

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - October 31, 2009**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

October 31, 2009

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**October 31, 2009**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2009**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	65,998,598.05	86,455,806.68	(20,457,208.63)	(23.66)
Gas Operating Revenues.....	15,718,676.81	31,916,119.18	(16,197,442.37)	(50.75)
<b>Total Operating Revenues.....</b>	<b>81,717,274.86</b>	<b>118,371,925.86</b>	<b>(36,654,651.00)</b>	<b>(30.97)</b>
Fuel for Electric Generation.....	21,660,170.57	25,692,187.38	(4,032,016.81)	(15.69)
Power Purchased.....	5,058,084.23	15,296,448.12	(10,238,363.89)	(66.93)
Gas Supply Expenses.....	8,937,260.98	24,954,697.64	(16,017,436.66)	(64.19)
Other Operation Expenses.....	17,481,299.04	18,862,427.92	(1,381,128.88)	(7.32)
Maintenance.....	9,845,631.20	8,900,733.23	944,897.97	10.62
Depreciation.....	10,892,832.31	10,350,534.03	542,298.28	5.24
Amortization Expense.....	702,905.99	523,556.02	179,349.97	34.26
Regulatory Credits.....	(183,079.71)	(174,959.43)	(8,120.28)	(4.64)
Taxes				
Federal Income.....	(665,135.75)	3,150,246.69	(3,815,382.44)	(121.11)
State Income.....	571,978.53	600,046.98	(28,068.45)	(4.68)
Deferred Federal Income - Net.....	330,193.20	-	330,193.20	100.00
Deferred State Income - Net.....	(215,377.31)	-	(215,377.31)	(100.00)
Property and Other.....	1,111,722.07	2,022,468.74	(910,746.67)	(45.03)
Investment Tax Credit.....	351,718.67	-	351,718.67	100.00
Amortization of Investment Tax Credit.....	(254,733.24)	(281,527.23)	26,793.99	9.52
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	164,054.33	160,204.81	3,849.52	2.40
<b>Total Operating Expenses.....</b>	<b>75,789,525.11</b>	<b>110,057,064.90</b>	<b>(34,267,539.79)</b>	<b>(31.14)</b>
Net Operating Income.....	5,927,749.75	8,314,860.96	(2,387,111.21)	(28.71)
Other Income Less Deductions.....	3,075,300.87	(2,391,144.18)	5,466,445.05	228.61
<b>Income Before Interest Charges.....</b>	<b>9,003,050.62</b>	<b>5,923,716.78</b>	<b>3,079,333.84</b>	<b>51.98</b>
Interest on Long-term Debt.....	3,916,239.59	2,948,120.86	968,118.73	32.84
Amortization of Debt Expense - Net.....	(11,570.06)	121,561.29	(133,131.35)	(109.52)
Other Interest Expenses.....	113,167.10	2,285,577.27	(2,172,410.17)	(95.05)
<b>Total Interest Charges.....</b>	<b>4,017,836.63</b>	<b>5,355,259.42</b>	<b>(1,337,422.79)</b>	<b>(24.97)</b>
<b>Net Income.....</b>	<b>4,985,213.99</b>	<b>568,457.36</b>	<b>4,416,756.63</b>	<b>776.97</b>

November 20, 2009

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2009**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	777,501,858.65	833,964,446.08	(56,462,587.43)	(6.77)
Gas Operating Revenues.....	291,648,461.91	331,123,296.09	(39,474,834.18)	(11.92)
<b>Total Operating Revenues.....</b>	<b>1,069,150,320.56</b>	<b>1,165,087,742.17</b>	<b>(95,937,421.61)</b>	<b>(8.23)</b>
Fuel for Electric Generation.....	278,198,971.48	282,058,849.17	(3,859,877.69)	(1.37)
Power Purchased.....	48,107,498.23	88,395,389.41	(40,287,891.18)	(45.58)
Gas Supply Expenses.....	203,255,129.56	252,520,172.57	(49,265,043.01)	(19.51)
Other Operation Expenses.....	182,508,777.21	163,845,896.67	18,662,880.54	11.39
Maintenance.....	76,440,498.25	96,099,644.12	(19,659,145.87)	(20.46)
Depreciation.....	107,099,008.16	100,966,184.18	6,132,823.98	6.07
Amortization Expense.....	6,549,248.67	4,826,609.71	1,722,638.96	35.69
Regulatory Credits.....	(1,849,494.60)	(1,714,292.68)	(135,201.92)	(7.89)
Taxes				
Federal Income.....	7,435,947.12	22,496,221.88	(15,060,274.76)	(66.95)
State Income.....	3,145,559.43	923,162.94	2,222,396.49	240.74
Deferred Federal Income - Net.....	33,482,234.27	9,715,363.07	23,766,871.20	244.63
Deferred State Income - Net.....	3,661,691.15	1,309,804.01	2,351,887.14	179.56
Property and Other.....	21,146,912.02	20,716,141.86	430,770.16	2.08
Investment Tax Credit.....	2,945,908.65	6,167,028.00	(3,221,119.35)	(52.23)
Amortization of Investment Tax Credit.....	(2,547,332.52)	(3,225,766.71)	678,434.19	21.03
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,643,106.39	1,566,749.34	76,357.05	4.87
<b>Total Operating Expenses.....</b>	<b>971,157,389.41</b>	<b>1,046,210,902.66</b>	<b>(75,053,513.25)</b>	<b>(7.17)</b>
Net Operating Income.....	97,992,931.15	118,876,839.51	(20,883,908.36)	(17.57)
Other Income Less Deductions.....	23,276,081.06	(411,134.12)	23,687,215.18	5,761.43
<b>Income Before Interest Charges.....</b>	<b>121,269,012.21</b>	<b>118,465,705.39</b>	<b>2,803,306.82</b>	<b>2.37</b>
Interest on Long-term Debt.....	36,958,273.87	36,896,325.49	61,948.38	0.17
Amortization of Debt Expense - Net.....	1,104,922.45	1,211,424.95	(106,502.50)	(8.79)
Other Interest Expenses.....	2,115,863.41	6,906,955.94	(4,791,092.53)	(69.37)
<b>Total Interest Charges.....</b>	<b>40,179,059.73</b>	<b>45,014,706.38</b>	<b>(4,835,646.65)</b>	<b>(10.74)</b>
<b>Net Income.....</b>	<b>81,089,952.48</b>	<b>73,450,999.01</b>	<b>7,638,953.47</b>	<b>10.40</b>

November 20, 2009

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2009**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	958,491,752.86	977,803,042.68	(19,311,289.82)	(1.98)
Gas Operating Revenues.....	418,890,258.90	426,727,077.57	(7,836,818.67)	(1.84)
<b>Total Operating Revenues.....</b>	<b>1,377,382,011.76</b>	<b>1,404,530,120.25</b>	<b>(27,148,108.49)</b>	<b>(1.93)</b>
Fuel for Electric Generation.....	340,676,856.76	331,389,964.38	9,286,892.38	2.80
Power Purchased.....	77,619,641.16	103,849,115.16	(26,229,474.00)	(25.26)
Gas Supply Expenses.....	303,885,590.97	323,573,233.25	(19,687,642.28)	(6.08)
Other Operation Expenses.....	212,730,669.70	194,551,406.64	18,179,263.06	9.34
Maintenance.....	74,866,698.69	113,940,014.81	(39,073,316.12)	(34.29)
Depreciation.....	127,484,728.13	121,105,575.91	6,379,152.22	5.27
Amortization Expense.....	7,603,040.70	5,798,933.25	1,804,107.45	31.11
Regulatory Credits.....	(2,201,814.17)	(2,040,346.58)	(161,467.59)	(7.91)
Taxes				
Federal Income.....	24,983,134.92	21,156,966.56	3,826,168.36	18.08
State Income.....	6,504,820.88	511,528.65	5,993,292.23	1,171.64
Deferred Federal Income - Net.....	21,501,754.89	16,562,850.08	4,938,904.81	29.82
Deferred State Income - Net.....	(141,608.50)	2,102,217.53	(2,243,826.03)	(106.74)
Property and Other.....	24,387,842.51	23,531,521.79	856,320.72	3.64
Investment Tax Credit.....	4,899,908.65	6,367,028.00	(1,467,119.35)	(23.04)
Amortization of Investment Tax Credit.....	(3,192,485.88)	(3,877,981.80)	685,495.92	17.68
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,965,916.72	1,863,431.60	102,485.12	5.50
<b>Total Operating Expenses.....</b>	<b>1,223,508,422.07</b>	<b>1,259,929,204.35</b>	<b>(36,420,782.28)</b>	<b>(2.89)</b>
Net Operating Income.....	153,873,589.69	144,600,915.90	9,272,673.79	6.41
Other Income Less Deductions.....	(7,531,544.96)	(212,286.17)	(7,319,258.79)	(3,447.83)
<b>Income Before Interest Charges.....</b>	<b>146,342,044.73</b>	<b>144,388,629.73</b>	<b>1,953,415.00</b>	<b>1.35</b>
Interest on Long-term Debt.....	43,172,319.81	44,492,745.75	(1,320,425.94)	(2.97)
Amortization of Debt Expense - Net.....	1,479,123.77	1,452,766.11	26,357.66	1.81
Other Interest Expenses.....	3,851,366.69	7,935,103.47	(4,083,736.78)	(51.46)
<b>Total Interest Charges.....</b>	<b>48,502,810.27</b>	<b>53,880,615.33</b>	<b>(5,377,805.06)</b>	<b>(9.98)</b>
<b>Net Income.....</b>	<b>97,839,234.46</b>	<b>90,508,014.40</b>	<b>7,331,220.06</b>	<b>8.10</b>

November 20, 2009

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**October 31, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	736,266,409.68	722,843,931.85	740,161,671.19	689,961,390.20	723,412,389.21	672,960,370.81
Add:						
Net Income for Period.....	4,985,213.99	568,457.36	81,089,952.48	73,450,999.01	97,839,234.46	90,508,014.40
FIN 48 Adjustment.....	-	-	-	-	-	(55,996.00)
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	80,000,000.00	40,000,000.00	80,000,000.00	40,000,000.00
Balance at End of Period.....	741,251,623.67	723,412,389.21	741,251,623.67	723,412,389.21	741,251,623.67	723,412,389.21

November 20, 2009

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of October 31, 2009 and 2008**

Assets and Other Debits	<u>This Year</u>	<u>Last Year</u>	Liabilities and Other Credits	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Capitalization</b>		
Utility Plant at Original Cost.....	4,610,880,968.92	4,487,024,220.66	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization.....	<u>2,004,144,257.22</u>	<u>1,948,378,159.88</u>	Common Stock Expense.....	(835,888.64)	(835,888.64)
Total.....	<u>2,606,736,711.70</u>	<u>2,538,646,060.78</u>	Paid-In Capital.....	83,581,499.00	60,000,000.00
<b>Investments</b>			Other Comprehensive Income.....	(11,291,121.77)	(11,166,518.35)
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Retained Earnings.....	<u>741,251,623.67</u>	<u>723,412,389.21</u>
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	Total Common Equity.....	<u>1,237,876,536.35</u>	<u>1,196,580,406.31</u>
Special Funds.....	16,119,515.57	13,179,931.45	Pollution Control Bonds - Net of Reacquired Bonds.....	411,104,000.00	315,104,000.00
Other.....	-	14,921,226.00	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>435,000,000.00</u>
Total.....	<u>16,725,680.77</u>	<u>28,707,322.65</u>	Total Long-term Debt.....	896,104,000.00	750,104,000.00
<b>Current and Accrued Assets</b>			Total Capitalization.....	<u>2,133,980,536.35</u>	<u>1,946,684,406.31</u>
Cash.....	2,869,220.49	2,382,507.96	<b>Current and Accrued Liabilities</b>		
Special Deposits.....	778,627.13	7,197,895.33	ST Notes Payable to Associated Companies.....	150,667,400.00	359,919,200.00
Temporary Cash Investments.....	119.71	26.98	Accounts Payable.....	74,140,577.53	103,480,135.90
Accounts Receivable-Less Reserve.....	109,214,453.57	151,408,950.98	Accounts Payable to Associated Companies.....	18,098,743.98	27,190,270.83
Accounts Receivable from Associated Companies.....	409,898.28	74,535.43	Customer Deposits.....	22,885,391.58	21,634,958.53
Materials and Supplies-At Average Cost			Taxes Accrued.....	12,570,631.70	11,160,778.74
Fuel.....	59,002,922.30	40,552,656.29	Interest Accrued.....	4,534,543.31	3,166,486.05
Plant Materials and Operating Supplies.....	29,072,365.02	27,968,465.49	ST Obligations Under Capital Leases.....	-	92,088.62
Stores Expense.....	4,114,112.64	4,288,430.01	Miscellaneous Current and Accrued Liabilities.....	<u>18,448,931.14</u>	<u>13,677,198.85</u>
Gas Stored Underground.....	69,378,233.30	142,275,643.50	Total.....	<u>301,346,219.24</u>	<u>540,321,117.52</u>
Allowance Inventory.....	4,365.83	9,430.27	<b>Deferred Credits and Other</b>		
Prepayments.....	3,734,526.15	3,574,281.51	Accumulated Deferred Income Taxes.....	440,065,032.26	402,121,254.65
Miscellaneous Current and Accrued Assets.....	<u>1,092,528.93</u>	<u>1,097,634.79</u>	Investment Tax Credit.....	50,747,646.26	49,040,223.49
Total.....	<u>279,671,373.35</u>	<u>380,830,458.54</u>	Regulatory Liabilities.....	92,748,037.98	56,798,045.69
<b>Deferred Debits and Other</b>			Customer Advances for Construction.....	9,333,917.66	13,699,203.35
Unamortized Debt Expense.....	3,885,135.32	4,045,063.50	Asset Retirement Obligations.....	32,716,955.41	30,790,910.59
Unamortized Loss on Bonds.....	23,320,833.90	23,930,532.01	Other Deferred Credits.....	40,128,057.87	48,037,872.80
Accumulated Deferred Income Taxes.....	59,064,449.60	40,133,004.73	Miscellaneous Long-term Liabilities.....	40,186,994.96	32,910,425.47
Deferred Regulatory Assets.....	364,902,698.29	153,445,413.69	Accum Provision for Postretirement Benefits.....	214,121,718.20	91,497,930.05
Other Deferred Debits.....	<u>1,068,233.26</u>	<u>42,163,534.02</u>	Total.....	<u>920,048,360.60</u>	<u>724,895,866.09</u>
Total.....	<u>452,241,350.37</u>	<u>263,717,547.95</u>	<b>Total Liabilities and Other Credits.....</b>		
Total Assets and Other Debits.....	<u>3,355,375,116.19</u>	<u>3,211,901,389.92</u>		<u>3,355,375,116.19</u>	<u>3,211,901,389.92</u>

November 20, 2009



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-term Debt**  
**October 31, 2009**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Common Equity</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Common Stock Expense.....			(835,888.64)		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(11,291,121.77)		
Retained Earnings.....			<u>741,251,623.67</u>		
Total Common Equity.....			<u>1,237,876,536.35</u>	<u>54.18</u>	<u>58.01</u>
<b>Long-term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>		
Total Pollution Control Bonds.....			574,304,000.00	25.13	26.91
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			<u>(35,200,000.00)</u>		
			(163,200,000.00)	(7.14)	(7.65)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.99	19.26
Long-term Notes Payable to Associated Companies.....			<u>485,000,000.00</u>	<u>21.23</u>	<u>22.73</u>
Total Capitalization.....			<u>2,133,980,536.35</u>	<u>93.40</u>	<u>100.00</u>
Short-term Notes Payable to Associated Companies.....			150,667,400.00	6.60	
Total Capitalization and Short-term Debt.....			<u>2,284,647,936.35</u>	<u>100.00</u>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,610,880,968.92	4,610,880,968.92
Reserves for Depreciation and Amortization.....		(2,004,144,257.22)
Depreciation of Plant		
Electric.....	(1,676,154,456.37)	
Gas.....	(225,205,785.11)	
Common.....	(85,911,591.50)	
Amortization of Plant		
Common.....	(16,871,524.24)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		16,725,680.77
Special Funds.....	16,119,515.57	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	75,239.56	
Nonutility Property Reserve.....	(63,360.36)	
Cash.....	2,869,220.49	2,869,220.49
Special Deposits.....		778,627.13
Other Special Deposits.....	778,627.13	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		109,214,453.57
Customers - Active.....	52,820,297.48	
Unbilled Revenues.....	42,840,000.00	
IMPA.....	3,441,887.70	
IMEA.....	3,280,508.52	
Sundry Accounts Receivable.....	2,529,727.03	
Wholesale Sales.....	2,442,506.76	
Margin Cash Collateral.....	1,727,854.42	
Electricity Swaps.....	641,932.18	
Damage Claims.....	536,091.33	
Transmission Sales.....	222,172.43	
Employee Computer Loans.....	64,952.48	
Rents Receivable.....	37,896.61	
Working Funds.....	20,630.00	
Interest and Dividends Receivable.....	9,791.09	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	4,523,640.12	
A/R Miscellaneous.....	(839,750.00)	
Reserve.....	(947,654.00)	
Recoveries.....	(1,244,436.19)	
Accrual.....	(3,279,020.93)	
Other.....	385,426.54	
Accounts Receivable from Associated Companies.....		409,898.28
E.ON US Services/Kentucky Utilities Company.....	409,898.28	
Fuel.....		59,002,922.30
Coal 1,438,245.60 Tons @ \$40.62; MMBtu 32,768,598.16 @ 178.29¢.....	58,423,844.50	
Fuel Oil 220,828.00 Gallons @ 171.59¢.....	378,916.97	
Gas Pipeline 5,100.00 Mcf @ \$39.25.....	200,160.83	
Plant Materials and Operating Supplies.....		29,072,365.02
Regular Materials and Supplies.....	28,704,744.39	
Limestone 42,906.91 Tons @ \$8.57.....	367,620.62	
Other Reagents.....	0.01	

November 20, 2009

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2009**

Account - Subsidiary Account	Balance Subsidiary Account	Balance as Shown on Balance Sheets
Stores Expense Undistributed.....	4,114,112.64	4,114,112.64
Gas Stored Underground - Current.....		69,378,233.30
Gas St. Underground* 14,268,183 Mcf (14.73 psia) @ \$ 4.86.....	69,378,233.30	
Allowance Inventory.....	4,365.83	4,365.83
Prepayments.....		3,734,526.15
Taxes.....	1,293,403.38	
Insurance.....	320,044.53	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	26,505.49	
Other.....	1,751,239.38	
Miscellaneous Current Assets.....		1,092,528.93
Derivative Asset - Non-Hedging.....	1,092,528.93	
Unamortized Debt Expense.....		3,885,135.32
Trimble County 2000 Series A due 08/01/30 Var%.....	803,156.94	
Jefferson County 2001 Series A due 09/01/26 Var%.....	167,050.14	
Jefferson County 2001 Series A due 09/01/27 Var%.....	363,645.30	
Trimble County 2001 Series A due 09/01/26 Var%.....	181,631.50	
Jefferson County 2001 Series B due 11/01/27 Var%.....	197,914.48	
Trimble County 2001 Series B due 11/01/27 Var%.....	197,946.94	
Trimble County 2002 Series A due 10/01/32 Var%.....	852,969.66	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,120,820.36	
Unamortized Loss on Bonds.....	23,320,833.90	23,320,833.90
Accumulated Deferred Income Taxes.....		59,064,449.60
Federal		
Electric.....	44,580,723.98	
Gas.....	5,301,860.50	
Common.....	240,879.92	
State		
Electric.....	7,972,137.74	
Gas.....	966,904.66	
Common.....	1,942.80	
Regulatory Assets.....		364,902,698.29
Pension and Postretirement Benefits.....	249,597,539.00	
2009 Winter Storm.....	43,861,320.60	
2008 Wind Storm.....	23,540,332.79	
Asset Retirement Obligations		
Electric.....	21,165,626.51	
Gas.....	8,051,819.89	
Common.....	26,013.39	
Environmental Cost Recovery.....	6,763,168.00	
MISO Exit Fee.....	5,895,192.50	
Gas Supply Clause/PBR.....	2,697,074.54	
ECR Ash Hauling.....	1,028,826.99	
Rate Case Expenses.....	771,749.63	
KCCS Funding.....	769,220.61	
EKPC FERC Transmission Costs.....	734,813.84	
Other Deferred Debits.....	1,068,233.26	1,068,233.26
Total Assets and Other Debits.....	<u>3,355,375,116.19</u>	<u>3,355,375,116.19</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Common Equity.....		1,237,876,536.35
Common Stock.....	425,170,424.09	
Common Stock Expense.....	(835,888.64)	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(11,291,121.77)	
Retained Earnings.....	741,251,623.67	
Bonds.....	411,104,000.00	411,104,000.00
Long-term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-term Notes Payable to Associated Companies.....	150,667,400.00	150,667,400.00
Accounts Payable.....		74,140,577.53
Regular.....	71,316,371.69	
Salaries and Wages Accrued.....	2,850,994.76	
Employee Withholdings Payable.....	(26,788.92)	
Accounts Payable to Associated Companies.....		18,098,743.98
E.ON US Services/Kentucky Utilities Company.....	13,232,943.42	
Fidelia.....	4,865,800.56	
Customers' Deposits.....	22,885,391.58	22,885,391.58
Taxes Accrued.....	12,570,631.70	12,570,631.70
Interest Accrued.....		4,534,543.31
Jefferson County 2000 Series A due 05/01/27 5.375%.....	671,875.09	
Trimble County 2000 Series A due 08/01/30 Var%.....	6,620.52	
Jefferson County 2001 Series A due 09/01/26 Var%.....	44,506.88	
Jefferson County 2001 Series A due 09/01/27 Var%.....	308.83	
Trimble County 2001 Series A due 09/01/26 Var%.....	8,815.05	
Jefferson County 2001 Series B due 11/01/27 Var%.....	23,972.58	
Trimble County 2001 Series B due 11/01/27 Var%.....	23,972.88	
Trimble County 2002 Series A due 10/01/32 Var%.....	3,227.02	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	(0.01)	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.21	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.55	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	0.01	
Interest Rate Swaps.....	663,109.33	
Customers' Deposits.....	533,119.92	
Other.....	109,841.45	
Miscellaneous Current and Accrued Liabilities.....		18,448,931.14
Customer Overpayments.....	5,633,718.41	
Vacation Pay Accrued.....	5,312,110.28	
Postretirement Benefits - Current.....	3,411,968.00	
No-Notice Gas Payable.....	3,015,763.47	
Tax Collections Payable.....	1,018,429.63	
Derivative Liabilities - Non-Hedging.....	(402,890.53)	
Other.....	459,831.88	

November 20, 2009

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		440,065,032.26
Federal		
Electric.....	332,055,566.27	
Gas.....	47,048,890.23	
Common.....	240,879.92	
State		
Electric.....	54,010,915.51	
Gas.....	6,706,837.53	
Common.....	1,942.80	
Investment Tax Credit.....		50,747,646.26
Job Development Credit		
Electric.....	26,839,370.80	
Gas.....	861,712.81	
Advanced Coal Credit.....	23,046,562.65	
Regulatory Liabilities.....		92,748,037.98
Deferred Taxes		
Federal		
Electric.....	20,733,792.64	
Gas.....	1,471,379.12	
State		
Electric.....	16,587,599.39	
Gas.....	2,582,116.63	
Gas Supply Clause/PBR.....	36,959,563.59	
DSM Cost Recovery.....	7,633,608.55	
Asset Retirement Obligations		
Gas.....	2,353,475.95	
Electric.....	703,529.43	
MISO Schedule 10 Charges.....	3,052,972.68	
Fuel Adjustment Clause.....	670,000.00	
Customers' Advances for Construction.....		9,333,917.66
Line Extensions		
Gas.....	7,485,292.28	
Electric.....	1,080,029.00	
Customer Advances - Museum Plaza.....	768,596.38	
Asset Retirement Obligations		32,716,955.41
Electric.....	24,506,038.16	
Gas.....	8,182,396.92	
Common.....	28,520.33	
Other Deferred Credits.....	40,128,057.87	40,128,057.87
Miscellaneous Long-term Liabilities.....		40,186,994.96
Long-term Derivative Liabilities - SFAS 133.....	34,839,886.54	
Workers' Compensation.....	5,347,108.42	
Accumulated Provision for Benefits.....		214,121,718.20
Pension Payable.....	135,235,667.00	
Postretirement Benefits - SFAS 106.....	75,310,319.20	
Post Employment Benefits Payable.....	3,747,857.00	
Post Employment Medicare Subsidy.....	(172,125.00)	
Total Liabilities and Other Credits.....	<u>3,355,375,116.19</u>	<u>3,355,375,116.19</u>

November 20, 2009

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**October 31, 2009**

	Year to Date	
	2009	2008
<b>Cash Flows from Operating Activities</b>		
Net income.....	81,089,952.48	73,450,999.01
Items not requiring (providing) cash currently:		
Depreciation.....	107,099,008.16	100,966,184.18
Amortization.....	6,549,248.67	4,826,609.71
Deferred income taxes - net.....	37,143,925.42	11,025,167.08
Investment tax credit - net.....	398,576.13	2,941,261.29
Other.....	10,905,022.26	12,553,726.75
Change in receivables.....	94,533,831.38	43,843,583.66
Change in inventory.....	33,314,583.18	(56,979,144.56)
Change in allowance inventory.....	1,594.38	2,029.20
Change in payables and accrued expenses.....	(51,196,522.77)	(17,692,762.70)
Change in regulatory assets.....	(47,663,021.46)	(2,423,364.41)
Change in regulatory liabilities.....	36,481,806.82	1,682,508.07
Change in other deferred debits.....	40,369,394.65	(8,392,028.36)
Change in other deferred credits.....	(3,523,958.58)	28,668,555.39
Other.....	(49,815,710.25)	(15,427,618.79)
Gain on disposal of assets.....	(2,510,531.16)	(8,757,464.56)
Net cash provided (used) by operating activities.....	<u>293,177,199.31</u>	<u>170,288,240.96</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(134,368,768.53)	(160,378,480.21)
Gross additions to common utility plant - construction expenditures.....	(11,638,340.99)	(29,333,517.90)
Change in restricted cash.....	-	(2,328,743.70)
Change in non-hedging derivatives.....	211,508.47	11,858,560.61
Proceeds received from sales of property.....	2,565,220.92	9,125,684.50
Net cash provided (used) by investing activities.....	<u>(143,230,380.13)</u>	<u>(171,056,496.70)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(84,624.35)	24,811,340.41
Net change in short-term debt.....	(71,331,800.00)	281,678,000.00
Net change in derivative liabilities.....	-	(6,692,067.00)
Payments for reacquisition of long-term debt.....	-	(259,200,000.00)
Net change in short-term capital lease obligations.....	(23,650.00)	(313,349.07)
Net change in long-term capital lease obligations.....	-	(23,649.00)
Net change in restricted cash.....	-	(1,457,903.54)
Contributed capital.....	51,107.00	-
Dividends on common stock.....	(80,000,000.00)	(40,000,000.00)
Net cash provided (used) by financing activities.....	<u>(151,388,967.35)</u>	<u>(1,197,628.20)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,442,148.17)	(1,965,883.94)
Cash and Cash Equivalents at Beginning of Period.....	<u>4,311,488.37</u>	<u>4,348,418.88</u>
Cash and Cash Equivalents at End of Period.....	<u><u>2,869,340.20</u></u>	<u><u>2,382,534.94</u></u>

November 20, 2009

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**October 31, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.17	-	1,119,791.70	539,670.12	1,254,168.77	695,746.50
Trimble County 2000 Series A due 08/01/30 Var%.....	20,509.66	221,812.32	260,144.10	2,449,486.52	412,795.30	3,022,414.65
Jefferson County 2001 Series A due 09/01/26 Var%.....	18,154.12	32,397.54	209,242.17	452,825.38	281,668.21	584,055.65
Jefferson County 2001 Series A due 09/01/27 Var%.....	1,947.83	23,976.23	34,950.49	272,406.37	51,151.42	340,931.15
Trimble County 2001 Series A due 09/01/26 Var%.....	21,020.55	39,597.00	255,966.46	553,453.19	344,487.18	713,845.73
Jefferson County 2001 Series B due 11/01/27 Var%.....	30,876.71	51,878.42	316,759.81	719,840.15	418,953.19	925,470.84
Trimble County 2001 Series B due 11/01/27 Var%.....	30,876.70	51,878.42	316,759.80	719,840.15	418,953.18	924,492.78
Trimble County 2002 Series A due 10/01/32 Var%.....	9,094.39	120,444.87	160,567.80	1,332,968.12	278,818.99	1,626,620.76
Louisville Metro 2003 Series A due 10/01/33 Var%.....	736,993.96	-	688,312.42	3,567,377.73	-	4,386,008.84
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.67	-	1,916,666.69	495,511.11	2,146,666.70	733,844.45
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	-	1,453,125.00	496,799.20	1,627,500.02	694,983.92
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	(0.03)	568,520.74	(0.03)	793,878.96
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	2,300,000.02	2,310,603.33	2,760,000.02	2,747,603.33
Interest Rate Swaps.....	147,657.33	225,986.06	5,724,487.31	3,795,273.44	6,724,356.73	4,139,502.46
Notes/Debentures.....	-	-	-	-	-	86,740.24
Fidelia.....	2,220,150.00	1,950,150.00	22,201,500.13	18,621,749.94	26,452,800.13	22,076,605.49
<b>Total.....</b>	<b>3,916,239.59</b>	<b>2,948,120.86</b>	<b>36,958,273.87</b>	<b>36,896,325.49</b>	<b>43,172,319.81</b>	<b>44,492,745.75</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.07	15,412.77	154,827.89	248,828.49	185,653.43	316,766.95
Amortization of Loss on Reacquired Debt.....	(27,088.13)	106,148.52	950,094.56	962,596.46	1,293,470.34	1,135,999.16
<b>Total.....</b>	<b>(11,570.06)</b>	<b>121,561.29</b>	<b>1,104,922.45</b>	<b>1,211,424.95</b>	<b>1,479,123.77</b>	<b>1,452,766.11</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	83,030.11	94,278.60	894,437.00	888,078.32	1,085,753.62	1,055,847.27
Other Tax Deficiencies.....	-	-	(12,853.00)	(3,223.00)	(11,740.00)	(5,004.00)
Gas Refunds.....	-	-	-	-	-	-
Interest on DSM Cost Recovery.....	4,647.33	(26,139.00)	122,947.35	-	164,626.44	-
Interest on Debt to Associated Companies.....	(37,594.72)	1,462,225.31	553,048.93	5,150,146.78	1,633,978.48	6,012,306.36
Other Interest Expense.....	63,084.38	755,212.36	558,283.13	871,953.84	978,748.15	871,953.84
<b>Total.....</b>	<b>113,167.10</b>	<b>2,285,577.27</b>	<b>2,115,863.41</b>	<b>6,906,955.94</b>	<b>3,851,366.69</b>	<b>7,935,103.47</b>
<b>Total Interest.....</b>	<b>4,017,836.63</b>	<b>5,355,259.42</b>	<b>40,179,059.73</b>	<b>45,014,706.38</b>	<b>48,502,810.27</b>	<b>53,880,615.33</b>

November 20, 2009

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
October 31, 2009**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	468,654.89	1,352,184.77	13,677,458.08	13,521,847.70
Unemployment.....	(126.56)	13,512.48	126,477.61	123,271.04
FICA.....	468,607.12	491,895.71	5,704,985.19	5,344,990.48
Public Service Commission Fee.....	161,675.42	157,536.02	1,591,917.79	1,599,837.98
Federal Income.....	(665,135.75)	3,150,246.69	7,435,947.12	22,496,221.88
State Income.....	571,978.53	600,046.98	3,145,559.43	923,162.94
Miscellaneous.....	12,911.20	7,339.76	46,073.35	126,194.66
<b>Total Charged to Operating Expense.....</b>	<b>1,018,564.85</b>	<b>5,772,762.41</b>	<b>31,728,418.57</b>	<b>44,135,526.68</b>
Taxes Charged to Other Accounts.....	1,731,571.88	675,927.34	5,298,738.84	24,393,762.80
Taxes Accrued on Intercompany Accounts.....	(201,447.94)	(181,864.17)	(2,161,803.08)	(1,929,311.93)
<b>Total Taxes Charged.....</b>	<b><u>2,548,688.79</u></b>	<b><u>6,266,825.58</u></b>	<b><u>34,865,354.33</u></b>	<b><u>66,599,977.55</u></b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	9,963,700.60	13,901,761.98	13,626,617.68	10,238,844.90
Unemployment.....	68,978.84	68,373.08	138,302.52	(950.60)
FICA.....	698,416.45	4,929,271.02	5,122,178.14	505,509.33
Federal Income.....	5,330,534.78	9,637,160.69	15,316,728.90	(349,033.43)
State Income.....	1,741,239.63	3,551,589.90	3,401,124.00	1,891,705.53
Kentucky Sales and Use Tax.....	578,874.39	2,652,292.51	2,973,743.88	257,423.02
Miscellaneous.....	-	124,905.15	97,772.20	27,132.95
<b>Totals.....</b>	<b><u>18,381,744.69</u></b>	<b><u>34,865,354.33</u></b>	<b><u>40,676,467.32</u></b>	<b><u>12,570,631.70</u></b>

November 20, 2009



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**October 31, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant in Service</b>						
<b>Common</b>						
Common General Plant	156,628,323.83	8,459,958.33	(2,228,265.73)	-	6,231,692.60	162,860,016.43
Common Intangible Plant	<u>30,504,727.59</u>	<u>43,160,641.05</u>	<u>(13,110,855.89)</u>	-	<u>30,049,785.16</u>	<u>60,554,512.75</u>
	187,133,051.42	51,620,599.38	(15,339,121.62)	-	36,281,477.76	223,414,529.18
<b>Electric</b>						
Electric Distribution	768,525,773.32	83,104,550.81	(5,100,239.68)	2,523,041.22	80,527,352.35	849,053,125.67
Electric General Plant	16,739,305.40	294,293.94	(211,919.75)	-	82,374.19	16,821,679.59
Electric Hydro Production	40,692,754.42	144,671.53	(1,371.95)	743,189.41	886,488.99	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	226,677,788.60	6,117,018.01	(4,926,623.06)	3,381,620.44	4,572,015.39	231,249,803.99
Electric Steam Production	1,957,945,552.56	28,229,314.31	(8,282,473.13)	15,422,227.79	35,369,068.97	1,993,314,621.53
Electric Transmission	<u>256,087,174.79</u>	<u>5,842,424.59</u>	<u>(812,420.73)</u>	<u>(19,193,120.86)</u>	<u>(14,163,117.00)</u>	<u>241,924,057.79</u>
	3,266,670,689.38	123,732,273.19	(19,335,048.30)	2,876,958.00	107,274,182.89	3,373,944,872.27
<b>Gas</b>						
Gas Distribution	473,727,554.77	13,526,428.74	(2,199,634.26)	-	11,326,794.48	485,054,349.25
Gas General Plant	9,038,472.86	182,720.97	(206,196.86)	-	(23,475.89)	9,014,996.97
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	62,441,928.04	3,673,551.59	(2,756,233.82)	-	917,317.77	63,359,245.81
Gas Transmission	<u>12,901,908.09</u>	<u>761,957.99</u>	<u>(5,662.32)</u>	-	<u>756,295.67</u>	<u>13,658,203.76</u>
	558,111,051.25	18,144,659.29	(5,167,727.26)	-	12,976,932.03	571,087,983.28
<b>Total 101 Accounts</b>	<u>4,011,914,792.05</u>	<u>193,497,531.86</u>	<u>(39,841,897.18)</u>	<u>2,876,958.00</u>	<u>156,532,592.68</u>	<u>4,168,447,384.73</u>
<b>101 Property Under Capital Leases</b>						
<b>Electric</b> Capital Leased Property						
Electric Steam Production	2,876,958.00	-	-	(2,876,958.00)	(2,876,958.00)	-
	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>Total 101101</b>	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>105 Plant Held for Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	<u>4,182,559.70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,182,559.70</u>
	4,831,574.18	-	-	-	-	4,831,574.18
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

Louisville Gas and Electric Company  
Summary of Utility Plant  
October 31, 2009

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Net Additions	Ending Balance
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant	1,922,810.85	(1,351,807.19)	-	-	(1,351,807.19)	571,003.66
Common Intangible Plant	1,374,736.40	546,740.50	-	-	546,740.50	1,921,476.90
	<u>3,297,547.25</u>	<u>(805,066.69)</u>	-	-	<u>(805,066.69)</u>	<u>2,492,480.56</u>
<b>Electric</b>						
Electric Distribution	53,528,201.00	(20,147,210.72)	-	14,454.62	(20,132,756.10)	33,395,444.90
Electric General Plant	121,321.11	(121,321.11)	-	-	(121,321.11)	-
Electric Hydro Production	56,785.36	(39,833.10)	-	-	(39,833.10)	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	123,654.81	(123,654.81)	-	-	(123,654.81)	-
Electric Steam Production	13,060,279.51	(3,950,594.82)	-	-	(3,950,594.82)	9,109,684.69
Electric Transmission	1,573,129.06	(486,740.95)	-	(14,454.62)	(501,195.57)	1,071,933.49
	<u>68,463,370.85</u>	<u>(24,869,355.51)</u>	-	-	<u>(24,869,355.51)</u>	<u>43,594,015.34</u>
<b>Gas</b>						
Gas Distribution	37,599,096.45	9,464,737.67	-	-	9,464,737.67	47,063,834.12
Gas General Plant	-	181,990.95	-	-	181,990.95	181,990.95
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	1,318,828.23	2,824,019.70	-	-	2,824,019.70	4,142,847.93
Gas Transmission	-	1,250,818.32	-	-	1,250,818.32	1,250,818.32
	<u>38,917,924.68</u>	<u>13,721,566.64</u>	-	-	<u>13,721,566.64</u>	<u>52,639,491.32</u>
<b>Total 106 Accounts</b>	<u>110,678,842.78</u>	<u>(11,952,855.56)</u>	-	-	<u>(11,952,855.56)</u>	<u>98,725,987.22</u>
<b>117 Gas Stored Underground - Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Nonutility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>107 Construction Work in Progress</b>						
<b>Construction Work in Progress</b>						
Common	51,677,042.23	(39,177,191.70)	-	-	(39,177,191.70)	12,499,850.53
Electric	269,074,514.63	16,170,345.10	-	-	16,170,345.10	285,244,859.73
Gas	53,271,643.56	(14,280,321.03)	-	-	(14,280,321.03)	38,991,322.53
	<u>374,023,200.42</u>	<u>(37,287,167.63)</u>	-	-	<u>(37,287,167.63)</u>	<u>336,736,032.79</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,132,517,396.57</u>	<u>181,544,676.30</u>	<u>(39,841,897.18)</u>	-	<u>141,702,779.12</u>	<u>4,274,220,175.69</u>
<b>Total Plant + CWIP</b>	<u>4,506,540,596.99</u>	<u>144,257,508.67</u>	<u>(39,841,897.18)</u>	-	<u>104,415,611.49</u>	<u>4,610,956,208.48</u>
<b>Total Plant + CWIP - Nonutility (BS)</b>	<u>4,506,465,357.43</u>	<u>144,257,508.67</u>	<u>(39,841,897.18)</u>	-	<u>104,415,611.49</u>	<u>4,610,880,968.92</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(68,115,611.49)	(10,686,682.94)	2,228,265.73	57,791.12	-	-	-	(64,419.00)	(76,580,656.58)
Common General Plant - ARO	(1,199.60)	(28.60)	-	-	-	-	-	-	(1,228.20)
Electric Distribution	(255,961,891.88)	(13,291,460.49)	5,100,239.68	(483,635.98)	-	-	-	(62,950.88)	(264,699,699.55)
Electric Distribution - ARO	(12,796.60)	(305.10)	-	-	-	-	-	-	(13,101.70)
Electric General Plant	(13,702,714.67)	(542,383.22)	211,919.75	(34.23)	-	-	-	-	(14,033,212.37)
Electric Hydro Production	(8,147,012.81)	(474,497.79)	1,371.95	(450,445.28)	-	-	-	-	(9,070,583.93)
Electric Hydro Production - ARO	(17,314.16)	(413.40)	-	-	-	-	-	-	(17,727.56)
Electric Other Production	(48,776,531.63)	(6,701,253.13)	4,847,716.34	(386,081.21)	-	-	-	-	(51,016,149.63)
Electric Other Production - ARO	(118,219.64)	(49,591.46)	78,906.72	-	-	-	-	-	(88,904.38)
Electric Steam Production	(980,719,365.60)	(44,275,152.41)	8,269,463.20	(6,122,148.92)	-	-	-	(50,723.33)	(1,022,897,927.06)
Electric Steam Production - ARO	(2,382,766.82)	(144,027.84)	13,009.93	(2,407.93)	-	-	-	-	(2,516,192.66)
Electric Transmission	(120,367,314.51)	(3,228,707.68)	812,420.73	7,399,649.51	-	-	-	(94,419.02)	(115,478,370.97)
Electric Transmission - ARO	(3,029.54)	(42.41)	-	2,407.93	-	-	-	-	(664.02)
Gas Distribution	(115,555,571.04)	(8,435,771.55)	2,199,634.26	-	-	-	-	-	(121,791,708.33)
Gas Distribution - ARO	(20,060.41)	(266.70)	-	-	-	-	-	-	(20,327.11)
Gas General Plant	(6,241,137.60)	(391,348.02)	206,196.86	-	-	-	-	-	(6,426,288.76)
Gas Storage	(34,022,860.14)	(779,145.17)	2,736,094.19	-	-	-	-	-	(32,065,911.12)
Gas Storage - ARO	(409,284.68)	(11,712.68)	20,139.63	-	-	-	-	-	(400,857.73)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,358,516.52)	(42,047.34)	5,662.32	-	-	-	-	-	(9,394,901.54)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,663,996,559.70)</u>	<u>(89,054,837.93)</u>	<u>26,731,041.29</u>	<u>15,095.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272,512.23)</u>	<u>(1,726,577,773.56)</u>
<b>Cost of Removal</b>									
Common General Plant	(469,247.42)	(208,761.89)	-	-	-	114,447.53	-	-	(563,561.78)
Electric Distribution	(157,755,648.48)	(5,218,173.73)	-	(793.80)	-	14,307,648.59	-	-	(148,666,967.42)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	814,671.45	(31,380.05)	-	(823.08)	-	3,619.91	-	-	786,088.23
Electric Other Production	(2,039,438.56)	(261,609.29)	-	(705.46)	-	202,327.93	-	-	(2,099,425.38)
Electric Steam Production	(75,412,706.30)	(12,028,744.29)	-	(3,135.35)	-	3,751,463.01	-	-	(83,693,122.93)
Electric Transmission	(23,681,680.84)	(982,908.31)	-	5,457.69	-	1,115,949.80	-	-	(23,543,181.66)
Gas Distribution	(58,299,094.86)	(2,589,150.49)	-	-	-	229,259.62	-	-	(60,658,985.73)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(403,035.01)	(92,881.16)	-	(266,306.79)	-	533,153.34	-	-	(229,069.62)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,061,349.14)	(17,350.40)	-	-	-	56,744.63	-	-	(3,021,954.91)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(320,303,662.54)</u>	<u>(21,430,959.61)</u>	<u>-</u>	<u>(266,306.79)</u>	<u>-</u>	<u>20,314,614.36</u>	<u>-</u>	<u>-</u>	<u>(321,686,314.58)</u>

November 20, 2009

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	301,592.06	5,916.18	-	-	-	-	(29,830.00)	-	277,678.24
Electric Distribution	15,611,295.13	1,027,850.55	-	-	-	-	(361,108.79)	-	16,278,036.89
Electric General Plant	132,019.58	3,618.67	-	-	-	-	-	-	135,638.25
Electric Hydro Production	433,316.55	-	-	-	-	-	(56,678.38)	-	376,638.17
Electric Other Production	2,644.83	-	-	-	-	-	(21,643.50)	-	(18,998.67)
Electric Steam Production	18,799,865.84	1,598,824.17	-	-	-	-	(430,232.93)	-	19,968,457.08
Electric Transmission	5,876,238.22	192,926.28	-	-	-	-	(3,534.38)	-	6,065,630.12
Gas Distribution	3,219,085.53	161,153.52	-	-	-	-	(1,730.35)	-	3,378,508.70
Gas General Plant	220,201.71	3,335.47	-	-	-	-	-	-	223,537.18
Gas Storage	236,769.87	13,124.00	-	-	-	-	-	-	249,893.87
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	208,728.61	3,653.13	-	-	-	-	-	-	212,381.74
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>45,041,757.93</u>	<u>3,010,401.97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(904,758.33)</u>	<u>-</u>	<u>47,147,401.57</u>
<b>Total Reserves</b>									
Common	(68,347,826.81)	(10,889,557.25)	2,228,265.73	57,791.12	-	114,447.53	(29,830.00)	(64,419.00)	(76,931,128.68)
Electric	(1,647,424,513.80)	(84,407,430.93)	19,335,048.30	(42,696.11)	-	19,381,009.24	(873,197.98)	(208,093.23)	(1,694,239,874.51)
Gas	(223,486,123.70)	(12,178,407.39)	5,167,727.26	(266,306.79)	-	819,157.59	(1,730.35)	-	(229,945,683.38)
	<u>(1,939,258,464.31)</u>	<u>(107,475,395.57)</u>	<u>26,731,041.29</u>	<u>(251,211.78)</u>	<u>-</u>	<u>20,314,614.36</u>	<u>(904,758.33)</u>	<u>(272,512.23)</u>	<u>(2,001,116,686.57)</u>
<b>Retirement Work in Progress</b>									
Common	(9,092,255.82)	-	-	(76,373.17)	(20,198.53)	257,265.10	(41,860.76)	(70,400.00)	(9,043,823.18)
Electric	28,458,992.95	-	-	2,530,352.36	(18,299,718.03)	6,313,928.00	(382,665.64)	(535,471.50)	18,085,418.14
Gas	4,095,496.74	-	-	41,422.73	(817,427.24)	1,424,607.55	(4,201.51)	0.00	4,739,898.27
	<u>23,462,233.87</u>	<u>-</u>	<u>-</u>	<u>2,495,401.92</u>	<u>(19,137,343.80)</u>	<u>7,995,800.65</u>	<u>(428,727.91)</u>	<u>(605,871.50)</u>	<u>13,781,493.23</u>
<b>YTD ACTIVITY</b>	<u>(1,915,796,230.44)</u>	<u>(107,475,395.57)</u>	<u>26,731,041.29</u>	<u>2,244,190.14</u>	<u>(19,137,343.80)</u>	<u>28,310,415.01</u>	<u>(1,333,486.24)</u>	<u>(878,383.73)</u>	<u>(1,987,335,193.34)</u>
<b>Amortization</b>									
Common	(23,433,131.46)	(6,549,248.67)	13,110,855.89	-	-	-	-	-	(16,871,524.24)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(23,434,031.46)</u>	<u>(6,549,248.67)</u>	<u>13,110,855.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,872,424.24)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,939,230,261.90)</u>	<u>(114,024,644.24)</u>	<u>39,841,897.18</u>	<u>2,244,190.14</u>	<u>(19,137,343.80)</u>	<u>28,310,415.01</u>	<u>(1,333,486.24)</u>	<u>(878,383.73)</u>	<u>(2,004,207,617.58)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,004,144,257.22)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,567,298,455.89</u>								<u>2,606,736,711.70</u>

November 20, 2009

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - November 30, 2009**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

## Financial Reports

November 30, 2009

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**November 30, 2009**

<u>Report</u>	<u>Page</u> <u>No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2009**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	60,858,941.17	89,492,289.17	(28,633,348.00)	(32.00)
Gas Operating Revenues.....	23,225,050.49	48,677,050.08	(25,451,999.59)	(52.29)
<b>Total Operating Revenues.....</b>	<b>84,083,991.66</b>	<b>138,169,339.25</b>	<b>(54,085,347.59)</b>	<b>(39.14)</b>
Fuel for Electric Generation.....	23,303,865.58	28,940,173.58	(5,636,308.00)	(19.48)
Power Purchased.....	4,357,891.72	16,519,470.73	(12,161,579.01)	(73.62)
Gas Supply Expenses.....	13,154,317.43	38,694,635.91	(25,540,318.48)	(66.00)
Other Operation Expenses.....	18,549,474.14	16,840,076.29	1,709,397.85	10.15
Maintenance.....	8,519,077.37	5,902,107.96	2,616,969.41	44.34
Depreciation.....	10,923,227.80	10,370,004.78	553,223.02	5.33
Amortization Expense.....	702,905.46	525,701.37	177,204.09	33.71
Regulatory Credits.....	(177,569.10)	(175,758.31)	(1,810.79)	(1.03)
Taxes				
Federal Income.....	(391,195.56)	7,150,721.21	(7,541,916.77)	(105.47)
State Income.....	(505,670.79)	710,893.82	(1,216,564.61)	(171.13)
Deferred Federal Income - Net.....	(9,734,238.85)	-	(9,734,238.85)	(100.00)
Deferred State Income - Net.....	(1,616,944.69)	-	(1,616,944.69)	(100.00)
Property and Other.....	1,164,293.25	1,749,468.91	(585,175.66)	(33.45)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(254,733.00)	(322,576.68)	67,843.68	21.03
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	162,929.36	161,003.70	1,925.66	1.20
<b>Total Operating Expenses.....</b>	<b>68,157,630.12</b>	<b>127,065,923.27</b>	<b>(58,908,293.15)</b>	<b>(46.36)</b>
Net Operating Income.....	15,926,361.54	11,103,415.98	4,822,945.56	43.44
Other Income Less Deductions.....	(12,344,280.14)	(13,316,539.01)	972,258.87	7.30
<b>Income Before Interest Charges.....</b>	<b>3,582,081.40</b>	<b>(2,213,123.03)</b>	<b>5,795,204.43</b>	<b>261.86</b>
Interest on Long-term Debt.....	2,923,988.66	3,182,048.68	(258,060.02)	(8.11)
Amortization of Debt Expense - Net.....	244,148.26	123,277.05	120,871.21	98.05
Other Interest Expenses.....	226,117.20	1,142,248.66	(916,131.46)	(80.20)
<b>Total Interest Charges.....</b>	<b>3,394,254.12</b>	<b>4,447,574.39</b>	<b>(1,053,320.27)</b>	<b>(23.68)</b>
<b>Net Income.....</b>	<b>187,827.28</b>	<b>(6,660,697.42)</b>	<b>6,848,524.70</b>	<b>102.82</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2009**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	838,360,799.82	923,456,735.25	(85,095,935.43)	(9.21)
Gas Operating Revenues.....	314,873,512.40	379,800,346.17	(64,926,833.77)	(17.10)
<b>Total Operating Revenues.....</b>	<b>1,153,234,312.22</b>	<b>1,303,257,081.42</b>	<b>(150,022,769.20)</b>	<b>(11.51)</b>
Fuel for Electric Generation.....	301,502,837.06	310,999,022.75	(9,496,185.69)	(3.05)
Power Purchased.....	52,465,389.95	104,914,860.14	(52,449,470.19)	(49.99)
Gas Supply Expenses.....	216,409,446.99	291,214,808.48	(74,805,361.49)	(25.69)
Other Operation Expenses.....	201,058,251.35	180,685,972.96	20,372,278.39	11.28
Maintenance.....	84,959,575.62	102,001,752.08	(17,042,176.46)	(16.71)
Depreciation.....	118,022,235.96	111,336,188.96	6,686,047.00	6.01
Amortization Expense.....	7,252,154.13	5,352,311.08	1,899,843.05	35.50
Regulatory Credits.....	(2,027,063.70)	(1,890,050.99)	(137,012.71)	(7.25)
Taxes				
Federal Income.....	7,044,751.56	29,646,943.09	(22,602,191.53)	(76.24)
State Income.....	2,639,888.64	1,634,056.76	1,005,831.88	61.55
Deferred Federal Income - Net.....	23,747,995.42	9,715,363.07	14,032,632.35	144.44
Deferred State Income - Net.....	2,044,746.46	1,309,804.01	734,942.45	56.11
Property and Other.....	22,311,205.27	22,465,610.77	(154,405.50)	(0.69)
Investment Tax Credit.....	2,945,908.65	6,167,028.00	(3,221,119.35)	(52.23)
Amortization of Investment Tax Credit.....	(2,802,065.52)	(3,548,343.39)	746,277.87	21.03
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,806,035.75	1,727,753.04	78,282.71	4.53
<b>Total Operating Expenses.....</b>	<b>1,039,315,019.53</b>	<b>1,173,276,825.93</b>	<b>(133,961,806.40)</b>	<b>(11.42)</b>
Net Operating Income.....	113,919,292.69	129,980,255.49	(16,060,962.80)	(12.36)
Other Income Less Deductions.....	10,931,800.92	(13,727,673.13)	24,659,474.05	179.63
<b>Income Before Interest Charges.....</b>	<b>124,851,093.61</b>	<b>116,252,582.36</b>	<b>8,598,511.25</b>	<b>7.40</b>
Interest on Long-term Debt.....	39,882,262.53	40,078,374.17	(196,111.64)	(0.49)
Amortization of Debt Expense - Net.....	1,349,070.71	1,334,702.00	14,368.71	1.08
Other Interest Expenses.....	2,341,980.61	8,049,204.60	(5,707,223.99)	(70.90)
<b>Total Interest Charges.....</b>	<b>43,573,313.85</b>	<b>49,462,280.77</b>	<b>(5,888,966.92)</b>	<b>(11.91)</b>
<b>Net Income.....</b>	<b>81,277,779.76</b>	<b>66,790,301.59</b>	<b>14,487,478.17</b>	<b>21.69</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2009**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	929,858,404.86	1,005,344,808.16	(75,486,403.30)	(7.51)
Gas Operating Revenues.....	393,438,259.31	436,631,309.89	(43,193,050.58)	(9.89)
<b>Total Operating Revenues.....</b>	<b>1,323,296,664.17</b>	<b>1,441,976,118.05</b>	<b>(118,679,453.88)</b>	<b>(8.23)</b>
Fuel for Electric Generation.....	335,040,548.76	338,422,020.48	(3,381,471.72)	(1.00)
Power Purchased.....	65,458,062.15	113,864,814.98	(48,406,752.83)	(42.51)
Gas Supply Expenses.....	278,345,272.49	334,252,701.70	(55,907,429.21)	(16.73)
Other Operation Expenses.....	214,440,067.55	197,847,915.29	16,592,152.26	8.39
Maintenance.....	77,483,668.10	111,133,313.82	(33,649,645.72)	(30.28)
Depreciation.....	128,037,951.15	121,513,562.28	6,524,388.87	5.37
Amortization Expense.....	7,780,244.79	5,823,284.85	1,956,959.94	33.61
Regulatory Credits.....	(2,203,624.96)	(2,053,077.94)	(150,547.02)	(7.33)
Taxes				
Federal Income.....	17,441,218.15	25,987,836.48	(8,546,618.33)	(32.89)
State Income.....	5,288,256.27	780,546.03	4,507,710.24	577.51
Deferred Federal Income - Net.....	11,767,516.04	16,562,850.08	(4,795,334.04)	(28.95)
Deferred State Income - Net.....	(1,758,553.19)	2,102,217.53	(3,860,770.72)	(183.65)
Property and Other.....	23,802,666.85	23,128,670.81	673,996.04	2.91
Investment Tax Credit.....	4,899,908.65	6,367,028.00	(1,467,119.35)	(23.04)
Amortization of Investment Tax Credit.....	(3,124,642.20)	(3,871,360.48)	746,718.28	19.29
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,967,842.38	1,876,094.17	91,748.21	4.89
<b>Total Operating Expenses.....</b>	<b>1,164,600,128.92</b>	<b>1,293,282,163.20</b>	<b>(128,682,034.28)</b>	<b>(9.95)</b>
Net Operating Income.....	158,696,535.25	148,693,954.85	10,002,580.40	6.73
Other Income Less Deductions.....	(6,559,286.09)	(14,281,390.71)	7,722,104.62	54.07
<b>Income Before Interest Charges.....</b>	<b>152,137,249.16</b>	<b>134,412,564.14</b>	<b>17,724,685.02</b>	<b>13.19</b>
Interest on Long-term Debt.....	42,914,259.79	44,016,744.04	(1,102,484.25)	(2.50)
Amortization of Debt Expense - Net.....	1,599,994.98	1,455,589.43	144,405.55	9.92
Other Interest Expenses.....	2,935,235.23	8,530,696.42	(5,595,461.19)	(65.59)
<b>Total Interest Charges.....</b>	<b>47,449,490.00</b>	<b>54,003,029.89</b>	<b>(6,553,539.89)</b>	<b>(12.14)</b>
<b>Net Income.....</b>	<b>104,687,759.16</b>	<b>80,409,534.25</b>	<b>24,278,224.91</b>	<b>30.19</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**November 30, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	741,251,623.67	723,412,389.21	740,161,671.19	689,961,390.20	716,751,691.79	676,342,157.54
Add:						
Net Income for Period.....	187,827.28	(6,660,697.42)	81,277,779.76	66,790,301.59	104,687,759.16	80,409,534.25
FIN 48 Adjustment.....	-	-	-	-	-	-
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	80,000,000.00	40,000,000.00	80,000,000.00	40,000,000.00
Balance at End of Period.....	741,439,450.95	716,751,691.79	741,439,450.95	716,751,691.79	741,439,450.95	716,751,691.79

December 18, 2009

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of November 30, 2009 and 2008**

Assets and Other Debits	<u>This Year</u>	<u>Last Year</u>	Liabilities and Other Credits	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Capitalization</b>		
Utility Plant at Original Cost.....	4,623,997,864.20	4,498,705,061.62	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,012,878,228.64</u>	<u>1,956,022,390.37</u>	Common Stock Expense.....	(835,888.64)	(835,888.64)
Total.....	<u>2,611,119,635.56</u>	<u>2,542,682,671.25</u>	Paid-In Capital.....	83,581,499.00	60,000,000.00
			Other Comprehensive Income.....	(12,433,496.29)	(14,359,141.35)
			Retained Earnings.....	<u>741,439,450.95</u>	<u>716,751,691.79</u>
<b>Investments</b>			Total Common Equity.....	<u>1,236,921,989.11</u>	<u>1,186,727,085.89</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Pollution Control Bonds - Net of Reacquired Bonds	411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>485,000,000.00</u>
Special Funds.....	16,661,201.56	13,531,009.85	Total Long-term Debt.....	896,104,000.00	896,104,000.00
Other.....	<u>-</u>	<u>14,921,226.00</u>	Total Capitalization.....	<u>2,133,025,989.11</u>	<u>2,082,831,085.89</u>
Total.....	<u>17,267,366.76</u>	<u>29,058,401.05</u>			
			<b>Current and Accrued Liabilities</b>		
<b>Current and Accrued Assets</b>			ST Notes Payable to Associated Companies.....	160,411,400.00	243,622,200.00
Cash.....	3,766,569.68	5,694,580.75	Accounts Payable.....	74,571,171.84	87,743,857.98
Special Deposits.....	778,989.55	4,276,664.75	Accounts Payable to Associated Companies.....	18,869,278.24	26,724,864.25
Temporary Cash Investments.....	119.71	26.98	Customer Deposits.....	23,175,598.63	21,887,246.53
Accounts Receivable-Less Reserve.....	106,761,568.65	184,202,979.17	Taxes Accrued.....	12,395,294.65	12,063,876.82
Accounts Receivable from Associated Companies....	3,318,245.27	60,540.90	Interest Accrued.....	4,613,629.73	3,227,775.26
Materials and Supplies-At Average Cost			ST Obligations Under Capital Leases.....	-	70,949.28
Fuel.....	62,928,336.07	44,394,019.79	Miscellaneous Current and Accrued Liabilities.....	<u>19,625,486.56</u>	<u>13,522,324.79</u>
Plant Materials and Operating Supplies.....	29,205,689.44	28,034,489.27	Total.....	<u>313,661,859.65</u>	<u>408,863,094.91</u>
Stores Expense.....	4,136,014.82	4,247,441.02			
Gas Stored Underground.....	66,482,793.42	135,160,650.52	<b>Deferred Credits and Other</b>		
Allowance Inventory.....	4,261.39	9,652.72	Accumulated Deferred Income Taxes.....	440,161,751.70	402,121,254.65
Prepayments.....	6,791,031.01	6,233,974.06	Investment Tax Credit.....	50,492,913.26	48,717,646.81
Miscellaneous Current and Accrued Assets.....	<u>3,033,244.64</u>	<u>426,804.83</u>	Regulatory Liabilities.....	89,481,783.77	56,879,288.25
Total.....	<u>287,206,863.65</u>	<u>412,741,824.76</u>	Customer Advances for Construction.....	9,345,811.73	11,554,956.42
			Asset Retirement Obligations.....	32,879,884.77	32,589,453.15
<b>Deferred Debits and Other</b>			Other Deferred Credits.....	42,911,406.08	52,620,366.44
Unamortized Debt Expense.....	3,869,617.26	4,029,650.74	Miscellaneous Long-term Liabilities.....	43,255,407.38	60,330,691.47
Unamortized Loss on Bonds.....	23,220,062.90	24,304,698.45	Accum Provision for Postretirement Benefits.....	<u>213,279,695.32</u>	<u>91,479,179.64</u>
Accumulated Deferred Income Taxes.....	59,791,755.13	41,960,252.75	Total.....	<u>921,808,654.01</u>	<u>756,292,836.83</u>
Deferred Regulatory Assets.....	364,900,165.30	153,426,121.22			
Other Deferred Debits.....	<u>1,121,036.21</u>	<u>39,783,397.41</u>	Total Liabilities and Other Credits.....	<u>3,368,496,502.77</u>	<u>3,247,987,017.63</u>
Total.....	<u>452,902,636.80</u>	<u>263,504,120.57</u>			
Total Assets and Other Debits.....	<u>3,368,496,502.77</u>	<u>3,247,987,017.63</u>			

December 18, 2009

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-term Debt**  
**November 30, 2009**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Common Equity</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Common Stock Expense.....			(835,888.64)		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(12,433,496.29)		
Retained Earnings.....			741,439,450.95		
<b>Total Common Equity.....</b>			<b>1,236,921,989.11</b>	<b>53.93</b>	<b>57.99</b>
<b>Long-term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
<b>Total Pollution Control Bonds.....</b>			<b>574,304,000.00</b>	<b>25.04</b>	<b>26.92</b>
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			<b>(163,200,000.00)</b>	<b>(7.12)</b>	<b>(7.65)</b>
<b>Total Pollution Control Bonds - Net of Reacquired Bonds.....</b>			<b>411,104,000.00</b>	<b>17.92</b>	<b>19.27</b>
<b>Long-term Notes Payable to Associated Companies.....</b>			<b>485,000,000.00</b>	<b>21.15</b>	<b>22.74</b>
<b>Total Capitalization.....</b>			<b>2,133,025,989.11</b>	<b>93.00</b>	<b>100.00</b>
<b>Short-term Notes Payable to Associated Companies.....</b>			<b>160,411,400.00</b>	<b>7.00</b>	
<b>Total Capitalization and Short-term Debt.....</b>			<b>2,293,437,389.11</b>	<b>100.00</b>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,623,997,864.20	4,623,997,864.20
Reserves for Depreciation and Amortization.....		(2,012,878,228.64)
Depreciation of Plant		
Electric.....	(1,683,856,349.04)	
Gas.....	(224,399,712.25)	
Common.....	(87,046,837.65)	
Amortization of Plant		
Common.....	(17,574,429.70)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		17,267,366.76
Special Funds.....	16,661,201.56	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	75,239.56	
Nonutility Property Reserve.....	(63,360.36)	
Cash.....	3,766,569.68	3,766,569.68
Special Deposits.....		778,989.55
Other Special Deposits.....	778,989.55	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		106,761,568.65
Customers - Active.....	49,242,746.09	
Unbilled Revenues.....	45,512,300.20	
IMPA.....	3,959,710.15	
IMEA.....	3,810,743.64	
Sundry Accounts Receivable.....	2,408,030.95	
Wholesale Sales.....	1,424,462.91	
Electricity Swaps.....	653,788.25	
Damage Claims.....	572,091.82	
Transmission Sales.....	339,901.80	
Margin Cash Collateral.....	140,632.22	
Employee Computer Loans.....	58,899.60	
Rents Receivable.....	37,918.88	
Working Funds.....	20,630.00	
Interest and Dividends Receivable.....	10,526.08	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	5,135,710.61	
A/R Miscellaneous.....	(839,750.00)	
Reserve.....	(972,270.00)	
Recoveries.....	(1,335,393.19)	
Accrual.....	(3,799,951.42)	
Other.....	380,840.06	
Accounts Receivable from Associated Companies.....		3,318,245.27
E.ON US Services/Kentucky Utilities Company.....	3,318,245.27	
Fuel.....		62,928,336.07
Coal 1,518,079.87 Tons @ \$41.20; MMBtu 34,581,442.37 @ 180.86¢.....	62,543,028.56	
Fuel Oil 188,292.00 Gallons @ 179.87¢.....	338,686.37	
Gas Pipeline 5,000.00 Mcf @ \$9.32.....	46,621.14	
Plant Materials and Operating Supplies.....		29,205,689.44
Regular Materials and Supplies.....	28,835,254.01	
Limestone 43,092.91 Tons @ \$8.60.....	370,435.42	
Other Reagents.....	0.01	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2009**

Account - Subsidiary Account	Balance Subsidiary Account	Balance as Shown on Balance Sheets
Stores Expense Undistributed.....	4,136,014.82	4,136,014.82
Gas Stored Underground - Current.....		66,482,793.42
Gas St. Underground* 13,653,977 Mcf (14.73 psia) @ \$ 4.87.....	66,482,793.42	
Allowance Inventory.....	4,261.39	4,261.39
Prepayments.....		6,791,031.01
Insurance.....	3,762,490.99	
Taxes.....	1,131,727.96	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	21,347.23	
Other.....	1,532,131.46	
Miscellaneous Current Assets.....		3,033,244.64
Derivative Asset - Non-Hedging.....	3,033,244.64	
Unamortized Debt Expense.....		3,869,617.26
Trimble County 2000 Series A due 08/01/30 Var%.....	799,931.41	
Jefferson County 2001 Series A due 09/01/26 Var%.....	166,223.16	
Jefferson County 2001 Series A due 09/01/27 Var%.....	361,946.02	
Trimble County 2001 Series A due 09/01/26 Var%.....	180,732.33	
Jefferson County 2001 Series B due 11/01/27 Var%.....	196,998.21	
Trimble County 2001 Series B due 11/01/27 Var%.....	197,030.52	
Trimble County 2002 Series A due 10/01/32 Var%.....	849,867.95	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,116,887.66	
Unamortized Loss on Bonds.....	23,220,062.90	23,220,062.90
Accumulated Deferred Income Taxes.....		59,791,755.13
Federal		
Electric.....	45,095,813.89	
Gas.....	5,401,895.33	
Common.....	240,879.92	
State		
Electric.....	8,066,075.11	
Gas.....	985,148.08	
Common.....	1,942.80	
Regulatory Assets.....		364,900,165.30
Pension and Postretirement Benefits.....	249,597,539.00	
2009 Winter Storm.....	43,838,391.09	
2008 Wind Storm.....	23,540,332.79	
Asset Retirement Obligations		
Electric.....	21,304,461.94	
Gas.....	8,090,415.55	
Common.....	26,151.40	
Environmental Cost Recovery.....	7,445,746.00	
MISO Exit Fee.....	5,781,823.42	
Gas Supply Clause/PBR.....	2,183,857.74	
ECR Ash Hauling.....	857,355.82	
KCCS Funding.....	769,220.61	
Rate Case Expenses.....	744,187.14	
EKPC FERC Transmission Costs.....	720,682.80	
Deferred Taxes - FAS 109		
Other Deferred Debits.....	1,121,036.21	1,121,036.21
Total Assets and Other Debits.....	<u>3,368,496,502.77</u>	<u>3,368,496,502.77</u>

* Excludes:	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Common Equity.....		1,236,921,989.11
Common Stock.....	425,170,424.09	
Common Stock Expense.....	(835,888.64)	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(12,433,496.29)	
Retained Earnings.....	741,439,450.95	
Bonds.....	411,104,000.00	411,104,000.00
Long-term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-term Notes Payable to Associated Companies.....	160,411,400.00	160,411,400.00
Accounts Payable.....		74,571,171.84
Regular.....	71,237,868.06	
Salaries and Wages Accrued.....	3,357,791.18	
Employee Withholdings Payable.....	(24,487.40)	
Accounts Payable to Associated Companies.....		18,869,278.24
E.ON US Services/Kentucky Utilities Company.....	14,747,527.69	
Fidelia.....	4,121,750.55	
Customers' Deposits.....	23,175,598.63	23,175,598.63
Taxes Accrued.....	12,395,294.65	12,395,294.65
Interest Accrued.....		4,613,629.73
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.26	
Trimble County 2000 Series A due 08/01/30 Var%.....	3,333.41	
Jefferson County 2001 Series A due 09/01/26 Var%.....	62,075.37	
Jefferson County 2001 Series A due 09/01/27 Var%.....	471.62	
Trimble County 2001 Series A due 09/01/26 Var%.....	29,157.51	
Jefferson County 2001 Series B due 11/01/27 Var%.....	52,739.70	
Trimble County 2001 Series B due 11/01/27 Var%.....	52,739.99	
Trimble County 2002 Series A due 10/01/32 Var%.....	1,554.72	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	(0.01)	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	760,277.88	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	871,875.05	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,380,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	0.02	
Interest Rate Swaps.....	630,902.21	
Customers' Deposits.....	543,464.31	
Other.....	113,058.69	
Miscellaneous Current and Accrued Liabilities.....		19,625,486.56
Vacation Pay Accrued.....	5,312,110.28	
Customer Overpayments.....	4,527,033.29	
Postretirement Benefits - Current.....	3,411,968.00	
No-Notice Gas Payable.....	2,833,243.17	
Service Deposit Refund Payable.....	2,440,298.86	
Tax Collections Payable.....	774,200.12	
Derivative Liabilities - Non-Hedging.....	99,644.07	
Other.....	226,988.77	

December 18, 2009



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		440,161,751.70
Federal		
Electric.....	328,545,442.04	
Gas.....	50,506,934.77	
Common.....	240,879.92	
State		
Electric.....	53,843,155.50	
Gas.....	7,023,396.67	
Common.....	1,942.80	
Investment Tax Credit.....		50,492,913.26
Investment Tax Credit (prior law)		
Job Development Credit		
Electric.....	26,597,370.80	
Gas.....	848,979.81	
Advanced Coal Credit.....	23,046,562.65	
Regulatory Liabilities.....		89,481,783.77
Deferred Taxes		
Federal		
Electric.....	20,759,888.60	
Gas.....	1,445,283.15	
State		
Electric.....	16,631,382.22	
Gas.....	2,538,333.79	
Gas Supply Clause/PBR.....	34,564,345.60	
DSM Cost Recovery.....	6,049,989.42	
Asset Retirement Obligations		
Gas.....	2,356,452.41	
Electric.....	709,556.29	
MISO Schedule 10 Charges.....	3,076,552.29	
Fuel Adjustment Clause.....	1,350,000.00	
Customers' Advances for Construction.....		9,345,811.73
Line Extensions		
Gas.....	7,483,785.29	
Electric.....	1,093,762.85	
Customer Advances - Museum Plaza.....	768,263.59	
Asset Retirement Obligations		32,879,884.77
Electric.....	24,630,971.10	
Gas.....	8,220,258.19	
Common.....	28,655.48	
Other Deferred Credits.....	42,911,406.08	42,911,406.08
Miscellaneous Long-term Liabilities.....		43,255,407.38
Long-term Derivative Liabilities - SFAS 133.....	37,908,298.96	
Workers' Compensation.....	5,347,108.42	
Accumulated Provision for Benefits.....		213,279,695.32
Pension Payable.....	135,235,667.00	
Postretirement Benefits - SFAS 106.....	74,468,296.32	
Post Employment Benefits Payable.....	3,747,857.00	
Post Employment Medicare Subsidy.....	(172,125.00)	
Total Liabilities and Other Credits.....	<u>3,368,496,502.77</u>	<u>3,368,496,502.77</u>

December 18, 2009

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**November 30, 2009**

	Year to Date	
	2009	2008
<b>Cash Flows from Operating Activities</b>		
Net income.....	81,277,779.76	66,790,301.59
Items not requiring (providing) cash currently:		
Depreciation.....	118,022,235.96	111,336,188.96
Amortization.....	7,252,154.13	5,352,311.08
Deferred income taxes - net.....	25,792,741.88	11,025,167.08
Investment tax credit - net.....	143,843.13	2,618,684.61
Other.....	15,696,282.08	13,127,910.14
Change in receivables.....	94,077,674.10	11,832,573.00
Change in inventory.....	32,129,382.69	(53,730,549.87)
Change in allowance inventory.....	1,698.82	1,806.75
Change in payables and accrued expenses.....	(49,127,416.96)	(32,885,767.01)
Change in regulatory assets.....	(47,660,488.47)	(2,404,071.94)
Change in regulatory liabilities.....	33,215,552.61	1,763,750.63
Change in other deferred debits.....	40,379,677.55	(6,170,582.77)
Change in other deferred credits.....	(740,610.37)	33,251,049.03
Other.....	(47,161,318.92)	(27,678,499.26)
Gain on disposal of assets.....	(2,510,531.16)	(8,757,464.56)
Net cash provided (used) by operating activities.....	<u>300,788,656.83</u>	<u>125,472,807.46</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(148,072,301.53)	(170,768,387.28)
Gross additions to common utility plant - construction expenditures.....	(12,527,151.43)	(31,838,107.64)
Change in restricted cash.....	-	(1,513,007.07)
Change in non-hedging derivatives.....	(1,526,397.22)	34,715,026.61
Proceeds received from sales of property.....	2,565,220.92	9,125,684.50
Net cash provided (used) by investing activities.....	<u>(159,560,629.26)</u>	<u>(160,278,790.88)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(212,483.55)	74,329,309.68
Net change in short-term debt.....	(61,587,800.00)	165,381,000.00
Payments for reacquisition of long-term debt.....	-	(259,200,000.00)
Retirement of reacquired long-term debt.....	-	96,000,000.00
Net change in short-term capital lease obligations.....	(23,650.00)	(334,488.41)
Net change in long-term capital lease obligations.....	-	(23,649.00)
Contributed capital.....	51,107.00	-
Dividends on common stock.....	(80,000,000.00)	(40,000,000.00)
Net cash provided (used) by financing activities.....	<u>(141,772,826.55)</u>	<u>36,152,172.27</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(544,798.98)	1,346,188.85
Cash and Cash Equivalents at Beginning of Period.....	<u>4,311,488.37</u>	<u>4,348,418.88</u>
Cash and Cash Equivalents at End of Period.....	<u><u>3,766,689.39</u></u>	<u><u>5,694,607.73</u></u>

December 18, 2009

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**November 30, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	22,397.90	1,231,770.87	562,068.02	1,343,750.04	644,012.45
Trimble County 2000 Series A due 08/01/30 Var%.....	17,778.12	111,678.16	277,922.22	2,561,164.68	318,895.26	2,858,624.34
Jefferson County 2001 Series A due 09/01/26 Var%.....	17,568.49	35,225.69	226,810.66	488,051.07	264,011.01	550,671.75
Jefferson County 2001 Series A due 09/01/27 Var%.....	1,891.70	9,711.92	36,842.19	282,118.29	43,331.20	317,650.70
Trimble County 2001 Series A due 09/01/26 Var%.....	20,342.46	43,053.62	276,308.92	596,506.81	321,776.02	673,043.19
Jefferson County 2001 Series B due 11/01/27 Var%.....	28,767.12	50,254.04	345,526.93	770,094.19	397,466.27	868,135.84
Trimble County 2001 Series B due 11/01/27 Var%.....	28,767.11	50,254.04	345,526.91	770,094.19	397,466.25	868,020.78
Trimble County 2002 Series A due 10/01/32 Var%.....	8,595.56	76,454.14	169,163.36	1,409,422.26	210,960.41	1,563,240.31
Louisville Metro 2003 Series A due 10/01/33 Var%.....	(688,312.42)	-	-	3,567,377.73	(688,312.42)	4,006,488.84
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	38,333.34	2,108,333.36	533,844.45	2,300,000.03	659,011.12
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	29,062.52	1,598,437.50	525,861.72	1,743,750.00	631,098.11
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	(0.03)	568,520.74	(0.03)	690,038.96
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,530,000.02	2,540,603.33	2,760,000.02	2,747,603.33
Interest Rate Swaps.....	589,482.19	454,473.31	6,313,969.50	4,249,746.75	6,859,365.61	4,394,825.16
Notes/Debentures.....	-	-	-	-	-	70,604.22
Fidelia.....	2,220,149.99	2,031,150.00	24,421,650.12	20,652,899.94	26,641,800.12	22,473,674.94
<b>Total.....</b>	<b>2,923,988.66</b>	<b>3,182,048.68</b>	<b>39,882,262.53</b>	<b>40,078,374.17</b>	<b>42,914,259.79</b>	<b>44,016,744.04</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.07	15,412.77	170,345.96	264,241.26	185,758.73	298,427.34
Amortization of Loss on Recquired Debt.....	228,630.19	107,864.28	1,178,724.75	1,070,460.74	1,414,236.25	1,157,162.09
<b>Total.....</b>	<b>244,148.26</b>	<b>123,277.05</b>	<b>1,349,070.71</b>	<b>1,334,702.00</b>	<b>1,599,994.98</b>	<b>1,455,589.43</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	97,000.00	93,869.40	991,437.00	981,947.72	1,088,884.22	1,067,631.62
Other Tax Deficiencies.....	-	-	(12,853.00)	(3,223.00)	(11,740.00)	(5,004.00)
Gas Refunds.....	-	-	-	-	-	-
Interest on DSM Cost Recovery.....	3,217.24	37,081.56	126,164.59	37,081.56	130,762.12	37,081.56
Interest on Debt to Associated Companies.....	93,553.33	794,500.28	646,602.26	5,944,647.06	933,031.53	6,342,235.98
Other Interest Expense.....	32,346.63	216,797.42	590,629.76	1,088,751.26	794,297.36	1,088,751.26
<b>Total.....</b>	<b>226,117.20</b>	<b>1,142,248.66</b>	<b>2,341,980.61</b>	<b>8,049,204.60</b>	<b>2,935,235.23</b>	<b>8,530,696.42</b>
<b>Total Interest.....</b>	<b>3,394,254.12</b>	<b>4,447,574.39</b>	<b>43,573,313.85</b>	<b>49,462,280.77</b>	<b>47,449,490.00</b>	<b>54,003,029.89</b>

December 18, 2009

**Louisville Gas and Electric Company**  
**Analysis of Taxes Applicable to Other Income and Deductions**  
**November 30, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Income Taxes</b>						
<b>Federal</b>						
IMEA/IMPA Fees .....	-	-	-	125,854.02	-	267,424.37
Gain/(Loss) on Disposition of Property - Current .....	-	-	-	-	-	(1,974.00)
Other.....	400,777.85	(991,742.89)	2,504,454.44	(1,550,119.28)	1,322,004.73	(1,684,708.59)
Other - Estimated.....	(227,397.78)	(7,271,150.59)	(227,397.78)	(7,103,083.34)	6,875,685.56	(7,044,442.74)
Deferred - Net.....	9,682,159.15	-	3,455,820.49	(202,293.15)	3,573,130.77	162,038.15
<b>Total.....</b>	<b>9,855,539.22</b>	<b>(8,262,893.48)</b>	<b>5,732,877.15</b>	<b>(8,729,641.75)</b>	<b>11,770,821.06</b>	<b>(8,301,662.81)</b>
<b>State</b>						
IMEA/IMPA Fees.....	-	-	-	22,952.10	-	48,770.40
Gain/(Loss) on Disposition of Property - Current .....	-	-	-	-	-	(360.00)
Other.....	73,090.18	(180,864.97)	456,739.39	(282,671.96)	237,122.38	(312,201.08)
Other - Estimated.....	(41,470.72)	(1,384,981.05)	(41,470.72)	(1,352,968.25)	1,311,497.53	(1,341,798.60)
Deferred - Net.....	1,765,743.82	-	630,311.03	(36,962.58)	651,705.00	29,480.82
<b>Total.....</b>	<b>1,797,363.28</b>	<b>(1,565,846.02)</b>	<b>1,045,579.70</b>	<b>(1,649,650.69)</b>	<b>2,200,324.91</b>	<b>(1,576,108.46)</b>
<b>Total Income Taxes.....</b>	<b>11,652,902.50</b>	<b>(9,828,739.50)</b>	<b>6,778,456.85</b>	<b>(10,379,292.44)</b>	<b>13,971,145.97</b>	<b>(9,877,771.27)</b>
<b>Other Taxes</b>						
Other.....	199.00	165.00	2,189.00	1,815.00	2,189.00	1,807.00
<b>Total.....</b>	<b>199.00</b>	<b>165.00</b>	<b>2,189.00</b>	<b>1,815.00</b>	<b>2,189.00</b>	<b>1,807.00</b>
<b>Total Taxes.....</b>	<b>11,653,101.50</b>	<b>(9,828,574.50)</b>	<b>6,780,645.85</b>	<b>(10,377,477.44)</b>	<b>13,973,334.97</b>	<b>(9,875,964.27)</b>

December 18, 2009

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**November 30, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant in Service</b>						
<b>Common</b>						
Common General Plant	156,628,323.83	8,459,958.33	(2,221,637.85)	(6,627.88)	6,231,692.60	162,860,016.43
Common Intangible Plant	30,504,727.59	43,160,641.05	(13,110,855.89)	-	30,049,785.16	60,554,512.75
	<u>187,133,051.42</u>	<u>51,620,599.38</u>	<u>(15,332,493.74)</u>	<u>(6,627.88)</u>	<u>36,281,477.76</u>	<u>223,414,529.18</u>
<b>Electric</b>						
Electric Distribution	768,525,773.32	85,186,275.90	(5,257,650.64)	2,523,041.22	82,451,666.48	850,977,439.80
Electric General Plant	16,739,305.40	305,867.48	(211,885.52)	(34.23)	93,947.73	16,833,253.13
Electric Hydro Production	40,692,754.42	144,671.53	(1,371.95)	743,189.41	886,488.99	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	226,677,788.60	6,117,018.01	(4,926,623.06)	3,381,620.44	4,572,015.39	231,249,803.99
Electric Steam Production	1,957,945,552.56	28,229,314.31	(8,282,473.13)	15,422,227.79	35,369,068.97	1,993,314,621.53
Electric Transmission	256,087,174.79	5,886,749.38	(771,719.81)	(19,241,182.74)	(14,126,153.17)	241,961,021.62
	<u>3,266,670,689.38</u>	<u>125,869,896.61</u>	<u>(19,451,724.11)</u>	<u>2,828,861.89</u>	<u>109,247,034.39</u>	<u>3,375,917,723.77</u>
<b>Gas</b>						
Gas Distribution	473,727,554.77	24,734,551.01	(4,042,993.02)	-	20,691,557.99	494,419,112.76
Gas General Plant	9,038,472.86	182,720.97	(206,196.86)	-	(23,475.89)	9,014,996.97
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	62,441,928.04	4,408,402.72	(2,756,233.82)	-	1,652,168.90	64,094,096.94
Gas Transmission	12,901,908.09	761,957.99	(5,662.32)	-	756,295.67	13,658,203.76
	<u>558,111,051.25</u>	<u>30,087,632.69</u>	<u>(7,011,086.02)</u>	<u>-</u>	<u>23,076,546.67</u>	<u>581,187,597.92</u>
<b>Total 101 Accounts</b>	<u>4,011,914,792.05</u>	<u>207,578,128.68</u>	<u>(41,795,303.87)</u>	<u>2,822,234.01</u>	<u>168,605,058.82</u>	<u>4,180,519,850.87</u>
<b>101 Property Under Capital Leases</b>						
<b>Electric</b> Capital Leased Property						
Electric Steam Production	2,876,958.00	-	-	(2,876,958.00)	(2,876,958.00)	-
	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>Total 101101</b>	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>105 Plant Held for Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company  
Summary of Utility Plant  
November 30, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant	1,922,810.85	(1,267,697.74)	-	-	(1,267,697.74)	655,113.11
Common Intangible Plant	1,374,736.40	546,740.50	-	-	546,740.50	1,921,476.90
	<u>3,297,547.25</u>	<u>(720,957.24)</u>	-	-	<u>(720,957.24)</u>	<u>2,576,590.01</u>
<b>Electric</b>						
Electric Distribution	53,528,201.00	(13,009,994.20)	-	14,454.62	(12,995,539.58)	40,532,661.42
Electric General Plant	121,321.11	(121,321.11)	-	-	(121,321.11)	-
Electric Hydro Production	56,785.36	(39,833.10)	-	-	(39,833.10)	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	123,654.81	(123,654.81)	-	-	(123,654.81)	-
Electric Steam Production	13,060,279.51	(3,824,616.67)	-	-	(3,824,616.67)	9,235,662.84
Electric Transmission	1,573,129.06	(545,633.96)	-	(14,454.62)	(560,088.58)	1,013,040.48
	<u>68,463,370.85</u>	<u>(17,665,053.85)</u>	-	-	<u>(17,665,053.85)</u>	<u>50,798,317.00</u>
<b>Gas</b>						
Gas Distribution	37,599,096.45	10,089,103.59	-	-	10,089,103.59	47,688,200.04
Gas General Plant	-	181,990.95	-	-	181,990.95	181,990.95
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	1,318,828.23	2,813,752.66	-	-	2,813,752.66	4,132,580.89
Gas Transmission	-	1,250,818.32	-	-	1,250,818.32	1,250,818.32
	<u>38,917,924.68</u>	<u>14,335,665.52</u>	-	-	<u>14,335,665.52</u>	<u>53,253,590.20</u>
<b>Total 106 Accounts</b>	<u>110,678,842.78</u>	<u>(4,050,345.57)</u>	-	-	<u>(4,050,345.57)</u>	<u>106,628,497.21</u>
<b>117 Gas Stored Underground - Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Nonutility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>107 Construction Work in Progress</b>						
<b>Construction Work in Progress</b>						
Common	51,677,042.23	(38,372,490.71)	-	-	(38,372,490.71)	13,304,551.52
Electric	269,074,514.63	18,543,019.27	-	-	18,543,019.27	287,617,533.90
Gas	53,271,643.56	(24,315,777.04)	-	-	(24,315,777.04)	28,955,866.52
	<u>374,023,200.42</u>	<u>(44,145,248.48)</u>	-	-	<u>(44,145,248.48)</u>	<u>329,877,951.94</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,132,517,396.57</u>	<u>203,527,783.11</u>	<u>(41,795,303.87)</u>	<u>(54,723.99)</u>	<u>161,677,755.25</u>	<u>4,294,195,151.82</u>
<b>Total Plant + CWIP</b>	<u>4,506,540,596.99</u>	<u>159,382,534.63</u>	<u>(41,795,303.87)</u>	<u>(54,723.99)</u>	<u>117,532,506.77</u>	<u>4,624,073,103.76</u>
<b>Total Plant + CWIP - Nonutility (BS)</b>	<u>4,506,465,357.43</u>	<u>159,382,534.63</u>	<u>(41,795,303.87)</u>	<u>(54,723.99)</u>	<u>117,532,506.77</u>	<u>4,623,997,864.20</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(68,115,611.49)	(11,811,089.54)	2,221,637.85	-	-	-	-	-	(77,705,063.18)
Common General Plant - ARO	(1,199.60)	(31.46)	-	-	-	-	-	-	(1,231.06)
Electric Distribution	(255,961,891.88)	(14,642,877.30)	5,257,650.64	(483,635.98)	-	-	-	(65,656.10)	(265,896,410.62)
Electric Distribution - ARO	(12,796.60)	(335.61)	-	-	-	-	-	-	(13,132.21)
Electric General Plant	(13,702,714.67)	(599,983.87)	211,885.52	-	-	-	-	-	(14,090,813.02)
Electric Hydro Production	(8,147,012.81)	(520,720.83)	1,371.95	(450,445.28)	-	-	-	-	(9,116,806.97)
Electric Hydro Production - ARO	(17,314.16)	(454.74)	-	-	-	-	-	-	(17,768.90)
Electric Other Production	(48,776,531.63)	(7,379,542.80)	4,847,716.34	(386,081.21)	-	-	-	-	(51,694,439.30)
Electric Other Production - ARO	(118,219.64)	(49,798.51)	78,906.72	-	-	-	-	-	(89,111.43)
Electric Steam Production	(980,719,365.60)	(48,740,345.21)	8,269,463.20	(6,122,148.92)	-	-	-	(50,723.33)	(1,027,363,119.86)
Electric Steam Production - ARO	(2,382,766.82)	(157,649.88)	13,009.93	(2,407.93)	-	-	-	-	(2,529,814.70)
Electric Transmission	(120,367,314.51)	(3,539,640.43)	771,719.81	7,442,311.39	-	-	-	(89,019.02)	(115,781,942.76)
Electric Transmission - ARO	(3,029.54)	(43.96)	-	2,407.93	-	-	-	-	(665.57)
Gas Distribution	(115,555,571.04)	(9,316,560.92)	4,042,993.02	-	-	-	-	-	(120,829,138.94)
Gas Distribution - ARO	(20,060.41)	(293.37)	-	-	-	-	-	-	(20,353.78)
Gas General Plant	(6,241,137.60)	(432,602.77)	206,196.86	-	-	-	-	-	(6,467,543.51)
Gas Storage	(34,022,860.14)	(859,013.85)	2,736,094.19	-	-	-	-	-	(32,145,779.80)
Gas Storage - ARO	(409,284.68)	(12,420.40)	20,139.63	-	-	-	-	-	(401,565.45)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,358,516.52)	(46,013.89)	5,662.32	-	-	-	-	-	(9,398,868.09)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,663,996,559.70)</u>	<u>(98,109,419.34)</u>	<u>28,684,447.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(205,398.45)</u>	<u>(1,733,626,929.51)</u>
<b>Cost of Removal</b>									
Common General Plant	(469,247.42)	(231,038.31)	-	-	-	114,447.53	-	-	(585,838.20)
Electric Distribution	(157,755,648.48)	(5,751,557.70)	-	(793.80)	-	14,536,957.08	-	-	(148,971,042.90)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	814,671.45	(34,888.83)	-	(823.08)	-	3,619.91	-	-	782,579.45
Electric Other Production	(2,039,438.56)	(290,757.44)	-	(705.46)	-	202,327.93	-	-	(2,128,573.53)
Electric Steam Production	(75,412,706.30)	(13,291,259.13)	-	(3,135.35)	-	3,751,463.01	-	-	(84,955,637.77)
Electric Transmission	(23,681,680.84)	(1,079,140.15)	-	5,457.69	-	1,131,578.16	-	-	(23,623,785.14)
Gas Distribution	(58,299,094.86)	(2,834,131.58)	-	-	-	229,259.62	-	-	(60,903,966.82)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(403,035.01)	(101,871.53)	-	-	-	266,846.55	-	-	(238,059.99)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,061,349.14)	(18,329.62)	-	-	-	56,744.63	-	-	(3,022,934.13)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(320,303,662.54)</u>	<u>(23,632,974.29)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,293,244.42</u>	<u>-</u>	<u>-</u>	<u>(323,643,392.41)</u>

December 18, 2009

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	301,592.06	5,941.34	-	-	-	-	(29,830.00)	-	277,703.40
Electric Distribution	15,611,295.13	1,134,994.60	-	-	-	-	(361,108.79)	-	16,385,180.94
Electric General Plant	132,019.58	3,806.72	-	-	-	-	-	-	135,826.30
Electric Hydro Production	433,316.55	-	-	-	-	-	(56,678.38)	-	376,638.17
Electric Other Production	2,644.83	-	-	-	-	-	(21,643.50)	-	(18,998.67)
Electric Steam Production	18,799,865.84	1,752,270.20	-	-	-	-	(430,232.93)	-	20,121,903.11
Electric Transmission	5,876,238.22	211,675.00	-	-	-	-	(3,534.38)	-	6,084,378.84
Gas Distribution	3,219,085.53	177,388.84	-	-	-	-	(1,730.35)	-	3,394,744.02
Gas General Plant	220,201.71	3,493.20	-	-	-	-	-	-	223,694.91
Gas Storage	236,769.87	14,537.63	-	-	-	-	-	-	251,307.50
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	208,728.61	4,020.34	-	-	-	-	-	-	212,748.95
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>45,041,757.93</u>	<u>3,308,127.87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(904,758.33)</u>	<u>-</u>	<u>47,445,127.47</u>
<b>Total Reserves</b>									
Common	(68,347,826.81)	(12,036,217.97)	2,221,637.85	-	-	114,447.53	(29,830.00)	-	(78,077,789.40)
Electric	(1,647,424,513.80)	(92,976,249.87)	19,451,724.11	-	-	19,625,946.09	(873,197.98)	(205,398.45)	(1,702,401,689.90)
Gas	(223,486,123.70)	(13,421,797.92)	7,011,086.02	-	-	552,850.80	(1,730.35)	-	(229,345,715.15)
	<u>(1,939,258,464.31)</u>	<u>(118,434,265.76)</u>	<u>28,684,447.98</u>	<u>-</u>	<u>-</u>	<u>20,293,244.42</u>	<u>(904,758.33)</u>	<u>(205,398.45)</u>	<u>(2,009,825,194.45)</u>
<b>Retirement Work in Progress</b>									
Common	(9,092,255.82)	-	-	(11,954.17)	(84,617.53)	268,679.67	(41,860.76)	(70,400.00)	(9,032,408.61)
Electric	28,458,992.95	-	-	2,531,716.25	(18,547,349.66)	7,062,466.88	(382,647.02)	(577,838.54)	18,545,340.86
Gas	4,095,496.74	-	-	41,422.73	(817,427.24)	1,631,574.02	(5,063.35)	0.00	4,946,002.90
	<u>23,462,233.87</u>	<u>-</u>	<u>-</u>	<u>2,561,184.81</u>	<u>(19,449,394.43)</u>	<u>8,962,720.57</u>	<u>(429,571.13)</u>	<u>(648,238.54)</u>	<u>14,458,935.15</u>
<b>YTD ACTIVITY</b>	<u>(1,915,796,230.44)</u>	<u>(118,434,265.76)</u>	<u>28,684,447.98</u>	<u>2,561,184.81</u>	<u>(19,449,394.43)</u>	<u>29,255,964.99</u>	<u>(1,334,329.46)</u>	<u>(853,636.99)</u>	<u>(1,995,366,259.30)</u>
<b>Amortization</b>									
Common	(23,433,131.46)	(7,252,154.13)	13,110,855.89	-	-	-	-	-	(17,574,429.70)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(23,434,031.46)</u>	<u>(7,252,154.13)</u>	<u>13,110,855.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,575,329.70)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,939,230,261.90)</u>	<u>(125,686,419.89)</u>	<u>41,795,303.87</u>	<u>2,561,184.81</u>	<u>(19,449,394.43)</u>	<u>29,255,964.99</u>	<u>(1,334,329.46)</u>	<u>(853,636.99)</u>	<u>(2,012,941,589.00)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,012,878,228.64)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,567,298,455.89</u>								<u>2,611,119,635.56</u>

December 18, 2009



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - December 31, 2009**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

December 31, 2009

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**December 31, 2009**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2009**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	81,003,892.15	91,497,605.04	(10,493,712.89)	(11.47)
Gas Operating Revenues.....	46,754,343.60	78,564,746.91	(31,810,403.31)	(40.49)
<b>Total Operating Revenues.....</b>	<b>127,758,235.75</b>	<b>170,062,351.95</b>	<b>(42,304,116.20)</b>	<b>(24.88)</b>
Fuel for Electric Generation.....	26,730,159.46	33,537,711.70	(6,807,552.24)	(20.30)
Power Purchased.....	5,964,879.88	12,992,672.20	(7,027,792.32)	(54.09)
Gas Supply Expenses.....	33,395,821.97	61,935,825.50	(28,540,003.53)	(46.08)
Other Operation Expenses.....	18,013,735.30	13,381,816.20	4,631,919.10	34.61
Maintenance.....	11,245,383.16	(7,475,907.52)	18,721,290.68	250.42
Depreciation.....	10,724,098.30	10,015,715.19	708,383.11	7.07
Amortization Expense.....	704,169.65	528,090.66	176,078.99	33.34
Regulatory Credits.....	(178,384.10)	(176,561.26)	(1,822.84)	(1.03)
Taxes				
Federal Income.....	18,227,818.96	10,396,466.59	7,831,352.37	75.33
State Income.....	1,253,639.36	2,648,367.63	(1,394,728.27)	(52.66)
Deferred Federal Income - Net.....	(15,422,416.10)	(11,980,479.38)	(3,441,936.72)	(28.73)
Deferred State Income - Net.....	(593,897.44)	(3,803,299.65)	3,209,402.21	84.38
Property and Other.....	1,233,335.74	1,491,461.58	(258,125.84)	(17.31)
Investment Tax Credit.....	703,437.35	1,954,000.00	(1,250,562.65)	(64.00)
Amortization of Investment Tax Credit.....	(242,041.48)	(322,576.68)	80,535.20	24.97
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	163,744.37	161,806.63	1,937.74	1.20
<b>Total Operating Expenses.....</b>	<b>111,923,484.38</b>	<b>125,285,109.39</b>	<b>(13,361,625.01)</b>	<b>(10.67)</b>
Net Operating Income.....	15,834,751.37	44,777,242.56	(28,942,491.19)	(64.64)
Other Income Less Deductions.....	2,174,600.36	(17,491,087.01)	19,665,687.37	112.43
<b>Income Before Interest Charges.....</b>	<b>18,009,351.73</b>	<b>27,286,155.55</b>	<b>(9,276,803.82)</b>	<b>(34.00)</b>
Interest on Long-term Debt.....	3,625,110.51	3,031,997.26	593,113.25	19.56
Amortization of Debt Expense - Net.....	116,289.50	250,924.27	(134,634.77)	(53.66)
Other Interest Expenses.....	428,536.43	593,254.62	(164,718.19)	(27.77)
<b>Total Interest Charges.....</b>	<b>4,169,936.44</b>	<b>3,876,176.15</b>	<b>293,760.29</b>	<b>7.58</b>
<b>Net Income.....</b>	<b>13,839,415.29</b>	<b>23,409,979.40</b>	<b>(9,570,564.11)</b>	<b>(40.88)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2009**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	919,364,691.97	1,014,954,340.29	(95,589,648.32)	(9.42)
Gas Operating Revenues.....	361,627,856.00	458,365,093.08	(96,737,237.08)	(21.10)
Total Operating Revenues.....	<u>1,280,992,547.97</u>	<u>1,473,319,433.37</u>	<u>(192,326,885.40)</u>	<u>(13.05)</u>
Fuel for Electric Generation.....	328,232,996.52	344,536,734.45	(16,303,737.93)	(4.73)
Power Purchased.....	58,430,269.83	117,907,532.34	(59,477,262.51)	(50.44)
Gas Supply Expenses.....	249,805,268.96	353,150,633.98	(103,345,365.02)	(29.26)
Other Operation Expenses.....	219,071,986.65	194,067,789.16	25,004,197.49	12.88
Maintenance.....	96,204,958.78	94,525,844.56	1,679,114.22	1.78
Depreciation.....	128,746,334.26	121,351,904.15	7,394,430.11	6.09
Amortization Expense.....	7,956,323.78	5,880,401.74	2,075,922.04	35.30
Regulatory Credits.....	(2,205,447.80)	(2,066,612.25)	(138,835.55)	(6.72)
Taxes				
Federal Income.....	25,272,570.52	40,043,409.68	(14,770,839.16)	(36.89)
State Income.....	3,893,528.00	4,282,424.39	(388,896.39)	(9.08)
Deferred Federal Income - Net.....	8,325,579.32	(2,265,116.31)	10,590,695.63	467.56
Deferred State Income - Net.....	1,450,849.02	(2,493,495.64)	3,944,344.66	158.19
Property and Other.....	23,544,541.01	23,957,072.35	(412,531.34)	(1.72)
Investment Tax Credit.....	3,649,346.00	8,121,028.00	(4,471,682.00)	(55.06)
Amortization of Investment Tax Credit.....	(3,044,107.00)	(3,870,920.07)	826,813.07	21.36
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,969,780.12	1,889,559.67	80,220.45	4.25
Total Operating Expenses.....	<u>1,151,238,503.91</u>	<u>1,298,561,935.32</u>	<u>(147,323,431.41)</u>	<u>(11.35)</u>
Net Operating Income.....	129,754,044.06	174,757,498.05	(45,003,453.99)	(25.75)
Other Income Less Deductions.....	13,106,401.28	(31,218,760.14)	44,325,161.42	141.98
Income Before Interest Charges.....	<u>142,860,445.34</u>	<u>143,538,737.91</u>	<u>(678,292.57)</u>	<u>(0.47)</u>
Interest on Long-term Debt.....	43,507,373.04	43,110,371.43	397,001.61	0.92
Amortization of Debt Expense - Net.....	1,465,360.21	1,585,626.27	(120,266.06)	(7.58)
Other Interest Expenses.....	2,770,517.04	8,642,459.22	(5,871,942.18)	(67.94)
Total Interest Charges.....	<u>47,743,250.29</u>	<u>53,338,456.92</u>	<u>(5,595,206.63)</u>	<u>(10.49)</u>
Net Income.....	<u><u>95,117,195.05</u></u>	<u><u>90,200,280.99</u></u>	<u><u>4,916,914.06</u></u>	<u><u>5.45</u></u>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2009**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	919,364,691.97	1,014,954,340.29	(95,589,648.32)	(9.42)
Gas Operating Revenues.....	361,627,856.00	458,365,093.08	(96,737,237.08)	(21.10)
<b>Total Operating Revenues.....</b>	<b>1,280,992,547.97</b>	<b>1,473,319,433.37</b>	<b>(192,326,885.40)</b>	<b>(13.05)</b>
Fuel for Electric Generation.....	328,232,996.52	344,536,734.45	(16,303,737.93)	(4.73)
Power Purchased.....	58,430,269.83	117,907,532.34	(59,477,262.51)	(50.44)
Gas Supply Expenses.....	249,805,268.96	353,150,633.98	(103,345,365.02)	(29.26)
Other Operation Expenses.....	219,071,986.65	194,067,789.16	25,004,197.49	12.88
Maintenance.....	96,204,958.78	94,525,844.56	1,679,114.22	1.78
Depreciation.....	128,746,334.26	121,351,904.15	7,394,430.11	6.09
Amortization Expense.....	7,956,323.78	5,880,401.74	2,075,922.04	35.30
Regulatory Credits.....	(2,205,447.80)	(2,066,612.25)	(138,835.55)	(6.72)
Taxes				
Federal Income.....	25,272,570.52	40,043,409.68	(14,770,839.16)	(36.89)
State Income.....	3,893,528.00	4,282,424.39	(388,896.39)	(9.08)
Deferred Federal Income - Net.....	8,325,579.32	(2,265,116.31)	10,590,695.63	467.56
Deferred State Income - Net.....	1,450,849.02	(2,493,495.64)	3,944,344.66	158.19
Property and Other.....	23,544,541.01	23,957,072.35	(412,531.34)	(1.72)
Investment Tax Credit.....	3,649,346.00	8,121,028.00	(4,471,682.00)	(55.06)
Amortization of Investment Tax Credit.....	(3,044,107.00)	(3,870,920.07)	826,813.07	21.36
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,969,780.12	1,889,559.67	80,220.45	4.25
<b>Total Operating Expenses.....</b>	<b>1,151,238,503.91</b>	<b>1,298,561,935.32</b>	<b>(147,323,431.41)</b>	<b>(11.35)</b>
Net Operating Income.....	129,754,044.06	174,757,498.05	(45,003,453.99)	(25.75)
Other Income Less Deductions.....	13,106,401.28	(31,218,760.14)	44,325,161.42	141.98
<b>Income Before Interest Charges.....</b>	<b>142,860,445.34</b>	<b>143,538,737.91</b>	<b>(678,292.57)</b>	<b>(0.47)</b>
Interest on Long-term Debt.....	43,507,373.04	43,110,371.43	397,001.61	0.92
Amortization of Debt Expense - Net.....	1,465,360.21	1,585,626.27	(120,266.06)	(7.58)
Other Interest Expenses.....	2,770,517.04	8,642,459.22	(5,871,942.18)	(67.94)
<b>Total Interest Charges.....</b>	<b>47,743,250.29</b>	<b>53,338,456.92</b>	<b>(5,595,206.63)</b>	<b>(10.49)</b>
<b>Net Income.....</b>	<b>95,117,195.05</b>	<b>90,200,280.99</b>	<b>4,916,914.06</b>	<b>5.45</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**December 31, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	741,439,450.95	716,751,691.79	740,161,671.19	689,961,390.20	740,161,671.19	689,961,390.20
Add:						
Net Income for Period.....	13,839,415.29	23,409,979.40	95,117,195.05	90,200,280.99	95,117,195.05	90,200,280.99
FIN 48 Adjustment.....	-	-	-	-	-	-
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	80,000,000.00	40,000,000.00	80,000,000.00	40,000,000.00
Balance at End of Period.....	<u>755,278,866.24</u>	<u>740,161,671.19</u>	<u>755,278,866.24</u>	<u>740,161,671.19</u>	<u>755,278,866.24</u>	<u>740,161,671.19</u>

January 25, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of December 31, 2009 and 2008**

Assets and Other Debits	<u>This Year</u>	<u>Last Year</u>	Liabilities and Other Credits	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Capitalization</b>		
Utility Plant at Original Cost.....	4,541,632,947.41	4,506,465,357.43	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>1,961,838,754.75</u>	<u>1,939,166,901.54</u>	Common Stock Expense.....	(835,888.64)	(835,888.64)
Total.....	<u>2,579,794,192.66</u>	<u>2,567,298,455.89</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(10,454,765.91)	(13,565,682.79)
			Retained Earnings.....	<u>755,278,866.24</u>	<u>740,161,671.19</u>
			Total Common Equity.....	<u>1,252,740,134.78</u>	<u>1,234,460,915.85</u>
<b>Investments</b>			Pollution Control Bonds - Net of Reacquired Bonds	411,104,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>485,000,000.00</u>
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	Total Long-term Debt.....	896,104,000.00	896,104,000.00
Special Funds.....	17,082,757.84	21,965,162.38	Total Capitalization.....	<u>2,148,844,134.78</u>	<u>2,130,564,915.85</u>
Other.....	-	-			
Total.....	<u>17,688,923.04</u>	<u>22,571,327.58</u>			
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	5,195,366.67	4,311,461.39	ST Notes Payable to Associated Companies.....	170,400,400.00	221,999,200.00
Special Deposits.....	761,176.30	2,405,085.63	Accounts Payable.....	97,284,355.93	114,427,403.19
Temporary Cash Investments.....	119.71	26.98	Accounts Payable to Associated Companies.....	27,731,236.27	37,958,365.20
Accounts Receivable-Less Reserve.....	143,019,717.17	202,308,420.55	Customer Deposits.....	22,459,554.36	21,644,188.92
Accounts Receivable from Associated Companies....	53,063,384.59	1,391,251.60	Taxes Accrued.....	26,729,807.13	18,381,744.69
Materials and Supplies-At Average Cost			Interest Accrued.....	3,358,755.82	2,737,649.07
Fuel.....	60,492,689.12	50,500,487.59	ST Obligations Under Capital Leases.....	-	23,650.00
Plant Materials and Operating Supplies.....	29,060,730.75	28,032,517.35	Miscellaneous Current and Accrued Liabilities.....	<u>24,518,757.88</u>	<u>13,776,057.37</u>
Stores Expense.....	4,173,782.87	4,196,808.99	Total.....	<u>372,482,867.39</u>	<u>430,948,258.44</u>
Gas Stored Underground.....	56,183,317.06	112,152,402.51			
Allowance Inventory.....	4,171.00	5,960.21			
Prepayments.....	7,825,624.32	5,516,939.05			
Miscellaneous Current and Accrued Assets.....	<u>1,599,269.09</u>	<u>1,261,245.93</u>			
Total.....	<u>361,379,348.65</u>	<u>412,082,607.78</u>	<b>Deferred Credits and Other</b>		
			Accumulated Deferred Income Taxes.....	427,458,362.10	410,892,327.69
<b>Deferred Debits and Other</b>			Investment Tax Credit.....	48,026,350.13	50,349,070.13
Unamortized Debt Expense.....	3,854,161.59	4,014,237.98	Regulatory Liabilities.....	84,907,208.58	56,266,231.16
Unamortized Loss on Bonds.....	23,119,333.51	24,212,029.34	Customer Advances for Construction.....	9,555,185.09	10,907,430.99
Accumulated Deferred Income Taxes.....	58,267,127.60	64,982,202.10	Asset Retirement Obligations.....	33,043,629.14	32,749,571.82
Deferred Regulatory Assets.....	319,990,094.71	317,239,676.83	Other Deferred Credits.....	8,161,865.35	43,652,016.45
Other Deferred Debits.....	<u>3,844,266.75</u>	<u>43,122,520.47</u>	Miscellaneous Long-term Liabilities.....	33,921,654.80	60,407,945.97
Total.....	<u>409,074,984.16</u>	<u>453,570,666.72</u>	Accum Provision for Postretirement Benefits.....	<u>201,536,191.15</u>	<u>228,785,289.47</u>
			Total.....	<u>846,610,446.34</u>	<u>894,009,883.68</u>
Total Assets and Other Debits.....	<u>3,367,937,448.51</u>	<u>3,455,523,057.97</u>	Total Liabilities and Other Credits.....	<u>3,367,937,448.51</u>	<u>3,455,523,057.97</u>

January 25, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-term Debt**  
**December 31, 2009**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Common Equity</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Common Stock Expense.....			(835,888.64)		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(10,454,765.91)		
Retained Earnings.....			755,278,866.24		
 Total Common Equity.....			1,252,740,134.78	54.02	58.30
<b>Long-term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Total Pollution Control Bonds.....			574,304,000.00	24.76	26.73
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.04)	(7.60)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.72	19.13
Long-term Notes Payable to Associated Companies.....			485,000,000.00	20.91	22.57
Total Capitalization.....			2,148,844,134.78	92.65	100.00
Short-term Notes Payable to Associated Companies.....			170,400,400.00	7.35	
Total Capitalization and Short-term Debt.....			2,319,244,534.78	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,541,632,947.41	4,541,632,947.41
Reserves for Depreciation and Amortization.....		(1,961,838,754.75)
Depreciation of Plant		
Electric.....	(1,635,096,399.49)	
Gas.....	(220,514,411.92)	
Common.....	(87,948,443.99)	
Amortization of Plant		
Common.....	(18,278,599.35)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		17,688,923.04
Special Funds.....	17,082,757.84	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	75,239.56	
Nonutility Property Reserve.....	(63,360.36)	
Cash.....	5,195,366.67	5,195,366.67
Special Deposits.....		761,176.30
Other Special Deposits.....	761,176.30	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		143,019,717.17
Customers - Active.....	65,328,268.99	
Unbilled Revenues.....	63,676,000.00	
Sundry Accounts Receivable.....	5,022,373.40	
Wholesale Sales.....	2,829,660.43	
IMPA.....	2,028,295.95	
IMEA.....	1,971,279.13	
Margin Cash Collateral.....	1,897,107.32	
Electricity Swaps.....	530,319.84	
Damage Claims.....	474,938.59	
Transmission Sales.....	247,513.24	
Interest and Dividends Receivable.....	87,526.99	
Employee Computer Loans.....	50,835.74	
Rents Receivable.....	38,045.98	
Working Funds.....	20,630.00	
Other.....	521,044.01	
Reserves for Uncollectible Accounts		
Utility Customers		
A/R Miscellaneous.....	(605,345.44)	
Reserve.....	(1,098,777.00)	
Accounts Receivable from Associated Companies.....		53,063,384.59
E.ON US Services/Kentucky Utilities Company.....	53,063,384.59	
Fuel.....		60,492,689.12
Coal 1,453,070.97 Tons @ \$41.30; MMBtu 33,146,881.73 @ 181.04¢.....	60,010,300.52	
Fuel Oil 239,965.00 Gallons @ 186.78¢.....	448,202.89	
Gas Pipeline 5,200.00 Mcf @ \$6.57.....	34,185.71	
Plant Materials and Operating Supplies.....		29,060,730.75
Regular Materials and Supplies.....	28,614,573.33	
Limestone 52,358.91 Tons @ \$8.52.....	446,157.41	
Other Reagents.....	0.01	

January 25, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,173,782.87	4,173,782.87
Gas Stored Underground - Current.....		56,183,317.06
Gas St. Underground* 11,508,680.00 Mcf (14.73 psia) @ \$ 4.88.....	56,183,317.06	
Allowance Inventory.....	4,171.00	4,171.00
Prepayments.....		7,825,624.32
Insurance.....	5,140,530.84	
Taxes.....	970,052.54	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	16,188.97	
Other.....	1,355,518.60	
Miscellaneous Current Assets.....		1,599,269.09
Derivative Asset - Non-Hedging.....	1,599,269.09	
Unamortized Debt Expense.....		3,854,161.59
Trimble County 2000 Series A due 08/01/30 Var%.....	758,019.36	
Jefferson County 2001 Series A due 09/01/26 Var%.....	155,472.42	
Jefferson County 2001 Series A due 09/01/27 Var%.....	339,874.96	
Trimble County 2001 Series A due 09/01/26 Var%.....	169,043.12	
Jefferson County 2001 Series B due 11/01/27 Var%.....	185,086.70	
Trimble County 2001 Series B due 11/01/27 Var%.....	185,117.06	
Trimble County 2002 Series A due 10/01/32 Var%.....	809,565.69	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,065,762.56	
Short-term portion.....	186,219.72	
Unamortized Loss on Bonds.....	23,119,333.51	23,119,333.51
Accumulated Deferred Income Taxes.....		58,267,127.60
Federal.....		
Electric.....	44,729,850.38	
Gas.....	4,425,185.61	
Common.....	240,879.92	
State.....		
Electric.....	8,046,516.65	
Gas.....	822,752.24	
Common.....	1,942.80	
Regulatory Assets.....		319,990,094.71
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations.....		
Electric.....	21,443,936.50	
Gas.....	8,129,186.44	
Common.....	26,290.05	
2008 Wind Storm.....	23,540,332.79	
Enviromental Cost Recovery.....	7,213,893.00	
MISO Exit Fee.....	5,668,454.34	
Gas Supply Clause/PBR.....	2,769,704.93	
KCCS Funding.....	878,040.50	
Rate Case Expenses.....	716,624.65	
EKPC FERC Transmission Costs.....	706,551.76	
ECR Ash Hauling.....	685,884.66	
CMRG Funding.....	183,500.00	
Fuel Adjustment Clause.....	66,000.00	
Other Deferred Debits.....	3,844,266.75	3,844,266.75
Total Assets and Other Debits.....	<u>3,367,937,448.51</u>	<u>3,367,937,448.51</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Common Equity.....		1,252,740,134.78
Common Stock.....	425,170,424.09	
Common Stock Expense.....	(835,888.64)	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(10,454,765.91)	
Retained Earnings.....	755,278,866.24	
Bonds.....	411,104,000.00	411,104,000.00
Long-term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-term Notes Payable to Associated Companies.....	170,400,400.00	170,400,400.00
Accounts Payable.....		97,284,355.93
Regular.....	91,028,817.96	
Employee Withholdings Payable.....	4,904,303.11	
Salaries and Wages Accrued.....	1,351,234.86	
Accounts Payable to Associated Companies.....		27,731,236.27
E.ON US Services/Kentucky Utilities Company.....	21,389,335.71	
Interest payable to Fidelity.....	6,341,900.56	
Customers' Deposits.....	22,459,554.36	22,459,554.36
Taxes Accrued.....	26,729,807.13	26,729,807.13
Interest Accrued.....		3,358,755.82
Jefferson County 2000 Series A due 05/01/27 5.375%.....	223,958.43	
Trimble County 2000 Series A due 08/01/30 Var%.....	740.76	
Jefferson County 2001 Series A due 09/01/26 Var%.....	10,726.05	
Jefferson County 2001 Series A due 09/01/27 Var%.....	117.99	
Trimble County 2001 Series A due 09/01/26 Var%.....	50,178.06	
Jefferson County 2001 Series B due 11/01/27 Var%.....	16,541.07	
Trimble County 2001 Series B due 11/01/27 Var%.....	16,541.38	
Trimble County 2002 Series A due 10/01/32 Var%.....	449.74	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.05	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.55	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.55	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.01)	
Interest Rate Swaps.....	707,539.23	
Customers' Deposits.....	891,773.28	
Other.....	112,932.69	
Miscellaneous Current and Accrued Liabilities.....		24,518,757.88
No-Notice Gas Payable.....	5,936,851.36	
Vacation Pay Accrued.....	5,259,885.06	
Customer Overpayments.....	5,075,993.87	
Postretirement Benefits - Current.....	3,411,766.00	
Derivative Liabilities - Non-Hedging.....	1,509,412.51	
Service Deposit Refund Payable.....	1,363,950.64	
Tax Collections Payable.....	1,297,032.67	
Other.....	663,865.77	

January 25, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2009**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		427,458,362.10
Federal		
Electric.....	321,972,717.26	
Gas.....	44,354,712.47	
Common.....	240,879.92	
State		
Electric.....	54,518,255.49	
Gas.....	6,369,854.16	
Common.....	1,942.80	
Investment Tax Credit.....		48,026,350.13
Investment Tax Credit (prior law)		
Job Development Credit		
Electric.....	23,440,103.98	
Gas.....	836,246.15	
Advanced Coal Credit.....	23,750,000.00	
Regulatory Liabilities.....		84,907,208.58
Deferred Taxes		
Federal		
Electric.....	20,206,276.89	
Gas.....	1,414,981.01	
State		
Electric.....	16,476,664.43	
Gas.....	2,525,957.58	
Gas Supply Clause/PBR.....	34,006,984.03	
DSM Cost Recovery.....	3,897,480.72	
MISO Schedule 10 Charges.....	3,100,131.90	
Asset Retirement Obligations		
Gas.....	2,359,545.79	
Electric.....	715,583.15	
Purchased Gas Adjustment - Texas Gas.....	203,603.08	
Customers' Advances for Construction.....		9,555,185.09
Line Extensions		
Gas.....	7,403,245.94	
Electric.....	1,093,762.85	
Customer Advances - Museum Plaza.....	761,176.30	
Other.....	297,000.00	
Asset Retirement Obligations		33,043,629.14
Electric.....	24,756,543.18	
Gas.....	8,258,294.69	
Common.....	28,791.27	
Other Deferred Credits.....	8,161,865.35	8,161,865.35
Miscellaneous Long-term Liabilities.....		33,921,654.80
Long-term Derivative Liabilities - SFAS 133.....	28,434,997.00	
Workers' Compensation.....	5,486,657.80	
Accumulated Provision for Benefits.....		201,536,191.15
Pension Payable.....	115,839,112.00	
Postretirement Benefits - SFAS 106.....	81,864,530.15	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(199,312.00)	
Total Liabilities and Other Credits.....	<u>3,367,937,448.51</u>	<u>3,367,937,448.51</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**December 31, 2009**

	Year to Date	
	2009	2008
<b>Cash Flows from Operating Activities</b>		
Net income.....	95,117,195.05	90,200,280.99
Items not requiring (providing) cash currently:		
Depreciation.....	128,746,334.26	121,351,904.15
Amortization.....	7,956,323.78	5,880,401.74
Deferred income taxes - net.....	9,776,428.34	(4,758,611.95)
Investment tax credit - net.....	605,239.00	4,250,107.93
Other.....	12,635,030.59	14,928,215.27
Change in receivables.....	8,085,112.22	(7,603,579.08)
Change in inventory.....	44,971,696.64	(36,776,165.71)
Change in allowance inventory.....	1,789.21	5,499.26
Change in payables and accrued expenses.....	(4,693,449.78)	10,304,950.83
Change in regulatory assets.....	(2,750,417.88)	(166,217,627.55)
Change in regulatory liabilities.....	28,640,977.42	1,150,693.54
Change in other deferred debits.....	40,271,188.24	(6,262,177.75)
Change in other deferred credits.....	(33,209,589.41)	21,541,469.40
Other.....	(66,790,672.06)	119,756,063.02
Gain on disposal of assets.....	(2,532,710.13)	(8,757,464.56)
Net cash provided (used) by operating activities.....	<u>266,830,475.49</u>	<u>158,993,959.53</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(122,720,196.08)	(194,914,016.14)
Gross additions to common utility plant - construction expenditures.....	(15,160,883.14)	(37,182,024.85)
Change in restricted cash.....	-	(297,009.40)
Change in non-hedging derivatives.....	1,128,311.81	29,897,445.26
Proceeds received from sales of property.....	2,590,220.92	9,125,684.50
Net cash provided (used) by investing activities.....	<u>(134,162,546.49)</u>	<u>(193,369,920.63)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(212,587.99)	74,186,467.28
Net change in short-term debt.....	(51,598,800.00)	143,758,000.00
Payments for reacquisition of long-term debt.....	-	(259,200,000.00)
Reissuance of reacquired long-term debt.....	-	96,000,000.00
Net change in short-term capital lease obligations.....	(23,650.00)	(381,787.69)
Net change in long-term capital lease obligations.....	-	(23,649.00)
Contributed capital.....	51,107.00	20,000,000.00
Dividends on common stock.....	(80,000,000.00)	(40,000,000.00)
Net cash provided (used) by financing activities.....	<u>(131,783,930.99)</u>	<u>34,339,030.59</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	883,998.01	(36,930.51)
Cash and Cash Equivalents at Beginning of Period.....	<u>4,311,488.37</u>	<u>4,348,418.88</u>
Cash and Cash Equivalents at End of Period.....	<u><u>5,195,486.38</u></u>	<u><u>4,311,488.37</u></u>

January 25, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**December 31, 2009**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.17	111,979.17	1,343,750.04	674,047.19	1,343,750.04	674,047.19
Trimble County 2000 Series A due 08/01/30 Var%.....	16,852.18	40,973.04	294,774.40	2,602,137.72	294,774.40	2,602,137.72
Jefferson County 2001 Series A due 09/01/26 Var%.....	11,897.26	37,200.35	238,707.92	525,251.42	238,707.92	525,251.42
Jefferson County 2001 Series A due 09/01/27 Var%.....	2,082.56	6,489.01	38,924.75	288,607.30	38,924.75	288,607.30
Trimble County 2001 Series A due 09/01/26 Var%.....	21,020.55	45,467.10	297,329.47	641,973.91	297,329.47	641,973.91
Jefferson County 2001 Series B due 11/01/27 Var%.....	24,212.33	51,939.34	369,739.26	822,033.53	369,739.26	822,033.53
Trimble County 2001 Series B due 11/01/27 Var%.....	24,212.33	51,939.34	369,739.24	822,033.53	369,739.24	822,033.53
Trimble County 2002 Series A due 10/01/32 Var%.....	7,964.29	41,797.05	177,127.65	1,451,219.31	177,127.65	1,451,219.31
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(688,312.42)	-	2,879,065.31	-	2,879,065.31
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.67	191,666.67	2,300,000.03	725,511.12	2,300,000.03	725,511.12
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	145,312.50	1,743,750.00	671,174.22	1,743,750.00	671,174.22
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	(0.03)	568,520.74	(0.03)	568,520.74
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	2,760,000.02	2,770,603.33	2,760,000.02	2,770,603.33
Interest Rate Swaps.....	617,760.65	545,396.11	6,931,730.15	4,795,142.86	6,931,730.15	4,795,142.86
Fidelia.....	2,220,150.02	2,220,150.00	26,641,800.14	22,873,049.94	26,641,800.14	22,873,049.94
<b>Total.....</b>	<b>3,625,110.51</b>	<b>3,031,997.26</b>	<b>43,507,373.04</b>	<b>43,110,371.43</b>	<b>43,507,373.04</b>	<b>43,110,371.43</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.32	15,412.77	185,864.28	279,654.03	185,864.28	279,654.03
Amortization of Loss on Reacquired Debt.....	100,771.18	235,511.50	1,279,495.93	1,305,972.24	1,279,495.93	1,305,972.24
<b>Total.....</b>	<b>116,289.50</b>	<b>250,924.27</b>	<b>1,465,360.21</b>	<b>1,585,626.27</b>	<b>1,465,360.21</b>	<b>1,585,626.27</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	368,085.88	97,447.22	1,359,522.88	1,079,394.94	1,359,522.88	1,079,394.94
Other Tax Deficiencies.....	(2,027.00)	1,113.00	(14,880.00)	(2,110.00)	(14,880.00)	(2,110.00)
Interest on DSM Cost Recovery.....	1,900.99	4,597.53	128,065.58	41,679.09	128,065.58	41,679.09
Interest on Debt to Associated Companies .....	27,695.94	286,429.27	674,298.20	6,231,076.33	674,298.20	6,231,076.33
Other Interest Expense.....	32,880.62	203,667.60	623,510.38	1,292,418.86	623,510.38	1,292,418.86
<b>Total.....</b>	<b>428,536.43</b>	<b>593,254.62</b>	<b>2,770,517.04</b>	<b>8,642,459.22</b>	<b>2,770,517.04</b>	<b>8,642,459.22</b>
<b>Total Interest.....</b>	<b>4,169,936.44</b>	<b>3,876,176.15</b>	<b>47,743,250.29</b>	<b>53,338,456.92</b>	<b>47,743,250.29</b>	<b>53,338,456.92</b>

January 25, 2010

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
December 31, 2009**

<u>Kind of Taxes</u>	Current Month		Year To Date	
	This Year	Last Year	This Year	Last Year
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	335,155.16	107,694.41	14,481,268.13	14,981,726.88
Unemployment.....	13,669.51	66,244.63	143,856.33	199,991.89
FICA.....	722,835.65	1,159,986.52	6,958,074.57	6,734,248.90
Public Service Commission Fee.....	161,675.42	157,536.02	1,915,268.63	1,914,910.02
Federal Income.....	18,227,818.96	10,396,466.59	25,272,570.52	40,043,409.68
State Income.....	1,253,639.36	2,648,367.63	3,893,528.00	4,282,424.39
Miscellaneous.....	-	-	46,073.35	126,194.66
<b>Total Charged to Operating Expense.....</b>	<b>20,714,794.06</b>	<b>14,536,295.80</b>	<b>52,710,639.53</b>	<b>68,282,906.42</b>
Taxes Charged to Other Accounts.....	(5,165,239.04)	(7,886,161.06)	565,396.55	8,047,867.17
Taxes Accrued on Intercompany Accounts.....	(316,823.50)	(453,485.77)	(2,669,257.95)	(2,516,439.19)
<b>Total Taxes Charged.....</b>	<b>15,232,731.52</b>	<b>6,196,648.97</b>	<b>50,606,778.13</b>	<b>73,814,334.40</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	Taxes Accrued At Beginning Of Year	Accruals To Date This Year	Payments To Date This Year	Taxes Accrued At End Of Month
Property Taxes.....	9,963,700.60	14,752,484.39	13,653,494.76	11,062,690.23
Unemployment.....	68,978.84	111,495.87	138,309.72	42,164.99
FICA.....	698,416.45	5,948,431.17	6,191,094.30	455,753.32
Federal Income.....	5,330,534.78	23,883,071.11	15,316,728.90	13,896,876.99
State Income.....	1,741,239.63	2,295,388.15	3,404,624.00	632,003.78
Kentucky Sales and Use Tax.....	578,874.39	3,482,217.29	3,435,573.70	625,517.98
Miscellaneous.....	-	133,690.15	118,890.31	14,799.84
<b>Totals.....</b>	<b>18,381,744.69</b>	<b>50,606,778.13</b>	<b>42,258,715.69</b>	<b>26,729,807.13</b>

January 25, 2010



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**December 31, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant in Service</b>						
<b>Common</b>						
Common General Plant	156,628,323.83	8,869,046.48	(2,349,272.17)	(6,627.88)	6,513,146.43	163,141,470.26
Common Intangible Plant	30,504,727.59	44,262,793.79	(13,110,855.89)	-	31,151,937.90	61,656,665.49
	<u>187,133,051.42</u>	<u>53,131,840.27</u>	<u>(15,460,128.06)</u>	<u>(6,627.88)</u>	<u>37,665,084.33</u>	<u>224,798,135.75</u>
<b>Electric</b>						
Electric Distribution	768,525,773.32	92,997,651.43	(6,133,548.74)	2,523,041.22	89,387,143.91	857,912,917.23
Electric General Plant	16,739,305.40	305,867.48	(211,885.52)	(34.23)	93,947.73	16,833,253.13
Electric Hydro Production	40,692,754.42	144,671.53	(1,371.95)	743,189.41	886,488.99	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	226,677,788.60	6,117,018.01	(4,926,623.06)	3,381,620.44	4,572,015.39	231,249,803.99
Electric Steam Production	1,957,945,552.56	32,765,898.01	(8,493,137.91)	(87,577,833.34)	(63,305,073.24)	1,894,640,479.32
Electric Transmission	256,087,174.79	5,951,383.48	(805,661.67)	(19,241,182.74)	(14,095,460.93)	241,991,713.86
	<u>3,266,670,689.38</u>	<u>138,282,489.94</u>	<u>(20,572,228.85)</u>	<u>#####</u>	<u>17,539,061.85</u>	<u>3,284,209,751.23</u>
<b>Gas</b>						
Gas Distribution	473,727,554.77	64,404,656.74	(9,033,897.00)	-	55,370,759.74	529,098,314.51
Gas General Plant	9,038,472.86	182,720.97	(206,196.86)	-	(23,475.89)	9,014,996.97
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	62,441,928.04	5,252,356.25	(2,756,661.42)	-	2,495,694.83	64,937,622.87
Gas Transmission	12,901,908.09	761,957.99	(5,662.32)	-	756,295.67	13,658,203.76
	<u>558,111,051.25</u>	<u>70,601,691.95</u>	<u>(12,002,417.60)</u>	<u>-</u>	<u>58,599,274.35</u>	<u>616,710,325.60</u>
<b>Total 101 Accounts</b>	<u>4,011,914,792.05</u>	<u>262,016,022.16</u>	<u>(48,034,774.51)</u>	<u>#####</u>	<u>113,803,420.53</u>	<u>4,125,718,212.58</u>
<b>101 Property Under Capital Leases</b>						
<b>Electric Capital Leased Property</b>						
Electric Steam Production	2,876,958.00	-	-	(2,876,958.00)	(2,876,958.00)	-
	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>Total 101101</b>	<u>2,876,958.00</u>	<u>-</u>	<u>-</u>	<u>(2,876,958.00)</u>	<u>(2,876,958.00)</u>	<u>-</u>
<b>105 Plant Held for Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company  
Summary of Utility Plant  
December 31, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant	1,922,810.85	(1,657,629.63)	-	-	(1,657,629.63)	265,181.22
Common Intangible Plant	1,374,736.40	(403,709.87)	-	-	(403,709.87)	971,026.53
	<u>3,297,547.25</u>	<u>(2,061,339.50)</u>	-	-	<u>(2,061,339.50)</u>	<u>1,236,207.75</u>
<b>Electric</b>						
Electric Distribution	53,528,201.00	(18,797,618.95)	-	14,454.62	(18,783,164.33)	34,745,036.67
Electric General Plant	121,321.11	(121,321.11)	-	-	(121,321.11)	-
Electric Hydro Production	56,785.36	(39,833.10)	-	-	(39,833.10)	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	123,654.81	(123,654.81)	-	-	(123,654.81)	-
Electric Steam Production	13,060,279.51	(3,820,006.77)	-	-	(3,820,006.77)	9,240,272.74
Electric Transmission	1,573,129.06	(582,630.03)	-	(14,454.62)	(597,084.65)	976,044.41
	<u>68,463,370.85</u>	<u>(23,485,064.77)</u>	-	-	<u>(23,485,064.77)</u>	<u>44,978,306.08</u>
<b>Gas</b>						
Gas Distribution	37,599,096.45	(22,216,167.18)	-	-	(22,216,167.18)	15,382,929.27
Gas General Plant	-	211,426.16	-	-	211,426.16	211,426.16
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	1,318,828.23	2,467,720.21	-	-	2,467,720.21	3,786,548.44
Gas Transmission	-	1,221,215.37	-	-	1,221,215.37	1,221,215.37
	<u>38,917,924.68</u>	<u>(18,315,805.44)</u>	-	-	<u>(18,315,805.44)</u>	<u>20,602,119.24</u>
<b>Total 106 Accounts</b>	<u>110,678,842.78</u>	<u>(43,862,209.71)</u>	-	-	<u>(43,862,209.71)</u>	<u>66,816,633.07</u>
<b>117 Gas Stored Underground - Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	-	-	-	-	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Nonutility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	-	-	-	-	<u>75,239.56</u>
<b>107 Construction Work in Progress</b>						
<b>Construction Work in Progress</b>						
Common	51,677,042.23	(35,909,617.63)	-	-	(35,909,617.63)	15,767,424.60
Electric	269,074,514.63	30,510,565.02	-	-	30,510,565.02	299,585,079.65
Gas	53,271,643.56	(26,497,610.23)	-	-	(26,497,610.23)	26,774,033.33
	<u>374,023,200.42</u>	<u>(31,896,662.84)</u>	-	-	<u>(31,896,662.84)</u>	<u>342,126,537.58</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,132,517,396.57</u>	<u>218,153,812.45</u>	<u>(48,034,774.51)</u>	#####	<u>67,064,252.82</u>	<u>4,199,581,649.39</u>
<b>Total Plant + CWIP</b>	<u>4,506,540,596.99</u>	<u>186,257,149.61</u>	<u>(48,034,774.51)</u>	#####	<u>35,167,589.98</u>	<u>4,541,708,186.97</u>
<b>Total Plant + CWIP - Nonutility (BS)</b>	<u>4,506,465,357.43</u>	<u>186,257,149.61</u>	<u>(48,034,774.51)</u>	#####	<u>35,167,589.98</u>	<u>4,541,632,947.41</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(68,115,611.49)	(12,935,661.94)	2,349,272.17	-	-	-	-	-	(78,702,001.26)
Common General Plant - ARO	(1,199.60)	(34.32)	-	-	-	-	-	-	(1,233.92)
Electric Distribution	(255,961,891.88)	(16,003,527.86)	6,133,548.74	(483,635.98)	-	-	-	(65,159.40)	(266,380,666.38)
Electric Distribution - ARO	(12,796.60)	(366.12)	-	-	-	-	-	-	(13,162.72)
Electric General Plant	(13,702,714.67)	(657,605.66)	211,885.52	-	-	-	-	-	(14,148,434.81)
Electric Hydro Production	(8,147,012.81)	(566,943.87)	1,371.95	(450,445.28)	-	-	-	-	(9,163,030.01)
Electric Hydro Production - ARO	(17,314.16)	(496.08)	-	-	-	-	-	-	(17,810.24)
Electric Other Production	(48,776,531.63)	(8,057,832.47)	4,847,716.34	(386,081.21)	-	-	-	-	(52,372,728.97)
Electric Other Production - ARO	(118,219.64)	(50,005.56)	78,906.72	-	-	-	-	-	(89,318.48)
Electric Steam Production	(980,719,365.60)	(52,995,681.05)	8,480,127.98	43,247,617.09	-	-	-	(50,723.33)	(982,038,024.91)
Electric Steam Production - ARO	(2,382,766.82)	(171,271.91)	13,009.93	(2,407.93)	-	-	-	-	(2,543,436.73)
Electric Transmission	(120,367,314.51)	(3,850,556.37)	805,661.67	7,442,311.39	-	-	-	(89,019.02)	(116,058,916.84)
Electric Transmission - ARO	(3,029.54)	(45.51)	-	2,407.93	-	-	-	-	(667.12)
Gas Distribution	(115,555,571.04)	(10,211,948.38)	9,033,897.00	-	-	-	-	-	(116,733,622.42)
Gas Distribution - ARO	(20,060.41)	(320.04)	-	-	-	-	-	-	(20,380.45)
Gas General Plant	(6,241,137.60)	(473,914.85)	206,196.86	-	-	-	-	-	(6,508,855.59)
Gas Storage	(34,022,860.14)	(939,881.82)	2,736,521.79	-	-	-	-	-	(32,226,220.17)
Gas Storage - ARO	(409,284.68)	(13,128.12)	20,139.63	-	-	-	-	-	(402,273.17)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,358,516.52)	(49,976.49)	5,662.32	-	-	-	-	-	(9,402,830.69)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,663,996,559.70)</u>	<u>(106,979,198.42)</u>	<u>34,923,918.62</u>	<u>49,369,766.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,901.75)</u>	<u>(1,686,886,975.24)</u>
<b>Cost of Removal</b>									
Common General Plant	(469,247.42)	(253,303.70)	-	-	-	136,748.36	-	-	(585,802.76)
Electric Distribution	(157,755,648.48)	(6,287,035.31)	-	(793.80)	-	15,342,217.30	-	-	(148,701,260.29)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	814,671.45	(38,397.61)	-	(823.08)	-	3,619.91	-	-	779,070.67
Electric Other Production	(2,039,438.56)	(319,905.59)	-	(705.46)	-	202,327.93	-	-	(2,157,721.68)
Electric Steam Production	(75,412,706.30)	(14,529,874.57)	-	5,236,628.79	-	3,853,414.80	-	-	(80,852,537.28)
Electric Transmission	(23,681,680.84)	(1,175,366.09)	-	5,457.69	-	1,166,574.14	-	-	(23,685,015.10)
Gas Distribution	(58,299,094.86)	(3,084,525.49)	-	-	-	4,031,210.07	-	-	(57,352,410.28)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(403,035.01)	(110,903.01)	-	-	-	285,492.44	-	-	(228,445.58)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,061,349.14)	(19,307.86)	-	-	-	56,744.63	-	-	(3,023,912.37)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(320,303,662.54)</u>	<u>(25,818,619.23)</u>	<u>-</u>	<u>5,239,764.14</u>	<u>-</u>	<u>25,078,349.58</u>	<u>-</u>	<u>-</u>	<u>(315,804,168.05)</u>

January 25, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2009**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	301,592.06	5,966.50	-	-	-	-	(29,830.00)	-	277,728.56
Electric Distribution	15,611,295.13	1,242,354.54	-	-	-	-	(361,108.79)	-	16,492,540.88
Electric General Plant	132,019.58	3,994.77	-	-	-	-	-	-	136,014.35
Electric Hydro Production	433,316.55	-	-	-	-	-	(56,678.38)	-	376,638.17
Electric Other Production	2,644.83	-	-	-	-	-	(21,643.50)	-	(18,998.67)
Electric Steam Production	18,799,865.84	1,903,714.44	-	-	-	-	(430,232.93)	-	20,273,347.35
Electric Transmission	5,876,238.22	230,422.47	-	-	-	-	(3,534.38)	-	6,103,126.31
Gas Distribution	3,219,085.53	193,479.96	-	-	-	-	(1,730.35)	-	3,410,835.14
Gas General Plant	220,201.71	3,650.93	-	-	-	-	-	-	223,852.64
Gas Storage	236,769.87	15,957.43	-	-	-	-	-	-	252,727.30
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	208,728.61	4,387.18	-	-	-	-	-	-	213,115.79
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>45,041,757.93</u>	<u>3,603,928.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(904,758.33)</u>	<u>-</u>	<u>47,740,927.82</u>
<b>Total Reserves</b>									
Common	(68,347,826.81)	(13,183,033.46)	2,349,272.17	-	-	136,748.36	(29,830.00)	-	(79,074,669.74)
Electric	(1,647,424,513.80)	(101,324,425.41)	20,572,228.85	54,609,530.15	-	20,568,154.08	(873,197.98)	(204,901.75)	(1,654,077,125.86)
Gas	(223,486,123.70)	(14,686,430.56)	12,002,417.60	-	-	4,373,447.14	(1,730.35)	-	(221,798,419.87)
	<u>(1,939,258,464.31)</u>	<u>(129,193,889.43)</u>	<u>34,923,918.62</u>	<u>54,609,530.15</u>	<u>-</u>	<u>25,078,349.58</u>	<u>(904,758.33)</u>	<u>(204,901.75)</u>	<u>(1,954,950,215.47)</u>
<b>Retirement Work in Progress</b>									
Common	(9,092,255.82)	-	-	135,400.04	(106,918.36)	264,170.29	(67,130.76)	(70,400.00)	(8,937,134.61)
Electric	28,458,992.95	-	-	2,364,783.73	(19,490,054.35)	8,220,863.95	(423,400.83)	(150,459.08)	18,980,726.37
Gas	4,095,496.74	-	-	86,001.04	(4,638,023.58)	1,745,597.10	(5,063.35)	0.00	1,284,007.95
	<u>23,462,233.87</u>	<u>-</u>	<u>-</u>	<u>2,586,184.81</u>	<u>(24,234,996.29)</u>	<u>10,230,631.34</u>	<u>(495,594.94)</u>	<u>(220,859.08)</u>	<u>11,327,599.71</u>
<b>YTD ACTIVITY</b>	<u>(1,915,796,230.44)</u>	<u>(129,193,889.43)</u>	<u>34,923,918.62</u>	<u>57,195,714.96</u>	<u>(24,234,996.29)</u>	<u>35,308,980.92</u>	<u>(1,400,353.27)</u>	<u>(425,760.83)</u>	<u>(1,943,622,615.76)</u>
<b>Amortization</b>									
Common	(23,433,131.46)	(7,956,323.78)	13,110,855.89	-	-	-	-	-	(18,278,599.35)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(23,434,031.46)</u>	<u>(7,956,323.78)</u>	<u>13,110,855.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,279,499.35)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,939,230,261.90)</u>	<u>(137,150,213.21)</u>	<u>48,034,774.51</u>	<u>57,195,714.96</u>	<u>(24,234,996.29)</u>	<u>35,308,980.92</u>	<u>(1,400,353.27)</u>	<u>(425,760.83)</u>	<u>(1,961,902,115.11)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(1,961,838,754.75)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,567,298,455.89</u>								<u>2,579,794,192.66</u>

January 25, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - January 31, 2010**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

January 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**January 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	75,656,301.90	84,590,679.75	(8,934,377.85)	(10.56)
Gas Operating Revenues.....	49,583,374.92	91,408,264.04	(41,824,889.12)	(45.76)
<b>Total Operating Revenues.....</b>	<b>125,239,676.82</b>	<b>175,998,943.79</b>	<b>(50,759,266.97)</b>	<b>(28.84)</b>
Fuel for Electric Generation.....	29,083,943.23	34,444,555.59	(5,360,612.36)	(15.56)
Power Purchased.....	6,286,992.63	8,130,420.04	(1,843,427.41)	(22.67)
Gas Supply Expenses.....	33,945,220.22	76,420,027.27	(42,474,807.05)	(55.58)
Other Operation Expenses.....	18,245,335.13	17,968,153.28	277,181.85	1.54
Maintenance.....	5,950,317.13	9,165,545.97	(3,215,228.84)	(35.08)
Depreciation.....	10,766,332.79	10,348,232.70	418,100.09	4.04
Amortization Expense.....	720,153.41	532,037.37	188,116.04	35.36
Regulatory Credits.....	(179,203.17)	(177,368.12)	(1,835.05)	(1.03)
Taxes				
Federal Income.....	4,687,680.25	4,783,427.16	(95,746.91)	(2.00)
State Income.....	854,896.11	911,128.99	(56,232.88)	(6.17)
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,106,988.27	2,264,524.63	(157,536.36)	(6.96)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(219,158.00)	(312,908.00)	93,750.00	29.96
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	164,563.41	162,613.52	1,949.89	1.20
<b>Total Operating Expenses.....</b>	<b>112,414,061.41</b>	<b>164,640,390.40</b>	<b>(52,226,328.99)</b>	<b>(31.72)</b>
Net Operating Income.....	12,825,615.41	11,358,553.39	1,467,062.02	12.92
Other Income Less Deductions.....	85,111.33	10,225,687.09	(10,140,575.76)	(99.17)
<b>Income Before Interest Charges.....</b>	<b>12,910,726.74</b>	<b>21,584,240.48</b>	<b>(8,673,513.74)</b>	<b>(40.18)</b>
Interest on Long-Term Debt.....	3,550,810.54	3,734,578.54	(183,768.00)	(4.92)
Amortization of Debt Expense - Net.....	116,289.49	123,451.70	(7,162.21)	(5.80)
Other Interest Expenses.....	233,434.52	248,898.70	(15,464.18)	(6.21)
<b>Total Interest Charges.....</b>	<b>3,900,534.55</b>	<b>4,106,928.94</b>	<b>(206,394.39)</b>	<b>(5.03)</b>
<b>Net Income.....</b>	<b>9,010,192.19</b>	<b>17,477,311.54</b>	<b>(8,467,119.35)</b>	<b>(48.45)</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	75,656,301.90	84,590,679.75	(8,934,377.85)	(10.56)
Gas Operating Revenues.....	49,583,374.92	91,408,264.04	(41,824,889.12)	(45.76)
Total Operating Revenues.....	<u>125,239,676.82</u>	<u>175,998,943.79</u>	<u>(50,759,266.97)</u>	<u>(28.84)</u>
Fuel for Electric Generation.....	29,083,943.23	34,444,555.59	(5,360,612.36)	(15.56)
Power Purchased.....	6,286,992.63	8,130,420.04	(1,843,427.41)	(22.67)
Gas Supply Expenses.....	33,945,220.22	76,420,027.27	(42,474,807.05)	(55.58)
Other Operation Expenses.....	18,245,335.13	17,968,153.28	277,181.85	1.54
Maintenance.....	5,950,317.13	9,165,545.97	(3,215,228.84)	(35.08)
Depreciation.....	10,766,332.79	10,348,232.70	418,100.09	4.04
Amortization Expense.....	720,153.41	532,037.37	188,116.04	35.36
Regulatory Credits.....	(179,203.17)	(177,368.12)	(1,835.05)	(1.03)
Taxes				
Federal Income.....	4,687,680.25	4,783,427.16	(95,746.91)	(2.00)
State Income.....	854,896.11	911,128.99	(56,232.88)	(6.17)
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,106,988.27	2,264,524.63	(157,536.36)	(6.96)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(219,158.00)	(312,908.00)	93,750.00	29.96
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	164,563.41	162,613.52	1,949.89	1.20
Total Operating Expenses.....	<u>112,414,061.41</u>	<u>164,640,390.40</u>	<u>(52,226,328.99)</u>	<u>(31.72)</u>
Net Operating Income.....	12,825,615.41	11,358,553.39	1,467,062.02	12.92
Other Income Less Deductions.....	85,111.33	10,225,687.09	(10,140,575.76)	(99.17)
Income Before Interest Charges.....	<u>12,910,726.74</u>	<u>21,584,240.48</u>	<u>(8,673,513.74)</u>	<u>(40.18)</u>
Interest on Long-Term Debt.....	3,550,810.54	3,734,578.54	(183,768.00)	(4.92)
Amortization of Debt Expense - Net.....	116,289.49	123,451.70	(7,162.21)	(5.80)
Other Interest Expenses.....	233,434.52	248,898.70	(15,464.18)	(6.21)
Total Interest Charges.....	<u>3,900,534.55</u>	<u>4,106,928.94</u>	<u>(206,394.39)</u>	<u>(5.03)</u>
Net Income.....	<u><u>9,010,192.19</u></u>	<u><u>17,477,311.54</u></u>	<u><u>(8,467,119.35)</u></u>	<u><u>(48.45)</u></u>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	910,430,314.12	1,019,454,710.96	(109,024,396.84)	(10.69)
Gas Operating Revenues.....	319,802,966.88	468,159,737.68	(148,356,770.80)	(31.69)
Total Operating Revenues.....	<u>1,230,233,281.00</u>	<u>1,487,614,448.64</u>	<u>(257,381,167.64)</u>	<u>(17.30)</u>
Fuel for Electric Generation.....	322,872,384.16	350,167,269.58	(27,294,885.42)	(7.79)
Power Purchased.....	56,586,842.42	116,303,582.81	(59,716,740.39)	(51.35)
Gas Supply Expenses.....	207,330,461.91	363,213,691.40	(155,883,229.49)	(42.92)
Other Operation Expenses.....	219,349,168.50	196,096,805.23	23,252,363.27	11.86
Maintenance.....	92,989,729.94	97,654,911.41	(4,665,181.47)	(4.78)
Depreciation.....	129,164,434.35	121,592,025.96	7,572,408.39	6.23
Amortization Expense.....	8,144,439.82	5,985,337.88	2,159,101.94	36.07
Regulatory Credits.....	(2,207,282.85)	(2,071,831.34)	(135,451.51)	(6.54)
Taxes				
Federal Income.....	25,176,823.61	38,533,314.32	(13,356,490.71)	(34.66)
State Income.....	3,837,295.12	3,994,787.18	(157,492.06)	(3.94)
Deferred Federal Income - Net.....	8,325,579.32	(2,265,116.31)	10,590,695.63	467.56
Deferred State Income - Net.....	1,450,849.02	(2,493,495.64)	3,944,344.66	158.19
Property and Other.....	23,387,004.65	24,137,452.66	(750,448.01)	(3.11)
Investment Tax Credit.....	3,649,346.00	8,121,028.00	(4,471,682.00)	(55.06)
Amortization of Investment Tax Credit.....	(2,950,357.00)	(3,861,251.07)	910,894.07	23.59
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,971,730.01	1,894,709.98	77,020.03	4.07
Total Operating Expenses.....	<u>1,099,012,174.92</u>	<u>1,316,546,967.17</u>	<u>(217,534,792.25)</u>	<u>(16.52)</u>
Net Operating Income.....	131,221,106.08	171,067,481.47	(39,846,375.39)	(23.29)
Other Income Less Deductions.....	2,965,825.52	(20,241,045.65)	23,206,871.17	114.65
Income Before Interest Charges.....	<u>134,186,931.60</u>	<u>150,826,435.82</u>	<u>(16,639,504.22)</u>	<u>(11.03)</u>
Interest on Long-Term Debt.....	43,323,605.04	42,835,419.13	488,185.91	1.14
Amortization of Debt Expense - Net.....	1,458,198.00	1,588,190.55	(129,992.55)	(8.18)
Other Interest Expenses.....	2,755,052.86	8,461,073.19	(5,706,020.33)	(67.44)
Total Interest Charges.....	<u>47,536,855.90</u>	<u>52,884,682.87</u>	<u>(5,347,826.97)</u>	<u>(10.11)</u>
Net Income.....	<u><u>86,650,075.70</u></u>	<u><u>97,941,752.95</u></u>	<u><u>(11,291,677.25)</u></u>	<u><u>(11.53)</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**January 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	755,278,866.24	740,161,671.19	755,278,866.24	740,161,671.19	757,638,982.73	699,697,229.78
Add:						
Net Income for Period.....	9,010,192.19	17,477,311.54	9,010,192.19	17,477,311.54	86,650,075.70	97,941,752.95
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	80,000,000.00	40,000,000.00
Balance at End of Period.....	764,289,058.43	757,638,982.73	764,289,058.43	757,638,982.73	764,289,058.43	757,638,982.73

February 19, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of January 31, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,547,506,200.76	4,518,865,054.08	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>1,972,299,586.33</u>	<u>1,949,191,455.66</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,575,206,614.43</u>	<u>2,569,673,598.42</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(10,963,295.75)	(11,627,034.85)
			Retained Earnings.....	<u>764,289,058.43</u>	<u>757,638,982.73</u>
<b>Investments</b>			Total Proprietary Capital.....	<u>1,261,241,797.13</u>	<u>1,253,876,875.33</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Pollution Control Bonds - Net of Reacquired Bonds	411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>485,000,000.00</u>
Special Funds.....	14,724,565.77	22,657,726.59	Total Long-Term Debt.....	896,104,000.00	896,104,000.00
Other.....	-	-	Total Capitalization.....	<u>2,157,345,797.13</u>	<u>2,149,980,875.33</u>
Total.....	<u>15,330,730.97</u>	<u>23,263,891.79</u>			
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	4,973,847.06	3,264,094.49	ST Notes Payable to Associated Companies.....	131,982,400.00	210,627,400.00
Special Deposits.....	755,066.07	1,612,084.73	Accounts Payable.....	94,675,668.19	96,825,387.46
Temporary Cash Investments.....	119.71	26.98	Accounts Payable to Associated Companies.....	33,460,583.90	18,791,856.81
Accounts Receivable-Less Reserve.....	155,240,458.08	217,979,359.39	Customer Deposits.....	22,862,521.85	21,619,542.38
Accounts Receivable from Associated Companies....	10,909,282.44	3,564,031.87	Taxes Accrued.....	33,322,970.74	15,655,994.62
Materials and Supplies-At Average Cost			Interest Accrued.....	3,043,132.52	3,723,452.30
Fuel.....	63,263,325.62	42,050,047.17	ST Obligations Under Capital Leases.....	-	23,650.00
Plant Materials and Operating Supplies.....	29,427,375.18	28,162,716.77	Miscellaneous Current and Accrued Liabilities.....	<u>28,849,916.80</u>	<u>27,177,909.38</u>
Stores Expense.....	4,238,253.24	4,136,707.73	Total.....	<u>348,197,194.00</u>	<u>394,445,192.95</u>
Gas Stored Underground.....	41,531,671.17	83,390,426.85			
Allowance Inventory.....	4,103.41	5,847.74	Deferred Credits and Other		
Prepayments.....	8,867,721.64	6,395,452.20	Accumulated Deferred Income Taxes.....	427,458,362.10	410,892,327.69
Miscellaneous Current and Accrued Assets.....	<u>2,269,808.57</u>	<u>3,831,080.14</u>	Investment Tax Credit.....	47,807,192.13	50,036,162.13
Total.....	<u>321,481,032.19</u>	<u>394,391,876.06</u>	Regulatory Liabilities.....	74,415,259.97	56,552,845.70
			Customer Advances for Construction.....	9,543,581.56	10,440,251.06
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	33,208,192.55	32,912,185.34
Unamortized Debt Expense.....	3,838,643.28	3,998,825.22	Other Deferred Credits.....	8,163,617.99	54,035,346.51
Unamortized Loss on Bonds.....	23,018,562.36	24,108,240.46	Miscellaneous Long-Term Liabilities.....	35,538,871.79	48,791,758.97
Accumulated Deferred Income Taxes.....	56,726,770.90	63,738,121.10	Accum Provision for Postretirement Benefits.....	<u>180,170,381.45</u>	<u>226,808,233.63</u>
Deferred Regulatory Assets.....	325,096,765.91	317,228,645.10	Total.....	<u>816,305,459.54</u>	<u>890,469,111.03</u>
Other Deferred Debits.....	<u>1,149,330.63</u>	<u>38,491,981.16</u>	Total Liabilities and Stockholders' Equity.....	<u>3,321,848,450.67</u>	<u>3,434,895,179.31</u>
Total.....	<u>409,830,073.08</u>	<u>447,565,813.04</u>			
Total Assets.....	<u>3,321,848,450.67</u>	<u>3,434,895,179.31</u>			

February 19, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**January 31, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(10,963,295.75)		
Retained Earnings.....			764,289,058.43		
 Total Proprietary Capital.....			1,261,241,797.13	55.09	58.46
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Total Pollution Control Bonds.....			574,304,000.00	25.09	26.62
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.13)	(7.56)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.96	19.06
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	21.19	22.48
Total Capitalization.....			2,157,345,797.13	94.24	100.00
Short-Term Notes Payable to Associated Companies.....			131,982,400.00	5.76	
Total Capitalization and Short-Term Debt.....			2,289,328,197.13	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,547,506,200.76	4,547,506,200.76
Reserves for Depreciation and Amortization.....		(1,972,299,586.33)
Depreciation of Plant		
Electric.....	(1,642,651,804.48)	
Gas.....	(221,625,027.78)	
Common.....	(89,023,101.31)	
Amortization of Plant		
Common.....	(18,998,752.76)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		15,330,730.97
Special Funds.....	14,724,565.77	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	4,973,847.06	4,973,847.06
Special Deposits.....		755,066.07
Other Special Deposits.....	755,066.07	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		155,240,458.08
Customers - Active.....	89,896,475.87	
Unbilled Revenues.....	56,317,788.03	
Sundry Accounts Receivable.....	4,331,058.21	
Wholesale Sales.....	1,985,879.63	
IMPA.....	1,502,230.37	
IMEA.....	1,460,290.79	
Damage Claims.....	552,623.28	
Transmission Sales.....	430,925.30	
Electricity Swaps.....	349,613.21	
Rents Receivable.....	47,586.48	
Employee Computer Loans.....	45,966.31	
Working Funds.....	20,130.00	
Interest and Dividends Receivable.....	(8,943.61)	
Other.....	368,270.65	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	569,119.92	
Recoveries.....	(86,204.65)	
Accrual.....	(482,915.27)	
A/R Miscellaneous.....	(605,345.44)	
Reserve.....	(1,454,091.00)	
Accounts Receivable from Associated Companies.....		10,909,282.44
E.ON US Services/Kentucky Utilities Company.....	10,909,282.44	
Fuel.....		63,263,325.62
Coal 1,475,223.96 Tons @ \$42.56; MMBtu 33,719,987.97 @ 186.20¢.....	62,785,919.63	
Fuel Oil 222,978.00 Gallons @ 196.69¢.....	438,565.81	
Gas Pipeline 5,400.00 Mcf @ \$7.19.....	38,840.18	
Plant Materials and Operating Supplies.....		29,427,375.18
Regular Materials and Supplies.....	29,056,702.06	
Limestone 42,767.91 Tons @ \$8.67.....	370,673.11	
Other Reagents.....	0.01	

February 19, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,238,253.24	4,238,253.24
Gas Stored Underground - Current.....		41,531,671.17
Gas St. Underground* 8,501,785.00 Mcf (14.73 psia) @ \$ 4.89.....	41,531,671.17	
Allowance Inventory.....	4,103.41	4,103.41
Prepayments.....		8,867,721.64
Insurance.....	6,079,876.18	
Taxes.....	808,377.12	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	11,030.71	
Other.....	1,625,104.26	
Miscellaneous Current Assets.....		2,269,808.57
Derivative Asset - Non-Hedging.....	2,269,808.57	
Unamortized Debt Expense.....		3,838,643.28
Trimble County 2000 Series A due 08/01/30 Var%.....	793,501.07	
Jefferson County 2001 Series A due 09/01/26 Var%.....	164,569.20	
Jefferson County 2001 Series A due 09/01/27 Var%.....	358,568.14	
Trimble County 2001 Series A due 09/01/26 Var%.....	178,933.99	
Jefferson County 2001 Series B due 11/01/27 Var%.....	195,165.67	
Trimble County 2001 Series B due 11/01/27 Var%.....	195,197.68	
Trimble County 2002 Series A due 10/01/32 Var%.....	843,685.27	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,109,022.26	
Unamortized Loss on Bonds.....	23,018,562.36	23,018,562.36
Accumulated Deferred Income Taxes.....		56,726,770.90
Federal.....		
Electric.....	43,372,316.09	
Gas.....	4,479,950.36	
Common.....	240,879.92	
State.....		
Electric.....	7,798,942.00	
Gas.....	832,739.73	
Common.....	1,942.80	
Regulatory Assets.....		325,096,765.91
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations.....		
Electric.....	21,584,053.47	
Gas.....	8,168,133.35	
Common.....	26,429.34	
2008 Wind Storm.....	23,540,332.79	
Environmental Cost Recovery.....	7,198,166.00	
MISO Exit Fee.....	5,555,085.26	
Gas Supply Clause/PBR.....	6,847,433.74	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	692,420.72	
Rate Case Expenses.....	689,062.16	
ECR Ash Hauling.....	514,413.49	
CMRG Funding.....	183,500.00	
Fuel Adjustment Clause.....	1,258,000.00	
Other Deferred Debits.....	1,149,330.63	1,149,330.63
Total Assets.....	<u>3,321,848,450.67</u>	<u>3,321,848,450.67</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,261,241,797.13
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(10,963,295.75)	
Retained Earnings.....	764,289,058.43	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	131,982,400.00	131,982,400.00
Accounts Payable.....		94,675,668.19
Regular.....	88,370,634.87	
Employee Withholdings Payable.....	4,880,571.03	
Salaries and Wages Accrued.....	1,424,462.29	
Accounts Payable to Associated Companies.....		33,460,583.90
E.ON US Services/Kentucky Utilities Company.....	26,216,033.34	
Interest payable to Fidelia.....	7,244,550.56	
Customers' Deposits.....	22,862,521.85	22,862,521.85
Taxes Accrued.....	33,322,970.74	33,322,970.74
Interest Accrued.....		3,043,132.52
Jefferson County 2000 Series A due 05/01/27 5.375%.....	335,937.60	
Trimble County 2000 Series A due 08/01/30 Var%.....	12,222.47	
Jefferson County 2001 Series A due 09/01/26 Var%.....	4,660.30	
Jefferson County 2001 Series A due 09/01/27 Var%.....	269.56	
Trimble County 2001 Series A due 09/01/26 Var%.....	9,967.79	
Jefferson County 2001 Series B due 11/01/27 Var%.....	38,835.59	
Trimble County 2001 Series B due 11/01/27 Var%.....	38,835.90	
Trimble County 2002 Series A due 10/01/32 Var%.....	7,420.92	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.05	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	1,143,611.22	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	290,625.05	
Trimble County 2007 Series A due 06/01/33 4.600%.....	460,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.01)	
Interest Rate Swaps.....	583,956.89	
Customers' Deposits.....	3,269.74	
Other.....	113,519.45	
Miscellaneous Current and Accrued Liabilities.....		28,849,916.80
No-Notice Gas Payable.....	11,310,414.31	
Vacation Pay Accrued.....	5,259,885.06	
Customer Overpayments.....	4,775,268.24	
Postretirement Benefits - Current.....	3,411,766.00	
Service Deposit Refund Payable.....	1,549,815.07	
Tax Collections Payable.....	1,343,846.12	
Derivative Liabilities - Non-Hedging.....	397,884.26	
Other.....	801,037.74	

February 19, 2010



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		427,458,362.10
Federal		
Electric.....	321,972,717.26	
Gas.....	44,354,712.47	
Common.....	240,879.92	
State		
Electric.....	54,518,255.49	
Gas.....	6,369,854.16	
Common.....	1,942.80	
Investment Tax Credit.....		47,807,192.13
Job Development Credit		
Electric.....	23,233,003.98	
Gas.....	824,188.15	
Advanced Coal Credit.....	23,750,000.00	
Regulatory Liabilities.....		74,415,259.97
Deferred Taxes		
Federal		
Electric.....	18,629,683.59	
Gas.....	1,414,981.01	
State		
Electric.....	16,189,139.81	
Gas.....	2,525,957.58	
Gas Supply Clause/PBR.....	23,737,316.25	
DSM Cost Recovery.....	5,506,640.24	
MISO Schedule 10 Charges.....	3,123,711.46	
Asset Retirement Obligations		
Gas.....	2,362,616.94	
Electric.....	721,610.01	
Purchased Gas Adjustment - Texas Gas.....	203,603.08	
Customers' Advances for Construction.....		9,543,581.56
Line Extensions		
Gas.....	7,406,438.84	
Electric.....	1,093,762.85	
Common.....	(8,686.20)	
Customer Advances - Museum Plaza.....	755,066.07	
Other.....	297,000.00	
Asset Retirement Obligations		33,208,192.55
Electric.....	24,882,757.64	
Gas.....	8,296,507.21	
Common.....	28,927.70	
Other Deferred Credits.....	8,163,617.99	8,163,617.99
Miscellaneous Long-Term Liabilities.....		35,538,871.79
Long-Term Derivative Liabilities - SFAS 133.....	30,621,002.00	
Workers' Compensation.....	4,917,869.79	
Accumulated Provision for Benefits.....		180,170,381.45
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	80,398,720.45	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(199,312.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,321,848,450.67</u>	<u>3,321,848,450.67</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**January 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	9,010,192.19	17,477,311.54
Items not requiring (providing) cash currently:		
Depreciation.....	10,766,332.79	10,348,232.70
Amortization.....	720,153.41	532,037.37
Investment tax credit - net.....	(219,158.00)	(312,908.00)
Other.....	3,890,125.02	1,186,112.90
Change in receivables.....	29,933,361.24	(17,843,719.11)
Change in inventory.....	11,449,894.59	37,142,317.92
Change in allowance inventory.....	67.59	112.47
Change in payables and accrued expenses.....	14,675,066.85	(25,753,400.50)
Change in regulatory assets.....	(5,106,671.20)	11,031.73
Change in regulatory liabilities.....	(10,491,948.61)	286,614.54
Change in other deferred debits.....	22,818.40	2,728,342.43
Change in other deferred credits.....	1,752.64	10,383,330.06
Other.....	29,864,337.84	(3,701,085.53)
Net cash provided (used) by operating activities.....	<u>94,516,324.75</u>	<u>32,484,330.52</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(54,712,980.70)	(12,056,856.52)
Gross additions to common utility plant - construction expenditures.....	175,204.10	(375,010.47)
Change in restricted cash.....	-	468,541.83
Change in long-term investments.....	-	(10,192,322.20)
Change in non-hedging derivatives.....	(1,782,067.73)	-
Net cash provided (used) by investing activities.....	<u>(56,319,844.33)</u>	<u>(22,155,647.36)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(0.03)	(4,250.06)
Net change in short-term debt.....	(38,418,000.00)	(11,371,800.00)
Dividends on common stock.....	-	-
Net cash provided (used) by financing activities.....	<u>(38,418,000.03)</u>	<u>(11,376,050.06)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(221,519.61)	(1,047,366.90)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>4,973,966.77</u></u>	<u><u>3,264,121.47</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**January 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.17	111,979.17	111,979.17	111,979.17	1,343,750.04	702,519.42
Trimble County 2000 Series A due 08/01/30 Var%.....	11,481.71	18,889.27	11,481.71	18,889.27	287,366.84	2,284,089.70
Jefferson County 2001 Series A due 09/01/26 Var%.....	11,687.67	37,200.36	11,687.67	37,200.36	213,195.23	501,057.16
Jefferson County 2001 Series A due 09/01/27 Var%.....	1,465.08	5,895.68	1,465.08	5,895.68	34,494.15	257,188.35
Trimble County 2001 Series A due 09/01/26 Var%.....	16,748.63	45,467.09	16,748.63	45,467.09	268,611.01	612,403.13
Jefferson County 2001 Series B due 11/01/27 Var%.....	22,294.52	51,939.34	22,294.52	51,939.34	340,094.44	777,876.95
Trimble County 2001 Series B due 11/01/27 Var%.....	22,294.52	51,939.34	22,294.52	51,939.34	340,094.42	777,876.95
Trimble County 2002 Series A due 10/01/32 Var%.....	6,971.19	21,559.64	6,971.19	21,559.64	162,539.20	1,305,705.70
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(5,409.06)	5,409.06	2,419,434.02
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.67	191,666.67	191,666.67	191,666.67	2,300,000.03	795,788.89
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	145,312.50	145,312.50	145,312.50	1,743,750.00	709,967.28
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	(0.03)	-	(0.03)	-	450,698.49
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	230,000.00	230,000.00	2,760,000.02	2,778,270.00
Interest Rate Swaps.....	558,758.87	607,988.58	558,758.87	607,988.58	6,882,500.44	5,190,118.15
Fidelia.....	2,220,150.01	2,220,149.99	2,220,150.01	2,220,149.99	26,641,800.16	23,272,424.94
<b>Total.....</b>	<b>3,550,810.54</b>	<b>3,734,578.54</b>	<b>3,550,810.54</b>	<b>3,734,578.54</b>	<b>43,323,605.04</b>	<b>42,835,419.13</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.34	15,412.77	15,518.34	15,412.77	185,969.85	260,880.72
Amortization of Loss on Reacquired Debt.....	100,771.15	108,038.93	100,771.15	108,038.93	1,272,228.15	1,327,309.83
<b>Total.....</b>	<b>116,289.49</b>	<b>123,451.70</b>	<b>116,289.49</b>	<b>123,451.70</b>	<b>1,458,198.00</b>	<b>1,588,190.55</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	140,886.87	86,928.16	140,886.87	86,928.16	1,413,481.59	1,079,823.03
Other Tax Deficiencies.....	-	-	-	-	(14,880.00)	(2,110.00)
Interest on DSM Cost Recovery.....	586.76	6,919.52	586.76	6,919.52	121,732.82	48,598.61
Interest on Debt to Associated Companies .....	29,367.77	169,645.90	29,367.77	169,645.90	534,020.07	6,056,937.57
Other Interest Expense.....	62,593.12	(14,594.88)	62,593.12	(14,594.88)	700,698.38	1,277,823.98
<b>Total.....</b>	<b>233,434.52</b>	<b>248,898.70</b>	<b>233,434.52</b>	<b>248,898.70</b>	<b>2,755,052.86</b>	<b>8,461,073.19</b>
<b>Total Interest.....</b>	<b>3,900,534.55</b>	<b>4,106,928.94</b>	<b>3,900,534.55</b>	<b>4,106,928.94</b>	<b>47,536,855.90</b>	<b>52,884,682.87</b>

February 19, 2010

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
January 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	This Year	Last Year	This Year	Last Year
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,500,277.01	1,222,746.10	1,500,277.01
Unemployment.....	63,944.49	(5,361.87)	63,944.49	(5,361.87)
FICA.....	645,711.07	604,733.72	645,711.07	604,733.72
Public Service Commission Fee.....	161,675.42	157,536.02	161,675.42	157,536.02
Federal Income.....	4,687,680.25	4,783,427.16	4,687,680.25	4,783,427.16
State Income.....	854,896.11	911,128.99	854,896.11	911,128.99
Miscellaneous.....	12,911.19	7,339.75	12,911.19	7,339.75
<b>Total Charged to Operating Expense.....</b>	<b>7,649,564.63</b>	<b>7,959,080.78</b>	<b>7,649,564.63</b>	<b>7,959,080.78</b>
Taxes Charged to Other Accounts.....	254,148.98	193,184.11	254,148.98	193,184.11
Taxes Accrued on Intercompany Accounts.....	(240,195.90)	(200,486.84)	(240,195.90)	(200,486.84)
<b>Total Taxes Charged.....</b>	<b>7,663,517.71</b>	<b>7,951,778.05</b>	<b>7,663,517.71</b>	<b>7,951,778.05</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	Taxes Accrued At Beginning Of Year	Accruals To Date This Year	Payments To Date This Year	Taxes Accrued At End Of Month
Property Taxes.....	11,062,690.23	1,251,246.00	914.79	12,313,021.44
Unemployment.....	42,164.99	59,405.76	1,024.86	100,545.89
FICA.....	455,753.32	527,979.79	430,368.46	553,364.65
Federal Income.....	13,896,876.99	4,733,633.80	-	18,630,510.79
State Income.....	632,003.78	863,276.68	-	1,495,280.46
Kentucky Sales and Use Tax.....	625,517.98	216,910.55	625,517.88	216,910.65
Miscellaneous.....	14,799.84	11,065.13	12,528.11	13,336.86
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>7,663,517.71</b>	<b>1,070,354.10</b>	<b>33,322,970.74</b>

February 19, 2010

Louisville Gas and Electric Company  
Summary of Utility Plant  
January 31, 2010

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Net Additions	Ending Balance
<b>101 UTILITY PLANT IN SERVICE</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	782,468.18	(74,654.30)	-	707,813.88	163,849,284.14
Common Intangible Plant	61,656,665.49	1,032,445.27	-	-	1,032,445.27	62,689,110.76
	224,798,135.75	1,814,913.45	(74,654.30)	-	1,740,259.15	226,538,394.90
<b>Electric</b>						
Electric Distribution	857,912,917.23	4,868,316.22	(431,679.79)	-	4,436,636.43	862,349,553.66
Electric General Plant	16,833,253.13	63,646.33	-	-	63,646.33	16,896,899.46
Electric Hydro Production	41,579,243.41	-	-	-	-	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	-	-	-	-	231,249,803.99
Electric Steam Production	1,894,640,479.32	-	-	-	-	1,894,640,479.32
Electric Transmission	241,991,713.86	163,651.92	(21,721.08)	-	141,930.84	242,133,644.70
	3,284,209,751.23	5,095,614.47	(453,400.87)	-	4,642,213.60	3,288,851,964.83
<b>Gas</b>						
Gas Distribution	529,098,314.51	1,596,738.75	(1,823.93)	-	1,594,914.82	530,693,229.33
Gas General Plant	9,014,996.97	113,626.35	-	-	113,626.35	9,128,623.32
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	1,847,664.64	(73,373.59)	-	1,774,291.05	66,711,913.92
Gas Transmission	13,658,203.76	-	-	-	-	13,658,203.76
	616,710,325.60	3,558,029.74	(75,197.52)	-	3,482,832.22	620,193,157.82
<b>Total 101 Accounts</b>	4,125,718,212.58	10,468,557.66	(603,252.69)	-	9,865,304.97	4,135,583,517.55
<b>101 PROPERTY UNDER CAPITAL LEASES</b>						
<b>Electric</b> Capital Leased Property						
Electric Steam Production	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total 101101</b>	-	-	-	-	-	-
<b>105 PLANT HELD FOR FUTURE USE</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	4,831,574.18	-	-	-	-	4,831,574.18
<b>Total 105001</b>	4,831,574.18	-	-	-	-	4,831,574.18

Louisville Gas and Electric Company  
Summary of Utility Plant  
January 31, 2010

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Net Additions	Ending Balance
<b>106 COMPLETED CONSTRUCTION NOT CLASSIFIED</b>						
<b>Common</b>						
Common General Plant	265,181.22	327,899.39	-	-	327,899.39	593,080.61
Common Intangible Plant	971,026.53	733,903.46	-	-	733,903.46	1,704,929.99
	<u>1,236,207.75</u>	<u>1,061,802.85</u>	<u>-</u>	<u>-</u>	<u>1,061,802.85</u>	<u>2,298,010.60</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	2,826,952.48	-	-	2,826,952.48	37,571,989.15
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	28,599.70	-	-	28,599.70	45,551.96
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	6,550.80	-	-	6,550.80	6,550.80
Electric Steam Production	9,240,272.74	5,358,973.62	-	-	5,358,973.62	14,599,246.36
Electric Transmission	976,044.41	124,406.84	-	-	124,406.84	1,100,451.25
	<u>44,978,306.08</u>	<u>8,345,483.44</u>	<u>-</u>	<u>-</u>	<u>8,345,483.44</u>	<u>53,323,789.52</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	(238,716.12)	-	-	(238,716.12)	15,144,213.15
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(533,775.33)	-	-	(533,775.33)	3,252,773.11
Gas Transmission	1,221,215.37	(85,131.14)	-	-	(85,131.14)	1,136,084.23
	<u>20,602,119.24</u>	<u>(867,881.18)</u>	<u>-</u>	<u>-</u>	<u>(867,881.18)</u>	<u>19,734,238.06</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>8,539,405.11</u>	<u>-</u>	<u>-</u>	<u>8,539,405.11</u>	<u>75,356,038.18</u>
<b>117 GAS STORED UNDERGROUND-NONCURRENT</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 NONUTILITY PROPERTY</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 CONSTRUCTION WORK IN PROGRESS</b>						
<b>Construction Work in Progress</b>						
Common	15,767,424.60	(3,051,920.40)	-	-	(3,051,920.40)	12,715,504.20
Electric	299,585,079.65	(8,804,330.91)	-	-	(8,804,330.91)	290,780,748.74
Gas	26,774,033.33	(675,205.42)	-	-	(675,205.42)	26,098,827.91
	<u>342,126,537.58</u>	<u>(12,531,456.73)</u>	<u>-</u>	<u>-</u>	<u>(12,531,456.73)</u>	<u>329,595,080.85</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>19,007,962.77</u>	<u>(603,252.69)</u>	<u>-</u>	<u>18,404,710.08</u>	<u>4,217,986,359.47</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>6,476,506.04</u>	<u>(603,252.69)</u>	<u>-</u>	<u>5,873,253.35</u>	<u>4,547,581,440.32</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>6,476,506.04</u>	<u>(603,252.69)</u>	<u>-</u>	<u>5,873,253.35</u>	<u>4,547,506,200.76</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>LIFE RESERVE</b>									
Common General Plant	(78,702,001.26)	(1,133,094.57)	74,654.30	-	-	-	-	-	(79,760,441.53)
Common General Plant - ARO	(1,233.92)	(2.86)	-	-	-	-	-	-	(1,236.78)
Electric Distribution	(266,380,666.38)	(1,365,508.68)	431,679.79	-	-	-	-	-	(267,314,495.27)
Electric Distribution - ARO	(13,162.72)	(30.51)	-	-	-	-	-	-	(13,193.23)
Electric General Plant	(14,148,434.81)	(58,152.20)	-	-	-	-	-	-	(14,206,587.01)
Electric Hydro Production	(9,163,030.01)	(46,247.83)	-	-	-	-	-	-	(9,209,277.84)
Electric Hydro Production - ARO	(17,810.24)	(41.34)	-	-	-	-	-	-	(17,851.58)
Electric Other Production	(52,372,728.97)	(678,297.34)	-	-	-	-	-	-	(53,051,026.31)
Electric Other Production - ARO	(89,318.48)	(207.05)	-	-	-	-	-	-	(89,525.53)
Electric Steam Production	(982,038,024.91)	(4,289,136.36)	-	-	-	-	-	-	(986,327,161.27)
Electric Steam Production - ARO	(2,543,436.73)	(13,622.06)	-	-	-	-	-	-	(2,557,058.79)
Electric Transmission	(116,058,916.84)	(311,057.11)	21,721.08	-	-	-	-	-	(116,348,252.87)
Electric Transmission - ARO	(667.12)	(1.55)	-	-	-	-	-	-	(668.67)
Gas Distribution	(116,733,622.42)	(903,092.10)	1,823.93	-	-	-	-	-	(117,634,890.59)
Gas Distribution - ARO	(20,380.45)	(26.67)	-	-	-	-	-	-	(20,407.12)
Gas General Plant	(6,508,855.59)	(36,633.23)	-	-	-	-	-	-	(6,545,488.82)
Gas Storage	(32,226,220.17)	(81,808.70)	73,373.59	-	-	-	-	-	(32,234,655.28)
Gas Storage - ARO	(402,273.17)	(707.72)	-	-	-	-	-	-	(402,980.89)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(3,947.30)	-	-	-	-	-	-	(9,406,777.99)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(8,921,615.18)</u>	<u>603,252.69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,695,205,337.73)</u>
<b>COST OF REMOVAL</b>									
Common General Plant	(585,802.76)	(22,254.13)	-	-	-	29,982.78	-	-	(578,074.11)
Electric Distribution	(148,701,260.29)	(537,510.09)	-	-	-	314,629.52	-	-	(148,924,140.86)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(3,511.28)	-	-	-	-	-	-	775,559.39
Electric Other Production	(2,157,721.68)	(29,148.15)	-	-	-	-	-	-	(2,186,869.83)
Electric Steam Production	(80,852,537.28)	(1,217,160.47)	-	-	-	-	-	-	(82,069,697.75)
Electric Transmission	(23,685,015.10)	(96,269.24)	-	-	-	19,325.86	-	-	(23,761,958.48)
Gas Distribution	(57,352,410.28)	(254,277.73)	-	-	-	8,818.03	-	-	(57,597,869.98)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(9,171.85)	-	-	-	70,765.79	-	-	(166,851.64)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(974.41)	-	-	-	-	-	-	(3,024,886.78)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(2,170,277.35)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,521.98</u>	<u>-</u>	<u>-</u>	<u>(317,530,923.42)</u>

February 19, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>SALVAGE</b>									
Common General Plant	277,728.56	25.16	-	-	-	-	-	-	277,753.72
Electric Distribution	16,492,540.88	107,861.74	-	-	-	-	(7,253.62)	-	16,593,149.00
Electric General Plant	136,014.35	188.05	-	-	-	-	-	-	136,202.40
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	149,752.44	-	-	-	-	-	-	20,423,099.79
Electric Transmission	6,103,126.31	18,758.85	-	-	-	-	-	-	6,121,885.16
Gas Distribution	3,410,835.14	15,878.76	-	-	-	-	-	-	3,426,713.90
Gas General Plant	223,852.64	157.73	-	-	-	-	-	-	224,010.37
Gas Storage	252,727.30	1,431.42	-	-	-	-	(63.60)	-	254,095.12
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	365.40	-	-	-	-	-	-	213,481.19
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>294,419.55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,317.22)</u>	<u>-</u>	<u>48,028,030.15</u>
<b>TOTAL RESERVES</b>									
Common	(79,074,669.74)	(1,155,326.40)	74,654.30	-	-	29,982.78	-	-	(80,125,359.06)
Electric	(1,654,077,125.86)	(8,369,340.18)	453,400.87	-	-	333,955.38	(7,253.62)	-	(1,661,666,363.41)
Gas	(221,798,419.87)	(1,272,806.40)	75,197.52	-	-	79,583.82	(63.60)	-	(222,916,508.53)
	<u>(1,954,950,215.47)</u>	<u>(10,797,472.98)</u>	<u>603,252.69</u>	<u>-</u>	<u>-</u>	<u>443,521.98</u>	<u>(7,317.22)</u>	<u>-</u>	<u>(1,964,708,231.00)</u>
<b>RETIREMENT WORK IN PROGRESS</b>									
Common	(8,937,134.61)	-	-	-	(29,982.78)	1,014.78	-	5,000.00	(8,961,102.61)
Electric	18,980,726.37	-	-	-	(326,701.76)	389,313.68	(300,924.88)	272,145.52	19,014,558.93
Gas	1,284,007.95	-	-	-	(79,520.22)	88,098.46	(1,105.44)	-	1,291,480.75
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(436,204.76)</u>	<u>478,426.92</u>	<u>(302,030.32)</u>	<u>277,145.52</u>	<u>11,344,937.07</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(10,797,472.98)</u>	<u>603,252.69</u>	<u>-</u>	<u>(436,204.76)</u>	<u>921,948.90</u>	<u>(309,347.54)</u>	<u>277,145.52</u>	<u>(1,953,363,293.93)</u>
<b>AMORTIZATION</b>									
Common	(18,278,599.35)	(720,153.41)	-	-	-	-	-	-	(18,998,752.76)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(720,153.41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,999,652.76)</u>
Depreciation & Amortization Total	<u>(1,961,902,115.11)</u>	<u>(11,517,626.39)</u>	<u>603,252.69</u>	<u>-</u>	<u>(436,204.76)</u>	<u>921,948.90</u>	<u>(309,347.54)</u>	<u>277,145.52</u>	<u>(1,972,362,946.69)</u>
Depr & Amort - Nonutility for Balance Sheet									<u>(1,972,299,586.33)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,575,206,614.43</u>

February 19, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - February 28, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

February 28, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**February 28, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	90,472,054.15	73,076,180.55	17,395,873.60	23.81
Gas Operating Revenues.....	55,329,043.76	60,064,255.20	(4,735,211.44)	(7.88)
<b>Total Operating Revenues.....</b>	<b>145,801,097.91</b>	<b>133,140,435.75</b>	<b>12,660,662.16</b>	<b>9.51</b>
Fuel for Electric Generation.....	28,641,826.10	28,787,838.16	(146,012.06)	(0.51)
Power Purchased.....	6,088,154.05	5,362,093.77	726,060.28	13.54
Gas Supply Expenses.....	27,237,073.85	47,435,705.37	(20,198,631.52)	(42.58)
Other Operation Expenses.....	19,070,112.34	24,242,575.21	(5,172,462.87)	(21.34)
Maintenance.....	6,668,509.42	21,301,875.75	(14,633,366.33)	(68.70)
Depreciation.....	10,796,607.59	10,612,849.99	183,757.60	1.73
Amortization Expense.....	738,143.85	490,194.28	247,949.57	50.58
Regulatory Credits.....	(180,026.39)	(178,179.12)	(1,847.27)	(1.04)
Taxes				
Federal Income.....	13,624,632.99	(3,756,471.33)	17,381,104.32	462.70
State Income.....	2,442,748.84	(685,070.77)	3,127,819.61	456.57
Deferred Federal Income - Net.....	(230,226.90)	-	(230,226.90)	(100.00)
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	1,997,479.56	2,313,295.90	(315,816.34)	(13.65)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(197,806.00)	(196,559.00)	(1,247.00)	(0.63)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	165,386.62	163,424.52	1,962.10	1.20
<b>Total Operating Expenses.....</b>	<b>116,862,615.92</b>	<b>135,893,572.73</b>	<b>(19,030,956.81)</b>	<b>(14.00)</b>
Net Operating Income.....	28,938,481.99	(2,753,136.98)	31,691,618.97	1,151.11
Other Income Less Deductions.....	(262,593.76)	(2,585,609.86)	2,323,016.10	89.84
<b>Income Before Interest Charges.....</b>	<b>28,675,888.23</b>	<b>(5,338,746.84)</b>	<b>34,014,635.07</b>	<b>637.13</b>
Interest on Long-Term Debt.....	3,634,520.22	3,676,134.75	(41,614.53)	(1.13)
Amortization of Debt Expense - Net.....	116,383.02	123,619.28	(7,236.26)	(5.85)
Other Interest Expenses.....	114,216.18	226,654.88	(112,438.70)	(49.61)
<b>Total Interest Charges.....</b>	<b>3,865,119.42</b>	<b>4,026,408.91</b>	<b>(161,289.49)</b>	<b>(4.01)</b>
<b>Net Income.....</b>	<b>24,810,768.81</b>	<b>(9,365,155.75)</b>	<b>34,175,924.56</b>	<b>364.93</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	166,128,356.05	157,666,860.30	8,461,495.75	5.37
Gas Operating Revenues.....	104,912,418.68	151,472,519.24	(46,560,100.56)	(30.74)
<b>Total Operating Revenues.....</b>	<b>271,040,774.73</b>	<b>309,139,379.54</b>	<b>(38,098,604.81)</b>	<b>(12.32)</b>
Fuel for Electric Generation.....	57,725,769.33	63,232,393.75	(5,506,624.42)	(8.71)
Power Purchased.....	12,375,146.68	13,492,513.81	(1,117,367.13)	(8.28)
Gas Supply Expenses.....	61,182,294.07	123,855,732.64	(62,673,438.57)	(50.60)
Other Operation Expenses.....	37,315,447.47	42,210,728.49	(4,895,281.02)	(11.60)
Maintenance.....	12,618,826.55	30,467,421.72	(17,848,595.17)	(58.58)
Depreciation.....	21,562,940.38	20,961,082.69	601,857.69	2.87
Amortization Expense.....	1,458,297.26	1,022,231.65	436,065.61	42.66
Regulatory Credits.....	(359,229.56)	(355,547.24)	(3,682.32)	(1.04)
Taxes				
Federal Income.....	18,312,313.24	1,026,955.83	17,285,357.41	1,683.16
State Income.....	3,297,644.95	226,058.22	3,071,586.73	1,358.76
Deferred Federal Income - Net.....	(230,226.90)	-	(230,226.90)	(100.00)
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	4,104,467.83	4,577,820.53	(473,352.70)	(10.34)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(416,964.00)	(509,467.00)	92,503.00	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	329,950.03	326,038.04	3,911.99	1.20
<b>Total Operating Expenses.....</b>	<b>229,276,677.33</b>	<b>300,533,963.13</b>	<b>(71,257,285.80)</b>	<b>(23.71)</b>
Net Operating Income.....	41,764,097.40	8,605,416.41	33,158,680.99	385.32
Other Income Less Deductions.....	(177,482.43)	7,640,077.23	(7,817,559.66)	(102.32)
<b>Income Before Interest Charges.....</b>	<b>41,586,614.97</b>	<b>16,245,493.64</b>	<b>25,341,121.33</b>	<b>155.99</b>
Interest on Long-Term Debt.....	7,185,330.76	7,410,713.29	(225,382.53)	(3.04)
Amortization of Debt Expense - Net.....	232,672.51	247,070.98	(14,398.47)	(5.83)
Other Interest Expenses.....	347,650.70	475,553.58	(127,902.88)	(26.90)
<b>Total Interest Charges.....</b>	<b>7,765,653.97</b>	<b>8,133,337.85</b>	<b>(367,683.88)</b>	<b>(4.52)</b>
<b>Net Income.....</b>	<b>33,820,961.00</b>	<b>8,112,155.79</b>	<b>25,708,805.21</b>	<b>316.92</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2010**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	927,826,187.72	1,022,033,429.33	(94,207,241.61)	(9.22)
Gas Operating Revenues.....	315,067,755.44	465,533,236.21	(150,465,480.77)	(32.32)
<b>Total Operating Revenues.....</b>	<b>1,242,893,943.16</b>	<b>1,487,566,665.54</b>	<b>(244,672,722.38)</b>	<b>(16.45)</b>
Fuel for Electric Generation.....	322,726,372.10	353,918,875.43	(31,192,503.33)	(8.81)
Power Purchased.....	57,312,902.70	115,993,603.29	(58,680,700.59)	(50.59)
Gas Supply Expenses.....	187,131,830.39	356,604,979.58	(169,473,149.19)	(47.52)
Other Operation Expenses.....	214,176,705.63	204,096,034.32	10,080,671.31	4.94
Maintenance.....	78,356,363.61	109,023,801.37	(30,667,437.76)	(28.13)
Depreciation.....	129,348,191.95	122,274,030.16	7,074,161.79	5.79
Amortization Expense.....	8,392,389.39	6,057,760.07	2,334,629.32	38.54
Regulatory Credits.....	(2,209,130.12)	(2,077,861.45)	(131,268.67)	(6.32)
Taxes				
Federal Income.....	42,557,927.93	32,473,539.17	10,084,388.76	31.05
State Income.....	6,965,114.73	2,870,991.89	4,094,122.84	142.60
Deferred Federal Income - Net.....	8,095,352.42	(2,265,116.31)	10,360,468.73	457.39
Deferred State Income - Net.....	1,450,849.02	(2,493,495.64)	3,944,344.66	158.19
Property and Other.....	23,071,188.31	24,393,350.23	(1,322,161.92)	(5.42)
Investment Tax Credit.....	3,649,346.00	8,121,028.00	(4,471,682.00)	(55.06)
Amortization of Investment Tax Credit.....	(2,951,604.00)	(3,735,233.07)	783,629.07	20.98
Loss (Gain) from Disposition of Allowances.....	(66,274.06)	(456,254.88)	389,980.82	85.47
Accretion Expense.....	1,973,692.11	1,900,671.29	73,020.82	3.84
<b>Total Operating Expenses.....</b>	<b>1,079,981,218.11</b>	<b>1,326,700,703.45</b>	<b>(246,719,485.34)</b>	<b>(18.60)</b>
Net Operating Income.....	162,912,725.05	160,865,962.09	2,046,762.96	1.27
Other Income Less Deductions.....	5,288,841.62	(23,226,840.46)	28,515,682.08	122.77
<b>Income Before Interest Charges.....</b>	<b>168,201,566.67</b>	<b>137,639,121.63</b>	<b>30,562,445.04</b>	<b>22.20</b>
Interest on Long-Term Debt.....	43,281,990.51	42,180,886.98	1,101,103.53	2.61
Amortization of Debt Expense - Net.....	1,450,961.74	1,590,922.41	(139,960.67)	(8.80)
Other Interest Expenses.....	2,642,614.16	8,443,561.62	(5,800,947.46)	(68.70)
<b>Total Interest Charges.....</b>	<b>47,375,566.41</b>	<b>52,215,371.01</b>	<b>(4,839,804.60)</b>	<b>(9.27)</b>
<b>Net Income.....</b>	<b>120,826,000.26</b>	<b>85,423,750.62</b>	<b>35,402,249.64</b>	<b>41.44</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**February 28, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	764,289,058.43	757,638,982.73	755,278,866.24	740,161,671.19	748,273,826.98	702,850,076.36
Add:						
Net Income for Period.....	24,810,768.81	(9,365,155.75)	33,820,961.00	8,112,155.79	120,826,000.26	85,423,750.62
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-			80,000,000.00	40,000,000.00
Balance at End of Period.....	789,099,827.24	748,273,826.98	789,099,827.24	748,273,826.98	789,099,827.24	748,273,826.98

March 26, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of February 28, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,552,654,928.95	4,523,296,815.44	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>1,981,307,560.30</u>	<u>1,951,020,439.30</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,571,347,368.65</u>	<u>2,572,276,376.14</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(10,855,676.09)	(10,063,115.63)
			Retained Earnings.....	<u>789,099,827.24</u>	<u>748,273,826.98</u>
			Total Proprietary Capital.....	<u>1,286,160,185.60</u>	<u>1,246,075,638.80</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	14,725,914.75	17,660,721.41		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Other.....	-	-	<b>Total Long-Term Debt.....</b>		
Total.....	<u>15,332,079.95</u>	<u>18,266,886.61</u>		896,104,000.00	896,104,000.00
			<b>Total Capitalization.....</b>		
				<u>2,182,264,185.60</u>	<u>2,142,179,638.80</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	6,682,158.33	4,106,125.92	ST Notes Payable to Associated Companies.....	129,748,400.00	147,801,400.00
Special Deposits.....	755,066.07	1,473,565.78	Accounts Payable.....	96,961,734.14	101,523,390.71
Temporary Cash Investments.....	119.71	26.98	Accounts Payable to Associated Companies.....	6,825,999.35	22,558,848.60
Accounts Receivable-Less Reserve.....	174,880,549.88	189,228,596.85	Customer Deposits.....	23,419,274.95	21,823,591.97
Accounts Receivable from Associated Companies....	14,403,080.19	9,552,968.88	Taxes Accrued.....	49,795,698.78	16,343,142.25
Materials and Supplies-At Average Cost			Interest Accrued.....	2,800,377.17	2,686,596.62
Fuel.....	67,263,983.95	40,858,417.68	ST Obligations Under Capital Leases.....	-	-
Plant Materials and Operating Supplies.....	29,699,506.78	28,346,520.17	Miscellaneous Current and Accrued Liabilities.....	<u>36,050,042.18</u>	<u>29,246,544.71</u>
Stores Expense.....	4,489,199.51	4,160,611.38	Total.....	<u>345,601,526.57</u>	<u>341,983,514.86</u>
Gas Stored Underground.....	27,252,753.26	56,181,716.38			
Allowance Inventory.....	4,030.42	5,747.61	<b>Deferred Credits and Other</b>		
Prepayments.....	8,329,947.40	5,916,382.07	Accumulated Deferred Income Taxes.....	427,215,539.38	410,887,586.94
Miscellaneous Current and Accrued Assets.....	<u>3,464,844.53</u>	<u>4,240,477.01</u>	Investment Tax Credit.....	47,609,386.13	49,839,603.13
Total.....	<u>337,225,240.03</u>	<u>344,071,156.71</u>	Regulatory Liabilities.....	61,466,915.77	51,305,541.52
			Customer Advances for Construction.....	9,398,607.27	10,215,114.96
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	33,373,579.17	33,075,609.86
Unamortized Debt Expense.....	3,823,124.97	3,983,412.46	Other Deferred Credits.....	10,662,007.14	54,298,884.67
Unamortized Loss on Bonds.....	22,944,264.17	24,045,033.99	Miscellaneous Long-Term Liabilities.....	35,707,243.79	45,071,364.97
Accumulated Deferred Income Taxes.....	56,645,657.80	62,737,693.63	Accum Provision for Postretirement Benefits.....	<u>180,156,067.28</u>	<u>226,783,006.43</u>
Deferred Regulatory Assets.....	325,383,079.97	313,684,425.75	Total.....	<u>805,589,345.93</u>	<u>881,476,712.48</u>
Other Deferred Debits.....	<u>754,242.56</u>	<u>26,574,880.85</u>			
Total.....	<u>409,550,369.47</u>	<u>431,025,446.68</u>	<b>Total Liabilities and Stockholders' Equity.....</b>		
				<u>3,333,455,058.10</u>	<u>3,365,639,866.14</u>
Total Assets.....	<u>3,333,455,058.10</u>	<u>3,365,639,866.14</u>			

March 26, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**February 28, 2010**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(10,855,676.09)		
Retained Earnings.....			789,099,827.24		
<b>Total Proprietary Capital.....</b>			<b>1,286,160,185.60</b>	<b>55.63</b>	<b>58.94</b>
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
<b>Total Pollution Control Bonds.....</b>			<b>574,304,000.00</b>	<b>24.84</b>	<b>26.32</b>
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			<b>(163,200,000.00)</b>	<b>(7.06)</b>	<b>(7.48)</b>
<b>Total Pollution Control Bonds - Net of Reacquired Bonds.....</b>			<b>411,104,000.00</b>	<b>17.78</b>	<b>18.84</b>
<b>Long-Term Notes Payable to Associated Companies.....</b>			<b>485,000,000.00</b>	<b>20.98</b>	<b>22.22</b>
<b>Total Capitalization.....</b>			<b>2,182,264,185.60</b>	<b>94.39</b>	<b>100.00</b>
<b>Short-Term Notes Payable to Associated Companies.....</b>			<b>129,748,400.00</b>	<b>5.61</b>	
<b>Total Capitalization and Short-Term Debt.....</b>			<b>2,312,012,585.60</b>	<b>100.00</b>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,552,654,928.95	4,552,654,928.95
Reserves for Depreciation and Amortization.....		(1,981,307,560.30)
Depreciation of Plant		
Electric.....	(1,648,723,873.85)	
Gas.....	(222,679,797.41)	
Common.....	(90,166,092.43)	
Amortization of Plant		
Common.....	(19,736,896.61)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		15,332,079.95
Special Funds.....	14,725,914.75	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	6,682,158.33	6,682,158.33
Special Deposits.....		755,066.07
Other Special Deposits.....	755,066.07	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		174,880,549.88
Customers - Active.....	96,973,786.99	
Unbilled Revenues.....	66,772,233.39	
Wholesale Sales.....	5,408,312.79	
Sundry Accounts Receivable.....	1,944,782.19	
IMPA.....	1,810,235.04	
IMEA.....	1,687,319.57	
Electricity Swaps.....	813,423.87	
Damage Claims.....	542,737.76	
Transmission Sales.....	524,658.52	
Rents Receivable.....	46,530.48	
Employee Computer Loans.....	41,245.77	
Working Funds.....	20,130.00	
Interest and Dividends Receivable.....	3,078.89	
Other.....	553,477.06	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	851,358.87	
Recoveries.....	(219,662.47)	
A/R Miscellaneous.....	(605,345.44)	
Accrual.....	(631,696.40)	
Reserve.....	(1,656,057.00)	
Accounts Receivable from Associated Companies.....		14,403,080.19
E.ON US Services/Kentucky Utilities Company.....	14,403,080.19	
Fuel.....		67,263,983.95
Coal 1,529,734.93 Tons @ \$43.53; MMBtu 34,944,664.69 @ 190.55¢.....	66,586,043.75	
Fuel Oil 307,225.00 Gallons @ 207.38¢.....	637,130.28	
Gas Pipeline 5,300.00 Mcf @ \$7.70.....	40,809.92	
Plant Materials and Operating Supplies.....		29,699,506.78
Regular Materials and Supplies.....	29,319,053.88	
Limestone 44,486.91 Tons @ \$8.55.....	380,452.89	
Other Reagents.....	0.01	

March 26, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2010**

Account - Subsidiary Account	Balance Subsidiary Account	Balance as Shown on Balance Sheets
Stores Expense Undistributed.....	4,489,199.51	4,489,199.51
Gas Stored Underground - Current.....		27,252,753.26
Gas St. Underground* 5,571,272.00 Mcf (14.73 psia) @ \$4.89.....	27,252,753.26	
Allowance Inventory.....	4,030.42	4,030.42
Prepayments.....		8,329,947.40
Insurance.....	5,573,678.80	
Taxes.....	646,701.70	
Franchises.....	345,103.76	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	9,809.59	
Other.....	1,411,320.18	
Miscellaneous Current Assets.....		3,464,844.53
Derivative Asset - Non-Hedging.....	3,464,844.53	
Unamortized Debt Expense.....		3,823,124.97
Trimble County 2000 Series A due 08/01/30 Var%.....	790,275.46	
Jefferson County 2001 Series A due 09/01/26 Var%.....	163,742.22	
Jefferson County 2001 Series A due 09/01/27 Var%.....	356,868.76	
Trimble County 2001 Series A due 09/01/26 Var%.....	178,034.82	
Jefferson County 2001 Series B due 11/01/27 Var%.....	194,249.40	
Trimble County 2001 Series B due 11/01/27 Var%.....	194,281.26	
Trimble County 2002 Series A due 10/01/32 Var%.....	840,583.49	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,105,089.56	
Unamortized Loss on Bonds.....	22,944,264.17	22,944,264.17
Accumulated Deferred Income Taxes.....		56,645,657.80
Electric.....	43,556,183.74	
Gas.....	4,468,360.55	
State		
Electric.....	7,790,487.42	
Gas.....	830,626.09	
Regulatory Assets.....		325,383,079.97
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations		
Electric.....	21,724,816.18	
Gas.....	8,207,257.09	
Common.....	26,569.28	
2008 Wind Storm.....	23,540,332.79	
Enviromental Cost Recovery.....	8,457,666.00	
MISO Exit Fee.....	5,441,716.18	
Gas Supply Clause/PBR.....	6,352,755.18	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	678,289.68	
Rate Case Expenses.....	661,499.67	
ECR Ash Hauling.....	342,942.33	
CMRG Funding.....	183,500.00	
Fuel Adjustment Clause.....	926,000.00	
Other Deferred Debits.....	754,242.56	754,242.56
Total Assets.....	<u>3,333,455,058.10</u>	<u>3,333,455,058.10</u>

* Excludes:		\$	Mcf
Non-recoverable Base Gas	9,648,855.00		7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>		<u>2,930,000</u>
	11,788,845.00		10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,286,160,185.60
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(10,855,676.09)	
Retained Earnings.....	789,099,827.24	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	129,748,400.00	129,748,400.00
Accounts Payable.....		96,961,734.14
Regular.....	90,573,921.23	
Employee Withholdings Payable.....	4,838,722.60	
Salaries and Wages Accrued.....	1,549,090.31	
Accounts Payable to Associated Companies.....		6,825,999.35
E.ON US Services/Kentucky Utilities Company.....	16,298.80	
Interest payable to Fidelity.....	6,809,700.55	
Customers' Deposits.....	23,419,274.95	23,419,274.95
Taxes Accrued.....	49,795,698.78	49,795,698.78
Interest Accrued.....		2,800,377.17
Jefferson County 2000 Series A due 05/01/27 5.375%.....	447,916.77	
Trimble County 2000 Series A due 08/01/30 Var%.....	14,444.74	
Jefferson County 2001 Series A due 09/01/26 Var%.....	15,534.27	
Jefferson County 2001 Series A due 09/01/27 Var%.....	463.22	
Trimble County 2001 Series A due 09/01/26 Var%.....	23,258.20	
Jefferson County 2001 Series B due 11/01/27 Var%.....	58,972.58	
Trimble County 2001 Series B due 11/01/27 Var%.....	58,972.89	
Trimble County 2002 Series A due 10/01/32 Var%.....	6,737.16	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.05	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	185,277.89	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	435,937.55	
Trimble County 2007 Series A due 06/01/33 4.600%.....	690,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.01)	
Interest Rate Swaps.....	650,458.15	
Customers' Deposits.....	97,573.22	
Other.....	114,830.49	
Miscellaneous Current and Accrued Liabilities.....		36,050,042.18
No-Notice Gas Payable.....	14,736,504.04	
Vacation Pay Accrued.....	5,259,885.06	
Customer Overpayments.....	4,690,985.85	
Postretirement Benefits - Current.....	3,411,766.00	
Unearned Revenue - Current.....	2,644,732.49	
Service Deposit Refund Payable.....	1,932,251.45	
Tax Collections Payable.....	1,475,787.08	
Derivative Liabilities - Non-Hedging.....	1,444,766.07	
Other.....	453,364.14	

March 26, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		427,215,539.38
Federal		
Electric.....	321,972,717.26	
Gas.....	44,354,712.47	
State		
Electric.....	54,518,255.49	
Gas.....	6,369,854.16	
Investment Tax Credit.....		47,609,386.13
Job Development Credit		
Electric.....	23,047,259.98	
Gas.....	812,126.15	
Advanced Coal Credit.....	23,750,000.00	
Regulatory Liabilities.....		61,466,915.77
Deferred Taxes		
Federal		
Electric.....	18,629,683.59	
Gas.....	1,414,981.01	
State		
Electric.....	16,189,139.81	
Gas.....	2,525,957.58	
Gas Supply Clause/PBR.....	11,277,879.58	
DSM Cost Recovery.....	4,989,137.30	
MISO Schedule 10 Charges.....	3,163,306.33	
Asset Retirement Obligations		
Gas.....	2,365,688.09	
Electric.....	727,636.87	
Purchased Gas Adjustment - Texas Gas.....	183,505.61	
Customers' Advances for Construction.....		9,398,607.27
Line Extensions		
Gas.....	7,227,304.78	
Electric.....	1,127,922.62	
Common.....	(8,686.20)	
Customer Advances - Museum Plaza.....	755,066.07	
Other.....	297,000.00	
Asset Retirement Obligations		33,373,579.17
Electric.....	25,009,617.83	
Gas.....	8,334,896.56	
Common.....	29,064.78	
Other Deferred Credits.....	10,662,007.14	10,662,007.14
Miscellaneous Long-Term Liabilities.....		35,707,243.79
Long-Term Derivative Liabilities - SFAS 133.....	30,789,374.00	
Workers' Compensation.....	4,917,869.79	
Accumulated Provision for Benefits.....		180,156,067.28
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	80,384,406.28	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(199,312.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,333,455,058.10</u>	<u>3,333,455,058.10</u>

