BEFORE THE

KENTUCKY PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES	)))	**CASE NO. 2012-00221**
APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS RATES, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, APPROVAL OF OWNERSHIP OF GAS SERVICE LINES AND RISERS, AND A GAS LINE SURCHARGE	)))))))	**CASE NO. 2012-00222**

DIRECT TESTIMONY

AND EXHIBITS OF

MICHAEL J. MAJOROS, JR.

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

October 2012

TABLE OF CONTENTS

I. Introduction

Q. State your name, position, and business address.

A. My name is Michael J. Majoros, Jr. I am President of Snavely King Majoros & Associates, Inc. located at 8100 Professional Place, Landover MD 20785.

Q. Describe Snavely King Majoros & Associates, Inc.

A. Snavely King Majoros & Associates, Inc. ("SKM") is an economic and management consulting firm whose focus is the transparency, accountability and effectiveness of economic regulation along regulated and partially regulated supply chains. Its' clients include Main Street individuals and organizations. The firm's consultants conduct economic, accounting, and financial policy analysis, which they present in the form of expert testimony and reports before courts and regulatory agencies. In 1970, Carl M. Snavely and Charles W. King founded Snavely King & Associates, Inc. to conduct research on a consulting basis into the rates, revenues, costs and economic performance of regulated firms in the transportation, telecom and public utility industries. Since then, the firm has participated in over 1000 proceedings before almost all of the state commissions, and all Federal commissions that regulate the utility, telecom and transportation industries.

Q. Have you prepared a summary of your qualifications and experience?

A. Yes, Appendix A is a summary of my qualifications and experience. Appendix B contains a tabulation of my appearances as an expert witness before state and Federal regulatory agencies.

Q. For whom are you appearing in this proceeding?

A. I am appearing on behalf of the Kentucky Industrial Utilities Customers ("KIUC").

II. Subject of Testimony

Q. What is the subject of your testimony?

A. My testimony addresses depreciation.

Q. Do you have any specific experience in the field of public utility depreciation?

A. Yes, public utility depreciation is a field in which SKM specializes. Members of the firm have appeared as expert witnesses on this subject before the regulatory commissions of almost every state and several Federal Commissions. I have testified on the subject of public utility depreciation on multiple occasions, including several appearances before the Kentucky Public Service Commission ("PSC" or "Commission").

III. Purpose of Testimony

Q. Explain the purpose of your testimony in this proceeding.

A. KIUC asked me to review Louisville Gas and Electric Company and Kentucky Utilities' ("LG&E," "KU," or, collectively "the Companies") electric depreciation-related testimony and exhibits. Specifically, we were to:

- Review the Companies' life and curve studies for all production, transmission, distribution and general plant accounts to determine if there is any evidence that the Companies' Depreciation Witnesses' service life proposals demonstrate a "systematic bias" towards shorter lives.
- Review the Companies' Production Plant Interim Retirement Rate Assumptions
- Review the Companies' Terminal and Interim Net Salvage Proposals for the Production Plant accounts, and address the $651 million Regulatory Liability the

Companies have collected for cost of removal expense they have not incurred.

I am to describe the analyses we conducted and express an opinion regarding the reasonableness of the Companies' depreciation proposals and, if warranted, make alternative recommendations.

IV. Summary of Companies' Filings

Q. Summarize the Companies' depreciation expense proposals.

A. Mr. John J. Spanos of Gannett Fleming conducted and presented the Companies' depreciation studies. Mr. Spanos's studies reflect plant and reserve balances as of December 31, 2011. They result in the depreciation rates and accruals shown on Exhibit___ (MJM-1). In total, Mr. Spanos proposes depreciation expense as follows, based on December 31, 2011 plant balances.

Spanos's Depreciation Proposals

Kentucky Utilities Company	$189,326,536
Louisville Gas and Electric Company	$112,892,722

V. Summary of Adjustments

Q. Do you have any alternative recommendations?

A. Yes, I have several recommendations resulting from my analyses.

- I conclude that the Companies' witness has demonstrated a systematic downward bias in his average service life recommendations. For various plant accounts, the Companies' witness has disregarded his own statistical life studies and proposed shorter lives and therefore higher depreciation rates. I recommend lives that are longer than Mr. Spanos' proposals for various plant accounts. My proposals reflect

the best fit life and Iowa curve to Mr. Spanos's observed life tables ("OLT") using his data for the longest band included in his study of each account. These adjustments result in longer remaining lives and lower interim net salvage for the Companies' production plant accounts, and longer remaining lives for its transmission, distribution and general plant accounts. Longer lives and lower net salvage translate into lower depreciation rates and revenue requirements.

- For the production plant accounts, Mr. Spanos has judgmentally overestimated the percentage of the plants that will be retired prior to their final retirement date for each plant. Mr. Spanos's overestimates result in higher depreciation rates. I have used Mr. Spanos's best-fit lives and curves, truncated by his proposed terminal retirement years, to estimate the interim retirements for each production plant account. Where Mr. Spanos did not calculate a best fit, I used my firm's software to calculate the best fit.
- Again, for the production plants, Mr. Spanos assumes that the Companies will demolish each plant upon reaching its final retirement. This assumption increases depreciation rates. I have determined that the Companies do not have any plans or legal or moral obligations to demolish any of its production plants. In fact, the Companies specifically do not plan to dismantle any of their retired production plants. Hence, I recommend elimination of terminal net salvage from production depreciation rates.
- Mr. Spanos proposes a blended net salvage rate for each of the Companies' production plant. It is a blend of his terminal net salvage and his interim net salvage proposals. Mr. Spanos's blended rate is overstated for two reasons. First, the blended

rate is overstated because it includes terminal net salvage, which will not be incurred. Second, the blended rate is overstated because it includes excessive interim net salvage associated with As noted above, I have eliminated terminal net salvage from production depreciation so that cures one of the problems. I have cured the other problem by applying Mr. Spanos's proposed interim net salvage ratios. solely to the lower interim retirement estimates resulting from the best-fit interim life and curve recommendations for the production plant accounts.

- Finally, I have adjusted the remaining lives for several of the Companies' mass property accounts using Mr. Spanos's best-fit lives and curves to calculate those remaining lives.

Q. What is the incremental effect of these adjustments?

A. These adjustments reduce Mr. Spanos's December 31, 2011 proposals by the following amounts:

	Kentucky Utilities	Louisville Gas & Electric
Eliminate Terminal Net Salvage	**(14,496,777)**	**(11,443,432)**
Correct Interim Retirements	**(1,609,340)**	**(2,592,983)**
Adjust Production Plant Lives	**(6,815,983)**	**(17,520,356)**
Trans, Dist & General Lives	**(18,626,542)**	**(12,257,883)**
Total	**(41,548,643)**	**(43,814,655)**

VI. Structure of Testimony

Q. Did you review Mr. Spanos's studies?

A. Yes, I reviewed Mr. Spanos's studies and his responses to data requests, and I conducted independent analyses. I have accepted some aspects of his proposals, but overall I

disagree with Mr. Spanos's proposed depreciation rates and resulting depreciation expense accruals.

Q. How have you structured your testimony?

A. I begin by providing some background regarding the genesis of the Companies' current depreciation rates. Next, I discuss my analysis of the systematic bias reflected in the Companies' depreciation studies, interim retirement rates and net salvage, and terminal retirements net salvage.

VII. Present Depreciation Rates

Q. What is genesis of the Companies' present depreciation rates?

A. From my perspective, the starting point for KU and LG&E's present depreciation rates was about ten years ago in a Settlement Agreement in Case Nos. 2001-140 and 2001-141. The Companies submitted depreciation studies based on utility plant in service as of December 31, 1999. The studies resulted in a decrease in annual depreciation expense of $6.1 million for KU and an increase of $0.9 million for LG&E.[1] With the exception of the life of steam production plant, the Settlement Agreement adopted the Companies' depreciation proposals.[2]

Q. Did you participate in Case Nos. 2001-140 and 2001-141?

A. Yes, I participated on behalf of the Kentucky Attorney General in Case Nos. 2001-140 and 2001-141.

Q. **What occurred next?**

A. In Case Nos. 2003-00433 and 2003-00434, LG&E and KU submitted new depreciation studies. Mr. Spanos and I both participated in those cases. The parties settled all issues

[1] Order, Case Nos. 2001-054 et al., page 4.
[2] Id., p. 7.

except depreciation.[3] The Commission rejected both of our recommendations and chose to retain the existing depreciation rates established in Case Nos. 2001-140 and 2001-141.[4]

Q. In Case Nos. 2003-00433 and 2003-00434, why did the Commission reject the Companies' depreciation studies?

A. The Companies' net salvage estimates included double inflation. Although the Companies submitted a revised calculation removing the additional inflation adjustment, the Commission still expressed concern over the amount of inflation included in the estimates.[5]

Q. **Have the Companies filed any depreciation studies subsequent to Case Nos. 2003-00433 and 2003-00434?**

A. Yes, in Case Nos. 2007-00564 and 2007-00565 the Companies' submitted new depreciation studies reflecting plant and reserve balances as of December 31, 2006. Although Mr. Spanos proposed some depreciation parameter changes, his most significant change was a switch from the embedded average life group ("ALG") procedure to the accelerated equal life group ("ELG") procedure to calculate remaining lives.

Q. Did you testify in Case Nos. 2007-00564 and 2007-00565?

A. Yes, I proposed two adjustments in response to Mr. Spanos's proposals. First, I recommended rejection of Mr. Spanos's proposal to change to the ELG procedure. My second recommendation was to eliminate future inflation from the cost of removal component of Mr. Spanos's current depreciation rates. I proposed a present value

[3] Response to PSC1-1.
[4] Order, Case Nos. 2003-00433 and 2003-00434, pages 34 and 30, respectively.
[5] Orders, Case Nos. 2003-00433 and 2003-00434, pages 32 and 27, respectively.

approach rather than an inflated future value approach. The parties settled the cases and agreed to adopt the new depreciation rates proposed by the Companies adjusted to use the ASL methodology. The parties also agreed that for accounting and ratemaking purposes, the Companies' would depreciate over 10 years, their new Customer Care System software. The current depreciation rates were established the settlements of Case Nos. 2007-00564 and 2007-00565.

VIII. Mr. Spanos's New Proposals

Q. What are Mr. Spanos's new depreciation proposals?

A. Mr. Spanos proposes several new lives and net salvage values to calculate remaining life depreciation rates using December 31, 2011 balances.

Q. How did Mr. Spanos study the Companies' plant lives?

A. Mr. Spanos used the retirement rate method to conduct his empirical life studies, and then exercised his judgment on his results.

Q. What is the retirement rate method?

A. The retirement rate method is an actuarial technique used to study plant lives, much like the actuarial techniques used in the insurance industry to study human lives. It requires a record of the dates of placement (birth) and retirement (death) for each asset unit studied. It is the most sophisticated and reliable of the statistical life analysis methods in that it relies on the most refined level of actual observed data. It uses actual aged retirements and exposures data from a company's records to construct observed life tables ("OLT").

Q. What does an OLT look like?

A. Mr. Spanos's study has an excellent demonstration of how an OLT is constructed and how it appears. Unfortunately, he does not explain the next step in the process.

Q. What is the next step in the process?

A. Next, the analyst smooths and extends the OLT by statistically fitting a family of 31 predefined survivor curves ("Iowa Curves") with varying life assumptions for each curve. The process continues until the program finds a best-fit life for each curve. Numerous interactive calculations are required for a retirement rate analysis.

Q. What is an Iowa curve?

A. An Iowa curve is a surrogate or standardized OLT based on a specific pattern of retirements around an average service life. The Iowa curves were devised over 60 years ago at what is now Iowa State University. They provide a set of standard patterns of retirement dispersion. Retirement dispersion merely recognizes that accounts are comprised of individual assets or units having different lives. Retirement dispersion is the scattering of retirements by age around the average service life for the entire group of assets. Consider a "bell shaped" curve; dispersion represents the scattering of events around the average.

There are left-skewed, symmetrical and right-skewed curves known, respectively, as the "L curves," "S curves" and "R curves."[6] A number identifies the range of dispersion. A low number represents a wide pattern and high number a narrow pattern. The combination of one letter and one number defines a dispersion pattern. The combination of an average service life with an Iowa curve provides a survivor curve depicting how a group of assets will survive, or conversely be retired, over the average service life.

[6] There is also a set of Origin Modal ("O") curves, which are essentially negative exponential curves.

Q. Can you provide an example of an Iowa curve?

A. Yes, the following table contains a 5-year S0 and 10-year S0 life and curve. I have included two combinations to demonstrate that one can calculate the same Iowa curve with different life assumptions as discussed above. The percent surviving represents the amount surviving at each age interval shown in the first column. Notice that the 5-year S0 life and curve sums to the 5-year average service life, which would be used in the depreciation calculations and the 10-year S0 life and curve sums to a 10-year average service life.

TABLE 1

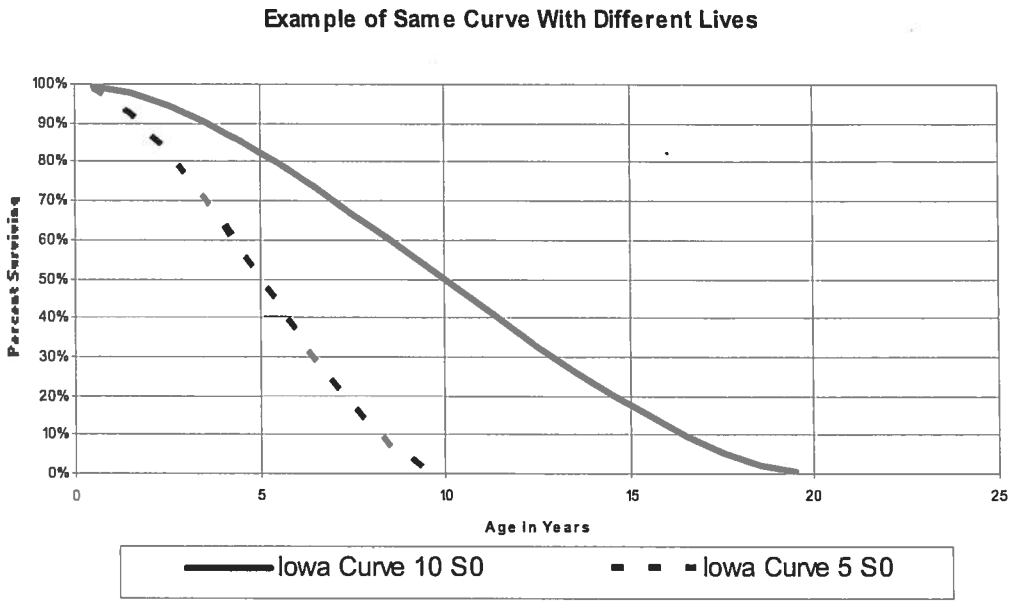
Survivor Curves

Age	5 S0 Percent Surviving	10 S0 Percent Surviving
0.5	0.99	1.00
1.5	0.92	0.98
2.5	0.83	0.94
3.5	0.70	0.90
4.5	0.57	0.85
5.5	0.43	0.80
6.5	0.30	0.74
7.5	0.17	0.67
8.5	0.08	0.60
9.5	0.01	0.53
10.5		0.47
11.5		0.40
12.5		0.33
13.5		0.26
14.5		0.20
15.5		0.15
16.5		0.10
17.5		0.06
18.5		0.02
19.5		0.00
Total	**5.00**	**10.00**

Q. Why do you call tables of numbers, such as the ones above, curves?

A. I call them curves because that is the standard nomenclature and because, when plotted on charts with the x-axis representing "age" and the y-axis representing "percent surviving," they appear as curves.

TABLE 2



Q. Can you use this chart to demonstrate how a depreciation analyst would conduct a retirement rate study?

A. Yes, assume a depreciation analyst conducted a retirement rate actuarial study that resulted in an OLT depicted exactly as shown for the hypothetical OLT in Table 1 above. The analyst would fit several lives and curves to the OLT and ultimately determine that the 10-year SO life and curve was the best fit to the hypothetical OLT.

IX. Systematic Bias Analysis: Interim Retirement Ratios and Transmission, Distribution and General plant lives

Q. Have you conducted an analysis to determine if the Companies' service life proposals demonstrate a systematic bias relative to the life studies based on the Companies' actual data?

A. Yes, the Companies' depreciation studies demonstrate a systematic bias towards lives shorter than are indicated by the life studies based on the Companies' actual data. This

systematic bias results in higher depreciation rates and charges to customers.

Q. How did Mr. Spanos implement his bias?

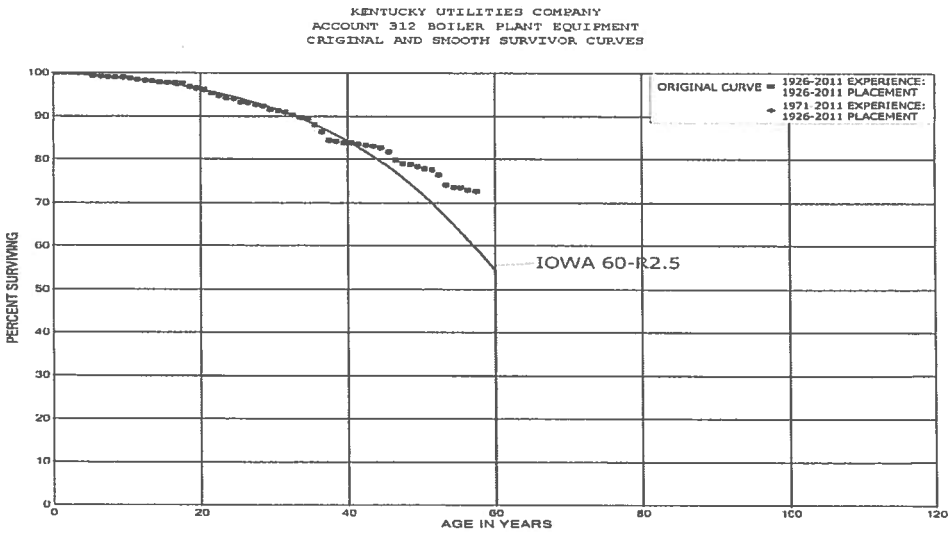
A. Mr. Spanos implemented the bias in two ways. The most obvious was to propose a shorter life than his study indicates. Again, assume the 10 SO above is the best-fit OLT for this hypothetical account. If Mr. Spanos were to propose a 5 SO life and curve, which lies far to the left of the OLT, it would result in a substantial reduction to the best fit-life, which would in turn result in a higher depreciation rate. If most of an analyst's proposals lie to the left of the OLTs, I conclude the analyst is exhibiting a systematic bias.

Q. Do a majority of Mr. Spanos's proposals lie to the left of the OLT?

A. Yes, they do, and it is easy to see by examining Mr. Spanos's charts. Exhibit___ (MJM-2) includes all of Mr. Spanos's charts including those where his proposals lie to the left of the OLT's. In other words, the curves Mr. Spanos selected do not match the actual data. The Tables below provide a few good examples of the bias in Mr. Spanos' proposals, which I obtained from his depreciation study. For example, for KU's steam production account 312, shown in Table 3 below, Mr. Spanos proposes a curve with a 60-year average service life. However, Mr. Spanos' proposed curve does not fit the Company's actual data after about 42 years. His proposal declines far more sharply than does the actual data. Instead of Mr. Spanos' proposed curve, the actual data indicates an average service life of 77 years with an extremely good fit. Similarly, For LGE's transmission account 355, shown in Table 4 below, Mr. Spanos proposes a curve with an average service life of 53 years. However, this curve departs from the actual data at about 30 years, and heads downward at a more accelerated rate than does the actual data. Instead of Mr. Spanos' proposed curve, the actual data indicates and average service life of 69

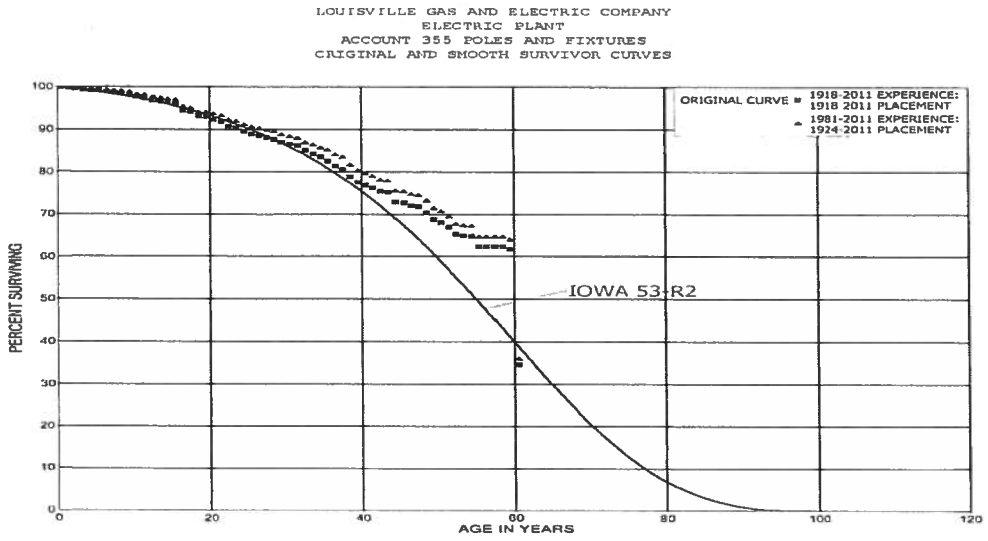
years, again, with an excellent fit to the actuarial data.

TABLE 3



III-17

TABLE 4



III-108

Q. What is the other way that Mr. Spanos implemented his bias?

A. In addition to proposing curves to the left of his OLTs, Mr. Spanos also implemented bias by failing to show the entire OLT in many instances. Mr. Spanos arbitrarily truncated substantial portions of the OLTs for many accounts.

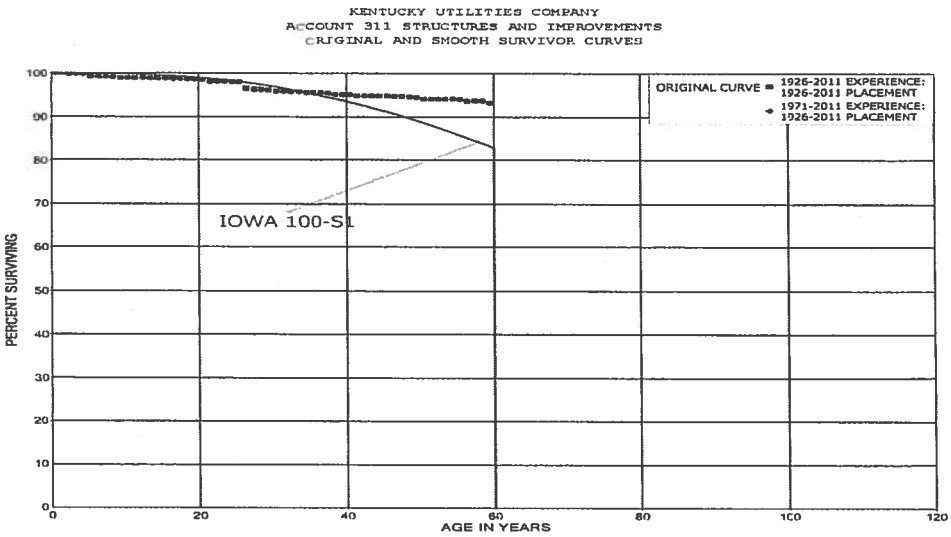
Q. Why do you use the word "arbitrarily"?

A. Later in this testimony, I will discuss the life span method. I will demonstrate that for life span accounts, it is appropriate to truncate an interim retirement rate curve at the expected terminal retirement year to estimate interim retirements. That truncation is not arbitrary. Mr. Spanos, on the other hand, arbitrarily excluded large portions of the OLTs he chose to display on his charts. The less one shows of the OLT, the less obvious it is that the proposed curve is substantially to the left of the OLT.

Q. Can you provide an example?

A. Yes, Table 5 is a copy of Mr. Spanos's chart for KU's account 311. Note that if one were to exclude from the chart all data beyond 38 years, the proposed 100-year S1 curve would appear to be a reasonable pick based on the limited data shown. This is a dramatic example, but is reflective of Mr. Spanos's arbitrary OLT truncations in general.

1 **TABLE 5**



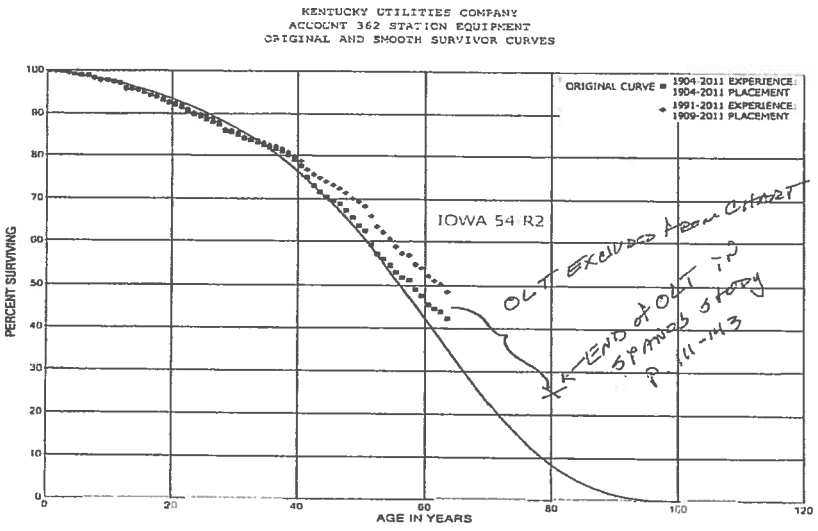
III-12

2

3 Table 6 is Mr. Spanos's chart for KU account 362-Station Equipment. It is an example of
4 an account where Mr. Spanos excluded a substantial portion of his OLT from his charts.
5 My handwriting identifies the exclusion. As one can see, the exclusion provides the
6 visual illusion that his 54-year R 2 life and curve recommendation fits the data better than
7 it actually does.

8

TABLE 6

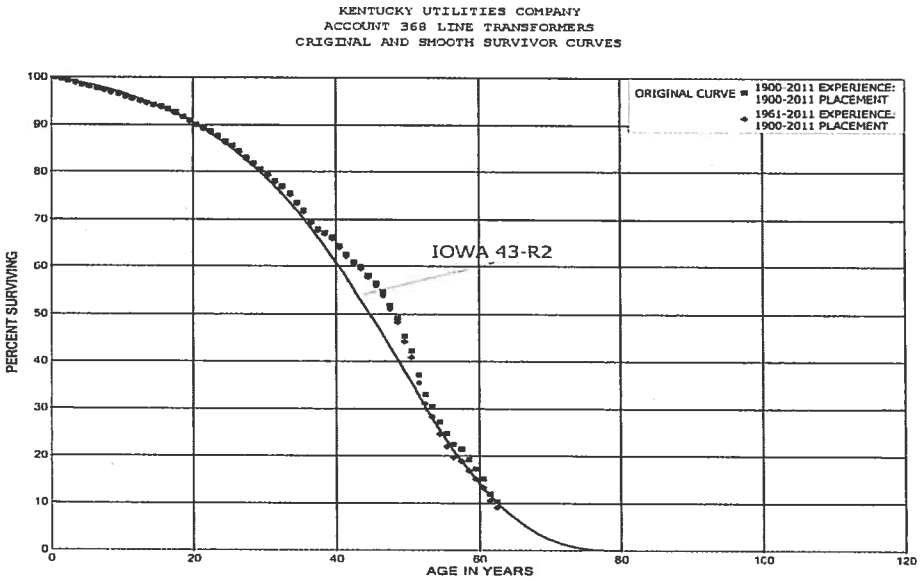


III-140

Q. Did Mr. Spanos ever get it right?

A. Yes, for certain accounts, Mr. Spanos did get it right, or at least close to right. Table 7 is Mr. Spanos's chart for KU account 368-line transformers. Mr. Spanos included a majority of the OLT on his chart, and fit a 43-R2 life and curve. As one can see, it fits the OLT well.

TABLE 7



III-167

Q. Did you conduct an analysis regarding the potential of systematic bias?

A. Yes, Exhibit___ (MJM-3) demonstrates that the Companies' depreciation witness routinely recommends lives shorter than demonstrated by his life studies based on actual data. I compared Mr. Spanos's proposed Iowa curves and lives as shown in the graphs in the Life Statistics sections of Exhibits JJS-KU and JJS-LGE to the results of the empirical life studies found in his work papers. I also calculated the percentage of the OLT data points Mr. Spanos excluded from his visual charts. It is clear by reviewing this summary, along with Mr. Spanos's charts that indeed there is systematic bias in this aspect of Mr. Spanos' studies. In a number of cases, Mr. Spanos chose not to mathematically fit Iowa curves to KU's or LGE's actual data; steam production account 311, for example. In almost all cases where he did, however, fit Iowa curves to the steam production and transmission account actuarial data, the curve and life he proposes is considerably shorter

than the curve and life indicated by that actual data in his life studies.

Q. What do you conclude?

A. In general, the Companies' service life proposals are too short. As a result, their production plant interim estimates are overstated, and the remaining lives for a majority of the plant accounts are understated. Both of these results, in turn, produced excessive depreciation rates.

Q. What do you recommend?

A. I recommend the lives summarized on Exhibit___ (MJM-4). They are the best-fits using the actual data from Mr. Spanos's studies.

X. Life Span Method

Q. What is the life span method?

A. The life span method assumes that all plant within a property group will retire concurrently a specific number of years after the initial placement. There may be interim additions and retirements; however, all plant is subject to a "terminal retirement."

Chapter X of the National Association of Regulatory Public Utility Commissioners' August 1996 Public Utility Depreciation Practices Manual ("NARUC Manual") addresses the life span method. It stresses that the terminal retirement date is the most important factor in the determination of a depreciation rate using the life span method.[7] The NARUC Manual requires consideration of several factors, including economic studies, retirement plans, forecasts, technological obsolescence, adequacy of capacity and competitive pressure in order to develop an informed estimate of the terminal retirement

[7] NARUC Manual, p. 146.

date.[8]

Q. Do the Companies propose terminal retirement years for each of their electric production plant accounts?

A. Yes, they do.

Q. Can you provide a simple example of how the life span method works?

A. Yes, at its core, the life span requires estimates of the total life span of a unit (say 60 years), the percentage of today's plant subject to piece-part retirement before the final retirement (say 10 percent), and the average service life of the piece-part retirements (say 30 years.). With these assumptions a weighted average life is calculated as follows"

Life Span Depreciation Rate

Plant subject to final retirement	90% X 60 years = 54	
Plant subject to interim retirement	10% X 30 years = 3Q.	
Total	100%	57 years
Depreciation Rate	1/57=1.75%	

Q. Have you changed any of the Companies' proposed terminal retirement years?

A. No. I have used all of the Companies' terminal retirement years, although I do not necessarily agree with certain of the terminal retirement years. I weighted them together to calculate an average year of final retirement ("AYFR") for each production plant account, consistent with Mr. Spanos's average interim retirement study approach.

---

[8] Id.

XI. Production Plant Interim Retirements

Q. What is an interim retirement?

A. "As used in life span analysis, [they are] retirements of component parts of a major structure prior to the complete removal of the retirement unit from service."[9]

Q. What is an interim retirement ratio?

A. It is "The ratio of the interim dollars retired from a group during a period divided by the total dollars in service at the beginning of the period."[10]

Q. How did Mr. Spanos develop his interim retirement estimates?

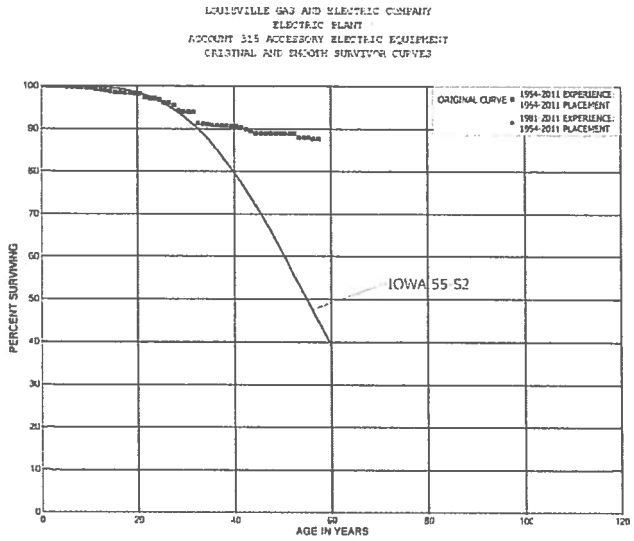
A. Mr. Spanos conducted retirement rate studies, but excluded terminal retirements from the data. Hence, he studied interim retirements only. Unfortunately, he then overlaid his judgment on those data to make his estimates.

Q. Do you agree with Mr. Spanos's proposals?

A. I do not agree with Mr. Spanos's interim retirement ratios. Mr. Spanos's proposals suffer from the systematic bias towards shorter lives described above. For example, Tables 8 and 9 are his proposals for LGE account 315 and KU account 346. Both of these are production plant accounts, and the bias is clear. Both the Iowa 55 S2 and 35 R2 he selected for the accounts ignore the fact that the OLTs extend far to the right of his selections. That means Mr. Spanos is assuming vastly more interim retirements in the future than the Companies will actually incur.

TABLE 8

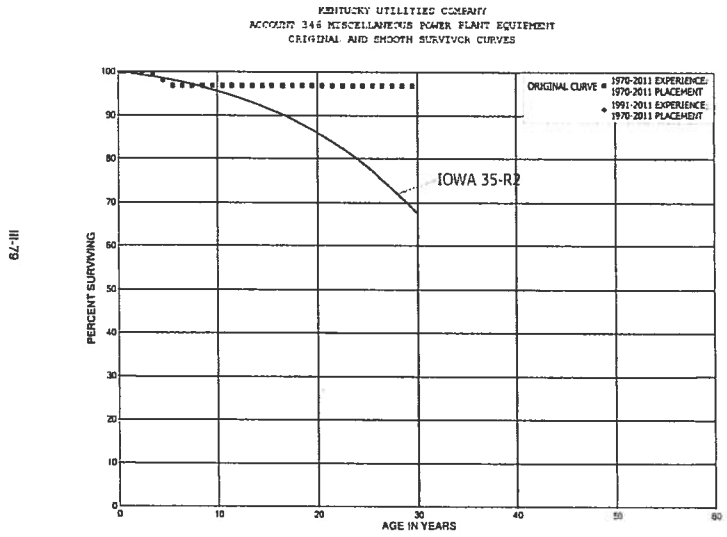
[9] See NARUC at 321.
[10] Id.


LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE
1954-2011 EXPERIENCE
1954-2011 PLACEMENT
1981-2011 EXPERIENCE
1954-2011 PLACEMENT
IOWA 55-S2
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
120

1

2

TABLE 9



Q. What is the effect of Mr. Spanos's judgment adjustments?

A. They result in overestimates of what future interim retirements will be. These overestimated interim retirements produce understate remaining lives, and overstate depreciation rates.

Q. Can you provide a simple example?

A. Mr. Kollen's testimony provides an excellent example. In essence, it is akin to paying a mechanic a small amount each month under the assumption that he will replace the brake pads on your car every 40,000 miles even though in actuality they will only be replaced every 80,000 miles.

Q. Can you provide a simple example of what overestimated interim retirements does to a life span depreciation rate?

A. Yes, referring to the life span depreciation rate example above; if I were to judgmentally increase the interim retirements to 50 percent rather than the expected 10 percent, the

depreciation rate would go from 1.75% to 2.22% as shown below.

Life Span Depreciation Rate

Plant subject to final retirement	50% X 60 years = 30	
Plant subject to interim retirement	50% X 30 years = 15	
Total	100%	45 years
Depreciation Rate	1/45=2.22%	

Q. Is that what Mr. Spanos has done in his study?

A. Yes, by ignoring his best fits, he has judgmentally increased the estimated interim retirements and thus increased the resulting depreciation rates.

Q. What do you recommend?

A. I recommend interim retirement ratios based on Iowa curves that provide the statistical best fits to the data found in Mr. Spanos's studies.

XII. Net Salvage – Stop the Bleeding

Q. What is net salvage?

A. Net salvage is the cost to remove a retired asset less any positive value received. Sometimes utilities physically remove retired plant and equipment and resell it for value. For example, if the Companies' were able to sell a used pole to someone, the value received for the pole would constitute "gross salvage."[11] The expenses incurred in removing the pole would constitute the "cost of removal."[12] Net salvage is the difference

[11] In more technical terms, gross salvage is the amount recorded due to the sale, reimbursement, or reuse of retired property. *See* NARUC at 320.

[12] Cost of removal is the cost incurred in connection with the retirement from service and the disposition of depreciable plant. *See* NARUC at 317.

between gross salvage and cost of removal.[13] Negative net salvage is a primary issue in this proceeding.

Q. How do KU and LGE account for net salvage?

A. The Companies charge the original cost of retired assets to accumulated depreciation as opposed to writing them off in the retirement year. The Companies also charge the costs of removing or disposing of retired assets to the accumulated depreciation reserve as opposed to recognizing them as operating costs in the year incurred.

Q. How do KU and LGE recover negative net salvage?

A. The Companies have increased their depreciation rates by including negative net salvage ratios in their depreciation rate calculations.

Q. Do you object to this process?

A. No, I do not object to this process if properly applied. In past cases, I have proposed an approach that is closer to expensing current removal costs in lieu of the approach Kentucky utilities have taken. However, the Commission has made it clear it prefers the approach the Companies have sponsored in these cases.

Q. What has been the result of this approach?

A. Exhibit___ (MJM-5) demonstrates that as of December 31, 2011, these two Companies have incurred regulatory liabilities for the cost of removal they have charged to customers versus the amount they actually spent on its intended purpose.

TABLE 10

Net Salvage Regulatory Liabilities

	2010	**2011**

[13] Net salvage is the gross salvage for the property retired less its cost of removal. *See* NARUC at 322.

Kentucky Utilities	$348,401,594	$365,054,959
Louisville Gas and Electric	$274,607,374	$286,215,127
Total	**$623,008,968**	**$651,270,086**

In other words the two companies' have collected almost $651 million of net salvage expense over and above the actual net salvage they have incurred. This includes all utility functions including LG&E gas.

Q. Where did you obtain these numbers?

A. I obtained them from page 280 of their parent Company's 2011 10-K filing to the SEC.

Q. How firm are these numbers?

A. In my opinion, they are rock solid. These are the Companies numbers. They reported these regulatory liabilities to their shareholders and the SEC. They are the Companies' numbers, and they were required to report in order to get a "clean" audit opinion. If the Companies did not believe the numbers and reporting were correct, they should not have reported them in their financial statements and they should have taken a "qualified" audit opinion.

Q. What is a regulatory liability?

A. A regulatory liability is an amount owed to ratepayers for excessive collections, not used for their intended purpose.

Q. Do you mean these Companies collectively owe almost $651 million to their ratepayers?

A. Yes, unless they spend the money on its intended purpose.

Q. What is the likelihood they will spend the money on its intended purpose?

A. In my opinion, it is not very likely because they do not have any legal obligation to spend the money on anything at all. If they want to, they can keep the money.

Q. What is the likelihood they will spend the money on its intended purpose?

A. In my opinion, it is not very likely. They do not have any legal obligation to spend the money on cost of removal. That is why the FERC calls these "non-legal" asset retirement obligations. The Companies do not have any legal obligation to dismantle and tear down their power plants once they are retired. Instead, it is much more likely that the retired power plants will simply be fenced off and left in place. .

XIII. Replacement Costs

Q. Is there a way to stem the buildup of this regulatory liability that is consistent with accrual accounting and the USoA?

A. Yes, a majority of the Companies' recorded cost of removal results from the Companies' allocation of replacement costs to "cost of removal." The USoA defines cost of removal as follows:

> 10. *Cost of removal* means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto. It does not include the cost of removal activities associated with asset retirement obligations that are capitalized as part of the tangible long-lived assets that give rise to the obligation. (18 CFR Ch.1, Subchapter C, Part 101, Definition 10.)

The FERC USoA also defines replacements as follows:

> 32. A. *Replacing* or *replacement,* when not otherwise indicated in the context, means the construction or installation of electric plant in place of property retired, together with the removal of the property retired.
> (*Id.*, Definition 32.)

FERC's definition means that cost of removal incurred in connection with a replacement is a component of the replacement cost. For example, the costs of removing a retired pole should be included, for accounting purposes, within the costs of buying and installing a new pole. Consequently, in the future, if the Companies were to capitalize and depreciate 100 percent of its plant replacement costs to plant in service; the only cost of removal allowed in depreciation rates would be the cost of removal associated with retirements that are not replaced (abandonments).

XIV. Production Plant Terminal and Interim Net Salvage

Q. Have the Companies included any future net salvage in their proposed production plant depreciation rates?

A. Yes, the Companies have increased their proposed production plant depreciation rates to account for two types of future net salvage. They have increased depreciation rates to collect for the future dismantlement of the plants. The Companies call this "Terminal Net Salvage." They have also increased their proposed depreciation rates to collect for the Interim Net Salvage they estimate they will incur prior to the terminal retirement dates. This is "Interim Net Salvage." Exhibit___ (MJM-6) shows Mr. Spanos's net salvage proposals for the Companies' production plant accounts.

Q. What is the difference between Terminal Net Salvage and Interim Net Salvage?

A. Terminal Net Salvage reflects the assumption that a Company has plans and obligations to dismantle its production plants upon final retirement from service. The Companies' proposals assume these plans and obligations will cause them to incur asset retirement costs or terminal net salvage. The Companies' Interim Net Salvage proposals assume they may incur some costs over the remaining life of the plants to retire piece parts that

result from a planned outage for example.

Q. What are the Companies proposing for production plant net salvage?

A. The Companies are proposing an across-the-board negative ten percent for Steam Production terminal net salvage and negative five percent for Hydraulic and Other Production. They are proposing various ratios for interim net salvage.

Q. What do you recommend?

A. I recommend elimination of the terminal net salvage (dismantlement) portion of the companies' proposals. These Companies do not have any plans to dismantle these plants, and they have neither a legal nor a moral obligation to incur these costs.[14] If they had such an obligation, they would have capitalized the fair value of the obligation to plant in service as described in the Definition 10, above. The only valid reason for dismantlement would be to replace the existing plants with new plants. In those circumstances, any dismantlement cost should be included in the cost of the replacement plants, as explained in Definition 32, above. Exhibit___ (MJM-7) contains several company responses to data requests demonstrating they have no plans to dismantle any of their production plants upon retirement.[15] If fact, the units they have already retired at Tyrone, Green River and Pineville have not been dismantled and the Companies have no plans to do so.

Q. How much do they propose to collect for production plant net salvage?

A. As shown in Exhibit___(MJM-6), they propose to collect the following:

	Terminal	**Interim**	**Total**
		$millions	
KU	$313.1	$173.0	$486.1

[14] Response to KIUC 2.50
[15] Responses to Staff Q. 50 and 51, KIUC 2.45 and 2.50.

LGE	$153.8	$151.1	$304.9

Q. How much do they propose to collect each year?

A. Based on the incremental differences between Mr. Spanos's proposals and my proposals, I estimate he has included an annual $16.1 million for KU production plant net salvage, and $14 million for LGE production plant net salvage.

Q. How much have they collected to date?

A. KU has collected $115 million more than it has actually spent for production plant net salvage and LGE has collected $85 million more than it has actually spent for production plant net salvage.[16]

Q. What do you recommend regarding the Companies' interim net salvage proposals?

A. I recommend that the Companies' proposed interim net salvage rates be applied solely to the interim retirements resulting from my studies. Neither the interim net salvage rates nor the Companies' proposed terminal net salvage rates should be applied to the terminal retirements. Exhibit___ (MJM-8) shows my recommended production plant net salvage calculations. Note that I have eliminated terminal net salvage from the calculations and adjusted the interim retirement ratios to reflect my service life and curve recommendations.

XV. Summary

Q. Have you summarized your recommendations?

A. Yes, Exhibit___ (MJM-9) summarizes my recommendations for both Companies.

Q. Does this conclude your testimony?

A. Yes, it does.

[16] Exhibit__(MJM-5)

AFFIDAVIT

DISTRICT OF COLUMBIA)

MICHAEL J. MAJOROS, JR. being duly sworn, deposes and states that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

Michael J. Majoros, Jr.

Sworn to and subscribed before me on this
28th day of September 2012

Notary Public

DONNA ANN JEFFRIES
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2015

Experience

Snavely King Majoros & O'Connor, Inc.

President (2010 to present)
Vice President and Treasurer (1988 to 2010)
Senior Consultant (1981-1987)

Mr. Majoros provides consultation specializing in accounting, financial, and management issues. He has testified as an expert witness or negotiated on behalf of clients in more than one hundred thirty regulatory federal and state regulatory proceedings involving telephone, electric, gas, water, and sewerage companies. His testimony has encompassed a wide array of complex issues including taxation, divestiture accounting, revenue requirements, rate base, nuclear decommissioning, plant lives, and capital recovery. Mr. Majoros has also provided consultation to the U.S. Department of Justice and appeared before the U.S. EPA and the Maryland State Legislature on matters regarding the accounting and plant life effects of electric plant modifications and the financial capacity of public utilities to finance environmental controls. He has estimated economic damages suffered by black farmers in discrimination suits.

Van Scoyoc & Wiskup, Inc., *Consultant (1978-1981)*

Mr. Majoros conducted and assisted in various management and regulatory consulting projects in the public utility field, including preparation of electric system load projections for a group of municipally and cooperatively owned electric systems; preparation of a system of accounts and reporting of gas and oil pipelines to be used by a state regulatory commission; accounting system analysis and design for rate proceedings involving electric, gas, and telephone utilities. Mr. Majoros provided onsite management accounting and controllership assistance to a municipal electric and water utility. Mr. Majoros also assisted in an antitrust proceeding involving a major electric utility. He submitted expert testimony in FERC Docket No. RP79-12 (El Paso Natural Gas Company), and he co-authored a study entitled Analysis of Staff Study on Comprehensive Tax Normalization that was submitted to FERC in Docket No. RM 80-42.

Handling Equipment Sales Company, Inc.
Controller/Treasurer (1976-1978)

Mr. Majoros' responsibilities included financial management, general accounting and reporting, and income taxes.

Ernst & Ernst, *Auditor (1973-1976)*

Mr. Majoros was a member of the audit staff where his responsibilities included auditing, supervision, business systems analysis, report preparation, and corporate income taxes.

University of Baltimore - *(1971-1973)*

Mr. Majoros was a full-time student in the School of Business.

During this period Mr. Majoros worked consistently on a part-time basis in the following positions: Assistant Legislative Auditor – State of Maryland, Staff Accountant – Robert M. Carney & Co., CPA's, Staff Accountant – Naron & Wegad, CPA's, Credit Clerk – Montgomery Wards.

Central Savings Bank, *(1969-1971)*

Mr. Majoros was an Assistant Branch Manager at the time he left the bank to attend college as a full-time student. During his tenure at the bank, Mr. Majoros gained experience in each department of the bank. In addition, he attended night school at the University of Baltimore.

Education

University of Baltimore, School of Business, B.S. – Concentration in Accounting

Professional Affiliations

American Institute of Certified Public Accountants
Maryland Association of C.P.A.s
Society of Depreciation Professionals

Publications, Papers, and Panels

"Analysis of Staff Study on Comprehensive Tax Normalization," FERC Docket No. RM 80-42, 1980.

"Telephone Company Deferred Taxes and Investment Tax Credits – A Capital Loss for Ratepayers," Public Utility Fortnightly, September 27, 1984.

"The Use of Customer Discount Rates in Revenue Requirement Comparisons," Proceedings of the 25th Annual Iowa State Regulatory Conference, 1986

"The Regulatory Dilemma Created By Emerging Revenue Streams of Independent Telephone Companies," Proceedings of NARUC 101st Annual Convention and Regulatory Symposium, 1989.

"BOC Depreciation Issues in the States," National Association of State Utility Consumer Advocates, 1990 Mid-Year Meeting, 1990.

"Current Issues in Capital Recovery" 30th Annual Iowa State Regulatory Conference, 1991.

"Impaired Assets Under SFAS No. 121," National Association of State Utility Consumer Advocates, 1996 Mid-Year Meeting, 1996.

"What's 'Sunk' Ain't Stranded: Why Excessive Utility Depreciation is Avoidable," with James Campbell, Public Utilities Fortnightly, April 1, 1999.

"Local Exchange Carrier Depreciation Reserve Percents," with Richard B. Lee, Journal of the Society of Depreciation Professionals, Volume 10, Number 1, 2000-2001

"Rolling Over Ratepayers," Public Utilities Fortnightly, Volume 143, Number 11, November, 2005.

"Asset Management – What is it ?" American Water Works Association, Pre-Conference Workshop, March 25, 2008.

"Main Street Gold Mine," with Dr. K. Pavlovic and J. Legieza, Public Utilities Fortnightly, October, 2010

Michael J. Majoros, Jr.

Date	Jurisdiction / Agency	Docket	Utility
		Federal Courts	
2005	US District Court, Northern District of AL, Northwestern Division 55/56/57/	CV 01-B-403-NW	Tennessee Valley Authority
		State Legislatures	
2006	Maryland General Assembly 61/	SB154	Maryland Healthy Air Act
2006	Maryland House of Delegates 62/	HB189	Maryland Healthy Air Act
		Federal Regulatory Agencies	
1979	FERC-US 19/	RP79-12	El Paso Natural Gas Co.
1980	FERC-US 19/	RM80-42	Generic Tax Normalization
1996	CRTC-Canada 30/	97-9	All Canadian Telecoms
1997	CRTC-Canada 31/	97-11	All Canadian Telecoms
1999	FCC 32/	98-137 (Ex Parte)	All LECs
1999	FCC 32/	98-91 (Ex Parte)	All LECs
1999	FCC 32/	98-177 (Ex Parte)	All LECs
1999	FCC 32/	98-45 (Ex Parte)	All LECs
2000	EPA 35/	CAA-00-6	Tennessee Valley Authority
2003	FERC 48/	RM02-7	All Utilities
2003	FCC 52/	03-173	All LECs
2003	FERC 53/	ER03-409-000, ER03-666-000	Pacific Gas and Electric Co.
		State Regulatory Agencies	
1982	Massachusetts 17/	DPU 557/558	Western Mass Elec. Co.
1982	Illinois 16/	ICC81-8115	Illinois Bell Telephone Co.
1983	Maryland 8/	7574-Direct	Baltimore Gas & Electric Co.
1983	Maryland 8/	7574-Surrebuttal	Baltimore Gas & Electric Co.
1983	Connecticut 15/	810911	Woodlake Water Co.
1983	New Jersey 1/	815-458	New Jersey Bell Tel. Co.
1983	New Jersey 14/	8011-827	Atlantic City Sewerage Co.
1984	Dist. Of Columbia 7/	785	Potomac Electric Power Co.
1984	Maryland 8/	7689	Washington Gas Light Co.
1984	Dist. Of Columbia 7/	798	C&P Tel. Co.
1984	Pennsylvania 13/	R-832316	Bell Telephone Co. of PA
1984	New Mexico 12/	1032	Mt. States Tel. & Telegraph
1984	Idaho 18/	U-1000-70	Mt. States Tel. & Telegraph

Michael J. Majoros, Jr.

1984	Colorado 11/	1655	Mt. States Tel. & Telegraph
1984	Dist. Of Columbia 7/	813	Potomac Electric Power Co.
1984	Pennsylvania 3/	R842621-R842625	Western Pa. Water Co.
1985	Maryland 8/	7743	Potomac Edison Co.
1985	New Jersey 1/	848-856	New Jersey Bell Tel. Co.
1985	Maryland 8/	7851	C&P Tel. Co.
1985	California 10/	I-85-03-78	Pacific Bell Telephone Co.
1985	Pennsylvania 3/	R-850174	Phila. Suburban Water Co.
1985	Pennsylvania 3/	R850178	Pennsylvania Gas & Water Co.
1985	Pennsylvania 3/	R-850299	General Tel. Co. of PA
1986	Maryland 8/	7899	Delmarva Power & Light Co.
1986	Maryland 8/	7754	Chesapeake Utilities Corp.
1986	Pennsylvania 3/	R-850268	York Water Co.
1986	Maryland 8/	7953	Southern Md. Electric Corp.
1986	Idaho 9/	U-1002-59	General Tel. Of the Northwest
1986	Maryland 8/	7973	Baltimore Gas & Electric Co.
1987	Pennsylvania 3/	R-860350	Dauphin Cons. Water Supply
1987	Pennsylvania 3/	C-860923	Bell Telephone Co. of PA
1987	Iowa 6/	DPU-86-2	Northwestern Bell Tel. Co.
1987	Dist. Of Columbia 7/	842	Washington Gas Light Co.
1988	Florida 4/	880069-TL	Southern Bell Telephone
1988	Iowa 6/	RPU-87-3	Iowa Public Service Company
1988	Iowa 6/	RPU-87-6	Northwestern Bell Tel. Co.
1988	Dist. Of Columbia 7/	869	Potomac Electric Power Co.
1989	Iowa 6/	RPU-88-6	Northwestern Bell Tel. Co.
1990	New Jersey 1/	1487-88	Morris City Transfer Station
1990	New Jersey 5/	WR 88-80967	Toms River Water Company
1990	Florida 4/	890256-TL	Southern Bell Company
1990	New Jersey 1/	ER89110912J	Jersey Central Power & Light
1990	New Jersey 1/	WR90050497J	Elizabethtown Water Co.
1991	Pennsylvania 3/	P900465	United Tel. Co. of Pa.
1991	West Virginia 2/	90-564-T-D	C&P Telephone Co.
1991	New Jersey 1/	90080792J	Hackensack Water Co.
1991	New Jersey 1/	WR90080884J	Middlesex Water Co.
1991	Pennsylvania 3/	R-911892	Phil. Suburban Water Co.
1991	Kansas 20/	176, 716-U	Kansas Power & Light Co.
1991	Indiana 29/	39017	Indiana Bell Telephone
1991	Nevada 21/	91-5054	Central Tele. Co. – Nevada
1992	New Jersey 1/	EE91081428	Public Service Electric & Gas
1992	Maryland 8/	8462	C&P Telephone Co.
1992	West Virginia 2/	91-1037-E-D	Appalachian Power Co.
1993	Maryland 8/	8464	Potomac Electric Power Co.
1993	South Carolina 22/	92-227-C	Southern Bell Telephone
1993	Maryland 8/	8485	Baltimore Gas & Electric Co.
1993	Georgia 23/	4451-U	Atlanta Gas Light Co.

Michael J. Majoros, Jr.

1993	New Jersey 1/	GR93040114	New Jersey Natural Gas. Co.
1994	Iowa 6/	RPU-93-9	U.S. West – Iowa
1994	Iowa 6/	RPU-94-3	Midwest Gas
1995	Delaware 24/	94-149	Wilm. Suburban Water Corp.
1995	Connecticut 25/	94-10-03	So. New England Telephone
1995	Connecticut 25/	95-03-01	So. New England Telephone
1995	Pennsylvania 3/	R-00953300	Citizens Utilities Company
1995	Georgia 23/	5503-0	Southern Bell
1996	Maryland 8/	8715	Bell Atlantic
1996	Arizona 26/	E-1032-95-417	Citizens Utilities Company
1996	New Hampshire 27/	DE 96-252	New England Telephone
1997	Iowa 6/	DPU-96-1	U S West – Iowa
1997	Ohio 28/	96-922-TP-UNC	Ameritech – Ohio
1997	Michigan 28/	U-11280	Ameritech – Michigan
1997	Michigan 28/	U-112 81	GTE North
1997	Wyoming 27/	7000-ztr-96-323	US West – Wyoming
1997	Iowa 6/	RPU-96-9	US West – Iowa
1997	Illinois 28/	96-0486-0569	Ameritech – Illinois
1997	Indiana 28/	40611	Ameritech – Indiana
1997	Indiana 27/	40734	GTE North
1997	Utah 27/	97-049-08	US West – Utah
1997	Georgia 28/	7061-U	BellSouth – Georgia
1997	Connecticut 25/	96-04-07	So. New England Telephone
1998	Florida 28/	960833-TP et. al.	BellSouth – Florida
1998	Illinois 27/	97-0355	GTE North/South
1998	Michigan 33/	U-11726	Detroit Edison
1999	Maryland 8/	8794	Baltimore Gas & Electric Co.
1999	Maryland 8/	8795	Delmarva Power & Light Co.
1999	Maryland 8/	8797	Potomac Edison Company
1999	West Virginia 2/	98-0452-E-GI	Electric Restructuring
1999	Delaware 24/	98-98	United Water Company
1999	Pennsylvania 3/	R-00994638	Pennsylvania American Water
1999	West Virginia 2/	98-0985-W-D	West Virginia American Water
1999	Michigan 33/	U-11495	Detroit Edison
2000	Delaware 24/	99-466	Tidewater Utilities
2000	New Mexico 34/	3008	US WEST Communications, Inc.
2000	Florida 28/	990649-TP	BellSouth -Florida
2000	New Jersey 1/	WR30174	Consumer New Jersey Water
2000	Pennsylvania 3/	R-00994868	Philadelphia Suburban Water
2000	Pennsylvania 3/	R-0005212	Pennsylvania American Sewerage
2000	Connecticut 25/	00-07-17	Southern New England Telephone
2001	Kentucky 36/	2000-373	Jackson Energy Cooperative
2001	Kansas 38/39/40/	01-WSRE-436-RTS	Western Resources
2001	South Carolina 22/	2001-93-E	Carolina Power & Light Co.
2001	North Dakota 37/	PU-400-00-521	Northern States Power/Xcel Energy

Michael J. Majoros, Jr.

2001	Indiana 29/41/	41746	Northern Indiana Power Company
2001	New Jersey 1/	GR01050328	Public Service Electric and Gas
2001	Pennsylvania 3/	R-00016236	York Water Company
2001	Pennsylvania 3/	R-00016339	Pennsylvania America Water
2001	Pennsylvania 3/	R-00016356	Wellsboro Electric Coop.
2001	Florida 4/	010949-EL	Gulf Power Company
2001	Hawaii 42/	00-309	The Gas Company
2002	Pennsylvania 3/	R-00016750	Philadelphia Suburban
2002	Nevada 43/	01-10001 &10002	Nevada Power Company
2002	Kentucky 36/	2001-244	Fleming Mason Electric Coop.
2002	Nevada 43/	01-11031	Sierra Pacific Power Company
2002	Georgia 27/	14361-U	BellSouth-Georgia
2002	Alaska 44/	U-01-34,82-87,66	Alaska Communications Systems
2002	Wisconsin 45/	2055-TR-102	CenturyTel
2002	Wisconsin 45/	5846-TR-102	TelUSA
2002	Vermont 46/	6596	Citizen's Energy Services
2002	North Dakota 37/	PU-399-02-183	Montana Dakota Utilities
2002	Kansas 40/	02-MDWG-922-RTS	Midwest Energy
2002	Kentucky 36/	2002-00145	Columbia Gas
2002	Oklahoma 47/	200200166	Reliant Energy ARKLA
2002	New Jersey 1/	GR02040245	Elizabethtown Gas Company
2003	New Jersey 1/	ER02050303	Public Service Electric and Gas Co.
2003	Hawaii 42/	01-0255	Young Brothers Tug & Barge
2003	New Jersey 1/	ER02080506	Jersey Central Power & Light
2003	New Jersey 1/	ER02100724	Rockland Electric Co.
2003	Pennsylvania 3/	R-00027975	The York Water Co.
2003	Pennsylvania /3	R-00038304	Pennsylvania-American Water Co.
2003	Kansas 20/ 40/	03-KGSG-602-RTS	Kansas Gas Service
2003	Nova Scotia, CN 49/	EMO NSPI	Nova Scotia Power, Inc.
2003	Kentucky 36/	2003-00252	Union Light Heat & Power
2003	Alaska 44/	U-96-89	ACS Communications, Inc.
2003	Indiana 29/	42359	PSI Energy, Inc.
2003	Kansas 20/ 40/	03-ATMG-1036-RTS	Atmos Energy
2003	Florida 50/	030001-E1	Tampa Electric Company
2003	Maryland 51/	8960	Washington Gas Light
2003	Hawaii 42/	02-0391	Hawaiian Electric Company
2003	Illinois 28/	02-0864	SBC Illinois
2003	Indiana 28/	42393	SBC Indiana
2004	New Jersey 1/	ER03020110	Atlantic City Electric Co.
2004	Arizona 26/	E-01345A-03-0437	Arizona Public Service Company
2004	Michigan 27/	U-13531	SBC Michigan
2004	New Jersey 1/	GR03080683	South Jersey Gas Company
2004	Kentucky 36/	2003-00434,00433	Kentucky Utilities, Louisville Gas & Electric
2004	Florida 50/ 54/	031033-EI	Tampa Electric Company

Michael J. Majoros, Jr.

2004	Kentucky 36/	2004-00067	Delta Natural Gas Company
2004	Georgia 23/	18300, 15392, 15393	Georgia Power Company
2004	Vermont 46/	6946, 6988	Central Vermont Public Service Corporation
2004	Delaware 24/	04-288	Delaware Electric Cooperative
2004	Missouri 58/	ER-2004-0570	Empire District Electric Company
2005	Florida 50/	041272-EI	Progress Energy Florida, Inc.
2005	Florida 50/	041291-EI	Florida Power & Light Company
2005	California 59/	A.04-12-014	Southern California Edison Co.
2005	Kentucky 36/	2005-00042	Union Light Heat & Power
2005	Florida 50/	050045 & 050188-EI	Florida Power & Light Co.
2005	Kansas 38/ 40/	05-WSEE-981-RTS	Westar Energy, Inc.
2006	Delaware 24/	05-304	Delmarva Power & Light Company
2006	California 59/	A.05-12-002	Pacific Gas & Electric Co.
2006	New Jersey 1/	GR05100845	Public Service Electric and Gas Co.
2006	Colorado 60/	06S-234EG	Public Service Co. of Colorado
2006	Kentucky 36/	2006-00172	Union Light, Heat & Power
2006	Kansas 40/	06-KGSG-1209-RTS	Kansas Gas Service
2006	West Virginia 2/	06-0960-E-42T, 06-1426-E-D	Allegheny Power
2006	West Virginia 2/	05-1120-G-30C, 06-0441-G-PC, et al.	Hope Gas, Inc. and Equitable Resources, Inc.
2007	Delaware 24/	06-284	Delmarva Power & Light Company
2007	Kentucky 36/	2006-00464	Atmos Energy Corporation
2007	Colorado 60/	06S-656G	Public Service Co. of Colorado
2007	California 59/	A.06-12-009, A.06-12-010	San Diego Gas & Electric Co., and Southern California Gas Co.
2007	Kentucky 36/	2007-00143	Kentucky-American Water Co.
2007	Kentucky 36/	2007-00089	Delta Natural Gas Co.
2008	Kansas 40/	08-ATMG-280-RTS	Atmos Energy Corporation
2008	New Jersey 1/	GR07110889	New Jersey Natural Gas Co.
2008	North Dakota 37/	PU-07-776	Northern States Power/Xcel Energy
2008	Pennsylvania 3/	A-2008-2034045 et al	UGI Utilities, Inc. / PPL Gas Utilities Corp.
2008	Washington 63/	UE-072300, UG-072301	Puget Sound Energy
2008	Pennsylvania 3/	R-2008-2032689	Pennsylvania-American Water Co. - Coatesville
2008	New Jersey 1/	WR08010020	NJ American Water Co.
2008	Washington 63/ 64/	UE-080416, UG-080417	Avista Corporation
2008	Texas 65/	473-08-3681, 35717	Oncor Electric Delivery Co.
2008	Tennessee 66/	08-00039	Tennessee-American Water Co.
2008	Kansas	08-WSEE-1041-RTS	Westar Energy, Inc.
2009	Kentucky 36/	2008-00409	East Kentucky Power Coop.

Michael J. Majoros, Jr.

2009	Indiana 29/	43501	Duke Energy Indiana
2009	Indiana 29/	43526	Northern Indiana Public Service Co.
2009	Michigan 33/	U-15611	Consumers Energy Company
2009	Kentucky 36/	2009-00141	Columbia Gas of Kentucky
2009	New Jersey 1/	GR00903015	Elizabethtown Gas Company
2009	District of Columbia 7/	FC 1076	Potomac Electric Power
2009	New Jersey 1/	GR09050422	Public Service Gas & Electric Co.
2009	Kentucky 36/	2009-00202	Duke Energy Kentucky Co.
2010	Kentucky 36/	2009-00549	Louisville Gas and Electric Co.
2010	Kentucky 36/	2009-00548	Kentucky Utilities Co.
2010	New Jersey 1/	GR10010035	Southern New Jersey Gas Co.
2010	Hawaii 42/	2009-0286	Maui Electric Co.
2010	Hawaii 42/	2009-0321	Hawaii Electric Light Co.
2010	Hawaii 42/	2010-0053	Hawaiian Electric Co.
2010	Lancaster 3/	R-2010-2179103	Lancaster Water Fund
2011	Kansas 40/	11-KCPE-581-PRE	Kansas City Power and Light Co.
2011	Delaware 24/	11-207	Artesian

Michael J. Majoros, Jr.

PARTICIPATION AS NEGOTIATOR IN FCC TELEPHONE DEPRECIATION RATE REPRESCRIPTION CONFERENCES

COMPANY	YEARS	CLIENT
Diamond State Telephone Co. 24/	1985 + 1988	Delaware Public Service Comm
Bell Telephone of Pennsylvania 3/	1986 + 1989	PA Consumer Advocate
Chesapeake & Potomac Telephone Co. - Md. 8/	1986	Maryland People's Counsel
Southwestern Bell Telephone – Kansas 20/	1986	Kansas Corp. Commission
Southern Bell – Florida 4/	1986	Florida Consumer Advocate
Chesapeake & Potomac Telephone Co.-W.Va. 2/	1987 + 1990	West VA Consumer Advocate
New Jersey Bell Telephone Co. 1/	1985 + 1988	New Jersey Rate Counsel
Southern Bell - South Carolina 22/	1986 + 1989 + 1992	S. Carolina Consumer Advocate
GTE-North – Pennsylvania 3/	1989	PA Consumer Advocate

Michael J. Majoros, Jr.

PARTICIPATION IN PROCEEDINGS WHICH WERE SETTLED BEFORE TESTIMONY WAS SUBMITTED

STATE	DOCKET NO.	UTILITY
Maryland 8/	7878	Potomac Edison
Nevada 21/	88-728	Southwest Gas
New Jersey 1/	WR90090950J	New Jersey American Water
New Jersey 1/	WR900050497J	Elizabethtown Water
New Jersey 1/	WR91091483	Garden State Water
West Virginia 2/	91-1037-E	Appalachian Power Co.
Nevada 21/	92-7002	Central Telephone - Nevada
Pennsylvania 3/	R-00932873	Blue Mountain Water
West Virginia2/	93-1165-E-D	Potomac Edison
West Virginia2/	94-0013-E-D	Monongahela Power
New Jersey 1/	WR94030059	New Jersey American Water
New Jersey 1/	WR95080346	Elizabethtown Water
New Jersey 1/	WR95050219	Toms River Water Co.
Maryland 8/	8796	Potomac Electric Power Co.
South Carolina 22/	1999-077-E	Carolina Power & Light Co.
South Carolina 22/	1999-072-E	Carolina Power & Light Co.
Kentucky 36/	2001-104 & 141	Kentucky Utilities, Louisville Gas and Electric
Kentucky 36/	2002-485	Jackson Purchase Energy Corporation
Kentucky 36/	2009-00202	Duke Energy Kentucky
New Jersey 1/	ER09080664	Atlantic City Electric Co.
New Jersey 1/	ER09080668	Rockland Electric Co.

Michael J. Majoros, Jr.

Clients

1/ New Jersey Rate Counsel/Advocate	34/ New Mexico Attorney General
2/ West Virginia Consumer Advocate	35/ Environmental Protection Agency Enforcement Staff
3/ Pennsylvania OCA	36/ Kentucky Attorney General
4/ Florida Office of Public Advocate	37/ North Dakota Public Service Commission
5/ Toms River Fire Commissioner's	38/ Kansas Industrial Group
6/ Iowa Office of Consumer Advocate	39/ City of Witchita
7/ D.C. People's Counsel	40/ Kansas Citizens' Utility Rate Board
8/ Maryland's People's Counsel	41/ NIPSCO Industrial Group
9/ Idaho Public Service Commission	42/ Hawaii Division of Consumer Advocacy
10/ Western Burglar and Fire Alarm	43/ Nevada Bureau of Consumer Protection
11/ U.S. Dept. of Defense	44/ GCI
12/ N.M. State Corporation Comm.	45/ Wisc. Citizens' Utility Rate Board
13/ City of Philadelphia	46/ Vermont Department of Public Service
14/ Resorts International	47/ Oklahoma Corporation Commission
15/ Woodlake Condominium Association	48/ National Assn. of State Utility Consumer Advocates
16/ Illinois Attorney General	49/ Nova Scotia Utility and Review Board
17/ Mass Coalition of Municipalities	50/ Florida Office of Public Counsel
18/ U.S. Department of Energy	51/ Maryland Public Service Commission
19/ Arizona Electric Power Corp.	52/ MCI
20/ Kansas Corporation Commission	53/ Transmission Agency of Northern California
21/ Public Service Comm. – Nevada	54/ Florida Industrial Power Users Group
22/ SC Dept. of Consumer Affairs	55/ Sierra Club
23/ Georgia Public Service Comm.	56/ Our Children's Earth Foundation
24/ Delaware Public Service Comm.	57/ National Parks Conservation Association, Inc.
25/ Conn. Ofc. Of Consumer Counsel	58/ Missouri Office of the Public Counsel
26/ Arizona Corp. Commission	59/ The Utility Reform Network
27/ AT&T	60/ Colorado Office of Consumer Counsel
28/ AT&T/MCI	61/ MD State Senator Paul G. Pinsky
29/ IN Office of Utility Consumer Counselor	62/ MD Speaker of the House Michael Busch
30/ Unitel (AT&T – Canada)	63/ Washington Office of Public Counsel
31/ Public Interest Advocacy Centre	64/ Industrial Customers of Northwestern Utilities
32/ U.S. General Services Administration	65/ Steering Committee of Cities
33/ Michigan Attorney General	66/ City of Chattanooga

BEFORE THE

KENTUCKY PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES	)))	**CASE NO. 2012-00221**
APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS RATES, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, APPROVAL OF OWNERSHIP OF GAS SERVICE LINES AND RISERS, AND A GAS LINE SURCHARGE	))))))))	**CASE NO. 2012-00222**

EXHIBITS OF

MICHAEL J. MAJOROS, JR.

ON BEHALF OF THE

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

October 2012

Attachment to Response to KU KIUC-1 Question No. 46
Page 1 of 7
Spanos

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	DEPRECIABLE PLANT										
	INTANGIBLE PLANT										
302.00	FRANCHISES AND CONSENTS	20-SQ		0	55,918.83	10,503	18.78	3.3	0.00%	0	10,503
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ		0	18,338,712.02	2,801,459	15.28	3.9	20.00%	3,667,742	(866,283)
303.10	CCS SOFTWARE	SQUARE	*	0	40,210,208.29	3,995,916	9.94	7.5	10.00%	4,021,021	(25,105)
	TOTAL INTANGIBLE PLANT				**58,604,839.14**	**6,807,878**	**11.62**			**7,688,763**	(880,885)
	STEAM PRODUCTION PLANT										
311.00	STRUCTURES AND IMPROVEMENTS										
	TRIMBLE COUNTY UNIT 2	100-S1	*	(15)	106,290,580.94	2,021,312	1.90	51.2	2.10%	2,232,102	(210,790)
	TRIMBLE COUNTY UNIT 2 SCRUBBER	100-S1	*	(15)	5,522,306.98	75,374	1.36	48.6	2.10%	115,968	(40,594)
	SYSTEM LABORATORY	100-S1	*	(1)	824,968.82	8,170	0.99	27.4	1.54%	12,705	(4,535)
	TYRONE UNIT 3	100-S1	*	(10)	5,608,825.07	0	-	-	0.00%	0	0
	TYRONE UNITS 1 AND 2	FULLY ACCRUED	*	(10)	583,381.44	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	100-S1	*	(10)	2,821,436.66	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 4	100-S1	*	(10)	5,476,054.30	426,905	7.80	4.0	0.00%	0	426,905
	GREEN RIVER UNITS 1 AND 2	FULLY ACCRUED	*	(10)	2,560,764.18	0	-	-	0.00%	0	0
	BROWN UNIT 1	100-S1	*	(11)	4,703,189.76	21,822	0.46	16.4	0.60%	28,219	(6,397)
	BROWN UNIT 2	100-S1	*	(11)	2,232,100.04	20,077	0.90	22.4	0.08%	1,786	18,291
	BROWN UNIT 3	100-S1	*	(11)	21,039,674.36	400,691	1.90	23.2	0.54%	113,614	287,077
	BROWN UNITS 1, 2 AND 3 SCRUBBER	100-S1	*	(11)	43,917,221.15	2,010,590	4.58	23.4	2.65%	1,163,806	846,784
	PINEVILLE UNIT 3	FULLY ACCRUED	*	(10)	16,204.29	0	-	-	0.00%	0	0
	GHENT UNIT 1 SCRUBBER	100-S1	*	(12)	8,483,789.23	113,954	1.34	22.1	2.65%	224,820	(110,866)
	GHENT UNIT 1	100-S1	*	(12)	18,842,151.21	111,264	0.59	22.3	0.39%	73,484	37,780
	GHENT UNIT 2	100-S1	*	(12)	16,011,012.98	176,840	1.10	21.4	0.50%	80,055	96,785
	GHENT UNIT 3	100-S1	*	(12)	42,177,125.67	671,100	1.59	24.4	1.19%	501,908	169,192
	GHENT UNIT 4	100-S1	*	(12)	31,022,090.50	770,327	2.48	25.7	1.41%	437,411	332,916
	GHENT UNIT 2 SCRUBBER	100-S1	*	(12)	15,817,337.72	218,174	1.38	22.0	2.65%	419,159	(200,985)
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				333,950,215.30	7,046,600	2.11	30.7		5,405,039	1,641,561
312.00	BOILER PLANT EQUIPMENT										
	TRIMBLE COUNTY UNIT 2	60-R2.5	*	(15)	505,158,968.57	11,040,635	2.19	48.6	4.28%	21,620,804	(10,580,169)
	TRIMBLE COUNTY UNIT 2 SCRUBBER	60-R2.5	*	(15)	70,735,319.61	1,453,909	2.06	48.2	4.28%	3,027,472	(1,573,563)
	TYRONE UNIT 3	60-R2.5	*	(10)	13,993,285.78	1,082,465	7.74	4.0	3.99%	558,332	524,133
	TYRONE UNITS 1 AND 2	FULLY ACCRUED	*	(10)	421,899.96	0	-	-	0.14%	591	(591)
	GREEN RIVER UNIT 3	60-R2.5	*	(10)	12,145,770.44	922,012	7.59	3.9	3.08%	374,090	547,922
	GREEN RIVER UNIT 4	60-R2.5	*	(10)	25,165,914.24	1,903,819	7.57	4.0	4.20%	1,056,968	846,851
	GREEN RIVER UNITS 1 AND 2	FULLY ACCRUED	*	(10)	349,297.88	0	-	-	2.18%	7,615	(7,615)
	BROWN UNIT 1	60-R2.5	*	(11)	45,302,489.09	1,471,865	3.25	16.0	2.98%	1,350,014	121,851
	BROWN UNIT 2	60-R2.5	*	(11)	41,956,868.14	1,252,209	2.98	21.5	3.01%	1,262,902	(10,693)
	BROWN UNIT 3	60-R2.5	*	(11)	142,628,390.37	3,809,860	2.67	22.7	2.80%	3,993,595	(183,735)
	BROWN UNITS 1, 2 AND 3 SCRUBBER	60-R2.5	*	(11)	323,725,098.68	14,820,202	4.58	23.0	3.87%	12,528,161	2,292,041
	PINEVILLE UNIT 3	FULLY ACCRUED	*	(10)	236,470.42	0	-	-	0.00%	0	0
	GHENT UNIT 1 SCRUBBER	60-R2.5	*	(12)	144,202,759.28	5,799,995	4.02	22.0	3.87%	5,580,647	219,348
	GHENT UNIT 1	60-R2.5	*	(12)	198,785,055.46	5,834,075	2.93	21.6	3.84%	7,633,346	(1,799,271)
	GHENT UNIT 2	60-R2.5	*	(12)	98,446,686.35	1,779,312	1.81	20.8	2.33%	2,293,808	(514,496)
	GHENT UNIT 3	60-R2.5	*	(12)	254,967,909.72	5,879,680	2.31	23.6	2.63%	6,705,656	(825,976)
	GHENT UNIT 4	60-R2.5	*	(12)	267,856,280.18	6,953,070	2.60	24.7	2.79%	7,473,190	(520,120)

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
312, cont.	GHENT UNIT 2 SCRUBBER	60-R2.5	*	(12)	93,278,511.28	2,270,953	2.43	21.8	3.87%	3,609,878	(1,338,925)
	GHENT UNIT 3 SCRUBBER	60-R2.5	*	(12)	127,988,949.01	4,782,967	3.74	24.8	3.87%	4,953,172	(170,205)
	GHENT UNIT 4 SCRUBBER	60-R2.5	*	(12)	307,100,358.50	11,768,189	3.83	25.7	3.87%	11,884,784	(116,595)
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				2,674,446,282.96	82,825,217	3.10	26.2		95,915,025	(13,089,808)
314.00	TURBOGENERATOR UNITS										
	TRIMBLE COUNTY UNIT 2	55-S1.5	*	(15)	83,994,732.76	1,836,110	2.19	45.8	2.78%	2,335,054	(498,944)
	TYRONE UNIT 3	55-S1.5	*	(10)	4,805,513.66	370,738	7.71	3.9	3.44%	165,310	205,428
	TYRONE UNITS 1 AND 2	FULLY ACCRUED	*	(10)	68,205.72	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	55-S1.5	*	(10)	4,562,193.51	241,317	5.29	4.0	2.90%	132,304	109,013
	GREEN RIVER UNIT 4	55-S1.5	*	(10)	10,390,485.90	472,404	4.55	4.0	3.79%	393,799	78,605
	BROWN UNIT 1	55-S1.5	*	(11)	7,512,824.95	215,514	2.87	16.0	1.12%	84,144	131,370
	BROWN UNIT 2	55-S1.5	*	(11)	12,299,721.87	228,841	1.86	21.7	2.91%	357,922	(129,081)
	BROWN UNIT 3	55-S1.5	*	(11)	29,293,398.16	543,748	1.86	22.3	3.17%	928,601	(384,853)
	GHENT UNIT 1	55-S1.5	*	(12)	36,687,321.40	978,789	2.67	21.3	2.23%	818,127	160,662
	GHENT UNIT 2	55-S1.5	*	(12)	30,417,591.79	682,670	2.24	19.4	2.08%	632,686	49,984
	GHENT UNIT 3	55-S1.5	*	(12)	42,595,556.80	887,493	2.08	22.0	2.03%	864,690	22,803
	GHENT UNIT 4	55-S1.5	*	(12)	57,036,973.14	1,388,323	2.43	22.9	2.20%	1,254,813	133,510
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				319,664,519.66	7,845,947	2.45	24.8		7,967,449	(121,502)
315.00	ACCESSORY ELECTRIC EQUIPMENT										
	TRIMBLE COUNTY UNIT 2	70-S3	*	(15)	41,600,356.80	836,186	2.01	51.3	2.49%	1,035,849	(199,663)
	TRIMBLE COUNTY UNIT 2 SCRUBBER	70-S3	*	(15)	1,415,469.10	22,036	1.56	44.2	2.49%	35,245	(13,209)
	TYRONE UNIT 3	70-S3	*	(10)	2,081,692.71	305,060	14.65	3.9	0.00%	0	305,060
	TYRONE UNITS 1 AND 2	FULLY ACCRUED	*	(10)	99,210.72	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	70-S3	*	(10)	1,205,362.18	194,829	16.16	4.0	0.00%	0	194,829
	GREEN RIVER UNIT 4	70-S3	*	(10)	2,695,328.66	283,879	10.53	3.9	1.46%	39,352	244,527
	BROWN UNIT 1	70-S3	*	(11)	3,859,109.33	62,118	1.61	16.5	2.10%	81,041	(18,923)
	BROWN UNIT 2	70-S3	*	(11)	2,165,576.99	47,686	2.20	22.5	0.48%	10,395	37,291
	BROWN UNIT 3	70-S3	*	(11)	8,597,465.88	128,146	1.49	23.5	0.54%	46,426	81,720
	BROWN UNITS 1, 2 AND 3 SCRUBBER	70-S3	*	(11)	29,503,821.45	1,342,875	4.55	23.5	2.70%	796,603	546,272
	GHENT UNIT 1 SCRUBBER	70-S3	*	(12)	13,292,784.70	517,122	3.89	22.5	2.70%	358,905	158,217
	GHENT UNIT 1	70-S3	*	(12)	8,872,543.26	77,332	0.87	21.5	0.55%	48,799	28,533
	GHENT UNIT 2	70-S3	*	(12)	13,858,388.53	229,310	1.65	21.4	0.60%	83,150	146,160
	GHENT UNIT 3	70-S3	*	(12)	30,932,405.42	490,361	1.59	24.1	1.03%	318,604	171,757
	GHENT UNIT 4	70-S3	*	(12)	24,412,796.92	429,536	1.76	25.2	1.22%	297,836	131,700
	GHENT UNIT 2 SCRUBBER	70-S3	*	(12)	1,155,753.06	54,270	4.70	22.5	2.70%	31,205	23,065
	GHENT UNIT 3 SCRUBBER	70-S3	*	(12)	12,041,998.28	451,284	3.75	25.5	2.70%	325,134	126,150
	GHENT UNIT 4 SCRUBBER	70-S3	*	(12)	3,844,595.46	148,278	3.86	26.5	2.70%	103,804	44,474
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				201,634,659.45	5,620,308	2.79	25.1		3,612,349	2,007,959
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT										
	TRIMBLE COUNTY UNIT 2	70-R1.5	*	(15)	3,502,446.96	81,004	2.31	48.2	3.00%	105,073	(24,069)
	SYSTEM LABORATORY	70-R1.5	*	(1)	2,763,048.67	74,526	2.70	26.8	2.74%	75,708	(1,182)
	TYRONE UNIT 3	70-R1.5	*	(10)	553,355.01	90,112	16.28	4.0	3.12%	17,265	72,847
	TYRONE UNITS 1 AND 2	FULLY ACCRUED	*	(10)	50,126.84	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	70-R1.5	*	(10)	152,146.47	16,545	10.87	4.0	3.97%	6,040	10,505
	GREEN RIVER UNIT 4	70-R1.5	*	(10)	2,408,142.84	310,000	12.87	4.0	2.71%	65,261	244,739
	GREEN RIVER UNITS 1 AND 2	FULLY ACCRUED	*	(10)	84,749.53	0	-	-	0.00%	0	0
	BROWN UNIT 1	70-R1.5	*	(11)	432,577.58	8,059	1.86	16.0	2.26%	9,776	(1,717)
	BROWN UNIT 2	70-R1.5	*	(11)	106,658.32	395	0.37	21.6	0.71%	757	(362)
	BROWN UNIT 3	70-R1.5	*	(11)	5,070,448.32	121,490	2.40	22.2	2.33%	118,141	3,349

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
316, cont.	GHENT UNIT 1 SCRUBBER	70-R1.5	*	(12)	1,033,027.09	15,091	1.46	21.4	2.87%	29,648	(14,557)
	GHENT UNIT 1	70-R1.5	*	(12)	1,747,526.86	18,058	1.03	21.0	1.38%	24,116	(6,058)
	GHENT UNIT 2	70-R1.5	*	(12)	1,500,525.31	13,774	0.92	20.6	1.07%	16,056	(2,282)
	GHENT UNIT 3	70-R1.5	*	(12)	3,150,437.55	42,799	1.36	23.2	1.40%	44,106	(1,307)
	GHENT UNIT 4	70-R1.5	*	(12)	7,455,181.33	221,851	2.98	24.8	2.03%	151,340	70,511
	TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT				30,010,398.68	1,013,704	3.38	17.6		663,287	350,417
	TOTAL STEAM PRODUCTION PLANT				**3,559,706,076.05**	**104,351,776**	**2.93**			**113,563,149**	(9,211,373)
	HYDRAULIC PRODUCTION PLANT										
330.10	LAND RIGHTS										
	DIX DAM	100-R4	*	0	879,311.47	0	-	-	0.00%	0	0
	TOTAL ACCOUNT 330.1 - LAND RIGHTS				879,311.47	0	-	-		0	0
331.00	STRUCTURES AND IMPROVEMENTS										
	DIX DAM	90-S2.5	*	(6)	616,526.69	10,702	1.74	28.0	1.29%	7,953	2,749
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				616,526.69	10,702	1.74	28.0		7,953	2,749
332.00	RESERVOIRS, DAMS AND WATERWAY										
	DIX DAM	100-S2.5	*	(6)	21,603,969.66	558,948	2.59	29.0	0.72%	155,549	403,399
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAYS				21,603,969.66	558,948	2.59	29.0		155,549	403,399
333.00	WATER WHEELS, TURBINES AND GENERATORS										
	DIX DAM	75-R3	*	(6)	4,430,624.31	166,967	3.77	28.0	0.66%	29,242	137,725
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS				4,430,624.31	166,967	3.77	28.0		29,242	137,725
334.00	ACCESSORY ELECTRIC EQUIPMENT										
	DIX DAM	40-L2.5	*	(6)	578,333.28	21,138	3.65	24.7	0.83%	4,800	16,338
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				578,333.28	21,138	3.65	24.7		4,800	16,338
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT										
	DIX DAM	35-L1	*	(6)	297,023.86	13,551	4.56	16.9	3.55%	10,544	3,007
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				297,023.86	13,551	4.56	16.9		10,544	3,007
336.00	ROADS, RAILROADS AND BRIDGES										
	DIX DAM	55-R4	*	(6)	176,359.59	7,394	4.19	18.5	0.00%	0	7,394
	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES				176,359.59	7,394	4.19	18.5		0	7,394
	TOTAL HYDRAULIC PRODUCTION PLANT				**28,582,148.86**	**778,700**	**2.72**			**208,088**	**570,612**

