	8,299,367	
Other Off-Duty	902,657	1,120,759	1,218,687	3,242,103	
FICA	676,993	672,455	914,015	2,263,464	
state	5,545,183	5,386,038	6,376,504	17,307,725	
fed	42,743	46,776	247,815	337,335	
Federal Payroll Taxes	59,840	60,477	64,077	184,394	

LGE Utility, KU and SERVO Benefit Dollars for Burden Calculation 2007	2007				Total
	LGE	KU	Servo	Total	
Dental Insurance	0.0103	0.0113	0.0078	0.0314	
Group Life Insurance	0.0062	0.0073	0.0070	0.0205	
Medical Insurance	0.1396	0.1518	0.1050	0.3964	
Pensions	0.2356	0.2058	0.1896	0.6310	
Pension Interest	(0.1641)	(0.0707)	0.0003	(0.2345)	
FASB 106	0.0801	0.0740	0.0286	0.1827	
Fasb 106 interest	0.1161	0.0812	0.0104	0.2077	
Thrift (401K)	0.0457	0.0457	0.0461	0.1375	
Worker's Comp	0.0219	0.0190	0.0009	0.0418	
L.T. Disability	0.0061	0.0061	0.0060	0.0182	
Post emp - FASB 112	0.0050	0.0012	0.0061	0.0123	
Retirement Income acct	0.0029	0.0026	0.0028	0.0083	
Accrued TIA	0.0831	0.0786	0.1330	0.2947	
Vacation Holiday	0.0936	0.0916	0.0828	0.2680	
Sick	0.0494	0.0495	0.0489	0.1478	
Other Off-Duty	0.0180	0.0225	0.0178	0.0583	
FICA	0.0135	0.0135	0.0133	0.0403	
state	0.1040	0.1020	0.0930	0.2990	
fed	0.0008	0.0009	0.0036	0.0053	
Federal Payroll Taxes	0.0011	0.0011	0.0009	0.0031	
State Payroll Taxes					

1.035
1.035
1.035
1.035

Wage Inc assumption
exempt
ne
union (after current contract)
union current contract

Net Available Dollars
Total Net Available
Total Labor Dollars

168,668,499
196,921,345

	2007 ACTUAL DOLLARS			2007 ANNUALIZED PERCENTAGE		
	LGE	KU	Servco	LGE	KU	Servco
Dental Insurance	477,172	519,441	518,401	0.01071	0.01217	0.00816
Group Life Insurance	305,049	367,896	479,296	0.00685	0.00862	0.00754
Hospitalization	6,235,298	6,718,209	7,064,058	0.13992	0.15738	0.11118
Pensions	11,624,639	8,650,227	14,135,193	0.26086	0.20264	0.22248
Pension interest	(8,639,990)	(3,740,676)	291,751	(0.19388)	(0.08763)	0.00459
FASB 106	3,403,862	2,763,711	1,552,443	0.07638	0.06474	0.02443
FASB 106 interest	5,073,876	3,529,200	501,172	0.11386	0.08267	0.00789
Thrift (401K)	2,119,815	2,099,302	2,658,276	0.04757	0.04918	0.04184
Retirement Income	75,898	99,164	128,723	0.00170	0.00232	0.00203
Worker's Comp	940,772	909,792	13,269	0.02111	0.02131	0.00021
LT Disability	328,912	350,645	487,686	0.00738	0.00821	0.00768
Post employment	(69,338)	(1,203,056)	(659,370)	(0.00156)	(0.02818)	(0.01038)
BENEFITS	21,875,962	21,063,855	27,170,899	0.49090	0.49344	0.42765
Accrued TIA	5,416,460	4,910,928	10,132,622	0.09991	0.09543	0.15821
Vacation	4,771,115	4,528,509	6,305,839	0.10706	0.10608	0.09925
Holiday	2,428,303	2,342,211	3,346,206	0.05449	0.05487	0.05267
Sick	1,181,635	2,010,950	1,357,715	0.02652	0.04711	0.02137
Other Off-Duty	315,372	579,425	755,705	0.00708	0.01357	0.01189
OFF-DUTY	8,696,425	9,461,094	11,765,466	0.19515	0.22163	0.18518
Fica	5,390,618	5,198,828	6,263,294	0.09944	0.10102	0.09780
state	40,731	93,445	223,616	0.00075	0.00182	0.00349
fed	57,907	5,724	65,097	0.00107	0.00011	0.00102
TAXES	5,489,256	5,297,998	6,552,008	0.10126	0.10295	0.10231
Total	41,478,104	40,733,874	55,620,994	0.88721	0.91345	0.87335
Straight time labor	44,563,410	42,688,127	63,535,351	0.88721	0.91345	0.87335
Total labor / Overtime rate	54,210,837	51,462,341	64,043,667	0.20117	0.19838	0.26052
Exempt - Nonexempt labor						

	JAN-2008	FEB-2008	MAR-2008	APR-2008	MAY-2008	JUN-2008	JUL-2008	AUG-2008	SEP-2008	OCT-2008	NOV-2008	DEC-2008
Ending Bal - Net												
LGE												
154001 MATERIALS/SUPPLIES	26,109,340	26,353,604	26,371,247	26,408,317	26,461,459	26,587,825	27,022,865	27,401,411	27,645,184	27,586,064	27,684,965	27,588,418
154002 CLOSED 08/04 - CARBIDE LIME												
154003 LIMESTONE	213,998	171,354	146,568	79,087	76,683	69,636	68,700	111,892	165,705	272,328	299,120	283,411
154006 OTHER REAGENTS												
154023 LIMESTONE IN-TRANSIT	99,812	79,749	91,682	125,298	100,852	149,363	84,349	69,580	115,804	110,074	50,404	160,688
163001 STORES EXPENSE	4,418,454	4,244,357	4,071,857	3,894,067	3,719,733	3,579,008	3,448,616	3,341,787	3,209,048	2,968,168	2,856,084	4,196,809
163002 WAREHOUSE EXPENSES	89,815	199,391	295,017	402,042	494,759	588,765	684,396	772,981	860,323	976,256	1,066,523	-
163003 FREIGHT	16,152	32,936	50,181	72,102	81,360	101,839	118,352	133,348	145,424	160,957	173,061	-
163004 ASSET RECOVERY	1,117	5,786	11,667	15,954	22,289	29,106	34,117	42,148	44,951	49,893	54,708	-
163005 SALES TAX	45,798	102,414	159,759	210,889	254,993	305,307	348,535	412,197	463,083	509,456	541,748	-
163006 PHYS INVENT ADJUSTMT	7,020	(49,150)	(70,061)	(143,292)	(158,583)	(203,423)	(255,969)	(293,292)	(362,806)	(462,834)	(539,143)	-
163007 INVOICE PRICE VARIANCES	(3,536)	(6,574)	(8,198)	(9,058)	(9,157)	(11,867)	(16,222)	(16,631)	(18,143)	(19,336)	(21,894)	-
163100 OTHER	12,046	21,546	27,449	43,297	53,885	63,128	73,961	85,672	94,434	105,870	116,355	-
Calculated rate	4,586,865	4,530,706	4,537,671	4,486,001	4,459,279	4,451,862	4,435,787	4,478,211	4,436,314	4,288,430	4,247,441	4,196,809
Rate in Oracle	0.176	0.173	0.172	0.170	0.169	0.167	0.164	0.163	0.160	0.155	0.153	0.152
	0.179	0.179	0.179	0.179	0.179	0.179	0.179	0.179	0.179	0.179	0.179	0.179
KU												
154001 MATERIALS/SUPPLIES	27,151,637	27,477,965	27,416,038	27,658,166	27,835,138	28,049,701	28,563,913	28,889,177	28,963,528	28,841,508	29,074,136	28,867,535
154003 LIMESTONE	168,901	261,470	181,288	287,608	270,372	248,413	245,945	360,214	461,872	479,247	526,600	561,254
154006 OTHER REAGENTS												
154023 LIMESTONE IN-TRANSIT	93,836	72,329	36,229	99,865	71,284	121,606	111,650	98,968	175,167	119,796	80,573	132,900
163001 STORES EXPENSE	6,157,187	5,804,698	5,491,500	5,178,079	4,752,864	4,309,751	3,997,526	3,611,208	3,258,462	2,842,934	2,462,536	6,202,308
163002 WAREHOUSE EXPENSES	279,857	378,507	694,961	954,406	1,232,082	1,434,455	1,683,260	1,932,429	2,184,843	2,403,078	2,668,448	-
163003 FREIGHT	11,239	20,510	32,179	43,980	54,843	72,131	86,341	96,073	112,121	121,133	130,668	-
163004 ASSET RECOVERY												
163005 SALES TAX	70,131	127,947	193,180	265,269	358,737	439,128	527,198	612,291	686,014	750,201	830,978	-
163006 PHYS INVENT ADJUSTMT	13,540	129	32,036	41,351	48,128	46,049	54,963	63,571	90,138	103,210	106,638	-
163007 INVOICE PRICE VARIANCES	(2,277)	(5,964)	(6,172)	(7,559)	(10,762)	(12,625)	(10,928)	(9,945)	(8,699)	(9,111)	(9,654)	-
163100 OTHER	12,364	24,367	31,090	49,089	62,273	71,968	83,854	95,358	104,243	90,856	102,313	-
Calculated rate	6,542,042	6,350,194	6,468,775	6,524,614	6,498,164	6,360,858	6,422,213	6,400,985	6,427,123	6,302,301	6,291,926	6,202,308
Rate in Oracle	0.241	0.231	0.236	0.236	0.233	0.227	0.225	0.222	0.222	0.219	0.216	0.215
	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243	0.243

2007 - 2009 Preliminary Burden
Local Engineering Calculations
(\$ in Thousands)

	2008	LGE	KU
January - April		23%	21%
May - June		18%	10%
August - Sept		15%	10%
October - Dec		5%	5%

	Rate Calculation			
	Burdened Capital	Raw Capital (70% of burd.)	Burdened Local Engineering Charges	Rate
January -April 2008				
LGE (57%)	74,000	51,800	11,700	23%
KU (43%)	55,700	39,000	8,300	21%
Total (07-09 MTP)	129,700			

	Burdened Capital (May-Dec)	Raw Capital (Burdened/2.11 (110%))	Burdened Local Engineering Charges (May-Dec) Less Current Balance.	Rate (May-Dec)	Current Rate
May-June 2008					
LGE	73,488	34,828	6,413	18%	23%
KU	59,335	28,121	2,851	10%	21%
Total	132,823	62,949	9,264		

	Burdened Capital (Aug-Dec)	Raw Capital (Burdened/2.11 (110%))	Burdened Local Engineering Charges (Aug-Dec) Less Current Balance.	Rate (Aug-Dec)	Current Rate
August-September 2008					
LGE	46,000	21,800	3,200	15%	18%
KU	34,000	16,100	1,600	10%	10%
Total	80,000	37,900	4,800		

	Burdened Capital (Oct-Dec)	Raw Capital (Burdened/2.11 (110%))	Burdened Local Engineering Charges (Oct-Dec) Less Current Balance.	Rate (Oct-Dec)	Current Rate	New Rate
October-December 2008						
LGE	41,000	19,000	246	1%	15%	5%
KU	34,000	16,000	(843)	-5%	10%	5%
Total	75,000	35,000	(597)			

Generation Local Engineering Clearing Accounts
2008

LG&E	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	Preliminary
Capital	(111,320)	584,442	2,779,947	1,932,208	3,423,264	5,215,189	1,841,392	1,577,468	2,727,516	2,292,169	5,373,752	8,226,631	35,862,658	
Clearing Account Balance	244,535	146,157	173,536	197,819	187,537	174,729	132,864	143,091	158,568	152,775	159,199	114,576	244,535	
Debits	163,121	106,205	128,996	74,639	38,541	36,363	37,848	39,139	35,119	40,807	35,983	35,088	771,849	661,499
Credits	(261,499)	(78,826)	(104,712)	(84,922)	(51,349)	(78,228)	(27,621)	(23,662)	(40,913)	(34,383)	(80,606)	(123,399)	(990,120)	
Clearing Account Balance	146,157	173,536	197,819	187,537	174,729	132,864	143,091	158,568	152,775	159,199	114,576	26,265	26,265	
Local Eng	2.25%	2.25%	2.25%	2.25%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Total Rate Used	3.75%	3.75%	3.75%	3.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	

KU	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2008	Preliminary
Capital	1,793,303	1,713,856	1,127,332	2,122,138	2,914,667	2,095,933	1,129,577	1,152,488	6,594,813	4,060,907	4,409,770	3,623,572	32,738,355	
Clearing Account Balance	374,270	290,016	308,090	361,321	365,989	338,015	326,284	337,637	349,816	235,522	183,633	119,811	374,270	
Debits	85,124	106,586	109,870	57,745	37,606	35,428	36,769	38,110	34,090	39,481	35,397	0	616,205	677,473
Credits	(169,379)	(88,512)	(56,639)	(53,076)	(65,580)	(47,158)	(25,415)	(25,931)	(148,383)	(91,370)	(99,220)	(81,530)	(952,195)	
Clearing Account Balance	290,016	308,090	361,321	365,989	338,015	326,284	337,637	349,816	235,522	183,633	119,811	38,280	38,280	
Local Eng	1.75%	1.75%	1.75%	1.75%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Total Rate Used	3.25%	3.25%	3.25%	3.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	

Transmission Local Engineering Clearing Accounts
2008

LG&E	2008												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Capital	350,966	196,866	259,020	243,129	1,361,529	1,084,529	966,529	973,004	1,009,446	1,135,446	889,362	666,177	9,136,002
Clearing Account Balance	929,626	950,607	1,038,547	753,689	824,531	710,253	633,370	572,417	510,590	443,843	360,086	309,550	929,626
Debits	140,113	209,584	241,876	507,774	69,528	69,528	69,528	69,528	69,528	69,528	69,528	69,528	1,655,573
Credits	(119,132)	(121,643)	(526,734)	(436,931)	(183,806)	(146,411)	(130,481)	(131,356)	(136,275)	(153,285)	(120,064)	(89,934)	(2,296,054)
Clearing Account Balance	950,607	1,038,547	753,689	824,531	710,253	633,370	572,417	510,590	443,843	360,086	309,550	289,144	289,144
Local Eng	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Rate Used	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

KTU	2008												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Capital	1,411,647	620,661	2,786,169	1,223,604	2,266,917	2,985,917	1,124,917	1,803,917	1,300,834	1,156,834	1,789,917	649,900	19,121,234
Clearing Account Balance	(1,264,780)	(1,477,162)	(1,132,497)	(1,104,105)	(1,099,321)	(1,243,427)	(1,463,028)	(1,487,225)	(1,582,716)	(1,625,384)	(1,652,931)	(1,746,953)	(1,264,780)
Debits	933,904	1,210,997	797,937	688,028	93,920	93,920	93,920	93,920	93,920	93,920	93,920	93,920	4,382,226
Credits	(1,146,285)	(866,333)	(769,545)	(683,244)	(238,026)	(313,521)	(118,116)	(189,411)	(136,588)	(121,468)	(187,941)	(68,240)	(4,838,718)
Clearing Account Balance	(1,477,162)	(1,132,497)	(1,104,105)	(1,099,321)	(1,243,427)	(1,463,028)	(1,487,225)	(1,582,716)	(1,625,384)	(1,652,931)	(1,746,953)	(1,721,273)	(1,721,273)
Local Eng	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
G&A	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Rate Used	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

LGE, KU and SERVCO
Labor Base for Burden Calculation
2008-2010

LGE, KU and SERVCO
Benefit Dollars for Burden Calculation
2008-2010

LGE, KU and SERVCO
Burden Rates
2008-2010

	Hours:	Exempt	Non Exempt	Bargaining Unit	Hrly-non union	Vacancies	Total
LGE UTILITY							
Staffing level		204	81	636	-	61	982
Vacation Hours		35,280	13,040	102,760	-	4,880	155,960
Avg Rate after increase		41	21	28	-	28	
Total Labor	2096	17,347,148	3,552,108	37,766,833	-	3,620,882	62,286,971
Vacation dollars		1,431,315	272,827	2,911,295	-	138,202	4,753,639
Holiday dollars	88	728,315	149,134	1,585,630	-	152,022	2,615,102
Sick dollars	24	198,631	40,673	432,445	-	41,460	713,210
Other off-duty	24	198,631	40,673	432,445	-	41,460	713,210
Total off-duty		2,556,893	503,307	5,361,815	-	373,144	8,795,160
Net Available Dollars		14,790,255	3,048,801	32,405,018	-	3,247,738	53,491,811
OT based on historical avg					-		63,515,051
KU UTILITY							
Staffing level		135	223	150	427	65	1,000
Vacation Hours		23,680	38,320	23,400	67,040	5,200	157,640
Avg Rate after increase		38	25	28	29	27	
Total Labor	2096	10,858,599	11,510,938	8,920,903	26,401,416	3,726,164	61,418,020
Vacation dollars		908,721	943,713	663,960	1,977,616	142,220	4,636,231
Holiday dollars	88	455,895	483,284	374,542	1,108,456	156,442	2,578,619
Sick dollars	32	165,780	175,740	136,197	403,075	56,888	937,680
Other off-duty	24	124,335	131,805	102,148	302,306	42,666	703,260
Total off-duty		1,654,731	1,734,541	1,276,847	3,791,454	398,216	8,855,789
Net Available Dollars		9,203,868	9,776,397	7,644,056	22,609,961	3,327,948	52,562,230
OT based on historical avg							60,721,610
LGE SERVICES CO							
Staffing level		756	238	-	-	130	1,124
Vacation Hours		112,600	30,520	-	-	10,400	153,520
Avg Rate after increase		45	19	-	-	36	
Total Labor	2096	70,856,329	9,714,434	-	-	9,915,547	90,486,311
Vacation dollars		5,035,052	594,338	-	-	378,456	6,007,847
Holiday dollars	88	2,974,884	407,858	-	-	416,302	3,799,044
Sick dollars	24	811,332	111,234	-	-	113,537	1,036,103
Other off-duty	24	811,332	111,234	-	-	113,537	1,036,103
Total off-duty		9,632,600	1,224,664	-	-	1,021,831	11,879,096
Net Available Dollars		61,223,729	8,489,770	-	-	8,893,716	78,607,215
OT based on historical avg							78,206,735

	LGE	KU	SERVCO
Dental Insurance	534,657	580,944	590,278
Group Life Insurance	322,256	377,905	522,324
Medical Insurance	7,403,610	7,960,636	8,094,410
Pension	12,466,175	9,410,463	15,038,034
Pension Interest	(8,095,610)	(3,336,910)	789,905
FASB 106	3,701,092	2,954,838	1,716,622
Fasb 106 interest	5,182,109	3,426,752	526,685
Thrift (401K)	2,772,617	2,723,314	4,030,600
Worker's Comp	1,015,000	835,000	64,500
LT Disability	419,541	413,896	591,967
Fasb 112	343,313	22,717	434,607
Retirement Inc. acct	145,475	205,041	211,165
Accrued TIA	5,258,884	4,918,182	10,690,994
Vacation	4,861,394	4,741,884	6,082,532
Holiday	2,552,798	2,518,449	3,654,939
Sick	1,126,519	2,146,650	2,189,928
Other Off-Duty	304,595	597,137	809,942
FICA Payroll Taxes	5,444,457	5,236,968	6,374,460
Federal Payroll Taxes	53,592	54,600	60,424
State Payroll Taxes	38,280	37,898	216,442
	45,850,754	45,826,563	62,690,758

	LGE	KU	SERVCO
Dental Insurance	0.01000	0.01105	0.00751
Group Life Insurance	0.00602	0.00719	0.00664
Medical Insurance	0.13841	0.15145	0.10297
Pensions	0.23305	0.17903	0.19131
Pension Interest	(0.15134)	(0.06348)	0.01005
FASB 106	0.06919	0.05622	0.02184
Fasb 106 interest	0.09688	0.06519	0.00670
Thrift (401K)	0.05183	0.05181	0.05128
Worker's Comp	0.01897	0.01589	0.00082
LT Disability	0.00784	0.00787	0.00753
Post emp - FASB 112	0.00642	0.00043	0.00553
Retirement Income acct	0.00272	0.00390	0.00269
Accrued TIA	0.08280	0.08100	0.13670
Vacation	0.09088	0.09021	0.07738
Holiday	0.04772	0.04791	0.04650
Sick	0.02106	0.04084	0.02786
Other Off-Duty	0.00569	0.01136	0.01030
FICA Payroll Taxes	0.08572	0.08625	0.08151
Federal Payroll Taxes	0.00084	0.00090	0.00077
State Payroll Taxes	0.00060	0.00062	0.00277
Straight time	82.531%	84.565%	79.865%
Overtime	16.996%	16.876%	22.175%
Benefits	48.999%	48.656%	41.486%
Payroll Taxes	8.717%	8.777%	8.505%
Off-duty	16.536%	19.033%	16.204%
TIA	8.280%	8.100%	13.670%

Wage Inc assumption
exempt 1.035
nc 1.035
union (after current contract) 1.035
union current contract 1.035

**LGE, KU and SERVCO
ANNUALIZED BURDEN RATES
2008**

	2008 ACTUAL DOLLARS			2008 ANNUALIZED PERCENTAGE		
	LGE	KU	Servco	LGE	KU	Servco
Dental Insurance	473,231	502,736	513,695	0.00915	0.01040	0.00684
Group Life Insurance	331,502	389,814	515,268	0.00641	0.00807	0.00686
Medical	6,776,959	7,169,194	7,195,222	0.13103	0.14833	0.09584
Miscellaneous and Adm	510,657	327,918	365,563	0.00987	0.00678	0.00487
Pensions	11,293,553	6,643,756	11,551,229	0.21836	0.13746	0.15387
Pension interest	(6,358,573)	(2,615,007)	816,443	(0.12294)	(0.05410)	0.01088
FASB 106	3,199,654	2,765,093	1,527,402	0.06187	0.05721	0.02035
FASB 106 interest	5,203,499	3,402,689	491,651	0.10061	0.07040	0.00655
Thrift (401K)	2,800,788	2,643,407	3,479,959	0.05415	0.05469	0.04636
Retirement Income	174,512	182,730	293,803	0.00337	0.00378	0.00391
Worker's Comp	417,497	684,191	17,062	0.00807	0.01416	0.00023
LT Disability	356,295	381,602	547,634	0.00689	0.00790	0.00729
Post employment	(61,062)	330,759	301,506	(0.00118)	0.00684	0.00402
BENEFITS	25,118,510	22,808,881	27,616,437	0.48567	0.47192	0.36787
Accrued TIA	5,430,117	5,152,652	9,675,990	0.08400	0.08442	0.12754
Vacation	4,931,436	4,934,225	6,760,898	0.09535	0.10209	0.09006
Holiday	2,619,771	2,480,028	3,616,405	0.05065	0.05131	0.04817
Sick	1,529,137	2,060,225	1,557,604	0.02957	0.04263	0.02075
Other Off-Duty	315,148	625,943	829,386	0.00609	0.01295	0.01105
OFF-DUTY	9,395,492	10,100,421	12,764,293	0.18166	0.20898	0.17003
Fica state	5,824,853	5,634,900	6,858,773	0.09010	0.09232	0.09040
state	56,973	53,820	256,706	0.00088	0.00088	0.00338
fed	64,552	61,882	68,056	0.00100	0.00101	0.00090
TAXES	5,946,378	5,750,602	7,183,535	0.09198	0.09422	0.09469
Total	45,890,498	43,812,556	57,240,255	0.84332	0.85954	0.76012
Straight time labor	51,719,040	48,332,147	75,071,537	0.84332	0.85954	0.76012
Total labor / Overtime rate	64,645,907	61,033,823	75,867,562	0.17598	0.17864	0.22222
Exempt - Nonexempt labor						

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 145

Responding Witness: Paul W. Thompson/Chris Hermann

- Q-145. List and describe all maintenance programs and expenses which have been deferred into the test period from prior years, and for each item, explain the Company's reason for such deferral.
- A-145. LG&E did not defer maintenance programs and expenses for the purpose of reflecting the cost in the test year. The timing and continuation of maintenance programs is based on the requirements of the overall operation of the system and the conditions experienced in operating the system.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 146

Responding Witness: Shannon L. Charnas

Q-146. List all merchandise-related revenue, expense and rate base items included in the test period by account and amount.

A-146. Account 456 – Other Miscellaneous Electric Revenues and Account 415 – Revenues from Merchandising, Jobbing and Contract Work, did not include any merchandise sold to Louisville Gas and Electric Customers during the test period.

Three merchandise sales transactions totaling \$1,347 were recorded to Account 163 – Stores Expense Undistributed for a wood pole, conduit and fuse links, with the associated expense of \$1,024 recorded to the same account.

Demand Side Management revenues and expenses are excluded from this response since they are included in Rives Exhibit 1, Reference Schedules 1.09 and 1.10.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 147

Responding Witness: Shannon L. Charnas

- Q-147. List each abnormal or non recurring charge or credit which occurred during 2007, 2008, 2009 and 2010 to date, and which exceeded \$10,000.00.
- a. For each such charge or credit, state the basis and dollar magnitude of each.
 - b. Provide copies of invoices, journal entries or other documentation to support each abnormal or non recurring item.
- A-147. Abnormal or non-recurring charges are not specifically tracked. These types of charges or credits are identified through the normal course of rate case preparation and not during other time periods. Therefore, the Company has only identified abnormal or non-recurring charges during rate case test years. The test years ended April 30, 2008 and October 31, 2009 fall into the time period requested above and the abnormal or non-recurring charges identified for each of these cases is provided below.
- a. See attached.
 - b. For details regarding the adjustments, please refer to Rives Exhibit 1, the related Reference Schedules and the related testimony for the current case as well as Case No. 2008-00252.

LOUISVILLE GAS AND ELECTRIC COMPANY
Non Recurring Charges
Adjustments to Net Operating Income

	Case No. / Schedule	Period	Net Operating Income Impact
1. Adjustment to Remove Out-of-Period FERC Assessment Fee	2008-0252 1.22	12 months ended April 30, 2008	\$ 478,156
2. Adjustment to remove IMEA/IMPA out of period reactive power credits	2008-0252 1.26	12 months ended April 30, 2008	330,012
3. Adjustment for out-of-period lease expenses	2008-0252 1.28	12 months ended April 30, 2008	(5,394,978)
4. Adjustment to O&M expenses for IT prepaid contracts	2008-0252 1.29	12 months ended April 30, 2008	(1,190,095)
5. Adjustment for expenses related to retired mainframe	2009-0549 1.24	12 months ended October 31, 2009	1,400,815
6. Adjustment for Southwest Power Pool settlement expenses	2009-0549 1.32	12 months ended October 31, 2009	583,743
7. Adjustment to remove out of period adjustment for resettlements related to MISO RSG	2009-0549 1.33	12 months ended October 31, 2009	429,911
8. Adjustment for USGC settlement for gypsum contract	2009-0549 1.34	12 months ended October 31, 2009	(1,134,812)
9. Adjustment to remove FERC Hydropower program charges	2009-0549 1.35	12 months ended October 31, 2009	157,135
10. Adjustment for Interest rate swap amortization	2009-0549 1.36	12 months ended October 31, 2009	(258,476)
Total			<u>\$ (4,598,589)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 148

Responding Witness: Shannon L. Charnas

- Q-148. Itemize all expenses over \$5,000 recorded by the Company during 2007, 2008 and 2009 in General Office Expense. For each, state the payee, amount, date, purpose and subaccount. Also provide a copy of the associated invoice for amounts over \$10,000.
- A-148. An electronic version of these documents is provided on CD in the folder titled Question No. 148. A petition for the confidential treatment of these documents is being filed simultaneously herewith.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Attorney General's Initial Requests for Information
Dated March 1, 2010

Question No. 149

Responding Witness: Shannon L. Charnas

- Q-149. List by account the Company's annual O&M expenses for the ten years ending 2009, plus 2010 to date. For each account having a variance over the prior year exceeding 10%, explain the cause of such variance, listing and describing each significant causative item and the associated dollar amount.
- A-149. See attachment for O&M expenses. The Company does not maintain variance analyses in this level of detail for the past ten years. See the response to AG-1 Question No. 114(c) for variance explanations between 2005 and 2006 and between 2006 and 2007. See below for variance explanations between 2007 and 2008. Variance explanations between 2008 and 2009 will be provided in response to Question No. 188 when they are available.