March 26, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**February 28, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	33,820,961.00	8,112,155.79
Items not requiring (providing) cash currently:		
Depreciation.....	21,562,940.38	20,961,082.69
Amortization.....	1,458,297.26	1,022,231.65
Deferred income taxes - net.....	(230,226.90)	-
Investment tax credit - net.....	(416,964.00)	(509,467.00)
Other.....	4,345,767.90	(9,262,625.67)
Change in receivables.....	(41,588,238.26)	4,918,106.42
Change in inventory.....	21,205,076.30	65,334,950.83
Change in allowance inventory.....	140.58	212.60
Change in payables and accrued expenses.....	13,266,517.61	(15,347,132.63)
Change in regulatory assets.....	(5,392,985.26)	3,555,251.08
Change in regulatory liabilities.....	(23,440,292.81)	(4,960,689.64)
Change in other deferred debits.....	19,430.43	13,530,336.01
Change in other deferred credits.....	2,500,141.79	10,646,868.22
Other.....	27,504,117.65	(3,309,040.26)
Gain on disposal of assets.....	(1,050.00)	-
Net cash provided (used) by operating activities.....	<u>54,613,633.67</u>	<u>94,692,240.09</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(13,084,112.68)	(24,407,116.78)
Gross additions to common utility plant - construction expenditure.....	35,895.05	(929,185.91)
Change in restricted cash.....	-	468,541.83
Change in long-term investments.....	-	4,304,440.97
Change in non-hedging derivatives.....	598,892.17	(63,555.56)
Proceeds received from sales of property.....	1,050.00	-
Net cash provided (used) by investing activities.....	<u>(12,448,275.46)</u>	<u>(20,626,875.45)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.55)	(49,250.11)
Net change in short-term debt.....	(40,652,000.00)	(74,197,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Net cash provided (used) by financing activities.....	<u>(40,678,566.55)</u>	<u>(74,270,700.11)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	1,486,791.66	(205,335.47)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>6,682,278.04</u></u>	<u><u>4,106,152.90</u></u>

March 26, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**February 28, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	111,979.17	223,958.34	223,958.34	1,343,750.04	707,727.76
Trimble County 2000 Series A due 08/01/30 Var%.....	15,185.49	23,750.48	26,667.20	42,639.75	278,801.85	2,045,895.12
Jefferson County 2001 Series A due 09/01/26 Var%.....	10,873.97	22,863.73	22,561.64	60,064.09	201,205.47	466,487.21
Jefferson County 2001 Series A due 09/01/27 Var%.....	1,872.05	3,732.88	3,337.13	9,628.56	32,633.32	230,351.02
Trimble County 2001 Series A due 09/01/26 Var%.....	13,290.40	27,944.56	30,039.03	73,411.65	253,956.85	570,150.98
Jefferson County 2001 Series B due 11/01/27 Var%.....	20,136.98	33,916.37	42,431.50	85,855.71	326,315.05	721,897.12
Trimble County 2001 Series B due 11/01/27 Var%.....	20,136.98	33,916.37	42,431.50	85,855.71	326,315.03	721,897.12
Trimble County 2002 Series A due 10/01/32 Var%.....	7,186.92	19,155.63	14,158.11	40,715.27	150,570.49	1,176,301.69
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(10,818.12)	10,818.12	1,978,576.07
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.66	383,333.34	383,333.33	2,300,000.04	797,455.55
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	290,625.00	290,625.00	1,743,750.00	679,742.28
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	265,502.49
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.02	460,000.00	460,000.02	2,760,000.00	2,778,270.02
Interest Rate Swaps.....	646,729.10	617,155.45	1,205,487.97	1,225,144.03	6,912,074.09	5,378,712.61
Notes/Debentures.....	-	-	-	-	-	(9,880.00)
Fidelia.....	2,220,149.99	2,220,149.99	4,440,300.00	4,440,299.98	26,641,800.16	23,671,799.94
<b>Total.....</b>	<b>3,634,520.22</b>	<b>3,676,134.75</b>	<b>7,185,330.76</b>	<b>7,410,713.29</b>	<b>43,281,990.51</b>	<b>42,180,886.98</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.34	15,412.77	31,036.68	30,825.54	186,075.42	242,107.41
Amortization of Loss on Reacquired Debt.....	100,864.68	108,206.51	201,635.83	216,245.44	1,264,886.32	1,348,815.00
<b>Total.....</b>	<b>116,383.02</b>	<b>123,619.28</b>	<b>232,672.51</b>	<b>247,070.98</b>	<b>1,450,961.74</b>	<b>1,590,922.41</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	94,641.67	89,707.69	235,528.54	176,635.85	1,418,415.57	1,087,253.76
Other Tax Deficiencies.....	-	-	-	-	(14,880.00)	(2,110.00)
Gas Refunds.....	-	-	-	-	-	-
Interest on DSM Cost Recovery.....	1,311.04	7,231.60	1,897.80	14,151.12	115,812.26	55,830.21
Interest on Debt to Associated Companies.....	16,298.81	97,369.33	45,666.58	267,015.23	452,949.55	5,992,417.41
Other Interest Expense.....	1,964.66	32,346.26	64,557.78	17,751.38	670,316.78	1,310,170.24
<b>Total.....</b>	<b>114,216.18</b>	<b>226,654.88</b>	<b>347,650.70</b>	<b>475,553.58</b>	<b>2,642,614.16</b>	<b>8,443,561.62</b>
<b>Total Interest.....</b>	<b>3,865,119.42</b>	<b>4,026,408.91</b>	<b>7,765,653.97</b>	<b>8,133,337.85</b>	<b>47,375,566.41</b>	<b>52,215,371.01</b>

March 26, 2010

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**February 28, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,511,213.95	2,445,492.20	3,011,490.96
Unemployment.....	36,683.43	12,891.35	100,627.92	7,529.48
FICA.....	576,374.61	631,654.58	1,222,085.68	1,236,388.30
Public Service Commission Fee.....	161,675.42	157,536.02	323,350.84	315,072.04
Federal Income.....	13,624,632.99	(3,756,471.33)	18,312,313.24	1,026,955.83
State Income.....	2,442,748.84	(685,070.77)	3,297,644.95	226,058.22
Miscellaneous.....	-	-	12,911.19	7,339.75
<b>Total Charged to Operating Expense.....</b>	<b>18,064,861.39</b>	<b>(2,128,246.20)</b>	<b>25,714,426.02</b>	<b>5,830,834.58</b>
Taxes Charged to Other Accounts.....	170,649.38	3,761,123.70	424,798.36	3,954,307.81
Taxes Accrued on Intercompany Accounts.....	(245,086.24)	(206,669.86)	(485,282.14)	(407,156.70)
<b>Total Taxes Charged.....</b>	<b>17,990,424.53</b>	<b>1,426,207.64</b>	<b>25,653,942.24</b>	<b>9,377,985.69</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	2,502,565.69	866,046.50	12,699,209.42
Unemployment.....	42,164.99	91,922.49	1,024.86	133,062.62
FICA.....	455,753.32	1,006,062.96	867,823.21	593,993.07
Federal Income.....	13,896,876.99	18,216,994.53	-	32,113,871.52
State Income.....	632,003.78	3,280,261.59	-	3,912,265.37
Kentucky Sales and Use Tax.....	625,517.98	542,825.28	839,616.66	328,726.60
Miscellaneous.....	14,799.84	13,309.70	13,539.36	14,570.18
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>25,653,942.24</b>	<b>2,588,050.59</b>	<b>49,795,698.78</b>

March 26, 2010



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 28, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant in Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	996,837.78	(95,826.58)	-	901,011.20	164,042,481.46
Common Intangible Plant	61,656,665.49	1,807,022.58	-	-	1,807,022.58	63,463,688.07
	<u>224,798,135.75</u>	<u>2,803,860.36</u>	<u>(95,826.58)</u>	<u>-</u>	<u>2,708,033.78</u>	<u>227,506,169.53</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	20,931,818.00	(969,792.50)	-	19,962,025.50	877,874,942.73
Electric General Plant	16,833,253.13	63,646.33	-	-	63,646.33	16,896,899.46
Electric Hydro Production	41,579,243.41	-	-	-	-	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,823,810.99)	-	-	(1,823,810.99)	229,425,993.00
Electric Steam Production	1,894,640,479.32	5,389,747.48	(1,235,668.65)	(104,078.14)	4,050,000.69	1,898,690,480.01
Electric Transmission	241,991,713.86	860,479.74	(51,665.05)	-	808,814.69	242,800,528.55
	<u>3,284,209,751.23</u>	<u>25,421,880.56</u>	<u>(2,257,126.20)</u>	<u>(104,078.14)</u>	<u>23,060,676.22</u>	<u>3,307,270,427.45</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	2,756,851.63	(76,278.88)	-	2,680,572.75	531,778,887.26
Gas General Plant	9,014,996.97	213,386.00	(31,519.49)	-	181,866.51	9,196,863.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	2,569,357.68	(125,302.10)	-	2,444,055.58	67,381,678.45
Gas Transmission	13,658,203.76	315,079.83	-	-	315,079.83	13,973,283.59
	<u>616,710,325.60</u>	<u>5,854,675.14</u>	<u>(233,100.47)</u>	<u>-</u>	<u>5,621,574.67</u>	<u>622,331,900.27</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>34,080,416.06</u>	<u>(2,586,053.25)</u>	<u>(104,078.14)</u>	<u>31,390,284.67</u>	<u>4,157,108,497.25</u>
<b>102 Plant Purchased &amp; Sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
Total 105001	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 Plant Held for Future Use</b>						
<b>Electric</b>	649,014.48	-	-	-	-	649,014.48
Electric Distribution	4,182,559.70	-	-	-	-	4,182,559.70
Electric Steam Production	4,831,574.18	-	-	-	-	4,831,574.18
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

March 26, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 28, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant	265,181.22	327,385.44	-	-	327,385.44	592,566.66
Common Intangible Plant	971,026.53	734,637.71	-	-	734,637.71	1,705,664.24
	<u>1,236,207.75</u>	<u>1,062,023.15</u>	<u>-</u>	<u>-</u>	<u>1,062,023.15</u>	<u>2,298,230.90</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(8,993,273.52)	-	-	(8,993,273.52)	25,751,763.15
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	28,599.70	-	-	28,599.70	45,551.96
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	21,763.30	-	-	21,763.30	21,763.30
Electric Steam Production	9,240,272.74	1,202,053.32	-	-	1,202,053.32	10,442,326.06
Electric Transmission	976,044.41	(81,794.18)	-	-	(81,794.18)	894,250.23
	<u>44,978,306.08</u>	<u>(7,822,651.38)</u>	<u>-</u>	<u>-</u>	<u>(7,822,651.38)</u>	<u>37,155,654.70</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	232,418.02	-	-	232,418.02	15,615,347.29
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(658,046.15)	-	-	(658,046.15)	3,128,502.29
Gas Transmission	1,221,215.37	(400,210.97)	-	-	(400,210.97)	821,004.40
	<u>20,602,119.24</u>	<u>(836,097.69)</u>	<u>-</u>	<u>-</u>	<u>(836,097.69)</u>	<u>19,766,021.55</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>(7,596,725.92)</u>	<u>-</u>	<u>-</u>	<u>(7,596,725.92)</u>	<u>59,219,907.15</u>
<b>117 Gas Stored Underground Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work in Progress</b>						
Common	15,767,424.60	(3,901,778.56)	-	-	(3,901,778.56)	11,865,646.04
Electric	299,585,079.65	(7,762,322.66)	-	-	(7,762,322.66)	291,822,756.99
Gas	26,774,033.33	(1,033,399.71)	-	-	(1,033,399.71)	25,740,633.62
	<u>342,126,537.58</u>	<u>(12,697,500.93)</u>	<u>-</u>	<u>-</u>	<u>(12,697,500.93)</u>	<u>329,429,036.65</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>26,409,613.86</u>	<u>(2,586,053.25)</u>	<u>(104,078.14)</u>	<u>23,719,482.47</u>	<u>4,223,301,131.86</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>13,712,112.93</u>	<u>(2,586,053.25)</u>	<u>(104,078.14)</u>	<u>11,021,981.54</u>	<u>4,552,730,168.51</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>13,712,112.93</u>	<u>(2,586,053.25)</u>	<u>(104,078.14)</u>	<u>11,021,981.54</u>	<u>4,552,654,928.95</u>

March 26, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**February 28, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(2,275,747.77)	95,826.58	-	-	-	-	-	(80,881,922.45)
Common General Plant - ARO	(1,233.92)	(5.72)	-	-	-	-	-	-	(1,239.64)
Electric Distribution	(266,380,666.38)	(2,737,317.82)	969,792.50	-	-	-	-	-	(268,148,191.70)
Electric Distribution - ARO	(13,162.72)	(61.02)	-	-	-	-	-	-	(13,223.74)
Electric General Plant	(14,148,434.81)	(116,834.76)	-	-	-	-	-	-	(14,265,269.57)
Electric Hydro Production	(9,163,030.01)	(92,520.45)	-	-	-	-	-	-	(9,255,550.46)
Electric Hydro Production - ARO	(17,810.24)	(82.68)	-	-	-	-	-	-	(17,892.92)
Electric Other Production	(52,372,728.97)	(1,353,868.93)	-	-	-	-	-	-	(53,726,597.90)
Electric Other Production - ARO	(89,318.48)	(414.10)	-	-	-	-	-	-	(89,732.58)
Electric Steam Production	(982,038,024.91)	(8,781,545.74)	1,413,823.07	-	-	-	-	-	(989,405,747.58)
Electric Steam Production - ARO	(2,543,436.73)	(27,244.13)	-	-	-	-	-	-	(2,570,680.86)
Electric Transmission	(116,058,916.84)	(622,564.03)	51,665.05	-	-	-	-	-	(116,629,815.82)
Electric Transmission - ARO	(667.12)	(3.10)	-	-	-	-	-	-	(670.22)
Gas Distribution	(116,733,622.42)	(1,808,866.03)	76,278.88	-	-	-	-	-	(118,466,209.57)
Gas Distribution - ARO	(20,380.45)	(53.34)	-	-	-	-	-	-	(20,433.79)
Gas General Plant	(6,508,855.59)	(73,663.73)	31,519.49	-	-	-	-	-	(6,550,999.83)
Gas Storage	(32,226,220.17)	(164,826.44)	125,302.10	-	-	-	-	-	(32,265,744.51)
Gas Storage - ARO	(402,273.17)	(1,415.44)	-	-	-	-	-	-	(403,688.61)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(7,883.25)	-	-	-	-	-	-	(9,410,713.94)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(18,064,918.48)</u>	<u>2,764,207.67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,702,187,686.05)</u>
<b>Cost of Removal</b>									
Common General Plant	(585,802.76)	(44,526.56)	-	-	-	42,473.89	-	-	(587,855.43)
Electric Distribution	(148,701,260.29)	(1,077,637.25)	-	-	-	2,685,936.48	-	-	(147,092,961.06)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(7,025.07)	-	-	-	-	-	-	772,045.60
Electric Other Production	(2,157,721.68)	(58,160.87)	-	-	-	-	-	-	(2,215,882.55)
Electric Steam Production	(80,852,537.28)	(2,240,817.12)	(176,793.52)	-	-	126,378.51	-	-	(83,143,769.41)
Electric Transmission	(23,685,015.10)	(192,696.69)	-	-	-	51,023.13	-	-	(23,826,688.66)
Gas Distribution	(57,352,410.28)	(509,271.19)	-	-	-	37,965.53	-	-	(57,823,715.94)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(18,505.76)	-	-	-	77,266.56	-	-	(169,684.78)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(1,945.99)	-	-	-	-	-	-	(3,025,858.36)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(4,150,586.50)</u>	<u>(176,793.52)</u>	<u>-</u>	<u>-</u>	<u>3,021,044.10</u>	<u>-</u>	<u>-</u>	<u>(317,110,503.97)</u>

March 26, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**February 28, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	50.32	-	-	-	-	-	-	277,778.88
Electric Distribution	16,492,540.88	216,336.19	-	-	-	-	(24,715.28)	-	16,684,161.79
Electric General Plant	136,014.35	376.10	-	-	-	-	-	-	136,390.45
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	299,686.19	(1,360.90)	-	-	-	-	-	20,571,672.64
Electric Transmission	6,103,126.31	37,552.82	-	-	-	-	-	-	6,140,679.13
Gas Distribution	3,410,835.14	31,788.60	-	-	-	-	-	-	3,442,623.74
Gas General Plant	223,852.64	316.43	-	-	-	-	-	-	224,169.07
Gas Storage	252,727.30	2,869.86	-	-	-	-	(63.60)	-	255,533.56
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	729.74	-	-	-	-	-	-	213,845.53
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>589,706.25</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,778.88)</u>	<u>-</u>	<u>48,304,494.29</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(2,320,229.73)	95,826.58	-	-	42,473.89	-	-	(81,256,599.00)
Electric	(1,654,077,125.86)	(16,754,842.46)	2,257,126.20	-	-	2,863,338.12	(24,715.28)	-	(1,665,736,219.28)
Gas	(221,798,419.87)	(2,550,726.54)	233,100.47	-	-	115,232.09	(63.60)	-	(224,000,877.45)
	<u>(1,954,950,215.47)</u>	<u>(21,625,798.73)</u>	<u>2,586,053.25</u>	<u>-</u>	<u>-</u>	<u>3,021,044.10</u>	<u>(24,778.88)</u>	<u>-</u>	<u>(1,970,993,695.73)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	-	(42,473.89)	2,741.71	(987.00)	5,000.00	(8,972,853.79)
Electric	18,980,726.37	-	-	178,154.42	(2,838,622.84)	480,957.57	(76,703.09)	287,833.00	17,012,345.43
Gas	1,284,007.95	-	-	1,050.00	(115,168.49)	153,423.48	(2,232.90)	-	1,321,080.04
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>179,204.42</u>	<u>(2,996,265.22)</u>	<u>637,122.76</u>	<u>(79,922.99)</u>	<u>292,833.00</u>	<u>9,360,571.68</u>
<b>YTD Activity</b>	<u>(1,943,622,615.76)</u>	<u>(21,625,798.73)</u>	<u>2,586,053.25</u>	<u>179,204.42</u>	<u>(2,996,265.22)</u>	<u>3,658,166.86</u>	<u>(104,701.87)</u>	<u>292,833.00</u>	<u>(1,961,633,124.05)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(1,458,297.26)	-	-	-	-	-	-	(19,736,896.61)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>Amortization Total</b>	<u>(18,279,499.35)</u>	<u>(1,458,297.26)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,737,796.61)</u>
Depreciation & Amortization Total	<u>(1,961,902,115.11)</u>	<u>(23,084,095.99)</u>	<u>2,586,053.25</u>	<u>179,204.42</u>	<u>(2,996,265.22)</u>	<u>3,658,166.86</u>	<u>(104,701.87)</u>	<u>292,833.00</u>	<u>(1,981,370,920.66)</u>
Depr & Amort - Nonutility for Balance Sheet									<u>(1,981,307,560.30)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,571,347,368.65</u>

March 26, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - March 31, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

## Financial Reports

March 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**  
**Louisville Gas and Electric Company**  
**March 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	64,166,989.38	74,850,586.63	(10,683,597.25)	(14.27)
Gas Operating Revenues.....	30,792,712.89	43,423,303.37	(12,630,590.48)	(29.09)
<b>Total Operating Revenues.....</b>	<b>94,959,702.27</b>	<b>118,273,890.00</b>	<b>(23,314,187.73)</b>	<b>(19.71)</b>
Fuel for Electric Generation.....	25,416,279.12	27,421,947.75	(2,005,668.63)	(7.31)
Power Purchased.....	4,111,514.22	5,463,939.41	(1,352,425.19)	(24.75)
Gas Supply Expenses.....	21,815,699.34	28,694,138.78	(6,878,439.44)	(23.97)
Other Operation Expenses.....	17,510,954.76	16,063,481.17	1,447,473.59	9.01
Maintenance.....	13,369,950.76	27,389,907.12	(14,019,956.36)	(51.19)
Depreciation.....	10,817,559.55	10,639,146.97	178,412.58	1.68
Amortization Expense.....	674,034.19	446,534.60	227,499.59	50.95
Regulatory Credits.....	(180,853.66)	(178,987.39)	(1,866.27)	(1.04)
Taxes				
Federal Income.....	(5,215,007.69)	(4,373,144.21)	(841,863.48)	(19.25)
State Income.....	(1,049,867.21)	(604,566.17)	(445,301.04)	(73.66)
Deferred Federal Income - Net.....	3,109,151.60	1,536,591.31	1,572,560.29	102.34
Deferred State Income - Net.....	575,632.17	(300,212.87)	875,845.04	291.74
Property and Other.....	2,076,694.74	2,275,187.09	(198,492.35)	(8.72)
Investment Tax Credit.....	-	912,336.51	(912,336.51)	(100.00)
Amortization of Investment Tax Credit.....	(208,481.00)	(254,732.72)	46,251.72	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	166,213.92	164,239.51	1,974.41	1.20
<b>Total Operating Expenses.....</b>	<b>92,955,014.67</b>	<b>115,229,532.80</b>	<b>(22,274,518.13)</b>	<b>(19.33)</b>
Net Operating Income.....	2,004,687.60	3,044,357.20	(1,039,669.60)	(34.15)
Other Income Less Deductions.....	783,978.26	(2,518,057.08)	3,302,035.34	131.13
<b>Income Before Interest Charges.....</b>	<b>2,788,665.86</b>	<b>526,300.12</b>	<b>2,262,365.74</b>	<b>429.86</b>
Interest on Long-Term Debt.....	3,842,815.73	3,651,892.14	190,923.59	5.23
Amortization of Debt Expense - Net.....	116,383.02	124,100.32	(7,717.30)	(6.22)
Other Interest Expenses.....	200,727.06	281,641.95	(80,914.89)	(28.73)
<b>Total Interest Charges.....</b>	<b>4,159,925.81</b>	<b>4,057,634.41</b>	<b>102,291.40</b>	<b>2.52</b>
<b>Net Income.....</b>	<b>(1,371,259.95)</b>	<b>(3,531,334.29)</b>	<b>2,160,074.34</b>	<b>61.17</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	230,295,345.43	232,517,446.93	(2,222,101.50)	(0.96)
Gas Operating Revenues.....	135,705,131.57	194,895,822.61	(59,190,691.04)	(30.37)
<b>Total Operating Revenues.....</b>	<b>366,000,477.00</b>	<b>427,413,269.54</b>	<b>(61,412,792.54)</b>	<b>(14.37)</b>
Fuel for Electric Generation.....	83,142,048.45	90,654,341.50	(7,512,293.05)	(8.29)
Power Purchased.....	16,486,660.90	18,956,453.22	(2,469,792.32)	(13.03)
Gas Supply Expenses.....	82,997,993.41	152,549,871.42	(69,551,878.01)	(45.59)
Other Operation Expenses.....	54,826,402.23	58,274,209.66	(3,447,807.43)	(5.92)
Maintenance.....	25,988,777.31	57,857,328.84	(31,868,551.53)	(55.08)
Depreciation.....	32,380,499.93	31,600,229.66	780,270.27	2.47
Amortization Expense.....	2,132,331.45	1,468,766.25	663,565.20	45.18
Regulatory Credits.....	(540,083.22)	(534,534.63)	(5,548.59)	(1.04)
Taxes				
Federal Income.....	13,097,305.55	(3,346,188.38)	16,443,493.93	491.41
State Income.....	2,247,777.74	(378,507.95)	2,626,285.69	693.85
Deferred Federal Income - Net.....	2,878,924.70	1,536,591.31	1,342,333.39	87.36
Deferred State Income - Net.....	575,632.17	(300,212.87)	875,845.04	291.74
Property and Other.....	6,181,162.57	6,853,007.62	(671,845.05)	(9.80)
Investment Tax Credit.....	-	912,336.51	(912,336.51)	(100.00)
Amortization of Investment Tax Credit.....	(625,445.00)	(764,199.72)	138,754.72	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	496,163.95	490,277.55	5,886.40	1.20
<b>Total Operating Expenses.....</b>	<b>322,231,692.00</b>	<b>415,763,495.93</b>	<b>(93,531,803.93)</b>	<b>(22.50)</b>
Net Operating Income.....	43,768,785.00	11,649,773.61	32,119,011.39	275.71
Other Income Less Deductions.....	606,495.83	5,122,020.15	(4,515,524.32)	(88.16)
<b>Income Before Interest Charges.....</b>	<b>44,375,280.83</b>	<b>16,771,793.76</b>	<b>27,603,487.07</b>	<b>164.58</b>
Interest on Long-Term Debt.....	11,028,146.49	11,062,605.43	(34,458.94)	(0.31)
Amortization of Debt Expense - Net.....	349,055.53	371,171.30	(22,115.77)	(5.96)
Other Interest Expenses.....	548,377.76	757,195.53	(208,817.77)	(27.58)
<b>Total Interest Charges.....</b>	<b>11,925,579.78</b>	<b>12,190,972.26</b>	<b>(265,392.48)</b>	<b>(2.18)</b>
<b>Net Income.....</b>	<b>32,449,701.05</b>	<b>4,580,821.50</b>	<b>27,868,879.55</b>	<b>608.38</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	917,142,590.47	1,023,075,844.93	(105,933,254.46)	(10.35)
Gas Operating Revenues.....	302,437,164.96	462,525,095.14	(160,087,930.18)	(34.61)
Total Operating Revenues.....	<u>1,219,579,755.43</u>	<u>1,485,600,940.07</u>	<u>(266,021,184.64)</u>	<u>(17.91)</u>
Fuel for Electric Generation.....	320,720,703.47	355,716,322.66	(34,995,619.19)	(9.84)
Power Purchased.....	55,960,477.51	112,981,202.19	(57,020,724.68)	(50.47)
Gas Supply Expenses.....	180,253,390.95	353,190,921.08	(172,937,530.13)	(48.96)
Other Operation Expenses.....	215,624,179.22	203,887,719.90	11,736,459.32	5.76
Maintenance.....	64,336,407.25	125,723,071.39	(61,386,664.14)	(48.83)
Depreciation.....	129,526,604.53	122,840,655.45	6,685,949.08	5.44
Amortization Expense.....	8,619,888.98	6,043,101.72	2,576,787.26	42.64
Regulatory Credits.....	(2,210,996.39)	(2,084,702.01)	(126,294.38)	(6.06)
Taxes				
Federal Income.....	41,716,064.45	26,989,953.90	14,726,110.55	54.56
State Income.....	6,519,813.69	2,436,326.26	4,083,487.43	167.61
Deferred Federal Income - Net.....	9,667,912.71	(394,795.45)	10,062,708.16	2,548.84
Deferred State Income - Net.....	2,326,694.06	(2,840,632.63)	5,167,326.69	181.91
Property and Other.....	22,872,695.96	24,514,383.97	(1,641,688.01)	(6.70)
Investment Tax Credit.....	2,737,009.49	7,733,364.51	(4,996,355.02)	(64.61)
Amortization of Investment Tax Credit.....	(2,905,352.28)	(3,653,706.63)	748,354.35	20.48
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,319.02)	31,858.88	48.04
Accretion Expense.....	1,975,666.52	1,907,447.59	68,218.93	3.58
Total Operating Expenses.....	<u>1,057,706,699.98</u>	<u>1,334,924,314.88</u>	<u>(277,217,614.90)</u>	<u>(20.77)</u>
Net Operating Income.....	161,873,055.45	150,676,625.19	11,196,430.26	7.43
Other Income Less Deductions.....	8,590,876.96	(25,720,489.45)	34,311,366.41	133.40
Income Before Interest Charges.....	<u>170,463,932.41</u>	<u>124,956,135.74</u>	<u>45,507,796.67</u>	<u>36.42</u>
Interest on Long-Term Debt.....	43,472,914.10	41,369,224.78	2,103,689.32	5.09
Amortization of Debt Expense - Net.....	1,443,244.44	1,594,135.26	(150,890.82)	(9.47)
Other Interest Expenses.....	2,561,699.27	8,524,723.28	(5,963,024.01)	(69.95)
Total Interest Charges.....	<u>47,477,857.81</u>	<u>51,488,083.32</u>	<u>(4,010,225.51)</u>	<u>(7.79)</u>
Net Income.....	<u><u>122,986,074.60</u></u>	<u><u>73,468,052.42</u></u>	<u><u>49,518,022.18</u></u>	<u><u>67.40</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**March 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	789,099,827.24	748,273,826.98	755,278,866.24	740,161,671.19	709,742,492.69	671,274,440.27
Add:						
Net Income for Period.....	(1,371,259.95)	(3,531,334.29)	32,449,701.05	4,580,821.50	122,986,074.60	73,468,052.42
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	30,000,000.00	35,000,000.00	30,000,000.00	35,000,000.00	75,000,000.00	35,000,000.00
Balance at End of Period.....	757,728,567.29	709,742,492.69	757,728,567.29	709,742,492.69	757,728,567.29	709,742,492.69

April 27, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of March 31, 2010 and 2009**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,553,812,856.77	4,535,168,567.64	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>1,982,617,156.88</u>	<u>1,959,148,800.76</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,571,195,699.89</u>	<u>2,576,019,766.88</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(10,559,983.29)	(12,297,910.53)
			Retained Earnings.....	<u>757,728,567.29</u>	<u>709,742,492.69</u>
			Total Proprietary Capital.....	<u>1,255,084,618.45</u>	<u>1,205,309,509.61</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	14,727,362.80	16,703,834.55		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Other.....	-	-	<b>Total Long-Term Debt.....</b>		
Total.....	<u>15,333,528.00</u>	<u>17,309,999.75</u>		896,104,000.00	896,104,000.00
			<b>Total Capitalization.....</b>		
				<u>2,151,188,618.45</u>	<u>2,101,413,509.61</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	4,581,700.41	4,596,547.09	ST Notes Payable to Associated Companies.....	123,592,400.00	147,622,400.00
Special Deposits.....	755,272.54	1,473,569.10	Accounts Payable.....	75,243,599.29	84,250,341.55
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	38,887,982.75	24,531,240.88
Accounts Receivable-Less Reserve.....	133,999,184.50	161,607,185.38	Customer Deposits.....	23,505,026.21	21,883,544.22
Accounts Receivable from Associated Companies....	15,709,235.55	7,050,292.38	Taxes Accrued.....	21,251,712.73	6,402,668.27
Materials and Supplies-At Average Cost			Interest Accrued.....	3,542,330.75	3,507,062.83
Fuel.....	68,540,274.67	44,658,383.00	ST Obligations Under Capital Leases.....	-	-
Plant Materials and Operating Supplies.....	29,661,158.50	28,352,312.49	Miscellaneous Current and Accrued Liabilities.....	<u>39,807,477.66</u>	<u>34,025,756.55</u>
Stores Expense.....	4,581,464.86	3,966,246.19	Total.....	<u>325,830,529.39</u>	<u>322,223,014.30</u>
Gas Stored Underground.....	19,702,551.38	39,077,531.14			
Allowance Inventory.....	3,979.99	5,648.07	<b>Deferred Credits and Other</b>		
Prepayments.....	7,494,347.38	5,144,663.56	Accumulated Deferred Income Taxes.....	427,056,738.37	412,064,151.86
Miscellaneous Current and Accrued Assets.....	<u>7,403,197.91</u>	<u>4,077,072.87</u>	Investment Tax Credit.....	47,400,905.13	50,497,206.92
Total.....	<u>292,432,487.40</u>	<u>300,009,570.98</u>	Regulatory Liabilities.....	58,220,051.36	95,321,783.78
			Customer Advances for Construction.....	9,391,871.62	10,103,233.66
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	33,539,793.09	33,239,849.37
Unamortized Debt Expense.....	3,807,606.66	3,972,529.34	Other Deferred Credits.....	12,024,479.23	17,092,561.05
Unamortized Loss on Bonds.....	22,843,399.48	24,059,827.88	Miscellaneous Long-Term Liabilities.....	33,345,166.16	52,522,516.52
Accumulated Deferred Income Taxes.....	51,562,119.86	62,955,745.53	Accum Provision for Postretirement Benefits.....	<u>180,127,523.35</u>	<u>226,757,849.01</u>
Deferred Regulatory Assets.....	318,835,262.63	335,626,266.70	Total.....	<u>801,106,528.31</u>	<u>897,599,152.17</u>
Other Deferred Debits.....	<u>2,115,572.23</u>	<u>1,281,969.02</u>			
Total.....	<u>399,163,960.86</u>	<u>427,896,338.47</u>	<b>Total Liabilities and Stockholders' Equity.....</b>		
Total Assets.....	<u>3,278,125,676.15</u>	<u>3,321,235,676.08</u>		<u>3,278,125,676.15</u>	<u>3,321,235,676.08</u>

April 27, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**March 31, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(10,559,983.29)		
Retained Earnings.....			757,728,567.29		
 Total Proprietary Capital.....			1,255,084,618.45	55.17	58.34
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Total Pollution Control Bonds.....			574,304,000.00	25.25	26.70
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.17)	(7.59)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	18.08	19.11
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	21.32	22.55
Total Capitalization.....			2,151,188,618.45	94.57	100.00
Short-Term Notes Payable to Associated Companies.....			123,592,400.00	5.43	
Total Capitalization and Short-Term Debt.....			2,274,781,018.45	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,553,812,856.77	4,553,812,856.77
Reserves for Depreciation and Amortization.....		(1,982,617,156.88)
Depreciation of Plant		
Electric.....	(1,664,291,394.43)	
Gas.....	(223,885,255.76)	
Common.....	(82,265,771.73)	
Amortization of Plant		
Common.....	(12,173,834.96)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		15,333,528.00
Special Funds.....	14,727,362.80	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	4,581,700.41	4,581,700.41
Special Deposits.....		755,272.54
Other Special Deposits.....	755,272.54	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		133,999,184.50
Customers - Active.....	80,193,182.26	
Unbilled Revenues.....	48,126,164.06	
IMPA.....	2,150,497.96	
IMEA.....	2,020,425.53	
Sundry Accounts Receivable.....	1,927,799.42	
Wholesale Sales.....	608,869.27	
Damage Claims.....	558,136.44	
Transmission Sales.....	350,287.72	
Electricity Swaps.....	128,530.33	
Rents Receivable.....	46,306.64	
Interest and Dividends Receivable.....	38,312.65	
Employee Computer Loans.....	36,908.14	
Working Funds.....	20,130.00	
Other.....	554,418.23	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,236,435.09	
Recoveries.....	(330,072.89)	
A/R Miscellaneous.....	(898,047.15)	
Accrual.....	(905,969.20)	
Reserve.....	(1,863,130.00)	
Accounts Receivable from Associated Companies.....		15,709,235.55
E.ON US Services/Kentucky Utilities Company.....	15,709,235.55	
Fuel.....		68,540,274.67
Coal 1,554,603.35 Tons @ \$43.64; MMBtu 35,411,145 @ 191.60¢.....	67,848,406.04	
Fuel Oil 315,442.00 Gallons @ 210.14¢.....	662,854.26	
Gas Pipeline 5,300.00 Mcf @ \$5.47.....	29,014.37	
Plant Materials and Operating Supplies.....		29,661,158.50
Regular Materials and Supplies.....	29,278,357.93	
Limestone 45,362.91 Tons @ \$8.44.....	382,800.57	

April 27, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,581,464.86	4,581,464.86
Gas Stored Underground - Current.....		19,702,551.38
Gas St. Underground* 4,014,011.00 Mcf (14.73 psia) @ \$4.91.....	19,702,551.38	
Allowance Inventory.....	3,979.99	3,979.99
Prepayments.....		7,494,347.38
Insurance.....	5,146,638.65	
Taxes.....	485,026.28	
Franchises.....	298,386.66	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	46,931.56	
Other.....	1,174,030.86	
Miscellaneous Current Assets.....		7,403,197.91
Derivative Asset - Non-Hedging.....	7,368,737.77	
Miscellaneous Current Assets.....	34,460.14	
Unamortized Debt Expense.....		3,807,606.66
Trimble County 2000 Series A due 08/01/30 Var%.....	748,342.53	
Jefferson County 2001 Series A due 09/01/26 Var%.....	152,991.48	
Jefferson County 2001 Series A due 09/01/27 Var%.....	334,776.82	
Trimble County 2001 Series A due 09/01/26 Var%.....	166,345.61	
Jefferson County 2001 Series B due 11/01/27 Var%.....	182,337.89	
Trimble County 2001 Series B due 11/01/27 Var%.....	182,367.80	
Trimble County 2002 Series A due 10/01/32 Var%.....	800,260.35	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,053,964.46	
Short-term portion.....	186,219.72	
Unamortized Loss on Bonds.....	22,843,399.48	22,843,399.48
Accumulated Deferred Income Taxes.....		51,562,119.86
Federal		
Electric.....	39,967,430.57	
Gas.....	3,757,669.03	
State		
Electric.....	7,136,003.55	
Gas.....	701,016.71	
Regulatory Assets.....		318,835,262.63
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations		
Electric.....	21,866,227.86	
Gas.....	8,246,558.48	
Common.....	26,709.87	
2008 Wind Storm.....	23,540,332.79	
MISO Exit Fee.....	5,328,347.10	
Enviromental Cost Recovery.....	4,146,523.00	
Gas Supply Clause/PBR.....	3,566,760.96	
Fuel Adjustment Clause.....	1,621,000.00	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	664,158.64	
Rate Case Expenses.....	633,937.18	
CMRG Funding.....	183,500.00	
ECR Ash Hauling.....	171,471.16	
Other Deferred Debits.....	2,115,572.23	2,115,572.23
Total Assets.....	<u>3,278,125,676.15</u>	<u>3,278,125,676.15</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,255,084,618.45
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(10,559,983.29)	
Retained Earnings.....	757,728,567.29	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	123,592,400.00	123,592,400.00
Accounts Payable.....		75,243,599.29
Regular.....	72,823,608.72	
Salaries and Wages Accrued.....	2,526,679.79	
Employee Withholdings Payable.....	(106,689.22)	
Accounts Payable to Associated Companies.....		38,887,982.75
E.ON US Services/Kentucky Utilities Company.....	29,858,132.19	
Interest payable to Fidelity.....	9,029,850.56	
Customers' Deposits.....	23,505,026.21	23,505,026.21
Taxes Accrued.....	21,251,712.73	21,251,712.73
Interest Accrued.....		3,542,330.75
Jefferson County 2000 Series A due 05/01/27 5.375%.....	559,895.94	
Trimble County 2000 Series A due 08/01/30 Var%.....	20,370.79	
Jefferson County 2001 Series A due 09/01/26 Var%.....	27,573.31	
Jefferson County 2001 Series A due 09/01/27 Var%.....	4,377.12	
Trimble County 2001 Series A due 09/01/26 Var%.....	37,972.59	
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,712.29	
Trimble County 2001 Series B due 11/01/27 Var%.....	13,712.60	
Trimble County 2002 Series A due 10/01/32 Var%.....	14,515.39	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.05	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	376,944.56	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	581,250.05	
Trimble County 2007 Series A due 06/01/33 4.600%.....	920,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.01)	
Interest Rate Swaps.....	645,766.53	
Customers' Deposits.....	197,667.19	
Other.....	128,572.35	
Miscellaneous Current and Accrued Liabilities.....		39,807,477.66
No-Notice Gas Payable.....	16,493,988.96	
Vacation Pay Accrued.....	5,862,866.66	
Derivative Liabilities - Non-Hedging.....	5,450,508.63	
Customer Overpayments.....	4,543,734.06	
Postretirement Benefits - Current.....	3,411,766.00	
Unearned Revenue - Current.....	2,126,652.76	
Service Deposit Refund Payable.....	192,494.21	
Tax Collections Payable.....	1,312,062.99	
Other.....	413,403.39	

April 27, 2010



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		427,056,738.37
Federal		
Electric.....	319,445,564.98	
Gas.....	46,652,558.11	
State		
Electric.....	54,147,236.23	
Gas.....	6,811,379.05	
Investment Tax Credit.....		47,400,905.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	22,850,838.98	
Gas.....	800,066.15	
Regulatory Liabilities.....		58,220,051.36
Deferred Taxes		
Federal		
Electric.....	17,940,395.73	
Gas.....	1,302,501.63	
State		
Electric.....	15,980,465.15	
Gas.....	2,484,702.46	
Gas Supply Clause/PBR.....	9,435,473.43	
DSM Cost Recovery.....	4,638,242.88	
MISO Schedule 10 Charges.....	3,186,885.89	
Asset Retirement Obligations		
Gas.....	2,368,759.24	
Electric.....	733,663.73	
Purchased Gas Adjustment - Texas Gas.....	148,961.22	
Customers' Advances for Construction.....		9,391,871.62
Line Extensions		
Gas.....	7,219,725.23	
Electric.....	1,128,560.05	
Common.....	(8,686.20)	
Customer Advances - Museum Plaza.....	755,272.54	
Other.....	297,000.00	
Asset Retirement Obligations		33,539,793.09
Electric.....	25,137,127.02	
Gas.....	8,373,463.56	
Common.....	29,202.51	
Other Deferred Credits.....	12,024,479.23	12,024,479.23
Miscellaneous Long-Term Liabilities.....		33,345,166.16
Long-Term Derivative Liabilities - SFAS 133.....	29,072,794.00	
Workers' Compensation.....	4,272,372.16	
Accumulated Provision for Benefits.....		180,127,523.35
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	80,355,862.35	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(199,312.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,278,125,676.15</u>	<u>3,278,125,676.15</u>

April 27, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**March 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	32,449,701.05	4,580,821.50
Items not requiring (providing) cash currently:		
Depreciation.....	32,380,499.93	31,600,229.66
Amortization.....	2,132,331.45	1,468,766.25
Deferred income taxes - net.....	3,454,556.87	1,236,378.44
Investment tax credit - net.....	(625,445.00)	148,136.79
Other.....	5,273,441.47	670,865.89
Change in receivables.....	(2,013,028.24)	34,947,366.37
Change in inventory.....	27,425,070.39	78,827,743.62
Change in allowance inventory.....	191.01	312.14
Change in payables and accrued expenses.....	2,608,329.31	(29,669,304.37)
Change in regulatory assets.....	1,154,832.08	(18,386,589.87)
Change in regulatory liabilities.....	(26,687,157.22)	39,055,552.62
Change in other deferred debits.....	(920,928.99)	40,010,634.95
Change in other deferred credits.....	4,043,147.78	(26,559,455.40)
Other.....	(22,278,765.06)	(5,827,861.56)
Gain on disposal of assets.....	(26,050.00)	-
Net cash provided (used) by operating activities.....	<u>58,370,726.83</u>	<u>152,103,597.03</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	19,392,152.02	(39,368,969.22)
Gross additions to common utility plant - construction expendit	(2,013,141.52)	(3,869,038.47)
Change in restricted cash.....	(670.60)	468,541.83
Change in non-hedging derivatives.....	445,783.58	528,758.46
Proceeds received from sales of property.....	26,050.00	-
Net cash provided (used) by investing activities.....	<u>17,850,173.48</u>	<u>(42,240,707.40)</u>
<b>Cash Flows from Financing Activities</b>		
Change in unamortized debt expense.....	(26,566.57)	(177,261.20)
Net change in short-term debt.....	(46,808,000.00)	(74,376,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Dividends on common stock.....	(30,000,000.00)	(35,000,000.00)
Net cash provided (used) by financing activities.....	<u>(76,834,566.57)</u>	<u>(109,577,711.20)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(613,666.26)	285,178.43
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>4,581,820.12</u></u>	<u><u>4,596,666.80</u></u>

#REF!

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**March 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	111,979.17	335,937.51	335,937.51	1,343,750.04	634,377.08
Trimble County 2000 Series A due 08/01/30 Var%.....	65,475.85	31,343.22	92,143.05	73,982.97	312,934.48	1,812,853.42
Jefferson County 2001 Series A due 09/01/26 Var%.....	12,039.04	23,886.98	34,600.68	83,951.07	189,357.53	428,979.57
Jefferson County 2001 Series A due 09/01/27 Var%.....	7,450.29	3,884.43	10,787.42	13,512.99	36,199.18	204,973.14
Trimble County 2001 Series A due 09/01/26 Var%.....	14,714.39	29,195.21	44,753.42	102,606.86	239,476.03	524,308.32
Jefferson County 2001 Series B due 11/01/27 Var%.....	20,184.92	28,239.72	62,616.42	114,095.43	318,260.25	654,040.92
Trimble County 2001 Series B due 11/01/27 Var%.....	20,184.92	28,239.72	62,616.42	114,095.43	318,260.23	654,040.92
Trimble County 2002 Series A due 10/01/32 Var%.....	112,750.44	27,227.22	126,908.55	67,942.49	236,093.71	1,053,606.62
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(16,227.18)	16,227.18	1,482,809.68
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	575,000.01	575,000.00	2,300,000.04	785,240.43
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	435,937.50	435,937.50	1,743,750.00	631,459.77
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	38,178.92
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	690,000.00	690,000.02	2,760,000.00	2,778,270.02
Interest Rate Swaps.....	690,907.53	586,176.37	1,896,395.50	1,811,320.40	7,016,805.25	5,631,348.03
Notes/Debentures.....	-	-	-	-	-	(16,437.00)
Fidelia.....	2,220,150.01	2,220,149.99	6,660,450.01	6,660,449.97	26,641,800.18	24,071,174.94
<b>Total.....</b>	<b>3,842,815.73</b>	<b>3,651,892.14</b>	<b>11,028,146.49</b>	<b>11,062,605.43</b>	<b>43,472,914.10</b>	<b>41,369,224.78</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.34	15,433.31	46,555.02	46,258.85	186,160.45	226,406.64
Amortization of Loss on Reacquired Debt.....	100,864.68	108,667.01	302,500.51	324,912.45	1,257,083.99	1,367,728.62
<b>Total.....</b>	<b>116,383.02</b>	<b>124,100.32</b>	<b>349,055.53</b>	<b>371,171.30</b>	<b>1,443,244.44</b>	<b>1,594,135.26</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	105,899.89	83,899.61	341,428.43	260,535.46	1,440,415.85	1,083,726.97
Other Tax Deficiencies.....	-	-	-	-	(14,880.00)	(3,221.00)
Gas Refunds.....	-	-	-	-	-	-
Interest on DSM Cost Recovery.....	13,741.86	7,663.43	15,639.66	21,814.55	121,890.69	63,493.64
Interest on Debt to Associated Companies.....	18,202.26	75,489.29	63,868.84	342,504.52	395,662.52	5,955,963.81
Other Interest Expense.....	62,883.05	114,589.62	127,440.83	132,341.00	618,610.21	1,424,759.86
<b>Total.....</b>	<b>200,727.06</b>	<b>281,641.95</b>	<b>548,377.76</b>	<b>757,195.53</b>	<b>2,561,699.27</b>	<b>8,524,723.28</b>
<b>Total Interest.....</b>	<b>4,159,925.81</b>	<b>4,057,634.41</b>	<b>11,925,579.78</b>	<b>12,190,972.26</b>	<b>47,477,857.81</b>	<b>51,488,083.32</b>

April 27, 2010

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
March 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,221,512.78	1,456,758.89	3,667,004.98	4,468,249.85
Unemployment.....	8,522.04	80,904.50	109,149.96	88,433.98
FICA.....	684,984.50	579,987.68	1,907,070.18	1,816,375.98
Public Service Commission Fee.....	161,675.42	157,536.02	485,026.26	472,608.06
Federal Income.....	(5,215,007.69)	(4,373,144.21)	13,097,305.55	(3,346,188.38)
State Income.....	(1,049,867.21)	(604,566.17)	2,247,777.74	(378,507.95)
Miscellaneous.....	-	-	12,911.19	7,339.75
<b>Total Charged to Operating Expense.....</b>	<b>(4,188,180.16)</b>	<b>(2,702,523.29)</b>	<b>21,526,245.86</b>	<b>3,128,311.29</b>
Taxes Charged to Other Accounts.....	739,443.50	(954,273.81)	1,164,241.86	3,000,034.00
Taxes Accrued on Intercompany Accounts.....	(297,581.79)	(232,193.81)	(782,863.93)	(639,350.51)
<b>Total Taxes Charged.....</b>	<b>(3,746,318.45)</b>	<b>(3,888,990.91)</b>	<b>21,907,623.79</b>	<b>5,488,994.78</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	3,753,811.69	11,021,421.06	3,795,080.86
Unemployment.....	42,164.99	95,242.51	1,024.86	136,382.64
FICA.....	455,753.32	1,561,858.89	1,728,025.01	289,587.20
Federal Income.....	13,896,876.99	13,264,742.32	13,403,683.00	13,757,936.31
State Income.....	632,003.78	2,281,463.30	-	2,913,467.08
Kentucky Sales and Use Tax.....	625,517.98	887,938.32	1,168,343.16	345,113.14
Miscellaneous.....	14,799.84	62,566.76	63,221.10	14,145.50
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>21,907,623.79</b>	<b>27,385,718.19</b>	<b>21,251,712.73</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2010**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>101 UTILITY PLANT IN SERVICE</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	1,618,104.49	(95,826.58)	-	1,522,277.91	164,663,748.17
Common Intangible Plant	61,656,665.49	1,934,836.17	(8,237,095.84)	-	(6,302,259.67)	55,354,405.82
	<u>224,798,135.75</u>	<u>3,552,940.66</u>	<u>(8,332,922.42)</u>	<u>-</u>	<u>(4,779,981.76)</u>	<u>220,018,153.99</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	27,719,919.89	(1,251,021.79)	-	26,468,898.10	884,381,815.33
Electric General Plant	16,833,253.13	150,816.09	-	-	150,816.09	16,984,069.22
Electric Hydro Production	41,579,243.41	-	-	-	-	41,579,243.41
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,502,332.36)	(184,810.14)	-	(1,687,142.50)	229,562,661.49
Electric Steam Production	1,894,640,479.32	7,118,649.60	(1,634,008.50)	(104,078.14)	5,380,562.96	1,900,021,042.28
Electric Transmission	241,991,713.86	1,917,118.91	(227,495.76)	-	1,689,623.15	243,681,337.01
	<u>3,284,209,751.23</u>	<u>35,404,172.13</u>	<u>(3,297,336.19)</u>	<u>(104,078.14)</u>	<u>32,002,757.80</u>	<u>3,316,212,509.03</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	2,230,615.54	(79,146.08)	-	2,151,469.46	531,249,783.97
Gas General Plant	9,014,996.97	213,386.00	(31,519.49)	-	181,866.51	9,196,863.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	2,569,357.68	(125,302.10)	-	2,444,055.58	67,381,678.45
Gas Transmission	13,658,203.76	315,079.83	-	-	315,079.83	13,973,283.59
	<u>616,710,325.60</u>	<u>5,328,439.05</u>	<u>(235,967.67)</u>	<u>-</u>	<u>5,092,471.38</u>	<u>621,802,796.98</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>44,285,551.84</u>	<u>(11,866,226.28)</u>	<u>(104,078.14)</u>	<u>32,315,247.42</u>	<u>4,158,033,460.00</u>
<b>102 Plant Purchased &amp; sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 105001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 PLANT HELD FOR FUTURE USE</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

April 27, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 COMPLETED CONSTRUCTION NOT CLASSIFIED</b>						
<b>Common</b>						
Common General Plant	265,181.22	583,193.77	-	-	583,193.77	848,374.99
Common Intangible Plant	971,026.53	758,255.20	-	-	758,255.20	1,729,281.73
	<u>1,236,207.75</u>	<u>1,341,448.97</u>	<u>-</u>	<u>-</u>	<u>1,341,448.97</u>	<u>2,577,656.72</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(13,207,858.68)	-	-	(13,207,858.68)	21,537,177.99
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	28,599.70	-	-	28,599.70	45,551.96
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	6,550.80	-	-	6,550.80	6,550.80
Electric Steam Production	9,240,272.74	4,766,758.68	-	-	4,766,758.68	14,007,031.42
Electric Transmission	976,044.41	(976,044.41)	-	-	(976,044.41)	-
	<u>44,978,306.08</u>	<u>(9,381,993.91)</u>	<u>-</u>	<u>-</u>	<u>(9,381,993.91)</u>	<u>35,596,312.17</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	1,376,857.88	-	-	1,376,857.88	16,759,787.15
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(658,046.15)	-	-	(658,046.15)	3,128,502.29
Gas Transmission	1,221,215.37	1,422,976.16	-	-	1,422,976.16	2,644,191.53
	<u>20,602,119.24</u>	<u>2,131,529.30</u>	<u>-</u>	<u>-</u>	<u>2,131,529.30</u>	<u>22,733,648.54</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>(5,909,015.64)</u>	<u>-</u>	<u>-</u>	<u>(5,909,015.64)</u>	<u>60,907,617.43</u>
<b>117 GAS STORED UNDERGROUND-NONCURRENT</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 NONUTILITY PROPERTY</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 CONSTRUCTION WORK IN PROGRESS</b>						
<b>Construction Work in Progress</b>						
Common	15,767,424.60	(2,881,248.11)	-	-	(2,881,248.11)	12,886,176.49
Electric	299,585,079.65	(8,858,216.91)	-	-	(8,858,216.91)	290,726,862.74
Gas	26,774,033.33	(2,412,781.12)	-	-	(2,412,781.12)	24,361,252.21
	<u>342,126,537.58</u>	<u>(14,152,246.14)</u>	<u>-</u>	<u>-</u>	<u>(14,152,246.14)</u>	<u>327,974,291.44</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>38,302,459.92</u>	<u>(11,866,226.28)</u>	<u>(104,078.14)</u>	<u>26,332,155.50</u>	<u>4,225,913,804.89</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>24,150,213.78</u>	<u>(11,866,226.28)</u>	<u>(104,078.14)</u>	<u>12,179,909.36</u>	<u>4,553,888,096.33</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>24,150,213.78</u>	<u>(11,866,226.28)</u>	<u>(104,078.14)</u>	<u>12,179,909.36</u>	<u>4,553,812,856.77</u>

April 27, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2010**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>LIFE RESERVE</b>									
Common General Plant	(78,702,001.26)	(3,426,066.52)	95,826.58	-	-	-	-	-	(82,032,241.20)
Common General Plant - ARO	(1,233.92)	(8.58)	-	-	-	-	-	-	(1,242.50)
Electric Distribution	(266,380,666.38)	(4,112,817.09)	1,251,021.79	-	-	-	-	-	(269,242,461.68)
Electric Distribution - ARO	(13,162.72)	(91.53)	-	-	-	-	-	-	(13,254.25)
Electric General Plant	(14,148,434.81)	(176,243.76)	-	-	-	-	-	-	(14,324,678.57)
Electric Hydro Production	(9,163,030.01)	(138,793.07)	-	-	-	-	-	-	(9,301,823.08)
Electric Hydro Production - ARO	(17,810.24)	(124.02)	-	-	-	-	-	-	(17,934.26)
Electric Other Production	(52,372,728.97)	(2,026,863.53)	184,810.14	-	-	-	-	-	(54,214,782.36)
Electric Other Production - ARO	(89,318.48)	(621.15)	-	-	-	-	-	-	(89,939.63)
Electric Steam Production	(982,038,024.91)	(13,083,288.26)	1,812,162.92	25,000.00	-	-	-	-	(993,284,150.25)
Electric Steam Production - ARO	(2,543,436.73)	(40,866.17)	-	-	-	-	-	-	(2,584,302.90)
Electric Transmission	(116,058,916.84)	(934,728.31)	227,495.76	-	-	-	-	-	(116,766,149.39)
Electric Transmission - ARO	(667.12)	(4.65)	-	-	-	-	-	-	(671.77)
Gas Distribution	(116,733,622.42)	(2,716,717.79)	79,146.08	-	-	-	-	-	(119,371,194.13)
Gas Distribution - ARO	(20,380.45)	(80.01)	-	-	-	-	-	-	(20,460.46)
Gas General Plant	(6,508,855.59)	(110,889.91)	31,519.49	-	-	-	-	-	(6,588,226.01)
Gas Storage	(32,226,220.17)	(248,217.66)	125,302.10	-	-	-	-	-	(32,349,135.73)
Gas Storage - ARO	(402,273.17)	(2,123.16)	-	-	-	-	-	-	(404,396.33)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(12,062.29)	-	-	-	-	-	-	(9,414,892.98)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	(1,686,886,975.24)	(27,030,607.46)	3,807,284.86	25,000.00	-	-	-	-	(1,710,085,297.84)
<b>COST OF REMOVAL</b>									
Common General Plant	(585,802.76)	(66,810.28)	-	-	-	42,473.89	-	-	(610,139.15)
Electric Distribution	(148,701,260.29)	(1,619,345.74)	-	-	-	3,013,099.64	-	-	(147,307,506.39)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(10,538.86)	-	-	-	-	-	-	768,531.81
Electric Other Production	(2,157,721.68)	(87,045.84)	-	-	-	-	-	-	(2,244,767.52)
Electric Steam Production	(80,852,537.28)	(3,461,761.92)	(176,793.52)	-	-	240,941.04	-	-	(84,250,151.68)
Electric Transmission	(23,685,015.10)	(289,388.41)	-	-	-	231,074.24	-	-	(23,743,329.27)
Gas Distribution	(57,352,410.28)	(764,866.16)	-	-	-	44,925.32	-	-	(58,072,351.12)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(27,900.63)	-	-	-	77,266.56	-	-	(179,079.65)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(2,978.34)	-	-	-	-	-	-	(3,026,890.71)
Non Utility Property	-	-	-	-	-	-	-	-	-
	(315,804,168.05)	(6,330,636.18)	(176,793.52)	-	-	3,649,780.69	-	-	(318,661,817.06)

April 27, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>SALVAGE</b>									
Common General Plant	277,728.56	75.48	-	-	-	-	-	-	277,804.04
Electric Distribution	16,492,540.88	325,154.37	-	-	-	-	(24,715.28)	-	16,792,979.97
Electric General Plant	136,014.35	564.15	-	-	-	-	-	-	136,578.50
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	449,560.94	(1,360.90)	-	-	-	-	-	20,721,547.39
Electric Transmission	6,103,126.31	56,418.97	-	-	-	-	(26,018.63)	-	6,133,526.65
Gas Distribution	3,410,835.14	47,716.67	-	-	-	-	-	-	3,458,551.81
Gas General Plant	223,852.64	476.11	-	-	-	-	-	-	224,328.75
Gas Storage	252,727.30	4,309.60	-	-	-	-	(63.60)	-	256,973.30
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	1,116.87	-	-	-	-	-	-	214,232.66
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>885,393.16</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,797.51)</u>	<u>-</u>	<u>48,574,162.57</u>
<b>TOTAL RESERVES</b>									
Common	(79,074,669.74)	(3,492,809.90)	95,826.58	-	-	42,473.89	-	-	(82,429,179.17)
Electric	(1,654,077,125.86)	(25,150,823.88)	3,297,336.19	25,000.00	-	3,485,114.92	(50,733.91)	-	(1,672,471,232.54)
Gas	(221,798,419.87)	(3,832,216.70)	235,967.67	-	-	122,191.88	(63.60)	-	(225,272,540.62)
	<u>(1,954,950,215.47)</u>	<u>(32,475,850.48)</u>	<u>3,629,130.44</u>	<u>25,000.00</u>	<u>-</u>	<u>3,649,780.69</u>	<u>(50,797.51)</u>	<u>-</u>	<u>(1,980,172,952.33)</u>
<b>RETIREMENT WORK IN PROGRESS</b>									
Common	(8,937,134.61)	-	-	(27,558.63)	(42,473.89)	9,103,201.21	(987.00)	5,000.00	100,047.08
Electric	18,980,726.37	-	-	186,800.54	(3,434,381.01)	(7,700,297.63)	(183,767.26)	330,757.10	8,179,838.11
Gas	1,284,007.95	-	-	19,962.51	(122,128.28)	207,675.58	(2,232.90)	-	1,387,284.86
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>179,204.42</u>	<u>(3,598,983.18)</u>	<u>1,610,579.16</u>	<u>(186,987.16)</u>	<u>335,757.10</u>	<u>9,667,170.05</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(32,475,850.48)</u>	<u>3,629,130.44</u>	<u>204,204.42</u>	<u>(3,598,983.18)</u>	<u>5,260,359.85</u>	<u>(237,784.67)</u>	<u>335,757.10</u>	<u>(1,970,505,782.28)</u>
<b>AMORTIZATION</b>									
Common	(18,278,599.35)	(2,132,331.45)	8,237,095.84	-	-	-	-	-	(12,173,834.96)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(2,132,331.45)</u>	<u>8,237,095.84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,174,734.96)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(34,608,181.93)</u>	<u>11,866,226.28</u>	<u>204,204.42</u>	<u>(3,598,983.18)</u>	<u>5,260,359.85</u>	<u>(237,784.67)</u>	<u>335,757.10</u>	<u>(1,982,680,517.24)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(1,982,617,156.88)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,571,195,699.89</u>

April 27, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - April 30, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

## Financial Reports

April 30, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**April 30, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	69,696,210.01	66,696,940.69	2,999,269.32	4.50
Gas Operating Revenues.....	13,495,328.29	29,716,264.05	(16,220,935.76)	(54.59)
<b>Total Operating Revenues.....</b>	<b>83,191,538.30</b>	<b>96,413,204.74</b>	<b>(13,221,666.44)</b>	<b>(13.71)</b>
Fuel for Electric Generation.....	27,565,248.99	26,840,095.84	725,153.15	2.70
Power Purchased.....	3,613,611.17	4,143,985.10	(530,373.93)	(12.80)
Gas Supply Expenses.....	5,061,333.84	20,881,672.44	(15,820,338.60)	(75.76)
Other Operation Expenses.....	17,783,707.78	16,439,633.12	1,344,074.66	8.18
Maintenance.....	10,337,593.60	11,374,158.71	(1,036,565.11)	(9.11)
Depreciation.....	10,847,126.18	10,712,709.38	134,416.80	1.25
Amortization Expense.....	608,531.20	621,387.37	(12,856.17)	(2.07)
Regulatory Credits.....	(181,685.10)	(227,034.93)	45,349.83	19.97
Taxes				
Federal Income.....	1,404,772.59	(164,837.42)	1,569,610.01	952.22
State Income.....	256,189.52	(30,061.53)	286,251.05	952.22
Deferred Federal Income - Net.....	(958,044.71)	-	(958,044.71)	(100.00)
Deferred State Income - Net.....	(174,719.40)	-	(174,719.40)	(100.00)
Property and Other.....	1,973,711.81	2,202,750.09	(229,038.28)	(10.40)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	(196,559.00)	(11,922.00)	(6.07)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	167,045.35	165,058.63	1,986.72	1.20
<b>Total Operating Expenses.....</b>	<b>78,095,941.82</b>	<b>92,762,957.80</b>	<b>(14,667,015.98)</b>	<b>(15.81)</b>
Net Operating Income.....	5,095,596.48	3,650,246.94	1,445,349.54	39.60
Other Income Less Deductions.....	(1,639,854.76)	3,799,885.55	(5,439,740.31)	(143.16)
<b>Income Before Interest Charges.....</b>	<b>3,455,741.72</b>	<b>7,450,132.49</b>	<b>(3,994,390.77)</b>	<b>(53.62)</b>
Interest on Long-Term Debt.....	3,747,395.83	3,633,120.85	114,274.98	3.15
Amortization of Debt Expense - Net.....	116,383.02	124,146.49	(7,763.47)	(6.25)
Other Interest Expenses.....	193,468.17	181,490.58	11,977.59	6.60
<b>Total Interest Charges.....</b>	<b>4,057,247.02</b>	<b>3,938,757.92</b>	<b>118,489.10</b>	<b>3.01</b>
<b>Net Income.....</b>	<b>(601,505.30)</b>	<b>3,511,374.57</b>	<b>(4,112,879.87)</b>	<b>(117.13)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	299,991,555.44	299,214,387.62	777,167.82	0.26
Gas Operating Revenues.....	149,200,459.86	224,612,086.66	(75,411,626.80)	(33.57)
<b>Total Operating Revenues.....</b>	<b>449,192,015.30</b>	<b>523,826,474.28</b>	<b>(74,634,458.98)</b>	<b>(14.25)</b>
Fuel for Electric Generation.....	110,707,297.44	117,494,437.34	(6,787,139.90)	(5.78)
Power Purchased.....	20,100,272.07	23,100,438.32	(3,000,166.25)	(12.99)
Gas Supply Expenses.....	88,059,327.25	173,431,543.86	(85,372,216.61)	(49.23)
Other Operation Expenses.....	72,610,110.01	74,713,842.78	(2,103,732.77)	(2.82)
Maintenance.....	36,326,370.91	69,231,487.55	(32,905,116.64)	(47.53)
Depreciation.....	43,227,626.11	42,312,939.04	914,687.07	2.16
Amortization Expense.....	2,740,862.65	2,090,153.62	650,709.03	31.13
Regulatory Credits.....	(721,768.32)	(761,569.56)	39,801.24	5.23
Taxes				
Federal Income.....	14,502,078.14	(3,511,025.80)	18,013,103.94	513.04
State Income.....	2,503,967.26	(408,569.48)	2,912,536.74	712.86
Deferred Federal Income - Net.....	1,920,879.99	1,536,591.31	384,288.68	25.01
Deferred State Income - Net.....	400,912.77	(300,212.87)	701,125.64	233.54
Property and Other.....	8,154,874.38	9,055,757.71	(900,883.33)	(9.95)
Investment Tax Credit.....	-	912,336.51	(912,336.51)	(100.00)
Amortization of Investment Tax Credit.....	(833,926.00)	(960,758.72)	126,832.72	13.20
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	663,209.30	655,336.18	7,873.12	1.20
<b>Total Operating Expenses.....</b>	<b>400,327,633.82</b>	<b>508,526,453.73</b>	<b>(108,198,819.91)</b>	<b>(21.28)</b>
Net Operating Income.....	48,864,381.48	15,300,020.55	33,564,360.93	219.37
Other Income Less Deductions.....	(1,033,358.93)	8,921,905.70	(9,955,264.63)	(111.58)
<b>Income Before Interest Charges.....</b>	<b>47,831,022.55</b>	<b>24,221,926.25</b>	<b>23,609,096.30</b>	<b>97.47</b>
Interest on Long-Term Debt.....	14,775,542.32	14,695,726.28	79,816.04	0.54
Amortization of Debt Expense - Net.....	465,438.55	495,317.79	(29,879.24)	(6.03)
Other Interest Expenses.....	741,845.93	938,686.11	(196,840.18)	(20.97)
<b>Total Interest Charges.....</b>	<b>15,982,826.80</b>	<b>16,129,730.18</b>	<b>(146,903.38)</b>	<b>(0.91)</b>
<b>Net Income.....</b>	<b>31,848,195.75</b>	<b>8,092,196.07</b>	<b>23,755,999.68</b>	<b>293.57</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	920,141,859.79	1,025,441,328.09	(105,299,468.30)	(10.27)
Gas Operating Revenues.....	286,216,229.20	467,650,637.50	(181,434,408.30)	(38.80)
<b>Total Operating Revenues.....</b>	<b>1,206,358,088.99</b>	<b>1,493,091,965.59</b>	<b>(286,733,876.60)</b>	<b>(19.20)</b>
Fuel for Electric Generation.....	321,445,856.62	360,851,659.32	(39,405,802.70)	(10.92)
Power Purchased.....	55,430,103.58	111,092,396.99	(55,662,293.41)	(50.10)
Gas Supply Expenses.....	164,433,052.35	360,271,070.62	(195,838,018.27)	(54.36)
Other Operation Expenses.....	216,968,253.88	205,420,288.18	11,547,965.70	5.62
Maintenance.....	63,299,842.14	128,275,637.71	(64,975,795.57)	(50.65)
Depreciation.....	129,661,021.33	123,597,180.62	6,063,840.71	4.91
Amortization Expense.....	8,607,032.81	6,208,086.69	2,398,946.12	38.64
Regulatory Credits.....	(2,165,646.56)	(2,139,587.86)	(26,058.70)	(1.22)
Taxes				
Federal Income.....	43,285,674.46	24,090,359.37	19,195,315.09	79.68
State Income.....	6,806,064.74	1,885,358.61	4,920,706.13	261.00
Deferred Federal Income - Net.....	8,709,868.00	(394,795.45)	9,104,663.45	2,306.17
Deferred State Income - Net.....	2,151,974.66	(2,840,632.63)	4,992,607.29	175.76
Property and Other.....	22,643,657.68	24,672,482.93	(2,028,825.25)	(8.22)
Investment Tax Credit.....	2,737,009.49	7,733,364.51	(4,996,355.02)	(64.61)
Amortization of Investment Tax Credit.....	(2,917,274.28)	(3,527,688.63)	610,414.35	17.30
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,977,653.24	1,915,043.01	62,610.23	3.27
<b>Total Operating Expenses.....</b>	<b>1,043,039,684.00</b>	<b>1,347,043,949.93</b>	<b>(304,004,265.93)</b>	<b>(22.57)</b>
Net Operating Income.....	163,318,404.99	146,048,015.66	17,270,389.33	11.83
Other Income Less Deductions.....	3,151,136.65	(21,862,196.64)	25,013,333.29	114.41
<b>Income Before Interest Charges.....</b>	<b>166,469,541.64</b>	<b>124,185,819.02</b>	<b>42,283,722.62</b>	<b>34.05</b>
Interest on Long-Term Debt.....	43,587,189.08	40,700,822.55	2,886,366.53	7.09
Amortization of Debt Expense - Net.....	1,435,480.97	1,597,394.28	(161,913.31)	(10.14)
Other Interest Expenses.....	2,573,676.86	8,297,317.94	(5,723,641.08)	(68.98)
<b>Total Interest Charges.....</b>	<b>47,596,346.91</b>	<b>50,595,534.77</b>	<b>(2,999,187.86)</b>	<b>(5.93)</b>
<b>Net Income.....</b>	<b>118,873,194.73</b>	<b>73,590,284.25</b>	<b>45,282,910.48</b>	<b>61.53</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**April 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	757,728,567.29	709,742,492.69	755,278,866.24	740,161,671.19	713,253,867.26	674,663,583.01
Add:						
Net Income for Period.....	(601,505.30)	3,511,374.57	31,848,195.75	8,092,196.07	118,873,194.73	73,590,284.25
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	30,000,000.00	35,000,000.00	75,000,000.00	35,000,000.00
Balance at End of Period.....	757,127,061.99	713,253,867.26	757,127,061.99	713,253,867.26	757,127,061.99	713,253,867.26

May 21, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of April 30, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,564,494,960.09	4,548,673,762.35	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>1,991,374,248.54</u>	<u>1,968,065,915.18</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,573,120,711.55</u>	<u>2,580,607,847.17</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(11,094,243.55)	(12,448,781.59)
			Retained Earnings.....	<u>757,127,061.99</u>	<u>713,253,867.26</u>
			Total Proprietary Capital.....	<u>1,253,948,852.89</u>	<u>1,208,670,013.12</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	14,729,449.18	18,686,177.51		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Other.....	-	-	<b>Total Long-Term Debt.....</b>		
Total.....	<u>15,335,614.38</u>	<u>19,292,342.71</u>		896,104,000.00	896,104,000.00
			<b>Total Capitalization.....</b>		
				<u>2,150,052,852.89</u>	<u>2,104,774,013.12</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	5,847,850.51	3,820,155.44	ST Notes Payable to Associated Companies.....	133,491,400.00	132,010,400.00
Special Deposits.....	755,355.97	1,473,581.50	Accounts Payable.....	68,051,345.04	86,828,623.95
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	30,812,887.97	20,732,307.75
Accounts Receivable-Less Reserve.....	118,456,375.85	144,160,004.57	Customer Deposits.....	23,941,242.89	21,688,922.65
Accounts Receivable from Associated Companies....	12,314,747.96	3,988,155.31	Taxes Accrued.....	13,407,762.97	6,439,265.16
Materials and Supplies-At Average Cost			Interest Accrued.....	4,315,904.54	4,147,161.12
Fuel.....	73,203,744.22	51,671,224.31	ST Obligations Under Capital Leases.....	-	(1.00)
Plant Materials and Operating Supplies.....	29,387,046.33	28,383,345.42	Miscellaneous Current and Accrued Liabilities.....	<u>34,238,967.29</u>	<u>32,833,622.95</u>
Stores Expense.....	4,653,117.81	4,005,225.59	Total.....	<u>308,259,510.70</u>	<u>304,680,302.58</u>
Gas Stored Underground.....	14,842,906.51	25,403,450.31			
Allowance Inventory.....	3,916.15	5,562.36	<b>Deferred Credits and Other</b>		
Prepayments.....	6,542,096.80	4,401,537.02	Accumulated Deferred Income Taxes.....	425,917,166.76	412,064,151.86
Miscellaneous Current and Accrued Assets.....	<u>5,801,250.84</u>	<u>5,000,467.98</u>	Investment Tax Credit.....	47,192,424.13	50,300,647.92
Total.....	<u>271,808,528.66</u>	<u>272,312,829.52</u>	Regulatory Liabilities.....	56,089,200.04	96,070,852.75
			Customer Advances for Construction.....	9,395,487.39	10,006,105.25
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	33,706,838.44	32,819,255.67
Unamortized Debt Expense.....	3,792,088.35	3,964,436.12	Other Deferred Credits.....	15,483,167.15	17,133,080.52
Unamortized Loss on Bonds.....	22,742,534.79	23,956,057.14	Miscellaneous Long-Term Liabilities.....	36,593,225.16	47,367,509.91
Accumulated Deferred Income Taxes.....	51,895,455.16	62,955,745.53	Accum Provision for Postretirement Benefits.....	<u>178,668,451.10</u>	<u>217,280,636.27</u>
Deferred Regulatory Assets.....	320,567,422.64	331,075,859.50	Total.....	<u>803,045,960.17</u>	<u>883,042,240.15</u>
Other Deferred Debits.....	<u>2,095,968.23</u>	<u>(1,668,561.84)</u>			
Total.....	<u>401,093,469.17</u>	<u>420,283,536.45</u>	<b>Total Liabilities and Stockholders' Equity.....</b>		
Total Assets.....	<u>3,261,358,323.76</u>	<u>3,292,496,555.85</u>		<u>3,261,358,323.76</u>	<u>3,292,496,555.85</u>

May 21, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**April 30, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	
				Capital	ST Debt
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(11,094,243.55)		
Retained Earnings.....			757,127,061.99		
 Total Proprietary Capital.....			1,253,948,852.89	54.91	58.32
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	25.15	26.71
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.15)	(7.59)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	18.00	19.12
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	21.24	22.56
Total Capitalization.....			2,150,052,852.89	94.15	100.00
Short-Term Notes Payable to Associated Companies.....			133,491,400.00	5.85	
Total Capitalization and Short-Term Debt.....			2,283,544,252.89	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,564,494,960.09	4,564,494,960.09
Reserves for Depreciation and Amortization.....		(1,991,374,248.54)
Depreciation of Plant		
Electric.....	(1,670,169,823.99)	
Gas.....	(225,048,499.42)	
Common.....	(83,372,658.97)	
Amortization of Plant		
Common.....	(12,782,366.16)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		15,335,614.38
Special Funds.....	14,729,449.18	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	5,847,850.51	5,847,850.51
Special Deposits.....		755,355.97
Other Special Deposits.....	755,355.97	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		118,456,375.85
Customers - Active.....	70,933,811.21	
Unbilled Revenues.....	38,882,000.00	
IMPA.....	1,894,554.35	
IMEA.....	1,803,260.46	
Sundry Accounts Receivable.....	1,849,725.03	
Wholesale Sales.....	780,011.27	
Damage Claims.....	659,229.92	
Transmission Sales.....	353,670.84	
Electricity Swaps.....	231,120.00	
Rents Receivable.....	42,612.08	
Interest and Dividends Receivable.....	5,696.17	
Employee Computer Loans.....	32,662.05	
Working Funds.....	20,090.00	
Other.....	3,752,488.62	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,769,840.18	
Recoveries.....	(434,165.71)	
A/R Miscellaneous.....	(898,047.15)	
Accrual.....	(1,335,674.47)	
Reserve.....	(1,886,509.00)	
Accounts Receivable from Associated Companies.....		12,314,747.96
E.ON US Services/Kentucky Utilities Company.....	12,314,747.96	
Fuel.....		73,203,744.22
Coal 1,649,946.04 Tons @ \$44.06; MMBtu 37,546,897.59 @ 193.63¢.....	72,702,013.73	
Fuel Oil 224,780.00 Gallons @ 205.22¢.....	461,288.01	
Gas Pipeline 5,200.00 Mcf @ \$7.78.....	40,442.48	
Plant Materials and Operating Supplies.....		29,387,046.33
Regular Materials and Supplies.....	28,983,655.11	
Limestone 48,343.00Tons @ \$8.34.....	403,391.22	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,653,117.81	4,653,117.81
Gas Stored Underground - Current.....		14,842,906.51
Gas St. Underground* 3,023,944.00 Mcf (14.73 psia) @ \$4.91.....	14,842,906.51	
Allowance Inventory.....	3,916.15	3,916.15
Prepayments.....		6,542,096.80
Insurance.....	4,631,646.02	
Taxes.....	323,350.86	
Franchises.....	253,176.56	
Rights of Way.....	253,333.37	
Risk Management and Workers Compensation.....	90,000.00	
Vehicle License.....	42,723.02	
Other.....	947,866.97	
Miscellaneous Current Assets.....		5,801,250.84
Derivative Asset - Non-Hedging.....	5,801,250.84	
Unamortized Debt Expense.....		3,792,088.35
Trimble County 2000 Series A due 08/01/30 Var%.....	783,824.24	
Jefferson County 2001 Series A due 09/01/26 Var%.....	162,088.26	
Jefferson County 2001 Series A due 09/01/27 Var%.....	353,470.00	
Trimble County 2001 Series A due 09/01/26 Var%.....	176,236.48	
Jefferson County 2001 Series B due 11/01/27 Var%.....	192,416.86	
Trimble County 2001 Series B due 11/01/27 Var%.....	192,448.42	
Trimble County 2002 Series A due 10/01/32 Var%.....	834,379.93	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,097,224.16	
Unamortized Loss on Bonds.....	22,742,534.79	22,742,534.79
Accumulated Deferred Income Taxes.....		51,895,455.16
Federal		
Electric.....	40,191,815.96	
Gas.....	3,815,204.75	
State		
Electric.....	7,176,924.90	
Gas.....	711,509.55	
Regulatory Assets.....		320,567,422.64
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations		
Electric.....	22,008,291.85	
Gas.....	8,286,038.35	
Common.....	26,851.11	
2008 Wind Storm.....	23,540,332.79	
MISO Exit Fee.....	5,214,978.02	
Environmental Cost Recovery.....	6,247,603.00	
Gas Supply Clause/PBR.....	3,250,689.64	
Fuel Adjustment Clause.....	1,713,000.00	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	650,027.60	
Rate Case Expenses.....	606,374.69	
CMRG Funding.....	183,500.00	
Other Deferred Debits.....	2,095,968.23	2,095,968.23
Total Assets.....	<u>3,261,358,323.76</u>	<u>3,261,358,323.76</u>

* Excludes:		\$	Mcf
Non-recoverable Base Gas	9,648,855.00		7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>		<u>2,930,000</u>
	11,788,845.00		10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,253,948,852.89
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(11,094,243.55)	
Retained Earnings.....	757,127,061.99	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	133,491,400.00	133,491,400.00
Accounts Payable.....		68,051,345.04
Regular.....	65,153,837.14	
Salaries and Wages Accrued.....	2,842,304.07	
Employee Withholdings Payable.....	55,203.83	
Accounts Payable to Associated Companies.....		30,812,887.97
E.ON US Services/Kentucky Utilities Company.....	25,947,087.40	
Interest payable to Fidelia.....	4,865,800.57	
Customers' Deposits.....	23,941,242.89	23,941,242.89
Taxes Accrued.....	13,407,762.97	13,407,762.97
Interest Accrued.....		4,315,904.54
Jefferson County 2000 Series A due 05/01/27 5.375%.....	671,875.10	
Trimble County 2000 Series A due 08/01/30 Var%.....	17,708.71	
Jefferson County 2001 Series A due 09/01/26 Var%.....	6,904.14	
Jefferson County 2001 Series A due 09/01/27 Var%.....	645.66	
Trimble County 2001 Series A due 09/01/26 Var%.....	6,328.75	
Jefferson County 2001 Series B due 11/01/27 Var%.....	14,335.58	
Trimble County 2001 Series B due 11/01/27 Var%.....	14,335.89	
Trimble County 2002 Series A due 10/01/32 Var%.....	11,216.44	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.22	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.55	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.02)	
Interest Rate Swaps.....	705,662.25	
Customers' Deposits.....	292,193.88	
Other.....	129,524.31	
Miscellaneous Current and Accrued Liabilities.....		34,238,967.29
No-Notice Gas Payable.....	11,452,194.05	
Customer Overpayments.....	6,254,682.49	
Vacation Pay Accrued.....	5,862,866.66	
Derivative Liabilities - Non-Hedging.....	4,043,975.60	
Postretirement Benefits - Current.....	3,411,766.00	
Unearned Revenue - Current.....	1,868,308.48	
Tax Collections Payable.....	740,402.24	
Service Deposit Refund Payable.....	448,817.48	
Other.....	155,954.29	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		425,917,166.76
Federal		
Electric.....	318,481,762.77	
Gas.....	46,652,558.11	
State		
Electric.....	53,971,466.83	
Gas.....	6,811,379.05	
Investment Tax Credit.....		47,192,424.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	22,654,417.98	
Gas.....	788,006.15	
Regulatory Liabilities.....		56,089,200.04
Deferred Taxes		
Federal		
Electric.....	17,940,395.73	
Gas.....	1,302,501.63	
State		
Electric.....	15,980,465.15	
Gas.....	2,484,702.46	
Gas Supply Clause/PBR.....	7,649,268.46	
DSM Cost Recovery.....	4,207,806.64	
MISO Schedule 10 Charges.....	3,210,465.45	
Asset Retirement Obligations		
Gas.....	2,371,830.39	
Electric.....	739,690.59	
Purchased Gas Adjustment - Texas Gas.....	202,073.54	
Customers' Advances for Construction.....		9,395,487.39
Line Extensions		
Gas.....	7,222,818.74	
Electric.....	1,128,998.88	
Common.....	(8,686.20)	
Customer Advances - Museum Plaza.....	755,355.97	
Other.....	297,000.00	
Asset Retirement Obligations		33,706,838.44
Electric.....	25,265,288.51	
Gas.....	8,412,209.04	
Common.....	29,340.89	
Other Deferred Credits.....	15,483,167.15	15,483,167.15
Miscellaneous Long-Term Liabilities.....		36,593,225.16
Long-Term Derivative Liabilities - SFAS 133.....	32,320,853.00	
Workers' Compensation.....	4,272,372.16	
Accumulated Provision for Benefits.....		178,668,451.10
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	78,883,410.10	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,261,358,323.76</u>	<u>3,261,358,323.76</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**April 30, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	31,848,195.75	8,092,196.07
Items not requiring (providing) cash currently:		
Depreciation.....	43,227,626.11	42,312,939.04
Amortization.....	2,740,862.65	2,090,153.62
Deferred income taxes - net.....	2,321,792.76	1,236,378.44
Investment tax credit - net.....	(833,926.00)	(48,422.21)
Other.....	11,737,208.82	(2,892,103.61)
Change in receivables.....	16,924,268.00	55,456,684.25
Change in inventory.....	27,823,704.93	85,418,970.81
Change in allowance inventory.....	254.85	397.85
Change in payables and accrued expenses.....	(23,455,156.35)	(31,700,088.39)
Change in regulatory assets.....	(577,327.93)	(13,836,182.67)
Change in regulatory liabilities.....	(28,818,008.54)	39,804,621.59
Change in other deferred debits.....	(930,673.56)	40,113,301.00
Change in other deferred credits.....	7,501,835.70	(26,518,935.93)
Other.....	(26,180,486.37)	(19,091,815.36)
Net cash provided (used) by operating activities.....	<u>63,330,170.82</u>	<u>180,438,094.50</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	7,918,629.51	(51,902,561.08)
Gross additions to common utility plant - construction expenditure	(2,394,007.74)	(5,017,444.25)
Change in restricted cash.....	(754.03)	468,541.83
Proceeds received from sale of property.....	1,050.00	-
Change in non-hedging derivatives.....	(1,267,038.13)	724,150.51
Net cash provided (used) by investing activities.....	<u>4,257,879.61</u>	<u>(55,727,312.99)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.59)	(189,543.73)
Net change in short-term debt.....	(36,909,000.00)	(89,988,800.00)
Net change in long-term capital lease obligations.....	-	(23,651.00)
Dividends on common stock.....	(30,000,000.00)	(35,000,000.00)
Net cash provided (used) by financing activities.....	<u>(66,935,566.59)</u>	<u>(125,201,994.73)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	652,483.84	(491,213.22)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u>5,847,970.22</u>	<u>3,820,275.15</u>
Cash and Cash Equivalents at End of Period.....	<u>11,043,456.60</u>	<u>8,131,763.52</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$4 million and an increase to cash flows from investing of \$4 million.

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**April 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.16	111,979.17	447,916.67	447,916.68	1,343,750.03	582,293.75
Trimble County 2000 Series A due 08/01/30 Var%.....	29,745.97	15,463.27	121,889.02	89,446.24	327,217.18	1,616,104.11
Jefferson County 2001 Series A due 09/01/26 Var%.....	11,539.74	19,263.69	46,140.42	103,214.76	181,633.58	388,829.10
Jefferson County 2001 Series A due 09/01/27 Var%.....	3,452.21	3,261.35	14,239.63	16,774.34	36,390.04	183,740.42
Trimble County 2001 Series A due 09/01/26 Var%.....	13,501.37	23,544.52	58,254.79	126,151.38	229,432.88	475,235.55
Jefferson County 2001 Series B due 11/01/27 Var%.....	18,698.62	23,732.88	81,315.04	137,828.31	313,225.99	584,777.74
Trimble County 2001 Series B due 11/01/27 Var%.....	18,698.62	23,732.88	81,315.04	137,828.31	313,225.97	584,777.74
Trimble County 2002 Series A due 10/01/32 Var%.....	19,793.73	19,314.31	146,702.28	87,256.80	236,573.13	943,834.56
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(21,636.24)	21,636.24	780,486.88
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	766,666.67	766,666.67	2,300,000.03	907,726.77
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	581,250.00	581,250.00	1,743,750.00	700,026.35
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	920,000.00	920,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(48,964.84)
Interest Rate Swaps.....	732,857.24	611,108.53	2,629,252.74	2,422,428.93	7,138,553.96	5,807,870.31
Notes/Debentures.....	-	-	-	-	-	(36,466.00)
Fidelia.....	2,220,150.01	2,220,150.14	8,880,600.02	8,880,600.11	26,641,800.05	24,470,550.09
<b>Total.....</b>	<b>3,747,395.83</b>	<b>3,633,120.85</b>	<b>14,775,542.32</b>	<b>14,695,726.28</b>	<b>43,587,189.08</b>	<b>40,700,822.55</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.34	15,462.72	62,073.36	61,721.57	186,216.07	214,730.44
Amortization of Loss on Reacquired Debt.....	100,864.68	108,683.77	403,365.19	433,596.22	1,249,264.90	1,382,663.84
<b>Total.....</b>	<b>116,383.02</b>	<b>124,146.49</b>	<b>465,438.55</b>	<b>495,317.79</b>	<b>1,435,480.97</b>	<b>1,597,394.28</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	116,987.62	99,666.99	458,416.05	360,202.45	1,457,736.48	1,097,712.23
Other Tax Deficiencies.....	-	-	-	-	(14,880.00)	(3,221.00)
Gas Refunds.....	-	-	-	-	-	-
Interest on DSM Cost Recovery.....	951.96	7,011.45	16,591.62	28,826.00	115,831.20	70,505.09
Interest on Debt to Associated Companies.....	19,943.47	58,561.89	83,812.31	401,066.41	357,044.10	5,691,466.50
Other Interest Expense.....	55,585.12	16,250.25	183,025.95	148,591.25	657,945.08	1,440,855.12
<b>Total.....</b>	<b>193,468.17</b>	<b>181,490.58</b>	<b>741,845.93</b>	<b>938,686.11</b>	<b>2,573,676.86</b>	<b>8,297,317.94</b>
<b>Total Interest.....</b>	<b>4,057,247.02</b>	<b>3,938,757.92</b>	<b>15,982,826.80</b>	<b>16,129,730.18</b>	<b>47,596,346.91</b>	<b>50,595,534.77</b>

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
April 30, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	4,889,751.08	5,925,008.74
Unemployment.....	3,518.55	7,344.24	112,668.51	95,778.22
FICA.....	578,549.07	568,199.74	2,485,619.25	2,384,575.72
Public Service Commission Fee.....	161,675.42	157,536.02	646,701.68	630,144.08
Federal Income.....	1,404,772.59	(164,837.42)	14,502,078.14	(3,511,025.80)
State Income.....	256,189.52	(30,061.53)	2,503,967.26	(408,569.48)
Miscellaneous.....	7,222.67	12,911.20	20,133.86	20,250.95
<b>Total Charged to Operating Expense.....</b>	<b>3,634,673.92</b>	<b>2,007,851.14</b>	<b>25,160,919.78</b>	<b>5,136,162.43</b>
Taxes Charged to Other Accounts.....	(766,041.95)	2,721,796.02	398,199.91	5,721,830.02
Taxes Accrued on Intercompany Accounts.....	(232,985.17)	(203,755.17)	(1,015,849.10)	(843,105.68)
<b>Total Taxes Charged.....</b>	<b>2,635,646.80</b>	<b>4,525,891.99</b>	<b>24,543,270.59</b>	<b>10,014,886.77</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	5,005,057.69	11,119,129.99	4,948,617.93
Unemployment.....	42,164.99	95,683.03	137,078.26	769.76
FICA.....	455,753.32	2,088,620.32	2,170,840.65	373,532.99
Federal Income.....	13,896,876.99	13,786,640.59	21,169,944.00	6,513,573.58
State Income.....	632,003.78	2,376,642.31	1,686,547.00	1,322,099.09
Kentucky Sales and Use Tax.....	625,517.98	1,122,536.13	1,513,456.20	234,597.91
Miscellaneous.....	14,799.84	68,090.52	68,318.65	14,571.71
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>24,543,270.59</b>	<b>37,865,314.75</b>	<b>13,407,762.97</b>

May 21, 2010



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2010**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>101 UTILITY PLANT IN SERVICE</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	3,711,998.56	(154,476.58)	-	3,557,521.98	166,698,992.24
Common Intangible Plant	61,656,665.49	2,879,971.67	(8,237,095.84)	-	(5,357,124.17)	56,299,541.32
	<u>224,798,135.75</u>	<u>6,591,970.23</u>	<u>(8,391,572.42)</u>	<u>-</u>	<u>(1,799,602.19)</u>	<u>222,998,533.56</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	30,451,433.62	(2,005,297.47)	-	28,446,136.15	886,359,053.38
Electric General Plant	16,833,253.13	150,816.09	-	-	150,816.09	16,984,069.22
Electric Hydro Production	41,579,243.41	28,599.70	-	-	28,599.70	41,607,843.11
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,495,781.56)	(184,810.14)	-	(1,680,591.70)	229,569,212.29
Electric Steam Production	1,894,640,479.32	8,176,318.51	(2,247,782.24)	(104,078.14)	5,824,458.13	1,900,464,937.45
Electric Transmission	241,991,713.86	1,993,643.99	(253,384.41)	-	1,740,259.58	243,731,973.44
	<u>3,284,209,751.23</u>	<u>39,305,030.35</u>	<u>(4,691,274.26)</u>	<u>(104,078.14)</u>	<u>34,509,677.95</u>	<u>3,318,719,429.18</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	3,343,501.85	(101,987.10)	-	3,241,514.75	532,339,829.26
Gas General Plant	9,014,996.97	213,386.00	(31,519.49)	-	181,866.51	9,196,863.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	4,178,850.60	(170,789.49)	-	4,008,061.11	68,945,683.98
Gas Transmission	13,658,203.76	315,079.83	-	-	315,079.83	13,973,283.59
	<u>616,710,325.60</u>	<u>8,050,818.28</u>	<u>(304,296.08)</u>	<u>-</u>	<u>7,746,522.20</u>	<u>624,456,847.80</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>53,947,818.86</u>	<u>(13,387,142.76)</u>	<u>(104,078.14)</u>	<u>40,456,597.96</u>	<u>4,166,174,810.54</u>
<b>102 Plant Purchased &amp; sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 105001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 PLANT HELD FOR FUTURE USE</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 COMPLETED CONSTRUCTION NOT CLASSIFIED</b>						
<b>Common</b>						
Common General Plant	265,181.22	243,745.02	-	-	243,745.02	508,926.24
Common Intangible Plant	971,026.53	39,062.30	-	-	39,062.30	1,010,088.83
	<u>1,236,207.75</u>	<u>282,807.32</u>	<u>-</u>	<u>-</u>	<u>282,807.32</u>	<u>1,519,015.07</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(12,054,403.24)	-	-	(12,054,403.24)	22,690,633.43
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	-	-	-	-	-
Electric Steam Production	9,240,272.74	4,369,787.71	-	-	4,369,787.71	13,610,060.45
Electric Transmission	976,044.41	70,832.99	-	-	70,832.99	1,046,877.40
	<u>44,978,306.08</u>	<u>(7,613,782.54)</u>	<u>-</u>	<u>-</u>	<u>(7,613,782.54)</u>	<u>37,364,523.54</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	5,187,509.36	-	-	5,187,509.36	20,570,438.63
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	286,613.59	-	-	286,613.59	4,073,162.03
Gas Transmission	1,221,215.37	1,423,472.88	-	-	1,423,472.88	2,644,688.25
	<u>20,602,119.24</u>	<u>6,887,337.24</u>	<u>-</u>	<u>-</u>	<u>6,887,337.24</u>	<u>27,489,456.48</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>(443,637.98)</u>	<u>-</u>	<u>-</u>	<u>(443,637.98)</u>	<u>66,372,995.09</u>
<b>117 GAS STORED UNDERGROUND-NONCURRENT</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 NONUTILITY PROPERTY</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 CONSTRUCTION WORK IN PROGRESS</b>						
<b>Construction Work in Progress</b>						
Common	15,767,424.60	(4,480,769.81)	-	-	(4,480,769.81)	11,286,654.79
Electric	299,585,079.65	(5,503,869.37)	-	-	(5,503,869.37)	294,081,210.28
Gas	26,774,033.33	(7,092,231.84)	-	-	(7,092,231.84)	19,681,801.49
	<u>342,126,537.58</u>	<u>(17,076,871.02)</u>	<u>-</u>	<u>-</u>	<u>(17,076,871.02)</u>	<u>325,049,666.56</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>53,430,104.60</u>	<u>(13,387,142.76)</u>	<u>(104,078.14)</u>	<u>39,938,883.70</u>	<u>4,239,520,533.09</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>36,353,233.58</u>	<u>(13,387,142.76)</u>	<u>(104,078.14)</u>	<u>22,862,012.68</u>	<u>4,564,570,199.65</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>36,353,233.58</u>	<u>(13,387,142.76)</u>	<u>(104,078.14)</u>	<u>22,862,012.68</u>	<u>4,564,494,960.09</u>

May 21, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>LIFE RESERVE</b>									
Common General Plant	(78,702,001.26)	(4,595,400.81)	154,476.58	-	-	-	-	-	(83,142,925.49)
Common General Plant - ARO	(1,233.92)	(11.44)	-	-	-	-	-	-	(1,245.36)
Electric Distribution	(266,380,666.38)	(5,489,160.42)	2,005,297.47	-	-	-	-	-	(269,864,529.33)
Electric Distribution - ARO	(13,162.72)	(122.04)	-	-	-	-	-	-	(13,284.76)
Electric General Plant	(14,148,434.81)	(235,229.67)	-	-	-	-	-	-	(14,383,664.48)
Electric Hydro Production	(9,163,030.01)	(185,065.69)	-	-	-	-	-	-	(9,348,095.70)
Electric Hydro Production - ARO	(17,810.24)	(165.36)	-	-	-	-	-	-	(17,975.60)
Electric Other Production	(52,372,728.97)	(2,700,014.52)	184,810.14	-	-	-	-	-	(54,887,933.35)
Electric Other Production - ARO	(89,318.48)	(828.20)	-	-	-	-	-	-	(90,146.68)
Electric Steam Production	(982,038,024.91)	(17,440,091.59)	2,425,936.66	25,000.00	-	-	-	-	(997,027,179.84)
Electric Steam Production - ARO	(2,543,436.73)	(54,488.22)	-	-	-	-	-	-	(2,597,924.95)
Electric Transmission	(116,058,916.84)	(1,247,264.12)	253,384.41	-	-	-	-	-	(117,052,796.55)
Electric Transmission - ARO	(667.12)	(6.20)	-	-	-	-	-	-	(673.32)
Gas Distribution	(116,733,622.42)	(3,626,310.21)	101,987.10	-	-	-	-	-	(120,257,945.53)
Gas Distribution - ARO	(20,380.45)	(106.68)	-	-	-	-	-	-	(20,487.13)
Gas General Plant	(6,508,855.59)	(148,116.11)	31,519.49	-	-	-	-	-	(6,625,452.21)
Gas Storage	(32,226,220.17)	(331,581.42)	170,789.49	-	-	-	-	-	(32,387,012.10)
Gas Storage - ARO	(402,273.17)	(2,830.88)	-	-	-	-	-	-	(405,104.05)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(16,484.42)	-	-	-	-	-	-	(9,419,315.11)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(36,073,278.00)</u>	<u>5,328,201.34</u>	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,717,607,051.90)</u>
<b>COST OF REMOVAL</b>									
Common General Plant	(585,802.76)	(89,140.44)	-	-	-	109,021.82	-	-	(565,921.38)
Electric Distribution	(148,701,260.29)	(2,161,566.99)	-	-	-	3,588,668.81	-	-	(147,274,158.47)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(14,052.65)	-	-	-	-	-	-	765,018.02
Electric Other Production	(2,157,721.68)	(115,938.44)	-	-	-	-	-	-	(2,273,660.12)
Electric Steam Production	(80,852,537.28)	(4,633,741.59)	(176,793.52)	(25,000.00)	-	305,205.70	-	-	(85,382,866.69)
Electric Transmission	(23,685,015.10)	(386,234.88)	-	-	-	238,002.05	-	-	(23,833,247.93)
Gas Distribution	(57,352,410.28)	(1,021,078.02)	-	-	-	70,859.65	-	-	(58,302,628.65)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(37,290.21)	-	-	-	107,467.95	-	-	(158,267.84)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(4,071.46)	-	-	-	-	-	-	(3,027,983.83)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(8,463,114.68)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>4,419,225.98</u>	<u>-</u>	<u>-</u>	<u>(320,049,850.27)</u>

May 21, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>SALVAGE</b>									
Common General Plant	277,728.56	100.64	-	-	-	-	-	-	277,829.20
Electric Distribution	16,492,540.88	434,100.98	-	-	-	-	(24,715.28)	-	16,901,926.58
Electric General Plant	136,014.35	752.20	-	-	-	-	-	-	136,766.55
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	599,499.70	(1,360.90)	-	-	-	-	-	20,871,486.15
Electric Transmission	6,103,126.31	75,335.09	-	-	-	-	(26,018.63)	-	6,152,442.77
Gas Distribution	3,410,835.14	63,647.31	-	-	-	-	-	-	3,474,482.45
Gas General Plant	223,852.64	635.79	-	-	-	-	-	-	224,488.43
Gas Storage	252,727.30	5,748.40	-	-	-	-	(63.60)	-	258,412.10
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	1,526.79	-	-	-	-	-	-	214,642.58
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>1,181,346.90</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,797.51)</u>	<u>-</u>	<u>48,870,116.31</u>
<b>TOTAL RESERVES</b>									
Common	(79,074,669.74)	(4,684,452.05)	154,476.58	-	-	109,021.82	-	-	(83,495,623.39)
Electric	(1,654,077,125.86)	(33,554,282.61)	4,691,274.26	-	-	4,131,876.56	(50,733.91)	-	(1,678,858,991.56)
Gas	(221,798,419.87)	(5,116,311.12)	304,296.08	-	-	178,327.60	(63.60)	-	(226,432,170.91)
	<u>(1,954,950,215.47)</u>	<u>(43,355,045.78)</u>	<u>5,150,046.92</u>	<u>-</u>	<u>-</u>	<u>4,419,225.98</u>	<u>(50,797.51)</u>	<u>-</u>	<u>(1,988,786,785.86)</u>
<b>RETIREMENT WORK IN PROGRESS</b>									
Common	(8,937,134.61)	-	-	(27,558.63)	(109,021.82)	9,129,306.12	(987.00)	5,000.00	59,604.06
Electric	18,980,726.37	-	-	186,800.54	(4,081,142.65)	(6,472,239.32)	(206,304.58)	281,327.21	8,689,167.57
Gas	1,284,007.95	-	-	19,962.51	(178,264.00)	263,631.01	(5,665.98)	-	1,383,671.49
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>179,204.42</u>	<u>(4,368,428.47)</u>	<u>2,920,697.81</u>	<u>(212,957.56)</u>	<u>286,327.21</u>	<u>10,132,443.12</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(43,355,045.78)</u>	<u>5,150,046.92</u>	<u>179,204.42</u>	<u>(4,368,428.47)</u>	<u>7,339,923.79</u>	<u>(263,755.07)</u>	<u>286,327.21</u>	<u>(1,978,654,342.74)</u>
<b>AMORTIZATION</b>									
Common	(18,278,599.35)	(2,740,862.65)	8,237,095.84	-	-	-	-	-	(12,782,366.16)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(2,740,862.65)</u>	<u>8,237,095.84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,783,266.16)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(46,095,908.43)</u>	<u>13,387,142.76</u>	<u>179,204.42</u>	<u>(4,368,428.47)</u>	<u>7,339,923.79</u>	<u>(263,755.07)</u>	<u>286,327.21</u>	<u>(1,991,437,608.90)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(1,991,374,248.54)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,573,120,711.55</u>

May 21, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - May 31, 2010**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

May 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**May 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	80,095,089.99	68,552,247.63	11,542,842.36	16.84
Gas Operating Revenues.....	11,310,812.08	12,342,481.34	(1,031,669.26)	(8.36)
<b>Total Operating Revenues.....</b>	<b>91,405,902.07</b>	<b>80,894,728.97</b>	<b>10,511,173.10</b>	<b>12.99</b>
Fuel for Electric Generation.....	29,647,940.03	27,383,758.40	2,264,181.63	8.27
Power Purchased.....	4,606,491.86	6,154,623.33	(1,548,131.47)	(25.15)
Gas Supply Expenses.....	4,577,833.85	6,608,573.88	(2,030,740.03)	(30.73)
Other Operation Expenses.....	19,098,593.27	15,557,554.14	3,541,039.13	22.76
Maintenance.....	8,874,273.59	8,137,416.28	736,857.31	9.06
Depreciation.....	10,899,067.44	10,698,433.61	200,633.83	1.88
Amortization Expense.....	611,095.34	797,948.13	(186,852.79)	(23.42)
Regulatory Credits.....	(182,520.73)	(177,786.42)	(4,734.31)	(2.66)
Taxes				
Federal Income.....	2,343,232.70	(153,383.89)	2,496,616.59	1,627.69
State Income.....	427,337.27	(27,972.74)	455,310.01	1,627.69
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	1,930,582.86	2,187,626.68	(257,043.82)	(11.75)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	(312,908.00)	104,427.00	33.37
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	167,880.99	163,106.58	4,774.41	2.93
<b>Total Operating Expenses.....</b>	<b>82,793,327.47</b>	<b>77,016,989.98</b>	<b>5,776,337.49</b>	<b>7.50</b>
Net Operating Income.....	8,612,574.60	3,877,738.99	4,734,835.61	122.10
Other Income Less Deductions.....	(2,112,116.09)	1,839,669.84	(3,951,785.93)	(214.81)
<b>Income Before Interest Charges.....</b>	<b>6,500,458.51</b>	<b>5,717,408.83</b>	<b>783,049.68</b>	<b>13.70</b>
Interest on Long-Term Debt.....	3,757,723.05	3,640,146.46	117,576.59	3.23
Amortization of Debt Expense - Net.....	116,383.02	124,232.69	(7,849.67)	(6.32)
Other Interest Expenses.....	178,038.65	85,108.66	92,929.99	109.19
<b>Total Interest Charges.....</b>	<b>4,052,144.72</b>	<b>3,849,487.81</b>	<b>202,656.91</b>	<b>5.26</b>
<b>Net Income.....</b>	<b>2,448,313.79</b>	<b>1,867,921.02</b>	<b>580,392.77</b>	<b>31.07</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	380,086,645.43	367,766,635.25	12,320,010.18	3.35
Gas Operating Revenues.....	160,511,271.94	236,954,568.00	(76,443,296.06)	(32.26)
Total Operating Revenues.....	<u>540,597,917.37</u>	<u>604,721,203.25</u>	<u>(64,123,285.88)</u>	<u>(10.60)</u>
Fuel for Electric Generation.....	140,355,237.47	144,878,195.74	(4,522,958.27)	(3.12)
Power Purchased.....	24,706,763.93	29,255,061.65	(4,548,297.72)	(15.55)
Gas Supply Expenses.....	92,637,161.10	180,040,117.74	(87,402,956.64)	(48.55)
Other Operation Expenses.....	91,708,703.28	90,271,396.92	1,437,306.36	1.59
Maintenance.....	45,200,644.50	77,368,903.83	(32,168,259.33)	(41.58)
Depreciation.....	54,126,693.55	53,011,372.65	1,115,320.90	2.10
Amortization Expense.....	3,351,957.99	2,888,101.75	463,856.24	16.06
Regulatory Credits.....	(904,289.05)	(939,355.98)	35,066.93	3.73
Taxes				
Federal Income.....	16,845,310.84	(3,664,409.69)	20,509,720.53	559.70
State Income.....	2,931,304.53	(436,542.22)	3,367,846.75	771.48
Deferred Federal Income - Net.....	1,920,879.99	1,536,591.31	384,288.68	25.01
Deferred State Income - Net.....	400,912.77	(300,212.87)	701,125.64	233.54
Property and Other.....	10,085,457.24	11,243,384.39	(1,157,927.15)	(10.30)
Investment Tax Credit.....	-	912,336.51	(912,336.51)	(100.00)
Amortization of Investment Tax Credit.....	(1,042,407.00)	(1,273,666.72)	231,259.72	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	831,090.29	818,442.76	12,647.53	1.55
Total Operating Expenses.....	<u>483,120,961.29</u>	<u>585,543,443.71</u>	<u>(102,422,482.42)</u>	<u>(17.49)</u>
Net Operating Income.....	57,476,956.08	19,177,759.54	38,299,196.54	199.71
Other Income Less Deductions.....	(3,145,475.02)	10,761,575.54	(13,907,050.56)	(129.23)
Income Before Interest Charges.....	<u>54,331,481.06</u>	<u>29,939,335.08</u>	<u>24,392,145.98</u>	<u>81.47</u>
Interest on Long-Term Debt.....	18,533,265.37	18,335,872.74	197,392.63	1.08
Amortization of Debt Expense - Net.....	581,821.57	619,550.48	(37,728.91)	(6.09)
Other Interest Expenses.....	919,884.58	1,023,794.77	(103,910.19)	(10.15)
Total Interest Charges.....	<u>20,034,971.52</u>	<u>19,979,217.99</u>	<u>55,753.53</u>	<u>0.28</u>
Net Income.....	<u><u>34,296,509.54</u></u>	<u><u>9,960,117.09</u></u>	<u><u>24,336,392.45</u></u>	<u><u>244.34</u></u>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	931,684,702.15	1,017,696,952.02	(86,012,249.87)	(8.45)
Gas Operating Revenues.....	285,184,559.94	460,506,485.24	(175,321,925.30)	(38.07)
Total Operating Revenues.....	<u>1,216,869,262.09</u>	<u>1,478,203,437.26</u>	<u>(261,334,175.17)</u>	<u>(17.68)</u>
Fuel for Electric Generation.....	323,710,038.25	362,243,129.42	(38,533,091.17)	(10.64)
Power Purchased.....	53,881,972.11	108,174,009.69	(54,292,037.58)	(50.19)
Gas Supply Expenses.....	162,402,312.32	352,914,695.79	(190,512,383.47)	(53.98)
Other Operation Expenses.....	220,509,293.01	203,769,669.46	16,739,623.55	8.22
Maintenance.....	64,036,699.45	128,042,500.67	(64,005,801.22)	(49.99)
Depreciation.....	129,861,655.16	124,757,217.95	5,104,437.21	4.09
Amortization Expense.....	8,420,180.02	6,514,694.86	1,905,485.16	29.25
Regulatory Credits.....	(2,170,380.87)	(2,158,587.00)	(11,793.87)	(0.55)
Taxes				
Federal Income.....	45,782,291.05	23,351,848.13	22,430,442.92	96.05
State Income.....	7,261,374.75	1,580,911.27	5,680,463.48	359.32
Deferred Federal Income - Net.....	8,709,868.00	(2,394,388.45)	11,104,256.45	463.76
Deferred State Income - Net.....	2,151,974.66	(3,052,617.63)	5,204,592.29	170.50
Property and Other.....	22,386,613.86	24,634,335.43	(2,247,721.57)	(9.12)
Investment Tax Credit.....	2,737,009.49	7,733,364.51	(4,996,355.02)	(64.61)
Amortization of Investment Tax Credit.....	(2,812,847.28)	(3,518,019.63)	705,172.35	20.04
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,982,427.65	1,934,367.56	48,060.09	2.48
Total Operating Expenses.....	<u>1,048,816,021.49</u>	<u>1,334,460,857.97</u>	<u>(285,644,836.48)</u>	<u>(21.41)</u>
Net Operating Income.....	168,053,240.60	143,742,579.29	24,310,661.31	16.91
Other Income Less Deductions.....	(800,649.28)	(20,051,633.77)	19,250,984.49	96.01
Income Before Interest Charges.....	<u>167,252,591.32</u>	<u>123,690,945.52</u>	<u>43,561,645.80</u>	<u>35.22</u>
Interest on Long-Term Debt.....	43,704,765.67	40,390,123.28	3,314,642.39	8.21
Amortization of Debt Expense - Net.....	1,427,631.30	1,600,631.39	(173,000.09)	(10.81)
Other Interest Expenses.....	2,666,606.85	7,831,531.38	(5,164,924.53)	(65.95)
Total Interest Charges.....	<u>47,799,003.82</u>	<u>49,822,286.05</u>	<u>(2,023,282.23)</u>	<u>(4.06)</u>
Net Income.....	<u><u>119,453,587.50</u></u>	<u><u>73,868,659.47</u></u>	<u><u>45,584,928.03</u></u>	<u><u>61.71</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**April 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	757,127,061.99	713,253,867.26	755,278,866.24	740,161,671.19	715,121,788.28	676,253,128.81
Add:						
Net Income for Period.....	2,448,313.79	1,867,921.02	34,296,509.54	9,960,117.09	119,453,587.50	73,868,659.47
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....			30,000,000.00	35,000,000.00	75,000,000.00	35,000,000.00
Balance at End of Period.....	759,575,375.78	715,121,788.28	759,575,375.78	715,121,788.28	759,575,375.78	715,121,788.28

June 18, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of May 31, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,576,411,472.76	4,559,671,958.55	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,001,192,563.45</u>	<u>1,976,427,622.70</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,575,218,909.31</u>	<u>2,583,244,335.85</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(11,313,632.31)	(10,400,134.83)
			Retained Earnings.....	<u>759,575,375.78</u>	<u>715,121,788.28</u>
			Total Proprietary Capital.....	<u>1,256,177,777.92</u>	<u>1,212,586,580.90</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	<u>16,102,047.29</u>	<u>17,188,416.88</u>		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Total.....	<u>16,708,212.49</u>	<u>17,794,582.08</u>	<b>Total Long-Term Debt.....</b>		
				896,104,000.00	896,104,000.00
			<b>Total Capitalization.....</b>		
				<u>2,152,281,777.92</u>	<u>2,108,690,580.90</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	4,093,386.56	3,662,450.28	ST Notes Payable to Associated Companies.....	140,750,400.00	115,158,400.00
Special Deposits.....	755,688.09	1,378,772.56	Accounts Payable.....	76,031,950.00	74,297,301.42
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	15,645,927.12	22,789,951.16
Accounts Receivable-Less Reserve.....	122,964,056.28	124,422,450.21	Customer Deposits.....	24,161,270.63	22,035,783.32
Accounts Receivable from Associated Companies....	13,089,862.47	77,704.34	Taxes Accrued.....	16,134,690.53	9,068,957.83
Materials and Supplies-At Average Cost			Interest Accrued.....	4,194,617.12	4,369,161.64
Fuel.....	74,024,035.18	53,778,616.79	Miscellaneous Current and Accrued Liabilities.....	<u>23,498,823.08</u>	<u>23,214,834.09</u>
Plant Materials and Operating Supplies.....	29,814,569.11	28,416,124.35	Total.....	<u>300,417,678.48</u>	<u>270,934,389.46</u>
Stores Expense.....	4,770,116.70	4,050,456.72			
Gas Stored Underground.....	10,720,154.28	22,319,441.11			
Allowance Inventory.....	3,823.11	5,354.35			
Prepayments.....	5,557,672.61	3,605,445.22			
Miscellaneous Current and Accrued Assets.....	<u>2,805,844.80</u>	<u>3,572,793.79</u>			
Total.....	<u>268,599,328.90</u>	<u>245,289,729.43</u>	<b>Deferred Credits and Other</b>		
			Accumulated Deferred Income Taxes.....	425,917,166.76	412,064,151.86
<b>Deferred Debits and Other</b>			Investment Tax Credit.....	46,983,943.13	49,987,739.92
Unamortized Debt Expense.....	3,776,570.04	3,962,619.54	Regulatory Liabilities.....	54,737,886.15	97,507,436.00
Unamortized Loss on Bonds.....	22,641,670.10	23,856,476.18	Customer Advances for Construction.....	9,284,085.81	9,976,818.86
Accumulated Deferred Income Taxes.....	52,035,131.46	61,747,505.35	Asset Retirement Obligations.....	33,874,719.43	32,982,362.25
Deferred Regulatory Assets.....	320,150,845.07	327,424,129.61	Other Deferred Credits.....	18,309,202.24	25,341,767.27
Other Deferred Debits.....	<u>1,356,503.81</u>	<u>1,110,188.66</u>	Miscellaneous Long-Term Liabilities.....	40,012,260.16	39,663,844.72
Total.....	<u>399,960,720.48</u>	<u>418,100,919.34</u>	Accum Provision for Postretirement Benefits.....	<u>178,668,451.10</u>	<u>217,280,475.46</u>
			Total.....	<u>807,787,714.78</u>	<u>884,804,596.34</u>
<b>Total Assets.....</b>	<u><b>3,260,487,171.18</b></u>	<u><b>3,264,429,566.70</b></u>	<b>Total Liabilities and Stockholders' Equity.....</b>	<u><b>3,260,487,171.18</b></u>	<u><b>3,264,429,566.70</b></u>

June 18, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**May 31, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	
				Capital	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(11,313,632.31)		
Retained Earnings.....			759,575,375.78		
 Total Proprietary Capital.....			1,256,177,777.92	54.78	58.37
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	25.05	26.68
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.12)	(7.58)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.93	19.10
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	21.15	22.53
Total Capitalization.....			2,152,281,777.92	93.86	100.00
Short-Term Notes Payable to Associated Companies.....			140,750,400.00	6.14	
Total Capitalization and Short-Term Debt.....			2,293,032,177.92	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,576,411,472.76	4,576,411,472.76
Reserves for Depreciation and Amortization.....		(2,001,192,563.45)
Depreciation of Plant		
Electric.....	(1,677,021,433.49)	
Gas.....	(226,211,108.12)	
Common.....	(84,565,660.34)	
Amortization of Plant		
Common.....	(13,393,461.50)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		16,708,212.49
Special Funds.....	16,102,047.29	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	4,093,386.56	4,093,386.56
Special Deposits.....		755,688.09
Other Special Deposits.....	755,688.09	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		122,964,056.28
Customers - Active.....	64,940,597.30	
Unbilled Revenues.....	49,574,000.00	
IMEA.....	1,798,045.50	
IMPA.....	1,605,051.92	
Wholesale Sales.....	1,570,053.90	
Sundry Accounts Receivable.....	1,182,188.52	
Damage Claims.....	590,723.76	
Transmission Sales.....	443,615.09	
Other.....	3,887,893.44	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	2,431,593.98	
Recoveries.....	(509,507.72)	
A/R Miscellaneous.....	(898,047.15)	
Reserve.....	(1,730,066.00)	
Accrual.....	(1,922,086.26)	
Accounts Receivable from Associated Companies.....		13,089,862.47
E.ON US Services/Kentucky Utilities Company.....	13,089,862.47	
Fuel.....		74,024,035.18
Coal 1,658,896.00 Tons @ \$44.22; MMBtu 37,585,545.33 @ 195.19¢.....	73,362,071.46	
Fuel Oil 310,189.00 Gallons @ 204.11¢.....	633,125.90	
Gas Pipeline 5,400.00 Mcf @ \$5.34.....	28,837.82	
Plant Materials and Operating Supplies.....		29,814,569.11
Regular Materials and Supplies.....	29,472,207.60	
Limestone 40,284.00Tons @ \$8.50.....	342,361.51	

June 18, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,770,116.70	4,770,116.70
Gas Stored Underground - Current.....		10,720,154.28
Gas St. Underground* 2,184,023.00 Mcf (14.73 psia) @ \$4.91.....	10,720,154.28	
Allowance Inventory.....	3,823.11	3,823.11
Prepayments.....		5,557,672.61
Insurance.....	4,116,653.39	
Rights of Way.....	240,000.04	
Franchises.....	206,459.46	
Taxes.....	161,675.44	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	742,884.28	
Miscellaneous Current Assets.....		2,805,844.80
Derivative Asset - Non-Hedging.....	2,805,844.80	
Unamortized Debt Expense.....		3,776,570.04
Trimble County 2000 Series A due 08/01/30 Var%.....	780,598.63	
Jefferson County 2001 Series A due 09/01/26 Var%.....	161,261.28	
Jefferson County 2001 Series A due 09/01/27 Var%.....	351,770.62	
Trimble County 2001 Series A due 09/01/26 Var%.....	175,337.31	
Jefferson County 2001 Series B due 11/01/27 Var%.....	191,500.59	
Trimble County 2001 Series B due 11/01/27 Var%.....	191,532.00	
Trimble County 2002 Series A due 10/01/32 Var%.....	831,278.15	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,093,291.46	
Unamortized Loss on Bonds.....	22,641,670.10	22,641,670.10
Accumulated Deferred Income Taxes.....		52,035,131.46
Federal		
Electric.....	40,286,321.88	
Gas.....	3,838,831.23	
State		
Electric.....	7,194,160.02	
Gas.....	715,818.33	
Regulatory Assets.....		320,150,845.07
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations		
Electric.....	22,151,011.52	
Gas.....	8,325,697.51	
Common.....	26,993.01	
2008 Wind Storm.....	23,540,332.79	
MISO Exit Fee.....	5,101,608.94	
Environmental Cost Recovery.....	4,933,301.00	
Gas Supply Clause/PBR.....	3,167,955.95	
Fuel Adjustment Clause.....	2,666,000.00	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	635,896.56	
Rate Case Expenses.....	578,812.20	
CMRG Funding.....	183,500.00	
Other Deferred Debits.....	1,356,503.81	1,356,503.81
Total Assets.....	<u>3,260,487,171.18</u>	<u>3,260,487,171.18</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,256,177,777.92
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(11,313,632.31)	
Retained Earnings.....	759,575,375.78	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	140,750,400.00	140,750,400.00
Accounts Payable.....		76,031,950.00
Regular.....	72,838,318.82	
Salaries and Wages Accrued.....	3,147,874.50	
Employee Withholdings Payable.....	45,756.68	
Accounts Payable to Associated Companies.....		15,645,927.12
E.ON US Services/Kentucky Utilities Company.....	11,524,176.56	
Interest payable to Fidelia.....	4,121,750.56	
Customers' Deposits.....	24,161,270.63	24,161,270.63
Taxes Accrued.....	16,134,690.53	16,134,690.53
Interest Accrued.....		4,194,617.12
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.26	
Trimble County 2000 Series A due 08/01/30 Var%.....	19,560.60	
Jefferson County 2001 Series A due 09/01/26 Var%.....	20,280.85	
Jefferson County 2001 Series A due 09/01/27 Var%.....	1,080.69	
Trimble County 2001 Series A due 09/01/26 Var%.....	9,945.19	
Jefferson County 2001 Series B due 11/01/27 Var%.....	11,219.14	
Trimble County 2001 Series B due 11/01/27 Var%.....	10,068.77	
Trimble County 2002 Series A due 10/01/32 Var%.....	8,948.27	
Louisville Metro 2003 Series A 11/20/03 due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	760,277.88	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	871,875.05	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,380,000.00	
Louisville Metro 2007 Series B 04/26/07 due 06/01/33 Var%.....	(0.02)	
Interest Rate Swaps.....	574,849.95	
Customers' Deposits.....	392,473.00	
Other.....	22,058.41	
Miscellaneous Current and Accrued Liabilities.....		23,498,823.08
Customer Overpayments.....	6,100,181.56	
Vacation Pay Accrued.....	5,862,866.66	
No-Notice Gas Payable.....	4,190,413.97	
Postretirement Benefits - Current.....	3,411,766.00	
Derivative Liabilities - Non-Hedging.....	1,428,382.60	
Unearned Revenue - Current.....	1,378,542.06	
Tax Collections Payable.....	778,862.46	
Service Deposit Refund Payable.....	182,592.96	
Other.....	165,214.81	

June 18, 2010



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		425,917,166.76
Federal		
Electric.....	318,481,762.77	
Gas.....	46,652,558.11	
State		
Electric.....	53,971,466.83	
Gas.....	6,811,379.05	
Investment Tax Credit.....		46,983,943.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	22,457,996.98	
Gas.....	775,946.15	
Regulatory Liabilities.....		54,737,886.15
Deferred Taxes		
Federal		
Electric.....	17,940,395.73	
Gas.....	1,302,501.63	
State		
Electric.....	15,980,465.15	
Gas.....	2,484,702.46	
Gas Supply Clause/PBR.....	6,272,745.03	
DSM Cost Recovery.....	4,099,336.67	
MISO Schedule 10 Charges.....	3,342,219.10	
Asset Retirement Obligations		
Gas.....	2,374,901.54	
Electric.....	745,717.45	
Purchased Gas Adjustment - Texas Gas.....	194,901.39	
Customers' Advances for Construction.....		9,284,085.81
Line Extensions		
Gas.....	7,050,203.45	
Electric.....	1,189,880.47	
Common.....	(8,686.20)	
Customer Advances - Museum Plaza.....	755,688.09	
Other.....	297,000.00	
Asset Retirement Obligations		33,874,719.43
Electric.....	25,394,105.69	
Gas.....	8,451,133.81	
Common.....	29,479.93	
Other Deferred Credits.....	18,309,202.24	18,309,202.24
Miscellaneous Long-Term Liabilities.....		40,012,260.16
Long-Term Derivative Liabilities - SFAS 133.....	35,739,888.00	
Workers' Compensation.....	4,272,372.16	
Accumulated Provision for Benefits.....		178,668,451.10
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	78,883,410.10	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,260,487,171.18</u>	<u>3,260,487,171.18</u>

June 18, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**May 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	34,296,509.54	9,960,117.09
Items not requiring (providing) cash currently:		
Depreciation.....	54,126,693.55	53,011,372.65
Amortization.....	3,351,957.99	2,888,101.75
Deferred income taxes - net.....	4,690,800.80	1,236,378.44
Investment tax credit - net.....	(1,042,407.00)	(361,330.21)
Other.....	17,103,137.23	(897,196.62)
Change in receivables.....	11,641,473.06	78,905,205.61
Change in inventory.....	30,581,644.53	86,317,577.47
Change in allowance inventory.....	347.89	605.86
Change in payables and accrued expenses.....	(43,503,744.26)	(48,436,923.25)
Change in regulatory assets.....	(160,750.36)	(10,184,452.78)
Change in regulatory liabilities.....	(30,169,322.43)	41,241,204.84
Change in other deferred debits.....	(1,045,582.43)	40,112,157.22
Change in other deferred credits.....	10,327,870.79	(18,310,249.18)
Other.....	(23,722,613.00)	(23,008,355.98)
Gain on disposal of assets.....	(1,050.00)	-
Net cash provided (used) by operating activities.....	<u>66,474,965.90</u>	<u>212,474,212.91</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(3,575,616.33)	(63,432,664.98)
Gross additions to common utility plant - construction expenditure	(3,410,627.01)	(6,618,202.28)
Change in restricted cash.....	-	468,541.83
Proceeds received from sale of property.....	1,050.00	-
Change in non-hedging derivatives.....	(915,186.06)	(1,463,976.98)
Net cash provided (used) by investing activities.....	<u>(7,900,379.40)</u>	<u>(71,046,302.41)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.61)	(212,378.88)
Net change in short-term debt.....	(29,650,000.00)	(106,840,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Dividends on common stock.....	(30,000,000.00)	(35,000,000.00)
Net cash provided (used) by financing activities.....	<u>(59,676,566.61)</u>	<u>(142,076,828.88)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,101,980.11)	(648,918.38)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>4,093,506.27</u></u>	<u><u>3,662,569.99</u></u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$3 million and an increase to cash flows from investing of \$3 million.

June 18, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**May 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.16	111,979.17	559,895.83	559,895.85	1,343,750.02	640,379.49
Trimble County 2000 Series A due 08/01/30 Var%.....	38,310.94	18,657.79	160,199.96	108,104.03	346,870.33	1,447,741.96
Jefferson County 2001 Series A due 09/01/26 Var%.....	13,376.70	19,109.59	59,517.12	122,324.35	175,900.69	366,820.08
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,444.93	3,861.97	19,684.56	20,636.31	37,973.00	165,546.76
Trimble County 2001 Series A due 09/01/26 Var%.....	14,691.78	23,356.16	72,946.57	149,507.54	220,768.50	448,335.64
Jefferson County 2001 Series B due 11/01/27 Var%.....	37,176.70	23,780.82	118,491.74	161,609.13	326,621.87	541,937.77
Trimble County 2001 Series B due 11/01/27 Var%.....	38,260.26	23,780.82	119,575.30	161,609.13	327,705.41	541,937.77
Trimble County 2002 Series A due 10/01/32 Var%.....	20,824.51	15,994.79	167,526.79	103,251.59	241,402.85	837,506.15
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(27,045.30)	27,045.30	68,002.26
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.66	191,666.67	958,333.33	958,333.34	2,300,000.02	1,029,174.86
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	145,312.50	726,562.50	726,562.50	1,743,750.00	787,192.68
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	1,150,000.00	1,150,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(114,988.87)
Interest Rate Swaps.....	690,528.92	617,905.25	3,319,781.66	3,040,334.18	7,211,177.63	6,000,611.62
Fidelia.....	2,220,149.99	2,220,149.99	11,100,750.01	11,100,750.10	26,641,800.05	24,869,925.09
<b>Total.....</b>	<b>3,757,723.05</b>	<b>3,640,146.46</b>	<b>18,533,265.37</b>	<b>18,335,872.74</b>	<b>43,704,765.67</b>	<b>40,390,123.28</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,518.34	15,517.65	77,591.70	77,239.22	186,216.76	205,101.17
Amortization of Loss on Reacquired Debt.....	100,864.68	108,715.04	504,229.87	542,311.26	1,241,414.54	1,395,530.22
<b>Total.....</b>	<b>116,383.02</b>	<b>124,232.69</b>	<b>581,821.57</b>	<b>619,550.48</b>	<b>1,427,631.30</b>	<b>1,600,631.39</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	111,116.64	101,625.46	569,532.69	461,827.91	1,467,227.66	1,114,097.85
Other Tax Deficiencies.....	-	-	-	-	(14,880.00)	(3,221.00)
Interest on DSM Cost Recovery.....	708.19	6,595.12	17,299.81	35,421.12	109,944.27	77,100.21
Interest on Debt to Associated Companies .....	24,735.68	43,808.91	108,547.99	444,875.32	337,970.87	5,319,616.03
Other Interest Expense.....	41,478.14	(66,920.83)	224,504.09	81,670.42	766,344.05	1,323,938.29
<b>Total.....</b>	<b>178,038.65</b>	<b>85,108.66</b>	<b>919,884.58</b>	<b>1,023,794.77</b>	<b>2,666,606.85</b>	<b>7,831,531.38</b>
<b>Total Interest.....</b>	<b>4,052,144.72</b>	<b>3,849,487.81</b>	<b>20,034,971.52</b>	<b>19,979,217.99</b>	<b>47,799,003.82</b>	<b>49,822,286.05</b>

June 18, 2010

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**May 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	6,112,497.18	7,381,767.63
Unemployment.....	4,516.97	7,089.36	117,185.48	102,867.58
FICA.....	541,644.37	566,242.41	3,027,263.62	2,950,818.13
Public Service Commission Fee.....	161,675.42	157,536.02	808,377.10	787,680.10
Federal Income.....	2,343,232.70	(153,383.89)	16,845,310.84	(3,664,409.69)
State Income.....	427,337.27	(27,972.74)	2,931,304.53	(436,542.22)
Miscellaneous.....	-	-	20,133.86	20,250.95
<b>Total Charged to Operating Expense.....</b>	<b>4,701,152.83</b>	<b>2,006,270.05</b>	<b>29,862,072.61</b>	<b>7,142,432.48</b>
Taxes Charged to Other Accounts.....	(1,003,292.33)	1,633,236.70	(605,092.42)	7,355,066.72
Taxes Accrued on Intercompany Accounts.....	(233,912.40)	(215,497.08)	(1,249,761.50)	(1,058,602.76)
<b>Total Taxes Charged.....</b>	<b>3,463,948.10</b>	<b>3,424,009.67</b>	<b>28,007,218.69</b>	<b>13,438,896.44</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	6,256,303.69	11,170,968.69	6,148,025.23
Unemployment.....	42,164.99	97,025.74	137,078.26	2,112.47
FICA.....	455,753.32	2,574,562.22	2,612,399.78	417,915.76
Federal Income.....	13,896,876.99	14,992,704.39	21,169,944.00	7,719,637.38
State Income.....	632,003.78	2,596,593.15	1,686,547.00	1,542,049.93
Kentucky Sales and Use Tax.....	625,517.98	1,411,723.01	1,748,054.01	289,186.98
Miscellaneous.....	14,799.84	78,306.49	77,343.55	15,762.78
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>28,007,218.69</b>	<b>38,602,335.29</b>	<b>16,134,690.53</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2010**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>101 UTILITY PLANT IN SERVICE</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	3,966,427.77	(165,788.49)	-	3,800,639.28	166,942,109.54
Common Intangible Plant	61,656,665.49	3,024,684.33	(8,237,095.84)	-	(5,212,411.51)	56,444,253.98
	<u>224,798,135.75</u>	<u>6,991,112.10</u>	<u>(8,402,884.33)</u>	<u>-</u>	<u>(1,411,772.23)</u>	<u>223,386,363.52</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	42,066,961.40	(2,890,859.23)	-	39,176,102.17	897,089,019.40
Electric General Plant	16,833,253.13	519,176.22	(27,126.11)	-	492,050.11	17,325,303.24
Electric Hydro Production	41,579,243.41	28,599.70	-	-	28,599.70	41,607,843.11
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,495,781.56)	(184,810.14)	-	(1,680,591.70)	229,569,212.29
Electric Steam Production	1,894,640,479.32	8,212,521.26	(2,247,782.24)	(104,078.14)	5,860,660.88	1,900,501,140.20
Electric Transmission	241,991,713.86	2,786,148.62	(271,587.88)	-	2,514,560.74	244,506,274.60
	<u>3,284,209,751.23</u>	<u>52,117,625.64</u>	<u>(5,622,165.60)</u>	<u>(104,078.14)</u>	<u>46,391,381.90</u>	<u>3,330,601,133.13</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	5,346,621.24	(101,987.10)	-	5,244,634.14	534,342,948.65
Gas General Plant	9,014,996.97	213,386.00	(31,519.49)	-	181,866.51	9,196,863.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	4,178,850.60	(170,789.49)	-	4,008,061.11	68,945,683.98
Gas Transmission	13,658,203.76	1,126,642.68	(4,151.17)	-	1,122,491.51	14,780,695.27
	<u>616,710,325.60</u>	<u>10,865,500.52</u>	<u>(308,447.25)</u>	<u>-</u>	<u>10,557,053.27</u>	<u>627,267,378.87</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>69,974,238.26</u>	<u>(14,333,497.18)</u>	<u>(104,078.14)</u>	<u>55,536,662.94</u>	<u>4,181,254,875.52</u>
<b>102 Plant Purchased &amp; sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 105001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 PLANT HELD FOR FUTURE USE</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

June 18, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 COMPLETED CONSTRUCTION NOT CLASSIFIED</b>						
<b>Common</b>						
Common General Plant	265,181.22	257,312.69	-	-	257,312.69	522,493.91
Common Intangible Plant	971,026.53	(24,532.32)	-	-	(24,532.32)	946,494.21
	<u>1,236,207.75</u>	<u>232,780.37</u>	<u>-</u>	<u>-</u>	<u>232,780.37</u>	<u>1,468,988.12</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(16,466,368.83)	-	-	(16,466,368.83)	18,278,667.84
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	-	-	-	-	-
Electric Steam Production	9,240,272.74	6,839,658.13	-	-	6,839,658.13	16,079,930.87
Electric Transmission	976,044.41	77,765.62	-	-	77,765.62	1,053,810.03
	<u>44,978,306.08</u>	<u>(9,548,945.08)</u>	<u>-</u>	<u>-</u>	<u>(9,548,945.08)</u>	<u>35,429,361.00</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	6,820,963.80	-	-	6,820,963.80	22,203,893.07
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	286,613.59	-	-	286,613.59	4,073,162.03
Gas Transmission	1,221,215.37	602,574.82	-	-	602,574.82	1,823,790.19
	<u>20,602,119.24</u>	<u>7,699,893.62</u>	<u>-</u>	<u>-</u>	<u>7,699,893.62</u>	<u>28,302,012.86</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>(1,616,271.09)</u>	<u>-</u>	<u>-</u>	<u>(1,616,271.09)</u>	<u>65,200,361.98</u>
<b>117 GAS STORED UNDERGROUND-NONCURRENT</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 NONUTILITY PROPERTY</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 CONSTRUCTION WORK IN PROGRESS</b>						
<b>Construction Work in Progress</b>						
Common	15,767,424.60	(3,813,265.46)	-	-	(3,813,265.46)	11,954,159.14
Electric	299,585,079.65	(8,083,598.06)	-	-	(8,083,598.06)	291,501,481.59
Gas	26,774,033.33	(7,170,926.70)	-	-	(7,170,926.70)	19,603,106.63
	<u>342,126,537.58</u>	<u>(19,067,790.22)</u>	<u>-</u>	<u>-</u>	<u>(19,067,790.22)</u>	<u>323,058,747.36</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>68,283,890.89</u>	<u>(14,333,497.18)</u>	<u>(104,078.14)</u>	<u>53,846,315.57</u>	<u>4,253,427,964.96</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>49,216,100.67</u>	<u>(14,333,497.18)</u>	<u>(104,078.14)</u>	<u>34,778,525.35</u>	<u>4,576,486,712.32</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>49,216,100.67</u>	<u>(14,333,497.18)</u>	<u>(104,078.14)</u>	<u>34,778,525.35</u>	<u>4,576,411,472.76</u>

June 18, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>LIFE RESERVE</b>									
Common General Plant	(78,702,001.26)	(5,778,267.56)	165,788.49	-	-	-	-	-	(84,314,480.33)
Common General Plant - ARO	(1,233.92)	(14.30)	-	-	-	-	-	-	(1,248.22)
Electric Distribution	(266,380,666.38)	(6,875,512.22)	2,890,859.23	-	-	-	-	-	(270,365,319.37)
Electric Distribution - ARO	(13,162.72)	(152.55)	-	-	-	-	-	-	(13,315.27)
Electric General Plant	(14,148,434.81)	(294,796.75)	27,126.11	-	-	-	-	-	(14,416,105.45)
Electric Hydro Production	(9,163,030.01)	(231,338.31)	-	-	-	-	-	-	(9,394,368.32)
Electric Hydro Production - ARO	(17,810.24)	(206.70)	-	-	-	-	-	-	(18,016.94)
Electric Other Production	(52,372,728.97)	(3,373,165.51)	184,810.14	-	-	-	-	-	(55,561,084.34)
Electric Other Production - ARO	(89,318.48)	(1,035.25)	-	-	-	-	-	-	(90,353.73)
Electric Steam Production	(982,038,024.91)	(21,750,743.38)	2,425,936.66	25,000.00	-	-	-	-	(1,001,337,831.63)
Electric Steam Production - ARO	(2,543,436.73)	(68,110.26)	-	-	-	-	-	-	(2,611,546.99)
Electric Transmission	(116,058,916.84)	(1,562,281.10)	271,587.88	-	-	-	-	-	(117,349,610.06)
Electric Transmission - ARO	(667.12)	(7.75)	-	-	-	-	-	-	(674.87)
Gas Distribution	(116,733,622.42)	(4,546,573.40)	101,987.10	-	-	-	-	-	(121,178,208.72)
Gas Distribution - ARO	(20,380.45)	(133.35)	-	-	-	-	-	-	(20,513.80)
Gas General Plant	(6,508,855.59)	(185,342.29)	31,519.49	-	-	-	-	-	(6,662,678.39)
Gas Storage	(32,226,220.17)	(417,556.05)	170,789.49	-	-	-	-	-	(32,472,986.73)
Gas Storage - ARO	(402,273.17)	(3,538.60)	-	-	-	-	-	-	(405,811.77)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(20,904.89)	4,151.17	-	-	-	-	-	(9,419,584.41)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(45,109,680.22)</u>	<u>6,274,555.76</u>	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,725,697,099.70)</u>
<b>COST OF REMOVAL</b>									
Common General Plant	(585,802.76)	(111,538.55)	-	-	-	112,167.97	-	-	(585,173.34)
Electric Distribution	(148,701,260.29)	(2,708,583.14)	-	-	-	5,507,090.05	-	-	(145,902,753.38)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(17,566.44)	-	-	-	-	-	-	761,504.23
Electric Other Production	(2,157,721.68)	(144,831.04)	-	-	-	-	-	-	(2,302,552.72)
Electric Steam Production	(80,852,537.28)	(5,857,013.07)	(176,793.52)	(25,000.00)	-	305,205.70	-	-	(86,606,138.17)
Electric Transmission	(23,685,015.10)	(483,997.48)	-	-	-	261,722.30	-	-	(23,907,290.28)
Gas Distribution	(57,352,410.28)	(1,279,783.31)	-	-	-	70,859.65	-	-	(58,561,333.94)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(46,930.62)	-	-	-	107,467.95	-	-	(167,908.25)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(5,164.16)	-	-	-	9,441.55	-	-	(3,019,634.98)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(10,655,407.81)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>6,373,955.17</u>	<u>-</u>	<u>-</u>	<u>(320,287,414.21)</u>

June 18, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>SALVAGE</b>									
Common General Plant	277,728.56	125.80	-	-	-	-	-	-	277,854.36
Electric Distribution	16,492,540.88	544,217.87	-	-	-	-	(28,566.16)	-	17,008,192.59
Electric General Plant	136,014.35	940.82	-	-	-	-	-	-	136,955.17
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	749,584.72	(1,360.90)	-	-	-	-	-	21,021,571.17
Electric Transmission	6,103,126.31	94,395.19	-	-	-	-	(26,018.63)	-	6,171,502.87
Gas Distribution	3,410,835.14	79,726.40	-	-	-	-	-	-	3,490,561.54
Gas General Plant	223,852.64	795.47	-	-	-	-	-	-	224,648.11
Gas Storage	252,727.30	7,186.97	-	-	-	-	(63.60)	-	259,850.67
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	1,936.55	-	-	-	-	-	-	215,052.34
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>1,478,909.79</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,648.39)</u>	<u>-</u>	<u>49,163,828.32</u>
<b>TOTAL RESERVES</b>									
Common	(79,074,669.74)	(5,889,694.61)	165,788.49	-	-	112,167.97	-	-	(84,686,407.89)
Electric	(1,654,077,125.86)	(41,980,202.35)	5,622,165.60	-	-	6,074,018.05	(54,584.79)	-	(1,684,415,729.35)
Gas	(221,798,419.87)	(6,416,281.28)	308,447.25	-	-	187,769.15	(63.60)	-	(227,718,548.35)
	<u>(1,954,950,215.47)</u>	<u>(54,286,178.24)</u>	<u>6,096,401.34</u>	<u>-</u>	<u>-</u>	<u>6,373,955.17</u>	<u>(54,648.39)</u>	<u>-</u>	<u>(1,996,820,685.59)</u>
<b>RETIREMENT WORK IN PROGRESS</b>									
Common	(8,937,134.61)	-	-	(27,558.63)	(112,167.97)	9,130,235.40	(987.00)	5,000.00	57,387.19
Electric	18,980,726.37	-	-	186,800.54	(6,019,433.26)	(5,733,663.51)	(274,469.92)	254,335.64	7,394,295.86
Gas	1,284,007.95	-	-	19,962.51	(187,705.55)	399,320.95	(8,145.63)	-	1,507,440.23
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>179,204.42</u>	<u>(6,319,306.78)</u>	<u>3,795,892.84</u>	<u>(283,602.55)</u>	<u>259,335.64</u>	<u>8,959,123.28</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(54,286,178.24)</u>	<u>6,096,401.34</u>	<u>179,204.42</u>	<u>(6,319,306.78)</u>	<u>10,169,848.01</u>	<u>(338,250.94)</u>	<u>259,335.64</u>	<u>(1,987,861,562.31)</u>
<b>AMORTIZATION</b>									
Common	(18,278,599.35)	(3,351,957.99)	8,237,095.84	-	-	-	-	-	(13,393,461.50)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(3,351,957.99)</u>	<u>8,237,095.84</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,394,361.50)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(57,638,136.23)</u>	<u>14,333,497.18</u>	<u>179,204.42</u>	<u>(6,319,306.78)</u>	<u>10,169,848.01</u>	<u>(338,250.94)</u>	<u>259,335.64</u>	<u>(2,001,255,923.81)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,001,192,563.45)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,575,218,909.31</u>

June 18, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - June 30, 2010**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

June 30, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**June 30, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	97,419,852.20	93,206,319.71	4,213,532.49	4.52
Gas Operating Revenues.....	8,895,903.28	9,542,174.20	(646,270.92)	(6.77)
<b>Total Operating Revenues.....</b>	<b>106,315,755.48</b>	<b>102,748,493.91</b>	<b>3,567,261.57</b>	<b>3.47</b>
Fuel for Electric Generation.....	32,900,469.91	28,468,580.79	4,431,889.12	15.57
Power Purchased.....	4,617,350.32	3,844,030.68	773,319.64	20.12
Gas Supply Expenses.....	3,284,952.32	2,887,752.49	397,199.83	13.75
Other Operation Expenses.....	16,447,189.56	17,288,784.52	(841,594.96)	(4.87)
Maintenance.....	8,598,520.45	9,039,270.39	(440,749.94)	(4.88)
Depreciation.....	10,931,590.70	10,745,070.07	186,520.63	1.74
Amortization Expense.....	616,107.73	802,207.08	(186,099.35)	(23.20)
Regulatory Credits.....	(183,360.62)	(178,600.62)	(4,760.00)	(2.67)
Taxes				
Federal Income.....	(6,229,769.94)	4,826,457.61	(11,056,227.55)	(229.08)
State Income.....	(2,847,086.07)	1,330,167.23	(4,177,253.30)	(314.04)
Deferred Federal Income - Net.....	13,262,499.57	1,766,654.80	11,495,844.77	650.71
Deferred State Income - Net.....	4,021,225.36	(424,015.38)	4,445,240.74	1,048.37
Property and Other.....	1,960,428.66	2,175,439.42	(215,010.76)	(9.88)
Investment Tax Credit.....	-	912,336.47	(912,336.47)	(100.00)
Amortization of Investment Tax Credit.....	(208,481.00)	(254,732.72)	46,251.72	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	168,720.88	163,920.78	4,800.10	2.93
<b>Total Operating Expenses.....</b>	<b>87,340,357.83</b>	<b>83,393,323.61</b>	<b>3,947,034.22</b>	<b>4.73</b>
Net Operating Income.....	18,975,397.65	19,355,170.30	(379,772.65)	(1.96)
Other Income Less Deductions.....	(2,409,600.40)	712,397.21	(3,121,997.61)	(438.24)
<b>Income Before Interest Charges.....</b>	<b>16,565,797.25</b>	<b>20,067,567.51</b>	<b>(3,501,770.26)</b>	<b>(17.45)</b>
Interest on Long-Term Debt.....	3,853,724.62	3,677,592.47	176,132.15	4.79
Amortization of Debt Expense - Net.....	116,549.81	124,232.69	(7,682.88)	(6.18)
Other Interest Expenses.....	366,326.42	225,419.60	140,906.82	62.51
<b>Total Interest Charges.....</b>	<b>4,336,600.85</b>	<b>4,027,244.76</b>	<b>309,356.09</b>	<b>7.68</b>
<b>Net Income.....</b>	<b>12,229,196.40</b>	<b>16,040,322.75</b>	<b>(3,811,126.35)</b>	<b>(23.76)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	477,506,497.63	460,972,954.96	16,533,542.67	3.59
Gas Operating Revenues.....	169,407,175.22	246,496,742.20	(77,089,566.98)	(31.27)
<b>Total Operating Revenues.....</b>	<b>646,913,672.85</b>	<b>707,469,697.16</b>	<b>(60,556,024.31)</b>	<b>(8.56)</b>
Fuel for Electric Generation.....	173,255,707.38	173,346,776.53	(91,069.15)	(0.05)
Power Purchased.....	29,324,114.25	33,099,092.33	(3,774,978.08)	(11.41)
Gas Supply Expenses.....	95,922,113.42	182,927,870.23	(87,005,756.81)	(47.56)
Other Operation Expenses.....	108,155,892.84	107,560,181.44	595,711.40	0.55
Maintenance.....	53,799,164.95	86,408,174.22	(32,609,009.27)	(37.74)
Depreciation.....	65,058,284.25	63,756,442.72	1,301,841.53	2.04
Amortization Expense.....	3,968,065.72	3,690,308.83	277,756.89	7.53
Regulatory Credits.....	(1,087,649.67)	(1,117,956.60)	30,306.93	2.71
Taxes				
Federal Income.....	10,615,540.90	1,162,047.92	9,453,492.98	813.52
State Income.....	84,218.46	893,625.01	(809,406.55)	(90.58)
Deferred Federal Income - Net.....	15,183,379.56	3,303,246.11	11,880,133.45	359.65
Deferred State Income - Net.....	4,422,138.13	(724,228.25)	5,146,366.38	710.60
Property and Other.....	12,045,885.90	13,418,823.81	(1,372,937.91)	(10.23)
Investment Tax Credit.....	-	1,824,672.98	(1,824,672.98)	(100.00)
Amortization of Investment Tax Credit.....	(1,250,888.00)	(1,528,399.44)	277,511.44	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	999,811.17	982,363.54	17,447.63	1.78
<b>Total Operating Expenses.....</b>	<b>570,461,319.12</b>	<b>668,936,767.32</b>	<b>(98,475,448.20)</b>	<b>(14.72)</b>
Net Operating Income.....	76,452,353.73	38,532,929.84	37,919,423.89	98.41
Other Income Less Deductions.....	(5,555,075.42)	11,473,972.75	(17,029,048.17)	(148.41)
<b>Income Before Interest Charges.....</b>	<b>70,897,278.31</b>	<b>50,006,902.59</b>	<b>20,890,375.72</b>	<b>41.78</b>
Interest on Long-Term Debt.....	22,386,989.99	22,013,465.21	373,524.78	1.70
Amortization of Debt Expense - Net.....	698,371.38	743,783.17	(45,411.79)	(6.11)
Other Interest Expenses.....	1,286,211.00	1,249,214.37	36,996.63	2.96
<b>Total Interest Charges.....</b>	<b>24,371,572.37</b>	<b>24,006,462.75</b>	<b>365,109.62</b>	<b>1.52</b>
<b>Net Income.....</b>	<b>46,525,705.94</b>	<b>26,000,439.84</b>	<b>20,525,266.10</b>	<b>78.94</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2010**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	935,898,234.64	1,011,571,747.51	(75,673,512.87)	(7.48)
Gas Operating Revenues.....	284,538,289.02	454,879,929.49	(170,341,640.47)	(37.45)
Total Operating Revenues.....	<u>1,220,436,523.66</u>	<u>1,466,451,677.00</u>	<u>(246,015,153.34)</u>	<u>(16.78)</u>
Fuel for Electric Generation.....	328,141,927.37	357,315,111.10	(29,173,183.73)	(8.16)
Power Purchased.....	54,655,291.75	104,583,588.94	(49,928,297.19)	(47.74)
Gas Supply Expenses.....	162,799,512.15	342,904,731.41	(180,105,219.26)	(52.52)
Other Operation Expenses.....	219,667,698.05	203,919,292.96	15,748,405.09	7.72
Maintenance.....	63,595,949.51	130,181,119.37	(66,585,169.86)	(51.15)
Depreciation.....	130,048,175.79	125,327,378.97	4,720,796.82	3.77
Amortization Expense.....	8,234,080.67	6,819,338.82	1,414,741.85	20.75
Regulatory Credits.....	(2,175,140.87)	(2,165,360.24)	(9,780.63)	(0.45)
Taxes				
Federal Income.....	34,726,063.50	27,415,807.32	7,310,256.18	26.66
State Income.....	3,084,121.45	2,599,690.46	484,430.99	18.63
Deferred Federal Income - Net.....	20,205,712.77	(2,489,411.63)	22,695,124.40	911.67
Deferred State Income - Net.....	6,597,215.40	(3,610,283.81)	10,207,499.21	282.73
Property and Other.....	22,171,603.10	25,173,757.66	(3,002,154.56)	(11.93)
Investment Tax Credit.....	1,824,673.02	6,370,700.98	(4,546,027.96)	(71.36)
Amortization of Investment Tax Credit.....	(2,766,595.56)	(3,436,493.19)	669,897.63	19.49
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,987,227.75	1,941,239.48	45,988.27	2.37
Total Operating Expenses.....	<u>1,052,763,055.71</u>	<u>1,322,783,934.54</u>	<u>(270,020,878.83)</u>	<u>(20.41)</u>
Net Operating Income.....	167,673,467.95	143,667,742.46	24,005,725.49	16.71
Other Income Less Deductions.....	(3,922,646.89)	(18,030,624.94)	14,107,978.05	78.24
Income Before Interest Charges.....	<u>163,750,821.06</u>	<u>125,637,117.52</u>	<u>38,113,703.54</u>	<u>30.34</u>
Interest on Long-Term Debt.....	43,880,897.82	40,880,318.81	3,000,579.01	7.34
Amortization of Debt Expense - Net.....	1,419,948.42	1,603,626.25	(183,677.83)	(11.45)
Other Interest Expenses.....	2,807,513.67	7,561,029.40	(4,753,515.73)	(62.87)
Total Interest Charges.....	<u>48,108,359.91</u>	<u>50,044,974.46</u>	<u>(1,936,614.55)</u>	<u>(3.87)</u>
Net Income.....	<u><u>115,642,461.15</u></u>	<u><u>75,592,143.06</u></u>	<u><u>40,050,318.09</u></u>	<u><u>52.98</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**June 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	759,575,375.78	715,121,788.28	755,278,866.24	740,161,671.19	686,162,111.03	690,569,967.97
Add:						
Net Income for Period.....	12,229,196.40	16,040,322.75	46,525,705.94	26,000,439.84	115,642,461.15	75,592,143.06
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	45,000,000.00	30,000,000.00	80,000,000.00	30,000,000.00	80,000,000.00
Balance at End of Period.....	771,804,572.18	686,162,111.03	771,804,572.18	686,162,111.03	771,804,572.18	686,162,111.03

July 27, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of June 30, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,586,733,561.50	4,568,154,866.00	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,011,388,361.15</u>	<u>1,979,966,987.30</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,575,345,200.35</u>	<u>2,588,187,878.70</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(12,554,675.38)	(9,919,801.50)
			Retained Earnings.....	<u>771,804,572.18</u>	<u>686,162,111.03</u>
			Total Proprietary Capital.....	<u>1,267,165,931.25</u>	<u>1,184,107,236.98</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	LT Notes Payable to Associated Companies.....	411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	Total Long-Term Debt.....	896,104,000.00	896,104,000.00
Special Funds.....	<u>17,054,543.60</u>	<u>14,691,070.39</u>	Total Capitalization.....	<u>2,163,269,931.25</u>	<u>2,080,211,236.98</u>
Total.....	<u>17,660,708.80</u>	<u>15,297,235.59</u>			
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	5,546,990.55	3,488,154.02	ST Notes Payable to Associated Companies.....	137,358,400.00	152,601,400.00
Special Deposits.....	693,958.65	1,084,460.57	Accounts Payable.....	79,568,208.23	68,555,847.47
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	27,944,985.02	31,377,171.70
Accounts Receivable-Less Reserve.....	154,587,253.55	132,671,907.49	Customer Deposits.....	24,032,890.71	22,178,266.53
Accounts Receivable from Associated Companies....	17,787,025.30	136,159.57	Taxes Accrued.....	8,213,597.22	10,939,096.47
Materials and Supplies-At Average Cost			Interest Accrued.....	2,307,571.20	2,965,318.44
Fuel.....	69,073,218.18	55,161,389.37	Miscellaneous Current and Accrued Liabilities.....	<u>22,705,173.97</u>	<u>22,095,606.46</u>
Plant Materials and Operating Supplies.....	29,037,290.76	28,902,591.29	Total.....	<u>302,130,826.35</u>	<u>310,712,707.07</u>
Stores Expense.....	4,733,941.15	4,079,147.73			
Gas Stored Underground.....	19,129,762.47	28,695,709.37	Deferred Credits and Other		
Allowance Inventory.....	3,713.56	5,126.82	Accumulated Deferred Income Taxes.....	442,371,641.52	413,944,625.65
Prepayments.....	4,924,681.40	3,321,882.39	Investment Tax Credit.....	46,775,462.13	50,645,343.67
Miscellaneous Current and Accrued Assets.....	<u>1,882,811.38</u>	<u>3,105,351.31</u>	Regulatory Liabilities.....	54,630,645.87	94,928,567.44
Total.....	<u>307,400,766.66</u>	<u>260,651,999.64</u>	Customer Advances for Construction.....	8,624,175.20	9,925,766.43
			Asset Retirement Obligations.....	34,043,440.31	33,146,283.03
<b>Deferred Debits and Other</b>			Other Deferred Credits.....	21,536,826.65	28,624,531.55
Unamortized Debt Expense.....	3,761,023.23	3,947,101.90	Miscellaneous Long-Term Liabilities.....	45,873,512.45	37,144,950.84
Unamortized Loss on Bonds.....	22,540,667.15	23,747,761.18	Accum Provision for Postretirement Benefits.....	<u>178,654,204.95</u>	<u>217,289,473.46</u>
Accumulated Deferred Income Taxes.....	50,944,309.61	57,912,439.12	Total.....	<u>832,509,909.08</u>	<u>885,649,542.07</u>
Deferred Regulatory Assets.....	319,055,168.65	325,399,546.57	Total Liabilities and Stockholders' Equity.....	<u>3,297,910,666.68</u>	<u>3,276,573,486.12</u>
Other Deferred Debits.....	<u>1,202,822.23</u>	<u>1,429,523.42</u>			
Total.....	<u>397,503,990.87</u>	<u>412,436,372.19</u>			
Total Assets.....	<u>3,297,910,666.68</u>	<u>3,276,573,486.12</u>			

July 27, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**June 30, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(12,554,675.38)		
Retained Earnings.....			771,804,572.18		
 Total Proprietary Capital.....			1,267,165,931.25	55.08	58.58
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	24.96	26.54
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.09)	(7.54)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.87	19.00
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	21.08	22.42
Total Capitalization.....			2,163,269,931.25	94.03	100.00
Short-Term Notes Payable to Associated Companies.....			137,358,400.00	5.97	
Total Capitalization and Short-Term Debt.....			2,300,628,331.25	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,586,733,561.50	4,586,733,561.50
Reserves for Depreciation and Amortization.....		(2,011,388,361.15)
Depreciation of Plant		
Electric.....	(1,684,600,985.87)	
Gas.....	(227,321,828.42)	
Common.....	(85,789,312.55)	
Amortization of Plant		
Common.....	(13,675,334.31)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		17,660,708.80
Special Funds.....	17,054,543.60	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	5,546,990.55	5,546,990.55
Special Deposits.....		693,958.65
Other Special Deposits.....	693,958.65	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		154,587,253.55
Customers - Active.....	75,355,646.32	
Unbilled Revenues.....	59,729,000.00	
Income Tax Receivable - Federal.....	7,950,068.20	
Income Tax Receivable - State.....	4,216,485.60	
IMPA.....	1,775,443.62	
IMEA.....	1,707,624.55	
Sundry Accounts Receivable.....	1,662,076.62	
Transmission Sales.....	609,730.97	
Damage Claims.....	470,252.06	
Wholesale Sales.....	404,793.49	
Electricity Swaps.....	138,849.55	
Other.....	2,739,364.00	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	2,639,742.54	
Recoveries.....	(629,188.80)	
A/R Miscellaneous.....	(684,313.43)	
Reserve.....	(1,487,768.00)	
Accrual.....	(2,010,553.74)	
Accounts Receivable from Associated Companies.....		17,787,025.30
E.ON US Services/Kentucky Utilities Company.....	17,787,025.30	
Fuel.....		69,073,218.18
Coal 1,668,046.96 Tons @ \$41.04; MMBtu 37,704,545.41 @ 181.56¢.....	68,457,154.64	
Fuel Oil 314,827.00 Gallons @ 184.53¢.....	580,945.12	
Gas Pipeline 5,400.00 Mcf @ \$6.50.....	35,118.42	
Plant Materials and Operating Supplies.....		29,037,290.76
Regular Materials and Supplies.....	28,645,110.38	
Limestone 46,821.00Tons @ \$8.38.....	392,180.38	

July 27, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,733,941.15	4,733,941.15
Gas Stored Underground - Current.....		19,129,762.47
Gas St. Underground* 3,764,499.00 Mcf (14.73 psia) @ \$5.08.....	19,129,762.47	
Allowance Inventory.....	3,713.56	3,713.56
Prepayments.....		4,924,681.40
Insurance.....	3,601,660.76	
Rights of Way.....	240,000.04	
Franchises.....	161,249.36	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	831,771.24	
Miscellaneous Current Assets.....		1,882,811.38
Derivative Asset - Non-Hedging.....	1,882,811.38	
Unamortized Debt Expense.....		3,761,023.23
Trimble County 2000 Series A due 08/01/30 Var%.....	738,665.70	
Jefferson County 2001 Series A due 09/01/26 Var%.....	150,510.54	
Jefferson County 2001 Series A due 09/01/27 Var%.....	329,678.68	
Trimble County 2001 Series A due 09/01/26 Var%.....	163,648.10	
Jefferson County 2001 Series B due 11/01/27 Var%.....	179,589.08	
Trimble County 2001 Series B due 11/01/27 Var%.....	179,618.54	
Trimble County 2002 Series A due 10/01/32 Var%.....	790,955.01	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,041,795.86	
Short-term portion.....	186,561.72	
Unamortized Loss on Bonds.....	22,540,667.15	22,540,667.15
Accumulated Deferred Income Taxes.....		50,944,309.61
Federal.....		
Electric.....	39,899,455.27	
Gas.....	3,304,176.16	
State.....		
Electric.....	7,122,365.34	
Gas.....	618,312.84	
Regulatory Assets.....		319,055,168.65
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations.....		
Electric.....	22,294,390.27	
Gas.....	8,365,536.82	
Common.....	27,135.57	
2008 Wind Storm.....	23,540,332.79	
MISO Exit Fee.....	4,988,239.86	
Gas Supply Clause/PBR.....	3,326,765.17	
Fuel Adjustment Clause.....	3,062,000.00	
Enviromental Cost Recovery.....	1,956,511.00	
Rate Case Expenses.....	1,849,256.06	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	621,765.52	
CMRG Funding.....	183,500.00	
Other Deferred Debits.....	1,202,822.23	1,202,822.23
Total Assets.....	<u>3,297,910,666.68</u>	<u>3,297,910,666.68</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,267,165,931.25
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(12,554,675.38)	
Retained Earnings.....	771,804,572.18	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	137,358,400.00	137,358,400.00
Accounts Payable.....		79,568,208.23
Regular.....	75,651,523.97	
Salaries and Wages Accrued.....	3,872,017.62	
Employee Withholdings Payable.....	44,666.64	
Accounts Payable to Associated Companies.....		27,944,985.02
E.ON US Services/Kentucky Utilities Company.....	21,603,084.45	
Interest payable to Fidelity.....	6,341,900.57	
Customers' Deposits.....	24,032,890.71	24,032,890.71
Taxes Accrued.....	8,213,597.22	8,213,597.22
Interest Accrued.....		2,307,571.20
Jefferson County 2000 Series A due 05/01/27 5.375%.....	223,958.42	
Trimble County 2000 Series A due 08/01/30 Var%.....	9,259.47	
Jefferson County 2001 Series A due 09/01/26 Var%.....	33,226.06	
Jefferson County 2001 Series A due 09/01/27 Var%.....	182.57	
Trimble County 2001 Series A due 09/01/26 Var%.....	9,945.19	
Jefferson County 2001 Series B due 11/01/27 Var%.....	4,372.57	
Trimble County 2001 Series B due 11/01/27 Var%.....	2,781.10	
Trimble County 2002 Series A due 10/01/32 Var%.....	4,821.72	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.54	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.54	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	(0.02)	
Interest Rate Swaps.....	635,430.94	
Customers' Deposits.....	14,024.95	
Other.....	42,311.07	
Miscellaneous Current and Accrued Liabilities.....		22,705,173.97
Customer Overpayments.....	6,051,960.06	
Vacation Pay Accrued.....	5,837,962.14	
Postretirement Benefits - Current.....	3,411,766.00	
No-Notice Gas Payable.....	2,972,776.27	
Unearned Revenue - Current.....	2,079,980.91	
Tax Collections Payable.....	1,320,789.47	
Derivative Liabilities - Non-Hedging.....	629,939.25	
Other.....	399,999.87	

July 27, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		442,371,641.52
Federal		
Electric.....	326,875,004.71	
Gas.....	50,733,806.20	
State		
Electric.....	56,467,066.20	
Gas.....	8,295,764.41	
Investment Tax Credit.....		46,775,462.13
Investment Tax Credit (prior law)		
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	22,261,575.98	
Gas.....	763,886.15	
Regulatory Liabilities.....		54,630,645.87
Deferred Taxes		
Federal		
Electric.....	17,251,108.97	
Gas.....	1,190,022.29	
State		
Electric.....	15,771,790.70	
Gas.....	2,443,447.34	
Gas Supply Clause/PBR.....	5,896,167.95	
DSM Cost Recovery.....	5,394,021.78	
MISO Schedule 10 Charges.....	3,365,798.66	
Asset Retirement Obligations		
Gas.....	2,377,264.62	
Electric.....	751,744.31	
Purchased Gas Adjustment - Texas Gas.....	189,279.25	
Customers' Advances for Construction.....		8,624,175.20
Line Extensions		
Gas.....	7,017,245.47	
Electric.....	615,971.08	
Customer Advances - Museum Plaza.....	693,958.65	
Other.....	297,000.00	
Asset Retirement Obligations		34,043,440.31
Electric.....	25,523,581.95	
Gas.....	8,490,238.73	
Common.....	29,619.63	
Other Deferred Credits.....	21,536,826.65	21,536,826.65
Miscellaneous Long-Term Liabilities.....		45,873,512.45
Long-Term Derivative Liabilities - SFAS 133.....	41,730,325.00	
Workers' Compensation.....	4,143,187.45	
Accumulated Provision for Benefits.....		178,654,204.95
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	78,869,163.95	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,297,910,666.68</u>	<u>3,297,910,666.68</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**June 30, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	46,525,705.94	26,000,439.84
Items not requiring (providing) cash currently:		
Depreciation.....	65,058,284.25	63,756,442.72
Amortization.....	3,968,065.72	3,690,308.83
Deferred income taxes - net.....	19,605,517.69	2,579,017.86
Investment tax credit - net.....	(1,250,888.00)	296,273.54
Other.....	22,268,456.52	(4,264,026.20)
Change in receivables.....	(24,678,887.04)	71,309,491.19
Change in inventory.....	27,936,307.24	78,043,378.68
Change in allowance inventory.....	457.44	833.39
Change in payables and accrued expenses.....	(38,812,389.61)	(55,382,248.87)
Change in regulatory assets.....	934,926.06	(8,159,869.74)
Change in regulatory liabilities.....	(30,276,562.71)	38,662,336.28
Change in other deferred debits.....	1,590.04	39,991,677.70
Change in other deferred credits.....	13,554,340.97	(15,027,484.90)
Other.....	(21,639,972.36)	(3,264,924.94)
Gain on disposal of assets.....	(1,050.00)	(24,480.98)
Net cash provided (used) by operating activities.....	<u>83,193,902.15</u>	<u>238,207,164.40</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(15,738,309.41)	(84,663,560.90)
Gross additions to common utility plant - construction expendit	(4,239,650.32)	(7,137,262.88)
Proceeds received from sale of property.....	1,050.00	24,480.98
Change in non-hedging derivatives.....	203,198.12	2,379,792.69
Net cash provided (used) by investing activities.....	<u>(19,773,711.61)</u>	<u>(89,396,550.11)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.66)	(212,378.93)
Net change in short-term debt.....	(33,042,000.00)	(69,397,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Dividends on common stock.....	(30,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(63,068,566.66)</u>	<u>(149,633,828.93)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	351,623.88	(823,214.64)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>5,547,110.26</u></u>	<u><u>3,488,273.73</u></u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$4 million and an increase to cash flows from investing of \$4 million.

July 27, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**June 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.16	111,979.17	671,874.99	671,875.02	1,343,750.01	806,252.09
Trimble County 2000 Series A due 08/01/30 Var%.....	42,361.96	46,575.01	202,561.92	154,679.04	342,657.28	1,299,489.00
Jefferson County 2001 Series A due 09/01/26 Var%.....	12,945.21	18,493.15	72,462.33	140,817.50	170,352.75	348,427.98
Jefferson County 2001 Series A due 09/01/27 Var%.....	4,301.22	4,069.68	23,985.78	24,705.99	38,204.54	145,229.31
Trimble County 2001 Series A due 09/01/26 Var%.....	13,561.65	22,602.74	86,508.22	172,110.28	211,727.41	425,856.42
Jefferson County 2001 Series B due 11/01/27 Var%.....	41,175.34	23,013.70	159,667.08	184,622.83	344,783.51	504,705.56
Trimble County 2001 Series B due 11/01/27 Var%.....	41,041.09	23,013.70	160,616.39	184,622.83	345,732.80	504,705.56
Trimble County 2002 Series A due 10/01/32 Var%.....	19,964.95	13,081.67	187,491.74	116,333.26	248,286.13	731,637.66
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(32,454.36)	32,454.36	(557,353.47)
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.66	191,666.67	1,149,999.99	1,150,000.01	2,300,000.01	1,380,000.02
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.49	145,312.50	871,874.99	871,875.00	1,743,749.99	1,046,250.02
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	1,380,000.00	1,380,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	779,264.88	633,043.52	4,099,046.54	3,673,377.70	7,357,398.99	6,161,350.33
Notes/Debentures.....	-	-	-	-	-	54,468.22
Fidelia.....	2,220,150.01	2,220,150.02	13,320,900.02	13,320,900.12	26,641,800.04	25,269,300.12
<b>Total.....</b>	<b>3,853,724.62</b>	<b>3,677,592.47</b>	<b>22,386,989.99</b>	<b>22,013,465.21</b>	<b>43,880,897.82</b>	<b>40,880,318.81</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,546.83	15,517.65	93,138.53	92,756.87	186,245.94	195,216.52
Amortization of Loss on Reacquired Debt.....	101,002.98	108,715.04	605,232.85	651,026.30	1,233,702.48	1,408,409.73
<b>Total.....</b>	<b>116,549.81</b>	<b>124,232.69</b>	<b>698,371.38</b>	<b>743,783.17</b>	<b>1,419,948.42</b>	<b>1,603,626.25</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	138,308.08	103,709.69	707,840.77	565,537.60	1,501,826.05	1,128,695.66
Other Tax Deficiencies.....	7,469.00	-	7,469.00	-	(7,411.00)	(4,333.00)
Interest on DSM Cost Recovery.....	(439.83)	5,236.31	16,859.98	40,657.43	104,268.13	82,336.52
Interest on Debt to Associated Companies .....	37,766.25	29,744.71	146,314.24	474,620.03	345,992.41	4,976,806.04
Other Interest Expense.....	183,222.92	86,728.89	407,727.01	168,399.31	862,838.08	1,377,524.18
<b>Total.....</b>	<b>366,326.42</b>	<b>225,419.60</b>	<b>1,286,211.00</b>	<b>1,249,214.37</b>	<b>2,807,513.67</b>	<b>7,561,029.40</b>
<b>Total Interest.....</b>	<b>4,336,600.85</b>	<b>4,027,244.76</b>	<b>24,371,572.37</b>	<b>24,006,462.75</b>	<b>48,108,359.91</b>	<b>50,044,974.46</b>

July 27, 2010

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
June 30, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	7,335,243.28	8,838,526.52
Unemployment.....	4,021.39	8,116.32	121,206.87	110,983.90
FICA.....	571,985.73	540,117.00	3,599,249.35	3,490,935.13
Public Service Commission Fee.....	161,675.44	157,536.01	970,052.54	945,216.11
Federal Income.....	(6,229,769.94)	4,826,457.61	10,615,540.90	1,162,047.92
State Income.....	(2,847,086.07)	1,330,167.23	84,218.46	893,625.01
Miscellaneous.....	-	12,911.20	20,133.86	33,162.15
<b>Total Charged to Operating Expense.....</b>	<b>(7,116,427.35)</b>	<b>8,332,064.26</b>	<b>22,745,645.26</b>	<b>15,474,496.74</b>
Taxes Charged to Other Accounts.....	10,752,718.59	472,618.98	10,147,626.17	7,827,685.70
Taxes Accrued on Intercompany Accounts.....	(238,822.66)	(229,284.42)	(1,488,584.16)	(1,287,887.18)
<b>Total Taxes Charged.....</b>	<b><u>3,397,468.58</u></b>	<b><u>8,575,398.82</u></b>	<b><u>31,404,687.27</u></b>	<b><u>22,014,295.26</u></b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	7,507,549.69	11,169,218.30	7,401,021.62
Unemployment.....	42,164.99	98,024.94	137,078.26	3,111.67
FICA.....	455,753.32	3,099,602.94	3,057,204.03	498,152.23
Federal Income.....	13,896,876.99	15,239,327.00	29,136,204.00	(0.01)
State Income.....	632,003.78	3,700,387.23	4,332,391.00	0.01
Kentucky Sales and Use Tax.....	625,517.98	1,678,002.97	2,008,780.67	294,740.28
Miscellaneous.....	14,799.84	81,792.50	80,020.92	16,571.42
<b>Totals.....</b>	<b><u>26,729,807.13</u></b>	<b><u>31,404,687.27</u></b>	<b><u>49,920,897.18</u></b>	<b><u>8,213,597.22</u></b>

July 27, 2010



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**June 30, 2010**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>101 UTILITY PLANT IN SERVICE</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	4,343,382.46	(165,788.49)	-	4,177,593.97	167,319,064.23
Common Intangible Plant	61,656,665.49	3,572,589.32	(8,571,330.76)	-	(4,998,741.44)	56,657,924.05
	<u>224,798,135.75</u>	<u>7,915,971.78</u>	<u>(8,737,119.25)</u>	-	<u>(821,147.47)</u>	<u>223,976,988.28</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	46,164,256.08	(3,095,095.02)	-	43,069,161.06	900,982,078.29
Electric General Plant	16,833,253.13	570,525.42	(27,126.11)	-	543,399.31	17,376,652.44
Electric Hydro Production	41,579,243.41	28,599.70	-	-	28,599.70	41,607,843.11
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,495,781.56)	(184,810.14)	-	(1,680,591.70)	229,569,212.29
Electric Steam Production	1,894,640,479.32	8,212,521.26	(2,247,782.24)	(104,078.14)	5,860,660.88	1,900,501,140.20
Electric Transmission	241,991,713.86	3,403,025.36	(323,372.82)	-	3,079,652.54	245,071,366.40
	<u>3,284,209,751.23</u>	<u>56,883,146.26</u>	<u>(5,878,186.33)</u>	<u>(104,078.14)</u>	<u>50,900,881.79</u>	<u>3,335,110,633.02</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	5,431,682.15	(109,015.08)	-	5,322,667.07	534,420,981.58
Gas General Plant	9,014,996.97	213,386.00	(31,519.49)	-	181,866.51	9,196,863.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	4,178,850.60	(170,789.49)	-	4,008,061.11	68,945,683.98
Gas Transmission	13,658,203.76	1,126,642.68	(4,151.17)	-	1,122,491.51	14,780,695.27
	<u>616,710,325.60</u>	<u>10,950,561.43</u>	<u>(315,475.23)</u>	-	<u>10,635,086.20</u>	<u>627,345,411.80</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>75,749,679.47</u>	<u>(14,930,780.81)</u>	<u>(104,078.14)</u>	<u>60,714,820.52</u>	<u>4,186,433,033.10</u>
<b>102 Plant Purchased &amp; sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
<b>Total 105001</b>	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
<b>105 PLANT HELD FOR FUTURE USE</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	-	-	-	-	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	-	-	-	-	<u>4,831,574.18</u>

July 27, 2010

**Louisville Gas and Electric Company  
Summary of Utility Plant  
June 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 COMPLETED CONSTRUCTION NOT CLASSIFIED</b>						
<b>Common</b>						
Common General Plant	265,181.22	655,052.81	-	-	655,052.81	920,234.03
Common Intangible Plant	971,026.53	282,166.34	-	-	282,166.34	1,253,192.87
	<u>1,236,207.75</u>	<u>937,219.15</u>	<u>-</u>	<u>-</u>	<u>937,219.15</u>	<u>2,173,426.90</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(16,231,475.54)	-	-	(16,231,475.54)	18,513,561.13
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	23,914.26	-	-	23,914.26	23,914.26
Electric Steam Production	9,240,272.74	9,230,929.84	-	-	9,230,929.84	18,471,202.58
Electric Transmission	976,044.41	406,946.92	-	-	406,946.92	1,382,991.33
	<u>44,978,306.08</u>	<u>(6,569,684.52)</u>	<u>-</u>	<u>-</u>	<u>(6,569,684.52)</u>	<u>38,408,621.56</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	7,865,316.24	-	-	7,865,316.24	23,248,245.51
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	949,671.71	-	-	949,671.71	4,736,220.15
Gas Transmission	1,221,215.37	602,632.10	-	-	602,632.10	1,823,847.47
	<u>20,602,119.24</u>	<u>9,407,361.46</u>	<u>-</u>	<u>-</u>	<u>9,407,361.46</u>	<u>30,009,480.70</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>3,774,896.09</u>	<u>-</u>	<u>-</u>	<u>3,774,896.09</u>	<u>70,591,529.16</u>
<b>117 GAS STORED UNDERGROUND-NONCURRENT</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 NONUTILITY PROPERTY</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 CONSTRUCTION WORK IN PROGRESS</b>						
<b>Construction Work in Progress</b>						
Common	15,767,424.60	(4,613,540.61)	-	-	(4,613,540.61)	11,153,883.99
Electric	299,585,079.65	(9,289,086.47)	-	-	(9,289,086.47)	290,295,993.18
Gas	26,774,033.33	(5,412,399.16)	-	-	(5,412,399.16)	21,361,634.17
	<u>342,126,537.58</u>	<u>(19,315,026.24)</u>	<u>-</u>	<u>-</u>	<u>(19,315,026.24)</u>	<u>322,811,511.34</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>79,450,499.28</u>	<u>(14,930,780.81)</u>	<u>(104,078.14)</u>	<u>64,415,640.33</u>	<u>4,263,997,289.72</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>60,135,473.04</u>	<u>(14,930,780.81)</u>	<u>(104,078.14)</u>	<u>45,100,614.09</u>	<u>4,586,808,801.06</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>60,135,473.04</u>	<u>(14,930,780.81)</u>	<u>(104,078.14)</u>	<u>45,100,614.09</u>	<u>4,586,733,561.50</u>

July 27, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>LIFE RESERVE</b>									
Common General Plant	(78,702,001.26)	(6,966,249.89)	165,788.49	-	-	-	-	-	(85,502,462.66)
Common General Plant - ARO	(1,233.92)	(17.16)	-	-	-	-	-	-	(1,251.08)
Electric Distribution	(266,380,666.38)	(8,270,046.24)	3,095,095.02	-	-	-	-	-	(271,555,617.60)
Electric Distribution - ARO	(13,162.72)	(183.06)	-	-	-	-	-	-	(13,345.78)
Electric General Plant	(14,148,434.81)	(355,443.53)	27,126.11	-	-	-	-	-	(14,476,752.23)
Electric Hydro Production	(9,163,030.01)	(277,610.93)	-	-	-	-	-	-	(9,440,640.94)
Electric Hydro Production - ARO	(17,810.24)	(248.04)	-	-	-	-	-	-	(18,058.28)
Electric Other Production	(52,372,728.97)	(4,046,348.98)	184,810.14	-	-	-	-	-	(56,234,267.81)
Electric Other Production - ARO	(89,318.48)	(1,242.30)	-	-	-	-	-	-	(90,560.78)
Electric Steam Production	(982,038,024.91)	(26,067,277.52)	2,425,936.66	25,000.00	-	-	-	-	(1,005,654,365.77)
Electric Steam Production - ARO	(2,543,436.73)	(81,732.30)	-	-	-	-	-	-	(2,625,169.03)
Electric Transmission	(116,058,916.84)	(1,878,559.37)	323,372.82	-	-	-	-	-	(117,614,103.39)
Electric Transmission - ARO	(667.12)	(9.30)	-	-	-	-	-	-	(676.42)
Gas Distribution	(116,733,622.42)	(5,471,781.72)	109,015.08	-	-	-	-	-	(122,096,389.06)
Gas Distribution - ARO	(20,380.45)	(160.02)	-	-	-	-	-	-	(20,540.47)
Gas General Plant	(6,508,855.59)	(222,568.47)	31,519.49	-	-	-	-	-	(6,699,904.57)
Gas Storage	(32,226,220.17)	(503,804.27)	170,789.49	-	-	-	-	-	(32,559,234.95)
Gas Storage - ARO	(402,273.17)	(4,246.32)	-	-	-	-	-	-	(406,519.49)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(25,323.57)	4,151.17	-	-	-	-	-	(9,424,003.09)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(54,172,852.99)</u>	<u>6,537,604.47</u>	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,734,497,223.76)</u>
<b>COST OF REMOVAL</b>									
Common General Plant	(585,802.76)	(133,959.53)	-	-	-	112,167.97	-	-	(607,594.32)
Electric Distribution	(148,701,260.29)	(3,259,844.66)	-	-	-	5,756,083.83	-	-	(146,205,021.12)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(21,080.23)	-	-	-	-	-	-	757,990.44
Electric Other Production	(2,157,721.68)	(173,723.64)	-	-	-	-	-	-	(2,331,445.32)
Electric Steam Production	(80,852,537.28)	(7,082,244.60)	(176,793.52)	(25,000.00)	-	305,205.70	-	-	(87,831,369.70)
Electric Transmission	(23,685,015.10)	(582,092.68)	-	-	-	298,223.14	-	-	(23,968,884.64)
Gas Distribution	(57,352,410.28)	(1,539,389.50)	-	-	-	70,859.65	-	-	(58,820,940.13)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(57,328.75)	-	-	-	107,467.95	-	-	(178,306.38)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(6,256.42)	-	-	-	9,441.55	-	-	(3,020,727.24)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(12,855,920.01)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>6,659,449.79</u>	<u>-</u>	<u>-</u>	<u>(322,202,431.79)</u>

July 27, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>SALVAGE</b>									
Common General Plant	277,728.56	154.35	-	-	-	-	-	-	277,882.91
Electric Distribution	16,492,540.88	655,371.77	-	-	-	-	(28,566.16)	-	17,119,346.49
Electric General Plant	136,014.35	1,130.02	-	-	-	-	-	-	137,144.37
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	899,883.53	(1,360.90)	-	-	-	-	-	21,171,869.98
Electric Transmission	6,103,126.31	113,515.90	-	-	-	-	(26,018.63)	-	6,190,623.58
Gas Distribution	3,410,835.14	95,838.93	-	-	-	-	-	-	3,506,674.07
Gas General Plant	223,852.64	955.15	-	-	-	-	-	-	224,807.79
Gas Storage	252,727.30	8,634.64	-	-	-	-	(63.60)	-	261,298.34
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	2,346.15	-	-	-	-	-	-	215,461.94
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>1,777,830.44</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,648.39)</u>	<u>-</u>	<u>49,462,748.97</u>
<b>TOTAL RESERVES</b>									
Common	(79,074,669.74)	(7,100,072.23)	165,788.49	-	-	112,167.97	-	-	(85,896,785.51)
Electric	(1,654,077,125.86)	(50,427,786.16)	5,878,186.33	-	-	6,359,512.67	(54,584.79)	-	(1,692,321,797.81)
Gas	(221,798,419.87)	(7,723,084.17)	315,475.23	-	-	187,769.15	(63.60)	-	(229,018,323.26)
	<u>(1,954,950,215.47)</u>	<u>(65,250,942.56)</u>	<u>6,359,450.05</u>	<u>-</u>	<u>-</u>	<u>6,659,449.79</u>	<u>(54,648.39)</u>	<u>-</u>	<u>(2,007,236,906.58)</u>
<b>RETIREMENT WORK IN PROGRESS</b>									
Common	(8,937,134.61)	-	-	(42,163.78)	(112,167.97)	9,131,565.96	(987.00)	5,000.00	44,112.60
Electric	18,980,726.37	-	-	196,346.38	(6,304,927.88)	(5,098,391.56)	(289,848.45)	236,907.08	7,720,811.94
Gas	1,284,007.95	-	-	25,021.82	(187,705.55)	584,927.09	(9,756.47)	-	1,696,494.84
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>179,204.42</u>	<u>(6,604,801.40)</u>	<u>4,618,101.49</u>	<u>(300,591.92)</u>	<u>241,907.08</u>	<u>9,461,419.38</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(65,250,942.56)</u>	<u>6,359,450.05</u>	<u>179,204.42</u>	<u>(6,604,801.40)</u>	<u>11,277,551.28</u>	<u>(355,240.31)</u>	<u>241,907.08</u>	<u>(1,997,775,487.20)</u>
<b>AMORTIZATION</b>									
Common	(18,278,599.35)	(3,968,065.72)	8,571,330.76	-	-	-	-	-	(13,675,334.31)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(3,968,065.72)</u>	<u>8,571,330.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,676,234.31)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(69,219,008.28)</u>	<u>14,930,780.81</u>	<u>179,204.42</u>	<u>(6,604,801.40)</u>	<u>11,277,551.28</u>	<u>(355,240.31)</u>	<u>241,907.08</u>	<u>(2,011,451,721.51)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,011,388,361.15)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,575,345,200.35</u>

July 27, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - July 31, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

## Financial Reports

July 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**July 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	104,164,227.85	83,780,886.05	20,383,341.80	24.33
Gas Operating Revenues.....	9,506,525.50	10,408,969.04	(902,443.54)	(8.67)
<b>Total Operating Revenues.....</b>	<b>113,670,753.35</b>	<b>94,189,855.09</b>	<b>19,480,898.26</b>	<b>20.68</b>
Fuel for Electric Generation.....	36,042,022.21	28,454,955.36	7,587,066.85	26.66
Power Purchased.....	3,877,589.54	3,410,826.00	466,763.54	13.68
Gas Supply Expenses.....	3,703,158.72	4,349,617.02	(646,458.30)	(14.86)
Other Operation Expenses.....	18,452,230.68	18,850,338.01	(398,107.33)	(2.11)
Maintenance.....	7,665,244.08	7,055,529.49	609,714.59	8.64
Depreciation.....	10,982,619.64	10,792,446.87	190,172.77	1.76
Amortization Expense.....	621,652.08	752,295.55	(130,643.47)	(17.37)
Regulatory Credits.....	(184,204.73)	(179,418.96)	(4,785.77)	(2.67)
Taxes				
Federal Income.....	8,612,458.61	4,633,147.19	3,979,311.42	85.89
State Income.....	1,570,661.15	844,950.86	725,710.29	85.89
Deferred Federal Income - Net.....	(3.75)	-	(3.75)	(100.00)
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	1,953,905.64	2,239,637.75	(285,732.11)	(12.76)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	(254,733.00)	46,252.00	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	169,564.97	164,739.12	4,825.85	2.93
<b>Total Operating Expenses.....</b>	<b>93,258,417.84</b>	<b>81,114,331.26</b>	<b>12,144,086.58</b>	<b>14.97</b>
Net Operating Income.....	20,412,335.51	13,075,523.83	7,336,811.68	56.11
Other Income Less Deductions.....	(528,782.93)	377,554.97	(906,337.90)	(240.05)
<b>Income Before Interest Charges.....</b>	<b>19,883,552.58</b>	<b>13,453,078.80</b>	<b>6,430,473.78</b>	<b>47.80</b>
Interest on Long-Term Debt.....	3,798,734.35	3,721,738.06	76,996.29	2.07
Amortization of Debt Expense - Net.....	116,549.81	124,232.69	(7,682.88)	(6.18)
Other Interest Expenses.....	293,769.64	370,204.87	(76,435.23)	(20.65)
<b>Total Interest Charges.....</b>	<b>4,209,053.80</b>	<b>4,216,175.62</b>	<b>(7,121.82)</b>	<b>(0.17)</b>
<b>Net Income.....</b>	<b>15,674,498.78</b>	<b>9,236,903.18</b>	<b>6,437,595.60</b>	<b>69.69</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	581,670,725.48	544,753,841.01	36,916,884.47	6.78
Gas Operating Revenues.....	178,913,700.72	256,905,711.24	(77,992,010.52)	(30.36)
<b>Total Operating Revenues.....</b>	<b>760,584,426.20</b>	<b>801,659,552.25</b>	<b>(41,075,126.05)</b>	<b>(5.12)</b>
Fuel for Electric Generation.....	209,297,729.59	201,801,731.89	7,495,997.70	3.71
Power Purchased.....	33,201,703.79	36,509,918.33	(3,308,214.54)	(9.06)
Gas Supply Expenses.....	99,625,272.14	187,277,487.25	(87,652,215.11)	(46.80)
Other Operation Expenses.....	126,608,123.52	126,410,519.45	197,604.07	0.16
Maintenance.....	61,464,409.03	93,463,703.71	(31,999,294.68)	(34.24)
Depreciation.....	76,040,903.89	74,548,889.59	1,492,014.30	2.00
Amortization Expense.....	4,589,717.80	4,442,604.38	147,113.42	3.31
Regulatory Credits.....	(1,271,854.40)	(1,297,375.56)	25,521.16	1.97
Taxes				
Federal Income.....	19,227,999.51	5,795,195.11	13,432,804.40	231.79
State Income.....	1,654,879.61	1,738,575.87	(83,696.26)	(4.81)
Deferred Federal Income - Net.....	15,183,375.81	3,303,246.11	11,880,129.70	359.65
Deferred State Income - Net.....	4,422,138.13	(724,228.25)	5,146,366.38	710.60
Property and Other.....	13,999,791.54	15,658,461.56	(1,658,670.02)	(10.59)
Investment Tax Credit.....	-	1,824,672.98	(1,824,672.98)	(100.00)
Amortization of Investment Tax Credit.....	(1,459,369.00)	(1,783,132.44)	323,763.44	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,169,376.14	1,147,102.66	22,273.48	1.94
<b>Total Operating Expenses.....</b>	<b>663,719,736.96</b>	<b>750,051,098.58</b>	<b>(86,331,361.62)</b>	<b>(11.51)</b>
Net Operating Income.....	96,864,689.24	51,608,453.67	45,256,235.57	87.69
Other Income Less Deductions.....	(6,083,858.35)	11,851,527.72	(17,935,386.07)	(151.33)
<b>Income Before Interest Charges.....</b>	<b>90,780,830.89</b>	<b>63,459,981.39</b>	<b>27,320,849.50</b>	<b>43.05</b>
Interest on Long-Term Debt.....	26,185,724.34	25,735,203.27	450,521.07	1.75
Amortization of Debt Expense - Net.....	814,921.19	868,015.86	(53,094.67)	(6.12)
Other Interest Expenses.....	1,579,980.64	1,619,419.24	(39,438.60)	(2.44)
<b>Total Interest Charges.....</b>	<b>28,580,626.17</b>	<b>28,222,638.37</b>	<b>357,987.80</b>	<b>1.27</b>
<b>Net Income.....</b>	<b>62,200,204.72</b>	<b>35,237,343.02</b>	<b>26,962,861.70</b>	<b>76.52</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	956,281,576.44	996,080,913.42	(39,799,336.98)	(4.00)
Gas Operating Revenues.....	283,635,845.48	450,972,445.19	(167,336,599.71)	(37.11)
<b>Total Operating Revenues.....</b>	<b>1,239,917,421.92</b>	<b>1,447,053,358.61</b>	<b>(207,135,936.69)</b>	<b>(14.31)</b>
Fuel for Electric Generation.....	335,728,994.22	352,412,821.17	(16,683,826.95)	(4.73)
Power Purchased.....	55,122,055.29	100,019,405.28	(44,897,349.99)	(44.89)
Gas Supply Expenses.....	162,153,053.85	338,129,513.23	(175,976,459.38)	(52.04)
Other Operation Expenses.....	219,269,590.72	203,900,781.84	15,368,808.88	7.54
Maintenance.....	64,205,664.10	129,995,787.12	(65,790,123.02)	(50.61)
Depreciation.....	130,238,348.56	125,897,366.87	4,340,981.69	3.45
Amortization Expense.....	8,103,437.20	7,062,244.46	1,041,192.74	14.74
Regulatory Credits.....	(2,179,926.64)	(2,172,192.67)	(7,733.97)	(0.36)
Taxes				
Federal Income.....	38,705,374.92	24,903,625.60	13,801,749.32	55.42
State Income.....	3,809,831.74	2,083,626.30	1,726,205.44	82.85
Deferred Federal Income - Net.....	20,205,709.02	(2,489,411.63)	22,695,120.65	911.67
Deferred State Income - Net.....	6,597,215.40	(3,610,283.81)	10,207,499.21	282.73
Property and Other.....	21,885,870.99	25,373,125.27	(3,487,254.28)	(13.74)
Investment Tax Credit.....	1,824,673.02	6,370,700.98	(4,546,027.96)	(71.36)
Amortization of Investment Tax Credit.....	(2,720,343.56)	(3,368,649.19)	648,305.63	19.25
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,992,053.60	1,948,146.68	43,906.92	2.25
<b>Total Operating Expenses.....</b>	<b>1,064,907,142.29</b>	<b>1,306,390,333.44</b>	<b>(241,483,191.15)</b>	<b>(18.48)</b>
Net Operating Income.....	175,010,279.63	140,663,025.17	34,347,254.46	24.42
Other Income Less Deductions.....	(4,828,984.79)	(17,789,956.00)	12,960,971.21	72.86
<b>Income Before Interest Charges.....</b>	<b>170,181,294.84</b>	<b>122,873,069.17</b>	<b>47,308,225.67</b>	<b>38.50</b>
Interest on Long-Term Debt.....	43,957,894.11	41,244,176.06	2,713,718.05	6.58
Amortization of Debt Expense - Net.....	1,412,265.54	1,606,616.13	(194,350.59)	(12.10)
Other Interest Expenses.....	2,731,078.44	7,239,247.66	(4,508,169.22)	(62.27)
<b>Total Interest Charges.....</b>	<b>48,101,238.09</b>	<b>50,090,039.85</b>	<b>(1,988,801.76)</b>	<b>(3.97)</b>
<b>Net Income.....</b>	<b>122,080,056.75</b>	<b>72,783,029.32</b>	<b>49,297,027.43</b>	<b>67.73</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**July 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	771,804,572.18	686,162,111.03	755,278,866.24	740,161,671.19	695,399,014.21	702,615,984.89
Add:						
Net Income for Period.....	15,674,498.78	9,236,903.18	62,200,204.72	35,237,343.02	122,080,056.75	72,783,029.32
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	30,000,000.00	80,000,000.00	30,000,000.00	80,000,000.00
Balance at End of Period.....	787,479,070.96	695,399,014.21	787,479,070.96	695,399,014.21	787,479,070.96	695,399,014.21

August 20, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of July 31, 2010 and 2009**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,596,155,723.91	4,571,467,679.05	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,020,431,818.86</u>	<u>1,980,124,600.72</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,575,723,905.05</u>	<u>2,591,343,078.33</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(13,202,834.60)	(10,645,398.25)
			Retained Earnings.....	<u>787,479,070.96</u>	<u>695,399,014.21</u>
<b>Investments</b>			<b>Total Proprietary Capital.....</b>	<b><u>1,282,192,270.81</u></b>	<b><u>1,192,618,543.41</u></b>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Pollution Control Bonds - Net of Reacquired Bonds	411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>485,000,000.00</u>
Special Funds.....	<u>17,816,924.04</u>	<u>14,693,611.02</u>	Total Long-Term Debt.....	896,104,000.00	896,104,000.00
Total.....	<u>18,423,089.24</u>	<u>15,299,776.22</u>	<b>Total Capitalization.....</b>	<b><u>2,178,296,270.81</u></b>	<b><u>2,088,722,543.41</u></b>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	2,458,207.79	3,653,061.38	ST Notes Payable to Associated Companies.....	135,048,400.00	167,935,400.00
Special Deposits.....	694,039.76	1,033,804.84	Accounts Payable.....	87,363,988.88	66,792,261.66
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	20,164,038.85	13,453,143.30
Accounts Receivable-Less Reserve.....	152,615,048.85	126,991,813.57	Customer Deposits.....	24,236,689.44	22,293,266.09
Accounts Receivable from Associated Companies....	31,743,790.61	4,888,158.78	Taxes Accrued.....	18,333,431.49	18,009,548.82
Materials and Supplies-At Average Cost			Interest Accrued.....	3,078,318.40	3,552,554.02
Fuel.....	67,057,622.92	56,617,695.14	Miscellaneous Current and Accrued Liabilities.....	<u>20,436,721.44</u>	<u>20,517,986.26</u>
Plant Materials and Operating Supplies.....	28,948,754.37	29,005,212.40	<b>Total.....</b>	<b><u>308,661,588.50</u></b>	<b><u>312,554,160.15</u></b>
Stores Expense.....	4,880,898.47	4,065,091.36			
Gas Stored Underground.....	34,640,844.19	39,937,329.48	<b>Deferred Credits and Other</b>		
Allowance Inventory.....	3,467.86	4,899.15	Accumulated Deferred Income Taxes.....	442,364,833.95	413,944,625.65
Prepayments.....	6,107,360.76	4,222,446.45	Investment Tax Credit.....	46,566,981.13	50,390,610.67
Miscellaneous Current and Accrued Assets.....	<u>1,786,668.84</u>	<u>3,659,182.66</u>	Regulatory Liabilities.....	54,864,073.23	95,586,580.60
Total.....	<u>330,936,824.13</u>	<u>274,078,814.92</u>	Customer Advances for Construction.....	8,678,961.61	9,627,009.75
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	34,213,005.28	33,311,022.15
Unamortized Debt Expense.....	3,745,476.42	3,931,584.26	Other Deferred Credits.....	22,956,121.09	31,507,513.17
Unamortized Loss on Bonds.....	22,439,664.20	23,639,046.18	Miscellaneous Long-Term Liabilities.....	47,399,984.45	38,249,738.32
Accumulated Deferred Income Taxes.....	51,350,160.00	58,374,398.43	Accum Provision for Postretirement Benefits.....	<u>177,181,774.45</u>	<u>215,677,309.25</u>
Deferred Regulatory Assets.....	318,009,867.49	321,261,713.67	<b>Total.....</b>	<b><u>834,225,735.19</u></b>	<b><u>888,294,409.56</u></b>
Other Deferred Debits.....	<u>554,607.97</u>	<u>1,642,701.11</u>	<b>Total Liabilities and Stockholders' Equity.....</b>	<b><u>3,321,183,594.50</u></b>	<b><u>3,289,571,113.12</u></b>
Total.....	<u>396,099,776.08</u>	<u>408,849,443.65</u>			
<b>Total Assets.....</b>	<b><u>3,321,183,594.50</u></b>	<b><u>3,289,571,113.12</u></b>			

August 20, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**July 31, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	
				Capital	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(13,202,834.60)		
Retained Earnings.....			787,479,070.96		
 Total Proprietary Capital.....			1,282,192,270.81	55.43	58.86
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	24.81	26.36
<b>Less Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.05)	(7.49)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.76	18.87
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	20.97	22.27
Total Capitalization.....			2,178,296,270.81	94.16	100.00
Short-Term Notes Payable to Associated Companies.....			135,048,400.00	5.84	
Total Capitalization and Short-Term Debt.....			2,313,344,670.81	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,596,155,723.91	4,596,155,723.91
Reserves for Depreciation and Amortization.....		(2,020,431,818.86)
Depreciation of Plant		
Electric.....	(1,691,305,191.86)	
Gas.....	(227,790,509.36)	
Common.....	(87,038,231.25)	
Amortization of Plant		
Common.....	(14,296,986.39)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		18,423,089.24
Special Funds.....	17,816,924.04	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	2,458,207.79	2,458,207.79
Special Deposits.....		694,039.76
Other Special Deposits.....	694,039.76	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		152,615,048.85
Customers - Active.....	84,397,318.87	
Unbilled Revenues.....	60,173,000.00	
IMPA.....	1,894,539.08	
IMEA.....	1,841,233.82	
Sundry Accounts Receivable.....	1,334,492.19	
Wholesale Sales.....	950,371.18	
Damage Claims.....	543,494.74	
Transmission Sales.....	472,862.72	
Electricity Swaps.....	309,896.03	
Other.....	2,888,146.00	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	3,455,937.45	
A/R Miscellaneous.....	(680,289.78)	
Recoveries.....	(758,458.52)	
Reserve.....	(1,510,016.00)	
Accrual.....	(2,697,478.93)	
Accounts Receivable from Associated Companies.....		31,743,790.61
E.ON US Services/Kentucky Utilities Company.....	31,743,790.61	
Fuel.....		67,057,622.92
Coal 1,626,220.98 Tons @ \$40.92; MMBtu 36,905,178.55 @ 180.31¢.....	66,543,687.91	
Fuel Oil 268,135 Gallons @ 179.20¢.....	480,504.18	
Gas Pipeline 5,500.00 Mcf @ \$6.08.....	33,430.83	
Plant Materials and Operating Supplies.....		28,948,754.37
Regular Materials and Supplies.....	28,632,652.14	
Limestone 42,316.00 Tons @ \$7.47.....	316,102.23	

August 20, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,880,898.47	4,880,898.47
Gas Stored Underground - Current.....		34,640,844.19
Gas St. Underground* 6,684,647.00 Mcf (14.73 psia) @ \$5.18.....	34,640,844.19	
Allowance Inventory.....	3,467.86	3,467.86
Prepayments.....		6,107,360.76
Insurance.....	3,086,668.13	
Taxes.....	1,772,065.94	
Rights of Way.....	240,000.04	
Franchises.....	114,532.26	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	804,094.39	
Miscellaneous Current Assets.....		1,786,668.84
Derivative Asset - Non-Hedging.....	1,786,668.84	
Unamortized Debt Expense.....		3,745,476.42
Trimble County 2000 Series A due 08/01/30 Var%.....	774,147.41	
Jefferson County 2001 Series A due 09/01/26 Var%.....	159,607.32	
Jefferson County 2001 Series A due 09/01/27 Var%.....	348,371.86	
Trimble County 2001 Series A due 09/01/26 Var%.....	173,538.97	
Jefferson County 2001 Series B due 11/01/27 Var%.....	189,668.05	
Trimble County 2001 Series B due 11/01/27 Var%.....	189,699.16	
Trimble County 2002 Series A due 10/01/32 Var%.....	825,074.59	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,085,369.06	
Unamortized Loss on Bonds.....	22,439,664.20	22,439,664.20
Accumulated Deferred Income Taxes.....		51,350,160.00
Federal		
Electric.....	40,171,854.85	
Gas.....	3,373,977.92	
State		
Electric.....	7,173,284.58	
Gas.....	631,042.65	
Regulatory Assets.....		318,009,867.49
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,838,391.09	
Asset Retirement Obligations		
Electric.....	22,438,431.50	
Gas.....	8,405,557.10	
Common.....	27,278.79	
2008 Wind Storm.....	23,540,332.79	
MISO Exit Fee.....	4,874,870.78	
Gas Supply Clause/PBR.....	3,210,173.20	
Fuel Adjustment Clause.....	2,946,000.00	
Rate Case Expenses.....	1,840,676.26	
Enviromental Cost Recovery.....	1,095,677.00	
KCCS Funding.....	878,040.50	
EKPC FERC Transmission Costs.....	607,634.48	
CMRG Funding.....	183,500.00	
Other Deferred Debits.....	554,607.97	554,607.97
<b>Total Assets.....</b>	<b>3,321,183,594.50</b>	<b>3,321,183,594.50</b>

* Excludes:		\$	Mcf
Non-recoverable Base Gas	9,648,855.00		7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>		<u>2,930,000</u>
	11,788,845.00		10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital		1,282,192,270.81
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(13,202,834.60)	
Retained Earnings.....	787,479,070.96	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	135,048,400.00	135,048,400.00
Accounts Payable.....		87,363,988.88
Regular.....	85,925,322.15	
Salaries and Wages Accrued.....	1,402,308.58	
Employee Withholdings Payable.....	36,358.15	
Accounts Payable to Associated Companies.....		20,164,038.85
E.ON US Services/Kentucky Utilities Company.....	12,919,488.28	
Interest payable to Fidelity.....	7,244,550.57	
Customers' Deposits.....	24,236,689.44	24,236,689.44
Taxes Accrued.....	18,333,431.49	18,333,431.49
Interest Accrued.....		3,078,318.40
Jefferson County 2000 Series A due 05/01/27 5.375%.....	335,937.50	
Trimble County 2000 Series A due 08/01/30 Var%.....	3,935.29	
Jefferson County 2001 Series A due 09/01/26 Var%.....	14,178.11	
Jefferson County 2001 Series A due 09/01/27 Var%.....	596.56	
Trimble County 2001 Series A due 09/01/26 Var%.....	10,020.53	
Jefferson County 2001 Series B due 11/01/27 Var%.....	(822.77)	
Trimble County 2001 Series B due 11/01/27 Var%.....	(2,646.30)	
Trimble County 2002 Series A due 10/01/32 Var%.....	2,753.31	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	1,143,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	290,625.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....	460,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.02	
Interest Rate Swaps.....	657,959.30	
Customers' Deposits.....	120,299.41	
Other.....	41,871.25	
Miscellaneous Current and Accrued Liabilities.....		20,436,721.44
Vacation Pay Accrued.....	5,837,962.14	
Customer Overpayments.....	4,027,887.73	
Postretirement Benefits - Current.....	3,411,766.00	
No-Notice Gas Payable.....	2,779,882.64	
Unearned Revenue.....	1,903,248.45	
Tax Collections Payable.....	1,322,793.93	
Derivative Liabilities - Non-Hedging.....	809,449.85	
Other.....	343,730.70	

August 20, 2010



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		442,364,833.95
Federal		
Electric.....	326,912,914.50	
Gas.....	50,689,088.84	
State		
Electric.....	56,467,066.20	
Gas.....	8,295,764.41	
Investment Tax Credit.....		46,566,981.13
Investment Tax Credit (prior law)		
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	22,065,154.98	
Gas.....	751,826.15	
Regulatory Liabilities.....		54,864,073.23
Deferred Taxes		
Federal		
Electric.....	17,204,589.06	
Gas.....	1,224,982.90	
State		
Electric.....	15,773,589.62	
Gas.....	2,453,204.09	
Gas Supply Clause/PBR.....	5,835,945.25	
DSM Cost Recovery.....	5,702,679.40	
MISO Schedule 10 Charges.....	3,281,204.13	
Asset Retirement Obligations		
Gas.....	2,378,947.56	
Electric.....	757,771.17	
Purchased Gas Adjustment - Texas Gas.....	251,160.05	
Customers' Advances for Construction.....		8,678,961.61
Line Extensions		
Gas.....	7,003,506.67	
Electric.....	684,415.18	
Customer Advances - Museum Plaza.....	694,039.76	
Other.....	297,000.00	
Asset Retirement Obligations		34,213,005.28
Electric.....	25,653,720.67	
Gas.....	8,529,524.62	
Common.....	29,759.99	
Other Deferred Credits.....	22,956,121.09	22,956,121.09
Miscellaneous Long-Term Liabilities.....		47,399,984.45
Long-Term Derivative Liabilities - SFAS 133.....	43,256,797.00	
Workers' Compensation.....	4,143,187.45	
Accumulated Provision for Benefits.....		177,181,774.45
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	77,396,733.45	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,321,183,594.50</u>	<u>3,321,183,594.50</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**July 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	62,200,204.72	35,237,343.02
Items not requiring (providing) cash currently:		
Depreciation.....	76,040,903.89	74,548,889.59
Amortization.....	4,589,717.80	4,442,604.38
Deferred income taxes - net.....	19,605,513.94	2,579,017.86
Investment tax credit - net.....	(1,459,369.00)	41,540.54
Other.....	24,425,006.17	(3,072,249.49)
Change in receivables.....	(36,663,447.65)	72,118,912.91
Change in inventory.....	14,382,399.85	65,256,888.06
Change in allowance inventory.....	703.14	1,061.06
Change in payables and accrued expenses.....	(30,079,684.34)	(71,126,488.04)
Change in regulatory assets.....	1,980,227.22	(4,022,036.84)
Change in regulatory liabilities.....	(30,043,135.35)	39,320,349.44
Change in other deferred debits.....	56,075.57	40,121,463.00
Change in other deferred credits.....	14,973,635.41	(12,144,503.28)
Other.....	(26,810,607.41)	(7,786,992.84)
Gain on disposal of assets.....	(33,760.40)	(24,480.98)
Net cash provided (used) by operating activities.....	<u>93,164,383.56</u>	<u>235,491,318.39</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(25,310,695.30)	(97,672,139.72)
Gross additions to common utility plant - construction expenditures.....	(5,485,125.66)	(7,584,557.32)
Proceeds received from sale of property.....	33,760.40	-
Change in other special funds.....	-	3,382,419.37
Change in non-hedging derivatives.....	239,084.83	24,480.98
Net cash provided (used) by investing activities.....	<u>(30,522,975.73)</u>	<u>(101,849,796.69)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.71)	(212,378.98)
Net change in short-term debt.....	(35,352,000.00)	(54,063,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Dividends on common stock.....	(30,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(65,378,566.71)</u>	<u>(134,299,828.98)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,737,158.88)	(658,307.28)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>2,458,327.50</u></u>	<u><u>3,653,181.09</u></u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$6 million and an increase to cash flows from investing of \$6 million.

