

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

In the Matter of:

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

TESTIMONY OF
VICTOR A. STAFFIERI
CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT
LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Victor A. Staffieri. I am the Chairman, Chief Executive Officer and
3 President of Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities
4 Company (“KU”) (collectively, the “Companies”), and an employee of LG&E and
5 KU Services Company. My business address is 220 West Main Street, Louisville,
6 Kentucky 40202.

7 **Q. Please describe your educational and professional background.**

8 A. I joined LG&E Energy in March 1992 as Senior Vice President, General Counsel,
9 and Corporate Secretary. Since then, I have served in a number of positions at LG&E
10 and KU. I assumed my current position on May 1, 2001. Descriptions of my
11 employment history, educational background, professional appearances and civic
12 involvement are contained in the Appendix attached hereto.

13 **Q. Have you previously testified before this Commission?**

14 A. Yes. I testified before this Commission in the Companies’ last three base rate cases.¹
15 I have also testified in various other cases, including four proceedings regarding
16 changes in the ownership of LG&E and KU.²

¹ Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Base Rates* and in Case No. 2009-00548, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2008-00252, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Base Rates* and in Case No. 2008-00251, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2003-00433, *In the Matter of: An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company* and in Case No. 2003-00434, *In the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company*.

² Case No. 2010-00204, *In the Matter of: The Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities’* Case No. 2001-104, *In the Matter of: Joint Application of E.ON AG, Powergen plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company For Approval of an Acquisition*; Case No. 2000-095, *In the Matter of: Joint Application of Powergen plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company For Approval of a Merger*; Case No. 97-300, *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Merger*.

1 **Q. What is the purpose of your testimony?**

2 A. My testimony will provide an overview of LG&E's and KU's applications in these
3 proceedings and why it is important that the increases the Companies have proposed
4 be approved. In so doing, I will briefly review the causes for the increased capital
5 expenditures and operation and maintenance expenses incurred by LG&E and KU to
6 provide adequate, efficient and reliable service at reasonable rates. Additionally, I
7 will describe LG&E's and KU's ongoing commitment to the communities we serve,
8 especially through our assistance to low-income customers.

9 **Q. Please identify the other witnesses offering direct testimony on behalf of the**
10 **Companies in these cases and generally describe the subject matter of each**
11 **testimony.**

12 A. LG&E and KU are offering direct testimony from the following witnesses:

- 13 • Paul W. Thompson, Senior Vice President, Energy Services – Mr. Thompson
14 will describe the performance of the generation and transmission facilities of
15 the Companies and Energy Services' capital investments in generation and
16 transmission facilities, and the increase in operation and maintenance
17 expenses since the test period in the last rate cases.
- 18 • Chris Hermann, Senior Vice President, Energy Delivery – Mr. Hermann will
19 explain how the Companies are continuing to distribute safe and reliable
20 service by providing an overview of LG&E's and KU's pipeline integrity
21 efforts, including the Gas Line Program LG&E is proposing. Mr. Hermann
22 will also provide an overview of the initiatives LG&E and KU have

1 implemented to improve customer service, including responsiveness to
2 customer inquiries;

3 • Kent W. Blake, Chief Financial Officer – Mr. Blake will describe why the
4 financial condition of the Companies requires the requested increase in rates,
5 describe why the Companies are at a great risk of not earning the return on
6 common equity awarded in this proceeding between rate cases, present the
7 financial exhibits to LG&E’s and KU’s applications, discuss the Companies’
8 accounting records, describe the calculation of LG&E’s and KU’s adjusted net
9 operating income for the twelve-month period ended March 31, 2012, support
10 the different valuations of the Companies’ property, and support certain
11 reference schedules supporting the Companies’ applications;

12 • Valerie L. Scott, Controller – Ms. Scott will support certain pro forma
13 adjustments to the Companies’ operating income for the twelve months ended
14 March 31, 2012, demonstrate that those adjustments are known and
15 measurable and, therefore, reasonable, and support certain reference schedules
16 supporting the Companies’ applications;

17 • Shannon L. Charnas, Director of Accounting and Regulatory Reporting – Ms.
18 Charnas will explain why the Companies requested and, upon review,
19 accepted the depreciation study performed by John J. Spanos of Gannett
20 Fleming, Inc., support certain pro forma adjustments to the Companies’
21 operating income and rate base for the twelve months ended March 31, 2012,
22 demonstrate that those adjustments are known and measurable and, therefore,

1 reasonable, and support certain reference schedules supporting the
2 Companies' applications;

3 • John J. Spanos, Gannett Fleming, Inc. – Mr. Spanos will review his
4 assessment of LG&E's and KU's current depreciation rates and will present
5 his depreciation study;

6 • Daniel K. Arbough, Director, Corporate Finance and Treasurer – Mr. Arbough
7 will discuss LG&E's and KU's current and target capital structures, as well as
8 explain debt financing issues;

9 • William E. Avera, President, FINCAP, Inc. – Dr. Avera will present the
10 results of his analysis, which demonstrates that the return on equity for the
11 proxy groups of utilities and non-utility companies is from 10.30% to 11.70%.
12 Additionally, Dr. Avera will present his recommendation that the Commission
13 adopt an 11.00% allowed return on common equity for both LG&E's electric
14 and gas operations and KU's electric operations;

15 • Lonnie E. Bellar, Vice President, State Regulation and Rates – Mr. Bellar will
16 support certain exhibits that are required by the Commission's regulations,
17 explain the revenue effects and impact to customers, present LG&E's and
18 KU's recommendation for the allocation of proposed increases among the
19 customer classes, describe LG&E's proposed Gas Line Tracker, the rate
20 mechanism to recover capital investments in and expenses with facilities for
21 its gas operations, and explain certain pro forma adjustments to the
22 Companies' operating income for the twelve months ended March 31, 2012;

- 1 • J. Clay Murphy, Director, Gas Management, Planning, and Supply – Mr.
2 Murphy will discuss certain changes that LG&E is proposing to its Gas
3 Supply Clause, changes to its existing transportation programs, and certain
4 other tariff changes required to facilitate those transportation programs; and
- 5 • Robert M. Conroy, Director, Rates – Mr. Conroy will explain and support
6 certain exhibits that are required by the Commission’s regulations, explain
7 certain proposed pro forma adjustments, describe the results of the
8 Companies’ cost-of-service study, and discuss in detail LG&E’s and KU’s
9 proposed changes to electric and gas rates, and the tariffs.

10 **Q. Have LG&E and KU continued to make investments in their facilities to serve**
11 **their customers since the last rate cases?**

12 A. Yes. As explained in the testimonies of Messrs. Thompson and Hermann, the
13 Companies continue to invest in facilities and incur costs in order to furnish
14 customers with adequate, efficient, and reasonable service. In fact, since October 31,
15 2009, the end of the test year in the Companies’ last rate cases, LG&E and KU have
16 incurred over \$1 billion in capital expenditures, excluding investments associated
17 with the Companies’ environmental compliance plans.

18 The Companies’ substantial investments in generation and transmission
19 facilities, which are discussed in detail in Mr. Thompson’s testimony, are
20 approximately \$337.7 million and \$145.3 million, respectively, since October 31,
21 2009, the end of the test year in the last rate cases. Similarly, as discussed in the
22 testimony of Mr. Hermann, the Companies have made nearly \$487.4 million in
23 capital investments to their electric and gas distribution facilities.