Expenses

Fuel for electric generation and natural gas supply expenses comprise a large component of total operating expenses. Increases or decreases in the cost of fuel and natural gas supply are reflected in electric and natural gas retail rates, through the FAC and GSC, subject to the approval of the Kentucky Commission.

Fuel for electric generation increased a net \$27 million in 2008 primarily due to:

- Increased commodity and transportation costs for coal and natural gas (\$28 million)
- Decreased volumes of natural gas usage (\$1 million) due to decreased native load sales

Power purchased expense increased \$36 million in 2008 primarily due to:

- Increased purchase volumes from KU via a mutual agreement (\$34 million) whereby LG&E purchases KU's excess economic capacity for wholesale sales. KU experienced lower native load requirements as a result of milder weather and the weakening economy and increased generation availability.
- Increased prices for third-party purchases used to serve native load (\$3 million) during unit outages due to higher fuel costs
- Increased expenses (\$2 million) due to activities in the PJM market for the entire year of 2008 compared to only one quarter in 2007
- Decreased demand costs (\$3 million) for energy purchased on a long-term contract

Gas supply expenses increased \$93 million in 2008 due to:

- Increased cost of net gas supply billed to customers (\$97 million) due to higher purchased volumes and cost per Mcf
- Decreased expense (\$4 million) due to a decline in volume of wholesale sales of purchased gas

Other operation and maintenance expenses increased \$35 million in 2008 primarily due to increased other operation expenses (\$23 million) and increased maintenance expenses (\$12 million).

Other operation expenses increased \$23 million in 2008 primarily due to:

- Increased steam expense (\$5 million) due to a non-recurring capital lease adjustment in 2007
- Increased other power supply expense (\$5 million) due to a FERC Order resulting in additional MISO RSG resettlement costs and activities in the PJM market for the entire year of 2008 compared to only one quarter in 2007
- Increased cost of consumables (\$4 million) due to contract pricing
- Increased transmission expense paid to KU (\$3 million) due to increased firm transmission purchases and increased transmission rates
- Increased distribution expense (\$2 million) due to storm restoration
- Increased uncollectible accounts (\$2 million) due to the weakening economy
- Increased property taxes (\$2 million) due to net decrease in expense in 2007 as a result of the

Louisville Gas and Electric Company

Case No. 2009-00549

Summary of Annual Maintenance Expense

For the Years, 2000 - 2008, 2010 YTD as of 1/31/10

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Steam Power Generation:											
(510) Maint. Supervision and Engineering	\$1,093,560	\$984,403	\$1,215,311	\$1,276,492	\$1,326,084	\$1,423,018	\$1,971,715	\$2,047,906	\$3,051,496	\$2,758,825	\$161,011
(511) Maint. of Structures	2,151,999	1,322,118	1,336,674	1,572,623	1,806,654	1,584,457	1,963,994	2,366,221	1,972,394	2,817,156	167,366
(512) Maint. of Boiler Plant	27,738,748	25,273,379	24,202,326	25,680,596	24,982,533	24,560,096	30,445,817	33,688,610	35,721,440	39,181,614	2,150,565
(513) Maint. of Electric Plant	4,438,177	6,688,255	6,714,433	6,500,734	7,941,036	6,376,640	7,312,591	5,541,312	8,421,773	6,995,063	446,118
(514) Maint. of Misc. Steam Plant	3,436,099	1,347,249	1,818,096	926,973	1,294,838	1,347,348	1,431,725	1,296,736	1,341,151	1,683,302	152,598
Total Steam Generation Maintenance	\$38,858,583	\$35,615,404	\$35,306,840	\$35,957,418	\$37,351,145	\$35,291,559	\$43,125,842	\$44,940,785	\$50,458,254	\$53,435,960	\$3,077,658
Hydraulic Power Generation:											
(541) Maint. Supervision and Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$3,057	\$6,049	\$2,599	\$92	\$23
(542) Maint. of Structures	19,776	24,037	21,466	121,908	310,186	62,368	83,847	166,673	223,640	248,057	18,336
(543) Maint. of Reservoirs, Dams & Waterways	0	0	0	15,558	474,344	124,727	76,652	10,094	181,802	115,135	3,261
(544) Maint. of Electric Plant	367,251	551,014	899,181	748,349	557,015	345,322	125,119	264,531	240,498	200,207	11,658
(545) Maint. of Misc. Hydraulic Plant	50,313	37,285	79,337	5,915	23,577	0	0	0	0	0	0
Total Hydraulic Pwr Generation Maintenance	\$437,340	\$612,336	\$999,984	\$891,730	\$1,365,122	\$532,417	\$288,675	\$447,347	\$648,539	\$563,491	\$33,278
Other Power Generation:											
(551) Maint. Supervision and Engineering	\$22,838	\$14,647	\$14,822	\$8,023	\$12,688	\$18,791	\$20,103	\$21,550	\$35,596	\$40,908	\$2,564
(552) Maint. of Structures	61,306	618,615	70,721	(549,843)	60,562	111,857	94,507	108,362	63,849	64,248	5,169
(553) Maint. of Generating and Electric Plant	852,093	344,978	411,287	221,272	586,840	1,078,800	514,243	2,017,744	1,498,648	715,958	62,502
(554) Maint. of Misc. Other Pwr Generation Plant	71,380	105,020	192,302	46,501	154,777	91,583	238,052	99,206	237,693	108,968	2,608
Total Other Power Generation Maintenance	\$1,007,617	\$1,083,260	\$689,132	(\$274,047)	\$814,867	\$1,301,031	\$866,905	\$2,246,862	\$1,835,786	\$950,082	\$72,843
Electric Transmission:											
(568) Maint. Supervision and Engineering	\$223,011	\$56,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(569) Maint. of Structures	94,626	29,938	21,728	10,538	13,261	13,611	13,848	11,477	47,485	17,281	(345)
(570) Maint. of Station Equipment	589,496	777,371	849,884	765,901	837,695	905,022	948,123	983,605	1,057,903	1,240,987	89,481
(571) Maint. of Overhead Lines	626,043	536,511	702,332	486,502	344,858	552,860	550,618	695,122	685,928	969,162	54,929
(572) Maint. of Underground Lines	0	0	0	0	0	0	0	0	0	0	366
(573) Maint. of Misc. Transmission Plant	0	4,599	22,192	25,095	27,455	2,966	124,997	3,565	(1,329)	4,371	0
Total Electric Transmission Maintenance	\$1,533,176	\$1,405,319	\$1,596,136	\$1,288,036	\$1,223,269	\$1,474,459	\$1,637,586	\$1,693,769	\$1,789,987	\$2,231,801	\$144,431
Electric Distribution:											
(590) Maint. Supervision and Engineering	\$284,434	\$151,441	\$42,216	\$24,715	\$14,496	\$1,627	\$17,732	\$14,794	\$16,822	\$27,054	\$601
(591) Maint. of Structures	449,339	445,442	248,024	338,459	331,493	599,825	670,997	757,829	773,756	751,722	13,642
(592) Maint. of Station Equipment	496,883	745,065	654,415	664,619	672,495	661,067	1,018,271	744,470	877,994	921,725	67,167
(593) Maint. of Overhead Lines	6,531,872	6,704,932	7,674,746	6,806,827	16,219,747	7,847,180	11,772,129	10,287,075	11,888,812	10,994,768	522,399
(594) Maint. of Underground Lines	443,248	897,168	1,261,367	1,289,353	1,697,503	1,549,277	1,843,750	1,509,199	1,689,915	1,668,693	163,406
(595) Maint. of Line Transformers	283,896	341,023	397,589	259,529	282,066	147,057	184,777	230,867	213,177	266,426	11,032
(596) Maint. of St. Lighting and Signal Systems	468,987	646,420	89,020	14,267	14,900	88,833	172,308	779,872	667,913	437,359	31,333
(597) Maint. of Meters	(91,204)	(102,704)	(88,979)	(114,036)	0	(217,128)	0	0	0	0	0
(598) Maint. of Misc. Distribution Plant	149,170	256,957	262,868	154,899	173,324	267,188	330,971	437,400	90,057	329,436	17,288
Total Electric Distribution Maintenance	\$9,016,625	\$10,085,744	\$10,541,266	\$9,438,632	\$19,406,024	\$10,944,926	\$16,010,935	\$14,761,506	\$16,218,446	\$15,397,183	\$826,868

Louisville Gas and Electric Company												
Case No. 2009-00549												
Summary of Annual Maintenance Expense												
For the Years, 2000 - 2008, 2010 YTD as of 1/31/10												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010	
Underground Storage:												
(830) Maint. Supervision and Engineering	\$425,743	\$356,976	\$304,538	\$262,845	\$280,605	\$247,742	\$255,593	\$330,530	\$327,513	\$327,914	\$24,617	
(832) Maint. Of Reservoirs and Wells	278,858	330,464	256,007	439,858	467,095	369,309	414,411	470,455	741,927	534,183	17,431	
(833) Maint. Of Lines	11,868	13,465	7,680	28,992	38,937	105,929	(12,439)	91,541	140,185	175,450	7,383	
(834) Maint. Of Compressor Station Equipment	494,434	332,922	494,892	492,617	671,374	882,730	1,190,532	904,999	816,963	966,047	74,491	
(835) Maint. Of Measuring and Reg. Station Equipment	20,249	20,837	24,649	77,703	33,898	19,211	13,546	49,318	76,836	47,190	1,077	
(836) Maint. Of Purification Equipment	211,855	349,527	234,463	162,461	339,874	234,290	290,125	229,877	826,642	251,562	18,147	
(837) Maint. Of Other Equipment	14,867	28,245	55,584	139,405	134,986	161,303	115,812	90,806	79,558	53,433	6,228	
Total Underground Storage Maint. Expense	\$1,457,874	\$1,432,436	\$1,377,813	\$1,603,881	\$1,966,769	\$2,020,514	\$2,267,580	\$2,167,526	\$3,009,624	\$2,355,779	\$149,374	
Gas Transmission:												
(861) Maintenance Supervision and Engineering	\$10,291	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(863) Maint. Of Mains	10,593	15,142	3,833	244,102	567,937	356,695	706,684	649,692	755,101	852,902	(47,246)	
Total Gas Transmission Maint. Expense	\$20,884	\$15,142	\$3,833	\$244,102	\$567,937	\$356,695	\$706,684	\$649,692	\$755,101	\$852,902	(\$47,246)	
Gas Distribution:												
(885) Maintenance Supervision and Engineering	\$140,858	\$84,740	\$10,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(886) Maint. Of Structures and Improvements	244,981	253,494	178,082	208,977	254,287	469,345	495,374	522,008	564,984	582,068	12,324	
(887) Maint. Of Mains	1,575,921	2,477,887	4,983,159	4,034,408	4,214,692	4,199,756	4,672,076	5,710,328	7,722,184	7,965,401	580,337	
(889) Maint. Of Meas. And Reg. Sta. Equip. - General	49,328	54,269	35,002	31,850	42,199	25,830	90,505	50,232	71,177	71,168	3,718	
(890) Maint. Of Meas. And Reg. Sta. Equip. - Industrial	141,223	100,412	97,014	67,736	78,356	78,680	100,685	116,326	111,940	214,088	27,593	
(891) Maint. Of Meas. And Reg. Sta. Equip. - City Gate Check Station	129,436	105,652	47,055	194,916	303,066	286,477	296,318	260,903	288,993	270,364	15,507	
(892) Maint. Of Services	467,646	525,277	595,947	634,791	868,606	877,771	972,347	1,826,235	1,715,334	1,213,435	71,358	
(893) Maint. Of Meters and House Regulators	103,959	75,172	0	0	0	0	0	0	0	0	0	
(894) Maint. Of Other Equipment	51,857	52,320	102,421	122,798	100,682	159,461	101,179	233,047	300,706	345,005	26,851	
Total Gas Distribution Maintenance	\$2,905,209	\$3,729,223	\$6,068,527	\$5,295,476	\$5,861,888	\$6,097,320	\$6,728,484	\$8,719,079	\$10,775,318	\$10,661,529	\$737,688	
Administrative and General:												
(935) Maint. of General Plant - Electric	\$6,451,697	\$3,545,301	\$162,513	\$2,058,115	\$3,187,331	\$4,130,391	\$5,502,941	\$5,138,093	\$6,709,800	\$7,255,373	\$697,573	
(935) Maint. of General Plant - Gas	2,019,974	1,163,520	36,141	666,778	1,038,252	1,419,023	1,900,021	1,777,335	2,324,989	2,520,856	257,849	
Total Adm. and General Maintenance	\$8,471,671	\$4,708,821	\$198,654	\$2,724,893	\$4,225,583	\$5,549,414	\$7,402,962	\$6,915,428	\$9,034,789	\$9,776,229	\$955,422	
Total Annual Maintenance Expense:	\$63,708,979	\$58,687,685	\$56,782,185	\$57,170,121	\$72,782,604	\$63,568,335	\$79,035,653	\$82,541,994	\$94,525,844	\$96,204,956	\$5,950,316	
Maintenance Expense Variance \$ to Prior Year												
Maintenance Expense Variance % to Prior Year	\$5,590,345	9.62%	(\$5,021,294)	(7.88%)	(\$1,905,500)	(3.25%)	\$387,936	0.68%	\$15,612,483	21.31%	\$15,467,318	24.33%
Maintenance Expense Variance % to Prior Year	\$3,506,341	4.44%	(\$9,214,269)	(12.66%)	\$11,983,850	14.52%	\$1,679,112	1.78%	\$11,983,850	14.52%	\$1,679,112	1.78%

Louisville Gas and Electric Company											
Case No. 2009-00549											
Summary of Annual Operation Expense											
For the Years, 2000 - 2009, 2010 YTD as of 1/31/10											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Steam Power Generation:											
(500) Operation Supervision and Engineering	\$3,323,473	\$1,220,305	\$1,440,101	\$1,413,206	\$1,684,488	\$2,182,043	\$1,994,235	\$2,117,055	\$2,213,780	\$2,226,700	\$213,953
(501) Fuel	157,680,097	155,917,909	184,106,845	192,605,505	201,843,657	239,297,747	270,206,831	286,060,712	322,081,928	318,793,382	26,826,336
(502) Steam Expenses	25,476,147	23,364,081	26,207,927	25,354,431	25,756,962	28,287,297	29,310,526	26,276,587	35,626,918	35,079,902	3,285,591
(505) Electric Expenses	540,053	302,472	424,279	476,460	468,790	519,654	601,822	692,669	795,673	776,815	59,212
(506) Miscellaneous Steam Power Expenses	8,784,765	11,865,713	12,080,303	14,811,858	13,048,287	13,580,042	14,381,816	14,015,400	15,126,246	15,404,894	1,226,678
(507) Rents	77,304	55,594	51,252	51,252	51,252	51,252	51,252	51,252	17,084	0	0
(509) Allowances	0	66,121	37,206	35,235	18,437	10,508	6,011	3,920	5,118	1,756	67
Total Steam Generation Operation	\$195,881,839	\$192,792,195	\$224,347,913	\$234,747,947	\$242,871,873	\$283,928,543	\$316,552,493	\$329,217,595	\$375,866,747	\$372,283,449	\$31,611,837
Hydraulic Power Generation:											
(535) Operation Supervision and Engineering	\$142,596	\$129,272	\$102,158	\$9,400	\$66,129	\$69,561	\$56,516	\$60,785	\$12,012	\$109,931	\$9,045
(536) Water for Power	56,436	56,436	56,436	56,436	56,436	(75,971)	1,982	38,855	38,696	39,077	3,222
(537) Hydraulic Expenses	15,635	0	0	0	0	0	0	0	0	0	0
(538) Electric Expenses	525,048	411,903	356,799	251,690	261,052	236,186	179,073	157,036	170,379	162,157	15,381
(539) Misc Hydraulic Power Generation Expenses	116,457	16,077	33,954	29,296	133,380	155,069	107,630	132,980	109,403	110,476	7,050
(540) Rents	597,831	547,940	358,304	373,412	253,215	318,469	477,721	222,932	262,786	374,245	35,773
Total Hydraulic Power Generation Operation	\$1,454,003	\$1,161,628	\$907,651	\$720,234	\$770,212	\$703,314	\$822,922	\$612,588	\$593,276	\$795,886	\$70,471
Other Power Generation:											
(546) Operation Supervision and Engineering	\$19,851	\$22,795	\$90,438	\$36,811	\$39,895	\$39,421	\$32,407	\$15,298	\$44,183	\$30,498	\$2,476
(547) Fuel	1,738,488	3,312,629	10,793,344	4,359,837	5,248,056	41,625,992	22,364,013	31,202,849	22,454,807	9,439,616	2,257,607
(548) Generation Expenses	9,778	3,978	65,540	69,826	93,231	221,938	272,514	335,927	1,241,571	119,374	8,258
(549) Misc Other Power Generation Expenses	241,052	94,581	42,054	(420,246)	56,967	32,342	41,904	38,984	41,895	40,630	2,397
(550) Rents	29,964	31,950	275,505	30,252	29,964	29,964	29,964	24,024	7,612	0	0
Total Other Power Generation Operation	\$2,039,133	\$3,465,933	\$11,266,881	\$4,076,480	\$5,468,113	\$41,949,657	\$22,740,802	\$31,617,082	\$23,790,068	\$9,630,118	\$2,270,738
Other Power Supply:											
(555) Purchased Power	\$96,893,821	\$81,475,058	\$84,330,008	\$79,620,776	\$92,046,779	\$140,555,771	\$113,833,625	\$82,337,048	\$117,907,533	\$58,430,270	\$6,286,993
(556) System Control and Load Dispatching	959,001	1,121,636	1,123,818	1,116,436	1,165,948	115,570	966,893	995,839	1,099,995	1,500,344	163,262
(557) Other Expenses	38,760	39,462	14,529	17,277	4,519	18,222,778	6,559,291	(572,213)	4,403,967	(80,375)	65,725
(558) Other Dept Use--Credit											(32,640)
Total Other Power Supply	\$97,891,582	\$82,636,156	\$85,468,355	\$80,754,489	\$93,217,246	\$158,894,119	\$121,359,809	\$82,760,674	\$123,411,495	\$59,850,239	\$6,483,340

Louisville Gas and Electric Company

Case No. 2009-00549

Summary of Annual Operation Expense

For the Years, 2000 - 2009, 2010 YTD as of 1/31/10

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Transmission:											
(560) Operation Supervision and Engineering	\$373,853	\$326,874	\$270,917	\$262,531	\$308,711	\$405,950	\$448,908	\$615,817	\$1,204,930	\$623,248	\$52,196
(561) Load Dispatching	614,620	365,535	364,309	372,576	425,282	535,223	603,506	648,274	753,691	802,690	87,404
(561.4) Scheduling, System Control & Dispatch Svcs	0	0	0	0	0	0	1,246,458	5,529	296	665	0
(561.5) Reliability, Planning & Standards Development	0	0	0	0	0	0	0	0	0	180,839	0
(561.6) Transmission Service Studies	0	0	0	0	0	0	0	11,594	7,259	(16,713)	0
(561.8) Reliability, Planning & Stds Development Svcs	0	0	0	0	0	0	89,624	398	21	48	0
(562) Station Expenses	867,666	902,093	751,559	1,178,058	1,138,231	1,145,187	1,176,883	1,237,889	1,117,869	1,385,715	72,949
(563) Overhead Lines Expenses	40,016	47,726	31,817	42,563	42,536	50,356	19,517	76,997	123,399	118,896	3,786
(565) Transmission of Electricity by Others	4,442,973	4,318,753	14,690,377	16,999,426	16,781,659	3,361,634	(2,866,436)	3,791,302	6,866,047	2,216,931	198,164
(566) Miscellaneous Transmission Expenses	416,971	735,933	3,689,036	4,010,230	4,640,110	7,385,624	1,545,678	3,929,222	3,060,315	3,307,309	232,993
(567) Rents	46,763	57,380	54,484	53,518	51,039	51,708	52,808	5,204	22,903	22,388	15,987
Total Transmission Operation	\$6,802,862	\$6,754,294	\$19,852,699	\$22,918,902	\$23,387,568	\$12,935,682	\$2,316,946	\$10,322,226	\$13,156,730	\$8,644,016	\$663,479
Regional Market:											
(575.7) Mkt Facilitation, Monitoring & Compliance Svcs	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,836	\$11,961	\$46,675	\$1,138,105	\$113,864
Total Regional Market Operation	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,836	\$11,961	\$46,675	\$1,138,105	\$113,864
Distribution:											
(580) Operation Supervision and Engineering	\$1,456,121	\$1,188,185	\$2,376,556	\$1,148,725	\$2,518,917	\$1,074,172	\$1,146,499	\$1,257,351	\$1,177,320	\$1,877,095	\$108,645
(581) Load Dispatching	398,187	407,665	376,339	203,042	140,493	368,410	396,316	327,998	311,215	409,587	33,105
(582) Station Expenses	867,256	1,090,483	1,326,021	1,187,897	960,021	835,153	839,604	900,835	977,905	1,032,853	83,338
(583) Overhead Line Expenses	4,454,290	4,526,843	3,585,448	3,515,187	6,023,279	2,986,850	4,646,115	3,739,557	5,113,226	3,433,395	303,549
(584) Underground Line Expenses	1,264,642	1,169,179	631,609	765,142	466,759	276,446	409,335	380,113	384,315	272,945	21,481
(585) Street Lighting and Signal System Expenses	89,394	41,052	969,183	897,822	79,679	2,588	501	5,530	50,605	9,981	32
(586) Meter Expenses	1,136,431	791,822	897,634	4,423,461	5,174,919	5,615,626	5,872,651	5,629,380	5,496,042	5,942,766	510,242
(587) Customer Installations Expenses	340,446	136,911	0	0	0	0	(276,630)	(224,263)	(219,344)	(162,146)	(5,727)
(588) Miscellaneous Expenses	4,869,080	3,190,030	3,419,649	3,752,751	4,580,906	3,752,955	2,881,295	2,651,266	3,371,056	2,768,018	134,735
(589) Rents	19,226	16,112	16,422	10,929	18,444	9,608	14,717	13,543	13,726	14,163	0
Total Distribution Operation	\$14,875,073	\$12,558,282	\$13,598,861	\$15,904,956	\$19,963,417	\$14,921,808	\$15,930,403	\$14,681,310	\$16,676,066	\$15,598,657	\$1,189,400
Other Gas Supply:											
(803) Natural Gas Transmission Line Purchases	\$217,508,335	\$203,381,767	\$194,881,631	\$261,119,927	\$283,884,510	\$408,909,101	\$269,873,519	\$264,066,702	\$391,701,564	\$201,254,917	\$14,358,558
Subtotal Gas Supply Operation	\$217,508,335	\$203,381,767	\$194,881,631	\$261,119,927	\$283,884,510	\$408,909,101	\$269,873,519	\$264,066,702	\$391,701,564	\$201,254,917	\$14,358,558
(806) Exchange Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,596,721)	\$5,373,563

Louisville Gas and Electric Company											
Case No. 2009-00549											
Summary of Annual Operation Expense											
For the Years 2000 - 2009, 2010 YTD as of 1/31/10											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Purchased Gas											
(807.1) Well Expenses--Purchased Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(807.4) Purchased Gas Calculations Expense	19,107	23,660	26,272	46,156	48,067	27,495	27,850	31,093	28,306	32,639	2,351
(807.5) Other Purchased Gas Expenses	452,872	538,109	519,489	575,578	539,764	583,943	517,822	607,933	614,882	646,237	48,125
Subtotal Purchased Gas - Gas Supply Operation	\$471,979	\$561,769	\$545,761	\$621,734	\$587,831	\$611,438	\$545,672	\$639,026	\$643,188	\$647,130	\$50,476
(808.1) Gas Withdrawn from Storage--Debit	\$36,912,167	\$56,062,750	\$48,490,703	\$52,662,273	\$72,250,407	\$86,484,451	\$120,999,754	\$89,306,021	\$96,820,314	\$102,519,717	\$14,572,165
(Less) (808.2) Gas Delivered to Storage--Credit	73,572,185	49,207,889	53,378,264	73,560,220	82,839,930	136,763,158	82,024,841	90,172,083	131,951,496	49,784,896	121,712
Gas Used in Utility Operations--Credit:											
(810) Gas Used for Compressor Station Fuel--Credit	(\$516,921)	(\$416,091)	(\$442,045)	(\$454,102)	(\$650,557)	(\$927,970)	(\$1,330,924)	(\$874,944)	(\$845,881)	(\$1,035,641)	(\$237,840)
(812) Gas Used for Other Utility Operations--Credit	(3,931,018)	(4,261,687)	(8,095,397)	(6,824,937)	(7,245,852)	(19,238,997)	(12,815,583)	(9,409,937)	(3,238,970)	(212,350)	(49,989)
Subtotal Gas Used in Utility Operations--Credit	(\$4,447,939)	(\$4,677,778)	(\$8,537,442)	(\$7,279,039)	(\$7,896,409)	(\$20,166,967)	(\$14,146,507)	(\$10,284,881)	(\$4,084,851)	(\$1,247,991)	(\$287,829)
(813) Other Gas Supply Expenses	40,029	44,516	105,869	35,923	26,673	33,167	35,865	37,436	21,915	13,112	0
Total Other Gas Supply Operation	\$196,912,386	\$206,165,135	\$182,108,258	\$233,600,598	\$266,013,082	\$339,108,032	\$295,283,462	\$253,592,221	\$353,150,634	\$249,805,268	\$33,945,221
Underground Storage:											
(814) Operation Supervision and Engineering	\$473,500	\$367,714	\$357,106	\$327,842	\$418,658	\$421,636	\$409,959	\$513,136	\$481,572	\$468,686	\$38,338
(816) Wells Expenses	0	0	0	0	0	0	15,353	451,307	127,957	(28,400)	14,071
(817) Lines Expenses	420,159	446,604	469,605	469,800	514,310	481,865	451,865	556,901	478,963	543,161	42,741
(818) Compressor Station Expenses	787,330	830,419	811,986	875,720	847,353	969,925	991,921	1,119,546	1,403,472	1,380,580	140,220
(819) Compressor Station Fuel and Power	478,513	388,937	403,325	443,778	621,261	784,791	1,125,500	799,964	798,502	1,014,162	218,378
(820) Measuring and Regulating Station Expenses	0	0	0	0	0	0	0	0	0	0	0
(821) Purification Expenses	896,515	967,605	929,544	1,072,079	1,216,142	1,199,184	1,681,221	1,488,374	1,483,510	1,676,085	276,438
(822) Exploration and Development	0	0	0	0	0	0	0	0	0	0	0
(823) Gas Losses	998,536	1,191,739	1,016,156	1,280,103	2,970,423	2,912,798	3,056,047	2,515,536	4,167,187	3,234,264	201,193
(824) Other Expenses	54,430	2,371	3,478	7,677	16,563	13,083	35,238	8,440	7,541	11,282	1,241
(825) Storage Well Royalties	53,190	46,347	55,794	51,806	51,859	52,832	48,530	45,556	39,484	44,665	2,018
(826) Rents	37,483	38,909	38,949	38,273	38,327	42,453	36,430	41,050	37,825	41,758	3,622
Total Underground Storage Operation	\$4,199,656	\$4,280,645	\$4,085,943	\$4,567,078	\$6,694,896	\$6,878,567	\$7,852,064	\$7,539,830	\$9,026,013	\$8,386,243	\$938,260
Transmission:											
(850) Operation Supervision and Engineering	\$15,547	\$24,516	\$10,327	\$15,632	\$6,344	\$14,431	\$17,599	\$4,418	\$19,395	\$3,582	\$0
(851) System Control and Load Dispatching	236,120	206,327	230,492	227,071	240,718	250,269	255,329	266,246	252,926	266,294	21,028
(852) Communication System Expenses	0	0	0	0	101	332	29	0	0	0	0
(856) Means Expenses	289,032	190,257	160,845	251,733	228,587	227,822	240,187	340,205	254,529	267,743	11,494
(859) Other Expenses	51,260	44,593	36,097	875	0	0	0	0	0	0	0
(860) Rents	2,569	8,690	3,089	5,576	6,396	3,290	4,770	5,232	6,484	5,798	402
Total Transmission Operation	\$594,528	\$474,383	\$440,850	\$500,887	\$482,146	\$496,144	\$517,914	\$616,101	\$533,334	\$543,417	\$32,924