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**July 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.08	111,979.17	783,854.07	783,854.19	1,343,749.92	918,231.26
Trimble County 2000 Series A due 08/01/30 Var%.....	35,185.88	34,676.62	237,747.80	189,355.66	343,166.54	1,103,985.09
Jefferson County 2001 Series A due 09/01/26 Var%.....	17,352.74	16,027.40	89,815.07	156,844.90	171,678.09	326,340.62
Jefferson County 2001 Series A due 09/01/27 Var%.....	3,571.48	4,103.36	27,557.26	28,809.35	37,672.66	122,666.25
Trimble County 2001 Series A due 09/01/26 Var%.....	15,445.21	21,472.60	101,953.43	193,582.88	205,700.02	400,744.31
Jefferson County 2001 Series B due 11/01/27 Var%.....	42,220.53	31,068.49	201,887.61	215,691.32	355,935.55	473,519.95
Trimble County 2001 Series B due 11/01/27 Var%.....	42,431.50	31,068.49	203,047.89	215,691.32	357,095.81	473,519.95
Trimble County 2002 Series A due 10/01/32 Var%.....	19,026.63	12,929.85	206,518.37	129,263.11	254,382.91	616,882.50
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(37,863.42)	37,863.42	(726,175.84)
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.57	191,666.67	1,341,666.56	1,341,666.68	2,299,999.91	1,571,666.69
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.46	145,312.50	1,017,187.45	1,017,187.50	1,743,749.95	1,191,562.52
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	1,610,000.00	1,610,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	724,392.26	676,691.97	4,823,438.80	4,350,069.67	7,405,099.28	6,368,432.65
Notes/Debentures.....	-	-	-	-	-	-
Fidelia.....	2,220,150.01	2,220,150.00	15,541,050.03	15,541,050.12	26,641,800.05	25,642,800.12
<b>Total.....</b>	<b>3,798,734.35</b>	<b>3,721,738.06</b>	<b>26,185,724.34</b>	<b>25,735,203.27</b>	<b>43,957,894.11</b>	<b>41,244,176.06</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,546.83	15,517.65	108,685.36	108,274.52	186,275.12	185,331.87
Amortization of Loss on Reacquired Debt.....	101,002.98	108,715.04	706,235.83	759,741.34	1,225,990.42	1,421,284.26
<b>Total.....</b>	<b>116,549.81</b>	<b>124,232.69</b>	<b>814,921.19</b>	<b>868,015.86</b>	<b>1,412,265.54</b>	<b>1,606,616.13</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	109,949.11	114,859.00	817,789.88	680,396.60	1,496,916.16	1,151,230.16
Other Tax Deficiencies.....	-	-	7,469.00	-	(7,411.00)	(4,333.00)
Interest on DSM Cost Recovery.....	(439.83)	5,276.80	16,420.15	45,934.23	98,551.50	87,613.32
Interest on Debt to Associated Companies .....	38,613.69	46,040.28	184,927.93	520,660.31	338,565.82	4,436,477.21
Other Interest Expense.....	145,646.67	204,028.79	553,373.68	372,428.10	804,455.96	1,568,259.97
<b>Total.....</b>	<b>293,769.64</b>	<b>370,204.87</b>	<b>1,579,980.64</b>	<b>1,619,419.24</b>	<b>2,731,078.44</b>	<b>7,239,247.66</b>
<b>Total Interest.....</b>	<b>4,209,053.80</b>	<b>4,216,175.62</b>	<b>28,580,626.17</b>	<b>28,222,638.37</b>	<b>48,101,238.09</b>	<b>50,090,039.85</b>

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**July 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	8,557,989.38	10,295,285.41
Unemployment.....	3,851.78	7,206.83	125,058.65	118,190.73
FICA.....	558,988.19	613,996.61	4,158,237.54	4,104,931.74
Public Service Commission Fee.....	161,096.90	161,675.42	1,131,149.44	1,106,891.53
Federal Income.....	8,612,458.61	4,633,147.19	19,227,999.51	5,795,195.11
State Income.....	1,570,661.15	844,950.86	1,654,879.61	1,738,575.87
Miscellaneous.....	7,222.67	-	27,356.53	33,162.15
<b>Total Charged to Operating Expense.....</b>	<b>12,137,025.40</b>	<b>7,717,735.80</b>	<b>34,882,670.66</b>	<b>23,192,232.54</b>
Taxes Charged to Other Accounts.....	(12,153,952.53)	482,868.26	(2,006,326.36)	8,310,553.96
Taxes Accrued on Intercompany Accounts.....	(211,579.49)	(215,856.10)	(1,700,163.65)	(1,503,743.28)
<b>Total Taxes Charged.....</b>	<b>(228,506.62)</b>	<b>7,984,747.96</b>	<b>31,176,180.65</b>	<b>29,999,043.22</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	8,758,795.69	11,270,112.13	8,551,373.79
Unemployment.....	42,164.99	99,016.64	140,189.54	992.09
FICA.....	455,753.32	3,608,371.91	3,723,582.48	340,542.75
Federal Income.....	13,896,876.99	15,617,112.52	17,728,139.00	11,785,850.51
State Income.....	632,003.78	1,002,659.15	4,332,391.00	(2,697,728.07)
Kentucky Sales and Use Tax.....	625,517.98	1,997,967.13	2,288,464.75	335,020.36
Miscellaneous.....	14,799.84	92,257.61	89,677.39	17,380.06
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>31,176,180.65</b>	<b>39,572,556.29</b>	<b>18,333,431.49</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**July 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	4,951,720.63	(175,556.74)	-	4,776,163.89	167,917,634.15
Common Intangible Plant	61,656,665.49	3,854,927.57	(8,571,330.76)	-	(4,716,403.19)	56,940,262.30
	<u>224,798,135.75</u>	<u>8,806,648.20</u>	<u>(8,746,887.50)</u>	<u>-</u>	<u>59,760.70</u>	<u>224,857,896.45</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	50,722,231.91	(3,364,096.28)	-	47,358,135.63	905,271,052.86
Electric General Plant	16,833,253.13	628,313.65	(303,442.06)	-	324,871.59	17,158,124.72
Electric Hydro Production	41,579,243.41	28,599.70	-	-	28,599.70	41,607,843.11
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,463,843.58)	(184,810.14)	-	(1,648,653.72)	229,601,150.27
Electric Steam Production	1,894,640,479.32	13,424,919.06	(2,632,978.75)	(104,078.14)	10,687,862.17	1,905,328,341.49
Electric Transmission	241,991,713.86	4,183,804.97	(388,807.97)	-	3,794,997.00	245,786,710.86
	<u>3,284,209,751.23</u>	<u>67,524,025.71</u>	<u>(6,874,135.20)</u>	<u>(104,078.14)</u>	<u>60,545,812.37</u>	<u>3,344,755,563.60</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	5,500,958.55	(109,576.52)	-	5,391,382.03	534,489,696.54
Gas General Plant	9,014,996.97	213,386.00	(175,317.51)	-	38,068.49	9,053,065.46
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	5,199,798.94	(640,786.53)	-	4,559,012.41	69,496,635.28
Gas Transmission	13,658,203.76	1,126,642.68	(4,151.17)	-	1,122,491.51	14,780,695.27
	<u>616,710,325.60</u>	<u>12,040,786.17</u>	<u>(929,831.73)</u>	<u>-</u>	<u>11,110,954.44</u>	<u>627,821,280.04</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>88,371,460.08</u>	<u>(16,550,854.43)</u>	<u>(104,078.14)</u>	<u>71,716,527.51</u>	<u>4,197,434,740.09</u>
<b>102 Plant Purchased &amp; Sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 105001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**July 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	265,181.22	616,175.16	-	-	616,175.16	881,356.38
Common Intangible Plant	971,026.53	144,780.68	-	-	144,780.68	1,115,807.21
	<u>1,236,207.75</u>	<u>760,955.84</u>	<u>-</u>	<u>-</u>	<u>760,955.84</u>	<u>1,997,163.59</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(17,586,432.81)	-	-	(17,586,432.81)	17,158,603.86
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	23,914.26	-	-	23,914.26	23,914.26
Electric Steam Production	9,240,272.74	4,102,108.06	-	-	4,102,108.06	13,342,380.80
Electric Transmission	976,044.41	34,701,672.75	-	-	34,701,672.75	35,677,717.16
	<u>44,978,306.08</u>	<u>21,241,262.26</u>	<u>-</u>	<u>-</u>	<u>21,241,262.26</u>	<u>66,219,568.34</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	9,603,652.11	-	-	9,603,652.11	24,986,581.38
Gas General Plant	211,426.16	(10,258.59)	-	-	(10,258.59)	201,167.57
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	988,451.18	-	-	988,451.18	4,774,999.62
Gas Transmission	1,221,215.37	602,632.10	-	-	602,632.10	1,823,847.47
	<u>20,602,119.24</u>	<u>11,184,476.80</u>	<u>-</u>	<u>-</u>	<u>11,184,476.80</u>	<u>31,786,596.04</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>33,186,694.90</u>	<u>-</u>	<u>-</u>	<u>33,186,694.90</u>	<u>100,003,327.97</u>
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	(4,082,478.38)	-	-	(4,082,478.38)	11,684,946.22
Electric	299,585,079.65	(41,544,023.42)	-	-	(41,544,023.42)	258,041,056.23
Gas	26,774,033.33	(4,679,867.83)	-	-	(4,679,867.83)	22,094,165.50
	<u>342,126,537.58</u>	<u>(50,306,369.63)</u>	<u>-</u>	<u>-</u>	<u>(50,306,369.63)</u>	<u>291,820,167.95</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>121,484,078.70</u>	<u>(16,550,854.43)</u>	<u>(104,078.14)</u>	<u>104,829,146.13</u>	<u>4,304,410,795.52</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>71,177,709.07</u>	<u>(16,550,854.43)</u>	<u>(104,078.14)</u>	<u>54,522,776.50</u>	<u>4,596,230,963.47</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>71,177,709.07</u>	<u>(16,550,854.43)</u>	<u>(104,078.14)</u>	<u>54,522,776.50</u>	<u>4,596,155,723.91</u>

August 20, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**July 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(8,159,858.48)	175,556.74	-	-	-	-	-	(86,686,303.00)
Common General Plant - ARO	(1,233.92)	(20.02)	-	-	-	-	-	-	(1,253.94)
Electric Distribution	(266,380,666.38)	(9,670,038.76)	3,364,096.28	-	-	-	-	-	(272,686,608.86)
Electric Distribution - ARO	(13,162.72)	(213.57)	-	-	-	-	-	-	(13,376.29)
Electric General Plant	(14,148,434.81)	(416,477.51)	303,442.06	(376.55)	-	-	-	-	(14,261,846.81)
Electric Hydro Production	(9,163,030.01)	(323,883.55)	-	-	-	-	-	-	(9,486,913.56)
Electric Hydro Production - ARO	(17,810.24)	(289.38)	-	-	-	-	-	-	(18,099.62)
Electric Other Production	(52,372,728.97)	(4,719,608.65)	184,810.14	-	-	-	-	-	(56,907,527.48)
Electric Other Production - ARO	(89,318.48)	(1,449.35)	-	-	-	-	-	-	(90,767.83)
Electric Steam Production	(982,038,024.91)	(30,386,125.40)	2,811,133.17	25,000.00	-	-	-	-	(1,009,588,017.14)
Electric Steam Production - ARO	(2,543,436.73)	(95,354.36)	-	-	-	-	-	-	(2,638,791.09)
Electric Transmission	(116,058,916.84)	(2,216,648.43)	388,807.97	-	-	-	-	-	(117,886,757.30)
Electric Transmission - ARO	(667.12)	(10.85)	-	-	-	-	-	-	(677.97)
Gas Distribution	(116,733,622.42)	(6,399,519.97)	109,576.52	-	-	-	-	-	(123,023,565.87)
Gas Distribution - ARO	(20,380.45)	(186.69)	-	-	-	-	-	-	(20,567.14)
Gas General Plant	(6,508,855.59)	(259,794.65)	175,317.51	-	-	-	-	-	(6,593,332.73)
Gas Storage	(32,226,220.17)	(591,532.70)	640,786.53	-	-	-	-	-	(32,176,966.34)
Gas Storage - ARO	(402,273.17)	(4,954.04)	-	-	-	-	-	-	(407,227.21)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(29,742.26)	4,151.17	-	-	-	-	-	(9,428,421.78)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(63,275,708.62)</u>	<u>8,157,678.09</u>	<u>24,623.45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,741,980,382.32)</u>
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(156,442.54)	-	-	-	132,167.97	-	-	(610,077.33)
Electric Distribution	(148,701,260.29)	(3,813,539.16)	-	-	-	6,148,812.60	-	-	(146,365,986.85)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(24,594.02)	-	-	-	-	-	-	754,476.65
Electric Other Production	(2,157,721.68)	(202,616.24)	-	-	-	-	-	-	(2,360,337.92)
Electric Steam Production	(80,852,537.28)	(8,308,219.62)	(176,793.52)	(25,000.00)	-	407,990.93	-	-	(88,954,559.49)
Electric Transmission	(23,685,015.10)	(689,322.93)	-	-	-	385,868.07	-	-	(23,988,469.96)
Gas Distribution	(57,352,410.28)	(1,799,867.82)	-	-	-	70,859.65	-	-	(59,081,418.45)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(68,630.39)	-	-	-	109,310.16	-	-	(187,765.81)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(7,348.68)	-	-	-	9,441.55	-	-	(3,021,819.50)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(15,070,581.40)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>7,264,450.93</u>	<u>-</u>	<u>-</u>	<u>(323,812,092.04)</u>

August 20, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**July 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	186.29	-	-	-	-	-	-	277,914.85
Electric Distribution	16,492,540.88	767,031.70	-	-	-	-	(43,884.78)	-	17,215,687.80
Electric General Plant	136,014.35	1,319.22	-	-	-	-	-	-	137,333.57
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,050,261.24	(1,360.90)	-	-	-	-	-	21,322,247.69
Electric Transmission	6,103,126.31	133,852.95	-	-	-	-	(26,018.63)	-	6,210,960.63
Gas Distribution	3,410,835.14	111,982.70	-	-	-	-	-	-	3,522,817.84
Gas General Plant	223,852.64	1,114.83	-	-	-	-	-	-	224,967.47
Gas Storage	252,727.30	10,076.13	-	-	-	-	(63.60)	-	262,739.83
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	2,755.75	-	-	-	-	-	-	215,871.54
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>2,078,580.81</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,967.01)</u>	<u>-</u>	<u>49,748,180.72</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(8,316,134.75)	175,556.74	-	-	132,167.97	-	-	(87,083,079.78)
Electric	(1,654,077,125.86)	(58,915,926.67)	6,874,135.20	(376.55)	-	6,942,671.60	(69,903.41)	-	(1,699,246,525.69)
Gas	(221,798,419.87)	(9,035,647.79)	929,831.73	-	-	189,611.36	(63.60)	-	(229,714,688.17)
	<u>(1,954,950,215.47)</u>	<u>(76,267,709.21)</u>	<u>7,979,523.67</u>	<u>(376.55)</u>	<u>-</u>	<u>7,264,450.93</u>	<u>(69,967.01)</u>	<u>-</u>	<u>(2,016,044,293.64)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(42,163.78)	(132,167.97)	9,132,281.53	(44,327.00)	5,000.00	(18,511.83)
Electric	18,980,726.37	-	-	214,115.87	(6,872,768.19)	(4,245,876.93)	(312,299.99)	173,602.65	7,937,499.78
Gas	1,284,007.95	-	-	40,339.28	(189,547.76)	804,638.36	(11,424.97)	-	1,928,012.86
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(7,194,483.92)</u>	<u>5,691,042.96</u>	<u>(368,051.96)</u>	<u>178,602.65</u>	<u>9,847,000.81</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(76,267,709.21)</u>	<u>7,979,523.67</u>	<u>211,914.82</u>	<u>(7,194,483.92)</u>	<u>12,955,493.89</u>	<u>(438,018.97)</u>	<u>178,602.65</u>	<u>(2,006,197,292.83)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(4,589,717.80)	8,571,330.76	-	-	-	-	-	(14,296,986.39)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(4,589,717.80)</u>	<u>8,571,330.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,297,886.39)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(80,857,427.01)</u>	<u>16,550,854.43</u>	<u>211,914.82</u>	<u>(7,194,483.92)</u>	<u>12,955,493.89</u>	<u>(438,018.97)</u>	<u>178,602.65</u>	<u>(2,020,495,179.22)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,020,431,818.86)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,575,723,905.05</u>

August 20, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - August 31, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

August 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**August 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	115,532,372.93	89,550,164.76	25,982,208.17	29.01
Gas Operating Revenues.....	10,595,819.49	9,182,084.74	1,413,734.75	15.40
<b>Total Operating Revenues.....</b>	<b>126,128,192.42</b>	<b>98,732,249.50</b>	<b>27,395,942.92</b>	<b>27.75</b>
Fuel for Electric Generation.....	35,921,789.34	28,011,538.92	7,910,250.42	28.24
Power Purchased.....	4,089,503.48	3,754,394.60	335,108.88	8.93
Gas Supply Expenses.....	4,140,897.12	3,669,308.88	471,588.24	12.85
Other Operation Expenses.....	21,009,294.71	20,044,183.98	965,110.73	4.81
Maintenance.....	7,518,626.91	7,806,333.99	(287,707.08)	(3.69)
Depreciation.....	11,046,026.33	10,808,273.69	237,752.64	2.20
Amortization Expense.....	622,780.64	701,191.48	(78,410.84)	(11.18)
Regulatory Credits.....	(185,053.04)	(180,241.31)	(4,811.73)	(2.67)
Taxes				
Federal Income.....	11,783,267.74	5,703,436.31	6,079,831.43	106.60
State Income.....	2,148,924.21	1,003,608.09	1,145,316.12	114.12
Deferred Federal Income - Net.....	-	227,328.95	(227,328.95)	(100.00)
Deferred State Income - Net.....	-	(36,658.90)	36,658.90	100.00
Property and Other.....	1,964,987.36	2,160,279.44	(195,292.08)	(9.04)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	(254,733.00)	46,252.00	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	170,413.28	165,561.47	4,851.81	2.93
<b>Total Operating Expenses.....</b>	<b>100,022,977.08</b>	<b>83,583,806.59</b>	<b>16,439,170.49</b>	<b>19.67</b>
Net Operating Income.....	26,105,215.34	15,148,442.91	10,956,772.43	72.33
Other Income Less Deductions.....	1,302,017.26	(186,400.20)	1,488,417.46	798.51
<b>Income Before Interest Charges.....</b>	<b>27,407,232.60</b>	<b>14,962,042.71</b>	<b>12,445,189.89</b>	<b>83.18</b>
Interest on Long-Term Debt.....	3,746,405.73	3,633,589.50	112,816.23	3.10
Amortization of Debt Expense - Net.....	116,549.81	124,232.69	(7,682.88)	(6.18)
Other Interest Expenses.....	150,336.28	157,707.18	(7,370.90)	(4.67)
<b>Total Interest Charges.....</b>	<b>4,013,291.82</b>	<b>3,915,529.37</b>	<b>97,762.45</b>	<b>2.50</b>
<b>Net Income.....</b>	<b>23,393,940.78</b>	<b>11,046,513.34</b>	<b>12,347,427.44</b>	<b>111.78</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	697,203,098.41	634,304,005.77	62,899,092.64	9.92
Gas Operating Revenues.....	189,509,520.21	266,087,795.98	(76,578,275.77)	(28.78)
Total Operating Revenues.....	<u>886,712,618.62</u>	<u>900,391,801.75</u>	<u>(13,679,183.13)</u>	<u>(1.52)</u>
Fuel for Electric Generation.....	245,219,518.93	229,813,270.81	15,406,248.12	6.70
Power Purchased.....	37,291,207.27	40,264,312.93	(2,973,105.66)	(7.38)
Gas Supply Expenses.....	103,766,169.26	190,946,796.13	(87,180,626.87)	(45.66)
Other Operation Expenses.....	147,617,418.23	146,454,703.43	1,162,714.80	0.79
Maintenance.....	68,983,035.94	101,270,037.70	(32,287,001.76)	(31.88)
Depreciation.....	87,086,930.22	85,357,163.28	1,729,766.94	2.03
Amortization Expense.....	5,212,498.44	5,143,795.86	68,702.58	1.34
Regulatory Credits.....	(1,456,907.44)	(1,477,616.87)	20,709.43	1.40
Taxes				
Federal Income.....	31,011,267.25	11,498,631.42	19,512,635.83	169.70
State Income.....	3,803,803.82	2,742,183.96	1,061,619.86	38.71
Deferred Federal Income - Net.....	15,183,375.81	3,530,575.06	11,652,800.75	330.05
Deferred State Income - Net.....	4,422,138.13	(760,887.15)	5,183,025.28	681.18
Property and Other.....	15,964,778.90	17,818,741.00	(1,853,962.10)	(10.40)
Investment Tax Credit.....	-	1,824,672.98	(1,824,672.98)	(100.00)
Amortization of Investment Tax Credit.....	(1,667,850.00)	(2,037,865.44)	370,015.44	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,339,789.42	1,312,664.13	27,125.29	2.07
Total Operating Expenses.....	<u>763,742,714.04</u>	<u>833,634,905.17</u>	<u>(69,892,191.13)</u>	<u>(8.38)</u>
Net Operating Income.....	122,969,904.58	66,756,896.58	56,213,008.00	84.21
Other Income Less Deductions.....	(4,781,841.09)	11,665,127.52	(16,446,968.61)	(140.99)
Income Before Interest Charges.....	<u>118,188,063.49</u>	<u>78,422,024.10</u>	<u>39,766,039.39</u>	<u>50.71</u>
Interest on Long-Term Debt.....	29,932,130.07	29,368,792.77	563,337.30	1.92
Amortization of Debt Expense - Net.....	931,471.00	992,248.55	(60,777.55)	(6.13)
Other Interest Expenses.....	1,730,316.92	1,777,126.42	(46,809.50)	(2.63)
Total Interest Charges.....	<u>32,593,917.99</u>	<u>32,138,167.74</u>	<u>455,750.25</u>	<u>1.42</u>
Net Income.....	<u><u>85,594,145.50</u></u>	<u><u>46,283,856.36</u></u>	<u><u>39,310,289.14</u></u>	<u><u>84.93</u></u>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	982,263,784.61	986,939,247.34	(4,675,462.73)	(0.47)
Gas Operating Revenues.....	285,049,580.23	442,908,758.74	(157,859,178.51)	(35.64)
<b>Total Operating Revenues.....</b>	<b>1,267,313,364.84</b>	<b>1,429,848,006.08</b>	<b>(162,534,641.24)</b>	<b>(11.37)</b>
Fuel for Electric Generation.....	343,639,244.64	347,522,969.82	(3,883,725.18)	(1.12)
Power Purchased.....	55,457,164.17	95,738,674.92	(40,281,510.75)	(42.07)
Gas Supply Expenses.....	162,624,642.09	329,338,149.19	(166,713,507.10)	(50.62)
Other Operation Expenses.....	220,234,701.45	208,596,195.87	11,638,505.58	5.58
Maintenance.....	63,917,957.02	130,953,385.31	(67,035,428.29)	(51.19)
Depreciation.....	130,476,101.20	126,413,514.54	4,062,586.66	3.21
Amortization Expense.....	8,025,026.36	7,243,127.98	781,898.38	10.80
Regulatory Credits.....	(2,184,738.37)	(2,179,060.43)	(5,677.94)	(0.26)
Taxes				
Federal Income.....	44,785,206.35	22,671,645.36	22,113,560.99	97.54
State Income.....	4,955,147.86	1,550,394.33	3,404,753.53	219.61
Deferred Federal Income - Net.....	19,978,380.07	(2,262,082.68)	22,240,462.75	983.19
Deferred State Income - Net.....	6,633,874.30	(3,646,942.71)	10,280,817.01	281.90
Property and Other.....	21,690,578.91	25,310,779.11	(3,620,200.20)	(14.30)
Investment Tax Credit.....	1,824,673.02	6,370,700.98	(4,546,027.96)	(71.36)
Amortization of Investment Tax Credit.....	(2,674,091.56)	(3,300,805.19)	626,713.63	18.99
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	1,996,905.41	1,955,089.20	41,816.21	2.14
<b>Total Operating Expenses.....</b>	<b>1,081,346,312.78</b>	<b>1,292,209,461.54</b>	<b>(210,863,148.76)</b>	<b>(16.32)</b>
Net Operating Income.....	185,967,052.06	137,638,544.54	48,328,507.52	35.11
Other Income Less Deductions.....	(3,340,567.33)	(15,185,206.12)	11,844,638.79	78.00
<b>Income Before Interest Charges.....</b>	<b>182,626,484.73</b>	<b>122,453,338.42</b>	<b>60,173,146.31</b>	<b>49.14</b>
Interest on Long-Term Debt.....	44,070,710.34	41,577,925.54	2,492,784.80	6.00
Amortization of Debt Expense - Net.....	1,404,582.66	1,609,572.45	(204,989.79)	(12.74)
Other Interest Expenses.....	2,723,707.54	6,618,784.75	(3,895,077.21)	(58.85)
<b>Total Interest Charges.....</b>	<b>48,199,000.54</b>	<b>49,806,282.74</b>	<b>(1,607,282.20)</b>	<b>(3.23)</b>
<b>Net Income.....</b>	<b>134,427,484.19</b>	<b>72,647,055.68</b>	<b>61,780,428.51</b>	<b>85.04</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**August 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	787,479,070.96	695,399,014.21	755,278,866.24	740,161,671.19	706,445,527.55	713,798,471.87
Add:						
Net Income for Period.....	23,393,940.78	11,046,513.34	85,594,145.50	46,283,856.36	134,427,484.19	72,647,055.68
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	30,000,000.00	80,000,000.00	30,000,000.00	80,000,000.00
Balance at End of Period.....	810,873,011.74	706,445,527.55	810,873,011.74	706,445,527.55	810,873,011.74	706,445,527.55

September 23, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of August 31, 2010 and 2009**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,606,776,233.47	4,584,766,915.96	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,029,983,137.15</u>	<u>1,989,145,641.67</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,576,793,096.32</u>	<u>2,595,621,274.29</u>	Paid-In Capital.....	83,581,499.00	83,530,392.00
			Other Comprehensive Income.....	(14,616,475.40)	(11,268,123.38)
			Retained Earnings.....	<u>810,873,011.74</u>	<u>706,445,527.55</u>
			<b>Total Proprietary Capital.....</b>	<b><u>1,304,172,570.79</u></b>	<b><u>1,203,042,331.62</u></b>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property-Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	<u>20,609,773.64</u>	<u>14,695,729.35</u>		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Total.....	<u>21,215,938.84</u>	<u>15,301,894.55</u>	<b>Total Long-Term Debt.....</b>		
				896,104,000.00	896,104,000.00
<b>Current and Accrued Assets</b>			<b>Total Capitalization.....</b>		
Cash.....	6,526,467.04	7,309,707.11		<u>2,200,276,570.79</u>	<u>2,099,146,331.62</u>
Special Deposits.....	694,352.78	1,034,019.13	<b>Current and Accrued Liabilities</b>		
Temporary Cash Investments.....	119.71	119.71	ST Notes Payable to Associated Companies.....	118,326,400.00	163,033,400.00
Accounts Receivable-Less Reserve.....	157,954,307.83	126,157,572.25	Accounts Payable.....	84,988,459.47	63,243,550.61
Accounts Receivable from Associated Companies....	22,334,304.00	8,926,115.46	Accounts Payable to Associated Companies.....	18,509,327.38	19,560,554.36
Materials and Supplies-At Average Cost			Customer Deposits.....	24,270,260.87	20,842,672.59
Fuel.....	62,977,241.54	56,357,995.16	Taxes Accrued.....	34,501,171.40	26,561,046.08
Plant Materials and Operating Supplies.....	29,209,716.40	29,102,632.40	Interest Accrued.....	2,386,121.71	3,080,274.77
Stores Expense.....	4,798,275.05	4,090,946.84	Miscellaneous Current and Accrued Liabilities.....	<u>19,448,952.37</u>	<u>22,701,758.56</u>
Gas Stored Underground.....	48,929,595.86	50,261,856.30	Total.....	<u>302,430,693.20</u>	<u>319,023,256.97</u>
Allowance Inventory.....	3,240.25	4,668.62	<b>Deferred Credits and Other</b>		
Prepayments.....	5,872,425.02	4,587,589.01	Accumulated Deferred Income Taxes.....	442,364,833.95	416,101,661.21
Miscellaneous Current and Accrued Assets.....	<u>2,274,436.12</u>	<u>4,537,414.56</u>	Investment Tax Credit.....	46,358,500.13	50,135,877.67
Total.....	<u>341,574,481.60</u>	<u>292,370,636.55</u>	Regulatory Liabilities.....	51,689,278.97	96,491,351.85
			Customer Advances for Construction.....	8,623,967.39	9,780,062.58
<b>Deferred Debits and Other</b>			Asset Retirement Obligations.....	34,383,418.56	33,476,583.62
Unamortized Debt Expense.....	3,729,929.61	3,916,066.62	Other Deferred Credits.....	26,842,521.07	35,228,474.29
Unamortized Loss on Bonds.....	22,338,661.25	23,530,331.18	Miscellaneous Long-Term Liabilities.....	56,538,247.45	40,252,451.25
Accumulated Deferred Income Taxes.....	52,250,170.26	61,605,529.46	Accum Provision for Postretirement Benefits.....	<u>177,167,570.21</u>	<u>215,627,563.46</u>
Deferred Regulatory Assets.....	328,198,136.08	321,416,621.31	Total.....	<u>843,968,337.73</u>	<u>897,094,025.93</u>
Other Deferred Debits.....	<u>575,187.76</u>	<u>1,501,260.56</u>	Total Liabilities and Stockholders' Equity.....	<u>3,346,675,601.72</u>	<u>3,315,263,614.52</u>
Total.....	<u>407,092,084.96</u>	<u>411,969,809.13</u>			
Total Assets.....	<u>3,346,675,601.72</u>	<u>3,315,263,614.52</u>			

September 23, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**August 31, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	
				Capital	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			(14,616,475.40)		
Retained Earnings.....			810,873,011.74		
 Total Proprietary Capital.....			1,304,172,570.79	56.25	59.27
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	24.77	26.10
<b>Less: Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.04)	(7.42)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.73	18.68
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	20.92	22.05
Total Capitalization.....			2,200,276,570.79	94.90	100.00
Short-Term Notes Payable to Associated Companies.....			118,326,400.00	5.10	
Total Capitalization and Short-Term Debt.....			2,318,602,970.79	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,606,776,233.47	4,606,776,233.47
Reserves for Depreciation and Amortization.....		(2,029,983,137.15)
Depreciation of Plant		
Electric.....	(1,698,014,652.19)	
Gas.....	(228,973,757.89)	
Common.....	(88,247,714.76)	
Amortization of Plant		
Common.....	(14,746,112.31)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		21,215,938.84
Special Funds.....	20,609,773.64	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	6,526,467.04	6,526,467.04
Special Deposits.....		694,352.78
Other Special Deposits.....	694,352.78	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		157,954,307.83
Customers - Active.....	77,239,528.06	
Unbilled Revenues.....	71,150,000.00	
Sundry Accounts Receivable.....	3,590,985.92	
IMPA.....	2,241,106.44	
IMEA.....	2,180,668.81	
Wholesale Sales.....	835,063.96	
Damage Claims.....	563,463.73	
Transmission Sales.....	455,339.44	
Electricity Swaps.....	324,701.56	
Other.....	1,887,520.69	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	4,472,367.38	
A/R Miscellaneous.....	(680,289.78)	
Recoveries.....	(838,551.21)	
Reserve.....	(1,833,781.00)	
Accrual.....	(3,633,816.17)	
Accounts Receivable from Associated Companies.....		22,334,304.00
E.ON US Services/Kentucky Utilities Company.....	22,334,304.00	
Fuel.....		62,977,241.54
Coal 1,546,949.01 Tons @ \$40.38; MMBtu 35,035,195.35 @ 178.30¢.....	62,466,312.64	
Fuel Oil 267,280.00 Gallons @ 179.52¢.....	479,829.06	
Gas Pipeline 5,400.00 Mcf @ \$5.76.....	31,099.84	
Plant Materials and Operating Supplies.....		29,209,716.40
Regular Materials and Supplies.....	28,820,688.92	
Limestone 51,566.00 Tons @ \$7.54.....	389,027.48	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,798,275.05	4,798,275.05
Gas Stored Underground - Current.....		48,929,595.86
Gas St. Underground* 9,485,676.00 Mcf (14.73 psia) @ \$5.16.....	48,929,595.86	
Allowance Inventory.....	3,240.25	3,240.25
Prepayments.....		5,872,425.02
Insurance.....	2,571,675.50	
Taxes.....	1,610,969.04	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Franchises.....	67,815.16	
Other.....	1,291,965.28	
Miscellaneous Current Assets.....		2,274,436.12
Derivative Asset - Non-Hedging.....	2,274,436.12	
Unamortized Debt Expense.....		3,729,929.61
Trimble County 2000 Series A due 08/01/30 Var%.....	770,921.80	
Jefferson County 2001 Series A due 09/01/26 Var%.....	158,780.34	
Jefferson County 2001 Series A due 09/01/27 Var%.....	346,672.48	
Trimble County 2001 Series A due 09/01/26 Var%.....	172,639.80	
Jefferson County 2001 Series B due 11/01/27 Var%.....	188,751.78	
Trimble County 2001 Series B due 11/01/27 Var%.....	188,782.74	
Trimble County 2002 Series A due 10/01/32 Var%.....	821,972.81	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,081,407.86	
Unamortized Loss on Bonds.....	22,338,661.25	22,338,661.25
Accumulated Deferred Income Taxes.....		52,250,170.26
Federal		
Electric.....	40,780,807.81	
Gas.....	3,485,033.17	
State		
Electric.....	7,325,522.82	
Gas.....	658,806.46	
Regulatory Assets.....		328,198,136.08
Pension and Postretirement Benefits.....	204,123,304.00	
2009 Winter Storm.....	43,473,071.17	
Asset Retirement Obligations		
Electric.....	22,583,138.57	
Gas.....	8,445,759.19	
Common.....	27,422.67	
2008 Wind Storm.....	23,344,163.35	
Swap Termination.....	9,281,856.34	
Fuel Adjustment Clause.....	7,209,000.00	
Gas Supply Clause/PBR.....	3,127,734.50	
Rate Case Expenses.....	1,774,020.96	
MISO Exit Fee.....	1,759,411.90	
Environmental Cost Recovery.....	1,409,012.00	
KCCS Funding.....	859,747.99	
EKPC FERC Transmission Costs.....	593,503.44	
CMRG Funding.....	186,990.00	
Other Deferred Debits.....	575,187.76	575,187.76
Total Assets.....	<u>3,346,675,601.72</u>	<u>3,346,675,601.72</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		1,304,172,570.79
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Other Comprehensive Income.....	(14,616,475.40)	
Retained Earnings.....	810,873,011.74	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	118,326,400.00	118,326,400.00
Accounts Payable.....		84,988,459.47
Regular.....	83,124,609.13	
Salaries and Wages Accrued.....	1,830,475.29	
Employee Withholdings Payable.....	33,375.05	
Accounts Payable to Associated Companies.....		18,509,327.38
E.ON US Services/Kentucky Utilities Company.....	11,699,626.82	
Interest payable to Fidelity.....	6,809,700.56	
Customers' Deposits.....	24,270,260.87	24,270,260.87
Taxes Accrued.....	34,501,171.40	34,501,171.40
Interest Accrued.....		2,386,121.71
Jefferson County 2000 Series A due 05/01/27 5.375%.....	447,916.67	
Trimble County 2000 Series A due 08/01/30 Var%.....	34,433.59	
Jefferson County 2001 Series A due 09/01/26 Var%.....	33,287.70	
Jefferson County 2001 Series A due 09/01/27 Var%.....	87.36	
Trimble County 2001 Series A due 09/01/26 Var%.....	9,530.81	
Jefferson County 2001 Series B due 11/01/27 Var%.....	6,213.67	
Trimble County 2001 Series B due 11/01/27 Var%.....	1,294.79	
Trimble County 2002 Series A due 10/01/32 Var%.....	24,091.50	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	185,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	435,937.50	
Trimble County 2007 Series A due 06/01/33 4.600%.....	690,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.02	
Interest Rate Swaps.....	266,529.41	
Customers' Deposits.....	222,978.84	
Other.....	28,541.99	
Miscellaneous Current and Accrued Liabilities.....		19,448,952.37
Vacation Pay Accrued.....	5,837,962.14	
Customer Overpayments.....	3,870,879.39	
Postretirement Benefits - Current.....	3,411,766.00	
No-Notice Gas Payable.....	1,622,712.97	
Derivative Liabilities - Non-Hedging.....	1,584,378.48	
Unearned Revenue.....	1,559,525.39	
Tax Collections Payable.....	991,893.01	
Other.....	569,834.99	

September 23, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		442,364,833.95
Federal		
Electric.....	326,912,914.50	
Gas.....	50,689,088.84	
State		
Electric.....	56,467,066.20	
Gas.....	8,295,764.41	
Investment Tax Credit.....		46,358,500.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	21,868,733.98	
Gas.....	739,766.15	
Regulatory Liabilities.....		51,689,278.97
Deferred Taxes		
Federal		
Electric.....	17,204,589.06	
Gas.....	1,224,982.90	
State		
Electric.....	15,773,589.62	
Gas.....	2,453,204.09	
Gas Supply Clause/PBR.....	6,449,817.57	
DSM Cost Recovery.....	4,940,747.48	
MISO Schedule 10 Charges.....	251,811.01	
Asset Retirement Obligations		
Gas.....	2,380,656.75	
Electric.....	763,798.03	
Purchased Gas Adjustment - Texas Gas.....	246,082.46	
Customers' Advances for Construction.....		8,623,967.39
Line Extensions		
Gas.....	6,947,691.97	
Electric.....	684,922.64	
Customer Advances - Museum Plaza.....	694,352.78	
Other.....	297,000.00	
Asset Retirement Obligations		34,383,418.56
Electric.....	25,784,525.23	
Gas.....	8,568,992.32	
Common.....	29,901.01	
Other Deferred Credits.....	26,842,521.07	26,842,521.07
Miscellaneous Long-Term Liabilities.....		56,538,247.45
Long-Term Derivative Liabilities - SFAS 133.....	52,395,060.00	
Workers' Compensation.....	4,143,187.45	
Accumulated Provision for Benefits.....		177,167,570.21
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	77,382,529.21	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,346,675,601.72</u>	<u>3,346,675,601.72</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**August 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	85,594,145.50	46,283,856.36
Items not requiring (providing) cash currently:		
Depreciation.....	87,086,930.22	85,357,163.28
Amortization.....	5,212,498.44	5,143,795.86
Deferred income taxes - net.....	19,605,513.94	2,769,687.91
Investment tax credit - net.....	(1,667,850.00)	(213,192.46)
Other.....	41,678,407.23	(4,435,218.36)
Change in receivables.....	(32,593,220.02)	69,084,526.27
Change in inventory.....	3,995,690.95	55,068,785.74
Change in allowance inventory.....	930.75	1,291.59
Change in payables and accrued expenses.....	(23,388,798.13)	(62,864,776.61)
Change in regulatory assets.....	(8,208,041.37)	(4,176,944.48)
Change in regulatory liabilities.....	(33,217,929.61)	40,225,120.69
Change in other deferred debits.....	(32,643.26)	40,114,836.54
Change in other deferred credits.....	18,860,035.39	(8,423,542.16)
Other.....	(36,765,319.39)	(5,971,169.47)
Gain on disposal of assets.....	(33,760.40)	(24,480.98)
Net cash provided (used) by operating activities.....	<u>126,126,590.24</u>	<u>257,939,739.72</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(35,965,272.45)	(110,790,222.38)
Gross additions to common utility plant - construction expenditures.....	(7,044,224.75)	(8,898,720.80)
Change in restricted cash.....	-	-
Proceeds received from sale of property.....	33,760.40	24,480.98
Change in long-term investments.....	-	-
Change in other special funds.....	-	-
Change in non-hedging derivatives.....	280,813.69	3,924,889.96
Net cash provided (used) by investing activities.....	<u>(42,694,923.11)</u>	<u>(115,739,572.24)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.76)	(212,379.03)
Net change in short-term debt.....	(52,074,000.00)	(58,965,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Dividends on common stock.....	(30,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(82,100,566.76)</u>	<u>(139,201,829.03)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	1,331,100.37	2,998,338.45
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>6,526,586.75</u></u>	<u><u>7,309,826.82</u></u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$7 million and an increase to cash flows from investing of \$7 million.

September 23, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**August 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.17	111,979.17	895,833.24	895,833.36	1,343,749.92	1,030,210.43
Trimble County 2000 Series A due 08/01/30 Var%.....	30,498.30	27,361.66	268,246.10	216,717.32	346,303.18	815,213.11
Jefferson County 2001 Series A due 09/01/26 Var%.....	19,109.60	16,674.66	108,924.67	173,519.56	174,113.03	309,695.61
Jefferson County 2001 Series A due 09/01/27 Var%.....	3,866.17	2,694.39	31,423.43	31,503.74	38,844.44	99,005.76
Trimble County 2001 Series A due 09/01/26 Var%.....	13,750.01	21,020.55	115,703.44	214,603.43	198,429.48	381,040.82
Jefferson County 2001 Series B due 11/01/27 Var%.....	40,229.86	35,671.23	242,117.47	251,362.55	360,494.18	455,639.27
Trimble County 2001 Series B due 11/01/27 Var%.....	40,254.77	35,671.23	243,302.66	251,362.55	361,679.35	455,639.27
Trimble County 2002 Series A due 10/01/32 Var%.....	21,338.19	12,125.09	227,856.56	141,388.20	263,596.01	503,815.65
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(43,272.48)	43,272.48	(731,584.90)
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.67	191,666.67	1,533,333.23	1,533,333.35	2,299,999.91	1,763,333.36
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	145,312.50	1,162,499.95	1,162,500.00	1,743,749.95	1,336,875.02
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	1,840,000.00	1,840,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	678,250.50	588,671.42	5,501,689.30	4,938,741.09	7,494,678.36	6,486,242.04
Notes/Debentures.....	-	-	-	-	-	-
Fidelia.....	2,220,149.99	2,220,149.99	17,761,200.02	17,761,200.11	26,641,800.05	25,912,800.11
<b>Total.....</b>	<b>3,746,405.73</b>	<b>3,633,589.50</b>	<b>29,932,130.07</b>	<b>29,368,792.77</b>	<b>44,070,710.34</b>	<b>41,577,925.54</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,546.83	15,517.65	124,232.19	123,792.17	186,304.30	185,443.25
Amortization of Loss on Reacquired Debt.....	101,002.98	108,715.04	807,238.81	868,456.38	1,218,278.36	1,424,129.20
<b>Total.....</b>	<b>116,549.81</b>	<b>124,232.69</b>	<b>931,471.00</b>	<b>992,248.55</b>	<b>1,404,582.66</b>	<b>1,609,572.45</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	108,831.84	49,338.43	926,621.72	729,735.03	1,556,409.57	1,107,364.86
Other Tax Deficiencies.....	-	-	7,469.00	-	(7,411.00)	(4,333.00)
Interest on DSM Cost Recovery.....	968.14	4,163.68	17,388.29	50,097.91	95,355.96	91,777.00
Interest on Debt to Associated Companies .....	28,309.68	40,247.62	213,237.61	560,907.93	326,627.88	3,798,494.47
Other Interest Expense.....	12,226.62	63,957.45	565,600.30	436,385.55	752,725.13	1,625,481.42
<b>Total.....</b>	<b>150,336.28</b>	<b>157,707.18</b>	<b>1,730,316.92</b>	<b>1,777,126.42</b>	<b>2,723,707.54</b>	<b>6,618,784.75</b>
<b>Total Interest.....</b>	<b>4,013,291.82</b>	<b>3,915,529.37</b>	<b>32,593,917.99</b>	<b>32,138,167.74</b>	<b>48,199,000.54</b>	<b>49,806,282.74</b>

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
August 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	9,780,735.48	11,752,044.30
Unemployment.....	3,532.50	3,061.55	128,591.15	121,252.28
FICA.....	577,611.86	538,783.58	4,735,849.40	4,643,715.32
Public Service Commission Fee.....	161,096.90	161,675.42	1,292,246.34	1,268,566.95
Federal Income.....	11,783,267.74	5,703,436.31	31,011,267.25	11,498,631.42
State Income.....	2,148,924.21	1,003,608.09	3,803,803.82	2,742,183.96
Miscellaneous.....	-	-	27,356.53	33,162.15
<b>Total Charged to Operating Expense.....</b>	<b>15,897,179.31</b>	<b>8,867,323.84</b>	<b>50,779,849.97</b>	<b>32,059,556.38</b>
Taxes Charged to Other Accounts.....	1,258,183.53	559,145.77	(748,142.83)	8,869,699.73
Taxes Accrued on Intercompany Accounts.....	(234,840.52)	(206,073.29)	(1,935,004.17)	(1,709,816.57)
<b>Total Taxes Charged.....</b>	<b>16,920,522.32</b>	<b>9,220,396.32</b>	<b>48,096,702.97</b>	<b>39,219,439.54</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	10,010,041.69	11,271,180.42	9,801,551.50
Unemployment.....	42,164.99	99,476.93	140,189.54	1,452.38
FICA.....	455,753.32	4,134,064.27	4,162,742.71	427,074.88
Federal Income.....	13,896,876.99	28,101,590.87	17,728,139.00	24,270,328.86
State Income.....	632,003.78	3,279,463.71	4,332,391.00	(420,923.51)
Kentucky Sales and Use Tax.....	625,517.98	2,366,542.36	2,588,561.75	403,498.59
Miscellaneous.....	14,799.84	105,523.14	102,134.28	18,188.70
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>48,096,702.97</b>	<b>40,325,338.70</b>	<b>34,501,171.40</b>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**August 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	10,675,100.80	(208,766.53)	-	10,466,334.27	173,607,804.53
Common Intangible Plant	61,656,665.49	4,067,056.72	(8,744,985.48)	-	(4,677,928.76)	56,978,736.73
	<u>224,798,135.75</u>	<u>14,742,157.52</u>	<u>(8,953,752.01)</u>	<u>-</u>	<u>5,788,405.51</u>	<u>230,586,541.26</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	58,054,054.83	(3,882,991.32)	-	54,171,063.51	912,083,980.74
Electric General Plant	16,833,253.13	628,313.65	(333,018.93)	-	295,294.72	17,128,547.85
Electric Hydro Production	41,579,243.41	28,599.70	-	-	28,599.70	41,607,843.11
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,463,843.58)	(184,810.14)	-	(1,648,653.72)	229,601,150.27
Electric Steam Production	1,894,640,479.32	15,816,698.11	(3,457,101.33)	(104,078.14)	12,255,518.64	1,906,895,997.96
Electric Transmission	241,991,713.86	6,309,115.97	(844,401.25)	-	5,464,714.72	247,456,428.58
	<u>3,284,209,751.23</u>	<u>79,372,938.68</u>	<u>(8,702,322.97)</u>	<u>(104,078.14)</u>	<u>70,566,537.57</u>	<u>3,354,776,288.80</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	6,193,594.46	(109,820.49)	-	6,083,773.97	535,182,088.48
Gas General Plant	9,014,996.97	304,307.02	(175,317.51)	-	128,989.51	9,143,986.48
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	5,587,064.58	(673,605.82)	-	4,913,458.76	69,851,081.63
Gas Transmission	13,658,203.76	1,126,642.68	(4,151.17)	-	1,122,491.51	14,780,695.27
	<u>616,710,325.60</u>	<u>13,211,608.74</u>	<u>(962,894.99)</u>	<u>-</u>	<u>12,248,713.75</u>	<u>628,959,039.35</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>107,326,704.94</u>	<u>(18,618,969.97)</u>	<u>(104,078.14)</u>	<u>88,603,656.83</u>	<u>4,214,321,869.41</u>
<b>102 Plant Purchased &amp; Sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 102001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**August 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	265,181.22	226,472.72	-	-	226,472.72	491,653.94
Common Intangible Plant	971,026.53	172,880.22	-	-	172,880.22	1,143,906.75
	<u>1,236,207.75</u>	<u>399,352.94</u>	<u>-</u>	<u>-</u>	<u>399,352.94</u>	<u>1,635,560.69</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(22,616,209.48)	-	-	(22,616,209.48)	12,128,827.19
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	18,191.33	-	-	18,191.33	18,191.33
Electric Steam Production	9,240,272.74	2,134,136.09	-	-	2,134,136.09	11,374,408.83
Electric Transmission	976,044.41	34,201,965.08	-	-	34,201,965.08	35,178,009.49
	<u>44,978,306.08</u>	<u>13,738,083.02</u>	<u>-</u>	<u>-</u>	<u>13,738,083.02</u>	<u>58,716,389.10</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	9,497,978.03	-	-	9,497,978.03	24,880,907.30
Gas General Plant	211,426.16	(100,322.53)	-	-	(100,322.53)	111,103.63
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	979,867.63	-	-	979,867.63	4,766,416.07
Gas Transmission	1,221,215.37	602,632.10	-	-	602,632.10	1,823,847.47
	<u>20,602,119.24</u>	<u>10,980,155.23</u>	<u>-</u>	<u>-</u>	<u>10,980,155.23</u>	<u>31,582,274.47</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>25,117,591.19</u>	<u>-</u>	<u>-</u>	<u>25,117,591.19</u>	<u>91,934,224.26</u>
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	(8,097,285.71)	-	-	(8,097,285.71)	7,670,138.89
Electric	299,585,079.65	(36,120,580.87)	-	-	(36,120,580.87)	263,464,498.78
Gas	26,774,033.33	(4,286,019.10)	-	-	(4,286,019.10)	22,488,014.23
	<u>342,126,537.58</u>	<u>(48,503,885.68)</u>	<u>-</u>	<u>-</u>	<u>(48,503,885.68)</u>	<u>293,622,651.90</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>132,370,219.85</u>	<u>(18,618,969.97)</u>	<u>(104,078.14)</u>	<u>113,647,171.74</u>	<u>4,313,228,821.13</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>83,866,334.17</u>	<u>(18,618,969.97)</u>	<u>(104,078.14)</u>	<u>65,143,286.06</u>	<u>4,606,851,473.03</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>83,866,334.17</u>	<u>(18,618,969.97)</u>	<u>(104,078.14)</u>	<u>65,143,286.06</u>	<u>4,606,776,233.47</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**August 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(9,380,681.09)	208,766.53	-	-	-	-	-	(87,873,915.82)
Common General Plant - ARO	(1,233.92)	(22.88)	-	-	-	-	-	-	(1,256.80)
Electric Distribution	(266,380,666.38)	(11,072,833.58)	3,882,991.32	-	-	-	-	-	(273,570,508.64)
Electric Distribution - ARO	(13,162.72)	(244.08)	-	-	-	-	-	-	(13,406.80)
Electric General Plant	(14,148,434.81)	(477,806.39)	333,018.93	(376.55)	-	-	-	-	(14,293,598.82)
Electric Hydro Production	(9,163,030.01)	(370,156.17)	-	-	-	-	-	-	(9,533,186.18)
Electric Hydro Production - ARO	(17,810.24)	(330.72)	-	-	-	-	-	-	(18,140.96)
Electric Other Production	(52,372,728.97)	(5,392,904.25)	184,810.14	-	-	-	-	-	(57,580,823.08)
Electric Other Production - ARO	(89,318.48)	(1,656.40)	-	-	-	-	-	-	(90,974.88)
Electric Steam Production	(982,038,024.91)	(34,703,907.35)	3,635,255.75	25,000.00	-	-	-	-	(1,013,081,676.51)
Electric Steam Production - ARO	(2,543,436.73)	(108,976.42)	-	-	-	-	-	-	(2,652,413.15)
Electric Transmission	(116,058,916.84)	(2,576,418.03)	844,401.25	-	-	-	-	-	(117,790,933.62)
Electric Transmission - ARO	(667.12)	(12.40)	-	-	-	-	-	-	(679.52)
Gas Distribution	(116,733,622.42)	(7,329,331.80)	109,820.49	-	-	-	-	-	(123,953,133.73)
Gas Distribution - ARO	(20,380.45)	(213.36)	-	-	-	-	-	-	(20,593.81)
Gas General Plant	(6,508,855.59)	(297,022.51)	175,317.51	-	-	-	-	-	(6,630,560.59)
Gas Storage	(32,226,220.17)	(680,620.55)	673,605.82	-	-	-	-	-	(32,233,234.90)
Gas Storage - ARO	(402,273.17)	(5,661.76)	-	-	-	-	-	-	(407,934.93)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(34,160.95)	4,151.17	-	-	-	-	-	(9,432,840.47)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(72,432,960.69)</u>	<u>10,052,138.91</u>	<u>24,623.45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,749,243,173.57)</u>
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(179,063.75)	-	-	-	138,043.56	-	-	(626,822.95)
Electric Distribution	(148,701,260.29)	(4,368,350.91)	-	-	-	6,570,420.67	-	-	(146,499,190.53)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(28,107.81)	-	-	-	-	-	-	750,962.86
Electric Other Production	(2,157,721.68)	(231,508.84)	-	-	-	-	-	-	(2,389,230.52)
Electric Steam Production	(80,852,537.28)	(9,533,832.94)	(176,793.52)	(25,000.00)	-	588,400.20	-	-	(89,999,763.54)
Electric Transmission	(23,685,015.10)	(805,571.03)	-	-	-	407,138.23	-	-	(24,083,447.90)
Gas Distribution	(57,352,410.28)	(2,061,037.01)	-	-	-	71,103.70	-	-	(59,342,343.59)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(80,103.79)	-	-	-	110,970.16	-	-	(197,579.21)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(8,440.94)	-	-	-	9,441.55	-	-	(3,022,911.76)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(17,296,017.02)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>7,895,518.07</u>	<u>-</u>	<u>-</u>	<u>(325,406,460.52)</u>

September 23, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**August 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	218.23	-	-	-	-	-	-	277,946.79
Electric Distribution	16,492,540.88	878,940.48	-	-	-	-	(49,427.48)	-	17,322,053.88
Electric General Plant	136,014.35	1,508.42	-	-	-	-	-	-	137,522.77
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,200,543.74	(1,360.90)	-	-	-	-	-	21,472,530.19
Electric Transmission	6,103,126.31	155,372.97	-	-	-	-	(97,323.91)	-	6,161,175.37
Gas Distribution	3,410,835.14	128,151.31	-	-	-	-	-	-	3,538,986.45
Gas General Plant	223,852.64	1,274.51	-	-	-	-	-	-	225,127.15
Gas Storage	252,727.30	11,509.36	-	-	-	-	(63.60)	-	264,173.06
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	3,165.35	-	-	-	-	-	-	216,281.14
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>2,380,684.37</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,814.99)</u>	<u>-</u>	<u>49,973,436.30</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(9,559,549.49)	208,766.53	-	-	138,043.56	-	-	(88,287,409.14)
Electric	(1,654,077,125.86)	(67,436,251.71)	8,702,322.97	(376.55)	-	7,565,959.10	(146,751.39)	-	(1,705,392,223.44)
Gas	(221,798,419.87)	(10,352,492.14)	962,894.99	-	-	191,515.41	(63.60)	-	(230,996,565.21)
	<u>(1,954,950,215.47)</u>	<u>(87,348,293.34)</u>	<u>9,873,984.49</u>	<u>(376.55)</u>	<u>-</u>	<u>7,895,518.07</u>	<u>(146,814.99)</u>	<u>-</u>	<u>(2,024,676,197.79)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(42,163.78)	(138,043.56)	9,133,002.97	(44,327.00)	5,000.00	(23,665.98)
Electric	18,980,726.37	-	-	214,115.87	(7,419,207.71)	(4,194,585.19)	(331,508.90)	124,196.76	7,373,737.20
Gas	1,284,007.95	-	-	40,339.28	(191,451.81)	915,814.30	(12,964.33)	(9,104.02)	2,026,641.37
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(7,748,703.08)</u>	<u>5,854,232.08</u>	<u>(388,800.23)</u>	<u>120,092.74</u>	<u>9,376,712.59</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(87,348,293.34)</u>	<u>9,873,984.49</u>	<u>211,914.82</u>	<u>(7,748,703.08)</u>	<u>13,749,750.15</u>	<u>(535,615.22)</u>	<u>120,092.74</u>	<u>(2,015,299,485.20)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(5,212,498.44)	8,744,985.48	-	-	-	-	-	(14,746,112.31)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(5,212,498.44)</u>	<u>8,744,985.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,747,012.31)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(92,560,791.78)</u>	<u>18,618,969.97</u>	<u>211,914.82</u>	<u>(7,748,703.08)</u>	<u>13,749,750.15</u>	<u>(535,615.22)</u>	<u>120,092.74</u>	<u>(2,030,046,497.51)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,029,983,137.15)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,576,793,096.32</u>

September 23, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - September 30, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

September 30, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**September 30, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	78,289,808.76	77,199,254.83	1,090,553.93	1.41
Gas Operating Revenues.....	11,720,038.06	9,841,989.12	1,878,048.94	19.08
<b>Total Operating Revenues.....</b>	<b>90,009,846.82</b>	<b>87,041,243.95</b>	<b>2,968,602.87</b>	<b>3.41</b>
Fuel for Electric Generation.....	32,175,696.63	26,725,530.10	5,450,166.53	20.39
Power Purchased.....	3,567,377.67	2,785,101.07	782,276.60	28.09
Gas Supply Expenses.....	4,275,545.62	3,371,072.45	904,473.17	26.83
Other Operation Expenses.....	20,487,061.23	18,572,774.74	1,914,286.49	10.31
Maintenance.....	7,874,582.26	(34,675,170.65)	42,549,752.91	122.71
Depreciation.....	11,352,742.53	10,849,012.57	503,729.96	4.64
Amortization Expense.....	622,759.42	702,546.82	(79,787.40)	(11.36)
Regulatory Credits.....	(1,813,934.34)	(188,798.02)	(1,625,136.32)	(860.78)
Taxes				
Federal Income.....	(6,683,028.40)	(3,397,548.55)	(3,285,479.85)	(96.70)
State Income.....	(1,354,225.08)	(168,603.06)	(1,185,622.02)	(703.20)
Deferred Federal Income - Net.....	7,130,807.58	29,621,466.01	(22,490,658.43)	(75.93)
Deferred State Income - Net.....	1,489,773.74	4,637,955.61	(3,148,181.87)	(67.88)
Property and Other.....	1,940,595.20	2,216,448.95	(275,853.75)	(12.45)
Investment Tax Credit.....	-	769,517.00	(769,517.00)	(100.00)
Amortization of Investment Tax Credit.....	(208,481.00)	(254,733.84)	46,252.84	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	1,334,111.60	166,387.93	1,167,723.67	701.81
<b>Total Operating Expenses.....</b>	<b>82,191,384.66</b>	<b>61,732,959.13</b>	<b>20,458,425.53</b>	<b>33.14</b>
Net Operating Income.....	7,818,462.16	25,308,284.82	(17,489,822.66)	(69.11)
Other Income Less Deductions.....	17,112,550.25	8,535,652.67	8,576,897.58	100.48
<b>Income Before Interest Charges.....</b>	<b>24,931,012.41</b>	<b>33,843,937.49</b>	<b>(8,912,925.08)</b>	<b>(26.34)</b>
Interest on Long-Term Debt.....	3,263,942.70	3,673,241.51	(409,298.81)	(11.14)
Amortization of Debt Expense - Net.....	116,549.81	124,243.96	(7,694.15)	(6.19)
Other Interest Expenses.....	263,856.54	225,569.89	38,286.65	16.97
<b>Total Interest Charges.....</b>	<b>3,644,349.05</b>	<b>4,023,055.36</b>	<b>(378,706.31)</b>	<b>(9.41)</b>
<b>Net Income.....</b>	<b>21,286,663.36</b>	<b>29,820,882.13</b>	<b>(8,534,218.77)</b>	<b>(28.62)</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	775,492,907.17	711,503,260.60	63,989,646.57	8.99
Gas Operating Revenues.....	201,229,558.27	275,929,785.10	(74,700,226.83)	(27.07)
<b>Total Operating Revenues.....</b>	<b>976,722,465.44</b>	<b>987,433,045.70</b>	<b>(10,710,580.26)</b>	<b>(1.08)</b>
Fuel for Electric Generation.....	277,395,215.56	256,538,800.91	20,856,414.65	8.13
Power Purchased.....	40,858,584.94	43,049,414.00	(2,190,829.06)	(5.09)
Gas Supply Expenses.....	108,041,714.88	194,317,868.58	(86,276,153.70)	(44.40)
Other Operation Expenses.....	168,104,479.46	165,027,478.17	3,077,001.29	1.86
Maintenance.....	76,857,618.20	66,594,867.05	10,262,751.15	15.41
Depreciation.....	98,439,672.75	96,206,175.85	2,233,496.90	2.32
Amortization Expense.....	5,835,257.86	5,846,342.68	(11,084.82)	(0.19)
Regulatory Credits.....	(3,270,841.78)	(1,666,414.89)	(1,604,426.89)	(96.28)
Taxes				
Federal Income.....	24,328,238.85	8,101,082.87	16,227,155.98	200.31
State Income.....	2,449,578.74	2,573,580.90	(124,002.16)	(4.82)
Deferred Federal Income - Net.....	22,314,183.39	33,152,041.07	(10,837,857.68)	(32.69)
Deferred State Income - Net.....	5,911,911.87	3,877,068.46	2,034,843.41	52.48
Property and Other.....	17,905,374.10	20,035,189.95	(2,129,815.85)	(10.63)
Investment Tax Credit.....	-	2,594,189.98	(2,594,189.98)	(100.00)
Amortization of Investment Tax Credit.....	(1,876,331.00)	(2,292,599.28)	416,268.28	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	2,673,901.02	1,479,052.06	1,194,848.96	80.78
<b>Total Operating Expenses.....</b>	<b>845,934,098.70</b>	<b>895,367,864.30</b>	<b>(49,433,765.60)</b>	<b>(5.52)</b>
Net Operating Income.....	130,788,366.74	92,065,181.40	38,723,185.34	42.06
Other Income Less Deductions.....	12,330,709.16	20,200,780.19	(7,870,071.03)	(38.96)
<b>Income Before Interest Charges.....</b>	<b>143,119,075.90</b>	<b>112,265,961.59</b>	<b>30,853,114.31</b>	<b>27.48</b>
Interest on Long-Term Debt.....	33,196,072.77	33,042,034.28	154,038.49	0.47
Amortization of Debt Expense - Net.....	1,048,020.81	1,116,492.51	(68,471.70)	(6.13)
Other Interest Expenses.....	1,994,173.46	2,002,696.31	(8,522.85)	(0.43)
<b>Total Interest Charges.....</b>	<b>36,238,267.04</b>	<b>36,161,223.10</b>	<b>77,043.94</b>	<b>0.21</b>
<b>Net Income.....</b>	<b>106,880,808.86</b>	<b>76,104,738.49</b>	<b>30,776,070.37</b>	<b>40.44</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	983,354,338.54	978,948,961.49	4,405,377.05	0.45
Gas Operating Revenues.....	286,927,629.17	435,087,701.27	(148,160,072.10)	(34.05)
<b>Total Operating Revenues.....</b>	<b>1,270,281,967.71</b>	<b>1,414,036,662.76</b>	<b>(143,754,695.05)</b>	<b>(10.17)</b>
Fuel for Electric Generation.....	349,089,411.17	344,708,873.57	4,380,537.60	1.27
Power Purchased.....	56,239,440.77	87,858,005.05	(31,618,564.28)	(35.99)
Gas Supply Expenses.....	163,529,115.26	319,903,027.63	(156,373,912.37)	(48.88)
Other Operation Expenses.....	222,148,987.94	214,111,798.58	8,037,189.36	3.75
Maintenance.....	106,467,709.93	73,921,800.72	32,545,909.21	44.03
Depreciation.....	130,979,831.16	126,942,429.85	4,037,401.31	3.18
Amortization Expense.....	7,945,238.96	7,423,690.73	521,548.23	7.03
Regulatory Credits.....	(3,809,874.69)	(2,193,693.89)	(1,616,180.80)	(73.67)
Taxes				
Federal Income.....	41,499,726.50	28,798,517.36	12,701,209.14	44.10
State Income.....	3,769,525.84	6,532,889.33	(2,763,363.49)	(42.30)
Deferred Federal Income - Net.....	(2,512,278.36)	21,171,561.69	(23,683,840.05)	(111.87)
Deferred State Income - Net.....	3,485,692.43	73,768.81	3,411,923.62	4,625.16
Property and Other.....	21,414,725.16	25,298,589.18	(3,883,864.02)	(15.35)
Investment Tax Credit.....	1,055,156.02	4,548,189.98	(3,493,033.96)	(76.80)
Amortization of Investment Tax Credit.....	(2,627,838.72)	(3,219,279.87)	591,441.15	18.37
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,164,629.08	1,962,067.20	1,202,561.88	61.29
<b>Total Operating Expenses.....</b>	<b>1,101,804,738.31</b>	<b>1,257,775,961.86</b>	<b>(155,971,223.55)</b>	<b>(12.40)</b>
Net Operating Income.....	168,477,229.40	156,260,700.90	12,216,528.50	7.82
Other Income Less Deductions.....	5,236,330.25	(12,997,990.01)	18,234,320.26	140.29
<b>Income Before Interest Charges.....</b>	<b>173,713,559.65</b>	<b>143,262,710.89</b>	<b>30,450,848.76</b>	<b>21.26</b>
Interest on Long-Term Debt.....	43,661,411.53	42,204,201.08	1,457,210.45	3.45
Amortization of Debt Expense - Net.....	1,396,888.51	1,612,255.12	(215,366.61)	(13.36)
Other Interest Expenses.....	2,761,994.19	6,023,776.86	(3,261,782.67)	(54.15)
<b>Total Interest Charges.....</b>	<b>47,820,294.23</b>	<b>49,840,233.06</b>	<b>(2,019,938.83)</b>	<b>(4.05)</b>
<b>Net Income.....</b>	<b>125,893,265.42</b>	<b>93,422,477.83</b>	<b>32,470,787.59</b>	<b>34.76</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**September 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	810,873,011.74	706,445,527.55	755,278,866.24	740,161,671.19	736,266,409.68	722,843,931.85
Add:						
Net Income for Period.....	21,286,663.36	29,820,882.13	106,880,808.86	76,104,738.49	125,893,265.42	93,422,477.83
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	25,000,000.00	-	55,000,000.00	80,000,000.00	55,000,000.00	80,000,000.00
Balance at End of Period.....	807,159,675.10	736,266,409.68	807,159,675.10	736,266,409.68	807,159,675.10	736,266,409.68

October 26, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of September 30, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,644,050,008.98	4,595,052,943.54	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,023,632,803.62</u>	<u>1,996,213,056.94</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,620,417,205.36</u>	<u>2,598,839,886.60</u>	Paid-In Capital.....	83,581,499.00	83,432,855.00
			Other Comprehensive Income.....	-	(11,615,608.56)
			Retained Earnings.....	<u>807,159,675.10</u>	<u>736,266,409.68</u>
			Total Proprietary Capital.....	<u>1,315,075,709.55</u>	<u>1,232,418,191.57</u>
<b>Investments</b>			<b>Pollution Control Bonds - Net of Reacquired Bonds</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		411,104,000.00	411,104,000.00
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	<b>LT Notes Payable to Associated Companies.....</b>		
Special Funds.....	<u>21,152,872.82</u>	<u>15,717,611.22</u>		<u>485,000,000.00</u>	<u>485,000,000.00</u>
Total.....	<u>21,759,038.02</u>	<u>16,323,776.42</u>	<b>Total Long-Term Debt.....</b>		
				896,104,000.00	896,104,000.00
			<b>Total Capitalization.....</b>		
				<u>2,211,179,709.55</u>	<u>2,128,522,191.57</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	3,904,029.96	6,167,690.31	ST Notes Payable to Associated Companies.....	121,885,400.00	149,360,400.00
Special Deposits.....	694,666.13	1,034,918.24	Accounts Payable.....	83,374,445.21	59,486,716.83
Temporary Cash Investments.....	119.71	119.71	Accounts Payable to Associated Companies.....	38,853,764.01	27,019,133.50
Accounts Receivable - Less Reserve.....	131,282,221.86	115,442,292.72	Customer Deposits.....	24,435,083.96	22,659,269.41
Accounts Receivable from Associated Companies....	16,943,535.45	882,522.61	Taxes Accrued.....	20,358,882.40	14,517,301.87
Materials and Supplies - At Average Cost			Interest Accrued.....	3,555,639.55	3,935,452.83
Fuel.....	65,769,984.00	56,530,203.51	Miscellaneous Current and Accrued Liabilities.....	<u>20,902,601.42</u>	<u>17,876,979.83</u>
Plant Materials and Operating Supplies.....	29,786,478.70	29,292,414.41	Total.....	<u>313,365,816.55</u>	<u>294,855,254.27</u>
Stores Expense.....	4,860,767.32	4,121,801.13			
Gas Stored Underground.....	60,652,456.09	59,586,877.53			
Allowance Inventory.....	3,007.09	4,455.32			
Prepayments.....	4,911,746.03	4,361,743.91			
Miscellaneous Current and Accrued Assets.....	<u>1,807,657.91</u>	<u>1,366,935.66</u>			
Total.....	<u>320,616,670.25</u>	<u>278,791,975.06</u>	<b>Deferred Credits and Other</b>		
			Accumulated Deferred Income Taxes.....	459,200,169.51	439,349,468.13
			Investment Tax Credit.....	46,150,019.13	50,650,660.83
<b>Deferred Debits and Other</b>			Regulatory Liabilities.....	51,562,025.10	94,758,124.48
Unamortized Debt Expense.....	3,714,382.80	3,900,548.98	Customer Advances for Construction.....	8,229,472.91	9,353,904.50
Unamortized Loss on Bonds.....	22,237,658.30	23,421,604.90	Asset Retirement Obligations.....	64,974,252.91	32,975,218.26
Accumulated Deferred Income Taxes.....	46,431,887.66	60,024,074.99	Other Deferred Credits.....	28,608,492.59	38,239,321.91
Deferred Regulatory Assets.....	378,525,174.50	364,917,825.21	Miscellaneous Long-Term Liabilities.....	54,476,525.20	42,868,610.01
Other Deferred Debits.....	<u>1,197,806.18</u>	<u>980,625.26</u>	Accum Provision for Postretirement Benefits.....	<u>177,153,339.62</u>	<u>215,627,563.46</u>
Total.....	<u>452,106,909.44</u>	<u>453,244,679.34</u>	Total.....	<u>890,354,296.97</u>	<u>923,822,871.58</u>
<b>Total Assets.....</b>	<u><u>3,414,899,823.07</u></u>	<u><u>3,347,200,317.42</u></u>	<b>Total Liabilities and Stockholders' Equity.....</b>	<u><u>3,414,899,823.07</u></u>	<u><u>3,347,200,317.42</u></u>

October 26, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**September 30, 2010**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	
				Capital	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			807,159,675.10		
 Total Proprietary Capital.....			1,315,075,709.55	56.37	59.47
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			574,304,000.00	24.62	25.97
<b>Less: Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			(163,200,000.00)	(7.00)	(7.38)
Total Pollution Control Bonds - Net of Reacquired Bonds.....			411,104,000.00	17.62	18.59
Long-Term Notes Payable to Associated Companies.....			485,000,000.00	20.79	21.94
Total Capitalization.....			2,211,179,709.55	94.78	100.00
Short-Term Notes Payable to Associated Companies.....			121,885,400.00	5.22	
Total Capitalization and Short-Term Debt.....			2,333,065,109.55	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,644,050,008.98	4,644,050,008.98
Reserves for Depreciation and Amortization.....		(2,023,632,803.62)
Depreciation of Plant		
Electric.....	(1,703,775,496.50)	
Gas.....	(229,760,770.54)	
Common.....	(74,726,764.85)	
Amortization of Plant		
Common.....	(15,368,871.73)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		21,759,038.02
Special Funds.....	21,152,872.82	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	3,904,029.96	3,904,029.96
Special Deposits.....		694,666.13
Other Special Deposits.....	694,666.13	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		131,282,221.86
Customers - Active.....	70,581,176.29	
Unbilled Revenues.....	51,256,850.00	
Sundry Accounts Receivable.....	5,493,233.05	
IMPA.....	2,498,049.88	
IMEA.....	2,451,896.56	
Wholesale Sales.....	785,492.13	
Damage Claims.....	628,102.65	
Transmission Sales.....	480,404.27	
Electricity Swaps.....	80,222.99	
Other.....	(352,530.63)	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	4,977,580.68	
A/R Miscellaneous.....	(715,758.33)	
Recoveries.....	(985,601.50)	
Reserve.....	(1,904,917.00)	
Accrual.....	(3,991,979.18)	
Accounts Receivable from Associated Companies.....		16,943,535.45
E.ON US Services/Kentucky Utilities Company.....	16,943,535.45	
Fuel.....		65,769,984.00
Coal 1,548,211.86 Tons @ \$42.18; MMBtu 35,871,823.38 @ 180.83¢.....	65,308,296.63	
Fuel Oil 236,025.98 Gallons @ 182.83¢.....	426,802.89	
Gas Pipeline 4,700.00 Mcf @ \$7.42.....	34,884.48	
Plant Materials and Operating Supplies.....		29,786,478.70
Regular Materials and Supplies.....	29,289,073.06	
Limestone 74,755.00 Tons @ \$6.65.....	497,405.64	

October 26, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,860,767.32	4,860,767.32
Gas Stored Underground - Current.....		60,652,456.09
Gas St. Underground* 12,179,240.00 Mcf (14.73 psia) @ \$4.98.....	60,652,456.09	
Allowance Inventory.....	3,007.09	3,007.09
Prepayments.....		4,911,746.03
Insurance.....	2,026,266.12	
Taxes.....	1,449,872.14	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Franchises.....	22,605.06	
Other.....	1,083,002.67	
Miscellaneous Current Assets.....		1,807,657.91
Derivative Asset - Non-Hedging.....	1,807,657.91	
Unamortized Debt Expense.....		3,714,382.80
Trimble County 2000 Series A due 08/01/30 Var%.....	728,988.87	
Jefferson County 2001 Series A due 09/01/26 Var%.....	148,029.60	
Jefferson County 2001 Series A due 09/01/27 Var%.....	324,580.54	
Trimble County 2001 Series A due 09/01/26 Var%.....	160,950.59	
Jefferson County 2001 Series B due 11/01/27 Var%.....	176,840.27	
Trimble County 2001 Series B due 11/01/27 Var%.....	176,869.28	
Trimble County 2002 Series A due 10/01/32 Var%.....	781,649.67	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,029,912.26	
Short-term portion.....	186,561.72	
Unamortized Loss on Bonds.....	22,237,658.30	22,237,658.30
Accumulated Deferred Income Taxes.....		46,431,887.66
Federal		
Electric.....	35,661,292.05	
Gas.....	4,709,812.31	
State		
Electric.....	5,178,612.86	
Gas.....	882,170.44	
Regulatory Assets.....		378,525,174.50
Pension and Postretirement Benefits.....	204,123,304.00	
Interest Rate Ineffectiveness.....	49,789,618.00	
2009 Winter Storm.....	43,107,751.25	
Asset Retirement Obligations		
Electric.....	24,317,489.59	
Gas.....	8,503,214.15	
Common.....	27,664.68	
2008 Wind Storm.....	23,147,993.91	
Swap Termination.....	9,260,316.68	
Fuel Adjustment Clause.....	4,300,000.00	
Gas Supply Clause/PBR.....	3,597,722.25	
Environmental Cost Recovery.....	3,338,333.00	
Rate Case Expenses.....	1,715,153.41	
MISO Exit Fee.....	1,696,925.70	
KCCS Funding.....	841,455.48	
EKPC FERC Transmission Costs.....	579,372.40	
CMRG Funding.....	178,860.00	
Other Deferred Debits.....	1,197,806.18	1,197,806.18
Total Assets.....	<u>3,414,899,823.07</u>	<u>3,414,899,823.07</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		1,315,075,709.55
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	807,159,675.10	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	121,885,400.00	121,885,400.00
Accounts Payable.....		83,374,445.21
Regular.....	80,685,935.65	
Salaries and Wages Accrued.....	2,654,317.35	
Employee Withholdings Payable.....	34,192.21	
Accounts Payable to Associated Companies.....		38,853,764.01
E.ON US Services/Kentucky Utilities Company.....	29,823,913.44	
Interest payable to Fidelity.....	9,029,850.57	
Customers' Deposits.....	24,435,083.96	24,435,083.96
Taxes Accrued.....	20,358,882.40	20,358,882.40
Interest Accrued.....		3,555,639.55
Jefferson County 2000 Series A due 05/01/27 5.375%.....	559,895.84	
Trimble County 2000 Series A due 08/01/30 Var%.....	32,986.80	
Jefferson County 2001 Series A due 09/01/26 Var%.....	51,780.85	
Jefferson County 2001 Series A due 09/01/27 Var%.....	400.10	
Trimble County 2001 Series A due 09/01/26 Var%.....	8,287.66	
Jefferson County 2001 Series B due 11/01/27 Var%.....	8,284.90	
Trimble County 2001 Series B due 11/01/27 Var%.....	3,308.49	
Trimble County 2002 Series A due 10/01/32 Var%.....	15,513.08	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.08	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	376,944.45	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	581,250.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....	920,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.02	
Interest Rate Swaps.....	641,706.49	
Customers' Deposits.....	320,871.46	
Other.....	34,409.33	
Miscellaneous Current and Accrued Liabilities.....		20,902,601.42
Vacation Pay Accrued.....	5,732,781.14	
Customer Overpayments.....	3,672,085.89	
Postretirement Benefits - Current.....	3,411,766.00	
MCI Unearned Revenue.....	2,480,092.58	
No-Notice Gas Payable.....	1,505,099.04	
Tax Collections Payable.....	1,300,685.36	
Unearned Revenue.....	1,203,301.68	
Derivative Liabilities - Non-Hedging.....	1,188,177.41	
Other.....	408,612.32	



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		459,200,169.51
Federal		
Electric.....	337,821,063.53	
Gas.....	54,797,854.85	
State		
Electric.....	57,457,804.42	
Gas.....	9,123,446.71	
Investment Tax Credit.....		46,150,019.13
Investment Tax Credit (prior law)		
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	21,672,312.98	
Gas.....	727,706.15	
Regulatory Liabilities.....		51,562,025.10
Deferred Taxes		
Federal		
Electric.....	16,515,302.27	
Gas.....	1,112,503.48	
State		
Electric.....	15,564,915.18	
Gas.....	2,411,948.97	
Gas Supply Clause/PBR.....	7,641,742.51	
DSM Cost Recovery.....	4,648,054.36	
MISO Schedule 10 Charges.....	275,390.57	
Asset Retirement Obligations		
Gas.....	2,382,368.07	
Electric.....	769,824.89	
Purchased Gas Adjustment - Texas Gas.....	239,974.80	
Customers' Advances for Construction.....		8,229,472.91
Line Extensions		
Gas.....	6,855,203.80	
Electric.....	679,602.98	
Customer Advances - Museum Plaza.....	694,666.13	
Asset Retirement Obligations		64,974,252.91
Electric.....	38,300,137.18	
Gas.....	26,530,456.85	
Common.....	143,658.88	
Other Deferred Credits.....	28,608,492.59	28,608,492.59
Miscellaneous Long-Term Liabilities.....		54,476,525.20
Long-Term Derivative Liabilities - SFAS 133.....	49,789,618.00	
Workers' Compensation.....	4,686,907.20	
Accumulated Provision for Benefits.....		177,153,339.62
Pension Payable.....	95,939,112.00	
Postretirement Benefits - SFAS 106.....	77,368,298.62	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(185,932.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,414,899,823.07</u>	<u>3,414,899,823.07</u>

October 26, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**September 30, 2010**  
**(REVISED)**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	106,880,808.86	76,104,738.49
Items not requiring (providing) cash currently:		
Depreciation.....	98,439,672.75	96,206,175.85
Amortization.....	5,835,257.86	5,846,342.68
Deferred income taxes - net.....	31,901,692.85	28,693,096.80
Investment tax credit - net.....	(1,876,331.00)	301,590.70
Gain on disposal of assets.....	(33,760.40)	(87,386.06)
Other.....	10,867,014.00	(2,428,493.22)
Change in receivables.....	2,291,134.50	87,514,072.13
Change in inventory.....	(11,159,166.31)	45,350,919.86
Change in allowance inventory.....	1,163.91	1,504.89
Change in payables and accrued expenses.....	(30,758,374.00)	(82,090,272.89)
Change in regulatory assets.....	(8,745,461.79)	(47,678,148.38)
Change in regulatory liabilities.....	(33,345,183.48)	38,491,893.32
Change in other deferred debits.....	(63,693.92)	40,423,204.44
Change in other deferred credits.....	20,675,744.23	(5,412,694.54)
Other.....	(5,248,859.17)	7,843,407.53
Pension and postretirement funding.....	(24,267,900.00)	(12,950,896.52)
Net cash provided (used) by operating activities.....	<u>161,393,758.89</u>	<u>276,129,055.08</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(50,311,364.02)	(116,910,582.52)
Gross additions to common utility plant - construction expendit	(8,960,809.07)	(10,605,133.06)
Proceeds received from sale of property.....	34,136.95	94,299.98
Change in non-hedging derivatives.....	94,507.35	6,121,048.54
Net cash provided (used) by investing activities.....	<u>(59,143,528.79)</u>	<u>(121,300,367.06)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.81)	(212,379.07)
Net change in short-term debt.....	(48,515,000.00)	(72,638,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Contributed capital.....	-	(97,537.00)
Dividends on common stock.....	(55,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(103,541,566.81)</u>	<u>(152,972,366.07)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,291,336.71)	1,856,321.95
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u>3,904,149.67</u>	<u>6,167,810.32</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$5 million and an increase to cash flows from investing of \$5 million.

October 29, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**September 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%....	111,979.17	111,979.17	1,007,812.41	1,007,812.53	1,343,749.92	1,142,189.60
Trimble County 2000 Series A due 08/01/30 Var%.....	32,986.76	22,917.12	301,232.86	239,634.44	356,372.82	614,097.96
Jefferson County 2001 Series A due 09/01/26 Var%.....	18,493.15	17,568.49	127,417.82	191,088.05	175,037.69	295,911.63
Jefferson County 2001 Series A due 09/01/27 Var%.....	3,852.15	1,498.92	35,275.58	33,002.66	41,197.67	73,179.82
Trimble County 2001 Series A due 09/01/26 Var%.....	11,602.73	20,342.48	127,306.17	234,945.91	189,689.73	363,063.63
Jefferson County 2001 Series B due 11/01/27 Var%.....	36,428.77	34,520.55	278,546.24	285,883.10	362,402.40	439,954.90
Trimble County 2001 Series B due 11/01/27 Var%.....	35,575.34	34,520.55	278,878.00	285,883.10	362,734.14	439,954.90
Trimble County 2002 Series A due 10/01/32 Var%.....	15,513.08	10,085.21	243,369.64	151,473.41	269,023.88	390,169.47
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(5,409.06)	-	(48,681.54)	48,681.54	(736,993.96)
Louisville Metro 2005 Series A due 02/01/35 5.750%....	191,666.67	191,666.67	1,724,999.90	1,725,000.02	2,299,999.91	1,955,000.03
Louisville Metro 2007 Series A due 06/01/33 5.625%....	145,312.50	145,312.50	1,307,812.45	1,307,812.50	1,743,749.95	1,482,187.52
Trimble County 2007 Series A due 06/01/33 4.600%....	230,000.00	230,000.00	2,070,000.00	2,070,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	210,382.37	638,088.89	5,712,071.67	5,576,829.98	7,066,971.84	6,802,685.46
Notes/Debentures.....	-	-	-	-	-	-
Fidelia.....	2,220,150.01	2,220,150.02	19,981,350.03	19,981,350.13	26,641,800.04	26,182,800.13
<b>Total.....</b>	<b>3,263,942.70</b>	<b>3,673,241.51</b>	<b>33,196,072.77</b>	<b>33,042,034.28</b>	<b>43,661,411.53</b>	<b>42,204,201.08</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt Expense.....	15,546.83	15,517.65	139,779.02	139,309.82	186,333.48	185,548.13
Amortization of Loss on Reacquired Debt.....	101,002.98	108,726.31	908,241.79	977,182.69	1,210,555.03	1,426,706.99
<b>Total.....</b>	<b>116,549.81</b>	<b>124,243.96</b>	<b>1,048,020.81</b>	<b>1,116,492.51</b>	<b>1,396,888.51</b>	<b>1,612,255.12</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	105,824.09	81,671.86	1,032,445.81	811,406.89	1,580,561.80	1,097,002.11
Other Tax Deficiencies.....	3,525.00	(12,853.00)	10,994.00	(12,853.00)	8,967.00	(11,740.00)
Interest on DSM Cost Recovery.....	2,342.34	68,202.11	19,730.63	118,300.02	29,496.19	133,840.11
Interest on Debt to Associated Companies .....	22,634.30	29,735.72	235,871.91	590,643.65	319,526.46	3,133,798.51
Other Interest Expense.....	129,530.81	58,813.20	695,131.11	495,198.75	823,442.74	1,670,876.13
<b>Total.....</b>	<b>263,856.54</b>	<b>225,569.89</b>	<b>1,994,173.46</b>	<b>2,002,696.31</b>	<b>2,761,994.19</b>	<b>6,023,776.86</b>
<b>Total Interest.....</b>	<b>3,644,349.05</b>	<b>4,023,055.36</b>	<b>36,238,267.04</b>	<b>36,161,223.10</b>	<b>47,820,294.23</b>	<b>49,840,233.06</b>

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
September 30, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,222,746.10	1,456,758.89	11,003,481.58	13,208,803.19
Unemployment.....	3,529.53	5,351.89	132,120.68	126,604.17
FICA.....	553,222.67	592,662.75	5,289,072.07	5,236,378.07
Public Service Commission Fee.....	161,096.90	161,675.42	1,453,343.24	1,430,242.37
Federal Income.....	(6,683,028.40)	(3,397,548.55)	24,328,238.85	8,101,082.87
State Income.....	(1,354,225.08)	(168,603.06)	2,449,578.74	2,573,580.90
Miscellaneous.....	-	-	27,356.53	33,162.15
<b>Total Charged to Operating Expense.....</b>	<b>(6,096,658.28)</b>	<b>(1,349,702.66)</b>	<b>44,683,191.69</b>	<b>30,709,853.72</b>
Taxes Charged to Other Accounts.....	7,620,655.81	(5,302,532.77)	6,872,512.98	3,567,166.96
Taxes Accrued on Intercompany Accounts.....	(257,956.48)	(250,538.57)	(2,192,960.65)	(1,960,355.14)
<b>Total Taxes Charged.....</b>	<b>1,266,041.05</b>	<b>(6,902,774.00)</b>	<b>49,362,744.02</b>	<b>32,316,665.54</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	11,261,287.69	11,672,251.98	10,651,725.94
Unemployment.....	42,164.99	99,890.41	140,189.54	1,865.86
FICA.....	455,753.32	4,645,200.44	4,597,021.43	503,932.33
Federal Income.....	13,896,876.99	27,413,195.88	29,588,174.00	11,721,898.87
State Income.....	632,003.78	3,021,634.87	6,639,935.00	(2,986,296.35)
Kentucky Sales and Use Tax.....	625,517.98	2,813,300.67	2,992,060.24	446,758.41
Miscellaneous.....	14,799.84	108,234.06	104,036.56	18,997.34
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>49,362,744.02</b>	<b>55,733,668.75</b>	<b>20,358,882.40</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**September 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	10,679,965.46	(14,789,347.99)	113,616.18	(3,995,766.35)	159,145,703.91
Common Intangible Plant	61,656,665.49	4,073,920.76	(8,744,985.48)	-	(4,671,064.72)	56,985,600.77
	<u>224,798,135.75</u>	<u>14,753,886.22</u>	<u>(23,534,333.47)</u>	<u>113,616.18</u>	<u>(8,666,831.07)</u>	<u>216,131,304.68</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	60,727,298.96	(4,259,366.03)	860,884.18	57,328,817.11	915,241,734.34
Electric General Plant	16,833,253.13	646,438.56	(1,829,170.28)	-	(1,182,731.72)	15,650,521.41
Electric Hydro Production	41,579,243.41	28,599.70	-	(83,553.53)	(54,953.83)	41,524,289.58
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,445,652.25)	(184,810.14)	2,069,306.39	438,844.00	231,688,647.99
Electric Steam Production	1,894,640,479.32	17,188,812.35	(4,035,779.37)	8,278,748.74	21,431,781.72	1,916,072,261.04
Electric Transmission	241,991,713.86	6,348,412.93	(847,217.03)	13,714.81	5,514,910.71	247,506,624.57
	<u>3,284,209,751.23</u>	<u>83,493,910.25</u>	<u>(11,156,342.85)</u>	<u>11,139,100.59</u>	<u>83,476,667.99</u>	<u>3,367,686,419.22</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	6,213,933.32	(115,279.76)	19,352,921.63	25,451,575.19	554,549,889.70
Gas General Plant	9,014,996.97	304,307.02	(605,344.05)	-	(301,037.03)	8,713,959.94
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	8,182,883.58	(679,516.98)	(1,431,107.44)	6,072,259.16	71,009,882.03
Gas Transmission	13,658,203.76	1,126,642.68	(4,151.17)	-	1,122,491.51	14,780,695.27
	<u>616,710,325.60</u>	<u>15,827,766.60</u>	<u>(1,404,291.96)</u>	<u>17,921,814.19</u>	<u>32,345,288.83</u>	<u>649,055,614.43</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>114,075,563.07</u>	<u>(36,094,968.28)</u>	<u>29,174,530.96</u>	<u>107,155,125.75</u>	<u>4,232,873,338.33</u>
<b>102 Plant Purchased &amp; Sold</b>						
<b>Electric</b>						
Electric Steam Production	-	(74,076.28)	-	-	(74,076.28)	(74,076.28)
	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>Total 102001</b>	<u>-</u>	<u>(74,076.28)</u>	<u>-</u>	<u>-</u>	<u>(74,076.28)</u>	<u>(74,076.28)</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**September 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	265,181.22	229,109.10	-	-	229,109.10	494,290.32
Common Intangible Plant	971,026.53	175,884.76	-	-	175,884.76	1,146,911.29
	<u>1,236,207.75</u>	<u>404,993.86</u>	<u>-</u>	<u>-</u>	<u>404,993.86</u>	<u>1,641,201.61</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(19,912,282.59)	-	-	(19,912,282.59)	14,832,754.08
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	-	-	-	-	-
Electric Steam Production	9,240,272.74	1,730,812.33	-	-	1,730,812.33	10,971,085.07
Electric Transmission	976,044.41	34,221,239.43	-	-	34,221,239.43	35,197,283.84
	<u>44,978,306.08</u>	<u>16,039,769.17</u>	<u>-</u>	<u>-</u>	<u>16,039,769.17</u>	<u>61,018,075.25</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	10,388,800.83	-	-	10,388,800.83	25,771,730.10
Gas General Plant	211,426.16	(100,322.53)	-	-	(100,322.53)	111,103.63
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(1,382,658.82)	-	-	(1,382,658.82)	2,403,889.62
Gas Transmission	1,221,215.37	602,632.10	-	-	602,632.10	1,823,847.47
	<u>20,602,119.24</u>	<u>9,508,451.58</u>	<u>-</u>	<u>-</u>	<u>9,508,451.58</u>	<u>30,110,570.82</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>25,953,214.61</u>	<u>-</u>	<u>-</u>	<u>25,953,214.61</u>	<u>92,769,847.68</u>
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	(6,198,071.01)	-	-	(6,198,071.01)	9,569,353.59
Electric	299,585,079.65	(24,636,433.63)	-	-	(24,636,433.63)	274,948,646.02
Gas	26,774,033.33	217,302.13	-	-	217,302.13	26,991,335.46
	<u>342,126,537.58</u>	<u>(30,617,202.51)</u>	<u>-</u>	<u>-</u>	<u>(30,617,202.51)</u>	<u>311,509,335.07</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>139,954,701.40</u>	<u>(36,094,968.28)</u>	<u>29,174,530.96</u>	<u>133,034,264.08</u>	<u>4,332,615,913.47</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>109,337,498.89</u>	<u>(36,094,968.28)</u>	<u>29,174,530.96</u>	<u>102,417,061.57</u>	<u>4,644,125,248.54</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>109,337,498.89</u>	<u>(36,094,968.28)</u>	<u>29,174,530.96</u>	<u>102,417,061.57</u>	<u>4,644,050,008.98</u>

October 26, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**September 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(10,493,388.15)	14,789,347.99	-	-	-	-	-	(74,406,041.42)
Common General Plant - ARO	(1,233.92)	(162.32)	-	-	-	-	-	-	(1,396.24)
Electric Distribution	(266,380,666.38)	(12,479,148.40)	4,259,366.03	-	-	-	-	-	(274,600,448.75)
Electric Distribution - ARO	(13,162.72)	(299.19)	-	-	-	-	-	-	(13,461.91)
Electric General Plant	(14,148,434.81)	(519,992.70)	1,829,170.28	(376.55)	-	-	-	-	(12,839,633.78)
Electric Hydro Production	(9,163,030.01)	(416,428.79)	-	-	-	-	-	-	(9,579,458.80)
Electric Hydro Production - ARO	(17,810.24)	88.61	-	-	-	-	-	-	(17,721.63)
Electric Other Production	(52,372,728.97)	(6,066,192.08)	184,810.14	-	-	-	-	-	(58,254,110.91)
Electric Other Production - ARO	(89,318.48)	(16,323.90)	-	-	-	-	-	-	(105,642.38)
Electric Steam Production	(982,038,024.91)	(39,021,569.63)	4,210,633.79	25,000.00	-	-	-	-	(1,016,823,960.75)
Electric Steam Production - ARO	(2,543,436.73)	(508,865.16)	3,300.00	-	-	-	-	-	(3,049,001.89)
Electric Transmission	(116,058,916.84)	(2,936,741.79)	847,217.03	-	-	-	-	-	(118,148,441.60)
Electric Transmission - ARO	(667.12)	(2.71)	-	-	-	-	-	-	(669.83)
Gas Distribution	(116,733,622.42)	(8,260,568.17)	115,279.76	-	-	-	-	-	(124,878,910.83)
Gas Distribution - ARO	(20,380.45)	(49,000.60)	-	-	-	-	-	-	(69,381.05)
Gas General Plant	(6,508,855.59)	(326,358.72)	605,344.05	-	-	-	-	-	(6,229,870.26)
Gas Storage	(32,226,220.17)	(770,011.54)	679,516.98	-	-	-	-	-	(32,316,714.73)
Gas Storage - ARO	(402,273.17)	9,827.20	-	-	-	-	-	-	(392,445.97)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(38,579.64)	4,151.17	-	-	-	-	-	(9,437,259.16)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(81,893,717.68)</u>	<u>27,528,137.22</u>	<u>24,623.45</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,741,227,932.25)</u>
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(201,761.12)	-	-	-	138,043.56	-	-	(649,520.32)
Electric Distribution	(148,701,260.29)	(4,924,493.81)	-	-	-	6,941,826.06	-	-	(146,683,928.04)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(31,621.60)	-	-	-	-	-	-	747,449.07
Electric Other Production	(2,157,721.68)	(260,401.44)	-	-	-	-	-	-	(2,418,123.12)
Electric Steam Production	(80,852,537.28)	(10,759,321.55)	(176,793.52)	(25,000.00)	-	689,351.66	-	-	(91,124,300.69)
Electric Transmission	(23,685,015.10)	(921,977.73)	-	-	-	407,138.23	-	-	(24,199,854.60)
Gas Distribution	(57,352,410.28)	(2,322,740.62)	-	-	-	71,103.70	-	-	(59,604,047.20)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(91,624.93)	-	-	-	134,510.16	-	-	(185,560.35)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(9,533.20)	-	-	-	9,441.55	-	-	(3,024,004.02)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(19,523,476.00)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>8,391,414.92</u>	<u>-</u>	<u>-</u>	<u>(327,138,022.65)</u>

October 26, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**September 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	250.17	-	-	-	-	-	-	277,978.73
Electric Distribution	16,492,540.88	991,162.34	-	-	-	-	(49,427.48)	-	17,434,275.74
Electric General Plant	136,014.35	1,697.62	-	-	-	-	-	-	137,711.97
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,350,830.95	(1,360.90)	-	-	-	(45,461.74)	-	21,577,355.66
Electric Transmission	6,103,126.31	176,909.11	-	-	-	-	(97,323.91)	-	6,182,711.51
Gas Distribution	3,410,835.14	144,329.60	-	-	-	-	-	-	3,555,164.74
Gas General Plant	223,852.64	1,434.19	-	-	-	-	-	-	225,286.83
Gas Storage	252,727.30	12,951.63	-	-	-	-	(63.60)	-	265,615.33
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	3,574.95	-	-	-	-	-	-	216,690.74
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>2,683,140.56</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,276.73)</u>	<u>-</u>	<u>50,230,430.75</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(10,695,061.42)	14,789,347.99	-	-	138,043.56	-	-	(74,842,339.61)
Electric	(1,654,077,125.86)	(76,342,691.85)	11,156,342.85	(376.55)	-	8,038,315.95	(192,213.13)	-	(1,711,417,748.59)
Gas	(221,798,419.87)	(11,696,299.85)	1,404,291.96	-	-	215,055.41	(63.60)	-	(231,875,435.95)
	<u>(1,954,950,215.47)</u>	<u>(98,734,053.12)</u>	<u>27,349,982.80</u>	<u>(376.55)</u>	<u>-</u>	<u>8,391,414.92</u>	<u>(192,276.73)</u>	<u>-</u>	<u>(2,018,135,524.15)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(8,467.50)	(138,043.56)	9,175,187.07	(44,327.00)	5,000.00	52,214.40
Electric	18,980,726.37	-	-	190,425.86	(7,846,102.82)	(3,412,123.55)	(351,564.29)	96,193.92	7,657,555.49
Gas	1,284,007.95	-	-	30,333.01	(214,991.81)	1,042,340.57	(14,989.03)	(27,338.68)	2,099,362.01
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(8,199,138.19)</u>	<u>6,805,404.09</u>	<u>(410,880.32)</u>	<u>73,855.24</u>	<u>9,809,131.90</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(98,734,053.12)</u>	<u>27,349,982.80</u>	<u>211,914.82</u>	<u>(8,199,138.19)</u>	<u>15,196,819.01</u>	<u>(603,157.05)</u>	<u>73,855.24</u>	<u>(2,008,326,392.25)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(5,835,257.86)	8,744,985.48	-	-	-	-	-	(15,368,871.73)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(5,835,257.86)</u>	<u>8,744,985.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,369,771.73)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(104,569,310.98)</u>	<u>36,094,968.28</u>	<u>211,914.82</u>	<u>(8,199,138.19)</u>	<u>15,196,819.01</u>	<u>(603,157.05)</u>	<u>73,855.24</u>	<u>(2,023,696,163.98)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,023,632,803.62)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,620,417,205.36</u>

October 26, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - October 31, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

October 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**October 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	70,892,836.80	65,998,598.05	4,894,238.75	7.42
Gas Operating Revenues.....	15,647,671.54	15,718,676.81	(71,005.27)	(0.45)
<b>Total Operating Revenues.....</b>	<b>86,540,508.34</b>	<b>81,717,274.86</b>	<b>4,823,233.48</b>	<b>5.90</b>
Fuel for Electric Generation.....	28,082,990.38	21,660,170.57	6,422,819.81	29.65
Power Purchased.....	4,132,725.97	5,058,084.23	(925,358.26)	(18.29)
Gas Supply Expenses.....	7,114,021.31	8,937,260.98	(1,823,239.67)	(20.40)
Other Operation Expenses.....	18,959,395.17	17,481,299.04	1,478,096.13	8.46
Maintenance.....	10,067,345.59	9,845,631.20	221,714.39	2.25
Depreciation.....	10,888,974.41	10,892,832.31	(3,857.90)	(0.04)
Amortization Expense.....	626,243.97	702,905.99	(76,662.02)	(10.91)
Regulatory Credits.....	(268,905.96)	(183,079.71)	(85,826.25)	(46.88)
Taxes				
Federal Income.....	7,914,704.51	(665,135.75)	8,579,840.26	1,289.94
State Income.....	2,876,833.06	571,978.53	2,304,854.53	402.96
Deferred Federal Income - Net.....	(7,828,775.65)	330,193.20	(8,158,968.85)	(2,470.97)
Deferred State Income - Net.....	(4,544,813.59)	(215,377.31)	(4,329,436.28)	(2,010.16)
Property and Other.....	2,288,487.70	1,111,722.07	1,176,765.63	105.85
Investment Tax Credit.....	-	351,718.67	(351,718.67)	(100.00)
Amortization of Investment Tax Credit.....	(208,481.00)	(254,733.24)	46,252.24	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	175,681.78	164,054.33	11,627.45	7.09
<b>Total Operating Expenses.....</b>	<b>80,276,427.65</b>	<b>75,789,525.11</b>	<b>4,486,902.54</b>	<b>5.92</b>
Net Operating Income.....	6,264,080.69	5,927,749.75	336,330.94	5.67
Other Income Less Deductions.....	(499,297.17)	3,075,300.87	(3,574,598.04)	(116.24)
<b>Income Before Interest Charges.....</b>	<b>5,764,783.52</b>	<b>9,003,050.62</b>	<b>(3,238,267.10)</b>	<b>(35.97)</b>
Interest on Long-Term Debt.....	3,690,227.22	3,916,239.59	(226,012.37)	(5.77)
Amortization of Debt Expense - Net.....	116,549.81	(11,570.06)	128,119.87	1,107.34
Other Interest Expenses.....	170,790.07	113,167.10	57,622.97	50.92
<b>Total Interest Charges.....</b>	<b>3,977,567.10</b>	<b>4,017,836.63</b>	<b>(40,269.53)</b>	<b>(1.00)</b>
<b>Net Income.....</b>	<b>1,787,216.42</b>	<b>4,985,213.99</b>	<b>(3,197,997.57)</b>	<b>(64.15)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	846,385,743.97	777,501,858.65	68,883,885.32	8.86
Gas Operating Revenues.....	216,877,229.81	291,648,461.91	(74,771,232.10)	(25.64)
<b>Total Operating Revenues.....</b>	<b>1,063,262,973.78</b>	<b>1,069,150,320.56</b>	<b>(5,887,346.78)</b>	<b>(0.55)</b>
Fuel for Electric Generation.....	305,478,205.94	278,198,971.48	27,279,234.46	9.81
Power Purchased.....	44,991,310.91	48,107,498.23	(3,116,187.32)	(6.48)
Gas Supply Expenses.....	115,155,736.19	203,255,129.56	(88,099,393.37)	(43.34)
Other Operation Expenses.....	187,063,874.63	182,508,777.21	4,555,097.42	2.50
Maintenance.....	86,924,963.79	76,440,498.25	10,484,465.54	13.72
Depreciation.....	109,328,647.16	107,099,008.16	2,229,639.00	2.08
Amortization Expense.....	6,461,501.83	6,549,248.67	(87,746.84)	(1.34)
Regulatory Credits.....	(3,539,747.74)	(1,849,494.60)	(1,690,253.14)	(91.39)
Taxes				
Federal Income.....	32,242,943.36	7,435,947.12	24,806,996.24	333.61
State Income.....	5,326,411.80	3,145,559.43	2,180,852.37	69.33
Deferred Federal Income - Net.....	14,485,407.74	33,482,234.27	(18,996,826.53)	(56.74)
Deferred State Income - Net.....	1,367,098.28	3,661,691.15	(2,294,592.87)	(62.66)
Property and Other.....	20,193,861.80	21,146,912.02	(953,050.22)	(4.51)
Investment Tax Credit.....	-	2,945,908.65	(2,945,908.65)	(100.00)
Amortization of Investment Tax Credit.....	(2,084,812.00)	(2,547,332.52)	462,520.52	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	2,849,582.80	1,643,106.39	1,206,476.41	73.43
<b>Total Operating Expenses.....</b>	<b>926,210,526.35</b>	<b>971,157,389.41</b>	<b>(44,946,863.06)</b>	<b>(4.63)</b>
Net Operating Income.....	137,052,447.43	97,992,931.15	39,059,516.28	39.86
Other Income Less Deductions.....	11,831,411.99	23,276,081.06	(11,444,669.07)	(49.17)
<b>Income Before Interest Charges.....</b>	<b>148,883,859.42</b>	<b>121,269,012.21</b>	<b>27,614,847.21</b>	<b>22.77</b>
Interest on Long-Term Debt.....	36,886,299.99	36,958,273.87	(71,973.88)	(0.19)
Amortization of Debt Expense - Net.....	1,164,570.62	1,104,922.45	59,648.17	5.40
Other Interest Expenses.....	2,164,963.53	2,115,863.41	49,100.12	2.32
<b>Total Interest Charges.....</b>	<b>40,215,834.14</b>	<b>40,179,059.73</b>	<b>36,774.41</b>	<b>0.09</b>
<b>Net Income.....</b>	<b>108,668,025.28</b>	<b>81,089,952.48</b>	<b>27,578,072.80</b>	<b>34.01</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	987,426,810.02	958,491,752.86	28,935,057.16	3.02
Gas Operating Revenues.....	286,856,623.90	418,890,258.90	(132,033,635.00)	(31.52)
Total Operating Revenues.....	<u>1,274,283,433.92</u>	<u>1,377,382,011.76</u>	<u>(103,098,577.84)</u>	<u>(7.49)</u>
Fuel for Electric Generation.....	355,512,230.98	340,676,856.76	14,835,374.22	4.35
Power Purchased.....	55,314,082.51	77,619,641.16	(22,305,558.65)	(28.74)
Gas Supply Expenses.....	161,705,875.59	303,885,590.97	(142,179,715.38)	(46.79)
Other Operation Expenses.....	222,805,316.80	212,730,669.70	10,074,647.10	4.74
Maintenance.....	106,689,424.32	74,866,698.69	31,822,725.63	42.51
Depreciation.....	130,975,973.26	127,484,728.13	3,491,245.13	2.74
Amortization Expense.....	7,868,576.94	7,603,040.70	265,536.24	3.49
Regulatory Credits.....	(3,895,700.94)	(2,201,814.17)	(1,693,886.77)	(76.93)
Taxes				
Federal Income.....	50,079,566.76	24,983,134.92	25,096,431.84	100.45
State Income.....	6,074,380.37	6,504,820.88	(430,440.51)	(6.62)
Deferred Federal Income - Net.....	(10,671,247.21)	21,501,754.89	(32,173,002.10)	(149.63)
Deferred State Income - Net.....	(843,743.85)	(141,608.50)	(702,135.35)	(495.83)
Property and Other.....	22,591,490.79	24,387,842.51	(1,796,351.72)	(7.37)
Investment Tax Credit.....	703,437.35	4,899,908.65	(4,196,471.30)	(85.64)
Amortization of Investment Tax Credit.....	(2,581,586.48)	(3,192,485.88)	610,899.40	19.14
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,176,256.53	1,965,916.72	1,210,339.81	61.57
Total Operating Expenses.....	<u>1,105,469,873.58</u>	<u>1,223,508,422.07</u>	<u>(118,038,548.49)</u>	<u>(9.65)</u>
Net Operating Income.....	168,813,560.34	153,873,589.69	14,939,970.65	9.71
Other Income Less Deductions.....	1,661,732.21	(7,531,544.96)	9,193,277.17	122.06
Income Before Interest Charges.....	<u>170,475,292.55</u>	<u>146,342,044.73</u>	<u>24,133,247.82</u>	<u>16.49</u>
Interest on Long-Term Debt.....	43,435,399.16	43,172,319.81	263,079.35	0.61
Amortization of Debt Expense - Net.....	1,525,008.38	1,479,123.77	45,884.61	3.10
Other Interest Expenses.....	2,819,617.16	3,851,366.69	(1,031,749.53)	(26.79)
Total Interest Charges.....	<u>47,780,024.70</u>	<u>48,502,810.27</u>	<u>(722,785.57)</u>	<u>(1.49)</u>
Net Income.....	<u><u>122,695,267.85</u></u>	<u><u>97,839,234.46</u></u>	<u><u>24,856,033.39</u></u>	<u><u>25.41</u></u>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**October 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	807,159,675.10	736,266,409.68	755,278,866.24	740,161,671.19	741,251,623.67	723,412,389.21
Add:						
Net Income for Period.....	1,787,216.42	4,985,213.99	108,668,025.28	81,089,952.48	122,695,267.85	97,839,234.46
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	55,000,000.00	80,000,000.00	55,000,000.00	80,000,000.00
Balance at End of Period.....	808,946,891.52	741,251,623.67	808,946,891.52	741,251,623.67	808,946,891.52	741,251,623.67

November 30, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of October 31, 2010 and 2009**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,689,347,414.37	4,610,880,968.92	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,030,781,175.75</u>	<u>2,004,144,257.22</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,658,566,238.62</u>	<u>2,606,736,711.70</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(11,291,121.77)
			Retained Earnings.....	<u>808,946,891.52</u>	<u>741,251,623.67</u>
			<b>Total Proprietary Capital.....</b>	<b><u>1,316,862,925.97</u></b>	<b><u>1,237,876,536.35</u></b>
<b>Investments</b>			Pollution Control Bonds - Net of Reacquired Bonds	411,104,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	LT Notes Payable to Associated Companies.....	<u>485,000,000.00</u>	<u>485,000,000.00</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Total Long-Term Debt.....	896,104,000.00	896,104,000.00
Special Funds.....	<u>21,156,261.72</u>	<u>16,119,515.57</u>	Total Capitalization.....	<u>2,212,966,925.97</u>	<u>2,133,980,536.35</u>
Total.....	<u>21,762,426.92</u>	<u>16,725,680.77</u>			
			<b>Current and Accrued Liabilities</b>		
<b>Current and Accrued Assets</b>			ST Notes Payable to Associated Companies.....	142,309,400.00	150,667,400.00
Cash.....	3,825,761.11	2,869,220.49	Accounts Payable.....	108,349,293.44	74,140,577.53
Special Deposits.....	694,647.22	778,627.13	Accounts Payable to Associated Companies.....	51,218,385.36	18,098,743.98
Temporary Cash Investments.....	119.71	119.71	Customer Deposits.....	23,673,139.66	22,885,391.58
Accounts Receivable - Less Reserve.....	120,885,025.11	109,214,453.57	Taxes Accrued.....	12,074,347.15	12,570,631.70
Accounts Receivable from Associated Companies....	15,918,666.44	409,898.28	Interest Accrued.....	4,316,975.16	4,534,543.31
Materials and Supplies - At Average Cost			Miscellaneous Current and Accrued Liabilities.....	<u>16,881,002.06</u>	<u>18,448,931.14</u>
Fuel.....	69,001,447.80	59,002,922.30	Total.....	<u>358,822,542.83</u>	<u>301,346,219.24</u>
Plant Materials and Operating Supplies.....	29,262,178.89	29,072,365.02			
Stores Expense.....	4,866,562.11	4,114,112.64	<b>Deferred Credits and Other</b>		
Gas Stored Underground.....	69,292,419.44	69,378,233.30	Accumulated Deferred Income Taxes.....	454,586,900.11	440,065,032.26
Allowance Inventory.....	2,936.23	4,365.83	Investment Tax Credit.....	45,941,538.13	50,747,646.26
Prepayments.....	4,620,700.76	3,734,526.15	Regulatory Liabilities.....	51,659,503.79	92,748,037.98
Miscellaneous Current and Accrued Assets.....	<u>1,053,692.59</u>	<u>1,092,528.93</u>	Customer Advances for Construction.....	8,451,907.43	9,333,917.66
Total.....	<u>319,424,157.41</u>	<u>279,671,373.35</u>	Asset Retirement Obligations.....	65,149,934.69	32,716,955.41
			Other Deferred Credits.....	5,955,456.28	40,128,057.87
<b>Deferred Debits and Other</b>			Miscellaneous Long-Term Liabilities.....	49,962,421.48	40,186,994.96
Unamortized Debt Expense.....	3,698,835.99	3,885,135.32	Accum Provision for Postretirement Benefits.....	<u>223,121,736.00</u>	<u>214,121,718.20</u>
Unamortized Loss on Bonds.....	22,136,655.35	23,320,833.90	Total.....	<u>904,829,397.91</u>	<u>920,048,360.60</u>
Accumulated Deferred Income Taxes.....	49,392,552.07	59,064,449.60			
Deferred Regulatory Assets.....	398,998,957.42	364,902,698.29	<b>Total Liabilities and Stockholders' Equity.....</b>	<b><u>3,476,618,866.71</u></b>	<b><u>3,355,375,116.19</u></b>
Other Deferred Debits.....	<u>2,639,042.93</u>	<u>1,068,233.26</u>			
Total.....	<u>476,866,043.76</u>	<u>452,241,350.37</u>			
<b>Total Assets.....</b>	<b><u>3,476,618,866.71</u></b>	<b><u>3,355,375,116.19</u></b>			

November 30, 2010



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**October 31, 2010**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			808,946,891.52		
<b>Total Proprietary Capital.....</b>			<b>1,316,862,925.97</b>	<b>55.91</b>	<b>59.51</b>
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
<b>Total Pollution Control Bonds.....</b>			<b>574,304,000.00</b>	<b>24.38</b>	<b>25.95</b>
<b>Less: Reacquired Bonds</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			(35,200,000.00)		
			<b>(163,200,000.00)</b>	<b>(6.93)</b>	<b>(7.37)</b>
<b>Total Pollution Control Bonds - Net of Reacquired Bonds.....</b>			<b>411,104,000.00</b>	<b>17.45</b>	<b>18.58</b>
<b>Long-Term Notes Payable to Associated Companies.....</b>			<b>485,000,000.00</b>	<b>20.59</b>	<b>21.91</b>
<b>Total Capitalization.....</b>			<b>2,212,966,925.97</b>	<b>93.95</b>	<b>100.00</b>
<b>Short-Term Notes Payable to Associated Companies.....</b>			<b>142,309,400.00</b>	<b>6.05</b>	
<b>Total Capitalization and Short-Term Debt.....</b>			<b>2,355,276,325.97</b>	<b>100.00</b>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,689,347,414.37	4,689,347,414.37
Reserves for Depreciation and Amortization.....		(2,030,781,175.75)
Depreciation of Plant		
Electric.....	(1,709,455,508.88)	
Gas.....	(229,835,317.90)	
Common.....	(75,494,333.27)	
Amortization of Plant		
Common.....	(15,995,115.70)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		21,762,426.92
Special Funds.....	21,156,261.72	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	3,825,761.11	3,825,761.11
Special Deposits.....		694,647.22
Other Special Deposits.....	694,647.22	
Temporary Cash Investments.....	119.71	119.71
Accounts Receivable - Less Reserve.....		120,885,025.11
Customers - Active.....	58,924,461.68	
Unbilled Revenues.....	41,921,000.00	
Income Tax Receivable - Federal.....	6,940,992.62	
Sundry Accounts Receivable.....	6,014,274.83	
IMPA.....	2,600,547.03	
IMEA.....	2,554,551.62	
Wholesale Sales.....	1,553,906.88	
Income Tax Receivable - State.....	1,419,925.94	
Margin Cash Collateral.....	579,842.94	
Damage Claims.....	542,108.17	
Transmission Sales.....	531,638.63	
Officers and Employees.....	600.00	
Other.....	911,052.62	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	5,461,592.48	
A/R Miscellaneous.....	(1,768,319.85)	
Recoveries.....	(1,050,880.69)	
Reserve.....	(1,841,558.00)	
Accrual.....	(4,410,711.79)	
Accounts Receivable from Associated Companies.....		15,918,666.44
LG&E-KU Energy Services /Kentucky Utilities.....	15,918,666.44	
Fuel.....		69,001,447.80
Coal 1,576,557.89 Tons @ \$43.42; MMBtu 35,701,483.43 @ 191.75¢.....	68,459,040.39	
Fuel Oil 207,024.97 Gallons @ 180.85¢.....	374,404.68	
Gas Pipeline 5,200.00 Mcf @ \$32.31.....	168,002.73	
Plant Materials and Operating Supplies.....		29,262,178.89
Regular Materials and Supplies.....	28,740,842.13	
Limestone 75,520.00 Tons @ \$7.19.....	521,336.76	

November 30, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2010**

Account - Subsidiary Account	Balance Subsidiary Account	Balance as Shown on Balance Sheets
Stores Expense Undistributed.....	4,866,562.11	4,866,562.11
Gas Stored Underground - Current.....		69,292,419.44
Gas St. Underground* 14,069,372.00 Mcf (14.73 psia) @ \$4.93.....	69,292,419.44	
Allowance Inventory.....	2,936.23	2,936.23
Prepayments.....		4,620,700.76
Insurance.....	1,613,707.84	
Taxes.....	1,288,775.24	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,388,217.64	
Miscellaneous Current Assets.....		1,053,692.59
Derivative Asset - Non-Hedging.....	1,053,692.59	
Unamortized Debt Expense.....		3,698,835.99
Trimble County 2000 Series A due 08/01/30 Var%.....	725,763.26	
Jefferson County 2001 Series A due 09/01/26 Var%.....	147,202.62	
Jefferson County 2001 Series A due 09/01/27 Var%.....	322,881.16	
Trimble County 2001 Series A due 09/01/26 Var%.....	160,051.42	
Jefferson County 2001 Series B due 11/01/27 Var%.....	175,924.00	
Trimble County 2001 Series B due 11/01/27 Var%.....	175,952.86	
Trimble County 2002 Series A due 10/01/32 Var%.....	778,547.89	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,025,951.06	
Short-term portion.....	186,561.72	
Unamortized Loss on Bonds.....	22,136,655.35	22,136,655.35
Accumulated Deferred Income Taxes.....		49,392,552.07
Federal		
Electric.....	30,235,048.75	
Gas.....	11,422,391.05	
State		
Electric.....	5,592,030.41	
Gas.....	2,143,081.86	
Regulatory Assets.....		398,998,957.42
Pension and Postretirement Benefits.....	226,260,041.00	
Interest Rate Ineffectiveness.....	45,648,582.00	
2009 Winter Storm.....	42,742,431.33	
Asset Retirement Obligations		
Electric.....	25,576,873.81	
Gas.....	8,617,822.78	
Common.....	28,295.73	
2008 Wind Storm.....	22,951,824.47	
Swap Termination.....	9,238,777.02	
Fuel Adjustment Clause.....	5,426,000.00	
Environmental Cost Recovery.....	4,154,688.00	
Gas Supply Clause/PBR.....	3,509,120.97	
Rate Case Expenses.....	1,650,926.48	
MISO Exit Fee.....	1,634,439.50	
KCCS Funding.....	823,162.97	
EKPC FERC Transmission Costs.....	565,241.36	
CMRG Funding.....	170,730.00	
Other Deferred Debits.....	2,639,042.93	2,639,042.93
<b>Total Assets.....</b>	<b>3,476,618,866.71</b>	<b>3,476,618,866.71</b>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		1,316,862,925.97
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	808,946,891.52	
Bonds.....	411,104,000.00	411,104,000.00
Long-Term Notes Payable to Associated Companies.....	485,000,000.00	485,000,000.00
Short-Term Notes Payable to Associated Companies.....	142,309,400.00	142,309,400.00
Accounts Payable.....		108,349,293.44
Regular.....	99,908,541.89	
Employee Withholdings Payable.....	5,241,846.19	
Salaries and Wages Accrued.....	3,198,905.36	
Accounts Payable to Associated Companies.....		51,218,385.36
E.ON-US Affiliates ; Kentucky Utilities.....	46,343,584.79	
Interest payable to Fidelity.....	4,874,800.57	
Customers' Deposits.....	23,673,139.66	23,673,139.66
Taxes Accrued.....	12,074,347.15	12,074,347.15
Interest Accrued.....		4,316,975.16
Jefferson County 2000 Series A due 05/01/27 5.375%.....	671,875.01	
Trimble County 2000 Series A due 08/01/30 Var%.....	19,560.61	
Jefferson County 2001 Series A due 09/01/26 Var%.....	70,890.44	
Jefferson County 2001 Series A due 09/01/27 Var%.....	884.25	
Trimble County 2001 Series A due 09/01/26 Var%.....	8,287.66	
Jefferson County 2001 Series B due 11/01/27 Var%.....	4,820.52	
Trimble County 2001 Series B due 11/01/27 Var%.....	4,890.68	
Trimble County 2002 Series A due 10/01/32 Var%.....	14,928.63	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.10	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.12	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.50	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.03	
Interest Rate Swaps.....	641,092.32	
Customers' Deposits.....	424,406.95	
Other.....	10,164.34	
Miscellaneous Current and Accrued Liabilities.....		16,881,002.06
Customer Overpayments.....	6,294,891.73	
Vacation Pay Accrued.....	5,384,122.23	
No-Notice Gas Payable.....	1,488,950.41	
Derivative Liabilities - Non-Hedging.....	839,855.12	
Tax Collections Payable.....	807,942.01	
Postretirement Benefits - Current.....	695,954.00	
Unearned Revenue.....	536,560.96	
Other.....	832,725.60	

November 30, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		454,586,900.11
Federal		
Electric.....	331,033,805.88	
Gas.....	57,790,066.60	
State		
Electric.....	56,379,585.64	
Gas.....	9,383,441.99	
Investment Tax Credit.....		45,941,538.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	21,475,891.98	
Gas.....	715,646.15	
Regulatory Liabilities.....		51,659,503.79
Deferred Taxes		
Federal		
Electric.....	16,770,107.37	
Gas.....	1,185,304.80	
State		
Electric.....	14,035,045.01	
Gas.....	2,450,348.43	
Gas Supply Clause/PBR.....	8,834,500.15	
DSM Cost Recovery.....	4,626,194.67	
Asset Retirement Obligations		
Gas.....	2,384,083.20	
Electric.....	775,851.75	
Purchased Gas Adjustment - Texas Gas.....	299,098.24	
MISO Schedule 10 Charges.....	298,970.17	
Customers' Advances for Construction.....		8,451,907.43
Line Extensions		
Gas.....	6,888,436.96	
Electric.....	681,946.44	
Customer Advances - Museum Plaza.....	694,647.22	
Other.....	186,876.81	
Asset Retirement Obligations		65,149,934.69
Electric.....	38,396,017.97	
Gas.....	26,609,823.39	
Common.....	144,093.33	
Other Deferred Credits.....	5,955,456.28	5,955,456.28
Miscellaneous Long-Term Liabilities.....		49,962,421.48
Long-Term Derivative Liabilities - SFAS 133.....	45,907,019.07	
Workers' Compensation.....	4,055,402.41	
Accumulated Provision for Benefits.....		223,121,736.00
Pension Payable.....	133,162,237.00	
Postretirement Benefits - SFAS 106.....	85,755,931.00	
Post Employment Benefits Payable.....	4,426,635.00	
Post Employment Medicare Subsidy.....	(223,067.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,476,618,866.71</u>	<u>3,476,618,866.71</u>

November 30, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**October 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	108,668,025.28	81,089,952.48
Items not requiring (providing) cash currently:		
Depreciation.....	109,328,647.16	107,099,008.16
Amortization.....	6,461,501.83	6,549,248.67
Deferred income taxes - net.....	23,163,894.75	29,782,153.97
Investment tax credit - net.....	(2,084,812.00)	398,576.13
Gain on disposal of assets.....	(33,760.40)	(2,510,531.16)
Other.....	30,071,464.03	(4,325,937.55)
Change in receivables.....	13,508,700.26	94,533,831.38
Change in inventory.....	(22,512,088.44)	33,314,583.18
Change in allowance inventory.....	1,234.77	1,594.38
Change in payables and accrued expenses.....	9,255,452.77	(78,071,925.71)
Change in regulatory assets.....	(79,008,862.71)	(47,663,021.46)
Change in regulatory liabilities.....	(33,247,704.79)	36,481,806.82
Change in other deferred debits.....	(403,573.41)	40,369,394.65
Change in other deferred credits.....	(2,196,202.27)	(3,523,958.58)
Other.....	49,924,149.56	7,819,051.91
Pension and postretirement funding.....	(25,635,500.00)	(14,431,896.52)
Net cash provided (used) by operating activities.....	185,260,566.39	286,911,930.75
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(87,400,134.28)	(134,368,768.53)
Gross additions to common utility plant - construction expendi	(16,987,253.01)	(11,638,340.99)
Proceeds received from sale of property.....	34,136.95	2,565,220.92
Change in non-hedging derivatives.....	840,645.25	6,476,777.03
Net cash provided (used) by investing activities.....	(103,512,605.09)	(136,965,111.57)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(26,566.86)	(84,624.35)
Net change in short-term debt.....	(28,091,000.00)	(71,331,800.00)
Net change in short-term capital lease obligations.....	-	(23,650.00)
Contributed capital.....	-	51,107.00
Dividends on common stock.....	(55,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	(83,117,566.86)	(151,388,967.35)
Net Increase (Decrease) in Cash and Cash Equivalents.....	(1,369,605.56)	(1,442,148.17)
Cash and Cash Equivalents at Beginning of Period.....	5,195,486.38	4,311,488.37
Cash and Cash Equivalents at End of Period.....	3,825,880.82	2,869,340.20

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$6 million and an increase to cash flows from investing of \$6 million.

November 30, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**October 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Interest on Long-Term Debt						
Loan Agreement - Pollution Control Bonds						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	111,979.17	1,119,791.58	1,119,791.70	1,343,749.92	1,254,168.77
Trimble County 2000 Series A due 08/01/30 Var%.....	25,058.37	20,509.66	326,291.23	260,144.10	360,921.53	412,795.30
Jefferson County 2001 Series A due 09/01/26 Var%.....	19,109.60	18,154.12	146,527.42	209,242.17	175,993.17	281,668.21
Jefferson County 2001 Series A due 09/01/27 Var%.....	4,392.43	1,947.83	39,668.01	34,950.49	43,642.27	51,151.42
Trimble County 2001 Series A due 09/01/26 Var%.....	12,431.51	21,020.55	139,737.68	255,966.46	181,100.69	344,487.18
Jefferson County 2001 Series B due 11/01/27 Var%.....	31,404.11	30,876.71	309,950.35	316,759.81	362,929.80	418,953.19
Trimble County 2001 Series B due 11/01/27 Var%.....	31,116.44	30,876.70	309,994.44	316,759.80	362,973.88	418,953.18
Trimble County 2002 Series A due 10/01/32 Var%.....	17,514.14	9,094.39	260,883.78	160,567.80	277,443.63	278,818.99
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	736,993.96	-	688,312.42	(688,312.42)	-
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	1,916,666.57	1,916,666.69	2,299,999.91	2,146,666.70
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	1,453,124.95	1,453,125.00	1,743,749.95	1,627,500.02
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,300,000.00	2,300,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	641,092.27	147,657.33	6,353,163.94	5,724,487.31	7,560,406.78	6,724,356.73
Fidelia.....	2,229,150.01	2,220,150.00	22,210,500.04	22,201,500.13	26,650,800.05	26,452,800.13
<b>Total.....</b>	<b>3,690,227.22</b>	<b>3,916,239.59</b>	<b>36,886,299.99</b>	<b>36,958,273.87</b>	<b>43,435,399.16</b>	<b>43,172,319.81</b>
Amortization of Debt Expense - Net						
Amortization of Debt Expense.....	15,546.83	15,518.07	155,325.85	154,827.89	186,362.24	185,653.43
Amortization of Loss on Reacquired Debt.....	101,002.98	(27,088.13)	1,009,244.77	950,094.56	1,338,646.14	1,293,470.34
<b>Total.....</b>	<b>116,549.81</b>	<b>(11,570.06)</b>	<b>1,164,570.62</b>	<b>1,104,922.45</b>	<b>1,525,008.38</b>	<b>1,479,123.77</b>
Other Interest Charges						
Customers' Deposits.....	136,697.86	83,030.11	1,169,143.67	894,437.00	1,634,229.55	1,085,753.62
Other Tax Deficiencies.....	(28,494.00)	-	(17,500.00)	(12,853.00)	(19,527.00)	(11,740.00)
Interest on DSM Cost Recovery.....	4,249.01	4,647.33	23,979.64	122,947.35	29,097.87	164,626.44
Interest on Debt to Associated Companies.....	24,620.75	(37,594.72)	260,492.66	553,048.93	381,741.93	1,633,978.48
Other Interest Expense.....	33,716.45	63,084.38	728,847.56	558,283.13	794,074.81	978,748.15
<b>Total.....</b>	<b>170,790.07</b>	<b>113,167.10</b>	<b>2,164,963.53</b>	<b>2,115,863.41</b>	<b>2,819,617.16</b>	<b>3,851,366.69</b>
<b>Total Interest.....</b>	<b>3,977,567.10</b>	<b>4,017,836.63</b>	<b>40,215,834.14</b>	<b>40,179,059.73</b>	<b>47,780,024.70</b>	<b>48,502,810.27</b>

November 30, 2010

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
October 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	1,227,263.12	468,654.89	12,230,744.70	13,677,458.08
Unemployment.....	49,706.42	(126.56)	181,827.10	126,477.61
FICA.....	843,198.59	468,607.12	6,132,270.66	5,704,985.19
Public Service Commission Fee.....	161,096.90	161,675.42	1,614,440.14	1,591,917.79
Federal Income.....	7,914,704.51	(665,135.75)	32,242,943.36	7,435,947.12
State Income.....	2,876,833.06	571,978.53	5,326,411.80	3,145,559.43
Miscellaneous.....	7,222.67	12,911.20	34,579.20	46,073.35
<b>Total Charged to Operating Expense.....</b>	<b>13,080,025.27</b>	<b>1,018,564.85</b>	<b>57,763,216.96</b>	<b>31,728,418.57</b>
Taxes Charged to Other Accounts.....	5,500,038.98	1,731,571.88	12,372,551.96	5,298,738.84
Taxes Accrued on Intercompany Accounts.....	(226,084.40)	(201,447.94)	(2,419,045.05)	(2,161,803.08)
<b>Total Taxes Charged.....</b>	<b>18,353,979.85</b>	<b>2,548,688.79</b>	<b>67,716,723.87</b>	<b>34,865,354.33</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	12,517,050.71	13,225,283.98	10,354,456.96
Unemployment.....	42,164.99	128,546.56	142,055.40	28,656.15
FICA.....	455,753.32	5,256,411.73	5,038,453.14	673,711.91
Federal Income.....	13,896,876.99	38,937,597.00	52,834,474.00	(0.01)
State Income.....	632,003.78	6,949,450.23	7,581,454.00	0.01
Kentucky Sales and Use Tax.....	625,517.98	3,811,016.72	3,438,818.55	997,716.15
Miscellaneous.....	14,799.84	116,650.92	111,644.78	19,805.98
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>67,716,723.87</b>	<b>82,372,183.85</b>	<b>12,074,347.15</b>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**October 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	11,531,511.21	(14,865,298.65)	113,616.18	(3,220,171.26)	159,921,299.00
Common Intangible Plant	61,656,665.49	4,497,858.88	(8,744,985.48)	-	(4,247,126.60)	57,409,538.89
	<u>224,798,135.75</u>	<u>16,029,370.09</u>	<u>(23,610,284.13)</u>	<u>113,616.18</u>	<u>(7,467,297.86)</u>	<u>217,330,837.89</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	62,775,561.98	(5,195,845.54)	860,884.18	58,440,600.62	916,353,517.85
Electric General Plant	16,833,253.13	646,438.56	(1,829,170.28)	-	(1,182,731.72)	15,650,521.41
Electric Hydro Production	41,579,243.41	28,599.70	-	(83,553.53)	(54,953.83)	41,524,289.58
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,445,652.25)	(184,810.14)	(189,224.78)	(1,819,687.17)	229,430,116.82
Electric Steam Production	1,894,640,479.32	17,341,540.23	(4,131,861.24)	9,134,540.41	22,344,219.40	1,916,984,698.72
Electric Transmission	241,991,713.86	6,406,284.57	(878,548.72)	13,714.81	5,541,450.66	247,533,164.52
	<u>3,284,209,751.23</u>	<u>85,752,772.79</u>	<u>(12,220,235.92)</u>	<u>9,736,361.09</u>	<u>83,268,897.96</u>	<u>3,367,478,649.19</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	9,906,463.31	(1,036,561.07)	19,352,921.63	28,222,823.87	557,321,138.38
Gas General Plant	9,014,996.97	345,928.69	(605,344.05)	-	(259,415.36)	8,755,581.61
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	8,378,171.79	(706,303.18)	(1,431,107.44)	6,240,761.17	71,178,384.04
Gas Transmission	13,658,203.76	3,009,765.20	(6,099.28)	-	3,003,665.92	16,661,869.68
	<u>616,710,325.60</u>	<u>21,640,328.99</u>	<u>(2,354,307.58)</u>	<u>17,921,814.19</u>	<u>37,207,835.60</u>	<u>653,918,161.20</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>123,422,471.87</u>	<u>(38,184,827.63)</u>	<u>27,771,791.46</u>	<u>113,009,435.70</u>	<u>4,238,727,648.28</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**October 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	265,181.22	(125,742.66)	-	-	(125,742.66)	139,438.56
Common Intangible Plant	971,026.53	163,112.70	-	-	163,112.70	1,134,139.23
	<u>1,236,207.75</u>	<u>37,370.04</u>	<u>-</u>	<u>-</u>	<u>37,370.04</u>	<u>1,273,577.79</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(16,254,741.06)	-	-	(16,254,741.06)	18,490,295.61
Electric General Plant	-	-	-	-	-	-
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	-	-	-	-	-
Electric Steam Production	9,240,272.74	2,577,547.17	-	-	2,577,547.17	11,817,819.91
Electric Transmission	976,044.41	34,429,661.07	-	-	34,429,661.07	35,405,705.48
	<u>44,978,306.08</u>	<u>20,752,467.18</u>	<u>-</u>	<u>-</u>	<u>20,752,467.18</u>	<u>65,730,773.26</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	9,714,753.55	-	-	9,714,753.55	25,097,682.82
Gas General Plant	211,426.16	(100,322.53)	-	-	(100,322.53)	111,103.63
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(1,473,714.23)	-	-	(1,473,714.23)	2,312,834.21
Gas Transmission	1,221,215.37	(1,221,215.37)	-	-	(1,221,215.37)	-
	<u>20,602,119.24</u>	<u>6,919,501.42</u>	<u>-</u>	<u>-</u>	<u>6,919,501.42</u>	<u>27,521,620.66</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>27,709,338.64</u>	<u>-</u>	<u>-</u>	<u>27,709,338.64</u>	<u>94,525,971.71</u>
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	920,512.88	-	-	920,512.88	16,687,937.48
Electric	299,585,079.65	3,173,980.78	-	-	3,173,980.78	302,759,060.43
Gas	26,774,033.33	2,901,198.96	-	-	2,901,198.96	29,675,232.29
	<u>342,126,537.58</u>	<u>6,995,692.62</u>	<u>-</u>	<u>-</u>	<u>6,995,692.62</u>	<u>349,122,230.20</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>151,131,810.51</u>	<u>(38,184,827.63)</u>	<u>27,771,791.46</u>	<u>140,718,774.34</u>	<u>4,340,300,423.73</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>158,127,503.13</u>	<u>(38,184,827.63)</u>	<u>27,771,791.46</u>	<u>147,714,466.96</u>	<u>4,689,422,653.93</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>158,127,503.13</u>	<u>(38,184,827.63)</u>	<u>27,771,791.46</u>	<u>147,714,466.96</u>	<u>4,689,347,414.37</u>

November 30, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(11,476,399.07)	14,865,298.65	-	-	-	-	-	(75,313,101.68)
Common General Plant - ARO	(1,233.92)	(319.80)	-	-	-	-	-	-	(1,553.72)
Electric Distribution	(266,380,666.38)	(13,891,447.70)	5,195,845.54	-	-	-	-	-	(275,076,268.54)
Electric Distribution - ARO	(13,162.72)	(1,592.61)	-	-	-	-	-	-	(14,755.33)
Electric General Plant	(14,148,434.81)	(543,428.70)	1,829,170.28	(376.55)	-	-	-	-	(12,863,069.78)
Electric Hydro Production	(9,163,030.01)	(462,701.41)	-	-	-	-	-	-	(9,625,731.42)
Electric Hydro Production - ARO	(17,810.24)	(191.00)	-	-	-	-	-	-	(18,001.24)
Electric Other Production	(52,372,728.97)	(6,739,479.91)	184,810.14	-	-	-	-	-	(58,927,398.74)
Electric Other Production - ARO	(89,318.48)	(54,655.44)	-	143,013.57	-	-	-	-	(960.35)
Electric Steam Production	(982,038,024.91)	(43,340,824.35)	4,306,715.66	25,000.00	-	-	-	-	(1,021,047,133.60)
Electric Steam Production - ARO	(2,543,436.73)	(574,444.67)	3,300.00	154,007.99	-	-	-	-	(2,960,573.41)
Electric Transmission	(116,058,916.84)	(3,297,224.61)	878,548.72	-	-	-	-	-	(118,477,592.73)
Electric Transmission - ARO	(667.12)	(39.59)	-	-	-	-	-	-	(706.71)
Gas Distribution	(116,733,622.42)	(9,194,403.66)	1,036,561.07	-	-	-	-	-	(124,891,465.01)
Gas Distribution - ARO	(20,380.45)	(60,398.11)	-	-	-	-	-	-	(80,778.56)
Gas General Plant	(6,508,855.59)	(349,587.81)	605,344.05	-	-	-	-	-	(6,253,099.35)
Gas Storage	(32,226,220.17)	(859,593.92)	706,303.18	-	-	-	-	-	(32,379,510.91)
Gas Storage - ARO	(402,273.17)	1,476.28	-	-	-	-	-	-	(400,796.89)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(43,005.97)	6,099.28	-	-	-	-	-	(9,439,737.38)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(90,888,262.05)</u>	<u>29,617,996.57</u>	<u>321,645.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,747,835,595.71)</u>
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(224,473.86)	-	-	-	172,355.05	-	-	(637,921.57)
Electric Distribution	(148,701,260.29)	(5,482,853.78)	-	-	-	7,591,422.93	-	-	(146,592,691.14)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(35,135.39)	-	-	-	-	-	-	743,935.28
Electric Other Production	(2,157,721.68)	(289,294.04)	-	-	-	-	-	-	(2,447,015.72)
Electric Steam Production	(80,852,537.28)	(11,985,199.90)	(176,793.52)	(25,000.00)	-	692,629.93	-	-	(92,346,900.77)
Electric Transmission	(23,685,015.10)	(1,038,441.49)	-	-	-	413,125.80	-	-	(24,310,330.79)
Gas Distribution	(57,352,410.28)	(2,585,161.79)	-	-	-	140,173.55	-	-	(59,797,398.52)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(103,174.89)	-	-	-	142,464.13	-	-	(189,156.34)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(10,627.37)	-	-	-	19,917.95	-	-	(3,014,621.79)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(21,754,362.51)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>9,172,089.34</u>	<u>-</u>	<u>-</u>	<u>(328,588,234.74)</u>

November 30, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	282.11	-	-	-	-	-	-	278,010.67
Electric Distribution	16,492,540.88	1,103,792.58	-	-	-	-	(49,427.48)	-	17,546,905.98
Electric General Plant	136,014.35	1,886.82	-	-	-	-	-	-	137,901.17
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,501,167.37	(1,360.90)	-	-	-	(45,461.74)	-	21,727,692.08
Electric Transmission	6,103,126.31	198,454.64	-	-	-	-	(97,323.91)	-	6,204,257.04
Gas Distribution	3,410,835.14	160,525.74	-	-	-	-	(9,300.67)	-	3,562,060.21
Gas General Plant	223,852.64	1,593.87	-	-	-	-	-	-	225,446.51
Gas Storage	252,727.30	14,397.25	-	-	-	-	(63.60)	-	267,060.95
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	3,985.26	-	-	-	-	-	-	217,101.05
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>2,986,085.64</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,577.40)</u>	<u>-</u>	<u>50,524,075.16</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(11,700,910.62)	14,865,298.65	-	-	172,355.05	-	-	(75,737,926.66)
Electric	(1,654,077,125.86)	(84,931,653.18)	12,220,235.92	296,645.01	-	8,697,178.66	(192,213.13)	-	(1,717,986,932.58)
Gas	(221,798,419.87)	(13,023,975.12)	2,354,307.58	-	-	302,555.63	(9,364.27)	-	(232,174,896.05)
	<u>(1,954,950,215.47)</u>	<u>(109,656,538.92)</u>	<u>29,439,842.15</u>	<u>296,645.01</u>	<u>-</u>	<u>9,172,089.34</u>	<u>(201,577.40)</u>	<u>-</u>	<u>(2,025,899,755.29)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(8,467.50)	(172,355.05)	9,337,517.19	(44,327.00)	5,000.00	180,233.03
Electric	18,980,726.37	-	-	204,109.60	(8,504,965.53)	(1,825,909.40)	(373,881.87)	51,344.53	8,531,423.70
Gas	1,284,007.95	-	-	16,649.27	(293,191.36)	1,406,800.26	(14,989.03)	(59,698.94)	2,339,578.15
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(8,970,511.94)</u>	<u>8,918,408.05</u>	<u>(433,197.90)</u>	<u>(3,354.41)</u>	<u>11,051,234.88</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(109,656,538.92)</u>	<u>29,439,842.15</u>	<u>508,936.38</u>	<u>(8,970,511.94)</u>	<u>18,090,497.39</u>	<u>(634,775.30)</u>	<u>(3,354.41)</u>	<u>(2,014,848,520.41)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(6,461,501.83)	8,744,985.48	-	-	-	-	-	(15,995,115.70)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(6,461,501.83)</u>	<u>8,744,985.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,996,015.70)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(116,118,040.75)</u>	<u>38,184,827.63</u>	<u>508,936.38</u>	<u>(8,970,511.94)</u>	<u>18,090,497.39</u>	<u>(634,775.30)</u>	<u>(3,354.41)</u>	<u>(2,030,844,536.11)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,030,781,175.75)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,658,566,238.62</u>

November 30, 2010

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - November 30, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

November 30, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**November 30, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheets.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14 - 14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15 - 15.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	75,474,375.66	60,858,941.17	14,615,434.49	24.02
Gas Operating Revenues.....	28,775,894.40	23,225,050.49	5,550,843.91	23.90
<b>Total Operating Revenues.....</b>	<b>104,250,270.06</b>	<b>84,083,991.66</b>	<b>20,166,278.40</b>	<b>23.98</b>
Fuel for Electric Generation.....	28,583,040.32	23,303,865.58	5,279,174.74	22.65
Power Purchased.....	4,597,979.19	4,357,891.72	240,087.47	5.51
Gas Supply Expenses.....	15,846,801.16	13,154,317.43	2,692,483.73	20.47
Other Operation Expenses.....	21,037,578.69	18,549,474.14	2,488,104.55	13.41
Maintenance.....	9,815,100.39	8,519,077.37	1,296,023.02	15.21
Depreciation.....	10,887,294.43	10,923,227.80	(35,933.37)	(0.33)
Amortization Expense.....	631,375.25	702,905.46	(71,530.21)	(10.18)
Regulatory Credits.....	(320,640.19)	(177,569.10)	(143,071.09)	(80.57)
<b>Taxes</b>				
Federal Income.....	2,710,579.67	(391,195.56)	3,101,775.23	792.90
State Income.....	494,330.64	(505,670.79)	1,000,001.43	(197.76)
Deferred Federal Income - Net.....	-	(9,734,238.85)	9,734,238.85	(100.00)
Deferred State Income - Net.....	-	(1,616,944.69)	1,616,944.69	100.00
Property and Other.....	708,449.42	1,164,293.25	(455,843.83)	(39.15)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	(254,733.00)	46,252.00	18.16
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	216,795.73	162,929.36	53,866.37	33.06
<b>Total Operating Expenses.....</b>	<b>95,000,203.70</b>	<b>68,157,630.12</b>	<b>26,842,573.58</b>	<b>39.38</b>
Net Operating Income.....	9,250,066.36	15,926,361.54	(6,676,295.18)	(41.92)
Other Income Less Deductions.....	(236,249.84)	(12,344,280.14)	12,108,030.30	98.09
<b>Income Before Interest Charges.....</b>	<b>9,013,816.52</b>	<b>3,582,081.40</b>	<b>5,431,735.12</b>	<b>151.64</b>
Interest on Long-Term Debt.....	3,615,035.62	2,923,988.66	691,046.96	23.63
Amortization of Debt Expense - Net.....	229,016.05	244,148.26	(15,132.21)	(6.20)
Other Interest Expenses.....	163,600.03	226,117.20	(62,517.17)	(27.65)
<b>Total Interest Charges.....</b>	<b>4,007,651.70</b>	<b>3,394,254.12</b>	<b>613,397.58</b>	<b>18.07</b>
<b>Net Income.....</b>	<b>5,006,164.82</b>	<b>187,827.28</b>	<b>4,818,337.54</b>	<b>2,565.30</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2010**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	921,860,119.63	838,360,799.82	83,499,319.81	9.96
Gas Operating Revenues.....	245,653,124.21	314,873,512.40	(69,220,388.19)	(21.98)
<b>Total Operating Revenues.....</b>	<b>1,167,513,243.84</b>	<b>1,153,234,312.22</b>	<b>14,278,931.62</b>	<b>1.24</b>
Fuel for Electric Generation.....	334,061,246.26	301,502,837.06	32,558,409.20	10.80
Power Purchased.....	49,589,290.10	52,465,389.95	(2,876,099.85)	(5.48)
Gas Supply Expenses.....	131,002,537.35	216,409,446.99	(85,406,909.64)	(39.47)
Other Operation Expenses.....	208,101,453.32	201,058,251.35	7,043,201.97	3.50
Maintenance.....	96,740,064.18	84,959,575.62	11,780,488.56	13.87
Depreciation.....	120,215,941.59	118,022,235.96	2,193,705.63	1.86
Amortization Expense.....	7,092,877.08	7,252,154.13	(159,277.05)	(2.20)
Regulatory Credits.....	(3,860,387.93)	(2,027,063.70)	(1,833,324.23)	(90.44)
Taxes				
Federal Income.....	34,953,523.03	7,044,751.56	27,908,771.47	396.16
State Income.....	5,820,742.44	2,639,888.64	3,180,853.80	120.49
Deferred Federal Income - Net.....	14,485,407.74	23,747,995.42	(9,262,587.68)	(39.00)
Deferred State Income - Net.....	1,367,098.28	2,044,746.46	(677,648.18)	(33.14)
Property and Other.....	20,902,311.22	22,311,205.27	(1,408,894.05)	(6.31)
Investment Tax Credit.....	-	2,945,908.65	(2,945,908.65)	(100.00)
Amortization of Investment Tax Credit.....	(2,293,293.00)	(2,802,065.52)	508,772.52	18.16
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,066,378.53	1,806,035.75	1,260,342.78	69.79
<b>Total Operating Expenses.....</b>	<b>1,021,210,730.05</b>	<b>1,039,315,019.53</b>	<b>(18,104,289.48)</b>	<b>(1.74)</b>
Net Operating Income.....	146,302,513.79	113,919,292.69	32,383,221.10	28.43
Other Income Less Deductions.....	11,595,162.15	10,931,800.92	663,361.23	6.07
<b>Income Before Interest Charges.....</b>	<b>157,897,675.94</b>	<b>124,851,093.61</b>	<b>33,046,582.33</b>	<b>26.47</b>
Interest on Long-Term Debt.....	40,501,335.61	39,882,262.53	619,073.08	1.55
Amortization of Debt Expense - Net.....	1,393,586.67	1,349,070.71	44,515.96	3.30
Other Interest Expenses.....	2,328,563.56	2,341,980.61	(13,417.05)	(0.57)
<b>Total Interest Charges.....</b>	<b>44,223,485.84</b>	<b>43,573,313.85</b>	<b>650,171.99</b>	<b>1.49</b>
<b>Net Income.....</b>	<b>113,674,190.10</b>	<b>81,277,779.76</b>	<b>32,396,410.34</b>	<b>39.86</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	1,002,042,244.51	929,858,404.86	72,183,839.65	7.76
Gas Operating Revenues.....	292,407,467.81	393,438,259.31	(101,030,791.50)	(25.68)
<b>Total Operating Revenues.....</b>	<b>1,294,449,712.32</b>	<b>1,323,296,664.17</b>	<b>(28,846,951.85)</b>	<b>(2.18)</b>
Fuel for Electric Generation.....	360,791,405.72	335,040,548.76	25,750,856.96	7.69
Power Purchased.....	55,554,169.98	65,458,062.15	(9,903,892.17)	(15.13)
Gas Supply Expenses.....	164,398,359.32	278,345,272.49	(113,946,913.17)	(40.94)
Other Operation Expenses.....	225,293,421.35	214,440,067.55	10,853,353.80	5.06
Maintenance.....	107,985,447.34	77,483,668.10	30,501,779.24	39.37
Depreciation.....	130,940,039.89	128,037,951.15	2,902,088.74	2.27
Amortization Expense.....	7,797,046.73	7,780,244.79	16,801.94	0.22
Regulatory Credits.....	(4,038,772.03)	(2,203,624.96)	(1,835,147.07)	(83.28)
Taxes				
Federal Income.....	53,181,341.99	17,441,218.15	35,740,123.84	204.92
State Income.....	7,074,381.80	5,288,256.27	1,786,125.53	33.78
Deferred Federal Income - Net.....	(937,008.36)	11,767,516.04	(12,704,524.40)	(107.96)
Deferred State Income - Net.....	773,200.84	(1,758,553.19)	2,531,754.03	143.97
Property and Other.....	22,135,646.96	23,802,666.85	(1,667,019.89)	(7.00)
Investment Tax Credit.....	703,437.35	4,899,908.65	(4,196,471.30)	(85.64)
Amortization of Investment Tax Credit.....	(2,535,334.48)	(3,124,642.20)	589,307.72	18.86
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,230,122.90	1,967,842.38	1,262,280.52	64.15
<b>Total Operating Expenses.....</b>	<b>1,132,312,447.16</b>	<b>1,164,600,128.92</b>	<b>(32,287,681.76)</b>	<b>(2.77)</b>
Net Operating Income.....	162,137,265.16	158,696,535.25	3,440,729.91	2.17
Other Income Less Deductions.....	13,769,762.51	(6,559,286.09)	20,329,048.60	309.93
<b>Income Before Interest Charges.....</b>	<b>175,907,027.67</b>	<b>152,137,249.16</b>	<b>23,769,778.51</b>	<b>15.62</b>
Interest on Long-Term Debt.....	44,126,446.12	42,914,259.79	1,212,186.33	2.82
Amortization of Debt Expense - Net.....	1,509,876.17	1,599,994.98	(90,118.81)	(5.63)
Other Interest Expenses.....	2,757,099.99	2,935,235.23	(178,135.24)	(6.07)
<b>Total Interest Charges.....</b>	<b>48,393,422.28</b>	<b>47,449,490.00</b>	<b>943,932.28</b>	<b>1.99</b>
<b>Net Income.....</b>	<b>127,513,605.39</b>	<b>104,687,759.16</b>	<b>22,825,846.23</b>	<b>21.80</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**November 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	808,946,891.52	741,251,623.67	755,278,866.24	740,161,671.19	741,439,450.95	716,751,691.79
Add:						
Net Income (Loss) for Period.....	5,006,164.82	187,827.28	113,674,190.10	81,277,779.76	127,513,605.39	104,687,759.16
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	55,000,000.00	80,000,000.00	55,000,000.00	80,000,000.00
Balance at End of Period.....	813,953,056.34	741,439,450.95	813,953,056.34	741,439,450.95	813,953,056.34	741,439,450.95

December 28, 2010

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of November 30, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
<b>Utility Plant</b>			<b>Proprietary Capital</b>		
Utility Plant at Original Cost.....	4,725,820,363.00	4,623,997,864.20	Common Stock.....	425,170,424.09	425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,038,048,102.91</u>	<u>2,012,878,228.64</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,687,772,260.09</u>	<u>2,611,119,635.56</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(12,433,496.29)
			Retained Earnings.....	<u>813,953,056.34</u>	<u>741,439,450.95</u>
			Total Proprietary Capital.....	<u>1,321,869,090.79</u>	<u>1,236,921,989.11</u>
<b>Investments</b>			<b>Pollution Control Bonds.....</b>		
Ohio Valley Electric Corporation.....	594,286.00	594,286.00		574,304,000.00	411,104,000.00
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	First Mortgage Bonds.....	531,028,360.84	-
Special Funds.....	<u>184,359,746.63</u>	<u>16,661,201.56</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Total.....	<u>184,965,911.83</u>	<u>17,267,366.76</u>	Total Long-Term Debt.....	1,105,332,360.84	896,104,000.00
			Total Capitalization.....	<u>2,427,201,451.63</u>	<u>2,133,025,989.11</u>
<b>Current and Accrued Assets</b>			<b>Current and Accrued Liabilities</b>		
Cash.....	8,943,622.67	3,766,569.68	ST Notes Payable to Associated Companies.....	-	160,411,400.00
Special Deposits.....	694,907.86	778,989.55	Notes Payable.....	163,000,000.00	-
Temporary Cash Investments.....	257.35	119.71	Accounts Payable.....	93,382,514.42	74,571,171.84
Accounts Receivable - Less Reserve.....	120,611,707.66	106,761,568.65	Accounts Payable to Associated Companies.....	20,131,634.53	18,869,278.24
Accounts Receivable from Associated Companies....	12,503,081.78	3,318,245.27	Customer Deposits.....	23,813,630.54	23,175,598.63
Materials and Supplies - At Average Cost			Taxes Accrued.....	12,466,240.58	12,395,294.65
Fuel.....	72,766,804.02	62,928,336.07	Interest Accrued.....	2,515,610.98	4,613,629.73
Plant Materials and Operating Supplies.....	29,408,708.50	29,205,689.44	Miscellaneous Current and Accrued Liabilities.....	<u>18,067,321.29</u>	<u>19,625,486.56</u>
Stores Expense.....	4,916,530.71	4,136,014.82	Total.....	<u>333,376,952.34</u>	<u>313,661,859.65</u>
Gas Stored Underground.....	69,206,931.68	66,482,793.42			
Allowance Inventory.....	2,872.24	4,261.39			
Prepayments.....	12,611,917.95	6,791,031.01			
Miscellaneous Current and Accrued Assets.....	<u>455,865.92</u>	<u>3,023,100.44</u>			
Total.....	<u>332,123,208.34</u>	<u>287,196,719.45</u>	<b>Deferred Credits and Other</b>		
			Accumulated Deferred Income Taxes.....	454,586,900.11	440,161,751.70
<b>Deferred Debits and Other</b>			Investment Tax Credit.....	45,733,057.13	50,492,913.26
Unamortized Debt Expense.....	11,959,147.13	3,869,617.26	Regulatory Liabilities.....	51,586,279.37	89,481,783.77
Unamortized Loss on Bonds.....	22,035,652.40	23,220,062.90	Customer Advances for Construction.....	8,466,567.41	9,345,811.73
Accumulated Deferred Income Taxes.....	49,259,820.29	59,791,755.13	Asset Retirement Obligations.....	52,433,061.81	32,879,884.77
Deferred Regulatory Assets.....	367,782,479.06	364,900,165.30	Other Deferred Credits.....	35,528,957.25	42,911,406.08
Other Deferred Debits.....	<u>1,205,148.42</u>	<u>1,131,180.41</u>	Miscellaneous Long-Term Liabilities.....	45,581,269.32	43,255,407.38
Total.....	<u>452,242,247.30</u>	<u>452,912,781.00</u>	Accum Provision for Postretirement Benefits.....	<u>202,609,131.19</u>	<u>213,279,695.32</u>
			Total.....	<u>896,525,223.59</u>	<u>921,808,654.01</u>
Total Assets.....	<u><u>3,657,103,627.56</u></u>	<u><u>3,368,496,502.77</u></u>	Total Liabilities and Stockholders' Equity.....	<u><u>3,657,103,627.56</u></u>	<u><u>3,368,496,502.77</u></u>

December 28, 2010

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**November 30, 2010**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			<u>813,953,056.34</u>		
 Total Proprietary Capital.....			<u>1,321,869,090.79</u>	<u>54.46</u>	<u>54.46</u>
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			<u>35,200,000.00</u>		
Total Pollution Control Bonds.....			574,304,000.00	23.66	23.66
<b>First Mortgage Bonds</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00		
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>		
Total First Mortgage Bonds.....			535,000,000.00	22.04	22.04
<b>Less: First Mortgage Bonds Debt Discount</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			(875,145.83)		
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,096,493.33)</u>		
First Mortgage Bond Due 11/15/40 5.125%.....			(3,971,639.16)	-0.16	-0.16
Total First Mortgage Bonds.....			531,028,360.84	21.88	21.88
Long-Term Notes Payable to Associated Companies.....			-	0.00	0.00
Total Capitalization.....			<u>2,427,201,451.63</u>	<u>100.00</u>	<u>100.00</u>
Short-Term Notes Payable to Associated Companies.....			-	0.00	
Total Capitalization and Short-Term Debt.....			<u>2,427,201,451.63</u>	<u>100.00</u>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	4,725,820,363.00	4,725,820,363.00
Reserves for Depreciation and Amortization.....		(2,038,048,102.91)
Depreciation of Plant		
Electric.....	(1,714,299,040.18)	
Gas.....	(230,652,136.31)	
Common.....	(76,469,535.47)	
Amortization of Plant		
Common.....	(16,626,490.95)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		184,965,911.83
Special Funds.....	184,359,746.63	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	8,943,622.67	8,943,622.67
Special Deposits.....		694,907.86
Other Special Deposits.....	694,907.86	
Temporary Cash Investments.....	257.35	257.35
Accounts Receivable - Less Reserve.....		120,611,707.66
Customers - Active.....	56,245,599.26	
Unbilled Revenues.....	50,530,605.10	
Sundry Accounts Receivable.....	5,480,717.64	
IMPA.....	2,928,334.38	
IMEA.....	2,860,581.42	
Wholesale Sales.....	2,102,198.15	
Margin Cash Collateral.....	1,391,033.54	
Damage Claims.....	492,091.87	
Transmission Sales.....	341,898.60	
Electricity Swaps.....	200,760.00	
Other.....	1,484,521.83	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	6,018,939.60	
Recoveries.....	(1,165,841.04)	
Reserve.....	(1,692,027.00)	
A/R Miscellaneous.....	(1,754,607.13)	
Accrual.....	(4,853,098.56)	
Accounts Receivable from Associated Companies.....		12,503,081.78
LG&E-KU Energy Services /Kentucky Utilities.....	12,503,081.78	
Fuel.....		72,766,804.02
Coal 1,652,181.16 Tons @ \$43.74; MMBtu 37,440,253.31 @ 193.01¢.....	72,264,620.22	
Fuel Oil 241,134.97 Gallons @ 192.56¢.....	464,319.26	
Gas Pipeline 5,000.00 Mcf @ \$7.57.....	37,864.54	
Plant Materials and Operating Supplies.....		29,408,708.50
Regular Materials and Supplies.....	28,899,108.17	
Limestone 68,372.00 Tons @ \$7.45.....	509,600.33	

December 28, 2010

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	4,916,530.71	4,916,530.71
Gas Stored Underground - Current.....		69,206,931.68
Gas St. Underground* 14,058,876.00 Mcf (14.73 psia) @ \$4.92.....	69,206,931.68	
Allowance Inventory.....	2,872.24	2,872.24
Prepayments.....		12,611,917.95
Taxes.....	6,434,097.71	
Insurance.....	4,689,552.56	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,158,267.64	
Miscellaneous Current Assets.....		455,865.92
Derivative Asset - Non-Hedging.....	455,865.92	
Unamortized Debt Expense.....		11,959,147.13
Trimble County 2000 Series A due 08/01/30 Var%.....	761,244.97	
Jefferson County 2001 Series A due 09/01/26 Var%.....	341,574.34	
Jefferson County 2001 Series A due 09/01/27 Var%.....	156,299.40	
Trimble County 2001 Series A due 09/01/26 Var%.....	169,942.29	
Jefferson County 2001 Series B due 11/01/27 Var%.....	186,002.97	
Trimble County 2001 Series B due 11/01/27 Var%.....	186,033.48	
Trimble County 2002 Series A due 10/01/32 Var%.....	812,667.47	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,069,524.26	
First Mortgage Bond due 11/15/15 1.625%.....	1,579,744.07	
First Mortgage Bond due 11/15/40 5.125%.....	2,583,176.50	
Revolving Credit Agreement.....	4,112,937.38	
Unamortized Loss on Bonds.....	22,035,652.40	22,035,652.40
Accumulated Deferred Income Taxes.....		49,259,820.29
Federal		
Electric.....	30,129,283.59	
Gas.....	11,415,897.20	
State		
Electric.....	5,572,741.93	
Gas.....	2,141,897.57	
Regulatory Assets.....		367,782,479.06
Pension and Postretirement Benefits.....	228,246,822.00	
2009 Winter Storm.....	42,377,111.41	
Interest Rate Ineffectiveness.....	41,195,851.00	
2008 Wind Storm.....	22,755,655.03	
Swap Termination.....	9,217,237.36	
Asset Retirement Obligations		
Electric.....	6,299,634.71	
Gas.....	124,824.99	
Common.....	636.28	
Fuel Adjustment Clause.....	5,338,000.00	
Environmental Cost Recovery.....	4,035,783.00	
Gas Supply Clause/PBR.....	3,513,689.65	
Rate Case Expenses.....	1,586,699.55	
MISO Exit Fee.....	1,571,953.30	
KCCS Funding.....	804,870.46	
EKPC FERC Transmission Costs.....	551,110.32	
CMRG Funding.....	162,600.00	
Other Deferred Debits.....	1,205,148.42	1,205,148.42
Total Assets.....	<u>3,657,103,627.56</u>	<u>3,657,103,627.56</u>

* Excludes:		\$	Mcf
Non-recoverable Base Gas	9,648,855.00		7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>		<u>2,930,000</u>
	11,788,845.00		10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		1,321,869,090.79
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	813,953,056.34	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,028,360.84	531,028,360.84
NOTES PAYABLE.....	163,000,000.00	163,000,000.00
Accounts Payable.....		93,382,514.42
Regular.....	89,653,975.88	
Salaries and Wages Accrued.....	3,681,089.10	
Employee Withholdings Payable.....	47,449.44	
Accounts Payable to Associated Companies.....		20,131,634.53
LG&E-KU Energy Services /Kentucky Utilities.....	20,131,634.53	
Customers' Deposits.....	23,813,630.54	23,813,630.54
Taxes Accrued.....	12,466,240.58	12,466,240.58
Interest Accrued.....		2,515,610.98
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.18	
Trimble County 2000 Series A due 08/01/30 Var%.....	24,306.07	
Jefferson County 2001 Series A due 09/01/26 Var%.....	0.03	
Trimble County 2001 Series A due 09/01/26 Var%.....	133.46	
Jefferson County 2001 Series B due 11/01/27 Var%.....	20,719.17	
Trimble County 2001 Series B due 11/01/27 Var%.....	719.15	
Trimble County 2002 Series A due 10/01/32 Var%.....	719.45	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	12,657.03	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	0.10	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	760,277.79	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.03	
Interest Rate Swaps.....	0.05	
First Mortgage Bond due 11/15/15.....	169,270.84	
First Mortgage Bond due 11/15/40.....	608,593.75	
Revolving Credit Agreement.....	276,285.00	
Customer Deposits.....	518,612.95	
Other.....	11,336.93	
Miscellaneous Current and Accrued Liabilities.....		18,067,321.29
Customer Overpayments.....	5,657,931.05	
Vacation Pay Accrued.....	5,732,781.14	
Derivative Liabilities - Non-Hedging.....	424,141.47	
Tax Collections Payable.....	676,992.73	
Postretirement Benefits - Current.....	695,954.00	
Unearned Revenue.....	474,562.03	
Other.....	4,404,958.87	

December 28, 2010



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		454,586,900.11
Federal		
Electric.....	331,033,805.88	
Gas.....	57,790,066.60	
State		
Electric.....	56,379,585.64	
Gas.....	9,383,441.99	
Investment Tax Credit.....		45,733,057.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit		
Electric.....	21,279,470.98	
Gas.....	703,586.15	
Regulatory Liabilities.....		51,586,279.37
Deferred Taxes		
Federal		
Electric.....	16,664,342.21	
Gas.....	1,178,810.95	
State		
Electric.....	14,015,756.53	
Gas.....	2,449,164.14	
Gas Supply Clause/PBR.....	9,226,048.05	
DSM Cost Recovery.....	4,279,562.16	
Asset Retirement Obligations		
Gas.....	2,385,798.33	
Electric.....	781,878.61	
MISO Schedule 10 Charges.....	322,549.78	
Purchased Gas Adjustment - Texas Gas.....	282,368.61	
Customers' Advances for Construction.....		8,466,567.41
Line Extensions		
Gas.....	6,879,851.01	
Electric.....	704,931.73	
Customer Advances - Museum Plaza.....	694,907.86	
Other.....	186,876.81	
Asset Retirement Obligations		52,433,061.81
Electric.....	34,645,185.41	
Gas.....	17,686,021.93	
Common.....	101,854.47	
Other Deferred Credits.....	35,528,957.25	35,528,957.25
Miscellaneous Long-Term Liabilities.....		45,581,269.32
Long-Term Derivative Liabilities - SFAS 133.....	41,525,866.91	
Workers' Compensation.....	4,055,402.41	
Accumulated Provision for Benefits.....		202,609,131.19
Pension Payable.....	118,511,537.00	
Postretirement Benefits - SFAS 106.....	80,239,352.19	
Post Employment Benefits Payable.....	4,031,861.00	
Post Employment Medicare Subsidy.....	(173,619.00)	
Total Liabilities and Stockholders' Equity.....	<u>3,657,103,627.56</u>	<u>3,657,103,627.56</u>

December 28, 2010

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**November 30, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	113,674,190.10	81,277,779.76
Items not requiring (providing) cash currently:		
Depreciation.....	120,215,941.59	118,022,235.96
Amortization.....	7,092,877.08	7,252,154.13
Deferred income taxes - net.....	23,163,894.75	29,878,873.40
Investment tax credit - net.....	(2,293,293.00)	143,843.13
Gain on disposal of assets.....	(33,760.40)	(2,510,531.16)
Other.....	26,448,006.35	(279,508.52)
Change in receivables.....	18,812,602.37	94,077,674.10
Change in inventory.....	(26,388,455.11)	32,129,382.69
Change in allowance inventory.....	1,298.76	1,698.82
Change in payables and accrued expenses.....	(37,378,119.41)	(81,838,424.15)
Change in regulatory assets.....	(45,805,603.35)	(47,660,488.47)
Change in regulatory liabilities.....	(33,320,929.21)	33,215,552.61
Change in other deferred debits.....	(576,727.85)	40,379,677.55
Change in other deferred credits.....	27,377,298.70	(740,610.37)
Other.....	(19,201,555.04)	489,185.55
Pension and postretirement funding.....	(25,635,500.00)	(15,249,124.52)
Net cash provided (used) by operating activities.....	<u>146,152,166.33</u>	<u>288,589,370.51</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(106,698,940.24)	(148,072,301.53)
Gross additions to common utility plant - construction expendit	(19,398,993.91)	(12,527,151.43)
Proceeds received from sale of property.....	34,136.95	2,565,220.92
Change in derivatives.....	7,053,368.10	10,672,889.10
Net cash provided (used) by investing activities.....	<u>(119,010,429.10)</u>	<u>(147,361,342.94)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	1,172,007,056.41	(212,483.55)
Net change in short-term debt.....	(170,400,400.00)	(61,587,800.00)
Payments for retirement of long-term debt.....	(970,000,000.00)	-
Net change in short-term capital lease obligations.....	-	(23,650.00)
Contributed capital.....	-	51,107.00
Dividends on common stock.....	(55,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(23,393,343.59)</u>	<u>(141,772,826.55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	3,748,393.64	(544,798.98)
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u><u>8,943,880.02</u></u>	<u><u>3,766,689.39</u></u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$12 million and an increase to cash flows from

December 28, 2010

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**November 30, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	111,979.17	1,231,770.75	1,231,770.87	1,343,749.92	1,343,750.04
Trimble County 2000 Series A due 08/01/30 Var%.....	31,077.02	17,778.12	357,368.25	277,922.22	374,220.43	318,895.26
Jefferson County 2001 Series A due 09/01/27 Var%.....	3,866.17	1,891.70	43,534.18	36,842.19	45,616.74	43,331.20
Jefferson County 2001 Series A due on 09/01/26 Var%.....	18,493.15	17,568.49	165,020.57	226,810.66	176,917.83	264,011.01
Trimble County 2001 Series A due 09/01/26 Var&.....	12,431.51	20,342.46	152,169.19	276,308.92	173,189.74	321,776.02
Jefferson County 2001 Series B due 11/01/27 Var%.....	23,013.68	28,767.12	332,964.03	345,526.93	357,176.36	397,466.27
Trimble County 2001 Series B due 11/01/27 Var%.....	23,013.68	28,767.11	333,008.12	345,526.91	357,220.45	397,466.25
Trimble County 2002 Series A due 10/01/32 Var%.....	17,824.63	8,595.56	278,708.41	169,163.36	286,672.70	210,960.41
Louisville Metro 2003 Series A due 10/01/33 Var%.....	-	(688,312.42)	-	-	-	(688,312.42)
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	2,108,333.24	2,108,333.36	2,299,999.91	2,300,000.03
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	1,598,437.45	1,598,437.50	1,743,749.95	1,743,750.00
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,530,000.00	2,530,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	642,132.85	589,482.19	6,995,296.79	6,313,969.50	7,613,057.44	6,859,365.61
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	169,270.84	-	169,270.84	-	169,270.84	-
First Mortgage Bond due 11/15/2040 5.125%.....	608,593.75	-	608,593.75	-	608,593.75	-
Fidelia/PPL.....	1,110,074.99	2,220,149.99	23,320,575.03	24,421,650.12	25,540,725.05	26,641,800.12
Revolving Credit Agreement.....	276,285.01	-	276,285.01	-	276,285.01	-
<b>Total.....</b>	<b>3,615,035.62</b>	<b>2,923,988.66</b>	<b>40,501,335.61</b>	<b>39,882,262.53</b>	<b>44,126,446.12</b>	<b>42,914,259.79</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	116,352.23	15,518.07	271,678.08	170,345.96	287,196.40	185,758.73
Amortization of Loss on Reacquired Debt.....	112,663.82	228,630.19	1,121,908.59	1,178,724.75	1,222,679.77	1,414,236.25
<b>Total.....</b>	<b>229,016.05</b>	<b>244,148.26</b>	<b>1,393,586.67</b>	<b>1,349,070.71</b>	<b>1,509,876.17</b>	<b>1,599,994.98</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	107,695.66	97,000.00	1,276,839.33	991,437.00	1,644,925.21	1,088,884.22
Other Tax Deficiencies.....	-	-	(17,500.00)	(12,853.00)	(19,527.00)	(11,740.00)
Interest on DSM Cost Recovery.....	1,172.58	3,217.24	25,152.22	126,164.59	27,053.21	130,762.12
Interest on Debt to Associated Companies.....	1,280.89	93,553.33	261,773.55	646,602.26	289,469.49	933,031.53
Other Interest Expense.....	53,450.90	32,346.63	782,298.46	590,629.76	815,179.08	794,297.36
<b>Total.....</b>	<b>163,600.03</b>	<b>226,117.20</b>	<b>2,328,563.56</b>	<b>2,341,980.61</b>	<b>2,757,099.99</b>	<b>2,935,235.23</b>
<b>Total Interest.....</b>	<b>4,007,651.70</b>	<b>3,394,254.12</b>	<b>44,223,485.84</b>	<b>43,573,313.85</b>	<b>48,393,422.28</b>	<b>47,449,490.00</b>

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
November 30, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	272,746.10	468,654.89	12,503,490.80	14,146,112.97
Unemployment.....	(15,960.06)	3,709.21	165,867.04	130,186.82
FICA.....	290,566.48	530,253.73	6,422,837.14	6,235,238.92
Public Service Commission Fee.....	161,096.90	161,675.42	1,775,537.04	1,753,593.21
Federal Income.....	2,710,579.67	(391,195.56)	34,953,523.03	7,044,751.56
State Income.....	494,330.64	(505,670.79)	5,820,742.44	2,639,888.64
Miscellaneous.....	-	-	34,579.20	46,073.35
<b>Total Charged to Operating Expense.....</b>	<b>3,913,359.73</b>	<b>267,426.90</b>	<b>61,676,576.69</b>	<b>31,995,845.47</b>
Taxes Charged to Other Accounts.....	(2,082,965.11)	431,896.75	10,289,586.85	5,730,635.59
Taxes Accrued on Intercompany Accounts.....	(220,852.23)	(190,631.37)	(2,639,897.28)	(2,352,434.45)
<b>Total Taxes Charged.....</b>	<b>1,609,542.39</b>	<b>508,692.28</b>	<b>69,326,266.26</b>	<b>35,374,046.61</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	12,818,296.71	12,986,876.19	10,894,110.75
Unemployment.....	42,164.99	129,410.33	142,055.40	29,519.92
FICA.....	455,753.32	5,757,806.39	5,495,427.62	718,132.09
Federal Income.....	13,896,876.99	38,937,597.00	52,834,474.00	(0.01)
State Income.....	632,003.78	6,949,450.23	7,581,454.00	0.01
Kentucky Sales and Use Tax.....	625,517.98	4,614,553.25	4,436,534.60	803,536.63
Miscellaneous.....	14,799.84	119,152.35	113,011.00	20,941.19
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>69,326,266.26</b>	<b>83,589,832.81</b>	<b>12,466,240.58</b>

December 28, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**November 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	163,141,470.26	11,540,093.27	(14,865,298.65)	97,654.63	(3,227,550.75)	159,913,919.51
Common Intangible Plant	61,656,665.49	4,497,858.88	(8,744,985.48)		(4,247,126.60)	57,409,538.89
	<u>224,798,135.75</u>	<u>16,037,952.15</u>	<u>(23,610,284.13)</u>	<u>97,654.63</u>	<u>(7,474,677.35)</u>	<u>217,323,458.40</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	65,894,136.70	(5,195,845.54)	443,531.95	61,141,823.11	919,054,740.34
Electric General Plant	16,833,253.13	646,438.56	(1,829,170.28)		(1,182,731.72)	15,650,521.41
Electric Hydro Production	41,579,243.41	28,599.70		72,366.03	100,965.73	41,680,209.14
Electric Intangible Plant	2,340.29				-	2,340.29
Electric Other Production	231,249,803.99	(1,445,652.25)	(184,810.14)	(4,769,237.61)	(6,399,700.00)	224,850,103.99
Electric Steam Production	1,894,640,479.32	17,617,378.36	(4,131,861.24)	26,563,452.03	40,048,969.15	1,934,689,448.47
Electric Transmission	241,991,713.86	6,530,292.58	(878,548.72)	12,074.06	5,663,817.92	247,655,531.78
	<u>3,284,209,751.23</u>	<u>89,271,193.65</u>	<u>(12,220,235.92)</u>	<u>22,322,186.46</u>	<u>99,373,144.19</u>	<u>3,383,582,895.42</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	9,908,193.99	(1,036,561.07)	11,978,433.78	20,850,066.70	549,948,381.21
Gas General Plant	9,014,996.97	620,618.13	(605,344.05)	-	15,274.08	9,030,271.05
Gas Intangible Plant	1,187.49	-	-		-	1,187.49
Gas Storage	64,937,622.87	8,452,577.07	(706,303.18)	5,075,586.55	12,821,860.44	77,759,483.31
Gas Transmission	13,658,203.76	3,009,765.20	(6,099.28)		3,003,665.92	16,661,869.68
	<u>616,710,325.60</u>	<u>21,991,154.39</u>	<u>(2,354,307.58)</u>	<u>17,054,020.33</u>	<u>36,690,867.14</u>	<u>653,401,192.74</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>127,300,300.19</u>	<u>(38,184,827.63)</u>	<u>39,473,861.42</u>	<u>128,589,333.98</u>	<u>4,254,307,546.56</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**November 30, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	265,181.22	(51,126.81)	-	-	(51,126.81)	214,054.41
Common Intangible Plant	971,026.53	561,982.08	-	-	561,982.08	1,533,008.61
	<u>1,236,207.75</u>	<u>510,855.27</u>	<u>-</u>	<u>-</u>	<u>510,855.27</u>	<u>1,747,063.02</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(18,044,375.70)	-	-	(18,044,375.70)	16,700,660.97
Electric General Plant	-	50,763.87	-	-	50,763.87	50,763.87
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	1,785,119.44	-	-	1,785,119.44	1,785,119.44
Electric Steam Production	9,240,272.74	3,677,216.03	-	-	3,677,216.03	12,917,488.77
Electric Transmission	976,044.41	34,393,248.41	-	-	34,393,248.41	35,369,292.82
	<u>44,978,306.08</u>	<u>21,861,972.05</u>	<u>-</u>	<u>-</u>	<u>21,861,972.05</u>	<u>66,840,278.13</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	10,238,520.57	-	-	10,238,520.57	25,621,449.84
Gas General Plant	211,426.16	(100,322.53)	-	-	(100,322.53)	111,103.63
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(1,507,094.93)	-	-	(1,507,094.93)	2,279,453.51
Gas Transmission	1,221,215.37	(1,221,215.37)	-	-	(1,221,215.37)	-
	<u>20,602,119.24</u>	<u>7,409,887.74</u>	<u>-</u>	<u>-</u>	<u>7,409,887.74</u>	<u>28,012,006.98</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>29,782,715.06</u>	<u>-</u>	<u>-</u>	<u>29,782,715.06</u>	<u>96,599,348.13</u>
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	2,850,186.49	-	-	2,850,186.49	18,617,611.09
Electric	299,585,079.65	15,319,033.53	-	-	15,319,033.53	314,904,113.18
Gas	26,774,033.33	7,646,146.53	-	-	7,646,146.53	34,420,179.86
	<u>342,126,537.58</u>	<u>25,815,366.55</u>	<u>-</u>	<u>-</u>	<u>25,815,366.55</u>	<u>367,941,904.13</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>157,083,015.25</u>	<u>(38,184,827.63)</u>	<u>39,473,861.42</u>	<u>158,372,049.04</u>	<u>4,357,953,698.43</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>182,898,381.80</u>	<u>(38,184,827.63)</u>	<u>39,473,861.42</u>	<u>184,187,415.59</u>	<u>4,725,895,602.56</u>
<b>Total Plant + CWIP - Non Utility (BS)</b>	<u>4,541,632,947.41</u>	<u>182,898,381.80</u>	<u>(38,184,827.63)</u>	<u>39,473,861.42</u>	<u>184,187,415.59</u>	<u>4,725,820,363.00</u>

December 28, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Life Reserve</b>									
Common General Plant	(78,702,001.26)	(12,464,177.00)	14,865,298.65	-	-	-	-	-	(76,300,879.61)
Common General Plant - ARO	(1,233.92)	(491.36)	-	1,553.72	-	-	-	-	(171.56)
Electric Distribution	(266,380,666.38)	(15,308,090.84)	5,195,845.54	-	-	-	-	-	(276,492,911.68)
Electric Distribution - ARO	(13,162.72)	(2,095.17)	-	14,755.33	-	-	-	-	(502.56)
Electric General Plant	(14,148,434.81)	(566,957.52)	1,829,170.28	(376.55)	-	-	-	-	(12,886,598.60)
Electric Hydro Production	(9,163,030.01)	(508,974.03)	-	-	-	-	-	-	(9,672,004.04)
Electric Hydro Production - ARO	(17,810.24)	140,447.02	-	(122,782.40)	-	-	-	-	(145.62)
Electric Other Production	(52,372,728.97)	(7,415,470.71)	184,810.14	-	-	-	-	-	(59,603,389.54)
Electric Other Production - ARO	(89,318.48)	(54,655.44)	-	252,329.37	-	-	-	-	108,355.45
Electric Steam Production	(982,038,024.91)	(47,662,730.40)	4,306,715.66	25,000.00	-	-	-	-	(1,025,369,039.65)
Electric Steam Production - ARO	(2,543,436.73)	(773,651.21)	3,300.00	3,151,681.36	-	-	-	-	(162,106.58)
Electric Transmission	(116,058,916.84)	(3,657,892.86)	878,548.72	-	-	-	-	-	(118,838,260.98)
Electric Transmission - ARO	(667.12)	(56.15)	-	706.71	-	-	-	-	(16.56)
Gas Distribution	(116,733,622.42)	(10,130,399.17)	1,036,561.07	-	-	-	-	-	(125,827,460.52)
Gas Distribution - ARO	(20,380.45)	(85,259.13)	-	80,778.58	-	-	-	-	(24,861.00)
Gas General Plant	(6,508,855.59)	(373,295.22)	605,344.05	-	-	-	-	-	(6,276,806.76)
Gas Storage	(32,226,220.17)	(949,247.57)	706,303.18	-	-	-	-	-	(32,469,164.56)
Gas Storage - ARO	(402,273.17)	(18,247.96)	-	400,796.87	-	-	-	-	(19,724.26)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(47,439.94)	6,099.28	-	-	-	-	-	(9,444,171.35)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,686,886,975.24)</u>	<u>(99,878,684.66)</u>	<u>29,617,996.57</u>	<u>3,804,442.99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,753,343,220.34)</u>
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(247,201.95)	-	-	-	172,355.05	-	-	(660,649.66)
Electric Distribution	(148,701,260.29)	(6,042,860.38)	-	-	-	7,591,422.93	-	-	(147,152,697.74)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(38,649.18)	-	-	-	-	-	-	740,421.49
Electric Other Production	(2,157,721.68)	(318,312.09)	-	-	-	-	-	-	(2,476,033.77)
Electric Steam Production	(80,852,537.28)	(13,211,643.24)	(176,793.52)	(25,000.00)	-	692,629.93	-	-	(93,573,344.11)
Electric Transmission	(23,685,015.10)	(1,154,975.61)	-	-	-	413,125.80	-	-	(24,426,864.91)
Gas Distribution	(57,352,410.28)	(2,848,119.34)	-	-	-	140,173.55	-	-	(60,060,356.07)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(114,738.34)	-	-	-	142,464.13	-	-	(200,719.79)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(11,723.45)	-	-	-	19,917.95	-	-	(3,015,717.87)
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>(315,804,168.05)</u>	<u>(23,988,223.58)</u>	<u>(176,793.52)</u>	<u>(25,000.00)</u>	<u>-</u>	<u>9,172,089.34</u>	<u>-</u>	<u>-</u>	<u>(330,822,095.81)</u>

December 28, 2010

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	277,728.56	314.05	-	-	-	-	-	-	278,042.61
Electric Distribution	16,492,540.88	1,216,695.39	-	-	-	-	(49,427.48)	-	17,659,808.79
Electric General Plant	136,014.35	2,076.02	-	-	-	-	-	-	138,090.37
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,651,551.51	(1,360.90)	-	-	-	(45,461.74)	-	21,878,076.22
Electric Transmission	6,103,126.31	220,011.83	-	-	-	-	(97,323.91)	-	6,225,814.23
Gas Distribution	3,410,835.14	176,740.29	-	-	-	-	(9,300.67)	-	3,578,274.76
Gas General Plant	223,852.64	1,761.05	-	-	-	-	-	-	225,613.69
Gas Storage	252,727.30	15,844.42	-	-	-	-	(63.60)	-	268,508.12
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	4,396.29	-	-	-	-	-	-	217,512.08
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>3,289,390.85</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,577.40)</u>	<u>-</u>	<u>50,827,380.37</u>
<b>Total Reserves</b>									
Common	(79,074,669.74)	(12,711,556.26)	14,865,298.65	1,553.72	-	172,355.05	-	-	(76,747,018.58)
Electric	(1,654,077,125.86)	(93,486,233.06)	12,220,235.92	3,296,313.82	-	8,697,178.66	(192,213.13)	-	(1,723,541,843.65)
Gas	(221,798,419.87)	(14,379,728.07)	2,354,307.58	481,575.45	-	302,555.63	(9,364.27)	-	(233,049,073.55)
	<u>(1,954,950,215.47)</u>	<u>(120,577,517.39)</u>	<u>29,439,842.15</u>	<u>3,779,442.99</u>	<u>-</u>	<u>9,172,089.34</u>	<u>(201,577.40)</u>	<u>-</u>	<u>(2,033,337,935.78)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(8,467.50)	(172,355.05)	9,371,492.69	(44,327.00)	5,000.00	214,208.53
Electric	18,980,726.37	-	-	204,109.60	(8,504,965.53)	(1,058,433.72)	(415,258.46)	14,246.81	9,220,425.07
Gas	1,284,007.95	-	-	16,649.27	(293,191.36)	1,487,855.97	(16,393.03)	(59,698.94)	2,419,229.86
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(8,970,511.94)</u>	<u>9,800,914.94</u>	<u>(475,978.49)</u>	<u>(40,452.13)</u>	<u>11,853,863.46</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(120,577,517.39)</u>	<u>29,439,842.15</u>	<u>3,991,734.36</u>	<u>(8,970,511.94)</u>	<u>18,973,004.28</u>	<u>(677,555.89)</u>	<u>(40,452.13)</u>	<u>(2,021,484,072.32)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(7,092,877.08)	8,744,985.48	-	-	-	-	-	(16,626,490.95)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(7,092,877.08)</u>	<u>8,744,985.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,627,390.95)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(127,670,394.47)</u>	<u>38,184,827.63</u>	<u>3,991,734.36</u>	<u>(8,970,511.94)</u>	<u>18,973,004.28</u>	<u>(677,555.89)</u>	<u>(40,452.13)</u>	<u>(2,038,111,463.27)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,038,048,102.91)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>2,579,794,192.66</u>								<u>2,687,772,260.09</u>

December 28, 2010



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - December 31, 2010**

**Responding Witness - Valerie L. Scott**

# **LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

December 31, 2010

Prepared by Regulatory Accounting and Reporting

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**December 31, 2010**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2010 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2010**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 93,751,447.34	\$ 80,182,124.88	\$ 13,569,322.46	16.92
Gas Operating Revenues.....	57,294,231.67	46,754,343.60	10,539,888.07	22.54
<b>Total Operating Revenues.....</b>	<b>151,045,679.01</b>	<b>126,936,468.48</b>	<b>24,109,210.53</b>	<b>18.99</b>
Fuel for Electric Generation.....	34,495,080.08	26,730,159.46	7,764,920.62	29.05
Power Purchased.....	4,790,428.59	5,964,879.88	(1,174,451.29)	(19.69)
Gas Supply Expenses.....	38,001,070.70	33,395,821.97	4,605,248.73	13.79
Other Operation Expenses.....	18,711,551.25	17,191,968.03	1,519,583.22	8.84
Maintenance.....	14,961,040.90	11,245,383.16	3,715,657.74	33.04
Depreciation.....	10,994,061.68	10,724,098.30	269,963.38	2.52
Amortization Expense.....	634,111.82	704,169.65	(70,057.83)	(9.95)
Regulatory Credits.....	(409,343.52)	(178,384.10)	(230,959.42)	(129.47)
Taxes				
Federal Income.....	(6,078,915.85)	18,227,818.96	(24,306,734.81)	(133.35)
State Income.....	226,424.99	1,253,639.36	(1,027,214.37)	(81.94)
Deferred Federal Income - Net.....	13,181,597.26	(15,422,416.10)	28,604,013.36	(185.47)
Deferred State Income - Net.....	1,002,926.16	(593,897.44)	1,596,823.60	268.87
Property and Other.....	1,669,312.60	1,233,335.74	435,976.86	35.35
Investment Tax Credit.....	-	703,437.35	(703,437.35)	(100.00)
Amortization of Investment Tax Credit.....	(208,481.00)	(242,041.48)	33,560.48	13.87
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	217,727.10	163,744.37	53,982.73	32.97
<b>Total Operating Expenses.....</b>	<b>132,188,592.76</b>	<b>111,101,717.11</b>	<b>21,086,875.65</b>	<b>18.98</b>
Net Operating Income.....	18,857,086.25	15,834,751.37	3,022,334.88	19.09
Other Income Less Deductions.....	(877,689.81)	2,174,600.36	(3,052,290.17)	(140.36)
<b>Income Before Interest Charges.....</b>	<b>17,979,396.44</b>	<b>18,009,351.73</b>	<b>(29,955.29)</b>	<b>(0.17)</b>
Interest on Long-Term Debt.....	3,393,711.56	3,625,110.51	(231,398.95)	(6.38)
Amortization of Debt Expense - Net.....	271,039.07	116,289.50	154,749.57	133.07
Other Interest Expenses.....	274,450.19	428,536.43	(154,086.24)	(35.96)
<b>Total Interest Charges.....</b>	<b>3,939,200.82</b>	<b>4,169,936.44</b>	<b>(230,735.62)</b>	<b>(5.53)</b>
<b>Net Income.....</b>	<b>\$ 14,040,195.62</b>	<b>\$ 13,839,415.29</b>	<b>\$ 200,780.33</b>	<b>1.45</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2010**

	Year to Date			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,015,611,566.97	\$ 918,542,924.70	\$ 97,068,642.27	10.57
Gas Operating Revenues.....	302,947,355.88	361,627,856.00	(58,680,500.12)	(16.23)
<b>Total Operating Revenues.....</b>	<b>1,318,558,922.85</b>	<b>1,280,170,780.70</b>	<b>38,388,142.15</b>	<b>3.00</b>
Fuel for Electric Generation.....	368,556,326.34	328,232,996.52	40,323,329.82	12.29
Power Purchased.....	54,379,718.69	58,430,269.83	(4,050,551.14)	(6.93)
Gas Supply Expenses.....	169,003,608.05	249,805,268.96	(80,801,660.91)	(32.35)
Other Operation Expenses.....	226,813,004.57	218,250,219.38	8,562,785.19	3.92
Maintenance.....	111,701,105.08	96,204,958.78	15,496,146.30	16.11
Depreciation.....	131,210,003.27	128,746,334.26	2,463,669.01	1.91
Amortization Expense.....	7,726,988.90	7,956,323.78	(229,334.88)	(2.88)
Regulatory Credits.....	(4,269,731.45)	(2,205,447.80)	(2,064,283.65)	(93.60)
Taxes				
Federal Income.....	28,874,607.18	25,272,570.52	3,602,036.66	14.25
State Income.....	6,047,167.43	3,893,528.00	2,153,639.43	55.31
Deferred Federal Income - Net.....	27,667,005.00	8,325,579.32	19,341,425.68	232.31
Deferred State Income - Net.....	2,370,024.44	1,450,849.02	919,175.42	63.35
Property and Other.....	22,571,623.82	23,544,541.01	(972,917.19)	(4.13)
Investment Tax Credit.....	-	3,649,346.00	(3,649,346.00)	(100.00)
Amortization of Investment Tax Credit.....	(2,501,774.00)	(3,044,107.00)	542,333.00	17.82
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,284,105.63	1,969,780.12	1,314,325.51	66.72
<b>Total Operating Expenses.....</b>	<b>1,153,399,322.81</b>	<b>1,150,416,736.64</b>	<b>2,982,586.17</b>	<b>0.26</b>
Net Operating Income.....	165,159,600.04	129,754,044.06	35,405,555.98	27.29
Other Income Less Deductions.....	10,717,472.34	13,106,401.28	(2,388,928.94)	(18.23)
<b>Income Before Interest Charges.....</b>	<b>175,877,072.38</b>	<b>142,860,445.34</b>	<b>33,016,627.04</b>	<b>23.11</b>
Interest on Long-Term Debt.....	43,895,047.17	43,507,373.04	387,674.13	0.89
Amortization of Debt Expense - Net.....	1,664,625.74	1,465,360.21	199,265.53	13.60
Other Interest Expenses.....	2,603,013.75	2,770,517.04	(167,503.29)	(6.05)
<b>Total Interest Charges.....</b>	<b>48,162,686.66</b>	<b>47,743,250.29</b>	<b>419,436.37</b>	<b>0.88</b>
<b>Net Income.....</b>	<b>\$ 127,714,385.72</b>	<b>\$ 95,117,195.05</b>	<b>\$ 32,597,190.67</b>	<b>34.27</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2010**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,015,611,566.97	\$ 918,542,924.70	\$ 97,068,642.27	10.57
Gas Operating Revenues.....	302,947,355.88	361,627,856.00	(58,680,500.12)	(16.23)
<b>Total Operating Revenues.....</b>	<b>1,318,558,922.85</b>	<b>1,280,170,780.70</b>	<b>38,388,142.15</b>	<b>3.00</b>
Fuel for Electric Generation.....	368,556,326.34	328,232,996.52	40,323,329.82	12.29
Power Purchased.....	54,379,718.69	58,430,269.83	(4,050,551.14)	(6.93)
Gas Supply Expenses.....	169,003,608.05	249,805,268.96	(80,801,660.91)	(32.35)
Other Operation Expenses.....	226,813,004.57	218,250,219.38	8,562,785.19	3.92
Maintenance.....	111,701,105.08	96,204,958.78	15,496,146.30	16.11
Depreciation.....	131,210,003.27	128,746,334.26	2,463,669.01	1.91
Amortization Expense.....	7,726,988.90	7,956,323.78	(229,334.88)	(2.88)
Regulatory Credits.....	(4,269,731.45)	(2,205,447.80)	(2,064,283.65)	(93.60)
Taxes				
Federal Income.....	28,874,607.18	25,272,570.52	3,602,036.66	14.25
State Income.....	6,047,167.43	3,893,528.00	2,153,639.43	55.31
Deferred Federal Income - Net.....	27,667,005.00	8,325,579.32	19,341,425.68	232.31
Deferred State Income - Net.....	2,370,024.44	1,450,849.02	919,175.42	63.35
Property and Other.....	22,571,623.82	23,544,541.01	(972,917.19)	(4.13)
Investment Tax Credit.....	-	3,649,346.00	(3,649,346.00)	(100.00)
Amortization of Investment Tax Credit.....	(2,501,774.00)	(3,044,107.00)	542,333.00	17.82
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,284,105.63	1,969,780.12	1,314,325.51	66.72
<b>Total Operating Expenses.....</b>	<b>1,153,399,322.81</b>	<b>1,150,416,736.64</b>	<b>2,982,586.17</b>	<b>0.26</b>
Net Operating Income.....	165,159,600.04	129,754,044.06	35,405,555.98	27.29
Other Income Less Deductions.....	10,717,472.34	13,106,401.28	(2,388,928.94)	(18.23)
<b>Income Before Interest Charges.....</b>	<b>175,877,072.38</b>	<b>142,860,445.34</b>	<b>33,016,627.04</b>	<b>23.11</b>
Interest on Long-Term Debt.....	43,895,047.17	43,507,373.04	387,674.13	0.89
Amortization of Debt Expense - Net.....	1,664,625.74	1,465,360.21	199,265.53	13.60
Other Interest Expenses.....	2,603,013.75	2,770,517.04	(167,503.29)	(6.05)
<b>Total Interest Charges.....</b>	<b>48,162,686.66</b>	<b>47,743,250.29</b>	<b>419,436.37</b>	<b>0.88</b>
<b>Net Income.....</b>	<b>\$ 127,714,385.72</b>	<b>\$ 95,117,195.05</b>	<b>\$ 32,597,190.67</b>	<b>34.27</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**December 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 813,953,056.34	\$ 741,439,450.95	\$ 755,278,866.24	\$ 740,161,671.19	\$ 755,278,866.24	\$ 740,161,671.19
Add:						
Net Income for Period.....	14,040,195.62	13,839,415.29	127,714,385.72	95,117,195.05	127,714,385.72	95,117,195.05
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	55,000,000.00	80,000,000.00	55,000,000.00	80,000,000.00
Balance at End of Period.....	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of December 31, 2010 and 2009**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,748,839,654.01	\$ 4,541,632,947.41	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less Reserves for Depreciation and Amortization.....	<u>2,043,099,789.34</u>	<u>1,961,838,754.75</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,705,739,864.67</u>	<u>2,579,794,192.66</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(10,454,765.91)
			Retained Earnings.....	<u>827,993,251.96</u>	<u>755,278,866.24</u>
Investments			Total Proprietary Capital.....	<u>1,335,909,286.41</u>	<u>1,252,740,134.78</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Pollution Control Bonds - Net of Reacquired Bonds.	411,104,000.00	411,104,000.00
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	First Mortgage Bonds.....	531,051,682.50	-
Special Funds.....	<u>18,763,173.33</u>	<u>17,082,757.84</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Total.....	<u>19,369,338.53</u>	<u>17,688,923.04</u>	Total Long-Term Debt.....	<u>942,155,682.50</u>	<u>896,104,000.00</u>
Current and Accrued Assets			Total Capitalization.....	<u>2,278,064,968.91</u>	<u>2,148,844,134.78</u>
Cash.....	2,025,606.25	5,195,366.67	Current and Accrued Liabilities		
Special Deposits.....	3,511,014.88	761,176.30	ST Notes Payable to Associated Companies.....	11,876,000.00	170,400,400.00
Temporary Cash Investments.....	100,405.59	119.71	Notes Payable.....	163,000,000.00	-
Accounts Receivable - Less Reserve.....	163,630,222.30	143,019,717.17	Accounts Payable.....	104,974,357.13	97,284,355.93
Accounts Receivable from Associated Companies.....	29,799,791.23	53,063,384.59	Accounts Payable to Associated Companies.....	19,944,791.03	27,731,236.27
Materials and Supplies - At Average Cost.....			Customer Deposits.....	23,237,608.55	22,459,554.36
Fuel.....	68,043,290.05	60,492,689.12	Taxes Accrued.....	9,598,152.76	26,729,807.13
Plant Materials and Operating Supplies.....	29,326,915.51	29,060,730.75	Interest Accrued.....	5,235,853.08	3,358,755.82
Stores Expense.....	4,943,153.44	4,173,782.87	Miscellaneous Current and Accrued Liabilities.....	<u>24,850,419.60</u>	<u>24,518,757.88</u>
Gas Stored Underground.....	59,956,180.78	56,183,317.06	Total.....	<u>362,717,182.15</u>	<u>372,482,867.39</u>
Emission Allowances.....	2,728.96	4,171.00	Deferred Credits and Other		
Prepayments.....	6,832,694.11	7,825,624.32	Accumulated Deferred Income Taxes.....	458,393,362.16	427,458,362.10
Miscellaneous Current and Accrued Assets.....	<u>137,908.13</u>	<u>1,599,269.09</u>	Investment Tax Credit.....	45,524,576.13	48,026,350.13
Total.....	<u>368,309,911.23</u>	<u>361,379,348.65</u>	Regulatory Liabilities.....	51,426,348.46	84,907,208.58
Deferred Debits and Other			Customer Advances for Construction.....	8,580,930.08	9,555,185.09
Unamortized Debt Expense.....	13,116,651.27	3,854,161.59	Asset Retirement Obligations.....	52,650,788.91	33,043,629.14
Unamortized Loss on Bonds.....	21,934,649.45	23,119,333.51	Other Deferred Credits.....	5,677,069.75	8,161,865.35
Accumulated Deferred Income Taxes.....	38,744,526.28	58,267,127.60	Miscellaneous Long-Term Liabilities.....	35,751,188.04	33,921,654.80
Deferred Regulatory Assets.....	344,036,363.17	319,990,094.71	Accum Provision for Postretirement Benefits.....	<u>213,591,950.50</u>	<u>201,536,191.15</u>
Other Deferred Debits.....	<u>1,127,060.49</u>	<u>3,844,266.75</u>	Total.....	<u>871,596,214.03</u>	<u>846,610,446.34</u>
Total.....	<u>418,959,250.66</u>	<u>409,074,984.16</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,512,378,365.09</u>	<u>\$ 3,367,937,448.51</u>
Total Assets.....	<u>\$ 3,512,378,365.09</u>	<u>\$ 3,367,937,448.51</u>			

January 25, 2011



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**December 31, 2010**

	Authorized Shares	Issued and Outstanding		Percent of Total	
		Shares	Amount	Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			<u>827,993,251.96</u>		
Total Proprietary Capital.....			<u>1,335,909,286.41</u>	<u>58.34</u>	<u>58.64</u>
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds.....</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Total Pollution Control Bonds.....			<u>574,304,000.00</u>	<u>25.08</u>	<u>25.21</u>
<b>Less: Reacquired Bonds.....</b>					
Louisville Metro 2003 Series A due 10/01/33 Var%.....			(128,000,000.00)		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			<u>(35,200,000.00)</u>		
			<u>(163,200,000.00)</u>	<u>(7.13)</u>	<u>(7.16)</u>
Total Pollution Control Bonds - Net of Reacquired Bonds.....			<u>411,104,000.00</u>	<u>17.95</u>	<u>18.05</u>
<b>First Mortgage Bonds.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00		
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00		
Total First Mortgage Bonds.....			<u>535,000,000.00</u>	<u>23.36</u>	<u>23.48</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			(860,437.50)		
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,087,880.00)</u>		
			<u>(3,948,317.50)</u>	<u>-0.17</u>	<u>-0.17</u>
Total First Mortgage Bonds - Net of Debt Discount.....			<u>531,051,682.50</u>	<u>23.19</u>	<u>23.31</u>
Total Capitalization.....			<u>2,278,064,968.91</u>	<u>99.48</u>	<u>100.00</u>
Short-Term Notes Payable to Associated Companies.....			<u>11,876,000.00</u>	<u>0.52</u>	
Total Capitalization and Short-Term Debt.....			<u>\$ 2,289,940,968.91</u>	<u>100.00</u>	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,748,839,654.01	\$ 4,748,839,654.01
Reserves for Depreciation and Amortization.....		(2,043,099,789.34)
Depreciation of Plant.....		
Electric.....	(1,720,718,238.16)	
Gas.....	(228,743,331.37)	
Common.....	(77,330,929.21)	
Amortization of Plant		
Common.....	(16,306,390.60)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		19,369,338.53
Special Funds.....	18,763,173.33	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	2,025,606.25	2,025,606.25
Special Deposits.....		3,511,014.88
Other Special Deposits.....	695,160.14	
MAN Margin Call.....	2,815,854.74	
Temporary Cash Investments.....	100,405.59	100,405.59
Accounts Receivable - Less Reserve.....		163,630,222.30
Unbilled Revenues.....	78,996,466.84	
Customers - Active.....	68,891,615.04	
Bechtel Liquidated Damages.....	7,467,000.00	
IMPA.....	4,441,163.43	
IMEA.....	4,264,075.09	
Wholesale Sales.....	2,463,305.80	
Damage Claims.....	483,625.83	
Transmission Sales.....	407,262.33	
Electricity Swaps.....	181,808.00	
Other.....	638,734.47	
Reserves for Uncollectible Accounts		
Utility Customers		
Bechtel Reserve.....	(2,259,786.28)	
Reserve.....	(1,702,043.00)	
A/R Miscellaneous.....	(643,005.25)	
Accounts Receivable from Associated Companies.....		29,799,791.23
LG&E-KU Energy Services /Kentucky Utilities.....	29,799,791.23	
Fuel.....		68,043,290.05
Coal 1,536,754.83 Tons @ \$43.94; MMBtu 34,803,208.53 @ 194.01¢.....	67,521,515.47	
Fuel Oil 244,095.97 Gallons @ 201.20¢.....	491,110.28	
Gas Pipeline 5,400.00 Mcf @ \$5.68.....	30,664.30	
Plant Materials and Operating Supplies.....		29,326,915.51
Regular Materials and Supplies.....	28,924,425.20	
Limestone 55,995.00 Tons @ \$7.19.....	402,490.31	

January 25, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	\$ 4,943,153.44	\$ 4,943,153.44
Gas Stored Underground - Current.....		59,956,180.78
Gas Stored Underground* 12,163,289.00 Mcf (14.73 psia) @ \$4.93.....	59,956,180.78	
Emission Allowances.....	2,728.96	2,728.96
Prepayments.....		6,832,694.11
Insurance.....	4,352,996.66	
Taxes.....	966,581.44	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,183,115.97	
Miscellaneous Current Assets.....		137,908.13
Derivative Asset - Non-Hedging.....	137,908.13	
Unamortized Debt Expense.....		13,116,651.27
Trimble County 2000 Series A due 08/01/30 Var%.....	758,019.36	
Jefferson County 2001 Series A due 09/01/26 Var%.....	155,472.42	
Jefferson County 2001 Series A due 09/01/27 Var%.....	339,874.96	
Trimble County 2001 Series A due 09/01/26 Var%.....	169,043.12	
Jefferson County 2001 Series B due 11/01/27 Var%.....	185,086.70	
Trimble County 2001 Series B due 11/01/27 Var%.....	185,117.06	
Trimble County 2002 Series A due 10/01/32 Var%.....	809,565.69	
Louisville Metro 2007 Series B 04/26/07 Due 06/01/33 Var%.....	1,065,563.06	
First Mortgage Bond due 11/15/15 1.625%.....	2,165,099.44	
First Mortgage Bond due 11/15/40 5.125%.....	3,196,712.96	
Revolving Credit Agreement.....	4,087,096.50	
Unamortized Loss on Bonds.....	21,934,649.45	21,934,649.45
Accumulated Deferred Income Taxes.....		38,744,526.28
Federal		
Electric.....	22,448,194.43	
Gas.....	9,365,594.37	
State		
Electric.....	5,189,069.72	
Gas.....	1,741,667.76	
Regulatory Assets.....		344,036,363.17
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	42,011,791.49	
Interest Rate Ineffectiveness.....	34,281,360.71	
2008 Wind Storm.....	22,559,485.59	
Swap Termination.....	9,195,697.70	
Asset Retirement Obligations.....		
Electric.....	6,587,790.30	
Gas.....	250,046.23	
Common.....	1,274.74	
Environmental Cost Recovery.....	4,720,309.00	
Gas Supply Clause/PBR.....	3,546,970.46	
Fuel Adjustment Clause.....	3,191,000.00	
Rate Case Expenses.....	1,522,472.62	
MISO Exit Fee.....	1,509,467.10	
KCCS Funding.....	786,577.95	
EKPC FERC Transmission Costs.....	536,979.28	
CMRG Funding.....	154,470.00	
Other Deferred Debits.....	1,127,060.49	1,127,060.49
Total Assets.....	<u>\$ 3,512,378,365.09</u>	<u>\$ 3,512,378,365.09</u>

* Excludes:	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,335,909,286.41
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	827,993,251.96	
Pollution Control Bonds.....	411,104,000.00	411,104,000.00
First Mortgage Bonds.....	531,051,682.50	531,051,682.50
Short-Term Notes Payable to Associated Companies.....		11,876,000.00
Money Pool.....	11,876,000.00	
Notes Payable.....	163,000,000.00	163,000,000.00
Accounts Payable.....		104,974,357.13
Regular.....	97,096,965.88	
Employee Withholdings Payable.....	6,300,585.75	
Salaries and Wages Accrued.....	1,576,805.50	
Accounts Payable to Associated Companies.....		19,944,791.03
LG&E-KU Energy Services /Kentucky Utilities.....	19,944,791.03	
Customers' Deposits.....	23,237,608.55	23,237,608.55
Taxes Accrued.....	9,598,152.76	9,598,152.76
Interest Accrued.....		5,235,853.08
Jefferson County 2000 Series A due 05/01/27 5.375%.....	223,958.35	
Trimble County 2000 Series A due 08/01/30 Var%.....	17,708.72	
Jefferson County 2001 Series A due 09/01/26 Var%.....	23,887.01	
Jefferson County 2001 Series A due 09/01/27 Var%.....	404.30	
Trimble County 2001 Series A due 09/01/26 Var%.....	33,565.06	
Jefferson County 2001 Series B due 11/01/27 Var%.....	3,452.03	
Trimble County 2001 Series B due 11/01/27 Var%.....	3,452.33	
Trimble County 2002 Series A due 10/01/32 Var%.....	7,820.46	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	0.10	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.46	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	0.03	
Interest Rate Swaps.....	703,043.57	
First Mortgage Bond due 11/15/15.....	507,812.51	
First Mortgage Bond due 11/15/40.....	1,825,781.25	
Revolving Credit Agreement.....	(51,390.28)	
Customers' Deposits.....	596,500.75	
Other.....	12,599.93	
Miscellaneous Current and Accrued Liabilities.....		24,850,419.60
No-Notice Gas Payable.....	6,632,550.07	
Vacation Pay Accrued.....	5,956,108.64	
Customer Overpayments.....	5,185,776.50	
SFAS 133 Derivative Liability.....	2,657,436.95	
Derivative Liabilities - Non-Hedging.....	1,535,888.97	
Tax Collections Payable.....	1,275,524.11	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	386,940.10	
Other.....	\$ 595,500.22	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2010**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 458,393,362.16
Federal.....		
Electric.....	338,856,798.25	
Gas.....	53,445,630.85	
State.....		
Electric.....	57,561,085.74	
Gas.....	8,529,847.32	
Investment Tax Credit.....		45,524,576.13
Advanced Coal Credit.....	23,750,000.00	
Job Development Credit.....		
Electric.....	21,083,049.98	
Gas.....	691,526.15	
Regulatory Liabilities.....		51,426,348.46
Deferred Taxes		
Federal		
Electric.....	16,186,585.76	
Gas.....	1,079,319.26	
State.....		
Electric.....	13,845,659.03	
Gas.....	2,410,277.58	
Gas Supply Clause/PBR.....	9,053,547.85	
DSM Cost Recovery.....	5,099,133.95	
Asset Retirement Obligations		
Gas.....	2,387,519.03	
Electric.....	787,905.47	
MISO Schedule 10 Charges.....	346,129.39	
Purchased Gas Adjustment - Texas Gas.....	230,271.14	
Customers' Advances for Construction.....		8,580,930.08
Line Extensions		
Gas.....	6,830,870.73	
Electric.....	704,933.73	
Customer Advances - Museum Plaza.....	695,160.14	
Other.....	349,965.48	
Asset Retirement Obligations.....		52,650,788.91
Electric.....	34,781,840.21	
Gas.....	17,766,627.40	
Common.....	102,321.30	
Other Deferred Credits.....	5,677,069.75	5,677,069.75
Miscellaneous Long-Term Liabilities.....		35,751,188.04
Long-Term Derivative Liabilities - SFAS 133.....	31,629,988.15	
Workers' Compensation.....	4,121,199.89	
Accumulated Provision for Benefits.....		213,591,950.50
Pension Payable.....	125,662,688.50	
Postretirement Benefits - SFAS 106.....	84,487,549.00	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(256,328.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,512,378,365.09</u>	<u>\$ 3,512,378,365.09</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**December 31, 2010**

	Year to Date	
	2010	2009
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 127,714,385.72	\$ 95,117,195.05
Items not requiring (providing) cash currently:		
Depreciation.....	131,210,003.27	128,746,334.26
Amortization.....	7,726,988.90	7,956,323.78
Deferred income taxes - net.....	50,457,601.38	16,689,320.92
Investment tax credit - net.....	(2,501,774.00)	605,239.00
Gain on disposal of assets.....	(33,760.40)	(2,532,710.13)
Other.....	(15,890,518.03)	(41,422,517.11)
Change in receivables.....	3,874,675.81	56,472,822.17
Change in inventory.....	(12,359,019.98)	44,971,696.64
Change in allowance inventory.....	1,442.04	1,789.21
Change in payables and accrued expenses.....	(56,166,888.97)	(8,955,468.42)
Change in regulatory assets.....	(24,046,268.46)	(2,750,417.88)
Change in regulatory liabilities.....	(33,480,860.12)	28,640,977.42
Change in other deferred debits.....	1,976,680.21	40,271,188.24
Change in other deferred credits.....	(2,350,629.16)	(33,209,589.41)
Other.....	13,310,927.11	(70,692,812.15)
Net cash provided (used) by operating activities.....	<u>189,442,985.32</u>	<u>259,909,371.59</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(147,091,035.98)	(116,440,830.86)
Gross additions to common utility plant - construction expenditures.....	(23,590,289.68)	(15,160,883.14)
Proceeds received from sale of property.....	34,433.85	2,590,220.92
Change in derivatives.....	3,181,184.50	11,284,227.81
Other.....	(10,831,604.16)	(9,514,177.32)
Net cash provided (used) by investing activities.....	<u>(178,297,311.47)</u>	<u>(127,241,442.59)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	521,309,251.60	(212,587.99)
Net change in short-term debt.....	4,475,600.00	(51,598,800.00)
Payments for retirement of long-term debt.....	(485,000,000.00)	-
Net change in short-term capital lease obligations.....	-	(23,650.00)
Contributed capital.....	-	51,107.00
Dividends on common stock.....	(55,000,000.00)	(80,000,000.00)
Net cash provided (used) by financing activities.....	<u>(14,215,148.40)</u>	<u>(131,783,930.99)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(3,069,474.54)	883,998.01
Cash and Cash Equivalents at Beginning of Period.....	<u>5,195,486.38</u>	<u>4,311,488.37</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 2,126,011.84</u>	<u>\$ 5,195,486.38</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2010 presentation which resulted in a decrease to cash from operations of \$49 million and an increase to cash flows from investing of \$49 million.