1 **Q. In addition to these capital expenditures, has there been an increase in operation**
2 **and maintenance expenses since the last rate cases?**

3 A. Yes. As with the capital expenditures, the testimonies of Messrs. Thompson and
4 Hermann address the significant increase in operation and maintenance expenses
5 since October 31, 2009, the end of the test year in the last rate cases. The catalysts
6 for the increased operation and maintenance expenses are many, yet all of the
7 increases are associated with the provision of safe, reliable and satisfactory customer
8 service. The Companies are experiencing ever-increasing costs associated with
9 complying with regulations promulgated by the Federal Energy Regulatory
10 Commission (“FERC”). As FERC oversight continues to grow, the Companies must
11 respond in order to operate in compliance. As explained by Mr. Thompson, the
12 regulations have caused a substantial increase in the costs attributable to FERC
13 compliance, including the hiring of additional personnel.

14 Additional personnel have also been hired as part of the initiatives
15 implemented by the Companies to provide an even more satisfactory customer
16 service experience, as explained by Mr. Hermann. In so doing, from June 2011 to
17 February 20, 2012, LG&E and KU added 25% more residential service center
18 customer service agents and 59% more business service center customer service
19 agents. Metrics show these initiatives are working by enhancing the customer service
20 experience. The cost of the initiatives, however, is not reflected in the Companies’
21 existing rates.

22 **Q. Have LG&E and KU taken steps since their last base rate proceedings to control**
23 **costs?**

1 A. Yes. Operating efficiently and controlling costs to the extent practicable are long-
2 standing and predominant values in our business culture. These principles govern the
3 Companies' business practices in the construction, operation and maintenance of our
4 systems and services. As discussed in the testimonies of Messrs. Thompson and
5 Hermann, the Companies have made every effort to contain the increasing costs of
6 providing reliable service, including implementing initiatives that are designed, in
7 part, to defray costs, such as those associated with unplanned outages.

8 **Q. Please describe the decision to file these rate cases.**

9 A. The decision to file for increases in rates is a serious matter. We understand it will
10 impact customers. We do not make the decision to file rate cases without full
11 consideration of the impact to our customers, the current economic conditions and
12 their impact on customers, our duty to serve retail customers and the need to continue
13 to invest in facilities to provide that service. Our business remains one of the most
14 capital-intensive industries in the world, but is now more complex than ever.
15 Customer revenues alone are not sufficient to fund all the facilities LG&E and KU
16 need to provide electric and gas service. We must continue to raise money through
17 financing, using both debt and equity. Given our additional costs since the last rate
18 cases, we must now adjust those rates in order to earn a reasonable return that will
19 continue to allow LG&E and KU to raise capital at reasonable rates.

20 **Q. Please describe the proposed increase in base rates.**

21 LG&E is requesting a 6.9%, or approximately \$62.1 million a year increase in
22 its electric base rates, and a 7.0%, or approximately \$17.2 million a year, increase in
23 its gas base rates. The monthly impact of the requested increase in base rates will

1 increase an average residential electric bill by 8.6%, or approximately \$7.25, for a
2 customer using 1,010 kWh of electricity. The monthly impact of the requested
3 increase in gas base rates will increase an average residential gas bill by 7.6%, or
4 approximately \$3.42, for a customer using 57 Ccf of gas.

5 KU is requesting a 6.5%, or approximately \$82.4 million a year increase in its
6 base rates. The monthly impact of the requested increase in base rates will increase
7 an average residential electric bill by 8.0%, or approximately \$7.41, for a customer
8 using 1,178 kWh of electricity.

9 The testimonies of Mr. Blake, Ms. Scott, Ms. Charnas, Mr. Arbough, Mr.
10 Conroy, and Mr. Bellar provide a comprehensive accounting of LG&E's and KU's
11 revenue requirements and how the calculation was determined. Mr. Avera's
12 testimony supports LG&E's and KU's proposed rate of return on equity through an
13 independent and extensive cost of capital analysis. The testimonies of these
14 witnesses demonstrate that LG&E and KU are not presently earning a fair and
15 reasonable return adequate to attract capital investment and that an increase in rates is
16 necessary.

17 **Q. If the proposed rates are approved will customers continue to receive a good**
18 **value for their service?**

19 A. Yes, as demonstrated in Mr. Blake's testimony, because of the Companies' proficient
20 cost performance, even if the proposed rates are approved, customers can be assured
21 they are still receiving a very good value for their service.

22 **Q. Would you please elaborate on the customer service initiatives?**

1 A. Yes. Responsive service is as important to our customers as it is to LG&E and KU.
2 Customers increasingly expect to have more timely information and access to
3 customer service options. Since the last rate cases, LG&E and KU implemented a
4 series of initiatives to enhance customer service. As explained more fully in the
5 testimony of Mr. Hermann, the Companies have achieved measurable improvements
6 as a result of the initiatives they have implemented. For example, the percentage of
7 customer calls answered within thirty seconds, which is the Companies' goal, has
8 increased significantly and meter reading accuracy has improved. I am proud that the
9 Companies' customer service performance is so strong in many areas, however,
10 LG&E's and KU's efforts to improve and enhance customer service are not yet
11 finished.

12 **Q. Please describe the Companies' commitment to the environment and their**
13 **efforts in that regard.**

14 A. LG&E and KU strive to not only operate in an environmentally conscious manner,
15 but also encourage our customers to do the same. The Companies endeavor to do so
16 even with regard to business practices that are not expressly governed by the United
17 States Environmental Protection Agency ("EPA") or other environmental regulations.
18 From constructing facilities that employ state-of-the-art energy efficiencies to
19 utilizing printers that print on both sides of the page to reduce our paper consumption,
20 LG&E and KU continue to implement initiatives that reaffirm our commitment to
21 operating efficiently.

22 The Companies' commitment does not stop with our business practices.
23 Indeed, LG&E and KU have endeavored to not only encourage our customers to

1 practice energy conservation, but have developed and implemented a suite of
2 demand-side management and energy efficiency programs that provide customers
3 with specific and detailed information regarding their energy usage and means by
4 which to reduce same. Our goal is to make our customers informed energy
5 managers, and the Companies made another tangible step in achieving this goal by
6 expanding its demand-side management and energy efficiency programs in Case No.
7 2011-00134.³

8 Because of the Companies' efforts, LG&E and KU were among 44
9 organizations named 2011 Partner of the Year by the EPA based in large part on their
10 demand-side management and energy efficiency programs.

11 **Q. Please describe the Companies' commitment to the community.**

12 A. Our commitment to the communities which we serve is long-standing and truly part
13 of LG&E's and KU's culture. This commitment is evidenced through our
14 employees' giving of their time and talent throughout our service area to improve the
15 quality of life in the communities in which they work and live. For example, in June
16 2011, nearly 200 LG&E and KU employees and their families performed community
17 service across their service areas as part of the Companies' seventh annual Day of
18 Caring. As part of the Day of Caring, employees performed activities such as
19 painting, landscaping, debris removal, repairs and maintenance, washing and waxing
20 nonprofit transportation vehicles and serving meals. In addition to this devotion of
21 their time, for five consecutive years, the Companies' employees have donated at
22 least \$1 million annually as part of the Power of One campaign, which provides

³ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New Demand-Side Management and Energy-Efficiency Programs.*

1 assistance to more than twenty-five nonprofit organizations across the
2 Commonwealth. In 2011, employees gave a record \$1.6 million as part of the
3 charitable giving campaign.

