

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

IN RE:

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

**WORKPAPERS
OF
LANE KOLLEN**

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

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

October 2012

**KIUC Adjusted Exhibit 1
Reference Schedule 1.12**

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment To Reflect Annualized Depreciation Expenses
At March 31, 2012**

	<u>As Filed Electric</u>	<u>KIUC Electric</u>	<u>KIUC Adjustment</u>
1. Annualized direct depreciation expense under proposed rates	\$ 111,689,000	\$ 67,790,855	
2. Annualized depreciation for 2005 and 2006 ECR plans to be eliminated	1,892,892	1,332,276	
3. Common plant allocated annualized depreciation expense (1)	<u>12,731,875</u>	<u>12,731,875</u>	
4. Total annualized depreciation expense	<u>\$ 126,313,767</u>	<u>\$ 81,855,006</u>	
5. Depreciation expense per books for test year	\$ 127,895,417	\$ 127,895,417	
6. Depreciation expense for asset retirement costs (ARO)	(2,206,653)	(2,206,653)	
7. Depreciation for environmental cost recovery (ECR) plans (2)	(71,533)	(71,533)	
8. Depreciation booked above the line for below the line items	<u>(115)</u>	<u>(115)</u>	
8. Depreciation expense per books excluding ARO and ECR	<u>\$ 125,617,116</u>	<u>\$ 125,617,116</u>	
9. Total Adjustment to reflect annualized depreciation expense (Line 4 - Line 8)	<u>\$ 696,651</u>	<u>\$ (43,762,110)</u>	<u>\$ (44,458,761)</u>

(1) Common plant depreciation was allocated 71% to electric and 29% to gas pursuant to common utility study.

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

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
ELECTRIC PLANT			
Intangible Plant	\$ 2,240	0.00%	\$ -
Steam Production Plant			
310.20 Land	\$ 6,193,327	0.00%	\$ -
310.25 Land	100,000	0.00%	-
311.00 Structures and Improvements			
0112 Cane Run Unit 1	\$ 4,233,240	0.00%	\$ -
0121 Cane Run Unit 2	2,102,422	0.00%	-
0131 Cane Run Unit 3	3,536,934	0.00%	-
0141 Cane Run Unit 4	4,089,674	0.00%	-
0142 Cane Run Unit 4 Scrubber	821,433	0.00%	-
0151 Cane Run Unit 5	6,288,070	2.49%	156,573
0152 Cane Run Unit 5 Scrubber	1,696,435	0.00%	-
0161 Cane Run Unit 6	28,208,880	9.00%	2,538,799
0162 Cane Run Unit 6 Scrubber	2,004,302	0.00%	-
0211 Mill Creek Unit 1	19,884,639	1.28%	254,523
0212 Mill Creek Unit 1 Scrubber	1,709,711	0.00%	-
0221 Mill Creek Unit 2	11,486,429	1.27%	145,878
0222 Mill Creek Unit 2 Scrubber	1,393,404	0.00%	-
0231 Mill Creek Unit 3	24,500,221	1.19%	291,553
0232 Mill Creel Unit 3 Scrubber	362,867	0.00%	-
0241 Mill Creek Unit 4	64,289,491	1.85%	1,189,356
0242 Mill Creek Unit 4 Scrubber	5,330,552	0.71%	37,847
0311 Trimble County Unit 1	115,104,804	1.70%	1,956,782
0312 Trimble County Unit 1 Scrubber	493,910	1.12%	5,532
0321 Trimble County Unit 2	26,139,486	2.18%	569,841
	<u>\$ 323,676,904</u>		<u>\$ 7,146,684</u>

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group		Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
312.00	Boiler Plant Equipment			
	0103 Cane Run Locomotive	\$ 51,549	0.00%	\$ -
	0104 Cane Run Rail Cars	1,501,773	6.89%	103,472
	0112 Cane Run Unit 1	1,052,271	0.00%	-
	0121 Cane Run Unit 2	132,276	0.00%	-
	0131 Cane Run Unit 3	705,480	0.00%	-
	0141 Cane Run Unit 4	31,384,490	9.71%	3,047,434
	0142 Cane Run Unit 4 Scrubber	17,050,368	0.00%	-
	0151 Cane Run Unit 5	40,758,450	15.58%	6,350,167
	0152 Cane Run Unit 5 Scrubber	28,112,261	0.13%	36,546
	0161 Cane Run Unit 6	55,736,437	15.73%	8,767,342
	0162 Cane Run Unit 6 Scrubber	32,458,665	5.74%	1,863,127
	0203 Mill Creek Locomotive	613,424	6.08%	37,296
	0204 Mill Creek Rail Cars	2,965,012	0.36%	10,674
	0211 Mill Creek Unit 1	56,237,501	2.87%	1,614,016
	0212 Mill Creek Unit 1 Scrubber	43,569,497	2.10%	914,959
	0221 Mill Creek Unit 2	53,553,848	3.15%	1,686,946
	0222 Mill Creek Unit 2 Scrubber	35,719,947	1.71%	610,811
	0231 Mill Creek Unit 3	146,490,839	2.91%	4,262,883
	0232 Mill Creek Unit 3 Scrubber	63,256,714	2.43%	1,537,138
	0241 Mill Creek Unit 4	246,684,529	2.78%	6,857,830
	0242 Mill Creek Unit 4 Scrubber	113,972,386	1.80%	2,051,503
	0311 Trimble County Unit 1	217,329,447	2.67%	5,802,696
	0312 Trimble County Unit 1 Scrubber	63,633,187	1.39%	884,501
	0321 Trimble County Unit 2	121,967,166	2.56%	3,122,359
	0322 Trimble County Unit 2 Scrubber	14,607,918	2.56%	373,963
		<u>\$ 1,389,545,435</u>		<u>\$ 49,935,663</u>
314.00	Turbogenerator Units			
	0112 Cane Run Unit 1	\$ 106,009	0.00%	\$ -
	0121 Cane Run Unit 2	19,999	0.00%	-
	0131 Cane Run Unit 3	581,178	0.00%	-
	0141 Cane Run Unit 4	9,404,419	3.49%	328,214
	0151 Cane Run Unit 5	7,931,773	2.84%	225,262
	0161 Cane Run Unit 6	16,728,235	10.40%	1,739,736
	0211 Mill Creek Unit 1	14,686,468	1.37%	201,205
	0221 Mill Creek Unit 2	17,110,425	1.81%	309,699
	0231 Mill Creek Unit 3	31,564,298	2.18%	688,102
	0241 Mill Creek Unit 4	42,570,314	1.81%	770,523
	0311 Trimble County Unit 1	56,998,845	2.30%	1,310,973
	0321 Trimble County Unit 2	20,515,722	2.20%	451,346
		<u>\$ 218,217,685</u>		<u>\$ 6,025,060</u>

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
315.00 Accessory Electric Equipment			
0112 Cane Run Unit 1	\$ 1,883,657	0.00%	\$ -
0121 Cane Run Unit 2	1,238,068	0.00%	-
0131 Cane Run Unit 3	766,540	0.00%	-
0141 Cane Run Unit 4	5,920,914	5.33%	315,585
0142 Cane Run Unit 4 Scrubber	987,949	0.00%	-
0151 Cane Run Unit 5	9,434,825	13.24%	1,249,171
0152 Cane Run Unit 5 Scrubber	2,216,499	0.00%	-
0161 Cane Run Unit 6	12,638,294	12.80%	1,617,702
0162 Cane Run Unit 6 Scrubber	2,199,915	0.00%	-
0211 Mill Creek Unit 1	15,685,072	3.09%	484,669
0212 Mill Creek Unit 1 Scrubber	5,541,695	0.00%	-
0221 Mill Creek Unit 2	7,415,271	2.11%	156,462
0222 Mill Creek Unit 2 Scrubber	4,505,053	0.00%	-
0231 Mill Creek Unit 3	15,049,880	1.21%	182,104
0232 Mill Creel Unit 3 Scrubber	2,531,773	0.00%	-
0241 Mill Creek Unit 4	24,032,541	1.75%	420,569
0242 Mill Creek Unit 4 Scrubber	5,864,979	0.65%	38,122
0311 Trimble County Unit 1	49,158,461	2.14%	1,051,991
0312 Trimble County Unit 1 Scrubber	2,736,920	1.02%	27,917
0321 Trimble County Unit 2	8,459,461	2.37%	200,489
	<u>\$ 178,267,767</u>		<u>\$ 5,744,781</u>
316.00 Miscellaneous Plant Equipment			
0112 Cane Run Unit 1	\$ 38,746	0.00%	\$ -
0131 Cane Run Unit 3	11,664	0.00%	-
0141 Cane Run Unit 4	87,249	18.80%	16,403
0142 Cane Run Unit 4 Scrubber	6,464	0.00%	-
0151 Cane Run Unit 5	96,972	17.40%	16,873
0152 Cane Run Unit 5 Scrubber	47,299	0.00%	-
0161 Cane Run Unit 6	2,987,196	15.74%	470,185
0162 Cane Run Unit 6 Scrubber	31,569	0.00%	-
0211 Mill Creek Unit 1	758,151	2.92%	22,138
0221 Mill Creek Unit 2	125,821	2.13%	2,680
0231 Mill Creek Unit 3	328,575	1.55%	5,093
0241 Mill Creek Unit 4	7,331,264	2.94%	215,539
0242 Mill Creek Unit 4 Scrubber	74,851	2.31%	1,729
0311 Trimble County Unit 1	2,917,560	2.62%	76,440
0321 Trimble County Unit 2	1,608,917	2.63%	42,315
	<u>\$ 16,452,298</u>		<u>\$ 869,395</u>
317.00 Asset Retirement Obligations - Steam *	27,798,267		
Total Steam	<u>\$ 2,160,251,683</u>		<u>\$ 69,721,583</u>

