

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

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

**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 )**

**DIRECT TESTIMONY  
AND EXHIBITS OF  
MICHAEL J. MAJOROS, JR.**

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

**October 2012**

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1   **I.    Introduction**

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

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

5   **Q.    Describe Snavely King Majoros & Associates, Inc.**

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

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

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

22

1 **Q. For whom are you appearing in this proceeding?**

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

3 **II. Subject of Testimony**

4 **Q. What is the subject of your testimony?**

5 A. My testimony addresses depreciation.

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

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

12 **III. Purpose of Testimony**

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

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

- 17 • Review the Companies’ life and curve studies for all production, transmission,  
18 distribution and general plant accounts to determine if there is any evidence that the  
19 Companies’ Depreciation Witnesses’ service life proposals demonstrate a “systematic  
20 bias” towards shorter lives.
- 21 • Review the Companies’ Production Plant Interim Retirement Rate Assumptions
- 22 • Review the Companies’ Terminal and Interim Net Salvage Proposals for the  
23 Production Plant accounts, and address the \$651 million Regulatory Liability the



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

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

1 rate is overstated because it includes terminal net salvage, which will not be incurred.

2 Second, the blended rate is overstated because it includes excessive interim net  
3 salvage associated with As noted above, I have eliminated terminal net salvage from  
4 production depreciation so that cures one of the problems. I have cured the other  
5 problem by applying Mr. Spanos's proposed interim net salvage ratios. solely to the  
6 lower interim retirement estimates resulting from the best-fit interim life and curve  
7 recommendations for the production plant accounts.

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

11 **Q. What is the incremental effect of these adjustments?**

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

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

20 **VI. Structure of Testimony**

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

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

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

3 **Q. How have you structured your testimony?**

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

8 **VII. Present Depreciation Rates**

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

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

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

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

20 **Q. What occurred next?**

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

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<sup>1</sup> Order, Case Nos. 2001-054 et al., page 4.

<sup>2</sup> Id., p. 7.



1           except depreciation.<sup>3</sup> The Commission rejected both of our recommendations and chose  
2           to retain the existing depreciation rates established in Case Nos. 2001-140 and 2001-  
3           141.<sup>4</sup>

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

6   A.   The Companies' net salvage estimates included double inflation. Although the  
7   Companies submitted a revised calculation removing the additional inflation adjustment,  
8   the Commission still expressed concern over the amount of inflation included in the  
9   estimates.<sup>5</sup>

10 **Q.   Have the Companies filed any depreciation studies subsequent to Case Nos. 2003-**  
11 **00433 and 2003-00434?**

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

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

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

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<sup>3</sup> Response to PSC1-1.

<sup>4</sup> Order, Case Nos. 2003-00433 and 2003-00434, pages 34 and 30, respectively.

<sup>5</sup> Orders, Case Nos. 2003-00433 and 2003-00434, pages 32 and 27, respectively.

1 approach rather than an inflated future value approach. The parties settled the cases and  
2 agreed to adopt the new depreciation rates proposed by the Companies adjusted to use the  
3 ASL methodology. The parties also agreed that for accounting and ratemaking purposes,  
4 the Companies' would depreciate over 10 years, their new Customer Care System  
5 software. The current depreciation rates were established the settlements of Case Nos.  
6 2007-00564 and 2007-00565.

7 **VIII. Mr. Spanos's New Proposals**

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

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

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

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

14 **Q. What is the retirement rate method?**

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

21 **Q. What does an OLT look like?**

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

1 **Q. What is the next step in the process?**

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

6 **Q. What is an Iowa curve?**

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

15 There are left-skewed, symmetrical and right-skewed curves known, respectively,  
16 as the “L curves,” “S curves” and “R curves.”<sup>6</sup> A number identifies the range of  
17 dispersion. A low number represents a wide pattern and high number a narrow pattern.  
18 The combination of one letter and one number defines a dispersion pattern. The  
19 combination of an average service life with an Iowa curve provides a survivor curve  
20 depicting how a group of assets will survive, or conversely be retired, over the average  
21 service life.

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<sup>6</sup> There is also a set of Origin Modal (“O”) curves, which are essentially negative exponential curves.

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

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

9

1

**TABLE 1**

<b><u>Survivor Curves</u></b>		
	<b>5 S0</b>	<b>10 S0</b>
<b><u>Age</u></b>	<b><u>Percent Surviving</u></b>	<b><u>Percent Surviving</u></b>
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		<u>0.00</u>
<b>Total</b>	<b>5.00</b>	<b>10.00</b>

2

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

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

7

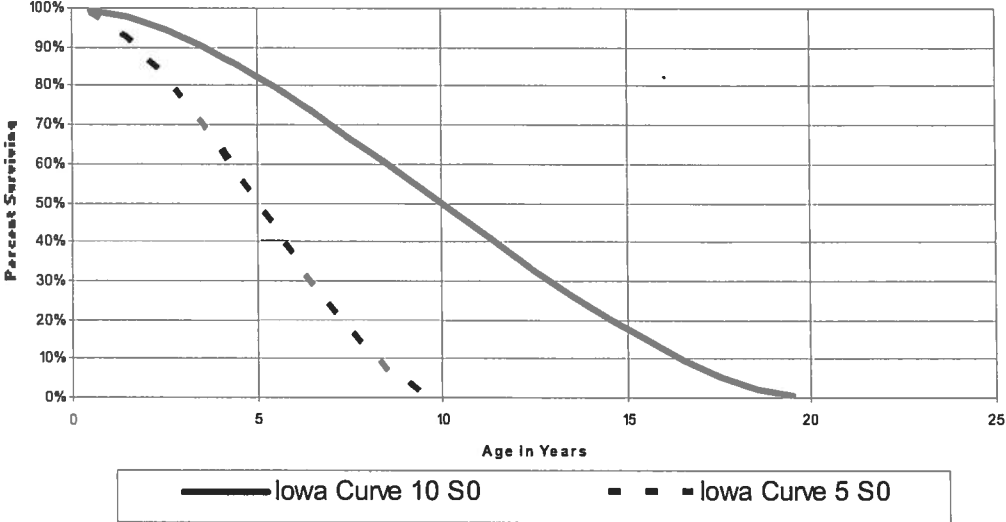
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**TABLE 2**

**Example of Same Curve With Different Lives**



2

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

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

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

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

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

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

2 **Q. How did Mr. Spanos implement his bias?**

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

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

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

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

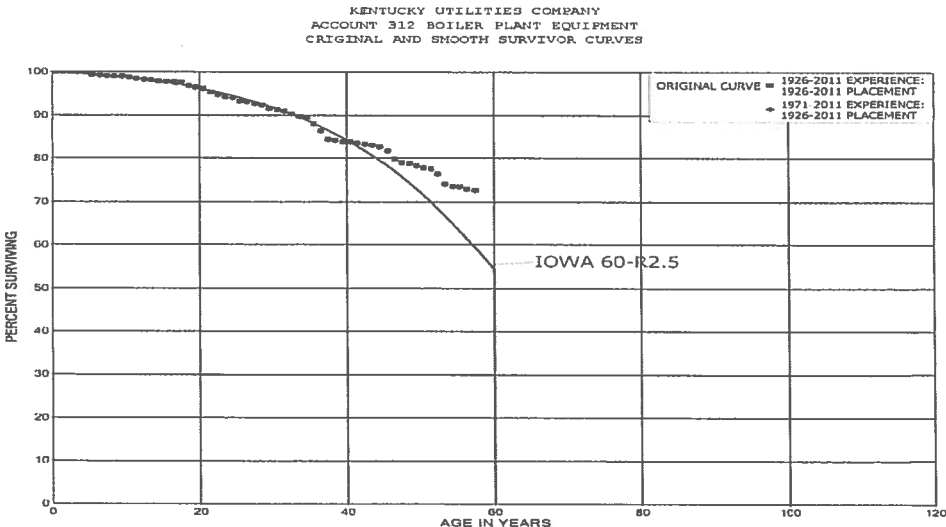
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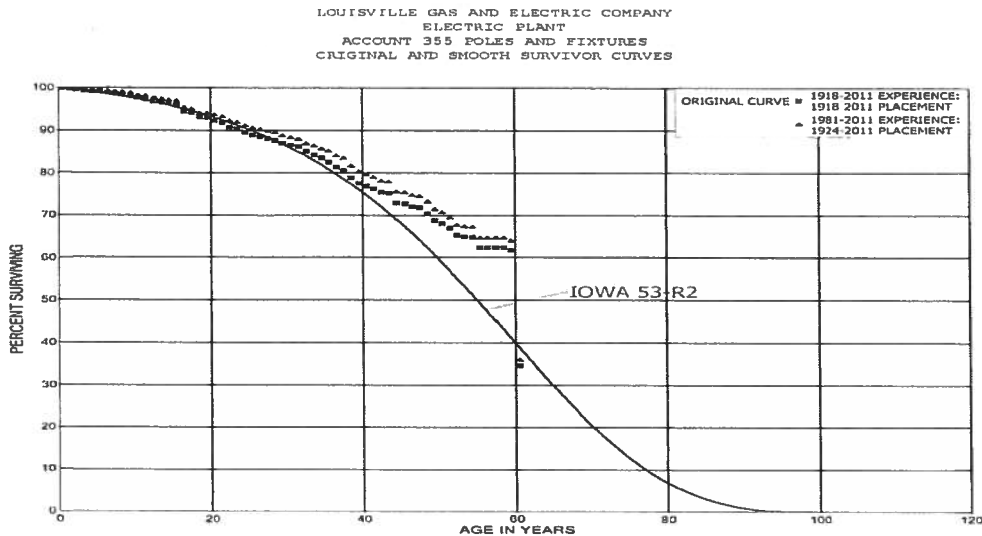
**TABLE 3**



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**TABLE 4**



4

5

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

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

5 **Q. Why do you use the word “arbitrarily”?**

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

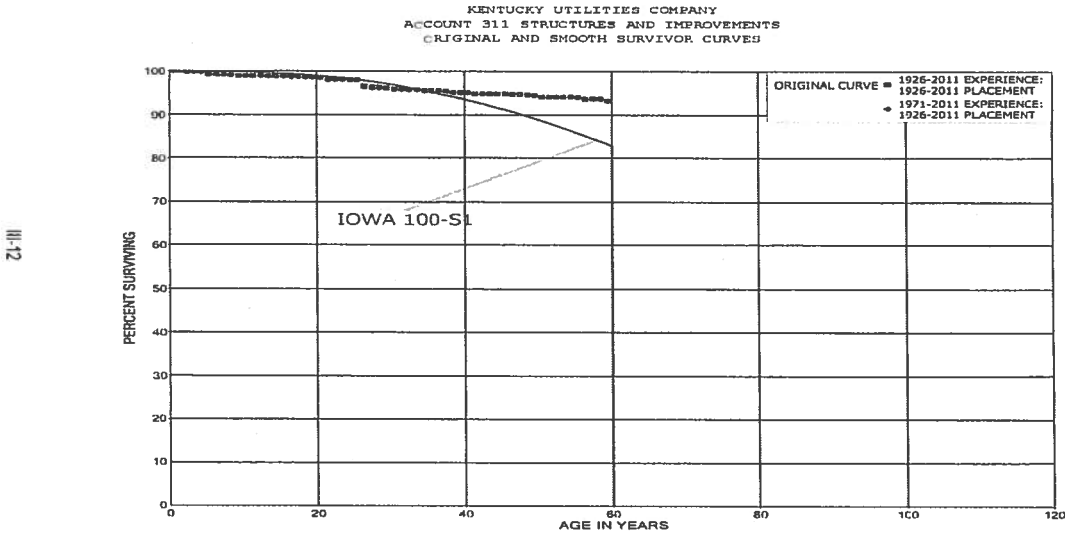
12 **Q. Can you provide an example?**

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

17

1

TABLE 5



2

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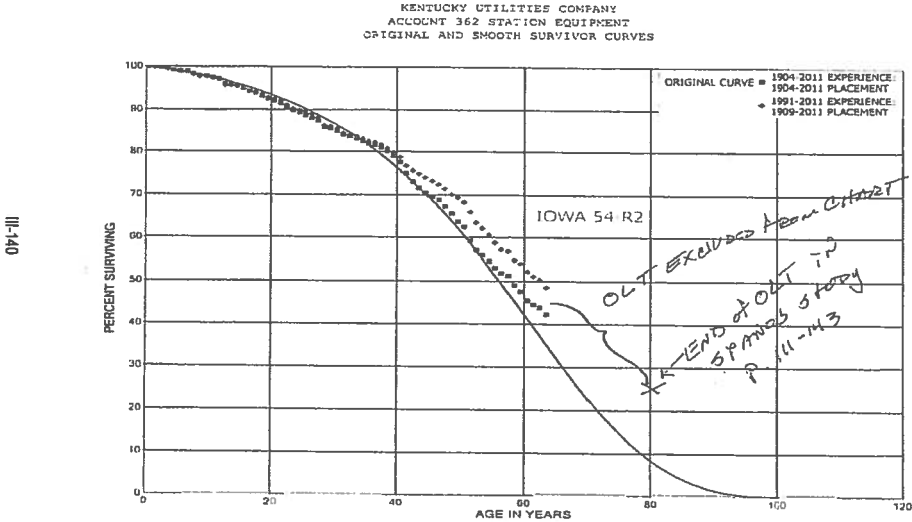
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Table 6 is Mr. Spanos's chart for KU account 362-Station Equipment. It is an example of an account where Mr. Spanos excluded a substantial portion of his OLT from his charts. My handwriting identifies the exclusion. As one can see, the exclusion provides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

1

**TABLE 6**



2

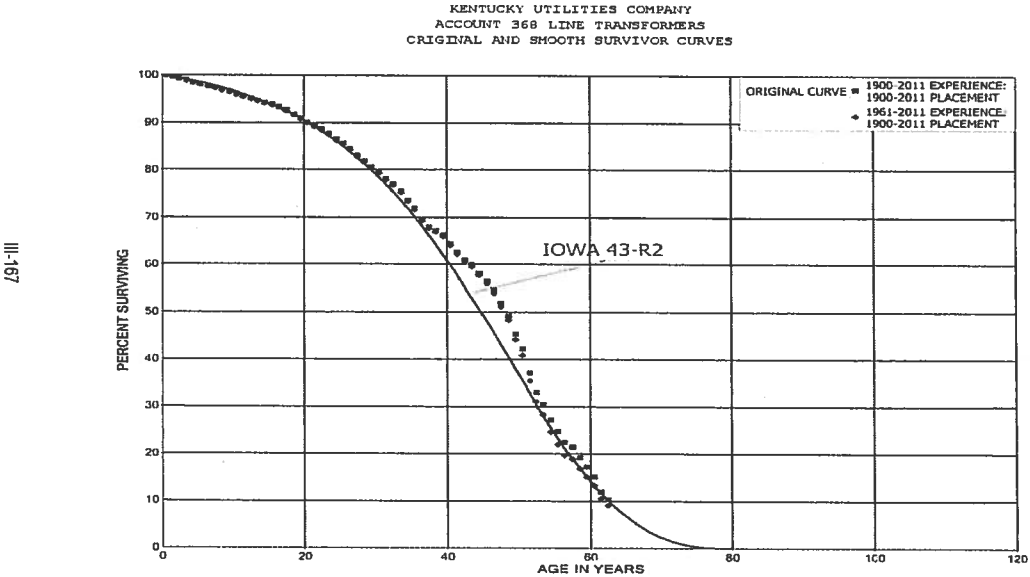
3 **Q. Did Mr. Spanos ever get it right?**

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

8

1

**TABLE 7**



III-167

2

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

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

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

2 **Q. What do you conclude?**

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

7 **Q. What do you recommend?**

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

10

11 **X. Life Span Method**

12 **Q. What is the life span method?**

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

16 Chapter X of the National Association of Regulatory Public Utility Commissioners'  
17 August 1996 Public Utility Depreciation Practices Manual ("NARUC Manual")  
18 addresses the life span method. It stresses that the terminal retirement date is the most  
19 important factor in the determination of a depreciation rate using the life span method.<sup>7</sup>

20 The NARUC Manual requires consideration of several factors, including economic  
21 studies, retirement plans, forecasts, technological obsolescence, adequacy of capacity and  
22 competitive pressure in order to develop an informed estimate of the terminal retirement

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<sup>7</sup> NARUC Manual, p. 146.

1 date.<sup>8</sup>

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

4 A. Yes, they do.

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

6 A. Yes, at its core, the life span requires estimates of the total life span of a unit (say 60  
7 years), the percentage of today's plant subject to piece-part retirement before the final  
8 retirement (say 10 percent), and the average service life of the piece-part retirements (say  
9 30 years.). With these assumptions a weighted average life is calculated as follows"

10 **Life Span Depreciation Rate**

11	Plant subject to final retirement	90% X 60 years = 54
12	Plant subject to interim retirement	<u>10% X 30 years = 30.</u>
13	Total	100%            57 years
14	Depreciation Rate	1/57=1.75%

15

16

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

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

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<sup>8</sup> Id.

1 **XI. Production Plant Interim Retirements**

2 **Q. What is an interim retirement?**

3 A. “As used in life span analysis, [they are] retirements of component parts of a major  
4 structure prior to the complete removal of the retirement unit from service.”<sup>9</sup>

5 **Q. What is an interim retirement ratio?**

6 A. It is “The ratio of the interim dollars retired from a group during a period divided by the  
7 total dollars in service at the beginning of the period.”<sup>10</sup>

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

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

12 **Q. Do you agree with Mr. Spanos’s proposals?**

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

20 **TABLE 8**

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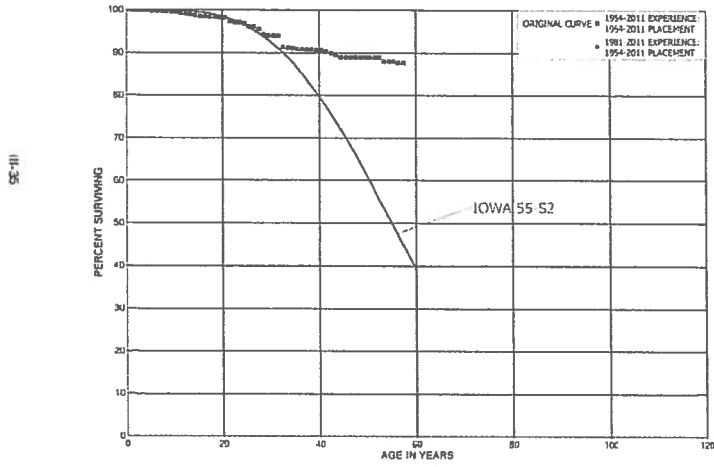
<sup>9</sup> See NARUC at 321.

<sup>10</sup> Id.



**Direct Testimony of  
Michael J. Majoros, Jr.**

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

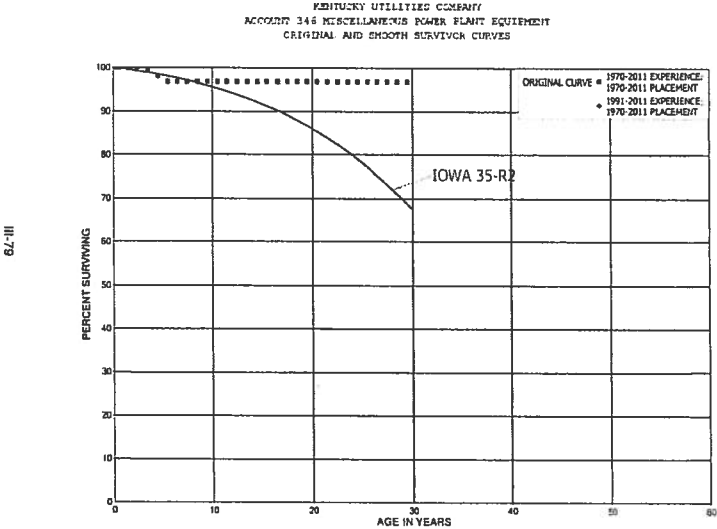


1

2

1

**TABLE 9**



2

3 **Q. What is the effect of Mr. Spanos’s judgment adjustments?**

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

7 **Q. Can you provide a simple example?**

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

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

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

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

2 **Life Span Depreciation Rate**

3	Plant subject to final retirement	50% X 60 years = 30
4	Plant subject to interim retirement	<u>50%</u> X 30 years = <u>15</u>
5	Total	100%                      45 years
6	Depreciation Rate	1/45=2.22%

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

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

10 **Q. What do you recommend?**

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

13 **XII. Net Salvage – Stop the Bleeding**

14 **Q. What is net salvage?**

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

---

<sup>11</sup> In more technical terms, gross salvage is the amount recorded due to the sale, reimbursement, or reuse of retired property. See NARUC at 320.

<sup>12</sup> Cost of removal is the cost incurred in connection with the retirement from service and the disposition of depreciable plant. See NARUC at 317.



**Direct Testimony of  
Michael J. Majoros, Jr.**

1	<b>Kentucky Utilities</b>	\$348,401,594	\$365,054,959
2	<b>Louisville Gas and Electric</b>	\$274,607,374	\$286,215,127
3	<b>Total</b>	<b>\$623,008,968</b>	<b>\$651,270,086</b>

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

7 **Q. Where did you obtain these numbers?**

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

9 **Q. How firm are these numbers?**

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

16 **Q. What is a regulatory liability?**

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

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

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

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

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

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

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

9 **XIII. Replacement Costs**

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

12 A. Yes, a majority of the Companies’ recorded cost of removal results from the Companies’  
13 allocation of replacement costs to “cost of removal.” The USoA defines cost of removal  
14 as follows:

15 10. *Cost of removal* means the cost of demolishing, dismantling,  
16 tearing down or otherwise removing electric plant, including the  
17 cost of transportation and handling incidental thereto. It does not  
18 include the cost of removal activities associated with asset  
19 retirement obligations that are capitalized as part of the tangible  
20 long-lived assets that give rise to the obligation. (18 CFR Ch.1,  
21 Subchapter C, Part 101, Definition 10.)  
22

23 The FERC USoA also defines replacements as follows:

24 32. A. *Replacing or replacement*, when not otherwise indicated in  
25 the context, means the construction or installation of electric  
26 plant in place of property retired, together with the removal of the  
27 property retired.  
28 (*Id.*, Definition 32.)  
29

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

8   **XIV. Production Plant Terminal and Interim Net Salvage**

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

11   A.    Yes, the Companies have increased their proposed production plant depreciation rates to  
12   account for two types of future net salvage. They have increased depreciation rates to  
13   collect for the future dismantlement of the plants. The Companies call this “Terminal  
14   Net Salvage.” They have also increased their proposed depreciation rates to collect for  
15   the Interim Net Salvage they estimate they will incur prior to the terminal retirement  
16   dates. This is “Interim Net Salvage.” Exhibit\_\_\_ (MJM-6) shows Mr. Spanos’s net  
17   salvage proposals for the Companies’ production plant accounts.

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

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

1 result from a planned outage for example.

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

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

6 **Q. What do you recommend?**

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

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

19 A. As shown in Exhibit\_\_\_(MJM-6), they propose to collect the following:

	<u>Terminal</u>	<u>Interim</u>	<u>Total</u>
	\$millions		
22 KU	\$313.1	\$173.0	\$486.1

<sup>14</sup> Response to KIUC 2.50

<sup>15</sup> Responses to Staff Q. 50 and 51, KIUC 2.45 and 2.50.



1           LGE           \$153.8                   \$151.1                   \$304.9

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

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

6   **Q.    How much have they collected to date?**

7   A.    KU has collected \$115 million more than it has actually spent for production plant net  
8        salvage and LGE has collected \$85 million more than it has actually spent for production  
9        plant net salvage.<sup>16</sup>

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

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

18 **XV.   Summary**

19 **Q.    Have you summarized your recommendations?**

20 A.    Yes, Exhibit \_\_\_ (MJM-9) summarizes my recommendations for both Companies.

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

22 A.    Yes, it does.

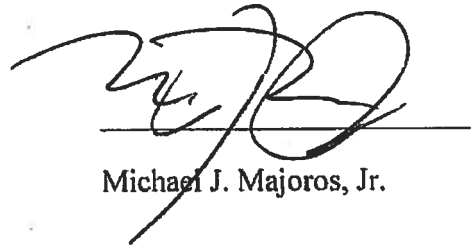
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<sup>16</sup> Exhibit \_\_\_ (MJM-5)

**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  
28<sup>th</sup> day of September 2012



Notary Public

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

**Experience**

**Snavelly 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" 30<sup>th</sup> 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.

<u>Date</u>	<u>Jurisdiction / Agency</u>	<u>Docket</u>	<u>Utility</u>
<b><u>Federal Courts</u></b>			
2005	US District Court, Northern District of AL, Northwestern Division 55/56/57/	CV 01-B-403-NW	Tennessee Valley Authority

<b><u>State Legislatures</u></b>			
2006	Maryland General Assembly 61/	SB154	Maryland Healthy Air Act
2006	Maryland House of Delegates 62/	HB189	Maryland Healthy Air Act

<b><u>Federal Regulatory Agencies</u></b>			
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.

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

Michael J. Majoros, Jr.

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



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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.

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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 REPRESRIPTION CONFERENCES**

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

Michael J. Majoros, Jr.

**PARTICIPATION IN PROCEEDINGS WHICH WERE  
SETTLED BEFORE TESTIMONY WAS SUBMITTED**

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

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Clients

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

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

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

**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 )**

**EXHIBITS OF  
MICHAEL J. MAJOROS, JR.**

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

**October 2012**

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 (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)
				ACCURAL AMOUNT (7)	ACCURAL RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)/(10)	
<b>DEPRECIABLE PLANT</b>									
<b>INTANGIBLE PLANT</b>									
302.00	FRANCHISES AND CONSENTS	0	55,918.83	10,503	18.78	3.3	0.00%	0	10,503
303.00	MISCELLANEOUS INTANGIBLE PLANT	0	18,338,712.02	2,801,459	15.28	3.9	20.00%	3,667,742	(866,283)
303.10	CCS SOFTWARE	0	40,210,208.29	3,995,916	9.94	7.5	10.00%	4,021,021	(25,105)
	<b>TOTAL INTANGIBLE PLANT</b>		<b>58,604,839.14</b>	<b>6,807,878</b>	<b>11.62</b>			<b>7,688,763</b>	<b>(880,885)</b>
<b>STEAM PRODUCTION PLANT</b>									
311.00	STRUCTURES AND IMPROVEMENTS								
	TRIMBLE COUNTY UNIT 2	(15)	106,290,580.94	2,021,312	1.90	51.2	2.10%	2,232,102	(210,790)
	TRIMBLE COUNTY UNIT 2 SCRUBBER	(15)	5,522,306.98	75,374	1.36	48.6	2.10%	115,968	(40,594)
	SYSTEM LABORATORY	(1)	824,968.82	8,170	0.99	-	1.54%	12,705	(4,535)
	TYRONE UNIT 3	(10)	5,608,825.07	0	-	-	0.00%	0	0
	TYRONE UNITS 1 AND 2	(10)	583,381.44	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	(10)	2,821,436.66	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 4	(10)	5,476,054.30	426,905	7.80	4.0	0.00%	0	426,905
	GREEN RIVER UNITS 1 AND 2	(10)	2,560,764.18	0	-	-	0.00%	0	0
	BROWN UNIT 1	(11)	4,703,189.76	21,822	0.46	16.4	0.60%	28,219	(6,397)
	BROWN UNIT 2	(11)	2,232,100.04	20,077	0.90	22.4	0.08%	1,786	18,291
	BROWN UNIT 3	(11)	21,039,674.36	400,691	1.90	23.2	0.54%	113,614	287,077
	BROWN UNITS 1, 2 AND 3 SCRUBBER	(11)	43,917,221.15	2,010,590	4.58	23.4	2.65%	1,163,806	846,784
	PINEVILLE UNIT 3	(10)	16,204.29	0	-	-	0.00%	0	0
	GHEENT UNIT 1 SCRUBBER	(12)	8,483,789.23	113,954	1.34	22.1	2.65%	224,820	(110,866)
	GHEENT UNIT 1	(12)	18,842,151.21	111,264	0.59	22.3	0.39%	73,484	37,780
	GHEENT UNIT 2	(12)	16,011,012.98	176,840	1.10	21.4	0.50%	80,055	96,785
	GHEENT UNIT 3	(12)	42,177,125.67	671,100	1.59	24.4	1.19%	501,908	169,192
	GHEENT UNIT 4	(12)	31,022,090.50	770,327	2.48	25.7	1.41%	437,411	332,916
	GHEENT UNIT 2 SCRUBBER	(12)	15,817,337.72	218,174	1.38	22.0	2.65%	419,159	(200,985)
	<b>TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS</b>		<b>333,950,215.30</b>	<b>7,046,600</b>	<b>2.11</b>	<b>30.7</b>		<b>5,405,039</b>	<b>1,641,561</b>
312.00	BOILER PLANT EQUIPMENT								
	TRIMBLE COUNTY UNIT 2	(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	(15)	70,735,319.61	1,453,909	2.06	48.2	4.28%	3,027,472	(1,573,563)
	TYRONE UNIT 3	(10)	13,993,285.78	1,082,465	7.74	4.0	3.99%	558,332	524,133
	TYRONE UNITS 1 AND 2	(10)	421,899.96	0	-	-	0.14%	591	(591)
	GREEN RIVER UNIT 3	(10)	12,145,770.44	922,012	7.59	3.9	3.08%	374,090	547,922
	GREEN RIVER UNIT 4	(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	(10)	349,297.88	0	-	-	2.18%	7,615	(7,615)
	BROWN UNIT 1	(11)	45,302,489.09	1,471,865	3.25	16.0	2.98%	1,350,014	121,851
	BROWN UNIT 2	(11)	41,956,868.14	1,252,209	2.98	21.5	3.01%	1,262,902	(10,693)
	BROWN UNIT 3	(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	(11)	323,725,098.68	14,820,202	4.58	23.0	3.87%	12,528,161	2,292,041
	PINEVILLE UNIT 3	(10)	236,470.42	0	-	-	0.00%	0	0
	GHEENT UNIT 1 SCRUBBER	(12)	144,202,759.28	5,799,995	4.02	22.0	3.87%	5,580,647	219,348
	GHEENT UNIT 1	(12)	98,785,055.46	5,834,075	2.93	21.6	3.84%	7,533,346	(1,799,271)
	GHEENT UNIT 2	(12)	98,446,686.35	1,779,312	1.81	20.8	2.33%	2,293,808	(514,496)
	GHEENT UNIT 3	(12)	254,967,909.72	5,879,680	2.31	23.6	2.63%	6,705,656	(825,976)
	GHEENT UNIT 4	(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 (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)
				ACCURAL AMOUNT (7)	ACCURAL RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)*(10)	
312. cont.	GHEHT UNIT 2 SCRUBBER	• (12)	93,278,511.28	2,270,953	2.43	21.8	3.87%	3,609,878	(1,338,925)
	GHEHT UNIT 3 SCRUBBER	• (12)	127,988,949.01	4,782,967	3.74	24.8	3.87%	4,953,172	(170,205)
	GHEHT UNIT 4 SCRUBBER	• (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	• (15)	83,984,732.76	1,836,110	2.19	45.8	2.78%	2,335,054	(498,944)
	TYRONE UNIT 3	• (10)	4,805,513.66	370,738	7.71	3.9	3.44%	165,310	205,428
	TYRONE UNITS 1 AND 2	• (10)	88,205.72	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 3	• (10)	4,562,193.51	241,317	5.29	4.0	2.90%	132,304	109,013
	GREEN RIVER UNIT 4	• (10)	10,390,485.90	472,404	4.55	4.0	3.79%	393,799	78,605
	BROWN UNIT 1	• (11)	7,512,824.95	215,514	2.87	16.0	1.12%	84,144	131,370
	BROWN UNIT 2	• (11)	12,299,721.87	228,841	1.86	22.3	2.91%	357,922	(129,081)
	BROWN UNIT 3	• (11)	29,293,398.16	543,748	1.86	21.7	3.17%	928,601	(384,853)
	BROWN UNIT 4	• (11)	36,687,321.40	978,789	2.67	21.3	2.23%	818,127	160,662
	GHEHT UNIT 1	• (12)	30,417,591.79	682,670	2.24	19.4	2.08%	632,686	49,984
	GHEHT UNIT 2	• (12)	42,595,566.80	887,493	2.08	22.0	2.03%	864,690	22,803
	GHEHT UNIT 3	• (12)	57,036,973.14	1,388,323	2.43	22.9	2.20%	1,254,813	133,510
	GHEHT UNIT 4	• (12)	319,664,519.66	7,845,947	2.45	24.8		7,967,449	(121,502)
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS								
315.00	ACCESSORY ELECTRIC EQUIPMENT								
	TRIMBLE COUNTY UNIT 2	• (15)	41,600,356.80	836,186	2.01	51.3	2.49%	1,035,849	(199,663)
	TYRONE UNIT 3	• (10)	1,415,469.10	22,036	1.56	44.2	2.49%	35,245	(13,209)
	TYRONE UNITS 1 AND 2	• (10)	2,081,692.71	305,060	14.65	3.9	0.00%	0	305,060
	GREEN RIVER UNIT 3	• (10)	99,210.72	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 4	• (10)	1,205,362.18	194,829	16.16	4.0	0.00%	0	194,829
	BROWN UNIT 1	• (11)	2,695,328.66	283,879	10.53	3.9	1.46%	39,352	244,527
	BROWN UNIT 2	• (11)	8,597,465.88	62,118	1.61	16.5	2.10%	81,041	(18,923)
	BROWN UNIT 3	• (11)	2,165,576.99	47,686	2.20	22.5	0.48%	10,395	37,291
	BROWN UNIT 4	• (11)	8,597,465.88	128,146	1.49	23.5	0.54%	46,426	81,720
	GHEHT UNIT 1 SCRUBBER	• (12)	29,503,821.45	1,342,875	3.89	22.5	2.70%	796,603	546,272
	GHEHT UNIT 2	• (12)	13,292,784.70	517,122	3.89	21.5	2.70%	358,905	158,217
	GHEHT UNIT 3	• (12)	8,872,543.26	77,332	0.87	21.5	0.55%	48,799	28,533
	GHEHT UNIT 4	• (12)	13,858,388.53	229,310	1.65	21.4	0.60%	83,150	146,160
	GHEHT UNIT 1	• (12)	30,932,405.42	490,361	1.59	24.1	1.03%	318,604	171,757
	GHEHT UNIT 2	• (12)	24,412,796.92	429,536	1.76	25.2	1.22%	297,836	131,700
	GHEHT UNIT 3	• (12)	1,155,753.06	54,270	4.70	22.5	2.70%	31,205	23,065
	GHEHT UNIT 4	• (12)	12,041,998.28	451,284	3.75	25.5	2.70%	325,134	126,150
	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	• (15)	3,502,446.96	81,004	2.31	48.2	3.00%	105,073	(24,069)
	TYRONE UNIT 3	• (10)	2,763,048.67	74,526	2.70	26.8	2.74%	75,708	(1,182)
	TYRONE UNITS 1 AND 2	• (10)	553,355.01	90,112	16.28	4.0	3.12%	17,265	72,847
	GREEN RIVER UNIT 3	• (10)	50,126.84	0	-	-	0.00%	0	0
	GREEN RIVER UNIT 4	• (10)	152,146.47	16,545	10.87	4.0	3.97%	6,040	10,505
	BROWN UNIT 1	• (11)	2,408,142.84	310,000	12.87	4.0	2.71%	65,261	244,739
	BROWN UNIT 2	• (11)	84,749.53	0	-	-	0.00%	0	0
	BROWN UNIT 3	• (11)	432,577.58	8,059	1.86	16.0	2.26%	9,776	(1,717)
	BROWN UNIT 4	• (11)	106,658.32	395	0.37	21.6	0.71%	757	(362)
	TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT		5,070,448.32	121,490	2.40	22.2	2.33%	118,141	3,349



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	(1) ACCOUNT	(2) SURVIVOR CURVE	(3) NET SALVAGE PERCENT	(4) ORIGINAL COST	Spanos Proposed		(9)=(6)/(7) COMPOSITE REMAINING LIFE	Current Rates and Accruals				
					(7) ACCRUAL AMOUNT	(8)=(7)/(4) ACCRUAL RATE		(10) Rate	(11)=(4)*(10) Accrual	(12)=(7)-(11) Difference		
316. cont.												
	GHEHT UNIT 1 SCRUBBER	70-R1.5	*	1,033,027.09	15,091	1.46	21.4	2.87%	29,648	(14,557)		
	GHEHT UNIT 1	70-R1.5	*	1,747,526.86	18,058	1.03	21.0	1.38%	24,116	(6,058)		
	GHEHT UNIT 2	70-R1.5	*	1,500,525.31	13,774	0.92	20.6	1.07%	16,056	(2,282)		
	GHEHT UNIT 3	70-R1.5	*	3,150,437.55	42,799	1.36	23.2	1.40%	44,106	(1,307)		
	GHEHT UNIT 4	70-R1.5	*	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	*	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	*	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	*	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	*	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	*	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	*	287,023.86	13,551	4.56	16.9	3.55%	10,544	3,007		
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT			287,023.86	13,551	4.56	16.9		10,544	3,007		
336.00	ROADS, RAILROADS AND BRIDGES DIX DAM	55-R4	*	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		

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)
				ACCUMULATED AMOUNT (7)	ACCUMULATED RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)*(10)	
OTHER PRODUCTION PLANT									
340.10	LAND RIGHTS BROWN CT GAS PIPELINE		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	2.97%	5,239	(1,292)
341.00	STRUCTURES AND IMPROVEMENTS								
	TRIMBLE COUNTY CT 5	(5)	3,740,231.32	144,756	3.87	19.0	3.14%	117,443	27,313
	TRIMBLE COUNTY CT 6	(5)	3,588,684.24	138,671	3.86	19.0	3.12%	111,967	26,704
	TRIMBLE COUNTY CT 7	(5)	3,559,154.97	135,304	3.80	20.9	3.32%	118,164	17,140
	TRIMBLE COUNTY CT 8	(5)	3,548,851.71	134,912	3.80	20.9	3.32%	117,822	17,090
	TRIMBLE COUNTY CT 9	(5)	3,655,976.41	139,485	3.82	20.9	3.32%	121,378	18,107
	TRIMBLE COUNTY CT 10	(5)	3,653,029.99	139,372	3.82	20.9	3.32%	121,281	18,091
	BROWN CT 5	(5)	775,081.85	30,044	3.88	18.1	3.04%	23,562	6,482
	BROWN CT 6	(5)	192,814.02	8,200	4.25	16.4	3.05%	5,881	2,319
	BROWN CT 7	(5)	544,965.97	22,379	4.11	16.3	2.93%	15,968	6,411
	BROWN CT 8	(5)	2,012,654.95	76,440	3.80	12.6	2.60%	52,329	24,111
	BROWN CT 9	(5)	4,641,054.86	130,408	2.81	17.2	2.60%	120,667	9,741
	BROWN CT 10	(5)	1,865,718.20	55,973	3.00	17.2	2.61%	48,695	7,278
	BROWN CT 11	(5)	1,895,013.50	75,771	4.00	13.6	2.72%	51,544	24,227
	HAFLING UNITS 1, 2 AND 3	(5)	434,853.46	44,528	10.24	8.3	6.47%	28,135	16,393
	PADDY'S RUN GENERATOR 13	(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	(5)	239,584.43	9,049	3.78	19.4	3.21%	7,891	1,358
	TRIMBLE COUNTY CT 6	(5)	239,245.54	9,036	3.78	19.4	3.21%	7,880	1,356
	TRIMBLE COUNTY CT GAS PIPELINE	(5)	4,850,114.73	166,771	3.44	21.1	3.23%	156,659	10,112
	TRIMBLE COUNTY CT 7	(5)	578,059.36	21,494	3.72	21.3	3.42%	19,770	1,724
	TRIMBLE COUNTY CT 8	(5)	576,385.74	21,431	3.72	21.3	3.42%	19,712	1,719
	TRIMBLE COUNTY CT 9	(5)	593,786.01	22,158	3.73	21.3	3.42%	20,307	1,851
	TRIMBLE COUNTY CT 10	(5)	622,872.60	23,324	3.74	21.3	3.42%	21,302	2,022
	BROWN CT 5	(5)	795,787.89	38,072	4.78	18.6	3.11%	24,749	13,323
	BROWN CT 6	(5)	406,480.01	24,066	5.92	17.0	2.92%	11,869	12,197
	BROWN CT 7	(5)	405,870.95	24,294	5.99	17.0	2.92%	11,851	12,443
	BROWN CT 8	(5)	252,005.73	18,266	7.25	13.3	2.63%	6,628	11,638
	BROWN CT 9	(5)	2,018,753.68	67,309	3.33	18.1	2.65%	53,497	13,812
	BROWN CT 10	(5)	284,130.81	13,099	4.96	18.9	2.63%	6,947	6,152
	BROWN CT 11	(5)	284,822.69	13,018	6.43	14.2	2.74%	7,804	10,514
	BROWN CT GAS PIPELINE	(5)	8,106,130.66	232,372	2.87	17.8	2.57%	208,328	24,044
	HAFLING UNITS 1, 2 AND 3	(5)	518,704.54	55,109	10.62	8.3	0.00%	0	55,109
	PADDY'S RUN GENERATOR 13	(5)	1,995,101.92	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	(5)	31,137,756.05	1,259,343	4.04	17.9	3.72%	1,158,325	101,018
	TRIMBLE COUNTY CT 6	(5)	32,030,243.24	1,419,553	4.43	18.0	3.72%	1,191,525	228,028
	TRIMBLE COUNTY CT 7	(5)	23,223,115.61	926,898	3.99	19.6	3.91%	908,024	18,874
	TRIMBLE COUNTY CT 8	(5)	23,034,740.63	919,628	3.99	19.6	3.91%	900,658	18,970
	TRIMBLE COUNTY CT 9	(5)	22,902,195.54	925,844	4.04	19.6	3.91%	895,476	30,368
	TRIMBLE COUNTY CT 10	(5)	22,850,722.46	923,525	4.04	19.6	3.91%	893,463	30,062
	BROWN CT 5	(5)	14,666,936.33	635,708	4.33	17.2	3.65%	535,343	100,365

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanios Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)
				ACCUMULATED AMOUNT (7)	ACCUMULATED RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)*(10)	
343. cont.									
BROWN CT 6	35-R1.5	*	34,600,149.28	1,813,591	5.24	15.6	3.55%	1,228,305	585,286
BROWN CT 7	35-R1.5	*	31,657,718.92	1,628,808	5.15	15.6	3.58%	1,133,346	495,462
BROWN CT 8	35-R1.5	*	26,710,989.99	1,455,318	5.45	12.4	3.30%	881,463	573,855
BROWN CT 9	35-R1.5	*	23,335,363.18	800,496	3.43	16.3	3.23%	753,732	46,764
BROWN CT 10	35-R1.5	*	20,074,765.96	700,567	3.49	16.3	3.26%	654,437	46,130
BROWN CT 11	35-R1.5	*	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	*	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	2,863,598
344.00									
GENERATORS									
TRIMBLE COUNTY CT 5	55-S3	*	3,763,274.51	136,229	3.62	20.4	3.04%	114,404	21,825
TRIMBLE COUNTY CT 6	55-S3	*	3,757,946.57	136,027	3.62	20.4	3.04%	114,242	21,785
TRIMBLE COUNTY CT 7	55-S3	*	2,950,282.37	105,018	3.56	22.4	3.26%	96,179	8,839
TRIMBLE COUNTY CT 8	55-S3	*	2,937,930.22	104,578	3.56	22.4	3.26%	95,777	8,801
TRIMBLE COUNTY CT 9	55-S3	*	2,957,520.12	105,653	3.57	22.4	3.26%	96,415	9,238
TRIMBLE COUNTY CT 10	55-S3	*	2,954,148.53	105,533	3.57	22.4	3.26%	96,305	9,228
BROWN CT 5	55-S3	*	2,858,147.66	106,678	3.73	19.4	2.94%	84,030	22,648
BROWN CT 6	55-S3	*	3,712,619.52	138,397	3.73	17.4	2.76%	102,468	35,929
BROWN CT 7	55-S3	*	3,722,788.46	140,714	3.78	17.4	2.76%	102,749	37,965
BROWN CT 8	55-S3	*	4,953,960.72	176,782	3.61	13.4	2.46%	121,867	56,915
BROWN CT 9	55-S3	*	5,452,040.97	139,175	2.55	19.1	2.31%	125,942	13,233
BROWN CT 10	55-S3	*	4,944,422.71	134,599	2.72	19.1	2.46%	121,633	12,966
BROWN CT 11	55-S3	*	5,187,040.30	189,263	3.65	14.4	2.53%	131,232	58,031
HAFLING UNITS 1, 2 AND 3	55-S3	*	4,023,002.37	92,815	2.31	7.8	0.00%	0	92,815
PADDY'S RUN GENERATOR 13	55-S3	*	5,185,636.11	186,553	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	*	1,693,975.04	64,303	3.80	19.7	2.96%	50,480	13,823
TRIMBLE COUNTY CT 6	45-R3	*	4,324,591.46	178,222	4.12	19.7	2.96%	128,873	49,349
TRIMBLE COUNTY CT 7	45-R3	*	3,148,439.35	116,323	3.69	21.6	3.19%	100,435	15,888
TRIMBLE COUNTY CT 8	45-R3	*	3,139,331.68	115,986	3.69	21.6	3.19%	100,145	15,841
TRIMBLE COUNTY CT 9	45-R3	*	3,234,031.47	119,912	3.71	21.6	3.19%	103,166	16,746
TRIMBLE COUNTY CT 10	45-R3	*	7,196,618.34	282,456	3.92	21.6	3.19%	229,572	52,884
BROWN CT 5	45-R3	*	2,277,020.49	92,383	4.06	18.7	2.89%	65,806	26,577
BROWN CT 6	45-R3	*	1,975,216.41	82,329	4.17	16.8	2.71%	53,528	28,801
BROWN CT 7	45-R3	*	1,935,781.98	80,891	4.18	16.8	2.71%	52,460	28,431
BROWN CT 8	45-R3	*	2,720,729.67	115,931	4.26	12.9	2.41%	65,570	50,361
BROWN CT 9	45-R3	*	4,205,847.29	133,961	3.19	18.1	2.32%	97,576	36,385
BROWN CT 10	45-R3	*	2,744,492.70	86,963	3.17	18.0	2.44%	66,966	19,997
BROWN CT 11	45-R3	*	1,863,053.15	84,727	4.55	13.9	2.48%	46,204	38,523
HAFLING UNITS 1, 2 AND 3	45-R3	*	1,451,957.03	116,933	8.05	8.2	0.00%	0	116,933
PADDY'S RUN GENERATOR 13	45-R3	*	2,456,320.01	92,743	3.78	18.7	2.86%	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	*	28,963.63	1,171	4.04	18.8	3.73%	1,080	91
TRIMBLE COUNTY CT 7	35-R2	*	8,888.93	353	3.97	19.9	3.50%	311	42
TRIMBLE COUNTY CT 8	35-R2	*	8,861.01	352	3.97	19.9	3.50%	310	42
TRIMBLE COUNTY CT 9	35-R2	*	9,113.52	363	3.98	19.9	3.50%	319	44
TRIMBLE COUNTY CT 10	35-R2	*	41,868.51	1,922	4.59	20.7	3.49%	1,461	461
BROWN CT 5	35-R2	*	2,139,352.61	86,757	4.06	17.3	3.20%	68,459	18,298

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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)	
				ACCURAL AMOUNT (7)	ACCURAL RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)*(10)		
346. cont.	BROWN CT 6	• (5)	53,748.85	2,404	4.47	16.0	3.33%	1,790	614	
	BROWN CT 7	• (5)	35,647.39	1,515	4.25	15.8	3.23%	1,151	364	
	BROWN CT 8	• (5)	285,932.33	13,435	4.70	12.4	2.77%	7,920	5,515	
	BROWN CT 9	• (5)	760,255.37	22,729	2.99	15.9	2.77%	21,059	1,670	
	BROWN CT 10	• (5)	274,390.87	9,323	3.40	16.3	2.85%	7,820	1,503	
	BROWN CT 11	• (5)	590,562.82	29,785	5.04	13.5	3.22%	19,016	10,769	
	HAFLING UNITS 1, 2 AND 3	• (5)	35,805.20	597	1.67	5.5	0.00%	0	597	
	PADDY'S RUN GENERATOR 13	• (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	0	23,413,728.55	225,538	0.96	33.1	0.98%	229,455	(3,917)	
352.10	STRUCTURES AND IMPROVEMENTS	(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	(25)	1,220,542.62	19,271	1.58	34.5	1.43%	17,454	1,817	
353.10	STATION EQUIPMENT	(10)	191,753,788.17	3,211,159	1.67	44.8	1.98%	3,796,725	(685,566)	
353.20	STATION EQUIPMENT - SYS. CONTROL/COM	(10)	14,668,403.51	0	-	-	0.46%	67,475	(67,475)	
354.00	TOWERS AND FIXTURES	(25)	95,353,356.62	1,300,626	1.36	54.2	1.21%	1,153,776	146,850	
355.00	TOWERS AND FIXTURES	(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	(50)	160,446,879.27	3,105,267	1.94	42.3	1.79%	2,871,999	233,268	
357.00	OVERGROUND CONDUIT	0	448,760.26	10,209	2.27	25.6	2.60%	11,668	(1,459)	
358.00	UNDERGROUND CONDUCTORS AND DEVICES	0	1,161,549.29	11,420	0.98	21.3	1.26%	14,656	(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	0	2,039,033.29	11,896	0.58	46.6	0.65%	13,254	(1,358)	
361.00	STRUCTURES AND IMPROVEMENTS	(20)	7,658,288.09	153,285	2.00	48.3	1.65%	126,362	26,923	
362.00	STATION EQUIPMENT	(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	(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	(60)	276,265,758.81	8,911,891	3.23	37.4	2.70%	7,459,715	1,452,176	
366.00	UNDERGROUND CONDUIT	(5)	1,861,963.15	50,337	2.70	25.9	1.93%	35,936	14,401	
367.00	UNDERGROUND CONDUCTORS AND DEVICES	(10)	140,620,009.32	3,333,408	2.37	37.7	2.09%	2,938,958	394,450	
368.00	LINE TRANSFORMERS	(15)	286,070,399.06	7,018,693	2.45	30.1	3.10%	8,868,182	(1,849,489)	
369.00	SERVICES	(30)	89,050,180.39	1,811,200	2.03	32.1	1.99%	1,772,099	39,101	
370.00	METERS	0	70,049,355.34	1,603,713	2.29	23.4	1.76%	370,844	370,844	
371.00	INSTALLATIONS ON CUSTOMERS' PREMISES	(10)	18,253,214.45	148,124	0.81	18.1	2.38%	434,427	(266,303)	
373.00	STREET LIGHTING AND SIGNAL SYSTEMS	(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 (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Actuals		Difference (12)=(7)-(11)
				ACCUMULATED AMOUNT (7)	ACCUMULATED RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)*(10)	
<b>GENERAL PLANT</b>									
390.10	STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY	(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	(10)	531,973.44	9,139	1.72	18.8	1.56%	8,299	840
391.10	OFFICE FURNITURE AND EQUIPMENT	0	7,513,787.56	335,131	4.46	10.0	4.19%	314,828	20,303
391.20	NON-PC COMPUTER EQUIPMENT	0	17,256,012.35	3,723,700	21.58	2.8	10.14%	1,749,760	1,973,940
391.31	PERSONAL COMPUTERS	0	6,398,371.65	571,269	8.93	3.2	15.47%	989,828	(419,559)
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	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	0	14,101,987.63	76,623	0.54	12.3	20.00%	2,820,398	(2,743,775)
393.00	STORES EQUIPMENT	0	551,794.27	27,960	5.07	13.9	5.25%	28,969	(1,009)
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	0	7,648,755.44	326,703	4.27	18.0	4.75%	363,316	(36,613)
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	0	1,174,225.44	104,334	8.89	9.9	6.37%	74,798	29,536
397.10	COMMUNICATION EQUIPMENT - GENERAL ASSETS	0	10,171,295.90	579,495	5.70	8.5	7.13%	725,213	(145,718)
397.20	COMMUNICATION EQUIPMENT - SPECIFIC ASSETS	0	19,915,035.90	746,086	3.75	19.1	7.13%	1,419,942	(673,856)
397.30	COMMUNICATION EQUIPMENT - FULLY ACCRUED	0	786,233.20	0	-	-	7.13%	56,058	(56,058)
	<b>TOTAL GENERAL PLANT</b>		<b>134,925,833.27</b>	<b>7,491,050</b>	<b>5.55</b>			<b>9,704,814</b>	<b>(2,213,764)</b>
	<b>TOTAL DEPRECIABLE PLANT</b>		<b>6,365,236,955.68</b>	<b>189,326,536</b>	<b>2.97</b>			<b>195,249,737</b>	<b>(5,923,201)</b>
<b>NONDEPRECIABLE PLANT</b>									
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						
	<b>TOTAL NONDEPRECIABLE PLANT</b>		<b>19,083,111.77</b>						
	<b>TOTAL ELECTRIC PLANT</b>		<b>6,384,320,067.45</b>	<b>189,326,536</b>					

\* 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  
DEPRECIATION RESERVE AND  
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND  
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

