

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF) CASE NO. 2012-00221
ITS ELECTRIC RATES)**

**WORKPAPERS
OF
LANE KOLLEN**

**ON BEHALF OF THE
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

October 2012

**KIUC Adjusted Exhibit 1
Reference Schedule 1.12**

KENTUCKY UTILITIES

Adjustment To Reflect Annualized Depreciation Expenses
At March 31, 2012

	<u>As Filed</u>	<u>As Adjusted</u>	<u>KIUC Adjustment</u>
1. Annualized direct depreciation expense under proposed rates	\$ 144,441,326	\$ 116,129,556	
2. Annualized depreciation for 2005 and 2006 ECR plans to be eliminated	<u>45,422,676</u>	<u>32,270,892</u>	
3. Total annualized depreciation expense	<u>\$ 189,864,002</u>	<u>\$ 148,400,448</u>	
4. Depreciation expense per books for test year	\$ 192,192,743	\$ 192,192,743	
5. Depreciation expense for asset retirement costs (ARO)	(3,077,746)	(3,077,746)	
6. Depreciation for environmental cost recovery (ECR) plans (1)	(67,949)	(67,949)	
7. Depreciation booked above the line for below the line items (2)	<u>(84)</u>	<u>(84)</u>	
8. Depreciation expense per books excluding ARO and ECR	<u>\$ 189,046,964</u>	<u>\$ 189,046,964</u>	
9. Total Adjustment to reflect annualized depreciation expense (Line 3 - Line 7)	817,038	(40,646,516)	
10. Kentucky Jurisdiction (Ref. Sch. Allocators)	<u>87.257%</u>	<u>87.257%</u>	
11. Kentucky Jurisdictional adjustment	<u>\$ 712,919</u>	<u>\$ (35,466,746)</u>	<u>\$ (36,179,665)</u>

(1) Reflects the elimination of the 2005 and 2006 ECR Plans. Only reflects ECR plan amounts which will continue after effective date of new base rates in this proceeding.

(2) See response to AG 2-9.

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Intangible Plant			
301 Organization	\$ 44,456	0.00%	\$ -
302 Franchises and Consents	55,919	18.78%	10,502
303 Miscellaneous Intangible Plant - Software	19,760,083	15.28%	3,019,341
303.1 Customer Care Solution Software	40,343,675	9.94%	4,010,161
Total Intangible Plant	\$ 60,204,133		\$ 7,040,004
Steam Production Plant			
310.00 Land	\$ 10,881,104	0.00%	\$ -
311.00 Structures and Improvements			
5603 Tyrone Unit 3	5,607,062	0.00%	-
5604 Tyrone Units 1&2	583,381	0.00%	-
5613 Green River Unit 3	2,821,437	0.00%	-
5614 Green River Unit 4	5,476,054	7.80%	427,132
5615 Green River Units 1&2	2,560,764	0.00%	-
5621 Brown Unit 1	4,703,190	0.46%	21,635
5622 Brown Unit 2	2,208,657	0.90%	19,878
5623 Brown Unit 3	21,608,590	1.90%	410,563
5630 Brown Unit 1,2,3 Scrubber	43,955,566	4.58%	2,013,165
5643 Pineville Unit 3	16,204	0.00%	-
5651 Ghent Unit 1	18,818,852	0.59%	111,031
5650 Ghent Unit 1 Scrubber	8,436,673	1.34%	113,051
5652 Ghent Unit 2	16,011,013	1.10%	176,121
5658 Ghent Unit 2 Scrubber	15,817,338	1.38%	218,279
5653 Ghent Unit 3	42,177,126	1.59%	670,616
5654 Ghent Unit 4	31,022,092	2.48%	769,348
0321 Trimble County Unit 2	106,881,880	1.90%	2,030,756
0322 Trimble County Unit 2 Scrubber	5,522,307	1.36%	75,103
5591 System Laboratory	824,969	0.99%	8,167
	\$ 335,053,155		\$ 7,064,845

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
312.00 Boiler Plant Equipment			
5603 Tyrone Unit 3	\$ 13,989,313	7.74%	\$ 1,082,773
5604 Tyrone Units 1&2	421,900	0.00%	-
5613 Green River Unit 3	12,145,770	7.59%	921,864
5614 Green River Unit 4	25,264,653	7.57%	1,912,534
5615 Green River Units 1&2	349,298	0.00%	-
5621 Brown Unit 1	45,946,145	3.25%	1,493,250
5622 Brown Unit 2	40,993,123	2.98%	1,221,595
5623 Brown Unit 3	144,532,013	2.67%	3,859,005
5630 Brown Unit 1,2,3 Scrubber	332,297,548	4.58%	15,219,228
5643 Pineville Unit 3	236,470	0.00%	-
5650 Ghent Unit 1 Scrubber	138,565,707	4.02%	5,570,341
5651 Ghent Unit 1	200,261,497	2.93%	5,867,662
5652 Ghent Unit 2	124,543,857	1.81%	2,254,244
5658 Ghent Unit 2 Scrubber	67,966,248	2.43%	1,651,580
5653 Ghent Unit 3	251,295,254	2.31%	5,804,920
5660 Ghent 3 FGD	127,988,949	3.74%	4,786,787
5654 Ghent Unit 4	302,158,439	2.60%	7,856,119
5661 Ghent Unit 4 Scrubber	253,256,788	3.83%	9,699,735
0321 Trimble County Unit 2	506,708,710	2.19%	11,096,921
0322 Trimble County Unit 2 Scrubber	72,147,226	2.06%	1,486,233
	<u>\$ 2,661,068,908</u>		<u>\$ 81,784,791</u>
314.00 Turbogenerator Units			
5603 Tyrone Unit 3	\$ 4,805,514	7.71%	\$ 370,505
5604 Tyrone Units 1&2	68,206	0.00%	-
5613 Green River Unit 3	4,562,207	5.29%	241,341
5614 Green River Unit 4	10,390,499	4.55%	472,768
5621 Brown Unit 1	7,512,849	2.87%	215,619
5622 Brown Unit 2	12,531,797	1.86%	233,091
5623 Brown Unit 3	29,370,580	1.86%	546,293
5651 Ghent Unit 1	36,687,332	2.67%	979,552
5652 Ghent Unit 2	30,417,603	2.24%	681,354
5653 Ghent Unit 3	42,547,917	2.08%	884,997
5654 Ghent Unit 4	57,036,984	2.43%	1,385,999
0321 Trimble County Unit 2	84,288,843	2.19%	1,845,926
	<u>\$ 320,220,331</u>		<u>\$ 7,857,445</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
315.00 Accessory Electric Equipment			
5603 Tyrone Unit 3	\$ 2,081,693	14.65%	\$ 304,968
5604 Tyrone Units 1&2	99,211	0.00%	-
5613 Green River Unit 3	1,205,362	16.16%	194,786
5614 Green River Unit 4	2,695,329	10.53%	283,818
5621 Brown Unit 1	3,847,279	1.61%	61,941
5622 Brown Unit 2	2,485,858	2.20%	54,689
5623 Brown Unit 3	8,761,314	1.49%	130,544
5630 Brown Unit 1,2,3 Scrubber	29,503,821	4.55%	1,342,424
5650 Ghent Unit 1 Scrubber	12,144,072	3.89%	472,404
5651 Ghent Unit 1	8,872,543	0.87%	77,191
5652 Ghent Unit 2	13,858,389	1.65%	228,663
5658 Ghent Unit 2 Scrubber	941,942	4.70%	44,271
5653 Ghent Unit 3	30,932,405	1.59%	491,825
5660 Ghent 3 Scrubber	12,041,998	3.75%	451,575
5654 Ghent Unit 4	24,412,797	1.76%	429,665
5661 Ghent 4 Scrubber	15,148,042	3.86%	584,714
0321 Trimble County Unit 2	42,182,158	2.01%	847,861
0322 Trimble County Unit 2 Scrubber	1,415,469	1.56%	22,081
	<u>\$ 212,629,682</u>		<u>\$ 6,023,420</u>
316.00 Miscellaneous Plant Equipment			
5603 Tyrone Unit 3	\$ 553,355	16.28%	\$ 90,086
5604 Tyrone Units 1&2	50,127	0.00%	-
5613 Green River Unit 3	152,146	10.87%	16,538
5614 Green River Unit 4	2,408,143	12.87%	309,928
5615 Green River Units 1&2	84,750	0.00%	-
5621 Brown Unit 1	432,578	1.86%	8,046
5622 Brown Unit 2	106,658	0.37%	395
5623 Brown Unit 3	5,159,550	2.40%	123,829
5650 Ghent Unit 1 Scrubber	1,033,027	1.46%	15,082
5651 Ghent Unit 1	1,747,527	1.03%	18,000
5652 Ghent Unit 2	1,500,525	0.92%	13,805
5653 Ghent Unit 3	3,150,438	1.36%	42,846
5654 Ghent Unit 4	7,838,124	2.98%	233,576
0321 Trimble County Unit 2	3,796,552	2.31%	87,700
5591 System Laboratory	2,793,691	2.70%	75,430
	<u>\$ 30,807,191</u>		<u>\$ 1,035,261</u>
317.00 Asset Retirement Obligations - Steam *	56,489,771		
Total Steam	<u>\$ 3,627,150,142</u>		<u>\$ 103,765,762</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Hydraulic Production Plant			
5691 Dix Dam			
330.10 Land Rights	\$ 879,311	0.00%	\$ -
331.00 Structures and Improvements	616,527	1.74%	10,728
332.00 Reservoirs, Dams & Waterways	21,601,870	2.59%	559,488
333.00 Water Wheels, Turbines and Generators	4,549,436	3.77%	171,514
334.00 Accessory Electric Equipment	578,333	3.65%	21,109
335.00 Misc. Power Plant Equipment	297,024	4.56%	13,544
336.00 Roads, Railroads and Bridges	176,360	4.19%	7,389
337.00 Asset Retirement Obligations - Hydro *	57,609		-
Total Hydraulic Plant	\$ 28,756,470		\$ 783,772
Other Production Plant			
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	\$ 176,409	2.24%	\$ 3,952
340.20 Land	118,514	0.00%	-
341.00 Structures and Improvements			
5697 Paddy's Run CT 13	1,910,328	3.88%	74,121
5635 Brown CT 5	775,082	3.88%	30,073
5636 Brown CT 6	192,814	4.25%	8,195
5637 Brown CT 7	544,966	4.11%	22,398
5638 Brown CT 8	2,012,655	3.80%	76,481
5639 Brown CT 9	4,641,055	2.81%	130,414
5640 Brown CT 10	1,865,718	3.00%	55,972
5641 Brown CT 11	1,895,014	4.00%	75,801
0470 Trimble County CT 5	3,740,231	3.87%	144,747
0471 Trimble County CT 6	3,588,684	3.86%	138,523
0474 Trimble County CT 7	3,559,155	3.80%	135,248
0475 Trimble County CT 8	3,548,852	3.80%	134,856
0476 Trimble County CT 9	3,655,976	3.82%	139,658
0477 Trimble County CT 10	3,653,030	3.82%	139,546
5696 Haefling CT 1,2,&3	434,853	10.24%	44,529
	\$ 36,018,413		\$ 1,350,562

**Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
342.00 Fuel Holders, Producers and Accessories			
5697 Paddy's Run CT 13	\$ 1,995,101	3.80%	\$ 75,814
5635 Brown CT 5	795,788	4.78%	38,039
5636 Brown CT 6	406,460	5.92%	24,062
5637 Brown CT 7	405,871	5.99%	24,312
5638 Brown CT 8	252,006	7.25%	18,270
5639 Brown CT 9	2,018,754	3.33%	67,225
5640 Brown CT 10	264,131	4.96%	13,101
5641 Brown CT 11	284,823	6.43%	18,314
5645 Brown CT 9 Gas Pipeline	8,106,131	2.87%	232,646
0470 Trimble County CT 5	239,584	3.78%	9,056
0471 Trimble County CT 6	239,246	3.78%	9,043
0473 Trimble County CT Pipeline	4,850,115	3.44%	166,844
0474 Trimble County CT 7	578,059	3.72%	21,504
0475 Trimble County CT 8	576,386	3.72%	21,442
0476 Trimble County CT 9	593,786	3.73%	22,148
0477 Trimble County CT 10	622,873	3.74%	23,295
5696 Haefling CT 1,2,&3	518,705	10.62%	55,086
	<u>\$ 22,747,819</u>		<u>\$ 840,201</u>
343.00 Prime Movers			
5697 Paddy's Run CT 13	\$ 18,174,144	4.53%	\$ 823,289
5635 Brown CT 5	14,666,936	4.33%	635,078
5636 Brown CT 6	34,600,149	5.24%	1,813,048
5637 Brown CT 7	31,657,719	5.15%	1,630,373
5638 Brown CT 8	26,710,990	5.45%	1,455,749
5639 Brown CT 9	23,335,363	3.43%	800,403
5640 Brown CT 10	20,074,766	3.49%	700,609
5641 Brown CT 11	34,794,971	4.65%	1,617,966
0470 Trimble County CT 5	32,965,168	4.04%	1,331,793
0471 Trimble County CT 6	32,853,640	4.43%	1,455,416
0474 Trimble County CT 7	23,953,735	3.99%	955,754
0475 Trimble County CT 8	23,765,360	3.99%	948,238
0476 Trimble County CT 9	23,632,815	4.04%	954,766
0477 Trimble County CT 10	23,581,342	4.04%	952,686
	<u>\$ 364,767,098</u>		<u>\$ 16,075,168</u>

**Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
344.00 Generators			
5697 Paddy's Run CT 13	\$ 5,185,636	3.64%	\$ 188,757
5635 Brown CT 5	2,858,148	3.73%	106,609
5636 Brown CT 6	3,712,620	3.73%	138,481
5637 Brown CT 7	3,722,788	3.78%	140,721
5638 Brown CT 8	4,953,961	3.61%	178,838
5639 Brown CT 9	5,452,041	2.55%	139,027
5640 Brown CT 10	4,944,423	2.72%	134,488
5641 Brown CT 11	5,187,040	3.65%	189,327
0470 Trimble County CT 5	3,763,275	3.62%	136,231
0471 Trimble County CT 6	3,757,947	3.62%	136,038
0474 Trimble County CT 7	2,950,282	3.56%	105,030
0475 Trimble County CT 8	2,937,930	3.56%	104,590
0476 Trimble County CT 9	2,957,520	3.57%	105,583
0477 Trimble County CT 10	2,954,149	3.57%	105,463
5696 Haefling CT 1,2,&3	4,023,002	2.31%	92,931
	\$ 59,360,762		\$ 2,002,114
345.00 Accessory Electric Equipment			
5697 Paddy's Run CT 13	\$ 2,456,320	3.78%	\$ 92,849
5635 Brown CT 5	2,479,493	4.06%	100,667
5636 Brown CT 6	1,975,216	4.17%	82,367
5637 Brown CT 7	1,935,782	4.18%	80,916
5638 Brown CT 8	2,908,499	4.26%	123,902
5639 Brown CT 9	4,205,847	3.19%	134,167
5640 Brown CT 10	2,744,493	3.17%	87,000
5641 Brown CT 11	1,987,867	4.55%	90,448
0470 Trimble County CT 5	1,737,628	3.80%	66,030
0471 Trimble County CT 6	4,324,591	4.12%	178,173
0474 Trimble County CT 7	3,148,439	3.69%	116,177
0475 Trimble County CT 8	3,139,332	3.69%	115,841
0476 Trimble County CT 9	3,234,031	3.71%	119,983
0477 Trimble County CT 10	7,196,618	3.92%	282,107
5696 Haefling CT 1,2,&3	1,333,946	8.05%	107,383
	\$ 44,808,102		\$ 1,778,010

**Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
346.00 Miscellaneous Plant Equipment			
5697 Paddy's Run CT 13	\$ 1,089,550	4.04%	\$ 44,018
5635 Brown CT 5	2,139,353	4.06%	86,858
5636 Brown CT 6	53,749	4.47%	2,403
5637 Brown CT 7	35,647	4.25%	1,515
5638 Brown CT 8	291,226	4.70%	13,688
5639 Brown CT 9	760,255	2.99%	22,732
5640 Brown CT 10	274,391	3.40%	9,329
5641 Brown CT 11	590,563	5.04%	29,764
0470 Trimble County CT 5	28,964	4.04%	1,170
0474 Trimble County CT 7	8,889	3.97%	353
0475 Trimble County CT 8	8,861	3.97%	352
0476 Trimble County CT 9	9,114	3.98%	363
0477 Trimble County CT 10	41,869	4.59%	1,922
5696 Haefling CT 1,2,&3	35,805	1.67%	598
	<u>\$ 5,368,236</u>		<u>\$ 215,065</u>
347.00 Asset Retirement Obligations Other Production *	17,791		
Total Other Production	<u>\$ 533,383,144</u>		<u>\$ 22,265,072</u>
Transmission Plant			
350.1 Land Rights	\$ 23,414,571	0.96%	\$ 224,780
350.2 Land	2,199,383	0.00%	-
352.1 Structures and Improvements-Non System Control	18,029,821	1.75%	315,522
352.2 Structures and Improvements-System Control	195,114	1.58%	3,083
353.1 Station Equipment	193,380,995	1.67%	3,229,463
353.2 System Control - Microwave Equipment	14,668,404	0.00%	-
354 Towers & Fixtures	94,800,535	1.36%	1,289,287
355 Poles & Fixtures	151,316,031	2.34%	3,540,795
356 Overhead Conductors and Devices	167,790,822	1.94%	3,255,142
357 Underground Conduit	448,760	2.27%	10,187
358 Underground Conductors & Devices	1,161,549	0.98%	11,383
359 Asset Retirement Obligations - Transmission *	539,999		
Total Transmission Plant	<u>\$ 667,945,984</u>		<u>\$ 11,879,642</u>

**Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Distribution Plant			
360.1 Land Rights	\$ 2,039,033	0.58%	\$ 11,826
360.2 Land	3,271,807	0.00%	-
360.2 Land (Plant Held for Future Use)	792,599	0.00%	-
361 Structures and Improvements	7,665,070	2.00%	153,301
362 Station Equipment	145,362,874	2.27%	3,299,737
364 Poles Towers & Fixtures	297,218,364	2.33%	6,925,188
365 Overhead Conductors and Devices	283,505,700	3.23%	9,157,234
366 Underground Conduit	1,831,865	2.70%	49,460
367 Underground Conductors & Devices	142,273,183	2.37%	3,371,874
368 Line Transformers	287,943,911	2.45%	7,054,626
369 Services	89,683,318	2.03%	1,820,571
370 Meters	70,922,417	2.29%	1,624,123
371 Installations on Customer Premises	18,240,916	0.81%	147,751
373 Street Lighting & Signal Systems	83,014,243	4.00%	3,320,570
374 Asset Retirement Obligations - Distribution *	786,955		
Total Distribution Plant	\$ 1,434,552,255		\$ 36,936,261
General Plant			
389.2 Land	\$ 2,629,528	0.00%	\$ -
390.1 Structures & Improvements	46,194,179	2.01%	928,503
390.2 Improvements to Leased Property	531,973	1.72%	9,150
391.1 Office Furniture & Equipment	7,806,962	4.46%	348,191
391.2 Non PC Computer Equipment	18,399,981	21.58%	3,970,716
391.31 PC Equipment	6,648,038	8.93%	593,670
392.10 Transportation Equipment - Cars & Light Trucks	1,865,091	2.44%	45,508
392.30 Transportation Equipment - Heavy Trucks and Other	14,104,864	0.54%	76,166
393 Stores Equipment	551,794	5.07%	27,976
394 Tool, Shop & Garage Equipment	8,221,697	4.27%	351,066
396.30 Power Operated Equipment - Large Machinery	1,188,993	8.89%	105,701
397.10 Communication Equipment - General Assets	10,171,296	5.70%	579,764
397.20 Communication Equipment - Specific Assets	20,920,746	3.75%	784,528
397.30 Communication Equipment - Fully Accrued	786,233	0.00%	-
Total General Plant	\$ 140,021,375		\$ 7,820,939
TOTAL PLANT IN SERVICE	\$ 6,492,013,503		
Total Annual Depreciation (excludes ARO amounts)			\$ 190,491,452
Less: Amounts not included in Income Statement Depreciation			
5645 Brown CT 9 Gas Pipeline			\$ (236,598)
0473 Trimble County CT Pipeline			(166,844)
392.10 Transportation Equipment - Cars & Light Trucks			(45,508)
Less: ECR Depreciation			(45,601,176)
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 144,441,326

* Represents list of ARO assets. Please note these amounts are not included in the calculation.

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Intangible Plant			
301 Organization	\$ 44,456	0.00%	\$ -
302 Franchises and Consents	55,919	18.88%	10,559
303 Miscellaneous Intangible Plant - Software	19,760,083	15.18%	2,998,745
303.1 Customer Care Solution Software	40,343,675	9.94%	4,009,179
Total Intangible Plant	\$ 60,204,133		\$ 7,018,483
Steam Production Plant			
310.00 Land	\$ 10,881,104	0.00%	\$ -
311.00 Structures and Improvements			
5603 Tyrone Unit 3	5,607,062	1.65%	92,407
5604 Tyrone Units 1&2	583,381	1.65%	9,614
5613 Green River Unit 3	2,821,437	1.65%	46,499
5614 Green River Unit 4	5,476,054	1.65%	90,248
5615 Green River Units 1&2	2,560,764	1.65%	42,203
5621 Brown Unit 1	4,703,190	1.65%	77,511
5622 Brown Unit 2	2,208,657	1.65%	36,400
5623 Brown Unit 3	21,608,590	1.65%	356,120
5630 Brown Unit 1,2,3 Scrubber	43,955,566	1.65%	724,410
5643 Pineville Unit 3	16,204	1.65%	267
5651 Ghent Unit 1	18,818,852	1.65%	310,144
5650 Ghent Unit 1 Scrubber	8,436,673	1.65%	139,041
5652 Ghent Unit 2	16,011,013	1.65%	263,870
5658 Ghent Unit 2 Scrubber	15,817,338	1.65%	260,678
5653 Ghent Unit 3	42,177,126	1.65%	695,100
5654 Ghent Unit 4	31,022,092	1.65%	511,260
0321 Trimble County Unit 2	106,881,880	1.65%	1,761,467
0322 Trimble County Unit 2 Scrubber	5,522,307	1.65%	91,010
5591 System Laboratory	824,969	1.65%	13,596
	\$ 335,053,155	1.65%	\$ 5,521,845