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Hydraulic Production Plant - Project 289			
0451 - Ohio Falls Project 289			
330.20 Land	\$ 6	0.00%	\$ -
331.00 Structures and Improvements	4,897,072	0.56%	27,424
332.00 Reservoirs, Dams & Waterways	11,690,252	2.71%	316,806
333.00 Water Wheels, Turbines and Generators	19,945,214	3.05%	608,329
334.00 Accessory Electric Equipment	5,509,836	2.10%	115,707
335.00 Misc. Power Plant Equipment	284,789	2.72%	7,746
336.00 Roads, Railroads and Bridges	28,797	2.45%	706
	\$ 42,355,966		\$ 1,076,718
Hydraulic Production Plant - Other Than Project 289			
0450 - Ohio Falls Other Than Project 289			
330.20 Land	\$ 1	0.00%	\$ -
331.00 Structures and Improvements	65,796	1.57%	1,033
335.00 Misc. Power Plant Equipment	25,458	2.91%	741
336.00 Roads, Railroads and Bridges	1,134	0.00%	-
337.00 Asset Retirement Obligations - Hydro *	103,529		
	\$ 195,918		\$ 1,774
Total Hydraulic Plant	\$ 42,551,884		\$ 1,078,492
Other Production Plant			
340.20 Land	\$ 8,133	0.00%	\$ -
341.00 Structures and Improvements			
0171 Cane Run GT 11	\$ 211,518	14.33%	\$ 30,311
0410 Zorn and River Road Gas Turbine	8,241	0.00%	-
0431 Paddys Run Generator 12	64,113	3.54%	2,270
0432 Paddys Run Generator 13	2,158,698	3.68%	79,440
0459 Brown CT 5	858,539	3.68%	31,594
0460 Brown CT 6	105,978	4.21%	4,462
0461 Brown CT 7	144,356	4.20%	6,063
0470 Trimble County CT 5	1,555,655	3.68%	57,248
0471 Trimble County CT 6	1,467,924	3.67%	53,873
0474 Trimble County CT 7	2,083,698	3.61%	75,221
0475 Trimble County CT 8	2,075,527	3.61%	74,927
0476 Trimble County CT 9	2,137,402	3.62%	77,374
0477 Trimble County CT 10	2,132,790	3.62%	77,207
	\$ 15,004,439		\$ 569,990

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group		Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
342.00	Fuel Holders, Producers and Accessories			
	0171 Cane Run GT 11	\$ 319,042	14.65%	\$ 46,740
	0410 Zorn and River Road Gas Turbine	23,434	4.11%	963
	0430 Paddys Run Generator 11	9,238	0.00%	-
	0431 Paddys Run Generator 12	21,667	5.23%	1,133
	0432 Paddys Run Generator 13	2,255,338	3.80%	85,703
	0459 Brown CT 5	846,907	4.21%	35,655
	0460 Brown CT 6	403,060	5.52%	22,249
	0461 Brown CT 7	141,363	8.19%	11,578
	0470 Trimble County CT 5	97,997	3.78%	3,704
	0471 Trimble County CT 6	97,862	3.78%	3,699
	0473 Trimble County CT Pipeline	1,998,391	3.44%	68,745
	0474 Trimble County CT 7	338,423	3.73%	12,623
	0475 Trimble County CT 8	337,096	3.73%	12,574
	0476 Trimble County CT 9	347,147	3.74%	12,983
	0477 Trimble County CT 10	361,860	3.75%	13,570
		<u>\$ 7,598,825</u>		<u>\$ 331,919</u>
343.00	Prime Movers			
	0432 Paddys Run Generator 13	\$ 20,575,461	4.69%	\$ 964,989
	0459 Brown CT 5	15,877,891	4.45%	706,566
	0460 Brown CT 6	19,951,722	6.12%	1,221,045
	0461 Brown CT 7	18,239,647	5.18%	944,814
	0470 Trimble County CT 5	13,538,630	4.49%	607,884
	0471 Trimble County CT 6	13,456,801	4.61%	620,359
	0474 Trimble County CT 7	14,040,786	4.14%	581,289
	0475 Trimble County CT 8	13,925,742	4.14%	576,526
	0476 Trimble County CT 9	13,836,332	4.19%	579,742
	0477 Trimble County CT 10	13,781,724	4.19%	577,454
		<u>\$ 157,224,736</u>		<u>\$ 7,380,668</u>
344.00	Generators			
	0171 Cane Run GT 11	\$ 2,910,124	5.23%	\$ 152,199
	0410 Zorn and River Road Gas Turbine	1,827,581	0.00%	-
	0430 Paddys Run Generator 11	1,523,116	0.00%	-
	0431 Paddys Run Generator 12	2,991,589	0.00%	-
	0432 Paddys Run Generator 13	5,859,858	3.36%	196,891
	0459 Brown CT 5	3,249,360	3.71%	120,551
	0460 Brown CT 6	2,417,995	3.90%	94,302
	0461 Brown CT 7	2,421,079	3.96%	95,875
	0470 Trimble County CT 5	1,539,295	3.60%	55,415
	0471 Trimble County CT 6	1,537,168	3.60%	55,338
	0474 Trimble County CT 7	1,726,824	3.55%	61,302
	0475 Trimble County CT 8	1,717,277	3.55%	60,963
	0476 Trimble County CT 9	1,728,008	3.56%	61,517
	0477 Trimble County CT 10	1,722,674	3.56%	61,327
		<u>\$ 33,171,948</u>		<u>\$ 1,015,680</u>

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
345.00 Accessory Electric Equipment			
0171 Cane Run GT 11	\$ 116,627	0.00%	\$ -
0410 Zorn and River Road Gas Turbine	44,283	0.00%	-
0430 Paddys Run Generator 11	68,109	0.14%	95
0431 Paddys Run Generator 12	912,642	14.03%	128,044
0432 Paddys Run Generator 13	2,778,993	3.70%	102,823
0459 Brown CT 5	2,742,563	3.71%	101,749
0460 Brown CT 6	970,189	4.03%	39,099
0461 Brown CT 7	953,200	4.05%	38,605
0470 Trimble County CT 5	706,963	3.80%	26,865
0471 Trimble County CT 6	1,594,892	3.91%	62,360
0474 Trimble County CT 7	1,843,364	3.65%	67,283
0475 Trimble County CT 8	1,836,141	3.65%	67,019
0476 Trimble County CT 9	1,890,840	3.66%	69,205
0477 Trimble County CT 10	4,387,836	3.83%	168,054
	<u>\$ 20,846,642</u>		<u>\$ 871,201</u>
346.00 Miscellaneous Plant Equipment			
0410 Zorn and River Road Gas Turbine	\$ 9,488	13.48%	\$ 1,279
0430 Paddys Run Generator 11	9,494	15.55%	1,476
0432 Paddys Run Generator 13	1,281,034	3.82%	48,935
0459 Brown CT 5	2,395,225	3.68%	88,144
0460 Brown CT 6	22,456	3.95%	887
0461 Brown CT 7	23,048	4.01%	924
0470 Trimble County CT 5	14,529	3.82%	555
0474 Trimble County CT 7	5,205	3.59%	187
0475 Trimble County CT 8	5,183	3.59%	186
0476 Trimble County CT 9	5,328	3.60%	192
0477 Trimble County CT 10	25,333	4.26%	1,079
	<u>\$ 3,796,323</u>		<u>\$ 143,844</u>
347.00 Asset Retirement Obligations Other Production *	38,429		
Total Other Production	<u>\$ 237,689,475</u>		<u>\$ 10,313,302</u>

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Electric Transmission Plant			
350.2 Transmission Lines Land	\$ 1,573,049	0.00%	\$ -
350.1 Land Rights	7,791,511	1.50%	116,873
352.1 Structures & Improvements	6,471,400	1.74%	112,602
353.1 Station Equipment	127,692,585	1.38%	1,762,158
354 Towers & Fixtures	43,126,250	1.72%	741,772
355 Poles & Fixtures	53,760,275	2.89%	1,553,672
356 Overhead Conductors & Devices	47,544,070	2.50%	1,188,602
357 Underground Conduit	2,278,628	1.67%	38,053
358 Underground Conductors & Devices	7,425,284	2.98%	221,273
359 Asset Retirement Obligations - Transmission *	252,454		
Total Transmission Plant	\$ 297,915,506		\$ 5,735,005
Electric Distribution Plant			
360.2 Substation Land	\$ 5,348,665	0.00%	\$ -
360.2 Substation Land Class A (Plant Held Future Use)	627,088	0.00%	-
361 Substation Structures	4,888,254	1.61%	78,701
362.1 Substation Equipment	114,763,926	2.09%	2,398,566
364 Poles Towers & Fixtures	140,371,136	3.39%	4,758,582
365 Overhead Conductors & Devices	241,550,956	2.98%	7,198,218
366 Underground Conduit	69,033,771	1.50%	1,035,507
367 Underground Conductors & Devices	149,365,140	1.92%	2,867,811
368 Line Transformers	140,986,634	2.38%	3,355,482
369.1 Underground Services	6,064,961	3.32%	201,357
369.2 Overhead Services	22,341,688	3.59%	802,067
370 Meters	38,125,261	2.92%	1,113,258
373.1 Overhead Street Lighting	35,629,640	3.97%	1,414,497
373.2 Underground Street Lighting	48,916,028	3.44%	1,682,711
374 Asset Retirement Obligations - Distribution *	626,515		
Total Distribution Plant	\$ 1,018,639,663		\$ 26,906,757