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**December 31, 2010**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.17	\$ 111,979.17	\$ 1,343,749.92	\$ 1,343,750.04	\$ 1,343,749.92	\$ 1,343,750.04
Trimble County 2000 Series A due 08/01/30 Var%.....	33,912.71	16,852.18	391,280.96	294,774.40	391,280.96	294,774.40
Jefferson County 2001 Series A due 09/01/26 Var%.....	3,600.95	2,082.56	47,135.13	38,924.75	47,135.13	38,924.75
Jefferson County 2001 Series A due 09/01/27 Var%.....	23,886.98	11,897.26	188,907.55	238,707.92	188,907.55	238,707.92
Trimble County 2001 Series A due 09/01/26 Var%.....	12,845.88	21,020.55	165,015.07	297,329.47	165,015.07	297,329.47
Jefferson County 2001 Series B due 11/01/27 Var%.....	23,541.10	24,212.33	356,505.13	369,739.26	356,505.13	369,739.26
Trimble County 2001 Series B due 11/01/27 Var%.....	23,541.10	24,212.33	356,549.22	369,739.24	356,549.22	369,739.24
Trimble County 2002 Series A due 10/01/32 Var%.....	16,258.48	7,964.29	294,966.89	177,127.65	294,966.89	177,127.65
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	2,299,999.91	2,300,000.03	2,299,999.91	2,300,000.03
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	145,312.50	1,743,749.95	1,743,750.00	1,743,749.95	1,743,750.00
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,760,000.00	2,760,000.02	2,760,000.00	2,760,000.02
Louisville Metro 2007 Series B due 06/01/33 Var%.....	-	-	-	(0.03)	-	(0.03)
Interest Rate Swaps.....	703,043.52	617,760.65	7,698,340.31	6,931,730.15	7,698,340.31	6,931,730.15
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	338,541.67	-	507,812.51	-	507,812.51	-
First Mortgage Bond due 11/15/2040 5.125%.....	1,217,187.50	-	1,825,781.25	-	1,825,781.25	-
Fidelia/PPL.....	-	2,220,150.02	23,320,575.03	26,641,800.14	23,320,575.03	26,641,800.14
Revolving Credit Agreement.....	318,393.33	-	594,678.34	-	594,678.34	-
<b>Total.....</b>	<b>3,393,711.56</b>	<b>3,625,110.51</b>	<b>43,895,047.17</b>	<b>43,507,373.04</b>	<b>43,895,047.17</b>	<b>43,507,373.04</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	170,036.09	15,518.32	453,375.01	185,864.28	453,375.01	185,864.28
Amortization of Loss on Recquired Debt.....	101,002.98	100,771.18	1,211,250.73	1,279,495.93	1,211,250.73	1,279,495.93
<b>Total.....</b>	<b>271,039.07</b>	<b>116,289.50</b>	<b>1,664,625.74</b>	<b>1,465,360.21</b>	<b>1,664,625.74</b>	<b>1,465,360.21</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	112,067.13	368,085.88	1,388,906.46	1,359,522.88	1,388,906.46	1,359,522.88
Other Tax Deficiencies.....	-	(2,027.00)	(17,500.00)	(14,880.00)	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	1,263.02	1,900.99	26,415.24	128,065.58	26,415.24	128,065.58
Interest on Debt to Associated Companies.....	648.33	27,695.94	262,421.88	674,298.20	262,421.88	674,298.20
Other Interest Expense.....	160,471.71	32,880.62	942,770.17	623,510.38	942,770.17	623,510.38
<b>Total.....</b>	<b>274,450.19</b>	<b>428,536.43</b>	<b>2,603,013.75</b>	<b>2,770,517.04</b>	<b>2,603,013.75</b>	<b>2,770,517.04</b>
<b>Total Interest.....</b>	<b>\$ 3,939,200.82</b>	<b>\$ 4,169,936.44</b>	<b>\$ 48,162,686.66</b>	<b>\$ 47,743,250.29</b>	<b>\$ 48,162,686.66</b>	<b>\$ 47,743,250.29</b>

January 25, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
December 31, 2010**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	431,812.94	335,155.16	12,935,303.74	14,481,268.13
Unemployment.....	37,049.46	13,669.51	202,916.50	143,856.33
FICA.....	1,039,353.30	722,835.65	7,462,190.44	6,958,074.57
Public Service Commission Fee.....	161,096.90	161,675.42	1,936,633.94	1,915,268.63
Federal Income.....	(6,078,915.85)	18,227,818.96	28,874,607.18	25,272,570.52
State Income.....	226,424.99	1,253,639.36	6,047,167.43	3,893,528.00
Miscellaneous.....	-	-	34,579.20	46,073.35
<b>Total Charged to Operating Expense.....</b>	<b>(4,183,178.26)</b>	<b>20,714,794.06</b>	<b>57,493,398.43</b>	<b>52,710,639.53</b>
Taxes Charged to Other Accounts.....	(4,430,920.00)	(5,165,239.04)	5,858,666.85	565,396.55
Taxes Accrued on Intercompany Accounts.....	(399,203.84)	(316,823.50)	(3,039,101.12)	(2,669,257.95)
<b>Total Taxes Charged.....</b>	<b>(9,013,302.10)</b>	<b>15,232,731.52</b>	<b>60,312,964.16</b>	<b>50,606,778.13</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	11,062,690.23	13,278,378.54	12,986,937.11	11,354,131.66
Unemployment.....	42,164.99	154,276.46	142,055.40	54,386.05
FICA.....	455,753.32	6,318,080.50	6,183,185.57	590,648.25
Federal Income.....	13,896,876.99	28,499,117.95	46,137,314.99	(3,741,320.05)
State Income.....	632,003.78	6,226,457.16	6,629,352.01	229,108.93
Kentucky Sales and Use Tax.....	625,517.98	5,703,411.10	5,240,071.13	1,088,857.95
Miscellaneous.....	14,799.84	133,242.45	125,702.32	22,339.97
<b>Totals.....</b>	<b>26,729,807.13</b>	<b>60,312,964.16</b>	<b>77,444,618.53</b>	<b>9,598,152.76</b>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**December 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	\$ 163,141,470.26	\$ 11,540,093.27	\$ (14,894,758.80)	\$ 97,654.63	\$ (3,257,010.90)	\$ 159,884,459.36
Common Intangible Plant	61,656,665.49	4,497,858.88	(9,699,197.65)	-	(5,201,338.77)	56,455,326.72
	<u>224,798,135.75</u>	<u>16,037,952.15</u>	<u>(24,593,956.45)</u>	<u>97,654.63</u>	<u>(8,458,349.67)</u>	<u>216,339,786.08</u>
<b>Electric</b>						
Electric Distribution	857,912,917.23	75,041,811.62	(6,109,222.30)	443,531.95	69,376,121.27	927,289,038.50
Electric General Plant	16,833,253.13	1,519,653.81	(1,831,291.35)	-	(311,637.54)	16,521,615.59
Electric Hydro Production	41,579,243.41	28,599.70	-	72,366.03	100,965.73	41,680,209.14
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	231,249,803.99	(1,445,652.25)	(184,810.14)	(4,769,237.61)	(6,399,700.00)	224,850,103.99
Electric Steam Production	1,894,640,479.32	18,003,511.81	(4,309,469.71)	26,563,452.03	40,257,494.13	1,934,897,973.45
Electric Transmission	241,991,713.86	6,623,497.28	(884,789.06)	12,074.06	5,750,782.28	247,742,496.14
	<u>3,284,209,751.23</u>	<u>99,771,421.97</u>	<u>(13,319,582.56)</u>	<u>22,322,186.46</u>	<u>108,774,025.87</u>	<u>3,392,983,777.10</u>
<b>Gas</b>						
Gas Distribution	529,098,314.51	11,472,346.93	(2,749,974.52)	11,978,433.78	20,700,806.19	549,799,120.70
Gas General Plant	9,014,996.97	768,440.65	(605,344.05)	-	163,096.60	9,178,093.57
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	64,937,622.87	10,378,802.75	(1,976,701.11)	5,075,586.55	13,477,688.19	78,415,311.06
Gas Transmission	13,658,203.76	3,009,765.20	(6,099.28)	-	3,003,665.92	16,661,869.68
	<u>616,710,325.60</u>	<u>25,629,355.53</u>	<u>(5,338,118.96)</u>	<u>17,054,020.33</u>	<u>37,345,256.90</u>	<u>654,055,582.50</u>
<b>Total 101 Accounts</b>	<u>4,125,718,212.58</u>	<u>141,438,729.65</u>	<u>(43,251,657.97)</u>	<u>39,473,861.42</u>	<u>137,660,933.10</u>	<u>4,263,379,145.68</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	-	-	4,182,559.70
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,831,574.18</u>
<b>Total 105001</b>	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,831,574.18</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**December 31, 2010**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified Common</b>						
Common General Plant	\$ 265,181.22	\$ 331,977.41	\$ -	\$ -	\$ 331,977.41	\$ 597,158.63
Common Intangible Plant	971,026.53	1,743,904.83	-	-	1,743,904.83	2,714,931.36
	<u>1,236,207.75</u>	<u>2,075,882.24</u>	<u>-</u>	<u>-</u>	<u>2,075,882.24</u>	<u>3,312,089.99</u>
<b>Electric</b>						
Electric Distribution	34,745,036.67	(23,200,302.77)	-	-	(23,200,302.77)	11,544,733.90
Electric General Plant	-	50,763.87	-	-	50,763.87	50,763.87
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	-	1,767,208.21	-	-	1,767,208.21	1,767,208.21
Electric Steam Production	9,240,272.74	6,688,957.03	-	-	6,688,957.03	15,929,229.77
Electric Transmission	976,044.41	34,069,428.41	-	-	34,069,428.41	35,045,472.82
	<u>44,978,306.08</u>	<u>19,376,054.75</u>	<u>-</u>	<u>-</u>	<u>19,376,054.75</u>	<u>64,354,360.83</u>
<b>Gas</b>						
Gas Distribution	15,382,929.27	9,037,226.89	-	-	9,037,226.89	24,420,156.16
Gas General Plant	211,426.16	(84,433.99)	-	-	(84,433.99)	126,992.17
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	3,786,548.44	(2,835,122.38)	-	-	(2,835,122.38)	951,426.06
Gas Transmission	1,221,215.37	(1,221,215.37)	-	-	(1,221,215.37)	-
	<u>20,602,119.24</u>	<u>4,896,455.15</u>	<u>-</u>	<u>-</u>	<u>4,896,455.15</u>	<u>25,498,574.39</u>
<b>Total 106 Accounts</b>	<u>66,816,633.07</u>	<u>26,348,392.14</u>	<u>-</u>	<u>-</u>	<u>26,348,392.14</u>	<u>93,165,025.21</u>
						4,356,544,170.89
<b>117 Gas Stored Underground-Noncurrent Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	15,767,424.60	5,476,455.29	-	-	5,476,455.29	21,243,879.89
Electric	299,585,079.65	24,738,652.49	-	-	24,738,652.49	324,323,732.14
Gas	26,774,033.33	12,982,273.58	-	-	12,982,273.58	39,756,306.91
	<u>342,126,537.58</u>	<u>43,197,381.36</u>	<u>-</u>	<u>-</u>	<u>43,197,381.36</u>	<u>385,323,918.94</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,199,581,649.39</u>	<u>167,787,121.79</u>	<u>(43,251,657.97)</u>	<u>39,473,861.42</u>	<u>164,009,325.24</u>	<u>4,363,590,974.63</u>
<b>Total Plant + CWIP</b>	<u>4,541,708,186.97</u>	<u>210,984,503.15</u>	<u>(43,251,657.97)</u>	<u>39,473,861.42</u>	<u>207,206,706.60</u>	<u>4,748,914,893.57</u>
<b>Total Plant + CWIP - Non Utility</b>	<u>\$ 4,541,632,947.41</u>	<u>\$ 210,984,503.15</u>	<u>\$ (43,251,657.97)</u>	<u>\$ 39,473,861.42</u>	<u>\$ 207,206,706.60</u>	<u>\$ 4,748,839,654.01</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2010**

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Life Reserve</b>									
Common General Plant	\$ (78,702,001.26)	\$ (13,455,992.64)	\$ 14,894,758.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (77,263,235.10)
Common General Plant - ARO	(1,233.92)	(662.99)	-	1,553.72	-	-	-	-	(343.19)
Electric Distribution	(266,380,666.38)	(16,728,921.67)	6,109,222.30	-	-	-	-	-	(277,000,365.75)
Electric Distribution - ARO	(13,162.72)	(2,597.86)	-	14,504.04	-	-	-	-	(1,256.54)
Electric General Plant	(14,148,434.81)	(592,514.18)	1,831,291.35	(376.55)	-	-	-	-	(12,910,034.19)
Electric Hydro Production	(9,163,030.01)	(555,246.65)	-	-	-	-	-	-	(9,718,276.66)
Electric Hydro Production - ARO	(17,810.24)	(482.28)	-	17,928.42	-	-	-	-	(364.10)
Electric Other Production	(52,372,728.97)	(8,094,136.34)	184,810.14	-	-	-	-	-	(60,282,055.17)
Electric Other Production - ARO	(89,318.48)	(54,848.12)	-	252,329.37	-	-	-	-	108,162.77
Electric Steam Production	(982,038,024.91)	(51,989,369.59)	4,484,324.13	25,000.00	-	-	-	-	(1,029,518,070.37)
Electric Steam Production - ARO	(2,543,436.73)	(778,839.00)	3,300.00	3,006,558.34	-	-	-	-	(312,417.39)
Electric Transmission	(116,058,916.84)	(4,018,478.97)	884,789.06	-	-	-	-	-	(119,192,606.75)
Electric Transmission - ARO	(667.12)	(72.71)	-	698.43	-	-	-	-	(41.40)
Gas Distribution	(116,733,622.42)	(11,065,829.33)	2,749,974.52	-	-	-	-	-	(125,049,477.23)
Gas Distribution - ARO	(20,380.45)	(110,132.99)	-	80,778.51	-	-	-	-	(49,734.93)
Gas General Plant	(6,508,855.59)	(396,117.66)	605,344.05	-	-	-	-	-	(6,299,629.20)
Gas Storage	(32,226,220.17)	(1,038,762.43)	1,976,701.11	-	-	-	-	-	(31,288,281.49)
Gas Storage - ARO	(402,273.17)	(37,989.87)	-	400,796.94	-	-	-	-	(39,466.10)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,402,830.69)	(51,873.91)	6,099.28	-	-	-	-	-	(9,448,605.32)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	(1,686,886,975.24)	(108,972,869.19)	33,730,614.74	3,799,771.22	-	-	-	-	(1,758,329,458.47)
<b>Cost Of Removal</b>									
Common General Plant	(585,802.76)	(269,924.76)	-	-	-	167,355.05	-	-	(688,372.47)
Electric Distribution	(148,701,260.29)	(6,604,228.91)	-	-	-	8,590,190.42	-	-	(146,715,298.78)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	779,070.67	(42,162.97)	-	-	-	-	-	-	736,907.70
Electric Other Production	(2,157,721.68)	(347,454.31)	-	-	-	-	-	-	(2,505,175.99)
Electric Steam Production	(80,852,537.28)	(14,439,186.14)	(176,793.52)	(25,000.00)	-	710,221.79	-	-	(94,783,295.15)
Electric Transmission	(23,685,015.10)	(1,271,471.90)	-	-	-	418,032.22	-	-	(24,538,454.78)
Gas Distribution	(57,352,410.28)	(3,111,034.56)	-	-	-	251,313.70	-	-	(60,212,131.14)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(228,445.58)	(126,282.95)	-	-	-	184,290.63	-	-	(170,437.90)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,023,912.37)	(12,819.53)	-	-	-	19,917.95	-	-	(3,016,813.95)
Non Utility Property	-	-	-	-	-	-	-	-	-
	\$ (315,804,168.05)	\$ (26,224,566.03)	\$ (176,793.52)	\$ (25,000.00)	\$ -	\$ 10,341,321.76	\$ -	\$ -	\$ (331,889,205.84)

January 25, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2010**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>
<b>Salvage</b>									
Common General Plant	\$ 277,728.56	\$ 345.99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,074.55
Electric Distribution	16,492,540.88	1,329,921.55	-	-	-	-	(287,437.45)	-	17,535,024.98
Electric General Plant	136,014.35	2,266.90	-	-	-	-	-	-	138,281.25
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	20,273,347.35	1,802,045.43	(1,360.90)	-	-	-	(45,461.74)	-	22,028,570.14
Electric Transmission	6,103,126.31	241,566.27	-	-	-	-	(97,323.91)	-	6,247,368.67
Gas Distribution	3,410,835.14	192,906.28	-	-	-	-	(9,300.67)	-	3,594,440.75
Gas General Plant	223,852.64	1,935.73	-	-	-	-	-	-	225,788.37
Gas Storage	252,727.30	17,269.34	-	-	-	-	(63.60)	-	269,933.04
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	213,115.79	4,807.32	-	-	-	-	-	-	217,923.11
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>47,740,927.82</u>	<u>3,593,064.81</u>	<u>(1,360.90)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(439,587.37)</u>	<u>-</u>	<u>50,893,044.36</u>
<b>Total Reserves</b>									
14 Common	(79,074,669.74)	(13,726,234.40)	14,894,758.80	1,553.72	-	167,355.05	-	-	(77,737,236.57)
Electric	(1,654,077,125.86)	(102,144,211.45)	13,319,582.56	3,291,642.05	-	9,718,444.43	(430,223.10)	-	(1,730,321,891.37)
Gas	(221,798,419.87)	(15,733,924.56)	5,338,118.96	481,575.45	-	455,522.28	(9,364.27)	-	(231,266,492.01)
	<u>(1,954,950,215.47)</u>	<u>(131,604,370.41)</u>	<u>33,552,460.32</u>	<u>3,774,771.22</u>	<u>-</u>	<u>10,341,321.76</u>	<u>(439,587.37)</u>	<u>-</u>	<u>(2,039,325,619.95)</u>
<b>Retirement Work In Progress</b>									
Common	(8,937,134.61)	-	-	(8,392.50)	(167,355.05)	9,495,156.16	(44,327.00)	5,000.00	342,947.00
Electric	18,980,726.37	-	-	204,853.20	(9,288,221.33)	166,262.57	(467,952.52)	7,984.92	9,603,653.21
Gas	1,284,007.95	-	-	15,830.67	(446,158.01)	1,746,170.13	(16,393.03)	(60,297.07)	2,523,160.64
	<u>11,327,599.71</u>	<u>-</u>	<u>-</u>	<u>212,291.37</u>	<u>(9,901,734.39)</u>	<u>11,407,588.86</u>	<u>(528,672.55)</u>	<u>(47,312.15)</u>	<u>12,469,760.85</u>
<b>YTD ACTIVITY</b>	<u>(1,943,622,615.76)</u>	<u>(131,604,370.41)</u>	<u>33,552,460.32</u>	<u>3,987,062.59</u>	<u>(9,901,734.39)</u>	<u>21,748,910.62</u>	<u>(968,259.92)</u>	<u>(47,312.15)</u>	<u>(2,026,855,859.10)</u>
<b>Amortization</b>									
Common	(18,278,599.35)	(7,726,988.90)	9,699,197.65	-	-	-	-	-	(16,306,390.60)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(18,279,499.35)</u>	<u>(7,726,988.90)</u>	<u>9,699,197.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,307,290.60)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>(1,961,902,115.11)</u>	<u>(139,331,359.31)</u>	<u>43,251,657.97</u>	<u>3,987,062.59</u>	<u>\$ (9,901,734.39)</u>	<u>21,748,910.62</u>	<u>(968,259.92)</u>	<u>(47,312.15)</u>	<u>(2,043,163,149.70)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,043,099,789.34)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,579,794,192.66</u>								<u>\$ 2,705,739,864.67</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**December 31, 2010**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 93,751,447.34	\$ -	\$ 93,751,447.34
Gas Operating Revenues.....	57,294,231.67	-	57,294,231.67
<b>Total Operating Revenues.....</b>	<b>151,045,679.01</b>	<b>-</b>	<b>151,045,679.01</b>
Fuel for Electric Generation.....	34,495,080.08	-	34,495,080.08
Power Purchased.....	4,790,428.59	-	4,790,428.59
Gas Supply Expenses.....	38,001,070.70	-	38,001,070.70
Other Operation Expenses.....	18,711,551.25	(13,942.33)	18,697,608.92
Maintenance.....	14,961,040.90	-	14,961,040.90
Depreciation.....	10,994,061.68	-	10,994,061.68
Amortization Expense.....	634,111.82	-	634,111.82
Regulatory Credits.....	(409,343.52)	-	(409,343.52)
Taxes			
Federal Income.....	(6,078,915.85)	-	(6,078,915.85)
State Income.....	226,424.99	-	226,424.99
Deferred Federal Income - Net.....	13,181,597.26	10,480.21	13,192,077.47
Deferred State Income - Net.....	1,002,926.16	4,675.20	1,007,601.36
Property and Other.....	1,669,312.60	-	1,669,312.60
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(208,481.00)	-	(208,481.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	217,727.10	-	217,727.10
<b>Total Operating Expenses.....</b>	<b>132,188,592.76</b>	<b>1,213.08</b>	<b>132,189,805.84</b>
Net Operating Income.....	18,857,086.25	(1,213.08)	18,855,873.17
Other Income Less Deductions.....	(877,689.81)	-	(877,689.81)
<b>Income Before Interest Charges.....</b>	<b>17,979,396.44</b>	<b>(1,213.08)</b>	<b>17,978,183.36</b>
Interest on Long-Term Debt.....	3,393,711.56	(25,017.63)	3,368,693.93
Amortization of Debt Expense - Net.....	271,039.07	-	271,039.07
Other Interest Expenses.....	274,450.19	-	274,450.19
<b>Total Interest Charges.....</b>	<b>3,939,200.82</b>	<b>(25,017.63)</b>	<b>3,914,183.19</b>
<b>Net Income.....</b>	<b>\$ 14,040,195.62</b>	<b>\$ 23,804.55</b>	<b>\$ 14,064,000.17</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**December 31, 2010**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 1,015,611,566.97	\$ -	\$ 1,015,611,566.97
Gas Operating Revenues.....	302,947,355.88	-	302,947,355.88
<b>Total Operating Revenues.....</b>	<b>1,318,558,922.85</b>	<b>-</b>	<b>1,318,558,922.85</b>
Fuel for Electric Generation.....	368,556,326.34	-	368,556,326.34
Power Purchased.....	54,379,718.69	-	54,379,718.69
Gas Supply Expenses.....	169,003,608.05	-	169,003,608.05
Other Operation Expenses.....	226,813,004.57	(27,884.66)	226,785,119.91
Maintenance.....	111,701,105.08	-	111,701,105.08
Depreciation.....	131,210,003.27	-	131,210,003.27
Amortization Expense.....	7,726,988.90	-	7,726,988.90
Regulatory Credits.....	(4,269,731.45)	-	(4,269,731.45)
Taxes			
Federal Income.....	28,874,607.18	-	28,874,607.18
State Income.....	6,047,167.43	-	6,047,167.43
Deferred Federal Income - Net.....	27,667,005.00	25,635.64	27,692,640.64
Deferred State Income - Net.....	2,370,024.44	4,675.20	2,374,699.64
Property and Other.....	22,571,623.82	-	22,571,623.82
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(2,501,774.00)	-	(2,501,774.00)
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	-	(34,460.14)
Accretion Expense.....	3,284,105.63	-	3,284,105.63
<b>Total Operating Expenses.....</b>	<b>1,153,399,322.81</b>	<b>2,426.18</b>	<b>1,153,401,748.99</b>
Net Operating Income.....	165,159,600.04	(2,426.18)	165,157,173.86
Other Income Less Deductions.....	10,717,472.34	-	10,717,472.34
<b>Income Before Interest Charges.....</b>	<b>175,877,072.38</b>	<b>(2,426.18)</b>	<b>175,874,646.20</b>
Interest on Long-Term Debt.....	43,895,047.17	(50,035.26)	43,845,011.91
Amortization of Debt Expense - Net.....	1,664,625.74	-	1,664,625.74
Other Interest Expenses.....	2,603,013.75	-	2,603,013.75
<b>Total Interest Charges.....</b>	<b>48,162,686.66</b>	<b>(50,035.26)</b>	<b>48,112,651.40</b>
<b>Net Income.....</b>	<b>\$ 127,714,385.72</b>	<b>\$ 47,609.08</b>	<b>\$ 127,761,994.80</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2010**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 813,953,056.34	\$ 741,439,450.95	\$ (808,923,086.99)	\$ -	\$ 5,029,969.35	\$ 741,439,450.95
Add:						
Net Income (Loss) for Period.....	14,040,195.62	13,839,415.29	23,804.55	-	14,064,000.17	13,839,415.29
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>	<u>\$ (808,899,282.44)</u>	<u>\$ -</u>	<u>\$ 19,093,969.52</u>	<u>\$ 755,278,866.24</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2010**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 755,278,866.24	\$ 740,161,671.19	\$ -	\$ -	\$ 755,278,866.24	\$ 740,161,671.19
Add:						
Net Income (Loss) for Period.....	127,714,385.72	95,117,195.05	47,609.08	-	127,761,994.80	95,117,195.05
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	<u>55,000,000.00</u>	<u>80,000,000.00</u>	<u>-</u>	<u>-</u>	<u>55,000,000.00</u>	<u>80,000,000.00</u>
Balance at End of Period.....	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>	<u>\$ (808,899,282.44)</u>	<u>\$ -</u>	<u>\$ 19,093,969.52</u>	<u>\$ 755,278,866.24</u>

January 25, 2011



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2010**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 755,278,866.24	\$ 740,161,671.19	\$ -	\$ -	\$ 755,278,866.24	\$ 740,161,671.19
Add:						
Net Income (Loss) for Period.....	127,714,385.72	95,117,195.05	47,609.08	-	127,761,994.80	95,117,195.05
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	55,000,000.00	80,000,000.00	-	-	55,000,000.00	80,000,000.00
Balance at End of Period.....	<u>\$ 827,993,251.96</u>	<u>\$ 755,278,866.24</u>	<u>\$ (808,899,282.44)</u>	<u>\$ -</u>	<u>\$ 19,093,969.52</u>	<u>\$ 755,278,866.24</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of December 31, 2010**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,748,839,654.01	\$ (1,757,947,616.58)	\$ 2,990,892,037.43
Less Reserves for Depreciation and Amortization.....	2,043,099,789.34	(1,757,947,616.58)	285,152,172.76
Total.....	<u>2,705,739,864.67</u>	<u>-</u>	<u>2,705,739,864.67</u>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	18,763,173.33	-	18,763,173.33
Total.....	<u>19,369,338.53</u>	<u>-</u>	<u>19,369,338.53</u>
<b>Current and Accrued Assets</b>			
Cash.....	2,025,606.25	-	2,025,606.25
Special Deposits.....	3,511,014.88	-	3,511,014.88
Temporary Cash Investments.....	100,405.59	-	100,405.59
Accounts Receivable - Less Reserve.....	163,630,222.30	-	163,630,222.30
Accounts Receivable from Associated Companies....	29,799,791.23	-	29,799,791.23
Materials and Supplies - At Average Cost.....			
Fuel.....	68,043,290.05	-	68,043,290.05
Plant Materials and Operating Supplies.....	29,326,915.51	-	29,326,915.51
Stores Expense.....	4,943,153.44	-	4,943,153.44
Gas Stored Underground.....	59,956,180.78	-	59,956,180.78
Emission Allowances.....	2,728.96	7,433,399.97	7,436,128.93
Prepayments.....	6,832,694.11	-	6,832,694.11
Miscellaneous Current and Accrued Assets.....	137,908.13	-	137,908.13
Total.....	<u>368,309,911.23</u>	<u>7,433,399.97</u>	<u>375,743,311.20</u>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,116,651.27	(3,667,742.37)	9,448,908.90
Unamortized Loss on Bonds.....	21,934,649.45	-	21,934,649.45
Accumulated Deferred Income Taxes.....	38,744,526.28	88,462,856.09	127,207,382.37
Deferred Regulatory Assets.....	344,036,363.17	13,677,316.46	357,713,679.63
Other Deferred Debits.....	1,127,060.49	203,469,169.94	204,596,230.43
Goodwill.....	-	389,157,351.59	389,157,351.59
Total.....	<u>418,959,250.66</u>	<u>691,098,951.71</u>	<u>1,110,058,202.37</u>
Total Assets.....	<u>\$ 3,512,378,365.09</u>	<u>\$ 698,532,351.68</u>	<u>\$ 4,210,910,716.77</u>

January 25, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of December 31, 2010**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	425,170,424.09	-	425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	827,993,251.96	(808,899,282.44)	19,093,969.52
<b>Total Proprietary Capital.....</b>	<b>1,335,909,286.41</b>	<b>385,186,586.58</b>	<b>1,721,095,872.99</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	411,104,000.00	6,526,681.74	417,630,681.74
First Mortgage Bonds.....	531,051,682.50	-	531,051,682.50
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>942,155,682.50</b>	<b>6,526,681.74</b>	<b>948,682,364.24</b>
<b>Total Capitalization.....</b>	<b>2,278,064,968.91</b>	<b>391,713,268.32</b>	<b>2,669,778,237.23</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	11,876,000.00	-	11,876,000.00
Notes Payable.....	163,000,000.00	-	163,000,000.00
Accounts Payable.....	104,974,357.13	-	104,974,357.13
Accounts Payable to Associated Companies.....	19,944,791.03	-	19,944,791.03
Customer Deposits.....	23,237,608.55	-	23,237,608.55
Taxes Accrued.....	9,598,152.76	-	9,598,152.76
Interest Accrued.....	5,235,853.08	-	5,235,853.08
Miscellaneous Current and Accrued Liabilities.....	24,850,419.60	-	24,850,419.60
<b>Total.....</b>	<b>362,717,182.15</b>	<b>-</b>	<b>362,717,182.15</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	458,393,362.16	85,934,824.02	544,328,186.18
Investment Tax Credit.....	45,524,576.13	-	45,524,576.13
Regulatory Liabilities.....	51,426,348.46	210,902,569.91	262,328,918.37
Customer Advances for Construction.....	8,580,930.08	-	8,580,930.08
Asset Retirement Obligations.....	52,650,788.91	-	52,650,788.91
Other Deferred Credits.....	5,677,069.75	9,981,689.43	15,658,759.18
Miscellaneous Long-Term Liabilities.....	35,751,188.04	-	35,751,188.04
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	213,591,950.50	-	213,591,950.50
<b>Total.....</b>	<b>871,596,214.03</b>	<b>306,819,083.36</b>	<b>1,178,415,297.39</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,512,378,365.09</b>	<b>\$ 698,532,351.68</b>	<b>\$ 4,210,910,716.77</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - January 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

January 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**January 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 92,096,734.53	\$ 75,656,301.90	\$ 16,440,432.63	21.73
Gas Operating Revenues.....	58,814,010.67	49,583,374.92	9,230,635.75	18.62
<b>Total Operating Revenues.....</b>	<b>150,910,745.20</b>	<b>125,239,676.82</b>	<b>25,671,068.38</b>	<b>20.50</b>
Fuel for Electric Generation.....	32,317,512.15	29,083,943.23	3,233,568.92	11.12
Power Purchased.....	7,074,753.38	6,286,992.63	787,760.75	12.53
Gas Supply Expenses.....	38,307,433.47	33,945,220.22	4,362,213.25	12.85
Other Operation Expenses.....	18,426,155.56	18,245,335.13	180,820.43	0.99
Maintenance.....	6,764,895.92	5,950,317.13	814,578.79	13.69
Depreciation.....	11,277,201.35	10,766,332.79	510,868.56	4.75
Amortization Expense.....	640,016.30	720,153.41	(80,137.11)	(11.13)
Regulatory Credits.....	(366,611.83)	(179,203.17)	(187,408.66)	(104.58)
Taxes				
Federal Income.....	9,942,013.27	4,687,680.25	5,254,333.02	112.09
State Income.....	1,813,133.12	854,896.11	958,237.01	112.09
Deferred Federal Income - Net.....	6.82	-	6.82	100.00
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,304,503.85	2,106,988.27	197,515.58	9.37
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(209,367.00)	(219,158.00)	9,791.00	4.47
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	218,662.64	164,563.41	54,099.23	32.87
<b>Total Operating Expenses.....</b>	<b>128,510,309.00</b>	<b>112,414,061.41</b>	<b>16,096,247.59</b>	<b>14.32</b>
Net Operating Income.....	22,400,436.20	12,825,615.41	9,574,820.79	74.65
Other Income Less Deductions.....	238,808.69	85,111.33	153,697.36	180.58
<b>Income Before Interest Charges.....</b>	<b>22,639,244.89</b>	<b>12,910,726.74</b>	<b>9,728,518.15</b>	<b>75.35</b>
Interest on Long-Term Debt.....	3,296,058.29	3,550,810.54	(254,752.25)	(7.17)
Amortization of Debt Expense - Net.....	273,669.38	116,289.49	157,379.89	135.33
Other Interest Expenses.....	157,345.40	233,434.52	(76,089.12)	(32.60)
<b>Total Interest Charges.....</b>	<b>3,727,073.07</b>	<b>3,900,534.55</b>	<b>(173,461.48)</b>	<b>(4.45)</b>
<b>Net Income.....</b>	<b>\$ 18,912,171.82</b>	<b>\$ 9,010,192.19</b>	<b>\$ 9,901,979.63</b>	<b>109.90</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 92,096,734.53	\$ 75,656,301.90	\$ 16,440,432.63	21.73
Gas Operating Revenues.....	58,814,010.67	49,583,374.92	9,230,635.75	18.62
<b>Total Operating Revenues.....</b>	<b>150,910,745.20</b>	<b>125,239,676.82</b>	<b>25,671,068.38</b>	<b>20.50</b>
Fuel for Electric Generation.....	32,317,512.15	29,083,943.23	3,233,568.92	11.12
Power Purchased.....	7,074,753.38	6,286,992.63	787,760.75	12.53
Gas Supply Expenses.....	38,307,433.47	33,945,220.22	4,362,213.25	12.85
Other Operation Expenses.....	18,426,155.56	18,245,335.13	180,820.43	0.99
Maintenance.....	6,764,895.92	5,950,317.13	814,578.79	13.69
Depreciation.....	11,277,201.35	10,766,332.79	510,868.56	4.75
Amortization Expense.....	640,016.30	720,153.41	(80,137.11)	(11.13)
Regulatory Credits.....	(366,611.83)	(179,203.17)	(187,408.66)	(104.58)
Taxes				
Federal Income.....	9,942,013.27	4,687,680.25	5,254,333.02	112.09
State Income.....	1,813,133.12	854,896.11	958,237.01	112.09
Deferred Federal Income - Net.....	6.82	-	6.82	100.00
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,304,503.85	2,106,988.27	197,515.58	9.37
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(209,367.00)	(219,158.00)	9,791.00	4.47
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	218,662.64	164,563.41	54,099.23	32.87
<b>Total Operating Expenses.....</b>	<b>128,510,309.00</b>	<b>112,414,061.41</b>	<b>16,096,247.59</b>	<b>14.32</b>
Net Operating Income.....	22,400,436.20	12,825,615.41	9,574,820.79	74.65
Other Income Less Deductions.....	238,808.69	85,111.33	153,697.36	180.58
<b>Income Before Interest Charges.....</b>	<b>22,639,244.89</b>	<b>12,910,726.74</b>	<b>9,728,518.15</b>	<b>75.35</b>
Interest on Long-Term Debt.....	3,296,058.29	3,550,810.54	(254,752.25)	(7.17)
Amortization of Debt Expense - Net.....	273,669.38	116,289.49	157,379.89	135.33
Other Interest Expenses.....	157,345.40	233,434.52	(76,089.12)	(32.60)
<b>Total Interest Charges.....</b>	<b>3,727,073.07</b>	<b>3,900,534.55</b>	<b>(173,461.48)</b>	<b>(4.45)</b>
<b>Net Income.....</b>	<b>\$ 18,912,171.82</b>	<b>\$ 9,010,192.19</b>	<b>\$ 9,901,979.63</b>	<b>109.90</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2011**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,032,051,999.60	\$ 909,608,546.85	\$ 122,443,452.75	13.46
Gas Operating Revenues.....	312,177,991.63	319,802,966.88	(7,624,975.25)	(2.38)
<b>Total Operating Revenues.....</b>	<b>1,344,229,991.23</b>	<b>1,229,411,513.73</b>	<b>114,818,477.50</b>	<b>9.34</b>
Fuel for Electric Generation.....	371,789,895.26	322,872,384.16	48,917,511.10	15.15
Power Purchased.....	55,167,479.44	56,586,842.42	(1,419,362.98)	(2.51)
Gas Supply Expenses.....	173,365,821.30	207,330,461.91	(33,964,640.61)	(16.38)
Other Operation Expenses.....	226,993,825.00	218,527,401.23	8,466,423.77	3.87
Maintenance.....	112,515,683.87	92,989,729.94	19,525,953.93	21.00
Depreciation.....	131,720,871.83	129,164,434.35	2,556,437.48	1.98
Amortization Expense.....	7,646,851.79	8,144,439.82	(497,588.03)	(6.11)
Regulatory Credits.....	(4,457,140.11)	(2,207,282.85)	(2,249,857.26)	(101.93)
Taxes				
Federal Income.....	34,128,940.20	25,176,823.61	8,952,116.59	35.56
State Income.....	7,005,404.44	3,837,295.12	3,168,109.32	82.56
Deferred Federal Income - Net.....	27,667,011.82	8,325,579.32	19,341,432.50	232.31
Deferred State Income - Net.....	2,370,024.44	1,450,849.02	919,175.42	63.35
Property and Other.....	22,769,139.40	23,387,004.65	(617,865.25)	(2.64)
Investment Tax Credit.....	-	3,649,346.00	(3,649,346.00)	(100.00)
Amortization of Investment Tax Credit.....	(2,491,983.00)	(2,950,357.00)	458,374.00	15.54
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,338,204.86	1,971,730.01	1,366,474.85	69.30
<b>Total Operating Expenses.....</b>	<b>1,169,495,570.40</b>	<b>1,098,190,407.65</b>	<b>71,305,162.75</b>	<b>6.49</b>
Net Operating Income.....	174,734,420.83	131,221,106.08	43,513,314.75	33.16
Other Income Less Deductions.....	10,871,169.70	2,965,825.52	7,905,344.18	266.55
<b>Income Before Interest Charges.....</b>	<b>185,605,590.53</b>	<b>134,186,931.60</b>	<b>51,418,658.93</b>	<b>38.32</b>
Interest on Long-Term Debt.....	43,640,294.92	43,323,605.04	316,689.88	0.73
Amortization of Debt Expense - Net.....	1,822,005.63	1,458,198.00	363,807.63	24.95
Other Interest Expenses.....	2,526,924.63	2,755,052.86	(228,128.23)	(8.28)
<b>Total Interest Charges.....</b>	<b>47,989,225.18</b>	<b>47,536,855.90</b>	<b>452,369.28</b>	<b>0.95</b>
<b>Net Income.....</b>	<b>\$ 137,616,365.35</b>	<b>\$ 86,650,075.70</b>	<b>\$ 50,966,289.65</b>	<b>58.82</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**January 31, 2011**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ 827,993,251.96	\$ 755,278,866.24	\$ 764,289,058.43	\$ 757,638,982.73
Add:						
Net Income (Loss) for Period.....	18,912,171.82	9,010,192.19	18,912,171.82	9,010,192.19	137,616,365.35	86,650,075.70
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	55,000,000.00	80,000,000.00
Balance at End of Period.....	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>

February 25, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of January 31, 2011 and 2010**

Assets	This Year	Last Year	Liabilities and Proprietary Capital	This Year	Last Year
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,750,777,974.71	\$ 4,547,506,200.76	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less Reserves for Depreciation and Amortization.....	<u>2,049,262,226.20</u>	<u>1,972,299,586.33</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,701,515,748.51</u>	<u>2,575,206,614.43</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(10,963,295.75)
Investments			Retained Earnings.....	<u>846,905,423.78</u>	<u>764,289,058.43</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,354,821,458.23</u>	<u>1,261,241,797.13</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>16,266,282.58</u>	<u>14,724,565.77</u>	First Mortgage Bonds.....	531,075,004.16	-
Total.....	<u>16,872,447.78</u>	<u>15,330,730.97</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,379,004.16</u>	<u>896,104,000.00</u>
Cash.....	10,946,085.86	4,973,847.06	Total Capitalization.....	<u>2,460,200,462.39</u>	<u>2,157,345,797.13</u>
Special Deposits.....	3,590,045.06	755,066.07	Current and Accrued Liabilities		
Temporary Cash Investments.....	1,861.08	119.71	ST Notes Payable to Associated Companies.....	39,801,000.00	131,982,400.00
Accounts Receivable - Less Reserve.....	172,877,770.06	155,240,458.08	Accounts Payable.....	95,342,791.32	94,675,668.19
Accounts Receivable from Associated Companies.....	18,031,905.66	10,909,282.44	Accounts Payable to Associated Companies.....	16,395,004.37	33,460,583.90
Materials and Supplies - At Average Cost.....			Customer Deposits.....	23,571,825.06	22,862,521.85
Fuel.....	63,040,020.16	63,263,325.62	Taxes Accrued.....	11,594,182.53	33,322,970.74
Plant Materials and Operating Supplies.....	29,472,535.23	29,427,375.18	Interest Accrued.....	7,648,967.20	3,043,132.52
Stores Expense.....	4,987,130.53	4,238,253.24	Miscellaneous Current and Accrued Liabilities.....	<u>26,764,921.93</u>	<u>28,849,916.80</u>
Gas Stored Underground.....	43,600,442.97	41,531,671.17	Total.....	<u>221,118,692.41</u>	<u>348,197,194.00</u>
Emission Allowances.....	2,624.91	4,103.41	Deferred Credits and Other		
Prepayments.....	6,932,677.50	8,867,721.64	Accumulated Deferred Income Taxes.....	473,518,807.92	427,458,362.10
Miscellaneous Current and Accrued Assets.....	<u>453,145.30</u>	<u>2,269,808.57</u>	Investment Tax Credit.....	45,315,209.13	47,807,192.13
Total.....	<u>353,936,244.32</u>	<u>321,481,032.19</u>	Regulatory Liabilities.....	65,743,017.64	74,415,259.97
Deferred Debits and Other			Customer Advances for Construction.....	8,492,300.89	9,543,581.56
Unamortized Debt Expense.....	13,553,077.84	3,838,643.28	Asset Retirement Obligations.....	52,869,451.55	33,208,192.55
Unamortized Loss on Bonds.....	21,833,646.50	23,018,562.36	Other Deferred Credits.....	6,909,404.21	8,163,617.99
Accumulated Deferred Income Taxes.....	53,869,965.22	56,726,770.90	Miscellaneous Long-Term Liabilities.....	33,228,101.47	35,538,871.79
Deferred Regulatory Assets.....	353,138,961.12	325,096,765.91	Accum Provision for Postretirement Benefits.....	<u>148,226,363.34</u>	<u>180,170,381.45</u>
Other Deferred Debits.....	<u>901,719.66</u>	<u>1,149,330.63</u>	Total.....	<u>834,302,656.15</u>	<u>816,305,459.54</u>
Total.....	<u>443,297,370.34</u>	<u>409,830,073.08</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,515,621,810.95</u>	<u>\$ 3,321,848,450.67</u>
Total Assets.....	<u>\$ 3,515,621,810.95</u>	<u>\$ 3,321,848,450.67</u>			

February 25, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**January 31, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			846,905,423.78		
 Total Proprietary Capital.....			 1,354,821,458.23	 54.19	 55.07
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds.....</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 Var%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 Var%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Total Pollution Control Bonds.....			574,304,000.00	22.98	23.34
<b>First Mortgage Bonds.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00		
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00		
Total First Mortgage Bonds.....			535,000,000.00	21.40	21.75
<b>Less: First Mortgage Bonds Debt Discount.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			(845,729.17)		
First Mortgage Bond Due 11/15/40 5.125%.....			(3,079,266.67)		
			(3,924,995.84)	-0.16	-0.16
Total First Mortgage Bonds - Net of Debt Discount.....			531,075,004.16	21.24	21.59
 Total Capitalization.....			 2,460,200,462.39	 98.41	 100.00
Short-Term Notes Payable to Associated Companies.....			39,801,000.00	1.59	
Total Capitalization and Short-Term Debt.....			\$ 2,500,001,462.39	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,750,777,974.71	\$ 4,750,777,974.71
Reserves for Depreciation and Amortization.....		(2,049,262,226.20)
Depreciation of Plant.....		
Electric.....	(1,724,851,116.40)	
Gas.....	(229,133,171.12)	
Common.....	(78,330,631.78)	
Amortization of Plant		
Common.....	(16,946,406.90)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		16,872,447.78
Special Funds.....	16,266,282.58	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	10,946,085.86	10,946,085.86
Special Deposits.....		3,590,045.06
MAN Margin Call.....	2,894,811.90	
Other Special Deposits.....	695,233.16	
Temporary Cash Investments.....	1,861.08	1,861.08
Accounts Receivable - Less Reserve.....		172,877,770.06
Customers - Active.....	86,528,978.43	
Unbilled Revenues.....	71,971,651.01	
Wholesale Sales.....	6,855,458.65	
IMPA.....	3,773,125.11	
IMEA.....	3,625,252.53	
Bechtel Liquidated Damages.....	2,596,192.49	
Sundry Accounts Receivable.....	1,094,644.46	
Damage Claims.....	437,535.13	
Transmission Sales.....	434,764.63	
Other.....	358,535.26	
Reserves for Uncollectible Accounts		
Utility Customers		
Bechtel Reserve.....	(2,259,786.28)	
Reserve.....	(1,896,587.00)	
A/R Miscellaneous.....	(641,994.36)	
Accrual.....	(580,125.35)	
Recoveries.....	(70,019.77)	
Charged Off.....	650,145.12	
Accounts Receivable from Associated Companies.....		18,031,905.66
LG&E-KU Energy Services /Kentucky Utilities.....	18,031,905.66	
Fuel.....		63,040,020.16
Coal 1,415,401.25 Tons @ \$44.16; MMBtu 31,976,318.13 @ 195.48¢.....	62,508,336.49	
Fuel Oil 226,904.97 Gallons @ 201.37¢.....	456,909.32	
Gas Pipeline 5,200.00 Mcf @ \$14.38.....	74,774.35	
Plant Materials and Operating Supplies.....		29,472,535.23
Regular Materials and Supplies.....	29,082,651.44	
Limestone 52,114.00 Tons @ \$7.48.....	389,883.78	
Other Reagents.....	0.01	

February 25, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Stores Expense Undistributed.....	\$ 4,987,130.53	\$ 4,987,130.53
Gas Stored Underground - Current.....		43,600,442.97
Gas Stored Underground* 8,845,224.00 Mcf (14.73 psia) @ \$4.93.....	43,600,442.97	
Emission Allowances.....	2,624.91	2,624.91
Prepayments.....		6,932,677.50
Insurance.....	4,931,017.91	
Taxes.....	805,484.54	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	866,175.01	
Miscellaneous Current Assets.....		453,145.30
Derivative Asset - Non-Hedging.....	453,145.30	
Unamortized Debt Expense.....		13,553,077.84
Trimble County 2000 Series A due 08/01/30 Var%.....	754,793.75	
Jefferson County 2001 Series A due 09/01/26 Var%.....	154,645.44	
Trimble County 2001 Series A due 09/01/26 Var%.....	168,143.95	
Jefferson County 2001 Series A due 09/01/27 Var%.....	338,175.58	
Jefferson County 2001 Series B due 11/01/27 Var%.....	184,170.43	
Trimble County 2001 Series B due 11/01/27 Var%.....	184,200.64	
Trimble County 2002 Series A due 10/01/32 Var%.....	806,463.91	
Louisville Metro 2003 Series A 11/20/03 Due 10/01/33 Var%.....	390,461.15	
Trimble County 2007 Series A due 06/01/33 4.600%.....	112,901.39	
Louisville Metro 2007 Series B 04/26/07 Due 06/01/33 Var%.....	1,061,601.86	
First Mortgage Bond due 11/15/15 1.625%.....	2,165,312.62	
First Mortgage Bond due 11/15/40 5.125%.....	3,230,258.46	
Revolving Credit Agreement.....	4,001,948.66	
Unamortized Loss on Bonds.....	21,833,646.50	21,833,646.50
Accumulated Deferred Income Taxes.....		53,869,965.22
Federal		
Electric.....	35,241,391.04	
Gas.....	9,406,777.43	
State		
Electric.....	7,480,128.97	
Gas.....	1,741,667.78	
Regulatory Assets.....		353,138,961.12
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	41,646,471.57	
Interest Rate Ineffectiveness.....	31,624,087.00	
2008 Wind Storm.....	22,363,316.15	
Swap Termination.....	9,174,158.04	
Asset Retirement Obligations.....		
Electric.....	6,828,142.07	
Gas.....	375,665.62	
Common.....	1,915.41	
Environmental Cost Recovery.....	5,090,678.00	
Gas Supply Clause/PBR.....	2,675,453.22	
Rate Case Expenses.....	1,458,245.69	
MISO Exit Fee.....	1,446,980.90	
KCCS Funding.....	768,285.44	
Fuel Adjustment Clause.....	715,000.00	
EKPC FERC Transmission Costs.....	522,848.24	
CMRG Funding.....	146,340.00	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,788,461.54	
State		
Electric.....	2,332,242.23	
Other Deferred Debits.....	901,719.66	901,719.66
Total Assets.....	<u>\$ 3,515,621,810.95</u>	<u>\$ 3,515,621,810.95</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,354,821,458.23
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	846,905,423.78	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,075,004.16	531,075,004.16
Short-Term Notes Payable to Associated Companies.....		39,801,000.00
Money Pool.....	39,801,000.00	
Accounts Payable.....		95,342,791.32
Regular.....	87,764,269.59	
Employee Withholdings Payable.....	6,181,486.78	
Salaries and Wages Accrued.....	1,397,034.95	
Accounts Payable to Associated Companies.....		16,395,004.37
LG&E-KU Energy Services /Kentucky Utilities.....	16,395,004.37	
Customers' Deposits.....	23,571,825.06	23,571,825.06
Taxes Accrued.....	11,594,182.53	11,594,182.53
Interest Accrued.....		7,648,967.20
Jefferson County 2000 Series A due 05/01/27 5.375%.....	335,937.52	
Trimble County 2000 Series A due 08/01/30 Var%.....	12,789.64	
Jefferson County 2001 Series A due 09/01/26 Var%.....	47,773.99	
Trimble County 2001 Series A due 09/01/26 Var%.....	9,832.18	
Jefferson County 2001 Series A due 09/01/27 Var%.....	707.42	
Jefferson County 2001 Series B due 11/01/27 Var%.....	4,223.26	
Trimble County 2001 Series B due 11/01/27 Var%.....	4,075.62	
Trimble County 2002 Series A due 10/01/32 Var%.....	7,093.32	
Louisville Metro 2003 Series A due 10/01/33 Var%.....	126,597.37	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	1,143,611.13	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	290,625.00	
Louisville Metro 2007 Series B due 06/01/33 Var%.....	34,814.27	
Trimble County 2007 Series A due 06/01/33 4.600%.....	460,000.00	
Interest Rate Swaps.....	577,449.62	
First Mortgage Bond due 11/15/15 1.625%.....	846,354.18	
First Mortgage Bond due 11/15/40 5.125%.....	3,042,968.75	
Customers' Deposits.....	690,436.97	
Other.....	13,676.96	
Miscellaneous Current and Accrued Liabilities.....		26,764,921.93
No-Notice Gas Payable.....	8,399,999.30	
Vacation Pay Accrued.....	5,956,108.64	
Customer Overpayments.....	5,128,255.53	
SFAS 133 Derivative Liability.....	2,517,185.42	
Derivative Liabilities - Non-Hedging.....	1,296,352.46	
Tax Collections Payable.....	1,576,401.33	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	336,093.82	
Other.....	929,831.39	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 473,518,807.92
Federal.....		
Electric.....	351,618,962.42	
Gas.....	53,476,670.19	
State.....		
Electric.....	59,893,327.99	
Gas.....	8,529,847.32	
Investment Tax Credit.....		45,315,209.13
Advanced Coal Credit.....	23,723,328.00	
Job Development Credit.....		
Electric.....	20,911,631.98	
Gas.....	680,249.15	
Regulatory Liabilities.....		65,743,017.64
Deferred Taxes		
Federal		
Electric.....	29,019,764.65	
Gas.....	1,034,601.92	
State.....		
Electric.....	16,177,901.24	
Gas.....	2,410,277.59	
Gas Supply Clause/PBR.....	6,910,399.86	
DSM Cost Recovery.....	6,347,195.29	
Asset Retirement Obligations		
Gas.....	2,389,245.29	
Electric.....	793,932.33	
MISO Schedule 10 Charges.....	369,708.95	
Purchased Gas Adjustment - Texas Gas.....	289,990.52	
Customers' Advances for Construction.....		8,492,300.89
Line Extensions		
Gas.....	6,742,168.52	
Electric.....	704,933.73	
Customer Advances - Museum Plaza.....	695,233.16	
Other.....	349,965.48	
Asset Retirement Obligations.....		52,869,451.55
Electric.....	34,919,061.03	
Gas.....	17,847,600.25	
Common.....	102,790.27	
Other Deferred Credits.....	6,909,404.21	6,909,404.21
Miscellaneous Long-Term Liabilities.....		33,228,101.47
Long-Term Derivative Liabilities - SFAS 133.....	29,106,901.58	
Workers' Compensation.....	4,121,199.89	
Accumulated Provision for Benefits.....		148,226,363.34
Postretirement Benefits - SFAS 106.....	83,121,961.84	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(256,328.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,515,621,810.95</u>	<u>\$ 3,515,621,810.95</u>

February 25, 2011



**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**January 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 18,912,171.82	\$ 9,010,192.19
Items not requiring (providing) cash currently:		
Depreciation.....	11,277,201.35	10,766,332.79
Amortization.....	640,016.30	720,153.41
Deferred income taxes - net.....	6.82	-
Investment tax credit - net.....	(209,367.00)	(219,158.00)
Other.....	391,114.33	50,850,823.71
Change in receivables.....	2,693,539.27	(18,454,348.71)
Change in inventory.....	21,169,410.89	11,449,894.59
Change in allowance inventory.....	104.05	67.59
Change in payables and accrued expenses.....	1,226,527.54	15,199,190.61
Change in regulatory assets.....	(9,102,597.95)	(5,106,671.20)
Change in regulatory liabilities.....	14,316,669.18	(10,491,948.61)
Change in other deferred debits.....	286,809.87	22,818.40
Change in other deferred credits.....	1,366,500.90	1,752.64
Other.....	(63,046,570.36)	(19,407,357.94)
Net cash provided (used) by operating activities.....	<u>(78,462.99)</u>	<u>44,341,741.47</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(19,470,192.66)	(6,325,270.75)
Gross additions to common utility plant - construction expenditures.....	1,243,389.60	175,204.10
Change in derivatives.....	(7,240.93)	441,010.36
Other.....	(428,108.25)	(436,204.76)
Net cash provided (used) by investing activities.....	<u>(18,662,152.24)</u>	<u>(6,145,261.05)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	162,637,550.33	(0.03)
Net change in short-term debt.....	<u>(135,075,000.00)</u>	<u>(38,418,000.00)</u>
Net cash provided (used) by financing activities.....	<u>27,562,550.33</u>	<u>(38,418,000.03)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	8,821,935.10	(221,519.61)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 10,947,946.94</u>	<u>\$ 4,973,966.77</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2011 presentation which resulted in a decrease to cash from operations of \$49 million and an increase to cash flows from investing of \$49 million.

February 25, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**January 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 111,979.18	\$ 111,979.17	\$ 1,343,749.93	\$ 1,343,750.04
Trimble County 2000 Series A due 08/01/30 Var%.....	31,539.97	11,481.71	31,539.97	11,481.71	411,339.22	287,366.84
Jefferson County 2001 Series A due 09/01/26 Var%.....	3,295.03	1,465.08	3,295.03	1,465.08	48,965.08	34,494.15
Trimble County 2001 Series A due 09/01/26 Var%.....	10,660.97	16,748.63	10,660.97	16,748.63	158,927.41	268,611.01
Jefferson County 2001 Series A due 09/01/27 Var%.....	23,886.99	11,687.67	23,886.99	11,687.67	201,106.87	213,195.23
Jefferson County 2001 Series B due 11/01/27 Var%.....	26,234.24	22,294.52	26,234.24	22,294.52	360,444.85	340,094.44
Trimble County 2001 Series B due 11/01/27 Var%.....	26,513.70	22,294.52	26,513.70	22,294.52	360,768.40	340,094.42
Trimble County 2002 Series A due 10/01/32 Var%.....	15,373.81	6,971.19	15,373.81	6,971.19	303,369.51	162,539.20
Louisville Metro 2003 Series A due 10/01/33 Var%.....	126,597.26	-	126,597.26	-	126,597.26	5,409.06
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	191,666.67	191,666.67	2,299,999.91	2,300,000.03
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	145,312.49	145,312.50	1,743,749.94	1,743,750.00
Louisville Metro 2007 Series B due 06/01/33 Var%.....	34,814.26	-	34,814.26	-	34,814.26	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	230,000.00	230,000.00	2,760,000.00	2,760,000.02
Interest Rate Swaps.....	577,449.54	558,758.87	577,449.54	558,758.87	7,717,030.98	6,882,500.44
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	338,541.67	-	338,541.67	-	846,354.18	-
First Mortgage Bond due 11/15/2040 5.125%.....	1,217,187.50	-	1,217,187.50	-	3,042,968.75	-
Fidelia/PPL.....	-	2,220,150.01	-	2,220,150.01	21,100,425.02	26,641,800.16
Revolving Credit Agreement.....	185,005.01	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,296,058.29</b>	<b>3,550,810.54</b>	<b>3,296,058.29</b>	<b>3,550,810.54</b>	<b>43,640,294.92</b>	<b>43,323,605.04</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	172,666.41	15,518.34	172,666.41	15,518.34	610,523.08	185,969.85
Amortization of Loss on Reacquired Debt.....	101,002.97	100,771.15	101,002.97	100,771.15	1,211,482.55	1,272,228.15
<b>Total.....</b>	<b>273,669.38</b>	<b>116,289.49</b>	<b>273,669.38</b>	<b>116,289.49</b>	<b>1,822,005.63</b>	<b>1,458,198.00</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	109,112.92	140,886.87	109,112.92	140,886.87	1,357,132.51	1,413,481.59
Other Tax Deficiencies.....	-	-	-	-	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	1,077.03	586.76	1,077.03	586.76	26,905.51	121,732.82
Interest on Debt to Associated Companies.....	4,617.03	29,367.77	4,617.03	29,367.77	237,671.14	534,020.07
Other Interest Expense.....	42,538.42	62,593.12	42,538.42	62,593.12	922,715.47	700,698.38
<b>Total.....</b>	<b>157,345.40</b>	<b>233,434.52</b>	<b>157,345.40</b>	<b>233,434.52</b>	<b>2,526,924.63</b>	<b>2,755,052.86</b>
<b>Total Interest.....</b>	<b>\$ 3,727,073.07</b>	<b>\$ 3,900,534.55</b>	<b>\$ 3,727,073.07</b>	<b>\$ 3,900,534.55</b>	<b>\$ 47,989,225.18</b>	<b>\$ 47,536,855.90</b>

February 25, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
January 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,449,790.00	\$ 1,222,746.10	\$ 1,449,790.00	\$ 1,222,746.10
Unemployment.....	56,297.84	63,944.49	56,297.84	63,944.49
FICA.....	630,096.44	645,711.07	630,096.44	645,711.07
Public Service Commission Fee.....	161,096.90	161,675.42	161,096.90	161,675.42
Federal Income.....	9,942,013.27	4,687,680.25	9,942,013.27	4,687,680.25
State Income.....	1,813,133.12	854,896.11	1,813,133.12	854,896.11
Miscellaneous.....	7,222.67	12,911.19	7,222.67	12,911.19
<b>Total Charged to Operating Expense.....</b>	<b>14,059,650.24</b>	<b>7,649,564.63</b>	<b>14,059,650.24</b>	<b>7,649,564.63</b>
Taxes Charged to Other Accounts.....	253,940.94	254,148.98	253,940.94	254,148.98
Taxes Accrued on Intercompany Accounts.....	(278,231.12)	(240,195.90)	(278,231.12)	(240,195.90)
<b>Total Taxes Charged.....</b>	<b>\$ 14,035,360.06</b>	<b>\$ 7,663,517.71</b>	<b>\$ 14,035,360.06</b>	<b>\$ 7,663,517.71</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 1,463,649.00	\$ 10,497,208.60	\$ 2,320,572.06
Unemployment.....	54,386.05	52,298.73	1,123.21	105,561.57
FICA.....	590,648.24	492,470.09	448,695.20	634,423.14
Federal Income.....	(3,741,320.05)	10,070,744.72	-	6,329,424.67
State Income.....	229,108.93	1,836,609.98	-	2,065,718.91
Kentucky Sales and Use Tax.....	1,088,857.95	135,136.46	1,088,857.85	135,136.56
Miscellaneous.....	22,339.97	(15,548.92)	3,445.43	3,345.62
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 14,035,360.06</b>	<b>\$ 12,039,330.29</b>	<b>\$ 11,594,182.53</b>

February 25, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**January 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant	\$ 159,884,459.36	\$ 187,815.58	\$ -	\$ -	\$ 187,815.58	\$ 160,072,274.94
Common Intangible Plant	56,455,326.72	146,868.65	-	-	146,868.65	56,602,195.37
	<u>216,339,786.08</u>	<u>334,684.23</u>	<u>-</u>	<u>-</u>	<u>334,684.23</u>	<u>216,674,470.31</u>
<b>Electric</b>						
Electric Distribution	927,289,038.50	2,410,118.61	(2,260,625.50)	-	149,493.11	927,438,531.61
Electric General Plant	16,521,615.59	50,763.87	(1,889,481.22)	-	(1,838,717.35)	14,682,898.24
Electric Hydro Production	41,680,209.14	-	-	-	-	41,680,209.14
Electric Intangible Plant	2,340.29	-	-	-	-	2,340.29
Electric Other Production	229,401,033.01	-	-	-	-	229,401,033.01
Electric Steam Production	1,930,347,044.43	-	-	4,182,559.70	4,182,559.70	1,934,529,604.13
Electric Transmission	247,742,496.14	240,623.79	(295,629.39)	-	(55,005.60)	247,687,490.54
	<u>3,392,983,777.10</u>	<u>2,701,506.27</u>	<u>(4,445,736.11)</u>	<u>4,182,559.70</u>	<u>2,438,329.86</u>	<u>3,395,422,106.96</u>
<b>Gas</b>						
Gas Distribution	549,799,120.70	(55,593.49)	(679.03)	-	(56,272.52)	549,742,848.18
Gas General Plant	9,178,093.57	35,817.00	(905,104.36)	-	(869,287.36)	8,308,806.21
Gas Intangible Plant	1,187.49	-	-	-	-	1,187.49
Gas Storage	78,415,311.06	128,962.23	-	-	128,962.23	78,544,273.29
Gas Transmission	16,661,869.68	-	(531.82)	-	(531.82)	16,661,337.86
	<u>654,055,582.50</u>	<u>109,185.74</u>	<u>(906,315.21)</u>	<u>-</u>	<u>(797,129.47)</u>	<u>653,258,453.03</u>
<b>Total 101 Accounts</b>	<u>4,263,379,145.68</u>	<u>3,145,376.24</u>	<u>(5,352,051.32)</u>	<u>4,182,559.70</u>	<u>1,975,884.62</u>	<u>4,265,355,030.30</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution	649,014.48	-	-	-	-	649,014.48
Electric Steam Production	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b>	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**January 31, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant	\$ 597,158.63	\$ 2,407,264.23	\$ -	\$ -	\$ 2,407,264.23	\$ 3,004,422.86
Common Intangible Plant	2,714,931.36	869,184.98	-	-	869,184.98	3,584,116.34
	<u>3,312,089.99</u>	<u>3,276,449.21</u>	<u>-</u>	<u>-</u>	<u>3,276,449.21</u>	<u>6,588,539.20</u>
<b>Electric</b>						
Electric Distribution	11,544,733.90	401,935.46	-	-	401,935.46	11,946,669.36
Electric General Plant	50,763.87	(41,864.99)	-	-	(41,864.99)	8,898.88
Electric Hydro Production	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant	-	-	-	-	-	-
Electric Other Production	1,767,208.21	414.14	-	-	414.14	1,767,622.35
Electric Steam Production	15,929,229.77	176,803,245.31	-	-	176,803,245.31	192,732,475.08
Electric Transmission	<u>35,045,472.82</u>	<u>120,390.46</u>	<u>-</u>	<u>-</u>	<u>120,390.46</u>	<u>35,165,863.28</u>
	64,354,360.83	177,284,120.38	-	-	177,284,120.38	241,638,481.21
<b>Gas</b>						
Gas Distribution	24,420,156.16	5,480,139.35	-	-	5,480,139.35	29,900,295.51
Gas General Plant	126,992.17	(15,888.54)	-	-	(15,888.54)	111,103.63
Gas Intangible Plant	-	-	-	-	-	-
Gas Storage	951,426.06	(128,953.04)	-	-	(128,953.04)	822,473.02
Gas Transmission	-	-	-	-	-	-
	<u>25,498,574.39</u>	<u>5,335,297.77</u>	<u>-</u>	<u>-</u>	<u>5,335,297.77</u>	<u>30,833,872.16</u>
<b>Total 106 Accounts</b>	<u>93,165,025.21</u>	<u>185,895,867.36</u>	<u>-</u>	<u>-</u>	<u>185,895,867.36</u>	<u>279,060,892.57</u>
						4,544,415,922.87
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common	21,243,879.89	(4,854,523.04)	-	-	(4,854,523.04)	16,389,356.85
Electric	324,323,732.14	(175,522,151.63)	-	-	(175,522,151.63)	148,801,580.51
Gas	39,756,306.91	(1,374,196.91)	-	-	(1,374,196.91)	38,382,110.00
	<u>385,323,918.94</u>	<u>(181,750,871.58)</u>	<u>-</u>	<u>-</u>	<u>(181,750,871.58)</u>	<u>203,573,047.36</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,363,590,974.63</u>	<u>189,041,243.60</u>	<u>(5,352,051.32)</u>	<u>-</u>	<u>183,689,192.28</u>	<u>4,547,280,166.91</u>
<b>Total Plant + CWIP</b>	<u>4,748,914,893.57</u>	<u>7,290,372.02</u>	<u>(5,352,051.32)</u>	<u>-</u>	<u>1,938,320.70</u>	<u>4,750,853,214.27</u>
<b>Total Plant + CWIP - Non Utility</b>	<u>\$ 4,748,839,654.01</u>	<u>\$ 7,290,372.02</u>	<u>\$ (5,352,051.32)</u>	<u>\$ -</u>	<u>\$ 1,938,320.70</u>	<u>\$ 4,750,777,974.71</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2011**

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Life Reserve</b>									
Common General Plant	\$ (77,263,235.10)	\$ (1,013,541.56)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,276,776.66)
Common General Plant - ARO	(343.19)	(171.70)	-	-	-	-	-	-	(514.89)
Electric Distribution	(277,000,365.75)	(1,424,096.75)	2,260,625.50	-	-	-	-	-	(276,163,837.00)
Electric Distribution - ARO	(1,256.54)	(502.82)	-	-	-	-	-	-	(1,759.36)
Electric General Plant	(12,910,034.19)	(27,900.30)	1,889,481.22	-	-	-	-	-	(11,048,453.27)
Electric Hydro Production	(9,718,276.66)	(46,272.62)	-	-	-	-	-	-	(9,764,549.28)
Electric Hydro Production - ARO	(364.10)	(145.71)	-	-	-	-	-	-	(509.81)
Electric Other Production	(60,282,055.17)	(678,638.15)	-	-	-	-	-	-	(60,960,693.32)
Electric Other Production - ARO	(192.68)	-	-	-	-	-	-	-	(192.68)
Electric Steam Production	(1,029,518,070.37)	(4,528,110.28)	-	-	-	-	-	-	(1,034,046,180.65)
Electric Steam Production - ARO	(204,061.94)	(102,465.85)	-	-	-	-	-	-	(306,527.79)
Electric Transmission	(119,192,606.75)	(360,474.43)	295,629.39	-	-	-	-	-	(119,257,451.79)
Electric Transmission - ARO	(41.40)	(16.57)	-	-	-	-	-	-	(57.97)
Gas Distribution	(125,049,477.23)	(938,326.93)	679.03	-	-	-	-	-	(125,987,125.13)
Gas Distribution - ARO	(49,734.93)	(24,886.89)	-	-	-	-	-	-	(74,621.82)
Gas General Plant	(6,299,629.20)	(23,363.21)	905,104.36	-	-	-	-	-	(5,417,888.05)
Gas Storage	(31,288,281.49)	(89,345.93)	-	-	-	-	-	-	(31,377,627.42)
Gas Storage - ARO	(39,466.10)	(19,759.65)	-	-	-	-	-	-	(59,225.75)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(9,448,605.32)	(4,433.90)	531.82	-	-	-	-	-	(9,452,507.40)
Non Utility Property	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	(1,758,329,458.47)	(9,282,453.25)	5,352,051.32	-	-	-	-	-	(1,762,259,860.40)
<b>Cost Of Removal</b>									
Common General Plant	(688,372.47)	(22,726.25)	-	-	-	-	-	-	(711,098.72)
Electric Distribution	(146,715,298.78)	(562,826.31)	-	-	-	645,861.22	-	-	(146,632,263.87)
Electric General Plant	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production	736,907.70	(3,513.79)	-	-	-	-	-	-	733,393.91
Electric Other Production	(2,505,175.99)	(29,140.94)	-	-	-	-	-	-	(2,534,316.93)
Electric Steam Production	(94,783,295.15)	(1,322,436.84)	-	-	-	-	-	-	(96,105,731.99)
Electric Transmission	(24,538,454.78)	(116,445.14)	-	-	-	-	-	-	(24,654,899.92)
Gas Distribution	(60,212,131.14)	(263,854.62)	-	-	-	-	-	-	(60,475,985.76)
Gas General Plant	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage	(170,437.90)	(11,519.33)	-	-	-	-	-	-	(181,957.23)
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	(3,016,813.95)	(1,096.06)	-	-	-	32,210.90	-	-	(2,985,699.11)
Non Utility Property	-	-	-	-	-	-	-	-	-
	\$ (331,889,205.84)	\$ (2,333,559.28)	\$ -	\$ -	\$ -	\$ 678,072.12	\$ -	\$ -	\$ (333,544,693.00)

February 25, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2011**

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Salvage</b>									
Common General Plant	\$ 278,074.55	\$ 31.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,106.49
Electric Distribution	17,535,024.98	113,663.89	-	-	-	-	(27,988.00)	-	17,620,700.87
Electric General Plant	138,281.25	192.55	-	-	-	-	-	-	138,473.80
Electric Hydro Production	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production	22,028,570.14	159,794.41	-	-	-	-	-	-	22,188,364.55
Electric Transmission	6,247,368.67	21,543.08	-	-	-	-	-	-	6,268,911.75
Gas Distribution	3,594,440.75	16,218.35	-	-	-	-	-	-	3,610,659.10
Gas General Plant	225,788.37	174.68	-	-	-	-	-	-	225,963.05
Gas Storage	269,933.04	1,402.48	-	-	-	-	-	-	271,335.52
Gas Stored Nonrecoverable	-	-	-	-	-	-	-	-	-
Gas Transmission	217,923.11	411.02	-	-	-	-	-	-	218,334.13
Non Utility Property	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>313,432.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,988.00)</u>	<u>-</u>	<u>51,178,488.76</u>
<b>Total Reserves</b>									
14 Common	(77,737,236.57)	(1,036,407.57)	-	-	-	-	-	-	(78,773,644.14)
Electric	(1,730,321,891.37)	(8,907,792.57)	4,445,736.11	-	-	645,861.22	(27,988.00)	-	(1,734,166,074.61)
Gas	(231,266,492.01)	(1,358,379.99)	906,315.21	-	-	32,210.90	-	-	(231,686,345.89)
	<u>(2,039,325,619.95)</u>	<u>(11,302,580.13)</u>	<u>5,352,051.32</u>	<u>-</u>	<u>-</u>	<u>678,072.12</u>	<u>(27,988.00)</u>	<u>-</u>	<u>(2,044,626,064.64)</u>
<b>Retirement Work In Progress</b>									
Common	342,947.00	-	-	93,441.10	-	(38,842.10)	(17,894.00)	-	379,652.00
Electric	9,603,653.21	-	-	(15,315.33)	(617,873.22)	382,198.72	(31,756.38)	(5,948.79)	9,314,958.21
Gas	2,523,160.64	-	-	(78,125.77)	(32,210.90)	142,300.70	(1,949.90)	-	2,553,174.77
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>(78,125.77)</u>	<u>(650,084.12)</u>	<u>485,657.32</u>	<u>(51,600.28)</u>	<u>(5,948.79)</u>	<u>12,247,784.98</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(11,302,580.13)</u>	<u>5,352,051.32</u>	<u>-</u>	<u>(650,084.12)</u>	<u>1,163,729.44</u>	<u>(79,588.28)</u>	<u>(5,948.79)</u>	<u>(2,032,378,279.66)</u>
<b>Amortization</b>									
Common	(16,306,390.60)	(640,016.30)	-	-	-	-	-	-	(16,946,406.90)
Electric	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(640,016.30)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,947,306.90)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (11,942,596.43)</u>	<u>\$ 5,352,051.32</u>	<u>\$ -</u>	<u>\$ (650,084.12)</u>	<u>\$ 1,163,729.44</u>	<u>\$ (79,588.28)</u>	<u>\$ (5,948.79)</u>	<u>\$ (2,049,325,586.56)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,049,262,226.20)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>								<u>\$ 2,701,515,748.51</u>

February 25, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**January 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 92,096,734.53	\$ -	\$ 92,096,734.53
Gas Operating Revenues.....	58,814,010.67	-	58,814,010.67
<b>Total Operating Revenues.....</b>	<b>150,910,745.20</b>	<b>-</b>	<b>150,910,745.20</b>
Fuel for Electric Generation.....	32,317,512.15	-	32,317,512.15
Power Purchased.....	7,074,753.38	-	7,074,753.38
Gas Supply Expenses.....	38,307,433.47	-	38,307,433.47
Other Operation Expenses.....	18,426,155.56	(839,417.34)	17,586,738.22
Maintenance.....	6,764,895.92	-	6,764,895.92
Depreciation.....	11,277,201.35	-	11,277,201.35
Amortization Expense.....	640,016.30	-	640,016.30
Regulatory Credits.....	(366,611.83)	-	(366,611.83)
Taxes			
Federal Income.....	9,942,013.27	-	9,942,013.27
State Income.....	1,813,133.12	-	1,813,133.12
Deferred Federal Income - Net.....	6.82	284,399.10	284,405.92
Deferred State Income - Net.....	-	51,866.10	51,866.10
Property and Other.....	2,304,503.85	-	2,304,503.85
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(209,367.00)	-	(209,367.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	218,662.64	-	218,662.64
<b>Total Operating Expenses.....</b>	<b>128,510,309.00</b>	<b>(503,152.14)</b>	<b>128,007,156.86</b>
Net Operating Income.....	22,400,436.20	503,152.14	22,903,588.34
Other Income Less Deductions.....	238,808.69	-	238,808.69
<b>Income Before Interest Charges.....</b>	<b>22,639,244.89</b>	<b>503,152.14</b>	<b>23,142,397.03</b>
Interest on Long-Term Debt.....	3,296,058.29	(25,017.63)	3,271,040.66
Amortization of Debt Expense - Net.....	273,669.38	-	273,669.38
Other Interest Expenses.....	157,345.40	-	157,345.40
<b>Total Interest Charges.....</b>	<b>3,727,073.07</b>	<b>(25,017.63)</b>	<b>3,702,055.44</b>
<b>Net Income.....</b>	<b>\$ 18,912,171.82</b>	<b>\$ 528,169.77</b>	<b>\$ 19,440,341.59</b>

Note: Purchase accounting is subject to change through October 31, 2011



**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**January 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 92,096,734.53	\$ -	\$ 92,096,734.53
Gas Operating Revenues.....	58,814,010.67	-	58,814,010.67
<b>Total Operating Revenues.....</b>	<b>150,910,745.20</b>	<b>-</b>	<b>150,910,745.20</b>
Fuel for Electric Generation.....	32,317,512.15	-	32,317,512.15
Power Purchased.....	7,074,753.38	-	7,074,753.38
Gas Supply Expenses.....	38,307,433.47	-	38,307,433.47
Other Operation Expenses.....	18,426,155.56	(839,417.34)	17,586,738.22
Maintenance.....	6,764,895.92	-	6,764,895.92
Depreciation.....	11,277,201.35	-	11,277,201.35
Amortization Expense.....	640,016.30	-	640,016.30
Regulatory Credits.....	(366,611.83)	-	(366,611.83)
Taxes			
Federal Income.....	9,942,013.27	-	9,942,013.27
State Income.....	1,813,133.12	-	1,813,133.12
Deferred Federal Income - Net.....	6.82	284,399.10	284,405.92
Deferred State Income - Net.....	-	51,866.10	51,866.10
Property and Other.....	2,304,503.85	-	2,304,503.85
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(209,367.00)	-	(209,367.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	218,662.64	-	218,662.64
<b>Total Operating Expenses.....</b>	<b>128,510,309.00</b>	<b>(503,152.14)</b>	<b>128,007,156.86</b>
Net Operating Income.....	22,400,436.20	503,152.14	22,903,588.34
Other Income Less Deductions.....	238,808.69	-	238,808.69
<b>Income Before Interest Charges.....</b>	<b>22,639,244.89</b>	<b>503,152.14</b>	<b>23,142,397.03</b>
Interest on Long-Term Debt.....	3,296,058.29	(25,017.63)	3,271,040.66
Amortization of Debt Expense - Net.....	273,669.38	-	273,669.38
Other Interest Expenses.....	157,345.40	-	157,345.40
<b>Total Interest Charges.....</b>	<b>3,727,073.07</b>	<b>(25,017.63)</b>	<b>3,702,055.44</b>
<b>Net Income.....</b>	<b>\$ 18,912,171.82</b>	<b>\$ 528,169.77</b>	<b>\$ 19,440,341.59</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	18,912,171.82	9,010,192.19	528,169.77	-	19,440,341.59	9,010,192.19
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>	<u>\$ (808,371,112.67)</u>	<u>\$ -</u>	<u>\$ 38,534,311.11</u>	<u>\$ 764,289,058.43</u>

Note: Purchase accounting is subject to change through October 31, 2011

February 25, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	18,912,171.82	9,010,192.19	528,169.77	-	19,440,341.59	9,010,192.19
Deduct:						
Common Dividends	-	-	-	-	-	-
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>	<u>\$ (808,371,112.67)</u>	<u>\$ -</u>	<u>\$ 38,534,311.11</u>	<u>\$ 764,289,058.43</u>

Note: Purchase accounting is subject to change through October 31, 2011

February 25, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 764,289,058.43	\$ 757,638,982.73	\$ -	\$ -	\$ 764,289,058.43	\$ 757,638,982.73
Add:						
Net Income (Loss) for Period.....	137,616,365.35	86,650,075.70	575,778.85	-	138,192,144.20	86,650,075.70
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	55,000,000.00	80,000,000.00	-	-	55,000,000.00	80,000,000.00
Balance at End of Period.....	<u>\$ 846,905,423.78</u>	<u>\$ 764,289,058.43</u>	<u>\$ (808,371,112.67)</u>	<u>\$ -</u>	<u>\$ 38,534,311.11</u>	<u>\$ 764,289,058.43</u>

Note: Purchase accounting is subject to change through October 31, 2011

February 25, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of January 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,750,777,974.71	\$ (1,753,894,686.63)	\$ 2,996,883,288.08
Less Reserves for Depreciation and Amortization.....	2,049,262,226.20	(1,753,839,326.63)	295,422,899.57
<b>Total.....</b>	<b>2,701,515,748.51</b>	<b>(55,360.00)</b>	<b>2,701,460,388.51</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	16,266,282.58	-	16,266,282.58
<b>Total.....</b>	<b>16,872,447.78</b>	<b>-</b>	<b>16,872,447.78</b>
<b>Current and Accrued Assets</b>			
Cash.....	10,946,085.86	-	10,946,085.86
Special Deposits.....	3,590,045.06	-	3,590,045.06
Temporary Cash Investments.....	1,861.08	-	1,861.08
Accounts Receivable - Less Reserve.....	172,877,770.06	-	172,877,770.06
Accounts Receivable from Associated Companies....	18,031,905.66	922,662.00	18,954,567.66
Materials and Supplies - At Average Cost.....			
Fuel.....	63,040,020.16	-	63,040,020.16
Plant Materials and Operating Supplies.....	29,472,535.23	-	29,472,535.23
Stores Expense.....	4,987,130.53	-	4,987,130.53
Gas Stored Underground.....	43,600,442.97	-	43,600,442.97
Emission Allowances.....	2,624.91	6,970,243.50	6,972,868.41
Prepayments.....	6,932,677.50	-	6,932,677.50
Miscellaneous Current and Accrued Assets.....	453,145.30	-	453,145.30
<b>Total.....</b>	<b>353,936,244.32</b>	<b>7,892,905.50</b>	<b>361,829,149.82</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,553,077.84	(3,652,195.56)	9,900,882.28
Unamortized Loss on Bonds.....	21,833,646.50	-	21,833,646.50
Accumulated Deferred Income Taxes.....	53,869,965.22	88,462,856.09	142,332,821.31
Deferred Regulatory Assets.....	353,138,961.12	13,490,358.66	366,629,319.78
Other Deferred Debits.....	901,719.66	199,039,496.82	199,941,216.48
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>443,297,370.34</b>	<b>686,497,867.60</b>	<b>1,129,795,237.94</b>
<b>Total Assets.....</b>	<b>\$ 3,515,621,810.95</b>	<b>\$ 694,335,413.10</b>	<b>\$ 4,209,957,224.05</b>

Note: Purchase accounting is subject to change through October 31, 2011

February 25, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of January 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	846,905,423.78	(808,371,112.67)	38,534,311.11
<b>Total Proprietary Capital.....</b>	<b>1,354,821,458.23</b>	<b>385,714,756.35</b>	<b>1,740,536,214.58</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,501,664.11	580,805,664.11
First Mortgage Bonds.....	531,075,004.16	-	531,075,004.16
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,379,004.16</b>	<b>6,501,664.11</b>	<b>1,111,880,668.27</b>
<b>Total Capitalization.....</b>	<b>2,460,200,462.39</b>	<b>392,216,420.46</b>	<b>2,852,416,882.85</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	39,801,000.00	-	39,801,000.00
Accounts Payable.....	95,342,791.32	-	95,342,791.32
Accounts Payable to Associated Companies.....	16,395,004.37	-	16,395,004.37
Customer Deposits.....	23,571,825.06	-	23,571,825.06
Taxes Accrued.....	11,594,182.53	-	11,594,182.53
Interest Accrued.....	7,648,967.20	-	7,648,967.20
Miscellaneous Current and Accrued Liabilities.....	26,764,921.93	-	26,764,921.93
<b>Total.....</b>	<b>221,118,692.41</b>	<b>-</b>	<b>221,118,692.41</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	473,518,807.92	86,271,089.22	559,789,897.14
Investment Tax Credit.....	45,315,209.13	-	45,315,209.13
Regulatory Liabilities.....	65,743,017.64	206,009,740.32	271,752,757.96
Customer Advances for Construction.....	8,492,300.89	-	8,492,300.89
Asset Retirement Obligations.....	52,869,451.55	-	52,869,451.55
Other Deferred Credits.....	6,909,404.21	9,838,163.10	16,747,567.31
Miscellaneous Long-Term Liabilities.....	33,228,101.47	-	33,228,101.47
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	148,226,363.34	-	148,226,363.34
<b>Total.....</b>	<b>834,302,656.15</b>	<b>302,118,992.64</b>	<b>1,136,421,648.79</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,515,621,810.95</b>	<b>\$ 694,335,413.10</b>	<b>\$ 4,209,957,224.05</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - February 28, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

February 28, 2011



**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**February 28, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 81,391,948.43	\$ 90,472,054.15	\$ (9,080,105.72)	(10.04)
Gas Operating Revenues.....	44,131,163.97	55,329,043.76	(11,197,879.79)	(20.24)
<b>Total Operating Revenues.....</b>	<b>125,523,112.40</b>	<b>145,801,097.91</b>	<b>(20,277,985.51)</b>	<b>(13.91)</b>
Fuel for Electric Generation.....	27,823,577.78	28,641,826.10	(818,248.32)	(2.86)
Power Purchased.....	6,044,560.87	6,088,154.05	(43,593.18)	(0.72)
Gas Supply Expenses.....	27,043,442.47	27,237,073.85	(193,631.38)	(0.71)
Other Operation Expenses.....	19,230,023.55	19,070,112.34	159,911.21	0.84
Maintenance.....	7,878,568.47	6,668,509.42	1,210,059.05	18.15
Depreciation.....	11,598,433.49	10,796,607.59	801,825.90	7.43
Amortization Expense.....	641,818.81	738,143.85	(96,325.04)	(13.05)
Regulatory Credits.....	(367,551.24)	(180,026.39)	(187,524.85)	(104.17)
Taxes				
Federal Income.....	6,404,946.04	13,624,632.99	(7,219,686.95)	(52.99)
State Income.....	1,168,075.26	2,442,748.84	(1,274,673.58)	(52.18)
Deferred Federal Income - Net.....	-	(230,226.90)	230,226.90	100.00
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,263,528.10	1,997,479.56	266,048.54	13.32
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(197,806.00)	(38,228.00)	(19.33)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	219,602.14	165,386.62	54,215.52	32.78
<b>Total Operating Expenses.....</b>	<b>109,712,991.74</b>	<b>116,862,615.92</b>	<b>(7,149,624.18)</b>	<b>(6.12)</b>
Net Operating Income.....	15,810,120.66	28,938,481.99	(13,128,361.33)	(45.37)
Other Income Less Deductions.....	760,189.16	(262,593.76)	1,022,782.92	389.49
<b>Income Before Interest Charges.....</b>	<b>16,570,309.82</b>	<b>28,675,888.23</b>	<b>(12,105,578.41)</b>	<b>(42.22)</b>
Interest on Long-Term Debt.....	3,257,472.39	3,634,520.22	(377,047.83)	(10.37)
Amortization of Debt Expense - Net.....	274,350.15	116,383.02	157,967.13	135.73
Other Interest Expenses.....	147,100.30	114,216.18	32,884.12	28.79
<b>Total Interest Charges.....</b>	<b>3,678,922.84</b>	<b>3,865,119.42</b>	<b>(186,196.58)</b>	<b>(4.82)</b>
<b>Net Income.....</b>	<b>\$ 12,891,386.98</b>	<b>\$ 24,810,768.81</b>	<b>\$ (11,919,381.83)</b>	<b>(48.04)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 173,488,682.96	\$ 166,128,356.05	\$ 7,360,326.91	4.43
Gas Operating Revenues.....	102,945,174.64	104,912,418.68	(1,967,244.04)	(1.88)
<b>Total Operating Revenues.....</b>	<b>276,433,857.60</b>	<b>271,040,774.73</b>	<b>5,393,082.87</b>	<b>1.99</b>
Fuel for Electric Generation.....	60,141,089.93	57,725,769.33	2,415,320.60	4.18
Power Purchased.....	13,119,314.25	12,375,146.68	744,167.57	6.01
Gas Supply Expenses.....	65,350,875.94	61,182,294.07	4,168,581.87	6.81
Other Operation Expenses.....	37,656,179.11	37,315,447.47	340,731.64	0.91
Maintenance.....	14,643,464.39	12,618,826.55	2,024,637.84	16.04
Depreciation.....	22,875,634.84	21,562,940.38	1,312,694.46	6.09
Amortization Expense.....	1,281,835.11	1,458,297.26	(176,462.15)	(12.10)
Regulatory Credits.....	(734,163.07)	(359,229.56)	(374,933.51)	(104.37)
Taxes				
Federal Income.....	16,346,959.31	18,312,313.24	(1,965,353.93)	(10.73)
State Income.....	2,981,208.38	3,297,644.95	(316,436.57)	(9.60)
Deferred Federal Income - Net.....	6.82	(230,226.90)	230,233.72	100.00
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	4,568,031.95	4,104,467.83	463,564.12	11.29
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(445,401.00)	(416,964.00)	(28,437.00)	(6.82)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	438,264.78	329,950.03	108,314.75	32.83
<b>Total Operating Expenses.....</b>	<b>238,223,300.74</b>	<b>229,276,677.33</b>	<b>8,946,623.41</b>	<b>3.90</b>
Net Operating Income.....	38,210,556.86	41,764,097.40	(3,553,540.54)	(8.51)
Other Income Less Deductions.....	998,997.85	(177,482.43)	1,176,480.28	662.87
<b>Income Before Interest Charges.....</b>	<b>39,209,554.71</b>	<b>41,586,614.97</b>	<b>(2,377,060.26)</b>	<b>(5.72)</b>
Interest on Long-Term Debt.....	6,553,530.68	7,185,330.76	(631,800.08)	(8.79)
Amortization of Debt Expense - Net.....	548,019.53	232,672.51	315,347.02	135.53
Other Interest Expenses.....	304,445.70	347,650.70	(43,205.00)	(12.43)
<b>Total Interest Charges.....</b>	<b>7,405,995.91</b>	<b>7,765,653.97</b>	<b>(359,658.06)</b>	<b>(4.63)</b>
<b>Net Income.....</b>	<b>\$ 31,803,558.80</b>	<b>\$ 33,820,961.00</b>	<b>\$ (2,017,402.20)</b>	<b>(5.96)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,022,971,893.88	\$ 927,004,420.45	\$ 95,967,473.43	10.35
Gas Operating Revenues.....	300,980,111.84	315,067,755.44	(14,087,643.60)	(4.47)
<b>Total Operating Revenues.....</b>	<b>1,323,952,005.72</b>	<b>1,242,072,175.89</b>	<b>81,879,829.83</b>	<b>6.59</b>
Fuel for Electric Generation.....	370,971,646.94	322,726,372.10	48,245,274.84	14.95
Power Purchased.....	55,123,886.26	57,312,902.70	(2,189,016.44)	(3.82)
Gas Supply Expenses.....	173,172,189.92	187,131,830.39	(13,959,640.47)	(7.46)
Other Operation Expenses.....	227,153,736.21	213,354,938.36	13,798,797.85	6.47
Maintenance.....	113,725,742.92	78,356,363.61	35,369,379.31	45.14
Depreciation.....	132,522,697.73	129,348,191.95	3,174,505.78	2.45
Amortization Expense.....	7,550,526.75	8,392,389.39	(841,862.64)	(10.03)
Regulatory Credits.....	(4,644,664.96)	(2,209,130.12)	(2,435,534.84)	(110.25)
Taxes				
Federal Income.....	26,909,253.25	42,557,927.93	(15,648,674.68)	(36.77)
State Income.....	5,730,730.86	6,965,114.73	(1,234,383.87)	(17.72)
Deferred Federal Income - Net.....	27,897,238.72	8,095,352.42	19,801,886.30	244.61
Deferred State Income - Net.....	2,370,024.44	1,450,849.02	919,175.42	63.35
Property and Other.....	23,035,187.94	23,071,188.31	(36,000.37)	(0.16)
Investment Tax Credit.....	-	3,649,346.00	(3,649,346.00)	(100.00)
Amortization of Investment Tax Credit.....	(2,530,211.00)	(2,951,604.00)	421,393.00	14.28
Loss (Gain) from Disposition of Allowances.....	(34,460.14)	(66,274.06)	31,813.92	48.00
Accretion Expense.....	3,392,420.38	1,973,692.11	1,418,728.27	71.88
<b>Total Operating Expenses.....</b>	<b>1,162,345,946.22</b>	<b>1,079,159,450.84</b>	<b>83,186,495.38</b>	<b>7.71</b>
Net Operating Income.....	161,606,059.50	162,912,725.05	(1,306,665.55)	(0.80)
Other Income Less Deductions.....	11,893,952.62	5,288,841.62	6,605,111.00	124.89
<b>Income Before Interest Charges.....</b>	<b>173,500,012.12</b>	<b>168,201,566.67</b>	<b>5,298,445.45</b>	<b>3.15</b>
Interest on Long-Term Debt.....	43,263,247.09	43,281,990.51	(18,743.42)	(0.04)
Amortization of Debt Expense - Net.....	1,979,972.76	1,450,961.74	529,011.02	36.46
Other Interest Expenses.....	2,559,808.75	2,642,614.16	(82,805.41)	(3.13)
<b>Total Interest Charges.....</b>	<b>47,803,028.60</b>	<b>47,375,566.41</b>	<b>427,462.19</b>	<b>0.90</b>
<b>Net Income.....</b>	<b>\$ 125,696,983.52</b>	<b>\$ 120,826,000.26</b>	<b>\$ 4,870,983.26</b>	<b>4.03</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**February 28, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 846,905,423.78	\$ 764,289,058.43	\$ 827,993,251.96	\$ 755,278,866.24	\$ 789,099,827.24	\$ 748,273,826.98
Add:						
Net Income for Period.....	12,891,386.98	24,810,768.81	31,803,558.80	33,820,961.00	125,696,983.52	120,826,000.26
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	17,250,000.00	-	17,250,000.00	-	72,250,000.00	80,000,000.00
Balance at End of Period.....	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>

March 28, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of February 28, 2011 and 2010**

	<u>This Year</u>	<u>Last Year</u>		<u>This Year</u>	<u>Last Year</u>
<b>Assets</b>			<b>Liabilities and Proprietary Capital</b>		
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,755,964,845.70	\$ 4,552,654,928.95	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less Reserves for Depreciation and Amortization.....	<u>2,058,736,206.02</u>	<u>1,981,307,560.30</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,697,228,639.68</u>	<u>2,571,347,368.65</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(10,855,676.09)
Investments			Retained Earnings.....	<u>842,546,810.76</u>	<u>789,099,827.24</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,350,462,845.21</u>	<u>1,286,160,185.60</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>15,268,536.90</u>	<u>14,725,914.75</u>	First Mortgage Bonds.....	531,098,325.82	-
Total.....	<u>15,874,702.10</u>	<u>15,332,079.95</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,402,325.82</u>	<u>896,104,000.00</u>
Cash.....	16,211,302.24	6,682,158.33	Total Capitalization.....	<u>2,455,865,171.03</u>	<u>2,182,264,185.60</u>
Special Deposits.....	1,618,654.10	755,066.07	Current and Accrued Liabilities		
Temporary Cash Investments.....	1,872.19	119.71	ST Notes Payable to Associated Companies.....	5,664,000.00	129,748,400.00
Accounts Receivable - Less Reserve.....	154,061,012.70	174,880,549.88	Accounts Payable.....	69,841,267.94	96,961,734.14
Accounts Receivable from Associated Companies.....	9,427,052.69	14,403,080.19	Accounts Payable to Associated Companies.....	9,519,697.55	6,825,999.35
Materials and Supplies - At Average Cost.....			Customer Deposits.....	23,753,770.99	23,419,274.95
Fuel.....	66,707,850.08	67,263,983.95	Taxes Accrued.....	21,091,839.71	49,795,698.78
Plant Materials and Operating Supplies.....	29,621,208.53	29,699,506.78	Dividends Declared.....	17,250,000.00	-
Stores Expense.....	5,077,532.37	4,489,199.51	Interest Accrued.....	9,153,672.60	2,800,377.17
Gas Stored Underground.....	29,403,684.34	27,252,753.26	Miscellaneous Current and Accrued Liabilities.....	<u>28,798,384.87</u>	<u>36,050,042.18</u>
Emission Allowances.....	2,482.89	4,030.42	Total.....	<u>185,072,633.66</u>	<u>345,601,526.57</u>
Prepayments.....	6,421,800.81	8,329,947.40	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	<u>1,725,982.95</u>	<u>3,464,844.53</u>	Accumulated Deferred Income Taxes.....	473,518,807.92	427,215,539.38
Total.....	<u>320,280,435.89</u>	<u>337,225,240.03</u>	Investment Tax Credit.....	45,079,175.13	47,609,386.13
Deferred Debits and Other			Regulatory Liabilities.....	65,182,295.26	61,466,915.77
Unamortized Debt Expense.....	13,480,018.81	3,823,124.97	Customer Advances for Construction.....	8,441,333.51	9,398,607.27
Unamortized Loss on Bonds.....	21,732,643.55	22,944,264.17	Asset Retirement Obligations.....	53,089,053.69	33,373,579.17
Accumulated Deferred Income Taxes.....	53,869,965.22	56,645,657.80	Other Deferred Credits.....	8,625,923.25	10,662,007.14
Deferred Regulatory Assets.....	353,942,206.87	325,383,079.97	Miscellaneous Long-Term Liabilities.....	33,222,865.65	35,707,243.79
Other Deferred Debits.....	<u>(99,098.81)</u>	<u>754,242.56</u>	Accum Provision for Postretirement Benefits.....	<u>148,212,254.21</u>	<u>180,156,067.28</u>
Total.....	<u>442,925,735.64</u>	<u>409,550,369.47</u>	Total.....	<u>835,371,708.62</u>	<u>805,589,345.93</u>
Total Assets.....	<u>\$ 3,476,309,513.31</u>	<u>\$ 3,333,455,058.10</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,476,309,513.31</u>	<u>\$ 3,333,455,058.10</u>

March 28, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**February 28, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital and ST Debt	Capital
<b>Proprietary Capital</b>					
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09		
Less: Common Stock Expense.....			835,888.64		
Paid-In Capital.....			83,581,499.00		
Other Comprehensive Income.....			-		
Retained Earnings.....			842,546,810.76		
 Total Proprietary Capital.....			1,350,462,845.21	54.86	54.99
<b>Long-Term Debt</b>					
<b>Pollution Control Bonds.....</b>					
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00		
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00		
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00		
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00		
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00		
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00		
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00		
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00		
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00		
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00		
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00		
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00		
Total Pollution Control Bonds.....			574,304,000.00	23.33	23.38
<b>First Mortgage Bonds.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00		
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00		
Total First Mortgage Bonds.....			535,000,000.00	21.74	21.78
<b>Less: First Mortgage Bonds Debt Discount.....</b>					
First Mortgage Bond Due 11/15/15 1.625%.....			(831,020.84)		
First Mortgage Bond Due 11/15/40 5.125%.....			(3,070,653.34)		
			(3,901,674.18)	-0.16	-0.16
Total First Mortgage Bonds - Net of Debt Discount.....			531,098,325.82	21.58	21.63
 Total Capitalization.....			2,455,865,171.03	99.77	100.00
Short-Term Notes Payable to Associated Companies.....			5,664,000.00	0.23	
Total Capitalization and Short-Term Debt.....			\$ 2,461,529,171.03	100.00	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,755,964,845.70	\$ 4,755,964,845.70
Reserves for Depreciation and Amortization.....		(2,058,736,206.02)
Depreciation of Plant.....		
Electric.....	(1,732,319,597.65)	
Gas.....	(230,352,803.63)	
Common.....	(79,262,216.91)	
Amortization of Plant		
Common.....	(16,800,687.83)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		15,874,702.10
Special Funds.....	15,268,536.90	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	16,211,302.24	16,211,302.24
Special Deposits.....		1,618,654.10
MAN Margin Call.....	923,162.13	
Other Special Deposits.....	695,491.97	
Temporary Cash Investments.....	1,872.19	1,872.19
Accounts Receivable - Less Reserve.....		154,061,012.70
Customers - Active.....	81,160,338.74	
Unbilled Revenues.....	62,804,908.58	
Wholesale Sales.....	4,425,794.61	
IMEA.....	2,932,211.11	
IMPA.....	2,897,653.00	
Bechtel Liquidated Damages.....	2,596,362.49	
Sundry Accounts Receivable.....	1,233,166.91	
Transmission Sales.....	506,602.14	
Damage Claims.....	418,665.07	
Other.....	97,116.69	
Reserves for Uncollectible Accounts		
Utility Customers		
Bechtel Reserve.....	(2,259,786.28)	
Reserve.....	(2,110,026.00)	
Accrual.....	(816,306.14)	
A/R Miscellaneous.....	(641,994.36)	
Recoveries.....	(227,286.58)	
Charged Off.....	1,043,592.72	
Accounts Receivable from Associated Companies.....		9,427,052.69
LG&E-KU Energy Services /Kentucky Utilities.....	9,427,052.69	
Fuel.....		66,707,850.08
Coal 1,473,344.54 Tons @ \$44.88; MMBtu 33,405,659.15 @ 197.94¢.....	66,124,721.80	
Fuel Oil 193,491.08 Gallons @ 241.36¢.....	467,004.22	
Gas Pipeline 5,100.0 Mcf @ \$22.77.....	116,124.06	
Plant Materials and Operating Supplies.....		29,621,208.53
Regular Materials and Supplies.....	29,130,607.72	
Limestone 58,508.34 Tons @ \$8.39.....	490,600.81	
Stores Expense Undistributed.....	5,077,532.37	5,077,532.37
Gas Stored Underground - Current.....		29,403,684.34
Gas Stored Underground* 5,965,148 Mcf (14.73 psia) @ \$4.93.....	29,403,684.34	
Emission Allowances.....	2,482.89	2,482.89

March 28, 2011



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,421,800.81
Insurance.....	4,456,829.98	
Taxes.....	644,387.64	
Franchises.....	351,572.04	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	639,011.11	
Miscellaneous Current Assets.....		1,725,982.95
Derivative Asset - Non-Hedging.....	1,725,982.95	
Unamortized Debt Expense.....		13,480,018.81
Trimble County 2000 Series A due 08/01/30 Var%.....	751,568.14	
Jefferson County 2001 Series A due 09/01/26 Var%.....	153,818.46	
Trimble County 2001 Series A due 09/01/26 Var%.....	167,244.78	
Jefferson County 2001 Series A due 09/01/27 Var%.....	336,476.20	
Jefferson County 2001 Series B due 11/01/27 Var%.....	183,254.16	
Trimble County 2001 Series B due 11/01/27 Var%.....	183,284.22	
Trimble County 2002 Series A due 10/01/32 Var%.....	803,362.13	
Louisville Metro 2003 Series A 11/20/03 Due 10/01/33 1.900%.....	396,893.01	
Trimble County 2007 Series A due 06/01/33 4.600%.....	120,347.05	
Louisville Metro 2007 Series B 04/26/07 Due 06/01/33 1.900%.....	1,057,640.66	
First Mortgage Bond due 11/15/15 1.625%.....	2,157,607.82	
First Mortgage Bond due 11/15/40 5.125%.....	3,251,721.36	
Revolving Credit Agreement.....	3,916,800.82	
Unamortized Loss on Bonds.....	21,732,643.55	21,732,643.55
Accumulated Deferred Income Taxes.....		53,869,965.22
Federal		
Electric.....	35,241,391.04	
Gas.....	9,406,777.43	
State		
Electric.....	7,480,128.97	
Gas.....	1,741,667.78	
Regulatory Assets.....		353,942,206.87
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	41,281,151.65	
Interest Rate Ineffectiveness.....	31,575,853.57	
2008 Wind Storm.....	22,167,146.71	
Swap Termination.....	9,152,618.38	
Asset Retirement Obligations.....		
Electric.....	7,069,062.09	
Gas.....	501,654.02	
Common.....	2,558.23	
Environmental Cost Recovery.....	5,187,681.00	
Gas Supply Clause/PBR.....	2,468,673.86	
Fuel Adjustment Clause.....	2,059,000.00	
Rate Case Expenses.....	1,394,018.76	
MISO Exit Fee.....	1,384,494.70	
KCCS Funding.....	749,992.93	
EKPC FERC Transmission Costs.....	508,717.20	
CMRG Funding.....	138,210.00	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,788,461.54	
State		
Electric.....	2,332,242.23	
Other Deferred Debits.....	(99,098.81)	(99,098.81)
Total Assets.....	<u>\$ 3,476,309,513.31</u>	<u>\$ 3,476,309,513.31</u>

* Excludes:	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

March 28, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,350,462,845.21
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	842,546,810.76	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,098,325.82	531,098,325.82
Short-Term Notes Payable to Associated Companies.....		5,664,000.00
Money Pool.....	5,664,000.00	
Accounts Payable.....		69,841,267.94
Regular.....	62,181,981.86	
Employee Withholdings Payable.....	6,157,026.66	
Salaries and Wages Accrued.....	1,502,259.42	
Accounts Payable to Associated Companies.....		9,519,697.55
LG&E-KU Energy Services /Kentucky Utilities.....	9,519,697.55	
Customers' Deposits.....	23,753,770.99	23,753,770.99
Taxes Accrued.....	21,091,839.71	21,091,839.71
Interest Accrued.....		9,153,672.60
Jefferson County 2000 Series A due 05/01/27 5.375%.....	447,916.69	
Trimble County 2000 Series A due 08/01/30 Var%.....	4,444.56	
Jefferson County 2001 Series A due 09/01/26 Var%.....	69,349.33	
Trimble County 2001 Series A due 09/01/26 Var%.....	19,325.33	
Jefferson County 2001 Series A due 09/01/27 Var%.....	539.02	
Jefferson County 2001 Series B due 11/01/27 Var%.....	1,335.59	
Trimble County 2001 Series B due 11/01/27 Var%.....	815.35	
Trimble County 2002 Series A due 10/01/32 Var%.....	2,753.31	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	329,264.04	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	185,277.80	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	435,937.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	90,547.60	
Trimble County 2007 Series A due 06/01/33 4.600%.....	690,000.00	
Interest Rate Swaps.....	644,419.54	
First Mortgage Bond due 11/15/15 1.625%.....	1,184,895.85	
First Mortgage Bond due 11/15/40 5.125%.....	4,260,156.25	
Customers' Deposits.....	771,783.65	
Other.....	14,911.19	
Dividend Payable Intercompany LKE.....	17,250,000.00	17,250,000.00
Miscellaneous Current and Accrued Liabilities.....		28,798,384.87
No-Notice Gas Payable.....	10,779,609.75	
Vacation Pay Accrued.....	5,956,108.64	
Customer Overpayments.....	5,413,654.91	
SFAS 133 Derivative Liability.....	2,516,825.31	
Tax Collections Payable.....	1,324,241.06	
Derivative Liabilities - Non-Hedging.....	894,961.46	
Postretirement Benefits - Current.....	624,694.04	
Home Energy Assistance.....	409,337.19	
Retirement Income Liability.....	344,232.26	
Unearned Revenue.....	268,399.53	
Other.....	266,320.72	

March 28, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 28, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 473,518,807.92
Federal.....		
Electric.....	351,618,962.42	
Gas.....	53,476,670.19	
State.....		
Electric.....	59,893,327.99	
Gas.....	8,529,847.32	
Investment Tax Credit.....		45,079,175.13
Advanced Coal Credit.....	23,669,983.00	
Job Development Credit.....		
Electric.....	20,740,219.98	
Gas.....	668,972.15	
Regulatory Liabilities.....		65,182,295.26
Deferred Taxes		
Federal		
Electric.....	29,019,764.65	
Gas.....	1,034,601.92	
State.....		
Electric.....	16,177,901.24	
Gas.....	2,410,277.59	
DSM Cost Recovery.....	7,234,264.89	
Gas Supply Clause/PBR.....	5,484,160.75	
Asset Retirement Obligations		
Gas.....	2,390,971.57	
Electric.....	799,959.19	
MISO Schedule 10 Charges.....	393,288.51	
Purchased Gas Adjustment - Texas Gas.....	237,104.95	
Customers' Advances for Construction.....		8,441,333.51
Line Extensions		
Gas.....	6,688,241.52	
Electric.....	707,634.54	
Customer Advances - Museum Plaza.....	695,491.97	
Other.....	349,965.48	
Asset Retirement Obligations.....		53,089,053.69
Electric.....	35,056,850.14	
Gas.....	17,928,942.16	
Common.....	103,261.39	
Other Deferred Credits.....	8,625,923.25	8,625,923.25
Miscellaneous Long-Term Liabilities.....		33,222,865.65
Long-Term Derivative Liabilities - SFAS 133.....	29,101,665.76	
Workers' Compensation.....	4,121,199.89	
Accumulated Provision for Benefits.....		148,212,254.21
Postretirement Benefits - SFAS 106.....	83,107,852.71	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(256,328.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,476,309,513.31</u>	<u>\$ 3,476,309,513.31</u>

March 28, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**February 28, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 31,803,558.80	\$ 33,820,961.00
Items not requiring (providing) cash currently:		
Depreciation.....	22,875,634.84	21,562,940.38
Amortization.....	1,281,835.11	1,458,297.26
Deferred income taxes - net.....	6.82	251,859.10
Investment tax credit - net.....	(445,401.00)	(416,964.00)
Other.....	(1,865,604.87)	54,736,632.41
Change in receivables.....	32,086,281.75	(41,588,238.26)
Change in inventory.....	31,459,264.46	21,205,076.30
Change in allowance inventory.....	246.07	140.58
Change in payables and accrued expenses.....	(21,259,217.39)	14,320,112.13
Change in regulatory assets.....	(9,905,843.70)	(5,392,985.26)
Change in regulatory liabilities.....	13,755,946.80	(23,440,292.81)
Change in other deferred debits.....	1,381,459.03	19,430.43
Change in other deferred credits.....	3,083,019.94	2,500,141.79
Other.....	(61,140,136.85)	26,330,531.82
Gain on disposal of assets.....	-	(1,050.00)
Net cash provided (used) by operating activities.....	<u>43,111,049.81</u>	<u>105,366,592.87</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(21,981,213.87)	(61,575,900.77)
Gross additions to common utility plant - construction expenditures.....	743,866.71	35,895.05
Change in derivatives.....	(65,560.75)	1,333,986.28
Proceeds received from sales of property.....	-	1,050.00
Other.....	(1,092,884.77)	(2,996,265.22)
Net cash provided (used) by investing activities.....	<u>(22,395,792.68)</u>	<u>(63,201,234.66)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	162,583,905.46	(26,566.55)
Net change in short-term debt.....	<u>(169,212,000.00)</u>	<u>(40,652,000.00)</u>
Net cash provided (used) by financing activities.....	<u>(6,628,094.54)</u>	<u>(40,678,566.55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	14,087,162.59	1,486,791.66
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 16,213,174.43</u>	<u>\$ 6,682,278.04</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2011 presentation which resulted in an increase to cash from operations of \$51 million and a decrease to cash flows from investing of \$51 million.

March 28, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**February 28, 2011**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 223,958.36	\$ 223,958.34	\$ 1,343,749.94	\$ 1,343,750.04
Trimble County 2000 Series A due 08/01/30 Var%.....	26,088.47	15,185.49	57,628.44	26,667.20	422,242.20	278,801.85
Jefferson County 2001 Series A due 09/01/26 Var%.....	2,598.97	1,872.05	5,894.00	3,337.13	49,692.00	32,633.32
Trimble County 2001 Series A due 09/01/26 Var%.....	9,493.15	13,290.40	20,154.12	30,039.03	155,130.16	253,956.85
Jefferson County 2001 Series A due 09/01/27 Var%.....	21,575.34	10,873.97	45,462.33	22,561.64	211,808.24	201,205.47
Jefferson County 2001 Series B due 11/01/27 Var%.....	22,630.14	20,136.98	48,864.38	42,431.50	362,938.01	326,315.05
Trimble County 2001 Series B due 11/01/27 Var%.....	22,821.92	20,136.98	49,335.62	42,431.50	363,453.34	326,315.03
Trimble County 2002 Series A due 10/01/32 Var%.....	14,757.40	7,186.92	30,131.21	14,158.11	310,939.99	150,570.49
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	329,263.93	-	329,263.93	10,818.12
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	383,333.34	383,333.34	2,299,999.91	2,300,000.04
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	290,624.98	290,625.00	1,743,749.93	1,743,750.00
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	90,547.60	-	90,547.60	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	460,000.00	460,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	644,419.48	646,729.10	1,221,869.02	1,205,487.97	7,714,721.36	6,912,074.09
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	338,541.67	-	677,083.34	-	1,184,895.85	-
First Mortgage Bond due 11/15/2040 5.125%.....	1,217,187.50	-	2,434,375.00	-	4,260,156.25	-
Fidelia/PPL.....	-	2,220,149.99	-	4,440,300.00	18,880,275.03	26,641,800.16
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b><u>3,257,472.39</u></b>	<b><u>3,634,520.22</u></b>	<b><u>6,553,530.68</u></b>	<b><u>7,185,330.76</u></b>	<b><u>43,263,247.09</u></b>	<b><u>43,281,990.51</u></b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	173,347.18	15,518.34	346,013.59	31,036.68	768,351.92	186,075.42
Amortization of Loss on Reacquired Debt.....	101,002.97	100,864.68	202,005.94	201,635.83	1,211,620.84	1,264,886.32
<b>Total.....</b>	<b><u>274,350.15</u></b>	<b><u>116,383.02</u></b>	<b><u>548,019.53</u></b>	<b><u>232,672.51</u></b>	<b><u>1,979,972.76</u></b>	<b><u>1,450,961.74</u></b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	100,128.43	94,641.67	209,241.35	235,528.54	1,362,619.27	1,418,415.57
Other Tax Deficiencies.....	-	-	-	-	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	1,234.22	1,311.04	2,311.25	1,897.80	26,828.69	115,812.26
Interest on Debt to Associated Companies.....	4,185.53	16,298.81	8,802.56	45,666.58	225,557.86	452,949.55
Other Interest Expense.....	41,552.12	1,964.66	84,090.54	64,557.78	962,302.93	670,316.78
<b>Total.....</b>	<b><u>147,100.30</u></b>	<b><u>114,216.18</u></b>	<b><u>304,445.70</u></b>	<b><u>347,650.70</u></b>	<b><u>2,559,808.75</u></b>	<b><u>2,642,614.16</u></b>
<b>Total Interest.....</b>	<b><u>\$ 3,678,922.84</u></b>	<b><u>\$ 3,865,119.42</u></b>	<b><u>\$ 7,405,995.91</u></b>	<b><u>\$ 7,765,653.97</u></b>	<b><u>\$ 47,803,028.60</u></b>	<b><u>\$ 47,375,566.41</u></b>

March 28, 2011

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**February 28, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,449,790.00	\$ 1,222,746.10	\$ 2,899,580.00	\$ 2,445,492.20
Unemployment.....	34,580.50	36,683.43	90,878.34	100,627.92
FICA.....	618,060.70	576,374.61	1,248,157.14	1,222,085.68
Public Service Commission Fee.....	161,096.90	161,675.42	322,193.80	323,350.84
Federal Income.....	6,404,946.04	13,624,632.99	16,346,959.31	18,312,313.24
State Income.....	1,168,075.26	2,442,748.84	2,981,208.38	3,297,644.95
Miscellaneous.....	-	-	7,222.67	12,911.19
<b>Total Charged to Operating Expense.....</b>	<b>9,836,549.40</b>	<b>18,064,861.39</b>	<b>23,896,199.64</b>	<b>25,714,426.02</b>
Taxes Charged to Other Accounts.....	721,376.38	170,649.38	975,317.32	424,798.36
Taxes Accrued on Intercompany Accounts.....	(254,806.97)	(245,086.24)	(533,038.09)	(485,282.14)
<b>Total Taxes Charged.....</b>	<b>\$ 10,303,118.81</b>	<b>\$ 17,990,424.53</b>	<b>\$ 24,338,478.87</b>	<b>\$ 25,653,942.24</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 2,927,298.00	\$ 10,702,903.75	\$ 3,578,525.91
Unemployment.....	54,386.05	83,586.75	1,123.21	136,849.59
FICA.....	590,648.24	999,784.77	907,151.17	683,281.85
Federal Income.....	(3,741,320.05)	16,885,165.55	-	13,143,845.50
State Income.....	229,108.93	3,079,361.49	-	3,308,470.42
Kentucky Sales and Use Tax.....	1,088,857.95	370,982.46	1,223,994.31	235,846.10
Miscellaneous.....	22,339.97	(7,700.15)	9,619.48	5,020.34
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 24,338,478.87</b>	<b>\$ 12,844,791.92</b>	<b>\$ 21,091,839.71</b>

March 28, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 28, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 845,125.92	\$ (124,207.51)	\$ -	\$ 720,918.41	\$ 160,605,377.77
Common Intangible Plant.....	56,455,326.72	301,056.09	(787,537.88)	-	(486,481.79)	55,968,844.93
	<u>216,339,786.08</u>	<u>1,146,182.01</u>	<u>(911,745.39)</u>	<u>-</u>	<u>234,436.62</u>	<u>216,574,222.70</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	7,257,669.79	(3,451,945.05)	47,153.43	3,852,878.17	931,141,916.67
Electric General Plant.....	16,521,615.59	50,763.87	(1,889,481.22)	-	(1,838,717.35)	14,682,898.24
Electric Hydro Production.....	41,680,209.14	-	-	-	-	41,680,209.14
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	-	-	-	-	229,401,033.01
Electric Steam Production.....	1,930,347,044.43	-	-	4,182,559.70	4,182,559.70	1,934,529,604.13
Electric Transmission.....	247,742,496.14	745,542.07	(299,847.20)	(47,153.43)	398,541.44	248,141,037.58
	<u>3,392,983,777.10</u>	<u>8,053,975.73</u>	<u>(5,641,273.47)</u>	<u>4,182,559.70</u>	<u>6,595,261.96</u>	<u>3,399,579,039.06</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	10,447,337.97	(20,403.37)	-	10,426,934.60	560,226,055.30
Gas General Plant.....	9,178,093.57	35,817.00	(905,104.36)	-	(869,287.36)	8,308,806.21
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	128,962.23	-	-	128,962.23	78,544,273.29
Gas Transmission.....	16,661,869.68	-	(531.82)	-	(531.82)	16,661,337.86
	<u>654,055,582.50</u>	<u>10,612,117.20</u>	<u>(926,039.55)</u>	<u>-</u>	<u>9,686,077.65</u>	<u>663,741,660.15</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>19,812,274.94</u>	<u>(7,479,058.41)</u>	<u>4,182,559.70</u>	<u>16,515,776.23</u>	<u>4,279,894,921.91</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 28, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 2,351,197.66	\$ -	\$ -	\$ 2,351,197.66	\$ 2,948,356.29
Common Intangible Plant.....	2,714,931.36	1,134,102.84	-	-	1,134,102.84	3,849,034.20
	<u>3,312,089.99</u>	<u>3,485,300.50</u>	<u>-</u>	<u>-</u>	<u>3,485,300.50</u>	<u>6,797,390.49</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	3,778,217.06	-	-	3,778,217.06	15,322,950.96
Electric General Plant.....	50,763.87	(41,864.99)	-	-	(41,864.99)	8,898.88
Electric Hydro Production.....	16,952.26	-	-	-	-	16,952.26
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	414.14	-	-	414.14	1,767,622.35
Electric Steam Production.....	15,929,229.77	176,973,289.69	-	-	176,973,289.69	192,902,519.46
Electric Transmission.....	35,045,472.82	238,598.56	-	-	238,598.56	35,284,071.38
	<u>64,354,360.83</u>	<u>180,948,654.46</u>	<u>-</u>	<u>-</u>	<u>180,948,654.46</u>	<u>245,303,015.29</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(3,590,368.87)	-	-	(3,590,368.87)	20,829,787.29
Gas General Plant.....	126,992.17	(15,888.54)	-	-	(15,888.54)	111,103.63
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	(126,778.13)	-	-	(126,778.13)	824,647.93
Gas Transmission.....	-	762,650.19	-	-	762,650.19	762,650.19
	<u>25,498,574.39</u>	<u>(2,970,385.35)</u>	<u>-</u>	<u>-</u>	<u>(2,970,385.35)</u>	<u>22,528,189.04</u>
<b>Total 106 Accounts</b> .....	<u>93,165,025.21</u>	<u>181,463,569.61</u>	<u>-</u>	<u>-</u>	<u>181,463,569.61</u>	<u>274,628,594.82</u>
						4,554,523,516.73
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b> .....	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b> .....	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(5,375,349.22)	-	-	(5,375,349.22)	15,868,530.67
Electric.....	324,323,732.14	(178,976,262.81)	-	-	(178,976,262.81)	145,347,469.33
Gas.....	39,756,306.91	(2,319,982.42)	-	-	(2,319,982.42)	37,436,324.49
	<u>385,323,918.94</u>	<u>(186,671,594.45)</u>	<u>-</u>	<u>-</u>	<u>(186,671,594.45)</u>	<u>198,652,324.49</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>201,275,844.55</u>	<u>(7,479,058.41)</u>	<u>-</u>	<u>193,796,786.14</u>	<u>4,557,387,760.77</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>14,604,250.10</u>	<u>(7,479,058.41)</u>	<u>-</u>	<u>7,125,191.69</u>	<u>4,756,040,085.26</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 14,604,250.10</u>	<u>\$ (7,479,058.41)</u>	<u>\$ -</u>	<u>\$ 7,125,191.69</u>	<u>\$ 4,755,964,845.70</u>

March 28, 2011



**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**February 28, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>									
Common General Plant.....	\$ (77,263,235.10)	\$ (2,050,868.46)	\$ 124,207.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (79,189,896.05)
Common General Plant - ARO.....	(343.19)	(343.40)	-	-	-	-	-	-	(686.59)
Electric Distribution.....	(277,000,365.75)	(2,852,864.81)	3,451,945.05	(382.60)	-	-	-	-	(276,401,668.11)
Electric Distribution - ARO.....	(1,256.54)	(1,005.65)	-	-	-	-	-	-	(2,262.19)
Electric General Plant.....	(12,910,034.19)	(55,816.85)	1,889,481.22	-	-	-	-	-	(11,076,369.82)
Electric Hydro Production.....	(9,718,276.66)	(92,545.24)	-	-	-	-	-	-	(9,810,821.90)
Electric Hydro Production - ARO.....	(364.10)	(291.42)	-	-	-	-	-	-	(655.52)
Electric Other Production.....	(60,282,055.17)	(1,357,276.93)	-	-	-	-	-	-	(61,639,332.10)
Electric Other Production - ARO.....	(192.68)	-	-	-	-	-	-	-	(192.68)
Electric Steam Production.....	(1,029,518,070.37)	(9,254,670.54)	-	-	-	-	-	-	(1,038,772,740.91)
Electric Steam Production - ARO.....	(204,061.94)	(204,931.65)	-	-	-	-	-	-	(408,993.59)
Electric Transmission.....	(119,192,606.75)	(721,780.64)	299,847.20	382.60	-	-	-	-	(119,614,157.59)
Electric Transmission - ARO.....	(41.40)	(33.14)	-	-	-	-	-	-	(74.54)
Gas Distribution.....	(125,049,477.23)	(1,881,778.80)	20,403.37	-	-	-	-	-	(126,910,852.66)
Gas Distribution - ARO.....	(49,734.93)	(49,773.78)	-	-	-	-	-	-	(99,508.71)
Gas General Plant.....	(6,299,629.20)	(46,866.69)	905,104.36	-	-	-	-	-	(5,441,391.53)
Gas Storage.....	(31,288,281.49)	(178,692.99)	-	-	-	-	-	-	(31,466,974.48)
Gas Storage - ARO.....	(39,466.10)	(39,519.25)	-	-	-	-	-	-	(78,985.35)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(8,969.42)	531.82	-	-	-	-	-	(9,457,042.92)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(18,798,029.66)</u>	<u>6,691,520.53</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,770,435,967.60)</u>
<b>Cost Of Removal</b>									
Common General Plant.....	(688,372.47)	(45,461.22)	-	-	-	38,104.88	-	-	(695,728.81)
Electric Distribution.....	(146,715,298.78)	(1,128,239.41)	-	(55.48)	-	1,215,910.65	-	-	(146,627,683.02)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(7,027.58)	-	-	-	-	-	-	729,880.12
Electric Other Production.....	(2,505,175.99)	(58,281.91)	-	-	-	-	-	-	(2,563,457.90)
Electric Steam Production.....	(94,783,295.15)	(2,738,988.45)	-	-	-	-	-	-	(97,522,283.60)
Electric Transmission.....	(24,538,454.78)	(232,923.56)	-	55.48	-	(142,216.93)	-	-	(24,913,539.79)
Gas Distribution.....	(60,212,131.14)	(529,196.46)	-	-	-	60,046.48	-	-	(60,681,281.12)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(23,038.86)	-	-	-	-	-	-	(193,476.76)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(2,217.53)	-	-	-	32,210.90	-	-	(2,986,820.58)
Non Utility Property.....	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (4,765,374.98)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,204,055.98</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (335,450,524.84)</u>

March 28, 2011

Louisville Gas and Electric Company  
 Summary of Utility Plant - Reserve for Depreciation of Utility Plant  
 February 28, 2011

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Salvage</b>									
Common General Plant.....	\$ 278,074.55	\$ 63.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,138.43
Electric Distribution.....	17,535,024.98	228,003.84	-	-	-	-	(166,854.33)	-	17,596,174.49
Electric General Plant.....	138,281.25	385.10	-	-	-	-	-	-	138,666.35
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	328,803.60	-	-	-	-	-	-	22,357,373.74
Electric Transmission.....	6,247,368.67	43,084.12	-	-	-	-	-	-	6,290,452.79
Gas Distribution.....	3,594,440.75	32,553.42	-	-	-	-	-	-	3,626,994.17
Gas General Plant.....	225,788.37	349.36	-	-	-	-	-	-	226,137.73
Gas Storage.....	269,933.04	2,805.00	-	-	-	-	-	-	272,738.04
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	831.57	-	-	-	-	-	-	218,754.68
Non Utility Property.....	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>636,879.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(166,854.33)</u>	<u>-</u>	<u>51,363,069.92</u>
<b>Total Reserves</b>									
Common.....	(77,737,236.57)	(2,096,609.20)	124,207.51	-	-	38,104.88	-	-	(79,671,533.38)
Electric.....	(1,730,321,891.37)	(18,106,401.12)	5,641,273.47	-	-	1,073,693.72	(166,854.33)	-	(1,741,880,179.63)
Gas.....	(231,266,492.01)	(2,723,514.43)	926,039.55	-	-	92,257.38	-	-	(232,971,709.51)
	<u>(2,039,325,619.95)</u>	<u>(22,926,524.75)</u>	<u>6,691,520.53</u>	<u>-</u>	<u>-</u>	<u>1,204,055.98</u>	<u>(166,854.33)</u>	<u>-</u>	<u>(2,054,523,422.52)</u>
<b>Retirement Work In Progress</b>									
Common.....	342,947.00	-	-	93,441.10	(38,104.88)	(34,433.11)	(17,894.00)	-	345,956.11
Electric.....	9,603,653.21	-	-	(15,315.33)	(906,839.39)	925,664.04	(36,252.87)	(10,327.68)	9,560,581.98
Gas.....	2,523,160.64	-	-	(78,125.77)	(92,257.38)	270,440.31	(1,949.90)	(2,362.02)	2,618,905.88
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,037,201.65)</u>	<u>1,161,671.24</u>	<u>(56,096.77)</u>	<u>(12,689.70)</u>	<u>12,525,443.97</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(22,926,524.75)</u>	<u>6,691,520.53</u>	<u>-</u>	<u>(1,037,201.65)</u>	<u>2,365,727.22</u>	<u>(222,951.10)</u>	<u>(12,689.70)</u>	<u>(2,041,997,978.55)</u>
<b>Amortization</b>									
Common.....	(16,306,390.60)	(1,281,835.11)	787,537.88	-	-	-	-	-	(16,800,687.83)
Electric.....	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(1,281,835.11)</u>	<u>787,537.88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,801,587.83)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (24,208,359.86)</u>	<u>\$ 7,479,058.41</u>	<u>\$ -</u>	<u>\$ (1,037,201.65)</u>	<u>\$ 2,365,727.22</u>	<u>\$ (222,951.10)</u>	<u>\$ (12,689.70)</u>	<u>\$ (2,058,799,566.38)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,058,736,206.02)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>									<u>\$ 2,697,228,639.68</u>

March 28, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**February 28, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 81,391,948.43	\$ -	\$ 81,391,948.43
Gas Operating Revenues.....	44,131,163.97	-	44,131,163.97
<b>Total Operating Revenues.....</b>	<b>125,523,112.40</b>	<b>-</b>	<b>125,523,112.40</b>
Fuel for Electric Generation.....	27,823,577.78	-	27,823,577.78
Power Purchased.....	6,044,560.87	-	6,044,560.87
Gas Supply Expenses.....	27,043,442.47	-	27,043,442.47
Other Operation Expenses.....	19,230,023.55	(314,659.00)	18,915,364.55
Maintenance.....	7,878,568.47	-	7,878,568.47
Depreciation.....	11,598,433.49	(28.35)	11,598,405.14
Amortization Expense.....	641,818.81	-	641,818.81
Regulatory Credits.....	(367,551.24)	-	(367,551.24)
Taxes			
Federal Income.....	6,404,946.04	-	6,404,946.04
State Income.....	1,168,075.26	-	1,168,075.26
Deferred Federal Income - Net.....	-	111,762.94	111,762.94
Deferred State Income - Net.....	-	20,382.29	20,382.29
Property and Other.....	2,263,528.10	-	2,263,528.10
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	219,602.14	-	219,602.14
<b>Total Operating Expenses.....</b>	<b>109,712,991.74</b>	<b>(182,542.12)</b>	<b>109,530,449.62</b>
Net Operating Income.....	15,810,120.66	182,542.12	15,992,662.78
Other Income Less Deductions.....	760,189.16	-	760,189.16
<b>Income Before Interest Charges.....</b>	<b>16,570,309.82</b>	<b>182,542.12</b>	<b>16,752,851.94</b>
Interest on Long-Term Debt.....	3,257,472.39	(25,017.63)	3,232,454.76
Amortization of Debt Expense - Net.....	274,350.15	-	274,350.15
Other Interest Expenses.....	147,100.30	-	147,100.30
<b>Total Interest Charges.....</b>	<b>3,678,922.84</b>	<b>(25,017.63)</b>	<b>3,653,905.21</b>
<b>Net Income.....</b>	<b>\$ 12,891,386.98</b>	<b>\$ 207,559.75</b>	<b>\$ 13,098,946.73</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**February 28, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 173,488,682.96	\$ -	\$ 173,488,682.96
Gas Operating Revenues.....	102,945,174.64	-	102,945,174.64
<b>Total Operating Revenues.....</b>	<b>276,433,857.60</b>	<b>-</b>	<b>276,433,857.60</b>
Fuel for Electric Generation.....	60,141,089.93	-	60,141,089.93
Power Purchased.....	13,119,314.25	-	13,119,314.25
Gas Supply Expenses.....	65,350,875.94	-	65,350,875.94
Other Operation Expenses.....	37,656,179.11	(1,154,076.34)	36,502,102.77
Maintenance.....	14,643,464.39	-	14,643,464.39
Depreciation.....	22,875,634.84	(28.35)	22,875,606.49
Amortization Expense.....	1,281,835.11	-	1,281,835.11
Regulatory Credits.....	(734,163.07)	-	(734,163.07)
Taxes			
Federal Income.....	16,346,959.31	-	16,346,959.31
State Income.....	2,981,208.38	-	2,981,208.38
Deferred Federal Income - Net.....	6.82	396,162.04	396,168.86
Deferred State Income - Net.....	-	72,248.39	72,248.39
Property and Other.....	4,568,031.95	-	4,568,031.95
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(445,401.00)	-	(445,401.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	438,264.78	-	438,264.78
<b>Total Operating Expenses.....</b>	<b>238,223,300.74</b>	<b>(685,694.26)</b>	<b>237,537,606.48</b>
Net Operating Income.....	38,210,556.86	685,694.26	38,896,251.12
Other Income Less Deductions.....	998,997.85	-	998,997.85
<b>Income Before Interest Charges.....</b>	<b>39,209,554.71</b>	<b>685,694.26</b>	<b>39,895,248.97</b>
Interest on Long-Term Debt.....	6,553,530.68	(50,035.26)	6,503,495.42
Amortization of Debt Expense - Net.....	548,019.53	-	548,019.53
Other Interest Expenses.....	304,445.70	-	304,445.70
<b>Total Interest Charges.....</b>	<b>7,405,995.91</b>	<b>(50,035.26)</b>	<b>7,355,960.65</b>
<b>Net Income.....</b>	<b>\$ 31,803,558.80</b>	<b>\$ 735,729.52</b>	<b>\$ 32,539,288.32</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 28, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 846,905,423.78	\$ 764,289,058.43	\$ (808,371,112.67)	\$ -	\$ 38,534,311.11	\$ 764,289,058.43
Add:						
Net Income (Loss) for Period.....	12,891,386.98	24,810,768.81	207,559.75	-	13,098,946.73	24,810,768.81
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>17,250,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,250,000.00</u>	<u>-</u>
Balance at End of Period.....	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>	<u>\$ (808,163,552.92)</u>	<u>\$ -</u>	<u>\$ 34,383,257.84</u>	<u>\$ 789,099,827.24</u>

Note: Purchase accounting is subject to change through October 31, 2011

March 28, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 28, 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	31,803,558.80	33,820,961.00	735,729.52	-	32,539,288.32	33,820,961.00
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>17,250,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,250,000.00</u>	<u>-</u>
Balance at End of Period.....	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>	<u>\$ (808,163,552.92)</u>	<u>\$ -</u>	<u>\$ 34,383,257.84</u>	<u>\$ 789,099,827.24</u>

Note: Purchase accounting is subject to change through October 31, 2011

March 28, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 28, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 789,099,827.24	\$ 748,273,826.98	\$ -	\$ -	\$ 789,099,827.24	\$ 748,273,826.98
Add:						
Net Income (Loss) for Period.....	125,696,983.52	120,826,000.26 A	783,338.60	-	126,480,322.12	120,826,000.26
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	<u>72,250,000.00</u>	<u>80,000,000.00</u>	<u>-</u>	<u>-</u>	<u>72,250,000.00</u>	<u>80,000,000.00</u>
Balance at End of Period.....	<u>\$ 842,546,810.76</u>	<u>\$ 789,099,827.24</u>	<u>\$ (808,163,552.92)</u>	<u>\$ -</u>	<u>\$ 34,383,257.84</u>	<u>\$ 789,099,827.24</u>

Note: Purchase accounting is subject to change through October 31, 2011

March 28, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of February 28, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,755,964,845.70	\$ (1,752,897,032.68)	\$ 3,003,067,813.02
Less Reserves for Depreciation and Amortization.....	2,058,736,206.02	(1,752,821,616.03)	305,914,589.99
<b>Total.....</b>	<b>2,697,228,639.68</b>	<b>(75,416.65)</b>	<b>2,697,153,223.03</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	15,268,536.90	-	15,268,536.90
<b>Total.....</b>	<b>15,874,702.10</b>	<b>-</b>	<b>15,874,702.10</b>
<b>Current and Accrued Assets</b>			
Cash.....	16,211,302.24	-	16,211,302.24
Special Deposits.....	1,618,654.10	-	1,618,654.10
Temporary Cash Investments.....	1,872.19	-	1,872.19
Accounts Receivable - Less Reserve.....	154,061,012.70	-	154,061,012.70
Accounts Receivable from Associated Companies....	9,427,052.69	1,257,406.00	10,684,458.69
Materials and Supplies - At Average Cost.....			
Fuel.....	66,707,850.08	-	66,707,850.08
Plant Materials and Operating Supplies.....	29,621,208.53	-	29,621,208.53
Stores Expense.....	5,077,532.37	-	5,077,532.37
Gas Stored Underground.....	29,403,684.34	-	29,403,684.34
Emission Allowances.....	2,482.89	6,507,087.03	6,509,569.92
Prepayments.....	6,421,800.81	-	6,421,800.81
Miscellaneous Current and Accrued Assets.....	1,725,982.95	-	1,725,982.95
<b>Total.....</b>	<b>320,280,435.89</b>	<b>7,764,493.03</b>	<b>328,044,928.92</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,480,018.81	(3,636,648.75)	9,843,370.06
Unamortized Loss on Bonds.....	21,732,643.55	-	21,732,643.55
Accumulated Deferred Income Taxes.....	53,869,965.22	88,462,856.09	142,332,821.31
Deferred Regulatory Assets.....	353,942,206.87	13,331,285.52	367,273,492.39
Other Deferred Debits.....	(99,098.81)	194,950,965.19	194,851,866.38
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>442,925,735.64</b>	<b>682,265,809.64</b>	<b>1,125,191,545.28</b>
<b>Total Assets.....</b>	<b>\$ 3,476,309,513.31</b>	<b>\$ 689,954,886.02</b>	<b>\$ 4,166,264,399.33</b>

Note: Purchase accounting is subject to change through October 31, 2011

March 28, 2011



**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of February 28, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	842,546,810.76	(808,163,552.92)	34,383,257.84
<b>Total Proprietary Capital.....</b>	<b>1,350,462,845.21</b>	<b>385,922,316.10</b>	<b>1,736,385,161.31</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,476,646.48	580,780,646.48
First Mortgage Bonds.....	531,098,325.82	-	531,098,325.82
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,402,325.82</b>	<b>6,476,646.48</b>	<b>1,111,878,972.30</b>
<b>Total Capitalization.....</b>	<b>2,455,865,171.03</b>	<b>392,398,962.58</b>	<b>2,848,264,133.61</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	5,664,000.00	-	5,664,000.00
Accounts Payable.....	69,841,267.94	-	69,841,267.94
Accounts Payable to Associated Companies.....	9,519,697.55	-	9,519,697.55
Customer Deposits.....	23,753,770.99	-	23,753,770.99
Taxes Accrued.....	21,091,839.71	-	21,091,839.71
Dividends Declared.....	17,250,000.00	-	17,250,000.00
Interest Accrued.....	9,153,672.60	-	9,153,672.60
Miscellaneous Current and Accrued Liabilities.....	28,798,384.87	-	28,798,384.87
<b>Total.....</b>	<b>185,072,633.66</b>	<b>-</b>	<b>185,072,633.66</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	473,518,807.92	86,403,234.45	559,922,042.37
Investment Tax Credit.....	45,079,175.13	-	45,079,175.13
Regulatory Liabilities.....	65,182,295.26	201,458,052.22	266,640,347.48
Customer Advances for Construction.....	8,441,333.51	-	8,441,333.51
Asset Retirement Obligations.....	53,089,053.69	-	53,089,053.69
Other Deferred Credits.....	8,625,923.25	9,694,636.77	18,320,560.02
Miscellaneous Long-Term Liabilities.....	33,222,865.65	-	33,222,865.65
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	148,212,254.21	-	148,212,254.21
<b>Total.....</b>	<b>835,371,708.62</b>	<b>297,555,923.44</b>	<b>1,132,927,632.06</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,476,309,513.31</b>	<b>\$ 689,954,886.02</b>	<b>\$ 4,166,264,399.33</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - March 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

March 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**March 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 82,777,821.36	\$ 64,166,989.38	\$ 18,610,831.98	29.00
Gas Operating Revenues.....	34,497,178.98	30,792,712.89	3,704,466.09	12.03
<b>Total Operating Revenues.....</b>	<b>117,275,000.34</b>	<b>94,959,702.27</b>	<b>22,315,298.07</b>	<b>23.50</b>
Fuel for Electric Generation.....	28,128,732.02	25,416,279.12	2,712,452.90	10.67
Power Purchased.....	6,491,986.81	4,111,514.22	2,380,472.59	57.90
Gas Supply Expenses.....	18,277,470.30	21,815,699.34	(3,538,229.04)	(16.22)
Other Operation Expenses.....	21,074,094.42	17,510,954.76	3,563,139.66	20.35
Maintenance.....	13,016,624.79	13,369,950.76	(353,325.97)	(2.64)
Depreciation.....	11,654,406.51	10,817,559.55	836,846.96	7.74
Amortization Expense.....	647,548.98	674,034.19	(26,485.21)	(3.93)
Regulatory Credits.....	(368,446.61)	(180,853.66)	(187,592.95)	(103.73)
Taxes				
Federal Income.....	(10,334,822.63)	(5,215,007.69)	(5,119,814.94)	(98.17)
State Income.....	173,062.26	(1,049,867.21)	1,222,929.47	116.48
Deferred Federal Income - Net.....	13,658,478.51	3,109,151.60	10,549,326.91	339.30
Deferred State Income - Net.....	341,927.36	575,632.17	(233,704.81)	(40.60)
Property and Other.....	2,359,410.78	2,076,694.74	282,716.04	13.61
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	220,545.82	166,213.92	54,331.90	32.69
<b>Total Operating Expenses.....</b>	<b>105,102,407.38</b>	<b>92,955,014.67</b>	<b>12,147,392.71</b>	<b>13.07</b>
Net Operating Income.....	12,172,592.96	2,004,687.60	10,167,905.36	507.21
Other Income Less Deductions.....	(1,185,811.78)	783,978.26	(1,969,790.04)	(251.26)
<b>Income Before Interest Charges.....</b>	<b>10,986,781.18</b>	<b>2,788,665.86</b>	<b>8,198,115.32</b>	<b>293.98</b>
Interest on Long-Term Debt.....	3,263,094.72	3,842,815.73	(579,721.01)	(15.09)
Amortization of Debt Expense - Net.....	275,309.84	116,383.02	158,926.82	136.56
Other Interest Expenses.....	156,487.63	200,727.06	(44,239.43)	(22.04)
<b>Total Interest Charges.....</b>	<b>3,694,892.19</b>	<b>4,159,925.81</b>	<b>(465,033.62)</b>	<b>(11.18)</b>
<b>Net Income.....</b>	<b>\$ 7,291,888.99</b>	<b>\$ (1,371,259.95)</b>	<b>\$ 8,663,148.94</b>	<b>631.77</b>

April 26, 2011

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 256,266,504.32	\$ 230,295,345.43	\$ 25,971,158.89	11.28
Gas Operating Revenues.....	137,442,353.62	135,705,131.57	1,737,222.05	1.28
<b>Total Operating Revenues.....</b>	<b>393,708,857.94</b>	<b>366,000,477.00</b>	<b>27,708,380.94</b>	<b>7.57</b>
Fuel for Electric Generation.....	88,269,821.95	83,142,048.45	5,127,773.50	6.17
Power Purchased.....	19,611,301.06	16,486,660.90	3,124,640.16	18.95
Gas Supply Expenses.....	83,628,346.24	82,997,993.41	630,352.83	0.76
Other Operation Expenses.....	58,730,273.53	54,826,402.23	3,903,871.30	7.12
Maintenance.....	27,660,089.18	25,988,777.31	1,671,311.87	6.43
Depreciation.....	34,530,041.35	32,380,499.93	2,149,541.42	6.64
Amortization Expense.....	1,929,384.09	2,132,331.45	(202,947.36)	(9.52)
Regulatory Credits.....	(1,102,609.68)	(540,083.22)	(562,526.46)	(104.16)
Taxes				
Federal Income.....	6,012,136.68	13,097,305.55	(7,085,168.87)	(54.10)
State Income.....	3,154,270.64	2,247,777.74	906,492.90	40.33
Deferred Federal Income - Net.....	13,658,485.33	2,878,924.70	10,779,560.63	374.43
Deferred State Income - Net.....	341,927.36	575,632.17	(233,704.81)	(40.60)
Property and Other.....	6,927,442.73	6,181,162.57	746,280.16	12.07
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(681,435.00)	(625,445.00)	(55,990.00)	(8.95)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	658,810.60	496,163.95	162,646.65	32.78
<b>Total Operating Expenses.....</b>	<b>343,325,708.12</b>	<b>322,231,692.00</b>	<b>21,094,016.12</b>	<b>6.55</b>
Net Operating Income.....	50,383,149.82	43,768,785.00	6,614,364.82	15.11
Other Income Less Deductions.....	(186,813.93)	606,495.83	(793,309.76)	(130.80)
<b>Income Before Interest Charges.....</b>	<b>50,196,335.89</b>	<b>44,375,280.83</b>	<b>5,821,055.06</b>	<b>13.12</b>
Interest on Long-Term Debt.....	9,816,625.40	11,028,146.49	(1,211,521.09)	(10.99)
Amortization of Debt Expense - Net.....	823,329.37	349,055.53	474,273.84	135.87
Other Interest Expenses.....	460,933.33	548,377.76	(87,444.43)	(15.95)
<b>Total Interest Charges.....</b>	<b>11,100,888.10</b>	<b>11,925,579.78</b>	<b>(824,691.68)</b>	<b>(6.92)</b>
<b>Net Income.....</b>	<b>\$ 39,095,447.79</b>	<b>\$ 32,449,701.05</b>	<b>\$ 6,645,746.74</b>	<b>20.48</b>

April 26, 2011

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2011**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,041,582,725.86	\$ 916,320,823.20	\$ 125,261,902.66	13.67
Gas Operating Revenues.....	304,684,577.93	302,437,164.96	2,247,412.97	0.74
<b>Total Operating Revenues.....</b>	<b>1,346,267,303.79</b>	<b>1,218,757,988.16</b>	<b>127,509,315.63</b>	<b>10.46</b>
Fuel for Electric Generation.....	373,684,099.84	320,720,703.47	52,963,396.37	16.51
Power Purchased.....	57,504,358.85	55,960,477.51	1,543,881.34	2.76
Gas Supply Expenses.....	169,633,960.88	180,253,390.95	(10,619,430.07)	(5.89)
Other Operation Expenses.....	230,716,875.87	214,802,411.95	15,914,463.92	7.41
Maintenance.....	113,372,416.95	64,336,407.25	49,036,009.70	76.22
Depreciation.....	133,359,544.69	129,526,604.53	3,832,940.16	2.96
Amortization Expense.....	7,524,041.54	8,619,888.98	(1,095,847.44)	(12.71)
Regulatory Credits.....	(4,832,257.91)	(2,210,996.39)	(2,621,261.52)	(118.56)
Taxes				
Federal Income.....	21,789,438.31	41,716,064.45	(19,926,626.14)	(47.77)
State Income.....	6,953,660.33	6,519,813.69	433,846.64	6.65
Deferred Federal Income - Net.....	38,446,565.63	9,667,912.71	28,778,652.92	297.67
Deferred State Income - Net.....	2,136,319.63	2,326,694.06	(190,374.43)	(8.18)
Property and Other.....	23,317,903.98	22,872,695.96	445,208.02	1.95
Investment Tax Credit.....	-	2,737,009.49	(2,737,009.49)	(100.00)
Amortization of Investment Tax Credit.....	(2,557,764.00)	(2,905,352.28)	347,588.28	11.96
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,446,752.28	1,975,666.52	1,471,085.76	74.46
<b>Total Operating Expenses.....</b>	<b>1,174,493,338.93</b>	<b>1,056,884,932.71</b>	<b>117,608,406.22</b>	<b>11.13</b>
Net Operating Income.....	171,773,964.86	161,873,055.45	9,900,909.41	6.12
Other Income Less Deductions.....	9,924,162.58	8,590,876.96	1,333,285.62	15.52
<b>Income Before Interest Charges.....</b>	<b>181,698,127.44</b>	<b>170,463,932.41</b>	<b>11,234,195.03</b>	<b>6.59</b>
Interest on Long-Term Debt.....	42,683,526.08	43,472,914.10	(789,388.02)	(1.82)
Amortization of Debt Expense - Net.....	2,138,899.58	1,443,244.44	695,655.14	48.20
Other Interest Expenses.....	2,515,569.32	2,561,699.27	(46,129.95)	(1.80)
<b>Total Interest Charges.....</b>	<b>47,337,994.98</b>	<b>47,477,857.81</b>	<b>(139,862.83)</b>	<b>(0.29)</b>
<b>Net Income.....</b>	<b>\$ 134,360,132.46</b>	<b>\$ 122,986,074.60</b>	<b>\$ 11,374,057.86</b>	<b>9.25</b>

April 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**March 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 842,546,810.76	\$ 789,099,827.24	\$ 827,993,251.96	\$ 755,278,866.24	\$ 757,728,567.29	\$ 709,742,492.69
Add:						
Net Income for Period.....	7,291,888.99	(1,371,259.95)	39,095,447.79	32,449,701.05	134,360,132.46	122,986,074.60
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	30,000,000.00	17,250,000.00	30,000,000.00	42,250,000.00	75,000,000.00
Balance at End of Period.....	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>

April 26, 2011



**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of March 31, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,770,490,279.22	\$ 4,553,812,856.77	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less Reserves for Depreciation and Amortization.....	<u>2,068,083,714.02</u>	<u>1,982,617,156.88</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,702,406,565.20</u>	<u>2,571,195,699.89</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(10,559,983.29)
			Retained Earnings.....	<u>849,838,699.75</u>	<u>757,728,567.29</u>
			Total Proprietary Capital.....	<u>1,357,754,734.20</u>	<u>1,255,084,618.45</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,121,647.48	-
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Special Funds.....	<u>20,180,403.81</u>	<u>14,727,362.80</u>	Total Long-Term Debt.....	<u>1,105,425,647.48</u>	<u>896,104,000.00</u>
Total.....	<u>20,786,569.01</u>	<u>15,333,528.00</u>	Total Capitalization.....	<u>2,463,180,381.68</u>	<u>2,151,188,618.45</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	28,355,866.45	4,581,700.41	ST Notes Payable to Associated Companies.....	-	123,592,400.00
Special Deposits.....	4,098,610.17	755,272.54	Accounts Payable.....	75,673,663.92	75,243,599.29
Temporary Cash Investments.....	2,431.80	119.71	Accounts Payable to Associated Companies.....	14,546,268.31	38,887,982.75
Accounts Receivable - Less Reserve.....	133,817,500.02	133,999,184.50	Customer Deposits.....	23,240,672.59	23,505,026.21
Accounts Receivable from Associated Companies.....	24,396,918.17	15,709,235.55	Taxes Accrued.....	18,309,170.54	21,251,712.73
Materials and Supplies - At Average Cost.....			Interest Accrued.....	11,708,678.03	3,542,330.75
Fuel.....	67,368,406.54	68,540,274.67	Miscellaneous Current and Accrued Liabilities.....	<u>32,140,201.55</u>	<u>39,807,477.66</u>
Plant Materials and Operating Supplies.....	30,050,637.73	29,661,158.50	Total.....	<u>175,618,654.94</u>	<u>325,830,529.39</u>
Stores Expense.....	5,108,104.12	4,581,464.86			
Gas Stored Underground.....	19,475,230.55	19,702,551.38	Deferred Credits and Other		
Emission Allowances.....	2,444.82	3,979.99	Accumulated Deferred Income Taxes.....	487,780,888.27	427,056,738.37
Prepayments.....	6,469,399.17	7,494,347.38	Investment Tax Credit.....	44,843,141.13	47,400,905.13
Miscellaneous Current and Accrued Assets.....	<u>941,878.08</u>	<u>7,403,197.91</u>	Regulatory Liabilities.....	62,145,912.07	58,220,051.36
Total.....	<u>320,087,427.62</u>	<u>292,432,487.40</u>	Customer Advances for Construction.....	8,163,578.28	9,391,871.62
Deferred Debits and Other			Asset Retirement Obligations.....	53,309,599.51	33,539,793.09
Unamortized Debt Expense.....	13,460,450.73	3,807,606.66	Other Deferred Credits.....	12,660,924.88	12,024,479.23
Unamortized Loss on Bonds.....	21,631,640.60	22,843,399.48	Miscellaneous Long-Term Liabilities.....	34,448,469.13	33,345,166.16
Accumulated Deferred Income Taxes.....	53,426,611.12	51,562,119.86	Accum Provision for Postretirement Benefits.....	<u>148,212,254.21</u>	<u>180,127,523.35</u>
Deferred Regulatory Assets.....	357,236,196.73	318,835,262.63	Total.....	<u>851,564,767.48</u>	<u>801,106,528.31</u>
Other Deferred Debits.....	<u>1,328,343.09</u>	<u>2,115,572.23</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,490,363,804.10</u>	<u>\$ 3,278,125,676.15</u>
Total.....	<u>447,083,242.27</u>	<u>399,163,960.86</u>			
Total Assets.....	<u>\$ 3,490,363,804.10</u>	<u>\$ 3,278,125,676.15</u>			

April 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**March 31, 2011**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
	Shares	Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>849,838,699.75</u>	
Total Proprietary Capital.....			<u>1,357,754,734.20</u>	<u>55.12</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
Total Pollution Control Bonds.....			574,304,000.00	23.32
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
Total First Mortgage Bonds.....			535,000,000.00	21.72
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(816,312.51)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,062,040.01)</u>	
			(3,878,352.52)	-0.16
Total First Mortgage Bonds - Net of Debt Discount.....			<u>531,121,647.48</u>	21.56
Total Capitalization.....			<u><u>2,463,180,381.68</u></u>	<u><u>100.00</u></u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,770,490,279.22	\$ 4,770,490,279.22
Reserves for Depreciation and Amortization.....		(2,068,083,714.02)
Depreciation of Plant.....		
Electric.....	(1,738,792,663.64)	
Gas.....	(231,589,601.80)	
Common.....	(80,291,514.22)	
Amortization of Plant		
Common.....	(17,409,034.36)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		20,786,569.01
Special Funds.....	20,180,403.81	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	28,355,866.45	28,355,866.45
Special Deposits.....		4,098,610.17
MAN Margin Call.....	3,402,884.73	
Other Special Deposits.....	695,725.44	
Temporary Cash Investments.....	2,431.80	2,431.80
Accounts Receivable - Less Reserve.....		133,817,500.02
Customers - Active.....	71,114,072.78	
Unbilled Revenues.....	56,212,309.67	
Wholesale Sales.....	3,215,994.02	
Bechtel Liquidated Damages.....	2,338,474.40	
IMEA.....	1,641,716.78	
IMPA.....	1,504,640.76	
Sundry Accounts Receivable.....	800,569.44	
Damage Claims.....	429,314.64	
Transmission Sales.....	403,448.78	
Other.....	128,533.72	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,381,675.00	
Reserve.....	(2,183,002.00)	
Bechtel Reserve.....	(1,400,634.40)	
Accrual.....	(1,028,750.94)	
A/R Miscellaneous.....	(387,938.57)	
Recoveries.....	(352,924.06)	
Accounts Receivable from Associated Companies.....		24,396,918.17
LG&E-KU Energy Services /Kentucky Utilities.....	24,396,918.17	
Fuel.....		67,368,406.54
Coal 1,489,314.58 Tons @ \$44.86; MMBtu 33,959,738.38 @ 196.73¢.....	66,810,568.91	
Fuel Oil 194,415.24 Gallons @ 271.28¢.....	527,405.45	
Gas Pipeline 5,100.0 Mcf @ \$5.97.....	30,432.18	
Plant Materials and Operating Supplies.....		30,050,637.73
Regular Materials and Supplies.....	29,526,913.06	
Limestone 62,054.92 Tons @ \$8.44.....	523,724.67	
Stores Expense Undistributed.....	5,108,104.12	5,108,104.12
Gas Stored Underground - Current.....		19,475,230.55
Gas Stored Underground* 3,950,936 Mcf (14.73 psia) @ \$4.93.....	19,475,230.55	
Emission Allowances.....	2,444.82	2,444.82

April 26, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,469,399.17
Insurance.....	4,361,585.73	
Taxes.....	483,290.74	
Franchises.....	303,979.32	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	990,543.34	
Miscellaneous Current Assets.....		941,878.08
Derivative Asset - Non-Hedging.....	939,300.14	
Miscellaneous Current Assets.....	2,577.94	
Unamortized Debt Expense.....		13,460,450.73
Trimble County 2000 Series A due 08/01/30 Var%.....	748,342.53	
Jefferson County 2001 Series A due 09/01/26 Var%.....	152,991.48	
Trimble County 2001 Series A due 09/01/26 Var%.....	166,345.61	
Jefferson County 2001 Series A due 09/01/27 Var%.....	334,776.82	
Jefferson County 2001 Series B due 11/01/27 Var%.....	182,337.89	
Trimble County 2001 Series B due 11/01/27 Var%.....	182,367.80	
Trimble County 2002 Series A due 10/01/32 Var%.....	800,260.35	
Louisville Metro 2003 Series A 11/20/03 Due 10/01/33 1.900%.....	425,418.64	
Trimble County 2007 Series A due 06/01/33 4.600%.....	149,884.82	
Louisville Metro 2007 Series B 04/26/07 Due 06/01/33 1.900%.....	1,053,679.46	
First Mortgage Bond due 11/15/15 1.625%.....	2,154,287.64	
First Mortgage Bond due 11/15/40 5.125%.....	3,278,104.71	
Revolving Credit Agreement.....	3,831,652.98	
Unamortized Loss on Bonds.....	21,631,640.60	21,631,640.60
Accumulated Deferred Income Taxes.....		53,426,611.12
Federal		
Electric.....	34,901,504.65	
Gas.....	9,369,848.36	
State		
Electric.....	7,420,325.14	
Gas.....	1,734,932.97	
Regulatory Assets.....		357,236,196.73
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	40,915,831.73	
Interest Rate Ineffectiveness.....	31,933,330.73	
2008 Wind Storm.....	21,970,977.27	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,716,651.23	
State		
Electric.....	2,319,146.12	
Swap Termination.....	9,131,078.72	
Asset Retirement Obligations.....		
Electric.....	7,310,504.62	
Gas.....	628,013.12	
Common.....	3,203.21	
Environmental Cost Recovery.....	5,667,100.00	
Gas Supply Clause/PBR.....	4,774,007.53	
Fuel Adjustment Clause.....	2,670,000.00	
Rate Case Expenses.....	1,329,791.83	
MISO Exit Fee.....	1,322,008.50	
KCCS Funding.....	731,700.42	
EKPC FERC Transmission Costs.....	494,586.16	
CMRG Funding.....	130,080.00	
General Management Audit.....	7,515.54	
Other Deferred Debits.....	1,328,343.09	1,328,343.09
Total Assets.....	<u>\$ 3,490,363,804.10</u>	<u>\$ 3,490,363,804.10</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

April 26, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,357,754,734.20
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	849,838,699.75	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,121,647.48	531,121,647.48
Accounts Payable.....		75,673,663.92
Regular.....	72,692,993.26	
Salaries and Wages Accrued.....	2,901,896.17	
Employee Withholdings Payable.....	78,774.49	
Accounts Payable to Associated Companies.....		14,546,268.31
LG&E-KU Energy Services /Kentucky Utilities.....	14,546,268.31	
Customers' Deposits.....	23,240,672.59	23,240,672.59
Taxes Accrued.....	18,309,170.54	18,309,170.54
Interest Accrued.....		11,708,678.03
Jefferson County 2000 Series A due 05/01/27 5.375%.....	559,895.86	
Trimble County 2000 Series A due 08/01/30 Var%.....	1,111.15	
Jefferson County 2001 Series A due 09/01/26 Var%.....	93,236.31	
Trimble County 2001 Series A due 09/01/26 Var%.....	8,739.72	
Jefferson County 2001 Series A due 09/01/27 Var%.....	202.22	
Jefferson County 2001 Series B due 11/01/27 Var%.....	5,539.70	
Trimble County 2001 Series B due 11/01/27 Var%.....	2,876.99	
Trimble County 2002 Series A due 10/01/32 Var%.....	780.79	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	531,930.71	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	376,944.47	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	581,250.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	146,280.93	
Trimble County 2007 Series A due 06/01/33 4.600%.....	920,000.00	
Interest Rate Swaps.....	642,286.88	
First Mortgage Bond due 11/15/15 1.625%.....	1,523,437.52	
First Mortgage Bond due 11/15/40 5.125%.....	5,477,343.75	
Customers' Deposits.....	832,960.55	
Other.....	3,860.48	
Miscellaneous Current and Accrued Liabilities.....		32,140,201.55
No-Notice Gas Payable.....	11,942,982.95	
Vacation Pay Accrued.....	6,664,885.16	
Customer Overpayments.....	6,164,690.60	
SFAS 133 Derivative Liability.....	2,588,561.49	
Derivative Liabilities - Non-Hedging.....	2,013,312.37	
Tax Collections Payable.....	1,435,086.90	
Postretirement Benefits - Current.....	624,694.04	
Home Energy Assistance.....	287,939.20	
Unearned Revenue.....	200,705.24	
Other.....	217,343.60	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 487,780,888.27
Federal.....		
Electric.....	362,845,446.18	
Gas.....	56,040,418.16	
State.....		
Electric.....	60,140,935.66	
Gas.....	8,754,088.27	
Investment Tax Credit.....		44,843,141.13
Advanced Coal Credit.....	23,616,638.00	
Job Development Credit.....		
Electric.....	20,568,807.98	
Gas.....	657,695.15	
Regulatory Liabilities.....		62,145,912.07
Deferred Taxes		
Federal		
Electric.....	28,248,289.30	
Gas.....	974,161.01	
State.....		
Electric.....	15,944,611.08	
Gas.....	2,388,138.68	
DSM Cost Recovery.....	6,298,727.17	
Gas Supply Clause/PBR.....	4,458,706.87	
Asset Retirement Obligations		
Gas.....	2,392,689.63	
Electric.....	805,986.05	
MISO Schedule 10 Charges.....	414,541.38	
Purchased Gas Adjustment - Texas Gas.....	220,060.90	
Customers' Advances for Construction.....		8,163,578.28
Line Extensions		
Gas.....	6,634,492.86	
Electric.....	768,812.96	
Customer Advances - Museum Plaza.....	695,725.44	
Other.....	64,547.02	
Asset Retirement Obligations.....		53,309,599.51
Electric.....	35,195,210.01	
Gas.....	18,010,654.83	
Common.....	103,734.67	
Other Deferred Credits.....	12,660,924.88	12,660,924.88
Miscellaneous Long-Term Liabilities.....		34,448,469.13
Long-Term Derivative Liabilities - SFAS 133.....	29,388,964.72	
Workers' Compensation.....	5,059,504.41	
Accumulated Provision for Benefits.....		148,212,254.21
Postretirement Benefits - SFAS 106.....	83,107,852.71	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(256,328.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,490,363,804.10</u>	<u>\$ 3,490,363,804.10</u>

April 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**March 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 39,095,447.79	\$ 32,449,701.05
Items not requiring (providing) cash currently:		
Depreciation.....	34,530,041.35	32,380,499.93
Amortization.....	1,929,384.09	2,132,331.45
Deferred income taxes - net.....	14,705,441.27	3,454,556.87
Investment tax credit - net.....	(681,435.00)	(625,445.00)
Other.....	7,270,599.42	5,273,441.47
Change in receivables.....	37,196,103.45	(2,013,028.24)
Change in inventory.....	40,267,160.84	27,425,070.39
Change in allowance inventory.....	284.14	191.01
Change in payables and accrued expenses.....	(17,970,975.02)	2,608,329.31
Change in regulatory assets.....	(9,369,464.61)	1,154,832.08
Change in regulatory liabilities.....	10,719,563.61	(26,687,157.22)
Change in other deferred debits.....	(7,054,772.62)	(920,928.99)
Change in other deferred credits.....	7,109,841.60	4,043,147.78
Other.....	(64,366,714.37)	(22,278,765.06)
Gain on disposal of assets.....	(1,034.71)	(26,050.00)
Net cash provided (used) by operating activities.....	<u>93,379,471.23</u>	<u>58,370,726.83</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(34,222,027.70)	19,392,152.02
Gross additions to common utility plant - construction expenditures.....	547,629.83	(2,013,141.52)
Change in restricted cash.....	(1,854,248.90)	(670.60)
Change in derivatives.....	3,778.13	445,783.58
Proceeds received from sales of property.....	1,034.71	26,050.00
Other.....	161,296,804.12	-
Net cash provided (used) by investing activities.....	<u>125,772,970.19</u>	<u>17,850,173.48</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(794,155.01)	(26,566.55)
Net change in short-term debt.....	(174,876,000.00)	(46,808,000.00)
Dividends on common stock.....	(17,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	<u>(192,920,155.01)</u>	<u>(76,834,566.55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	26,232,286.41	(613,666.24)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 28,358,298.25</u>	<u>\$ 4,581,820.14</u>

Certain reclassification entries have been made to the previous years' financial statements to conform to the 2011 presentation which resulted in an increase to cash from operations of \$51 million and a decrease to cash flows from investing of \$51 million.

April 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**March 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 335,937.54	\$ 335,937.51	\$ 1,343,749.95	\$ 1,343,750.04
Trimble County 2000 Series A due 08/01/30 Var%.....	22,593.04	65,475.85	80,221.48	92,143.05	379,359.39	312,934.48
Jefferson County 2001 Series A due 09/01/26 Var%.....	2,520.39	7,450.29	8,414.39	10,787.42	44,762.10	36,199.18
Trimble County 2001 Series A due 09/01/26 Var%.....	9,417.81	14,714.39	29,571.93	44,753.42	149,833.58	239,476.03
Jefferson County 2001 Series A due 09/01/27 Var%.....	23,886.99	12,039.04	69,349.32	34,600.68	223,656.19	189,357.53
Jefferson County 2001 Series B due 11/01/27 Var%.....	28,699.99	20,184.92	77,564.37	62,616.42	371,453.08	318,260.25
Trimble County 2001 Series B due 11/01/27 Var%.....	26,513.68	20,184.92	75,849.30	62,616.42	369,782.10	318,260.23
Trimble County 2002 Series A due 10/01/32 Var%.....	14,088.47	112,750.44	44,219.68	126,908.55	212,278.02	236,093.71
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	531,930.60	-	531,930.60	16,227.18
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	575,000.01	575,000.01	2,299,999.91	2,300,000.04
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	435,937.47	435,937.50	1,743,749.92	1,743,750.00
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	146,280.94	-	146,280.94	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	690,000.00	690,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	642,286.83	690,907.53	1,864,155.85	1,896,395.50	7,666,100.66	7,016,805.25
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	338,541.67	-	1,015,625.01	-	1,523,437.52	-
First Mortgage Bond due 11/15/2040 5.125%.....	1,217,187.50	-	3,651,562.50	-	5,477,343.75	-
Fidelia/PPL.....	-	2,220,150.01	-	6,660,450.01	16,660,125.02	26,641,800.18
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,263,094.72</b>	<b>3,842,815.73</b>	<b>9,816,625.40</b>	<b>11,028,146.49</b>	<b>42,683,526.08</b>	<b>43,472,914.10</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	174,306.87	15,518.34	520,320.46	46,555.02	927,140.45	186,160.45
Amortization of Loss on Reacquired Debt.....	101,002.97	100,864.68	303,008.91	302,500.51	1,211,759.13	1,257,083.99
<b>Total.....</b>	<b>275,309.84</b>	<b>116,383.02</b>	<b>823,329.37</b>	<b>349,055.53</b>	<b>2,138,899.58</b>	<b>1,443,244.44</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	111,521.09	105,899.89	320,762.44	341,428.43	1,368,240.47	1,440,415.85
Other Tax Deficiencies.....	-	-	-	-	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	(1,128.71)	13,741.86	1,182.54	15,639.66	11,958.12	121,890.69
Interest on Debt to Associated Companies.....	59.44	18,202.26	8,862.00	63,868.84	207,415.04	395,662.52
Other Interest Expense.....	46,035.81	62,883.05	130,126.35	127,440.83	945,455.69	618,610.21
<b>Total.....</b>	<b>156,487.63</b>	<b>200,727.06</b>	<b>460,933.33</b>	<b>548,377.76</b>	<b>2,515,569.32</b>	<b>2,561,699.27</b>
<b>Total Interest.....</b>	<b>\$ 3,694,892.19</b>	<b>\$ 4,159,925.81</b>	<b>\$ 11,100,888.10</b>	<b>\$ 11,925,579.78</b>	<b>\$ 47,337,994.98</b>	<b>\$ 47,477,857.81</b>

April 26, 2011



**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**March 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,449,790.00	\$ 1,221,512.78	\$ 4,349,370.00	\$ 3,667,004.98
Unemployment.....	7,749.12	8,522.04	98,627.46	109,149.96
FICA.....	731,887.96	684,984.50	1,980,045.10	1,907,070.18
Public Service Commission Fee.....	161,096.90	161,675.42	483,290.70	485,026.26
Federal Income.....	(10,334,822.63)	(5,215,007.69)	6,012,136.68	13,097,305.55
State Income.....	173,062.26	(1,049,867.21)	3,154,270.64	2,247,777.74
Miscellaneous.....	8,886.80	-	16,109.47	12,911.19
<b>Total Charged to Operating Expense.....</b>	<b>(7,802,349.59)</b>	<b>(4,188,180.16)</b>	<b>16,093,850.05</b>	<b>21,526,245.86</b>
Taxes Charged to Other Accounts.....	(155,990.98)	739,443.50	819,326.34	1,164,241.86
Taxes Accrued on Intercompany Accounts.....	(332,255.17)	(297,581.79)	(865,293.26)	(782,863.93)
<b>Total Taxes Charged.....</b>	<b>\$ (8,290,595.74)</b>	<b>\$ (3,746,318.45)</b>	<b>\$ 16,047,883.13</b>	<b>\$ 21,907,623.79</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 4,390,947.00	\$ 11,202,166.32	\$ 4,542,912.34
Unemployment.....	54,386.05	86,783.24	1,123.21	140,046.08
FICA.....	590,648.24	1,574,762.94	1,864,029.82	301,381.36
Federal Income.....	(3,741,320.05)	5,989,726.88	(7,270,002.00)	9,518,408.83
State Income.....	229,108.93	3,150,183.74	-	3,379,292.67
Kentucky Sales and Use Tax.....	1,088,857.95	791,381.66	1,459,840.41	420,399.20
Miscellaneous.....	22,339.97	64,097.67	79,707.58	6,730.06
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 16,047,883.13</b>	<b>\$ 7,336,865.34</b>	<b>\$ 18,309,170.54</b>

April 26, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 928,203.72	\$ (250,767.92)	\$ -	\$ 677,435.80	\$ 160,561,895.16
Common Intangible Plant.....	56,455,326.72	440,218.68	(826,740.33)	-	(386,521.65)	56,068,805.07
	<u>216,339,786.08</u>	<u>1,368,422.40</u>	<u>(1,077,508.25)</u>	<u>-</u>	<u>290,914.15</u>	<u>216,630,700.23</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	10,693,101.76	(3,537,174.56)	47,153.43	7,203,080.63	934,492,119.13
Electric General Plant.....	16,521,615.59	77,147.91	(1,889,481.22)	-	(1,812,333.31)	14,709,282.28
Electric Hydro Production.....	41,680,209.14	402,649.51	(55,573.58)	-	347,075.93	42,027,285.07
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	-	-	38,429.14	38,429.14	229,439,462.15
Electric Steam Production.....	1,930,347,044.43	5,122,724.17	(1,582,388.89)	4,144,130.56	7,684,465.84	1,938,031,510.27
Electric Transmission.....	247,742,496.14	1,061,254.20	(317,609.10)	(47,153.43)	696,491.67	248,438,987.81
	<u>3,392,983,777.10</u>	<u>17,356,877.55</u>	<u>(7,382,227.35)</u>	<u>4,182,559.70</u>	<u>14,157,209.90</u>	<u>3,407,140,987.00</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	21,495,060.04	(24,388.45)	97,729.20	21,568,400.79	571,367,521.49
Gas General Plant.....	9,178,093.57	35,817.00	(905,104.36)	(97,729.20)	(967,016.56)	8,211,077.01
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	136,146.75	(8,604.20)	-	127,542.55	78,542,853.61
Gas Transmission.....	16,661,869.68	27,814.84	(531.82)	-	27,283.02	16,689,152.70
	<u>654,055,582.50</u>	<u>21,694,838.63</u>	<u>(938,628.83)</u>	<u>-</u>	<u>20,756,209.80</u>	<u>674,811,792.30</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>40,420,138.58</u>	<u>(9,398,364.43)</u>	<u>4,182,559.70</u>	<u>35,204,333.85</u>	<u>4,298,583,479.53</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 2,713,637.31	\$ -	\$ -	\$ 2,713,637.31	\$ 3,310,795.94
Common Intangible Plant.....	2,714,931.36	2,092,077.28	-	-	2,092,077.28	4,807,008.64
	<u>3,312,089.99</u>	<u>4,805,714.59</u>	<u>-</u>	<u>-</u>	<u>4,805,714.59</u>	<u>8,117,804.58</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	5,346,097.08	-	-	5,346,097.08	16,890,830.98
Electric General Plant.....	50,763.87	69,778.27	-	-	69,778.27	120,542.14
Electric Hydro Production.....	16,952.26	(8,960.47)	-	-	(8,960.47)	7,991.79
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	1,556,638.84	-	-	1,556,638.84	3,323,847.05
Electric Steam Production.....	15,929,229.77	187,046,442.93	-	-	187,046,442.93	202,975,672.70
Electric Transmission.....	35,045,472.82	3,480,306.33	-	-	3,480,306.33	38,525,779.15
	<u>64,354,360.83</u>	<u>197,490,302.98</u>	<u>-</u>	<u>-</u>	<u>197,490,302.98</u>	<u>261,844,663.81</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(8,370,175.73)	-	-	(8,370,175.73)	16,049,980.43
Gas General Plant.....	126,992.17	(15,888.54)	-	-	(15,888.54)	111,103.63
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	371,094.54	-	-	371,094.54	1,322,520.60
Gas Transmission.....	-	762,650.19	-	-	762,650.19	762,650.19
	<u>25,498,574.39</u>	<u>(7,252,319.54)</u>	<u>-</u>	<u>-</u>	<u>(7,252,319.54)</u>	<u>18,246,254.85</u>
<b>Total 106 Accounts.....</b>	<u>93,165,025.21</u>	<u>195,043,698.03</u>	<u>-</u>	<u>-</u>	<u>195,043,698.03</u>	<u>288,208,723.24</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001.....</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001.....</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(6,721,766.82)	-	-	(6,721,766.82)	14,522,113.07
Electric.....	324,323,732.14	(192,448,414.63)	-	-	(192,448,414.63)	131,875,317.51
Gas.....	39,756,306.91	(5,244,665.52)	-	-	(5,244,665.52)	34,511,641.39
	<u>385,323,918.94</u>	<u>(204,414,846.97)</u>	<u>-</u>	<u>-</u>	<u>(204,414,846.97)</u>	<u>180,909,071.97</u>
<b>Total Plant (Non-CWIP).....</b>	<u>4,363,590,974.63</u>	<u>235,463,836.61</u>	<u>(9,398,364.43)</u>	<u>-</u>	<u>226,065,472.18</u>	<u>4,589,656,446.81</u>
<b>Total Plant + CWIP.....</b>	<u>4,748,914,893.57</u>	<u>31,048,989.64</u>	<u>(9,398,364.43)</u>	<u>-</u>	<u>21,650,625.21</u>	<u>4,770,565,518.78</u>
<b>Total Plant + CWIP - Non Utility.....</b>	<u>\$ 4,748,839,654.01</u>	<u>\$ 31,048,989.64</u>	<u>\$ (9,398,364.43)</u>	<u>\$ -</u>	<u>\$ 21,650,625.21</u>	<u>\$ 4,770,490,279.22</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2011**

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Life Reserve</b>									
Common General Plant.....	\$ (77,263,235.10)	\$ (3,095,249.01)	\$ 250,767.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80,107,716.19)
Common General Plant - ARO.....	(343.19)	(515.10)	-	-	-	-	-	-	(858.29)
Electric Distribution.....	(277,000,365.75)	(4,288,981.56)	3,537,174.56	(382.60)	-	-	-	-	(277,752,555.35)
Electric Distribution - ARO.....	(1,256.54)	(1,508.47)	-	-	-	-	-	-	(2,765.01)
Electric General Plant.....	(12,910,034.19)	(84,157.51)	1,889,481.22	-	-	-	-	-	(11,104,710.48)
Electric Hydro Production.....	(9,718,276.66)	(138,843.67)	55,573.58	-	-	-	-	-	(9,801,546.75)
Electric Hydro Production - ARO.....	(364.10)	(437.13)	-	-	-	-	-	-	(801.23)
Electric Other Production.....	(60,282,055.17)	(2,038,358.04)	-	-	-	-	-	-	(62,320,413.21)
Electric Other Production - ARO.....	(192.68)	(241.10)	-	-	-	-	-	-	(433.78)
Electric Steam Production.....	(1,029,518,070.37)	(13,999,737.71)	1,582,388.89	-	-	-	-	-	(1,041,935,419.19)
Electric Steam Production - ARO.....	(204,061.94)	(307,108.11)	-	-	-	-	-	-	(511,170.05)
Electric Transmission.....	(119,192,606.75)	(1,085,640.72)	317,609.10	382.60	-	-	-	-	(119,960,255.77)
Electric Transmission - ARO.....	(41.40)	(49.71)	-	-	-	-	-	-	(91.11)
Gas Distribution.....	(125,049,477.23)	(2,832,280.19)	24,388.45	(13,332.40)	-	-	-	-	(127,870,701.37)
Gas Distribution - ARO.....	(49,734.93)	(74,660.57)	-	-	-	-	-	-	(124,395.50)
Gas General Plant.....	(6,299,629.20)	(70,179.61)	905,104.36	13,332.40	-	-	-	-	(5,451,372.05)
Gas Storage.....	(31,288,281.49)	(268,341.74)	8,604.20	-	-	-	-	-	(31,548,019.03)
Gas Storage - ARO.....	(39,466.10)	(59,278.89)	-	-	-	-	-	-	(98,744.99)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(13,610.33)	531.82	-	-	-	-	-	(9,461,683.83)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	(63,360.36)
	(1,758,329,458.47)	(28,359,179.17)	8,571,624.10	-	-	-	-	-	(1,778,117,013.54)
<b>Cost Of Removal</b>									
Common General Plant.....	(688,372.47)	(68,221.70)	-	-	-	42,184.88	-	-	(714,409.29)
Electric Distribution.....	(146,715,298.78)	(1,696,816.94)	-	(55.48)	-	1,491,519.52	-	-	(146,920,651.68)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(10,549.91)	-	-	-	34,591.42	-	-	760,949.21
Electric Other Production.....	(2,505,175.99)	(87,529.36)	-	-	-	-	-	-	(2,592,705.35)
Electric Steam Production.....	(94,783,295.15)	(4,161,355.11)	-	-	-	303,360.11	-	-	(98,641,290.15)
Electric Transmission.....	(24,538,454.78)	(349,946.29)	-	55.48	-	(115,875.92)	-	-	(25,004,221.51)
Gas Distribution.....	(60,212,131.14)	(797,020.76)	-	-	-	62,501.18	-	-	(60,946,650.72)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(34,625.19)	-	-	-	-	-	-	(205,063.09)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(3,365.35)	-	-	-	32,210.90	-	-	(2,987,968.40)
Non Utility Property.....	-	-	-	-	-	-	-	-	-
	\$ (331,889,205.84)	\$ (7,209,430.61)	\$ -	\$ -	\$ -	\$ 1,850,492.09	\$ -	\$ -	\$ (337,248,144.36)

April 26, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2011**

	Beginning Balance	Accruals	Retirements	Transfers/ Adjustments	RWIP Transfers Out	Cost of Removal	Salvage	Other Credits	Ending Balance
<b>Salvage</b>									
Common General Plant.....	\$ 278,074.55	\$ 95.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,170.37
Electric Distribution.....	17,535,024.98	343,108.04	-	-	-	-	(176,247.66)	-	17,701,885.36
Electric General Plant.....	138,281.25	577.65	-	-	-	-	-	-	138,858.90
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	498,443.53	-	-	-	-	-	-	22,527,013.67
Electric Transmission.....	6,247,368.67	64,756.02	-	-	-	-	-	-	6,312,124.69
Gas Distribution.....	3,594,440.75	48,954.30	-	-	-	-	-	-	3,643,395.05
Gas General Plant.....	225,788.37	524.04	-	-	-	-	-	-	226,312.41
Gas Storage.....	269,933.04	4,217.87	-	-	-	-	-	-	274,150.91
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	1,262.00	-	-	-	-	-	-	219,185.11
Non Utility Property.....	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>961,939.27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(176,247.66)</u>	<u>-</u>	<u>51,678,735.97</u>
<b>Total Reserves</b>									
Common.....	(77,737,236.57)	(3,163,889.99)	250,767.92	-	-	42,184.88	-	-	(80,608,173.76)
Electric.....	(1,730,321,891.37)	(27,344,376.10)	7,382,227.35	-	-	1,713,595.13	(176,247.66)	-	(1,748,746,692.65)
Gas.....	(231,266,492.01)	(4,098,404.42)	938,628.83	-	-	94,712.08	-	-	(234,331,555.52)
	<u>(2,039,325,619.95)</u>	<u>(34,606,670.51)</u>	<u>8,571,624.10</u>	<u>-</u>	<u>-</u>	<u>1,850,492.09</u>	<u>(176,247.66)</u>	<u>-</u>	<u>(2,063,686,421.93)</u>
<b>Retirement Work In Progress</b>									
Common.....	342,947.00	-	-	-	(42,184.88)	(29,568.94)	(17,894.00)	-	253,299.18
Electric.....	9,603,653.21	-	-	78,125.77	(1,537,347.47)	1,884,989.16	(47,885.81)	(27,505.85)	9,954,029.01
Gas.....	2,523,160.64	-	-	(78,125.77)	(94,712.08)	397,338.10	(3,332.90)	(2,374.27)	2,741,953.72
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,674,244.43)</u>	<u>2,252,758.32</u>	<u>(69,112.71)</u>	<u>(29,880.12)</u>	<u>12,949,281.91</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(34,606,670.51)</u>	<u>8,571,624.10</u>	<u>-</u>	<u>(1,674,244.43)</u>	<u>4,103,250.41</u>	<u>(245,360.37)</u>	<u>(29,880.12)</u>	<u>(2,050,737,140.02)</u>
<b>Amortization</b>									
Common.....	(16,306,390.60)	(1,929,384.09)	826,740.33	-	-	-	-	-	(17,409,034.36)
Electric.....	(100.00)	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(1,929,384.09)</u>	<u>826,740.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,409,934.36)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (36,536,054.60)</u>	<u>\$ 9,398,364.43</u>	<u>\$ -</u>	<u>\$ (1,674,244.43)</u>	<u>\$ 4,103,250.41</u>	<u>\$ (245,360.37)</u>	<u>\$ (29,880.12)</u>	<u>\$ (2,068,147,074.38)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>									<u>(2,068,083,714.02)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>								<u>\$ 2,702,406,565.20</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**March 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 82,777,821.36	\$ -	\$ 82,777,821.36
Gas Operating Revenues.....	34,497,178.98	-	34,497,178.98
<b>Total Operating Revenues.....</b>	<b>117,275,000.34</b>	<b>-</b>	<b>117,275,000.34</b>
Fuel for Electric Generation.....	28,128,732.02	-	28,128,732.02
Power Purchased.....	6,491,986.81	-	6,491,986.81
Gas Supply Expenses.....	18,277,470.30	-	18,277,470.30
Other Operation Expenses.....	21,074,094.42	1,181,961.00	22,256,055.42
Maintenance.....	13,016,624.79	-	13,016,624.79
Depreciation.....	11,654,406.51	(30.53)	11,654,375.98
Amortization Expense.....	647,548.98	-	647,548.98
Regulatory Credits.....	(368,446.61)	-	(368,446.61)
Taxes			
Federal Income.....	(10,334,822.63)	-	(10,334,822.63)
State Income.....	173,062.26	-	173,062.26
Deferred Federal Income - Net.....	13,658,478.51	(380,624.32)	13,277,854.19
Deferred State Income - Net.....	341,927.36	(69,414.76)	272,512.60
Property and Other.....	2,359,410.78	-	2,359,410.78
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	220,545.82	-	220,545.82
<b>Total Operating Expenses.....</b>	<b>105,102,407.38</b>	<b>731,891.39</b>	<b>105,834,298.77</b>
<b>Net Operating Income.....</b>	<b>12,172,592.96</b>	<b>(731,891.39)</b>	<b>11,440,701.57</b>
Other Income Less Deductions.....	(1,185,811.78)	-	(1,185,811.78)
<b>Income Before Interest Charges.....</b>	<b>10,986,781.18</b>	<b>(731,891.39)</b>	<b>10,254,889.79</b>
Interest on Long-Term Debt.....	3,263,094.72	(25,017.63)	3,238,077.09
Amortization of Debt Expense - Net.....	275,309.84	-	275,309.84
Other Interest Expenses.....	156,487.63	-	156,487.63
<b>Total Interest Charges.....</b>	<b>3,694,892.19</b>	<b>(25,017.63)</b>	<b>3,669,874.56</b>
<b>Net Income.....</b>	<b>\$ 7,291,888.99</b>	<b>\$ (706,873.76)</b>	<b>\$ 6,585,015.23</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**March 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 256,266,504.32	\$ -	\$ 256,266,504.32
Gas Operating Revenues.....	137,442,353.62	-	137,442,353.62
<b>Total Operating Revenues.....</b>	<b>393,708,857.94</b>	<b>-</b>	<b>393,708,857.94</b>
Fuel for Electric Generation.....	88,269,821.95	-	88,269,821.95
Power Purchased.....	19,611,301.06	-	19,611,301.06
Gas Supply Expenses.....	83,628,346.24	-	83,628,346.24
Other Operation Expenses.....	58,730,273.53	27,884.66	58,758,158.19
Maintenance.....	27,660,089.18	-	27,660,089.18
Depreciation.....	34,530,041.35	(58.88)	34,529,982.47
Amortization Expense.....	1,929,384.09	-	1,929,384.09
Regulatory Credits.....	(1,102,609.68)	-	(1,102,609.68)
Taxes			
Federal Income.....	6,012,136.68	-	6,012,136.68
State Income.....	3,154,270.64	-	3,154,270.64
Deferred Federal Income - Net.....	13,658,485.33	15,537.72	13,674,023.05
Deferred State Income - Net.....	341,927.36	2,833.63	344,760.99
Property and Other.....	6,927,442.73	-	6,927,442.73
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(681,435.00)	-	(681,435.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	658,810.60	-	658,810.60
<b>Total Operating Expenses.....</b>	<b>343,325,708.12</b>	<b>46,197.13</b>	<b>343,371,905.25</b>
Net Operating Income.....	50,383,149.82	(46,197.13)	50,336,952.69
Other Income Less Deductions.....	(186,813.93)	-	(186,813.93)
<b>Income Before Interest Charges.....</b>	<b>50,196,335.89</b>	<b>(46,197.13)</b>	<b>50,150,138.76</b>
Interest on Long-Term Debt.....	9,816,625.40	(75,052.89)	9,741,572.51
Amortization of Debt Expense - Net.....	823,329.37	-	823,329.37
Other Interest Expenses.....	460,933.33	-	460,933.33
<b>Total Interest Charges.....</b>	<b>11,100,888.10</b>	<b>(75,052.89)</b>	<b>11,025,835.21</b>
<b>Net Income.....</b>	<b>\$ 39,095,447.79</b>	<b>\$ 28,855.76</b>	<b>\$ 39,124,303.55</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 842,546,810.76	\$ 789,099,827.24	\$ (808,163,552.92)	\$ -	\$ 34,383,257.84	\$ 789,099,827.24
Add:						
Net Income (Loss) for Period.....	7,291,888.99	(1,371,259.95)	(706,873.76)	-	6,585,015.23	(1,371,259.95)
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	30,000,000.00	-	-	-	30,000,000.00
Balance at End of Period.....	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>	<u>\$ (808,870,426.68)</u>	<u>\$ -</u>	<u>\$ 40,968,273.07</u>	<u>\$ 757,728,567.29</u>

Note: Purchase accounting is subject to change through October 31, 2011

April 26, 2011



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	39,095,447.79	32,449,701.05	28,855.76	-	39,124,303.55	32,449,701.05
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	17,250,000.00	30,000,000.00	-	-	17,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>	<u>\$ (808,870,426.68)</u>	<u>\$ -</u>	<u>\$ 40,968,273.07</u>	<u>\$ 757,728,567.29</u>

Note: Purchase accounting is subject to change through October 31, 2011

April 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 757,728,567.29	\$ 709,742,492.69	\$ -	\$ -	\$ 757,728,567.29	\$ 709,742,492.69
Add:						
Net Income (Loss) for Period.....	134,360,132.46	122,986,074.60	76,464.84	-	134,436,597.30	122,986,074.60
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	42,250,000.00	75,000,000.00	-	-	42,250,000.00	75,000,000.00
Balance at End of Period.....	<u>\$ 849,838,699.75</u>	<u>\$ 757,728,567.29</u>	<u>\$ (808,870,426.68)</u>	<u>\$ -</u>	<u>\$ 40,968,273.07</u>	<u>\$ 757,728,567.29</u>

Note: Purchase accounting is subject to change through October 31, 2011

April 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of March 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,770,490,279.22	\$ (1,751,819,297.13)	\$ 3,018,670,982.09
Less Reserves for Depreciation and Amortization.....	2,068,083,714.02	(1,751,819,356.01)	316,264,358.01
<b>Total.....</b>	<b>2,702,406,565.20</b>	<b>58.88</b>	<b>2,702,406,624.08</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	20,180,403.81	-	20,180,403.81
<b>Total.....</b>	<b>20,786,569.01</b>	<b>-</b>	<b>20,786,569.01</b>
<b>Current and Accrued Assets</b>			
Cash.....	28,355,866.45	-	28,355,866.45
Special Deposits.....	4,098,610.17	-	4,098,610.17
Temporary Cash Investments.....	2,431.80	-	2,431.80
Accounts Receivable - Less Reserve.....	133,817,500.02	-	133,817,500.02
Accounts Receivable from Associated Companies....	24,396,918.17	-	24,396,918.17
Materials and Supplies - At Average Cost.....			
Fuel.....	67,368,406.54	-	67,368,406.54
Plant Materials and Operating Supplies.....	30,050,637.73	-	30,050,637.73
Stores Expense.....	5,108,104.12	-	5,108,104.12
Gas Stored Underground.....	19,475,230.55	-	19,475,230.55
Emission Allowances.....	2,444.82	6,043,930.56	6,046,375.38
Prepayments.....	6,469,399.17	-	6,469,399.17
Miscellaneous Current and Accrued Assets.....	941,878.08	-	941,878.08
<b>Total.....</b>	<b>320,087,427.62</b>	<b>6,043,930.56</b>	<b>326,131,358.18</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,460,450.73	(3,621,101.94)	9,839,348.79
Unamortized Loss on Bonds.....	21,631,640.60	-	21,631,640.60
Accumulated Deferred Income Taxes.....	53,426,611.12	83,151,053.04	136,577,664.16
Deferred Regulatory Assets.....	357,236,196.73	12,490,357.38	369,726,554.11
Other Deferred Debits.....	1,328,343.09	192,391,105.45	193,719,448.54
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>447,083,242.27</b>	<b>673,568,765.52</b>	<b>1,120,652,007.79</b>
<b>Total Assets.....</b>	<b>\$ 3,490,363,804.10</b>	<b>\$ 679,612,754.96</b>	<b>\$ 4,169,976,559.06</b>

Note: Purchase accounting is subject to change through October 31, 2011

April 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of March 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	849,838,699.75	(808,870,426.68)	40,968,273.07
<b>Total Proprietary Capital.....</b>	<b>1,357,754,734.20</b>	<b>385,215,442.34</b>	<b>1,742,970,176.54</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,451,628.85	580,755,628.85
First Mortgage Bonds.....	531,121,647.48	-	531,121,647.48
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,425,647.48</b>	<b>6,451,628.85</b>	<b>1,111,877,276.33</b>
<b>Total Capitalization.....</b>	<b>2,463,180,381.68</b>	<b>391,667,071.19</b>	<b>2,854,847,452.87</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	75,673,663.92	-	75,673,663.92
Accounts Payable to Associated Companies.....	14,546,268.31	-	14,546,268.31
Customer Deposits.....	23,240,672.59	-	23,240,672.59
Taxes Accrued.....	18,309,170.54	-	18,309,170.54
Dividends Declared.....	-	-	-
Interest Accrued.....	11,708,678.03	-	11,708,678.03
Miscellaneous Current and Accrued Liabilities.....	32,140,201.55	-	32,140,201.55
<b>Total.....</b>	<b>175,618,654.94</b>	<b>-</b>	<b>175,618,654.94</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	487,780,888.27	80,641,392.32	568,422,280.59
Investment Tax Credit.....	44,843,141.13	-	44,843,141.13
Regulatory Liabilities.....	62,145,912.07	198,435,036.01	260,580,948.08
Customer Advances for Construction.....	8,163,578.28	-	8,163,578.28
Asset Retirement Obligations.....	53,309,599.51	-	53,309,599.51
Other Deferred Credits.....	12,660,924.88	8,869,255.44	21,530,180.32
Miscellaneous Long-Term Liabilities.....	34,448,469.13	-	34,448,469.13
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	148,212,254.21	-	148,212,254.21
<b>Total.....</b>	<b>851,564,767.48</b>	<b>287,945,683.77</b>	<b>1,139,510,451.25</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,490,363,804.10</b>	<b>\$ 679,612,754.96</b>	<b>\$ 4,169,976,559.06</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - April 30, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