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
312.00 Boiler Plant Equipment			
5603 Tyrone Unit 3	\$ 13,989,313	2.54%	\$ 355,344
5604 Tyrone Units 1&2	421,900	2.54%	10,717
5613 Green River Unit 3	12,145,770	2.54%	308,516
5614 Green River Unit 4	25,264,653	2.54%	641,750
5615 Green River Units 1&2	349,298	2.54%	8,873
5621 Brown Unit 1	45,946,145	2.54%	1,167,083
5622 Brown Unit 2	40,993,123	2.54%	1,041,271
5623 Brown Unit 3	144,532,013	2.54%	3,671,274
5630 Brown Unit 1,2,3 Scrubber	332,297,548	2.54%	8,440,727
5643 Pineville Unit 3	236,470	2.54%	6,007
5650 Ghent Unit 1 Scrubber	138,565,707	2.54%	3,519,723
5651 Ghent Unit 1	200,261,497	2.54%	5,086,865
5652 Ghent Unit 2	124,543,857	2.54%	3,163,552
5658 Ghent Unit 2 Scrubber	67,966,248	2.54%	1,726,418
5653 Ghent Unit 3	251,295,254	2.54%	6,383,179
5660 Ghent 3 FGD	127,988,949	2.54%	3,251,062
5654 Ghent Unit 4	302,158,439	2.54%	7,675,160
5661 Ghent Unit 4 Scrubber	253,256,788	2.54%	6,433,004
0321 Trimble County Unit 2	506,708,710	2.54%	12,870,964
0322 Trimble County Unit 2 Scrubber	72,147,226	2.54%	1,832,620
	<u>\$ 2,661,068,908</u>	2.54%	<u>\$ 67,594,109</u>
314.00 Turbogenerator Units			
5603 Tyrone Unit 3	\$ 4,805,514	1.81%	\$ 86,939
5604 Tyrone Units 1&2	68,206	1.81%	1,234
5613 Green River Unit 3	4,562,207	1.81%	82,537
5614 Green River Unit 4	10,390,499	1.81%	187,979
5621 Brown Unit 1	7,512,849	1.81%	135,918
5622 Brown Unit 2	12,531,797	1.81%	226,719
5623 Brown Unit 3	29,370,580	1.81%	531,357
5651 Ghent Unit 1	36,687,332	1.81%	663,728
5652 Ghent Unit 2	30,417,603	1.81%	550,299
5653 Ghent Unit 3	42,547,917	1.81%	769,754
5654 Ghent Unit 4	57,036,984	1.81%	1,031,883
0321 Trimble County Unit 2	84,288,843	1.81%	1,524,909
	<u>\$ 320,220,331</u>	1.81%	<u>\$ 5,793,256</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
315.00 Accessory Electric Equipment			
5603 Tyrone Unit 3	\$ 2,081,693	2.01%	\$ 41,917
5604 Tyrone Units 1&2	99,211	2.01%	1,998
5613 Green River Unit 3	1,205,362	2.01%	24,271
5614 Green River Unit 4	2,695,329	2.01%	54,273
5621 Brown Unit 1	3,847,279	2.01%	77,469
5622 Brown Unit 2	2,485,858	2.01%	50,055
5623 Brown Unit 3	8,761,314	2.01%	176,418
5630 Brown Unit 1,2,3 Scrubber	29,503,821	2.01%	594,091
5650 Ghent Unit 1 Scrubber	12,144,072	2.01%	244,534
5651 Ghent Unit 1	8,872,543	2.01%	178,658
5652 Ghent Unit 2	13,858,389	2.01%	279,054
5658 Ghent Unit 2 Scrubber	941,942	2.01%	18,967
5653 Ghent Unit 3	30,932,405	2.01%	622,857
5660 Ghent 3 Scrubber	12,041,998	2.01%	242,479
5654 Ghent Unit 4	24,412,797	2.01%	491,578
5661 Ghent 4 Scrubber	15,148,042	2.01%	305,022
0321 Trimble County Unit 2	42,182,158	2.01%	849,383
0322 Trimble County Unit 2 Scrubber	1,415,469	2.01%	28,502
	<u>\$ 212,629,682</u>	2.01%	<u>\$ 4,281,526</u>
316.00 Miscellaneous Plant Equipment			
5603 Tyrone Unit 3	\$ 553,355	1.98%	\$ 10,969
5604 Tyrone Units 1&2	50,127	1.98%	994
5613 Green River Unit 3	152,146	1.98%	3,016
5614 Green River Unit 4	2,408,143	1.98%	47,735
5615 Green River Units 1&2	84,750	1.98%	1,680
5621 Brown Unit 1	432,578	1.98%	8,575
5622 Brown Unit 2	106,658	1.98%	2,114
5623 Brown Unit 3	5,159,550	1.98%	102,274
5650 Ghent Unit 1 Scrubber	1,033,027	1.98%	20,477
5651 Ghent Unit 1	1,747,527	1.98%	34,640
5652 Ghent Unit 2	1,500,525	1.98%	29,744
5653 Ghent Unit 3	3,150,438	1.98%	62,449
5654 Ghent Unit 4	7,838,124	1.98%	155,370
0321 Trimble County Unit 2	3,796,552	1.98%	75,256
5591 System Laboratory	2,793,691	1.98%	55,377
	<u>\$ 30,807,191</u>	1.98%	<u>\$ 610,670</u>
317.00 Asset Retirement Obligations - Steam *	56,489,771		
Total Steam	<u>\$ 3,627,150,142</u>		<u>\$ 83,801,406</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Hydraulic Production Plant			
5691 Dix Dam			
330.10 Land Rights	\$ 879,311	0.00%	\$ -
331.00 Structures and Improvements	616,527	1.62%	9,982
332.00 Reservoirs, Dams & Waterways	21,601,870	2.34%	505,170
333.00 Water Wheels, Turbines and Generators	4,549,436	3.43%	155,823
334.00 Accessory Electric Equipment	578,333	3.48%	20,131
335.00 Misc. Power Plant Equipment	297,024	3.09%	9,169
336.00 Roads, Railroads and Bridges	176,360	2.71%	4,775
337.00 Asset Retirement Obligations - Hydro *	57,609		-
Total Hydraulic Plant	\$ 28,756,470		\$ 705,050
Other Production Plant			
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	\$ 176,409	3.27%	\$ 5,767
340.20 Land	118,514	0.00%	-
341.00 Structures and Improvements			
5697 Paddy's Run CT 13	1,910,328	3.27%	62,456
5635 Brown CT 5	775,082	3.27%	25,340
5636 Brown CT 6	192,814	3.27%	6,304
5637 Brown CT 7	544,966	3.27%	17,817
5638 Brown CT 8	2,012,655	3.27%	65,801
5639 Brown CT 9	4,641,055	3.27%	151,733
5640 Brown CT 10	1,865,718	3.27%	60,997
5641 Brown CT 11	1,895,014	3.27%	61,955
0470 Trimble County CT 5	3,740,231	3.27%	122,282
0471 Trimble County CT 6	3,588,684	3.27%	117,327
0474 Trimble County CT 7	3,559,155	3.27%	116,362
0475 Trimble County CT 8	3,548,852	3.27%	116,025
0476 Trimble County CT 9	3,655,976	3.27%	119,527
0477 Trimble County CT 10	3,653,030	3.27%	119,431
5696 Haefling CT 1,2,&3	434,853	3.27%	14,217
	\$ 36,018,413	3.27%	\$ 1,177,574

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
342.00 Fuel Holders, Producers and Accessories			
5697 Paddy's Run CT 13	\$ 1,995,101	3.73%	\$ 74,512
5635 Brown CT 5	795,788	3.73%	29,721
5636 Brown CT 6	406,460	3.73%	15,180
5637 Brown CT 7	405,871	3.73%	15,158
5638 Brown CT 8	252,006	3.73%	9,412
5639 Brown CT 9	2,018,754	3.73%	75,396
5640 Brown CT 10	264,131	3.73%	9,865
5641 Brown CT 11	284,823	3.73%	10,637
5645 Brown CT 9 Gas Pipeline	8,106,131	3.73%	302,744
0470 Trimble County CT 5	239,584	3.73%	8,948
0471 Trimble County CT 6	239,246	3.73%	8,935
0473 Trimble County CT Pipeline	4,850,115	3.73%	181,140
0474 Trimble County CT 7	578,059	3.73%	21,589
0475 Trimble County CT 8	576,386	3.73%	21,527
0476 Trimble County CT 9	593,786	3.73%	22,176
0477 Trimble County CT 10	622,873	3.73%	23,263
5696 Haefling CT 1,2,&3	518,705	3.73%	19,372
	<u>\$ 22,747,819</u>	3.73%	<u>\$ 849,575</u>
343.00 Prime Movers			
5697 Paddy's Run CT 13	\$ 18,174,144	3.94%	\$ 715,224
5635 Brown CT 5	14,666,936	3.94%	577,201
5636 Brown CT 6	34,600,149	3.94%	1,361,651
5637 Brown CT 7	31,657,719	3.94%	1,245,855
5638 Brown CT 8	26,710,990	3.94%	1,051,182
5639 Brown CT 9	23,335,363	3.94%	918,338
5640 Brown CT 10	20,074,766	3.94%	790,021
5641 Brown CT 11	34,794,971	3.94%	1,369,318
0470 Trimble County CT 5	32,965,168	3.94%	1,297,309
0471 Trimble County CT 6	32,853,640	3.94%	1,292,919
0474 Trimble County CT 7	23,953,735	3.94%	942,673
0475 Trimble County CT 8	23,765,360	3.94%	935,260
0476 Trimble County CT 9	23,632,815	3.94%	930,044
0477 Trimble County CT 10	23,581,342	3.94%	928,018
	<u>\$ 364,767,098</u>	3.94%	<u>\$ 14,355,013</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
344.00 Generators			
5697 Paddy's Run CT 13	\$ 5,185,636	3.02%	\$ 156,631
5635 Brown CT 5	2,858,148	3.02%	86,330
5636 Brown CT 6	3,712,620	3.02%	112,139
5637 Brown CT 7	3,722,788	3.02%	112,446
5638 Brown CT 8	4,953,961	3.02%	149,633
5639 Brown CT 9	5,452,041	3.02%	164,678
5640 Brown CT 10	4,944,423	3.02%	149,345
5641 Brown CT 11	5,187,040	3.02%	156,673
0470 Trimble County CT 5	3,763,275	3.02%	113,669
0471 Trimble County CT 6	3,757,947	3.02%	113,508
0474 Trimble County CT 7	2,950,282	3.02%	89,113
0475 Trimble County CT 8	2,937,930	3.02%	88,740
0476 Trimble County CT 9	2,957,520	3.02%	89,331
0477 Trimble County CT 10	2,954,149	3.02%	89,229
5696 Haefling CT 1,2,&3	4,023,002	3.02%	121,514
	\$ 59,360,762	3.02%	\$ 1,792,979
345.00 Accessory Electric Equipment			
5697 Paddy's Run CT 13	\$ 2,456,320	3.43%	\$ 84,318
5635 Brown CT 5	2,479,493	3.43%	85,113
5636 Brown CT 6	1,975,216	3.43%	67,803
5637 Brown CT 7	1,935,782	3.43%	66,449
5638 Brown CT 8	2,908,499	3.43%	99,840
5639 Brown CT 9	4,205,847	3.43%	144,374
5640 Brown CT 10	2,744,493	3.43%	94,210
5641 Brown CT 11	1,987,867	3.43%	68,237
0470 Trimble County CT 5	1,737,628	3.43%	59,647
0471 Trimble County CT 6	4,324,591	3.43%	148,450
0474 Trimble County CT 7	3,148,439	3.43%	108,076
0475 Trimble County CT 8	3,139,332	3.43%	107,764
0476 Trimble County CT 9	3,234,031	3.43%	111,014
0477 Trimble County CT 10	7,196,618	3.43%	247,038
5696 Haefling CT 1,2,&3	1,333,946	3.43%	45,790
	\$ 44,808,102	3.43%	\$ 1,538,123