DEPRECIABLE PLANT	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)-(7)-(11)
							ACCRUAL AMOUNT (7)	ACCURUAL RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)/(10)	
STEAM PRODUCTION PLANT												
DEPRECIABLE PLANT												
311.00	STRUCTURES AND IMPROVEMENTS	FULLY ACCRUED	(10)	4,233,239	4,656,563	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 1	FULLY ACCRUED	(10)	2,127,422	2,312,665	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	(10)	3,586,934	3,890,628	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	(10)	4,064,602	4,493,062	0	0	0	-	1.14%	46,564	(46,564)
	CANE RUN UNIT 4	100-S1	(10)	780,360	636,396	622,001	0	2.49	4.0	0.95%	7,223	(7,223)
	CANE RUN UNIT 5	100-S1	(10)	6,286,327	6,270,959	0	0	0	-	1.92%	120,313	35,508
	CANE RUN UNIT 6	100-S1	(10)	1,996,435	1,866,079	9,872,808	0	9.00	4.0	1.58%	26,464	(28,164)
	MILL CREEK UNIT 1	100-S1	(10)	2,004,301	2,206,732	5,060,751	0	1.28	19.9	2.04%	595,248	1,888,497
	MILL CREEK UNIT 2	100-S1	(14)	1,709,711	1,945,070	3,169,662	0	1.27	21.7	1.64%	326,218	(71,958)
	MILL CREEK UNIT 3	100-S1	(14)	1,532,775	9,377,701	0	0	0	-	1.42%	163,765	(17,552)
	MILL CREEK UNIT 4	100-S1	(14)	1,393,404	1,866,481	7,349,912	0	1.19	25.1	1.61%	369,953	(77,531)
	MILL CREEK UNIT 5	100-S1	(14)	24,500,220	20,980,339	34,652,185	0	1.85	29.1	1.47%	5,334	(5,334)
	MILL CREEK UNIT 6	100-S1	(14)	362,867	38,607,501	1,091,616	0	0.71	29.0	1.85%	93,818	(66,306)
	MILL CREEK UNIT 7	100-S1	(14)	64,262,883	4,985,213	70,940,301	0	1.70	36.1	2.08%	2,994,180	(432,492)
	MILL CREEK UNIT 8	100-S1	(14)	5,330,552	1,951,688	201,148	0	1.12	36.5	2.28%	11,261	(5,745)
	TRIMBLE COUNTY UNIT 1	100-S1	(15)	115,104,803	366,848	29,562,216	0	2.18	52.3	2.10%	545,659	19,792
	TRIMBLE COUNTY UNIT 2	100-S1	(15)	25,993,298	310,077	162,442,600	0	2.20	22.9	2.10%	5,970,394	1,105,041
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS			322,736,769	204,806,818	162,442,600	0	2.20	22.9	2.10%	5,970,394	1,105,041
312.00	BOILER PLANT EQUIPMENT	FULLY ACCRUED	(10)	1,052,271	1,157,499	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 1	FULLY ACCRUED	(10)	132,276	145,503	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 2	FULLY ACCRUED	(10)	705,480	776,028	0	0	0	-	0.00%	0	0
	CANE RUN UNIT 3	FULLY ACCRUED	(10)	31,327,230	22,533,292	11,926,661	0	9.71	3.9	5.88%	1,842,041	1,199,462
	CANE RUN UNIT 4	50-R1.5	(10)	17,050,368	18,755,404	23,639,841	0	15.58	3.9	4.93%	840,593	(840,593)
	CANE RUN UNIT 5	50-R1.5	(10)	38,533,317	18,746,808	144,187	0	0.13	4.0	6.11%	2,354,366	3,648,200
	CANE RUN UNIT 6	50-R1.5	(10)	27,977,906	30,631,510	34,995,617	0	15.73	3.9	4.07%	1,130,701	(1,102,275)
	MILL CREEK UNIT 1	50-R1.5	(10)	56,536,729	27,194,785	7,322,817	0	5.74	3.9	5.19%	2,994,296	5,966,812
	MILL CREEK UNIT 2	50-R1.5	(10)	32,458,666	28,381,716	29,893,538	0	2.87	18.6	4.46%	1,447,057	419,812
	MILL CREEK UNIT 3	50-R1.5	(10)	56,221,452	34,098,918	17,110,883	0	2.10	18.7	4.24%	2,383,790	(771,354)
	MILL CREEK UNIT 4	50-R1.5	(14)	43,569,501	32,558,338	33,774,289	0	3.15	20.1	4.50%	1,860,628	(1,047,850)
	MILL CREEK UNIT 5	50-R1.5	(14)	53,298,846	26,986,386	16,781,141	0	3.15	20.1	4.70%	2,905,046	(626,905)
	MILL CREEK UNIT 6	50-R1.5	(14)	35,719,948	28,309,628	12,411,112	0	1.71	20.3	4.28%	1,528,814	(317,371)
	MILL CREEK UNIT 7	50-R1.5	(14)	143,156,558	66,027,985	97,170,491	0	2.91	23.3	3.87%	5,540,159	(1,378,047)
	MILL CREEK UNIT 8	50-R1.5	(14)	63,237,311	36,126,930	35,963,604	0	2.43	23.4	3.85%	2,434,636	(995,978)
	MILL CREEK UNIT 9	50-R1.5	(14)	249,825,282	104,471,839	6,939,970	0	2.78	26.0	3.85%	9,618,273	(2,186,467)
	MILL CREEK UNIT 10	50-R1.5	(14)	114,224,525	76,611,965	53,803,993	0	1.80	30.3	3.71%	4,237,730	(2,166,467)
	TRIMBLE COUNTY UNIT 1	50-R1.5	(15)	217,217,963	74,259,062	175,541,595	0	2.67	30.2	3.62%	7,863,290	(2,065,265)
	TRIMBLE COUNTY UNIT 2	50-R1.5	(15)	63,774,643	46,676,791	26,764,048	0	1.39	30.2	3.62%	2,308,942	(1,433,212)
	TRIMBLE COUNTY UNIT 3	50-R1.5	(15)	121,585,784	4,866,329	134,957,323	0	2.56	43.4	4.26%	5,203,872	(2,096,360)
	TRIMBLE COUNTY UNIT 4	50-R1.5	(15)	14,269,003	555,655	15,853,699	0	3.58	18.0	4.26%	610,713	(245,021)
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT			1,381,875,060	679,772,370	891,502,700	0	3.58	18.0	4.26%	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 (1)	SURVIVOR COURSE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCURALS (6)	Spanos Proposed		COMPOSITE REMAINING LIFE (9)=(6)/(7)	Current Rates and Accruals		Difference (12)=(7)-(11)	
						ACCURUAL AMOUNT (7)	ACCURUAL RATE (8)=(7)/(4)		Rate (10)	Accrual (11)=(4)/(10)		
312.01	BOILER PLANT EQUIPMENT - LOCOMOTIVE	25-R2.5	51,549	51,549	0	0	0	3.2	2.67%	1,376	(1,376)	
	CANE RUN LOCOMOTIVE	25-R2.5	613,424	494,206	119,218	37,326	6.08	3.2	2.90%	17,789	19,537	
	MILL CREEK LOCOMOTIVE											
TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE												
312.02	BOILER PLANT EQUIPMENT - RAIL CARS	25-R2.5	1,501,773	1,161,405	340,368	103,455	6.89	3.3	3.14%	47,156	56,299	
	CANE RUN RAIL CARS	25-R2.5	2,298,378	2,214,107	84,271	8,166	0.36	10.3	3.13%	71,939	(63,773)	
	MILL CREEK RAIL CARS											
TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS												
314.00	TURBOGENERATOR UNITS		3,800,150	3,375,512	424,639	111,621	2.94	3.8		119,095	(7,474)	
	CANE RUN UNIT 1	FULLY ACCRUED	106,009	116,610	0	0	0	-	0.00%	0	0	
	CANE RUN UNIT 2	FULLY ACCRUED	19,999	21,999	0	0	0	-	0.00%	0	0	
	CANE RUN UNIT 3	FULLY ACCRUED	581,177	639,295	0	0	0	-	0.00%	0	0	
	CANE RUN UNIT 4	60-S1.5	9,318,503	8,959,801	358,702	325,135	3.49	4.0	3.09%	287,942	37,193	
	CANE RUN UNIT 5	60-S1.5	7,931,772	7,826,517	9,255	225,558	2.92	4.0	2.22%	176,085	49,473	
	CANE RUN UNIT 6	60-S1.5	16,728,287	11,512,681	5,215,606	6,898,424	10.40	4.0	3.29%	550,361	1,188,697	
	MILL CREEK UNIT 1	60-S1.5	14,886,467	13,065,010	1,821,457	1,739,058	1.81	20.0	2.15%	315,759	(113,956)	
	MILL CREEK UNIT 2	60-S1.5	17,091,027	13,298,105	3,792,922	2,017,663	1.37	20.0	2.46%	420,439	(111,670)	
	MILL CREEK UNIT 3	60-S1.5	31,675,230	18,698,161	12,977,069	689,886	2.18	24.1	2.15%	681,017	8,869	
	MILL CREEK UNIT 4	60-S1.5	42,973,106	28,912,799	14,060,307	770,993	1.81	25.6	2.29%	974,924	(204,831)	
	TRIMBLE COUNTY UNIT 1	60-S1.5	57,000,939	22,346,217	34,654,722	1,311,533	2.30	32.9	2.48%	1,413,823	(102,030)	
	TRIMBLE COUNTY UNIT 2	60-S1.5	20,447,427	2,892,945	20,511,596	449,336	2.20	46.5	2.78%	568,438	(119,102)	
	TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS											
	315.00	ACCESSORY ELECTRIC EQUIPMENT		218,159,941	128,698,250	119,391,136	6,021,131	2.76	19.8		5,389,589	632,542
CANE RUN UNIT 1		FULLY ACCRUED	1,883,656	2,072,022	0	0	0	-	0.00%	0	0	
CANE RUN UNIT 2		FULLY ACCRUED	1,238,068	1,361,879	0	0	0	-	0.00%	0	0	
CANE RUN UNIT 3		FULLY ACCRUED	766,541	843,195	0	0	0	-	0.00%	0	0	
CANE RUN UNIT 4		55-S2	5,920,914	5,264,226	656,688	315,559	5.33	4.0	3.18%	188,285	127,274	
CANE RUN UNIT 5		55-S2	9,979,949	1,086,744	8,893,205	1,249,630	13.24	4.0	2.97%	280,214	969,416	
CANE RUN UNIT 6		55-S2	2,216,499	5,414,071	3,197,572	4,964,236	13.24	4.0	2.97%	33,025	(33,026)	
MILL CREEK UNIT 1		55-S2	12,602,453	2,438,149	10,164,304	1,249,630	12.80	4.0	2.80%	352,869	1,260,246	
MILL CREEK UNIT 2		55-S2	2,199,914	7,468,070	5,268,156	1,613,115	12.80	4.0	2.80%	31,679	(31,679)	
MILL CREEK UNIT 3		55-S2	15,688,649	8,807,564	6,881,085	484,211	3.09	18.7	1.44%	431,438	52,773	
MILL CREEK UNIT 4		55-S2	5,541,695	6,317,532	765,837	156,250	2.11	19.1	1.67%	92,546	(92,546)	
MILL CREEK UNIT 5		55-S2	7,415,272	5,475,168	1,940,104	156,250	2.11	19.1	2.03%	150,500	5,720	
MILL CREEK UNIT 6		55-S2	4,505,053	5,135,761	660,708	182,523	1.21	20.6	1.69%	76,135	(76,135)	
MILL CREEK UNIT 7		55-S2	15,049,879	13,392,025	1,657,854	3,764,837	1.21	20.6	1.58%	237,788	(55,265)	
MILL CREEK UNIT 8		55-S2	2,531,773	2,886,221	334,448	182,523	1.21	20.6	1.58%	39,498	(39,498)	
MILL CREEK UNIT 9	55-S2	24,032,537	17,802,916	6,229,621	419,766	1.75	23.3	1.75%	420,569	(803)		
MILL CREEK UNIT 10	55-S2	5,864,979	873,416	4,991,563	36,030	0.65	23.0	1.71%	100,281	(62,261)		
MILL CREEK UNIT 11	55-S2	49,158,784	25,131,907	24,026,877	1,051,627	2.14	29.5	2.13%	1,047,882	4,545		
TRIMBLE COUNTY UNIT 1	55-S2	2,736,920	2,325,798	401,122	27,869	1.02	47.5	2.12%	58,023	(30,154)		
TRIMBLE COUNTY UNIT 2	55-S2	8,302,486	191,917	8,110,569	196,849	2.37	47.5	2.49%	206,732	(9,883)		
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT												
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT		178,078,846	121,447,727	80,674,107	5,735,429	3.22	14.1		3,754,804	1,980,625	
	CANE RUN UNIT 1	FULLY ACCRUED	36,746	42,620	0	0	0	-	0.00%	0	0	
	CANE RUN UNIT 3	FULLY ACCRUED	11,664	12,831	0	0	0	-	0.00%	0	0	
	CANE RUN UNIT 4	45-R2.5	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  
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 CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	Spanos Proposed		COMPOSITE REMAINING LIFE	Current Rates and Accruals		Difference
						ACCUMULATED AMOUNT	ACCUMULATED RATE		Rate	Accrual	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(4)	(9)=(6)/(7)	(10)	(11)=(4)/(10)	(12)=(7)-(11)
<b>OTHER PRODUCTION PLANT</b>											
<b>STRUCTURES AND IMPROVEMENTS</b>											
341.00	CANE RUN GT	(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	(5)	8,241	8,653	0	0	-	-	0.61%	50	(50)
	PADDY'S RUN GENERATOR 13	(5)	64,113	52,586	14,733	2,270	3.54	6.5	0.60%	385	1,885
	BROWN CT 5	(5)	2,158,698	754,202	1,512,431	31,587	3.68	19.0	3.05%	65,840	13,594
	BROWN CT 6	(5)	858,539	300,046	601,420	4,459	3.68	19.0	3.05%	26,185	5,402
	BROWN CT 7	(5)	105,978	34,594	76,683	4,21	4.59	17.2	3.17%	3,359	1,100
	BROWN CT 8	(5)	144,355	47,476	104,098	6,060	4.20	17.2	3.12%	4,504	1,556
	BROWN CT 9	(5)	1,555,655	486,383	1,147,055	57,271	3.68	20.0	3.14%	49,159	8,112
	BROWN CT 10	(5)	1,467,924	463,218	1,078,102	53,850	3.67	20.0	3.14%	46,093	7,757
	TRIMBLE COUNTY CT 5	(5)	2,083,698	533,540	1,654,343	75,232	3.61	22.0	3.34%	69,596	5,636
	TRIMBLE COUNTY CT 6	(5)	2,075,527	531,447	1,647,856	74,937	3.61	22.0	3.34%	69,323	5,614
	TRIMBLE COUNTY CT 7	(5)	2,137,402	541,181	1,703,091	77,448	3.62	22.0	3.34%	71,389	6,059
	TRIMBLE COUNTY CT 8	(5)	2,132,790	540,013	1,699,416	77,281	3.62	22.0	3.34%	71,235	6,046
	TRIMBLE COUNTY CT 9	(5)	15,004,439	4,320,149	11,434,512	570,138	3.80	20.1	3.85%	479,952	90,186
	TRIMBLE COUNTY CT 10	(5)	319,042	35,135	299,859	46,751	14.65	6.4	0.59%	12,283	34,468
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	(5)	23,434	17,418	7,188	964	4.11	7.5	0.58%	138	826
	CANE RUN GT 11	(5)	9,236	9,699	0	0	-	-	0.58%	54	(54)
	ZORN AND RIVER ROAD GAS TURBINE	(5)	21,667	15,410	7,340	1,134	5.23	6.5	0.85%	184	950
	PADDY'S RUN GENERATOR 11	(5)	2,255,336	785,983	1,654,022	85,785	3.80	18.5	3.08%	69,464	16,321
	PADDY'S RUN GENERATOR 12	(5)	846,907	228,324	650,928	35,694	4.21	18.5	3.07%	6,694	9,694
	PADDY'S RUN GENERATOR 13	(5)	403,060	49,527	373,686	22,234	5.52	16.8	2.99%	12,051	10,163
	BROWN CT 5	(5)	141,363	(46,742)	197,173	11,574	8.19	17.0	2.99%	4,227	7,347
	BROWN CT 6	(5)	97,997	31,065	71,862	3,702	3.78	19.4	3.17%	3,107	600
	BROWN CT 7	(5)	97,862	30,967	71,788	3,702	3.78	19.4	3.17%	3,102	600
	BROWN CT 8	(5)	1,998,391	645,679	1,452,651	68,823	3.44	21.1	3.19%	63,749	5,074
	BROWN CT 9	(5)	338,423	86,852	286,492	12,611	3.73	21.3	3.36%	11,371	1,240
	BROWN CT 10	(5)	347,147	88,099	276,465	12,562	3.74	21.3	3.36%	11,326	1,236
	TRIMBLE COUNTY CT 5	(5)	361,960	90,772	285,181	13,575	3.75	21.3	3.36%	12,158	1,417
	TRIMBLE COUNTY CT 6	(5)	7,598,824	2,151,739	5,827,025	332,099	4.37	17.5	3.36%	240,879	91,220
343.00	PRIME MOVERS	(5)	20,146,191	5,644,307	15,509,194	844,090	4.69	16.4	3.84%	773,614	170,476
	PADDY'S RUN GENERATOR 13	(5)	15,877,891	4,993,220	11,878,566	707,119	4.45	16.5	3.84%	609,711	97,408
	BROWN CT 5	(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 6	(5)	18,239,647	4,842,316	14,308,313	945,353	5.12	15.1	3.81%	694,631	250,402
	BROWN CT 7	(5)	16,268,198	4,216,785	12,864,823	730,006	4.49	17.6	3.88%	631,206	98,800
	BROWN CT 8	(5)	13,120,484	3,291,737	10,484,772	604,661	4.61	17.3	3.88%	509,075	85,586
	BROWN CT 9	(5)	13,611,692	3,670,974	10,821,303	563,209	4.14	18.9	3.99%	543,107	20,102
	BROWN CT 10	(5)	13,496,647	3,637,317	10,534,163	556,461	4.14	18.9	3.99%	538,516	19,965
	TRIMBLE COUNTY CT 5	(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 6	(5)	13,352,630	3,461,812	10,558,449	559,560	4.19	18.9	3.99%	532,770	26,810
	TRIMBLE COUNTY CT 7	(5)	157,472,340	39,614,739	125,731,219	7,394,725	4.70	17.0	3.99%	6,136,019	1,258,706
344.00	GENERATORS	(5)	2,910,124	2,077,089	978,561	152,169	5.23	6.4	5.73%	166,750	(14,561)
	CANE RUN GT 11	(5)	1,918,960	1,827,581	0	0	-	-	2.70%	48,345	(49,345)
	ZORN AND RIVER ROAD GAS TURBINE	(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		COMPOSITE REMAINING LIFE	Current Rates and Accruals		Difference
						ACCUMULATED AMOUNT	ACCUMULATED RATE		Rate	Accrual	
(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	(5)	2,991,589	3,141,169	0	0	0	-	2.63%	78,679	(78,679)
	PADDY'S RUN GENERATOR 13	(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	(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	(5)	2,417,995	893,368	1,646,526	94,354	3.90	17.4	2.81%	70,364	23,980
	BROWN CT 7	(5)	2,421,079	871,507	1,670,626	95,793	3.96	17.4	2.81%	70,453	25,340
	TRIMBLE COUNTY CT 5	(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	(5)	1,537,168	482,827	1,131,199	55,369	3.60	20.4	3.09%	47,488	7,871
	TRIMBLE COUNTY CT 7	(5)	1,726,824	438,138	1,376,027	61,258	3.55	22.4	3.28%	56,640	4,618
	TRIMBLE COUNTY CT 8	(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	(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	(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	16,698,283	18,222,252	1,015,570	3.06	17.9		1,071,812	(56,242)
345.00	ACCESSORY ELECTRIC EQUIPMENT										
	CANE RUN GT 11	(5)	116,627	122,459	0	0	0	-	2.40%	2,799	(2,799)
	ZORN AND RIVER ROAD GAS TURBINE	(5)	44,283	46,497	0	0	0	-	2.31%	1,023	(1,023)
	PADDY'S RUN GENERATOR 11	(5)	68,109	70,884	631	98	0.14	6.4	4.27%	2,908	(2,810)
	PADDY'S RUN GENERATOR 12	(5)	972,642	131,728	826,546	128,022	14.03	6.5	3.82%	34,863	83,159
	PADDY'S RUN GENERATOR 13	(5)	2,778,993	992,746	1,925,196	102,951	3.70	18.7	3.32%	92,263	10,688
	BROWN CT 5	(5)	2,588,743	920,956	1,796,888	96,071	3.71	18.7	3.32%	85,936	10,135
	BROWN CT 6	(5)	970,189	359,270	659,429	39,116	4.05	16.9	3.26%	31,628	7,488
	BROWN CT 7	(5)	953,200	348,815	651,045	38,646	4.03	16.8	3.26%	31,074	7,572
	TRIMBLE COUNTY CT 5	(5)	1,066,963	213,484	528,827	26,855	3.80	19.7	3.38%	23,895	2,960
	TRIMBLE COUNTY CT 6	(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	(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	(5)	1,636,141	470,594	1,448,354	67,022	3.65	21.6	3.52%	64,532	2,390
	TRIMBLE COUNTY CT 9	(5)	1,890,840	488,486	1,496,896	69,268	3.66	21.6	3.52%	66,568	2,710
	TRIMBLE COUNTY CT 10	(5)	4,367,636	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	(5)	9,488	368	9,595	1,279	13.48	7.5	0.00%	0	1,279
	PADDY'S RUN GENERATOR 11	(5)	9,494	374	9,595	1,476	15.55	6.5	0.00%	0	1,476
	BROWN CT 5	(5)	1,281,034	401,565	943,521	48,929	3.82	19.3	2.81%	35,997	12,932
	BROWN CT 6	(5)	2,399,225	815,731	1,699,255	86,126	3.68	19.3	2.81%	67,906	20,820
	BROWN CT 7	(5)	22,456	8,149	15,430	868	3.95	17.4	2.86%	642	246
	TRIMBLE COUNTY CT 5	(5)	23,048	8,142	15,056	924	4.01	17.4	2.86%	659	265
	TRIMBLE COUNTY CT 6	(5)	14,529	3,935	11,320	555	3.82	20.4	3.22%	468	67
	TRIMBLE COUNTY CT 7	(5)	5,205	1,298	4,167	187	3.59	25	3.11%	182	25
	TRIMBLE COUNTY CT 8	(5)	5,183	1,292	4,150	186	3.59	25	3.11%	181	25
	TRIMBLE COUNTY CT 9	(5)	5,328	1,315	4,280	192	3.60	22.3	3.12%	166	26
	TRIMBLE COUNTY CT 10	(5)	25,333	2,410	24,190	1,079	4.26	22.4	3.10%	785	294
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT		3,796,333	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  
 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)	COMPOSITE REMAINING LIFE (9)=(6)/(7)	CURRENT RATES AND ACCRUALS		Difference (12)=(7)-(11)
								Rate (10)	Accrual (11)=(8)/(10)	
<b>TRANSMISSION PLANT</b>										
350.10	LAND RIGHTS	0	7,781,411	2,271,916	5,509,495	116,377	47.3	3.92%	305,031	(189,554)
352.10	STRUCTURES AND IMPROVEMENTS	(5)	6,486,555	1,500,855	5,278,527	112,155	47.1	1.17%	75,542	36,613
353.10	STATION EQUIPMENT	(10)	127,594,959	69,433,144	70,887,915	1,763,324	40.2	1.32%	1,683,853	79,471
354.00	TOWERS AND FIXTURES	(60)	40,070,495	22,555,849	37,549,894	688,232	54.6	1.38%	552,973	135,259
355.00	POLES AND FIXTURES	(65)	53,282,212	18,993,397	64,494,032	1,542,009	41.8	2.85%	1,571,825	(29,816)
356.00	OVERHEAD CONDUCTORS AND DEVICES	(40)	47,242,307	24,880,970	41,558,260	1,179,283	35.2	2.52%	1,190,506	(11,223)
357.00	UNDERGROUND CONDUIT	0	2,437,094	617,934	1,819,160	40,795	44.6	1.85%	4,291	(4,291)
358.00	UNDERGROUND CONDUCTORS AND DEVICES	(5)	5,659,796	2,185,949	3,756,839	168,808	22.3	3.65%	206,583	(37,775)
	<b>TOTAL TRANSMISSION PLANT</b>		<b>296,494,471</b>	<b>141,238,015</b>	<b>230,856,122</b>	<b>5,610,983</b>	<b>1.93</b>		<b>5,631,399</b>	<b>(20,416)</b>
<b>DISTRIBUTION PLANT</b>										
361.00	STRUCTURES AND IMPROVEMENTS	(10)	4,257,660	1,934,525	2,748,901	66,679	40.0	1.01%	43,002	25,677
362.00	STATION EQUIPMENT	(15)	106,268,031	37,506,516	84,701,720	2,221,197	38.1	1.01%	1,073,307	1,147,890
364.00	POLES, TOWERS AND FIXTURES	(70)	135,482,460	68,100,569	162,219,612	4,586,729	35.4	3.00%	4,056,174	532,255
365.00	OVERHEAD CONDUCTORS AND DEVICES	(60)	234,012,661	97,059,045	277,361,213	6,977,970	39.7	2.90%	6,786,367	181,603
366.00	UNDERGROUND CONDUIT	(20)	69,528,364	26,343,100	57,090,937	1,041,697	54.8	1.23%	865,105	171,592
367.00	UNDERGROUND CONDUCTORS AND DEVICES	(20)	145,471,542	48,421,476	126,144,375	2,797,549	45.1	1.78%	2,860,239	207,252
368.00	LINE TRANSFORMERS	(20)	140,346,230	63,165,088	105,250,388	3,341,572	31.5	2.18%	3,059,548	282,024
369.10	SERVICES - UNDERGROUND	(40)	6,152,802	6,997,917	22,495,176	204,433	34.2	2.45%	190,414	53,669
369.20	SERVICES - OVERHEAD	(100)	21,115,397	19,735,617	68,997,176	758,402	29.7	4.99%	1,053,658	(385,256)
370.00	METERS	(25)	37,655,788	19,907,329	17,748,459	1,099,191	16.1	3.79%	1,427,154	(427,652)
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	(30)	34,508,233	12,877,300	30,257,992	1,368,855	22.1	2.77%	955,070	(412,977)
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND	(30)	48,188,855	21,419,157	41,226,355	1,660,101	24.8	2.95%	1,421,371	239,550
	<b>TOTAL DISTRIBUTION PLANT</b>		<b>982,988,024</b>	<b>418,085,727</b>	<b>934,243,045</b>	<b>26,126,375</b>	<b>2.86</b>		<b>23,465,108</b>	<b>2,661,267</b>
<b>GENERAL PLANT</b>										
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	0	1,570,998	1,071,980	499,018	86,063	5.8	20.00%	314,200	(228,117)
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	5	607,414	257,488	319,555	37,747	8.5	3.62%	21,988	15,799
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	0	6,613,187	6,077,693	535,494	39,795	13.5	20.00%	1,322,637	(1,282,842)
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	0	4,603,924	1,508,076	3,095,848	207,415	14.9	4.39%	202,112	5,303
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	0	1,292,580	1,292,580	0	0	-	20.00%	268,516	(258,516)
396.20	POWER OPERATED EQUIPMENT - OTHER	0	151,087	26,948	124,139	11,484	10.8	3.17%	4,789	6,695
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	0	1,110,685	925,971	184,714	23,551	7.8	3.17%	35,209	(11,058)
	<b>TOTAL GENERAL PLANT</b>		<b>15,949,875</b>	<b>11,160,736</b>	<b>4,758,768</b>	<b>486,075</b>	<b>2.55</b>		<b>2,159,452</b>	<b>(1,753,377)</b>
	<b>TOTAL DEPRECIABLE PLANT</b>		<b>3,691,278,545</b>	<b>1,794,522,567</b>	<b>2,652,187,716</b>	<b>112,892,722</b>	<b>3.06</b>		<b>113,315,452</b>	<b>(260,741)</b>

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)/(8)	Current Rates and Accruals Rate (10)	Accrual (11)=(4)*(10)	Difference (12)=(7)-(11)
<b>NONDEPRECIABLE PLANT</b>											
ORGANIZATION			2,240								
310.00			6,193,527								
310.20			100,000								
310.25											
330.20			7								
340.20			8,133								
350.20			1,573,049								
360.20			4,110,849								
			<u>11,987,805</u>								
<b>TOTAL NONDEPRECIABLE PLANT</b>											
			<u>3,793,286,150</u>	<u>1,794,522,567</u>	<u>2,652,187,716</u>	<u>112,892,722</u>					
<b>TOTAL ELECTRIC PLANT</b>											

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

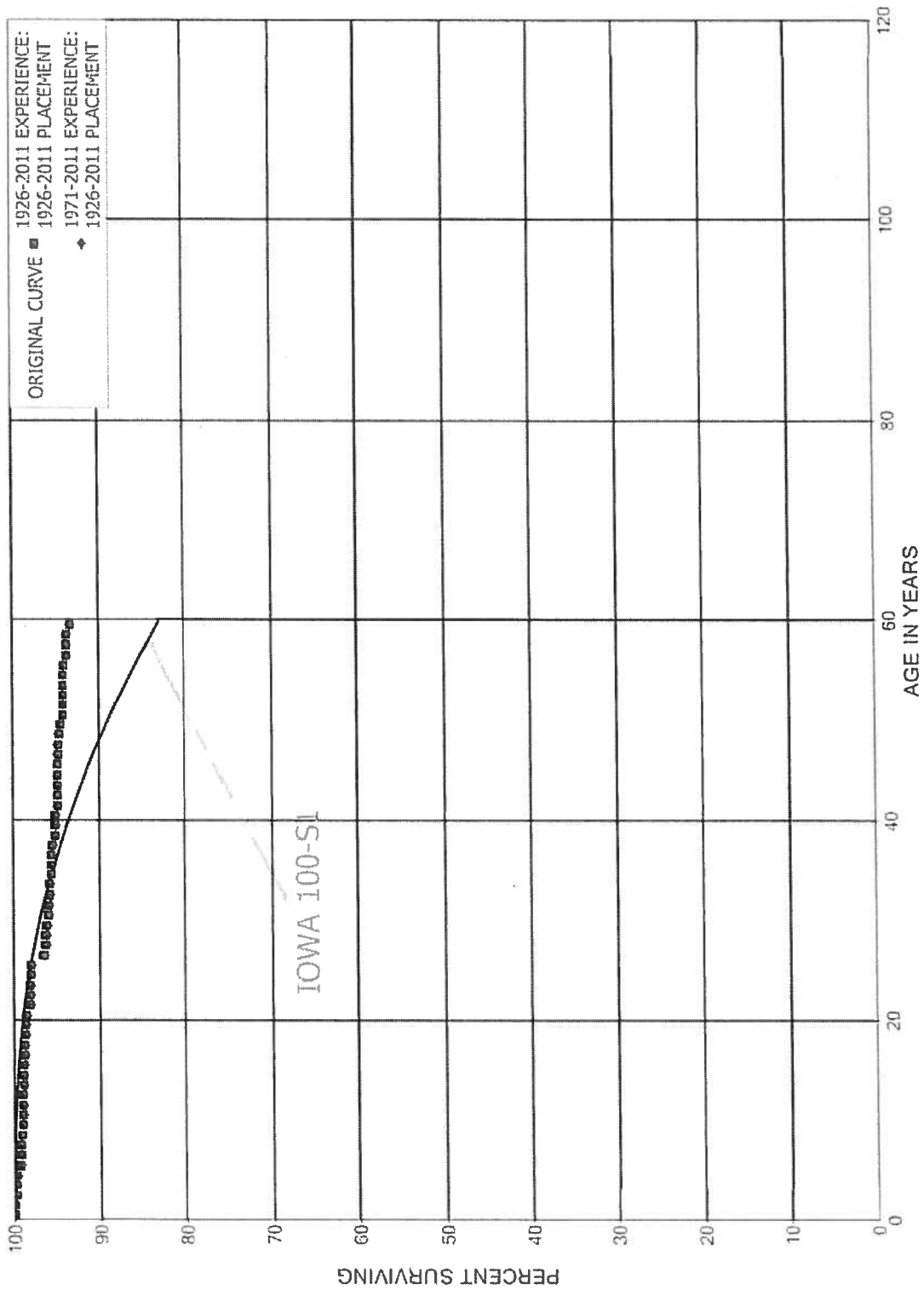
## Exhibit JJS-KU

# Depreciation Study Performed for Kentucky Utilities Company

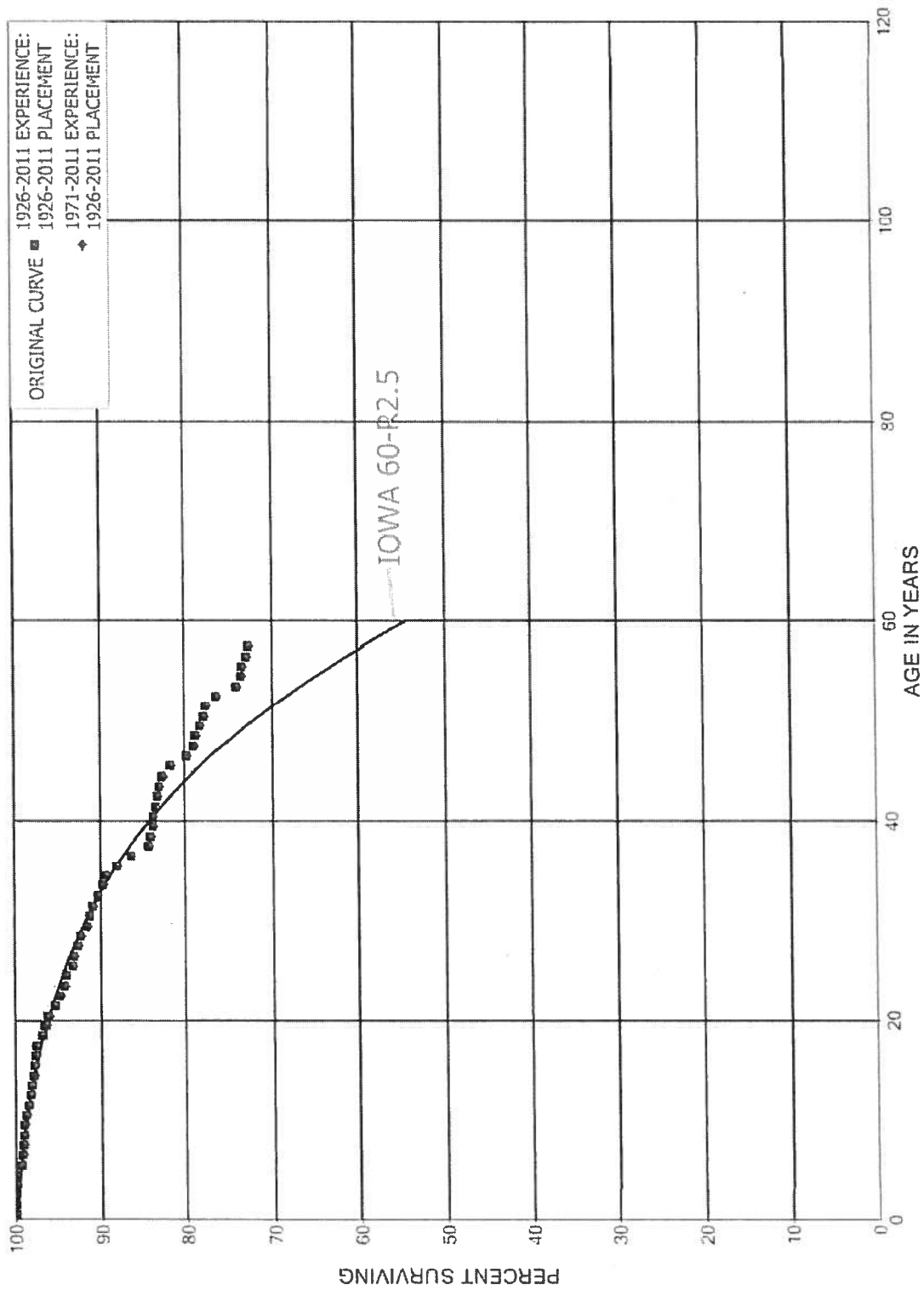
III-11

## SERVICE LIFE STATISTICS

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

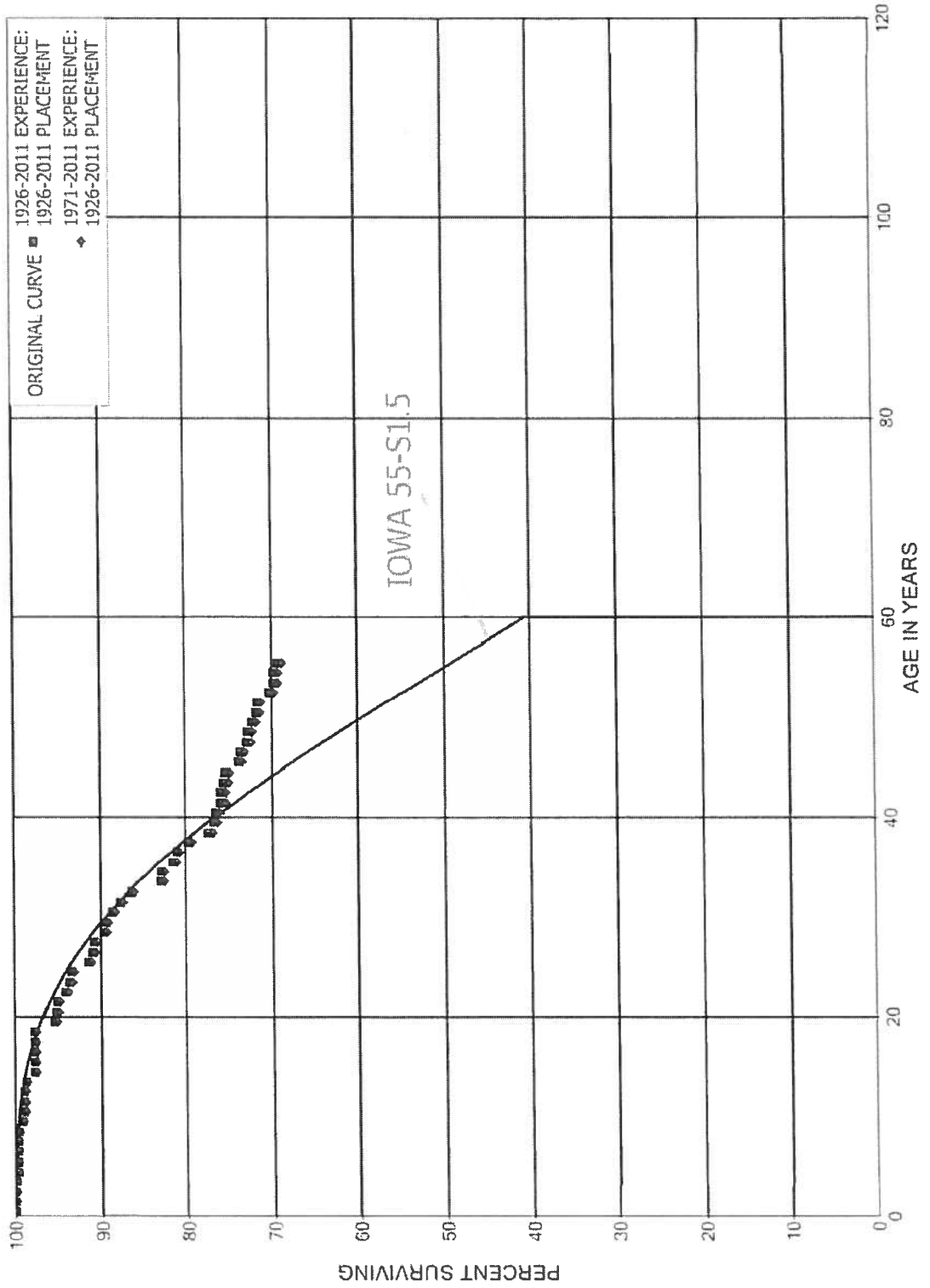


KENTUCKY UTILITIES COMPANY  
ACCOUNT 312 BOILER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

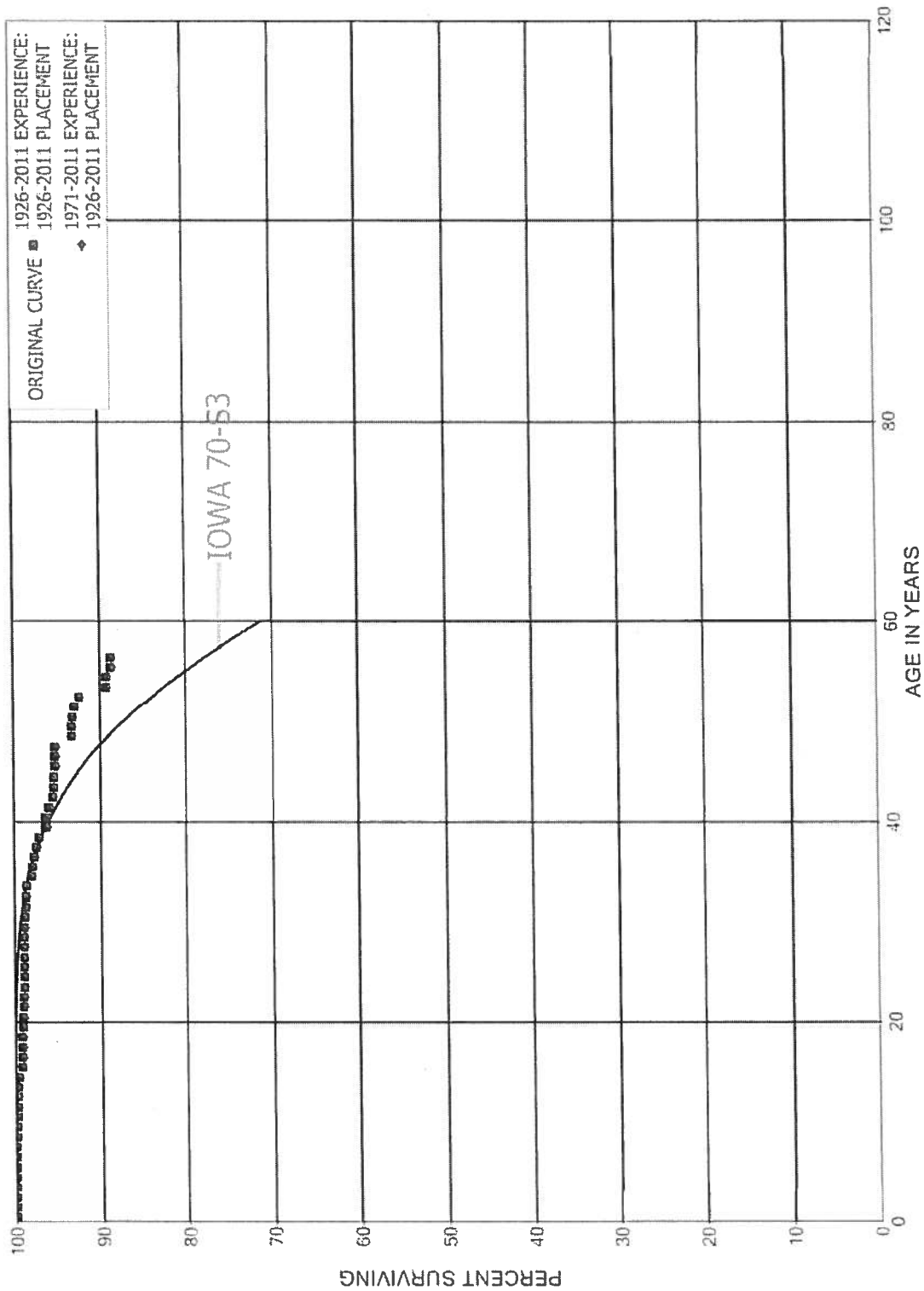




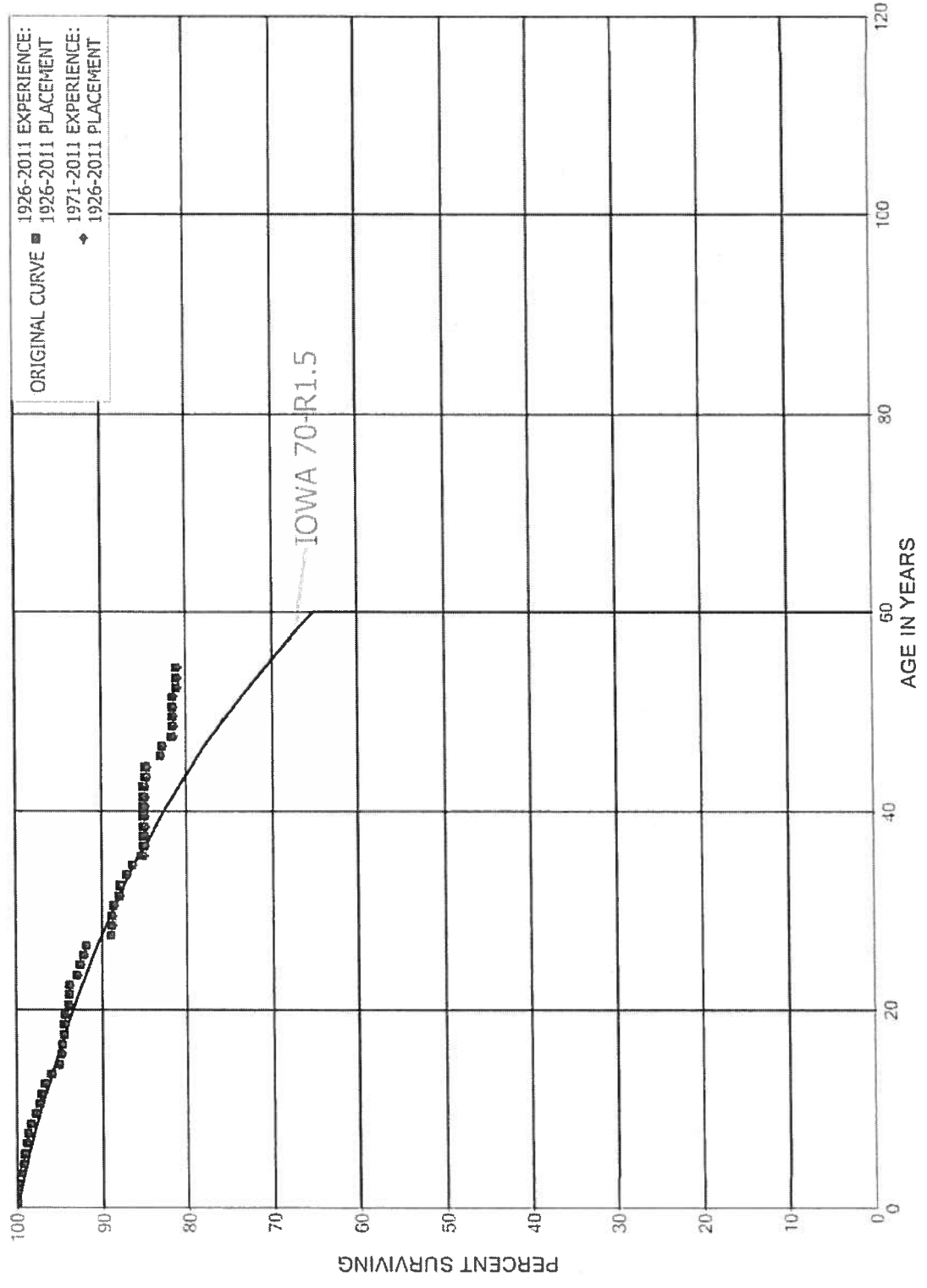
KENTUCKY UTILITIES COMPANY  
ACCOUNT 314 TURBOGENERATOR UNITS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



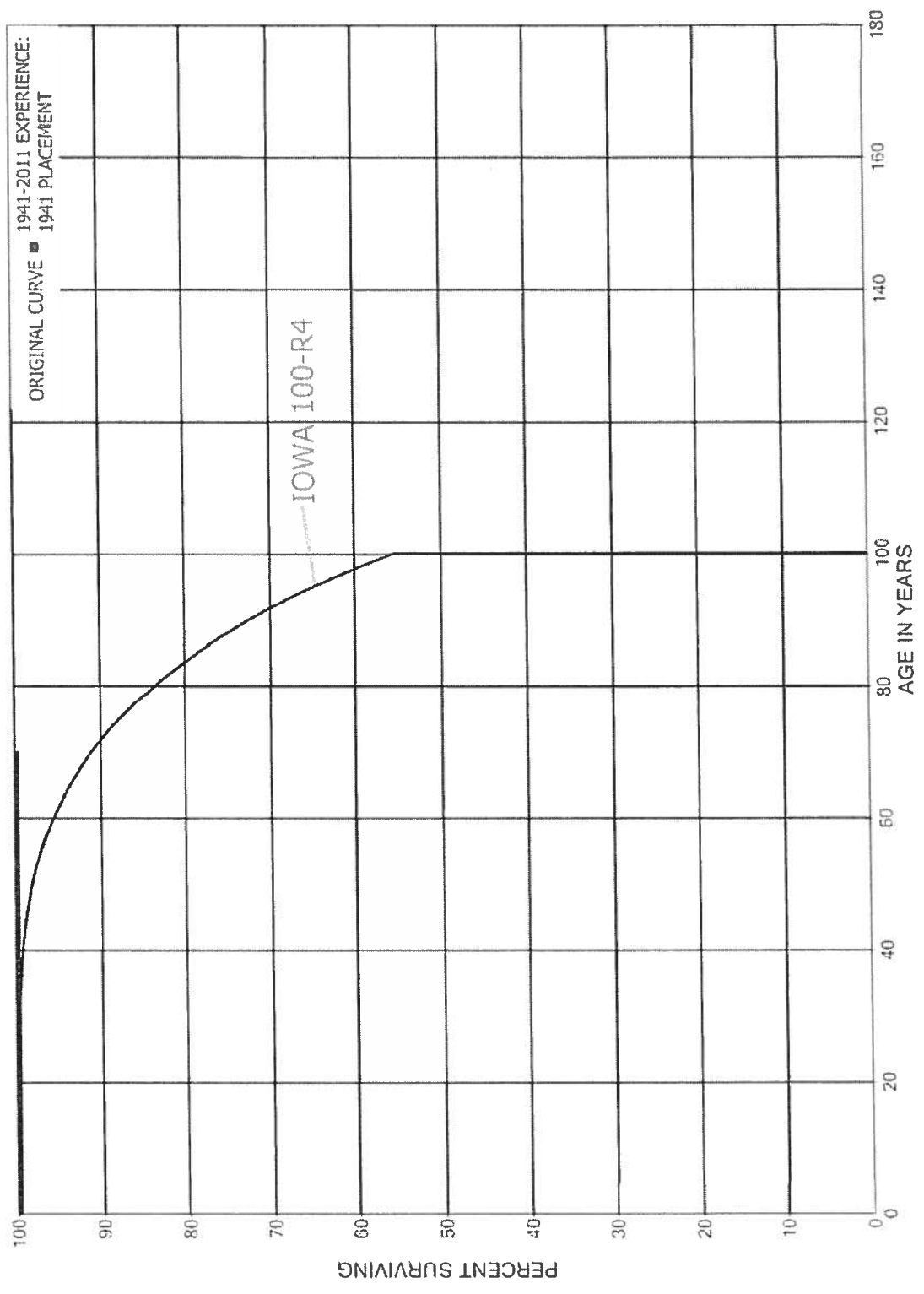
KENTUCKY UTILITIES COMPANY  
ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



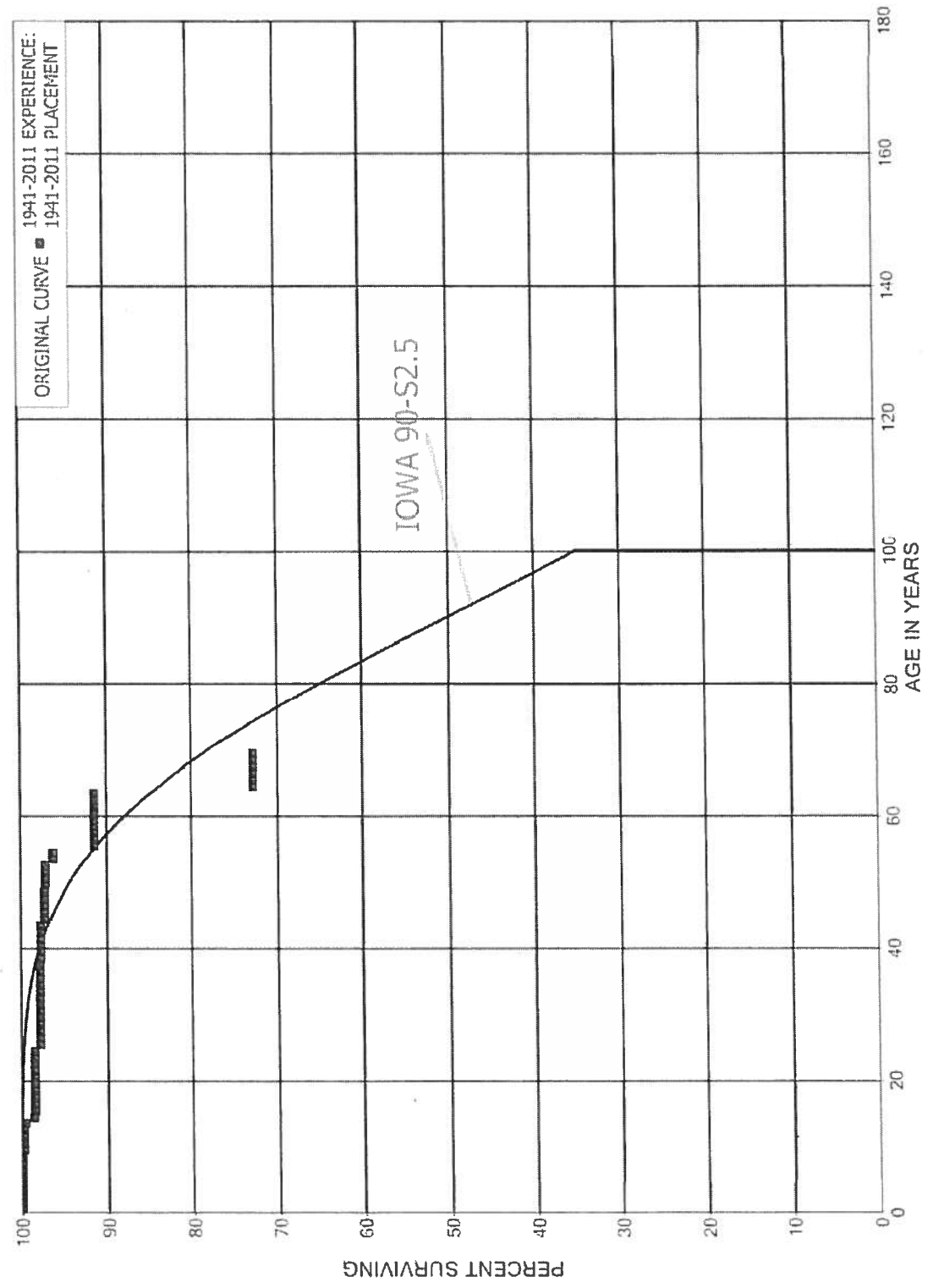
KENTUCKY UTILITIES COMPANY  
ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



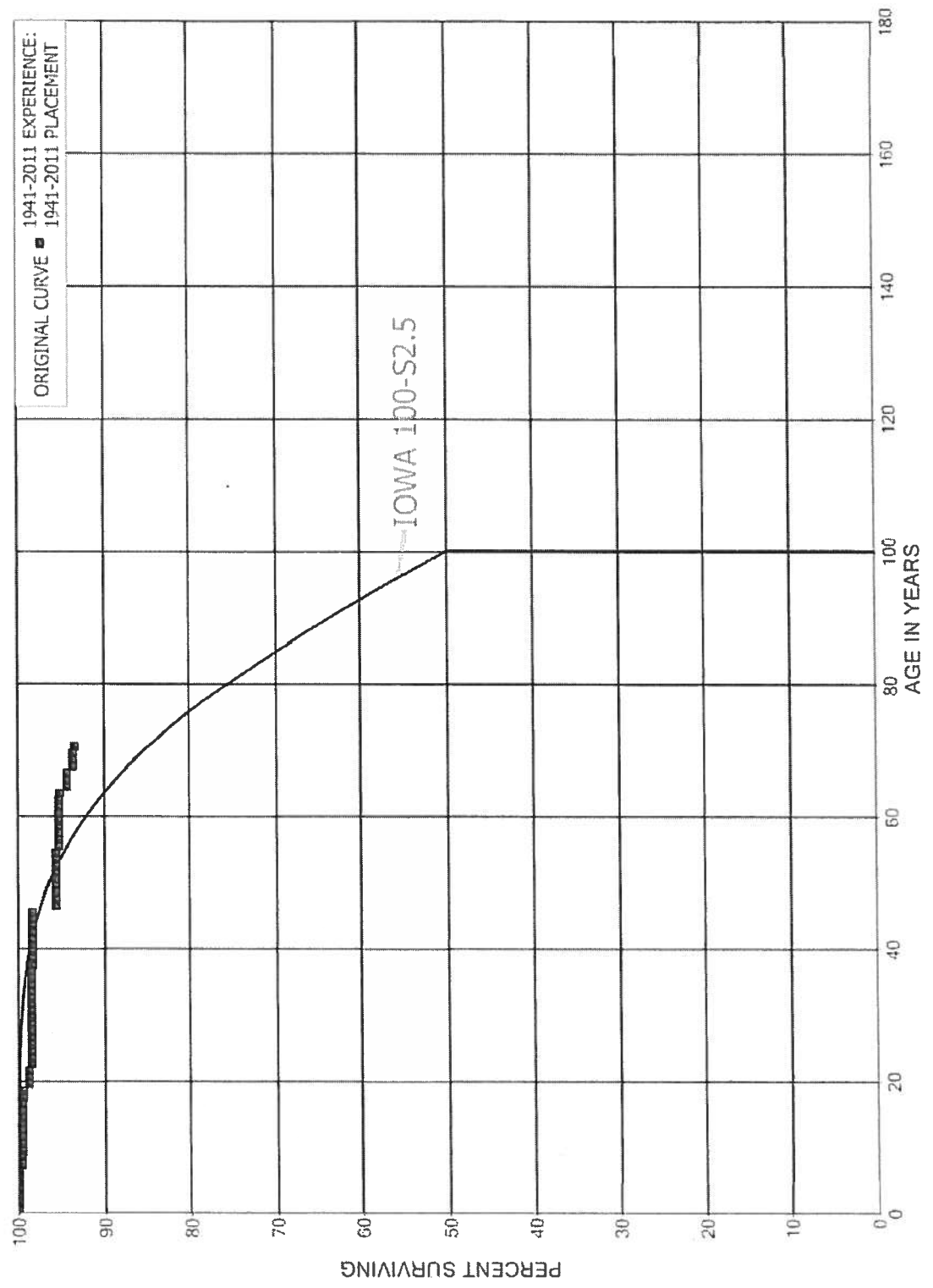
KENTUCKY UTILITIES COMPANY  
ACCOUNT 330.1 LAND RIGHTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



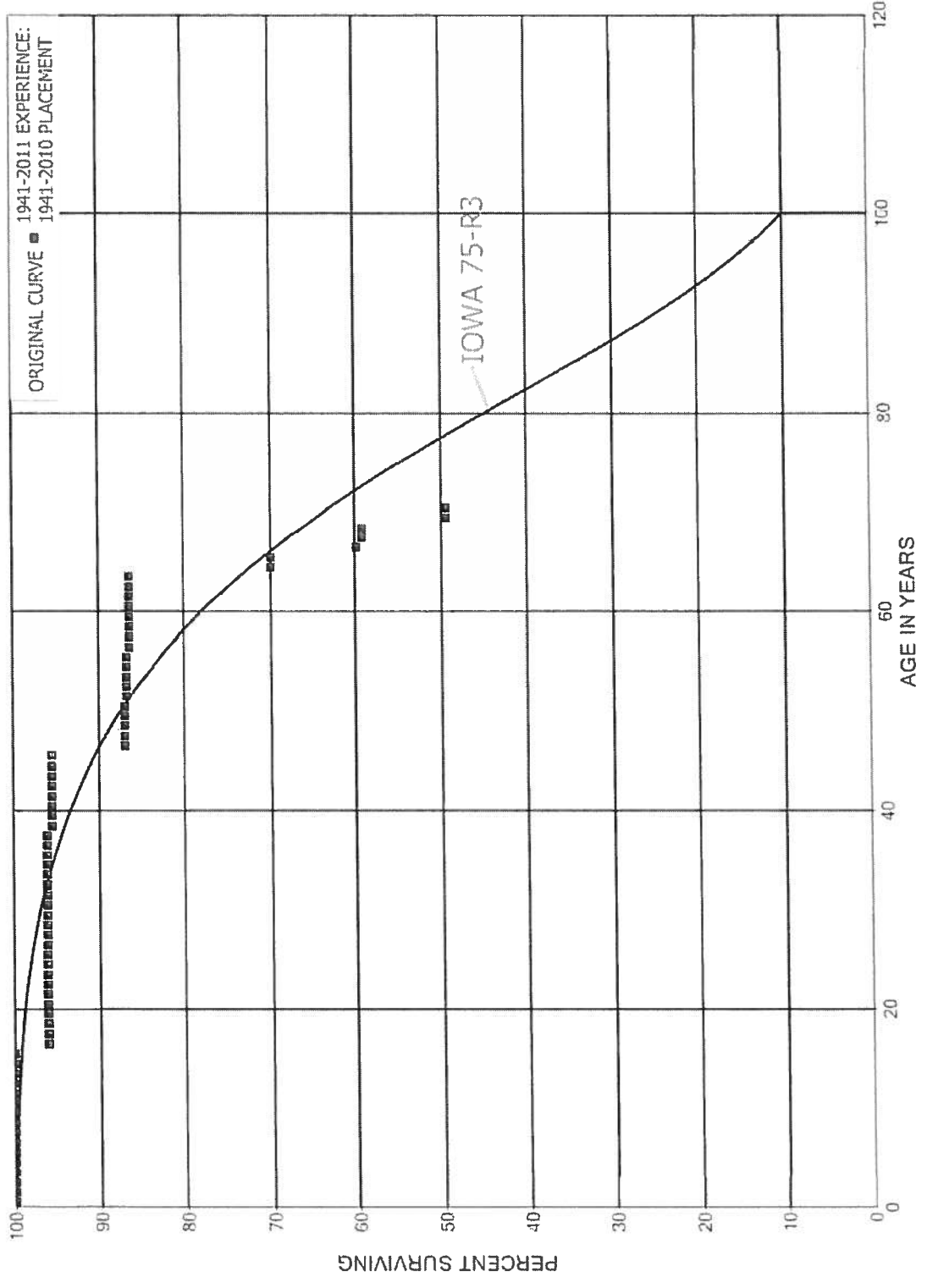
KENTUCKY UTILITIES COMPANY  
ACCOUNT 331 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



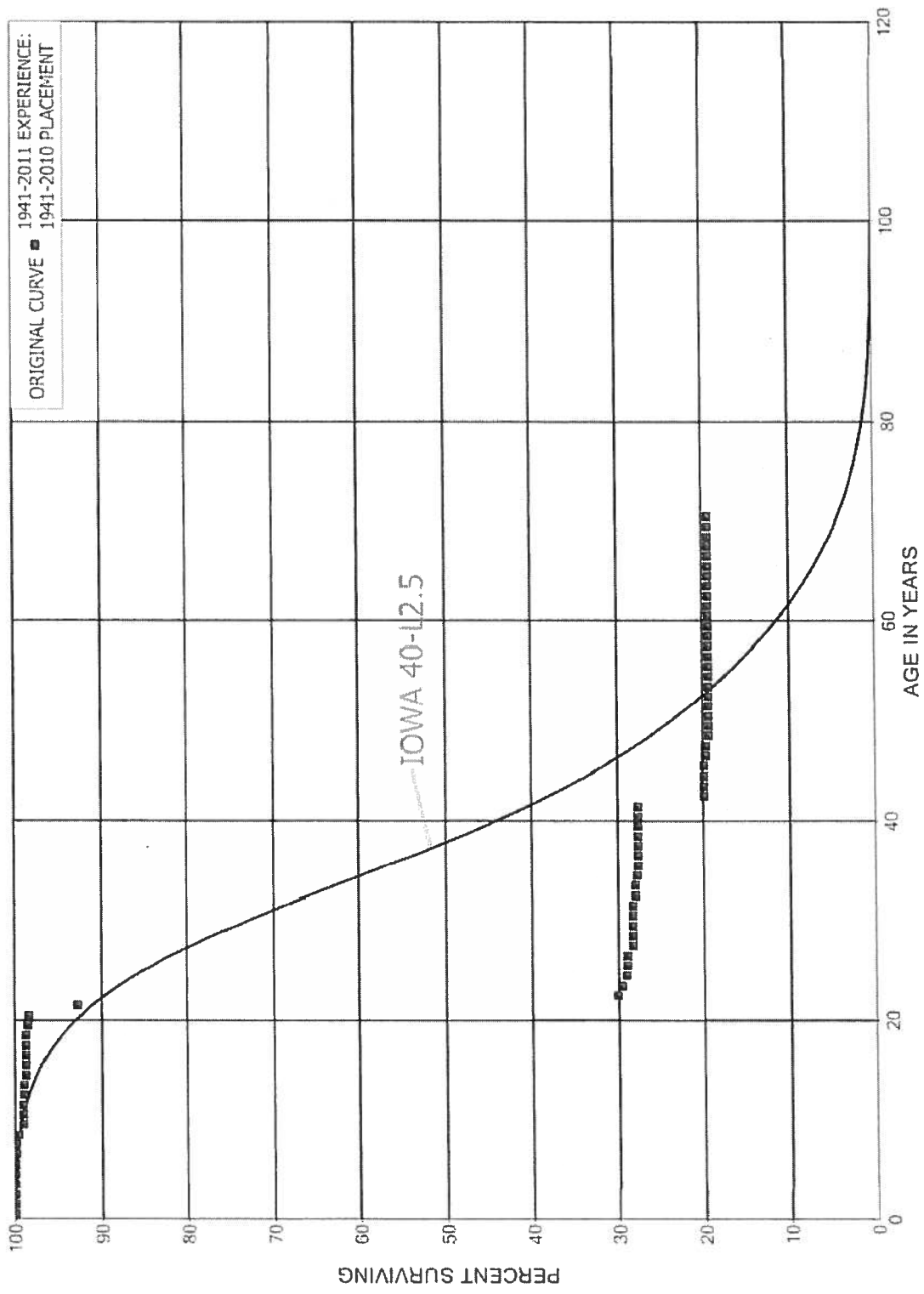
KENTUCKY UTILITIES COMPANY  
ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAYS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

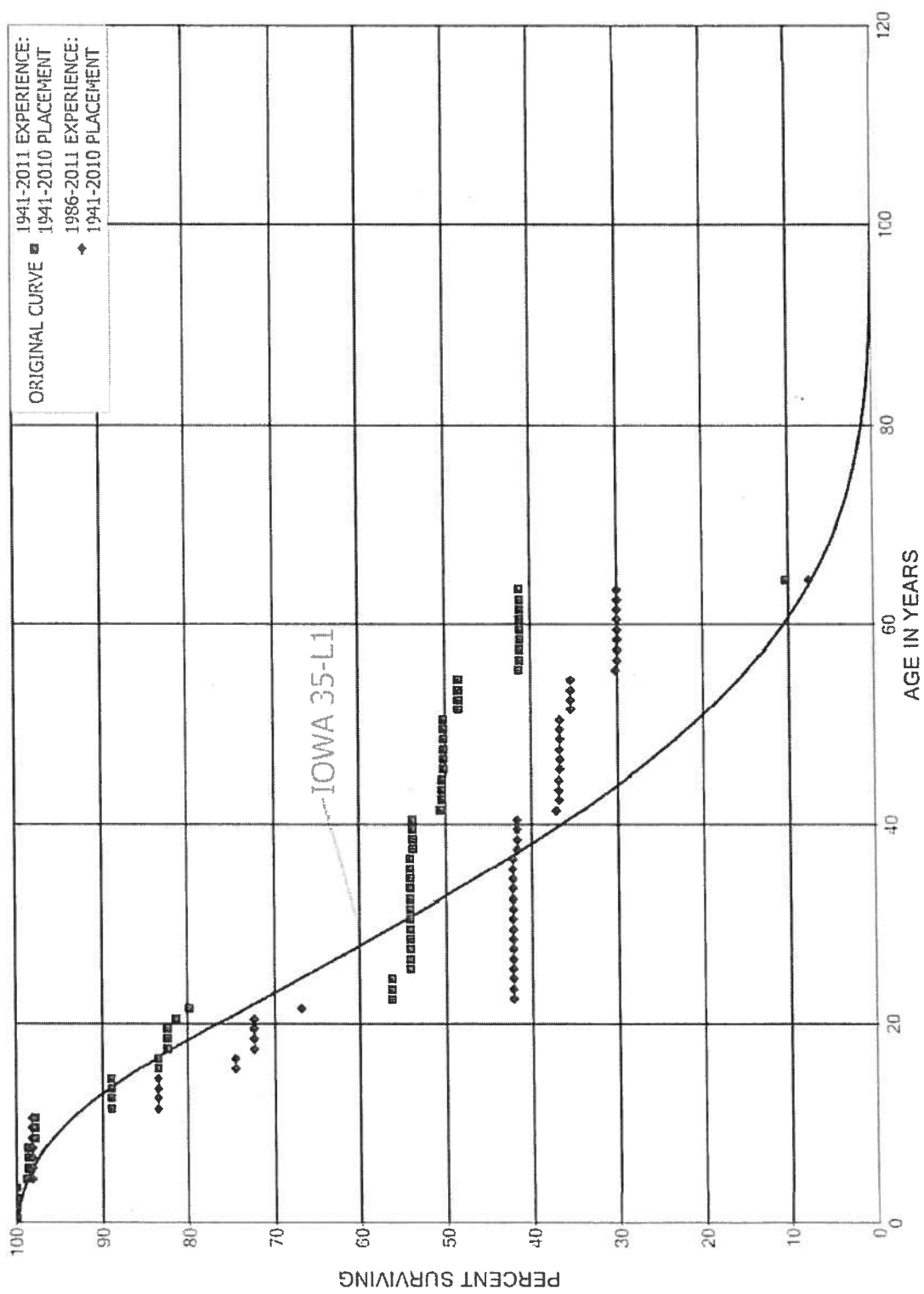


KENTUCKY UTILITIES COMPANY  
ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

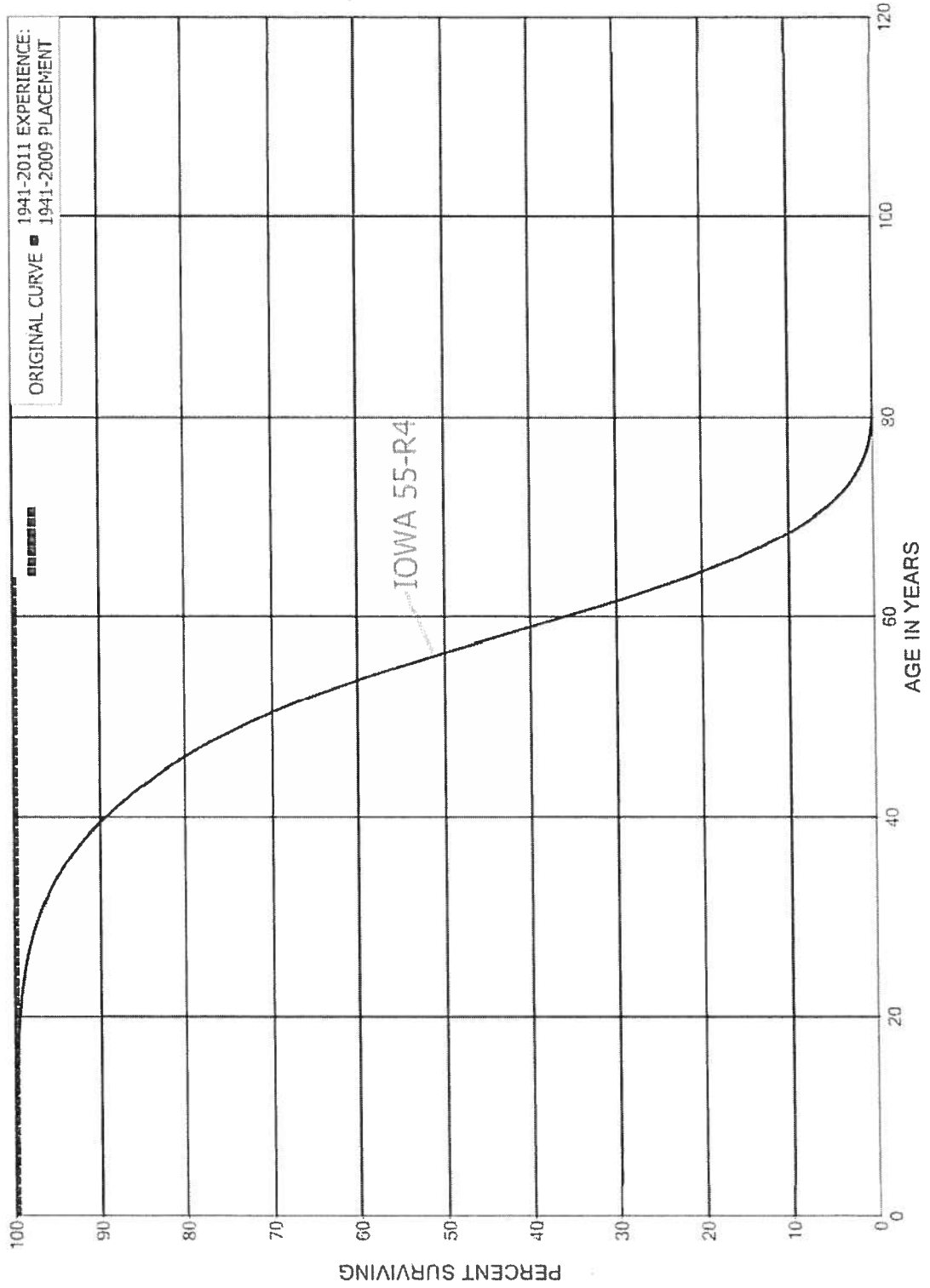




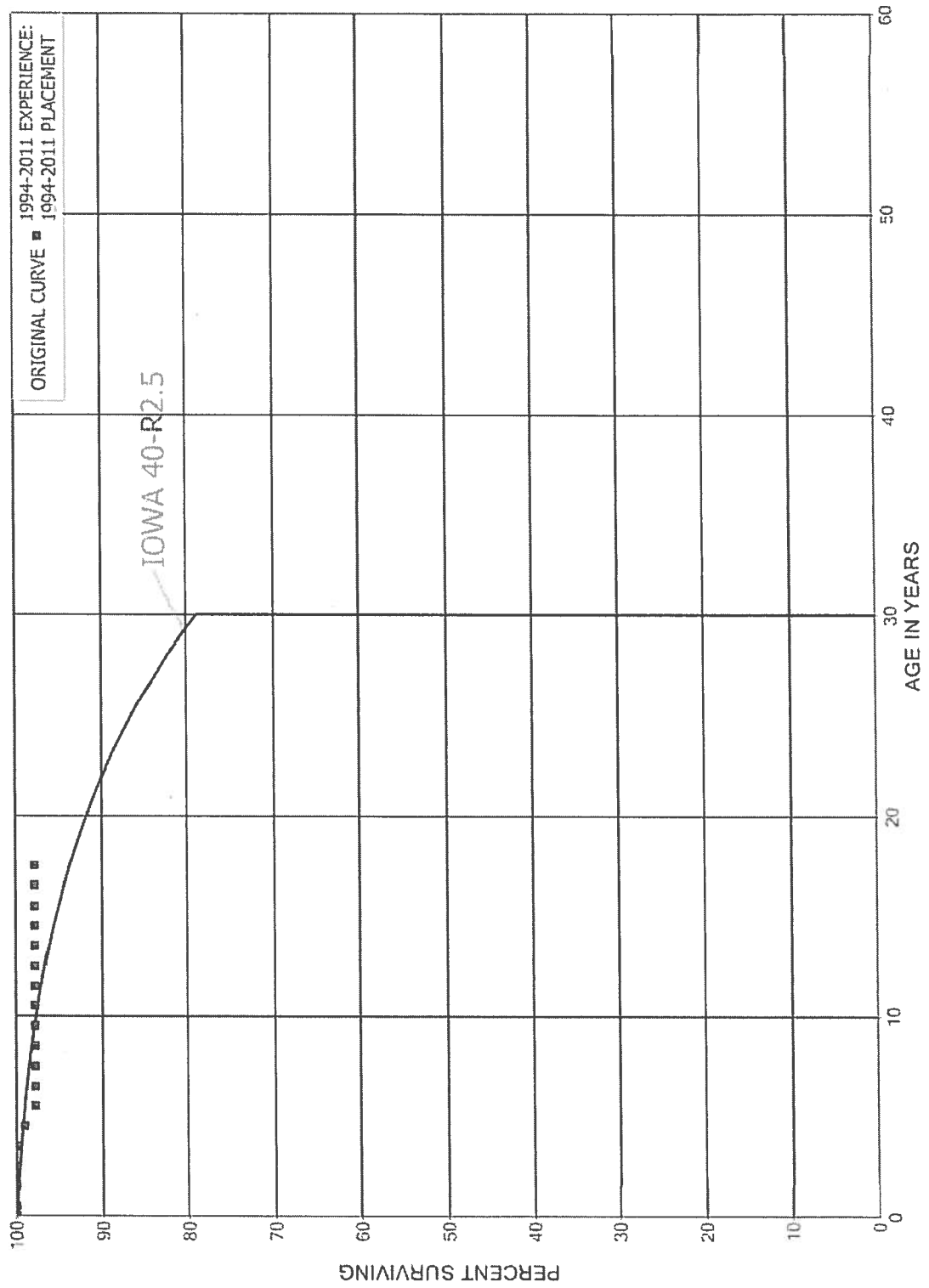
KENTUCKY UTILITIES COMPANY  
ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