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Electric General Plant			
392.1 Transportation Equipment - Cars & Light Trucks	\$ 1,570,998	5.48%	\$ 86,091
392.2 Transportation Equipment Trailers	682,934	6.21%	42,410
392.3 Transportation Equipment - Heavy Trucks and Other	6,692,703	0.60%	40,156
394 Tools, Shop, and Garage Equipment	4,652,755	4.51%	209,839
396.1 Power Operated Equipment - Small Machinery	1,292,580	0.00%	-
396.2 Power Operated Equipment - Other	151,087	7.60%	11,483
396.3 Power Operated Equipment - Large Machinery	1,110,685	2.12%	23,547
Total General Plant	\$ 16,153,742		\$ 413,526
 TOTAL ELECTRIC PLANT	 \$ 3,773,204,193		 \$ 114,168,665

Less: Amounts not included in Income Statement Depreciation		
0103 Cane Run Locomotive		\$ -
0104 Cane Run Rail Cars		(103,472)
0203 Mill Creek Locomotive		(37,296)
0204 Mill Creek Rail Cars		(10,674)
0473 Trimble County CT Pipeline		(68,745)
392.1 Transportation Equipment - Cars & Light Trucks		(86,091)
392.3 Transportation Equipment - Heavy Trucks and Other		(40,156)
396.1 Power Operated Equipment - Small Machinery		-
396.3 Power Operated Equipment - Large Machinery		(23,547)
Less: ECR Depreciation		(2,109,684)
Total Annualized Depreciation Expense excluding ECR and ARO		\$ 111,689,000

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
GAS PLANT			
Intangible Plant	\$ 387	10.58%	\$ 41
Underground Storage			
350.1 Land	\$ 32,864	0.00%	\$ -
350.2 Rights of Way	95,614	0.56%	535
351.2 Compressor Station Structures	5,426,010	2.01%	109,063
351.3 Reg Station Structures	33,152	1.14%	378
351.4 Other Structures	2,652,176	1.82%	48,270
352.40 Well Drilling	2,724,714	0.72%	19,618
352.50 Well Equipment ARO	5,793,188	2.70%	156,416
352.55 Well Equipment	7,475,494	2.70%	201,838
352.1 Storage Leaseholds & Rights	548,241	0.00%	-
352.2 Reservoirs	400,511	0.00%	-
352.3 Nonrecoverable Natural Gas	9,648,855	0.83%	80,085
Gas Stored Underground Non-Current	2,139,990	0.00%	-
353 Lines	15,285,580	1.82%	278,198
354 Compressor Station Equipment	17,056,348	2.37%	404,235
355 Measuring & Regulating Equipment	524,850	1.53%	8,030
356 Purification Equipment	13,340,431	1.97%	262,806
357 Other Equipment	1,719,439	2.25%	38,687
358 Asset Retirement Obligations - Und Storage *	5,201,173		
Total Underground Storage	\$ 90,098,630		\$ 1,608,159
Gas Transmission Plant			
365.2 Rights of Way	\$ 220,659	0.16%	\$ 353
367 Mains	18,939,475	0.79%	149,622
368.07 Asset Retirement Obligation - Cost Gas Trans	3,941,519		
Total Transmission Plant	\$ 23,101,653		\$ 149,975

**Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012**

Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
Gas Distribution Plant			
374 Land	\$ 59,725	0.00%	\$ -
374.2 Land Rights	74,018	0.00%	-
375.1 City Gate Structures	367,966	1.46%	5,372
375.2 Other Distribution Structures	532,497	5.26%	28,009
376 Mains	336,076,717	1.89%	6,351,850
378 Measuring and Reg Equipment	12,466,709	2.58%	321,641
379 Meas & Reg Equipment - City Gate	4,460,808	2.12%	94,569
380 Services	195,651,821	3.79%	7,415,204
381 Meters	39,990,525	4.03%	1,611,618
383 House Regulators	23,914,706	4.10%	980,503
385 Industrial Meas & Reg Station Equip	944,360	2.85%	26,914
387 Other Equipment	51,112	2.78%	1,421
388 Asset Retirement Obligations - Distribution *	11,931,609		
Total Distribution Plant	\$ 626,522,573		\$ 16,837,101
Gas General Plant			
392.1 Transportation Equipment - Cars & Light Trucks	\$ 250,262	2.63%	\$ 6,582
392.2 Trailers	599,856	4.80%	28,793
392.3 Transportation Equipment - Heavy Trucks and Other	1,131,842	1.75%	19,807
394 Other Equipment	4,533,726	4.66%	211,272
396.1 Power Operated Equipment - Small Machinery	105,665	0.00%	-
396.2 Power Operated Equipment - Other	177,782	5.90%	10,489
396.3 Power Operated Equipment - Large Machinery	2,181,087	1.16%	25,301
Total General Plant	\$ 8,980,220		\$ 302,244
TOTAL GAS PLANT	\$ 748,703,463		\$ 18,897,520
Less: Amounts not included in Income Statement Depreciation			
392.1 Transportation Equipment - Cars & Light Trucks			\$ (6,582)
392.3 Transportation Equipment - Heavy Trucks and Other			(19,807)
396.1 Power Operated Equipment - Small Machinery			-
396.3 Power Operated Equipment - Large Machinery			(25,301)
Total Annualized Depreciation Expense excluding ECR and ARO			\$ 18,845,830

Louisville Gas and Electric Company
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Property Group	Depreciable Plant 03/31/12	As Filed Proposed Rates ASL	As Filed Depreciation Under Proposed Rates
COMMON UTILITY PLANT			
Intangible Plant			
301 Organization	\$ 83,782	0.00%	\$ -
303 Misc. Intangible Plant - Software	21,873,636	13.97%	3,055,747
303.1 CCS Software	44,513,680	9.92%	4,415,757
Total Intangible Plant	\$ 66,471,098		\$ 7,471,504
Common General Plant			
389.1 Land	\$ 1,685,316	0.00%	\$ -
389.2 Land Rights	202,095	0.00%	-
390.10 Structures and Improvements	61,433,240	3.40%	2,088,730
390.20 Structures and Improvements - Transportation	412,151	5.98%	24,647
390.30 Structures and Improvements - Stores	10,750,498	1.96%	210,710
390.40 Structures and Improvements - Shops	536,692	2.05%	11,002
390.60 Structures and Improvements - Microwave	1,078,816	2.30%	24,813
391.10 Office Furniture	8,673,967	19.94%	1,729,589
391.20 Office Equipment	2,086,580	8.16%	170,265
391.30 Computer Equipment - Non PC	14,508,118	3.43%	497,628
391.31 Personal Computers	4,136,708	21.88%	905,112
391.40 Security Equipment	2,241,823	18.18%	407,563
392.1 Transportation Equipment - Cars & Light Trucks	179,513	11.38%	20,429
392.2 Transportation Equipment - Trailers	83,874	6.34%	5,318
392.3 Transportation Equipment - Heavy Trucks and Other	65,584	0.00%	-
393 Stores Equipment	1,135,864	5.82%	66,107
394 Other Equipment	3,624,119	5.04%	182,656
396.2 Power Operated Equipment - Other	14,147	6.57%	929
396.3 Power Operated Equipment - Large Machinery	235,831	1.13%	2,665
397.10 Communications Equipment - General Assets	29,003,600	13.14%	3,811,073
397.20 Communications Equipment - Specific Assets	5,292,033	4.89%	258,780
397.30 Communications Equipment - Fully Accrued Assets	11,378,217	0.00%	-
397.40 Communications Equipment - Transfer to Meter Equipment	2,243,315	2.84%	63,710
397.50 Communications Equipment - Transfer to Structure Account	77,123	2.70%	2,082
398.00 Miscellaneous Equipment	17,206	0.00%	-
399.10 ARO Asset Retirement Obligations - Common *	101,390		
Total General Plant	\$ 161,197,820		\$ 10,483,808
TOTAL COMMON UTILITY PLANT	\$ 227,668,918		\$ 17,955,312

Less: Amounts not included in Income Statement Depreciation	
392.1 Transportation Equipment - Cars & Light Trucks	\$ (20,429)
392.3 Transportation Equipment - Heavy Trucks and Other	-
396.3 Power Operated Equipment - Large Machinery	(2,665)
Total Annualized Depreciation Expense excluding ECR and ARO	\$ 17,932,218
Electric Allocation of Common Depreciation Expense (71%)	\$ 12,731,875
Gas Allocation of Common Depreciation Expense (29%)	\$ 5,200,343