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
346.00 Miscellaneous Plant Equipment			
5697 Paddy's Run CT 13	\$ 1,089,550	3.19%	\$ 34,751
5635 Brown CT 5	2,139,353	3.19%	68,234
5636 Brown CT 6	53,749	3.19%	1,714
5637 Brown CT 7	35,647	3.19%	1,137
5638 Brown CT 8	291,226	3.19%	9,289
5639 Brown CT 9	760,255	3.19%	24,248
5640 Brown CT 10	274,391	3.19%	8,752
5641 Brown CT 11	590,563	3.19%	18,836
0470 Trimble County CT 5	28,964	3.19%	924
0474 Trimble County CT 7	8,889	3.19%	284
0475 Trimble County CT 8	8,861	3.19%	283
0476 Trimble County CT 9	9,114	3.19%	291
0477 Trimble County CT 10	41,869	3.19%	1,335
5696 Haeffling CT 1,2,&3	35,805	3.19%	1,142
	<u>\$ 5,368,236</u>	3.19%	<u>\$ 171,220</u>
347.00 Asset Retirement Obligations Other Production *	17,791		
Total Other Production	<u>\$ 533,383,144</u>		<u>\$ 19,890,251</u>
Transmission Plant			
350.1 Land Rights	\$ 23,414,571	0.12%	\$ 28,794
350.2 Land	2,199,383	0.00%	-
352.1 Structures and Improvements-Non System Control	18,029,821	0.76%	136,324
352.2 Structures and Improvements-System Control	195,114	0.87%	1,700
353.1 Station Equipment	193,380,995	0.66%	1,268,735
353.2 System Control - Microwave Equipment	14,668,404	-0.26%	(38,001)
354 Towers & Fixtures	94,800,535	0.81%	771,954
355 Poles & Fixtures	151,316,031	1.57%	2,377,578
356 Overhead Conductors and Devices	167,790,822	1.14%	1,904,489
357 Underground Conduit	448,760	2.25%	10,110
358 Underground Conductors & Devices	1,161,549	1.52%	17,697
359 Asset Retirement Obligations - Transmission *	539,999		
Total Transmission Plant	<u>\$ 667,945,984</u>		<u>\$ 6,479,380</u>

Kentucky Utilities Company
Annualized Depreciation
as of March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Distribution Plant			
360.1 Land Rights	\$ 2,039,033	0.15%	\$ 2,977
360.2 Land	3,271,807	0.00%	-
360.2 Land (Plant Held for Future Use)	792,599	0.00%	-
361 Structures and Improvements	7,665,070	1.31%	100,731
362 Station Equipment	145,362,874	1.96%	2,853,664
364 Poles Towers & Fixtures	297,218,364	1.60%	4,763,858
365 Overhead Conductors and Devices	283,505,700	1.60%	4,535,818
366 Underground Conduit	1,831,865	1.77%	32,443
367 Underground Conductors & Devices	142,273,183	0.97%	1,378,719
368 Line Transformers	287,943,911	1.88%	5,427,358
369 Services	89,683,318	1.24%	1,112,897
370 Meters	70,922,417	1.32%	934,930
371 Installations on Customer Premises	18,240,916	0.09%	16,087
373 Street Lighting & Signal Systems	83,014,243	2.90%	2,405,290
374 Asset Retirement Obligations - Distribution *	786,955		
Total Distribution Plant	\$ 1,434,552,255		\$ 23,564,772
General Plant			
389.2 Land	\$ 2,629,528	0.00%	\$ -
390.1 Structures & Improvements	46,194,179	1.75%	810,405
390.2 Improvements to Leased Property	531,973	1.18%	6,276
391.1 Office Furniture & Equipment	7,806,962	4.68%	365,446
391.2 Non PC Computer Equipment	18,399,981	17.46%	3,211,806
391.31 PC Equipment	6,648,038	16.04%	1,066,075
392.10 Transportation Equipment - Cars & Light Trucks	1,865,091	1.06%	19,852
392.30 Transportation Equipment - Heavy Trucks and Other	14,104,864	0.54%	76,041
393 Stores Equipment	551,794	5.39%	29,766
394 Tool, Shop & Garage Equipment	8,221,697	3.71%	304,675
396.30 Power Operated Equipment - Large Machinery	1,188,993	6.13%	72,881
397.10 Communication Equipment - General Assets	10,171,296	8.49%	863,572
397.20 Communication Equipment - Specific Assets	20,920,746	3.78%	790,926
397.30 Communication Equipment - Fully Accrued	786,233	0.00%	-
Total General Plant	\$ 140,021,375		\$ 7,617,721
TOTAL PLANT IN SERVICE	\$ 6,492,013,503		
Total Annual Depreciation (excludes ARO amounts)			\$ 149,077,063
Less: Amounts not included in Income Statement Depreciation			
5645 Brown CT 9 Gas Pipeline			\$ (308,511)
0473 Trimble County CT Pipeline			(181,140)
392.10 Transportation Equipment - Cars & Light Trucks			(19,852)
Less: ECR Depreciation			(32,438,004)
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 116,129,556

* Represents list of ARO assets. Please note these amounts are not included in the calculation.

**Kentucky Utilities Company
KIUC Adjusted Annualized ECR Depreciation**

Annualized Depreciation for 2005 and 2006 ECR plans to be eliminated

	As Filed	KIUC Adjusted
2005 ECR Plan Monthly Depreciation (from next page)	\$ 3,471,415	\$ 2,302,948
2005 Retirements Monthly Depreciation	(40,521)	(40,521)
Net 2005 ECR Plan	\$ 3,430,894	\$ 2,262,427
Months	12	12
Annualized 2005 ECR Plan	<u>\$ 41,170,728</u>	<u>\$ 27,149,124</u>
2006 ECR Plan Monthly Depreciation (from next page)	\$ 355,462	\$ 427,947
2006 Retirements Monthly Depreciation	(1,133)	(1,133)
Net 2006 ECR Plan	\$ 354,329	\$ 426,814
Months	12	12
Annualized 2006 ECR Plan	<u>4,251,948</u>	<u>5,121,768</u>
2005 and 2006 ECR Plans Total	<u><u>\$ 45,422,676</u></u>	<u><u>\$ 32,270,892</u></u>

Annualized Depreciation for all ECR plans

2005 and 2006 ECR Plans Total (from above)	<u>\$ 45,422,676</u>	<u>\$ 32,270,892</u>
2009 ECR Plan Monthly Depreciation (from next page)	\$ 14,875	\$ 13,926
Months	12	12
Annualized 2009 ECR Plan	<u>\$ 178,500</u>	<u>\$ 167,112</u>
Annualized All ECR Plans Total	<u><u>45,601,176</u></u>	<u><u>32,438,004</u></u>