4 In addition to the efforts of our employees, the LG&E and KU Foundation
5 contributes to our state in supporting education, diversity initiatives, the environment,
6 and health and safety programs. The LG&E and KU Foundation was established in
7 1994. In July 2010, as part of an effort to leave a lasting philanthropic legacy in the
8 Commonwealth, E.ON A.G, the parent company of then E.ON U.S., donated \$2
9 million to the LG&E and KU Foundation as it prepared to consummate the change of
10 control transaction with PPL Corporation. Since 1994 the LG&E and KU Foundation
11 has awarded \$25 million to hundreds of organizations to support benevolent
12 endeavors across the Commonwealth.

13 A good example of the LG&E and KU Foundation's efforts occurred in
14 March of this year when the devastating tornadoes struck Kentucky. The LG&E and
15 KU Foundation quickly responded and provided \$50,000 to the American Red Cross
16 to support their relief efforts.

17 All of these donations are funded solely by our shareholders.

18 **Q. What steps have the Companies taken to assist low-income customers with their**
19 **energy bills?**

20 A. LG&E and KU, as part of an ongoing commitment to their low-income customers,
21 have substantially increased their efforts and assistance since the last rate cases. As
22 explained more fully in the testimony of Mr. Hermann, the Companies have not only
23 increased their contributions to low-income customers to unprecedented levels, but

1 have also made their business practices more flexible so as to provide additional
2 support. Since the last rate case, KU agreed to contribute \$100,000 annually to the
3 WinterCare Energy Assistance Fund, a state-wide energy assistance fund supported
4 privately by utilities and community action agencies that provide assistance to low-
5 income persons with their utility expenses during the winter season through 2014.
6 LG&E participates in a similar program, ACM/Metro Match, and has agreed to
7 continue its current matching contribution of up to \$225,000 annually through 2014.
8 Moreover, the Companies agreed to make two additional annual contributions
9 totaling \$500,000 to LG&E's and KU's HEA programs, consisting of a shareholder
10 contribution of \$250,000 in 2011 and 2012.

11 In addition to these significant contributions, the Companies have modified
12 certain business practices to afford low-income customers greater latitude in paying
13 their bills. First, as discussed in the testimony of Mr. Hermann, the Companies have
14 created a FLEX program by which residential customers who indicate they are on a
15 limited income may receive a payment due date that more closely coincides with the
16 receipt of their monthly income check. Second, residential customers who receive a
17 pledge or notice of low-income energy assistance from an authorized agency are not
18 assessed a late payment charge for the bill for which the pledge or notice is received,
19 and will not be assessed a late payment charge in any of the following 11 months.

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

21 A. Yes, it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Victor A. Staffieri**, being duly sworn, deposes and says he is Chairman of the Board, Chief Executive Officer and President of Louisville Gas and Electric Company and Kentucky Utilities Company, and an employee of LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



VICTOR A. STAFFIERI

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19th day of June, 2012.

 (SEAL)

Notary Public

My Commission Expires:

March 29, 2014

APPENDIX A

Victor A. Staffieri

Chairman, Chief Executive Officer and President
LG&E and KU Services Company

Civic Activities

Boards

Metro United Way – Chairman Metro Campaign 2002
Leadership Louisville – Board of Directors – June 2006 – 2008
Louisville Area Chamber of Commerce – Board of Directors -- 1994-1997; 2000-2003;
Chairman 1997
MidAmerica Bancorp – Board of Directors – 2000 - 2002
Muhammad Ali Center – Board of Directors – 2003 - 2006
Kentucky Country Day – Board of Directors – 1996 - 2002
Bellarmine University – Board of Trustees – 1995 - 1998, 2000 - 2006
 Executive Committee – 1997 - 1998
 Finance Committee – 1995 - 1997, 2000 - 2003
 Strategic Planning Committee – 1997

Industry Affiliations

Edison Electric Institute, Washington, DC - Board of Directors -- June 2001 – 2011
Electric Power Research Institute, Palo Alto, CA - Board of Directors -- May 2001 –
April 2002

Other

Louisville Area Chamber of Commerce -- African-American Affairs Committee -- 1996-
1997
Louisville Area Chamber of Commerce -- Vice Chairman, Finance and Administration
Steering Committee -- 1995
Jefferson County/Louisville Area Chamber of Commerce Family Business Partnership
Co-Chair – 1996-1997
The National Conference - Dinner Chair -- 1997
Chairman of the Coordination Council for Economic Development Activities
-- Regional Economic Development Strategy -- 1997
Metro United Way - Cabinet Member -- 1995 and 2000 Campaigns
Chairman – Kentucky Chamber of Commerce Education Task Force - 2008
Member – Governor’s Task Force on Higher Education - 2009

Education

Fordham University School of Law, J.D. -- 1980
Yale University, B.A. – 1977

Previous Positions

LG&E Energy LLC, Louisville KY

March 1999 - April 2001 -- President and Chief Operating Officer

May 1997 - February 1999 -- Chief Financial Officer

December 1995 - May 1997 -- President, Distribution Services Division

December 1993 - May 1997 -- President, Louisville Gas and Electric Company

December 1992 - December 1993 -- Senior Vice President - Public Policy, and
General Counsel

March 1992 - November 1992 -- Senior Vice President, General Counsel and
Corporate Secretary

Long Island Lighting Company, Hicksville, NY

1989-1992 -- General Counsel and Secretary

1988-1989 -- Deputy General Counsel

1986-1988 -- Assistant General Counsel

1985-1986 -- Managing Attorney

1984-1985 -- Senior Attorney

1980-1984 – Attorney

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LINE SURCHARGE)

TESTIMONY OF
PAUL W. THOMPSON
SENIOR VICE PRESIDENT, ENERGY SERVICES
LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Paul W. Thompson. I am the Senior Vice President, Energy Services of
3 Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company
4 (“KU”) (collectively, the “Companies”), and an employee of LG&E and KU Energy
5 LLC. My business address is 220 West Main Street, Louisville, Kentucky 40202.

6 **Q. Please describe your educational and professional background.**

7 A. I received a Bachelor of Science degree in Mechanical Engineering from the
8 Massachusetts Institute of Technology in 1979 and a Master of Business
9 Administration from the University of Chicago in Finance and Accounting in 1981.
10 Before joining LG&E Energy (now LG&E and KU Energy LLC) in 1991, I worked
11 eleven years in the oil, gas and energy-related industries in positions of financial
12 management, general management and sales. A complete statement of my work
13 experience and education is contained in the Appendix attached hereto.

14 **Q. Please describe your duties and responsibilities as Senior Vice President, Energy
15 Services.**

16 A. In my position, I am responsible for power generation functions, electric
17 transmission, and fuels and energy marketing activities. For purposes of this
18 testimony, I will refer to these functions cumulatively as “Energy Services.”

19 **Q. Have you previously testified before this Commission?**

20 A. Yes, I have testified in LG&E’s and KU’s last three base rate cases.¹ I testified in the
21 proceeding involving the early termination of the lease between Western Kentucky

¹ Case No. 2003-0433, *In re the Matter of: An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company*; Case No. 2003-0434, *In re the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company*; Case No. 2008-00252, *In re the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*;

1 Energy Corporation and Big Rivers Electric Corporation² and in the Commission’s
2 investigation of the Companies’ membership in the Midwest Independent System
3 Operator, Inc.³ Additionally, I most recently testified in Case No. 2011-00375, in
4 which the Companies received approval to construct a natural gas combined cycle
5 combustion turbine.⁴

6 **Q. Please provide an overview of your testimony and the activities in Energy**
7 **Services that led to a need to increase base rates at this time.**

8 A. In this testimony I will describe Energy Services’ capital investments in generation
9 and transmission facilities, in addition to describing the increased operation and
10 maintenance expenses since the test period in the last rate cases. The changes in the
11 cost of providing service result from, among other things, the operation of Trimble
12 County Unit No. 2 (“TC2”), increased scope of planned maintenance work across the
13 fleet, compliance with Federal Energy Regulatory Commission (“FERC”) reliability
14 regulations, and the greater number of Energy Services employees necessitated by
15 TC2 operations and FERC compliance.