Louisville Gas and Electric Company											
Case No. 2009-00549											
Summary of Annual Operation Expense											
For the Years, 2000 - 2009, 2010 YTD as of 1/31/10											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Distribution:											
(870) Operation Supervision and Engineering	\$915,854	\$241,370	\$85,943	\$25,269	\$32,417	\$0	\$0	\$0	\$0	\$0	\$0
(871) Distribution Load Dispatching	376,806	296,721	323,517	321,548	340,911	341,299	347,104	365,534	352,916	371,306	29,781
(874) Mains and Services Expense	1,696,322	1,986,773	2,121,387	1,794,916	2,069,252	2,555,044	2,449,620	3,044,727	3,483,039	3,330,255	124,728
(875) Measuring & Regulating Station Exp--General	495,554	600,336	512,313	462,976	474,506	567,497	483,487	616,389	675,477	639,049	18,313
(876) Measuring & Regulating Station Exp--Industrial	130,732	281,012	288,097	260,001	266,862	283,882	324,928	315,384	275,412	274,510	66,382
(877) Measuring and Regulating Station Exp--City Gate											
Check Station	273,868	363,994	384,601	191,584	151,592	156,762	174,979	137,312	198,439	167,102	31,302
(878) Meter and House Regulator Expenses	1,173,089	835,274	106,480	33,113	53,439	68,917	51,773	24,985	81,239	75,500	3,400
(879) Customer Installations Expenses	2,067,337	1,478,115	309,525	239,682	316,429	258,861	214,842	200,748	334,813	392,507	26,115
(880) Other Expenses	2,265,500	2,336,006	2,302,437	3,290,220	3,411,559	2,883,881	3,127,914	3,069,139	3,047,863	3,296,862	217,119
(881) Rents	84,231	99,331	96,421	5,596	10,393	13,801	9,963	9,799	9,517	10,165	0
Total Distribution Operation	\$9,429,293	\$8,518,932	\$6,530,721	\$6,624,905	\$7,127,360	\$7,129,944	\$7,184,610	\$7,784,017	\$8,458,715	\$8,557,256	\$517,140
Customer Accounts:											
(901) Supervision	\$1,030,412	\$82,090	\$81,300	\$546,330	\$737,383	\$1,334,540	\$1,349,173	\$1,204,478	\$1,213,781	\$1,497,294	\$140,324
(902) Meter Reading Expenses	3,688,193	3,311,696	3,771,473	4,061,984	3,627,536	3,433,204	3,665,422	3,611,020	3,699,415	3,912,558	240,405
(903) Customer Records and Collection Expenses	7,423,781	3,792,080	4,635,615	7,573,560	7,549,522	7,809,808	7,953,144	8,443,826	8,411,802	9,658,030	720,552
(904) Uncollectible Accounts	2,803,157	4,952,786	4,393,427	5,957,044	1,428,375	3,102,699	4,120,009	1,694,612	3,623,668	4,345,272	838,229
(905) Miscellaneous Customer Accounts Expenses	964,183	775,366	1,093,402	713,217	664,467	454,563	401,185	349,867	565,471	644,313	40,787
Total Customer Accounts Operation	\$15,909,726	\$12,914,018	\$13,975,217	\$18,852,135	\$14,007,283	\$16,134,814	\$17,488,933	\$15,303,803	\$17,514,137	\$20,057,467	\$1,980,297
Customer Service and Informational:											
(907) Supervision	\$109,291	\$64,113	\$74,132	\$196,865	\$248,307	\$221,849	\$320,105	\$216,550	\$195,758	\$180,021	\$16,642
(908) Customer Assistance Expenses	1,399,527	961,084	3,354,958	5,898,951	5,376,665	5,357,095	5,405,894	6,359,005	1,556,700	11,574,808	1,109,347
(909) Informational and Instructional Expenses	291,803	567,132	6,445	125,099	270,534	318,960	496,023	571,516	162,275	181,699	100
(910) Misc Customer Service & Informational Exps	16,550	0	0	403,183	441,253	302,570	225,484	959,149	1,899,055	2,973,915	15,625
Total Customer Service & Informational Operation	\$1,817,171	\$1,592,329	\$3,435,535	\$6,624,098	\$6,336,759	\$6,200,474	\$6,447,506	\$8,106,220	\$3,813,788	\$14,910,443	\$1,141,714
Sales:											
(911) Supervision	\$65,606	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(912) Demonstrating and Selling Expenses	2,148,865	27,244	0	179,417	372,547	0	0	0	0	7,960	0
(913) Advertising Expenses	4,632	(84)	1,855	2,840	4,269	5,167	3,167	66,398	58,506	52,319	3,983
(916) Miscellaneous Sales Expenses	124,534	2,121	0	0	0	0	0	0	0	0	0
Total Sales Operation	\$2,343,637	\$29,281	\$1,855	\$182,257	\$376,816	\$5,167	\$3,167	\$66,398	\$58,506	\$60,279	\$3,983

Louisville Gas and Electric Company											
Case No. 2009-00549											
Summary of Annual Operation Expense											
For the Years 2000 - 2009, 2010 YTD as of 1/31/10											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	JAN 2010
Administrative and General:											
(920) Administrative and General Salaries	\$12,195,050	\$1,818,859	\$1,397,963	\$245,673	\$18,977,907	\$15,866,000	\$15,565,537	\$16,800,944	\$16,715,284	\$17,778,414	\$1,432,977
(921) Office Supplies and Expenses	1,853,279	963,973	635,910	602,331	7,162,313	9,547,196	8,027,651	7,810,963	6,815,600	5,046,595	463,483
(Less) (922) Administrative Expenses Transferred-Credit	2,611,045	1,749,604	1,498,835	1,158,753	1,962,837	1,701,187	1,720,023	1,861,756	2,784,023	2,657,077	168,556
(923) Outside Services Employed	5,901,027	40,460,711	41,007,112	33,547,054	7,332,238	6,703,239	5,638,241	6,332,322	5,568,510	7,110,377	243,885
(924) Property Insurance	1,032,814	1,895,922	4,112,364	4,582,102	4,495,038	3,764,301	3,299,917	3,413,437	3,116,665	3,614,433	413,421
(925) Injuries and Damages	2,520,918	1,050,091	3,723,377	1,652,076	1,711,155	3,447,543	2,187,185	2,590,515	1,777,753	2,231,084	(244,441)
(926) Employee Pensions and Benefits	7,260,160	16,237,003	19,760,904	23,742,258	22,083,652	26,782,097	31,299,071	25,347,077	27,998,731	47,689,879	3,931,224
(927) Franchise Requirements	442,511	454,662	467,399	474,071	487,758	511,376	524,770	535,954	562,628	580,705	46,283
(928) Regulatory Commission Expenses	831,660	357,974	380,731	146,431	182,435	156,406	15,964	929,466	758,033	1,092,744	12,270
(929) (Less) Duplicate Charges-Cr.	444,348	622,849	456,979	484,516	629,519	729,950	1,193,328	823,070	907,376	1,086,049	164,036
(930.1) General Advertising Expenses	17,370	77,400	772,371	276,892	360,063	573,981	363,738	351,632	474,275	483,690	46,726
(930.2) Miscellaneous General Expenses	6,671,029	20,613,073	36,964,976	33,769,695	31,883,435	31,934,721	9,625,279	1,086,686	1,769,982	1,605,349	418,004
(931) Rents	3,519,002	34,944	17,629	0	1,124,547	1,284,914	1,593,527	1,599,268	1,700,445	1,789,537	167,484
Total Adm. and General Operation	\$39,189,427	\$81,592,159	\$107,284,922	\$97,395,314	\$93,208,185	\$98,140,637	\$75,227,529	\$64,113,458	\$63,566,507	\$83,279,681	\$6,598,824
Total Annual Operation Expense:	\$589,340,316	\$614,935,370	\$673,305,661	\$727,470,280	\$779,924,956	\$987,426,902	\$891,529,396	\$826,345,484	\$1,009,662,691	\$855,540,524	\$87,561,492
Total Annual Maintenance Expense	\$63,708,979	\$58,687,685	\$56,782,185	\$57,170,121	\$72,782,604	\$63,568,335	\$79,035,653	\$82,541,994	\$94,525,844	\$96,204,956	\$5,950,316
Total Operation and Maintenance Expense	\$653,049,295	\$673,623,055	\$730,087,846	\$784,640,401	\$852,707,560	\$1,050,995,237	\$970,565,049	\$908,887,478	\$1,104,188,535	\$951,745,480	\$93,511,808
Operations Expense Variance \$ to Prior Year	(\$8,932,461)	\$25,595,054	\$58,370,291	\$54,164,619	\$52,454,676	\$207,501,946	(\$95,897,506)	(\$65,183,912)	\$183,317,207	(\$154,122,167)	
Operations Expense Variance % to Prior Year	(1.49%)	4.34%	9.49%	8.04%	7.21%	26.61%	(9.71%)	(7.31%)	22.18%	(15.26%)	
Maintenance & Operations Exp Var \$ to Prior Year	(\$3,342,116)	\$20,573,760	\$56,464,791	\$54,552,555	\$68,067,159	\$198,287,677	(\$80,430,188)	(\$61,677,571)	\$195,301,057	(\$152,443,055)	
Maintenance & Operations Exp Var % to Prior Year	(0.51%)	3.15%	8.38%	7.47%	8.67%	23.25%	(7.65%)	(6.35%)	21.49%	(13.81%)	

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 150

Responding Witness: Shannon L. Charnas

Q-150. Penalties and fines. List and describe any and all penalties and fines in the test period and the preceding three years. Indicate in which account each such item was recorded.

A-150. See attached.

**Louisville Gas & Electric Company
Penalties and Fines**

Test Period			
<u>Period</u>	<u>Account</u>	<u>Amount</u>	<u>Description</u>
Nov-08	426301	\$ 2,812	Late state payroll tax deposit
Apr-09	426301	350,000	FERC Civil Penalty Settlement
Aug-09	426301	200	Civil Penalty for Electric Safety Code
Aug-09	426301	10	Gross Receipts Late payment
Total		\$ 353,022	

2008			
<u>Period</u>	<u>Account</u>	<u>Amount</u>	<u>Description</u>
Feb-08	426301	\$ 21	Insurance Penalty
Jun-08	426301	71,628	SERC Penalty Payment
Jul-08	426301	319	Delinquent Tax Payment penalty
Sep-08	426301	62,188	SERC Reliability Penalty
Sep-08	426301	22,860	SERC Reliability Penalty
Nov-08	426301	2,812	Late state payroll tax deposit
Total		\$ 159,828	

2007			
<u>Period</u>	<u>Account</u>	<u>Amount</u>	<u>Description</u>
Aug-07	930209	\$ 1,209	Late state payroll tax deposit
Aug-07	930209	2,173	Late state payroll tax deposit
Sep-07	930209	3,789	Late state payroll tax deposit
Oct-07	426301	6,861	Interest payment on late charges
Total		\$ 14,032	

2006			
<u>Period</u>	<u>Account</u>	<u>Amount</u>	<u>Description</u>
		None	

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 151

Responding Witness: Paula H. Pottinger, Ph.D.

- Q-151. List all productivity savings expected to be realized by the Company as a result of increased employee experience.
- A-151. The Company has not completed any productivity studies relative to increased employee experience.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 152

Responding Witness: Shannon L. Charnas

Q-152. List each facility, location and asset which is included as rental expense. For each item include a description, the annual or monthly rental rate, the account and amount included in the base and test period expense.

A-152. See attached.

Louisville Gas & Electric Company
Rental Expenses

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period Expense (\$)
Copier - C253	Auburndale - Telecom	90	Monthly	921	1,080
Copier - 350 w/fax	Auburndale 2 Inv. Mgmt.	95	Monthly	921	1,137
Copier - 350	Auburndale ESDT Design	86	Monthly	921	1,029
Copier - 350	BOC 1 Facilities Maintenance	86	Monthly	921	1,029
Copier - C253	BOC 1 Fin & Adm	90	Monthly	921	1,080
Copier - C253	BOC 1 Pay As You Go	90	Monthly	921	1,080
Copier - 350	BOC 2 Procurement	86	Monthly	921	1,029
Copier - 350 w/fax	BOC 2 RR0W	95	Monthly	921	1,137
Copier - C253	BOC LL - ED IT	90	Monthly	921	1,080
Copier - C253	Cane Run Machine/IE	90	Monthly	921	1,080
Copier - 350	Cane Run Planners Office	86	Monthly	921	1,029
Copier - C253	Carrollton Business Office	90	Monthly	921	1,080
Copier - C451	East Service Center - Design	86	Monthly	921	1,029
Copier - C451	East Service Center Electric Side	86	Monthly	921	1,029
Copier - C451	EONUSC 04 Fuels	153	Monthly	921	1,837
Copier - C451 w/hole punch	EONUSC 05 - Rates	153	Monthly	921	1,837
Copier - C253	EONUSC 05 - Transmission	157	Monthly	921	1,887
Copier - 350	EONUSC 07 - South	90	Monthly	921	1,080
Copier - C451	EONUSC 09 Central Services	86	Monthly	921	1,029
Copier - 350	EONUSC 09 Property Acct	153	Monthly	921	1,837
Copier - 350	EONUSC 10	86	Monthly	921	1,029
Copier - 350	EONUSC 11 Communications	86	Monthly	921	1,029
Copier - C253	EONUSC 16	86	Monthly	921	1,029
Copier - 350	Mill Creek - Warehouse	90	Monthly	921	1,080
Copier - 350	Trimble Co - 5Th Floor	86	Monthly	921	1,029
Copier - 350	Trimble Co Wholesale 4Th Fl	86	Monthly	921	1,029
Copier - CC35	Auburndale - Gas Reg Compliance	16	Monthly	921	188
Copier - CC35	Auburndale 2 Inv Mgmt.	16	Monthly	921	188
Copier - CC35	Auburndale ES & D-ASX	16	Monthly	921	188
Copier - CC35	Auburndale ESDT Design	16	Monthly	921	188
Copier - CC35	Auburndale Garage	16	Monthly	921	188
Copier - CC35	Auburndale Rubber Good Labs	16	Monthly	921	188
Copier - WCP416P	Auburndale System Reg. And Ops.	16	Monthly	921	188
Copier - WCP416P	Bardstown Gas Dept	16	Monthly	921	188
Copier - CC35	BOC 1 - Facilities Maintenance	16	Monthly	921	188
Copier - WC15PL	BOC 1 - Pay As You Go	4	Monthly	921	51
Copier - WC15PL	BOC 1 Cashier Walk In	4	Monthly	921	51
Copier - CC35	BOC 1 Corporate Security	16	Monthly	921	188
Copier - CC35	BOC 1 Electric Trouble	16	Monthly	921	188
Copier - CC35	BOC 1 Gas Dept.	16	Monthly	921	188
Copier - WCP416P	BOC 1 Help Desk	16	Monthly	921	188
Copier - WC15PL	BOC 1 It	4	Monthly	921	51

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Copier - WC15PL	BOC 1 Revenue Collection	4	Monthly 921	51
Copier - WC15PL	BOC 1 Revenue Protect	4	Monthly 921	51
Copier - CC232	BOC 1St Floor	18	Monthly 921	217
Copier - WC35H	BOC 2	17	Monthly 921	200
Copier - CC35	BOC 2 Accounts Payable	16	Monthly 921	188
Copier - CC35	BOC 2 Asset Management	16	Monthly 921	188
Copier - CC35	BOC 2 Commuting Architecture	16	Monthly 921	188
Copier - CC35	BOC 2 It Operations	16	Monthly 921	188
Copier - CC35	BOC 2 It Services	16	Monthly 921	188
Copier - CC35	BOC 2 Procurement	16	Monthly 921	188
Copier - CC35	BOC 3 Cust. Service	16	Monthly 921	188
Copier - CC35	BOC 3 Customer Accounting	16	Monthly 921	188
Copier - CC35	BOC 3 Project Engineering	16	Monthly 921	188
Copier - CC232H	BOC 3Rd Floor	18	Monthly 921	217
Copier - CC35	BOC Metering	16	Monthly 921	188
Copier - CC245H	Cane Run	70	Monthly 921	839
Copier - WC15PL	Cane Run Coal Yard	4	Monthly 921	51
Copier - WC15PL	Cane Run Machine I/E	4	Monthly 921	51
Copier - CC35	Cane Run Planners Office	16	Monthly 921	188
Copier - CC35	Cane Run Training	16	Monthly 921	188
Copier - WCP416P	Cane Run Wholesale Electric	16	Monthly 921	188
Copier - CC35	East Service Center	16	Monthly 921	188
Copier - CC35	East Service Center	16	Monthly 921	188
Copier - WC15PL	East Service Center - Garage	4	Monthly 921	51
Copier - WC15PL	East Service Center - Training	4	Monthly 921	51
Copier - CC35	East Service Center - Training	16	Monthly 921	188
Copier - CC35	EONUSC 10Th	16	Monthly 921	188
Copier - CC35	EONUSC 10Th	16	Monthly 921	188
Copier - CC35	EONUSC 11Th	16	Monthly 921	188
Copier - CC55H	EONUSC 11Th Legal	34	Monthly 921	405
Copier - CC55H	EONUSC 14Th	34	Monthly 921	405
Copier - CC35	EONUSC 15Th Vic Staffieri	16	Monthly 921	188
Copier - CC35	EONUSC 16Th	16	Monthly 921	188
Copier - CC45H	EONUSC 16Th	19	Monthly 921	228
Copier - CC118	EONUSC 1St Document Center	18	Monthly 921	211
Copier - CC35D	EONUSC 4Th	16	Monthly 921	188
Copier - WC15PL	EONUSC 5Th	4	Monthly 921	51
Copier - CC55H	EONUSC 5Th	34	Monthly 921	405
Copier - CC35	EONUSC 5Th Central Services	16	Monthly 921	188
Copier - CC35	EONUSC 8Th Generation Services	16	Monthly 921	188
Copier - WC15PL	EONUSC 8Th Generation Services	16	Monthly 921	188
Copier - CC35	EONUSC 6Th It Moved From Waterside 4 It Security	4	Monthly 921	51
Copier - CC35	EONUSC 6Th It Service Delivery	16	Monthly 921	188
Copier - CC35	EONUSC 7Th	16	Monthly 921	188
Copier - CC35	EONUSC 7Th	16	Monthly 921	188
Copier - CC35	EONUSC 8Th Energy Marketing	16	Monthly 921	188
Copier - WC15PL	EONUSC 8Th Generation Services	4	Monthly 921	51

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period Expense (\$)
Copier - CC35	EONUSC 9Th	16	Monthly	921	188
Copier - CC35	EONUSC 9Th	16	Monthly	921	188
Copier - CC35	Jennings Ln Transformer - T.C.	16	Monthly	921	188
Copier - WCP416P	Magnolia	16	Monthly	921	188
Copier - WC15PL	Mc Guard Shack	4	Monthly	921	51
Copier - WC15PL	Mill Creek	4	Monthly	921	51
Copier - WCP416P	Mill Creek Cent. Mtc. Shop.	16	Monthly	921	188
Copier - WC15PL	Mill Creek Coal Generation	4	Monthly	921	51
Copier - WC15PL	Mill Creek Control Room	4	Monthly	921	51
Copier - WC15PL	Mill Creek Control Room	4	Monthly	921	51
Copier - WC15PL	Mill Creek Mechanical Maintenance	4	Monthly	921	51
Copier - CC35D	Mill Creek Planners Office	16	Monthly	921	188
Copier - WCP416P	Mill Creek Plant	16	Monthly	921	188
Copier - CC35D	Mill Creek Station	16	Monthly	921	188
Copier - CC35	Mill Creek Training	17	Monthly	921	200
Copier - WCP416P	Muldraugh	16	Monthly	921	188
Copier - WC15PL	Muldraugh Gas Storage	16	Monthly	921	188
Copier - WC15PL	Ohio Falls	4	Monthly	921	51
Copier - WCP416P	Ohio Falls	4	Monthly	921	51
Copier - CC35	Ohio Falls	16	Monthly	921	188
Copier - CC35	Simpsonville Moved From Waterside Transmission Dept.	16	Monthly	921	188
Copier - CC35	Trimble County	16	Monthly	921	188
Copier - CC35	Trimble County 4Th Floor	16	Monthly	921	188
Copier - WCP416P	Trimble County Combustion	16	Monthly	921	188
Copier - WCP416P	Trimble County Control Room	16	Monthly	921	188
Copier - WC15PL	Trimble County Guard Shack	16	Monthly	921	188
Copier - WC15PL	Trimble County Lab	4	Monthly	921	51
Copier - WC15PL	Trimble County Procurement	4	Monthly	921	51
Copier - WC15PL	Trimble County Warehouse	4	Monthly	921	51
Copier - C253	Trimble County Warehouse	4	Monthly	921	51
Copier - C253	KU - Local Office Dept	90	Monthly	921	1,080
Copier - CC35	KU - Morganfield	90	Monthly	921	1,080
Copier - CC35	Brown Power Station Floor 1 - Harrodsburg	16	Monthly	921	188
Copier - CC35	Brown Power Station Floor 2 - Harrodsburg	16	Monthly	921	188
Copier - WCP416P	Campbellsville Office	16	Monthly	921	188
Copier - WC15PL	Carrollton Business Office	4	Monthly	921	51
Copier - CC35	Earlington Operations	16	Monthly	921	188
Copier - WCM118i	Eddyville	43	Monthly	921	514
Copier - WC15PL	Elizabethtown	4	Monthly	921	51
Copier - CC35	Green River	16	Monthly	921	188
Copier - CC35	Greenville	16	Monthly	921	188
Copier - WCP416P	Harlan	16	Monthly	921	188
Copier - WCP416P	KU Richmond Store Room	16	Monthly	921	188
Copier - WCP416P	London Crew Center	16	Monthly	921	188
Copier - CC35	Maysville	16	Monthly	921	188
Copier - WCP416P	Maysville	16	Monthly	921	188
Copier - WCP416P	Morehead	16	Monthly	921	188
Copier - CC118	Morganfield	18	Monthly	921	211

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Copier - CC35	Mt. Sterling	16	Monthly 921	188
Copier - WCP416P	Mt. Sterling Store Room	16	Monthly 921	188
Copier - CC35	One Quality 1st Floor Facilities	16	Monthly 921	188
Copier - CC35	One Quality 2nd Floor Remittance Processing	16	Monthly 921	188
Copier - CC35	One Quality 3rd Floor Transmission/Generation Svcs	16	Monthly 921	188
Copier - CC35	One Quality 4th Floor	16	Monthly 921	188
Copier - WC15PL	One Quality 4th Floor	4	Monthly 921	51
Copier - CC35	One Quality 4th Floor Distribution	16	Monthly 921	188
Copier - WC15PL	One Quality 4th Floor Local Office Dept	4	Monthly 921	51
Copier - CC35	One Quality 5th Floor Customer Acctg.	16	Monthly 921	188
Copier - CC35	One Quality 9th Floor It	16	Monthly 921	188
Copier - WCP416P	Paris	16	Monthly 921	188
Copier - WCP416P	Pineville Office	16	Monthly 921	188
Copier - CC35	Pineville Storage Room	16	Monthly 921	188
Copier - WC15PL	Richmond	4	Monthly 921	51
Copier - WC15PL	Shelbyville Business Office	4	Monthly 921	51
Copier - WC15PL	Somerset	4	Monthly 921	51
Copier - WC15PL	Somerset	4	Monthly 921	51
Copier - WCP416P	Versailles 5	16	Monthly 921	188
Rail Cars				
Rail Cars	Mill Creek/ Cane Run	47,400	Monthly	151 ¹
Rail Cars	Mill Creek/ Cane Run	31,600	Monthly	151 ¹
Real Estate				
Real Estate - Building	220 West Main Street, Louisville, KY	149,966	Monthly	931
Real Estate - Parking spaces	9th and Broadway (behind L&N Bldg), Louisville, KY	3,000	Monthly	902
Telecom				
Telecom - Site tower space	Elizabethtown	1,920	Annually	921
Telecom - Site tower space	Vansant, VA	1,200	Annually	921
Telecom - Site tower space	Munfordville	25	Annually	921
Telecom - Site tower space	London	2,087	Annually	921
Telecom - Site tower space	Morehead	2,400	Annually	921
Telecom - Site tower space	Mr. Sterling	2,400	Annually	921
Telecom - Site tower space	St. Charles, VA	1,200	Annually	921
Telecom - Site tower space	Estill County	900	Annually	921
Telecom - Site tower space	Louisville	8,000	Annually	921
Vehicles				
Vehicle Crane Trucks	Auburndale Service Center	3,578	Monthly	184 ²
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	1,921	Monthly	184 ²
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	1,420	Monthly	184 ²
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	1,420	Monthly	184 ²
Vehicle Medium & Heavy Duty Truck	East Service Center	1,420	Monthly	184 ²
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	1,420	Monthly	184 ²
Vehicle Aerial Lift Truck	Auburndale Service Center	2,666	Monthly	184 ²
Vehicle Aerial Lift Truck	East Service Center	1,755	Monthly	184 ²