April 30, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**April 30, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 73,908,472.30	\$ 69,696,210.01	\$ 4,212,262.29	6.04
Gas Operating Revenues.....	18,642,881.93	13,495,328.29	5,147,553.64	38.14
<b>Total Operating Revenues.....</b>	<b>92,551,354.23</b>	<b>83,191,538.30</b>	<b>9,359,815.93</b>	<b>11.25</b>
Fuel for Electric Generation.....	26,601,752.01	27,565,248.99	(963,496.98)	(3.50)
Power Purchased.....	4,930,724.70	3,613,611.17	1,317,113.53	36.45
Gas Supply Expenses.....	8,665,043.42	5,061,333.84	3,603,709.58	71.20
Other Operation Expenses.....	17,724,384.01	17,783,707.78	(59,323.77)	(0.33)
Maintenance.....	11,168,994.71	10,337,593.60	831,401.11	8.04
Depreciation.....	11,806,358.00	10,847,126.18	959,231.82	8.84
Amortization Expense.....	657,834.15	608,531.20	49,302.95	8.10
Regulatory Credits.....	(467,346.27)	(181,685.10)	(285,661.17)	(157.23)
Taxes				
Federal Income.....	1,727,882.62	1,404,772.59	323,110.03	23.00
State Income.....	315,115.37	256,189.52	58,925.85	23.00
Deferred Federal Income - Net.....	-	(958,044.71)	958,044.71	100.00
Deferred State Income - Net.....	-	(174,719.40)	174,719.40	100.00
Property and Other.....	2,272,396.13	1,973,711.81	298,684.32	15.13
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	221,493.64	167,045.35	54,448.29	32.59
<b>Total Operating Expenses.....</b>	<b>85,388,598.49</b>	<b>78,095,941.82</b>	<b>7,292,656.67</b>	<b>9.34</b>
Net Operating Income.....	7,162,755.74	5,095,596.48	2,067,159.26	40.57
Other Income Less Deductions.....	(961,726.27)	(1,639,854.76)	678,128.49	41.35
<b>Income Before Interest Charges.....</b>	<b>6,201,029.47</b>	<b>3,455,741.72</b>	<b>2,745,287.75</b>	<b>79.44</b>
Interest on Long-Term Debt.....	3,322,584.57	3,747,395.83	(424,811.26)	(11.34)
Amortization of Debt Expense - Net.....	275,309.85	116,383.02	158,926.83	136.56
Other Interest Expenses.....	119,638.44	193,468.17	(73,829.73)	(38.16)
<b>Total Interest Charges.....</b>	<b>3,717,532.86</b>	<b>4,057,247.02</b>	<b>(339,714.16)</b>	<b>(8.37)</b>
<b>Net Income.....</b>	<b>\$ 2,483,496.61</b>	<b>\$ (601,505.30)</b>	<b>\$ 3,085,001.91</b>	<b>512.88</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 330,174,976.62	\$ 299,991,555.44	\$ 30,183,421.18	10.06
Gas Operating Revenues.....	156,085,235.55	149,200,459.86	6,884,775.69	4.61
<b>Total Operating Revenues.....</b>	<b>486,260,212.17</b>	<b>449,192,015.30</b>	<b>37,068,196.87</b>	<b>8.25</b>
Fuel for Electric Generation.....	114,871,573.96	110,707,297.44	4,164,276.52	3.76
Power Purchased.....	24,542,025.76	20,100,272.07	4,441,753.69	22.10
Gas Supply Expenses.....	92,293,389.66	88,059,327.25	4,234,062.41	4.81
Other Operation Expenses.....	76,454,657.54	72,610,110.01	3,844,547.53	5.29
Maintenance.....	38,829,083.89	36,326,370.91	2,502,712.98	6.89
Depreciation.....	46,336,399.35	43,227,626.11	3,108,773.24	7.19
Amortization Expense.....	2,587,218.24	2,740,862.65	(153,644.41)	(5.61)
Regulatory Credits.....	(1,569,955.95)	(721,768.32)	(848,187.63)	(117.52)
Taxes				
Federal Income.....	7,740,019.30	14,502,078.14	(6,762,058.84)	(46.63)
State Income.....	3,469,386.01	2,503,967.26	965,418.75	38.56
Deferred Federal Income - Net.....	13,658,485.33	1,920,879.99	11,737,605.34	611.05
Deferred State Income - Net.....	341,927.36	400,912.77	(58,985.41)	(14.71)
Property and Other.....	9,199,838.86	8,154,874.38	1,044,964.48	12.81
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(917,469.00)	(833,926.00)	(83,543.00)	(10.02)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	880,304.24	663,209.30	217,094.94	32.73
<b>Total Operating Expenses.....</b>	<b>428,714,306.61</b>	<b>400,327,633.82</b>	<b>28,386,672.79</b>	<b>7.09</b>
Net Operating Income.....	57,545,905.56	48,864,381.48	8,681,524.08	17.77
Other Income Less Deductions.....	(1,148,540.20)	(1,033,358.93)	(115,181.27)	(11.15)
<b>Income Before Interest Charges.....</b>	<b>56,397,365.36</b>	<b>47,831,022.55</b>	<b>8,566,342.81</b>	<b>17.91</b>
Interest on Long-Term Debt.....	13,139,209.97	14,775,542.32	(1,636,332.35)	(11.07)
Amortization of Debt Expense - Net.....	1,098,639.22	465,438.55	633,200.67	136.04
Other Interest Expenses.....	580,571.77	741,845.93	(161,274.16)	(21.74)
<b>Total Interest Charges.....</b>	<b>14,818,420.96</b>	<b>15,982,826.80</b>	<b>(1,164,405.84)</b>	<b>(7.29)</b>
<b>Net Income.....</b>	<b>\$ 41,578,944.40</b>	<b>\$ 31,848,195.75</b>	<b>\$ 9,730,748.65</b>	<b>30.55</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,045,794,988.15	\$ 919,320,092.52	\$ 126,474,895.63	13.76
Gas Operating Revenues.....	309,832,131.57	286,216,229.20	23,615,902.37	8.25
<b>Total Operating Revenues.....</b>	<b>1,355,627,119.72</b>	<b>1,205,536,321.72</b>	<b>150,090,798.00</b>	<b>12.45</b>
Fuel for Electric Generation.....	372,720,602.86	321,445,856.62	51,274,746.24	15.95
Power Purchased.....	58,821,472.38	55,430,103.58	3,391,368.80	6.12
Gas Supply Expenses.....	173,237,670.46	164,433,052.35	8,804,618.11	5.35
Other Operation Expenses.....	230,657,552.10	216,146,486.61	14,511,065.49	6.71
Maintenance.....	114,203,818.06	63,299,842.14	50,903,975.92	80.42
Depreciation.....	134,318,776.51	129,661,021.33	4,657,755.18	3.59
Amortization Expense.....	7,573,344.49	8,607,032.81	(1,033,688.32)	(12.01)
Regulatory Credits.....	(5,117,919.08)	(2,165,646.56)	(2,952,272.52)	(136.32)
Taxes				
Federal Income.....	22,112,548.34	43,285,674.46	(21,173,126.12)	(48.91)
State Income.....	7,012,586.18	6,806,064.74	206,521.44	3.03
Deferred Federal Income - Net.....	39,404,610.34	8,709,868.00	30,694,742.34	352.41
Deferred State Income - Net.....	2,311,039.03	2,151,974.66	159,064.37	7.39
Property and Other.....	23,616,588.30	22,643,657.68	972,930.62	4.30
Investment Tax Credit.....	-	2,737,009.49	(2,737,009.49)	(100.00)
Amortization of Investment Tax Credit.....	(2,585,317.00)	(2,917,274.28)	331,957.28	11.38
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,501,200.57	1,977,653.24	1,523,547.33	77.04
<b>Total Operating Expenses.....</b>	<b>1,181,785,995.60</b>	<b>1,042,217,916.73</b>	<b>139,568,078.87</b>	<b>13.39</b>
Net Operating Income.....	173,841,124.12	163,318,404.99	10,522,719.13	6.44
Other Income Less Deductions.....	10,602,291.07	3,151,136.65	7,451,154.42	236.46
<b>Income Before Interest Charges.....</b>	<b>184,443,415.19</b>	<b>166,469,541.64</b>	<b>17,973,873.55</b>	<b>10.80</b>
Interest on Long-Term Debt.....	42,258,714.82	43,587,189.08	(1,328,474.26)	(3.05)
Amortization of Debt Expense - Net.....	2,297,826.41	1,435,480.97	862,345.44	60.07
Other Interest Expenses.....	2,441,739.59	2,573,676.86	(131,937.27)	(5.13)
<b>Total Interest Charges.....</b>	<b>46,998,280.82</b>	<b>47,596,346.91</b>	<b>(598,066.09)</b>	<b>(1.26)</b>
<b>Net Income.....</b>	<b>\$ 137,445,134.37</b>	<b>\$ 118,873,194.73</b>	<b>\$ 18,571,939.64</b>	<b>15.62</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**April 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 849,838,699.75	\$ 757,728,567.29	\$ 827,993,251.96	\$ 755,278,866.24	\$ 757,127,061.99	\$ 713,253,867.26
Add:						
Net Income for Period.....	2,483,496.61	(601,505.30)	41,578,944.40	31,848,195.75	137,445,134.37	118,873,194.73
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	17,250,000.00	30,000,000.00	42,250,000.00	75,000,000.00
Balance at End of Period.....	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>

May 26, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of April 30, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,782,878,078.55	\$ 4,564,494,960.09	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less Reserves for Depreciation and Amortization....	<u>2,077,990,172.73</u>	<u>1,991,374,248.54</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,704,887,905.82</u>	<u>2,573,120,711.55</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(11,094,243.55)
			Retained Earnings.....	<u>852,322,196.36</u>	<u>757,127,061.99</u>
Investments			Total Proprietary Capital.....	<u>1,360,238,230.81</u>	<u>1,253,948,852.89</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Pollution Control Bonds - Net of Reacquired Bonds.	574,304,000.00	411,104,000.00
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	First Mortgage Bonds.....	531,144,969.14	-
Special Funds.....	<u>20,392,613.99</u>	<u>14,729,449.18</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Total.....	<u>20,998,779.19</u>	<u>15,335,614.38</u>	Total Long-Term Debt.....	<u>1,105,448,969.14</u>	<u>896,104,000.00</u>
Current and Accrued Assets			Total Capitalization.....	<u>2,465,687,199.95</u>	<u>2,150,052,852.89</u>
Cash.....	32,004,651.77	5,847,850.51	Current and Accrued Liabilities		
Special Deposits.....	5,336,432.10	755,355.97	ST Notes Payable to Associated Companies.....	-	133,491,400.00
Temporary Cash Investments.....	32,004,573.78	119.71	Accounts Payable.....	72,770,225.00	68,051,345.04
Accounts Receivable - Less Reserve.....	116,387,007.31	118,456,375.85	Accounts Payable to Associated Companies.....	27,020,672.69	30,812,887.97
Accounts Receivable from Associated Companies....	11,414,595.15	12,314,747.96	Customer Deposits.....	23,394,006.56	23,941,242.89
Materials and Supplies - At Average Cost.....			Taxes Accrued.....	7,782,784.18	13,407,762.97
Fuel.....	64,634,046.64	73,203,744.22	Interest Accrued.....	13,874,035.61	4,315,904.54
Plant Materials and Operating Supplies.....	29,834,678.95	29,387,046.33	Miscellaneous Current and Accrued Liabilities.....	<u>29,874,305.15</u>	<u>34,238,967.29</u>
Stores Expense.....	5,079,805.34	4,653,117.81	Total.....	<u>174,716,029.19</u>	<u>308,259,510.70</u>
Gas Stored Underground.....	14,392,608.85	14,842,906.51			
Emission Allowances.....	2,409.88	3,916.15	Deferred Credits and Other		
Prepayments.....	7,049,940.71	6,542,096.80	Accumulated Deferred Income Taxes.....	487,780,888.27	425,917,166.76
Miscellaneous Current and Accrued Assets.....	<u>724,075.07</u>	<u>5,801,250.84</u>	Investment Tax Credit.....	44,607,107.13	47,192,424.13
Total.....	<u>318,864,825.55</u>	<u>271,808,528.66</u>	Regulatory Liabilities.....	61,508,554.02	56,089,200.04
Deferred Debits and Other			Customer Advances for Construction.....	8,115,146.29	9,395,487.39
Unamortized Debt Expense.....	13,309,465.49	3,792,088.35	Asset Retirement Obligations.....	53,172,083.34	33,706,838.44
Unamortized Loss on Bonds.....	21,530,637.65	22,742,534.79	Other Deferred Credits.....	15,198,179.97	15,483,167.15
Accumulated Deferred Income Taxes.....	53,426,611.12	51,895,455.16	Miscellaneous Long-Term Liabilities.....	36,567,706.97	36,593,225.16
Deferred Regulatory Assets.....	361,306,009.06	320,567,422.64	Accum Provision for Postretirement Benefits.....	<u>148,223,311.76</u>	<u>178,668,451.10</u>
Other Deferred Debits.....	<u>1,251,973.01</u>	<u>2,095,968.23</u>	Total.....	<u>855,172,977.75</u>	<u>803,045,960.17</u>
Total.....	<u>450,824,696.33</u>	<u>401,093,469.17</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,495,576,206.89</u>	<u>\$ 3,261,358,323.76</u>
Total Assets.....	<u>\$ 3,495,576,206.89</u>	<u>\$ 3,261,358,323.76</u>			

May 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**April 30, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>852,322,196.36</u>	
<b>Total Proprietary Capital.....</b>			<u>1,360,238,230.81</u>	<u>55.17</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2002 Series A due 10/01/32 Var%.....			41,665,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			<u>574,304,000.00</u>	<u>23.29</u>
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			<u>535,000,000.00</u>	<u>21.70</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(801,604.18)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,053,426.68)</u>	
			<u>(3,855,030.86)</u>	<u>-0.16</u>
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,144,969.14</u>	<u>21.54</u>
<b>Total Capitalization.....</b>			<u>\$ 2,465,687,199.95</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,782,878,078.55	\$ 4,782,878,078.55
Reserves for Depreciation and Amortization.....		(2,077,990,172.73)
Depreciation of Plant.....		
Electric.....	(1,746,215,668.26)	
Gas.....	(232,352,708.30)	
Common.....	(81,354,027.66)	
Amortization of Plant		
Common.....	(18,066,868.51)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		20,998,779.19
Special Funds.....	20,392,613.99	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	32,004,651.77	32,004,651.77
Special Deposits.....		5,336,432.10
MAN Margin Call.....	4,640,670.93	
Other Special Deposits.....	695,761.17	
Temporary Cash Investments.....	32,004,573.78	32,004,573.78
Accounts Receivable - Less Reserve.....		116,387,007.31
Customers - Active.....	65,393,177.07	
Unbilled Revenues.....	43,830,487.92	
Bechtel Liquidated Damages.....	2,332,584.40	
Insurance Claims.....	2,029,443.27	
IMEA.....	1,934,271.58	
IMPA.....	1,812,894.28	
Wholesale Sales.....	1,104,647.48	
Sundry Accounts Receivable.....	950,610.50	
Damage Claims.....	393,063.22	
Transmission Sales.....	351,141.34	
Electricity Swaps.....	76,784.71	
Officers and Employees.....	39.83	
IMEA/IMPA Net Portion of Bechtel Liquidated damages.....	(232,987.48)	
Other.....	195,840.16	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,715,302.69	
Reserve.....	(1,996,418.00)	
Bechtel Reserve.....	(1,400,634.40)	
Accrual.....	(1,258,028.71)	
Recoveries.....	(457,273.98)	
A/R Miscellaneous.....	(387,938.57)	
Accounts Receivable from Associated Companies.....		11,414,595.15
LG&E-KU Energy Services /Kentucky Utilities.....	11,414,595.15	
Fuel.....		64,634,046.64
Coal 1,418,917.23 Tons @ \$45.15; MMBtu 32,334,980.73 @ 198.13¢.....	64,065,900.37	
Fuel Oil 195,650.24 Gallons @ 268.61¢.....	525,541.15	
Gas Pipeline 5,200.00 Mcf @ \$8.19.....	42,605.12	
Plant Materials and Operating Supplies.....		29,834,678.95
Regular Materials and Supplies.....	29,328,490.94	
Limestone 58,596.47 Tons @ \$8.64.....	506,188.01	
Stores Expense Undistributed.....	5,079,805.34	5,079,805.34
Gas Stored Underground - Current.....		14,392,608.85
Gas Stored Underground* 2,916,731.00 Mcf (14.73 psia) @ \$4.93.....	14,392,608.85	
Emission Allowances.....	2,409.88	2,409.88

May 26, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 7,049,940.71
Insurance.....	5,223,189.16	
Taxes.....	322,193.84	
Franchises.....	257,921.85	
Rights of Way.....	240,000.04	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	916,635.82	
Miscellaneous Current Assets.....		724,075.07
Derivative Asset - Non-Hedging.....	724,075.07	
Unamortized Debt Expense.....		13,309,465.49
Trimble County 2000 Series A due 08/01/30 Var%.....	745,116.92	
Jefferson County 2001 Series A due 09/01/26 Var%.....	152,164.50	
Trimble County 2001 Series A due 09/01/26 Var%.....	165,446.44	
Jefferson County 2001 Series A due 09/01/27 Var%.....	333,077.44	
Jefferson County 2001 Series B due 11/01/27 Var%.....	181,421.62	
Trimble County 2001 Series B due 11/01/27 Var%.....	181,451.38	
Trimble County 2002 Series A due 10/01/32 Var%.....	797,158.57	
Louisville Metro 2003 Series A 11/20/03 Due 10/01/33 1.900%.....	423,843.02	
Trimble County 2007 Series A due 06/01/33 4.600%.....	149,321.34	
Louisville Metro 2007 Series B 04/26/07 Due 06/01/33 1.900%.....	1,049,718.26	
First Mortgage Bond due 11/15/15 1.625%.....	2,115,360.14	
First Mortgage Bond due 11/15/40 5.125%.....	3,268,880.73	
Revolving Credit Agreement.....	3,746,505.13	
Unamortized Loss on Bonds.....	21,530,637.65	21,530,637.65
Accumulated Deferred Income Taxes.....		53,426,611.12
Federal		
Electric.....	34,901,504.65	
Gas.....	9,369,848.36	
State		
Electric.....	7,420,325.14	
Gas.....	1,734,932.97	
Regulatory Assets.....		361,306,009.06
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	40,550,511.81	
Interest Rate Ineffectiveness.....	34,277,580.41	
2008 Wind Storm.....	21,774,807.83	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,716,651.23	
State		
Electric.....	2,319,146.12	
Swap Termination.....	9,109,539.06	
Asset Retirement Obligations.....		
Electric.....	7,487,880.88	
Gas.....	558,326.17	
Common.....	3,850.36	
Environmental Cost Recovery.....	5,766,408.00	
Gas Supply Clause/PBR.....	5,364,927.56	
Fuel Adjustment Clause.....	4,324,000.00	
Rate Case Expenses.....	1,265,564.90	
MISO Exit Fee.....	1,259,522.30	
KCCS Funding.....	713,407.91	
EKPC FERC Transmission Costs.....	480,455.12	
CMRG Funding.....	121,950.00	
General Management Audit.....	30,809.40	
Other Deferred Debits.....	1,251,973.01	1,251,973.01
Total Assets.....	<u>\$ 3,495,576,206.89</u>	<u>\$ 3,495,576,206.89</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,360,238,230.81
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	852,322,196.36	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,144,969.14	531,144,969.14
Accounts Payable.....		72,770,225.00
Regular.....	69,374,194.26	
Salaries and Wages Accrued.....	3,361,837.25	
Employee Withholdings Payable.....	34,193.49	
Accounts Payable to Associated Companies.....		27,020,672.69
LG&E-KU Energy Services /Kentucky Utilities.....	27,020,672.69	
Customers' Deposits.....	23,394,006.56	23,394,006.56
Taxes Accrued.....	7,782,784.18	7,782,784.18
Interest Accrued.....		13,874,035.61
Jefferson County 2000 Series A due 05/01/27 5.375%.....	671,875.00	
Trimble County 2000 Series A due 08/01/30 Var%.....	17,778.13	
Jefferson County 2001 Series A due 09/01/26 Var%.....	116,352.72	
Trimble County 2001 Series A due 09/01/26 Var%.....	8,136.98	
Jefferson County 2001 Series A due 09/01/27 Var%.....	224.53	
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,235.89	
Trimble County 2001 Series B due 11/01/27 Var%.....	12,130.14	
Trimble County 2002 Series A due 10/01/32 Var%.....	12,492.65	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	209,422.32	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	202,497.76	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Interest Rate Swaps.....	687,322.71	
First Mortgage Bond due 11/15/15 1.625%.....	1,861,979.17	
First Mortgage Bond due 11/15/40 5.125%.....	6,694,531.25	
Customers' Deposits.....	915,392.69	
Other.....	5,490.06	
Miscellaneous Current and Accrued Liabilities.....		29,874,305.15
No-Notice Gas Payable.....	9,562,798.51	
Vacation Pay Accrued.....	6,664,885.16	
Customer Overpayments.....	5,210,349.64	
Derivative Liabilities - Non-Hedging.....	3,309,326.57	
SFAS 133 Derivative Liability.....	2,769,377.85	
Tax Collections Payable.....	978,680.84	
Postretirement Benefits - Current.....	624,694.04	
Home Energy Assistance.....	275,582.61	
Unearned Revenue.....	133,010.95	
Other.....	345,598.98	



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 487,780,888.27
Federal.....		
Electric.....	362,845,446.18	
Gas.....	56,040,418.16	
State.....		
Electric.....	60,140,935.66	
Gas.....	8,754,088.27	
Investment Tax Credit.....		44,607,107.13
Advanced Coal Credit.....	23,563,293.00	
Job Development Credit.....		
Electric.....	20,397,395.98	
Gas.....	646,418.15	
Regulatory Liabilities.....		61,508,554.02
Deferred Taxes		
Federal		
Electric.....	28,248,289.30	
Gas.....	974,161.01	
State.....		
Electric.....	15,944,611.08	
Gas.....	2,388,138.68	
DSM Cost Recovery.....	6,204,137.71	
Gas Supply Clause/PBR.....	3,763,178.91	
Asset Retirement Obligations		
Gas.....	2,394,399.45	
Electric.....	812,012.91	
MISO Schedule 10 Charges.....	438,120.94	
Purchased Gas Adjustment - Texas Gas.....	341,504.03	
Customers' Advances for Construction.....		8,115,146.29
Line Extensions		
Gas.....	6,587,166.46	
Electric.....	767,671.64	
Customer Advances - Museum Plaza.....	695,761.17	
Other.....	64,547.02	
Asset Retirement Obligations.....		53,172,083.34
Electric.....	35,250,813.59	
Gas.....	17,817,059.63	
Common.....	104,210.12	
Other Deferred Credits.....	15,198,179.97	15,198,179.97
Miscellaneous Long-Term Liabilities.....		36,567,706.97
Long-Term Derivative Liabilities - SFAS 133.....	31,508,202.56	
Workers' Compensation.....	5,059,504.41	
Accumulated Provision for Benefits.....		148,223,311.76
Postretirement Benefits - SFAS 106.....	83,093,770.08	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,495,576,206.89</b>	<b>\$ 3,495,576,206.89</b>

May 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**April 30, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 41,578,944.40	\$ 31,848,195.75
Items not requiring (providing) cash currently:		
Depreciation.....	46,336,399.35	43,227,626.11
Amortization.....	2,587,218.24	2,740,862.65
Deferred income taxes - net.....	14,705,441.27	2,321,792.76
Investment tax credit - net.....	(917,469.00)	(833,926.00)
Gain on disposal of assets.....	(2,450.82)	-
Other.....	(6,997,374.24)	11,737,208.82
Change in receivables.....	63,204,869.27	16,924,268.00
Change in inventory.....	48,328,400.00	27,823,704.93
Change in allowance inventory.....	319.08	254.85
Change in payables and accrued expenses.....	(9,182,545.01)	(23,455,156.35)
Change in regulatory assets.....	(8,693,852.90)	(577,327.93)
Change in regulatory liabilities.....	10,082,205.56	(28,818,008.54)
Change in other deferred debits.....	(8,420,205.86)	(930,673.56)
Change in other deferred credits.....	9,647,096.69	7,501,835.70
Other.....	(66,711,683.45)	(26,180,486.37)
Net cash provided (used) by operating activities.....	135,545,312.58	63,330,170.82
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(38,262,709.86)	7,918,629.51
Gross additions to common utility plant - construction expenditures.....	(1,083,301.69)	(2,394,007.74)
Change in restricted cash.....	(1,497,707.79)	(754.03)
Change in derivatives.....	80,562.84	(1,267,038.13)
Proceeds received from sales of property.....	2,450.82	1,050.00
Other.....	160,018,761.82	-
Net cash provided (used) by investing activities.....	119,258,056.14	4,257,879.61
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(794,155.01)	(26,566.59)
Net change in short-term debt.....	(174,876,000.00)	(36,909,000.00)
Dividends on common stock.....	(17,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	(192,920,155.01)	(66,935,566.59)
Net Increase (Decrease) in Cash and Cash Equivalents.....	61,883,213.71	652,483.84
Cash and Cash Equivalents at Beginning of Period.....	2,126,011.84	5,195,486.38
Cash and Cash Equivalents at End of Period.....	\$ 64,009,225.55	\$ 5,847,970.22

May 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**April 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.14	\$ 111,979.16	\$ 447,916.68	\$ 447,916.67	\$ 1,343,749.93	\$ 1,343,750.03
Trimble County 2000 Series A due 08/01/30 Var%.....	16,666.98	29,745.97	96,888.46	121,889.02	366,280.40	327,217.18
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,633.34	3,452.21	10,047.73	14,239.63	42,943.23	36,390.04
Trimble County 2001 Series A due 09/01/26 Var%.....	9,041.09	13,501.37	38,613.02	58,254.79	145,373.30	229,432.88
Jefferson County 2001 Series A due 09/01/27 Var%.....	23,116.41	11,539.74	92,465.73	46,140.42	235,232.86	181,633.58
Jefferson County 2001 Series B due 11/01/27 Var%.....	39,311.26	18,698.62	116,875.63	81,315.04	392,065.72	313,225.99
Trimble County 2001 Series B due 11/01/27 Var%.....	38,451.78	18,698.62	114,301.08	81,315.04	389,535.26	313,225.97
Trimble County 2002 Series A due 10/01/32 Var%.....	11,711.85	19,793.73	55,931.53	146,702.28	204,196.14	236,573.13
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	204,424.94	-	736,355.54	-	736,355.54	21,636.24
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.64	191,666.66	766,666.65	766,666.67	2,299,999.89	2,300,000.03
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	581,249.96	581,250.00	1,743,749.91	1,743,750.00
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	56,216.83	-	202,497.77	-	202,497.77	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	920,000.00	920,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	687,322.67	732,857.24	2,551,478.52	2,629,252.74	7,620,566.09	7,138,553.96
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/2015 1.625%.....	338,541.65	-	1,354,166.66	-	1,861,979.17	-
First Mortgage Bond due 11/15/2040 5.125%.....	1,217,187.50	-	4,868,750.00	-	6,694,531.25	-
Fidelia/PPL.....	-	2,220,150.01	-	8,880,600.02	14,439,975.01	26,641,800.05
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,322,584.57</b>	<b>3,747,395.83</b>	<b>13,139,209.97</b>	<b>14,775,542.32</b>	<b>42,258,714.82</b>	<b>43,587,189.08</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	174,306.88	15,518.34	694,627.34	62,073.36	1,085,928.99	186,216.07
Amortization of Loss on Reacquired Debt.....	101,002.97	100,864.68	404,011.88	403,365.19	1,211,897.42	1,249,264.90
<b>Total.....</b>	<b>275,309.85</b>	<b>116,383.02</b>	<b>1,098,639.22</b>	<b>465,438.55</b>	<b>2,297,826.41</b>	<b>1,435,480.97</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	106,189.26	116,987.62	426,951.70	458,416.05	1,357,442.11	1,457,736.48
Other Tax Deficiencies.....	-	-	-	-	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	1,629.58	951.96	2,812.12	16,591.62	12,635.74	115,831.20
Interest on Debt to Associated Companies.....	-	19,943.47	8,862.00	83,812.31	187,471.57	357,044.10
Other Interest Expense.....	11,819.60	55,585.12	141,945.95	183,025.95	901,690.17	657,945.08
<b>Total.....</b>	<b>119,638.44</b>	<b>193,468.17</b>	<b>580,571.77</b>	<b>741,845.93</b>	<b>2,441,739.59</b>	<b>2,573,676.86</b>
<b>Total Interest.....</b>	<b>\$ 3,717,532.86</b>	<b>\$ 4,057,247.02</b>	<b>\$ 14,818,420.96</b>	<b>\$ 15,982,826.80</b>	<b>\$ 46,998,280.82</b>	<b>\$ 47,596,346.91</b>

May 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**April 30, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,449,790.00	\$ 1,222,746.10	\$ 5,799,160.00	\$ 4,889,751.08
Unemployment.....	3,737.32	3,518.55	102,364.78	112,668.51
FICA.....	643,927.14	578,549.07	2,623,972.24	2,485,619.25
Public Service Commission Fee.....	161,096.90	161,675.42	644,387.60	646,701.68
Federal Income.....	1,727,882.62	1,404,772.59	7,740,019.30	14,502,078.14
State Income.....	315,115.37	256,189.52	3,469,386.01	2,503,967.26
Miscellaneous.....	13,844.77	7,222.67	29,954.24	20,133.86
<b>Total Charged to Operating Expense.....</b>	<b>4,315,394.12</b>	<b>3,634,673.92</b>	<b>20,409,244.17</b>	<b>25,160,919.78</b>
Taxes Charged to Other Accounts.....	(306,733.66)	(766,041.95)	512,592.68	398,199.91
Taxes Accrued on Intercompany Accounts.....	(247,472.59)	(232,985.17)	(1,112,765.85)	(1,015,849.10)
<b>Total Taxes Charged.....</b>	<b>\$ 3,761,187.87</b>	<b>\$ 2,635,646.80</b>	<b>\$ 19,809,071.00</b>	<b>\$ 24,543,270.59</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 5,854,596.00	\$ 11,401,818.50	\$ 5,806,909.16
Unemployment.....	54,386.05	87,428.63	141,169.30	645.38
FICA.....	590,648.24	2,114,799.02	2,331,467.53	373,979.73
Federal Income.....	(3,741,320.05)	7,199,899.02	4,760,919.00	(1,302,340.03)
State Income.....	229,108.93	3,370,883.81	1,024,076.00	2,575,916.74
Kentucky Sales and Use Tax.....	1,088,857.95	1,110,615.08	1,880,239.61	319,233.42
Miscellaneous.....	22,339.97	70,849.45	84,749.64	8,439.78
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 19,809,071.00</b>	<b>\$ 21,624,439.58</b>	<b>\$ 7,782,784.18</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 2,154,042.02	\$ (251,177.24)	\$ -	\$ 1,902,864.78	\$ 161,787,324.14
Common Intangible Plant.....	56,455,326.72	3,237,995.61	(826,740.33)	-	2,411,255.28	58,866,582.00
	<u>216,339,786.08</u>	<u>5,392,037.63</u>	<u>(1,077,917.57)</u>	<u>-</u>	<u>4,314,120.06</u>	<u>220,653,906.14</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	16,070,338.66	(3,756,166.51)	47,153.43	12,361,325.58	939,650,364.08
Electric General Plant.....	16,521,615.59	174,165.90	(1,889,481.22)	-	(1,715,315.32)	14,806,300.27
Electric Hydro Production.....	41,680,209.14	402,649.51	(55,573.58)	-	347,075.93	42,027,285.07
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	22,818.51	(3,857.24)	38,429.14	57,390.41	229,458,423.42
Electric Steam Production.....	1,930,347,044.43	7,647,739.06	(2,101,007.66)	4,144,130.56	9,690,861.96	1,940,037,906.39
Electric Transmission.....	247,742,496.14	1,067,231.56	(320,547.50)	(47,153.43)	699,530.63	248,442,026.77
	<u>3,392,983,777.10</u>	<u>25,384,943.20</u>	<u>(8,126,633.71)</u>	<u>4,182,559.70</u>	<u>21,440,869.19</u>	<u>3,414,424,646.29</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	28,767,863.87	(364,666.30)	97,729.20	28,500,926.77	578,300,047.47
Gas General Plant.....	9,178,093.57	230,680.47	(905,104.36)	(97,729.20)	(772,153.09)	8,405,940.48
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	849,189.39	(193,039.61)	-	656,149.78	79,071,460.84
Gas Transmission.....	16,661,869.68	142,121.04	(531.82)	-	141,589.22	16,803,458.90
	<u>654,055,582.50</u>	<u>29,989,854.77</u>	<u>(1,463,342.09)</u>	<u>-</u>	<u>28,526,512.68</u>	<u>682,582,095.18</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>60,766,835.60</u>	<u>(10,667,893.37)</u>	<u>4,182,559.70</u>	<u>54,281,501.93</u>	<u>4,317,660,647.61</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 3,722,716.18	\$ -	\$ -	\$ 3,722,716.18	\$ 4,319,874.81
Common Intangible Plant.....	2,714,931.36	(572,795.80)	-	-	(572,795.80)	2,142,135.56
	<u>3,312,089.99</u>	<u>3,149,920.38</u>	<u>-</u>	<u>-</u>	<u>3,149,920.38</u>	<u>6,462,010.37</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	5,389,709.95	-	-	5,389,709.95	16,934,443.85
Electric General Plant.....	50,763.87	69,778.27	-	-	69,778.27	120,542.14
Electric Hydro Production.....	16,952.26	(8,960.47)	-	-	(8,960.47)	7,991.79
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	1,558,330.60	-	-	1,558,330.60	3,325,538.81
Electric Steam Production.....	15,929,229.77	186,016,780.55	-	-	186,016,780.55	201,946,010.32
Electric Transmission.....	35,045,472.82	3,556,358.38	-	-	3,556,358.38	38,601,831.20
	<u>64,354,360.83</u>	<u>196,581,997.28</u>	<u>-</u>	<u>-</u>	<u>196,581,997.28</u>	<u>260,936,358.11</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(12,242,614.85)	-	-	(12,242,614.85)	12,177,541.31
Gas General Plant.....	126,992.17	(15,888.54)	-	-	(15,888.54)	111,103.63
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	380,257.05	-	-	380,257.05	1,331,683.11
Gas Transmission.....	-	927,034.14	-	-	927,034.14	927,034.14
	<u>25,498,574.39</u>	<u>(10,951,212.20)</u>	<u>-</u>	<u>-</u>	<u>(10,951,212.20)</u>	<u>14,547,362.19</u>
<b>Total 106 Accounts</b> .....	<u>93,165,025.21</u>	<u>188,780,705.46</u>	<u>-</u>	<u>-</u>	<u>188,780,705.46</u>	<u>281,945,730.67</u>
						4,599,606,378.28
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b> .....	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b> .....	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(7,458,656.32)	-	-	(7,458,656.32)	13,785,223.57
Electric.....	324,323,732.14	(190,356,594.94)	-	-	(190,356,594.94)	133,967,137.20
Gas.....	39,756,306.91	(7,025,971.89)	-	-	(7,025,971.89)	32,730,335.02
	<u>385,323,918.94</u>	<u>(204,841,223.15)</u>	<u>-</u>	<u>-</u>	<u>(204,841,223.15)</u>	<u>180,482,695.79</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>249,547,541.06</u>	<u>(10,667,893.37)</u>	<u>-</u>	<u>238,879,647.69</u>	<u>4,602,470,622.32</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>44,706,317.91</u>	<u>(10,667,893.37)</u>	<u>-</u>	<u>34,038,424.54</u>	<u>4,782,953,318.11</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 44,706,317.91</u>	<u>\$ (10,667,893.37)</u>	<u>\$ -</u>	<u>\$ 34,038,424.54</u>	<u>\$ 4,782,878,078.55</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (4,146,214.92)	\$ 251,177.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,158,272.78)
Common General Plant - ARO.....	(343.19)	(686.80)	-	-	-	-	-	-	-	(1,029.99)
Electric Distribution.....	(277,000,365.75)	(5,731,542.54)	3,756,166.51	(382.60)	-	-	-	-	-	(278,976,124.38)
Electric Distribution - ARO.....	(1,256.54)	(2,011.29)	-	-	-	-	-	-	-	(3,267.83)
Electric General Plant.....	(12,910,034.19)	(113,730.71)	1,889,481.22	-	-	-	-	-	-	(11,134,283.68)
Electric Hydro Production.....	(9,718,276.66)	(185,167.90)	55,573.58	-	-	-	-	-	-	(9,847,870.98)
Electric Hydro Production - ARO.....	(364.10)	(582.84)	-	-	-	-	-	-	-	(946.94)
Electric Other Production.....	(60,282,055.17)	(2,721,888.29)	3,857.24	-	-	-	-	-	-	(63,000,086.22)
Electric Other Production - ARO.....	(192.68)	(337.66)	-	-	-	-	-	-	-	(530.34)
Electric Steam Production.....	(1,029,518,070.37)	(18,761,701.33)	2,082,190.82	-	-	-	-	-	-	(1,046,197,580.88)
Electric Steam Production - ARO.....	(204,061.94)	(428,119.13)	18,816.84	-	-	-	-	-	-	(613,364.23)
Electric Transmission.....	(119,192,606.75)	(1,451,283.33)	320,547.50	382.60	-	-	-	-	-	(120,322,959.98)
Electric Transmission - ARO.....	(41.40)	(66.28)	-	-	-	-	-	-	-	(107.68)
Gas Distribution.....	(125,049,477.23)	(3,791,270.47)	289,627.03	(13,332.40)	-	-	-	-	-	(128,564,453.07)
Gas Distribution - ARO.....	(49,734.93)	(173,735.35)	75,039.27	-	-	-	-	-	-	(148,431.01)
Gas General Plant.....	(6,299,629.20)	(94,737.11)	905,104.36	13,332.40	-	-	-	-	-	(5,475,929.55)
Gas Storage.....	(31,288,281.49)	(358,554.69)	187,926.26	-	-	-	-	-	-	(31,458,909.92)
Gas Storage - ARO.....	(39,466.10)	(84,112.36)	5,113.35	-	-	-	-	-	-	(118,465.11)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(18,292.11)	531.82	-	-	-	-	-	-	(9,466,365.61)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(38,064,035.11)</u>	<u>9,841,153.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,786,552,340.54)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(91,355.50)	-	-	-	-	68,506.21	-	-	(711,221.76)
Electric Distribution.....	(146,715,298.78)	(2,268,171.94)	-	(55.48)	-	-	1,996,420.58	-	-	(146,987,105.62)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(14,080.77)	-	-	-	-	34,591.42	-	-	757,418.35
Electric Other Production.....	(2,505,175.99)	(116,884.54)	-	-	-	-	33,120.15	-	-	(2,588,940.38)
Electric Steam Production.....	(94,783,295.15)	(5,588,850.61)	-	-	-	-	893,389.33	-	-	(99,478,756.43)
Electric Transmission.....	(24,538,454.78)	(467,499.59)	-	55.48	-	-	(96,075.77)	-	-	(25,101,974.66)
Gas Distribution.....	(60,212,131.14)	(1,067,894.13)	-	-	-	-	1,210,181.42	-	-	(60,069,843.85)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(46,318.74)	-	-	-	-	31,158.31	-	-	(185,598.33)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(4,523.38)	-	-	-	-	32,210.90	-	-	(2,989,126.43)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (9,665,579.20)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,203,502.55</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (337,351,282.49)</u>

May 26, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>	
<b>Salvage</b>											
Common General Plant.....	\$ 278,074.55	\$ 127.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,202.31	
Electric Distribution.....	17,535,024.98	458,878.23	-	-	-	-	-	(179,248.50)	-	17,814,654.71	
Electric General Plant.....	138,281.25	770.20	-	-	-	-	-	-	-	139,051.45	
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17	
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)	
Electric Steam Production.....	22,028,570.14	668,582.62	-	-	-	-	-	(11,318.62)	-	22,685,834.14	
Electric Transmission.....	6,247,368.67	86,557.80	-	-	-	-	-	-	-	6,333,926.47	
Gas Distribution.....	3,594,440.75	65,451.60	-	-	-	-	-	-	-	3,659,892.35	
Gas General Plant.....	225,788.37	701.12	-	-	-	-	-	-	-	226,489.49	
Gas Storage.....	269,933.04	5,653.13	-	-	-	-	-	-	-	275,586.17	
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-	
Gas Transmission.....	217,923.11	1,696.26	-	-	-	-	-	-	-	219,619.37	
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-	
	<u>50,893,044.36</u>	<u>1,288,418.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,567.12)</u>	<u>-</u>	<u>51,990,895.96</u>	
<b>Total Reserves</b>											
Common.....	(77,737,236.57)	(4,238,129.46)	251,177.24	-	-	-	68,506.21	-	-	(81,655,682.58)	
Electric.....	(1,730,321,891.37)	(36,637,129.90)	8,126,633.71	-	-	-	2,861,445.71	(190,567.12)	-	(1,756,161,508.97)	
Gas.....	(231,266,492.01)	(5,565,936.23)	1,463,342.09	-	-	-	1,273,550.63	-	-	(234,095,535.52)	
	<u>(2,039,325,619.95)</u>	<u>(46,441,195.59)</u>	<u>9,841,153.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,203,502.55</u>	<u>(190,567.12)</u>	<u>-</u>	<u>(2,071,912,727.07)</u>	
<b>Retirement Work In Progress</b>											
Common.....	342,947.00	-	-	-	-	(68,506.21)	(18,252.23)	(17,894.00)	-	238,294.56	
Electric.....	9,603,653.21	-	-	78,125.77	(83,329.50)	(2,587,549.09)	3,098,487.60	(130,869.17)	(32,678.11)	9,945,840.71	
Gas.....	2,523,160.64	-	-	(78,125.77)	(283,217.01)	(990,333.62)	577,050.15	(3,332.90)	(2,374.27)	1,742,827.22	
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(366,546.51)</u>	<u>(3,646,388.92)</u>	<u>3,657,285.52</u>	<u>(152,096.07)</u>	<u>(35,052.38)</u>	<u>11,926,962.49</u>	
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(46,441,195.59)</u>	<u>9,841,153.04</u>	<u>-</u>	<u>(366,546.51)</u>	<u>(3,646,388.92)</u>	<u>7,860,788.07</u>	<u>(342,663.19)</u>	<u>(35,052.38)</u>	<u>(2,059,985,764.58)</u>	
<b>Amortization</b>											
Common.....	(16,306,390.60)	(2,587,218.24)	826,740.33	-	-	-	-	-	-	(18,066,868.51)	
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)	
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)	
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(2,587,218.24)</u>	<u>826,740.33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,067,768.51)</u>	
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (49,028,413.83)</u>	<u>\$ 10,667,893.37</u>	<u>\$ -</u>	<u>\$ (366,546.51)</u>	<u>\$ (3,646,388.92)</u>	<u>\$ 7,860,788.07</u>	<u>\$ (342,663.19)</u>	<u>\$ (35,052.38)</u>	<u>\$ (2,078,053,533.09)</u>	
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,077,990,172.73)</u>	
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>										<u>\$ 2,704,887,905.82</u>



**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**April 30, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 73,908,472.30	\$ -	\$ 73,908,472.30
Gas Operating Revenues.....	18,642,881.93	-	18,642,881.93
<b>Total Operating Revenues.....</b>	<b>92,551,354.23</b>	<b>-</b>	<b>92,551,354.23</b>
Fuel for Electric Generation.....	26,601,752.01	-	26,601,752.01
Power Purchased.....	4,930,724.70	-	4,930,724.70
Gas Supply Expenses.....	8,665,043.42	-	8,665,043.42
Other Operation Expenses.....	17,724,384.01	-	17,724,384.01
Maintenance.....	11,168,994.71	-	11,168,994.71
Depreciation.....	11,806,358.00	52.77	11,806,410.77
Amortization Expense.....	657,834.15	-	657,834.15
Regulatory Credits.....	(467,346.27)	-	(467,346.27)
Taxes			
Federal Income.....	1,727,882.62	-	1,727,882.62
State Income.....	315,115.37	-	315,115.37
Deferred Federal Income - Net.....	-	8,213.43	8,213.43
Deferred State Income - Net.....	-	1,497.89	1,497.89
Property and Other.....	2,272,396.13	-	2,272,396.13
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	221,493.64	-	221,493.64
<b>Total Operating Expenses.....</b>	<b>85,388,598.49</b>	<b>9,764.09</b>	<b>85,398,362.58</b>
Net Operating Income.....	7,162,755.74	(9,764.09)	7,152,991.65
Other Income Less Deductions.....	(961,726.27)	-	(961,726.27)
<b>Income Before Interest Charges.....</b>	<b>6,201,029.47</b>	<b>(9,764.09)</b>	<b>6,191,265.38</b>
Interest on Long-Term Debt.....	3,322,584.57	(25,017.63)	3,297,566.94
Amortization of Debt Expense - Net.....	275,309.85	-	275,309.85
Other Interest Expenses.....	119,638.44	-	119,638.44
<b>Total Interest Charges.....</b>	<b>3,717,532.86</b>	<b>(25,017.63)</b>	<b>3,692,515.23</b>
<b>Net Income.....</b>	<b>\$ 2,483,496.61</b>	<b>\$ 15,253.54</b>	<b>\$ 2,498,750.15</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**April 30, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 330,174,976.62	\$ -	\$ 330,174,976.62
Gas Operating Revenues.....	156,085,235.55	-	156,085,235.55
<b>Total Operating Revenues.....</b>	<b>486,260,212.17</b>	<b>-</b>	<b>486,260,212.17</b>
Fuel for Electric Generation.....	114,871,573.96	-	114,871,573.96
Power Purchased.....	24,542,025.76	-	24,542,025.76
Gas Supply Expenses.....	92,293,389.66	-	92,293,389.66
Other Operation Expenses.....	76,454,657.54	27,884.66	76,482,542.20
Maintenance.....	38,829,083.89	-	38,829,083.89
Depreciation.....	46,336,399.35	(6.11)	46,336,393.24
Amortization Expense.....	2,587,218.24	-	2,587,218.24
Regulatory Credits.....	(1,569,955.95)	-	(1,569,955.95)
Taxes			
Federal Income.....	7,740,019.30	-	7,740,019.30
State Income.....	3,469,386.01	-	3,469,386.01
Deferred Federal Income - Net.....	13,658,485.33	23,751.15	13,682,236.48
Deferred State Income - Net.....	341,927.36	4,331.52	346,258.88
Property and Other.....	9,199,838.86	-	9,199,838.86
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(917,469.00)	-	(917,469.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	880,304.24	-	880,304.24
<b>Total Operating Expenses.....</b>	<b>428,714,306.61</b>	<b>55,961.22</b>	<b>428,770,267.83</b>
Net Operating Income.....	57,545,905.56	(55,961.22)	57,489,944.34
Other Income Less Deductions.....	(1,148,540.20)	-	(1,148,540.20)
<b>Income Before Interest Charges.....</b>	<b>56,397,365.36</b>	<b>(55,961.22)</b>	<b>56,341,404.14</b>
Interest on Long-Term Debt.....	13,139,209.97	(100,070.52)	13,039,139.45
Amortization of Debt Expense - Net.....	1,098,639.22	-	1,098,639.22
Other Interest Expenses.....	580,571.77	-	580,571.77
<b>Total Interest Charges.....</b>	<b>14,818,420.96</b>	<b>(100,070.52)</b>	<b>14,718,350.44</b>
<b>Net Income.....</b>	<b>\$ 41,578,944.40</b>	<b>\$ 44,109.30</b>	<b>\$ 41,623,053.70</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 849,838,699.75	\$ 757,728,567.29	\$ (808,870,426.68)	\$ -	\$ 40,968,273.07	\$ 757,728,567.29
Add:						
Net Income (Loss) for Period.....	2,483,496.61	(601,505.30)	15,253.54	-	2,498,750.15	(601,505.30)
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>	<u>\$ (808,855,173.14)</u>	<u>\$ -</u>	<u>\$ 43,467,023.22</u>	<u>\$ 757,127,061.99</u>

Note: Purchase accounting is subject to change through October 31, 2011

May 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	41,578,944.40	31,848,195.75	44,109.30	-	41,623,053.70	31,848,195.75
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>17,250,000.00</u>	<u>30,000,000.00</u>	<u>-</u>	<u>-</u>	<u>17,250,000.00</u>	<u>30,000,000.00</u>
Balance at End of Period.....	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>	<u>\$ (808,855,173.14)</u>	<u>\$ -</u>	<u>\$ 43,467,023.22</u>	<u>\$ 757,127,061.99</u>

Note: Purchase accounting is subject to change through October 31, 2011

May 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 757,127,061.99	\$ 713,253,867.26	\$ -	\$ -	\$ 757,127,061.99	\$ 713,253,867.26
Add:						
Net Income (Loss) for Period.....	137,445,134.37	118,873,194.73	91,718.38	-	137,536,852.75	118,873,194.73
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	42,250,000.00	75,000,000.00	-	-	42,250,000.00	75,000,000.00
Balance at End of Period.....	<u>\$ 852,322,196.36</u>	<u>\$ 757,127,061.99</u>	<u>\$ (808,855,173.14)</u>	<u>\$ -</u>	<u>\$ 43,467,023.22</u>	<u>\$ 757,127,061.99</u>

Note: Purchase accounting is subject to change through October 31, 2011

May 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of April 30, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,782,878,078.55	\$ (1,751,237,445.63)	\$ 3,031,640,632.92
Less Reserves for Depreciation and Amortization.....	2,077,990,172.73	(1,751,237,451.74)	326,752,720.99
<b>Total.....</b>	<b>2,704,887,905.82</b>	<b>6.11</b>	<b>2,704,887,911.93</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	20,392,613.99	-	20,392,613.99
<b>Total.....</b>	<b>20,998,779.19</b>	<b>-</b>	<b>20,998,779.19</b>
<b>Current and Accrued Assets</b>			
Cash.....	32,004,651.77	-	32,004,651.77
Special Deposits.....	5,336,432.10	-	5,336,432.10
Temporary Cash Investments.....	32,004,573.78	-	32,004,573.78
Accounts Receivable - Less Reserve.....	116,387,007.31	-	116,387,007.31
Accounts Receivable from Associated Companies....	11,414,595.15	-	11,414,595.15
Materials and Supplies - At Average Cost.....			
Fuel.....	64,634,046.64	-	64,634,046.64
Plant Materials and Operating Supplies.....	29,834,678.95	-	29,834,678.95
Stores Expense.....	5,079,805.34	-	5,079,805.34
Gas Stored Underground.....	14,392,608.85	-	14,392,608.85
Emission Allowances.....	2,409.88	-	2,409.88
Prepayments.....	7,049,940.71	-	7,049,940.71
Miscellaneous Current and Accrued Assets.....	724,075.07	-	724,075.07
<b>Total.....</b>	<b>318,864,825.55</b>	<b>-</b>	<b>318,864,825.55</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,309,465.49	(3,605,555.13)	9,703,910.36
Unamortized Loss on Bonds.....	21,530,637.65	-	21,530,637.65
Accumulated Deferred Income Taxes.....	53,426,611.12	83,151,053.04	136,577,664.16
Deferred Regulatory Assets.....	361,306,009.06	12,103,999.24	373,410,008.30
Other Deferred Debits.....	1,251,973.01	194,232,040.91	195,484,013.92
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>450,824,696.33</b>	<b>675,038,889.65</b>	<b>1,125,863,585.98</b>
<b>Total Assets.....</b>	<b>\$ 3,495,576,206.89</b>	<b>\$ 675,038,895.76</b>	<b>\$ 4,170,615,102.65</b>

Note: Purchase accounting is subject to change through October 31, 2011

May 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of April 30, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	852,322,196.36	(808,855,173.14)	43,467,023.22
<b>Total Proprietary Capital.....</b>	<b>1,360,238,230.81</b>	<b>385,230,695.88</b>	<b>1,745,468,926.69</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,426,611.22	580,730,611.22
First Mortgage Bonds.....	531,144,969.14	-	531,144,969.14
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,448,969.14</b>	<b>6,426,611.22</b>	<b>1,111,875,580.36</b>
<b>Total Capitalization.....</b>	<b>2,465,687,199.95</b>	<b>391,657,307.10</b>	<b>2,857,344,507.05</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	72,770,225.00	-	72,770,225.00
Accounts Payable to Associated Companies.....	27,020,672.69	-	27,020,672.69
Customer Deposits.....	23,394,006.56	-	23,394,006.56
Taxes Accrued.....	7,782,784.18	-	7,782,784.18
Dividends Declared.....	-	-	-
Interest Accrued.....	13,874,035.61	-	13,874,035.61
Miscellaneous Current and Accrued Liabilities.....	29,874,305.15	-	29,874,305.15
<b>Total.....</b>	<b>174,716,029.19</b>	<b>-</b>	<b>174,716,029.19</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	487,780,888.27	80,651,103.64	568,431,991.91
Investment Tax Credit.....	44,607,107.13	-	44,607,107.13
Regulatory Liabilities.....	61,508,554.02	194,232,040.91	255,740,594.93
Customer Advances for Construction.....	8,115,146.29	-	8,115,146.29
Asset Retirement Obligations.....	53,172,083.34	-	53,172,083.34
Other Deferred Credits.....	15,198,179.97	8,498,444.11	23,696,624.08
Miscellaneous Long-Term Liabilities.....	36,567,706.97	-	36,567,706.97
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	148,223,311.76	-	148,223,311.76
<b>Total.....</b>	<b>855,172,977.75</b>	<b>283,381,588.66</b>	<b>1,138,554,566.41</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,495,576,206.89</b>	<b>\$ 675,038,895.76</b>	<b>\$ 4,170,615,102.65</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - May 31, 2011**

**Responding Witness - Valerie L. Scott**



**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

May 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**May 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 82,342,454.95	\$ 80,095,089.99	\$ 2,247,364.96	2.81
Gas Operating Revenues.....	15,822,650.10	11,310,812.08	4,511,838.02	39.89
<b>Total Operating Revenues.....</b>	<b>98,165,105.05</b>	<b>91,405,902.07</b>	<b>6,759,202.98</b>	<b>7.39</b>
Fuel for Electric Generation.....	27,927,729.83	29,647,940.03	(1,720,210.20)	(5.80)
Power Purchased.....	6,396,864.92	4,606,491.86	1,790,373.06	38.87
Gas Supply Expenses.....	7,748,745.56	4,577,833.85	3,170,911.71	69.27
Other Operation Expenses.....	20,079,042.25	19,098,593.27	980,448.98	5.13
Maintenance.....	9,772,439.82	8,874,273.59	898,166.23	10.12
Depreciation.....	12,745,145.63	10,899,067.44	1,846,078.19	16.94
Amortization Expense.....	669,166.96	611,095.34	58,071.62	9.50
Regulatory Credits.....	(1,366,601.03)	(182,520.73)	(1,184,080.30)	(648.74)
Taxes				
Federal Income.....	88,889.98	2,343,232.70	(2,254,342.72)	(96.21)
State Income.....	1,087,945.48	427,337.27	660,608.21	154.59
Deferred Federal Income - Net.....	3,431,528.62	-	3,431,528.62	100.00
Deferred State Income - Net.....	(608,867.93)	-	(608,867.93)	100.00
Property and Other.....	2,326,799.92	1,930,582.86	396,217.06	20.52
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	220,800.15	167,880.99	52,919.16	31.52
<b>Total Operating Expenses.....</b>	<b>90,283,596.16</b>	<b>82,793,327.47</b>	<b>7,490,268.69</b>	<b>9.05</b>
Net Operating Income.....	7,881,508.89	8,612,574.60	(731,065.71)	(8.49)
Other Income Less Deductions.....	252,722.76	(2,112,116.09)	2,364,838.85	111.97
<b>Income Before Interest Charges.....</b>	<b>8,134,231.65</b>	<b>6,500,458.51</b>	<b>1,633,773.14</b>	<b>25.13</b>
Interest on Long-Term Debt.....	3,220,360.74	3,757,723.05	(537,362.31)	(14.30)
Amortization of Debt Expense - Net.....	276,853.27	116,383.02	160,470.25	137.88
Other Interest Expenses.....	155,450.41	178,038.65	(22,588.24)	(12.69)
<b>Total Interest Charges.....</b>	<b>3,652,664.42</b>	<b>4,052,144.72</b>	<b>(399,480.30)</b>	<b>(9.86)</b>
<b>Net Income.....</b>	<b>\$ 4,481,567.23</b>	<b>\$ 2,448,313.79</b>	<b>\$ 2,033,253.44</b>	<b>83.05</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 412,517,431.57	\$ 380,086,645.43	\$ 32,430,786.14	8.53
Gas Operating Revenues.....	171,907,885.65	160,511,271.94	11,396,613.71	7.10
<b>Total Operating Revenues.....</b>	<b>584,425,317.22</b>	<b>540,597,917.37</b>	<b>43,827,399.85</b>	<b>8.11</b>
Fuel for Electric Generation.....	142,799,303.79	140,355,237.47	2,444,066.32	1.74
Power Purchased.....	30,938,890.68	24,706,763.93	6,232,126.75	25.22
Gas Supply Expenses.....	100,042,135.22	92,637,161.10	7,404,974.12	7.99
Other Operation Expenses.....	96,533,699.79	91,708,703.28	4,824,996.51	5.26
Maintenance.....	48,601,523.71	45,200,644.50	3,400,879.21	7.52
Depreciation.....	59,081,544.98	54,126,693.55	4,954,851.43	9.15
Amortization Expense.....	3,256,385.20	3,351,957.99	(95,572.79)	(2.85)
Regulatory Credits.....	(2,936,556.98)	(904,289.05)	(2,032,267.93)	(224.74)
Taxes				
Federal Income.....	7,828,909.28	16,845,310.84	(9,016,401.56)	(53.52)
State Income.....	4,557,331.49	2,931,304.53	1,626,026.96	55.47
Deferred Federal Income - Net.....	17,090,013.95	1,920,879.99	15,169,133.96	789.70
Deferred State Income - Net.....	(266,940.57)	400,912.77	(667,853.34)	(166.58)
Property and Other.....	11,526,638.78	10,085,457.24	1,441,181.54	14.29
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(1,153,503.00)	(1,042,407.00)	(111,096.00)	(10.66)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	1,101,104.39	831,090.29	270,014.10	32.49
<b>Total Operating Expenses.....</b>	<b>518,997,902.77</b>	<b>483,120,961.29</b>	<b>35,876,941.48</b>	<b>7.43</b>
Net Operating Income.....	65,427,414.45	57,476,956.08	7,950,458.37	13.83
Other Income Less Deductions.....	(895,817.44)	(3,145,475.02)	2,249,657.58	71.52
<b>Income Before Interest Charges.....</b>	<b>64,531,597.01</b>	<b>54,331,481.06</b>	<b>10,200,115.95</b>	<b>18.77</b>
Interest on Long-Term Debt.....	16,359,570.71	18,533,265.37	(2,173,694.66)	(11.73)
Amortization of Debt Expense - Net.....	1,375,492.49	581,821.57	793,670.92	136.41
Other Interest Expenses.....	736,022.18	919,884.58	(183,862.40)	(19.99)
<b>Total Interest Charges.....</b>	<b>18,471,085.38</b>	<b>20,034,971.52</b>	<b>(1,563,886.14)</b>	<b>(7.81)</b>
<b>Net Income.....</b>	<b>\$ 46,060,511.63</b>	<b>\$ 34,296,509.54</b>	<b>\$ 11,764,002.09</b>	<b>34.30</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2011**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,048,042,353.11	\$ 930,862,934.88	\$ 117,179,418.23	12.59
Gas Operating Revenues.....	314,343,969.59	285,184,559.94	29,159,409.65	10.22
<b>Total Operating Revenues.....</b>	<b>1,362,386,322.70</b>	<b>1,216,047,494.82</b>	<b>146,338,827.88</b>	<b>12.03</b>
Fuel for Electric Generation.....	371,000,392.66	323,710,038.25	47,290,354.41	14.61
Power Purchased.....	60,611,845.44	53,881,972.11	6,729,873.33	12.49
Gas Supply Expenses.....	176,408,582.17	162,402,312.32	14,006,269.85	8.62
Other Operation Expenses.....	231,638,001.08	219,687,525.74	11,950,475.34	5.44
Maintenance.....	115,101,984.29	64,036,699.45	51,065,284.84	79.74
Depreciation.....	136,164,854.70	129,861,655.16	6,303,199.54	4.85
Amortization Expense.....	7,631,416.11	8,420,180.02	(788,763.91)	(9.37)
Regulatory Credits.....	(6,301,999.38)	(2,170,380.87)	(4,131,618.51)	(190.36)
Taxes				
Federal Income.....	19,858,205.62	45,782,291.05	(25,924,085.43)	(56.62)
State Income.....	7,673,194.39	7,261,374.75	411,819.64	5.67
Deferred Federal Income - Net.....	42,836,138.96	8,709,868.00	34,126,270.96	391.81
Deferred State Income - Net.....	1,702,171.10	2,151,974.66	(449,803.56)	(20.90)
Property and Other.....	24,012,805.36	22,386,613.86	1,626,191.50	7.26
Investment Tax Credit.....	-	2,737,009.49	(2,737,009.49)	(100.00)
Amortization of Investment Tax Credit.....	(2,612,870.00)	(2,812,847.28)	199,977.28	7.11
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,554,119.73	1,982,427.65	1,571,692.08	79.28
<b>Total Operating Expenses.....</b>	<b>1,189,276,264.29</b>	<b>1,047,994,254.22</b>	<b>141,282,010.07</b>	<b>13.48</b>
Net Operating Income.....	173,110,058.41	168,053,240.60	5,056,817.81	3.01
Other Income Less Deductions.....	12,967,129.92	(800,649.28)	13,767,779.20	1,719.58
<b>Income Before Interest Charges.....</b>	<b>186,077,188.33</b>	<b>167,252,591.32</b>	<b>18,824,597.01</b>	<b>11.26</b>
Interest on Long-Term Debt.....	41,721,352.51	43,704,765.67	(1,983,413.16)	(4.54)
Amortization of Debt Expense - Net.....	2,458,296.66	1,427,631.30	1,030,665.36	72.19
Other Interest Expenses.....	2,419,151.35	2,666,606.85	(247,455.50)	(9.28)
<b>Total Interest Charges.....</b>	<b>46,598,800.52</b>	<b>47,799,003.82</b>	<b>(1,200,203.30)</b>	<b>(2.51)</b>
<b>Net Income.....</b>	<b>\$ 139,478,387.81</b>	<b>\$ 119,453,587.50</b>	<b>\$ 20,024,800.31</b>	<b>16.76</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**May 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 852,322,196.36	\$ 757,127,061.99	\$ 827,993,251.96	\$ 755,278,866.24	\$ 759,575,375.78	\$ 715,121,788.28
Add:						
Net Income for Period.....	4,481,567.23	2,448,313.79	46,060,511.63	34,296,509.54	139,478,387.81	119,453,587.50
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	25,000,000.00	-	42,250,000.00	30,000,000.00	67,250,000.00	75,000,000.00
Balance at End of Period.....	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>

June 21, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of May 31, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,792,382,669.03	\$ 4,576,411,472.76	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciating and Amortization....	<u>2,086,932,887.81</u>	<u>2,001,192,563.45</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,705,449,781.22</u>	<u>2,575,218,909.31</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(11,313,632.31)
			Retained Earnings.....	<u>831,803,763.59</u>	<u>759,575,375.78</u>
			Total Proprietary Capital.....	<u>1,339,719,798.04</u>	<u>1,256,177,777.92</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,168,290.80	-
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Special Funds.....	<u>21,674,314.80</u>	<u>16,102,047.29</u>	Total Long-Term Debt.....	<u>1,105,472,290.80</u>	<u>896,104,000.00</u>
Total.....	<u>22,280,480.00</u>	<u>16,708,212.49</u>	Total Capitalization.....	<u>2,445,192,088.84</u>	<u>2,152,281,777.92</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	42,642,184.10	4,093,386.56	ST Notes Payable to Associated Companies.....	-	140,750,400.00
Special Deposits.....	6,103,356.02	755,688.09	Accounts Payable.....	83,744,950.28	76,031,950.00
Temporary Cash Investments.....	16,607,994.23	119.71	Accounts Payable to Associated Companies.....	13,185,424.92	15,645,927.12
Accounts Receivable - Less Reserve.....	117,302,831.48	122,964,056.28	Customer Deposits.....	22,522,323.63	24,161,270.63
Accounts Receivable from Associated Companies.....	17,220,727.53	13,089,862.47	Taxes Accrued.....	10,625,328.89	16,134,690.53
Materials and Supplies - At Average Cost.....			Interest Accrued.....	6,438,420.39	4,194,617.12
Fuel.....	64,042,394.78	74,024,035.18	Dividends Declared.....	25,000,000.00	-
Plant Materials and Operating Supplies.....	29,638,442.60	29,814,569.11	Miscellaneous Current and Accrued Liabilities.....	<u>28,264,294.97</u>	<u>23,498,823.08</u>
Stores Expense.....	5,123,126.75	4,770,116.70	Total.....	<u>189,780,743.08</u>	<u>300,417,678.48</u>
Gas Stored Underground.....	12,379,663.46	10,720,154.28			
Emission Allowances.....	2,331.27	3,823.11	Deferred Credits and Other		
Prepayments.....	6,486,268.51	5,557,672.61	Accumulated Deferred Income Taxes.....	492,983,143.27	425,917,166.76
Miscellaneous Current and Accrued Assets.....	<u>681,197.76</u>	<u>2,805,844.80</u>	Investment Tax Credit.....	44,371,073.13	46,983,943.13
Total.....	<u>318,230,518.49</u>	<u>268,599,328.90</u>	Regulatory Liabilities.....	59,210,182.72	54,737,886.15
			Customer Advances for Construction.....	8,092,132.24	9,284,085.81
Deferred Debits and Other			Asset Retirement Obligations.....	51,902,235.56	33,874,719.43
Unamortized Debt Expense.....	13,330,061.12	3,776,570.04	Other Deferred Credits.....	18,472,668.22	18,309,202.24
Unamortized Loss on Bonds.....	21,429,634.70	22,641,670.10	Miscellaneous Long-Term Liabilities.....	39,234,121.95	40,012,260.16
Accumulated Deferred Income Taxes.....	55,739,575.24	52,035,131.46	Accum Provision for Postretirement Benefits.....	<u>146,852,568.75</u>	<u>178,668,451.10</u>
Deferred Regulatory Assets.....	358,597,038.27	320,150,845.07	Total.....	<u>861,118,125.84</u>	<u>807,787,714.78</u>
Other Deferred Debits.....	<u>1,033,868.72</u>	<u>1,356,503.81</u>			
Total.....	<u>450,130,178.05</u>	<u>399,960,720.48</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,496,090,957.76</u>	<u>\$ 3,260,487,171.18</u>
Total Assets.....	<u>\$ 3,496,090,957.76</u>	<u>\$ 3,260,487,171.18</u>			

June 21, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**May 31, 2011**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
		Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>831,803,763.59</u>	
<b>Total Proprietary Capital.....</b>			<u>1,339,719,798.04</u>	<u>54.79</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			<u>574,304,000.00</u>	<u>23.49</u>
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			<u>535,000,000.00</u>	<u>21.88</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(786,895.85)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,044,813.35)</u>	
			<u>(3,831,709.20)</u>	<u>-0.16</u>
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,168,290.80</u>	<u>21.72</u>
<b>Total Capitalization.....</b>			<u>\$ 2,445,192,088.84</u>	<u>100.00</u>



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,792,382,669.03	\$ 4,792,382,669.03
Reserves for Depreciation and Amortization.....		(2,086,932,887.81)
Depreciation of Plant.....		
Electric.....	(1,752,871,870.35)	
Gas.....	(233,740,096.47)	
Common.....	(82,419,046.77)	
Amortization of Plant		
Common.....	(17,900,974.22)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		22,280,480.00
Special Funds.....	21,674,314.80	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	42,642,184.10	42,642,184.10
Special Deposits.....		6,103,356.02
MAN Margin Call.....	5,407,342.13	
Other Special Deposits.....	696,013.89	
Temporary Cash Investments.....	16,607,994.23	16,607,994.23
Accounts Receivable - Less Reserve.....		117,302,831.48
Customers - Active.....	56,484,422.17	
Unbilled Revenues.....	51,863,377.20	
Wholesale Sales.....	4,160,561.47	
Bechtel Liquidated Damages.....	2,338,474.40	
IMPA.....	1,910,698.08	
IMEA.....	1,866,896.04	
Sundry Accounts Receivable.....	1,297,020.08	
Transmission Sales.....	445,392.51	
Damage Claims.....	398,080.45	
Officers and Employees.....	39.83	
IMEA/IMPA Net Portion of Bechtel Liquidated damages.....	(234,460.00)	
Other.....	218,127.22	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	2,159,564.10	
Reserve.....	(1,657,225.00)	
Accrual.....	(1,624,828.30)	
Bechtel Reserve.....	(1,400,634.40)	
Recoveries.....	(534,735.80)	
A/R Miscellaneous.....	(387,938.57)	
Accounts Receivable from Associated Companies.....		17,220,727.53
LG&E-KU Energy Services /Kentucky Utilities.....	17,220,727.53	
Fuel.....		64,042,394.78
Coal 1,394,907.72 Tons @ \$45.63; MMBtu 31,805,127.96 @ 200.11¢.....	63,644,268.18	
Fuel Oil 138,621.95 Gallons @ 253.86¢.....	351,905.41	
Gas Pipeline 5,200 Mcf @ \$8.89.....	46,221.19	
Plant Materials and Operating Supplies.....		29,638,442.60
Regular Materials and Supplies.....	29,246,202.93	
Limestone 45,171.89 Tons @ \$8.68.....	392,239.67	
Stores Expense Undistributed.....	5,123,126.75	5,123,126.75
Gas Stored Underground - Current.....		12,379,663.46
Gas Stored Underground* 2,508,798 Mcf (14.73 psia) @ \$4.93.....	12,379,663.46	
Emission Allowances.....	2,331.27	2,331.27

June 21, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,486,268.51
Insurance.....	5,172,064.75	
Rights of Way.....	240,000.04	
Franchises.....	210,329.13	
Taxes.....	161,096.94	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	612,777.65	
Miscellaneous Current Assets.....		681,197.76
Derivative Asset - Non-Hedging.....	681,197.76	
Unamortized Debt Expense.....		13,330,061.12
Trimble County 2000 Series A due 08/01/30 Var%.....	741,891.31	
Jefferson County 2001 Series A due 09/01/26 Var%.....	151,337.52	
Trimble County 2001 Series A due 09/01/26 Var%.....	164,547.27	
Jefferson County 2001 Series A due 09/01/27 Var%.....	331,378.06	
Jefferson County 2001 Series B due 11/01/27 Var%.....	180,505.35	
Trimble County 2001 Series B due 11/01/27 Var%.....	180,534.96	
Trimble County 2002 Series A due 10/01/32 Var%.....	794,056.79	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	437,947.58	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,045,757.06	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	164,437.20	
First Mortgage Bond due 11/15/15 1.625%.....	2,142,055.37	
First Mortgage Bond due 11/15/40 5.125%.....	3,334,255.38	
Revolving Credit Agreement.....	3,661,357.27	
Unamortized Loss on Bonds.....	21,429,634.70	21,429,634.70
Accumulated Deferred Income Taxes.....		55,739,575.24
Federal		
Electric.....	36,254,027.82	
Gas.....	9,973,533.92	
State		
Electric.....	7,666,985.90	
Gas.....	1,845,027.60	
Regulatory Assets.....		358,597,038.27
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	40,185,191.89	
Interest Rate Ineffectiveness.....	37,119,897.97	
2008 Wind Storm.....	21,578,638.39	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,716,651.23	
State		
Electric.....	2,319,146.12	
Swap Termination.....	9,087,999.40	
Asset Retirement Obligations.....		
Electric.....	7,626,909.39	
Gas.....	294,601.43	
Common.....	4,499.69	
Fuel Adjustment Clause.....	4,904,000.00	
Gas Supply Clause/PBR.....	4,479,551.41	
Environmental Cost Recovery.....	1,262,409.00	
Rate Case Expenses.....	1,201,337.97	
MISO Exit Fee.....	1,197,036.10	
KCCS Funding.....	695,115.40	
EKPC FERC Transmission Costs.....	466,324.08	
CMRG Funding.....	211,380.00	
General Management Audit.....	65,678.80	
Other Deferred Debits.....	1,033,868.72	1,033,868.72
Total Assets.....	<u>\$ 3,496,090,957.76</u>	<u>\$ 3,496,090,957.76</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,339,719,798.04
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	831,803,763.59	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,168,290.80	531,168,290.80
Accounts Payable.....		83,744,950.28
Regular.....	80,170,209.67	
Salaries and Wages Accrued.....	3,547,114.61	
Employee Withholdings Payable.....	27,626.00	
Accounts Payable to Associated Companies.....		13,185,424.92
LG&E - KU Energy Services/Kentucky Utilities.....	13,185,424.92	
Customers' Deposits.....	22,522,323.63	22,522,323.63
Taxes Accrued.....	10,625,328.89	10,625,328.89
Interest Accrued.....		6,438,420.39
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	
Trimble County 2000 Series A due 08/01/30 Var%.....	10,370.58	
Jefferson County 2001 Series A due 09/01/26 Var%.....	140,239.70	
Trimble County 2001 Series A due 09/01/26 Var%.....	17,479.44	
Jefferson County 2001 Series A due 09/01/27 Var%.....	359.25	
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,549.32	
Trimble County 2001 Series A due 10/01/32 Var%.....	8,374.09	
Trimble County 2001 Series B due 11/01/27 Var%.....	13,089.04	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	412,088.99	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	760,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	871,875.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	258,231.09	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,380,000.00	
Interest Rate Swaps.....	604,916.27	
First Mortgage Bond due 11/15/15 1.625%.....	180,555.56	
First Mortgage Bond due 11/15/40 5.125%.....	649,166.67	
Customers' Deposits.....	998,625.97	
Other.....	7,242.47	
Dividends Declared.....		25,000,000.00
Dividend Payable to LG&E and KU Energy LLC.....	25,000,000.00	
Miscellaneous Current and Accrued Liabilities.....		28,264,294.97
No-Notice Gas Payable.....	7,033,877.96	
Vacation Pay Accrued.....	6,664,885.16	
Customer Overpayments.....	5,453,047.92	
Derivative Liabilities - Non-Hedging.....	3,689,104.54	
SFAS 133 Derivative Liability.....	2,973,515.81	
Tax Collections Payable.....	1,123,201.36	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	65,316.70	
Other.....	636,651.48	

June 21, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 492,983,143.27
Federal.....		
Electric.....	356,460,724.49	
Gas.....	67,873,903.77	
State.....		
Electric.....	58,689,713.87	
Gas.....	9,958,801.14	
Investment Tax Credit.....		44,371,073.13
Advanced Coal Credit.....	23,509,948.00	
Job Development Credit.....		
Electric.....	20,225,983.98	
Gas.....	635,141.15	
Regulatory Liabilities.....		59,210,182.72
Deferred Taxes		
Federal		
Electric.....	28,076,175.45	
Gas.....	1,099,659.47	
State.....		
Electric.....	15,933,625.10	
Gas.....	2,396,149.22	
DSM Cost Recovery.....	5,144,862.62	
Gas Supply Clause/PBR.....	3,381,267.81	
Asset Retirement Obligations		
Gas.....	2,138,103.93	
Electric.....	249,953.00	
MISO Schedule 10 Charges.....	461,700.50	
Purchased Gas Adjustment - Texas Gas.....	328,685.62	
Customers' Advances for Construction.....		8,092,132.24
Line Extensions		
Gas.....	6,559,025.11	
Electric.....	772,546.22	
Customer Advances - Museum Plaza.....	696,013.89	
Other.....	64,547.02	
Asset Retirement Obligations.....		51,902,235.56
Electric.....	34,669,884.50	
Gas.....	17,127,663.31	
Common.....	104,687.75	
Other Deferred Credits.....	18,472,668.22	18,472,668.22
Miscellaneous Long-Term Liabilities.....		39,234,121.95
Long-Term Derivative Liabilities - SFAS 133.....	34,174,617.54	
Workers' Compensation.....	5,059,504.41	
Accumulated Provision for Benefits.....		146,852,568.75
Postretirement Benefits - SFAS 106.....	81,723,027.07	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,496,090,957.76</u>	<u>\$ 3,496,090,957.76</u>

June 21, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**May 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 46,060,511.63	\$ 34,296,509.54
Items not requiring (providing) cash currently:		
Depreciation.....	59,081,544.98	54,126,693.55
Amortization.....	3,256,385.20	3,351,957.99
Deferred income taxes - net.....	17,594,732.15	4,690,800.80
Investment tax credit - net.....	(1,153,503.00)	(1,042,407.00)
Gain on disposal of assets.....	(62,480.08)	(1,050.00)
Other.....	(8,449,727.89)	17,103,137.23
Change in receivables.....	55,649,718.84	11,641,473.06
Change in inventory.....	51,085,912.19	30,581,644.53
Change in allowance inventory.....	397.69	347.89
Change in payables and accrued expenses.....	2,485,906.80	(43,503,744.26)
Change in regulatory assets.....	(14,560,675.10)	(160,750.36)
Change in regulatory liabilities.....	7,783,834.26	(30,169,322.43)
Change in other deferred debits.....	(10,322,805.24)	(1,045,582.43)
Change in other deferred credits.....	12,921,584.94	10,327,870.79
Other.....	(69,624,632.99)	(23,722,613.00)
Net cash provided (used) by operating activities.....	<u>151,746,704.38</u>	<u>66,474,965.90</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(55,545,210.44)	(3,575,616.33)
Gross additions to common utility plant - construction expenditures.....	(1,667,639.01)	(3,410,627.01)
Proceeds received from sales of property.....	62,480.08	1,050.00
Change in restricted cash.....	(2,723,406.80)	-
Change in derivatives.....	(931,039.15)	(915,186.06)
Other.....	159,275,556.75	-
Net cash provided (used) by investing activities.....	<u>98,470,741.43</u>	<u>(7,900,379.40)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(967,279.32)	(26,566.61)
Net change in short-term debt.....	(174,876,000.00)	(29,650,000.00)
Dividends on common stock.....	(17,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	<u>(193,093,279.32)</u>	<u>(59,676,566.61)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	57,124,166.49	(1,101,980.11)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 59,250,178.33</u>	<u>\$ 4,093,506.27</u>

June 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**May 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.16	\$ 559,895.86	\$ 559,895.83	\$ 1,343,749.95	\$ 1,343,750.02
Trimble County 2000 Series A due 08/01/30 Var%.....	12,037.29	38,310.94	108,925.75	160,199.96	340,006.75	346,870.33
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,392.11	5,444.93	11,439.84	19,684.56	38,890.41	37,973.00
Trimble County 2001 Series A due 09/01/26 Var%.....	9,342.46	14,691.78	47,955.48	72,946.57	140,023.98	220,768.50
Jefferson County 2001 Series A due 09/01/27 Var%.....	23,886.99	13,376.70	116,352.72	59,517.12	245,743.15	175,900.69
Jefferson County 2001 Series B due 11/01/27 Var%.....	33,214.53	37,176.70	150,090.16	118,491.74	388,103.55	326,621.87
Trimble County 2001 Series A due 10/01/32 Var%.....	9,545.28	20,824.51	65,476.81	167,526.79	192,916.91	241,402.85
Trimble County 2001 Series B due 11/01/27 Var%.....	32,938.35	38,260.26	147,239.43	119,575.30	384,213.35	327,705.41
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	939,022.21	-	939,022.21	27,045.30
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.66	958,333.32	958,333.33	2,299,999.90	2,300,000.02
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	726,562.45	726,562.50	1,743,749.90	1,743,750.00
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	258,231.11	-	258,231.11	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,150,000.00	1,150,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	604,916.21	690,528.92	3,156,394.73	3,319,781.66	7,534,953.38	7,211,177.63
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	-	1,692,708.33	-	2,200,520.84	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	6,085,937.50	-	7,911,718.75	-
Fidelia/PPL.....	-	2,220,149.99	-	11,100,750.01	12,219,825.02	26,641,800.05
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,220,360.74</b>	<b>3,757,723.05</b>	<b>16,359,570.71</b>	<b>18,533,265.37</b>	<b>41,721,352.51</b>	<b>43,704,765.67</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	175,850.30	15,518.34	870,477.64	77,591.70	1,246,260.95	186,216.76
Amortization of Loss on Reacquired Debt.....	101,002.97	100,864.68	505,014.85	504,229.87	1,212,035.71	1,241,414.54
<b>Total.....</b>	<b>276,853.27</b>	<b>116,383.02</b>	<b>1,375,492.49</b>	<b>581,821.57</b>	<b>2,458,296.66</b>	<b>1,427,631.30</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	111,089.41	111,116.64	538,041.11	569,532.69	1,357,414.88	1,467,227.66
Other Tax Deficiencies.....	-	-	-	-	(17,500.00)	(14,880.00)
Interest on DSM Cost Recovery.....	1,752.41	708.19	4,564.53	17,299.81	13,679.96	109,944.27
Interest on Debt to Associated Companies.....	-	24,735.68	8,862.00	108,547.99	162,735.89	337,970.87
Other Interest Expense.....	42,608.59	41,478.14	184,554.54	224,504.09	902,820.62	766,344.05
<b>Total.....</b>	<b>155,450.41</b>	<b>178,038.65</b>	<b>736,022.18</b>	<b>919,884.58</b>	<b>2,419,151.35</b>	<b>2,666,606.85</b>
<b>Total Interest.....</b>	<b>\$ 3,652,664.42</b>	<b>\$ 4,052,144.72</b>	<b>\$ 18,471,085.38</b>	<b>\$ 20,034,971.52</b>	<b>\$ 46,598,800.52</b>	<b>\$ 47,799,003.82</b>

June 21, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
May 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,450,538.00	\$ 1,222,746.10	\$ 7,249,698.00	\$ 6,112,497.18
Unemployment.....	3,958.59	4,516.97	106,323.37	117,185.48
FICA.....	717,604.79	541,644.37	3,341,577.03	3,027,263.62
Public Service Commission Fee.....	161,096.90	161,675.42	805,484.50	808,377.10
Federal Income.....	88,889.98	2,343,232.70	7,828,909.28	16,845,310.84
State Income.....	1,087,945.48	427,337.27	4,557,331.49	2,931,304.53
Miscellaneous.....	(6,398.36)	-	23,555.88	20,133.86
<b>Total Charged to Operating Expense.....</b>	<b>3,503,635.38</b>	<b>4,701,152.83</b>	<b>23,912,879.55</b>	<b>29,862,072.61</b>
Taxes Charged to Other Accounts.....	556,117.31	(1,003,292.33)	1,068,709.99	(605,092.42)
Taxes Accrued on Intercompany Accounts.....	(298,632.90)	(233,912.40)	(1,411,398.76)	(1,249,761.50)
<b>Total Taxes Charged.....</b>	<b>\$ 3,761,119.79</b>	<b>\$ 3,463,948.10</b>	<b>\$ 23,570,190.78</b>	<b>\$ 28,007,218.69</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 7,318,993.00	\$ 11,508,650.09	\$ 7,164,474.57
Unemployment.....	54,386.05	87,525.38	141,169.30	742.13
FICA.....	590,648.24	2,701,659.76	2,817,777.77	474,530.24
Federal Income.....	(3,741,320.05)	7,445,765.68	4,760,919.00	(1,056,473.37)
State Income.....	229,108.93	4,487,457.27	1,024,076.00	3,692,490.20
Kentucky Sales and Use Tax.....	1,088,857.95	1,450,030.70	2,199,473.03	339,415.62
Miscellaneous.....	22,339.97	78,758.99	90,949.46	10,149.50
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 23,570,190.78</b>	<b>\$ 22,543,014.65</b>	<b>\$ 10,625,328.89</b>

June 21, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 4,733,838.14	\$ (280,263.63)	\$ -	\$ 4,453,574.51	\$ 164,338,033.87
Common Intangible Plant.....	56,455,326.72	6,691,632.97	(1,661,801.58)	-	5,029,831.39	61,485,158.11
	<u>216,339,786.08</u>	<u>11,425,471.11</u>	<u>(1,942,065.21)</u>	<u>-</u>	<u>9,483,405.90</u>	<u>225,823,191.98</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	18,447,378.50	(4,130,322.91)	47,153.43	14,364,209.02	941,653,247.52
Electric General Plant.....	16,521,615.59	247,788.85	(1,934,885.80)	-	(1,687,096.95)	14,834,518.64
Electric Hydro Production.....	41,680,209.14	410,641.30	(55,573.58)	-	355,067.72	42,035,276.86
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	22,818.51	(3,857.24)	38,429.14	57,390.41	229,458,423.42
Electric Steam Production.....	1,930,347,044.43	19,782,200.87	(5,494,798.53)	4,144,130.56	18,431,532.90	1,948,778,577.33
Electric Transmission.....	247,742,496.14	1,352,011.90	(521,503.11)	(47,153.43)	783,355.36	248,525,851.50
	<u>3,392,983,777.10</u>	<u>40,262,839.93</u>	<u>(12,140,941.17)</u>	<u>4,182,559.70</u>	<u>32,304,458.46</u>	<u>3,425,288,235.56</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	29,436,019.85	(378,399.88)	97,729.20	29,155,349.17	578,954,469.87
Gas General Plant.....	9,178,093.57	351,040.76	(995,401.23)	(97,729.20)	(742,089.67)	8,436,003.90
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	996,579.44	(588,414.06)	-	408,165.38	78,823,476.44
Gas Transmission.....	16,661,869.68	142,121.04	(531.82)	-	141,589.22	16,803,458.90
	<u>654,055,582.50</u>	<u>30,925,761.09</u>	<u>(1,962,746.99)</u>	<u>-</u>	<u>28,963,014.10</u>	<u>683,018,596.60</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>82,614,072.13</u>	<u>(16,045,753.37)</u>	<u>4,182,559.70</u>	<u>70,750,878.46</u>	<u>4,334,130,024.14</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 3,785,512.71	\$ -	\$ -	\$ 3,785,512.71	\$ 4,382,671.34
Common Intangible Plant.....	2,714,931.36	(1,139,891.52)	-	-	(1,139,891.52)	1,575,039.84
	<u>3,312,089.99</u>	<u>2,645,621.19</u>	<u>-</u>	<u>-</u>	<u>2,645,621.19</u>	<u>5,957,711.18</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	6,454,336.38	-	-	6,454,336.38	17,999,070.28
Electric General Plant.....	50,763.87	203,596.76	-	-	203,596.76	254,360.63
Electric Hydro Production.....	16,952.26	371,941.51	-	-	371,941.51	388,893.77
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	1,558,330.60	-	-	1,558,330.60	3,325,538.81
Electric Steam Production.....	15,929,229.77	180,339,093.26	-	-	180,339,093.26	196,268,323.03
Electric Transmission.....	35,045,472.82	4,531,375.38	-	-	4,531,375.38	39,576,848.20
	<u>64,354,360.83</u>	<u>193,458,673.89</u>	<u>-</u>	<u>-</u>	<u>193,458,673.89</u>	<u>257,813,034.72</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(10,670,578.39)	-	-	(10,670,578.39)	13,749,577.77
Gas General Plant.....	126,992.17	(21,033.58)	-	-	(21,033.58)	105,958.59
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	786,491.66	-	-	786,491.66	1,737,917.72
Gas Transmission.....	-	919,767.29	-	-	919,767.29	919,767.29
	<u>25,498,574.39</u>	<u>(8,985,353.02)</u>	<u>-</u>	<u>-</u>	<u>(8,985,353.02)</u>	<u>16,513,221.37</u>
<b>Total 106 Accounts.....</b>	<u>93,165,025.21</u>	<u>187,118,942.06</u>	<u>-</u>	<u>-</u>	<u>187,118,942.06</u>	<u>280,283,967.27</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001.....</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001.....</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(12,403,453.29)	-	-	(12,403,453.29)	8,840,426.60
Electric.....	324,323,732.14	(191,367,038.81)	-	-	(191,367,038.81)	132,956,693.33
Gas.....	39,756,306.91	(6,373,753.70)	-	-	(6,373,753.70)	33,382,553.21
	<u>385,323,918.94</u>	<u>(210,144,245.80)</u>	<u>-</u>	<u>-</u>	<u>(210,144,245.80)</u>	<u>175,179,673.14</u>
<b>Total Plant (Non-CWIP).....</b>	<u>4,363,590,974.63</u>	<u>269,733,014.19</u>	<u>(16,045,753.37)</u>	<u>\$ -</u>	<u>253,687,260.82</u>	<u>4,617,278,235.45</u>
<b>Total Plant + CWIP.....</b>	<u>4,748,914,893.57</u>	<u>59,588,768.39</u>	<u>(16,045,753.37)</u>	<u>\$ -</u>	<u>43,543,015.02</u>	<u>4,792,457,908.59</u>
<b>Total Plant + CWIP - Non Utility.....</b>	<u>\$ 4,748,839,654.01</u>	<u>\$ 59,588,768.39</u>	<u>\$ (16,045,753.37)</u>	<u>\$ -</u>	<u>\$ 43,543,015.02</u>	<u>\$ 4,792,382,669.03</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (5,217,227.58)	\$ 280,263.63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (82,200,199.05)
Common General Plant - ARO.....	(343.19)	(858.50)	-	-	-	-	-	-	-	(1,201.69)
Electric Distribution.....	(277,000,365.75)	(7,180,216.08)	4,130,322.91	(382.60)	-	-	-	-	-	(280,050,641.52)
Electric Distribution - ARO.....	(1,256.54)	(2,514.11)	-	-	-	-	-	-	-	(3,770.65)
Electric General Plant.....	(12,910,034.19)	(144,896.82)	1,934,885.80	(19,392.53)	-	-	-	-	-	(11,139,437.74)
Electric Hydro Production.....	(9,718,276.66)	(231,999.32)	55,573.58	-	-	-	-	-	-	(9,894,702.40)
Electric Hydro Production - ARO.....	(364.10)	(728.55)	-	-	-	-	-	-	-	(1,092.65)
Electric Other Production.....	(60,282,055.17)	(3,405,425.34)	3,857.24	-	-	-	-	-	-	(63,683,623.27)
Electric Other Production - ARO.....	(192.68)	(434.22)	-	-	-	-	-	-	-	(626.90)
Electric Steam Production.....	(1,029,518,070.37)	(23,525,267.07)	4,846,109.87	-	-	-	-	-	-	(1,048,197,227.57)
Electric Steam Production - ARO.....	(204,061.94)	(1,147,315.07)	648,688.66	-	-	-	-	-	-	(702,688.35)
Electric Transmission.....	(119,192,606.75)	(1,817,586.36)	521,503.11	382.60	-	-	-	-	-	(120,488,307.40)
Electric Transmission - ARO.....	(41.40)	(82.85)	-	-	-	-	-	-	-	(124.25)
Gas Distribution.....	(125,049,477.23)	(4,754,671.21)	303,360.61	(13,332.40)	-	-	-	-	-	(129,514,120.23)
Gas Distribution - ARO.....	(49,734.93)	(198,467.84)	75,039.27	-	-	-	-	-	-	(173,163.50)
Gas General Plant.....	(6,299,629.20)	(121,690.44)	995,401.23	32,724.93	-	-	-	-	-	(5,393,193.48)
Gas Storage.....	(31,288,281.49)	(449,361.60)	193,008.60	-	-	-	-	-	-	(31,544,634.49)
Gas Storage - ARO.....	(39,466.10)	(485,051.45)	395,405.46	-	-	-	-	-	-	(129,112.09)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(23,010.08)	531.82	-	-	-	-	-	-	(9,471,083.58)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(48,706,804.49)</u>	<u>14,383,951.79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,792,652,311.17)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(115,009.11)	-	-	-	-	68,506.21	-	-	(734,875.37)
Electric Distribution.....	(146,715,298.78)	(2,842,350.94)	-	(55.48)	-	-	2,333,693.05	-	-	(147,224,012.15)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(17,639.18)	-	-	-	-	34,591.42	-	-	753,859.94
Electric Other Production.....	(2,505,175.99)	(146,240.99)	-	-	-	-	33,120.15	-	-	(2,618,296.83)
Electric Steam Production.....	(94,783,295.15)	(7,016,276.72)	-	-	-	-	1,979,201.25	-	-	(99,820,370.62)
Electric Transmission.....	(24,538,454.78)	(585,282.96)	-	55.48	-	-	(70,121.47)	-	-	(25,193,803.73)
Gas Distribution.....	(60,212,131.14)	(1,340,273.03)	-	-	-	-	1,239,469.39	-	-	(60,312,934.78)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(58,111.13)	-	-	-	-	549,226.94	-	-	320,677.91
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(5,690.46)	-	-	-	-	32,210.90	-	-	(2,990,293.51)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (12,126,874.52)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,199,897.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (337,816,182.52)</u>

June 21, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>	
<b>Salvage</b>											
Common General Plant.....	\$ 278,074.55	\$ 159.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,234.25	
Electric Distribution.....	17,535,024.98	575,309.46	-	-	-	-	-	(182,166.06)	-	17,928,168.38	
Electric General Plant.....	138,281.25	962.75	-	-	-	-	-	-	-	139,244.00	
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17	
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)	
Electric Steam Production.....	22,028,570.14	838,645.59	-	-	-	-	-	(11,318.62)	-	22,855,897.11	
Electric Transmission.....	6,247,368.67	108,407.87	-	-	-	-	-	-	-	6,355,776.54	
Gas Distribution.....	3,594,440.75	82,023.60	-	-	-	-	-	-	-	3,676,464.35	
Gas General Plant.....	225,788.37	880.58	-	-	-	-	-	-	-	226,668.95	
Gas Storage.....	269,933.04	7,105.65	-	-	-	-	-	-	-	277,038.69	
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-	
Gas Transmission.....	217,923.11	2,133.92	-	-	-	-	-	-	-	220,057.03	
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-	
	<u>50,893,044.36</u>	<u>1,615,629.12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,484.68)</u>	<u>-</u>	<u>52,315,188.80</u>	
<b>Total Reserves</b>											
Common.....	(77,737,236.57)	(5,332,935.49)	280,263.63	-	-	-	68,506.21	-	-	(82,721,402.22)	
Electric.....	(1,730,321,891.37)	(46,540,930.91)	12,140,941.17	(19,392.53)	-	-	4,310,484.40	(193,484.68)	-	(1,760,624,273.92)	
Gas.....	(231,266,492.01)	(7,344,183.49)	1,962,746.99	19,392.53	-	-	1,820,907.23	-	-	(234,807,628.75)	
	<u>(2,039,325,619.95)</u>	<u>(59,218,049.89)</u>	<u>14,383,951.79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,199,897.84</u>	<u>(193,484.68)</u>	<u>-</u>	<u>(2,078,153,304.89)</u>	
<b>Retirement Work In Progress</b>											
Common.....	342,947.00	-	-	-	-	(68,506.21)	(17,551.70)	(17,894.00)	-	238,995.09	
Electric.....	9,603,653.21	-	-	97,518.30	(803,385.38)	(3,881,859.58)	2,954,160.61	(173,264.94)	(44,418.65)	7,752,403.57	
Gas.....	2,523,160.64	-	-	(38,225.44)	(1,053,809.06)	(1,025,103.51)	667,216.82	(3,332.90)	(2,374.27)	1,067,532.28	
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(1,857,194.44)</u>	<u>(4,975,469.30)</u>	<u>3,603,825.73</u>	<u>(194,491.84)</u>	<u>(46,792.92)</u>	<u>9,058,930.94</u>	
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(59,218,049.89)</u>	<u>14,383,951.79</u>	<u>59,292.86</u>	<u>(1,857,194.44)</u>	<u>(4,975,469.30)</u>	<u>9,803,723.57</u>	<u>(387,976.52)</u>	<u>(46,792.92)</u>	<u>(2,069,094,373.95)</u>	
<b>Amortization</b>											
Common.....	(16,306,390.60)	(3,256,385.20)	1,661,801.58	-	-	-	-	-	-	(17,900,974.22)	
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)	
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)	
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(3,256,385.20)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,901,874.22)</u>	
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (62,474,435.09)</u>	<u>\$ 16,045,753.37</u>	<u>\$ 59,292.86</u>	<u>\$ (1,857,194.44)</u>	<u>\$ (4,975,469.30)</u>	<u>\$ 9,803,723.57</u>	<u>\$ (387,976.52)</u>	<u>\$ (46,792.92)</u>	<u>\$ (2,086,996,248.17)</u>	
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,086,932,887.81)</u>	
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>										<u>\$ 2,705,449,781.22</u>

June 21, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**May 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 82,342,454.95	\$ -	\$ 82,342,454.95
Gas Operating Revenues.....	15,822,650.10	-	15,822,650.10
<b>Total Operating Revenues.....</b>	<b>98,165,105.05</b>	<b>-</b>	<b>98,165,105.05</b>
Fuel for Electric Generation.....	27,927,729.83	-	27,927,729.83
Power Purchased.....	6,396,864.92	-	6,396,864.92
Gas Supply Expenses.....	7,748,745.56	-	7,748,745.56
Other Operation Expenses.....	20,079,042.25	-	20,079,042.25
Maintenance.....	9,772,439.82	-	9,772,439.82
Depreciation.....	12,745,145.63	6.13	12,745,151.76
Amortization Expense.....	669,166.96	-	669,166.96
Regulatory Credits.....	(1,366,601.03)	-	(1,366,601.03)
Taxes			
Federal Income.....	88,889.98	-	88,889.98
State Income.....	1,087,945.48	-	1,087,945.48
Deferred Federal Income - Net.....	3,431,528.62	8,228.79	3,439,757.41
Deferred State Income - Net.....	(608,867.93)	1,500.69	(607,367.24)
Property and Other.....	2,326,799.92	-	2,326,799.92
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	220,800.15	-	220,800.15
<b>Total Operating Expenses.....</b>	<b>90,283,596.16</b>	<b>9,735.61</b>	<b>90,293,331.77</b>
Net Operating Income.....	7,881,508.89	(9,735.61)	7,871,773.28
Other Income Less Deductions.....	252,722.76	-	252,722.76
<b>Income Before Interest Charges.....</b>	<b>8,134,231.65</b>	<b>(9,735.61)</b>	<b>8,124,496.04</b>
Interest on Long-Term Debt.....	3,220,360.74	(25,017.63)	3,195,343.11
Amortization of Debt Expense - Net.....	276,853.27	-	276,853.27
Other Interest Expenses.....	155,450.41	-	155,450.41
<b>Total Interest Charges.....</b>	<b>3,652,664.42</b>	<b>(25,017.63)</b>	<b>3,627,646.79</b>
<b>Net Income.....</b>	<b>\$ 4,481,567.23</b>	<b>\$ 15,282.02</b>	<b>\$ 4,496,849.25</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**May 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 412,517,431.57	\$ -	\$ 412,517,431.57
Gas Operating Revenues.....	171,907,885.65	-	171,907,885.65
<b>Total Operating Revenues.....</b>	<b>584,425,317.22</b>	<b>-</b>	<b>584,425,317.22</b>
Fuel for Electric Generation.....	142,799,303.79	-	142,799,303.79
Power Purchased.....	30,938,890.68	-	30,938,890.68
Gas Supply Expenses.....	100,042,135.22	-	100,042,135.22
Other Operation Expenses.....	96,533,699.79	27,884.66	96,561,584.45
Maintenance.....	48,601,523.71	-	48,601,523.71
Depreciation.....	59,081,544.98	0.02	59,081,545.00
Amortization Expense.....	3,256,385.20	-	3,256,385.20
Regulatory Credits.....	(2,936,556.98)	-	(2,936,556.98)
Taxes			
Federal Income.....	7,828,909.28	-	7,828,909.28
State Income.....	4,557,331.49	-	4,557,331.49
Deferred Federal Income - Net.....	17,090,013.95	31,979.94	17,121,993.89
Deferred State Income - Net.....	(266,940.57)	5,832.21	(261,108.36)
Property and Other.....	11,526,638.78	-	11,526,638.78
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(1,153,503.00)	-	(1,153,503.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	1,101,104.39	-	1,101,104.39
<b>Total Operating Expenses.....</b>	<b>518,997,902.77</b>	<b>65,696.83</b>	<b>519,063,599.60</b>
Net Operating Income.....	65,427,414.45	(65,696.83)	65,361,717.62
Other Income Less Deductions.....	(895,817.44)	-	(895,817.44)
<b>Income Before Interest Charges.....</b>	<b>64,531,597.01</b>	<b>(65,696.83)</b>	<b>64,465,900.18</b>
Interest on Long-Term Debt.....	16,359,570.71	(125,088.15)	16,234,482.56
Amortization of Debt Expense - Net.....	1,375,492.49	-	1,375,492.49
Other Interest Expenses.....	736,022.18	-	736,022.18
<b>Total Interest Charges.....</b>	<b>18,471,085.38</b>	<b>(125,088.15)</b>	<b>18,345,997.23</b>
<b>Net Income.....</b>	<b>\$ 46,060,511.63</b>	<b>\$ 59,391.32</b>	<b>\$ 46,119,902.95</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 852,322,196.36	\$ 757,127,061.99	\$ (808,855,173.14)	\$ -	\$ 43,467,023.22	\$ 757,127,061.99
Add:						
Net Income (Loss) for Period.....	4,481,567.23	2,448,313.79	15,282.02	-	4,496,849.25	2,448,313.79
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>25,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000,000.00</u>	<u>-</u>
Balance at End of Period.....	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>	<u>\$ (808,839,891.12)</u>	<u>\$ -</u>	<u>\$ 22,963,872.47</u>	<u>\$ 759,575,375.78</u>

Note: Purchase accounting is subject to change through October 31, 2011

June 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	46,060,511.63	34,296,509.54	59,391.32	-	46,119,902.95	34,296,509.54
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	42,250,000.00	30,000,000.00	-	-	42,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>	<u>\$ (808,839,891.12)</u>	<u>\$ -</u>	<u>\$ 22,963,872.47</u>	<u>\$ 759,575,375.78</u>

Note: Purchase accounting is subject to change through October 31, 2011

June 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 759,575,375.78	\$ 715,121,788.28	\$ -	\$ -	\$ 759,575,375.78	\$ 715,121,788.28
Add:						
Net Income (Loss) for Period.....	139,478,387.81	119,453,587.50	107,000.40	-	139,585,388.21	119,453,587.50
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	<u>67,250,000.00</u>	<u>75,000,000.00</u>	<u>-</u>	<u>-</u>	<u>67,250,000.00</u>	<u>75,000,000.00</u>
Balance at End of Period.....	<u>\$ 831,803,763.59</u>	<u>\$ 759,575,375.78</u>	<u>\$ (808,839,891.12)</u>	<u>\$ -</u>	<u>\$ 22,963,872.47</u>	<u>\$ 759,575,375.78</u>

Note: Purchase accounting is subject to change through October 31, 2011

June 21, 2011



**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of May 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,792,382,669.03	\$ (0.02)	\$ 4,792,382,669.01
Less: Reserves for Depreciation and Amortization....	2,086,932,887.81	-	2,086,932,887.81
<b>Total.....</b>	<b>2,705,449,781.22</b>	<b>(0.02)</b>	<b>2,705,449,781.20</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	21,674,314.80	-	21,674,314.80
<b>Total.....</b>	<b>22,280,480.00</b>	<b>-</b>	<b>22,280,480.00</b>
<b>Current and Accrued Assets</b>			
Cash.....	42,642,184.10	-	42,642,184.10
Special Deposits.....	6,103,356.02	-	6,103,356.02
Temporary Cash Investments.....	16,607,994.23	-	16,607,994.23
Accounts Receivable - Less Reserve.....	117,302,831.48	-	117,302,831.48
Accounts Receivable from Associated Companies....	17,220,727.53	-	17,220,727.53
Materials and Supplies - At Average Cost.....			
Fuel.....	64,042,394.78	-	64,042,394.78
Plant Materials and Operating Supplies.....	29,638,442.60	-	29,638,442.60
Stores Expense.....	5,123,126.75	-	5,123,126.75
Gas Stored Underground.....	12,379,663.46	-	12,379,663.46
Emission Allowances.....	2,331.27	-	2,331.27
Prepayments.....	6,486,268.51	-	6,486,268.51
Miscellaneous Current and Accrued Assets.....	681,197.76	-	681,197.76
<b>Total.....</b>	<b>318,230,518.49</b>	<b>-</b>	<b>318,230,518.49</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,330,061.12	(3,590,008.32)	9,740,052.80
Unamortized Loss on Bonds.....	21,429,634.70	-	21,429,634.70
Accumulated Deferred Income Taxes.....	55,739,575.24	83,151,053.04	138,890,628.28
Deferred Regulatory Assets.....	358,597,038.27	11,717,641.10	370,314,679.37
Other Deferred Debits.....	1,033,868.72	190,013,665.22	191,047,533.94
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>450,130,178.05</b>	<b>670,449,702.63</b>	<b>1,120,579,880.68</b>
<b>Total Assets.....</b>	<b>\$ 3,496,090,957.76</b>	<b>\$ 670,449,702.61</b>	<b>\$ 4,166,540,660.37</b>

Note: Purchase accounting is subject to change through October 31, 2011

June 21, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of May 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	831,803,763.59	(808,839,891.12)	22,963,872.47
<b>Total Proprietary Capital.....</b>	<b>1,339,719,798.04</b>	<b>385,245,977.90</b>	<b>1,724,965,775.94</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,401,593.59	580,705,593.59
First Mortgage Bonds.....	531,168,290.80	-	531,168,290.80
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,472,290.80</b>	<b>6,401,593.59</b>	<b>1,111,873,884.39</b>
<b>Total Capitalization.....</b>	<b>2,445,192,088.84</b>	<b>391,647,571.49</b>	<b>2,836,839,660.33</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	83,744,950.28	-	83,744,950.28
Accounts Payable to Associated Companies.....	13,185,424.92	-	13,185,424.92
Customer Deposits.....	22,522,323.63	-	22,522,323.63
Taxes Accrued.....	10,625,328.89	-	10,625,328.89
Dividends Declared.....	25,000,000.00	-	25,000,000.00
Interest Accrued.....	6,438,420.39	-	6,438,420.39
Miscellaneous Current and Accrued Liabilities.....	28,264,294.97	-	28,264,294.97
<b>Total.....</b>	<b>189,780,743.08</b>	<b>-</b>	<b>189,780,743.08</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	492,983,143.27	80,660,833.12	573,643,976.39
Investment Tax Credit.....	44,371,073.13	-	44,371,073.13
Regulatory Liabilities.....	59,210,182.72	190,013,665.22	249,223,847.94
Customer Advances for Construction.....	8,092,132.24	-	8,092,132.24
Asset Retirement Obligations.....	51,902,235.56	-	51,902,235.56
Other Deferred Credits.....	18,472,668.22	8,127,632.78	26,600,301.00
Miscellaneous Long-Term Liabilities.....	39,234,121.95	-	39,234,121.95
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	146,852,568.75	-	146,852,568.75
<b>Total.....</b>	<b>861,118,125.84</b>	<b>278,802,131.12</b>	<b>1,139,920,256.96</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,496,090,957.76</b>	<b>\$ 670,449,702.61</b>	<b>\$ 4,166,540,660.37</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - June 30, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

June 30, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**June 30, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings with Purchase Accounting.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 95,926,278.08	\$ 97,419,852.20	\$ (1,493,574.12)	(1.53)
Gas Operating Revenues.....	11,394,622.50	8,895,903.28	2,498,719.22	28.09
<b>Total Operating Revenues.....</b>	<b>107,320,900.58</b>	<b>106,315,755.48</b>	<b>1,005,145.10</b>	<b>0.95</b>
Fuel for Electric Generation.....	29,573,632.96	32,900,469.91	(3,326,836.95)	(10.11)
Power Purchased.....	6,493,106.90	4,617,350.32	1,875,756.58	40.62
Gas Supply Expenses.....	4,073,116.36	3,284,952.32	788,164.04	23.99
Other Operation Expenses.....	20,233,157.90	16,447,189.56	3,785,968.34	23.02
Maintenance.....	10,121,123.40	8,598,520.45	1,522,602.95	17.71
Depreciation.....	11,775,559.24	10,931,590.70	843,968.54	7.72
Amortization Expense.....	684,362.07	616,107.73	68,254.34	11.08
Regulatory Credits.....	(359,386.42)	(183,360.62)	(176,025.80)	(96.00)
Taxes				
Federal Income.....	(6,622,269.54)	(6,229,769.94)	(392,499.60)	(6.30)
State Income.....	840,976.77	(2,847,086.07)	3,688,062.84	129.54
Deferred Federal Income - Net.....	12,018,131.58	13,262,499.57	(1,244,367.99)	(9.38)
Deferred State Income - Net.....	44,957.43	4,021,225.36	(3,976,267.93)	(98.88)
Property and Other.....	2,316,570.56	1,960,428.66	356,141.90	18.17
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	215,040.82	168,720.88	46,319.94	27.45
<b>Total Operating Expenses.....</b>	<b>91,172,046.03</b>	<b>87,340,357.83</b>	<b>3,831,688.20</b>	<b>4.39</b>
Net Operating Income.....	16,148,854.55	18,975,397.65	(2,826,543.10)	(14.90)
Other Income Less Deductions.....	829,607.98	(2,409,600.40)	3,239,208.38	134.43
<b>Income Before Interest Charges.....</b>	<b>16,978,462.53</b>	<b>16,565,797.25</b>	<b>412,665.28</b>	<b>2.49</b>
Interest on Long-Term Debt.....	3,246,104.49	3,853,724.62	(607,620.13)	(15.77)
Amortization of Debt Expense - Net.....	277,604.34	116,549.81	161,054.53	138.19
Other Interest Expenses.....	426,202.12	366,326.42	59,875.70	16.34
<b>Total Interest Charges.....</b>	<b>3,949,910.95</b>	<b>4,336,600.85</b>	<b>(386,689.90)</b>	<b>(8.92)</b>
<b>Net Income.....</b>	<b>\$ 13,028,551.58</b>	<b>\$ 12,229,196.40</b>	<b>\$ 799,355.18</b>	<b>6.54</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2011**

	Year to Date			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 508,443,709.65	\$ 477,506,497.63	\$ 30,937,212.02	6.48
Gas Operating Revenues.....	183,302,508.15	169,407,175.22	13,895,332.93	8.20
<b>Total Operating Revenues.....</b>	<b>691,746,217.80</b>	<b>646,913,672.85</b>	<b>44,832,544.95</b>	<b>6.93</b>
Fuel for Electric Generation.....	172,372,936.75	173,255,707.38	(882,770.63)	(0.51)
Power Purchased.....	37,431,997.58	29,324,114.25	8,107,883.33	27.65
Gas Supply Expenses.....	104,115,251.58	95,922,113.42	8,193,138.16	8.54
Other Operation Expenses.....	116,766,857.69	108,155,892.84	8,610,964.85	7.96
Maintenance.....	58,722,647.11	53,799,164.95	4,923,482.16	9.15
Depreciation.....	70,857,104.22	65,058,284.25	5,798,819.97	8.91
Amortization Expense.....	3,940,747.27	3,968,065.72	(27,318.45)	(0.69)
Regulatory Credits.....	(3,295,943.40)	(1,087,649.67)	(2,208,293.73)	(203.03)
Taxes				
Federal Income.....	1,206,639.74	10,615,540.90	(9,408,901.16)	(88.63)
State Income.....	5,398,308.26	84,218.46	5,314,089.80	6,309.89
Deferred Federal Income - Net.....	29,108,145.53	15,183,379.56	13,924,765.97	91.71
Deferred State Income - Net.....	(221,983.14)	4,422,138.13	(4,644,121.27)	(105.02)
Property and Other.....	13,843,209.34	12,045,885.90	1,797,323.44	14.92
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(1,389,537.00)	(1,250,888.00)	(138,649.00)	(11.08)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	1,316,145.21	999,811.17	316,334.04	31.64
<b>Total Operating Expenses.....</b>	<b>610,169,948.80</b>	<b>570,461,319.12</b>	<b>39,708,629.68</b>	<b>6.96</b>
Net Operating Income.....	81,576,269.00	76,452,353.73	5,123,915.27	6.70
Other Income Less Deductions.....	(66,209.46)	(5,555,075.42)	5,488,865.96	98.81
<b>Income Before Interest Charges.....</b>	<b>81,510,059.54</b>	<b>70,897,278.31</b>	<b>10,612,781.23</b>	<b>14.97</b>
Interest on Long-Term Debt.....	19,605,675.20	22,386,989.99	(2,781,314.79)	(12.42)
Amortization of Debt Expense - Net.....	1,653,096.83	698,371.38	954,725.45	136.71
Other Interest Expenses.....	1,162,224.30	1,286,211.00	(123,986.70)	(9.64)
<b>Total Interest Charges.....</b>	<b>22,420,996.33</b>	<b>24,371,572.37</b>	<b>(1,950,576.04)</b>	<b>(8.00)</b>
<b>Net Income.....</b>	<b>\$ 59,089,063.21</b>	<b>\$ 46,525,705.94</b>	<b>\$ 12,563,357.27</b>	<b>27.00</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2011**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,046,548,778.99	\$ 935,076,467.37	\$ 111,472,311.62	11.92
Gas Operating Revenues.....	316,842,688.81	284,538,289.02	32,304,399.79	11.35
<b>Total Operating Revenues.....</b>	<b>1,363,391,467.80</b>	<b>1,219,614,756.39</b>	<b>143,776,711.41</b>	<b>11.79</b>
Fuel for Electric Generation.....	367,673,555.71	328,141,927.37	39,531,628.34	12.05
Power Purchased.....	62,487,602.02	54,655,291.75	7,832,310.27	14.33
Gas Supply Expenses.....	177,196,746.21	162,799,512.15	14,397,234.06	8.84
Other Operation Expenses.....	235,423,969.42	218,845,930.78	16,578,038.64	7.58
Maintenance.....	116,624,587.24	63,595,949.51	53,028,637.73	83.38
Depreciation.....	137,008,823.24	130,048,175.79	6,960,647.45	5.35
Amortization Expense.....	7,699,670.45	8,234,080.67	(534,410.22)	(6.49)
Regulatory Credits.....	(6,478,025.18)	(2,175,140.87)	(4,302,884.31)	(197.82)
Taxes				
Federal Income.....	19,465,706.02	34,726,063.50	(15,260,357.48)	(43.95)
State Income.....	11,361,257.23	3,084,121.45	8,277,135.78	268.38
Deferred Federal Income - Net.....	41,591,770.97	20,205,712.77	21,386,058.20	105.84
Deferred State Income - Net.....	(2,274,096.83)	6,597,215.40	(8,871,312.23)	(134.47)
Property and Other.....	24,368,947.26	22,171,603.10	2,197,344.16	9.91
Investment Tax Credit.....	-	1,824,673.02	(1,824,673.02)	(100.00)
Amortization of Investment Tax Credit.....	(2,640,423.00)	(2,766,595.56)	126,172.56	4.56
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,600,439.67	1,987,227.75	1,613,211.92	81.18
<b>Total Operating Expenses.....</b>	<b>1,193,107,952.49</b>	<b>1,051,941,288.44</b>	<b>141,166,664.05</b>	<b>13.42</b>
Net Operating Income.....	170,283,515.31	167,673,467.95	2,610,047.36	1.56
Other Income Less Deductions.....	16,206,338.30	(3,922,646.89)	20,128,985.19	513.15
<b>Income Before Interest Charges.....</b>	<b>186,489,853.61</b>	<b>163,750,821.06</b>	<b>22,739,032.55</b>	<b>13.89</b>
Interest on Long-Term Debt.....	41,113,732.38	43,880,897.82	(2,767,165.44)	(6.31)
Amortization of Debt Expense - Net.....	2,619,351.19	1,419,948.42	1,199,402.77	84.47
Other Interest Expenses.....	2,479,027.05	2,807,513.67	(328,486.62)	(11.70)
<b>Total Interest Charges.....</b>	<b>46,212,110.62</b>	<b>48,108,359.91</b>	<b>(1,896,249.29)</b>	<b>(3.94)</b>
<b>Net Income.....</b>	<b>\$ 140,277,742.99</b>	<b>\$ 115,642,461.15</b>	<b>\$ 24,635,281.84</b>	<b>21.30</b>



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**June 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 831,803,763.59	\$ 759,575,375.78	\$ 827,993,251.96	\$ 755,278,866.24	\$ 771,804,572.18	\$ 686,162,111.03
Add:						
Net Income for Period.....	13,028,551.58	12,229,196.40	59,089,063.21	46,525,705.94	140,277,742.99	115,642,461.15
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	42,250,000.00	30,000,000.00	67,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>

July 27, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of June 30, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,802,348,313.16	\$ 4,586,733,561.50	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,092,493,560.06</u>	<u>2,011,388,361.15</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,709,854,753.10</u>	<u>2,575,345,200.35</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(12,554,675.38)
Investments			Retained Earnings.....	<u>844,832,315.17</u>	<u>771,804,572.18</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,352,748,349.62</u>	<u>1,267,165,931.25</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>22,505,965.16</u>	<u>17,054,543.60</u>	First Mortgage Bonds.....	531,191,612.46	-
Total.....	<u>23,112,130.36</u>	<u>17,660,708.80</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,495,612.46</u>	<u>896,104,000.00</u>
Cash.....	41,156,614.54	5,546,990.55	Total Capitalization.....	<u>2,458,243,962.08</u>	<u>2,163,269,931.25</u>
Special Deposits.....	4,626,601.12	693,958.65	Current and Accrued Liabilities		
Temporary Cash Investments.....	10,763.48	119.71	ST Notes Payable to Associated Companies.....	-	137,358,400.00
Accounts Receivable - Less Reserve.....	126,976,576.30	154,587,253.55	Accounts Payable.....	85,621,470.31	79,568,208.23
Accounts Receivable from Associated Companies.....	12,749,748.11	17,787,025.30	Accounts Payable to Associated Companies.....	13,004,765.06	27,944,985.02
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,604,581.72	24,032,890.71
Fuel.....	67,711,396.61	69,073,218.18	Taxes Accrued.....	10,103,469.64	8,213,597.22
Plant Materials and Operating Supplies.....	29,950,707.42	29,037,290.76	Interest Accrued.....	5,332,202.80	2,307,571.20
Stores Expense.....	5,157,847.02	4,733,941.15	Dividends Declared.....	-	-
Gas Stored Underground.....	19,007,070.36	19,129,762.47	Miscellaneous Current and Accrued Liabilities.....	<u>25,114,319.95</u>	<u>22,705,173.97</u>
Emission Allowances.....	2,233.53	3,713.56	Total.....	<u>161,780,809.48</u>	<u>302,130,826.35</u>
Prepayments.....	7,798,435.51	4,924,681.40	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	<u>605,541.52</u>	<u>1,882,811.38</u>	Accumulated Deferred Income Taxes.....	506,075,924.63	442,371,641.52
Total.....	<u>315,753,535.52</u>	<u>307,400,766.66</u>	Investment Tax Credit.....	44,135,039.13	46,775,462.13
Deferred Debits and Other			Regulatory Liabilities.....	59,639,476.44	54,630,645.87
Unamortized Debt Expense.....	13,247,160.62	3,761,023.23	Customer Advances for Construction.....	8,117,149.39	8,624,175.20
Unamortized Loss on Bonds.....	21,328,631.75	22,540,667.15	Asset Retirement Obligations.....	52,117,276.38	34,043,440.31
Accumulated Deferred Income Taxes.....	55,536,998.05	50,944,309.61	Other Deferred Credits.....	21,631,372.89	21,536,826.65
Deferred Regulatory Assets.....	355,709,240.35	319,055,168.65	Miscellaneous Long-Term Liabilities.....	37,441,515.45	45,873,512.45
Other Deferred Debits.....	<u>1,478,646.74</u>	<u>1,202,822.23</u>	Accum Provision for Postretirement Benefits.....	<u>146,838,570.62</u>	<u>178,654,204.95</u>
Total.....	<u>447,300,677.51</u>	<u>397,503,990.87</u>	Total.....	<u>875,996,324.93</u>	<u>832,509,909.08</u>
Total Assets.....	<u>\$ 3,496,021,096.49</u>	<u>\$ 3,297,910,666.68</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,496,021,096.49</u>	<u>\$ 3,297,910,666.68</u>

July 27, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**June 30, 2011**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
		Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>844,832,315.17</u>	
<b>Total Proprietary Capital.....</b>			<u>1,352,748,349.62</u>	<u>55.03</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			574,304,000.00	23.36
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			535,000,000.00	21.76
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(772,187.52)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(3,036,200.02)</u>	
			(3,808,387.54)	-0.15
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,191,612.46</u>	21.61
<b>Total Capitalization.....</b>			<u>\$ 2,458,243,962.08</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,802,348,313.16	\$ 4,802,348,313.16
Reserves for Depreciation and Amortization.....		(2,092,493,560.06)
Depreciation of Plant		
Electric.....	(1,756,378,028.20)	
Gas.....	(234,224,361.39)	
Common.....	(83,304,934.18)	
Amortization of Plant		
Common.....	(18,585,336.29)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		23,112,130.36
Special Funds.....	22,505,965.16	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	41,156,614.54	41,156,614.54
Special Deposits.....		4,626,601.12
MAN Margin Call.....	3,930,413.60	
Other Special Deposits.....	696,187.52	
Temporary Cash Investments.....	10,763.48	10,763.48
Accounts Receivable - Less Reserve.....		126,976,576.30
Customers - Active.....	65,354,242.99	
Unbilled Revenues.....	52,952,779.02	
Wholesale Sales.....	2,314,797.00	
IMPA.....	2,019,304.96	
IMEA.....	1,992,992.36	
Sundry Accounts Receivable.....	1,592,770.46	
Bechtel Liquidated Damages.....	1,485,990.00	
Rents Receivable.....	528,837.70	
Transmission Sales.....	474,349.34	
Damage Claims.....	322,483.08	
IMEA/IMPA Net Portion of Bechtel Liquidated damages.....	(371,497.50)	
Other.....	333,593.44	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	2,847,006.74	
Accrual.....	(2,228,735.49)	
Reserve.....	(1,737,303.00)	
Recoveries.....	(618,271.25)	
A/R Miscellaneous.....	(286,763.55)	
Accounts Receivable from Associated Companies.....		12,749,748.11
LG&E - KU Energy Services/Kentucky Utilities.....	12,749,748.11	
Fuel.....		67,711,396.61
Coal 1,448,127.24 Tons @ \$46.41; MMBtu 33,090,478.75 @ 203.08¢.....	67,200,823.21	
Fuel Oil 173,737.49 Gallons @ 269.23¢.....	467,751.49	
Gas Pipeline 5,200 Mcf @ \$8.23.....	42,821.91	
Plant Materials and Operating Supplies.....		29,950,707.42
Regular Materials and Supplies.....	29,475,245.81	
Limestone 55,899.24 Tons @ \$8.51.....	475,461.61	
Stores Expense Undistributed.....	5,157,847.02	5,157,847.02
Gas Stored Underground - Current.....		19,007,070.36
Gas Stored Underground* 3,732,244 Mcf (14.73 psia) @ \$5.09.....	19,007,070.36	
Emission Allowances.....	2,233.53	2,233.53

July 27, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 7,798,435.51
Insurance.....	4,053,780.83	
Taxes.....	2,386,455.90	
Rights of Way.....	226,666.71	
Franchises.....	164,271.66	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	877,260.41	
Miscellaneous Current Assets.....		605,541.52
Derivative Asset - Non-Hedging.....	605,541.52	
Unamortized Debt Expense.....		13,247,160.62
Trimble County 2000 Series A due 08/01/30 Var%.....	738,665.70	
Jefferson County 2001 Series A due 09/01/26 Var%.....	150,510.54	
Jefferson County 2001 Series A due 09/01/27 Var%.....	329,678.68	
Jefferson County 2001 Series B due 11/01/27 Var%.....	179,589.08	
Trimble County 2001 Series A due 09/01/26 Var%.....	163,648.10	
Trimble County 2001 Series B due 11/01/27 Var%.....	179,618.54	
Trimble County 2002 Series A due 10/01/32 Var%.....	790,955.01	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	436,313.66	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	163,814.56	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,041,795.86	
First Mortgage Bond due 11/15/15 1.625%.....	2,136,450.58	
First Mortgage Bond due 11/15/40 5.125%.....	3,359,910.89	
Revolving Credit Agreement.....	3,576,209.42	
Unamortized Loss on Bonds.....	21,328,631.75	21,328,631.75
Accumulated Deferred Income Taxes.....		55,536,998.05
Federal		
Electric.....	35,552,740.83	
Gas.....	10,503,489.54	
State		
Electric.....	7,539,091.61	
Gas.....	1,941,676.07	
Regulatory Assets.....		355,709,240.35
Pension and Postretirement Benefits.....	213,180,670.00	
2009 Winter Storm.....	39,819,871.97	
Interest Rate Swap Ineffectiveness.....	35,068,280.97	
2008 Wind Storm.....	21,382,468.95	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,630,478.54	
State		
Electric.....	2,303,430.74	
Swap Termination.....	9,066,459.74	
Asset Retirement Obligations		
Electric.....	7,864,465.32	
Gas.....	415,780.40	
Common.....	5,151.21	
Fuel Adjustment Clause.....	5,304,000.00	
Gas Supply Clause/PBR.....	4,761,501.96	
Rate Case Expenses.....	1,137,111.04	
MISO Exit Fee.....	1,134,549.90	
KCCS Funding.....	676,822.89	
EKPC FERC Transmission Costs.....	452,193.04	
CMRG Funding.....	203,250.00	
Environmental Cost Recovery.....	179,159.00	
General Management Audit.....	123,594.68	
Other Deferred Debits.....	1,478,646.74	1,478,646.74
Total Assets.....	<u>\$ 3,496,021,096.49</u>	<u>\$ 3,496,021,096.49</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

July 27, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,352,748,349.62
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	844,832,315.17	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,191,612.46	531,191,612.46
Accounts Payable.....		85,621,470.31
Regular.....	81,300,431.64	
Salaries and Wages Accrued.....	4,397,304.40	
Employee Withholdings Payable.....	(76,265.73)	
Accounts Payable to Associated Companies.....		13,004,765.06
LG&E - KU Energy Services/Kentucky Utilities.....	13,004,765.06	
Customers' Deposits.....	22,604,581.72	22,604,581.72
Taxes Accrued.....	10,103,469.64	10,103,469.64
Interest Accrued.....		5,332,202.80
Jefferson County 2000 Series A due 05/01/27 5.375%.....	223,958.33	
Trimble County 2000 Series A due 08/01/30 Var%.....	7,453.85	
Jefferson County 2001 Series A due 09/01/26 Var%.....	5,825.34	
Jefferson County 2001 Series A due 09/01/27 Var%.....	84.20	
Jefferson County 2001 Series B due 11/01/27 Var%.....	7,395.07	
Trimble County 2001 Series A due 09/01/26 Var%.....	7,232.88	
Trimble County 2001 Series A due 10/01/32 Var%.....	6,353.63	
Trimble County 2001 Series B due 11/01/27 Var%.....	6,904.11	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	614,755.56	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.44	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	57,591.11	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Interest Rate Swaps.....	655,698.86	
First Mortgage Bond due 11/15/15 1.625%.....	519,097.23	
First Mortgage Bond due 11/15/40 5.125%.....	1,866,354.17	
Customers' Deposits.....	17,368.18	
Other.....	8,873.34	
Miscellaneous Current and Accrued Liabilities.....		25,114,319.95
Vacation Pay Accrued.....	6,718,979.89	
Customer Overpayments.....	4,984,113.18	
No-Notice Gas Payable.....	4,828,248.26	
SFAS 133 Derivative Liability.....	2,854,663.49	
Derivative Liabilities - Non-Hedging.....	2,414,104.63	
Tax Collections Payable.....	1,364,781.14	
Unearned Revenue.....	741,458.25	
Postretirement Benefits - Current.....	624,694.04	
Other.....	583,277.07	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 506,075,924.63
Federal		
Electric.....	367,237,261.05	
Gas.....	69,898,654.54	
State		
Electric.....	58,855,264.31	
Gas.....	10,084,744.73	
Investment Tax Credit.....		44,135,039.13
Advanced Coal Credit.....	23,456,603.00	
Job Development Credit		
Electric.....	20,054,571.98	
Gas.....	623,864.15	
Regulatory Liabilities.....		59,639,476.44
Deferred Taxes		
Federal		
Electric.....	27,289,225.06	
Gas.....	1,038,846.36	
State		
Electric.....	15,697,512.72	
Gas.....	2,373,942.46	
DSM Cost Recovery.....	6,792,132.51	
Gas Supply Clause/PBR.....	3,248,899.45	
Asset Retirement Obligations		
Gas.....	2,139,789.45	
Electric.....	256,213.72	
MISO Schedule 10 Charges.....	485,280.06	
Purchased Gas Adjustment - Texas Gas.....	317,634.65	
Customers' Advances for Construction.....		8,117,149.39
Line Extensions		
Gas.....	6,572,117.39	
Electric.....	784,297.46	
Customer Advances - Museum Plaza.....	696,187.52	
Other.....	64,547.02	
Asset Retirement Obligations.....		52,117,276.38
Electric.....	34,806,347.41	
Gas.....	17,205,761.40	
Common.....	105,167.57	
Other Deferred Credits.....	21,631,372.89	21,631,372.89
Miscellaneous Long-Term Liabilities.....		37,441,515.45
Long-Term Derivative Liabilities - SFAS 133.....	32,213,617.48	
Workers' Compensation.....	5,227,897.97	
Accumulated Provision for Benefits.....		146,838,570.62
Postretirement Benefits - SFAS 106.....	81,709,028.94	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,496,021,096.49</u>	<u>\$ 3,496,021,096.49</u>

July 27, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**June 30, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 59,089,063.21	\$ 46,525,705.94
Items not requiring (providing) cash currently:		
Depreciation.....	70,857,104.22	65,058,284.25
Amortization.....	3,940,747.27	3,968,065.72
Deferred income taxes - net.....	30,890,090.70	19,605,517.69
Investment tax credit - net.....	(1,389,537.00)	(1,250,888.00)
Gain on disposal of assets.....	(63,747.12)	(1,050.00)
Other.....	8,323,406.98	22,268,456.52
Change in receivables.....	47,081,713.91	(24,678,887.04)
Change in inventory.....	40,583,996.65	27,936,307.24
Change in allowance inventory.....	495.43	457.44
Change in payables and accrued expenses.....	(18,316,502.69)	(38,812,389.61)
Change in regulatory assets.....	(11,672,877.18)	934,926.06
Change in regulatory liabilities.....	8,213,127.98	(30,276,562.71)
Change in other deferred debits.....	(16,141,230.82)	1,590.04
Change in other deferred credits.....	16,031,013.05	13,554,340.97
Pension and postretirement funding.....	(66,680,000.00)	(22,809,700.00)
Other.....	3,513,269.66	1,169,727.64
Net cash provided (used) by operating activities.....	<u>174,260,134.25</u>	<u>83,193,902.15</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(68,990,464.98)	(15,738,309.41)
Gross additions to common utility plant - construction expenditures.....	(2,897,701.36)	(4,239,650.32)
Proceeds received from sales of property.....	63,747.12	1,050.00
Change in restricted cash.....	(3,743,819.21)	-
Change in derivatives.....	-	203,198.12
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(4,686,871.09)	-
Net cash provided (used) by investing activities.....	<u>82,944,890.48</u>	<u>(19,773,711.61)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(1,037,658.55)	(26,566.66)
Net change in short-term debt.....	(174,876,000.00)	(33,042,000.00)
Dividends on common stock.....	(42,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	<u>(218,163,658.55)</u>	<u>(63,068,566.66)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	39,041,366.18	351,623.88
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 41,167,378.02</u>	<u>\$ 5,547,110.26</u>

July 27, 2011



**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**June 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.15	\$ 111,979.16	\$ 671,875.01	\$ 671,874.99	\$ 1,343,749.94	\$ 1,343,750.01
Trimble County 2000 Series A due 08/01/30 Var%.....	10,046.48	42,361.96	118,972.23	202,561.92	307,691.27	342,657.28
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,414.56	4,301.22	12,854.40	23,985.78	36,003.75	38,204.54
Jefferson County 2001 Series A due 09/01/27 Var%.....	12,236.32	12,945.21	128,589.04	72,462.33	245,034.26	170,352.75
Jefferson County 2001 Series B due 11/01/27 Var%.....	28,886.03	41,175.34	178,976.19	159,667.08	375,814.24	344,783.51
Trimble County 2001 Series A due 09/01/26 Var%.....	7,232.88	13,561.65	55,188.36	86,508.22	133,695.21	211,727.41
Trimble County 2001 Series A due 10/01/32 Var%.....	8,447.15	19,964.95	73,923.96	187,491.74	181,399.11	248,286.13
Trimble County 2001 Series B due 11/01/27 Var%.....	29,054.80	41,041.09	176,294.23	160,616.39	372,227.06	345,732.80
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.57	-	1,141,688.78	-	1,141,688.78	32,454.36
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.66	1,149,999.98	1,149,999.99	2,299,999.90	2,300,000.01
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.49	871,874.94	871,874.99	1,743,749.90	1,743,749.99
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.35	-	313,964.46	-	313,964.46	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,380,000.00	1,380,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	655,698.88	779,264.88	3,812,093.61	4,099,046.54	7,411,387.38	7,357,398.99
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	-	2,031,250.00	-	2,539,062.51	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	7,303,125.00	-	9,128,906.25	-
Fidelia/PPL.....	-	2,220,150.01	-	13,320,900.02	9,999,675.01	26,641,800.04
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,246,104.49</b>	<b>3,853,724.62</b>	<b>19,605,675.20</b>	<b>22,386,989.99</b>	<b>41,113,732.38</b>	<b>43,880,897.82</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	176,601.37	15,546.83	1,047,079.01	93,138.53	1,407,315.49	186,245.94
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	606,017.82	605,232.85	1,212,035.70	1,233,702.48
<b>Total.....</b>	<b>277,604.34</b>	<b>116,549.81</b>	<b>1,653,096.83</b>	<b>698,371.38</b>	<b>2,619,351.19</b>	<b>1,419,948.42</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	159,648.67	138,308.08	697,689.78	707,840.77	1,378,755.47	1,501,826.05
Other Tax Deficiencies.....	-	7,469.00	-	7,469.00	(24,969.00)	(7,411.00)
Interest on DSM Cost Recovery.....	1,630.87	(439.83)	6,195.40	16,859.98	15,750.66	104,268.13
Interest on Debt to Associated Companies.....	-	37,766.25	8,862.00	146,314.24	124,969.64	345,992.41
Other Interest Expense.....	264,922.58	183,222.92	449,477.12	407,727.01	984,520.28	862,838.08
<b>Total.....</b>	<b>426,202.12</b>	<b>366,326.42</b>	<b>1,162,224.30</b>	<b>1,286,211.00</b>	<b>2,479,027.05</b>	<b>2,807,513.67</b>
<b>Total Interest.....</b>	<b>\$ 3,949,910.95</b>	<b>\$ 4,336,600.85</b>	<b>\$ 22,420,996.33</b>	<b>\$ 24,371,572.37</b>	<b>\$ 46,212,110.62</b>	<b>\$ 48,108,359.91</b>

July 27, 2011

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**June 30, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,450,538.00	\$ 1,222,746.10	\$ 8,700,236.00	\$ 7,335,243.28
Unemployment.....	4,253.00	4,021.39	110,576.37	121,206.87
FICA.....	697,401.05	571,985.73	4,038,978.08	3,599,249.35
Public Service Commission Fee.....	161,096.94	161,675.44	966,581.44	970,052.54
Federal Income.....	(6,622,269.54)	(6,229,769.94)	1,206,639.74	10,615,540.90
State Income.....	840,976.77	(2,847,086.07)	5,398,308.26	84,218.46
Miscellaneous.....	3,281.57	-	26,837.45	20,133.86
<b>Total Charged to Operating Expense.....</b>	<b>(3,464,722.21)</b>	<b>(7,116,427.35)</b>	<b>20,448,157.34</b>	<b>22,745,645.26</b>
Taxes Charged to Other Accounts.....	982,751.96	10,752,718.59	2,051,461.95	10,147,626.17
Taxes Accrued on Intercompany Accounts.....	(318,747.41)	(238,822.66)	(1,730,146.16)	(1,488,584.16)
<b>Total Taxes Charged.....</b>	<b>\$ (2,800,717.66)</b>	<b>\$ 3,397,468.58</b>	<b>\$ 20,769,473.13</b>	<b>\$ 31,404,687.27</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 8,783,475.25	\$ 11,508,999.02	\$ 8,628,607.89
Unemployment.....	54,386.05	87,546.35	141,169.30	763.10
FICA.....	590,648.24	3,254,738.78	3,284,693.88	560,693.14
Federal Income.....	(3,741,320.05)	1,303,184.05	(2,438,136.00)	(0.00)
State Income.....	229,108.93	5,337,164.38	5,162,379.00	403,894.31
Kentucky Sales and Use Tax.....	1,088,857.95	1,920,713.74	2,511,954.71	497,616.98
Miscellaneous.....	22,339.97	82,650.58	93,096.33	11,894.22
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 20,769,473.13</b>	<b>\$ 20,264,156.24</b>	<b>\$ 10,103,469.64</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**June 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 5,525,205.81	\$ (332,809.01)	\$ -	\$ 5,192,396.80	\$ 165,076,856.16
Common Intangible Plant.....	56,455,326.72	7,641,723.09	(1,661,801.58)	-	5,979,921.51	62,435,248.23
	<u>216,339,786.08</u>	<u>13,166,928.90</u>	<u>(1,994,610.59)</u>	<u>-</u>	<u>11,172,318.31</u>	<u>227,512,104.39</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	21,963,024.77	(4,698,575.95)	47,153.43	17,311,602.25	944,600,640.75
Electric General Plant.....	16,521,615.59	297,947.55	(1,934,885.80)	-	(1,636,938.25)	14,884,677.34
Electric Hydro Production.....	41,680,209.14	469,609.90	(55,573.58)	-	414,036.32	42,094,245.46
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	1,720,153.61	(150,109.82)	38,429.14	1,608,472.93	231,009,505.94
Electric Steam Production.....	1,930,347,044.43	196,776,378.30	(9,803,763.30)	4,144,130.56	191,116,745.56	2,121,463,789.99
Electric Transmission.....	247,742,496.14	1,352,011.90	(521,503.11)	(47,153.43)	783,355.36	248,525,851.50
	<u>3,392,983,777.10</u>	<u>222,579,126.03</u>	<u>(17,164,411.56)</u>	<u>4,182,559.70</u>	<u>209,597,274.17</u>	<u>3,602,581,051.27</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	30,825,469.15	(466,613.58)	97,729.20	30,456,584.77	580,255,705.47
Gas General Plant.....	9,178,093.57	351,040.76	(995,401.23)	(97,729.20)	(742,089.67)	8,436,003.90
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	1,806,296.22	(1,395,336.80)	-	410,959.42	78,826,270.48
Gas Transmission.....	16,661,869.68	142,121.04	(531.82)	-	141,589.22	16,803,458.90
	<u>654,055,582.50</u>	<u>33,124,927.17</u>	<u>(2,857,883.43)</u>	<u>-</u>	<u>30,267,043.74</u>	<u>684,322,626.24</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>268,870,982.10</u>	<u>(22,016,905.58)</u>	<u>4,182,559.70</u>	<u>251,036,636.22</u>	<u>4,514,415,781.90</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**June 30, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 3,248,252.62	\$ -	\$ -	\$ 3,248,252.62	\$ 3,845,411.25
Common Intangible Plant.....	2,714,931.36	(1,577,400.79)	-	-	(1,577,400.79)	1,137,530.57
	<u>3,312,089.99</u>	<u>1,670,851.83</u>	<u>-</u>	<u>-</u>	<u>1,670,851.83</u>	<u>4,982,941.82</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	6,468,177.59	-	-	6,468,177.59	18,012,911.49
Electric General Plant.....	50,763.87	203,596.76	-	-	203,596.76	254,360.63
Electric Hydro Production.....	16,952.26	427,866.66	-	-	427,866.66	444,818.92
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	(139,004.50)	-	-	(139,004.50)	1,628,203.71
Electric Steam Production.....	15,929,229.77	4,990,217.60	-	-	4,990,217.60	20,919,447.37
Electric Transmission.....	35,045,472.82	4,623,888.19	-	-	4,623,888.19	39,669,361.01
	<u>64,354,360.83</u>	<u>16,574,742.30</u>	<u>-</u>	<u>-</u>	<u>16,574,742.30</u>	<u>80,929,103.13</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(9,853,746.00)	-	-	(9,853,746.00)	14,566,410.16
Gas General Plant.....	126,992.17	74,776.30	-	-	74,776.30	201,768.47
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	88,965.93	-	-	88,965.93	1,040,391.99
Gas Transmission.....	-	1,967,913.07	-	-	1,967,913.07	1,967,913.07
	<u>25,498,574.39</u>	<u>(7,722,090.70)</u>	<u>-</u>	<u>-</u>	<u>(7,722,090.70)</u>	<u>17,776,483.69</u>
<b>Total 106 Accounts</b> .....	<u>93,165,025.21</u>	<u>10,523,503.43</u>	<u>-</u>	<u>-</u>	<u>10,523,503.43</u>	<u>103,688,528.64</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b> .....	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b> .....	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(11,940,079.37)	-	-	(11,940,079.37)	9,303,800.52
Electric.....	324,323,732.14	(186,160,270.40)	-	-	(186,160,270.40)	138,163,461.74
Gas.....	39,756,306.91	(5,768,571.03)	-	-	(5,768,571.03)	33,987,735.88
	<u>385,323,918.94</u>	<u>(203,868,920.80)</u>	<u>-</u>	<u>-</u>	<u>(203,868,920.80)</u>	<u>181,454,998.14</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>279,394,485.53</u>	<u>(22,016,905.58)</u>	<u>-</u>	<u>257,377,579.95</u>	<u>4,620,968,554.58</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>75,525,564.73</u>	<u>(22,016,905.58)</u>	<u>-</u>	<u>53,508,659.15</u>	<u>4,802,423,552.72</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 75,525,564.73</u>	<u>\$ (22,016,905.58)</u>	<u>\$ -</u>	<u>\$ 53,508,659.15</u>	<u>\$ 4,802,348,313.16</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (6,305,473.03)	\$ 332,809.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (83,235,899.12)
Common General Plant - ARO.....	(343.19)	(1,030.20)	-	-	-	-	-	-	-	(1,373.39)
Electric Distribution.....	(277,000,365.75)	(8,632,718.81)	4,698,575.95	(382.60)	-	-	-	-	-	(280,934,891.21)
Electric Distribution - ARO.....	(1,256.54)	(3,016.93)	-	-	-	-	-	-	-	(4,273.47)
Electric General Plant.....	(12,910,034.19)	(177,265.38)	1,934,885.80	-	-	-	-	-	-	(11,152,413.77)
Electric Hydro Production.....	(9,718,276.66)	(279,470.04)	55,573.58	-	-	-	-	-	-	(9,942,173.12)
Electric Hydro Production - ARO.....	(364.10)	(874.26)	-	-	-	-	-	-	-	(1,238.36)
Electric Other Production.....	(60,282,055.17)	(4,088,739.72)	150,109.82	-	-	-	-	-	-	(64,220,685.07)
Electric Other Production - ARO.....	(192.68)	(530.78)	-	-	-	-	-	-	-	(723.46)
Electric Steam Production.....	(1,029,518,070.37)	(28,290,839.23)	9,155,074.64	-	-	-	-	-	-	(1,048,653,834.96)
Electric Steam Production - ARO.....	(204,061.94)	(1,247,646.43)	648,688.66	-	-	-	-	-	-	(803,019.71)
Electric Transmission.....	(119,192,606.75)	(2,184,555.52)	521,503.11	382.60	-	-	-	-	-	(120,855,276.56)
Electric Transmission - ARO.....	(41.40)	(99.42)	-	-	-	-	-	-	-	(140.82)
Gas Distribution.....	(125,049,477.23)	(5,721,434.96)	391,574.31	(13,332.40)	-	-	-	-	-	(130,392,670.28)
Gas Distribution - ARO.....	(49,734.93)	(223,200.28)	75,039.27	-	-	-	-	-	-	(197,895.94)
Gas General Plant.....	(6,299,629.20)	(149,726.54)	995,401.23	13,332.40	-	-	-	-	-	(5,440,622.11)
Gas Storage.....	(31,288,281.49)	(539,990.76)	999,931.34	-	-	-	-	-	-	(30,828,340.91)
Gas Storage - ARO.....	(39,466.10)	(503,399.89)	395,405.46	-	-	-	-	-	-	(147,460.53)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(27,866.83)	531.82	-	-	-	-	-	-	(9,475,940.33)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(58,377,879.01)</u>	<u>20,355,104.00</u>	<u>0.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,796,352,233.48)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(138,833.55)	-	-	-	-	103,898.11	-	-	(723,307.91)
Electric Distribution.....	(146,715,298.78)	(3,418,304.24)	-	(55.48)	-	-	2,420,815.50	-	-	(147,712,843.00)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(21,233.76)	-	-	-	-	34,591.42	-	-	750,265.36
Electric Other Production.....	(2,505,175.99)	(175,587.66)	-	-	-	-	104,342.09	-	-	(2,576,421.56)
Electric Steam Production.....	(94,783,295.15)	(8,445,071.26)	-	-	-	-	2,304,863.79	-	-	(100,923,502.62)
Electric Transmission.....	(24,538,454.78)	(703,297.62)	-	55.48	-	-	(70,121.47)	-	-	(25,311,818.39)
Gas Distribution.....	(60,212,131.14)	(1,613,746.91)	-	-	-	-	1,339,985.07	-	-	(60,485,892.98)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(69,904.37)	-	-	-	-	561,876.02	-	-	321,533.75
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(6,892.24)	-	-	-	-	32,210.90	-	-	(2,991,495.29)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (14,592,871.61)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,832,461.43</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (339,649,616.02)</u>

July 27, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>	
<b>Salvage</b>											
Common General Plant.....	\$ 278,074.55	\$ 191.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,266.19	
Electric Distribution.....	17,535,024.98	692,169.05	-	-	-	-	-	(182,166.06)	-	18,045,027.97	
Electric General Plant.....	138,281.25	1,155.30	-	-	-	-	-	-	-	139,436.55	
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17	
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)	
Electric Steam Production.....	22,028,570.14	1,008,862.73	-	-	-	-	-	(26,976.51)	-	23,010,456.36	
Electric Transmission.....	6,247,368.67	130,306.68	-	-	-	-	-	-	-	6,377,675.35	
Gas Distribution.....	3,594,440.75	98,666.94	-	-	-	-	-	-	-	3,693,107.69	
Gas General Plant.....	225,788.37	1,074.79	-	-	-	-	-	-	-	226,863.16	
Gas Storage.....	269,933.04	8,553.93	-	-	-	-	-	-	-	278,486.97	
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-	
Gas Transmission.....	217,923.11	2,584.59	-	-	-	-	-	-	-	220,507.70	
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-	
	<u>50,893,044.36</u>	<u>1,943,565.65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,142.57)</u>	<u>-</u>	<u>52,627,467.44</u>	
<b>Total Reserves</b>											
Common.....	(77,737,236.57)	(6,445,145.14)	332,809.01	-	-	-	103,898.11	-	-	(83,745,674.59)	
Electric.....	(1,730,321,891.37)	(55,836,757.30)	17,164,411.56	-	-	-	4,794,491.33	(209,142.57)	-	(1,764,408,888.35)	
Gas.....	(231,266,492.01)	(8,745,282.53)	2,857,883.43	-	-	-	1,934,071.99	-	-	(235,219,819.12)	
	<u>(2,039,325,619.95)</u>	<u>(71,027,184.97)</u>	<u>20,355,104.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,832,461.43</u>	<u>(209,142.57)</u>	<u>-</u>	<u>(2,083,374,382.06)</u>	
<b>Retirement Work In Progress</b>											
Common.....	342,947.00	-	-	162,020.85	-	(103,898.11)	(5,795.69)	(17,894.00)	-	377,380.05	
Electric.....	9,603,653.21	-	-	(35,892.93)	(803,385.38)	(4,350,208.62)	3,900,143.93	(224,512.58)	(58,937.48)	8,030,860.15	
Gas.....	2,523,160.64	-	-	(66,835.06)	(1,053,809.06)	(1,138,268.27)	736,916.65	(3,332.90)	(2,374.27)	995,457.73	
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(1,857,194.44)</u>	<u>(5,592,375.00)</u>	<u>4,631,264.89</u>	<u>(245,739.48)</u>	<u>(61,311.75)</u>	<u>9,403,697.93</u>	
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(71,027,184.97)</u>	<u>20,355,104.00</u>	<u>59,292.86</u>	<u>(1,857,194.44)</u>	<u>(5,592,375.00)</u>	<u>11,463,726.32</u>	<u>(454,882.05)</u>	<u>(61,311.75)</u>	<u>(2,073,970,684.13)</u>	
<b>Amortization</b>											
Common.....	(16,306,390.60)	(3,940,747.27)	1,661,801.58	-	-	-	-	-	-	(18,585,336.29)	
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)	
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)	
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(3,940,747.27)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,586,236.29)</u>	
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (74,967,932.24)</u>	<u>\$ 22,016,905.58</u>	<u>\$ 59,292.86</u>	<u>\$ (1,857,194.44)</u>	<u>\$ (5,592,375.00)</u>	<u>\$ 11,463,726.32</u>	<u>\$ (454,882.05)</u>	<u>\$ (61,311.75)</u>	<u>\$ (2,092,556,920.42)</u>	
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,092,493,560.06)</u>	
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>										<u>\$ 2,709,854,753.10</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**June 30, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 95,926,278.08	\$ -	\$ 95,926,278.08
Gas Operating Revenues.....	11,394,622.50	-	11,394,622.50
<b>Total Operating Revenues.....</b>	<b>107,320,900.58</b>	<b>-</b>	<b>107,320,900.58</b>
Fuel for Electric Generation.....	29,573,632.96	-	29,573,632.96
Power Purchased.....	6,493,106.90	-	6,493,106.90
Gas Supply Expenses.....	4,073,116.36	-	4,073,116.36
Other Operation Expenses.....	20,233,157.90	-	20,233,157.90
Maintenance.....	10,121,123.40	-	10,121,123.40
Depreciation.....	11,775,559.24	(0.02)	11,775,559.22
Amortization Expense.....	684,362.07	-	684,362.07
Regulatory Credits.....	(359,386.42)	-	(359,386.42)
Taxes			
Federal Income.....	(6,622,269.54)	-	(6,622,269.54)
State Income.....	840,976.77	-	840,976.77
Deferred Federal Income - Net.....	12,018,131.58	8,230.83	12,026,362.41
Deferred State Income - Net.....	44,957.43	1,501.08	46,458.51
Property and Other.....	2,316,570.56	-	2,316,570.56
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	215,040.82	-	215,040.82
<b>Total Operating Expenses.....</b>	<b>91,172,046.03</b>	<b>9,731.89</b>	<b>91,181,777.92</b>
Net Operating Income.....	16,148,854.55	(9,731.89)	16,139,122.66
Other Income Less Deductions.....	829,607.98	-	829,607.98
<b>Income Before Interest Charges.....</b>	<b>16,978,462.53</b>	<b>(9,731.89)</b>	<b>16,968,730.64</b>
Interest on Long-Term Debt.....	3,246,104.49	(25,017.63)	3,221,086.86
Amortization of Debt Expense - Net.....	277,604.34	-	277,604.34
Other Interest Expenses.....	426,202.12	-	426,202.12
<b>Total Interest Charges.....</b>	<b>3,949,910.95</b>	<b>(25,017.63)</b>	<b>3,924,893.32</b>
<b>Net Income.....</b>	<b>\$ 13,028,551.58</b>	<b>\$ 15,285.74</b>	<b>\$ 13,043,837.32</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**June 30, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 508,443,709.65	\$ -	\$ 508,443,709.65
Gas Operating Revenues.....	183,302,508.15	-	183,302,508.15
<b>Total Operating Revenues.....</b>	<b>691,746,217.80</b>	<b>-</b>	<b>691,746,217.80</b>
Fuel for Electric Generation.....	172,372,936.75	-	172,372,936.75
Power Purchased.....	37,431,997.58	-	37,431,997.58
Gas Supply Expenses.....	104,115,251.58	-	104,115,251.58
Other Operation Expenses.....	116,766,857.69	27,884.66	116,794,742.35
Maintenance.....	58,722,647.11	-	58,722,647.11
Depreciation.....	70,857,104.22	-	70,857,104.22
Amortization Expense.....	3,940,747.27	-	3,940,747.27
Regulatory Credits.....	(3,295,943.40)	-	(3,295,943.40)
Taxes			
Federal Income.....	1,206,639.74	-	1,206,639.74
State Income.....	5,398,308.26	-	5,398,308.26
Deferred Federal Income - Net.....	29,108,145.53	40,210.77	29,148,356.30
Deferred State Income - Net.....	(221,983.14)	7,333.29	(214,649.85)
Property and Other.....	13,843,209.34	-	13,843,209.34
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(1,389,537.00)	-	(1,389,537.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	1,316,145.21	-	1,316,145.21
<b>Total Operating Expenses.....</b>	<b>610,169,948.80</b>	<b>75,428.72</b>	<b>610,245,377.52</b>
Net Operating Income.....	81,576,269.00	(75,428.72)	81,500,840.28
Other Income Less Deductions.....	(66,209.46)	-	(66,209.46)
<b>Income Before Interest Charges.....</b>	<b>81,510,059.54</b>	<b>(75,428.72)</b>	<b>81,434,630.82</b>
Interest on Long-Term Debt.....	19,605,675.20	(150,105.78)	19,455,569.42
Amortization of Debt Expense - Net.....	1,653,096.83	-	1,653,096.83
Other Interest Expenses.....	1,162,224.30	-	1,162,224.30
<b>Total Interest Charges.....</b>	<b>22,420,996.33</b>	<b>(150,105.78)</b>	<b>22,270,890.55</b>
<b>Net Income.....</b>	<b>\$ 59,089,063.21</b>	<b>\$ 74,677.06</b>	<b>\$ 59,163,740.27</b>

Note: Purchase accounting is subject to change through October 31, 2011



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 831,803,763.59	\$ 759,575,375.78	\$ (808,839,891.12)	\$ -	\$ 22,963,872.47	\$ 759,575,375.78
Add:						
Net Income (Loss) for Period.....	13,028,551.58	12,229,196.40	15,285.74	-	13,043,837.32	12,229,196.40
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>	<u>\$ (808,824,605.38)</u>	<u>\$ -</u>	<u>\$ 36,007,709.79</u>	<u>\$ 771,804,572.18</u>

Note: Purchase accounting is subject to change through October 31, 2011

July 27, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	59,089,063.21	46,525,705.94	74,677.06	-	59,163,740.27	46,525,705.94
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	42,250,000.00	30,000,000.00	-	-	42,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>	<u>\$ (808,824,605.38)</u>	<u>\$ -</u>	<u>\$ 36,007,709.79</u>	<u>\$ 771,804,572.18</u>

Note: Purchase accounting is subject to change through October 31, 2011

July 27, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 771,804,572.18	\$ 686,162,111.03	\$ -	\$ -	\$ 771,804,572.18	\$ 686,162,111.03
Add:						
Net Income (Loss) for Period.....	140,277,742.99	115,642,461.15	122,286.14	-	140,400,029.13	115,642,461.15
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	67,250,000.00	30,000,000.00	-	-	67,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 844,832,315.17</u>	<u>\$ 771,804,572.18</u>	<u>\$ (808,824,605.38)</u>	<u>\$ -</u>	<u>\$ 36,007,709.79</u>	<u>\$ 771,804,572.18</u>

Note: Purchase accounting is subject to change through October 31, 2011

July 27, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of June 30, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,802,348,313.16	\$ -	\$ 4,802,348,313.16
Less: Reserves for Depreciation and Amortization....	2,092,493,560.06	-	2,092,493,560.06
<b>Total.....</b>	<b>2,709,854,753.10</b>	<b>-</b>	<b>2,709,854,753.10</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	22,505,965.16	-	22,505,965.16
<b>Total.....</b>	<b>23,112,130.36</b>	<b>-</b>	<b>23,112,130.36</b>
<b>Current and Accrued Assets</b>			
Cash.....	41,156,614.54	-	41,156,614.54
Special Deposits.....	4,626,601.12	-	4,626,601.12
Temporary Cash Investments.....	10,763.48	-	10,763.48
Accounts Receivable - Less Reserve.....	126,976,576.30	-	126,976,576.30
Accounts Receivable from Associated Companies....	12,749,748.11	-	12,749,748.11
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	67,711,396.61	-	67,711,396.61
Plant Materials and Operating Supplies.....	29,950,707.42	-	29,950,707.42
Stores Expense.....	5,157,847.02	-	5,157,847.02
Gas Stored Underground.....	19,007,070.36	-	19,007,070.36
Emission Allowances.....	2,233.53	-	2,233.53
Prepayments.....	7,798,435.51	-	7,798,435.51
Miscellaneous Current and Accrued Assets.....	605,541.52	-	605,541.52
<b>Total.....</b>	<b>315,753,535.52</b>	<b>-</b>	<b>315,753,535.52</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,247,160.62	(3,574,461.51)	9,672,699.11
Unamortized Loss on Bonds.....	21,328,631.75	-	21,328,631.75
Accumulated Deferred Income Taxes.....	55,536,998.05	77,778,242.30	133,315,240.35
Deferred Regulatory Assets.....	355,709,240.35	11,331,282.96	367,040,523.31
Other Deferred Debits.....	1,478,646.74	185,810,670.12	187,289,316.86
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>447,300,677.51</b>	<b>660,503,085.46</b>	<b>1,107,803,762.97</b>
<b>Total Assets.....</b>	<b>\$ 3,496,021,096.49</b>	<b>\$ 660,503,085.46</b>	<b>\$ 4,156,524,181.95</b>

Note: Purchase accounting is subject to change through October 31, 2011

July 27, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of June 30, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	844,832,315.17	(808,824,605.38)	36,007,709.79
<b>Total Proprietary Capital.....</b>	<b>1,352,748,349.62</b>	<b>385,261,263.64</b>	<b>1,738,009,613.26</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,376,575.96	580,680,575.96
First Mortgage Bonds.....	531,191,612.46	-	531,191,612.46
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,495,612.46</b>	<b>6,376,575.96</b>	<b>1,111,872,188.42</b>
<b>Total Capitalization.....</b>	<b>2,458,243,962.08</b>	<b>391,637,839.60</b>	<b>2,849,881,801.68</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	85,621,470.31	-	85,621,470.31
Accounts Payable to Associated Companies.....	13,004,765.06	-	13,004,765.06
Customer Deposits.....	22,604,581.72	-	22,604,581.72
Taxes Accrued.....	10,103,469.64	-	10,103,469.64
Dividends Declared.....	-	-	-
Interest Accrued.....	5,332,202.80	-	5,332,202.80
Miscellaneous Current and Accrued Liabilities.....	25,114,319.95	-	25,114,319.95
<b>Total.....</b>	<b>161,780,809.48</b>	<b>-</b>	<b>161,780,809.48</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	506,075,924.63	75,297,754.29	581,373,678.92
Investment Tax Credit.....	44,135,039.13	-	44,135,039.13
Regulatory Liabilities.....	59,639,476.44	185,810,670.12	245,450,146.56
Customer Advances for Construction.....	8,117,149.39	-	8,117,149.39
Asset Retirement Obligations.....	52,117,276.38	-	52,117,276.38
Other Deferred Credits.....	21,631,372.89	7,756,821.45	29,388,194.34
Miscellaneous Long-Term Liabilities.....	37,441,515.45	-	37,441,515.45
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	146,838,570.62	-	146,838,570.62
<b>Total.....</b>	<b>875,996,324.93</b>	<b>268,865,245.86</b>	<b>1,144,861,570.79</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,496,021,096.49</b>	<b>\$ 660,503,085.46</b>	<b>\$ 4,156,524,181.95</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - July 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

July 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**July 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings with Purchase Accounting.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting .....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 115,642,800.22	\$ 104,164,227.85	\$ 11,478,572.37	11.02
Gas Operating Revenues.....	11,094,275.90	9,506,525.50	1,587,750.40	16.70
<b>Total Operating Revenues.....</b>	<b>126,737,076.12</b>	<b>113,670,753.35</b>	<b>13,066,322.77</b>	<b>11.49</b>
Fuel for Electric Generation.....	36,648,656.50	36,042,022.21	606,634.29	1.68
Power Purchased.....	6,917,723.12	3,877,589.54	3,040,133.58	78.40
Gas Supply Expenses.....	4,139,144.22	3,703,158.72	435,985.50	11.77
Other Operation Expenses.....	20,283,093.61	18,452,230.68	1,830,862.93	9.92
Maintenance.....	8,077,456.56	7,665,244.08	412,212.48	5.38
Depreciation.....	11,822,081.46	10,982,619.64	839,461.82	7.64
Amortization Expense.....	689,686.28	621,652.08	68,034.20	10.94
Regulatory Credits.....	(386,874.71)	(184,204.73)	(202,669.98)	(110.02)
Taxes				
Federal Income.....	10,655,071.01	8,612,458.61	2,042,612.40	23.72
State Income.....	1,943,174.04	1,570,661.15	372,512.89	23.72
Deferred Federal Income - Net.....	-	(3.75)	3.75	100.00
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,210,009.66	1,953,905.64	256,104.02	13.11
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	215,963.40	169,564.97	46,398.43	27.36
<b>Total Operating Expenses.....</b>	<b>102,979,151.15</b>	<b>93,258,417.84</b>	<b>9,720,733.31</b>	<b>10.42</b>
Net Operating Income.....	23,757,924.97	20,412,335.51	3,345,589.46	16.39
Other Income Less Deductions.....	217,199.43	(528,782.93)	745,982.36	141.08
<b>Income Before Interest Charges.....</b>	<b>23,975,124.40</b>	<b>19,883,552.58</b>	<b>4,091,571.82</b>	<b>20.58</b>
Interest on Long-Term Debt.....	3,224,464.04	3,798,734.35	(574,270.31)	(15.12)
Amortization of Debt Expense - Net.....	279,566.93	116,549.81	163,017.12	139.87
Other Interest Expenses.....	229,571.96	293,769.64	(64,197.68)	(21.85)
<b>Total Interest Charges.....</b>	<b>3,733,602.93</b>	<b>4,209,053.80</b>	<b>(475,450.87)</b>	<b>(11.30)</b>
<b>Net Income.....</b>	<b>\$ 20,241,521.47</b>	<b>\$ 15,674,498.78</b>	<b>\$ 4,567,022.69</b>	<b>29.14</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2011**

	Year to Date			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 624,086,509.87	\$ 581,670,725.48	\$ 42,415,784.39	7.29
Gas Operating Revenues.....	194,396,784.05	178,913,700.72	15,483,083.33	8.65
<b>Total Operating Revenues.....</b>	<b>818,483,293.92</b>	<b>760,584,426.20</b>	<b>57,898,867.72</b>	<b>7.61</b>
Fuel for Electric Generation.....	209,021,593.25	209,297,729.59	(276,136.34)	(0.13)
Power Purchased.....	44,349,720.70	33,201,703.79	11,148,016.91	33.58
Gas Supply Expenses.....	108,254,395.80	99,625,272.14	8,629,123.66	8.66
Other Operation Expenses.....	137,049,951.30	126,608,123.52	10,441,827.78	8.25
Maintenance.....	66,800,103.67	61,464,409.03	5,335,694.64	8.68
Depreciation.....	82,679,185.68	76,040,903.89	6,638,281.79	8.73
Amortization Expense.....	4,630,433.55	4,589,717.80	40,715.75	0.89
Regulatory Credits.....	(3,682,818.11)	(1,271,854.40)	(2,410,963.71)	(189.56)
Taxes				
Federal Income.....	11,861,710.75	19,227,999.51	(7,366,288.76)	(38.31)
State Income.....	7,341,482.30	1,654,879.61	5,686,602.69	343.63
Deferred Federal Income - Net.....	29,108,145.53	15,183,375.81	13,924,769.72	91.71
Deferred State Income - Net.....	(221,983.14)	4,422,138.13	(4,644,121.27)	(105.02)
Property and Other.....	16,053,219.00	13,999,791.54	2,053,427.46	14.67
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(1,625,571.00)	(1,459,369.00)	(166,202.00)	(11.39)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	1,532,108.61	1,169,376.14	362,732.47	31.02
<b>Total Operating Expenses.....</b>	<b>713,149,099.95</b>	<b>663,719,736.96</b>	<b>49,429,362.99</b>	<b>7.45</b>
<b>Net Operating Income.....</b>	<b>105,334,193.97</b>	<b>96,864,689.24</b>	<b>8,469,504.73</b>	<b>8.74</b>
Other Income Less Deductions.....	150,989.97	(6,083,858.35)	6,234,848.32	102.48
<b>Income Before Interest Charges.....</b>	<b>105,485,183.94</b>	<b>90,780,830.89</b>	<b>14,704,353.05</b>	<b>16.20</b>
Interest on Long-Term Debt.....	22,830,139.24	26,185,724.34	(3,355,585.10)	(12.81)
Amortization of Debt Expense - Net.....	1,932,663.76	814,921.19	1,117,742.57	137.16
Other Interest Expenses.....	1,391,796.26	1,579,980.64	(188,184.38)	(11.91)
<b>Total Interest Charges.....</b>	<b>26,154,599.26</b>	<b>28,580,626.17</b>	<b>(2,426,026.91)</b>	<b>(8.49)</b>
<b>Net Income.....</b>	<b>\$ 79,330,584.68</b>	<b>\$ 62,200,204.72</b>	<b>\$ 17,130,379.96</b>	<b>27.54</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**July 31, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,058,027,351.36	\$ 955,459,809.17	\$ 102,567,542.19	10.73
Gas Operating Revenues.....	318,430,439.21	283,635,845.48	34,794,593.73	12.27
<b>Total Operating Revenues.....</b>	<b>1,376,457,790.57</b>	<b>1,239,095,654.65</b>	<b>137,362,135.92</b>	<b>11.09</b>
Fuel for Electric Generation.....	368,280,190.00	335,728,994.22	32,551,195.78	9.70
Power Purchased.....	65,527,735.60	55,122,055.29	10,405,680.31	18.88
Gas Supply Expenses.....	177,632,731.71	162,153,053.85	15,479,677.86	9.55
Other Operation Expenses.....	237,254,832.35	218,447,823.45	18,807,008.90	8.61
Maintenance.....	117,036,799.72	64,205,664.10	52,831,135.62	82.28
Depreciation.....	137,848,285.06	130,238,348.56	7,609,936.50	5.84
Amortization Expense.....	7,767,704.65	8,103,437.20	(335,732.55)	(4.14)
Regulatory Credits.....	(6,680,695.16)	(2,179,926.64)	(4,500,768.52)	(206.46)
Taxes				
Federal Income.....	21,508,318.42	38,705,374.92	(17,197,056.50)	(44.43)
State Income.....	11,733,770.12	3,809,831.74	7,923,938.38	207.99
Deferred Federal Income - Net.....	41,591,774.72	20,205,709.02	21,386,065.70	105.84
Deferred State Income - Net.....	(2,274,096.83)	6,597,215.40	(8,871,312.23)	(134.47)
Property and Other.....	24,625,051.28	21,885,870.99	2,739,180.29	12.52
Investment Tax Credit.....	-	1,824,673.02	(1,824,673.02)	(100.00)
Amortization of Investment Tax Credit.....	(2,667,976.00)	(2,720,343.56)	52,367.56	1.93
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,646,838.10	1,992,053.60	1,654,784.50	83.07
<b>Total Operating Expenses.....</b>	<b>1,202,828,685.80</b>	<b>1,064,085,375.02</b>	<b>138,743,310.78</b>	<b>13.04</b>
Net Operating Income.....	173,629,104.77	175,010,279.63	(1,381,174.86)	(0.79)
Other Income Less Deductions.....	16,952,320.66	(4,828,984.79)	21,781,305.45	451.05
<b>Income Before Interest Charges.....</b>	<b>190,581,425.43</b>	<b>170,181,294.84</b>	<b>20,400,130.59</b>	<b>11.99</b>
Interest on Long-Term Debt.....	40,539,462.07	43,957,894.11	(3,418,432.04)	(7.78)
Amortization of Debt Expense - Net.....	2,782,368.31	1,412,265.54	1,370,102.77	97.01
Other Interest Expenses.....	2,414,829.37	2,731,078.44	(316,249.07)	(11.58)
<b>Total Interest Charges.....</b>	<b>45,736,659.75</b>	<b>48,101,238.09</b>	<b>(2,364,578.34)</b>	<b>(4.92)</b>
<b>Net Income.....</b>	<b>\$ 144,844,765.68</b>	<b>\$ 122,080,056.75</b>	<b>\$ 22,764,708.93</b>	<b>18.65</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**July 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 844,832,315.17	\$ 771,804,572.18	\$ 827,993,251.96	\$ 755,278,866.24	\$ 787,479,070.96	\$ 695,399,014.21
Add:						
Net Income for Period.....	20,241,521.47	15,674,498.78	79,330,584.68	62,200,204.72	144,844,765.68	122,080,056.75
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	42,250,000.00	30,000,000.00	67,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>

August 19, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of July 31, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,813,897,037.14	\$ 4,596,155,723.91	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,103,467,014.13</u>	<u>2,020,431,818.86</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,710,430,023.01</u>	<u>2,575,723,905.05</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(13,202,834.60)
			Retained Earnings.....	<u>865,073,836.64</u>	<u>787,479,070.96</u>
			Total Proprietary Capital.....	<u>1,372,989,871.09</u>	<u>1,282,192,270.81</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,214,934.12	-
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Special Funds.....	<u>22,357,645.64</u>	<u>17,816,924.04</u>	Total Long-Term Debt.....	<u>1,105,518,934.12</u>	<u>896,104,000.00</u>
Total.....	<u>22,963,810.84</u>	<u>18,423,089.24</u>	Total Capitalization.....	<u>2,478,508,805.21</u>	<u>2,178,296,270.81</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	38,334,376.50	2,458,207.79	ST Notes Payable to Associated Companies.....	-	135,048,400.00
Special Deposits.....	3,151,789.21	694,039.76	Accounts Payable.....	85,729,649.67	87,363,988.88
Temporary Cash Investments.....	18,512,047.18	119.71	Accounts Payable to Associated Companies.....	12,602,066.24	20,164,038.85
Accounts Receivable - Less Reserve.....	148,476,351.97	152,615,048.85	Customer Deposits.....	22,714,988.20	24,236,689.44
Accounts Receivable from Associated Companies.....	11,752,654.76	31,743,790.61	Taxes Accrued.....	23,590,209.81	18,333,431.49
Materials and Supplies - At Average Cost.....			Interest Accrued.....	7,939,349.46	3,078,318.40
Fuel.....	58,266,316.48	67,057,622.92	Dividends Declared.....	-	-
Plant Materials and Operating Supplies.....	30,252,113.88	28,948,754.37	Miscellaneous Current and Accrued Liabilities.....	<u>23,212,684.00</u>	<u>20,436,721.44</u>
Stores Expense.....	5,282,243.47	4,880,898.47	Total.....	<u>175,788,947.38</u>	<u>308,661,588.50</u>
Gas Stored Underground.....	32,199,333.75	34,640,844.19			
Emission Allowances.....	2,114.63	3,467.86	Deferred Credits and Other		
Prepayments.....	6,527,553.62	6,107,360.76	Accumulated Deferred Income Taxes.....	506,075,924.63	442,364,833.95
Miscellaneous Current and Accrued Assets.....	<u>642,063.90</u>	<u>1,786,668.84</u>	Investment Tax Credit.....	43,899,005.13	46,566,981.13
Total.....	<u>353,398,959.35</u>	<u>330,936,824.13</u>	Regulatory Liabilities.....	60,756,940.33	54,864,073.23
			Customer Advances for Construction.....	8,075,464.10	8,678,961.61
Deferred Debits and Other			Asset Retirement Obligations.....	52,226,757.13	34,213,005.28
Unamortized Debt Expense.....	13,272,796.01	3,745,476.42	Other Deferred Credits.....	23,912,823.90	22,956,121.09
Unamortized Loss on Bonds.....	21,227,628.80	22,439,664.20	Miscellaneous Long-Term Liabilities.....	42,351,120.43	47,399,984.45
Accumulated Deferred Income Taxes.....	55,536,998.05	51,350,160.00	Accum Provision for Postretirement Benefits.....	<u>145,564,124.79</u>	<u>177,181,774.45</u>
Deferred Regulatory Assets.....	359,022,573.48	318,009,867.49	Total.....	<u>882,862,160.44</u>	<u>834,225,735.19</u>
Other Deferred Debits.....	<u>1,307,123.49</u>	<u>554,607.97</u>			
Total.....	<u>450,367,119.83</u>	<u>396,099,776.08</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,537,159,913.03</u>	<u>\$ 3,321,183,594.50</u>
Total Assets.....	<u>\$ 3,537,159,913.03</u>	<u>\$ 3,321,183,594.50</u>			

August 19, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**July 31, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			865,073,836.64	
 Total Proprietary Capital.....			1,372,989,871.09	55.40
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.17
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.59
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(757,479.19)	
First Mortgage Bond Due 11/15/40 5.125%.....			(3,027,586.69)	
			(3,785,065.88)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,214,934.12	21.43
 Total Capitalization.....			\$ 2,478,508,805.21	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,813,897,037.14	\$ 4,813,897,037.14
Reserves for Depreciation and Amortization.....		(2,103,467,014.13)
Depreciation of Plant		
Electric.....	(1,764,672,564.83)	
Gas.....	(235,428,472.71)	
Common.....	(84,090,054.02)	
Amortization of Plant		
Common.....	(19,275,022.57)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		22,963,810.84
Special Funds.....	22,357,645.64	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	38,334,376.50	38,334,376.50
Special Deposits.....		3,151,789.21
MAN Margin Call.....	2,455,601.69	
Other Special Deposits.....	696,187.52	
Temporary Cash Investments.....	18,512,047.18	18,512,047.18
Accounts Receivable - Less Reserve.....		148,476,351.97
Customers - Active.....	72,985,714.63	
Unbilled Revenues.....	68,727,853.83	
IMPA.....	2,100,756.45	
IMEA.....	2,041,846.93	
Bechtel Liquidated Damages.....	1,480,290.00	
Wholesale Sales.....	1,178,797.22	
Sundry Accounts Receivable.....	1,009,928.87	
Transmission Sales.....	560,409.75	
Damage Claims.....	323,662.85	
IMEA/IMPA Net Portion of Bechtel Liquidated damages.....	(370,072.50)	
Other.....	454,300.37	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	3,716,366.09	
Accrual.....	(3,014,559.39)	
Reserve.....	(1,729,197.00)	
Recoveries.....	(702,982.58)	
A/R Miscellaneous.....	(286,763.55)	
Accounts Receivable from Associated Companies.....		11,752,654.76
LG&E - KU Energy Services/Kentucky Utilities.....	11,752,654.76	
Fuel.....		58,266,316.48
Coal 1,234,117.26 Tons @ \$46.81; MMBtu 28,249,136.28 @ 204.49¢.....	57,766,414.87	
Fuel Oil 174,564.20 Gallons @ 267.60¢.....	467,137.51	
Gas Pipeline 5,100 Mcf @ \$6.42.....	32,764.10	
Plant Materials and Operating Supplies.....		30,252,113.88
Regular Materials and Supplies.....	29,863,297.30	
Limestone 44,401.44 Tons @ \$8.76.....	388,816.58	
Stores Expense Undistributed.....	5,282,243.47	5,282,243.47
Gas Stored Underground - Current.....		32,199,333.75
Gas Stored Underground* 6,366,878 Mcf (14.73 psia) @ \$5.06.....	32,199,333.75	
Emission Allowances.....	2,114.63	2,114.63

August 19, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,527,553.62
Insurance.....	3,614,752.42	
Taxes.....	1,791,752.66	
Rights of Way.....	226,666.71	
Franchises.....	116,678.94	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	687,702.89	
Miscellaneous Current Assets.....		642,063.90
Derivative Asset - Non-Hedging.....	642,063.90	
Unamortized Debt Expense.....		13,272,796.01
Trimble County 2000 Series A due 08/01/30 Var%.....	735,440.09	
Jefferson County 2001 Series A due 09/01/26 Var%.....	149,683.56	
Jefferson County 2001 Series A due 09/01/27 Var%.....	327,979.30	
Jefferson County 2001 Series B due 11/01/27 Var%.....	178,672.81	
Trimble County 2001 Series A due 09/01/26 Var%.....	162,748.93	
Trimble County 2001 Series B due 11/01/27 Var%.....	178,702.12	
Trimble County 2002 Series A due 10/01/32 Var%.....	787,853.23	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	434,679.74	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	163,191.92	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,037,834.66	
First Mortgage Bond due 11/15/15 1.625%.....	2,184,388.64	
First Mortgage Bond due 11/15/40 5.125%.....	3,440,559.44	
Revolving Credit Agreement.....	3,491,061.57	
Unamortized Loss on Bonds.....	21,227,628.80	21,227,628.80
Accumulated Deferred Income Taxes.....		55,536,998.05
Federal		
Electric.....	35,552,740.83	
Gas.....	10,503,489.54	
State		
Electric.....	7,539,091.61	
Gas.....	1,941,676.07	
Regulatory Assets.....		359,022,573.48
Pension and Postretirement Benefits.....	213,180,670.00	
Interest Rate Swap Ineffectiveness.....	40,360,122.62	
2009 Winter Storm.....	39,454,552.05	
2008 Wind Storm.....	21,186,299.51	
Deferred Taxes - FAS 109		
Federal		
Electric.....	12,630,478.54	
State		
Electric.....	2,303,430.74	
Swap Termination.....	9,044,920.08	
Asset Retirement Obligations		
Electric.....	8,022,668.58	
Gas.....	537,315.48	
Common.....	5,804.93	
Gas Supply Clause/PBR.....	4,396,510.37	
Fuel Adjustment Clause.....	4,357,000.00	
Rate Case Expenses.....	1,072,884.11	
MISO Exit Fee.....	1,072,063.70	
KCCS Funding.....	658,530.38	
EKPC FERC Transmission Costs.....	438,062.00	
CMRG Funding.....	195,120.00	
General Management Audit.....	106,140.39	
Other Deferred Debits.....	1,307,123.49	1,307,123.49
Total Assets.....	<u>\$ 3,537,159,913.03</u>	<u>\$ 3,537,159,913.03</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

August 19, 2011



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,372,989,871.09
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	865,073,836.64	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,214,934.12	531,214,934.12
Accounts Payable.....		85,729,649.67
Regular.....	84,306,180.96	
Salaries and Wages Accrued.....	1,429,094.00	
Employee Withholdings Payable.....	(5,625.29)	
Accounts Payable to Associated Companies.....		12,602,066.24
LG&E - KU Energy Services/Kentucky Utilities.....	12,602,066.24	
Customers' Deposits.....	22,714,988.20	22,714,988.20
Taxes Accrued.....	23,590,209.81	23,590,209.81
Interest Accrued.....		7,939,349.46
Jefferson County 2000 Series A due 05/01/27 5.375%.....	335,937.50	
Trimble County 2000 Series A due 08/01/30 Var%.....	3,518.59	
Jefferson County 2001 Series A due 09/01/26 Var%.....	5,609.59	
Jefferson County 2001 Series A due 09/01/27 Var%.....	134.72	
Jefferson County 2001 Series B due 11/01/27 Var%.....	4,499.73	
Trimble County 2001 Series A due 09/01/26 Var%.....	14,706.86	
Trimble County 2001 Series A due 10/01/32 Var%.....	3,470.18	
Trimble County 2001 Series B due 11/01/27 Var%.....	4,219.18	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	817,422.22	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	1,143,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	290,625.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	113,324.44	
Trimble County 2007 Series A due 06/01/33 4.600%.....	460,000.00	
Interest Rate Swaps.....	658,948.20	
First Mortgage Bond due 11/15/15 1.625%.....	857,638.89	
First Mortgage Bond due 11/15/40 5.125%.....	3,083,541.67	
Customers' Deposits.....	131,644.25	
Other.....	10,497.33	
Miscellaneous Current and Accrued Liabilities.....		23,212,684.00
Vacation Pay Accrued.....	6,718,979.89	
Customer Overpayments.....	4,432,874.91	
No-Notice Gas Payable.....	3,624,847.68	
SFAS 133 Derivative Liability.....	3,236,900.16	
Derivative Liabilities - Non-Hedging.....	1,886,733.59	
Tax Collections Payable.....	1,294,714.22	
Unearned Revenue.....	705,804.03	
Postretirement Benefits - Current.....	624,694.04	
Other.....	687,135.48	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**July 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 506,075,924.63
Federal		
Electric.....	367,237,261.05	
Gas.....	69,898,654.54	
State		
Electric.....	58,855,264.31	
Gas.....	10,084,744.73	
Investment Tax Credit.....		43,899,005.13
Advanced Coal Credit.....	23,403,258.00	
Job Development Credit		
Electric.....	19,883,159.98	
Gas.....	612,587.15	
Regulatory Liabilities.....		60,756,940.33
Deferred Taxes		
Federal		
Electric.....	27,289,225.06	
Gas.....	1,038,846.36	
State		
Electric.....	15,697,512.72	
Gas.....	2,373,942.46	
DSM Cost Recovery.....	6,925,227.10	
Gas Supply Clause/PBR.....	3,297,201.39	
Asset Retirement Obligations		
Gas.....	2,141,450.65	
Electric.....	262,391.36	
Environmental Cost Recovery.....	773,608.00	
MISO Schedule 10 Charges.....	508,859.62	
Purchased Gas Adjustment - Tennessee Gas.....	448,675.61	
Customers' Advances for Construction.....		8,075,464.10
Line Extensions		
Gas.....	6,526,237.39	
Electric.....	788,492.17	
Customer Advances - Museum Plaza.....	696,187.52	
Other.....	64,547.02	
Asset Retirement Obligations.....		52,226,757.13
Electric.....	34,836,891.93	
Gas.....	17,284,215.61	
Common.....	105,649.59	
Other Deferred Credits.....	23,912,823.90	23,912,823.90
Miscellaneous Long-Term Liabilities.....		42,351,120.43
Long-Term Derivative Liabilities - SFAS 133.....	37,123,222.46	
Workers' Compensation.....	5,227,897.97	
Accumulated Provision for Benefits.....		145,564,124.79
Postretirement Benefits - SFAS 106.....	80,434,583.11	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,537,159,913.03</u>	<u>\$ 3,537,159,913.03</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**July 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 79,330,584.68	\$ 62,200,204.72
Items not requiring (providing) cash currently:		
Depreciation.....	82,679,185.68	76,040,903.89
Amortization.....	4,630,433.55	4,589,717.80
Deferred income taxes - net.....	30,890,090.70	19,605,513.94
Investment tax credit - net.....	(1,625,571.00)	(1,459,369.00)
Gain on disposal of assets.....	(64,610.38)	(33,760.40)
Other.....	6,806,072.23	24,425,006.17
Change in receivables.....	25,811,622.87	(36,663,447.65)
Change in inventory.....	36,519,878.65	14,382,399.85
Change in allowance inventory.....	614.33	703.14
Change in payables and accrued expenses.....	6,194,293.57	(30,079,684.34)
Change in regulatory assets.....	(14,880,069.92)	1,980,227.22
Change in regulatory liabilities.....	9,330,591.87	(30,043,135.35)
Change in other deferred debits.....	(17,926,738.41)	56,075.57
Change in other deferred credits.....	18,312,464.06	14,973,635.41
Pension and postretirement funding.....	(67,940,500.00)	(24,267,900.00)
Other.....	1,918,939.42	(2,542,707.41)
Net cash provided (used) by operating activities.....	<u>199,987,281.90</u>	<u>93,164,383.56</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(77,652,078.92)	(25,310,695.30)
Gross additions to common utility plant - construction expenditures.....	(3,963,157.57)	(5,485,125.66)
Proceeds received from sales of property.....	64,610.38	33,760.40
Change in restricted cash.....	(3,595,499.69)	-
Change in derivatives.....	-	239,084.83
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(4,976,208.00)	-
Net cash provided (used) by investing activities.....	<u>73,077,666.20</u>	<u>(30,522,975.73)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(1,218,536.26)	(26,566.71)
Net change in short-term debt.....	(174,876,000.00)	(35,352,000.00)
Dividends on common stock.....	(42,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	<u>(218,344,536.26)</u>	<u>(65,378,566.71)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	54,720,411.84	(2,737,158.88)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 56,846,423.68</u>	<u>\$ 2,458,327.50</u>

August 19, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**July 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.08	\$ 783,854.19	\$ 783,854.07	\$ 1,343,750.04	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	7,407.55	35,185.88	126,379.78	237,747.80	279,912.94	343,166.54
Jefferson County 2001 Series A due 09/01/26 Var%.....	858.84	3,571.48	13,713.24	27,557.26	33,291.11	37,672.66
Jefferson County 2001 Series A due 09/01/27 Var%.....	6,996.57	17,352.74	135,585.61	89,815.07	234,678.09	171,678.09
Jefferson County 2001 Series B due 11/01/27 Var%.....	21,426.85	42,220.53	200,403.04	201,887.61	355,020.56	355,935.55
Trimble County 2001 Series A due 09/01/26 Var%.....	7,473.98	15,445.21	62,662.34	101,953.43	125,723.98	205,700.02
Trimble County 2001 Series A due 10/01/32 Var%.....	6,785.11	19,026.63	80,709.07	206,518.37	169,157.59	254,382.91
Trimble County 2001 Series B due 11/01/27 Var%.....	21,479.45	42,431.50	197,773.68	203,047.89	351,275.01	357,095.81
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.66	-	1,344,355.44	-	1,344,355.44	37,863.42
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.57	1,341,666.65	1,341,666.56	2,300,000.00	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.46	1,017,187.43	1,017,187.45	1,743,749.93	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	369,697.80	-	369,697.80	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,610,000.00	1,610,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	658,948.19	724,392.26	4,471,041.80	4,823,438.80	7,345,943.31	7,405,099.28
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.66	-	2,369,791.66	-	2,877,604.17	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	8,520,312.50	-	10,346,093.75	-
Fidelia/PPL.....	-	2,220,150.01	-	15,541,050.03	7,779,525.00	26,641,800.05
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,224,464.04</b>	<b>3,798,734.35</b>	<b>22,830,139.24</b>	<b>26,185,724.34</b>	<b>40,539,462.07</b>	<b>43,957,894.11</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	178,563.96	15,546.83	1,225,642.97	108,685.36	1,570,332.62	186,275.12
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	707,020.79	706,235.83	1,212,035.69	1,225,990.42
<b>Total.....</b>	<b>279,566.93</b>	<b>116,549.81</b>	<b>1,932,663.76</b>	<b>814,921.19</b>	<b>2,782,368.31</b>	<b>1,412,265.54</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	116,591.68	109,949.11	814,281.46	817,789.88	1,385,398.04	1,496,916.16
Other Tax Deficiencies.....	-	-	-	7,469.00	(24,969.00)	(7,411.00)
Interest on DSM Cost Recovery.....	1,623.99	(439.83)	7,819.39	16,420.15	17,814.48	98,551.50
Interest on Debt to Associated Companies.....	-	38,613.69	8,862.00	184,927.93	86,355.95	338,565.82
Other Interest Expense.....	111,356.29	145,646.67	560,833.41	553,373.68	950,229.90	804,455.96
<b>Total.....</b>	<b>229,571.96</b>	<b>293,769.64</b>	<b>1,391,796.26</b>	<b>1,579,980.64</b>	<b>2,414,829.37</b>	<b>2,731,078.44</b>
<b>Total Interest.....</b>	<b>\$ 3,733,602.93</b>	<b>\$ 4,209,053.80</b>	<b>\$ 26,154,599.26</b>	<b>\$ 28,580,626.17</b>	<b>\$ 45,736,659.75</b>	<b>\$ 48,101,238.09</b>

August 19, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
July 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,450,538.00	\$ 1,222,746.10	\$ 10,150,774.00	\$ 8,557,989.38
Unemployment.....	\$ 3,449.11	\$ 3,851.78	\$ 114,025.48	\$ 125,058.65
FICA.....	\$ 589,889.38	\$ 558,988.19	\$ 4,628,867.46	\$ 4,158,237.54
Public Service Commission Fee.....	\$ 162,886.60	\$ 161,096.90	\$ 1,129,468.04	\$ 1,131,149.44
Federal Income.....	\$ 10,655,071.01	\$ 8,612,458.61	\$ 11,861,710.75	\$ 19,227,999.51
State Income.....	\$ 1,943,174.04	\$ 1,570,661.15	\$ 7,341,482.30	\$ 1,654,879.61
Miscellaneous.....	\$ 3,246.57	\$ 7,222.67	\$ 30,084.02	\$ 27,356.53
 Total Charged to Operating Expense.....	 14,808,254.71	 12,137,025.40	 35,256,412.05	 34,882,670.66
Taxes Charged to Other Accounts.....	(54,688.60)	(12,153,952.53)	1,996,773.35	(2,006,326.36)
Taxes Accrued on Intercompany Accounts.....	(30,541.59)	(211,579.49)	(1,760,687.75)	(1,700,163.65)
 Total Taxes Charged.....	 <u>\$ 14,723,024.52</u>	 <u>\$ (228,506.62)</u>	 <u>\$ 35,492,497.64</u>	 <u>\$ 31,176,180.65</u>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 10,247,872.25	\$ 11,533,467.12	\$ 10,068,536.79
Unemployment.....	\$ 54,386.05	\$ 87,909.93	\$ 141,918.21	\$ 377.77
FICA.....	\$ 590,648.24	\$ 3,772,359.37	\$ 3,987,529.73	\$ 375,477.89
Federal Income.....	\$ (3,741,320.05)	\$ 11,643,534.10	\$ (2,438,136.00)	\$ 10,340,350.05
State Income.....	\$ 229,108.93	\$ 7,301,693.26	\$ 5,162,379.00	\$ 2,368,423.19
Kentucky Sales and Use Tax.....	\$ 1,088,857.95	\$ 2,344,153.92	\$ 3,009,571.69	\$ 423,440.18
Miscellaneous.....	\$ 22,339.97	\$ 94,974.81	\$ 103,710.84	\$ 13,603.94
 Totals.....	 <u>\$ 9,598,152.75</u>	 <u>\$ 35,492,497.64</u>	 <u>\$ 21,500,440.59</u>	 <u>\$ 23,590,209.81</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**July 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 8,162,211.47	\$ (663,361.41)	\$ -	\$ 7,498,850.06	\$ 167,383,309.42
Common Intangible Plant.....	56,455,326.72	7,747,375.80	(1,661,801.58)	-	6,085,574.22	62,540,900.94
	<u>216,339,786.08</u>	<u>15,909,587.27</u>	<u>(2,325,162.99)</u>	<u>-</u>	<u>13,584,424.28</u>	<u>229,924,210.36</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	24,654,481.15	(4,862,037.10)	47,153.43	19,839,597.48	947,128,635.98
Electric General Plant.....	16,521,615.59	1,289,339.27	(1,934,885.80)	-	(645,546.53)	15,876,069.06
Electric Hydro Production.....	41,680,209.14	469,609.90	(55,573.58)	-	414,036.32	42,094,245.46
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	1,720,153.61	(150,109.82)	38,429.14	1,608,472.93	231,009,505.94
Electric Steam Production.....	1,930,347,044.43	196,883,429.95	(9,843,160.87)	4,144,130.56	191,184,399.64	2,121,531,444.07
Electric Transmission.....	247,742,496.14	4,801,319.84	(951,247.89)	(47,153.43)	3,802,918.52	251,545,414.66
	<u>3,392,983,777.10</u>	<u>229,818,333.72</u>	<u>(17,797,015.06)</u>	<u>4,182,559.70</u>	<u>216,203,878.36</u>	<u>3,609,187,655.46</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	33,074,580.91	(547,956.63)	97,729.20	32,624,353.48	582,423,474.18
Gas General Plant.....	9,178,093.57	400,882.53	(995,401.23)	(97,729.20)	(692,247.90)	8,485,845.67
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	2,093,712.47	(1,418,787.23)	-	674,925.24	79,090,236.30
Gas Transmission.....	16,661,869.68	320,510.93	(3,581.35)	-	316,929.58	16,978,799.26
	<u>654,055,582.50</u>	<u>35,889,686.84</u>	<u>(2,965,726.44)</u>	<u>-</u>	<u>32,923,960.40</u>	<u>686,979,542.90</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>281,617,607.83</u>	<u>(23,087,904.49)</u>	<u>4,182,559.70</u>	<u>262,712,263.04</u>	<u>4,526,091,408.72</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**July 31, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 1,099,979.62	\$ -	\$ -	\$ 1,099,979.62	\$ 1,697,138.25
Common Intangible Plant.....	2,714,931.36	(1,685,522.42)	-	-	(1,685,522.42)	1,029,408.94
	<u>3,312,089.99</u>	<u>(585,542.80)</u>	<u>-</u>	<u>-</u>	<u>(585,542.80)</u>	<u>2,726,547.19</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	6,330,238.51	-	-	6,330,238.51	17,874,972.41
Electric General Plant.....	50,763.87	(50,763.87)	-	-	(50,763.87)	-
Electric Hydro Production.....	16,952.26	427,866.66	-	-	427,866.66	444,818.92
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	(139,004.50)	-	-	(139,004.50)	1,628,203.71
Electric Steam Production.....	15,929,229.77	11,227,629.51	-	-	11,227,629.51	27,156,859.28
Electric Transmission.....	35,045,472.82	1,490,405.41	-	-	1,490,405.41	36,535,878.23
	<u>64,354,360.83</u>	<u>19,286,371.72</u>	<u>-</u>	<u>-</u>	<u>19,286,371.72</u>	<u>83,640,732.55</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(8,457,259.81)	-	-	(8,457,259.81)	15,962,896.35
Gas General Plant.....	126,992.17	74,776.30	-	-	74,776.30	201,768.47
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	(164,350.06)	-	-	(164,350.06)	787,076.00
Gas Transmission.....	-	1,817,919.27	-	-	1,817,919.27	1,817,919.27
	<u>25,498,574.39</u>	<u>(6,728,914.30)</u>	<u>-</u>	<u>-</u>	<u>(6,728,914.30)</u>	<u>18,769,660.09</u>
<b>Total 106 Accounts.....</b>	<u>93,165,025.21</u>	<u>11,971,914.62</u>	<u>-</u>	<u>-</u>	<u>11,971,914.62</u>	<u>105,136,939.83</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001.....</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001.....</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(11,360,886.90)	-	-	(11,360,886.90)	9,882,992.99
Electric.....	324,323,732.14	(187,757,828.99)	-	-	(187,757,828.99)	136,565,903.15
Gas.....	39,756,306.91	(6,325,518.94)	-	-	(6,325,518.94)	33,430,787.97
	<u>385,323,918.94</u>	<u>(205,444,234.83)</u>	<u>-</u>	<u>-</u>	<u>(205,444,234.83)</u>	<u>179,879,684.11</u>
<b>Total Plant (Non-CWIP).....</b>	<u>4,363,590,974.63</u>	<u>293,589,522.45</u>	<u>(23,087,904.49)</u>	<u>-</u>	<u>270,501,617.96</u>	<u>4,634,092,592.59</u>
<b>Total Plant + CWIP.....</b>	<u>4,748,914,893.57</u>	<u>88,145,287.62</u>	<u>(23,087,904.49)</u>	<u>-</u>	<u>65,057,383.13</u>	<u>4,813,972,276.70</u>
<b>Total Plant + CWIP - Non Utility.....</b>	<u>\$ 4,748,839,654.01</u>	<u>\$ 88,145,287.62</u>	<u>\$ (23,087,904.49)</u>	<u>\$ -</u>	<u>\$ 65,057,383.13</u>	<u>\$ 4,813,897,037.14</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**July 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (7,397,191.78)	\$ 663,361.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (83,997,065.47)
Common General Plant - ARO.....	(343.19)	(1,201.90)	-	-	-	-	-	-	-	(1,545.09)
Electric Distribution.....	(277,000,365.75)	(10,088,091.65)	4,862,037.10	(382.60)	-	-	-	-	-	(282,226,802.90)
Electric Distribution - ARO.....	(1,256.54)	(3,519.76)	-	-	-	-	-	-	-	(4,776.30)
Electric General Plant.....	(12,910,034.19)	(215,945.35)	1,934,885.80	-	-	-	-	-	-	(11,191,093.74)
Electric Hydro Production.....	(9,718,276.66)	(327,072.89)	55,573.58	-	-	-	-	-	-	(9,989,775.97)
Electric Hydro Production - ARO.....	(364.10)	(1,019.97)	-	-	-	-	-	-	-	(1,384.07)
Electric Other Production.....	(60,282,055.17)	(4,771,831.43)	150,109.82	-	-	-	-	-	-	(64,903,776.78)
Electric Other Production - ARO.....	(192.68)	(627.34)	-	-	-	-	-	-	-	(820.02)
Electric Steam Production.....	(1,029,518,070.37)	(33,060,257.27)	9,167,484.51	-	-	-	-	-	-	(1,053,410,843.13)
Electric Steam Production - ARO.....	(204,061.94)	(1,374,543.50)	675,676.36	-	-	-	-	-	-	(902,929.08)
Electric Transmission.....	(119,192,606.75)	(2,551,518.70)	951,247.89	382.60	-	-	-	-	-	(120,792,494.96)
Electric Transmission - ARO.....	(41.40)	(115.99)	-	-	-	-	-	-	-	(157.39)
Gas Distribution.....	(125,049,477.23)	(6,692,183.45)	472,917.36	(13,332.40)	-	-	-	-	-	(131,282,075.72)
Gas Distribution - ARO.....	(49,734.93)	(247,932.70)	75,039.27	-	-	-	-	-	-	(222,628.36)
Gas General Plant.....	(6,299,629.20)	(178,300.15)	995,401.23	13,332.40	-	-	-	-	-	(5,469,195.72)
Gas Storage.....	(31,288,281.49)	(630,112.55)	1,023,381.77	-	-	-	-	-	-	(30,895,012.27)
Gas Storage - ARO.....	(39,466.10)	(521,748.34)	395,405.46	-	-	-	-	-	-	(165,808.98)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(32,866.72)	3,581.35	-	-	-	-	-	-	(9,477,890.69)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(68,096,081.44)</u>	<u>21,426,102.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,804,999,437.00)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(162,647.28)	-	-	-	-	332,962.76	-	-	(518,056.99)
Electric Distribution.....	(146,715,298.78)	(3,995,338.57)	-	(55.48)	-	-	2,687,396.25	-	-	(148,023,296.58)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(24,836.95)	-	-	-	-	34,591.42	-	-	746,662.17
Electric Other Production.....	(2,505,175.99)	(204,924.54)	-	-	-	-	104,342.09	-	-	(2,605,758.44)
Electric Steam Production.....	(94,783,295.15)	(9,876,028.42)	-	-	-	-	2,411,346.44	-	-	(102,247,977.13)
Electric Transmission.....	(24,538,454.78)	(821,312.98)	-	55.48	-	-	86,594.48	-	-	(25,273,117.80)
Gas Distribution.....	(60,212,131.14)	(1,888,432.44)	-	-	-	-	1,477,138.22	-	-	(60,623,425.36)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(81,641.20)	-	-	-	-	565,052.30	-	-	312,973.20
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(8,129.80)	-	-	-	-	42,869.45	-	-	(2,982,074.30)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (17,063,292.18)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,742,293.41</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (341,210,204.61)</u>

August 19, 2011



**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**July 31, 2011**

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>ARO Settlements</u>	<u>RWIP Transfers Out</u>	<u>Cost of Removal</u>	<u>Salvage</u>	<u>Other Credits</u>	<u>Ending Balance</u>	
<b>Salvage</b>											
Common General Plant.....	\$ 278,074.55	\$ 223.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,298.13	
Electric Distribution.....	17,535,024.98	809,252.13	-	-	-	-	-	(182,166.06)	-	18,162,111.05	
Electric General Plant.....	138,281.25	1,347.85	-	-	-	-	-	-	-	139,629.10	
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17	
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)	
Electric Steam Production.....	22,028,570.14	1,175,998.44	-	-	-	-	-	(26,976.51)	-	23,177,592.07	
Electric Transmission.....	6,247,368.67	152,204.77	-	-	-	-	-	-	-	6,399,573.44	
Gas Distribution.....	3,594,440.75	115,423.37	-	-	-	-	-	-	-	3,709,864.12	
Gas General Plant.....	225,788.37	1,283.77	-	-	-	-	-	-	-	227,072.14	
Gas Storage.....	269,933.04	9,993.36	-	-	-	-	-	-	-	279,926.40	
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-	
Gas Transmission.....	217,923.11	3,048.67	-	-	-	-	-	-	-	220,971.78	
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-	
	<u>50,893,044.36</u>	<u>2,268,775.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,142.57)</u>	<u>-</u>	<u>52,952,677.73</u>	
<b>Total Reserves</b>											
Common.....	(77,737,236.57)	(7,560,817.38)	663,361.41	-	-	-	332,962.76	-	-	(84,301,729.78)	
Electric.....	(1,730,321,891.37)	(65,178,182.12)	17,797,015.06	-	-	-	5,324,270.68	(209,142.57)	-	(1,772,587,930.32)	
Gas.....	(231,266,492.01)	(10,151,598.18)	2,965,726.44	-	-	-	2,085,059.97	-	-	(236,367,303.78)	
	<u>(2,039,325,619.95)</u>	<u>(82,890,597.68)</u>	<u>21,426,102.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,742,293.41</u>	<u>(209,142.57)</u>	<u>-</u>	<u>(2,093,256,963.88)</u>	
<b>Retirement Work In Progress</b>											
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	(5,795.69)	(17,894.00)	-	148,315.40	
Electric.....	9,603,653.21	-	-	(35,892.93)	(909,868.03)	(4,773,505.32)	4,364,519.26	(246,610.78)	(86,929.92)	7,915,365.49	
Gas.....	2,523,160.64	-	-	(66,835.06)	(1,053,809.06)	(1,289,256.25)	832,807.42	(4,846.40)	(2,390.22)	938,831.07	
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(1,963,677.09)</u>	<u>(6,395,724.33)</u>	<u>5,191,530.99</u>	<u>(269,351.18)</u>	<u>(89,320.14)</u>	<u>9,002,511.96</u>	
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(82,890,597.68)</u>	<u>21,426,102.91</u>	<u>59,292.86</u>	<u>(1,963,677.09)</u>	<u>(6,395,724.33)</u>	<u>12,933,824.40</u>	<u>(478,493.75)</u>	<u>(89,320.14)</u>	<u>(2,084,254,451.92)</u>	
<b>Amortization</b>											
Common.....	(16,306,390.60)	(4,630,433.55)	1,661,801.58	-	-	-	-	-	-	(19,275,022.57)	
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)	
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)	
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(4,630,433.55)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,275,922.57)</u>	
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (87,521,031.23)</u>	<u>\$ 23,087,904.49</u>	<u>\$ 59,292.86</u>	<u>\$ (1,963,677.09)</u>	<u>\$ (6,395,724.33)</u>	<u>\$ 12,933,824.40</u>	<u>\$ (478,493.75)</u>	<u>\$ (89,320.14)</u>	<u>\$ (2,103,530,374.49)</u>	
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,103,467,014.13)</u>	
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>										<u>\$ 2,710,430,023.01</u>

August 19, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**July 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 115,642,800.22	\$ -	\$ 115,642,800.22
Gas Operating Revenues.....	11,094,275.90	-	11,094,275.90
<b>Total Operating Revenues.....</b>	<b>126,737,076.12</b>	<b>-</b>	<b>126,737,076.12</b>
Fuel for Electric Generation.....	36,648,656.50	-	36,648,656.50
Power Purchased.....	6,917,723.12	-	6,917,723.12
Gas Supply Expenses.....	4,139,144.22	-	4,139,144.22
Other Operation Expenses.....	20,283,093.61	-	20,283,093.61
Maintenance.....	8,077,456.56	-	8,077,456.56
Depreciation.....	11,822,081.46	-	11,822,081.46
Amortization Expense.....	689,686.28	-	689,686.28
Regulatory Credits.....	(386,874.71)	-	(386,874.71)
Taxes			
Federal Income.....	10,655,071.01	-	10,655,071.01
State Income.....	1,943,174.04	-	1,943,174.04
Deferred Federal Income - Net.....	-	8,230.80	8,230.80
Deferred State Income - Net.....	-	1,501.06	1,501.06
Property and Other.....	2,210,009.66	-	2,210,009.66
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	215,963.40	-	215,963.40
<b>Total Operating Expenses.....</b>	<b>102,979,151.15</b>	<b>9,731.86</b>	<b>102,988,883.01</b>
Net Operating Income.....	23,757,924.97	(9,731.86)	23,748,193.11
Other Income Less Deductions.....	217,199.43	-	217,199.43
<b>Income Before Interest Charges.....</b>	<b>23,975,124.40</b>	<b>(9,731.86)</b>	<b>23,965,392.54</b>
Interest on Long-Term Debt.....	3,224,464.04	(25,017.63)	3,199,446.41
Amortization of Debt Expense - Net.....	279,566.93	-	279,566.93
Other Interest Expenses.....	229,571.96	-	229,571.96
<b>Total Interest Charges.....</b>	<b>3,733,602.93</b>	<b>(25,017.63)</b>	<b>3,708,585.30</b>
<b>Net Income.....</b>	<b>\$ 20,241,521.47</b>	<b>\$ 15,285.77</b>	<b>\$ 20,256,807.24</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**July 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 624,086,509.87	\$ -	\$ 624,086,509.87
Gas Operating Revenues.....	194,396,784.05	-	194,396,784.05
<b>Total Operating Revenues.....</b>	<b>818,483,293.92</b>	<b>-</b>	<b>818,483,293.92</b>
Fuel for Electric Generation.....	209,021,593.25	-	209,021,593.25
Power Purchased.....	44,349,720.70	-	44,349,720.70
Gas Supply Expenses.....	108,254,395.80	-	108,254,395.80
Other Operation Expenses.....	137,049,951.30	27,884.66	137,077,835.96
Maintenance.....	66,800,103.67	-	66,800,103.67
Depreciation.....	82,679,185.68	-	82,679,185.68
Amortization Expense.....	4,630,433.55	-	4,630,433.55
Regulatory Credits.....	(3,682,818.11)	-	(3,682,818.11)
Taxes			
Federal Income.....	11,861,710.75	-	11,861,710.75
State Income.....	7,341,482.30	-	7,341,482.30
Deferred Federal Income - Net.....	29,108,145.53	48,441.57	29,156,587.10
Deferred State Income - Net.....	(221,983.14)	8,834.35	(213,148.79)
Property and Other.....	16,053,219.00	-	16,053,219.00
Investment Tax Credit.....	-	-	-
Amortization of Investment Tax Credit.....	(1,625,571.00)	-	(1,625,571.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	1,532,108.61	-	1,532,108.61
<b>Total Operating Expenses.....</b>	<b>713,149,099.95</b>	<b>85,160.58</b>	<b>713,234,260.53</b>
Net Operating Income.....	105,334,193.97	(85,160.58)	105,249,033.39
Other Income Less Deductions.....	150,989.97	-	150,989.97
<b>Income Before Interest Charges.....</b>	<b>105,485,183.94</b>	<b>(85,160.58)</b>	<b>105,400,023.36</b>
Interest on Long-Term Debt.....	22,830,139.24	(175,123.41)	22,655,015.83
Amortization of Debt Expense - Net.....	1,932,663.76	-	1,932,663.76
Other Interest Expenses.....	1,391,796.26	-	1,391,796.26
<b>Total Interest Charges.....</b>	<b>26,154,599.26</b>	<b>(175,123.41)</b>	<b>25,979,475.85</b>
<b>Net Income.....</b>	<b>\$ 79,330,584.68</b>	<b>\$ 89,962.83</b>	<b>\$ 79,420,547.51</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**July 31, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 844,832,315.17	\$ 771,804,572.18	\$ (808,824,605.38)	\$ -	\$ 36,007,709.79	\$ 771,804,572.18
Add:						
Net Income (Loss) for Period.....	20,241,521.47	15,674,498.78	15,285.77	-	20,256,807.24	15,674,498.78
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>	<u>\$ (808,809,319.61)</u>	<u>\$ -</u>	<u>\$ 56,264,517.03</u>	<u>\$ 787,479,070.96</u>

Note: Purchase accounting is subject to change through October 31, 2011

August 19, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**July 31, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	79,330,584.68	62,200,204.72	89,962.83	-	79,420,547.51	62,200,204.72
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	42,250,000.00	30,000,000.00	-	-	42,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>	<u>\$ (808,809,319.61)</u>	<u>\$ -</u>	<u>\$ 56,264,517.03</u>	<u>\$ 787,479,070.96</u>