TOTAL PLANT IN SERVICE **\$ 4,749,576,574**

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

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Property Group		Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
ELECTRIC PLANT				
Intangible Plant		\$ 2,240	0.00%	\$ -
Steam Production Plant				
310.20	Land	\$ 6,193,327	0.00%	\$ -
310.25	Land	100,000	0.00%	-
311.00	Structures and Improvements			
	0112 Cane Run Unit 1	\$ 4,233,240	1.50%	\$ 63,392
	0121 Cane Run Unit 2	2,102,422	1.50%	31,483
	0131 Cane Run Unit 3	3,536,934	1.50%	52,965
	0141 Cane Run Unit 4	4,089,674	1.50%	61,242
	0142 Cane Run Unit 4 Scrubber	821,433	1.50%	12,301
	0151 Cane Run Unit 5	6,288,070	1.50%	94,162
	0152 Cane Run Unit 5 Scrubber	1,696,435	1.50%	25,404
	0161 Cane Run Unit 6	28,208,880	1.50%	422,421
	0162 Cane Run Unit 6 Scrubber	2,004,302	1.50%	30,014
	0211 Mill Creek Unit 1	19,884,639	1.50%	297,768
	0212 Mill Creek Unit 1 Scrubber	1,709,711	1.50%	25,603
	0221 Mill Creek Unit 2	11,486,429	1.50%	172,007
	0222 Mill Creek Unit 2 Scrubber	1,393,404	1.50%	20,866
	0231 Mill Creek Unit 3	24,500,221	1.50%	366,885
	0232 Mill Creel Unit 3 Scrubber	362,867	1.50%	5,434
	0241 Mill Creek Unit 4	64,289,491	1.50%	962,720
	0242 Mill Creek Unit 4 Scrubber	5,330,552	1.50%	79,824
	0311 Trimble County Unit 1	115,104,804	1.50%	1,723,668
	0312 Trimble County Unit 1 Scrubber	493,910	1.50%	7,396
	0321 Trimble County Unit 2	26,139,486	1.50%	391,433
		\$ 323,676,904		\$ 4,846,988

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Property Group		Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
312.00	Boiler Plant Equipment			
	0103 Cane Run Locomotive	\$ 51,549	2.09%	\$ 1,080
	0104 Cane Run Rail Cars	1,501,773	2.09%	31,456
	0112 Cane Run Unit 1	1,052,271	2.09%	22,040
	0121 Cane Run Unit 2	132,276	2.09%	2,771
	0131 Cane Run Unit 3	705,480	2.09%	14,777
	0141 Cane Run Unit 4	31,384,490	2.09%	657,368
	0142 Cane Run Unit 4 Scrubber	17,050,368	2.09%	357,131
	0151 Cane Run Unit 5	40,758,450	2.09%	853,712
	0152 Cane Run Unit 5 Scrubber	28,112,261	2.09%	588,830
	0161 Cane Run Unit 6	55,736,437	2.09%	1,167,436
	0162 Cane Run Unit 6 Scrubber	32,458,665	2.09%	679,868
	0203 Mill Creek Locomotive	613,424	2.09%	12,849
	0204 Mill Creek Rail Cars	2,965,012	2.09%	62,104
	0211 Mill Creek Unit 1	56,237,501	2.09%	1,177,931
	0212 Mill Creek Unit 1 Scrubber	43,569,497	2.09%	912,591
	0221 Mill Creek Unit 2	53,553,848	2.09%	1,121,720
	0222 Mill Creek Unit 2 Scrubber	35,719,947	2.09%	748,177
	0231 Mill Creek Unit 3	146,490,839	2.09%	3,068,345
	0232 Mill Creek Unit 3 Scrubber	63,256,714	2.09%	1,324,953
	0241 Mill Creek Unit 4	246,684,529	2.09%	5,166,967
	0242 Mill Creek Unit 4 Scrubber	113,972,386	2.09%	2,387,225
	0311 Trimble County Unit 1	217,329,447	2.09%	4,552,106
	0312 Trimble County Unit 1 Scrubber	63,633,187	2.09%	1,332,838
	0321 Trimble County Unit 2	121,967,166	2.09%	2,554,681
	0322 Trimble County Unit 2 Scrubber	14,607,918	2.09%	305,972
		<u>\$ 1,389,545,435</u>		<u>\$ 29,104,928</u>
314.00	Turbogenerator Units			
	0112 Cane Run Unit 1	\$ 106,009	1.54%	\$ 1,636
	0121 Cane Run Unit 2	19,999	1.54%	309
	0131 Cane Run Unit 3	581,178	1.54%	8,971
	0141 Cane Run Unit 4	9,404,419	1.54%	145,169
	0151 Cane Run Unit 5	7,931,773	1.54%	122,437
	0161 Cane Run Unit 6	16,728,235	1.54%	258,222
	0211 Mill Creek Unit 1	14,686,468	1.54%	226,704
	0221 Mill Creek Unit 2	17,110,425	1.54%	264,121
	0231 Mill Creek Unit 3	31,564,298	1.54%	487,235
	0241 Mill Creek Unit 4	42,570,314	1.54%	657,127
	0311 Trimble County Unit 1	56,998,845	1.54%	879,850
	0321 Trimble County Unit 2	20,515,722	1.54%	316,686
		<u>\$ 218,217,685</u>		<u>\$ 3,368,467</u>

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Property Group		Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
315.00	Accessory Electric Equipment			
	0112 Cane Run Unit 1	\$ 1,883,657	1.22%	\$ 22,960
	0121 Cane Run Unit 2	1,238,068	1.22%	15,091
	0131 Cane Run Unit 3	766,540	1.22%	9,343
	0141 Cane Run Unit 4	5,920,914	1.22%	72,171
	0142 Cane Run Unit 4 Scrubber	987,949	1.22%	12,042
	0151 Cane Run Unit 5	9,434,825	1.22%	115,003
	0152 Cane Run Unit 5 Scrubber	2,216,499	1.22%	27,017
	0161 Cane Run Unit 6	12,638,294	1.22%	154,051
	0162 Cane Run Unit 6 Scrubber	2,199,915	1.22%	26,815
	0211 Mill Creek Unit 1	15,685,072	1.22%	191,188
	0212 Mill Creek Unit 1 Scrubber	5,541,695	1.22%	67,549
	0221 Mill Creek Unit 2	7,415,271	1.22%	90,386
	0222 Mill Creek Unit 2 Scrubber	4,505,053	1.22%	54,913
	0231 Mill Creek Unit 3	15,049,880	1.22%	183,446
	0232 Mill Cree Unit 3 Scrubber	2,531,773	1.22%	30,860
	0241 Mill Creek Unit 4	24,032,541	1.22%	292,937
	0242 Mill Creek Unit 4 Scrubber	5,864,979	1.22%	71,489
	0311 Trimble County Unit 1	49,158,461	1.22%	599,202
	0312 Trimble County Unit 1 Scrubber	2,736,920	1.22%	33,361
	0321 Trimble County Unit 2	8,459,461	1.22%	103,114
		<u>\$ 178,267,767</u>		<u>\$ 2,172,939</u>
316.00	Miscellaneous Plant Equipment			
	0112 Cane Run Unit 1	\$ 38,746	2.90%	\$ 1,122
	0131 Cane Run Unit 3	11,664	2.90%	338
	0141 Cane Run Unit 4	87,249	2.90%	2,526
	0142 Cane Run Unit 4 Scrubber	6,464	2.90%	187
	0151 Cane Run Unit 5	96,972	2.90%	2,807
	0152 Cane Run Unit 5 Scrubber	47,299	2.90%	1,369
	0161 Cane Run Unit 6	2,987,196	2.90%	86,484
	0162 Cane Run Unit 6 Scrubber	31,569	2.90%	914
	0211 Mill Creek Unit 1	758,151	2.90%	21,950
	0221 Mill Creek Unit 2	125,821	2.90%	3,643
	0231 Mill Creek Unit 3	328,575	2.90%	9,513
	0241 Mill Creek Unit 4	7,331,264	2.90%	212,251
	0242 Mill Creek Unit 4 Scrubber	74,851	2.90%	2,167
	0311 Trimble County Unit 1	2,917,560	2.90%	84,468
	0321 Trimble County Unit 2	1,608,917	2.90%	46,580
		<u>\$ 16,452,298</u>		<u>\$ 476,318</u>
317.00	Asset Retirement Obligations - Steam *	27,798,267		
	Total Steam	<u>\$ 2,160,251,683</u>		<u>\$ 39,969,640</u>