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	OTHER PRODUCTION PLANT										
340.10	LAND RIGHTS										
	BROWN CT GAS PIPELINE	SQUARE	*	0	176,409.31	3,947	2.24	19.5	2.97%	5,239	(1,292)
	TOTAL ACCOUNT 340.1 - LAND AND LAND RIGHTS				176,409.31	3,947	2.24	19.5		5,239	
341.00	STRUCTURES AND IMPROVEMENTS										
	TRIMBLE COUNTY CT 5	40-R2.5	*	(5)	3,740,231.32	144,756	3.87	19.0	3.14%	117,443	27,313
	TRIMBLE COUNTY CT 6	40-R2.5	*	(5)	3,588,684.24	138,671	3.86	19.0	3.12%	111,967	26,704
	TRIMBLE COUNTY CT 7	40-R2.5	*	(5)	3,559,154.97	135,304	3.80	20.9	3.32%	118,164	17,140
	TRIMBLE COUNTY CT 8	40-R2.5	*	(5)	3,548,851.71	134,912	3.80	20.9	3.32%	117,822	17,090
	TRIMBLE COUNTY CT 9	40-R2.5	*	(5)	3,655,976.41	139,485	3.82	20.9	3.32%	121,378	18,107
	TRIMBLE COUNTY CT 10	40-R2.5	*	(5)	3,653,029.99	139,372	3.82	20.9	3.32%	121,281	18,091
	BROWN CT 5	40-R2.5	*	(5)	775,081.85	30,044	3.88	18.1	3.04%	23,562	6,482
	BROWN CT 6	40-R2.5	*	(5)	192,814.02	8,200	4.25	16.4	3.05%	5,881	2,319
	BROWN CT 7	40-R2.5	*	(5)	544,965.97	22,379	4.11	16.3	2.93%	15,968	6,411
	BROWN CT 8	40-R2.5	*	(5)	2,012,654.95	76,440	3.80	12.6	2.60%	52,329	24,111
	BROWN CT 9	40-R2.5	*	(5)	4,641,054.86	130,408	2.81	17.2	2.60%	120,667	9,741
	BROWN CT 10	40-R2.5	*	(5)	1,865,718.20	55,973	3.00	17.2	2.61%	48,695	7,278
	BROWN CT 11	40-R2.5	*	(5)	1,895,013.50	75,771	4.00	13.6	2.72%	51,544	24,227
	HAEFLING UNITS 1, 2 AND 3	40-R2.5	*	(5)	434,853.46	44,528	10.24	8.3	6.47%	28,135	16,393
	PADDY'S RUN GENERATOR 13	40-R2.5	*	(5)	1,910,327.76	74,097	3.88	18.1	3.03%	57,883	16,214
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS				36,018,413.21	1,350,340	3.75	18.4		1,112,720	237,620
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES										
	TRIMBLE COUNTY CT 5	45-R2.5	*	(5)	239,584.43	9,049	3.78	19.4	3.21%	7,691	1,358
	TRIMBLE COUNTY CT 6	45-R2.5	*	(5)	239,245.54	9,036	3.78	19.4	3.21%	7,680	1,356
	TRIMBLE COUNTY CT GAS PIPELINE	45-R2.5	*	(5)	4,850,114.73	166,771	3.44	21.1	3.23%	156,659	10,112
	TRIMBLE COUNTY CT 7	45-R2.5	*	(5)	578,059.38	21,494	3.72	21.3	3.42%	19,770	1,724
	TRIMBLE COUNTY CT 8	45-R2.5	*	(5)	576,385.74	21,431	3.72	21.3	3.42%	19,712	1,719
	TRIMBLE COUNTY CT 9	45-R2.5	*	(5)	593,786.01	22,158	3.73	21.3	3.42%	20,307	1,851
	TRIMBLE COUNTY CT 10	45-R2.5	*	(5)	622,872.60	23,324	3.74	21.3	3.42%	21,302	2,022
	BROWN CT 5	45-R2.5	*	(5)	795,787.89	38,072	4.78	18.6	3.11%	24,749	13,323
	BROWN CT 6	45-R2.5	*	(5)	406,460.01	24,066	5.92	17.0	2.92%	11,869	12,197
	BROWN CT 7	45-R2.5	*	(5)	405,870.95	24,294	5.99	17.0	2.92%	11,851	12,443
	BROWN CT 8	45-R2.5	*	(5)	252,005.73	18,266	7.25	13.3	2.63%	6,628	11,638
	BROWN CT 9	45-R2.5	*	(5)	2,018,753.68	67,309	3.33	18.1	2.65%	53,497	13,812
	BROWN CT 10	45-R2.5	*	(5)	264,130.81	13,099	4.96	18.9	2.63%	6,947	6,152
	BROWN CT 11	45-R2.5	*	(5)	284,822.69	18,318	6.43	14.2	2.74%	7,804	10,514
	BROWN CT GAS PIPELINE	45-R2.5	*	(5)	8,106,130.66	232,372	2.87	17.8	2.57%	208,328	24,044
	HAEFLING UNITS 1, 2 AND 3	45-R2.5	*	(5)	518,704.54	55,109	10.62	8.3	0.00%	0	55,109
	PADDY'S RUN GENERATOR 13	45-R2.5	*	(5)	1,995,101.02	75,845	3.80	18.5	3.11%	62,048	13,797
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES				22,747,816.41	840,013	3.69	18.1		646,841	193,172
343.00	PRIME MOVERS										
	TRIMBLE COUNTY CT 5	35-R1.5	*	(5)	31,137,756.05	1,259,343	4.04	17.9	3.72%	1,158,325	101,018
	TRIMBLE COUNTY CT 6	35-R1.5	*	(5)	32,030,243.24	1,419,553	4.43	18.0	3.72%	1,191,525	228,028
	TRIMBLE COUNTY CT 7	35-R1.5	*	(5)	23,223,115.61	926,898	3.99	19.6	3.91%	908,024	18,874
	TRIMBLE COUNTY CT 8	35-R1.5	*	(5)	23,034,740.63	919,628	3.99	19.6	3.91%	900,658	18,970
	TRIMBLE COUNTY CT 9	35-R1.5	*	(5)	22,902,195.54	925,844	4.04	19.6	3.91%	895,476	30,368
	TRIMBLE COUNTY CT 10	35-R1.5	*	(5)	22,850,722.46	923,525	4.04	19.6	3.91%	893,463	30,062
	BROWN CT 5	35-R1.5	*	(5)	14,666,936.33	635,708	4.33	17.2	3.65%	535,343	100,365

Attachment to Response to KU KIUC-1 Question No. 46
Page 5 of 7
Spanos

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
343, cont.	BROWN CT 6	35-R1.5	*	(5)	34,600,149.28	1,813,591	5.24	15.6	3.55%	1,228,305	585,286
	BROWN CT 7	35-R1.5	*	(5)	31,657,718.92	1,628,808	5.15	15.6	3.58%	1,133,346	495,462
	BROWN CT 8	35-R1.5	*	(5)	26,710,989.99	1,455,318	5.45	12.4	3.30%	881,463	573,855
	BROWN CT 9	35-R1.5	*	(5)	23,335,363.18	800,496	3.43	16.3	3.23%	753,732	46,764
	BROWN CT 10	35-R1.5	*	(5)	20,074,765.96	700,567	3.49	16.3	3.26%	654,437	46,130
	BROWN CT 11	35-R1.5	*	(5)	34,794,971.17	1,618,377	4.65	13.1	3.41%	1,186,509	431,868
	PADDY'S RUN GENERATOR 13	35-R1.5	*	(5)	17,803,364.01	806,030	4.53	17.1	3.62%	644,482	161,548
	TOTAL ACCOUNT 343 - PRIME MOVERS				358,823,032.37	15,833,686	4.41	16.6		12,965,088	2,868,598
344.00	GENERATORS										
	TRIMBLE COUNTY CT 5	55-S3	*	(5)	3,763,274.51	136,229	3.62	20.4	3.04%	114,404	21,825
	TRIMBLE COUNTY CT 6	55-S3	*	(5)	3,757,946.57	136,027	3.62	20.4	3.04%	114,242	21,785
	TRIMBLE COUNTY CT 7	55-S3	*	(5)	2,950,282.37	105,018	3.56	22.4	3.26%	96,179	8,839
	TRIMBLE COUNTY CT 8	55-S3	*	(5)	2,937,930.22	104,578	3.56	22.4	3.26%	95,777	8,801
	TRIMBLE COUNTY CT 9	55-S3	*	(5)	2,957,520.12	105,653	3.57	22.4	3.26%	96,415	9,238
	TRIMBLE COUNTY CT 10	55-S3	*	(5)	2,954,148.53	105,533	3.57	22.4	3.26%	96,305	9,228
	BROWN CT 5	55-S3	*	(5)	2,858,147.66	106,678	3.73	19.4	2.94%	84,030	22,648
	BROWN CT 6	55-S3	*	(5)	3,712,619.52	138,397	3.73	17.4	2.76%	102,468	35,929
	BROWN CT 7	55-S3	*	(5)	3,722,788.46	140,714	3.78	17.4	2.76%	102,749	37,965
	BROWN CT 8	55-S3	*	(5)	4,953,960.72	178,782	3.61	13.4	2.46%	121,867	56,915
	BROWN CT 9	55-S3	*	(5)	5,452,040.97	139,175	2.55	19.0	2.31%	125,942	13,233
	BROWN CT 10	55-S3	*	(5)	4,944,422.71	134,599	2.72	19.1	2.46%	121,633	12,966
	BROWN CT 11	55-S3	*	(5)	5,187,040.30	189,263	3.65	14.4	2.53%	131,232	58,031
	HAEFLING UNITS 1, 2 AND 3	55-S3	*	(5)	4,023,002.37	92,815	2.31	7.8	0.00%	0	92,815
	PADDY'S RUN GENERATOR 13	55-S3	*	(5)	5,185,636.11	188,553	3.64	19.4	2.94%	152,458	36,095
	TOTAL ACCOUNT 344 - GENERATORS				59,360,761.14	2,002,014	3.37	18.3		1,555,700	446,314
345.00	ACCESSORY ELECTRIC EQUIPMENT										
	TRIMBLE COUNTY CT 5	45-R3	*	(5)	1,693,975.04	64,303	3.80	19.7	2.98%	50,480	13,823
	TRIMBLE COUNTY CT 6	45-R3	*	(5)	4,324,591.46	178,222	4.12	19.7	2.98%	128,873	49,349
	TRIMBLE COUNTY CT 7	45-R3	*	(5)	3,148,439.35	116,323	3.69	21.6	3.19%	100,435	15,888
	TRIMBLE COUNTY CT 8	45-R3	*	(5)	3,139,331.68	115,986	3.69	21.6	3.19%	100,145	15,841
	TRIMBLE COUNTY CT 9	45-R3	*	(5)	3,234,031.47	119,912	3.71	21.6	3.19%	103,166	16,746
	TRIMBLE COUNTY CT 10	45-R3	*	(5)	7,196,618.34	282,456	3.92	21.6	3.19%	229,572	52,884
	BROWN CT 5	45-R3	*	(5)	2,277,020.49	92,383	4.06	18.7	2.89%	65,806	26,577
	BROWN CT 6	45-R3	*	(5)	1,975,216.41	82,329	4.17	16.8	2.71%	53,528	28,801
	BROWN CT 7	45-R3	*	(5)	1,935,781.98	80,891	4.18	16.8	2.71%	52,460	28,431
	BROWN CT 8	45-R3	*	(5)	2,720,729.67	115,931	4.26	12.9	2.41%	65,570	50,361
	BROWN CT 9	45-R3	*	(5)	4,205,847.29	133,961	3.19	18.1	2.32%	97,576	36,385
	BROWN CT 10	45-R3	*	(5)	2,744,492.70	86,963	3.17	18.0	2.44%	66,966	19,997
	BROWN CT 11	45-R3	*	(5)	1,863,053.15	84,727	4.55	13.9	2.48%	46,204	38,523
	HAEFLING UNITS 1, 2 AND 3	45-R3	*	(5)	1,451,957.03	116,933	8.05	8.2	0.00%	0	116,933
	PADDY'S RUN GENERATOR 13	45-R3	*	(5)	2,456,320.01	92,743	3.78	18.7	2.88%	70,742	22,001
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				44,367,406.07	1,764,063	3.98	18.3		1,231,521	532,542
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT										
	TRIMBLE COUNTY CT 5	35-R2	*	(5)	28,963.63	1,171	4.04	18.8	3.73%	1,080	91
	TRIMBLE COUNTY CT 7	35-R2	*	(5)	8,888.93	353	3.97	19.9	3.50%	311	42
	TRIMBLE COUNTY CT 8	35-R2	*	(5)	8,861.01	352	3.97	19.9	3.50%	310	42
	TRIMBLE COUNTY CT 9	35-R2	*	(5)	9,113.52	363	3.98	19.9	3.50%	319	44
	TRIMBLE COUNTY CT 10	35-R2	*	(5)	41,868.51	1,922	4.59	20.7	3.49%	1,461	461
	BROWN CT 5	35-R2	*	(5)	2,139,352.61	86,757	4.06	17.3	3.20%	68,459	18,298

Attachment to Response to KU KIUC-1 Question No. 46
Page 6 of 7
Spanos

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)	(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
346, cont.	BROWN CT 6	35-R2 *	(5)	53,748.85	2,404	4.47	16.0	3.33%	1,790	614
	BROWN CT 7	35-R2 *	(5)	35,647.39	1,515	4.25	15.8	3.23%	1,151	364
	BROWN CT 8	35-R2 *	(5)	285,932.33	13,435	4.70	12.4	2.77%	7,920	5,515
	BROWN CT 9	35-R2 *	(5)	760,255.37	22,729	2.99	15.9	2.77%	21,059	1,670
	BROWN CT 10	35-R2 *	(5)	274,390.87	9,323	3.40	16.3	2.85%	7,820	1,503
	BROWN CT 11	35-R2 *	(5)	590,562.82	29,785	5.04	13.5	3.22%	19,016	10,769
	HAEFLING UNITS 1, 2 AND 3	35-R2 *	(5)	35,805.20	597	1.67	5.5	0.00%	0	597
	PADDY'S RUN GENERATOR 13	35-R2 *	(5)	1,089,550.03	44,055	4.04	17.2	3.20%	34,866	9,189
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT			5,362,941.07	214,761	4.00	16.2		165,564	49,197
	TOTAL OTHER PRODUCTION PLANT			**526,856,779.58**	**22,008,824**	**4.18**			**17,682,673**	**4,326,151**
	TRANSMISSION PLANT									
350.10	LAND RIGHTS	60-R3	0	23,413,728.55	225,538	0.96	33.1	0.98%	229,455	(3,917)
352.10	STRUCTURES AND IMPROVEMENTS	65-S2.5	(25)	17,020,058.51	298,018	1.75	55.1	1.54%	262,109	35,909
352.20	STRUCTURES AND IMPROVEMENTS - SYS. CONTROL/COM	60-R3	(25)	1,220,542.62	19,271	1.58	34.5	1.43%	17,454	1,817
353.10	STATION EQUIPMENT	60-R2	(10)	191,753,788.17	3,211,159	1.67	44.8	1.98%	3,796,725	(585,566)
353.20	STATION EQUIPMENT - SYS. CONTROL/COM	35-R2.5	(10)	14,668,403.51	0	-	-	0.46%	67,475	(67,475)
354.00	TOWERS AND FIXTURES	70-R4	(25)	95,353,356.62	1,300,626	1.36	54.2	1.21%	1,153,776	146,850
355.00	POLES AND FIXTURES	55-R2	(55)	148,658,780.48	3,485,089	2.34	46.5	2.28%	3,389,420	95,669
356.00	OVERHEAD CONDUCTORS AND DEVICES	60-R3	(50)	160,446,879.27	3,105,267	1.94	42.3	1.79%	2,871,999	233,268
357.00	UNDERGROUND CONDUIT	45-R4	0	448,760.26	10,209	2.27	25.6	2.60%	11,668	(1,459)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35-R3	0	1,161,549.29	11,420	0.98	21.3	1.26%	14,636	(3,216)
	TOTAL TRANSMISSION PLANT			**654,145,847.28**	**11,666,597**	**1.78**			**11,814,715**	**(148,118)**
	DISTRIBUTION PLANT									
360.10	LAND RIGHTS	65-R4	0	2,039,033.29	11,896	0.58	46.6	0.65%	13,254	(1,358)
361.00	STRUCTURES AND IMPROVEMENTS	60-R2.5	(20)	7,658,288.09	153,285	2.00	48.3	1.65%	126,362	26,923
362.00	STATION EQUIPMENT	54-R2	(20)	141,200,430.90	3,198,522	2.27	40.4	2.28%	3,219,370	(20,848)
364.00	POLES, TOWERS, AND FIXTURES	50-R1	(45)	287,791,923.15	6,719,281	2.33	42.3	2.30%	6,619,214	100,067
365.00	OVERHEAD CONDUCTORS AND DEVICES	48-R1.5	(60)	276,285,758.81	8,911,891	3.23	37.4	2.70%	7,459,715	1,452,176
366.00	UNDERGROUND CONDUIT	50-R4	(5)	1,861,963.15	50,337	2.70	25.9	1.93%	35,936	14,401
367.00	UNDERGROUND CONDUCTORS AND DEVICES	44-R2	(10)	140,620,009.32	3,333,408	2.37	37.7	2.09%	2,938,958	394,450
368.00	LINE TRANSFORMERS	43-R2	(15)	286,070,399.06	7,018,693	2.45	30.1	3.10%	8,868,182	(1,849,489)
369.00	SERVICES	43-R1.5	(30)	89,050,180.39	1,811,200	2.03	32.1	1.99%	1,772,099	39,101
370.00	METERS	39-R2	0	70,049,355.34	1,603,713	2.29	23.4	1.76%	1,232,869	370,844
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	25-O1	(10)	18,253,214.45	148,124	0.81	18.1	2.38%	434,427	(286,303)
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	28-S0	(10)	81,534,875.55	3,261,361	4.00	21.2	2.29%	1,867,149	1,394,212
	TOTAL DISTRIBUTION PLANT			**1,402,415,431.50**	**36,221,711**	**2.58**			**34,587,534**	**1,634,177**

KENTUCKY UTILITIES COMPANY
Comparison of Spanos's Proposals to Current
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)	(3)	(4)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	GENERAL PLANT									
390.10	STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY	55-S0	(10)	47,011,269.52	945,113	2.01	44.5	1.66%	780,387	164,726
390.20	STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY	30-R1	(10)	531,973.44	9,139	1.72	18.8	1.56%	8,299	840
391.10	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	7,513,787.56	335,131	4.46	10.0	4.19%	314,828	20,303
391.20	NON PC COMPUTER EQUIPMENT	5-SQ	0	17,256,012.35	3,723,700	21.58	2.8	10.14%	1,749,760	1,973,940
391.31	PERSONAL COMPUTERS	4-SQ	0	6,398,371.65	571,269	8.93	3.2	15.47%	989,828	(418,559)
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7-L2.5	0	1,865,090.97	45,497	2.44	6.3	20.00%	373,018	(327,521)
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14-S1.5	0	14,101,987.63	76,623	0.54	12.3	20.00%	2,820,398	(2,743,775)
393.00	STORES EQUIPMENT	25-SQ	0	551,794.27	27,960	5.07	13.9	5.25%	28,969	(1,009)
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	7,648,755.44	326,703	4.27	18.0	4.75%	363,316	(36,613)
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12-L1.5	0	1,174,225.44	104,334	8.89	9.9	6.37%	74,798	29,536
397.10	COMMUNICATION EQUIPMENT - GENERAL ASSETS	10-SQ	0	10,171,295.90	579,495	5.70	8.5	7.13%	725,213	(145,718)
397.20	COMMUNICATION EQUIPMENT - SPECIFIC ASSETS	25-S1	0	19,915,035.90	746,086	3.75	19.1	7.13%	1,419,942	(673,856)
397.30	COMMUNICATION EQUIPMENT - FULLY ACCRUED	FULLY ACCRUED	0	786,233.20	0	-	-	7.13%	56,058	(56,058)
	TOTAL GENERAL PLANT			**134,925,833.27**	**7,491,050**	**5.55**			**9,704,814**	(2,213,764)
	TOTAL DEPRECIABLE PLANT			**6,365,236,955.68**	**189,326,536**	**2.97**			**195,249,737**	**(5,923,201)**
	NONDEPRECIABLE PLANT									
301.00	ORGANIZATION			44,455.58						
310.20	LAND			10,881,103.86						
340.20	LAND			118,514.41						
350.20	LAND			2,199,383.04						
360.20	LAND			3,271,807.48						
389.20	LAND			2,567,847.40						
	TOTAL NONDEPRECIABLE PLANT			**19,083,111.77**						
	TOTAL ELECTRIC PLANT			**6,384,320,067.45**	**189,326,536**					

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT (1)	SURVIVOR CURVE (2)		NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	Spanos Proposed ACCRUAL AMOUNT (7)	Spanos Proposed ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals Rate (10)	Current Rates and Accruals Accrual (11)=(4)*(10)	Difference (12)=(7)-(11)
	DEPRECIABLE PLANT												
	STEAM PRODUCTION PLANT												
311.00	STRUCTURES AND IMPROVEMENTS												
	CANE RUN UNIT 1	FULLY ACCRUED	*	(10)	4,233,239	4,656,563	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	*	(10)	2,102,422	2,312,665	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	*	(10)	3,536,934	3,890,628	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 4	100-S1	*	(10)	4,084,602	4,493,062	0	0	-	-	1.14%	46,564	(46,564)
	CANE RUN UNIT 4 SCRUBBER	100-S1	*	(10)	760,360	836,396	0	0	-	-	0.95%	7,223	(7,223)
	CANE RUN UNIT 5	100-S1	*	(10)	6,266,327	6,270,959	622,001	155,819	2.49	4.0	1.92%	120,313	35,506
	CANE RUN UNIT 5 SCRUBBER	100-S1	*	(10)	1,696,435	1,866,079	0	0	-	-	1.56%	26,464	(26,464)
	CANE RUN UNIT 6	100-S1	*	(10)	27,476,429	20,351,263	9,872,808	2,473,745	9.00	4.0	2.13%	585,248	1,888,497
	CANE RUN UNIT 6 SCRUBBER	100-S1	*	(10)	2,004,301	2,204,732	0	0	-	-	2.04%	40,888	(40,888)
	MILL CREEK UNIT 1	100-S1	*	(14)	19,891,316	17,615,350	5,060,751	254,260	1.28	19.9	1.64%	326,218	(71,958)
	MILL CREEK UNIT 1 SCRUBBER	100-S1	*	(14)	1,709,711	1,949,070	0	0	-	-	1.65%	28,210	(28,210)
	MILL CREEK UNIT 2	100-S1	*	(14)	11,532,775	9,977,701	3,169,662	146,213	1.27	21.7	1.42%	163,765	(17,552)
	MILL CREEK UNIT 2 SCRUBBER	100-S1	*	(14)	1,393,404	1,588,481	0	0	-	-	1.81%	25,221	(25,221)
	MILL CREEK UNIT 3	100-S1	*	(14)	24,500,220	20,580,339	7,349,912	292,422	1.19	25.1	1.51%	369,953	(77,531)
	MILL CREEK UNIT 3 SCRUBBER	100-S1	*	(14)	362,867	413,668	0	0	-	-	1.47%	5,334	(5,334)
	MILL CREEK UNIT 4	100-S1	*	(14)	64,262,883	38,607,501	34,652,185	1,191,499	1.85	29.1	1.85%	1,188,863	2,636
	MILL CREEK UNIT 4 SCRUBBER	100-S1	*	(14)	5,330,552	4,985,213	1,091,616	37,612	0.71	29.0	1.76%	93,818	(56,206)
	TRIMBLE COUNTY UNIT 1	100-S1	*	(15)	115,104,803	61,530,223	70,840,301	1,961,688	1.70	36.1	2.08%	2,394,180	(432,492)
	TRIMBLE COUNTY UNIT 1 SCRUBBER	100-S1	*	(15)	493,910	366,848	201,148	5,516	1.12	36.5	2.28%	11,261	(5,745)
	TRIMBLE COUNTY UNIT 2	100-S1	*	(15)	25,993,298	310,077	29,582,216	565,651	2.18	52.3	2.10%	545,859	19,792
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				322,736,789	204,806,818	162,442,600	7,084,425	2.20	22.9		5,979,384	1,105,041
312.00	BOILER PLANT EQUIPMENT												
	CANE RUN UNIT 1	FULLY ACCRUED	*	(10)	1,052,271	1,157,498	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	*	(10)	132,276	145,503	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	*	(10)	705,480	776,028	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 4	50-R1.5	*	(10)	31,327,230	22,533,292	11,926,661	3,041,503	9.71	3.9	5.88%	1,842,041	1,199,462
	CANE RUN UNIT 4 SCRUBBER	50-R1.5	*	(10)	17,050,368	18,755,404	0	0	-	-	4.93%	840,583	(840,583)
	CANE RUN UNIT 5	50-R1.5	*	(10)	38,533,317	18,746,808	23,639,841	6,002,586	15.58	3.9	6.11%	2,354,386	3,648,200
	CANE RUN UNIT 5 SCRUBBER	50-R1.5	*	(10)	27,977,906	30,631,510	144,187	36,426	0.13	4.0	4.07%	1,138,701	(1,102,275)
	CANE RUN UNIT 6	50-R1.5	*	(10)	56,536,729	27,194,785	34,995,617	8,894,934	15.73	3.9	5.19%	2,934,256	5,960,678
	CANE RUN UNIT 6 SCRUBBER	50-R1.5	*	(10)	32,458,666	28,381,716	7,322,817	1,863,469	5.74	3.9	4.46%	1,447,657	415,812
	MILL CREEK UNIT 1	50-R1.5	*	(14)	56,221,452	34,098,918	29,993,538	1,612,266	2.87	18.6	4.24%	2,383,790	(771,524)
	MILL CREEK UNIT 1 SCRUBBER	50-R1.5	*	(14)	43,569,501	32,558,338	17,110,893	912,792	2.10	18.7	4.50%	1,960,628	(1,047,836)
	MILL CREEK UNIT 2	50-R1.5	*	(14)	53,298,846	26,986,386	33,774,299	1,678,141	3.15	20.1	4.70%	2,505,046	(826,905)
	MILL CREEK UNIT 2 SCRUBBER	50-R1.5	*	(14)	35,719,948	28,309,628	12,411,112	611,243	1.71	20.3	4.28%	1,528,814	(917,571)
	MILL CREEK UNIT 3	50-R1.5	*	(14)	143,156,558	66,027,985	97,170,491	4,162,112	2.91	23.3	3.87%	5,540,159	(1,378,047)
	MILL CREEK UNIT 3 SCRUBBER	50-R1.5	*	(14)	63,237,311	36,126,930	35,963,604	1,538,658	2.43	23.4	3.85%	2,434,636	(895,978)
	MILL CREEK UNIT 4	50-R1.5	*	(14)	249,825,282	104,471,839	180,328,982	6,939,970	2.78	26.0	3.85%	9,618,273	(2,678,303)
	MILL CREEK UNIT 4 SCRUBBER	50-R1.5	*	(14)	114,224,525	76,611,965	53,603,993	2,051,233	1.80	26.1	3.71%	4,237,730	(2,186,497)
	TRIMBLE COUNTY UNIT 1	50-R1.5	*	(15)	217,217,963	74,259,062	175,541,595	5,798,005	2.67	30.3	3.62%	7,863,290	(2,065,285)
	TRIMBLE COUNTY UNIT 1 SCRUBBER	50-R1.5	*	(15)	63,774,643	46,576,791	26,764,048	885,430	1.39	30.2	3.62%	2,308,642	(1,423,212)
	TRIMBLE COUNTY UNIT 2	50-R1.5	*	(15)	121,585,784	4,866,329	134,957,323	3,107,492	2.56	43.4	4.28%	5,203,872	(2,096,380)
	TRIMBLE COUNTY UNIT 2 SCRUBBER	50-R1.5	*	(15)	14,269,003	555,655	15,853,699	365,040	2.56	43.4	4.28%	610,713	(245,673)
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				1,381,875,060	679,772,370	891,502,700	49,501,300	3.58	18.0		56,753,216	(7,251,916)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
312.01	BOILER PLANT EQUIPMENT - LOCOMOTIVE												
	CANE RUN LOCOMOTIVE	25-R2.5	*	0	51,549	51,549	0	0	-	-	2.67%	1,376	(1,376)
	MILL CREEK LOCOMOTIVE	25-R2.5	*	0	613,424	494,206	119,218	37,326	6.08	3.2	2.90%	17,789	19,537
	TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE				664,974	545,755	119,218	37,326	5.61	3.2		19,166	18,160
312.02	BOILER PLANT EQUIPMENT - RAIL CARS												
	CANE RUN RAIL CARS	25-R2.5	*	0	1,501,773	1,161,405	340,368	103,455	6.89	3.3	3.14%	47,156	56,299
	MILL CREEK RAIL CARS	25-R2.5	*	0	2,298,378	2,214,107	84,271	8,166	0.36	10.3	3.13%	71,939	(63,773)
	TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS				3,800,150	3,375,512	424,639	111,621	2.94	3.8		119,095	(7,474)
314.00	TURBOGENERATOR UNITS												
	CANE RUN UNIT 1	FULLY ACCRUED	*	(10)	106,009	116,610	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	*	(10)	19,999	21,999	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	*	(10)	581,177	639,295	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 4	60-S1.5	*	(10)	9,318,503	8,958,801	1,291,552	325,135	3.49	4.0	3.09%	287,942	37,193
	CANE RUN UNIT 5	60-S1.5	*	(10)	7,931,772	7,826,617	898,332	225,558	2.84	4.0	2.22%	176,085	49,473
	CANE RUN UNIT 6	60-S1.5	*	(10)	16,728,287	11,512,691	6,888,424	1,739,058	10.40	4.0	3.29%	550,361	1,188,697
	MILL CREEK UNIT 1	60-S1.5	*	(14)	14,686,467	13,065,010	3,677,562	201,763	1.37	18.2	2.15%	315,759	(113,996)
	MILL CREEK UNIT 2	60-S1.5	*	(14)	17,091,027	13,298,105	6,185,665	308,769	1.81	20.0	2.46%	420,439	(111,670)
	MILL CREEK UNIT 3	60-S1.5	*	(14)	31,675,230	19,495,161	16,614,601	689,886	2.18	24.1	2.15%	681,017	8,869
	MILL CREEK UNIT 4	60-S1.5	*	(14)	42,573,106	28,812,799	19,720,541	770,093	1.81	25.6	2.29%	974,924	(204,831)
	TRIMBLE COUNTY UNIT 1	60-S1.5	*	(15)	57,000,939	22,348,217	43,202,863	1,311,533	2.30	32.9	2.48%	1,413,623	(102,090)
	TRIMBLE COUNTY UNIT 2	60-S1.5	*	(15)	20,447,427	2,602,945	20,911,596	449,336	2.20	46.5	2.78%	568,438	(119,102)
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				218,159,941	128,698,250	119,391,136	6,021,131	2.76	19.8		5,388,589	632,542
315.00	ACCESSORY ELECTRIC EQUIPMENT												
	CANE RUN UNIT 1	FULLY ACCRUED	*	(10)	1,883,656	2,072,022	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	*	(10)	1,238,068	1,361,875	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	*	(10)	766,541	843,195	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 4	55-S2	*	(10)	5,920,914	5,264,226	1,248,779	315,559	5.33	4.0	3.18%	188,285	127,274
	CANE RUN UNIT 4 SCRUBBER	55-S2	*	(10)	987,949	1,086,744	0	0	-	-	0.82%	8,101	(8,101)
	CANE RUN UNIT 5	55-S2	*	(10)	9,434,825	5,414,071	4,964,236	1,249,630	13.24	4.0	2.97%	280,214	969,416
	CANE RUN UNIT 5 SCRUBBER	55-S2	*	(10)	2,216,499	2,438,149	0	0	-	-	1.49%	33,026	(33,026)
	CANE RUN UNIT 6	55-S2	*	(10)	12,602,453	7,468,070	6,394,628	1,613,115	12.80	4.0	2.80%	352,869	1,260,246
	CANE RUN UNIT 6 SCRUBBER	55-S2	*	(10)	2,199,914	2,419,906	0	0	-	-	1.44%	31,679	(31,679)
	MILL CREEK UNIT 1	55-S2	*	(14)	15,688,649	8,807,564	9,077,496	484,211	3.09	18.7	2.75%	431,438	52,773
	MILL CREEK UNIT 1 SCRUBBER	55-S2	*	(14)	5,541,695	6,317,532	0	0	-	-	1.67%	92,546	(92,546)
	MILL CREEK UNIT 2	55-S2	*	(14)	7,415,272	5,475,168	2,978,242	156,250	2.11	19.1	2.03%	150,530	5,720
	MILL CREEK UNIT 2 SCRUBBER	55-S2	*	(14)	4,505,053	5,135,761	0	0	-	-	1.69%	76,135	(76,135)
	MILL CREEK UNIT 3	55-S2	*	(14)	15,049,879	13,392,025	3,764,837	182,523	1.21	20.6	1.58%	237,788	(55,265)
	MILL CREEK UNIT 3 SCRUBBER	55-S2	*	(14)	2,531,773	2,886,221	0	0	-	-	1.56%	39,496	(39,496)
	MILL CREEK UNIT 4	55-S2	*	(14)	24,032,537	17,602,916	9,794,176	419,766	1.75	23.3	1.75%	420,569	(803)
	MILL CREEK UNIT 4 SCRUBBER	55-S2	*	(14)	5,864,979	5,812,660	873,416	38,030	0.65	23.0	1.71%	100,291	(62,261)
	TRIMBLE COUNTY UNIT 1	55-S2	*	(15)	49,158,784	25,131,907	31,400,695	1,051,627	2.14	29.9	2.13%	1,047,082	4,545
	TRIMBLE COUNTY UNIT 1 SCRUBBER	55-S2	*	(15)	2,736,920	2,325,798	821,660	27,869	1.02	29.5	2.12%	58,023	(30,154)
	TRIMBLE COUNTY UNIT 2	55-S2	*	(15)	8,302,486	191,917	9,355,942	196,849	2.37	47.5	2.49%	206,732	(9,883)
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				178,078,846	121,447,727	80,674,107	5,735,429	3.22	14.1		3,754,804	1,980,625
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	CANE RUN UNIT 1	FULLY ACCRUED	*	(10)	38,746	42,620	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	*	(10)	11,664	12,831	0	0	-	-	0.00%	0	0
	CANE RUN UNIT 4	45-R2.5	*	(10)	87,249	30,774	65,200	16,406	18.80	4.0	6.30%	5,497	10,909

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT, cont.												
	CANE RUN UNIT 4 SCRUBBER	45-R2.5	*	(10)	6,464	7,111	0	0	-	-	2.83%	183	(183)
	CANE RUN UNIT 5	45-R2.5	*	(10)	96,972	39,551	67,119	16,873	17.40	4.0	5.40%	5,237	11,636
	CANE RUN UNIT 5 SCRUBBER	45-R2.5	*	(10)	47,299	52,029	0	0	-	-	2.85%	1,348	(1,348)
	CANE RUN UNIT 6	45-R2.5	*	(10)	2,930,864	1,399,447	1,824,504	461,326	15.74	4.0	4.32%	126,613	334,713
	CANE RUN UNIT 6 SCRUBBER	45-R2.5	*	(10)	31,569	34,726	0	0	-	-	2.75%	868	(868)
	MILL CREEK UNIT 1	45-R2.5	*	(14)	740,549	490,286	353,939	21,659	2.92	16.3	3.22%	23,846	(2,187)
	MILL CREEK UNIT 2	45-R2.5	*	(14)	125,821	94,780	48,655	2,680	2.13	18.2	2.90%	3,649	(969)
	MILL CREEK UNIT 3	45-R2.5	*	(14)	410,061	323,848	143,622	6,338	1.55	22.7	2.59%	10,621	(4,283)
	MILL CREEK UNIT 4	45-R2.5	*	(14)	7,285,292	2,613,795	5,691,438	214,243	2.94	26.6	3.04%	221,473	(7,230)
	MILL CREEK UNIT 4 SCRUBBER	45-R2.5	*	(14)	74,851	38,270	47,060	1,730	2.31	27.2	2.83%	2,118	(388)
	TRIMBLE COUNTY UNIT 1	45-R2.5	*	(15)	2,917,560	1,204,753	2,150,441	76,345	2.62	28.2	2.89%	84,317	(7,972)
	TRIMBLE COUNTY UNIT 2	45-R2.5	*	(15)	1,540,223	42,234	1,729,023	40,502	2.63	42.7	2.78%	42,818	(2,316)
	TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT				16,345,184	6,427,055	12,121,001	858,102	5.25	14.1		528,588	329,514
	TOTAL STEAM PRODUCTION PLANT				**2,121,660,945**	**1,145,073,487**	**1,266,675,401**	**69,349,334**	**3.27**			**72,542,842**	**(3,193,508)**
	HYDRAULIC PRODUCTION PLANT												
331.00	STRUCTURES AND IMPROVEMENTS												
	OHIO FALLS - NON-PROJECT	100-S2	*	(6)	65,796	38,867	30,877	1,031	1.57	29.9	0.53%	349	682
	OHIO FALLS - PROJECT 289	100-S2	*	(6)	4,897,580	4,267,867	923,567	27,453	0.56	33.6	0.08%	3,918	23,535
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				4,963,376	4,306,734	954,444	28,484	0.57	33.5		4,267	24,217
332.00	RESERVOIRS, DAMS AND WATERWAY												
	OHIO FALLS - PROJECT 289	100-S2.5	*	(6)	11,690,252	1,705,082	10,686,585	316,944	2.71	33.7	3.30%	385,778	(68,834)
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY				11,690,252	1,705,082	10,686,585	316,944	2.71	33.7		385,778	(68,834)
333.00	WATER WHEELS, TURBINES AND GENERATORS												
	OHIO FALLS - PROJECT 289	100-S2.5	*	(6)	19,945,214	915,731	20,226,195	607,747	3.05	33.3	0.25%	49,863	557,884
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS				19,945,214	915,731	20,226,195	607,747	3.05	33.3		49,863	557,884
334.00	ACCESSORY ELECTRIC EQUIPMENT												
	OHIO FALLS - PROJECT 289	80-S4	*	(6)	5,509,836	1,941,911	3,898,515	115,506	2.10	33.8	2.94%	161,989	(46,483)
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				5,509,836	1,941,911	3,898,515	115,506	2.10	33.8		161,989	(46,483)
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	OHIO FALLS - NON-PROJECT	80-S1.5	*	(6)	25,458	3,717	23,269	741	2.91	31.4	1.61%	410	331
	OHIO FALLS - PROJECT 289	80-S1.5	*	(6)	284,789	51,923	249,953	7,752	2.72	32.2	2.29%	6,522	1,230
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				310,247	55,640	273,222	8,493	2.74	32.2		6,932	1,561
336.00	ROADS, RAILROADS AND BRIDGES												
	OHIO FALLS - PROJECT 289	80-S4	*	(6)	29,931	17,806	13,920	734	2.45	19.0	0.00%	0	734
	TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES				29,931	17,806	13,920	734	2.45	19.0		0	734
	TOTAL HYDRAULIC PRODUCTION PLANT				**42,448,855**	**8,942,904**	**36,052,881**	**1,077,908**	**2.54**			**770,818**	**469,079**

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	OTHER PRODUCTION PLANT												
341.00	STRUCTURES AND IMPROVEMENTS												
	CANE RUN GT 11	55-R3	*	(5)	211,518	26,810	195,284	30,309	14.33	6.4	1.34%	2,834	27,475
	ZORN AND RIVER ROAD GAS TURBINE	55-R3	*	(5)	8,241	8,653	0	0	-	-	0.61%	50	(50)
	PADDY'S RUN GENERATOR 12	55-R3	*	(5)	64,113	52,586	14,733	2,270	3.54	6.5	0.60%	385	1,885
	PADDY'S RUN GENERATOR 13	55-R3	*	(5)	2,158,698	754,202	1,512,431	79,434	3.68	19.0	3.05%	65,840	13,594
	BROWN CT 5	55-R3	*	(5)	858,539	300,046	601,420	31,587	3.68	19.0	3.05%	26,185	5,402
	BROWN CT 6	55-R3	*	(5)	105,978	34,594	76,683	4,459	4.21	17.2	3.17%	3,359	1,100
	BROWN CT 7	55-R3	*	(5)	144,356	47,476	104,098	6,060	4.20	17.2	3.12%	4,504	1,556
	TRIMBLE COUNTY CT 5	55-R3	*	(5)	1,555,655	486,383	1,147,055	57,271	3.68	20.0	3.16%	49,159	8,112
	TRIMBLE COUNTY CT 6	55-R3	*	(5)	1,467,924	463,218	1,078,102	53,850	3.67	20.0	3.14%	46,093	7,757
	TRIMBLE COUNTY CT 7	55-R3	*	(5)	2,083,698	533,540	1,654,343	75,232	3.61	22.0	3.34%	69,596	5,636
	TRIMBLE COUNTY CT 8	55-R3	*	(5)	2,075,527	531,447	1,647,856	74,937	3.61	22.0	3.34%	69,323	5,614
	TRIMBLE COUNTY CT 9	55-R3	*	(5)	2,137,402	541,181	1,703,091	77,448	3.62	22.0	3.34%	71,389	6,059
	TRIMBLE COUNTY CT 10	55-R3	*	(5)	2,132,790	540,013	1,699,416	77,281	3.62	22.0	3.34%	71,235	6,046
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS				15,004,439	4,320,149	11,434,512	570,138	3.80	20.1		479,952	90,186
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES												
	CANE RUN GT 11	45-R2.5	*	(5)	319,042	35,135	299,859	46,751	14.65	6.4	3.85%	12,283	34,468
	ZORN AND RIVER ROAD GAS TURBINE	45-R2.5	*	(5)	23,434	17,418	7,188	964	4.11	7.5	0.59%	138	826
	PADDY'S RUN GENERATOR 11	45-R2.5	*	(5)	9,238	9,699	0	0	-	-	0.58%	54	(54)
	PADDY'S RUN GENERATOR 12	45-R2.5	*	(5)	21,667	15,410	7,340	1,134	5.23	6.5	0.85%	184	950
	PADDY'S RUN GENERATOR 13	45-R2.5	*	(5)	2,255,338	785,083	1,583,022	85,785	3.80	18.5	3.08%	69,464	16,321
	BROWN CT 5	45-R2.5	*	(5)	846,907	228,324	660,928	35,694	4.21	18.5	3.07%	26,000	9,694
	BROWN CT 6	45-R2.5	*	(5)	403,060	49,527	373,686	22,234	5.52	16.8	2.99%	12,051	10,183
	BROWN CT 7	45-R2.5	*	(5)	141,363	(48,742)	197,173	11,574	8.19	17.0	2.99%	4,227	7,347
	TRIMBLE COUNTY CT 5	45-R2.5	*	(5)	97,997	31,005	71,892	3,707	3.78	19.4	3.17%	3,107	600
	TRIMBLE COUNTY CT 6	45-R2.5	*	(5)	97,862	30,967	71,788	3,702	3.78	19.4	3.17%	3,102	600
	TRIMBLE COUNTY CT PIPELINE	45-R2.5	*	(5)	1,998,391	645,679	1,452,631	68,823	3.44	21.1	3.19%	63,749	5,074
	TRIMBLE COUNTY CT 7	45-R2.5	*	(5)	338,423	86,852	268,492	12,611	3.73	21.3	3.36%	11,371	1,240
	TRIMBLE COUNTY CT 8	45-R2.5	*	(5)	337,096	86,511	267,440	12,562	3.73	21.3	3.36%	11,326	1,236
	TRIMBLE COUNTY CT 9	45-R2.5	*	(5)	347,147	88,099	276,405	12,983	3.74	21.3	3.36%	11,664	1,319
	TRIMBLE COUNTY CT 10	45-R2.5	*	(5)	361,860	90,772	289,181	13,575	3.75	21.3	3.36%	12,158	1,417
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES				7,598,824	2,151,739	5,827,025	332,099	4.37	17.5		240,879	91,220
343.00	PRIME MOVERS												
	PADDY'S RUN GENERATOR 13	30-R2	*	(5)	20,146,191	5,644,307	15,509,194	944,090	4.69	16.4	3.84%	773,614	170,476
	BROWN CT 5	30-R2	*	(5)	15,877,891	4,993,220	11,678,566	707,119	4.45	16.5	3.84%	609,711	97,408
	BROWN CT 6	30-R2	*	(5)	19,951,722	2,379,308	18,570,000	1,220,599	6.12	15.2	3.85%	768,141	452,458
	BROWN CT 7	30-R2	*	(5)	18,239,647	4,842,316	14,309,313	945,333	5.18	15.1	3.81%	694,931	250,402
	TRIMBLE COUNTY CT 5	30-R2	*	(5)	16,268,198	4,216,785	12,864,823	730,006	4.49	17.6	3.88%	631,206	98,800
	TRIMBLE COUNTY CT 6	30-R2	*	(5)	13,120,484	3,291,737	10,484,772	604,661	4.61	17.3	3.88%	509,075	95,586
	TRIMBLE COUNTY CT 7	30-R2	*	(5)	13,611,692	3,670,974	10,621,303	563,209	4.14	18.9	3.99%	543,107	20,102
	TRIMBLE COUNTY CT 8	30-R2	*	(5)	13,496,647	3,637,317	10,534,163	558,481	4.14	18.9	3.99%	538,516	19,965
	TRIMBLE COUNTY CT 9	30-R2	*	(5)	13,407,237	3,476,963	10,600,636	561,647	4.19	18.9	3.99%	534,949	26,698
	TRIMBLE COUNTY CT 10	30-R2	*	(5)	13,352,630	3,461,812	10,558,449	559,580	4.19	18.9	3.99%	532,770	26,810
	TOTAL ACCOUNT 343 - PRIME MOVERS				157,472,340	39,614,739	125,731,219	7,394,725	4.70	17.0		6,136,019	1,258,706
344.00	GENERATORS												
	CANE RUN GT 11	60-S3	*	(5)	2,910,124	2,077,069	978,561	152,169	5.23	6.4	5.73%	166,750	(14,581)
	ZORN AND RIVER ROAD GAS TURBINE	60-S3	*	(5)	1,827,581	1,918,960	0	0	-	-	2.70%	49,345	(49,345)
	PADDY'S RUN GENERATOR 11	60-S3	*	(5)	1,523,116	1,599,271	0	0	-	-	2.74%	41,733	(41,733)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
344.00	GENERATORS, cont.												
	PADDY'S RUN GENERATOR 12	60-S3	*	(5)	2,991,589	3,141,169	0	0	-	-	2.63%	78,679	(78,679)
	PADDY'S RUN GENERATOR 13	60-S3	*	(5)	5,859,858	2,327,573	3,825,278	196,875	3.36	19.4	3.00%	175,796	21,079
	BROWN CT 5	60-S3	*	(5)	3,249,360	1,069,622	2,342,206	120,531	3.71	19.4	3.00%	97,481	23,050
	BROWN CT 6	60-S3	*	(5)	2,417,995	893,368	1,645,526	94,354	3.90	17.4	2.91%	70,364	23,990
	BROWN CT 7	60-S3	*	(5)	2,421,079	871,507	1,670,626	95,793	3.96	17.4	2.91%	70,453	25,340
	TRIMBLE COUNTY CT 5	60-S3	*	(5)	1,539,295	483,419	1,132,841	55,449	3.60	20.4	3.09%	47,564	7,885
	TRIMBLE COUNTY CT 6	60-S3	*	(5)	1,537,168	482,827	1,131,199	55,369	3.60	20.4	3.09%	47,498	7,871
	TRIMBLE COUNTY CT 7	60-S3	*	(5)	1,726,824	439,138	1,374,027	61,258	3.55	22.4	3.28%	56,640	4,618
	TRIMBLE COUNTY CT 8	60-S3	*	(5)	1,717,277	436,711	1,366,430	60,920	3.55	22.4	3.28%	56,327	4,593
	TRIMBLE COUNTY CT 9	60-S3	*	(5)	1,728,008	434,500	1,379,909	61,521	3.56	22.4	3.28%	56,679	4,842
	TRIMBLE COUNTY CT 10	60-S3	*	(5)	1,722,674	433,159	1,375,649	61,331	3.56	22.4	3.28%	56,504	4,827
	TOTAL ACCOUNT 344 - GENERATORS				33,171,947	16,608,293	18,222,252	1,015,570	3.06	17.9		1,071,812	(56,242)
345.00	ACCESSORY ELECTRIC EQUIPMENT												
	CANE RUN GT 11	45-R3	*	(5)	116,627	122,459	0	0	-	-	2.40%	2,799	(2,799)
	ZORN AND RIVER ROAD GAS TURBINE	45-R3	*	(5)	44,283	46,497	0	0	-	-	2.31%	1,023	(1,023)
	PADDY'S RUN GENERATOR 11	45-R3	*	(5)	68,109	70,884	631	98	0.14	6.4	4.27%	2,908	(2,810)
	PADDY'S RUN GENERATOR 12	45-R3	*	(5)	912,642	131,728	826,546	128,022	14.03	6.5	3.82%	34,863	93,159
	PADDY'S RUN GENERATOR 13	45-R3	*	(5)	2,778,993	992,746	1,925,196	102,951	3.70	18.7	3.32%	92,263	10,688
	BROWN CT 5	45-R3	*	(5)	2,588,423	920,956	1,796,888	96,071	3.71	18.7	3.32%	85,936	10,135
	BROWN CT 6	45-R3	*	(5)	970,189	359,270	659,429	39,116	4.03	16.9	3.26%	31,628	7,488
	BROWN CT 7	45-R3	*	(5)	953,200	349,815	651,045	38,646	4.05	16.8	3.26%	31,074	7,572
	TRIMBLE COUNTY CT 5	45-R3	*	(5)	706,963	213,484	528,827	26,855	3.80	19.7	3.38%	23,895	2,960
	TRIMBLE COUNTY CT 6	45-R3	*	(5)	1,594,892	447,269	1,227,368	62,428	3.91	19.7	3.38%	53,907	8,521
	TRIMBLE COUNTY CT 7	45-R3	*	(5)	1,843,364	481,481	1,454,052	67,285	3.65	21.6	3.52%	64,886	2,399
	TRIMBLE COUNTY CT 8	45-R3	*	(5)	1,836,141	479,594	1,448,354	67,022	3.65	21.6	3.52%	64,632	2,390
	TRIMBLE COUNTY CT 9	45-R3	*	(5)	1,890,840	488,486	1,496,896	69,268	3.66	21.6	3.52%	66,558	2,710
	TRIMBLE COUNTY CT 10	45-R3	*	(5)	4,387,836	977,530	3,629,698	167,932	3.83	21.6	3.52%	154,452	13,480
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				20,692,503	6,082,199	15,644,930	865,694	4.18	18.1		710,825	154,869
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	ZORN AND RIVER ROAD GAS TURBINE	50-S3	*	(5)	9,488	368	9,595	1,279	13.48	7.5	0.00%	0	1,279
	PADDY'S RUN GENERATOR 11	50-S3	*	(5)	9,494	374	9,595	1,476	15.55	6.5	0.00%	0	1,476
	PADDY'S RUN GENERATOR 13	50-S3	*	(5)	1,281,034	401,565	943,521	48,929	3.82	19.3	2.81%	35,997	12,932
	BROWN CT 5	50-S3	*	(5)	2,395,225	815,731	1,699,255	88,126	3.68	19.3	2.81%	67,306	20,820
	BROWN CT 6	50-S3	*	(5)	22,456	8,149	15,430	888	3.95	17.4	2.86%	642	246
	BROWN CT 7	50-S3	*	(5)	23,048	8,142	16,058	924	4.01	17.4	2.86%	659	265
	TRIMBLE COUNTY CT 5	50-S3	*	(5)	14,529	3,935	11,320	555	3.82	20.4	3.22%	468	87
	TRIMBLE COUNTY CT 7	50-S3	*	(5)	5,205	1,298	4,167	187	3.59	22.3	3.11%	162	25
	TRIMBLE COUNTY CT 8	50-S3	*	(5)	5,183	1,292	4,150	186	3.59	22.3	3.11%	161	25
	TRIMBLE COUNTY CT 9	50-S3	*	(5)	5,328	1,315	4,280	192	3.60	22.3	3.12%	166	26
	TRIMBLE COUNTY CT 10	50-S3	*	(5)	25,333	2,410	24,190	1,079	4.26	22.4	3.10%	785	294
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT				3,796,323	1,244,579	2,741,561	143,821	3.79	19.1		106,347	37,474
	TOTAL OTHER PRODUCTION PLANT				**237,736,377**	**70,021,698**	**179,601,499**	**10,322,047**	**4.34**			**8,745,834**	**1,576,213**

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	TRANSMISSION PLANT											
350.10	LAND RIGHTS	60-R3	0	7,781,411	2,271,916	5,509,495	116,377	1.50	47.3	3.92%	305,031	(188,654)
352.10	STRUCTURES AND IMPROVEMENTS	55-R1.5	(5)	6,456,555	1,500,856	5,278,527	112,155	1.74	47.1	1.17%	75,542	36,613
353.10	STATION EQUIPMENT	55-R2.5	(10)	127,564,599	69,433,144	70,887,915	1,763,324	1.38	40.2	1.32%	1,683,853	79,471
354.00	TOWERS AND FIXTURES	70-R3	(50)	40,070,495	22,555,849	37,549,894	688,232	1.72	54.6	1.38%	552,973	135,259
355.00	POLES AND FIXTURES	53-R2	(55)	53,282,212	18,093,397	64,494,032	1,542,009	2.89	41.8	2.95%	1,571,825	(29,816)
356.00	OVERHEAD CONDUCTORS AND DEVICES	50-R2	(40)	47,242,307	24,580,970	41,558,260	1,179,283	2.50	35.2	2.52%	1,190,506	(11,223)
357.00	UNDERGROUND CONDUIT	55-R3	0	2,437,094	617,934	1,819,160	40,795	1.67	44.6	1.85%	45,086	(4,291)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35-R3	(5)	5,659,798	2,183,949	3,758,839	168,808	2.98	22.3	3.65%	206,583	(37,775)
	TOTAL TRANSMISSION PLANT			**290,494,471**	**141,238,015**	**230,856,122**	**5,610,983**	**1.93**			**5,631,399**	**(20,416)**
	DISTRIBUTION PLANT											
361.00	STRUCTURES AND IMPROVEMENTS	50-L1.5	(10)	4,257,660	1,934,525	2,748,901	68,679	1.61	40.0	1.01%	43,002	25,677
362.00	STATION EQUIPMENT	50-R1.5	(15)	106,268,031	37,506,516	84,701,720	2,221,197	2.09	38.1	1.01%	1,073,307	1,147,890
364.00	POLES, TOWERS AND FIXTURES	50-R2.5	(70)	135,482,460	68,100,569	162,219,612	4,586,729	3.39	35.4	3.00%	4,064,474	522,255
365.00	OVERHEAD CONDUCTORS AND DEVICES	50-R1.5	(60)	234,012,661	97,059,045	277,361,213	6,977,970	2.98	39.7	2.90%	6,786,367	191,603
366.00	UNDERGROUND CONDUIT	70-R4	(20)	69,528,364	26,343,100	57,090,937	1,041,697	1.50	54.8	1.25%	869,105	172,592
367.00	UNDERGROUND CONDUCTORS AND DEVICES	55-R3	(20)	145,471,542	48,421,476	126,144,375	2,797,549	1.92	45.1	1.76%	2,560,299	237,250
368.00	LINE TRANSFORMERS	45-R3	(20)	140,346,230	63,165,088	105,250,388	3,341,572	2.38	31.5	2.18%	3,059,548	282,024
369.10	SERVICES - UNDERGROUND	45-R2.5	(40)	6,152,802	1,616,005	6,997,917	204,433	3.32	34.2	2.45%	150,744	53,689
369.20	SERVICES - OVERHEAD	50-R2	(100)	21,115,397	19,735,617	22,495,176	758,402	3.59	29.7	4.99%	1,053,658	(295,256)
370.00	METERS	30-R2.5	0	37,655,788	19,907,329	17,748,459	1,099,191	2.92	16.1	3.79%	1,427,154	(327,963)
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	28-L0.5	(25)	34,508,233	12,877,300	30,257,992	1,368,855	3.97	22.1	2.77%	955,878	412,977
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND	35-R2	(30)	48,188,855	21,419,157	41,226,355	1,660,101	3.44	24.8	2.95%	1,421,571	238,530
	TOTAL DISTRIBUTION PLANT			**982,988,024**	**418,085,727**	**934,243,045**	**26,126,375**	**2.66**			**23,465,108**	**2,661,267**
	GENERAL PLANT											
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7-L2.5	0	1,570,998	1,071,980	499,018	86,083	5.48	5.8	20.00%	314,200	(228,117)
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1	5	607,414	257,488	319,555	37,747	6.21	8.5	3.62%	21,988	15,759
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14-S1.5	0	6,613,187	6,077,693	535,494	39,795	0.60	13.5	20.00%	1,322,637	(1,282,842)
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	4,603,924	1,508,076	3,095,848	207,415	4.51	14.9	4.39%	202,112	5,303
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	8-L2	0	1,292,580	1,292,580	0	0	-	-	20.00%	258,516	(258,516)
396.20	POWER OPERATED EQUIPMENT - OTHER	17-L3	0	151,087	26,948	124,139	11,484	7.60	10.8	3.17%	4,789	6,695
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12-L1.5	0	1,110,685	925,971	184,714	23,551	2.12	7.8	3.17%	35,209	(11,658)
	TOTAL GENERAL PLANT			**15,949,875**	**11,160,736**	**4,756,768**	**406,075**	**2.55**			**2,159,452**	**(1,753,377)**
	TOTAL DEPRECIABLE PLANT			**3,691,278,545**	**1,794,522,567**	**2,652,187,716**	**112,892,722**	**3.06**			**113,315,452**	**(260,741)**

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
COMPARISON OF SPANOS'S PROPOSALS TO CURRENT
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed ACCRUAL AMOUNT	Spanos Proposed ACCRUAL RATE	COMPOSITE REMAINING LIFE	Current Rates and Accruals Rate	Current Rates and Accruals Accrual	Difference
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	NONDEPRECIABLE PLANT											
301.00	ORGANIZATION			2,240								
310.20	LAND			6,193,327								
310.25	LAND			100,000								
330.20	LAND			7								
340.20	LAND			8,133								
350.20	LAND			1,573,049								
360.20	LAND			4,110,849								
	TOTAL NONDEPRECIABLE PLANT			11,987,605								
	TOTAL ELECTRIC PLANT			3,703,266,150	1,794,522,567	2,652,187,716	112,892,722					

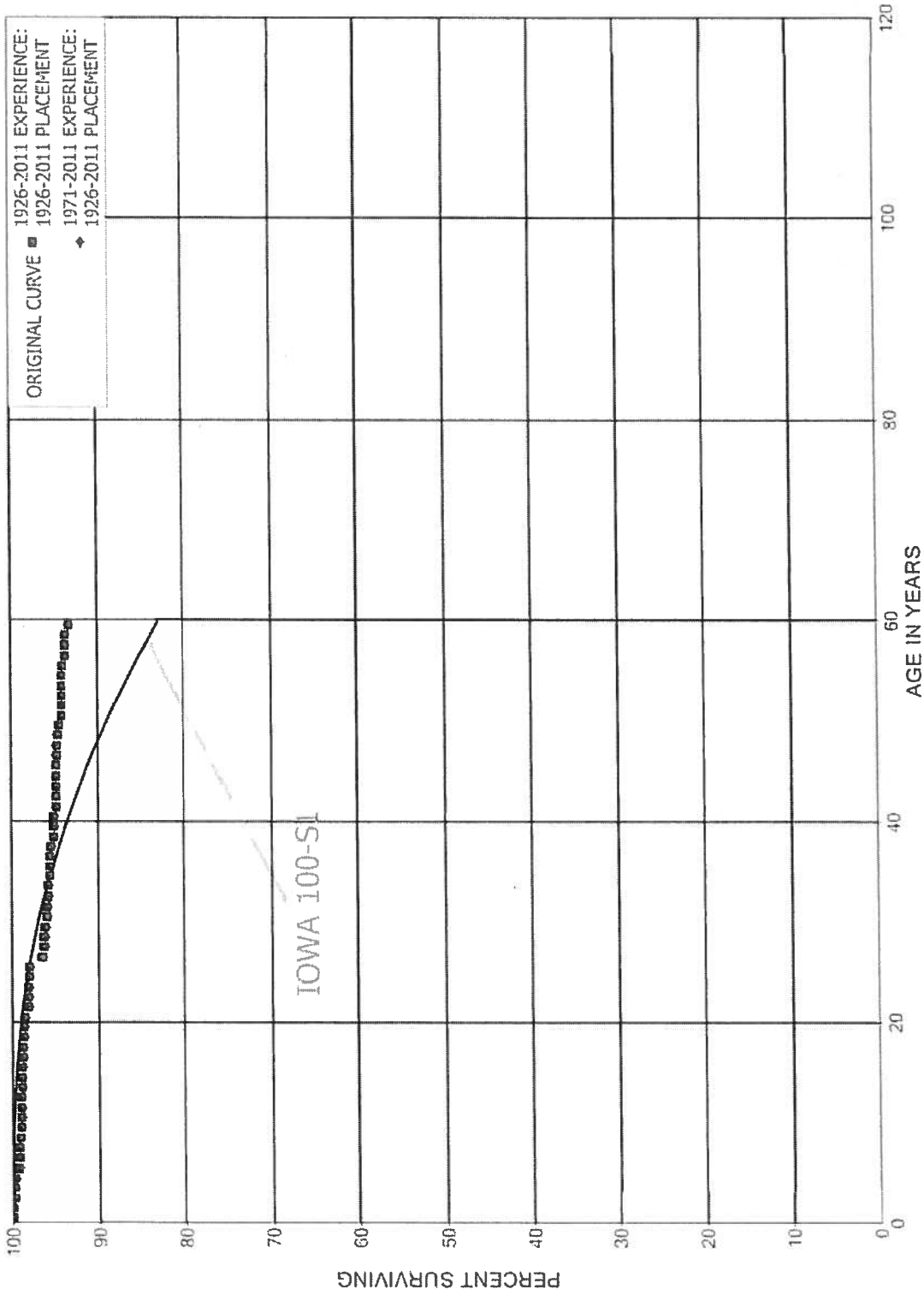
* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

Exhibit JJS-KU

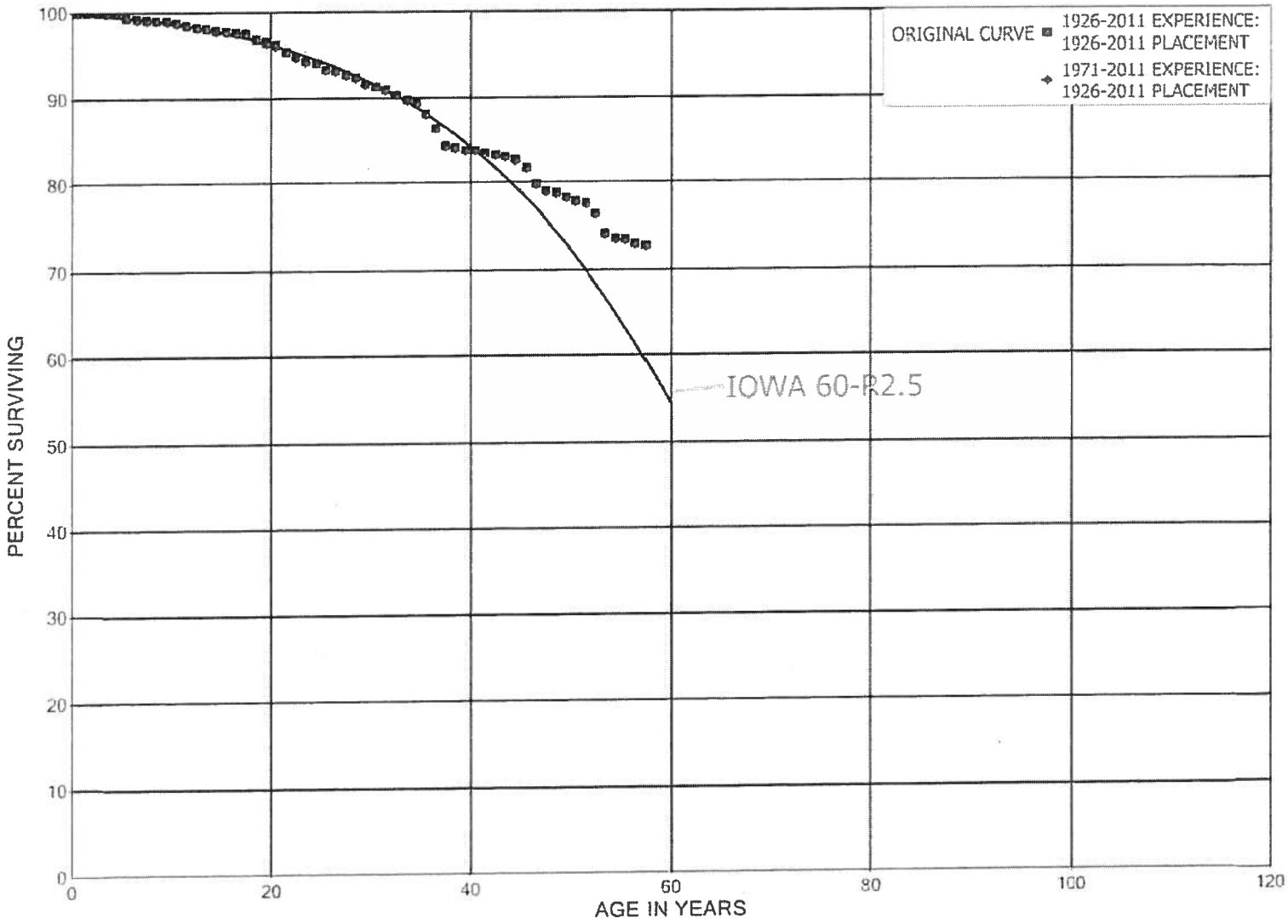
Depreciation Study Performed for Kentucky Utilities Company

III-11 SERVICE LIFE STATISTICS

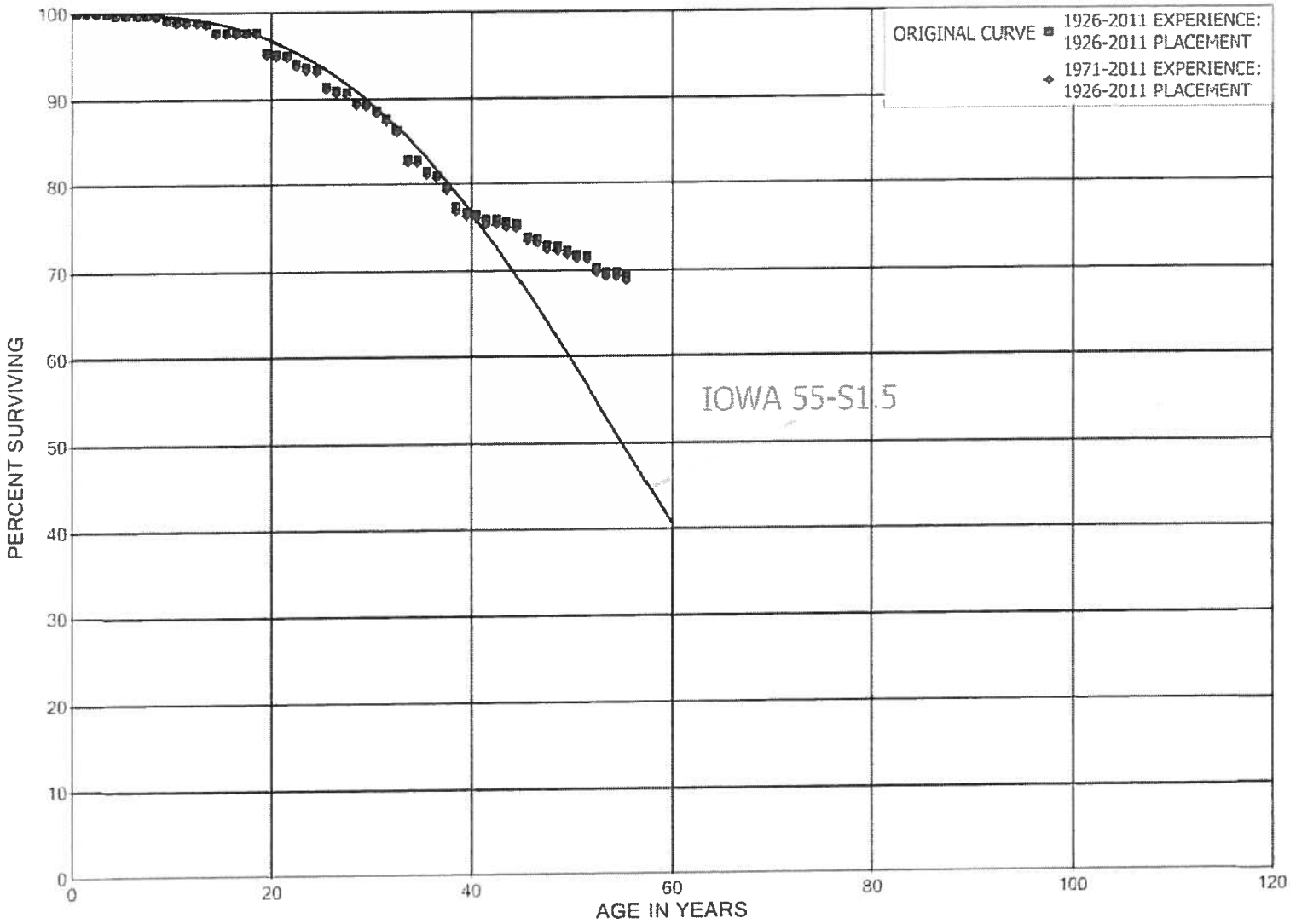
KENTUCKY UTILITIES COMPANY
ACCOUNT 311 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



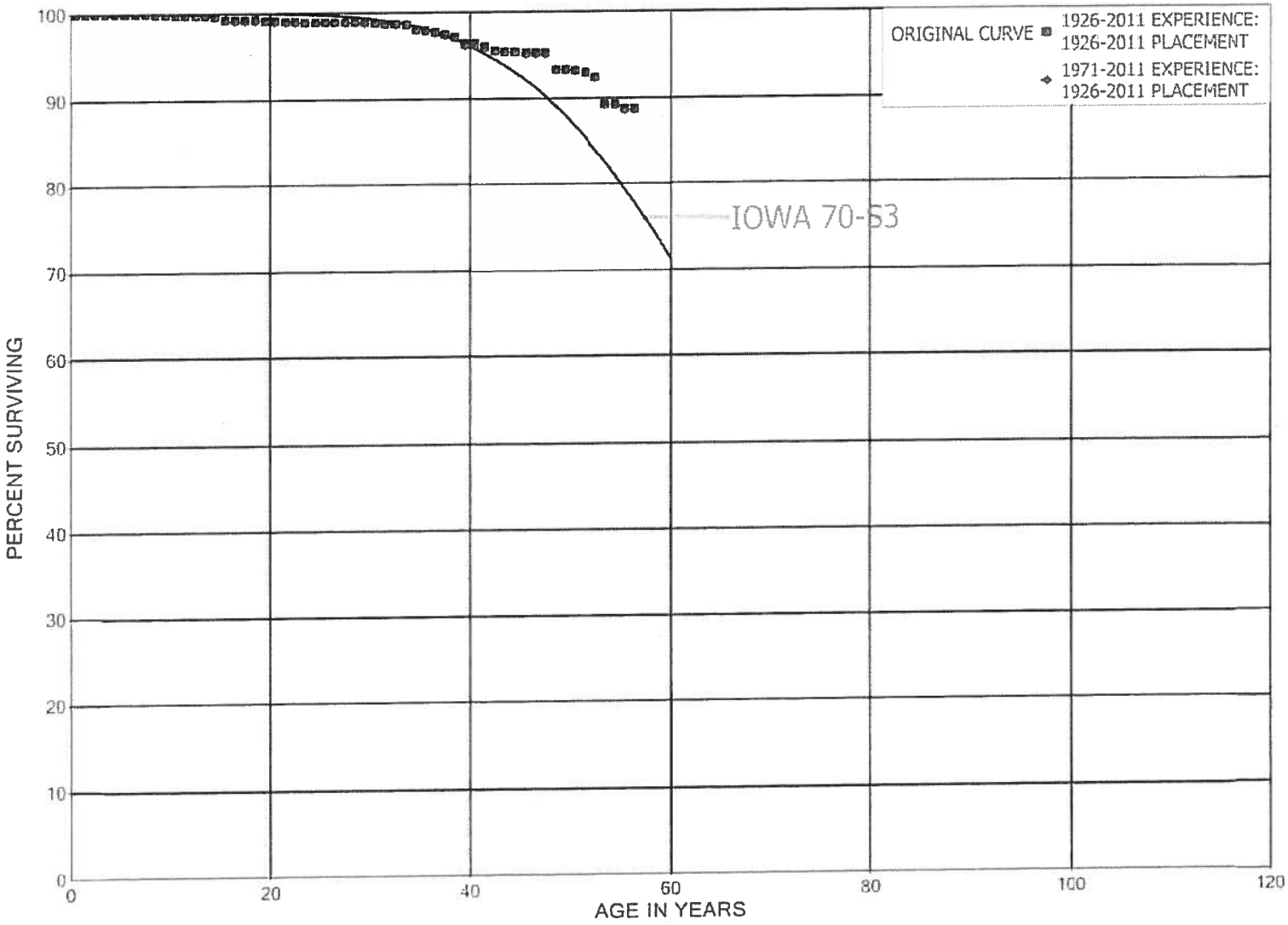
KENTUCKY UTILITIES COMPANY
ACCOUNT 312 BOILER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



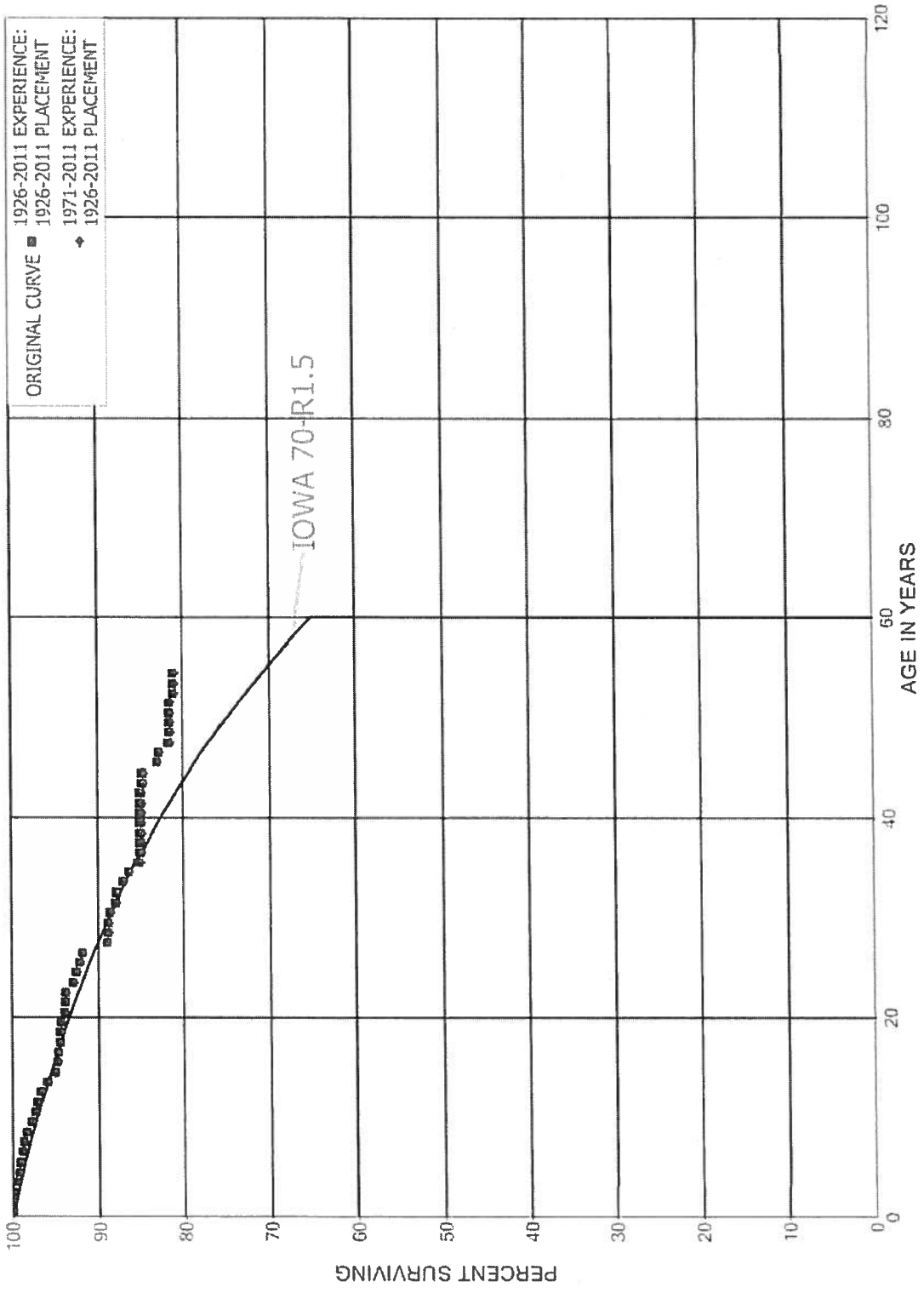
KENTUCKY UTILITIES COMPANY
ACCOUNT 314 TURBOGENERATOR UNITS
ORIGINAL AND SMOOTH SURVIVOR CURVES



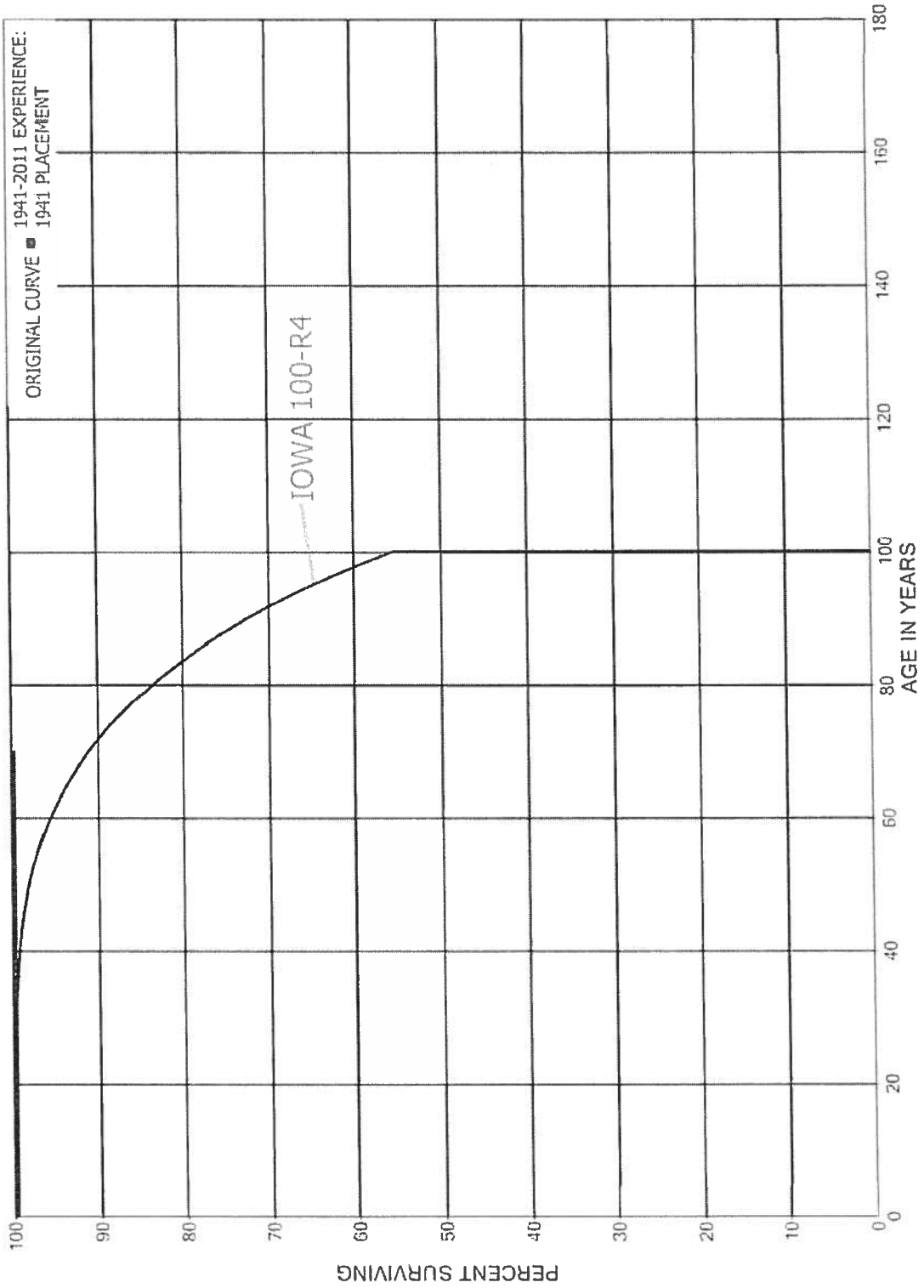
KENTUCKY UTILITIES COMPANY
ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



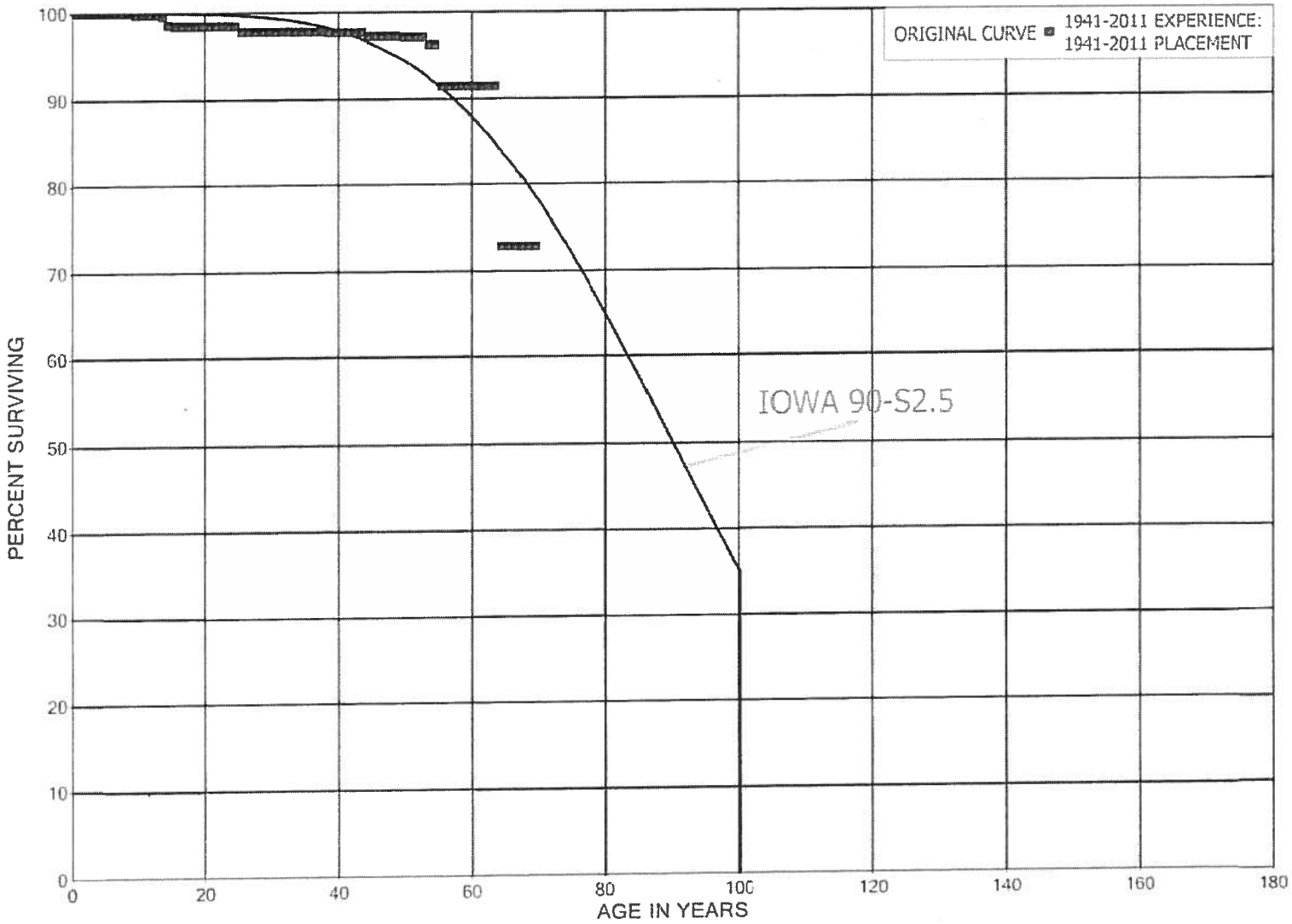
KENTUCKY UTILITIES COMPANY
ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