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Vehicle Aerial Lift Truck	Aubumdale Service Center	1,801	Monthly 184 ²	17,182
Vehicle Aerial Lift Truck	Aubumdale Service Center	1,755	Monthly 184 ²	24,190
Vehicle Aerial Lift Truck	Aubumdale Service Center	1,801	Monthly 184 ²	24,818
Vehicle Aerial Lift Truck	Aubumdale Service Center	1,801	Monthly 184 ²	24,818
Vehicle Aerial Lift Truck	South Service Center	1,467	Monthly 184 ²	18,660
Vehicle Medium & Heavy Duty Truck	Aubumdale Service Center	1,507	Monthly 184 ²	19,169
Vehicle Medium & Heavy Duty Truck	East Service Center	1,507	Monthly 184 ²	19,169
Vehicle Medium & Heavy Duty Truck	Aubumdale Service Center	1,260	Monthly 184 ²	16,027
Vehicle Medium & Heavy Duty Truck	East Service Center	1,260	Monthly 184 ²	16,027
Vehicle Medium & Heavy Duty Truck	East Service Center	1,260	Monthly 184 ²	16,027
Vehicle Medium & Heavy Duty Truck	Aubumdale Service Center	1,260	Monthly 184 ²	16,027
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,786	Monthly 184 ²	35,438
Vehicle Aerial Lift Truck	Aubumdale Service Center	3,132	Monthly 184 ²	39,839
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,766	Monthly 184 ²	35,184
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,563	Monthly 184 ²	32,601
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,583	Monthly 184 ²	32,856
Vehicle Aerial Lift Truck	Aubumdale Service Center	4,228	Monthly 184 ²	53,780
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,465	Monthly 184 ²	32,665
Vehicle Digger Derrick Truck/Mini	Aubumdale Service Center	2,505	Monthly 184 ²	31,864
Vehicle Aerial Lift Truck	East Service Center	2,553	Monthly 184 ²	32,474
Vehicle Aerial Lift Truck	East Service Center	2,422	Monthly 184 ²	31,876
Vehicle Aerial Lift Truck	East Service Center	2,422	Monthly 184 ²	31,876
Vehicle Aerial Lift Truck	East Service Center	4,171	Monthly 184 ²	53,055
Vehicle Aerial Lift Truck	East Service Center	4,228	Monthly 184 ²	53,780
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,041	Monthly 184 ²	30,282
Vehicle Aerial Lift Truck	East Service Center	2,148	Monthly 184 ²	27,323
Vehicle Aerial Lift Truck	East Service Center	2,148	Monthly 184 ²	27,323
Vehicle Aerial Lift Truck	Aubumdale Service Center	2,349	Monthly 184 ²	34,855
Vehicle Aerial Lift Truck	East Service Center	2,380	Monthly 184 ²	30,274
Vehicle Aerial Lift Truck	East Service Center	2,380	Monthly 184 ²	30,274
Vehicle Aerial Lift Truck	Aubumdale Service Center	3,920	Monthly 184 ²	49,866
Vehicle Aerial Lift Truck	East Service Center	3,920	Monthly 184 ²	49,866
Vehicle Aerial Lift Truck	East Service Center	3,920	Monthly 184 ²	49,866
Vehicle Aerial Lift Truck	East Service Center	3,920	Monthly 184 ²	49,866
Vehicle Aerial Lift Truck	Aubumdale Service Center	3,913	Monthly 184 ²	49,773
Vehicle Aerial Lift Truck	Aubumdale Service Center	3,913	Monthly 184 ²	49,773
Vehicle Aerial Lift Truck	South Service Center	2,155	Monthly 184 ²	27,407
Vehicle Medium & Heavy Duty Truck	East Service Center	1,618	Monthly 184 ²	20,581
Vehicle Medium & Heavy Duty Truck	Aubumdale Service Center	1,618	Monthly 184 ²	20,581

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Vehicle Aerial Lift Truck	East Service Center	1,988	Monthly 184 ²	4,215
Vehicle Aerial Lift Truck	Auburndale Service Center	1,988	Monthly 184 ²	4,215
Vehicle Aerial Lift Truck	Auburndale Service Center	1,988	Monthly 184 ²	4,215
Vehicle Digger Derrick Truck/Mini	Auburndale Service Center	2,249	Monthly 184 ²	4,768
Vehicle Digger Derrick Truck/Mini	East Service Center	2,291	Monthly 184 ²	4,857
Vehicle Crane Trucks	Auburndale Service Center	3,004	Monthly 184 ²	31,312
Vehicle Wire Tensioner/Cable/Reel	Auburndale Service Center	1,654	Monthly 184 ²	10,321
Vehicle Wire Tensioner/Cable/Reel	Auburndale Service Center	1,550	Monthly 184 ²	19,716
Vehicle Wire Tensioner/Cable/Reel	Auburndale Service Center	1,965	Monthly 184 ²	10,650
Vehicle Vans	Auburndale Service Center	841	Monthly 184 ²	11,342
Vehicle Vans	Auburndale Service Center	841	Monthly 184 ²	11,342
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	602	Monthly 184 ²	8,305
Vehicle Medium & Heavy Duty Truck	Magnolia Station	602	Monthly 184 ²	8,305
Vehicle Medium & Heavy Duty Truck	Magnolia Station	748	Monthly 184 ²	10,167
Vehicle Light-Duty Utility Truck	Broadway Office	315	Monthly 184 ²	4,657
Vehicle Light-Duty Utility Truck	Broadway Office	356	Monthly 184 ²	5,173
Vehicle Vans	Auburndale Service Center	322	Monthly 184 ²	4,701
Vehicle Vans	Auburndale Service Center	296	Monthly 184 ²	4,410
Vehicle Vans	Auburndale Service Center	293	Monthly 184 ²	4,378
Vehicle Vans	Broadway Office	409	Monthly 184 ²	5,851
Vehicle Light-Duty Utility Truck	Broadway Office	334	Monthly 184 ²	4,849
Vehicle Light-Duty Utility Truck	LG&E Building	367	Monthly 184 ²	5,295
Vehicle Light-Duty Utility Truck	Magnolia Station	364	Monthly 184 ²	5,273
Vehicle Light-Duty Utility Truck	Broadway Office	333	Monthly 184 ²	4,849
Vehicle Light-Duty Utility Truck	Auburndale Service Center	375	Monthly 184 ²	5,295
Vehicle Light-Duty Utility Truck	Broadway Office	447	Monthly 184 ²	4,753
Vehicle Light-Duty Utility Truck	Broadway Office	372	Monthly 184 ²	5,387
Vehicle Light-Duty Utility Truck	Broadway Office	498	Monthly 184 ²	4,753
Vehicle Light-Duty Utility Truck	Broadway Office	321	Monthly 184 ²	4,730
Vehicle Light-Duty Utility Truck	Broadway Office	447	Monthly 184 ²	4,753
Vehicle Light-Duty Utility Truck	Broadway Office	498	Monthly 184 ²	4,753
Vehicle Light-Duty Utility Truck	Broadway Office	372	Monthly 184 ²	5,386
Vehicle Light-Duty Utility Truck	Broadway Office	389	Monthly 184 ²	5,480
Vehicle Light-Duty Utility Truck	Broadway Office	462	Monthly 184 ²	5,303
Vehicle Light-Duty Utility Truck	Broadway Office	388	Monthly 184 ²	5,469
Vehicle Light-Duty Utility Truck	Broadway Office	388	Monthly 184 ²	5,478
Vehicle Light-Duty Utility Truck	Broadway Office	389	Monthly 184 ²	5,499
Vehicle Light-Duty Utility Truck	Magnolia Station	424	Monthly 184 ²	6,036
Vehicle Light-Duty Utility Truck	Auburndale Service Center	422	Monthly 184 ²	6,020

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period Expense (\$)
Vehicle Light-Duty Utility Truck	East Service Center	422	Monthly	184 ²	6,020
Vehicle Light-Duty Utility Truck	Muldrough Station	406	Monthly	184 ²	5,813
Vehicle Light-Duty Utility Truck	Auburdale Service Center	382	Monthly	184 ²	5,509
Vehicle Light-Duty Utility Truck	Auburdale Service Center	406	Monthly	184 ²	5,813
Vehicle Light-Duty Utility Truck	East Service Center	348	Monthly	184 ²	5,072
Vehicle Light-Duty Utility Truck	Auburdale Service Center	320	Monthly	184 ²	4,713
Vehicle Medium & Heavy Duty Truck	East Service Center	453	Monthly	184 ²	6,407
Vehicle Medium & Heavy Duty Truck	Auburdale Service Center	453	Monthly	184 ²	6,407
Vehicle Medium & Heavy Duty Truck	Auburdale Service Center	407	Monthly	184 ²	5,826
Vehicle Light-Duty Utility Truck	Muldrough Station	355	Monthly	184 ²	5,162
Vehicle Light-Duty Utility Truck	Auburdale Service Center	374	Monthly	184 ²	5,412
Vehicle Light-Duty Utility Truck	Auburdale Service Center	321	Monthly	184 ²	4,736
Vehicle Light-Duty Utility Truck	East Service Center	318	Monthly	184 ²	4,689
Vehicle Light-Duty Utility Truck	East Service Center	321	Monthly	184 ²	4,736
Vehicle Light-Duty Utility Truck	Auburdale Service Center	351	Monthly	184 ²	5,109
Vehicle Light-Duty Utility Truck	East Service Center	416	Monthly	184 ²	4,458
Vehicle Light-Duty Utility Truck	Auburdale Service Center	416	Monthly	184 ²	4,458
Vehicle Light-Duty Utility Truck	Auburdale Service Center	351	Monthly	184 ²	4,690
Vehicle Light-Duty Utility Truck	Auburdale Service Center	299	Monthly	184 ²	4,613
Vehicle Light-Duty Utility Truck	East Service Center	418	Monthly	184 ²	5,944
Vehicle Light-Duty Utility Truck	Broadway Office	418	Monthly	184 ²	4,461
Vehicle Light-Duty Utility Truck	Auburdale Service Center	351	Monthly	184 ²	5,109
Vehicle Light-Duty Utility Truck	Auburdale Service Center	417	Monthly	184 ²	4,469
Vehicle Light-Duty Utility Truck	East Service Center	312	Monthly	184 ²	4,617
Vehicle Light-Duty Utility Truck	Auburdale Service Center	347	Monthly	184 ²	5,059
Vehicle Light-Duty Utility Truck	Auburdale Service Center	411	Monthly	184 ²	5,875
Vehicle Medium & Heavy Duty Truck	Auburdale Service Center	411	Monthly	184 ²	5,875
Vehicle Medium & Heavy Duty Truck	East Service Center	456	Monthly	184 ²	6,453
Vehicle Medium & Heavy Duty Truck	Auburdale Service Center	413	Monthly	184 ²	5,908
Vehicle Medium & Heavy Duty Truck	East Service Center	457	Monthly	184 ²	6,456
Vehicle Medium & Heavy Duty Truck	East Service Center	456	Monthly	184 ²	6,453
Vehicle Light-Duty Utility Truck	Auburdale Service Center	493	Monthly	184 ²	6,919
Vehicle Light-Duty Utility Truck	East Service Center	347	Monthly	184 ²	5,059
Vehicle Light-Duty Utility Truck	Broadway Office	297	Monthly	184 ²	4,425
Vehicle Light-Duty Utility Truck	Auburdale Service Center	302	Monthly	184 ²	4,486
Vehicle Light-Duty Utility Truck	Broadway Office	302	Monthly	184 ²	4,486
Vehicle Light-Duty Utility Truck	Broadway Office	302	Monthly	184 ²	4,486
Vehicle Light-Duty Utility Truck	Broadway Office	347	Monthly	184 ²	5,059
Vehicle Light-Duty Utility Truck	Broadway Office	347	Monthly	184 ²	5,059
Vehicle Light-Duty Utility Truck	Broadway Office	401	Monthly	184 ²	5,743

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period	
					Expense (\$)	Expense (\$)
Vehicle Light-Duty Utility Truck	Broadway Office	395	Monthly	184 ²	5,673	5,673
Vehicle Light-Duty Utility Truck	Broadway Office	386	Monthly	184 ²	5,559	5,559
Vehicle Light-Duty Utility Truck	Broadway Office	348	Monthly	184 ²	5,071	5,071
Vehicle Light-Duty Utility Truck	Auburndale Service Center	444	Monthly	184 ²	4,723	4,723
Vehicle Medium & Heavy Duty Truck	Bardstown Office	590	Monthly	184 ²	8,148	8,148
Vehicle Light-Duty Utility Truck	Auburndale Service Center	377	Monthly	184 ²	5,439	5,439
Vehicle Medium & Heavy Duty Truck	Magnolia Station	613	Monthly	184 ²	7,739	7,739
Vehicle Medium & Heavy Duty Truck	Magnolia Station	469	Monthly	184 ²	6,613	6,613
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	403	Monthly	184 ²	5,771	5,771
Vehicle Light-Duty Utility Truck	Auburndale Service Center	386	Monthly	184 ²	5,559	5,559
Vehicle Light-Duty Utility Truck	East Service Center	386	Monthly	184 ²	5,559	5,559
Vehicle Light-Duty Utility Truck	East Service Center	386	Monthly	184 ²	5,559	5,559
Vehicle Light-Duty Utility Truck	Auburndale Service Center	386	Monthly	184 ²	5,559	5,559
Vehicle Light-Duty Utility Truck	Auburndale Service Center	470	Monthly	184 ²	5,527	5,527
Vehicle Light-Duty Utility Truck	Broadway Office	406	Monthly	184 ²	5,809	5,809
Vehicle Light-Duty Utility Truck	Broadway Office	540	Monthly	184 ²	5,150	5,150
Vehicle Light-Duty Utility Truck	Broadway Office	355	Monthly	184 ²	5,162	5,162
Vehicle Light-Duty Utility Truck	Broadway Office	353	Monthly	184 ²	5,138	5,138
Vehicle Light-Duty Utility Truck	Bardstown Office	540	Monthly	184 ²	7,515	7,515
Vehicle Light-Duty Utility Truck	Magnolia Station	459	Monthly	184 ²	6,490	6,490
Vehicle Light-Duty Utility Truck	Auburndale Service Center	520	Monthly	184 ²	7,258	7,258
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	480	Monthly	184 ²	6,749	6,749
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	473	Monthly	184 ²	6,661	6,661
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	496	Monthly	184 ²	6,959	6,959
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	474	Monthly	184 ²	6,673	6,673
Vehicle Medium & Heavy Duty Truck	Center Station	620	Monthly	184 ²	7,109	7,109
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	418	Monthly	184 ²	5,960	5,960
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	402	Monthly	184 ²	5,765	5,765
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	586	Monthly	184 ²	8,104	8,104
Vehicle Light-Duty Utility Truck	Auburndale Service Center	418	Monthly	184 ²	5,960	5,960
Vehicle Light-Duty Utility Truck	Auburndale Service Center	418	Monthly	184 ²	5,960	5,960
Vehicle Vans	Auburndale Service Center	297	Monthly	184 ²	4,425	4,425
Vehicle Vans	Broadway Office	297	Monthly	184 ²	4,425	4,425
Vehicle Vans	Auburndale Service Center	266	Monthly	184 ²	4,037	4,037
Vehicle Vans	Auburndale Service Center	266	Monthly	184 ²	4,037	4,037
Vehicle Light-Duty Utility Truck	Broadway Office	334	Monthly	184 ²	4,901	4,901
Vehicle Light-Duty Utility Truck	Broadway Office	335	Monthly	184 ²	4,911	4,911
Vehicle Light-Duty Utility Truck	Broadway Office	321	Monthly	184 ²	4,729	4,729

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Vehicle Light-Duty Utility Truck	Broadway Office	407	Monthly 184 ²	5,820
Vehicle Light-Duty Utility Truck	Auburndale Service Center	370	Monthly 184 ²	5,358
Vehicle Light-Duty Utility Truck	Auburndale Service Center	417	Monthly 184 ²	5,953
Vehicle Light-Duty Utility Truck	Auburndale Service Center	363	Monthly 184 ²	5,267
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	421	Monthly 184 ²	6,000
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	537	Monthly 184 ²	7,483
Vehicle Light-Duty Utility Truck	East Service Center	491	Monthly 184 ²	4,876
Vehicle Light-Duty Utility Truck	Auburndale Service Center	420	Monthly 184 ²	5,995
Vehicle Light-Duty Utility Truck	Auburndale Service Center	262	Monthly 184 ²	3,977
Vehicle Vans	Auburndale Service Center	262	Monthly 184 ²	3,977
Vehicle Light-Duty Utility Truck	Auburndale Service Center	322	Monthly 184 ²	4,745
Vehicle Light-Duty Utility Truck	Simpsonville	312	Monthly 184 ²	4,615
Vehicle Light-Duty Utility Truck	Muldraugh Station	305	Monthly 184 ²	4,525
Vehicle Light-Duty Utility Truck	Muldraugh Station	349	Monthly 184 ²	5,088
Vehicle Light-Duty Utility Truck	Broadway Office	360	Monthly 184 ²	5,229
Vehicle Light-Duty Utility Truck	East Service Center	346	Monthly 184 ²	5,044
Vehicle Light-Duty Utility Truck	Broadway Office	333	Monthly 184 ²	4,880
Vehicle Light-Duty Utility Truck	Broadway Office	333	Monthly 184 ²	4,880
Vehicle Light-Duty Utility Truck	Broadway Office	333	Monthly 184 ²	4,880
Vehicle Light-Duty Utility Truck	Auburndale Service Center	530	Monthly 184 ²	7,313
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	458	Monthly 184 ²	6,443
Vehicle Light-Duty Utility Truck	Auburndale Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	305	Monthly 184 ²	4,532
Vehicle Light-Duty Utility Truck	Auburndale Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	East Service Center	310	Monthly 184 ²	4,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	335	Monthly 184 ²	4,911
Vehicle Light-Duty Utility Truck	South Service Center	300	Monthly 184 ²	4,459
Vehicle Light-Duty Utility Truck	Auburndale Service Center	302	Monthly 184 ²	4,496
Vehicle Light-Duty Utility Truck	East Service Center	352	Monthly 184 ²	5,041
Vehicle Light-Duty Utility Truck	Auburndale Service Center	345	Monthly 184 ²	5,041
Vehicle Light-Duty Utility Truck	Auburndale Service Center	345	Monthly 184 ²	5,041
Vehicle Light-Duty Utility Truck	East Service Center	339	Monthly 184 ²	4,959
Vehicle Light-Duty Utility Truck	Auburndale Service Center	348	Monthly 184 ²	5,073
Vehicle Light-Duty Utility Truck	East Service Center	348	Monthly 184 ²	5,077
Vehicle Light-Duty Utility Truck	East Service Center	348	Monthly 184 ²	5,077
Vehicle Light-Duty Utility Truck	Auburndale Service Center	354	Monthly 184 ²	5,155

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Vehicle Light-Duty Utility Truck	Broadway Office	369	Monthly 184 ²	5,344
Vehicle Light-Duty Utility Truck	Broadway Office	359	Monthly 184 ²	5,217
Vehicle Light-Duty Utility Truck	Broadway Office	359	Monthly 184 ²	5,211
Vehicle Light-Duty Utility Truck	Broadway Office	360	Monthly 184 ²	5,231
Vehicle Light-Duty Utility Truck	Auburndale Service Center	350	Monthly 184 ²	5,101
Vehicle Light-Duty Utility Truck	Auburndale Service Center	356	Monthly 184 ²	5,179
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	455	Monthly 184 ²	6,438
Vehicle Light-Duty Utility Truck	Magnolia Station	415	Monthly 184 ²	5,929
Vehicle Light-Duty Utility Truck	Auburndale Service Center	379	Monthly 184 ²	5,469
Vehicle Light-Duty Utility Truck	South Service Center	334	Monthly 184 ²	4,900
Vehicle Light-Duty Utility Truck	South Service Center	334	Monthly 184 ²	4,900
Vehicle Light-Duty Utility Truck	Muldraugh Station	379	Monthly 184 ²	5,469
Vehicle Light-Duty Utility Truck	Auburndale Service Center	379	Monthly 184 ²	5,469
Vehicle Light-Duty Utility Truck	East Service Center	460	Monthly 184 ²	6,502
Vehicle Light-Duty Utility Truck	South Service Center	265	Monthly 184 ²	4,020
Vehicle Vans	Auburndale Service Center	263	Monthly 184 ²	3,996
Vehicle Vans	Auburndale Service Center	263	Monthly 184 ²	3,996
Vehicle Vans	Auburndale Service Center	263	Monthly 184 ²	3,996
Vehicle Vans	Auburndale Service Center	263	Monthly 184 ²	3,996
Vehicle Light-Duty Utility Truck	Broadway Office	470	Monthly 184 ²	6,622
Vehicle Light-Duty Utility Truck	Magnolia Station	384	Monthly 184 ²	5,535
Vehicle Light-Duty Utility Truck	Muldraugh Station	384	Monthly 184 ²	5,535
Vehicle Medium & Heavy Duty Truck	South Service Center	418	Monthly 184 ²	5,968
Vehicle Medium & Heavy Duty Truck	South Service Center	670	Monthly 184 ²	9,063
Vehicle Medium & Heavy Duty Truck	South Service Center	660	Monthly 184 ²	9,047
Vehicle Medium & Heavy Duty Truck	South Service Center	668	Monthly 184 ²	9,015
Vehicle Medium & Heavy Duty Truck	South Service Center	660	Monthly 184 ²	9,047
Vehicle Medium & Heavy Duty Truck	Muldraugh Station	517	Monthly 184 ²	7,219
Vehicle Light-Duty Utility Truck	Auburndale Service Center	293	Monthly 184 ²	4,376
Vehicle Light-Duty Utility Truck	Auburndale Service Center	303	Monthly 184 ²	4,488
Vehicle Light-Duty Utility Truck	Auburndale Service Center	342	Monthly 184 ²	4,877
Vehicle Light-Duty Utility Truck	Broadway Office	394	Monthly 184 ²	5,655
Vehicle Light-Duty Utility Truck	Broadway Office	569	Monthly 184 ²	7,887
Vehicle Light-Duty Utility Truck	Broadway Office	642	Monthly 184 ²	8,818
Vehicle Light-Duty Utility Truck	Broadway Office	725	Monthly 184 ²	9,586
Vehicle Light-Duty Utility Truck	Muldraugh Station	537	Monthly 184 ²	7,349
Vehicle Light-Duty Utility Truck	Auburndale Service Center	596	Monthly 184 ²	8,053
Vehicle Light-Duty Utility Truck	Auburndale Service Center	626	Monthly 184 ²	8,614
Vehicle Light-Duty Utility Truck	Auburndale Service Center	656	Monthly 184 ²	8,999
Vehicle Light-Duty Utility Truck	Auburndale Service Center	530	Monthly 184 ²	7,387

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period Expense (\$)
Vehicle Light-Duty Utility Truck	Auburndale Service Center	656	Monthly	184 ²	8,999
Vehicle Light-Duty Utility Truck	Auburndale Service Center	527	Monthly	184 ²	7,352
Vehicle Light-Duty Utility Truck	Auburndale Service Center	627	Monthly	184 ²	8,618
Vehicle Light-Duty Utility Truck	Auburndale Service Center	526	Monthly	184 ²	7,338
Vehicle Light-Duty Utility Truck	Auburndale Service Center	623	Monthly	184 ²	8,572
Vehicle Light-Duty Utility Truck	South Service Center	395	Monthly	184 ²	5,557
Vehicle Light-Duty Utility Truck	East Service Center	360	Monthly	184 ²	5,109
Vehicle Light-Duty Utility Truck	Auburndale Service Center	353	Monthly	184 ²	5,109
Vehicle Light-Duty Utility Truck	LG&E Building	447	Monthly	184 ²	6,295
Vehicle Light-Duty Utility Truck	South Service Center	333	Monthly	184 ²	4,886
Vehicle Medium & Heavy Duty Truck	South Service Center	276	Monthly	184 ²	4,076
Vehicle Vans	South Service Center	277	Monthly	184 ²	4,080
Vehicle Vans	South Service Center	267	Monthly	184 ²	4,048
Vehicle Medium & Heavy Duty Truck	Center Station	460	Monthly	184 ²	6,335
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	664	Monthly	184 ²	9,032
Vehicle Light-Duty Utility Truck	Broadway Office	301	Monthly	184 ²	4,378
Vehicle Medium & Heavy Duty Truck	Magnolia Station	456	Monthly	184 ²	6,451
Vehicle Light-Duty Utility Truck	Magnolia Station	472	Monthly	184 ²	6,653
Vehicle Light-Duty Utility Truck	Broadway Office	477	Monthly	184 ²	6,710
Vehicle Light-Duty Utility Truck	Broadway Office	531	Monthly	184 ²	7,409
Vehicle Vans	Broadway Office	250	Monthly	184 ²	3,824
Vehicle Light-Duty Utility Truck	Broadway Office	303	Monthly	184 ²	4,417
Vehicle Light-Duty Utility Truck	Broadway Office	405	Monthly	184 ²	5,803
Vehicle Light-Duty Utility Truck	South Service Center	432	Monthly	184 ²	6,144
Vehicle Medium & Heavy Duty Truck	Auburndale Service Center	666	Monthly	184 ²	9,051
Vehicle Light-Duty Utility Truck	South Service Center	697	Monthly	184 ²	9,509
Vehicle Light-Duty Utility Truck	East Service Center	518	Monthly	184 ²	7,235
Vehicle Light-Duty Utility Truck	Auburndale Service Center	534	Monthly	184 ²	7,436
Vehicle Medium & Heavy Duty Truck	Magnolia Station	703	Monthly	184 ²	9,591
Vehicle Medium & Heavy Duty Truck	Muldrough Station	955	Monthly	184 ²	12,793
Vehicle Light-Duty Utility Truck	LG&E Building	508	Monthly	184 ²	6,996
Vehicle Light-Duty Utility Truck	Broadway Office	663	Monthly	184 ²	9,083
Vehicle Light-Duty Utility Truck	Auburndale Service Center	504	Monthly	184 ²	7,058
Vehicle Light-Duty Utility Truck	Broadway Office	320	Monthly	184 ²	2,479
Vehicle Light-Duty Utility Truck	Auburndale Service Center	354	Monthly	184 ²	5,060
Vehicle Light-Duty Utility Truck	East Service Center	366	Monthly	184 ²	5,301
Vehicle Light-Duty Utility Truck	Auburndale Service Center	522	Monthly	184 ²	7,292
Vehicle Light-Duty Utility Truck	Broadway Office	329	Monthly	184 ²	4,713
Vehicle Light-Duty Utility Truck	South Service Center	616	Monthly	184 ²	7,068

Description	Location	Payment		Test Period Expense (\$)
		Amount (\$)	Frequency Account	
Vehicle Light-Duty Utility Truck	East Service Center	504	Monthly 184 ²	7,058
Vehicle Light-Duty Utility Truck	LG&E Building	378	Monthly 184 ²	5,454
Vehicle Light-Duty Utility Truck	East Service Center	633	Monthly 184 ²	8,695
Vehicle Light-Duty Utility Truck	East Service Center	632	Monthly 184 ²	8,694
Vehicle Medium & Heavy Duty Truck	Bardstown Office	777	Monthly 184 ²	10,533
Vehicle Light-Duty Utility Truck	Auburndale Service Center	626	Monthly 184 ²	8,614
Vehicle Light-Duty Utility Truck	East Service Center	626	Monthly 184 ²	8,614
Vehicle Light-Duty Utility Truck	East Service Center	626	Monthly 184 ²	8,614
Vehicle Light-Duty Utility Truck	Broadway Office	548	Monthly 184 ²	7,616
Vehicle Medium & Heavy Duty Truck	Magnolia Station	708	Monthly 184 ²	9,656
Vehicle Light-Duty Utility Truck	East Service Center	642	Monthly 184 ²	8,075
Vehicle Light-Duty Utility Truck	East Service Center	642	Monthly 184 ²	8,075
Vehicle Light-Duty Utility Truck	LG&E Building	642	Monthly 184 ²	8,075
Vehicle Light-Duty Utility Truck	Broadway Office	642	Monthly 184 ²	8,075
Vehicle Light-Duty Utility Truck	LG&E Building	597	Monthly 184 ²	7,560
Vehicle Light-Duty Utility Truck	LG&E Building	531	Monthly 184 ²	6,781
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Auburndale Service Center	744	Monthly 184 ²	9,269
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	East Service Center	575	Monthly 184 ²	7,962
Vehicle Light-Duty Utility Truck	East Service Center	597	Monthly 184 ²	8,246
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Auburndale Service Center	592	Monthly 184 ²	7,493
Vehicle Light-Duty Utility Truck	Broadway Office	430	Monthly 184 ²	5,614
Vehicle Light-Duty Utility Truck	Broadway Office	287	Monthly 184 ²	3,945
Vehicle Light-Duty Utility Truck	East Service Center	280	Monthly 184 ²	1,614
Vehicle Light-Duty Utility Truck	East Service Center	337	Monthly 184 ²	1,874
Vehicle Light-Duty Utility Truck	Auburndale Service Center	393	Monthly 184 ²	2,203
Vehicle Light-Duty Utility Truck	East Service Center	496	Monthly 184 ²	2,589
Vehicle Light-Duty Utility Truck	Auburndale Service Center	407	Monthly 184 ²	2,269
Vehicle Light-Duty Utility Truck	Broadway Office	501	Monthly 184 ²	2,398
Vehicle Light-Duty Utility Truck	Broadway Office	384	Monthly 184 ²	1,546
Vehicle Light-Duty Utility Truck	Broadway Office	501	Monthly 184 ²	2,398
Vehicle Light-Duty Utility Truck	Broadway Office	411	Monthly 184 ²	2,040
Vehicle Light-Duty Utility Truck	Broadway Office	411	Monthly 184 ²	2,040
Vehicle Light-Duty Utility Truck	Broadway Office	501	Monthly 184 ²	2,417

Description	Location	Amount (\$)	Payment Frequency	Account	Test Period Expense (\$)
Vehicle Light-Duty Utility Truck	Broadway Office	411	Monthly	184 ²	2,040
Vehicle Light-Duty Utility Truck	East Service Center	321	Monthly	184 ²	1,892
Vehicle Light-Duty Utility Truck	Muldrough Station	800	Monthly	184 ²	2,790
Vehicle Light-Duty Utility Truck	Magnolia Station	868	Monthly	184 ²	4,599
Vehicle Light-Duty Utility Truck	Center Station	717	Monthly	184 ²	3,861
Generation					
Generation - Hydrogen Tank at Mill Creek	Mill Creek	850	Monthly	506	10,200
		\$1,557			
		Nov08-			
		Apr09:			
		\$1,713			
Generation - Hydrogen Tanks at Trimble Station	Trimble Station	513/548	Monthly	513/548	19,622
Generation - Hydrogen Tank at Cane Run	Cane Run	850	Monthly	505	10,200
Generation - Hydrogen Tank at Paddys Run	Paddy's Run	420	Monthly	553	5,035
Generation - Mixed Bed Polishers	Mill Creek	3,600	Monthly	502	21,600
Miscellaneous					
Miscellaneous - Gas Compressor	Scenic View Drive/ Harrison County IN	3,210	Monthly	818	35,310
Miscellaneous - Helicopter Service	Lexington	1,999	Monthly	563	24,000

¹ The costs related to the railcars are charged initially to the 151 Fuel Inventory account and included in the average cost. These charges are expensed with the cost of the fuel based on fuel burned.