Louisville Gas and Electric Company
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Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Hydraulic Production Plant - Project 289			
0451 - Ohio Falls Project 289			
330.20 Land	\$ 6	0.00%	\$ -
331.00 Structures and Improvements	4,897,072	0.51%	24,903
332.00 Reservoirs, Dams & Waterways	11,690,252	2.05%	239,774
333.00 Water Wheels, Turbines and Generators	19,945,214	1.23%	244,660
334.00 Accessory Electric Equipment	5,509,836	2.75%	151,495
335.00 Misc. Power Plant Equipment	284,789	3.35%	9,526
336.00 Roads, Railroads and Bridges	28,797	1.54%	444
	<u>\$ 42,355,966</u>		<u>\$ 670,802</u>
Hydraulic Production Plant - Other Than Project 289			
0450 - Ohio Falls Other Than Project 289			
330.20 Land	\$ 1	0.00%	\$ -
331.00 Structures and Improvements	65,796	1.05%	693
335.00 Misc. Power Plant Equipment	25,458	3.47%	885
336.00 Roads, Railroads and Bridges	1,134	1.40%	16
337.00 Asset Retirement Obligations - Hydro *	103,529		
	<u>\$ 195,918</u>		<u>\$ 1,594</u>
Total Hydraulic Plant	<u>\$ 42,551,884</u>		<u>\$ 672,396</u>
Other Production Plant			
340.20 Land	\$ 8,133	0.00%	\$ -
341.00 Structures and Improvements			
0171 Cane Run GT 11	\$ 211,518	3.27%	\$ 6,913
0410 Zorn and River Road Gas Turbine	8,241	3.27%	269
0431 Paddys Run Generator 12	64,113	3.27%	2,095
0432 Paddys Run Generator 13	2,158,698	3.27%	70,553
0459 Brown CT 5	858,539	3.27%	28,060
0460 Brown CT 6	105,978	3.27%	3,464
0461 Brown CT 7	144,356	3.27%	4,718
0470 Trimble County CT 5	1,555,655	3.27%	50,844
0471 Trimble County CT 6	1,467,924	3.27%	47,976
0474 Trimble County CT 7	2,083,698	3.27%	68,102
0475 Trimble County CT 8	2,075,527	3.27%	67,835
0476 Trimble County CT 9	2,137,402	3.27%	69,857
0477 Trimble County CT 10	2,132,790	3.27%	69,706
	<u>\$ 15,004,439</u>		<u>\$ 490,392</u>

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Property Group		Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
342.00	Fuel Holders, Producers and Accessories			
	0171 Cane Run GT 11	\$ 319,042	3.83%	\$ 12,235
	0410 Zorn and River Road Gas Turbine	23,434	3.83%	899
	0430 Paddys Run Generator 11	9,238	3.83%	354
	0431 Paddys Run Generator 12	21,667	3.83%	831
	0432 Paddys Run Generator 13	2,255,338	3.83%	86,492
	0459 Brown CT 5	846,907	3.83%	32,479
	0460 Brown CT 6	403,060	3.83%	15,457
	0461 Brown CT 7	141,363	3.83%	5,421
	0470 Trimble County CT 5	97,997	3.83%	3,758
	0471 Trimble County CT 6	97,862	3.83%	3,753
	0473 Trimble County CT Pipeline	1,998,391	3.83%	76,638
	0474 Trimble County CT 7	338,423	3.83%	12,978
	0475 Trimble County CT 8	337,096	3.83%	12,928
	0476 Trimble County CT 9	347,147	3.83%	13,313
	0477 Trimble County CT 10	361,860	3.83%	13,877
		<u>\$ 7,598,825</u>		<u>\$ 291,413</u>
343.00	Prime Movers			
	0432 Paddys Run Generator 13	\$ 20,575,461	3.80%	\$ 780,986
	0459 Brown CT 5	15,877,891	3.80%	602,679
	0460 Brown CT 6	19,951,722	3.80%	757,310
	0461 Brown CT 7	18,239,647	3.80%	692,325
	0470 Trimble County CT 5	13,538,630	3.80%	513,888
	0471 Trimble County CT 6	13,456,801	3.80%	510,782
	0474 Trimble County CT 7	14,040,786	3.80%	532,948
	0475 Trimble County CT 8	13,925,742	3.80%	528,581
	0476 Trimble County CT 9	13,836,332	3.80%	525,188
	0477 Trimble County CT 10	13,781,724	3.80%	523,115
		<u>\$ 157,224,736</u>		<u>\$ 5,967,802</u>
344.00	Generators			
	0171 Cane Run GT 11	\$ 2,910,124	3.01%	\$ 87,723
	0410 Zorn and River Road Gas Turbine	1,827,581	3.01%	55,090
	0430 Paddys Run Generator 11	1,523,116	3.01%	45,913
	0431 Paddys Run Generator 12	2,991,589	3.01%	90,178
	0432 Paddys Run Generator 13	5,859,858	3.01%	176,639
	0459 Brown CT 5	3,249,360	3.01%	97,948
	0460 Brown CT 6	2,417,995	3.01%	72,888
	0461 Brown CT 7	2,421,079	3.01%	72,981
	0470 Trimble County CT 5	1,539,295	3.01%	46,400
	0471 Trimble County CT 6	1,537,168	3.01%	46,336
	0474 Trimble County CT 7	1,726,824	3.01%	52,053
	0475 Trimble County CT 8	1,717,277	3.01%	51,765
	0476 Trimble County CT 9	1,728,008	3.01%	52,089
	0477 Trimble County CT 10	1,722,674	3.01%	51,928
		<u>\$ 33,171,948</u>		<u>\$ 999,931</u>

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Property Group		Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
345.00	Accessory Electric Equipment			
	0171 Cane Run GT 11	\$ 116,627	3.37%	\$ 3,925
	0410 Zorn and River Road Gas Turbine	44,283	3.37%	1,490
	0430 Paddys Run Generator 11	68,109	3.37%	2,292
	0431 Paddys Run Generator 12	912,642	3.37%	30,712
	0432 Paddys Run Generator 13	2,778,993	3.37%	93,518
	0459 Brown CT 5	2,742,563	3.37%	92,292
	0460 Brown CT 6	970,189	3.37%	32,648
	0461 Brown CT 7	953,200	3.37%	32,077
	0470 Trimble County CT 5	706,963	3.37%	23,790
	0471 Trimble County CT 6	1,594,892	3.37%	53,671
	0474 Trimble County CT 7	1,843,364	3.37%	62,032
	0475 Trimble County CT 8	1,836,141	3.37%	61,789
	0476 Trimble County CT 9	1,890,840	3.37%	63,630
	0477 Trimble County CT 10	4,387,836	3.37%	147,658
		<u>\$ 20,846,642</u>		<u>\$ 701,524</u>
346.00	Miscellaneous Plant Equipment			
	0410 Zorn and River Road Gas Turbine	\$ 9,488	3.36%	\$ 319
	0430 Paddys Run Generator 11	9,494	3.36%	319
	0432 Paddys Run Generator 13	1,281,034	3.36%	43,077
	0459 Brown CT 5	2,395,225	3.36%	80,544
	0460 Brown CT 6	22,456	3.36%	755
	0461 Brown CT 7	23,048	3.36%	775
	0470 Trimble County CT 5	14,529	3.36%	489
	0474 Trimble County CT 7	5,205	3.36%	175
	0475 Trimble County CT 8	5,183	3.36%	174
	0476 Trimble County CT 9	5,328	3.36%	179
	0477 Trimble County CT 10	25,333	3.36%	852
		<u>\$ 3,796,323</u>		<u>\$ 127,658</u>
347.00	Asset Retirement Obligations Other Production *	38,429		
	Total Other Production	<u>\$ 237,689,475</u>		<u>\$ 8,578,720</u>

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Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Electric Transmission Plant			
350.2 Transmission Lines Land	\$ 1,573,049	0.00%	\$ -
350.1 Land Rights	7,791,511	0.26%	20,258
352.1 Structures & Improvements	6,471,400	1.68%	108,720
353.1 Station Equipment	127,692,585	0.79%	1,008,771
354 Towers & Fixtures	43,126,250	0.40%	172,505
355 Poles & Fixtures	53,760,275	1.56%	838,660
356 Overhead Conductors & Devices	47,544,070	0.47%	223,457
357 Underground Conduit	2,278,628	0.35%	7,975
358 Underground Conductors & Devices	7,425,284	2.10%	155,931
359 Asset Retirement Obligations - Transmission *	252,454		
Total Transmission Plant	\$ 297,915,506		\$ 2,536,277
Electric Distribution Plant			
360.2 Substation Land	\$ 5,348,665	0.00%	\$ -
360.2 Substation Land Class A (Plant Held Future Use)	627,088	0.00%	-
361 Substation Structures	4,888,254	0.78%	38,128
362.1 Substation Equipment	114,763,926	1.57%	1,801,794
364 Poles Towers & Fixtures	140,371,136	1.77%	2,484,569
365 Overhead Conductors & Devices	241,550,956	1.77%	4,275,452
366 Underground Conduit	69,033,771	1.03%	711,048
367 Underground Conductors & Devices	149,365,140	1.09%	1,628,080
368 Line Transformers	140,986,634	2.13%	3,003,015
369.1 Underground Services	6,064,961	2.27%	137,675
369.2 Overhead Services	22,341,688	1.12%	250,227
370 Meters	38,125,261	0.92%	350,752
373.1 Overhead Street Lighting	35,629,640	4.07%	1,450,126
373.2 Underground Street Lighting	48,916,028	2.76%	1,350,082
374 Asset Retirement Obligations - Distribution *	626,515		
Total Distribution Plant	\$ 1,018,639,663		\$ 17,480,948