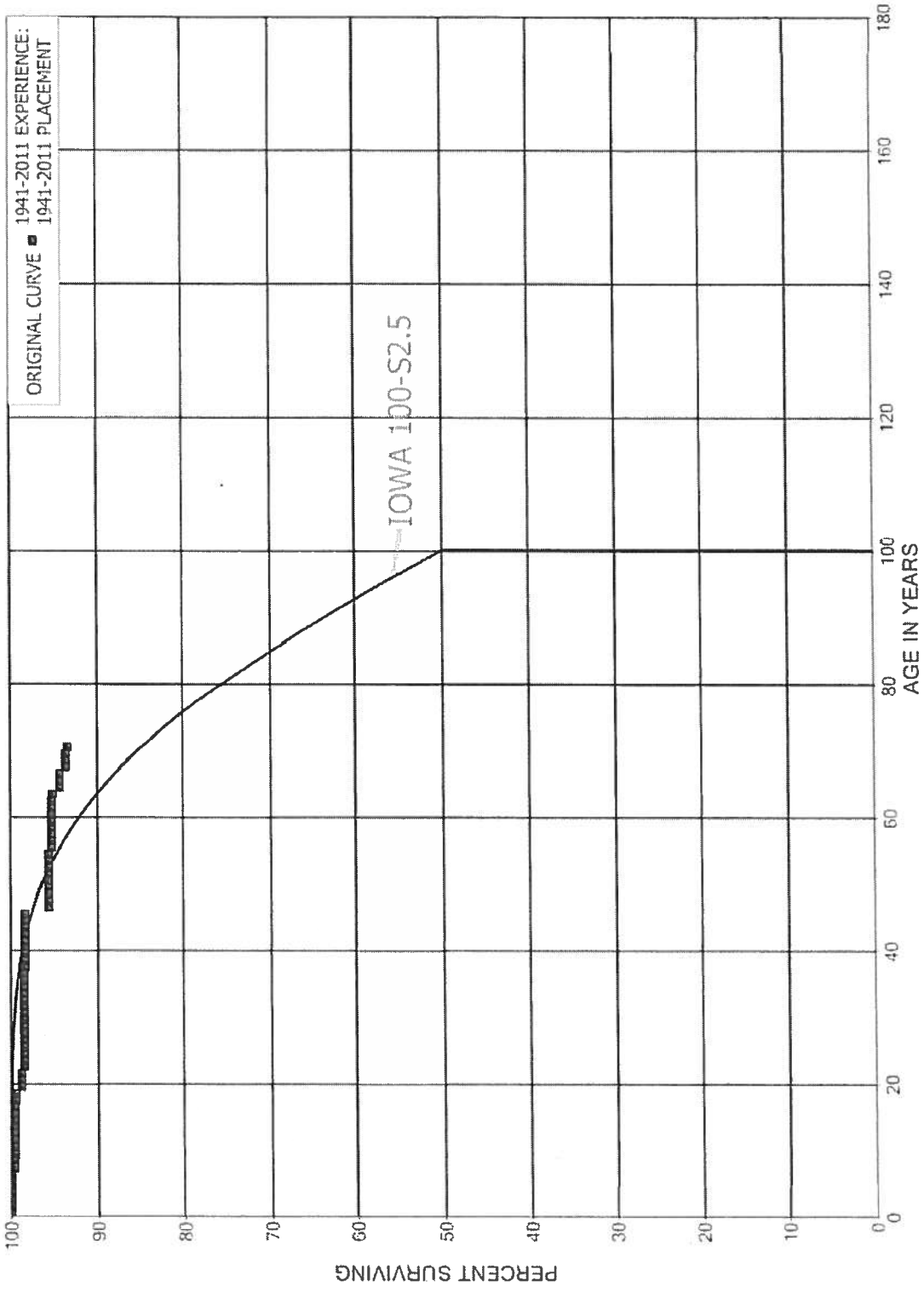
KENTUCKY UTILITIES COMPANY
ACCOUNT 330.1 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



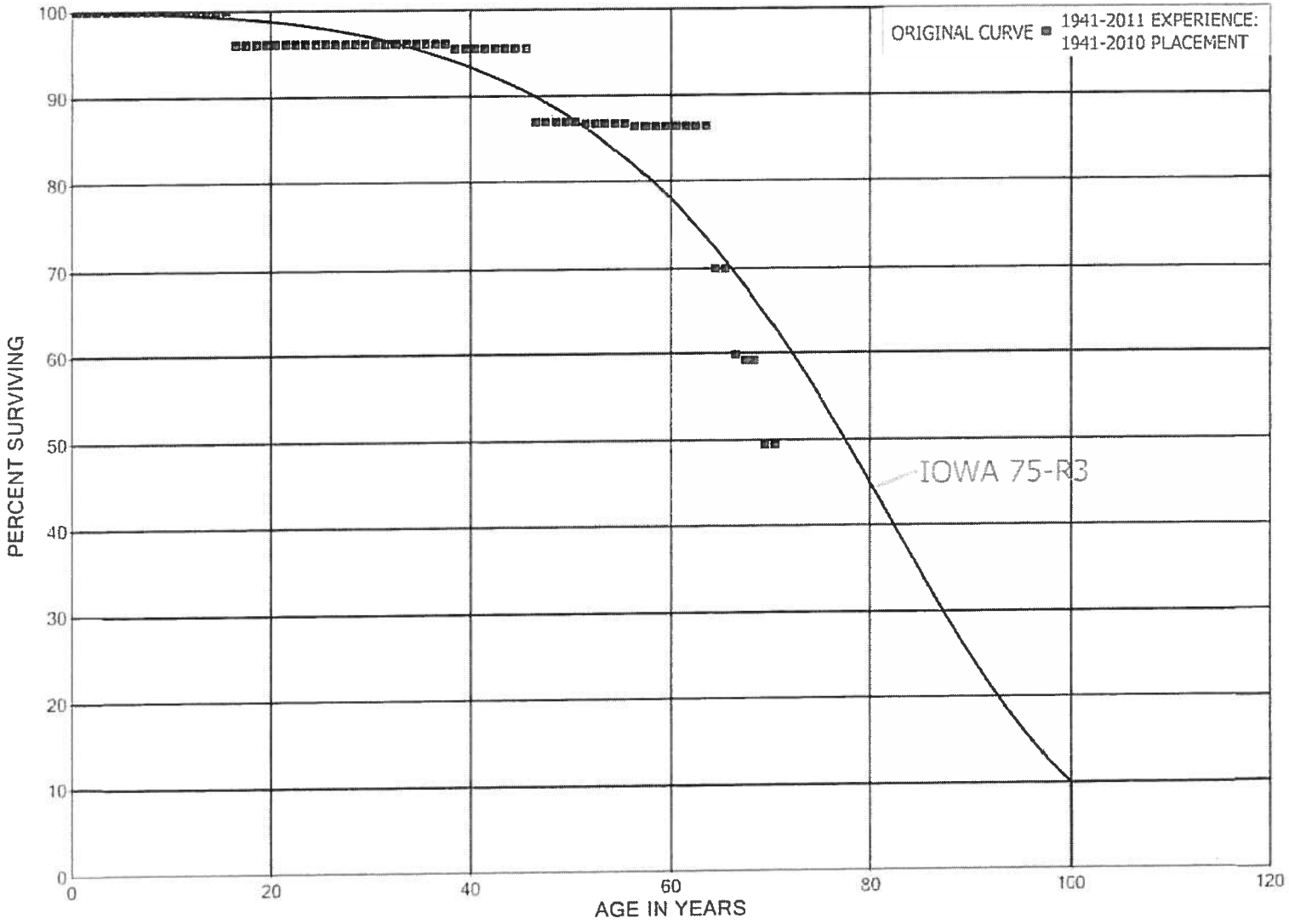
KENTUCKY UTILITIES COMPANY
ACCOUNT 331 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



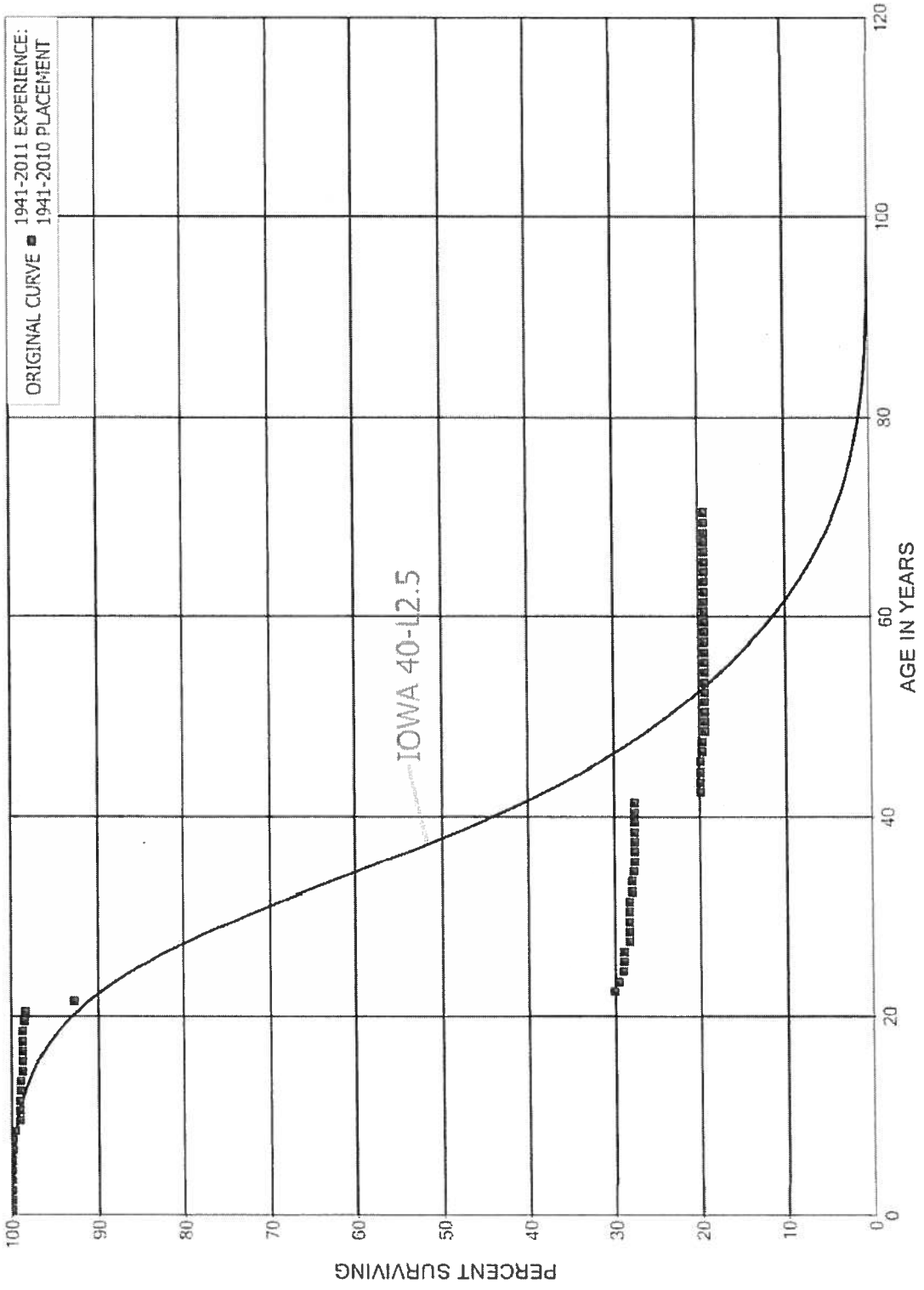
KENTUCKY UTILITIES COMPANY
ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAYS
ORIGINAL AND SMOOTH SURVIVOR CURVES



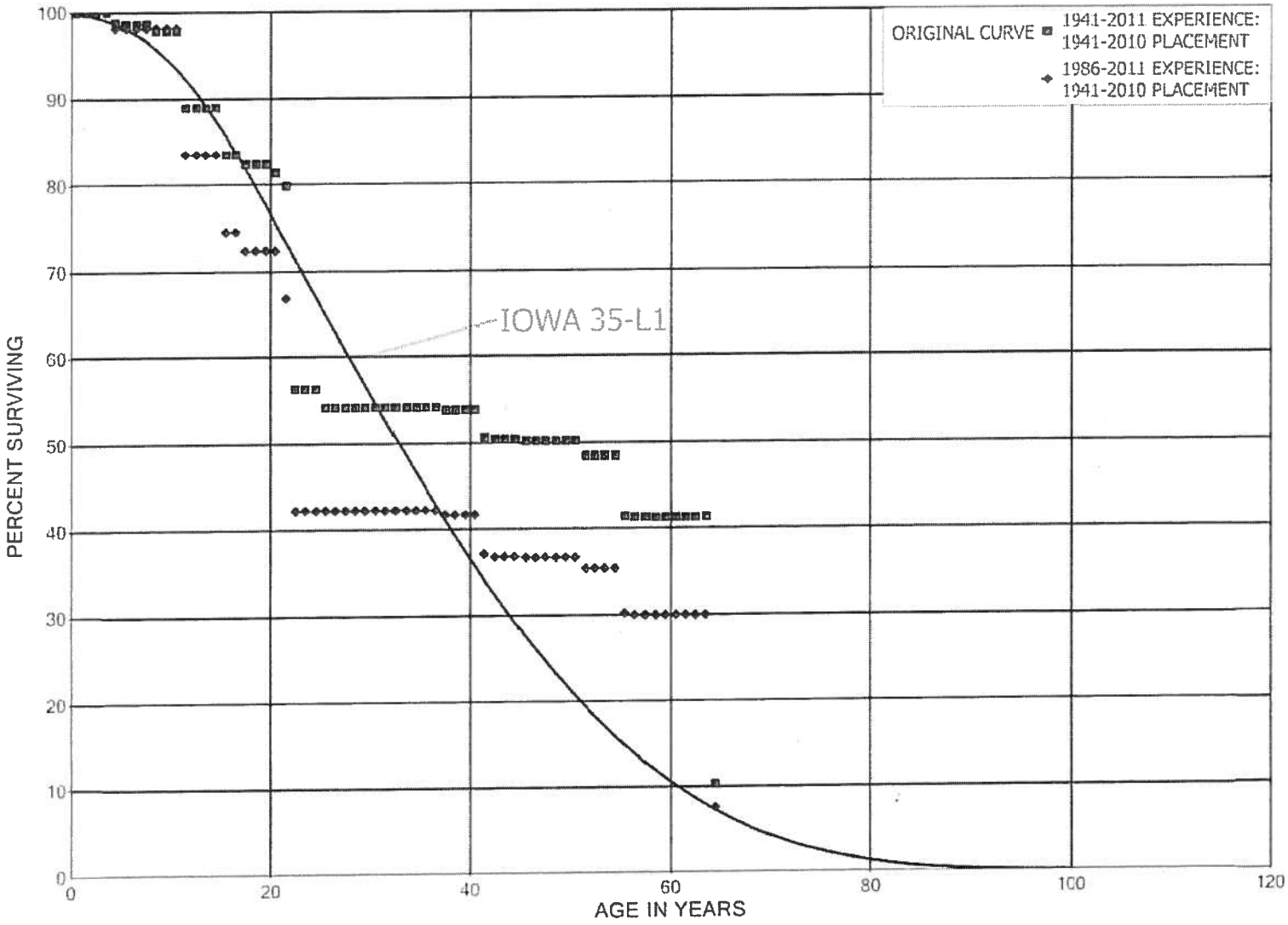
KENTUCKY UTILITIES COMPANY
ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



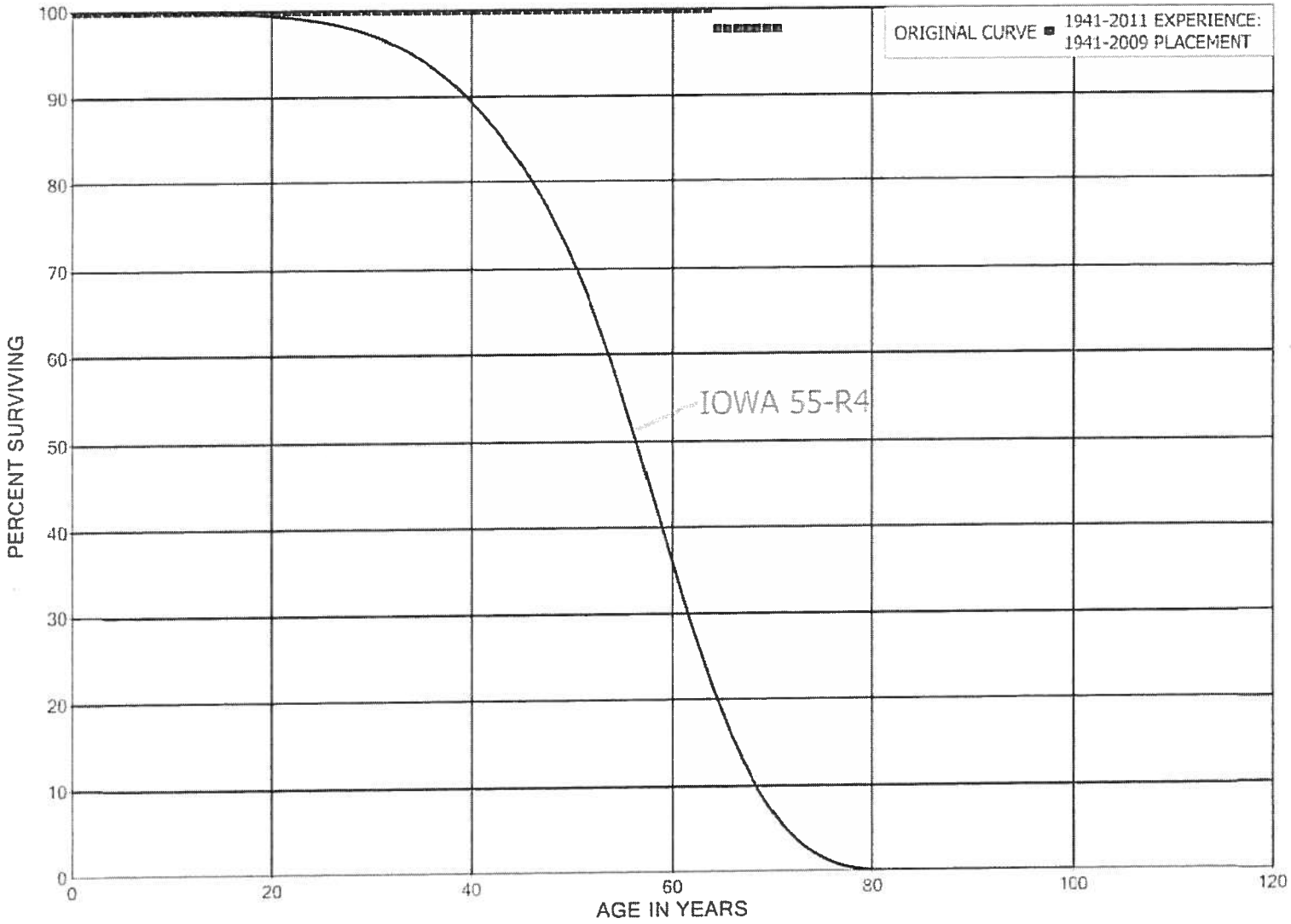
KENTUCKY UTILITIES COMPANY
ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



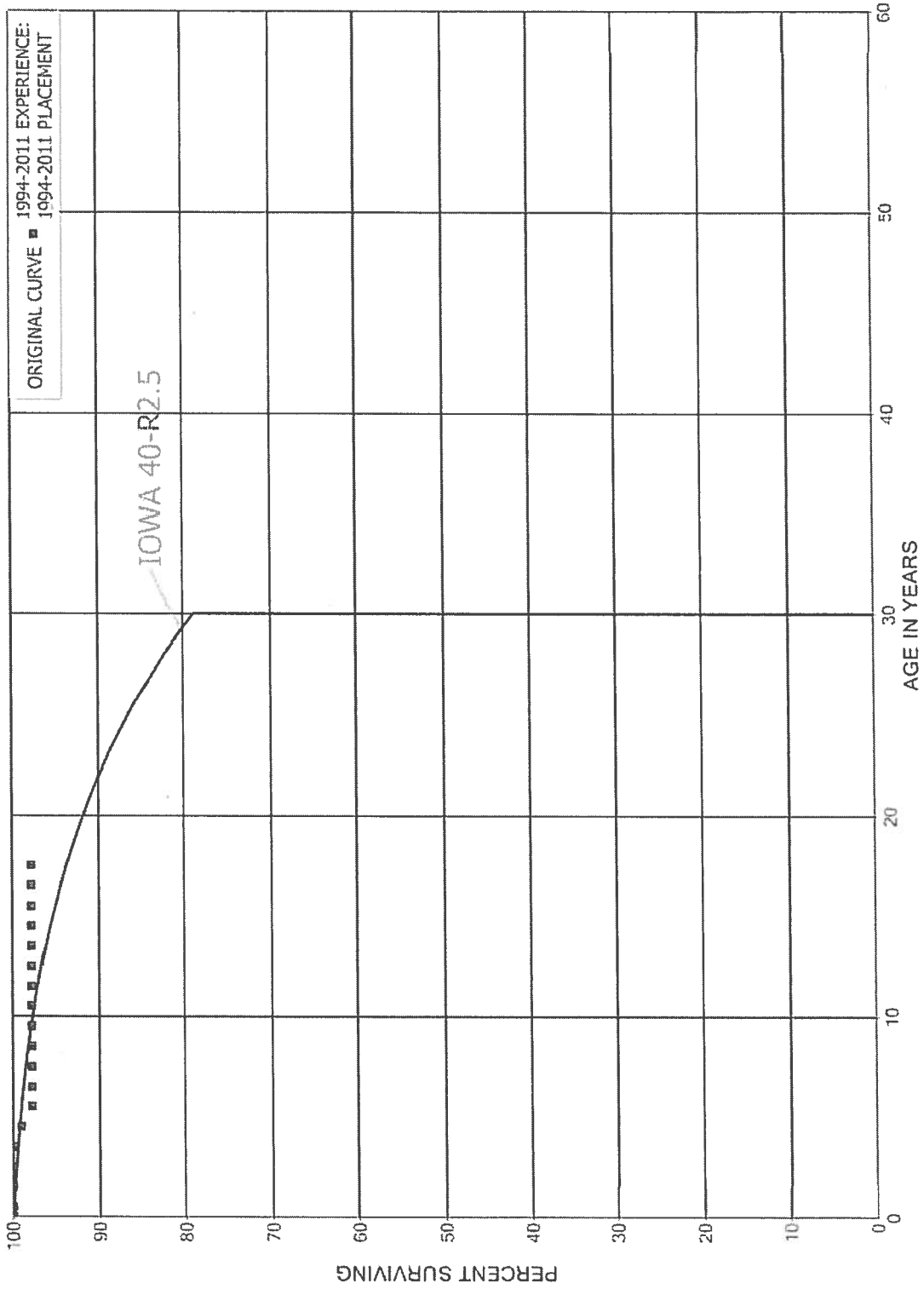
KENTUCKY UTILITIES COMPANY
ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



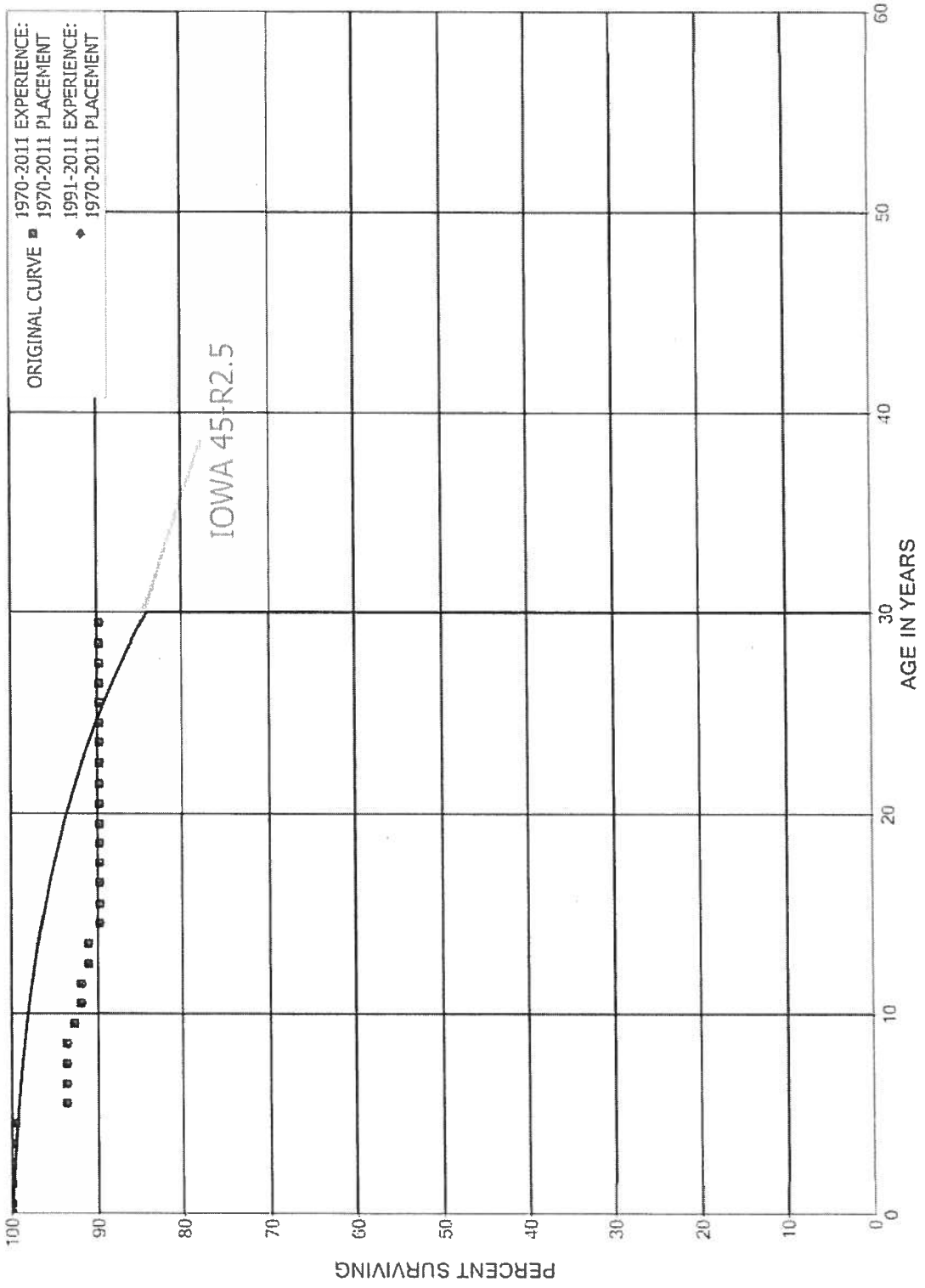
KENTUCKY UTILITIES COMPANY
ACCOUNT 336 ROADS, RAILROADS, AND BRIDGES
ORIGINAL AND SMOOTH SURVIVOR CURVES



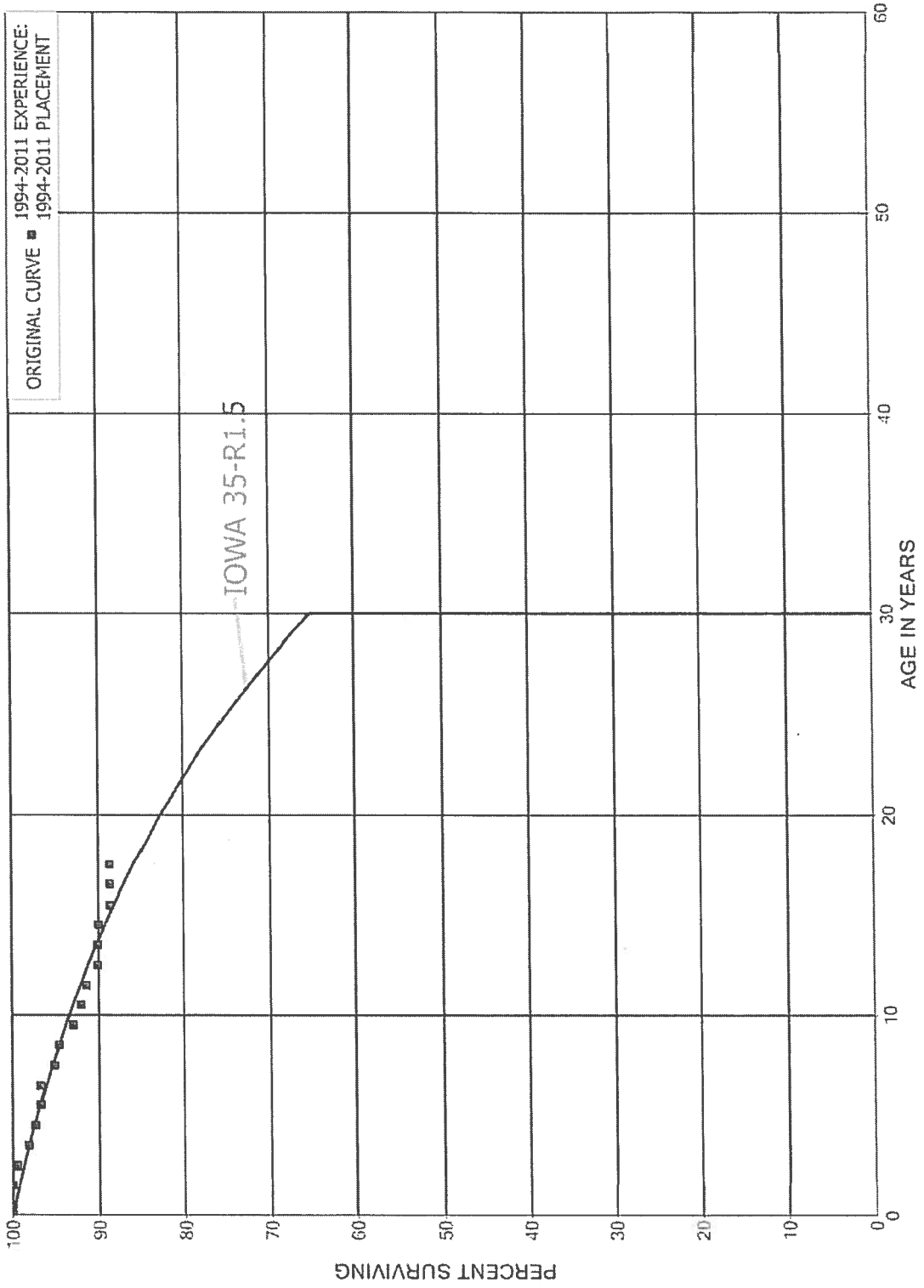
KENTUCKY UTILITIES COMPANY
ACCOUNT 341 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



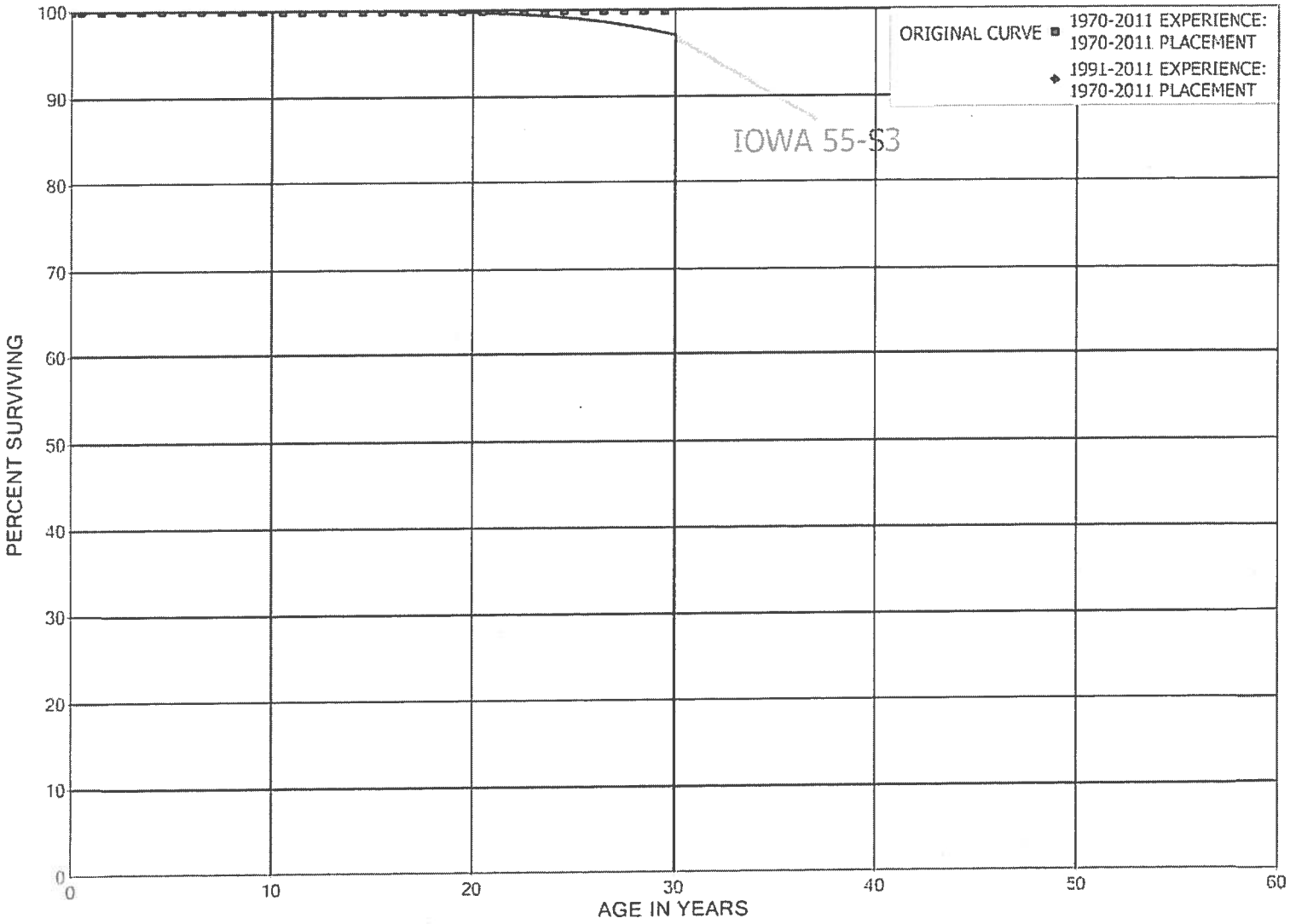
KENTUCKY UTILITIES COMPANY
ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES
ORIGINAL AND SMOOTH SURVIVOR CURVES



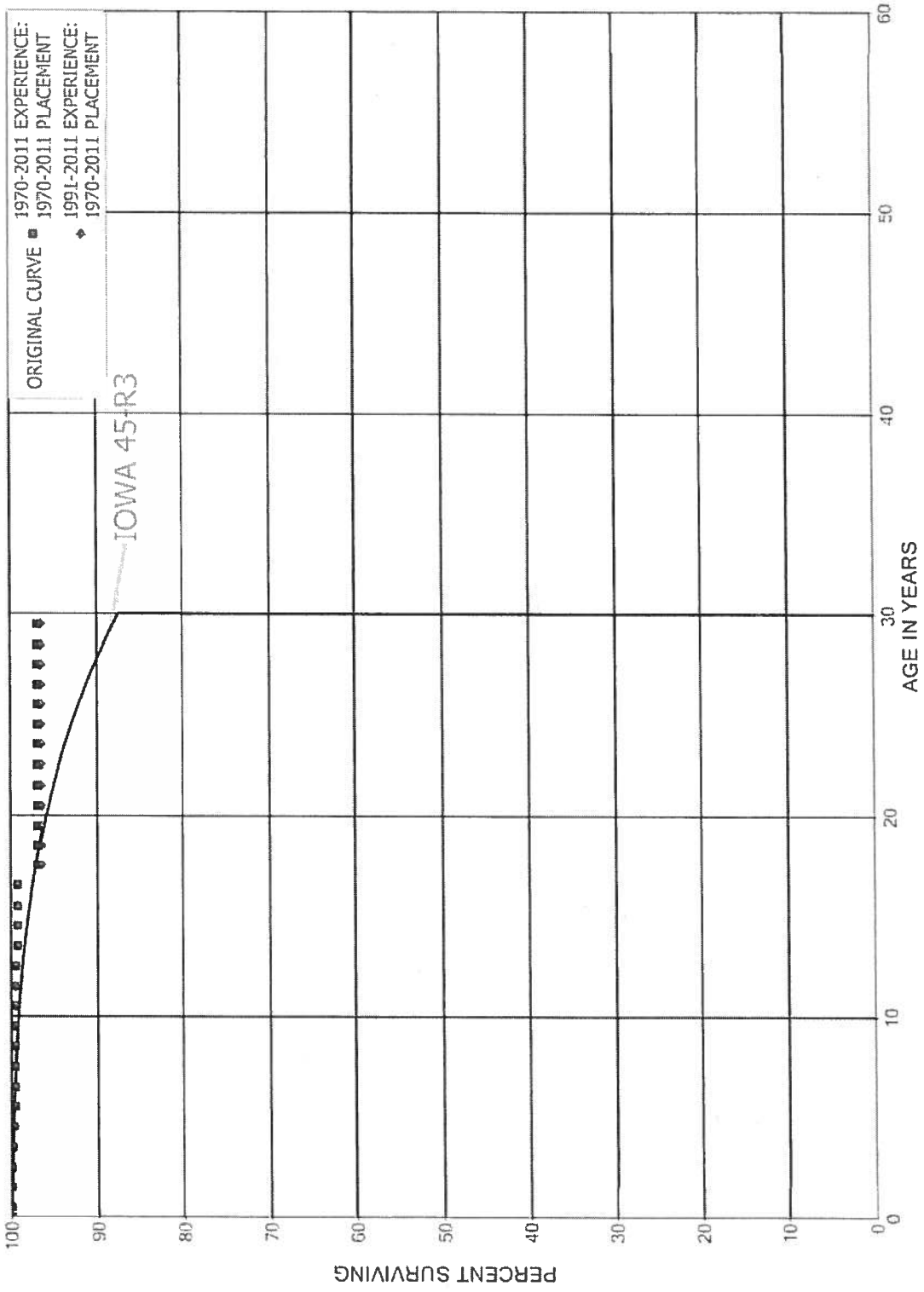
KENTUCKY UTILITIES COMPANY
ACCOUNT 343 PRIME MOVERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



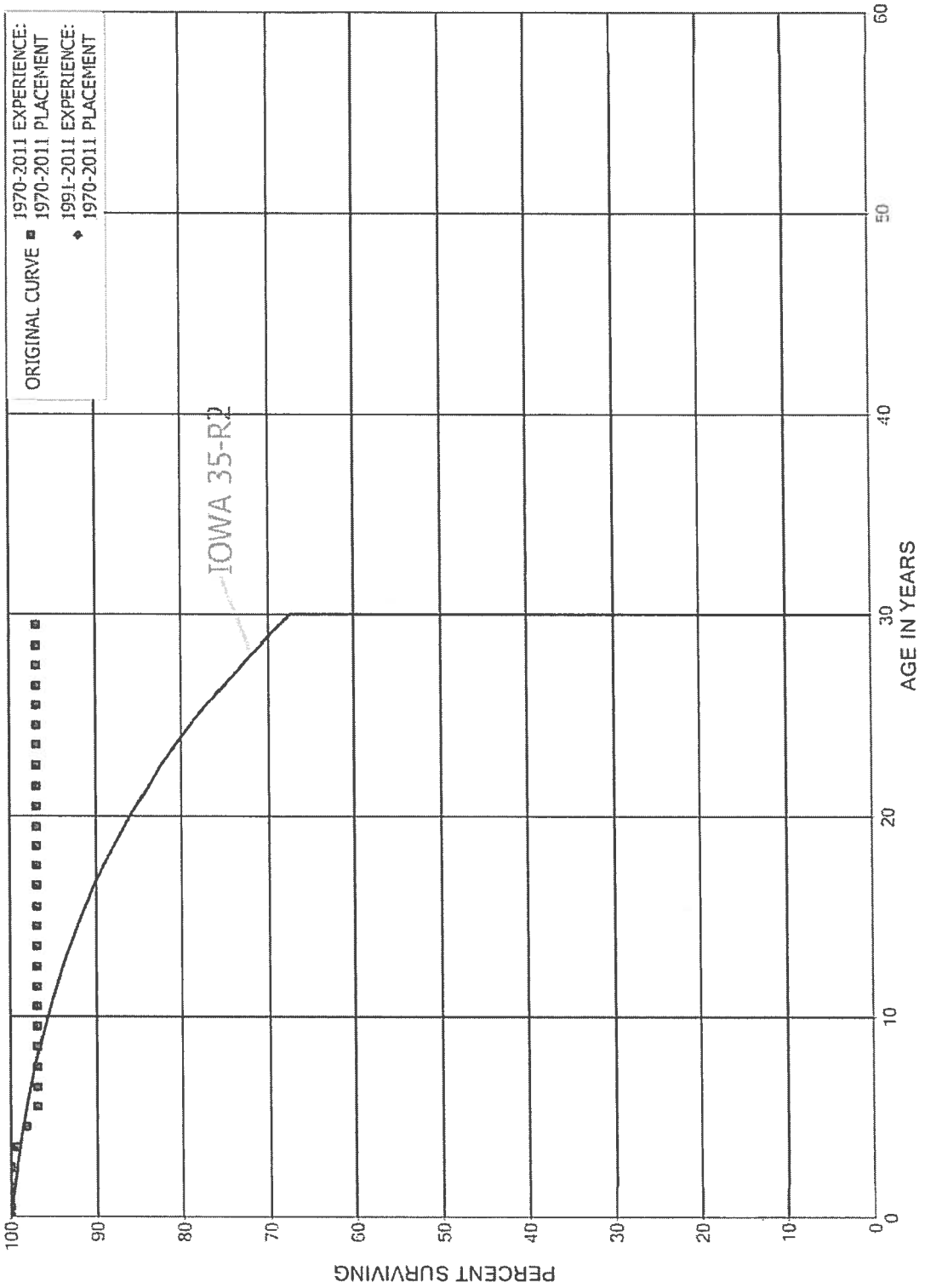
KENTUCKY UTILITIES COMPANY
ACCOUNT 344 GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



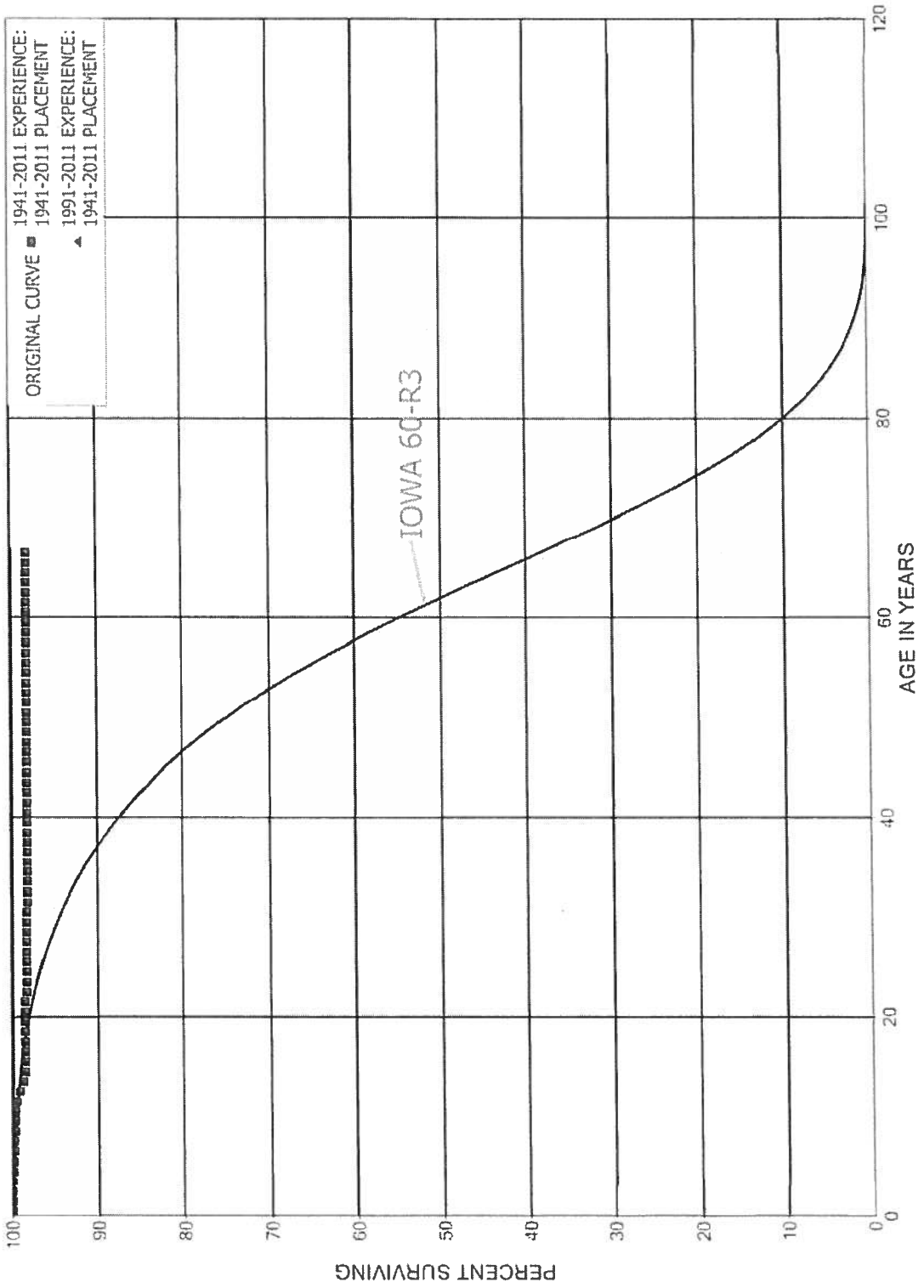
KENTUCKY UTILITIES COMPANY
ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



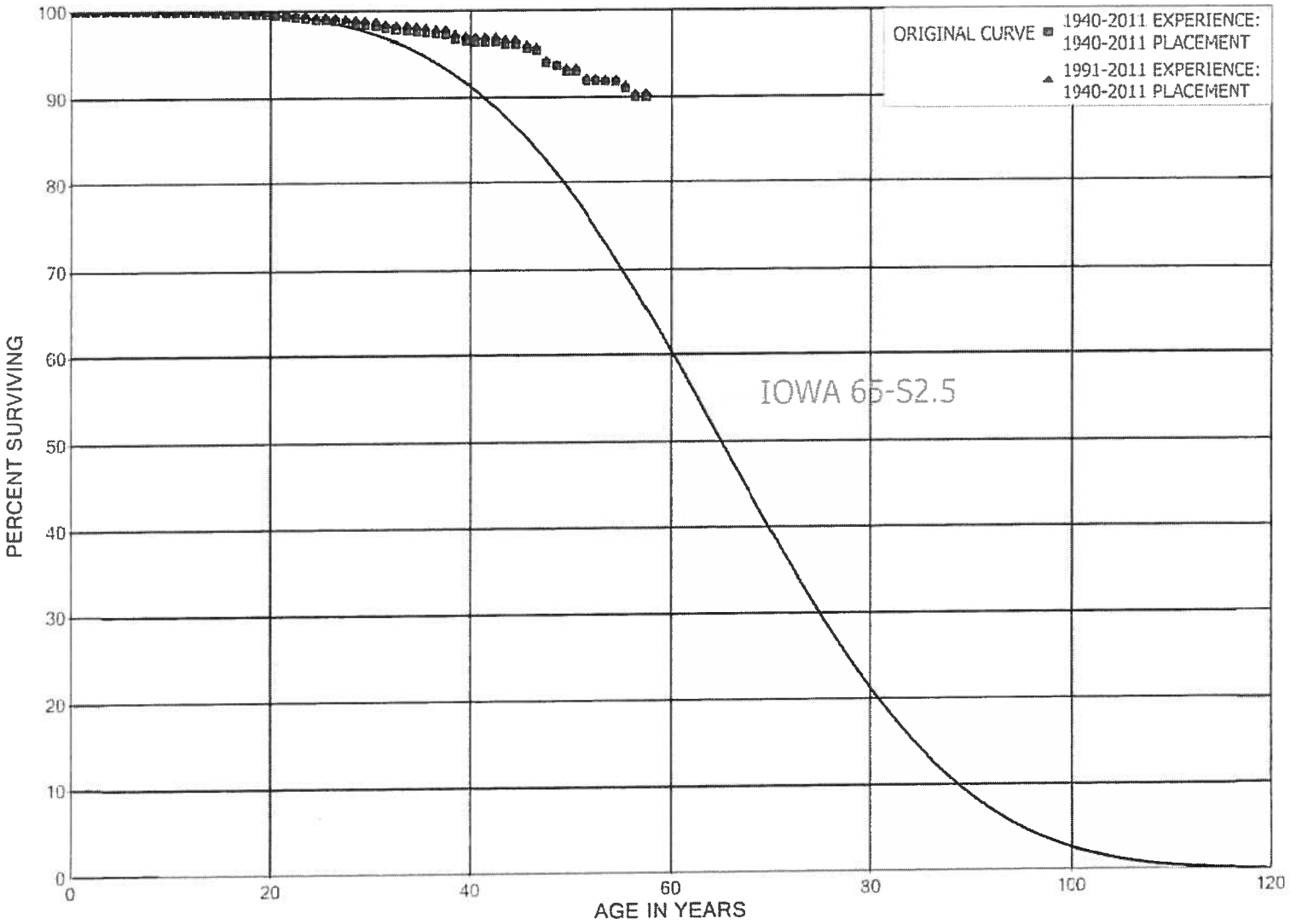
KENTUCKY UTILITIES COMPANY
ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



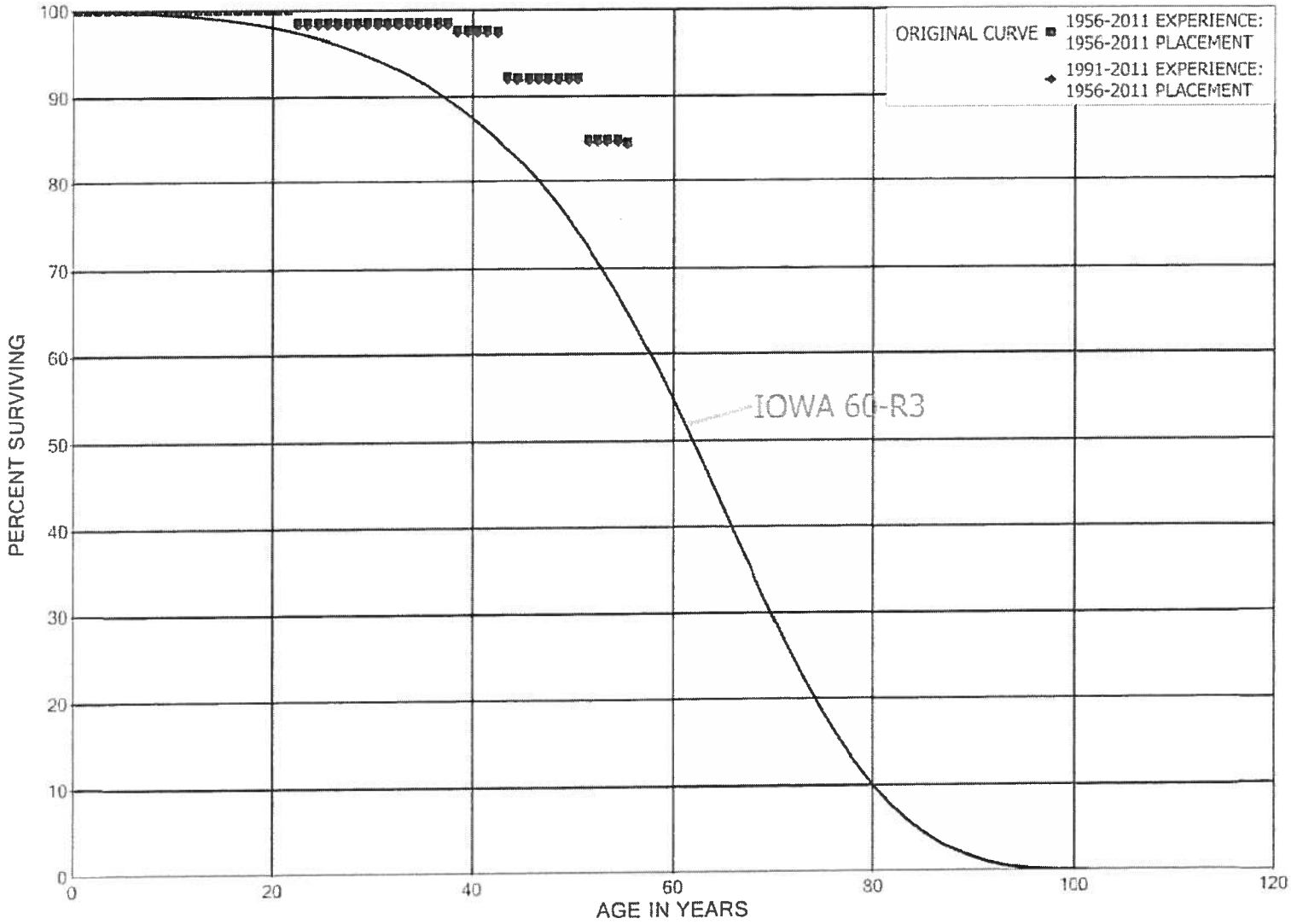
KENTUCKY UTILITIES COMPANY
ACCOUNT 350.1 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



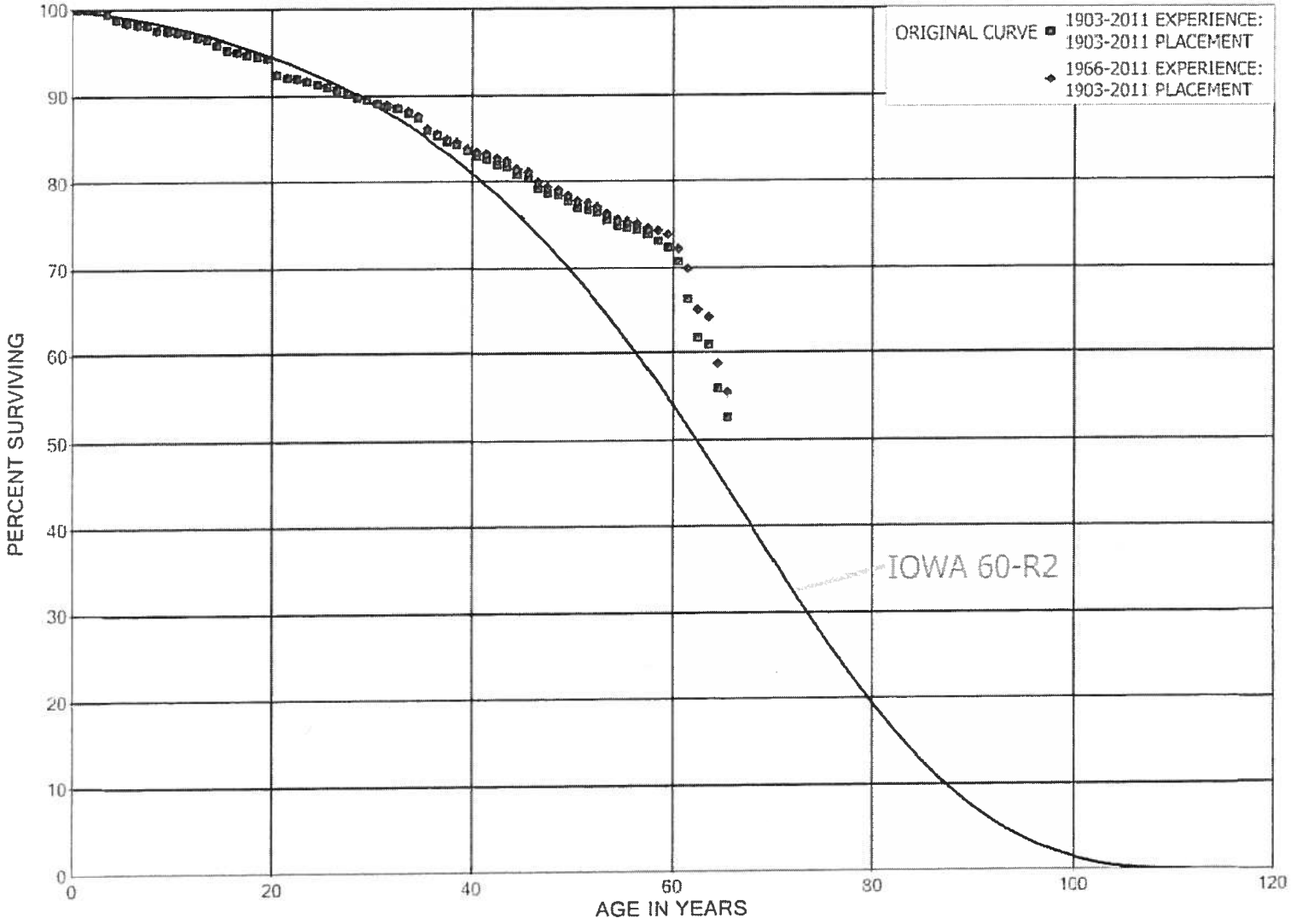
KENTUCKY UTILITIES COMPANY
ACCOUNT 352.1 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



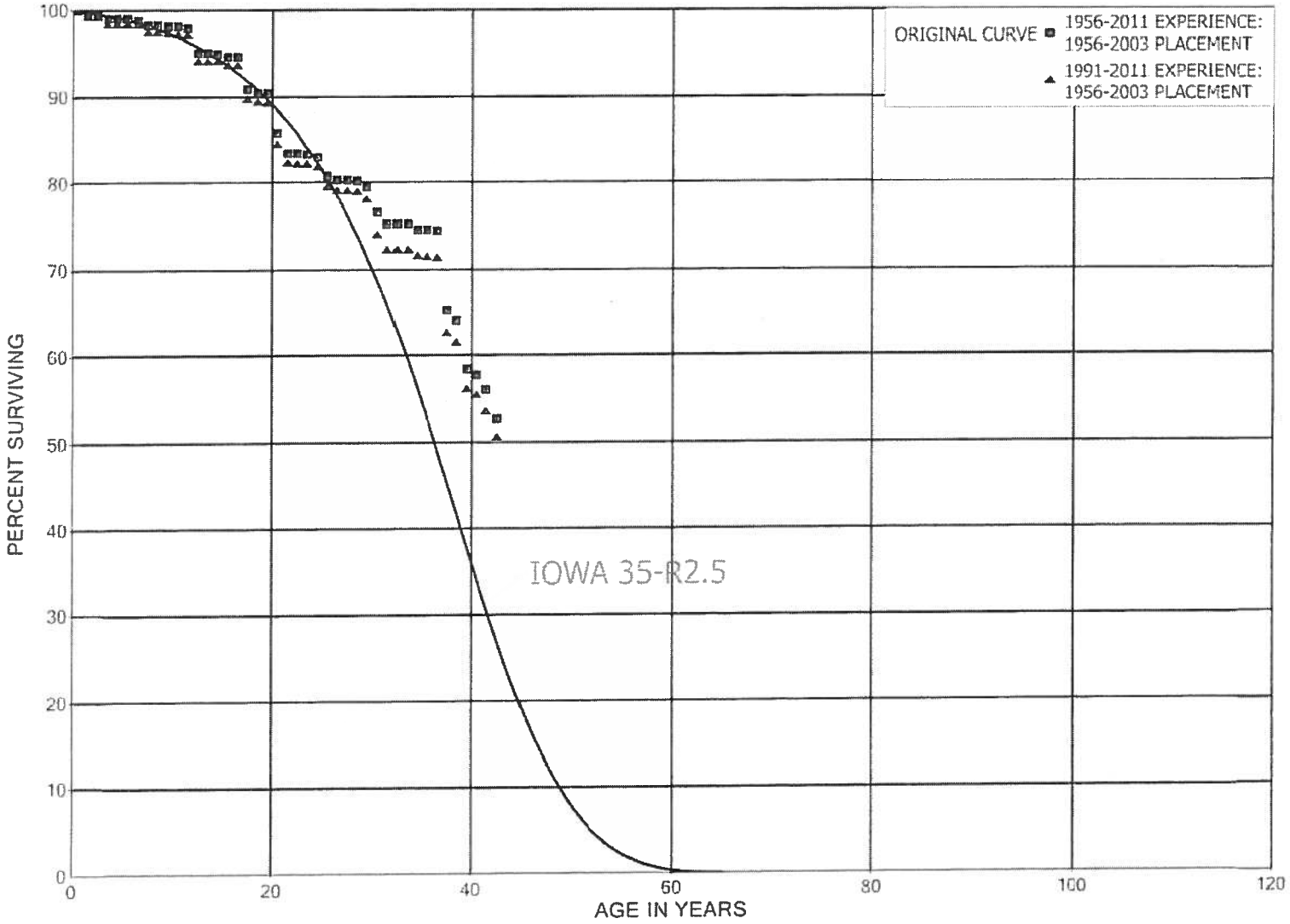
KENTUCKY UTILITIES COMPANY
ACCOUNT 352.2 STRUCTURES AND IMPROVEMENTS - SYS CONTROL/COM
ORIGINAL AND SMOOTH SURVIVOR CURVES



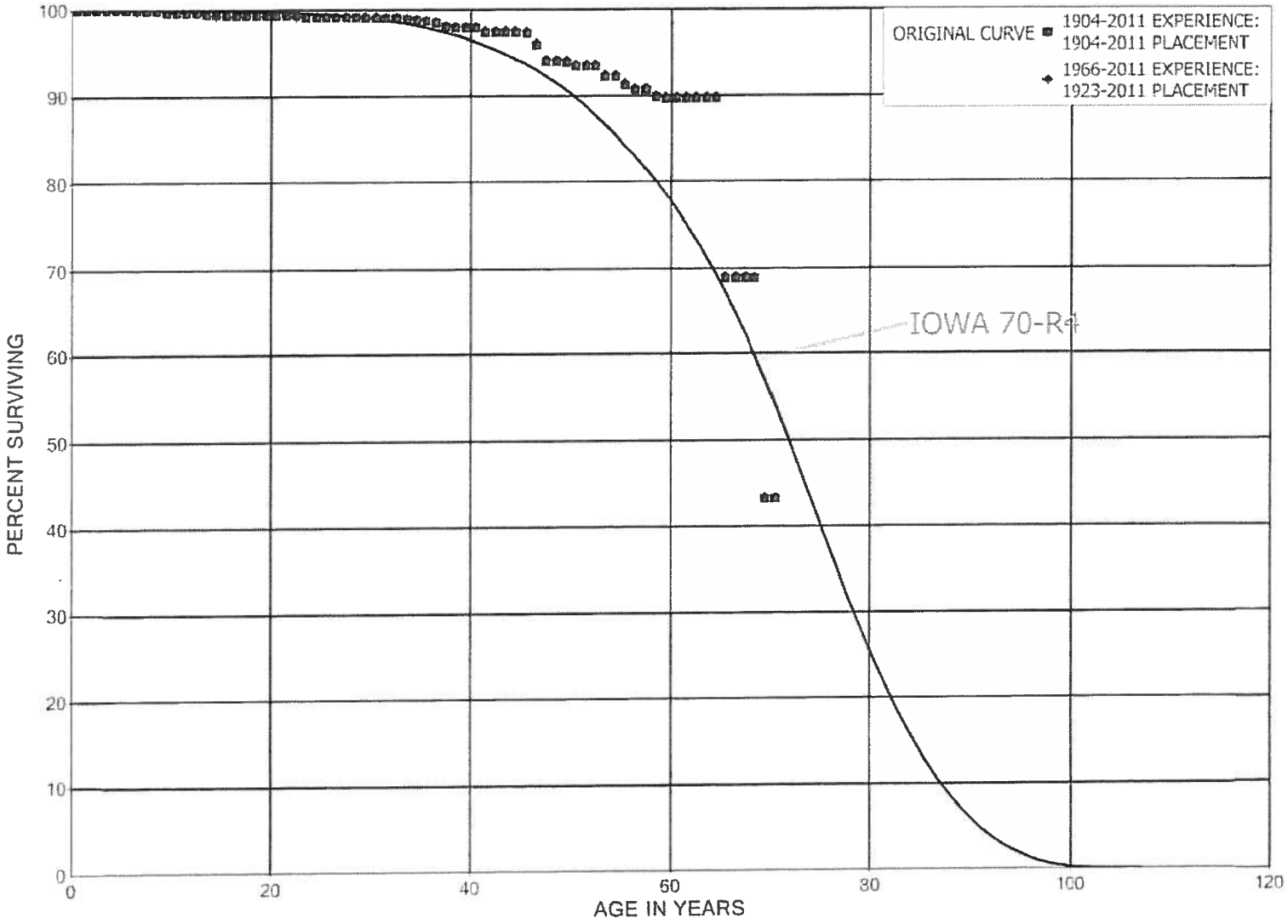
KENTUCKY UTILITIES COMPANY
ACCOUNT 353.1 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



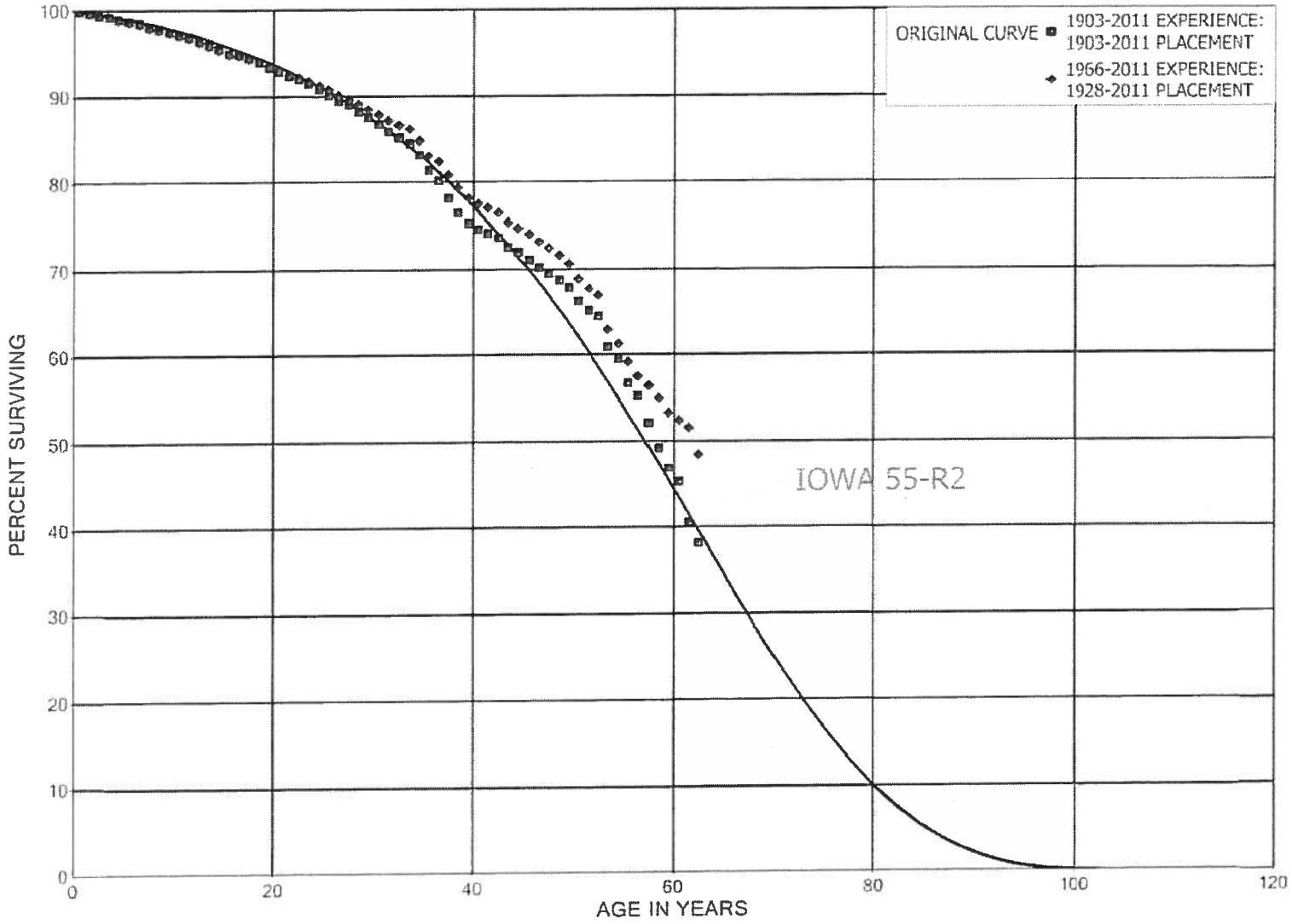
KENTUCKY UTILITIES COMPANY
ACCOUNT 353.2 STATION EQUIPMENT - SYS CONTROL/COM
ORIGINAL AND SMOOTH SURVIVOR CURVES



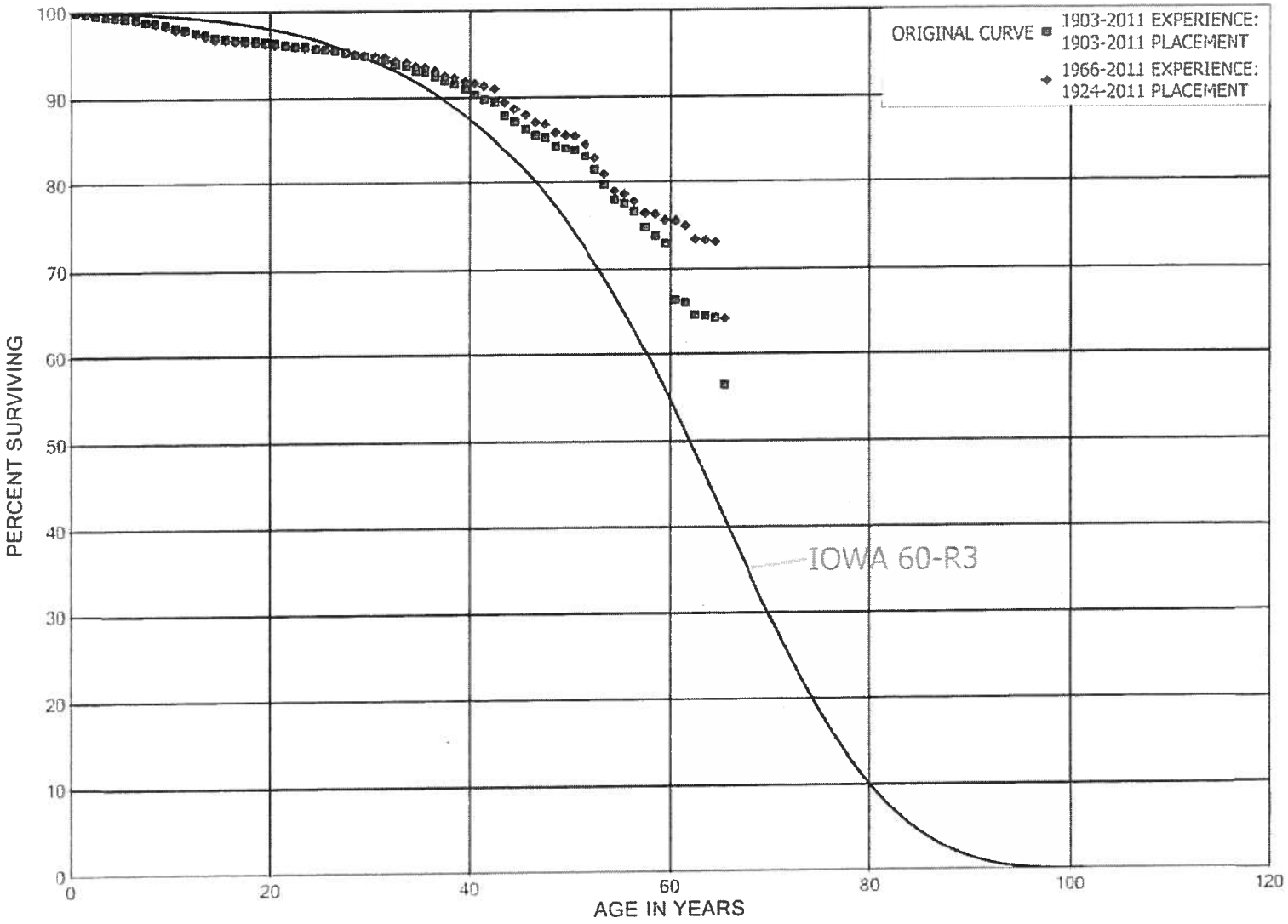
KENTUCKY UTILITIES COMPANY
ACCOUNT 354 TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



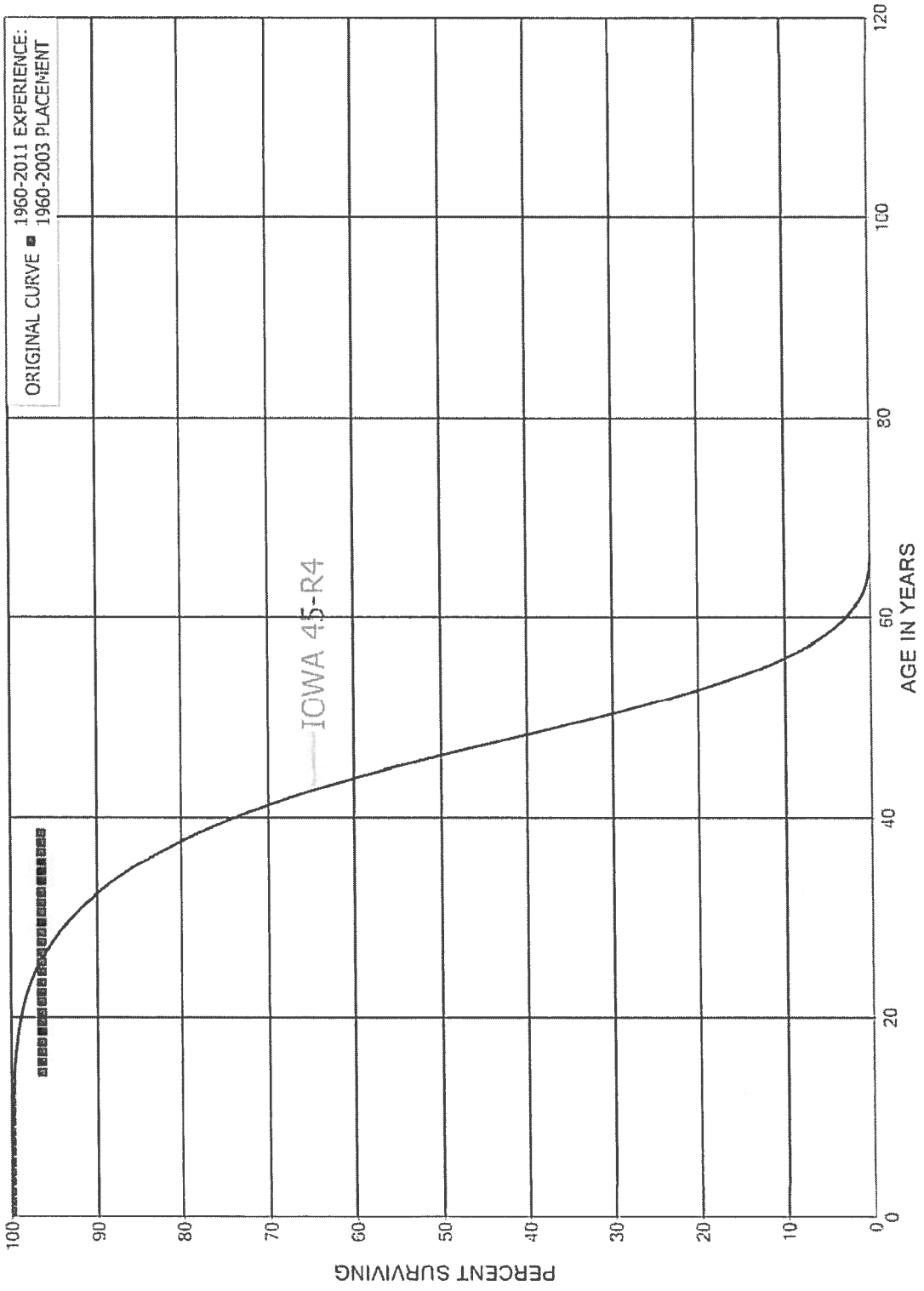
KENTUCKY UTILITIES COMPANY
ACCOUNT 355 POLES AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



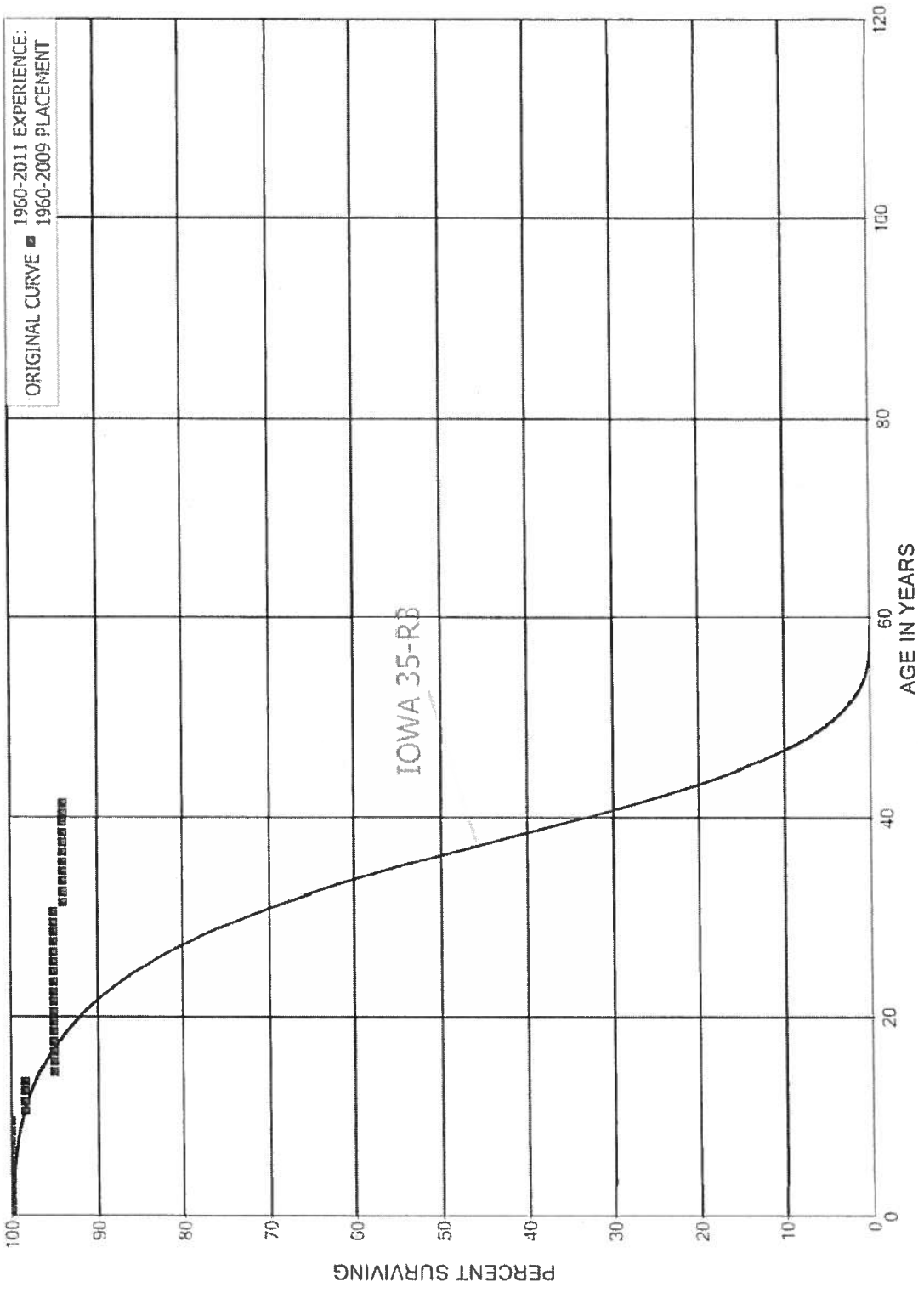
KENTUCKY UTILITIES COMPANY
ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



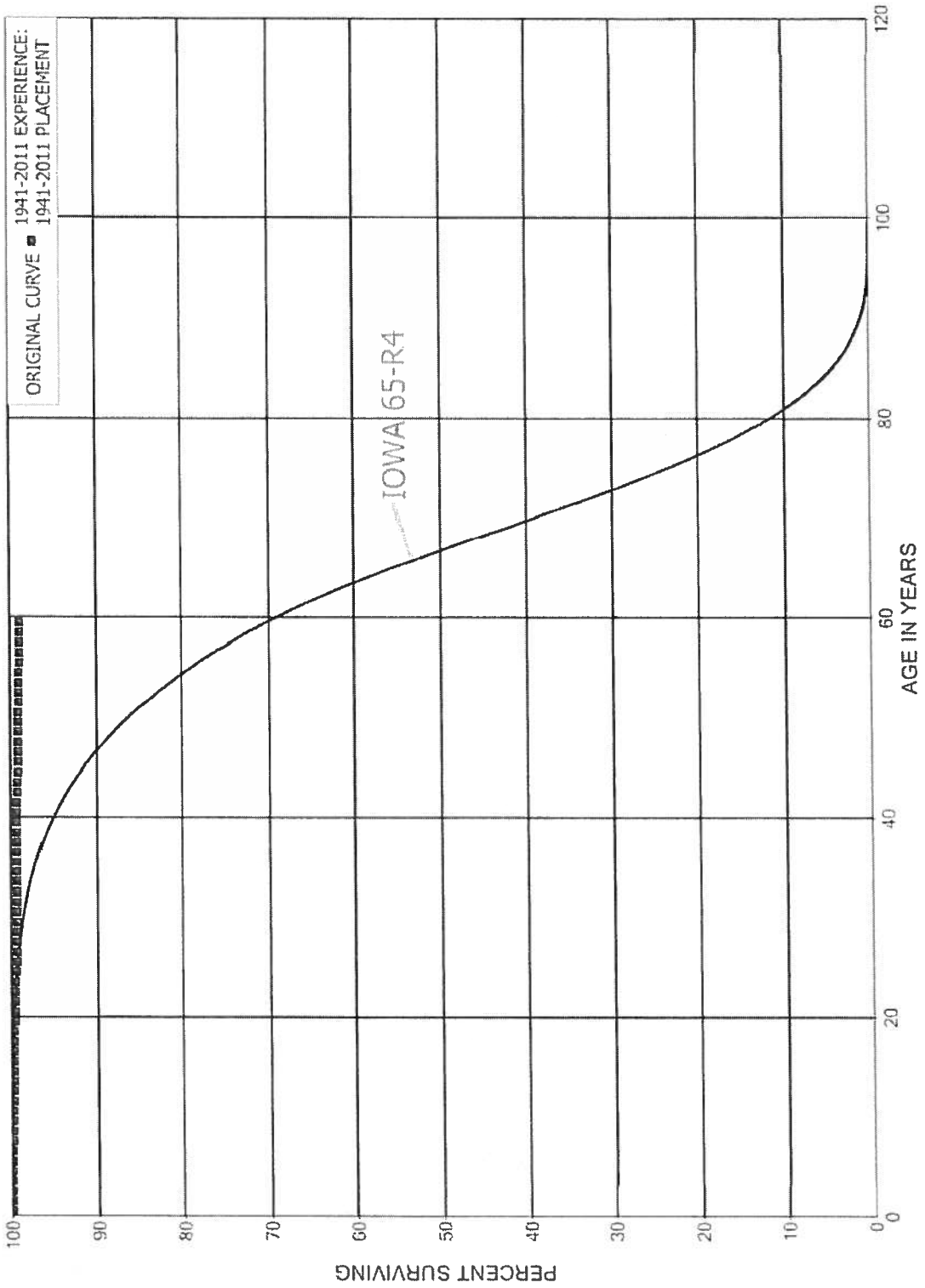
KENTUCKY UTILITIES COMPANY
ACCOUNT 357 UNDERGROUND CONDUIT
ORIGINAL AND SMOOTH SURVIVOR CURVES