² The costs related to the vehicles are charged initially to the 184 Transportation Clearing Account. These charges are allocated based on labor charges on a one month lag.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 153

Responding Witness: Valerie L. Scott

- Q-153. Provide, by year, all affiliated operating expenses charged to Kentucky regulated operations for the 10 years ending 2009.
- A-153. Affiliated operating expenses charged to Kentucky regulated operations are shown in the table below. Data prior to 2005 is not readily available.

Year	LG&E
2009	\$117,638,718.66
2008	\$167,311,900.38
2007	\$130,184,164.84
2006	\$160,246,548.63
2005	\$133,992,133.95

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 154

Responding Witness: Valerie L. Scott

- Q-154. Provide detailed support for any Management Fees included in the filing. Provide this in Microsoft Excel or compatible format. Include total charges incurred by each corporate department and the amount each of these departments allocated to Kentucky regulated operations. Also include the number of employees in each department and the method used to allocate charges for each department.
- A-154. Management fees are not charged to Kentucky regulated operations.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 155

Responding Witness: Valerie L. Scott

- Q-155. Provide a general ledger listing or similar report of all transactions that comprise any corporate charges allocated to regulated operations.
- A-155. There are no corporate charges allocated to the regulated operations. All charges are directly or indirectly charged in compliance with the CAM, located at Tab 39 in the original filing. Refer to KPSC-1 Question No. 42 for charges allocated to Louisville Gas and Electric from E.ON U.S. Services.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Attorney General's Initial Requests for Information
Dated March 1, 2010

Question No. 156

Responding Witness: Lonnie E. Bellar

Q-156. Please identify, describe fully, and provide full documentation of any capital or maintenance plans or programs that the Company has undertaken or is considering undertaking that will extend or shorten the life of any of its electric or gas plant.

A-156. The Company continuously reviews the investment in and the operation of its electric or gas facilities in order to provide continual reliable and economic operation of all assets to provide service to customers. As discussed in the Testimony of Mr. Thompson, Energy Services' business discipline is to maximizing the performance of long-term generation and transmission assets through management of the assets' life cycles. The dual goals of asset management are to increase the efficiency of the assets while continuing to provide reliable service. Asset management allows for realization of these goals in the most cost-effective manner possible. In addition, as discussed in the Testimony of Mr. Hermann, the cornerstone of the distribution and retail operations continues to be the Company's commitment to the delivery of safe and reliable service at a low cost to customers. The Company remains dedicated to providing high quality customer service through refining its current programs and implementing innovative practices.

Investments to extend the operational ability of all assets are considered on an ongoing basis. Please refer to the response to Question No. 38 for various investment projects considered for electric and gas plant.

In addition, as part of the Integrated Resource Plan filed with the Kentucky Commission on a periodic basis, the Company reviews the ongoing operation of the existing facilities. Please see the response to KIUC-1 Question No. 16 for the most recently filed Integrated Resource Plan.

As part of the Company's Depreciation Study filed in Case No. 2007-00565, the Companies retained NewEnergy Associates, LLC to perform a life-assessment analysis of its generating assets. The goal of the analysis was to project more accurately when a generating asset will reach the end of its effective useful

economic life. A copy of the life-assessment analysis is contained on the attached CD in the folder titled Question No. 156.

The Company has also considered and evaluated repairs and retirements of various generating plant facilities. Such studies have been provided as part of various proceeding before the Kentucky Public Service Commission. These studies related to the repair and retirement decisions for various generating assets on the LG&E and KU system. Samples of the various documents are discussed below:

- As stated in the Companies' 2005 Integrated Resource Plan, Section 6 (Case No. 2005-00162) on "Rehabilitation of Ohio Falls," a rehabilitation project implemented in three phases over a number of years began in 2001 with portions of Phase 1 and Phase 2 performed simultaneously. Phase 1, which was completed in the fall of 2002, included new automated controls allowing remote unit operation in an economical and efficient manner. Phase 2 involved the design and installation of modern trash removal systems, minimizing the labor required and the volume of river debris removal. Phase 3 entailed the most significant scope of work to date, the rehabilitation of the turbine/generator units. A report from Voith Siemens Hydro ("VSH") in June 2002, and again in 2003, provided updates to its previous engineering study assessing the condition of the existing eight hydro units and analyzing what would be necessary to upgrade or rehabilitate the units. These studies were evaluated by LG&E and a recommendation to rehabilitate all eight hydro units was developed. Thus far, two of the eight units have been rehabilitated (unit 7 was completed October 13, 2006 and unit 6 was completed January 31, 2008). The FERC license indicates that LG&E shall complete all eight upgrades within nine years from the effective date of the new license (October 25, 2005).
- Waterside 7 & 8 were retired as of August 21, 2006. These units were retired in conjunction with the sale of the property to the Louisville Arena Authority. The sale of the property was approved by the Kentucky Commission in Case No. 2006-00391. The engineering assessment, as well as the reports by Fuller, Mossbarger, Scott and May Engineers, Inc., were filed with that case and can be found at the following website: <http://psc.ky.gov/pscscf/2006%20cases/2006-00391/>.
- Paddy's Run 12 was mothballed as of November 21, 2006 due to a bearing issue causing compressor rotor damage to low pressure blades and bucket. Paddy's Run 12 was evaluated during the 1st quarter of 2007 for further capital investments. The evaluation on Paddy's Run 12

was filed in the April 13, 2007 Supplemental Response Question No. 3 to the Kentucky Commission Staff's Interrogatories of Case No. 2006-00510. The evaluation indicated that it was cost effective to perform the necessary repairs to return the unit to service. The repairs were made and the unit was returned to service on November 21, 2007.

Following the 2008 Wind Storm and the 2009 Winter Storm, the Companies engaged Davies Consulting, Inc. to provide options for further improving the reliability of their electrical systems. A copy of the Davies Report is provided in the response to KPSC-2 Question No. 42.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 157

Responding Witness: Shannon L. Charnas

- Q-157. Please identify, describe fully, and provide full documentation of any changes in the definition of plant units subject to capitalization that the Company has adopted during the last 20 years.
- A-157. There have been no changes in the definition of plant units subject to capitalization.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 158

Responding Witness: Shannon L. Charnas

- Q-158. Please identify, describe fully, and provide full documentation of any changes in the definition or treatment of salvage or removal/dismantlement costs that the Company has adopted during the last 20 years.
- A-158. The adoption of SFAS No. 143¹ resulted in a change in accounting for removal costs. See the response to KPSC-1 Question No. 56 for full description and documentation of the related changes. There have been no other changes in the definition or treatment of salvage or removal/dismantlement costs.

¹ The guidance in SFAS No. 143 is now contained in FASB Accounting Standards Codification Topic 410, adopted effective September 30, 2009.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 159

Responding Witness: Shannon L. Charnas

- Q-159. Please provide a copy of the Company's most recent depreciation study relating to electric and gas plant and the Order(s), Decision(s), Stipulation(s) and/or Settlement(s) establishing the current electric depreciation rates.
- A-159. See the information provided, as required by Commission regulation 807 KAR 5:001, Section 10(6)(n), located at Tab 33 of the Filing Requirements. See attached Order establishing the depreciation rates. The full stipulation and settlement, and all related case documents, can be found at <http://psc.ky.gov/pscscf/2008%20cases/2008-00252/>.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC) CASE NO.
COMPANY TO FILE DEPRECIATION STUDY) 2007-00564

APPLICATION OF LOUISVILLE GAS AND ELECTRIC) CASE NO.
COMPANY FOR AND ADJUSTMENT OF ITS ELECTRIC) 2008-00252
AND GAS BASE RATES)

O R D E R

Louisville Gas and Electric Company ("LG&E"), a wholly-owned subsidiary of E.ON U.S. LLC, is an electric and gas utility that generates, transmits, distributes and sells electricity to approximately 401,000 customers in Jefferson County, Kentucky and portions of 8 other Kentucky counties. LG&E also purchases, stores, transports, distributes and sells natural gas to approximately 326,000 customers in Jefferson County and in portions of 15 other Kentucky counties.

BACKGROUND

On July 1, 2008, LG&E filed a notice of its intent to file an application for approval of increases in its electric and gas rates, based on a historic test period ending April 30, 2008. On July 29, 2008, LG&E submitted its application seeking an increase in electric revenues of \$15.1 million, or 1.9 percent, and an increase in gas revenues of \$29.8

million, or 4.5 percent.¹ LG&E's application included new rates and revisions, deletions, and additions to its electric and gas tariffs, all to be effective on September 1, 2008.

A review of the application revealed that it did not meet the minimum filing requirements set forth in 807 KAR 5:001, Section 10, and a notice of filing deficiencies was issued. In response to that notice, LG&E filed additional information on August 7, 2008. The Commission then found, by Order dated August 15, 2008, that the additional information satisfied the minimum filing requirements as of August 7, 2008 and that the earliest possible date that LG&E's proposed rates could become effective was September 6, 2008. That Order also found that an investigation would be necessary to determine the reasonableness of LG&E's proposed rates and suspended the proposed rates for 5 months, pursuant to KRS 278.190(2), from September 6, 2008, up to and including February 5, 2009.

The following parties requested and were granted full intervention: the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"); Kentucky Industrial Utility Customers ("KIUC"); Community Action Kentucky, Inc. ("CAK"); Association of Community Ministries ("ACM") and People Organized and Working for Energy Reform ("POWER"); and the Kroger Company.

The Commission's August 15, 2008 Order included a procedural schedule for processing this case. The schedule provided for discovery on LG&E's application, intervenor testimony, discovery on intervenor testimony, rebuttal testimony by LG&E, a public hearing, and an opportunity for the parties to file post-hearing briefs. The

¹ LG&E's sister company, Kentucky Utilities Company ("KU"), filed an application for a rate increase concurrent with LG&E's application, which the Commission docketed as Case No. 2008-00251.

Commission also incorporated into this case LG&E's report on the results of a 3-year pilot program implementing a Small-Time-of-Day Service tariff and subsequently consolidated into this case LG&E's application for approval of new depreciation rates.

On December 10, 2008, LG&E filed a motion requesting that an informal conference be scheduled on January 6, 2009 for the purposes of discussing procedural and substantive issues in these cases and to discuss settlement. The motion was granted and an informal conference was held at the Commission's offices on January 6, 7 and 9, 2009.

On January 13, 2009, LG&E filed on behalf of itself and the intervenors a unanimous Settlement Agreement, Stipulation and Recommendation ("Agreement"). The Agreement consists of a 19-page document with 8 consecutively numbered exhibits. The exhibits are as follows: Exhibit 1, KU Rate Allocation; Exhibit 2, LG&E Electric Rate Allocation; Exhibit 3, LG&E Gas Rate Allocation; Exhibit 4, KU Tariffs; Exhibit 5, LG&E Electric Tariffs; Exhibit 6, LG&E Gas Tariffs; Exhibit 7, KU Depreciation Rates; and Exhibit 8, LG&E Depreciation Rates. The Agreement is attached to this Order as an Appendix. The exhibits are not attached due to their voluminous nature but can be found on the Commission's website at http://psc.ky.gov/pscscf/2008%20cases/2008-00252/20090113_LGE_Motion_and_Testimony.PDF.

At the public hearing held at the Commission's offices on January 13 and 15, 2009, the parties presented testimony in support of the Agreement. LG&E subsequently filed responses to data requests made at the hearing and the case now stands submitted for a decision.

The Commission notes at the outset that, over the last six months, a substantial number of customers wrote, called or e-mailed our offices to express opposition to any increase in electric or gas rates. The Commission held a public meeting in Louisville, Kentucky on January 5, 2009 to provide a further opportunity for LG&E's customers to state their opinions on the proposed rate increases.

AGREEMENT

The Agreement, attached as an Appendix to this Order, reflects a unanimous resolution of all issues raised in this case.² The major provisions of the Agreement pertaining to LG&E include the following:

- LG&E's rates for electric service will be reduced to recover \$13.157 million less in annual revenues, with the revised rates to be effective for service rendered on and after February 6, 2009.
- LG&E's rates for gas service will be increased to recover \$22.0 million more in annual revenues, with the revised rates to be effective for service rendered on and after February 6, 2009.
- The decrease in LG&E's electric rates will be accomplished through reductions to the energy charges in all rate schedules except those with no energy charges, such as street lighting and outdoor lighting, where the reductions will be to the monthly charges per light, fixture, pole, etc.
- The increase in LG&E's gas rates will be accomplished via an allocation and rate design consistent with that proposed by LG&E in its application, except

² The Agreement is a comprehensive document which resolves all issues in LG&E's consolidated depreciation and rate cases, as well as KU's consolidated depreciation and rate cases, Case Nos. 2007-00565 and 2008-00251.

that the monthly customer charge for the residential class will be increased by only \$1.00, from \$8.50 to \$9.50, with the remainder of the residential increase being produced by an increase in the volumetric base rate from \$1.547 to \$2.1349 per Mcf.

- LG&E's depreciation expense will continue to be based on the Average Service Life ("ASL") methodology. The depreciation rates to be used are set forth in Exhibit 8 to the Agreement, with the cost of LG&E's new Customer Care System software to be depreciated over 10 years for accounting and ratemaking purposes.
- The return on equity ("ROE") included in LG&E's environmental cost recovery ("ECR") filings will be increased from 10.50 to 10.63 percent effective with the first expense month subsequent to approval of the Agreement.
- LG&E's costs associated with the Federal Energy Regulatory Commission ("FERC") approved settlement of a transmission rate dispute between LG&E, KU and East Kentucky Power Cooperative, Inc. ("East Kentucky") will be recorded as a regulatory asset and amortized over five years beginning in the month after approval of the Agreement.
- LG&E will be permitted to defer revenues related to the Midwest Independent System Operator's ("MISO") Schedule 10 expenses recorded between the end of the test year and February 6, 2009, as well as future adjustments to the MISO exit fee, as regulatory liabilities until the amounts can be amortized in future rate cases. The amortization of amounts related

to the MISO Schedule 10 expenses and the MISO exit fee deferred as of the end of the test year will begin in the month after approval of the Agreement.

- Residential customer deposits will be \$135 for LG&E electric, \$160 for LG&E gas, and \$295 for an LG&E combined gas and electric customer. All other customer deposits will be as proposed in LG&E's application.
- Residential customers indicating an inability to pay or difficulty in paying the full amount of the required deposit will be offered the option to pay all or a portion of the required deposit in installments over a period not to exceed the first four normal billing periods.
- LG&E's curtailable electric service riders will be modified, including increases in the monthly credit to participating customers and reductions in the annual and daily interruptions.
- Payment of a customer's bill will be due 12 days after the date of the bill; however, there will be no adverse credit impact, internally or externally, including credit scoring, nor will the account be considered delinquent, if the payment is received within 15 days from the date of the bill.
- LG&E, CAK and ACM/POWER will consult on a plan for utility-approved emergency energy assistance agencies to annually pre-certify recipients of utility payment assistance so that any late payment charges for such pre-certified customers can be waived from December through March. Participation in such a program will be optional for any of the energy assistance agencies.

- LG&E will increase the monthly residential meter charge for the Home Energy Assistance ("HEA") program from \$0.10 to \$0.15 per meter. For two years following implementation of the rates included in the Agreement, or until rates take effect in LG&E's next base rate case, whichever is longer, LG&E and KU will contribute shareholder funds to the program to match HEA funds collected from customers, up to \$300,000 annually on a combined utilities basis.
- LG&E will amortize its actual rate case expenses associated with this case over three years beginning in the month after the Agreement is approved.

ANALYSIS OF THE AGREEMENT

LG&E proposed an annual electric rate increase of \$15.1 million, while it proposed an annual gas rate increase of \$29.8 million. The AG proposed an annual electric decrease of \$52.4 million and an annual gas increase of \$12.8 million. KIUC proposed an annual electric decrease of \$50.9 million, but did not address LG&E's gas rate increase. No other intervenor addressed LG&E's proposed gas or electric increases. The Agreement contains the parties' unanimous recommendation that LG&E's existing electric rates should be decreased by \$13.157 million and that its existing gas rates should be increased by \$22.0 million.

In considering the parties' recommended \$13.157 million decrease in electric rates, the Commission recognizes that LG&E's existing merger surcredit will terminate on the effective date of the new rates in this case. The merger surcredit, which has recently offset electric rates by \$10.8 million annually, was implemented in 1998 to flow back to ratepayers one-half of the estimated savings in expenses resulting from LG&E's

merger with KU. In accordance with last year's agreement among the parties in Case No. 2007-00562,³ 100 percent of LG&E's merger savings will be reflected in the test year used in this rate case, and that obviates the need to continue the merger surcredit once new rates become effective. Other significant provisions of the Agreement are discussed in the following paragraphs.

Depreciation

LG&E sought approval of new depreciation rates it had originally proposed in Case No. 2007-00564 based on a depreciation study performed by Gannett Fleming, Inc. ("Gannett Fleming"). LG&E's new depreciation rates reflected Gannett Fleming's recommendation that it implement the Equal Life Group methodology, rather than continue to use the ASL methodology. The Agreement calls for LG&E to continue to use the ASL methodology, although it will use new ASL rates that are based on the results of the Gannett Fleming depreciation study.

ROE – Environmental Cost Recovery

Typically, an electric utility with an environmental surcharge approved pursuant to KRS 278.183 uses the ROE from its most recent rate case in the return component of the environmental costs included in its surcharge. Since the Agreement in this proceeding does not include a specific ROE in support of the agreed-upon revenue decrease, the parties agreed that a 10.63 percent ROE be used in LG&E's monthly ECR filings. This represents an increase from the 10.5 percent ROE that has been included in its ECR filings for a number of years.

³ The Plan of Louisville Gas and Electric Company for the Future Disposition of the Merger Surcredit Mechanism, Order dated June 26, 2008.

MISO Deferral / Regulatory Treatment

The Agreement authorizes LG&E to amortize over five years the \$6.8 million regulatory asset resulting from the Commission's approval of LG&E's exit from MISO in Case No. 2003-00266.⁴ It also provides for LG&E to defer any post-test year revenues related to MISO Schedule 10 expenses, as well as future adjustments to the MISO exit fee, as regulatory liabilities to be amortized in a future rate case. This treatment is consistent with Commission's decision in Case No. 2003-00266.

FERC Transmission Rate Settlement Costs

The dispute that led to the settlement of this issue related to East Kentucky's purchase of transmission capacity from MISO when LG&E and KU were members of MISO and when East Kentucky's load was, to some degree, on one, or both, of LG&E's and KU's transmission systems. These are costs which are also related to LG&E exiting MISO, which the Commission previously approved. The Agreement recommends a five-year amortization for these FERC settlement costs. Given the nature of the costs, plus their connection to LG&E's exit from MISO, a five-year amortization period is appropriate.

HEA Increase – Shareholder Contribution

LG&E has operated its HEA program for several years and for virtually that entire time the Commission has encouraged LG&E to make some contribution of shareholder funds to the program. In the Agreement, on a combined basis with KU, LG&E has

⁴ Case No. 2003-00266, Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent System Operator, Inc., Order dated May 31, 2006.

agreed to match the funds generated via the increased per meter charge of \$0.15, up to \$300,000 annually for the first two years following approval of the Agreement. Especially in today's economic conditions, the Commission compliments LG&E for making this commitment of shareholder dollars to assist its low-income customers in making payment on, and maintaining, their utility service.

SUMMARY

The Agreement provides that the rates, terms and conditions proposed in LG&E's application, except as modified by the Agreement, will become effective upon Commission approval of the Agreement. The parties recommend that the new rates become effective on February 6, 2009, and agree that if the Agreement is approved, no requests for rehearing or appeals will be filed.

Based on a review of the provisions in the Agreement and the exhibits attached thereto; the voluminous record, including intervenor testimony and data responses; and the public comments; the Commission finds that the provisions of the Agreement are reasonable and in the public interest. The Agreement was the product of arms-length negotiations among knowledgeable, capable parties and should be approved. Such approval is based solely on the reasonableness of the Agreement in total and does not constitute a precedent on any individual issue.

The Commission further finds that LG&E should revise its electric and gas tariffs to reflect the provision of the Agreement specifying no adverse credit impact for customers paying within 15 days of the date of the bill. In addition, since LG&E will be unable to implement the 12-day bill due date for another few months, a copy of its existing bill format should be included in its tariffs along with a copy of its new bill

format. Prior to implementing the new bill format and the payment due date of 12 days, LG&E should notify its customers of the changes through its monthly billings.

Residential Bill Comparisons

As a result of the Agreement, the base rate component of the bill of a typical LG&E electric residential customer using 1,000 kWh per month will decline from \$69.04 to \$68.03. However, as a result of the termination of the merger surcredit and the \$0.05 increase in the monthly HEA meter charge, the overall net impact on the typical customer's monthly bill will be an increase of \$0.21. The base rate component of the bill of a typical gas residential customer using 10 Mcf monthly will increase from \$23.97 to \$30.85.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by LG&E are denied.
2. The Agreement, attached hereto as an Appendix, is approved in its entirety.
3. LG&E shall continue to record depreciation on its utility plant for book and ratemaking purposes using the ASL methodology and the rates set forth in Exhibit 8 to the Agreement.
4. The rates, charges, terms, and conditions for electric service set forth in Exhibit 5 to the Agreement, with the modifications discussed above to the tariffs, are fair, just and reasonable, for LG&E to charge for electric service rendered on and after February 6, 2009.
5. The rates, charges terms, and conditions for gas service set forth in Exhibit 6 to the Agreement, with the modifications to the tariffs discussed above, are

fair, just and reasonable for LG&E to charge for gas service rendered on and after February 6, 2009.

6. LG&E shall file within 20 days of the date of this Order its revised tariffs as set forth in Exhibit Nos. 5 and 6 to the Agreement and as modified by the findings herein reflecting that they were approved pursuant to this Order.

7. LG&E shall establish as regulatory liabilities all post-test year revenues related to MISO Schedule 10 expenses and future adjustments to its MISO exit fee until such time as they can be amortized in a future rate case.

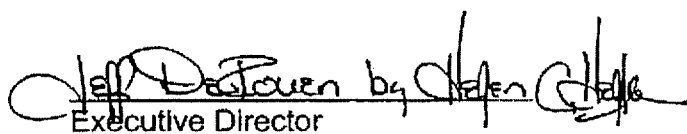
8. LG&E shall establish a regulatory asset and begin a five-year amortization thereof for the FERC settlement costs incurred in connection with the wholesale transmission rate dispute with East Kentucky relating to LG&E's exit from MISO.

9. LG&E shall defer and amortize over three years its actual rate case expenses incurred in conjunction with this proceeding.

Done at Frankfort, Kentucky, this 5th day of February, 2009.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NOS. 2007-00564 and 2008-00252

DATED FEBRUARY 5, 2009

Charnas
RECEIVED

JAN 13 2009

PUBLIC SERVICE
COMMISSION

SETTLEMENT AGREEMENT, STIPULATION, AND RECOMMENDATION

This Settlement Agreement, Stipulation, and Recommendation ("Settlement Agreement") is entered into this 12th day of January 2009, by and between Louisville Gas and Electric Company ("LG&E"); Kentucky Utilities Company ("KU") (LG&E and KU are hereafter collectively referenced as "the Utilities"); Commonwealth of Kentucky, ex. rel. Jack Conway, Attorney General, by and through the Office of Rate Intervention ("AG"); Kentucky Industrial Utility Customers, Inc. ("KIUC"); The Kroger Company ("Kroger"); Lexington-Fayette Urban County Government ("LFUCG"); Community Action Kentucky, Inc. ("CAK"); Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC"); Association of Community Ministries ("ACM"); and, People Organized and Working for Energy Reform ("POWER") in the proceedings involving LG&E and KU which are the subject of this Settlement Agreement, as set forth below.