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Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Electric General Plant			
392.1 Transportation Equipment - Cars & Light Trucks	\$ 1,570,998	2.22%	\$ 34,876
392.2 Transportation Equipment Trailers	682,934	3.03%	20,693
392.3 Transportation Equipment - Heavy Trucks and Other	6,692,703	2.23%	149,247
394 Tools, Shop, and Garage Equipment	4,652,755	4.27%	198,673
396.1 Power Operated Equipment - Small Machinery	1,292,580	0.00%	-
396.2 Power Operated Equipment - Other	151,087	3.69%	5,575
396.3 Power Operated Equipment - Large Machinery	1,110,685	2.65%	29,433
Total General Plant	<u>\$ 16,153,742</u>		<u>\$ 438,497</u>
 TOTAL ELECTRIC PLANT	 <u>\$ 3,773,204,193</u>		 <u>\$ 69,676,478</u>
Less: Amounts not included in Income Statement Depreciation			
0103 Cane Run Locomotive			\$ (1,080)
0104 Cane Run Rail Cars			(31,456)
0203 Mill Creek Locomotive			(12,849)
0204 Mill Creek Rail Cars			(62,104)
0473 Trimble County CT Pipeline			(76,638)
392.1 Transportation Equipment - Cars & Light Trucks			(34,876)
392.3 Transportation Equipment - Heavy Trucks and Other			(149,247)
396.1 Power Operated Equipment - Small Machinery			-
396.3 Power Operated Equipment - Large Machinery			(29,433)
Less: ECR Depreciation			(1,487,940)
Total Annualized Depreciation Expense excluding ECR and ARO			<u>\$ 67,790,855</u>

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
GAS PLANT			
Intangible Plant	\$ 387	10.58%	\$ 41
Underground Storage			
350.1 Land	\$ 32,864	0.00%	\$ -
350.2 Rights of Way	95,614	0.56%	535
351.2 Compressor Station Structures	5,426,010	2.01%	109,063
351.3 Reg Station Structures	33,152	1.14%	378
351.4 Other Structures	2,652,176	1.82%	48,270
352.40 Well Drilling	2,724,714	0.72%	19,618
352.50 Well Equipment ARO	5,793,188	2.70%	156,416
352.55 Well Equipment	7,475,494	2.70%	201,838
352.1 Storage Leaseholds & Rights	548,241	0.00%	-
352.2 Reservoirs	400,511	0.00%	-
352.3 Nonrecoverable Natural Gas	9,648,855	0.83%	80,085
Gas Stored Underground Non-Current	2,139,990	0.00%	-
353 Lines	15,285,580	1.82%	278,198
354 Compressor Station Equipment	17,056,348	2.37%	404,235
355 Measuring & Regulating Equipment	524,850	1.53%	8,030
356 Purification Equipment	13,340,431	1.97%	262,806
357 Other Equipment	1,719,439	2.25%	38,687
358 Asset Retirement Obligations - Und Storage *	5,201,173		
Total Underground Storage	\$ 90,098,630		\$ 1,608,159
Gas Transmission Plant			
365.2 Rights of Way	\$ 220,659	0.16%	\$ 353
367 Mains	18,939,475	0.79%	149,622
368.07 Asset Retirement Obligation - Cost Gas Trans	3,941,519		
Total Transmission Plant	\$ 23,101,653		\$ 149,975

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
Gas Distribution Plant			
374 Land	\$ 59,725	0.00%	\$ -
374.2 Land Rights	74,018	0.00%	-
375.1 City Gate Structures	367,966	1.46%	5,372
375.2 Other Distribution Structures	532,497	5.26%	28,009
376 Mains	336,076,717	1.89%	6,351,850
378 Measuring and Reg Equipment	12,466,709	2.58%	321,641
379 Meas & Reg Equipment - City Gate	4,460,808	2.12%	94,569
380 Services	195,651,821	3.79%	7,415,204
381 Meters	39,990,525	4.03%	1,611,618
383 House Regulators	23,914,706	4.10%	980,503
385 Industrial Meas & Reg Station Equip	944,360	2.85%	26,914
387 Other Equipment	51,112	2.78%	1,421
388 Asset Retirement Obligations - Distribution *	11,931,609		
Total Distribution Plant	<u>\$ 626,522,573</u>		<u>\$ 16,837,101</u>
Gas General Plant			
392.1 Transportation Equipment - Cars & Light Trucks	\$ 250,262	2.63%	\$ 6,582
392.2 Trailers	599,856	4.80%	28,793
392.3 Transportation Equipment - Heavy Trucks and Other	1,131,842	1.75%	19,807
394 Other Equipment	4,533,726	4.66%	211,272
396.1 Power Operated Equipment - Small Machinery	105,665	0.00%	-
396.2 Power Operated Equipment - Other	177,782	5.90%	10,489
396.3 Power Operated Equipment - Large Machinery	2,181,087	1.16%	25,301
Total General Plant	<u>\$ 8,980,220</u>		<u>\$ 302,244</u>
TOTAL GAS PLANT	<u>\$ 748,703,463</u>		<u>\$ 18,897,520</u>
Less: Amounts not included in Income Statement Depreciation			
392.1 Transportation Equipment - Cars & Light Trucks			\$ (6,582)
392.3 Transportation Equipment - Heavy Trucks and Other			(19,807)
396.1 Power Operated Equipment - Small Machinery			-
396.3 Power Operated Equipment - Large Machinery			(25,301)
Total Annualized Depreciation Expense excluding ECR and ARO			<u>\$ 18,845,830</u>

Louisville Gas and Electric Company
Annualized Depreciation
at March 31, 2012

Property Group	Depreciable Plant 03/31/12	KIUC Proposed Rates ASL	KIUC Depreciation Under Proposed Rates
COMMON UTILITY PLANT			
Intangible Plant			
301 Organization	\$ 83,782	0.00%	\$ -
303 Misc. Intangible Plant - Software	21,873,636	13.97%	3,055,747
303.1 CCS Software	44,513,680	9.92%	4,415,757
Total Intangible Plant	\$ 66,471,098		\$ 7,471,504
Common General Plant			
389.1 Land	\$ 1,685,316	0.00%	\$ -
389.2 Land Rights	202,095	0.00%	-
390.10 Structures and Improvements	61,433,240	3.40%	2,088,730
390.20 Structures and Improvements - Transportation	412,151	5.98%	24,647
390.30 Structures and Improvements - Stores	10,750,498	1.96%	210,710
390.40 Structures and Improvements - Shops	536,692	2.05%	11,002
390.60 Structures and Improvements - Microwave	1,078,816	2.30%	24,813
391.10 Office Furniture	8,673,967	19.94%	1,729,589
391.20 Office Equipment	2,086,580	8.16%	170,265
391.30 Computer Equipment - Non PC	14,508,118	3.43%	497,628
391.31 Personal Computers	4,136,708	21.88%	905,112
391.40 Security Equipment	2,241,823	18.18%	407,563
392.1 Transportation Equipment - Cars & Light Trucks	179,513	11.38%	20,429
392.2 Transportation Equipment - Trailers	83,874	6.34%	5,318
392.3 Transportation Equipment - Heavy Trucks and Other	65,584	0.00%	-
393 Stores Equipment	1,135,864	5.82%	66,107
394 Other Equipment	3,624,119	5.04%	182,656
396.2 Power Operated Equipment - Other	14,147	6.57%	929
396.3 Power Operated Equipment - Large Machinery	235,831	1.13%	2,665
397.10 Communications Equipment - General Assets	29,003,600	13.14%	3,811,073
397.20 Communications Equipment - Specific Assets	5,292,033	4.89%	258,780
397.30 Communications Equipment - Fully Accrued Assets	11,378,217	0.00%	-
397.40 Communications Equipment - Transfer to Meter Equipment	2,243,315	2.84%	63,710
397.50 Communications Equipment - Transfer to Structure Account	77,123	2.70%	2,082
398.00 Miscellaneous Equipment	17,206	0.00%	-
399.10 ARO Asset Retirement Obligations - Common *	101,390		
Total General Plant	\$ 161,197,820		\$ 10,483,808
TOTAL COMMON UTILITY PLANT	\$ 227,668,918		\$ 17,955,312

Less: Amounts not included in Income Statement Depreciation	
392.1 Transportation Equipment - Cars & Light Trucks	\$ (20,429)
392.3 Transportation Equipment - Heavy Trucks and Other	-
396.3 Power Operated Equipment - Large Machinery	(2,665)
Total Annualized Depreciation Expense excluding ECR and ARO	\$ 17,932,218
Electric Allocation of Common Depreciation Expense (71%)	\$ 12,731,875
Gas Allocation of Common Depreciation Expense (29%)	\$ 5,200,343

TOTAL PLANT IN SERVICE **\$ 4,749,576,574**

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

**Louisville Gas and Electric Company
KIUC Adjusted Annualized ECR Depreciation**

Annualized Depreciation for 2005 and 2006 ECR plans to be eliminated

	As Filed	KIUC Adjusted
2005 ECR Plan Monthly Depreciation (from next page)	\$ 54,143	\$ 30,137
2005 Retirements Monthly Depreciation	(5,253)	(5,253)
Net 2005 ECR Plan	\$ 48,890	\$ 24,884
Months	12	12
Annualized 2005 ECR Plan	<u>\$ 586,680</u>	<u>\$ 298,608</u>
2006 ECR Plan Monthly Depreciation (from next page)	\$ 108,851	\$ 86,139
Months	12	12
Annualized 2006 ECR Plan	<u>\$ 1,306,212</u>	<u>\$ 1,033,668</u>
2005 and 2006 ECR Plans Total	<u><u>\$ 1,892,892</u></u>	<u><u>\$ 1,332,276</u></u>