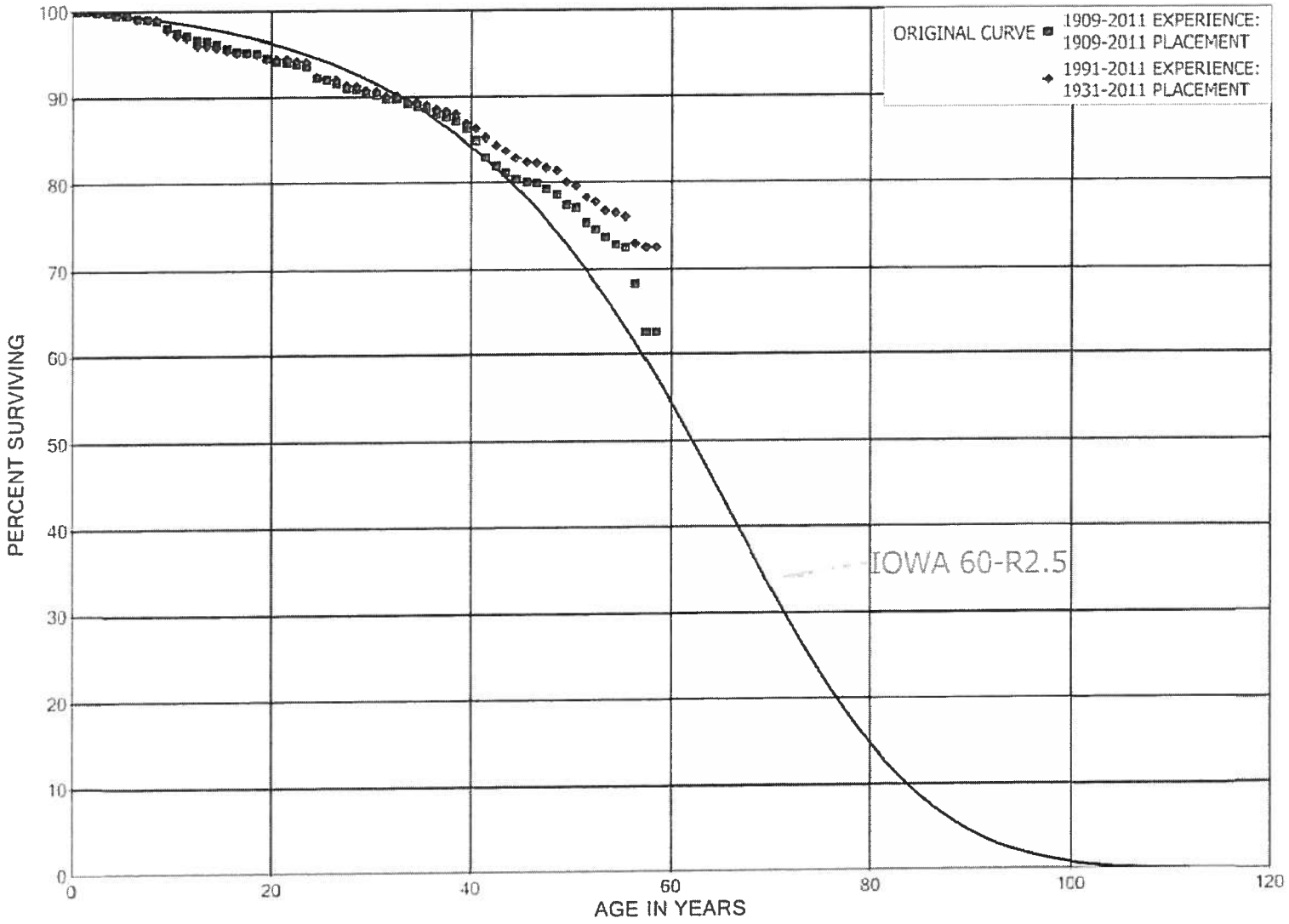
KENTUCKY UTILITIES COMPANY
ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



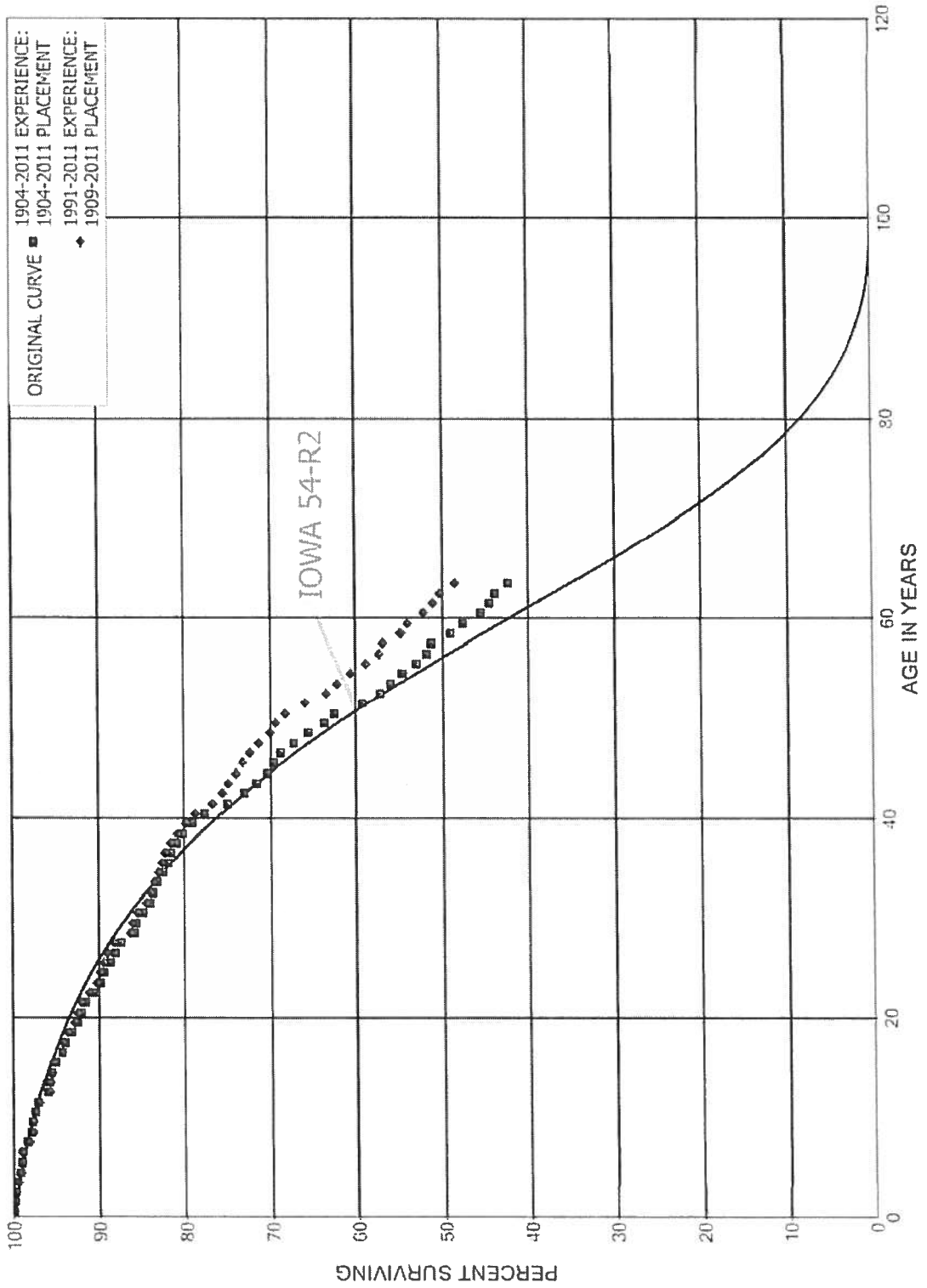
KENTUCKY UTILITIES COMPANY
ACCOUNT 360.1 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



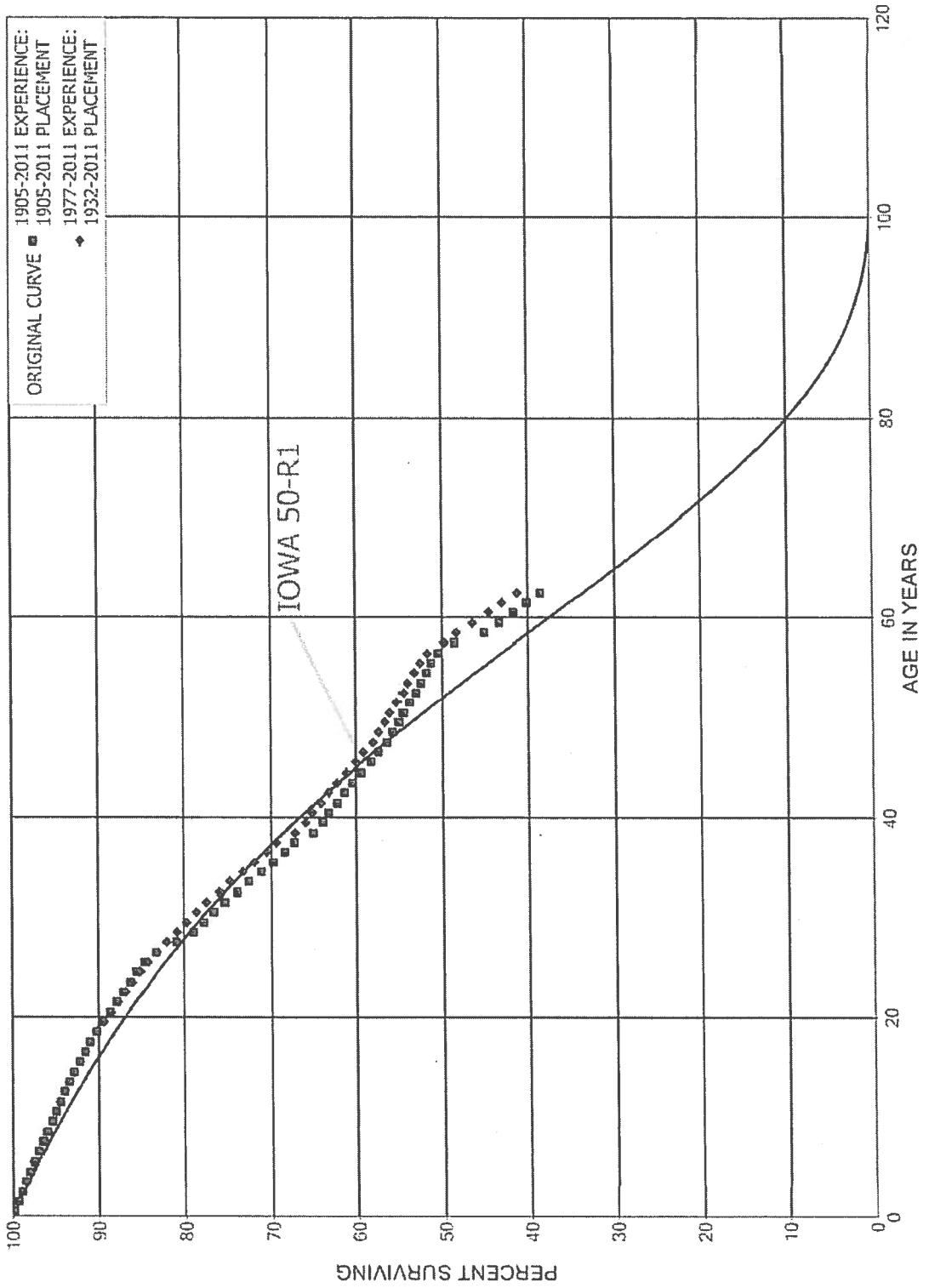
KENTUCKY UTILITIES COMPANY
ACCOUNT 361 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



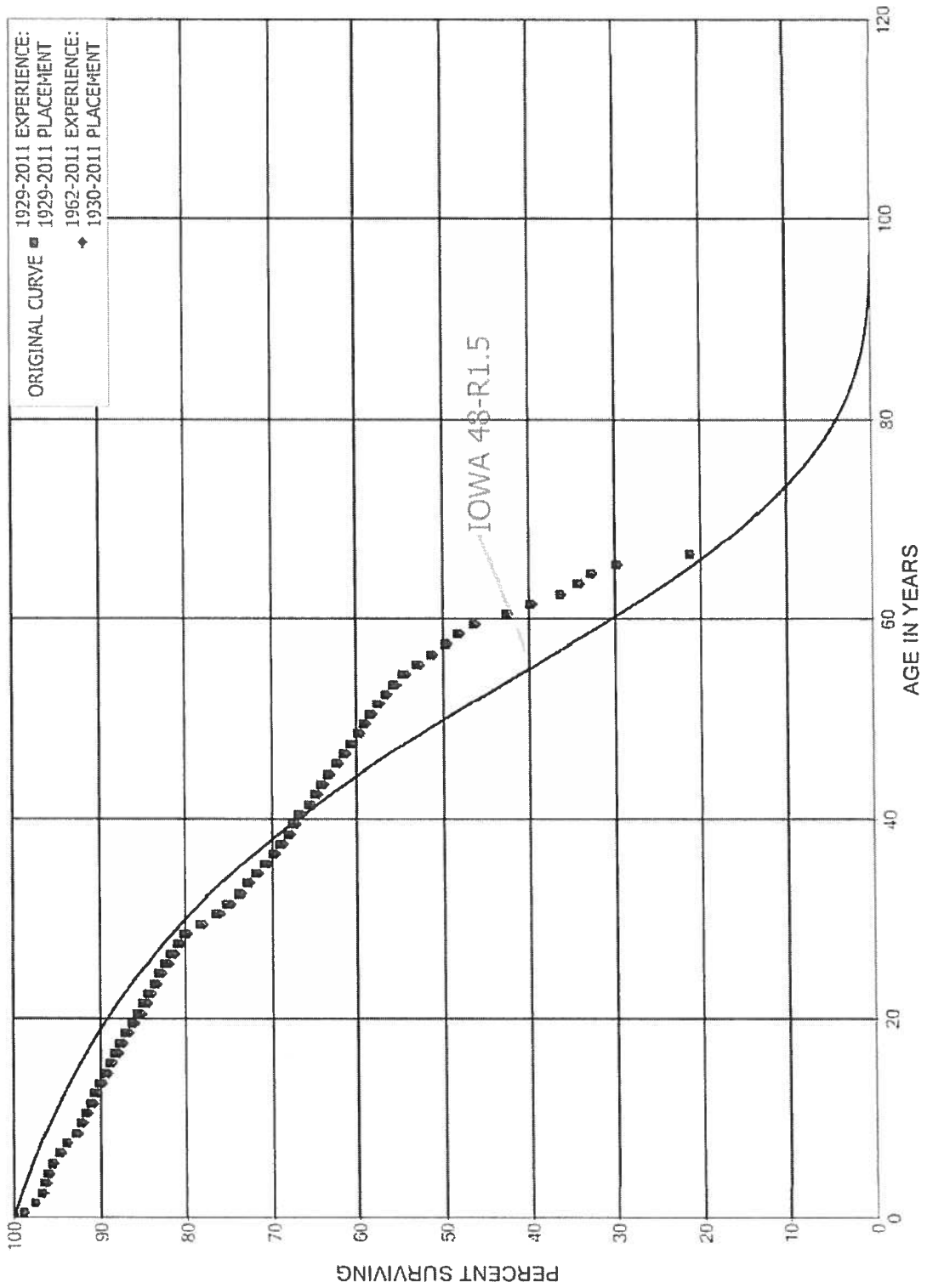
KENTUCKY UTILITIES COMPANY
ACCOUNT 362 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



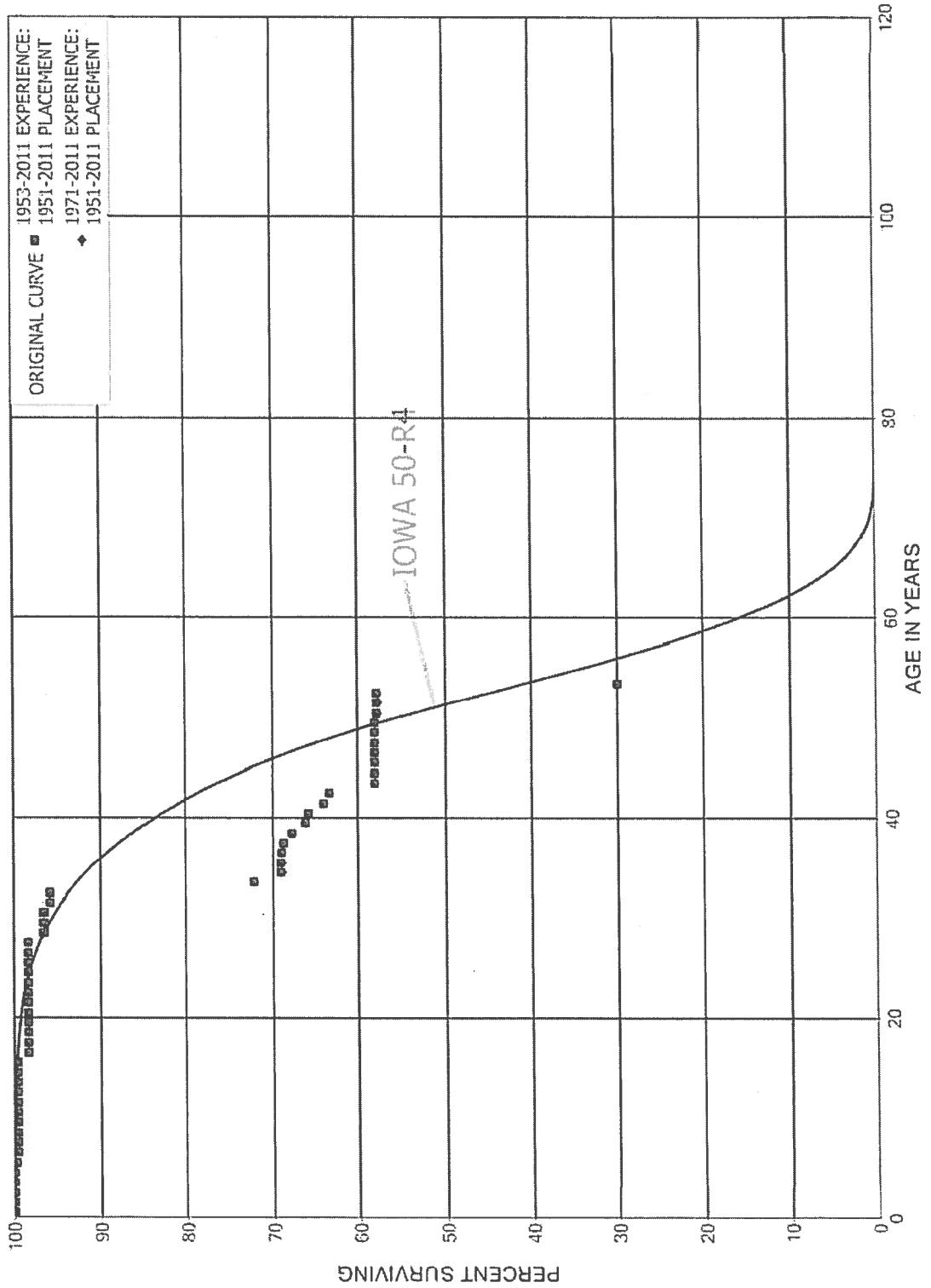
KENTUCKY UTILITIES COMPANY
ACCOUNT 364 POLES, TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



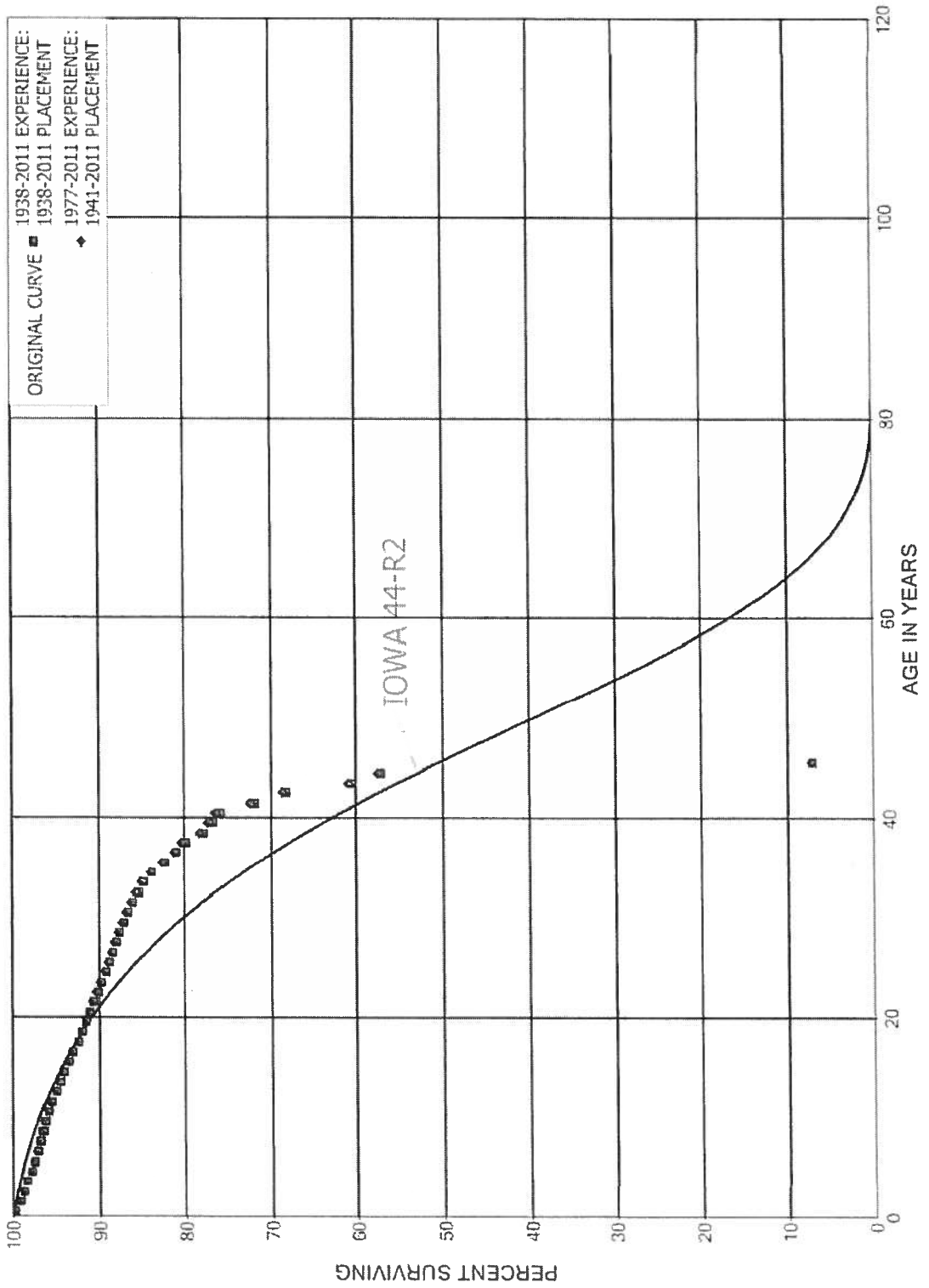
KENTUCKY UTILITIES COMPANY
ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



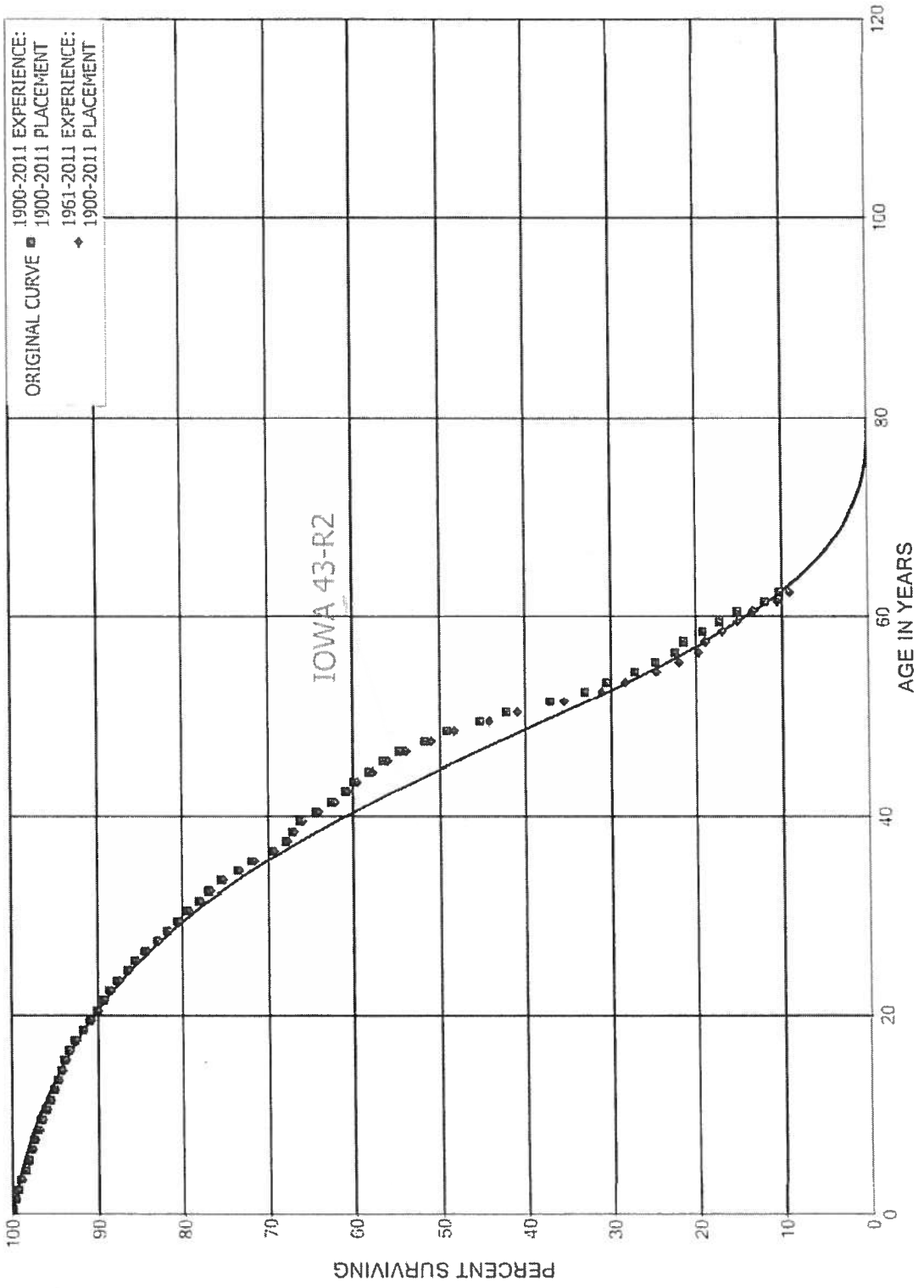
KENTUCKY UTILITIES COMPANY
ACCOUNT 366 UNDERGROUND CONDUIT
ORIGINAL AND SMOOTH SURVIVOR CURVES



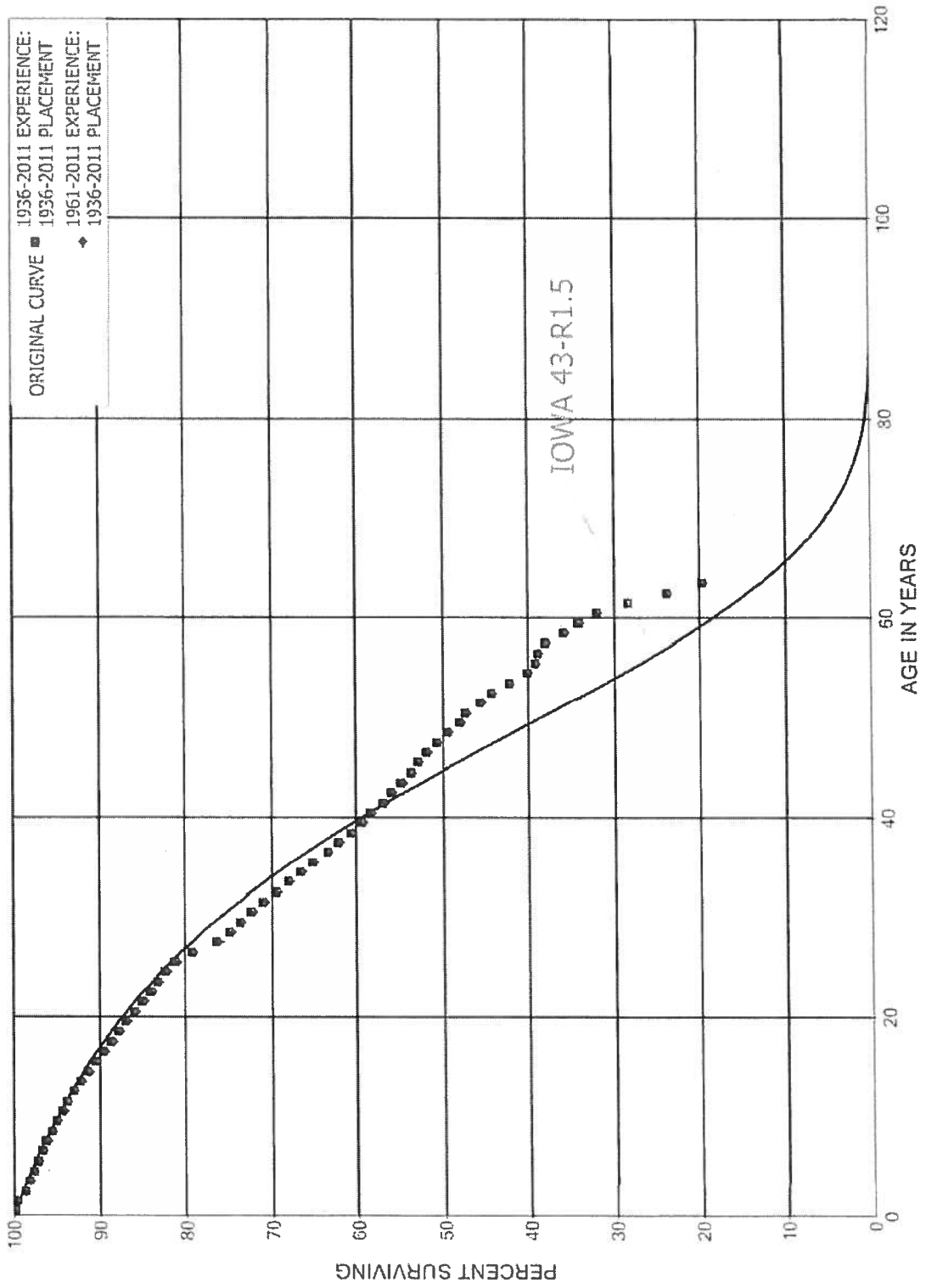
KENTUCKY UTILITIES COMPANY
ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



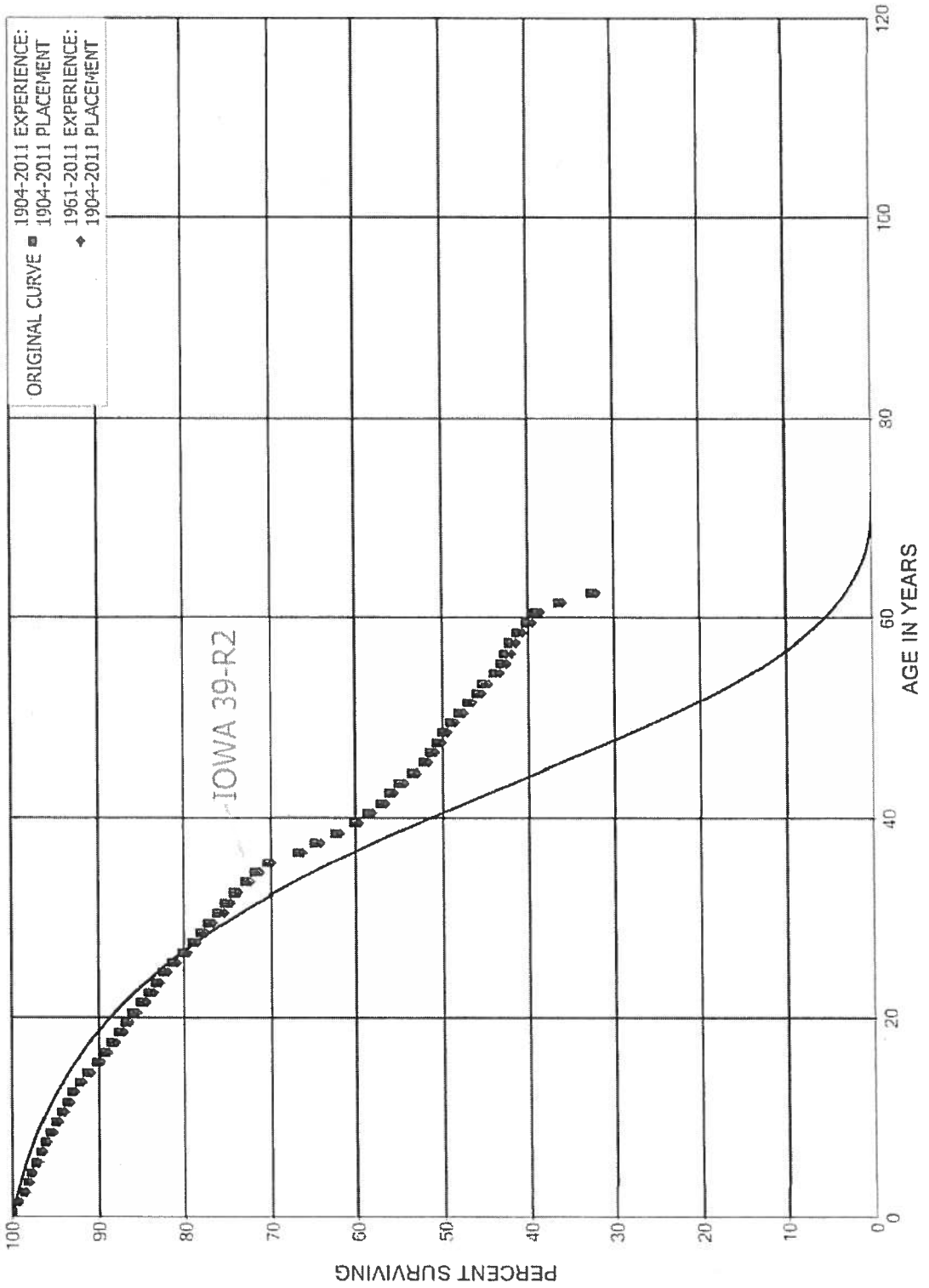
KENTUCKY UTILITIES COMPANY
ACCOUNT 368 LINE TRANSFORMERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



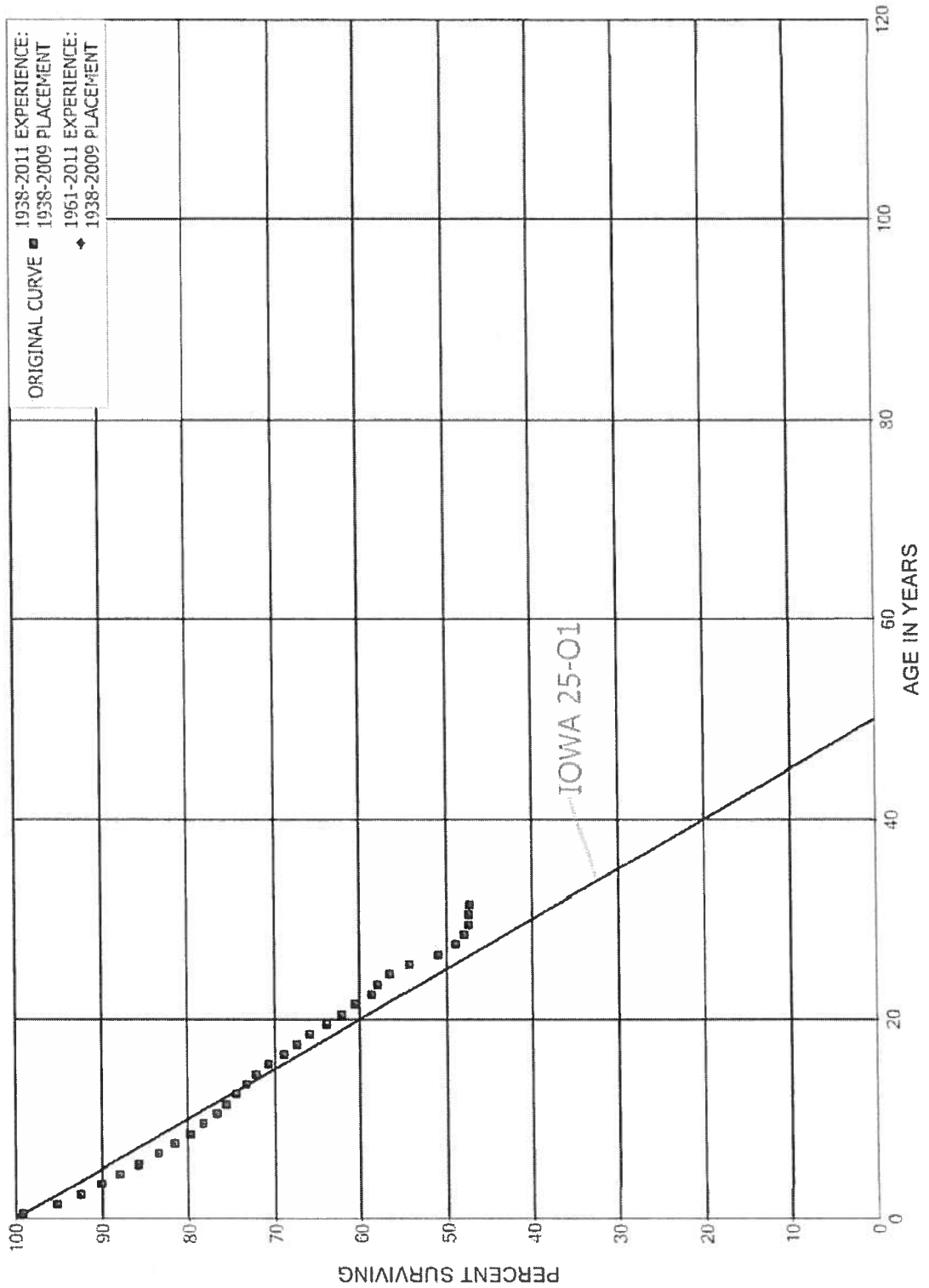
KENTUCKY UTILITIES COMPANY
ACCOUNT 369 SERVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



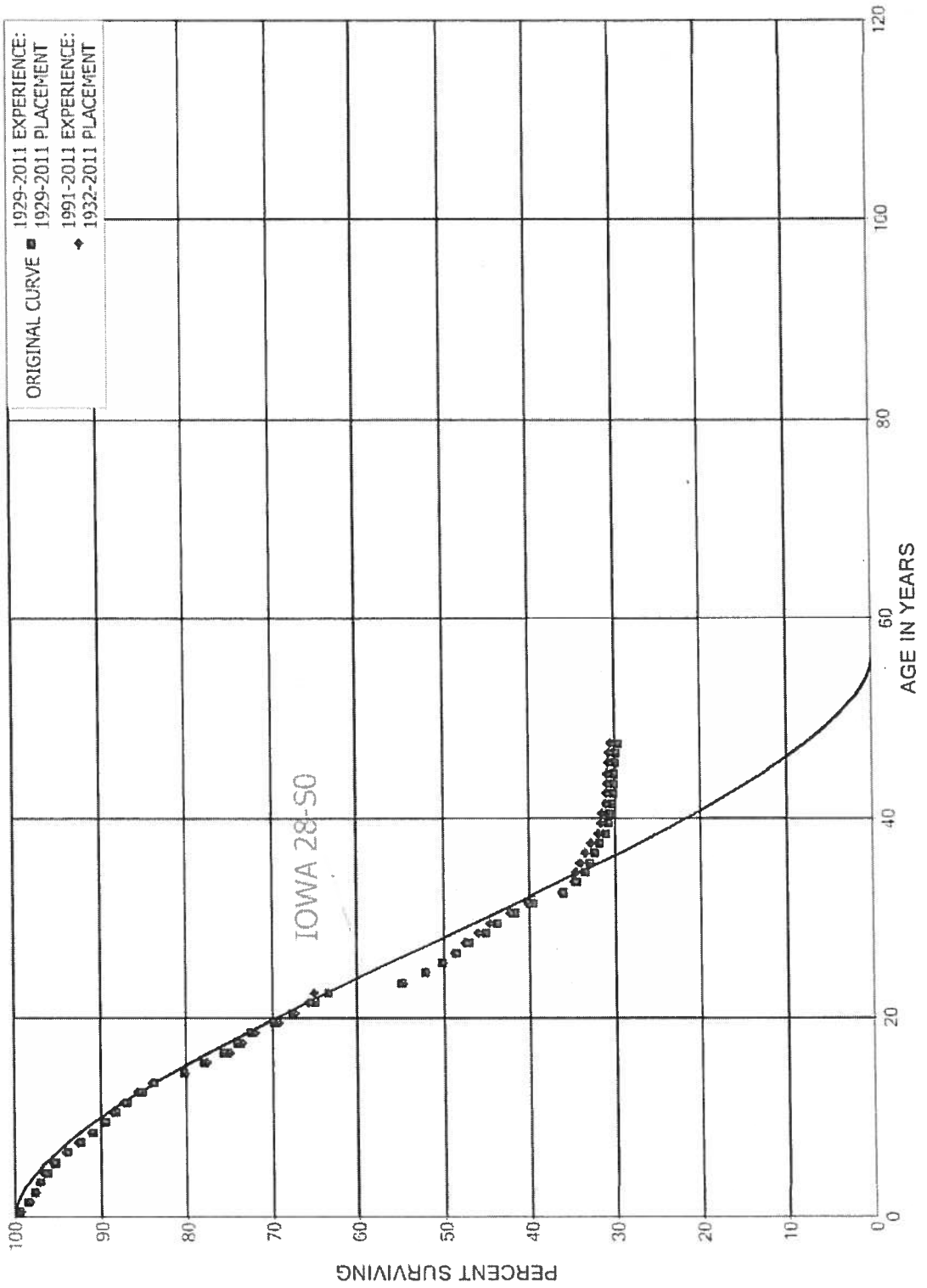
KENTUCKY UTILITIES COMPANY
ACCOUNT 370 METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



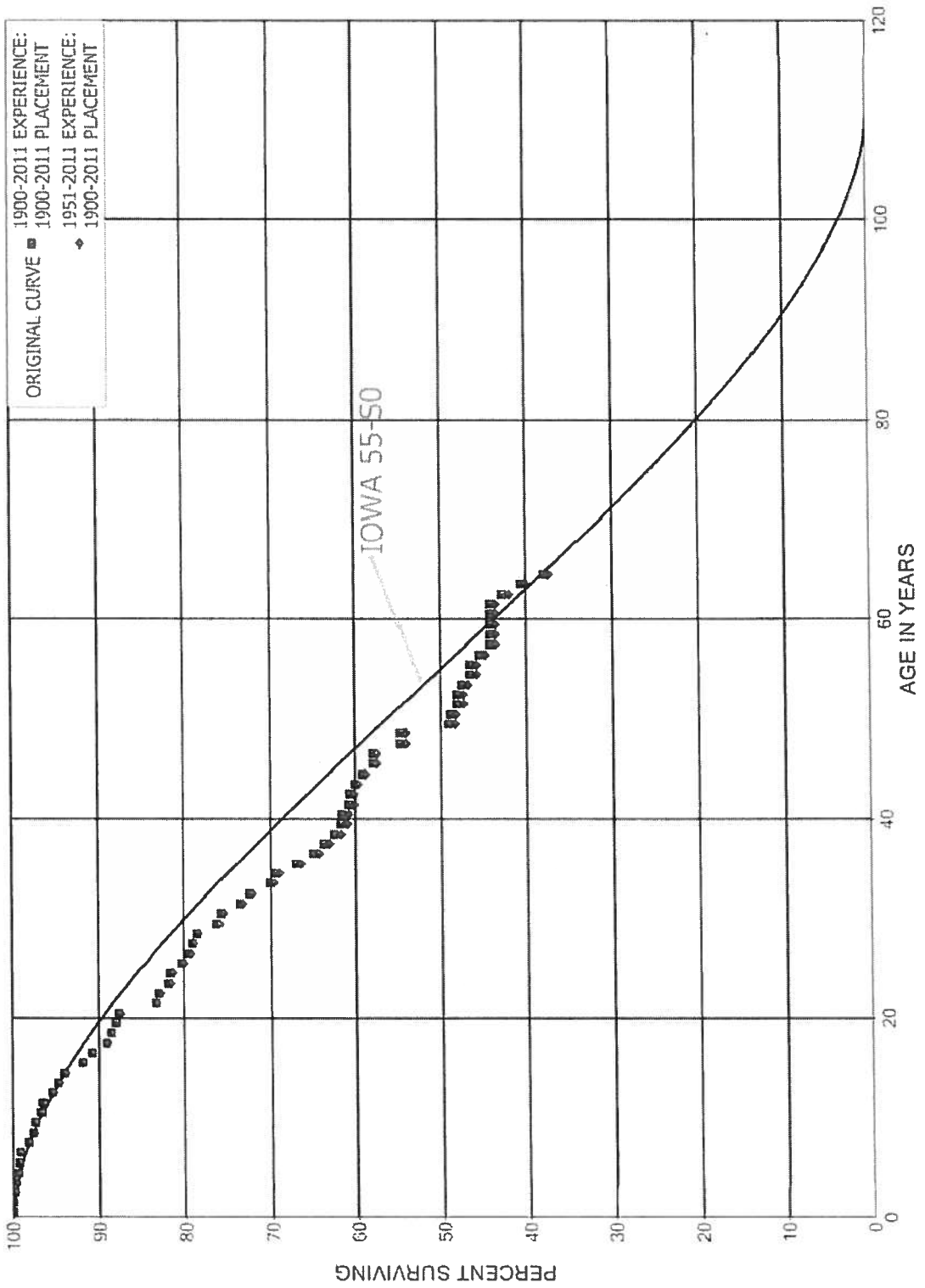
KENTUCKY UTILITIES COMPANY
ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES
ORIGINAL AND SMOOTH SURVIVOR CURVES



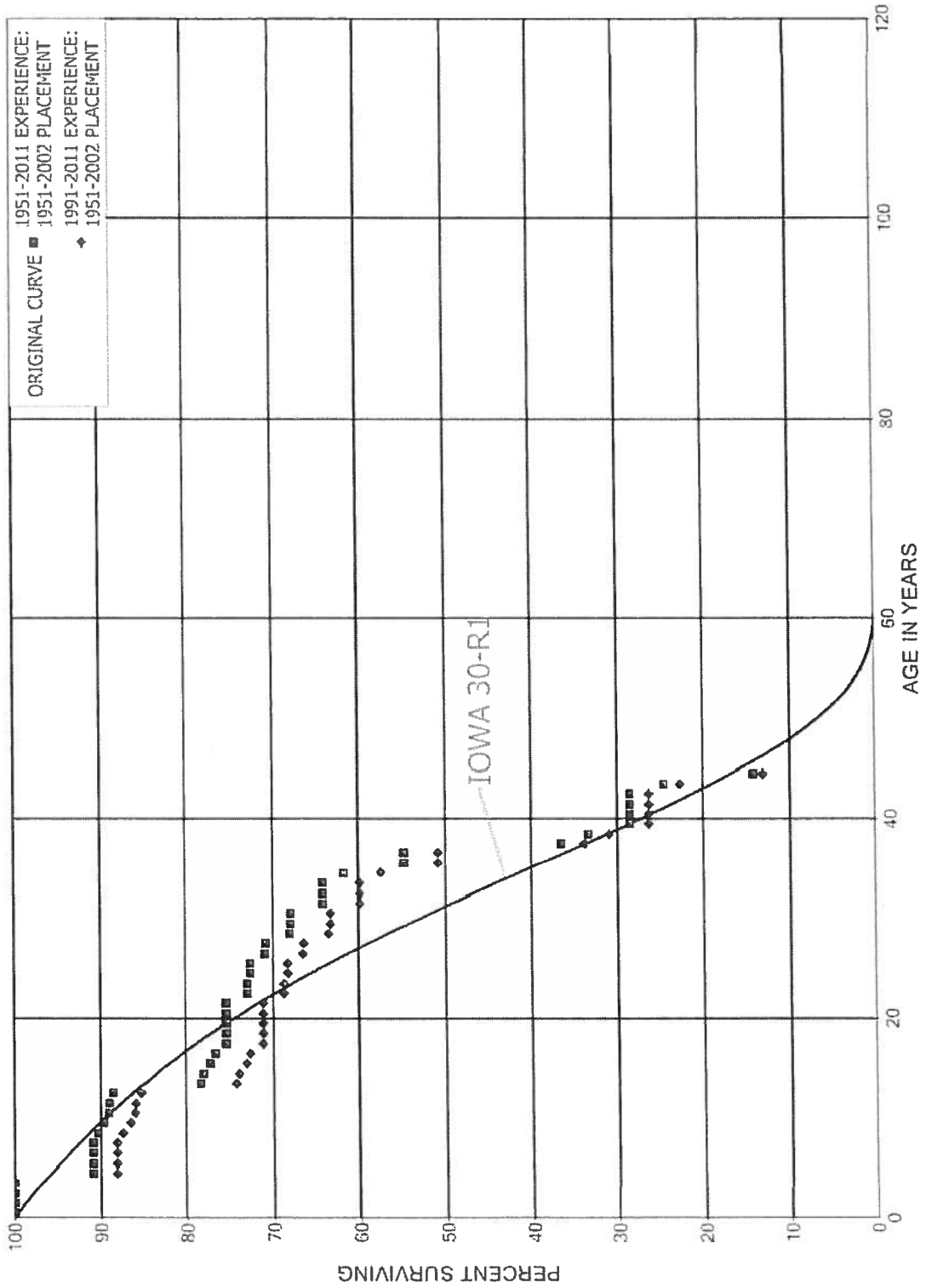
KENTUCKY UTILITIES COMPANY
ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS
ORIGINAL AND SMOOTH SURVIVOR CURVES



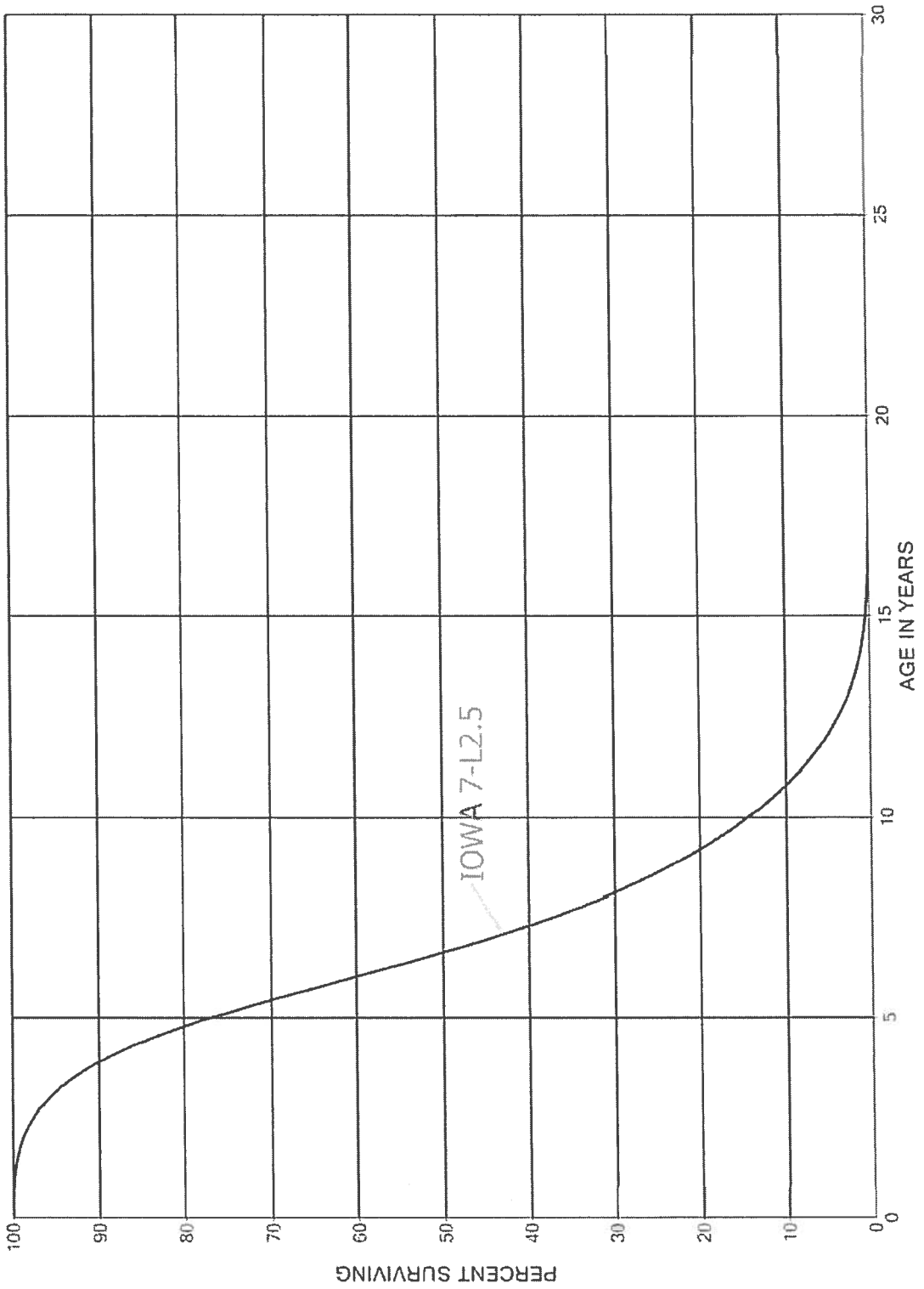
KENTUCKY UTILITIES COMPANY
ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY
ORIGINAL AND SMOOTH SURVIVOR CURVES



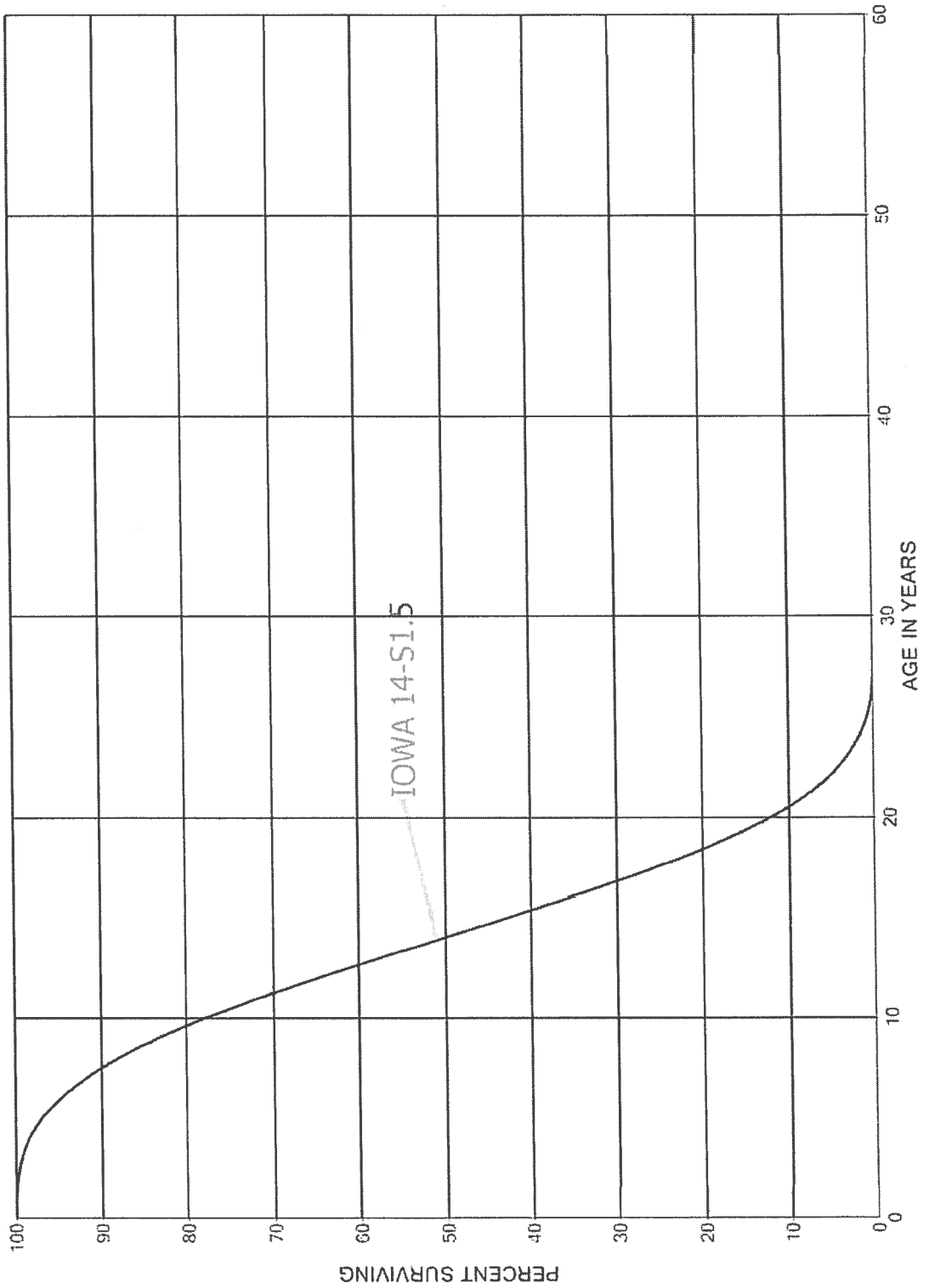
KENTUCKY UTILITIES COMPANY
ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY
ORIGINAL AND SMOOTH SURVIVOR CURVES



KENTUCKY UTILITIES COMPANY
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS
SMOOTH SURVIVOR CURVE



KENTUCKY UTILITIES COMPANY
ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER
SMOOTH SURVIVOR CURVE



KENTUCKY UTILITIES COMPANY
ACCOUNT 396.3 POWER OPERATED EQUIPMENT - LARGE MACHINERY
ORIGINAL AND SMOOTH SURVIVOR CURVES

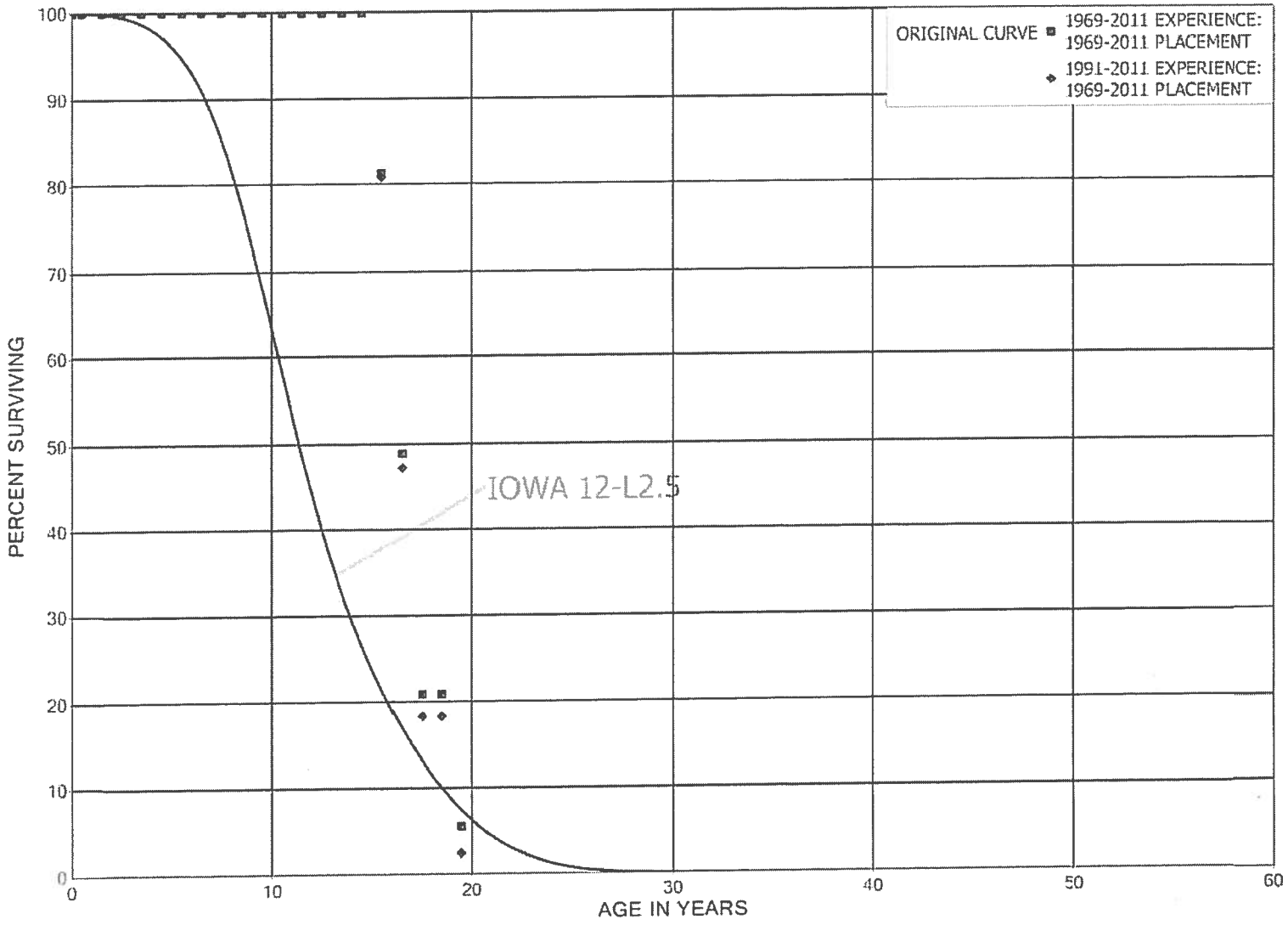


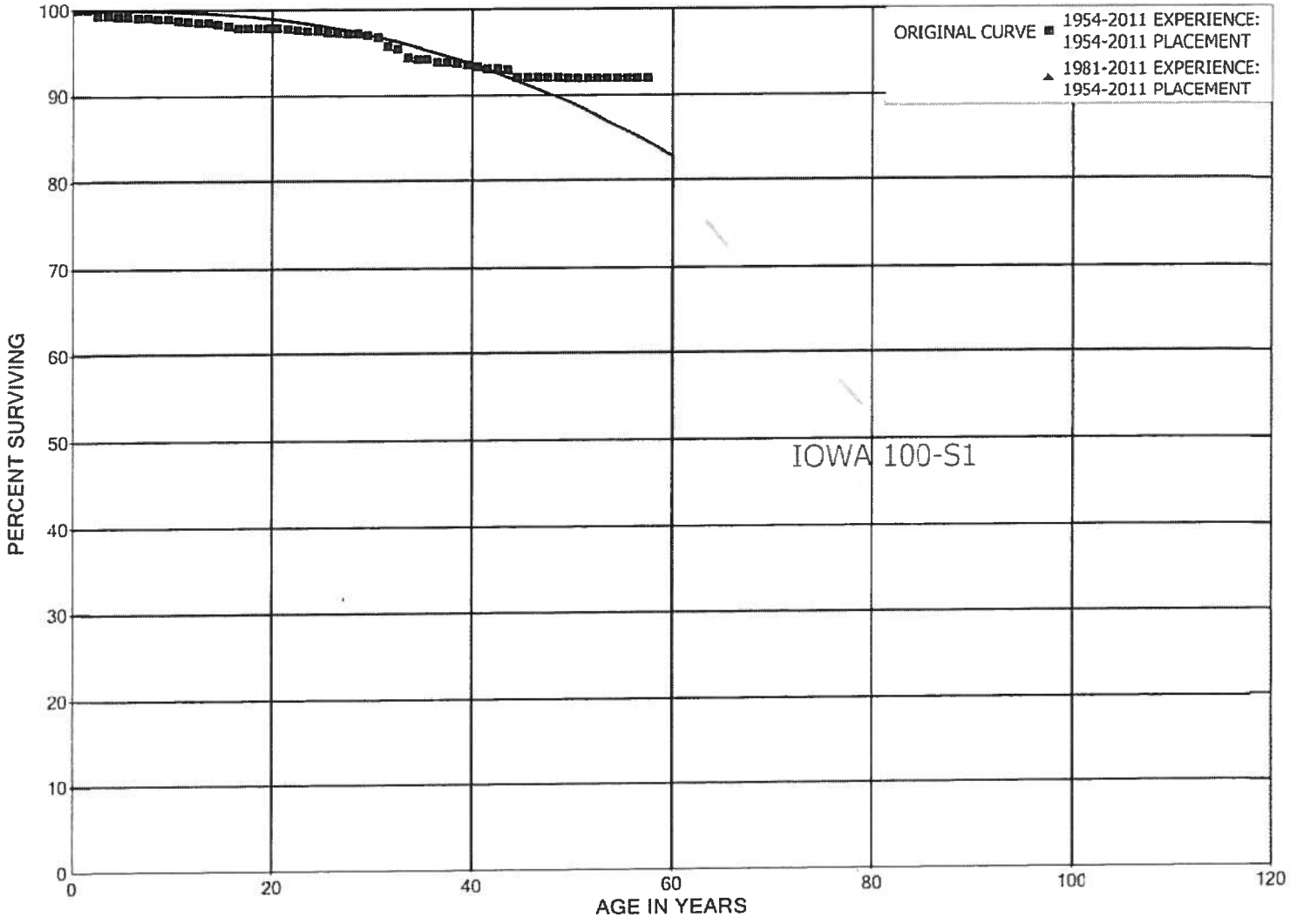
Exhibit JJS-LG&E

Depreciation Study Performed for Louisville Gas and Electric Company

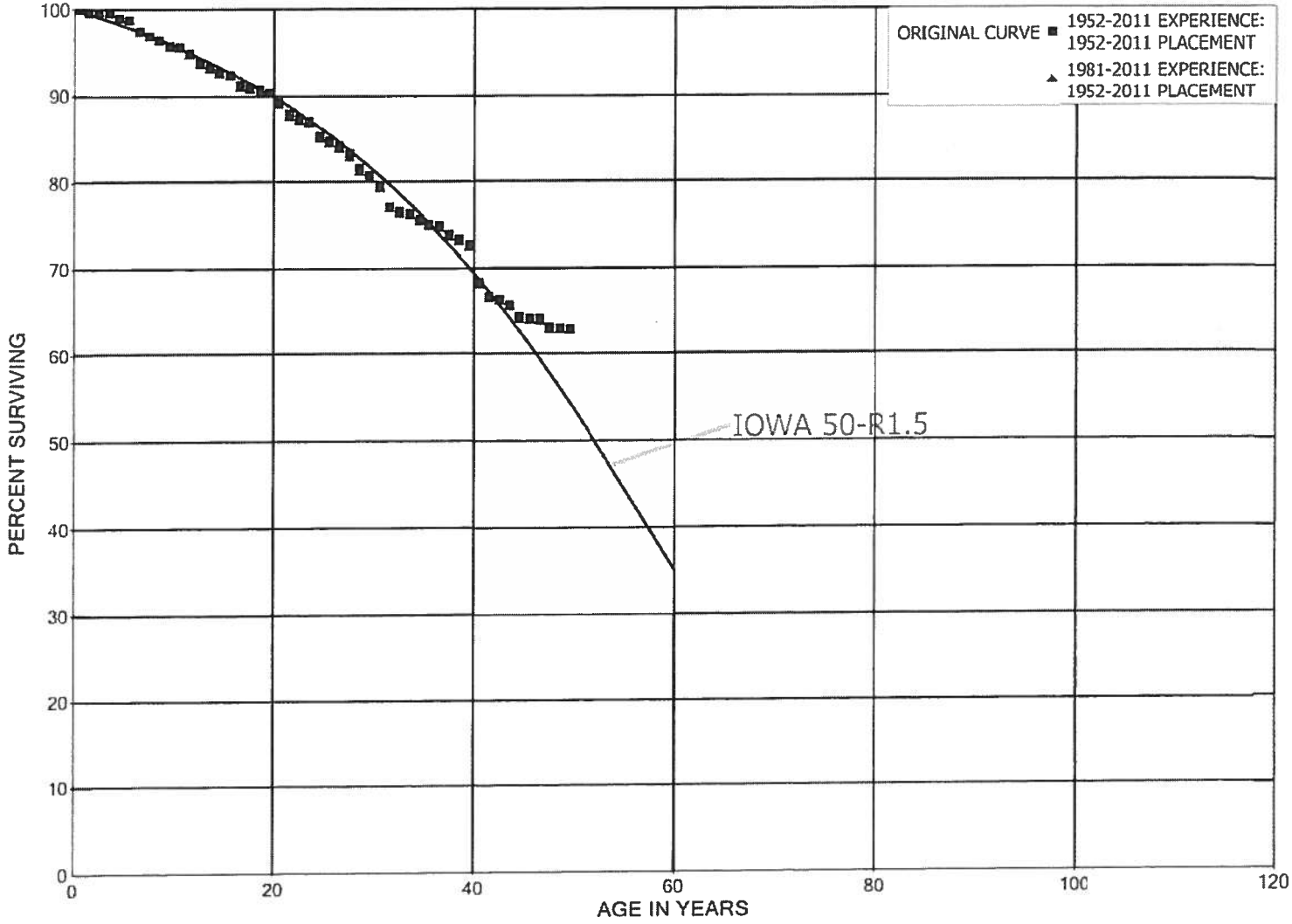
III-14 SERVICE LIFE STATISTICS

ELECTRIC PLANT

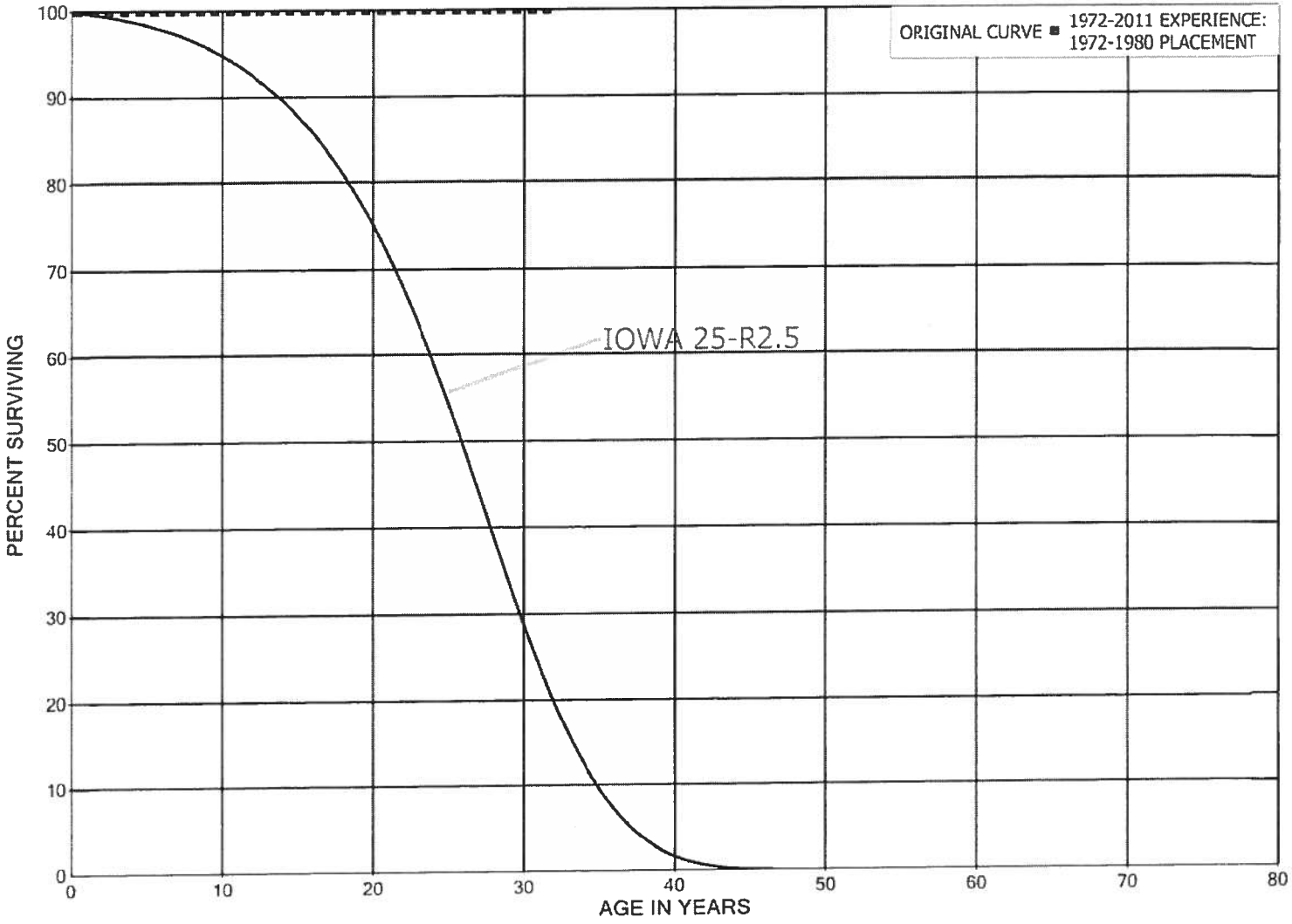
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 311 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



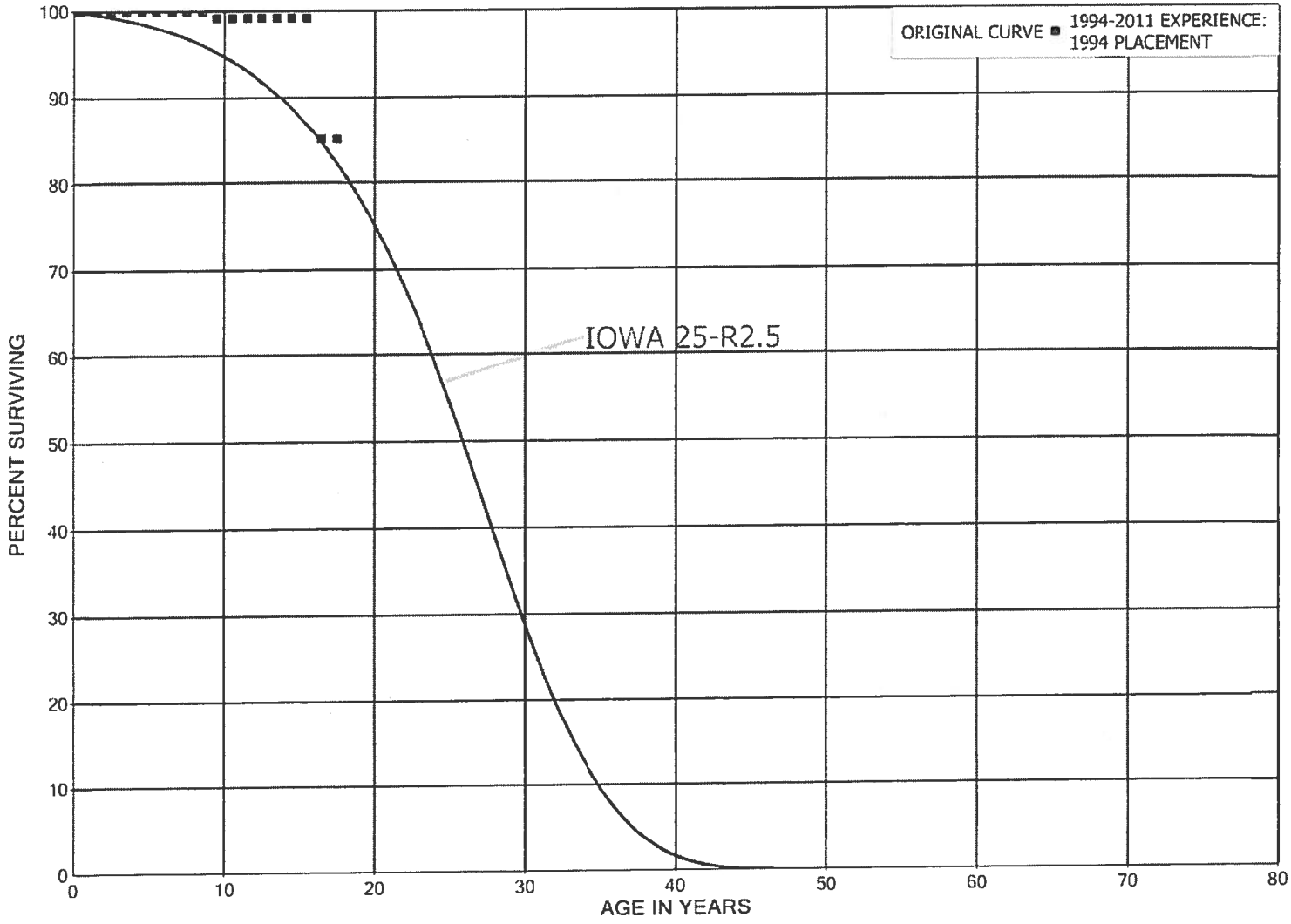
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 312 BOILER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



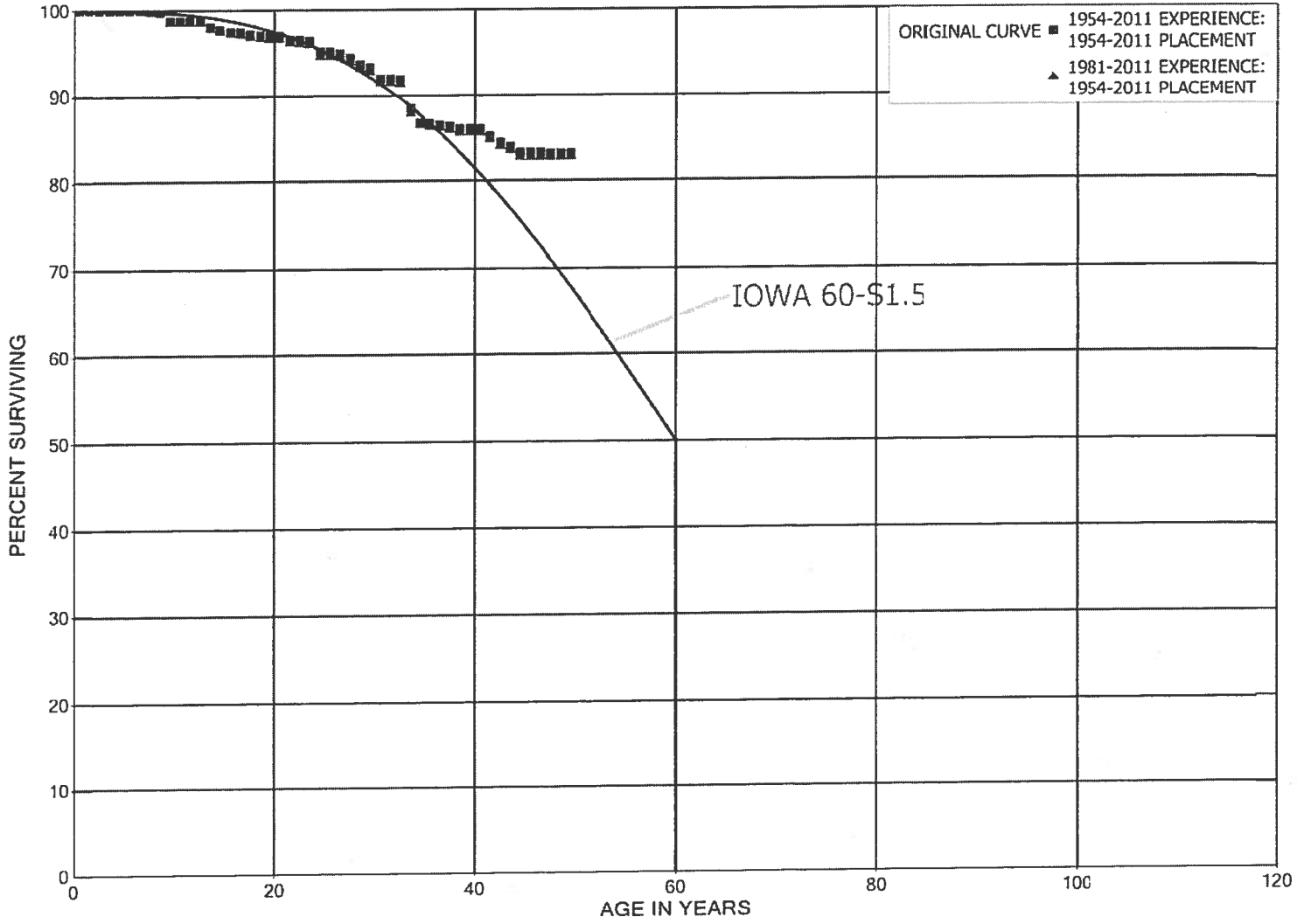
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 312.01 LOCOMOTIVES
ORIGINAL AND SMOOTH SURVIVOR CURVES



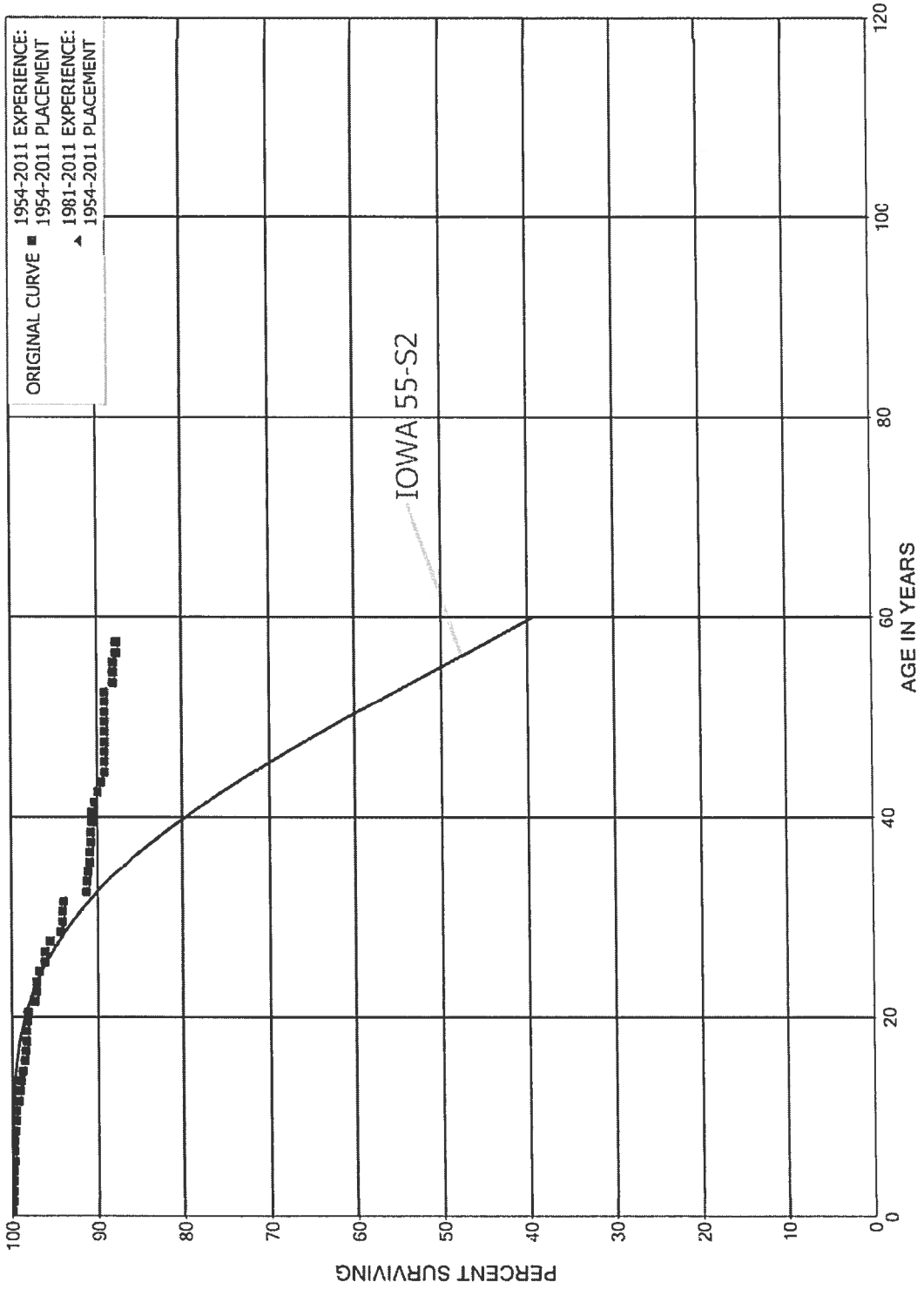
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 312.02 RAIL CARS
ORIGINAL AND SMOOTH SURVIVOR CURVES