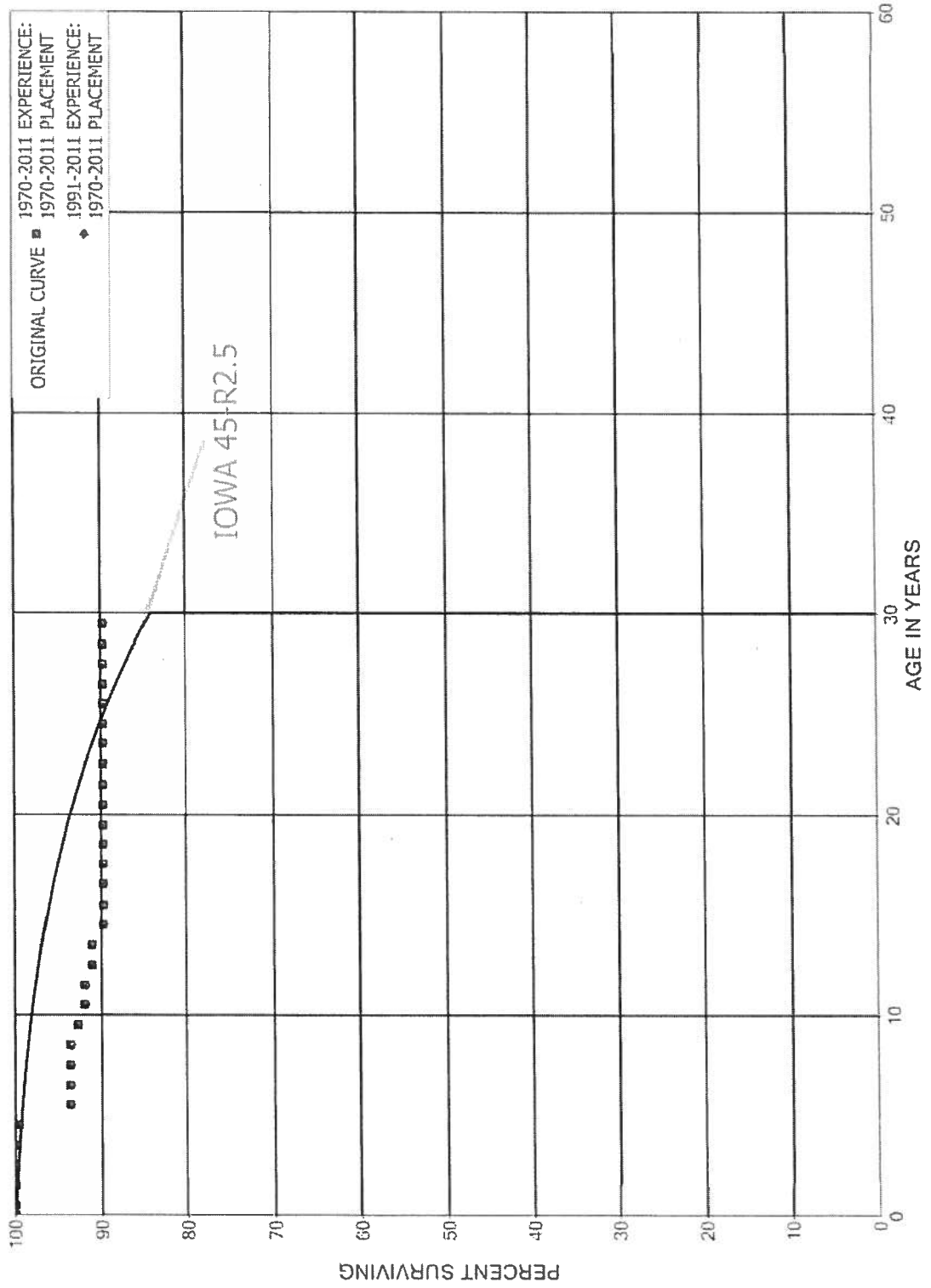
KENTUCKY UTILITIES COMPANY  
ACCOUNT 336 ROADS, RAILROADS, AND BRIDGES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



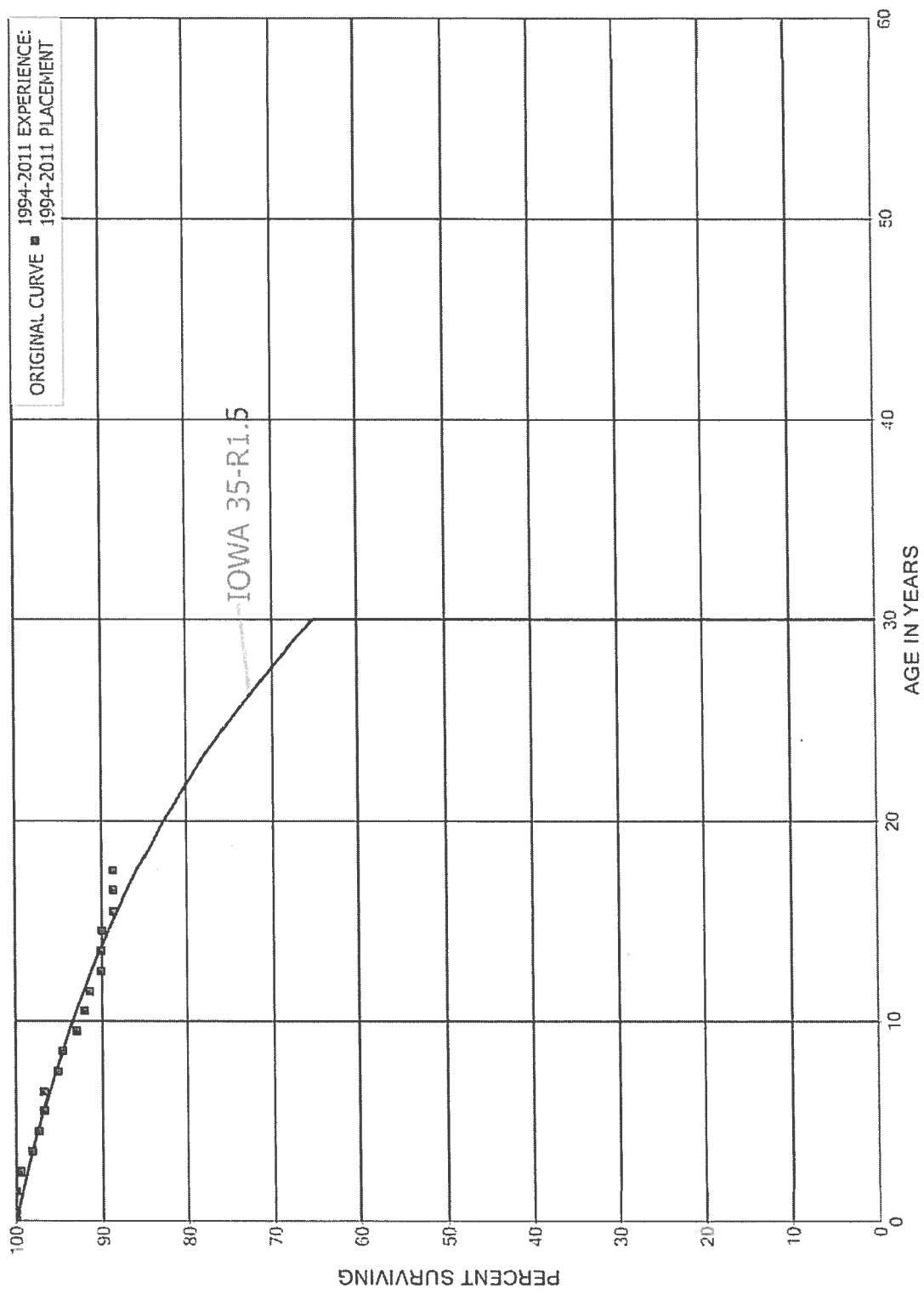
KENTUCKY UTILITIES COMPANY  
ACCOUNT 341 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



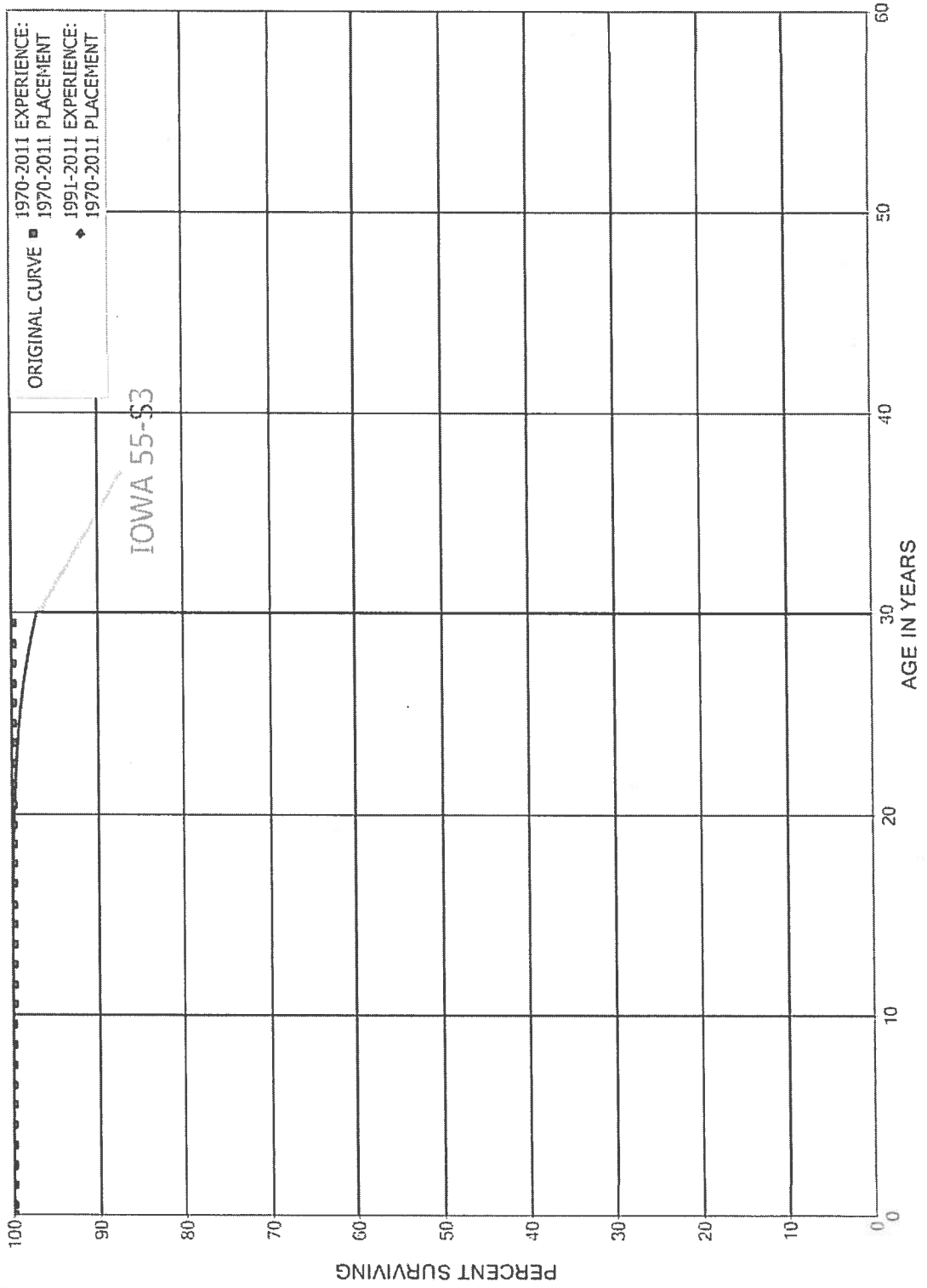
KENTUCKY UTILITIES COMPANY  
ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



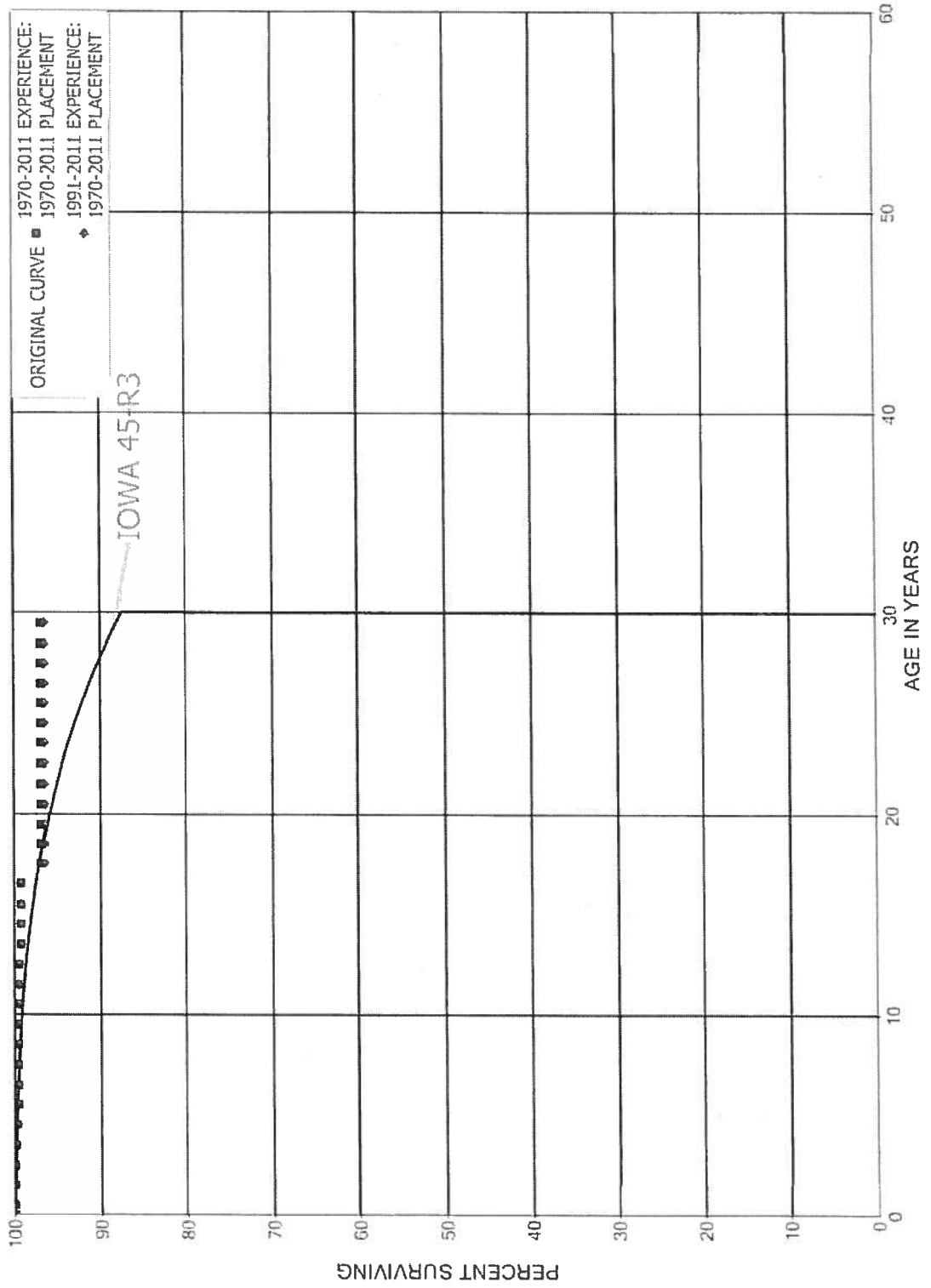
KENTUCKY UTILITIES COMPANY  
ACCOUNT 343 PRIME MOVERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



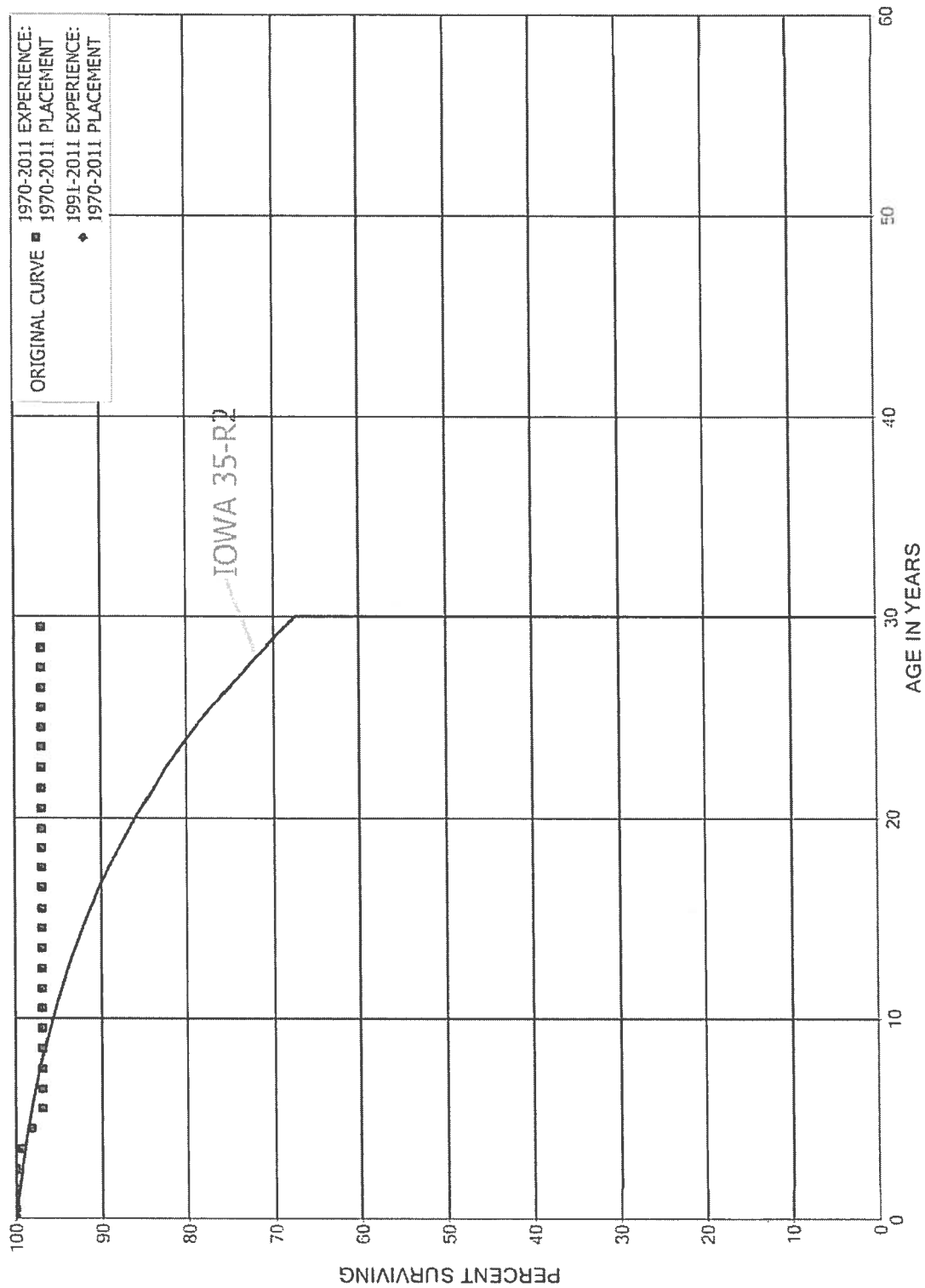
KENTUCKY UTILITIES COMPANY  
ACCOUNT 344 GENERATORS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

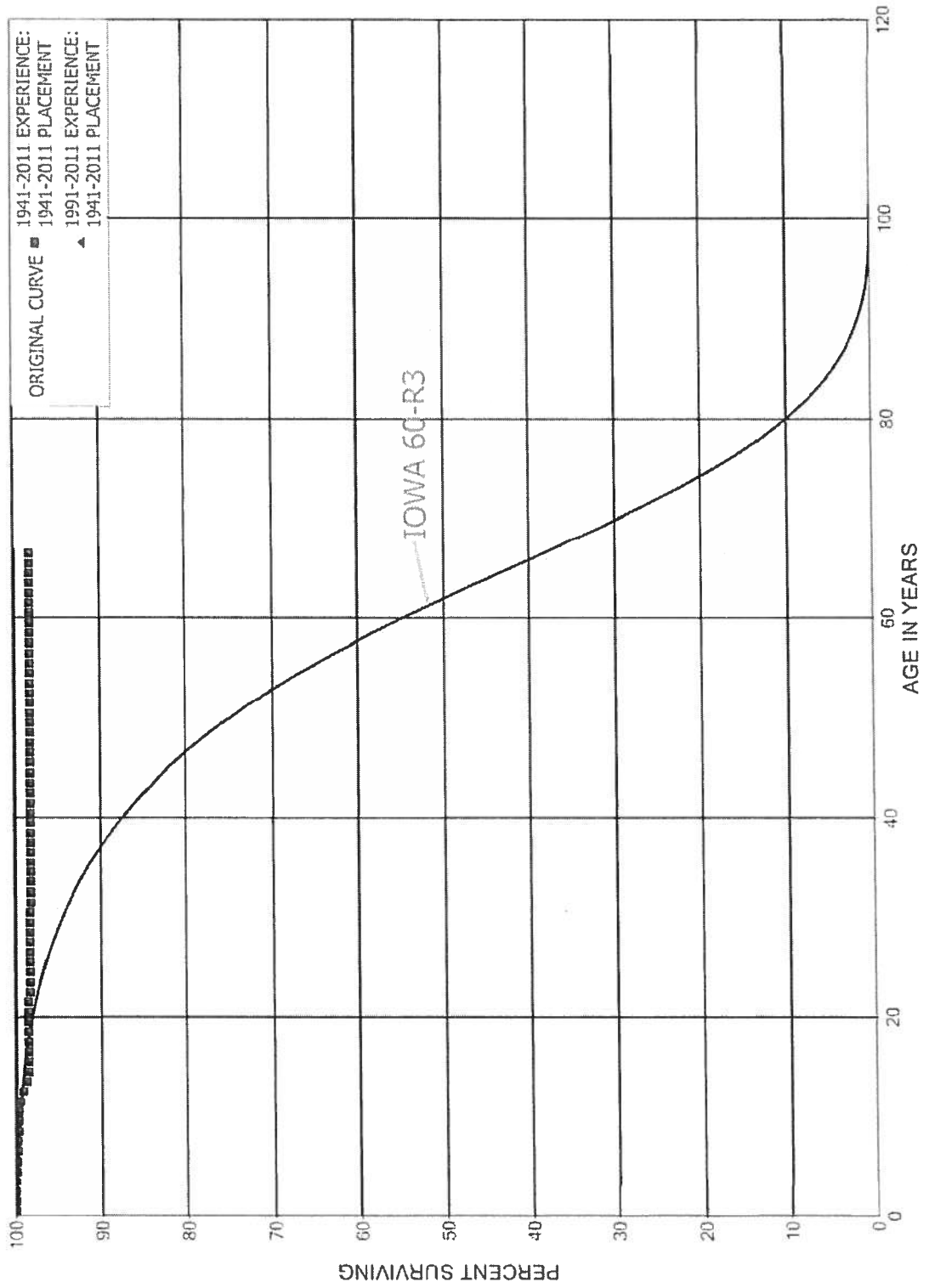


KENTUCKY UTILITIES COMPANY  
ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

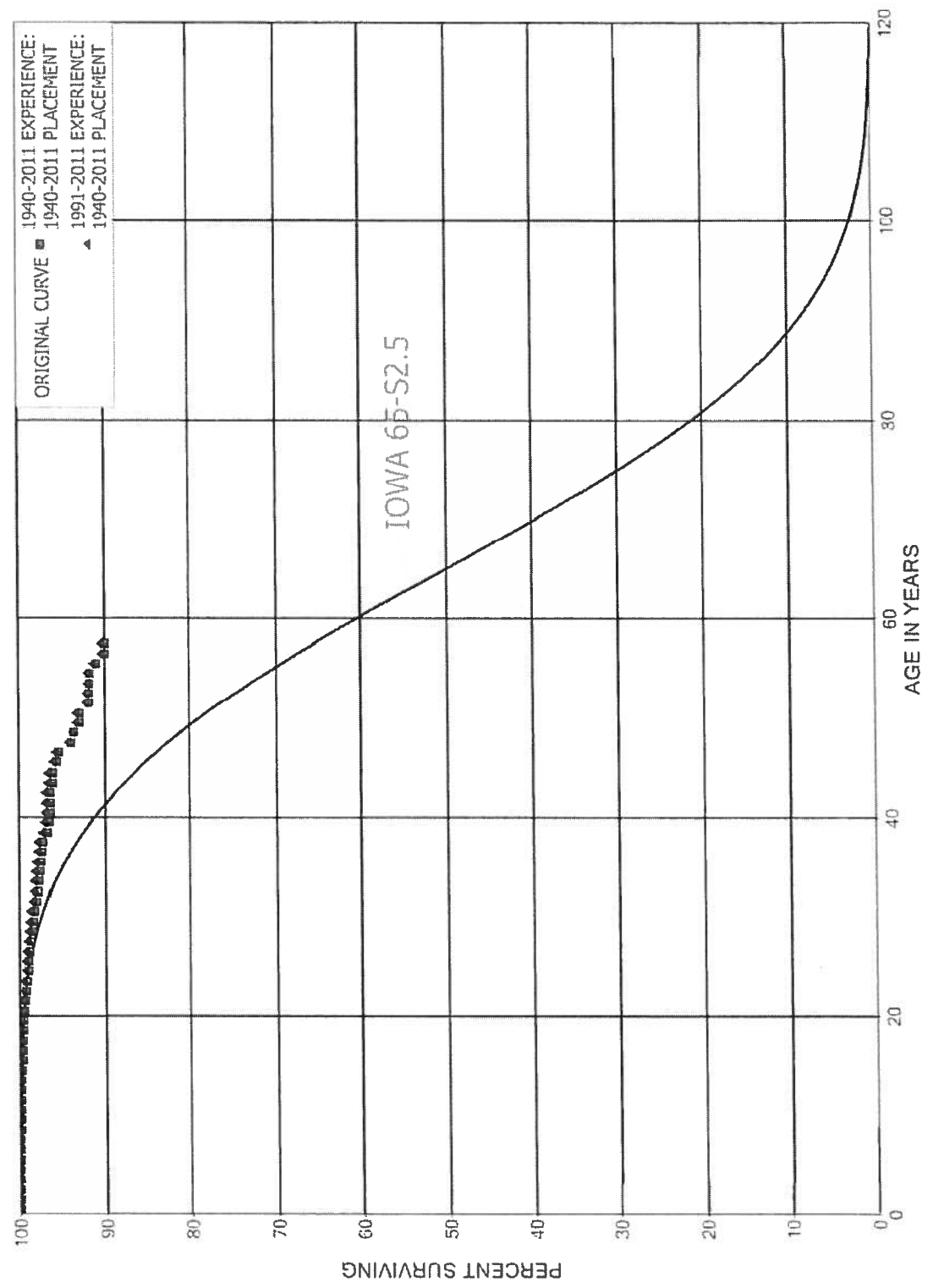




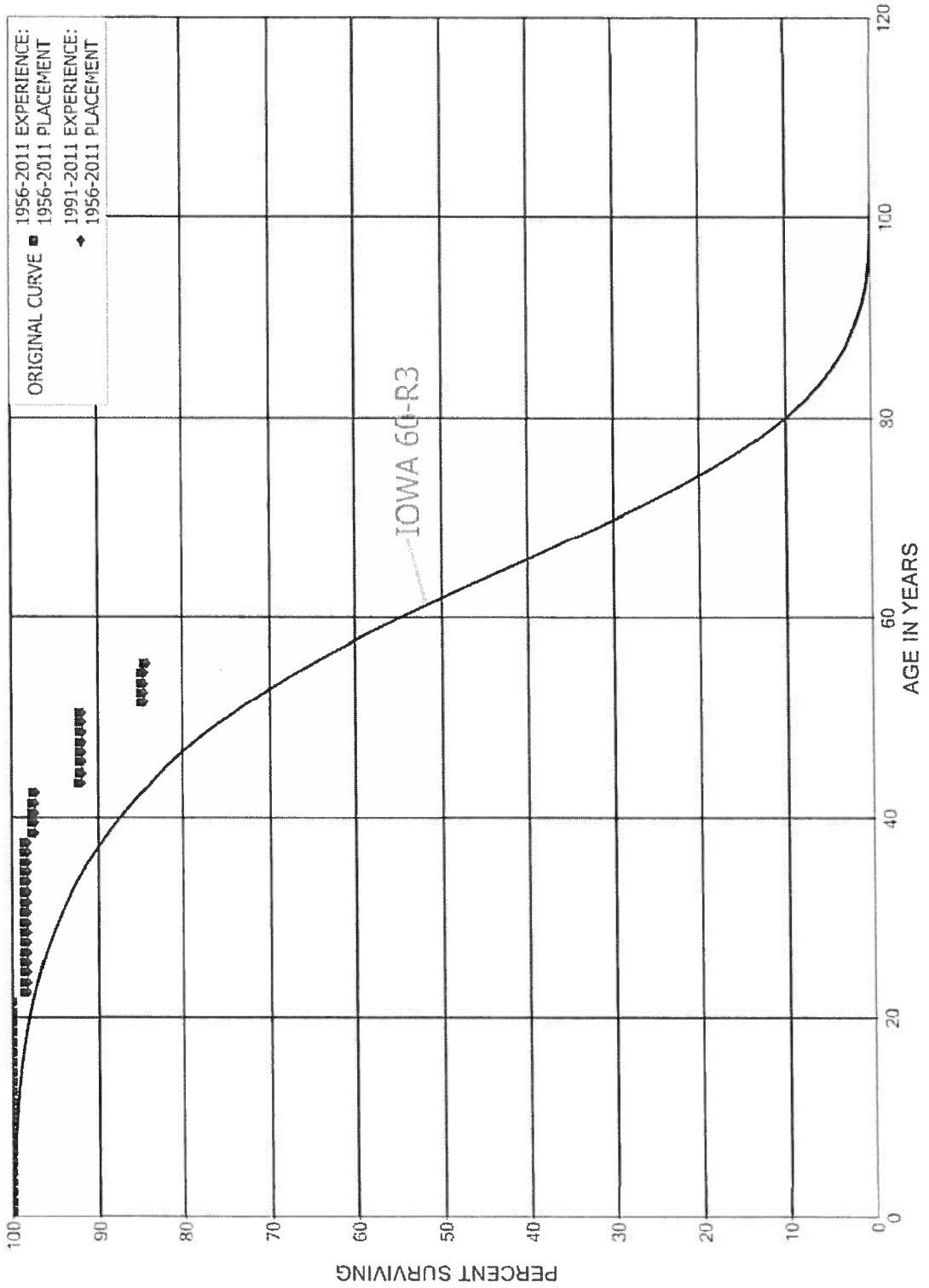
KENTUCKY UTILITIES COMPANY  
ACCOUNT 350.1 LAND RIGHTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



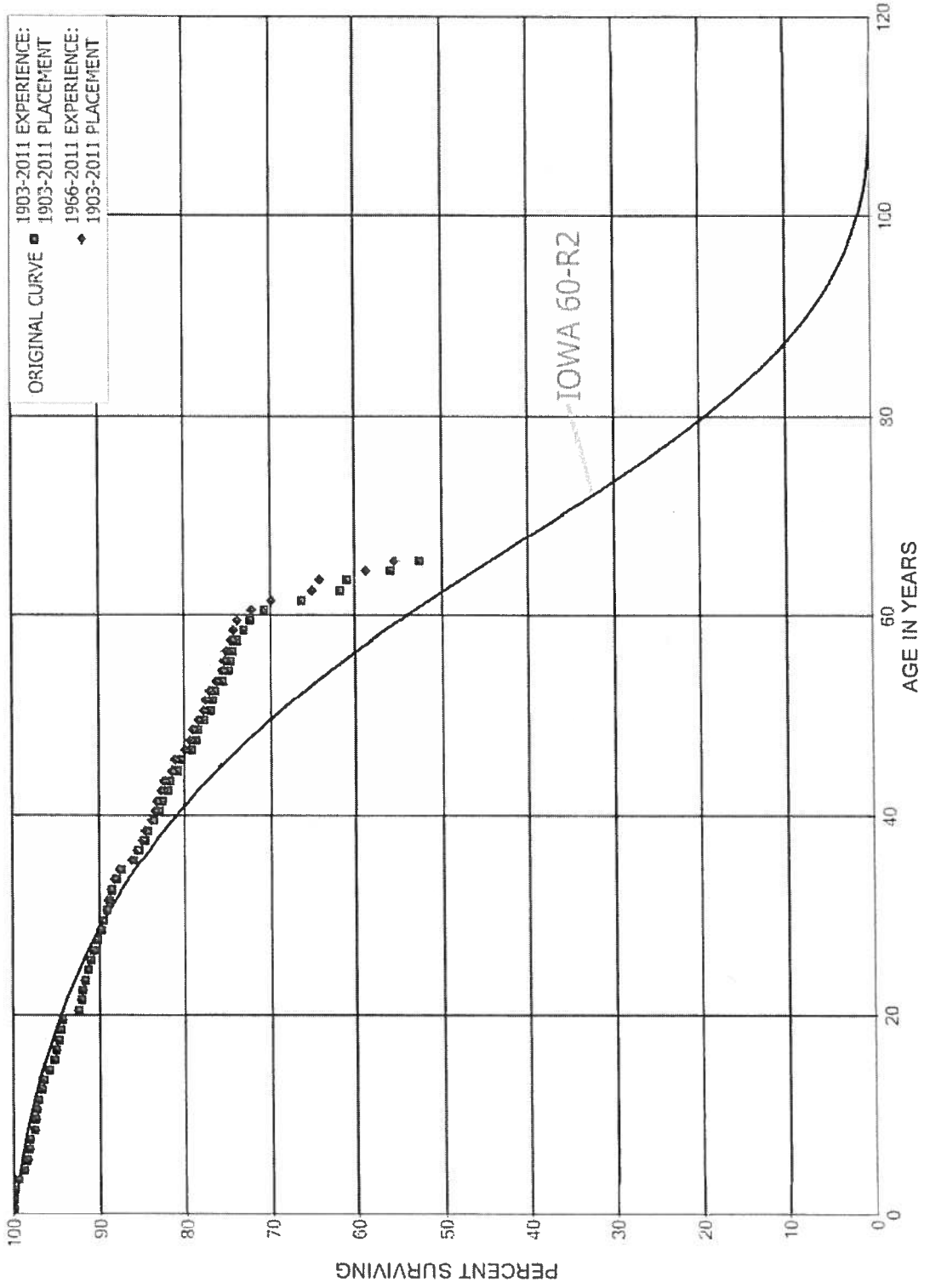
KENTUCKY UTILITIES COMPANY  
ACCOUNT 352.1 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



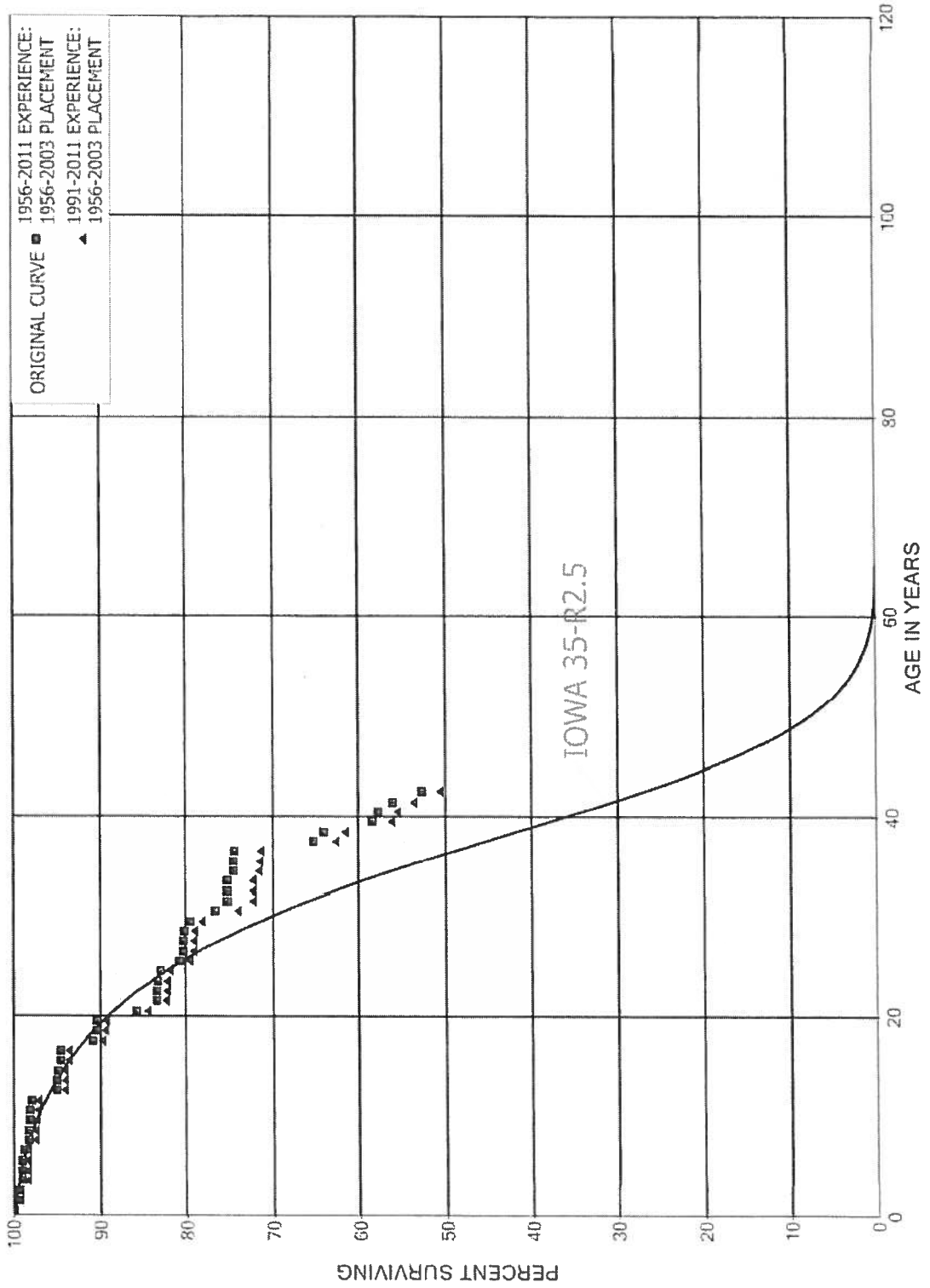
KENTUCKY UTILITIES COMPANY  
ACCOUNT 352.2 STRUCTURES AND IMPROVEMENTS - SYS CONTROL/COM  
ORIGINAL AND SMOOTH SURVIVOR CURVES



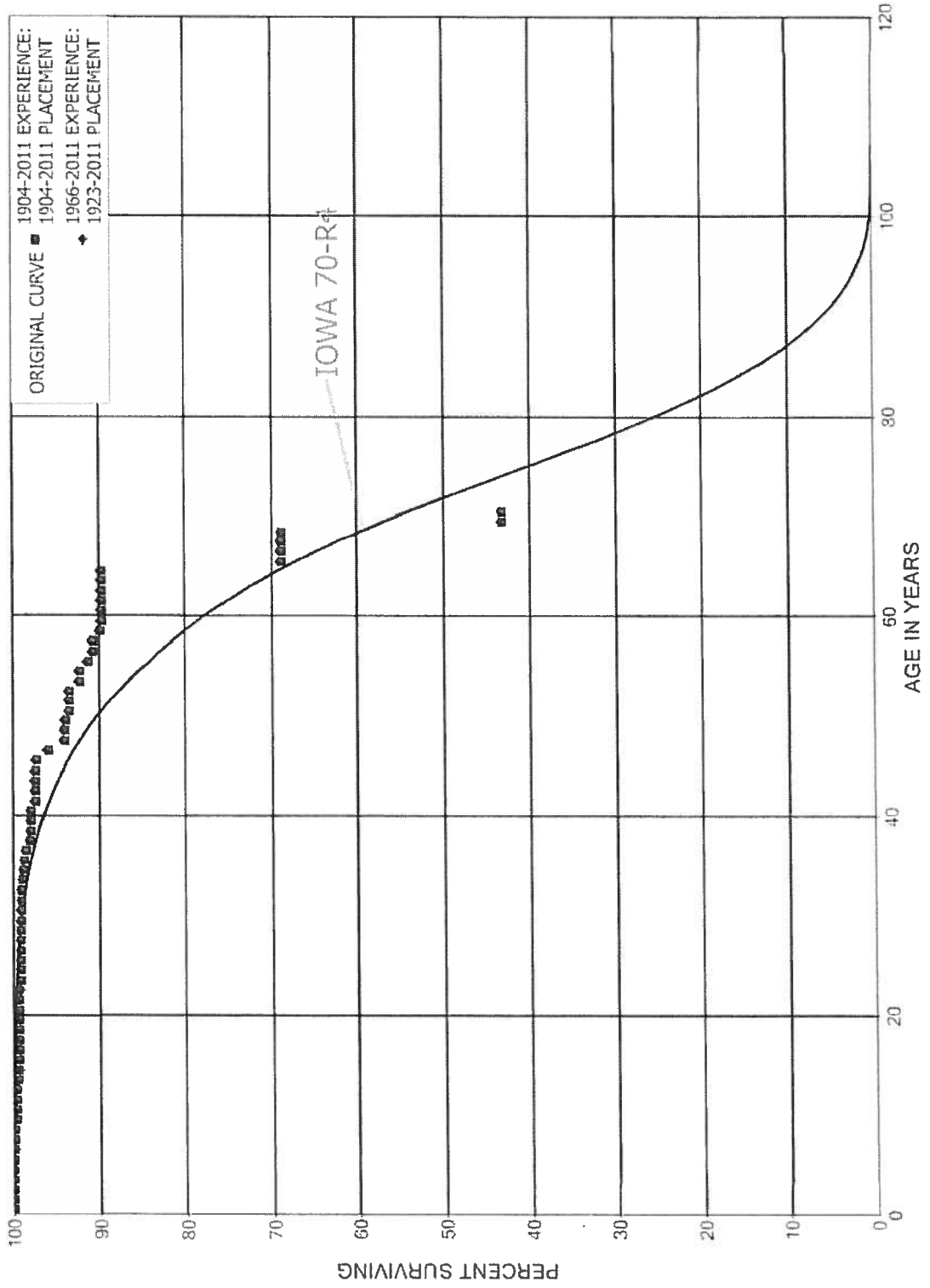
KENTUCKY UTILITIES COMPANY  
ACCOUNT 353.1 STATION EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



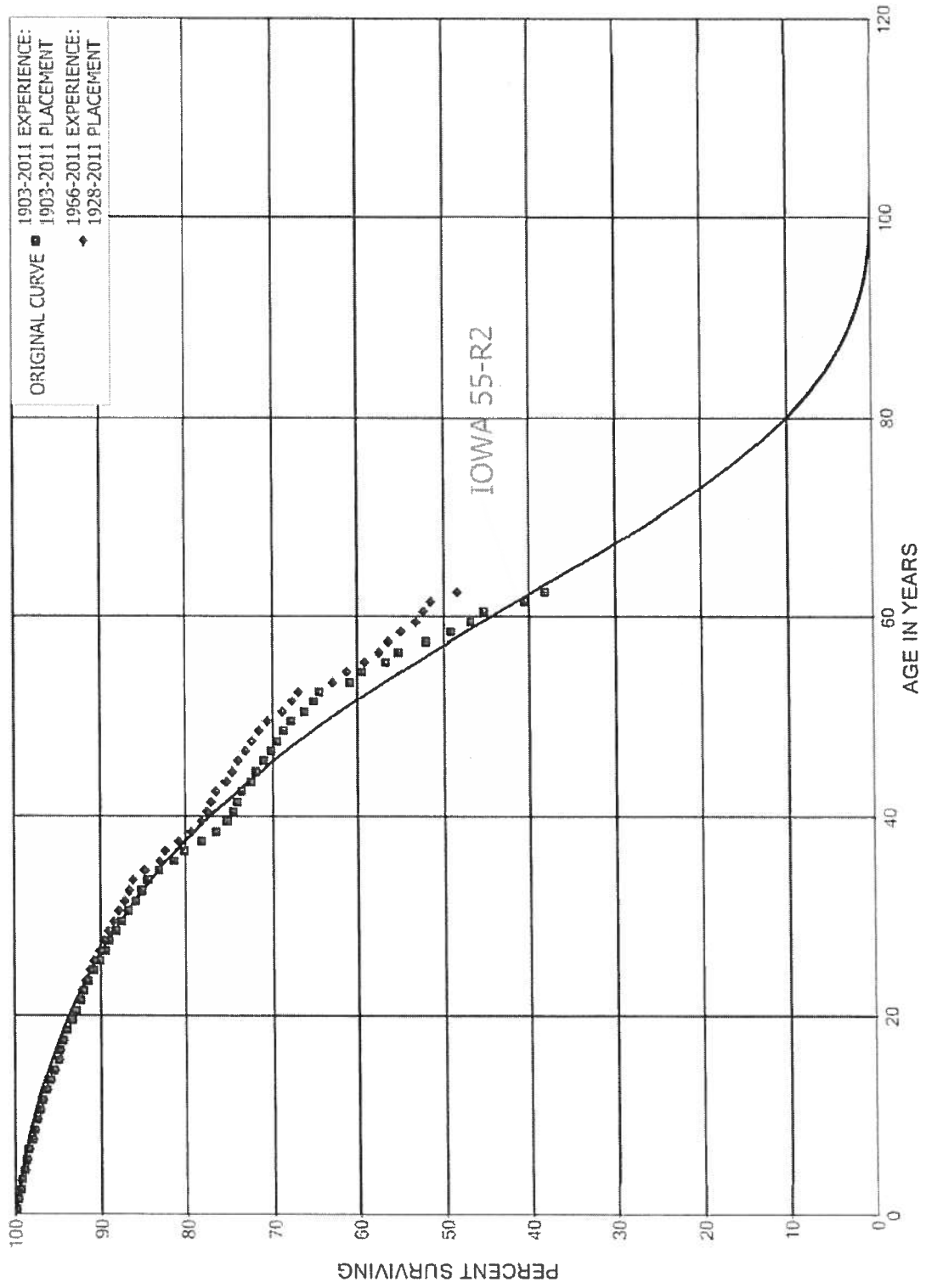
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ACCOUNT 353.2 STATION EQUIPMENT - SYS CONTROL/COM  
ORIGINAL AND SMOOTH SURVIVOR CURVES



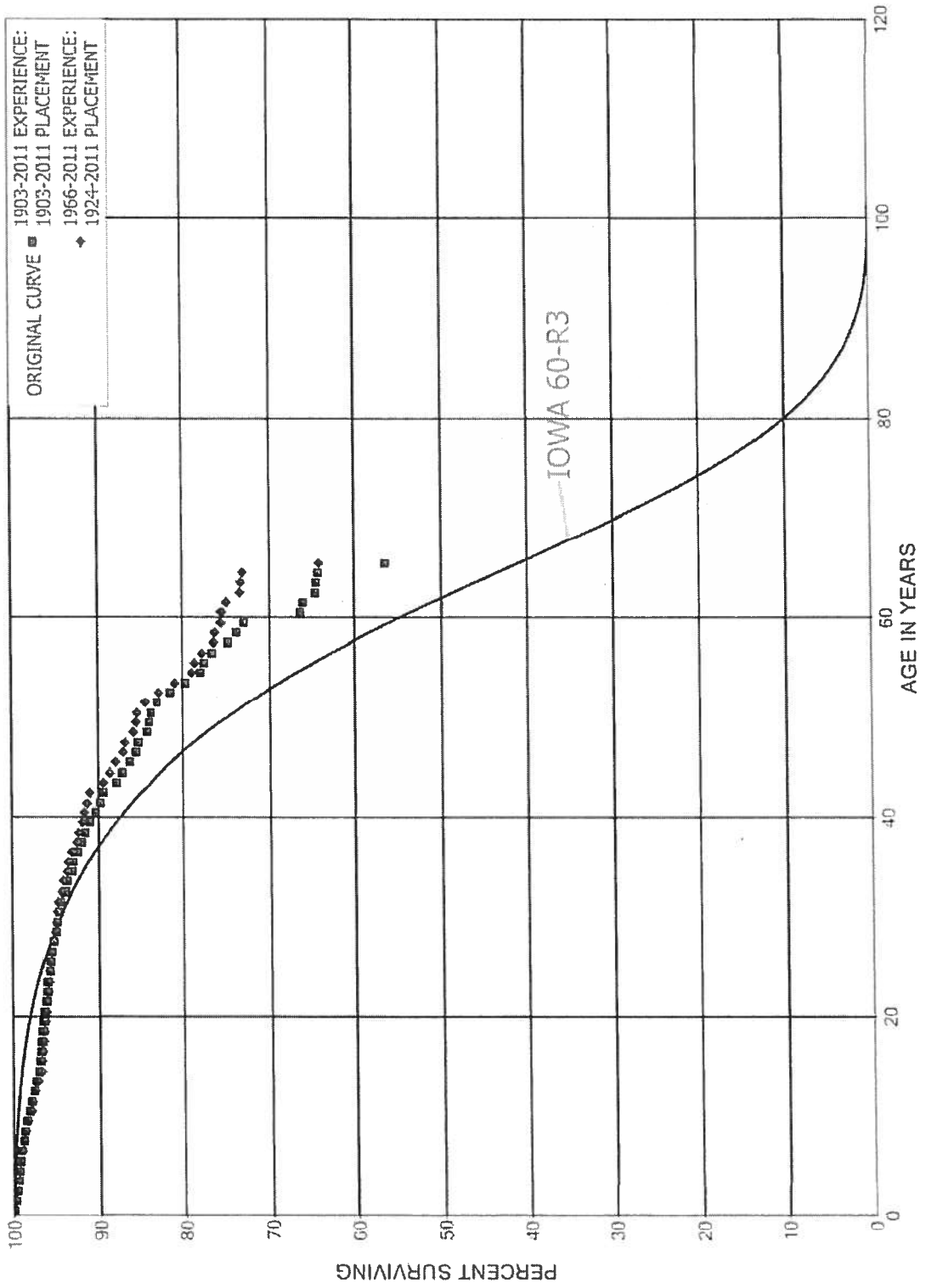
KENTUCKY UTILITIES COMPANY  
ACCOUNT 354 TOWERS AND FIXTURES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

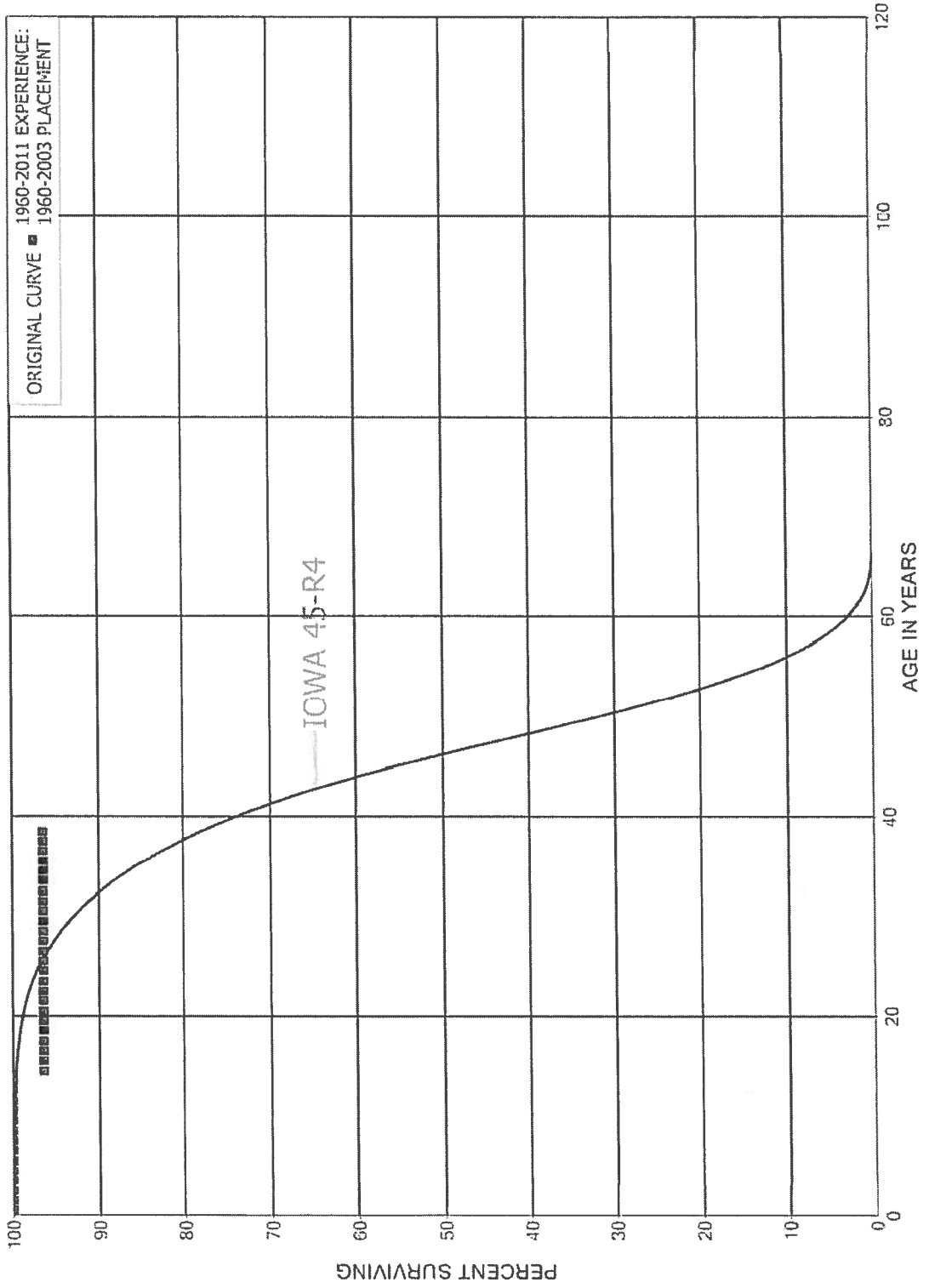


KENTUCKY UTILITIES COMPANY  
ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES

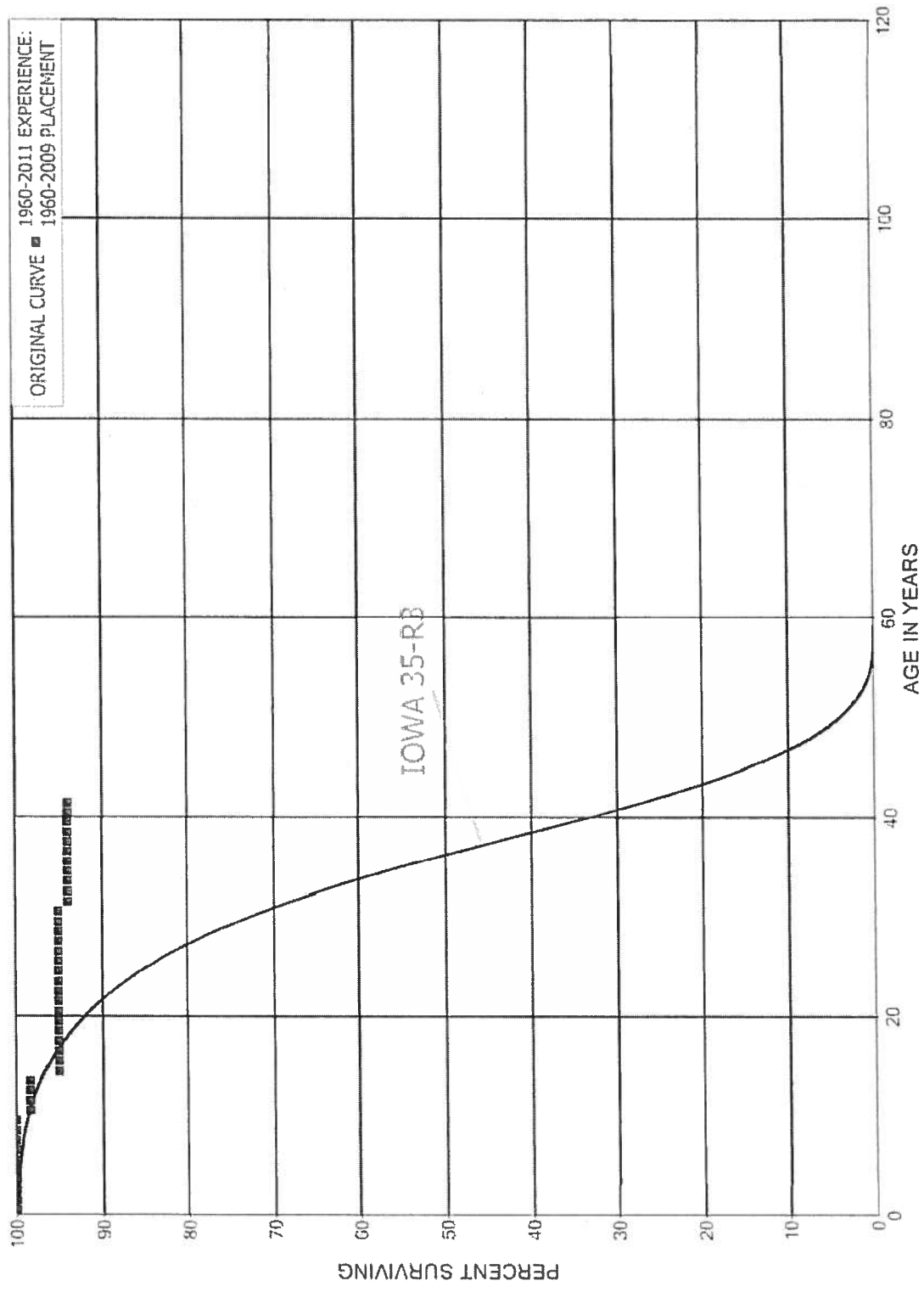




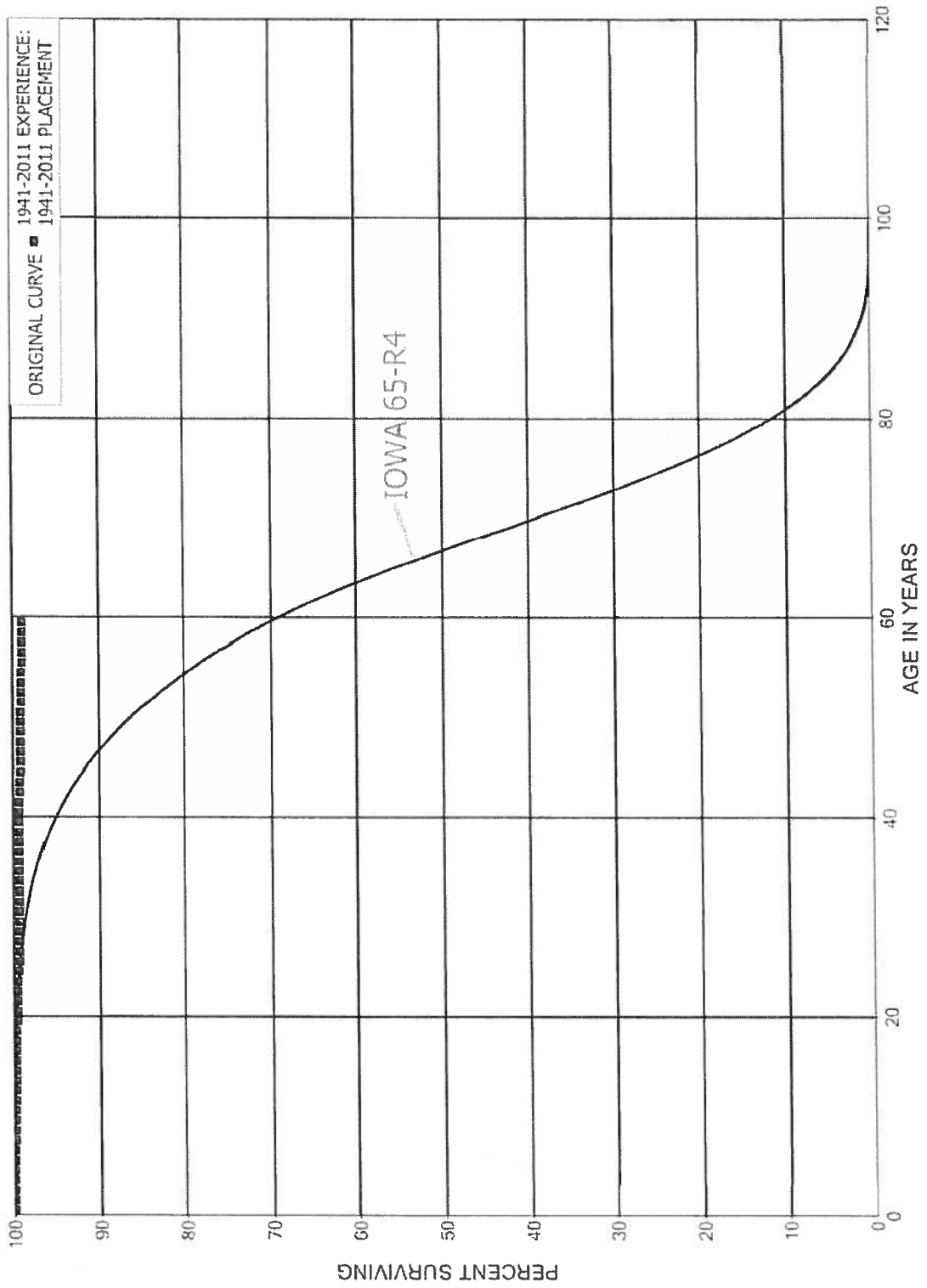
KENTUCKY UTILITIES COMPANY  
ACCOUNT 357 UNDERGROUND CONDUIT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



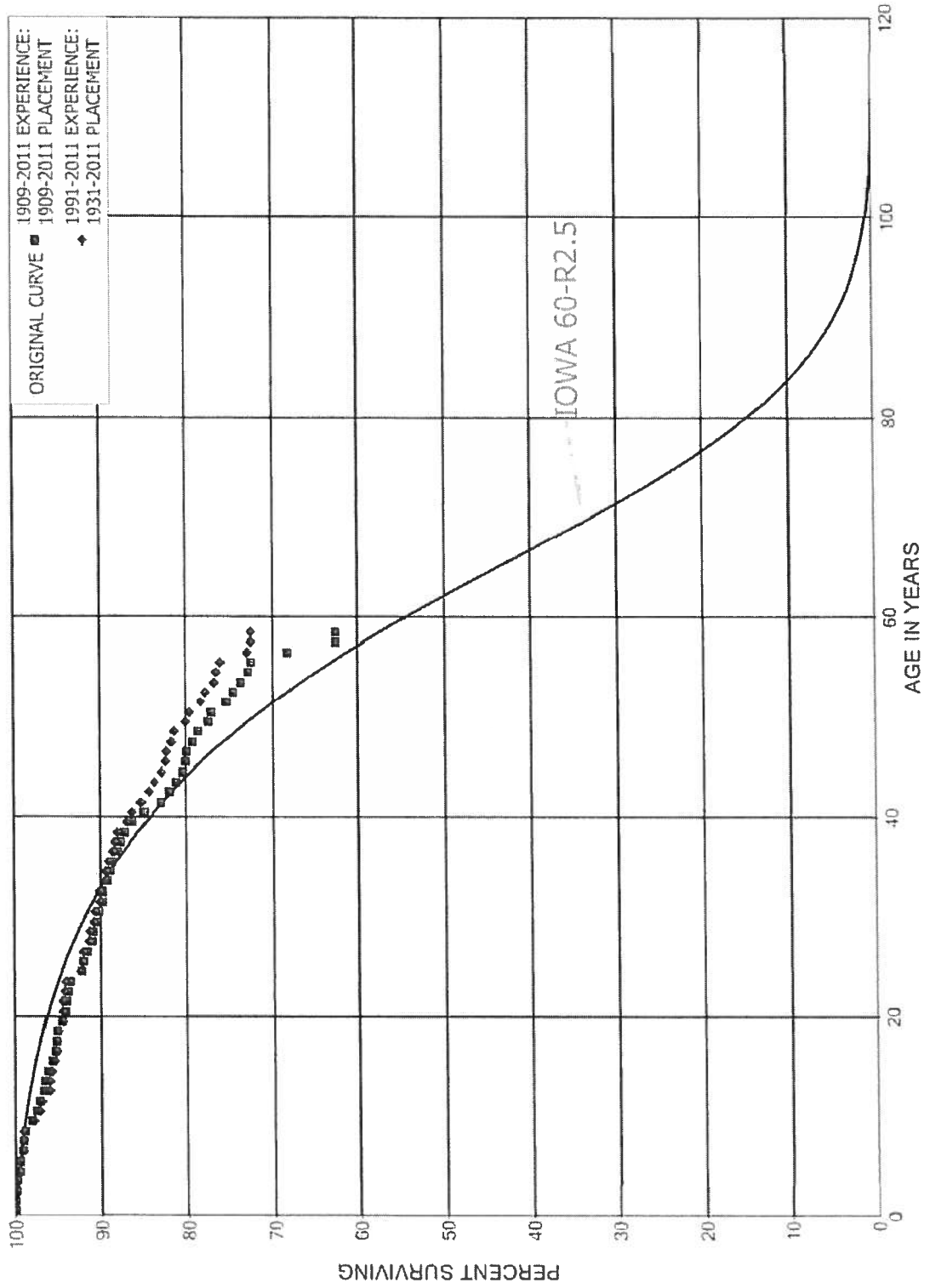
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ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