Kentucky Utilities Company
ECR Adjustment for Proposed Rates
March 31, 2012

ECR Plan	Description	Total Installed Cost	Plant Account	Proposed Depr Rate	Proposed Monthly Depr Expense
2005	120209 - Ghent Unit 4	\$ 398,915.00	312.00	0.0260	\$ 864.32
2005	121597 - Ghent Unit 4	436,130.89	312.00	0.0260	944.95
2005	119961 - Brown Ash Handling Transmission Relocation	3,043,828.72	355.00	0.0234	5,935.47
2005	119961 - Brown Ash Handling Transmission Relocation	2,879,512.19	356.00	0.0194	4,655.21
2005	119961 - Brown Unit 1	1,606,687.43	312.00	0.0325	4,351.45
2005	119961 - Brown Unit 2	1,397,099.04	312.00	0.0298	3,469.46
2005	119961 - Brown Unit 2	166,696.69	315.00	0.0220	305.61
2005	119961 - Brown Unit 3	27,653,977.66	312.00	0.0267	61,530.10
2005	119961 - Brown Unit 3	691,222.10	315.00	0.0149	858.27
2005	118251 - Ghent Unit 3 Scrubber	127,217,232.63	312.00	0.0374	396,493.71
2005	118251 - Ghent Unit 3 Scrubber	11,993,351.47	315.00	0.0375	37,479.22
2005	118251 - Ghent Unit 3 Scrubber	69,178.00	392.10	0.0244	140.66
2005	118251 - Ghent Unit 4	7,103,212.70	311.00	0.0248	14,679.97
2005	119962 - Ghent Unit 1	25,186,670.80	312.00	0.0293	61,497.45
2005	119962 - Ghent Unit 1 Scrubber	115,281,172.63	312.00	0.0243	233,444.37
2005	119962 - Ghent Unit 1 Scrubber	9,068,617.28	315.00	0.0389	29,397.43
2005	119962 - Ghent Unit 2	28,103,907.64	312.00	0.0181	42,390.06
2005	119962 - Ghent Unit 2 Scrubber	8,916,082.79	312.00	0.0243	18,055.07
2005	119962 - Ghent Unit 2 Scrubber	938,695.80	315.00	0.0470	3,676.56
2005	120208 - Ghent Unit 2	183,430.63	312.00	0.0181	276.67
2005	120208 - Ghent Unit 4	42,504,952.57	312.00	0.0260	92,094.06
2005	120208 - Ghent Unit 4 Scrubber	134,068,516.84	312.00	0.0383	427,902.02
2005	120209 - Ghent Unit 2	179,584.08	312.00	0.0181	270.87
2005	120209 - Ghent Unit 4	14,562.76	311.00	0.0248	30.10
2005	120209 - Ghent Unit 4	3,484,937.69	312.00	0.0260	7,550.70
2005	120209 - Ghent Unit 4 Scrubber	131,082,564.27	312.00	0.0383	418,371.85
2005	120209 - Ghent Unit 4 Scrubber	425,132.40	315.00	0.0386	1,367.51
2005	120210 - Brown Unit 1	3,225,806.50	312.00	0.0325	8,736.56
2005	120210 - Brown Unit 1,2,3 Scrubber	43,642,101.13	311.00	0.0458	166,567.35
2005	120210 - Brown Unit 1,2,3 Scrubber	324,858,623.81	312.00	0.0458	1,239,877.08
2005	120210 - Brown Unit 1,2,3 Scrubber	29,318,994.37	315.00	0.0455	111,167.85
2005	120210 - Brown Unit 2	659,435.91	312.00	0.0298	1,637.60
2005	120210 - Brown Unit 3	33,196,610.45	312.00	0.0267	73,862.46
2005	126290 - Ghent Unit 3 Scrubber	227,102.80	312.00	0.0374	707.80
2005	127519 - Ghent Unit 4 Scrubber	258,547.46	312.00	0.0383	825.20
	2005 Plan Summary				\$ 3,471,415.03
2006	121685 - Trimble County Unit 2 Scrubber	\$ 737,597.72	311.00	0.0136	\$ 835.94
2006	121685 - Trimble County Unit 2 Scrubber	179,059,507.18	312.00	0.0206	307,385.49
2006	121685 - Trimble County Unit 2 Scrubber	6,503,629.52	315.00	0.0156	8,454.72
2006	132872KU - Trimble County Unit 2 Scrubber	2,117,592.51	312.00	0.0206	3,635.20
2006	122279 - Ghent Unit 1	643,507.32	311.00	0.0059	316.39
2006	122279 - Ghent Unit 1	3,719,591.72	312.00	0.0293	9,082.00
2006	122279 - Ghent Unit 3	641,065.39	311.00	0.0159	849.41
2006	122279 - Ghent Unit 3	3,708,453.99	312.00	0.0231	7,138.77
2006	122279 - Ghent Unit 4	579,887.02	311.00	0.0248	1,198.43
2006	122279 - Ghent Unit 4	3,458,766.49	312.00	0.0260	7,493.99
2006	126287 - Ghent Unit 4	203,561.29	312.00	0.0260	441.05
2006	122279 - Continuing Emissions Monitoring Software	115,540.00	391.20	0.2158	2,077.79
2006	122657 - Brown Unit 3	195,935.18	312.00	0.0267	435.96
2006	122657 - Ghent Unit 1	127,777.19	312.00	0.0293	311.99
2006	122657 - Ghent Unit 3	127,777.19	312.00	0.0231	245.97
2006	122657 - Ghent Unit 4	173,056.35	312.00	0.0260	374.96
2006	122657 - Green River Unit 3	127,777.20	312.00	0.0759	808.19
2006	122657 - Green River Unit 4	145,940.85	312.00	0.0757	920.64
2006	122657 - Tyrone Unit 3	18,148.59	312.00	0.0774	117.06
2006	120404 - Brown Unit 3	46,715.34	312.00	0.0267	103.94
2006	122658 - Brown Unit 2	1,302,449.83	312.00	0.0298	3,234.42
	2006 Plan Summary				\$ 355,462.32
2009	121682 - Trimble County Unit 2	\$ 7,184,578.86	311.00	0.0190	\$ 11,375.58
2009	121682 - Trimble County Unit 2	1,917,890.24	312.00	0.0219	3,500.15
	2009 Plan Summary				\$ 14,875.73

Kentucky Utilities Company
KIUC Adjusted ECR Adjustment for Proposed Rates
March 31, 2012