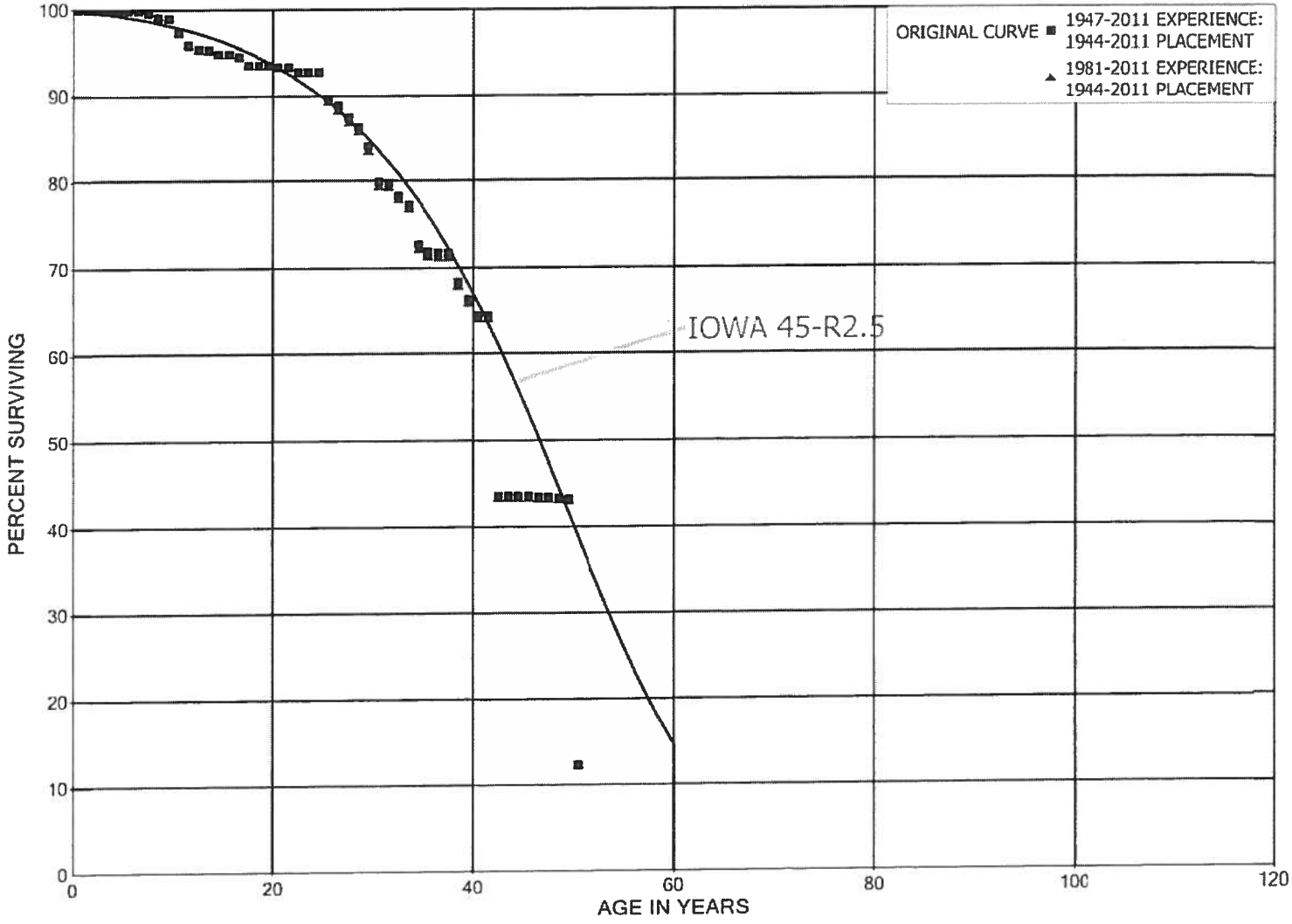
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 314 TURBOGENERATOR UNITS
ORIGINAL AND SMOOTH SURVIVOR CURVES



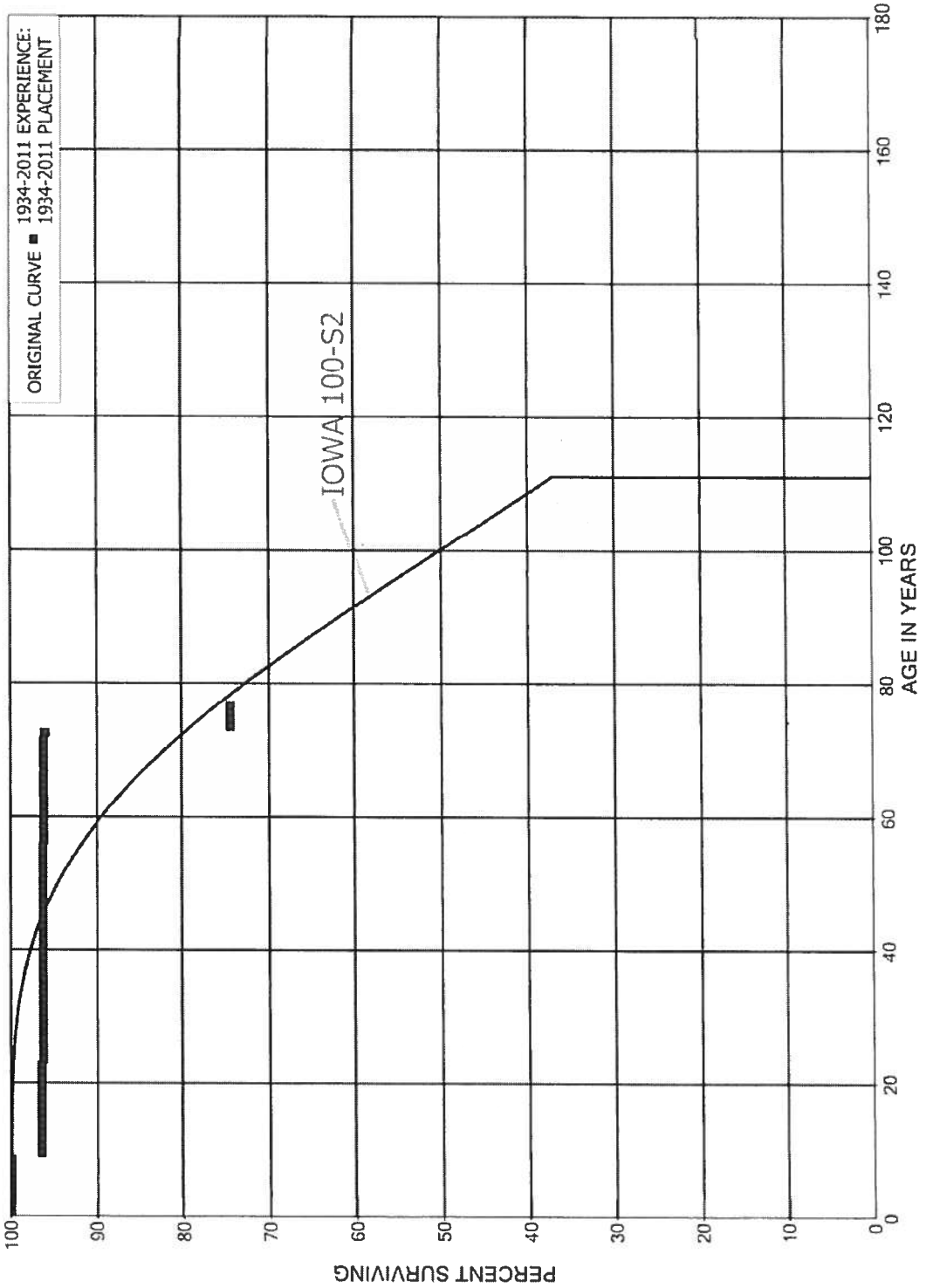
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



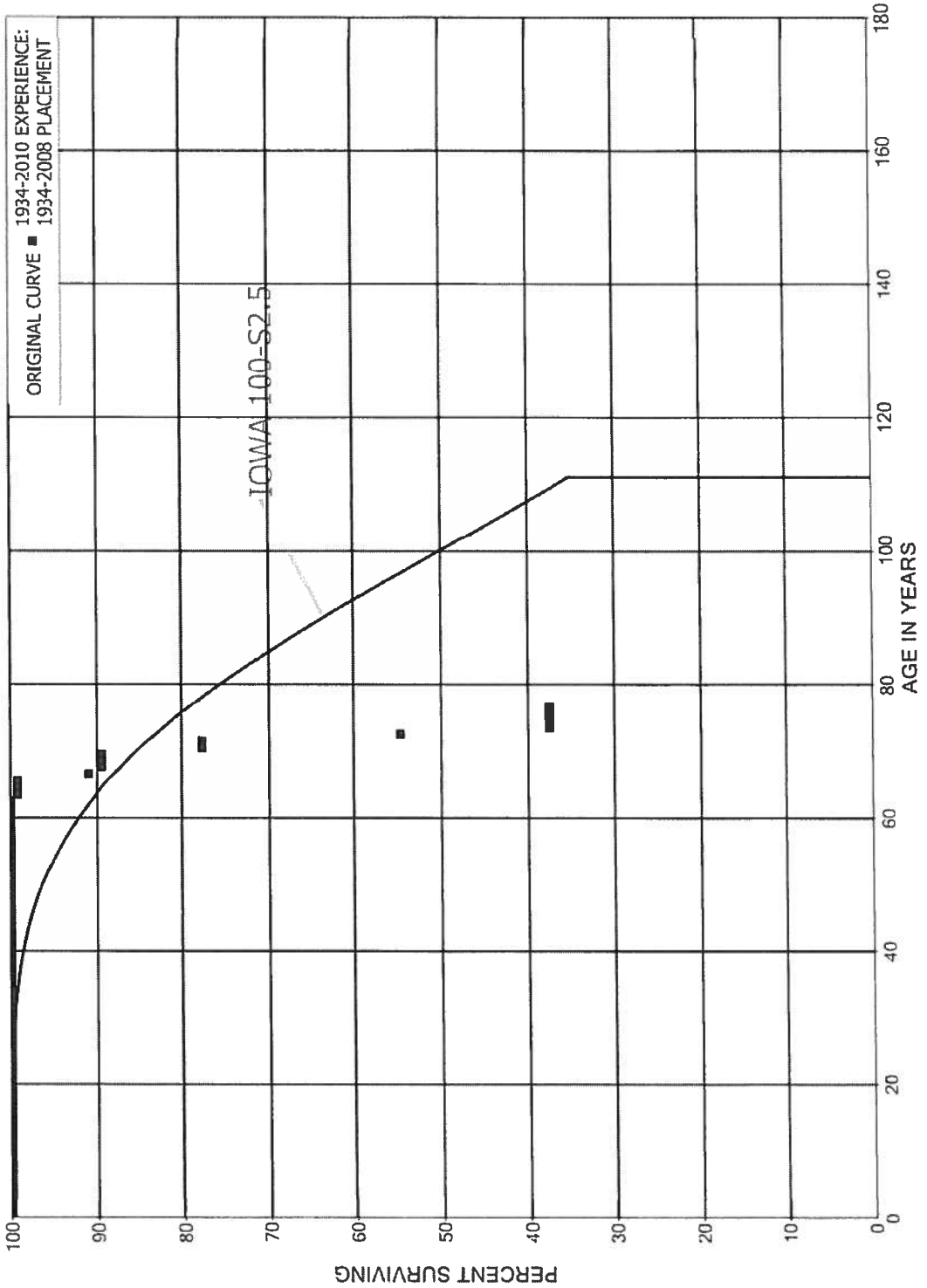
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



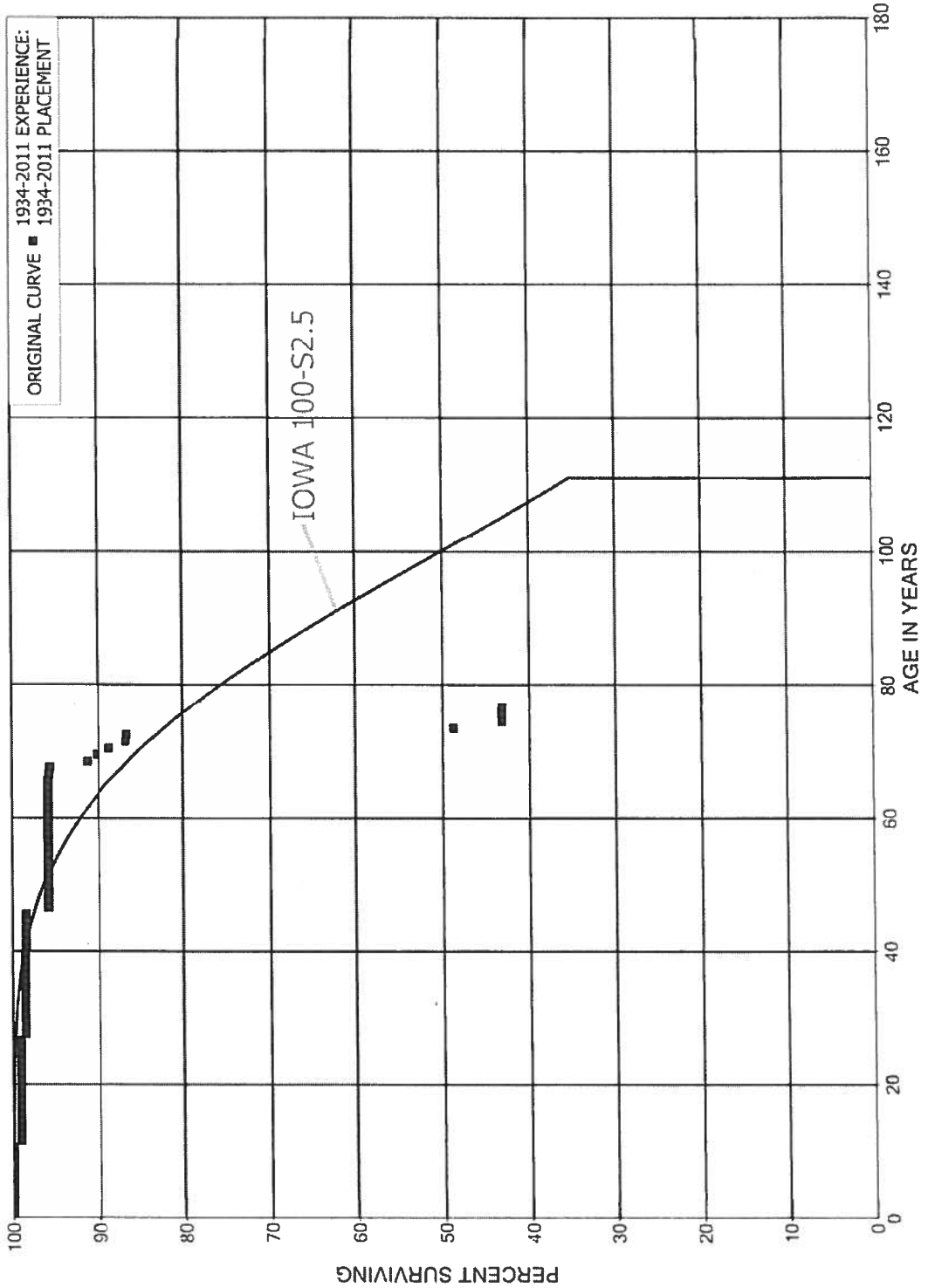
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 331 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



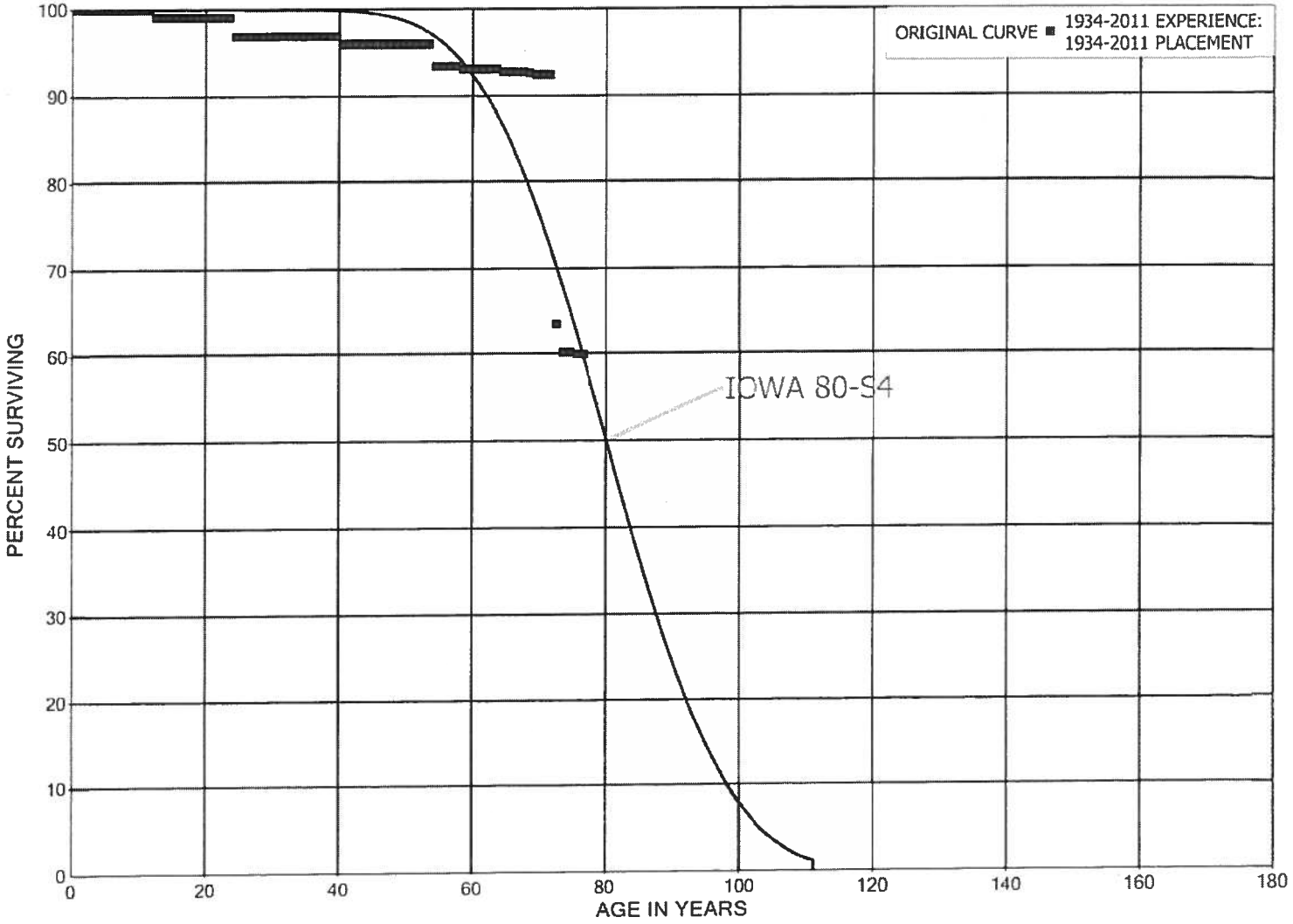
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAY
ORIGINAL AND SMOOTH SURVIVOR CURVES



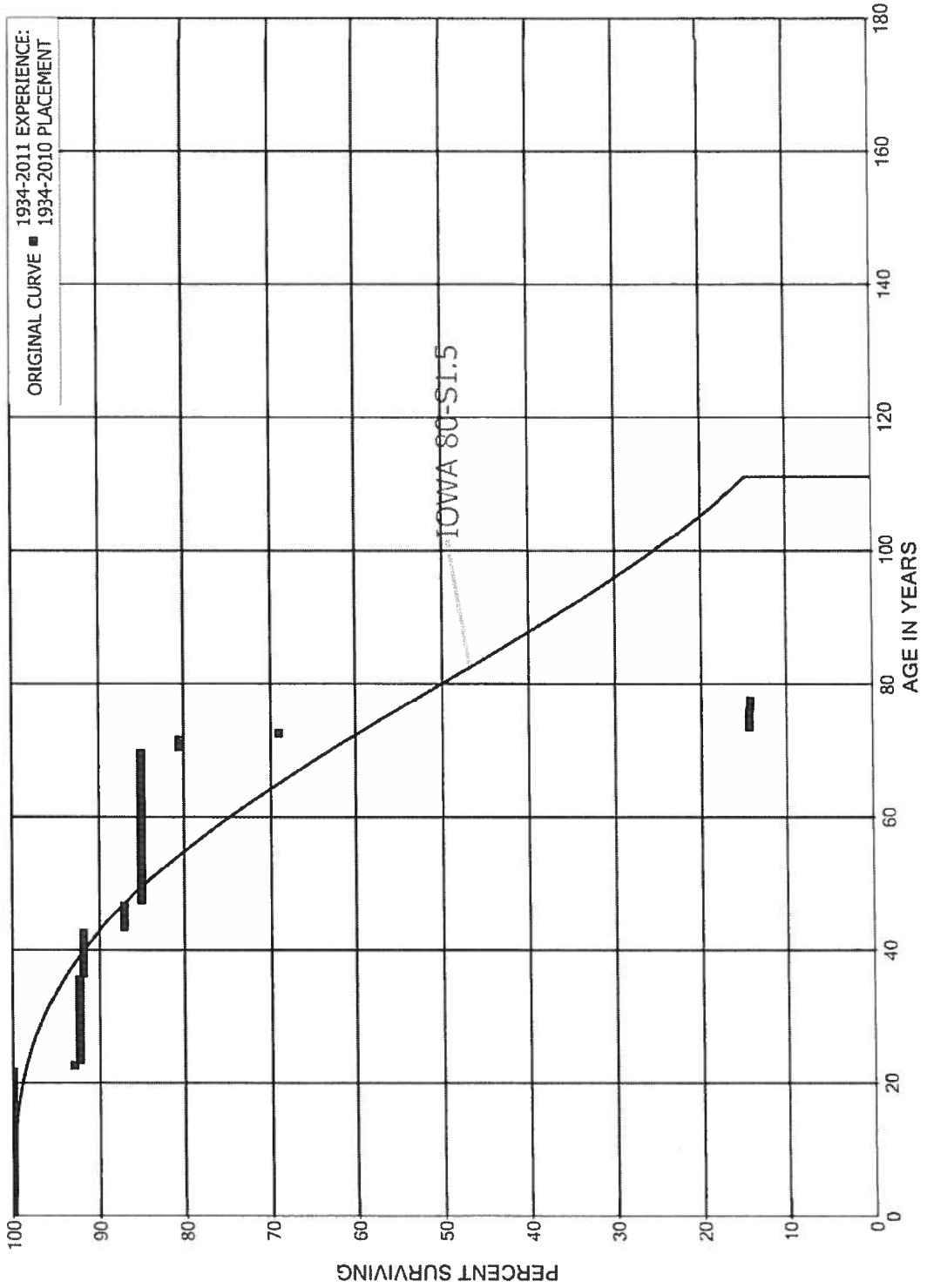
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



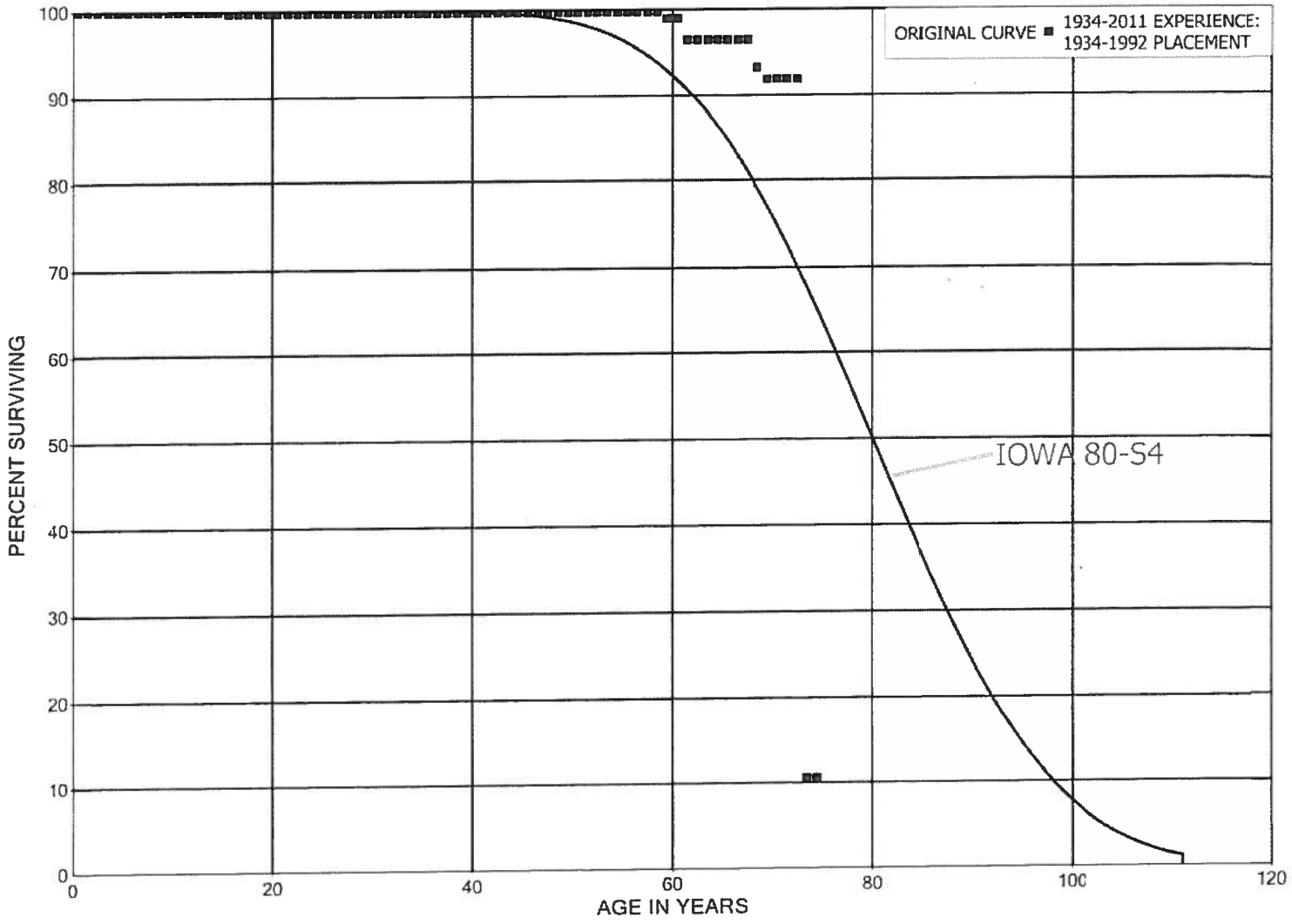
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



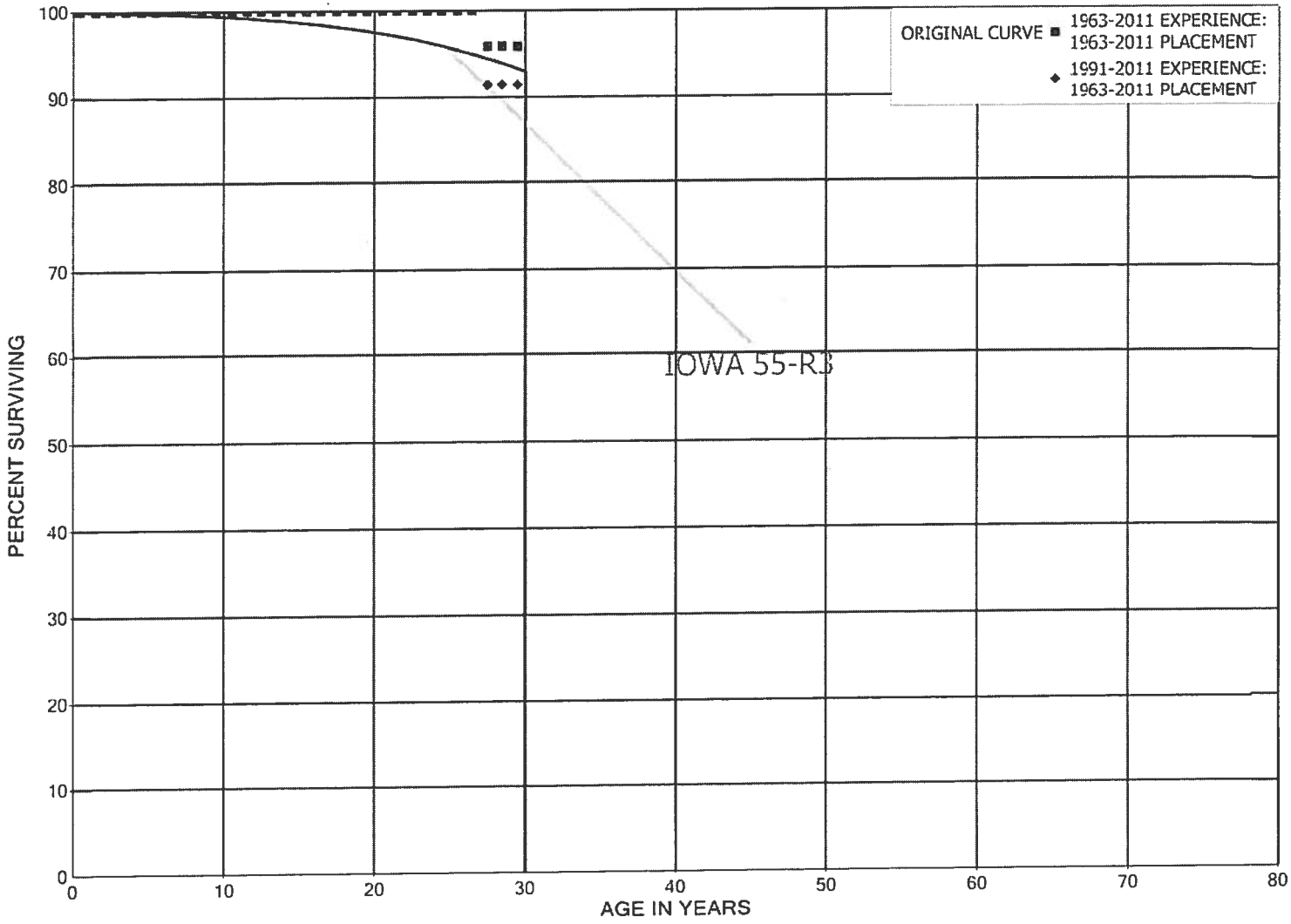
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



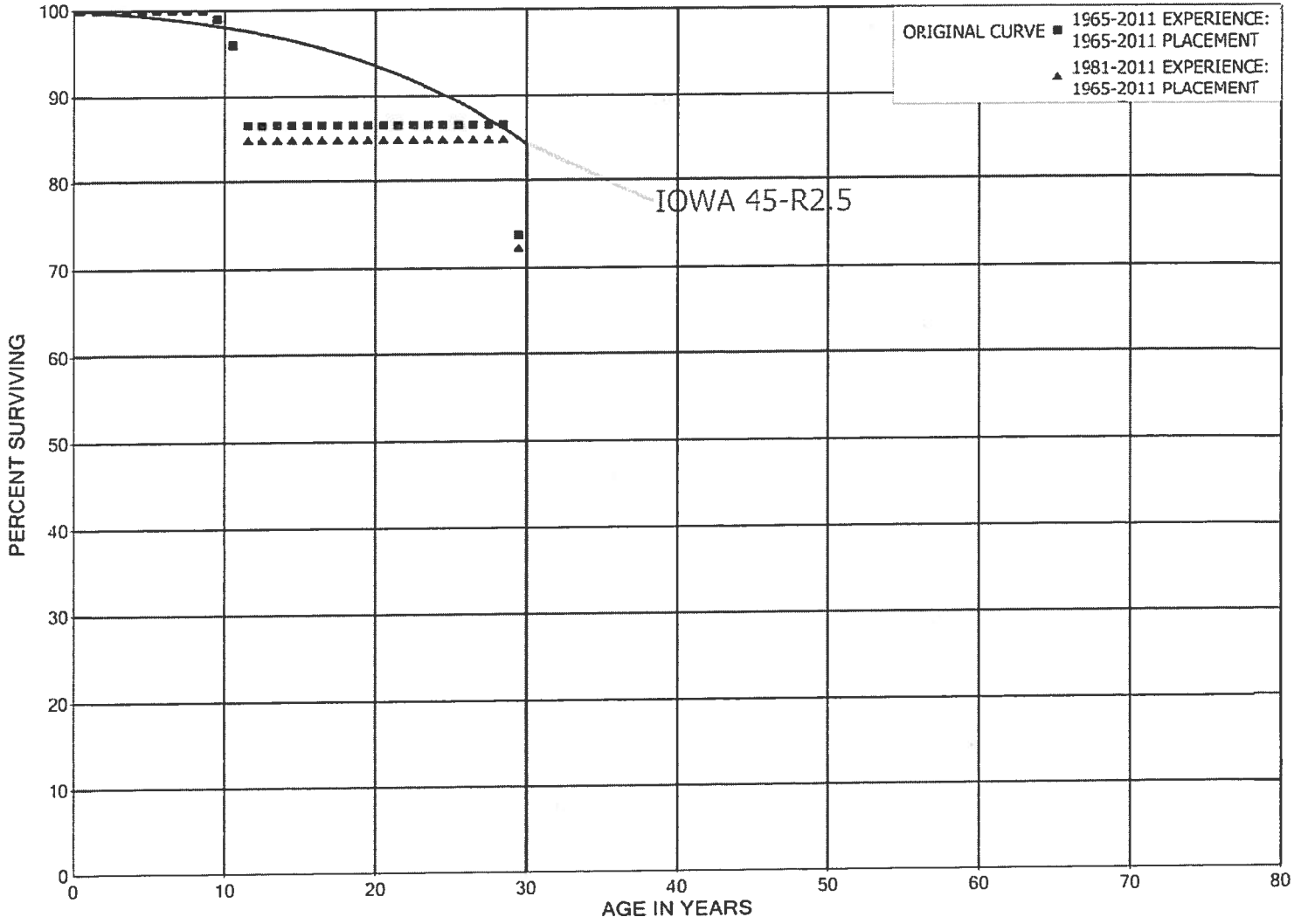
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 336 ROADS, RAILROADS AND BRIDGES
ORIGINAL AND SMOOTH SURVIVOR CURVES



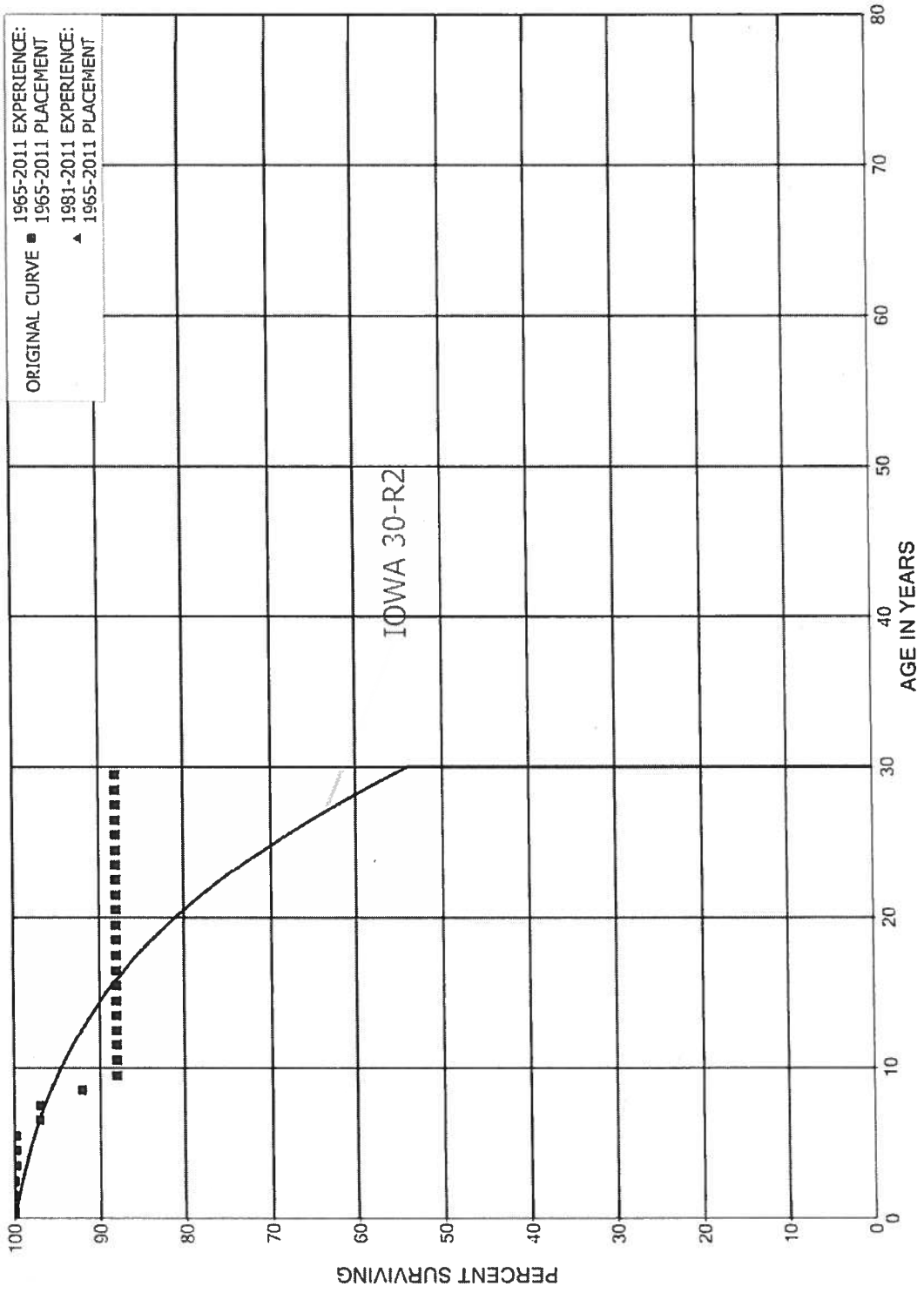
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 341 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



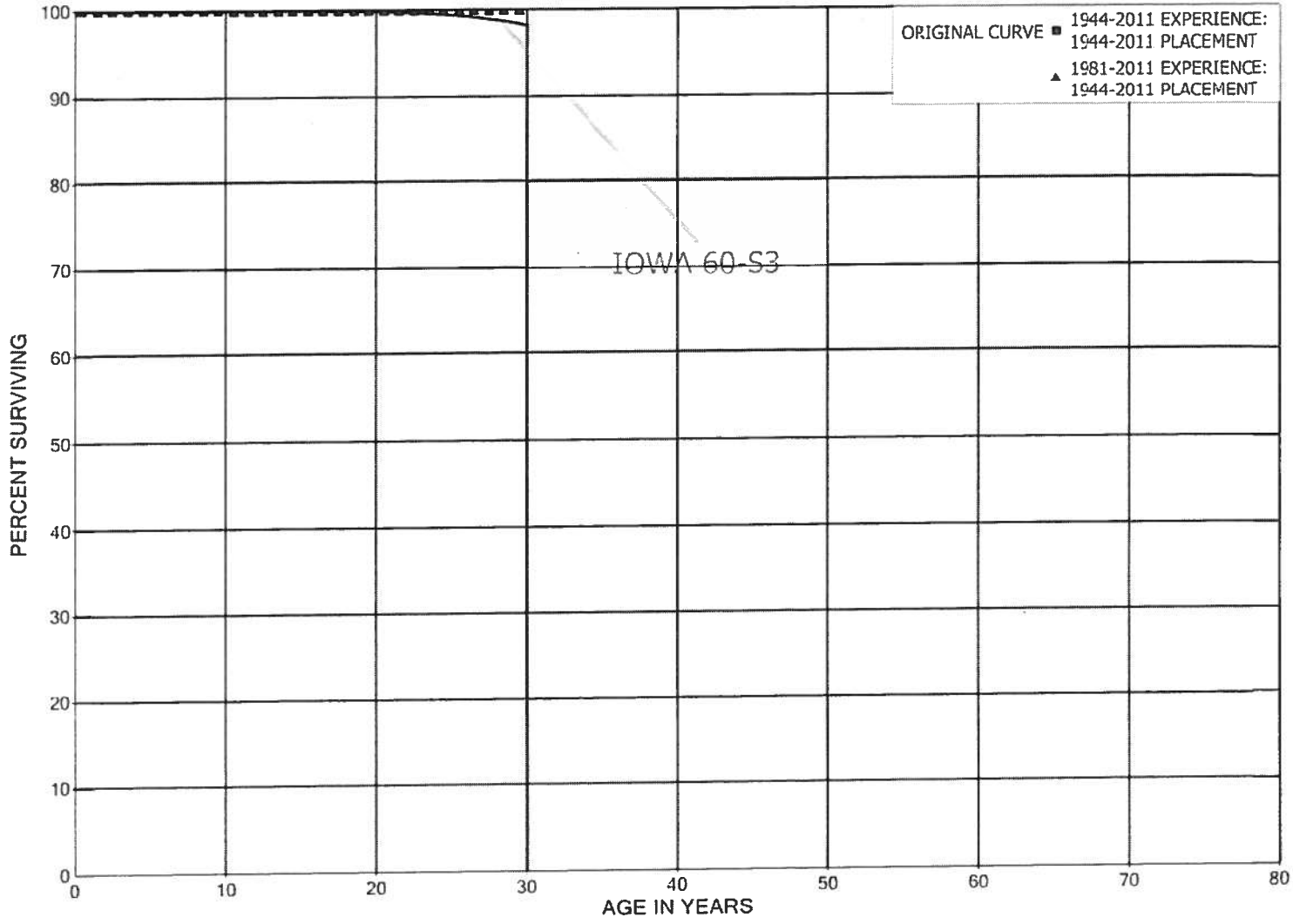
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES
ORIGINAL AND SMOOTH SURVIVOR CURVES



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 343 PRIME MOVERS
CRIGINAL AND SMOOTH SURVIVOR CURVES

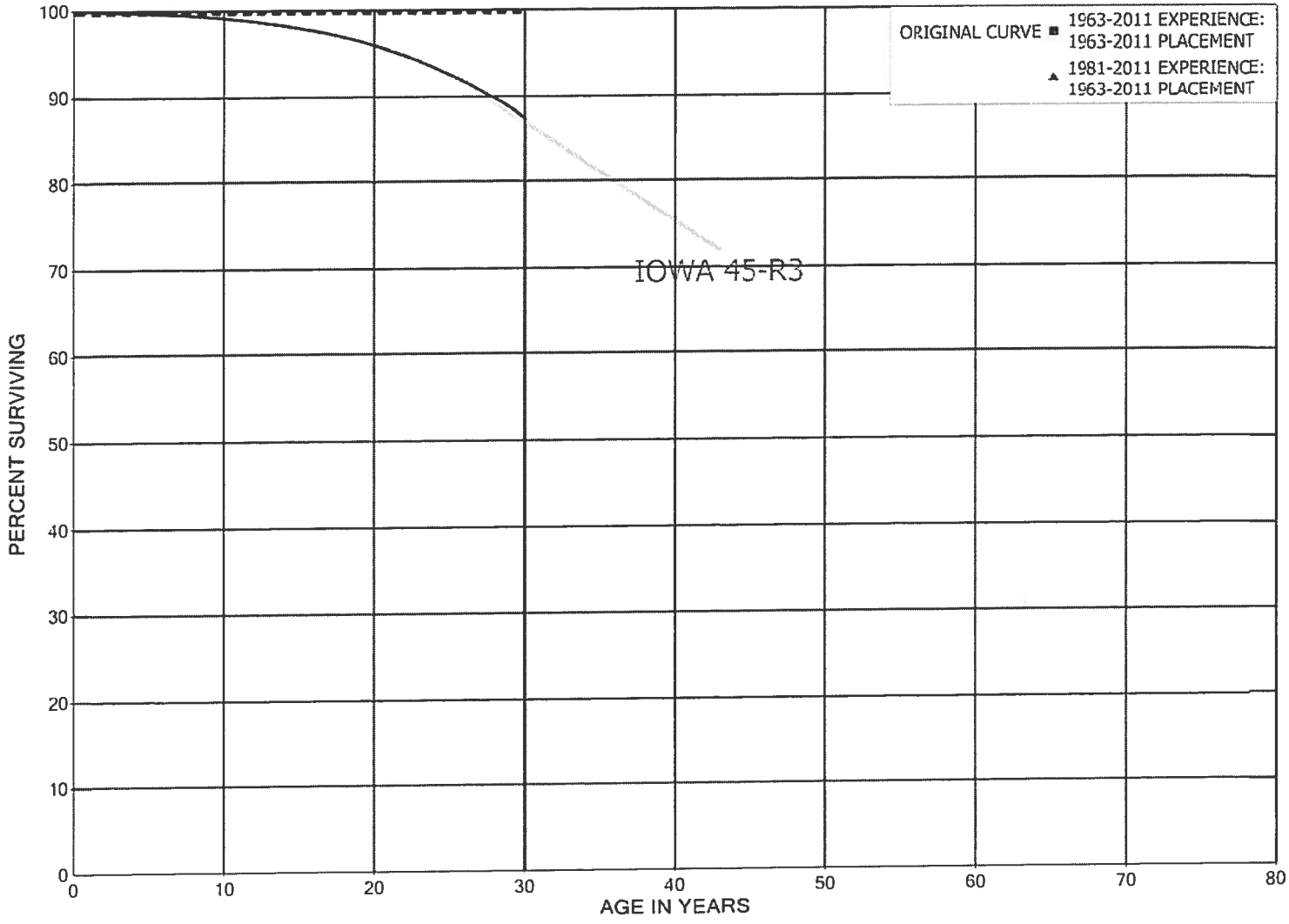


LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 344 GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES

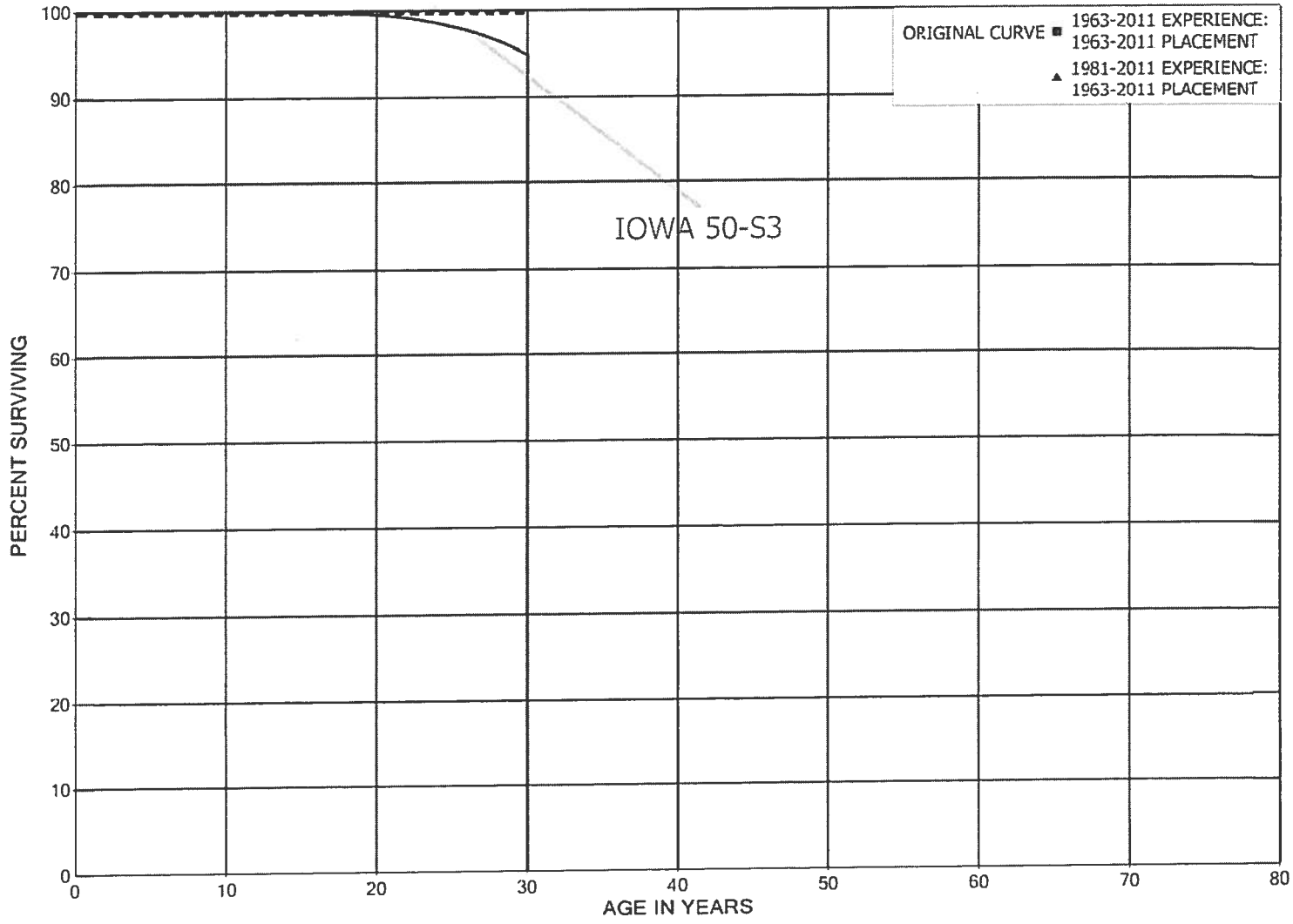


III-78

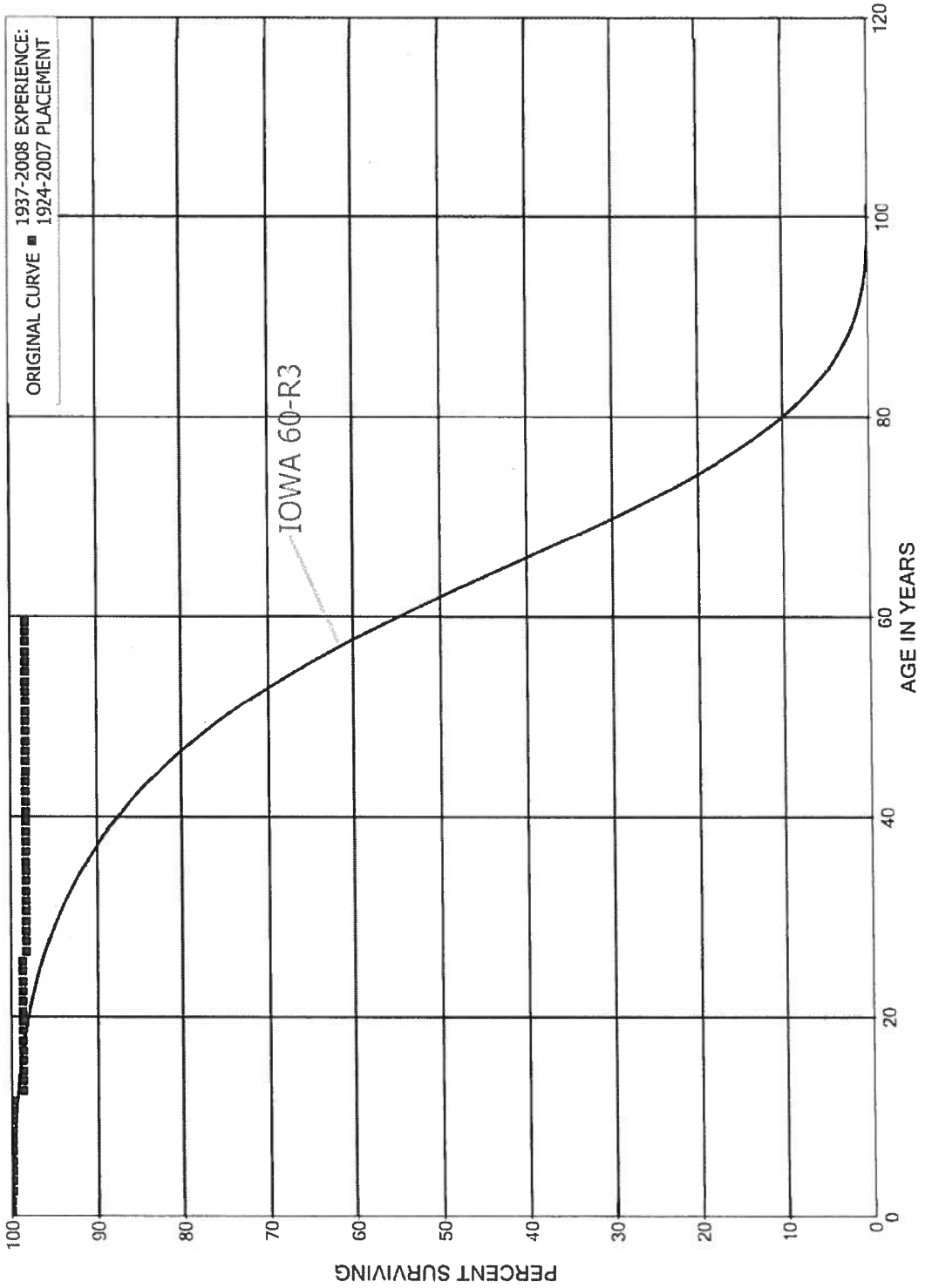
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



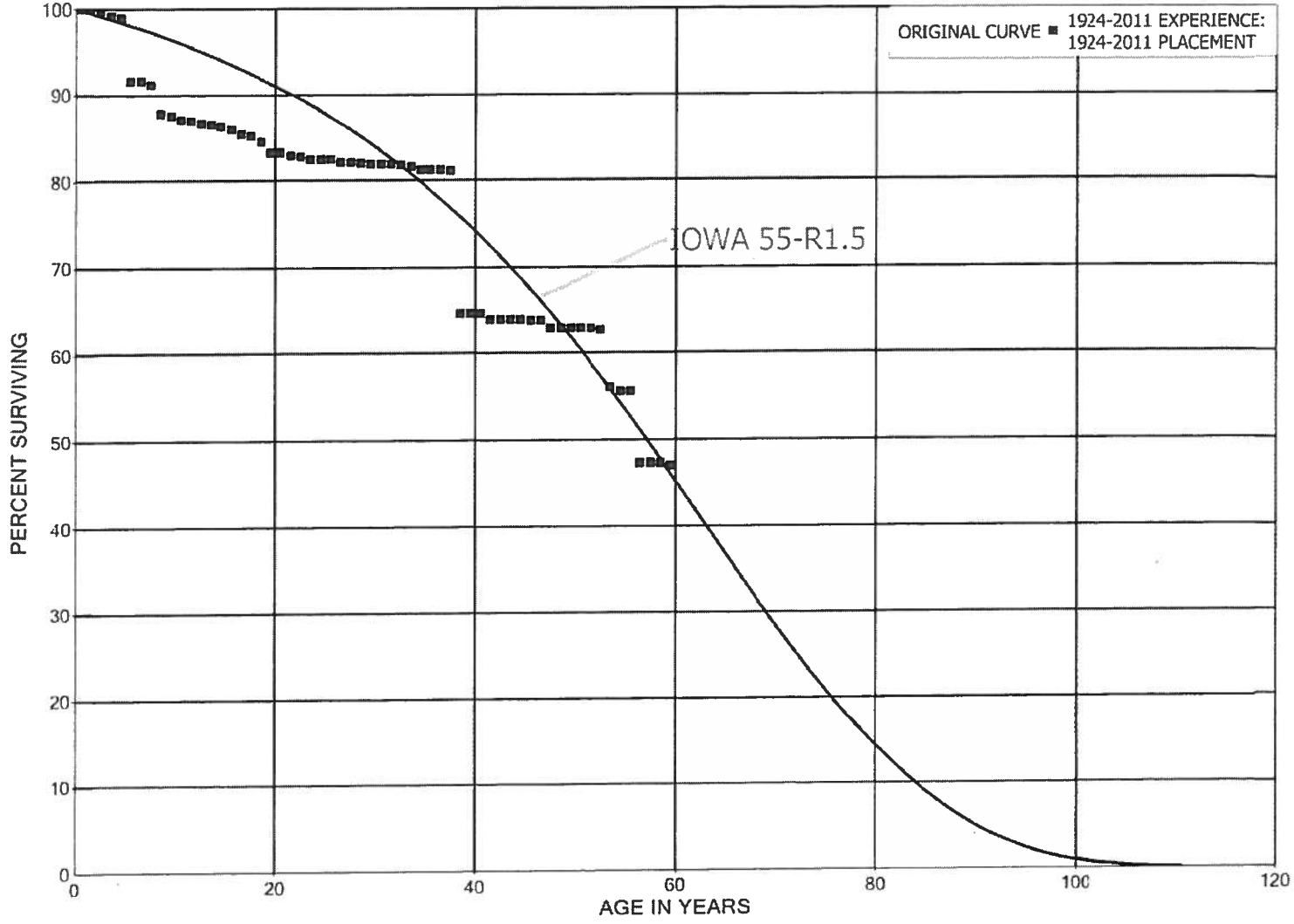
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



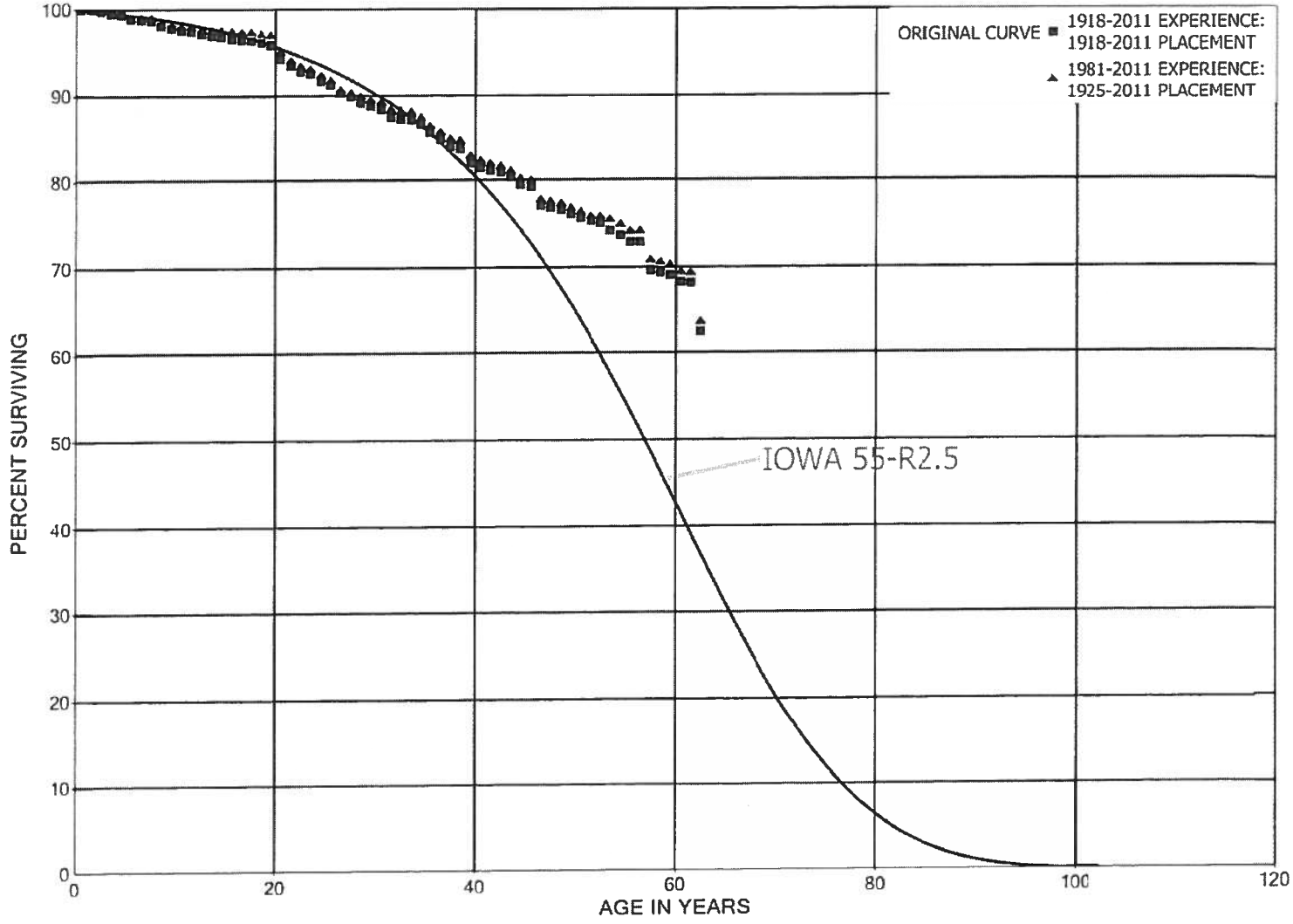
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 350.1 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 352 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES

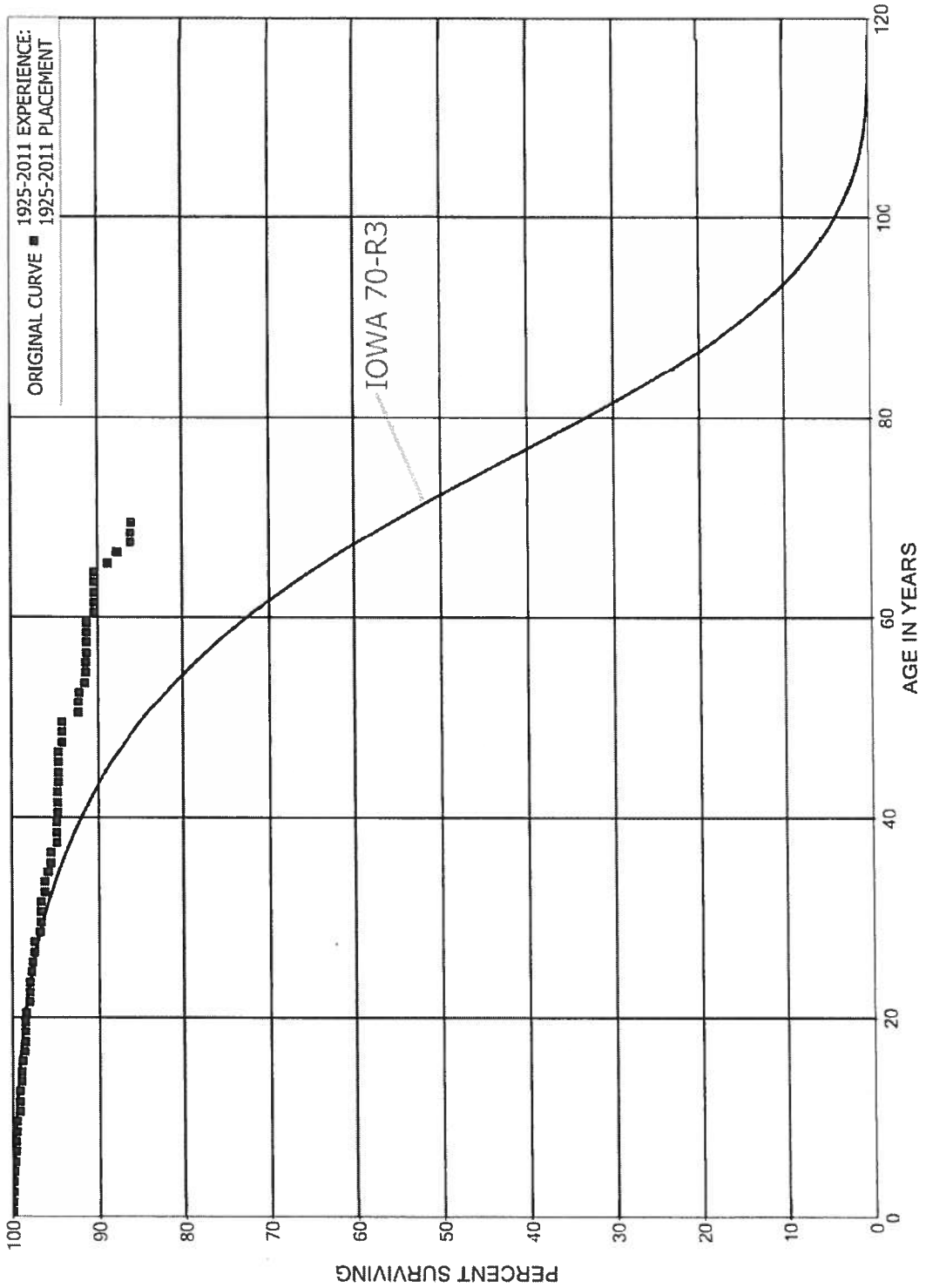


LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 353 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES

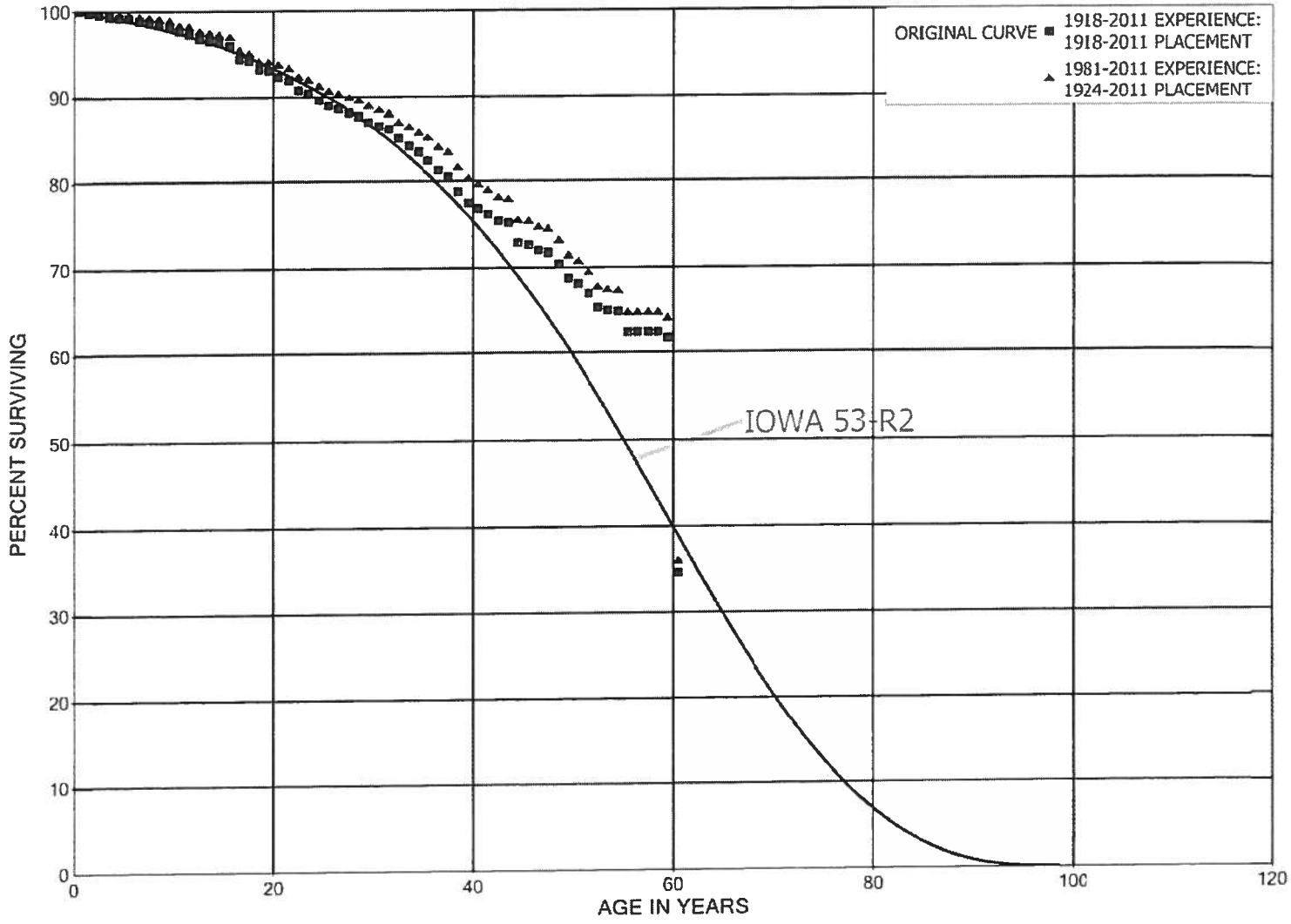


III-100

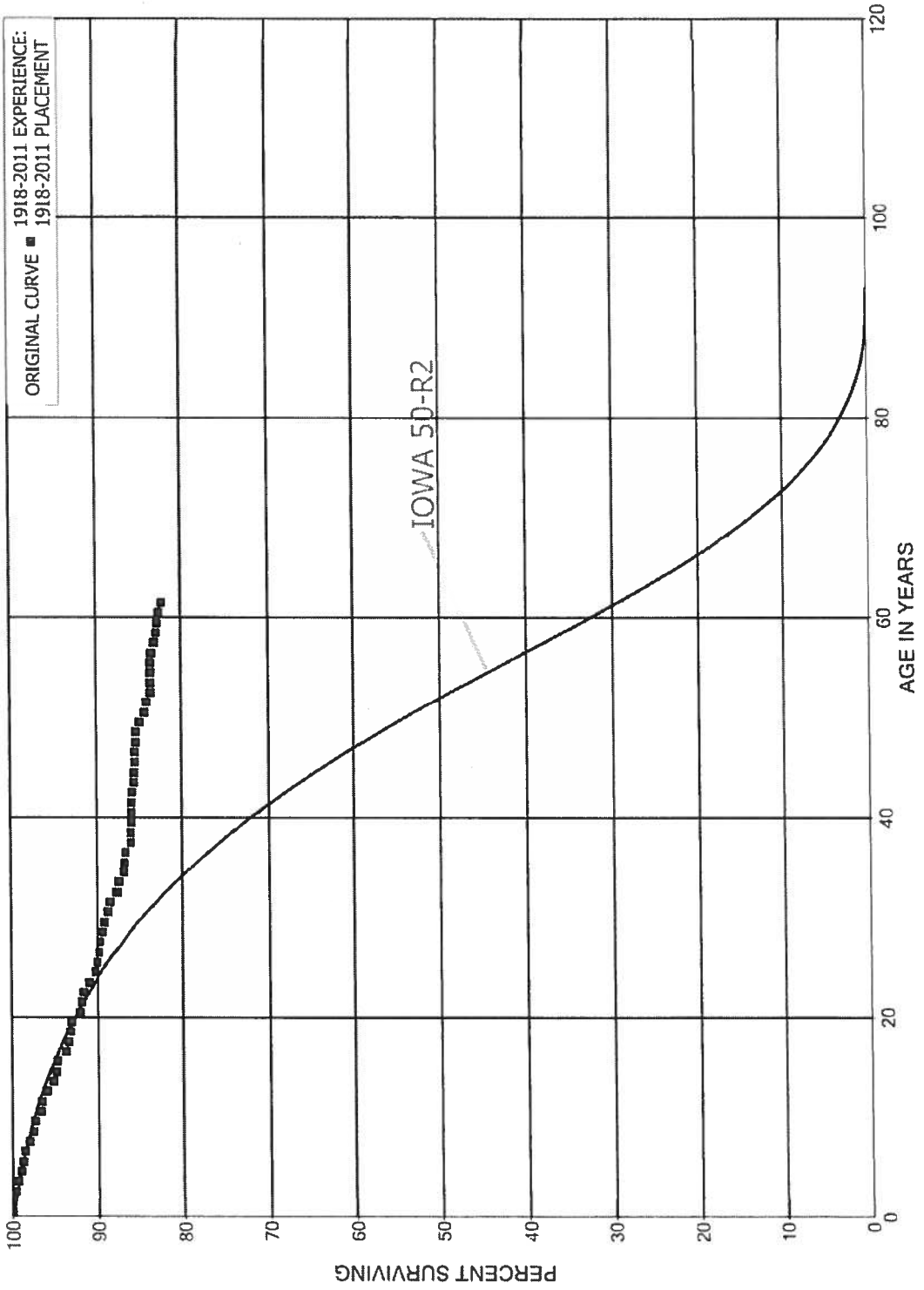
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 354 TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



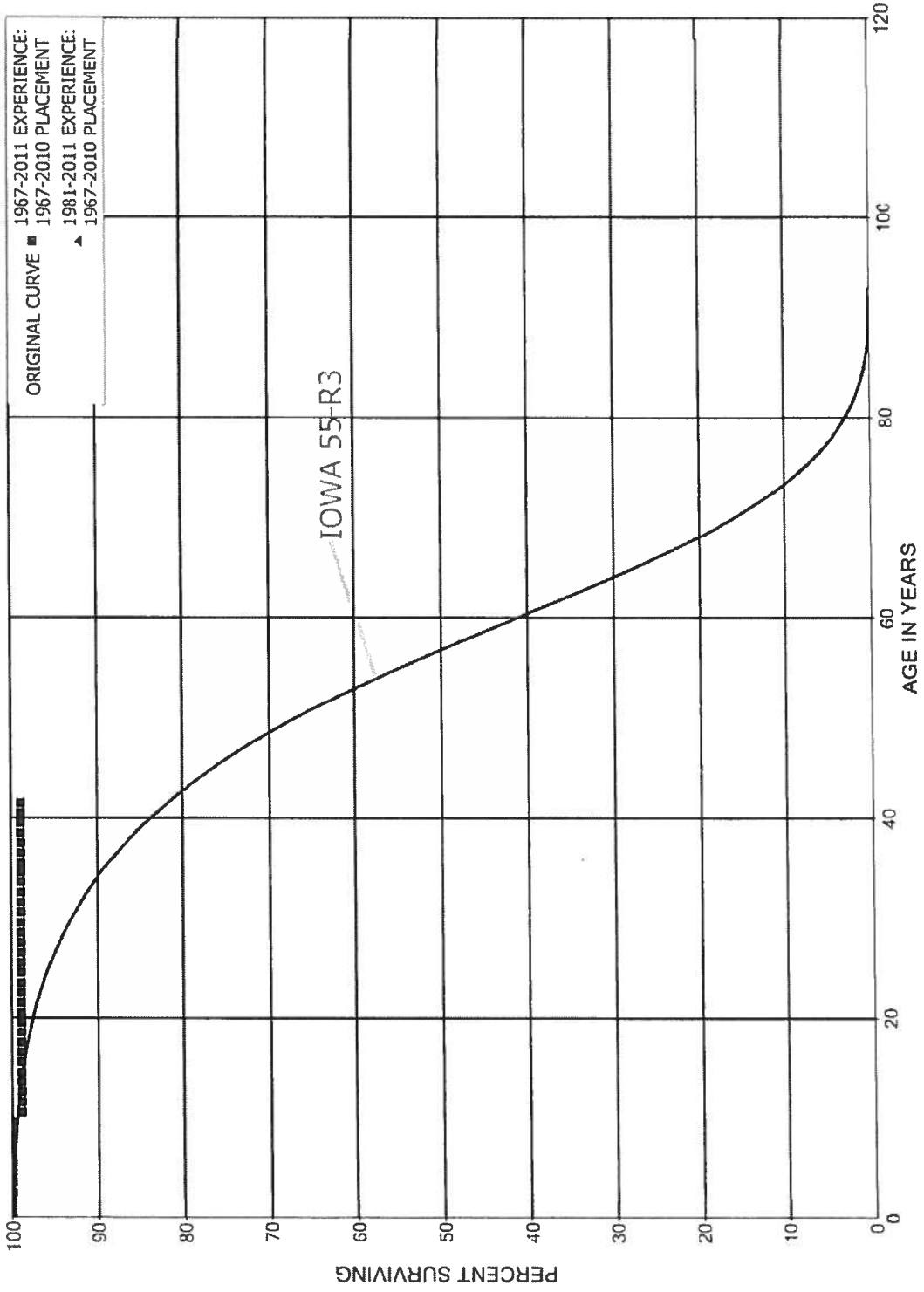
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 355 POLES AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



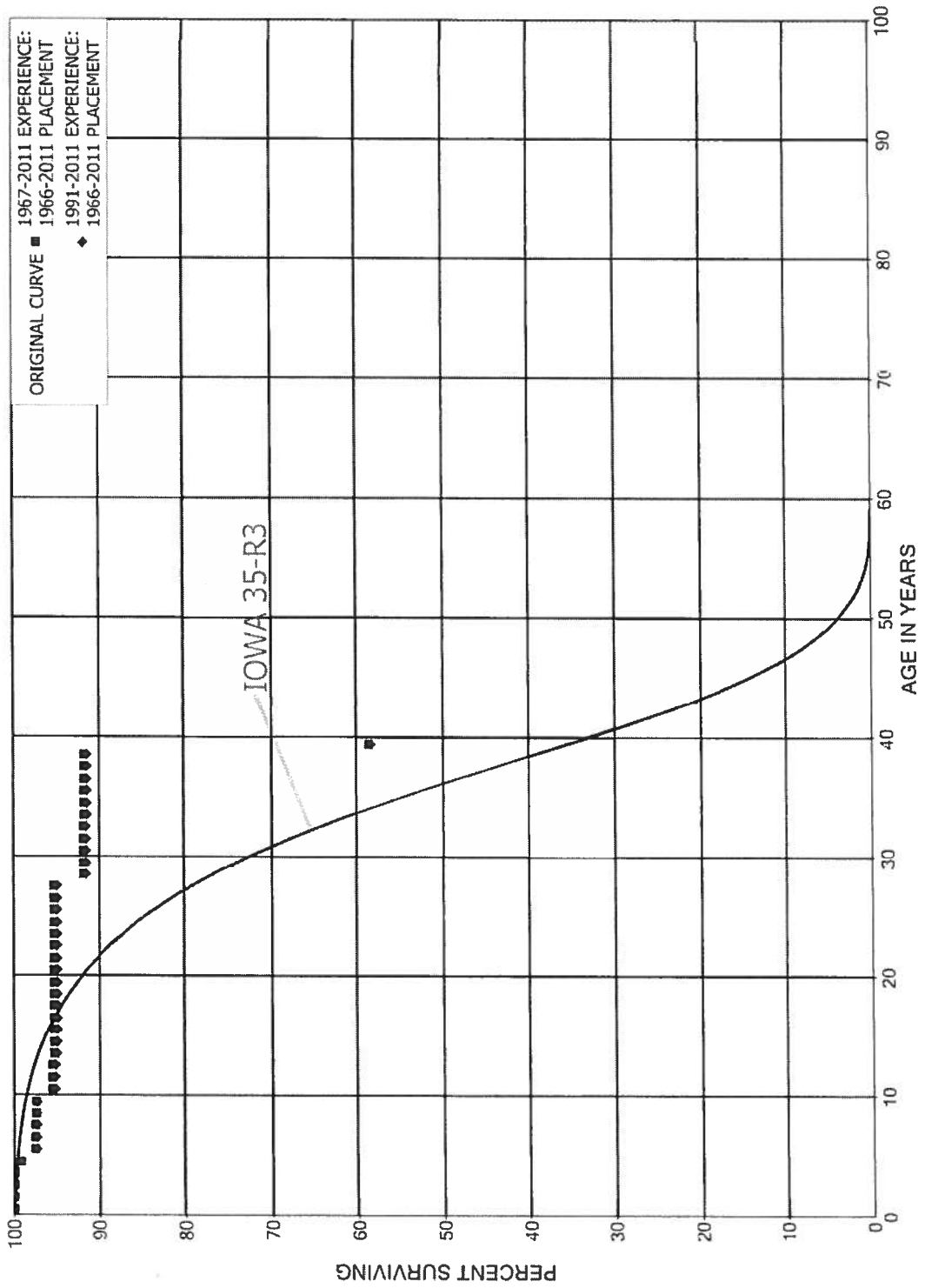
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



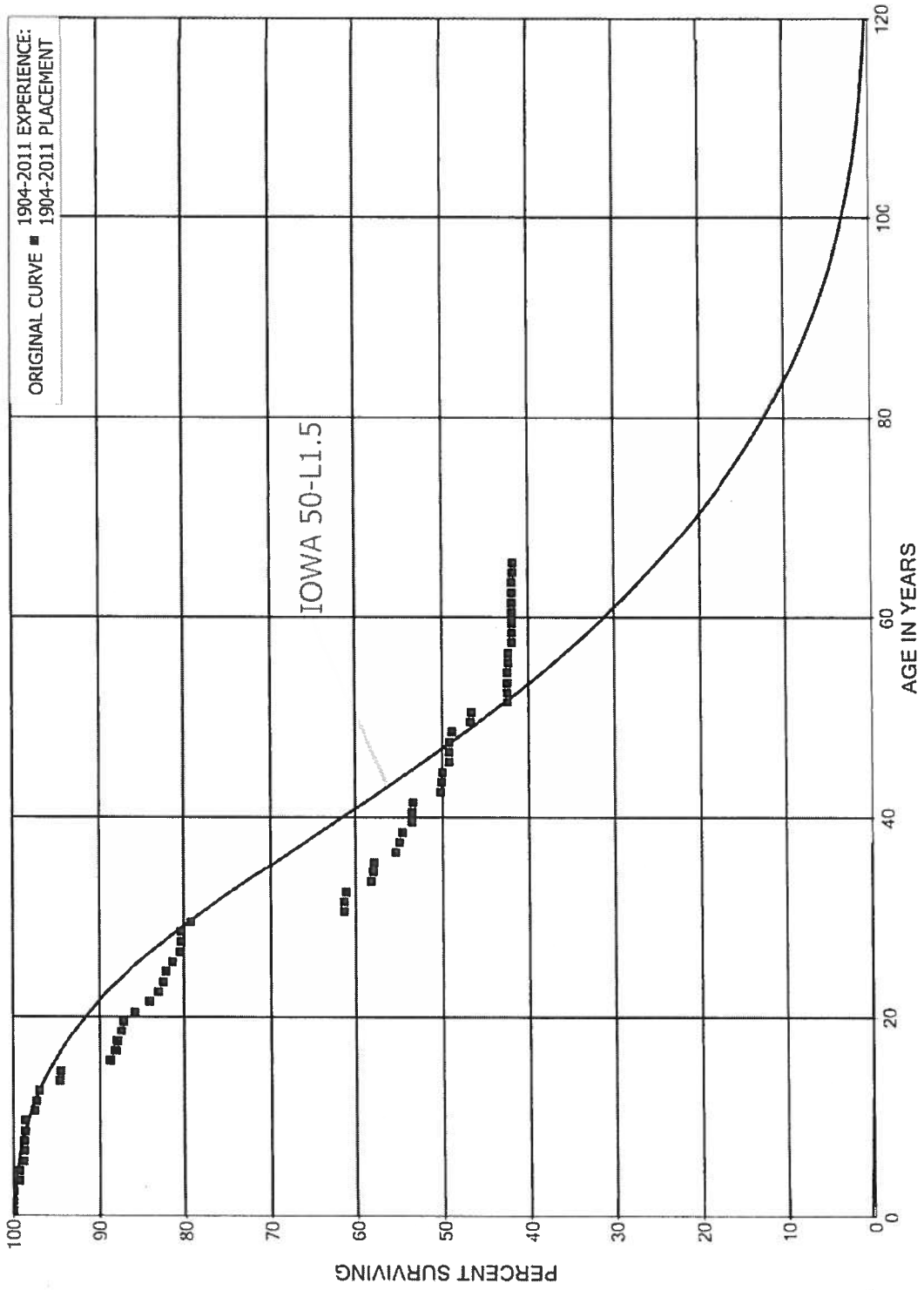
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 357 UNDERGROUND CONDUIT
ORIGINAL AND SMOOTH SURVIVOR CURVES