Case No. 2008-00251, *In re the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2009-00548, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*.

² *In The Matter Of: The Applications Of Big Rivers Electric Corporation For (I) Approval Of Wholesale Tariff Additions For Big Rivers Electric Corporation, (II) Approval Of Transactions, (III) Approval To Issue Evidences Of Indebtedness, And (IV) Approval Of Amendments To Contracts; And Of E.On U.S., LLC, Western Kentucky Energy Corp., And LG&E Energy Marketing, Inc. For Approval Of Transactions*, Case No. 2007-00455.

³ *Investigation Into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc.*, Case No. 2003-00266.

⁴ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky*.

1 Every effort is made to contain costs in the construction of new generation
2 and transmission facilities. Likewise, the Companies endeavor to defray rising
3 operation and maintenance expenses where possible and are committed to operating
4 as efficiently as practicable. These efforts, however, cannot fully offset the operating
5 realities of the Companies' need to replace coal-fired generation with gas-fired
6 generation, TC2 operations, and complying with FERC regulations, which ensure that
7 customers receive the reliable and safe service they have rightfully come to expect.

8 **Q. In general, what is Energy Services' major corporate objective?**

9 A. Energy Services has three major, and overlapping, objectives: (i) to maximize the
10 performance and investment life of the Companies' electric generation and
11 transmission assets; (ii) to maintain sound operating and maintenance practices that
12 promote reliable operations, high efficiency, and a safe working environment; and
13 (iii) to continue to provide high value electric service to LG&E and KU customers.

14 **Q. Have Energy Services' business practices and objectives changed due to any
15 changes in the energy market?**

16 A. No, while the energy market continues to evolve, Energy Services maintains the time-
17 tested business philosophy of using the least-cost, most reasonable source of energy,
18 based on known and measurable information. Certainly, the energy landscape is quite
19 different than in LG&E's and KU's last rate cases for several reasons. A suite of
20 regulations was implemented by the United States Environmental Protection Agency
21 ("EPA") that required the Companies to determine whether it was economically
22 prudent to continue to operate its coal-fired generation units. The results of the

1 Companies' analyses have been the subject of recent regulatory filings and are
2 discussed later in my testimony.

3 Furthermore, native load growth is no longer the significant driver of energy
4 supply costs that it was in the past. The most recent sales forecast, provided to the
5 Commission in Administrative Case No. 387,⁵ shows the compound annual growth rate
6 for the 2012 to 2016 time period for energy sales is 0.6 percent for LG&E and 0.8
7 percent for KU. The Companies are not presently faced with the position of acquiring
8 new generation resources in order to pursue an ever-increasing growth in native load.
9 Resource acquisitions are now focused on replacing the coal-fired generation that has
10 served customers so efficiently in the past to meet continuously increasing
11 environmental requirements.

12 Moreover, the increased use of horizontal drilling and fracking recovery
13 procedures in shale formations in the last few years has substantially increased
14 estimates of natural gas reserves. Production from shale formations has led to
15 dramatic decreases in natural gas prices in the short term and probably in the long
16 term. Not only has this led to low wholesale power prices, but it has also positively
17 impacted the viability of natural gas-fired power plants in this region for intermediate
18 and base load production. In determining whether to include natural gas as an
19 intermediate or base load fuel source, LG&E and KU are following their sound
20 business philosophy of selecting the least-cost and most reasonable resource based
21 upon the specific generation need. The Commission recently approved our analysis

⁵ *In The Matter Of: A Review Of the Adequacy of Kentucky's Generation Capacity and Transmission System*, Administrative Case No. 387.

1 of certain proposed gas fired generation facilities as being the least cost alternative in
2 Case No. 2011-00375.

3 Also, increased regulation from the North American Electric Reliability
4 Corporation (“NERC”), especially with regard to Critical Infrastructure Protection,
5 has required the Companies to devote additional operating costs, including the hiring
6 of several personnel, simply to remain in compliance. Additional details regarding
7 the increased NERC regulations are discussed later in my testimony.

8 In short, although the energy landscape is quite different than in LG&E’s and
9 KU’s most recent rate cases, and continues to evolve, Energy Services’ business
10 philosophy, practices and objectives remain consistent in order to maintain sound
11 operating and maintenance practices that promote reliable operations, least cost, most
12 reasonable investments and practices, and a safe working environment.

13 **Generation Systems**

14 **Q. Please describe LG&E’s generation system.**

15 A. LG&E owns and operates approximately 3,352 MW of generating capacity with a net
16 book value of approximately \$1.20 billion. LG&E’s generation system consists
17 primarily of three coal-fired generating stations – Cane Run and Mill Creek, both
18 located in Jefferson County, and Trimble County. LG&E also owns and operates
19 multiple natural gas-fired combustion turbines, which supplement the system during
20 peak periods, and the Ohio Falls hydroelectric station, which provides baseload
21 supply, subject to river flow constraints.

22 **Q. Please describe KU’s generation system.**

23 A. KU owns and operates approximately 4,833 MW of generating capacity with a net
24 book value of approximately \$2.73 billion. KU’s generation system primarily

1 consists of four generating stations – Ghent in Carroll County, E.W. Brown in Mercer
2 County, Green River in Muhlenberg County and Tyrone in Woodford County.
3 Additionally, KU owns and operates multiple natural-gas-fired combustion turbines,
4 which supplement the system during peak periods, and a hydroelectric generating
5 station at Dix Dam, located next to the Dix System Control Center.

6 **Q. Do LG&E and KU jointly own certain of the generating units and combustion**
7 **turbines?**

8 A. Yes. As a result of their joint planning, LG&E and KU jointly own several
9 generation units. LG&E and KU jointly own TC2. Moreover, the Companies jointly
10 own Trimble County Units 5 through 10, E.W. Brown Units 5 through 7, and Paddy’s
11 Run Unit 13.

12 **Q. Do LG&E and KU engage in joint planning of their generation and transmission**
13 **resource needs?**

14 A. Yes. LG&E and KU, as owners and operators of interconnected electric generation
15 and transmission facilities, achieve economic benefits through joint integrated
16 resource planning and acquisition. Moreover, the Companies achieve economies by
17 their joint operation as a single interconnected utility. Finally, the joint dispatch of
18 the generation units continues to produce energy efficiencies through joint dispatch
19 capabilities and intercompany sales of power.

20 **Q. Have the Companies begun implementing changes to their generating fleet since**
21 **their last rate cases?**

22 A. Yes. Since their last rate cases, the Companies have been forced to undertake a
23 comprehensive review of their generating units and fuel sources due to stringent

1 emission standards that were promulgated by the EPA in 2011. Because the rules
2 contained emission standards that were the most stringent the industry has seen with
3 regard to coal-fired generating units, the Companies were required to examine
4 whether they would modify or retrofit their generating units to operate in compliance
5 with the new rules, or retire the units.