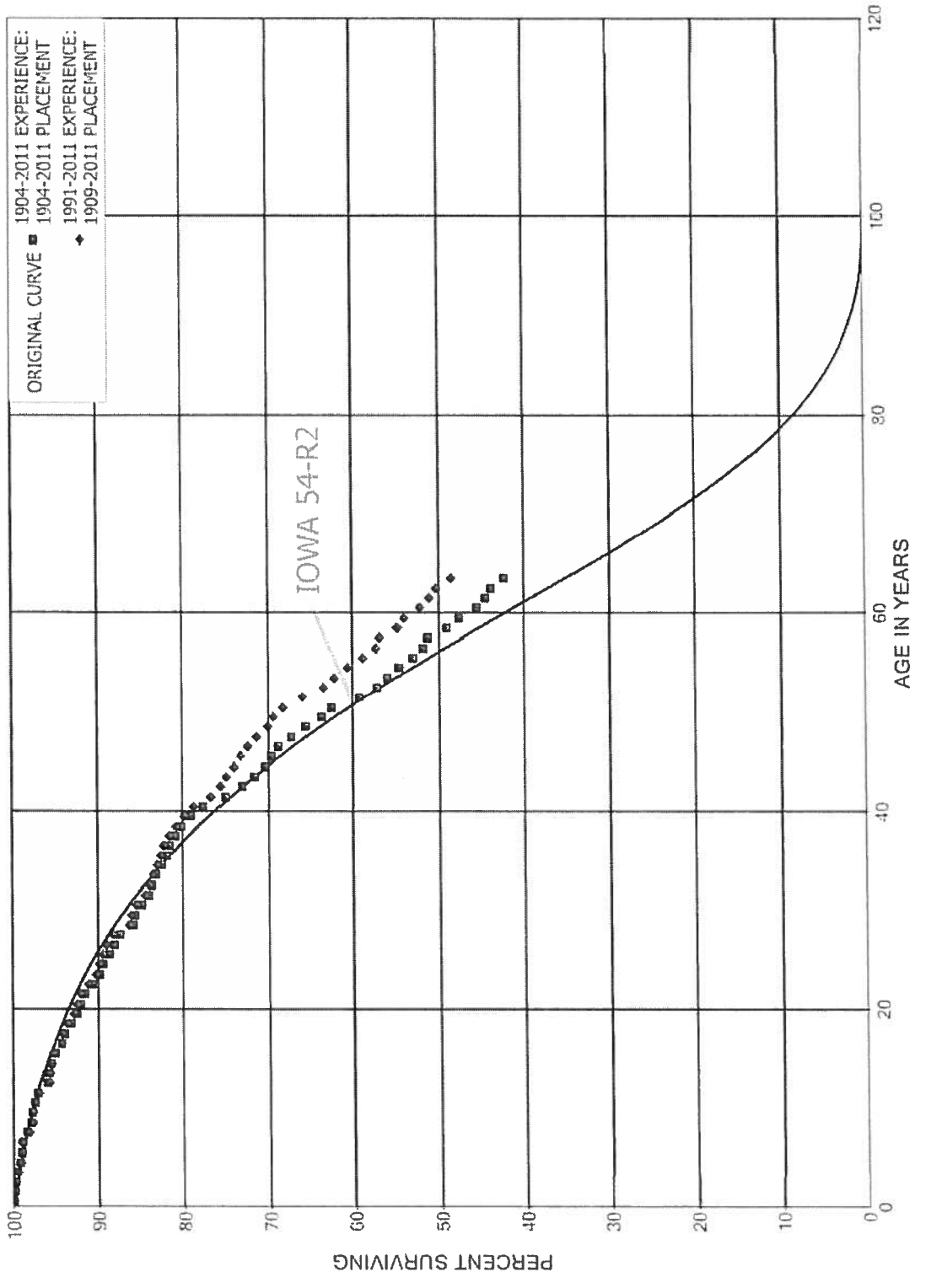
KENTUCKY UTILITIES COMPANY  
ACCOUNT 360.1 LAND RIGHTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



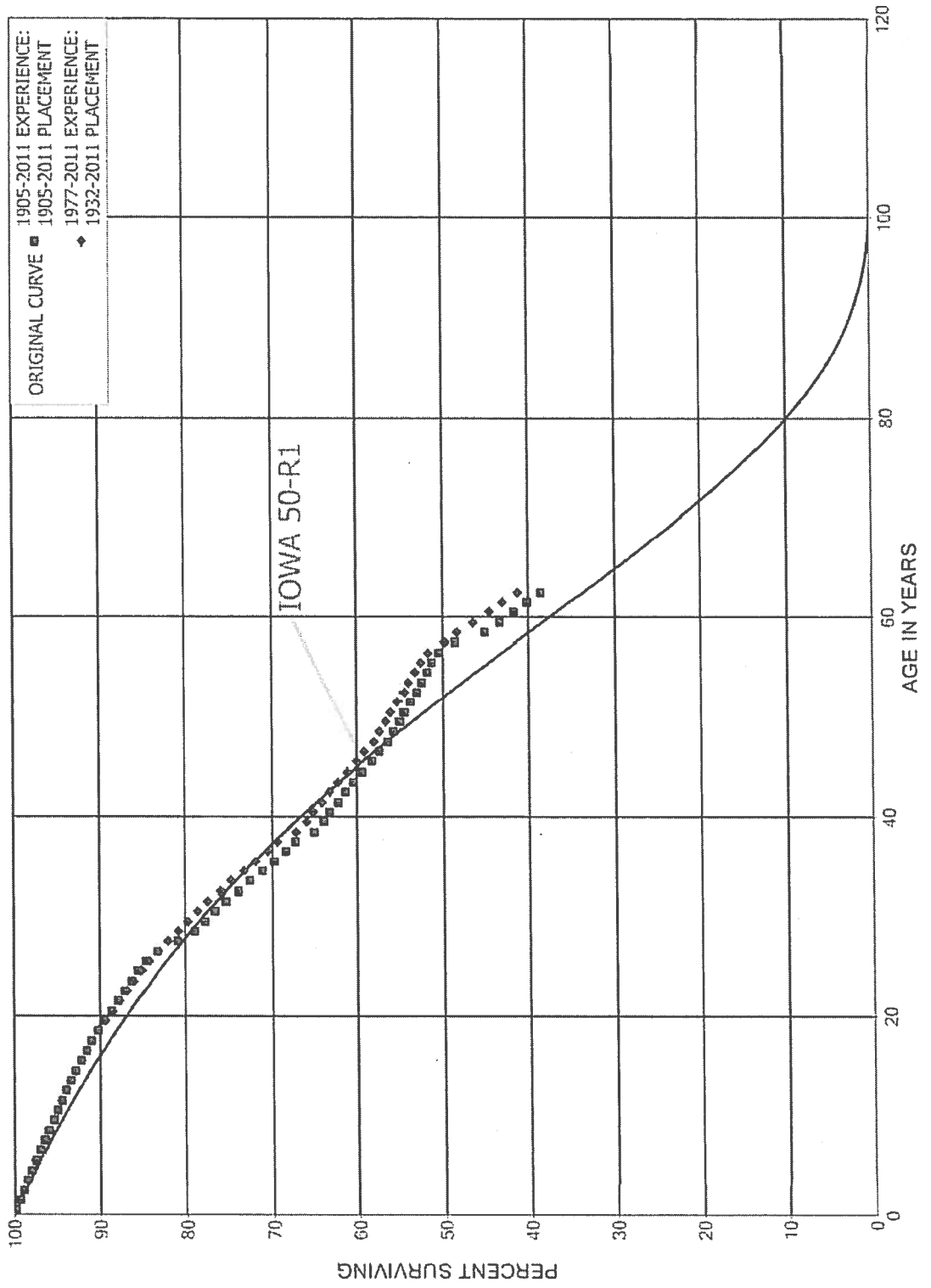
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ACCOUNT 361 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



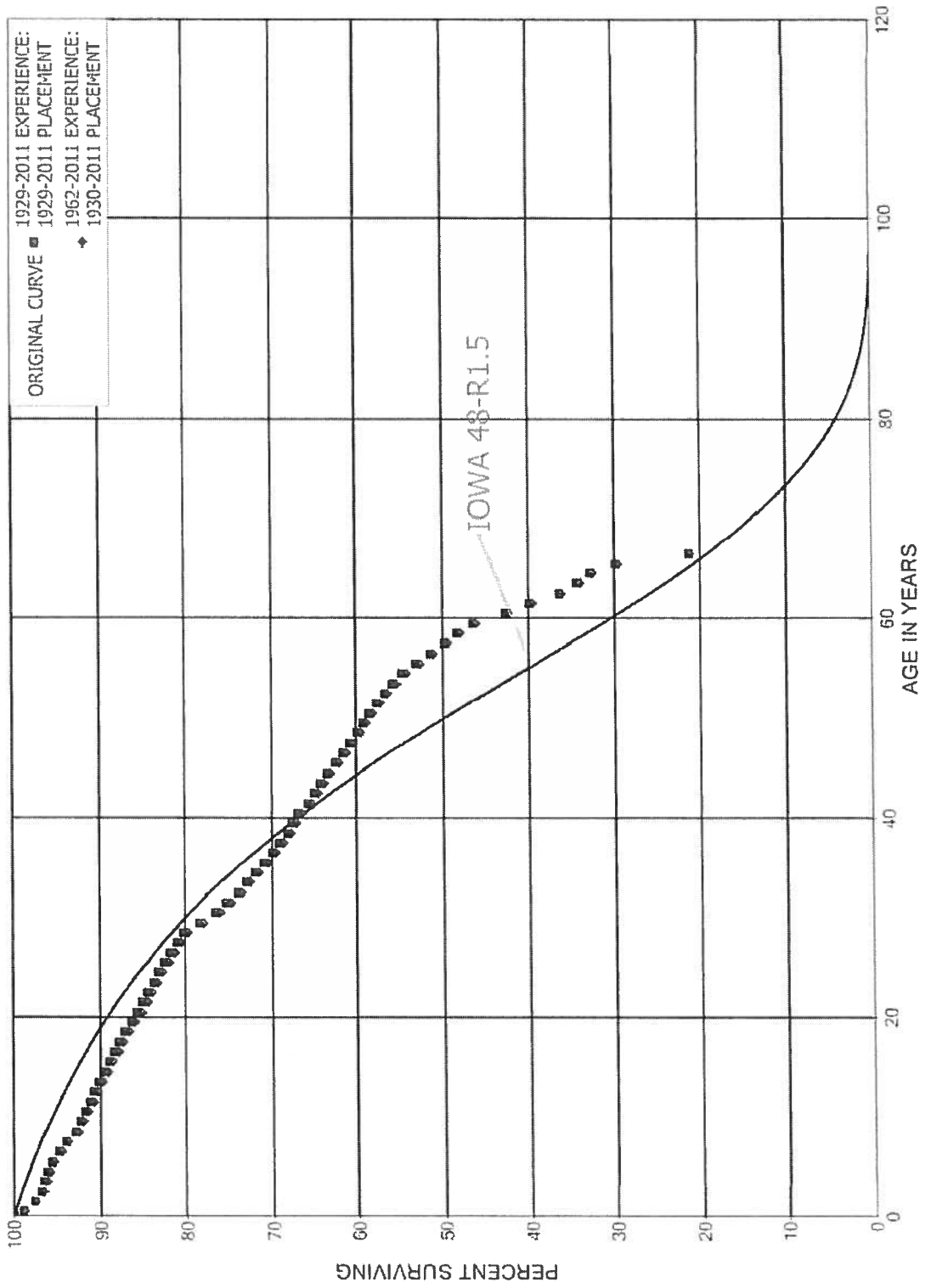
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ACCOUNT 362 STATION EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



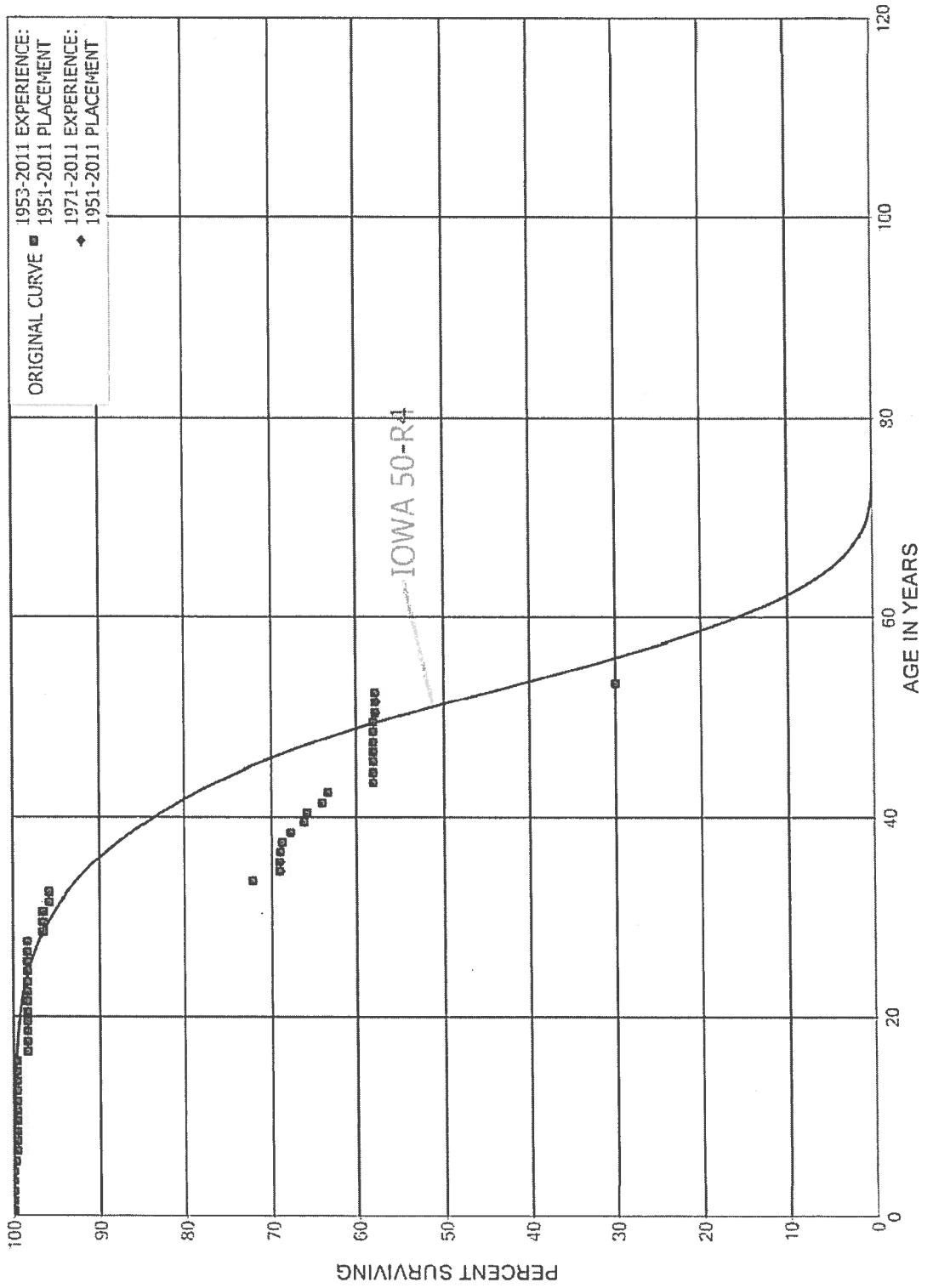
KENTUCKY UTILITIES COMPANY  
ACCOUNT 364 POLES, TOWERS AND FIXTURES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

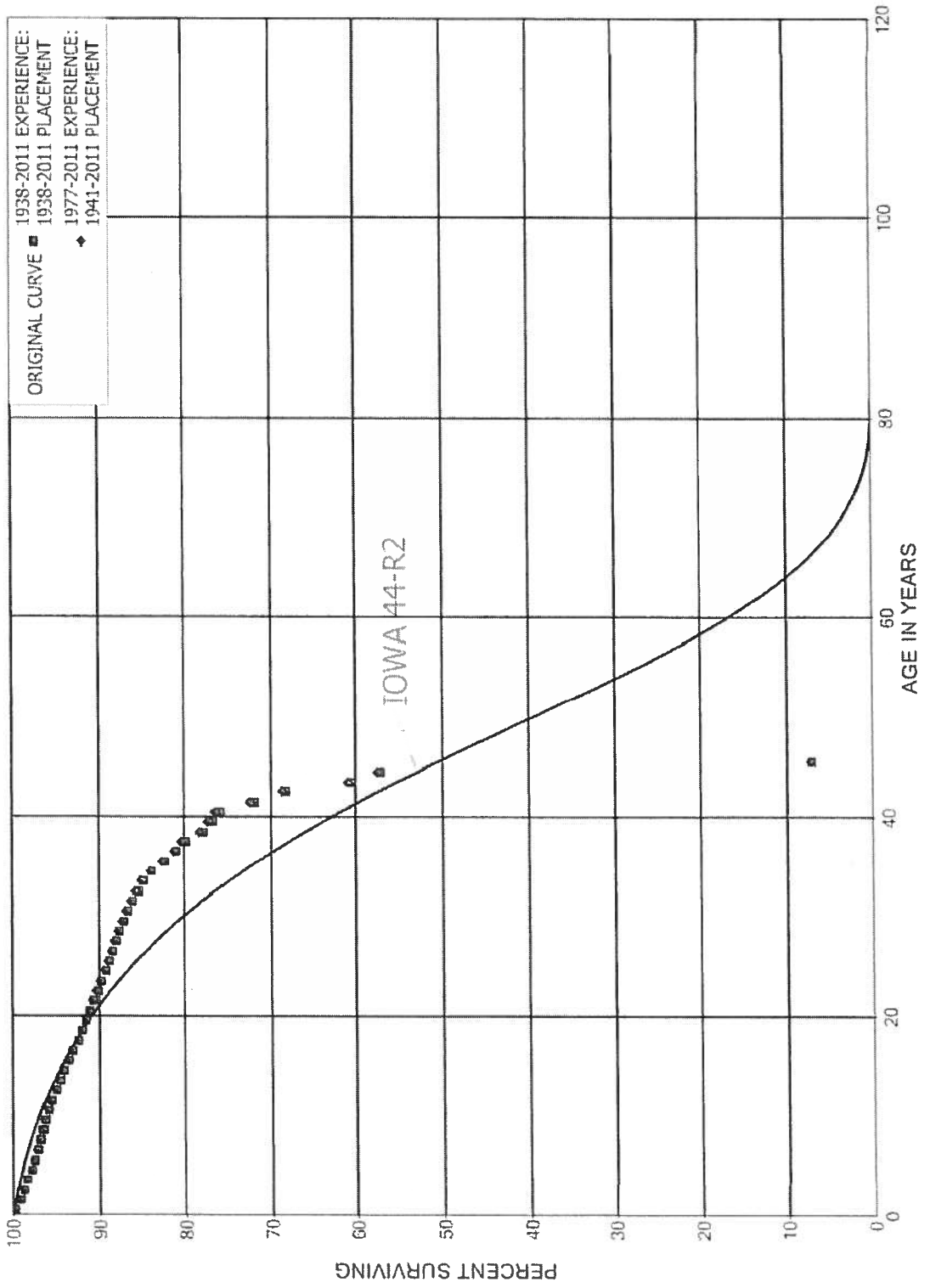


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ACCOUNT 366 UNDERGROUND CONDUIT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

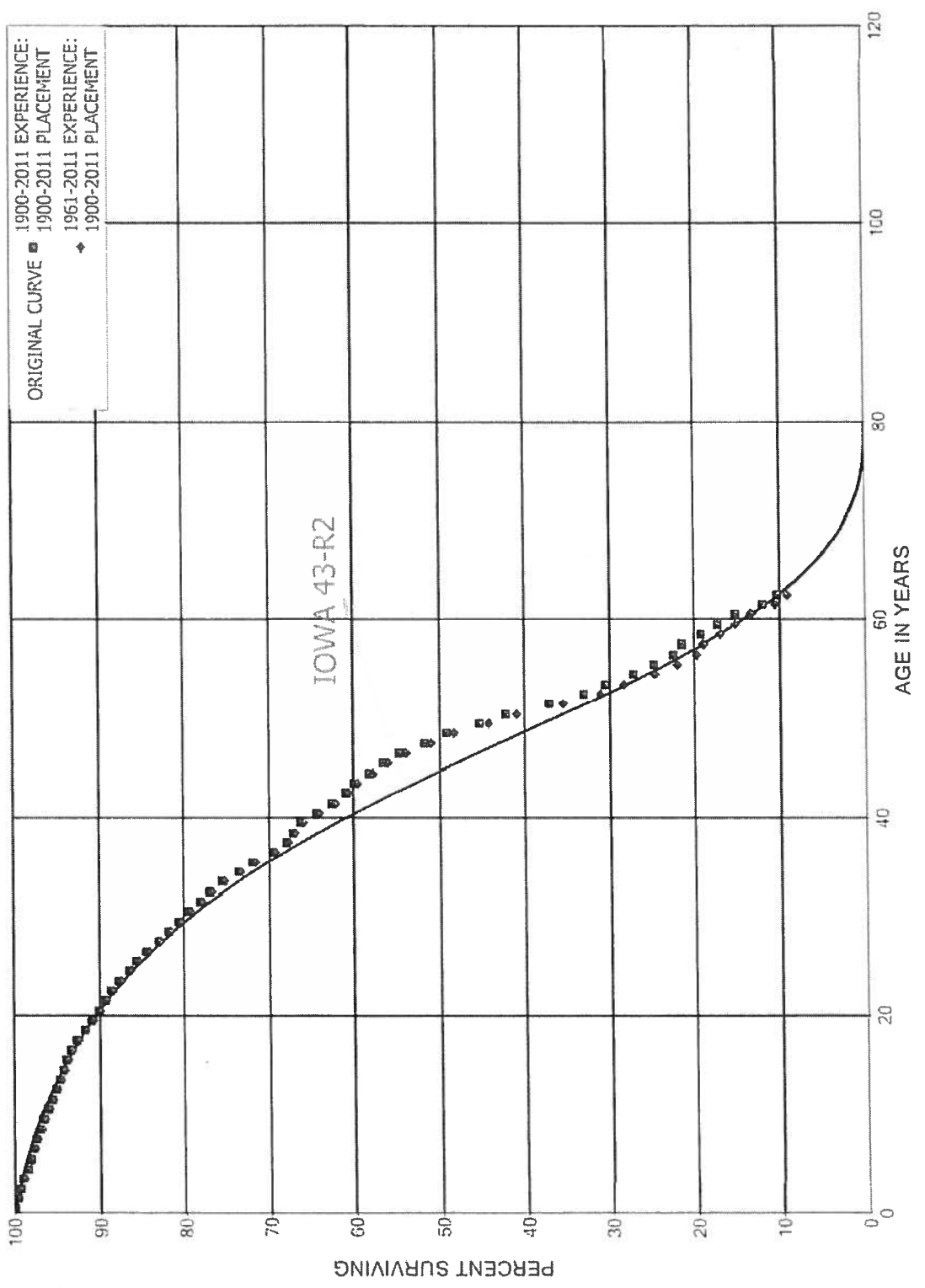




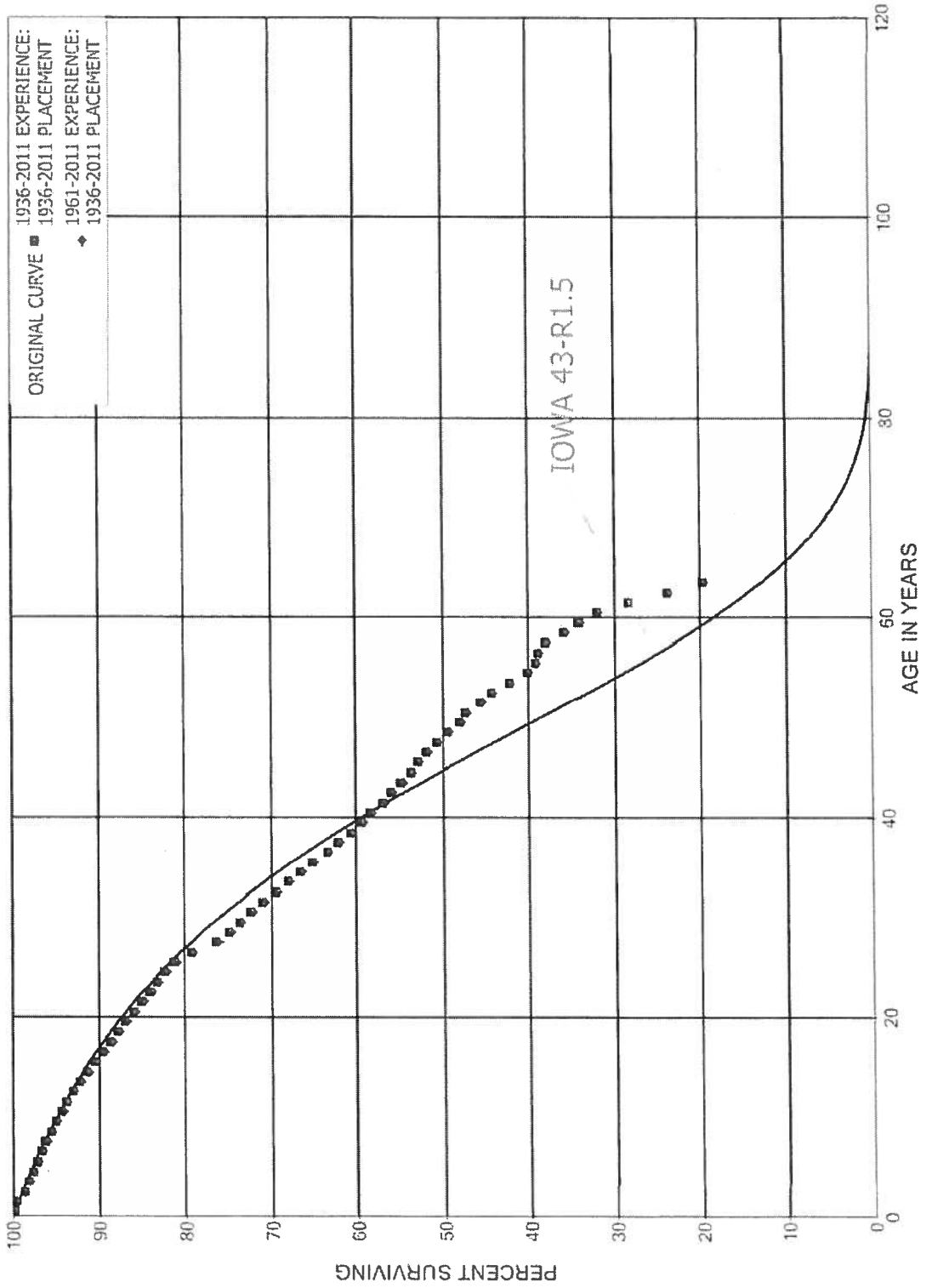
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ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



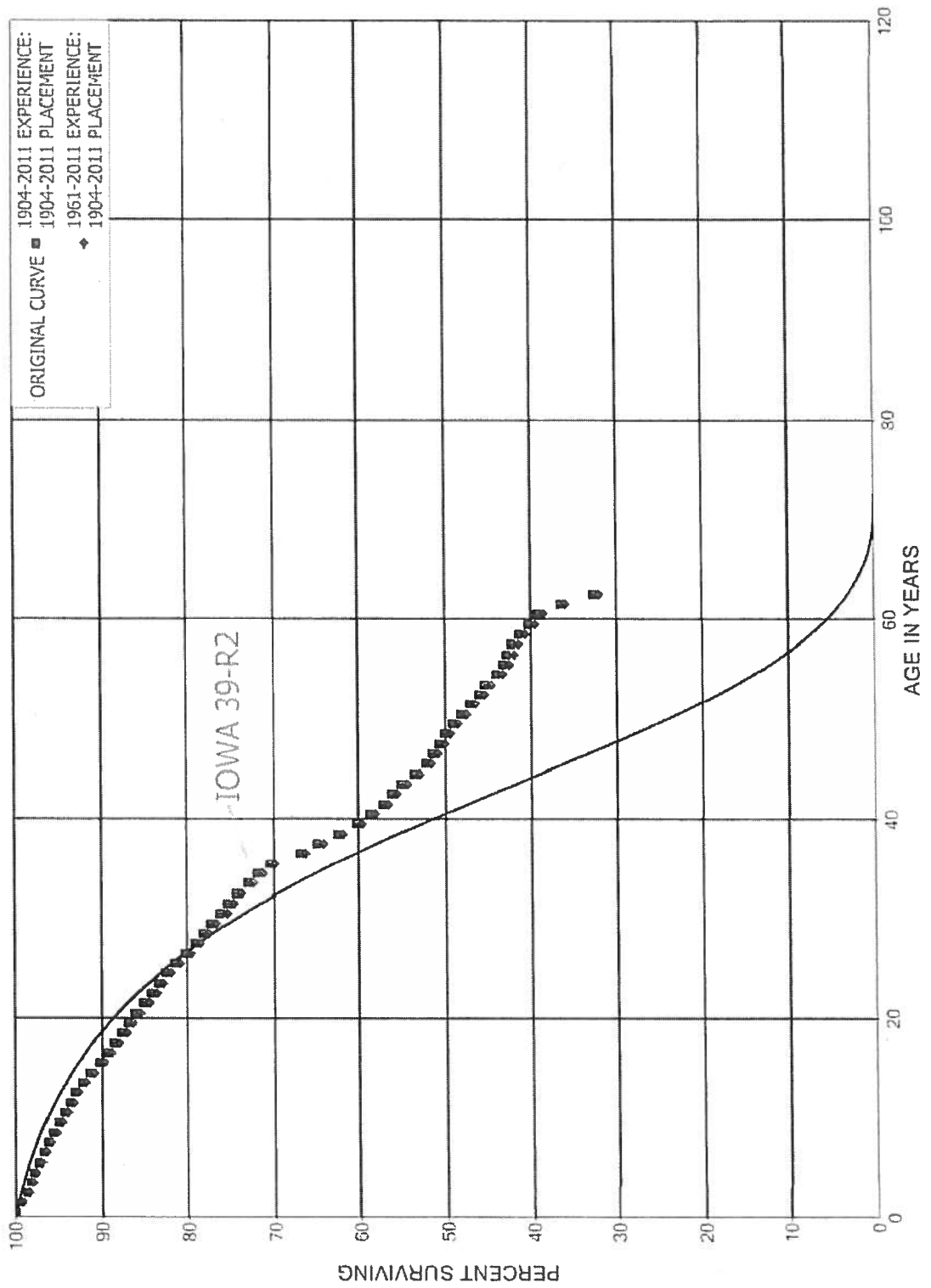
KENTUCKY UTILITIES COMPANY  
ACCOUNT 368 LINE TRANSFORMERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



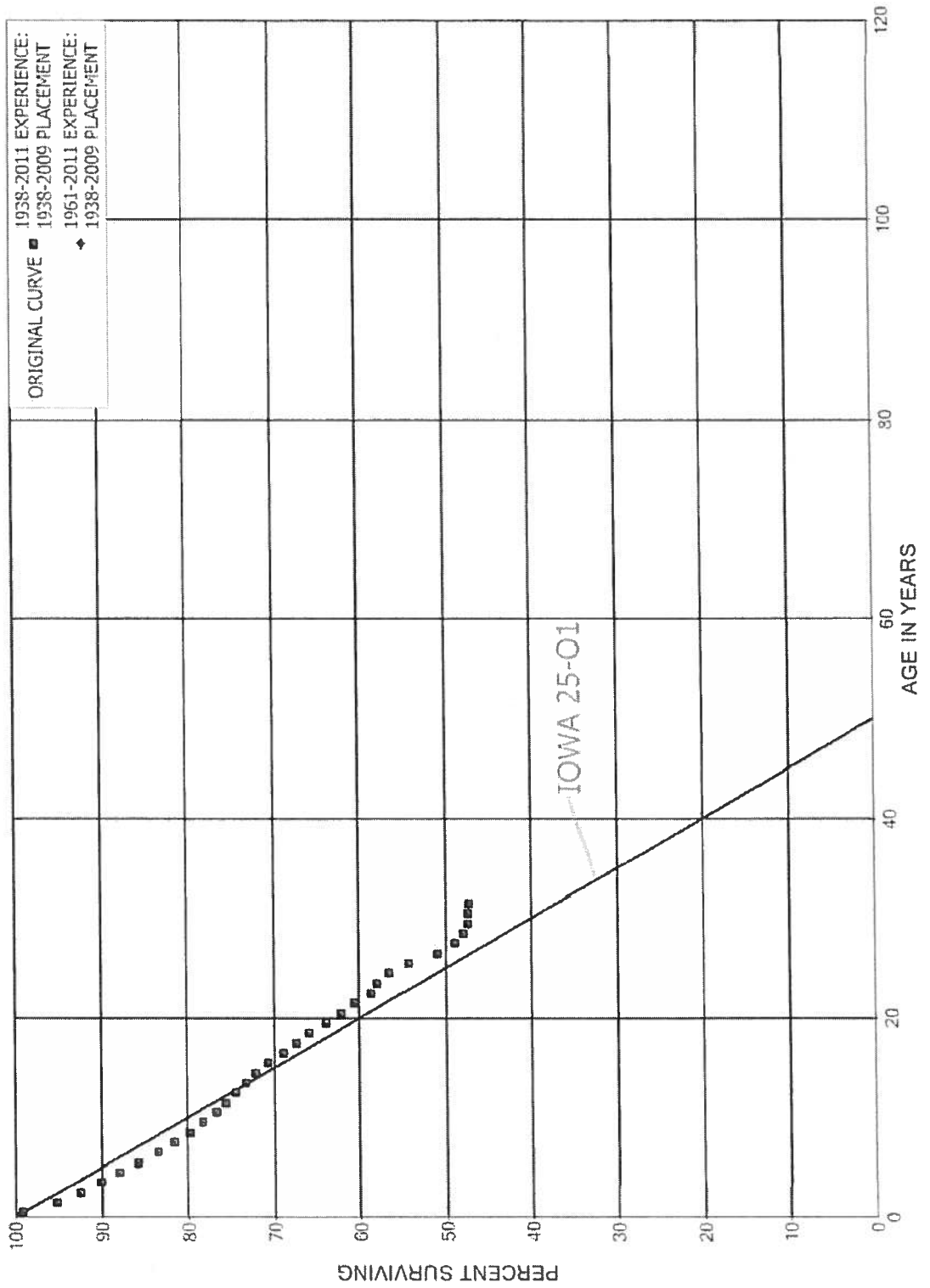
KENTUCKY UTILITIES COMPANY  
ACCOUNT 369 SERVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



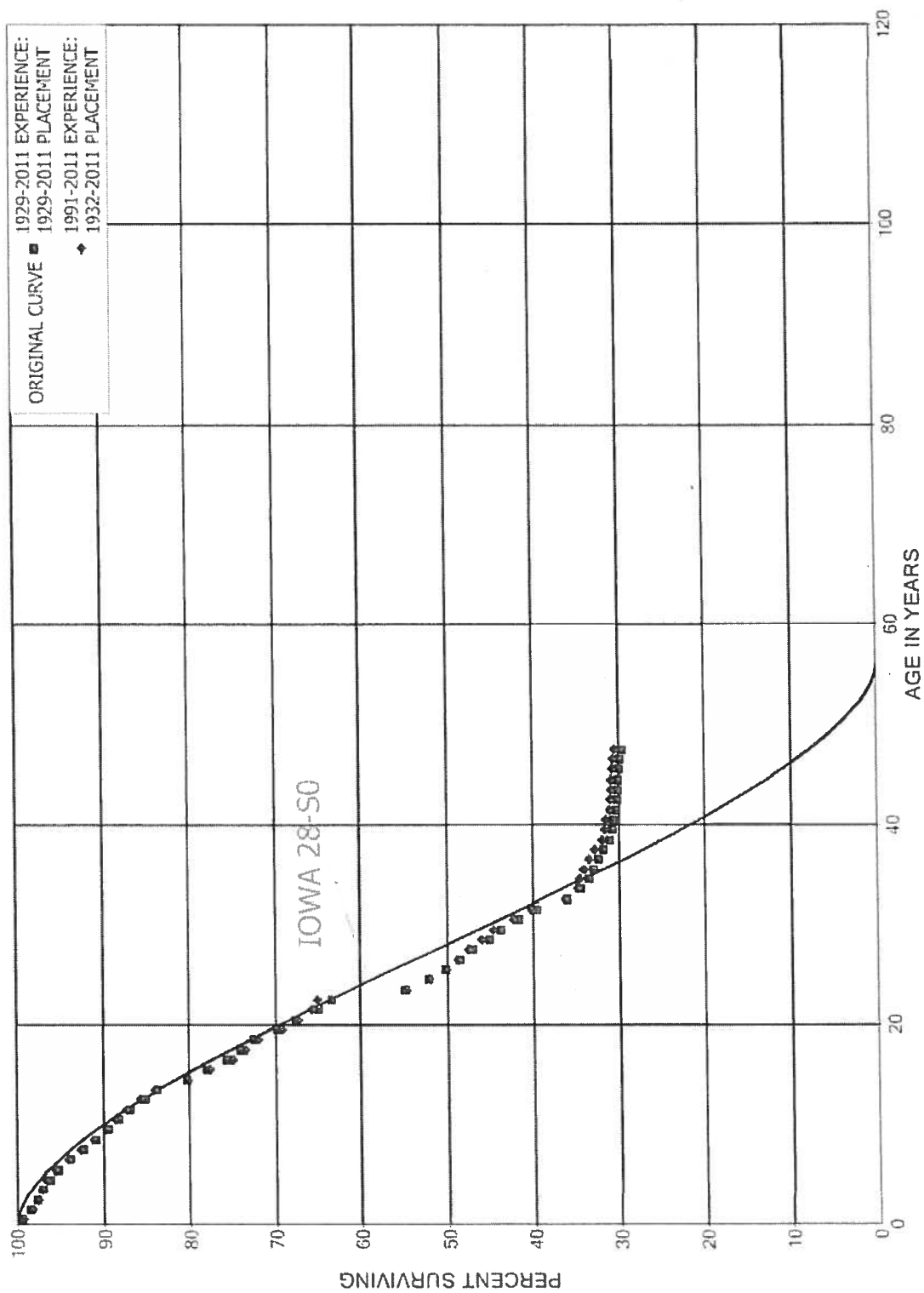
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ACCOUNT 370 METERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



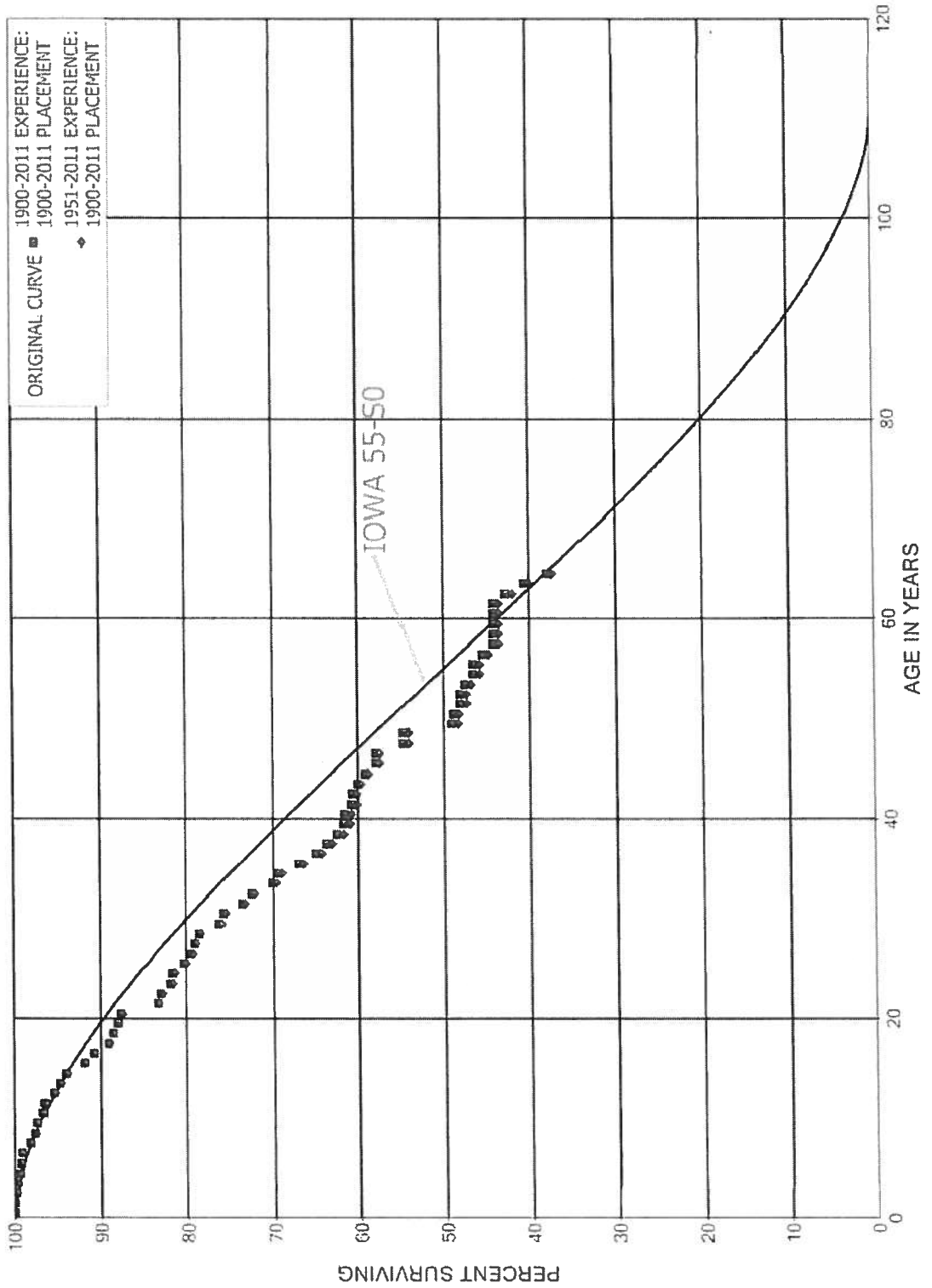
KENTUCKY UTILITIES COMPANY  
ACCOUNT 371 INSTALLATIONS ON CUSTOMERS' PREMISES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



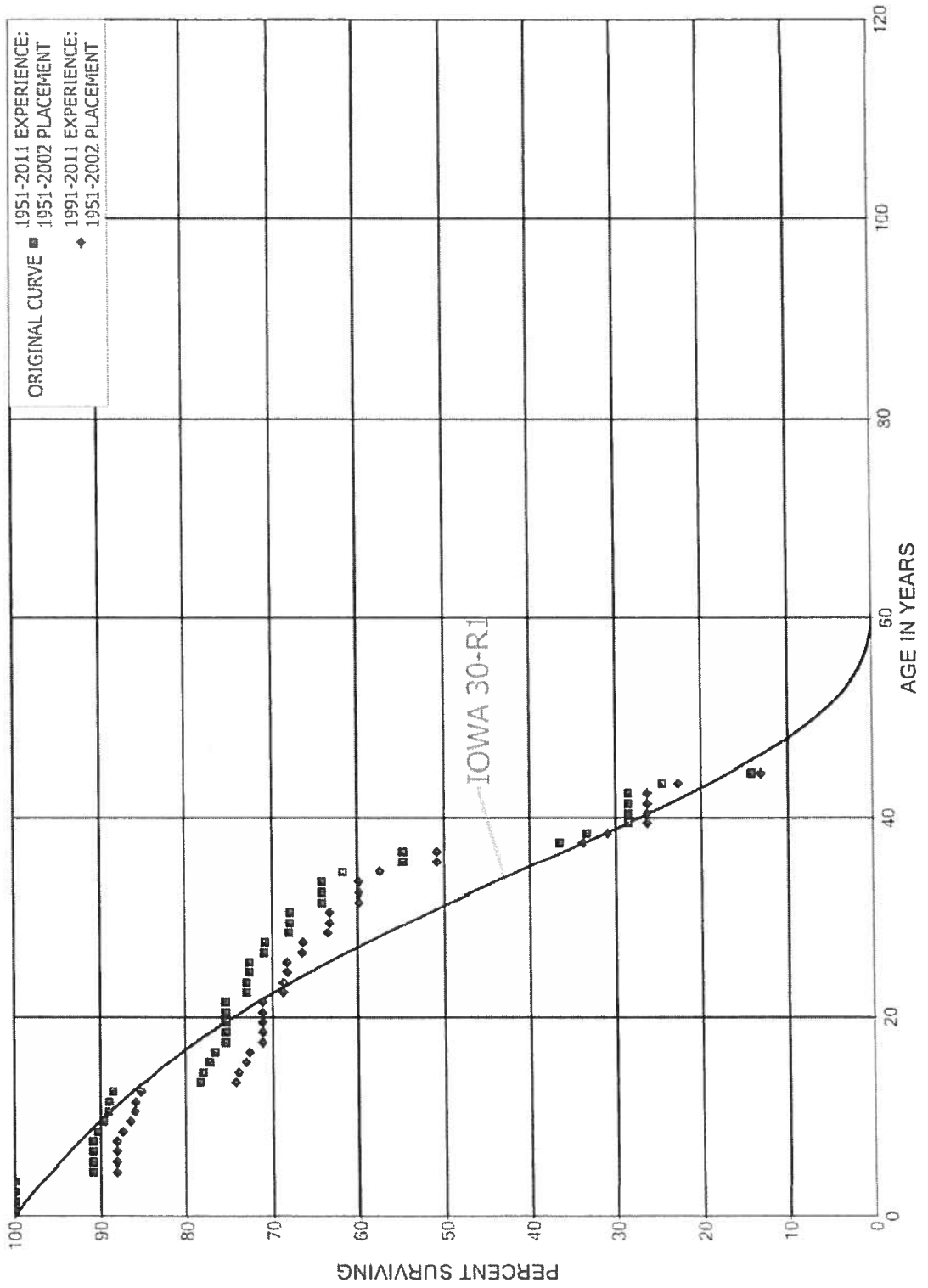
KENTUCKY UTILITIES COMPANY  
ACCOUNT 373 STREET LIGHTING AND SIGNAL SYSTEMS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

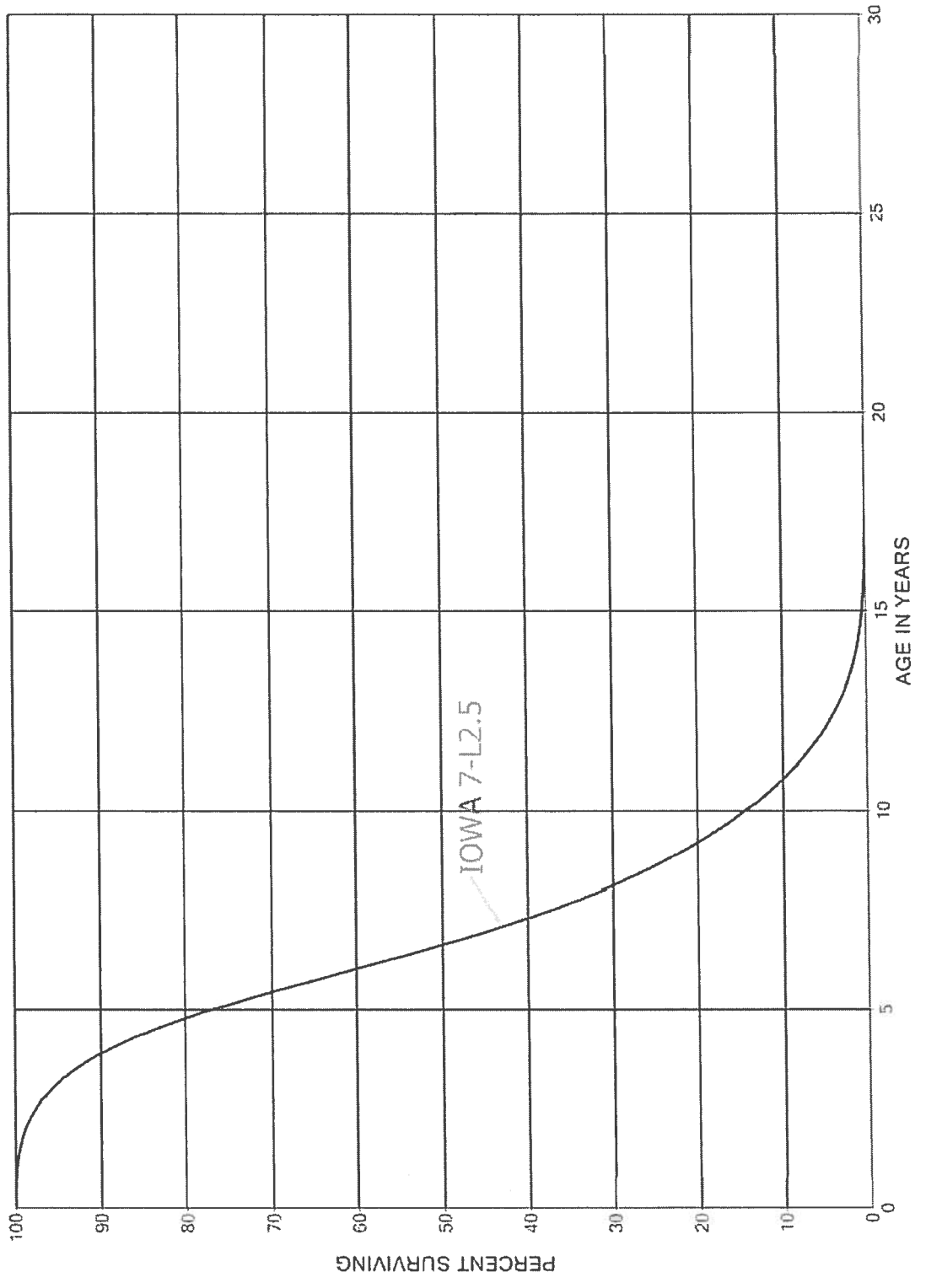


KENTUCKY UTILITIES COMPANY  
ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY  
ORIGINAL AND SMOOTH SURVIVOR CURVES

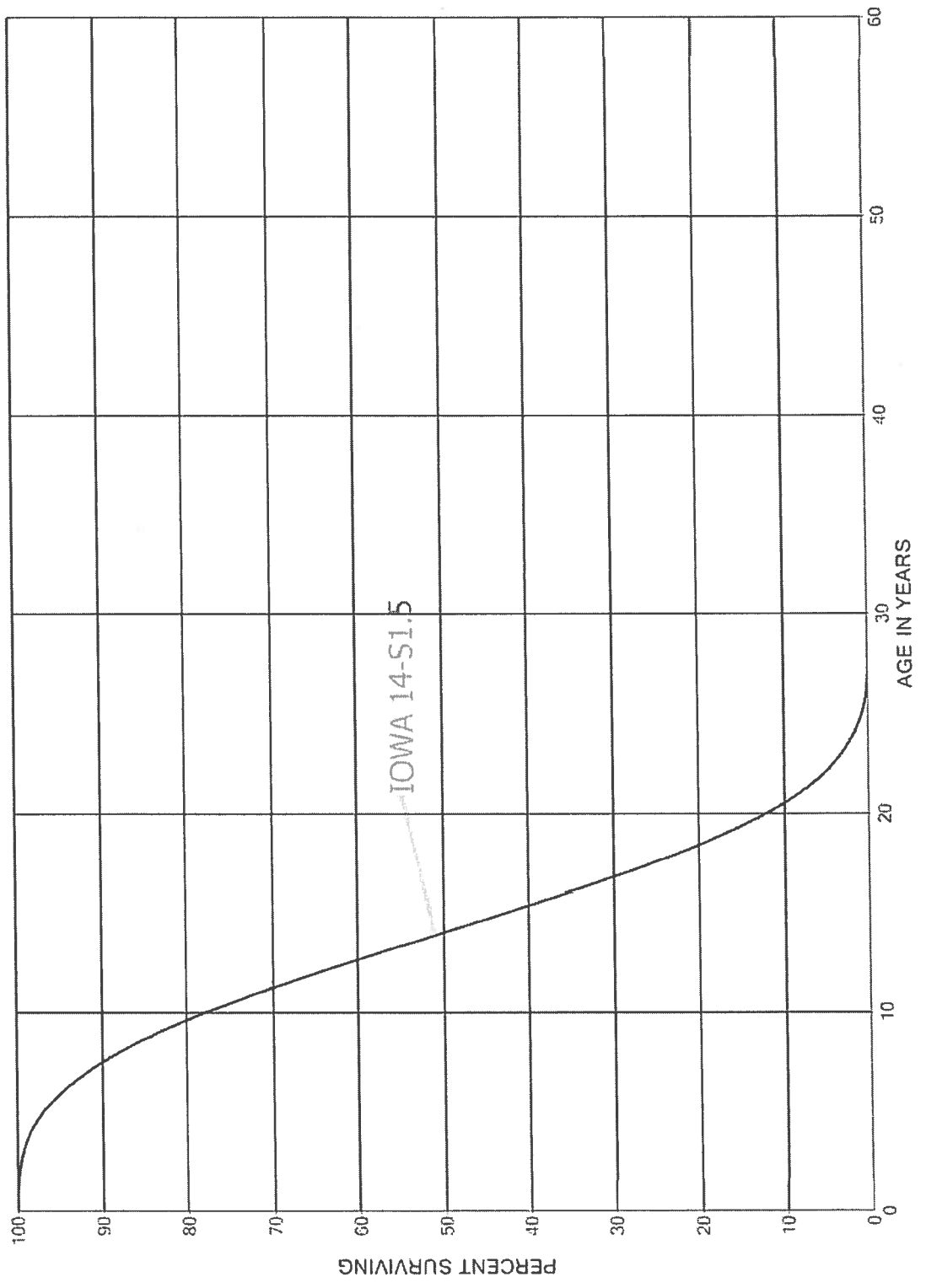




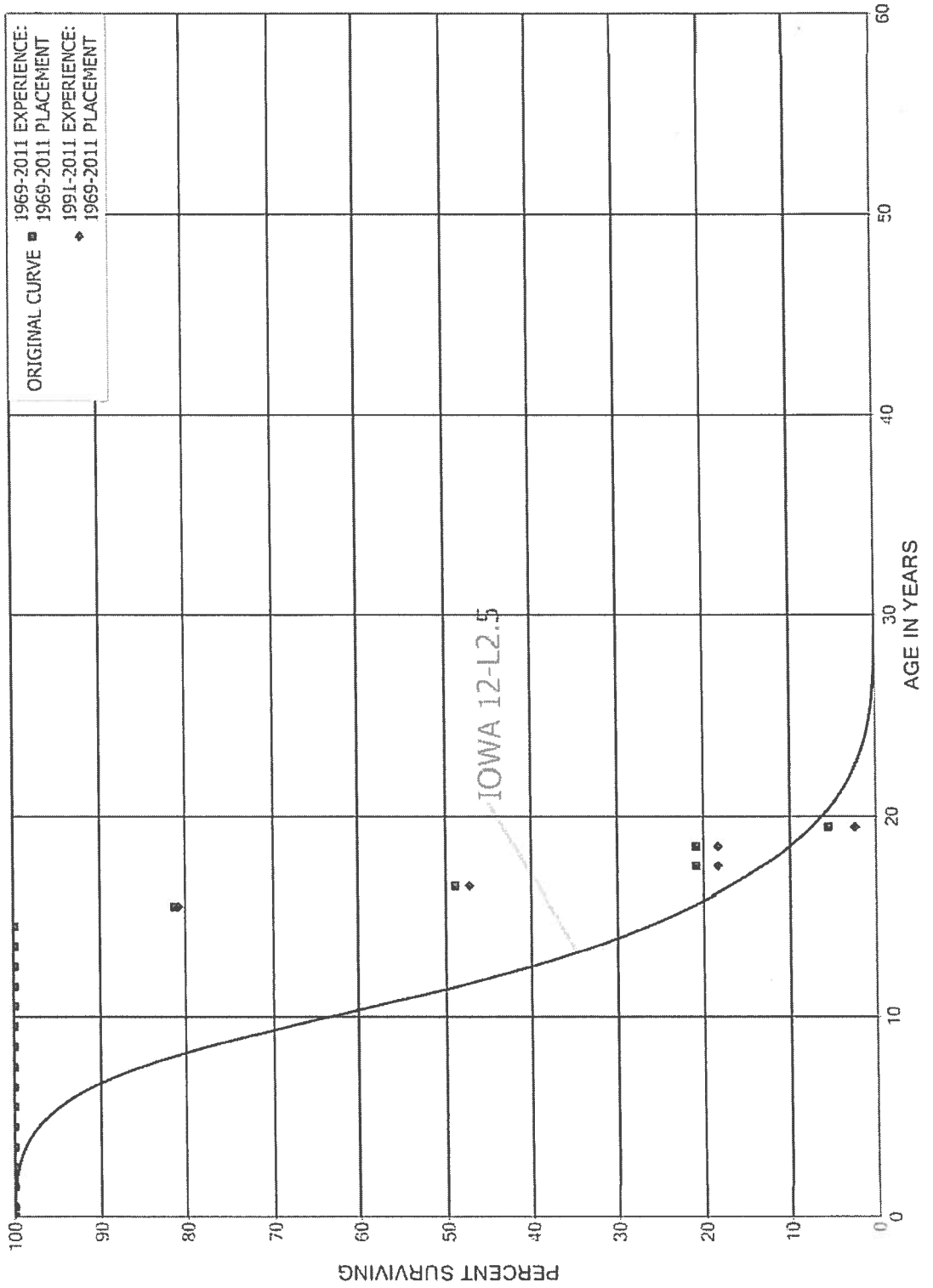
KENTUCKY UTILITIES COMPANY  
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS  
SMOOTH SURVIVOR CURVE



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

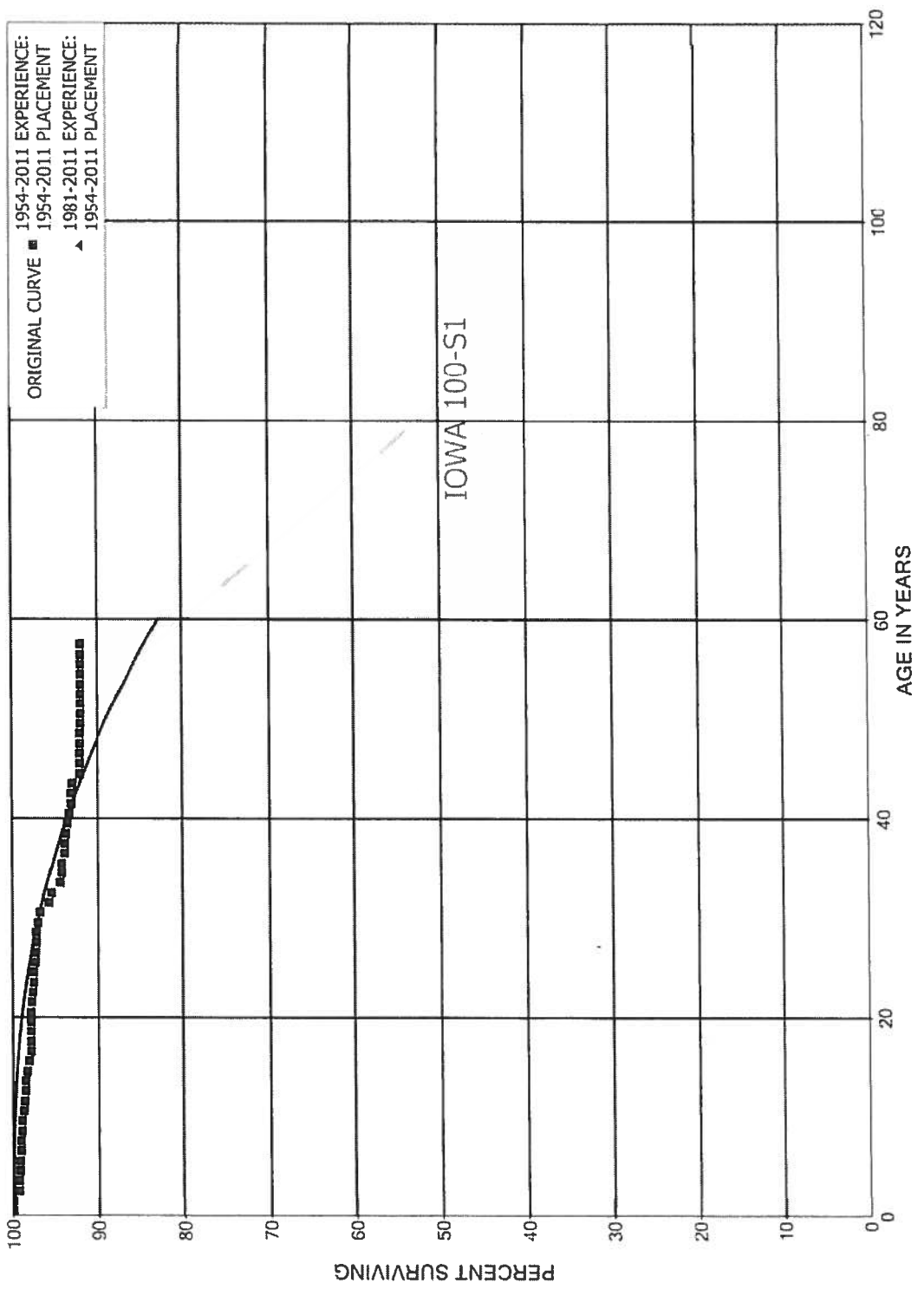
III-14

SERVICE LIFE STATISTICS

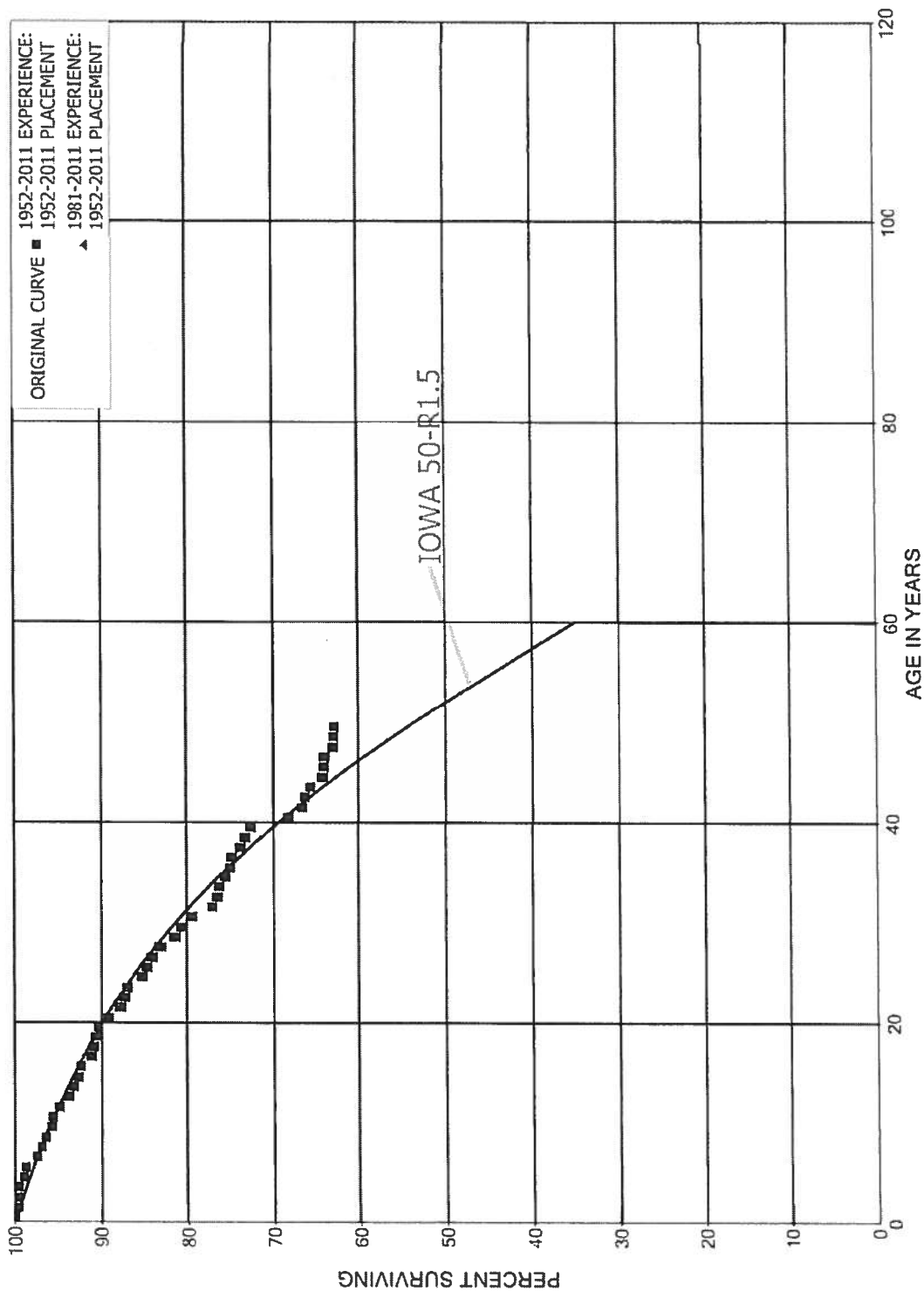
III-15

ELECTRIC PLANT

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

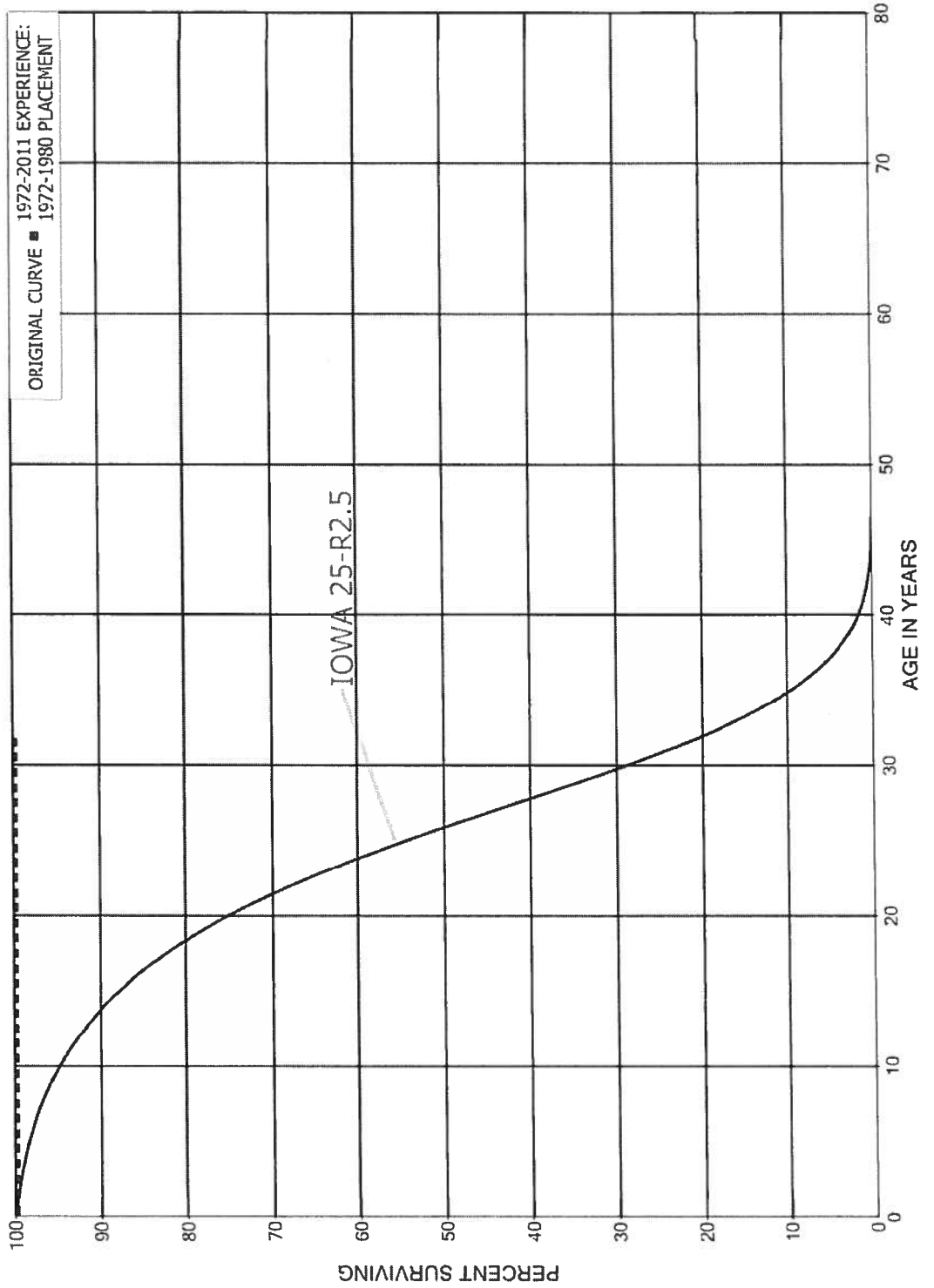


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 312 BOILER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