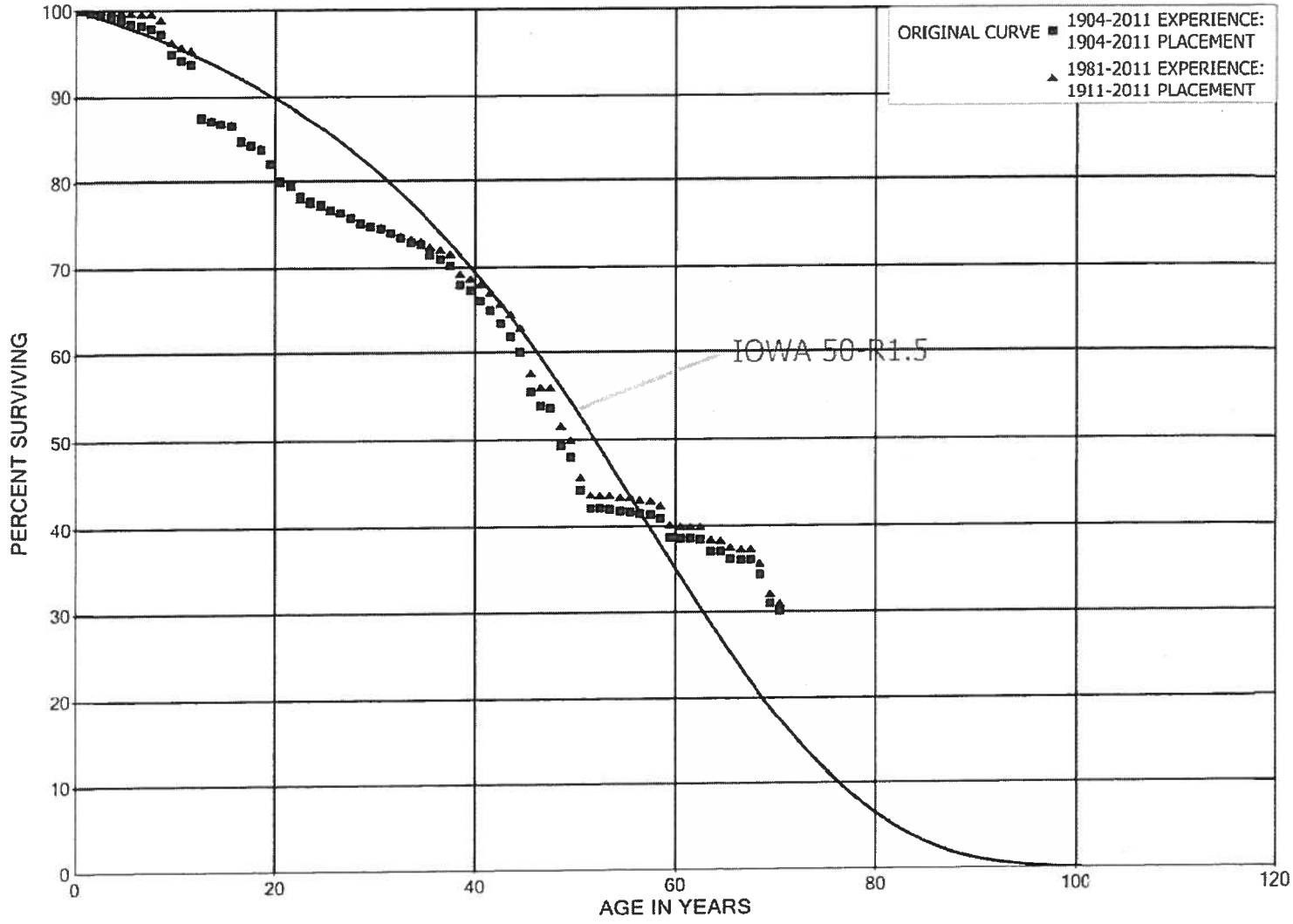
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



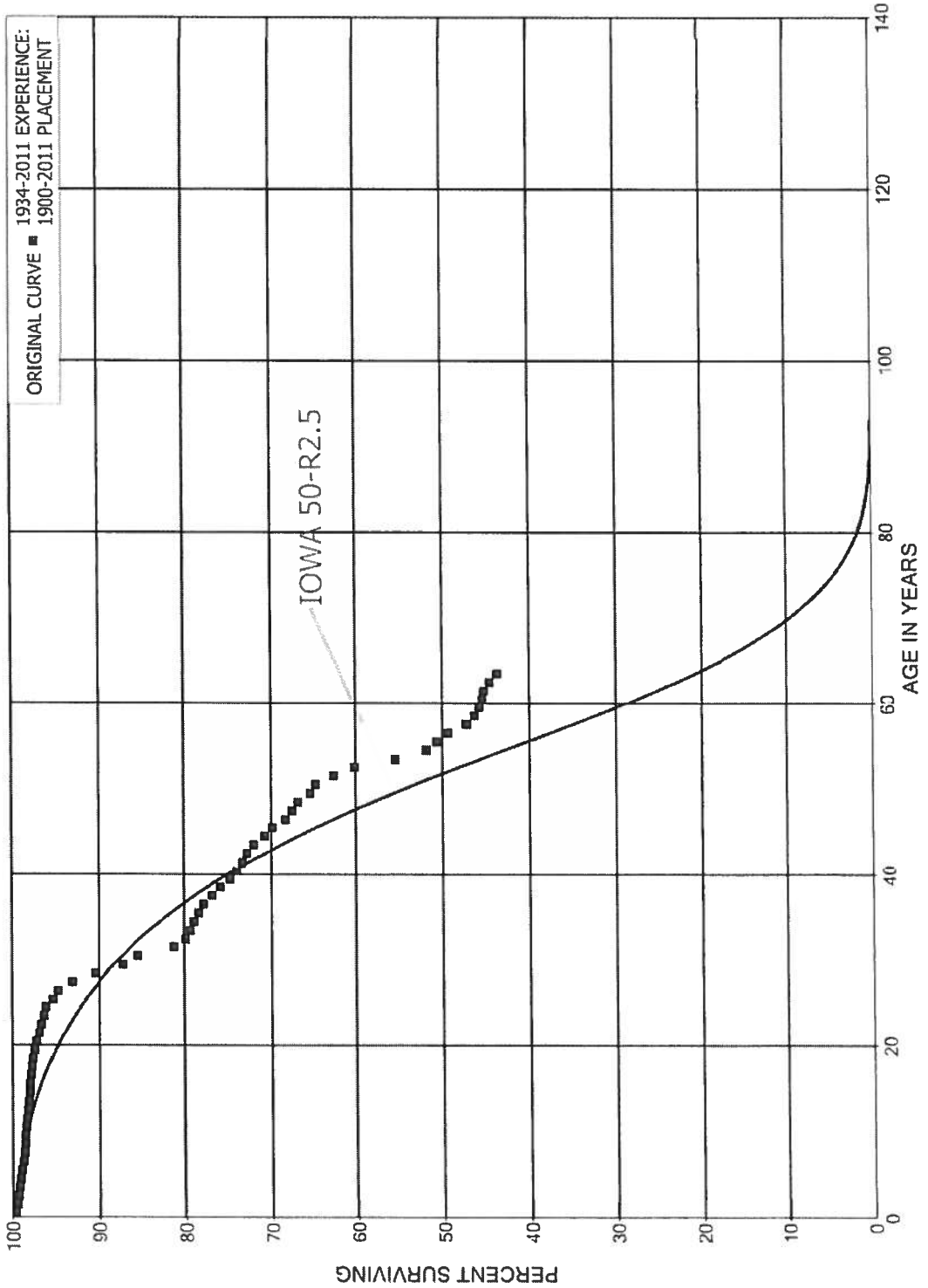
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 361 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



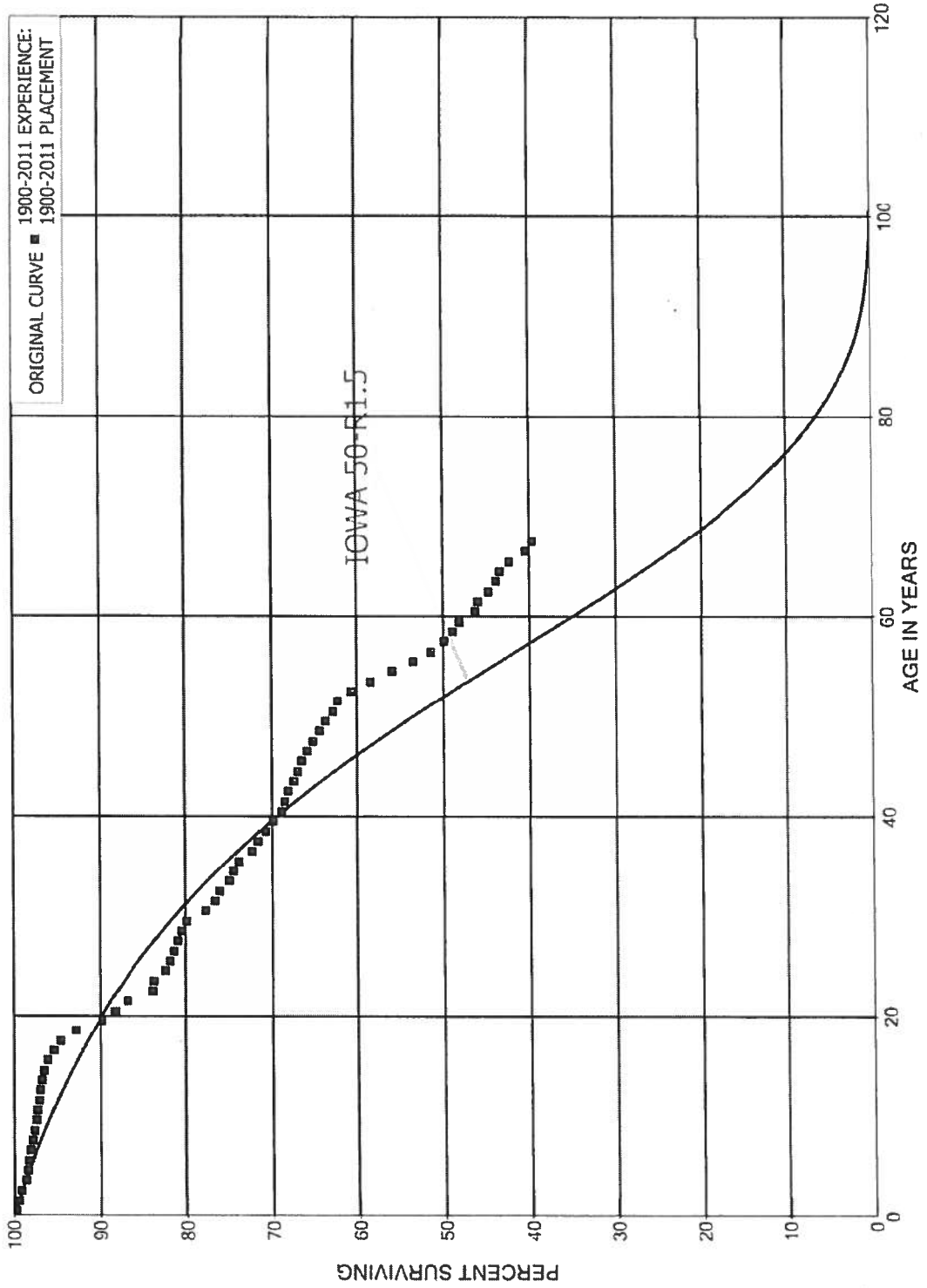
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 362 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



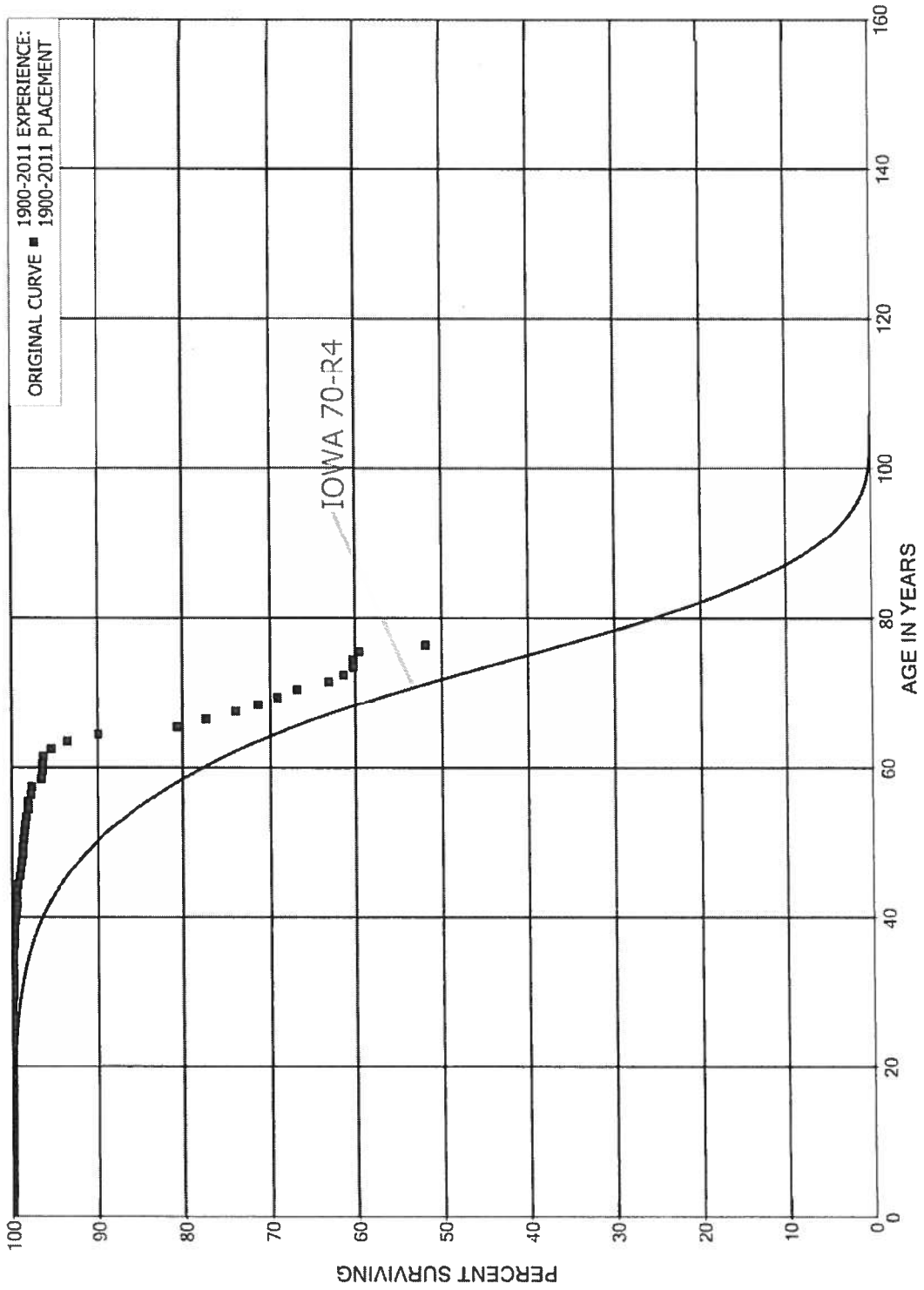
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 364 POLES, TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



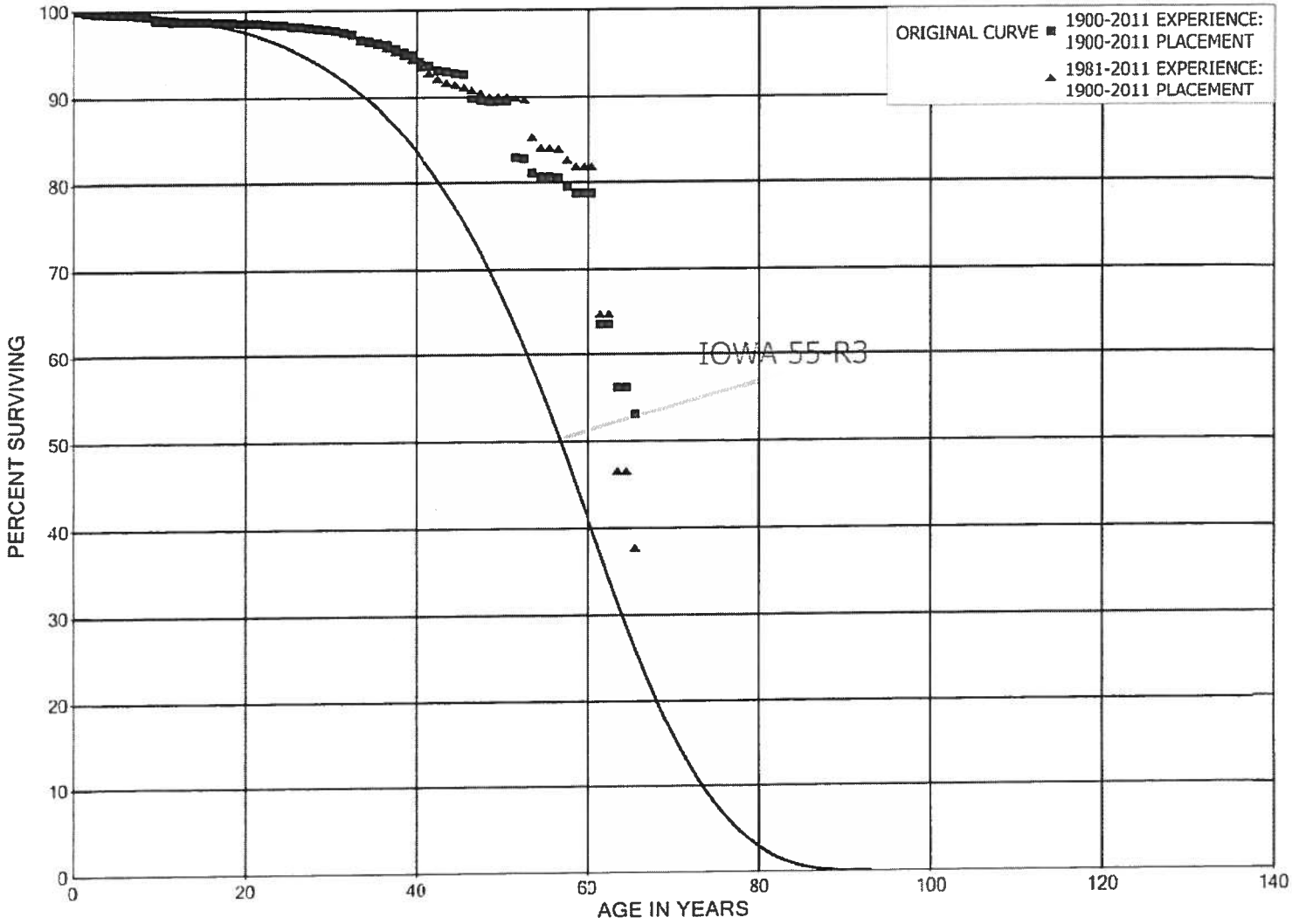
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



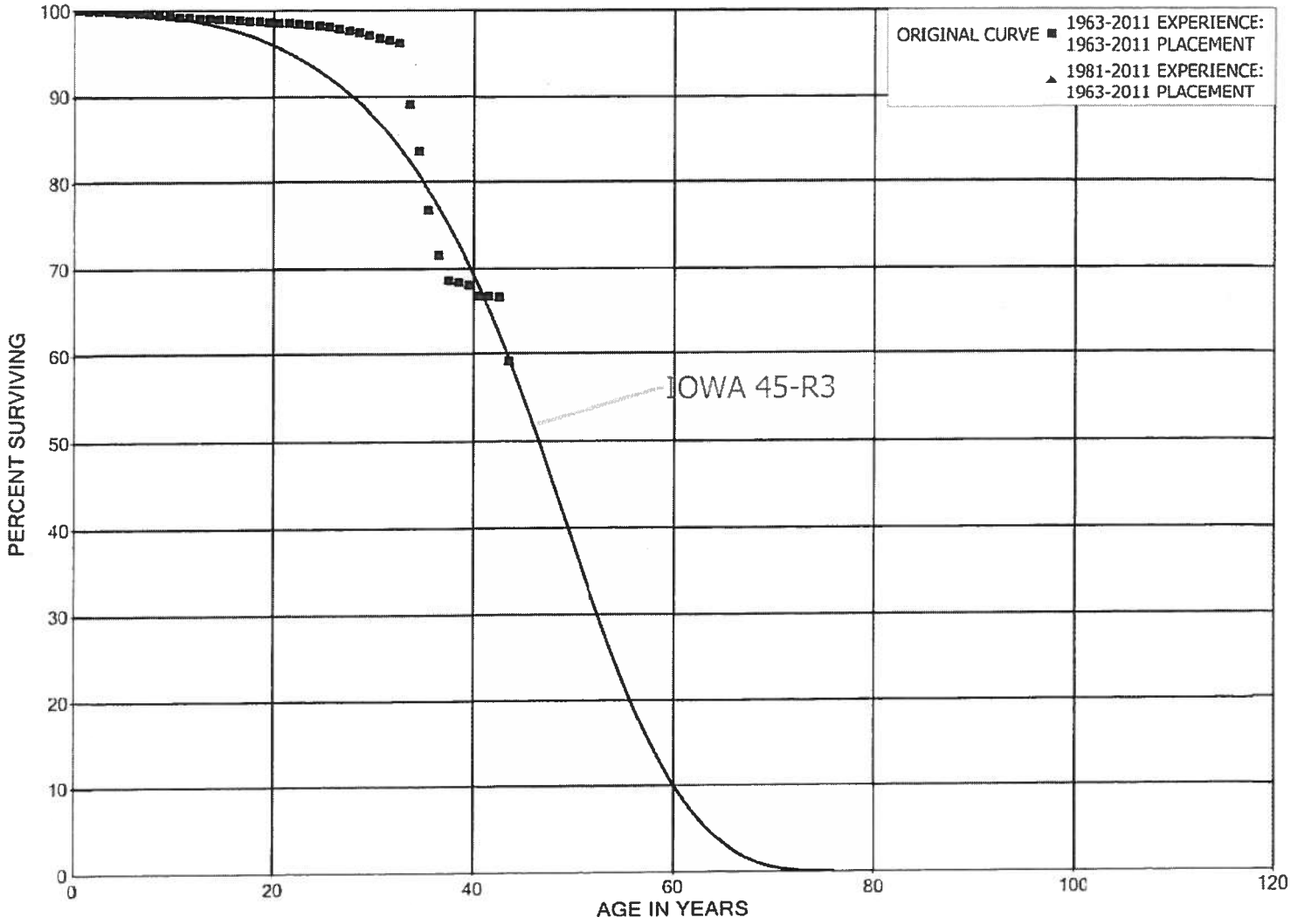
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 366 UNDERGROUND CONDUIT
ORIGINAL AND SMOOTH SURVIVOR CURVES



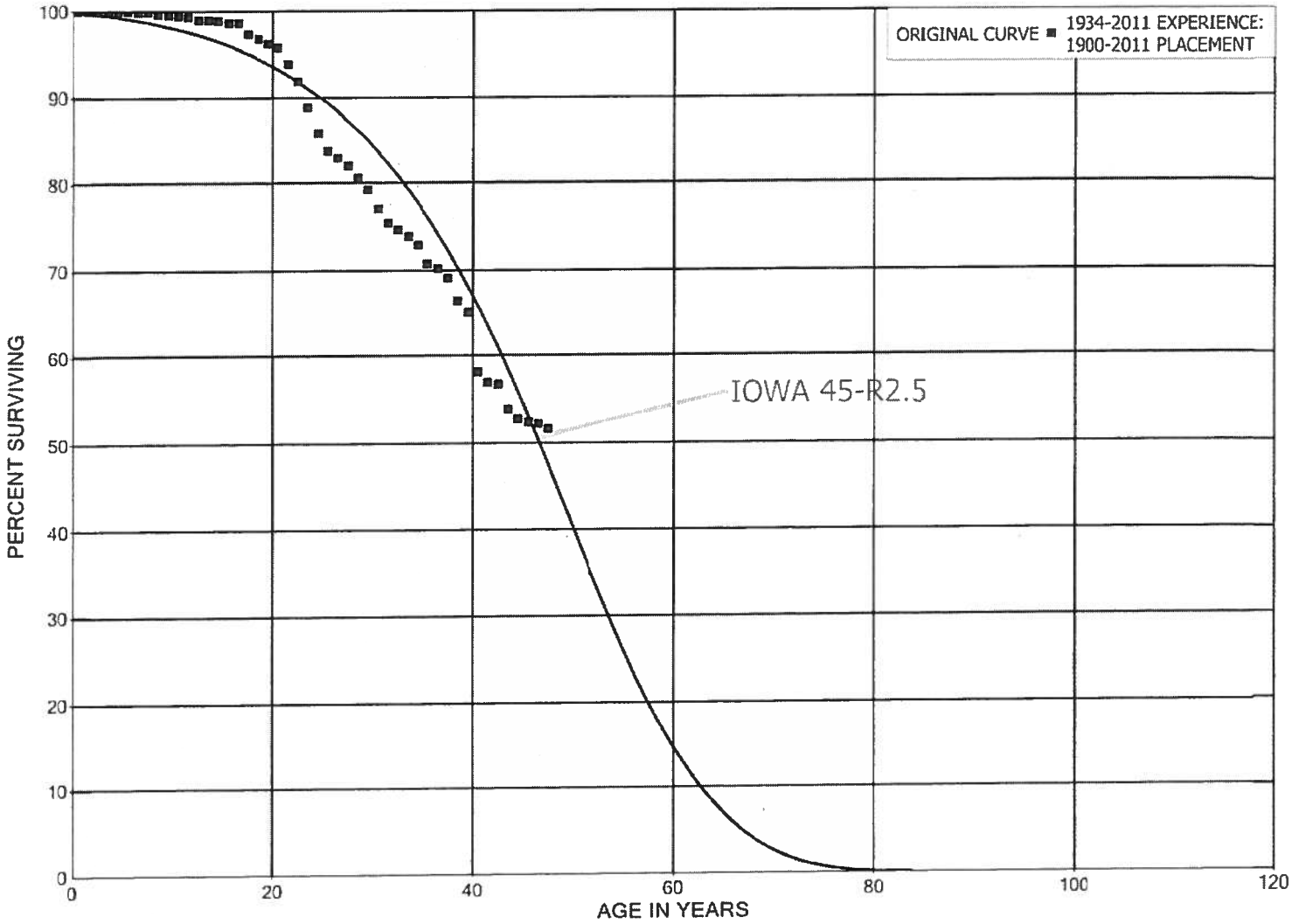
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



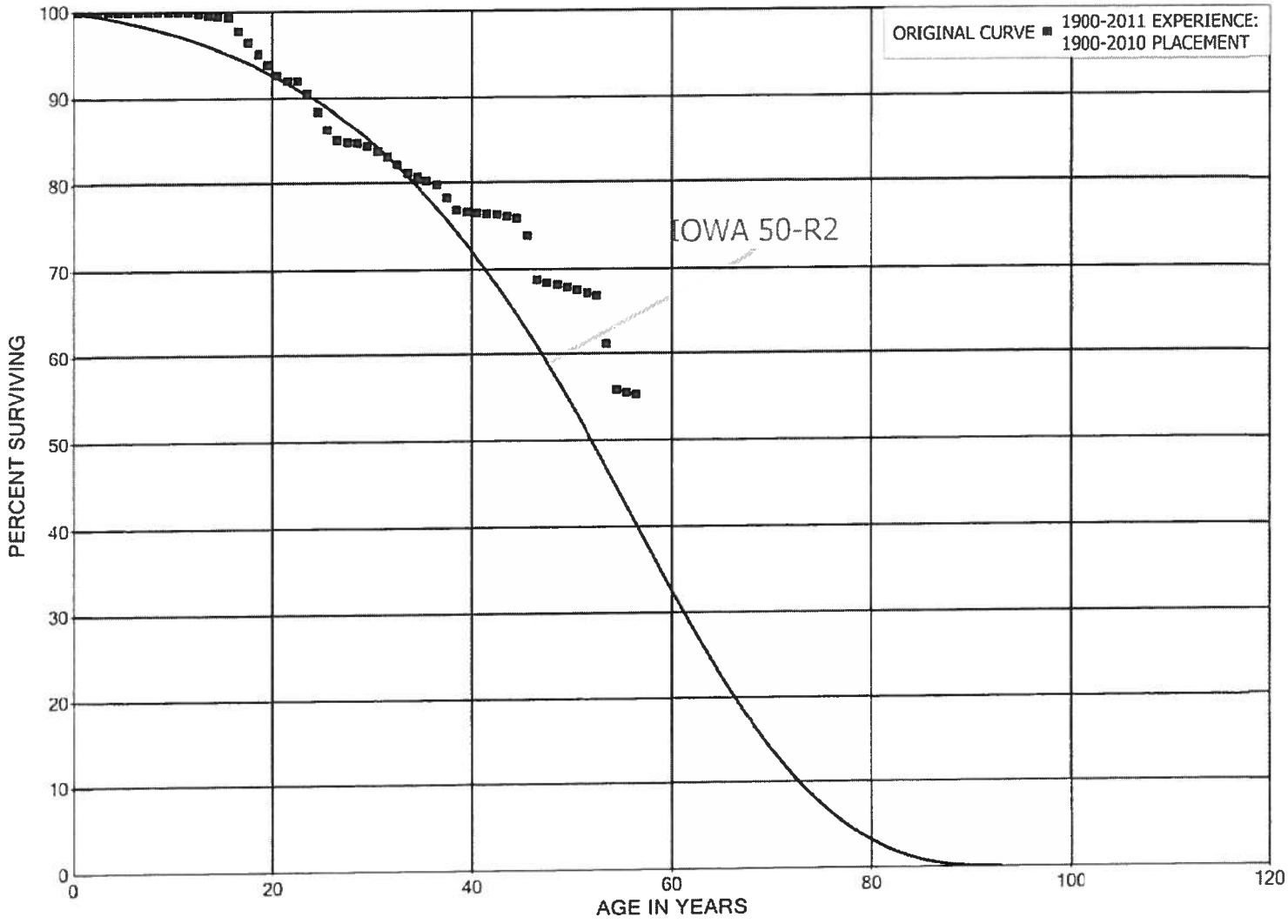
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 368 LINE TRANSFORMERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



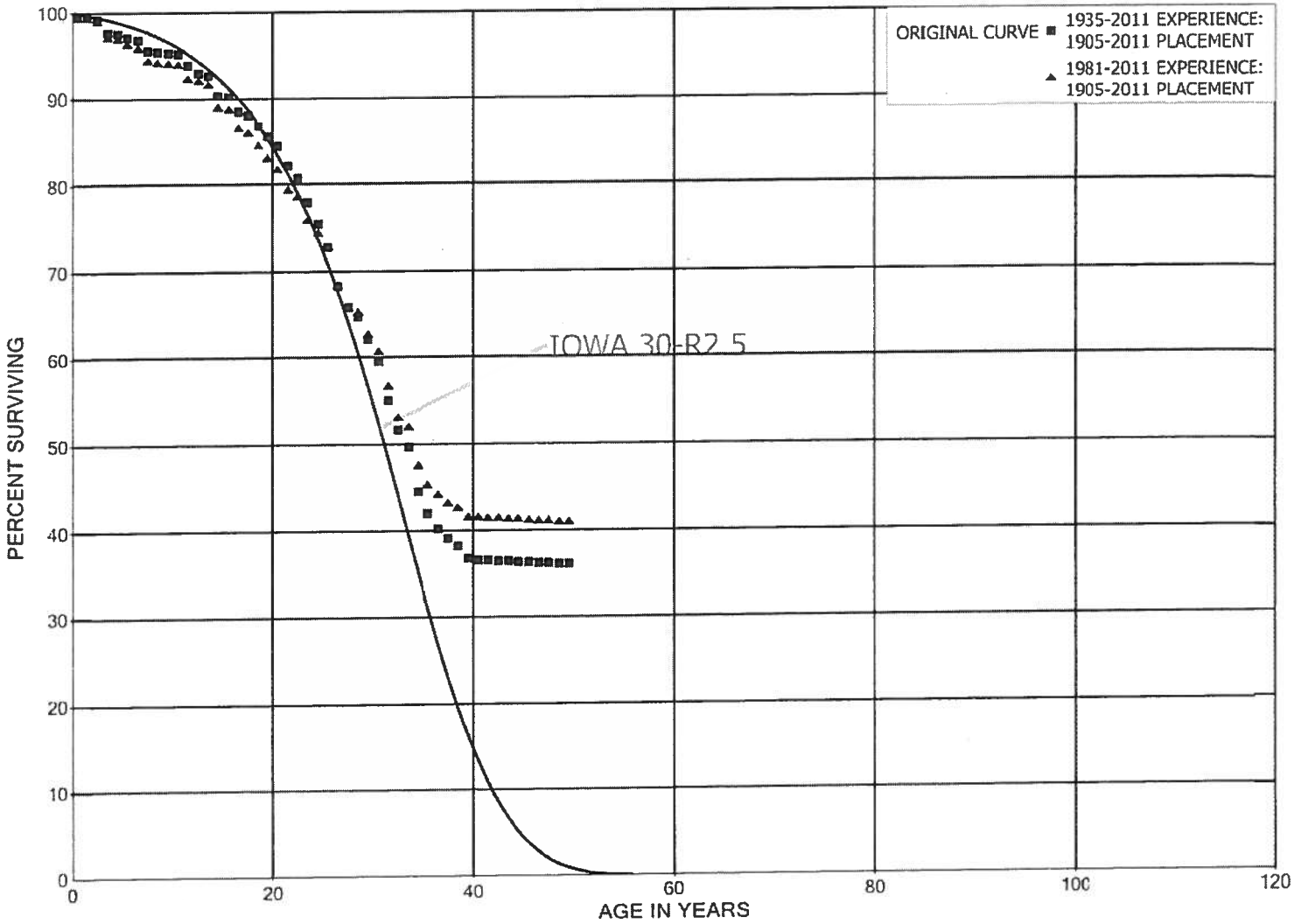
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 369.1 SERVICES - UNDERGROUND
ORIGINAL AND SMOOTH SURVIVOR CURVES



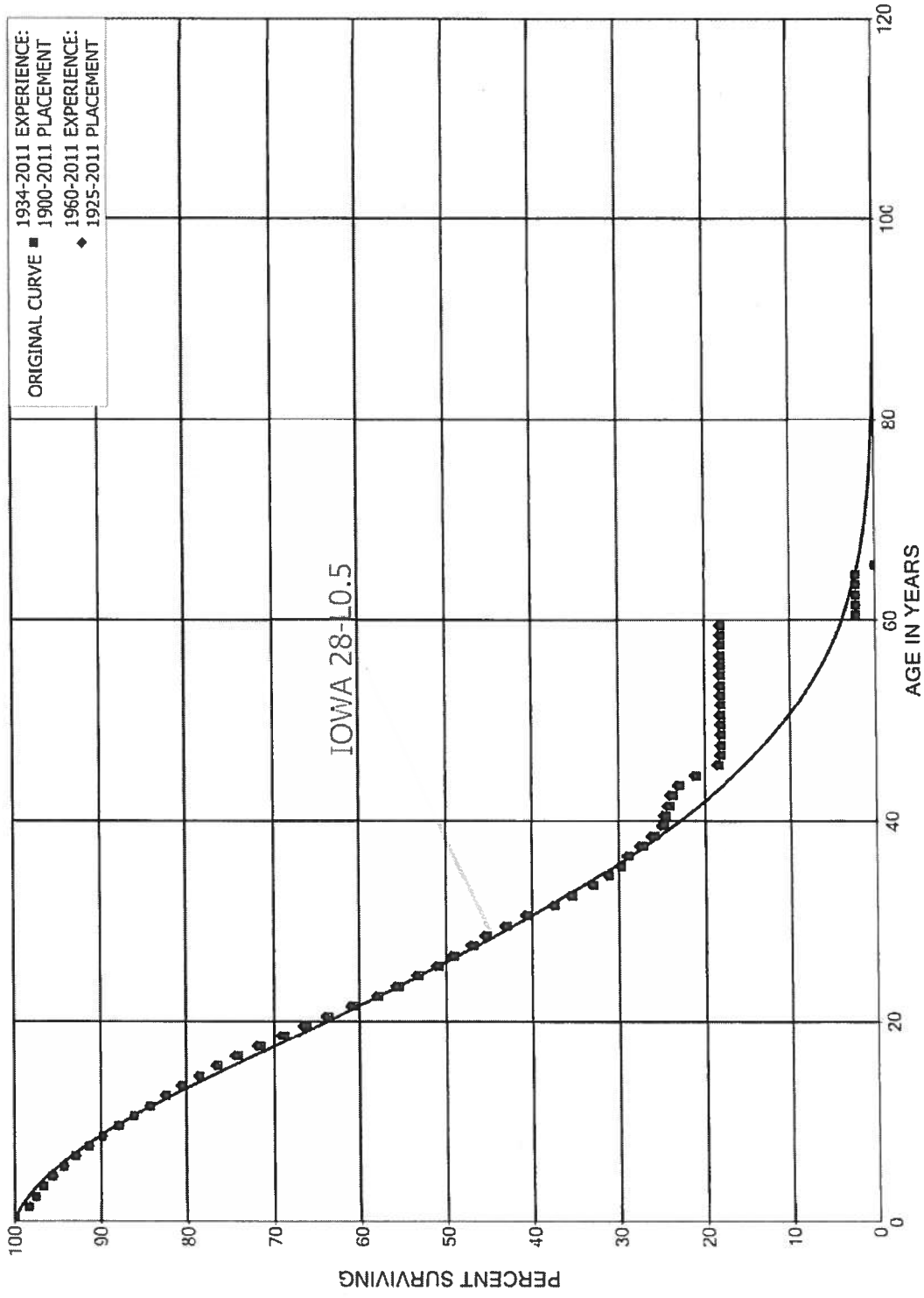
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 369.2 SERVICES - OVERHEAD
ORIGINAL AND SMOOTH SURVIVOR CURVES



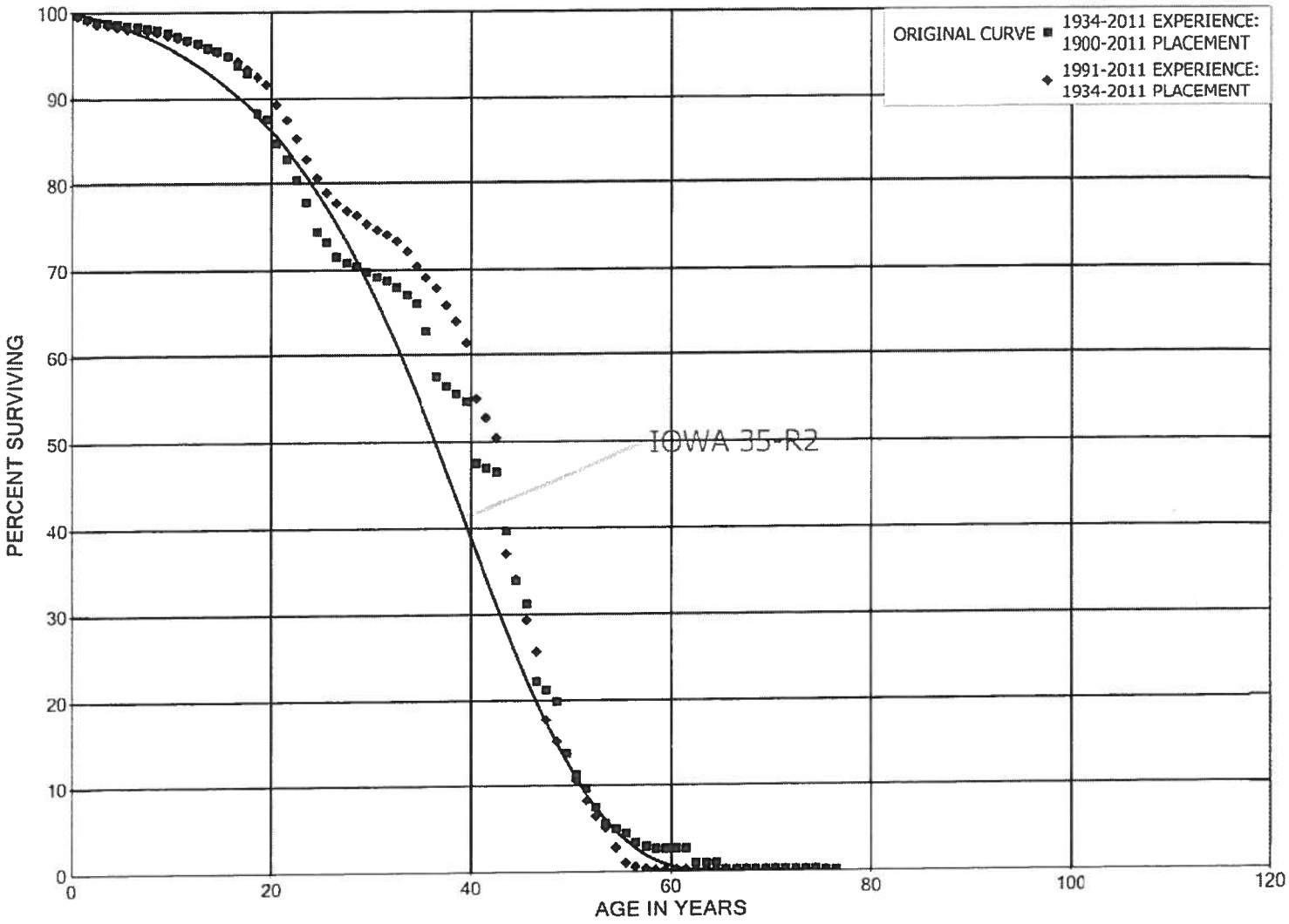
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 370 METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



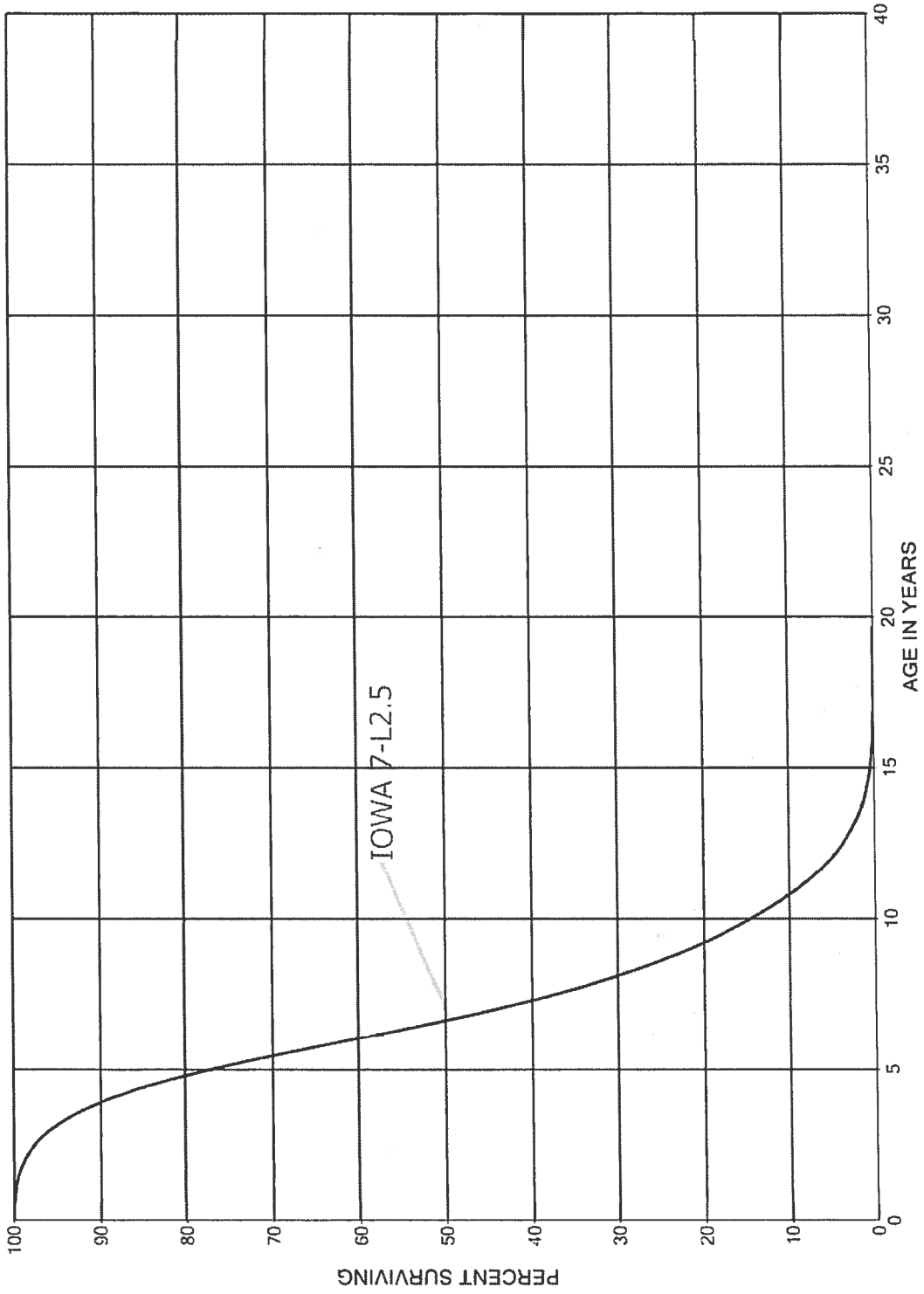
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD
ORIGINAL AND SMOOTH SURVIVOR CURVES



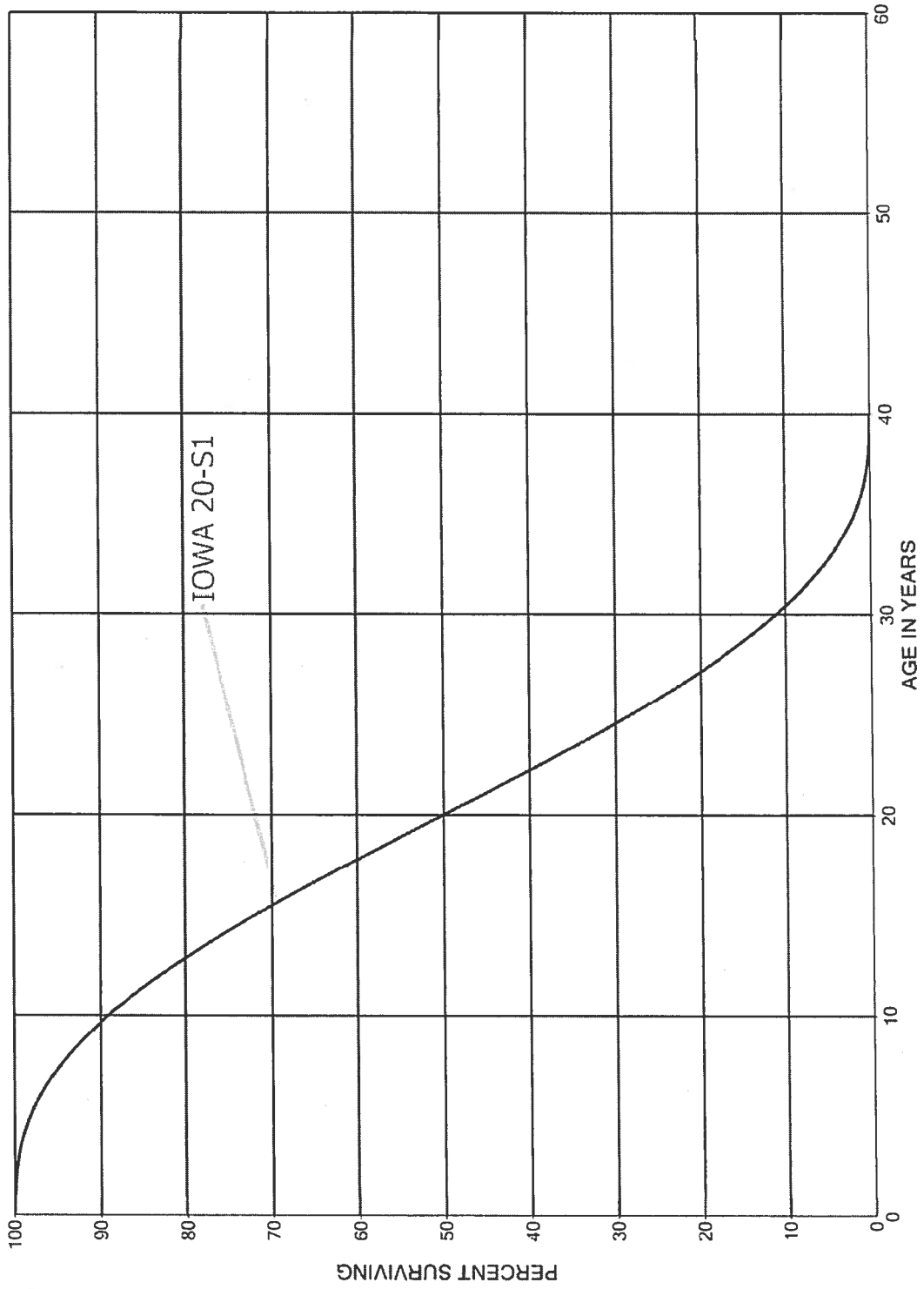
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND
ORIGINAL AND SMOOTH SURVIVOR CURVES



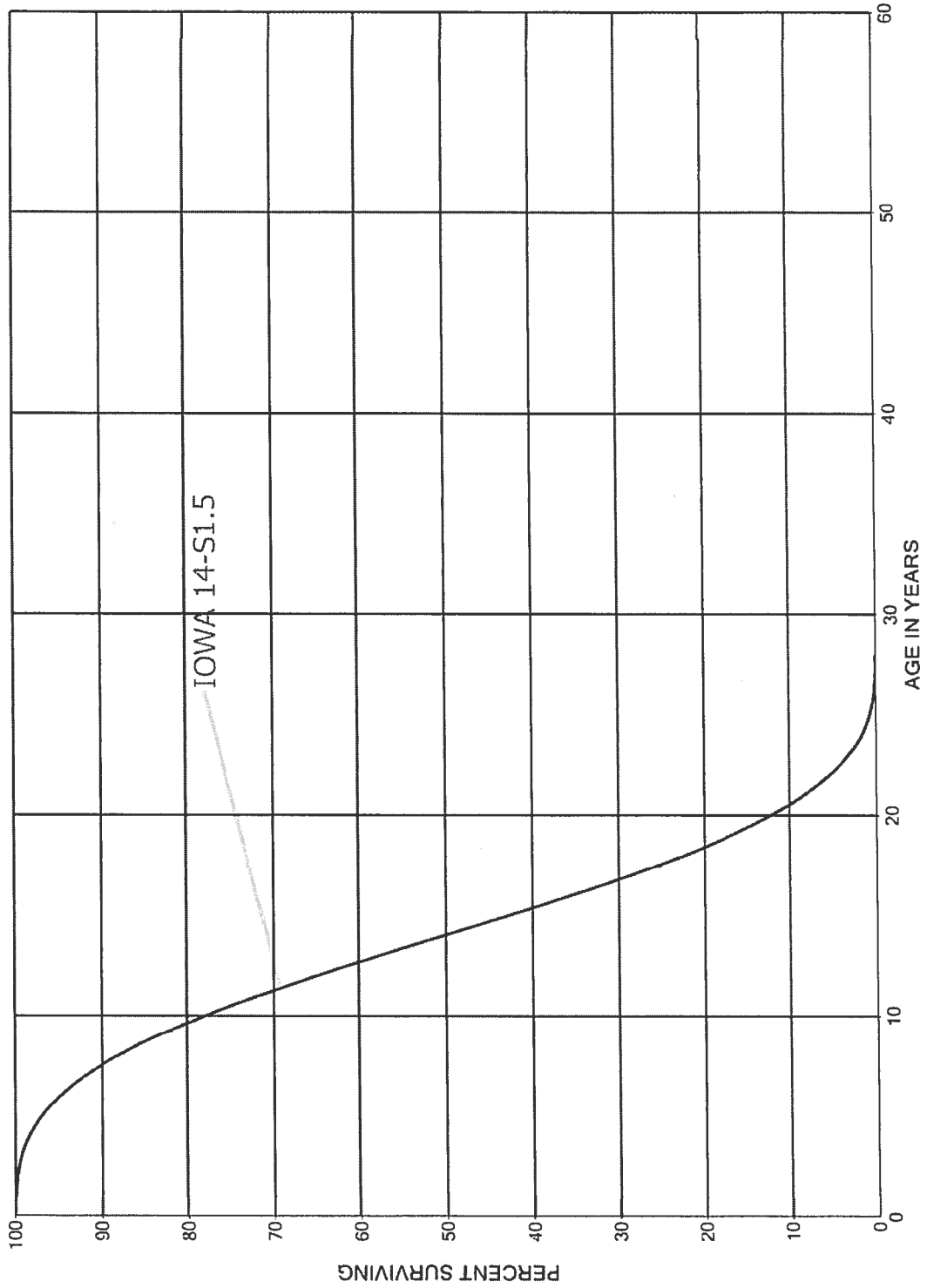
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS
SMOOTH SURVIVOR CURVE



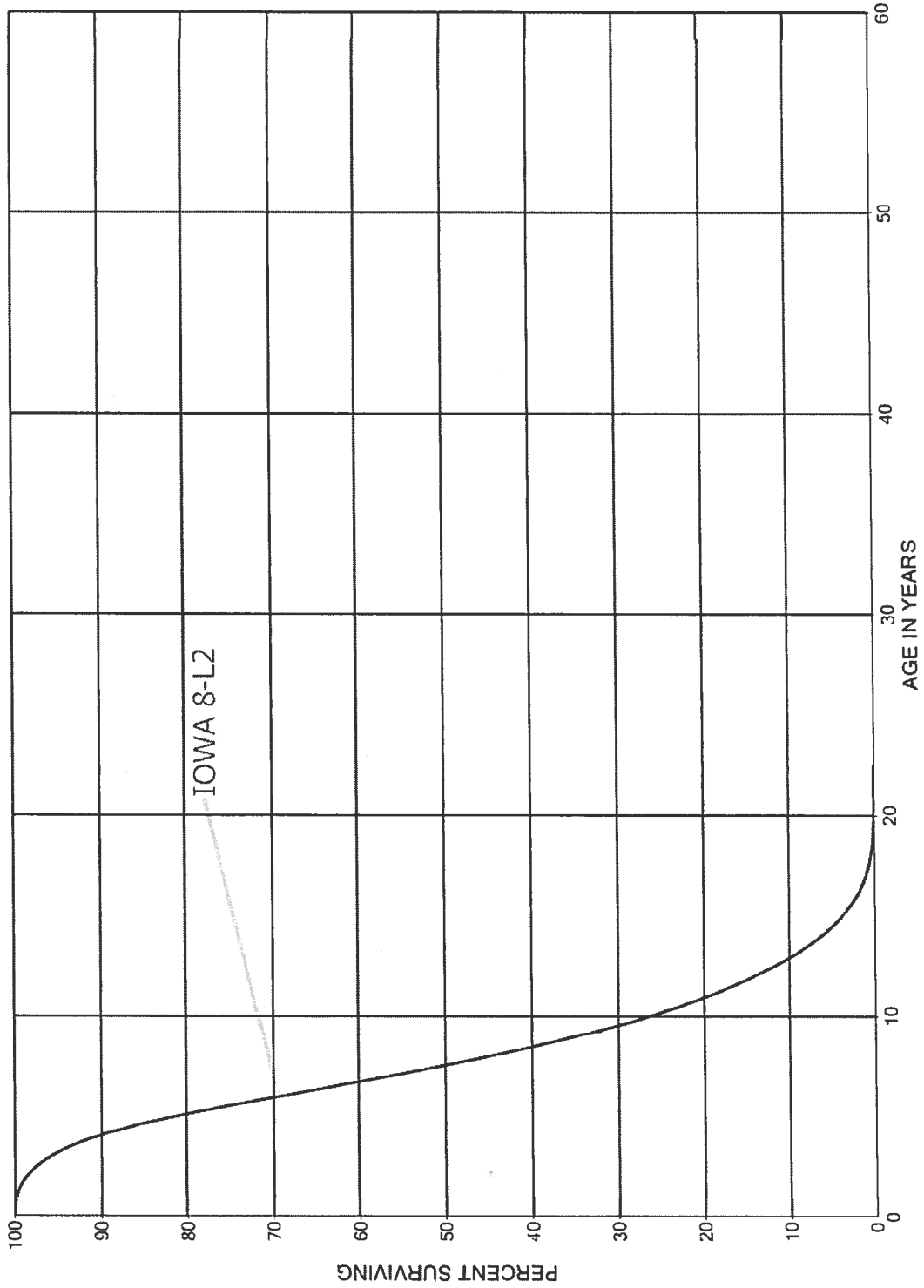
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS
SMOOTH SURVIVOR CURVE



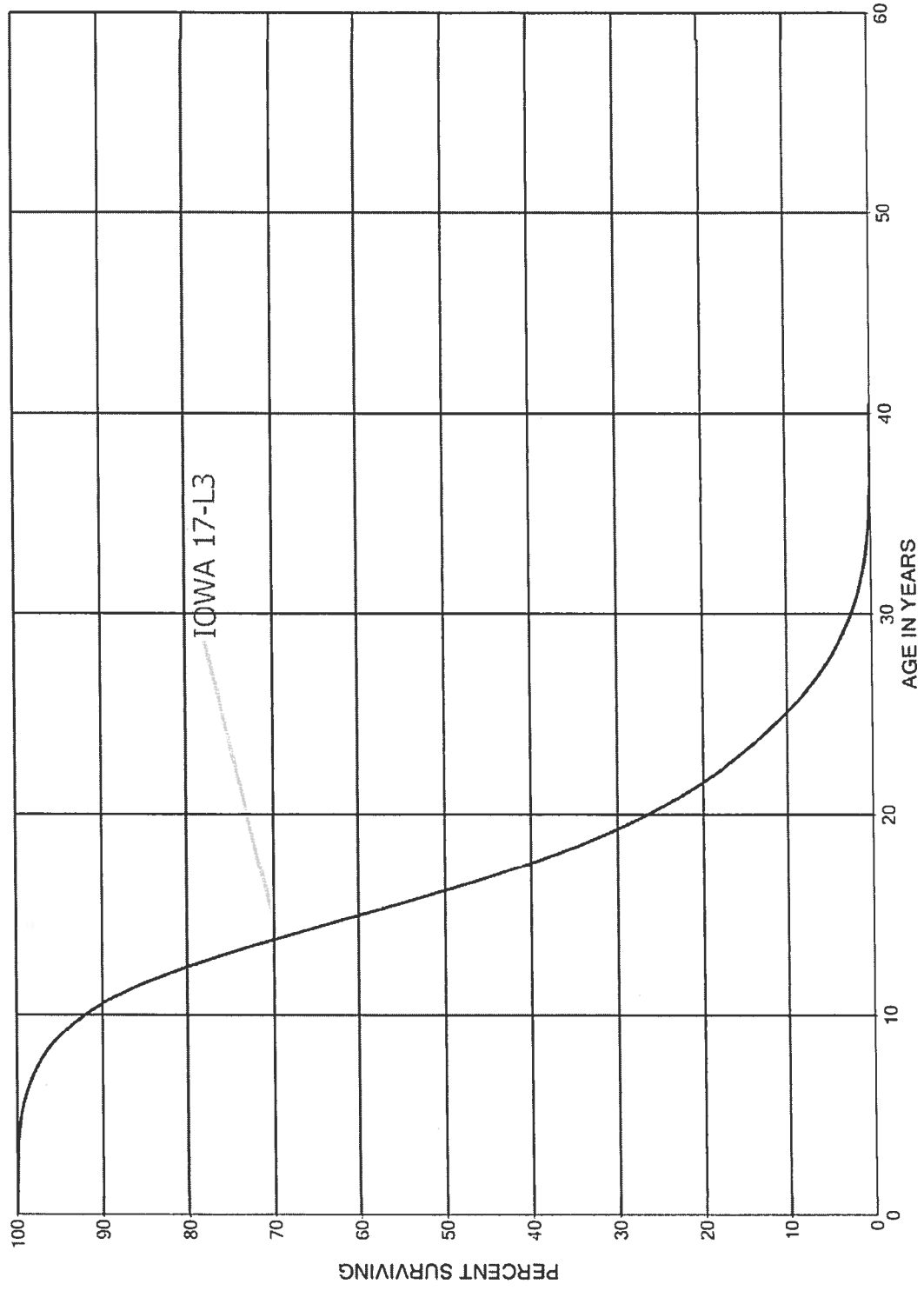
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER
SMOOTH SURVIVOR CURVE



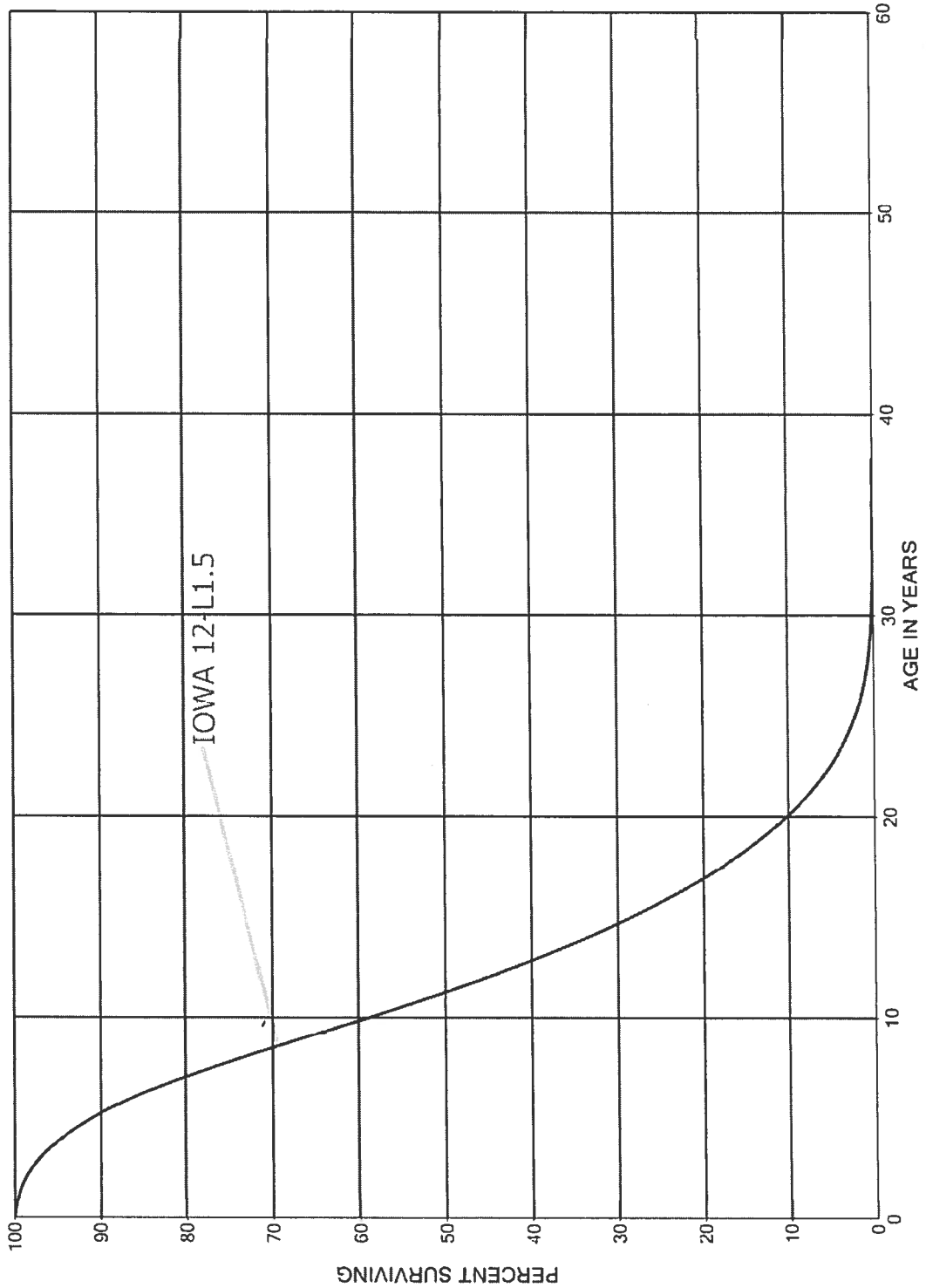
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY
SMOOTH SURVIVOR CURVE



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER
SMOOTH SURVIVOR CURVE



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 396.3 POWER OPERATED EQUIPMENT - LARGE MACHINERY
SMOOTH SURVIVOR CURVE



Analysis of Systematic Bias

Kentucky Utilities
Electric

Exhibit JJS-KU	Account	Spanos Proposed	OLT Last Retirement Activity Year	Percent Surviving at Last Activity	Graph Last Year	1% Year	Percent Surviving at 1%	Full Band					2nd Band					3rd Band				
								Placement Band	Experience Band	Spanos Best Fit	Res Index	Range	Placement Band	Experience Band	Spanos Best Fit	Res Index	Range	Placement Band	Experience Band	Spanos Best Fit	Res Index	Range
Production-Steam																						
III-12	311	100 S1.0	58.5	93.73%	59.5	65	93.28%	1926-2011	1926-2011	not fitted				1971-2011	not fitted		NA		1991-2011	not fitted		NA
III-17	312	60 R2.5	60.5	72.63%	57.5	49	78.84%	1926-2011	1926-2011	77.4 S0.5	0.61	0-49		1971-2011	77.1 S0.5	0.62	0-49		1991-2011	74.9 S0.5	0.83	0-53
III-22	314	55 S1.5	55.5	69.26%	55.5	59	69.16%	1926-2011	1926-2011	75.5 S0.0	1.94	0-59		1971-2011	74.3 S0.0	1.94	0-59		1991-2011	73.9 L0.5	2.18	0-59
III-27	315	70 S3.0	56.5	88.71%	56.5	58	85.77%	1926-2011	1926-2011	98.3 L2.5	0.61	0-58		1971-2011	98.0 L2.5	0.61	0-58		1991-2011	95.0 L2.5	0.69	0-58
III-32	316	70 R1.5	57.5	81.03%	54.5	56	81.03%	1926-2011	1926-2011	116.3 R0.5	0.99	0-56		1971-2011	115.2 R0.5	1.00	0-56		1991-2011	143.3 O1.0, 161.0 O2.0, 116.6 R0.5	0.79	0-56
Production-Hydro																						
III-37	330.1	100 R4.0	2.5	99.99%	69.5	NA	NA	1941-2011	1941-2011	not fitted												
III-40	331	90 S2.5	63.5	72.80%	69.5	NA	NA	1941-2011	1941-2011	79.0 L4.0	2.76	0-71		1986-2011	150.7 R2.5	0.23	0-24					
III-43	332	100 S2.5	69.5	93.35%	70.5	NA	NA	1941-2011	1941-2011	not fitted				1986-2011	27.9 L5	0.37	0-21					
III-46	333	75 R3	68.5	49.35%	70.5	NA	NA	1941-2011	1941-2011	69.2 R4	4.33	0-71		1986-2011	not fitted							
III-49	334	40 L2.5	47.5	19.30%	70.5	NA	NA	1941-2011	1941-2011	30.1 L0.5	15.37	22-71		1986-2011	24.0 L5.0	11.97	0-71					
III-52	335	35 L1.0	63.5	10.24%	63.5	NA	NA	1941-2010	1941-2011	82.0 O4.0	7.25	0-65		1986-2011	44.5 O3.0	8.59	0-71					
III-57	336	55 R4.0	63.5	97.57%	70.5	NA	NA	1941-2009	1941-2011	not fitted												
Production-Other (Gas/Combustion Turbines)																						
	340.1	square	0	0.00%		NA	NA	1994-1995	1994-2011	93.9 O4.0	4.18	0-18										
III-60	341	40 R2.5	4.5	97.68%	17.5	NA	NA	1994-2011	1994-2011	not fitted												
III-62	342	45 R2.5	40.5	29.42%	29.5	28	89.77%	1970-2011	1970-2011	123.0 O3.0	1.38	0-18							1991-2011	121.9 O3.0	1.39	0-18
								1970-2011	1970-2011	167.0 O4.0	1.38	0-18						1991-2011	165.5 O3.0	1.39	0-18
III-67	343	35 R1.5	14.5	88.62%	17.5	NA	NA	1994-2011	1994-2011	45 R1.0	0.71	0-18										
								1994-2011	1994-2011	58.6 R0.5	0.71	0-18										
III-69	344	55-S3.0	41.5	95.36%	29.5	NA	NA	1970-2011	1970-2011	not fitted									1991-2011	not fitted		
III-74	345	45 R3.0	41.5	95.34%	29.5	NA	NA	1970-2011	1970-2011	not fitted									1991-2011	not fitted		
III-79	346	35 R2.0	41.5	96.89%	29.5	18	96.83%	1970-2011	1970-2011	not fitted												
Transmission																						
III-84	350.1	60 R3.0	48.5	98.05%	66.5	NA	NA	1941-2011	1941-2011	not fitted				1966-2011	not fitted				1991-2011	not fitted		
III-89	352.1	65 S2.5	69.5	84.27%	57.5	58	89.99%	1940-2011	1940-2011	114.0 L2.0	0.29	0-58		1966-2011	115.0 L2.0	0.30	0-59		1991-2011	110.7 S1.5	0.37	0-61
III-94	352.2	60 R3.0	54.5	84.93%	55.5	NA	NA	1956-2011	1956-2011	69.3 R4.0	1.09	0-56							1991-2011	68.5 R4.0	1.11	0-56
III-99	353.1	60 R2.0	69.5	51.75%	64.5	60	72.39%	1903-2011	1903-2011	111.2 L0.0	0.43	0-60		1966-2011	113.3 L0.0	0.43	0-60		1991-2011	117.3 L0.0	0.65	0-62
III-106	353.2	35 R2.5	54.5	50.60%	42.5	37	74.53%	1956-2003	1956-2011	52.7 S0.0	1.70	0-37							1991-2011	48.8 S0.0	1.66	0-38
III-111	354	70 R4.0	68.5	68.80%	70.5	66	68.85%	1904-2011	1904-2011	92.5 L3.0	2.12	0-66		1966-2011	93.1 L3.0	2.11	0-66		1991-2011	71.4 R5.0	3.58	0-70
III-116	355	55 R2.0	69.5	30.33%	62.5	56.5	56.71%	1903-2011	1903-2011	61.3 S0.5	1.15	33-57	1928-2011	1966-2011	61.8 R1.5	1.13	34-56	1941-2011	1991-2011	62.1 R2.5	1.53	0-59
III-121	356	60 R3.0	69.5	53.70%	55.5	NA	NA	1903-2011	1903-2011	71.3 R2.5	1.22	0-63	1924-2011	1966-2011	74.6 R2.5	1.01	0-63	1941-2011	1991-2011	87.2 R2.5	2.15	0-70
III-126	357	45 R4.0	13.5	100.00%	38.5	NA	NA	1960-2003	1960-2011	not fitted												
III-129	358	35 R3.0	30.5	95.03%	41.5	NA	NA	1960-2009	1960-2011	not fitted												
Distribution																						
III-132	360.1	65 R4.0	57.5	98.87%	59.5	NA	NA	1941-2011	1941-2011	not fitted									1991-2011	not fitted		
III-135	361	60 R.25	65.5	61.88%	58.5	56.5	68.31%	1909-2011	1909-2011	83.9 S0.0	1.01	0-57						1931-2011	1991-2011	80.1 R1.5	0.69	0-58
III-140	362	54 R2.0	101.5	26.13%	63.5	40.5	77.64%	1904-2011	1904-2011	54.9 R2.0	0.99	31-59						1909-2011	1991-2011	61.2 R1.5	0.94	0-60
III-147	364	50 R1.0	77.5	21.99%	62.5	58.5	45.05%	1905-2011	1905-2011	58.6 L0.5	1.30	0-59	1932-2011	1977-2011	60.4 L0.5	0.97	0-60	1932-2011	1991-2011	64.5 L0.5	0.74	0-61
III-152	365	48 R1.5	69.5	16.42%	66.5	59.5	46.38%	1929-2011	1929-2011	56.0 R0.5	0.99	0-60	1930-2011	1962-2011	55.0 R0.5	1.15	0-61	1941-2011	1991-2011	57.8 R0.5	1.56	19-62
										64.9 L0.0	0.99	22-60									
III-157	366	50 R4>0	55.5	24.54%	53.5	53.5	29.93%	1951-2011	1953-2011	55.9 L2	5.96	0-54		1971-2011	55.9 L2.0	5.96	0-54		1991-2011	51.4 L2.5	6.30	0-55
III-162	367	44 R2.0	58.5	1.59%	44.5	33.5	84.82%	1938-2011	1938-2011	91.9 R0.5	0.19	0-34	1941-2011	1977-2011	92.8 R0.5	0.19	0-34		1991-2011	96.5 R0.5	0.19	0-34
III-167	368	43 R2.0	87.5	0.16%	62.5	51.5	37.05%	1900-2011	1900-2011	45.0 R2.0	1.40	0-52		1961-2011	44.7 R2.0	1.44	0-52	1941-2011	1991-2011	47.3 R2.5	2.29	0-54
III-174	369	43 R1.5	69.5	3.03%	63.5	52.5	44.27%	1936-2011	1936-2011	52.0 L0.5	0.85	0-53		1961-2011	51.7 L0.5	0.80	0-52	1941-2011	1991-2011	53.3 S0.0	0.78	0-56
III-179	370	39 R2.0	69.5	21.07%	62.5	60.5	39.26%	1904-2011	1904-2011	53.9 L0.5	1.56	0-61		1961-2011	53.0 L0.5	1.51	0-62	1932-2011	1991-2011	51.8 R0.5	0.89	0-64
NA	370	NA	9.5	97.06%	NA	NA	NA	2001-2011	2001-2011	not fitted												
III-184	371	25 O1.0	47.5	46.91%	31.5	34.5	47.29%	1938-2009	1938-2011	52.7 O4.0	1.72	6-35		1961-2011	52.7 O4.0	1.72	6-35	1962-2009	1991-2011	57.4 O3.0	1.97	8-36
III-189	373	28 S0.0	69.5	24.94%	47.5	47.5	29.62%	1929-2011	1929-2011	33.2 O2.0	5.14	0-48						1932-2011	1991-2011	31.8 L0.0	4.08	0-48

Sources: Exhibit JJS-KU, KU response to Kroger-1 No. 1

Analysis of Systematic Bias

Louisville Gas and Electric
Electric

Exhibit JJS-KU	Account	Spanos Proposed	OLT Last Retirement Activity Year	Percent Surviving at Last Activity	Graph Last Year	1% Year	Percent Surviving at 1%	1st Band Placement Band	1st Band Experience Band	1st Band Spanos Best Fit	1st Band Res Index	1st Band Range	2nd Band Placement Band	2nd Band Experience Band	2nd Band Spanos Best Fit	2nd Band Res Index	2nd Band Range	3rd Band Placement Band	3rd Band Experience Band	3rd Band Spanos Best Fit	3rd Band Res Index	3rd Band Range	Survivors at C
Production-Steam																							
III-16	311	100 S1.0	53.5	91.97%	57.5	NA	NA	1954-2011	1954-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-21	312	50 R1.5	57.5	62.61%	50.5	43	66.42%	1952-2011	1952-2011	63.6 L0.5	0.87	01-43		1981-2011	62.6 L0.5	0.93	0-45		1991-2011	56.8 S0.0	0.76	0-46	
III-26	312.01	25 R2.5	0	100.00%	30.5	NA	NA	1972-1980	1972-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-28	312.02	25 R2.5	15.5	85.08%	17.5	NA	NA	1994	1994-2011	21.4 S4.0, 20.6 L5.0	1.8	0-18											
III-30	314	60 S1.5	46.5	83.21%	49.5	50	83.21%	1954-2011	1954-2011	82.9 S0.5	1.12	0-50		1981-2011	93.4 S0.0	1.08	0-50		1991-2011	85.7 S0.0	1.11	0-50	
III-35	315	55 S2.0	55.5	87.65%	57.5	56	88.01%	1954-2011	1954-2011	185.3 L0.0	1.01	0-56		1981-2011	185.4 L0.0	1.04	0-58		1991-2011	187.2 L0.0	1.23	0-58	
III-40	316	45 R2.5	49.5	12.16%	50.5	45	46.54%	1944-2011	1947-2011	41.1 R3.0	2.99	0-45		1981-2011	42.6 R2.5	2.86	0-47		1991-2011	41.9 R2.5	4.03	0-51	
Production-Hydro																							
III-45	331	100 S2.0	72.5	74.45%	76.5	NA	NA	1934-2011	1934-2011	102.5 R3.0	4.35	0-78		1981-2011	170.1 O4.0	8.82	0-78		1991-2011	78.8 O4.0	8.42	0-38	
III-48	332	100 S2.5	72.5	37.47%	76.5	51	100.00%	1934-2008	1934-2010	200.2 L4.0	0	0-51	1934-2011	1981-2011	11.1 S6.0	10.48	0-12		1991-2011	11.0 S6.0	11.27	0-12	
III-51	333	100 S2.5	73.5	43.18%	76.5	NA	NA	1934-2011	1934-2011	72.1 S6.0	5.3	0-78		1981-2011	200.2 S1.5, R4.0, L2.0, L2.5	0	0-9		1991-2011	200.2 S1.5, R4.0, L2.0, L2.5	0	0-9	
															200.1 S2.0, S2.5	0	0-9			200.1 S2.0, S2.5	0	0-9	
III-54	334	80 S4.0	74.5	59.95%	76.5	NA	NA	1934-2011	1934-2011	83.9 L4	4.85	0-78		1981-2011	85.8 R1.5	5.53	0-78		1991-2011	73.5 L0	6.42	0-78	
III-57	335	80 S1.5	75.5	14.19%	77.5	NA	NA	1934-2010	1934-2011	69.4 R4	11.33	0-78		1981-2011	65.6 R2	9.95	0-78		1991-2011	61.3 S0.5	8.7	0-78	
III-60	336	80 S4.0	72.5	10.53%	74.5	NA	NA	1934-1992	1934-2011	73.3 S6	9.31	0-78		1981-2011	not fitted				1991-2011	not fitted			
Production-Other (Gas/Combustion Turbines)																							
III-63	341	55 R3.0	40.5	93.90%	29.5	NA	NA	1963-2011	1963-2011	not fitted				1981-2011	not fitted				1991-2011	200.2 S2, S2.5, R4, L2.5	0	0-12	
III-68	342	45 - R2.5	40.5	67.45%	29.5	NA	NA	1965-2011	1965-2011	66.8 L0	3.38	0-42		1981-2011	55.7 R0.5	3.67	0-42		1991-2011	53.5 R0.5	3.81	0-42	
III-73	343	30 R2.0	36.5	86.09%	29.5	NA	NA	1965-2011	1965-2011	171.7 O3	3.71	0-42		1981-2011	21.1 S1	1.49	0-12		1991-2011	21.1 S1	1.49	0-12	
III-78	344	60 S3.0	40.5	95.71%	29.5	44	95.71%	1944-2011	1944-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-83	345	45 R3.0	40.5	99.70%	29.5	42	99.70%	1963-2011	1963-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-88	346	50 S3.0	38.5	94.82%	29.5	12	100.00%	1963-2011	1963-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
Transmission																							
III-93	350.1	60 R3.0	25.5	98.59%	59.5	68.5	98.18%	1924-2007	1924-2007	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-97	352	55 R1.5	67.5	44.07%	59.5	69.5	42.15%	1924-2011	1924-2011	59.3 R0.5	3.8	18-70	1932-2011	1981-2011	88.4 O3.0	4.13	8-70	1938-2011	1991-2011	101.4 O4.0	4.76	0-70	
III-100	353	55 R2.5	69.5	54.59%	62.5	67.5	57.44%	1918-2011	1918-2011	80.0 S0.0	1.07	0-67	1925-2011	1981-2011	73.9 R1.5	1.33	0-70	1932-2011	1991-2011	73.2 R1.5	1.46	0-70	
III-105	354	70 R3.0	66.5	87.56%	69.5	NA	NA	1925-2011	1925-2011	129.2 R2.0	0.57	.0-70	1925-2011	1981-2011	not fitted				1991-2011	144.2 L2.0	0.6	0-70	
III-108	355	53 R2.0	73.5	25.35%	60.5	53.5	64.96%	1918-2011	1918-2011	68.9 S0.0	0.51	0-54	1924-2011	1981-2011	74.5 S0.0, 67.2 S0.5	0.76	0-54	1935-2011	1991-2011	66.1 R2.0	0.67	0-54	
III-113	356	50 R2.0	67.5	79.68%	61.5	NA	NA	1918-2011	1918-2011	154.9 O1.0	1.33	0-70	1924-2011	1981-2011	176.2 R0.5	0.85	0-70	1940-2011	1991-2011	200.2 R0.5	0.88	0-70	
III-116	357	55 R3.0	9.5	99.98%	61.5	42.5	98.80%	1967-2010	1967-2011	not fitted				1981-2011	not fitted				1991-2011	not fitted			
III-121	358	35 R3.0	38.5	91.73%	39.5	42.5	58.64%	1966-2011	1966-2011	42.9 R4.0	5.83	0-43		1981-2011	42.8 R4.0	5.87	0-43		1991-2011	42.6 R4.0	5.96	0-43	
Distribution																							
III-126	361	50 L1.5	86.5	2.72%	65.5	86.5	2.72%	1904-2011	1904-2011	74.8 O3.0	6.88	1-87	1916-2011	1981-2011	35.7 L1.5	5.31	15-52	1916-2011	1991-2011	32.8 L1.5	4.58	0-56	
III-130	362	50 R1.5	83.5	18.33%	70.5	64.5	36.92%	1904-2011	1904-2011	50.1 R0.5	2.88	0-65	1911-2011	1981-2011	51.2 R0.5	3.33	16-71	1923-2011	1991-2011	47.4 O1.0	3.45	12-61	
III-137	364	50 R2.5	89.5	16.02%	63.5	53.5	55.44%	1900-2011	1934-2011	59.8 R1.0	1.18	31-54		1981-2011	57.9 R2.5	1.78	0-55	1915-2011	1990-2011	61.9 R2.5	1.88	0-56	
																			2000-2011	61.0 R2.5	2.35	0-57	
																			1934-2006, 2008-2011	58.3 R1.0	1.11	30-54	
III-141	365	50 R1.5	109.5	10.16%	67.5	49.5	63.78%	1900-2011	1900-2011	67.9 O1.0, 76.4 O2.0	0.75	22-50		1981-2011	77.8 L0.5	0.94	0-51		1990-2011	70.7 R1.5	0.77	0-51	
																			2000-2011	77.7 R1.0	1.19	0-51	
III-145	366	70 R4.0	92.5	43.53%	76.5	77.5	51.54%	1900-2011	1900-2011	77.4 L5.0	2.38	0-78		1981-2011	85.8 S4.0	3.34	0-87		1991-2011	188.3 S1.5, 172.1 L2.5	0.19	0-62	

Analysis of Systematic Bias

Louisville Gas and Electric
Electric

								1st Band					2nd Band					3rd Band					Survivors at C
Exhibit JJS-KU	Account	Spanos Proposed	OLT Last Retirement Activity Year	Percent Surviving at Last Activity	Graph Last Year	1% Year	Percent Surviving at 1%	Placement Band	Experience Band	Spanos Best Fit	Res Index	Range	Placement Band	Experience Band	Spanos Best Fit	Res Index	Range	Placement Band	Experience Band	Spanos Best Fit	Res Index	Range	
III-149	367	55 R3.0	108.5	1.62%	65.5	54.5	80.71%	1900-2011	1900-2011	82.2 L2.5	1.07	0-55		1981-2011	73.9 R3.0	0.58	0-45		1991-2011	89.1 R2.5	0.61	0-46	
III-156	368	45 R3.0	45.5	11.67%	43.5	42.5	66.63%	1963-2011	1963-2011	46.0 S3.0	3.15	0-43		1981-2011	45.9 S3.0	3.1	0-44		1991-2011	45.5 S3.0	3.07	0-44	
III-161	369.1	45 R2.5	89.5	0.31%	47.5	48.5	51.62%	1900-2011	1900-2011	50.4 L1.5	1.75	25-49		1981-2011	59.2 S1.0	0.83	0-50		1990-2011	69.1 L2.0	0.62	0-49	
																			2000-2011	85.0 S2.0	0.39	0-50	
III-165	369.2	50 R2.0	97.5	47.80%	56.5	64.5	54.75%	1900-2010	1900-2011	69.9 L1.0	2.24	0-65		1981-2011	76.0 S1.0	3.01	0-70		1990-2011	75.4 S2.0	3.82	0-70	
																			2000-2011	72.4 S2.5	5.45	0-72	
III-169	370	30 R2.5	79.5	34.61%	49.5	64.5	34.82%	1905-2011	1935-2011	53.5 O3.0	7.08	20-65		1981-2011	59.0 O3.0	6.07	18-65		1991-2011	68.3 O3.0	6.06	16-67	
																			2002-2011	52 O3.0	7.32	0-70	
																			2007-2011	51.2 L1.0	10.62	0-73	
III-176	373.1	28 L0.5	64.5	2.13%	65.5	40.5	24.34%	1900-2011	1934-2011	28.2 L0.5	0.85	0-41	1945-2011	1981-2011	30.0 L1.0	1.21	14-42	1925-2011	1960-2011	28.4 L0.5	0.92	0-41	
																		1945-2011	1990-2011	31.8 L1.5	1.71	16-43	
																		1945-2011	2000-2011	34.1 L1.5	2.23	0-45	
III-181	373.2	35 R2.0	89.5	0.02%	76.5	43.5	39.62%	1900-2011	1934-2011	40.5 R1.0, 39.5 R1.0	2.42	0-44, 20-44		1981-2011	49.3 L0.5	1.49	21-39	1934-2011	1991-2011	51.4 L1.0	1.4	23-39	
General																							
	392.1	7 L2.5																					
	392.2	20 S1.0																					
	392.3	14 S1.5																					
	394	25 SQ																					
	396.1	8 L2.0																					
	396.2	17 L3.0																					
	396.3	12 L1.0																					
Common																							
	390.1	35 R2.0																					
	390.2	30 R1.5																					
	390.3	45 R3.0																					
	390.4	45 R0.5																					
	390.6	45 R3.0																					
	392.1	7 L2.5																					
	392.2	20 S1.0																					
	396.2	17 L3.0																					
	397.1	10 SQ																					
	397.2	25 S1.0																					
																			2000-2011	72.2 R1.0	0.85	0-40	

Sources: Exhibit JJS-LGE, LGE response to Kroger-1 no. 1

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
STEAM PRODUCTION PLANT				
311.00	STRUCTURES AND IMPROVEMENTS	100 - S1	300 - R1	32.04
312.00	BOILER PLANT EQUIPMENT	60 - R2.5	77 - S0.5	28.16
314.00	TURBOGENERATOR UNITS	55 - S1.5	75.5 - S0	27.79
315.00	ACCESSORY ELECTRIC EQUIPMENT	70 - 3	98.3 - L2	28.87
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	70 - R1.5	116 R0.5	24.54
YDRAULIC PRODUCTION PLANT				
330.10	LAND RIGHTS	100 - R4	100 - R4	24.98
331.00	STRUCTURES AND IMPROVEMENTS	90 - S2.5	90 - S2	26.32
332.00	RESERVOIRS, DAMS AND WATERWAY	100 - S2.5	156 R2.5	29.51
333.00	WATER WHEELS, TURBINES AND GENERATORS	75 - S3	75 - S3	29.10
334.00	ACCESSORY ELECTRIC EQUIPMENT	40 - L2.5	40 - L2	24.25
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT	35 - L1.0	82.0 - 04	23.64
336.00	ROADS, RAILROADS AND BRIDGES	55 - R4	87 - S5	26.48
OTHER PRODUCTION PLANT				
340.10	LAND RIGHTS	Sq.	93.9 - 04	13.38
341.00	STRUCTURES AND IMPROVEMENTS	40 - R2.5	263 - 01	19.59
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	45 - R2.5	167 - 04	16.76
343.00	PRIME MOVERS	35 - R1.5	58.6 - R0.5	17.50
344.00	GENERATORS	55 - S3	78 - S2	18.75
345.00	ACCESSORY ELECTRIC EQUIPMENT	45 -R3	283 - R1	19.79
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	35 - R2	248 - R1	18.81

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
TRANSMISSION PLANT				
350.10	LAND RIGHTS	60 - R3	300 - R2	259.08
352.10	STRUCTURES AND IMPROVEMENTS	65 - S2.5	114 - L2	101.18
352.20	STRUCTURES AND IMPROVEMENTS - SYS. CONTROL/COM	60 - R3	69.3 - R4	39.63
353.10	STATION EQUIPMENT	60 - R2	111.2 - L0	99.09
353.20	STATION EQUIPMENT - SYS. CONTROL/COM	35 - R2.5	52.7 - S0	38.6
354.00	TOWERS AND FIXTURES	70 - R4	92.5 - L3	72.29
355.00	POLES AND FIXTURES	55 - R2	61.3 S0.5	50.27
356.00	OVERHEAD CONDUCTORS AND DEVICES	60 - R3	71 - R2.5	50.12
357.00	UNDERGROUND CONDUIT	45 - R4	45 - R4	25.85
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35 - R3	35 - R3	13.76
DISTRIBUTION PLANT				
360.10	LAND RIGHTS	65 - R4	226 - R3	186.04
361.00	STRUCTURES AND IMPROVEMENTS	60 - R2.5	83.9 - S0	73.55
362.00	STATION EQUIPMENT	54 - R2	54.9 - R2	41.54
364.00	POLES, TOWERS, AND FIXTURES	50 - R1	58.6 - L0.5	49.12
365.00	OVERHEAD CONDUCTORS AND DEVICES	48 - R1.5	64.9 - L0	56.6
366.00	UNDERGROUND CONDUIT	50 - R4	55.9 - L2	36.65
367.00	UNDERGROUND CONDUCTORS AND DEVICES	44 - R2	91.9 - R0.5	87.15
368.00	LINE TRANSFORMERS	43 - R2	45 - R2	31.22
369.00	SERVICES	43 - R1.5	52 - L0.5	40.46
370.00	METERS	39 - R2	53.9 - L0.5	40.68
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	25 - 01	52.7 - 04	52.7
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	28 - S0	31.5 L0	26.44

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
GENERAL PLANT				
390.10	STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY	55 -S0	55.6 - L0.5	46.44
390.20	STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY	30 - R1	32.5 - R1	18.88
391.10	OFFICE FURNITURE AND EQUIPMENT	20 - SQ	20 - SQ	9.53
391.20	NON PC COMPUTER EQUIPMENT	5 -SQ	6 - L5	3.47
391.31	PERSONAL COMPUTERS	4 - SQ	4 - SQ	1.78
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7 - L2.5	19.3 - L0	14.44
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14 - S1.5	19.3 - L0	12.38
393.00	STORES EQUIPMENT	25 - SQ	25 - SQ	13.01
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25 - SQ	27 - R4	20.75
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12 - L1.5	16.8 - S6	14.37
397.10	COMMUNICATION EQUIPMENT - GENERAL ASSETS	10 - SQ	10 - SQ	5.7
397.20	COMMUNICATION EQUIPMENT - SPECIFIC ASSETS	25 - S1	25 - S1	18.94
397.30	COMMUNICATION EQUIPMENT - FULLY ACCRUED	Fully Accrued	Fully Accrued	0

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

ACCOUNT		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
	DEPRECIABLE PLANT			
'EAM PRODUCTION PLANT				
311.00	STRUCTURES AND IMPROVEMENTS	100 S1.0	225 - S0.5	24.92
312.00	BOILOR PLANT EQUIPMENT	50 R1.5	63.6 - S0.5	25.77
314.00	TURBOGENERATOR UNITS	60 S1.5	82.9 - S0.5	27.30
315.00	ACCESSORY ELECTRIC EQUIPMENT	55 S2.0	185.3 - L0	27.69
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	45 R2.5	45 - R2.5	20.99
RAULIC PRODUCTION PLANT				
331.00	STRUCTURES AND IMPROVEMENTS	100 S2.0	100 - S2	51.56
332.00	RESERVOIRS, DAMS AND WATERWAY	100 S2.5	100 - S2	44.35
333.00	WATER WHEELS, TURBINES AND GENERATORS	100 S2.5	100 - S2	86.99
334.00	ACCESSORY ELECTRIC EQUIPMENT	80 S4.0	83.9 - S0.5	28.59
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT	80 S1.5	80 - S1.5	28.00
336.00	ROADS, RAILROADS AND BRIDGES	80 S4.0	91 - L5	29.00
THER PRODUCTION PLANT				
341.00	STRUCTURES AND IMPROVEMENTS	55 R3.0	112 - S1	21.82
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	45 - R2.5	66.8 - L0	19.07
343.00	PRIME MOVERS	30 R2.0	171.7 - O3	19.85

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
344.00	GENERATORS	60 S3.0	259 - S0	16.90
345.00	ACCESSORY ELECTRIC EQUIPMENT	45 R3.0	148 - R4	20.99
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT	50 S3.0	71 - L4	19.99
	TRANSMISSION PLANT			
350.10	LAND RIGHTS	60 R3.0	294 - R2.5	272.54
352.10	STRUCTURES AND IMPROVEMENTS	55 R1.5	59.3 - R0.5	48.74
353.10	STATION EQUIPMENT	55 R2.5	80 - S0	70.06
354.00	TOWERS AND FIXTURES	70 R3.0	129.2 - R2	110.19
355.00	POLES AND FIXTURES	53 R2.0	68.9 - S0	58.5
356.00	OVERHEAD CONDUCTORS AND DEVICES	50 R2.0	154.9 - 01	144.41
357.00	UNDERGROUND CONDUIT	55 R3.0	227- R2	216.3
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35 R3.0	42.9 - R4	29.2
	DISTRIBUTION PLANT			
361.00	STRUCTURES AND IMPROVEMENTS	50 L1.5	74.8 - 03	72.16
362.00	STATION EQUIPMENT	50 R1.5	55 - L0	45.72
364.00	POLES, TOWERS AND FIXTURES	50 R2.5	59.8 - R1	47.94
365.00	OVERHEAD CONDUCTORS AND DEVICES	50 R1.5	50.1 - L1	50.1
366.00	UNDERGROUND CONDUIT	70 R4.0	77.4 - L5	60.06
367.00	UNDERGROUND CONDUCTORS AND DEVICES	55 R3.0	82.2 - L2	70.52
368.00	LINE TRANSFORMERS	45 R3.0	46 - S3	30.55

SNAVELY KING MAJOROS & ASSOCIATES, INC.
KENTUCKY UTILITIES
COMPARISON OF PROPOSED LIVES AND CURVES W/ SNAVELY KING RECOMMENDED REMAINING LIVES.