6 After the Companies completed their analyses, they developed environmental
7 surcharge plans that were filed with the Commission in Case Nos. 2011-00161 and
8 00162 for approval that sought to retrofit certain coal-fired steam generating units.⁶
9 The Commission ultimately approved the environmental surcharge plans in its orders
10 of December 15, 2011, with the exception of the proposed modification of the
11 construction of a Particulate Matter Control System to serve Brown Units 1 and 2,
12 which was deferred for further review at a later date and in a separate filing.

13 Based on the same economic analysis, KU determined to retire Green River
14 Unit 3 and Unit 4, as well as Tyrone Unit 3, which has been on inactive reserve for
15 periods of time since the last rate cases; and LG&E determined to retire Cane Run
16 Unit 4, Unit 5 and Unit 6. The units are expected to be retired in 2015, leading to a
17 capacity shortfall of 877 MW in 2015.

18 **Q. Have the Companies continued to invest in their current generating facilities**
19 **since their last rate cases to serve customers' needs?**

⁶ *In the Matter of: The Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge* (Case No. 2011-00161) and *In the Matter of: The Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge* (Case No. 2011-00162).

1 A. Yes. LG&E has invested approximately \$21 million and KU has invested
2 approximately \$38 million to maintain and enhance the performance of their existing
3 generation to serve customer needs.

4 **Q. Have the Companies continued to invest in generation reliability and**
5 **infrastructure since their last rate cases?**

6 A. Yes. LG&E has invested over \$145 million and KU has invested almost \$133 million
7 since the last rate cases in generation infrastructure and reliability projects associated
8 with their generation fleet.

9 **Q. How do the Companies plan to replace the generating capacity that will be lost**
10 **as a result of the retirements?**

11 A. On May 3, 2012, LG&E and KU received approval in Case No. 2011-00375 to
12 construct a 640 MW net summer rating natural gas combined cycle combustion
13 turbine at the Companies' Cane Run generating station, including a twenty inch
14 natural gas pipeline, and for the purchase of Bluegrass Generation Company, LLC's
15 facilities in LaGrange, Kentucky, which includes natural gas simple cycle combustion
16 turbines.⁷ The total projected capital cost for the natural gas combined cycle
17 combustion turbine at Cane Run, including the gas pipeline, is \$583 million. The
18 Companies are not seeking recovery of the costs associated with the construction of
19 the turbine or pipeline in this proceeding. The proposed acquisition of the Bluegrass
20 Generation facility unfortunately was terminated due to the conditional market
21 mitigation conditions included in the May 4, 2012 order by FERC.

⁷ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky (Case No. 2011-00375) (May 3, 2012 Order).*

1 **Q. In the last rate cases, you discussed the construction of TC2, which is now in**
2 **commercial operation. Please provide an update on TC2.**

3 A. TC2 has been in commercial operation since January 21, 2011, and is providing
4 LG&E's and KU's customers with low-cost, efficient energy with a minimal impact
5 to the environment. TC2 was designed to be extremely efficient, with a projected
6 heat rate of 8,662, equivalent availability factor of 88 percent and a capacity factor of
7 87 percent. In its first year of operation, the unit experienced a heat rate of 9,427,
8 equivalent availability factor of 72 percent and a capacity factor of 70 percent. While
9 the actual values during the first year of operation did not reach the projected
10 amounts, this is expected during the warranty period for a generating unit of this size
11 and the complexity of its multiple operating systems. While this first year of
12 performance is somewhat less than the designed criteria, we remain confident that
13 TC2 will operate effectively and efficiently going forward.

14 **Q. Please describe TC2's impact on operation and maintenance costs.**

15 A. One of the reasons why a base rate increase is needed at this time is that current rates
16 do not include the operation and maintenance costs associated with TC2. Since the
17 Companies' last base rate cases, TC2 began commercial operation and LG&E and
18 KU have determined the costs of operating and maintaining the unit, which have
19 increased expenses by \$11 million. As these costs represent the expected going-
20 forward operation and maintenance expenses associated with operating this
21 generating unit, it is appropriate that these costs are included in base rates.

22

1 **Q. Has TC2 impacted Energy Services' labor costs, as well?**

2 A. Yes, as the Companies have hired nineteen additional persons to work at the Trimble
3 County Station since the test year in the last rate cases. This was expected, as TC2
4 was not in commercial operation during those proceedings and additional personnel
5 have been required to operate the unit.

6 **Q. Would you please review the operation and maintenance expenses for planned
7 outages since the last rate cases?**

8 A. Yes. LG&E and KU routinely plan to take their generating units off-line or "out of
9 service" for scheduled repairs and maintenance. These are "planned outages" and
10 each generating unit has a long term multi-year maintenance plan. Non-labor
11 expenses are assigned to planned outages for each generation unit. The planned
12 outage costs thus represent the Companies' cyclical maintenance costs.

13 There are two primary types of planned outages for the coal-fired units.
14 Firstly, as a general rule, the boiler and non-turbine/generator balance of plant
15 outages typically occur every two years. These outages generally last three weeks,
16 but can be shortened or extended based on the total scope of work required. Secondly,
17 the turbine/generator outages typically occur every seven to eight years. This type of
18 outage typically lasts five to eight weeks and other balance of plant work is done at
19 this time also. The planned outages for all generation units in the fleet are
20 interconnected, coordinated, and dependent, so as to maintain an adequate reserve
21 margin at all times.

22 Historically, when each generating unit was simpler, that is, had less
23 functional components attached, such as pollution control components, planning the

1 fleet's maintenance was relatively easier. The scope of work and cost was lower.
2 Over the last several years, we have added major components such as selective
3 catalytic reduction ("SCR") facilities and flue gas desulfurization ("FGD") facilities.
4 And, of course, in the next couple of years we will add baghouses, additive injection
5 systems, coal combustion residue drying systems, and upgrades to existing FGDs.
6 Furthermore, the core boiler and turbine/generator components of the coal-fired fleet
7 continue to age. There are two important impacts on planned outage expenses from
8 the trends I have described. First, the scope of work in each planned maintenance
9 outage is larger and more complex. Meanwhile, the demand to reliably provide power
10 to the grid has certainly not lessened, so the available length of time to do the work
11 has not increased. Hence, the second impact has been that the overall costs of
12 outages have increased. For these reasons I have described, the Companies saw an
13 increase of \$15 million in maintenance expenses during the test year from previous
14 levels reflected in the last rate cases. The Companies expect to continue to incur this
15 level of planned maintenance outage expense again in 2014, and thereafter, due to the
16 maintenance requirements of an aging, more complex fleet that has ever-increasing
17 levels of environmental controls and reliability demands.

18 **Q. Please describe the reliability of LG&E's and KU's generation systems over the**
19 **last several years.**

20 A. LG&E and KU have a history of reliable and efficient generation performance. This
21 is evidenced through Energy Services' weighted average Equivalent Forced Outage
22 Rate ("EFOR") and capacity factors. The Companies' EFOR, a commonly used
23 industry standard to measure the reliability of coal-fired generating units, has

1 historically remained below the industry average. LG&E's and KU's weighted
2 EFOR during the test year averaged 5.8%, which is well below the most recent three-
3 year national average of 9.3%. Moreover, first quartile EFOR performance is 5.3%,
4 which demonstrates that the Companies' performance is comparable to the most
5 reliable generating units in the country.

6 **Q. Please describe LG&E's and KU's 2011 capacity factors.**

7 A. In 2011, LG&E's steam capacity factor was 69% and KU's was 64%. These
8 numbers have decreased in recent years, in part, because of the flat to declining on-
9 and off-system sales the Companies have experienced.