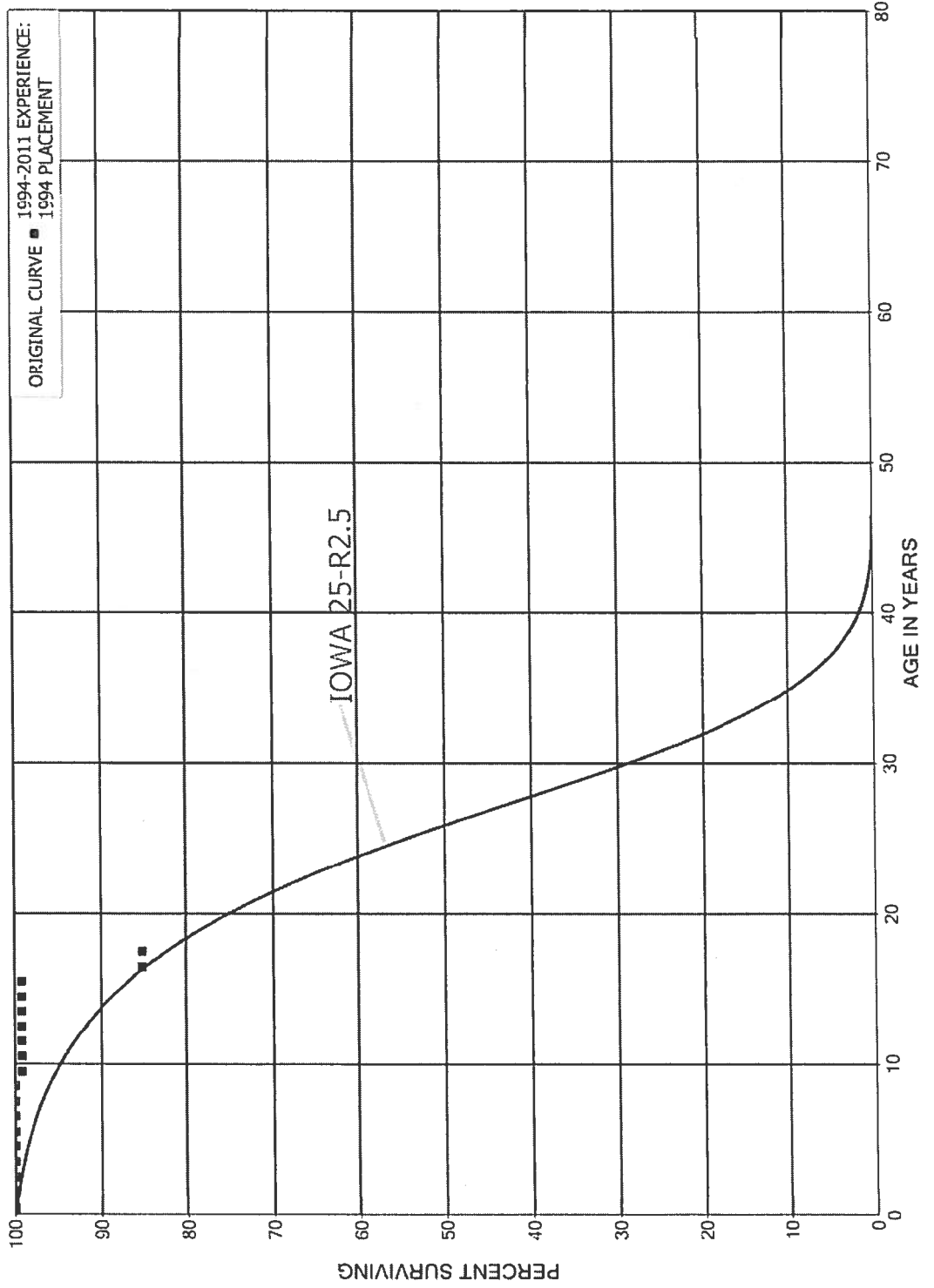




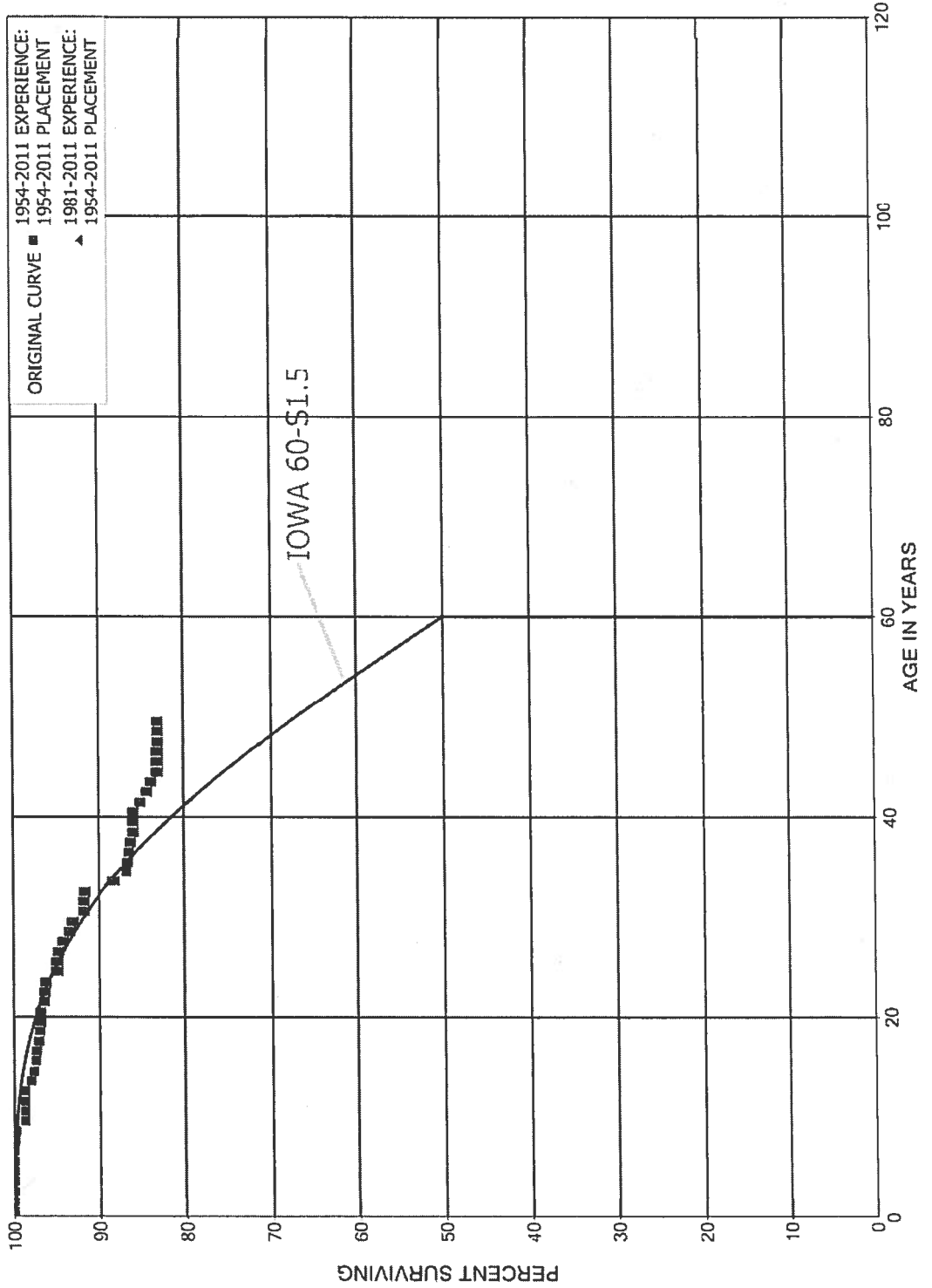
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 312.01 LOCOMOTIVES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



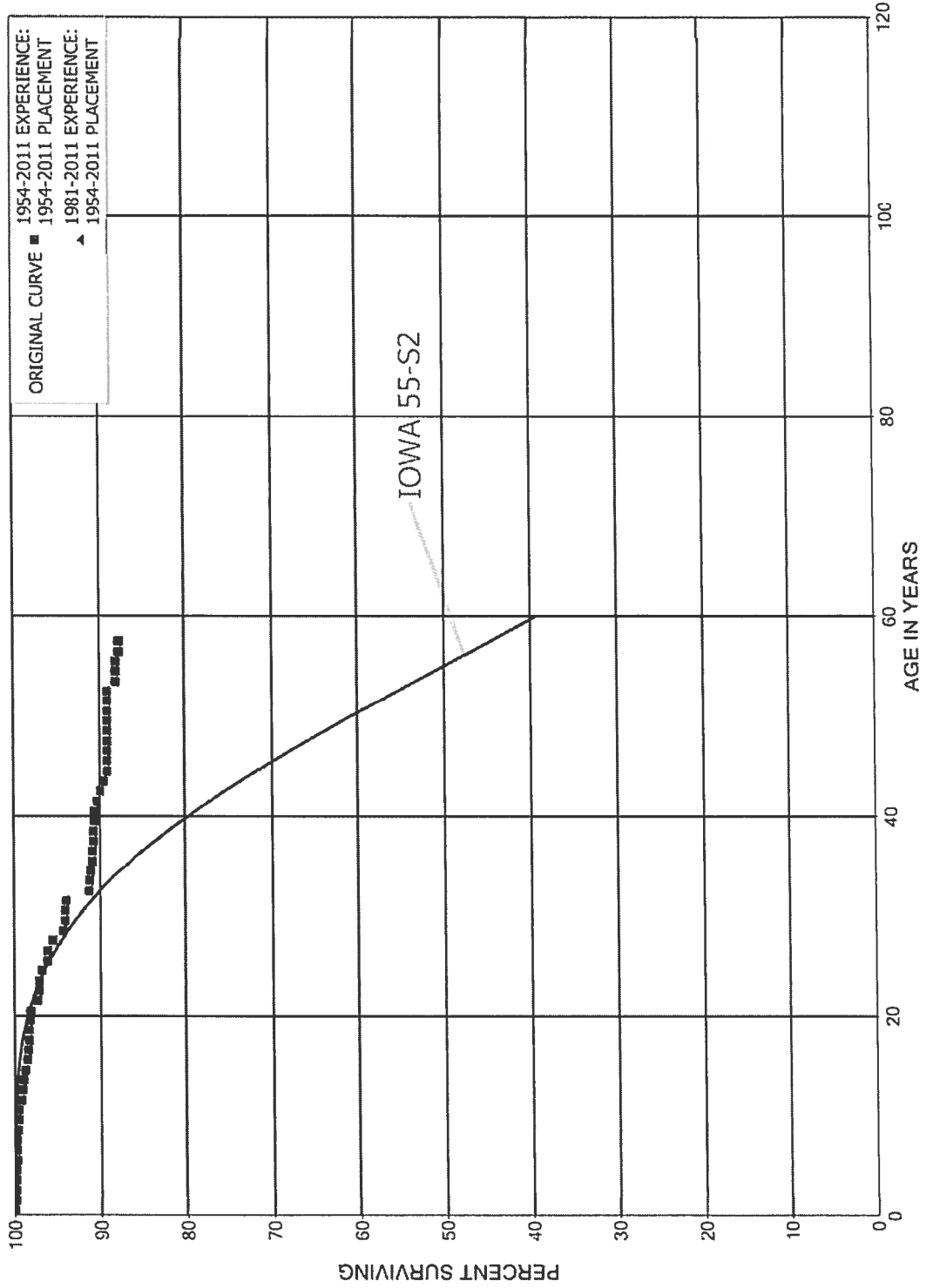
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 312.02 RAIL CARS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



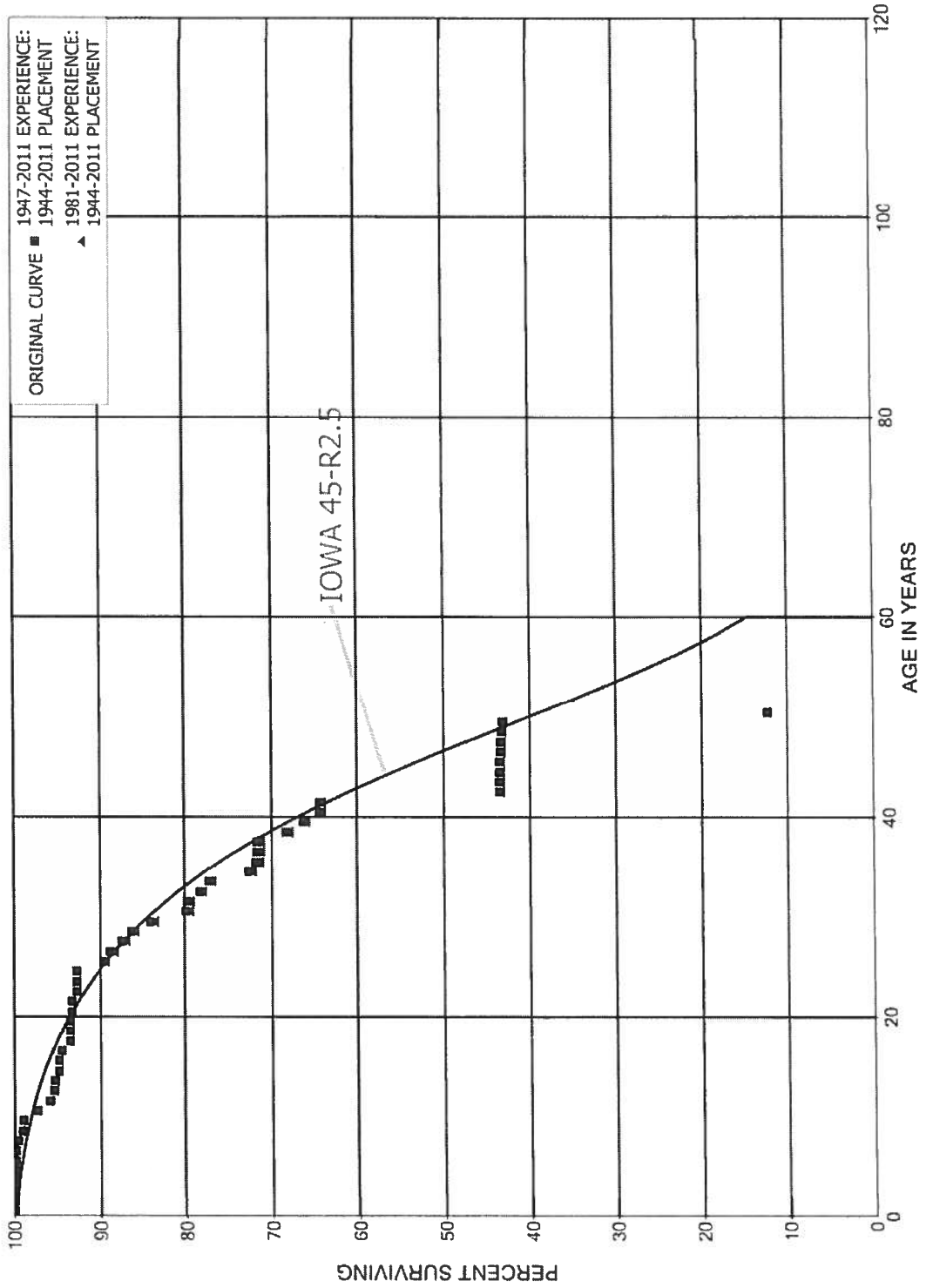
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 314 TURBOGENERATOR UNITS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



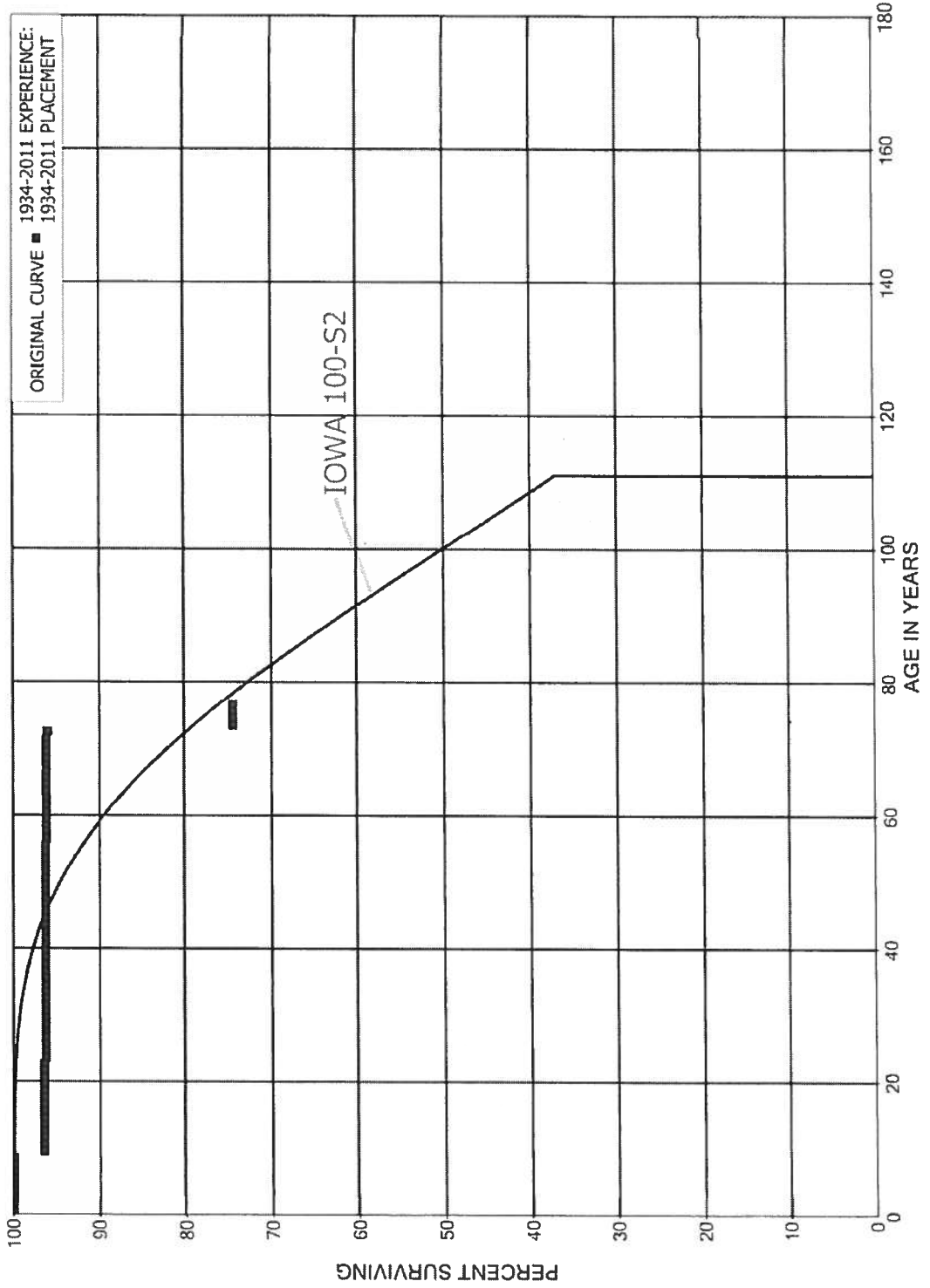
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ELECTRIC PLANT  
ACCOUNT 31.5 ACCESSORY ELECTRIC EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



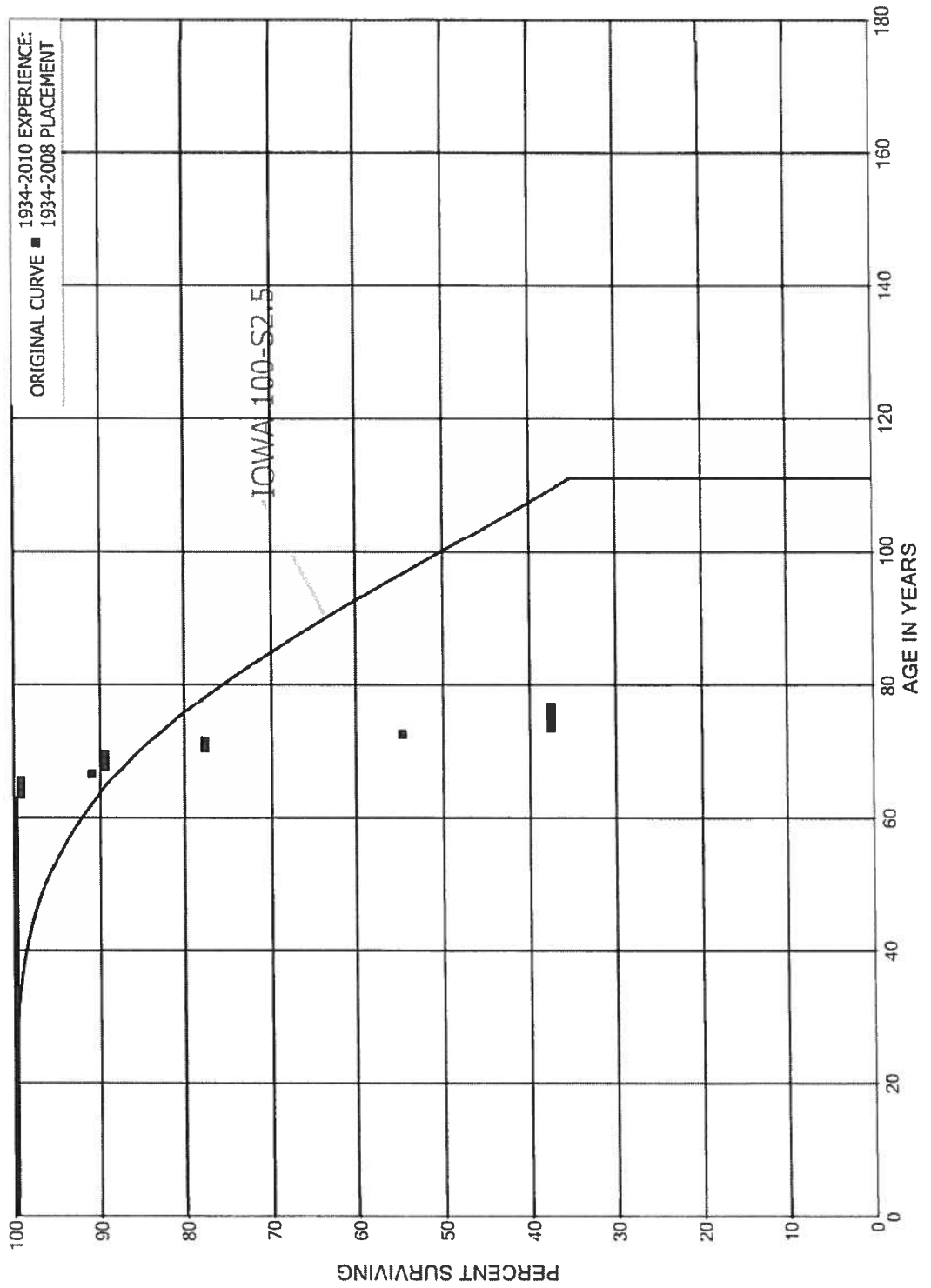
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



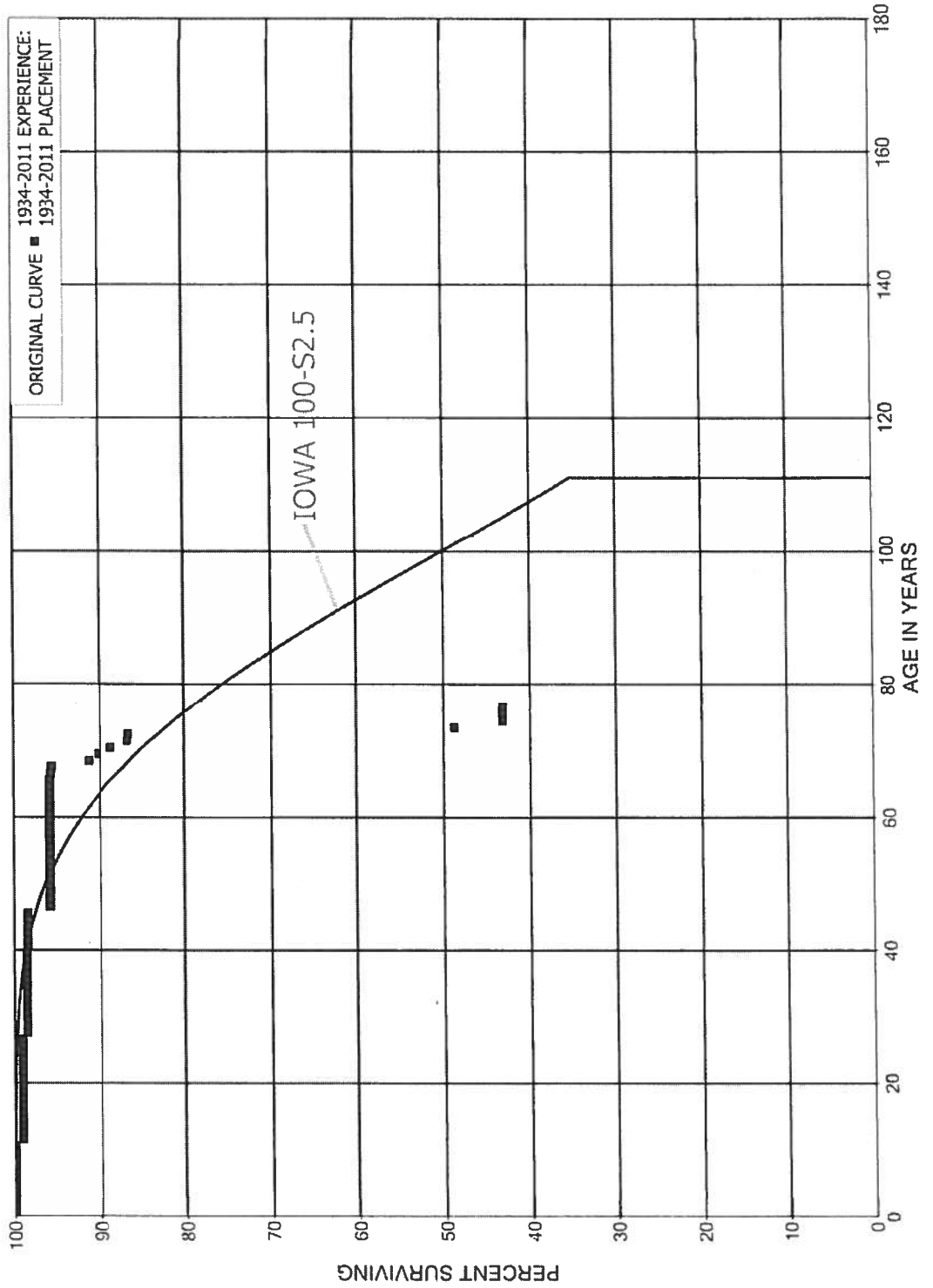
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 331 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

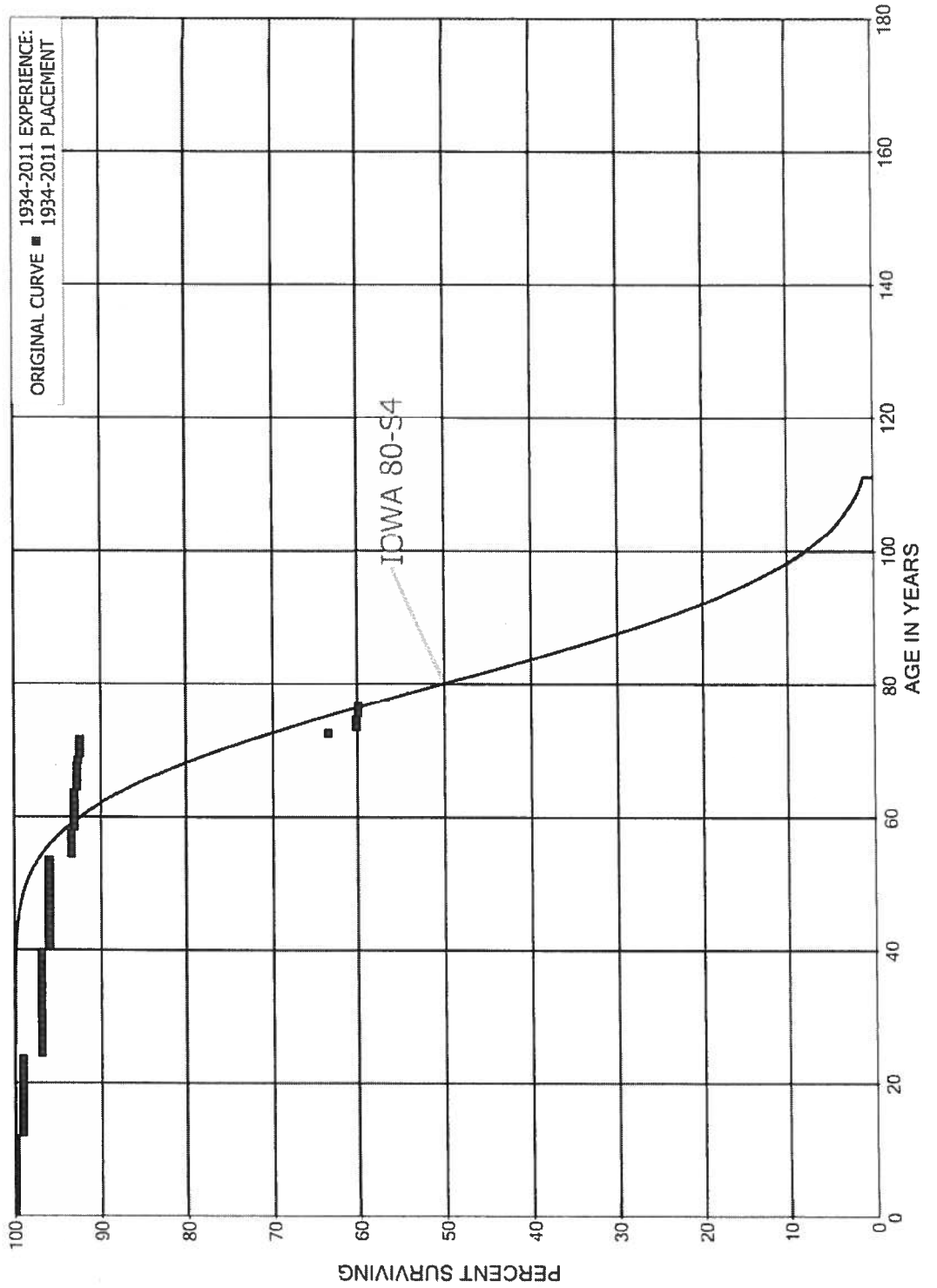


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS  
ORIGINAL AND SMOOTH SURVIVOR CURVES

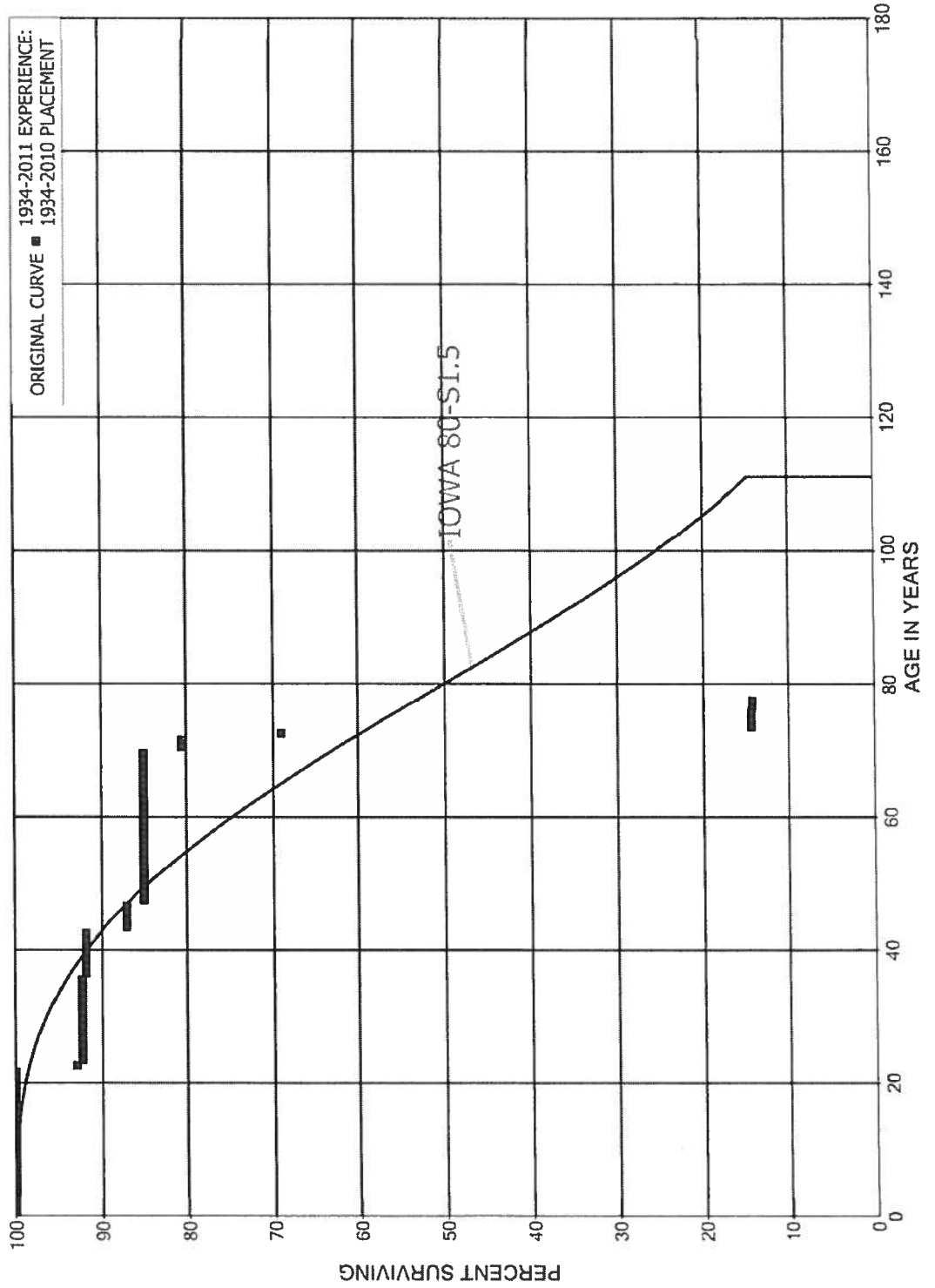




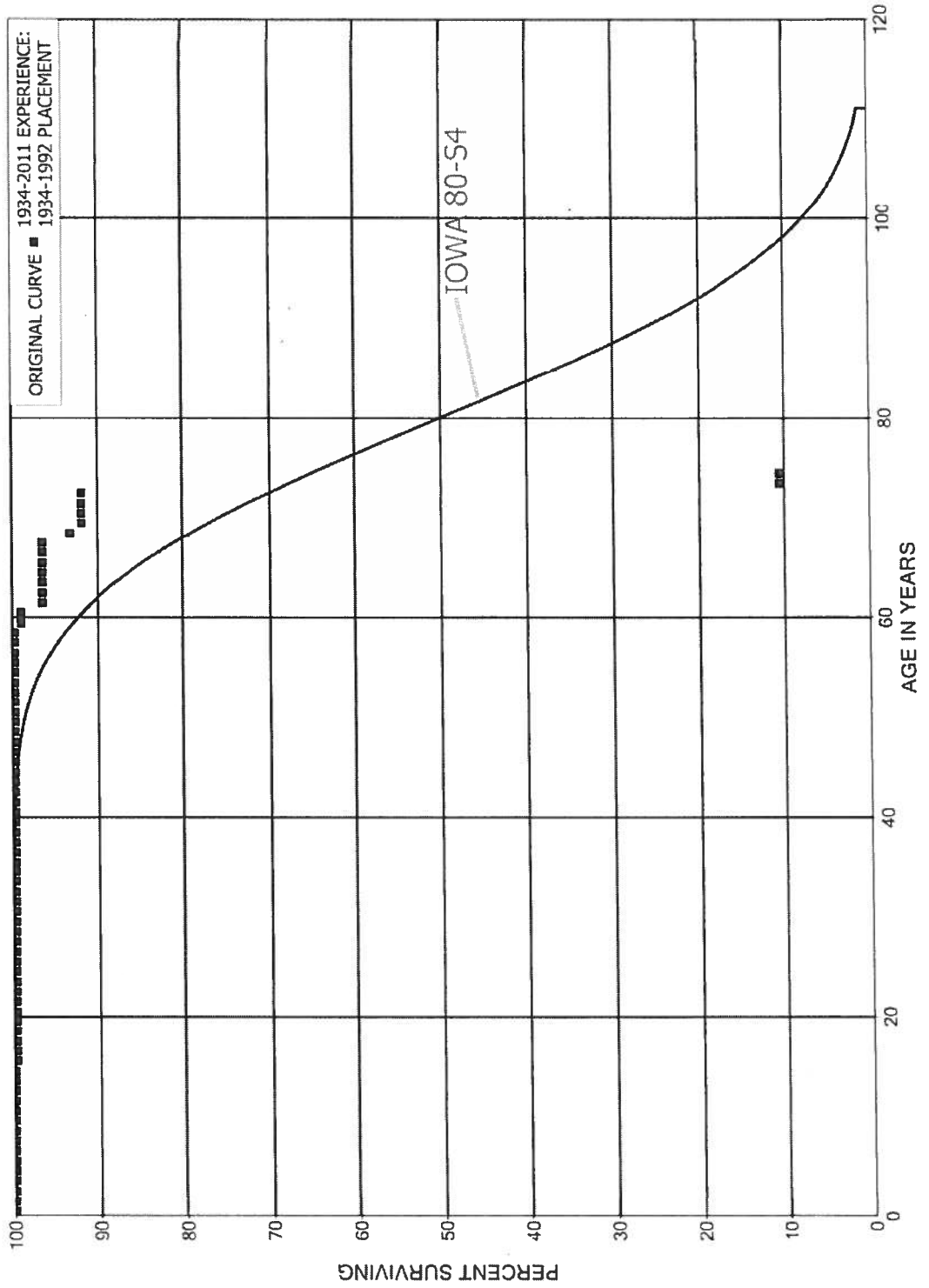
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



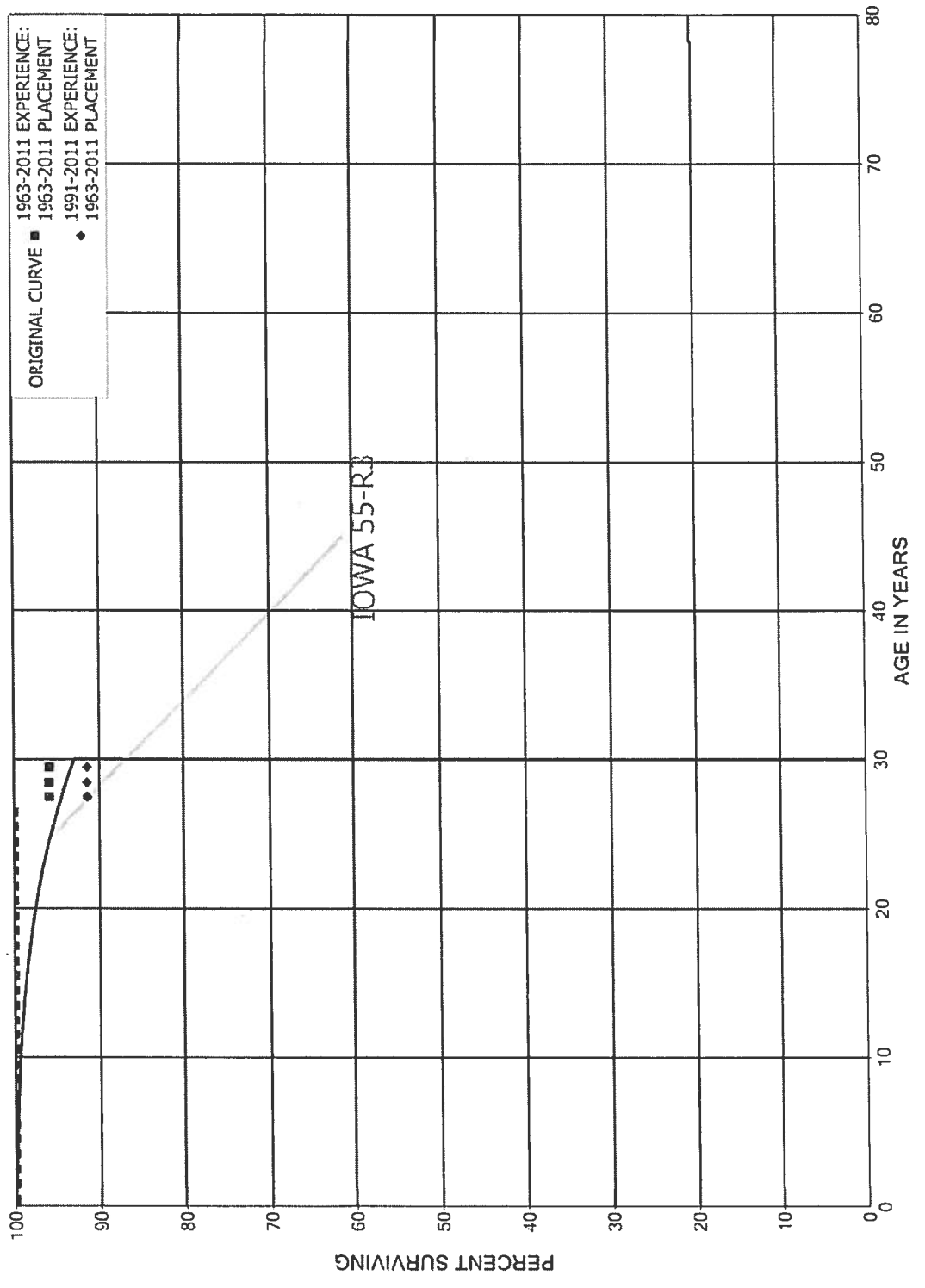
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



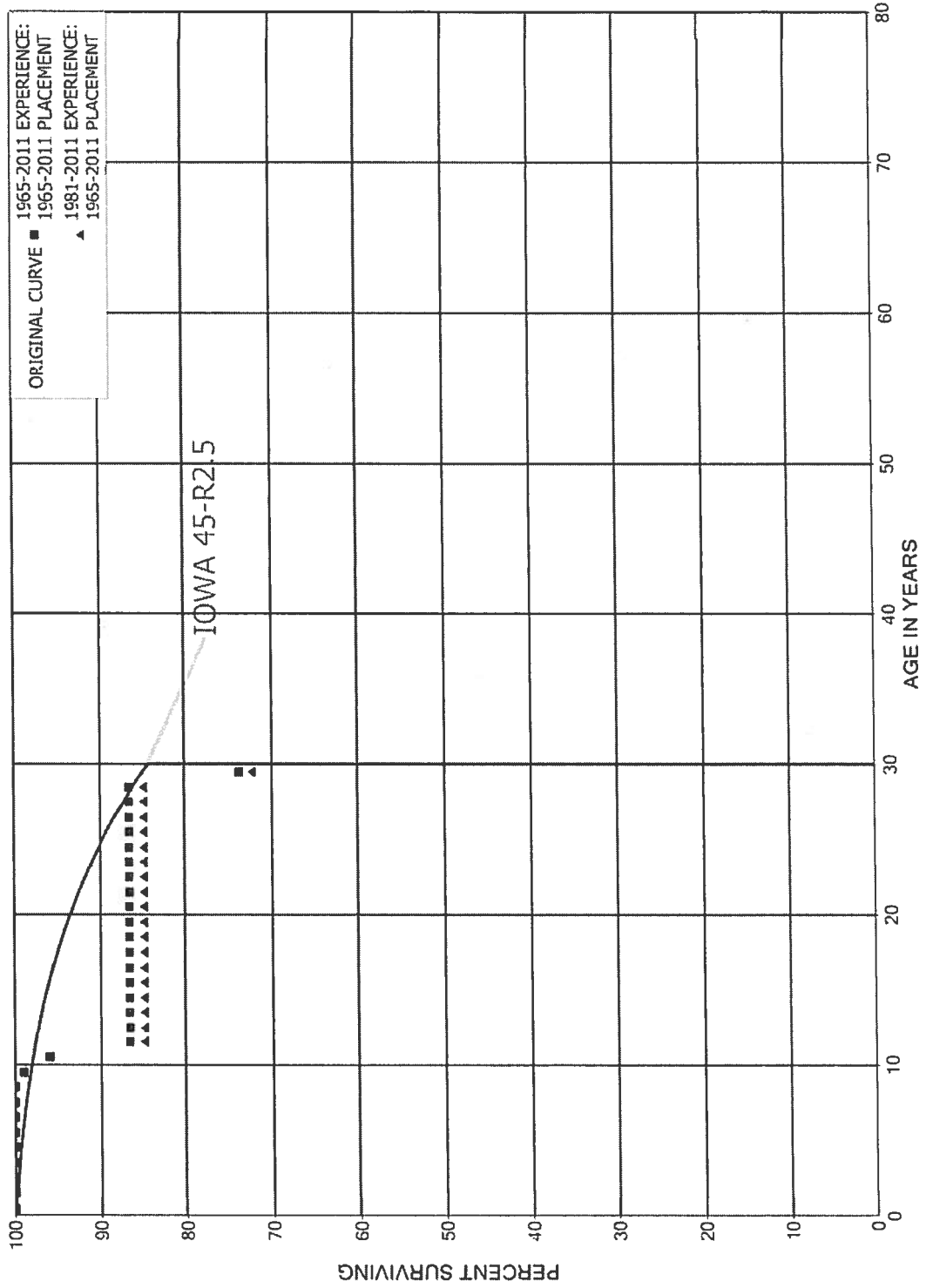
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 336 ROADS, RAILROADS AND BRIDGES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



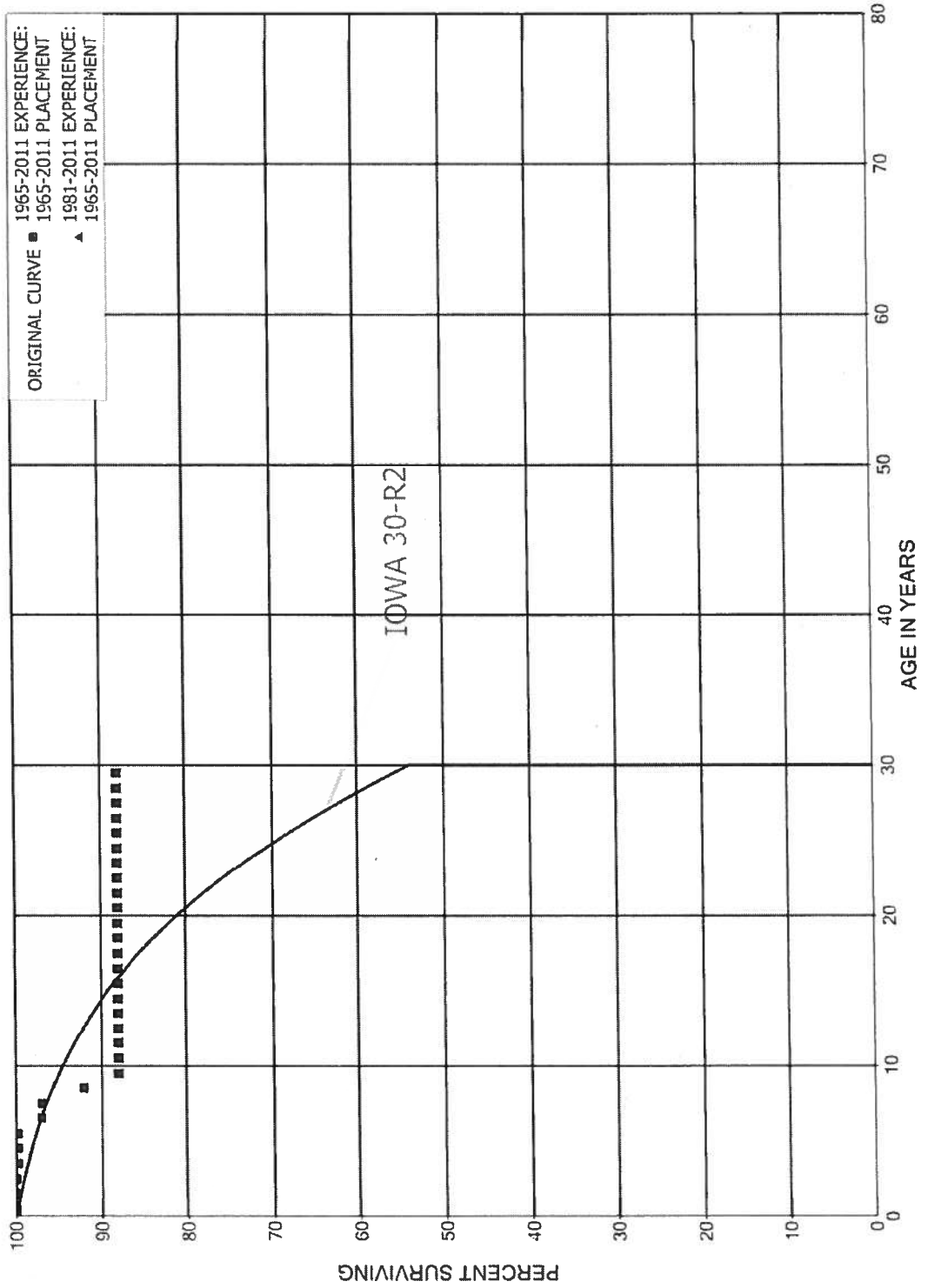
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 341 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



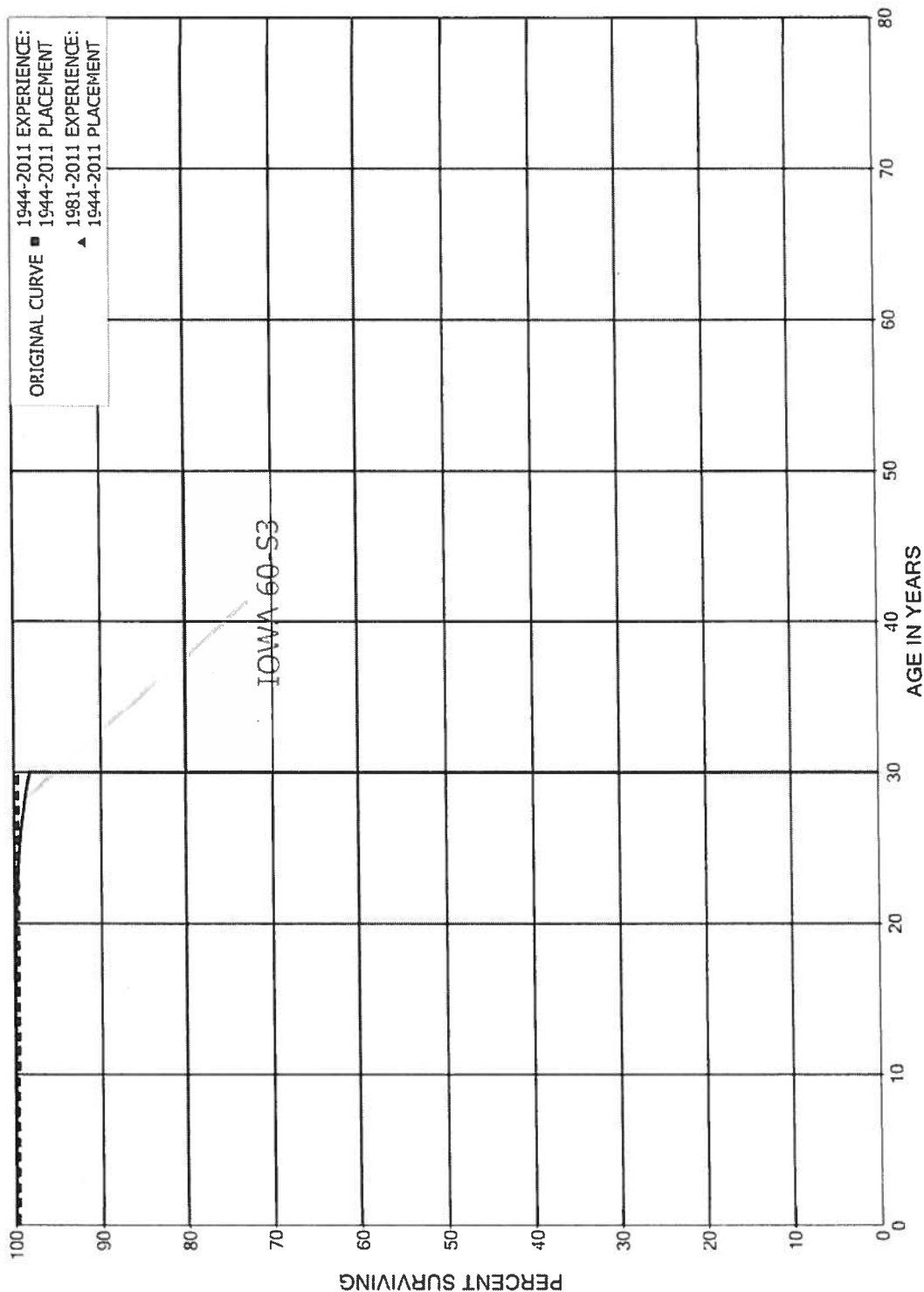
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



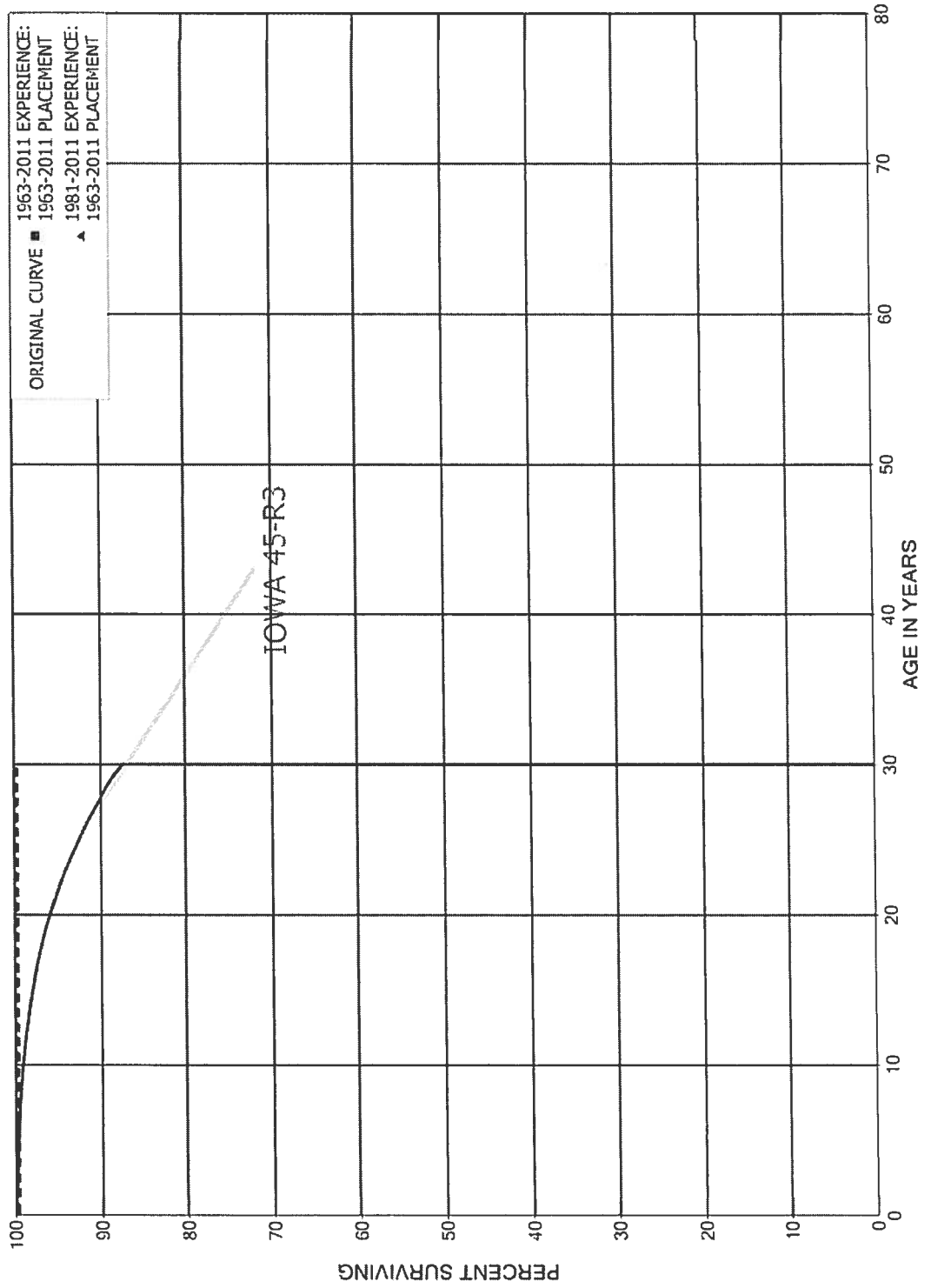
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 343 PRIME MOVERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

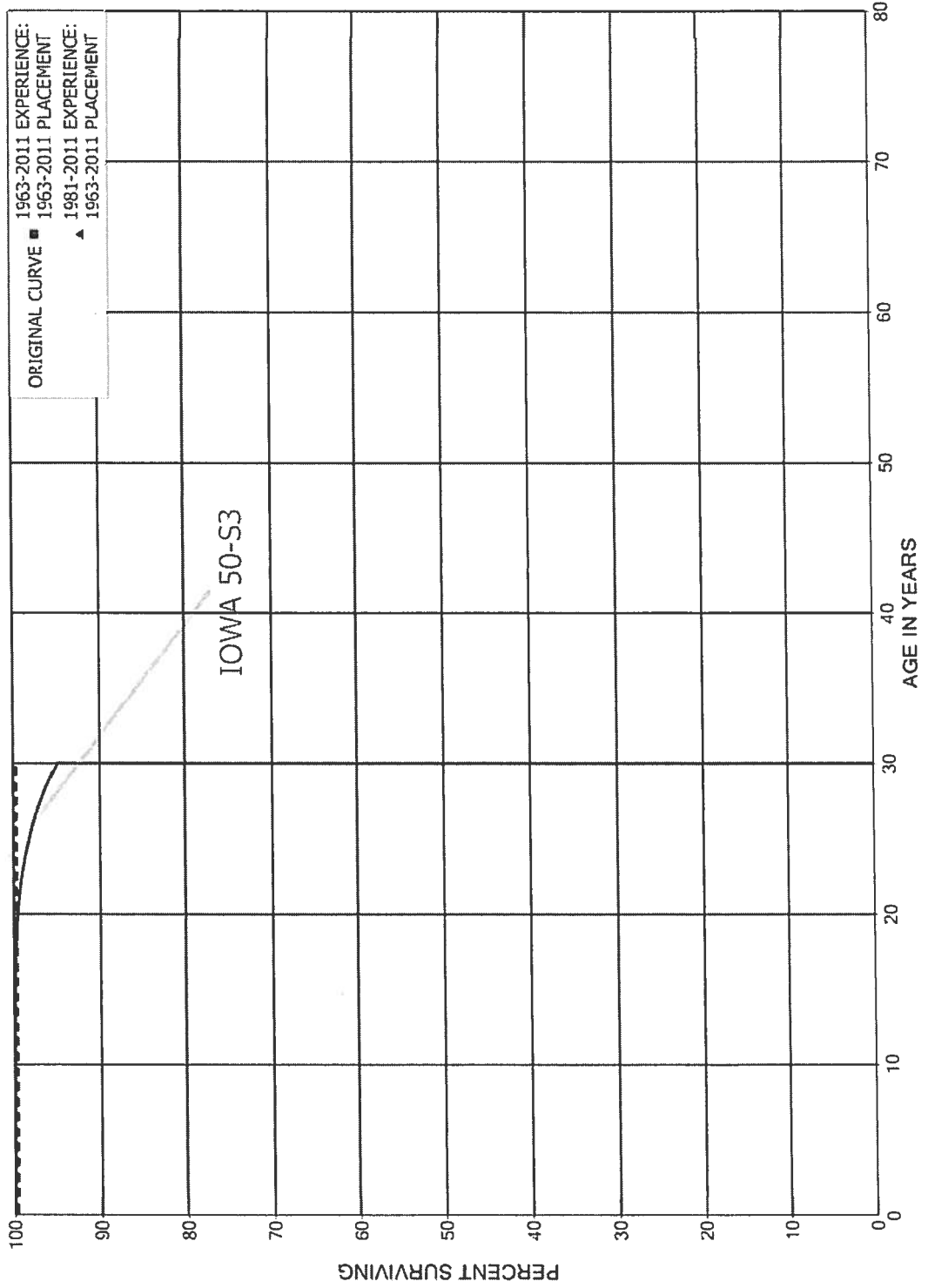


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

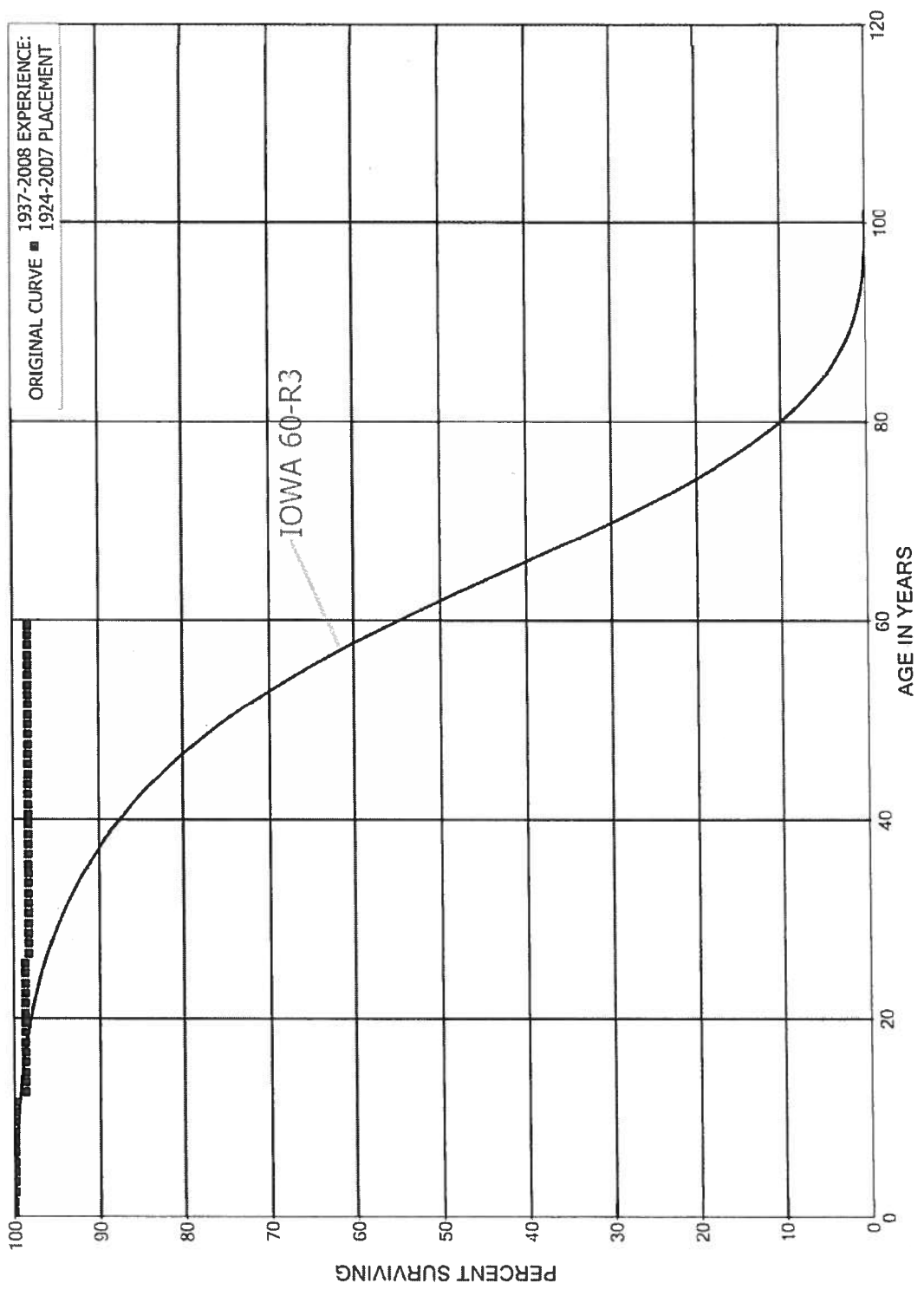




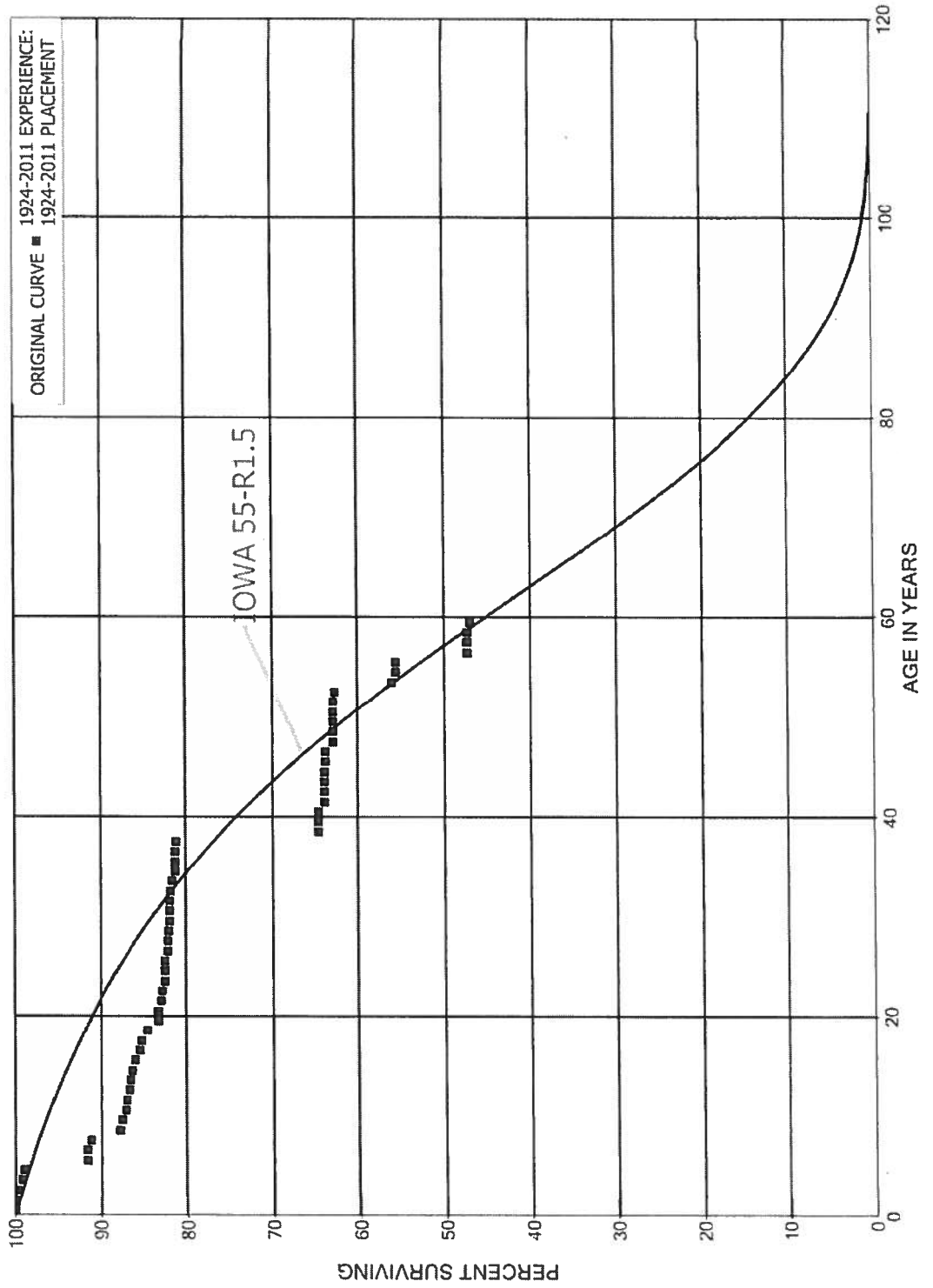
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