Note: Purchase accounting is subject to change through October 31, 2011

August 19, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**July 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 787,479,070.96	\$ 695,399,014.21	\$ -	\$ -	\$ 787,479,070.96	\$ 695,399,014.21
Add:						
Net Income (Loss) for Period.....	144,844,765.68	122,080,056.75	137,571.91	-	144,982,337.59	122,080,056.75
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	<u>67,250,000.00</u>	<u>30,000,000.00</u>	<u>-</u>	<u>-</u>	<u>67,250,000.00</u>	<u>30,000,000.00</u>
Balance at End of Period.....	<u>\$ 865,073,836.64</u>	<u>\$ 787,479,070.96</u>	<u>\$ (808,809,319.61)</u>	<u>\$ -</u>	<u>\$ 56,264,517.03</u>	<u>\$ 787,479,070.96</u>

Note: Purchase accounting is subject to change through October 31, 2011

August 19, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of July 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,813,897,037.14	\$ -	\$ 4,813,897,037.14
Less: Reserves for Depreciation and Amortization....	2,103,467,014.13	-	2,103,467,014.13
<b>Total.....</b>	<b>2,710,430,023.01</b>	<b>-</b>	<b>2,710,430,023.01</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	22,357,645.64	-	22,357,645.64
<b>Total.....</b>	<b>22,963,810.84</b>	<b>-</b>	<b>22,963,810.84</b>
<b>Current and Accrued Assets</b>			
Cash.....	38,334,376.50	-	38,334,376.50
Special Deposits.....	3,151,789.21	-	3,151,789.21
Temporary Cash Investments.....	18,512,047.18	-	18,512,047.18
Accounts Receivable - Less Reserve.....	148,476,351.97	-	148,476,351.97
Accounts Receivable from Associated Companies....	11,752,654.76	-	11,752,654.76
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	58,266,316.48	-	58,266,316.48
Plant Materials and Operating Supplies.....	30,252,113.88	-	30,252,113.88
Stores Expense.....	5,282,243.47	-	5,282,243.47
Gas Stored Underground.....	32,199,333.75	-	32,199,333.75
Emission Allowances.....	2,114.63	-	2,114.63
Prepayments.....	6,527,553.62	-	6,527,553.62
Miscellaneous Current and Accrued Assets.....	642,063.90	-	642,063.90
<b>Total.....</b>	<b>353,398,959.35</b>	<b>-</b>	<b>353,398,959.35</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,272,796.01	(3,558,914.70)	9,713,881.31
Unamortized Loss on Bonds.....	21,227,628.80	-	21,227,628.80
Accumulated Deferred Income Taxes.....	55,536,998.05	77,778,242.30	133,315,240.35
Deferred Regulatory Assets.....	359,022,573.48	10,944,924.82	369,967,498.30
Other Deferred Debits.....	1,307,123.49	181,592,294.43	182,899,417.92
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>450,367,119.83</b>	<b>655,913,898.44</b>	<b>1,106,281,018.27</b>
<b>Total Assets.....</b>	<b>\$ 3,537,159,913.03</b>	<b>\$ 655,913,898.44</b>	<b>\$ 4,193,073,811.47</b>

Note: Purchase accounting is subject to change through October 31, 2011

August 19, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of July 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	865,073,836.64	(808,809,319.61)	56,264,517.03
<b>Total Proprietary Capital.....</b>	<b>1,372,989,871.09</b>	<b>385,276,549.41</b>	<b>1,758,266,420.50</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,351,558.33	580,655,558.33
First Mortgage Bonds.....	531,214,934.12	-	531,214,934.12
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,518,934.12</b>	<b>6,351,558.33</b>	<b>1,111,870,492.45</b>
<b>Total Capitalization.....</b>	<b>2,478,508,805.21</b>	<b>391,628,107.74</b>	<b>2,870,136,912.95</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	85,729,649.67	-	85,729,649.67
Accounts Payable to Associated Companies.....	12,602,066.24	-	12,602,066.24
Customer Deposits.....	22,714,988.20	-	22,714,988.20
Taxes Accrued.....	23,590,209.81	-	23,590,209.81
Dividends Declared.....	-	-	-
Interest Accrued.....	7,939,349.46	-	7,939,349.46
Miscellaneous Current and Accrued Liabilities.....	23,212,684.00	-	23,212,684.00
<b>Total.....</b>	<b>175,788,947.38</b>	<b>-</b>	<b>175,788,947.38</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	506,075,924.63	75,307,486.15	581,383,410.78
Investment Tax Credit.....	43,899,005.13	-	43,899,005.13
Regulatory Liabilities.....	60,756,940.33	181,592,294.43	242,349,234.76
Customer Advances for Construction.....	8,075,464.10	-	8,075,464.10
Asset Retirement Obligations.....	52,226,757.13	-	52,226,757.13
Other Deferred Credits.....	23,912,823.90	7,386,010.12	31,298,834.02
Miscellaneous Long-Term Liabilities.....	42,351,120.43	-	42,351,120.43
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	145,564,124.79	-	145,564,124.79
<b>Total.....</b>	<b>882,862,160.44</b>	<b>264,285,790.70</b>	<b>1,147,147,951.14</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,537,159,913.03</b>	<b>\$ 655,913,898.44</b>	<b>\$ 4,193,073,811.47</b>

Note: Purchase accounting is subject to change through October 31, 2011



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - August 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

August 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**August 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings with Purchase Accounting.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 105,479,442.77	\$ 115,532,372.93	\$ (10,052,930.16)	(8.70)
Gas Operating Revenues.....	11,482,287.79	10,595,819.49	886,468.30	8.37
<b>Total Operating Revenues.....</b>	<b>116,961,730.56</b>	<b>126,128,192.42</b>	<b>(9,166,461.86)</b>	<b>(7.27)</b>
Fuel for Electric Generation.....	34,727,105.86	35,921,789.34	(1,194,683.48)	(3.33)
Power Purchased.....	5,404,608.23	4,089,503.48	1,315,104.75	32.16
Gas Supply Expenses.....	4,257,401.19	4,140,897.12	116,504.07	2.81
Other Operation Expenses.....	21,424,773.59	21,009,294.71	415,478.88	1.98
Maintenance.....	15,528,306.75	7,518,626.91	8,009,679.84	106.53
Depreciation.....	11,790,920.26	11,046,026.33	744,893.93	6.74
Amortization Expense.....	689,697.43	622,780.64	66,916.79	10.74
Regulatory Credits.....	(360,697.95)	(185,053.04)	(175,644.91)	(94.92)
Taxes				
Federal Income.....	5,664,531.39	11,783,267.74	(6,118,736.35)	(51.93)
State Income.....	1,033,045.23	2,148,924.21	(1,115,878.98)	(51.93)
Deferred Federal Income - Net.....	258,724.10	-	258,724.10	100.00
Deferred State Income - Net.....	(624,726.66)	-	(624,726.66)	(100.00)
Property and Other.....	2,309,427.14	1,964,987.36	344,439.78	17.53
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	216,401.98	170,413.28	45,988.70	26.99
<b>Total Operating Expenses.....</b>	<b>102,083,484.54</b>	<b>100,022,977.08</b>	<b>2,060,507.46</b>	<b>2.06</b>
Net Operating Income.....	14,878,246.02	26,105,215.34	(11,226,969.32)	(43.01)
Other Income Less Deductions.....	233,969.18	1,302,017.26	(1,068,048.08)	(82.03)
<b>Income Before Interest Charges.....</b>	<b>15,112,215.20</b>	<b>27,407,232.60</b>	<b>(12,295,017.40)</b>	<b>(44.86)</b>
Interest on Long-Term Debt.....	3,201,192.23	3,746,405.73	(545,213.50)	(14.55)
Amortization of Debt Expense - Net.....	279,566.93	116,549.81	163,017.12	139.87
Other Interest Expenses.....	275,342.27	150,336.28	125,005.99	83.15
<b>Total Interest Charges.....</b>	<b>3,756,101.43</b>	<b>4,013,291.82</b>	<b>(257,190.39)</b>	<b>(6.41)</b>
<b>Net Income.....</b>	<b>\$ 11,356,113.77</b>	<b>\$ 23,393,940.78</b>	<b>\$ (12,037,827.01)</b>	<b>(51.46)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 729,565,952.64	\$ 697,203,098.41	\$ 32,362,854.23	4.64
Gas Operating Revenues.....	205,879,071.84	189,509,520.21	16,369,551.63	8.64
<b>Total Operating Revenues.....</b>	<b>935,445,024.48</b>	<b>886,712,618.62</b>	<b>48,732,405.86</b>	<b>5.50</b>
Fuel for Electric Generation.....	243,748,699.11	245,219,518.93	(1,470,819.82)	(0.60)
Power Purchased.....	49,754,328.93	37,291,207.27	12,463,121.66	33.42
Gas Supply Expenses.....	112,511,796.99	103,766,169.26	8,745,627.73	8.43
Other Operation Expenses.....	158,474,724.89	147,617,418.23	10,857,306.66	7.36
Maintenance.....	82,328,410.42	68,983,035.94	13,345,374.48	19.35
Depreciation.....	94,470,105.94	87,086,930.22	7,383,175.72	8.48
Amortization Expense.....	5,320,130.98	5,212,498.44	107,632.54	2.06
Regulatory Credits.....	(4,043,516.06)	(1,456,907.44)	(2,586,608.62)	(177.54)
Taxes				
Federal Income.....	17,526,242.14	31,011,267.25	(13,485,025.11)	(43.48)
State Income.....	8,374,527.53	3,803,803.82	4,570,723.71	120.16
Deferred Federal Income - Net.....	29,366,869.63	15,183,375.81	14,183,493.82	93.41
Deferred State Income - Net.....	(846,709.80)	4,422,138.13	(5,268,847.93)	(119.15)
Property and Other.....	18,362,646.14	15,964,778.90	2,397,867.24	15.02
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(1,861,605.00)	(1,667,850.00)	(193,755.00)	(11.62)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	1,748,510.59	1,339,789.42	408,721.17	30.51
<b>Total Operating Expenses.....</b>	<b>815,232,584.49</b>	<b>763,742,714.04</b>	<b>51,489,870.45</b>	<b>6.74</b>
Net Operating Income.....	120,212,439.99	122,969,904.58	(2,757,464.59)	(2.24)
Other Income Less Deductions.....	384,959.15	(4,781,841.09)	5,166,800.24	108.05
<b>Income Before Interest Charges.....</b>	<b>120,597,399.14</b>	<b>118,188,063.49</b>	<b>2,409,335.65</b>	<b>2.04</b>
Interest on Long-Term Debt.....	26,031,331.47	29,932,130.07	(3,900,798.60)	(13.03)
Amortization of Debt Expense - Net.....	2,212,230.69	931,471.00	1,280,759.69	137.50
Other Interest Expenses.....	1,667,138.53	1,730,316.92	(63,178.39)	(3.65)
<b>Total Interest Charges.....</b>	<b>29,910,700.69</b>	<b>32,593,917.99</b>	<b>(2,683,217.30)</b>	<b>(8.23)</b>
<b>Net Income.....</b>	<b>\$ 90,686,698.45</b>	<b>\$ 85,594,145.50</b>	<b>\$ 5,092,552.95</b>	<b>5.95</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**August 31, 2011**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,047,974,421.20	\$ 981,442,017.34	\$ 66,532,403.86	6.78
Gas Operating Revenues.....	319,316,907.51	285,049,580.23	34,267,327.28	12.02
<b>Total Operating Revenues.....</b>	<b>1,367,291,328.71</b>	<b>1,266,491,597.57</b>	<b>100,799,731.14</b>	<b>7.96</b>
Fuel for Electric Generation.....	367,085,506.52	343,639,244.64	23,446,261.88	6.82
Power Purchased.....	66,842,840.35	55,457,164.17	11,385,676.18	20.53
Gas Supply Expenses.....	177,749,235.78	162,624,642.09	15,124,593.69	9.30
Other Operation Expenses.....	237,670,311.23	219,412,934.18	18,257,377.05	8.32
Maintenance.....	125,046,479.56	63,917,957.02	61,128,522.54	95.64
Depreciation.....	138,593,178.99	130,476,101.20	8,117,077.79	6.22
Amortization Expense.....	7,834,621.44	8,025,026.36	(190,404.92)	(2.37)
Regulatory Credits.....	(6,856,340.07)	(2,184,738.37)	(4,671,601.70)	(213.83)
Taxes				
Federal Income.....	15,389,582.07	44,785,206.35	(29,395,624.28)	(65.64)
State Income.....	10,617,891.14	4,955,147.86	5,662,743.28	114.28
Deferred Federal Income - Net.....	41,850,498.82	19,978,380.07	21,872,118.75	109.48
Deferred State Income - Net.....	(2,898,823.49)	6,633,874.30	(9,532,697.79)	(143.70)
Property and Other.....	24,969,491.06	21,690,578.91	3,278,912.15	15.12
Investment Tax Credit.....	-	1,824,673.02	(1,824,673.02)	(100.00)
Amortization of Investment Tax Credit.....	(2,695,529.00)	(2,674,091.56)	(21,437.44)	(0.80)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	3,692,826.80	1,996,905.41	1,695,921.39	84.93
<b>Total Operating Expenses.....</b>	<b>1,204,889,193.26</b>	<b>1,080,524,545.51</b>	<b>124,364,647.75</b>	<b>11.51</b>
Net Operating Income.....	162,402,135.45	185,967,052.06	(23,564,916.61)	(12.67)
Other Income Less Deductions.....	15,884,272.58	(3,340,567.33)	19,224,839.91	575.50
<b>Income Before Interest Charges.....</b>	<b>178,286,408.03</b>	<b>182,626,484.73</b>	<b>(4,340,076.70)</b>	<b>(2.38)</b>
Interest on Long-Term Debt.....	39,994,248.57	44,070,710.34	(4,076,461.77)	(9.25)
Amortization of Debt Expense - Net.....	2,945,385.43	1,404,582.66	1,540,802.77	109.70
Other Interest Expenses.....	2,539,835.36	2,723,707.54	(183,872.18)	(6.75)
<b>Total Interest Charges.....</b>	<b>45,479,469.36</b>	<b>48,199,000.54</b>	<b>(2,719,531.18)</b>	<b>(5.64)</b>
<b>Net Income.....</b>	<b>\$ 132,806,938.67</b>	<b>\$ 134,427,484.19</b>	<b>\$ (1,620,545.52)</b>	<b>(1.21)</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**August 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 865,073,836.64	\$ 787,479,070.96	\$ 827,993,251.96	\$ 755,278,866.24	\$ 810,873,011.74	\$ 706,445,527.55
Add:						
Net Income for Period.....	11,356,113.77	23,393,940.78	90,686,698.45	85,594,145.50	132,806,938.67	134,427,484.19
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	13,000,000.00	-	55,250,000.00	30,000,000.00	80,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>

September 22, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of August 31, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,815,048,867.20	\$ 4,606,776,233.47	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,099,822,626.80</u>	<u>2,029,983,137.15</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,715,226,240.40</u>	<u>2,576,793,096.32</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	(14,616,475.40)
Investments			Retained Earnings.....	<u>863,429,950.41</u>	<u>810,873,011.74</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,371,345,984.86</u>	<u>1,304,172,570.79</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>26,739,003.13</u>	<u>20,609,773.64</u>	First Mortgage Bonds.....	531,238,255.78	-
Total.....	<u>27,345,168.33</u>	<u>21,215,938.84</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,542,255.78</u>	<u>896,104,000.00</u>
Cash.....	41,235,356.47	6,526,467.04	Total Capitalization.....	<u>2,476,888,240.64</u>	<u>2,200,276,570.79</u>
Special Deposits.....	2,204,705.90	694,352.78	Current and Accrued Liabilities		
Temporary Cash Investments.....	42,115,568.00	119.71	ST Notes Payable to Associated Companies.....	-	118,326,400.00
Accounts Receivable - Less Reserve.....	133,715,904.02	157,954,307.83	Accounts Payable.....	87,601,078.61	84,988,459.47
Accounts Receivable from Associated Companies.....	14,603,137.03	22,334,304.00	Accounts Payable to Associated Companies.....	17,443,956.77	18,509,327.38
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,667,140.95	24,270,260.87
Fuel.....	51,087,714.21	62,977,241.54	Taxes Accrued.....	31,834,314.50	34,501,171.40
Plant Materials and Operating Supplies.....	30,417,147.49	29,209,716.40	Interest Accrued.....	9,378,075.45	2,386,121.71
Stores Expense.....	5,422,256.65	4,798,275.05	Dividends Declared.....	13,000,000.00	-
Gas Stored Underground.....	45,030,809.18	48,929,595.86	Miscellaneous Current and Accrued Liabilities.....	<u>23,121,809.92</u>	<u>19,448,952.37</u>
Emission Allowances.....	2,005.06	3,240.25	Total.....	<u>205,046,376.20</u>	<u>302,430,693.20</u>
Prepayments.....	6,575,036.00	5,872,425.02	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	<u>951,689.47</u>	<u>2,274,436.12</u>	Accumulated Deferred Income Taxes.....	504,554,359.26	442,364,833.95
Total.....	<u>373,361,329.48</u>	<u>341,574,481.60</u>	Investment Tax Credit.....	43,662,971.13	46,358,500.13
Deferred Debits and Other			Regulatory Liabilities.....	62,515,471.19	51,689,278.97
Unamortized Debt Expense.....	13,117,553.69	3,729,929.61	Customer Advances for Construction.....	8,059,948.10	8,623,967.39
Unamortized Loss on Bonds.....	21,126,625.85	22,338,661.25	Asset Retirement Obligations.....	52,443,159.11	34,383,418.56
Accumulated Deferred Income Taxes.....	56,272,700.06	52,250,170.26	Other Deferred Credits.....	26,770,314.68	26,842,521.07
Deferred Regulatory Assets.....	369,108,007.04	328,198,136.08	Miscellaneous Long-Term Liabilities.....	51,419,138.37	56,538,247.45
Other Deferred Debits.....	<u>1,352,515.52</u>	<u>575,187.76</u>	Accum Provision for Postretirement Benefits.....	<u>145,550,161.69</u>	<u>177,167,570.21</u>
Total.....	<u>460,977,402.16</u>	<u>407,092,084.96</u>	Total.....	<u>894,975,523.53</u>	<u>843,968,337.73</u>
Total Assets.....	<u>\$ 3,576,910,140.37</u>	<u>\$ 3,346,675,601.72</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,576,910,140.37</u>	<u>\$ 3,346,675,601.72</u>

September 22, 2011



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**August 31, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			863,429,950.41	
 Total Proprietary Capital.....			1,371,345,984.86	55.37
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.19
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.59
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(742,770.86)	
First Mortgage Bond Due 11/15/40 5.125%.....			(3,018,973.36)	
			(3,761,744.22)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,238,255.78	21.44
 Total Capitalization.....			\$ 2,476,888,240.64	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,815,048,867.20	\$ 4,815,048,867.20
Reserves for Depreciation and Amortization.....		(2,099,822,626.80)
Depreciation of Plant		
Electric.....	(1,757,945,496.73)	
Gas.....	(236,717,955.48)	
Common.....	(85,193,554.59)	
Amortization of Plant		
Common.....	(19,964,720.00)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		27,345,168.33
Special Funds.....	26,739,003.13	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	41,235,356.47	41,235,356.47
Special Deposits.....		2,204,705.90
MAN Margin Call.....	1,508,371.00	
Other Special Deposits.....	696,334.90	
Temporary Cash Investments.....	42,115,568.00	42,115,568.00
Accounts Receivable - Less Reserve.....		133,715,904.02
Customers - Active.....	69,484,414.94	
Unbilled Revenues.....	58,433,771.24	
IMPA.....	2,024,067.76	
IMEA.....	1,994,792.11	
Bechtel Liquidated Damages.....	1,480,290.00	
Sundry Accounts Receivable.....	1,148,152.52	
Transmission Sales.....	550,432.16	
Wholesale Sales.....	292,615.89	
Damage Claims.....	279,366.18	
IMEA/IMPA Net Portion of Bechtel Liquidated damages.....	(370,072.50)	
Other.....	338,365.15	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	4,181,094.82	
Accrual.....	(3,383,404.14)	
Reserve.....	(1,652,352.00)	
Recoveries.....	(798,866.56)	
A/R Miscellaneous.....	(286,763.55)	
Accounts Receivable from Associated Companies.....		14,603,137.03
LG&E - KU Energy Services/Kentucky Utilities.....	14,497,529.77	
PPL Energy Funding.....	105,607.26	
Fuel.....		51,087,714.21
Coal 1,082,469.03 Tons @ \$46.77; MMBtu 24,749,501.81 @ 204.56¢.....	50,628,479.22	
Fuel Oil 163,137.76 Gallons @ 261.41¢.....	426,457.84	
Gas Pipeline 5,100 Mcf @ \$6.43.....	32,777.15	
Plant Materials and Operating Supplies.....		30,417,147.49
Regular Materials and Supplies.....	29,963,564.89	
Limestone 52,053.43 Tons @ \$8.71.....	453,582.60	
Stores Expense Undistributed.....	5,422,256.65	5,422,256.65
Gas Stored Underground - Current.....		45,030,809.18
Gas Stored Underground* 9,332,584 Mcf (14.73 psia) @ \$4.83.....	45,030,809.18	
Emission Allowances.....	2,005.06	2,005.06

September 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,575,036.00
Insurance.....	3,158,854.02	
Taxes.....	1,628,866.06	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Franchises.....	69,086.22	
Other.....	1,401,562.99	
Miscellaneous Current Assets.....		951,689.47
Derivative Asset - Non-Hedging.....	951,689.47	
Unamortized Debt Expense.....		13,117,553.69
Trimble County 2000 Series A due 08/01/30 Var%.....	732,214.48	
Jefferson County 2001 Series A due 09/01/26 Var%.....	148,856.58	
Jefferson County 2001 Series A due 09/01/27 Var%.....	326,279.92	
Jefferson County 2001 Series B due 11/01/27 Var%.....	177,756.54	
Trimble County 2001 Series A due 09/01/26 Var%.....	161,849.76	
Trimble County 2001 Series B due 11/01/27 Var%.....	177,785.70	
Trimble County 2002 Series A due 10/01/32 Var%.....	784,751.45	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	433,045.82	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	162,569.28	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,033,873.46	
First Mortgage Bond due 11/15/15 1.625%.....	2,141,887.85	
First Mortgage Bond due 11/15/40 5.125%.....	3,430,769.13	
Revolving Credit Agreement.....	3,405,913.72	
Unamortized Loss on Bonds.....	21,126,625.85	21,126,625.85
Accumulated Deferred Income Taxes.....		56,272,700.06
Federal		
Electric.....	41,137,768.00	
Gas.....	5,540,688.50	
State		
Electric.....	8,557,637.60	
Gas.....	1,036,605.96	
Regulatory Assets.....		369,108,007.04
Pension and Postretirement Benefits.....	213,180,670.00	
Interest Rate Swap Ineffectiveness.....	50,071,223.63	
2009 Winter Storm.....	39,089,232.13	
2008 Wind Storm.....	20,990,130.07	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,630,478.54	
State		
Electric.....	2,303,430.74	
Swap Termination.....	9,023,380.42	
Asset Retirement Obligations		
Electric.....	8,260,817.74	
Gas.....	659,208.34	
Common.....	6,460.84	
Gas Supply Clause/PBR.....	4,901,945.43	
Fuel Adjustment Clause.....	4,605,000.00	
MISO Exit Fee.....	1,009,577.50	
Rate Case Expenses.....	1,008,657.18	
KCCS Funding.....	640,237.87	
EKPC FERC Transmission Costs.....	423,930.96	
CMRG Funding.....	186,990.00	
General Management Audit.....	116,635.65	
Other Deferred Debits.....	1,352,515.52	1,352,515.52
Total Assets.....	<u>\$ 3,576,910,140.37</u>	<u>\$ 3,576,910,140.37</u>

* Excludes:	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

September 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,371,345,984.86
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	863,429,950.41	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,238,255.78	531,238,255.78
Accounts Payable.....		87,601,078.61
Regular.....	85,352,935.99	
Salaries and Wages Accrued.....	2,197,660.61	
Employee Withholdings Payable.....	50,482.01	
Accounts Payable to Associated Companies.....		17,443,956.77
LG&E - KU Energy Services/Kentucky Utilities.....	17,443,956.77	
Customers' Deposits.....	22,667,140.95	22,667,140.95
Taxes Accrued.....	31,834,314.50	31,834,314.50
Interest Accrued.....		9,378,075.45
Jefferson County 2000 Series A due 05/01/27 5.375%.....	447,916.67	
Trimble County 2000 Series A due 08/01/30 Var%.....	6,250.13	
Jefferson County 2001 Series A due 09/01/26 Var%.....	4,832.88	
Jefferson County 2001 Series A due 09/01/27 Var%.....	78.59	
Jefferson County 2001 Series B due 11/01/27 Var%.....	3,722.46	
Trimble County 2001 Series A due 09/01/26 Var%.....	6,343.84	
Trimble County 2001 Series A due 10/01/32 Var%.....	5,171.03	
Trimble County 2001 Series B due 11/01/27 Var%.....	3,465.75	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	1,020,088.89	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	185,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	435,937.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	169,057.78	
Trimble County 2007 Series A due 06/01/33 4.600%.....	690,000.00	
Interest Rate Swaps.....	651,422.08	
First Mortgage Bond due 11/15/15 1.625%.....	1,196,180.56	
First Mortgage Bond due 11/15/40 5.125%.....	4,300,729.17	
Customers' Deposits.....	239,546.16	
Other.....	12,054.18	
Dividends Declared.....		13,000,000.00
Dividend Payable to LG&E and KU Energy LLC.....	13,000,000.00	
Miscellaneous Current and Accrued Liabilities.....		23,121,809.92
Vacation Pay Accrued.....	6,718,979.89	
Customer Overpayments.....	4,395,407.17	
ASC 815 Derivative Liability.....	3,879,983.23	
No-Notice Gas Payable.....	3,005,378.46	
Derivative Liabilities - Non-Hedging.....	1,662,701.14	
Tax Collections Payable.....	1,427,113.97	
Unearned Revenue.....	663,016.89	
Postretirement Benefits - Current.....	624,694.04	
Service Deposit Refund Payable.....	270,244.10	
Home Energy Assistance.....	352,020.37	
Other.....	122,270.66	

September 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**August 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 504,554,359.26
Federal		
Electric.....	358,574,191.20	
Gas.....	77,538,619.38	
State		
Electric.....	56,780,143.31	
Gas.....	11,661,405.37	
Investment Tax Credit.....		43,662,971.13
Advanced Coal Credit.....	23,349,913.00	
Job Development Credit		
Electric.....	19,711,747.98	
Gas.....	601,310.15	
Regulatory Liabilities.....		62,515,471.19
Deferred Taxes		
Federal		
Electric.....	41,796,049.40	
Gas.....	(11,563,922.74)	
State		
Electric.....	18,166,454.82	
Gas.....	(107,790.06)	
DSM Cost Recovery.....	6,844,908.07	
Gas Supply Clause/PBR.....	3,175,448.75	
Asset Retirement Obligations		
Gas.....	2,162,558.52	
Electric.....	268,569.00	
Environmental Cost Recovery.....	801,231.00	
MISO Schedule 10 Charges.....	532,439.18	
Purchased Gas Adjustment - Tennessee Gas.....	439,525.25	
Customers' Advances for Construction.....		8,059,948.10
Line Extensions		
Gas.....	6,506,239.39	
Electric.....	792,826.79	
Customer Advances - Museum Plaza.....	696,334.90	
Other.....	64,547.02	
Asset Retirement Obligations.....		52,443,159.11
Electric.....	34,973,997.69	
Gas.....	17,363,027.60	
Common.....	106,133.82	
Other Deferred Credits.....	26,770,314.68	26,770,314.68
Miscellaneous Long-Term Liabilities.....		51,419,138.37
Long-Term Derivative Liabilities - ASC 815.....	46,191,240.40	
Workers' Compensation.....	5,227,897.97	
Accumulated Provision for Benefits.....		145,550,161.69
Postretirement Benefits - ASC 715.....	80,420,620.01	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,576,910,140.37</u>	<u>\$ 3,576,910,140.37</u>

September 22, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**August 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 90,686,698.45	\$ 85,594,145.50
Items not requiring (providing) cash currently:		
Depreciation.....	94,470,105.94	87,086,930.22
Amortization.....	5,320,130.98	5,212,498.44
Deferred income taxes - net.....	28,632,823.32	19,605,513.94
Investment tax credit - net.....	(1,861,605.00)	(1,667,850.00)
Gain on disposal of assets.....	(64,930.53)	(33,760.40)
Other.....	6,546,086.47	41,678,407.23
Change in receivables.....	37,772,807.07	(32,593,220.02)
Change in inventory.....	30,477,971.78	3,995,690.95
Change in allowance inventory.....	723.90	930.75
Change in payables and accrued expenses.....	44,948,884.65	(23,388,798.13)
Change in regulatory assets.....	(24,955,008.22)	(8,208,041.37)
Change in regulatory liabilities.....	11,089,122.73	(33,217,929.61)
Change in other deferred debits.....	(22,603,684.42)	(32,643.26)
Change in other deferred credits.....	21,169,954.84	18,860,035.39
Pension and postretirement funding.....	(67,940,500.00)	(24,267,900.00)
Other.....	(6,664,672.77)	(12,497,419.39)
Net cash provided (used) by operating activities.....	<u>247,024,909.19</u>	<u>126,126,590.24</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(91,939,141.60)	(35,965,272.45)
Gross additions to common utility plant - construction expenditures.....	(5,019,316.90)	(7,044,224.75)
Proceeds received from sales of property.....	64,930.53	33,760.40
Change in restricted cash.....	(7,977,004.56)	-
Change in derivatives.....	-	280,813.69
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(5,784,927.77)	-
Net cash provided (used) by investing activities.....	<u>52,544,539.70</u>	<u>(42,694,923.11)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(1,218,536.26)	(26,566.76)
Net change in short-term debt.....	(174,876,000.00)	(52,074,000.00)
Dividends on common stock.....	(42,250,000.00)	(30,000,000.00)
Net cash provided (used) by financing activities.....	<u>(218,344,536.26)</u>	<u>(82,100,566.76)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	81,224,912.63	1,331,100.37
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 83,350,924.47</u>	<u>\$ 6,526,586.75</u>

September 22, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**August 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 895,833.37	\$ 895,833.24	\$ 1,343,750.05	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	9,213.15	30,498.30	135,592.93	268,246.10	258,627.79	346,303.18
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,437.01	3,866.17	15,150.25	31,423.43	30,861.95	38,844.44
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,480.15	19,109.60	141,065.76	108,924.67	221,048.64	174,113.03
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,954.24	40,229.86	213,357.28	242,117.47	327,744.94	360,494.18
Trimble County 2001 Series A due 09/01/26 Var%.....	6,607.54	13,750.01	69,269.88	115,703.44	118,581.51	198,429.48
Trimble County 2001 Series A due 10/01/32 Var%.....	8,093.29	21,338.19	88,802.36	227,856.56	155,912.69	263,596.01
Trimble County 2001 Series B due 11/01/27 Var%.....	12,897.26	40,254.77	210,670.94	243,302.66	323,917.50	361,679.35
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	1,547,022.11	-	1,547,022.11	43,272.48
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	1,533,333.32	1,533,333.23	2,300,000.00	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,162,499.92	1,162,499.95	1,743,749.92	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	425,431.14	-	425,431.14	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,840,000.00	1,840,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	651,422.07	678,250.50	5,122,463.87	5,501,689.30	7,319,114.88	7,494,678.36
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	-	2,708,333.33	-	3,216,145.84	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	9,737,500.00	-	11,563,281.25	-
Fidelia/PPL.....	-	2,220,149.99	-	17,761,200.02	5,559,375.01	26,641,800.05
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,201,192.23</b>	<b>3,746,405.73</b>	<b>26,031,331.47</b>	<b>29,932,130.07</b>	<b>39,994,248.57</b>	<b>44,070,710.34</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	178,563.96	15,546.83	1,404,206.93	124,232.19	1,733,349.75	186,304.30
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	808,023.76	807,238.81	1,212,035.68	1,218,278.36
<b>Total.....</b>	<b>279,566.93</b>	<b>116,549.81</b>	<b>2,212,230.69</b>	<b>931,471.00</b>	<b>2,945,385.43</b>	<b>1,404,582.66</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	115,137.50	108,831.84	929,418.96	926,621.72	1,391,703.70	1,556,409.57
Other Tax Deficiencies.....	-	-	-	7,469.00	(24,969.00)	(7,411.00)
Interest on DSM Cost Recovery.....	1,556.85	968.14	9,376.24	17,388.29	18,403.19	95,355.96
Interest on Debt to Associated Companies.....	-	28,309.68	8,862.00	213,237.61	58,046.27	326,627.88
Other Interest Expense.....	158,647.92	12,226.62	719,481.33	565,600.30	1,096,651.20	752,725.13
<b>Total.....</b>	<b>275,342.27</b>	<b>150,336.28</b>	<b>1,667,138.53</b>	<b>1,730,316.92</b>	<b>2,539,835.36</b>	<b>2,723,707.54</b>
<b>Total Interest.....</b>	<b>\$ 3,756,101.43</b>	<b>\$ 4,013,291.82</b>	<b>\$ 29,910,700.69</b>	<b>\$ 32,593,917.99</b>	<b>\$ 45,479,469.36</b>	<b>\$ 48,199,000.54</b>

September 22, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
August 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,450,538.00	\$ 1,222,746.10	\$ 11,601,312.00	\$ 9,780,735.48
Unemployment.....	4,249.22	3,532.50	118,274.70	128,591.15
FICA.....	688,506.75	577,611.86	5,317,374.20	4,735,849.40
Public Service Commission Fee.....	162,886.60	161,096.90	1,292,354.64	1,292,246.34
Federal Income.....	5,664,531.39	11,783,267.74	17,526,242.14	31,011,267.25
State Income.....	1,033,045.23	2,148,924.21	8,374,527.53	3,803,803.82
Miscellaneous.....	3,246.57	-	33,330.59	27,356.53
<b>Total Charged to Operating Expense.....</b>	<b>9,007,003.76</b>	<b>15,897,179.31</b>	<b>44,263,415.80</b>	<b>50,779,849.97</b>
Taxes Charged to Other Accounts.....	177,012.03	1,258,183.53	2,173,785.38	(748,142.83)
Taxes Accrued on Intercompany Accounts.....	(33,994.58)	(234,840.52)	(1,794,682.33)	(1,935,004.17)
<b>Total Taxes Charged.....</b>	<b>\$ 9,150,021.21</b>	<b>\$ 16,920,522.32</b>	<b>\$ 44,642,518.85</b>	<b>\$ 48,096,702.97</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 11,712,269.25	\$ 11,553,636.73	\$ 11,512,764.18
Unemployment.....	54,386.05	87,992.71	141,918.21	460.55
FICA.....	590,648.24	4,355,526.88	4,452,095.62	494,079.50
Federal Income.....	(3,741,320.05)	17,434,191.06	(2,438,136.00)	16,131,007.01
State Income.....	229,108.93	8,357,740.12	5,155,166.44	3,431,682.61
Kentucky Sales and Use Tax.....	1,088,857.95	2,591,197.96	3,433,011.87	247,044.04
Miscellaneous.....	22,339.97	103,600.87	108,664.23	17,276.61
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 44,642,518.85</b>	<b>\$ 22,406,357.11</b>	<b>\$ 31,834,314.50</b>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**August 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 9,268,027.56	\$ (663,361.41)	\$ -	\$ 8,604,666.15	\$ 168,489,125.51
Common Intangible Plant.....	56,455,326.72	7,946,903.92	(1,661,801.58)	-	6,285,102.34	62,740,429.06
	<u>216,339,786.08</u>	<u>17,214,931.48</u>	<u>(2,325,162.99)</u>	<u>-</u>	<u>14,889,768.49</u>	<u>231,229,554.57</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	29,937,916.12	(5,858,028.15)	47,153.43	24,127,041.40	951,416,079.90
Electric General Plant.....	16,521,615.59	1,289,339.27	(1,934,885.80)	-	(645,546.53)	15,876,069.06
Electric Hydro Production.....	41,680,209.14	910,668.82	(229,891.00)	-	680,777.82	42,360,986.96
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	1,720,153.61	(876,137.26)	38,429.14	882,445.49	230,283,478.50
Electric Steam Production.....	1,930,347,044.43	200,202,638.37	(22,890,899.84)	4,144,130.56	181,455,869.09	2,111,802,913.52
Electric Transmission.....	247,742,496.14	5,498,112.46	(1,090,587.06)	(47,153.43)	4,360,371.97	252,102,868.11
	<u>3,392,983,777.10</u>	<u>239,558,828.65</u>	<u>(32,880,429.11)</u>	<u>4,182,559.70</u>	<u>210,860,959.24</u>	<u>3,603,844,736.34</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	34,872,795.04	(585,227.95)	97,729.20	34,385,296.29	584,184,416.99
Gas General Plant.....	9,178,093.57	400,882.53	(995,401.23)	(97,729.20)	(692,247.90)	8,485,845.67
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	2,093,712.47	(1,418,787.23)	-	674,925.24	79,090,236.30
Gas Transmission.....	16,661,869.68	320,510.93	(15,069.35)	-	305,441.58	16,967,311.26
	<u>654,055,582.50</u>	<u>37,687,900.97</u>	<u>(3,014,485.76)</u>	<u>-</u>	<u>34,673,415.21</u>	<u>688,728,997.71</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>294,461,661.10</u>	<u>(38,220,077.86)</u>	<u>4,182,559.70</u>	<u>260,424,142.94</u>	<u>4,523,803,288.62</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**August 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 41,790.50	\$ -	\$ -	\$ 41,790.50	\$ 638,949.13
Common Intangible Plant.....	2,714,931.36	(1,880,972.17)	-	-	(1,880,972.17)	833,959.19
	<u>3,312,089.99</u>	<u>(1,839,181.67)</u>	<u>-</u>	<u>-</u>	<u>(1,839,181.67)</u>	<u>1,472,908.32</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	4,103,221.75	-	-	4,103,221.75	15,647,955.65
Electric General Plant.....	50,763.87	(50,763.87)	-	-	(50,763.87)	-
Electric Hydro Production.....	16,952.26	174,504.11	-	-	174,504.11	191,456.37
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	653,034.83	-	-	653,034.83	2,420,243.04
Electric Steam Production.....	15,929,229.77	8,838,831.03	-	-	8,838,831.03	24,768,060.80
Electric Transmission.....	35,045,472.82	1,467,689.72	-	-	1,467,689.72	36,513,162.54
	<u>64,354,360.83</u>	<u>15,186,517.57</u>	<u>-</u>	<u>-</u>	<u>15,186,517.57</u>	<u>79,540,878.40</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(6,784,158.88)	-	-	(6,784,158.88)	17,635,997.28
Gas General Plant.....	126,992.17	74,776.30	-	-	74,776.30	201,768.47
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	(34,213.10)	-	-	(34,213.10)	917,212.96
Gas Transmission.....	-	1,819,433.26	-	-	1,819,433.26	1,819,433.26
	<u>25,498,574.39</u>	<u>(4,924,162.42)</u>	<u>-</u>	<u>-</u>	<u>(4,924,162.42)</u>	<u>20,574,411.97</u>
<b>Total 106 Accounts.....</b>	<u>93,165,025.21</u>	<u>8,423,173.48</u>	<u>-</u>	<u>-</u>	<u>8,423,173.48</u>	<u>101,588,198.69</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001.....</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001.....</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(10,356,432.91)	-	-	(10,356,432.91)	10,887,446.98
Electric.....	324,323,732.14	(183,280,799.71)	-	-	(183,280,799.71)	141,042,932.43
Gas.....	39,756,306.91	(4,818,310.91)	-	-	(4,818,310.91)	34,937,996.00
	<u>385,323,918.94</u>	<u>(198,455,543.53)</u>	<u>-</u>	<u>-</u>	<u>(198,455,543.53)</u>	<u>186,868,375.41</u>
<b>Total Plant (Non-CWIP).....</b>	<u>4,363,590,974.63</u>	<u>302,884,834.58</u>	<u>(38,220,077.86)</u>	<u>-</u>	<u>264,664,756.72</u>	<u>4,628,255,731.35</u>
<b>Total Plant + CWIP.....</b>	<u>4,748,914,893.57</u>	<u>104,429,291.05</u>	<u>(38,220,077.86)</u>	<u>-</u>	<u>66,209,213.19</u>	<u>4,815,124,106.76</u>
<b>Total Plant + CWIP - Non Utility.....</b>	<u>\$ 4,748,839,654.01</u>	<u>\$ 104,429,291.05</u>	<u>\$ (38,220,077.86)</u>	<u>\$ -</u>	<u>\$ 66,209,213.19</u>	<u>\$ 4,815,048,867.20</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**August 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (8,488,741.34)	\$ 663,361.41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (85,088,615.03)
Common General Plant - ARO.....	(343.19)	(1,373.60)	-	-	-	-	-	-	-	(1,716.79)
Electric Distribution.....	(277,000,365.75)	(11,546,540.57)	5,858,028.15	(382.60)	-	-	-	-	-	(282,689,260.77)
Electric Distribution - ARO.....	(1,256.54)	(4,022.57)	-	-	-	-	-	-	-	(5,279.11)
Electric General Plant.....	(12,910,034.19)	(260,698.59)	1,934,885.80	-	-	-	-	-	-	(11,235,846.98)
Electric Hydro Production.....	(9,718,276.66)	(374,599.11)	229,891.00	-	-	-	-	-	-	(9,862,984.77)
Electric Hydro Production - ARO.....	(364.10)	(1,165.68)	-	-	-	-	-	-	-	(1,529.78)
Electric Other Production.....	(60,282,055.17)	(5,455,064.14)	876,137.26	-	-	-	-	-	-	(64,860,982.05)
Electric Other Production - ARO.....	(192.68)	(723.90)	-	-	-	-	-	-	-	(916.58)
Electric Steam Production.....	(1,029,518,070.37)	(37,821,027.37)	22,215,223.48	-	-	-	-	-	-	(1,045,123,874.26)
Electric Steam Production - ARO.....	(204,061.94)	(1,474,825.25)	675,676.36	-	-	-	-	-	-	(1,003,210.83)
Electric Transmission.....	(119,192,606.75)	(2,918,880.23)	1,090,587.06	382.60	-	-	-	-	-	(121,020,517.32)
Electric Transmission - ARO.....	(41.40)	(132.56)	-	-	-	-	-	-	-	(173.96)
Gas Distribution.....	(125,049,477.23)	(7,668,433.04)	510,188.68	(13,332.40)	-	-	-	-	-	(132,221,053.99)
Gas Distribution - ARO.....	(49,734.93)	(272,665.11)	75,039.27	-	-	-	-	-	-	(247,360.77)
Gas General Plant.....	(6,299,629.20)	(207,289.10)	995,401.23	13,332.40	-	-	-	-	-	(5,498,184.67)
Gas Storage.....	(31,288,281.49)	(720,370.12)	1,023,381.77	-	-	-	-	-	-	(30,985,269.84)
Gas Storage - ARO.....	(39,466.10)	(540,096.80)	395,405.46	-	-	-	-	-	-	(184,157.44)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(37,868.66)	15,069.35	-	-	-	-	-	-	(9,471,404.63)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(77,794,517.74)</u>	<u>36,558,276.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,799,565,699.93)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(186,476.00)	-	-	-	-	332,962.76	-	-	(541,885.71)
Electric Distribution.....	(146,715,298.78)	(4,573,310.08)	-	(55.48)	-	-	3,544,892.90	-	-	(147,743,771.44)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(28,442.81)	-	-	-	-	38,351.42	-	-	746,816.31
Electric Other Production.....	(2,505,175.99)	(234,209.62)	-	-	-	-	104,342.09	-	-	(2,635,043.52)
Electric Steam Production.....	(94,783,295.15)	(11,303,817.10)	-	-	-	-	2,481,619.86	-	-	(103,605,492.39)
Electric Transmission.....	(24,538,454.78)	(939,455.74)	-	55.48	-	-	61,473.84	-	-	(25,416,381.20)
Gas Distribution.....	(60,212,131.14)	(2,164,865.59)	-	-	-	-	1,480,225.35	-	-	(60,896,771.38)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(73,953.49)	-	-	-	-	565,052.30	-	-	320,660.91
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(9,367.87)	-	-	-	-	42,869.45	-	-	(2,983,312.37)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (19,513,898.30)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,651,789.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (342,751,314.17)</u>

September 22, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**August 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,074.55	\$ 255.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,330.07
Electric Distribution.....	17,535,024.98	926,527.44	-	-	-	-	-	(197,553.22)	-	18,263,999.20
Electric General Plant.....	138,281.25	1,540.40	-	-	-	-	-	-	-	139,821.65
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	1,346,419.96	-	-	-	-	-	(34,636.38)	-	23,340,353.72
Electric Transmission.....	6,247,368.67	174,128.14	-	-	-	-	-	-	-	6,421,496.81
Gas Distribution.....	3,594,440.75	132,292.22	-	-	-	-	-	-	-	3,726,732.97
Gas General Plant.....	225,788.37	1,492.75	-	-	-	-	-	-	-	227,281.12
Gas Storage.....	269,933.04	11,434.24	-	-	-	-	-	-	-	281,367.28
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	3,512.95	-	-	-	-	-	-	-	221,436.06
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>2,597,603.62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,189.60)</u>	<u>-</u>	<u>53,258,458.38</u>
<b>Total Reserves</b>										
Common.....	(77,737,236.57)	(8,676,335.42)	663,361.41	-	-	-	332,962.76	-	-	(85,417,247.82)
Electric.....	(1,730,321,891.37)	(74,488,299.38)	32,880,429.11	-	-	-	6,230,680.11	(232,189.60)	-	(1,765,931,271.13)
Gas.....	(231,266,492.01)	(11,546,177.62)	3,014,485.76	-	-	-	2,088,147.10	-	-	(237,710,036.77)
	<u>(2,039,325,619.95)</u>	<u>(94,710,812.42)</u>	<u>36,558,276.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,651,789.97</u>	<u>(232,189.60)</u>	<u>-</u>	<u>(2,089,058,555.72)</u>
<b>Retirement Work In Progress</b>										
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	7,076.86	(20,894.00)	2,144.92	160,332.87
Electric.....	9,603,653.21	-	-	(35,892.93)	(909,868.03)	(5,656,867.72)	5,505,375.44	(430,136.64)	(90,488.93)	7,985,774.40
Gas.....	2,523,160.64	-	-	(66,835.06)	(1,053,809.06)	(1,292,343.38)	889,284.31	(4,846.40)	(2,529.76)	992,081.29
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(1,963,677.09)</u>	<u>(7,282,173.86)</u>	<u>6,401,736.61</u>	<u>(455,877.04)</u>	<u>(90,873.77)</u>	<u>9,138,188.56</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(94,710,812.42)</u>	<u>36,558,276.28</u>	<u>59,292.86</u>	<u>(1,963,677.09)</u>	<u>(7,282,173.86)</u>	<u>15,053,526.58</u>	<u>(688,066.64)</u>	<u>(90,873.77)</u>	<u>(2,079,920,367.16)</u>
<b>Amortization</b>										
Common.....	(16,306,390.60)	(5,320,130.98)	1,661,801.58	-	-	-	-	-	-	(19,964,720.00)
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(5,320,130.98)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,965,620.00)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (100,030,943.40)</u>	<u>\$ 38,220,077.86</u>	<u>\$ 59,292.86</u>	<u>\$ (1,963,677.09)</u>	<u>\$ (7,282,173.86)</u>	<u>\$ 15,053,526.58</u>	<u>\$ (688,066.64)</u>	<u>\$ (90,873.77)</u>	<u>\$ (2,099,885,987.16)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,099,822,626.80)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>									<u>\$ 2,715,226,240.40</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**August 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 105,479,442.77	\$ -	\$ 105,479,442.77
Gas Operating Revenues.....	11,482,287.79	-	11,482,287.79
<b>Total Operating Revenues.....</b>	<b>116,961,730.56</b>	<b>-</b>	<b>116,961,730.56</b>
Fuel for Electric Generation.....	34,727,105.86	-	34,727,105.86
Power Purchased.....	5,404,608.23	-	5,404,608.23
Gas Supply Expenses.....	4,257,401.19	-	4,257,401.19
Other Operation Expenses.....	21,424,773.59	-	21,424,773.59
Maintenance.....	15,528,306.75	-	15,528,306.75
Depreciation.....	11,790,920.26	-	11,790,920.26
Amortization Expense.....	689,697.43	-	689,697.43
Regulatory Credits.....	(360,697.95)	-	(360,697.95)
Taxes			
Federal Income.....	5,664,531.39	-	5,664,531.39
State Income.....	1,033,045.23	-	1,033,045.23
Deferred Federal Income - Net.....	258,724.10	8,230.80	266,954.90
Deferred State Income - Net.....	(624,726.66)	1,501.06	(623,225.60)
Property and Other.....	2,309,427.14	-	2,309,427.14
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	216,401.98	-	216,401.98
<b>Total Operating Expenses.....</b>	<b>102,083,484.54</b>	<b>9,731.86</b>	<b>102,093,216.40</b>
Net Operating Income.....	14,878,246.02	(9,731.86)	14,868,514.16
Other Income Less Deductions.....	233,969.18	-	233,969.18
<b>Income Before Interest Charges.....</b>	<b>15,112,215.20</b>	<b>(9,731.86)</b>	<b>15,102,483.34</b>
Interest on Long-Term Debt.....	3,201,192.23	(25,017.63)	3,176,174.60
Amortization of Debt Expense - Net.....	279,566.93	-	279,566.93
Other Interest Expenses.....	275,342.27	-	275,342.27
<b>Total Interest Charges.....</b>	<b>3,756,101.43</b>	<b>(25,017.63)</b>	<b>3,731,083.80</b>
<b>Net Income.....</b>	<b>\$ 11,356,113.77</b>	<b>\$ 15,285.77</b>	<b>\$ 11,371,399.54</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**August 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 729,565,952.64	\$ -	\$ 729,565,952.64
Gas Operating Revenues.....	205,879,071.84	-	205,879,071.84
<b>Total Operating Revenues.....</b>	<b>935,445,024.48</b>	<b>-</b>	<b>935,445,024.48</b>
Fuel for Electric Generation.....	243,748,699.11	-	243,748,699.11
Power Purchased.....	49,754,328.93	-	49,754,328.93
Gas Supply Expenses.....	112,511,796.99	-	112,511,796.99
Other Operation Expenses.....	158,474,724.89	27,884.66	158,502,609.55
Maintenance.....	82,328,410.42	-	82,328,410.42
Depreciation.....	94,470,105.94	-	94,470,105.94
Amortization Expense.....	5,320,130.98	-	5,320,130.98
Regulatory Credits.....	(4,043,516.06)	-	(4,043,516.06)
Taxes			
Federal Income.....	17,526,242.14	-	17,526,242.14
State Income.....	8,374,527.53	-	8,374,527.53
Deferred Federal Income - Net.....	29,366,869.63	56,672.37	29,423,542.00
Deferred State Income - Net.....	(846,709.80)	10,335.41	(836,374.39)
Property and Other.....	18,362,646.14	-	18,362,646.14
Amortization of Investment Tax Credit.....	(1,861,605.00)	-	(1,861,605.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	1,748,510.59	-	1,748,510.59
<b>Total Operating Expenses.....</b>	<b>815,232,584.49</b>	<b>94,892.44</b>	<b>815,327,476.93</b>
Net Operating Income.....	120,212,439.99	(94,892.44)	120,117,547.55
Other Income Less Deductions.....	384,959.15	-	384,959.15
<b>Income Before Interest Charges.....</b>	<b>120,597,399.14</b>	<b>(94,892.44)</b>	<b>120,502,506.70</b>
Interest on Long-Term Debt.....	26,031,331.47	(200,141.04)	25,831,190.43
Amortization of Debt Expense - Net.....	2,212,230.69	-	2,212,230.69
Other Interest Expenses.....	1,667,138.53	-	1,667,138.53
<b>Total Interest Charges.....</b>	<b>29,910,700.69</b>	<b>(200,141.04)</b>	<b>29,710,559.65</b>
<b>Net Income.....</b>	<b>\$ 90,686,698.45</b>	<b>\$ 105,248.60</b>	<b>\$ 90,791,947.05</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**August 31, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 865,073,836.64	\$ 787,479,070.96	\$ (808,809,319.61)	\$ -	\$ 56,264,517.03	\$ 787,479,070.96
Add:						
Net Income (Loss) for Period.....	11,356,113.77	23,393,940.78	15,285.77	-	11,371,399.54	23,393,940.78
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>13,000,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,000,000.00</u>	<u>-</u>
Balance at End of Period.....	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>	<u>\$ (808,794,033.84)</u>	<u>\$ -</u>	<u>\$ 54,635,916.57</u>	<u>\$ 810,873,011.74</u>

Note: Purchase accounting is subject to change through October 31, 2011

September 22, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**August 31, 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	90,686,698.45	85,594,145.50	105,248.60	-	90,791,947.05	85,594,145.50
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>55,250,000.00</u>	<u>30,000,000.00</u>	<u>-</u>	<u>-</u>	<u>55,250,000.00</u>	<u>30,000,000.00</u>
Balance at End of Period.....	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>	<u>\$ (808,794,033.84)</u>	<u>\$ -</u>	<u>\$ 54,635,916.57</u>	<u>\$ 810,873,011.74</u>

Note: Purchase accounting is subject to change through October 31, 2011

September 22, 2011



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**August 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 810,873,011.74	\$ 706,445,527.55	\$ -	\$ -	\$ 810,873,011.74	\$ 706,445,527.55
Add:						
Net Income (Loss) for Period.....	132,806,938.67	134,427,484.19	152,857.68	-	132,959,796.35	134,427,484.19
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	80,250,000.00	30,000,000.00	-	-	80,250,000.00	30,000,000.00
Balance at End of Period.....	<u>\$ 863,429,950.41</u>	<u>\$ 810,873,011.74</u>	<u>\$ (808,794,033.84)</u>	<u>\$ -</u>	<u>\$ 54,635,916.57</u>	<u>\$ 810,873,011.74</u>

Note: Purchase accounting is subject to change through October 31, 2011

September 22, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of August 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,815,048,867.20	\$ -	\$ 4,815,048,867.20
Less: Reserves for Depreciation and Amortization....	2,099,822,626.80	-	2,099,822,626.80
<b>Total.....</b>	<b>2,715,226,240.40</b>	<b>-</b>	<b>2,715,226,240.40</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	26,739,003.13	-	26,739,003.13
<b>Total.....</b>	<b>27,345,168.33</b>	<b>-</b>	<b>27,345,168.33</b>
<b>Current and Accrued Assets</b>			
Cash.....	41,235,356.47	-	41,235,356.47
Special Deposits.....	2,204,705.90	-	2,204,705.90
Temporary Cash Investments.....	42,115,568.00	-	42,115,568.00
Accounts Receivable - Less Reserve.....	133,715,904.02	-	133,715,904.02
Accounts Receivable from Associated Companies....	14,603,137.03	-	14,603,137.03
Materials and Supplies - At Average Cost			
Fuel.....	51,087,714.21	-	51,087,714.21
Plant Materials and Operating Supplies.....	30,417,147.49	-	30,417,147.49
Stores Expense.....	5,422,256.65	-	5,422,256.65
Gas Stored Underground.....	45,030,809.18	-	45,030,809.18
Emission Allowances.....	2,005.06	-	2,005.06
Prepayments.....	6,575,036.00	-	6,575,036.00
Miscellaneous Current and Accrued Assets.....	951,689.47	-	951,689.47
<b>Total.....</b>	<b>373,361,329.48</b>	<b>-</b>	<b>373,361,329.48</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,117,553.69	(3,543,367.89)	9,574,185.80
Unamortized Loss on Bonds.....	21,126,625.85	-	21,126,625.85
Accumulated Deferred Income Taxes.....	56,272,700.06	77,778,242.30	134,050,942.36
Deferred Regulatory Assets.....	369,108,007.04	10,558,566.68	379,666,573.72
Other Deferred Debits.....	1,352,515.52	177,373,918.74	178,726,434.26
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>460,977,402.16</b>	<b>651,324,711.42</b>	<b>1,112,302,113.58</b>
<b>Total Assets.....</b>	<b>\$ 3,576,910,140.37</b>	<b>\$ 651,324,711.42</b>	<b>\$ 4,228,234,851.79</b>

Note: Purchase accounting is subject to change through October 31, 2011

September 22, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of August 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	863,429,950.41	(808,794,033.84)	54,635,916.57
<b>Total Proprietary Capital.....</b>	<b>1,371,345,984.86</b>	<b>385,291,835.18</b>	<b>1,756,637,820.04</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,326,540.70	580,630,540.70
First Mortgage Bonds.....	531,238,255.78	-	531,238,255.78
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,542,255.78</b>	<b>6,326,540.70</b>	<b>1,111,868,796.48</b>
<b>Total Capitalization.....</b>	<b>2,476,888,240.64</b>	<b>391,618,375.88</b>	<b>2,868,506,616.52</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	87,601,078.61	-	87,601,078.61
Accounts Payable to Associated Companies.....	17,443,956.77	-	17,443,956.77
Customer Deposits.....	22,667,140.95	-	22,667,140.95
Taxes Accrued.....	31,834,314.50	-	31,834,314.50
Dividends Declared.....	13,000,000.00	-	13,000,000.00
Interest Accrued.....	9,378,075.45	-	9,378,075.45
Miscellaneous Current and Accrued Liabilities.....	23,121,809.92	-	23,121,809.92
<b>Total.....</b>	<b>205,046,376.20</b>	<b>-</b>	<b>205,046,376.20</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	504,554,359.26	75,317,218.01	579,871,577.27
Investment Tax Credit.....	43,662,971.13	-	43,662,971.13
Regulatory Liabilities.....	62,515,471.19	177,373,918.74	239,889,389.93
Customer Advances for Construction.....	8,059,948.10	-	8,059,948.10
Asset Retirement Obligations.....	52,443,159.11	-	52,443,159.11
Other Deferred Credits.....	26,770,314.68	7,015,198.79	33,785,513.47
Miscellaneous Long-Term Liabilities.....	51,419,138.37	-	51,419,138.37
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	145,550,161.69	-	145,550,161.69
<b>Total.....</b>	<b>894,975,523.53</b>	<b>259,706,335.54</b>	<b>1,154,681,859.07</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,576,910,140.37</b>	<b>\$ 651,324,711.42</b>	<b>\$ 4,228,234,851.79</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - September 30, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

September 30, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**September 30, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings with Purchase Accounting.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 86,259,338.17	\$ 78,289,808.76	\$ 7,969,529.41	10.18
Gas Operating Revenues.....	12,116,422.24	11,720,038.06	396,384.18	3.38
<b>Total Operating Revenues.....</b>	<b>98,375,760.41</b>	<b>90,009,846.82</b>	<b>8,365,913.59</b>	<b>9.29</b>
Fuel for Electric Generation.....	30,046,419.94	32,175,696.63	(2,129,276.69)	(6.62)
Power Purchased.....	5,507,089.89	3,567,377.67	1,939,712.22	54.37
Gas Supply Expenses.....	4,361,801.03	4,275,545.62	86,255.41	2.02
Other Operation Expenses.....	18,985,899.75	20,487,061.23	(1,501,161.48)	(7.33)
Maintenance.....	3,499,646.07	7,874,582.26	(4,374,936.19)	(55.56)
Depreciation.....	11,821,283.70	11,352,742.53	468,541.17	4.13
Amortization Expense.....	691,375.44	622,759.42	68,616.02	11.02
Regulatory Credits.....	(367,360.47)	(1,813,934.34)	1,446,573.87	79.75
Taxes				
Federal Income.....	(3,676,576.81)	(6,683,028.40)	3,006,451.59	44.99
State Income.....	(167,428.46)	(1,354,225.08)	1,186,796.62	87.64
Deferred Federal Income - Net.....	8,906,276.75	7,130,807.58	1,775,469.17	24.90
Deferred State Income - Net.....	893,120.86	1,489,773.74	(596,652.88)	(40.05)
Property and Other.....	2,790,700.09	1,940,595.20	850,104.89	43.81
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	202,763.84	1,334,111.60	(1,131,347.76)	(84.80)
<b>Total Operating Expenses.....</b>	<b>83,258,977.62</b>	<b>82,191,384.66</b>	<b>1,067,592.96</b>	<b>1.30</b>
Net Operating Income.....	15,116,782.79	7,818,462.16	7,298,320.63	93.35
Other Income Less Deductions.....	153,501.78	17,112,550.25	(16,959,048.47)	(99.10)
<b>Income Before Interest Charges.....</b>	<b>15,270,284.57</b>	<b>24,931,012.41</b>	<b>(9,660,727.84)</b>	<b>(38.75)</b>
Interest on Long-Term Debt.....	3,255,663.30	3,263,942.70	(8,279.40)	(0.25)
Amortization of Debt Expense - Net.....	280,500.88	116,549.81	163,951.07	140.67
Other Interest Expenses.....	238,238.63	263,856.54	(25,617.91)	(9.71)
<b>Total Interest Charges.....</b>	<b>3,774,402.81</b>	<b>3,644,349.05</b>	<b>130,053.76</b>	<b>3.57</b>
<b>Net Income.....</b>	<b>\$ 11,495,881.76</b>	<b>\$ 21,286,663.36</b>	<b>\$ (9,790,781.60)</b>	<b>(45.99)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2011**

	Year to Date			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 815,825,290.81	\$ 775,492,907.17	\$ 40,332,383.64	5.20
Gas Operating Revenues.....	217,995,494.08	201,229,558.27	16,765,935.81	8.33
<b>Total Operating Revenues.....</b>	<b>1,033,820,784.89</b>	<b>976,722,465.44</b>	<b>57,098,319.45</b>	<b>5.85</b>
Fuel for Electric Generation.....	273,795,119.05	277,395,215.56	(3,600,096.51)	(1.30)
Power Purchased.....	55,261,418.82	40,858,584.94	14,402,833.88	35.25
Gas Supply Expenses.....	116,873,598.02	108,041,714.88	8,831,883.14	8.17
Other Operation Expenses.....	177,460,624.64	168,104,479.46	9,356,145.18	5.57
Maintenance.....	85,828,056.49	76,857,618.20	8,970,438.29	11.67
Depreciation.....	106,291,389.64	98,439,672.75	7,851,716.89	7.98
Amortization Expense.....	6,011,506.42	5,835,257.86	176,248.56	3.02
Regulatory Credits.....	(4,410,876.53)	(3,270,841.78)	(1,140,034.75)	(34.85)
Taxes				
Federal Income.....	13,849,665.33	24,328,238.85	(10,478,573.52)	(43.07)
State Income.....	8,207,099.07	2,449,578.74	5,757,520.33	235.04
Deferred Federal Income - Net.....	38,273,146.38	22,314,183.39	15,958,962.99	71.52
Deferred State Income - Net.....	46,411.06	5,911,911.87	(5,865,500.81)	(99.22)
Property and Other.....	21,153,346.23	17,905,374.10	3,247,972.13	18.14
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(2,097,639.00)	(1,876,331.00)	(221,308.00)	(11.79)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	1,951,274.43	2,673,901.02	(722,626.59)	(27.03)
<b>Total Operating Expenses.....</b>	<b>898,491,562.11</b>	<b>845,934,098.70</b>	<b>52,557,463.41</b>	<b>6.21</b>
Net Operating Income.....	135,329,222.78	130,788,366.74	4,540,856.04	3.47
Other Income Less Deductions.....	538,460.93	12,330,709.16	(11,792,248.23)	(95.63)
<b>Income Before Interest Charges.....</b>	<b>135,867,683.71</b>	<b>143,119,075.90</b>	<b>(7,251,392.19)</b>	<b>(5.07)</b>
Interest on Long-Term Debt.....	29,286,994.77	33,196,072.77	(3,909,078.00)	(11.78)
Amortization of Debt Expense - Net.....	2,492,731.57	1,048,020.81	1,444,710.76	137.85
Other Interest Expenses.....	1,905,377.16	1,994,173.46	(88,796.30)	(4.45)
<b>Total Interest Charges.....</b>	<b>33,685,103.50</b>	<b>36,238,267.04</b>	<b>(2,553,163.54)</b>	<b>(7.05)</b>
<b>Net Income.....</b>	<b>\$ 102,182,580.21</b>	<b>\$ 106,880,808.86</b>	<b>\$ (4,698,228.65)</b>	<b>(4.40)</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**September 30, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,055,943,950.61	\$ 982,532,571.27	\$ 73,411,379.34	7.47
Gas Operating Revenues.....	319,713,291.69	286,927,629.17	32,785,662.52	11.43
<b>Total Operating Revenues.....</b>	<b>1,375,657,242.30</b>	<b>1,269,460,200.44</b>	<b>106,197,041.86</b>	<b>8.37</b>
Fuel for Electric Generation.....	364,956,229.83	349,089,411.17	15,866,818.66	4.55
Power Purchased.....	68,782,552.57	56,239,440.77	12,543,111.80	22.30
Gas Supply Expenses.....	177,835,491.19	163,529,115.26	14,306,375.93	8.75
Other Operation Expenses.....	236,169,149.75	221,327,220.67	14,841,929.08	6.71
Maintenance.....	120,671,543.37	106,467,709.93	14,203,833.44	13.34
Depreciation.....	139,061,720.16	130,979,831.16	8,081,889.00	6.17
Amortization Expense.....	7,903,237.46	7,945,238.96	(42,001.50)	(0.53)
Regulatory Credits.....	(5,409,766.20)	(3,809,874.69)	(1,599,891.51)	(41.99)
Taxes				
Federal Income.....	18,396,033.66	41,499,726.50	(23,103,692.84)	(55.67)
State Income.....	11,804,687.76	3,769,525.84	8,035,161.92	213.16
Deferred Federal Income - Net.....	43,625,967.99	(2,512,278.36)	46,138,246.35	1,836.51
Deferred State Income - Net.....	(3,495,476.37)	3,485,692.43	(6,981,168.80)	(200.28)
Property and Other.....	25,819,595.95	21,414,725.16	4,404,870.79	20.57
Investment Tax Credit.....	-	1,055,156.02	(1,055,156.02)	(100.00)
Amortization of Investment Tax Credit.....	(2,723,082.00)	(2,627,838.72)	(95,243.28)	(3.62)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,561,479.04	3,164,629.08	(603,150.04)	(19.06)
<b>Total Operating Expenses.....</b>	<b>1,205,956,786.22</b>	<b>1,100,982,971.04</b>	<b>104,973,815.18</b>	<b>9.53</b>
Net Operating Income.....	169,700,456.08	168,477,229.40	1,223,226.68	0.73
Other Income Less Deductions.....	(1,074,775.89)	5,236,330.25	(6,311,106.14)	(120.53)
<b>Income Before Interest Charges.....</b>	<b>168,625,680.19</b>	<b>173,713,559.65</b>	<b>(5,087,879.46)</b>	<b>(2.93)</b>
Interest on Long-Term Debt.....	39,985,969.17	43,661,411.53	(3,675,442.36)	(8.42)
Amortization of Debt Expense - Net.....	3,109,336.50	1,396,888.51	1,712,447.99	122.59
Other Interest Expenses.....	2,514,217.45	2,761,994.19	(247,776.74)	(8.97)
<b>Total Interest Charges.....</b>	<b>45,609,523.12</b>	<b>47,820,294.23</b>	<b>(2,210,771.11)</b>	<b>(4.62)</b>
<b>Net Income.....</b>	<b>\$ 123,016,157.07</b>	<b>\$ 125,893,265.42</b>	<b>\$ (2,877,108.35)</b>	<b>(2.29)</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**September 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 863,429,950.41	\$ 810,873,011.74	\$ 827,993,251.96	\$ 755,278,866.24	\$ 807,159,675.10	\$ 736,266,409.68
Add:						
Net Income for Period.....	11,495,881.76	21,286,663.36	102,182,580.21	106,880,808.86	123,016,157.07	125,893,265.42
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	25,000,000.00	55,250,000.00	55,000,000.00	55,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 874,925,832.17</u>	<u>\$ 807,159,675.10</u>	<u>\$ 874,925,832.17</u>	<u>\$ 807,159,675.10</u>	<u>\$ 874,925,832.17</u>	<u>\$ 807,159,675.10</u>

October 26, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of September 30, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,834,755,063.44	\$ 4,644,050,008.98	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,109,448,034.24</u>	<u>2,023,632,803.62</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,725,307,029.20</u>	<u>2,620,417,205.36</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>874,925,832.17</u>	<u>807,159,675.10</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,382,841,866.62</u>	<u>1,315,075,709.55</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Special Funds.....	<u>29,511,083.19</u>	<u>21,152,872.82</u>	First Mortgage Bonds.....	531,261,577.46	-
Total.....	<u>30,117,248.39</u>	<u>21,759,038.02</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,565,577.46</u>	<u>896,104,000.00</u>
Cash.....	36,121,124.88	3,904,029.96	Total Capitalization.....	<u>2,488,407,444.08</u>	<u>2,211,179,709.55</u>
Special Deposits.....	1,203,174.45	694,666.13	Current and Accrued Liabilities		
Temporary Cash Investments.....	38,421,281.63	119.71	ST Notes Payable to Associated Companies.....	-	121,885,400.00
Accounts Receivable - Less Reserve.....	115,617,416.71	131,282,221.86	Accounts Payable.....	81,366,680.34	83,374,445.21
Accounts Receivable from Associated Companies.....	10,903,711.10	16,943,535.45	Accounts Payable to Associated Companies.....	21,152,123.73	38,853,764.01
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,546,494.46	24,435,083.96
Fuel.....	52,528,086.41	65,769,984.00	Taxes Accrued.....	18,953,407.93	20,358,882.40
Plant Materials and Operating Supplies.....	30,797,037.86	29,786,478.70	Interest Accrued.....	12,029,932.24	3,555,639.55
Stores Expense.....	5,476,575.61	4,860,767.32	Dividends Declared.....	-	-
Gas Stored Underground.....	56,853,462.78	60,652,456.09	Miscellaneous Current and Accrued Liabilities.....	<u>21,917,601.45</u>	<u>20,902,601.42</u>
Emission Allowances.....	2,772.88	3,007.09	Total.....	<u>177,966,240.15</u>	<u>313,365,816.55</u>
Prepayments.....	6,339,120.25	4,911,746.03	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	<u>761,979.55</u>	<u>1,807,657.91</u>	Accumulated Deferred Income Taxes.....	487,104,353.22	459,200,169.51
Total.....	<u>355,025,744.11</u>	<u>320,616,670.25</u>	Investment Tax Credit.....	43,426,937.13	46,150,019.13
Deferred Debits and Other			Regulatory Liabilities.....	60,890,790.21	51,562,025.10
Unamortized Debt Expense.....	13,044,553.50	3,714,382.80	Customer Advances for Construction.....	8,049,779.58	8,229,472.91
Unamortized Loss on Bonds.....	21,025,622.90	22,237,658.30	Asset Retirement Obligations.....	55,794,013.83	64,974,252.91
Accumulated Deferred Income Taxes.....	26,152,975.69	46,431,887.66	Other Deferred Credits.....	29,396,986.25	28,608,492.59
Deferred Regulatory Assets.....	383,199,682.64	378,525,174.50	Miscellaneous Long-Term Liabilities.....	58,630,593.68	54,476,525.20
Other Deferred Debits.....	<u>1,330,450.74</u>	<u>1,197,806.18</u>	Accum Provision for Postretirement Benefits.....	<u>145,536,169.04</u>	<u>177,153,339.62</u>
Total.....	<u>444,753,285.47</u>	<u>452,106,909.44</u>	Total.....	<u>888,829,622.94</u>	<u>890,354,296.97</u>
Total Assets.....	<u>\$ 3,555,203,307.17</u>	<u>\$ 3,414,899,823.07</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,555,203,307.17</u>	<u>\$ 3,414,899,823.07</u>

October 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**September 30, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			874,925,832.17	
 Total Proprietary Capital.....			1,382,841,866.62	55.57
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.08
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.50
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(728,062.52)	
First Mortgage Bond Due 11/15/40 5.125%.....			(3,010,360.02)	
			(3,738,422.54)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,261,577.46	21.35
 Total Capitalization.....			\$ 2,488,407,444.08	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,834,755,063.44	\$ 4,834,755,063.44
Reserves for Depreciation and Amortization.....		(2,109,448,034.24)
Depreciation of Plant		
Electric.....	(1,764,531,314.95)	
Gas.....	(237,982,586.85)	
Common.....	(86,277,137.00)	
Amortization of Plant		
Common.....	(20,656,095.44)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		30,117,248.39
Special Funds.....	29,511,083.19	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	36,121,124.88	36,121,124.88
Special Deposits.....		1,203,174.45
MAN Margin Call.....	506,695.37	
Other Special Deposits.....	696,479.08	
Temporary Cash Investments.....	38,421,281.63	38,421,281.63
Accounts Receivable - Less Reserve.....		115,617,416.71
Customers - Active.....	64,514,793.00	
Unbilled Revenues.....	43,684,976.46	
IMPA.....	2,182,068.26	
IMEA.....	2,174,850.42	
Wholesale Sales.....	2,056,338.03	
Sundry Accounts Receivable.....	933,628.39	
Transmission Sales.....	572,799.84	
Damage Claims.....	370,502.78	
Mutual Aid.....	131,132.13	
Bechtel Liquidated Damages.....	5,700.00	
Other.....	900,076.81	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	4,733,737.82	
Accrual.....	(3,876,016.79)	
Reserve.....	(1,761,214.00)	
Recoveries.....	(858,896.91)	
A/R Miscellaneous.....	(147,059.53)	
Accounts Receivable from Associated Companies.....		10,903,711.10
LG&E - KU Energy Services/Kentucky Utilities.....	10,691,575.54	
PPL Energy Funding.....	212,135.56	
Fuel.....		52,528,086.41
Coal 1,127,440.55 Tons @ \$46.25; MMBtu 25,604,934.09 @ 203.63¢.....	52,138,617.20	
Fuel Oil 135,583.95 Gallons @ 248.99¢.....	337,586.18	
Gas Pipeline 4,700 Mcf @ \$11.04.....	51,883.03	
Plant Materials and Operating Supplies.....		30,797,037.86
Regular Materials and Supplies.....	30,129,985.43	
Limestone 86,768.06 Tons @ \$7.69.....	667,052.43	
Stores Expense Undistributed.....	5,476,575.61	5,476,575.61
Gas Stored Underground - Current.....		56,853,462.78
Gas Stored Underground* 12,065,509 Mcf (14.73 psia) @ \$4.71.....	56,853,462.78	
Emission Allowances.....	2,772.88	2,772.88

October 26, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,339,120.25
Insurance.....	2,745,199.30	
Taxes.....	1,465,979.46	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Franchises.....	23,028.75	
Other.....	1,788,246.03	
Miscellaneous Current Assets.....		761,979.55
Derivative Asset - Non-Hedging.....	761,979.55	
Unamortized Debt Expense.....		13,044,553.50
Trimble County 2000 Series A due 08/01/30 Var%.....	728,988.87	
Jefferson County 2001 Series A due 09/01/26 Var%.....	148,029.60	
Jefferson County 2001 Series A due 09/01/27 Var%.....	324,580.54	
Jefferson County 2001 Series B due 11/01/27 Var%.....	176,840.27	
Trimble County 2001 Series A due 09/01/26 Var%.....	160,950.59	
Trimble County 2001 Series B due 11/01/27 Var%.....	176,869.28	
Trimble County 2002 Series A due 10/01/32 Var%.....	781,649.67	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	431,411.90	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	161,946.64	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,029,912.26	
First Mortgage Bond due 11/15/15 1.625%.....	2,140,159.63	
First Mortgage Bond due 11/15/40 5.125%.....	3,462,448.38	
Revolving Credit Agreement.....	3,320,765.87	
Unamortized Loss on Bonds.....	21,025,622.90	21,025,622.90
Accumulated Deferred Income Taxes.....		26,152,975.69
Federal		
Electric.....	24,560,160.41	
Gas.....	(3,253,283.03)	
State		
Electric.....	5,413,256.17	
Gas.....	(567,157.86)	
Regulatory Assets.....		383,199,682.64
Pension and Postretirement Benefits.....	213,180,670.00	
Interest Rate Swap Ineffectiveness.....	57,262,328.87	
2009 Winter Storm.....	38,723,912.21	
2008 Wind Storm.....	20,793,960.63	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,544,305.85	
State		
Electric.....	2,287,715.35	
Swap Termination.....	9,001,840.76	
Asset Retirement Obligations		
Electric.....	8,200,112.61	
Gas.....	790,278.28	
Common.....	7,118.99	
2011 Summer Storm.....	7,419,650.67	
Gas Supply Clause/PBR.....	5,260,630.49	
Fuel Adjustment Clause.....	4,505,000.00	
MISO Exit Fee.....	947,091.30	
Rate Case Expenses.....	944,430.25	
KCCS Funding.....	621,945.36	
EKPC FERC Transmission Costs.....	409,799.92	
CMRG Funding.....	178,860.00	
General Management Audit.....	120,031.10	
Other Deferred Debits.....	1,330,450.74	1,330,450.74
Total Assets.....	<u>\$ 3,555,203,307.17</u>	<u>\$ 3,555,203,307.17</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,382,841,866.62
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	874,925,832.17	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,261,577.46	531,261,577.46
Accounts Payable.....		81,366,680.34
Regular.....	78,454,143.65	
Salaries and Wages Accrued.....	2,879,594.53	
Employee Withholdings Payable.....	32,942.16	
Accounts Payable to Associated Companies.....		21,152,123.73
LG&E - KU Energy Services/Kentucky Utilities.....	21,152,123.73	
Customers' Deposits.....	22,546,494.46	22,546,494.46
Taxes Accrued.....	18,953,407.93	18,953,407.93
Interest Accrued.....		12,029,932.24
Jefferson County 2000 Series A due 05/01/27 5.375%.....	559,895.83	
Trimble County 2000 Series A due 08/01/30 Var%.....	4,166.75	
Jefferson County 2001 Series A due 09/01/26 Var%.....	6,164.39	
Jefferson County 2001 Series A due 09/01/27 Var%.....	157.17	
Jefferson County 2001 Series B due 11/01/27 Var%.....	5,080.55	
Trimble County 2001 Series A due 09/01/26 Var%.....	4,520.55	
Trimble County 2001 Series A due 10/01/32 Var%.....	1,598.11	
Trimble County 2001 Series B due 11/01/27 Var%.....	3,993.15	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	1,222,755.56	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	376,944.44	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	581,250.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	224,791.11	
Trimble County 2007 Series A due 06/01/33 4.600%.....	920,000.00	
Interest Rate Swaps.....	694,986.09	
First Mortgage Bond due 11/15/15 1.625%.....	1,534,722.22	
First Mortgage Bond due 11/15/40 5.125%.....	5,517,916.67	
Customers' Deposits.....	343,388.68	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	13,600.97	
Miscellaneous Current and Accrued Liabilities.....		21,917,601.45
Vacation Pay Accrued.....	6,543,183.42	
Customer Overpayments.....	4,715,828.03	
ASC 815 Derivative Liability.....	4,283,486.06	
No-Notice Gas Payable.....	2,606,258.96	
Derivative Liabilities - Non-Hedging.....	1,124,150.90	
Tax Collections Payable.....	976,691.91	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	594,838.97	
Home Energy Assistance.....	392,485.11	
Service Deposit Refund Payable.....	(69,715.86)	
Other.....	125,699.91	

October 26, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**September 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 487,104,353.22
Federal		
Electric.....	343,555,580.54	
Gas.....	78,624,165.83	
State		
Electric.....	53,327,163.96	
Gas.....	11,597,442.89	
Investment Tax Credit.....		43,426,937.13
Advanced Coal Credit.....	23,296,568.00	
Job Development Credit		
Electric.....	19,540,335.98	
Gas.....	590,033.15	
Regulatory Liabilities.....		60,890,790.21
Deferred Taxes		
Federal		
Electric.....	40,447,541.45	
Gas.....	(11,524,437.19)	
State		
Electric.....	18,067,375.30	
Gas.....	(123,714.24)	
DSM Cost Recovery.....	6,191,134.10	
Gas Supply Clause/PBR.....	3,969,463.77	
Asset Retirement Obligations		
Gas.....	2,144,773.05	
Electric.....	274,746.64	
MISO Schedule 10 Charges.....	556,018.74	
Environmental Cost Recovery.....	456,056.00	
Purchased Gas Adjustment - Tennessee Gas.....	431,832.59	
Customers' Advances for Construction.....		8,049,779.58
Line Extensions		
Gas.....	6,495,926.69	
Electric.....	792,826.79	
Customer Advances - Museum Plaza.....	696,479.08	
Other.....	64,547.02	
Asset Retirement Obligations.....		55,794,013.83
Electric.....	34,303,675.93	
Gas.....	21,383,717.63	
Common.....	106,620.27	
Other Deferred Credits.....	29,396,986.25	29,396,986.25
Miscellaneous Long-Term Liabilities.....		58,630,593.68
Long-Term Derivative Liabilities - ASC 815.....	52,978,842.81	
Workers' Compensation.....	5,651,750.87	
Accumulated Provision for Benefits.....		145,536,169.04
Postretirement Benefits - ASC 715.....	80,406,627.36	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,555,203,307.17</u>	<u>\$ 3,555,203,307.17</u>



**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**September 30, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 102,182,580.21	\$ 106,880,808.86
Items not requiring (providing) cash currently:		
Depreciation.....	106,291,389.64	98,439,672.75
Amortization.....	6,011,506.42	5,835,257.86
Deferred income taxes - net.....	41,302,541.65	31,901,692.85
Investment tax credit - net.....	(2,097,639.00)	(1,876,331.00)
Gain on disposal of assets.....	(65,817.86)	(33,760.40)
Other.....	15,044,311.19	10,867,014.00
Change in receivables.....	57,646,816.79	2,291,134.50
Change in inventory.....	16,803,956.82	(11,159,166.31)
Change in allowance inventory.....	(43.92)	1,163.91
Change in payables and accrued expenses.....	40,702,557.81	(30,758,374.00)
Change in regulatory assets.....	(39,043,288.37)	(8,745,461.79)
Change in regulatory liabilities.....	9,464,441.75	(33,345,183.48)
Change in other deferred debits.....	(24,433,392.98)	(63,693.92)
Change in other deferred credits.....	23,931,830.50	20,675,744.23
Pension and postretirement funding.....	(67,940,500.00)	(24,267,900.00)
Other.....	(12,283,960.00)	(5,248,859.17)
Net cash provided (used) by operating activities.....	<u>273,517,290.65</u>	<u>161,393,758.89</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(109,059,549.91)	(50,311,364.02)
Gross additions to common utility plant - construction expenditures.....	(5,604,877.81)	(8,960,809.07)
Proceeds received from sales of property.....	65,817.86	34,136.95
Change in restricted cash.....	(10,749,228.80)	-
Change in derivatives.....	-	94,507.35
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(7,525,344.99)	-
Net cash provided (used) by investing activities.....	<u>30,326,816.35</u>	<u>(59,143,528.79)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(1,301,712.33)	(26,566.81)
Net change in short-term debt.....	(174,876,000.00)	(48,515,000.00)
Dividends on common stock.....	(55,250,000.00)	(55,000,000.00)
Net cash provided (used) by financing activities.....	<u>(231,427,712.33)</u>	<u>(103,541,566.81)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	72,416,394.67	(1,291,336.71)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 74,542,406.51</u>	<u>\$ 3,904,149.67</u>

October 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**September 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.15	\$ 111,979.17	\$ 1,007,812.52	\$ 1,007,812.41	\$ 1,343,750.03	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	12,500.26	32,986.76	148,093.19	301,232.86	238,141.29	356,372.82
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,178.80	3,852.15	16,329.05	35,275.58	28,188.60	41,197.67
Jefferson County 2001 Series A due 09/01/27 Var%.....	7,027.41	18,493.15	148,093.17	127,417.82	209,582.90	175,037.69
Jefferson County 2001 Series B due 11/01/27 Var%.....	15,953.43	36,428.77	229,310.71	278,546.24	307,269.60	362,402.40
Trimble County 2001 Series A due 09/01/26 Var%.....	6,615.07	11,602.73	75,884.95	127,306.17	113,593.85	189,689.73
Trimble County 2001 Series A due 10/01/32 Var%.....	8,492.82	15,513.08	97,295.18	243,369.64	148,892.43	269,023.88
Trimble County 2001 Series B due 11/01/27 Var%.....	15,821.92	35,575.34	226,492.86	278,878.00	304,164.08	362,734.14
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	1,749,688.78	-	1,749,688.78	48,681.54
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	1,724,999.98	1,724,999.90	2,299,999.99	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,307,812.41	1,307,812.45	1,743,749.91	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	481,164.48	-	481,164.48	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,070,000.00	2,070,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	694,986.12	210,382.37	5,817,449.99	5,712,071.67	7,803,718.63	7,066,971.84
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.66	-	3,046,874.99	-	3,554,687.50	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	10,954,687.50	-	12,780,468.75	-
Fidelia/PPL.....	-	2,220,150.01	-	19,981,350.03	3,339,225.00	26,641,800.04
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,255,663.30</b>	<b>3,263,942.70</b>	<b>29,286,994.77</b>	<b>33,196,072.77</b>	<b>39,985,969.17</b>	<b>43,661,411.53</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	179,497.91	15,546.83	1,583,704.84	139,779.02	1,897,300.83	186,333.48
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	909,026.73	908,241.79	1,212,035.67	1,210,555.03
<b>Total.....</b>	<b>280,500.88</b>	<b>116,549.81</b>	<b>2,492,731.57</b>	<b>1,048,020.81</b>	<b>3,109,336.50</b>	<b>1,396,888.51</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	113,846.07	105,824.09	1,043,265.03	1,032,445.81	1,399,725.68	1,580,561.80
Other Tax Deficiencies.....	14,000.00	3,525.00	14,000.00	10,994.00	(14,494.00)	8,967.00
Interest on DSM Cost Recovery.....	1,546.79	2,342.34	10,923.03	19,730.63	17,607.64	29,496.19
Interest on Debt to Associated Companies.....	39.65	22,634.30	8,901.65	235,871.91	35,451.62	319,526.46
Other Interest Expense.....	108,806.12	129,530.81	828,287.45	695,131.11	1,075,926.51	823,442.74
<b>Total.....</b>	<b>238,238.63</b>	<b>263,856.54</b>	<b>1,905,377.16</b>	<b>1,994,173.46</b>	<b>2,514,217.45</b>	<b>2,761,994.19</b>
<b>Total Interest.....</b>	<b>\$ 3,774,402.81</b>	<b>\$ 3,644,349.05</b>	<b>\$ 33,685,103.50</b>	<b>\$ 36,238,267.04</b>	<b>\$ 45,609,523.12</b>	<b>\$ 47,820,294.23</b>

October 26, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
September 30, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,998,957.00	\$ 1,222,746.10	\$ 13,600,269.00	\$ 11,003,481.58
Unemployment.....	3,423.49	3,529.53	121,698.19	132,120.68
FICA.....	622,186.43	553,222.67	5,939,560.63	5,289,072.07
Public Service Commission Fee.....	162,886.60	161,096.90	1,455,241.24	1,453,343.24
Federal Income.....	(3,676,576.81)	(6,683,028.40)	13,849,665.33	24,328,238.85
State Income.....	(167,428.46)	(1,354,225.08)	8,207,099.07	2,449,578.74
Miscellaneous.....	3,246.57	-	36,577.16	27,356.53
<b>Total Charged to Operating Expense.....</b>	<b>(1,053,305.18)</b>	<b>(6,096,658.28)</b>	<b>43,210,110.62</b>	<b>44,683,191.69</b>
Taxes Charged to Other Accounts.....	(1,440,906.35)	7,620,655.81	732,879.03	6,872,512.98
Taxes Accrued on Intercompany Accounts.....	(32,729.35)	(257,956.48)	(1,827,411.68)	(2,192,960.65)
<b>Total Taxes Charged.....</b>	<b>\$ (2,526,940.88)</b>	<b>\$ 1,266,041.05</b>	<b>\$ 42,115,577.97</b>	<b>\$ 49,362,744.02</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 13,725,085.25	\$ 11,553,915.92	\$ 13,525,300.99
Unemployment.....	54,386.05	87,965.99	141,918.21	433.83
FICA.....	590,648.24	4,900,226.08	4,903,531.30	587,343.02
Federal Income.....	(3,741,320.05)	12,350,932.23	4,753,055.00	3,856,557.18
State Income.....	229,108.93	7,933,773.89	7,616,999.44	545,883.38
Kentucky Sales and Use Tax.....	1,088,857.95	3,006,813.86	3,680,055.91	415,615.90
Miscellaneous.....	22,339.97	110,780.67	110,847.01	22,273.63
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 42,115,577.97</b>	<b>\$ 32,760,322.79</b>	<b>\$ 18,953,407.93</b>

October 26, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**September 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 9,595,224.90	\$ (663,361.41)	\$ (30,818.06)	\$ 8,901,045.43	\$ 168,785,504.79
Common Intangible Plant.....	56,455,326.72	7,964,495.57	(1,661,801.58)	-	6,302,693.99	62,758,020.71
	<u>216,339,786.08</u>	<u>17,559,720.47</u>	<u>(2,325,162.99)</u>	<u>(30,818.06)</u>	<u>15,203,739.42</u>	<u>231,543,525.50</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	31,066,492.50	(6,291,741.15)	47,153.43	24,821,904.78	952,110,943.28
Electric General Plant.....	16,521,615.59	1,289,339.27	(1,934,885.80)	30,818.06	(614,728.47)	15,906,887.12
Electric Hydro Production.....	41,680,209.14	910,668.82	(229,891.00)	-	680,777.82	42,360,986.96
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	1,886,947.59	(981,817.87)	38,429.14	943,558.86	230,344,591.87
Electric Steam Production.....	1,930,347,044.43	201,354,557.85	(23,221,870.86)	3,530,527.24	181,663,214.23	2,112,010,258.66
Electric Transmission.....	247,742,496.14	6,354,349.01	(1,124,347.60)	(47,153.43)	5,182,847.98	252,925,344.12
	<u>3,392,983,777.10</u>	<u>242,862,355.04</u>	<u>(33,784,554.28)</u>	<u>3,599,774.44</u>	<u>212,677,575.20</u>	<u>3,605,661,352.30</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	34,872,795.04	(585,227.95)	97,729.20	34,385,296.29	584,184,416.99
Gas General Plant.....	9,178,093.57	400,882.53	(995,401.23)	(97,729.20)	(692,247.90)	8,485,845.67
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	2,114,137.15	(1,426,316.42)	-	687,820.73	79,103,131.79
Gas Transmission.....	16,661,869.68	970,087.61	(18,360.47)	3,941,518.65	4,893,245.79	21,555,115.47
	<u>654,055,582.50</u>	<u>38,357,902.33</u>	<u>(3,025,306.07)</u>	<u>3,941,518.65</u>	<u>39,274,114.91</u>	<u>693,329,697.41</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>298,779,977.84</u>	<u>(39,135,023.34)</u>	<u>7,510,475.03</u>	<u>267,155,429.53</u>	<u>4,530,534,575.21</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**September 30, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 1,359,099.42	\$ -	\$ -	\$ 1,359,099.42	\$ 1,956,258.05
Common Intangible Plant.....	2,714,931.36	(1,575,075.77)	-	-	(1,575,075.77)	1,139,855.59
	<u>3,312,089.99</u>	<u>(215,976.35)</u>	<u>-</u>	<u>-</u>	<u>(215,976.35)</u>	<u>3,096,113.64</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	7,019,806.75	-	-	7,019,806.75	18,564,540.65
Electric General Plant.....	50,763.87	(50,763.87)	-	-	(50,763.87)	-
Electric Hydro Production.....	16,952.26	174,504.11	-	-	174,504.11	191,456.37
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	585,175.71	-	-	585,175.71	2,352,383.92
Electric Steam Production.....	15,929,229.77	9,450,122.71	-	-	9,450,122.71	25,379,352.48
Electric Transmission.....	35,045,472.82	1,010,992.42	-	-	1,010,992.42	36,056,465.24
	<u>64,354,360.83</u>	<u>18,189,837.83</u>	<u>-</u>	<u>-</u>	<u>18,189,837.83</u>	<u>82,544,198.66</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(3,874,780.78)	-	-	(3,874,780.78)	20,545,375.38
Gas General Plant.....	126,992.17	74,776.30	-	-	74,776.30	201,768.47
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	492,034.09	-	-	492,034.09	1,443,460.15
Gas Transmission.....	-	1,335,701.67	-	-	1,335,701.67	1,335,701.67
	<u>25,498,574.39</u>	<u>(1,972,268.72)</u>	<u>-</u>	<u>-</u>	<u>(1,972,268.72)</u>	<u>23,526,305.67</u>
<b>Total 106 Accounts</b> .....	<u>93,165,025.21</u>	<u>16,001,592.76</u>	<u>-</u>	<u>-</u>	<u>16,001,592.76</u>	<u>109,166,617.97</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b> .....	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b> .....	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(11,738,866.31)	-	-	(11,738,866.31)	9,505,013.58
Electric.....	324,323,732.14	(177,183,945.04)	-	-	(177,183,945.04)	147,139,787.10
Gas.....	39,756,306.91	(4,136,241.81)	-	-	(4,136,241.81)	35,620,065.10
	<u>385,323,918.94</u>	<u>(193,059,053.16)</u>	<u>-</u>	<u>-</u>	<u>(193,059,053.16)</u>	<u>192,264,865.78</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>314,781,570.60</u>	<u>(39,135,023.34)</u>	<u>3,327,915.33</u>	<u>278,974,462.59</u>	<u>4,642,565,437.22</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>121,722,517.44</u>	<u>(39,135,023.34)</u>	<u>3,327,915.33</u>	<u>85,915,409.43</u>	<u>4,834,830,303.00</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 121,722,517.44</u>	<u>\$ (39,135,023.34)</u>	<u>\$ 3,327,915.33</u>	<u>\$ 85,915,409.43</u>	<u>\$ 4,834,755,063.44</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**September 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (9,590,503.37)	\$ 663,361.41	\$ 30,818.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (86,159,559.00)
Common General Plant - ARO.....	(343.19)	(1,545.30)	-	-	-	-	-	-	-	(1,888.49)
Electric Distribution.....	(277,000,365.75)	(13,009,011.07)	6,291,741.15	(382.60)	-	-	-	-	-	(283,718,018.27)
Electric Distribution - ARO.....	(1,256.54)	(4,525.39)	-	-	-	-	-	-	-	(5,781.93)
Electric General Plant.....	(12,910,034.19)	(305,451.83)	1,934,885.80	(30,818.06)	-	-	-	-	-	(11,311,418.28)
Electric Hydro Production.....	(9,718,276.66)	(422,048.70)	229,891.00	-	-	-	-	-	-	(9,910,434.36)
Electric Hydro Production - ARO.....	(364.10)	(1,311.39)	-	-	-	-	-	-	-	(1,675.49)
Electric Other Production.....	(60,282,055.17)	(6,138,430.87)	981,817.87	-	-	-	-	-	-	(65,438,668.17)
Electric Other Production - ARO.....	(192.68)	(820.46)	-	-	-	-	-	-	-	(1,013.14)
Electric Steam Production.....	(1,029,518,070.37)	(42,570,672.20)	22,546,194.50	-	-	-	-	-	-	(1,049,542,548.07)
Electric Steam Production - ARO.....	(204,061.94)	(1,586,589.96)	675,676.36	116,513.06	-	-	-	-	-	(998,462.48)
Electric Transmission.....	(119,192,606.75)	(3,286,997.09)	1,124,347.60	382.60	-	-	-	-	-	(121,354,873.64)
Electric Transmission - ARO.....	(41.40)	(149.13)	-	-	-	-	-	-	-	(190.53)
Gas Distribution.....	(125,049,477.23)	(8,650,428.74)	510,188.68	(13,332.40)	-	-	-	-	-	(133,203,049.69)
Gas Distribution - ARO.....	(49,734.93)	(297,397.52)	75,039.27	-	-	-	-	-	-	(272,093.18)
Gas General Plant.....	(6,299,629.20)	(236,278.05)	995,401.23	13,332.40	-	-	-	-	-	(5,527,173.62)
Gas Storage.....	(31,288,281.49)	(811,047.39)	1,030,910.96	-	-	-	-	-	-	(31,068,417.92)
Gas Storage - ARO.....	(39,466.10)	(558,445.22)	395,405.46	-	-	-	-	-	-	(202,505.86)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(42,890.94)	18,360.47	-	-	-	-	-	-	(9,473,135.79)
Gas Transmission - ARO.....	-	(8,817.73)	-	-	-	-	-	-	-	(8,817.73)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(87,523,362.35)</u>	<u>37,473,221.76</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,808,263,086.00)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(210,386.61)	-	-	-	-	332,962.76	-	-	(565,796.32)
Electric Distribution.....	(146,715,298.78)	(5,152,771.86)	-	(55.48)	-	-	3,619,630.52	-	-	(148,248,495.60)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(32,051.34)	-	-	-	-	38,351.42	-	-	743,207.78
Electric Other Production.....	(2,505,175.99)	(263,442.24)	-	-	-	-	110,974.17	-	-	(2,657,644.06)
Electric Steam Production.....	(94,783,295.15)	(12,727,717.57)	-	-	-	-	2,591,182.83	-	-	(104,919,829.89)
Electric Transmission.....	(24,538,454.78)	(1,057,865.36)	-	55.48	-	-	82,331.47	-	-	(25,513,933.19)
Gas Distribution.....	(60,212,131.14)	(2,443,316.43)	-	-	-	-	1,480,225.35	-	-	(61,175,222.22)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(105,206.78)	-	-	-	-	565,052.30	-	-	289,407.62
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(10,611.03)	-	-	-	-	46,318.45	-	-	(2,981,106.53)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (22,003,369.22)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,867,029.27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (345,025,545.79)</u>

October 26, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**September 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,074.55	\$ 287.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,362.01
Electric Distribution.....	17,535,024.98	1,044,146.28	-	-	-	-	-	(197,553.22)	-	18,381,618.04
Electric General Plant.....	138,281.25	1,732.95	-	-	-	-	-	-	-	140,014.20
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	1,516,393.90	-	-	-	-	-	(34,636.38)	-	23,510,327.66
Electric Transmission.....	6,247,368.67	196,105.34	-	-	-	-	-	-	-	6,443,474.01
Gas Distribution.....	3,594,440.75	149,224.52	-	-	-	-	-	-	-	3,743,665.27
Gas General Plant.....	225,788.37	1,701.73	-	-	-	-	-	-	-	227,490.10
Gas Storage.....	269,933.04	12,876.33	-	-	-	-	-	-	-	282,809.37
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	3,979.13	-	-	-	-	-	-	-	221,902.24
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>2,926,447.64</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,189.60)</u>	<u>-</u>	<u>53,587,302.40</u>
<b>Total Reserves</b>										
Common.....	(77,737,236.57)	(9,802,147.82)	663,361.41	30,818.06	-	-	332,962.76	-	-	(86,512,242.16)
Electric.....	(1,730,321,891.37)	(83,801,477.99)	33,784,554.28	85,695.00	-	-	6,442,470.41	(232,189.60)	-	(1,774,042,839.27)
Gas.....	(231,266,492.01)	(12,996,658.12)	3,025,306.07	0.00	-	-	2,091,596.10	-	-	(239,146,247.96)
	<u>(2,039,325,619.95)</u>	<u>(106,600,283.93)</u>	<u>37,473,221.76</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>8,867,029.27</u>	<u>(232,189.60)</u>	<u>-</u>	<u>(2,099,701,329.39)</u>
<b>Retirement Work In Progress</b>										
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	18,488.79	(20,894.00)	2,144.92	171,744.80
Electric.....	9,603,653.21	-	-	(78,968.13)	(909,868.03)	(5,868,658.02)	7,387,311.16	(438,968.10)	(182,977.77)	9,511,524.32
Gas.....	2,523,160.64	-	-	(23,759.86)	(1,053,809.06)	(1,295,792.38)	1,021,237.93	(4,846.40)	(2,529.76)	1,163,661.11
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(1,963,677.09)</u>	<u>(7,497,413.16)</u>	<u>8,427,037.88</u>	<u>(464,708.50)</u>	<u>(183,362.61)</u>	<u>10,846,930.23</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(106,600,283.93)</u>	<u>37,473,221.76</u>	<u>175,805.92</u>	<u>(1,963,677.09)</u>	<u>(7,497,413.16)</u>	<u>17,294,067.15</u>	<u>(696,898.10)</u>	<u>(183,362.61)</u>	<u>(2,088,854,399.16)</u>
<b>Amortization</b>										
Common.....	(16,306,390.60)	(6,011,506.42)	1,661,801.58	-	-	-	-	-	-	(20,656,095.44)
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(6,011,506.42)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,656,995.44)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (112,611,790.35)</u>	<u>\$ 39,135,023.34</u>	<u>\$ 175,805.92</u>	<u>\$ (1,963,677.09)</u>	<u>\$ (7,497,413.16)</u>	<u>\$ 17,294,067.15</u>	<u>\$ (696,898.10)</u>	<u>\$ (183,362.61)</u>	<u>\$ (2,109,511,394.60)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,109,448,034.24)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,705,739,864.67</u>

October 26, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**September 30, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 86,259,338.17	\$ -	\$ 86,259,338.17
Gas Operating Revenues.....	12,116,422.24	-	12,116,422.24
<b>Total Operating Revenues.....</b>	<b>98,375,760.41</b>	<b>-</b>	<b>98,375,760.41</b>
Fuel for Electric Generation.....	30,046,419.94	-	30,046,419.94
Power Purchased.....	5,507,089.89	-	5,507,089.89
Gas Supply Expenses.....	4,361,801.03	-	4,361,801.03
Other Operation Expenses.....	18,985,899.75	-	18,985,899.75
Maintenance.....	3,499,646.07	-	3,499,646.07
Depreciation.....	11,821,283.70	-	11,821,283.70
Amortization Expense.....	691,375.44	-	691,375.44
Regulatory Credits.....	(367,360.47)	-	(367,360.47)
Taxes			
Federal Income.....	(3,676,576.81)	-	(3,676,576.81)
State Income.....	(167,428.46)	-	(167,428.46)
Deferred Federal Income - Net.....	8,906,276.75	8,292.58	8,914,569.33
Deferred State Income - Net.....	893,120.86	1,512.31	894,633.17
Property and Other.....	2,790,700.09	-	2,790,700.09
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	202,763.84	-	202,763.84
<b>Total Operating Expenses.....</b>	<b>83,258,977.62</b>	<b>9,804.89</b>	<b>83,268,782.51</b>
Net Operating Income.....	15,116,782.79	(9,804.89)	15,106,977.90
Other Income Less Deductions.....	153,501.78	-	153,501.78
<b>Income Before Interest Charges.....</b>	<b>15,270,284.57</b>	<b>(9,804.89)</b>	<b>15,260,479.68</b>
Interest on Long-Term Debt.....	3,255,663.30	(25,017.63)	3,230,645.67
Amortization of Debt Expense - Net.....	280,500.88	-	280,500.88
Other Interest Expenses.....	238,238.63	-	238,238.63
<b>Total Interest Charges.....</b>	<b>3,774,402.81</b>	<b>(25,017.63)</b>	<b>3,749,385.18</b>
<b>Net Income.....</b>	<b>\$ 11,495,881.76</b>	<b>\$ 15,212.74</b>	<b>\$ 11,511,094.50</b>

Note: Purchase accounting is subject to change through October 31, 2011



**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**September 30, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 815,825,290.81	\$ -	\$ 815,825,290.81
Gas Operating Revenues.....	217,995,494.08	-	217,995,494.08
<b>Total Operating Revenues.....</b>	<b>1,033,820,784.89</b>	<b>-</b>	<b>1,033,820,784.89</b>
Fuel for Electric Generation.....	273,795,119.05	-	273,795,119.05
Power Purchased.....	55,261,418.82	-	55,261,418.82
Gas Supply Expenses.....	116,873,598.02	-	116,873,598.02
Other Operation Expenses.....	177,460,624.64	27,884.66	177,488,509.30
Maintenance.....	85,828,056.49	-	85,828,056.49
Depreciation.....	106,291,389.64	-	106,291,389.64
Amortization Expense.....	6,011,506.42	-	6,011,506.42
Regulatory Credits.....	(4,410,876.53)	-	(4,410,876.53)
Taxes			
Federal Income.....	13,849,665.33	-	13,849,665.33
State Income.....	8,207,099.07	-	8,207,099.07
Deferred Federal Income - Net.....	38,273,146.38	64,964.95	38,338,111.33
Deferred State Income - Net.....	46,411.06	11,847.72	58,258.78
Property and Other.....	21,153,346.23	-	21,153,346.23
Amortization of Investment Tax Credit.....	(2,097,639.00)	-	(2,097,639.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	1,951,274.43	-	1,951,274.43
<b>Total Operating Expenses.....</b>	<b>898,491,562.11</b>	<b>104,697.33</b>	<b>898,596,259.44</b>
Net Operating Income.....	135,329,222.78	(104,697.33)	135,224,525.45
Other Income Less Deductions.....	538,460.93	-	538,460.93
<b>Income Before Interest Charges.....</b>	<b>135,867,683.71</b>	<b>(104,697.33)</b>	<b>135,762,986.38</b>
Interest on Long-Term Debt.....	29,286,994.77	(225,158.67)	29,061,836.10
Amortization of Debt Expense - Net.....	2,492,731.57	-	2,492,731.57
Other Interest Expenses.....	1,905,377.16	-	1,905,377.16
<b>Total Interest Charges.....</b>	<b>33,685,103.50</b>	<b>(225,158.67)</b>	<b>33,459,944.83</b>
<b>Net Income.....</b>	<b>\$ 102,182,580.21</b>	<b>\$ 120,461.34</b>	<b>\$ 102,303,041.55</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**September 30, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 863,429,950.41	\$ 810,873,011.74	\$ (808,794,033.84)	\$ -	\$ 54,635,916.57	\$ 810,873,011.74
Add:						
Net Income (Loss) for Period.....	11,495,881.76	21,286,663.36	15,212.74	-	11,511,094.50	21,286,663.36
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	25,000,000.00	-	-	-	25,000,000.00
Balance at End of Period.....	<u>\$ 874,925,832.17</u>	<u>\$ 807,159,675.10</u>	<u>\$ (808,778,821.10)</u>	<u>\$ -</u>	<u>\$ 66,147,011.07</u>	<u>\$ 807,159,675.10</u>

Note: Purchase accounting is subject to change through October 31, 2011

October 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**September 30, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	102,182,580.21	106,880,808.86	120,461.34	-	102,303,041.55	106,880,808.86
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	55,250,000.00	55,000,000.00	-	-	55,250,000.00	55,000,000.00
Balance at End of Period.....	\$ 874,925,832.17	\$ 807,159,675.10	\$ (808,778,821.10)	\$ -	\$ 66,147,011.07	\$ 807,159,675.10

Note: Purchase accounting is subject to change through October 31, 2011

October 26, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**September 30, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 807,159,675.10	\$ 736,266,409.68	\$ -	\$ -	\$ 807,159,675.10	\$ 736,266,409.68
Add:						
Net Income (Loss) for Period.....	123,016,157.07	125,893,265.42	168,070.42	-	123,184,227.49	125,893,265.42
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	55,250,000.00	55,000,000.00	-	-	55,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 874,925,832.17</u>	<u>\$ 807,159,675.10</u>	<u>\$ (808,778,821.10)</u>	<u>\$ -</u>	<u>\$ 66,147,011.07</u>	<u>\$ 807,159,675.10</u>

Note: Purchase accounting is subject to change through October 31, 2011

October 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of September 30, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,834,755,063.44	\$ -	\$ 4,834,755,063.44
Less: Reserves for Depreciation and Amortization....	2,109,448,034.24	-	2,109,448,034.24
<b>Total.....</b>	<b>2,725,307,029.20</b>	<b>-</b>	<b>2,725,307,029.20</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	29,511,083.19	-	29,511,083.19
<b>Total.....</b>	<b>30,117,248.39</b>	<b>-</b>	<b>30,117,248.39</b>
<b>Current and Accrued Assets</b>			
Cash.....	36,121,124.88	-	36,121,124.88
Special Deposits.....	1,203,174.45	-	1,203,174.45
Temporary Cash Investments.....	38,421,281.63	-	38,421,281.63
Accounts Receivable - Less Reserve.....	115,617,416.71	-	115,617,416.71
Accounts Receivable from Associated Companies....	10,903,711.10	-	10,903,711.10
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	52,528,086.41	-	52,528,086.41
Plant Materials and Operating Supplies.....	30,797,037.86	-	30,797,037.86
Stores Expense.....	5,476,575.61	-	5,476,575.61
Gas Stored Underground.....	56,853,462.78	-	56,853,462.78
Emission Allowances.....	2,772.88	-	2,772.88
Prepayments.....	6,339,120.25	-	6,339,120.25
Miscellaneous Current and Accrued Assets.....	761,979.55	-	761,979.55
<b>Total.....</b>	<b>355,025,744.11</b>	<b>-</b>	<b>355,025,744.11</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,044,553.50	(3,527,821.08)	9,516,732.42
Unamortized Loss on Bonds.....	21,025,622.90	-	21,025,622.90
Accumulated Deferred Income Taxes.....	26,152,975.69	72,399,448.49	98,552,424.18
Deferred Regulatory Assets.....	383,199,682.64	10,172,208.54	393,371,891.18
Other Deferred Debits.....	1,330,450.74	173,170,923.64	174,501,374.38
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>444,753,285.47</b>	<b>641,372,111.18</b>	<b>1,086,125,396.65</b>
<b>Total Assets.....</b>	<b>\$ 3,555,203,307.17</b>	<b>\$ 641,372,111.18</b>	<b>\$ 4,196,575,418.35</b>

Note: Purchase accounting is subject to change through October 31, 2011

October 26, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of September 30, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	874,925,832.17	(808,778,821.10)	66,147,011.07
<b>Total Proprietary Capital.....</b>	<b>1,382,841,866.62</b>	<b>385,307,047.92</b>	<b>1,768,148,914.54</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,301,523.07	580,605,523.07
First Mortgage Bonds.....	531,261,577.46	-	531,261,577.46
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,565,577.46</b>	<b>6,301,523.07</b>	<b>1,111,867,100.53</b>
<b>Total Capitalization.....</b>	<b>2,488,407,444.08</b>	<b>391,608,570.99</b>	<b>2,880,016,015.07</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	81,366,680.34	-	81,366,680.34
Accounts Payable to Associated Companies.....	21,152,123.73	-	21,152,123.73
Customer Deposits.....	22,546,494.46	-	22,546,494.46
Taxes Accrued.....	18,953,407.93	-	18,953,407.93
Dividends Declared.....	-	-	-
Interest Accrued.....	12,029,932.24	-	12,029,932.24
Miscellaneous Current and Accrued Liabilities.....	21,917,601.45	-	21,917,601.45
<b>Total.....</b>	<b>177,966,240.15</b>	<b>-</b>	<b>177,966,240.15</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	487,104,353.22	69,948,229.09	557,052,582.31
Investment Tax Credit.....	43,426,937.13	-	43,426,937.13
Regulatory Liabilities.....	60,890,790.21	173,170,923.64	234,061,713.85
Customer Advances for Construction.....	8,049,779.58	-	8,049,779.58
Asset Retirement Obligations.....	55,794,013.83	-	55,794,013.83
Other Deferred Credits.....	29,396,986.25	6,644,387.46	36,041,373.71
Miscellaneous Long-Term Liabilities.....	58,630,593.68	-	58,630,593.68
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	145,536,169.04	-	145,536,169.04
<b>Total.....</b>	<b>888,829,622.94</b>	<b>249,763,540.19</b>	<b>1,138,593,163.13</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,555,203,307.17</b>	<b>\$ 641,372,111.18</b>	<b>\$ 4,196,575,418.35</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - October 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

October 31, 2011



**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**October 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 79,332,461.18	\$ 70,892,836.80	\$ 8,439,624.38	11.90
Gas Operating Revenues.....	18,830,221.33	15,647,671.54	3,182,549.79	20.34
<b>Total Operating Revenues.....</b>	<b>98,162,682.51</b>	<b>86,540,508.34</b>	<b>11,622,174.17</b>	<b>13.43</b>
Fuel for Electric Generation.....	26,589,929.51	28,082,990.38	(1,493,060.87)	(5.32)
Power Purchased.....	7,628,086.41	4,132,725.97	3,495,360.44	84.58
Gas Supply Expenses.....	9,674,278.22	7,114,021.31	2,560,256.91	35.99
Other Operation Expenses.....	19,563,220.37	18,959,395.17	603,825.20	3.18
Maintenance.....	10,777,128.87	10,067,345.59	709,783.28	7.05
Depreciation.....	11,928,154.12	10,888,974.41	1,039,179.71	9.54
Amortization Expense.....	705,150.17	626,243.97	78,906.20	12.60
Regulatory Credits.....	(468,815.78)	(268,905.96)	(199,909.82)	(74.34)
Taxes				
Federal Income.....	2,128,387.52	7,914,704.51	(5,786,316.99)	(73.11)
State Income.....	365,732.29	2,876,833.06	(2,511,100.77)	(87.29)
Deferred Federal Income - Net.....	317,260.52	(7,828,775.65)	8,146,036.17	104.05
Deferred State Income - Net.....	(182,282.46)	(4,544,813.59)	4,362,531.13	95.99
Property and Other.....	2,262,495.73	2,288,487.70	(25,991.97)	(1.14)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	230,794.03	175,681.78	55,112.25	31.37
<b>Total Operating Expenses.....</b>	<b>91,283,485.52</b>	<b>80,276,427.65</b>	<b>11,007,057.87</b>	<b>13.71</b>
Net Operating Income.....	6,879,196.99	6,264,080.69	615,116.30	9.82
Other Income Less Deductions.....	(6,213.08)	(499,297.17)	493,084.09	98.76
<b>Income Before Interest Charges.....</b>	<b>6,872,983.91</b>	<b>5,764,783.52</b>	<b>1,108,200.39</b>	<b>19.22</b>
Interest on Long-Term Debt.....	3,375,732.58	3,690,227.22	(314,494.64)	(8.52)
Amortization of Debt Expense - Net.....	295,947.81	116,549.81	179,398.00	153.92
Other Interest Expenses.....	264,952.62	170,790.07	94,162.55	55.13
<b>Total Interest Charges.....</b>	<b>3,936,633.01</b>	<b>3,977,567.10</b>	<b>(40,934.09)</b>	<b>(1.03)</b>
<b>Net Income.....</b>	<b>\$ 2,936,350.90</b>	<b>\$ 1,787,216.42</b>	<b>\$ 1,149,134.48</b>	<b>64.30</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 895,157,751.99	\$ 846,385,743.97	\$ 48,772,008.02	5.76
Gas Operating Revenues.....	236,825,715.41	216,877,229.81	19,948,485.60	9.20
<b>Total Operating Revenues.....</b>	<b>1,131,983,467.40</b>	<b>1,063,262,973.78</b>	<b>68,720,493.62</b>	<b>6.46</b>
Fuel for Electric Generation.....	300,385,048.56	305,478,205.94	(5,093,157.38)	(1.67)
Power Purchased.....	62,889,505.23	44,991,310.91	17,898,194.32	39.78
Gas Supply Expenses.....	126,547,876.24	115,155,736.19	11,392,140.05	9.89
Other Operation Expenses.....	197,023,845.01	187,063,874.63	9,959,970.38	5.32
Maintenance.....	96,605,185.36	86,924,963.79	9,680,221.57	11.14
Depreciation.....	118,219,543.76	109,328,647.16	8,890,896.60	8.13
Amortization Expense.....	6,716,656.59	6,461,501.83	255,154.76	3.95
Regulatory Credits.....	(4,879,692.31)	(3,539,747.74)	(1,339,944.57)	(37.85)
Taxes				
Federal Income.....	15,978,052.85	32,242,943.36	(16,264,890.51)	(50.44)
State Income.....	8,572,831.36	5,326,411.80	3,246,419.56	60.95
Deferred Federal Income - Net.....	38,590,406.90	14,485,407.74	24,104,999.16	166.41
Deferred State Income - Net.....	(135,871.40)	1,367,098.28	(1,502,969.68)	(109.94)
Property and Other.....	23,415,841.96	20,193,861.80	3,221,980.16	15.96
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(2,333,673.00)	(2,084,812.00)	(248,861.00)	(11.94)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,182,068.46	2,849,582.80	(667,514.34)	(23.43)
<b>Total Operating Expenses.....</b>	<b>989,775,047.63</b>	<b>926,210,526.35</b>	<b>63,564,521.28</b>	<b>6.86</b>
Net Operating Income.....	142,208,419.77	137,052,447.43	5,155,972.34	3.76
Other Income Less Deductions.....	532,247.85	11,831,411.99	(11,299,164.14)	(95.50)
<b>Income Before Interest Charges.....</b>	<b>142,740,667.62</b>	<b>148,883,859.42</b>	<b>(6,143,191.80)</b>	<b>(4.13)</b>
Interest on Long-Term Debt.....	32,662,727.35	36,886,299.99	(4,223,572.64)	(11.45)
Amortization of Debt Expense - Net.....	2,788,679.38	1,164,570.62	1,624,108.76	139.46
Other Interest Expenses.....	2,170,329.78	2,164,963.53	5,366.25	0.25
<b>Total Interest Charges.....</b>	<b>37,621,736.51</b>	<b>40,215,834.14</b>	<b>(2,594,097.63)</b>	<b>(6.45)</b>
<b>Net Income.....</b>	<b>\$ 105,118,931.11</b>	<b>\$ 108,668,025.28</b>	<b>\$ (3,549,094.17)</b>	<b>(3.27)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**October 31, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,064,383,574.99	\$ 987,426,810.02	\$ 76,956,764.97	7.79
Gas Operating Revenues.....	322,895,841.48	286,856,623.90	36,039,217.58	12.56
<b>Total Operating Revenues.....</b>	<b>1,387,279,416.47</b>	<b>1,274,283,433.92</b>	<b>112,995,982.55</b>	<b>8.87</b>
Fuel for Electric Generation.....	363,463,168.96	355,512,230.98	7,950,937.98	2.24
Power Purchased.....	72,277,913.01	55,314,082.51	16,963,830.50	30.67
Gas Supply Expenses.....	180,395,748.10	161,705,875.59	18,689,872.51	11.56
Other Operation Expenses.....	236,772,974.95	222,805,316.80	13,967,658.15	6.27
Maintenance.....	121,381,326.65	106,689,424.32	14,691,902.33	13.77
Depreciation.....	140,100,899.87	130,975,973.26	9,124,926.61	6.97
Amortization Expense.....	7,982,143.66	7,868,576.94	113,566.72	1.44
Regulatory Credits.....	(5,609,676.02)	(3,895,700.94)	(1,713,975.08)	(44.00)
Taxes				
Federal Income.....	12,609,716.67	50,079,566.76	(37,469,850.09)	(74.82)
State Income.....	9,293,586.99	6,074,380.37	3,219,206.62	53.00
Deferred Federal Income - Net.....	51,772,004.16	(10,671,247.21)	62,443,251.37	585.15
Deferred State Income - Net.....	867,054.76	(843,743.85)	1,710,798.61	202.76
Property and Other.....	25,793,603.98	22,591,490.79	3,202,113.19	14.17
Investment Tax Credit.....	-	703,437.35	(703,437.35)	(100.00)
Amortization of Investment Tax Credit.....	(2,750,635.00)	(2,581,586.48)	(169,048.52)	(6.55)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,616,591.29	3,176,256.53	(559,665.24)	(17.62)
<b>Total Operating Expenses.....</b>	<b>1,216,963,844.09</b>	<b>1,105,469,873.58</b>	<b>111,493,970.51</b>	<b>10.09</b>
Net Operating Income.....	170,315,572.38	168,813,560.34	1,502,012.04	0.89
Other Income Less Deductions.....	(581,691.80)	1,661,732.21	(2,243,424.01)	(135.01)
<b>Income Before Interest Charges.....</b>	<b>169,733,880.58</b>	<b>170,475,292.55</b>	<b>(741,411.97)</b>	<b>(0.43)</b>
Interest on Long-Term Debt.....	39,671,474.53	43,435,399.16	(3,763,924.63)	(8.67)
Amortization of Debt Expense - Net.....	3,288,734.50	1,525,008.38	1,763,726.12	115.65
Other Interest Expenses.....	2,608,380.00	2,819,617.16	(211,237.16)	(7.49)
<b>Total Interest Charges.....</b>	<b>45,568,589.03</b>	<b>47,780,024.70</b>	<b>(2,211,435.67)</b>	<b>(4.63)</b>
<b>Net Income.....</b>	<b>\$ 124,165,291.55</b>	<b>\$ 122,695,267.85</b>	<b>\$ 1,470,023.70</b>	<b>1.20</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**October 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 874,925,832.17	\$ 807,159,675.10	\$ 827,993,251.96	\$ 755,278,866.24	\$ 808,946,891.52	\$ 741,251,623.67
Add:						
Net Income for Period.....	2,936,350.90	1,787,216.42	105,118,931.11	108,668,025.28	124,165,291.55	122,695,267.85
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	55,250,000.00	55,000,000.00	55,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 877,862,183.07</u>	<u>\$ 808,946,891.52</u>	<u>\$ 877,862,183.07</u>	<u>\$ 808,946,891.52</u>	<u>\$ 877,862,183.07</u>	<u>\$ 808,946,891.52</u>

November 21, 2011

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of October 31, 2011 and 2010**

	<u>This Year</u>	<u>Last Year</u>		<u>This Year</u>	<u>Last Year</u>
<b>Assets</b>			<b>Liabilities and Proprietary Capital</b>		
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,854,087,312.73	\$ 4,689,347,414.37	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,119,839,274.24</u>	<u>2,030,781,175.75</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,734,248,038.49</u>	<u>2,658,566,238.62</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>877,862,183.07</u>	<u>808,946,891.52</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,385,778,217.52</u>	<u>1,316,862,925.97</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.	574,304,000.00	411,104,000.00
Special Funds.....	<u>29,513,085.39</u>	<u>21,156,261.72</u>	First Mortgage Bonds.....	531,284,899.12	-
Total.....	<u>30,119,250.59</u>	<u>21,762,426.92</u>	LT Notes Payable to Associated Companies.....	-	485,000,000.00
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,588,899.12</u>	<u>896,104,000.00</u>
Cash.....	42,810,271.73	3,825,761.11	Total Capitalization.....	<u>2,491,367,116.64</u>	<u>2,212,966,925.97</u>
Special Deposits.....	557,339.76	694,647.22	Current and Accrued Liabilities		
Temporary Cash Investments.....	31,125,914.89	119.71	ST Notes Payable to Associated Companies.....	-	142,309,400.00
Accounts Receivable - Less Reserve.....	105,912,233.14	120,885,025.11	Accounts Payable.....	91,057,684.20	108,349,293.44
Accounts Receivable from Associated Companies....	11,234,858.52	15,918,666.44	Accounts Payable to Associated Companies.....	13,798,613.52	51,218,385.36
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,425,873.82	23,673,139.66
Fuel.....	59,220,758.36	69,001,447.80	Taxes Accrued.....	23,483,954.44	12,074,347.15
Plant Materials and Operating Supplies.....	30,813,805.38	29,262,178.89	Interest Accrued.....	13,345,579.80	4,316,975.16
Stores Expense.....	5,577,590.22	4,866,562.11	Dividends Declared.....	-	-
Gas Stored Underground.....	66,152,494.75	69,292,419.44	Miscellaneous Current and Accrued Liabilities.....	<u>19,943,526.53</u>	<u>16,881,002.06</u>
Emission Allowances.....	24,614.20	2,936.23	Total.....	<u>184,055,232.31</u>	<u>358,822,542.83</u>
Prepayments.....	5,460,672.11	4,620,700.76	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	<u>607,780.56</u>	<u>1,053,692.59</u>	Accumulated Deferred Income Taxes.....	487,243,920.69	454,586,900.11
Total.....	<u>359,498,333.62</u>	<u>319,424,157.41</u>	Investment Tax Credit.....	43,190,903.13	45,941,538.13
Deferred Debits and Other			Regulatory Liabilities.....	61,440,578.69	51,659,503.79
Unamortized Debt Expense.....	13,557,379.65	3,698,835.99	Customer Advances for Construction.....	8,022,178.51	8,451,907.43
Unamortized Loss on Bonds.....	20,924,619.95	22,136,655.35	Asset Retirement Obligations.....	55,792,039.70	65,149,934.69
Accumulated Deferred Income Taxes.....	26,434,331.06	49,392,552.07	Other Deferred Credits.....	32,850,657.34	5,955,456.28
Deferred Regulatory Assets.....	376,302,783.78	398,998,957.42	Miscellaneous Long-Term Liabilities.....	54,212,429.21	49,962,421.48
Other Deferred Debits.....	<u>1,365,988.12</u>	<u>2,639,042.93</u>	Accum Provision for Postretirement Benefits.....	<u>144,275,669.04</u>	<u>223,121,736.00</u>
Total.....	<u>438,585,102.56</u>	<u>476,866,043.76</u>	Total.....	<u>887,028,376.31</u>	<u>904,829,397.91</u>
Total Assets.....	<u>\$ 3,562,450,725.26</u>	<u>\$ 3,476,618,866.71</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,562,450,725.26</u>	<u>\$ 3,476,618,866.71</u>

November 21, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**October 31, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			877,862,183.07	
 Total Proprietary Capital.....			1,385,778,217.52	55.62
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.05
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.48
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(713,354.19)	
First Mortgage Bond Due 11/15/40 5.125%.....			(3,001,746.69)	
			(3,715,100.88)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,284,899.12	21.33
 Total Capitalization.....			\$ 2,491,367,116.64	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,854,087,312.73	\$ 4,854,087,312.73
Reserves for Depreciation and Amortization.....		(2,119,839,274.24)
Depreciation of Plant		
Electric.....	(1,771,932,715.04)	
Gas.....	(239,128,005.43)	
Common.....	(87,416,408.16)	
Amortization of Plant		
Common.....	(21,361,245.61)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		30,119,250.59
Special Funds.....	29,513,085.39	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	42,810,271.73	42,810,271.73
Special Deposits.....		557,339.76
MAN Margin Call.....	557,339.76	
Temporary Cash Investments.....	31,125,914.89	31,125,914.89
Accounts Receivable - Less Reserve.....		105,912,233.14
Customers - Active.....	51,413,621.95	
Unbilled Revenues.....	45,256,689.25	
Wholesale Sales.....	3,492,032.50	
IMPA.....	2,247,470.14	
IMEA.....	2,171,868.97	
Sundry Accounts Receivable.....	1,210,558.85	
Transmission Sales.....	488,285.42	
Damage Claims.....	397,898.09	
Mutual Aid.....	154,199.49	
Bechtel Liquidated Damages.....	5,890.00	
Other.....	901,963.89	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	5,166,033.63	
Accrual.....	(4,202,615.40)	
Reserve.....	(1,680,010.00)	
Recoveries.....	(964,594.11)	
A/R Miscellaneous.....	(147,059.53)	
Accounts Receivable from Associated Companies.....		11,234,858.52
LG&E - KU Energy Services/Kentucky Utilities.....	10,993,592.18	
PPL Energy Funding.....	241,266.34	
Fuel.....		59,220,758.36
Coal 1,235,384.56 Tons @ \$46.65; MMBtu 27,985,499.70 @ 205.93¢.....	57,631,482.91	
Gas Pipeline 4,400 Mcf @ 267.87¢.....	1,178,644.37	
Fuel Oil 161,214.15 Gallons @ 254.71¢.....	410,631.08	
Plant Materials and Operating Supplies.....		30,813,805.38
Regular Materials and Supplies.....	30,025,832.76	
Limestone 93,864.94 Tons @ \$8.39.....	787,972.62	
Stores Expense Undistributed.....	5,577,590.22	5,577,590.22
Gas Stored Underground - Current.....		66,152,494.75
Gas Stored Underground* 14,239,902 Mcf (14.73 psia) @ \$4.65.....	66,152,494.75	
Emission Allowances.....	24,614.20	24,614.20

November 21, 2011



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 5,460,672.11
Insurance.....	2,306,757.19	
Taxes.....	1,303,092.86	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,534,155.35	
Miscellaneous Current Assets.....		607,780.56
Derivative Asset - Non-Hedging.....	607,780.56	
Unamortized Debt Expense.....		13,557,379.65
Trimble County 2000 Series A due 08/01/30 Var%.....	725,763.26	
Jefferson County 2001 Series A due 09/01/26 Var%.....	147,202.62	
Jefferson County 2001 Series A due 09/01/27 Var%.....	322,881.16	
Jefferson County 2001 Series B due 11/01/27 Var%.....	175,924.00	
Trimble County 2001 Series A due 09/01/26 Var%.....	160,051.42	
Trimble County 2001 Series B due 11/01/27 Var%.....	175,952.86	
Trimble County 2002 Series A due 10/01/32 Var%.....	778,547.89	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	435,846.27	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	167,391.91	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,025,951.06	
First Mortgage Bond due 11/15/15 1.625%.....	2,096,843.39	
First Mortgage Bond due 11/15/40 5.125%.....	3,452,539.58	
Revolving Credit Agreement.....	3,892,484.23	
Unamortized Loss on Bonds.....	20,924,619.95	20,924,619.95
Accumulated Deferred Income Taxes.....		26,434,331.06
Federal		
Electric.....	24,512,783.64	
Gas.....	(3,208,377.50)	
State		
Electric.....	5,688,893.31	
Gas.....	(558,968.39)	
Regulatory Assets.....		376,302,783.78
Pension and Postretirement Benefits.....	213,180,670.00	
Interest Rate Swap Ineffectiveness.....	52,587,340.67	
2009 Winter Storm.....	38,358,592.29	
2008 Wind Storm.....	20,597,791.19	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,544,305.85	
State		
Electric.....	2,287,715.35	
Swap Termination.....	8,980,301.10	
Asset Retirement Obligations		
Electric.....	8,287,974.33	
Gas.....	937,803.80	
Common.....	7,779.37	
2011 Summer Storm.....	7,692,478.68	
Gas Supply Clause/PBR.....	4,521,139.90	
Fuel Adjustment Clause.....	3,264,000.00	
MISO Exit Fee.....	884,605.10	
Rate Case Expenses.....	880,203.32	
KCCS Funding.....	603,652.85	
EKPC FERC Transmission Costs.....	395,668.88	
CMRG Funding.....	170,730.00	
General Management Audit.....	120,031.10	
Other Deferred Debits.....	1,365,988.12	1,365,988.12
Total Assets.....	<u>\$ 3,562,450,725.26</u>	<u>\$ 3,562,450,725.26</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

November 21, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,385,778,217.52
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	877,862,183.07	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,284,899.12	531,284,899.12
Accounts Payable.....		91,057,684.20
Regular.....	87,655,566.08	
Salaries and Wages Accrued.....	3,371,949.68	
Employee Withholdings Payable.....	30,168.44	
Accounts Payable to Associated Companies.....		13,798,613.52
LG&E - KU Energy Services/Kentucky Utilities.....	13,798,613.52	
Customers' Deposits.....	22,425,873.82	22,425,873.82
Taxes Accrued.....	23,483,954.44	23,483,954.44
Interest Accrued.....		13,345,579.80
Jefferson County 2000 Series A due 05/01/27 5.375%.....	671,875.00	
Trimble County 2000 Series A due 08/01/30 Var%.....	2,500.05	
Jefferson County 2001 Series A due 09/01/26 Var%.....	4,068.49	
Jefferson County 2001 Series A due 09/01/27 Var%.....	275.05	
Jefferson County 2001 Series B due 11/01/27 Var%.....	21,565.75	
Trimble County 2001 Series A due 09/01/26 Var%.....	5,447.26	
Trimble County 2001 Series A due 10/01/32 Var%.....	1,232.83	
Trimble County 2001 Series B due 11/01/27 Var%.....	20,342.47	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	280,524.44	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Interest Rate Swaps.....	607,869.63	
First Mortgage Bond due 11/15/15 1.625%.....	1,873,263.89	
First Mortgage Bond due 11/15/40 5.125%.....	6,735,104.17	
Customers' Deposits.....	444,578.86	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	15,091.63	
Miscellaneous Current and Accrued Liabilities.....		19,943,526.53
Vacation Pay Accrued.....	6,543,183.42	
Customer Overpayments.....	4,210,470.38	
ASC 815 Derivative Liability.....	4,026,662.33	
No-Notice Gas Payable.....	1,656,127.03	
Derivative Liabilities - Non-Hedging.....	941,362.60	
Tax Collections Payable.....	841,551.05	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	526,661.05	
Home Energy Assistance.....	349,763.20	
Service Deposit Refund Payable.....	99,934.76	
Other.....	123,116.67	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**October 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 487,243,920.69
Federal		
Electric.....	343,771,978.17	
Gas.....	78,332,616.49	
State		
Electric.....	52,708,885.02	
Gas.....	12,430,441.01	
Investment Tax Credit.....		43,190,903.13
Advanced Coal Credit.....	23,243,223.00	
Job Development Credit		
Electric.....	19,368,923.98	
Gas.....	578,756.15	
Regulatory Liabilities.....		61,440,578.69
Deferred Taxes		
Federal		
Electric.....	40,767,799.91	
Gas.....	(11,454,754.66)	
State		
Electric.....	17,887,391.80	
Gas.....	(56,905.77)	
DSM Cost Recovery.....	5,197,793.32	
Gas Supply Clause/PBR.....	5,155,745.33	
Asset Retirement Obligations		
Gas.....	2,146,434.25	
Electric.....	280,924.28	
MISO Schedule 10 Charges.....	579,598.38	
Purchased Gas Adjustment - Tennessee Gas.....	557,213.85	
Environmental Cost Recovery.....	379,338.00	
Customers' Advances for Construction.....		8,022,178.51
Line Extensions		
Gas.....	6,508,991.09	
Electric.....	851,608.23	
Customer Advances - Museum Plaza.....	597,032.17	
Other.....	64,547.02	
Asset Retirement Obligations.....		55,792,039.70
Electric.....	34,205,586.19	
Gas.....	21,479,344.56	
Common.....	107,108.95	
Other Deferred Credits.....	32,850,657.34	32,850,657.34
Miscellaneous Long-Term Liabilities.....		54,212,429.21
Long-Term Derivative Liabilities - ASC 815.....	48,560,678.34	
Workers' Compensation.....	5,651,750.87	
Accumulated Provision for Benefits.....		144,275,669.04
Postretirement Benefits - ASC 715.....	79,146,127.36	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,562,450,725.26</u>	<u>\$ 3,562,450,725.26</u>

November 21, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**October 31, 2011**

	Year to Date	
	2011	2010
Cash Flows from Operating Activities		
Net income.....	\$ 105,118,931.11	\$ 108,668,025.28
Items not requiring (providing) cash currently:		
Depreciation.....	118,219,543.76	109,328,647.16
Amortization.....	6,716,656.59	6,461,501.83
Deferred income taxes - net.....	41,160,753.75	23,163,894.75
Investment tax credit - net.....	(2,333,673.00)	(2,084,812.00)
Gain on disposal of assets.....	(66,949.93)	(33,760.40)
Other.....	17,583,177.08	30,071,464.03
Change in receivables.....	66,489,794.25	13,508,700.26
Change in inventory.....	805,253.94	(22,512,088.44)
Change in allowance inventory.....	(21,885.24)	1,234.77
Change in payables and accrued expenses.....	31,898,374.24	9,255,452.77
Change in regulatory assets.....	(32,146,389.51)	(79,008,862.71)
Change in regulatory liabilities.....	10,014,230.23	(33,247,704.79)
Change in other deferred debits.....	(27,622,036.94)	(403,573.41)
Change in other deferred credits.....	27,385,501.59	(2,196,202.27)
Pension and postretirement funding.....	(69,201,000.00)	(25,635,500.00)
Other.....	(6,465,289.40)	49,924,149.56
Net cash provided (used) by operating activities.....	<u>287,534,992.52</u>	<u>185,260,566.39</u>
Cash Flows from Investing Activities		
Gross additions to utility plant - construction expenditures.....	(119,833,339.51)	(87,400,134.28)
Gross additions to common utility plant - construction expenditures.....	(8,125,994.98)	(16,987,253.01)
Proceeds received from sales of property.....	66,949.93	34,136.95
Change in restricted cash.....	(10,054,751.92)	-
Change in derivatives.....	-	840,645.25
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(8,865,519.57)	-
Net cash provided (used) by investing activities.....	<u>16,387,343.95</u>	<u>(103,512,605.09)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of long-term debt.....	(1,986,161.69)	(26,566.86)
Net change in short-term debt.....	(174,876,000.00)	(28,091,000.00)
Dividends on common stock.....	(55,250,000.00)	(55,000,000.00)
Net cash provided (used) by financing activities.....	<u>(232,112,161.69)</u>	<u>(83,117,566.86)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	71,810,174.78	(1,369,605.56)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 73,936,186.62</u>	<u>\$ 3,825,880.82</u>

November 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**October 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 1,119,791.70	\$ 1,119,791.58	\$ 1,343,750.04	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	12,916.93	25,058.37	161,010.12	326,291.23	225,999.85	360,921.53
Jefferson County 2001 Series A due 09/01/26 Var%.....	892.52	4,392.43	17,221.57	39,668.01	24,688.69	43,642.27
Jefferson County 2001 Series A due 09/01/27 Var%.....	6,780.82	19,109.60	154,873.99	146,527.42	197,254.12	175,993.17
Jefferson County 2001 Series B due 11/01/27 Var%.....	16,485.20	31,404.11	245,795.91	309,950.35	292,350.69	362,929.80
Trimble County 2001 Series A due 09/01/26 Var%.....	7,481.50	12,431.51	83,366.45	139,737.68	108,643.84	181,100.69
Trimble County 2001 Series A due 10/01/32 Var%.....	5,228.10	17,514.14	102,523.28	260,883.78	136,606.39	277,443.63
Trimble County 2001 Series B due 11/01/27 Var%.....	16,349.32	31,116.44	242,842.18	309,994.44	289,396.96	362,973.88
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	411,307.71	-	2,160,996.49	-	2,160,996.49	(688,312.42)
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	1,916,666.65	1,916,666.57	2,299,999.99	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,453,124.90	1,453,124.95	1,743,749.90	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	536,897.82	-	536,897.82	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,300,000.00	2,300,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	607,869.63	641,092.27	6,425,319.62	6,353,163.94	7,770,495.99	7,560,406.78
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	-	3,385,416.66	-	3,893,229.17	-
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	-	12,171,875.00	-	13,997,656.25	-
Fidelia/PPL.....	-	2,229,150.01	-	22,210,500.04	1,110,074.99	26,650,800.05
Revolving Credit Agreement.....	-	-	185,005.01	-	779,683.35	-
<b>Total.....</b>	<b>3,375,732.58</b>	<b>3,690,227.22</b>	<b>32,662,727.35</b>	<b>36,886,299.99</b>	<b>39,671,474.53</b>	<b>43,435,399.16</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	194,944.84	15,546.83	1,778,649.68	155,325.85	2,076,698.84	186,362.24
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	1,010,029.70	1,009,244.77	1,212,035.66	1,338,646.14
<b>Total.....</b>	<b>295,947.81</b>	<b>116,549.81</b>	<b>2,788,679.38</b>	<b>1,164,570.62</b>	<b>3,288,734.50</b>	<b>1,525,008.38</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	114,750.01	136,697.86	1,158,015.04	1,169,143.67	1,377,777.83	1,634,229.55
Other Tax Deficiencies.....	-	(28,494.00)	14,000.00	(17,500.00)	14,000.00	(19,527.00)
Interest on DSM Cost Recovery.....	1,490.66	4,249.01	12,413.69	23,979.64	14,849.29	29,097.87
Interest on Debt to Associated Companies.....	560.07	24,620.75	9,461.72	260,492.66	11,390.94	381,741.93
Other Interest Expense.....	148,151.88	33,716.45	976,439.33	728,847.56	1,190,361.94	794,074.81
<b>Total.....</b>	<b>264,952.62</b>	<b>170,790.07</b>	<b>2,170,329.78</b>	<b>2,164,963.53</b>	<b>2,608,380.00</b>	<b>2,819,617.16</b>
<b>Total Interest.....</b>	<b>\$ 3,936,633.01</b>	<b>\$ 3,977,567.10</b>	<b>\$ 37,621,736.51</b>	<b>\$ 40,215,834.14</b>	<b>\$ 45,568,589.03</b>	<b>\$ 47,780,024.70</b>

November 21, 2011

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
October 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,511,141.00	\$ 1,227,263.12	\$ 15,111,410.00	\$ 12,230,744.70
Unemployment.....	3,518.97	49,706.42	125,217.16	181,827.10
FICA.....	581,702.59	843,198.59	6,521,263.22	6,132,270.66
Public Service Commission Fee.....	162,886.60	161,096.90	1,618,127.84	1,614,440.14
Federal Income.....	2,128,387.52	7,914,704.51	15,978,052.85	32,242,943.36
State Income.....	365,732.29	2,876,833.06	8,572,831.36	5,326,411.80
Miscellaneous.....	3,246.57	7,222.67	39,823.73	34,579.20
<b>Total Charged to Operating Expense.....</b>	<b>4,756,615.54</b>	<b>13,080,025.27</b>	<b>47,966,726.16</b>	<b>57,763,216.96</b>
Taxes Charged to Other Accounts.....	300,304.79	5,500,038.98	1,033,183.82	12,372,551.96
Taxes Accrued on Intercompany Accounts.....	-	(226,084.40)	(1,827,411.68)	(2,419,045.05)
<b>Total Taxes Charged.....</b>	<b>\$ 5,056,920.33</b>	<b>\$ 18,353,979.85</b>	<b>\$ 47,172,498.30</b>	<b>\$ 67,716,723.87</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 15,250,085.25	\$ 11,553,915.92	\$ 15,050,300.99
Unemployment.....	54,386.05	88,299.73	142,352.04	333.74
FICA.....	590,648.24	5,410,874.60	5,341,905.39	659,617.46
Federal Income.....	(3,741,320.05)	14,476,116.40	4,753,055.00	5,981,741.35
State Income.....	229,108.93	8,298,921.97	7,288,530.44	1,239,500.46
Kentucky Sales and Use Tax.....	1,088,857.95	3,532,216.30	4,095,671.81	525,402.44
Miscellaneous.....	22,339.97	115,984.05	111,266.02	27,058.00
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 47,172,498.30</b>	<b>\$ 33,286,696.62</b>	<b>\$ 23,483,954.44</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**October 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 10,136,576.63	\$ (663,361.41)	\$ (30,818.06)	\$ 9,442,397.16	\$ 169,326,856.52
Common Intangible Plant.....	56,455,326.72	8,621,450.37	(1,661,801.58)	-	6,959,648.79	63,414,975.51
	<u>216,339,786.08</u>	<u>18,758,027.00</u>	<u>(2,325,162.99)</u>	<u>(30,818.06)</u>	<u>16,402,045.95</u>	<u>232,741,832.03</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	32,399,496.29	(6,590,514.01)	47,153.43	25,856,135.71	953,145,174.21
Electric General Plant.....	16,521,615.59	1,289,339.27	(1,981,092.03)	30,818.06	(660,934.70)	15,860,680.89
Electric Hydro Production.....	41,680,209.14	1,085,668.83	(229,943.87)	-	855,724.96	42,535,934.10
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	2,685,619.00	(981,817.87)	38,429.14	1,742,230.27	231,143,263.28
Electric Steam Production.....	1,930,347,044.43	202,314,843.39	(23,336,234.85)	3,530,527.24	182,509,135.78	2,112,856,180.21
Electric Transmission.....	247,742,496.14	6,674,801.88	(1,230,702.42)	(47,153.43)	5,396,946.03	253,139,442.17
	<u>3,392,983,777.10</u>	<u>246,449,768.66</u>	<u>(34,350,305.05)</u>	<u>3,599,774.44</u>	<u>215,699,238.05</u>	<u>3,608,683,015.15</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	40,627,727.32	(606,020.95)	97,729.20	40,119,435.57	589,918,556.27
Gas General Plant.....	9,178,093.57	465,366.81	(1,086,872.62)	(97,729.20)	(719,235.01)	8,458,858.56
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	2,154,059.10	(1,437,514.69)	-	716,544.41	79,131,855.47
Gas Transmission.....	16,661,869.68	970,087.61	(20,299.95)	3,941,518.65	4,891,306.31	21,553,175.99
	<u>654,055,582.50</u>	<u>44,217,240.84</u>	<u>(3,150,708.21)</u>	<u>3,941,518.65</u>	<u>45,008,051.28</u>	<u>699,063,633.78</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>309,425,036.50</u>	<u>(39,826,176.25)</u>	<u>7,510,475.03</u>	<u>277,109,335.28</u>	<u>4,540,488,480.96</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**October 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 1,022,595.22	\$ -	\$ -	\$ 1,022,595.22	\$ 1,619,753.85
Common Intangible Plant.....	2,714,931.36	(904,675.53)	-	-	(904,675.53)	1,810,255.83
	<u>3,312,089.99</u>	<u>117,919.69</u>	<u>-</u>	<u>-</u>	<u>117,919.69</u>	<u>3,430,009.68</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	10,053,606.33	-	-	10,053,606.33	21,598,340.23
Electric General Plant.....	50,763.87	(50,763.87)	-	-	(50,763.87)	-
Electric Hydro Production.....	16,952.26	(495.90)	-	-	(495.90)	16,456.36
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	(247,230.79)	-	-	(247,230.79)	1,519,977.42
Electric Steam Production.....	15,929,229.77	9,543,051.95	-	-	9,543,051.95	25,472,281.72
Electric Transmission.....	35,045,472.82	744,940.00	-	-	744,940.00	35,790,412.82
	<u>64,354,360.83</u>	<u>20,043,107.72</u>	<u>-</u>	<u>-</u>	<u>20,043,107.72</u>	<u>84,397,468.55</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(7,847,164.83)	-	-	(7,847,164.83)	16,572,991.33
Gas General Plant.....	126,992.17	93,185.49	-	-	93,185.49	220,177.66
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	488,465.58	-	-	488,465.58	1,439,891.64
Gas Transmission.....	-	1,294,872.51	-	-	1,294,872.51	1,294,872.51
	<u>25,498,574.39</u>	<u>(5,970,641.25)</u>	<u>-</u>	<u>-</u>	<u>(5,970,641.25)</u>	<u>19,527,933.14</u>
<b>Total 106 Accounts</b> .....	<u>93,165,025.21</u>	<u>14,190,386.16</u>	<u>-</u>	<u>-</u>	<u>14,190,386.16</u>	<u>107,355,411.37</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b> .....	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b> .....	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(10,749,951.71)	-	-	(10,749,951.71)	10,493,928.18
Electric.....	324,323,732.14	(170,377,972.35)	-	-	(170,377,972.35)	153,945,759.79
Gas.....	39,756,306.91	(741,578.96)	-	-	(741,578.96)	39,014,727.95
	<u>385,323,918.94</u>	<u>(181,869,503.02)</u>	<u>-</u>	<u>-</u>	<u>(181,869,503.02)</u>	<u>203,454,415.92</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>323,615,422.66</u>	<u>(39,826,176.25)</u>	<u>3,327,915.33</u>	<u>287,117,161.74</u>	<u>4,650,708,136.37</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>141,745,919.64</u>	<u>(39,826,176.25)</u>	<u>3,327,915.33</u>	<u>105,247,658.72</u>	<u>4,854,162,552.29</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 141,745,919.64</u>	<u>\$ (39,826,176.25)</u>	<u>\$ 3,327,915.33</u>	<u>\$ 105,247,658.72</u>	<u>\$ 4,854,087,312.73</u>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (10,705,793.77)	\$ 663,361.41	\$ 30,818.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,274,849.40)
Common General Plant - ARO.....	(343.19)	(1,717.00)	-	-	-	-	-	-	-	(2,060.19)
Electric Distribution.....	(277,000,365.75)	(14,476,987.10)	6,590,514.01	(382.60)	-	-	-	-	-	(284,887,221.44)
Electric Distribution - ARO.....	(1,256.54)	(5,028.21)	-	-	-	-	-	-	-	(6,284.75)
Electric General Plant.....	(12,910,034.19)	(350,205.10)	1,981,092.03	(30,818.06)	-	-	-	-	-	(11,309,965.32)
Electric Hydro Production.....	(9,718,276.66)	(469,351.69)	229,943.87	-	-	-	-	-	-	(9,957,684.48)
Electric Hydro Production - ARO.....	(364.10)	(1,457.10)	-	-	-	-	-	-	-	(1,821.20)
Electric Other Production.....	(60,282,055.17)	(6,821,738.49)	981,817.87	-	-	-	-	-	-	(66,121,975.79)
Electric Other Production - ARO.....	(192.68)	(917.02)	-	-	-	-	-	-	-	(1,109.70)
Electric Steam Production.....	(1,029,518,070.37)	(47,323,988.33)	22,604,029.81	-	-	-	-	-	-	(1,054,238,028.89)
Electric Steam Production - ARO.....	(204,061.94)	(1,771,779.76)	732,205.04	116,513.06	-	-	-	-	-	(1,127,123.60)
Electric Transmission.....	(119,192,606.75)	(3,655,380.46)	1,230,702.42	382.60	-	-	-	-	-	(121,616,902.19)
Electric Transmission - ARO.....	(41.40)	(165.70)	-	-	-	-	-	-	-	(207.10)
Gas Distribution.....	(125,049,477.23)	(9,637,277.10)	530,981.68	(13,332.40)	-	-	-	-	-	(134,169,105.05)
Gas Distribution - ARO.....	(49,734.93)	(322,129.95)	75,039.27	-	-	-	-	-	-	(296,825.61)
Gas General Plant.....	(6,299,629.20)	(265,827.85)	1,086,872.62	13,332.40	-	-	-	-	-	(5,465,252.03)
Gas Storage.....	(31,288,281.49)	(902,040.85)	1,042,109.23	-	-	-	-	-	-	(31,148,213.11)
Gas Storage - ARO.....	(39,466.10)	(576,793.67)	395,405.46	-	-	-	-	-	-	(220,854.31)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(47,929.19)	20,299.95	-	-	-	-	-	-	(9,476,234.56)
Gas Transmission - ARO.....	(63,360.36)	(17,635.44)	-	-	-	-	-	-	-	(17,635.44)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(97,354,143.78)</u>	<u>38,164,374.67</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,817,402,714.52)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(234,354.57)	-	-	-	-	332,962.76	-	-	(589,764.28)
Electric Distribution.....	(146,715,298.78)	(5,734,630.89)	-	(55.48)	-	-	3,719,176.23	-	-	(148,730,808.92)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(35,645.29)	-	-	-	-	38,351.42	-	-	739,613.83
Electric Other Production.....	(2,505,175.99)	(292,671.83)	-	-	-	-	123,730.22	-	-	(2,674,117.60)
Electric Steam Production.....	(94,783,295.15)	(14,152,641.20)	-	-	-	-	2,962,485.74	-	-	(105,973,450.61)
Electric Transmission.....	(24,538,454.78)	(1,176,388.52)	-	55.48	-	-	134,289.80	-	-	(25,580,498.02)
Gas Distribution.....	(60,212,131.14)	(2,724,362.07)	-	-	-	-	1,487,211.13	-	-	(61,449,282.08)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(117,044.76)	-	-	-	-	565,052.30	-	-	277,569.64
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(11,858.18)	-	-	-	-	46,319.99	-	-	(2,982,352.14)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (24,479,597.31)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,409,579.59</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (346,959,223.56)</u>

November 21, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**October 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,074.55	\$ 319.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,393.95
Electric Distribution.....	17,535,024.98	1,162,298.48	-	-	-	-	-	(197,553.22)	-	18,499,770.24
Electric General Plant.....	138,281.25	1,925.50	-	-	-	-	-	-	-	140,206.75
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	1,686,508.42	-	-	-	-	-	(34,636.38)	-	23,680,442.18
Electric Transmission.....	6,247,368.67	218,103.15	-	-	-	-	-	-	-	6,465,471.82
Gas Distribution.....	3,594,440.75	166,190.27	-	-	-	-	-	-	-	3,760,631.02
Gas General Plant.....	225,788.37	1,913.55	-	-	-	-	-	-	-	227,701.92
Gas Storage.....	269,933.04	14,318.91	-	-	-	-	-	-	-	284,251.95
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	4,446.81	-	-	-	-	-	-	-	222,369.92
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>3,256,024.49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,189.60)</u>	<u>-</u>	<u>53,916,879.25</u>
<b>Total Reserves</b>										
Common.....	(77,737,236.57)	(10,941,545.94)	663,361.41	30,818.06	-	-	332,962.76	-	-	(87,651,640.28)
Electric.....	(1,730,321,891.37)	(93,200,141.14)	34,350,305.05	85,695.00	-	-	6,978,033.41	(232,189.60)	-	(1,782,340,188.65)
Gas.....	(231,266,492.01)	(14,436,029.52)	3,150,708.21	0.00	-	-	2,098,583.42	-	-	(240,453,229.90)
	<u>(2,039,325,619.95)</u>	<u>(118,577,716.60)</u>	<u>38,164,374.67</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>9,409,579.59</u>	<u>(232,189.60)</u>	<u>-</u>	<u>(2,110,445,058.83)</u>
<b>Retirement Work In Progress</b>										
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	18,615.75	(20,894.00)	2,144.92	171,871.76
Electric.....	9,603,653.21	-	-	(78,968.13)	(1,142,636.19)	(6,171,452.86)	9,004,346.34	(470,495.74)	(336,973.02)	10,407,473.61
Gas.....	2,523,160.64	-	-	(23,759.86)	(1,053,809.06)	(1,302,779.70)	1,191,624.17	(6,508.40)	(2,703.32)	1,325,224.47
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(2,196,445.25)</u>	<u>(7,807,195.32)</u>	<u>10,214,586.26</u>	<u>(497,898.14)</u>	<u>(337,531.42)</u>	<u>11,904,569.84</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(118,577,716.60)</u>	<u>38,164,374.67</u>	<u>175,805.92</u>	<u>(2,196,445.25)</u>	<u>(7,807,195.32)</u>	<u>19,624,165.85</u>	<u>(730,087.74)</u>	<u>(337,531.42)</u>	<u>(2,098,540,488.99)</u>
<b>Amortization</b>										
Common.....	(16,306,390.60)	(6,716,656.59)	1,661,801.58	-	-	-	-	-	-	(21,361,245.61)
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(6,716,656.59)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,362,145.61)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (125,294,373.19)</u>	<u>\$ 39,826,176.25</u>	<u>\$ 175,805.92</u>	<u>\$ (2,196,445.25)</u>	<u>\$ (7,807,195.32)</u>	<u>\$ 19,624,165.85</u>	<u>\$ (730,087.74)</u>	<u>\$ (337,531.42)</u>	<u>\$ (2,119,902,634.60)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,119,839,274.24)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>									<u>\$ 2,734,248,038.49</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**October 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 79,332,461.18	\$ -	\$ 79,332,461.18
Gas Operating Revenues.....	18,830,221.33	-	18,830,221.33
<b>Total Operating Revenues.....</b>	<b>98,162,682.51</b>	<b>-</b>	<b>98,162,682.51</b>
Fuel for Electric Generation.....	26,589,929.51	-	26,589,929.51
Power Purchased.....	7,628,086.41	-	7,628,086.41
Gas Supply Expenses.....	9,674,278.22	-	9,674,278.22
Other Operation Expenses.....	19,563,220.37	-	19,563,220.37
Maintenance.....	10,777,128.87	-	10,777,128.87
Depreciation.....	11,928,154.12	-	11,928,154.12
Amortization Expense.....	705,150.17	-	705,150.17
Regulatory Credits.....	(468,815.78)	-	(468,815.78)
Taxes			
Federal Income.....	2,128,387.52	-	2,128,387.52
State Income.....	365,732.29	-	365,732.29
Deferred Federal Income - Net.....	317,260.52	8,230.80	325,491.32
Deferred State Income - Net.....	(182,282.46)	1,501.06	(180,781.40)
Property and Other.....	2,262,495.73	-	2,262,495.73
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	230,794.03	-	230,794.03
<b>Total Operating Expenses.....</b>	<b>91,283,485.52</b>	<b>9,731.86</b>	<b>91,293,217.38</b>
Net Operating Income.....	6,879,196.99	(9,731.86)	6,869,465.13
Other Income Less Deductions.....	(6,213.08)	-	(6,213.08)
<b>Income Before Interest Charges.....</b>	<b>6,872,983.91</b>	<b>(9,731.86)</b>	<b>6,863,252.05</b>
Interest on Long-Term Debt.....	3,375,732.58	(25,017.63)	3,350,714.95
Amortization of Debt Expense - Net.....	295,947.81	-	295,947.81
Other Interest Expenses.....	264,952.62	-	264,952.62
<b>Total Interest Charges.....</b>	<b>3,936,633.01</b>	<b>(25,017.63)</b>	<b>3,911,615.38</b>
<b>Net Income.....</b>	<b>\$ 2,936,350.90</b>	<b>\$ 15,285.77</b>	<b>\$ 2,951,636.67</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**October 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 895,157,751.99	\$ -	\$ 895,157,751.99
Gas Operating Revenues.....	236,825,715.41	-	236,825,715.41
<b>Total Operating Revenues.....</b>	<b>1,131,983,467.40</b>	<b>-</b>	<b>1,131,983,467.40</b>
Fuel for Electric Generation.....	300,385,048.56	-	300,385,048.56
Power Purchased.....	62,889,505.23	-	62,889,505.23
Gas Supply Expenses.....	126,547,876.24	-	126,547,876.24
Other Operation Expenses.....	197,023,845.01	27,884.66	197,051,729.67
Maintenance.....	96,605,185.36	-	96,605,185.36
Depreciation.....	118,219,543.76	-	118,219,543.76
Amortization Expense.....	6,716,656.59	-	6,716,656.59
Regulatory Credits.....	(4,879,692.31)	-	(4,879,692.31)
Taxes			
Federal Income.....	15,978,052.85	-	15,978,052.85
State Income.....	8,572,831.36	-	8,572,831.36
Deferred Federal Income - Net.....	38,590,406.90	73,195.75	38,663,602.65
Deferred State Income - Net.....	(135,871.40)	13,348.78	(122,522.62)
Property and Other.....	23,415,841.96	-	23,415,841.96
Amortization of Investment Tax Credit.....	(2,333,673.00)	-	(2,333,673.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	2,182,068.46	-	2,182,068.46
<b>Total Operating Expenses.....</b>	<b>989,775,047.63</b>	<b>114,429.19</b>	<b>989,889,476.82</b>
Net Operating Income.....	142,208,419.77	(114,429.19)	142,093,990.58
Other Income Less Deductions.....	532,247.85	-	532,247.85
<b>Income Before Interest Charges.....</b>	<b>142,740,667.62</b>	<b>(114,429.19)</b>	<b>142,626,238.43</b>
Interest on Long-Term Debt.....	32,662,727.35	(250,176.30)	32,412,551.05
Amortization of Debt Expense - Net.....	2,788,679.38	-	2,788,679.38
Other Interest Expenses.....	2,170,329.78	-	2,170,329.78
<b>Total Interest Charges.....</b>	<b>37,621,736.51</b>	<b>(250,176.30)</b>	<b>37,371,560.21</b>
<b>Net Income.....</b>	<b>\$ 105,118,931.11</b>	<b>\$ 135,747.11</b>	<b>\$ 105,254,678.22</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**October 31, 2011**

	Current Month without Purchase Accounting		Current Month Purchase Accounting		Current Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 874,925,832.17	\$ 807,159,675.10	\$ (808,778,821.10)	\$ -	\$ 66,147,011.07	\$ 807,159,675.10
Add:						
Net Income (Loss) for Period.....	2,936,350.90	1,787,216.42	15,285.77	-	2,951,636.67	1,787,216.42
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	\$ 877,862,183.07	\$ 808,946,891.52	\$ (808,763,535.33)	\$ -	\$ 69,098,647.74	\$ 808,946,891.52

Note: Purchase accounting is subject to change through October 31, 2011

November 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**October 31, 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	105,118,931.11	108,668,025.28	135,747.11	-	105,254,678.22	108,668,025.28
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>55,250,000.00</u>	<u>55,000,000.00</u>	<u>-</u>	<u>-</u>	<u>55,250,000.00</u>	<u>55,000,000.00</u>
Balance at End of Period.....	<u>\$ 877,862,183.07</u>	<u>\$ 808,946,891.52</u>	<u>\$ (808,763,535.33)</u>	<u>\$ -</u>	<u>\$ 69,098,647.74</u>	<u>\$ 808,946,891.52</u>

Note: Purchase accounting is subject to change through October 31, 2011

November 21, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**October 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 808,946,891.52	\$ 741,251,623.67	\$ -	\$ -	\$ 808,946,891.52	\$ 741,251,623.67
Add:						
Net Income (Loss) for Period.....	124,165,291.55	122,695,267.85	183,356.19	-	124,348,647.74	122,695,267.85
Deduct:						
Adjustment to Retained Earnings.....	-	-	808,946,891.52	-	808,946,891.52	-
Common Dividends						
Common Stock Without Par Value.....	55,250,000.00	55,000,000.00	-	-	55,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 877,862,183.07</u>	<u>\$ 808,946,891.52</u>	<u>\$ (808,763,535.33)</u>	<u>\$ -</u>	<u>\$ 69,098,647.74</u>	<u>\$ 808,946,891.52</u>

Note: Purchase accounting is subject to change through October 31, 2011

November 21, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of October 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,854,087,312.73	\$ -	\$ 4,854,087,312.73
Less: Reserves for Depreciation and Amortization....	2,119,839,274.24	-	2,119,839,274.24
<b>Total.....</b>	<b>2,734,248,038.49</b>	<b>-</b>	<b>2,734,248,038.49</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	29,513,085.39	-	29,513,085.39
<b>Total.....</b>	<b>30,119,250.59</b>	<b>-</b>	<b>30,119,250.59</b>
<b>Current and Accrued Assets</b>			
Cash.....	42,810,271.73	-	42,810,271.73
Special Deposits.....	557,339.76	-	557,339.76
Temporary Cash Investments.....	31,125,914.89	-	31,125,914.89
Accounts Receivable - Less Reserve.....	105,912,233.14	-	105,912,233.14
Accounts Receivable from Associated Companies....	11,234,858.52	-	11,234,858.52
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	59,220,758.36	-	59,220,758.36
Plant Materials and Operating Supplies.....	30,813,805.38	-	30,813,805.38
Stores Expense.....	5,577,590.22	-	5,577,590.22
Gas Stored Underground.....	66,152,494.75	-	66,152,494.75
Emission Allowances.....	24,614.20	-	24,614.20
Prepayments.....	5,460,672.11	-	5,460,672.11
Miscellaneous Current and Accrued Assets.....	607,780.56	-	607,780.56
<b>Total.....</b>	<b>359,498,333.62</b>	<b>-</b>	<b>359,498,333.62</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,557,379.65	(3,512,274.27)	10,045,105.38
Unamortized Loss on Bonds.....	20,924,619.95	-	20,924,619.95
Accumulated Deferred Income Taxes.....	26,434,331.06	72,399,448.49	98,833,779.55
Deferred Regulatory Assets.....	376,302,783.78	9,785,850.40	386,088,634.18
Other Deferred Debits.....	1,365,988.12	168,952,547.95	170,318,536.07
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>438,585,102.56</b>	<b>636,782,924.16</b>	<b>1,075,368,026.72</b>
<b>Total Assets.....</b>	<b>\$ 3,562,450,725.26</b>	<b>\$ 636,782,924.16</b>	<b>\$ 4,199,233,649.42</b>

Note: Purchase accounting is subject to change through October 31, 2011

November 21, 2011



**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of October 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	877,862,183.07	(808,763,535.33)	69,098,647.74
<b>Total Proprietary Capital.....</b>	<b>1,385,778,217.52</b>	<b>385,322,333.69</b>	<b>1,771,100,551.21</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,276,505.44	580,580,505.44
First Mortgage Bonds.....	531,284,899.12	-	531,284,899.12
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,588,899.12</b>	<b>6,276,505.44</b>	<b>1,111,865,404.56</b>
<b>Total Capitalization.....</b>	<b>2,491,367,116.64</b>	<b>391,598,839.13</b>	<b>2,882,965,955.77</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	91,057,684.20	-	91,057,684.20
Accounts Payable to Associated Companies.....	13,798,613.52	-	13,798,613.52
Customer Deposits.....	22,425,873.82	-	22,425,873.82
Taxes Accrued.....	23,483,954.44	-	23,483,954.44
Dividends Declared.....	-	-	-
Interest Accrued.....	13,345,579.80	-	13,345,579.80
Miscellaneous Current and Accrued Liabilities.....	19,943,526.53	-	19,943,526.53
<b>Total.....</b>	<b>184,055,232.31</b>	<b>-</b>	<b>184,055,232.31</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	487,243,920.69	69,957,960.95	557,201,881.64
Investment Tax Credit.....	43,190,903.13	-	43,190,903.13
Regulatory Liabilities.....	61,440,578.69	168,952,547.95	230,393,126.64
Customer Advances for Construction.....	8,022,178.51	-	8,022,178.51
Asset Retirement Obligations.....	55,792,039.70	-	55,792,039.70
Other Deferred Credits.....	32,850,657.34	6,273,576.13	39,124,233.47
Miscellaneous Long-Term Liabilities.....	54,212,429.21	-	54,212,429.21
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	144,275,669.04	-	144,275,669.04
<b>Total.....</b>	<b>887,028,376.31</b>	<b>245,184,085.03</b>	<b>1,132,212,461.34</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,562,450,725.26</b>	<b>\$ 636,782,924.16</b>	<b>\$ 4,199,233,649.42</b>

Note: Purchase accounting is subject to change through October 31, 2011

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - November 30, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

November 30, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**November 30, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 79,790,596.68	\$ 75,474,375.66	\$ 4,316,221.02	5.72
Gas Operating Revenues.....	26,654,047.95	28,775,894.40	(2,121,846.45)	(7.37)
<b>Total Operating Revenues.....</b>	<b>106,444,644.63</b>	<b>104,250,270.06</b>	<b>2,194,374.57</b>	<b>2.10</b>
Fuel for Electric Generation.....	28,153,852.37	28,583,040.32	(429,187.95)	(1.50)
Power Purchased.....	5,064,747.78	4,597,979.19	466,768.59	10.15
Gas Supply Expenses.....	13,753,574.24	15,846,801.16	(2,093,226.92)	(13.21)
Other Operation Expenses.....	19,493,999.54	21,037,578.69	(1,543,579.15)	(7.34)
Maintenance.....	10,820,356.27	9,815,100.39	1,005,255.88	10.24
Depreciation.....	11,890,425.36	10,887,294.43	1,003,130.93	9.21
Amortization Expense.....	717,415.76	631,375.25	86,040.51	13.63
Regulatory Credits.....	(413,283.37)	(320,640.19)	(92,643.18)	(28.89)
Taxes				
Federal Income.....	3,545,983.02	2,710,579.67	835,403.35	30.82
State Income.....	661,075.08	494,330.64	166,744.44	33.73
Deferred Federal Income - Net.....	(18,861.57)	-	(18,861.57)	(100.00)
Deferred State Income - Net.....	279,395.94	-	279,395.94	100.00
Property and Other.....	2,267,705.13	708,449.42	1,559,255.71	220.09
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(236,034.00)	(208,481.00)	(27,553.00)	(13.22)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	230,714.66	216,795.73	13,918.93	6.42
<b>Total Operating Expenses.....</b>	<b>96,211,066.21</b>	<b>95,000,203.70</b>	<b>1,210,862.51</b>	<b>1.27</b>
Net Operating Income.....	10,233,578.42	9,250,066.36	983,512.06	10.63
Other Income Less Deductions.....	127,698.96	(236,249.84)	363,948.80	154.05
<b>Income Before Interest Charges.....</b>	<b>10,361,277.38</b>	<b>9,013,816.52</b>	<b>1,347,460.86</b>	<b>14.95</b>
Interest on Long-Term Debt.....	2,990,614.58	3,615,035.62	(624,421.04)	(17.27)
Amortization of Debt Expense - Net.....	260,610.04	229,016.05	31,593.99	13.80
Other Interest Expenses.....	195,730.28	163,600.03	32,130.25	19.64
<b>Total Interest Charges.....</b>	<b>3,446,954.90</b>	<b>4,007,651.70</b>	<b>(560,696.80)</b>	<b>(13.99)</b>
<b>Net Income.....</b>	<b>\$ 6,914,322.48</b>	<b>\$ 5,006,164.82</b>	<b>\$ 1,908,157.66</b>	<b>38.12</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2011**

	Year to Date			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 974,948,348.67	\$ 921,860,119.63	\$ 53,088,229.04	5.76
Gas Operating Revenues.....	263,479,763.36	245,653,124.21	17,826,639.15	7.26
<b>Total Operating Revenues.....</b>	<b>1,238,428,112.03</b>	<b>1,167,513,243.84</b>	<b>70,914,868.19</b>	<b>6.07</b>
Fuel for Electric Generation.....	328,538,900.93	334,061,246.26	(5,522,345.33)	(1.65)
Power Purchased.....	67,954,253.01	49,589,290.10	18,364,962.91	37.03
Gas Supply Expenses.....	140,301,450.48	131,002,537.35	9,298,913.13	7.10
Other Operation Expenses.....	216,517,844.55	208,101,453.32	8,416,391.23	4.04
Maintenance.....	107,425,541.63	96,740,064.18	10,685,477.45	11.05
Depreciation.....	130,109,969.12	120,215,941.59	9,894,027.53	8.23
Amortization Expense.....	7,434,072.35	7,092,877.08	341,195.27	4.81
Regulatory Credits.....	(5,292,975.68)	(3,860,387.93)	(1,432,587.75)	(37.11)
Taxes				
Federal Income.....	19,524,035.87	34,953,523.03	(15,429,487.16)	(44.14)
State Income.....	9,233,906.44	5,820,742.44	3,413,164.00	58.64
Deferred Federal Income - Net.....	38,571,545.33	14,485,407.74	24,086,137.59	166.28
Deferred State Income - Net.....	143,524.54	1,367,098.28	(1,223,573.74)	(89.50)
Property and Other.....	25,683,547.09	20,902,311.22	4,781,235.87	22.87
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(2,569,707.00)	(2,293,293.00)	(276,414.00)	(12.05)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,412,783.12	3,066,378.53	(653,595.41)	(21.31)
<b>Total Operating Expenses.....</b>	<b>1,085,986,113.84</b>	<b>1,021,210,730.05</b>	<b>64,775,383.79</b>	<b>6.34</b>
Net Operating Income.....	152,441,998.19	146,302,513.79	6,139,484.40	4.20
Other Income Less Deductions.....	659,946.81	11,595,162.15	(10,935,215.34)	(94.31)
<b>Income Before Interest Charges.....</b>	<b>153,101,945.00</b>	<b>157,897,675.94</b>	<b>(4,795,730.94)</b>	<b>(3.04)</b>
Interest on Long-Term Debt.....	35,653,341.93	40,501,335.61	(4,847,993.68)	(11.97)
Amortization of Debt Expense - Net.....	3,049,289.42	1,393,586.67	1,655,702.75	118.81
Other Interest Expenses.....	2,366,060.06	2,328,563.56	37,496.50	1.61
<b>Total Interest Charges.....</b>	<b>41,068,691.41</b>	<b>44,223,485.84</b>	<b>(3,154,794.43)</b>	<b>(7.13)</b>
<b>Net Income.....</b>	<b>\$ 112,033,253.59</b>	<b>\$ 113,674,190.10</b>	<b>\$ (1,640,936.51)</b>	<b>(1.44)</b>

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**November 30, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,068,699,796.01	\$ 1,002,042,244.51	\$ 66,657,551.50	6.65
Gas Operating Revenues.....	320,773,995.03	292,407,467.81	28,366,527.22	9.70
<b>Total Operating Revenues.....</b>	<b>1,389,473,791.04</b>	<b>1,294,449,712.32</b>	<b>95,024,078.72</b>	<b>7.34</b>
Fuel for Electric Generation.....	363,033,981.01	360,791,405.72	2,242,575.29	0.62
Power Purchased.....	72,744,681.60	55,554,169.98	17,190,511.62	30.94
Gas Supply Expenses.....	178,302,521.18	164,398,359.32	13,904,161.86	8.46
Other Operation Expenses.....	235,229,395.80	225,293,421.35	9,935,974.45	4.41
Maintenance.....	122,386,582.53	107,985,447.34	14,401,135.19	13.34
Depreciation.....	141,104,030.80	130,940,039.89	10,163,990.91	7.76
Amortization Expense.....	8,068,184.17	7,797,046.73	271,137.44	3.48
Regulatory Credits.....	(5,702,319.20)	(4,038,772.03)	(1,663,547.17)	(41.19)
Taxes				
Federal Income.....	13,445,120.02	53,181,341.99	(39,736,221.97)	(74.72)
State Income.....	9,460,331.43	7,074,381.80	2,385,949.63	33.73
Deferred Federal Income - Net.....	51,753,142.59	(937,008.36)	52,690,150.95	5,623.23
Deferred State Income - Net.....	1,146,450.70	773,200.84	373,249.86	48.27
Property and Other.....	27,352,859.69	22,135,646.96	5,217,212.73	23.57
Investment Tax Credit.....	-	703,437.35	(703,437.35)	(100.00)
Amortization of Investment Tax Credit.....	(2,778,188.00)	(2,535,334.48)	(242,853.52)	(9.58)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,630,510.22	3,230,122.90	(599,612.68)	(18.56)
<b>Total Operating Expenses.....</b>	<b>1,218,174,706.60</b>	<b>1,132,312,447.16</b>	<b>85,862,259.44</b>	<b>7.58</b>
Net Operating Income.....	171,299,084.44	162,137,265.16	9,161,819.28	5.65
Other Income Less Deductions.....	(217,743.00)	13,769,762.51	(13,987,505.51)	(101.58)
<b>Income Before Interest Charges.....</b>	<b>171,081,341.44</b>	<b>175,907,027.67</b>	<b>(4,825,686.23)</b>	<b>(2.74)</b>
Interest on Long-Term Debt.....	39,047,053.49	44,126,446.12	(5,079,392.63)	(11.51)
Amortization of Debt Expense - Net.....	3,320,328.49	1,509,876.17	1,810,452.32	119.91
Other Interest Expenses.....	2,640,510.25	2,757,099.99	(116,589.74)	(4.23)
<b>Total Interest Charges.....</b>	<b>45,007,892.23</b>	<b>48,393,422.28</b>	<b>(3,385,530.05)</b>	<b>(7.00)</b>
<b>Net Income.....</b>	<b>\$ 126,073,449.21</b>	<b>\$ 127,513,605.39</b>	<b>\$ (1,440,156.18)</b>	<b>(1.13)</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**November 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 877,862,183.07	\$ 808,946,891.52	\$ 827,993,251.96	\$ 755,278,866.24	\$ 813,953,056.34	\$ 741,439,450.95
Add:						
Net Income for Period.....	6,914,322.48	5,006,164.82	112,033,253.59	113,674,190.10	126,073,449.21	127,513,605.39
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	28,000,000.00	-	83,250,000.00	55,000,000.00	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>

December 22, 2011



**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of November 30, 2011 and 2010**

	<u>This Year</u>	<u>Last Year</u>		<u>This Year</u>	<u>Last Year</u>
<b>Assets</b>			<b>Liabilities and Proprietary Capital</b>		
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,872,997,987.35	\$ 4,725,820,363.00	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,126,828,778.97</u>	<u>2,038,048,102.91</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,746,169,208.38</u>	<u>2,687,772,260.09</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>856,776,505.55</u>	<u>813,953,056.34</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,364,692,540.00</u>	<u>1,321,869,090.79</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.	574,304,000.00	411,104,000.00
Special Funds.....	<u>28,514,787.39</u>	<u>21,159,746.63</u>	First Mortgage Bonds.....	531,308,220.78	531,028,360.84
Total.....	<u>29,120,952.59</u>	<u>21,765,911.83</u>	LT Notes Payable to Associated Companies.....	-	-
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,612,220.78</u>	<u>942,132,360.84</u>
Cash.....	34,195,977.48	8,943,622.67	Total Capitalization.....	<u>2,470,304,760.78</u>	<u>2,264,001,451.63</u>
Special Deposits.....	-	694,907.86	Current and Accrued Liabilities		
Temporary Cash Investments.....	29,029,898.75	257.35	Notes Payable.....	-	163,000,000.00
Accounts Receivable - Less Reserve.....	114,669,412.44	120,611,707.66	Accounts Payable.....	81,283,596.90	93,382,514.42
Accounts Receivable from Associated Companies....	11,548,437.29	12,503,081.78	Accounts Payable to Associated Companies.....	16,784,036.42	20,131,634.53
Materials and Supplies - At Average Cost.....			Customer Deposits.....	22,388,530.85	23,813,630.54
Fuel.....	55,707,094.47	72,766,804.02	Taxes Accrued.....	29,529,563.22	12,466,240.58
Plant Materials and Operating Supplies.....	30,482,076.24	29,408,708.50	Interest Accrued.....	5,951,860.54	2,515,610.98
Stores Expense.....	5,550,219.41	4,916,530.71	Dividends Declared.....	28,000,000.00	-
Gas Stored Underground.....	62,658,874.27	69,206,931.68	Miscellaneous Current and Accrued Liabilities.....	<u>19,807,279.09</u>	<u>18,067,321.29</u>
Emission Allowances.....	26,604.68	2,872.24	Total.....	<u>203,744,867.02</u>	<u>333,376,952.34</u>
Prepayments.....	4,982,269.92	12,611,917.95	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	-	455,865.92	Accumulated Deferred Income Taxes.....	487,425,528.06	454,586,900.11
Total.....	<u>348,850,864.95</u>	<u>332,123,208.34</u>	Investment Tax Credit.....	42,954,869.13	45,733,057.13
Deferred Debits and Other			Regulatory Liabilities.....	60,622,974.76	51,586,279.37
Unamortized Debt Expense.....	13,447,248.44	11,959,147.13	Customer Advances for Construction.....	7,247,002.77	8,466,567.41
Unamortized Loss on Bonds.....	20,823,617.00	22,035,652.40	Asset Retirement Obligations.....	56,022,754.36	52,433,061.81
Accumulated Deferred Income Taxes.....	26,355,404.03	49,259,820.29	Other Deferred Credits.....	35,534,880.32	35,528,957.25
Deferred Regulatory Assets.....	379,199,955.06	367,782,479.06	Miscellaneous Long-Term Liabilities.....	57,497,148.14	45,581,269.32
Other Deferred Debits.....	<u>1,649,265.49</u>	<u>1,205,148.42</u>	Accum Provision for Postretirement Benefits.....	<u>144,261,730.60</u>	<u>202,609,131.19</u>
Total.....	<u>441,475,490.02</u>	<u>452,242,247.30</u>	Total.....	<u>891,566,888.14</u>	<u>896,525,223.59</u>
Total Assets.....	<u>\$ 3,565,616,515.94</u>	<u>\$ 3,493,903,627.56</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,565,616,515.94</u>	<u>\$ 3,493,903,627.56</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**November 30, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			856,776,505.55	
 Total Proprietary Capital.....			1,364,692,540.00	55.24
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.25
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.66
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(698,645.86)	
First Mortgage Bond Due 11/15/40 5.125%.....			(2,993,133.36)	
			(3,691,779.22)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,308,220.78	21.51
 Total Capitalization.....			\$ 2,470,304,760.78	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,872,997,987.35	\$ 4,872,997,987.35
Reserves for Depreciation and Amortization.....		(2,126,828,778.97)
Depreciation of Plant		
Electric.....	(1,776,095,752.10)	
Gas.....	(240,129,749.75)	
Common.....	(88,523,715.75)	
Amortization of Plant		
Common.....	(22,078,661.37)	
Gas.....	(800.00)	
Electric.....	(100.00)	
Investments.....		29,120,952.59
Special Funds.....	28,514,787.39	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	34,195,977.48	34,195,977.48
Temporary Cash Investments.....	29,029,898.75	29,029,898.75
Accounts Receivable - Less Reserve.....		114,669,412.44
Unbilled Revenues.....	55,746,364.47	
Customers - Active.....	48,641,969.71	
Wholesale Sales.....	3,552,924.71	
IMPA.....	2,550,072.03	
IMEA.....	2,472,130.59	
Sundry Accounts Receivable.....	1,197,373.88	
Transmission Sales.....	469,415.02	
Damage Claims.....	463,022.64	
Rents Receivable.....	236,163.61	
Electricity Swaps.....	166,354.87	
Mutual Aid.....	103,146.09	
Bechtel Liquidated Damages.....	5,700.00	
Other.....	719,220.23	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	5,488,290.65	
Accrual.....	(4,429,641.97)	
Reserve.....	(1,506,210.00)	
Recoveries.....	(1,059,824.56)	
A/R Miscellaneous.....	(147,059.53)	
Accounts Receivable from Associated Companies.....		11,548,437.29
LG&E - KU Energy Services/Kentucky Utilities.....	11,548,307.67	
PPL Energy Funding.....	129.62	
Fuel.....		55,707,094.47
Coal 1,172,916.25 Tons @ \$46.96; MMBtu 26,562,379.10 @ 207.34¢.....	55,075,289.34	
Gas Pipeline 5,200 Mcf @ 17.56¢.....	91,299.33	
Fuel Oil 194,822.66 Gallons @ 277.43¢.....	540,505.80	
Plant Materials and Operating Supplies.....		30,482,076.24
Regular Materials and Supplies.....	29,598,880.32	
Limestone 100,912.60 Tons @ \$8.75.....	883,195.92	
Stores Expense Undistributed.....	5,550,219.41	5,550,219.41
Gas Stored Underground - Current.....		62,658,874.27
Gas Stored Underground* 13,482,596 Mcf (14.73 psia) @ \$4.65.....	62,658,874.27	
Emission Allowances.....	26,604.68	26,604.68

December 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 4,982,269.92
Insurance.....	1,890,428.16	
Taxes.....	1,140,206.26	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,634,968.79	
Unamortized Debt Expense.....		13,447,248.44
Trimble County 2000 Series A due 08/01/30 Var%.....	722,537.65	
Jefferson County 2001 Series A due 09/01/26 Var%.....	146,375.64	
Jefferson County 2001 Series A due 09/01/27 Var%.....	321,181.78	
Jefferson County 2001 Series B due 11/01/27 Var%.....	175,007.73	
Trimble County 2001 Series A due 09/01/26 Var%.....	159,152.25	
Trimble County 2001 Series B due 11/01/27 Var%.....	175,036.44	
Trimble County 2002 Series A due 10/01/32 Var%.....	775,446.11	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	434,189.06	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	166,745.61	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,021,989.86	
First Mortgage Bond due 11/15/15 1.625%.....	2,063,320.34	
First Mortgage Bond due 11/15/40 5.125%.....	3,452,599.36	
Revolving Credit Agreement.....	3,833,666.61	
Unamortized Loss on Bonds.....	20,823,617.00	20,823,617.00
Accumulated Deferred Income Taxes.....		26,355,404.03
Federal		
Electric.....	19,457,852.79	
Gas.....	1,767,626.33	
State		
Electric.....	4,781,415.40	
Gas.....	348,509.51	
Regulatory Assets.....		379,199,955.06
Pension and Postretirement Benefits.....	213,180,670.00	
Interest Rate Swap Ineffectiveness.....	56,108,659.50	
2009 Winter Storm.....	37,993,272.37	
2008 Wind Storm.....	20,401,621.75	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,544,305.85	
State		
Electric.....	2,287,715.35	
Swap Termination.....	8,958,761.44	
Asset Retirement Obligations		
Electric.....	8,552,641.08	
Gas.....	1,085,757.80	
Common.....	8,441.99	
2011 Summer Storm.....	7,997,890.53	
Gas Supply Clause/PBR.....	4,254,592.83	
Fuel Adjustment Clause.....	2,938,000.00	
MISO Exit Fee.....	822,118.90	
Rate Case Expenses.....	815,976.39	
KCCS Funding.....	585,360.34	
EKPC FERC Transmission Costs.....	381,537.84	
CMRG Funding.....	162,600.00	
General Management Audit.....	120,031.10	
Other Deferred Debits.....	1,649,265.49	1,649,265.49
Total Assets.....	<u>\$ 3,565,616,515.94</u>	<u>\$ 3,565,616,515.94</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

December 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,364,692,540.00
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	856,776,505.55	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,308,220.78	531,308,220.78
Accounts Payable.....		81,283,596.90
Regular.....	77,235,966.03	
Salaries and Wages Accrued.....	4,014,120.81	
Employee Withholdings Payable.....	33,510.06	
Accounts Payable to Associated Companies.....		16,784,036.42
LG&E - KU Energy Services/Kentucky Utilities.....	16,784,036.42	
Customers' Deposits.....	22,388,530.85	22,388,530.85
Taxes Accrued.....	29,529,563.22	29,529,563.22
Interest Accrued.....		5,951,860.54
Jefferson County 2000 Series A due 05/01/27 5.375%.....	111,979.17	
Trimble County 2000 Series A due 08/01/30 Var%.....	555.57	
Jefferson County 2001 Series A due 09/01/26 Var%.....	3,353.42	
Jefferson County 2001 Series A due 09/01/27 Var%.....	56.13	
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,082.19	
Trimble County 2001 Series A due 09/01/26 Var%.....	2,712.33	
Trimble County 2001 Series A due 10/01/32 Var%.....	114.15	
Trimble County 2001 Series B due 11/01/27 Var%.....	13,198.63	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	405,333.33	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	760,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	871,875.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	336,257.78	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,380,000.00	
Interest Rate Swaps.....	652,215.66	
First Mortgage Bond due 11/15/15 1.625%.....	180,555.56	
First Mortgage Bond due 11/15/40 5.125%.....	649,166.67	
Customers' Deposits.....	541,566.25	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	16,560.92	
Dividends Declared.....		28,000,000.00
Dividend Payable to LG&E and KU Energy LLC.....	28,000,000.00	
Miscellaneous Current and Accrued Liabilities.....		19,807,279.09
Vacation Pay Accrued.....	6,543,183.42	
ASC 815 Derivative Liability.....	4,263,262.23	
Customer Overpayments.....	4,008,400.47	
No-Notice Gas Payable.....	2,527,872.15	
Tax Collections Payable.....	864,719.75	
Postretirement Benefits - Current.....	624,694.04	
Unearned Revenue.....	458,483.13	
Home Energy Assistance.....	343,685.63	
Service Deposit Refund Payable.....	77,051.99	
Derivative Liabilities - Non-Hedging.....	(0.03)	
Other.....	95,926.31	

December 22, 2011

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**November 30, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 487,425,528.06
Federal		
Electric.....	343,634,266.79	
Gas.....	78,372,539.30	
State		
Electric.....	53,102,346.12	
Gas.....	12,316,375.85	
Investment Tax Credit.....		42,954,869.13
Advanced Coal Credit.....	23,189,878.00	
Job Development Credit		
Electric.....	19,197,511.98	
Gas.....	567,479.15	
Regulatory Liabilities.....		60,622,974.76
Deferred Taxes		
Federal		
Electric.....	28,183,235.06	
Gas.....	1,129,810.17	
State		
Electric.....	15,347,324.89	
Gas.....	2,483,161.13	
DSM Cost Recovery.....	4,848,724.58	
Gas Supply Clause/PBR.....	4,623,541.84	
Asset Retirement Obligations		
Gas.....	2,147,968.32	
Electric.....	287,101.92	
MISO Schedule 10 Charges.....	603,177.99	
Purchased Gas Adjustment - Tennessee Gas.....	528,412.86	
Environmental Cost Recovery.....	440,516.00	
Customers' Advances for Construction.....		7,247,002.77
Line Extensions		
Gas.....	6,384,092.53	
Electric.....	851,608.23	
Other.....	11,302.01	
Asset Retirement Obligations.....		56,022,754.36
Electric.....	34,339,754.58	
Gas.....	21,575,399.91	
Common.....	107,599.87	
Other Deferred Credits.....	35,534,880.32	35,534,880.32
Miscellaneous Long-Term Liabilities.....		57,497,148.14
Long-Term Derivative Liabilities - ASC 815.....	51,845,397.27	
Workers' Compensation.....	5,651,750.87	
Accumulated Provision for Benefits.....		144,261,730.60
Postretirement Benefits - ASC 715.....	79,132,188.92	
Pension Payable.....	61,662,688.50	
Post Employment Benefits Payable.....	3,698,041.00	
Post Employment Medicare Subsidy.....	(231,187.82)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,565,616,515.94</u>	<u>\$ 3,565,616,515.94</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**November 30, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 112,033,253.59	\$ 113,674,190.10
Items not requiring (providing) cash currently:		
Depreciation.....	130,109,969.12	120,215,941.59
Amortization.....	7,434,072.35	7,092,877.08
Deferred income taxes - net.....	41,421,288.15	23,163,894.75
Investment tax credit - net.....	(2,569,707.00)	(2,293,293.00)
Gain on disposal of assets.....	(1,187,093.47)	(33,760.40)
Other.....	22,880,403.77	26,448,006.35
Change in receivables.....	57,053,899.06	18,812,602.37
Change in inventory.....	8,260,958.42	(26,388,455.11)
Change in allowance inventory.....	(23,875.72)	1,298.76
Change in payables and accrued expenses.....	56,478,696.28	(37,378,119.41)
Change in regulatory assets.....	(35,043,560.79)	(45,805,603.35)
Change in regulatory liabilities.....	9,196,626.30	(33,320,929.21)
Change in other deferred debits.....	(30,969,354.26)	(576,727.85)
Change in other deferred credits.....	30,069,724.57	27,377,298.70
Pension and postretirement funding.....	(69,201,000.00)	(25,635,500.00)
Other.....	(10,433,925.92)	(19,201,555.04)
Net cash provided (used) by operating activities.....	<u>325,510,374.45</u>	<u>146,152,166.33</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(137,823,656.05)	(106,698,940.24)
Gross additions to common utility plant - construction expenditures.....	(11,309,568.36)	(19,398,993.91)
Change in restricted cash.....	(9,056,453.92)	-
Proceeds received from sale of property.....	1,187,093.47	34,136.95
Change in non-hedging derivatives.....	-	7,053,368.10
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(10,469,609.29)	-
Net cash provided (used) by investing activities.....	<u>(4,272,194.15)</u>	<u>(119,010,429.10)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(2,012,315.91)	1,172,007,056.41
Payments for retirement of long-term debt.....	-	(970,000,000.00)
Net change in short-term debt.....	(174,876,000.00)	(170,400,400.00)
Dividends on common stock.....	(83,250,000.00)	(55,000,000.00)
Net cash provided (used) by financing activities.....	<u>(260,138,315.91)</u>	<u>(23,393,343.59)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	61,099,864.39	3,748,393.64
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 63,225,876.23</u>	<u>\$ 8,943,880.02</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**November 30, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 111,979.18	\$ 111,979.17	\$ 1,231,770.88	\$ 1,231,770.75	\$ 1,343,750.05	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	12,639.15	31,077.02	173,649.27	357,368.25	207,561.98	374,220.43
Jefferson County 2001 Series A due 09/01/26 Var%.....	920.59	3,866.17	18,142.16	43,534.18	21,743.11	45,616.74
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,997.94	18,493.15	160,871.93	165,020.57	184,758.91	176,917.83
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,139.17	23,013.68	258,935.08	332,964.03	282,476.18	357,176.36
Trimble County 2001 Series A due 09/01/26 Var%.....	7,458.90	12,431.51	90,825.35	152,169.19	103,671.23	173,189.74
Trimble County 2001 Series A due 10/01/32 Var%.....	6,072.81	17,824.63	108,596.09	278,708.41	124,854.57	286,672.70
Trimble County 2001 Series B due 11/01/27 Var%.....	14,479.45	23,013.68	257,321.63	333,008.12	280,862.73	357,220.45
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	(12,729.93)	-	2,148,266.56	-	2,148,266.56	-
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.67	191,666.67	2,108,333.32	2,108,333.24	2,299,999.99	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,598,437.39	1,598,437.45	1,743,749.89	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	592,631.16	-	592,631.16	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,530,000.00	2,530,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	652,215.65	642,132.85	7,077,535.27	6,995,296.79	7,780,578.79	7,613,057.44
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	169,270.84	3,723,958.33	169,270.84	4,062,500.00	169,270.84
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	608,593.75	13,389,062.50	608,593.75	14,606,250.00	608,593.75
Fidelia/PPL.....	-	1,110,074.99	-	23,320,575.03	-	25,540,725.05
Revolving Credit Agreement.....	-	276,285.01	185,005.01	276,285.01	503,398.34	276,285.01
<b>Total.....</b>	<b>2,990,614.58</b>	<b>3,615,035.62</b>	<b>35,653,341.93</b>	<b>40,501,335.61</b>	<b>39,047,053.49</b>	<b>44,126,446.12</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	159,607.07	128,013.07	1,938,256.75	283,338.92	2,108,292.84	298,857.24
Amortization of Loss on Reacquired Debt.....	101,002.97	101,002.98	1,111,032.67	1,110,247.75	1,212,035.65	1,211,018.93
<b>Total.....</b>	<b>260,610.04</b>	<b>229,016.05</b>	<b>3,049,289.42</b>	<b>1,393,586.67</b>	<b>3,320,328.49</b>	<b>1,509,876.17</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	109,893.51	107,695.66	1,267,908.55	1,276,839.33	1,379,975.68	1,644,925.21
Other Tax Deficiencies.....	-	-	14,000.00	(17,500.00)	14,000.00	(19,527.00)
Interest on DSM Cost Recovery.....	1,469.28	1,172.58	13,882.97	25,152.22	15,145.99	27,053.21
Interest on Debt to Associated Companies.....	-	1,280.89	9,461.72	261,773.55	10,110.05	289,469.49
Other Interest Expense.....	84,367.49	53,450.90	1,060,806.82	782,298.46	1,221,278.53	815,179.08
<b>Total.....</b>	<b>195,730.28</b>	<b>163,600.03</b>	<b>2,366,060.06</b>	<b>2,328,563.56</b>	<b>2,640,510.25</b>	<b>2,757,099.99</b>
<b>Total Interest.....</b>	<b>\$ 3,446,954.90</b>	<b>\$ 4,007,651.70</b>	<b>\$ 41,068,691.41</b>	<b>\$ 44,223,485.84</b>	<b>\$ 45,007,892.23</b>	<b>\$ 48,393,422.28</b>

December 22, 2011



**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
November 30, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,511,141.00	\$ 272,746.10	\$ 16,622,551.00	\$ 12,503,490.80
Unemployment.....	3,050.46	(15,960.06)	128,267.62	165,867.04
FICA.....	587,380.50	290,566.48	7,108,643.72	6,422,837.14
Public Service Commission Fee.....	162,886.60	161,096.90	1,781,014.44	1,775,537.04
Federal Income.....	3,545,983.02	2,710,579.67	19,524,035.87	34,953,523.03
State Income.....	661,075.08	494,330.64	9,233,906.44	5,820,742.44
Miscellaneous.....	3,246.57	-	43,070.30	34,579.20
<b>Total Charged to Operating Expense.....</b>	<b>6,474,763.23</b>	<b>3,913,359.73</b>	<b>54,441,489.39</b>	<b>61,676,576.69</b>
Taxes Charged to Other Accounts.....	518,352.48	(2,082,965.11)	1,551,536.30	10,289,586.85
Taxes Accrued on Intercompany Accounts.....	(32,626.71)	(220,852.23)	(1,860,038.39)	(2,639,897.28)
<b>Total Taxes Charged.....</b>	<b>\$ 6,960,489.00</b>	<b>\$ 1,609,542.39</b>	<b>\$ 54,132,987.30</b>	<b>\$ 69,326,266.26</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 16,775,085.25	\$ 11,571,701.44	\$ 16,557,515.47
Unemployment.....	54,386.05	88,783.52	142,352.04	817.53
FICA.....	590,648.24	5,949,172.25	5,790,676.92	749,143.57
Federal Income.....	(3,741,320.05)	18,091,002.53	4,674,143.00	9,675,539.48
State Income.....	229,108.93	8,972,562.95	7,288,530.44	1,913,141.44
Kentucky Sales and Use Tax.....	1,088,857.95	4,132,855.31	4,621,074.25	600,639.01
Miscellaneous.....	22,339.97	123,525.49	113,098.74	32,766.72
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 54,132,987.30</b>	<b>\$ 34,201,576.83</b>	<b>\$ 29,529,563.22</b>

December 22, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**November 30, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 10,232,811.37	\$ (696,298.11)	\$ (30,818.06)	\$ 9,505,695.20	\$ 169,390,154.56
Common Intangible Plant.....	56,455,326.72	8,802,916.62	(1,661,801.58)	-	7,141,115.04	63,596,441.76
	<u>216,339,786.08</u>	<u>19,035,727.99</u>	<u>(2,358,099.69)</u>	<u>(30,818.06)</u>	<u>16,646,810.24</u>	<u>232,986,596.32</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	34,027,205.68	(6,799,229.79)	47,153.43	27,275,129.32	954,564,167.82
Electric General Plant.....	16,521,615.59	1,410,929.27	(1,981,092.03)	95,431.28	(474,731.48)	16,046,884.11
Electric Hydro Production.....	41,680,209.14	1,085,668.83	(229,943.87)	-	855,724.96	42,535,934.10
Electric Intangible Plant.....	2,340.29	-	-	-	-	2,340.29
Electric Other Production.....	229,401,033.01	5,823,654.94	(1,016,138.10)	38,429.14	4,845,945.98	234,246,978.99
Electric Steam Production.....	1,930,347,044.43	205,718,450.78	(26,466,191.93)	3,530,527.24	182,782,786.09	2,113,129,830.52
Electric Transmission.....	247,742,496.14	8,216,702.24	(1,586,170.73)	(47,153.43)	6,583,378.08	254,325,874.22
	<u>3,392,983,777.10</u>	<u>256,282,611.74</u>	<u>(38,078,766.45)</u>	<u>3,664,387.66</u>	<u>221,868,232.95</u>	<u>3,614,852,010.05</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	41,515,590.21	(613,524.96)	97,729.20	40,999,794.45	590,798,915.15
Gas General Plant.....	9,178,093.57	702,829.59	(1,090,634.01)	(185,857.43)	(573,661.85)	8,604,431.72
Gas Intangible Plant.....	1,187.49	-	-	-	-	1,187.49
Gas Storage.....	78,415,311.06	3,260,590.00	(1,654,671.28)	23,515.01	1,629,433.73	80,044,744.79
Gas Transmission.....	16,661,869.68	958,868.98	(20,299.95)	3,941,518.65	4,880,087.68	21,541,957.36
	<u>654,055,582.50</u>	<u>46,437,878.78</u>	<u>(3,379,130.20)</u>	<u>3,876,905.43</u>	<u>46,935,654.01</u>	<u>700,991,236.51</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>321,756,218.51</u>	<u>(43,815,996.34)</u>	<u>7,510,475.03</u>	<u>285,450,697.20</u>	<u>4,548,829,842.88</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**November 30, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 1,211,462.96	\$ -	\$ -	\$ 1,211,462.96	\$ 1,808,621.59
Common Intangible Plant.....	2,714,931.36	(1,069,957.02)	-	-	(1,069,957.02)	1,644,974.34
	<u>3,312,089.99</u>	<u>141,505.94</u>	<u>-</u>	<u>-</u>	<u>141,505.94</u>	<u>3,453,595.93</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	11,841,428.02	-	-	11,841,428.02	23,386,161.92
Electric General Plant.....	50,763.87	(50,763.87)	-	-	(50,763.87)	-
Electric Hydro Production.....	16,952.26	(495.90)	-	-	(495.90)	16,456.36
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	(1,727,573.21)	-	-	(1,727,573.21)	39,635.00
Electric Steam Production.....	15,929,229.77	7,530,174.44	-	-	7,530,174.44	23,459,404.21
Electric Transmission.....	<u>35,045,472.82</u>	<u>2,057,741.58</u>	<u>-</u>	<u>-</u>	<u>2,057,741.58</u>	<u>37,103,214.40</u>
	64,354,360.83	19,650,511.06	-	-	19,650,511.06	84,004,871.89
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(7,120,324.18)	-	-	(7,120,324.18)	17,299,831.98
Gas General Plant.....	126,992.17	93,185.49	-	-	93,185.49	220,177.66
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	(521,877.48)	-	-	(521,877.48)	429,548.58
Gas Transmission.....	<u>-</u>	<u>1,442,064.89</u>	<u>-</u>	<u>-</u>	<u>1,442,064.89</u>	<u>1,442,064.89</u>
	25,498,574.39	(6,106,951.28)	-	-	(6,106,951.28)	19,391,623.11
Total 106 Accounts	<u>93,165,025.21</u>	<u>13,685,065.72</u>	<u>-</u>	<u>-</u>	<u>13,685,065.72</u>	<u>106,850,090.93</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(7,867,665.57)	-	-	(7,867,665.57)	13,376,214.32
Electric.....	324,323,732.14	(165,950,481.76)	-	-	(165,950,481.76)	158,373,250.38
Gas.....	<u>39,756,306.91</u>	<u>3,023,277.45</u>	<u>-</u>	<u>-</u>	<u>3,023,277.45</u>	<u>42,779,584.36</u>
	385,323,918.94	(170,794,869.88)	-	-	(170,794,869.88)	214,529,049.06
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>335,441,284.23</u>	<u>(43,815,996.34)</u>	<u>3,327,915.33</u>	<u>294,953,203.22</u>	<u>4,658,544,177.85</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>164,646,414.35</u>	<u>(43,815,996.34)</u>	<u>3,327,915.33</u>	<u>124,158,333.34</u>	<u>4,873,073,226.91</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 164,646,414.35</u>	<u>\$ (43,815,996.34)</u>	<u>\$ 3,327,915.33</u>	<u>\$ 124,158,333.34</u>	<u>\$ 4,872,997,987.35</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (11,824,077.24)	\$ 696,298.11	\$ 30,818.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (88,360,196.17)
Common General Plant - ARO.....	(343.19)	(1,888.70)	-	-	-	-	-	-	-	(2,231.89)
Electric Distribution.....	(277,000,365.75)	(15,950,490.18)	6,799,229.79	(382.60)	-	-	-	-	-	(286,152,008.74)
Electric Distribution - ARO.....	(1,256.54)	(5,531.03)	-	-	-	-	-	-	-	(6,787.57)
Electric General Plant.....	(12,910,034.19)	(395,180.76)	1,981,092.03	(95,431.28)	-	-	-	-	-	(11,419,554.20)
Electric Hydro Production.....	(9,718,276.66)	(516,508.06)	229,943.87	-	-	-	-	-	-	(10,004,840.85)
Electric Hydro Production - ARO.....	(364.10)	(1,602.81)	-	-	-	-	-	-	-	(1,966.91)
Electric Other Production.....	(60,282,055.17)	(7,507,383.77)	1,016,138.10	-	-	-	-	-	-	(66,773,300.84)
Electric Other Production - ARO.....	(192.68)	(1,013.58)	-	-	-	-	-	-	-	(1,206.26)
Electric Steam Production.....	(1,029,518,070.37)	(52,075,527.36)	25,733,986.89	-	-	-	-	-	-	(1,055,859,610.84)
Electric Steam Production - ARO.....	(204,061.94)	(1,901,516.46)	732,205.04	116,513.06	-	-	-	-	-	(1,256,860.30)
Electric Transmission.....	(119,192,606.75)	(4,024,940.40)	1,586,170.73	382.60	-	-	-	-	-	(121,630,993.82)
Electric Transmission - ARO.....	(41.40)	(182.27)	-	-	-	-	-	-	-	(223.67)
Gas Distribution.....	(125,049,477.23)	(10,627,569.92)	538,485.69	(13,332.40)	-	-	-	-	-	(135,151,893.86)
Gas Distribution - ARO.....	(49,734.93)	(346,862.41)	75,039.27	-	-	-	-	-	-	(321,558.07)
Gas General Plant.....	(6,299,629.20)	(296,365.13)	1,090,634.01	87,301.32	-	-	-	-	-	(5,418,059.00)
Gas Storage.....	(31,288,281.49)	(992,767.27)	1,259,265.82	(9,355.70)	-	-	-	-	-	(31,031,138.64)
Gas Storage - ARO.....	(39,466.10)	(595,142.15)	395,405.46	-	-	-	-	-	-	(239,202.79)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(52,979.87)	20,299.95	-	-	-	-	-	-	(9,481,285.24)
Gas Transmission - ARO.....	-	(26,453.15)	-	-	-	-	-	-	-	(26,453.15)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(107,143,982.52)</u>	<u>42,154,194.76</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,823,202,733.17)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(258,340.63)	-	-	-	-	332,962.76	-	-	(613,750.34)
Electric Distribution.....	(146,715,298.78)	(6,318,991.10)	-	(55.48)	-	-	3,860,670.88	-	-	(149,173,674.48)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(39,224.65)	-	-	-	-	38,351.42	-	-	736,034.47
Electric Other Production.....	(2,505,175.99)	(322,025.24)	-	-	-	-	320,969.80	-	-	(2,506,231.43)
Electric Steam Production.....	(94,783,295.15)	(15,576,945.58)	-	-	-	-	3,582,177.53	-	-	(106,778,063.20)
Electric Transmission.....	(24,538,454.78)	(1,295,265.42)	-	55.48	-	-	206,202.17	-	-	(25,627,462.55)
Gas Distribution.....	(60,212,131.14)	(3,007,432.41)	-	-	-	-	1,487,211.13	-	-	(61,732,352.42)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(128,973.78)	-	-	-	-	573,971.38	-	-	274,559.70
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(13,108.44)	-	-	-	-	46,319.99	-	-	(2,983,602.40)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (26,960,307.25)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,448,837.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (348,400,676.03)</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**November 30, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,074.55	\$ 351.34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,425.89
Electric Distribution.....	17,535,024.98	1,281,008.55	-	-	-	-	-	(197,553.22)	-	18,618,480.31
Electric General Plant.....	138,281.25	2,118.05	-	-	-	-	-	-	-	140,399.30
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	1,856,536.91	-	-	-	-	-	(34,636.38)	-	23,850,470.67
Electric Transmission.....	6,247,368.67	240,183.75	-	-	-	-	-	-	-	6,487,552.42
Gas Distribution.....	3,594,440.75	183,189.15	-	-	-	-	-	-	-	3,777,629.90
Gas General Plant.....	225,788.37	2,136.01	-	-	-	-	-	-	-	227,924.38
Gas Storage.....	269,933.04	15,765.36	-	-	-	-	-	-	-	285,698.40
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	4,915.66	-	-	-	-	-	-	-	222,838.77
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>3,586,204.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,189.60)</u>	<u>-</u>	<u>54,247,059.54</u>
<b>Total Reserves</b>										
Common.....	(77,737,236.57)	(12,083,955.23)	696,298.11	30,818.06	-	-	332,962.76	-	-	(88,761,112.87)
Electric.....	(1,730,321,891.37)	(102,552,481.41)	38,078,766.45	21,081.78	-	-	8,008,371.80	(232,189.60)	-	(1,786,998,342.35)
Gas.....	(231,266,492.01)	(15,881,648.35)	3,379,130.20	64,613.22	-	-	2,107,502.50	-	-	(241,596,894.44)
	<u>(2,039,325,619.95)</u>	<u>(130,518,084.99)</u>	<u>42,154,194.76</u>	<u>116,513.06</u>	<u>-</u>	<u>-</u>	<u>10,448,837.06</u>	<u>(232,189.60)</u>	<u>-</u>	<u>(2,117,356,349.66)</u>
<b>Retirement Work In Progress</b>										
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	21,780.75	(20,894.00)	1,144.92	174,036.76
Electric.....	9,603,653.21	-	-	(78,968.13)	(1,142,636.19)	(7,201,791.25)	10,717,948.70	(479,247.66)	(516,368.43)	10,902,590.25
Gas.....	2,523,160.64	-	-	(23,759.86)	(1,053,809.06)	(1,311,698.78)	1,342,970.31	(7,015.24)	(2,703.32)	1,467,144.69
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(2,196,445.25)</u>	<u>(8,846,452.79)</u>	<u>12,082,699.76</u>	<u>(507,156.90)</u>	<u>(517,926.83)</u>	<u>12,543,771.70</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(130,518,084.99)</u>	<u>42,154,194.76</u>	<u>175,805.92</u>	<u>(2,196,445.25)</u>	<u>(8,846,452.79)</u>	<u>22,531,536.82</u>	<u>(739,346.50)</u>	<u>(517,926.83)</u>	<u>(2,104,812,577.96)</u>
<b>Amortization</b>										
Common.....	(16,306,390.60)	(7,434,072.35)	1,661,801.58	-	-	-	-	-	-	(22,078,661.37)
Electric.....	(100.00)	-	-	-	-	-	-	-	-	(100.00)
Gas.....	(800.00)	-	-	-	-	-	-	-	-	(800.00)
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(7,434,072.35)</u>	<u>1,661,801.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,079,561.37)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (137,952,157.34)</u>	<u>\$ 43,815,996.34</u>	<u>\$ 175,805.92</u>	<u>\$ (2,196,445.25)</u>	<u>\$ (8,846,452.79)</u>	<u>\$ 22,531,536.82</u>	<u>\$ (739,346.50)</u>	<u>\$ (517,926.83)</u>	<u>\$ (2,126,892,139.33)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,126,828,778.97)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,746,169,208.38</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**November 30, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 79,790,596.68	\$ -	\$ 79,790,596.68
Gas Operating Revenues.....	26,654,047.95	-	26,654,047.95
<b>Total Operating Revenues.....</b>	<b>106,444,644.63</b>	<b>-</b>	<b>106,444,644.63</b>
Fuel for Electric Generation.....	28,153,852.37	-	28,153,852.37
Power Purchased.....	5,064,747.78	-	5,064,747.78
Gas Supply Expenses.....	13,753,574.24	-	13,753,574.24
Other Operation Expenses.....	19,493,999.54	-	19,493,999.54
Maintenance.....	10,820,356.27	-	10,820,356.27
Depreciation.....	11,890,425.36	-	11,890,425.36
Amortization Expense.....	717,415.76	-	717,415.76
Regulatory Credits.....	(413,283.37)	-	(413,283.37)
Taxes			
Federal Income.....	3,545,983.02	-	3,545,983.02
State Income.....	661,075.08	-	661,075.08
Deferred Federal Income - Net.....	(18,861.57)	8,230.80	(10,630.77)
Deferred State Income - Net.....	279,395.94	1,501.06	280,897.00
Property and Other.....	2,267,705.13	-	2,267,705.13
Amortization of Investment Tax Credit.....	(236,034.00)	-	(236,034.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	230,714.66	-	230,714.66
<b>Total Operating Expenses.....</b>	<b>96,211,066.21</b>	<b>9,731.86</b>	<b>96,220,798.07</b>
Net Operating Income.....	10,233,578.42	(9,731.86)	10,223,846.56
Other Income Less Deductions.....	127,698.96	-	127,698.96
<b>Income Before Interest Charges.....</b>	<b>10,361,277.38</b>	<b>(9,731.86)</b>	<b>10,351,545.52</b>
Interest on Long-Term Debt.....	2,990,614.58	(25,017.63)	2,965,596.95
Amortization of Debt Expense - Net.....	260,610.04	-	260,610.04
Other Interest Expenses.....	195,730.28	-	195,730.28
<b>Total Interest Charges.....</b>	<b>3,446,954.90</b>	<b>(25,017.63)</b>	<b>3,421,937.27</b>
<b>Net Income.....</b>	<b>\$ 6,914,322.48</b>	<b>\$ 15,285.77</b>	<b>\$ 6,929,608.25</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**November 30, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 974,948,348.67	\$ -	\$ 974,948,348.67
Gas Operating Revenues.....	263,479,763.36	-	263,479,763.36
<b>Total Operating Revenues.....</b>	<b>1,238,428,112.03</b>	<b>-</b>	<b>1,238,428,112.03</b>
Fuel for Electric Generation.....	328,538,900.93	-	328,538,900.93
Power Purchased.....	67,954,253.01	-	67,954,253.01
Gas Supply Expenses.....	140,301,450.48	-	140,301,450.48
Other Operation Expenses.....	216,517,844.55	27,884.66	216,545,729.21
Maintenance.....	107,425,541.63	-	107,425,541.63
Depreciation.....	130,109,969.12	-	130,109,969.12
Amortization Expense.....	7,434,072.35	-	7,434,072.35
Regulatory Credits.....	(5,292,975.68)	-	(5,292,975.68)
Taxes			
Federal Income.....	19,524,035.87	-	19,524,035.87
State Income.....	9,233,906.44	-	9,233,906.44
Deferred Federal Income - Net.....	38,571,545.33	81,426.55	38,652,971.88
Deferred State Income - Net.....	143,524.54	14,849.84	158,374.38
Property and Other.....	25,683,547.09	-	25,683,547.09
Amortization of Investment Tax Credit.....	(2,569,707.00)	-	(2,569,707.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	2,412,783.12	-	2,412,783.12
<b>Total Operating Expenses.....</b>	<b>1,085,986,113.84</b>	<b>124,161.05</b>	<b>1,086,110,274.89</b>
Net Operating Income.....	152,441,998.19	(124,161.05)	152,317,837.14
Other Income Less Deductions.....	659,946.81	-	659,946.81
<b>Income Before Interest Charges.....</b>	<b>153,101,945.00</b>	<b>(124,161.05)</b>	<b>152,977,783.95</b>
Interest on Long-Term Debt.....	35,653,341.93	(275,193.93)	35,378,148.00
Amortization of Debt Expense - Net.....	3,049,289.42	-	3,049,289.42
Other Interest Expenses.....	2,366,060.06	-	2,366,060.06
<b>Total Interest Charges.....</b>	<b>41,068,691.41</b>	<b>(275,193.93)</b>	<b>40,793,497.48</b>
<b>Net Income.....</b>	<b>\$ 112,033,253.59</b>	<b>\$ 151,032.88</b>	<b>\$ 112,184,286.47</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**November 30, 2011**