10 **Q. Have the Companies implemented new initiatives with regard to asset
11 management of their generating units since the last rate cases?**

12 A. Yes, LG&E and KU contracted with Black & Veatch to facilitate the implementation
13 of a Remote Performance Monitoring service that will monitor and analyze the
14 Companies' Distributed Control Systems ("DCS") data. DCS data provides the
15 Companies with enhanced control over the many interconnected operations occurring
16 within the generation fleet, while also providing improved coordination and
17 monitoring over these processes. While the DCS data currently permits the
18 Companies to collect data for over one thousand operating parameters for each unit,
19 such as pressure and temperature, the existing system did not provide the Companies
20 with the detailed continuous analysis necessary to sufficiently diagnose and correct
21 issues prior to reaching a DCS protection limit, which can ultimately lead to
22 unplanned outages or unit de-ratings. A DCS protection limit is the point at which
23 the system would alert the Companies of a problem.

1 to others in the wholesale power market when the generation facilities are not
2 otherwise required to serve native load customers, structural changes to the
3 Companies' generation fleet and decreased natural gas prices have all but eliminated
4 LG&E's and KU's opportunities for off-system sales. The chart below demonstrates
5 the decline in off-system sales margins since 2005, as well as during the test year:

<u>For Years Ended</u>	<u>Total \$000</u>
2005	116,022
2006	59,983
2007	27,083
2008	38,475
2009	4,147
2010	2,995
2011	10,905
Test Year	7,846

6 The chart demonstrates that since 2005, off-system sales margins have decreased
7 dramatically and sharply.

8 **Q. Is there any reason to expect that off-system sales will rebound any time soon?**

9 A. No. To the contrary, evidence suggests that going forward, off-system sales
10 opportunities will remain diminished for several reasons. First, because of structural
11 changes to the Companies' generating fleet, LG&E and KU have less base load
12 capacity to respond to opportunities for off-system sales. In the last several years,
13 the composition of the Companies' generation capabilities have changed, such that a
14 larger portion of LG&E's and KU's base load capacity is now serving native load
15 customers during periods when off-system sales were typically made. This is the
16 result of several changes to the Companies' mix of power sources: the power supply
17 agreements with Electric Energy, Inc. and Owensboro Municipal Utilities are
18 terminated; several units are preparing to be retired resulting in a reduction of 797

1 MW; and the Companies will be using a combined cycle unit with natural gas as a
2 fuel resource. Even if the energy market becomes more robust, LG&E and KU no
3 longer have the available capacity or cost structure to perform as competitively in the
4 wholesale market as in previous years. This is true because the Companies simply
5 do not have the significant available low-cost base-load capacity to profitably sell in
6 the wholesale market that they did in previous years.

7 Secondly, the price for off-system sales for energy produced from coal-fired
8 generation has declined as a result of the greatly expanded production volume of
9 natural gas. This is due to the horizontal drilling advances and the “fracking”
10 recovery procedures in shale formations. The domestic production of natural gas has
11 increased dramatically due to these techniques, with production increasing from 50 to
12 59 billion cubic feet per day from January 2007 to December 2010. The greatly
13 increased supply of natural gas, in turn, is leading to historically low gas prices.
14 While the Companies have taken advantage of the low prices in deciding to construct
15 a natural gas combined-cycle combustion turbine, the prices have negatively affected
16 wholesale power market prices.

17 The structural changes to the Companies’ generating fleet, which has reduced
18 the availability of base-load, coal-fired generation capacity to support off-system
19 sales, and historically low gas prices have severely limited LG&E’s and KU’s ability
20 to successfully execute off-system sales in the wholesale power market. This is very
21 significant to the Companies, as off-system sales opportunities between rate cases
22 have traditionally served as a revenue source by which the Companies can offset

1 rising operating costs for its retail customers and helped mitigate the risk of cost
2 increases between rate cases.

3 **Q. Are there other changes that have occurred since the last rate case that are also**
4 **significant to the operations of Energy Services?**

5 A. Yes. As I mentioned earlier in my testimony, native load growth is no longer the
6 significant driver of energy supply costs that it was in the past. The most recent sales
7 forecast, provided to the Commission in Administrative Case No. 387, shows the
8 compound annual growth rate for the 2012 to 2016 time period for energy sales is 0.6
9 percent for LG&E and 0.8 percent for KU. In previous years, the increase in native
10 load sales between rate cases traditionally served as a revenue source by which the
11 Companies could partially offset rising operating costs for their retail customers.
12 Thompson Exhibit 1 summarizes the Companies' historic and projected sales and
13 energy requirements.

14 Transmission Systems

15 **Q. Please describe LG&E's transmission system.**

16 A. LG&E serves approximately 394,000 electricity customers over its transmission and
17 distribution network in nine Kentucky counties. LG&E's transmission plant covers
18 approximately 910 circuit miles, and has a net book value of approximately \$157
19 million.

20 **Q. Please describe KU's transmission system.**

21 A. KU serves approximately 509,000 electricity customers over a transmission and
22 distribution network in seventy-seven Kentucky counties. KU's transmission plant
23 covers approximately 4,371 circuit miles, and has a net book value of approximately
24 \$336 million.

1 **Q. Are LG&E's and KU's transmission systems operated jointly?**

2 A. Yes. LG&E and KU, as owners and operators of interconnected electric transmission
3 facilities, achieve economic and reliability benefits through joint operation as a single
4 interconnected and centrally dispatched system and have operated jointly following
5 the acquisition of KU Energy Corporation by LG&E Energy in 1998.

6 **Q. Please describe the investments in and construction of transmission facilities**
7 **which support the need for an adjustment of base rates at this time with regard**
8 **to Energy Services.**

9 A. Energy Services has made several necessary investments in transmission facilities
10 since the last rate cases that permit the Companies to provide reliable energy in a
11 manner that complies with FERC's expanding suite of regulations and requirements.
12 The total investment in transmission facilities, including infrastructure and reliability
13 since the last rate case is over \$145 million (\$113 million by KU, \$32 million by
14 LG&E), and includes the completion of the transmission facilities associated with
15 TC2 and the expenditures associated with FERC and NERC compliance.

16 **Q. Have the transmission facilities associated with TC2 been completed?**

17 A. Yes, the transmission facilities were completed on July 1, 2010. Included in those
18 facilities are a new 345KV interconnect with Duke Energy, and a 345 kV
19 transmission line, approximately 42 miles in length, running from LG&E's Mill
20 Creek Generating Station through Jefferson County, Bullitt County, Meade County
21 and Hardin County to KU's Hardin County Substation near Elizabethtown, Kentucky.
22 While completion of the project was delayed from initial projections due to litigation
23 involving right-of-way acquisitions, it is now in commercial operation and

1 performing well. The total cost of the TC2 transmission facilities is \$107 million,
2 with \$20 million incurred since the test year in the last rate cases.

3 **Q. Please describe the operation and performance of the Companies' transmission**
4 **facilities.**

5 A. The Companies' transmission performance continues to be strong, which reflects the
6 emphasis Energy Services places upon the importance of reliable service. In addition
7 to LG&E's and KU's emphasis on safe and reliable transmission service, FERC
8 continues to develop regulations and augment its oversight of the Companies'
9 activities, to which LG&E and KU must respond. Cumulatively, the Companies'
10 efforts, and their mandatory compliance with FERC and NERC regulations and
11 standards, have resulted in a continued strong performance.