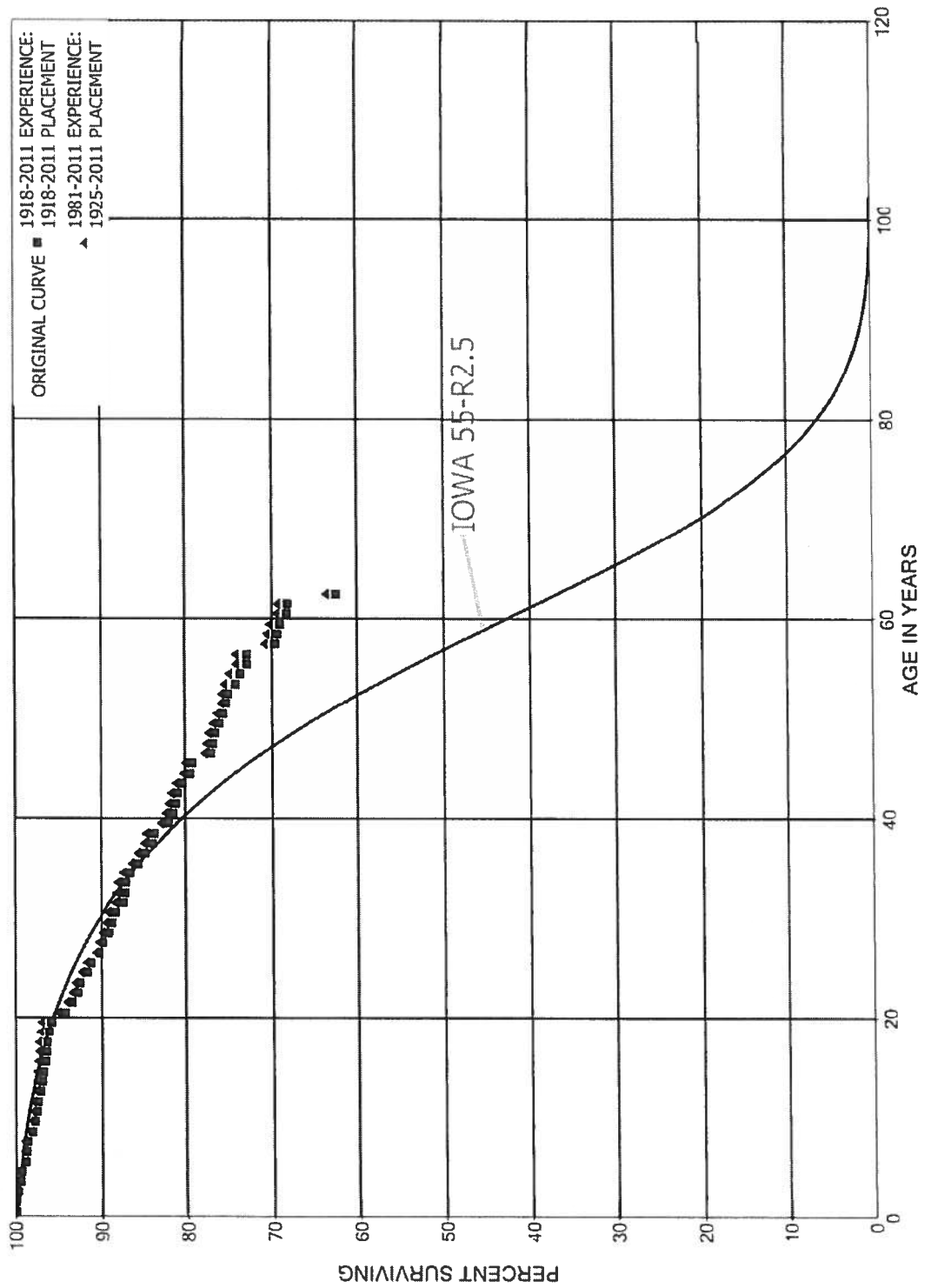
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 350.1 LAND RIGHTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



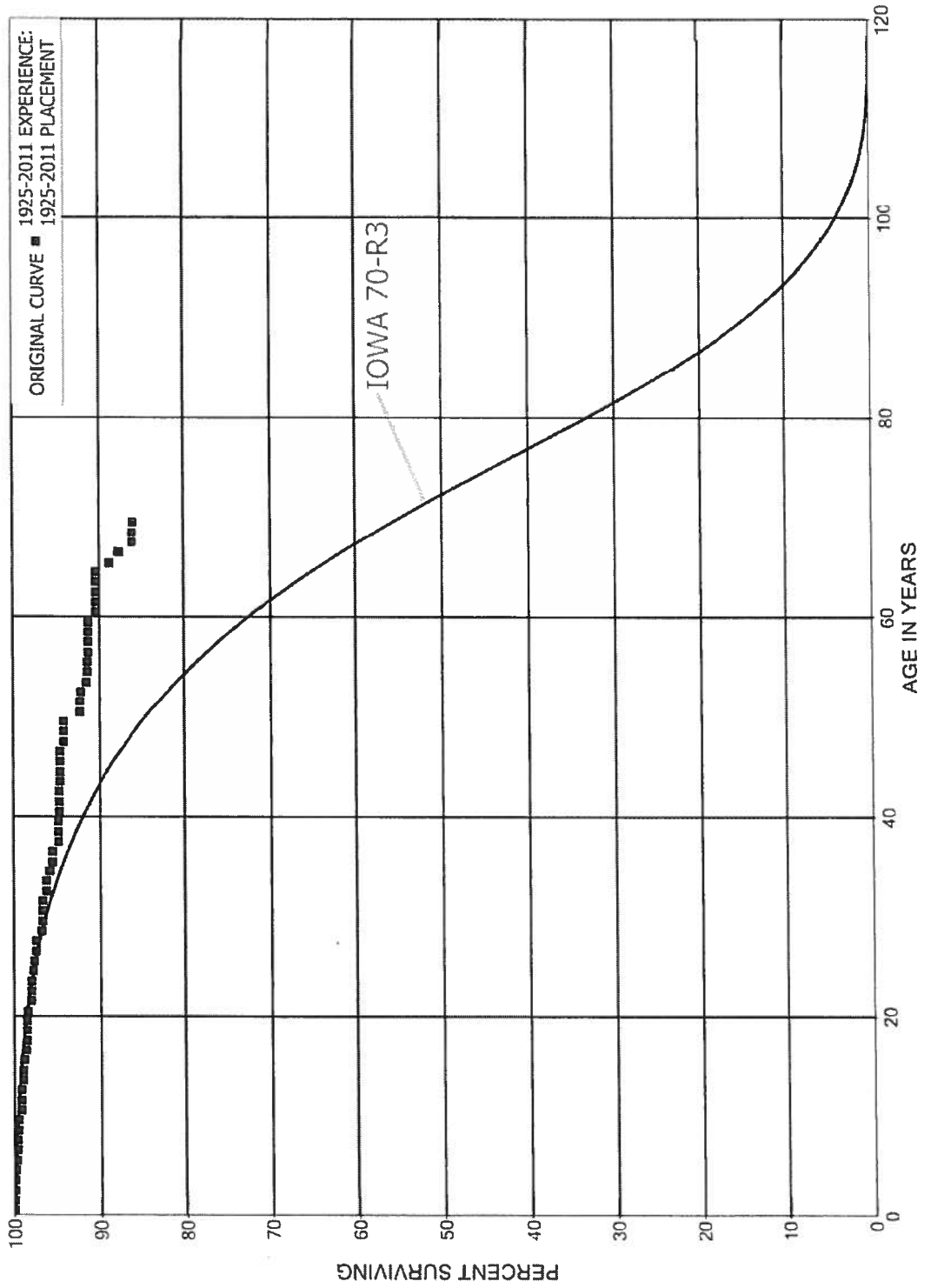
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 352 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



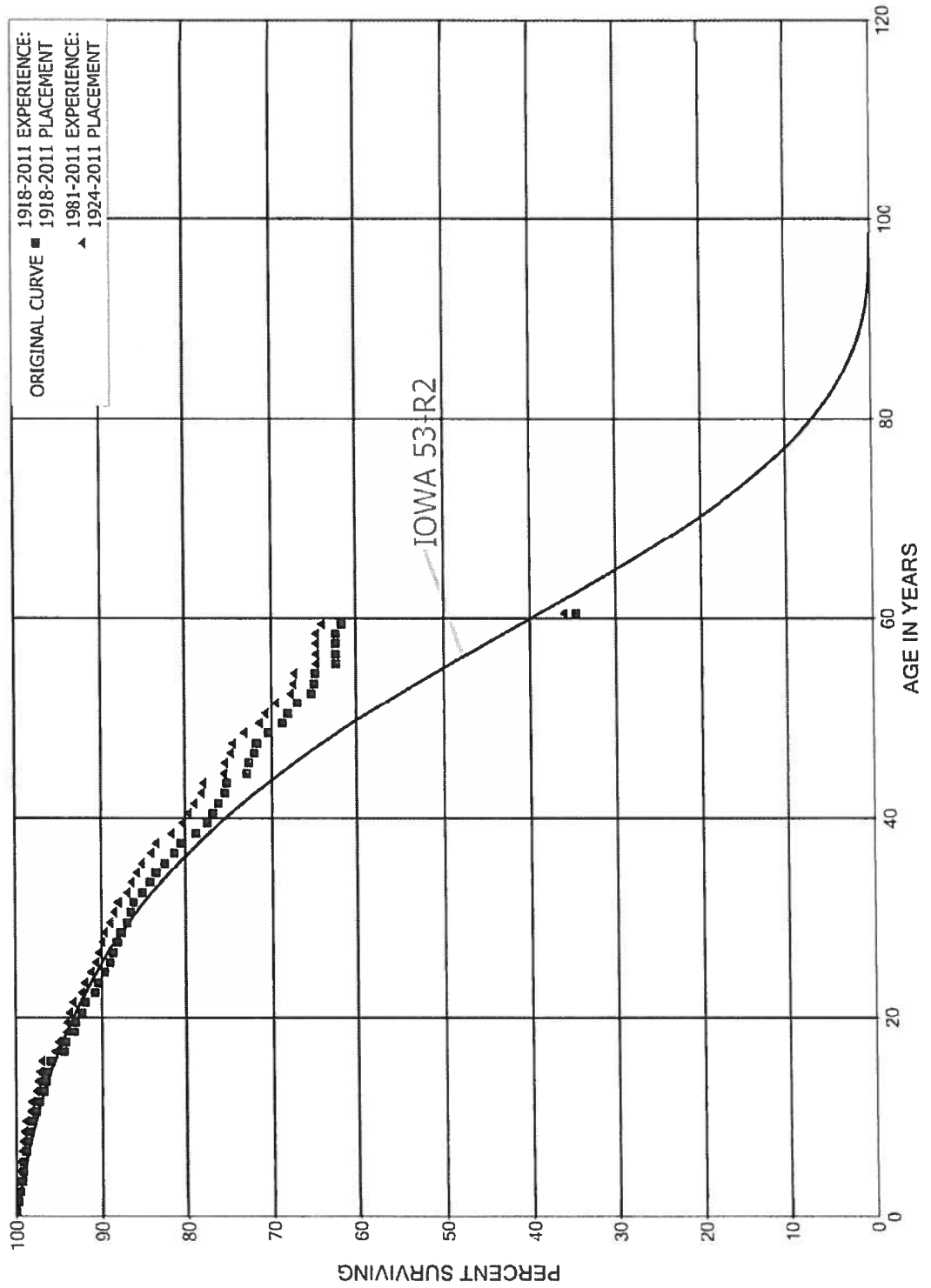
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 353 STATION EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



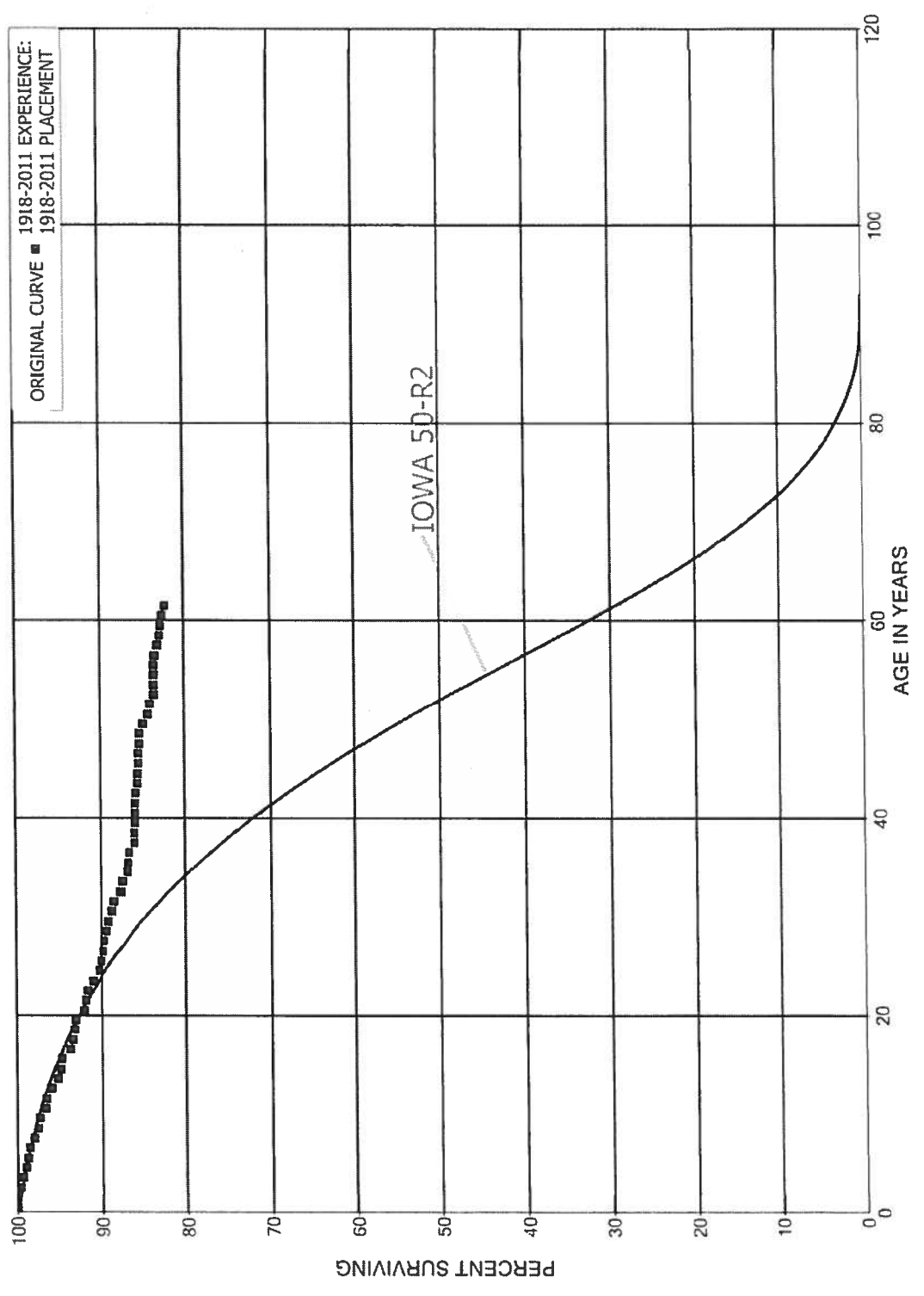
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 354 TOWERS AND FIXTURES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



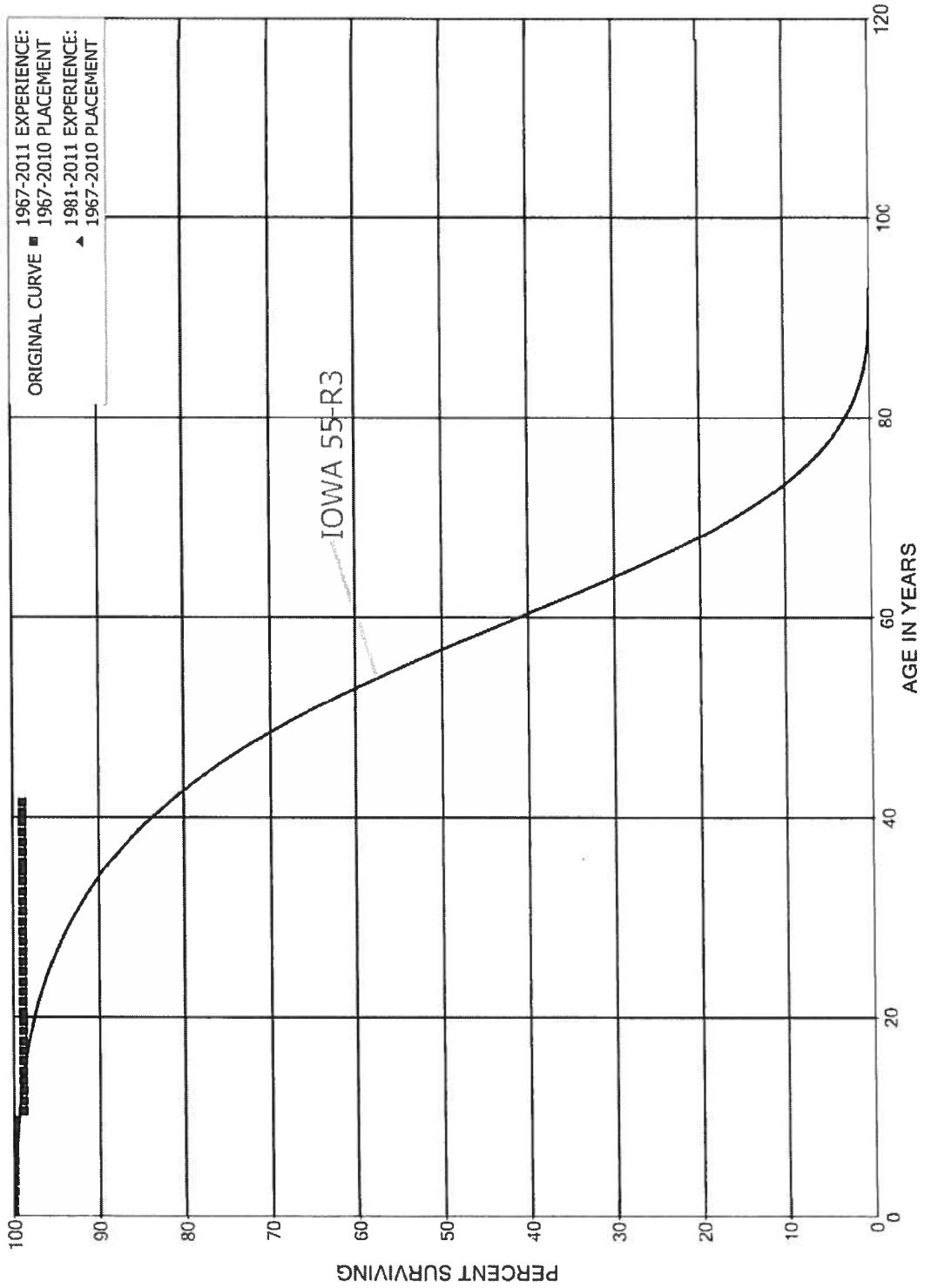
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 355 POLES AND FIXTURES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

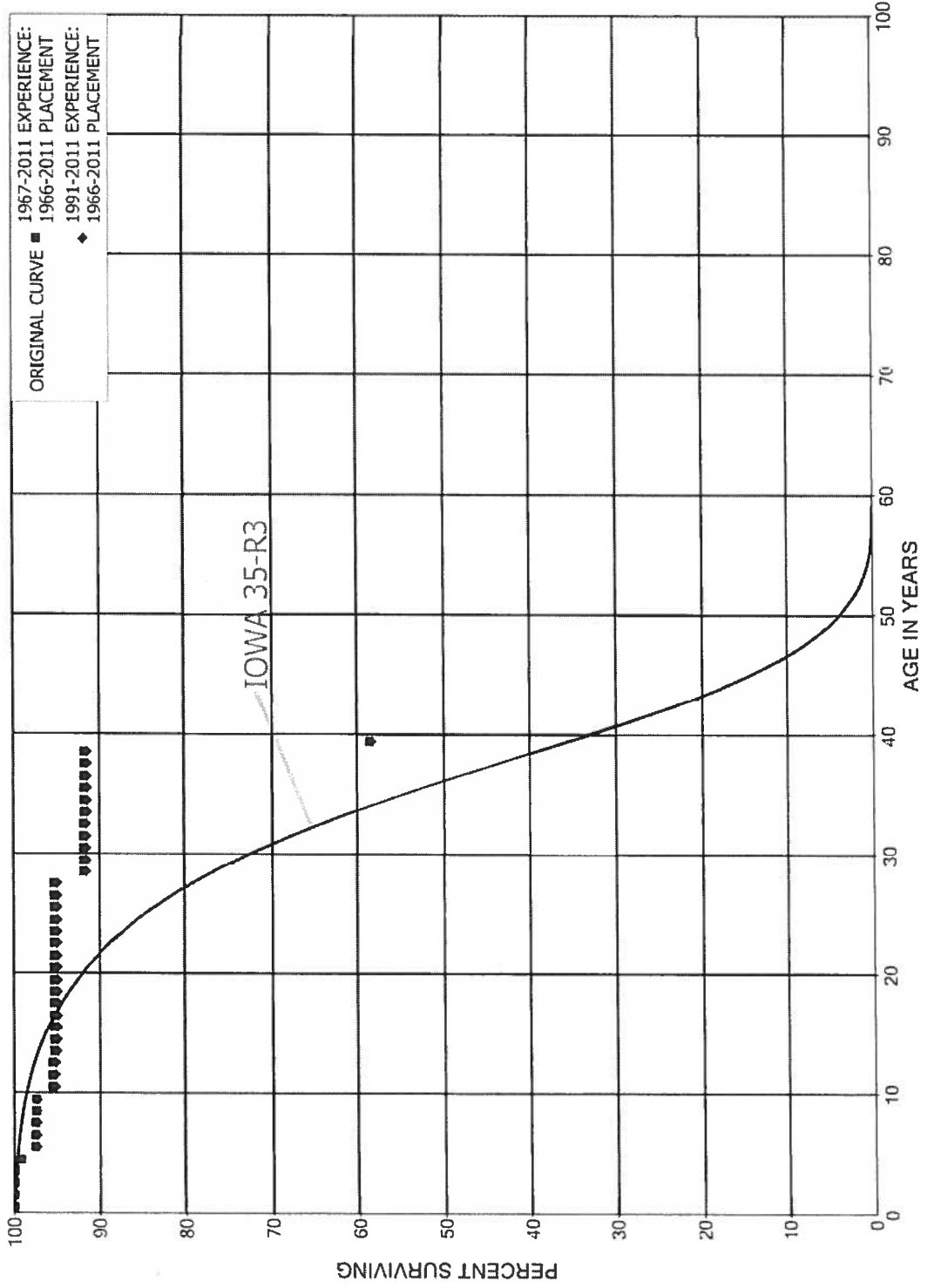


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 357 UNDERGROUND CONDUIT  
ORIGINAL AND SMOOTH SURVIVOR CURVES

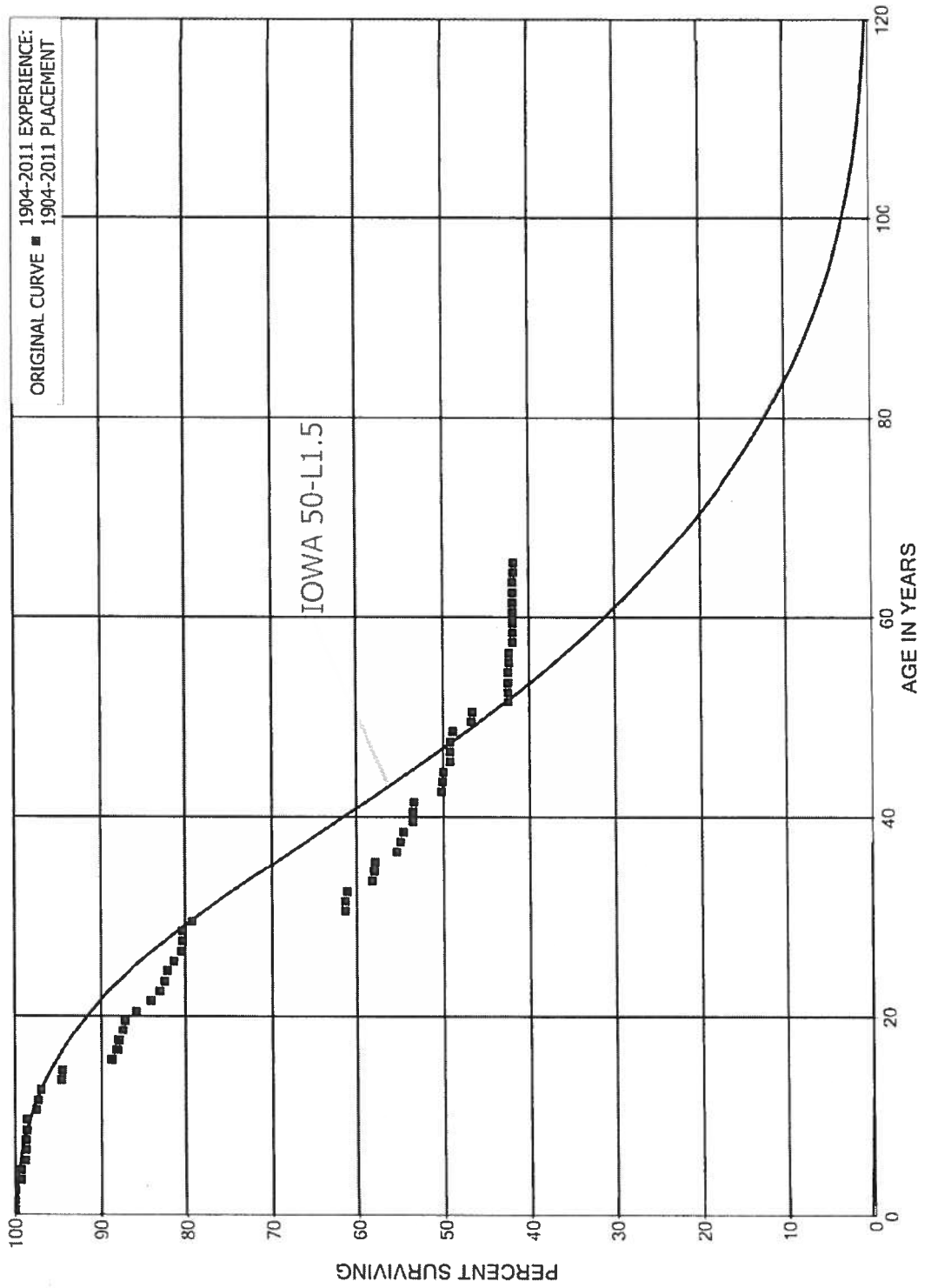




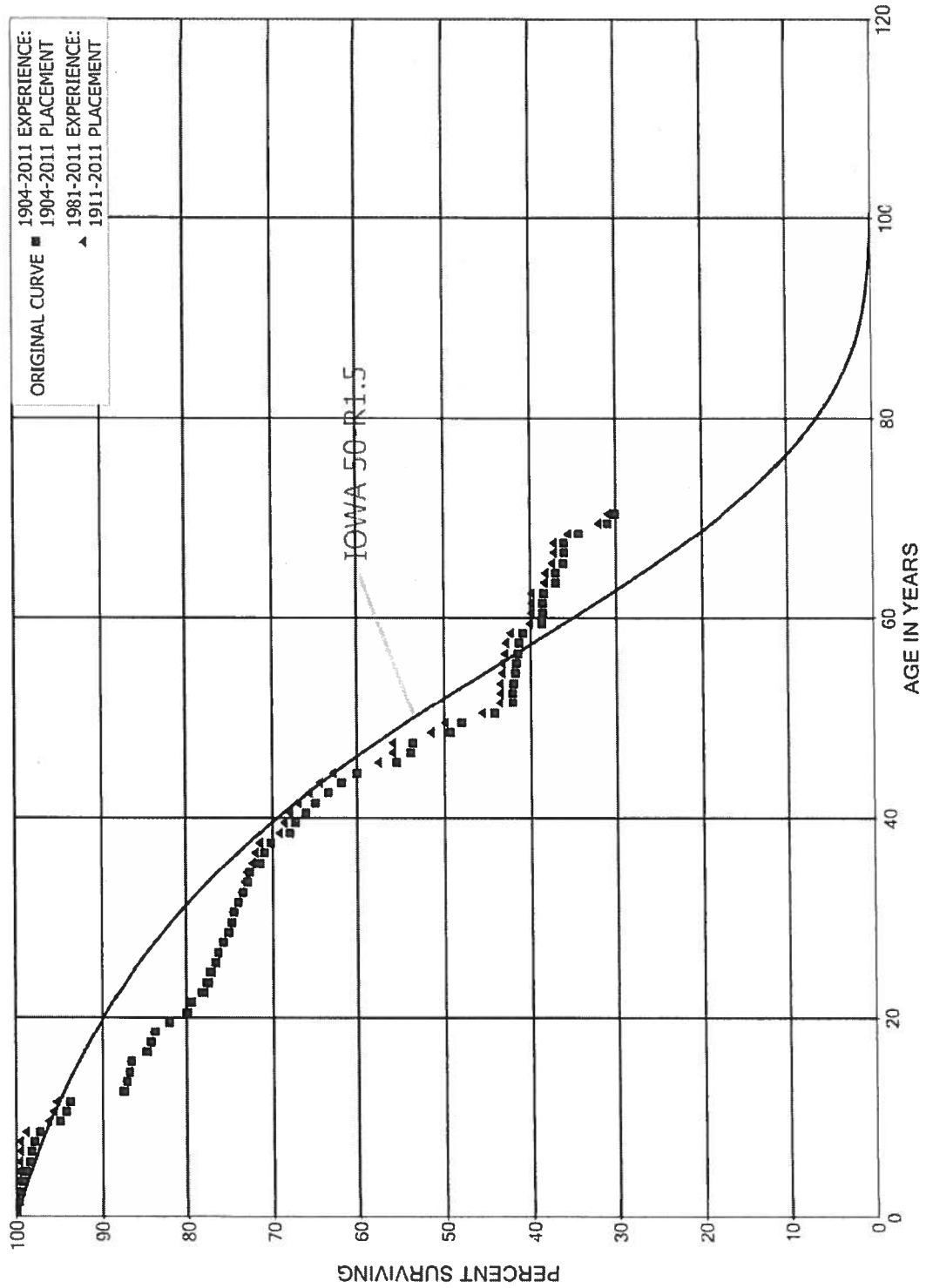
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



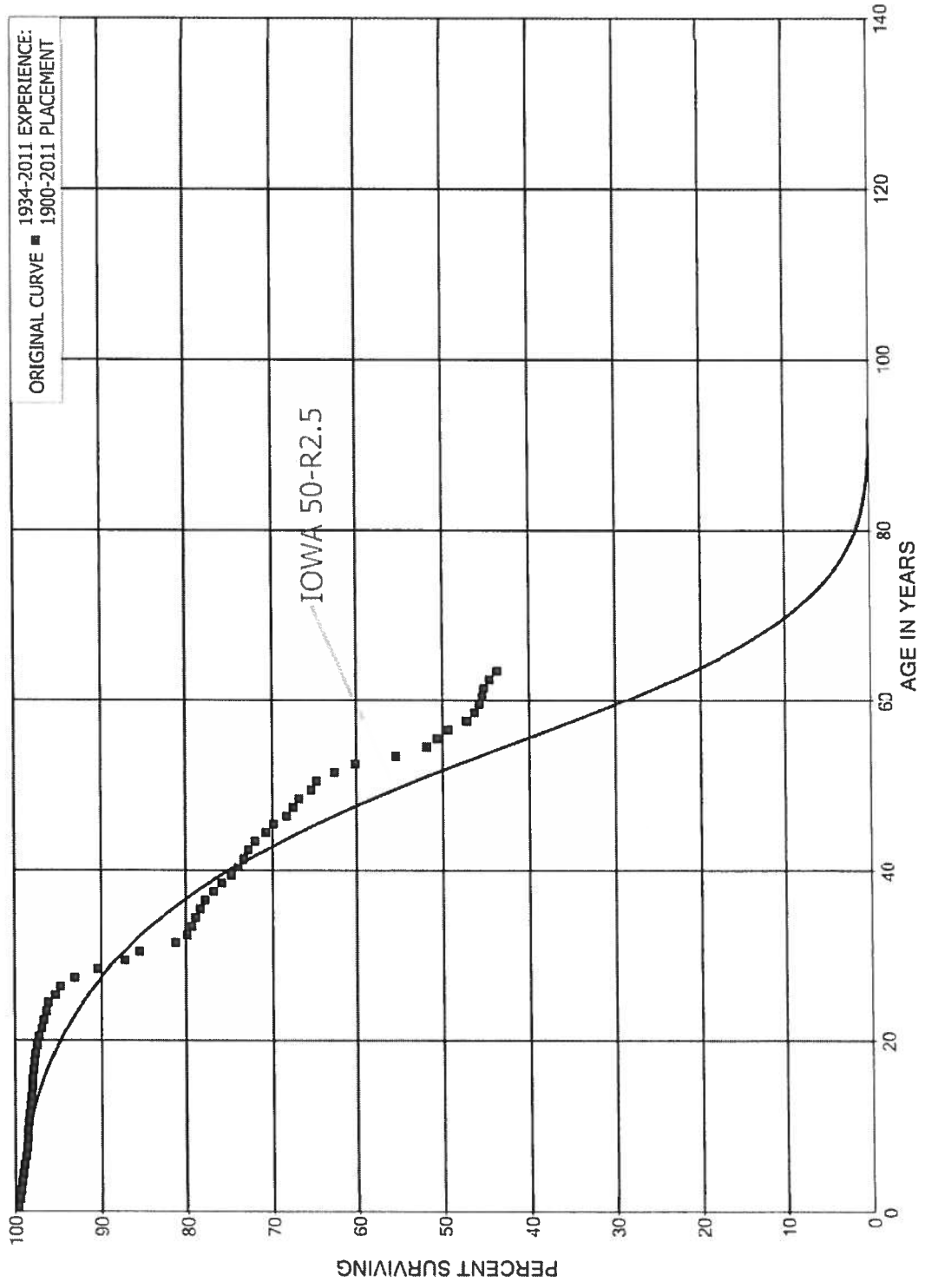
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 361 STRUCTURES AND IMPROVEMENTS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



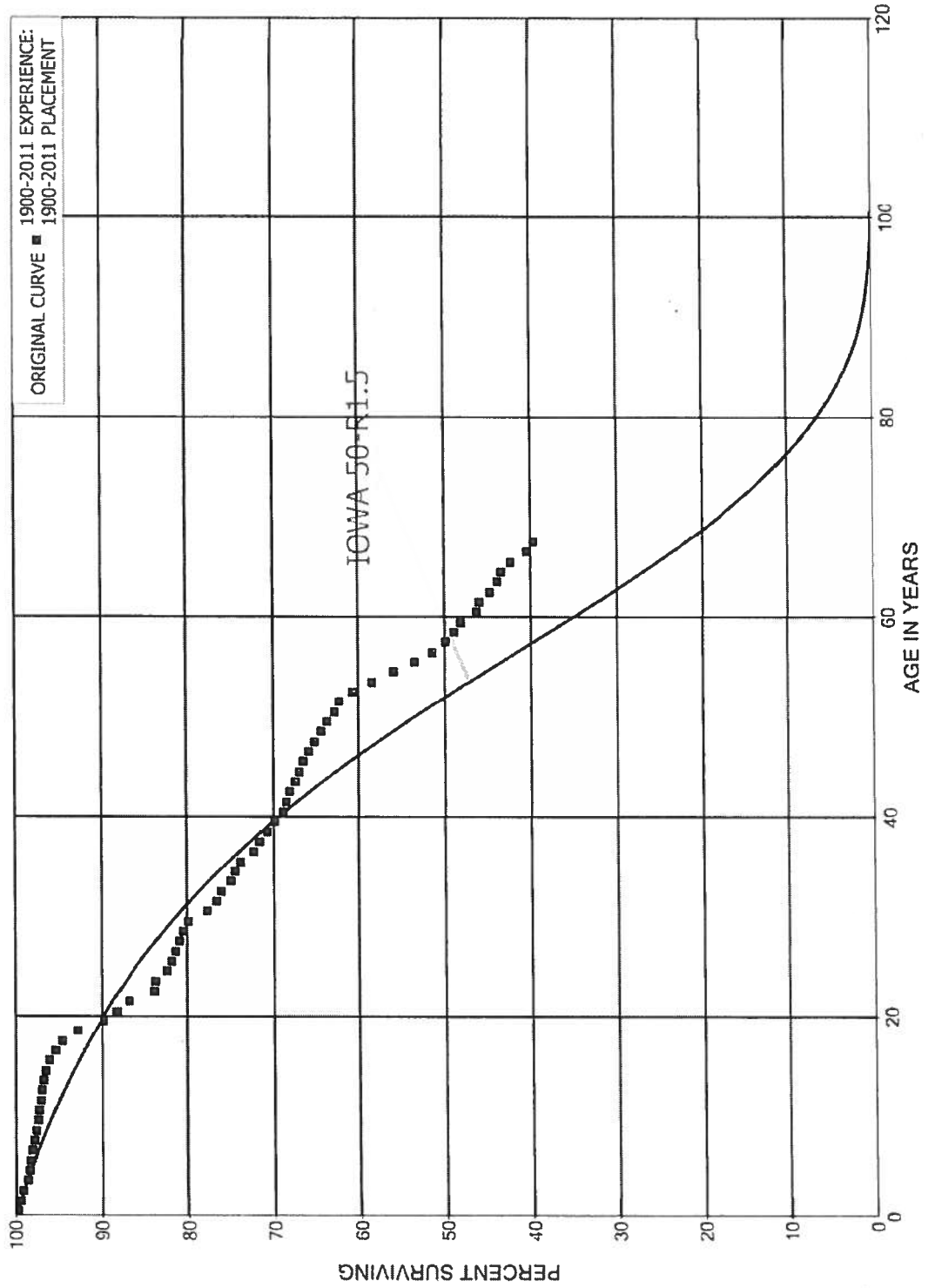
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 362 STATION EQUIPMENT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



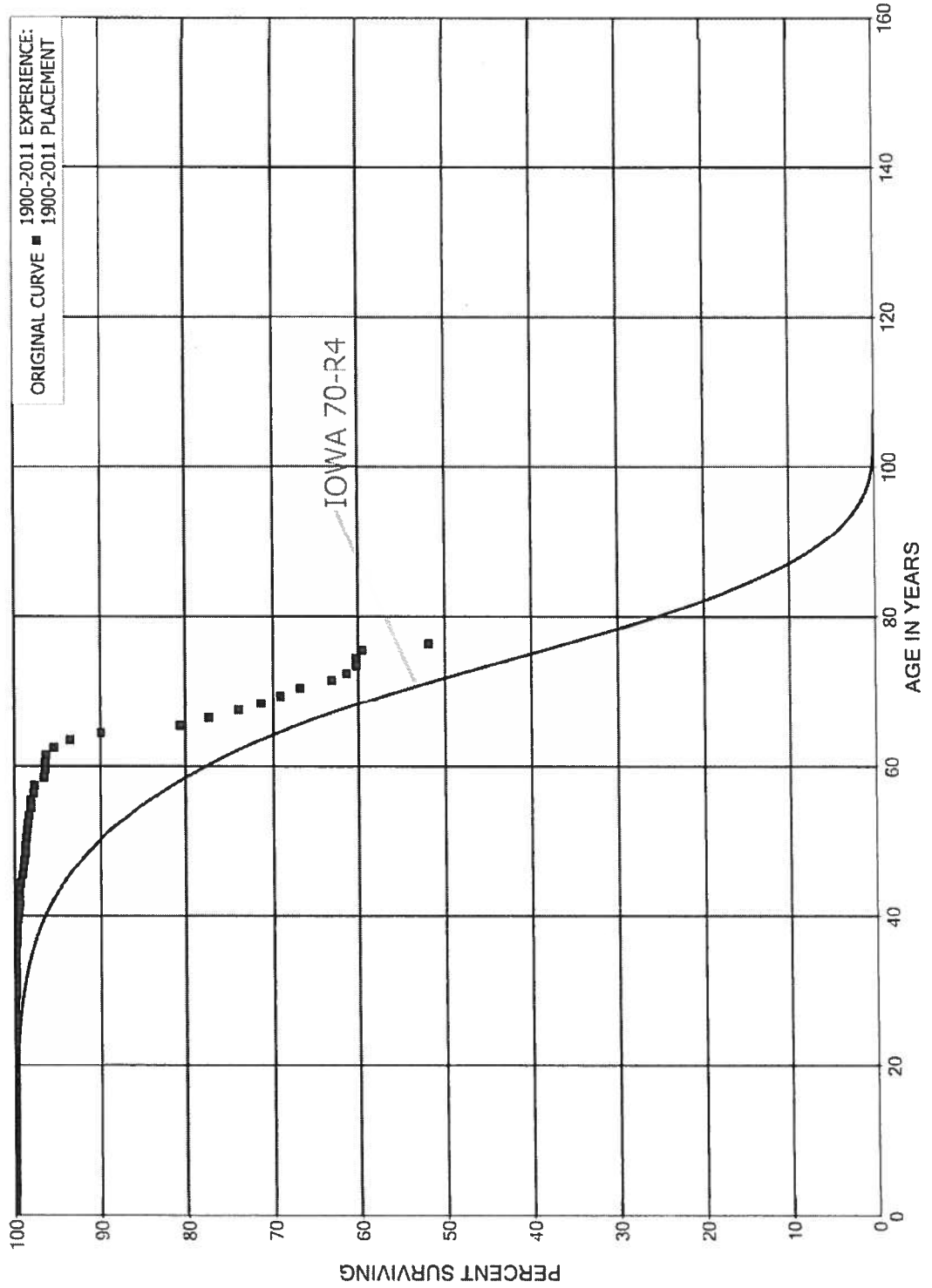
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 364 POLES, TOWERS AND FIXTURES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



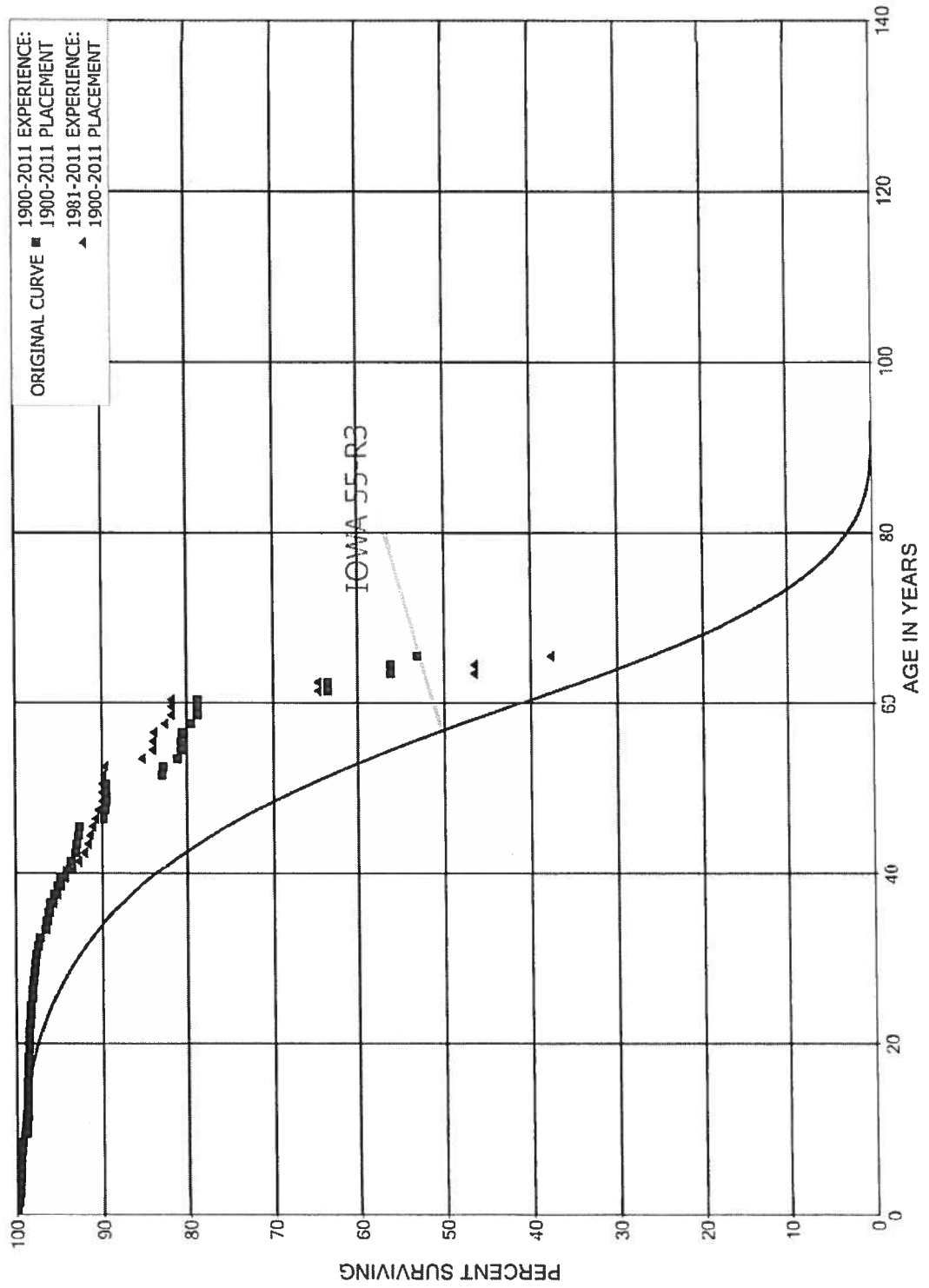
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES  
ORIGINAL AND SMOOTH SURVIVOR CURVES



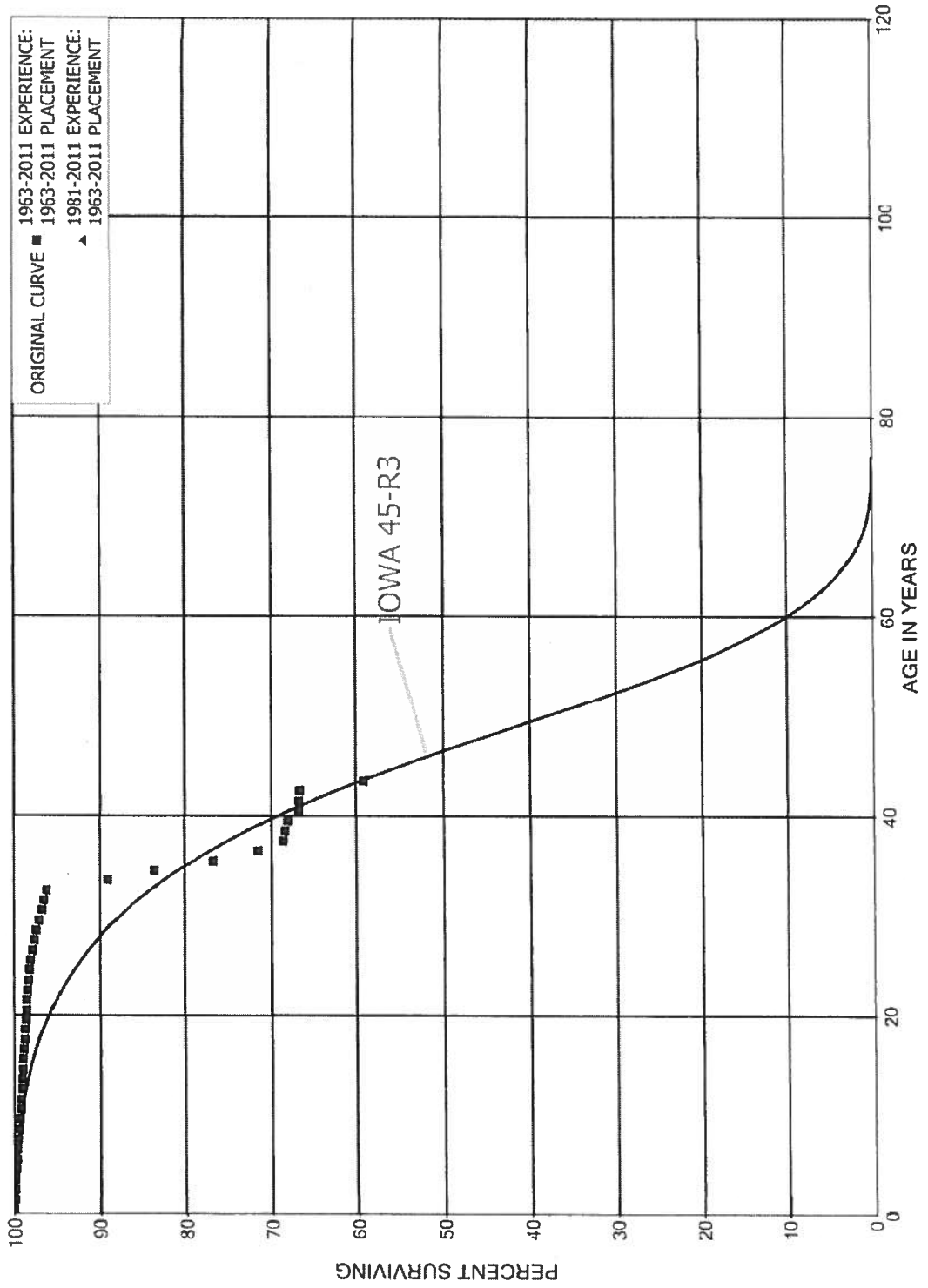
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 366 UNDERGROUND CONDUIT  
ORIGINAL AND SMOOTH SURVIVOR CURVES



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

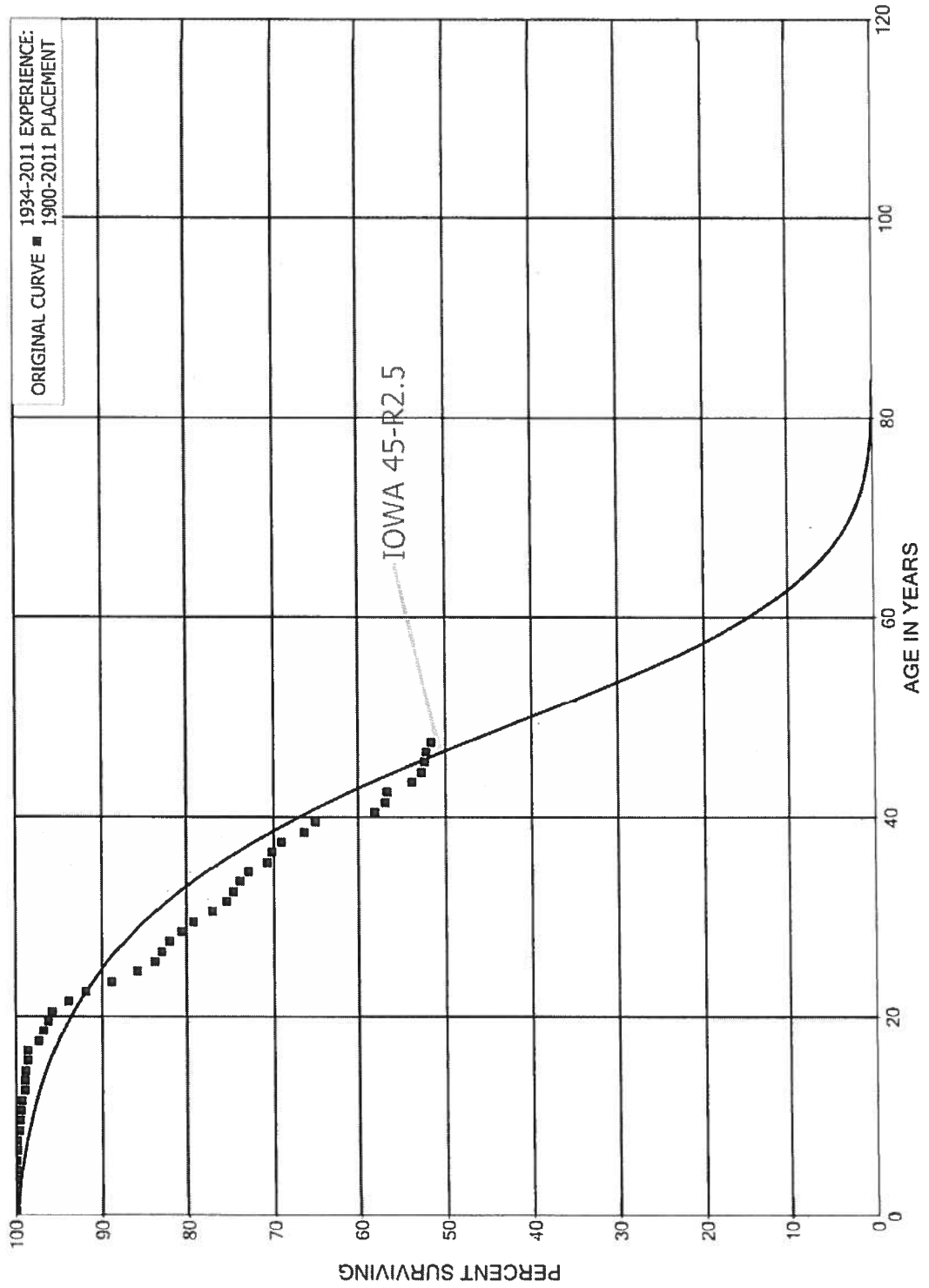


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 368 LINE TRANSFORMERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES

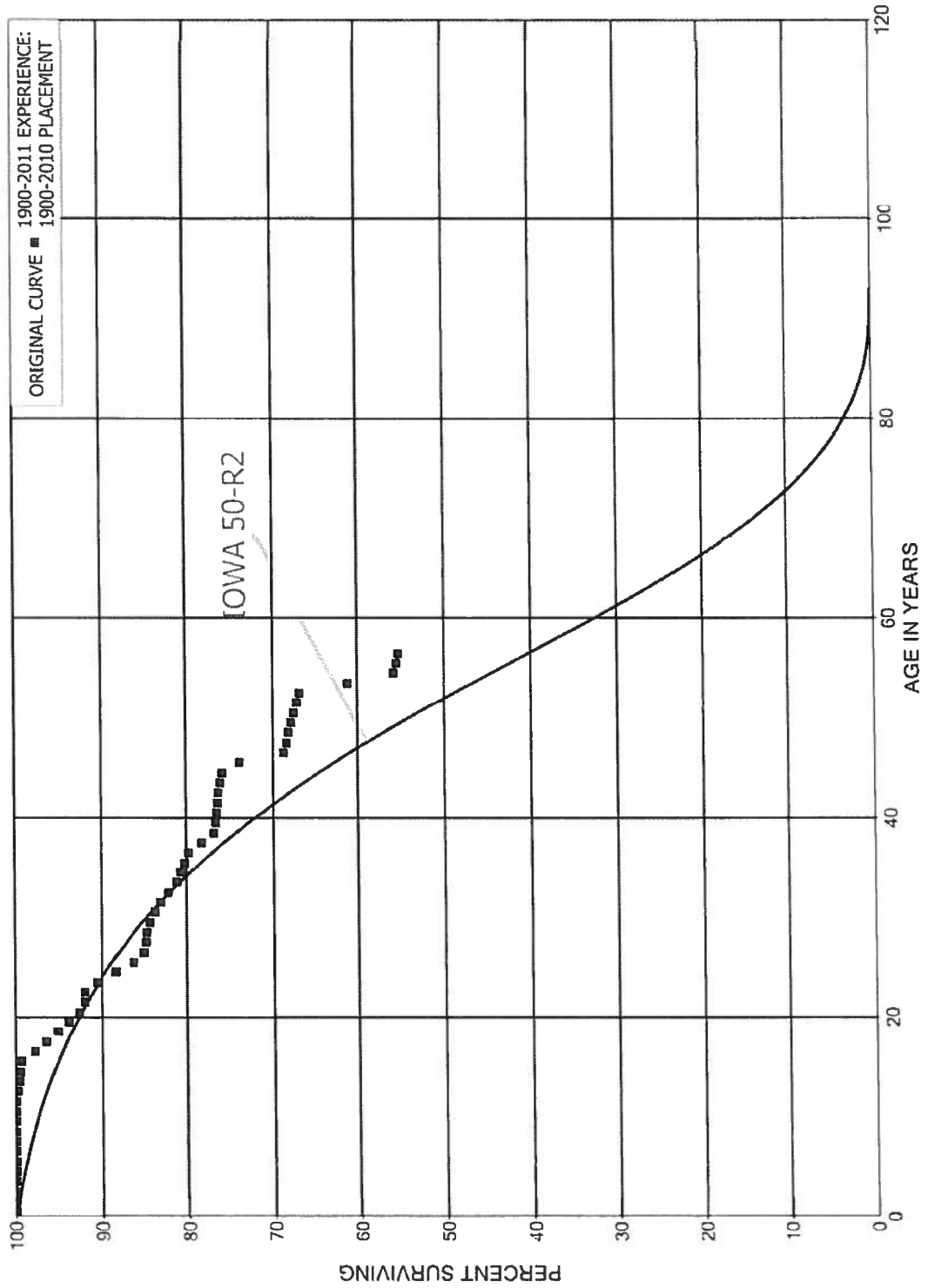




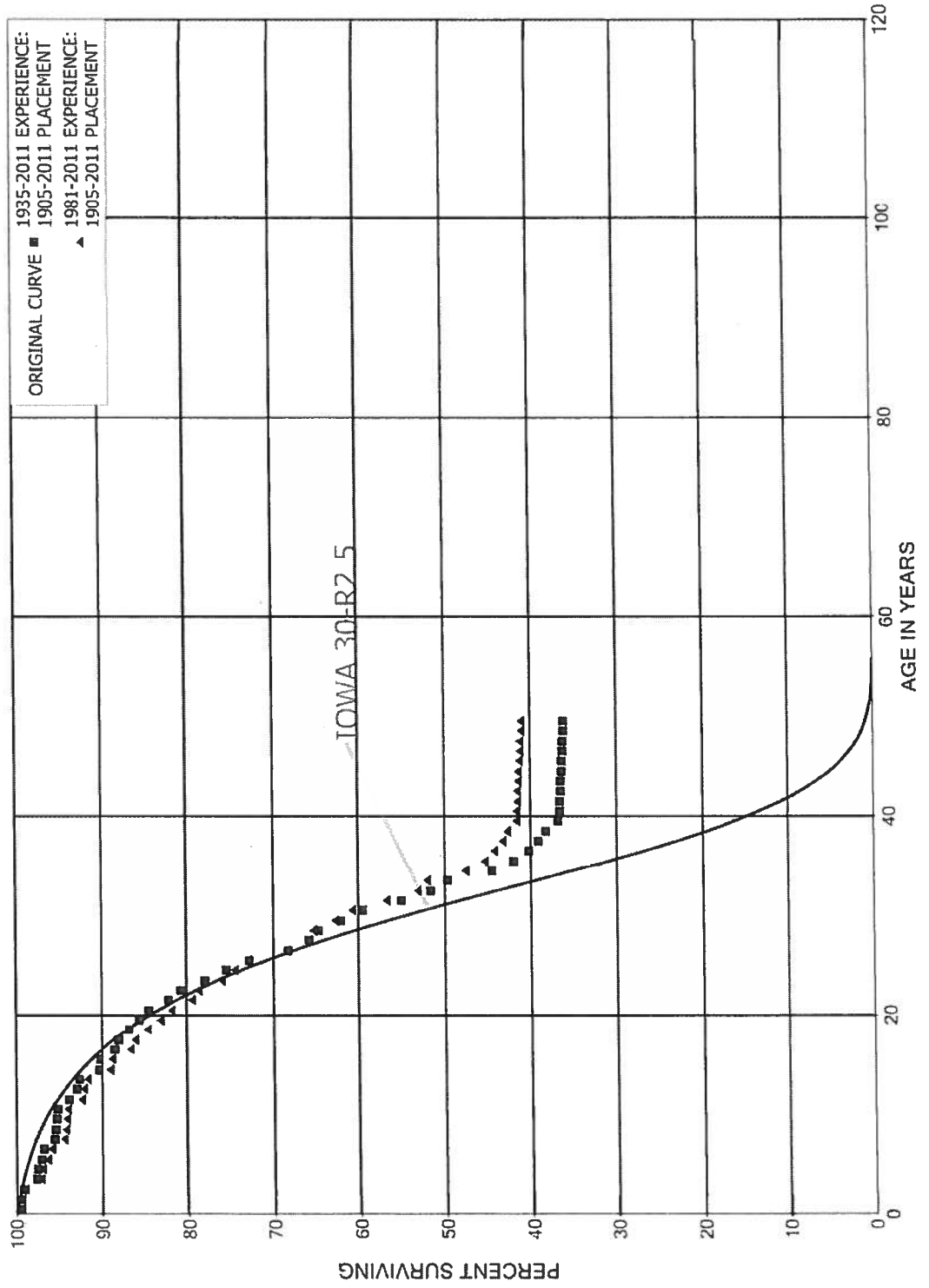
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 369.1 SERVICES - UNDERGROUND  
ORIGINAL AND SMOOTH SURVIVOR CURVES