Annualized Depreciation for all ECR plans

2005 and 2006 ECR Plans Total (from above)	<u>\$ 1,892,892</u>	<u>\$ 1,332,276</u>
2009 ECR Plan Monthly Depreciation (from next page)	\$ 18,066	\$ 12,972
Months	12	12
Annualized 2009 ECR Plan	<u>\$ 216,792</u>	<u>\$ 155,664</u>
Annualized All ECR Plans Total	<u><u>\$ 2,109,684</u></u>	<u><u>\$ 1,487,940</u></u>

Louisville Gas and Electric Company
ECR Adjustment for New Rates
March 31, 2012

ECR Plan	Description	Total Installed Cost	Plant Account	Proposed Depr Rate	Proposed Monthly Depr Expense
2005	112767 - Mill Creek Unit 4	100,000.00	310.20	0.0000	-
2005	112767 - Mill Creek Unit 4	3,036,367.19	311.00	0.0185	4,681.07
2005	112767 - Mill Creek Unit 4	1,587,131.44	312.00	0.0278	3,676.85
2005	112767 - Mill Creek Unit 4 Scrubber	94,931.00	312.00	0.0180	142.40
2005	117136 - Cane Run Unit 6	2,462,471.50	311.00	0.0900	18,468.54
2005	117136 - Cane Run Unit 6	144,456.80	312.00	0.1573	1,893.59
2005	117136 - Cane Run Unit 6 Scrubber	2,988,137.00	312.00	0.0574	14,293.26
2005	121587 - Trimble County Unit 1 Scrubber	850,100.28	312.00	0.0139	984.70
2005	122151 - Cane Run Unit 6 Scrubber	308,507.28	312.00	0.0574	1,475.69
2005	119943 - Trimble County Unit 1 Scrubber	7,361,077.48	312.00	0.0139	8,526.58
	Total 2005 Plan				54,142.67
2006	121684 - Trimble County Unit 2 Scrubber	176,605.50	311.00	0.0218	320.83
2006	121684 - Trimble County Unit 2 Scrubber	42,033,278.49	312.00	0.0256	89,670.99
2006	121684 - Trimble County Unit 2 Scrubber	1,529,926.61	315.00	0.0237	3,021.61
2006	132872 - Trimble County Unit 2 Scrubber	496,613.07	312.00	0.0256	1,059.44
2006	122280 - Trimble County Unit 1	468,282.66	311.00	0.0170	663.40
2006	122280 - Trimble County Unit 1	2,971,793.70	312.00	0.0139	3,442.33
2006	121176 - Cane Run Unit 6	27,584.00	312.00	0.1573	361.58
2006	121176 - Mill Creek Unit 4	38,545.00	312.00	0.0278	89.30
2006	121176 - Trimble County Unit 1	20,073.00	312.00	0.0139	23.25
2006	121955 - Monitoring System Software	77,639.00	391.30	0.0343	221.92
2006	122656 - Cane Run Unit 4	172,485.23	312.00	0.0971	1,395.69
2006	122656 - Cane Run Unit 5	172,485.23	312.00	0.1558	2,239.43
2006	122656 - Cane Run Unit 6	172,485.23	312.00	0.1573	2,260.99
2006	122656 - Mill Creek Unit 1	299,141.12	312.00	0.0287	715.45
2006	122656 - Mill Creek Unit 2	299,141.13	312.00	0.0315	785.25
2006	122656 - Mill Creek Unit 3	299,141.13	312.00	0.0291	725.42
2006	122656 - Mill Creek Unit 4	299,141.13	312.00	0.0278	693.01
2006	122656 - Trimble County Unit 1	172,485.23	312.00	0.0139	199.80
2006	115814 - Mill Creek Unit 1	72,995.00	312.00	0.0287	174.58
2006	115815 - Mill Creek Unit 2	86,735.00	312.00	0.0315	227.68
2006	115816 - Mill Creek Unit 3	87,746.00	312.00	0.0291	212.78
2006	115817 - Mill Creek Unit 4	149,675.00	312.00	0.0278	346.75
	Total 2006 plan				108,851.47
2009	121683 - Trimble County Unit 2 Scrubber	7,586,250.26	311.00	0.0218	13,781.69
2009	121683 - Trimble County Unit 2 Scrubber	2,008,096.85	312.00	0.0256	4,283.94
	Total 2009 Plan				18,065.63

Louisville Gas and Electric Company
KIUC Adjusted ECR Adjustment for New Rates
March 31, 2012

ECR Plan	Description	Total Installed Cost	Plant Account	Proposed Depr Rate	Proposed Monthly Depr Expense
2005	112767 - Mill Creek Unit 4	100,000.00	310.20	0.0000	-
2005	112767 - Mill Creek Unit 4	3,036,367.19	311.00	1.50%	3,789.07
2005	112767 - Mill Creek Unit 4	1,587,131.44	312.00	2.09%	2,770.29
2005	112767 - Mill Creek Unit 4 Scrubber	94,931.00	312.00	2.09%	165.70
2005	117136 - Cane Run Unit 6	2,462,471.50	311.00	1.50%	3,072.91
2005	117136 - Cane Run Unit 6	144,456.80	312.00	2.09%	252.15
2005	117136 - Cane Run Unit 6 Scrubber	2,988,137.00	312.00	2.09%	5,215.71
2005	121587 - Trimble County Unit 1 Scrubber	850,100.28	312.00	2.09%	1,483.83
2005	122151 - Cane Run Unit 6 Scrubber	308,507.28	312.00	2.09%	538.49
2005	119943 - Trimble County Unit 1 Scrubber	7,361,077.48	312.00	2.09%	12,848.54
	Total 2005 Plan				30,136.69
2006	121684 - Trimble County Unit 2 Scrubber	176,605.50	311.00	1.50%	220.39
2006	121684 - Trimble County Unit 2 Scrubber	42,033,278.49	312.00	2.09%	73,367.85
2006	121684 - Trimble County Unit 2 Scrubber	1,529,926.61	315.00	1.22%	1,554.05
2006	132872 - Trimble County Unit 2 Scrubber	496,613.07	312.00	2.09%	866.82
2006	122280 - Trimble County Unit 1	468,282.66	311.00	1.50%	584.37
2006	122280 - Trimble County Unit 1	2,971,793.70	312.00	2.09%	5,187.18
2006	121176 - Cane Run Unit 6	27,584.00	312.00	2.09%	48.15
2006	121176 - Mill Creek Unit 4	38,545.00	312.00	2.09%	67.28
2006	121176 - Trimble County Unit 1	20,073.00	312.00	2.09%	35.04
2006	121955 - Monitoring System Software	77,639.00	391.30	3.43%	221.92
2006	122656 - Cane Run Unit 4	172,485.23	312.00	2.09%	301.07
2006	122656 - Cane Run Unit 5	172,485.23	312.00	2.09%	301.07
2006	122656 - Cane Run Unit 6	172,485.23	312.00	2.09%	301.07
2006	122656 - Mill Creek Unit 1	299,141.12	312.00	2.09%	522.14
2006	122656 - Mill Creek Unit 2	299,141.13	312.00	2.09%	522.14
2006	122656 - Mill Creek Unit 3	299,141.13	312.00	2.09%	522.14
2006	122656 - Mill Creek Unit 4	299,141.13	312.00	2.09%	522.14
2006	122656 - Trimble County Unit 1	172,485.23	312.00	2.09%	301.07
2006	115814 - Mill Creek Unit 1	72,995.00	312.00	2.09%	127.41
2006	115815 - Mill Creek Unit 2	86,735.00	312.00	2.09%	151.39
2006	115816 - Mill Creek Unit 3	87,746.00	312.00	2.09%	153.16
2006	115817 - Mill Creek Unit 4	149,675.00	312.00	2.09%	261.25
	Total 2006 plan				86,139.10
2009	121683 - Trimble County Unit 2 Scrubber	7,586,250.26	311.00	1.50%	9,466.86
2009	121683 - Trimble County Unit 2 Scrubber	2,008,096.85	312.00	2.09%	3,505.07
	Total 2009 Plan				12,971.93

Louisville Gas and Electric Company
Summary of Revenue Requirement Adjustments-Jurisdictional Electric Operations
Recommended by KIUC
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

	Amount	B/D and PSC Gross-up	Adj Amt
Increase Requested by Company	61.582		
<u>KIUC Adjustments:</u>			
Operating Income Issues			
Adjust for Carbide Revenue Normalization	(2.760)	1.00535755	(2.745)
Remove Company's Proforma Adjustment Related to Off-System Sales Margins	(5.763)	1.00535755	(5.732)
Normalize Non-Labor Generation Maintenance Outage Expense	(6.069)	1.00535755	(6.036)
Reduce Normalized Storm Damage Expense	(0.382)	1.00535755	(0.380)
Increase Normalized Injuries and Damages Expense	0.181	1.00535755	0.180
Amortize 2011 Windstorm Regulatory Asset Over Ten Years	(0.810)	1.00535755	(0.805)
Reduce Rate Case Amortization	(0.164)	1.00535755	(0.163)
Correct Depreciation Expense	(44.697)	1.00535755	(44.459)
Cost of Capital Issues			
Reduce Capitalization by Amount of Short Term Investment in Money Pool	(5.115)		
Reflect Return on Equity of 9.2%	(31.214)		
Total KIUC Adjustments to Company Request	(96.790)		
KIUC Recommended Change in Base Rates	(35.209)		

KIUC Adjustments to LG&E (Electric) Capitalization and Cost of Capital
Case No. 2012-00221
Test Year Ending March 31, 2012