		Spanos Recommended life and curve	Snavely King Recommended life and curve	Snavely King Recommended Remaining Life
369.10	SERVICES - UNDERGROUND	45 R2.5	50.4 - L1.5	41.26
369.20	SERVICES - OVERHEAD	50 R2.0	69.9 - L1	50.57
370.00	METERS	30 R2.5	53.5 - 03	51.26
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAL	28 L0.5	28 - L0.5	21.52
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGR(	35 R2.0	40 - R1	31
	GENERAL PLANT			
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRI	7 L2.5	18.5 - L1	13.43
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	20 S1.0	32.4 - L5	17.37
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND	14 S1.5	14 - S1.5	3.63
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25 SQ	25 - SQ	15.75
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	8 L2.0	43.8 - 02	36.43
396.20	POWER OPERATED EQUIPMENT - OTHER	17 L3.0	26.8 - R1	22.24
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12 L1.0	12 - L1	5.14

PPL CORP

FORM 10-K
(Annual Report)

Filed 02/28/12 for the Period Ending 12/31/11

Address	TWO N NINTH ST ALLENTOWN, PA 181011179
Telephone	6107745151
CIK	0000922224
Symbol	PPL
SIC Code	4911 - Electric Services
Industry	Electric Utilities
Sector	Utilities
Fiscal Year	12/31

	LKE		LG&E		KU	
	2011	2010	2011	2010	2011	2010
Noncurrent Regulatory Assets:						
Defined benefit plans	$ 339	$ 330	$ 225	$ 213	$ 114	$ 117
Storm costs	123	122	66	65	57	57
Unamortized loss on debt	33	34	21	22	12	12
Interest rate swaps	69	43	69	43		
Coal contracts (c)	11	22	5	8	6	14
AROs	18	9	11	7	7	2
Other	27	28	6	9	21	19
Total noncurrent regulatory assets	$ 620	$ 588	$ 403	$ 367	$ 217	$ 221
Current Regulatory Liabilities:						
Coal contracts (c)		$ 46		$ 31		$ 15
ECR	$ 7	12			$ 7	12
Gas supply clause	6	9	$ 6	9		
Other	7	24	4	11	3	13
Total current regulatory liabilities	$ 20	$ 91	$ 10	$ 51	$ 10	$ 40
Noncurrent Regulatory Liabilities:						
Accumulated cost of removal of utility plant	$ 651	$ 623	$ 286	$ 275	$ 365	$ 348
Coal contracts (c)	180	213	78	87	102	126
Power purchase agreement - OVEC (c)	116	124	80	86	36	38
Net deferred tax assets	39	40	31	34	8	6
Defined benefit plans	9	10			9	10
Other	8	7	3	1	5	6
Total noncurrent regulatory liabilities	$ 1,003	$ 1,017	$ 478	$ 483	$ 525	$ 534

(a) PPL Electric's generation supply charge recovery mechanism moved from an undercollected status at December 31, 2010 to an overcollected status at December 31, 2011, reflecting the impacts of changes in customer billing cycles, the timing of rate reconciliation filings, the levels of customers choosing alternative energy suppliers and other factors. Because customer rates are designed to collect the costs of PPL Electric's energy purchases to meet its PLR requirements, there is minimal impact on earnings.

(b) The December 31, 2010 balance of accumulated cost of removal of utility plant was reclassified from "Accumulated depreciation - regulated utility plant" to noncurrent "Regulatory assets" on the Balance Sheets. These costs will continue to be included in future rate proceedings.

(c) These regulatory assets and liabilities were recorded as offsets to certain intangible assets and liabilities that were recorded at fair value upon the acquisition of LKE.

Regulatory Assets and Liabilities

Following is an overview of selected regulatory assets and liabilities detailed in the preceding tables. Specific developments with respect to certain of these regulatory assets and liabilities are discussed in "Regulatory Matters."

(PPL and PPL Electric)

Generation Supply Charge

The generation supply charge is a cost recovery mechanism that permits PPL Electric to recover costs incurred to provide generation supply to PLR customers who receive basic generation supply service. The recovery includes charges for generation supply (energy and capacity and ancillary services), as well as administration of the acquisition process. In addition, the generation supply charge contains a reconciliation mechanism whereby any over- or under-recovery from prior quarters is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent quarter.

Universal Service Rider (USR)

PPL Electric's distribution rates permit recovery of applicable costs associated with the universal service programs provided to PPL Electric's residential customers. Universal service programs include low-income programs, such as OnTrack and Winter Relief Assistance Program (WRAP). OnTrack is a special payment program for low-income households within the federal poverty level who have difficulty paying their electric bills. This program is funded by residential customers and administered by community-based organizations. Customers who participate in OnTrack receive assistance in the form of reduced payment arrangements, protection against termination of electric service and referrals to other community programs and services. The WRAP program reduces electric bills and improves living comfort for low-income customers by providing services such as weatherization measures and energy education services. The USR is applied to distribution charges for each customer who receives distribution service under PPL Electric's residential service rate schedules. The USR contains a reconciliation mechanism whereby any over- or under-recovery from the current year is refunded to or recovered from residential customers through the adjustment factor determined for the subsequent year.

KENTUCKY UTILITIES COMPANY

CASE NO. 2012-00221

Response to Second Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated August 28, 2012

Question No. 2.110

Responding Witness: Shannon L. Charnas

Q2.110 Please refer to page 280 of the parent Company's 2011 10-K filing to the SEC. If not provided elsewhere, please provide the workpapers supporting the calculation of the regulatory liabilities for accumulated removal costs obligation of $348 million as of December 31, 2010 and $365 million as of December 31, 2011. Please provide these workpapers in electronic format (Excel), with all formulae intact. Provide the calculations on a plant account-by-plant account basis.

A2.110 See the attached being provided in Excel format, which provides the regulatory liability on a plant account by plant account basis. Per Title 18, Subchapter C – Accounts, Federal Power Act, Part 101 – Uniform System of Accounts prescribed for Public Utilities, account 108, accumulated provision for depreciation of utility plant, shall be regarded and treated as a single composite provision for depreciation, but shall be segregated by functional classification. Further detail by plant account is not required, but is calculated for ease of reporting. This calculation is simply an allocation of the total cost of removal and salvage reserve performed by the fixed asset system.

Each month the PowerPlant Fixed Asset system multiplies the ending asset values by the net cost of removal depreciation rates to arrive at the monthly depreciation amount. This monthly amount is added to the prior month's ending reserve balance to compute the current ending balance. These calculations are performed in an automated fashion within the PowerPlant Fixed Assets system. As such, there are no workpapers that support this automated calculation.

KENTUCKY UTILITIES
REGULATORY LIABILITY
DECEMBER 31, 2010 AND 2011

PLANT ACCOUNT	REGULATORY LIABILITY	
	2010	2011
131100 - STRUCTURES AND IMPROVEMENTS	$ (12,362,006.72)	$ (12,517,266.89)
131101 - AROP STRUCTURES AND IMPROVEMENTS	(1,685.90)	0.10
131200 - BOILER PLANT EQUIPMENT	(62,424,909.42)	(80,420,881.69)
131201 - AROP BOILER PLANT EQUIPMENT	(491,607.67)	1,301.84
131400 - TURBOGENERATOR UNITS	(12,702,968.00)	(14,318,982.88)
131401 - AROP TURBOGENERATOR UNITS	(947.71)	(2,651.59)
131500 - ACESSORY ELECTRIC EQUIPMENT	(3,088,899.84)	(3,451,388.43)
131501 - AROP ACCESSORY ELECTRIC EQUIPMENT	(305,703.08)	0.05
131600 - MISCELLANEOUS PLANT EQUIPMENT	(1,350,829.15)	(1,350,179.51)
133010 - LAND RIGHTS	(22,443.80)	(22,443.80)
133100 - STRUCTURES AND IMPROVEMENTS	(35,686.45)	(36,903.20)
133200 - RESERVOIRS, DAMS & WATERWAYS	(565,595.07)	(536,335.07)
133300 - WATER WHEELS, TURBINES AND GENERATORS	325,766.88	321,779.28
133400 - ACCESSORY ELECTRIC EQUIPMENT	(8,244.37)	(8,244.37)
133500 - MISC. POWER PLANT EQUIPMENT	(16,570.14)	(16,570.14)
133600 - ROADS, RAILROADS AND BRIDGES	(4,765.11)	(4,765.11)
134200 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	(68,431.22)	(108,459.86)
134201 - AROP FUEL HOLDERS, PRODUCERS AND ACCESSORIES	(1,544.22)	(2,349.90)
134300 - PRIME MOVERS	(2,484,847.88)	(2,424,311.54)
134400 - GENERATORS	(226,763.69)	(323,660.71)
134500 - ACCESSORY ELECTRIC EQUIPMENT	(92,467.92)	(94,547.99)
134501 - AROP ACCESSORY ELECTRIC EQUIPMENT	(2,080.07)	-
135010 - LAND RIGHTS	(0.52)	(0.52)
135210 - STRUCTURES & IMPROVEMENTS	(1,581,120.81)	(1,616,477.81)
135220 - STRUCTURES & IMPROVEMENTS SYSTEM CONTROL	(158,051.99)	(161,830.07)
135310 - STATION EQUIPMENT	(8,175,030.20)	(8,320,840.71)
135311 - AROP STATION EQUIPMENT	3,399.68	(1,026,490.82)
135320 - STATION EQUIPMENT SYSTEM CONTROL	(1,774,865.55)	(1,782,200.15)
135400 - TOWERS & FIXTURES	(31,925,041.79)	(31,990,420.92)
135500 - POLES & FIXTURES	(29,122,055.59)	(28,359,710.62)
135600 - OVERHEAD CONDUCTORS & DEVICES	(41,378,835.95)	(41,153,803.03)
135700 - UNDERGROUND CONDUIT	(13,733.80)	(13,733.80)
135800 - UNDERGROUND CONDUCTORS & DEVICES	(41,223.48)	(41,223.48)
136100 - SUBSTATION STRUCTURES	(220,685.17)	(274,015.46)
136200 - SUBSTATION EQUIPMENT	(6,296,571.64)	(6,450,467.63)
136400 - POLES TOWERS & FIXTURES	(42,077,846.33)	(42,395,571.13)
136500 - OVERHEAD CONDUCTORS & DEVICES	(51,491,782.47)	(51,966,098.92)
136600 - UNDERGROUND CONDUIT	(63,862.61)	(63,862.61)
136700 - UNDERGROUND CONDUCTORS & DEVICES	(2,270,071.50)	(2,366,128.20)
136800 - LINE TRANSFORMERS	(16,413,563.74)	(17,765,337.48)
136900 - SERVICES	(20,661,917.83)	(20,717,279.75)
137000 - METERS	(4,373,808.86)	(4,422,986.98)
137100 - INSTALL ON CUSTOMERS PREMISES	(135,940.25)	(197,387.50)
137300 - STREET LIGHTING	(3,590,397.95)	(3,480,330.34)
139010 - STRUCTURES AND IMPROVEMENTS	258,805.57	223,683.60
139020 - IMPROVEMENTS TO LEASED PROPERTY	(1,427.38)	(2,172.10)
139110 - OFFICE FURNITURE	494.80	494.80
139200 - TRANSPORTATION EQUIPMENT	(60,541.72)	-
139300 - STORES EQUIPMENT	15,420.68	15,420.68
139400 - OTHER EQUIPMENT	67,678.14	54,999.19
139500 - LABORATORY EQUIPMENT	27,839.69	27,839.69
139600 - POWER OPERATED EQUIPMENT OTHER	35,680.85	35,680.85
139700 - COMMUNICATIONS EQUIPMENT	13,318.80	31,716.04
139800 - MISCELLANEOUS EQUIPMENT	(0.43)	(0.43)
RETIREMENT WORK IN PROGRESS - FERC 108	13,318,411.00	17,974,036.00
ARO PARENT COST OF REMOVAL - FERC 254	(4,381,035.51)	(3,533,597.56)
TOTAL REGULATORY LIABILITY PER 10-K	$ (348,401,594.41)	$ (365,054,958.58)

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2012-00222

Response to Second Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated August 28, 2012

Question No. 2.109

Responding Witness: Shannon L. Charnas

Q2.109 Please refer to page 280 of the parent Company's 2011 10-K filing to the SEC. If not provided elsewhere, please provide the workpapers supporting the calculation of the regulatory liabilities for accumulated removal costs obligation of $275 million as of December 31, 2010 and $286 million as of December 31, 2011. Please provide these workpapers in electronic format (Excel), with all formulae intact. Provide the calculations on a plant account-by-plant account basis.

A2.109 See the attached being provided in Excel format, which provides the regulatory liability on a plant account by plant account basis. Per Title 18, Subchapter C – Accounts, Federal Power Act, Part 101 – Uniform System of Accounts prescribed for Public Utilities, account 108, accumulated provision for depreciation of utility plant, shall be regarded and treated as a single composite provision for depreciation, but shall be segregated by functional classification. Further detail by plant account is not required, but is calculated for ease of reporting. This calculation is simply an allocation of the total cost of removal and salvage reserve performed by the fixed asset system.

Each month the PowerPlant Fixed Asset system multiplies the ending asset values by the net cost of removal depreciation rates to arrive at the monthly depreciation amount. This monthly amount is added to the prior month's ending reserve balance to compute the current ending balance. These calculations are performed in an automated fashion within the PowerPlant Fixed Assets system. As such, there are no workpapers that support this automated calculation.

Attachment to Response to LGE KIUC-2 Question No. 109
Page 1 of 2
Charnas

LOUISVILLE GAS & ELECTRIC COMPANY
REGULATORY LIABILITY
DECEMBER 31, 2010 AND 2011

PLANT ACCOUNT	REGULATORY LIABILITY	
	2010	2011
131100 - STRUCTURES AND IMPROVEMENTS	$ (11,961,734.79)	$ (12,033,783.47)
131110 - AROP STRUCTURES AND IMPROVEMENTS	(221.03)	(221.03)
131200 - BOILER PLANT EQUIPMENT	(45,173,579.72)	(55,608,395.65)
131400 - TURBOGENERATOR UNITS	(7,153,436.53)	(7,890,845.25)
131500 - ACESSORY ELECTRIC EQUIPMENT	(7,343,904.81)	(8,116,350.58)
131501 - AROP ACCESSORY ELECTRIC EQUIPMENT	(504,711.89)	-
131600 - MISCELLANEOUS PLANT EQUIPMENT	(580,633.16)	(621,115.69)
133100 - STRUCTURES AND IMPROVEMENTS	150,256.38	149,728.74
133200 - RESERVOIRS, DAMS & WATERWAYS	(73,603.68)	(93,395.97)
133300 - WATER WHEELS, TURBINES AND GENERATORS	1,092,932.08	1,115,599.23
133400 - ACCESSORY ELECTRIC EQUIPMENT	(107,707.68)	(113,794.55)
133500 - MISC. POWER PLANT EQUIPMENT	(5,211.76)	(5,924.70)
133600 - ROADS, RAILROADS AND BRIDGES	56,880.53	56,880.53
134100 - STRUCTURES AND IMPROVEMENTS	(47,003.49)	(64,857.52)
134200 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	(58,507.79)	(49,547.58)
134300 - PRIME MOVERS	(1,679,353.70)	(1,699,408.97)
134400 - GENERATORS	(692,305.96)	(740,015.79)
134500 - ACCESSORY ELECTRIC EQUIPMENT	(40,203.72)	(27,447.67)
134600 - MISCELLANEOUS PLANT EQUIPMENT	(6,800.00)	26,320.15
135010 - LAND RIGHTS	(0.04)	(0.04)
135210 - STRUCTURES & IMPROVEMENTS	(175,219.00)	(189,861.23)
135310 - STATION EQUIPMENT	1,131,946.26	927,752.96
135311 - AROP STATION EQUIPMENT	-	(14,082.98)
135400 - TOWERS & FIXTURES	(7,581,108.60)	(7,749,106.81)
135500 - POLES & FIXTURES	(3,832,275.09)	(4,055,057.29)
135600 - OVERHEAD CONDUCTORS & DEVICES	(7,850,995.01)	(8,184,734.68)
135700 - UNDERGROUND CONDUIT	704.98	704.98
135800 - UNDERGROUND CONDUCTORS & DEVICES	12,725.04	15,676.51
136100 - SUBSTATION STRUCTURES	(468,611.69)	(467,599.83)
136200 - SUBSTATION EQUIPMENT	(3,391,964.31)	(3,334,765.95)
136400 - POLES TOWERS & FIXTURES	(55,155,897.95)	(55,082,282.39)
136500 - OVERHEAD CONDUCTORS & DEVICES	(37,055,435.65)	(38,073,196.09)
136600 - UNDERGROUND CONDUIT	(1,432,969.19)	(1,487,849.91)
136700 - UNDERGROUND CONDUCTORS & DEVICES	(9,889,815.10)	(10,212,748.86)
136800 - LINE TRANSFORMERS	(4,417,228.31)	(5,021,205.51)
136910 - UNDERGROUND SERVICES	358,362.46	466,840.40
136920 - OVERHEAD SERVICES	(11,801,341.57)	(12,156,047.39)
137000 - METERS	(2,344,083.93)	(2,437,633.59)
137310 - OVERHEAD STREET LIGHTING	(1,001,297.81)	(435,211.56)
137320 - UNDERGROUND STREET LIGHTING	(2,512,798.21)	(2,139,647.47)
137340 - STREET LIGHTING TRANSFORMERS	(37,192.54)	(37,192.54)
139210 - TRANSPORTATION EQUIP CARS AND TRUCKS	(33,241.62)	-
139220 - TRANSPORTATION EQUIP TRAILERS	20,410.05	22,718.02
139400 - TOOLS, SHOP AND GARAGE EQUIPMENT	96,199.75	96,199.75
139500 - LABORATORY EQUIPMENT	21,504.75	-
139610 - POWER OPERATED EQUIP HOURLY RATED	-	21,504.75
139620 - POWER OPERATED EQUIPMENT OTHER	4,033.34	4,033.34
235120 - COMPRESSOR STATION STRUCTURES	(74,278.65)	(58,388.57)
235130 - REG STATION STRUCTURES	(1,618.92)	(1,618.92)
235140 - OTHER STRUCTURES	(49,177.77)	(40,892.03)
235230 - GAS STORAGE UNDERGROUND	(0.15)	(0.15)
235240 - WELL DRILLING	(247,811.09)	(84,368.32)

Attachment to Response to LGE KIUC-2 Question No. 109
Page 2 of 2
Charnas

PLANT ACCOUNT	REGULATORY LIABILITY	
	2010	2011
235250 - WELL EQUIPMENT ARO	955,072.18	1,122,442.53
235255 - WELL EQUIPMENT	875,696.37	996,198.90
235300 - LINES	(563,579.56)	(549,646.13)
235400 - COMPRESSOR STATION EQUIPMENT	96,947.63	90,811.51
235500 - MEASURING & REGULATING EQUIPMENT	4,344.69	3,520.81
235600 - PURIFICATION EQUIPMENT	(975,611.52)	(1,007,948.80)
235700 - OTHER EQUIPMENT	79,511.93	79,511.93
236700 - MAINS	(2,798,890.84)	(2,761,548.24)
237510 - CITY GATE STRUCTURES	(33,721.18)	(22,730.07)
237520 - OTHER DISTRIBUTION STRUCTURES	(23,885.36)	(26,814.08)
237600 - MAINS	(20,437,675.80)	(20,660,424.70)
237800 - MEASURING AND REG EQUIPMENT	(268,340.34)	(210,109.92)
237900 - MEAS & REG EQUIPMENT - CITY GATE	16,116.92	13,486.00
238000 - SERVICES	(35,132,103.26)	(36,535,904.50)
238100 - METERS	(1,016,373.48)	(1,016,373.48)
238300 - HOUSE REGULATORS	263,946.74	234,580.66
238500 - INDUCTRIAL MEAS & REG STATION EQUIP	14,345.12	14,345.12
238700 - OTHER EQUIPMENT	0.25	0.25
239210 - CARS & TRUCKS	(22,629.62)	(49,534.18)
239220 - TRAILERS	18,490.96	20,437.63
239400 - OTHER EQUIPMENT	198,168.88	198,168.88
239500 - LABORATORY EQUIPMENT	6,890.71	6,890.71
239610 - POWER OPERATED EQUIPMENT HOURLY RATED	(7,496.49)	49,534.59
239620 - POWER OPERATED EQUIPMENT OTHER	2,237.80	2,662.37
339010 - STRUCTURES AND IMPROVEMENTS	(335,692.60)	(344,007.37)
339020 - STRUCTURES AND IMPROVEMENTS - TRANSPORTATION	(26,741.59)	(28,513.87)
339030 - STRUCTURES AND IMPROVEMENTS - STORES	(379,172.16)	(395,808.47)
339040 - STRUCTURES AND IMPROVEMENTS - SHOPS	(16,838.90)	(17,716.09)
339060 - STRUCTURES AND IMPROVEMENTS - MICROWAVE	(18,142.37)	(19,749.90)
339110 - OFFICE FURNITURE	11,715.73	11,715.73
339120 - OFFICE EQUIPMENT	20,795.33	20,795.33
339130 - COMPUTER EQUIPMENT - NON PC	182,462.91	182,462.91
339131 - PERSONAL COMPUTERS	2,482.07	2,482.07
339140 - SECURITY EQUIPMENT	17,608.85	17,608.85
339220 - TRAILERS	2,292.25	2,535.49
339300 - STORES EQUIPMENT	13,387.68	13,387.68
339400 - OTHER EQUIPMENT	(13,573.52)	(13,573.52)
339500 - LABORATORY EQUIPMENT	231.25	231.25
339620 - POWER OPERATED EQUIPMENT OTHER	768.16	908.20
339700 - COMMUNICATIONS EQUIPMENT	126,463.10	206,281.21
339710 - MISCELLANEOUS EQUIPMENT	1,655.89	1,653.77
RETIREMENT WORK IN PROGRESS - FERC 108	9,564,212.09	11,915,276.27
ARO PARENT COST OF REMOVAL - FERC 254	(3,175,424.50)	(2,338,016.97)
TOTAL REGULATORY LIABILITY PER 10-K	$ (274,607,373.89)	$ (286,215,126.81)

KENTUCKY UTILITIES
REGULATORY LIABILITY
DECEMBER 31, 2010 AND 2011

PLANT ACCOUNT	REGULATORY LIABILITY 2010	2011
131100 - STRUCTURES AND IMPROVEMENTS	$ (12,362,007)	$ (12,517,267)
131101 - AROP STRUCTURES AND IMPROVEMENTS	$ (1,686)	$ 0
131200 - BOILER PLANT EQUIPMENT	$ (62,424,909)	$ (80,420,882)
131201 - AROP BOILER PLANT EQUIPMENT	$ (491,608)	$ 1,302
131400 - TURBOGENERATOR UNITS	$ (12,702,968)	$ (14,318,983)
131401 - AROP TURBOGENERATOR UNITS	$ (948)	$ (2,652)
131500 - ACESSORY ELECTRIC EQUIPMENT	$ (3,088,900)	$ (3,451,388)
131501 - AROP ACCESSORY ELECTRIC EQUIPMENT	$ (305,703)	$ 0
131600 - MISCELLANEOUS PLANT EQUIPMENT	$ (1,350,829)	$ (1,350,180)
Subtotal	**$ (92,729,557)**	**$ (112,060,049)**
133010 - LAND RIGHTS	$ (22,444)	$ (22,444)
133100 - STRUCTURES AND IMPROVEMENTS	$ (35,686)	$ (36,903)
133200 - RESERVOIRS, DAMS & WATERWAYS	$ (565,595)	$ (536,335)
133300 - WATER WHEELS, TURBINES AND GENERATORS	$ 325,767	$ 321,779
133400 - ACCESSORY ELECTRIC EQUIPMENT	$ (8,244)	$ (8,244)
133500 - MISC. POWER PLANT EQUIPMENT	$ (16,570)	$ (16,570)
133600 - ROADS, RAILROADS AND BRIDGES	$ (4,765)	$ (4,765)
Subtotal	**$ (327,538)**	**$ (303,482)**
134200 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	$ (68,431)	$ (108,460)
134201 - AROP FUEL HOLDERS, PRODUCERS AND ACCESSORIES	$ (1,544)	$ (2,350)
134300 - PRIME MOVERS	$ (2,484,848)	$ (2,424,312)
134400 - GENERATORS	$ (226,764)	$ (323,661)
134500 - ACCESSORY ELECTRIC EQUIPMENT	$ (92,468)	$ (94,548)
Subtotal	**$ (2,874,055)**	**$ (2,953,330)**
Total Production	**$ (95,931,150)**	**$ (115,316,861)**
134501 - AROP ACCESSORY ELECTRIC EQUIPMENT	$ (2,080)	$ -
135010 - LAND RIGHTS	$ (1)	$ (1)
135210 - STRUCTURES & IMPROVEMENTS	$ (1,581,121)	$ (1,616,478)
135220 - STRUCTURES & IMPROVEMENTS SYSTEM CONTROL	$ (158,052)	$ (161,830)
135310 - STATION EQUIPMENT	$ (8,175,030)	$ (8,320,841)
135311 - AROP STATION EQUIPMENT	$ 3,400	$ (1,026,491)
135320 - STATION EQUIPMENT SYSTEM CONTROL	$ (1,774,866)	$ (1,782,200)
135400 - TOWERS & FIXTURES	$ (31,925,042)	$ (31,990,421)
135500 - POLES & FIXTURES	$ (29,122,056)	$ (28,359,711)
135600 - OVERHEAD CONDUCTORS & DEVICES	$ (41,378,836)	$ (41,153,803)
135700 - UNDERGROUND CONDUIT	$ (13,734)	$ (13,734)
135800 - UNDERGROUND CONDUCTORS & DEVICES	$ (41,223)	$ (41,223)
Total Transmission	**$ (114,168,640)**	**$ (114,466,732)**
136100 - SUBSTATION STRUCTURES	$ (220,685)	$ (274,015)
136200 - SUBSTATION EQUIPMENT	$ (6,296,572)	$ (6,450,468)
136400 - POLES TOWERS & FIXTURES	$ (42,077,846)	$ (42,395,571)
136500 - OVERHEAD CONDUCTORS & DEVICES	$ (51,491,782)	$ (51,966,099)
136600 - UNDERGROUND CONDUIT	$ (63,863)	$ (63,863)
136700 - UNDERGROUND CONDUCTORS & DEVICES	$ (2,270,072)	$ (2,366,128)
136800 - LINE TRANSFORMERS	$ (16,413,564)	$ (17,765,337)
136900 - SERVICES	$ (20,661,918)	$ (20,717,280)
137000 - METERS	$ (4,373,809)	$ (4,422,987)
137100 - INSTALL ON CUSTOMERS PREMISES	$ (135,940)	$ (197,388)
137300 - STREET LIGHTING	$ (3,590,398)	$ (3,480,330)
Total Distribution	**$ (147,596,448)**	**$ (150,099,466)**
139010 - STRUCTURES AND IMPROVEMENTS	$ 258,806	$ 223,684
139020 - IMPROVEMENTS TO LEASED PROPERTY	$ (1,427)	$ (2,172)
139110 - OFFICE FURNITURE	$ 495	$ 495
139200 - TRANSPORTATION EQUIPMENT	$ (60,542)	$ -
139300 - STORES EQUIPMENT	$ 15,421	$ 15,421
139400 - OTHER EQUIPMENT	$ 67,678	$ 54,999
139500 - LABORATORY EQUIPMENT	$ 27,840	$ 27,840
139600 - POWER OPERATED EQUIPMENT OTHER	$ 35,681	$ 35,681
139700 - COMMUNICATIONS EQUIPMENT	$ 13,319	$ 31,716
139800 - MISCELLANEOUS EQUIPMENT	$ (0)	$ (0)
Total General	**$ 357,269**	**$ 387,662**
RETIREMENT WORK IN PROGRESS - FERC 108	$ 13,318,411	$ 17,974,036
ARO PARENT COST OF REMOVAL - FERC 254	$ (4,381,036)	$ (3,533,598)
TOTAL REGULATORY LIABILITY PER 10-K	**$ (348,401,594)**	**$ (365,054,959)**

Source: Attachment to KU KIUC-2 Question No. 110

LOUISVILLE GAS & ELECTRIC COMPANY
REGULATORY LIABILITY
DECEMBER 31, 2010 AND 2011

PLANT ACCOUNT	REGULATORY LIABILITY 2010	2011
131100 - STRUCTURES AND IMPROVEMENTS	$ (11,961,735)	$ (12,033,783)
131110 - AROP STRUCTURES AND IMPROVEMENTS	(221)	(221)
131200 - BOILER PLANT EQUIPMENT	(45,173,580)	(55,608,396)
131400 - TURBOGENERATOR UNITS	(7,153,437)	(7,890,845)
131500 - ACESSORY ELECTRIC EQUIPMENT	(7,343,905)	(8,116,351)
131501 - AROP ACCESSORY ELECTRIC EQUIPMENT	(504,712)	-
131600 - MISCELLANEOUS PLANT EQUIPMENT	(580,633)	(621,116)
Subtotal	**(72,718,222)**	**(84,270,712)**
133100 - STRUCTURES AND IMPROVEMENTS	150,256	149,729
133200 - RESERVOIRS, DAMS & WATERWAYS	(73,604)	(93,396)
133300 - WATER WHEELS, TURBINES AND GENERATORS	1,092,932	1,115,599
133400 - ACCESSORY ELECTRIC EQUIPMENT	(107,708)	(113,795)
133500 - MISC. POWER PLANT EQUIPMENT	(5,212)	(5,925)
133600 - ROADS, RAILROADS AND BRIDGES	56,881	56,881
Subtotal	**1,113,546**	**1,109,093**
134100 - STRUCTURES AND IMPROVEMENTS	(47,003)	(64,858)
134200 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	(58,508)	(49,548)
134300 - PRIME MOVERS	(1,679,354)	(1,699,409)
134400 - GENERATORS	(692,306)	(740,016)
134500 - ACCESSORY ELECTRIC EQUIPMENT	(40,204)	(27,448)
134600 - MISCELLANEOUS PLANT EQUIPMENT	(6,800)	26,320
Subtotal	**(2,524,175)**	**(2,554,957)**
Total Production	**(74,128,851)**	**(85,716,576)**
135010 - LAND RIGHTS	(0)	(0)
135210 - STRUCTURES & IMPROVEMENTS	(175,219)	(189,861)
135310 - STATION EQUIPMENT	1,131,946	927,753
135311 - AROP STATION EQUIPMENT	-	(14,083)
135400 - TOWERS & FIXTURES	(7,581,109)	(7,749,107)
135500 - POLES & FIXTURES	(3,832,275)	(4,055,057)
135600 - OVERHEAD CONDUCTORS & DEVICES	(7,850,995)	(8,184,735)
135700 - UNDERGROUND CONDUIT	705	705
135800 - UNDERGROUND CONDUCTORS & DEVICES	12,725	15,677
Total Transmission	**(18,294,221)**	**(19,248,709)**
136100 - SUBSTATION STRUCTURES	(468,612)	(467,600)
136200 - SUBSTATION EQUIPMENT	(3,391,964)	(3,334,766)
136400 - POLES TOWERS & FIXTURES	(55,155,898)	(55,082,282)
136500 - OVERHEAD CONDUCTORS & DEVICES	(37,055,436)	(38,073,196)
136600 - UNDERGROUND CONDUIT	(1,432,969)	(1,487,850)
136700 - UNDERGROUND CONDUCTORS & DEVICES	(9,889,815)	(10,212,749)
136800 - LINE TRANSFORMERS	(4,417,228)	(5,021,206)
136910 - UNDERGROUND SERVICES	358,362	466,840
136920 - OVERHEAD SERVICES	(11,801,342)	(12,156,047)
137000 - METERS	(2,344,084)	(2,437,634)
137310 - OVERHEAD STREET LIGHTING	(1,001,298)	(435,212)
137320 - UNDERGROUND STREET LIGHTING	(2,512,798)	(2,139,647)
137340 - STREET LIGHTING TRANSFORMERS	(37,193)	(37,193)
Total Distribution	**(129,150,274)**	**(130,418,541)**
139210 - TRANSPORTATION EQUIP CARS AND TRUCKS	(33,242)	-
139220 - TRANSPORTATION EQUIP TRAILERS	20,410	22,718
139400 - TOOLS, SHOP AND GARAGE EQUIPMENT	96,200	96,200
139500 - LABORATORY EQUIPMENT	21,505	-
139610 - POWER OPERATED EQUIP HOURLY RATED	-	21,505
139620 - POWER OPERATED EQUIPMENT OTHER	4,033	4,033
Total General	**108,906**	**144,456**
RETIREMENT WORK IN PROGRESS - FERC 108	9,564,212	11,915,276
ARO PARENT COST OF REMOVAL - FERC 254	(3,175,425)	(2,338,017)
TOTAL ELECTRIC REGULATORY LIABILITY PER 10-K	**(215,075,652)**	**(225,662,110)**

Source: Attachment to LGE KIUC-2 Question No. 109

KENTUCKY UTILITIES COMPANY
SPANOS CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account (1)	Terminal Retirements Retirements ($) (2)	Terminal Retirements Net Salvage (%) (3)	Terminal Retirements Net Salvage ($) (4)=(2)x(3)	Interim Retirements Retirements ($) (5)	Interim Retirements Net Salvage (%) (6)	Interim Retirements Net Salvage ($) (7)=(5)x(6)	Total Net Salvage ($) (8)=(4)+(7)	Total Total Retirements (9)=(2)+(5)	Estimated Net Salvage (%) (10)=(8)/(9)
STEAM PRODUCTION PLANT									
BROWN GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	68,849,852	-10	-6,884,985	3,042,333	-25	760,583	7,645,568	71,892,185	-11
312 BOILER PLANT EQUIPMENT	509,778,912	-10	-50,977,891	43,833,934	-30	13,150,180	64,128,071	553,612,846	-11
314 TURBOGENERATOR UNITS	34,988,354	-10	-3,496,835	14,117,591	-15	2,117,639	5,616,474	49,105,945	-11
315 ACCESSORY ELECTRIC EQUIPMENT	41,743,969	-10	-4,174,397	2,382,005	-20	476,401	4,650,798	44,125,974	-11
316 MISCELLANEOUS POWER PLANT EQUIPMENT	4,844,375	-10	-484,437	765,310	0	-	484,437	5,609,684	-11
TOTAL BROWN GENERATING STATION	660,205,462		-66,020,546	64,141,173		16,504,803	82,525,349	724,346,634	-11
GHENT GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	120,501,240	-10	-12,050,124	11,852,267	-25	2,963,067	15,013,191	132,353,507	-12
312 BOILER PLANT EQUIPMENT	1,321,271,054	-10	-132,127,105	171,355,455	-30	51,406,637	183,533,742	1,492,626,510	-12
314 TURBOGENERATOR UNITS	111,677,673	-10	-11,167,767	55,059,770	-15	8,258,966	19,426,733	166,737,443	-12
315 ACCESSORY ELECTRIC EQUIPMENT	94,779,021	-10	-9,477,902	13,632,245	-20	2,726,449	12,204,351	108,411,266	-12
316 MISCELLANEOUS POWER PLANT EQUIPMENT	12,430,337	-10	-1,243,034	2,456,361	0	-	1,243,034	14,886,698	-12
TOTAL GHENT GENERATING STATION	1,660,659,326		-166,065,933	254,356,098		65,355,118	231,421,050	1,915,015,424	-12
GREEN RIVER GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	10,698,728	-10	-1,069,873	159,527	-25	39,882	1,109,755	10,858,255	-10
312 BOILER PLANT EQUIPMENT	36,914,230	-10	-3,691,423	746,752	-30	224,026	3,915,449	37,660,983	-10
314 TURBOGENERATOR UNITS	14,317,850	-10	-1,431,785	634,829	-15	95,224	1,527,009	14,952,679	-10
315 ACCESSORY ELECTRIC EQUIPMENT	3,785,377	-10	-378,538	115,314	-20	23,063	401,600	3,900,691	-10
316 MISCELLANEOUS POWER PLANT EQUIPMENT	2,606,735	-10	-260,673	38,304	0	-	260,673	2,645,039	-10
TOTAL GREEN RIVER GENERATING STATION	68,322,920		-6,832,292	1,694,727		382,195	7,214,487	70,017,647	-10
PINEVILLE GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	16,195	-10	-1,620	9	-25	2	1,622	16,204	-10
312 BOILER PLANT EQUIPMENT	232,704	-10	-23,270	3,766	-30	1,130	24,400	236,470	-10
314 TURBOGENERATOR UNITS	-	-10	0	-	-15	-	-	-	-10
315 ACCESSORY ELECTRIC EQUIPMENT	-	-10	0	-	-20	-	-	-	-10
316 MISCELLANEOUS POWER PLANT EQUIPMENT	-	-10	0	-	0	-	-	-	-10
TOTAL PINEVILLE GENERATING STATION	248,900		-24,890	3,775		1,132	26,022	252,675	-10
SYSTEM LAB									
311 STRUCTURES AND IMPROVEMENTS	744,220	0	0	80,748	-25	20,187	20,187	824,969	-1
312 BOILER PLANT EQUIPMENT	-	0	0	-	-30	-	-	-	-1
314 TURBOGENERATOR UNITS	-	0	0	-	-15	-	-	-	-1
315 ACCESSORY ELECTRIC EQUIPMENT	-	0	0	-	-20	-	-	-	-1
316 MISCELLANEOUS POWER PLANT EQUIPMENT	2,394,972	0	0	368,077	0	-	-	2,763,049	-1
TOTAL SYSTEM LAB	3,139,193			448,825		20,187	20,187	3,588,017	-1
STEAM PRODUCTION PLANT (CONT.)									
TYRONE GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	6,066,662	-10	-606,666	125,545	-25	31,386	638,052	6,192,207	-10
312 BOILER PLANT EQUIPMENT	14,040,352	-10	-1,404,035	374,833	-30	112,450	1,516,485	14,415,186	-10

KENTUCKY UTILITIES COMPANY
SPANOS CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account (1)	Terminal Retirements Retirements ($) (2)	Terminal Retirements Net Salvage (%) (3)	Terminal Retirements Net Salvage ($) (4)=(2)x(3)	Interim Retirements Retirements ($) (5)	Interim Retirements Net Salvage (%) (6)	Interim Retirements Net Salvage ($) (7)=(5)x(6)	Total Net Salvage ($) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)	Estimated Net Salvage (%) (10)=(8)/(9)
314 TURBOGENERATOR UNITS	4,588,909	-10	-458,891	284,811	-15	42,722	501,612	4,873,719	-10
315 ACCESSORY ELECTRIC EQUIPMENT	2,110,076	-10	-211,008	70,827	-20	14,165	225,173	2,180,903	-10
316 MISCELLANEOUS POWER PLANT EQUIPMENT	592,490	-10	-59,249	10,992	0	-	59,249	603,482	-10
TOTAL TYRONE GENERATING STATION	27,398,488		-2,739,849	867,009		200,723	2,940,572	28,265,497	-10
TRIMBLE COUNTY									
311 STRUCTURES AND IMPROVEMENTS	86,202,297	-10	-8,620,230	25,610,591	-25	6,402,648	15,022,877	111,812,888	-16
312 BOILER PLANT EQUIPMENT	352,937,892	-10	-35,293,789	222,956,396	-30	66,886,919	102,180,708	575,894,288	-16
314 TURBOGENERATOR UNITS	31,029,751	-10	-3,102,975	52,964,982	-15	7,944,747	11,047,722	83,994,733	-16
315 ACCESSORY ELECTRIC EQUIPMENT	26,315,352	-10	-2,631,535	16,700,474	-20	3,340,095	5,971,630	43,015,826	-16
316 MISCELLANEOUS POWER PLANT EQUIPMENT	2,298,460	-10	-229,846	1,203,967	0	-	229,846	3,502,447	-16
TOTAL TRIMBLE COUNTY	498,783,752		-49,878,375	319,436,430		84,574,409	134,452,784	818,220,182	-16
TOTAL STEAM PRODUCTION PLANT	2,918,758,040		-291,561,885	640,948,036		167,038,567	458,600,452	3,559,706,076	
HYDRAULIC PRODUCTION PLANT									
DIX DAM									
331 STRUCTURES AND IMPROVEMENTS	460,238	-5	-23,012	156,289	-5	7,814	30,826	616,527	-6
332 RESERVOIRS, DAMS AND WATERWAYS	19,039,829	-5	-951,991	2,564,141	-10	256,414	1,208,406	21,603,970	-6
333 WATER WHEELS, TURBINES AND GENERATORS	4,076,011	-5	-203,801	354,613	-20	70,923	274,723	4,430,624	-6
334 ACCESSORY ELECTRIC EQUIPMENT	355,642	-5	-17,782	222,692	0	-	17,782	578,333	-6
335 MISCELLANEOUS POWER PLANT EQUIPMENT	77,245	-5	-3,862	219,779	-5	10,989	14,851	297,024	-6
336 ROADS, RAILROADS AND BRIDGES	124,770	-5	-6,239	51,589	0	-	6,239	176,360	-6
TOTAL DIX DAM	24,133,734		-1,206,687	3,569,103		346,140	1,552,827	27,702,837	-6
TOTAL HYDRAULIC PRODUCTION PLANT	24,133,734		-1,206,687	3,569,103		346,140	1,552,827	27,702,837	
OTHER PRODUCTION PLANT									
BROWN CTS									
341 STRUCTURES AND IMPROVEMENTS	9,195,757	-5	-459,768	2,731,546	0	-	459,788	11,927,303	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	10,211,547	-5	-510,577	2,322,415	-5	116,121	626,698	12,533,962	-5
343 PRIME MOVERS	136,839,902	-5	-6,841,995	49,000,992	-5	2,450,050	9,292,045	185,840,895	-5
344 GENERATORS	29,442,983	-5	-1,472,149	1,388,038	-5	69,402	1,541,551	30,831,020	-5
345 ACCESSORY ELECTRIC EQUIPMENT	15,263,350	-5	-763,168	2,458,791	-5	122,940	886,107	17,722,142	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	2,938,221	-5	-146,911	1,201,669	0	-	146,911	4,139,890	-5
TOTAL BROWN CTS	203,891,761		-10,194,588	59,103,452		2,758,512	12,953,100	262,995,213	-5
HAEFLING CTS									
341 STRUCTURES AND IMPROVEMENTS	412,940	-5	-20,647	21,913	0	-	20,647	434,853	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	479,905	-5	-23,995	38,800	-5	1,940	25,935	518,705	-5
344 GENERATORS	3,223,465	-5	-161,173	799,537	-5	39,977	201,150	4,023,002	-5
345 ACCESSORY ELECTRIC EQUIPMENT	1,211,240	-5	-60,562	240,717	-5	12,036	72,598	1,451,957	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	13,500	-5	-675	22,305	0	-	675	35,805	-5

KENTUCKY UTILITIES COMPANY
SPANOS CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account (1)		Terminal Retirements Retirements ($) (2)	Terminal Retirements Net Salvage (%) (3)	Terminal Retirements Net Salvage ($) (4)=(2)x(3)	Interim Retirements Retirements ($) (5)	Interim Retirements Net Salvage (%) (6)	Interim Retirements Net Salvage ($) (7)=(5)x(6)	Total Net Salvage ($) (8)=(4)+(7)	Total Total Retirements (9)=(2)+(5)	Estimated Net Salvage (%) (10)=(8)/(9)
	TOTAL HAEFLING CTS	5,341,050		-267,053	1,123,272		53,953	321,005	6,464,323	-5
	PADDY'S RUN CTS									
341	STRUCTURES AND IMPROVEMENTS	1,563,219	-5	-78,161	347,109	0	-	78,161	1,910,328	-5
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,730,245	-5	-86,512	264,856	-5	13,243	99,755	1,995,101	-5
343	PRIME MOVERS	12,869,763	-5	-643,488	4,933,601	-5	246,680	890,168	17,803,364	-5
344	GENERATORS	5,045,282	-5	-252,264	140,354	-5	7,018	259,282	5,185,636	-5
345	ACCESSORY ELECTRIC EQUIPMENT	2,184,168	-5	-109,208	272,152	-5	13,608	122,816	2,456,320	-5
346	MISCELLANEOUS POWER PLANT EQUIPMENT	784,628	-5	-39,231	304,922	0	-	39,231	1,089,550	-5
	TOTAL PADDY'S RUN CTS	24,177,306		-1,208,865	6,262,993		280,548	1,489,413	30,440,299	-5
	TRIMBLE COUNTY CTS									
341	STRUCTURES AND IMPROVEMENTS	17,661,338	-5	-883,067	4,084,591	0	-	883,067	21,745,929	-5
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	6,528,160	-5	-326,408	1,171,888	-5	58,594	385,002	7,700,048	-5
343	PRIME MOVERS	109,263,693	-5	-5,463,185	45,915,081	-5	2,295,754	7,758,939	155,178,774	-5
344	GENERATORS	18,798,072	-5	-939,904	523,030	-5	26,152	966,055	19,321,102	-5
345	ACCESSORY ELECTRIC EQUIPMENT	20,149,294	-5	-1,007,465	2,587,693	-5	129,385	1,136,849	22,736,987	-5
346	MISCELLANEOUS POWER PLANT EQUIPMENT	75,076	-5	-3,754	22,620	0	-	3,754	97,696	-5
	TOTAL TRIMBLE COUNTY CTS	172,475,634		-8,623,782	54,304,902		2,509,885	11,133,666	226,780,536	-5
	TOTAL OTHER PRODUCTION PLANT	405,885,751		-20,294,288	120,794,620		5,602,897	25,897,185	526,680,370	
	GRAND TOTAL	3,348,777,525		-313,062,859	765,311,759		172,987,604	486,050,463	4,114,089,284	

LOUISVILLE GAS AND ELECTRIC COMPANY

SPANOS'S CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account	Terminal Retirements Retirements ($)	Terminal Retirements Net Salvage (%)	Terminal Retirements Net Salvage ($)	Interim Retirements Retirements ($)	Interim Retirements Net Salvage (%)	Interim Retirements Net Salvage ($)	Total Net Salvage ($)	Total Retirements	Estimated Net Salvage (%)
[1]	(2)	(3)	[4]=(2)x(3)	(5)	[6]	[7]=(5)x(6)	(8)=(4)+(7)	[9]=(2)+(5)	[10]=(8)/(9)
STEAM PRODUCTION PLANT									
CANE RUN GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	51,602,971	(10)	(5,160,297)	558,080	(20)	111,616	5,271,913	52,161,051	(10)
312 BOILER PLANT EQUIPMENT	199,372,082	(10)	(19,937,208)	6,402,162	(25)	1,600,541	21,537,749	205,774,244	(10)
314 TURBOGENERATOR UNITS	33,056,350	(10)	(3,305,635)	1,629,396	(15)	244,409	3,550,044	34,685,746	(10)
315 ACCESSORY ELECTRIC EQUIPMENT	35,972,609	(10)	(3,597,261)	1,278,211	(10)	127,821	3,725,082	37,250,819	(10)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	3,187,494	(10)	(318,749)	63,334	0	-	318,749	3,250,828	(10)
TOTAL CANE RUN GENERATING STATION	*323,191,505*		*(32,319,151)*	*9,931,183*		*2,084,387*	*34,403,537*	*333,122,688*	*(10)*
MILL CREEK GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	113,860,940	(10)	(11,386,094)	15,122,788	(20)	3,024,558	14,410,652	128,983,727	(14)
312 BOILER PLANT EQUIPMENT	510,025,661	(10)	(51,002,566)	249,227,761	(25)	62,306,940	113,309,506	759,253,422	(14)
314 TURBOGENERATOR UNITS	60,055,758	(10)	(6,005,576)	45,970,072	(15)	6,895,511	12,901,087	106,025,829	(14)
315 ACCESSORY ELECTRIC EQUIPMENT	44,720,898	(10)	(4,472,090)	35,908,938	(10)	3,590,894	8,082,983 63	80,629,836	(14)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	5,104,648	(10)	(510,465)	3,531,925	0	-	510,465	8,636,573	(14)
TOTAL MILL CREEK GENERATING STATION	*733,767,906*		*(73,376,791)*	*349,761,483*		*75,817,902*	*149,194,693*	*1,083,529,388*	*(14)*
TRIMBLE COUNTY GENERATING STATION									
311 STRUCTURES AND IMPROVEMENTS	120,950,736	(10)	(12,095,074)	20,641,275	(20)	4,128,255	16,223,329	141,592,011	(15)
312 BOILER PLANT EQUIPMENT	195,964,406	(10)	(19,596,441)	220,882,987	(25)	55,220,747	74,817,188	416,847,394	(15)
314 TURBOGENERATOR UNITS	38,461,719	(10)	(3,846,172)	38,986,646	(15)	5,847,997	9,694,169	77,448,365	(15)
315 ACCESSORY ELECTRIC EQUIPMENT	26,385,902	(10)	(2,638,590)	33,812,288	(10)	3,381,229	6,019,819	60,198,191	(15)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	1,302,739	(10)	(130,274)	3,155,044	0	-	130,274	4,457,783	(15)
TOTAL TRIMBLE COUNTY GENERATING STATION	*383,065,504*		*(38,306,550)*	*317,478,240*		*68,578,228*	*106,884,778*	*700,543,744*	*(15)*
TOTAL STEAM PRODUCTION PLANT	**1,440,024,914**		**(144,002,491)**	**677,170,906**		**146,480,517**	**290,483,008**	**2,117,195,820**	*(14)*
HYDRAULIC PRODUCTION PLANT									
OHIO FALLS									
331 STRUCTURES AND IMPROVEMENTS	3,328,502	(5)	(166,425)	1,634,873	(20)	326,975	493,400	4,963,376	(6)
332 RESERVOIRS, DAMS AND WATERWAYS	11,521,557	(5)	(576,078)	168,694	(10)	16,869	592,947	11,690,252	(5)
333 WATER WHEELS, TURBINES AND GENERATORS	19,222,953	(5)	(961,148)	722,261	(20)	144,452	1,105,600	19,945,214	(6)
334 ACCESSORY ELECTRIC EQUIPMENT	5,116,196	(5)	(255,910)	391,640	(20)	78,328	334,238	5,509,836	(6)
335 MISCELLANEOUS POWER PLANT EQUIPMENT	283,259	(5)	(14,163)	26,989	(15)	4,048	18,211	310,247	(6)
336 ROADS, RAILROADS AND BRIDGES	10,714	(5)	(536)	19,216	(5)	961	1,497	29,931	(6)
TOTAL OHIO FALLS	*39,485,181*		*(1,974,259)*	*2,963,674*		*571,633*	*2,545,893*	*42,448,855*	*(5)*
TOTAL HYDRAULIC PRODUCTION PLANT	**39,485,181**		**(1,974,259)**	**2,963,674**		**571,633**	**2,545,893**	**42,448,855**	

LOUISVILLE GAS AND ELECTRIC COMPANY

SPANOS'S CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account		Terminal Retirements			Interim Retirements			Total Net Salvage	Total Retirements	Estimated Net Salvage
		Retirements ($)	Net Salvage (%)	Net Salvage ($)	Retirements ($)	Net Salvage (%)	Net Salvage ($)	($)		(%)
(1)		(2)	(3)	(4)=(2)x(3)	(5)	(6)	(7)=(5)x(6)	(8)=(4)+(7)	(9)=(2)+(5)	(10)=(8)/(9)
OTHER PRODUCTION PLANT										
	BROWN CTS									
341	STRUCTURES AND IMPROVEMENTS	1,044,742	(5)	(52,237)	64,131	(10)	6,413	58,650	1,108,873	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,236,676	(5)	(61,834)	154,654	(10)	15,465	77,299	1,391,330	(5)
343	PRIME MOVERS	35,802,233	(5)	(1,790,112)	18,267,027	(5)	913,351	2,703,463	54,069,260	(5)
344	GENERATORS	7,973,666	(5)	(398,683)	114,767	(10)	11,477	410,160	8,088,434	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	4,040,820	(5)	(202,041)	470,993	0	-	202,041	4,511,812	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	2,328,662	(5)	(116,443)	111,867	0	-	116,443	2,440,729	(5)
	TOTAL BROWN CTS	52,426,998		(2,621,350)	19,183,439		946,707	3,568,057	71,610,437	(5)
	CANE RUN CT									
341	STRUCTURES AND IMPROVEMENTS	205,999	(5)	(10,350)	4,519	(10)	452	10,802	211,518	#REF!
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	309,146	(5)	(15,457)	9,896	(10)	990	16,447	319,042	#REF!
344	GENERATORS	2,779,505	(5)	(138,975)	130,618	(10)	13,062	152,037	2,910,124	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	86,422	(5)	(4,321)	30,206	0	-	4,321	116,627	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	-	(5)	0	-	0	-	-	-	(5)
	TOTAL CANE RUN CT	3,382,072		(169,104)	175,239		14,503	183,607	3,557,311	(5)
	PADDY'S RUN GENERATORS									
341	STRUCTURES AND IMPROVEMENTS	2,085,881	(5)	(104,294)	136,931	(10)	13,693	117,987	2,222,811	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,981,670	(5)	(99,084)	304,573	(10)	30,457	129,541	2,286,243	(5)
343	PRIME MOVERS	12,324,033	(5)	(616,202)	7,822,158	(5)	391,108	1,007,310	20,146,191	(5)
344	GENERATORS	9,871,969	(5)	(493,598)	502,594	(10)	50,259	543,858	10,374,563	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	3,410,054	(5)	(170,503)	349,690	0	-	170,503	3,759,743	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	1,231,728	(5)	(61,586)	58,801	0	-	61,586	1,290,529	(5)
	TOTAL PADDY'S RUN GENERATORS	30,905,334		(1,545,267)	9,174,746		485,518	2,030,784	40,080,080	(5)
	TRIMBLE COUNTY CTS									
341	STRUCTURES AND IMPROVEMENTS	8,733,433	(5)	(436,672)	2,719,563	(10)	271,956	708,628	11,452,996	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	2,727,814	(5)	(136,391)	850,961	(10)	85,096	221,487	3,578,775	(5)
343	PRIME MOVERS	42,005,110	(5)	(2,100,256)	41,251,779	(5)	2,062,589	4,162,844	83,256,889	(5)
344	GENERATORS	8,115,286	(5)	(405,764)	1,855,960	(10)	185,596	591,360	9,971,246	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	6,977,280	(5)	(348,863)	5,282,778	0	-	348,863	12,260,038	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	29,199	(5)	(1,460)	26,379	0	-	1,460	55,577	(5)
	TOTAL TRIMBLE COUNTY CTS	68,588,102		(3,429,405)	51,987,419		2,605,237	6,034,642	120,575,521	(5)
	ZORN AND RIVER ROAD CTS									
341	STRUCTURES AND IMPROVEMENTS	7,050	(5)	(353)	1,191	(10)	119	472	8,241	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	20,251	(5)	(1,013)	3,183	(10)	318	1,331	23,434	(5)
343	PRIME MOVERS	-	(5)	0	-	(5)	-	-	-	(5)
344	GENERATORS	1,639,904	(5)	(81,995)	167,677	(10)	16,768	100,763	1,827,581	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	30,561	(5)	(1,528)	13,722	0	-	1,528	44,283	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	9,487	(5)	(474)	1	0	-	474	9,488	(5)
	TOTAL ZORN AND RIVER ROAD CTS	1,707,254		(85,363)	205,773		19,205	104,568	1,913,027	(5)
TOTAL OTHER PRODUCTION PLANT		157,009,760		(7,850,488)	80,726,517		4,071,170	11,921,658	237,736,377	
GRAND TOTAL		1,636,519,855		(153,827,238)	760,861,197		151,123,320	304,950,559	2,397,381,052	

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Second Request For Information
Dated July 31, 2012

Case No. 2012-00221

Question No. 50

Responding Witness: John J. Spanos

Q-50. Refer to pages III-4 through III-10 of Exhibit JJS-KU to the Spanos Testimony. In Case No. 2011-00375, KU indicated that it would retire its coal-fired generation facilities at Green River and Tyrone.

a. Explain whether all of the original costs for each component of the facilities to be retired are included on pages 4-10. If they are not, for each component that is not included, provide a list identifying each component by account number, account title and original cost.

b. Using the account numbers and account titles listed on pages 4-10, identify each component of the facilities to be retired, its original cost and salvage value that are included on pages 4-10.

c. Provide the date that each component of plant identified and listed in the response to parts a. and b. of this request were first devoted to public service.

d. For each component identified and listed in response to part b. of this request:

1) the net salvage value that was included in accumulated depreciation on the date that the component was removed from the schedule of plant in service.
2) Provide the date that the component was removed from service and the date that it was removed from the plant schedule.
3) Provide the total cost of removal that was charged to the accumulated depreciation account.

e. For each component identified and listed in response to Item b., provide the total net salvage included in accumulated depreciation as of December 31, 2011.

Response to PSC-2 Question No. 50
Page 2 of 2
Spanos

A-50. a. The original costs for each asset expected to be retired upon the final retirements of Green River and Tyrone are included on pages III-4 through III-10 of Exhibit JJS-KU.

b. These assets, shown by account number on pages III-4 through III-10, are expected to be retired by the final retirement of the plants at the end of 2015. As shown on pages III-210 through III-212 of Exhibit JJS-KU, each generating plant is expected to have a net salvage of (10) percent of original cost when it is retired. The estimate of (10) percent is not separated into cost of removal and gross salvage components.

c. The date each component of these plants was installed can be found by FERC account and location in the "Depreciation Calculations" section of Exhibit JJS-KU, pages III-278 through III-325.

d. 1) These assets have not yet been retired. As discussed in part b), the expected net salvage value for each FERC account can be found on pages III-210 through III-212 of Exhibit JJS-KU.
2) These assets are currently in service, but are expected to be retired by the end of 2015.
3) These assets have not yet been retired, and as a result cost of removal has not yet been charged to accumulated depreciation.

e. Quantifying the precise amount of net salvage currently in accumulated depreciation for these generating units would require segregating all historical reserve activity from the installation dates of these units. Such analysis has not been performed for the depreciation study. However, the current remaining life depreciation rates are calculated based on the expected date of retirement (the end of 2015), and therefore the accumulated depreciation for each generating station will have the expected net salvage included in accumulated depreciation – that is, 10 percent of original cost.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Second Request For Information
Dated July 31, 2012

Case No. 2012-00221

Question No. 51

Responding Witness: Paul W. Thompson

Q-51. In Case No. 2011-00375 KU stated that it will not remove and restore the sites to a natural state at the Green River and Tyrone stations. Instead, it intends to stabilize these facilities to insure that they do not create a hazard to the general public.

a. Provide a detailed schedule of the estimated costs to remove these facilities and restore the location to a natural state.

b. Provide a detailed schedule of the estimated costs to stabilize these facilities.

c. Provide a detailed list of all salvage values for each component of each facility.

A-51. a. For electrical production facilities, with the exception of the old Waterside facility which was torn down (and paid for) by another party as the location for the new downtown Louisville arena, the Company has not historically torn down retired power plants. There are no current plans to take either the Green River or Tyrone plants to ground and to restore then to their natural state. Plans include action to protect them from the weather, to seal off all pipes and to secure the sites for public safety. No estimate has been developed for taking the facilities to a natural state.

b. The estimated cost to stabilize the facilities is $5 million for Green River and $3 million for Tyrone. While a detailed estimate was developed for Cane Run and is included as an attachment to LG&E PSC-2, Question No. 95, that level of detail has not yet been completed for Green River and Tyrone. The $5 million Green River and $3 million Tyrone estimates were based on the Cane Run total estimate and then scaled down to reflect the size differences.

c. No estimate of salvage values has been developed since there is currently no intention to take the facility down to a natural state.

KENTUCKY UTILITIES COMPANY

CASE NO. 2012-00221

**Response to Second Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated August 28, 2012**

Question No. 2.50

Responding Witness: Shannon L. Charnas

Q2.50 Refer to the Company's response to AG-204. Reconcile ARO amounts with amounts provided in response to Staff 1-54 and KIUC follow-up to AG-203.

A2.50 See attached for a breakdown of the ARO liability originally provided in the response to AG 1-204 to include plant level detail, which was provided in the response to Question No. 2.49, a follow-up to the response to AG 1-203. The information provided in the response to PSC 1-54 related to the implementation of SFAS No. 143 in 2003, and it does not reconcile to current ARO liability amounts.

Attachment to Response to KU KIUC-2 Question No. 50
Page 1 of 1
Charnas

Kentucky Utilities
Asset Retirement Obligations by Plant Account
March 31, 2012

ARO	Plant Account and Description	March 2012
Ash Ponds, Landfills	131100 - Structures and Improvements	
Brown		$ 13,565,827.00
Ghent		15,932,318.33
Green River		6,292,778.94
Pineville		1,144,141.26
Trimble County		3,789,540.22
Tyrone		1,029,727.50
Coal Storage	131100 - Structures and Improvements	
Brown		66,753.95
Ghent		435,469.44
Green River		210,787.57
Trimble County		144,285.66
Tyrone		70,262.77
Gypsum Stack	131200 - Boiler Plant Equipment	
Ghent		4,348,021.25
Generation Wells	131100 - Structures and Improvements	
Brown		383,326.01
Dix Dam		95,229.62
Ghent		51,695.89
Green River		108,230.92
Pineville		14,430.52
Trimble County		47,538.63
Tyrone		36,076.72
Nuclear Sources	131200 - Boiler Plant Equipment	
Brown		16,482.74
Ghent		132,268.42
Chemical Storage	131200 - Boiler Plant Equipment	
Ghent		12,293.94
Green River		668.64
Tyrone		434.06
Oil Storage	131200 - Boiler Plant Equipment	
Brown		26,485.14
Ghent		9,110.08
Green River		949.18
Tyrone		10,259.42
Asbestos - Generation	131200 - Boiler Plant Equipment	
Brown		3,207,348.47
Dix Dam		62,265.99
Ghent		5,346,197.82
Green River		2,300,722.91
Pineville		667,223.57
Tyrone		1,644,065.80

KENTUCKY UTILITIES COMPANY

CASE NO. 2012-00221

Response to Second Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Dated August 28, 2012

Question No. 2.45

Responding Witness: Shannon L. Charnas / John J. Spanos

Q2.45 Refer to the Company's response to Staff 1-50, 1-51, and 1-56. For the following questions please refer to the life span accounts listed Spanos Testimony at page II-28-29:

a. Please provide the specific calculation of each probable retirement year for each plant and unit listed in these pages. Also, please provide the installation date for each plant and unit therein.

b. Please identify all legal AROs associated and a debit and credit analysis of all accounts entries for AROs and ARCs. Please include all workpapers.

c. If any off these plants is currently regulated by multiple regulators, identify depreciation rates set for each of the regulators that have jurisdiction of that plant.

d. Please provide the physical location of each of the listed plants by county and state.

e. Please provide a unique history of each plant and unit which details its ownership history and its jurisdictional history.

f. Please provide a comparison, by account and location, of the probable retirement year forecasted in the prior studies, with the probable retirement year forecasted in the Depreciation Study submitted in this case.

g. Do the life span analyses include interim additions? If so, please provide a detailed explanation of how and why interim additions are included.

h. Identify all circumstances unique to Kentucky that the Company believes influences or has an impact on the life span estimates.

i. Has the Company ever retired any plants in their entirety as assumed by witness's use of the life-span method? If yes, please provide a full explanation, along with the accounting entries for the final retirement.

j. For all accounts and locations for which the life span method is proposed, provide the following information to support the final retirement dates. Please respond to each item.

1) Economic studies. (NARUC Deprecation Manual, p. 146)
2) Official retirement plans for each specific plant and unit therein. (NARUC, p. 146)
3) Forecasts. (NARUC, p. 146)
4) Studies of technological obsolescence. (NARUC, p. 146)
5) Studies of adequacy of capacity. (NARUC, p. 146)
6) Studies of competitive pressure. (NARUC, p. 146)
7) Relationship of type of construction to remaining life span.
8) Relationship of attained age to remaining life span.
9) Relationship of observed features and conditions at the time of field visits to remaining life span.
10) Relationship of specific plans of management to remaining life span.

A2.45 The references to Staff 1-51, 1-52 and 1-56 appear to be references to the second round of data requests. KU assumes the KIUC is referring to the responses to PSC 2-51, 2-52 and 2-56.

a. Please refer to Question No. 2.27 for a description of the development of the probable retirement dates shown on pages II-28 and II-29. The installation date for each plant is listed on pages II-28 and II-29, as well as in the attachment to part f of this data request.

b. See the response to Question No. 2.50 identifying all legal AROs associated with each plant. See the response to AG 1-207 for the test year accounting entries of all AROs.

c. See attached for the depreciation rates for Trimble County Unit 2 plant by regulator, which are the only depreciation rates that differ among the regulators. See the response to KIUC 1-30 under Current Rates ASL for all other depreciation rates, which are consistent among the regulators.

d. See attached.

e. See attached. The ownership percentages for each plant have been the same as shown in the attachment since the plants were placed in-service. Plants owned by KU are subject to the jurisdiction of the Kentucky Public Service

Commission (KPSC), Federal Energy Regulatory Commission (FERC) and Virginia State Corporation Commission (VSCC).

f. See attached.

g. Interim additions are not included in the life span analysis.

h. There are no known circumstances unique to Kentucky that the Company believes influence or have an impact on the life span estimates.

i. KU has retired plants in their entirety as described by Mr. Spanos' use of the life span method, such as Pineville Units 1, 2, and 3, Green River Units 1 and 2, and Tyrone Units 1 and 2. In many cases, small amounts of the unit stay on the books due to its proximity to other units at the location, or to allow for common use for other units at the location. These assets remain on the books; however, they no longer maintain the function of generation, as previously established. See the response to Question No. 2.68 for retirement amounts for those units retired within the last 15 years.

j. The life span method is proposed for Production Accounts 311 through 346 for KU. KU conducts periodic resource and economic analyses to determine probable retirement dates for each of the production units. One of the purposes of the resource plan is to recommend the capital improvements necessary to enable KU to continue to provide quality service that meets the needs of its customers. The resource plan examines adequacy of growth and assesses production capacity and unit efficiency.

As part of the operational planning process, KU assesses the adequacy of existing, major facilities and the need to make capital improvements, including complete replacement, of such facilities during the time horizon studied. In so doing, various factors are considered, including engineering criteria, quality of service, evolving regulatory standards, environmental regulation and cost. This process forms the basis for the development of detailed capital budgets and financing plans which, in turn, drive the specific capital projects that are completed each year.

While this operational planning process does not result in detailed retirement plans beyond a 5-year horizon, it projects retirement dates for all major facilities of the Company, and it provides analyses of both the service adequacy of existing major facilities during the study period and the major facility retirements, new construction and improvements recommended for the study period. If the Company determines that major facilities may cease to provide adequate service during the study period, retirement plans are evaluated. All major facilities continue to be assessed through the Company's on-going operational analysis and planning.

This operational planning process is established by the Company's engineering department and supported by Gannett Fleming through site visits and the life span dates of other comparable facilities in the electric industry.

Additionally, the Ventyx study provided an economic analysis of the life spans of these plants based on certain economic and operating conditions. For the Depreciation Study, further analysis was performed to incorporate the major capital investments required for environmental equipment, and in particular scrubbers. The response to Question No. 2.27 provides further discussion of how these considerations have been incorporated into the probable retirement date estimates for each generating unit.