ECR Plan	Description	Total Installed Cost	Plant Account	Proposed Depr Rate	Proposed Monthly Depr Expense
2005	120209 - Ghent Unit 4	\$ 398,915.00	312.00	2.54%	\$ 844.41
2005	121597 - Ghent Unit 4	436,130.89	312.00	2.54%	923.18
2005	119961 - Brown Ash Handling Transmission Relocation	3,043,828.72	355.00	1.57%	3,985.55
2005	119961 - Brown Ash Handling Transmission Relocation	2,879,512.19	356.00	1.14%	2,723.63
2005	119961 - Brown Unit 1	1,606,687.43	312.00	2.54%	3,400.97
2005	119961 - Brown Unit 2	1,397,099.04	312.00	2.54%	2,957.32
2005	119961 - Brown Unit 2	166,696.69	315.00	2.01%	279.72
2005	119961 - Brown Unit 3	27,653,977.66	312.00	2.54%	58,536.81
2005	119961 - Brown Unit 3	691,222.10	315.00	2.01%	1,159.87
2005	118251 - Ghent Unit 3 Scrubber	127,217,232.63	312.00	2.54%	269,288.26
2005	118251 - Ghent Unit 3 Scrubber	11,993,351.47	315.00	2.01%	20,124.92
2005	118251 - Ghent Unit 3 Scrubber	69,178.00	392.10	1.06%	61.36
2005	118251 - Ghent Unit 4	7,103,212.70	311.00	1.65%	9,755.38
2005	119962 - Ghent Unit 1	25,186,670.80	312.00	2.54%	53,314.12
2005	119962 - Ghent Unit 1 Scrubber	115,281,172.63	312.00	2.54%	244,022.49
2005	119962 - Ghent Unit 1 Scrubber	9,068,617.28	315.00	2.01%	15,217.20
2005	119962 - Ghent Unit 2	28,103,907.64	312.00	2.54%	59,489.21
2005	119962 - Ghent Unit 2 Scrubber	8,916,082.79	312.00	2.54%	18,873.20
2005	119962 - Ghent Unit 2 Scrubber	938,695.80	315.00	2.01%	1,575.14
2005	120208 - Ghent Unit 2	183,430.63	312.00	2.54%	388.28
2005	120208 - Ghent Unit 4	42,504,952.57	312.00	2.54%	89,972.75
2005	120208 - Ghent Unit 4 Scrubber	134,068,516.84	312.00	2.54%	283,790.77
2005	120209 - Ghent Unit 2	179,584.08	312.00	2.54%	380.14
2005	120209 - Ghent Unit 4	14,562.76	311.00	1.65%	20.00
2005	120209 - Ghent Unit 4	3,484,937.69	312.00	2.54%	7,376.77
2005	120209 - Ghent Unit 4 Scrubber	131,082,564.27	312.00	2.54%	277,470.23
2005	120209 - Ghent Unit 4 Scrubber	425,132.40	315.00	2.01%	713.37
2005	120210 - Brown Unit 1	3,225,806.50	312.00	2.54%	6,828.26
2005	120210 - Brown Unit 1,2,3 Scrubber	43,642,101.13	311.00	1.65%	59,936.99
2005	120210 - Brown Unit 1,2,3 Scrubber	324,858,623.81	312.00	2.54%	687,647.50
2005	120210 - Brown Unit 1,2,3 Scrubber	29,318,994.37	315.00	2.01%	49,197.46
2005	120210 - Brown Unit 2	659,435.91	312.00	2.54%	1,395.87
2005	120210 - Brown Unit 3	33,196,610.45	312.00	2.54%	70,269.23
2005	126290 - Ghent Unit 3 Scrubber	227,102.80	312.00	2.54%	480.72
2005	127519 - Ghent Unit 4 Scrubber	258,547.46	312.00	2.54%	547.28
2005 Plan Summary					\$ 2,302,948.36
2006	121685 - Trimble County Unit 2 Scrubber	\$ 737,597.72	311.00	1.65%	\$ 1,013.00
2006	121685 - Trimble County Unit 2 Scrubber	179,059,507.18	312.00	2.54%	379,025.87
2006	121685 - Trimble County Unit 2 Scrubber	6,503,629.52	315.00	2.01%	10,913.13
2006	132872KU - Trimble County Unit 2 Scrubber	2,117,592.51	312.00	2.54%	4,482.43
2006	122279 - Ghent Unit 1	643,507.32	311.00	1.65%	883.78
2006	122279 - Ghent Unit 1	3,719,591.72	312.00	2.54%	7,873.48
2006	122279 - Ghent Unit 3	641,065.39	311.00	1.65%	880.42
2006	122279 - Ghent Unit 3	3,708,453.99	312.00	2.54%	7,849.90
2006	122279 - Ghent Unit 4	579,887.02	311.00	1.65%	796.40
2006	122279 - Ghent Unit 4	3,458,766.49	312.00	2.54%	7,321.38
2006	126287 - Ghent Unit 4	203,561.29	312.00	2.54%	430.89
2006	122279 - Continuing Emissions Monitoring Software	115,540.00	391.20	17.46%	1,680.67
2006	122657 - Brown Unit 3	195,935.18	312.00	2.54%	414.75
2006	122657 - Ghent Unit 1	127,777.19	312.00	2.54%	270.47
2006	122657 - Ghent Unit 3	127,777.19	312.00	2.54%	270.47
2006	122657 - Ghent Unit 4	173,056.35	312.00	2.54%	366.32
2006	122657 - Green River Unit 3	127,777.20	312.00	2.54%	270.47
2006	122657 - Green River Unit 4	145,940.85	312.00	2.54%	308.92
2006	122657 - Tyrone Unit 3	18,148.59	312.00	2.54%	38.42
2006	120404 - Brown Unit 3	46,715.34	312.00	2.54%	98.89
2006	122658 - Brown Unit 2	1,302,449.83	312.00	2.54%	2,756.97
2006 Plan Summary					\$ 427,947.04
2009	121682 - Trimble County Unit 2	\$ 7,184,578.86	311.00	1.65%	\$ 9,867.12
2009	121682 - Trimble County Unit 2	1,917,890.24	312.00	2.54%	4,059.71
2009 Plan Summary					\$ 13,926.84

**Kentucky Utilities Company and Louisville Gas & Electric Company
Summary of Revenue Requirement Adjustments-Jurisdictional Electric Operations**

Recommended by KIUC

Case Nos. 2012-00221 and 2012-00222

For the Test Year Ended March 31, 2012
(\$ Millions)

	KU Amount	LG&E Amount
Increase Requested by Company	82.124	61.582
<u>KIUC Adjustments:</u>		
Operating Income Issues		
Adjust for Carbide Revenue Normalization		(2.760)
Remove Company's Proforma Adjustment Related to Off-System Sales Margins	(0.189)	(5.763)
Normalize Non-Labor Generation Maintenance Outage Expense	(3.396)	(6.069)
Reduce Normalized Storm Damage Expense	(0.205)	(0.382)
Increase Normalized Injuries and Damages Expense	0.023	0.181
Amortize 2011 Windstorm Regulatory Asset Over Ten Years	-	(0.810)
Reduce Rate Case Amortization Expense	(0.394)	(0.164)
Correct Depreciation Expense	(31.665)	(44.697)
Cost of Capital Issues		
Reduce Capitalization by Amount of Short Term Investment in Money Pool	(4.926)	(5.115)
Reflect Return on Equity of 9.2%	(49.951)	(31.214)
Total KIUC Adjustments to Company Request	(90.702)	(96.790)
KIUC Recommended Change in Base Rates	(8.578)	(35.209)

Kentucky Utilities Company
Summary of Revenue Requirement Adjustments-Jurisdictional Electric Operations
Recommended by KIUC
Case No. 2012-00221
For the Test Year Ended March 31, 2012
(\$ Millions)

	<u>Amount</u>	<u>B/D and PSC</u> <u>Gross-up</u>	<u>Adj</u> <u>Amt</u>
Increase Requested by Company	82.124		
<u>KIUC Adjustments:</u>			
Operating Income Issues			
Remove Company's Proforma Adjustment Related to Off-System Sales Margins	(0.189)	1.005762	(0.188)
Normalize Non-Labor Generation Maintenance Outage Expense	(3.396)	1.005762	(3.377)
Reduce Normalized Storm Damage Expense	(0.205)	1.005762	(0.204)
Increase Normalized Injuries and Damages Expense	0.023	1.005762	0.023
Reduce Rate Case Amortization Expense	(0.394)	1.005762	(0.392)
Correct Depreciation Expense	(31.665)	1.005762	(31.483)
Cost of Capital Issues			
Reduce Capitalization by Amount of Short Term Investment in Money Pool	(4.926)		
Reflect Return on Equity of 9.2%	<u>(49.951)</u>		
Total KIUC Adjustments to Company Request	<u><u>(90.702)</u></u>		
KIUC Recommended Change in Base Rates	<u><u>(8.578)</u></u>		

KIUC Adjustments to KU Capitalization and Cost of Capital
Case No. 2012-00221
Test Year Ending March 31, 2012

I. KU Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Per Filing

	Per Book Balance	KU Proforma Adjustments	KU Adjusted Total Co. Capitalization	KU Kentucky Jurisdictional Factor	KU Jurisdictional Capitalization	KU Jurisdictional Capitalization	Remove Environmental Compliance Plans	Adjusted KU Jurisdictional Capitalization	Adjusted Capital Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement
Short Term Debt	-	-	-	87.52%	-	-	-	-	0.00%	0.41%	0.00%	0.00%	-
Long Term Debt	1,840,750,374	(797,948)	1,839,952,426	87.52%	1,610,326,363	1,525,295,858	(85,030,505)	1,525,295,858	46.30%	3.69%	1.71%	1.72%	56,607,746
Common Equity	2,138,484,751	(4,085,474)	2,134,399,277	87.52%	1,868,026,247	1,769,389,886	(98,636,561)	1,769,389,886	53.70%	11.00%	5.91%	9.39%	309,418,797
Total Capital	3,979,235,125	(4,883,422)	3,974,351,703		3,478,352,610	3,294,685,544	(183,667,066)	3,294,685,544	100.00%		7.62%	11.11%	366,026,542

II. KU Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Reducing Capitalization by Short Term Investments in Money Pool as of March 31, 2012