WITNESSETH:

WHEREAS, KU filed on July 29, 2008 with the Kentucky Public Service Commission ("Commission") its Application for Authority to Adjust Rates, *In the Matter of: An Application of Kentucky Utilities Company for an Adjustment of Base Rates*, and the Commission has established Case No. 2008-00251 to review KU's base rate application;

WHEREAS, LG&E filed on July 29, 2008 with the Commission its Application for Authority to Adjust Rates, *In the Matter of: An Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*, and the Commission has established Case No. 2008-00252 to review LG&E's base rate application (Case Nos. 2008-00251 and 2008-00252 are hereafter collectively referenced as the "rate proceedings");

WHEREAS, the AG, KIUC, Kroger, and CAK have been granted intervention by the Commission in both of the rate proceedings; LFUCG and CAC have been granted intervention

by the Commission in Case No. 2008-00251 only; and ACM and POWER have been granted intervention by the Commission in Case No. 2008-00252 only;

WHEREAS, on August 22, 2008, the Commission granted consolidation of Case No. 2008-00251 with the case captioned *In the Matter of: Application of Kentucky Utilities Company to File Depreciation Study*, Case No. 2007-00565, and Case No. 2008-00252 with the case captioned *In the Matter of: Application of Louisville Gas and Electric Company to File Depreciation Study*, Case No. 2007-00564;

WHEREAS, pursuant to the terms of the Utilities' Small Time-of-Day ("STOD") pilot tariffs, the Utilities performed studies of their STOD rates after the three-year pilot period, which studies the Utilities filed in these proceedings pursuant to the Commission's August 15, 2008 Orders in these proceedings;

WHEREAS, a prehearing informal conference for the purpose of discussing settlement, attended in person by representatives of the AG, KIUC, Kroger, LFUCG, CAK, CAC, ACM and POWER, the Commission Staff and the Utilities, took place on January 6, 7, and 9, 2009 at the offices of the Commission during which a number of procedural and substantive issues were discussed, including potential settlement of all issues pending before the Commission in the above-referenced proceedings;

WHEREAS, all of the Parties hereto unanimously desire to settle all the issues pending before the Commission in the above-referenced proceedings;

WHEREAS, the adoption of this 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, it is understood by all Parties hereto that this Settlement Agreement is subject to the approval of the Commission, insofar as it constitutes an agreement by all parties to the rate 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 Utilities' rates, terms, and conditions;

WHEREAS, the Parties have spent many hours, over several days, in order to reach the stipulations and agreements which form the basis of this Settlement Agreement;

WHEREAS, all of the Parties, who represent diverse interests and divergent viewpoints, 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; 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 hereby stipulate and agree as follows:

ARTICLE I. Revenue Requirement.

Section 1.1. The Parties hereto stipulate that the following decreases in annual revenues for LG&E electric and KU operations, for purposes of determining the base electric rates of LG&E and KU in the rate proceedings, are fair, just, and reasonable for the Parties and for all customers of LG&E and KU:

Section 1.1.1. LG&E Electric Operations: \$13,157,000;

Section 1.1.2. KU Operations: \$8,851,000.

The Parties hereto agree that these decreases in annual revenues for LG&E electric operations and for KU operations will be effective for service rendered on and after February 6, 2009.

Section 1.2. The Parties hereto agree that, effective for service rendered on and after February 6, 2009, an increase in annual revenues for LG&E gas operations of \$22,000,000, for purposes of determining the base rates of LG&E gas operations in the rate proceedings, is fair, just, and reasonable for the Parties and for all gas customers of LG&E.

ARTICLE II. Allocation of Revenue.

Section 2.1. The Parties hereto agree that the allocations of the decreases in annual revenues for KU and LG&E electric operations, and that the allocation of the increase in annual revenue for LG&E gas operations, as set forth on the allocation schedules designated Exhibit 1 (KU), Exhibit 2 (LG&E electric), and Exhibit 3 (LG&E gas) hereto, are fair, just, and reasonable for the Parties and for all customers of LG&E and KU.

Section 2.2. The Parties hereto agree that, effective February 6, 2009, the Utilities shall implement the electric and gas rates set forth on the tariff sheets in Exhibit 4 (KU), Exhibit 5 (LG&E electric), and Exhibit 6 (LG&E gas), attached hereto, which rates the Parties unanimously stipulate are fair, just, and reasonable and should be approved by the Commission.

ARTICLE III. Treatment of Certain Specific Issues.

Section 3.1. The Parties agree that LG&E and KU may amortize their actual rate case expenses in these proceedings over a three year period. The amortization shall begin in the month after which the Commission approves this Settlement Agreement.

Section 3.2. The Parties agree that the depreciation rates attached hereto as Exhibit 7 (KU) and Exhibit 8 (LG&E electric and gas), which include the depreciation of the cost of the

Utilities' new Customer Care System software over ten years, are based on the Average Service Life methodology and the service lives as filed in the respective applications, and shall be effective for the Utilities' accounting and ratemaking purposes upon the approval of this Settlement Agreement.

Section 3.3. The Parties hereto agree that, effective as of the first expense month after which the Commission approves this Settlement Agreement, the return on equity that shall apply to the Utilities' recovery under their environmental cost recovery ("ECR") mechanism is 10.63%.

Section 3.4. The Parties hereto agree that the Commission should grant the Utilities' requests, as stated in their Applications, to establish and amortize over five years a regulatory asset for each of the Utilities for the costs associated with the transmission depancaking settlement agreement in Federal Energy Regulatory Commission Docket No. ER06-1458-000 between the Utilities and East Kentucky Power Cooperative, Inc. The amortization shall begin in the month after which the Commission approves this Settlement Agreement.

Section 3.5. The Parties hereto agree that the Commission should grant the Utilities' requests that revenues related to MISO Schedule 10 expenses deferred between the end of the test year and February 6, 2009, as well as any future adjustments to the MISO exit fee, be deferred as regulatory liabilities until the amounts can be amortized in future base rate cases. The amortization of the amounts related to MISO Schedule 10 expenses and the MISO exit fee already deferred as of the end of the test year shall begin in the month after which the Commission approves this Settlement Agreement.

Section 3.6. The Parties hereto agree that the Utilities' currently approved customer charges shall remain unchanged in the new rates, terms, and conditions proposed by this

Settlement Agreement, with the exception of LG&E's gas residential customer charge, which shall increase by \$1.00 per month to \$9.50 per month.

Section 3.7. The Parties hereto agree that the Utilities' merger surcredits will terminate February 6, 2009, and the total distribution of the merger surcredits will be prorated to that date.

Section 3.8. The Parties hereto agree that the following residential customer deposit amounts shall be implemented: \$135 for LG&E electric; \$160 for LG&E gas; \$295 for LG&E electric and gas combined; and \$135 for KU. All other customer deposit amounts will be as filed by the Utilities in these proceedings.

Section 3.9. The Parties hereto agree that, if a residential customer indicates an inability to pay or difficulty in paying a required customer deposit, the appropriate Utility shall offer the customer the option to pay all or a portion of the required deposit in installments over a period not to exceed the first four normal billing periods.

Section 3.10. The Parties hereto agree to the following changes to the following *Curtailable Service Riders* for LG&E electric and KU: the CSR1 credit will increase from the currently approved level by \$2.00 per kW; CSR1 customers will be interruptible for no more than 200 hours annually, and no more than two interruptions per day; the CSR2 credit will increase from the currently approved level by \$1.50 per kW; CSR2 customers will be interruptible for no more than 425 hours annually, and no more than two interruptions per day. The amount of load that can be eligible for the CSR2 rider shall be limited to an aggregate of 100 MW per Utility.

Section 3.11. The Utilities agree to work with interested parties to study the feasibility of measuring demand for generation service to multi-site customers based on conjunctive demand, where "conjunctive demand" herein refers to the measured demand at a meter at the time that the

total demand of a multi-site customer's loads, measured over a coinciding time period, has reached its peak during the billing period.

Section 3.12. The Parties hereto agree that payment for a customer's bill shall be due to the appropriate Utility twelve days after the date on which the Utility issues the bill, though there will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Utility receives the customer's payment within fifteen days after the date on which the Utility issues the customer's bill. If the appropriate Utility does not receive the customer's payment within fifteen days after the date on which the Utility issues the customer's bill, the Utility may assess a late payment charge as set out in the Utility's proposed tariffs in these proceedings. The Parties acknowledge and agree that LG&E and KU will not be able to implement the change in the due date of customers' bills and that KU will not be able to implement its late payment charge until the first billing cycle following the full operation of its new Customer Care System.

Section 3.13. The Parties hereto agree that the Utilities, CAK, and ACM/POWER will consult with each other concerning the design of a plan regarding the identification of late payment charges for low income customers associated with utility assistance payments. Specifically, they shall discuss the implementation of a plan by which CAK, ACM/POWER, their member agencies, and other Utility-approved emergency energy assistance agencies ("Assistance Agencies") would annually pre-certify recipients of certain utility payment assistance, conceptually similar to the pre-certification program currently in place in the Commonwealth of Virginia, which would allow the Utilities' Kentucky operations to waive the late payment charges for such pre-certified customers during the months of December through

March each year. Participation in such a pre-certification program would be optional to any or all of the Assistance Agencies.

Section 3.14. The Parties hereto agree that the Utilities shall increase the currently approved monthly residential meter charge (for gas and electric meters) for the Home Energy Assistance ("HEA") program from \$0.10 to \$0.15 per meter. For a period of two years following the implementation of the rates proposed in this Settlement Agreement or until rates take effect in the Utilities' next base rate proceedings, whichever is longer, the Utilities shall make a dollar-for-dollar contribution from shareholder funds to the HEA program to match HEA funds collected from customers (up to \$300,000 per year on a combined-Utilities basis).

Section 3.15. The Parties hereto agree that, except as modified in this Settlement Agreement and the exhibits attached hereto, the rates, terms, and conditions proposed by the Utilities in the rate proceedings shall be approved as filed. Approval of this Settlement Agreement shall not be construed to approve or deny the adjustments to LG&E's and KU's electric revenues and expenses associated with the normalization of weather.

ARTICLE IV. Miscellaneous Provisions.

Section 4.1. Except as specifically stated otherwise in this Settlement Agreement, the Parties 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 4.2. The Parties 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 4.3. The Parties hereto agree that, following the execution of this Settlement Agreement, the Parties shall cause the Settlement Agreement to be filed with the Commission by January 12, 2009 together with a request to the Commission for consideration and approval of this Settlement Agreement for rates to become effective on February 6, 2009.

Section 4.4. Each party waives all cross-examination of the other parties' witnesses unless the Commission disapproves this Agreement, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, testimony, pleadings, and responses to data requests filed in this proceeding be admitted into the record. The Parties stipulate that after the date of this Settlement Agreement they will not otherwise contest the Utilities' proposals, as modified by this Settlement Agreement, in the hearing of the above-referenced proceedings regarding the subject matter of the Settlement Agreement, and that they will refrain from cross-examination of the Utilities' witnesses during the hearing, except insofar as such cross-examination is in support of the Settlement Agreement.

Section 4.5. The Parties hereto agree that this Settlement Agreement is subject to the acceptance of and approval by the Commission. The Parties 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 4.6. If the Commission issues an order adopting this Settlement Agreement in its entirety, each of the parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin Circuit Court with respect to such order.

Section 4.7. The Parties 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 Parties to this Settlement Agreement or be construed against any of the Parties.

Section 4.8. The Parties hereto agree that, should the Settlement Agreement be voided or vacated for any reason after the Commission has approved the Settlement Agreement, then the parties shall be returned to the *status quo* existing at the time immediately prior to the execution of this agreement.

Section 4.9. The Parties hereto agree that this Settlement Agreement shall in no way be deemed to divest the Commission of jurisdiction under Chapter 278 of the Kentucky Revised Statutes.

Section 4.10. The Parties hereto agree that this Settlement Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

Section 4.11. The Parties 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 4.12. The Parties 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 4.13. The Parties 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 4.14. The signatories hereto warrant that they have appropriately informed, advised, and consulted their respective Parties 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 their respective Parties

Section 4.15. The Parties 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 Utilities are unknown and this Settlement Agreement shall be implemented as written.

Section 4.16. The Parties hereto agree that this Settlement Agreement may be executed in multiple counterparts

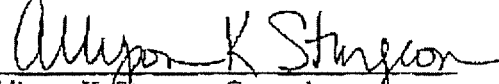
IN WITNESS WHEREOF, the parties have hereunto affixed their signatures:

Louisville Gas and Electric Company
and Kentucky Utilities Company

HAVE SEEN AND AGREED:

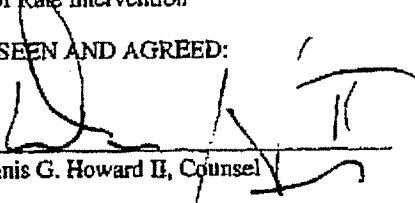
By: 
Kendrick R. Riggs, Counsel

-and-

By: 
Allyson K. Sturgeon, Counsel

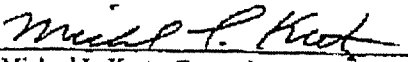
Commonwealth of Kentucky, ex. rel. Jack
Conway, Attorney General, by and through the
Office of Rate Intervention

HAVE SEEN AND AGREED:

By: 
Dennis G. Howard II, Counsel


Kentucky Industrial Utility Customers, Inc.

HAVE SEEN AND AGREED:

By: 
Michael L. Kurtz, Counsel

The Kroger Company

HAVE SEEN AND AGREED:

By: 
David C. Brown, Counsel

Lexington-Fayette Urban County Government

HAVE SEEN AND AGREED:

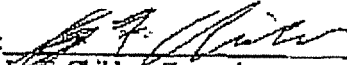
By: Willis L. Wilson

Willis L. Wilson, Counsel

*Render's approval of the Fayette
Urban County Council*


Community Action Kentucky, Inc.

HAVE SEEN AND AGREED:

By: 
Joe F. Childers, Counsel

Community Action Counsel for
Lexington-Fayette, Bourbon, Harrison
and Nicholas Counties, Inc.

HAVE SEEN AND AGREED: .

By: 
Iris G. Skidmore, Counsel

01/12/2009 11:40 FAX 5025848014

Association of Community Ministries

HAVE SEEN AND AGREED:

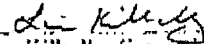
By: *Lisa Kilkelly*
Lisa Kilkelly, Counsel

01/12/2009 11:41 FAX 5025848014

003/003

People Organized and Working for
Energy Reform

HAVE SEEN AND AGREED:

By: 
Lisa Kilkelly, Counsel

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 160

Responding Witness: John J. Spanos

- Q-160. Please provide the calculation of the current depreciation rates (or those used to calculate the test period depreciation expense, if different) in electronic format (Excel) with all formulae intact. Show all parameters used (i.e., ASL, curve, remaining life, net salvage ratio), and provide a source for those parameters. Please explain any differences in the parameters or rates from those that were ordered when the rates were adopted.
- A-160. See attached CD in folder titled Question No. 160 for the current depreciation rates with survivor curve, net salvage percent, and remaining life parameters. These parameters were determined in Mr. Spanos' depreciation study and settlement of the proceeding in 2009. This spreadsheet was also attached to Attorney General Data Request No. 1-27 in Case No. 2007-00564.

LOUISVILLE GAS AND ELECTRIC - ELECTRIC
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	COMPOSITE REMAINING LIFE	
								(1)
DEPRECIABLE PLANT								
STEAM PRODUCTION PLANT								
311.00	STRUCTURES AND IMPROVEMENTS							
	CANE RUN UNIT 1	(10)	4,233,981.48	4,657,380	0	0	-	
	CANE RUN UNIT 2	(10)	2,102,942.00	2,313,236	0	0	-	
	CANE RUN UNIT 3	(10)	3,532,140.00	3,885,354	0	0	-	
	CANE RUN UNIT 4	(10)	3,819,018.36	3,700,903	500,017	43,483	11.5	
	CANE RUN-SO2 UNIT 4	(10)	760,360.00	753,417	82,979	7,216	0.95	
	CANE RUN-SO2 UNIT 5	(10)	6,165,918.13	4,945,198	1,837,311	118,575	15.5	
	CANE RUN-SO2 UNIT 5	(10)	1,696,435.00	1,457,117	408,962	26,385	15.5	
	CANE RUN-SO2 UNIT 5	(10)	19,346,501.56	14,467,279	6,813,872	412,998	16.5	
	CANE RUN-SO2 UNIT 6	(10)	1,894,852.32	1,447,631	636,706	38,589	16.5	
	CANE RUN-SO2 UNIT 6	(10)	19,168,217.08	14,961,980	6,123,058	314,104	19.5	
	MILL CREEK-SO2 UNIT 1	(10)	1,716,995.50	1,334,642	554,053	28,413	19.5	
	MILL CREEK-SO2 UNIT 1	(10)	10,812,787.99	8,891,316	3,002,752	154,053	14.2	
	MILL CREEK-SO2 UNIT 2	(10)	1,393,404.00	1,042,003	490,742	25,166	19.5	
	MILL CREEK-SO2 UNIT 2	(10)	24,963,587.02	16,321,633	11,138,313	377,906	29.5	
	MILL CREEK-SO2 UNIT 3	(10)	362,867.00	242,320	156,834	5,321	29.5	
	MILL CREEK-SO2 UNIT 3	(10)	60,311,484.02	33,408,461	32,934,172	1,116,682	29.5	
	MILL CREEK-SO2 UNIT 4	(10)	5,307,313.20	3,088,191	2,749,854	93,241	29.5	
	MILL CREEK-SO2 UNIT 4	(10)	160,498,043.70	77,910,799	98,637,049	3,343,629	29.5	
	TRIMBLE COUNTY - UNIT 1	(10)	511,308.94	218,024	344,415	11,675	29.5	
	TRIMBLE COUNTY - SO2 UNIT 1							
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS		328,598,157.30	195,046,884	166,411,089	6,117,436	27.2	
312.00	BOILER PLANT EQUIPMENT							
	CANE RUN LOCOMOTIVE	20	51,549.42	36,630	4,610	1,376	3.4	
	CANE RUN LOCOMOTIVE - RAILCARS	20	1,501,772.81	512,129	689,289	47,179	14.6	
	CANE RUN UNIT 1	(30)	1,053,742.00	1,369,865	0	0	-	
	CANE RUN UNIT 2	(30)	132,837.00	172,688	0	0	-	
	CANE RUN UNIT 3	(30)	711,484.00	924,929	0	0	-	
	CANE RUN UNIT 4	(30)	30,277,226.79	20,066,982	19,293,415	1,779,445	10.8	
	CANE RUN-SO2 UNIT 4	(30)	17,091,727.81	13,099,553	9,119,694	842,118	4.93	
	CANE RUN-SO2 UNIT 5	(30)	34,767,159.48	14,352,753	30,844,556	2,123,052	14.5	
	CANE RUN-SO2 UNIT 5	(30)	28,107,437.90	20,525,754	16,013,915	1,144,553	14.0	
	CANE RUN-SO2 UNIT 5	(30)	47,135,674.34	24,185,127	37,091,250	2,447,781	15.2	
	CANE RUN-SO2 UNIT 6	(30)	32,184,156.61	20,326,901	21,512,505	1,433,923	15.0	
	CANE RUN-SO2 UNIT 6	(30)	43,503.00	5,749	50,805	1,253	40.5	
	MILL CREEK-LAND	20	613,424.43	390,413	100,326	17,759	5.6	
	MILL CREEK-LOCOMOTIVE							

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
314.00								
TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT								
TURBOGENERATOR UNITS								
	MILL CREEK-LOCOMOTIVE RAILCARS	25-R2	3,593,111.63	1,297,004	1,577,485	112,593	3.13	14.0
	MILL CREEK UNIT 1	45-R1.5 *	47,559,197.98	27,486,678	34,340,281	2,017,034	4.24	17.0
	MILL CREEK-SO2 UNIT 1	45-R1.5 *	42,349,730.64	21,544,768	33,509,882	1,906,048	4.50	17.6
	MILL CREEK UNIT 2	45-R1.5 *	47,357,145.83	22,652,893	38,911,399	2,224,652	4.70	17.5
	MILL CREEK-SO2 UNIT 2	45-R1.5 *	34,424,938.00	19,066,590	25,685,828	1,471,758	4.28	17.5
	MILL CREEK UNIT 3	45-R1.5 *	137,324,677.88	46,888,293	131,633,788	5,315,203	3.87	24.8
	MILL CREEK-SO2 UNIT 3	45-R1.5 *	63,097,998.79	20,709,267	61,318,130	2,430,640	3.85	25.2
	MILL CREEK UNIT 4	45-R1.5 *	237,560,968.44	79,931,180	228,898,079	9,149,899	3.85	25.0
	MILL CREEK-SO2 UNIT 4	45-R1.5 *	113,648,645.53	42,505,023	105,238,217	4,217,865	3.71	25.0
	TRIMBLE COUNTY - UNIT 1	45-R1.5 *	246,928,938.61	99,220,519	221,787,100	8,936,912	3.62	24.8
	TRIMBLE COUNTY - SO2 UNIT 1	45-R1.5 *	63,159,341.63	25,547,919	56,559,226	2,283,712	3.62	24.8
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT		1,230,676,390.55	522,819,607	1,074,179,780	49,904,755	4.06	21.5
315.00								
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS								
ACCESSORY ELECTRIC EQUIPMENT								
	CANE RUN UNIT 1	50-S2 *	1,891,012.00	1,985,563	0	0	-	-
	CANE RUN UNIT 2	50-S2 *	1,277,223.00	1,341,084	0	0	-	-
	CANE RUN UNIT 3	50-S2 *	767,323.00	805,691	0	0	-	-
	CANE RUN UNIT 4	50-S2 *	5,474,319.06	3,765,370	1,982,665	173,811	3.18	11.4
	CANE RUN-SO2 UNIT 4	50-S2 *	987,949.00	954,150	83,196	8,070	0.82	10.3
	CANE RUN UNIT 5	50-S2 *	6,856,291.05	4,124,255	3,074,850	203,759	2.97	15.1
	CANE RUN-SO2 UNIT 5	50-S2 *	2,216,498.98	1,871,683	455,643	33,008	1.49	13.8
	CANE RUN UNIT 6	50-S2 *	8,571,566.71	5,190,930	3,809,214	239,602	2.80	15.9
	CANE RUN-SO2 UNIT 6	50-S2 *	2,124,667.00	1,791,940	438,961	30,600	1.44	14.3
	MILL CREEK UNIT 1	50-S2 *	14,425,285.62	7,799,790	7,346,761	396,691	2.75	18.5
	MILL CREEK-SO2 UNIT 1	50-S2 *	5,541,695.00	4,265,624	1,553,156	92,624	1.67	16.8
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS		199,324,692.41	116,619,458	102,637,709	4,864,275	2.44	21.1

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	(1) ACCOUNT	(2) SURVIVOR CURVE	(3) NET SALVAGE PERCENT	(4) ORIGINAL COST	(5) BOOK DEPRECIATION RESERVE	(6) FUTURE ACCRUALS	(7) CALCULATED ANNUAL ACCRUAL AMOUNT	(8)=(7)/(4) ANNUAL RATE	(9)=(6)/(7) COMPOSITE REMAINING LIFE
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT								
316.00	MISCELLANEOUS PLANT EQUIPMENT								
	CANE RUN UNIT 1	40-S2	*	38,746.00	40,683	0	0	-	-
	CANE RUN UNIT 3	40-S2	*	11,665.00	12,248	0	0	-	-
	CANE RUN UNIT 4	40-S2	*	71,143.38	23,667	51,033	4,482	6.30	11.4
	CANE RUN-SO2 UNIT 4	40-S2	*	6,464.00	5,087	1,700	183	2.83	9.3
	CANE RUN UNIT 5	40-S2	*	80,865.51	18,034	66,874	4,369	5.40	15.3
	CANE RUN-SO2 UNIT 5	40-S2	*	47,299.00	33,092	16,571	1,350	2.85	12.3
	CANE RUN UNIT 6	40-S2	*	2,707,943.48	1,018,284	1,825,058	117,087	4.32	15.6
	CANE RUN-SO2 UNIT 6	40-S2	*	31,569.00	22,434	10,714	868	2.75	12.3
	MILL CREEK UNIT 1	40-S2	*	696,198.16	391,989	339,019	22,449	3.22	15.1
	MILL CREEK UNIT 2	40-S2	*	112,007.80	70,200	47,409	3,252	2.90	14.6
	MILL CREEK UNIT 3	40-S2	*	318,625.00	199,264	135,293	8,266	2.59	16.4
	MILL CREEK UNIT 4	40-S2	*	5,198,564.77	1,625,549	3,832,945	158,186	3.04	24.2
	MILL CREEK-SO2 UNIT 4	40-S2	*	53,006.66	25,728	29,929	1,500	2.83	20.0
	TRIMBLE COUNTY - UNIT 1	40-S2	*	2,574,446.81	993,873	1,709,297	74,392	2.89	23.0
	TOTAL ACCOUNT 316 - MISCELLANEOUS PLANT EQUIPMENT								
					4,480,132	8,065,842	396,384	3.32	20.3
	TOTAL STEAM PRODUCTION PLANT				939,916,258	1,421,188,809	64,637,905		
	HYDROELECTRIC PRODUCTION PLANT								
331.00	STRUCTURES AND IMPROVEMENTS								
	OHIO FALLS - NON-PROJECT	100-S2.5	*	65,796.14	58,756	10,330	350	0.53	29.5
	OHIO FALLS - PROJECT 289	100-S2.5	*	5,412,307.69	5,560,362	122,563	4,159	0.08	29.5
					5,619,118	132,893	4,509	0.08	29.5
332.00	RESERVOIRS, DAMS & WATERWAY								

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL ACCURUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
	OHIO FALLS - PROJECT 289	100-52.5 *	4,949,177.35	398,171	4,798,465	163,112	3.30	29.4
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS & WATERWAY		4,949,177.35	398,171	4,798,465	163,112	3.30	29.4
333.00	WATER WHEELS, TURBINES & GENERATORS OHIO FALLS - PROJECT 289	100-52.5 *	2,674,579.62	2,747,041	194,997	6,617	0.25	29.5
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES & GENERATORS		2,674,579.62	2,747,041	194,997	6,617	0.25	29.5
334.00	ACCESSORY ELECTRIC EQUIPMENT OHIO FALLS - PROJECT 289	80-S4 *	4,392,875.71	859,630	3,752,888	129,325	2.94	29.0
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT		4,392,875.71	859,630	3,752,888	129,325	2.94	29.0
335.00	MISCELLANEOUS PLANT EQUIPMENT OHIO FALLS - NON-PROJECT OHIO FALLS - PROJECT 289	80-S3 * 80-S3 *	7,813.67 171,179.25	5,379 80,876	3,216 107,420	126 3,927	1.61 2.29	25.5 27.4
	TOTAL ACCOUNT 335 - MISCELLANEOUS PLANT EQUIPMENT		178,992.92	86,255	110,636	4,053	2.26	27.3
336.00	ROADS, RAILROADS & BRIDGES OHIO FALLS - NON-PROJECT OHIO FALLS - PROJECT 289	80-S4 * 80-S4 *	1,133.98 178,846.99	1,134 219,873	0 (41,027)	0 0	- -	- -
	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES		179,980.97	221,007	(41,027)	0	-	-
	TOTAL HYDROELECTRIC PRODUCTION PLANT		17,853,710.40	9,931,222	8,948,852	307,616		
OTHER PRODUCTION PLANT								
341.00	STRUCTURES AND IMPROVEMENTS CANE RUN GT 11 ZORN AND RIVER ROAD GAS TURBINE PADDY'S RUN-GENERATOR 12 PADDY'S RUN-GENERATOR 13 BROWN COMBUSTION TURBINE #5 E W BROWN # 6 E W BROWN # 7 TRIMBLE COUNTY #5	55-R3 * 55-R3 * 55-R3 * 55-R3 * 55-R3 * 55-R3 * 55-R3 *	68,931.71 8,241.14 42,864.53 2,158,698.12 858,538.64 105,977.86 144,356.29 1,555,655.08	69,172 8,483 44,128 390,060 155,147 15,188 22,954 227,674	3,206 170 880 1,876,573 746,319 96,089 128,621 1,405,764	926 50 257 65,798 26,168 3,358 4,502 49,110	1.34 0.61 0.60 3.05 3.05 3.17 3.12 3.16	3.5 3.4 3.4 28.5 28.5 28.6 28.6 28.6