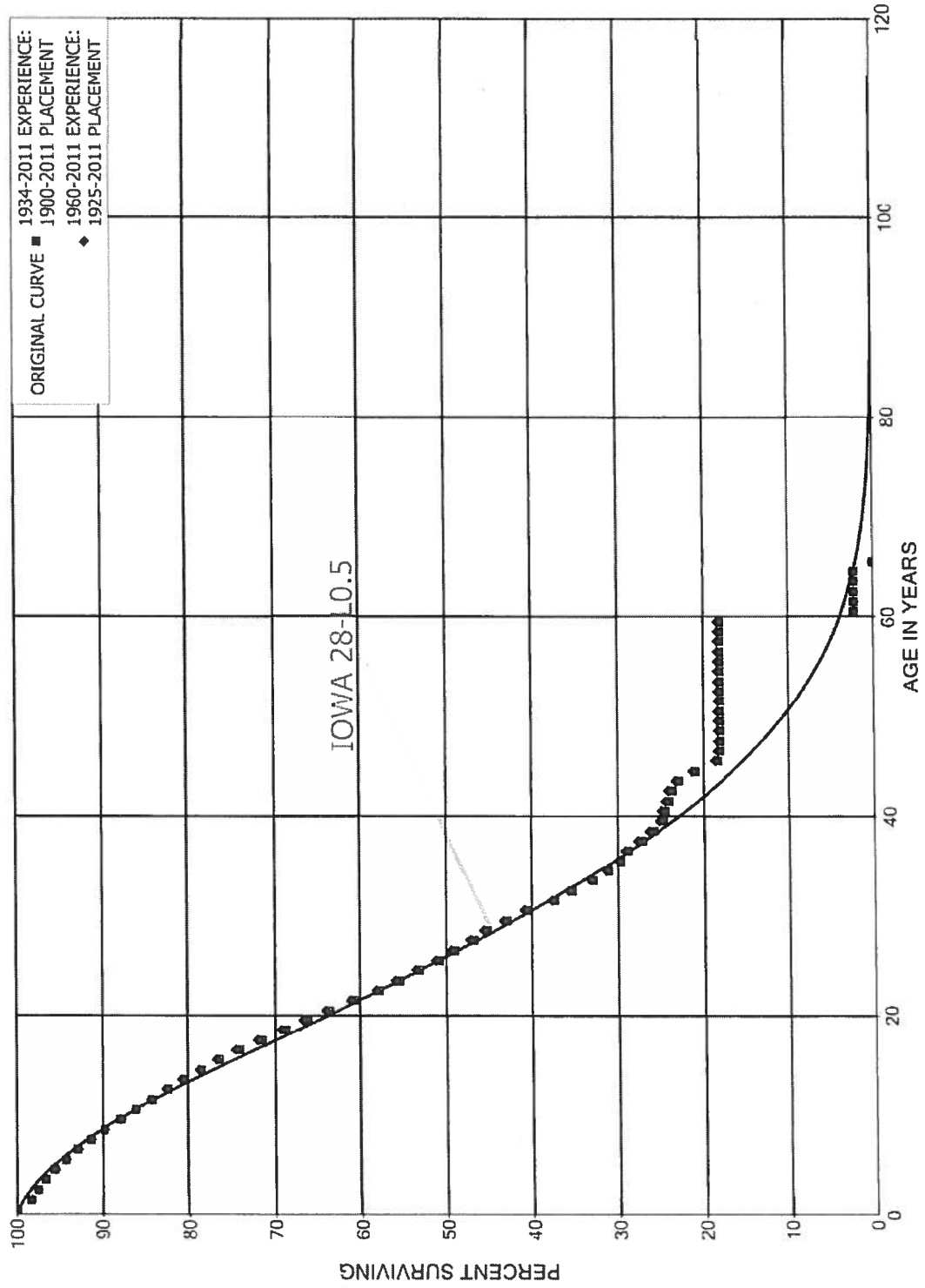
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 369.2 SERVICES - OVERHEAD  
ORIGINAL AND SMOOTH SURVIVOR CURVES



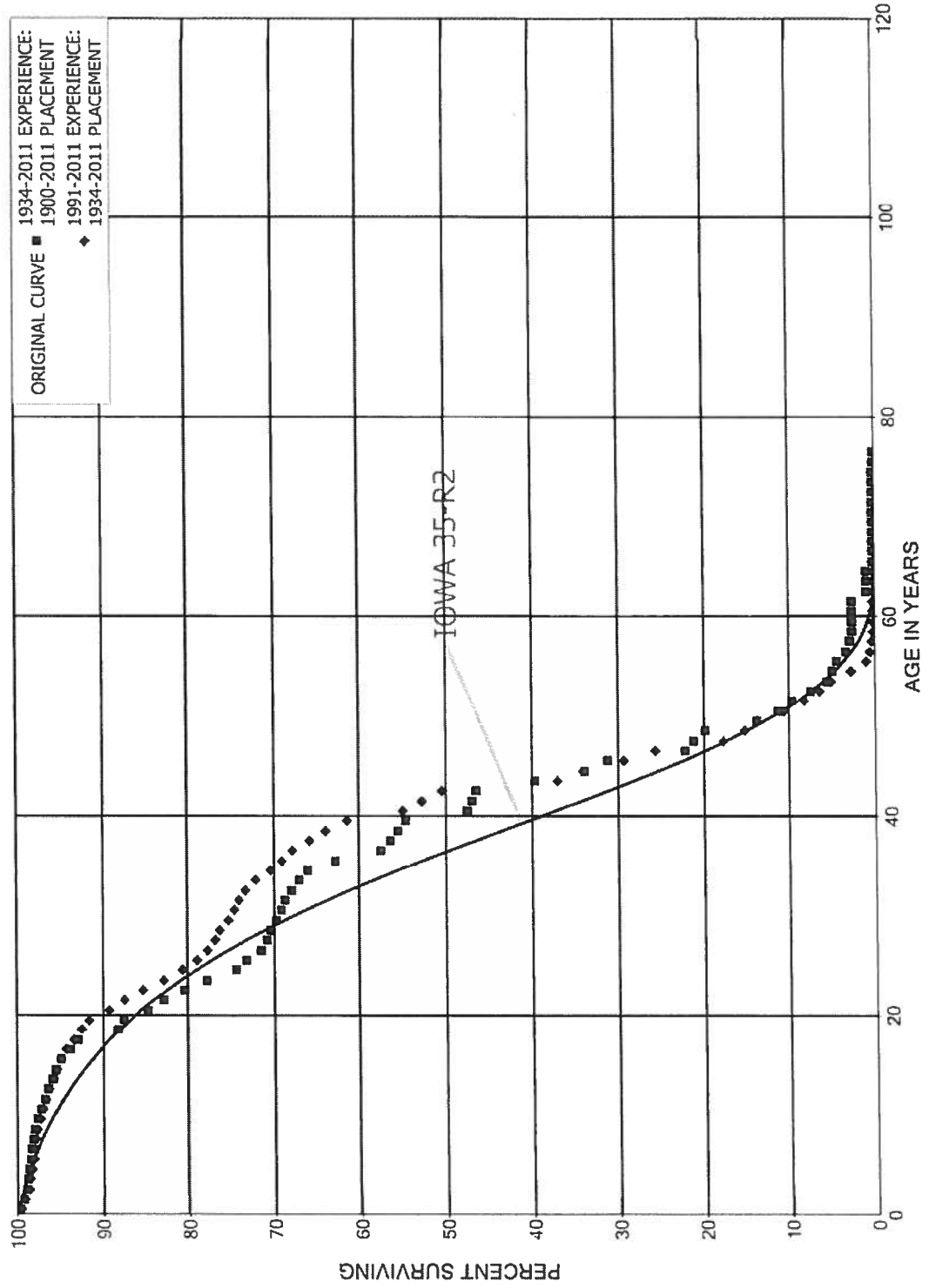
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 370 METERS  
ORIGINAL AND SMOOTH SURVIVOR CURVES



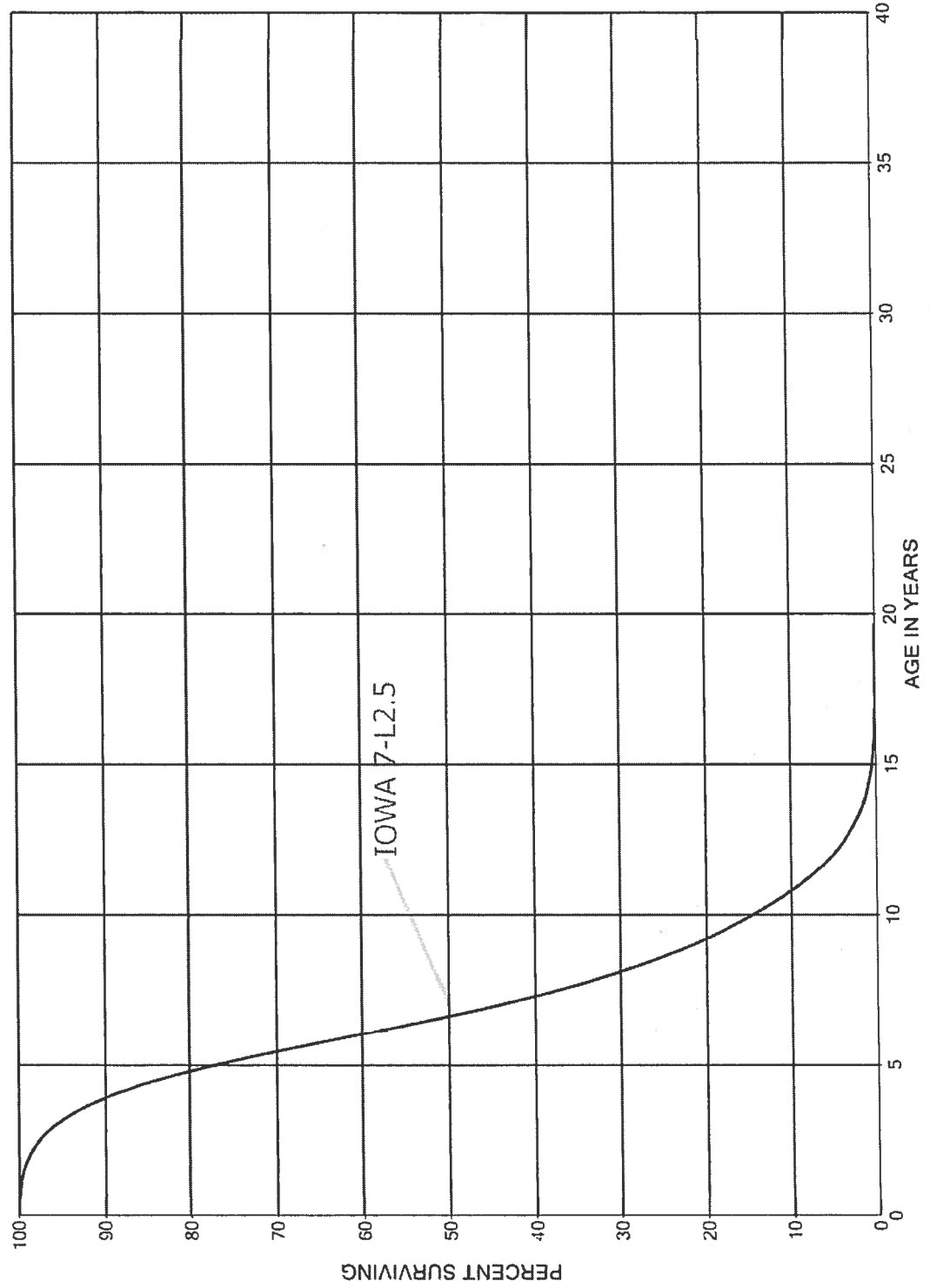
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD  
ORIGINAL AND SMOOTH SURVIVOR CURVES



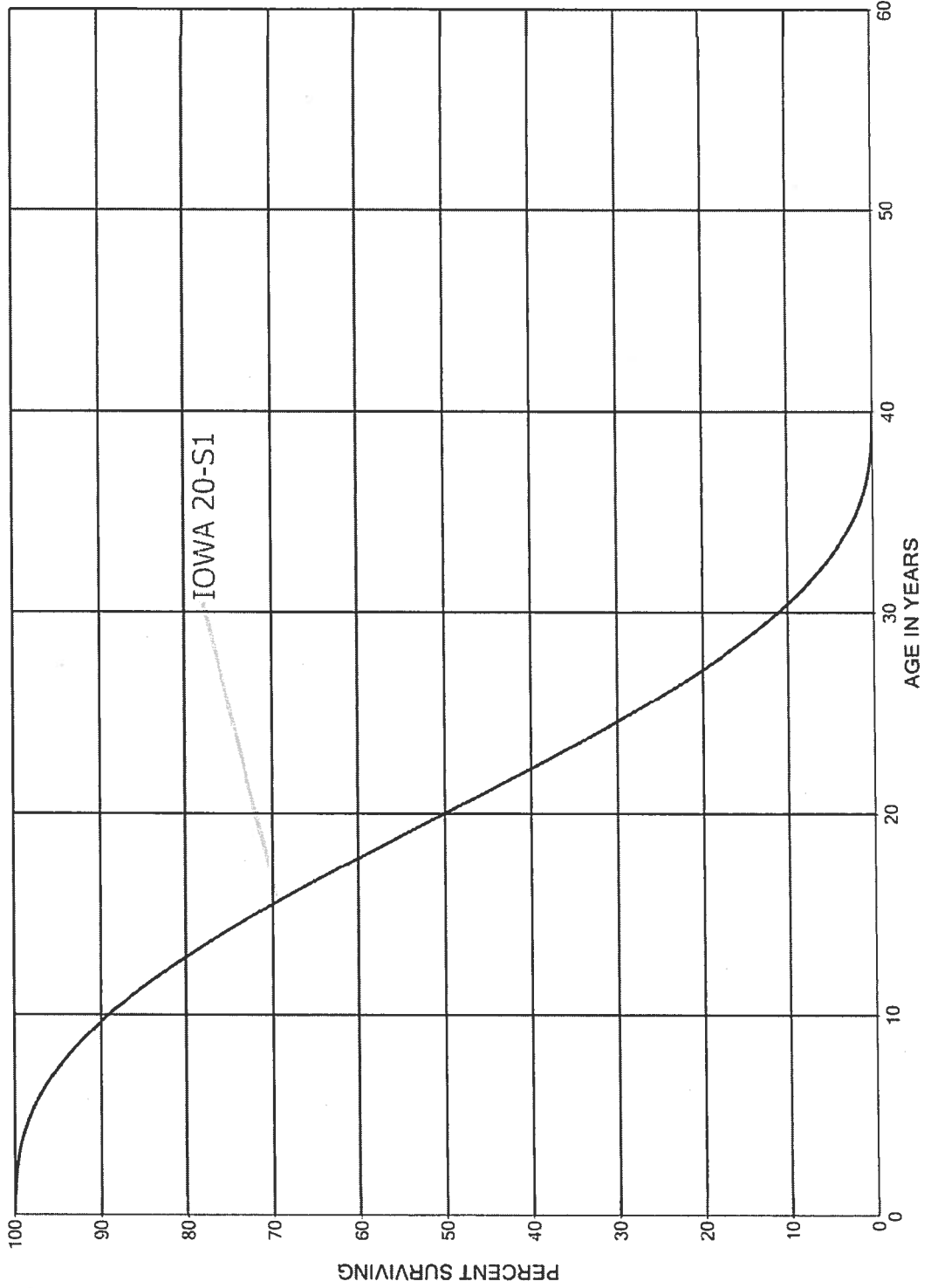
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND  
ORIGINAL AND SMOOTH SURVIVOR CURVES



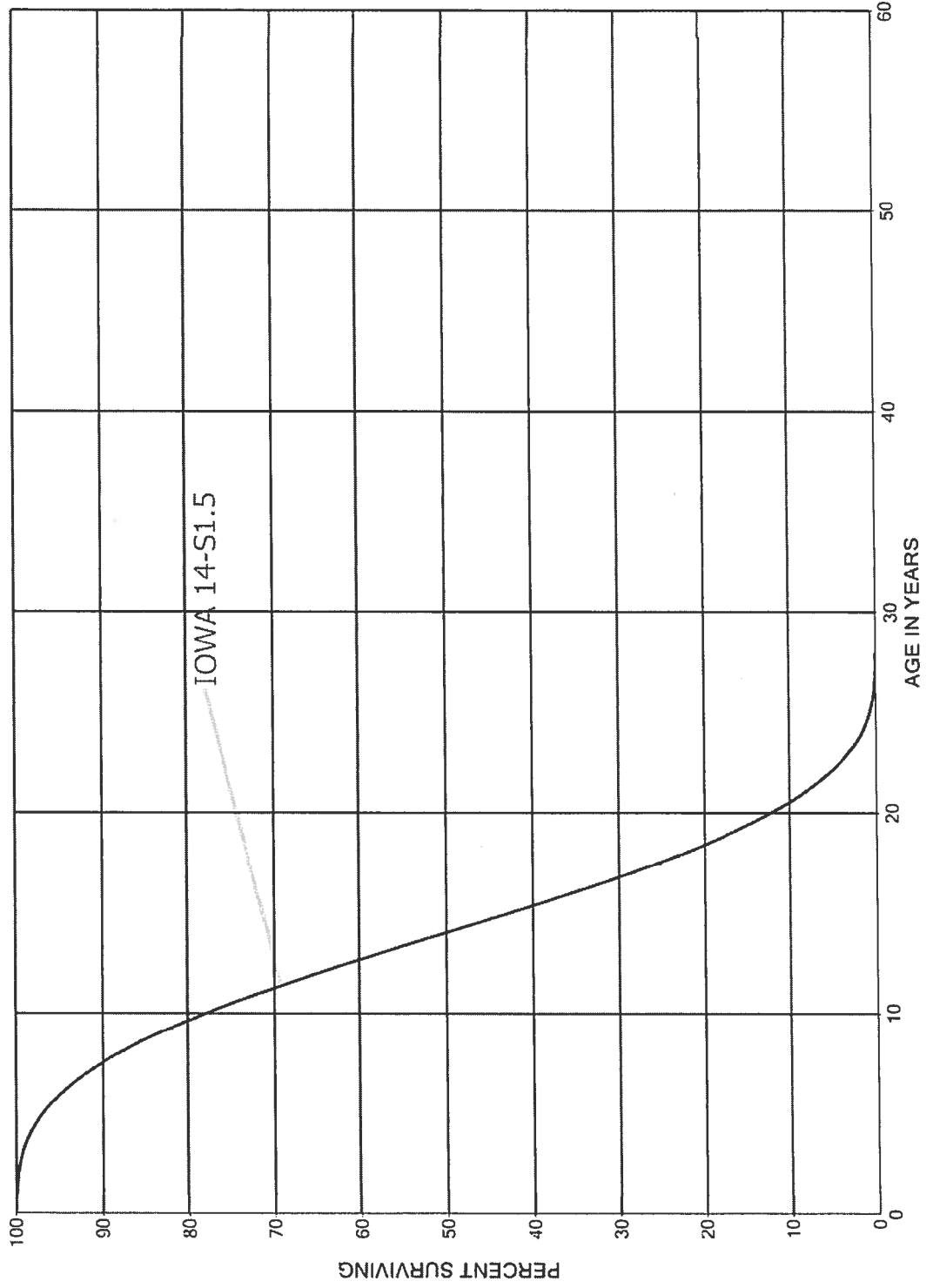
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS  
SMOOTH SURVIVOR CURVE



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

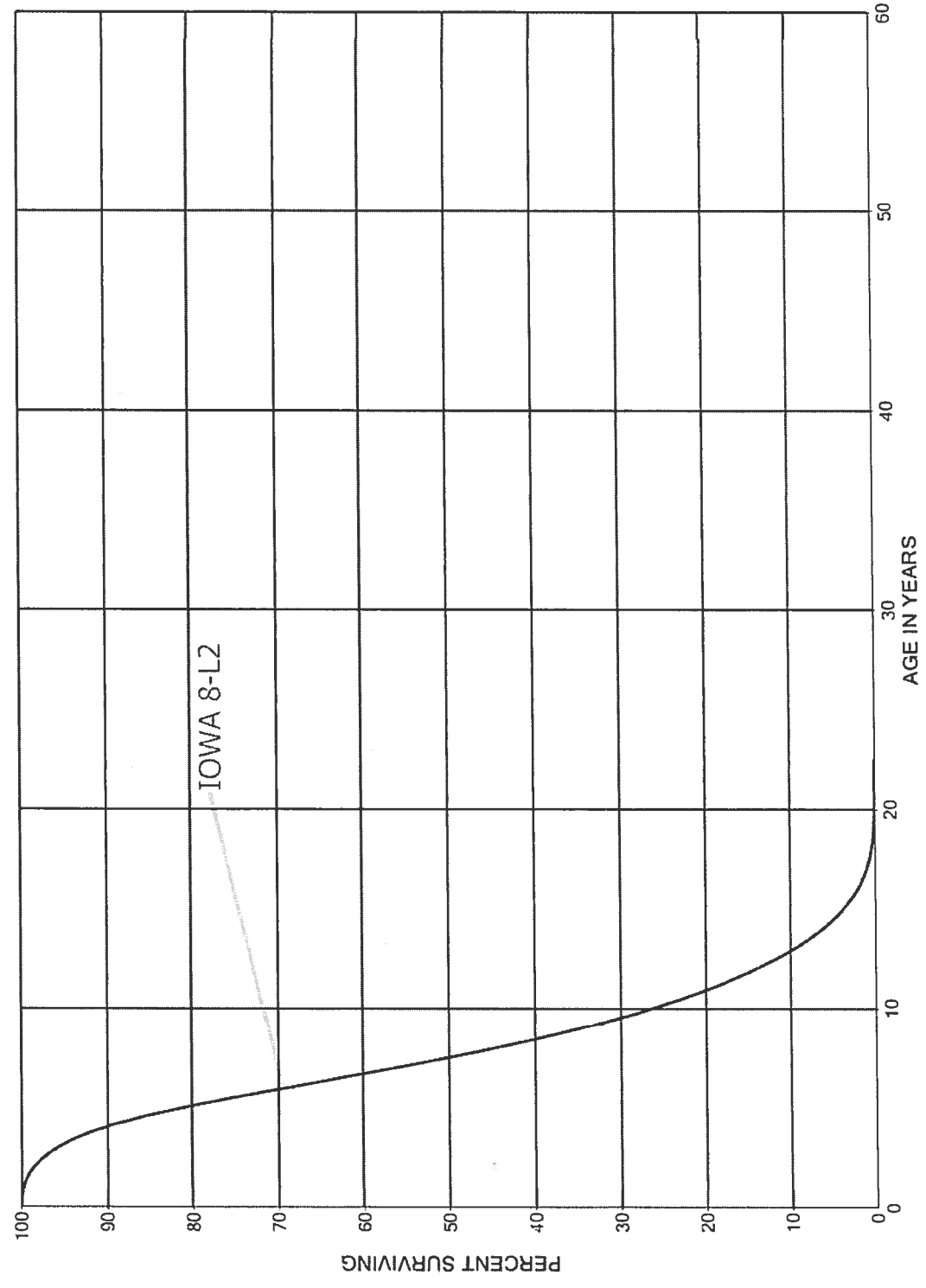


LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER  
SMOOTH SURVIVOR CURVE

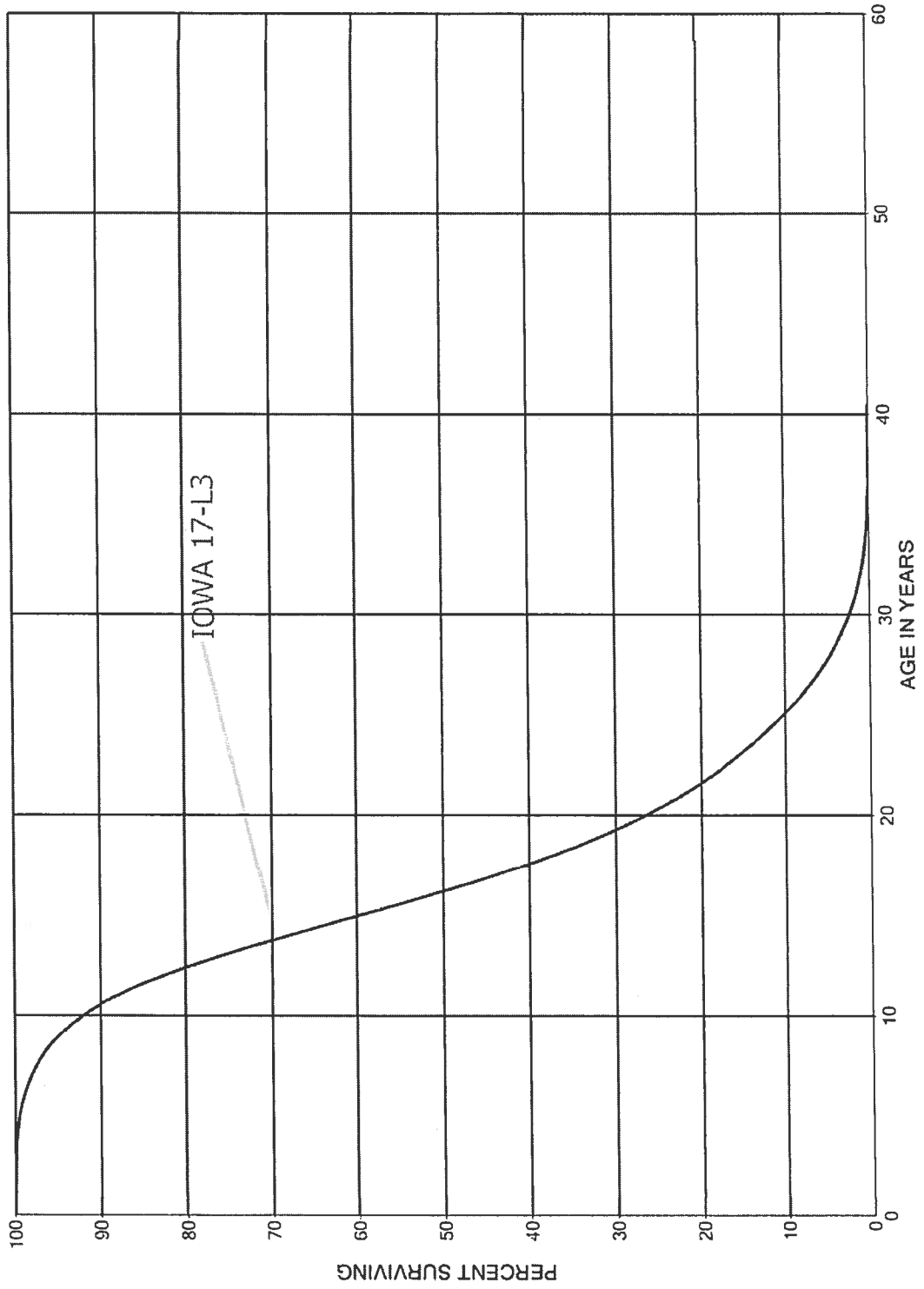




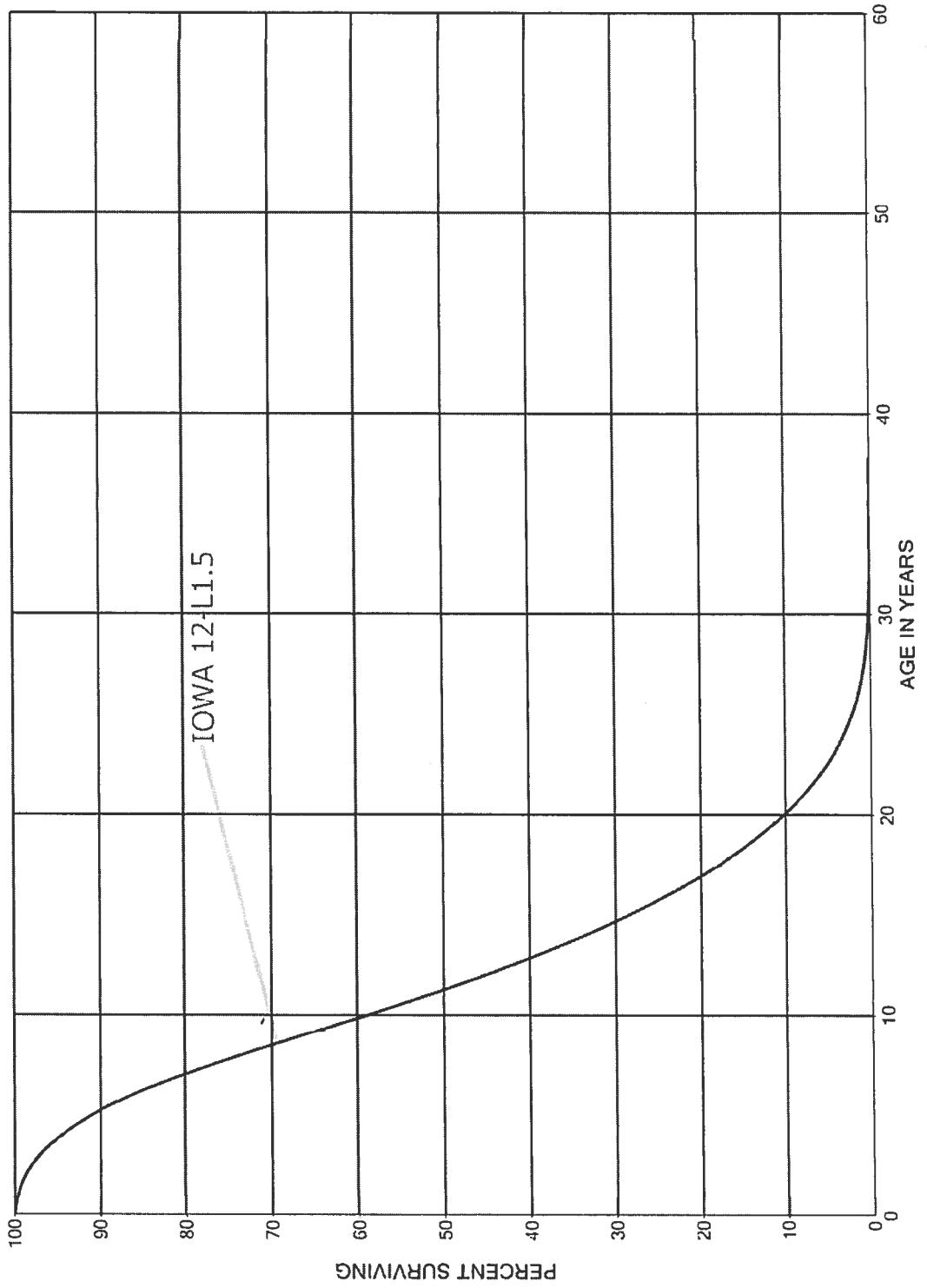
LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY  
SMOOTH SURVIVOR CURVE



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													Survivors at C									
Louisville Gas and Electric	Exhibit JIS-KU Account	Spannos Proposed	OTI Last Retirement Activity Year	Percent Surviving at Last Activity	Graph Last Year	Percent Surviving at 1% Year	1st Band			2nd Band			3rd Band									
							Placement Band	Experience Band	Spannos Best Fit	Res Index	Range	Placement Band	Experience Band	Spannos Best Fit	Res Index	Range	Placement Band	Experience Band	Spannos Best Fit	Res Index	Range	
	III-149	367	108.5	1.62%	65.5	54.5	1900-2011	1900-2011	82.2 L2.5	1.07	0-55	1981-2011	1981-2011	73.9 R3.0	0.58	0-45	1991-2011	1991-2011	89.1 R2.5	0.61	0-46	
	III-156	368	45.5	11.67%	43.5	42.5	1963-2011	1963-2011	46.0 S3.0	3.15	0-43	1981-2011	1981-2011	45.9 S3.0	3.1	0-44	1991-2011	1991-2011	45.5 S3.0	3.07	0-44	
	III-161	369.1	89.5	0.31%	47.5	48.5	1900-2011	1900-2011	50.4 L1.5	1.75	25-49	1981-2011	1981-2011	59.2 S1.0	0.83	0-50	2000-2011	2000-2011	69.1 L2.0	0.62	0-49	
	III-165	369.2	97.5	47.80%	56.5	64.5	1900-2010	1900-2011	69.9 L1.0	2.24	0-65	1981-2011	1981-2011	76.0 S1.0	3.01	0-70	1990-2011	1990-2011	85.0 S2.0	0.39	0-50	
	III-169	370	79.5	34.61%	49.5	64.5	1905-2011	1935-2011	53.5 O3.0	7.08	20-65	1981-2011	1981-2011	59.0 O3.0	6.07	18-65	1991-2011	1991-2011	72.4 S2.5	5.45	0-72	
	III-176	373.1	64.5	2.13%	65.5	40.5	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	51.2 L1.0	10.62	0-73	
	III-181	373.2	89.5	0.02%	76.5	43.5	1900-2011	1934-2011	40.5 R1.0, 39.5 R1.0	2.42	20-44	1981-2011	1981-2011	49.3 L0.5	1.49	21-39	1945-2011	1990-2011	28.4 L0.5	0.92	0-41	
	General	392.1	7 L2.5																			
		392.2	20 S1.0																			
		392.3	14 S1.5																			
		394	25 S0																			
		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 S0																			
		397.2	25 S1.0																			

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

NAVELY 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
<b>STEAM PRODUCTION PLANT</b>			
311.00	100 - S1	300 - R1	32.04
312.00	60 - R2.5	77 - S0.5	28.16
314.00	55 - S1.5	75.5 - S0	27.79
315.00	70 - 3	98.3 - L2	28.87
316.00	70 - R1.5	116 R0.5	24.54
<b>HYDRAULIC PRODUCTION PLANT</b>			
330.10	100 - R4	100 - R4	24.98
331.00	90 - S2.5	90 - S2	26.32
332.00	100 - S2.5	156 R2.5	29.51
333.00	75 - S3	75 - S3	29.10
334.00	40 - L2.5	40 - L2	24.25
335.00	35 - L1.0	82.0 - 04	23.64
336.00	55 - R4	87 - S5	26.48
<b>OTHER PRODUCTION PLANT</b>			
340.10	Sq.	93.9 - 04	13.38
341.00	40 - R2.5	263 - 01	19.59
342.00	45 - R2.5	167 - 04	16.76
343.00	35 - R1.5	58.6 - R0.5	17.50
344.00	55 - S3	78 - S2	18.75
345.00	45 -R3	283 - R1	19.79
346.00	35 - R2	248 - R1	18.81

NAVELY 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
<b>TRANSMISSION PLANT</b>			
350.10	60 - R3	300 - R2	259.08
352.10	65 - S2.5	114 - L2	101.18
352.20	60 - R3	69.3 - R4	39.63
353.10	60 - R2	111.2 - L0	99.09
353.20	35 - R2.5	52.7 - S0	38.6
354.00	70 - R4	92.5 - L3	72.29
355.00	55 - R2	61.3 S0.5	50.27
356.00	60 - R3	71 - R2.5	50.12
357.00	45 - R4	45 - R4	25.85
358.00	35 - R3	35 - R3	13.76
<b>DISTRIBUTION PLANT</b>			
360.10	65 - R4	226 - R3	186.04
361.00	60 - R2.5	83.9 - S0	73.55
362.00	54 - R2	54.9 - R2	41.54
364.00	50 - R1	58.6 - L0.5	49.12
365.00	48 - R1.5	64.9 - L0	56.6
366.00	50 - R4	55.9 - L2	36.65
367.00	44 - R2	91.9 - R0.5	87.15
368.00	43 - R2	45 - R2	31.22
369.00	43 - R1.5	52 - L0.5	40.46
370.00	39 - R2	53.9 - L0.5	40.68
371.00	25 - 01	52.7 - 04	52.7
373.00	28 - S0	31.5 L0	26.44



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

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

NAVELY 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
<b>DEPRECIABLE PLANT</b>			
<b>TEAM PRODUCTION PLANT</b>			
311.00	100 S1.0	225 - S0.5	24.92
312.00	50 R1.5	63.6 - S0.5	25.77
314.00	60 S1.5	82.9 - S0.5	27.30
315.00	55 S2.0	185.3 - L0	27.69
316.00	45 R2.5	45 - R2.5	20.99
<b>RAULIC PRODUCTION PLANT</b>			
331.00	100 S2.0	100 - S2	51.56
332.00	100 S2.5	100 - S2	44.35
333.00	100 S2.5	100 - S2	86.99
334.00	80 S4.0	83.9 - S0.5	28.59
335.00	80 S1.5	80 - S1.5	28.00
336.00	80 S4.0	91 - L5	29.00
<b>OTHER PRODUCTION PLANT</b>			
341.00	55 R3.0	112 - S1	21.82
342.00	45 - R2.5	66.8 - L0	19.07
343.00	30 R2.0	171.7 - O3	19.85

NAVELY 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	60 S3.0	259 - S0	16.90
345.00	45 R3.0	148 - R4	20.99
346.00	50 S3.0	71 - L4	19.99

GENERATORS  
ACCESSORY ELECTRIC EQUIPMENT  
MISCELLANEOUS POWER PLANT EQUIPMENT

**TRANSMISSION PLANT**

350.10	60 R3.0	294 - R2.5	272.54
352.10	55 R1.5	59.3 - R0.5	48.74
353.10	55 R2.5	80 - S0	70.06
354.00	70 R3.0	129.2 - R2	110.19
355.00	53 R2.0	68.9 - S0	58.5
356.00	50 R2.0	154.9 - 01	144.41
357.00	55 R3.0	227- R2	216.3
358.00	35 R3.0	42.9 - R4	29.2

LAND RIGHTS  
STRUCTURES AND IMPROVEMENTS  
STATION EQUIPMENT  
TOWERS AND FIXTURES  
POLES AND FIXTURES  
OVERHEAD CONDUCTORS AND DEVICES  
UNDERGROUND CONDUIT  
UNDERGROUND CONDUCTORS AND DEVICES

**DISTRIBUTION PLANT**

361.00	50 L1.5	74.8 - 03	72.16
362.00	50 R1.5	55 - L0	45.72
364.00	50 R2.5	59.8 - R1	47.94
365.00	50 R1.5	50.1 - L1	50.1
366.00	70 R4.0	77.4 - L5	60.06
367.00	55 R3.0	82.2 - L2	70.52
368.00	45 R3.0	46 - S3	30.55

STRUCTURES AND IMPROVEMENTS  
STATION EQUIPMENT  
POLES, TOWERS AND FIXTURES  
OVERHEAD CONDUCTORS AND DEVICES  
UNDERGROUND CONDUIT  
UNDERGROUND CONDUCTORS AND DEVICES  
LINE TRANSFORMERS



# 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
<b>Noncurrent Regulatory Assets:</b>						
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
<b>Total noncurrent regulatory assets</b>	<b>\$ 620</b>	<b>\$ 588</b>	<b>\$ 403</b>	<b>\$ 367</b>	<b>\$ 217</b>	<b>\$ 221</b>
<b>Current Regulatory Liabilities:</b>						
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
<b>Total current regulatory liabilities</b>	<b>\$ 20</b>	<b>\$ 91</b>	<b>\$ 10</b>	<b>\$ 51</b>	<b>\$ 10</b>	<b>\$ 40</b>
<b>Noncurrent Regulatory Liabilities:</b>						
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
<b>Total noncurrent regulatory liabilities</b>	<b>\$ 1,003</b>	<b>\$ 1,017</b>	<b>\$ 478</b>	<b>\$ 483</b>	<b>\$ 525</b>	<b>\$ 534</b>

- (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.

<b>KENTUCKY UTILITIES</b>		
<b>REGULATORY LIABILITY</b>		
<b>DECEMBER 31, 2010 AND 2011</b>		
<b>PLANT ACCOUNT</b>	<b>REGULATORY LIABILITY</b>	
	<b>2010</b>	<b>2011</b>
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 - ACCESSORY 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)
<b>TOTAL REGULATORY LIABILITY PER 10-K</b>	<b>\$ (348,401,594.41)</b>	<b>\$ (365,054,958.58)</b>



**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.

<b>LOUISVILLE GAS &amp; ELECTRIC COMPANY</b>		
<b>REGULATORY LIABILITY</b>		
<b>DECEMBER 31, 2010 AND 2011</b>		
<b>PLANT ACCOUNT</b>	<b>REGULATORY LIABILITY</b>	
	<b>2010</b>	<b>2011</b>
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)

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 - INDUSTRIAL 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)
<b>TOTAL REGULATORY LIABILITY PER 10-K</b>	<b>\$ (274,607,373.89)</b>	<b>\$ (286,215,126.81)</b>

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 - ACCESSORY 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)
<b>Subtotal</b>	<b>\$ (92,729,557)</b>	<b>\$ (112,060,049)</b>
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)
<b>Subtotal</b>	<b>\$ (327,538)</b>	<b>\$ (303,482)</b>
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)
<b>Subtotal</b>	<b>\$ (2,874,055)</b>	<b>\$ (2,953,330)</b>
<b>Total Production</b>	<b>\$ (95,931,150)</b>	<b>\$ (115,316,861)</b>
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)
<b>Total Transmission</b>	<b>\$ (114,168,640)</b>	<b>\$ (114,466,732)</b>
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)
<b>Total Distribution</b>	<b>\$ (147,596,448)</b>	<b>\$ (150,099,466)</b>
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)
<b>Total General</b>	<b>\$ 357,269</b>	<b>\$ 387,662</b>
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)
<b>TOTAL REGULATORY LIABILITY PER 10-K</b>	<b>\$ (348,401,594)</b>	<b>\$ (365,054,959)</b>

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 - ACCESSORY ELECTRIC EQUIPMENT	(7,343,905)	(8,116,351)
131501 - AROP ACCESSORY ELECTRIC EQUIPMENT	(504,712)	-
131600 - MISCELLANEOUS PLANT EQUIPMENT	(580,633)	(621,116)
<b>Subtotal</b>	<b>(72,718,222)</b>	<b>(84,270,712)</b>
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
<b>Subtotal</b>	<b>1,113,546</b>	<b>1,109,093</b>
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
<b>Subtotal</b>	<b>(2,524,175)</b>	<b>(2,554,957)</b>
<b>Total Production</b>	<b>(74,128,851)</b>	<b>(85,716,576)</b>
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
<b>Total Transmission</b>	<b>(18,294,221)</b>	<b>(19,248,709)</b>
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)
<b>Total Distribution</b>	<b>(129,150,274)</b>	<b>(130,418,541)</b>
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
<b>Total General</b>	<b>108,906</b>	<b>144,456</b>
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)
<b>TOTAL ELECTRIC REGULATORY LIABILITY PER 10-K</b>	<b>(215,075,652)</b>	<b>(225,662,110)</b>

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			Interim Retirements			Total		Estimated Net Salvage (%) (10)=(9)/(9)
	Retirements (\$) (2)	Net Salvage (\$) (4)=(2)x(3)	Net Salvage (%) (3)	Retirements (\$) (5)	Net Salvage (\$) (7)=(5)x(6)	Net Salvage (\$) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)		
<b>STEAM PRODUCTION PLANT</b>									
<b>BROWN GENERATING STATION</b>									
311	68,849,852	-6,884,985	-10	3,042,333	760,583	7,645,568	71,892,185	-11	
312	509,778,912	-50,977,891	-10	43,833,934	13,150,180	64,128,071	553,612,846	-11	
314	34,988,354	-3,498,835	-10	14,117,591	2,117,639	5,616,474	49,105,945	-11	
315	41,743,969	-4,174,397	-10	2,382,005	476,401	4,650,798	44,125,974	-11	
316	4,844,375	-484,437	-10	765,310	0	484,437	5,609,684	-11	
	660,205,462	-66,020,546	-10	64,141,173	16,504,603	82,525,349	724,346,634	-11	
<b>TOTAL BROWN GENERATING STATION</b>									
311	120,501,240	-12,050,124	-10	11,852,267	2,963,067	15,013,191	132,353,507	-12	
312	1,321,271,054	-132,127,105	-10	171,355,455	51,406,637	183,533,742	1,492,626,510	-12	
314	111,677,673	-11,167,767	-10	55,059,770	8,258,966	19,426,733	166,737,443	-12	
315	94,779,021	-9,477,902	-10	13,632,245	2,726,449	12,204,351	108,411,266	-12	
316	12,430,337	-1,243,034	-10	2,456,361	0	1,243,034	14,886,698	-12	
	1,660,659,326	-166,065,933	-10	254,356,098	65,355,118	231,421,050	1,915,015,424	-12	
<b>TOTAL GHENT GENERATING STATION</b>									
<b>GREEN RIVER GENERATING STATION</b>									
311	10,698,728	-1,069,873	-10	159,527	39,882	1,109,755	10,858,255	-10	
312	36,914,230	-3,691,423	-10	746,752	224,026	3,915,449	37,660,983	-10	
314	14,317,850	-1,431,785	-10	634,829	95,224	1,527,009	14,952,679	-10	
315	3,785,377	-378,538	-10	115,314	23,063	401,600	3,900,691	-10	
316	2,606,735	-260,673	-10	38,304	0	260,673	2,645,039	-10	
	68,322,920	-6,832,292	-10	1,694,727	382,195	7,214,487	70,017,647	-10	
<b>TOTAL GREEN RIVER GENERATING STATION</b>									
<b>PINEVILLE GENERATING STATION</b>									
311	16,195	-1,620	-10	9	2	1,622	16,204	-10	
312	232,704	-23,270	-10	3,766	1,130	24,400	236,470	-10	
314	-	0	-10	-	-	-	-	-10	
315	-	0	-10	-	-	-	-	-10	
316	248,900	-24,890	-10	3,775	1,132	26,022	252,675	-10	
<b>TOTAL PINEVILLE GENERATING STATION</b>									
<b>SYSTEM LAB</b>									
311	744,220	0	0	80,748	20,187	20,187	824,969	-1	
312	-	0	0	-	-	-	-	-1	
314	-	0	0	-	-	-	-	-1	
315	-	0	0	-	-	-	-	-1	
316	2,394,972	0	0	368,077	20,187	20,187	2,763,049	-1	
	3,139,193	-	0	448,825	-	-	3,588,017	-1	
<b>TOTAL SYSTEM LAB</b>									
<b>STEAM PRODUCTION PLANT (CONT.)</b>									
311	6,066,662	-606,666	-10	125,545	31,386	638,052	6,192,207	-10	
312	14,040,352	-1,404,035	-10	374,833	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		Interim Retirements		Total		Estimated Net Salvage (%) (10)=(9)/(9)
	Retirements (\$) (2)	Net Salvage (\$) (4)=(2)x(3)	Retirements (\$) (5)	Net Salvage (\$) (7)=(5)x(6)	Net Salvage (\$) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)	
314 TURBOGENERATOR UNITS	4,588,909	-10	284,811	-15	42,722	4,873,719	-10
315 ACCESSORY ELECTRIC EQUIPMENT	2,110,076	-10	70,827	-20	14,165	2,180,903	-10
316 MISCELLANEOUS POWER PLANT EQUIPMENT	592,480	-10	10,992	0	59,249	603,482	-10
TOTAL TYRONE GENERATING STATION	27,398,488		867,009		200,723	28,265,497	
TRIMBLE COUNTY							
311 STRUCTURES AND IMPROVEMENTS	86,202,297	-10	25,610,591	-25	6,402,648	111,812,888	-16
312 BOILER PLANT EQUIPMENT	352,937,892	-10	222,956,396	-30	66,886,919	575,894,288	-16
314 TURBOGENERATOR UNITS	31,029,751	-10	52,984,982	-15	7,944,747	83,994,733	-16
315 ACCESSORY ELECTRIC EQUIPMENT	26,315,352	-10	16,700,474	-20	3,340,095	43,015,826	-16
316 MISCELLANEOUS POWER PLANT EQUIPMENT	2,298,460	-10	1,203,987	0	229,846	3,502,447	-16
TOTAL TRIMBLE COUNTY	498,783,752		319,436,430		84,574,409	818,220,182	
TOTAL STEAM PRODUCTION PLANT	2,918,758,040		640,948,036		167,038,567	3,559,706,076	
HYDRAULIC PRODUCTION PLANT							
DIX DAM							
331 STRUCTURES AND IMPROVEMENTS	480,238	-5	156,289	-5	7,814	616,527	-6
332 RESERVOIRS, DAMS AND WATERWAYS	19,039,829	-5	2,564,141	-10	256,414	21,603,970	-6
333 WATER WHEELS, TURBINES AND GENERATORS	4,076,011	-5	354,613	-20	70,923	4,430,624	-6
334 ACCESSORY ELECTRIC EQUIPMENT	355,642	-5	222,692	0	17,782	578,333	-6
335 MISCELLANEOUS POWER PLANT EQUIPMENT	77,245	-5	219,779	-5	10,989	297,024	-6
336 ROADS, RAILROADS AND BRIDGES	124,770	-5	51,589	0	6,239	176,360	-6
TOTAL DIX DAM	24,133,734		3,589,103		348,140	27,702,837	
TOTAL HYDRAULIC PRODUCTION PLANT	24,133,734		3,589,103		348,140	27,702,837	
OTHER PRODUCTION PLANT							
BROWN CTS							
341 STRUCTURES AND IMPROVEMENTS	9,195,757	-5	2,731,546	0	459,788	11,927,303	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	10,211,547	-5	2,322,415	-5	116,121	12,533,962	-5
343 PRIME MOVERS	136,839,902	-5	49,000,992	-5	2,450,050	185,840,895	-5
344 GENERATORS	29,442,983	-5	1,388,038	-5	69,402	30,831,020	-5
345 ACCESSORY ELECTRIC EQUIPMENT	15,263,350	-5	2,458,791	-5	122,940	17,722,142	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	2,938,221	-5	1,201,689	0	146,911	4,139,890	-5
TOTAL BROWN CTS	203,891,761		59,103,452		2,758,512	262,995,213	
HAEFLING CTS							
341 STRUCTURES AND IMPROVEMENTS	412,940	-5	21,913	0	1,940	434,853	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	479,905	-5	38,800	-5	39,977	518,705	-5
344 GENERATORS	3,223,465	-5	799,537	-5	201,150	4,023,002	-5
345 ACCESSORY ELECTRIC EQUIPMENT	1,211,240	-5	240,717	-5	12,036	1,451,957	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	13,500	-5	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		Interim Retirements		Total		Estimated Net Salvage (%) (10)=(8)/(9)
	Retirements (\$) (2)	Net Salvage (\$) (4)=(2)x(3)	Retirements (\$) (5)	Net Salvage (\$) (7)=(5)x(6)	Net Salvage (\$) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)	
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	-78,161	347,109	0	78,161	1,910,328	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,730,245	-86,512	264,856	-5	99,755	1,995,101	-5
343 PRIME MOVERS	12,869,763	-643,488	4,933,601	-5	890,168	17,803,364	-5
344 GENERATORS	5,045,282	-252,264	140,354	-5	259,282	5,185,636	-5
345 ACCESSORY ELECTRIC EQUIPMENT	2,184,168	-109,208	272,152	-5	122,816	2,456,320	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	784,628	-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	0	1,489,413	30,440,299	-5
TRIMBLE COUNTY CTS							
341 STRUCTURES AND IMPROVEMENTS	17,661,338	-883,067	4,084,591	0	883,067	21,745,929	-5
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	6,528,160	-326,408	1,171,888	-5	385,002	7,700,048	-5
343 PRIME MOVERS	109,263,693	-5,463,185	45,915,081	-5	2,295,754	155,178,774	-5
344 GENERATORS	18,798,072	-939,904	523,030	-5	966,055	19,321,102	-5
345 ACCESSORY ELECTRIC EQUIPMENT	20,149,294	-1,007,465	2,587,693	-5	1,136,849	22,736,987	-5
346 MISCELLANEOUS POWER PLANT EQUIPMENT	75,076	-3,754	22,620	0	3,754	97,696	-5
TOTAL TRIMBLE COUNTY CTS	172,475,634	-8,623,782	54,304,902	0	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	526,880,370	
GRAND TOTAL	3,348,777,525	-313,062,859	765,311,759	172,987,804	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		Intermediate Retirements		Total		Estimated Net Salvage (%)
	(2)	(3)	(4) = (2) x (3)	(5)	(6)	(7) = (5) x (6)	
<b>STEAM PRODUCTION PLANT</b>							
CAME RUN GENERATING STATION							
311 STRUCTURES AND IMPROVEMENTS	51,862,971	(10)	(5,160,237)	559,080	(20)	111,616	(10)
312 BOILER PLANT EQUIPMENT	199,372,082	(10)	(19,937,208)	8,402,162	(25)	1,600,341	(10)
314 TURBOGENERATOR UNITS	33,056,350	(10)	(3,305,635)	1,829,396	(15)	244,409	(10)
315 ACCESSORY ELECTRIC EQUIPMENT	35,972,609	(10)	(3,597,261)	1,278,211	(10)	127,821	(10)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	3,187,434	(10)	(318,749)	63,334	0	3,187,435	(10)
TOTAL CAME RUN GENERATING STATION	323,491,505		(22,375,151)	9,831,163		2,094,387	
MILL CREEK GENERATING STATION							
311 STRUCTURES AND IMPROVEMENTS	113,960,940	(10)	(11,386,084)	15,122,788	(20)	3,024,559	(14)
312 BOILER PLANT EQUIPMENT	510,025,961	(10)	(51,002,966)	249,227,781	(25)	62,306,940	(14)
314 TURBOGENERATOR UNITS	60,055,758	(10)	(6,005,576)	45,970,072	(15)	6,895,511	(14)
315 ACCESSORY ELECTRIC EQUIPMENT	44,720,898	(10)	(4,472,090)	35,908,638	(10)	3,590,894	(14)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	5,104,648	(10)	(510,465)	3,531,925	0	510,465	(14)
TOTAL MILL CREEK GENERATING STATION	733,767,906		(73,378,791)	349,761,463		75,617,902	
TRIMBLE COUNTY GENERATING STATION							
311 STRUCTURES AND IMPROVEMENTS	120,950,736	(10)	(12,095,074)	20,641,275	(20)	4,128,255	(15)
312 BOILER PLANT EQUIPMENT	195,964,406	(10)	(19,596,441)	220,882,987	(25)	55,220,747	(15)
314 TURBOGENERATOR UNITS	36,461,719	(10)	(3,646,172)	36,986,646	(15)	5,847,897	(15)
316 MISCELLANEOUS POWER PLANT EQUIPMENT	26,395,902	(10)	(2,638,590)	33,812,288	(10)	3,381,229	(15)
TOTAL TRIMBLE COUNTY GENERATING STATION	383,065,504		(39,020,274)	317,979,240		68,578,228	
TOTAL STEAM PRODUCTION PLANT	1,440,024,914		(144,002,491)	677,170,906		146,480,517	
<b>HYDRAULIC PRODUCTION PLANT</b>							
OHIO FALLS							
331 STRUCTURES AND IMPROVEMENTS	3,328,502	(5)	(166,426)	1,634,873	(20)	326,975	(6)
332 RESERVOIRS, DAMS AND WATERWAYS	11,521,557	(5)	(576,078)	188,694	(10)	16,869	(6)
333 WATER WHEELS, TURBINES AND GENERATORS	19,222,953	(5)	(961,148)	722,261	(20)	144,452	(6)
334 ACCESSORY ELECTRIC EQUIPMENT	5,116,196	(5)	(255,910)	381,640	(20)	78,328	(6)
335 MISCELLANEOUS POWER PLANT EQUIPMENT	283,259	(5)	(14,163)	26,989	(15)	4,048	(6)
336 ROADS, RAILROADS AND BRIDGES	10,714	(5)	(536)	49,216	(5)	961	(6)
TOTAL OHIO FALLS	39,285,181		(1,974,259)	2,953,674		571,633	
TOTAL HYDRAULIC PRODUCTION PLANT	39,285,181		(1,974,259)	2,953,674		571,633	
<b>TOTAL GENERATION PLANT</b>	1,479,310,095		(145,976,740)	680,124,580		147,052,150	

LOUISVILLE GAS AND ELECTRIC COMPANY  
SPANOS'S CALCULATION OF WEIGHTED NET SALVAGE PERCENT FOR GENERATION PLANT AS OF DECEMBER 31, 2011

Account (1)	Terminal Refinements		Inception Refinements		Total		Estimated Net Salvage % (10)=(9)/(9)
	Refinements (\$) (2)	Net Salvage (\$) (4)=(2)+(3)	Refinements (\$) (5)	Net Salvage (\$) (7)=(5)+(6)	Net Salvage (\$) (8)=(4)+(7)	Total Refinements (9)=(2)+(5)	
<b>OTHER PRODUCTION PLANT</b>							
<b>BROWN CTS</b>							
341 STRUCTURES AND IMPROVEMENTS	1,044,742	(52,237)	64,131	6,413	58,650	1,108,973	(5)
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,236,676	(61,634)	154,654	13,465	77,299	1,391,330	(5)
343 PRIME MOVERS	35,802,233	(1,750,112)	18,267,027	913,351	2,703,463	54,069,260	(5)
344 GENERATORS	7,973,666	(398,683)	114,767	11,477	410,160	8,088,434	(5)
345 ACCESSORY ELECTRIC EQUIPMENT	4,040,820	(202,041)	470,993	0	302,044	4,511,812	(5)
346 MISCELLANEOUS POWER PLANT EQUIPMENT	2,328,652	(116,443)	111,957	0	118,443	2,440,729	(5)
TOTAL BROWN CTS	52,426,998	(2,627,350)	19,183,439	946,707	3,569,057	71,616,637	(5)
<b>CAME RUN CT</b>							
341 STRUCTURES AND IMPROVEMENTS	206,999	(10,350)	4,519	452	10,802	211,518	#REF!
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	309,146	(15,457)	9,896	990	16,447	319,042	(5)
344 GENERATORS	2,779,505	(136,975)	130,618	13,062	152,037	2,910,124	(5)
345 ACCESSORY ELECTRIC EQUIPMENT	86,422	(4,321)	30,206	0	4,321	116,627	(5)
346 MISCELLANEOUS POWER PLANT EQUIPMENT	3,392,072	(169,104)	175,239	14,503	183,607	3,657,311	(5)
TOTAL CAME RUN CT	6,874,142	(325,807)	345,488	31,917	377,404	7,251,949	(5)
<b>PADDY'S RUN GENERATORS</b>							
341 STRUCTURES AND IMPROVEMENTS	2,085,881	(104,294)	136,931	13,693	117,987	2,222,811	(5)
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,981,670	(96,064)	304,573	30,457	129,541	2,286,243	(5)
343 PRIME MOVERS	12,324,033	(616,202)	7,822,188	381,108	1,007,310	20,146,191	(5)
344 GENERATORS	9,871,969	(483,598)	502,594	50,259	543,658	10,374,363	(5)
345 ACCESSORY ELECTRIC EQUIPMENT	3,410,054	(170,503)	349,690	0	170,503	3,759,743	(5)
346 MISCELLANEOUS POWER PLANT EQUIPMENT	1,231,728	(61,586)	59,801	0	61,586	1,290,529	(5)
TOTAL PADDY'S RUN GENERATORS	30,905,334	(1,545,267)	9,174,746	485,578	2,030,784	40,060,060	(5)
<b>TRIMBLE COUNTY CTS</b>							
341 STRUCTURES AND IMPROVEMENTS	8,733,433	(436,672)	2,719,563	271,956	708,628	11,452,996	(5)
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	2,727,814	(136,391)	850,981	85,096	221,487	3,570,775	(5)
343 PRIME MOVERS	42,005,110	(2,100,296)	41,251,779	2,082,589	4,162,844	83,258,889	(5)
344 GENERATORS	8,115,296	(405,764)	1,855,960	185,598	591,360	9,971,246	(5)
345 ACCESSORY ELECTRIC EQUIPMENT	6,977,260	(348,863)	5,282,778	0	348,863	12,260,036	(5)
346 MISCELLANEOUS POWER PLANT EQUIPMENT	28,139	(1,460)	26,379	0	1,460	55,577	(5)
TOTAL TRIMBLE COUNTY CTS	65,568,102	(3,428,403)	51,997,419	2,605,237	6,034,642	120,575,921	(5)
<b>ZORN AND RIVER ROAD CTS</b>							
341 STRUCTURES AND IMPROVEMENTS	7,050	(353)	1,181	119	472	8,241	(5)
342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES	20,251	(1,013)	3,183	316	1,331	23,434	(5)
343 PRIME MOVERS	1,639,904	0	187,677	18,768	100,763	1,827,681	(5)
344 ACCESSORY ELECTRIC EQUIPMENT	30,561	(1,526)	13,722	0	1,526	44,283	(5)
345 MISCELLANEOUS POWER PLANT EQUIPMENT	9,487	(474)	203,773	19,705	474	9,488	(5)
TOTAL ZORN AND RIVER ROAD CTS	1,707,253	(78,363)	80,726,517	4,071,170	11,921,658	237,736,377	(5)
<b>TOTAL OTHER PRODUCTION PLANT</b>	157,008,760	(7,850,488)	760,661,197	151,123,320	304,950,559	2,397,381,052	(5)
<b>GRAND TOTAL</b>	1,626,619,855	(153,827,236)	1,472,843,960	282,246,640	1,755,090,600	3,378,760,755	(5)

**Response to PSC-2 Question No. 50**  
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**Spanos**

**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 them 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

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Charnas

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

ARO	Plant Account and Description	March 2012
<b>Ash Ponds, Landfills</b>	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
<b>Coal Storage</b>	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
<b>Gypsum Stack</b>	131200 - Boiler Plant Equipment	
Ghent		4,348,021.25
<b>Generation Wells</b>	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
<b>Nuclear Sources</b>	131200 - Boiler Plant Equipment	
Brown		16,482.74
Ghent		132,268.42
<b>Chemical Storage</b>	131200 - Boiler Plant Equipment	
Ghent		12,293.94
Green River		668.64
Tyrone		434.06
<b>Oil Storage</b>	131200 - Boiler Plant Equipment	
Brown		26,485.14
Ghent		9,110.08
Green River		949.18
Tyrone		10,259.42
<b>Asbestos - Generation</b>	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

**Response to KIUC-2 Question No. 45**  
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**Charnas/Spanos**

**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.



**Response to KIUC-2 Question No. 45**

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**Charnas/Spanos**

- 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

**Response to KIUC-2 Question No. 45**

**Page 3 of 4**

**Charnas/Spanos**

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.