	Current Month without Purchase Accounting		Current Month Purchase Accounting		Current Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 877,862,183.07	\$ 808,946,891.52	\$ (808,763,535.33)	-	\$ 69,098,647.74	\$ 808,946,891.52
Add:						
Net Income (Loss) for Period.....	6,914,322.48	5,006,164.82	15,285.77	23,804.53	6,929,608.25	5,029,969.35
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	28,000,000.00	-	-	-	28,000,000.00	-
Balance at End of Period.....	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>	<u>\$ (808,748,249.56)</u>	<u>\$ (808,923,086.99)</u>	<u>\$ 48,028,255.99</u>	<u>\$ 5,029,969.35</u>

December 22, 2011



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**November 30, 2011**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	112,033,253.59	113,674,190.10	151,032.88	23,804.53	112,184,286.47	113,697,994.63
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	<u>83,250,000.00</u>	<u>55,000,000.00</u>	<u>-</u>	<u>-</u>	<u>83,250,000.00</u>	<u>55,000,000.00</u>
Balance at End of Period.....	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>	<u>\$ (808,748,249.56)</u>	<u>\$ (808,923,086.99)</u>	<u>\$ 48,028,255.99</u>	<u>\$ 5,029,969.35</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**November 30, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 813,953,056.34	\$ 741,439,450.95	\$ (808,923,086.99)	\$ -	\$ 5,029,969.35	\$ 741,439,450.95
Add:						
Net Income (Loss) for Period.....	126,073,449.21	127,513,605.39	174,837.43	23,804.53	126,248,286.64	127,537,409.92
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	83,250,000.00	55,000,000.00	-	-	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 856,776,505.55</u>	<u>\$ 813,953,056.34</u>	<u>\$ (808,748,249.56)</u>	<u>\$ (808,923,086.99)</u>	<u>\$ 48,028,255.99</u>	<u>\$ 5,029,969.35</u>

December 22, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of November 30, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,872,997,987.35	\$ -	\$ 4,872,997,987.35
Less: Reserves for Depreciation and Amortization....	2,126,828,778.97	-	2,126,828,778.97
<b>Total.....</b>	<b>2,746,169,208.38</b>	<b>-</b>	<b>2,746,169,208.38</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	28,514,787.39	-	28,514,787.39
<b>Total.....</b>	<b>29,120,952.59</b>	<b>-</b>	<b>29,120,952.59</b>
<b>Current and Accrued Assets</b>			
Cash.....	34,195,977.48	-	34,195,977.48
Special Deposits.....	-	-	-
Temporary Cash Investments.....	29,029,898.75	-	29,029,898.75
Accounts Receivable - Less Reserve.....	114,669,412.44	-	114,669,412.44
Accounts Receivable from Associated Companies....	11,548,437.29	-	11,548,437.29
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	55,707,094.47	-	55,707,094.47
Plant Materials and Operating Supplies.....	30,482,076.24	-	30,482,076.24
Stores Expense.....	5,550,219.41	-	5,550,219.41
Gas Stored Underground.....	62,658,874.27	-	62,658,874.27
Emission Allowances.....	26,604.68	-	26,604.68
Prepayments.....	4,982,269.92	-	4,982,269.92
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>348,850,864.95</b>	<b>-</b>	<b>348,850,864.95</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,447,248.44	(3,496,727.46)	9,950,520.98
Unamortized Loss on Bonds.....	20,823,617.00	-	20,823,617.00
Accumulated Deferred Income Taxes.....	26,355,404.03	72,399,448.49	98,754,852.52
Deferred Regulatory Assets.....	379,199,955.06	9,399,492.26	388,599,447.32
Other Deferred Debits.....	1,649,265.49	164,818,885.26	166,468,150.75
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>441,475,490.02</b>	<b>632,278,450.14</b>	<b>1,073,753,940.16</b>
<b>Total Assets.....</b>	<b>\$ 3,565,616,515.94</b>	<b>\$ 632,278,450.14</b>	<b>\$ 4,197,894,966.08</b>

December 22, 2011

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of November 30, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	856,776,505.55	(808,748,249.56)	48,028,255.99
<b>Total Proprietary Capital.....</b>	<b>1,364,692,540.00</b>	<b>385,337,619.46</b>	<b>1,750,030,159.46</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,251,487.81	580,555,487.81
First Mortgage Bonds.....	531,308,220.78	-	531,308,220.78
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,612,220.78</b>	<b>6,251,487.81</b>	<b>1,111,863,708.59</b>
<b>Total Capitalization.....</b>	<b>2,470,304,760.78</b>	<b>391,589,107.27</b>	<b>2,861,893,868.05</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	81,283,596.90	-	81,283,596.90
Accounts Payable to Associated Companies.....	16,784,036.42	-	16,784,036.42
Customer Deposits.....	22,388,530.85	-	22,388,530.85
Taxes Accrued.....	29,529,563.22	-	29,529,563.22
Dividends Declared.....	28,000,000.00	-	28,000,000.00
Interest Accrued.....	5,951,860.54	-	5,951,860.54
Miscellaneous Current and Accrued Liabilities.....	19,807,279.09	-	19,807,279.09
<b>Total.....</b>	<b>203,744,867.02</b>	<b>-</b>	<b>203,744,867.02</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	487,425,528.06	69,967,692.81	557,393,220.87
Investment Tax Credit.....	42,954,869.13	-	42,954,869.13
Regulatory Liabilities.....	60,622,974.76	164,818,885.26	225,441,860.02
Customer Advances for Construction.....	7,247,002.77	-	7,247,002.77
Asset Retirement Obligations.....	56,022,754.36	-	56,022,754.36
Other Deferred Credits.....	35,534,880.32	5,902,764.80	41,437,645.12
Miscellaneous Long-Term Liabilities.....	57,497,148.14	-	57,497,148.14
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	144,261,730.60	-	144,261,730.60
<b>Total.....</b>	<b>891,566,888.14</b>	<b>240,689,342.87</b>	<b>1,132,256,231.01</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,565,616,515.94</b>	<b>\$ 632,278,450.14</b>	<b>\$ 4,197,894,966.08</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - December 31, 2011**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

December 31, 2011

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**December 31, 2011**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the previous year's financial statements to conform to the 2011 presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2011**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 84,801,954.82	\$ 93,751,447.34	\$ (8,949,492.52)	(9.55)
Gas Operating Revenues.....	41,094,658.46	57,294,231.67	(16,199,573.21)	(28.27)
<b>Total Operating Revenues.....</b>	<b>125,896,613.28</b>	<b>151,045,679.01</b>	<b>(25,149,065.73)</b>	<b>(16.65)</b>
Fuel for Electric Generation.....	32,429,492.43	34,495,080.08	(2,065,587.65)	(5.99)
Power Purchased.....	6,940,294.11	4,790,428.59	2,149,865.52	44.88
Gas Supply Expenses.....	20,934,175.22	38,001,070.70	(17,066,895.48)	(44.91)
Other Operation Expenses.....	19,759,510.34	18,711,551.25	1,047,959.09	5.60
Maintenance.....	8,933,526.92	14,961,040.90	(6,027,513.98)	(40.29)
Depreciation.....	11,888,245.80	10,994,061.68	894,184.12	8.13
Amortization Expense.....	699,391.68	634,111.82	65,279.86	10.29
Regulatory Credits.....	(437,110.01)	(409,343.52)	(27,766.49)	(6.78)
Taxes				
Federal Income.....	(7,561,185.42)	(6,078,915.85)	(1,482,269.57)	(24.38)
State Income.....	(968,373.77)	226,424.99	(1,194,798.76)	(527.68)
Deferred Federal Income - Net.....	13,652,179.03	13,181,597.26	470,581.77	3.57
Deferred State Income - Net.....	1,868,150.81	1,002,926.16	865,224.65	86.27
Property and Other.....	2,438,036.55	1,669,312.60	768,723.95	46.05
Amortization of Investment Tax Credit.....	(236,025.00)	(208,481.00)	(27,544.00)	(13.21)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	231,701.50	217,727.10	13,974.40	6.42
<b>Total Operating Expenses.....</b>	<b>110,572,010.19</b>	<b>132,188,592.76</b>	<b>(21,616,582.57)</b>	<b>(16.35)</b>
Net Operating Income.....	15,324,603.09	18,857,086.25	(3,532,483.16)	(18.73)
Other Income Less Deductions.....	419,450.96	(877,689.81)	1,297,140.77	147.79
<b>Income Before Interest Charges.....</b>	<b>15,744,054.05</b>	<b>17,979,396.44</b>	<b>(2,235,342.39)</b>	<b>(12.43)</b>
Interest on Long-Term Debt.....	3,156,393.86	3,393,711.56	(237,317.70)	(6.99)
Amortization of Debt Expense - Net.....	262,183.81	271,039.07	(8,855.26)	(3.27)
Other Interest Expenses.....	172,424.54	274,450.19	(102,025.65)	(37.17)
<b>Total Interest Charges.....</b>	<b>3,591,002.21</b>	<b>3,939,200.82</b>	<b>(348,198.61)</b>	<b>(8.84)</b>
<b>Net Income.....</b>	<b>\$ 12,153,051.84</b>	<b>\$ 14,040,195.62</b>	<b>\$ (1,887,143.78)</b>	<b>(13.44)</b>



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2011**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,059,750,303.49	\$ 1,015,611,566.97	\$ 44,138,736.52	4.35
Gas Operating Revenues.....	304,574,421.82	302,947,355.88	1,627,065.94	0.54
<b>Total Operating Revenues.....</b>	<b>1,364,324,725.31</b>	<b>1,318,558,922.85</b>	<b>45,765,802.46</b>	<b>3.47</b>
Fuel for Electric Generation.....	360,968,393.36	368,556,326.34	(7,587,932.98)	(2.06)
Power Purchased.....	74,894,547.12	54,379,718.69	20,514,828.43	37.73
Gas Supply Expenses.....	161,235,625.70	169,003,608.05	(7,767,982.35)	(4.60)
Other Operation Expenses.....	236,277,354.89	226,813,004.57	9,464,350.32	4.17
Maintenance.....	116,359,068.55	111,701,105.08	4,657,963.47	4.17
Depreciation.....	141,998,214.92	131,210,003.27	10,788,211.65	8.22
Amortization Expense.....	8,133,464.03	7,726,988.90	406,475.13	5.26
Regulatory Credits.....	(5,730,085.69)	(4,269,731.45)	(1,460,354.24)	(34.20)
Taxes				
Federal Income.....	11,962,850.45	28,874,607.18	(16,911,756.73)	(58.57)
State Income.....	8,265,532.67	6,047,167.43	2,218,365.24	36.68
Deferred Federal Income - Net.....	52,223,724.36	27,667,005.00	24,556,719.36	88.76
Deferred State Income - Net.....	2,011,675.35	2,370,024.44	(358,349.09)	(15.12)
Property and Other.....	28,121,583.64	22,571,623.82	5,549,959.82	24.59
Amortization of Investment Tax Credit.....	(2,805,732.00)	(2,501,774.00)	(303,958.00)	(12.15)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,644,484.62	3,284,105.63	(639,621.01)	(19.48)
<b>Total Operating Expenses.....</b>	<b>1,196,558,124.03</b>	<b>1,153,399,322.81</b>	<b>43,158,801.22</b>	<b>3.74</b>
Net Operating Income.....	167,766,601.28	165,159,600.04	2,607,001.24	1.58
Other Income Less Deductions.....	1,079,397.77	10,717,472.34	(9,638,074.57)	(89.93)
<b>Income Before Interest Charges.....</b>	<b>168,845,999.05</b>	<b>175,877,072.38</b>	<b>(7,031,073.33)</b>	<b>(4.00)</b>
Interest on Long-Term Debt.....	38,809,735.79	43,895,047.17	(5,085,311.38)	(11.59)
Amortization of Debt Expense - Net.....	3,311,473.23	1,664,625.74	1,646,847.49	98.93
Other Interest Expenses.....	2,538,484.60	2,603,013.75	(64,529.15)	(2.48)
<b>Total Interest Charges.....</b>	<b>44,659,693.62</b>	<b>48,162,686.66</b>	<b>(3,502,993.04)</b>	<b>(7.27)</b>
<b>Net Income.....</b>	<b>\$ 124,186,305.43</b>	<b>\$ 127,714,385.72</b>	<b>\$ (3,528,080.29)</b>	<b>(2.76)</b>

January 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**December 31, 2011**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,059,750,303.49	\$ 1,015,611,566.97	\$ 44,138,736.52	4.35
Gas Operating Revenues.....	304,574,421.82	302,947,355.88	1,627,065.94	0.54
<b>Total Operating Revenues.....</b>	<b>1,364,324,725.31</b>	<b>1,318,558,922.85</b>	<b>45,765,802.46</b>	<b>3.47</b>
Fuel for Electric Generation.....	360,968,393.36	368,556,326.34	(7,587,932.98)	(2.06)
Power Purchased.....	74,894,547.12	54,379,718.69	20,514,828.43	37.73
Gas Supply Expenses.....	161,235,625.70	169,003,608.05	(7,767,982.35)	(4.60)
Other Operation Expenses.....	236,277,354.89	226,813,004.57	9,464,350.32	4.17
Maintenance.....	116,359,068.55	111,701,105.08	4,657,963.47	4.17
Depreciation.....	141,998,214.92	131,210,003.27	10,788,211.65	8.22
Amortization Expense.....	8,133,464.03	7,726,988.90	406,475.13	5.26
Regulatory Credits.....	(5,730,085.69)	(4,269,731.45)	(1,460,354.24)	(34.20)
Taxes				
Federal Income.....	11,962,850.45	28,874,607.18	(16,911,756.73)	(58.57)
State Income.....	8,265,532.67	6,047,167.43	2,218,365.24	36.68
Deferred Federal Income - Net.....	52,223,724.36	27,667,005.00	24,556,719.36	88.76
Deferred State Income - Net.....	2,011,675.35	2,370,024.44	(358,349.09)	(15.12)
Property and Other.....	28,121,583.64	22,571,623.82	5,549,959.82	24.59
Amortization of Investment Tax Credit.....	(2,805,732.00)	(2,501,774.00)	(303,958.00)	(12.15)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,644,484.62	3,284,105.63	(639,621.01)	(19.48)
<b>Total Operating Expenses.....</b>	<b>1,196,558,124.03</b>	<b>1,153,399,322.81</b>	<b>43,158,801.22</b>	<b>3.74</b>
Net Operating Income.....	167,766,601.28	165,159,600.04	2,607,001.24	1.58
Other Income Less Deductions.....	1,079,397.77	10,717,472.34	(9,638,074.57)	(89.93)
<b>Income Before Interest Charges.....</b>	<b>168,845,999.05</b>	<b>175,877,072.38</b>	<b>(7,031,073.33)</b>	<b>(4.00)</b>
Interest on Long-Term Debt.....	38,809,735.79	43,895,047.17	(5,085,311.38)	(11.59)
Amortization of Debt Expense - Net.....	3,311,473.23	1,664,625.74	1,646,847.49	98.93
Other Interest Expenses.....	2,538,484.60	2,603,013.75	(64,529.15)	(2.48)
<b>Total Interest Charges.....</b>	<b>44,659,693.62</b>	<b>48,162,686.66</b>	<b>(3,502,993.04)</b>	<b>(7.27)</b>
<b>Net Income.....</b>	<b>\$ 124,186,305.43</b>	<b>\$ 127,714,385.72</b>	<b>\$ (3,528,080.29)</b>	<b>(2.76)</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**December 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 856,776,505.55	\$ 813,953,056.34	\$ 827,993,251.96	\$ 755,278,866.24	\$ 827,993,251.96	\$ 755,278,866.24
Add:						
Net Income for Period.....	12,153,051.84	14,040,195.62	124,186,305.43	127,714,385.72	124,186,305.43	127,714,385.72
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	83,250,000.00	55,000,000.00	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of December 31, 2011 and 2010**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,897,295,931.52	\$ 4,748,839,654.01	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,117,873,452.51</u>	<u>2,043,099,789.34</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,779,422,479.01</u>	<u>2,705,739,864.67</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>868,929,557.39</u>	<u>827,993,251.96</u>
			Total Proprietary Capital.....	<u>1,376,845,591.84</u>	<u>1,335,909,286.41</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	411,104,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,331,542.44	531,051,682.50
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	-
Special Funds.....	<u>28,846,730.20</u>	<u>18,763,173.33</u>	Total Long-Term Debt.....	<u>1,105,635,542.44</u>	<u>942,155,682.50</u>
Total.....	<u>29,452,895.40</u>	<u>19,369,338.53</u>	Total Capitalization.....	<u>2,482,481,134.28</u>	<u>2,278,064,968.91</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	24,920,484.53	2,025,606.25	ST Notes Payable to Associated Companies.....	-	11,876,000.00
Special Deposits.....	12,277.00	3,511,014.88	Notes Payable.....	-	163,000,000.00
Temporary Cash Investments.....	33,063.99	100,405.59	Accounts Payable.....	97,848,807.56	104,974,357.13
Accounts Receivable - Less Reserve.....	137,419,594.66	163,630,222.30	Accounts Payable to Associated Companies.....	25,528,425.55	19,944,791.03
Accounts Receivable from Associated Companies.....	10,916,898.01	29,799,791.23	Customer Deposits.....	22,361,041.85	23,237,608.55
Materials and Supplies - At Average Cost.....			Taxes Accrued.....	13,284,849.56	9,598,152.76
Fuel.....	52,502,546.26	68,043,290.05	Interest Accrued.....	5,825,755.42	5,235,853.08
Plant Materials and Operating Supplies.....	30,625,941.68	29,326,915.51	Miscellaneous Current and Accrued Liabilities.....	<u>22,176,210.30</u>	<u>24,850,419.60</u>
Stores Expense.....	5,596,505.54	4,943,153.44	Total.....	<u>187,025,090.24</u>	<u>362,717,182.15</u>
Gas Stored Underground.....	53,287,604.59	59,956,180.78			
Emission Allowances.....	2,511.67	2,728.96	Deferred Credits and Other		
Prepayments.....	5,472,353.44	6,832,694.11	Accumulated Deferred Income Taxes.....	499,655,847.56	458,393,362.16
Miscellaneous Current and Accrued Assets.....	-	137,908.13	Investment Tax Credit.....	42,718,844.13	45,524,576.13
Total.....	<u>320,789,781.37</u>	<u>368,309,911.23</u>	Regulatory Liabilities.....	58,617,596.40	51,426,348.46
Deferred Debits and Other			Customer Advances for Construction.....	7,307,168.56	8,580,930.08
Unamortized Debt Expense.....	13,326,195.59	13,116,651.27	Asset Retirement Obligations.....	58,606,350.25	52,650,788.91
Unamortized Loss on Bonds.....	20,963,862.78	21,934,649.45	Other Deferred Credits.....	5,120,367.14	5,677,069.75
Accumulated Deferred Income Taxes.....	23,826,072.01	38,744,526.28	Miscellaneous Long-Term Liabilities.....	60,707,001.86	35,751,188.04
Deferred Regulatory Assets.....	397,110,901.24	344,036,363.17	Accum Provision for Postretirement Benefits.....	<u>184,133,495.20</u>	<u>213,591,950.50</u>
Other Deferred Debits.....	<u>1,480,708.22</u>	<u>1,127,060.49</u>	Total.....	<u>916,866,671.10</u>	<u>871,596,214.03</u>
Total.....	<u>456,707,739.84</u>	<u>418,959,250.66</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>
Total Assets.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,512,378,365.09</u>			

January 26, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**December 31, 2011**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			868,929,557.39	
 Total Proprietary Capital.....			1,376,845,591.84	55.46
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.13
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.56
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(683,937.53)	
First Mortgage Bond Due 11/15/40 5.125%.....			(2,984,520.03)	
			(3,668,457.56)	-0.15
 Total First Mortgage Bonds - Net of Debt Discount.....			531,331,542.44	21.41
 Total Capitalization.....			\$ 2,482,481,134.28	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,897,295,931.52	\$ 4,897,295,931.52
Reserves for Depreciation and Amortization.....		(2,117,873,452.51)
Depreciation of Plant		
Electric.....	(1,783,822,898.33)	
Gas.....	(236,679,884.91)	
Common.....	(77,299,065.24)	
Amortization of Plant		
Common.....	(20,071,604.03)	
Investments.....		29,452,895.40
Special Funds.....	28,846,730.20	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	24,920,484.53	24,920,484.53
Special Deposits.....		12,277.00
Restricted Cash - Short Term.....	12,277.00	
Temporary Cash Investments.....	33,063.99	33,063.99
Accounts Receivable - Less Reserve.....		137,419,594.66
Unbilled Revenues.....	64,436,527.09	
Customers - Active.....	58,965,455.78	
IMPA.....	3,225,609.95	
IMEA.....	3,103,454.41	
Income Tax Receivable - Federal.....	2,830,025.70	
Wholesale Sales.....	2,363,808.52	
Income Tax Receivable - State.....	1,398,303.27	
Sundry Accounts Receivable.....	1,078,348.94	
Transmission Sales.....	486,917.51	
Damage Claims.....	476,720.60	
Electricity Swaps.....	166,354.87	
Other.....	723,975.36	
Reserves for Uncollectible Accounts		
Utility Customers		
Reserve.....	(1,398,388.00)	
A/R Miscellaneous.....	(271,164.47)	
LEM Reserve.....	(166,354.87)	
Accounts Receivable from Associated Companies.....		10,916,898.01
LG&E and KU Services/Kentucky Utilities.....	10,916,898.01	
Fuel.....		52,502,546.26
Coal 1,067,380.90 Tons @ \$48.27; MMBtu 24,033,688.29 @ 214.36¢.....	51,518,599.61	
Fuel Oil 193,900.34 Gallons @ 263.99¢.....	511,871.55	
Gas Pipeline 5,100 Mcf @ \$92.56.....	472,075.10	
Plant Materials and Operating Supplies.....		30,625,941.68
Regular Materials and Supplies.....	29,804,274.36	
Limestone 92,949.89 Tons @ \$8.84.....	821,667.32	
Stores Expense Undistributed.....	5,596,505.54	5,596,505.54
Gas Stored Underground - Current.....		53,287,604.59
Gas Stored Underground* 11,466,101 Mcf (14.73 psia) @ \$4.65.....	53,287,604.59	
Emission Allowances.....	2,511.67	2,511.67

January 26, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 5,472,353.44
Insurance.....	2,700,567.85	
Taxes.....	977,319.66	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,477,799.22	
Unamortized Debt Expense.....		13,326,195.59
Trimble County 2000 Series A due 08/01/30 Var%.....	719,312.04	
Jefferson County 2001 Series A due 09/01/26 Var%.....	145,548.66	
Jefferson County 2001 Series A due 09/01/27 Var%.....	319,482.40	
Jefferson County 2001 Series B due 11/01/27 Var%.....	174,091.46	
Trimble County 2001 Series A due 09/01/26 Var%.....	158,253.08	
Trimble County 2001 Series B due 11/01/27 Var%.....	174,120.02	
Trimble County 2002 Series A due 10/01/32 Var%.....	772,344.33	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	432,531.85	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	166,099.31	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,018,028.66	
First Mortgage Bond due 11/15/15 1.625%.....	2,019,800.08	
First Mortgage Bond due 11/15/40 5.125%.....	3,442,661.92	
Revolving Credit Agreement.....	3,783,921.78	
Unamortized Loss on Bonds.....	20,963,862.78	20,963,862.78
Accumulated Deferred Income Taxes.....		23,826,072.01
Federal		
Electric.....	17,653,436.97	
Gas.....	1,368,281.19	
State		
Electric.....	4,502,703.92	
Gas.....	301,649.93	
Regulatory Assets.....		397,110,901.24
Pension and Postretirement Benefits.....	225,305,162.00	
Interest Rate Swap Ineffectiveness.....	59,566,464.10	
2009 Winter Storm.....	37,627,952.45	
2008 Wind Storm.....	20,205,452.31	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,458,133.70	
State		
Electric.....	2,272,000.07	
Asset Retirement Obligations		
Electric.....	9,423,533.13	
Gas.....	1,233,920.15	
Common.....	9,106.86	
Swap Termination.....	8,937,221.78	
2011 Summer Storm.....	8,052,124.65	
Gas Supply Clause/PBR.....	5,701,472.15	
Fuel Adjustment Clause.....	3,598,000.00	
MISO Exit Fee.....	759,632.70	
Rate Case Expenses.....	751,749.46	
KCCS Funding.....	567,067.83	
EKPC FERC Transmission Costs.....	367,406.80	
CMRG Funding.....	154,470.00	
General Management Audit.....	120,031.10	
Other Deferred Debits.....	1,480,708.22	1,480,708.22
Total Assets.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,586,372,895.62</u>

* Excludes:	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,376,845,591.84
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	868,929,557.39	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,331,542.44	531,331,542.44
Accounts Payable.....		97,848,807.56
Regular.....	90,581,239.26	
Employee Withholdings Payable.....	5,545,226.10	
Salaries and Wages Accrued.....	1,722,342.20	
Accounts Payable to Associated Companies.....		25,528,425.55
LG&E and KU Services/Kentucky Utilities.....	25,528,425.55	
Customers' Deposits.....	22,361,041.85	22,361,041.85
Taxes Accrued.....	13,284,849.56	13,284,849.56
Interest Accrued.....		5,825,755.42
Jefferson County 2000 Series A due 05/01/27 5.375%.....	17,895.83	
Trimble County 2000 Series A due 08/01/30 Var%.....	17,778.13	
Jefferson County 2001 Series A due 09/01/26 Var%.....	3,698.63	
Jefferson County 2001 Series A due 09/01/27 Var%.....	67.36	
Jefferson County 2001 Series B due 11/01/27 Var%.....	11,650.69	
Trimble County 2001 Series A due 09/01/26 Var%.....	10,193.83	
Trimble County 2001 Series A due 10/01/32 Var%.....	3,652.82	
Trimble County 2001 Series B due 11/01/27 Var%.....	11,650.69	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	608,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.44	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	57,591.11	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Interest Rate Swaps.....	695,186.64	
First Mortgage Bond due 11/15/15 1.625%.....	519,097.22	
First Mortgage Bond due 11/15/40 5.125%.....	1,866,354.17	
Customers' Deposits.....	643,905.89	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	17,775.47	
Miscellaneous Current and Accrued Liabilities.....		22,176,210.30
Vacation Pay Accrued.....	5,980,227.35	
No-Notice Gas Payable.....	4,808,672.31	
Derivative Liability - ASC 815.....	4,550,755.28	
Customer Overpayments.....	4,191,985.69	
Tax Collections Payable.....	1,090,154.03	
Home Energy Assistance.....	511,590.60	
Retirement Income Liability.....	436,163.62	
Unearned Revenue.....	390,305.33	
Other.....	216,356.09	

January 26, 2012



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**December 31, 2011**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 499,655,847.56
Federal		
Electric.....	350,820,895.44	
Gas.....	81,862,099.14	
State		
Electric.....	54,295,012.50	
Gas.....	12,677,840.48	
Investment Tax Credit.....		42,718,844.13
Advanced Coal Credit.....	23,136,534.00	
Job Development Credit		
Electric.....	19,026,103.98	
Gas.....	556,206.15	
Regulatory Liabilities.....		58,617,596.40
Deferred Taxes		
Federal		
Electric.....	27,503,680.54	
Gas.....	1,082,516.16	
State		
Electric.....	15,083,739.54	
Gas.....	2,461,807.12	
Gas Supply Clause/PBR.....	5,039,984.33	
DSM Cost Recovery.....	3,683,375.48	
Asset Retirement Obligations		
Gas.....	2,149,408.34	
Electric.....	188,608.63	
MISO Schedule 10 Charges.....	626,757.60	
Purchased Gas Adjustment - Tennessee Gas.....	478,531.66	
Environmental Cost Recovery.....	319,187.00	
Customers' Advances for Construction.....		7,307,168.56
Line Extensions		
Gas.....	6,358,367.69	
Electric.....	936,200.87	
Other.....	12,600.00	
Asset Retirement Obligations.....		58,606,350.25
Electric.....	36,829,095.09	
Gas.....	21,669,162.12	
Common.....	108,093.04	
Other Deferred Credits.....	5,120,367.14	5,120,367.14
Miscellaneous Long-Term Liabilities.....		60,707,001.86
Long-Term Derivative Liabilities - ASC 815.....	55,015,708.82	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		184,133,495.20
Postretirement Benefits - ASC 715.....	87,027,508.70	
Pension Payable.....	93,620,496.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,372,895.62</u>	<u>\$ 3,586,372,895.62</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**December 31, 2011**

	Year to Date	
	2011	2010
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 124,186,305.43	\$ 127,714,385.72
Items not requiring (providing) cash currently:		
Depreciation.....	141,998,214.92	131,210,003.27
Amortization.....	8,133,464.03	7,726,988.90
Deferred income taxes - net.....	56,180,939.67	50,457,601.38
Investment tax credit - net.....	(2,805,732.00)	(2,501,774.00)
Gain on disposal of assets.....	(69,454.19)	(33,760.40)
Other.....	22,585,849.87	(15,890,518.03)
Change in receivables.....	45,243,958.83	3,874,675.81
Change in inventory.....	20,639,802.14	(12,359,019.98)
Change in allowance inventory.....	217.29	1,442.04
Change in payables and accrued expenses.....	30,053,152.44	(56,166,888.97)
Change in regulatory assets.....	(52,954,506.97)	(24,046,268.46)
Change in regulatory liabilities.....	7,191,247.94	(33,480,860.12)
Change in other deferred debits.....	2,718,585.20	1,976,680.21
Change in other deferred credits.....	(436,232.17)	(2,350,629.16)
Pension and postretirement funding.....	(70,274,658.00)	(26,813,841.00)
Other.....	(12,229,993.32)	40,124,768.11
Net cash provided (used) by operating activities.....	<u>320,161,161.11</u>	<u>189,442,985.32</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(164,665,585.86)	(147,091,035.98)
Gross additions to common utility plant - construction expenditures.....	(14,380,687.80)	(23,590,289.68)
Change in restricted cash.....	(9,400,673.73)	-
Proceeds received from sale of property.....	69,454.19	34,433.85
Change in non-hedging derivatives.....	-	3,181,184.50
Reissuance of reacquired bonds as Available for Sale debt securities.....	163,200,000.00	-
Other.....	(11,759,760.24)	(10,831,604.16)
Net cash provided (used) by investing activities.....	<u>(36,937,253.44)</u>	<u>(178,297,311.47)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(2,270,370.99)	521,309,251.60
Payments for retirement of long-term debt.....	-	(485,000,000.00)
Net change in short-term debt.....	(174,876,000.00)	4,475,600.00
Dividends on common stock.....	(83,250,000.00)	(55,000,000.00)
Net cash provided (used) by financing activities.....	<u>(260,396,370.99)</u>	<u>(14,215,148.40)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	22,827,536.68	(3,069,474.54)
Cash and Cash Equivalents at Beginning of Period.....	<u>2,126,011.84</u>	<u>5,195,486.38</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 24,953,548.52</u>	<u>\$ 2,126,011.84</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**December 31, 2011**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 17,895.82	\$ 111,979.17	\$ 1,249,666.70	\$ 1,343,749.92	\$ 1,249,666.70	\$ 1,343,749.92
Trimble County 2000 Series A due 08/01/30 Var%.....	17,222.57	33,912.71	190,871.84	391,280.96	190,871.84	391,280.96
Jefferson County 2001 Series A due 09/01/26 Var%.....	920.59	3,600.95	19,062.75	47,135.13	19,062.75	47,135.13
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,868.50	23,886.98	166,740.43	188,907.55	166,740.43	188,907.55
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,376.72	23,541.10	272,311.80	356,505.13	272,311.80	356,505.13
Trimble County 2001 Series A due 09/01/26 Var%.....	7,707.53	12,845.88	98,532.88	165,015.07	98,532.88	165,015.07
Trimble County 2001 Series A due 10/01/32 Var%.....	3,538.67	16,258.48	112,134.76	294,966.89	112,134.76	294,966.89
Trimble County 2001 Series B due 11/01/27 Var%.....	13,568.50	23,541.10	270,890.13	356,549.22	270,890.13	356,549.22
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.67	-	2,350,933.23	-	2,350,933.23	-
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	2,299,999.98	2,299,999.91	2,299,999.98	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.49	145,312.50	1,743,749.88	1,743,749.95	1,743,749.88	1,743,749.95
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	-	648,364.50	-	648,364.50	-
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	2,760,000.00	2,760,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	695,186.64	703,043.52	7,772,721.91	7,698,340.31	7,772,721.91	7,698,340.31
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.66	338,541.67	4,062,499.99	507,812.51	4,062,499.99	507,812.51
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.50	1,217,187.50	14,606,250.00	1,825,781.25	14,606,250.00	1,825,781.25
Fidelia/PPL.....	-	-	-	23,320,575.03	-	23,320,575.03
Revolving Credit Agreement.....	-	318,393.33	185,005.01	594,678.34	185,005.01	594,678.34
<b>Total.....</b>	<b>3,156,393.86</b>	<b>3,393,711.56</b>	<b>38,809,735.79</b>	<b>43,895,047.17</b>	<b>38,809,735.79</b>	<b>43,895,047.17</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	159,869.70	170,036.09	2,098,126.45	453,375.01	2,098,126.45	453,375.01
Amortization of Loss on Reacquired Debt.....	102,314.11	101,002.98	1,213,346.78	1,211,250.73	1,213,346.78	1,211,250.73
<b>Total.....</b>	<b>262,183.81</b>	<b>271,039.07</b>	<b>3,311,473.23</b>	<b>1,664,625.74</b>	<b>3,311,473.23</b>	<b>1,664,625.74</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	115,726.44	112,067.13	1,383,634.99	1,388,906.46	1,383,634.99	1,388,906.46
Other Tax Deficiencies.....	-	-	14,000.00	(17,500.00)	14,000.00	(17,500.00)
Interest on DSM Cost Recovery.....	1,214.55	1,263.02	15,097.52	26,415.24	15,097.52	26,415.24
Interest on Debt to Associated Companies.....	201.37	648.33	9,663.09	262,421.88	9,663.09	262,421.88
Other Interest Expense.....	55,282.18	160,471.71	1,116,089.00	942,770.17	1,116,089.00	942,770.17
<b>Total.....</b>	<b>172,424.54</b>	<b>274,450.19</b>	<b>2,538,484.60</b>	<b>2,603,013.75</b>	<b>2,538,484.60</b>	<b>2,603,013.75</b>
<b>Total Interest.....</b>	<b>\$ 3,591,002.21</b>	<b>\$ 3,939,200.82</b>	<b>\$ 44,659,693.62</b>	<b>\$ 48,162,686.66</b>	<b>\$ 44,659,693.62</b>	<b>\$ 48,162,686.66</b>

January 26, 2012

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
December 31, 2011**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,500,479.64	\$ 431,812.94	\$ 18,123,030.64	\$ 12,935,303.74
Unemployment.....	69,875.67	37,049.46	198,143.29	202,916.50
FICA.....	701,548.07	1,039,353.30	7,810,191.79	7,462,190.44
Public Service Commission Fee.....	162,886.60	161,096.90	1,943,901.04	1,936,633.94
Federal Income.....	(7,561,185.42)	(6,078,915.85)	11,962,850.45	28,874,607.18
State Income.....	(968,373.77)	226,424.99	8,265,532.67	6,047,167.43
Miscellaneous.....	3,246.57	-	46,316.87	34,579.20
<b>Total Charged to Operating Expense.....</b>	<b>(6,091,522.64)</b>	<b>(4,183,178.26)</b>	<b>48,349,966.75</b>	<b>57,493,398.43</b>
Taxes Charged to Other Accounts.....	5,621,851.74	(4,430,920.00)	7,173,388.04	5,858,666.85
Taxes Accrued on Intercompany Accounts.....	(22,955.47)	(399,203.84)	(1,882,993.86)	(3,039,101.12)
<b>Total Taxes Charged.....</b>	<b>\$ (492,626.37)</b>	<b>\$ (9,013,302.10)</b>	<b>\$ 53,640,360.93</b>	<b>\$ 60,312,964.16</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,354,131.66	\$ 18,289,774.39	\$ 17,645,481.23	\$ 11,998,424.82
Unemployment.....	54,386.05	141,294.90	142,352.04	53,328.91
FICA.....	590,648.24	6,396,767.94	6,461,380.31	526,035.87
Federal Income.....	(3,741,320.05)	14,303,728.05	10,562,408.00	-
State Income.....	229,108.93	9,573,551.51	9,802,660.44	-
Kentucky Sales and Use Tax.....	1,088,857.95	4,804,648.54	5,221,713.26	671,793.23
Miscellaneous.....	22,339.97	130,595.60	117,668.84	35,266.73
<b>Totals.....</b>	<b>\$ 9,598,152.75</b>	<b>\$ 53,640,360.93</b>	<b>\$ 49,953,664.12</b>	<b>\$ 13,284,849.56</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**December 31, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 159,884,459.36	\$ 10,232,811.37	\$ (13,029,370.28)	\$ (30,818.06)	\$ (2,827,376.97)	\$ 157,057,082.39
Common Intangible Plant.....	56,455,326.72	8,804,086.71	(4,368,250.60)	-	4,435,836.11	60,891,162.83
	<u>216,339,786.08</u>	<u>19,036,898.08</u>	<u>(17,397,620.88)</u>	<u>(30,818.06)</u>	<u>1,608,459.14</u>	<u>217,948,245.22</u>
<b>Electric</b>						
Electric Distribution.....	927,289,038.50	43,796,656.74	(6,765,005.80)	192,486.41	37,224,137.35	964,513,175.85
Electric General Plant.....	16,521,615.59	1,466,596.46	(2,140,531.84)	95,431.28	(578,504.10)	15,943,111.49
Electric Hydro Production.....	41,680,209.14	1,085,668.83	(229,943.87)	-	855,724.96	42,535,934.10
Electric Intangible Plant.....	2,340.29	-	(100.00)	-	(100.00)	2,240.29
Electric Other Production.....	229,401,033.01	5,823,654.94	(1,016,138.10)	38,429.14	4,845,945.98	234,246,978.99
Electric Steam Production.....	1,930,347,044.43	205,718,450.78	(26,466,191.93)	4,911,561.46	184,163,820.31	2,114,510,864.74
Electric Transmission.....	247,742,496.14	8,276,325.30	(1,599,170.73)	191,540.16	6,868,694.73	254,611,190.87
	<u>3,392,983,777.10</u>	<u>266,167,353.05</u>	<u>(38,217,082.27)</u>	<u>5,429,448.45</u>	<u>233,379,719.23</u>	<u>3,626,363,496.33</u>
<b>Gas</b>						
Gas Distribution.....	549,799,120.70	47,985,396.30	(4,928,371.24)	95,174.66	43,152,199.72	592,951,320.42
Gas General Plant.....	9,178,093.57	706,666.54	(1,494,730.21)	(185,857.43)	(973,921.10)	8,204,172.47
Gas Intangible Plant.....	1,187.49	-	(800.00)	-	(800.00)	387.49
Gas Storage.....	78,415,311.06	3,846,365.99	(1,705,113.67)	23,515.01	2,164,767.33	80,580,078.39
Gas Transmission.....	16,661,869.68	958,868.98	(20,299.95)	3,941,518.65	4,880,087.68	21,541,957.36
	<u>654,055,582.50</u>	<u>53,497,297.81</u>	<u>(8,149,315.07)</u>	<u>3,874,350.89</u>	<u>49,222,333.63</u>	<u>703,277,916.13</u>
<b>Total 101 Accounts</b> .....	<u>4,263,379,145.68</u>	<u>338,701,548.94</u>	<u>(63,764,018.22)</u>	<u>9,272,981.28</u>	<u>284,210,512.00</u>	<u>4,547,589,657.68</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	4,182,559.70	-	-	(4,182,559.70)	(4,182,559.70)	-
	<u>4,831,574.18</u>	<u>-</u>	<u>-</u>	<u>(4,182,559.70)</u>	<u>(4,182,559.70)</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 4,831,574.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,182,559.70)</u>	<u>\$ (4,182,559.70)</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**December 31, 2011**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 597,158.63	\$ 1,977,777.38	\$ -	\$ -	\$ 1,977,777.38	\$ 2,574,936.01
Common Intangible Plant.....	2,714,931.36	(474,047.10)	-	-	(474,047.10)	2,240,884.26
	<u>3,312,089.99</u>	<u>1,503,730.28</u>	<u>-</u>	<u>-</u>	<u>1,503,730.28</u>	<u>4,815,820.27</u>
<b>Electric</b>						
Electric Distribution.....	11,544,733.90	11,667,501.64	-	-	11,667,501.64	23,212,235.54
Electric General Plant.....	50,763.87	(44,000.65)	-	-	(44,000.65)	6,763.22
Electric Hydro Production.....	16,952.26	(495.90)	-	-	(495.90)	16,456.36
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	1,767,208.21	1,768,751.53	-	-	1,768,751.53	3,535,959.74
Electric Steam Production.....	15,929,229.77	25,312,444.81	-	-	25,312,444.81	41,241,674.58
Electric Transmission.....	35,045,472.82	2,663,310.20	-	-	2,663,310.20	37,708,783.02
	<u>64,354,360.83</u>	<u>41,367,511.63</u>	<u>-</u>	<u>-</u>	<u>41,367,511.63</u>	<u>105,721,872.46</u>
<b>Gas</b>						
Gas Distribution.....	24,420,156.16	(5,554,171.68)	-	-	(5,554,171.68)	18,865,984.48
Gas General Plant.....	126,992.17	136,081.61	-	-	136,081.61	263,073.78
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	951,426.06	(436,813.06)	-	-	(436,813.06)	514,613.00
Gas Transmission.....	-	1,459,528.03	-	-	1,459,528.03	1,459,528.03
	<u>25,498,574.39</u>	<u>(4,395,375.10)</u>	<u>-</u>	<u>-</u>	<u>(4,395,375.10)</u>	<u>21,103,199.29</u>
<b>Total 106 Accounts</b>	<u>93,165,025.21</u>	<u>38,475,866.81</u>	<u>-</u>	<u>-</u>	<u>38,475,866.81</u>	<u>131,640,892.02</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	21,243,879.89	(6,159,940.56)	-	-	(6,159,940.56)	15,083,939.33
Electric.....	324,323,732.14	(171,612,904.07)	-	-	(171,612,904.07)	152,710,828.07
Gas.....	39,756,306.91	7,725,303.03	-	-	7,725,303.03	47,481,609.94
	<u>385,323,918.94</u>	<u>(170,047,541.60)</u>	<u>-</u>	<u>-</u>	<u>(170,047,541.60)</u>	<u>215,276,377.34</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,363,590,974.63</u>	<u>377,177,415.75</u>	<u>(63,764,018.22)</u>	<u>5,090,421.58</u>	<u>318,503,819.11</u>	<u>4,682,094,793.74</u>
<b>Total Plant + CWIP</b> .....	<u>4,748,914,893.57</u>	<u>207,129,874.15</u>	<u>(63,764,018.22)</u>	<u>5,090,421.58</u>	<u>148,456,277.51</u>	<u>4,897,371,171.08</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,748,839,654.01</u>	<u>\$ 207,129,874.15</u>	<u>\$ (63,764,018.22)</u>	<u>\$ 5,090,421.58</u>	<u>\$ 148,456,277.51</u>	<u>\$ 4,897,295,931.52</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,263,235.10)	\$ (12,884,072.63)	\$ 13,029,370.28	\$ 30,818.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (77,087,119.39)
Common General Plant - ARO.....	(343.19)	(2,060.40)	-	-	-	-	-	-	-	(2,403.59)
Electric Distribution.....	(277,000,365.75)	(17,431,445.17)	6,765,005.80	(382.60)	-	-	-	-	-	(287,667,187.72)
Electric Distribution - ARO.....	(1,256.54)	(6,033.86)	-	-	-	-	-	-	-	(7,290.40)
Electric General Plant.....	(12,910,034.19)	(440,258.50)	2,140,531.84	(95,431.28)	-	-	-	-	-	(11,305,192.13)
Electric Hydro Production.....	(9,718,276.66)	(563,664.43)	229,943.87	-	-	-	-	-	-	(10,051,997.22)
Electric Hydro Production - ARO.....	(364.10)	(1,748.52)	-	-	-	-	-	-	-	(2,112.62)
Electric Other Production.....	(60,282,055.17)	(8,200,823.60)	1,016,138.10	-	-	-	-	-	-	(67,466,740.67)
Electric Other Production - ARO.....	(192.68)	(1,110.14)	-	-	-	-	-	-	-	(1,302.82)
Electric Steam Production.....	(1,029,518,070.37)	(56,830,079.38)	25,733,986.89	-	-	-	-	-	-	(1,060,614,162.86)
Electric Steam Production - ARO.....	(204,061.94)	(2,050,928.42)	732,205.04	120,737.40	-	-	-	-	-	(1,402,047.92)
Electric Transmission.....	(119,192,606.75)	(4,396,251.42)	1,599,170.73	382.60	-	-	-	-	-	(121,989,304.84)
Electric Transmission - ARO.....	(41.40)	(861.88)	-	-	-	-	-	-	-	(903.28)
Gas Distribution.....	(125,049,477.23)	(11,625,947.76)	4,853,331.97	(13,332.40)	-	-	-	-	-	(131,835,425.42)
Gas Distribution - ARO.....	(49,734.93)	(374,096.39)	75,039.27	2,554.54	-	-	-	-	-	(346,237.51)
Gas General Plant.....	(6,299,629.20)	(326,638.20)	1,494,730.21	87,301.32	-	-	-	-	-	(5,044,235.87)
Gas Storage.....	(31,288,281.49)	(1,083,855.81)	1,309,708.21	(9,355.70)	-	-	-	-	-	(31,071,784.79)
Gas Storage - ARO.....	(39,466.10)	(613,490.60)	395,405.46	-	-	-	-	-	-	(257,551.24)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,448,605.32)	(58,051.01)	20,299.95	-	-	-	-	-	-	(9,486,356.38)
Gas Transmission - ARO.....	-	(35,270.86)	-	-	-	-	-	-	-	(35,270.86)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,758,329,458.47)</u>	<u>(116,926,688.98)</u>	<u>59,394,867.62</u>	<u>123,291.94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,815,737,987.89)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(688,372.47)	(282,352.73)	-	-	-	-	332,962.76	-	-	(637,762.44)
Electric Distribution.....	(146,715,298.78)	(6,906,243.62)	-	(55.48)	-	-	4,671,834.71	-	-	(148,949,763.17)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	736,907.70	(42,804.01)	-	-	-	-	38,351.42	-	-	732,455.11
Electric Other Production.....	(2,505,175.99)	(351,752.52)	-	-	-	-	320,969.80	-	-	(2,535,958.71)
Electric Steam Production.....	(94,783,295.15)	(17,004,689.96)	-	(653,829.16)	-	-	4,150,422.77	-	-	(108,291,391.50)
Electric Transmission.....	(24,538,454.78)	(1,414,732.76)	-	(18,417.50)	-	-	211,880.17	-	-	(25,759,724.87)
Gas Distribution.....	(60,212,131.14)	(3,290,875.18)	-	-	-	-	1,501,606.49	-	-	(62,001,399.83)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	(170,437.90)	(141,062.94)	-	(258,005.34)	-	-	831,976.72	-	-	262,470.54
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(3,016,813.95)	(14,363.81)	-	-	-	-	46,319.99	-	-	(2,984,857.77)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (331,889,205.84)</u>	<u>\$ (29,448,877.53)</u>	<u>\$ -</u>	<u>\$ (930,307.48)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,106,324.83</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (350,162,066.02)</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**December 31, 2011**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,074.55	\$ 383.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,457.83
Electric Distribution.....	17,535,024.98	1,400,330.13	-	-	-	-	-	(404,132.63)	-	18,531,222.48
Electric General Plant.....	138,281.25	2,307.97	-	-	-	-	-	-	-	140,589.22
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	22,028,570.14	2,026,744.89	-	-	-	-	-	(34,636.38)	-	24,020,678.65
Electric Transmission.....	6,247,368.67	262,392.97	-	1,254.13	-	-	-	-	-	6,511,015.77
Gas Distribution.....	3,594,440.75	200,136.01	-	-	-	-	-	(3,121.65)	-	3,791,455.11
Gas General Plant.....	225,788.37	2,371.24	-	-	-	-	-	-	-	228,159.61
Gas Storage.....	269,933.04	17,219.17	-	-	-	-	-	-	-	287,152.21
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	217,923.11	5,386.42	-	-	-	-	-	-	-	223,309.53
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>50,893,044.36</u>	<u>3,917,272.08</u>	<u>-</u>	<u>1,254.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(441,890.66)</u>	<u>-</u>	<u>54,369,679.91</u>
<b>Total Reserves</b>										
Common.....	(77,737,236.57)	(13,168,102.48)	13,029,370.28	30,818.06	-	-	332,962.76	-	-	(77,512,187.95)
Electric.....	(1,730,321,891.37)	(111,951,652.23)	38,216,982.27	(645,741.89)	-	-	9,393,458.87	(438,769.01)	-	(1,795,747,613.36)
Gas.....	(231,266,492.01)	(17,338,539.72)	8,148,515.07	(190,837.58)	-	-	2,379,903.20	(3,121.65)	-	(238,270,572.69)
	<u>(2,039,325,619.95)</u>	<u>(142,458,294.43)</u>	<u>59,394,867.62</u>	<u>(805,761.41)</u>	<u>-</u>	<u>-</u>	<u>12,106,324.83</u>	<u>(441,890.66)</u>	<u>-</u>	<u>(2,111,530,374.00)</u>
<b>Retirement Work In Progress</b>										
Common.....	342,947.00	-	-	162,020.85	-	(332,962.76)	67,831.34	(91,219.00)	1,144.92	149,762.35
Electric.....	9,603,653.21	-	-	(71,982.35)	(1,142,636.19)	(7,812,053.67)	12,448,616.33	(543,373.97)	(557,508.33)	11,924,715.03
Gas.....	2,523,160.64	-	-	(30,745.64)	(1,053,809.06)	(1,322,972.49)	1,484,772.89	(7,015.24)	(2,703.32)	1,590,687.78
	<u>12,469,760.85</u>	<u>-</u>	<u>-</u>	<u>59,292.86</u>	<u>(2,196,445.25)</u>	<u>(9,467,988.92)</u>	<u>14,001,220.56</u>	<u>(641,608.21)</u>	<u>(559,066.73)</u>	<u>13,665,165.16</u>
<b>YTD ACTIVITY</b>	<u>(2,026,855,859.10)</u>	<u>(142,458,294.43)</u>	<u>59,394,867.62</u>	<u>(746,468.55)</u>	<u>(2,196,445.25)</u>	<u>(9,467,988.92)</u>	<u>26,107,545.39</u>	<u>(1,083,498.87)</u>	<u>(559,066.73)</u>	<u>(2,097,865,208.84)</u>
<b>Amortization</b>										
Common.....	(16,306,390.60)	(8,133,464.03)	4,368,250.60	-	-	-	-	-	-	(20,071,604.03)
Electric.....	(100.00)	-	100.00	-	-	-	-	-	-	-
Gas.....	(800.00)	-	800.00	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(16,307,290.60)</u>	<u>(8,133,464.03)</u>	<u>4,369,150.60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,071,604.03)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,043,163,149.70)</u>	<u>\$ (150,591,758.46)</u>	<u>\$ 63,764,018.22</u>	<u>\$ (746,468.55)</u>	<u>\$ (2,196,445.25)</u>	<u>\$ (9,467,988.92)</u>	<u>\$ 26,107,545.39</u>	<u>\$ (1,083,498.87)</u>	<u>\$ (559,066.73)</u>	<u>\$ (2,117,936,812.87)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,117,873,452.51)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,705,739,864.67</u>									<u>\$ 2,779,422,479.01</u>



**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**December 31, 2011**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 84,801,954.82	\$ -	\$ 84,801,954.82
Gas Operating Revenues.....	41,094,658.46	-	41,094,658.46
<b>Total Operating Revenues.....</b>	<b>125,896,613.28</b>	<b>-</b>	<b>125,896,613.28</b>
Fuel for Electric Generation.....	32,429,492.43	-	32,429,492.43
Power Purchased.....	6,940,294.11	-	6,940,294.11
Gas Supply Expenses.....	20,934,175.22	-	20,934,175.22
Other Operation Expenses.....	19,759,510.34	-	19,759,510.34
Maintenance.....	8,933,526.92	-	8,933,526.92
Depreciation.....	11,888,245.80	-	11,888,245.80
Amortization Expense.....	699,391.68	-	699,391.68
Regulatory Credits.....	(437,110.01)	-	(437,110.01)
Taxes			
Federal Income.....	(7,561,185.42)	-	(7,561,185.42)
State Income.....	(968,373.77)	-	(968,373.77)
Deferred Federal Income - Net.....	13,652,179.03	8,169.01	13,660,348.04
Deferred State Income - Net.....	1,868,150.81	1,489.79	1,869,640.60
Property and Other.....	2,438,036.55	-	2,438,036.55
Amortization of Investment Tax Credit.....	(236,025.00)	-	(236,025.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	231,701.50	-	231,701.50
<b>Total Operating Expenses.....</b>	<b>110,572,010.19</b>	<b>9,658.80</b>	<b>110,581,668.99</b>
Net Operating Income.....	15,324,603.09	(9,658.80)	15,314,944.29
Other Income Less Deductions.....	419,450.96	-	419,450.96
<b>Income Before Interest Charges.....</b>	<b>15,744,054.05</b>	<b>(9,658.80)</b>	<b>15,734,395.25</b>
Interest on Long-Term Debt.....	3,156,393.86	(25,017.63)	3,131,376.23
Amortization of Debt Expense - Net.....	262,183.81	-	262,183.81
Other Interest Expenses.....	172,424.54	-	172,424.54
<b>Total Interest Charges.....</b>	<b>3,591,002.21</b>	<b>(25,017.63)</b>	<b>3,565,984.58</b>
<b>Net Income.....</b>	<b>\$ 12,153,051.84</b>	<b>\$ 15,358.83</b>	<b>\$ 12,168,410.67</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**December 31, 2011**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 1,059,750,303.49	\$ -	\$ 1,059,750,303.49
Gas Operating Revenues.....	304,574,421.82	-	304,574,421.82
<b>Total Operating Revenues.....</b>	<b>1,364,324,725.31</b>	<b>-</b>	<b>1,364,324,725.31</b>
Fuel for Electric Generation.....	360,968,393.36	-	360,968,393.36
Power Purchased.....	74,894,547.12	-	74,894,547.12
Gas Supply Expenses.....	161,235,625.70	-	161,235,625.70
Other Operation Expenses.....	236,277,354.89	27,884.66	236,305,239.55
Maintenance.....	116,359,068.55	-	116,359,068.55
Depreciation.....	141,998,214.92	-	141,998,214.92
Amortization Expense.....	8,133,464.03	-	8,133,464.03
Regulatory Credits.....	(5,730,085.69)	-	(5,730,085.69)
Taxes			
Federal Income.....	11,962,850.45	-	11,962,850.45
State Income.....	8,265,532.67	-	8,265,532.67
Deferred Federal Income - Net.....	52,223,724.36	89,595.56	52,313,319.92
Deferred State Income - Net.....	2,011,675.35	16,339.63	2,028,014.98
Property and Other.....	28,121,583.64	-	28,121,583.64
Amortization of Investment Tax Credit.....	(2,805,732.00)	-	(2,805,732.00)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	-	(2,577.94)
Accretion Expense.....	2,644,484.62	-	2,644,484.62
<b>Total Operating Expenses.....</b>	<b>1,196,558,124.03</b>	<b>133,819.85</b>	<b>1,196,691,943.88</b>
Net Operating Income.....	167,766,601.28	(133,819.85)	167,632,781.43
Other Income Less Deductions.....	1,079,397.77	-	1,079,397.77
<b>Income Before Interest Charges.....</b>	<b>168,845,999.05</b>	<b>(133,819.85)</b>	<b>168,712,179.20</b>
Interest on Long-Term Debt.....	38,809,735.79	(300,211.56)	38,509,524.23
Amortization of Debt Expense - Net.....	3,311,473.23	-	3,311,473.23
Other Interest Expenses.....	2,538,484.60	-	2,538,484.60
<b>Total Interest Charges.....</b>	<b>44,659,693.62</b>	<b>(300,211.56)</b>	<b>44,359,482.06</b>
<b>Net Income.....</b>	<b>\$ 124,186,305.43</b>	<b>\$ 166,391.71</b>	<b>\$ 124,352,697.14</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2011**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 856,776,505.55	\$ 813,953,056.34	\$ (808,748,249.56)	\$ (808,923,086.99)	\$ 48,028,255.99	\$ 5,029,969.35
Add:						
Net Income (Loss) for Period.....	12,153,051.84	14,040,195.62	15,358.83	23,804.55	12,168,410.67	14,064,000.17
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>	<u>\$ (808,732,890.73)</u>	<u>\$ (808,899,282.44)</u>	<u>\$ 60,196,666.66</u>	<u>\$ 19,093,969.52</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2011**

	Year to Date without Purchase Accounting		Year to Date Purchase Accounting		Year to Date Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	124,186,305.43	127,714,385.72	166,391.71	47,609.08	124,352,697.14	127,761,994.80
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	83,250,000.00	55,000,000.00	-	-	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>	<u>\$ (808,732,890.73)</u>	<u>\$ (808,899,282.44)</u>	<u>\$ 60,196,666.66</u>	<u>\$ 19,093,969.52</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**December 31, 2011**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 827,993,251.96	\$ 755,278,866.24	\$ (808,899,282.44)	\$ -	\$ 19,093,969.52	\$ 755,278,866.24
Add:						
Net Income (Loss) for Period.....	124,186,305.43	127,714,385.72	166,391.71	47,609.08	124,352,697.14	127,761,994.80
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	83,250,000.00	55,000,000.00	-	-	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 868,929,557.39</u>	<u>\$ 827,993,251.96</u>	<u>\$ (808,732,890.73)</u>	<u>\$ (808,899,282.44)</u>	<u>\$ 60,196,666.66</u>	<u>\$ 19,093,969.52</u>

January 26, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of December 31, 2011**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,897,295,931.52	\$ -	\$ 4,897,295,931.52
Less: Reserves for Depreciation and Amortization....	2,117,873,452.51	-	2,117,873,452.51
<b>Total.....</b>	<b>2,779,422,479.01</b>	<b>-</b>	<b>2,779,422,479.01</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	28,846,730.20	-	28,846,730.20
<b>Total.....</b>	<b>29,452,895.40</b>	<b>-</b>	<b>29,452,895.40</b>
<b>Current and Accrued Assets</b>			
Cash.....	24,920,484.53	-	24,920,484.53
Special Deposits.....	12,277.00	-	12,277.00
Temporary Cash Investments.....	33,063.99	-	33,063.99
Accounts Receivable - Less Reserve.....	137,419,594.66	-	137,419,594.66
Accounts Receivable from Associated Companies....	10,916,898.01	-	10,916,898.01
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	52,502,546.26	-	52,502,546.26
Plant Materials and Operating Supplies.....	30,625,941.68	-	30,625,941.68
Stores Expense.....	5,596,505.54	-	5,596,505.54
Gas Stored Underground.....	53,287,604.59	-	53,287,604.59
Emission Allowances.....	2,511.67	-	2,511.67
Prepayments.....	5,472,353.44	-	5,472,353.44
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>320,789,781.37</b>	<b>-</b>	<b>320,789,781.37</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,326,195.59	(3,481,180.65)	9,845,014.94
Unamortized Loss on Bonds.....	20,963,862.78	-	20,963,862.78
Accumulated Deferred Income Taxes.....	23,826,072.01	67,074,595.36	90,900,667.37
Deferred Regulatory Assets.....	397,110,901.24	9,013,134.12	406,124,035.36
Other Deferred Debits.....	1,480,708.22	160,669,842.02	162,150,550.24
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>456,707,739.84</b>	<b>622,433,742.44</b>	<b>1,079,141,482.28</b>
<b>Total Assets.....</b>	<b>\$ 3,586,372,895.62</b>	<b>\$ 622,433,742.44</b>	<b>\$ 4,208,806,638.06</b>

January 26, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of December 31, 2011**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	868,929,557.39	(808,732,890.73)	60,196,666.66
<b>Total Proprietary Capital.....</b>	<b>1,376,845,591.84</b>	<b>385,352,978.29</b>	<b>1,762,198,570.13</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,226,470.18	580,530,470.18
First Mortgage Bonds.....	531,331,542.44	-	531,331,542.44
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,635,542.44</b>	<b>6,226,470.18</b>	<b>1,111,862,012.62</b>
<b>Total Capitalization.....</b>	<b>2,482,481,134.28</b>	<b>391,579,448.47</b>	<b>2,874,060,582.75</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	97,848,807.56	-	97,848,807.56
Accounts Payable to Associated Companies.....	25,528,425.55	-	25,528,425.55
Customer Deposits.....	22,361,041.85	-	22,361,041.85
Taxes Accrued.....	13,284,849.56	-	13,284,849.56
Interest Accrued.....	5,825,755.42	-	5,825,755.42
Miscellaneous Current and Accrued Liabilities.....	22,176,210.30	-	22,176,210.30
<b>Total.....</b>	<b>187,025,090.24</b>	<b>-</b>	<b>187,025,090.24</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	499,655,847.56	64,652,498.48	564,308,346.04
Investment Tax Credit.....	42,718,844.13	-	42,718,844.13
Regulatory Liabilities.....	58,617,596.40	160,669,842.02	219,287,438.42
Customer Advances for Construction.....	7,307,168.56	-	7,307,168.56
Asset Retirement Obligations.....	58,606,350.25	-	58,606,350.25
Other Deferred Credits.....	5,120,367.14	5,531,953.47	10,652,320.61
Miscellaneous Long-Term Liabilities.....	60,707,001.86	-	60,707,001.86
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	184,133,495.20	-	184,133,495.20
<b>Total.....</b>	<b>916,866,671.10</b>	<b>230,854,293.97</b>	<b>1,147,720,965.07</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,586,372,895.62</b>	<b>\$ 622,433,742.44</b>	<b>\$ 4,208,806,638.06</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - January 31, 2012**

**Responding Witness - Valerie L. Scott**



**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

January 31, 2012

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**January 31, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 88,120,737.69	\$ 92,096,734.53	\$ (3,975,996.84)	(4.32)
Gas Operating Revenues.....	47,499,975.80	58,814,010.67	(11,314,034.87)	(19.24)
<b>Total Operating Revenues.....</b>	<b>135,620,713.49</b>	<b>150,910,745.20</b>	<b>(15,290,031.71)</b>	<b>(10.13)</b>
Fuel for Electric Generation.....	33,830,887.72	32,317,512.15	1,513,375.57	4.68
Power Purchased.....	5,288,971.86	7,074,753.38	(1,785,781.52)	(25.24)
Gas Supply Expenses.....	27,992,187.24	38,307,433.47	(10,315,246.23)	(26.93)
Other Operation Expenses.....	19,790,408.88	18,426,155.56	1,364,253.32	7.40
Maintenance.....	7,962,500.39	6,764,895.92	1,197,604.47	17.70
Depreciation.....	11,920,225.38	11,277,201.35	643,024.03	5.70
Amortization Expense.....	705,817.58	640,016.30	65,801.28	10.28
Regulatory Credits.....	(450,370.70)	(366,611.83)	(83,758.87)	(22.85)
Taxes				
Federal Income.....	7,305,783.95	9,942,013.27	(2,636,229.32)	(26.52)
State Income.....	1,333,091.30	1,813,133.12	(480,041.82)	(26.48)
Deferred Federal Income - Net.....	76,149.99	6.82	76,143.17	1,116,468.77
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,622,102.28	2,304,503.85	317,598.43	13.78
Amortization of Investment Tax Credit.....	(223,356.00)	(209,367.00)	(13,989.00)	(6.68)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	240,821.09	218,662.64	22,158.45	10.13
<b>Total Operating Expenses.....</b>	<b>118,395,220.96</b>	<b>128,510,309.00</b>	<b>(10,115,088.04)</b>	<b>(7.87)</b>
Net Operating Income.....	17,225,492.53	22,400,436.20	(5,174,943.67)	(23.10)
Other Income Less Deductions.....	(164,729.07)	238,808.69	(403,537.76)	(168.98)
<b>Income Before Interest Charges.....</b>	<b>17,060,763.46</b>	<b>22,639,244.89</b>	<b>(5,578,481.43)</b>	<b>(24.64)</b>
Interest on Long-Term Debt.....	3,050,519.12	3,296,058.29	(245,539.17)	(7.45)
Amortization of Debt Expense - Net.....	262,315.31	273,669.38	(11,354.07)	(4.15)
Other Interest Expenses.....	185,842.02	157,345.40	28,496.62	18.11
<b>Total Interest Charges.....</b>	<b>3,498,676.45</b>	<b>3,727,073.07</b>	<b>(228,396.62)</b>	<b>(6.13)</b>
<b>Net Income.....</b>	<b>\$ 13,562,087.01</b>	<b>\$ 18,912,171.82</b>	<b>\$ (5,350,084.81)</b>	<b>(28.29)</b>

February 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 88,120,737.69	\$ 92,096,734.53	\$ (3,975,996.84)	(4.32)
Gas Operating Revenues.....	47,499,975.80	58,814,010.67	(11,314,034.87)	(19.24)
<b>Total Operating Revenues.....</b>	<b>135,620,713.49</b>	<b>150,910,745.20</b>	<b>(15,290,031.71)</b>	<b>(10.13)</b>
Fuel for Electric Generation.....	33,830,887.72	32,317,512.15	1,513,375.57	4.68
Power Purchased.....	5,288,971.86	7,074,753.38	(1,785,781.52)	(25.24)
Gas Supply Expenses.....	27,992,187.24	38,307,433.47	(10,315,246.23)	(26.93)
Other Operation Expenses.....	19,790,408.88	18,426,155.56	1,364,253.32	7.40
Maintenance.....	7,962,500.39	6,764,895.92	1,197,604.47	17.70
Depreciation.....	11,920,225.38	11,277,201.35	643,024.03	5.70
Amortization Expense.....	705,817.58	640,016.30	65,801.28	10.28
Regulatory Credits.....	(450,370.70)	(366,611.83)	(83,758.87)	(22.85)
Taxes				
Federal Income.....	7,305,783.95	9,942,013.27	(2,636,229.32)	(26.52)
State Income.....	1,333,091.30	1,813,133.12	(480,041.82)	(26.48)
Deferred Federal Income - Net.....	76,149.99	6.82	76,143.17	1,116,468.77
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,622,102.28	2,304,503.85	317,598.43	13.78
Amortization of Investment Tax Credit.....	(223,356.00)	(209,367.00)	(13,989.00)	(6.68)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	240,821.09	218,662.64	22,158.45	10.13
<b>Total Operating Expenses.....</b>	<b>118,395,220.96</b>	<b>128,510,309.00</b>	<b>(10,115,088.04)</b>	<b>(7.87)</b>
Net Operating Income.....	17,225,492.53	22,400,436.20	(5,174,943.67)	(23.10)
Other Income Less Deductions.....	(164,729.07)	238,808.69	(403,537.76)	(168.98)
<b>Income Before Interest Charges.....</b>	<b>17,060,763.46</b>	<b>22,639,244.89</b>	<b>(5,578,481.43)</b>	<b>(24.64)</b>
Interest on Long-Term Debt.....	3,050,519.12	3,296,058.29	(245,539.17)	(7.45)
Amortization of Debt Expense - Net.....	262,315.31	273,669.38	(11,354.07)	(4.15)
Other Interest Expenses.....	185,842.02	157,345.40	28,496.62	18.11
<b>Total Interest Charges.....</b>	<b>3,498,676.45</b>	<b>3,727,073.07</b>	<b>(228,396.62)</b>	<b>(6.13)</b>
<b>Net Income.....</b>	<b>\$ 13,562,087.01</b>	<b>\$ 18,912,171.82</b>	<b>\$ (5,350,084.81)</b>	<b>(28.29)</b>

February 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**January 31, 2012**

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	\$ 1,055,774,306.65	\$ 1,032,051,999.60	\$ 23,722,307.05	2.30
Gas Operating Revenues.....	293,260,386.95	312,177,991.63	(18,917,604.68)	(6.06)
<b>Total Operating Revenues.....</b>	<b>1,349,034,693.60</b>	<b>1,344,229,991.23</b>	<b>4,804,702.37</b>	<b>0.36</b>
Fuel for Electric Generation.....	362,481,768.93	371,789,895.26	(9,308,126.33)	(2.50)
Power Purchased.....	73,108,765.60	55,167,479.44	17,941,286.16	32.52
Gas Supply Expenses.....	150,920,379.47	173,365,821.30	(22,445,441.83)	(12.95)
Other Operation Expenses.....	237,641,608.21	226,993,825.00	10,647,783.21	4.69
Maintenance.....	117,556,673.02	112,515,683.87	5,040,989.15	4.48
Depreciation.....	142,641,238.95	131,720,871.83	10,920,367.12	8.29
Amortization Expense.....	8,199,265.31	7,646,851.79	552,413.52	7.22
Regulatory Credits.....	(5,813,844.56)	(4,457,140.11)	(1,356,704.45)	(30.44)
Taxes				
Federal Income.....	9,326,621.13	34,128,940.20	(24,802,319.07)	(72.67)
State Income.....	7,785,490.85	7,005,404.44	780,086.41	11.14
Deferred Federal Income - Net.....	52,299,867.53	27,667,011.82	24,632,855.71	89.03
Deferred State Income - Net.....	2,011,675.35	2,370,024.44	(358,349.09)	(15.12)
Property and Other.....	28,439,182.07	22,769,139.40	5,670,042.67	24.90
Amortization of Investment Tax Credit.....	(2,819,721.00)	(2,491,983.00)	(327,738.00)	(13.15)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,666,643.07	3,338,204.86	(671,561.79)	(20.12)
<b>Total Operating Expenses.....</b>	<b>1,186,443,035.99</b>	<b>1,169,495,570.40</b>	<b>16,947,465.59</b>	<b>1.45</b>
Net Operating Income.....	162,591,657.61	174,734,420.83	(12,142,763.22)	(6.95)
Other Income Less Deductions.....	675,860.01	10,871,169.70	(10,195,309.69)	(93.78)
<b>Income Before Interest Charges.....</b>	<b>163,267,517.62</b>	<b>185,605,590.53</b>	<b>(22,338,072.91)</b>	<b>(12.04)</b>
Interest on Long-Term Debt.....	38,564,196.62	43,640,294.92	(5,076,098.30)	(11.63)
Amortization of Debt Expense - Net.....	3,300,119.16	1,822,005.63	1,478,113.53	81.13
Other Interest Expenses.....	2,566,981.22	2,526,924.63	40,056.59	1.59
<b>Total Interest Charges.....</b>	<b>44,431,297.00</b>	<b>47,989,225.18</b>	<b>(3,557,928.18)</b>	<b>(7.41)</b>
<b>Net Income.....</b>	<b>\$ 118,836,220.62</b>	<b>\$ 137,616,365.35</b>	<b>\$ (18,780,144.73)</b>	<b>(13.65)</b>

February 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**January 31, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ 868,929,557.39	\$ 827,993,251.96	\$ 846,905,423.78	\$ 764,289,058.43
Add:						
Net Income for Period.....	13,562,087.01	18,912,171.82	13,562,087.01	18,912,171.82	118,836,220.62	137,616,365.35
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of January 31, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,909,056,549.82	\$ 4,750,777,974.71	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,129,469,771.92</u>	<u>2,049,262,226.20</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,779,586,777.90</u>	<u>2,701,515,748.51</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>882,491,644.40</u>	<u>846,905,423.78</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,390,407,678.85</u>	<u>1,354,821,458.23</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	574,304,000.00
Special Funds.....	<u>29,788,557.01</u>	<u>16,266,282.58</u>	First Mortgage Bonds.....	531,354,864.10	531,075,004.16
Total.....	<u>30,394,722.21</u>	<u>16,872,447.78</u>	LT Notes Payable to Associated Companies.....	-	-
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,658,864.10</u>	<u>1,105,379,004.16</u>
Cash.....	22,562,167.83	10,946,085.86	Total Capitalization.....	<u>2,496,066,542.95</u>	<u>2,460,200,462.39</u>
Special Deposits.....	12,277.00	3,590,045.06	Current and Accrued Liabilities		
Temporary Cash Investments.....	33,199.87	1,861.08	ST Notes Payable to Associated Companies.....	-	39,801,000.00
Accounts Receivable - Less Reserve.....	143,404,574.12	172,877,770.06	Notes Payable.....	-	-
Accounts Receivable from Associated Companies...	12,419,799.02	18,031,905.66	Accounts Payable.....	90,067,704.18	95,342,791.32
Materials and Supplies - At Average Cost.....			Accounts Payable to Associated Companies.....	15,168,942.65	16,395,004.37
Fuel.....	50,199,426.27	63,040,020.16	Customer Deposits.....	22,478,501.90	23,571,825.06
Plant Materials and Operating Supplies.....	30,878,565.61	29,472,535.23	Taxes Accrued.....	19,172,547.29	11,594,182.53
Stores Expense.....	5,639,880.99	4,987,130.53	Interest Accrued.....	8,169,288.22	7,648,967.20
Gas Stored Underground.....	41,005,070.14	43,600,442.97	Miscellaneous Current and Accrued Liabilities.....	<u>27,349,223.25</u>	<u>26,764,921.93</u>
Emission Allowances.....	19,936.74	2,624.91	Total.....	<u>182,406,207.49</u>	<u>221,118,692.41</u>
Prepayments.....	5,317,036.50	6,932,677.50	Deferred Credits and Other		
Miscellaneous Current and Accrued Assets.....	-	453,145.30	Accumulated Deferred Income Taxes.....	499,655,847.55	473,518,807.92
Total.....	<u>311,491,934.09</u>	<u>353,936,244.32</u>	Investment Tax Credit.....	42,495,488.13	45,315,209.13
Deferred Debits and Other			Regulatory Liabilities.....	60,785,846.15	65,743,017.64
Unamortized Debt Expense.....	13,189,647.53	13,553,077.84	Customer Advances for Construction.....	7,319,187.89	8,492,300.89
Unamortized Loss on Bonds.....	20,885,609.22	21,833,646.50	Asset Retirement Obligations.....	58,847,147.60	52,869,451.55
Accumulated Deferred Income Taxes.....	23,749,922.01	53,869,965.22	Other Deferred Credits.....	8,612,478.80	6,909,404.21
Deferred Regulatory Assets.....	399,361,510.17	353,138,961.12	Miscellaneous Long-Term Liabilities.....	61,995,072.79	33,228,101.47
Other Deferred Debits.....	<u>1,259,355.16</u>	<u>901,719.66</u>	Accum Provision for Postretirement Benefits.....	<u>161,735,658.94</u>	<u>148,226,363.34</u>
Total.....	<u>458,446,044.09</u>	<u>443,297,370.34</u>	Total.....	<u>901,446,727.85</u>	<u>834,302,656.15</u>
Total Assets.....	<u>\$ 3,579,919,478.29</u>	<u>\$ 3,515,621,810.95</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,579,919,478.29</u>	<u>\$ 3,515,621,810.95</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**January 31, 2012**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			882,491,644.40	
 Total Proprietary Capital.....			1,390,407,678.85	55.70
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.01
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.44
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(669,229.20)	
First Mortgage Bond Due 11/15/40 5.125%.....			(2,975,906.70)	
			(3,645,135.90)	(0.15)
 Total First Mortgage Bonds - Net of Debt Discount.....			531,354,864.10	21.29
 Total Capitalization.....			\$ 2,496,066,542.95	100.00



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,909,056,549.82	\$ 4,909,056,549.82
Reserves for Depreciation and Amortization.....		(2,129,469,771.92)
Depreciation of Plant		
Electric.....	(1,792,238,506.73)	
Gas.....	(238,088,966.32)	
Common.....	(78,364,877.26)	
Amortization of Plant		
Common.....	(20,777,421.61)	
Investments.....		30,394,722.21
Special Funds.....	29,788,557.01	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	22,562,167.83	22,562,167.83
Special Deposits.....		12,277.00
Restricted Cash - Short Term.....	12,277.00	
Temporary Cash Investments.....	33,199.87	33,199.87
Accounts Receivable - Less Reserve.....		143,404,574.12
Customers - Active.....	73,702,755.97	
Unbilled Revenues.....	62,040,552.88	
IMPA.....	2,929,514.73	
IMEA.....	2,849,854.45	
Wholesale Sales.....	1,065,938.48	
Sundry Accounts Receivable.....	946,125.79	
Transmission Sales.....	552,384.39	
Damage Claims.....	460,172.21	
Electricity Swaps.....	166,354.87	
Income Tax Receivable - State.....	81,359.15	
Bechtel Liquidated Damages.....	5,890.00	
Other.....	526,729.54	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	606,797.56	
Reserve.....	(1,485,539.00)	
Accrual.....	(517,757.92)	
A/R Miscellaneous.....	(271,164.47)	
LEM Reserve.....	(166,354.87)	
Recoveries.....	(89,039.64)	
Accounts Receivable from Associated Companies.....		12,419,799.02
LG&E and KU Services/Kentucky Utilities.....	12,419,799.02	
Fuel.....		50,199,426.27
Coal 983,508.87 Tons @ \$50.34; MMBtu 22,094,271.56 @ 224.08¢.....	49,509,474.16	
Fuel Oil 203,750.08 Gallons @ 266.47¢.....	542,927.11	
Gas Pipeline 5,100 Mcf @ \$28.83.....	147,025.00	
Plant Materials and Operating Supplies.....		30,878,565.61
Regular Materials and Supplies.....	29,933,028.03	
Limestone 105,455.53 Tons @ \$8.97.....	945,537.58	
Stores Expense Undistributed.....	5,639,880.99	5,639,880.99
Gas Stored Underground - Current.....		41,005,070.14
Gas Stored Underground* 8,826,717 Mcf (14.73 psia) @ \$4.65.....	41,005,070.14	
Emission Allowances.....	19,936.74	19,936.74

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 5,317,036.50
Insurance.....	2,261,940.65	
Taxes.....	814,433.06	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,923,996.08	
Unamortized Debt Expense.....		13,189,647.53
Trimble County 2000 Series A due 08/01/30 Var%.....	716,086.43	
Jefferson County 2001 Series A due 09/01/26 Var%.....	144,721.68	
Jefferson County 2001 Series A due 09/01/27 Var%.....	317,783.02	
Jefferson County 2001 Series B due 11/01/27 Var%.....	173,175.19	
Trimble County 2001 Series A due 09/01/26 Var%.....	157,353.91	
Trimble County 2001 Series B due 11/01/27 Var%.....	173,203.60	
Trimble County 2002 Series A due 10/01/32 Var%.....	769,242.55	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	430,874.64	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	165,453.01	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,014,067.46	
First Mortgage Bond due 11/15/15 1.625%.....	1,976,279.82	
First Mortgage Bond due 11/15/40 5.125%.....	3,432,724.48	
Revolving Credit Agreement.....	3,718,681.74	
Unamortized Loss on Bonds.....	20,885,609.22	20,885,609.22
Accumulated Deferred Income Taxes.....		23,749,922.01
Federal		
Electric.....	17,577,286.97	
Gas.....	1,368,281.19	
State		
Electric.....	4,502,703.92	
Gas.....	301,649.93	
Regulatory Assets.....		399,361,510.17
Pension and Postretirement Benefits.....	225,481,749.00	
Interest Rate Swap Ineffectiveness.....	61,055,551.84	
2009 Winter Storm.....	37,262,632.53	
2008 Wind Storm.....	20,009,282.87	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,458,133.70	
State		
Electric.....	2,272,000.07	
Asset Retirement Obligations		
Electric.....	9,724,660.02	
Gas.....	1,382,720.39	
Common.....	9,773.99	
Swap Termination.....	8,915,682.12	
2011 Summer Storm.....	8,052,124.65	
Fuel Adjustment Clause.....	5,052,000.00	
Gas Supply Clause/PBR.....	5,003,740.35	
MISO Exit Fee.....	697,146.50	
Rate Case Expenses.....	687,522.53	
KCCS Funding.....	548,775.32	
EKPC FERC Transmission Costs.....	353,275.76	
CMRG Funding.....	146,340.00	
Environmental Cost Recovery.....	126,992.00	
General Management Audit.....	121,406.53	
Other Deferred Debits.....	1,259,355.16	1,259,355.16
Total Assets.....	<u>\$ 3,579,919,478.29</u>	<u>\$ 3,579,919,478.29</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

February 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,390,407,678.85
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	882,491,644.40	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,354,864.10	531,354,864.10
Accounts Payable.....		90,067,704.18
Regular.....	82,595,164.59	
Employee Withholdings Payable.....	5,512,241.96	
Salaries and Wages Accrued.....	1,960,297.63	
Accounts Payable to Associated Companies.....		15,168,942.65
LG&E and KU Services/Kentucky Utilities.....	15,168,942.65	
Customers' Deposits.....	22,478,501.90	22,478,501.90
Taxes Accrued.....	19,172,547.29	19,172,547.29
Interest Accrued.....		8,169,288.22
Jefferson County 2000 Series A due 05/01/27 5.375%.....	18,285.94	
Trimble County 2000 Series A due 08/01/30 Var%.....	2,592.64	
Jefferson County 2001 Series A due 09/01/26 Var%.....	2,858.61	
Jefferson County 2001 Series A due 09/01/27 Var%.....	61.75	
Jefferson County 2001 Series B due 11/01/27 Var%.....	7,650.27	
Trimble County 2001 Series A due 09/01/26 Var%.....	4,575.82	
Trimble County 2001 Series A due 10/01/32 Var%.....	1,912.49	
Trimble County 2001 Series B due 11/01/27 Var%.....	7,650.27	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	810,666.67	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	1,143,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	290,625.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	111,466.67	
Trimble County 2007 Series A due 06/01/33 4.600%.....	460,000.00	
Interest Rate Swaps.....	609,603.10	
First Mortgage Bond due 11/15/15 1.625%.....	857,638.89	
First Mortgage Bond due 11/15/40 5.125%.....	3,083,541.67	
Customers' Deposits.....	734,654.03	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	7,893.29	
Miscellaneous Current and Accrued Liabilities.....		27,349,223.25
No-Notice Gas Payable.....	7,956,774.40	
Vacation Pay Accrued.....	5,980,227.35	
Customer Overpayments.....	5,561,322.28	
Derivative Liability - ASC 815.....	4,751,772.09	
Tax Collections Payable.....	1,530,964.90	
Home Energy Assistance.....	589,344.76	
Retirement Income Liability.....	436,163.62	
Unearned Revenue.....	323,531.42	
Other.....	219,122.43	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**January 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 499,655,847.55
Federal		
Electric.....	350,820,895.43	
Gas.....	81,862,099.14	
State		
Electric.....	54,295,012.50	
Gas.....	12,677,840.48	
Investment Tax Credit.....		42,495,488.13
Advanced Coal Credit.....	23,083,189.00	
Job Development Credit		
Electric.....	18,866,560.98	
Gas.....	545,738.15	
Regulatory Liabilities.....		60,785,846.15
Deferred Taxes		
Federal		
Electric.....	27,503,680.54	
Gas.....	1,082,516.16	
State		
Electric.....	15,083,739.54	
Gas.....	2,461,807.12	
Gas Supply Clause/PBR.....	7,125,301.18	
DSM Cost Recovery.....	3,564,858.93	
Asset Retirement Obligations		
Gas.....	2,151,281.11	
Electric.....	193,855.98	
MISO Schedule 10 Charges.....	650,337.16	
Purchased Gas Adjustment - Tennessee Gas.....	538,501.43	
Environmental Cost Recovery.....	429,967.00	
Customers' Advances for Construction.....		7,319,187.89
Line Extensions		
Gas.....	6,370,387.02	
Electric.....	936,200.87	
Other.....	12,600.00	
Asset Retirement Obligations.....		58,847,147.60
Electric.....	36,972,491.58	
Gas.....	21,766,067.55	
Common.....	108,588.47	
Other Deferred Credits.....	8,612,478.80	8,612,478.80
Miscellaneous Long-Term Liabilities.....		61,995,072.79
Long-Term Derivative Liabilities - ASC 815.....	56,303,779.75	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		161,735,658.94
Postretirement Benefits - ASC 715.....	85,753,085.44	
Pension Payable.....	72,497,083.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,579,919,478.29</u>	<u>\$ 3,579,919,478.29</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**January 31, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 13,562,087.01	\$ 18,912,171.82
Items not requiring (providing) cash currently:		
Depreciation.....	11,920,225.38	11,277,201.35
Amortization.....	705,817.58	640,016.30
Deferred income taxes - net.....	76,149.99	6.82
Investment tax credit - net.....	(223,356.00)	(209,367.00)
Other.....	2,003,317.44	391,114.33
Change in receivables.....	(6,786,962.58)	2,693,539.27
Change in inventory.....	14,380,746.16	21,169,410.89
Change in allowance inventory.....	(17,425.07)	104.05
Change in payables and accrued expenses.....	6,489,566.66	1,226,527.54
Change in regulatory assets.....	(2,249,233.50)	(9,102,597.95)
Change in regulatory liabilities.....	2,168,249.75	14,316,669.18
Change in other deferred debits.....	(454,385.71)	286,809.87
Change in other deferred credits.....	3,612,582.10	1,366,500.90
Pension and postretirement funding.....	(22,560,500.00)	(65,337,400.00)
Other.....	(3,078,059.45)	2,290,829.64
Net cash provided (used) by operating activities.....	<u>19,548,819.76</u>	<u>(78,462.99)</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(19,903,062.62)	(19,470,192.66)
Gross additions to common utility plant - construction expenditures.....	(598,955.26)	1,243,389.60
Change in restricted cash.....	(941,826.81)	-
Change in non-hedging derivatives.....	-	(7,240.93)
Other.....	(438,963.89)	(428,108.25)
Net cash provided (used) by investing activities.....	<u>(21,882,808.58)</u>	<u>(18,662,152.24)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(24,192.00)	162,637,550.33
Net change in short-term debt.....	-	(135,075,000.00)
Net cash provided (used) by financing activities.....	<u>(24,192.00)</u>	<u>27,562,550.33</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,358,180.82)	8,821,935.10
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 22,595,367.70</u>	<u>\$ 10,947,946.94</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**January 31, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 18,284.17	\$ 111,979.18	\$ 18,284.17	\$ 111,979.18	\$ 1,155,971.69	\$ 1,343,749.93
Trimble County 2000 Series A due 08/01/30 Var%.....	4,259.35	31,539.97	4,259.35	31,539.97	163,591.22	411,339.22
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,218.10	3,295.03	1,218.10	3,295.03	16,985.82	48,965.08
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,809.43	23,886.99	5,809.43	23,886.99	148,662.87	201,106.87
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,383.87	26,234.24	12,383.87	26,234.24	258,461.43	360,444.85
Trimble County 2001 Series A due 09/01/26 Var%.....	5,071.72	10,660.97	5,071.72	10,660.97	92,943.63	158,927.41
Trimble County 2001 Series A due 10/01/32 Var%.....	2,254.94	15,373.81	2,254.94	15,373.81	99,015.89	303,369.51
Trimble County 2001 Series B due 11/01/27 Var%.....	12,383.87	26,513.70	12,383.87	26,513.70	256,760.30	360,768.40
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.66	126,597.26	202,666.66	126,597.26	2,427,002.63	126,597.26
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	191,666.66	191,666.67	2,299,999.97	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	145,312.51	145,312.49	1,743,749.90	1,743,749.94
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	53,875.56	34,814.26	53,875.56	34,814.26	667,425.80	34,814.26
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	230,000.00	230,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	609,603.10	577,449.54	609,603.10	577,449.54	7,804,875.47	7,717,030.98
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	338,541.67	338,541.67	338,541.67	4,062,499.99	846,354.18
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	1,217,187.51	1,217,187.50	14,606,250.01	3,042,968.75
Fidelia/PPL.....	-	-	-	-	-	21,100,425.02
Revolving Credit Agreement.....	-	185,005.01	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b>3,050,519.12</b>	<b>3,296,058.29</b>	<b>3,050,519.12</b>	<b>3,296,058.29</b>	<b>38,564,196.62</b>	<b>43,640,294.92</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	159,869.76	172,666.41	159,869.76	172,666.41	2,085,329.80	610,523.08
Amortization of Loss on Reacquired Debt.....	102,445.55	101,002.97	102,445.55	101,002.97	1,214,789.36	1,211,482.55
<b>Total.....</b>	<b>262,315.31</b>	<b>273,669.38</b>	<b>262,315.31</b>	<b>273,669.38</b>	<b>3,300,119.16</b>	<b>1,822,005.63</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	109,613.20	109,112.92	109,613.20	109,112.92	1,384,135.27	1,357,132.51
Other Tax Deficiencies.....	-	-	-	-	14,000.00	(17,500.00)
Interest on DSM Cost Recovery.....	(9,882.18)	1,077.03	(9,882.18)	1,077.03	4,138.31	26,905.51
Interest on Debt to Associated Companies.....	94.83	4,617.03	94.83	4,617.03	5,140.89	237,671.14
Other Interest Expense.....	86,016.17	42,538.42	86,016.17	42,538.42	1,159,566.75	922,715.47
<b>Total.....</b>	<b>185,842.02</b>	<b>157,345.40</b>	<b>185,842.02</b>	<b>157,345.40</b>	<b>2,566,981.22</b>	<b>2,526,924.63</b>
<b>Total Interest.....</b>	<b>\$ 3,498,676.45</b>	<b>\$ 3,727,073.07</b>	<b>\$ 3,498,676.45</b>	<b>\$ 3,727,073.07</b>	<b>\$ 44,431,297.00</b>	<b>\$ 47,989,225.18</b>

February 21, 2012

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
January 31, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,545,658.00	\$ 1,449,790.00	\$ 1,545,658.00	\$ 1,449,790.00
Unemployment.....	107,426.83	56,297.84	107,426.83	56,297.84
FICA.....	802,884.28	630,096.44	802,884.28	630,096.44
Public Service Commission Fee.....	162,886.60	161,096.90	162,886.60	161,096.90
Federal Income.....	7,305,783.95	9,942,013.27	7,305,783.95	9,942,013.27
State Income.....	1,333,091.30	1,813,133.12	1,333,091.30	1,813,133.12
Miscellaneous.....	<u>3,246.57</u>	<u>7,222.67</u>	<u>3,246.57</u>	<u>7,222.67</u>
Total Charged to Operating Expense.....	11,260,977.53	14,059,650.24	11,260,977.53	14,059,650.24
Taxes Charged to Other Accounts.....	(4,045,203.32)	253,940.94	(4,045,203.32)	253,940.94
Taxes Accrued on Intercompany Accounts.....	<u>(35,891.25)</u>	<u>(278,231.12)</u>	<u>(35,891.25)</u>	<u>(278,231.12)</u>
Total Taxes Charged.....	<u>\$ 7,179,882.96</u>	<u>\$ 14,035,360.06</u>	<u>\$ 7,179,882.96</u>	<u>\$ 14,035,360.06</u>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 1,560,217.00	\$ 43.38	\$ 13,558,598.44
Unemployment.....	53,328.91	101,246.77	23,296.72	131,278.96
FICA.....	526,035.87	672,022.05	589,528.12	608,529.80
Federal Income.....	-	4,387,217.90	-	4,387,217.90
State Income.....	-	-	-	-
Kentucky Sales and Use Tax.....	671,793.23	449,155.46	671,793.23	449,155.46
Miscellaneous.....	<u>35,266.73</u>	<u>10,023.78</u>	<u>7,523.78</u>	<u>37,766.73</u>
Totals.....	<u>\$ 13,284,849.56</u>	<u>\$ 7,179,882.96</u>	<u>\$ 1,292,185.23</u>	<u>\$ 19,172,547.29</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**January 31, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 634,759.40	\$ -	\$ -	\$ 634,759.40	\$ 157,691,841.79
Common Intangible Plant.....	60,891,162.83	216,668.23	-	-	216,668.23	61,107,831.06
	<u>217,948,245.22</u>	<u>851,427.63</u>	<u>-</u>	<u>-</u>	<u>851,427.63</u>	<u>218,799,672.85</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	5,982,582.52	(474,584.10)	(23.74)	5,507,974.68	970,021,150.53
Electric General Plant.....	15,943,111.49	-	-	-	-	15,943,111.49
Electric Hydro Production.....	42,535,934.10	-	-	-	-	42,535,934.10
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	-	-	-	-	234,246,978.99
Electric Steam Production.....	2,114,510,864.74	-	-	-	-	2,114,510,864.74
Electric Transmission.....	254,611,190.87	1,050,986.40	(168,683.63)	-	882,302.77	255,493,493.64
	<u>3,626,363,496.33</u>	<u>7,033,568.92</u>	<u>(643,267.73)</u>	<u>(23.74)</u>	<u>6,390,277.45</u>	<u>3,632,753,773.78</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	-	-	-	-	592,951,320.42
Gas General Plant.....	8,204,172.47	-	-	-	-	8,204,172.47
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	-	-	-	-	80,580,078.39
Gas Transmission.....	21,541,957.36	-	-	-	-	21,541,957.36
	<u>703,277,916.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>703,277,916.13</u>
<b>Total 101 Accounts</b> .....	<u>4,547,589,657.68</u>	<u>7,884,996.55</u>	<u>(643,267.73)</u>	<u>(23.74)</u>	<u>7,241,705.08</u>	<u>4,554,831,362.76</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>649,014.48</u>
<b>Total 105001</b> .....	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,014.48</u>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**January 31, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (514,311.43)	\$ -	\$ -	\$ (514,311.43)	\$ 2,060,624.58
Common Intangible Plant.....	2,240,884.26	2,704,971.69	-	-	2,704,971.69	4,945,855.95
	<u>4,815,820.27</u>	<u>2,190,660.26</u>	<u>-</u>	<u>-</u>	<u>2,190,660.26</u>	<u>7,006,480.53</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	18,196,973.85	-	-	18,196,973.85	41,409,209.39
Electric General Plant.....	6,763.22	-	-	-	-	6,763.22
Electric Hydro Production.....	16,456.36	-	-	-	-	16,456.36
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	153,975.46	-	-	153,975.46	3,689,935.20
Electric Steam Production.....	41,241,674.58	2,803,964.22	-	-	2,803,964.22	44,045,638.80
Electric Transmission.....	37,708,783.02	2,859,211.82	-	-	2,859,211.82	40,567,994.84
	<u>105,721,872.46</u>	<u>24,014,125.35</u>	<u>-</u>	<u>-</u>	<u>24,014,125.35</u>	<u>129,735,997.81</u>
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	1,123,540.31	-	-	1,123,540.31	19,989,524.79
Gas General Plant.....	263,073.78	49,134.31	-	-	49,134.31	312,208.09
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	5,411,795.60	-	-	5,411,795.60	5,926,408.60
Gas Transmission.....	1,459,528.03	2,072.08	-	-	2,072.08	1,461,600.11
	<u>21,103,199.29</u>	<u>6,586,542.30</u>	<u>-</u>	<u>-</u>	<u>6,586,542.30</u>	<u>27,689,741.59</u>
Total 106 Accounts	<u>131,640,892.02</u>	<u>32,791,327.91</u>	<u>-</u>	<u>-</u>	<u>32,791,327.91</u>	<u>164,432,219.93</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(2,443,132.63)	-	-	(2,443,132.63)	12,640,806.70
Electric.....	152,710,828.07	(22,863,816.83)	-	-	(22,863,816.83)	129,847,011.24
Gas.....	47,481,609.94	(2,965,465.23)	-	-	(2,965,465.23)	44,516,144.71
	<u>215,276,377.34</u>	<u>(28,272,414.69)</u>	<u>-</u>	<u>-</u>	<u>(28,272,414.69)</u>	<u>187,003,962.65</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,682,094,793.74</u>	<u>40,676,324.46</u>	<u>(643,267.73)</u>	<u>(23.74)</u>	<u>40,033,032.99</u>	<u>4,722,127,826.73</u>
<b>Total Plant + CWIP</b> .....	<u>4,897,371,171.08</u>	<u>12,403,909.77</u>	<u>(643,267.73)</u>	<u>(23.74)</u>	<u>11,760,618.30</u>	<u>4,909,131,789.38</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,897,295,931.52</u>	<u>\$ 12,403,909.77</u>	<u>\$ (643,267.73)</u>	<u>\$ (23.74)</u>	<u>\$ 11,760,618.30</u>	<u>\$ 4,909,056,549.82</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (1,001,870.55)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,088,989.94)
Common General Plant - ARO.....	(2,403.59)	(171.70)	-	-	-	-	-	-	-	(2,575.29)
Electric Distribution.....	(287,667,187.72)	(1,500,857.99)	474,584.10	-	-	-	-	-	-	(288,693,461.61)
Electric Distribution - ARO.....	(7,290.40)	(949.92)	-	(223.56)	-	-	-	-	-	(8,463.88)
Electric General Plant.....	(11,305,192.13)	(44,957.37)	-	-	-	-	-	-	-	(11,350,149.50)
Electric Hydro Production.....	(10,051,997.22)	(47,156.37)	-	-	-	-	-	-	-	(10,099,153.59)
Electric Hydro Production - ARO.....	(2,112.62)	(145.71)	-	-	-	-	-	-	-	(2,258.33)
Electric Other Production.....	(67,466,740.67)	(699,057.56)	-	-	-	-	-	-	-	(68,165,798.23)
Electric Other Production - ARO.....	(1,302.82)	(96.56)	-	-	-	-	-	-	-	(1,399.38)
Electric Steam Production.....	(1,060,614,162.86)	(4,784,443.99)	-	-	-	-	-	-	-	(1,065,398,606.85)
Electric Steam Production - ARO.....	(1,402,047.92)	(155,611.30)	-	-	-	-	-	-	-	(1,557,659.22)
Electric Transmission.....	(121,989,304.84)	(373,405.64)	168,683.63	-	-	-	-	-	-	(122,194,026.85)
Electric Transmission - ARO.....	(903.28)	(679.61)	-	-	-	-	-	-	-	(1,582.89)
Gas Distribution.....	(131,835,425.42)	(1,006,201.55)	-	-	-	-	-	-	-	(132,841,626.97)
Gas Distribution - ARO.....	(346,237.51)	(24,728.63)	-	-	-	-	-	-	-	(370,966.14)
Gas General Plant.....	(5,044,235.87)	(29,678.06)	-	-	-	-	-	-	-	(5,073,913.93)
Gas Storage.....	(31,071,784.79)	(97,383.66)	-	-	-	-	-	-	-	(31,169,168.45)
Gas Storage - ARO.....	(257,551.24)	(18,348.45)	-	-	-	-	-	-	-	(275,899.69)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(5,073.74)	-	-	-	-	-	-	-	(9,491,430.12)
Gas Transmission - ARO.....	(35,270.86)	(8,817.73)	-	-	-	-	-	-	-	(44,088.59)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(9,799,636.09)</u>	<u>643,267.73</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,824,894,579.81)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(24,020.41)	-	-	-	-	-	-	-	(661,782.85)
Electric Distribution.....	(148,949,763.17)	(595,835.92)	-	-	-	-	667,622.24	-	-	(148,877,976.85)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(3,579.36)	-	-	-	-	-	-	-	728,875.75
Electric Other Production.....	(2,535,958.71)	(29,974.93)	-	-	-	-	-	-	-	(2,565,933.64)
Electric Steam Production.....	(108,291,391.50)	(1,433,399.12)	-	-	-	-	-	-	-	(109,724,790.62)
Electric Transmission.....	(25,759,724.87)	(120,388.15)	-	-	-	-	163,887.84	-	-	(25,716,225.18)
Gas Distribution.....	(62,001,399.83)	(283,700.30)	-	-	-	-	-	-	-	(62,285,100.13)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(12,660.21)	-	-	-	-	-	-	-	249,810.33
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(1,256.02)	-	-	-	-	-	-	-	(2,986,113.79)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (2,504,814.42)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 831,510.08</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (351,835,370.36)</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**January 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 31.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,489.77
Electric Distribution.....	18,531,222.48	121,366.96	-	-	-	-	-	(31,445.83)	-	18,621,143.61
Electric General Plant.....	140,589.22	187.29	-	-	-	-	-	-	-	140,776.51
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	170,641.05	-	-	-	-	-	-	-	24,191,319.70
Electric Transmission.....	6,511,015.77	22,280.58	-	-	-	-	-	-	-	6,533,296.35
Gas Distribution.....	3,791,455.11	16,879.52	-	-	-	-	-	-	-	3,808,334.63
Gas General Plant.....	228,159.61	240.20	-	-	-	-	-	-	-	228,399.81
Gas Storage.....	287,152.21	1,475.22	-	-	-	-	-	-	-	288,627.43
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	471.01	-	-	-	-	-	-	-	223,780.54
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>333,573.77</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,445.83)</u>	<u>-</u>	<u>54,671,807.85</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(1,026,030.72)	-	-	-	-	-	-	-	(78,538,218.67)
Electric.....	(1,795,747,613.36)	(9,476,063.62)	643,267.73	(223.56)	-	-	831,510.08	(31,445.83)	-	(1,803,780,568.56)
Gas.....	(238,270,572.69)	(1,468,782.40)	-	-	-	-	-	-	-	(239,739,355.09)
	<u>(2,111,530,374.00)</u>	<u>(11,970,876.74)</u>	<u>643,267.73</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>831,510.08</u>	<u>(31,445.83)</u>	<u>-</u>	<u>(2,122,058,142.32)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	-	-	-	(29,284.35)	(10,496.95)	-	109,981.05
Electric.....	11,924,715.03	-	-	-	-	(800,064.25)	506,473.47	(13,165.93)	(75,896.49)	11,542,061.83
Gas.....	1,590,687.78	-	-	-	-	-	59,700.99	-	-	1,650,388.77
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,064.25)</u>	<u>536,890.11</u>	<u>(23,662.88)</u>	<u>(75,896.49)</u>	<u>13,302,431.65</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(11,970,876.74)</u>	<u>643,267.73</u>	<u>(223.56)</u>	<u>-</u>	<u>(800,064.25)</u>	<u>1,368,400.19</u>	<u>(55,108.71)</u>	<u>(75,896.49)</u>	<u>(2,108,755,710.67)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(705,817.58)	-	-	-	-	-	-	-	(20,777,421.61)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(705,817.58)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,777,421.61)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (12,676,694.32)</u>	<u>\$ 643,267.73</u>	<u>\$ (223.56)</u>	<u>\$ -</u>	<u>\$ (800,064.25)</u>	<u>\$ 1,368,400.19</u>	<u>\$ (55,108.71)</u>	<u>\$ (75,896.49)</u>	<u>\$ (2,129,533,132.28)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,129,469,771.92)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,779,422,479.01</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**January 31, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 88,120,737.69	\$ -	\$ 88,120,737.69
Gas Operating Revenues.....	47,499,975.80	-	47,499,975.80
<b>Total Operating Revenues.....</b>	<b>135,620,713.49</b>	<b>-</b>	<b>135,620,713.49</b>
Fuel for Electric Generation.....	33,830,887.72	-	33,830,887.72
Power Purchased.....	5,288,971.86	-	5,288,971.86
Gas Supply Expenses.....	27,992,187.24	-	27,992,187.24
Other Operation Expenses.....	19,790,408.88	-	19,790,408.88
Maintenance.....	7,962,500.39	-	7,962,500.39
Depreciation.....	11,920,225.38	-	11,920,225.38
Amortization Expense.....	705,817.58	-	705,817.58
Regulatory Credits.....	(450,370.70)	-	(450,370.70)
Taxes			
Federal Income.....	7,305,783.95	-	7,305,783.95
State Income.....	1,333,091.30	-	1,333,091.30
Deferred Federal Income - Net.....	76,149.99	8,230.80	84,380.79
Deferred State Income - Net.....	-	1,501.06	1,501.06
Property and Other.....	2,622,102.28	-	2,622,102.28
Amortization of Investment Tax Credit.....	(223,356.00)	-	(223,356.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	240,821.09	-	240,821.09
<b>Total Operating Expenses.....</b>	<b>118,395,220.96</b>	<b>9,731.86</b>	<b>118,404,952.82</b>
Net Operating Income.....	17,225,492.53	(9,731.86)	17,215,760.67
Other Income Less Deductions.....	(164,729.07)	-	(164,729.07)
<b>Income Before Interest Charges.....</b>	<b>17,060,763.46</b>	<b>(9,731.86)</b>	<b>17,051,031.60</b>
Interest on Long-Term Debt.....	3,050,519.12	(25,017.63)	3,025,501.49
Amortization of Debt Expense - Net.....	262,315.31	-	262,315.31
Other Interest Expenses.....	185,842.02	-	185,842.02
<b>Total Interest Charges.....</b>	<b>3,498,676.45</b>	<b>(25,017.63)</b>	<b>3,473,658.82</b>
<b>Net Income.....</b>	<b>\$ 13,562,087.01</b>	<b>\$ 15,285.77</b>	<b>\$ 13,577,372.78</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**January 31, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 88,120,737.69	\$ -	\$ 88,120,737.69
Gas Operating Revenues.....	47,499,975.80	-	47,499,975.80
<b>Total Operating Revenues.....</b>	<b>135,620,713.49</b>	<b>-</b>	<b>135,620,713.49</b>
Fuel for Electric Generation.....	33,830,887.72	-	33,830,887.72
Power Purchased.....	5,288,971.86	-	5,288,971.86
Gas Supply Expenses.....	27,992,187.24	-	27,992,187.24
Other Operation Expenses.....	19,790,408.88	-	19,790,408.88
Maintenance.....	7,962,500.39	-	7,962,500.39
Depreciation.....	11,920,225.38	-	11,920,225.38
Amortization Expense.....	705,817.58	-	705,817.58
Regulatory Credits.....	(450,370.70)	-	(450,370.70)
Taxes			
Federal Income.....	7,305,783.95	-	7,305,783.95
State Income.....	1,333,091.30	-	1,333,091.30
Deferred Federal Income - Net.....	76,149.99	8,230.80	84,380.79
Deferred State Income - Net.....	-	1,501.06	1,501.06
Property and Other.....	2,622,102.28	-	2,622,102.28
Amortization of Investment Tax Credit.....	(223,356.00)	-	(223,356.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	240,821.09	-	240,821.09
<b>Total Operating Expenses.....</b>	<b>118,395,220.96</b>	<b>9,731.86</b>	<b>118,404,952.82</b>
Net Operating Income.....	17,225,492.53	(9,731.86)	17,215,760.67
Other Income Less Deductions.....	(164,729.07)	-	(164,729.07)
<b>Income Before Interest Charges.....</b>	<b>17,060,763.46</b>	<b>(9,731.86)</b>	<b>17,051,031.60</b>
Interest on Long-Term Debt.....	3,050,519.12	(25,017.63)	3,025,501.49
Amortization of Debt Expense - Net.....	262,315.31	-	262,315.31
Other Interest Expenses.....	185,842.02	-	185,842.02
<b>Total Interest Charges.....</b>	<b>3,498,676.45</b>	<b>(25,017.63)</b>	<b>3,473,658.82</b>
<b>Net Income.....</b>	<b>\$ 13,562,087.01</b>	<b>\$ 15,285.77</b>	<b>\$ 13,577,372.78</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 31, 2012**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	13,562,087.01	18,912,171.82	15,285.77	528,169.77	13,577,372.78	19,440,341.59
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>	<u>\$ (808,717,604.96)</u>	<u>\$ (808,371,112.67)</u>	<u>\$ 73,774,039.44</u>	<u>\$ 38,534,311.11</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 31, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	13,562,087.01	18,912,171.82	15,285.77	528,169.77	13,577,372.78	19,440,341.59
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>	<u>\$ (808,717,604.96)</u>	<u>\$ (808,371,112.67)</u>	<u>\$ 73,774,039.44</u>	<u>\$ 38,534,311.11</u>

February 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**January 31, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 846,905,423.78	\$ 764,289,058.43	\$ (808,371,112.67)	\$ -	\$ 38,534,311.11	\$ 764,289,058.43
Add:						
Net Income (Loss) for Period.....	118,836,220.62	137,616,365.35	(346,492.29)	575,778.85	118,489,728.33	138,192,144.20
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	83,250,000.00	55,000,000.00	-	-	83,250,000.00	55,000,000.00
Balance at End of Period.....	<u>\$ 882,491,644.40</u>	<u>\$ 846,905,423.78</u>	<u>\$ (808,717,604.96)</u>	<u>\$ (808,371,112.67)</u>	<u>\$ 73,774,039.44</u>	<u>\$ 38,534,311.11</u>

February 21, 2012



**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of January 31, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,909,056,549.82	\$ -	\$ 4,909,056,549.82
Less: Reserves for Depreciation and Amortization....	2,129,469,771.92	-	2,129,469,771.92
<b>Total.....</b>	<b>2,779,586,777.90</b>	<b>-</b>	<b>2,779,586,777.90</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	29,788,557.01	-	29,788,557.01
<b>Total.....</b>	<b>30,394,722.21</b>	<b>-</b>	<b>30,394,722.21</b>
<b>Current and Accrued Assets</b>			
Cash.....	22,562,167.83	-	22,562,167.83
Special Deposits.....	12,277.00	-	12,277.00
Temporary Cash Investments.....	33,199.87	-	33,199.87
Accounts Receivable - Less Reserve.....	143,404,574.12	-	143,404,574.12
Accounts Receivable from Associated Companies....	12,419,799.02	-	12,419,799.02
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	50,199,426.27	-	50,199,426.27
Plant Materials and Operating Supplies.....	30,878,565.61	-	30,878,565.61
Stores Expense.....	5,639,880.99	-	5,639,880.99
Gas Stored Underground.....	41,005,070.14	-	41,005,070.14
Emission Allowances.....	19,936.74	-	19,936.74
Prepayments.....	5,317,036.50	-	5,317,036.50
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>311,491,934.09</b>	<b>-</b>	<b>311,491,934.09</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,189,647.53	(3,465,633.84)	9,724,013.69
Unamortized Loss on Bonds.....	20,885,609.22	-	20,885,609.22
Accumulated Deferred Income Taxes.....	23,749,922.01	67,074,595.36	90,824,517.37
Deferred Regulatory Assets.....	399,361,510.17	8,711,900.31	408,073,410.48
Other Deferred Debits.....	1,259,355.16	158,776,903.92	160,036,259.08
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>458,446,044.09</b>	<b>620,255,117.34</b>	<b>1,078,701,161.43</b>
<b>Total Assets.....</b>	<b>\$ 3,579,919,478.29</b>	<b>\$ 620,255,117.34</b>	<b>\$ 4,200,174,595.63</b>

February 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of January 31, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	882,491,644.40	(808,717,604.96)	73,774,039.44
<b>Total Proprietary Capital.....</b>	<b>1,390,407,678.85</b>	<b>385,368,264.06</b>	<b>1,775,775,942.91</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,201,452.55	580,505,452.55
First Mortgage Bonds.....	531,354,864.10	-	531,354,864.10
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,658,864.10</b>	<b>6,201,452.55</b>	<b>1,111,860,316.65</b>
<b>Total Capitalization.....</b>	<b>2,496,066,542.95</b>	<b>391,569,716.61</b>	<b>2,887,636,259.56</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	90,067,704.18	-	90,067,704.18
Accounts Payable to Associated Companies.....	15,168,942.65	-	15,168,942.65
Customer Deposits.....	22,478,501.90	-	22,478,501.90
Taxes Accrued.....	19,172,547.29	-	19,172,547.29
Interest Accrued.....	8,169,288.22	-	8,169,288.22
Miscellaneous Current and Accrued Liabilities.....	27,349,223.25	-	27,349,223.25
<b>Total.....</b>	<b>182,406,207.49</b>	<b>-</b>	<b>182,406,207.49</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	499,655,847.55	64,662,230.34	564,318,077.89
Investment Tax Credit.....	42,495,488.13	-	42,495,488.13
Regulatory Liabilities.....	60,785,846.15	158,776,903.92	219,562,750.07
Customer Advances for Construction.....	7,319,187.89	-	7,319,187.89
Asset Retirement Obligations.....	58,847,147.60	-	58,847,147.60
Other Deferred Credits.....	8,612,478.80	5,246,266.47	13,858,745.27
Miscellaneous Long-Term Liabilities.....	61,995,072.79	-	61,995,072.79
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	161,735,658.94	-	161,735,658.94
<b>Total.....</b>	<b>901,446,727.85</b>	<b>228,685,400.73</b>	<b>1,130,132,128.58</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,579,919,478.29</b>	<b>\$ 620,255,117.34</b>	<b>\$ 4,200,174,595.63</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - February 29, 2012**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

February 29, 2012

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**February 29, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 29, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 76,140,406.22	\$ 81,391,948.43	\$ (5,251,542.21)	(6.45)
Gas Operating Revenues.....	37,643,413.75	44,131,163.97	(6,487,750.22)	(14.70)
<b>Total Operating Revenues.....</b>	<b>113,783,819.97</b>	<b>125,523,112.40</b>	<b>(11,739,292.43)</b>	<b>(9.35)</b>
Fuel for Electric Generation.....	28,081,303.76	27,823,577.78	257,725.98	0.93
Power Purchased.....	3,787,880.17	6,044,560.87	(2,256,680.70)	(37.33)
Gas Supply Expenses.....	20,484,139.27	27,043,442.47	(6,559,303.20)	(24.25)
Other Operation Expenses.....	18,991,439.19	19,230,023.55	(238,584.36)	(1.24)
Maintenance.....	15,573,622.75	7,878,568.47	7,695,054.28	97.67
Depreciation.....	11,967,373.42	11,598,433.49	368,939.93	3.18
Amortization Expense.....	734,402.48	641,818.81	92,583.67	14.43
Regulatory Credits.....	(438,995.64)	(367,551.24)	(71,444.40)	(19.44)
Taxes				
Federal Income.....	2,800,341.89	6,404,946.04	(3,604,604.15)	(56.28)
State Income.....	510,700.66	1,168,075.26	(657,374.60)	(56.28)
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	2,307,156.00	2,263,528.10	43,627.90	1.93
Amortization of Investment Tax Credit.....	(223,356.00)	(236,034.00)	12,678.00	5.37
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	241,844.43	219,602.14	22,242.29	10.13
<b>Total Operating Expenses.....</b>	<b>104,817,852.38</b>	<b>109,712,991.74</b>	<b>(4,895,139.36)</b>	<b>(4.46)</b>
Net Operating Income.....	8,965,967.59	15,810,120.66	(6,844,153.07)	(43.29)
Other Income Less Deductions.....	(204,264.82)	760,189.16	(964,453.98)	(126.87)
<b>Income Before Interest Charges.....</b>	<b>8,761,702.77</b>	<b>16,570,309.82</b>	<b>(7,808,607.05)</b>	<b>(47.12)</b>
Interest on Long-Term Debt.....	3,093,107.19	3,257,472.39	(164,365.20)	(5.05)
Amortization of Debt Expense - Net.....	262,322.89	274,350.15	(12,027.26)	(4.38)
Other Interest Expenses.....	195,170.90	147,100.30	48,070.60	32.68
<b>Total Interest Charges.....</b>	<b>3,550,600.98</b>	<b>3,678,922.84</b>	<b>(128,321.86)</b>	<b>(3.49)</b>
<b>Net Income.....</b>	<b>\$ 5,211,101.79</b>	<b>\$ 12,891,386.98</b>	<b>\$ (7,680,285.19)</b>	<b>(59.58)</b>

March 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 29, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 164,261,143.91	\$ 173,488,682.96	\$ (9,227,539.05)	(5.32)
Gas Operating Revenues.....	85,143,389.55	102,945,174.64	(17,801,785.09)	(17.29)
<b>Total Operating Revenues.....</b>	<b>249,404,533.46</b>	<b>276,433,857.60</b>	<b>(27,029,324.14)</b>	<b>(9.78)</b>
Fuel for Electric Generation.....	61,912,191.48	60,141,089.93	1,771,101.55	2.94
Power Purchased.....	9,076,852.03	13,119,314.25	(4,042,462.22)	(30.81)
Gas Supply Expenses.....	48,476,326.51	65,350,875.94	(16,874,549.43)	(25.82)
Other Operation Expenses.....	38,781,848.07	37,656,179.11	1,125,668.96	2.99
Maintenance.....	23,536,123.14	14,643,464.39	8,892,658.75	60.73
Depreciation.....	23,887,598.80	22,875,634.84	1,011,963.96	4.42
Amortization Expense.....	1,440,220.06	1,281,835.11	158,384.95	12.36
Regulatory Credits.....	(889,366.34)	(734,163.07)	(155,203.27)	(21.14)
Taxes				
Federal Income.....	10,106,125.84	16,346,959.31	(6,240,833.47)	(38.18)
State Income.....	1,843,791.96	2,981,208.38	(1,137,416.42)	(38.15)
Deferred Federal Income - Net.....	76,149.99	6.82	76,143.17	1,116,468.77
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	4,929,258.28	4,568,031.95	361,226.33	7.91
Amortization of Investment Tax Credit.....	(446,712.00)	(445,401.00)	(1,311.00)	(0.29)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	482,665.52	438,264.78	44,400.74	10.13
<b>Total Operating Expenses.....</b>	<b>223,213,073.34</b>	<b>238,223,300.74</b>	<b>(15,010,227.40)</b>	<b>(6.30)</b>
Net Operating Income.....	26,191,460.12	38,210,556.86	(12,019,096.74)	(31.45)
Other Income Less Deductions.....	(368,993.89)	998,997.85	(1,367,991.74)	(136.94)
<b>Income Before Interest Charges.....</b>	<b>25,822,466.23</b>	<b>39,209,554.71</b>	<b>(13,387,088.48)</b>	<b>(34.14)</b>
Interest on Long-Term Debt.....	6,143,626.31	6,553,530.68	(409,904.37)	(6.25)
Amortization of Debt Expense - Net.....	524,638.20	548,019.53	(23,381.33)	(4.27)
Other Interest Expenses.....	381,012.92	304,445.70	76,567.22	25.15
<b>Total Interest Charges.....</b>	<b>7,049,277.43</b>	<b>7,405,995.91</b>	<b>(356,718.48)</b>	<b>(4.82)</b>
<b>Net Income.....</b>	<b>\$ 18,773,188.80</b>	<b>\$ 31,803,558.80</b>	<b>\$ (13,030,370.00)</b>	<b>(40.97)</b>

March 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 29, 2012**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,050,522,764.44	\$ 1,022,971,893.88	\$ 27,550,870.56	2.69
Gas Operating Revenues.....	286,772,636.73	300,980,111.84	(14,207,475.11)	(4.72)
<b>Total Operating Revenues.....</b>	<b>1,337,295,401.17</b>	<b>1,323,952,005.72</b>	<b>13,343,395.45</b>	<b>1.01</b>
Fuel for Electric Generation.....	362,739,494.91	370,971,646.94	(8,232,152.03)	(2.22)
Power Purchased.....	70,852,084.90	55,123,886.26	15,728,198.64	28.53
Gas Supply Expenses.....	144,361,076.27	173,172,189.92	(28,811,113.65)	(16.64)
Other Operation Expenses.....	237,403,023.85	227,153,736.21	10,249,287.64	4.51
Maintenance.....	125,251,727.30	113,725,742.92	11,525,984.38	10.13
Depreciation.....	143,010,178.88	132,522,697.73	10,487,481.15	7.91
Amortization Expense.....	8,291,848.98	7,550,526.75	741,322.23	9.82
Regulatory Credits.....	(5,885,288.96)	(4,644,664.96)	(1,240,624.00)	(26.71)
Taxes				
Federal Income.....	5,722,016.98	26,909,253.25	(21,187,236.27)	(78.74)
State Income.....	7,128,116.25	5,730,730.86	1,397,385.39	24.38
Deferred Federal Income - Net.....	52,299,867.53	27,897,238.72	24,402,628.81	87.47
Deferred State Income - Net.....	2,011,675.35	2,370,024.44	(358,349.09)	(15.12)
Property and Other.....	28,482,809.97	23,035,187.94	5,447,622.03	23.65
Amortization of Investment Tax Credit.....	(2,807,043.00)	(2,530,211.00)	(276,832.00)	(10.94)
Loss (Gain) from Disposition of Allowances.....	(2,577.94)	(34,460.14)	31,882.20	92.52
Accretion Expense.....	2,688,885.36	3,392,420.38	(703,535.02)	(20.74)
<b>Total Operating Expenses.....</b>	<b>1,181,547,896.63</b>	<b>1,162,345,946.22</b>	<b>19,201,950.41</b>	<b>1.65</b>
Net Operating Income.....	155,747,504.54	161,606,059.50	(5,858,554.96)	(3.63)
Other Income Less Deductions.....	(288,593.97)	11,893,952.62	(12,182,546.59)	(102.43)
<b>Income Before Interest Charges.....</b>	<b>155,458,910.57</b>	<b>173,500,012.12</b>	<b>(18,041,101.55)</b>	<b>(10.40)</b>
Interest on Long-Term Debt.....	38,399,831.42	43,263,247.09	(4,863,415.67)	(11.24)
Amortization of Debt Expense - Net.....	3,288,091.90	1,979,972.76	1,308,119.14	66.07
Other Interest Expenses.....	2,615,051.82	2,559,808.75	55,243.07	2.16
<b>Total Interest Charges.....</b>	<b>44,302,975.14</b>	<b>47,803,028.60</b>	<b>(3,500,053.46)</b>	<b>(7.32)</b>
<b>Net Income.....</b>	<b>\$ 111,155,935.43</b>	<b>\$ 125,696,983.52</b>	<b>\$ (14,541,048.09)</b>	<b>(11.57)</b>

March 21, 2012



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**February 29, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 882,491,644.40	\$ 846,905,423.78	\$ 868,929,557.39	\$ 827,993,251.96	\$ 842,546,810.76	\$ 789,099,827.24
Add:						
Net Income for Period.....	5,211,101.79	12,891,386.98	18,773,188.80	31,803,558.80	111,155,935.43	125,696,983.52
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	<u>15,000,000.00</u>	<u>17,250,000.00</u>	<u>15,000,000.00</u>	<u>17,250,000.00</u>	<u>81,000,000.00</u>	<u>72,250,000.00</u>
Balance at End of Period.....	<u>\$ 872,702,746.19</u>	<u>\$ 842,546,810.76</u>	<u>\$ 872,702,746.19</u>	<u>\$ 842,546,810.76</u>	<u>\$ 872,702,746.19</u>	<u>\$ 842,546,810.76</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of February 29, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,919,723,457.68	\$ 4,755,964,845.70	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,137,988,703.28</u>	<u>2,058,736,206.02</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,781,734,754.40</u>	<u>2,697,228,639.68</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
Investments			Retained Earnings.....	<u>872,702,746.19</u>	<u>842,546,810.76</u>
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	Total Proprietary Capital.....	<u>1,380,618,780.64</u>	<u>1,350,462,845.21</u>
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	574,304,000.00
Special Funds.....	<u>30,310,548.45</u>	<u>15,268,536.90</u>	First Mortgage Bonds.....	531,378,185.76	531,098,325.82
Total.....	<u>30,916,713.65</u>	<u>15,874,702.10</u>	LT Notes Payable to Associated Companies.....	-	-
Current and Accrued Assets			Total Long-Term Debt.....	<u>1,105,682,185.76</u>	<u>1,105,402,325.82</u>
Cash.....	38,370,592.06	16,211,302.24	Total Capitalization.....	<u>2,486,300,966.40</u>	<u>2,455,865,171.03</u>
Special Deposits.....	-	1,618,654.10	Current and Accrued Liabilities		
Temporary Cash Investments.....	16,534,761.64	1,872.19	ST Notes Payable to Associated Companies.....	-	5,664,000.00
Accounts Receivable - Less Reserve.....	129,860,629.76	154,061,012.70	Notes Payable.....	-	-
Accounts Receivable from Associated Companies...	15,190,151.03	9,427,052.69	Accounts Payable.....	96,978,222.55	69,841,267.94
Materials and Supplies - At Average Cost.....			Accounts Payable to Associated Companies.....	13,291,277.31	9,519,697.55
Fuel.....	57,383,128.29	66,707,850.08	Customer Deposits.....	22,518,161.40	23,753,770.99
Plant Materials and Operating Supplies.....	30,831,292.12	29,621,208.53	Taxes Accrued.....	23,830,129.23	21,091,839.71
Stores Expense.....	5,538,432.48	5,077,532.37	Dividends Declared.....	15,000,000.00	17,250,000.00
Gas Stored Underground.....	27,251,651.60	29,403,684.34	Interest Accrued.....	9,522,801.62	9,153,672.60
Emission Allowances.....	18,675.79	2,482.89	Miscellaneous Current and Accrued Liabilities.....	<u>27,524,482.90</u>	<u>28,798,384.87</u>
Prepayments.....	5,872,637.42	6,421,800.81	Total.....	<u>208,665,075.01</u>	<u>185,072,633.66</u>
Miscellaneous Current and Accrued Assets.....	-	1,725,982.95	Deferred Credits and Other		
Total.....	<u>326,851,952.19</u>	<u>320,280,435.89</u>	Accumulated Deferred Income Taxes.....	499,655,847.55	473,518,807.92
Deferred Debits and Other			Investment Tax Credit.....	42,272,132.13	45,079,175.13
Unamortized Debt Expense.....	13,053,099.47	13,480,018.81	Regulatory Liabilities.....	59,483,304.96	65,182,295.26
Unamortized Loss on Bonds.....	20,784,542.53	21,732,643.55	Customer Advances for Construction.....	7,342,362.81	8,441,333.51
Accumulated Deferred Income Taxes.....	23,749,922.01	53,869,965.22	Asset Retirement Obligations.....	59,088,992.03	53,089,053.69
Deferred Regulatory Assets.....	396,075,506.26	353,942,206.87	Other Deferred Credits.....	10,978,950.12	8,625,923.25
Other Deferred Debits.....	<u>1,224,882.41</u>	<u>(99,098.81)</u>	Miscellaneous Long-Term Liabilities.....	58,881,944.50	33,222,865.65
Total.....	<u>454,887,952.68</u>	<u>442,925,735.64</u>	Accum Provision for Postretirement Benefits.....	<u>161,721,797.41</u>	<u>148,212,254.21</u>
Total Assets.....	<u>\$ 3,594,391,372.92</u>	<u>\$ 3,476,309,513.31</u>	Total.....	<u>899,425,331.51</u>	<u>835,371,708.62</u>
			Total Liabilities and Stockholders' Equity.....	<u>\$ 3,594,391,372.92</u>	<u>\$ 3,476,309,513.31</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**February 29, 2012**

	Authorized Shares	Issued and Outstanding Shares	Amount	Percent of Total Capital
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			872,702,746.19	
 Total Proprietary Capital.....			1,380,618,780.64	55.53
 <b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			60,000,000.00	
Total Pollution Control Bonds.....			574,304,000.00	23.10
 <b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			285,000,000.00	
Total First Mortgage Bonds.....			535,000,000.00	21.52
 <b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(654,520.87)	
First Mortgage Bond Due 11/15/40 5.125%.....			(2,967,293.37)	
			(3,621,814.24)	(0.15)
 Total First Mortgage Bonds - Net of Debt Discount.....			531,378,185.76	21.37
 Total Capitalization.....			\$ 2,486,300,966.40	100.00

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 29, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,919,723,457.68	\$ 4,919,723,457.68
Reserves for Depreciation and Amortization.....		(2,137,988,703.28)
Depreciation of Plant		
Electric.....	(1,797,823,817.23)	
Gas.....	(239,376,723.87)	
Common.....	(79,276,338.09)	
Amortization of Plant		
Common.....	(21,511,824.09)	
Investments.....		30,916,713.65
Special Funds.....	30,310,548.45	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	38,370,592.06	38,370,592.06
Temporary Cash Investments.....	16,534,761.64	16,534,761.64
Accounts Receivable - Less Reserve.....		129,860,629.76
Customers - Active.....	68,438,976.61	
Unbilled Revenues.....	56,253,749.00	
IMPA.....	2,086,599.18	
IMEA.....	2,045,119.68	
Sundry Accounts Receivable.....	1,054,927.56	
Transmission Sales.....	526,952.31	
Damage Claims.....	457,513.18	
Wholesale Sales.....	342,862.36	
Rents Receivable.....	235,765.12	
Electricity Swaps.....	166,354.87	
Bechtel Liquidated Damages.....	11,400.00	
Officers and Employees.....	(536.38)	
Other.....	235,963.61	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	924,933.15	
Reserve.....	(1,557,498.00)	
Accrual.....	(671,150.37)	
A/R Miscellaneous.....	(271,164.47)	
Recoveries.....	(253,782.78)	
LEM Reserve.....	(166,354.87)	
Accounts Receivable from Associated Companies.....		15,190,151.03
LG&E and KU Services/Kentucky Utilities.....	15,190,135.50	
PPL Energy Funding.....	15.53	
Fuel.....		57,383,128.29
Coal 1,104,348.52 Tons @ \$51.47; MMBtu 24,784,187.39 @ 229.35¢.....	56,841,777.37	
Fuel Oil 180,105.01 Gallons @ 266.81¢.....	480,542.54	
Gas Pipeline 5,100 Mcf @ \$11.92.....	60,808.38	
Plant Materials and Operating Supplies.....		30,831,292.12
Regular Materials and Supplies.....	29,960,157.97	
Limestone 95,204.73 Tons @ \$9.15.....	871,134.15	
Stores Expense Undistributed.....	5,538,432.48	5,538,432.48
Gas Stored Underground - Current.....		27,251,651.60
Gas Stored Underground* 5,866,721 Mcf (14.73 psia) @ \$4.65.....	27,251,651.60	
Emission Allowances.....	18,675.79	18,675.79

March 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 29, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 5,872,637.42
Insurance.....	1,825,984.03	
Taxes.....	651,546.46	
Franchises.....	361,332.20	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	2,717,108.02	
Unamortized Debt Expense.....		13,053,099.47
Trimble County 2000 Series A due 08/01/30 Var%.....	712,860.82	
Jefferson County 2001 Series A due 09/01/26 Var%.....	143,894.70	
Jefferson County 2001 Series A due 09/01/27 Var%.....	316,083.64	
Jefferson County 2001 Series B due 11/01/27 Var%.....	172,258.92	
Trimble County 2001 Series A due 09/01/26 Var%.....	156,454.74	
Trimble County 2001 Series B due 11/01/27 Var%.....	172,287.18	
Trimble County 2002 Series A due 10/01/32 Var%.....	766,140.77	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	429,217.43	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	164,806.71	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,010,106.26	
First Mortgage Bond due 11/15/15 1.625%.....	1,932,759.56	
First Mortgage Bond due 11/15/40 5.125%.....	3,422,787.04	
Revolving Credit Agreement.....	3,653,441.70	
Unamortized Loss on Bonds.....	20,784,542.53	20,784,542.53
Accumulated Deferred Income Taxes.....		23,749,922.01
Federal		
Electric.....	17,577,286.97	
Gas.....	1,368,281.19	
State		
Electric.....	4,502,703.92	
Gas.....	301,649.93	
Regulatory Assets.....		396,075,506.26
Pension and Postretirement Benefits.....	225,481,749.00	
Interest Rate Swap Ineffectiveness.....	57,749,836.68	
2009 Winter Storm.....	36,897,312.61	
2008 Wind Storm.....	19,813,113.43	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,458,133.70	
State		
Electric.....	2,272,000.07	
Asset Retirement Obligations		
Electric.....	10,013,751.86	
Gas.....	1,531,954.79	
Common.....	10,443.39	
Swap Termination.....	8,894,142.46	
2011 Summer Storm.....	8,052,124.65	
Fuel Adjustment Clause.....	5,876,000.00	
Gas Supply Clause/PBR.....	4,598,211.14	
MISO Exit Fee.....	634,660.30	
Rate Case Expenses.....	624,491.12	
KCCS Funding.....	530,482.81	
EKPC FERC Transmission Costs.....	339,144.72	
CMRG Funding.....	138,210.00	
General Management Audit.....	121,406.53	
Environmental Cost Recovery.....	38,337.00	
Other Deferred Debits.....	1,224,882.41	1,224,882.41
Total Assets.....	<u>\$ 3,594,391,372.92</u>	<u>\$ 3,594,391,372.92</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

March 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 29, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,380,618,780.64
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	872,702,746.19	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,378,185.76	531,378,185.76
Accounts Payable.....		96,978,222.55
Regular.....	88,988,635.37	
Employee Withholdings Payable.....	5,481,128.45	
Salaries and Wages Accrued.....	2,508,458.73	
Accounts Payable to Associated Companies.....		13,291,277.31
LG&E and KU Services/Kentucky Utilities.....	13,291,277.31	
Customers' Deposits.....	22,518,161.40	22,518,161.40
Taxes Accrued.....	23,830,129.23	23,830,129.23
Interest Accrued.....		9,522,801.62
Jefferson County 2000 Series A due 05/01/27 5.375%.....	17,855.42	
Trimble County 2000 Series A due 08/01/30 Var%.....	3,055.62	
Jefferson County 2001 Series A due 09/01/26 Var%.....	8,385.25	
Jefferson County 2001 Series A due 09/01/27 Var%.....	67.36	
Jefferson County 2001 Series B due 11/01/27 Var%.....	3,442.62	
Trimble County 2001 Series A due 09/01/26 Var%.....	2,937.84	
Trimble County 2001 Series A due 10/01/32 Var%.....	4,007.13	
Trimble County 2001 Series B due 11/01/27 Var%.....	3,442.62	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	1,013,333.33	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	185,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	435,937.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	167,200.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....	690,000.00	
Interest Rate Swaps.....	651,670.52	
First Mortgage Bond due 11/15/15 1.625%.....	1,196,180.56	
First Mortgage Bond due 11/15/40 5.125%.....	4,300,729.17	
Customers' Deposits.....	817,249.73	
Interest Accrued on Tax Liabilities.....	14,000.00	
Other.....	8,029.17	
Dividends Declared.....		15,000,000.00
Dividend Payable to LG&E and KU Energy LLC.....	15,000,000.00	
Miscellaneous Current and Accrued Liabilities.....		27,524,482.90
No-Notice Gas Payable.....	8,971,412.32	
Vacation Pay Accrued.....	5,980,227.35	
Customer Overpayments.....	5,253,608.11	
Derivative Liability - ASC 815.....	4,559,185.22	
Tax Collections Payable.....	1,163,138.42	
Home Energy Assistance.....	709,282.80	
Retirement Income Liability.....	436,163.62	
Unearned Revenue.....	256,757.51	
Other.....	194,707.55	

March 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**February 29, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 499,655,847.55
Federal		
Electric.....	350,820,895.43	
Gas.....	81,862,099.14	
State		
Electric.....	54,295,012.50	
Gas.....	12,677,840.48	
Investment Tax Credit.....		42,272,132.13
Advanced Coal Credit.....	23,029,844.00	
Job Development Credit		
Electric.....	18,707,017.98	
Gas.....	535,270.15	
Regulatory Liabilities.....		59,483,304.96
Deferred Taxes		
Federal		
Electric.....	27,503,680.54	
Gas.....	1,082,516.16	
State		
Electric.....	15,083,739.54	
Gas.....	2,461,807.12	
Gas Supply Clause/PBR.....	5,607,599.51	
DSM Cost Recovery.....	3,877,740.96	
Asset Retirement Obligations		
Gas.....	2,153,553.55	
Electric.....	199,103.33	
MISO Schedule 10 Charges.....	657,063.60	
Purchased Gas Adjustment - Tennessee Gas.....	458,485.65	
Environmental Cost Recovery.....	398,015.00	
Customers' Advances for Construction.....		7,342,362.81
Line Extensions		
Gas.....	6,368,815.99	
Electric.....	960,946.82	
Other.....	12,600.00	
Asset Retirement Obligations.....		59,088,992.03
Electric.....	37,116,498.76	
Gas.....	21,863,407.10	
Common.....	109,086.17	
Other Deferred Credits.....	10,978,950.12	10,978,950.12
Miscellaneous Long-Term Liabilities.....		58,881,944.50
Long-Term Derivative Liabilities - ASC 815.....	53,190,651.46	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		161,721,797.41
Postretirement Benefits - ASC 715.....	85,739,223.91	
Pension Payable.....	72,497,083.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,594,391,372.92</u>	<u>\$ 3,594,391,372.92</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**February 29, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 18,773,188.80	\$ 31,803,558.80
Items not requiring (providing) cash currently:		
Depreciation.....	23,887,598.80	22,875,634.84
Amortization.....	1,440,220.06	1,281,835.11
Deferred income taxes - net.....	76,149.99	6.82
Investment tax credit - net.....	(446,712.00)	(445,401.00)
Gain on disposal of assets.....	(1,532.28)	-
Other.....	3,767,064.23	(1,865,604.87)
Change in receivables.....	4,222,666.40	32,086,281.75
Change in inventory.....	21,164,347.79	31,459,264.46
Change in allowance inventory.....	(16,164.12)	246.07
Change in payables and accrued expenses.....	30,122,790.67	(21,259,217.39)
Change in regulatory assets.....	1,036,770.52	(9,905,843.70)
Change in regulatory liabilities.....	865,708.56	13,755,946.80
Change in other deferred debits.....	(1,408,037.52)	1,381,459.03
Change in other deferred credits.....	5,979,053.42	3,083,019.94
Pension and postretirement funding.....	(22,560,500.00)	(65,337,400.00)
Other.....	(2,294,910.07)	4,197,263.15
Net cash provided (used) by operating activities.....	<u>84,607,703.25</u>	<u>43,111,049.81</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(35,544,256.86)	(21,981,213.87)
Gross additions to common utility plant - construction expenditures.....	(1,125,705.91)	743,866.71
Proceeds received from sales of property.....	1,532.28	-
Change in restricted cash.....	(1,451,541.25)	-
Change in non-hedging derivatives.....	-	(65,560.75)
Other.....	(1,510,347.88)	(1,092,884.77)
Net cash provided (used) by investing activities.....	<u>(39,630,319.62)</u>	<u>(22,395,792.68)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(25,578.45)	162,583,905.46
Net change in short-term debt.....	-	(169,212,000.00)
Dividends on common stock.....	(15,000,000.00)	-
Net cash provided (used) by financing activities.....	<u>(15,025,578.45)</u>	<u>(6,628,094.54)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	29,951,805.18	14,087,162.59
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 54,905,353.70</u>	<u>\$ 16,213,174.43</u>

March 21, 2012



**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**February 29, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 17,855.42	\$ 111,979.18	\$ 36,139.59	\$ 223,958.36	\$ 1,061,847.93	\$ 1,343,749.94
Trimble County 2000 Series A due 08/01/30 Var%.....	3,703.78	26,088.47	7,963.13	57,628.44	141,206.53	422,242.20
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,740.15	2,598.97	2,958.25	5,894.00	16,127.00	49,692.00
Jefferson County 2001 Series A due 09/01/27 Var%.....	5,526.63	21,575.34	11,336.06	45,462.33	132,614.16	211,808.24
Jefferson County 2001 Series B due 11/01/27 Var%.....	11,092.90	22,630.14	23,476.77	48,864.38	246,924.19	362,938.01
Trimble County 2001 Series A due 09/01/26 Var%.....	4,831.29	9,493.15	9,903.01	20,154.12	88,281.77	155,130.16
Trimble County 2001 Series A due 10/01/32 Var%.....	4,485.25	14,757.40	6,740.19	30,131.21	88,743.74	310,939.99
Trimble County 2001 Series B due 11/01/27 Var%.....	11,092.90	22,821.92	23,476.77	49,335.62	245,031.28	363,453.34
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.66	202,666.67	405,333.32	329,263.93	2,427,002.62	329,263.93
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	383,333.32	383,333.34	2,299,999.96	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	290,625.02	290,624.98	1,743,749.92	1,743,749.93
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	55,733.34	109,608.90	90,547.60	667,425.80	90,547.60
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	460,000.00	460,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	651,670.52	644,419.48	1,261,273.62	1,221,869.02	7,812,126.51	7,714,721.36
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	338,541.67	677,083.34	677,083.34	4,062,499.99	1,184,895.85
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	2,434,375.02	2,434,375.00	14,606,250.02	4,260,156.25
Fidelia/PPL.....	-	-	-	-	-	18,880,275.03
Revolving Credit Agreement.....	-	-	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b><u>3,093,107.19</u></b>	<b><u>3,257,472.39</u></b>	<b><u>6,143,626.31</u></b>	<b><u>6,553,530.68</u></b>	<b><u>38,399,831.42</u></b>	<b><u>43,263,247.09</u></b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	159,869.76	173,347.18	319,739.52	346,013.59	2,071,852.38	768,351.92
Amortization of Loss on Reacquired Debt.....	102,453.13	101,002.97	204,898.68	202,005.94	1,216,239.52	1,211,620.84
<b>Total.....</b>	<b><u>262,322.89</u></b>	<b><u>274,350.15</u></b>	<b><u>524,638.20</u></b>	<b><u>548,019.53</u></b>	<b><u>3,288,091.90</u></b>	<b><u>1,979,972.76</u></b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	112,876.38	100,128.43	222,489.58	209,241.35	1,396,883.22	1,362,619.27
Other Tax Deficiencies.....	-	-	-	-	14,000.00	(17,500.00)
Interest on DSM Cost Recovery.....	135.88	1,234.22	(9,746.30)	2,311.25	3,039.97	26,828.69
Interest on Debt to Associated Companies.....	-	4,185.53	94.83	8,802.56	955.36	225,557.86
Other Interest Expense.....	82,158.64	41,552.12	168,174.81	84,090.54	1,200,173.27	962,302.93
<b>Total.....</b>	<b><u>195,170.90</u></b>	<b><u>147,100.30</u></b>	<b><u>381,012.92</u></b>	<b><u>304,445.70</u></b>	<b><u>2,615,051.82</u></b>	<b><u>2,559,808.75</u></b>
<b>Total Interest.....</b>	<b><u>\$ 3,550,600.98</u></b>	<b><u>\$ 3,678,922.84</u></b>	<b><u>\$ 7,049,277.43</u></b>	<b><u>\$ 7,405,995.91</u></b>	<b><u>\$ 44,302,975.14</u></b>	<b><u>\$ 47,803,028.60</u></b>

March 21, 2012

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
February 29, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,545,658.00	\$ 1,449,790.00	\$ 3,091,316.00	\$ 2,899,580.00
Unemployment.....	42,315.33	34,580.50	149,742.16	90,878.34
FICA.....	553,014.50	618,060.70	1,355,898.78	1,248,157.14
Public Service Commission Fee.....	162,886.60	161,096.90	325,773.20	322,193.80
Federal Income.....	2,800,341.89	6,404,946.04	10,106,125.84	16,346,959.31
State Income.....	510,700.66	1,168,075.26	1,843,791.96	2,981,208.38
Miscellaneous.....	3,281.57	-	6,528.14	7,222.67
<b>Total Charged to Operating Expense.....</b>	<b>5,618,198.55</b>	<b>9,836,549.40</b>	<b>16,879,176.08</b>	<b>23,896,199.64</b>
Taxes Charged to Other Accounts.....	(119,703.91)	721,376.38	(4,164,907.23)	975,317.32
Taxes Accrued on Intercompany Accounts.....	(39,048.19)	(254,806.97)	(74,939.44)	(533,038.09)
<b>Total Taxes Charged.....</b>	<b>\$ 5,459,446.45</b>	<b>\$ 10,303,118.81</b>	<b>\$ 12,639,329.41</b>	<b>\$ 24,338,478.87</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 3,120,434.00	\$ 416.07	\$ 15,118,442.75
Unemployment.....	53,328.91	137,002.48	23,296.72	167,034.67
FICA.....	526,035.87	1,092,215.15	940,592.91	677,658.11
Federal Income.....	-	7,077,730.96	-	7,077,730.96
State Income.....	-	409,311.92	-	409,311.92
Kentucky Sales and Use Tax.....	671,793.23	819,670.38	1,120,948.69	370,514.92
Miscellaneous.....	35,266.73	(17,035.48)	8,795.35	9,435.90
<b>Totals.....</b>	<b>\$ 13,284,849.56</b>	<b>\$ 12,639,329.41</b>	<b>\$ 2,094,049.74</b>	<b>\$ 23,830,129.23</b>

March 21, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 29, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 2,309,004.08	\$ (122,833.70)	\$ -	\$ 2,186,170.38	\$ 159,243,252.77
Common Intangible Plant.....	60,891,162.83	400,877.35	-	-	400,877.35	61,292,040.18
	<u>217,948,245.22</u>	<u>2,709,881.43</u>	<u>(122,833.70)</u>	<u>-</u>	<u>2,587,047.73</u>	<u>220,535,292.95</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	11,731,131.55	(936,357.47)	(23.74)	10,794,750.34	975,307,926.19
Electric General Plant.....	15,943,111.49	179,252.16	(39,209.64)	-	140,042.52	16,083,154.01
Electric Hydro Production.....	42,535,934.10	16,456.36	(507.91)	-	15,948.45	42,551,882.55
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	3,514,154.86	(676,874.51)	-	2,837,280.35	237,084,259.34
Electric Steam Production.....	2,114,510,864.74	3,493,297.31	(519,111.54)	-	2,974,185.77	2,117,485,050.51
Electric Transmission.....	254,611,190.87	5,359,150.46	(1,421,397.62)	-	3,937,752.84	258,548,943.71
	<u>3,626,363,496.33</u>	<u>24,293,442.70</u>	<u>(3,593,458.69)</u>	<u>(23.74)</u>	<u>20,699,960.27</u>	<u>3,647,063,456.60</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	2,391,365.11	(17,640.22)	-	2,373,724.89	595,325,045.31
Gas General Plant.....	8,204,172.47	478,556.74	-	-	478,556.74	8,682,729.21
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	419,144.50	(46,029.52)	-	373,114.98	80,953,193.37
Gas Transmission.....	21,541,957.36	882,947.47	(1,389.93)	-	881,557.54	22,423,514.90
	<u>703,277,916.13</u>	<u>4,172,013.82</u>	<u>(65,059.67)</u>	<u>-</u>	<u>4,106,954.15</u>	<u>707,384,870.28</u>
<b>Total 101 Accounts.....</b>	<u>4,547,589,657.68</u>	<u>31,175,337.95</u>	<u>(3,781,352.06)</u>	<u>(23.74)</u>	<u>27,393,962.15</u>	<u>4,574,983,619.83</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	-	-	649,014.48
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>649,014.48</u>
<b>Total 105001.....</b>	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 649,014.48</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**February 29, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (805,668.73)	\$ -	\$ -	\$ (805,668.73)	\$ 1,769,267.28
Common Intangible Plant.....	2,240,884.26	3,000,769.22	-	-	3,000,769.22	5,241,653.48
	<u>4,815,820.27</u>	<u>2,195,100.49</u>	<u>-</u>	<u>-</u>	<u>2,195,100.49</u>	<u>7,010,920.76</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	16,386,508.47	-	-	16,386,508.47	39,598,744.01
Electric General Plant.....	6,763.22	63,825.04	-	-	63,825.04	70,588.26
Electric Hydro Production.....	16,456.36	(16,456.36)	-	-	(16,456.36)	-
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	(3,360,014.83)	-	-	(3,360,014.83)	175,944.91
Electric Steam Production.....	41,241,674.58	(596,969.09)	-	-	(596,969.09)	40,644,705.49
Electric Transmission.....	37,708,783.02	1,560,138.77	-	-	1,560,138.77	39,268,921.79
	<u>105,721,872.46</u>	<u>14,037,032.00</u>	<u>-</u>	<u>-</u>	<u>14,037,032.00</u>	<u>119,758,904.46</u>
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	11,240,073.90	-	-	11,240,073.90	30,106,058.38
Gas General Plant.....	263,073.78	(99,720.40)	-	-	(99,720.40)	163,353.38
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	5,403,302.10	-	-	5,403,302.10	5,917,915.10
Gas Transmission.....	1,459,528.03	(919,105.01)	-	-	(919,105.01)	540,423.02
	<u>21,103,199.29</u>	<u>15,624,550.59</u>	<u>-</u>	<u>-</u>	<u>15,624,550.59</u>	<u>36,727,749.88</u>
Total 106 Accounts	<u>131,640,892.02</u>	<u>31,856,683.08</u>	<u>-</u>	<u>-</u>	<u>31,856,683.08</u>	<u>163,497,575.10</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(3,779,276.01)	-	-	(3,779,276.01)	11,304,663.32
Electric.....	152,710,828.07	(20,457,318.46)	-	-	(20,457,318.46)	132,253,509.61
Gas.....	47,481,609.94	(12,586,524.60)	-	-	(12,586,524.60)	34,895,085.34
	<u>215,276,377.34</u>	<u>(36,823,119.07)</u>	<u>-</u>	<u>-</u>	<u>(36,823,119.07)</u>	<u>178,453,258.27</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,682,094,793.74</u>	<u>63,032,021.03</u>	<u>(3,781,352.06)</u>	<u>(23.74)</u>	<u>59,250,645.23</u>	<u>4,741,345,438.97</u>
<b>Total Plant + CWIP</b> .....	<u>4,897,371,171.08</u>	<u>26,208,901.96</u>	<u>(3,781,352.06)</u>	<u>(23.74)</u>	<u>22,427,526.16</u>	<u>4,919,798,697.24</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,897,295,931.52</u>	<u>\$ 26,208,901.96</u>	<u>\$ (3,781,352.06)</u>	<u>\$ (23.74)</u>	<u>\$ 22,427,526.16</u>	<u>\$ 4,919,723,457.68</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**February 29, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (2,011,925.10)	\$ 122,833.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (78,976,210.79)
Common General Plant - ARO.....	(2,403.59)	(343.40)	-	-	-	-	-	-	-	(2,746.99)
Electric Distribution.....	(287,667,187.72)	(3,020,054.03)	936,357.47	-	-	-	-	-	-	(289,750,884.28)
Electric Distribution - ARO.....	(7,290.40)	(1,899.85)	-	(223.56)	-	-	-	-	-	(9,413.81)
Electric General Plant.....	(11,305,192.13)	(91,118.95)	39,209.64	-	-	-	-	-	-	(11,357,101.44)
Electric Hydro Production.....	(10,051,997.22)	(94,312.73)	507.91	-	-	-	-	-	-	(10,145,802.04)
Electric Hydro Production - ARO.....	(2,112.62)	(291.42)	-	-	-	-	-	-	-	(2,404.04)
Electric Other Production.....	(67,466,740.67)	(1,397,360.69)	676,874.51	-	-	-	-	-	-	(68,187,226.85)
Electric Other Production - ARO.....	(1,302.82)	(193.12)	-	-	-	-	-	-	-	(1,495.94)
Electric Steam Production.....	(1,060,614,162.86)	(9,571,771.91)	519,111.54	-	-	-	-	-	-	(1,069,666,823.23)
Electric Steam Production - ARO.....	(1,402,047.92)	(298,824.15)	-	-	-	-	-	-	-	(1,700,872.07)
Electric Transmission.....	(121,989,304.84)	(751,169.49)	1,421,397.62	-	-	-	-	-	-	(121,319,076.71)
Electric Transmission - ARO.....	(903.28)	(1,359.22)	-	-	-	-	-	-	-	(2,262.50)
Gas Distribution.....	(131,835,425.42)	(2,021,442.56)	17,640.22	-	-	-	-	-	-	(133,839,227.76)
Gas Distribution - ARO.....	(346,237.51)	(49,457.31)	-	-	-	-	-	-	-	(395,694.82)
Gas General Plant.....	(5,044,235.87)	(60,631.46)	-	-	-	-	-	-	-	(5,104,867.33)
Gas Storage.....	(31,071,784.79)	(200,657.62)	46,029.52	-	-	-	-	-	-	(31,226,412.89)
Gas Storage - ARO.....	(257,551.24)	(36,696.92)	-	(257,551.24)	-	-	-	-	-	(294,248.16)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(10,142.48)	1,389.93	-	-	-	-	-	-	(9,495,108.93)
Gas Transmission - ARO.....	(35,270.86)	(17,635.43)	-	-	-	-	-	-	-	(52,906.29)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(19,637,287.84)</u>	<u>3,781,352.06</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,831,594,147.23)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(48,120.63)	-	-	-	-	5,901.84	-	-	(679,981.23)
Electric Distribution.....	(148,949,763.17)	(1,199,582.20)	-	-	-	-	989,356.42	-	-	(149,159,988.95)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(7,158.72)	-	-	-	-	1,017.40	-	-	726,313.79
Electric Other Production.....	(2,535,958.71)	(59,901.92)	-	-	-	-	170,979.16	-	-	(2,424,881.47)
Electric Steam Production.....	(108,291,391.50)	(2,867,816.05)	-	-	-	-	499,831.85	-	-	(110,659,375.70)
Electric Transmission.....	(25,759,724.87)	(241,549.60)	-	-	-	-	396,304.48	-	-	(25,604,969.99)
Gas Distribution.....	(62,001,399.83)	(569,921.42)	-	-	-	-	59,719.42	-	-	(62,511,601.83)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(25,859.35)	-	-	-	-	-	-	-	236,611.19
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(2,510.79)	-	-	-	-	21,090.05	-	-	(2,966,278.51)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (5,022,420.68)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,144,200.62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (353,040,286.08)</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**February 29, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 63.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,521.71
Electric Distribution.....	18,531,222.48	244,631.52	-	-	-	-	-	(54,967.23)	-	18,720,886.77
Electric General Plant.....	140,589.22	386.22	-	-	-	-	-	-	-	140,975.44
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	341,384.65	-	-	-	-	-	(11,875.00)	-	24,350,188.30
Electric Transmission.....	6,511,015.77	44,606.11	-	-	-	-	-	(199,612.39)	-	6,356,009.49
Gas Distribution.....	3,791,455.11	34,049.64	-	-	-	-	-	-	-	3,825,504.75
Gas General Plant.....	228,159.61	482.69	-	-	-	-	-	-	-	228,642.30
Gas Storage.....	287,152.21	2,974.10	-	-	-	-	-	-	-	290,126.31
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	941.55	-	-	-	-	-	-	-	224,251.08
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>669,520.36</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,454.62)</u>	<u>-</u>	<u>54,772,745.65</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(2,060,325.25)	122,833.70	-	-	-	5,901.84	-	-	(79,443,777.66)
Electric.....	(1,795,747,613.36)	(18,973,355.55)	3,593,458.69	(223.56)	-	-	2,057,489.31	(266,454.62)	-	(1,809,336,699.09)
Gas.....	(238,270,572.69)	(2,956,507.36)	65,059.67	-	-	-	80,809.47	-	-	(241,081,210.91)
	<u>(2,111,530,374.00)</u>	<u>(23,990,188.16)</u>	<u>3,781,352.06</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>2,144,200.62</u>	<u>(266,454.62)</u>	<u>-</u>	<u>(2,129,861,687.66)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	-	-	(5,901.84)	(29,284.35)	(10,496.95)	-	104,079.21
Electric.....	11,924,715.03	-	-	-	-	(1,791,034.69)	1,567,788.71	(111,275.97)	(77,311.22)	11,512,881.86
Gas.....	1,590,687.78	-	-	-	-	(80,809.47)	195,006.99	(398.26)	-	1,704,487.04
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,877,746.00)</u>	<u>1,733,511.35</u>	<u>(122,171.18)</u>	<u>(77,311.22)</u>	<u>13,321,448.11</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(23,990,188.16)</u>	<u>3,781,352.06</u>	<u>(223.56)</u>	<u>-</u>	<u>(1,877,746.00)</u>	<u>3,877,711.97</u>	<u>(388,625.80)</u>	<u>(77,311.22)</u>	<u>(2,116,540,239.55)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(1,440,220.06)	-	-	-	-	-	-	-	(21,511,824.09)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(1,440,220.06)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,511,824.09)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (25,430,408.22)</u>	<u>\$ 3,781,352.06</u>	<u>\$ (223.56)</u>	<u>\$ -</u>	<u>\$ (1,877,746.00)</u>	<u>\$ 3,877,711.97</u>	<u>\$ (388,625.80)</u>	<u>\$ (77,311.22)</u>	<u>\$ (2,138,052,063.64)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,137,988,703.28)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,779,422,479.01</u>									<u>\$ 2,781,734,754.40</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**February 29, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 76,140,406.22	\$ -	\$ 76,140,406.22
Gas Operating Revenues.....	37,643,413.75	-	37,643,413.75
<b>Total Operating Revenues.....</b>	<b>113,783,819.97</b>	<b>-</b>	<b>113,783,819.97</b>
Fuel for Electric Generation.....	28,081,303.76	-	28,081,303.76
Power Purchased.....	3,787,880.17	-	3,787,880.17
Gas Supply Expenses.....	20,484,139.27	-	20,484,139.27
Other Operation Expenses.....	18,991,439.19	-	18,991,439.19
Maintenance.....	15,573,622.75	-	15,573,622.75
Depreciation.....	11,967,373.42	-	11,967,373.42
Amortization Expense.....	734,402.48	-	734,402.48
Regulatory Credits.....	(438,995.64)	-	(438,995.64)
Taxes			
Federal Income.....	2,800,341.89	-	2,800,341.89
State Income.....	510,700.66	-	510,700.66
Deferred Federal Income - Net.....	-	8,230.80	8,230.80
Deferred State Income - Net.....	-	1,501.06	1,501.06
Property and Other.....	2,307,156.00	-	2,307,156.00
Amortization of Investment Tax Credit.....	(223,356.00)	-	(223,356.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	241,844.43	-	241,844.43
<b>Total Operating Expenses.....</b>	<b>104,817,852.38</b>	<b>9,731.86</b>	<b>104,827,584.24</b>
Net Operating Income.....	8,965,967.59	(9,731.86)	8,956,235.73
Other Income Less Deductions.....	(204,264.82)	-	(204,264.82)
<b>Income Before Interest Charges.....</b>	<b>8,761,702.77</b>	<b>(9,731.86)</b>	<b>8,751,970.91</b>
Interest on Long-Term Debt.....	3,093,107.19	(25,017.63)	3,068,089.56
Amortization of Debt Expense - Net.....	262,322.89	-	262,322.89
Other Interest Expenses.....	195,170.90	-	195,170.90
<b>Total Interest Charges.....</b>	<b>3,550,600.98</b>	<b>(25,017.63)</b>	<b>3,525,583.35</b>
<b>Net Income.....</b>	<b>\$ 5,211,101.79</b>	<b>\$ 15,285.77</b>	<b>\$ 5,226,387.56</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**February 29, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 164,261,143.91	\$ -	\$ 164,261,143.91
Gas Operating Revenues.....	85,143,389.55	-	85,143,389.55
<b>Total Operating Revenues.....</b>	<b>249,404,533.46</b>	<b>-</b>	<b>249,404,533.46</b>
Fuel for Electric Generation.....	61,912,191.48	-	61,912,191.48
Power Purchased.....	9,076,852.03	-	9,076,852.03
Gas Supply Expenses.....	48,476,326.51	-	48,476,326.51
Other Operation Expenses.....	38,781,848.07	-	38,781,848.07
Maintenance.....	23,536,123.14	-	23,536,123.14
Depreciation.....	23,887,598.80	-	23,887,598.80
Amortization Expense.....	1,440,220.06	-	1,440,220.06
Regulatory Credits.....	(889,366.34)	-	(889,366.34)
Taxes			
Federal Income.....	10,106,125.84	-	10,106,125.84
State Income.....	1,843,791.96	-	1,843,791.96
Deferred Federal Income - Net.....	76,149.99	16,461.60	92,611.59
Deferred State Income - Net.....	-	3,002.12	3,002.12
Property and Other.....	4,929,258.28	-	4,929,258.28
Amortization of Investment Tax Credit.....	(446,712.00)	-	(446,712.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	482,665.52	-	482,665.52
<b>Total Operating Expenses.....</b>	<b>223,213,073.34</b>	<b>19,463.72</b>	<b>223,232,537.06</b>
Net Operating Income.....	26,191,460.12	(19,463.72)	26,171,996.40
Other Income Less Deductions.....	(368,993.89)	-	(368,993.89)
<b>Income Before Interest Charges.....</b>	<b>25,822,466.23</b>	<b>(19,463.72)</b>	<b>25,803,002.51</b>
Interest on Long-Term Debt.....	6,143,626.31	(50,035.26)	6,093,591.05
Amortization of Debt Expense - Net.....	524,638.20	-	524,638.20
Other Interest Expenses.....	381,012.92	-	381,012.92
<b>Total Interest Charges.....</b>	<b>7,049,277.43</b>	<b>(50,035.26)</b>	<b>6,999,242.17</b>
<b>Net Income.....</b>	<b>\$ 18,773,188.80</b>	<b>\$ 30,571.54</b>	<b>\$ 18,803,760.34</b>



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 29, 2012**

	Current Month without Purchase Accounting		Current Month Purchase Accounting		Current Month Combined	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 882,491,644.40	\$ 846,905,423.78	\$ (808,717,604.96)	\$ (808,371,112.67)	\$ 73,774,039.44	\$ 38,534,311.11
Add:						
Net Income (Loss) for Period.....	5,211,101.79	12,891,386.98	15,285.77	207,559.75	5,226,387.56	13,098,946.73
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	15,000,000.00	17,250,000.00	-	-	15,000,000.00	17,250,000.00
Balance at End of Period.....	\$ 872,702,746.19	\$ 842,546,810.76	\$ (808,702,319.19)	\$ (808,163,552.92)	\$ 64,000,427.00	\$ 34,383,257.84

March 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 29, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	18,773,188.80	31,803,558.80	30,571.54	735,729.52	18,803,760.34	32,539,288.32
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>15,000,000.00</u>	<u>17,250,000.00</u>	<u>-</u>	<u>-</u>	<u>15,000,000.00</u>	<u>17,250,000.00</u>
Balance at End of Period.....	<u>\$ 872,702,746.19</u>	<u>\$ 842,546,810.76</u>	<u>\$ (808,702,319.19)</u>	<u>\$ (808,163,552.92)</u>	<u>\$ 64,000,427.00</u>	<u>\$ 34,383,257.84</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**February 29, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 842,546,810.76	\$ 789,099,827.24	\$ (808,163,552.92)	\$ -	\$ 34,383,257.84	\$ 789,099,827.24
Add:						
Net Income (Loss) for Period.....	111,155,935.43	125,696,983.52	(538,766.27)	783,338.60	110,617,169.16	126,480,322.12
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	81,000,000.00	72,250,000.00	-	-	81,000,000.00	72,250,000.00
Balance at End of Period.....	<u>\$ 872,702,746.19</u>	<u>\$ 842,546,810.76</u>	<u>\$ (808,702,319.19)</u>	<u>\$ (808,163,552.92)</u>	<u>\$ 64,000,427.00</u>	<u>\$ 34,383,257.84</u>

March 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of February 29, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,919,723,457.68	\$ -	\$ 4,919,723,457.68
Less: Reserves for Depreciation and Amortization....	2,137,988,703.28	-	2,137,988,703.28
<b>Total.....</b>	<b>2,781,734,754.40</b>	<b>-</b>	<b>2,781,734,754.40</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	30,310,548.45	-	30,310,548.45
<b>Total.....</b>	<b>30,916,713.65</b>	<b>-</b>	<b>30,916,713.65</b>
<b>Current and Accrued Assets</b>			
Cash.....	38,370,592.06	-	38,370,592.06
Special Deposits.....	-	-	-
Temporary Cash Investments.....	16,534,761.64	-	16,534,761.64
Accounts Receivable - Less Reserve.....	129,860,629.76	-	129,860,629.76
Accounts Receivable from Associated Companies....	15,190,151.03	-	15,190,151.03
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	57,383,128.29	-	57,383,128.29
Plant Materials and Operating Supplies.....	30,831,292.12	-	30,831,292.12
Stores Expense.....	5,538,432.48	-	5,538,432.48
Gas Stored Underground.....	27,251,651.60	-	27,251,651.60
Emission Allowances.....	18,675.79	-	18,675.79
Prepayments.....	5,872,637.42	-	5,872,637.42
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>326,851,952.19</b>	<b>-</b>	<b>326,851,952.19</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,053,099.47	(3,450,087.03)	9,603,012.44
Unamortized Loss on Bonds.....	20,784,542.53	-	20,784,542.53
Accumulated Deferred Income Taxes.....	23,749,922.01	67,074,595.36	90,824,517.37
Deferred Regulatory Assets.....	396,075,506.26	8,410,666.50	404,486,172.76
Other Deferred Debits.....	1,224,882.41	156,913,626.46	158,138,508.87
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>454,887,952.68</b>	<b>618,106,152.88</b>	<b>1,072,994,105.56</b>
<b>Total Assets.....</b>	<b>\$ 3,594,391,372.92</b>	<b>\$ 618,106,152.88</b>	<b>\$ 4,212,497,525.80</b>

March 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of February 29, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	872,702,746.19	(808,702,319.19)	64,000,427.00
<b>Total Proprietary Capital.....</b>	<b>1,380,618,780.64</b>	<b>385,383,549.83</b>	<b>1,766,002,330.47</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,176,434.92	580,480,434.92
First Mortgage Bonds.....	531,378,185.76	-	531,378,185.76
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,682,185.76</b>	<b>6,176,434.92</b>	<b>1,111,858,620.68</b>
<b>Total Capitalization.....</b>	<b>2,486,300,966.40</b>	<b>391,559,984.75</b>	<b>2,877,860,951.15</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	96,978,222.55	-	96,978,222.55
Accounts Payable to Associated Companies.....	13,291,277.31	-	13,291,277.31
Customer Deposits.....	22,518,161.40	-	22,518,161.40
Taxes Accrued.....	23,830,129.23	-	23,830,129.23
Dividends Declared.....	15,000,000.00	-	15,000,000.00
Interest Accrued.....	9,522,801.62	-	9,522,801.62
Miscellaneous Current and Accrued Liabilities.....	27,524,482.90	-	27,524,482.90
<b>Total.....</b>	<b>208,665,075.01</b>	<b>-</b>	<b>208,665,075.01</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	499,655,847.55	64,671,962.20	564,327,809.75
Investment Tax Credit.....	42,272,132.13	-	42,272,132.13
Regulatory Liabilities.....	59,483,304.96	156,913,626.46	216,396,931.42
Customer Advances for Construction.....	7,342,362.81	-	7,342,362.81
Asset Retirement Obligations.....	59,088,992.03	-	59,088,992.03
Other Deferred Credits.....	10,978,950.12	4,960,579.47	15,939,529.59
Miscellaneous Long-Term Liabilities.....	58,881,944.50	-	58,881,944.50
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	161,721,797.41	-	161,721,797.41
<b>Total.....</b>	<b>899,425,331.51</b>	<b>226,546,168.13</b>	<b>1,125,971,499.64</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,594,391,372.92</b>	<b>\$ 618,106,152.88</b>	<b>\$ 4,212,497,525.80</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - March 31, 2012**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

March 31, 2012

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**March 31, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 80,159,282.52	\$ 82,777,821.36	\$ (2,618,538.84)	(3.16)
Gas Operating Revenues.....	23,666,489.53	34,497,178.98	(10,830,689.45)	(31.40)
<b>Total Operating Revenues.....</b>	<b>103,825,772.05</b>	<b>117,275,000.34</b>	<b>(13,449,228.29)</b>	<b>(11.47)</b>
Fuel for Electric Generation.....	29,806,959.77	28,128,732.02	1,678,227.75	5.97
Power Purchased.....	4,707,080.96	6,491,986.81	(1,784,905.85)	(27.49)
Gas Supply Expenses.....	8,869,275.78	18,277,470.30	(9,408,194.52)	(51.47)
Other Operation Expenses.....	20,103,047.79	21,074,094.42	(971,046.63)	(4.61)
Maintenance.....	12,050,118.95	13,016,624.79	(966,505.84)	(7.43)
Depreciation.....	12,009,763.52	11,654,406.51	355,357.01	3.05
Amortization Expense.....	736,955.24	647,548.98	89,406.26	13.81
Regulatory Credits.....	(446,222.39)	(368,446.61)	(77,775.78)	(21.11)
Taxes				
Federal Income.....	(12,307,098.86)	(10,334,822.63)	(1,972,276.23)	(19.08)
State Income.....	(621,707.01)	173,062.26	(794,769.27)	(459.24)
Deferred Federal Income - Net.....	15,059,088.67	13,658,478.51	1,400,610.16	10.25
Deferred State Income - Net.....	847,565.83	341,927.36	505,638.47	147.88
Property and Other.....	2,369,840.46	2,359,410.78	10,429.68	0.44
Amortization of Investment Tax Credit.....	(223,357.47)	(236,034.00)	12,676.53	5.37
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	242,872.24	220,545.82	22,326.42	10.12
<b>Total Operating Expenses.....</b>	<b>93,203,489.51</b>	<b>105,102,407.38</b>	<b>(11,898,917.87)</b>	<b>(11.32)</b>
Net Operating Income.....	10,622,282.54	12,172,592.96	(1,550,310.42)	(12.74)
Other Income Less Deductions.....	(554,124.33)	(1,185,811.78)	631,687.45	53.27
<b>Income Before Interest Charges.....</b>	<b>10,068,158.21</b>	<b>10,986,781.18</b>	<b>(918,622.97)</b>	<b>(8.36)</b>
Interest on Long-Term Debt.....	3,123,496.81	3,263,094.72	(139,597.91)	(4.28)
Amortization of Debt Expense - Net.....	262,322.89	275,309.84	(12,986.95)	(4.72)
Other Interest Expenses.....	266,432.07	156,487.63	109,944.44	70.26
<b>Total Interest Charges.....</b>	<b>3,652,251.77</b>	<b>3,694,892.19</b>	<b>(42,640.42)</b>	<b>(1.15)</b>
<b>Net Income.....</b>	<b>\$ 6,415,906.44</b>	<b>\$ 7,291,888.99</b>	<b>\$ (875,982.55)</b>	<b>(12.01)</b>

April 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 244,420,426.43	\$ 256,266,504.32	\$ (11,846,077.89)	(4.62)
Gas Operating Revenues.....	108,809,879.08	137,442,353.62	(28,632,474.54)	(20.83)
<b>Total Operating Revenues.....</b>	<b>353,230,305.51</b>	<b>393,708,857.94</b>	<b>(40,478,552.43)</b>	<b>(10.28)</b>
Fuel for Electric Generation.....	91,719,151.25	88,269,821.95	3,449,329.30	3.91
Power Purchased.....	13,783,932.99	19,611,301.06	(5,827,368.07)	(29.71)
Gas Supply Expenses.....	57,345,602.29	83,628,346.24	(26,282,743.95)	(31.43)
Other Operation Expenses.....	58,884,895.86	58,730,273.53	154,622.33	0.26
Maintenance.....	35,586,242.09	27,660,089.18	7,926,152.91	28.66
Depreciation.....	35,897,362.32	34,530,041.35	1,367,320.97	3.96
Amortization Expense.....	2,177,175.30	1,929,384.09	247,791.21	12.84
Regulatory Credits.....	(1,335,588.73)	(1,102,609.68)	(232,979.05)	(21.13)
Taxes				
Federal Income.....	(2,200,973.02)	6,012,136.68	(8,213,109.70)	(136.61)
State Income.....	1,222,084.95	3,154,270.64	(1,932,185.69)	(61.26)
Deferred Federal Income - Net.....	15,135,238.66	13,658,485.33	1,476,753.33	10.81
Deferred State Income - Net.....	847,565.83	341,927.36	505,638.47	147.88
Property and Other.....	7,299,098.74	6,927,442.73	371,656.01	5.37
Amortization of Investment Tax Credit.....	(670,069.47)	(681,435.00)	11,365.53	1.67
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	725,537.76	658,810.60	66,727.16	10.13
<b>Total Operating Expenses.....</b>	<b>316,416,562.85</b>	<b>343,325,708.12</b>	<b>(26,909,145.27)</b>	<b>(7.84)</b>
Net Operating Income.....	36,813,742.66	50,383,149.82	(13,569,407.16)	(26.93)
Other Income Less Deductions.....	(923,118.22)	(186,813.93)	(736,304.29)	(394.14)
<b>Income Before Interest Charges.....</b>	<b>35,890,624.44</b>	<b>50,196,335.89</b>	<b>(14,305,711.45)</b>	<b>(28.50)</b>
Interest on Long-Term Debt.....	9,267,123.12	9,816,625.40	(549,502.28)	(5.60)
Amortization of Debt Expense - Net.....	786,961.09	823,329.37	(36,368.28)	(4.42)
Other Interest Expenses.....	647,444.99	460,933.33	186,511.66	40.46
<b>Total Interest Charges.....</b>	<b>10,701,529.20</b>	<b>11,100,888.10</b>	<b>(399,358.90)</b>	<b>(3.60)</b>
<b>Net Income.....</b>	<b>\$ 25,189,095.24</b>	<b>\$ 39,095,447.79</b>	<b>\$ (13,906,352.55)</b>	<b>(35.57)</b>

April 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**March 31, 2012**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,047,904,225.60	\$ 1,041,582,725.86	\$ 6,321,499.74	0.61
Gas Operating Revenues.....	275,941,947.28	304,684,577.93	(28,742,630.65)	(9.43)
<b>Total Operating Revenues.....</b>	<b>1,323,846,172.88</b>	<b>1,346,267,303.79</b>	<b>(22,421,130.91)</b>	<b>(1.67)</b>
Fuel for Electric Generation.....	364,417,722.66	373,684,099.84	(9,266,377.18)	(2.48)
Power Purchased.....	69,067,179.05	57,504,358.85	11,562,820.20	20.11
Gas Supply Expenses.....	134,952,881.75	169,633,960.88	(34,681,079.13)	(20.44)
Other Operation Expenses.....	236,431,977.22	230,716,875.87	5,715,101.35	2.48
Maintenance.....	124,285,221.46	113,372,416.95	10,912,804.51	9.63
Depreciation.....	143,365,535.89	133,359,544.69	10,005,991.20	7.50
Amortization Expense.....	8,381,255.24	7,524,041.54	857,213.70	11.39
Regulatory Credits.....	(5,963,064.74)	(4,832,257.91)	(1,130,806.83)	(23.40)
Taxes				
Federal Income.....	3,749,740.75	21,789,438.31	(18,039,697.56)	(82.79)
State Income.....	6,333,346.98	6,953,660.33	(620,313.35)	(8.92)
Deferred Federal Income - Net.....	53,700,477.69	38,446,565.63	15,253,912.06	39.68
Deferred State Income - Net.....	2,517,313.82	2,136,319.63	380,994.19	17.83
Property and Other.....	28,493,239.65	23,317,903.98	5,175,335.67	22.19
Amortization of Investment Tax Credit.....	(2,794,366.47)	(2,557,764.00)	(236,602.47)	(9.25)
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	2,711,211.78	3,446,752.28	(735,540.50)	(21.34)
<b>Total Operating Expenses.....</b>	<b>1,169,648,978.76</b>	<b>1,174,493,338.93</b>	<b>(4,844,360.17)</b>	<b>(0.41)</b>
Net Operating Income.....	154,197,194.12	171,773,964.86	(17,576,770.74)	(10.23)
Other Income Less Deductions.....	343,093.48	9,924,162.58	(9,581,069.10)	(96.54)
<b>Income Before Interest Charges.....</b>	<b>154,540,287.60</b>	<b>181,698,127.44</b>	<b>(27,157,839.84)</b>	<b>(14.95)</b>
Interest on Long-Term Debt.....	38,260,233.51	42,683,526.08	(4,423,292.57)	(10.36)
Amortization of Debt Expense - Net.....	3,275,104.95	2,138,899.58	1,136,205.37	53.12
Other Interest Expenses.....	2,724,996.26	2,515,569.32	209,426.94	8.33
<b>Total Interest Charges.....</b>	<b>44,260,334.72</b>	<b>47,337,994.98</b>	<b>(3,077,660.26)</b>	<b>(6.50)</b>
<b>Net Income.....</b>	<b>\$ 110,279,952.88</b>	<b>\$ 134,360,132.46</b>	<b>\$ (24,080,179.58)</b>	<b>(17.92)</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**March 31, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 872,702,746.19	\$ 842,546,810.76	\$ 868,929,557.39	\$ 827,993,251.96	\$ 849,838,699.75	\$ 757,728,567.29
Add:						
Net Income for Period.....	6,415,906.44	7,291,888.99	25,189,095.24	39,095,447.79	110,279,952.88	134,360,132.46
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	15,000,000.00	17,250,000.00	81,000,000.00	42,250,000.00
Balance at End of Period.....	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of March 31, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,933,705,788.03	\$ 4,770,490,279.22	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,144,260,445.77</u>	<u>2,068,083,714.02</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,789,445,342.26</u>	<u>2,702,406,565.20</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>879,118,652.63</u>	<u>849,838,699.75</u>
			Total Proprietary Capital.....	<u>1,387,034,687.08</u>	<u>1,357,754,734.20</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	574,304,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,401,507.42	531,121,647.48
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	-
Special Funds.....	<u>26,812,546.91</u>	<u>20,180,403.81</u>	Total Long-Term Debt.....	<u>1,105,705,507.42</u>	<u>1,105,425,647.48</u>
Total.....	<u>27,418,712.11</u>	<u>20,786,569.01</u>	Total Capitalization.....	<u>2,492,740,194.50</u>	<u>2,463,180,381.68</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	37,944,606.65	28,355,866.45	ST Notes Payable to Associated Companies.....	-	-
Special Deposits.....	-	4,098,610.17	Notes Payable.....	-	-
Temporary Cash Investments.....	16,338,854.02	2,431.80	Accounts Payable.....	92,234,601.80	75,673,663.92
Accounts Receivable - Less Reserve.....	121,482,082.46	133,817,500.02	Accounts Payable to Associated Companies.....	15,938,027.00	14,546,268.31
Accounts Receivable from Associated Companies.....	20,097,723.37	24,396,918.17	Customer Deposits.....	22,435,650.26	23,240,672.59
Materials and Supplies - At Average Cost.....			Taxes Accrued.....	17,874,000.30	18,309,170.54
Fuel.....	66,393,015.44	67,368,406.54	Dividends Declared.....	-	-
Plant Materials and Operating Supplies.....	30,964,056.64	30,050,637.73	Interest Accrued.....	12,083,404.23	11,708,678.03
Stores Expense.....	5,553,099.47	5,108,104.12	Miscellaneous Current and Accrued Liabilities.....	<u>28,854,345.46</u>	<u>32,140,201.55</u>
Gas Stored Underground.....	20,184,889.10	19,475,230.55	Total.....	<u>189,420,029.05</u>	<u>175,618,654.94</u>
Emission Allowances.....	17,221.12	2,444.82	Deferred Credits and Other		
Prepayments.....	4,804,662.67	6,469,399.17	Accumulated Deferred Income Taxes.....	515,319,247.11	487,780,888.27
Miscellaneous Current and Accrued Assets.....	<u>693.97</u>	<u>941,878.08</u>	Investment Tax Credit.....	42,048,774.66	44,843,141.13
Total.....	<u>323,780,904.91</u>	<u>320,087,427.62</u>	Regulatory Liabilities.....	58,003,499.13	62,145,912.07
Deferred Debits and Other			Customer Advances for Construction.....	7,329,863.59	8,163,578.28
Unamortized Debt Expense.....	12,916,551.41	13,460,450.73	Asset Retirement Obligations.....	59,331,864.27	53,309,599.51
Unamortized Loss on Bonds.....	20,682,089.39	21,631,640.60	Other Deferred Credits.....	8,148,016.44	12,660,924.88
Accumulated Deferred Income Taxes.....	22,116,906.94	53,426,611.12	Miscellaneous Long-Term Liabilities.....	53,954,916.00	34,448,469.13
Deferred Regulatory Assets.....	388,800,142.12	357,236,196.73	Accum Provision for Postretirement Benefits.....	<u>160,669,173.79</u>	<u>148,212,254.21</u>
Other Deferred Debits.....	<u>1,804,929.40</u>	<u>1,328,343.09</u>	Total.....	<u>904,805,354.99</u>	<u>851,564,767.48</u>
Total.....	<u>446,320,619.26</u>	<u>447,083,242.27</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,965,578.54</u>	<u>\$ 3,490,363,804.10</u>
Total Assets.....	<u>\$ 3,586,965,578.54</u>	<u>\$ 3,490,363,804.10</u>			

April 26, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**March 31, 2012**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
		Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>879,118,652.63</u>	
<b>Total Proprietary Capital.....</b>			<u>1,387,034,687.08</u>	<u>55.64</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 5.375%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			<u>574,304,000.00</u>	<u>23.04</u>
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			<u>535,000,000.00</u>	<u>21.46</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(639,812.54)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(2,958,680.04)</u>	
			<u>(3,598,492.58)</u>	<u>(0.14)</u>
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,401,507.42</u>	<u>21.32</u>
<b>Total Capitalization.....</b>			<u>\$ 2,492,740,194.50</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,933,705,788.03	\$ 4,933,705,788.03
Reserves for Depreciation and Amortization.....		(2,144,260,445.77)
Depreciation of Plant		
Electric.....	(1,802,261,255.06)	
Gas.....	(240,756,443.74)	
Common.....	(80,187,908.22)	
Amortization of Plant		
Common.....	(21,054,838.75)	
Investments.....		27,418,712.11
Special Funds.....	26,812,546.91	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	37,944,606.65	37,944,606.65
Temporary Cash Investments.....	16,338,854.02	16,338,854.02
Accounts Receivable - Less Reserve.....		121,482,082.46
Customers - Active.....	63,933,104.08	
Unbilled Revenues.....	49,315,618.55	
Income Tax Receivable - Federal.....	2,527,696.74	
IMPA.....	2,514,148.14	
IMEA.....	2,473,115.45	
Sundry Accounts Receivable.....	832,725.31	
Wholesale Sales.....	439,543.94	
Transmission Sales.....	428,207.77	
Damage Claims.....	424,692.03	
Electricity Swaps.....	166,354.87	
Bechtel Liquidated Damages.....	5,890.00	
Other.....	594,386.99	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,186,153.41	
Reserve.....	(1,626,196.00)	
Accrual.....	(809,191.56)	
A/R Miscellaneous.....	(380,850.54)	
Recoveries.....	(376,961.85)	
LEM Reserve.....	(166,354.87)	
Accounts Receivable from Associated Companies.....		20,097,723.37
LG&E and KU Services/Kentucky Utilities.....	20,097,723.37	
Fuel.....		66,393,015.44
Coal 1,259,092.96 Tons @ \$52.31; MMBtu 28,317,503.94 @ 232.59¢.....	65,863,838.51	
Fuel Oil 185,161.85 Gallons @ 277.99¢.....	514,724.75	
Gas Pipeline 4,700 mcf @ \$3.07.....	14,452.18	
Plant Materials and Operating Supplies.....		30,964,056.64
Regular Materials and Supplies.....	30,074,449.46	
Limestone 96,488.39 Tons @ \$9.22.....	889,607.17	
Carbide Lime.....	0.01	
Stores Expense Undistributed.....	5,553,099.47	5,553,099.47
Gas Stored Underground - Current.....		20,184,889.10
Gas Stored Underground* 4,345,384 Mcf (14.73 psia) @ \$4.65.....	20,184,889.10	
Emission Allowances.....	17,221.12	17,221.12

April 26, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 4,804,662.67
Insurance.....	1,351,779.60	
Taxes.....	488,659.86	
Franchises.....	312,418.23	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	2,335,138.27	
Miscellaneous Current Assets.....		693.97
Miscellaneous Current Assets.....	693.97	
Unamortized Debt Expense.....		12,916,551.41
Trimble County 2000 Series A due 08/01/30 Var%.....	709,635.21	
Jefferson County 2001 Series A due 09/01/26 Var%.....	143,067.72	
Jefferson County 2001 Series A due 09/01/27 Var%.....	314,384.26	
Jefferson County 2001 Series B due 11/01/27 Var%.....	171,342.65	
Trimble County 2001 Series A due 09/01/26 Var%.....	155,555.57	
Trimble County 2001 Series B due 11/01/27 Var%.....	171,370.76	
Trimble County 2002 Series A due 10/01/32 Var%.....	763,038.99	
Louisville Metro 2003 Series A Due 10/01/33 1.900%.....	427,560.22	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	164,160.41	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,006,145.06	
First Mortgage Bond due 11/15/15 1.625%.....	1,889,239.30	
First Mortgage Bond due 11/15/40 5.125%.....	3,412,849.60	
Revolving Credit Agreement.....	3,588,201.66	
Unamortized Loss on Bonds.....	20,682,089.39	20,682,089.39
Accumulated Deferred Income Taxes.....		22,116,906.94
Federal		
Electric.....	16,361,514.44	
Gas.....	1,226,383.55	
State		
Electric.....	4,253,237.01	
Gas.....	275,771.94	
Regulatory Assets.....		388,800,142.12
Pension and Postretirement Benefits.....	220,425,085.00	
Interest Rate Swap Ineffectiveness.....	52,928,029.91	
2009 Winter Storm.....	36,531,992.69	
2008 Wind Storm.....	19,616,943.99	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,371,961.27	
State		
Electric.....	2,256,284.73	
Asset Retirement Obligations		
Electric.....	10,309,632.19	
Gas.....	1,681,625.17	
Common.....	11,115.07	
Swap Termination.....	8,872,602.80	
2011 Summer Storm.....	8,052,124.65	
Gas Supply Clause/PBR.....	7,087,748.69	
Fuel Adjustment Clause.....	6,382,000.00	
Rate Case Expenses.....	612,131.35	
MISO Exit Fee.....	572,174.10	
KCCS Funding.....	512,190.30	
EKPC FERC Transmission Costs.....	325,013.68	
CMRG Funding.....	130,080.00	
General Management Audit.....	121,406.53	
Other Deferred Debits.....	1,804,929.40	1,804,929.40
Total Assets.....	<u>\$ 3,586,965,578.54</u>	<u>\$ 3,586,965,578.54</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,387,034,687.08
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	879,118,652.63	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,401,507.42	531,401,507.42
Accounts Payable.....		92,234,601.80
Regular.....	88,919,523.41	
Salaries and Wages Accrued.....	3,186,434.04	
Employee Withholdings Payable.....	128,644.35	
Accounts Payable to Associated Companies.....		15,938,027.00
LG&E and KU Services/Kentucky Utilities.....	15,938,027.00	
Customers' Deposits.....	22,435,650.26	22,435,650.26
Taxes Accrued.....	17,874,000.30	17,874,000.30
Interest Accrued.....		12,083,404.23
Jefferson County 2000 Series A due 05/01/27 5.375%.....	17,484.38	
Trimble County 2000 Series A due 08/01/30 Var%.....	5,833.45	
Jefferson County 2001 Series A due 09/01/26 Var%.....	6,670.08	
Jefferson County 2001 Series A due 09/01/27 Var%.....	280.67	
Jefferson County 2001 Series B due 11/01/27 Var%.....	4,234.97	
Trimble County 2001 Series A due 09/01/26 Var%.....	3,125.68	
Trimble County 2001 Series A due 10/01/32 Var%.....	2,868.74	
Trimble County 2001 Series B due 11/01/27 Var%.....	4,303.28	
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	1,216,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	376,944.44	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	581,250.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	222,933.33	
Trimble County 2007 Series A due 06/01/33 4.600%.....	920,000.00	
Interest Rate Swaps.....	672,379.45	
First Mortgage Bond due 11/15/15 1.625%.....	1,534,722.22	
First Mortgage Bond due 11/15/40 5.125%.....	5,517,916.67	
Customers' Deposits.....	909,913.33	
Interest Accrued on Tax Liabilities.....	79,624.00	
Other.....	6,919.54	
Miscellaneous Current and Accrued Liabilities.....		28,854,345.46
No-Notice Gas Payable.....	8,380,102.37	
Vacation Pay Accrued.....	6,593,096.94	
Customer Overpayments.....	6,444,317.27	
Derivative Liability - ASC 815.....	4,276,007.74	
Tax Collections Payable.....	2,110,281.23	
Home Energy Assistance.....	649,249.68	
Unearned Revenue.....	189,983.60	
Other.....	211,306.63	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**March 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 515,319,247.11
Federal		
Electric.....	370,664,947.50	
Gas.....	76,782,495.35	
State		
Electric.....	56,724,075.39	
Gas.....	11,147,728.87	
Investment Tax Credit.....		42,048,774.66
Advanced Coal Credit.....	22,976,499.51	
Job Development Credit		
Electric.....	18,547,473.99	
Gas.....	524,801.16	
Regulatory Liabilities.....		58,003,499.13
Deferred Taxes		
Federal		
Electric.....	26,889,784.25	
Gas.....	998,105.77	
State		
Electric.....	14,865,490.98	
Gas.....	2,419,840.18	
Gas Supply Clause/PBR.....	5,332,069.28	
DSM Cost Recovery.....	3,710,042.25	
Asset Retirement Obligations		
Gas.....	2,155,824.27	
Electric.....	204,350.68	
MISO Schedule 10 Charges.....	680,643.16	
Purchased Gas Adjustment - Tennessee Gas.....	392,541.31	
Environmental Cost Recovery.....	354,807.00	
Customers' Advances for Construction.....		7,329,863.59
Line Extensions		
Gas.....	6,368,916.77	
Electric.....	960,946.82	
Asset Retirement Obligations.....		59,331,864.27
Electric.....	37,261,095.38	
Gas.....	21,961,182.74	
Common.....	109,586.15	
Other Deferred Credits.....	8,148,016.44	8,148,016.44
Miscellaneous Long-Term Liabilities.....		53,954,916.00
Long-Term Derivative Liabilities - ASC 815.....	48,652,022.17	
Workers' Compensation.....	5,302,893.83	
Accumulated Provision for Benefits.....		160,669,173.79
Postretirement Benefits - ASC 715.....	84,686,600.29	
Pension Payable.....	72,497,083.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(204,315.00)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,586,965,578.54</u>	<u>\$ 3,586,965,578.54</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**March 31, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 25,189,095.24	\$ 39,095,447.79
Items not requiring (providing) cash currently:		
Depreciation.....	35,897,362.32	34,530,041.35
Amortization.....	2,177,175.30	1,929,384.09
Deferred income taxes - net.....	17,372,564.62	14,705,441.27
Investment tax credit - net.....	(670,069.47)	(681,435.00)
Gain on disposal of assets.....	(1,261.11)	(1,034.71)
Other.....	6,873,857.24	4,166,033.15
Change in receivables.....	7,820,068.87	34,091,537.19
Change in inventory.....	18,905,929.42	40,267,160.84
Change in allowance inventory.....	(14,709.45)	284.14
Change in payables and accrued expenses.....	2,045,092.31	(14,866,408.76)
Change in regulatory assets.....	8,312,134.55	(9,369,464.61)
Change in regulatory liabilities.....	(614,097.27)	10,719,563.61
Change in other deferred debits.....	(1,973,088.66)	(7,054,772.62)
Change in other deferred credits.....	3,201,563.97	7,109,841.60
Pension and postretirement funding.....	(23,698,900.00)	(65,337,400.00)
Other.....	1,778,103.28	4,075,251.90
Net cash provided (used) by operating activities.....	<u>102,600,821.16</u>	<u>93,379,471.23</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(53,176,834.50)	(34,222,027.70)
Gross additions to common utility plant - construction expenditures.....	(2,060,586.53)	547,629.83
Proceeds received from sales of property.....	1,261.11	1,034.71
Change in restricted cash.....	2,046,460.29	(1,854,248.90)
Change in derivatives.....	-	3,778.13
Other.....	(5,055,630.93)	161,296,804.12
Net cash provided (used) by investing activities.....	<u>(58,245,330.56)</u>	<u>125,772,970.19</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(25,578.45)	(794,155.01)
Net change in short-term debt.....	-	(174,876,000.00)
Dividends on common stock.....	(15,000,000.00)	(17,250,000.00)
Net cash provided (used) by financing activities.....	<u>(15,025,578.45)</u>	<u>(192,920,155.01)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	29,329,912.15	26,232,286.41
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 54,283,460.67</u>	<u>\$ 28,358,298.25</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**March 31, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 5.375%.....	\$ 17,484.43	\$ 111,979.18	\$ 53,624.02	\$ 335,937.54	\$ 967,353.18	\$ 1,343,749.95
Trimble County 2000 Series A due 08/01/30 Var%.....	7,639.04	22,593.04	15,602.17	80,221.48	126,252.53	379,359.39
Jefferson County 2001 Series A due 09/01/26 Var%.....	2,138.70	2,520.39	5,096.95	8,414.39	15,745.31	44,762.10
Jefferson County 2001 Series A due 09/01/27 Var%.....	6,670.08	23,886.99	18,006.14	69,349.32	115,397.25	223,656.19
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,267.75	28,699.99	35,744.52	77,564.37	230,491.95	371,453.08
Trimble County 2001 Series A due 09/01/26 Var%.....	6,236.35	9,417.81	16,139.36	29,571.93	85,100.31	149,833.58
Trimble County 2001 Series A due 10/01/32 Var%.....	5,236.58	14,088.47	11,976.77	44,219.68	79,891.85	212,278.02
Trimble County 2001 Series B due 11/01/27 Var%.....	12,336.08	26,513.68	35,812.85	75,849.30	230,853.68	369,782.10
Louisville Metro 2003 Series A due 10/01/33 1.900%.....	202,666.66	202,666.67	607,999.98	531,930.60	2,427,002.61	531,930.60
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	574,999.98	575,000.01	2,299,999.95	2,299,999.91
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	435,937.53	435,937.47	1,743,749.94	1,743,749.92
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	55,733.34	165,342.24	146,280.94	667,425.80	146,280.94
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	690,000.00	690,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	672,379.47	642,286.83	1,933,653.09	1,864,155.85	7,842,219.15	7,666,100.66
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.65	338,541.67	1,015,624.99	1,015,625.01	4,062,499.97	1,523,437.52
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	3,651,562.53	3,651,562.50	14,606,250.03	5,477,343.75
Fidelia/PPL.....	-	-	-	-	-	16,660,125.02
Revolving Credit Agreement.....	-	-	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b>3,123,496.81</b>	<b>3,263,094.72</b>	<b>9,267,123.12</b>	<b>9,816,625.40</b>	<b>38,260,233.51</b>	<b>42,683,526.08</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	159,869.76	174,306.87	479,609.28	520,320.46	2,057,415.27	927,140.45
Amortization of Loss on Reacquired Debt.....	102,453.13	101,002.97	307,351.81	303,008.91	1,217,689.68	1,211,759.13
<b>Total.....</b>	<b>262,322.89</b>	<b>275,309.84</b>	<b>786,961.09</b>	<b>823,329.37</b>	<b>3,275,104.95</b>	<b>2,138,899.58</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	115,220.20	111,521.09	337,709.78	320,762.44	1,400,582.33	1,368,240.47
Other Tax Deficiencies.....	65,624.01	-	65,624.01	-	79,624.01	(17,500.00)
Interest on DSM Cost Recovery.....	(1,109.63)	(1,128.71)	(10,855.93)	1,182.54	3,059.05	11,958.12
Interest on Debt to Associated Companies.....	1,102.30	59.44	1,197.13	8,862.00	1,998.22	207,415.04
Other Interest Expense.....	85,595.19	46,035.81	253,770.00	130,126.35	1,239,732.65	945,455.69
<b>Total.....</b>	<b>266,432.07</b>	<b>156,487.63</b>	<b>647,444.99</b>	<b>460,933.33</b>	<b>2,724,996.26</b>	<b>2,515,569.32</b>
<b>Total Interest.....</b>	<b>\$ 3,652,251.77</b>	<b>\$ 3,694,892.19</b>	<b>\$ 10,701,529.20</b>	<b>\$ 11,100,888.10</b>	<b>\$ 44,260,334.72</b>	<b>\$ 47,337,994.98</b>