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	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
		55-R3 *	(5)	1,467,923.89	222,716	1,318,604	46,087	3.14	28.6
		55-R3 *	(5)	2,083,698.13	186,315	2,001,568	69,571	3.34	28.8
		55-R3 *	(5)	2,075,526.50	185,584	1,993,719	69,299	3.34	28.8
		55-R3 *	(5)	2,137,402.33	191,116	2,053,156	71,364	3.34	28.8
		55-R3 *	(5)	2,132,789.69	190,704	2,048,725	71,210	3.34	28.8
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS			14,840,603.91	1,909,241	13,673,394	477,700	3.22	28.6
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	50-R3 *	(5)	118,873.81	108,875	15,942	4,582	3.85	3.5
	CANE RUN GT 11	50-R3 *	(5)	12,801.77	13,189	253	75	0.59	3.4
	ZORN AND RIVER ROAD GAS TURBINE	50-R3 *	(5)	9,237.57	9,516	183	54	0.58	3.4
	PADDY'S RUN-GENERATOR 11	50-R3 *	(5)	12,197.11	12,450	357	104	0.85	3.4
	PADDY'S RUN-GENERATOR 12	50-R3 *	(5)	2,255,338.17	407,591	1,960,515	69,436	3.08	28.2
	PADDY'S RUN-GENERATOR 13	50-R3 *	(5)	822,580.92	149,681	714,029	25,293	3.07	28.2
	BROWN COMBUSTION TURBINE #5	50-R3 *	(5)	363,762.04	76,291	305,659	10,878	2.99	28.1
	E W BROWN # 6	50-R3 *	(5)	102,065.03	21,406	85,762	3,052	2.99	28.1
	E W BROWN # 7	50-R3 *	(5)	97,996.90	14,970	87,927	3,102	3.17	28.3
	TRIMBLE COUNTY #5	50-R3 *	(5)	14,954	14,954	87,801	3,098	3.17	28.3
	TRIMBLE COUNTY #6	50-R3 *	(5)	1,998,390.62	290,096	1,808,214	65,742	3.19	28.4
	TRIMBLE COUNTY CT PIPELINE	50-R3 *	(5)	338,423.07	30,605	324,739	11,374	3.36	28.6
	TRIMBLE COUNTY #7	50-R3 *	(5)	337,096.18	30,485	323,466	11,330	3.36	28.5
	TRIMBLE COUNTY #8	50-R3 *	(5)	347,146.53	31,393	333,111	11,668	3.36	28.5
	TRIMBLE COUNTY #9	50-R3 *	(5)	346,397.46	31,326	332,391	11,642	3.36	28.6
	TRIMBLE COUNTY #10	50-R3 *	(5)						
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES			7,260,168.76	1,242,828	6,380,349	229,430	3.16	27.8
343.00	PRIME MOVERS	30-R2 *	(5)	19,700,979.24	3,375,161	17,310,867	756,691	3.84	22.9
	PADDY'S RUN-GENERATOR 13	30-R2 *	(5)	14,310,573.52	2,421,790	12,604,312	550,181	3.84	22.9
	BROWN COMBUSTION TURBINE #5	30-R2 *	(5)	15,937,077.55	2,736,602	13,997,330	613,865	3.85	22.8
	E W BROWN # 6	30-R2 *	(5)	22,587,247.07	4,619,647	19,096,962	860,612	3.81	22.2
	E W BROWN # 7	30-R2 *	(5)	12,521,829.34	1,780,665	11,367,256	486,280	3.88	23.4
	TRIMBLE COUNTY #5	30-R2 *	(5)	12,417,418.76	1,773,746	11,264,544	482,084	3.88	23.4
	TRIMBLE COUNTY #6	30-R2 *	(5)	13,328,713.85	1,102,451	12,892,699	531,261	3.99	24.3
	TRIMBLE COUNTY #7	30-R2 *	(5)	13,203,748.83	1,089,023	12,774,913	526,347	3.99	24.3
	TRIMBLE COUNTY #8	30-R2 *	(5)	13,094,377.92	1,080,168	12,668,929	521,984	3.99	24.3
	TRIMBLE COUNTY #9	30-R2 *	(5)	13,055,699.41	1,076,943	12,631,541	520,443	3.99	24.3
	TRIMBLE COUNTY #10	30-R2 *	(5)						
	TOTAL ACCOUNT 343 - ENGINES			150,157,665.49	21,056,196	136,609,353	5,849,748	3.90	23.4

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
344.00	GENERATORS							
	CANE RUN GT 11	*	2,492,497.42	2,118,427	498,695	142,844	5.73	3.5
	ZORN AND RIVER ROAD GAS TURBINE	*	1,827,580.88	1,747,340	171,620	49,432	2.70	3.5
	PADDY'S RUN-GENERATOR 11	*	1,523,115.56	1,454,634	144,637	41,663	2.74	3.5
	PADDY'S RUN-GENERATOR 12	*	2,991,745.77	2,868,232	273,102	78,731	2.63	3.5
	PADDY'S RUN-GENERATOR 13	*	5,859,857.43	1,008,814	5,144,036	175,684	3.00	29.3
	BROWN COMBUSTION TURBINE #5	*	3,219,204.90	554,278	2,825,887	96,512	3.00	29.2
	E W BROWN # 6	*	2,417,994.54	479,104	2,059,790	70,468	2.91	29.2
	E W BROWN # 7	*	2,421,079.26	479,715	2,062,418	70,558	2.91	29.2
	TRIMBLE COUNTY # 5	*	1,539,295.24	222,466	1,393,794	47,537	3.09	29.3
	TRIMBLE COUNTY # 6	*	1,537,167.60	222,236	1,391,790	47,469	3.09	29.3
	TRIMBLE COUNTY # 7	*	1,726,823.88	147,471	1,665,694	56,695	3.28	29.4
	TRIMBLE COUNTY # 8	*	1,717,276.72	146,655	1,656,486	56,381	3.28	29.4
	TRIMBLE COUNTY # 9	*	1,728,008.37	147,572	1,666,837	56,734	3.28	29.4
	TRIMBLE COUNTY # 10	*	1,722,674.29	147,117	1,661,691	56,559	3.28	29.4
	TOTAL ACCOUNT 344 - GENERATORS		32,724,321.86	11,744,061	22,616,477	1,047,267	3.20	21.6
345.00	ACCESSORY ELECTRIC EQUIPMENT							
	CANE RUN GT 11	*	113,683.82	105,125	8,558	2,733	2.40	3.1
	ZORN AND RIVER ROAD GAS TURBINE	*	40,936.08	38,007	2,929	944	2.31	3.1
	PADDY'S RUN-GENERATOR 11	*	68,109.35	58,427	9,682	2,906	4.27	3.3
	PADDY'S RUN-GENERATOR 12	*	114,337.63	99,885	14,452	4,369	3.82	3.3
	PADDY'S RUN-GENERATOR 13	*	2,778,992.60	516,225	2,262,768	92,166	3.32	24.6
	BROWN COMBUSTION TURBINE #5	*	2,575,301.42	478,451	2,096,850	85,409	3.32	24.6
	E W BROWN # 6	*	942,589.47	202,960	739,629	30,715	3.26	24.1
	E W BROWN # 7	*	943,792.03	203,219	740,573	30,755	3.26	24.1
	TRIMBLE COUNTY # 5	*	685,978.69	106,398	579,581	23,177	3.38	25.0
	TRIMBLE COUNTY # 6	*	685,031.13	106,289	578,743	23,145	3.38	25.0
	TRIMBLE COUNTY # 7	*	1,841,955.15	166,408	1,675,547	64,818	3.52	25.9
	TRIMBLE COUNTY # 8	*	1,834,731.90	165,756	1,668,976	64,564	3.52	25.8
	TRIMBLE COUNTY # 9	*	1,889,431.09	170,697	1,718,734	66,489	3.52	25.8
	TRIMBLE COUNTY # 10	*	1,885,353.63	170,329	1,715,025	66,345	3.52	25.9
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT		16,400,223.99	2,588,176	13,812,047	558,535	3.41	24.7
346.00	MISCELLANEOUS PLANT EQUIPMENT							
	PADDY'S RUN-GENERATOR 12	*	1,140.74	1,141	0	0	-	-
	PADDY'S RUN-GENERATOR 13	*	1,260,054.85	238,774	1,021,281	35,363	2.81	28.9
	BROWN COMBUSTION TURBINE #5	*	2,370,656.38	449,305	1,921,351	66,528	2.81	28.9
	E W BROWN # 6	*	22,455.77	3,865	18,591	643	2.86	28.9

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	ACCURAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	TOTAL ACCOUNT 346 - MISCELLANEOUS PLANT EQUIPMENT								
	TOTAL OTHER PRODUCTION PLANT								
	TRANSMISSION PLANT								
350.10	LAND AND LAND RIGHTS	50-R3	0	2,592,773.81	1,167,041	1,425,733	101,569	3.92	14.0
352.10	STRUCTURES AND IMPROVEMENTS	60-R2.5	(10)	3,426,227.89	1,812,349	1,956,505	39,969	1.17	49.0
353.10	STATION EQUIPMENT	55-R2.5	(10)	132,246,587.81	73,308,244	72,163,005	1,745,510	1.32	41.3
354.00	TOWERS AND FIXTURES	65-R3	(40)	24,705,991.57	341,299	341,299	341,299	1.38	41.9
355.00	POLES AND FIXTURES	50-R2	(50)	32,698,136.55	13,553,263	35,493,941	964,159	2.95	36.8
356.00	OVERHEAD CONDUCTORS AND DEVICES	50-R2	(40)	36,319,311.94	19,821,363	31,025,673	915,742	2.52	33.9
357.00	UNDERGROUND CONDUIT	50-R3	0	1,880,752.49	445,471	1,435,282	34,825	1.85	41.2
358.00	UNDERGROUND CONDUCTORS AND DEVICES	30-R3	0	5,303,988.77	1,567,760	3,736,229	193,476	3.65	19.3
	TOTAL TRANSMISSION PLANT			239,173,770.83	131,971,525	161,528,723	4,336,549		
	DISTRIBUTION PLANT								
361.00	STRUCTURES AND IMPROVEMENTS	60-R3	(20)	6,416,608.23	4,796,994	2,902,939	64,869	1.01	44.8
362.00	STATION EQUIPMENT	55-R1.5	(15)	85,588,876.42	46,104,182	52,323,031	1,204,805	1.41	43.4
364.00	POLES, TOWERS, AND FIXTURES	50-R2.5	(60)	103,127,752.92	57,472,587	107,531,817	3,093,097	3.00	34.8
365.00	OVERHEAD CONDUCTORS AND DEVICES	45-R1.5	(50)	173,009,057.04	80,947,114	178,566,479	5,014,103	2.90	35.6
366.00	UNDERGROUND CONDUIT	70-R4	(10)	61,734,265.50	22,506,113	45,401,580	772,824	1.25	58.7
367.00	UNDERGROUND CONDUCTORS AND DEVICES	50-R2	(15)	90,008,517.11	39,454,568	64,055,231	1,583,798	1.76	40.4
368.00	LINE TRANSFORMERS	45-R1.5	(20)	107,982,342.81	50,507,529	79,071,282	2,355,551	2.18	33.6
369.10	SERVICES - UNDERGROUND	45-R1.5	(35)	3,524,148.10	1,645,420	3,112,179	86,468	2.45	36.0
369.20	SERVICES - OVERHEAD	45-R1.5	(100)	21,039,200.67	15,017,775	27,060,626	1,049,793	4.99	25.8
370.00	METERS	30-R2	(5)	34,382,670.04	14,743,379	21,358,427	1,302,749	3.79	16.4
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	30-L1	(20)	23,772,667.59	13,981,630	658,022	2,777	2.77	21.2
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND	35-R1.5	(20)	40,882,602.84	15,306,457	33,752,667	1,207,986	2.95	27.9
373.40	STREET LIGHTING AND SIGNAL SYSTEMS - TRANSFORMERS	26-R0.5	0	87,546.43	89,351	(1,806)	0	-	-

LOUISVILLE GAS AND ELECTRIC - ELECTRIC
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)
	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
TOTAL DISTRIBUTION PLANT									
				751,556,255.70	363,137,043	629,116,082	18,394,065		
GENERAL PLANT									
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	30-S4	5	587,518.21	198,471	359,673	21,272	3.62	16.9
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	3,155,932.55	960,829	2,195,103	138,637	4.39	15.8
395.00	LABORATORY EQUIPMENT	15-SQ	0	1,503,831.33	805,480	698,351	455,981	30.32	1.5
396.20	POWER OPERATED EQUIPMENT - OTHER	30-RI.5	0	51,067.69	21,151	29,917	1,620	3.17	18.5
	TOTAL GENERAL PLANT			5,298,349.78	1,985,931	3,283,044	617,510		
	TOTAL DEPRECIABLE PLANT			3,172,229,288.15	1,486,181,991	2,420,164,944	96,560,461		
NONDEPRECIABLE PLANT									
301.00	ORGANIZATION			2,240.29					
302.00	FRANCHISE AND CONSENTS			100.00	100				
310.10	LAND			6,303,853.30					
330.10	LAND			13.00					
340.10	LAND			49,258.87					
350.10	LAND			888,237.78					
360.10	LAND			1,984,544.32					
	TOTAL NONDEPRECIABLE PLANT			9,228,247.56	100				
ACCOUNTS NOT STUDIED									
392.10	TRANSPORTATION EQUIPMENT - CARS AND TRUCKS			9,303,252.82	9,145,641				
396.10	POWER OPERATED EQUIPMENT - HOURLY RATED			2,285,136.20	2,231,071				
	TOTAL ACCOUNTS NOT STUDIED			11,588,389.02	11,376,712				
	TOTAL ELECTRIC PLANT			3,193,045,924.73	1,497,558,803	2,420,164,944	96,560,461		

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

LOUISVILLE GAS AND ELECTRIC - GAS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
DEPRECIABLE PLANT								
PRODUCTION PLANT								
350.20	RIGHTS OF WAY	0	63,678.14	70,451	(6,773)	0	-	-
351.20	COMPRESSOR STATION STRUCTURES	(5)	1,696,319.20	743,281	1,037,855	23,026	1.36	45.1
351.30	MEASURING AND REGULATING STATION STRUCTURES	(5)	10,879.61	14,474	(3,050)	0	-	-
351.40	OTHER STRUCTURES	(5)	1,236,356.49	807,089	491,085	11,426	0.92	43.0
352.10	STORAGE LEASEHOLDS AND RIGHTS	0	548,241.14	569,590	(21,349)	0	-	-
352.20	RESERVOIRS	0	400,511.40	446,270	(45,759)	0	-	-
352.30	NONRECOVERABLE NATURAL GAS	0	9,648,855.00	7,165,705	2,483,150	88,298	0.92	28.1
352.40	WELL DRILLING	(20)	2,622,897.61	2,710,350	437,125	9,473	0.36	46.1
352.50	WELL EQUIPMENT	(20)	6,142,762.54	728,355	6,642,963	212,368	3.46	31.3
353.00	LINE	(10)	12,786,744.73	6,643,582	7,421,838	214,826	1.68	34.5
354.00	COMPRESSOR STATION EQUIPMENT	(5)	13,961,769.92	6,978,446	7,681,418	178,373	1.28	43.1
355.00	MEASURING AND REGULATING EQUIPMENT	(5)	387,809.47	252,799	154,402	4,747	1.22	32.5
356.00	PURIFICATION EQUIPMENT	(15)	9,934,256.85	4,093,652	7,330,742	190,526	1.92	38.5
357.00	OTHER EQUIPMENT	0	1,033,211.58	269,736	763,476	22,575	2.18	33.8
TOTAL PRODUCTION PLANT			60,474,293.68	31,493,780	34,367,123	955,638	1.58	36.0
TRANSMISSION PLANT								
365.20	RIGHTS OF WAY	0	220,659.05	199,377	21,282	586	0.27	36.3
367.00	MAINS	(10)	12,673,432.30	11,578,244	2,362,536	46,385	0.37	50.9
TOTAL TRANSMISSION PLANT			12,894,091.35	11,777,621	2,383,818	46,971	0.36	50.8
DISTRIBUTION PLANT								
374.22	OTHER DISTRIBUTION LAND RIGHTS	0	74,018.23	72,775	1,242	26	0.04	47.8
375.10	STRUCTURES & IMPROVEMENTS - CITY GATE STATION	(5)	224,018.51	112,776	122,443	2,384	1.06	51.4
375.20	STRUCTURES & IMPROVEMENTS - OTHER DISTRIBUTION	(5)	505,354.95	96,486	434,139	42,190	8.35	10.3
376.00	MAINS	(30)	262,334,573.57	92,672,522	248,362,426	4,623,570	1.76	53.7
378.00	MEASURING AND REGULATING STATION EQUIP-GENERAL	(10)	7,853,390.14	1,861,536	6,777,193	198,953	2.53	34.1
379.00	MEASURING AND REGULATING STATION EQUIP-CITY GATE	(15)	3,846,544.97	1,301,803	3,121,721	89,690	2.33	34.8
380.00	SERVICES	(55)	125,366,090.71	47,057,089	147,260,348	4,518,149	3.60	32.6
381.00	METERS	0	21,171,719.50	3,872,688	17,299,033	843,910	3.99	20.5
382.00	METER INSTALLATIONS	0	9,136,341.11	(817,817)	9,954,158	647,752	7.09	15.4
383.00	HOUSE REGULATORS	(5)	4,598,091.61	1,202,930	3,625,064	102,088	2.22	35.5
384.00	HOUSE REGULATOR INSTALLATIONS	(5)	4,707,358.65	513,259	4,429,471	104,994	2.23	42.2
385.00	MEASURING AND REGULATING STATION EQUIPMENT	0	159,361.88	114,537	44,825	1,496	0.94	30.0
387.00	OTHER EQUIPMENT	0	51,112.34	10,802	40,311	1,779	3.48	22.7
TOTAL DISTRIBUTION PLANT			440,027,976.17	148,071,386	441,472,374	11,176,981	2.54	39.5

LOUISVILLE GAS AND ELECTRIC - GAS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2006

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
GENERAL PLANT								
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	5	474,814.36	131,916	319,157	22,619	4.76	14.1
394.00	TOOLS, SHOP, AND GARAGE EQUIPMENT	0	3,474,777.85	1,139,401	2,335,377	162,575	4.68	14.4
395.00	LABORATORY EQUIPMENT	0	439,513.20	258,930	180,583	158,291	36.02	1.1
396.20	POWER OPERATED EQUIPMENT - OTHER	5	51,369.30	32,879	17,822	1,436	2.69	12.4
	TOTAL GENERAL PLANT		4,442,474.71	1,563,126	2,852,939	344,921	7.76	8.3
	TOTAL DEPRECIABLE PLANT		517,838,835.91	192,905,913	481,076,254	12,524,511	2.42	38.4
NONDEPRECIABLE PLANT								
302.00	FRANCHISE AND CONSENTS		1,187.49	800				
350.10	LAND		32,864.07					
374.11	LAND		7,586.67					
374.12	LAND		54,457.06					
	TOTAL NONDEPRECIABLE PLANT		96,095.29	800				
ACCOUNTS NOT STUDIED								
392.10	TRANSPORTATION EQUIPMENT - CARS AND TRUCKS		2,912,871.76	2,888,074				
396.10	POWER OPERATED EQUIPMENT - HOURLY RATED		2,990,887.40	2,337,592				
	TOTAL ACCOUNTS NOT STUDIED		5,903,759.16	5,225,666				
	TOTAL GAS PLANT		523,838,690.36	198,132,379	481,076,254	12,524,511		

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 161

Responding Witness: Shannon L. Charnas

Q-161. Does the Company maintain its book reserve by plant account? If not, explain why not and explain how the book reserves were determined for use in calculating the current depreciation rates.

A-161. The Company maintains its book reserve by plant account.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 162

Responding Witness: Shannon L. Charnas

Q-162. Please provide the current depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

A-162. See attached.