12 **Q. Please provide an overview of the expenditures Energy Services has incurred**
13 **with regard to FERC and NERC clearance compliance.**

14 A. On October 7, 2010, NERC issued a recommendation, *Consideration of Actual Field*
15 *Conditions in Determination of Facility Ratings*, which requires transmission owners
16 such as the Companies to assess all of their transmission facilities greater than 100kV
17 to mitigate any discrepancies between actual field conditions and the National
18 Electric Safety Code (NESC) operational requirements with regard to ground
19 clearances, distribution crossing clearances, and horizontal clearances when displaced
20 by wind. Many utilities, such as LG&E and KU, have transmission facilities that are
21 sixty to seventy years old and while compliant when originally installed, do not
22 currently satisfy more stringent NESC clearance regulations.

1 Due to the magnitude of NERC’s recommendation, it identified three levels of
2 priority based upon the voltage of the transmission facility. NERC has given utilities
3 three years to analyze and address any discrepancies. The deadline for analyzing high
4 priority facilities was December 31, 2011, with medium and low priority facilities
5 required to be completed by December 31, 2012 and 2013, respectively. NERC has
6 urged utilities to remedy any issues as quickly as practical, but remediation should
7 occur, at most, within one year of identifying the issue.

8 This NERC mandate has required the Companies to undertake significant
9 action, as LG&E and KU have 727 miles of high priority transmission facilities and
10 2,020 miles of medium and low priority transmission facilities that must be assessed.
11 LG&E and KU have completed their assessment of high priority facilities and the
12 investigation of medium and low priority facilities is ongoing. As the lines are
13 evaluated and actual field conditions that are inconsistent with original design
14 specifications are identified, remediating construction activities are undertaken in
15 compliance with the NERC recommendation. The Companies began incurring costs
16 to comply with this NERC requirement in 2011, and will continue to expend funds to
17 identify and mitigate issues through 2014. The Companies have incurred \$5.2 million
18 through the test year in complying. LG&E and KU estimate that it will ultimately
19 cost \$62 million to complete the work.

20 **Q. Have the Companies experienced greater FERC and NERC regulation in other**
21 **areas as well?**

22 A. Yes, as the Companies must comply with fourteen categories of reliability standards,
23 which range from protection and control requirements, to standards regarding

1 resource and demand balancing, emergency preparedness and operations, and
2 interconnection reliability operations and compliance. It is crucial that the
3 Companies comply with all of the reliability standards, as NERC has compliance and
4 enforcement powers it can invoke to address violations.

5 Within the fourteen categories of reliability standards the Companies have
6 seen a marked increase in the costs associated with complying with the CIP reliability
7 standards. These standards have established policies, plans, and procedures to
8 safeguard physical and electronic access to control systems that affect both a utility's
9 generation and transmission processes. NERC's framework encompasses every
10 segment of the utility industry by outlining the security benchmarks each utility must
11 meet in order to secure their cyber assets. As the security of assets continues to be an
12 emerging issue within the utility industry, LG&E's and KU's compliance obligations
13 likewise continue to increase.

14 **Q. What have the Companies done to comply with the CIP reliability standards?**

15 A. LG&E and KU, of course, make every effort to comply with the CIP reliability
16 standards. To do so adequately, the Companies continue to hire additional personnel
17 that are focused, almost exclusively, on NERC and CIP compliance. In fact, since the
18 test year in the last rate cases, Energy Services has added 27 employees to assist with
19 their compliance efforts.

20 **Q. Have LG&E and KU recently implemented any other new transmission
21 initiatives?**

22 A. Yes, the Companies have invested in multiple information technology system
23 enhancements, including significant upgrades in the Energy Management System

1 (“EMS”) and telecommunications network, and CASCADE, a new substation work
2 and asset management system for the Transmission Protection and Substation
3 department. CASCADE is used by Energy Delivery, as well. The benefits of these
4 information technology system improvements are many, providing the Transmission
5 Protection and Substation department with a new centralized repository for asset and
6 maintenance data and enhanced mobility in that users can access information in the
7 field through laptops and handheld devices, as well as more enhanced user interfaces
8 in EMS and a systems testing environment that includes a more robust
9 telecommunications network.

10 **Safety Performance and Recognitions**

11 **Q. Please discuss the Companies’ safety performance in the areas of generation,
12 construction and transmission.**

13 A. The safety of Energy Services’ employees and independent contractors is of
14 paramount importance. The importance placed upon operating safely is evident in
15 LG&E’s and KU’s recordable injury rate, which continues to be well below the
16 national average. In 2009, 2010, and 2011, the recordable injury rates for employees
17 were 1.09, 2.57, and 1.69, respectively. The recordable injury rates for independent
18 contractors during the same time period were similar: 1.98, 1.98, and 2.97,
19 respectively. These rates are well below OSHA’s 2011 average for utility industry
20 employees of 3.50 and its 4.70 average for construction contractors. To maintain the
21 level of safety to which the Companies are accustomed, LG&E and KU continue to
22 conduct safety summits that emphasize the importance of teamwork and the value of
23 shared knowledge in improving safety.

1 development by the University of Texas at Austin with a three-year annual
2 commitment of \$39,000. LG&E and KU also continue to support the research efforts
3 of the University of Kentucky's Center for Applied Energy Research, with an annual
4 investment of \$200,000.

5 **Q. Has KU continued to invest in Dix Dam?**

6 A. Yes, as the Companies continue to overhaul the three units at Dix Dam, which first
7 began providing service in 1925. The project involves rewinding the generators,
8 refurbishing the turbine sections, and upgrading controls. As a result of the overhaul,
9 each unit will increase by 25% from 8 to 10 MW, for a total increase of 25%, or 6
10 MW, at the current lake level target range. The overhaul for Unit 3 was completed in
11 2009, with final testing completed in early 2010. Unit 2 will be completed in 2012,
12 and Unit 1 will be completed in 2013. Since the end of the last test year KU has
13 invested nearly \$20 million in Dix Dam equipment and structure.

14 **Q. In addition to its investments, has KU worked to ensure the integrity of Dix
15 Dam?**

16 A. Yes, as KU continues to utilize inspection processes that cyclically examines the
17 different components of the Dix Dam. The Commission's order in Case No. 2010-
18 00204 encouraged KU to continue to discuss the safety of Dix Dam with the
19 Kentucky Council for Dix Dam Safety and the Division of Water. Prior to receiving
20 the Commission's order, KU had already undertaken a series of activities purposed
21 upon ensuring its integrity and communicating information regarding same. In
22 February 2010, KU conducted an informational meeting that was attended by Arcadis
23 Engineering, the firm that performs integrity assessments on Dix Dam, the Kentucky

1 Council for Dix Dam Safety and the Division of Water in order to communicate the
2 current status of the facility and the planned improvements for same. Since then, KU
3 has continued to discuss the safety of Dix Dam with the Kentucky Council for Dix
4 Dam Safety and the Division of Water upon request.

5
6 **Q. Please describe the activities LG&E has undertaken at McAlpine Dam.**

7 A. Ohio Falls Hydro Station was built from 1925 to 1928 and became operational in
8 1928. In 2005, LG&E renewed its license with FERC to operate the facility and is
9 investing \$130 million to update and refurbish the eight existing turbine and generator
10 units by the end of 2015. LG&E is nearly half-way through completing the
11 rehabilitation of the facility's eight generating units. Upon completion of the
12 rehabilitation project, the facility's total generation capacity will increase from 80
13 megawatts to 100 megawatts.