	Adjusted KU Jurisdictional Capitalization	KU Kentucky Jurisdictional Proforma Adjustment 1	KIUC Kentucky Jurisdictional Proforma Adjustment 1	KIUC Kentucky Adjusted Capitalization	KIUC Adjusted Capital Ratio	Remove Environmental Compliance Plans	Adjusted KU Jurisdictional Capitalization	Adjusted Capital Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement	Incremental Revenue Requirement
Short Term Debt	-	-	-	-	0.00%	-	-	0.00%	0.41%	0.00%	0.00%	-	-
Long Term Debt	1,525,295,858	(23,428,052)	(20,504,231)	1,504,791,627	46.30%	(85,030,505)	1,525,295,858	46.30%	3.69%	1.71%	1.72%	55,846,757	(760,969)
Common Equity	1,769,389,886	(27,217,450)	(23,820,712)	1,745,568,974	53.70%	(98,636,561)	1,769,389,886	53.70%	11.00%	5.91%	9.39%	305,253,300	(4,165,497)
Total Capital	3,294,685,544	(50,645,502)	(44,324,943)	3,250,360,601	100.00%	(183,667,066)	3,294,685,544	100.00%		7.62%	11.11%	361,100,057	(4,926,485)

III. KU Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Adjusting Return on Common Equity to 9.2%

	KIUC Kentucky Adjusted Capitalization	KIUC Adjusted Capital Ratio	Remove Environmental Compliance Plans	Adjusted KU Jurisdictional Capitalization	Adjusted Capital Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement	Incremental Revenue Requirement
Short Term Debt	-	0.00%	-	-	0.00%	0.41%	0.00%	0.00%	-	-
Long Term Debt	1,504,791,627	46.30%	(85,030,505)	1,504,791,627	46.30%	3.69%	1.71%	1.72%	55,846,757	-
Common Equity	1,745,568,974	53.70%	(98,636,561)	1,745,568,974	53.70%	11.00%	4.94%	7.85%	255,302,760	(49,950,540)
Total Capital	3,250,360,601	100.00%	(183,667,066)	3,250,360,601	100.00%		6.65%	9.57%	311,149,517	(49,950,540)

Kentucky Utilities Company
Calculation of Revenue Gross Up Factor
As Filed By Company with Additional KIUC Computations
For the Test Year Ended March 31, 2012

	Company Filed Based on Rates In Effect @ 1/1/2012	Without B/D & PSC Assessments @ 1/1/2012
1. Assume pre-tax income of	\$ 100.000000	\$100.000000
2. Bad Debt at .4200%	0.420000	
3. PSC Assessment at .1529%	0.152900	
4. Production Tax Credit-Federal	<u>5.701630</u>	<u>5.701630</u>
5. Taxable income for State income tax	93.725470	94.298370
6. State income tax at 6.00%	<u>5.723814</u>	<u>5.758188</u>
7. Taxable income for Federal income tax	88.001656	88.540182
8. Federal income tax at 35%	<u>30.800580</u>	<u>30.989064</u>
9. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 8)	37.097294	36.747252
10. Assume pre-tax income of	<u>\$ 100.000000</u>	<u>\$100.000000</u>
11. Gross Up Revenue Factor	<u>62.902706</u>	<u>63.252748</u>
12. Gross-Up Conversion Factor	<u>1.589757</u>	<u>1.580959</u>
13. Gross-Up Conversion Factor-Debt Only	<u>1.005762</u>	<u>1.000000</u>
 State Tax Rate		
1. Assume pre-tax income of	\$ 100.000000	\$100.000000
2. Bad Debt at .4200%	0.420000	
3. PSC Assessment at .1529%	0.152900	
4. Production Tax Credit-State	<u>4.030200</u>	<u>4.030200</u>
5. Taxable income for State income tax	95.396900	95.969800
6. State income tax at 6.00%	<u>5.723814</u>	<u>5.758188</u>

B/D & PSC
Assessments
Only
@ 1/1/2012
\$100.000000

0.420000

0.152900

99.427100

5.965626

93.461474

32.711516

39.250042

\$100.000000

60.749958

1.646092

1.005762

\$100.000000

0.420000

0.152900

99.427100

5.965626

Kentucky Utilities Company
KIUC Adjustment to Normalize Non-Labor Generation Maintenance Outage Expense
Case No. 2012-00221
For the Test Year Ended March 31, 2012
(\$ Millions)

Non-Labor Maintenance Outage Expense Based Upon 5 Year Plus Test Year Avg	16.777
Non-Labor Maintenance Outage Expense Incurred During Test Year	<u>20.647</u>
Total Company Adjustment to Normalize Non-Labor Maintenance Outage Expense	(3.870)
Kentucky Jurisdiction	<u>87.257%</u>
Kentucky Jurisdictional Adjustment to Normalize Non-Labor Maintenance Outage Expense	<u>(3.377)</u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.005762</u>
Revenue Requirement Effect of Normalizing Non-Labor Maintenance Outage Expense	<u>(3.396)</u>

Year	Expense (a)	CPI-All Urban Consumers	Amount
2012	20.647	1.0000	20.647
2011	20.166	1.0069	20.305
2010	9.785	1.0387	10.164
2009	17.851	1.0558	18.847
2008	19.958	1.0520	20.996
2007	8.884	1.0924	9.705
Total			<u>100.664</u>
Five Year Plus Test Year Average			<u>16.777</u>

(a) All years expense is for the 12 months ended March 31 for each year. See Response to KIUC 2-22.

Kentucky Utilities Company
KIUC Adjustment to Reduce Normalized Storm Damage Expense
Case No. 2012-00221
For the Test Year Ended March 31, 2012
(\$ Millions)

	<u>KY</u> <u>Jurisd Amount</u>
Storm Damage Expense Adj Based on 10-Year Average - 12 months Ended March 31 Each Year See amount computed by Company in response to KIUC 2-3a	(0.696)
Storm Damage Expense Adj Based on 10-Year Average - As Revised - Schedule 1.15	<u>(0.492)</u>
Reduction in Normalized Storm Damage Expense Using Annual Data for the 12 months Ended March 31 Each Year	<u>(0.204)</u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.005762</u>
Revenue Requirement Effect of Normalizing Storm Damage Expense Using Annual Data for 12 months Ended March 31 Each Year	<u>(0.205)</u>

Kentucky Utilities Company
KIUC Adjustment to Increase Normalized Injuries and Damages Expense Acct 925
Case No. 2012-00221
For the Test Year Ended March 31, 2012
(\$ Millions)

	<u>KY</u> <u>Jurisd Amount</u>
Injuries and Damages Expense Adj Based on 10-Year Average - 12 months Ended March 31 Each Year (See amount computed by Company in response to KIUC 2-4a)	(1.210)
Injuries and Damages Expense Adj Based on 10-Year Average - As Filed - Schedule 1.16	<u>(1.233)</u>
Increase in Injuries and Damages Expense Using Annual Data for the 12 months Ended March 31 Each Year	<u>0.023</u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.005762</u>
Revenue Requirement Effect of Normalizing Injuries and Damages Expense Using Annual Data for 12 months Ended March 31 Each Year	<u>0.023</u>

Kentucky Utilities Company
KIUC Adjustment to Reduce Rate Case Amortization Expense
Case No. 2012-00221
For the Test Year Ended March 31, 2012
(\$ Millions)

	Amount
2008 Rate Case Expense Amortization Expense Discontinued But Remaining in Rates See Response to Staff 1-55 (b)	(0.384)
March 2012	0.038
April 2012	0.038
May 2012	0.038
June 2012	0.038
July 2012	0.038
Aug 2012	0.038
September 2012	0.038
October 2012	0.038
November 2012	0.038
December 2012	0.038
Total	0.384
 Unamortized Balance of 2009 Rate Case Regulatory Asset at December 31, 2012	 0.392
Remaining 2009 Rate Case Regulatory Asset at December 31, 2012 Assuming Continued 2008 Rate Case Amortization Expense Applied to 2009 Rate Case Balance. This relatively small amount was not added to 2012 expense.	0.008
 2012 Rate Case Expense Estimated by the Company in This Proceeding - As Revised	 1.586
 Remaining Rate Case Expenses to be Amortized	 1.586
 Amortization Period in Years	 3
 Amortization Per Year	0.529
 Amount of Test Year Amortization Computed by Company - Schedule 1.23	 0.920
 KIUC Adjustment to Reduce Rate Case Amortization Expense	 (0.392)
 Gross-Up Factor for BD and PSC Assessment Fees	 1.005762
 Revenue Requirement Effect of Reducing Rate Case Amortization Expense	 (0.394)