**Response to KIUC-2 Question No. 45**

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**Charnas/Spanos**

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**

<b><u>Steam Production Plant</u></b>	<b><u>Multiple Jurisdiction (c)</u></b>	<b><u>Location (d)</u></b>		<b><u>KU</u></b>	<b><u>Ownership %</u></b>	
		<b><u>County</u></b>	<b><u>State</u></b>		<b><u>LG&amp;E</u></b>	<b><u>IMEA/IMPA</u></b>
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%
<b><u>Hydro Plant</u></b>						
Dix Dam	No	Mercer	KY	100%		
<b><u>Other Production Plant</u></b>						
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**

<b><u>Unit</u></b>	<b><u>Plant Account</u></b>	<b><u>Depreciation Rates</u></b>		
		<b><u>KPSC</u></b>	<b><u>FERC</u></b>	<b><u>VSCC</u></b>
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)

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Spanos

**Kentucky Utilities Company  
Forecast Life Spans for Production Plant**

Unit	Installation Year	Life Span			
		2006 Depr Study		2011 Depr Study	
		Final Ret	Life Span	Final Ret	Life Span
(1)	(2)	(3)	(4)	(5)	(6)
<b>STEAM PRODUCTION PLANT</b>					
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
<b>HYDRO PRODUCTION PLANT</b>					
Dix Dam	1941	2036	95	2041	100

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

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Spanos

**Kentucky Utilities Company  
Forecast Life Spans for Production Plant**

Unit	Installation Year	Life Span			
		2006 Depr Study		2011 Depr Study	
		Final Ret	Life Span	Final Ret	Life Span
(1)	(2)	(3)	(4)	(5)	(6)
<b>OTHER PRODUCTION PLANT</b>					
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 MAJORS & 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	319,664,520	0.130	-15	-6,233,458	-1.95%
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS	201,634,659	0.026	-20	-1,048,500	-0.52%
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT	30,010,399	0.091	0	0	0.00%
TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT					
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	7.40%	(15)	(2,421,575)	-1.11%
TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS	218,159,941	5.00%	(10)	(890,394)	-0.50%
TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT	178,078,846	32.00%	0	-	0.00%
TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT	16,345,184			-	
<b>TOTAL STEAM PRODUCTION PLANT</b>	<b>2,121,660,945</b>			<b>(45,998,270)</b>	<b>-2.17%</b>
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%
<b>TOTAL HYDRAULIC PRODUCTION PLANT</b>	<b>42,448,855</b>			<b>(4,365,322)</b>	
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%
<b>TOTAL OTHER PRODUCTION PLANT</b>	<b>237,736,377</b>			<b>(956,054)</b>	





**KENTUCKY UTILITIES COMPANY**  
**SNARELY KINKADEE & 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	DEPRECIATION RESERVE	FUTURE ACCRUALS	REMAINING LIFE	ANNUAL ACCRUAL	PROPOSED RATE	Spanner Rates and Accruals		Difference
									(10)	(11)	
	(2)	(3)	(4)	(5)	(6) = ((1)-(3))/(10)-(5)	(7)	(8) = (9)/(7)	(9)	(10)	(11)	(12) = (7)-(11)
316.00	TRIMBLE COUNTY UNIT 2 SCRUBBER	-0.52%	41,600,357	4,958,709	36,857,970	28.87	1,276,612	3.07%	1.96	636,186	440,426
	TRIMBLE COUNTY UNIT 2 SCRUBBER	-0.52%	1,415,469	653,351	768,479	28.87	26,652	1.88%	1.56	22,036	4,616
	TYRONE UNIT 3	-0.52%	2,081,683	1,087,407	1,005,111	28.87	34,413	1.67%	14.65	305,060	(270,647)
	TYRONE UNITS 1 AND 2	-0.52%	99,211	109,132	(9,405)	28.87	(326)	1.38%	16.16	194,829	(172,065)
	GREEN RIVER UNIT 3	-0.52%	1,205,362	1,846,397	657,233	28.87	22,844	1.33%	10.53	293,079	(253,995)
	GREEN RIVER UNIT 4	-0.52%	2,895,329	3,146,556	268,444	28.87	29,884	1.11%	10.53	440,654	(140,654)
	BROWN UNIT 1	-0.52%	2,188,109	2,466,476	619,713	28.87	21,664	0.56%	1.61	62,118	(40,554)
	BROWN UNIT 2	-0.52%	8,597,466	1,331,430	845,008	28.87	29,282	1.35%	2.20	47,686	(16,404)
	BROWN UNITS 1, 2 AND 3 SCRUBBER	-0.52%	29,503,821	1,205,108	28,452,133	28.87	985,467	0.85%	1.49	128,146	(85,124)
	GHEAT UNIT 1 SCRUBBER	-0.52%	13,292,785	3,286,572	10,095,335	28.87	349,662	3.34%	4.55	1,342,875	(957,408)
	GHEAT UNIT 2	-0.52%	8,872,543	8,274,863	643,617	28.87	22,999	2.63%	3.89	517,122	(494,123)
	GHEAT UNIT 3	-0.52%	13,858,389	10,602,781	3,327,671	28.87	115,257	0.83%	0.87	77,332	(37,925)
	GHEAT UNITS 2 AND 3 SCRUBBER	-0.52%	30,932,405	22,896,287	8,286,957	28.87	296,344	1.65%	1.65	270,000	(26,344)
	GHEAT UNIT 4	-0.52%	24,412,797	16,503,145	8,036,998	28.87	279,165	1.14%	1.76	429,536	(151,371)
	GHEAT UNITS 2 SCRUBBER	-0.52%	1,156,753	73,909	1,082,844	28.87	37,939	1.14%	1.76	54,270	(16,331)
	GHEAT UNITS 3 SCRUBBER	-0.52%	12,041,958	1,897,199	10,144,759	28.87	350,254	2.91%	3.75	451,284	(101,525)
	GHEAT UNITS 4 SCRUBBER	-0.52%	3,840,595	381,019	3,463,568	28.87	120,657	3.14%	3.86	148,278	(27,721)
	TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT		201,634,659	85,480,236	117,222,924		4,080,131	2.01%	2.79	5,620,308	(1,560,177)
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT	0.00%	3,502,447	126,166	3,376,281	24.54	137,959	3.93%	2.31	81,004	56,555
	TRIMBLE COUNTY UNIT 2	0.00%	2,763,049	790,095	1,972,954	24.54	82,444	2.31%	2.70	74,526	8,858
	SYSTEM LABORATORY	0.00%	553,355	251,724	301,631	24.54	12,388	2.23%	18.28	90,112	(77,823)
	TYRONE UNIT 3	0.00%	90,127	85,000	5,127	24.54	(204)	-0.41%	0	0	(204)
	TYRONE UNITS 1 AND 2	0.00%	2,408,143	1,010,009	50,337	24.54	2,051	1.35%	10.87	16,545	(14,494)
	GREEN RIVER UNIT 3	0.00%	84,750	1,418,650	889,293	24.54	40,307	1.67%	12.87	310,000	(239,693)
	GREEN RIVER UNITS 1 AND 2	0.00%	84,750	93,224	(8,474)	24.54	(345)	-0.41%	0	0	(345)
	BROWN UNIT 1	0.00%	432,578	351,287	81,291	24.54	3,312	0.77%	1.86	8,059	(4,747)
	BROWN UNIT 2	0.00%	106,658	109,842	(3,184)	24.54	(130)	-0.12%	2.40	395	(525)
	BROWN UNITS 3 AND 4	0.00%	5,070,448	2,825,174	2,245,274	24.54	87,005	1.72%	2.40	121,000	(34,995)
	GHEAT UNIT 1 SCRUBBER	0.00%	1,033,027	854,195	198,832	24.54	8,101	0.78%	1.03	15,899	(7,798)
	GHEAT UNIT 2	0.00%	1,747,527	1,578,287	169,240	24.54	6,945	0.39%	1.03	18,058	(11,113)
	GHEAT UNITS 2 AND 3 SCRUBBER	0.00%	1,500,525	1,387,086	113,439	24.54	4,614	0.28%	0.92	13,774	(9,560)
	GHEAT UNIT 4	0.00%	3,150,436	2,536,724	613,712	24.54	25,085	0.86%	1.36	42,799	(17,714)
	GHEAT UNITS 4 SCRUBBER	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		594,675	1.96%	3.38	1,013,704	(418,029)
330.10	TOTAL STEAM PRODUCTION PLANT		3,595,706,076	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	0.00%	879,311	879,311	0	24.58	0	0.00%	0	0	0
	DIX DAM	0.00%	879,311	879,311	0	24.58	0	0.00%	0	0	0
331.00	TOTAL ACCOUNT 330.1 - LAND RIGHTS		879,311	879,311	0	24.58	0	0.00%	0	0	0
	STRUCTURES AND IMPROVEMENTS	-0.06%	616,527	353,005	263,082	26.32	9,886	1.62%	1.74	10,702	(716)
	DIX DAM	-0.06%	616,527	353,005	263,082	26.32	9,886	1.62%	1.74	10,702	(716)
332.00	TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS		616,527	353,005	263,082	26.32	9,886	1.62%	1.74	10,702	(716)
	RESERVOIRS, DAMS AND WATERWAY	-0.16%	21,603,970	6,697,620	14,940,916	29.51	506,379	2.34%	2.59	558,948	(52,569)
	DIX DAM	-0.16%	21,603,970	6,697,620	14,940,916	29.51	506,379	2.34%	2.59	558,948	(52,569)
332.00	TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAYS		21,603,970	6,697,620	14,940,916	29.51	506,379	2.34%	2.59	558,948	(52,569)
	WATER WHEELS, TURBINES AND GENERATORS	-0.10%	4,430,624	19,710	4,415,345	29.10	151,754	3.43%	3.77	166,967	(15,213)
	DIX DAM	-0.10%	4,430,624	19,710	4,415,345	29.10	151,754	3.43%	3.77	166,967	(15,213)
333.00	TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS		4,430,624	19,710	4,415,345	29.10	151,754	3.43%	3.77	166,967	(15,213)
	ACCESSORY ELECTRIC EQUIPMENT	0.00%	578,333	90,045	488,288	24.25	20,132	3.48%	3.65	21,138	(1,006)
	DIX DAM	0.00%	578,333	90,045	488,288	24.25	20,132	3.48%	3.65	21,138	(1,006)
334.00	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT		578,333	90,045	488,288	24.25	20,132	3.48%	3.65	21,138	(1,006)
	MISCELLANEOUS POWER PLANT EQUIPMENT	-1.93%	297,024	85,989	216,767	23.64	9,169	3.09%	4.56	13,551	(4,382)
	DIX DAM	-1.93%	297,024	85,989	216,767	23.64	9,169	3.09%	4.56	13,551	(4,382)
335.00	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT		297,024	85,989	216,767	23.64	9,169	3.09%	4.56	13,551	(4,382)
	ROADS, RAILROADS AND BRIDGES	0.00%	176,380	49,946	126,414	26.48	4,775	2.71%	4.19	7,394	(2,619)
	DIX DAM	0.00%	176,380	49,946	126,414	26.48	4,775	2.71%	4.19	7,394	(2,619)
336.00	TOTAL ACCOUNT 336 - ROADS, RAILROADS & BRIDGES		176,380	49,946	126,414	26.48	4,775	2.71%	4.19	7,394	(2,619)

**KENTUCKY UTILITIES COMPANY**  
**SNARVELY KING MAJORS & 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 ACCURALS (6) = (1)-(3)-(4)-(5)	REMAINING LIFE (7)	ANNUAL ACCURAL (8) = (6)/(7)	SKM PROPOSED RATE (9)	Spanner Rates and Accruals			
									Rate (10)	Accrual (11)	Difference (12) = (10)-(11)	
<b>TOTAL HYDRAULIC PRODUCTION PLANT</b>												
340.10	LAND RIGHTS											
	BROWN CT GAS PIPELINE	0.00%	176,409	89,438	76,971	13.38	5,751	3.26%	2.24	3,947	1,804	1,804
	TOTAL ACCOUNT 340.1 - LAND AND LAND RIGHTS		176,409	89,438	76,971	13.38	5,751	3.26%	2.24	3,947	1,804	1,804
<b>OTHER PRODUCTION PLANT</b>												
341.00	STRUCTURES AND IMPROVEMENTS											
	TRIMBLE COUNTY CT 5	-0.63%	3,740,231	1,170,949	2,569,882	19.59	131,136	3.51%	3.87	144,756	(13,620)	(13,620)
	TRIMBLE COUNTY CT 6	-0.63%	3,566,684	1,130,371	2,400,322	19.59	128,626	3.53%	3.86	144,756	(16,130)	(16,130)
	TRIMBLE COUNTY CT 7	-0.68%	3,559,155	909,260	2,674,097	19.59	136,486	3.88%	3.80	135,304	1,182	1,182
	TRIMBLE COUNTY CT 8	-0.02%	3,546,832	906,628	2,736,487	19.59	139,650	3.82%	3.80	134,812	4,838	4,838
	TRIMBLE COUNTY CT 9	-0.10%	3,653,316	932,861	2,736,487	19.59	139,650	3.82%	3.82	139,485	165	165
	TRIMBLE COUNTY CT 10	0.00%	3,752,982	922,861	2,736,487	19.59	139,650	3.82%	3.82	139,372	(278)	(278)
	BROWN CT 5	0.00%	192,814	67,757	505,017	19.59	25,776	3.33%	3.88	30,044	(4,268)	(4,268)
	BROWN CT 6	0.00%	544,966	207,252	337,714	19.59	17,237	3.16%	4.25	22,379	(5,142)	(5,142)
	BROWN CT 7	0.00%	2,012,655	1,151,811	860,844	19.59	43,938	2.18%	4.11	26,440	(17,498)	(17,498)
	BROWN CT 8	0.00%	4,641,055	2,628,903	2,012,655	19.59	102,700	2.21%	3.80	130,406	(27,706)	(27,706)
	BROWN CT 9	0.00%	1,865,718	985,177	870,941	19.59	44,432	2.52%	3.00	50,171	(5,739)	(5,739)
	BROWN CT 10	0.00%	1,895,014	960,868	934,146	19.59	47,751	2.81%	3.00	55,771	(7,020)	(7,020)
	HAEFLING UNITS 1, 2 AND 3	0.00%	434,853	87,070	1,124,323	19.59	57,151	4.08%	10.24	44,528	(12,623)	(12,623)
	PADDY'S RUN GENERATOR 13	0.00%	1,910,328	685,546	1,244,323	19.59	63,844	3.33%	3.88	74,097	(10,253)	(10,253)
	TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS		36,018,413	12,997,862	23,071,550	16.76	1,177,574	3.27%	3.75	1,350,340	(172,766)	(172,766)
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
	TRIMBLE COUNTY CT 5	-0.63%	239,246	76,081	165,013	16.76	9,846	4.11%	3.76	9,049	797	797
	TRIMBLE COUNTY CT 6	-0.63%	239,246	75,986	164,717	16.76	9,831	4.11%	3.76	9,035	16	16
	TRIMBLE COUNTY CT 7	-0.63%	4,850,115	1,572,837	3,307,833	16.76	197,268	4.44%	3.72	165,505	30,763	30,763
	TRIMBLE COUNTY CT 8	-0.63%	576,059	148,384	430,668	16.76	25,722	4.46%	3.72	21,431	4,291	4,291
	TRIMBLE COUNTY CT 9	-0.63%	576,386	145,171	430,668	16.76	25,722	4.46%	3.73	22,158	3,564	3,564
	TRIMBLE COUNTY CT 10	-0.63%	622,873	157,134	468,663	16.76	28,023	4.50%	3.74	23,324	4,699	4,699
	BROWN CT 5	-0.63%	796,768	126,367	674,434	16.76	40,241	5.06%	4.78	36,072	4,169	4,169
	BROWN CT 6	-0.63%	406,460	17,424	391,597	16.76	23,365	5.81%	5.92	24,066	(701)	(701)
	BROWN CT 7	-0.63%	405,871	12,973	395,555	16.76	23,598	5.81%	5.99	24,294	(696)	(696)
	BROWN CT 8	-0.63%	252,068	22,171	231,422	16.76	13,908	5.49%	7.25	18,266	(4,358)	(4,358)
	BROWN CT 9	-0.63%	2,018,754	903,046	1,126,626	16.76	67,339	3.34%	3.33	67,309	30	30
	BROWN CT 10	-0.63%	264,131	29,700	236,095	16.76	14,087	5.38%	6.43	18,318	(4,231)	(4,231)
	BROWN CT 11	-0.63%	284,823	36,816	247,951	16.76	14,807	5.38%	6.43	18,318	(4,231)	(4,231)
	BROWN CT GAS PIPELINE	-0.63%	8,106,131	4,363,868	3,742,611	16.76	225,636	2.98%	10.62	55,109	(169,473)	(169,473)
	HAEFLING UNITS 1, 2 AND 3	-0.63%	1,985,101	685,267	1,312,403	16.76	78,307	3.92%	3.80	75,845	2,462	2,462
	PADDY'S RUN GENERATOR 13	-0.63%	22,747,816	8,652,455	14,238,673	16.76	848,676	3.73%	3.69	846,013	2,663	2,663
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES		31,137,756	10,133,882	21,215,611	17.50	1,212,054	3.89%	4.04	1,269,343	(47,290)	(47,290)
343.00	PRIME MOVERS											
	TRIMBLE COUNTY CT 5	-0.68%	32,030,243	8,059,467	24,180,882	17.50	1,381,191	4.22%	3.99	1,419,653	(37,462)	(37,462)
	TRIMBLE COUNTY CT 6	-0.68%	23,223,116	6,218,174	17,102,989	17.50	972,114	4.22%	3.99	926,898	53,821	53,821
	TRIMBLE COUNTY CT 7	-0.68%	23,034,741	5,163,505	17,871,236	17.50	1,006,668	4.28%	4.04	919,628	87,040	87,040
	TRIMBLE COUNTY CT 8	-0.68%	22,650,722	5,860,893	17,161,930	17.50	980,668	4.28%	4.04	925,844	54,822	54,822
	TRIMBLE COUNTY CT 9	-0.68%	14,448,465	4,448,465	10,318,966	17.50	589,686	4.02%	4.33	635,708	(46,722)	(46,722)
	TRIMBLE COUNTY CT 10	-0.68%	34,600,149	7,991,509	26,843,921	17.50	1,533,891	4.43%	5.24	1,813,991	(279,900)	(279,900)
	BROWN CT 5	-0.68%	31,657,719	7,847,473	24,025,518	17.50	1,372,985	4.30%	5.15	1,628,808	(256,223)	(256,223)
	BROWN CT 6	-0.68%	26,710,990	10,068,236	16,824,389	17.50	961,182	3.80%	5.45	1,055,018	(153,836)	(153,836)
	BROWN CT 7	-0.68%	23,335,363	11,433,236	12,060,008	17.50	689,037	4.44%	3.00	868,468	(179,431)	(179,431)
	BROWN CT 8	-0.68%	20,074,766	9,963,038	10,540,468	17.50	603,377	3.94%	3.48	700,567	(97,189)	(97,189)
	BROWN CT 9	-0.68%	34,794,971	15,401,000	19,211,501	17.50	1,121,501	3.22%	4.65	1,618,377	(496,876)	(496,876)
	BROWN CT 10	-0.68%	17,803,364	4,975,035	13,048,372	17.50	746,514	4.19%	4.53	806,030	(60,516)	(60,516)
	PADDY'S RUN GENERATOR 13	-0.68%	368,823,032	114,089,551	247,173,478	17.50	14,121,092	3.94%	4.41	15,833,886	(1,712,594)	(1,712,594)
	TOTAL ACCOUNT 343 - PRIME MOVERS		376,327,5	1,176,387	2,567,652	18.75	130,017	3.67%	3.62	136,229	(5,212)	(5,212)
344.00	GENERATORS											
	TRIMBLE COUNTY CT 5	-0.02%	3,757,947	1,174,917	2,567,652	18.75	136,229	3.98%	3.56	105,018	12,448	12,448
	TRIMBLE COUNTY CT 6	-0.02%	2,950,282	748,540	2,202,117	18.75	116,734	3.98%	3.56	104,578	12,396	12,396
	TRIMBLE COUNTY CT 7	-0.02%	2,957,930	745,414	2,213,507	18.75	118,205	4.00%	3.57	105,653	12,552	12,552
	TRIMBLE COUNTY CT 8	-0.02%	2,897,520	741,085	2,156,435	18.75	114,071	4.00%	3.57	105,633	12,538	12,538
	TRIMBLE COUNTY CT 9	-0.02%	2,851,148	734,287	2,116,861	18.75	111,431	3.59%	3.73	106,678	(4,005)	(4,005)
	TRIMBLE COUNTY CT 10	-0.02%	3,716,620	1,492,911	2,220,269	18.75	118,431	3.19%	3.73	138,397	(19,066)	(19,066)

**KENTUCKY UTILITIES COMPANY**  
**SMARVELY KING MALOROS & ASSOCIATES, INC. PROPOSALS**  
**SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND**  
**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	PROPOSED RATE	Spanos Rates and Accruals		Difference
									Rate	Accrual	
(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	18,75	120,554	3.24%	3.78	140,714	(20,160)	
BROWN CT 8	78 - S2	-0.02%	4,953,981	2,009,555	18,75	174,222	2.11%	3.61	178,782	(4,560)	
BROWN CT 9	78 - S2	-0.02%	5,452,041	3,081,447	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	18,75	132,768	2.80%	2.72	134,589	(1,821)	
BROWN CT 11	78 - S2	-0.02%	5,187,040	2,724,689	18,75	131,385	2.85%	2.81	133,663	(2,278)	
HAERLING UNITS 1, 2 AND 3	78 - S2	-0.02%	4,023,002	3,504,167	18,75	131,385	2.85%	2.31	92,815	(39,070)	
PADDY'S RUN GENERATOR 13	78 - S2	-0.02%	5,159,858	3,593,782	18,75	161,028	3.06%	3.64	188,553	(27,525)	
<b>TOTAL ACCOUNT 344 - GENERATORS</b>			<b>59,380,761</b>	<b>25,756,113</b>		<b>31,613,552</b>	<b>3.02%</b>	<b>3.37</b>	<b>2,002,014</b>	<b>(209,035)</b>	
<b>ACCESSORY ELECTRIC EQUIPMENT</b>											
TRIMBLE COUNTY CT 5	283 - R1	-0.10%	1,693,975	513,897	19,79	59,724	3.53%	3.80	64,303	(4,579)	
TRIMBLE COUNTY CT 6	283 - R1	-0.10%	4,324,491	1,036,892	19,79	166,344	3.85%	4.12	178,222	(11,670)	
TRIMBLE COUNTY CT 7	283 - R1	-0.10%	3,148,439	792,088	19,79	119,224	3.79%	3.69	125,863	(6,639)	
TRIMBLE COUNTY CT 8	283 - R1	-0.10%	3,199,332	786,796	19,79	116,879	3.75%	3.69	119,982	2,893	
TRIMBLE COUNTY CT 9	283 - R1	-0.10%	3,234,031	851,382	19,79	119,224	3.85%	3.71	119,912	(2,012)	
TRIMBLE COUNTY CT 10	283 - R1	-0.10%	2,250,050	451,382	19,79	80,657	4.04%	4.02	82,456	8,211	
BROWN CT 5	283 - R1	-0.10%	2,275,218	662,990	19,79	81,671	3.59%	4.08	92,383	(10,712)	
BROWN CT 6	283 - R1	-0.10%	1,975,218	691,990	19,79	64,941	3.25%	4.17	67,388	(17,388)	
BROWN CT 7	283 - R1	-0.10%	1,935,782	675,547	19,79	63,777	3.25%	4.18	80,891	(17,114)	
BROWN CT 8	283 - R1	-0.10%	2,720,730	1,361,195	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	19,79	112,318	2.57%	3.19	133,961	(21,643)	
BROWN CT 10	283 - R1	-0.10%	2,744,493	1,316,949	19,79	77,272	2.83%	3.17	86,983	(9,711)	
BROWN CT 11	283 - R1	-0.10%	1,863,053	1,178,412	19,79	54,900	2.85%	4.05	61,537	(6,637)	
HAERLING UNITS 1, 2 AND 3	283 - R1	-0.10%	1,451,957	889,864	19,79	44,525	4.05%	4.65	116,537	(71,989)	
PADDY'S RUN GENERATOR 13	283 - R1	-0.10%	2,456,320	844,832	19,79	81,552	3.32%	3.78	92,743	(11,191)	
<b>TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT</b>			<b>44,387,406</b>	<b>14,270,910</b>		<b>1,522,998</b>	<b>3.43%</b>	<b>3.98</b>	<b>1,764,053</b>	<b>(241,065)</b>	
<b>MISCELLANEOUS POWER PLANT EQUIPMENT</b>											
TRIMBLE COUNTY CT 5	248 - R1	0.00%	28,964	8,377	20,587	1,094	3.76%	4.04	1,171	(77)	
TRIMBLE COUNTY CT 6	248 - R1	0.00%	8,889	2,318	349	349	3.93%	3.97	353	(4)	
TRIMBLE COUNTY CT 7	248 - R1	0.00%	8,861	2,310	360	360	3.93%	3.97	352	(4)	
TRIMBLE COUNTY CT 8	248 - R1	0.00%	9,114	2,350	380	380	3.96%	3.95	383	(3)	
TRIMBLE COUNTY CT 9	248 - R1	0.00%	41,899	7,712	4,157	73,875	3.45%	4.06	86,757	(12,882)	
TRIMBLE COUNTY CT 10	248 - R1	0.00%	2,199,353	74,740	1,308	1,908	3.55%	4.47	2,404	(498)	
BROWN CT 5	248 - R1	0.00%	35,647	17,900	22,660	1,178	3.30%	4.25	1,515	(337)	
BROWN CT 6	248 - R1	0.00%	265,932	133,886	18,81	8,083	2.83%	4.70	13,435	(5,352)	
BROWN CT 7	248 - R1	0.00%	760,255	435,836	324,419	17,247	2.27%	2.99	22,729	(5,462)	
BROWN CT 8	248 - R1	0.00%	274,391	136,467	137,924	7,332	2.67%	3.40	9,323	(1,901)	
BROWN CT 9	248 - R1	0.00%	590,563	219,404	371,159	19,732	3.34%	5.04	29,795	(10,053)	
BROWN CT 10	248 - R1	0.00%	35,805	34,289	1,516	81	0.23%	1.67	697	(616)	
HAERLING UNITS 1, 2 AND 3	248 - R1	0.00%	1,089,550	384,598	704,812	37,459	3.44%	4.04	44,055	(6,599)	
PADDY'S RUN GENERATOR 13	248 - R1	0.00%	5,362,941	2,145,473	3,217,468	171,050	3.19%	4.00	214,761	(43,711)	
<b>TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT</b>			<b>526,856,780</b>	<b>177,912,364</b>	<b>351,455,585</b>	<b>19,635,269</b>	<b>4.18</b>	<b>4.18</b>	<b>22,008,824</b>	<b>(2,369,698)</b>	
<b>LAND RIGHTS</b>											
STRUCTURES AND IMPROVEMENTS	300 - R2	0	23,413,729	15,953,928	7,459,801	28,793	0.12%	0.96	225,536	(155,745)	
STATION EQUIPMENT	114 - L2	(5)	17,020,059	4,850,267	13,020,794	101,18	0.16%	1.75	258,016	(19,338)	
STATION EQUIPMENT - SYS. CONTROL	68.3 - R4	(5)	1,220,543	860,225	421,345	39,63	0.26%	1.75	39,630	(3,000)	
STATION EQUIPMENT - SYS. CONTROL	111.2 - L0	(5)	19,175,788	67,092,864	124,661,124	38,860	0.26%	1.67	3,211,159	(1,953,098)	
TOWERS AND FIXTURES	52.7 - S0	0	14,668,004	4,153,754	56,129,841	72,29	-0.26%	0	0	(38,001)	
POLES AND FIXTURES	92.5 - L3	(10)	148,659,759	69,401,548	117,421,928	50,27	0.61%	1.36	1,300,626	(624,171)	
OVERHEAD CONDUCTORS AND DEVICES	71.3 - R2	(25)	180,446,879	109,283,433	91,275,168	50,12	1.57%	2.34	3,485,089	(1,149,264)	
UNDERGROUND CONDUCTORS AND DEVICES	45 - R4	(25)	448,760	187,418	261,342	25,85	1.14%	1.94	3,105,287	(1,284,134)	
UNDERGROUND CONDUCTORS AND DEVICES	35 - R3	0	1,161,549	918,039	243,510	17,997	2.25%	2.27	10,209	(69)	
<b>TOTAL TRANSMISSION PLANT</b>			<b>654,145,847</b>	<b>332,441,517</b>	<b>409,428,111</b>	<b>6,349,393</b>	<b>1.52%</b>	<b>1.78</b>	<b>11,666,397</b>	<b>(5,317,204)</b>	
<b>DISTRIBUTION PLANT</b>											
LAND RIGHTS	226 - R3	0	2,039,033	1,485,249	553,784	2,977	0.15%	0.58	11,896	(8,919)	
STRUCTURE AND IMPROVEMENTS	54.9 - R0	(20)	141,200,431	40,173,683	7,462,175	100,641	1.31%	2.00	153,285	(52,644)	
STATION EQUIPMENT	58.6 - L0.5	(25)	287,791,923	133,160,672	226,579,232	48,12	1.96%	2.27	3,186,522	(626,572)	
POLES AND FIXTURES	64.9 - L2	(30)	276,295,759	108,982,197	250,189,289	56,60	1.60%	2.33	6,719,281	(2,105,512)	
UNDERGROUND CONDUCTORS AND DEVICES	55.9 - L2	0	1,861,963	653,383	1,208,580	36,65	0.77%	2.70	50,337	(4,911,891)	
UNDERGROUND CONDUCTORS AND DEVICES	81.9 - R0.5	(5)	140,620,099	28,891,796	118,759,212	87,15	0.94%	2.45	3,326,681	(1,626,648)	
LINE TRANSFORMERS	45 - R2	0	286,070,399	117,730,753	168,339,646	31,22	0.94%	2.03	1,811,200	(706,169)	
SERVICES	52 - L0.5	(15)	57,697,779	44,799,968	1,195,041	48,88	1.24%	2.29	1,603,713	(680,292)	
METERS	53.9 - L0.5	0	70,049,355	32,464,586	37,304,759	923,421	1.32%	2.29	1,603,713	(680,292)	

**KENTUCKY UTILITIES COMPANY**  
**SNARELY KING MAJORS & 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		Difference	
									Rate (10)	Accrual (11)		
(1)	(2)	(3)	(4)	(5)	(6) = ((1)-(3))/(4)-(5)	(7)	(8) = (9)/(7)	(9)	(10)	(11)	(12) = (7)-(11)	
371.00 INSTALLATIONS ON CUSTOMERS' PREMISES	52.7 - 64	0	18,253,214	17,404,873	848,341	52.70	16,098	0.09%	0.81	148,124	(132,020)	
373.00 STREET LIGHTING AND SIGNAL SYSTEMS	31.5 L0	(2)	81,534,876	20,103,034	62,462,539	26.44	2,362,426	2.90%	4.00	3,261,361	(636,935)	
<b>TOTAL DISTRIBUTION PLANT</b>			<b>1,402,415,432</b>	<b>561,155,788</b>	<b>1,033,764,278</b>		<b>23,183,347</b>		<b>2.58</b>	<b>36,221,711</b>	<b>(13,118,364)</b>	
<b>GENERAL PLANT</b>												
380.10 STRUCTURES AND IMPROVEMENTS - TO OWNED PROPERTY	55.6 - L0.5	(2)	47,011,270	9,650,586	36,300,699	46.44	824,739	1.75%	2.01	945,113	(120,374)	
380.20 STRUCTURES AND IMPROVEMENTS - TO LEASED PROPERTY	32.5 - R1	0	531,973	413,480	118,493	18.88	6,276	1.88%	1.72	9,139	(2,863)	
381.00 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	
381.20 NON PC COMPUTER EQUIPMENT	6 - L5	0	17,256,012	6,803,953	10,452,059	3.47	3,012,121	17.66%	21.58	3,723,700	(711,579)	
381.31 PERSONAL COMPUTERS	4 - SQ	0	6,398,372	4,572,023	1,826,349	1.78	1,026,039	16.04%	8.93	945,869	(47,170)	
382.10 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	18.3 - L0	0	1,865,091	1,578,423	286,668	14.44	19,652	0.94%	0.54	15,489	(3,163)	
382.30 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	18.3 - L0	0	14,101,886	13,160,785	941,101	13.01	78,652	0.54%	0.54	76,623	(988)	
383.00 STORES EQUIPMENT	25 - SQ	0	551,754	1,174,319	622,565	13.01	28,785	5.38%	5.07	27,990	1,806	
384.00 TOOLS, SHOP AND GARAGE EQUIPMENT	27 - R4	0	7,144,225	1,759,321	5,384,904	20.75	283,443	4.27%	4.27	326,703	(43,260)	
386.30 POWER OPERATED EQUIPMENT - LARGE MACHINERY	16.8 - S6	0	1,174,225	1,034,298	139,927	14.37	71,976	6.13%	8.88	104,334	(32,358)	
387.10 COMMUNICATION EQUIPMENT - GENERAL ASSETS	25 - S1	0	10,171,296	5,248,935	4,922,361	5.70	863,572	8.49%	5.70	579,495	284,077	
387.20 COMMUNICATION EQUIPMENT - RFLY 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	
387.30 COMMUNICATION EQUIPMENT - FULLY ACCRUED	Fully Accrued	0	786,233	786,233	0	-	-	0.00%	-	0	0	
<b>TOTAL GENERAL PLANT</b>			<b>134,925,833</b>	<b>54,103,113</b>	<b>81,782,846</b>		<b>7,318,437</b>		<b>5.55</b>	<b>7,481,056</b>	<b>(172,613)</b>	
<b>TOTAL DEPRECIABLE PLANT</b>			<b>6,365,236,956</b>	<b>2,412,455,917</b>	<b>4,319,388,404</b>		<b>147,773,846</b>		<b>2.97</b>	<b>189,326,536</b>	<b>(41,548,643)</b>	
<b>NONDEPRECIABLE PLANT</b>												
301.00 ORGANIZATION			44,456									
310.20 LAND			10,881,103,286									
340.20 LAND			2,159,383,04									
350.20 LAND			3,271,807,48									
360.20 LAND			2,567,847,40									
389.20 LAND			19,083,111,77									
<b>TOTAL NONDEPRECIABLE PLANT</b>			<b>6,364,320,867,45</b>	<b>2,412,455,917,00</b>	<b>15,697,233,421</b>							

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

**SOURCES:**

- Column (1) to (9) from Spanos's Study, Table 1.
- Column (10) KU Response to KILUC 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 AND  
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

DEPRECIABLE PLANT	ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)=(1)-(3)-(4)-(5)	COMPOSITE REMAINING LIFE (7)	ACCRUAL (8)=(6)/(7)	REMAINING LIFE RATE (9)=(6)/(7)	Spans Rates and Accruals		Difference (12)=(7)-(11)
										Rate (10)	Accrual (11)=(4)-(10)	
<b>STEAM PRODUCTION PLANT</b>												
<b>DEPRECIABLE PLANT</b>												
311.00	STRUCTURES AND IMPROVEMENTS											
	CANE RUN UNIT 1	225 - 50.5	-0.05%	4,233,239	4,656,563	(420,764)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	225 - 50.5	-0.05%	2,102,422	2,312,665	(208,981)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	225 - 50.5	-0.05%	3,536,934	3,890,628	(351,571)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 4	225 - 50.5	-0.05%	4,493,062	4,493,062	(406,009)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	225 - 50.5	-0.05%	760,360	836,396	(75,580)	24.92	-	0.00%	0.00	0	0
	CANE RUN UNIT 6	225 - 50.5	-0.05%	6,266,327	6,270,559	(872)	24.92	(35)	0.00%	155,819	(155,819)	0
	MILL CREEK UNIT 1 SCRUBBER	225 - 50.5	-0.05%	1,686,435	1,866,079	(168,626)	24.92	286,580	0.00%	2,473,745	(2,187,165)	0
	MILL CREEK UNIT 2 SCRUBBER	225 - 50.5	-0.05%	27,476,429	20,351,263	(7,141,651)	24.92	-	0.00%	0.00	0	0
	MILL CREEK UNIT 3 SCRUBBER	225 - 50.5	-0.05%	19,891,316	17,615,350	(2,275,901)	24.92	91,809	0.46%	254,260	(152,451)	0
	MILL CREEK UNIT 4 SCRUBBER	225 - 50.5	-0.05%	1,709,711	1,949,070	(238,334)	24.92	62,660	0.64%	146,213	(83,533)	0
	MILL CREEK UNIT 5 SCRUBBER	225 - 50.5	-0.05%	1,353,404	1,586,461	(233,057)	24.92	157,887	0.00%	292,422	(134,535)	0
	MILL CREEK UNIT 6 SCRUBBER	225 - 50.5	-0.05%	24,362,620	20,683,639	(3,678,981)	24.92	1,031,044	0.64%	1,191,499	(160,455)	0
	TRIMBLE COUNTY UNIT 1 SCRUBBER	225 - 50.5	-0.05%	64,262,863	38,607,501	(25,653,939)	24.92	13,986	0.26%	37,612	(23,626)	0
	TRIMBLE COUNTY UNIT 2 SCRUBBER	225 - 50.5	-0.05%	5,300,552	4,985,213	(314,551)	24.92	2,152,608	1.87%	1,961,688	190,920	0
	TRIMBLE COUNTY UNIT 3 SCRUBBER	225 - 50.5	-0.05%	115,104,803	61,530,223	(53,643,643)	24.92	5,111	1.03%	5,516	(403)	0
	TRIMBLE COUNTY UNIT 4 SCRUBBER	225 - 50.5	-0.05%	483,910	366,848	(117,062)	24.92	1,031,240	3.97%	565,651	465,589	0
	TRIMBLE COUNTY UNIT 5 SCRUBBER	225 - 50.5	-0.05%	25,993,298	310,077	(25,683,221)	24.92	4,932,908	1.50%	7,084,425	(2,251,517)	0
	TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS			322,736,789	204,806,618	(118,123,613)						
312.00	BOILER PLANT EQUIPMENT											
	CANE RUN UNIT 1	63.6 - 50.5	-3.08%	1,052,271	1,157,498	(72,870)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 2	63.6 - 50.5	-3.08%	132,276	145,503	(16,894)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 3	63.6 - 50.5	-3.08%	705,480	776,028	(64,894)	25.77	378,652	1.21%	3,041,503	(2,662,851)	0
	CANE RUN UNIT 4	63.6 - 50.5	-3.08%	31,327,230	22,533,292	(8,793,738)	25.77	-	0.00%	0.00	0	0
	CANE RUN UNIT 5	63.6 - 50.5	-3.08%	17,050,368	16,758,404	(291,964)	25.77	813,777	0.16%	6,002,566	(5,188,009)	0
	CANE RUN UNIT 6	63.6 - 50.5	-3.08%	20,533,317	20,971,409	(438,092)	25.77	(69,587)	-0.25%	36,426	(106,013)	0
	MILL CREEK UNIT 1 SCRUBBER	63.6 - 50.5	-3.08%	56,538,729	30,631,510	(25,907,263)	25.77	31,080,449	2.13%	8,894,934	(7,690,084)	0
	MILL CREEK UNIT 2 SCRUBBER	63.6 - 50.5	-3.08%	32,368,666	27,194,785	(5,173,881)	25.77	1,206,050	0.61%	1,863,489	(1,656,535)	0
	MILL CREEK UNIT 3 SCRUBBER	63.6 - 50.5	-3.08%	56,221,452	28,381,716	(27,840,000)	25.77	196,933	1.65%	1,612,266	(986,735)	0
	MILL CREEK UNIT 4 SCRUBBER	63.6 - 50.5	-3.08%	43,569,501	32,558,338	(11,011,163)	25.77	479,267	1.10%	912,792	(433,525)	0
	MILL CREEK UNIT 5 SCRUBBER	63.6 - 50.5	-3.08%	35,719,948	28,986,846	(6,733,102)	25.77	330,173	2.03%	1,678,141	(1,347,968)	0
	MILL CREEK UNIT 6 SCRUBBER	63.6 - 50.5	-3.08%	143,156,558	66,027,985	(77,128,573)	25.77	3,163,725	2.21%	4,162,112	(998,387)	0
	TRIMBLE COUNTY UNIT 1 SCRUBBER	63.6 - 50.5	-3.08%	63,237,311	36,126,930	(27,054,928)	25.77	1,127,451	1.78%	6,939,970	(4,111,207)	0
	TRIMBLE COUNTY UNIT 2 SCRUBBER	63.6 - 50.5	-3.08%	249,925,282	104,471,839	(145,453,443)	25.77	5,938,411	1.40%	1,985,515	(1,366,603)	0
	TRIMBLE COUNTY UNIT 3 SCRUBBER	63.6 - 50.5	-3.08%	114,224,525	76,611,965	(37,612,560)	25.77	5,066,565	1.71%	5,798,005	(631,440)	0
	TRIMBLE COUNTY UNIT 4 SCRUBBER	63.6 - 50.5	-3.08%	217,217,963	74,259,062	(142,958,901)	25.77	4,124,964	1.84%	3,107,492	(1,027,472)	0
	TRIMBLE COUNTY UNIT 5 SCRUBBER	63.6 - 50.5	-3.08%	63,774,643	46,576,791	(17,197,852)	25.77	4,674,216	3.84%	1,566,784	(3,107,422)	0
	TRIMBLE COUNTY UNIT 6 SCRUBBER	63.6 - 50.5	-3.08%	121,585,784	4,866,329	(116,719,455)	25.77	549,161	3.85%	365,040	184,121	0
	TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT			1,381,875,060	679,773,370	(744,595,348)		28,944,268	2.09%	49,501,300	(20,557,032)	0
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	0	0
	MILL CREEK LOCOMOTIVE	25-R2.5	0.00%	613,424	484,206	(119,218)	3.2	37,256	6.07%	37,326	(70)	0
	TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE			664,974	546,755	(119,218)		37,256	5.80%	37,326	(70)	0
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%	103,455	(313)	0
	MILL CREEK RAIL CARS	25-R2.5	0.00%	2,298,378	2,214,107	(84,271)	10.3	8,182	0.36%	8,165	16	0
	TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS			3,800,150	3,375,512	(424,638)		111,323	2.93%	111,621	(298)	0
314.00	TURBOGENERATOR UNITS											
	CANE RUN UNIT 1	27.30	-1.11%	105,009	116,610	(9,424)	27.30	-	0.00%	0	0	0
	CANE RUN UNIT 2	27.30	-1.11%	581,177	639,295	(58,118)	27.30	-	0.00%	0	0	0
	CANE RUN UNIT 3	27.30	-1.11%	9,318,503	8,958,801	(359,702)	27.30	16,963	0.18%	325,135	(308,172)	0
	CANE RUN UNIT 4	27.30	-1.11%	7,826,617	183,197	(7,643,420)	27.30	7,076	0.09%	225,568	(218,492)	0
	CANE RUN UNIT 5	27.30	-1.11%	16,728,287	11,512,691	(5,215,596)	27.30	187,825	0.18%	1,739,058	(1,541,233)	0

LOUISVILLE GAS AND ELECTRIC COMPANY  
ELECTRIC PLANT  
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS  
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 ACCUMULATED DEPRECIATION (6) = (1)-(3)-(4)-(5)	COMPOSITE REMAINING LIFE (7)	ACCRUAL (8) = (6)/(7)	REMAINING LIFE (9) = (6)/(7)	RATE (10)	Spares Rates and Accruals		Difference (12) = (11)-(10)
										Accrual (11) = (8)/(10)	Rate (10)	
<b>TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS</b>												
315.00			218,159,941	128,698,250	91,893,267		3,367,578	1.54%	0.03	6,021,131	(2,653,553)	
<b>ACCESSORY ELECTRIC EQUIPMENT</b>												
	185.3 - L0	-0.50%	1,883,656	2,072,022	(178,347)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	1,238,068	1,361,875	(117,617)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	766,541	843,195	(76,654)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	5,920,914	5,264,228	656,686	27.69	24,786	0.42%	0.05	315,559	(396,773)	
	185.3 - L0	-0.50%	997,949	1,066,744	(68,795)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	9,434,825	5,414,071	4,020,754	27.69	146,916	1.56%	0.13	1,248,630	(1,102,714)	
	185.3 - L0	-0.50%	12,602,453	2,438,149	5,197,395	27.69	187,707	1.49%	0.00	0	0	0
	185.3 - L0	-0.50%	2,418,006	2,418,006	(0)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	15,888,649	8,607,564	6,959,928	27.69	251,348	1.60%	0.03	484,211	(232,863)	
	185.3 - L0	-0.50%	5,541,695	6,317,532	(775,837)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	7,415,272	5,475,168	1,977,100	27.69	71,407	0.86%	0.02	156,250	(84,845)	
	185.3 - L0	-0.50%	4,505,053	13,392,025	(608,182)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	15,049,879	13,392,025	1,733,104	27.69	62,592	0.42%	0.01	186,523	(119,931)	
	185.3 - L0	-0.50%	2,531,773	2,886,221	(341,789)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	24,032,516	17,602,916	6,549,784	27.69	236,550	0.99%	0.02	419,766	(183,216)	
	185.3 - L0	-0.50%	5,864,979	5,812,660	52,319	27.69	2,949	0.05%	0.01	39,030	(35,081)	
	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)	
	185.3 - L0	-0.50%	2,325,798	2,325,798	(0)	27.69	-	0.00%	0.00	0	0	0
	185.3 - L0	-0.50%	8,302,486	191,917	8,152,882	27.69	294,418	3.59%	0.02	156,989	(137,429)	
	185.3 - L0	-0.50%	178,076,846	121,447,727	57,521,514	27.69	2,170,636	1.22%	0.03	5,735,429	(3,564,793)	
<b>TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT</b>												
316.00			38,746	42,820	(3,874)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	11,684	12,931	(1,247)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	87,249	30,774	56,475	20.99	2,691	3.08%	0.19	16,406	(13,715)	
	45 - R2.5	0.00%	-	-	-	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	6,464	7,111	(647)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	96,972	39,551	57,421	20.99	2,736	2.82%	0.17	16,873	(11,137)	
	45 - R2.5	0.00%	47,299	52,029	(4,730)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	2,930,864	1,399,447	1,531,417	20.99	72,968	2.49%	0.16	461,326	(398,358)	
	45 - R2.5	0.00%	740,549	490,286	250,263	20.99	11,954	1.61%	0.03	21,659	(9,705)	
	45 - R2.5	0.00%	125,821	94,780	31,041	20.99	1,479	1.16%	0.02	2,390	(1,111)	
	45 - R2.5	0.00%	410,061	323,848	86,213	20.99	4,168	1.02%	0.02	6,338	(2,230)	
	45 - R2.5	0.00%	7,285,292	2,613,795	4,671,497	20.99	222,163	3.08%	0.03	214,243	(8,940)	
	45 - R2.5	0.00%	74,851	39,270	35,581	20.99	1,703	2.33%	0.02	1,720	(17)	
	45 - R2.5	0.00%	2,917,580	1,204,733	1,712,847	20.99	81,610	2.80%	0.03	76,345	(5,265)	
	45 - R2.5	0.00%	1,502,223	42,234	1,467,989	20.99	71,375	4.63%	0.03	40,502	30,873	
	45 - R2.5	0.00%	16,345,184	6,427,065	9,918,129	20.99	473,217	2.90%	0.05	658,102	(384,885)	
	45 - R2.5	0.00%	2,121,660,946	1,145,073,487	1,022,585,727	20.99	39,937,186	1.88%	0.03	69,349,334	(29,412,148)	
<b>TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT</b>												
<b>MISCELLANEOUS POWER PLANT EQUIPMENT</b>												
	45 - R2.5	0.00%	38,746	42,820	(3,874)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	11,684	12,931	(1,247)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	87,249	30,774	56,475	20.99	2,691	3.08%	0.19	16,406	(13,715)	
<b>MISCELLANEOUS POWER PLANT EQUIPMENT, cont.</b>												
	45 - R2.5	0.00%	-	-	-	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	6,464	7,111	(647)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	96,972	39,551	57,421	20.99	2,736	2.82%	0.17	16,873	(11,137)	
	45 - R2.5	0.00%	47,299	52,029	(4,730)	20.99	-	0.00%	0.00	0	0	0
	45 - R2.5	0.00%	2,930,864	1,399,447	1,531,417	20.99	72,968	2.49%	0.16	461,326	(398,358)	
	45 - R2.5	0.00%	740,549	490,286	250,263	20.99	11,954	1.61%	0.03	21,659	(9,705)	
	45 - R2.5	0.00%	125,821	94,780	31,041	20.99	1,479	1.16%	0.02	2,390	(1,111)	
	45 - R2.5	0.00%	410,061	323,848	86,213	20.99	4,168	1.02%	0.02	6,338	(2,230)	
	45 - R2.5	0.00%	7,285,292	2,613,795	4,671,497	20.99	222,163	3.08%	0.03	214,243	(8,940)	
	45 - R2.5	0.00%	74,851	39,270	35,581	20.99	1,703	2.33%	0.02	1,720	(17)	
	45 - R2.5	0.00%	2,917,580	1,204,733	1,712,847	20.99	81,610	2.80%	0.03	76,345	(5,265)	
	45 - R2.5	0.00%	1,502,223	42,234	1,467,989	20.99	71,375	4.63%	0.03	40,502	30,873	
	45 - R2.5	0.00%	16,345,184	6,427,065	9,918,129	20.99	473,217	2.90%	0.05	658,102	(384,885)	
	45 - R2.5	0.00%	2,121,660,946	1,145,073,487	1,022,585,727	20.99	39,937,186	1.88%	0.03	69,349,334	(29,412,148)	
<b>TOTAL ACCOUNT 317 - MISCELLANEOUS POWER PLANT EQUIPMENT</b>												
<b>HYDRAULIC PRODUCTION PLANT</b>												
331.00			65,796	38,867	36,720	51.56	693	1.05%	0.02	1,031	(338)	
	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)	
	100 - S2	-13.36%	4,863,376	4,306,734	1,319,749	51.56	25,598	0.52%	0.01	28,484	(2,886)	
<b>TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS</b>												
332.00			11,690,252	1,705,082	10,632,810	44.35	239,774	2.05%	0.03	316,944	(77,170)	
	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)	
<b>TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY</b>												
333.00			19,945,214	915,731	21,283,292	86.59	244,660	1.23%	0.03	607,747	(363,051)	
	100 - S2	-11.30%	19,945,214	915,731	21,283,292	86.59	244,660	1.23%	0.03	607,747	(363,051)	
	100 - S2	-11.30%	19,945,214	915,731	21,283,292	86.59	244,660	1.23%	0.03	607,747	(363,051)	
<b>TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS</b>												

LOUISVILLE GAS AND ELECTRIC COMPANY												
SNAVELY KING MAJOROS & ASSOCIATES, INC. PROPOSALS												
ELECTRIC PLANT												
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND 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	Accrual	Difference
(1)	(2)	(3)	(4)	(5)	(6) = ((1+3)/(4)+5)	(7)	(9) = (6)/(7)	(8) = (6)/(7)	(10)	(11) = (4)/(10)	(12) = (7) - (11)	
314.00	ACCESSORY ELECTRIC EQUIPMENT											
	OHIO FALLS - PROJECT 289	-13.84%	5,509,836	1,941,911	4,330,487	28.59	151,495	27.5%	0.02	115,506	35,989	
	TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT		5,509,836	1,941,911	4,330,487	28.59	151,495	27.5%	0.02	115,506	35,989	
315.00	MISCELLANEOUS POWER PLANT EQUIPMENT											
	OHIO FALLS - NON-PROJECT	-11.91%	25,458	3,717	24,774	28.00	885	3.47%	0.03	741	144	
	OHIO FALLS - PROJECT 289	-11.91%	284,789	51,823	266,784	28.00	9,526	3.35%	0.03	7,792	1,774	
	TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT		310,247	55,640	291,558	28.00	10,411	3.36%	0.03	8,493	1,916	
316.00	ROADS, RAILROADS AND BRIDGES											
	OHIO FALLS - PROJECT 289	-4.19%	29,931	17,805	13,379	29.00	461	1.54%	0.02	734	(273)	
	TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES		29,931	17,805	13,379	29.00	461	1.54%	0.02	734	(273)	
	TOTAL HYDRAULIC PRODUCTION PLANT		42,448,855	8,942,904	37,871,273		672,359		0.03	1,077,968	(405,509)	
	OTHER PRODUCTION PLANT											
341.00	STRUCTURES AND IMPROVEMENTS											
	CANE RUN CT 11	-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	-0.11%	8,241	8,653	(403)	21.82	-	0.00%	0.00	0	0	
	PADDY'S RUN GENERATOR 12	-0.11%	64,113	52,586	11,588	21.82	531	0.83%	0.04	2,270	(1,739)	
	PADDY'S RUN GENERATOR 13	-0.11%	2,158,698	754,202	1,405,871	21.82	64,471	2.99%	0.04	79,494	(4,683)	
	BROWN CT 5	-0.11%	858,539	300,046	559,437	21.82	25,637	2.99%	0.04	31,369	(6,183)	
	BROWN CT 6	-0.11%	105,978	34,594	71,500	21.82	3,277	3.08%	0.04	4,069	(813)	
	BROWN CT 7	-0.11%	144,356	47,476	97,008	21.82	4,079	3.15%	0.04	5,271	(1,813)	
	TRIMBLE COUNTY CT 5	-0.11%	1,555,655	486,383	1,070,393	21.82	48,116	3.14%	0.04	57,271	(6,192)	
	TRIMBLE COUNTY CT 6	-0.11%	1,487,924	463,218	1,024,706	21.82	46,116	3.14%	0.04	53,850	(7,734)	
	TRIMBLE COUNTY CT 7	-0.11%	2,083,699	583,509	1,500,190	21.82	71,142	3.41%	0.04	75,232	(4,092)	
	TRIMBLE COUNTY CT 8	-0.11%	2,377,467	552,447	1,825,020	21.82	83,447	3.41%	0.04	74,937	(4,092)	
	TRIMBLE COUNTY CT 9	-0.11%	2,137,467	541,181	1,596,286	21.82	73,256	3.43%	0.04	77,448	(4,192)	
	TRIMBLE COUNTY CT 10	-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	21.82	490,392	3.27%	0.04	570,138	(79,746)	
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES											
	CANE RUN CT 11	-1.43%	319,042	35,135	286,469	19.07	15,130	4.74%	0.15	46,751	(31,621)	
	ZORN AND RIVER ROAD GAS TURBINE	-1.43%	23,434	17,418	6,321	19.07	333	1.42%	0.04	964	(631)	
	PADDY'S RUN GENERATOR 11	-1.43%	9,238	9,699	(329)	19.07	-	0.00%	0.00	0	0	
	PADDY'S RUN GENERATOR 12	-1.43%	21,667	15,410	6,567	19.07	344	1.59%	0.03	1,124	(789)	
	PADDY'S RUN GENERATOR 13	-1.43%	2,255,338	785,083	1,502,507	19.07	76,066	3.91%	0.04	85,785	(6,879)	
	BROWN CT 5	-1.43%	846,907	228,324	618,583	19.07	26,845	4.68%	0.06	35,684	(2,614)	
	BROWN CT 6	-1.43%	403,060	49,527	352,237	19.07	18,845	4.68%	0.06	22,234	(3,369)	
	BROWN CT 7	-1.43%	141,363	(48,742)	190,105	19.07	10,077	7.13%	0.08	11,574	(1,497)	
	TRIMBLE COUNTY CT 5	-1.43%	97,997	30,867	68,294	19.07	3,587	3.66%	0.04	3,707	(129)	
	TRIMBLE COUNTY CT 6	-1.43%	1,269,382	366,321	903,061	19.07	35,582	3.63%	0.03	37,022	(1,209)	
	TRIMBLE COUNTY CT 7	-1.43%	1,381,289	645,679	735,411	19.07	72,448	3.63%	0.03	68,823	3,625	
	TRIMBLE COUNTY CT 8	-1.43%	1,338,423	338,423	999,999	19.07	13,449	3.97%	0.04	12,611	838	
	TRIMBLE COUNTY CT 9	-1.43%	337,056	86,511	250,545	19.07	13,396	3.97%	0.04	12,562	834	
	TRIMBLE COUNTY CT 10	-1.43%	347,147	88,099	259,048	19.07	13,847	3.95%	0.04	12,963	864	
	TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES		381,860	90,772	276,263	19.07	14,450	4.00%	0.04	13,575	915	
343.00	PRIME MOVERS											
	PADDY'S RUN GENERATOR 13	-0.52%	7,598,824	2,151,739	5,555,748	19.07	291,414	3.83%	0.04	332,099	(40,685)	
	BROWN CT 5	-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 6	-0.52%	15,877,891	4,983,220	10,895,442	19.85	546,728	3.48%	0.04	707,119	(154,752)	
	BROWN CT 7	-0.52%	19,951,722	2,379,398	17,675,165	19.85	890,278	4.46%	0.06	1,220,589	(330,321)	
	TRIMBLE COUNTY CT 5	-0.52%	4,842,316	1,216,647	3,625,669	19.85	191,236	3.73%	0.05	945,333	(265,791)	
	TRIMBLE COUNTY CT 6	-0.52%	16,286,199	4,216,719	12,115,194	19.85	611,236	3.76%	0.04	730,006	(118,770)	
	TRIMBLE COUNTY CT 7	-0.52%	13,120,484	3,670,974	9,469,319	19.85	498,466	3.80%	0.05	604,661	(106,195)	
	TRIMBLE COUNTY CT 8	-0.52%	13,686,617	3,637,317	10,010,818	19.85	504,233	3.70%	0.04	583,209	(89,976)	
	TRIMBLE COUNTY CT 9	-0.52%	13,407,237	3,476,963	9,929,838	19.85	500,104	3.71%	0.04	558,481	(58,377)	
	TRIMBLE COUNTY CT 10	-0.52%	13,352,630	3,461,812	9,959,322	19.85	501,653	3.76%	0.04	561,647	(57,993)	
	TOTAL ACCOUNT 343 - PRIME MOVERS		157,472,340	39,614,739	118,668,584	19.85	5,977,199	3.80%	0.05	7,394,725	(1,417,526)	
344.00	GENERATORS											
	CANE RUN CT 11	-0.06%	2,910,124	2,077,089	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 AND  
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	COMPOSITE REMAINING LIFE	ACCUMULATED	REMAINING LIFE	Spares Rate and Accruals			Difference	
									(3)	(4)	(5)		(6)
344.00	ZORN AND RIVER ROAD GAS TURBINE	0	1,827,561	1,918,960	176,263	16.90	16.90	0.00%	0.00%	0	0	0	
	PADDY'S RUN GENERATOR 11	-0.06%	1,523,116	1,595,271	(72,242)	16.90	16.90	0.00%	0.00%	0	0	0	
	GENERATORS, cont.	-0.06%	2,991,589	3,141,169	(149,765)	16.90	16.90	0.00%	0.00%	0	0	0	
	PADDY'S RUN GENERATOR 12	-0.06%	5,659,858	2,327,573	3,335,801	16.90	16.90	3.57%	3.57%	196,875	12,369	12,369	
	PADDY'S RUN GENERATOR 13	-0.06%	3,248,360	1,069,622	2,181,687	16.90	16.90	3.97%	3.97%	129,108	8,578	8,578	
	BROWN CT 5	-0.06%	2,417,995	893,368	1,526,077	16.90	16.90	3.73%	3.73%	120,531	4,543	4,543	
	BROWN CT 7	-0.06%	2,421,079	871,507	1,551,025	16.90	16.90	3.79%	3.79%	95,783	4,009	4,009	
	TRIMBLE COUNTY CT 5	-0.06%	1,539,295	483,419	1,056,800	16.90	16.90	4.06%	4.06%	55,449	7,091	7,091	
	TRIMBLE COUNTY CT 6	-0.06%	1,537,168	482,827	1,055,263	16.90	16.90	4.06%	4.06%	55,369	7,000	7,000	
	TRIMBLE COUNTY CT 7	-0.06%	1,726,824	439,138	1,288,724	16.90	16.90	4.42%	4.42%	61,258	15,007	15,007	
	TRIMBLE COUNTY CT 8	-0.06%	1,717,277	436,711	1,281,596	16.90	16.90	4.43%	4.43%	60,920	14,923	14,923	
	TRIMBLE COUNTY CT 9	-0.06%	1,728,068	434,500	1,294,545	16.90	16.90	4.43%	4.43%	61,521	15,088	15,088	
	TRIMBLE COUNTY CT 10	-0.06%	1,722,674	433,159	1,290,549	16.90	16.90	4.43%	4.43%	61,351	15,042	15,042	
	TOTAL ACCOUNT 344 - GENERATORS			33,171,947	16,608,293	16,563,557	16.90	999,933	3.01%	3.01%	1,015,570	(15,637)	(15,637)
345.00	ACCESSORY ELECTRIC EQUIPMENT												
	CANE RUN GT 11	0.00%	116,627	122,459	(5,832)	20.99	20.99	0.00%	0.00%	0	0	0	
	ZORN AND RIVER ROAD GAS TURBINE	0.00%	68,487	46,487	(22,141)	20.99	20.99	0.00%	0.00%	0	0	0	
	PADDY'S RUN GENERATOR 11	0.00%	68,109	70,984	(2,775)	20.99	20.99	-0.19%	-0.19%	88	(231)	(231)	
	PADDY'S RUN GENERATOR 12	0.00%	912,642	131,728	780,914	20.99	20.99	4.08%	4.08%	37,198	128,022	128,022	
	PADDY'S RUN GENERATOR 13	0.00%	2,776,923	992,746	1,786,247	20.99	20.99	3.06%	3.06%	85,087	102,951	102,951	
	BROWN CT 5	0.00%	2,568,423	920,956	1,667,487	20.99	20.99	3.07%	3.07%	79,429	96,071	96,071	
	BROWN CT 7	0.00%	970,189	359,270	610,919	20.99	20.99	3.00%	3.00%	29,101	39,116	39,116	
	TRIMBLE COUNTY CT 5	0.00%	953,200	349,815	603,385	20.99	20.99	3.02%	3.02%	28,742	38,646	38,646	
	TRIMBLE COUNTY CT 6	0.00%	706,963	213,484	493,479	20.99	20.99	3.33%	3.33%	23,507	30,855	30,855	
	TRIMBLE COUNTY CT 7	0.00%	1,594,892	447,269	1,147,623	20.99	20.99	3.43%	3.43%	54,666	62,428	62,428	
	TRIMBLE COUNTY CT 8	0.00%	1,843,364	481,481	1,361,883	20.99	20.99	3.52%	3.52%	64,872	72,285	72,285	
	TRIMBLE COUNTY CT 9	0.00%	1,836,141	479,594	1,356,547	20.99	20.99	3.52%	3.52%	64,872	72,285	72,285	
	TRIMBLE COUNTY CT 10	0.00%	1,890,840	489,486	1,402,360	20.99	20.99	3.70%	3.70%	69,266	82,403	82,403	
TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT			20,692,503	6,082,189	14,610,304	20.99	162,468	3.37%	3.37%	865,694	(169,358)	(169,358)	
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT												
	ZORN AND RIVER ROAD GAS TURBINE	0.00%	9,488	368	9,120	19.99	19.99	4.81%	4.81%	456	1,279	1,279	
	PADDY'S RUN GENERATOR 11	0.00%	9,484	374	9,120	19.99	19.99	4.81%	4.81%	456	1,279	1,279	
	PADDY'S RUN GENERATOR 12	0.00%	1,261,034	401,565	879,469	19.99	19.99	3.43%	3.43%	43,988	46,929	46,929	
	PADDY'S RUN GENERATOR 13	0.00%	2,395,225	815,731	1,579,494	19.99	19.99	3.30%	3.30%	86,126	9,107	9,107	
	BROWN CT 5	0.00%	22,456	8,149	14,307	19.99	19.99	3.19%	3.19%	888	888	888	
	BROWN CT 7	0.00%	23,048	8,142	14,906	19.99	19.99	3.24%	3.24%	924	924	924	
	TRIMBLE COUNTY CT 5	0.00%	14,529	3,935	10,594	19.99	19.99	3.65%	3.65%	555	555	555	
	TRIMBLE COUNTY CT 7	0.00%	5,205	1,298	3,907	19.99	19.99	3.76%	3.76%	187	187	187	
	TRIMBLE COUNTY CT 8	0.00%	5,183	1,292	3,891	19.99	19.99	3.76%	3.76%	185	185	185	
	TRIMBLE COUNTY CT 9	0.00%	5,328	1,315	4,013	19.99	19.99	3.74%	3.74%	182	182	182	
	TRIMBLE COUNTY CT 10	0.00%	25,333	2,410	22,923	19.99	19.99	4.53%	4.53%	1,079	68	68	
	TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT			3,796,323	1,244,579	2,551,744	19.99	127,659	3.96%	3.96%	143,821	(16,162)	(16,162)
	TOTAL OTHER PRODUCTION PLANT			237,736,377	70,021,698	168,676,732	19.99	6,582,932	0.04	0.04	10,322,047	(1,739,115)	(1,739,115)
350.00	TRANSMISSION PLANT												
	LAND RIGHTS	0	7,781,411	2,271,916	5,509,495	27.25	20,215	0.26%	0.26%	116,377	(66,162)	(66,162)	
	STRUCTURES AND IMPROVEMENTS	(5)	6,456,555	1,500,656	5,276,527	48.7	108,300	1.68%	1.68%	112,155	(3,865)	(3,865)	
	STATION EQUIPMENT	(10)	127,564,599	69,433,144	70,887,915	45.7	1,011,817	0.79%	0.79%	1,763,324	(751,907)	(751,907)	
	POLES AND FIXTURES	(25)	40,070,495	22,555,849	17,514,646	58.5	156,950	1.56%	1.56%	888,232	(520,382)	(520,382)	
	OVERHEAD CONDUCTORS AND DEVICES	(20)	53,282,212	18,093,397	48,606,368	58.5	825,220	0.47%	0.47%	1,542,069	(712,039)	(712,039)	
	UNDERGROUND CONDUIT	0	47,242,307	24,580,970	32,108,788	144.4	222,352	0.35%	0.35%	1,178,285	(632,965)	(632,965)	
	UNDERGROUND CONDUCTORS AND DEVICES	0	2,437,534	617,534	1,819,168	218.3	6,410	2.10%	2.10%	168,808	(68,772)	(68,772)	
	TOTAL TRANSMISSION PLANT		290,494,471	141,238,015	185,104,758	29.2	1,910,936	1.93	1.93	5,610,963	(3,132,683)	(3,132,683)	
	360.00	DISTRIBUTION PLANT											
		STRUCTURES AND IMPROVEMENTS	(2)	4,257,680	1,934,525	2,408,289	72.2	33,374	0.79%	0.79%	66,679	(35,305)	(35,305)
		STATION EQUIPMENT	(7)	108,000,000	37,506,516	76,200,278	45.7	1,666,673	1.57%	1.57%	2,221,197	(54,524)	(54,524)
		POLES, TOWERS AND FIXTURES	(35)	131,690,800	68,100,569	114,800,751	47.9	4,134,676	1.77%	1.77%	4,566,729	(2,192,053)	(2,192,053)
		OVERHEAD CONDUCTORS AND DEVICES	(30)	234,912,681	97,059,045	207,157,415	50.1	4,134,879	1.77%	1.77%	6,877,970	(2,943,091)	(2,943,091)
TOTAL DISTRIBUTION PLANT			478,857,161	196,600,655	307,366,233	50.1	10,270,512	2.98	2.98	18,343,265	(7,125,058)	(7,125,058)	

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

ACCOUNT	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS (6) = ((1)-(3))/(4)-(5)	COMPOSITE REMAINING LIFE (7)	ACCRUAL (9) = (6)/(7)	REMAINING LIFE RATE (9)/(6)/(7)	Rate (10)	Accrual (11) = (4)/(10)	Difference (12) = (7)/(11)
366.00	77.4 - L5	(0)	69,528,364	26,343,100	43,185,264	60.1	719,035	1.03%	1.50	1,041,697	(322,662)
367.00	66.2 - L5	(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	94.5 - 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	50.4 - L1.5	(20)	6,152,602	1,616,005	5,767,357	41.3	139,781	2.27%	3.32	204,433	(64,652)
369.20	69.9 - L1.5	(50)	21,115,397	19,735,617	11,937,478	50.6	236,058	1.17%	3.59	756,402	(522,344)
370.10	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)
371.10	28 - L0.5	(25)	34,508,233	12,877,300	30,257,982	21.5	1,406,040	4.07%	3.97	1,368,655	37,165
372.20	40 - R1	(30)	46,188,855	21,419,157	41,226,355	31.0	1,329,882	2.76%	3.44	1,660,101	(330,219)
			982,998,024	419,085,727	753,502,622		16,974,919		2.66	26,126,375	(9,151,456)
<b>GENERAL PLANT</b>											
392.10	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	32.4 - L5	5	607,414	6,577,696	319,555	17.4	18,397	3.03%	6.21	37,747	(19,350)
392.30	14 - S1.5	0	6,037,971	1,508,076	535,494	3.6	147,519	2.23%	0.60	39,795	107,724
394.00	25 - SQ	0	1,292,024	1,292,580	3,095,648	15.8	196,562	4.27%	4.51	207,415	(10,853)
395.10	23.8 - 02	0	1,292,580	1,292,580	(38,777)	36.4	-	0.00%	-	0	0
396.20	26.9 - R1	0	151,087	26,948	124,139	22.2	5,582	3.69%	7.60	11,484	(5,902)
396.30	12 - L1	3	1,110,685	925,971	151,393	5.1	29,454	2.65%	2.12	23,551	5,903
			15,949,875	11,180,736	4,655,250		432,331		2.55	406,075	26,256
			3,681,278,545	1,794,522,567	2,172,390,362		69,078,067		3.06	112,892,722	(43,514,655)
<b>NONDEPRECIABLE PLANT</b>											
301.00			2,240								
310.20			6,193,327								
310.25			100,000								
330.20			7								
340.20			8,133								
350.20			1,573,049								
360.20			4,110,849								
			11,967,605								
			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 (8) from Spanco's Study Table 1.
- Column (10) LGE Response to KIUC 1-29
- Columns (11) to (12) Calculated by SKM