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
ELECTRIC PLANT				
Intangible Plant	0.00%	0.00%	0.00%	0.00%
Steam Production Plant				
310.20 Land	0.00%	0.00%	0.00%	0.00%
311.00 Structures and Improvements				
0112 Cane Run Unit 1	0.00%	0.00%	0.00%	0.00%
0121 Cane Run Unit 2	0.00%	0.00%	0.00%	0.00%
0131 Cane Run Unit 3	0.00%	0.00%	0.00%	0.00%
0141 Cane Run Unit 4	1.14%	1.02%	0.12%	0.00%
0142 Cane Run Unit 4 FGD	0.95%	0.77%	0.18%	0.00%
0151 Cane Run Unit 5	1.92%	1.75%	0.17%	0.00%
0152 Cane Run Unit 5 FGD	1.56%	1.38%	0.18%	0.00%
0161 Cane Run Unit 6	2.13%	1.90%	0.23%	0.00%
0162 Cane Run Unit 6 FGD	2.04%	1.81%	0.23%	0.00%
0211 Mill Creek Unit 1	1.64%	1.44%	0.20%	0.00%
0212 Mill Creek Unit 1 FGD	1.65%	1.46%	0.19%	0.00%
0221 Mill Creek Unit 2	1.42%	1.22%	0.20%	0.00%
0222 Mill Creek Unit 2 FGD	1.81%	1.59%	0.22%	0.00%
0231 Mill Creek Unit 3	1.51%	1.36%	0.15%	0.00%
0232 Mill Creeel Unit 3 FGD	1.47%	1.34%	0.13%	0.00%
0241 Mill Creek Unit 4	1.85%	1.70%	0.15%	0.00%
0242 Mill Creek Unit 4 FGD	1.76%	1.61%	0.15%	0.00%
0311 Trimble County Unit 1	2.08%	1.74%	0.34%	0.00%
0311 TC Cooling Tower (hyperbolic) PHFU 105	2.10%	1.90%	0.20%	0.00%
0312 Trimble County Unit 1 FGD	2.28%	1.94%	0.34%	0.00%
0321 Trimble County Unit 2	2.10%	1.90%	0.20%	0.00%
0322 Trimble County Unit 2 FGD	2.10%	1.90%	0.20%	0.00%
311.10 Capital Leased Property				
0161 Cane Run Unit 6	2.13%	1.90%	0.23%	0.00%
0241 Mill Creek Unit 4	1.85%	1.70%	0.15%	0.00%
312.00 Boiler Plant Equipment				
0103 Cane Run Locomotive	2.67%	3.07%	0.00%	-0.40%
0104 Cane Run Rail Cars	3.14%	3.66%	0.00%	-0.52%
0112 Cane Run Unit 1	0.00%	0.00%	0.00%	0.00%
0121 Cane Run Unit 2	0.00%	0.00%	0.00%	0.00%
0131 Cane Run Unit 3	0.00%	0.00%	0.00%	0.00%
0141 Cane Run Unit 4	5.88%	4.46%	1.60%	-0.18%
0142 Cane Run Unit 4 FGD	4.93%	4.05%	1.05%	-0.17%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
0151 Cane Run Unit 5	6.11%	5.09%	1.24%	-0.22%
0152 Cane Run Unit 5 FGD	4.07%	3.02%	1.18%	-0.13%
0161 Cane Run Unit 6	5.19%	4.16%	1.18%	-0.15%
0162 Cane Run Unit 6 FGD	4.46%	3.94%	0.65%	-0.13%
0203 Mill Creek Locomotive	2.90%	3.28%	0.00%	-0.38%
0204 Mill Creek Rail Cars	3.13%	3.65%	0.00%	-0.52%
0211 Mill Creek Unit 1	4.24%	3.21%	1.16%	-0.13%
0212 Mill Creek Unit 1 FGD	4.50%	3.47%	1.17%	-0.14%
0221 Mill Creek Unit 2	4.70%	3.73%	1.11%	-0.14%
0222 Mill Creek Unit 2 FGD	4.28%	3.34%	1.07%	-0.13%
0231 Mill Creek Unit 3	3.87%	2.92%	1.06%	-0.11%
0232 Mill Creeel Unit 3 FGD	3.85%	2.95%	1.01%	-0.11%
0241 Mill Creek Unit 4	3.85%	2.95%	1.01%	-0.11%
0242 Mill Creek Unit 4 FGD	3.71%	2.90%	0.91%	-0.10%
0311 Trimble County Unit 1	3.62%	2.81%	0.91%	-0.10%
0311 TC Cooling Tower (hyperbolic) PHFU 105	4.28%	2.85%	1.59%	-0.16%
0312 Trimble County Unit 1 FGD	3.62%	2.81%	0.91%	-0.10%
0321 Trimble County Unit 2	4.28%	2.85%	1.59%	-0.16%
0322 Trimble County Unit 2 FGD	4.28%	2.85%	1.59%	-0.16%
314.00 Turbogenerator Units				
0112 Cane Run Unit 1	0.00%	0.00%	0.00%	0.00%
0121 Cane Run Unit 2	0.00%	0.00%	0.00%	0.00%
0131 Cane Run Unit 3	0.00%	0.00%	0.00%	0.00%
0141 Cane Run Unit 4	3.09%	2.29%	0.98%	-0.18%
0151 Cane Run Unit 5	2.22%	1.63%	0.72%	-0.13%
0161 Cane Run Unit 6	3.29%	2.80%	0.69%	-0.20%
0211 Mill Creek Unit 1	2.15%	1.71%	0.56%	-0.12%
0221 Mill Creek Unit 2	2.46%	2.04%	0.56%	-0.14%
0231 Mill Creek Unit 3	2.15%	1.80%	0.48%	-0.13%
0241 Mill Creek Unit 4	2.29%	2.06%	0.38%	-0.15%
0311 TC Cooling Tower (hyperbolic) PHFU 105	2.78%	2.33%	0.50%	-0.05%
0311 Trimble County Unit 1	2.48%	2.28%	0.37%	-0.17%
0321 Trimble County Unit 2	2.78%	2.33%	0.50%	-0.05%
315.00 Accessory Electric Equipment				
0112 Cane Run Unit 1	0.00%	0.00%	0.00%	0.00%
0121 Cane Run Unit 2	0.00%	0.00%	0.00%	0.00%
0131 Cane Run Unit 3	0.00%	0.00%	0.00%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
0141 Cane Run Unit 4	3.18%	2.73%	0.45%	0.00%
0142 Cane Run Unit 4 FGD	0.82%	0.32%	0.50%	0.00%
0151 Cane Run Unit 5	2.97%	2.61%	0.36%	0.00%
0152 Cane Run Unit 5 FGD	1.49%	1.11%	0.38%	0.00%
0161 Cane Run Unit 6	2.80%	2.46%	0.34%	0.00%
0162 Cane Run Unit 6 FGD	1.44%	1.08%	0.36%	0.00%
0211 Mill Creek Unit 1	2.75%	2.46%	0.29%	0.00%
0212 Mill Creek Unit 1 FGD	1.67%	1.36%	0.31%	0.00%
0221 Mill Creek Unit 2	2.03%	1.72%	0.31%	0.00%
0222 Mill Creek Unit 2 FGD	1.69%	1.38%	0.31%	0.00%
0231 Mill Creek Unit 3	1.58%	1.34%	0.24%	0.00%
0232 Mill Creel Unit 3 FGD	1.56%	1.31%	0.25%	0.00%
0241 Mill Creek Unit 4	1.75%	1.52%	0.23%	0.00%
0242 Mill Creek Unit 4 FGD	1.71%	1.48%	0.23%	0.00%
0311 Trimble County Unit 1	2.13%	1.93%	0.20%	0.00%
0311 TC Cooling Tower (hyperbolic) PHFU 105	2.49%	2.25%	0.27%	-0.03%
0312 Trimble County Unit 1 FGD	2.12%	1.92%	0.20%	0.00%
0321 Trimble County Unit 2	2.49%	2.25%	0.27%	-0.03%
0322 Trimble County Unit 2 FGD	2.49%	2.25%	0.27%	-0.03%
316.00 Miscellaneous Plant Equipment				
0112 Cane Run Unit 1	0.00%	0.00%	0.00%	0.00%
0131 Cane Run Unit 3	0.00%	0.00%	0.00%	0.00%
0141 Cane Run Unit 4	6.30%	5.86%	0.44%	0.00%
0142 Cane Run Unit 4 FGD	2.83%	2.27%	0.56%	0.00%
0151 Cane Run Unit 5	5.40%	5.07%	0.33%	0.00%
0152 Cane Run Unit 5 FGD	2.85%	2.44%	0.41%	0.00%
0161 Cane Run Unit 6	4.32%	3.99%	0.33%	0.00%
0162 Cane Run Unit 6 FGD	2.75%	2.34%	0.41%	0.00%
0211 Mill Creek Unit 1	3.22%	2.84%	0.38%	0.00%
0221 Mill Creek Unit 2	2.90%	2.54%	0.36%	0.00%
0231 Mill Creek Unit 3	2.59%	2.28%	0.31%	0.00%
0241 Mill Creek Unit 4	3.04%	2.82%	0.22%	0.00%
0242 Mill Creek Unit 4 FGD	2.83%	2.56%	0.27%	0.00%
0311 Trimble County Unit 1	2.89%	2.67%	0.22%	0.00%
0321 Trimble County Unit 2	3.00%	2.78%	0.22%	0.00%
Hydraulic Production Plant - Project 289				
0451 - Ohio Falls Project 289				
330.20 Land	0.00%	0.00%	0.00%	0.00%
331.00 Structures and Improvements	0.08%	0.07%	0.01%	0.00%
332.00 Reservoirs, Dams & Waterways	3.30%	3.13%	0.17%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
333.00 Water Wheels, Turbines and Generators	0.25%	0.19%	0.06%	0.00%
334.00 Accessory Electric Equipment	2.94%	2.76%	0.18%	0.00%
335.00 Misc. Power Plant Equipment	2.29%	2.08%	0.21%	0.00%
336.00 Roads, Railroads and Bridges	0.00%	0.00%	0.00%	0.00%
Hydraulic Production Plant - Other Than Project 289				
0450 - Ohio Falls Other Than Project 289				
330.20 Land	0.00%	0.00%	0.00%	0.00%
331.00 Structures and Improvements	0.53%	0.45%	0.08%	0.00%
335.00 Misc. Power Plant Equipment	1.61%	1.40%	0.21%	0.00%
336.00 Roads, Railroads and Bridges	0.00%	0.00%	0.00%	0.00%
Other Production Plant				
340.20 Land	0.00%	0.00%	0.00%	0.00%
341.00 Structures and Improvements				
0171 Cane Run GT 11	1.34%	1.24%	0.10%	0.00%
0410 Zorn and River Road Gas Turbine	0.61%	0.51%	0.10%	0.00%
0431 Paddys Run Generator 12	0.60%	0.50%	0.10%	0.00%
0432 Paddys Run Generator 13	3.05%	2.93%	0.12%	0.00%
0459 Brown CT 5	3.05%	2.93%	0.12%	0.00%
0460 Brown CT 6	3.17%	3.05%	0.12%	0.00%
0461 Brown CT 7	3.12%	3.00%	0.12%	0.00%
0470 Trimble County CT 5	3.16%	3.04%	0.12%	0.00%
0471 Trimble County CT 6	3.14%	3.02%	0.12%	0.00%
0474 Trimble County CT 7	3.34%	3.22%	0.12%	0.00%
0475 Trimble County CT 8	3.34%	3.22%	0.12%	0.00%
0476 Trimble County CT 9	3.34%	3.22%	0.12%	0.00%
0477 Trimble County CT 10	3.34%	3.22%	0.12%	0.00%
342.00 Fuel Holders, Producers and Accessories				
0171 Cane Run GT 11	3.85%	3.51%	0.34%	0.00%
0410 Zorn and River Road Gas Turbine	0.59%	0.46%	0.13%	0.00%
0430 Paddys Run Generator 11	0.58%	0.45%	0.13%	0.00%
0431 Paddys Run Generator 12	0.85%	0.70%	0.15%	0.00%
0432 Paddys Run Generator 13	3.08%	2.90%	0.18%	0.00%
0459 Brown CT 5	3.07%	2.90%	0.17%	0.00%
0460 Brown CT 6	2.99%	2.81%	0.18%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
0461 Brown CT 7	2.99%	2.81%	0.18%	0.00%
0470 Trimble County CT 5	3.17%	2.99%	0.18%	0.00%
0471 Trimble County CT 6	3.17%	2.99%	0.18%	0.00%
0473 Trimble County CT Pipeline	3.19%	3.01%	0.18%	0.00%
0474 Trimble County CT 7	3.36%	3.19%	0.17%	0.00%
0475 Trimble County CT 8	3.36%	3.19%	0.17%	0.00%
0476 Trimble County CT 9	3.36%	3.19%	0.17%	0.00%
0477 Trimble County CT 10	3.36%	3.19%	0.17%	0.00%
343.00 Prime Movers				
0432 Paddys Run Generator 13	3.84%	3.67%	0.17%	0.00%
0459 Brown CT 5	3.84%	3.67%	0.17%	0.00%
0460 Brown CT 6	3.85%	3.66%	0.19%	0.00%
0461 Brown CT 7	3.81%	3.63%	0.18%	0.00%
0470 Trimble County CT 5	3.88%	3.71%	0.17%	0.00%
0471 Trimble County CT 6	3.88%	3.71%	0.17%	0.00%
0474 Trimble County CT 7	3.99%	3.82%	0.17%	0.00%
0475 Trimble County CT 8	3.99%	3.82%	0.17%	0.00%
0476 Trimble County CT 9	3.99%	3.82%	0.17%	0.00%
0477 Trimble County CT 10	3.99%	3.82%	0.17%	0.00%
344.00 Generators				
0171 Cane Run GT 11	5.73%	5.40%	0.33%	0.00%
0410 Zorn and River Road Gas Turbine	2.70%	2.55%	0.15%	0.00%
0430 Paddys Run Generator 11	2.74%	2.59%	0.15%	0.00%
0431 Paddys Run Generator 12	2.63%	2.48%	0.15%	0.00%
0432 Paddys Run Generator 13	3.00%	2.86%	0.14%	0.00%
0459 Brown CT 5	3.00%	2.86%	0.14%	0.00%
0460 Brown CT 6	2.91%	2.77%	0.14%	0.00%
0461 Brown CT 7	2.91%	2.77%	0.14%	0.00%
0470 Trimble County CT 5	3.09%	2.94%	0.15%	0.00%
0471 Trimble County CT 6	3.09%	2.94%	0.15%	0.00%
0474 Trimble County CT 7	3.28%	3.12%	0.16%	0.00%
0475 Trimble County CT 8	3.28%	3.12%	0.16%	0.00%
0476 Trimble County CT 9	3.28%	3.12%	0.16%	0.00%
0477 Trimble County CT 10	3.28%	3.12%	0.16%	0.00%
345.00 Accessory Electric Equipment				
0171 Cane Run GT 11	2.40%	2.40%	0.00%	0.00%
0410 Zorn and River Road Gas Turbine	2.31%	2.31%	0.00%	0.00%
0430 Paddys Run Generator 11	4.27%	4.27%	0.00%	0.00%
0431 Paddys Run Generator 12	3.82%	3.82%	0.00%	0.00%
0432 Paddys Run Generator 13	3.32%	3.32%	0.00%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
0459 Brown CT 5	3.32%	3.32%	0.00%	0.00%
0460 Brown CT 6	3.26%	3.26%	0.00%	0.00%
0461 Brown CT 7	3.26%	3.26%	0.00%	0.00%
0470 Trimble County CT 5	3.38%	3.38%	0.00%	0.00%
0471 Trimble County CT 6	3.38%	3.38%	0.00%	0.00%
0474 Trimble County CT 7	3.52%	3.52%	0.00%	0.00%
0475 Trimble County CT 8	3.52%	3.52%	0.00%	0.00%
0476 Trimble County CT 9	3.52%	3.52%	0.00%	0.00%
0477 Trimble County CT 10	3.52%	3.52%	0.00%	0.00%
346.00 Miscellaneous Plant Equipment				
0410 Zorn and River Road Gas Turbine	0.00%	0.00%	0.00%	0.00%
0430 Paddys Run Generator 11	0.00%	0.00%	0.00%	0.00%
0431 Paddys Run Generator 12	0.00%	0.00%	0.00%	0.00%
0432 Paddys Run Generator 13	2.81%	2.81%	0.00%	0.00%
0459 Brown CT 5	2.81%	2.81%	0.00%	0.00%
0460 Brown CT 6	2.86%	2.86%	0.00%	0.00%
0461 Brown CT 7	2.86%	2.86%	0.00%	0.00%
0470 Trimble County CT 5	3.22%	3.22%	0.00%	0.00%
0474 Trimble County CT 7	3.11%	3.11%	0.00%	0.00%
0475 Trimble County CT 8	3.11%	3.11%	0.00%	0.00%
0476 Trimble County CT 9	3.12%	3.12%	0.00%	0.00%
0477 Trimble County CT 10	3.10%	3.10%	0.00%	0.00%
Transmission Plant				
350.2 Transmission Lines Land	0.00%	0.00%	0.00%	0.00%
350.1 Land Rights	3.92%	3.92%	0.00%	0.00%
352.1 Structures & Improvements	1.17%	0.94%	0.23%	0.00%
353.1 Station Equipment - Project 289	1.32%	1.10%	0.30%	-0.08%
353.1 Station Equipment	1.32%	1.10%	0.30%	-0.08%
354 Towers & Fixtures	1.38%	0.95%	0.43%	0.00%
355 Poles & Fixtures	2.95%	2.13%	0.97%	-0.15%
356.1 Overhead Conductors & Devices - Project 289	2.52%	1.96%	0.74%	-0.18%
356 Overhead Conductors & Devices	2.52%	1.96%	0.74%	-0.18%
357 Underground Conduit	1.85%	1.85%	0.00%	0.00%
358 Underground Conductors & Devices	3.65%	3.65%	0.00%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
Distribution Plant				
360.2 Substation Land	0.00%	0.00%	0.00%	0.00%
360.2 Substation Land Class A (Plant Held for Future Use)	0.00%	0.00%	0.00%	0.00%
361 Substation Structures	1.01%	0.70%	0.31%	0.00%
362.1 Substation Equipment	1.01%	0.84%	0.23%	-0.06%
362.1 Substation Equipment - Class A (Plant Held for Futu	0.00%	0.00%	0.00%	0.00%
364 Poles Towers & Fixtures	3.00%	2.12%	1.15%	-0.27%
365 Overhead Conductors & Devices	2.90%	2.07%	1.14%	-0.31%
366 Underground Conduit	1.25%	1.07%	0.18%	0.00%
367 Underground Conductors & Devices	1.76%	1.35%	0.51%	-0.10%
368.1 Line Transformers	2.18%	1.71%	0.54%	-0.07%
368.2 Line Transformer Installations (Combined in 368)	2.18%	1.71%	0.54%	-0.07%
369.1 Underground Services	2.45%	1.80%	0.65%	0.00%
369.2 Overhead Services	4.99%	2.98%	2.01%	0.00%
370.1 Meters	3.79%	3.54%	0.35%	-0.10%
370.2 Meter Installations (Combined in 370)	3.79%	3.54%	0.35%	-0.10%
373.1 Overhead Street Lighting	2.77%	2.37%	0.40%	0.00%
373.2 Underground Streetlighting	2.95%	2.48%	0.47%	0.00%
373.4 Street lighting Trandformers	0.00%	0.00%	0.00%	0.00%
General Plant				
392.1 Transportation Equip Cars & Trucks	20.00%	20.00%	0.00%	0.00%
392.2 Transportation Equip Trailers	3.62%	3.99%	0.00%	-0.37%
394 Tools, Shop, and Garage Equipment	4.39%	4.39%	0.00%	0.00%
395 Laboratory Equipment	30.32%	30.32%	0.00%	0.00%
396.1 Power Operated Equip Hourly Rated	20.00%	20.00%	0.00%	0.00%
396.2 Power operated Equipment Other	3.17%	3.17%	0.00%	0.00%
GAS PLANT				
INTANGIBLE PLANT	0.00%	0.00%	0.00%	0.00%
UNDERGROUND STORAGE				
350.1 Land	0.00%	0.00%	0.00%	0.00%
350.2 Rights of Way	0.00%	0.00%	0.00%	0.00%
351.2 Compressor Station Structures	1.36%	1.24%	0.12%	0.00%
351.3 Reg Station Structures	0.00%	0.00%	0.00%	0.00%
351.4 Other Structures	0.92%	0.80%	0.12%	0.00%
352.40 Well Drilling	0.36%	0.26%	0.10%	0.00%
352.50 Well Equipment	3.46%	2.99%	0.47%	0.00%
352.1 Storage Leaseholds & Rights	0.00%	0.00%	0.00%	0.00%
352.2 Reservoirs	0.00%	0.00%	0.00%	0.00%
352.3 Nonrecoverable Natural Gas	0.92%	0.92%	0.00%	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
Gas Stored Underground Non-Current	0.00%	0.00%	0.00%	0.00%
353 Lines	1.68%	1.45%	0.28%	-0.05%
354 Compressor Station Equipment	1.28%	1.16%	0.18%	-0.06%
355 Measuring & Regulating Equipment	1.22%	1.06%	0.21%	-0.05%
356 Purification Equipment	1.92%	1.62%	0.30%	0.00%
357 Other Equipment	2.18%	2.18%	0.00%	0.00%
TRANSMISSION PLANT				
365.2 Rights of Way	0.27%	0.27%	0.00%	0.00%
367 Mains	0.37%	0.32%	0.08%	-0.03%
DISTRIBUTION PLANT				
374 Land	0.00%	0.00%	0.00%	0.00%
374.2 Land Rights	0.04%	0.04%	0.00%	0.00%
375.1 City Gate Structures	1.06%	0.96%	0.10%	0.00%
375.2 Other Distribution Structures	8.35%	7.80%	0.55%	0.00%
376 Mains	1.76%	1.45%	0.37%	-0.06%
378 Measuring and Reg Equipment	2.53%	2.21%	0.37%	-0.05%
379 Meas & Reg Equipment - City Gate	2.33%	1.94%	0.43%	-0.04%
380 Services	3.60%	2.52%	1.08%	0.00%
381 Meters	3.99%	3.99%	0.00%	0.00%
382 Meter Installations (Combined with 381 Meters)	7.09%	7.09%	0.00%	0.00%
383 House Regulators	2.22%	2.04%	0.18%	0.00%
384 House Regulator Installations (Combined with 383)	2.23%	2.11%	0.12%	0.00%
385 Industrial Meas & Reg Station Equip	0.94%	0.94%	0.00%	0.00%
387 Other Equipment	3.48%	3.48%	0.00%	0.00%
GAS GENERAL PLANT				
392.1 Cars & Trucks	20.00%	20.00%	0.00%	0.00%
392.2 Trailers	4.76%	5.14%	0.00%	-0.38%
394 Other Equipment	4.68%	4.68%	0.00%	0.00%
395 Laboratory Equipment	36.02%	36.02%	0.00%	0.00%
396.1 Power Operated Equipment Hourly rated	20.00%	20.00%	0.00%	0.00%
396.2 Power Operated Equipment Other	2.69%	3.06%	0.00%	-0.37%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	2006 ASL Rates	Life Rates	COR Rates	Salvage Rates
COMMON UTILITY PLANT				
INTANGIBLE PLANT				
301 Organization	0.00%	0.00%	0.00%	0.00%
302 Franchises and Consents	0.00%	0.00%	0.00%	0.00%
303 Software	20.00%	20.00%	0.00%	0.00%
303.1 CCS Software	10.00%	10.00%	0.00%	0.00%
GENERAL PLANT				
389.1 Land	0.00%	0.00%	0.00%	0.00%
389.2 Land Rights	2.95%	2.95%	0.00%	0.00%
390.10 Structures and Improvements - BOC	3.30%	2.87%	0.43%	0.00%
390.10 Structures and Improvements - LG&E Building	3.30%	2.87%	0.43%	0.00%
390.10 Structures and Improvements - BOC (Actors)	3.30%	2.87%	0.43%	0.00%
390.10 Structures and Improvements	3.30%	2.87%	0.43%	0.00%
390.20 Structures and Improvements - Transportation	25.92%	25.49%	0.43%	0.00%
390.30 Structures and Improvements - Stores	1.51%	1.32%	0.19%	0.00%
390.40 Structures and Improvements - Shops	1.37%	1.20%	0.17%	0.00%
390.60 Structures and Improvements - Microwave	2.31%	2.16%	0.15%	0.00%
391.10 Office Furniture	6.01%	6.01%	0.00%	0.00%
391.20 Office Equipment	8.78%	8.78%	0.00%	0.00%
391.30 Computer Equipment - Non PC	21.96%	21.96%	0.00%	0.00%
391.31 Personal Computers	20.68%	20.68%	0.00%	0.00%
391.40 Security Equipment	6.93%	6.93%	0.00%	0.00%
392.1 Cars & Trucks	20.00%	20.00%	0.00%	0.00%
392.2 Trailers	2.63%	2.92%	0.00%	-0.29%
393 Stores Equipment	5.60%	5.60%	0.00%	0.00%
394 Other Equipment	5.17%	5.17%	0.00%	0.00%
395 Laboratory Equipment	61.24%	61.24%	0.00%	0.00%
396.1 Power Operated Equipment Hourly	20.00%	20.00%	0.00%	0.00%
396.2 Power Operated Equipment Other	4.01%	5.00%	0.00%	-0.99%
397 Communications Equipment	12.00%	12.00%	0.00%	0.00%
397.10 Comm. Equip. - Computer	0.90%	0.90%	0.00%	0.00%
398.00 Miscellaneous Equipment	34.63%	34.63%	0.00%	0.00%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 163

Responding Witness: Shannon L. Charnas

- Q-163. Please provide any and all internal studies and correspondence from 2006-2009, inclusive, concerning FASB Statement No. 143, FIN 47 and FERC Order No. 631 in RM-02-7-000.
- A-163. See attached CD, in folder titled Question No. 163. LG&E has made its best effort to provide the most relevant documentation in response to this question in the time allowed other than documents that are subject to the attorney-client privilege or attorney work product protection.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 164

Responding Witness: Shannon L. Charnas

- Q-164. Please provide complete copies of all correspondence with the following parties from 2006-2009, inclusive, regarding FASB Statement No. 143, FIN 47 and FERC Order 631 in RM02-7-000:
- a. External auditors and other public accounting firms,
 - b. Consultants,
 - c. External counsel,
 - d. Federal and State regulatory agencies, and
 - e. Internal Revenue Service.
- A-164. a. See response to Question No. 163.
- b. See response to Question No. 163.
 - c. Based on a reasonable search, there was no correspondence with external counsel.
 - d. See attached.
 - e. The Company had no correspondence with the IRS from 2006-2009 regarding FASB Statement No. 143, FIN 47 or FERC Order 631 in RM02-7-000.



Kent W. Blake
Director
State Regulation and Rates

LG&E Energy LLC
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502-627-2573
502-217-2442 FAX
kent.blake@lgeenergy.com

January 23, 2006

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Dear Ms. O'Donnell:

On November 14, 2003 Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively the "Companies") filed applications (Case No. 2003-00426 and Case No. 2003-00427, respectively) seeking approval of accounting adjustments to their respective Earnings Sharing Mechanism filings for calendar year 2003. The accounting adjustment related to the Companies' adoption during 2003 of Statement of Financial Accounting Standards ("SFAS") No. 143, *Accounting for Asset Retirement Obligations*. During that proceeding, the Companies also requested approval to establish the regulatory asset and liability accounts associated with the adoption of SFAS No. 143. The accounting treatment and the establishment of the regulatory asset and liability accounts were approved by the Commission in their December 23, 2003 order in the two referenced cases.

In March 2005, the Financial Accounting Standards Board ("FASB") issued Financial Accounting Standards Board Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143* ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in SFAS No. 143 refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and/or method of settlement. An entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Stated otherwise: While the initial implementation of SFAS No. 143 required the accrual of an asset retirement obligation ("ARO") liability for legally required removal costs, AROs were not recorded for legally required disposal costs related to assets which themselves were never legally required to be retired. Therefore, even though a legal requirement may have existed to dispose of items such as asbestos once the building was leveled, there was no legal requirement to level the

Elizabeth O'Donnell

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January 23, 2006

building (it could be abandoned in place), and so no ARO was recorded under SFAS 143. FIN 47 has provided interpretative guidance around this issue which resulted in the establishment of AROs for these "conditional" obligations based on the premise that, barring intervening circumstances, the building containing the asbestos will be removed from service as a result of its eventual deterioration. The ability of an entity to indefinitely defer settlement of an ARO does not relieve the entity of the obligation.

As a result of the issuance of FIN 47, the Companies recorded additional AROs, based on the authority to do so granted by the Commission in its December 23, 2003 Order. The accounting treatment for these additional AROs under FIN 47 remains the same as AROs set up under SFAS No. 143. In December 2005, LG&E recorded an additional \$12,254,653 and \$15,678,893 to the Regulatory Asset and Regulatory Liability accounts, respectively, established in 2003 for the adoption of SFAS No. 143 and approved by the Commission in Case No. 2003-00426. In December 2005, KU recorded an additional \$4,101,872 and \$4,587,474 to the Regulatory Asset and Regulatory Liability accounts, respectively, established in 2003 for the adoption of SFAS No. 143 and approved by the Commission in Case No. 2003-00427. The journal entries made by the Companies as required by the implementation of FIN 47 are shown on the enclosed documents.

As with the accounting for the ARO's in connection with the adoption of SFAS No. 143, the accounting for the implementation of FIN 47 will have no impact on the income statement or the net assets in the balance sheet. Furthermore, from a rate making perspective, the Companies believe that an adjustment is not needed for capitalization because the accounting for the AROs, consistent with the Commission's December 23, 2003 Order in Case No. 2003-00426 and Case No. 2003-00427, effectively removes all impacts of ARO accounting from the income statement and net assets in the balance sheet, accordingly, there is no impact on common equity or other capitalization accounts. The recorded regulatory assets, liabilities and credits offset the effects of the ARO accounting. However, the Companies do remove the AROs from the determination of rate base in accordance with the December 23, 2003 Order.

Should you have any questions concerning the enclosed or wish to schedule an informal conference to discuss the Companies implementation of FIN 47, please do not hesitate to contact me.

Sincerely,



Kent W. Blake

Enclosure

cc: Elizabeth E. Blackford
Michael L. Kurtz

Louisville Gas and Electric Company
ARO JOURNAL ENTRIES REQUIRED AT IMPLEMENTATION

DESCRIPTION	DEBIT	CREDIT
Long Lived Assets - ARO	2,022,511	
COR Liability Accrued to Date	2,424,396	
Regulatory Asset	12,254,653	
Cumulative Effect	12,254,653	
Regulatory Credits		12,254,653
Regulatory Liability		-
Accumulated Depreciation of ARO Asset		1,022,666
ARO Liability		15,678,893
	28,956,213	28,956,213

To record the implementation of FIN 47 (detail entries shown below)

Long Lived Assets - ARO - BS Account 101 (Plant Account 317)	2,022,511	
ARO Liability - BS Account 230		2,022,511

To record the initial present value of ARO liability

Upon implementation of FIN 47 the ARO liability (in current dollars) must be future valued at the anticipated inflation rate. The ARO liability must then be present valued back to when the liability was incurred using risk free rate plus risk premium at the time the liability was incurred. The ARO asset is valued at the present value of the liability at the time the liability is incurred.

Cumulative Effect Adjustment - IS Account 438	1,022,666	
Accumulated Depreciation of ARO Asset - BS Account 108		1,022,666

To record accumulated depreciation on ARO assets

The ARO Asset is depreciated straight-line over the calculated ARO life. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)

Cumulative Effect Adjustment - IS Account 435	13,656,382	
ARO Liability - BS Account 230		13,656,382

To record accumulated accretion on ARO liability

The total accretion expense that would have been incurred if the liability was accreted from the time the liability was incurred to date. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)

Accumulated Depreciation- BS Account 108	2,424,396	
Cumulative Effect Adjustment - IS Account 435		2,424,396

To reclassify existing Cost of Removal

The COR liability currently reflected on the Balance Sheet must be fully reversed from the reserve. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)

Regulatory Assets - BS Account 182.3	12,254,653	
Regulatory Credits - IS Account 407		12,254,653

Because ARO costs qualify for SFAS No. 71 treatment the cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)

Kentucky Utilities Company
ARO JOURNAL ENTRIES REQUIRED AT IMPLEMENTATION

DESCRIPTION	DEBIT	CREDIT
Long Lived Assets - ARO	746,746	
COR Liability Accrued to Date		
Regulatory Asset	4,101,872	
Cumulative Effect	4,101,872	
Regulatory Credits		4,101,872
Regulatory Liability		
Accumulated Depreciation of ARO Asset		261,144
ARO Liability		4,587,474
	8,950,490	8,950,490
<i>To record the implementation of FIN 47 (detail entries shown below)</i>		

Long Lived Assets - ARO - BS Account 101 (Plant Account 317)	746,746	
ARO Liability - BS Account 230		746,746
<i>To record the initial present value of ARO liability</i>		
<p>Upon implementation of FIN 47 the ARO liability (in current dollars) must be future valued at the anticipated inflation rate. The ARO liability must then be present valued back to when the liability was incurred using risk free rate plus risk premium at the time the liability was incurred. The ARO asset is valued at the present value of the liability at the time the liability is incurred.</p>		

Cumulative Effect Adjustment - IS Account 435	261,144	
Accumulated Depreciation of ARO Asset - BS Account 108		261,144
<i>To record accumulated depreciation on ARO assets</i>		
<p>The ARO Asset is depreciated straight-line over the calculated ARO life. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)</p>		

Cumulative Effect Adjustment - IS Account 435	3,840,728	
ARO Liability - BS Account 230		3,840,728
<i>To record accumulated accretion on ARO liability</i>		
<p>The total accretion expense that would have been incurred if the liability was accreted from the time the liability was incurred to date. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)</p>		

Accumulated Depreciation- BS Account 108		
Cumulative Effect Adjustment - IS Account 435		
<i>To reclassify existing Cost of Removal</i>		
<p>The COR liability currently reflected on the Balance Sheet must be fully reversed from the reserve. The cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)</p>		

Regulatory Assets - BS Account 182.3	4,101,872	
Regulatory Credits - IS Account 407		4,101,872
<i>Because ARO costs qualify for SFAS No. 71 treatment the cumulative effect adjustment is offset by a credit to Other Regulatory Credits (Account 407) and a debit to Regulatory Assets (Account 182.3)</i>		

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

**Response to Attorney General's Initial Requests for Information
Dated March 1, 2010**

Question No. 165

Responding Witness: Shannon L. Charnas

- Q-165. Regarding FASB Statement No. 143, FIN 47, and FERC Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."
- A-165. See attached CD, in folder titled Question No. 165.