I. LG&E (Electric) Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Per Filing

	Per Book Balance	LG&E Kentucky Electric Factor	LG&E Adjustments to Capitalization	Adjusted LG&E Capitalization	Adjusted LG&E Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement
Short Term Debt	-	79.01%	-	-	0.00%	0.41%	0.00%	0.00%	-
Long Term Debt	1,105,705,507	79.01%	7,385,010	881,002,931	44.36%	3.81%	1.69%	1.70%	33,746,044
Common Equity	1,387,034,687	79.01%	9,262,895	1,105,159,001	55.64%	11.00%	6.12%	9.82%	195,110,625
Total Capital	2,492,740,194		16,647,905	1,986,161,932	100.00%		7.81%	11.52%	228,856,669

II. LG&E (Electric) Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Reducing Capitalization by Short Term Investments in Money Pool as of March 31, 2012

	Adjusted LG&E Capitalization	KIUC Proforma Adjustment	LG&E Kentucky Electric Factor	KIUC Electric Proforma Adjustment 1	KIUC Kentucky Adjusted Capitalization	KIUC Adjusted Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement	Incremental Revenue Requirement
Short Term Debt	-	-	79.01%	-	-	0.00%	0.41%	0.00%	0.00%	-	-
Long Term Debt	881,002,931	(24,920,375)	79.01%	(19,689,588)	861,313,343	44.36%	3.81%	1.69%	1.70%	32,991,852	(754,192)
Common Equity	1,105,159,001	(31,260,968)	79.01%	(24,699,291)	1,080,459,710	55.64%	11.00%	6.12%	9.82%	190,750,081	(4,360,544)
Total Capital	1,986,161,932	(56,181,343)		(44,388,879)	1,941,773,053	100.00%		7.81%	11.52%	223,741,933	(5,114,736)

III. LG&E (Electric) Capitalization, Cost of Capital, and Gross Revenue Conversion Factor Adjusting Return on Common Equity to 9.2%.

	KIUC Kentucky Adjusted Capitalization	KIUC Adjusted Ratio	Component Costs	Weighted Avg Cost	Grossed Up Cost	Revenue Requirement	Incremental Revenue Requirement
Short Term Debt	-	0.00%	0.41%	0.00%	0.00%	-	-
Long Term Debt	861,313,343	44.36%	3.81%	1.69%	1.70%	32,991,852	-
Common Equity	1,080,459,710	55.64%	9.20%	5.12%	8.22%	159,536,431	(31,213,650)
Total Capital	1,941,773,053	100.00%		6.81%	9.92%	192,528,283	(31,213,650)

**Louisville Gas and Electric Company
Calculation of Revenue Gross Up Factor
As Filed By Company with Additional KIUC Computations
For the Test Year Ended March 31, 2012**

	Company Filed Based on Rates In Effect @ 1/1/2012	Without B/D & PSC Assessments @ 1/1/2012	B/D & PSC Assessments Only @ 1/1/2012
1. Assume pre-tax income of	\$ 100.000000	\$100.000000	\$ 100.000000
2. Bad Debt at .4200%	0.380000		0.380000
3. PSC Assessment at .1529%	0.152900		0.152900
4. Production Tax Credit-Federal	<u>4.058824</u>	<u>4.058824</u>	
5. Taxable income for State income tax	95.408276	95.941176	99.467100
6. State income tax at 6.00%	<u>5.795766</u>	<u>5.827740</u>	<u>5.968026</u>
7. Taxable income for Federal income tax	89.612510	90.113436	93.499074
8. Federal income tax at 35%	<u>31.364379</u>	<u>31.539703</u>	<u>32.724676</u>
9. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 8)	37.693045	37.367443	39.225602
10. Assume pre-tax income of	<u>\$ 100.000000</u>	<u>\$100.000000</u>	<u>\$ 100.000000</u>
11. Gross Up Revenue Factor	<u>62.306956</u>	<u>62.632557</u>	<u>60.774398</u>
12. Gross-Up Conversion Factor	<u>1.604957</u>	<u>1.596614</u>	<u>1.645430</u>
13. Gross-Up Conversion Factor-Debt Only	<u>1.005358</u>	<u>1.000000</u>	<u>1.005358</u>
State Tax Rate			
1. Assume pre-tax income of	\$ 100.000000	\$100.000000	\$ 100.000000
2. Bad Debt at .4200%	0.380000		0.380000
3. PSC Assessment at .1529%	0.152900		0.152900
4. Production Tax Credit-State	<u>2.871000</u>	<u>2.871000</u>	
5. Taxable income for State income tax	96.596100	97.129000	99.467100
6. State income tax at 6.00%	<u>5.795766</u>	<u>5.827740</u>	<u>5.968026</u>

Louisville Gas and Electric Company
KIUC Adjustment to Normalize Non-Labor Generation Maintenance Outage Expense
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

Non-Labor Maintenance Outage Expense Based Upon 5 Year Plus Test Year Avg	14.867
Non-Labor Maintenance Outage Expense Incurred During Test Year	<u>20.903</u>
Adjustment to Normalize Non-Labor Maintenance Outage Expense	<u>(6.036)</u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.005358</u>
Revenue Requirement Effect of Normalizing Non-Labor Maintenance Outage Expense	<u>(6.069)</u>

Year	Expense (a)	CPI-All Urban Consumers	Amount
2012	20.903	1.0000	20.903
2011	15.434	1.0069	15.540
2010	16.866	1.0387	17.519
2009	9.189	1.0558	9.702
2008	15.791	1.0520	16.612
2007	8.170	1.0924	8.925
Total			<u>89.201</u>
Five Year Plus Test Year Average			<u>14.867</u>

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

Louisville Gas and Electric Company
KIUC Adjustment to Reduce Normalized Storm Damage Expense
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

	<u>Amount</u>
Storm Damage Expense Adj Based on 10-Year Average - 12 months Ended March 31 Each Year See amount computed by Company in response to KIUC 2-3a	(2.175)
Storm Damage Expense Adj Based on 10-Year Average - As Filed - Schedule 1.15	<u>(1.796)</u>
Reduction in Normalized Storm Damage Expense Using Annual Data for the 12 months Ended March 31 Each Year	<u>(0.380)</u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.00536</u>
Revenue Requirement Effect of Normalizing Storm Damage Expense Using Annual Data for	<u>(0.382)</u>

Louisville Gas and Electric Company
KIUC Adjustment to Increase Normalized Injuries and Damages Expense Acct 925
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

	<u>Amount</u>
Injuries and Damages Expense Adj Based on 10-Year Average - 12 months Ended March 31 Each Year (See amount computed by Company in response to KIUC 2-4a)	<u>(0.199)</u>
Injuries and Damages Expense Adj Based on 10-Year Average - As Filed - Schedule 1.16	<u>(0.379)</u>
Increase in Injuries and Damages Expense Using Annual Data for the 12 months Ended March 31 Each Year	<u><u>0.180</u></u>
Gross-Up Factor for BD and PSC Assessment Fees	<u>1.005358</u>
Revenue Requirement Effect of Normalizing Injuries and Damages Expense Using Annual Data for 12 months Ended March 31 Each Year	<u><u>0.181</u></u>

Louisville Gas and Electric Company
KIUC Adjustment to Amortize 2011 Windstorm Regulatory Asset Over Ten Years
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

2011 Windstorm Regulatory Asset

Amortization Period in Years

Amortization Per Year

Amount of Test Year Amortization Computed by Company Using 5 Year Amortization Period

KIUC Adjustment to Amortize 2011 Windstorm Regulatory Asset Over Ten Years

Gross-Up Factor for BD and PSC Assessment Fees

Revenue Requirement Effect of Normalizing Injuries and Damages Expense Using Annual Data for
12 months Ended March 31 Each Year

Amount

8.052

10

0.805

1.610

(0.805)

1.005358

(0.810)

Louisville Gas & Electric Company
KIUC Adjustment to Reduce Rate Case Amortization Expense
Case No. 2012-00222
For the Test Year Ended March 31, 2012
(\$ Millions)

	Amount
2008 Rate Case Expense Amortization Expense Discontinued But Remaining in Rates See Response to Staff 1-57 (b)	(0.206)
March 2012	0.021
April 2012	0.021
May 2012	0.021
June 2012	0.021
July 2012	0.021
Aug 2012	0.021
September 2012	0.021
October 2012	0.021
November 2012	0.021
December 2012	0.021
Total	0.206
Unamortized Balance of 2009 Rate Case Regulatory Asset at December 31, 2012	0.163
Remaining 2009 Rate Case Regulatory Asset at December 31, 2012 Assuming Continued 2008 Rate Case Amortization Expense Applied to 2009 Rate Case Balance	(0.043)
Since 100% of the Remaining 2009 Rate Case balance was exhausted, use zero going forward	
2012 Rate Case Expense Estimated by the Company in This Proceeding - As Revised	0.848
Remaining Rate Case Expenses to be Amortized	0.848
Amortization Period in Years	3
Amortization Per Year	0.283
Amount of Test Year Amortization Computed by Company - Schedule 1.23	0.446
KIUC Adjustment to Reduce Rate Case Amortization Expense	(0.163)
Gross-Up Factor for BD and PSC Assessment Fees	1.005358
Revenue Requirement Effect of Reducing Rate Case Amortization Expense	(0.164)