April 26, 2012

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
March 31, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,545,658.00	\$ 1,449,790.00	\$ 4,636,974.00	\$ 4,349,370.00
Unemployment.....	9,918.99	7,749.12	159,661.15	98,627.46
FICA.....	648,680.57	731,887.96	2,004,579.35	1,980,045.10
Public Service Commission Fee.....	162,886.60	161,096.90	488,659.80	483,290.70
Federal Income.....	(12,307,098.86)	(10,334,822.63)	(2,200,973.02)	6,012,136.68
State Income.....	(621,707.01)	173,062.26	1,222,084.95	3,154,270.64
Miscellaneous.....	2,696.30	8,886.80	9,224.44	16,109.47
<b>Total Charged to Operating Expense.....</b>	<b>(10,558,965.41)</b>	<b>(7,802,349.59)</b>	<b>6,320,210.67</b>	<b>16,093,850.05</b>
Taxes Charged to Other Accounts.....	3,218,048.74	(155,990.98)	(946,858.49)	819,326.34
Taxes Accrued on Intercompany Accounts.....	(38,606.57)	(332,255.17)	(113,546.01)	(865,293.26)
<b>Total Taxes Charged.....</b>	<b>\$ (7,379,523.24)</b>	<b>\$ (8,290,595.74)</b>	<b>\$ 5,259,806.17</b>	<b>\$ 16,047,883.13</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 4,680,651.00	\$ 157,756.05	\$ 16,521,319.77
Unemployment.....	53,328.91	140,084.56	23,296.72	170,116.75
FICA.....	526,035.87	1,638,093.90	1,822,441.32	341,688.45
Federal Income.....	-	(2,834,025.00)	(2,834,025.00)	-
State Income.....	-	-	-	-
Kentucky Sales and Use Tax.....	671,793.23	1,648,609.81	1,491,463.61	828,939.43
Miscellaneous.....	35,266.73	(13,608.10)	9,722.73	11,935.90
<b>Totals.....</b>	<b>\$ 13,284,849.56</b>	<b>\$ 5,259,806.17</b>	<b>\$ 670,655.43</b>	<b>\$ 17,874,000.30</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 3,159,995.05	\$ (243,220.98)	\$ -	\$ 2,916,774.07	\$ 159,973,856.46
Common Intangible Plant.....	60,891,162.83	466,307.98	(1,193,940.58)	-	(727,632.60)	60,163,530.23
	<u>217,948,245.22</u>	<u>3,626,303.03</u>	<u>(1,437,161.56)</u>	<u>-</u>	<u>2,189,141.47</u>	<u>220,137,386.69</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	20,217,722.08	(1,798,292.86)	21,903.14	18,441,332.36	982,954,508.21
Electric General Plant.....	15,943,111.49	179,252.16	(39,209.64)	-	140,042.52	16,083,154.01
Electric Hydro Production.....	42,535,934.10	16,456.36	(507.91)	-	15,948.45	42,551,882.55
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	3,514,154.86	(676,874.51)	-	2,837,280.35	237,084,259.34
Electric Steam Production.....	2,114,510,864.74	16,873,452.22	(1,086,699.39)	-	15,786,752.83	2,130,297,617.57
Electric Transmission.....	254,611,190.87	5,667,284.03	(1,623,977.77)	-	4,043,306.26	258,654,497.13
	<u>3,626,363,496.33</u>	<u>46,468,321.71</u>	<u>(5,225,562.08)</u>	<u>21,903.14</u>	<u>41,264,662.77</u>	<u>3,667,628,159.10</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	2,789,364.71	(23,617.80)	(134,900.23)	2,630,846.68	595,582,167.10
Gas General Plant.....	8,204,172.47	597,531.64	-	-	597,531.64	8,801,704.11
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	628,184.18	(58,529.30)	-	569,654.88	81,149,733.27
Gas Transmission.....	21,541,957.36	882,947.47	(1,389.93)	134,900.23	1,016,457.77	22,558,415.13
	<u>703,277,916.13</u>	<u>4,898,028.00</u>	<u>(83,537.03)</u>	<u>-</u>	<u>4,814,490.97</u>	<u>708,092,407.10</u>
<b>Total 101 Accounts</b> .....	<u>4,547,589,657.68</u>	<u>54,992,652.74</u>	<u>(6,746,260.67)</u>	<u>21,903.14</u>	<u>48,268,295.21</u>	<u>4,595,857,952.89</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	(21,926.88)	(21,926.88)	627,087.60
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>(21,926.88)</u>	<u>(21,926.88)</u>	<u>627,087.60</u>
<b>Total 105001</b> .....	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,926.88)</u>	<u>\$ (21,926.88)</u>	<u>\$ 627,087.60</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**March 31, 2012**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (1,350,975.02)	\$ -	\$ -	\$ (1,350,975.02)	\$ 1,223,960.99
Common Intangible Plant.....	2,240,884.26	4,066,684.07	-	-	4,066,684.07	6,307,568.33
	<u>4,815,820.27</u>	<u>2,715,709.05</u>	<u>-</u>	<u>-</u>	<u>2,715,709.05</u>	<u>7,531,529.32</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	11,845,832.11	-	-	11,845,832.11	35,058,067.65
Electric General Plant.....	6,763.22	63,825.04	-	-	63,825.04	70,588.26
Electric Hydro Production.....	16,456.36	(16,456.36)	-	-	(16,456.36)	-
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	(2,930,744.84)	-	-	(2,930,744.84)	605,214.90
Electric Steam Production.....	41,241,674.58	(11,287,613.22)	-	-	(11,287,613.22)	29,954,061.36
Electric Transmission.....	37,708,783.02	1,552,225.93	-	-	1,552,225.93	39,261,008.95
	<u>105,721,872.46</u>	<u>(772,931.34)</u>	<u>-</u>	<u>-</u>	<u>(772,931.34)</u>	<u>104,948,941.12</u>
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	12,074,422.71	-	-	12,074,422.71	30,940,407.19
Gas General Plant.....	263,073.78	(84,556.91)	-	-	(84,556.91)	178,516.87
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	6,294,293.16	-	-	6,294,293.16	6,808,906.16
Gas Transmission.....	1,459,528.03	(916,290.49)	-	-	(916,290.49)	543,237.54
	<u>21,103,199.29</u>	<u>17,367,868.47</u>	<u>-</u>	<u>-</u>	<u>17,367,868.47</u>	<u>38,471,067.76</u>
Total 106 Accounts	<u>131,640,892.02</u>	<u>19,310,646.18</u>	<u>-</u>	<u>-</u>	<u>19,310,646.18</u>	<u>150,951,538.20</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(4,281,425.55)	-	-	(4,281,425.55)	10,802,513.78
Electric.....	152,710,828.07	(15,568,539.20)	-	-	(15,568,539.20)	137,142,288.87
Gas.....	47,481,609.94	(11,297,193.25)	-	-	(11,297,193.25)	36,184,416.69
	<u>215,276,377.34</u>	<u>(31,147,158.00)</u>	<u>-</u>	<u>-</u>	<u>(31,147,158.00)</u>	<u>184,129,219.34</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,682,094,793.74</u>	<u>74,303,298.92</u>	<u>(6,746,260.67)</u>	<u>(23.74)</u>	<u>67,557,014.51</u>	<u>4,749,651,808.25</u>
<b>Total Plant + CWIP</b> .....	<u>4,897,371,171.08</u>	<u>43,156,140.92</u>	<u>(6,746,260.67)</u>	<u>(23.74)</u>	<u>36,409,856.51</u>	<u>4,933,781,027.59</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,897,295,931.52</u>	<u>\$ 43,156,140.92</u>	<u>\$ (6,746,260.67)</u>	<u>\$ (23.74)</u>	<u>\$ 36,409,856.51</u>	<u>\$ 4,933,705,788.03</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (3,031,758.62)	\$ 243,220.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (79,875,657.03)
Common General Plant - ARO.....	(2,403.59)	(515.10)	-	-	-	-	-	-	-	(2,918.69)
Electric Distribution.....	(287,667,187.72)	(4,544,838.48)	1,798,292.86	-	-	-	-	-	-	(290,413,733.34)
Electric Distribution - ARO.....	(7,290.40)	(2,849.78)	-	(223.56)	-	-	-	-	-	(10,363.74)
Electric General Plant.....	(11,305,192.13)	(138,484.76)	39,209.64	-	-	-	-	-	-	(11,404,467.25)
Electric Hydro Production.....	(10,051,997.22)	(141,469.07)	507.91	-	-	-	-	-	-	(10,192,958.38)
Electric Hydro Production - ARO.....	(2,112.62)	(437.13)	-	-	-	-	-	-	-	(2,549.75)
Electric Other Production.....	(67,466,740.67)	(2,095,352.80)	676,874.51	-	-	-	-	-	-	(68,885,218.96)
Electric Other Production - ARO.....	(1,302.82)	(289.68)	-	-	-	-	-	-	-	(1,592.50)
Electric Steam Production.....	(1,060,614,162.86)	(14,361,072.62)	1,086,699.39	-	-	-	-	-	-	(1,073,888,536.09)
Electric Steam Production - ARO.....	(1,402,047.92)	(448,236.05)	-	-	-	-	-	-	-	(1,850,283.97)
Electric Transmission.....	(121,989,304.84)	(1,131,896.19)	1,623,977.77	-	-	-	-	-	-	(121,497,223.26)
Electric Transmission - ARO.....	(903.28)	(2,038.83)	-	-	-	-	-	-	-	(2,942.11)
Gas Distribution.....	(131,835,425.42)	(3,045,800.28)	23,617.80	1,037.44	-	-	-	-	-	(134,856,570.46)
Gas Distribution - ARO.....	(346,237.51)	(74,185.93)	-	-	-	-	-	-	-	(420,423.44)
Gas General Plant.....	(5,044,235.87)	(93,208.87)	-	-	-	-	-	-	-	(5,137,444.74)
Gas Storage.....	(31,071,784.79)	(304,911.96)	58,529.30	-	-	-	-	-	-	(31,318,167.45)
Gas Storage - ARO.....	(257,551.24)	(55,045.34)	-	-	-	-	-	-	-	(312,596.58)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(15,224.29)	1,389.93	(1,037.44)	-	-	-	-	-	(9,501,228.18)
Gas Transmission - ARO.....	(35,270.86)	(26,453.13)	-	-	-	-	-	-	-	(61,723.99)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(29,514,068.91)</u>	<u>5,552,320.09</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,839,699,960.27)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(72,227.92)	-	-	-	-	16,557.84	-	-	(693,432.52)
Electric Distribution.....	(148,949,763.17)	(1,805,735.27)	-	-	-	-	2,613,761.99	-	-	(148,141,736.45)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(10,738.08)	-	-	-	-	1,017.40	-	-	722,734.43
Electric Other Production.....	(2,535,958.71)	(89,811.36)	-	-	-	-	170,979.16	-	-	(2,454,790.91)
Electric Steam Production.....	(108,291,391.50)	(4,302,848.84)	-	-	-	-	1,387,859.46	-	-	(111,206,380.88)
Electric Transmission.....	(25,759,724.87)	(362,863.86)	-	-	-	-	404,164.79	-	-	(25,718,423.94)
Gas Distribution.....	(62,001,399.83)	(858,648.41)	-	300.39	-	-	60,363.73	-	-	(62,799,384.12)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(39,237.25)	-	-	-	-	-	-	-	223,233.29
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(3,768.83)	-	(300.39)	-	-	21,090.05	-	-	(2,967,836.94)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (7,545,879.82)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,675,794.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (353,032,151.42)</u>

April 26, 2012



**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**March 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 95.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000.00)	\$ -	\$ 275,553.65
Electric Distribution.....	18,531,222.48	368,163.38	-	-	-	-	-	(54,967.23)	-	18,844,418.63
Electric General Plant.....	140,589.22	596.79	-	-	-	-	-	-	-	141,186.01
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	512,183.75	-	-	-	-	-	(126,226.16)	-	24,406,636.24
Electric Transmission.....	6,511,015.77	66,958.76	-	-	-	-	-	(357,106.44)	-	6,220,868.09
Gas Distribution.....	3,791,455.11	51,510.74	-	-	-	-	-	-	-	3,842,965.85
Gas General Plant.....	228,159.61	727.46	-	-	-	-	-	-	-	228,887.07
Gas Storage.....	287,152.21	4,482.28	-	-	-	-	-	-	-	291,634.49
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	1,413.32	-	-	-	-	-	-	-	224,722.85
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>1,006,132.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(541,299.83)</u>	<u>-</u>	<u>54,834,512.38</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(3,104,405.82)	243,220.98	-	-	-	16,557.84	(3,000.00)	-	(80,359,814.95)
Electric.....	(1,795,747,613.36)	(28,491,060.12)	5,225,562.08	(223.56)	-	-	4,577,782.80	(538,299.83)	-	(1,814,973,851.99)
Gas.....	(238,270,572.69)	(4,458,350.49)	83,537.03	-	-	-	81,453.78	-	-	(242,563,932.37)
	<u>(2,111,530,374.00)</u>	<u>(36,053,816.43)</u>	<u>5,552,320.09</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>4,675,794.42</u>	<u>(541,299.83)</u>	<u>-</u>	<u>(2,137,897,599.31)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	-	-	(13,557.84)	(17,161.19)	(10,496.95)	-	108,546.37
Electric.....	11,924,715.03	-	-	(14,615.87)	-	(4,039,482.97)	5,226,585.53	(301,510.06)	(83,094.73)	12,712,596.93
Gas.....	1,590,687.78	-	-	14,615.87	-	(81,453.78)	284,819.85	(1,181.09)	-	1,807,488.63
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,134,494.59)</u>	<u>5,494,244.19</u>	<u>(313,188.10)</u>	<u>(83,094.73)</u>	<u>14,628,631.93</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(36,053,816.43)</u>	<u>5,552,320.09</u>	<u>(223.56)</u>	<u>-</u>	<u>(4,134,494.59)</u>	<u>10,170,038.61</u>	<u>(854,487.93)</u>	<u>(83,094.73)</u>	<u>(2,123,268,967.38)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(2,177,175.30)	1,193,940.58	-	-	-	-	-	-	(21,054,838.75)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(2,177,175.30)</u>	<u>1,193,940.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,054,838.75)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (38,230,991.73)</u>	<u>\$ 6,746,260.67</u>	<u>\$ (223.56)</u>	<u>\$ -</u>	<u>\$ (4,134,494.59)</u>	<u>\$ 10,170,038.61</u>	<u>\$ (854,487.93)</u>	<u>\$ (83,094.73)</u>	<u>\$ (2,144,323,806.13)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,144,260,445.77)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,779,422,479.01</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**March 31, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 80,159,282.52	\$ -	\$ 80,159,282.52
Gas Operating Revenues.....	23,666,489.53	-	23,666,489.53
<b>Total Operating Revenues.....</b>	<b>103,825,772.05</b>	<b>-</b>	<b>103,825,772.05</b>
Fuel for Electric Generation.....	29,806,959.77	-	29,806,959.77
Power Purchased.....	4,707,080.96	-	4,707,080.96
Gas Supply Expenses.....	8,869,275.78	-	8,869,275.78
Other Operation Expenses.....	20,103,047.79	-	20,103,047.79
Maintenance.....	12,050,118.95	-	12,050,118.95
Depreciation.....	12,009,763.52	-	12,009,763.52
Amortization Expense.....	736,955.24	-	736,955.24
Regulatory Credits.....	(446,222.39)	-	(446,222.39)
Taxes			
Federal Income.....	(12,307,098.86)	-	(12,307,098.86)
State Income.....	(621,707.01)	-	(621,707.01)
Deferred Federal Income - Net.....	15,059,088.67	8,230.82	15,067,319.49
Deferred State Income - Net.....	847,565.83	1,501.05	849,066.88
Property and Other.....	2,369,840.46	-	2,369,840.46
Amortization of Investment Tax Credit.....	(223,357.47)	-	(223,357.47)
Loss (Gain) from Disposition of Allowances.....	(693.97)	-	(693.97)
Accretion Expense.....	242,872.24	-	242,872.24
<b>Total Operating Expenses.....</b>	<b>93,203,489.51</b>	<b>9,731.87</b>	<b>93,213,221.38</b>
Net Operating Income.....	10,622,282.54	(9,731.87)	10,612,550.67
Other Income Less Deductions.....	(554,124.33)	-	(554,124.33)
<b>Income Before Interest Charges.....</b>	<b>10,068,158.21</b>	<b>(9,731.87)</b>	<b>10,058,426.34</b>
Interest on Long-Term Debt.....	3,123,496.81	(25,017.63)	3,098,479.18
Amortization of Debt Expense - Net.....	262,322.89	-	262,322.89
Other Interest Expenses.....	266,432.07	-	266,432.07
<b>Total Interest Charges.....</b>	<b>3,652,251.77</b>	<b>(25,017.63)</b>	<b>3,627,234.14</b>
<b>Net Income.....</b>	<b>\$ 6,415,906.44</b>	<b>\$ 15,285.76</b>	<b>\$ 6,431,192.20</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**March 31, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 244,420,426.43	\$ -	\$ 244,420,426.43
Gas Operating Revenues.....	108,809,879.08	-	108,809,879.08
<b>Total Operating Revenues.....</b>	<b>353,230,305.51</b>	<b>-</b>	<b>353,230,305.51</b>
Fuel for Electric Generation.....	91,719,151.25	-	91,719,151.25
Power Purchased.....	13,783,932.99	-	13,783,932.99
Gas Supply Expenses.....	57,345,602.29	-	57,345,602.29
Other Operation Expenses.....	58,884,895.86	-	58,884,895.86
Maintenance.....	35,586,242.09	-	35,586,242.09
Depreciation.....	35,897,362.32	-	35,897,362.32
Amortization Expense.....	2,177,175.30	-	2,177,175.30
Regulatory Credits.....	(1,335,588.73)	-	(1,335,588.73)
Taxes			
Federal Income.....	(2,200,973.02)	-	(2,200,973.02)
State Income.....	1,222,084.95	-	1,222,084.95
Deferred Federal Income - Net.....	15,135,238.66	24,692.42	15,159,931.08
Deferred State Income - Net.....	847,565.83	4,503.17	852,069.00
Property and Other.....	7,299,098.74	-	7,299,098.74
Amortization of Investment Tax Credit.....	(670,069.47)	-	(670,069.47)
Loss (Gain) from Disposition of Allowances.....	(693.97)	-	(693.97)
Accretion Expense.....	725,537.76	-	725,537.76
<b>Total Operating Expenses.....</b>	<b>316,416,562.85</b>	<b>29,195.59</b>	<b>316,445,758.44</b>
Net Operating Income.....	36,813,742.66	(29,195.59)	36,784,547.07
Other Income Less Deductions.....	(923,118.22)	-	(923,118.22)
<b>Income Before Interest Charges.....</b>	<b>35,890,624.44</b>	<b>(29,195.59)</b>	<b>35,861,428.85</b>
Interest on Long-Term Debt.....	9,267,123.12	(75,052.89)	9,192,070.23
Amortization of Debt Expense - Net.....	786,961.09	-	786,961.09
Other Interest Expenses.....	647,444.99	-	647,444.99
<b>Total Interest Charges.....</b>	<b>10,701,529.20</b>	<b>(75,052.89)</b>	<b>10,626,476.31</b>
<b>Net Income.....</b>	<b>\$ 25,189,095.24</b>	<b>\$ 45,857.30</b>	<b>\$ 25,234,952.54</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2012**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 872,702,746.19	\$ 842,546,810.76	\$ (808,702,319.19)	\$ (808,163,552.92)	\$ 64,000,427.00	\$ 34,383,257.84
Add:						
Net Income (Loss) for Period.....	6,415,906.44	7,291,888.99	15,285.76	(706,873.76)	6,431,192.20	6,585,015.23
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>	<u>\$ (808,687,033.43)</u>	<u>\$ (808,870,426.68)</u>	<u>\$ 70,431,619.20</u>	<u>\$ 40,968,273.07</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	25,189,095.24	39,095,447.79	45,857.30	28,855.76	25,234,952.54	39,124,303.55
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>15,000,000.00</u>	<u>17,250,000.00</u>	<u>-</u>	<u>-</u>	<u>15,000,000.00</u>	<u>17,250,000.00</u>
Balance at End of Period.....	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>	<u>\$ (808,687,033.43)</u>	<u>\$ (808,870,426.68)</u>	<u>\$ 70,431,619.20</u>	<u>\$ 40,968,273.07</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**March 31, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 849,838,699.75	\$ 757,728,567.29	\$ (808,870,426.68)	\$ -	\$ 40,968,273.07	\$ 757,728,567.29
Add:						
Net Income (Loss) for Period.....	110,279,952.88	134,360,132.46	183,393.25	76,464.84	110,463,346.13	134,436,597.30
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	81,000,000.00	42,250,000.00	-	-	81,000,000.00	42,250,000.00
Balance at End of Period.....	<u>\$ 879,118,652.63</u>	<u>\$ 849,838,699.75</u>	<u>\$ (808,687,033.43)</u>	<u>\$ (808,870,426.68)</u>	<u>\$ 70,431,619.20</u>	<u>\$ 40,968,273.07</u>

April 26, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of March 31, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,933,705,788.03	\$ -	\$ 4,933,705,788.03
Less: Reserves for Depreciation and Amortization....	2,144,260,445.77	-	2,144,260,445.77
<b>Total.....</b>	<b>2,789,445,342.26</b>	<b>-</b>	<b>2,789,445,342.26</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	26,812,546.91	-	26,812,546.91
<b>Total.....</b>	<b>27,418,712.11</b>	<b>-</b>	<b>27,418,712.11</b>
<b>Current and Accrued Assets</b>			
Cash.....	37,944,606.65	-	37,944,606.65
Special Deposits.....	-	-	-
Temporary Cash Investments.....	16,338,854.02	-	16,338,854.02
Accounts Receivable - Less Reserve.....	121,482,082.46	-	121,482,082.46
Accounts Receivable from Associated Companies....	20,097,723.37	-	20,097,723.37
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	66,393,015.44	-	66,393,015.44
Plant Materials and Operating Supplies.....	30,964,056.64	-	30,964,056.64
Stores Expense.....	5,553,099.47	-	5,553,099.47
Gas Stored Underground.....	20,184,889.10	-	20,184,889.10
Emission Allowances.....	17,221.12	-	17,221.12
Prepayments.....	4,804,662.67	-	4,804,662.67
Miscellaneous Current and Accrued Assets.....	693.97	-	693.97
<b>Total.....</b>	<b>323,780,904.91</b>	<b>-</b>	<b>323,780,904.91</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	12,916,551.41	(3,434,540.22)	9,482,011.19
Unamortized Loss on Bonds.....	20,682,089.39	-	20,682,089.39
Accumulated Deferred Income Taxes.....	22,116,906.94	64,512,535.21	86,629,442.15
Deferred Regulatory Assets.....	388,800,142.12	8,109,432.61	396,909,574.73
Other Deferred Debits.....	1,804,929.40	155,015,683.08	156,820,612.48
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>446,320,619.26</b>	<b>613,360,462.27</b>	<b>1,059,681,081.53</b>
<b>Total Assets.....</b>	<b>\$ 3,586,965,578.54</b>	<b>\$ 613,360,462.27</b>	<b>\$ 4,200,326,040.81</b>

April 26, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of March 31, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	879,118,652.63	(808,687,033.43)	70,431,619.20
<b>Total Proprietary Capital.....</b>	<b>1,387,034,687.08</b>	<b>385,398,835.59</b>	<b>1,772,433,522.67</b>
<b>Pollution Control Bonds - Net of Reacquired Bonds...</b>			
First Mortgage Bonds.....	574,304,000.00	6,151,417.29	580,455,417.29
LT Notes Payable to Associated Companies.....	531,401,507.42	-	531,401,507.42
	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,705,507.42</b>	<b>6,151,417.29</b>	<b>1,111,856,924.71</b>
<b>Total Capitalization.....</b>	<b>2,492,740,194.50</b>	<b>391,550,252.88</b>	<b>2,884,290,447.38</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	92,234,601.80	-	92,234,601.80
Accounts Payable to Associated Companies.....	15,938,027.00	-	15,938,027.00
Customer Deposits.....	22,435,650.26	-	22,435,650.26
Taxes Accrued.....	17,874,000.30	-	17,874,000.30
Interest Accrued.....	12,083,404.23	-	12,083,404.23
Miscellaneous Current and Accrued Liabilities.....	28,854,345.46	-	28,854,345.46
<b>Total.....</b>	<b>189,420,029.05</b>	<b>-</b>	<b>189,420,029.05</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	515,319,247.11	62,119,633.92	577,438,881.03
Investment Tax Credit.....	42,048,774.66	-	42,048,774.66
Regulatory Liabilities.....	58,003,499.13	155,015,683.08	213,019,182.21
Customer Advances for Construction.....	7,329,863.59	-	7,329,863.59
Asset Retirement Obligations.....	59,331,864.27	-	59,331,864.27
Other Deferred Credits.....	8,148,016.44	4,674,892.39	12,822,908.83
Miscellaneous Long-Term Liabilities.....	53,954,916.00	-	53,954,916.00
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	160,669,173.79	-	160,669,173.79
<b>Total.....</b>	<b>904,805,354.99</b>	<b>221,810,209.39</b>	<b>1,126,615,564.38</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,586,965,578.54</b>	<b>\$ 613,360,462.27</b>	<b>\$ 4,200,326,040.81</b>



**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - April 30, 2012**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

April 30, 2012

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**April 30, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 77,219,917.79	\$ 73,908,472.30	\$ 3,311,445.49	4.48
Gas Operating Revenues.....	14,213,862.85	18,642,881.93	(4,429,019.08)	(23.76)
<b>Total Operating Revenues.....</b>	<b>91,433,780.64</b>	<b>92,551,354.23</b>	<b>(1,117,573.59)</b>	<b>(1.21)</b>
Fuel for Electric Generation.....	31,155,045.05	26,601,752.01	4,553,293.04	17.12
Power Purchased.....	3,922,263.74	4,930,724.70	(1,008,460.96)	(20.45)
Gas Supply Expenses.....	6,809,354.14	8,665,043.42	(1,855,689.28)	(21.42)
Other Operation Expenses.....	17,597,745.86	17,724,384.01	(126,638.15)	(0.71)
Maintenance.....	10,412,702.86	11,168,994.71	(756,291.85)	(6.77)
Depreciation.....	12,067,908.17	11,806,358.00	261,550.17	2.22
Amortization Expense.....	739,148.55	657,834.15	81,314.40	12.36
Regulatory Credits.....	(447,254.80)	(467,346.27)	20,091.47	4.30
Taxes				
Federal Income.....	1,026,231.25	1,727,882.62	(701,651.37)	(40.61)
State Income.....	187,154.62	315,115.37	(127,960.75)	(40.61)
Deferred Federal Income - Net.....	450,895.53	-	450,895.53	100.00
Deferred State Income - Net.....	82,230.19	-	82,230.19	100.00
Property and Other.....	2,292,074.31	2,272,396.13	19,678.18	0.87
Amortization of Investment Tax Credit.....	(223,356.00)	(236,034.00)	12,678.00	5.37
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	243,904.49	221,493.64	22,410.85	10.12
<b>Total Operating Expenses.....</b>	<b>86,316,047.96</b>	<b>85,388,598.49</b>	<b>927,449.47</b>	<b>1.09</b>
Net Operating Income.....	5,117,732.68	7,162,755.74	(2,045,023.06)	(28.55)
Other Income Less Deductions.....	162,291.03	(961,726.27)	1,124,017.30	116.88
<b>Income Before Interest Charges.....</b>	<b>5,280,023.71</b>	<b>6,201,029.47</b>	<b>(921,005.76)</b>	<b>(14.85)</b>
Interest on Long-Term Debt.....	3,058,354.35	3,322,584.57	(264,230.22)	(7.95)
Amortization of Debt Expense - Net.....	264,751.63	275,309.85	(10,558.22)	(3.84)
Other Interest Expenses.....	198,241.42	119,638.44	78,602.98	65.70
<b>Total Interest Charges.....</b>	<b>3,521,347.40</b>	<b>3,717,532.86</b>	<b>(196,185.46)</b>	<b>(5.28)</b>
<b>Net Income.....</b>	<b>\$ 1,758,676.31</b>	<b>\$ 2,483,496.61</b>	<b>\$ (724,820.30)</b>	<b>(29.19)</b>

May 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 321,640,344.22	\$ 330,174,976.62	\$ (8,534,632.40)	(2.58)
Gas Operating Revenues.....	123,023,741.93	156,085,235.55	(33,061,493.62)	(21.18)
<b>Total Operating Revenues.....</b>	<b>444,664,086.15</b>	<b>486,260,212.17</b>	<b>(41,596,126.02)</b>	<b>(8.55)</b>
Fuel for Electric Generation.....	122,874,196.30	114,871,573.96	8,002,622.34	6.97
Power Purchased.....	17,706,196.73	24,542,025.76	(6,835,829.03)	(27.85)
Gas Supply Expenses.....	64,154,956.43	92,293,389.66	(28,138,433.23)	(30.49)
Other Operation Expenses.....	76,482,641.72	76,454,657.54	27,984.18	0.04
Maintenance.....	45,998,944.95	38,829,083.89	7,169,861.06	18.47
Depreciation.....	47,965,270.49	46,336,399.35	1,628,871.14	3.52
Amortization Expense.....	2,916,323.85	2,587,218.24	329,105.61	12.72
Regulatory Credits.....	(1,782,843.53)	(1,569,955.95)	(212,887.58)	(13.56)
Taxes				
Federal Income.....	(1,174,741.77)	7,740,019.30	(8,914,761.07)	(115.18)
State Income.....	1,409,239.57	3,469,386.01	(2,060,146.44)	(59.38)
Deferred Federal Income - Net.....	15,586,134.19	13,658,485.33	1,927,648.86	14.11
Deferred State Income - Net.....	929,796.02	341,927.36	587,868.66	171.93
Property and Other.....	9,591,173.05	9,199,838.86	391,334.19	4.25
Amortization of Investment Tax Credit.....	(893,425.47)	(917,469.00)	24,043.53	2.62
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	969,442.25	880,304.24	89,138.01	10.13
<b>Total Operating Expenses.....</b>	<b>402,732,610.81</b>	<b>428,714,306.61</b>	<b>(25,981,695.80)</b>	<b>(6.06)</b>
Net Operating Income.....	41,931,475.34	57,545,905.56	(15,614,430.22)	(27.13)
Other Income Less Deductions.....	(760,827.19)	(1,148,540.20)	387,713.01	33.76
<b>Income Before Interest Charges.....</b>	<b>41,170,648.15</b>	<b>56,397,365.36</b>	<b>(15,226,717.21)</b>	<b>(27.00)</b>
Interest on Long-Term Debt.....	12,325,477.47	13,139,209.97	(813,732.50)	(6.19)
Amortization of Debt Expense - Net.....	1,051,712.72	1,098,639.22	(46,926.50)	(4.27)
Other Interest Expenses.....	845,686.41	580,571.77	265,114.64	45.66
<b>Total Interest Charges.....</b>	<b>14,222,876.60</b>	<b>14,818,420.96</b>	<b>(595,544.36)</b>	<b>(4.02)</b>
<b>Net Income.....</b>	<b>\$ 26,947,771.55</b>	<b>\$ 41,578,944.40</b>	<b>\$ (14,631,172.85)</b>	<b>(35.19)</b>

May 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**April 30, 2012**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease	
			Amount	%
Electric Operating Revenues.....	\$ 1,051,215,671.09	\$ 1,045,794,988.15	\$ 5,420,682.94	0.52
Gas Operating Revenues.....	271,512,928.20	309,832,131.57	(38,319,203.37)	(12.37)
<b>Total Operating Revenues.....</b>	<b>1,322,728,599.29</b>	<b>1,355,627,119.72</b>	<b>(32,898,520.43)</b>	<b>(2.43)</b>
Fuel for Electric Generation.....	368,971,015.70	372,720,602.86	(3,749,587.16)	(1.01)
Power Purchased.....	68,058,718.09	58,821,472.38	9,237,245.71	15.70
Gas Supply Expenses.....	133,097,192.47	173,237,670.46	(40,140,477.99)	(23.17)
Other Operation Expenses.....	236,305,339.07	230,657,552.10	5,647,786.97	2.45
Maintenance.....	123,528,929.61	114,203,818.06	9,325,111.55	8.17
Depreciation.....	143,627,086.06	134,318,776.51	9,308,309.55	6.93
Amortization Expense.....	8,462,569.64	7,573,344.49	889,225.15	11.74
Regulatory Credits.....	(5,942,973.27)	(5,117,919.08)	(825,054.19)	(16.12)
Taxes				
Federal Income.....	3,048,089.38	22,112,548.34	(19,064,458.96)	(86.22)
State Income.....	6,205,386.23	7,012,586.18	(807,199.95)	(11.51)
Deferred Federal Income - Net.....	54,151,373.22	39,404,610.34	14,746,762.88	37.42
Deferred State Income - Net.....	2,599,544.01	2,311,039.03	288,504.98	12.48
Property and Other.....	28,512,917.83	23,616,588.30	4,896,329.53	20.73
Amortization of Investment Tax Credit.....	(2,781,688.47)	(2,585,317.00)	(196,371.47)	(7.60)
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	2,733,622.63	3,501,200.57	(767,577.94)	(21.92)
<b>Total Operating Expenses.....</b>	<b>1,170,576,428.23</b>	<b>1,181,785,995.60</b>	<b>(11,209,567.37)</b>	<b>(0.95)</b>
Net Operating Income.....	152,152,171.06	173,841,124.12	(21,688,953.06)	(12.48)
Other Income Less Deductions.....	1,467,110.78	10,602,291.07	(9,135,180.29)	(86.16)
<b>Income Before Interest Charges.....</b>	<b>153,619,281.84</b>	<b>184,443,415.19</b>	<b>(30,824,133.35)</b>	<b>(16.71)</b>
Interest on Long-Term Debt.....	37,996,003.29	42,258,714.82	(4,262,711.53)	(10.09)
Amortization of Debt Expense - Net.....	3,264,546.73	2,297,826.41	966,720.32	42.07
Other Interest Expenses.....	2,803,599.24	2,441,739.59	361,859.65	14.82
<b>Total Interest Charges.....</b>	<b>44,064,149.26</b>	<b>46,998,280.82</b>	<b>(2,934,131.56)</b>	<b>(6.24)</b>
<b>Net Income.....</b>	<b>\$ 109,555,132.58</b>	<b>\$ 137,445,134.37</b>	<b>\$ (27,890,001.79)</b>	<b>(20.29)</b>

May 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**April 30, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 879,118,652.63	\$ 849,838,699.75	\$ 868,929,557.39	\$ 827,993,251.96	\$ 852,322,196.36	\$ 757,127,061.99
Add:						
Net Income for Period.....	1,758,676.31	2,483,496.61	26,947,771.55	41,578,944.40	109,555,132.58	137,445,134.37
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	15,000,000.00	17,250,000.00	81,000,000.00	42,250,000.00
Balance at End of Period.....	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>

May 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of April 30, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,949,339,993.11	\$ 4,782,878,078.55	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,156,178,006.63</u>	<u>2,077,990,172.73</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,793,161,986.48</u>	<u>2,704,887,905.82</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>880,877,328.94</u>	<u>852,322,196.36</u>
			Total Proprietary Capital.....	<u>1,388,793,363.39</u>	<u>1,360,238,230.81</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.	574,304,000.00	574,304,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,424,829.08	531,144,969.14
Nonutility Property - Less Reserve.....	11,879.20	11,879.20	LT Notes Payable to Associated Companies.....	-	-
Special Funds.....	<u>27,925,671.53</u>	<u>20,392,613.99</u>	Total Long-Term Debt.....	<u>1,105,728,829.08</u>	<u>1,105,448,969.14</u>
Total.....	<u>28,531,836.73</u>	<u>20,998,779.19</u>	Total Capitalization.....	<u>2,494,522,192.47</u>	<u>2,465,687,199.95</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	10,016,906.74	32,004,651.77	ST Notes Payable to Associated Companies.....	-	-
Special Deposits.....	-	5,336,432.10	Notes Payable.....	-	-
Temporary Cash Investments.....	52,355,142.71	32,004,573.78	Accounts Payable.....	92,726,583.06	72,770,225.00
Accounts Receivable - Less Reserve.....	104,780,703.45	116,387,007.31	Accounts Payable to Associated Companies.....	15,978,347.55	27,020,672.69
Accounts Receivable from Associated Companies...	25,088,585.14	11,414,595.15	Customer Deposits.....	22,664,278.75	23,394,006.56
Materials and Supplies - At Average Cost.....			Taxes Accrued.....	20,723,795.10	7,782,784.18
Fuel.....	72,777,150.72	64,634,046.64	Dividends Declared.....	-	-
Plant Materials and Operating Supplies.....	30,871,620.53	29,834,678.95	Interest Accrued.....	13,286,065.56	13,874,035.61
Stores Expense.....	5,607,672.47	5,079,805.34	Miscellaneous Current and Accrued Liabilities.....	<u>24,826,978.40</u>	<u>29,874,305.15</u>
Gas Stored Underground.....	15,614,287.22	14,392,608.85	Total.....	<u>190,206,048.42</u>	<u>174,716,029.19</u>
Emission Allowances.....	17,030.85	2,409.88	Deferred Credits and Other		
Prepayments.....	7,947,391.08	7,049,940.71	Accumulated Deferred Income Taxes.....	515,319,247.11	487,780,888.27
Miscellaneous Current and Accrued Assets.....	-	724,075.07	Investment Tax Credit.....	41,825,418.66	44,607,107.13
Total.....	<u>325,076,490.91</u>	<u>318,864,825.55</u>	Regulatory Liabilities.....	58,100,239.91	61,508,554.02
			Customer Advances for Construction.....	7,260,539.35	8,115,146.29
Deferred Debits and Other			Asset Retirement Obligations.....	59,575,768.76	53,172,083.34
Unamortized Debt Expense.....	13,372,967.21	13,309,465.49	Other Deferred Credits.....	8,766,043.62	15,198,179.97
Unamortized Loss on Bonds.....	20,579,912.22	21,530,637.65	Miscellaneous Long-Term Liabilities.....	58,676,959.72	36,567,706.97
Accumulated Deferred Income Taxes.....	22,116,906.94	53,426,611.12	Accum Provision for Postretirement Benefits.....	<u>160,693,456.83</u>	<u>148,223,311.76</u>
Deferred Regulatory Assets.....	390,498,248.98	361,306,009.06	Total.....	<u>910,217,673.96</u>	<u>855,172,977.75</u>
Other Deferred Debits.....	<u>1,607,565.38</u>	<u>1,251,973.01</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,594,945,914.85</u>	<u>\$ 3,495,576,206.89</u>
Total.....	<u>448,175,600.73</u>	<u>450,824,696.33</u>			
Total Assets.....	<u>\$ 3,594,945,914.85</u>	<u>\$ 3,495,576,206.89</u>			

May 21, 2012



**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**April 30, 2012**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
		Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>880,877,328.94</u>	
<b>Total Proprietary Capital.....</b>			<u>1,388,793,363.39</u>	<u>55.67</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 Var%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			574,304,000.00	23.02
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			535,000,000.00	21.45
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(625,104.21)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(2,950,066.71)</u>	
			(3,575,170.92)	(0.14)
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,424,829.08</u>	21.31
<b>Total Capitalization.....</b>			<u>\$ 2,494,522,192.47</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,949,339,993.11	\$ 4,949,339,993.11
Reserves for Depreciation and Amortization.....		(2,156,178,006.63)
Depreciation of Plant		
Electric.....	(1,810,971,530.08)	
Gas.....	(242,175,944.87)	
Common.....	(81,236,544.38)	
Amortization of Plant		
Common.....	(21,793,987.30)	
Investments.....		28,531,836.73
Special Funds.....	27,925,671.53	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	11,879.20	
Cash.....	10,016,906.74	10,016,906.74
Temporary Cash Investments.....	52,355,142.71	52,355,142.71
Accounts Receivable - Less Reserve.....		104,780,703.45
Customers - Active.....	56,396,190.00	
Unbilled Revenues.....	42,591,799.10	
IMPA.....	2,078,813.67	
IMEA.....	2,057,929.25	
Income Tax Receivable - Federal.....	1,019,370.82	
Wholesale Sales.....	584,951.44	
Transmission Sales.....	472,223.60	
Damage Claims.....	381,094.79	
Sundry Accounts Receivable.....	365,556.51	
Electricity Swaps.....	166,354.87	
Miscellaneous Customers - Sundry.....	103,316.72	
Bechtel Liquidated Damages.....	5,700.00	
Officers and Employees.....	500.00	
Other.....	639,002.09	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,412,084.79	
Reserve.....	(1,534,894.00)	
Accrual.....	(908,862.85)	
Recoveries.....	(503,221.94)	
A/R Miscellaneous.....	(380,850.54)	
LEM Reserve.....	(166,354.87)	
Accounts Receivable from Associated Companies.....		25,088,585.14
LG&E and KU Services/Kentucky Utilities.....	25,088,585.14	
Fuel.....		72,777,150.72
Coal 1,354,284.63 Tons @ \$53.34; MMBtu 30,523,696.99 @ 236.67¢.....	72,241,550.46	
Fuel Oil 195,401.77 Gallons @ 279.52¢.....	546,186.80	
Gas Pipeline 321,452 mcf @ (\$.03).....	(10,586.54)	
Plant Materials and Operating Supplies.....		30,871,620.53
Regular Materials and Supplies.....	29,974,186.96	
Limestone 95,550.85 Tons @ \$9.39.....	897,433.55	
Carbide Lime.....	0.02	
Stores Expense Undistributed.....	5,607,672.47	5,607,672.47
Gas Stored Underground - Current.....		15,614,287.22
Gas Stored Underground* 3,361,422 Mcf (14.73 psia) @ \$4.65.....	15,614,287.22	
Emission Allowances.....	17,030.85	17,030.85

May 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 7,947,391.08
Insurance.....	5,055,071.87	
Taxes.....	325,773.26	
Franchises.....	265,082.13	
Rights of Way.....	226,666.71	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,984,797.11	
Unamortized Debt Expense.....		13,372,967.21
Trimble County 2000 Series A due 08/01/30 Var%.....	706,409.60	
Jefferson County 2001 Series A due 09/01/26 Var%.....	142,240.74	
Jefferson County 2001 Series A due 09/01/27 Var%.....	312,684.88	
Jefferson County 2001 Series B due 11/01/27 Var%.....	170,426.38	
Trimble County 2001 Series A due 09/01/26 Var%.....	154,656.40	
Trimble County 2001 Series B due 11/01/27 Var%.....	170,454.34	
Trimble County 2002 Series A due 10/01/32 Var%.....	759,937.21	
Louisville Metro 2003 Series A Due 10/01/33 1.650%.....	1,014,005.76	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	163,514.11	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,002,183.86	
First Mortgage Bond due 11/15/15 1.625%.....	1,845,719.04	
First Mortgage Bond due 11/15/40 5.125%.....	3,402,912.16	
Revolving Credit Agreement.....	3,522,961.62	
S-3 Shelf Registration.....	4,861.11	
Unamortized Loss on Bonds.....	20,579,912.22	20,579,912.22
Accumulated Deferred Income Taxes.....		22,116,906.94
Federal		
Electric.....	16,361,514.44	
Gas.....	1,226,383.55	
State		
Electric.....	4,253,237.01	
Gas.....	275,771.94	
Regulatory Assets.....		390,498,248.98
Pension and Postretirement Benefits.....	218,719,016.00	
Interest Rate Swap Ineffectiveness.....	57,610,411.79	
2009 Winter Storm.....	36,166,672.77	
2008 Wind Storm.....	19,420,774.55	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,371,961.27	
State		
Electric.....	2,256,284.73	
Asset Retirement Obligations		
Electric.....	10,606,104.54	
Gas.....	1,831,733.65	
Common.....	11,789.04	
Swap Termination.....	8,851,063.14	
2011 Summer Storm.....	8,052,124.65	
Fuel Adjustment Clause.....	6,252,000.00	
Gas Supply Clause/PBR.....	6,208,397.93	
Rate Case Expenses.....	582,090.06	
MISO Exit Fee.....	509,687.90	
KCCS Funding.....	493,897.79	
EKPC FERC Transmission Costs.....	310,882.64	
CMRG Funding.....	121,950.00	
General Management Audit.....	121,406.53	
Other Deferred Debits.....	1,607,565.38	1,607,565.38
Total Assets.....	<u>\$ 3,594,945,914.85</u>	<u>\$ 3,594,945,914.85</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,388,793,363.39
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	880,877,328.94	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,424,829.08	531,424,829.08
Accounts Payable.....		92,726,583.06
Regular.....	89,147,593.97	
Salaries and Wages Accrued.....	3,465,366.30	
Employee Withholdings Payable.....	113,622.79	
Accounts Payable to Associated Companies.....		15,978,347.55
LG&E and KU Services/Kentucky Utilities.....	15,978,347.55	
Customers' Deposits.....	22,664,278.75	22,664,278.75
Taxes Accrued.....	20,723,795.10	20,723,795.10
Interest Accrued.....		13,286,065.56
Jefferson County 2000 Series A due 05/01/27 Var%.....	17,441.41	
Trimble County 2000 Series A due 08/01/30 Var%.....	6,620.50	
Jefferson County 2001 Series A due 09/01/26 Var%.....	5,809.43	
Jefferson County 2001 Series A due 09/01/27 Var%.....	235.76	
Jefferson County 2001 Series B due 11/01/27 Var%.....	16,939.89	
Trimble County 2001 Series A due 09/01/26 Var%.....	10,338.80	
Trimble County 2001 Series A due 10/01/32 Var%.....	4,765.29	
Trimble County 2001 Series B due 11/01/27 Var%.....	17,213.11	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	170,133.33	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	568,611.11	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	726,562.50	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	278,666.67	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,150,000.00	
Interest Rate Swaps.....	624,853.87	
First Mortgage Bond due 11/15/15 1.625%.....	1,873,263.89	
First Mortgage Bond due 11/15/40 5.125%.....	6,735,104.17	
Customers' Deposits.....	999,231.92	
Interest Accrued on Tax Liabilities.....	79,624.00	
Other.....	649.91	
Miscellaneous Current and Accrued Liabilities.....		24,826,978.40
Customer Overpayments.....	7,050,101.35	
Vacation Pay Accrued.....	6,593,096.94	
No-Notice Gas Payable.....	5,285,560.52	
Derivative Liability - ASC 815.....	4,624,745.11	
Home Energy Assistance.....	566,499.37	
Tax Collections Payable.....	361,334.32	
Unearned Revenue.....	123,209.69	
Other.....	222,431.10	

May 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**April 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 515,319,247.11
Federal		
Electric.....	363,056,386.50	
Gas.....	84,391,056.35	
State		
Electric.....	55,091,486.39	
Gas.....	12,780,317.87	
Investment Tax Credit.....		41,825,418.66
Advanced Coal Credit.....	22,923,154.51	
Job Development Credit		
Electric.....	18,387,930.99	
Gas.....	514,333.16	
Regulatory Liabilities.....		58,100,239.91
Deferred Taxes		
Federal		
Electric.....	26,889,784.25	
Gas.....	998,105.77	
State		
Electric.....	14,865,490.98	
Gas.....	2,419,840.18	
Gas Supply Clause/PBR.....	5,224,186.03	
DSM Cost Recovery.....	3,923,985.84	
Asset Retirement Obligations		
Gas.....	2,158,093.27	
Electric.....	209,598.03	
MISO Schedule 10 Charges.....	704,222.72	
Purchased Gas Adjustment - Tennessee Gas.....	507,109.94	
Environmental Cost Recovery.....	199,822.90	
Customers' Advances for Construction.....		7,260,539.35
Line Extensions		
Gas.....	6,314,142.43	
Electric.....	946,396.92	
Asset Retirement Obligations.....		59,575,768.76
Electric.....	37,406,283.96	
Gas.....	22,059,396.38	
Common.....	110,088.42	
Other Deferred Credits.....	8,766,043.62	8,766,043.62
Miscellaneous Long-Term Liabilities.....		58,676,959.72
Long-Term Derivative Liabilities - ASC 815.....	52,985,666.68	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		160,693,456.83
Postretirement Benefits - ASC 715.....	84,672,721.24	
Pension Payable.....	72,509,775.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy.....	(178,844.91)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,594,945,914.85</u>	<u>\$ 3,594,945,914.85</u>

May 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**April 30, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 26,947,771.55	\$ 41,578,944.40
Items not requiring (providing) cash currently:		
Depreciation.....	47,965,270.49	46,336,399.35
Amortization.....	2,916,323.85	2,587,218.24
Deferred income taxes - net.....	17,372,564.62	14,705,441.27
Investment tax credit - net.....	(893,425.47)	(917,469.00)
Gain on disposal of assets.....	(1,895.14)	(2,450.82)
Other.....	9,554,924.74	(6,997,374.24)
Change in receivables.....	19,534,969.27	63,204,869.27
Change in inventory.....	17,100,760.13	48,328,400.00
Change in allowance inventory.....	(14,519.18)	319.08
Change in payables and accrued expenses.....	12,986,446.75	(9,182,545.01)
Change in regulatory assets.....	6,614,027.69	(8,693,852.90)
Change in regulatory liabilities.....	(517,356.49)	10,082,205.56
Change in other deferred debits.....	(2,888,203.82)	(8,420,205.86)
Change in other deferred credits.....	3,819,591.15	9,647,096.69
Pension and postretirement funding.....	(23,698,900.00)	(65,337,400.00)
Other.....	(8,089,413.64)	(1,374,283.45)
Net cash provided (used) by operating activities.....	<u>128,708,936.50</u>	<u>135,545,312.58</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(67,667,949.68)	(38,262,709.86)
Gross additions to common utility plant - construction expenditures.....	(3,576,665.52)	(1,083,301.69)
Proceeds received from sales of property.....	1,895.14	2,450.82
Change in restricted cash.....	933,335.67	(1,497,707.79)
Change in non-hedging derivatives.....	-	80,562.84
Reissuance of reacquired bonds as Available for Sale debt securities.....	-	163,200,000.00
Other.....	(5,359,804.15)	(3,181,238.18)
Net cash provided (used) by investing activities.....	<u>(75,669,188.54)</u>	<u>119,258,056.14</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(621,247.03)	(794,155.01)
Net change in short-term debt.....	-	(174,876,000.00)
Dividends on common stock.....	(15,000,000.00)	(17,250,000.00)
Net cash provided (used) by financing activities.....	<u>(15,621,247.03)</u>	<u>(192,920,155.01)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	37,418,500.93	61,883,213.71
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 62,372,049.45</u>	<u>\$ 64,009,225.55</u>

May 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**April 30, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 Var%.....	\$ 17,441.42	\$ 111,979.14	\$ 71,065.44	\$ 447,916.68	\$ 872,815.46	\$ 1,343,749.93
Trimble County 2000 Series A due 08/01/30 Var%.....	12,129.87	16,666.98	27,732.04	96,888.46	121,715.42	366,280.40
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,841.17	1,633.34	6,938.12	10,047.73	15,953.14	42,943.23
Jefferson County 2001 Series A due 09/01/27 Var%.....	6,454.92	23,116.41	24,461.06	92,465.73	98,735.76	235,232.86
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,704.92	39,311.26	48,449.44	116,875.63	203,885.61	392,065.72
Trimble County 2001 Series A due 09/01/26 Var%.....	7,213.12	9,041.09	23,352.48	38,613.02	83,272.34	145,373.30
Trimble County 2001 Series A due 10/01/32 Var%.....	7,474.65	11,711.85	19,451.42	55,931.53	75,654.65	204,196.14
Trimble County 2001 Series B due 11/01/27 Var%.....	12,909.83	38,451.78	48,722.68	114,301.08	205,311.73	389,535.26
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	176,888.89	204,424.94	784,888.87	736,355.54	2,399,466.56	736,355.54
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.64	766,666.64	766,666.65	2,299,999.97	2,299,999.89
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	581,250.04	581,249.96	1,743,749.96	1,743,749.91
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	56,216.83	221,075.58	202,497.77	666,942.31	202,497.77
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	920,000.00	920,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	624,853.87	687,322.67	2,558,506.96	2,551,478.52	7,779,750.35	7,620,566.09
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	338,541.65	1,354,166.66	1,354,166.66	4,062,499.99	1,861,979.17
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	4,868,750.04	4,868,750.00	14,606,250.04	6,694,531.25
Fidelia/PPL.....	-	-	-	-	-	14,439,975.01
Revolving Credit Agreement.....	-	-	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b>3,058,354.35</b>	<b>3,322,584.57</b>	<b>12,325,477.47</b>	<b>13,139,209.97</b>	<b>37,996,003.29</b>	<b>42,258,714.82</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	162,296.97	174,306.88	641,906.25	694,627.34	2,045,405.36	1,085,928.99
Amortization of Loss on Reacquired Debt.....	102,454.66	101,002.97	409,806.47	404,011.88	1,219,141.37	1,211,897.42
<b>Total.....</b>	<b>264,751.63</b>	<b>275,309.85</b>	<b>1,051,712.72</b>	<b>1,098,639.22</b>	<b>3,264,546.73</b>	<b>2,297,826.41</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	113,525.78	106,189.26	451,235.56	426,951.70	1,407,918.85	1,357,442.11
Other Tax Deficiencies.....	-	-	65,624.01	-	79,624.01	(17,500.00)
Interest on DSM Cost Recovery.....	251.11	1,629.58	(10,604.82)	2,812.12	1,680.58	12,635.74
Interest on Debt to Associated Companies.....	320.93	-	1,518.06	8,862.00	2,319.15	187,471.57
Other Interest Expense.....	84,143.60	11,819.60	337,913.60	141,945.95	1,312,056.65	901,690.17
<b>Total.....</b>	<b>198,241.42</b>	<b>119,638.44</b>	<b>845,686.41</b>	<b>580,571.77</b>	<b>2,803,599.24</b>	<b>2,441,739.59</b>
<b>Total Interest.....</b>	<b>\$ 3,521,347.40</b>	<b>\$ 3,717,532.86</b>	<b>\$ 14,222,876.60</b>	<b>\$ 14,818,420.96</b>	<b>\$ 44,064,149.26</b>	<b>\$ 46,998,280.82</b>

May 21, 2012

**Louisville Gas and Electric Company  
Analysis of Taxes Charged and Accrued  
April 30, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,545,658.00	\$ 1,449,790.00	\$ 6,182,632.00	\$ 5,799,160.00
Unemployment.....	(33,657.61)	3,737.32	126,003.54	102,364.78
FICA.....	611,369.75	643,927.14	2,615,949.10	2,623,972.24
Public Service Commission Fee.....	162,886.60	161,096.90	651,546.40	644,387.60
Federal Income.....	1,026,231.25	1,727,882.62	(1,174,741.77)	7,740,019.30
State Income.....	187,154.62	315,115.37	1,409,239.57	3,469,386.01
Miscellaneous.....	5,817.57	13,844.77	15,042.01	29,954.24
<b>Total Charged to Operating Expense.....</b>	<b>3,505,460.18</b>	<b>4,315,394.12</b>	<b>9,825,670.85</b>	<b>20,409,244.17</b>
Taxes Charged to Other Accounts.....	(1,765,869.98)	(306,733.66)	(2,712,728.47)	512,592.68
Taxes Accrued on Intercompany Accounts.....	(32,903.98)	(247,472.59)	(146,449.99)	(1,112,765.85)
<b>Total Taxes Charged.....</b>	<b>\$ 1,706,686.22</b>	<b>\$ 3,761,187.87</b>	<b>\$ 6,966,492.39</b>	<b>\$ 19,809,071.00</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 6,240,875.45	\$ 408,496.99	\$ 17,830,803.28
Unemployment.....	53,328.91	100,577.59	152,288.85	1,617.65
FICA.....	526,035.87	2,167,141.31	2,297,354.35	395,822.83
Federal Income.....	-	(3,515,640.00)	(3,515,640.00)	-
State Income.....	-	(85,764.63)	(2,145,315.00)	2,059,550.37
Kentucky Sales and Use Tax.....	671,793.23	2,070,174.88	2,320,403.04	421,565.07
Miscellaneous.....	35,266.73	(10,872.21)	9,958.62	14,435.90
<b>Totals.....</b>	<b>\$ 13,284,849.56</b>	<b>\$ 6,966,492.39</b>	<b>\$ (472,453.15)</b>	<b>\$ 20,723,795.10</b>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 3,854,223.38	\$ (243,220.98)	\$ -	\$ 3,611,002.40	\$ 160,668,084.79
Common Intangible Plant.....	60,891,162.83	2,161,872.79	(1,193,940.58)	-	967,932.21	61,859,095.04
	<u>217,948,245.22</u>	<u>6,016,096.17</u>	<u>(1,437,161.56)</u>	<u>-</u>	<u>4,578,934.61</u>	<u>222,527,179.83</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	28,325,802.29	(2,074,557.54)	21,903.14	26,273,147.89	990,786,323.74
Electric General Plant.....	15,943,111.49	190,819.23	(39,209.64)	-	151,609.59	16,094,721.08
Electric Hydro Production.....	42,535,934.10	16,456.36	(507.91)	-	15,948.45	42,551,882.55
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	3,514,154.86	(676,874.51)	-	2,837,280.35	237,084,259.34
Electric Steam Production.....	2,114,510,864.74	23,070,707.03	(1,355,816.78)	-	21,714,890.25	2,136,225,754.99
Electric Transmission.....	254,611,190.87	9,116,865.33	(1,607,708.06)	-	7,509,157.27	262,120,348.14
	<u>3,626,363,496.33</u>	<u>64,234,805.10</u>	<u>(5,754,674.44)</u>	<u>21,903.14</u>	<u>58,502,033.80</u>	<u>3,684,865,530.13</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	4,413,832.71	(27,729.76)	(134,900.23)	4,251,202.72	597,202,523.14
Gas General Plant.....	8,204,172.47	597,531.64	-	-	597,531.64	8,801,704.11
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	628,184.18	(58,529.30)	-	569,654.88	81,149,733.27
Gas Transmission.....	21,541,957.36	882,947.47	(1,389.93)	134,900.23	1,016,457.77	22,558,415.13
	<u>703,277,916.13</u>	<u>6,522,496.00</u>	<u>(87,648.99)</u>	<u>-</u>	<u>6,434,847.01</u>	<u>709,712,763.14</u>
<b>Total 101 Accounts</b> .....	<u>4,547,589,657.68</u>	<u>76,773,397.27</u>	<u>(7,279,484.99)</u>	<u>21,903.14</u>	<u>69,515,815.42</u>	<u>4,617,105,473.10</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	(21,926.88)	(21,926.88)	627,087.60
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>(21,926.88)</u>	<u>(21,926.88)</u>	<u>627,087.60</u>
<b>Total 105001</b> .....	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,926.88)</u>	<u>\$ (21,926.88)</u>	<u>\$ 627,087.60</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**April 30, 2012**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (1,705,509.29)	\$ -	\$ -	\$ (1,705,509.29)	\$ 869,426.72
Common Intangible Plant.....	2,240,884.26	2,696,912.18	-	-	2,696,912.18	4,937,796.44
	<u>4,815,820.27</u>	<u>991,402.89</u>	<u>-</u>	<u>-</u>	<u>991,402.89</u>	<u>5,807,223.16</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	5,659,298.18	-	-	5,659,298.18	28,871,533.72
Electric General Plant.....	6,763.22	63,825.04	-	-	63,825.04	70,588.26
Electric Hydro Production.....	16,456.36	(16,456.36)	-	-	(16,456.36)	-
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	(2,930,744.84)	-	-	(2,930,744.84)	605,214.90
Electric Steam Production.....	41,241,674.58	4,777,162.23	-	-	4,777,162.23	46,018,836.81
Electric Transmission.....	<u>37,708,783.02</u>	<u>1,640,213.67</u>	<u>-</u>	<u>-</u>	<u>1,640,213.67</u>	<u>39,348,996.69</u>
	105,721,872.46	9,193,297.92	-	-	9,193,297.92	114,915,170.38
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	12,855,214.68	-	-	12,855,214.68	31,721,199.16
Gas General Plant.....	263,073.78	(84,556.91)	-	-	(84,556.91)	178,516.87
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	6,286,102.39	-	-	6,286,102.39	6,800,715.39
Gas Transmission.....	<u>1,459,528.03</u>	<u>(924,015.72)</u>	<u>-</u>	<u>-</u>	<u>(924,015.72)</u>	<u>535,512.31</u>
	21,103,199.29	18,132,744.44	-	-	18,132,744.44	39,235,943.73
Total 106 Accounts	<u>131,640,892.02</u>	<u>28,317,445.25</u>	<u>-</u>	<u>-</u>	<u>28,317,445.25</u>	<u>159,958,337.27</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	-	-	75,239.56
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,239.56</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(3,430,833.54)	-	-	(3,430,833.54)	11,653,105.79
Electric.....	152,710,828.07	(31,891,693.95)	-	-	(31,891,693.95)	120,819,134.12
Gas.....	<u>47,481,609.94</u>	<u>(10,444,744.71)</u>	<u>-</u>	<u>-</u>	<u>(10,444,744.71)</u>	<u>37,036,865.23</u>
	215,276,377.34	(45,767,272.20)	-	-	(45,767,272.20)	169,509,105.14
<b>Total Plant (Non-CWIP)</b> .....	<u>4,682,094,793.74</u>	<u>105,090,842.52</u>	<u>(7,279,484.99)</u>	<u>(23.74)</u>	<u>97,811,333.79</u>	<u>4,779,906,127.53</u>
<b>Total Plant + CWIP</b> .....	<u>4,897,371,171.08</u>	<u>59,323,570.32</u>	<u>(7,279,484.99)</u>	<u>(23.74)</u>	<u>52,044,061.59</u>	<u>4,949,415,232.67</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,897,295,931.52</u>	<u>\$ 59,323,570.32</u>	<u>\$ (7,279,484.99)</u>	<u>\$ (23.74)</u>	<u>\$ 52,044,061.59</u>	<u>\$ 4,949,339,993.11</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (4,056,147.09)	\$ 243,220.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (80,900,045.50)
Common General Plant - ARO.....	(2,403.59)	(686.80)	-	-	-	-	-	-	-	(3,090.39)
Electric Distribution.....	(287,667,187.72)	(6,073,547.16)	2,074,557.54	-	-	-	-	-	-	(291,666,177.34)
Electric Distribution - ARO.....	(7,290.40)	(3,799.71)	-	(223.56)	-	-	-	-	-	(11,313.67)
Electric General Plant.....	(11,305,192.13)	(185,871.80)	39,209.64	-	-	-	-	-	-	(11,451,854.29)
Electric Hydro Production.....	(10,051,997.22)	(188,625.41)	507.91	-	-	-	-	-	-	(10,240,114.72)
Electric Hydro Production - ARO.....	(2,112.62)	(582.84)	-	-	-	-	-	-	-	(2,695.46)
Electric Other Production.....	(67,466,740.67)	(2,794,001.34)	676,874.51	-	-	-	-	-	-	(69,583,867.50)
Electric Other Production - ARO.....	(1,302.82)	(386.24)	-	-	-	-	-	-	-	(1,689.06)
Electric Steam Production.....	(1,060,614,162.86)	(19,180,777.36)	1,355,816.78	-	-	-	-	-	-	(1,078,439,123.44)
Electric Steam Production - ARO.....	(1,402,047.92)	(597,648.01)	-	-	-	-	-	-	-	(1,999,695.93)
Electric Transmission.....	(121,989,304.84)	(1,515,954.71)	1,607,708.06	-	-	-	-	-	-	(121,897,551.49)
Electric Transmission - ARO.....	(903.28)	(2,718.44)	-	-	-	-	-	-	-	(3,621.72)
Gas Distribution.....	(131,835,425.42)	(4,073,115.13)	27,729.76	1,037.44	-	-	-	-	-	(135,879,773.35)
Gas Distribution - ARO.....	(346,237.51)	(98,914.60)	-	-	-	-	-	-	-	(445,152.11)
Gas General Plant.....	(5,044,235.87)	(126,230.73)	-	-	-	-	-	-	-	(5,170,466.60)
Gas Storage.....	(31,071,784.79)	(409,883.98)	58,529.30	-	-	-	-	-	-	(31,423,139.47)
Gas Storage - ARO.....	(257,551.24)	(73,393.78)	-	-	-	-	-	-	-	(330,945.02)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(20,323.44)	1,389.93	(1,037.44)	-	-	-	-	-	(9,506,327.33)
Gas Transmission - ARO.....	(35,270.86)	(35,270.86)	-	-	-	-	-	-	-	(70,541.72)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(39,437,879.43)</u>	<u>6,085,544.41</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,849,090,546.47)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(96,335.85)	-	-	-	-	16,557.84	-	-	(717,540.45)
Electric Distribution.....	(148,949,763.17)	(2,414,077.80)	-	-	-	-	2,978,137.78	-	-	(148,385,703.19)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(14,317.44)	-	-	-	-	1,017.40	-	-	719,155.07
Electric Other Production.....	(2,535,958.71)	(119,751.21)	-	-	-	-	170,979.16	-	-	(2,484,730.76)
Electric Steam Production.....	(108,291,391.50)	(5,746,758.52)	-	-	-	-	1,577,298.86	-	-	(112,460,851.16)
Electric Transmission.....	(25,759,724.87)	(485,374.38)	-	-	-	-	402,492.47	-	-	(25,842,606.78)
Gas Distribution.....	(62,001,399.83)	(1,148,217.56)	-	300.39	-	-	248,670.39	-	-	(62,900,646.61)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(52,750.75)	-	-	-	-	-	-	-	209,719.79
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(5,031.20)	-	(300.39)	-	-	21,090.05	-	-	(2,969,099.31)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (10,082,614.71)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,416,243.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (354,828,436.78)</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**April 30, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 127.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000.00)	\$ -	\$ 275,585.59
Electric Distribution.....	18,531,222.48	491,923.74	-	-	-	-	-	(54,967.23)	-	18,968,178.99
Electric General Plant.....	140,589.22	807.36	-	-	-	-	-	-	-	141,396.58
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	684,297.29	-	-	-	-	-	(211,226.16)	-	24,493,749.78
Electric Transmission.....	6,511,015.77	89,647.07	-	-	-	-	-	(357,106.44)	-	6,243,556.40
Gas Distribution.....	3,791,455.11	69,008.07	-	-	-	-	-	-	-	3,860,463.18
Gas General Plant.....	228,159.61	972.23	-	-	-	-	-	-	-	229,131.84
Gas Storage.....	287,152.21	5,994.00	-	-	-	-	-	-	-	293,146.21
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	1,886.71	-	-	-	-	-	-	-	225,196.24
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>1,344,664.23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(626,299.83)</u>	<u>-</u>	<u>55,088,044.31</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(4,153,041.98)	243,220.98	-	-	-	16,557.84	(3,000.00)	-	(81,408,451.11)
Electric.....	(1,795,747,613.36)	(38,057,516.91)	5,754,674.44	(223.56)	-	-	5,129,925.67	(623,299.83)	-	(1,823,544,053.55)
Gas.....	(238,270,572.69)	(5,965,271.02)	87,648.99	-	-	-	269,760.44	-	-	(243,878,434.28)
	<u>(2,111,530,374.00)</u>	<u>(48,175,829.91)</u>	<u>6,085,544.41</u>	<u>(223.56)</u>	<u>-</u>	<u>-</u>	<u>5,416,243.95</u>	<u>(626,299.83)</u>	<u>-</u>	<u>(2,148,830,938.94)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	-	-	(13,557.84)	(17,161.19)	(10,496.95)	-	108,546.37
Electric.....	11,924,715.03	-	-	(14,615.87)	-	(4,506,625.84)	6,059,581.19	(802,929.81)	(87,601.23)	12,572,523.47
Gas.....	1,590,687.78	-	-	14,615.87	-	(269,760.44)	369,523.37	(2,577.17)	-	1,702,489.41
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,789,944.12)</u>	<u>6,411,943.37</u>	<u>(816,003.93)</u>	<u>(87,601.23)</u>	<u>14,383,559.25</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(48,175,829.91)</u>	<u>6,085,544.41</u>	<u>(223.56)</u>	<u>-</u>	<u>(4,789,944.12)</u>	<u>11,828,187.32</u>	<u>(1,442,303.76)</u>	<u>(87,601.23)</u>	<u>(2,134,447,379.69)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(2,916,323.85)	1,193,940.58	-	-	-	-	-	-	(21,793,987.30)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(2,916,323.85)</u>	<u>1,193,940.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,793,987.30)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (51,092,153.76)</u>	<u>\$ 7,279,484.99</u>	<u>\$ (223.56)</u>	<u>\$ -</u>	<u>\$ (4,789,944.12)</u>	<u>\$ 11,828,187.32</u>	<u>\$ (1,442,303.76)</u>	<u>\$ (87,601.23)</u>	<u>\$ (2,156,241,366.99)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,156,178,006.63)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,779,422,479.01</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**April 30, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 77,219,917.79	\$ -	\$ 77,219,917.79
Gas Operating Revenues.....	14,213,862.85	-	14,213,862.85
<b>Total Operating Revenues.....</b>	<b>91,433,780.64</b>	<b>-</b>	<b>91,433,780.64</b>
Fuel for Electric Generation.....	31,155,045.05	-	31,155,045.05
Power Purchased.....	3,922,263.74	-	3,922,263.74
Gas Supply Expenses.....	6,809,354.14	-	6,809,354.14
Other Operation Expenses.....	17,597,745.86	-	17,597,745.86
Maintenance.....	10,412,702.86	-	10,412,702.86
Depreciation.....	12,067,908.17	-	12,067,908.17
Amortization Expense.....	739,148.55	-	739,148.55
Regulatory Credits.....	(447,254.80)	-	(447,254.80)
Taxes			
Federal Income.....	1,026,231.25	-	1,026,231.25
State Income.....	187,154.62	-	187,154.62
Deferred Federal Income - Net.....	450,895.53	8,230.80	459,126.33
Deferred State Income - Net.....	82,230.19	1,501.06	83,731.25
Property and Other.....	2,292,074.31	-	2,292,074.31
Amortization of Investment Tax Credit.....	(223,356.00)	-	(223,356.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	243,904.49	-	243,904.49
<b>Total Operating Expenses.....</b>	<b>86,316,047.96</b>	<b>9,731.86</b>	<b>86,325,779.82</b>
Net Operating Income.....	5,117,732.68	(9,731.86)	5,108,000.82
Other Income Less Deductions.....	162,291.03	-	162,291.03
<b>Income Before Interest Charges.....</b>	<b>5,280,023.71</b>	<b>(9,731.86)</b>	<b>5,270,291.85</b>
Interest on Long-Term Debt.....	3,058,354.35	(25,017.63)	3,033,336.72
Amortization of Debt Expense - Net.....	264,751.63	-	264,751.63
Other Interest Expenses.....	198,241.42	-	198,241.42
<b>Total Interest Charges.....</b>	<b>3,521,347.40</b>	<b>(25,017.63)</b>	<b>3,496,329.77</b>
<b>Net Income.....</b>	<b>\$ 1,758,676.31</b>	<b>\$ 15,285.77</b>	<b>\$ 1,773,962.08</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**April 30, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 321,640,344.22	\$ -	\$ 321,640,344.22
Gas Operating Revenues.....	123,023,741.93	-	123,023,741.93
<b>Total Operating Revenues.....</b>	<b>444,664,086.15</b>	<b>-</b>	<b>444,664,086.15</b>
Fuel for Electric Generation.....	122,874,196.30	-	122,874,196.30
Power Purchased.....	17,706,196.73	-	17,706,196.73
Gas Supply Expenses.....	64,154,956.43	-	64,154,956.43
Other Operation Expenses.....	76,482,641.72	-	76,482,641.72
Maintenance.....	45,998,944.95	-	45,998,944.95
Depreciation.....	47,965,270.49	-	47,965,270.49
Amortization Expense.....	2,916,323.85	-	2,916,323.85
Regulatory Credits.....	(1,782,843.53)	-	(1,782,843.53)
Taxes			
Federal Income.....	(1,174,741.77)	-	(1,174,741.77)
State Income.....	1,409,239.57	-	1,409,239.57
Deferred Federal Income - Net.....	15,586,134.19	32,923.22	15,619,057.41
Deferred State Income - Net.....	929,796.02	6,004.23	935,800.25
Property and Other.....	9,591,173.05	-	9,591,173.05
Amortization of Investment Tax Credit.....	(893,425.47)	-	(893,425.47)
Loss (Gain) from Disposition of Allowances.....	(693.97)	-	(693.97)
Accretion Expense.....	969,442.25	-	969,442.25
<b>Total Operating Expenses.....</b>	<b>402,732,610.81</b>	<b>38,927.45</b>	<b>402,771,538.26</b>
Net Operating Income.....	41,931,475.34	(38,927.45)	41,892,547.89
Other Income Less Deductions.....	(760,827.19)	-	(760,827.19)
<b>Income Before Interest Charges.....</b>	<b>41,170,648.15</b>	<b>(38,927.45)</b>	<b>41,131,720.70</b>
Interest on Long-Term Debt.....	12,325,477.47	(100,070.52)	12,225,406.95
Amortization of Debt Expense - Net.....	1,051,712.72	-	1,051,712.72
Other Interest Expenses.....	845,686.41	-	845,686.41
<b>Total Interest Charges.....</b>	<b>14,222,876.60</b>	<b>(100,070.52)</b>	<b>14,122,806.08</b>
<b>Net Income.....</b>	<b>\$ 26,947,771.55</b>	<b>\$ 61,143.07</b>	<b>\$ 27,008,914.62</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2012**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 879,118,652.63	\$ 849,838,699.75	\$ (808,687,033.43)	\$ (808,870,426.68)	\$ 70,431,619.20	\$ 40,968,273.07
Add:						
Net Income (Loss) for Period.....	1,758,676.31	2,483,496.61	15,285.77	15,253.54	1,773,962.08	2,498,750.15
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>	<u>\$ (808,671,747.66)</u>	<u>\$ (808,855,173.14)</u>	<u>\$ 72,205,581.28</u>	<u>\$ 43,467,023.22</u>

May 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	26,947,771.55	41,578,944.40	61,143.07	44,109.30	27,008,914.62	41,623,053.70
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>15,000,000.00</u>	<u>17,250,000.00</u>	<u>-</u>	<u>-</u>	<u>15,000,000.00</u>	<u>17,250,000.00</u>
Balance at End of Period.....	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>	<u>\$ (808,671,747.66)</u>	<u>\$ (808,855,173.14)</u>	<u>\$ 72,205,581.28</u>	<u>\$ 43,467,023.22</u>

May 21, 2012



**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**April 30, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 852,322,196.36	\$ 757,127,061.99	\$ (808,855,173.14)	\$ -	\$ 43,467,023.22	\$ 757,127,061.99
Add:						
Net Income (Loss) for Period.....	109,555,132.58	137,445,134.37	183,425.48	91,718.38	109,738,558.06	137,536,852.75
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	81,000,000.00	42,250,000.00	-	-	81,000,000.00	42,250,000.00
Balance at End of Period.....	<u>\$ 880,877,328.94</u>	<u>\$ 852,322,196.36</u>	<u>\$ (808,671,747.66)</u>	<u>\$ (808,855,173.14)</u>	<u>\$ 72,205,581.28</u>	<u>\$ 43,467,023.22</u>

May 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of April 30, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,949,339,993.11	\$ -	\$ 4,949,339,993.11
Less: Reserves for Depreciation and Amortization....	2,156,178,006.63	-	2,156,178,006.63
<b>Total.....</b>	<b>2,793,161,986.48</b>	<b>-</b>	<b>2,793,161,986.48</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	11,879.20	-	11,879.20
Special Funds.....	27,925,671.53	-	27,925,671.53
<b>Total.....</b>	<b>28,531,836.73</b>	<b>-</b>	<b>28,531,836.73</b>
<b>Current and Accrued Assets</b>			
Cash.....	10,016,906.74	-	10,016,906.74
Special Deposits.....	-	-	-
Temporary Cash Investments.....	52,355,142.71	-	52,355,142.71
Accounts Receivable - Less Reserve.....	104,780,703.45	-	104,780,703.45
Accounts Receivable from Associated Companies....	25,088,585.14	-	25,088,585.14
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	72,777,150.72	-	72,777,150.72
Plant Materials and Operating Supplies.....	30,871,620.53	-	30,871,620.53
Stores Expense.....	5,607,672.47	-	5,607,672.47
Gas Stored Underground.....	15,614,287.22	-	15,614,287.22
Emission Allowances.....	17,030.85	-	17,030.85
Prepayments.....	7,947,391.08	-	7,947,391.08
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>325,076,490.91</b>	<b>-</b>	<b>325,076,490.91</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,372,967.21	(3,418,993.41)	9,953,973.80
Unamortized Loss on Bonds.....	20,579,912.22	-	20,579,912.22
Accumulated Deferred Income Taxes.....	22,116,906.94	64,512,535.21	86,629,442.15
Deferred Regulatory Assets.....	390,498,248.98	7,808,198.80	398,306,447.78
Other Deferred Debits.....	1,607,565.38	153,133,279.36	154,740,844.74
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>448,175,600.73</b>	<b>611,192,371.55</b>	<b>1,059,367,972.28</b>
<b>Total Assets.....</b>	<b>\$ 3,594,945,914.85</b>	<b>\$ 611,192,371.55</b>	<b>\$ 4,206,138,286.40</b>

May 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of April 30, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	880,877,328.94	(808,671,747.66)	72,205,581.28
<b>Total Proprietary Capital.....</b>	<b>1,388,793,363.39</b>	<b>385,414,121.36</b>	<b>1,774,207,484.75</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,126,399.66	580,430,399.66
First Mortgage Bonds.....	531,424,829.08	-	531,424,829.08
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,728,829.08</b>	<b>6,126,399.66</b>	<b>1,111,855,228.74</b>
<b>Total Capitalization.....</b>	<b>2,494,522,192.47</b>	<b>391,540,521.02</b>	<b>2,886,062,713.49</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	92,726,583.06	-	92,726,583.06
Accounts Payable to Associated Companies.....	15,978,347.55	-	15,978,347.55
Customer Deposits.....	22,664,278.75	-	22,664,278.75
Taxes Accrued.....	20,723,795.10	-	20,723,795.10
Interest Accrued.....	13,286,065.56	-	13,286,065.56
Miscellaneous Current and Accrued Liabilities.....	24,826,978.40	-	24,826,978.40
<b>Total.....</b>	<b>190,206,048.42</b>	<b>-</b>	<b>190,206,048.42</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	515,319,247.11	62,129,365.78	577,448,612.89
Investment Tax Credit.....	41,825,418.66	-	41,825,418.66
Regulatory Liabilities.....	58,100,239.91	153,133,279.36	211,233,519.27
Customer Advances for Construction.....	7,260,539.35	-	7,260,539.35
Asset Retirement Obligations.....	59,575,768.76	-	59,575,768.76
Other Deferred Credits.....	8,766,043.62	4,389,205.39	13,155,249.01
Miscellaneous Long-Term Liabilities.....	58,676,959.72	-	58,676,959.72
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	160,693,456.83	-	160,693,456.83
<b>Total.....</b>	<b>910,217,673.96</b>	<b>219,651,850.53</b>	<b>1,129,869,524.49</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,594,945,914.85</b>	<b>\$ 611,192,371.55</b>	<b>\$ 4,206,138,286.40</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - May 31, 2012**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

May 31, 2012

**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**May 31, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 96,926,385.17	\$ 82,342,454.95	\$ 14,583,930.22	17.71
Gas Operating Revenues.....	10,271,016.23	15,822,650.10	(5,551,633.87)	(35.09)
<b>Total Operating Revenues.....</b>	<b>107,197,401.40</b>	<b>98,165,105.05</b>	<b>9,032,296.35</b>	<b>9.20</b>
Fuel for Electric Generation.....	32,312,897.97	27,927,729.83	4,385,168.14	15.70
Power Purchased.....	4,792,200.91	6,396,864.92	(1,604,664.01)	(25.09)
Gas Supply Expenses.....	2,910,495.30	7,748,745.56	(4,838,250.26)	(62.44)
Other Operation Expenses.....	20,250,641.63	20,079,042.25	171,599.38	0.85
Maintenance.....	11,185,284.05	9,772,439.82	1,412,844.23	14.46
Depreciation.....	12,126,261.74	12,745,145.63	(618,883.89)	(4.86)
Amortization Expense.....	747,284.74	669,166.96	78,117.78	11.67
Regulatory Credits.....	(448,291.57)	(1,366,601.03)	918,309.46	67.20
Taxes				
Federal Income.....	5,633,839.52	88,889.98	5,544,949.54	6,237.99
State Income.....	1,027,447.93	1,087,945.48	(60,497.55)	(5.56)
Deferred Federal Income - Net.....	-	3,431,528.62	(3,431,528.62)	(100.00)
Deferred State Income - Net.....	-	(608,867.93)	608,867.93	100.00
Property and Other.....	2,391,482.92	2,326,799.92	64,683.00	2.78
Amortization of Investment Tax Credit.....	(223,356.00)	(236,034.00)	12,678.00	5.37
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	244,941.28	220,800.15	24,141.13	10.93
<b>Total Operating Expenses.....</b>	<b>92,951,130.42</b>	<b>90,283,596.16</b>	<b>2,667,534.26</b>	<b>2.95</b>
Net Operating Income.....	14,246,270.98	7,881,508.89	6,364,762.09	80.76
Other Income Less Deductions.....	(18,498.57)	252,722.76	(271,221.33)	(107.32)
<b>Income Before Interest Charges.....</b>	<b>14,227,772.41</b>	<b>8,134,231.65</b>	<b>6,093,540.76</b>	<b>74.91</b>
Interest on Long-Term Debt.....	3,091,409.25	3,220,360.74	(128,951.49)	(4.00)
Amortization of Debt Expense - Net.....	264,911.66	276,853.27	(11,941.61)	(4.31)
Other Interest Expenses.....	203,452.22	155,450.41	48,001.81	30.88
<b>Total Interest Charges.....</b>	<b>3,559,773.13</b>	<b>3,652,664.42</b>	<b>(92,891.29)</b>	<b>(2.54)</b>
<b>Net Income.....</b>	<b>\$ 10,667,999.28</b>	<b>\$ 4,481,567.23</b>	<b>\$ 6,186,432.05</b>	<b>138.04</b>

June 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 418,566,729.39	\$ 412,517,431.57	\$ 6,049,297.82	1.47
Gas Operating Revenues.....	133,294,758.16	171,907,885.65	(38,613,127.49)	(22.46)
<b>Total Operating Revenues.....</b>	<b>551,861,487.55</b>	<b>584,425,317.22</b>	<b>(32,563,829.67)</b>	<b>(5.57)</b>
Fuel for Electric Generation.....	155,187,094.27	142,799,303.79	12,387,790.48	8.68
Power Purchased.....	22,498,397.64	30,938,890.68	(8,440,493.04)	(27.28)
Gas Supply Expenses.....	67,065,451.73	100,042,135.22	(32,976,683.49)	(32.96)
Other Operation Expenses.....	96,733,283.35	96,533,699.79	199,583.56	0.21
Maintenance.....	57,184,229.00	48,601,523.71	8,582,705.29	17.66
Depreciation.....	60,091,532.23	59,081,544.98	1,009,987.25	1.71
Amortization Expense.....	3,663,608.59	3,256,385.20	407,223.39	12.51
Regulatory Credits.....	(2,231,135.10)	(2,936,556.98)	705,421.88	24.02
Taxes				
Federal Income.....	4,459,097.75	7,828,909.28	(3,369,811.53)	(43.04)
State Income.....	2,436,687.50	4,557,331.49	(2,120,643.99)	(46.53)
Deferred Federal Income - Net.....	15,586,134.19	17,090,013.95	(1,503,879.76)	(8.80)
Deferred State Income - Net.....	929,796.02	(266,940.57)	1,196,736.59	448.32
Property and Other.....	11,982,655.97	11,526,638.78	456,017.19	3.96
Amortization of Investment Tax Credit.....	(1,116,781.47)	(1,153,503.00)	36,721.53	3.18
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	1,214,383.53	1,101,104.39	113,279.14	10.29
<b>Total Operating Expenses.....</b>	<b>495,683,741.23</b>	<b>518,997,902.77</b>	<b>(23,314,161.54)</b>	<b>(4.49)</b>
Net Operating Income.....	56,177,746.32	65,427,414.45	(9,249,668.13)	(14.14)
Other Income Less Deductions.....	(779,325.76)	(895,817.44)	116,491.68	13.00
<b>Income Before Interest Charges.....</b>	<b>55,398,420.56</b>	<b>64,531,597.01</b>	<b>(9,133,176.45)</b>	<b>(14.15)</b>
Interest on Long-Term Debt.....	15,416,886.72	16,359,570.71	(942,683.99)	(5.76)
Amortization of Debt Expense - Net.....	1,316,624.38	1,375,492.49	(58,868.11)	(4.28)
Other Interest Expenses.....	1,049,138.63	736,022.18	313,116.45	42.54
<b>Total Interest Charges.....</b>	<b>17,782,649.73</b>	<b>18,471,085.38</b>	<b>(688,435.65)</b>	<b>(3.73)</b>
<b>Net Income.....</b>	<b>\$ 37,615,770.83</b>	<b>\$ 46,060,511.63</b>	<b>\$ (8,444,740.80)</b>	<b>(18.33)</b>

June 21, 2012



**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**May 31, 2012**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,065,799,601.31	\$ 1,048,042,353.11	\$ 17,757,248.20	1.69
Gas Operating Revenues.....	265,961,294.33	314,343,969.59	(48,382,675.26)	(15.39)
<b>Total Operating Revenues.....</b>	<b>1,331,760,895.64</b>	<b>1,362,386,322.70</b>	<b>(30,625,427.06)</b>	<b>(2.25)</b>
Fuel for Electric Generation.....	373,356,183.84	371,000,392.66	2,355,791.18	0.64
Power Purchased.....	66,454,054.08	60,611,845.44	5,842,208.64	9.64
Gas Supply Expenses.....	128,258,942.21	176,408,582.17	(48,149,639.96)	(27.29)
Other Operation Expenses.....	236,476,938.45	231,638,001.08	4,838,937.37	2.09
Maintenance.....	124,941,773.84	115,101,984.29	9,839,789.55	8.55
Depreciation.....	143,008,202.17	136,164,854.70	6,843,347.47	5.03
Amortization Expense.....	8,540,687.42	7,631,416.11	909,271.31	11.91
Regulatory Credits.....	(5,024,663.81)	(6,301,999.38)	1,277,335.57	20.27
Taxes				
Federal Income.....	8,593,038.92	19,858,205.62	(11,265,166.70)	(56.73)
State Income.....	6,144,888.68	7,673,194.39	(1,528,305.71)	(19.92)
Deferred Federal Income - Net.....	50,719,844.60	42,836,138.96	7,883,705.64	18.40
Deferred State Income - Net.....	3,208,411.94	1,702,171.10	1,506,240.84	88.49
Property and Other.....	28,577,600.83	24,012,805.36	4,564,795.47	19.01
Amortization of Investment Tax Credit.....	(2,769,010.47)	(2,612,870.00)	(156,140.47)	(5.98)
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	2,757,763.76	3,554,119.73	(796,355.97)	(22.41)
<b>Total Operating Expenses.....</b>	<b>1,173,243,962.49</b>	<b>1,189,276,264.29</b>	<b>(16,032,301.80)</b>	<b>(1.35)</b>
Net Operating Income.....	158,516,933.15	173,110,058.41	(14,593,125.26)	(8.43)
Other Income Less Deductions.....	1,195,889.45	12,967,129.92	(11,771,240.47)	(90.78)
<b>Income Before Interest Charges.....</b>	<b>159,712,822.60</b>	<b>186,077,188.33</b>	<b>(26,364,365.73)</b>	<b>(14.17)</b>
Interest on Long-Term Debt.....	37,867,051.80	41,721,352.51	(3,854,300.71)	(9.24)
Amortization of Debt Expense - Net.....	3,252,605.12	2,458,296.66	794,308.46	32.31
Other Interest Expenses.....	2,851,601.05	2,419,151.35	432,449.70	17.88
<b>Total Interest Charges.....</b>	<b>43,971,257.97</b>	<b>46,598,800.52</b>	<b>(2,627,542.55)</b>	<b>(5.64)</b>
<b>Net Income.....</b>	<b>\$ 115,741,564.63</b>	<b>\$ 139,478,387.81</b>	<b>\$ (23,736,823.18)</b>	<b>(17.02)</b>

June 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**May 31, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 880,877,328.94	\$ 852,322,196.36	\$ 868,929,557.39	\$ 827,993,251.96	\$ 831,803,763.59	\$ 759,575,375.78
Add:						
Net Income for Period.....	10,667,999.28	4,481,567.23	37,615,770.83	46,060,511.63	115,741,564.63	139,478,387.81
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	<u>16,000,000.00</u>	<u>25,000,000.00</u>	<u>31,000,000.00</u>	<u>42,250,000.00</u>	<u>72,000,000.00</u>	<u>67,250,000.00</u>
Balance at End of Period.....	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of May 31, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,955,335,855.52	\$ 4,792,382,669.03	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,154,314,007.40</u>	<u>2,086,932,887.81</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,801,021,848.12</u>	<u>2,705,449,781.22</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>875,545,328.22</u>	<u>831,803,763.59</u>
			Total Proprietary Capital.....	<u>1,383,461,362.67</u>	<u>1,339,719,798.04</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	574,304,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,448,150.74	531,168,290.80
Nonutility Property - Less Reserve.....	489,420.24	11,879.20	LT Notes Payable to Associated Companies.....	-	-
Special Funds.....	<u>30,038,647.44</u>	<u>21,674,314.80</u>	Total Long-Term Debt.....	<u>1,105,752,150.74</u>	<u>1,105,472,290.80</u>
Total.....	<u>31,122,353.68</u>	<u>22,280,480.00</u>	Total Capitalization.....	<u>2,489,213,513.41</u>	<u>2,445,192,088.84</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	2,723,379.80	42,642,184.10	ST Notes Payable to Associated Companies.....	-	-
Special Deposits.....	-	6,103,356.02	Notes Payable.....	-	-
Temporary Cash Investments.....	56,789,553.88	16,607,994.23	Accounts Payable.....	99,605,780.92	83,744,950.28
Accounts Receivable - Less Reserve.....	115,726,428.88	117,302,831.48	Accounts Payable to Associated Companies.....	13,538,755.10	13,185,424.92
Accounts Receivable from Associated Companies.....	18,516,220.52	17,220,727.53	Customer Deposits.....	22,829,665.41	22,522,323.63
Materials and Supplies - At Average Cost.....			Taxes Accrued.....	28,061,310.06	10,625,328.89
Fuel.....	77,965,508.21	64,042,394.78	Dividends Declared.....	16,000,000.00	25,000,000.00
Plant Materials and Operating Supplies.....	31,139,888.40	29,638,442.60	Interest Accrued.....	6,407,705.65	6,438,420.39
Stores Expense.....	5,618,419.13	5,123,126.75	Miscellaneous Current and Accrued Liabilities.....	<u>22,489,064.63</u>	<u>28,264,294.97</u>
Gas Stored Underground.....	12,963,890.70	12,379,663.46	Total.....	<u>208,932,281.77</u>	<u>189,780,743.08</u>
Emission Allowances.....	14,818.81	2,331.27	Deferred Credits and Other		
Prepayments.....	6,961,549.16	6,486,268.51	Accumulated Deferred Income Taxes.....	515,319,247.11	492,983,143.27
Miscellaneous Current and Accrued Assets.....	-	681,197.76	Investment Tax Credit.....	41,602,062.66	44,371,073.13
Total.....	<u>328,419,657.49</u>	<u>318,230,518.49</u>	Regulatory Liabilities.....	55,477,787.65	59,210,182.72
			Customer Advances for Construction.....	7,054,434.77	8,092,132.24
Deferred Debits and Other			Asset Retirement Obligations.....	59,820,710.04	51,902,235.56
Unamortized Debt Expense.....	13,274,962.75	13,330,061.12	Other Deferred Credits.....	9,845,612.27	18,472,668.22
Unamortized Loss on Bonds.....	20,477,457.55	21,429,634.70	Miscellaneous Long-Term Liabilities.....	64,434,986.68	39,234,121.95
Accumulated Deferred Income Taxes.....	22,116,906.94	55,739,575.24	Accum Provision for Postretirement Benefits.....	<u>160,679,628.80</u>	<u>146,852,568.75</u>
Deferred Regulatory Assets.....	394,427,029.43	358,597,038.27	Total.....	<u>914,234,469.98</u>	<u>861,118,125.84</u>
Other Deferred Debits.....	<u>1,520,049.20</u>	<u>1,033,868.72</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,612,380,265.16</u>	<u>\$ 3,496,090,957.76</u>
Total.....	<u>451,816,405.87</u>	<u>450,130,178.05</u>			
Total Assets.....	<u>\$ 3,612,380,265.16</u>	<u>\$ 3,496,090,957.76</u>			

June 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**May 31, 2012**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
		Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>875,545,328.22</u>	
<b>Total Proprietary Capital.....</b>			<u>1,383,461,362.67</u>	<u>55.58</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 Var%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
<b>Total Pollution Control Bonds.....</b>			<u>574,304,000.00</u>	<u>23.07</u>
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
<b>Total First Mortgage Bonds.....</b>			<u>535,000,000.00</u>	<u>21.49</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(610,395.88)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(2,941,453.38)</u>	
			<u>(3,551,849.26)</u>	<u>(0.14)</u>
<b>Total First Mortgage Bonds - Net of Debt Discount.....</b>			<u>531,448,150.74</u>	<u>21.35</u>
<b>Total Capitalization.....</b>			<u>\$ 2,489,213,513.41</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,955,335,855.52	\$ 4,955,335,855.52
Reserves for Depreciation and Amortization.....		(2,154,314,007.40)
Depreciation of Plant		
Electric.....	(1,806,847,565.32)	
Gas.....	(243,051,849.29)	
Common.....	(81,910,926.27)	
Amortization of Plant		
Common.....	(22,503,666.52)	
Investments.....		31,122,353.68
Special Funds.....	30,038,647.44	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	489,420.24	
Cash.....	2,723,379.80	2,723,379.80
Temporary Cash Investments.....	56,789,553.88	56,789,553.88
Accounts Receivable - Less Reserve.....		115,726,428.88
Unbilled Revenues.....	56,246,095.79	
Customers - Active.....	54,617,839.38	
IMEA.....	2,138,386.51	
IMPA.....	2,124,634.98	
Damage Claims.....	524,906.66	
Transmission Sales.....	427,901.14	
Miscellaneous Customers - Sundry.....	252,864.36	
Sundry Accounts Receivable.....	229,378.04	
Wholesale Sales.....	217,024.89	
Electricity Swaps.....	166,354.87	
Bechtel Liquidated Damages.....	5,890.00	
Officers and Employees.....	500.00	
Other.....	644,199.67	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,640,488.00	
Reserve.....	(1,322,342.00)	
Accrual.....	(1,056,271.96)	
Recoveries.....	(584,216.04)	
A/R Miscellaneous.....	(380,850.54)	
LEM Reserve.....	(166,354.87)	
Accounts Receivable from Associated Companies.....		18,516,220.52
LG&E and KU Services/Kentucky Utilities.....	18,516,220.52	
Fuel.....		77,965,508.21
Coal 1,466,296.08 Tons @ \$52.91; MMBtu 33,081,387.17 @ 234.53¢.....	77,587,021.00	
Fuel Oil 143,574.46 Gallons @ 251.18¢.....	360,628.08	
Gas Pipeline 5,400 Mcf @ \$3.31.....	17,859.13	
Plant Materials and Operating Supplies.....		31,139,888.40
Regular Materials and Supplies.....	30,209,702.81	
Limestone 98,835.77 Tons @ \$9.41.....	930,185.58	
Carbide Lime.....	0.01	
Stores Expense Undistributed.....	5,618,419.13	5,618,419.13
Gas Stored Underground - Current.....		12,963,890.70
Gas Stored Underground* 2,790,843 Mcf (14.73 psia) @ \$4.65.....	12,963,890.70	
Emission Allowances.....	14,818.81	14,818.81

June 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 6,961,549.16
Insurance.....	4,512,924.14	
Franchises.....	216,168.16	
Rights of Way.....	213,333.38	
Taxes.....	162,886.66	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,766,236.82	
Unamortized Debt Expense.....		13,274,962.75
Trimble County 2000 Series A due 08/01/30 Var%.....	703,183.99	
Jefferson County 2001 Series A due 09/01/26 Var%.....	141,413.76	
Jefferson County 2001 Series A due 09/01/27 Var%.....	310,985.50	
Jefferson County 2001 Series B due 11/01/27 Var%.....	169,510.11	
Trimble County 2001 Series A due 09/01/26 Var%.....	153,757.23	
Trimble County 2001 Series B due 11/01/27 Var%.....	169,537.92	
Trimble County 2002 Series A due 10/01/32 Var%.....	756,835.43	
Louisville Metro 2003 Series A Due 10/01/33 1.650%.....	1,051,031.03	
Louisville Metro 2007 Series B Due 06/01/33 1.900%.....	162,867.81	
Trimble County 2007 Series A due 06/01/33 4.600%.....	998,222.66	
First Mortgage Bond due 11/15/15 1.625%.....	1,802,198.78	
First Mortgage Bond due 11/15/40 5.125%.....	3,392,974.72	
Revolving Credit Agreement.....	3,457,721.59	
S-3 Shelf Registration.....	4,722.22	
Unamortized Loss on Bonds.....	20,477,457.55	20,477,457.55
Accumulated Deferred Income Taxes.....		22,116,906.94
Federal		
Electric.....	16,361,514.44	
Gas.....	1,226,383.55	
State		
Electric.....	4,253,237.01	
Gas.....	275,771.94	
Regulatory Assets.....		394,427,029.43
Pension and Postretirement Benefits.....	217,000,255.00	
Interest Rate Swap Ineffectiveness.....	63,758,827.78	
2009 Winter Storm.....	35,801,352.85	
2008 Wind Storm.....	19,224,605.11	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,371,961.27	
State		
Electric.....	2,256,284.73	
Asset Retirement Obligations		
Electric.....	10,903,171.42	
Gas.....	1,982,282.07	
Common.....	12,465.31	
Swap Termination.....	8,829,523.48	
2011 Summer Storm.....	8,052,124.65	
Gas Supply Clause/PBR.....	6,814,986.89	
Fuel Adjustment Clause.....	5,366,000.00	
Rate Case Expenses.....	598,403.76	
KCCS Funding.....	475,605.28	
MISO Exit Fee.....	447,201.70	
EKPC FERC Transmission Costs.....	296,751.60	
General Management Audit.....	121,406.53	
CMRG Funding.....	113,820.00	
Other Deferred Debits.....	1,520,049.20	1,520,049.20
Total Assets.....	<u>\$ 3,612,380,265.16</u>	<u>\$ 3,612,380,265.16</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

June 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,383,461,362.67
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	875,545,328.22	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,448,150.74	531,448,150.74
Accounts Payable.....		99,605,780.92
Regular.....	95,330,404.77	
Salaries and Wages Accrued.....	4,551,342.55	
Employee Withholdings Payable.....	(275,966.40)	
Accounts Payable to Associated Companies.....		13,538,755.10
LG&E and KU Services/Kentucky Utilities.....	13,538,755.10	
Customers' Deposits.....	22,829,665.41	22,829,665.41
Taxes Accrued.....	28,061,310.06	28,061,310.06
Interest Accrued.....		6,407,705.65
Jefferson County 2000 Series A due 05/01/27 Var%.....	17,402.34	
Trimble County 2000 Series A due 08/01/30 Var%.....	5,416.78	
Jefferson County 2001 Series A due 09/01/26 Var%.....	(11,099.73)	
Jefferson County 2001 Series A due 09/01/27 Var%.....	168.40	
Jefferson County 2001 Series B due 11/01/27 Var%.....	30,280.05	
Trimble County 2001 Series A due 09/01/26 Var%.....	10,481.56	
Trimble County 2001 Series A due 10/01/32 Var%.....	2,684.32	
Trimble County 2001 Series B due 11/01/27 Var%.....	13,340.16	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	346,133.33	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	760,277.78	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	871,875.00	
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	334,400.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....	1,380,000.00	
Interest Rate Swaps.....	646,022.36	
First Mortgage Bond due 11/15/15 1.625%.....	180,555.56	
First Mortgage Bond due 11/15/40 5.125%.....	649,166.67	
Customers' Deposits.....	1,090,230.32	
Interest Accrued on Tax Liabilities.....	79,624.00	
Other.....	746.75	
Dividends Declared.....		16,000,000.00
Dividend Payable to LG&E and KU Energy LLC.....	16,000,000.00	
Miscellaneous Current and Accrued Liabilities.....		22,489,064.63
Customer Overpayments.....	6,642,867.60	
Vacation Pay Accrued.....	6,593,096.94	
Derivative Liability - ASC 815.....	5,015,134.14	
No-Notice Gas Payable.....	2,403,896.41	
Tax Collections Payable.....	1,054,406.97	
Home Energy Assistance.....	473,842.11	
Service Deposit Refund Payable.....	115,556.80	
Unearned Revenue.....	56,435.78	
Other.....	133,827.88	

June 21, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**May 31, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 515,319,247.11
Federal		
Electric.....	363,056,386.50	
Gas.....	84,391,056.35	
State		
Electric.....	55,091,486.39	
Gas.....	12,780,317.87	
Investment Tax Credit.....		41,602,062.66
Advanced Coal Credit.....	22,869,809.51	
Job Development Credit		
Electric.....	18,228,387.99	
Gas.....	503,865.16	
Regulatory Liabilities.....		55,477,787.65
Deferred Taxes		
Federal		
Electric.....	26,889,784.25	
Gas.....	998,105.77	
State		
Electric.....	14,865,490.98	
Gas.....	2,419,840.18	
Gas Supply Clause/PBR.....	5,003,017.92	
Asset Retirement Obligations		
Gas.....	2,160,362.27	
Electric.....	215,225.24	
DSM Cost Recovery.....	1,092,738.85	
MISO Schedule 10 Charges.....	727,802.28	
Environmental Cost Recovery.....	618,471.00	
Purchased Gas Adjustment - Tennessee Gas.....	486,948.91	
Customers' Advances for Construction.....		7,054,434.77
Line Extensions		
Gas.....	6,079,803.70	
Electric.....	974,631.07	
Asset Retirement Obligations.....		59,820,710.04
Electric.....	37,552,067.00	
Gas.....	22,158,050.05	
Common.....	110,592.99	
Other Deferred Credits.....	9,845,612.27	9,845,612.27
Miscellaneous Long-Term Liabilities.....		64,434,986.68
Long-Term Derivative Liabilities - ASC 815.....	58,743,693.64	
Workers' Compensation.....	5,691,293.04	
Accumulated Provision for Benefits.....		160,679,628.80
Postretirement Benefits - ASC 715.....	84,658,893.21	
Pension Payable.....	72,509,775.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy - ASC 712.....	(178,844.91)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,612,380,265.16</u>	<u>\$ 3,612,380,265.16</u>

June 21, 2012



**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**May 31, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 37,615,770.83	\$ 46,060,511.63
Items not requiring (providing) cash currently:		
Depreciation.....	60,091,532.23	59,081,544.98
Amortization.....	3,663,608.59	3,256,385.20
Deferred income taxes - net.....	17,372,564.62	17,594,732.15
Investment tax credit - net.....	(1,116,781.47)	(1,153,503.00)
Gain on disposal of assets.....	(72,590.89)	(62,480.08)
Other.....	11,208,335.23	(8,449,727.89)
Change in receivables.....	15,100,512.86	55,649,718.84
Change in inventory.....	14,487,897.63	51,085,912.19
Change in allowance inventory.....	(12,307.14)	397.69
Change in payables and accrued expenses.....	44,234,220.97	2,485,906.80
Change in regulatory assets.....	2,685,247.24	(14,560,675.10)
Change in regulatory liabilities.....	(3,139,808.75)	7,783,834.26
Change in other deferred debits.....	(3,074,620.84)	(10,322,805.24)
Change in other deferred credits.....	4,899,159.80	12,921,584.94
Pension and postretirement funding.....	(23,698,900.00)	(66,680,000.00)
Other.....	(15,871,529.12)	(2,944,632.99)
Net cash provided (used) by operating activities.....	<u>164,372,311.79</u>	<u>151,746,704.38</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(86,593,000.45)	(55,545,210.44)
Gross additions to common utility plant - construction expenditures.....	(4,357,092.09)	(1,667,639.01)
Proceeds received from sales of property.....	73,321.33	62,480.08
Change in restricted cash.....	(1,179,640.24)	(2,723,406.80)
Change in non-hedging derivatives.....	-	(931,039.15)
Reissuance of reacquired bonds as Available for Sale debt securities.....	-	163,200,000.00
Other.....	(6,094,137.29)	(3,924,443.25)
Net cash provided (used) by investing activities.....	<u>(98,150,548.74)</u>	<u>98,470,741.43</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(662,377.89)	(967,279.32)
Net change in short-term debt.....	-	(174,876,000.00)
Dividends on common stock.....	(31,000,000.00)	(17,250,000.00)
Net cash provided (used) by financing activities.....	<u>(31,662,377.89)</u>	<u>(193,093,279.32)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	34,559,385.16	57,124,166.49
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 59,512,933.68</u>	<u>\$ 59,250,178.33</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**May 31, 2012**

	<u>Current Month</u>		<u>Year to Date</u>		<u>Year Ended Current Month</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 Var%.....	\$ 17,402.35	\$ 111,979.18	\$ 88,467.79	\$ 559,895.86	\$ 778,238.63	\$ 1,343,749.95
Trimble County 2000 Series A due 08/01/30 Var%.....	16,620.71	12,037.29	44,352.75	108,925.75	126,298.84	340,006.75
Jefferson County 2001 Series A due 09/01/26 Var%.....	1,880.45	1,392.11	8,818.57	11,439.84	16,441.48	38,890.41
Jefferson County 2001 Series A due 09/01/27 Var%.....	7,131.14	23,886.99	31,592.20	116,352.72	81,979.91	245,743.15
Jefferson County 2001 Series B due 11/01/27 Var%.....	13,340.16	33,214.53	61,789.60	150,090.16	184,011.24	388,103.55
Trimble County 2001 Series A due 09/01/26 Var%.....	10,481.55	9,342.46	33,834.03	47,955.48	84,411.43	140,023.98
Trimble County 2001 Series A due 10/01/32 Var%.....	10,748.67	9,545.28	30,200.09	65,476.81	76,858.04	192,916.91
Trimble County 2001 Series B due 11/01/27 Var%.....	13,340.16	32,938.35	62,062.84	147,239.43	185,713.54	384,213.35
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	176,000.00	202,666.67	960,888.87	939,022.21	2,372,799.89	939,022.21
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.67	958,333.30	958,333.32	2,299,999.96	2,299,999.90
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	726,562.55	726,562.45	1,743,749.98	1,743,749.90
Louisville Metro 2007 Series B due 06/01/33 1.900%.....	55,733.34	55,733.34	276,808.92	258,231.11	666,942.31	258,231.11
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,150,000.00	1,150,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	646,022.37	604,916.21	3,204,529.33	3,156,394.73	7,820,856.51	7,534,953.38
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.67	338,541.67	1,692,708.33	1,692,708.33	4,062,499.99	2,200,520.84
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	6,085,937.55	6,085,937.50	14,606,250.05	7,911,718.75
Fidelia/PPL.....	-	-	-	-	-	12,219,825.02
Revolving Credit Agreement.....	-	-	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b><u>3,091,409.25</u></b>	<b><u>3,220,360.74</u></b>	<b><u>15,416,886.72</u></b>	<b><u>16,359,570.71</u></b>	<b><u>37,867,051.80</u></b>	<b><u>41,721,352.51</u></b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	162,457.00	175,850.30	804,363.25	870,477.64	2,032,012.06	1,246,260.95
Amortization of Loss on Reacquired Debt.....	102,454.66	101,002.97	512,261.13	505,014.85	1,220,593.06	1,212,035.71
<b>Total.....</b>	<b><u>264,911.66</u></b>	<b><u>276,853.27</u></b>	<b><u>1,316,624.38</u></b>	<b><u>1,375,492.49</u></b>	<b><u>3,252,605.12</u></b>	<b><u>2,458,296.66</u></b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	117,270.23	111,089.41	568,505.79	538,041.11	1,414,099.67	1,357,414.88
Other Tax Deficiencies.....	-	-	65,624.01	-	79,624.01	(17,500.00)
Interest on DSM Cost Recovery.....	96.85	1,752.41	(10,507.97)	4,564.53	25.02	13,679.96
Interest on Debt to Associated Companies.....	-	-	1,518.06	8,862.00	2,319.15	162,735.89
Other Interest Expense.....	86,085.14	42,608.59	423,998.74	184,554.54	1,355,533.20	902,820.62
<b>Total.....</b>	<b><u>203,452.22</u></b>	<b><u>155,450.41</u></b>	<b><u>1,049,138.63</u></b>	<b><u>736,022.18</u></b>	<b><u>2,851,601.05</u></b>	<b><u>2,419,151.35</u></b>
<b>Total Interest.....</b>	<b><u>\$ 3,559,773.13</u></b>	<b><u>\$ 3,652,664.42</u></b>	<b><u>\$ 17,782,649.73</u></b>	<b><u>\$ 18,471,085.38</u></b>	<b><u>\$ 43,971,257.97</u></b>	<b><u>\$ 46,598,800.52</u></b>

June 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**May 31, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 1,547,692.18	\$ 1,450,538.00	\$ 7,730,324.18	\$ 7,249,698.00
Unemployment.....	8,219.50	3,958.59	134,223.04	106,323.37
FICA.....	669,228.01	717,604.79	3,285,177.11	3,341,577.03
Public Service Commission Fee.....	162,886.60	161,096.90	814,433.00	805,484.50
Federal Income.....	5,633,839.52	88,889.98	4,459,097.75	7,828,909.28
State Income.....	1,027,447.93	1,087,945.48	2,436,687.50	4,557,331.49
Miscellaneous.....	3,456.63	(6,398.36)	18,498.64	23,555.88
<b>Total Charged to Operating Expense.....</b>	<b>9,052,770.37</b>	<b>3,503,635.38</b>	<b>18,878,441.22</b>	<b>23,912,879.55</b>
Taxes Charged to Other Accounts.....	(774,297.50)	556,117.31	(3,487,025.97)	1,068,709.99
Taxes Accrued on Intercompany Accounts.....	(40,759.38)	(298,632.90)	(187,209.37)	(1,411,398.76)
<b>Total Taxes Charged.....</b>	<b>\$ 8,237,713.49</b>	<b>\$ 3,761,119.79</b>	<b>\$ 15,204,205.88</b>	<b>\$ 23,570,190.78</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 7,803,126.63	\$ 416,894.39	\$ 19,384,657.06
Unemployment.....	53,328.91	102,078.96	152,288.85	3,119.02
FICA.....	526,035.87	2,738,986.49	2,760,748.71	504,273.65
Federal Income.....	-	1,089,027.84	(3,515,640.00)	4,604,667.84
State Income.....	-	939,895.91	(2,145,315.00)	3,085,210.91
Kentucky Sales and Use Tax.....	671,793.23	2,532,620.56	2,741,968.11	462,445.68
Miscellaneous.....	35,266.73	(1,530.51)	16,800.32	16,935.90
<b>Totals.....</b>	<b>\$ 13,284,849.56</b>	<b>\$ 15,204,205.88</b>	<b>\$ 427,745.38</b>	<b>\$ 28,061,310.06</b>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 4,319,696.11	\$ (630,458.42)	\$ -	\$ 3,689,237.69	\$ 160,746,320.08
Common Intangible Plant.....	60,891,162.83	3,182,755.90	(1,231,546.10)	-	1,951,209.80	62,842,372.63
	<u>217,948,245.22</u>	<u>7,502,452.01</u>	<u>(1,862,004.52)</u>	<u>-</u>	<u>5,640,447.49</u>	<u>223,588,692.71</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	39,674,803.24	(3,918,219.38)	(455,637.90)	35,300,945.96	999,814,121.81
Electric General Plant.....	15,943,111.49	190,819.23	(772,528.16)	-	(581,708.93)	15,361,402.56
Electric Hydro Production.....	42,535,934.10	16,456.36	(507.91)	-	15,948.45	42,551,882.55
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	8,110,231.53	(3,366,222.04)	-	4,744,009.49	238,990,988.48
Electric Steam Production.....	2,114,510,864.74	29,823,335.50	(8,206,936.70)	-	21,616,398.80	2,136,127,263.54
Electric Transmission.....	254,611,190.87	10,756,636.59	(1,980,757.89)	-	8,775,878.70	263,387,069.57
	<u>3,626,363,496.33</u>	<u>88,572,282.45</u>	<u>(18,245,172.08)</u>	<u>(455,637.90)</u>	<u>69,871,472.47</u>	<u>3,696,234,968.80</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	6,436,502.70	(75,366.41)	(134,900.23)	6,226,236.06	599,177,556.48
Gas General Plant.....	8,204,172.47	652,304.60	(348,820.62)	-	303,483.98	8,507,656.45
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	1,848,898.25	(181,433.63)	-	1,667,464.62	82,247,543.01
Gas Transmission.....	21,541,957.36	882,947.47	(1,389.93)	134,900.23	1,016,457.77	22,558,415.13
	<u>703,277,916.13</u>	<u>9,820,653.02</u>	<u>(607,010.59)</u>	<u>-</u>	<u>9,213,642.43</u>	<u>712,491,558.56</u>
<b>Total 101 Accounts</b> .....	<u>4,547,589,657.68</u>	<u>105,895,387.48</u>	<u>(20,714,187.19)</u>	<u>(455,637.90)</u>	<u>84,725,562.39</u>	<u>4,632,315,220.07</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	(21,926.88)	(21,926.88)	627,087.60
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>(21,926.88)</u>	<u>(21,926.88)</u>	<u>627,087.60</u>
<b>Total 105001</b> .....	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,926.88)</u>	<u>\$ (21,926.88)</u>	<u>\$ 627,087.60</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**May 31, 2012**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (309,239.21)	\$ -	\$ -	\$ (309,239.21)	\$ 2,265,696.80
Common Intangible Plant.....	2,240,884.26	2,280,513.10	-	-	2,280,513.10	4,521,397.36
	<u>4,815,820.27</u>	<u>1,971,273.89</u>	<u>-</u>	<u>-</u>	<u>1,971,273.89</u>	<u>6,787,094.16</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	1,625,275.66	-	-	1,625,275.66	24,837,511.20
Electric General Plant.....	6,763.22	63,825.04	-	-	63,825.04	70,588.26
Electric Hydro Production.....	16,456.36	(16,456.36)	-	-	(16,456.36)	-
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	(3,381,819.71)	-	-	(3,381,819.71)	154,140.03
Electric Steam Production.....	41,241,674.58	(1,128,383.08)	-	-	(1,128,383.08)	40,113,291.50
Electric Transmission.....	37,708,783.02	1,022,218.56	-	-	1,022,218.56	38,731,001.58
	<u>105,721,872.46</u>	<u>(1,815,339.89)</u>	<u>-</u>	<u>-</u>	<u>(1,815,339.89)</u>	<u>103,906,532.57</u>
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	14,022,637.12	-	-	14,022,637.12	32,888,621.60
Gas General Plant.....	263,073.78	(63,250.48)	-	-	(63,250.48)	199,823.30
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	5,492,553.15	-	-	5,492,553.15	6,007,166.15
Gas Transmission.....	1,459,528.03	(924,015.72)	-	-	(924,015.72)	535,512.31
	<u>21,103,199.29</u>	<u>18,527,924.07</u>	<u>-</u>	<u>-</u>	<u>18,527,924.07</u>	<u>39,631,123.36</u>
<b>Total 106 Accounts</b>	<u>131,640,892.02</u>	<u>18,683,858.07</u>	<u>-</u>	<u>-</u>	<u>18,683,858.07</u>	<u>150,324,750.09</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	477,541.04	477,541.04	552,780.60
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>477,541.04</u>	<u>477,541.04</u>	<u>552,780.60</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>477,541.04</u>	<u>477,541.04</u>	<u>552,780.60</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(5,116,633.81)	-	-	(5,116,633.81)	9,967,305.52
Electric.....	152,710,828.07	(31,401,050.28)	-	-	(31,401,050.28)	121,309,777.79
Gas.....	47,481,609.94	(8,829,885.49)	-	-	(8,829,885.49)	38,651,724.45
	<u>215,276,377.34</u>	<u>(45,347,569.58)</u>	<u>-</u>	<u>-</u>	<u>(45,347,569.58)</u>	<u>169,928,807.76</u>
<b>Total Plant (Non-CWIP)</b> .....	<u>4,682,094,793.74</u>	<u>124,579,245.55</u>	<u>(20,714,187.19)</u>	<u>(23.74)</u>	<u>103,865,034.62</u>	<u>4,785,959,828.36</u>
<b>Total Plant + CWIP</b> .....	<u>4,897,371,171.08</u>	<u>79,231,675.97</u>	<u>(20,714,187.19)</u>	<u>(23.74)</u>	<u>58,517,465.04</u>	<u>4,955,888,636.12</u>
<b>Total Plant + CWIP - Non Utility</b> .....	<u>\$ 4,897,295,931.52</u>	<u>\$ 79,231,675.97</u>	<u>\$ (20,714,187.19)</u>	<u>\$ (477,564.78)</u>	<u>\$ 58,039,924.00</u>	<u>\$ 4,955,335,855.52</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (5,093,403.08)	\$ 630,458.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,550,064.05)
Common General Plant - ARO.....	(2,403.59)	(858.50)	-	-	-	-	-	-	-	(3,262.09)
Electric Distribution.....	(287,667,187.72)	(7,608,558.71)	3,918,219.38	-	-	-	-	-	-	(291,357,527.05)
Electric Distribution - ARO.....	(7,290.40)	(4,749.64)	-	(223.56)	-	-	-	-	-	(12,263.60)
Electric General Plant.....	(11,305,192.13)	(232,914.73)	772,528.16	(730.44)	-	-	-	-	-	(10,766,309.14)
Electric Hydro Production.....	(10,051,997.22)	(235,781.75)	507.91	-	-	-	-	-	-	(10,287,271.06)
Electric Hydro Production - ARO.....	(2,112.62)	(728.55)	-	-	-	-	-	-	-	(2,841.17)
Electric Other Production.....	(67,466,740.67)	(3,494,875.82)	3,366,222.04	-	-	-	-	-	-	(67,595,394.45)
Electric Other Production - ARO.....	(1,302.82)	(482.80)	-	-	-	-	-	-	-	(1,785.62)
Electric Steam Production.....	(1,060,614,162.86)	(24,020,034.26)	8,206,936.70	-	-	-	-	-	-	(1,076,427,260.42)
Electric Steam Production - ARO.....	(1,402,047.92)	(747,060.04)	-	-	-	-	-	-	-	(2,149,107.96)
Electric Transmission.....	(121,989,304.84)	(1,903,472.17)	1,980,757.89	-	-	-	-	-	-	(121,912,019.12)
Electric Transmission - ARO.....	(903.28)	(3,398.05)	-	-	-	-	-	-	-	(4,301.33)
Gas Distribution.....	(131,835,425.42)	(5,104,785.21)	75,366.41	1,037.44	-	-	-	-	-	(136,863,806.78)
Gas Distribution - ARO.....	(346,237.51)	(123,643.22)	-	-	-	-	-	-	-	(469,880.73)
Gas General Plant.....	(5,044,235.87)	(159,400.94)	348,820.62	-	-	-	-	-	-	(4,854,816.19)
Gas Storage.....	(31,071,784.79)	(515,111.66)	181,433.63	-	-	-	-	-	-	(31,405,462.82)
Gas Storage - ARO.....	(257,551.24)	(91,742.21)	-	-	-	-	-	-	-	(349,293.45)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(25,421.56)	1,389.93	(1,037.44)	-	-	-	-	-	(9,511,425.45)
Gas Transmission - ARO.....	(35,270.86)	(44,088.56)	-	-	-	-	-	-	-	(79,359.42)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(49,410,511.46)</u>	<u>19,482,641.09</u>	<u>(954.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,845,666,812.26)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(120,498.80)	-	-	-	-	16,557.84	-	-	(741,703.40)
Electric Distribution.....	(148,949,763.17)	(3,025,524.48)	-	-	-	-	4,841,775.10	-	-	(147,133,512.55)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(17,896.80)	-	-	-	-	1,017.40	-	-	715,575.71
Electric Other Production.....	(2,535,958.71)	(149,794.17)	-	-	-	-	198,088.67	-	-	(2,487,664.21)
Electric Steam Production.....	(108,291,391.50)	(7,195,703.41)	-	-	-	-	1,993,043.63	-	-	(113,494,051.28)
Electric Transmission.....	(25,759,724.87)	(609,081.65)	-	-	-	-	468,877.99	-	-	(25,899,928.53)
Gas Distribution.....	(62,001,399.83)	(1,439,076.34)	-	300.39	-	-	261,994.63	-	-	(63,178,181.15)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(66,305.24)	-	-	-	-	28,815.98	-	-	224,981.28
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(6,293.32)	-	(300.39)	-	-	21,090.05	-	-	(2,970,361.43)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (12,630,174.21)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,831,261.29</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (354,960,978.94)</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**May 31, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 159.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000.00)	\$ -	\$ 275,617.53
Electric Distribution.....	18,531,222.48	616,397.55	-	-	-	-	-	(102,184.96)	-	19,045,435.07
Electric General Plant.....	140,589.22	1,017.93	-	-	-	-	-	-	-	141,607.15
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	857,309.80	-	-	-	-	-	(211,226.16)	-	24,666,762.29
Electric Transmission.....	6,511,015.77	112,680.52	-	-	-	-	-	(357,106.44)	-	6,266,589.85
Gas Distribution.....	3,791,455.11	86,581.66	-	-	-	-	-	-	-	3,878,036.77
Gas General Plant.....	228,159.61	1,217.00	-	-	-	-	-	-	-	229,376.61
Gas Storage.....	287,152.21	7,509.70	-	-	-	-	-	-	-	294,661.91
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	2,360.00	-	-	-	-	-	-	-	225,669.53
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>1,685,233.86</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(673,517.56)</u>	<u>-</u>	<u>55,381,396.21</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(5,214,600.68)	630,458.42	-	-	-	16,557.84	(3,000.00)	-	(82,082,772.37)
Electric.....	(1,795,747,613.36)	(47,662,651.23)	18,245,172.08	(954.00)	-	-	7,502,802.79	(670,517.56)	-	(1,818,333,761.28)
Gas.....	(238,270,572.69)	(7,478,199.90)	607,010.59	-	-	-	311,900.66	-	-	(244,829,861.34)
	<u>(2,111,530,374.00)</u>	<u>(60,355,451.81)</u>	<u>19,482,641.09</u>	<u>(954.00)</u>	<u>-</u>	<u>-</u>	<u>7,831,261.29</u>	<u>(673,517.56)</u>	<u>-</u>	<u>(2,145,246,394.99)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	-	-	(13,557.84)	(17,221.82)	(10,496.95)	-	108,485.74
Electric.....	11,924,715.03	-	-	60,773.36	-	(6,832,285.23)	7,256,176.13	(839,293.09)	(83,890.24)	11,486,195.96
Gas.....	1,590,687.78	-	-	14,615.87	-	(311,900.66)	487,186.23	(2,577.17)	-	1,778,012.05
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>75,389.23</u>	<u>-</u>	<u>(7,157,743.73)</u>	<u>7,726,140.54</u>	<u>(852,367.21)</u>	<u>(83,890.24)</u>	<u>13,372,693.75</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(60,355,451.81)</u>	<u>19,482,641.09</u>	<u>74,435.23</u>	<u>-</u>	<u>(7,157,743.73)</u>	<u>15,557,401.83</u>	<u>(1,525,884.77)</u>	<u>(83,890.24)</u>	<u>(2,131,873,701.24)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(3,663,608.59)	1,231,546.10	-	-	-	-	-	-	(22,503,666.52)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(3,663,608.59)</u>	<u>1,231,546.10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,503,666.52)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (64,019,060.40)</u>	<u>\$ 20,714,187.19</u>	<u>\$ 74,435.23</u>	<u>\$ -</u>	<u>\$ (7,157,743.73)</u>	<u>\$ 15,557,401.83</u>	<u>\$ (1,525,884.77)</u>	<u>\$ (83,890.24)</u>	<u>\$ (2,154,377,367.76)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,154,314,007.40)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>										<u>\$ 2,779,422,479.01</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**May 31, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 96,926,385.17	\$ -	\$ 96,926,385.17
Gas Operating Revenues.....	10,271,016.23	-	10,271,016.23
<b>Total Operating Revenues.....</b>	<b>107,197,401.40</b>	<b>-</b>	<b>107,197,401.40</b>
Fuel for Electric Generation.....	32,312,897.97	-	32,312,897.97
Power Purchased.....	4,792,200.91	-	4,792,200.91
Gas Supply Expenses.....	2,910,495.30	-	2,910,495.30
Other Operation Expenses.....	20,250,641.63	-	20,250,641.63
Maintenance.....	11,185,284.05	-	11,185,284.05
Depreciation.....	12,126,261.74	-	12,126,261.74
Amortization Expense.....	747,284.74	-	747,284.74
Regulatory Credits.....	(448,291.57)	-	(448,291.57)
Taxes			
Federal Income.....	5,633,839.52	-	5,633,839.52
State Income.....	1,027,447.93	-	1,027,447.93
Deferred Federal Income - Net.....	-	8,230.80	8,230.80
Deferred State Income - Net.....	-	1,501.06	1,501.06
Property and Other.....	2,391,482.92	-	2,391,482.92
Amortization of Investment Tax Credit.....	(223,356.00)	-	(223,356.00)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	244,941.28	-	244,941.28
<b>Total Operating Expenses.....</b>	<b>92,951,130.42</b>	<b>9,731.86</b>	<b>92,960,862.28</b>
Net Operating Income.....	14,246,270.98	(9,731.86)	14,236,539.12
Other Income Less Deductions.....	(18,498.57)	-	(18,498.57)
<b>Income Before Interest Charges.....</b>	<b>14,227,772.41</b>	<b>(9,731.86)</b>	<b>14,218,040.55</b>
Interest on Long-Term Debt.....	3,091,409.25	(25,017.63)	3,066,391.62
Amortization of Debt Expense - Net.....	264,911.66	-	264,911.66
Other Interest Expenses.....	203,452.22	-	203,452.22
<b>Total Interest Charges.....</b>	<b>3,559,773.13</b>	<b>(25,017.63)</b>	<b>3,534,755.50</b>
<b>Net Income.....</b>	<b>\$ 10,667,999.28</b>	<b>\$ 15,285.77</b>	<b>\$ 10,683,285.05</b>



**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**May 31, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 418,566,729.39	\$ -	\$ 418,566,729.39
Gas Operating Revenues.....	133,294,758.16	-	133,294,758.16
<b>Total Operating Revenues.....</b>	<b>551,861,487.55</b>	<b>-</b>	<b>551,861,487.55</b>
Fuel for Electric Generation.....	155,187,094.27	-	155,187,094.27
Power Purchased.....	22,498,397.64	-	22,498,397.64
Gas Supply Expenses.....	67,065,451.73	-	67,065,451.73
Other Operation Expenses.....	96,733,283.35	-	96,733,283.35
Maintenance.....	57,184,229.00	-	57,184,229.00
Depreciation.....	60,091,532.23	-	60,091,532.23
Amortization Expense.....	3,663,608.59	-	3,663,608.59
Regulatory Credits.....	(2,231,135.10)	-	(2,231,135.10)
Taxes			
Federal Income.....	4,459,097.75	-	4,459,097.75
State Income.....	2,436,687.50	-	2,436,687.50
Deferred Federal Income - Net.....	15,586,134.19	41,154.02	15,627,288.21
Deferred State Income - Net.....	929,796.02	7,505.29	937,301.31
Property and Other.....	11,982,655.97	-	11,982,655.97
Amortization of Investment Tax Credit.....	(1,116,781.47)	-	(1,116,781.47)
Loss (Gain) from Disposition of Allowances.....	(693.97)	-	(693.97)
Accretion Expense.....	1,214,383.53	-	1,214,383.53
<b>Total Operating Expenses.....</b>	<b>495,683,741.23</b>	<b>48,659.31</b>	<b>495,732,400.54</b>
Net Operating Income.....	56,177,746.32	(48,659.31)	56,129,087.01
Other Income Less Deductions.....	(779,325.76)	-	(779,325.76)
<b>Income Before Interest Charges.....</b>	<b>55,398,420.56</b>	<b>(48,659.31)</b>	<b>55,349,761.25</b>
Interest on Long-Term Debt.....	15,416,886.72	(125,088.15)	15,291,798.57
Amortization of Debt Expense - Net.....	1,316,624.38	-	1,316,624.38
Other Interest Expenses.....	1,049,138.63	-	1,049,138.63
<b>Total Interest Charges.....</b>	<b>17,782,649.73</b>	<b>(125,088.15)</b>	<b>17,657,561.58</b>
<b>Net Income.....</b>	<b>\$ 37,615,770.83</b>	<b>\$ 76,428.84</b>	<b>\$ 37,692,199.67</b>

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2012**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 880,877,328.94	\$ 852,322,196.36	\$ (808,671,747.66)	\$ (808,855,173.14)	\$ 72,205,581.28	\$ 43,467,023.22
Add:						
Net Income (Loss) for Period.....	10,667,999.28	4,481,567.23	15,285.77	15,282.02	10,683,285.05	4,496,849.25
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>16,000,000.00</u>	<u>25,000,000.00</u>	<u>-</u>	<u>-</u>	<u>16,000,000.00</u>	<u>25,000,000.00</u>
Balance at End of Period.....	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>	<u>\$ (808,656,461.89)</u>	<u>\$ (808,839,891.12)</u>	<u>\$ 66,888,866.33</u>	<u>\$ 22,963,872.47</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	37,615,770.83	46,060,511.63	76,428.84	59,391.32	37,692,199.67	46,119,902.95
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	31,000,000.00	42,250,000.00	-	-	31,000,000.00	42,250,000.00
Balance at End of Period.....	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>	<u>\$ (808,656,461.89)</u>	<u>\$ (808,839,891.12)</u>	<u>\$ 66,888,866.33</u>	<u>\$ 22,963,872.47</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**May 31, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 831,803,763.59	\$ 759,575,375.78	\$ (808,839,891.12)	\$ -	\$ 22,963,872.47	\$ 759,575,375.78
Add:						
Net Income (Loss) for Period.....	115,741,564.63	139,478,387.81	183,429.23	107,000.40	115,924,993.86	139,585,388.21
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	72,000,000.00	67,250,000.00	-	-	72,000,000.00	67,250,000.00
Balance at End of Period.....	<u>\$ 875,545,328.22</u>	<u>\$ 831,803,763.59</u>	<u>\$ (808,656,461.89)</u>	<u>\$ (808,839,891.12)</u>	<u>\$ 66,888,866.33</u>	<u>\$ 22,963,872.47</u>

June 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of May 31, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,955,335,855.52	\$ -	\$ 4,955,335,855.52
Less: Reserves for Depreciation and Amortization....	2,154,314,007.40	-	2,154,314,007.40
<b>Total.....</b>	<b>2,801,021,848.12</b>	<b>-</b>	<b>2,801,021,848.12</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	489,420.24	-	489,420.24
Special Funds.....	30,038,647.44	-	30,038,647.44
<b>Total.....</b>	<b>31,122,353.68</b>	<b>-</b>	<b>31,122,353.68</b>
<b>Current and Accrued Assets</b>			
Cash.....	2,723,379.80	-	2,723,379.80
Special Deposits.....	-	-	-
Temporary Cash Investments.....	56,789,553.88	-	56,789,553.88
Accounts Receivable - Less Reserve.....	115,726,428.88	-	115,726,428.88
Accounts Receivable from Associated Companies....	18,516,220.52	-	18,516,220.52
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	77,965,508.21	-	77,965,508.21
Plant Materials and Operating Supplies.....	31,139,888.40	-	31,139,888.40
Stores Expense.....	5,618,419.13	-	5,618,419.13
Gas Stored Underground.....	12,963,890.70	-	12,963,890.70
Emission Allowances.....	14,818.81	-	14,818.81
Prepayments.....	6,961,549.16	-	6,961,549.16
Miscellaneous Current and Accrued Assets.....	-	-	-
<b>Total.....</b>	<b>328,419,657.49</b>	<b>-</b>	<b>328,419,657.49</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,274,962.75	(3,403,446.60)	9,871,516.15
Unamortized Loss on Bonds.....	20,477,457.55	-	20,477,457.55
Accumulated Deferred Income Taxes.....	22,116,906.94	64,512,535.21	86,629,442.15
Deferred Regulatory Assets.....	394,427,029.43	7,506,964.99	401,933,994.42
Other Deferred Debits.....	1,520,049.20	151,248,890.56	152,768,939.76
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>451,816,405.87</b>	<b>609,022,295.75</b>	<b>1,060,838,701.62</b>
<b>Total Assets.....</b>	<b>\$ 3,612,380,265.16</b>	<b>\$ 609,022,295.75</b>	<b>\$ 4,221,402,560.91</b>

June 21, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of May 31, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	875,545,328.22	(808,656,461.89)	66,888,866.33
<b>Total Proprietary Capital.....</b>	<b>1,383,461,362.67</b>	<b>385,429,407.13</b>	<b>1,768,890,769.80</b>
Pollution Control Bonds - Net of Reacquired Bonds.....	574,304,000.00	6,101,382.03	580,405,382.03
First Mortgage Bonds.....	531,448,150.74	-	531,448,150.74
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,752,150.74</b>	<b>6,101,382.03</b>	<b>1,111,853,532.77</b>
<b>Total Capitalization.....</b>	<b>2,489,213,513.41</b>	<b>391,530,789.16</b>	<b>2,880,744,302.57</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	99,605,780.92	-	99,605,780.92
Accounts Payable to Associated Companies.....	13,538,755.10	-	13,538,755.10
Customer Deposits.....	22,829,665.41	-	22,829,665.41
Taxes Accrued.....	28,061,310.06	-	28,061,310.06
Dividends Declared.....	16,000,000.00	-	16,000,000.00
Interest Accrued.....	6,407,705.65	-	6,407,705.65
Miscellaneous Current and Accrued Liabilities.....	22,489,064.63	-	22,489,064.63
<b>Total.....</b>	<b>208,932,281.77</b>	<b>-</b>	<b>208,932,281.77</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	515,319,247.11	62,139,097.64	577,458,344.75
Investment Tax Credit.....	41,602,062.66	-	41,602,062.66
Regulatory Liabilities.....	55,477,787.65	151,248,890.56	206,726,678.21
Customer Advances for Construction.....	7,054,434.77	-	7,054,434.77
Asset Retirement Obligations.....	59,820,710.04	-	59,820,710.04
Other Deferred Credits.....	9,845,612.27	4,103,518.39	13,949,130.66
Miscellaneous Long-Term Liabilities.....	64,434,986.68	-	64,434,986.68
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	160,679,628.80	-	160,679,628.80
<b>Total.....</b>	<b>914,234,469.98</b>	<b>217,491,506.59</b>	<b>1,131,725,976.57</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,612,380,265.16</b>	<b>\$ 609,022,295.75</b>	<b>\$ 4,221,402,560.91</b>

**Attachment to Response to LGE AG-1 Question No. 113**

**LG&E Financial Reports - June 30, 2012**

**Responding Witness - Valerie L. Scott**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

Financial Reports

June 30, 2012



**Index**  
**Financial and Operating Reports**

**Louisville Gas and Electric Company**  
**June 30, 2012**

<u>Report</u>	<u>Page No.</u>
Comparative Statement of Income -	
Current Month.....	1
Year to Date.....	2
Year Ended Current Month.....	3
Analysis of Retained Earnings.....	4
Comparative Balance Sheet.....	5
Statement of Capitalization and Short-term Debt.....	6
Summary Trial Balance -	
Assets.....	7-8
Liabilities.....	9-10
Statement of Cash Flows.....	11
Analysis of Interest Charges.....	12
Analysis of Taxes Charged and Accrued.....	13
Summary of Utility Plant.....	14-14.1
Summary of Utility Plant - Reserve for Depreciation of Utility Plant...	15-15.1
Statement of Income with Purchase Accounting -	
Current Month.....	16
Year to Date.....	17
Analysis of Retained Earnings with Purchase Accounting.....	18-18.2
Balance Sheet with Purchase Accounting.....	19-19.1

Certain reclassification entries have been made to the prior financial statements to conform to the current presentation with no impact on net assets, liabilities and capitalization or previously reported net income and cash flows, unless otherwise noted.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2012**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 97,444,872.31	\$ 95,926,278.08	\$ 1,518,594.23	1.58
Gas Operating Revenues.....	10,014,200.24	11,394,622.50	(1,380,422.26)	(12.11)
<b>Total Operating Revenues.....</b>	<b>107,459,072.55</b>	<b>107,320,900.58</b>	<b>138,171.97</b>	<b>0.13</b>
Fuel for Electric Generation.....	31,386,111.60	29,573,632.96	1,812,478.64	6.13
Power Purchased.....	4,645,327.79	6,493,106.90	(1,847,779.11)	(28.46)
Gas Supply Expenses.....	2,161,653.53	4,073,116.36	(1,911,462.83)	(46.93)
Other Operation Expenses.....	20,681,610.95	20,233,157.90	448,453.05	2.22
Maintenance.....	8,689,584.35	10,121,123.40	(1,431,539.05)	(14.14)
Depreciation.....	12,365,304.92	11,775,559.24	589,745.68	5.01
Amortization Expense.....	752,051.43	684,362.07	67,689.36	9.89
Regulatory Credits.....	(661,320.06)	(359,386.42)	(301,933.64)	(84.01)
Taxes				
Federal Income.....	(5,027,113.83)	(6,622,269.54)	1,595,155.71	(24.09)
State Income.....	455,073.69	840,976.77	(385,903.08)	(45.89)
Deferred Federal Income - Net.....	11,878,691.15	12,018,131.58	(139,440.43)	(1.16)
Deferred State Income - Net.....	472,879.45	44,957.43	427,922.02	(951.84)
Property and Other.....	3,361,419.50	2,316,570.56	1,044,848.94	45.10
Amortization of Investment Tax Credit.....	(223,357.50)	(236,034.00)	12,676.50	5.37
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	245,982.52	215,040.82	30,941.70	14.39
<b>Total Operating Expenses.....</b>	<b>91,183,899.49</b>	<b>91,172,046.03</b>	<b>11,853.46</b>	<b>0.01</b>
Net Operating Income.....	16,275,173.06	16,148,854.55	126,318.51	0.78
Other Income Less Deductions.....	15,205.46	829,607.98	(814,402.52)	(98.17)
<b>Income Before Interest Charges.....</b>	<b>16,290,378.52</b>	<b>16,978,462.53</b>	<b>(688,084.01)</b>	<b>(4.05)</b>
Interest on Long-Term Debt.....	3,104,169.79	3,246,104.49	(141,934.70)	(4.37)
Amortization of Debt Expense - Net.....	266,099.79	277,604.34	(11,504.55)	(4.14)
Other Interest Expenses.....	191,204.23	426,202.12	(234,997.89)	(55.14)
<b>Total Interest Charges.....</b>	<b>3,561,473.81</b>	<b>3,949,910.95</b>	<b>(388,437.14)</b>	<b>(9.83)</b>
<b>Net Income.....</b>	<b>\$ 12,728,904.71</b>	<b>\$ 13,028,551.58</b>	<b>\$ (299,646.87)</b>	<b>(2.30)</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2012**

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 516,011,601.70	\$ 508,443,709.65	\$ 7,567,892.05	1.49
Gas Operating Revenues.....	143,308,958.40	183,302,508.15	(39,993,549.75)	(21.82)
<b>Total Operating Revenues.....</b>	<b>659,320,560.10</b>	<b>691,746,217.80</b>	<b>(32,425,657.70)</b>	<b>(4.69)</b>
Fuel for Electric Generation.....	186,573,205.87	172,372,936.75	14,200,269.12	8.24
Power Purchased.....	27,143,725.43	37,431,997.58	(10,288,272.15)	(27.49)
Gas Supply Expenses.....	69,227,105.26	104,115,251.58	(34,888,146.32)	(33.51)
Other Operation Expenses.....	117,414,894.30	116,766,857.69	648,036.61	0.56
Maintenance.....	65,873,813.35	58,722,647.11	7,151,166.24	12.18
Depreciation.....	72,456,837.15	70,857,104.22	1,599,732.93	2.26
Amortization Expense.....	4,415,660.02	3,940,747.27	474,912.75	12.05
Regulatory Credits.....	(2,892,455.16)	(3,295,943.40)	403,488.24	12.24
Taxes				
Federal Income.....	(568,016.08)	1,206,639.74	(1,774,655.82)	(147.07)
State Income.....	2,891,761.19	5,398,308.26	(2,506,547.07)	(46.43)
Deferred Federal Income - Net.....	27,464,825.34	29,108,145.53	(1,643,320.19)	(5.65)
Deferred State Income - Net.....	1,402,675.47	(221,983.14)	1,624,658.61	731.88
Property and Other.....	15,344,075.47	13,843,209.34	1,500,866.13	10.84
Amortization of Investment Tax Credit.....	(1,340,138.97)	(1,389,537.00)	49,398.03	3.56
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	1,460,366.05	1,316,145.21	144,220.84	10.96
<b>Total Operating Expenses.....</b>	<b>586,867,640.72</b>	<b>610,169,948.80</b>	<b>(23,302,308.08)</b>	<b>(3.82)</b>
Net Operating Income.....	72,452,919.38	81,576,269.00	(9,123,349.62)	(11.18)
Other Income Less Deductions.....	(764,120.30)	(66,209.46)	(697,910.84)	(1,054.10)
<b>Income Before Interest Charges.....</b>	<b>71,688,799.08</b>	<b>81,510,059.54</b>	<b>(9,821,260.46)</b>	<b>(12.05)</b>
Interest on Long-Term Debt.....	18,521,056.51	19,605,675.20	(1,084,618.69)	(5.53)
Amortization of Debt Expense - Net.....	1,582,724.17	1,653,096.83	(70,372.66)	(4.26)
Other Interest Expenses.....	1,240,342.86	1,162,224.30	78,118.56	6.72
<b>Total Interest Charges.....</b>	<b>21,344,123.54</b>	<b>22,420,996.33</b>	<b>(1,076,872.79)</b>	<b>(4.80)</b>
<b>Net Income.....</b>	<b>\$ 50,344,675.54</b>	<b>\$ 59,089,063.21</b>	<b>\$ (8,744,387.67)</b>	<b>(14.80)</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**June 30, 2012**

	Year Ended Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 1,067,318,195.54	\$ 1,046,548,778.99	\$ 20,769,416.55	1.98
Gas Operating Revenues.....	264,580,872.07	316,842,688.81	(52,261,816.74)	(16.49)
<b>Total Operating Revenues.....</b>	<b>1,331,899,067.61</b>	<b>1,363,391,467.80</b>	<b>(31,492,400.19)</b>	<b>(2.31)</b>
Fuel for Electric Generation.....	375,168,662.48	367,673,555.71	7,495,106.77	2.04
Power Purchased.....	64,606,274.97	62,487,602.02	2,118,672.95	3.39
Gas Supply Expenses.....	126,347,479.38	177,196,746.21	(50,849,266.83)	(28.70)
Other Operation Expenses.....	236,925,391.50	235,423,969.42	1,501,422.08	0.64
Maintenance.....	123,510,234.79	116,624,587.24	6,885,647.55	5.90
Depreciation.....	143,597,947.85	137,008,823.24	6,589,124.61	4.81
Amortization Expense.....	8,608,376.78	7,699,670.45	908,706.33	11.80
Regulatory Credits.....	(5,326,597.45)	(6,478,025.18)	1,151,427.73	17.77
Taxes				
Federal Income.....	10,188,194.63	19,465,706.02	(9,277,511.39)	(47.66)
State Income.....	5,758,985.60	11,361,257.23	(5,602,271.63)	(49.31)
Deferred Federal Income - Net.....	50,580,404.17	41,591,770.97	8,988,633.20	21.61
Deferred State Income - Net.....	3,636,333.96	(2,274,096.83)	5,910,430.79	(259.90)
Property and Other.....	29,622,449.77	24,368,947.26	5,253,502.51	21.56
Amortization of Investment Tax Credit.....	(2,756,333.97)	(2,640,423.00)	(115,910.97)	(4.39)
Loss (Gain) from Disposition of Allowances.....	(693.97)	(2,577.94)	1,883.97	73.08
Accretion Expense.....	2,788,705.46	3,600,439.67	(811,734.21)	(22.55)
<b>Total Operating Expenses.....</b>	<b>1,173,255,815.95</b>	<b>1,193,107,952.49</b>	<b>(19,852,136.54)</b>	<b>(1.66)</b>
Net Operating Income.....	158,643,251.66	170,283,515.31	(11,640,263.65)	(6.84)
Other Income Less Deductions.....	381,486.93	16,206,338.30	(15,824,851.37)	(97.65)
<b>Income Before Interest Charges.....</b>	<b>159,024,738.59</b>	<b>186,489,853.61</b>	<b>(27,465,115.02)</b>	<b>(14.73)</b>
Interest on Long-Term Debt.....	37,725,117.10	41,113,732.38	(3,388,615.28)	(8.24)
Amortization of Debt Expense - Net.....	3,241,100.57	2,619,351.19	621,749.38	23.74
Other Interest Expenses.....	2,616,603.16	2,479,027.05	137,576.11	5.55
<b>Total Interest Charges.....</b>	<b>43,582,820.83</b>	<b>46,212,110.62</b>	<b>(2,629,289.79)</b>	<b>(5.69)</b>
<b>Net Income.....</b>	<b>\$ 115,441,917.76</b>	<b>\$ 140,277,742.99</b>	<b>\$ (24,835,825.23)</b>	<b>(17.70)</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings**  
**June 30, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
Balance at Beginning of Period.....	\$ 875,545,328.22	\$ 831,803,763.59	\$ 868,929,557.39	\$ 827,993,251.96	\$ 844,832,315.17	\$ 771,804,572.18
Add:						
Net Income for Period.....	12,728,904.71	13,028,551.58	50,344,675.54	59,089,063.21	115,441,917.76	140,277,742.99
Deduct:						
Common Dividends						
Common Stock Without Par Value.....	-	-	31,000,000.00	42,250,000.00	72,000,000.00	67,250,000.00
Balance at End of Period.....	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Comparative Balance Sheets as of June 30, 2012 and 2011**

Assets	<u>This Year</u>	<u>Last Year</u>	Liabilities and Proprietary Capital	<u>This Year</u>	<u>Last Year</u>
Utility Plant			Proprietary Capital		
Utility Plant at Original Cost.....	\$ 4,974,883,424.55	\$ 4,802,348,313.16	Common Stock.....	\$ 425,170,424.09	\$ 425,170,424.09
Less: Reserves for Depreciation and Amortization....	<u>2,165,621,133.29</u>	<u>2,092,493,560.06</u>	Less: Common Stock Expense.....	835,888.64	835,888.64
Total.....	<u>2,809,262,291.26</u>	<u>2,709,854,753.10</u>	Paid-In Capital.....	83,581,499.00	83,581,499.00
			Other Comprehensive Income.....	-	-
			Retained Earnings.....	<u>888,274,232.93</u>	<u>844,832,315.17</u>
			Total Proprietary Capital.....	<u>1,396,190,267.38</u>	<u>1,352,748,349.62</u>
Investments			Pollution Control Bonds - Net of Reacquired Bonds.	574,304,000.00	574,304,000.00
Ohio Valley Electric Corporation.....	594,286.00	594,286.00	First Mortgage Bonds.....	531,471,472.40	531,191,612.46
Nonutility Property - Less Reserve.....	489,420.24	11,879.20	LT Notes Payable to Associated Companies.....	-	-
Special Funds.....	<u>31,222,671.10</u>	<u>22,505,965.16</u>	Total Long-Term Debt.....	<u>1,105,775,472.40</u>	<u>1,105,495,612.46</u>
Total.....	<u>32,306,377.34</u>	<u>23,112,130.36</u>	Total Capitalization.....	<u>2,501,965,739.78</u>	<u>2,458,243,962.08</u>
Current and Accrued Assets			Current and Accrued Liabilities		
Cash.....	1,760,996.05	41,156,614.54	ST Notes Payable to Associated Companies.....	-	-
Special Deposits.....	-	4,626,601.12	Notes Payable.....	-	-
Temporary Cash Investments.....	23,340,652.93	10,763.48	Accounts Payable.....	96,664,918.41	85,621,470.31
Accounts Receivable - Less Reserve.....	129,522,191.56	126,976,576.30	Accounts Payable to Associated Companies.....	16,094,052.20	13,004,765.06
Notes Receivable from Associated Companies.....	6,336,000.00	-	Customer Deposits.....	22,941,224.37	22,604,581.72
Accounts Receivable from Associated Companies...	20,911,591.65	12,749,748.11	Taxes Accrued.....	28,344,767.32	10,103,469.64
Materials and Supplies - At Average Cost.....			Dividends Declared.....	-	-
Fuel.....	81,713,136.72	67,711,396.61	Interest Accrued.....	5,549,087.36	5,332,202.80
Plant Materials and Operating Supplies.....	31,497,096.89	29,950,707.42	Miscellaneous Current and Accrued Liabilities.....	<u>22,622,779.87</u>	<u>25,114,319.95</u>
Stores Expense.....	5,757,071.63	5,157,847.02	Total.....	<u>192,216,829.53</u>	<u>161,780,809.48</u>
Gas Stored Underground.....	17,134,671.17	19,007,070.36	Deferred Credits and Other		
Emission Allowances.....	12,781.82	2,233.53	Accumulated Deferred Income Taxes.....	527,001,372.70	506,075,924.63
Prepayments.....	8,474,255.83	7,798,435.51	Investment Tax Credit.....	41,378,705.16	44,135,039.13
Miscellaneous Current and Accrued Assets.....	<u>28,664.30</u>	<u>605,541.52</u>	Regulatory Liabilities.....	53,918,978.47	59,639,476.44
Total.....	<u>326,489,110.55</u>	<u>315,753,535.52</u>	Customer Advances for Construction.....	6,986,694.49	8,117,149.39
Deferred Debits and Other			Asset Retirement Obligations.....	59,316,628.51	52,117,276.38
Unamortized Debt Expense.....	13,435,346.42	13,247,160.62	Other Deferred Credits.....	10,593,268.77	21,631,372.89
Unamortized Loss on Bonds.....	20,375,002.88	21,328,631.75	Miscellaneous Long-Term Liabilities.....	62,460,773.32	37,441,515.45
Accumulated Deferred Income Taxes.....	20,590,827.55	55,536,998.05	Accum Provision for Postretirement Benefits.....	<u>159,466,844.01</u>	<u>146,838,570.62</u>
Deferred Regulatory Assets.....	391,327,323.63	355,709,240.35	Total.....	<u>921,123,265.43</u>	<u>875,996,324.93</u>
Other Deferred Debits.....	<u>1,519,555.11</u>	<u>1,478,646.74</u>	Total Liabilities and Stockholders' Equity.....	<u>\$ 3,615,305,834.74</u>	<u>\$ 3,496,021,096.49</u>
Total.....	<u>447,248,055.59</u>	<u>447,300,677.51</u>			
Total Assets.....	<u>\$ 3,615,305,834.74</u>	<u>\$ 3,496,021,096.49</u>			

July 26, 2012

**Louisville Gas and Electric Company**  
**Statement of Capitalization and Short-Term Debt**  
**June 30, 2012**

	Authorized Shares	Issued and Outstanding		Percent of Total Capital
	Shares	Shares	Amount	
<b>Proprietary Capital</b>				
Common Stock - Without Par.....	75,000,000	21,294,223	\$ 425,170,424.09	
Less: Common Stock Expense.....			835,888.64	
Paid-In Capital.....			83,581,499.00	
Other Comprehensive Income.....			-	
Retained Earnings.....			<u>888,274,232.93</u>	
Total Proprietary Capital.....			<u>1,396,190,267.38</u>	<u>55.80</u>
<b>Long-Term Debt</b>				
<b>Pollution Control Bonds.....</b>				
Jefferson County 2000 Series A due 05/01/27 Var%.....			25,000,000.00	
Trimble County 2000 Series A due 08/01/30 Var%.....			83,335,000.00	
Jefferson County 2001 Series A due 09/01/26 Var%.....			22,500,000.00	
Jefferson County 2001 Series A due 09/01/27 Var%.....			10,104,000.00	
Jefferson County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Trimble County 2001 Series A due 09/01/26 Var%.....			27,500,000.00	
Trimble County 2001 Series A due 10/01/32 Var%.....			41,665,000.00	
Trimble County 2001 Series B due 11/01/27 Var%.....			35,000,000.00	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....			128,000,000.00	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....			40,000,000.00	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....			31,000,000.00	
Louisville Metro 2007 Series B due 06/01/33 1.600%.....			35,200,000.00	
Trimble County 2007 Series A due 06/01/33 4.600%.....			<u>60,000,000.00</u>	
Total Pollution Control Bonds.....			574,304,000.00	<u>22.96</u>
<b>First Mortgage Bonds.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			250,000,000.00	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>285,000,000.00</u>	
Total First Mortgage Bonds.....			535,000,000.00	<u>21.38</u>
<b>Less: First Mortgage Bonds Debt Discount.....</b>				
First Mortgage Bond Due 11/15/15 1.625%.....			(595,687.55)	
First Mortgage Bond Due 11/15/40 5.125%.....			<u>(2,932,840.05)</u>	
			(3,528,527.60)	<u>(0.14)</u>
Total First Mortgage Bonds - Net of Debt Discount.....			<u>531,471,472.40</u>	<u>21.24</u>
Total Capitalization.....			<u>\$ 2,501,965,739.78</u>	<u>100.00</u>

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Utility Plant		
At Original Cost.....	\$ 4,974,883,424.55	\$ 4,974,883,424.55
Reserves for Depreciation and Amortization.....		(2,165,621,133.29)
Depreciation of Plant		
Electric.....	(1,815,326,863.47)	
Gas.....	(244,027,555.84)	
Common.....	(83,010,996.03)	
Amortization of Plant		
Common.....	(23,255,717.95)	
Investments.....		32,306,377.34
Special Funds.....	31,222,671.10	
Ohio Valley Electric Corporation.....	594,286.00	
Nonutility Property.....	489,420.24	
Cash.....	1,760,996.05	1,760,996.05
Temporary Cash Investments.....	23,340,652.93	23,340,652.93
Accounts Receivable - Less Reserve.....		129,522,191.56
Customers - Active.....	64,100,570.96	
Unbilled Revenues.....	59,162,757.72	
IMPA.....	2,083,290.86	
IMEA.....	2,062,414.74	
Miscellaneous Customers - Sundry.....	610,061.08	
Transmission Sales.....	594,686.59	
Damage Claims.....	569,900.06	
Wholesale Sales.....	247,028.22	
Electricity Swaps.....	166,354.87	
Bechtel Liquidated Damages.....	5,700.00	
Sundry Accounts Receivable.....	5,058.85	
Officers and Employees.....	145.01	
Other.....	1,614,057.19	
Reserves for Uncollectible Accounts		
Utility Customers		
Charged Off.....	1,977,802.55	
Reserve.....	(1,174,296.00)	
Accrual.....	(1,306,364.18)	
Recoveries.....	(671,438.37)	
A/R Miscellaneous.....	(359,183.72)	
LEM Reserve.....	(166,354.87)	
Notes Receivable from Associated Companies.....		6,336,000.00
LG&E Energy Corp.....	6,336,000.00	
Accounts Receivable from Associated Companies.....		20,911,591.65
LG&E and KU Services/Kentucky Utilities.....	20,911,591.65	
Fuel.....		81,713,136.72
Coal 1,532,792.86 Tons @ \$52.98; MMBtu 34,658,133.57 @ 234.32¢.....	81,209,753.78	
Fuel Oil 190,407.52 Gallons @ 252.56¢.....	480,887.79	
Gas Pipeline 5,200 Mcf @ \$4.33.....	22,495.15	
Plant Materials and Operating Supplies.....		31,497,096.89
Regular Materials and Supplies.....	30,602,062.00	
Limestone 94,809.82 Tons @ \$9.44.....	895,034.88	
Carbide Lime.....	0.01	
Stores Expense Undistributed.....	5,757,071.63	5,757,071.63
Gas Stored Underground - Current.....		17,134,671.17
Gas Stored Underground* 4,138,312 Mcf (14.73 psia) @ \$4.14.....	17,134,671.17	
Emission Allowances.....	12,781.82	12,781.82

July 26, 2012



**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Prepayments.....		\$ 8,474,255.83
Insurance.....	4,012,295.78	
Taxes.....	2,232,690.38	
Rights of Way.....	213,333.38	
Franchises.....	168,832.06	
Risk Management and Workers Compensation.....	90,000.00	
Other.....	1,757,104.23	
Miscellaneous Current Assets.....		28,664.30
Miscellaneous Current Assets.....	28,664.30	
Unamortized Debt Expense.....		13,435,346.42
Trimble County 2000 Series A due 08/01/30 Var%.....	699,958.38	
Jefferson County 2001 Series A due 09/01/26 Var%.....	140,586.78	
Jefferson County 2001 Series A due 09/01/27 Var%.....	309,286.12	
Jefferson County 2001 Series B due 11/01/27 Var%.....	168,593.84	
Trimble County 2001 Series A due 09/01/26 Var%.....	152,858.06	
Trimble County 2001 Series B due 11/01/27 Var%.....	168,621.50	
Trimble County 2002 Series A due 10/01/32 Var%.....	753,733.65	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	1,129,446.46	
Louisville Metro 2007 Series B due 06/01/33 1.600%.....	379,219.48	
Trimble County 2007 Series A due 06/01/33 4.600%.....	994,261.46	
First Mortgage Bond due 11/15/15 1.625%.....	1,758,678.52	
First Mortgage Bond due 11/15/40 5.125%.....	3,383,037.28	
Revolving Credit Agreement.....	3,392,481.56	
S-3 Shelf Registration.....	4,583.33	
Unamortized Loss on Bonds.....	20,375,002.88	20,375,002.88
Accumulated Deferred Income Taxes.....		20,590,827.55
Federal		
Electric.....	14,924,297.17	
Gas.....	1,363,474.46	
State		
Electric.....	4,002,282.60	
Gas.....	300,773.32	
Regulatory Assets.....		391,327,323.63
Pension and Postretirement Benefits.....	215,281,494.00	
Interest Rate Swap Ineffectiveness.....	62,290,694.99	
2009 Winter Storm.....	35,436,032.93	
2008 Wind Storm.....	19,028,435.67	
Deferred Taxes - ASC 740		
Federal		
Electric.....	12,285,788.86	
State		
Electric.....	2,240,569.39	
Asset Retirement Obligations		
Electric.....	11,200,835.20	
Gas.....	1,595,195.72	
Common.....	13,143.89	
Swap Termination.....	8,807,983.82	
2011 Summer Storm.....	8,052,124.65	
Gas Supply Clause/PBR.....	6,856,536.52	
Fuel Adjustment Clause.....	6,199,000.00	
Rate Case Expenses.....	687,742.63	
KCCS Funding.....	457,312.77	
MISO Exit Fee.....	384,715.50	
EKPC FERC Transmission Costs.....	282,620.56	
General Management Audit.....	121,406.53	
CMRG Funding.....	105,690.00	
Other Deferred Debits.....	1,519,555.11	1,519,555.11
Total Assets.....	<u>\$ 3,615,305,834.74</u>	<u>\$ 3,615,305,834.74</u>

\* Excludes:

	\$	Mcf
Non-recoverable Base Gas	9,648,855.00	7,880,000
Recoverable Base Gas	<u>2,139,990.00</u>	<u>2,930,000</u>
	11,788,845.00	10,810,000

July 26, 2012

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Proprietary Capital.....		\$ 1,396,190,267.38
Common Stock.....	425,170,424.09	
Less: Common Stock Expense.....	835,888.64	
Paid-In Capital.....	83,581,499.00	
Retained Earnings.....	888,274,232.93	
Pollution Control Bonds.....	574,304,000.00	574,304,000.00
First Mortgage Bonds.....	531,471,472.40	531,471,472.40
Accounts Payable.....		96,664,918.41
Regular.....	94,821,941.41	
Salaries and Wages Accrued.....	1,755,221.76	
Employee Withholdings Payable.....	87,755.24	
Accounts Payable to Associated Companies.....		16,094,052.20
LG&E and KU Services/Kentucky Utilities.....	16,094,052.20	
Customers' Deposits.....	22,941,224.37	22,941,224.37
Taxes Accrued.....	28,344,767.32	28,344,767.32
Interest Accrued.....		5,549,087.36
Jefferson County 2000 Series A due 05/01/27 Var%.....	17,402.34	
Trimble County 2000 Series A due 08/01/30 Var%.....	1,851.89	
Jefferson County 2001 Series A due 09/01/26 Var%.....	4,303.28	
Jefferson County 2001 Series A due 09/01/27 Var%.....	364.87	
Jefferson County 2001 Series B due 11/01/27 Var%.....	10,327.87	
Trimble County 2001 Series A due 09/01/26 Var%.....	7,513.66	
Trimble County 2001 Series A due 10/01/32 Var%.....	1,101.96	
Trimble County 2001 Series B due 11/01/27 Var%.....	10,327.87	
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	522,133.33	
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	951,944.44	
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.50	
Louisville Metro 2007 Series B due 06/01/33 1.600%.....	46,933.33	
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	
Interest Rate Swaps.....	671,067.86	
First Mortgage Bond due 11/15/15 1.625%.....	519,097.22	
First Mortgage Bond due 11/15/40 5.125%.....	1,866,354.17	
Customers' Deposits.....	462,680.02	
Interest Accrued on Tax Liabilities.....	79,624.00	
Other.....	746.75	
Miscellaneous Current and Accrued Liabilities.....		22,622,779.87
Vacation Pay Accrued.....	6,659,962.06	
Customer Overpayments.....	6,226,461.55	
Derivative Liability - ASC 815.....	4,977,589.02	
No-Notice Gas Payable.....	2,312,126.22	
Tax Collections Payable.....	1,424,915.46	
Unearned Revenue.....	454,441.56	
Home Energy Assistance.....	412,869.94	
Other.....	154,414.06	

**Louisville Gas and Electric Company**  
**Summary Trial Balance**  
**June 30, 2012**

<u>Account - Subsidiary Account</u>	<u>Balance Subsidiary Account</u>	<u>Balance as Shown on Balance Sheets</u>
Accumulated Deferred Income Taxes.....		\$ 527,001,372.70
Federal		
Electric.....	371,432,181.87	
Gas.....	87,205,959.98	
State		
Electric.....	55,379,442.78	
Gas.....	12,983,788.07	
Investment Tax Credit.....		41,378,705.16
Advanced Coal Credit.....	22,816,465.01	
Job Development Credit		
Electric.....	18,068,843.99	
Gas.....	493,396.16	
Regulatory Liabilities.....		53,918,978.47
Deferred Taxes		
Federal		
Electric.....	26,275,888.01	
Gas.....	913,695.39	
State		
Electric.....	14,647,242.41	
Gas.....	2,377,873.24	
Gas Supply Clause/PBR.....	4,718,222.17	
Asset Retirement Obligations		
Gas.....	2,162,633.13	
Electric.....	221,232.32	
MISO Schedule 10 Charges.....	751,381.84	
DSM Cost Recovery.....	719,797.76	
Environmental Cost Recovery.....	683,640.00	
Purchased Gas Adjustment - Tennessee Gas.....	447,372.20	
Customers' Advances for Construction.....		6,986,694.49
Line Extensions		
Gas.....	5,988,390.26	
Electric.....	998,304.23	
Asset Retirement Obligations.....		59,316,628.51
Electric.....	37,698,447.02	
Gas.....	21,507,081.62	
Common.....	111,099.87	
Other Deferred Credits.....	10,593,268.77	10,593,268.77
Miscellaneous Long-Term Liabilities.....		62,460,773.32
Long-Term Derivative Liabilities - ASC 815.....	57,313,105.97	
Workers' Compensation.....	5,147,667.35	
Accumulated Provision for Benefits.....		159,466,844.01
Postretirement Benefits - ASC 715.....	83,446,108.42	
Pension Payable.....	72,509,775.50	
Post Employment Benefits Payable.....	3,689,805.00	
Post Employment Medicare Subsidy - ASC 712.....	(178,844.91)	
Total Liabilities and Stockholders' Equity.....	<u>\$ 3,615,305,834.74</u>	<u>\$ 3,615,305,834.74</u>

**Louisville Gas and Electric Company**  
**Statement of Cash Flows**  
**June 30, 2012**

	Year to Date	
	2012	2011
<b>Cash Flows from Operating Activities</b>		
Net income.....	\$ 50,344,675.54	\$ 59,089,063.21
Items not requiring (providing) cash currently:		
Depreciation.....	72,456,837.15	70,857,104.22
Amortization.....	4,415,660.02	3,940,747.27
Deferred income taxes - net.....	30,580,769.60	30,890,090.70
Investment tax credit - net.....	(1,340,138.97)	(1,389,537.00)
Gain on disposal of assets.....	(72,590.89)	(63,747.12)
Other.....	12,013,097.22	8,323,406.98
Change in receivables.....	(1,156,013.10)	47,081,713.91
Change in inventory.....	5,965,641.66	40,583,996.65
Change in allowance inventory.....	(10,270.15)	495.43
Change in payables and accrued expenses.....	26,785,505.33	(18,316,502.69)
Change in regulatory assets.....	5,784,953.04	(11,672,877.18)
Change in regulatory liabilities.....	(4,698,617.93)	8,213,127.98
Change in other deferred debits.....	(3,495,230.31)	(16,141,230.82)
Change in other deferred credits.....	6,720,587.81	16,031,013.05
Pension and postretirement funding.....	(24,897,900.00)	(66,680,000.00)
Other.....	(18,382,910.90)	3,513,269.66
Net cash provided (used) by operating activities.....	<u>161,014,055.12</u>	<u>174,260,134.25</u>
<b>Cash Flows from Investing Activities</b>		
Gross additions to utility plant - construction expenditures.....	(108,173,628.04)	(68,990,464.98)
Gross additions to common utility plant - construction expenditures.....	(5,391,402.75)	(2,897,701.36)
Proceeds received from sales of property.....	73,321.33	63,747.12
Change in restricted cash.....	(2,363,663.90)	(3,743,819.21)
Notes Receivable from Associate Companies.....	(6,336,000.00)	-
Reissuance of reacquired bonds as Available for Sale debt securities.....	-	163,200,000.00
Other.....	(6,711,496.28)	(4,686,871.09)
Net cash provided (used) by investing activities.....	<u>(128,902,869.64)</u>	<u>82,944,890.48</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of long-term debt.....	(963,085.02)	(1,037,658.55)
Net change in short-term debt.....	-	(174,876,000.00)
Dividends on common stock.....	(31,000,000.00)	(42,250,000.00)
Net cash provided (used) by financing activities.....	<u>(31,963,085.02)</u>	<u>(218,163,658.55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents.....	148,100.46	39,041,366.18
Cash and Cash Equivalents at Beginning of Period.....	<u>24,953,548.52</u>	<u>2,126,011.84</u>
Cash and Cash Equivalents at End of Period.....	<u>\$ 25,101,648.98</u>	<u>\$ 41,167,378.02</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Interest Charges**  
**June 30, 2012**

	Current Month		Year to Date		Year Ended Current Month	
	This Year	Last Year	This Year	Last Year	This Year	Last Year
<b>Interest on Long-Term Debt</b>						
<b>Loan Agreement - Pollution Control Bonds</b>						
Jefferson County 2000 Series A due 05/01/27 Var%.....	\$ 17,402.35	\$ 111,979.15	\$ 105,870.14	\$ 671,875.01	\$ 683,661.83	\$ 1,343,749.94
Trimble County 2000 Series A due 08/01/30 Var%.....	17,500.35	10,046.48	61,853.10	118,972.23	133,752.71	307,691.27
Jefferson County 2001 Series A due 09/01/26 Var%.....	2,037.64	1,414.56	10,856.21	12,854.40	17,064.56	36,003.75
Jefferson County 2001 Series A due 09/01/27 Var%.....	6,639.36	12,236.32	38,231.56	128,589.04	76,382.95	245,034.26
Jefferson County 2001 Series B due 11/01/27 Var%.....	12,909.84	28,886.03	74,699.44	178,976.19	168,035.05	375,814.24
Trimble County 2001 Series A due 09/01/26 Var%.....	9,204.23	7,232.88	43,038.26	55,188.36	86,382.78	133,695.21
Trimble County 2001 Series A due 10/01/32 Var%.....	8,856.66	8,447.15	39,056.75	73,923.96	77,267.55	181,399.11
Trimble County 2001 Series B due 11/01/27 Var%.....	12,909.84	29,054.80	74,972.68	176,294.23	169,568.58	372,227.06
Louisville Metro 2003 Series A due 10/01/33 1.650%.....	176,000.00	202,666.57	1,136,888.87	1,141,688.78	2,346,133.32	1,141,688.78
Louisville Metro 2005 Series A due 02/01/35 5.750%.....	191,666.66	191,666.66	1,149,999.96	1,149,999.98	2,299,999.96	2,299,999.90
Louisville Metro 2007 Series A due 06/01/33 5.625%.....	145,312.51	145,312.49	871,875.06	871,874.94	1,743,750.00	1,743,749.90
Louisville Metro 2007 Series B due 06/01/33 1.600%.....	46,933.34	55,733.35	323,742.26	313,964.46	658,142.30	313,964.46
Trimble County 2007 Series A due 06/01/33 4.600%.....	230,000.00	230,000.00	1,380,000.00	1,380,000.00	2,760,000.00	2,760,000.00
Interest Rate Swaps.....	671,067.85	655,698.88	3,875,597.18	3,812,093.61	7,836,225.48	7,411,387.38
<b>Loan Agreement - First Mortgage Bonds</b>						
First Mortgage Bond due 11/15/15 1.625%.....	338,541.65	338,541.67	2,031,249.98	2,031,250.00	4,062,499.97	2,539,062.51
First Mortgage Bond due 11/15/40 5.125%.....	1,217,187.51	1,217,187.50	7,303,125.06	7,303,125.00	14,606,250.06	9,128,906.25
Fidelia/PPL.....	-	-	-	-	-	9,999,675.01
Revolving Credit Agreement.....	-	-	-	185,005.01	-	779,683.35
<b>Total.....</b>	<b>3,104,169.79</b>	<b>3,246,104.49</b>	<b>18,521,056.51</b>	<b>19,605,675.20</b>	<b>37,725,117.10</b>	<b>41,113,732.38</b>
<b>Amortization of Debt Expense - Net</b>						
Amortization of Debt/Discount Expense.....	163,645.13	176,601.37	968,008.38	1,047,079.01	2,019,055.82	1,407,315.49
Amortization of Loss on Reacquired Debt.....	102,454.66	101,002.97	614,715.79	606,017.82	1,222,044.75	1,212,035.70
<b>Total.....</b>	<b>266,099.79</b>	<b>277,604.34</b>	<b>1,582,724.17</b>	<b>1,653,096.83</b>	<b>3,241,100.57</b>	<b>2,619,351.19</b>
<b>Other Interest Charges</b>						
Customers' Deposits.....	107,327.93	159,648.67	675,833.72	697,689.78	1,361,778.93	1,378,755.47
Other Tax Deficiencies.....	-	-	65,624.01	-	79,624.01	(24,969.00)
Interest on DSM Cost Recovery.....	-	1,630.87	(10,507.97)	6,195.40	(1,605.85)	15,750.66
Interest on Debt to Associated Companies.....	-	-	1,518.06	8,862.00	2,319.15	124,969.64
Other Interest Expense.....	83,876.30	264,922.58	507,875.04	449,477.12	1,174,486.92	984,520.28
<b>Total.....</b>	<b>191,204.23</b>	<b>426,202.12</b>	<b>1,240,342.86</b>	<b>1,162,224.30</b>	<b>2,616,603.16</b>	<b>2,479,027.05</b>
<b>Total Interest.....</b>	<b>\$ 3,561,473.81</b>	<b>\$ 3,949,910.95</b>	<b>\$ 21,344,123.54</b>	<b>\$ 22,420,996.33</b>	<b>\$ 43,582,820.83</b>	<b>\$ 46,212,110.62</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Taxes Charged and Accrued**  
**June 30, 2012**

<u>Kind of Taxes</u>	<u>Current Month</u>		<u>Year To Date</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Taxes Charged to Accounts 408.1 and 409.1				
Property Taxes.....	\$ 2,564,582.74	\$ 1,450,538.00	\$ 10,294,906.92	\$ 8,700,236.00
Unemployment.....	7,521.42	4,253.00	141,744.46	110,576.37
FICA.....	622,972.05	697,401.05	3,908,149.16	4,038,978.08
Public Service Commission Fee.....	162,886.66	161,096.94	977,319.66	966,581.44
Federal Income.....	(5,027,113.83)	(6,622,269.54)	(568,016.08)	1,206,639.74
State Income.....	455,073.69	840,976.77	2,891,761.19	5,398,308.26
Miscellaneous.....	3,456.63	3,281.57	21,955.27	26,837.45
<b>Total Charged to Operating Expense.....</b>	<b>(1,210,620.64)</b>	<b>(3,464,722.21)</b>	<b>17,667,820.58</b>	<b>20,448,157.34</b>
Taxes Charged to Other Accounts.....	(4,328.66)	982,751.96	(3,491,354.63)	2,051,461.95
Taxes Accrued on Intercompany Accounts.....	(35,069.15)	(318,747.41)	(222,278.52)	(1,730,146.16)
<b>Total Taxes Charged.....</b>	<b>\$ (1,250,018.45)</b>	<b>\$ (2,800,717.66)</b>	<b>\$ 13,954,187.43</b>	<b>\$ 20,769,473.13</b>

**Analysis of Taxes Accrued - Account 236**

<u>Kind of Taxes</u>	<u>Taxes Accrued At Beginning Of Year</u>	<u>Accruals To Date This Year</u>	<u>Payments To Date This Year</u>	<u>Taxes Accrued At End Of Month</u>
Property Taxes.....	\$ 11,998,424.82	\$ 10,382,268.37	\$ 484,592.17	\$ 21,896,101.02
Unemployment.....	53,328.91	103,584.29	152,288.85	4,624.35
FICA.....	526,035.87	3,276,665.26	3,476,869.48	325,831.65
Federal Income.....	-	(4,196,024.49)	(9,464,408.00)	5,268,383.51
State Income.....	-	1,347,929.14	1,020,155.00	327,774.14
Kentucky Sales and Use Tax.....	671,793.23	3,035,237.31	3,204,413.79	502,616.75
Miscellaneous.....	35,266.73	4,527.55	20,358.38	19,435.90
<b>Totals.....</b>	<b>\$ 13,284,849.56</b>	<b>\$ 13,954,187.43</b>	<b>\$ (1,105,730.33)</b>	<b>\$ 28,344,767.32</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**June 30, 2012**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>Net Additions</b>	<b>Ending Balance</b>
<b>101 Utility Plant In Service</b>						
<b>Common</b>						
Common General Plant.....	\$ 157,057,082.39	\$ 5,795,655.75	\$ (630,458.42)	\$ -	\$ 5,165,197.33	\$ 162,222,279.72
Common Intangible Plant.....	60,891,162.83	3,815,596.97	(1,231,546.10)	-	2,584,050.87	63,475,213.70
	<u>217,948,245.22</u>	<u>9,611,252.72</u>	<u>(1,862,004.52)</u>	<u>-</u>	<u>7,749,248.20</u>	<u>225,697,493.42</u>
<b>Electric</b>						
Electric Distribution.....	964,513,175.85	41,758,881.20	(3,937,777.84)	(974,647.01)	36,846,456.35	1,001,359,632.20
Electric General Plant.....	15,943,111.49	321,565.91	(772,528.16)	-	(450,962.25)	15,492,149.24
Electric Hydro Production.....	42,535,934.10	16,456.36	(507.91)	-	15,948.45	42,551,882.55
Electric Intangible Plant.....	2,240.29	-	-	-	-	2,240.29
Electric Other Production.....	234,246,978.99	8,230,606.10	(3,435,868.52)	-	4,794,737.58	239,041,716.57
Electric Steam Production.....	2,114,510,864.74	30,575,394.51	(8,269,392.48)	-	22,306,002.03	2,136,816,866.77
Electric Transmission.....	254,611,190.87	11,413,688.99	(2,023,250.92)	-	9,390,438.07	264,001,628.94
	<u>3,626,363,496.33</u>	<u>92,316,593.07</u>	<u>(18,439,325.83)</u>	<u>(974,647.01)</u>	<u>72,902,620.23</u>	<u>3,699,266,116.56</u>
<b>Gas</b>						
Gas Distribution.....	592,951,320.42	36,114,012.07	(551,559.51)	(134,900.23)	35,427,552.33	628,378,872.75
Gas General Plant.....	8,204,172.47	781,449.45	(348,820.62)	-	432,628.83	8,636,801.30
Gas Intangible Plant.....	387.49	-	-	-	-	387.49
Gas Storage.....	80,580,078.39	2,278,463.52	(278,055.88)	-	2,000,407.64	82,580,486.03
Gas Transmission.....	21,541,957.36	882,947.47	(2,007.86)	134,900.23	1,015,839.84	22,557,797.20
	<u>703,277,916.13</u>	<u>40,056,872.51</u>	<u>(1,180,443.87)</u>	<u>-</u>	<u>38,876,428.64</u>	<u>742,154,344.77</u>
<b>Total 101 Accounts</b> .....	<u>4,547,589,657.68</u>	<u>141,984,718.30</u>	<u>(21,481,774.22)</u>	<u>(974,647.01)</u>	<u>119,528,297.07</u>	<u>4,667,117,954.75</u>
<b>105 Plant Held For Future Use</b>						
<b>Electric - 105001</b>						
Electric Distribution.....	649,014.48	-	-	(21,926.88)	(21,926.88)	627,087.60
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>(21,926.88)</u>	<u>(21,926.88)</u>	<u>627,087.60</u>
	<u>\$ 649,014.48</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,926.88)</u>	<u>\$ (21,926.88)</u>	<u>\$ 627,087.60</u>
<b>Electric - 105002</b>						
Electric Distribution.....	-	-	-	519,009.11	519,009.11	519,009.11
Electric Steam Production.....	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>519,009.11</u>	<u>519,009.11</u>	<u>519,009.11</u>
<b>Electric</b>						
Electric Distribution.....	649,014.48	-	-	497,082.23	497,082.23	1,146,096.71
Electric Steam Production.....	-	-	-	-	-	-
	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>497,082.23</u>	<u>497,082.23</u>	<u>1,146,096.71</u>
<b>Total 105 Accounts</b> .....	<u>649,014.48</u>	<u>-</u>	<u>-</u>	<u>497,082.23</u>	<u>497,082.23</u>	<u>1,146,096.71</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Summary of Utility Plant**  
**June 30, 2012**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Net Additions</u>	<u>Ending Balance</u>
<b>106 Completed Construction Not Classified</b>						
<b>Common</b>						
Common General Plant.....	\$ 2,574,936.01	\$ (1,795,520.84)	\$ -	\$ -	\$ (1,795,520.84)	\$ 779,415.17
Common Intangible Plant.....	2,240,884.26	1,680,203.93	-	-	1,680,203.93	3,921,088.19
	<u>4,815,820.27</u>	<u>(115,316.91)</u>	<u>-</u>	<u>-</u>	<u>(115,316.91)</u>	<u>4,700,503.36</u>
<b>Electric</b>						
Electric Distribution.....	23,212,235.54	1,609,173.50	-	-	1,609,173.50	24,821,409.04
Electric General Plant.....	6,763.22	-	-	-	-	6,763.22
Electric Hydro Production.....	16,456.36	(16,456.36)	-	-	(16,456.36)	-
Electric Intangible Plant.....	-	-	-	-	-	-
Electric Other Production.....	3,535,959.74	(3,381,819.71)	-	-	(3,381,819.71)	154,140.03
Electric Steam Production.....	41,241,674.58	(1,673,253.36)	-	-	(1,673,253.36)	39,568,421.22
Electric Transmission.....	37,708,783.02	1,318,812.98	-	-	1,318,812.98	39,027,596.00
	<u>105,721,872.46</u>	<u>(2,143,542.95)</u>	<u>-</u>	<u>-</u>	<u>(2,143,542.95)</u>	<u>103,578,329.51</u>
<b>Gas</b>						
Gas Distribution.....	18,865,984.48	(11,284,855.24)	-	-	(11,284,855.24)	7,581,129.24
Gas General Plant.....	263,073.78	(141,218.22)	-	-	(141,218.22)	121,855.56
Gas Intangible Plant.....	-	-	-	-	-	-
Gas Storage.....	514,613.00	5,431,812.20	-	-	5,431,812.20	5,946,425.20
Gas Transmission.....	1,459,528.03	(924,015.72)	-	-	(924,015.72)	535,512.31
	<u>21,103,199.29</u>	<u>(6,918,276.98)</u>	<u>-</u>	<u>-</u>	<u>(6,918,276.98)</u>	<u>14,184,922.31</u>
<b>Total 106 Accounts</b>	<u>131,640,892.02</u>	<u>(9,177,136.84)</u>	<u>-</u>	<u>-</u>	<u>(9,177,136.84)</u>	<u>122,463,755.18</u>
<b>117 Gas Stored Underground-Noncurrent</b>						
<b>Gas</b>						
Gas Stored Nonrecoverable.....	2,139,990.00	-	-	-	-	2,139,990.00
	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>Total 117001</b>	<u>2,139,990.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,139,990.00</u>
<b>121 Nonutility Property</b>						
<b>Common</b>						
Non Utility Property.....	75,239.56	-	-	477,541.04	477,541.04	552,780.60
	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>477,541.04</u>	<u>477,541.04</u>	<u>552,780.60</u>
<b>Total 121001</b>	<u>75,239.56</u>	<u>-</u>	<u>-</u>	<u>477,541.04</u>	<u>477,541.04</u>	<u>552,780.60</u>
<b>107 Construction Work In Progress</b>						
Common.....	15,083,939.33	(4,104,533.06)	-	-	(4,104,533.06)	10,979,406.27
Electric.....	152,710,828.07	(20,333,175.36)	-	-	(20,333,175.36)	132,377,652.71
Gas.....	47,481,609.94	(8,823,041.01)	-	-	(8,823,041.01)	38,658,568.93
	<u>215,276,377.34</u>	<u>(33,260,749.43)</u>	<u>-</u>	<u>-</u>	<u>(33,260,749.43)</u>	<u>182,015,627.91</u>
<b>Total Plant (Non-CWIP)</b>	<u>4,682,094,793.74</u>	<u>132,807,581.46</u>	<u>(21,481,774.22)</u>	<u>(23.74)</u>	<u>111,325,783.50</u>	<u>4,793,420,577.24</u>
<b>Total Plant + CWIP</b>	<u>4,897,371,171.08</u>	<u>99,546,832.03</u>	<u>(21,481,774.22)</u>	<u>(23.74)</u>	<u>78,065,034.07</u>	<u>4,975,436,205.15</u>
<b>Total Plant + CWIP - Non Utility</b>	<u>\$ 4,897,295,931.52</u>	<u>\$ 99,546,832.03</u>	<u>\$ (21,481,774.22)</u>	<u>\$ (477,564.78)</u>	<u>\$ 77,587,493.03</u>	<u>\$ 4,974,883,424.55</u>



**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Life Reserve</b>										
Common General Plant.....	\$ (77,087,119.39)	\$ (6,141,803.13)	\$ 630,458.42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (82,598,464.10)
Common General Plant - ARO.....	(2,403.59)	(1,030.20)	-	-	-	-	-	-	-	(3,433.79)
Electric Distribution.....	(287,667,187.72)	(9,149,729.89)	3,937,777.84	-	-	-	-	-	-	(292,879,139.77)
Electric Distribution - ARO.....	(7,290.40)	(5,699.57)	-	(223.56)	-	-	-	-	-	(13,213.53)
Electric General Plant.....	(11,305,192.13)	(280,515.40)	772,528.16	(730.44)	-	-	-	-	-	(10,813,909.81)
Electric Hydro Production.....	(10,051,997.22)	(282,938.09)	507.91	-	-	-	-	-	-	(10,334,427.40)
Electric Hydro Production - ARO.....	(2,112.62)	(874.26)	-	-	-	-	-	-	-	(2,986.88)
Electric Other Production.....	(67,466,740.67)	(4,198,053.59)	3,435,868.52	-	-	-	-	-	-	(68,228,925.74)
Electric Other Production - ARO.....	(1,302.82)	(579.36)	-	-	-	-	-	-	-	(1,882.18)
Electric Steam Production.....	(1,060,614,162.86)	(28,851,018.21)	8,269,392.48	-	-	-	-	-	-	(1,081,195,788.59)
Electric Steam Production - ARO.....	(1,402,047.92)	(896,471.99)	-	-	-	-	-	-	-	(2,298,519.91)
Electric Transmission.....	(121,989,304.84)	(2,292,047.82)	2,023,250.92	-	-	-	-	-	-	(122,258,101.74)
Electric Transmission - ARO.....	(903.28)	(4,077.66)	-	-	-	-	-	-	-	(4,980.94)
Gas Distribution.....	(131,835,425.42)	(6,145,725.33)	330,643.41	1,037.44	-	-	-	-	-	(137,649,469.90)
Gas Distribution - ARO.....	(346,237.51)	(360,359.14)	220,916.10	-	-	-	-	-	-	(485,680.55)
Gas General Plant.....	(5,044,235.87)	(193,097.72)	348,820.62	-	-	-	-	-	-	(4,888,512.97)
Gas Storage.....	(31,071,784.79)	(620,905.14)	278,055.88	-	-	-	-	-	-	(31,414,634.05)
Gas Storage - ARO.....	(257,551.24)	(110,090.64)	-	-	-	-	-	-	-	(367,641.88)
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(9,486,356.38)	(30,519.59)	2,007.86	(1,037.44)	-	-	-	-	-	(9,515,905.55)
Gas Transmission - ARO.....	(35,270.86)	(52,906.29)	-	-	-	-	-	-	-	(88,177.15)
Non Utility Property.....	(63,360.36)	-	-	-	-	-	-	-	-	(63,360.36)
	<u>(1,815,737,987.89)</u>	<u>(59,618,443.02)</u>	<u>20,250,228.12</u>	<u>(954.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,855,107,156.79)</u>
<b>Cost Of Removal</b>										
Common General Plant.....	(637,762.44)	(144,689.99)	-	-	-	-	16,557.84	-	-	(765,894.59)
Electric Distribution.....	(148,949,763.17)	(3,639,880.80)	-	-	-	-	4,892,486.80	-	-	(147,697,157.17)
Electric General Plant.....	3,866.64	-	-	-	-	-	-	-	-	3,866.64
Electric Hydro Production.....	732,455.11	(21,476.16)	-	-	-	-	1,017.40	-	-	711,996.35
Electric Other Production.....	(2,535,958.71)	(179,944.25)	-	-	-	-	260,788.67	-	-	(2,455,114.29)
Electric Steam Production.....	(108,291,391.50)	(8,641,607.16)	-	-	-	-	2,025,638.87	-	-	(114,907,359.79)
Electric Transmission.....	(25,759,724.87)	(733,185.60)	-	-	-	-	544,863.81	-	-	(25,948,046.66)
Gas Distribution.....	(62,001,399.83)	(1,734,079.74)	-	300.39	-	-	1,025,485.86	-	-	(62,709,693.32)
Gas General Plant.....	(0.02)	-	-	-	-	-	-	-	-	(0.02)
Gas Storage.....	262,470.54	(79,949.42)	-	-	-	-	28,815.98	-	-	211,337.10
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	(2,984,857.77)	(7,555.42)	-	(300.39)	-	-	33,682.54	-	-	(2,959,031.04)
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>\$ (350,162,066.02)</u>	<u>\$ (15,182,368.54)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,829,337.77</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (356,515,096.79)</u>

**Louisville Gas and Electric Company**  
**Summary of Utility Plant - Reserve for Depreciation of Utility Plant**  
**June 30, 2012**

	<b>Beginning Balance</b>	<b>Accruals</b>	<b>Retirements</b>	<b>Transfers/ Adjustments</b>	<b>ARO Settlements</b>	<b>RWIP Transfers Out</b>	<b>Cost of Removal</b>	<b>Salvage</b>	<b>Other Credits</b>	<b>Ending Balance</b>
<b>Salvage</b>										
Common General Plant.....	\$ 278,457.83	\$ 191.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000.00)	\$ -	\$ 275,649.47
Electric Distribution.....	18,531,222.48	741,558.98	-	-	-	-	-	(102,184.96)	-	19,170,596.50
Electric General Plant.....	140,589.22	1,228.50	-	-	-	-	-	-	-	141,817.72
Electric Hydro Production.....	376,638.17	-	-	-	-	-	-	-	-	376,638.17
Electric Other Production.....	(18,998.67)	-	-	-	-	-	-	-	-	(18,998.67)
Electric Steam Production.....	24,020,678.65	1,029,982.05	-	-	-	-	-	(211,226.16)	-	24,839,434.54
Electric Transmission.....	6,511,015.77	135,796.29	-	-	-	-	-	(357,106.44)	-	6,289,705.62
Gas Distribution.....	3,791,455.11	104,072.27	-	-	-	-	-	(1,902.01)	-	3,893,625.37
Gas General Plant.....	228,159.61	1,461.77	-	-	-	-	-	-	-	229,621.38
Gas Storage.....	287,152.21	9,030.39	-	-	-	-	-	-	-	296,182.60
Gas Stored Nonrecoverable.....	-	-	-	-	-	-	-	-	-	-
Gas Transmission.....	223,309.53	2,833.29	-	-	-	-	-	-	-	226,142.82
Non Utility Property.....	-	-	-	-	-	-	-	-	-	-
	<u>54,369,679.91</u>	<u>2,026,155.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675,419.57)</u>	<u>-</u>	<u>55,720,415.52</u>
<b>Total Reserves</b>										
Common.....	(77,512,187.95)	(6,287,331.68)	630,458.42	-	-	-	16,557.84	(3,000.00)	-	(83,155,503.37)
Electric.....	(1,795,747,613.36)	(57,269,533.99)	18,439,325.83	(954.00)	-	-	7,724,795.55	(670,517.56)	-	(1,827,524,497.53)
Gas.....	(238,270,572.69)	(9,217,790.71)	1,180,443.87	-	-	-	1,087,984.38	(1,902.01)	-	(245,221,837.16)
	<u>(2,111,530,374.00)</u>	<u>(72,774,656.38)</u>	<u>20,250,228.12</u>	<u>(954.00)</u>	<u>-</u>	<u>-</u>	<u>8,829,337.77</u>	<u>(675,419.57)</u>	<u>-</u>	<u>(2,155,901,838.06)</u>
<b>Retirement Work In Progress</b>										
Common.....	149,762.35	-	-	(27,338.76)	-	(13,557.84)	(17,221.82)	(10,496.95)	-	81,146.98
Electric.....	11,924,715.03	-	-	88,113.42	-	(7,054,277.99)	8,238,392.74	(896,805.95)	(102,503.19)	12,197,634.06
Gas.....	1,590,687.78	-	-	14,614.57	(750,064.05)	(336,018.32)	677,638.51	(2,577.17)	-	1,194,281.32
	<u>13,665,165.16</u>	<u>-</u>	<u>-</u>	<u>75,389.23</u>	<u>(750,064.05)</u>	<u>(7,403,854.15)</u>	<u>8,898,809.43</u>	<u>(909,880.07)</u>	<u>(102,503.19)</u>	<u>13,473,062.36</u>
<b>YTD ACTIVITY</b>	<u>(2,097,865,208.84)</u>	<u>(72,774,656.38)</u>	<u>20,250,228.12</u>	<u>74,435.23</u>	<u>(750,064.05)</u>	<u>(7,403,854.15)</u>	<u>17,728,147.20</u>	<u>(1,585,299.64)</u>	<u>(102,503.19)</u>	<u>(2,142,428,775.70)</u>
<b>Amortization</b>										
Common.....	(20,071,604.03)	(4,415,660.02)	1,231,546.10	-	-	-	-	-	-	(23,255,717.95)
Electric.....	-	-	-	-	-	-	-	-	-	-
Gas.....	-	-	-	-	-	-	-	-	-	-
<b>AMORTIZATION TOTAL</b>	<u>(20,071,604.03)</u>	<u>(4,415,660.02)</u>	<u>1,231,546.10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,255,717.95)</u>
<b>Depreciation &amp; Amortization Total</b>	<u>\$ (2,117,936,812.87)</u>	<u>\$ (77,190,316.40)</u>	<u>\$ 21,481,774.22</u>	<u>\$ 74,435.23</u>	<u>\$ (750,064.05)</u>	<u>\$ (7,403,854.15)</u>	<u>\$ 17,728,147.20</u>	<u>\$ (1,585,299.64)</u>	<u>\$ (102,503.19)</u>	<u>\$ (2,165,684,493.65)</u>
<b>Depr &amp; Amort - Nonutility for Balance Sheet</b>										<u>(2,165,621,133.29)</u>
<b>Utility Plant at Original Cost Less Reserve for Depreciation &amp; Amortization (Excl nonutility)</b>	<u>\$ 2,779,422,479.01</u>									<u>\$ 2,809,262,291.26</u>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**June 30, 2012**

	Current Month		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 97,444,872.31	\$ -	\$ 97,444,872.31
Gas Operating Revenues.....	10,014,200.24	-	10,014,200.24
<b>Total Operating Revenues.....</b>	<b>107,459,072.55</b>	<b>-</b>	<b>107,459,072.55</b>
Fuel for Electric Generation.....	31,386,111.60	-	31,386,111.60
Power Purchased.....	4,645,327.79	-	4,645,327.79
Gas Supply Expenses.....	2,161,653.53	-	2,161,653.53
Other Operation Expenses.....	20,681,610.95	-	20,681,610.95
Maintenance.....	8,689,584.35	-	8,689,584.35
Depreciation.....	12,365,304.92	-	12,365,304.92
Amortization Expense.....	752,051.43	-	752,051.43
Regulatory Credits.....	(661,320.06)	-	(661,320.06)
Taxes			
Federal Income.....	(5,027,113.83)	-	(5,027,113.83)
State Income.....	455,073.69	-	455,073.69
Deferred Federal Income - Net.....	11,878,691.15	8,230.80	11,886,921.95
Deferred State Income - Net.....	472,879.45	1,501.06	474,380.51
Property and Other.....	3,361,419.50	-	3,361,419.50
Amortization of Investment Tax Credit.....	(223,357.50)	-	(223,357.50)
Loss (Gain) from Disposition of Allowances.....	-	-	-
Accretion Expense.....	245,982.52	-	245,982.52
<b>Total Operating Expenses.....</b>	<b>91,183,899.49</b>	<b>9,731.86</b>	<b>91,193,631.35</b>
Net Operating Income.....	16,275,173.06	(9,731.86)	16,265,441.20
Other Income Less Deductions.....	15,205.46	-	15,205.46
<b>Income Before Interest Charges.....</b>	<b>16,290,378.52</b>	<b>(9,731.86)</b>	<b>16,280,646.66</b>
Interest on Long-Term Debt.....	3,104,169.79	(25,017.63)	3,079,152.16
Amortization of Debt Expense - Net.....	266,099.79	-	266,099.79
Other Interest Expenses.....	191,204.23	-	191,204.23
<b>Total Interest Charges.....</b>	<b>3,561,473.81</b>	<b>(25,017.63)</b>	<b>3,536,456.18</b>
<b>Net Income.....</b>	<b>\$ 12,728,904.71</b>	<b>\$ 15,285.77</b>	<b>\$ 12,744,190.48</b>

**Louisville Gas and Electric Company**  
**Statement of Income with Purchase Accounting**  
**June 30, 2012**

	Year to Date		
	Without Purchase Accounting	Purchase Accounting	Total
Electric Operating Revenues.....	\$ 516,011,601.70	\$ -	\$ 516,011,601.70
Gas Operating Revenues.....	143,308,958.40	-	143,308,958.40
<b>Total Operating Revenues.....</b>	<b>659,320,560.10</b>	<b>-</b>	<b>659,320,560.10</b>
Fuel for Electric Generation.....	186,573,205.87	-	186,573,205.87
Power Purchased.....	27,143,725.43	-	27,143,725.43
Gas Supply Expenses.....	69,227,105.26	-	69,227,105.26
Other Operation Expenses.....	117,414,894.30	-	117,414,894.30
Maintenance.....	65,873,813.35	-	65,873,813.35
Depreciation.....	72,456,837.15	-	72,456,837.15
Amortization Expense.....	4,415,660.02	-	4,415,660.02
Regulatory Credits.....	(2,892,455.16)	-	(2,892,455.16)
Taxes			
Federal Income.....	(568,016.08)	-	(568,016.08)
State Income.....	2,891,761.19	-	2,891,761.19
Deferred Federal Income - Net.....	27,464,825.34	49,384.82	27,514,210.16
Deferred State Income - Net.....	1,402,675.47	9,006.35	1,411,681.82
Property and Other.....	15,344,075.47	-	15,344,075.47
Amortization of Investment Tax Credit.....	(1,340,138.97)	-	(1,340,138.97)
Loss (Gain) from Disposition of Allowances.....	(693.97)	-	(693.97)
Accretion Expense.....	1,460,366.05	-	1,460,366.05
<b>Total Operating Expenses.....</b>	<b>586,867,640.72</b>	<b>58,391.17</b>	<b>586,926,031.89</b>
Net Operating Income.....	72,452,919.38	(58,391.17)	72,394,528.21
Other Income Less Deductions.....	(764,120.30)	-	(764,120.30)
<b>Income Before Interest Charges.....</b>	<b>71,688,799.08</b>	<b>(58,391.17)</b>	<b>71,630,407.91</b>
Interest on Long-Term Debt.....	18,521,056.51	(150,105.78)	18,370,950.73
Amortization of Debt Expense - Net.....	1,582,724.17	-	1,582,724.17
Other Interest Expenses.....	1,240,342.86	-	1,240,342.86
<b>Total Interest Charges.....</b>	<b>21,344,123.54</b>	<b>(150,105.78)</b>	<b>21,194,017.76</b>
<b>Net Income.....</b>	<b>\$ 50,344,675.54</b>	<b>\$ 91,714.61</b>	<b>\$ 50,436,390.15</b>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2012**

	<u>Current Month without Purchase Accounting</u>		<u>Current Month Purchase Accounting</u>		<u>Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 875,545,328.22	\$ 831,803,763.59	\$ (808,656,461.89)	\$ (808,839,891.12)	\$ 66,888,866.33	\$ 22,963,872.47
Add:						
Net Income (Loss) for Period.....	12,728,904.71	13,028,551.58	15,285.77	15,285.74	12,744,190.48	13,043,837.32
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	-	-	-	-	-	-
Balance at End of Period.....	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>	<u>\$ (808,641,176.12)</u>	<u>\$ (808,824,605.38)</u>	<u>\$ 79,633,056.81</u>	<u>\$ 36,007,709.79</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2012**

	<u>Year to Date without Purchase Accounting</u>		<u>Year to Date Purchase Accounting</u>		<u>Year to Date Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 868,929,557.39	\$ 827,993,251.96	\$ (808,732,890.73)	\$ (808,899,282.44)	\$ 60,196,666.66	\$ 19,093,969.52
Add:						
Net Income (Loss) for Period.....	50,344,675.54	59,089,063.21	91,714.61	74,677.06	50,436,390.15	59,163,740.27
Deduct:						
Adjustment to Retained Earnings.....	-	-	-	-	-	-
Common Dividends						
Common Stock Without Par Value.....	<u>31,000,000.00</u>	<u>42,250,000.00</u>	<u>-</u>	<u>-</u>	<u>31,000,000.00</u>	<u>42,250,000.00</u>
Balance at End of Period.....	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>	<u>\$ (808,641,176.12)</u>	<u>\$ (808,824,605.38)</u>	<u>\$ 79,633,056.81</u>	<u>\$ 36,007,709.79</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Analysis of Retained Earnings with Purchase Accounting**  
**June 30, 2012**

	<u>Year Ended Current Month without Purchase Accounting</u>		<u>Year Ended Current Month to Date Purchase Accounting</u>		<u>Year Ended Current Month Combined</u>	
	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>	<u>This Year</u>	<u>Last Year</u>
Balance at Beginning of Period.....	\$ 844,832,315.17	\$ 771,804,572.18	\$ (808,824,605.38)	\$ -	\$ 36,007,709.79	\$ 771,804,572.18
Add:						
Net Income (Loss) for Period.....	115,441,917.76	140,277,742.99	183,429.26	122,286.14	115,625,347.02	140,400,029.13
Deduct:						
Adjustment to Retained Earnings.....	-	-		808,946,891.52	-	808,946,891.52
Common Dividends						
Common Stock Without Par Value.....	72,000,000.00	67,250,000.00	-	-	72,000,000.00	67,250,000.00
Balance at End of Period.....	<u>\$ 888,274,232.93</u>	<u>\$ 844,832,315.17</u>	<u>\$ (808,641,176.12)</u>	<u>\$ (808,824,605.38)</u>	<u>\$ 79,633,056.81</u>	<u>\$ 36,007,709.79</u>

July 26, 2012

**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of June 30, 2012**

Assets	Without Purchase Accounting	Purchase Accounting	Total
<b>Utility Plant</b>			
Utility Plant at Original Cost.....	\$ 4,974,883,424.55	\$ -	\$ 4,974,883,424.55
Less: Reserves for Depreciation and Amortization....	2,165,621,133.29	-	2,165,621,133.29
<b>Total.....</b>	<b>2,809,262,291.26</b>	<b>-</b>	<b>2,809,262,291.26</b>
<b>Investments</b>			
Ohio Valley Electric Corporation.....	594,286.00	-	594,286.00
Nonutility Property - Less Reserve.....	489,420.24	-	489,420.24
Special Funds.....	31,222,671.10	-	31,222,671.10
<b>Total.....</b>	<b>32,306,377.34</b>	<b>-</b>	<b>32,306,377.34</b>
<b>Current and Accrued Assets</b>			
Cash.....	1,760,996.05	-	1,760,996.05
Special Deposits.....	-	-	-
Temporary Cash Investments.....	23,340,652.93	-	23,340,652.93
Accounts Receivable - Less Reserve.....	129,522,191.56	-	129,522,191.56
Accounts Receivable from Associated Companies....	20,911,591.65	-	20,911,591.65
<b>Materials and Supplies - At Average Cost</b>			
Fuel.....	81,713,136.72	-	81,713,136.72
Plant Materials and Operating Supplies.....	31,497,096.89	-	31,497,096.89
Stores Expense.....	5,757,071.63	-	5,757,071.63
Gas Stored Underground.....	17,134,671.17	-	17,134,671.17
Emission Allowances.....	12,781.82	-	12,781.82
Prepayments.....	8,474,255.83	-	8,474,255.83
Miscellaneous Current and Accrued Assets.....	28,664.30	-	28,664.30
<b>Total.....</b>	<b>320,153,110.55</b>	<b>-</b>	<b>320,153,110.55</b>
<b>Deferred Debits and Other</b>			
Unamortized Debt Expense.....	13,435,346.42	(3,387,899.79)	10,047,446.63
Unamortized Loss on Bonds.....	20,375,002.88	-	20,375,002.88
Accumulated Deferred Income Taxes.....	20,590,827.55	61,951,633.35	82,542,460.90
Deferred Regulatory Assets.....	391,327,323.63	7,205,731.18	398,533,054.81
Other Deferred Debits.....	1,519,555.11	149,364,501.76	150,884,056.87
Goodwill.....	-	389,157,351.59	389,157,351.59
<b>Total.....</b>	<b>447,248,055.59</b>	<b>604,291,318.09</b>	<b>1,051,539,373.68</b>
<b>Total Assets.....</b>	<b>\$ 3,608,969,834.74</b>	<b>\$ 604,291,318.09</b>	<b>\$ 4,213,261,152.83</b>

July 26, 2012



**Louisville Gas and Electric Company**  
**Balance Sheet with Purchase Accounting Adjustments**  
**As of June 30, 2012**

Liabilities and Proprietary Capital	Without Purchase Accounting	Purchase Accounting	Total
<b>Proprietary Capital</b>			
Common Stock.....	\$ 425,170,424.09	\$ -	\$ 425,170,424.09
Less: Common Stock Expense.....	835,888.64	-	835,888.64
Paid-In Capital.....	83,581,499.00	1,194,085,869.02	1,277,667,368.02
Other Comprehensive Income.....	-	-	-
Retained Earnings.....	888,274,232.93	(808,641,176.12)	79,633,056.81
<b>Total Proprietary Capital.....</b>	<b>1,396,190,267.38</b>	<b>385,444,692.90</b>	<b>1,781,634,960.28</b>
Pollution Control Bonds - Net of Reacquired Bonds....	574,304,000.00	6,076,364.40	580,380,364.40
First Mortgage Bonds.....	531,471,472.40	-	531,471,472.40
LT Notes Payable to Associated Companies.....	-	-	-
<b>Total Long-Term Debt.....</b>	<b>1,105,775,472.40</b>	<b>6,076,364.40</b>	<b>1,111,851,836.80</b>
<b>Total Capitalization.....</b>	<b>2,501,965,739.78</b>	<b>391,521,057.30</b>	<b>2,893,486,797.08</b>
<b>Current and Accrued Liabilities</b>			
ST Notes Payable to Associated Companies.....	-	-	-
Accounts Payable.....	96,664,918.41	-	96,664,918.41
Accounts Payable to Associated Companies.....	16,094,052.20	-	16,094,052.20
Customer Deposits.....	22,941,224.37	-	22,941,224.37
Taxes Accrued.....	28,344,767.32	-	28,344,767.32
Dividends Declared.....	-	-	-
Interest Accrued.....	5,549,087.36	-	5,549,087.36
Miscellaneous Current and Accrued Liabilities.....	22,622,779.87	-	22,622,779.87
<b>Total.....</b>	<b>192,216,829.53</b>	<b>-</b>	<b>192,216,829.53</b>
<b>Deferred Credits and Other</b>			
Accumulated Deferred Income Taxes.....	527,001,372.70	59,587,927.64	586,589,300.34
Investment Tax Credit.....	41,378,705.16	-	41,378,705.16
Regulatory Liabilities.....	53,918,978.47	149,364,501.76	203,283,480.23
Customer Advances for Construction.....	6,986,694.49	-	6,986,694.49
Asset Retirement Obligations.....	59,316,628.51	-	59,316,628.51
Other Deferred Credits.....	10,593,268.77	3,817,831.39	14,411,100.16
Miscellaneous Long-Term Liabilities.....	62,460,773.32	-	62,460,773.32
Misc Long-Term Liab Due to Assoc Cos.....	-	-	-
Accum Provision for Postretirement Benefits.....	159,466,844.01	-	159,466,844.01
<b>Total.....</b>	<b>921,123,265.43</b>	<b>212,770,260.79</b>	<b>1,133,893,526.22</b>
<b>Total Liabilities and Stockholders' Equity.....</b>	<b>\$ 3,615,305,834.74</b>	<b>\$ 604,291,318.09</b>	<b>\$ 4,219,597,152.83</b>