Attachment to Response to KU KIUC-2 Question No. 45(c-e)
Page 1 of 1
Charnas

Kentucky Utilities Company
Generating Unit Information

Steam Production Plant	Multiple Jurisdiction (c)	Location (d) County	Location (d) State	Ownership % KU	Ownership % LG&E	Ownership % IMEA/IMPA
Tyrone Unit 3	No	Woodford	KY	100%		
Tyrone Units 1 & 2	No	Woodford	KY	100%		
Green River Unit 3	No	Muhlenberg	KY	100%		
Green River Unit 4	No	Muhlenberg	KY	100%		
Green River Units 1 & 2	No	Muhlenberg	KY	100%		
Brown Unit 1	No	Mercer	KY	100%		
Brown Unit 2	No	Mercer	KY	100%		
Brown Unit 3	No	Mercer	KY	100%		
Pineville Unit 3	No	Bell	KY	100%		
Ghent Unit 1	No	Carroll	KY	100%		
Ghent Unit 2	No	Carroll	KY	100%		
Ghent Unit 3	No	Carroll	KY	100%		
Ghent Unit 4	No	Carroll	KY	100%		
Trimble County Unit 2	Yes (see below)	Trimble	KY	14.25%	60.75%	25%
Hydro Plant						
Dix Dam	No	Mercer	KY	100%		
Other Production Plant						
Paddy's Run Generator 13	No	Jefferson	KY	47%	53%	
Brown Unit 5	No	Mercer	KY	47%	53%	
Brown Unit 6	No	Mercer	KY	62%	38%	
Brown Unit 7	No	Mercer	KY	62%	38%	
Brown Unit 8	No	Mercer	KY	100%		
Brown Unit 9	No	Mercer	KY	100%		
Brown Unit 10	No	Mercer	KY	100%		
Brown Unit 11	No	Mercer	KY	100%		
Trimble County CT 5	No	Trimble	KY	71%	29%	
Trimble County CT 6	No	Trimble	KY	71%	29%	
Trimble County CT 7	No	Trimble	KY	63%	37%	
Trimble County CT 8	No	Trimble	KY	63%	37%	
Trimble County CT 9	No	Trimble	KY	63%	37%	
Trimble County CT 10	No	Trimble	KY	63%	37%	
Haefling Units 1, 2, & 3	No	Fayette	KY	100%		

Jurisdictional Depreciation Rates - Trimble County Unit 2

Unit	Plant Account	Depreciation Rates KPSC	Depreciation Rates FERC	Depreciation Rates VSCC
Trimble Co. Unit 2	131100	2.10%	1.41%	2.10%
	131200	4.28%	2.79%	4.28%
	131400	2.78%	2.20%	2.78%
	131500	2.49%	1.22%	2.49%
	131600	2.03%	2.03%	2.03%
Trimble Co. Unit 2 Scrubber	131100	2.10%	2.65%	2.10%
	131200	4.28%	3.87%	4.28%
	131500	2.49%	2.70%	2.49%

Attachment to Response to KU KIUC-2 Question No. 45(f)
Page 1 of 2
Spanos

Kentucky Utilities Company
Forecast Life Spans for Production Plant

		Life Span			
		2006 Depr Study		2011 Depr Study	
Unit	Installation Year	Final Ret	Life Span	Final Ret	Life Span
(1)	(2)	(3)	(4)	(5)	(6)
STEAM PRODUCTION PLANT					
Brown Unit 1	1956	2026	70	2028	72
Brown Unit 2	1963	2026	63	2034	71
Brown Unit 3	1971	2026	55	2035	64
Ghent Unit 1	1974	2026	52	2034	60
Ghent Unit 2	1977	2027	50	2034	57
Ghent Unit 3	1981	2036	55	2037	56
Ghent Unit 4	1984	2036	52	2038	54
Green River Units 1 & 2	1950	2018	68	-	
Green River Unit 3	1954	2018	64	2015	61
Green River Unit 4	1959	2018	59	2015	56
Pineville Unit 3	1951	2010	59	2015	64
Pineville Units 1&2		-		-	
Trimble County Unit 2	2011	2066	55	2066	55
Tyrone Units 1 & 2	1947	2007	60	-	
Tyrone Unit 3	1953	2018	65	2012	59
System Laboratory	1990	2036	46	2040	50
HYDRO PRODUCTION PLANT					
Dix Dam	1941	2036	95	2041	100

Attachment to Response to KU KIUC-2 Question No. 45(f)
Page 2 of 2
Spanos

Kentucky Utilities Company
Forecast Life Spans for Production Plant

		Life Span			
		2006 Depr Study		2011 Depr Study	
Unit	Installation Year	Final Ret	Life Span	Final Ret	Life Span
(1)	(2)	(3)	(4)	(5)	(6)
OTHER PRODUCTION PLANT					
Brown Unit 5	2001	2036	35	2031	30
Brown Unit 6	1999	2036	37	2029	30
Brown Unit 7	1999	2036	37	2029	30
Brown Unit 8	1995	2036	41	2025	30
Brown Unit 9	1994	2036	42	2031	37
Brown Unit 10	1995	2036	41	2031	36
Brown Unit 11	1996	2036	40	2026	30
Haefling Units 1, 2, & 3	1970	2010	40	2020	50
Trimble County 5	2002	2036	34	2032	30
Trimble County 6	2002	2036	34	2032	30
Trimble County 7	2004	2036	32	2034	30
Trimble County 8	2004	2036	32	2034	30
Trimble County 9	2004	2036	32	2034	30
Trimble County 10	2004	2036	32	2034	30
Paddys Run Generator 13	2001	2036	35	2031	30

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC.
CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

	Original Cost	SKM Interim Retirements	Spanos INS%	INS $	Total NS %
TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS	333,950,215	0.031	-25	-2,588,114	-0.78%
TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT	2,674,446,283	0.091	-30	-73,012,384	-2.73%
TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE					
TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS					
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS	319,664,520	0.130	-15	-6,233,458	-1.95%
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT	201,634,659	0.026	-20	-1,048,500	-0.52%
TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT	30,010,399	0.091	0	0	0.00%
TOTAL STEAM PRODUCTION PLANT	3,559,706,076			-82,882,456	-2.33%
TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS	616,527	0.012	-5	-370	-0.06%
TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY	21,603,970	0.016	-10	-34,566	-0.16%
TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS	4,430,624	0.005	-20	-4,431	-0.10%
TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT	578,333	0.328	0	0	0.00%
TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT	297,024	0.386	-5	-5,733	-1.93%
TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES	176,360	-	0	0	0.00%
TOTAL HYDRAULIC PRODUCTION PLANT	27,702,837			-45,099	-0.16%
TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS	36,018,413	0.039	0	0	0.00%
TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	22,747,816	0.126	-5	-143,311	-0.63%
TOTAL ACCOUNT 343 - PRIME MOVERS	358,823,032	0.136	-5	-2,439,997	-0.68%
TOTAL ACCOUNT 344 - GENERATORS	59,360,761	0.003	-5	-8,904	-0.02%
TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT	44,367,406	0.020	-5	-44,367	-0.10%
TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT	5,362,941	0.019	0	0	0.00%
TOTAL OTHER PRODUCTION PLANT	526,680,370			-2,636,579	

LOUISVILLE GAS AND ELECTRIC COMPANY
Snavely King Majoros & Associates, Inc.
CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

	Original Cost	SKM Interim Retirements	Spanos INS%	INS $	Total NS %
TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS	322,736,789	0.30%	(20)	(193,642)	-0.06%
TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT	1,381,875,060	12.30%	(25)	(42,492,658)	-3.08%
TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE	664,974				
TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS	3,800,150			-	
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS	218,159,941	7.40%	(15)	(2,421,575)	-1.11%
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT	178,078,846	5.00%	(10)	(890,394)	-0.50%
TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT	16,345,184	32.00%	0	-	0.00%
TOTAL STEAM PRODUCTION PLANT	**2,121,660,945**			**(45,998,270)**	-2.17%
TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS	4,963,376	66.80%	(20)	(663,107)	-13.36%
TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY	11,690,252	55.40%	(10)	(647,640)	-5.54%
TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS	19,945,214	56.50%	(20)	(2,253,809)	-11.30%
TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT	5,509,836	69.20%	(20)	(762,561)	-13.84%
TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT	310,247	79.40%	(15)	(36,950)	-11.91%
TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES	29,931	83.80%	(5)	(1,254)	-4.19%
TOTAL HYDRAULIC PRODUCTION PLANT	**42,448,855**			**(4,365,322)**	
TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS	15,004,439	1.10%	(10)	(16,505)	-0.11%
TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES	7,598,824	14.30%	(10)	(108,663)	-1.43%
TOTAL ACCOUNT 343 - PRIME MOVERS	157,472,340	10.30%	(5)	(810,983)	-0.52%
TOTAL ACCOUNT 344 - GENERATORS	33,171,947	0.60%	(10)	(19,903)	-0.06%
TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT	20,692,503	0.00%	0	-	0.00%
TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT	3,796,323	0.00%	0	-	0.00%
TOTAL OTHER PRODUCTION PLANT	**237,736,377**			**(956,054)**	

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	REMAINING LIFE	ANNUAL ACCRUAL	SKM PROPOSED RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(8)=(6)/(7)	(9)	(10)	(11)	(12)=(7)-(11)
	DEPRECIABLE PLANT												
	INTANGIBLE PLANT												
302.00	FRANCHISES AND CONSENTS	20-SQ		0.00%	55,919	21,074	34,845	3.3	10,559	18.88%	18.78	10,503	56
303.00	MISCELLANEOUS INTANGIBLE PLANT	5-SQ		0.00%	18,338,712	7,484,852	10,853,860	3.9	2,783,041	15.18%	15.28	2,801,459	(18,418)
303.10	CCS SOFTWARE	SQUARE	*	0.00%	40,210,208	10,240,838	29,969,370	7.5	3,995,916	9.94%	9.94	3,995,916	0
	TOTAL INTANGIBLE PLANT				58,604,839	17,746,764	40,858,075		6,789,516	11.59%	11.62	6,807,878	(18,362)
	STEAM PRODUCTION PLANT												
311.00	STRUCTURES AND IMPROVEMENTS												
	TRIMBLE COUNTY UNIT 2	300 - R1	*	-0.78%	106,290,581	18,699,136	88,415,197	32.04	2,759,907	2.60%	1.90	2,021,312	738,595
	TRIMBLE COUNTY UNIT 2 SCRUBBER	300 - R1	*	-0.78%	5,522,307	2,689,746	2,875,359	32.04	89,755	1.63%	1.36	75,374	14,381
	SYSTEM LABORATORY	300 - R1	*	-0.78%	824,969	609,422	221,940	32.04	6,928	0.84%	0.99	8,170	(1,242)
	TYRONE UNIT 3	300 - R1	*	-0.78%	5,608,825	6,169,708	(517,415)	32.04	(16,151)	-0.29%	-	0	(16,151)
	TYRONE UNITS 1 AND 2	300 - R1	*	-0.78%	583,381	641,720	(53,817)	32.04	(1,680)	-0.29%	-	0	(1,680)
	GREEN RIVER UNIT 3	300 - R1	*	-0.78%	2,821,437	3,103,580	(260,277)	32.04	(8,125)	-0.29%	-	0	(8,125)
	GREEN RIVER UNIT 4	300 - R1	*	-0.78%	5,476,054	4,320,817	1,197,677	32.04	37,386	0.68%	7.80	428,905	(389,519)
	GREEN RIVER UNITS 1 AND 2	300 - R1	*	-0.78%	2,560,764	2,816,841	(236,231)	32.04	(7,374)	-0.29%	-	0	(7,374)
	BROWN UNIT 1	300 - R1	*	-0.78%	4,703,190	4,861,747	(122,108)	32.04	(3,812)	-0.08%	0.46	21,822	(25,634)
	BROWN UNIT 2	300 - R1	*	-0.78%	2,232,100	2,028,873	220,526	32.04	6,884	0.31%	0.90	20,077	(13,193)
	BROWN UNIT 3	300 - R1	*	-0.78%	21,039,674	14,064,263	7,138,469	32.04	222,829	1.06%	1.90	400,691	(177,862)
	BROWN UNITS 1, 2 AND 3 SCRUBBER	300 - R1	*	-0.78%	43,917,221	1,760,616	42,496,964	32.04	1,326,556	3.02%	4.58	2,010,590	(684,034)
	PINEVILLE UNIT 3	300 - R1	*	-0.78%	16,204	17,825	(1,495)	32.04	(47)	-0.29%	-	0	(47)
	GHENT UNIT 1 SCRUBBER	300 - R1	*	-0.78%	8,483,789	6,985,454	1,564,085	32.04	48,823	0.58%	1.34	113,954	(65,131)
	GHENT UNIT 1	300 - R1	*	-0.78%	18,842,151	18,621,064	367,114	32.04	11,460	0.06%	0.59	111,264	(99,804)
	GHENT UNIT 2	300 - R1	*	-0.78%	16,011,013	14,142,586	1,992,532	32.04	62,198	0.39%	1.10	176,840	(114,642)
	GHENT UNIT 3	300 - R1	*	-0.78%	42,177,126	30,851,643	11,652,355	32.04	363,732	0.86%	1.59	671,100	(307,368)
	GHENT UNIT 4	300 - R1	*	-0.78%	31,022,091	14,920,226	16,342,286	32.04	510,129	1.64%	2.48	770,327	(260,198)
	GHENT UNIT 2 SCRUBBER	300 - R1	*	-0.78%	15,817,338	12,919,945	3,019,977	32.04	94,270	0.60%	1.38	218,174	(123,904)
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				333,950,215	160,225,192	176,313,137		5,503,668	1.65%	2.11	7,046,600	(1,542,932)
312.00	BOILER PLANT EQUIPMENT												
	TRIMBLE COUNTY UNIT 2	77 - S0.5	*	-2.73%	505,158,969	44,042,332	474,907,476	28.16	16,866,353	3.34%	2.19	11,040,635	5,825,718
	TRIMBLE COUNTY UNIT 2 SCRUBBER	77 - S0.5	*	-2.73%	70,735,320	11,271,211	61,395,183	28.16	2,180,452	3.08%	2.06	1,453,909	726,543
	TYRONE UNIT 3	77 - S0.5	*	-2.73%	13,993,286	11,103,677	3,271,625	28.16	116,192	0.83%	7.74	1,082,465	(966,273)
	TYRONE UNITS 1 AND 2	77 - S0.5	*	-2.73%	421,900	464,090	(30,672)	28.16	(1,089)	-0.26%	-	0	(1,089)
	GREEN RIVER UNIT 3	77 - S0.5	*	-2.73%	12,145,770	9,725,542	2,751,808	28.16	97,731	0.80%	7.59	922,012	(824,281)
	GREEN RIVER UNIT 4	77 - S0.5	*	-2.73%	25,165,914	20,127,163	5,725,781	28.16	203,351	0.81%	7.57	1,903,819	(1,700,468)
	GREEN RIVER UNITS 1 AND 2	77 - S0.5	*	-2.73%	349,298	384,228	(25,394)	28.16	(902)	-0.26%	-	0	(902)
	BROWN UNIT 1	77 - S0.5	*	-2.73%	45,302,489	26,739,197	19,800,050	28.16	703,199	1.55%	3.25	1,471,865	(768,666)
	BROWN UNIT 2	77 - S0.5	*	-2.73%	41,956,868	19,641,359	23,460,932	28.16	833,216	1.99%	2.98	1,252,209	(418,993)
	BROWN UNIT 3	77 - S0.5	*	-2.73%	142,628,390	71,929,055	74,593,090	28.16	2,649,176	1.86%	2.67	3,809,860	(1,160,684)
	BROWN UNITS 1, 2 AND 3 SCRUBBER	77 - S0.5	*	-2.73%	323,725,099	18,469,817	314,092,977	28.16	11,155,021	3.45%	4.58	14,820,202	(3,665,181)
	PINEVILLE UNIT 3	77 - S0.5	*	-2.73%	236,470	260,117	(17,191)	28.16	(611)	-0.26%	-	0	(611)
	GHENT UNIT 1 SCRUBBER	77 - S0.5	*	-2.73%	144,202,759	34,075,530	114,063,965	28.16	4,050,985	2.81%	4.02	5,799,995	(1,749,010)
	GHENT UNIT 1	77 - S0.5	*	-2.73%	198,785,055	96,800,340	107,411,547	28.16	3,814,724	1.92%	2.93	5,834,075	(2,019,351)
	GHENT UNIT 2	77 - S0.5	*	-2.73%	98,446,686	73,285,978	27,848,303	28.16	989,033	1.00%	1.81	1,779,312	(790,279)
	GHENT UNIT 3	77 - S0.5	*	-2.73%	254,967,910	146,662,379	115,266,155	28.16	4,093,681	1.61%	2.31	5,879,680	(1,785,999)
	GHENT UNIT 4	77 - S0.5	*	-2.73%	267,856,280	128,461,343	146,707,414	28.16	5,210,318	1.95%	2.60	6,953,070	(1,742,752)
312, cont.	GHENT UNIT 2 SCRUBBER	77 - S0.5	*	-2.73%	93,278,511	55,024,079	40,800,936	28.16	1,449,046	1.55%	2.43	2,270,953	(821,907)
	GHENT UNIT 3 SCRUBBER	77 - S0.5	*	-2.73%	127,988,949	24,898,056	106,584,991	28.16	3,785,369	2.96%	3.74	4,782,967	(997,598)
	GHENT UNIT 4 SCRUBBER	77 - S0.5	*	-2.73%	307,100,359	41,271,827	274,212,371	28.16	9,738,661	3.17%	3.83	11,768,189	(2,029,528)
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				2,674,446,283	834,637,320	1,912,821,346		67,933,907	2.54%	3.10	82,825,217	(14,891,310)
314.00	TURBOGENERATOR UNITS												
	TRIMBLE COUNTY UNIT 2	75.5 - S0	*	-1.95%	83,994,733	12,471,959	73,160,671	27.79	2,632,702	3.13%	2.19	1,836,110	796,592
	TYRONE UNIT 3	75.5 - S0	*	-1.95%	4,805,514	3,825,756	1,073,465	27.79	38,629	0.80%	7.71	370,738	(332,109)
	TYRONE UNITS 1 AND 2	75.5 - S0	*	-1.95%	68,206	75,026	(5,490)	27.79	(198)	-0.29%	-	0	(198)
	GREEN RIVER UNIT 3	75.5 - S0	*	-1.95%	4,562,194	4,064,201	586,955	27.79	21,122	0.46%	5.29	241,317	(220,195)
	GREEN RIVER UNIT 4	75.5 - S0	*	-1.95%	10,390,486	9,545,563	1,047,537	27.79	37,696	0.36%	4.55	472,404	(434,708)
	BROWN UNIT 1	75.5 - S0	*	-1.95%	7,512,825	4,893,897	2,765,428	27.79	99,515	1.32%	2.87	215,514	(115,999)
	BROWN UNIT 2	75.5 - S0	*	-1.95%	12,299,722	8,687,176	3,852,390	27.79	138,629	1.13%	1.86	228,841	(90,212)
	BROWN UNIT 3	75.5 - S0	*	-1.95%	29,293,398	20,414,202	9,450,417	27.79	340,075	1.16%	1.86	543,748	(203,673)
	GHENT UNIT 1	75.5 - S0	*	-1.95%	36,687,321	20,194,109	17,208,615	27.79	619,256	1.69%	2.67	978,789	(359,533)
	GHENT UNIT 2	75.5 - S0	*	-1.95%	30,417,592	20,815,737	10,194,998	27.79	366,869	1.21%	2.24	682,670	(315,801)
	GHENT UNIT 3	75.5 - S0	*	-1.95%	42,595,557	28,152,257	15,273,913	27.79	549,635	1.29%	2.08	887,493	(337,858)
	GHENT UNIT 4	75.5 - S0	*	-1.95%	57,036,973	32,047,642	26,101,552	27.79	939,270	1.65%	2.43	1,388,323	(449,053)
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				319,664,520	165,187,525	160,710,453		5,783,200	1.81%	2.45	7,845,947	(2,062,747)
315.00	ACCESSORY ELECTRIC EQUIPMENT												

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	REMAINING LIFE	ANNUAL ACCRUAL	SKM PROPOSED RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(8)=(6)/(7)	(9)	(10)	(11)	(12)=(7)-(11)
	TRIMBLE COUNTY UNIT 2	98.3 - L2	*	-0.52%	41,600,357	4,958,709	36,857,970	28.87	1,276,612	3.07%	2.01	836,186	440,426
	TRIMBLE COUNTY UNIT 2 SCRUBBER	98.3 - L2	*	-0.52%	1,415,469	653,351	769,479	28.87	26,652	1.88%	1.56	22,036	4,616
	TYRONE UNIT 3	98.3 - L2	*	-0.52%	2,081,693	1,087,407	1,005,111	28.87	34,813	1.67%	14.65	305,060	(270,247)
	TYRONE UNITS 1 AND 2	98.3 - L2	*	-0.52%	99,211	109,132	(9,405)	28.87	(326)	-0.33%	-	0	(326)
	GREEN RIVER UNIT 3	98.3 - L2	*	-0.52%	1,205,362	554,397	657,233	28.87	22,764	1.89%	16.16	194,829	(172,065)
	GREEN RIVER UNIT 4	98.3 - L2	*	-0.52%	2,695,329	1,846,556	862,788	28.87	29,884	1.11%	10.53	283,879	(253,995)
	BROWN UNIT 1	98.3 - L2	*	-0.52%	3,859,109	3,259,464	619,713	28.87	21,464	0.56%	1.61	62,118	(40,654)
	BROWN UNIT 2	98.3 - L2	*	-0.52%	2,165,577	1,331,430	845,408	28.87	29,282	1.35%	2.20	47,686	(18,404)
	BROWN UNIT 3	98.3 - L2	*	-0.52%	8,597,466	6,533,915	2,108,258	28.87	73,022	0.85%	1.49	128,146	(55,124)
	BROWN UNITS 1, 2 AND 3 SCRUBBER	98.3 - L2	*	-0.52%	29,503,821	1,205,108	28,452,133	28.87	985,467	3.34%	4.55	1,342,875	(357,408)
	GHENT UNIT 1 SCRUBBER	98.3 - L2	*	-0.52%	13,292,785	3,266,572	10,095,335	28.87	349,662	2.63%	3.89	517,122	(167,460)
	GHENT UNIT 1	98.3 - L2	*	-0.52%	8,872,543	8,274,863	643,817	28.87	22,299	0.25%	0.87	77,332	(55,033)
	GHENT UNIT 2	98.3 - L2	*	-0.52%	13,858,389	10,602,781	3,327,671	28.87	115,257	0.83%	1.65	229,310	(114,053)
	GHENT UNIT 3	98.3 - L2	*	-0.52%	30,932,405	22,826,297	8,266,957	28.87	286,334	0.93%	1.59	490,361	(204,027)
	GHENT UNIT 4	98.3 - L2	*	-0.52%	24,412,797	16,503,145	8,036,598	28.87	278,355	1.14%	1.76	429,536	(151,181)
	GHENT UNIT 2 SCRUBBER	98.3 - L2	*	-0.52%	1,155,753	73,909	1,087,854	28.87	37,679	3.26%	4.70	54,270	(16,591)
	GHENT UNIT 3 SCRUBBER	98.3 - L2	*	-0.52%	12,041,998	1,992,181	10,112,436	28.87	350,254	2.91%	3.75	451,284	(101,030)
	GHENT UNIT 4 SCRUBBER	98.3 - L2	*	-0.52%	3,844,595	381,019	3,483,568	28.87	120,657	3.14%	3.86	148,278	(27,621)
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				201,634,659	85,460,236	117,222,924		4,060,131	2.01%	2.79	5,620,308	(1,560,177)
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	TRIMBLE COUNTY UNIT 2	116 R0.5	*	0.00%	3,502,447	126,166	3,376,281	24.54	137,559	3.93%	2.31	81,004	56,555
	SYSTEM LABORATORY	116 R0.5	*	0.00%	2,763,049	790,095	1,972,954	24.54	80,384	2.91%	2.70	74,526	5,858
	TYRONE UNIT 3	116 R0.5	*	0.00%	553,355	251,724	301,631	24.54	12,289	2.22%	16.28	90,112	(77,823)
	TYRONE UNITS 1 AND 2	116 R0.5	*	0.00%	50,127	55,140	(5,013)	24.54	(204)	-0.41%	-	0	(204)
	GREEN RIVER UNIT 3	116 R0.5	*	0.00%	152,146	101,809	50,337	24.54	2,051	1.35%	10.87	16,545	(14,494)
	GREEN RIVER UNIT 4	116 R0.5	*	0.00%	2,408,143	1,418,850	989,293	24.54	40,307	1.67%	12.87	310,000	(289,693)
	GREEN RIVER UNITS 1 AND 2	116 R0.5	*	0.00%	84,750	93,224	(8,474)	24.54	(345)	-0.41%	-	0	(345)
	BROWN UNIT 1	116 R0.5	*	0.00%	432,578	351,287	81,291	24.54	3,312	0.77%	1.86	8,059	(4,747)
	BROWN UNIT 2	116 R0.5	*	0.00%	106,658	109,842	(3,184)	24.54	(130)	-0.12%	0.37	395	(525)
	BROWN UNIT 3	116 R0.5	*	0.00%	5,070,448	2,925,174	2,145,274	24.54	87,405	1.72%	2.40	121,490	(34,085)
316, cont.	GHENT UNIT 1 SCRUBBER	116 R0.5	*	0.00%	1,033,027	834,195	198,832	24.54	8,101	0.78%	1.46	15,091	(6,990)
	GHENT UNIT 1	116 R0.5	*	0.00%	1,747,527	1,578,287	169,240	24.54	6,895	0.39%	1.03	18,058	(11,163)
	GHENT UNIT 2	116 R0.5	*	0.00%	1,500,525	1,397,086	103,439	24.54	4,214	0.28%	0.92	13,774	(9,560)
	GHENT UNIT 3	116 R0.5	*	0.00%	3,150,438	2,534,754	615,684	24.54	25,085	0.80%	1.36	42,799	(17,714)
	GHENT UNIT 4	116 R0.5	*	0.00%	7,455,181	2,842,039	4,613,142	24.54	187,952	2.52%	2.98	221,851	(33,899)
	TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT				30,010,399	15,409,672	14,600,727		594,875	1.98%	3.38	1,013,704	(418,829)
	TOTAL STEAM PRODUCTION PLANT				**3,559,706,076**	**1,260,919,945**	**2,381,668,587**		**83,875,780**		**2.93**	**104,351,776**	**(20,475,996)**
	HYDRAULIC PRODUCTION PLANT												
330.10	LAND RIGHTS												
	DIX DAM	100 - R4	*	0.00%	879,311	879,311	0	24.98	0	0.00%	-	0	0
	TOTAL ACCOUNT 330.1 - LAND RIGHTS				879,311	879,311	0		0		-	-	0
331.00	STRUCTURES AND IMPROVEMENTS												
	DIX DAM	90 - S2	*	-0.06%	616,527	353,805	263,092	26.32	9,996	1.62%	1.74	10,702	(706)
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				616,527	353,805	263,092		9,996		1.74	10,702	(706)
332.00	RESERVOIRS, DAMS AND WATERWAY												
	DIX DAM	156 R2.5	*	-0.16%	21,603,970	6,697,620	14,940,916	29.51	506,379	2.34%	2.59	558,948	(52,569)
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAYS				21,603,970	6,697,620	14,940,916		506,379		2.59	558,948	(52,569)
333.00	WATER WHEELS, TURBINES AND GENERATORS												
	DIX DAM	75 - S3	*	-0.10%	4,430,624	19,710	4,415,345	29.10	151,754	3.43%	3.77	166,967	(15,213)
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS				4,430,624	19,710	4,415,345		151,754		3.77	166,967	-15,213
334.00	ACCESSORY ELECTRIC EQUIPMENT												
	DIX DAM	40 - L2	*	0.00%	578,333	90,045	488,288	24.25	20,132	3.48%	3.65	21,138	(1,006)
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				578,333	90,045	488,288		20,132		3.65	21,138	-1,006
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	DIX DAM	82.0 - D4	*	-1.93%	297,024	85,989	216,767	23.64	9,169	3.09%	4.56	13,551	(4,382)
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				297,024	85,989	216,767		9,169		4.56	13,551	-4,382
336.00	ROADS, RAILROADS AND BRIDGES												
	DIX DAM	87 - S5	*	0.00%	176,360	49,946	126,414	26.48	4,775	2.71%	4.19	7,394	(2,619)
	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES				176,360	49,946	126,414		4,775		4.19	7,394	-2,619

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT (1)	SURVIVOR CURVE (2)		NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)= ((1-(3))*(4))-(5)	REMAINING LIFE (7)	ANNUAL ACCRUAL (8)=(6)/(7)	SKM PROPOSED RATE (9)	Spanos Rates and Accruals Rate (10)	Spanos Rates and Accruals Accrual (11)	Difference (12)=(7)-(11)
	TOTAL HYDRAULIC PRODUCTION PLANT				28,582,149	8,176,426	20,450,822		702,204	2.46%	2.72	778,700	(76,496)
	OTHER PRODUCTION PLANT												
340.10	LAND RIGHTS												
	BROWN CT GAS PIPELINE	93.9 - 04	*	0.00%	176,409	99,438	76,971	13.38	5,751	3.26%	2.24	3,947	1,804
	TOTAL ACCOUNT 340.1 - LAND AND LAND RIGHTS				176,409	99,438	76,971		5,751		2.24	3,947	1,804
341.00	STRUCTURES AND IMPROVEMENTS												
	TRIMBLE COUNTY CT 5	263 - 01	*	0.00%	3,740,231	1,170,949	2,569,282	19.59	131,136	3.51%	3.87	144,756	(13,620)
	TRIMBLE COUNTY CT 6	263 - 01	*	-0.63%	3,588,684	1,130,371	2,480,922	19.59	126,626	3.53%	3.86	138,671	(12,045)
	TRIMBLE COUNTY CT 7	263 - 01	*	-0.68%	3,559,155	909,260	2,674,097	19.59	136,486	3.83%	3.80	135,304	1,182
	TRIMBLE COUNTY CT 8	263 - 01	*	-0.02%	3,548,852	906,628	2,642,756	19.59	134,886	3.80%	3.80	134,912	(26)
	TRIMBLE COUNTY CT 9	263 - 01	*	-0.10%	3,655,976	923,545	2,736,087	19.59	139,650	3.82%	3.82	139,485	165
	TRIMBLE COUNTY CT 10	263 - 01	*	0.00%	3,653,030	922,801	2,730,229	19.59	139,351	3.81%	3.82	139,372	(21)
	BROWN CT 5	263 - 01	*	0.00%	775,082	270,065	505,017	19.59	25,776	3.33%	3.88	30,044	(4,268)
	BROWN CT 6	263 - 01	*	0.00%	192,814	67,757	125,057	19.59	6,383	3.31%	4.25	8,200	(1,817)
	BROWN CT 7	263 - 01	*	0.00%	544,966	207,252	337,714	19.59	17,237	3.16%	4.11	22,379	(5,142)
	BROWN CT 8	263 - 01	*	0.00%	2,012,655	1,151,811	860,844	19.59	43,938	2.18%	3.80	76,440	(32,502)
	BROWN CT 9	263 - 01	*	0.00%	4,641,055	2,628,903	2,012,152	19.59	102,700	2.21%	2.81	130,408	(27,708)
	BROWN CT 10	263 - 01	*	0.00%	1,865,718	995,177	870,541	19.59	44,432	2.38%	3.00	55,973	(11,541)
	BROWN CT 11	263 - 01	*	0.00%	1,895,014	960,868	934,146	19.59	47,679	2.52%	4.00	75,771	(28,092)
	HAEFLING UNITS 1, 2 AND 3	263 - 01	*	0.00%	434,853	87,070	347,783	19.59	17,751	4.08%	10.24	44,528	(26,777)
	PADDY'S RUN GENERATOR 13	263 - 01	*	0.00%	1,910,328	665,405	1,244,923	19.59	63,541	3.33%	3.88	74,097	(10,556)
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS				36,018,413	12,997,862	23,071,550		1,177,574	3.27%	3.75	1,350,340	(172,766)
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES												
	TRIMBLE COUNTY CT 5	167 - 04	*	-0.63%	239,584	76,081	165,013	16.76	9,846	4.11%	3.78	9,049	797
	TRIMBLE COUNTY CT 6	167 - 04	*	-0.63%	239,246	75,986	164,767	16.76	9,831	4.11%	3.78	9,036	795
	TRIMBLE COUNTY CT GAS PIPELINE	167 - 04	*	-0.63%	4,850,115	1,572,837	3,307,833	16.76	197,368	4.07%	3.44	166,771	30,597
	TRIMBLE COUNTY CT 7	167 - 04	*	-0.63%	578,059	149,364	432,337	16.76	25,796	4.46%	3.72	21,494	4,302
	TRIMBLE COUNTY CT 8	167 - 04	*	-0.63%	576,386	148,931	431,086	16.76	25,722	4.46%	3.72	21,431	4,291
	TRIMBLE COUNTY CT 9	167 - 04	*	-0.63%	593,786	151,730	445,797	16.76	26,599	4.48%	3.73	22,158	4,441
	TRIMBLE COUNTY CT 10	167 - 04	*	-0.63%	622,873	157,134	469,663	16.76	28,023	4.50%	3.74	23,324	4,699
	BROWN CT 5	167 - 04	*	-0.63%	795,788	126,367	674,434	16.76	40,241	5.06%	4.78	38,072	2,169
	BROWN CT 6	167 - 04	*	-0.63%	406,460	17,424	391,597	16.76	23,365	5.75%	5.92	24,066	(701)
	BROWN CT 7	167 - 04	*	-0.63%	405,871	12,973	395,455	16.76	23,598	5.81%	5.99	24,294	(698)
	BROWN CT 8	167 - 04	*	-0.63%	252,006	22,171	231,422	16.76	13,808	5.48%	7.25	18,266	(4,458)
	BROWN CT 9	167 - 04	*	-0.63%	2,018,754	903,046	1,128,426	16.76	67,330	3.34%	3.33	67,309	21
	BROWN CT 10	167 - 04	*	-0.63%	264,131	29,700	236,095	16.76	14,087	5.33%	4.96	13,099	988
	BROWN CT 11	167 - 04	*	-0.63%	284,823	36,816	247,801	16.76	14,785	5.19%	6.43	18,318	(3,533)
	BROWN CT GAS PIPELINE	167 - 04	*	-0.63%	8,106,131	4,385,668	3,771,531	16.76	225,035	2.78%	2.87	232,372	(7,337)
	HAEFLING UNITS 1, 2 AND 3	167 - 04	*	-0.63%	518,705	88,960	433,012	16.76	25,836	4.98%	10.62	55,109	(29,273)
	PADDY'S RUN GENERATOR 13	167 - 04	*	-0.63%	1,995,101	695,267	1,312,403	16.76	78,307	3.92%	3.80	75,845	2,462
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES				22,747,816	8,652,455	14,238,673		849,576	3.73%	3.69	840,013	9,563
343.00	PRIME MOVERS												
	TRIMBLE COUNTY CT 5	58.6 - R0.5	*	-0.68%	31,137,756	10,133,882	21,215,611	17.50	1,212,054	3.89%	4.04	1,259,343	(47,289)
	TRIMBLE COUNTY CT 6	58.6 - R0.5	*	-0.68%	32,030,243	8,059,467	24,188,582	17.50	1,381,901	4.31%	4.43	1,419,553	(37,652)
	TRIMBLE COUNTY CT 7	58.6 - R0.5	*	-0.68%	23,223,116	6,218,174	17,162,859	17.50	980,519	4.22%	3.99	926,898	53,621
	TRIMBLE COUNTY CT 8	58.6 - R0.5	*	-0.68%	23,034,741	6,163,385	17,027,992	17.50	972,814	4.22%	3.99	919,628	53,186
	TRIMBLE COUNTY CT 9	58.6 - R0.5	*	-0.68%	22,902,196	5,896,000	17,161,930	17.50	980,466	4.28%	4.04	925,844	54,622
	TRIMBLE COUNTY CT 10	58.6 - R0.5	*	-0.68%	22,850,722	5,890,691	17,115,416	17.50	977,809	4.28%	4.04	923,525	54,284
	BROWN CT 5	58.6 - R0.5	*	-0.68%	14,686,936	4,448,405	10,318,266	17.50	589,486	4.02%	4.33	635,708	(46,222)
343, cont.	BROWN CT 6	58.6 - R0.5	*	-0.68%	34,600,149	7,991,509	26,843,921	17.50	1,533,601	4.43%	5.24	1,813,591	(279,990)
	BROWN CT 7	58.6 - R0.5	*	-0.68%	31,657,719	7,847,473	24,025,518	17.50	1,372,585	4.34%	5.15	1,628,808	(256,223)
	BROWN CT 8	58.6 - R0.5	*	-0.68%	26,710,990	10,068,236	16,824,389	17.50	961,182	3.60%	5.45	1,455,318	(494,136)
	BROWN CT 9	58.6 - R0.5	*	-0.68%	23,335,363	11,433,236	12,060,808	17.50	689,037	2.95%	3.43	800,496	(111,459)
	BROWN CT 10	58.6 - R0.5	*	-0.68%	20,074,766	9,663,038	10,548,236	17.50	602,624	3.00%	3.49	700,567	(97,943)
	BROWN CT 11	58.6 - R0.5	*	-0.68%	34,794,971	15,401,000	19,630,577	17.50	1,121,501	3.22%	4.65	1,618,377	(496,876)
	PADDY'S RUN GENERATOR 13	58.6 - R0.5	*	-0.68%	17,803,364	4,875,055	13,049,372	17.50	745,514	4.19%	4.53	806,030	(60,516)
	TOTAL ACCOUNT 343 - PRIME MOVERS				358,823,032	114,089,551	247,173,478		14,121,092	3.94%	4.41	15,833,686	(1,712,594)
344.00	GENERATORS												
	TRIMBLE COUNTY CT 5	78 - S2	*	-0.02%	3,763,275	1,176,387	2,587,452	18.75	138,017	3.67%	3.62	136,229	1,788
	TRIMBLE COUNTY CT 6	78 - S2	*	-0.02%	3,757,947	1,174,917	2,583,593	18.75	137,811	3.67%	3.62	136,027	1,784
	TRIMBLE COUNTY CT 7	78 - S2	*	-0.02%	2,950,282	748,548	2,202,177	18.75	117,466	3.98%	3.56	105,018	12,448
	TRIMBLE COUNTY CT 8	78 - S2	*	-0.02%	2,937,930	745,414	2,192,957	18.75	116,974	3.98%	3.56	104,578	12,396
	TRIMBLE COUNTY CT 9	78 - S2	*	-0.02%	2,957,520	741,931	2,216,033	18.75	118,205	4.00%	3.57	105,653	12,552
	TRIMBLE COUNTY CT 10	78 - S2	*	-0.02%	2,954,149	741,085	2,213,507	18.75	118,071	4.00%	3.57	105,533	12,538
	BROWN CT 5	78 - S2	*	-0.02%	2,858,148	934,297	1,924,279	18.75	102,643	3.59%	3.73	106,678	(4,035)
	BROWN CT 6	78 - S2	*	-0.02%	3,712,620	1,492,911	2,220,265	18.75	118,431	3.19%	3.73	138,397	(19,966)

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	REMAINING LIFE	ANNUAL ACCRUAL	SKM PROPOSED RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(8)=(6)/(7)	(9)	(10)	(11)	(12)=(7)-(11)
	BROWN CT 7	78 - S2	*	-0.02%	3,722,788	1,463,283	2,260,064	18.75	120,554	3.24%	3.78	140,714	(20,160)
	BROWN CT 8	78 - S2	*	-0.02%	4,953,961	2,809,555	2,145,149	18.75	114,424	2.31%	3.61	178,782	(64,358)
	BROWN CT 9	78 - S2	*	-0.02%	5,452,041	3,081,447	2,371,412	18.75	126,493	2.32%	2.55	139,175	(12,682)
	BROWN CT 10	78 - S2	*	-0.02%	4,944,423	2,624,840	2,320,324	18.75	123,768	2.50%	2.72	134,599	(10,831)
	BROWN CT 11	78 - S2	*	-0.02%	5,187,040	2,724,699	2,463,119	18.75	131,385	2.53%	3.65	189,263	(57,878)
	HAEFLING UNITS 1, 2 AND 3	78 - S2	*	-0.02%	4,023,002	3,504,167	519,439	18.75	27,707	0.69%	2.31	92,815	(65,108)
	PADDY'S RUN GENERATOR 13	78 - S2	*	-0.02%	5,185,636	1,792,632	3,393,782	18.75	181,028	3.49%	3.64	188,553	(7,525)
	TOTAL ACCOUNT 344 - GENERATORS				59,360,761	25,756,113	33,613,552		1,792,979	3.02%	3.37	2,002,014	(209,035)
345.00	ACCESSORY ELECTRIC EQUIPMENT												
	TRIMBLE COUNTY CT 5	283 - R1	*	-0.10%	1,693,975	513,697	1,181,972	19.79	59,724	3.53%	3.80	64,303	(4,579)
	TRIMBLE COUNTY CT 6	283 - R1	*	-0.10%	4,324,591	1,036,892	3,292,024	19.79	166,344	3.85%	4.12	178,222	(11,878)
	TRIMBLE COUNTY CT 7	283 - R1	*	-0.10%	3,148,439	792,088	2,359,500	19.79	119,224	3.79%	3.69	116,323	2,901
	TRIMBLE COUNTY CT 8	283 - R1	*	-0.10%	3,139,332	789,796	2,352,675	19.79	118,879	3.79%	3.69	115,986	2,893
	TRIMBLE COUNTY CT 9	283 - R1	*	-0.10%	3,234,031	804,392	2,432,874	19.79	122,931	3.80%	3.71	119,912	3,019
	TRIMBLE COUNTY CT 10	283 - R1	*	-0.10%	7,196,618	1,451,369	5,752,446	19.79	290,667	4.04%	3.92	282,456	8,211
	BROWN CT 5	283 - R1	*	-0.10%	2,277,020	662,990	1,616,308	19.79	81,671	3.59%	4.06	92,383	(10,712)
	BROWN CT 6	283 - R1	*	-0.10%	1,975,216	691,980	1,285,212	19.79	64,941	3.29%	4.17	82,329	(17,388)
	BROWN CT 7	283 - R1	*	-0.10%	1,935,782	675,547	1,262,171	19.79	63,777	3.29%	4.18	80,891	(17,114)
	BROWN CT 8	283 - R1	*	-0.10%	2,720,730	1,361,195	1,362,255	19.79	68,834	2.53%	4.26	115,931	(47,097)
	BROWN CT 9	283 - R1	*	-0.10%	4,205,847	1,987,226	2,222,827	19.79	112,318	2.67%	3.19	133,961	(21,643)
	BROWN CT 10	283 - R1	*	-0.10%	2,744,493	1,316,949	1,430,288	19.79	72,272	2.63%	3.17	86,963	(14,691)
	BROWN CT 11	283 - R1	*	-0.10%	1,863,053	778,412	1,086,504	19.79	54,900	2.95%	4.55	84,727	(29,827)
	HAEFLING UNITS 1, 2 AND 3	283 - R1	*	-0.10%	1,451,957	563,545	889,864	19.79	44,964	3.10%	8.05	116,933	(71,969)
	PADDY'S RUN GENERATOR 13	283 - R1	*	-0.10%	2,456,320	844,832	1,613,944	19.79	81,552	3.32%	3.78	92,743	(11,191)
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				44,367,406	14,270,910	30,140,863		1,522,998	3.43%	3.98	1,764,063	(241,065)
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	TRIMBLE COUNTY CT 5	248 - R1	*	0.00%	28,954	8,377	20,587	18.81	1,094	3.78%	4.04	1,171	(77)
	TRIMBLE COUNTY CT 7	248 - R1	*	0.00%	8,889	2,318	6,571	18.81	349	3.93%	3.97	353	(4)
	TRIMBLE COUNTY CT 8	248 - R1	*	0.00%	8,861	2,310	6,551	18.81	348	3.93%	3.97	352	(4)
	TRIMBLE COUNTY CT 9	248 - R1	*	0.00%	9,114	2,350	6,764	18.81	360	3.95%	3.98	363	(3)
	TRIMBLE COUNTY CT 10	248 - R1	*	0.00%	41,869	4,157	37,712	18.81	2,005	4.79%	4.59	1,922	83
	BROWN CT 5	248 - R1	*	0.00%	2,139,353	749,750	1,389,603	18.81	73,875	3.45%	4.06	86,757	(12,882)
346, cont.	BROWN CT 6	248 - R1	*	0.00%	53,749	17,904	35,845	18.81	1,906	3.55%	4.47	2,404	(498)
	BROWN CT 7	248 - R1	*	0.00%	35,647	13,487	22,160	18.81	1,178	3.30%	4.25	1,515	(337)
	BROWN CT 8	248 - R1	*	0.00%	285,932	133,886	152,046	18.81	8,083	2.83%	4.70	13,435	(5,352)
	BROWN CT 9	248 - R1	*	0.00%	760,255	435,836	324,419	18.81	17,247	2.27%	2.99	22,729	(5,482)
	BROWN CT 10	248 - R1	*	0.00%	274,391	136,467	137,924	18.81	7,332	2.67%	3.40	9,323	(1,991)
	BROWN CT 11	248 - R1	*	0.00%	590,563	219,404	371,159	18.81	19,732	3.34%	5.04	29,785	(10,053)
	HAEFLING UNITS 1, 2 AND 3	248 - R1	*	0.00%	35,805	34,289	1,516	18.81	81	0.23%	1.67	597	(516)
	PADDY'S RUN GENERATOR 13	248 - R1	*	0.00%	1,089,550	384,938	704,612	18.81	37,459	3.44%	4.04	44,055	(6,596)
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT				5,362,941	2,145,473	3,217,468		171,050	3.19%	4.00	214,761	(43,711)
	TOTAL OTHER PRODUCTION PLANT				**526,856,780**	**177,912,364**	**351,455,585**		**19,635,269**		**4.18**	**22,008,824**	**(2,369,608)**
	TRANSMISSION PLANT												
350.10	LAND RIGHTS	300 - R2		0	23,413,729	15,953,928	7,459,801	259.08	28,793	0.12%	0.96	225,538	(196,745)
352.10	STRUCTURES AND IMPROVEMENTS	114 - L2		(5)	17,020,059	4,850,267	13,020,794	101.18	128,689	0.76%	1.75	298,018	(169,329)
352.20	STRUCTURES AND IMPROVEMENTS - SYS. CONTROL/COM	69.3 - R4		(5)	1,220,543	860,225	421,345	39.63	10,632	0.87%	1.58	19,271	(8,639)
353.10	STATION EQUIPMENT	111.2 - L0		0	191,753,788	67,092,664	124,661,124	99.09	1,258,060	0.66%	1.67	3,211,159	(1,953,099)
353.20	STATION EQUIPMENT - SYS. CONTROL/COM	52.7 - S0		0	14,668,404	16,135,244	(1,466,840)	38.60	(38,001)	-0.26%	-	0	(38,001)
354.00	TOWERS AND FIXTURES	92.5 - L3		(10)	95,353,357	48,758,751	56,129,941	72.29	776,455	0.81%	1.36	1,300,626	(524,171)
355.00	POLES AND FIXTURES	61.3 S0.5		(25)	148,658,780	68,401,548	117,421,928	50.27	2,335,825	1.57%	2.34	3,485,089	(1,149,264)
356.00	OVERHEAD CONDUCTORS AND DEVICES	71 - R2.5		(25)	160,446,879	109,283,433	91,275,166	50.12	1,821,133	1.14%	1.94	3,105,267	(1,284,134)
357.00	UNDERGROUND CONDUIT	45 - R4		0	448,760	187,418	261,342	25.85	10,110	2.25%	2.27	10,209	(99)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35 - R3		0	1,161,549	918,039	243,510	13.76	17,697	1.52%	0.98	11,420	6,277
	TOTAL TRANSMISSION PLANT				**654,145,847**	**332,441,517**	**409,428,111**		**6,349,393**		**1.78**	**11,666,597**	**(5,317,204)**
	DISTRIBUTION PLANT												
360.10	LAND RIGHTS	226 - R3		0	2,039,033	1,485,249	553,784	186.04	2,977	0.15%	0.58	11,896	(8,919)
361.00	STRUCTURES AND IMPROVEMENTS	83.9 - S0		(20)	7,658,288	1,787,771	7,402,175	73.55	100,641	1.31%	2.00	153,285	(52,644)
362.00	STATION EQUIPMENT	54.9 - R2		(10)	141,200,431	40,173,683	115,146,791	41.54	2,771,950	1.96%	2.27	3,198,522	(426,571)
364.00	POLES, TOWERS, AND FIXTURES	58.6 - L0.5		(25)	287,791,923	133,160,672	226,579,232	49.12	4,612,769	1.60%	2.33	6,719,281	(2,106,512)
365.00	OVERHEAD CONDUCTORS AND DEVICES	64.9 - L0		(30)	276,285,759	108,982,197	250,189,289	56.60	4,420,305	1.60%	3.23	8,911,891	(4,491,586)
366.00	UNDERGROUND CONDUIT	55.9 - L2		0	1,861,963	653,383	1,208,580	36.85	32,976	1.77%	2.70	50,337	(17,361)
367.00	UNDERGROUND CONDUCTORS AND DEVICES	91.9 - R0.5		(5)	140,620,009	28,891,798	118,759,212	87.15	1,362,699	0.97%	2.37	3,333,408	(1,970,709)
368.00	LINE TRANSFORMERS	45 - R2		0	286,070,399	117,730,753	168,339,646	31.22	5,392,045	1.88%	2.45	7,018,693	(1,626,648)
369.00	SERVICES	52 - L0.5		(15)	89,050,180	57,697,779	44,709,928	40.46	1,105,040	1.24%	2.03	1,811,200	(706,160)
370.00	METERS	53.9 - L0.5		0	70,049,355	32,484,596	37,564,759	40.68	923,421	1.32%	2.29	1,603,713	(680,292)

KENTUCKY UTILITIES COMPANY
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	REMAINING LIFE	ANNUAL ACCRUAL	SKM PROPOSED RATE	Spanos Rates and Accruals		
										Rate	Accrual	Difference
	(1)	(2)	(3)	(4)	(5)	(6)= [(1-(3))*(4)]-(5)	(7)	(8)=(6)/(7)	(9)	(10)	(11)	(12)=(7)-(11)
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	52.7 - 04	0	18,253,214	17,404,873	848,341	52.70	16,098	0.09%	0.81	148,124	(132,026)
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	31.5 L0	(2)	81,534,876	20,703,034	62,462,539	26.44	2,362,426	2.90%	4.00	3,261,361	(898,935)
	TOTAL DISTRIBUTION PLANT			1,402,415,432	561,155,788	1,033,764,278		23,103,347		2.58	36,221,711	(13,118,364)
	GENERAL PLANT											
390.10	STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY	55.6 - L0.5	(2)	47,011,270	9,650,596	38,300,899	46.44	824,739	1.75%	2.01	945,113	(120,374)
390.20	STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY	32.5 - R1	0	531,973	413,480	118,493	18.88	6,276	1.18%	1.72	9,139	(2,863)
391.10	OFFICE FURNITURE AND EQUIPMENT	20 - SQ	0	7,513,788	4,161,871	3,351,917	9.53	351,723	4.68%	4.46	335,131	16,592
391.20	NON PC COMPUTER EQUIPMENT	6 - L5	0	17,256,012	6,803,953	10,452,059	3.47	3,012,121	17.46%	21.58	3,723,700	(711,579)
391.31	PERSONAL COMPUTERS	4 - SQ	0	6,398,372	4,572,023	1,826,349	1.78	1,026,039	16.04%	8.93	571,269	454,770
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	19.3 - L0	0	1,865,091	1,578,423	286,668	14.44	19,852	1.06%	2.44	45,497	(25,645)
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	19.3 - L0	0	14,101,988	13,160,795	941,193	12.38	76,025	0.54%	0.54	76,623	(598)
393.00	STORES EQUIPMENT	25 - SQ	0	551,794	164,539	387,255	13.01	29,766	5.39%	5.07	27,960	1,806
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	27 - R4	0	7,648,755	1,767,311	5,881,444	20.75	283,443	3.71%	4.27	326,703	(43,260)
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	16.8 - S6	0	1,174,225	139,927	1,034,298	14.37	71,976	6.13%	8.89	104,334	(32,358)
397.10	COMMUNICATION EQUIPMENT - GENERAL ASSETS	10 - SQ	0	10,171,296	5,248,935	4,922,361	5.70	863,572	8.49%	5.70	579,495	284,077
397.20	COMMUNICATION EQUIPMENT - SPECIFIC ASSETS	25 - S1	0	19,915,036	5,655,027	14,260,009	18.94	752,904	3.78%	3.75	746,086	6,818
397.30	COMMUNICATION EQUIPMENT - FULLY ACCRUED	Fully Accrued	0	786,233	786,233	0	-	-	0.00%	-	0	0
	TOTAL GENERAL PLANT			134,925,833	54,103,113	81,762,946		7,318,437		5.55	7,491,050	(172,613)
	TOTAL DEPRECIABLE PLANT			6,365,236,956	2,412,455,917	4,319,388,404		147,773,946		2.97	189,326,536	(41,548,643)
	NONDEPRECIABLE PLANT											
301.00	ORGANIZATION			44,456								
310.20	LAND			10,881,103.86								
340.20	LAND			118,514.41								
350.20	LAND			2,199,383.04								
360.20	LAND			3,271,807.48								
389.20	LAND			2,567,847.40								
	TOTAL NONDEPRECIABLE PLANT			19,083,111.77								
	TOTAL ELECTRIC PLANT			6,384,320,067.45	2,412,455,917.00	15,697,293,421						

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

Sources:

Columns (1) to (9) from Spanos's Study Table 1.
Column (10) KU Response to KIUC 1-30
Column (11) from Spanos's Study, Table 1.
Column (12) Calculated by SKM

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AN
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 201

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCRUAL	REMAINING LIFE RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= [(1-(3))*(4)]-(5)	(7)	(9)=(6)/(7)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	DEPRECIABLE PLANT												
	STEAM PRODUCTION PLANT												
311.00	STRUCTURES AND IMPROVEMENTS												
	CANE RUN UNIT 1	225 - S0.5	*	-0.06%	4,233,239	4,656,563	(420,784)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	225 - S0.5	*	-0.06%	2,102,422	2,312,665	(208,981)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	225 - S0.5	*	-0.06%	3,536,934	3,890,628	(351,571)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	225 - S0.5	*	-0.06%	4,084,602	4,493,082	(406,009)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 4 SCRUBBER	225 - S0.5	*	-0.06%	760,360	836,396	(75,580)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	225 - S0.5	*	-0.06%	6,266,327	6,270,959	(872)	24.92	(35)	0.00%	0.02	155,819	(155,954)
	CANE RUN UNIT 5 SCRUBBER	225 - S0.5	*	-0.06%	1,696,435	1,866,079	(168,626)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 6	225 - S0.5	*	-0.06%	27,476,429	20,351,263	7,141,651	24.92	286,580	1.04%	0.09	2,473,745	(2,187,165)
	CANE RUN UNIT 6 SCRUBBER	225 - S0.5	*	-0.06%	2,004,301	2,204,732	(199,228)	24.92	-	0.00%	0.00	0	0
	MILL CREEK UNIT 1	225 - S0.5	*	-0.06%	19,891,316	17,615,350	2,287,901	24.92	91,809	0.46%	0.01	254,260	(162,451)
	MILL CREEK UNIT 1 SCRUBBER	225 - S0.5	*	-0.06%	1,709,711	1,949,070	(238,334)	24.92	-	0.00%	0.00	0	0
	MILL CREEK UNIT 2	225 - S0.5	*	-0.06%	11,532,775	9,977,701	1,561,993	24.92	62,680	0.54%	0.01	146,213	(83,533)
	MILL CREEK UNIT 2 SCRUBBER	225 - S0.5	*	-0.06%	1,393,404	1,588,481	(194,241)	24.92	-	0.00%	0.00	0	0
	MILL CREEK UNIT 3	225 - S0.5	*	-0.06%	24,500,220	20,580,339	3,934,582	24.92	157,887	0.64%	0.01	292,422	(134,535)
	MILL CREEK UNIT 3 SCRUBBER	225 - S0.5	*	-0.06%	362,867	413,668	(50,583)	24.92	-	0.00%	0.00	0	0
	MILL CREEK UNIT 4	225 - S0.5	*	-0.06%	64,262,883	38,607,501	25,693,939	24.92	1,031,044	1.60%	0.02	1,191,499	(160,455)
	MILL CREEK UNIT 4 SCRUBBER	225 - S0.5	*	-0.06%	5,330,552	4,985,213	348,537	24.92	13,986	0.26%	0.01	37,612	(23,626)
	TRIMBLE COUNTY UNIT 1	225 - S0.5	*	-0.06%	115,104,803	61,530,223	53,643,643	24.92	2,152,608	1.87%	0.02	1,961,688	190,920
	TRIMBLE COUNTY UNIT 1 SCRUBBER	225 - S0.5	*	-0.06%	493,910	366,848	127,358	24.92	5,111	1.03%	0.01	5,516	(405)
	TRIMBLE COUNTY UNIT 2	225 - S0.5	*	-0.06%	25,993,298	310,077	25,698,817	24.92	1,031,240	3.97%	0.02	565,651	465,589
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS				322,736,789	204,806,818	118,123,613		4,832,908	1.50%	0.02	7,084,425	(2,251,517)
312.00	BOILER PLANT EQUIPMENT												
	CANE RUN UNIT 1	63.6 - S0.5	*	-3.08%	1,052,271	1,157,498	(72,870)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	63.6 - S0.5	*	-3.08%	132,276	145,503	(9,160)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	63.6 - S0.5	*	-3.08%	705,480	776,028	(48,854)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	63.6 - S0.5	*	-3.08%	31,327,230	22,533,292	9,757,250	25.77	378,622	1.21%	0.10	3,041,503	(2,662,881)
	CANE RUN UNIT 4 SCRUBBER	63.6 - S0.5	*	-3.08%	17,050,368	18,755,404	(1,180,738)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	63.6 - S0.5	*	-3.08%	38,533,317	18,746,808	20,971,409	25.77	813,777	2.11%	0.16	6,002,586	(5,188,809)
	CANE RUN UNIT 5 SCRUBBER	63.6 - S0.5	*	-3.08%	27,977,906	30,631,510	(1,793,283)	25.77	(69,587)	-0.25%	0.00	36,426	(106,013)
	CANE RUN UNIT 6	63.6 - S0.5	*	-3.08%	56,536,729	27,194,785	31,080,449	25.77	1,206,050	2.13%	0.16	8,894,934	(7,688,884)
	CANE RUN UNIT 6 SCRUBBER	63.6 - S0.5	*	-3.08%	32,458,666	28,381,716	5,075,054	25.77	196,933	0.61%	0.06	1,863,469	(1,666,536)
	MILL CREEK UNIT 1	63.6 - S0.5	*	-3.08%	56,221,452	34,098,918	23,851,344	25.77	925,531	1.65%	0.03	1,612,266	(686,735)
	MILL CREEK UNIT 1 SCRUBBER	63.6 - S0.5	*	-3.08%	43,569,501	32,558,338	12,350,925	25.77	479,267	1.10%	0.02	912,792	(433,525)
	MILL CREEK UNIT 2	63.6 - S0.5	*	-3.08%	53,298,846	26,986,386	27,951,400	25.77	1,084,630	2.03%	0.03	1,678,141	(593,511)
	MILL CREEK UNIT 2 SCRUBBER	63.6 - S0.5	*	-3.08%	35,719,948	28,309,628	8,508,708	25.77	330,173	0.92%	0.02	611,243	(281,070)
	MILL CREEK UNIT 3	63.6 - S0.5	*	-3.08%	143,156,558	66,027,985	81,530,637	25.77	3,163,725	2.21%	0.03	4,162,112	(998,387)
	MILL CREEK UNIT 3 SCRUBBER	63.6 - S0.5	*	-3.08%	63,237,311	36,126,930	29,054,928	25.77	1,127,451	1.78%	0.02	1,538,658	(411,207)
	MILL CREEK UNIT 4	63.6 - S0.5	*	-3.08%	249,825,282	104,471,839	153,035,570	25.77	5,938,411	2.38%	0.03	6,939,970	(1,001,559)
	MILL CREEK UNIT 4 SCRUBBER	63.6 - S0.5	*	-3.08%	114,224,525	76,611,965	41,124,964	25.77	1,595,818	1.40%	0.02	2,051,233	(455,415)
	TRIMBLE COUNTY UNIT 1	63.6 - S0.5	*	-3.08%	217,217,963	74,259,062	149,638,353	25.77	5,806,585	2.67%	0.03	5,798,005	8,580
	TRIMBLE COUNTY UNIT 1 SCRUBBER	63.6 - S0.5	*	-3.08%	63,774,643	46,576,791	19,158,922	25.77	743,445	1.17%	0.01	885,430	(141,985)
	TRIMBLE COUNTY UNIT 2	63.6 - S0.5	*	-3.08%	121,585,784	4,866,329	120,458,218	25.77	4,674,276	3.84%	0.03	3,107,492	1,566,784
	TRIMBLE COUNTY UNIT 2 SCRUBBER	63.6 - S0.5	*	-3.08%	14,269,003	555,655	14,152,120	25.77	549,161	3.85%	0.03	365,040	184,121
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT				1,381,875,060	679,772,370	744,595,348		28,944,268	2.09%	0.04	49,501,300	(20,557,032)
312.01	BOILER PLANT EQUIPMENT - LOCOMOTIVE												
	CANE RUN LOCOMOTIVE	25-R2.5	*	0.00%	51,549	51,549	0	3.20	0	0.00%	0.00	0	0
	MILL CREEK LOCOMOTIVE	25-R2.5	*	0.00%	613,424	494,206	119,218	3.2	37,256	6.07%	0.06	37,326	(70)
	TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE				664,974	545,755	119,219		37,256	5.60%	0.06	37,326	(70)
312.02	BOILER PLANT EQUIPMENT - RAIL CARS												
	CANE RUN RAIL CARS	25-R2.5	*	0.00%	1,501,773	1,161,405	340,368	3.3	103,142	6.87%	0.07	103,455	(313)
	MILL CREEK RAIL CARS	25-R2.5	*	0.00%	2,298,378	2,214,107	84,271	10.3	8,182	0.36%	0.00	8,166	16
	TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS				3,800,150	3,375,512	424,638		111,323	2.93%	0.03	111,621	(298)
314.00	TURBOGENERATOR UNITS												
	CANE RUN UNIT 1	27.30	*	-1.11%	106,009	116,610	(9,424)	27.30	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	27.30	*	-1.11%	19,999	21,999	(1,778)	27.30	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	27.30	*	-1.11%	581,177	639,295	(51,667)	27.30	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	27.30	*	-1.11%	9,318,503	8,958,801	463,137	27.30	16,963	0.18%	0.03	325,135	(308,172)
	CANE RUN UNIT 5	27.30	*	-1.11%	7,931,772	7,826,617	193,197	27.30	7,076	0.09%	0.03	225,558	(218,482)
	CANE RUN UNIT 6	27.30	*	-1.11%	16,728,287	11,512,691	5,401,280	27.30	197,825	1.18%	0.10	1,739,058	(1,541,233)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE ANI
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 201

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCRUAL	REMAINING LIFE RATE	Spanos Rates and Accruals: Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(8)=(6)/(7)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	MILL CREEK UNIT 1	27.30	*	-1.11%	14,686,467	13,065,010	1,784,477	27.30	65,357	0.45%	0.01	201,763	(136,406)
	MILL CREEK UNIT 2	27.30	*	-1.11%	17,091,027	13,298,105	3,982,632	27.30	145,866	0.85%	0.02	308,769	(162,903)
	MILL CREEK UNIT 3	27.30	*	-1.11%	31,675,230	19,495,161	12,531,664	27.30	458,979	1.45%	0.02	689,886	(230,907)
	MILL CREEK UNIT 4	27.30	*	-1.11%	42,573,106	28,812,799	14,232,868	27.30	521,287	1.22%	0.02	770,093	(248,806)
	TRIMBLE COUNTY UNIT 1	27.30	*	-1.11%	57,000,939	22,348,217	35,285,432	27.30	1,292,349	2.27%	0.02	1,311,533	(19,184)
	TRIMBLE COUNTY UNIT 2	27.30	*	-1.11%	20,447,427	2,602,945	18,071,448	27.30	661,877	3.24%	0.02	449,336	212,541
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS				218,159,941	128,698,250	91,883,267		3,367,578	1.54%	0.03	6,021,131	(2,653,553)
315.00	ACCESSORY ELECTRIC EQUIPMENT												
	CANE RUN UNIT 1	185.3 - L0	*	-0.50%	1,683,656	2,072,022	(178,947)	27.69	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	185.3 - L0	*	-0.50%	1,238,068	1,361,875	(117,617)	27.69	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	185.3 - L0	*	-0.50%	766,541	843,195	(72,821)	27.69	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	185.3 - L0	*	-0.50%	5,920,914	5,264,226	686,293	27.69	24,786	0.42%	0.05	315,559	(290,773)
	CANE RUN UNIT 4 SCRUBBER	185.3 - L0	*	-0.50%	987,949	1,086,744	(93,855)	27.69	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	185.3 - L0	*	-0.50%	9,434,825	5,414,071	4,067,928	27.69	146,916	1.56%	0.13	1,249,630	(1,102,714)
	CANE RUN UNIT 5 SCRUBBER	185.3 - L0	*	-0.50%	2,216,499	2,438,149	(210,568)	27.69	-	0.00%	0.00	0	0
	CANE RUN UNIT 6	185.3 - L0	*	-0.50%	12,602,453	7,468,070	5,197,395	27.69	187,707	1.49%	0.13	1,613,115	(1,425,408)
	CANE RUN UNIT 6 SCRUBBER	185.3 - L0	*	-0.50%	2,199,914	2,419,906	(208,992)	27.69	-	0.00%	0.00	0	0
	MILL CREEK UNIT 1	185.3 - L0	*	-0.50%	15,688,649	8,807,564	6,959,528	27.69	251,348	1.60%	0.03	484,211	(232,863)
	MILL CREEK UNIT 1 SCRUBBER	185.3 - L0	*	-0.50%	5,541,695	6,317,532	(748,129)	27.69	-	0.00%	0.00	0	0
	MILL CREEK UNIT 2	185.3 - L0	*	-0.50%	7,415,272	5,475,168	1,977,180	27.69	71,407	0.96%	0.02	156,250	(84,843)
	MILL CREEK UNIT 2 SCRUBBER	185.3 - L0	*	-0.50%	4,505,053	5,135,761	(608,182)	27.69	-	0.00%	0.00	0	0
	MILL CREEK UNIT 3	185.3 - L0	*	-0.50%	15,049,879	13,392,025	1,733,104	27.69	62,592	0.42%	0.01	182,523	(119,931)
	MILL CREEK UNIT 3 SCRUBBER	185.3 - L0	*	-0.50%	2,531,773	2,886,221	(341,789)	27.69	-	0.00%	0.00	0	0
	MILL CREEK UNIT 4	185.3 - L0	*	-0.50%	24,032,537	17,602,916	6,549,784	27.69	236,550	0.98%	0.02	419,766	(183,216)
	MILL CREEK UNIT 4 SCRUBBER	185.3 - L0	*	-0.50%	5,864,979	5,812,660	81,643	27.69	2,949	0.05%	0.01	38,030	(35,081)
	TRIMBLE COUNTY UNIT 1	185.3 - L0	*	-0.50%	49,158,784	25,131,907	24,272,671	27.69	876,623	1.78%	0.02	1,051,627	(175,004)
	TRIMBLE COUNTY UNIT 1 SCRUBBER	185.3 - L0	*	-0.50%	2,736,920	2,325,798	424,807	27.69	15,342	0.56%	0.01	27,869	(12,527)
	TRIMBLE COUNTY UNIT 2	185.3 - L0	*	-0.50%	8,302,486	191,917	8,152,082	27.69	294,418	3.55%	0.02	196,849	97,569
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT				178,078,846	121,447,727	57,521,514		2,170,636	1.22%	0.03	5,735,429	(3,564,793)
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	CANE RUN UNIT 1	45 - R2.5	*	0.00%	38,746	42,620	(3,874)	20.99	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	45 - R2.5	*	0.00%	11,664	12,831	(1,167)	20.99	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	45 - R2.5	*	0.00%	87,249	30,774	56,475	20.99	2,691	3.08%	0.19	16,406	(13,715)
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT, cont.	45 - R2.5		0.00%			-	20.99		0.00%	0.00		0
	CANE RUN UNIT 4 SCRUBBER	45 - R2.5	*	0.00%	6,464	7,111	(647)	20.99	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	45 - R2.5	*	0.00%	96,972	39,551	57,421	20.99	2,736	2.82%	0.17	16,873	(14,137)
	CANE RUN UNIT 5 SCRUBBER	45 - R2.5	*	0.00%	47,299	52,029	(4,730)	20.99	-	0.00%	0.00	0	0
	CANE RUN UNIT 6	45 - R2.5	*	0.00%	2,930,864	1,399,447	1,531,417	20.99	72,968	2.49%	0.16	461,326	(388,358)
	CANE RUN UNIT 6 SCRUBBER	45 - R2.5	*	0.00%	31,569	34,726	(3,157)	20.99	-	0.00%	0.00	0	0
	MILL CREEK UNIT 1	45 - R2.5	*	0.00%	740,549	490,286	250,263	20.99	11,924	1.61%	0.03	21,659	(9,735)
	MILL CREEK UNIT 2	45 - R2.5	*	0.00%	125,821	94,780	31,041	20.99	1,479	1.18%	0.02	2,680	(1,201)
	MILL CREEK UNIT 3	45 - R2.5	*	0.00%	410,061	323,848	86,213	20.99	4,108	1.00%	0.02	6,338	(2,230)
	MILL CREEK UNIT 4	45 - R2.5	*	0.00%	7,285,292	2,613,795	4,671,497	20.99	222,583	3.06%	0.03	214,243	8,340
	MILL CREEK UNIT 4 SCRUBBER	45 - R2.5	*	0.00%	74,851	38,270	36,581	20.99	1,743	2.33%	0.02	1,730	13
	TRIMBLE COUNTY UNIT 1	45 - R2.5	*	0.00%	2,917,560	1,204,753	1,712,807	20.99	81,610	2.80%	0.03	76,345	5,265
	TRIMBLE COUNTY UNIT 2	45 - R2.5	*	0.00%	1,540,223	42,234	1,497,989	20.99	71,375	4.63%	0.03	40,502	30,873
	TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT				16,345,184	6,427,055	9,918,129		473,217	2.90%	0.05	858,102	(384,885)
	TOTAL STEAM PRODUCTION PLANT				**2,121,660,945**	**1,145,073,487**	**1,022,585,727**		**39,937,186**	**1.88%**	**0.03**	**69,349,334**	**(29,412,148)**
	HYDRAULIC PRODUCTION PLANT												
331.00	STRUCTURES AND IMPROVEMENTS												
	OHIO FALLS - NON-PROJECT	100 - S2	*	-13.36%	65,796	38,867	35,720	51.56	693	1.05%	0.02	1,031	(338)
	OHIO FALLS - PROJECT 289	100 - S2	*	-13.36%	4,897,580	4,267,867	1,284,029	51.56	24,905	0.51%	0.01	27,453	(2,548)
	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS				4,963,376	4,306,734	1,319,749		25,598	0.52%	0.01	28,484	(2,886)
332.00	RESERVOIRS, DAMS AND WATERWAY												
	OHIO FALLS - PROJECT 289	100 - S2	*	-5.54%	11,690,252	1,705,082	10,632,810	44.35	239,774	2.05%	0.03	316,944	(77,170)
	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY				11,690,252	1,705,082	10,632,810		239,774	2.05%	0.03	316,944	(77,170)
333.00	WATER WHEELS, TURBINES AND GENERATORS												
	OHIO FALLS - PROJECT 289	100 - S2	*	-11.30%	19,945,214	915,731	21,283,292	86.99	244,660	1.23%	0.03	607,747	(363,087)
	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS				19,945,214	915,731	21,283,292		244,660	1.23%	0.03	607,747	(363,087)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AN
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 201

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCRUAL	REMAINING LIFE RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= [(1-(3))*(4)]-(5)	(7)	(9)=(6)/(7)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
334.00	ACCESSORY ELECTRIC EQUIPMENT												
	OHIO FALLS - PROJECT 289	83.9 - S0.5	*	-13.84%	5,509,836	1,941,911	4,330,487	28.59	151,495	2.75%	0.02	115,506	35,989
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT				5,509,836	1,941,911	4,330,487		151,495	2.75%	0.02	115,506	35,989
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	OHIO FALLS - NON-PROJECT	80 - S1.5	*	-11.91%	25,458	3,717	24,774	28.00	885	3.47%	0.03	741	144
	OHIO FALLS - PROJECT 289	80-S1.5	*	-11.91%	284,789	51,923	266,784	28.00	9,526	3.35%	0.03	7,752	1,774
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT				310,247	55,640	291,558		10,411	3.36%	0.03	8,493	1,918
336.00	ROADS, RAILROADS AND BRIDGES												
	OHIO FALLS - PROJECT 289	91 - L5	*	-4.19%	29,931	17,806	13,379	29.00	461	1.54%	0.02	734	(273)
	TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES				29,931	17,806	13,379		461		0.02	734	(273)
	TOTAL HYDRAULIC PRODUCTION PLANT				**42,448,855**	**8,942,984**	**37,871,273**		**672,399**		**0.03**	**1,077,908**	**(405,509)**
	OTHER PRODUCTION PLANT												
341.00	STRUCTURES AND IMPROVEMENTS												
	CANE RUN GT 11	112 - S1	*	-0.11%	211,518	26,810	184,941	21.82	8,475	4.01%	0.14	30,309	(21,834)
	ZORN AND RIVER ROAD GAS TURBINE	112 - S1	*	-0.11%	8,241	8,653	(403)	21.82	-	0.00%	0.00	0	0
	PADDY'S RUN GENERATOR 12	112 - S1	*	-0.11%	64,113	52,586	11,598	21.82	531	0.83%	0.04	2,270	(1,739)
	PADDY'S RUN GENERATOR 13	112 - S1	*	-0.11%	2,158,698	754,202	1,406,871	21.82	64,471	2.99%	0.04	79,434	(14,963)
	BROWN CT 5	112 - S1	*	-0.11%	858,539	300,046	559,437	21.82	25,637	2.99%	0.04	31,587	(5,950)
	BROWN CT 6	112 - S1	*	-0.11%	105,978	34,594	71,500	21.82	3,277	3.09%	0.04	4,459	(1,182)
	BROWN CT 7	112 - S1	*	-0.11%	144,356	47,476	97,039	21.82	4,447	3.08%	0.04	6,060	(1,613)
	TRIMBLE COUNTY CT 5	112 - S1	*	-0.11%	1,555,655	486,383	1,070,983	21.82	49,079	3.15%	0.04	57,271	(8,192)
	TRIMBLE COUNTY CT 6	112 - S1	*	-0.11%	1,467,924	463,218	1,006,321	21.82	46,116	3.14%	0.04	53,850	(7,734)
	TRIMBLE COUNTY CT 7	112 - S1	*	-0.11%	2,083,698	533,540	1,552,450	21.82	71,142	3.41%	0.04	75,232	(4,090)
	TRIMBLE COUNTY CT 8	112 - S1	*	-0.11%	2,075,527	531,447	1,546,363	21.82	70,863	3.41%	0.04	74,937	(4,074)
	TRIMBLE COUNTY CT 9	112 - S1	*	-0.11%	2,137,402	541,181	1,598,572	21.82	73,256	3.43%	0.04	77,448	(4,192)
	TRIMBLE COUNTY CT 10	112 - S1	*	-0.11%	2,132,790	540,013	1,595,123	21.82	73,098	3.43%	0.04	77,281	(4,183)
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS				15,004,439	4,320,149	10,700,795		490,392	3.27%	0.04	570,138	(79,746)
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES												
	CANE RUN GT 11	66.8 - L0	*	-1.43%	319,042	35,135	288,469	19.07	15,130	4.74%	0.15	46,751	(31,621)
	ZORN AND RIVER ROAD GAS TURBINE	66.8 - L0	*	-1.43%	23,434	17,418	6,351	19.07	333	1.42%	0.04	964	(631)
	PADDY'S RUN GENERATOR 11	66.8 - L0	*	-1.43%	9,238	9,699	(329)	19.07	-	0.00%	0.00	0	0
	PADDY'S RUN GENERATOR 12	66.8 - L0	*	-1.43%	21,667	15,410	6,567	19.07	344	1.59%	0.05	1,134	(790)
	PADDY'S RUN GENERATOR 13	66.8 - L0	*	-1.43%	2,255,338	785,083	1,502,507	19.07	78,806	3.49%	0.04	85,785	(6,979)
	BROWN CT 5	66.8 - L0	*	-1.43%	846,907	228,324	630,693	19.07	33,080	3.91%	0.04	35,694	(2,614)
	BROWN CT 6	66.8 - L0	*	-1.43%	403,060	49,527	359,297	19.07	18,845	4.68%	0.06	22,234	(3,389)
	BROWN CT 7	66.8 - L0	*	-1.43%	141,363	(48,742)	192,127	19.07	10,077	7.13%	0.08	11,574	(1,497)
	TRIMBLE COUNTY CT 5	66.8 - L0	*	-1.43%	97,997	31,005	68,393	19.07	3,587	3.66%	0.04	3,707	(120)
	TRIMBLE COUNTY CT 6	66.8 - L0	*	-1.43%	97,862	30,967	68,294	19.07	3,582	3.66%	0.04	3,702	(120)
	TRIMBLE COUNTY CT PIPELINE	66.8 - L0	*	-1.43%	1,998,391	645,679	1,381,289	19.07	72,448	3.63%	0.03	68,823	3,625
	TRIMBLE COUNTY CT 7	66.8 - L0	*	-1.43%	338,423	86,852	256,411	19.07	13,449	3.97%	0.04	12,611	838
	TRIMBLE COUNTY CT 8	66.8 - L0	*	-1.43%	337,096	86,511	255,406	19.07	13,396	3.97%	0.04	12,562	834
	TRIMBLE COUNTY CT 9	66.8 - L0	*	-1.43%	347,147	88,099	264,012	19.07	13,847	3.99%	0.04	12,983	864
	TRIMBLE COUNTY CT 10	66.8 - L0	*	-1.43%	361,860	90,772	276,263	19.07	14,490	4.00%	0.04	13,575	915
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES				7,598,824	2,151,739	5,555,748		291,414	3.83%	0.04	332,099	(40,685)
343.00	PRIME MOVERS												
	PADDY'S RUN GENERATOR 13	171.7 - O3	*	-0.52%	20,146,191	5,644,307	14,605,637	19.85	735,669	3.65%	0.05	944,090	(208,421)
	BROWN CT 5	171.7 - O3	*	-0.52%	15,877,891	4,993,220	10,966,442	19.85	552,367	3.48%	0.04	707,119	(154,752)
	BROWN CT 6	171.7 - O3	*	-0.52%	19,951,722	2,379,308	17,675,165	19.85	890,278	4.46%	0.06	1,220,599	(330,321)
	BROWN CT 7	171.7 - O3	*	-0.52%	18,239,647	4,842,316	13,491,265	19.85	679,539	3.73%	0.05	945,333	(265,794)
	TRIMBLE COUNTY CT 5	171.7 - O3	*	-0.52%	16,268,198	4,216,785	12,135,194	19.85	611,236	3.76%	0.04	730,006	(118,770)
	TRIMBLE COUNTY CT 6	171.7 - O3	*	-0.52%	13,120,484	3,291,737	9,896,318	19.85	498,466	3.80%	0.05	604,661	(106,195)
	TRIMBLE COUNTY CT 7	171.7 - O3	*	-0.52%	13,611,692	3,670,974	10,010,818	19.85	504,233	3.70%	0.04	583,209	(58,976)
	TRIMBLE COUNTY CT 8	171.7 - O3	*	-0.52%	13,496,647	3,637,317	9,928,838	19.85	500,104	3.71%	0.04	558,481	(58,377)
	TRIMBLE COUNTY CT 9	171.7 - O3	*	-0.52%	13,407,237	3,476,963	9,999,322	19.85	503,654	3.76%	0.04	561,647	(57,993)
	TRIMBLE COUNTY CT 10	171.7 - O3	*	-0.52%	13,352,630	3,461,812	9,959,584	19.85	501,653	3.76%	0.04	559,580	(57,927)
	TOTAL ACCOUNT 343 - PRIME MOVERS				157,472,340	39,614,739	118,668,584		5,977,199	3.80%	0.05	7,394,725	(1,417,526)
344.00	GENERATORS												
	CANE RUN GT 11	259 - S0	*	-0.06%	2,910,124	2,077,069	834,801	16.90	49,402	1.70%	0.05	152,169	(102,767)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE ANI
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 201

	ACCOUNT	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCRUAL	REMAINING LIFE RATE	Spanos Rates and Accruals		
											Rate	Accrual	Difference
	(1)	(2)		(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(9)=(6)/(7)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
	ZORN AND RIVER ROAD GAS TURBINE	259 - S0	*	-0.06%	1,827,581	1,918,960	(90,283)	16.90	-	0.00%	0.00	0	0
	PADDY'S RUN GENERATOR 11	259 - S0	*	-0.06%	1,523,116	1,599,271	(75,242)	16.90	-	0.00%	0.00	0	0
344.00	GENERATORS, cont.	259 - S0		-0.06%			-	16.90			0.00		
	PADDY'S RUN GENERATOR 12	259 - S0	*	-0.06%	2,991,589	3,141,169	(147,785)	16.90	-	0.00%	0.00	0	0
	PADDY'S RUN GENERATOR 13	259 - S0	*	-0.06%	5,859,858	2,327,573	3,535,801	16.90	209,244	3.57%	0.03	196,875	12,369
	BROWN CT 5	259 - S0	*	-0.06%	3,249,360	1,069,622	2,181,687	16.90	129,109	3.97%	0.04	120,531	8,578
	BROWN CT 6	259 - S0	*	-0.06%	2,417,995	893,368	1,526,077	16.90	90,311	3.73%	0.04	94,354	(4,043)
	BROWN CT 7	259 - S0	*	-0.06%	2,421,079	871,507	1,551,025	16.90	91,787	3.79%	0.04	95,793	(4,006)
	TRIMBLE COUNTY CT 5	259 - S0	*	-0.06%	1,539,295	483,419	1,056,800	16.90	62,540	4.06%	0.04	55,449	7,091
	TRIMBLE COUNTY CT 6	259 - S0	*	-0.06%	1,537,168	482,827	1,055,263	16.90	62,449	4.06%	0.04	55,369	7,080
	TRIMBLE COUNTY CT 7	259 - S0	*	-0.06%	1,726,824	439,138	1,288,722	16.90	76,265	4.42%	0.04	61,258	15,007
	TRIMBLE COUNTY CT 8	259 - S0	*	-0.06%	1,717,277	436,711	1,281,596	16.90	75,843	4.42%	0.04	60,920	14,923
	TRIMBLE COUNTY CT 9	259 - S0	*	-0.06%	1,728,008	434,500	1,294,545	16.90	76,609	4.43%	0.04	61,521	15,088
	TRIMBLE COUNTY CT 10	259 - S0	*	-0.06%	1,722,674	433,159	1,290,549	16.90	76,373	4.43%	0.04	61,331	15,042
	TOTAL ACCOUNT 344 - GENERATORS				33,171,947	16,608,293	16,583,557		999,933	3.01%	0.03	1,015,570	(15,637)
345.00	ACCESSORY ELECTRIC EQUIPMENT												
	CANE RUN GT 11	148 - R4	*	0.00%	116,627	122,459	(5,832)	20.99	-	0.00%	0.00	0	0
	ZORN AND RIVER ROAD GAS TURBINE	148 - R4	*	0.00%	44,283	46,497	(2,214)	20.99	-	0.00%	0.00	0	0
	PADDY'S RUN GENERATOR 11	148 - R4	*	0.00%	68,109	70,884	(2,775)	20.99	(132)	-0.19%	0.00	98	(230)
	PADDY'S RUN GENERATOR 12	148 - R4	*	0.00%	912,642	131,728	780,914	20.99	37,198	4.08%	0.14	128,022	(90,824)
	PADDY'S RUN GENERATOR 13	148 - R4	*	0.00%	2,778,993	992,746	1,786,247	20.99	85,087	3.06%	0.04	102,951	(17,864)
	BROWN CT 5	148 - R4	*	0.00%	2,588,423	920,956	1,667,467	20.99	79,429	3.07%	0.04	96,071	(16,642)
	BROWN CT 6	148 - R4	*	0.00%	970,189	359,270	610,919	20.99	29,101	3.00%	0.04	39,116	(10,015)
	BROWN CT 7	148 - R4	*	0.00%	953,200	349,815	603,385	20.99	28,742	3.02%	0.04	38,646	(9,904)
	TRIMBLE COUNTY CT 5	148 - R4	*	0.00%	706,963	213,484	493,479	20.99	23,507	3.33%	0.04	26,855	(3,348)
	TRIMBLE COUNTY CT 6	148 - R4	*	0.00%	1,594,892	447,269	1,147,623	20.99	54,666	3.43%	0.04	62,428	(7,762)
	TRIMBLE COUNTY CT 7	148 - R4	*	0.00%	1,843,364	481,481	1,361,883	20.99	64,872	3.52%	0.04	67,285	(2,413)
	TRIMBLE COUNTY CT 8	148 - R4	*	0.00%	1,836,141	479,594	1,356,547	20.99	64,618	3.52%	0.04	67,022	(2,404)
	TRIMBLE COUNTY CT 9	148 - R4	*	0.00%	1,890,840	488,486	1,402,354	20.99	66,800	3.53%	0.04	69,268	(2,468)
	TRIMBLE COUNTY CT 10	148 - R4	*	0.00%	4,387,836	977,530	3,410,306	20.99	162,448	3.70%	0.04	167,932	(5,484)
	TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT				20,692,503	6,082,199	14,610,304		696,336	3.37%	0.04	865,694	(169,358)
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	ZORN AND RIVER ROAD GAS TURBINE	71 - L4	*	0.00%	9,488	368	9,120	19.99	456	4.81%	0.13	1,279	(823)
	PADDY'S RUN GENERATOR 11	71 - L4	*	0.00%	9,494	374	9,120	19.99	456	4.81%	0.16	1,476	(1,020)
	PADDY'S RUN GENERATOR 13	71 - L4	*	0.00%	1,281,034	401,565	879,469	19.99	43,998	3.43%	0.04	48,929	(4,931)
	BROWN CT 5	71 - L4	*	0.00%	2,395,225	815,731	1,579,494	19.99	79,019	3.30%	0.04	88,126	(9,107)
	BROWN CT 6	71 - L4	*	0.00%	22,456	8,149	14,307	19.99	716	3.19%	0.04	888	(172)
	BROWN CT 7	71 - L4	*	0.00%	23,048	8,142	14,906	19.99	746	3.24%	0.04	924	(178)
	TRIMBLE COUNTY CT 5	71 - L4	*	0.00%	14,529	3,935	10,594	19.99	530	3.65%	0.04	555	(25)
	TRIMBLE COUNTY CT 7	71 - L4	*	0.00%	5,205	1,298	3,907	19.99	195	3.76%	0.04	187	8
	TRIMBLE COUNTY CT 8	71 - L4	*	0.00%	5,183	1,292	3,891	19.99	195	3.76%	0.04	186	9
	TRIMBLE COUNTY CT 9	71 - L4	*	0.00%	5,328	1,315	4,013	19.99	201	3.77%	0.04	192	9
	TRIMBLE COUNTY CT 10	71 - L4	*	0.00%	25,333	2,410	22,923	19.99	1,147	4.53%	0.04	1,079	68
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT				3,796,323	1,244,579	2,551,744		127,659	3.36%	0.04	143,821	(16,162)
	TOTAL OTHER PRODUCTION PLANT				**237,736,377**	**70,021,698**	**168,670,732**		**8,582,932**		**0.04**	**10,322,047**	**(1,739,115)**
	TRANSMISSION PLANT												
350.10	LAND RIGHTS	294 - R2.5		0	7,781,411	2,271,916	5,509,495	272.5	20,215	0.26%	1.50	116,377	(96,162)
352.10	STRUCTURES AND IMPROVEMENTS	59.3 - R0.5		(5)	6,456,555	1,500,856	5,278,527	48.7	108,300	1.68%	1.74	112,155	(3,855)
353.10	STATION EQUIPMENT	80 - S0		(10)	127,564,599	69,433,144	70,887,915	70.1	1,011,817	0.79%	1.38	1,763,324	(751,507)
354.00	TOWERS AND FIXTURES	129.2 - R2		0	40,070,495	22,555,849	17,514,646	110.2	158,950	0.40%	1.72	688,232	(529,282)
355.00	POLES AND FIXTURES	68.9 - S0		(25)	53,282,212	18,093,397	48,509,368	58.5	829,220	1.56%	2.89	1,542,009	(712,789)
356.00	OVERHEAD CONDUCTORS AND DEVICES	154.9 - 01		(20)	47,242,307	24,580,970	32,109,798	144.4	222,352	0.47%	2.50	1,179,283	(956,931)
357.00	UNDERGROUND CONDUIT	227- R2		0	2,437,094	617,934	1,819,160	216.3	8,410	0.35%	1.67	40,795	(32,385)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	42.9 - R4		0	5,659,798	2,183,949	3,475,849	29.2	119,036	2.10%	2.98	168,808	(49,772)
	TOTAL TRANSMISSION PLANT				**290,494,471**	**141,238,015**	**185,104,758**		**2,478,300**		**1.93**	**5,610,963**	**(3,132,683)**
	DISTRIBUTION PLANT												
361.00	STRUCTURES AND IMPROVEMENTS	74.8 - 03		(2)	4,257,660	1,934,525	2,408,289	72.2	33,374	0.78%	1.61	68,679	(35,305)
362.00	STATION EQUIPMENT	55 - L0		(7)	106,268,031	37,506,516	76,200,278	45.7	1,666,673	1.57%	2.09	2,221,197	(554,524)
364.00	POLES, TOWERS AND FIXTURES	59.8 - R1		(35)	135,482,460	68,100,569	114,800,751	47.9	2,394,676	1.77%	3.39	4,586,729	(2,192,053)
365.00	OVERHEAD CONDUCTORS AND DEVICES	50.1 - L1		(30)	234,012,661	97,059,045	207,157,415	50.1	4,134,879	1.77%	2.98	6,977,970	(2,843,091)

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE ANI
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 201·

	ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCRUAL	REMAINING LIFE RATE	Spanos Rates and Accruals		
										Rate	Accrual	Difference
	(1)	(2)	(3)	(4)	(5)	(6)= ((1-(3))*(4))-(5)	(7)	(9)=(6)/(7)	(9)=(6)/(7)	(10)	(11)=(4)*(10)	(12)=(7)-(11)
366.00	UNDERGROUND CONDUIT	77.4 - L5	0	69,528,364	26,343,100	43,185,264	60.1	718,035	1.03%	1.50	1,041,697	(322,662)
367.00	UNDERGROUND CONDUCTORS AND DEVICES	82.2 - L2	(10)	145,471,542	48,421,476	111,597,221	70.5	1,582,490	1.09%	1.92	2,797,549	(1,215,059)
368.00	LINE TRANSFORMERS	46 - S3	(10)	140,346,230	63,165,088	91,215,765	30.6	2,985,786	2.13%	2.38	3,341,572	(355,785)
369.10	SERVICES - UNDERGROUND	50.4 - L1.5	(20)	6,152,802	1,616,005	5,767,357	41.3	139,781	2.27%	3.32	204,433	(64,652)
369.20	SERVICES - OVERHEAD	69.9 - L1	(50)	21,115,397	19,735,617	11,937,478	50.6	236,058	1.12%	3.59	758,402	(522,344)
370.00	METERS	53.5 - 03	0	37,655,788	19,907,329	17,748,459	51.3	346,244	0.92%	2.92	1,099,191	(752,947)
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	28 - L0.5	(25)	34,508,233	12,877,300	30,257,992	21.5	1,406,040	4.07%	3.97	1,368,855	37,185
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUNI	40 - R1	(30)	48,188,855	21,419,157	41,226,355	31.0	1,329,882	2.76%	3.44	1,660,101	(330,219)
	TOTAL DISTRIBUTION PLANT			982,988,024	418,085,727	753,502,622		16,974,919		2.66	26,126,375	(9,151,456)
	GENERAL PLANT											
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	18.5 - L1	2	1,570,998	1,071,980	467,598	13.4	34,817	2.22%	5.48	86,083	(51,266)
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	32.4 - L5	5	607,414	257,488	319,555	17.4	18,397	3.03%	6.21	37,747	(19,350)
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTH	14 - S1.5	0	6,613,187	6,077,693	535,494	3.6	147,519	2.23%	0.60	39,795	107,724
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25 - SQ	0	4,603,924	1,508,076	3,095,848	15.8	196,562	4.27%	4.51	207,415	(10,853)
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	43.8 - 02	3	1,292,580	1,292,580	(38,777)	36.4	-	0.00%	-	0	0
396.20	POWER OPERATED EQUIPMENT - OTHER	26.8 - R1	0	151,087	26,948	124,139	22.2	5,582	3.69%	7.60	11,484	(5,902)
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12 - L1	3	1,110,685	925,971	151,393	5.1	29,454	2.65%	2.12	23,551	5,903
	TOTAL GENERAL PLANT			15,949,875	11,160,736	4,655,250		432,331		2.55	406,075	26,256
	TOTAL DEPRECIABLE PLANT			3,691,278,545	1,794,522,567	2,172,390,362		69,078,067		3.06	112,892,722	(43,814,655)
	NONDEPRECIABLE PLANT											
301.00	ORGANIZATION			2,240								
310.20	LAND			6,193,327								
310.25	LAND			100,000								
330.20	LAND			7								
340.20	LAND			8,133								
350.20	LAND			1,573,049								
360.20	LAND			4,110,849								
	TOTAL NONDEPRECIABLE PLANT			11,987,605								
	TOTAL ELECTRIC PLANT			3,703,266,150	1,794,522,567	2,172,390,362	5,797					

* LIFE SPAN PROCEDURE IS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE

Sources:

Columns (1) to (9) from Spanos's Study Table 1.
Column (10) LGE Response to KIUC 1-29
Columns (11) to (12) Calculated by SKM