14 **Conclusion**

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


16 A. Yes, it does.

17

VERIFICATION

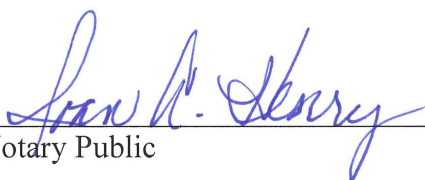
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Paul W. Thompson**, being duly sworn, deposes and says that he is Senior Vice President, Energy Services for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.



Paul W. Thompson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of June 2012.



Notary Public (SEAL)

My Commission Expires:

July 21, 2015

APPENDIX A

Paul W. Thompson

Senior Vice President, Energy Services
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202

Industry Affiliations

Center for Applied Energy Research, Advisory Board Member
Electric Energy Inc., Board Member
Ohio Valley Electric Corporation, Board Member

Civic Activities

Jefferson County Public Education Foundation Board
University of Kentucky College of Engineering, Project Lead The Way, Council Member
Greater Louisville Inc. Board
Louisville Downtown Development Corporation Board, Finance Committee Chair
Louisville Free Public Library Foundation Board, Chairman
Chair, Annual Appeal 2002 & 2003
Co-Chair Annual Children's Reading Appeal 1999, 2000, & 2001
March of Dimes 1997 & 1998 - Honorary Chair
Habitat for Humanity - Representing LG&E as co-sponsor
Friends of the Waterfront Board 1998 – 2002
Leadership Louisville -- 1997-98

Education

University of Chicago, MBA in Finance and Accounting -- 1981
Massachusetts Institute of Technology (MIT), BS in Mechanical Engineering -- 1979

Previous Positions

LG&E Energy Marketing, Louisville, KY
1998 - 1999 – Group Vice President
Louisville Gas and Electric Company, Louisville, KY
1996 - 1999 – Vice President, Retail Electric Business
LG&E Energy Corp., Louisville, KY
1994 - 1996 (Sept.) – Vice President, Business Development
1994 - 1994 (July) – Louisville Gas & Electric Company, Louisville, KY
General Manager, Gas Operations
1991 - 1993 – Director, Business Development
Koch Industries Inc.
1990 - 1991 – Koch Membrane Systems, Boston, MA
National Sales Manager, Americas
1989 - 1990 – John Zink Company, Tulsa, OK
Vice President, International

Lone Star Technologies (a former Northwest Industries subsidiary)

1988 - 1989 – John Zink Company, Tulsa, OK

Vice Chairman

1986 - 1988 – Hydro-Sonic Systems, Dallas, TX

General Manager

1986 – 1986 (July) – Ft. Collins Pipe, Dallas, TX,

General Manager

1985 - 1986 – Lone Star Technologies, Dallas, TX,

Assistant to Chairman

1980 - 1985 – Northwest Industries, Chicago, IL,

Manager, Financial Planning

Thompson Exhibit 1

LG&E and KU Historic and Projected Sales and
Energy Requirement

KY Retail Sales of Electricity (GWh)

	<u>LG&E</u>	<u>KU Total</u>	<u>Source</u>
2000	11,329	18,818	1
2001	11,397	18,478	1
2002	11,810	19,558	1
2003	11,503	19,496	1
2004	11,724	20,178	2
2005	12,292	20,990	2
2006	11,965	20,675	3
2007	12,658	21,642	3
2008	12,083	21,191	3
2009	11,405	20,260	3
2010	12,338	21,938	3
2011	11,641	21,162	4, 5a-b
2012	11,814	22,027	6a-b
2013	11,903	22,224	6a-b
2014	11,911	22,308	6a-b
2015	12,000	22,493	6a-b
2016	12,109	22,758	6a-b

CAGR

	<u>LG&E</u>	<u>KU Total</u>				
2006-2011	-0.5%	0.5%				
2001-2011	0.2%	1.4%				
	<u>KY-Retail</u>	<u>KY-Wholesale</u>	<u>KY-Total</u>	<u>Virginia</u>		
2000-2010	0.9%	1.7%	0.8%	1.6%	0.9%	1.5%
2011-2016	0.8%					1.5%
2012-2016	0.6%					0.8%

Sources

1	2005 IRP	http://psc.ky.gov/pscscf/2005%20cases/2005-00162/LG&E_IRP_Vol1-03_Section5_Plan_Summary_042105.pdf See: Table 5.(3)-4 (p. 5-19) and Table 5.(3)-9 (p. 5-26)
2	2008 IRP	http://psc.ky.gov/PSCSCF/2011%20cases/2011-00140/20110421_LG%26E-KU_IRP_Volume%20I.pdf See: Table 5.(3)-4 (p. 5-20) and Table 5.(3)-9 (p. 5-28)
3	2011 IRP	http://psc.ky.gov/pscscf/2008%20cases/2008-00148/LG&E%20&%20KU_IRP%20Application%20Vol.%201_042108.pdf See: Table 5.(3)-4 (p. 5-20) and Table 5.(3)-9 (p. 5-28)
4	EIA-826 2011 FERC	http://www.eia.gov/cneaf/electricity/page/eia826.html
5a, 5b	Form 1	http://www.ferc.gov/docs-filing/forms/form-1/data.asp
6a, 6b	2012 387 Filing	Table 6a

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

In the Matter of:

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

TESTIMONY OF
CHRIS HERMANN
SENIOR VICE PRESIDENT – ENERGY DELIVERY
LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Chris Hermann. I am Senior Vice President – Energy Delivery for Louisville
3 Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”)
4 (collectively, the “Companies”) and an employee of LG&E and KU Energy, LLC, which
5 provides services to LG&E and KU. My business address is 220 West Main Street,
6 Louisville, Kentucky 40202.

7 **Q. Please describe your educational and professional background.**

8 A. I received a B.S. degree in Mechanical Engineering from the University of Louisville in
9 1970. I joined LG&E that same year and have spent my entire career with the
10 Companies. In 1978, I began working as the Plant Manager for the LG&E Cane Run
11 generating station. I held a number of other positions before assuming my current duties
12 in 2003. A complete statement of my work experience and education is contained in
13 Appendix A attached hereto.

14 **Q. Please describe your duties and responsibilities as Senior Vice President - Energy
15 Delivery and the mission of the Energy Delivery division.**

16 A. As Senior Vice President - Energy Delivery, I am responsible for Energy Delivery, which
17 includes the gas and electric distribution functions for LG&E, the electric distribution
18 functions for KU, and the retail operations for both KU and LG&E. Our mission is
19 simple and constant: we strive to provide safe, reliable, cost-effective service to our
20 customers.

21 **Q. Have you previously appeared before this Commission?**

1 A. Yes. I have testified in each of the Companies' last three base rate cases.¹ I have also
2 appeared before this Commission in informal conferences and participated in merger
3 proceedings of LG&E and KU before the Commission.²

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

5 A. My testimony will explain how the Companies have continued to provide safe and
6 reliable service to our customers. Moreover, I will provide an overview of the various
7 initiatives LG&E and KU have implemented to enhance our customers' experience,
8 including investments in system infrastructure and initiatives related to improving the
9 Companies' response to customer inquiries. Finally, I will explain why a rate increase is
10 needed at this time as it relates to Energy Delivery.

11 **Q. Please explain Energy Delivery's business objectives.**

12 A. Energy Delivery's objective is to satisfy its customers' expectations by delivering safe,
13 reliable and cost-effective electric and gas service, while also providing high quality
14 customer service. Achieving these goals requires Energy Delivery to safely and
15 efficiently operate complex gas and electric systems, invest in new and replacement
16 infrastructure, and oversee the wide-ranging and ever-changing issues our customers
17 often have across our service territory. Satisfying customer expectations is certainly not
18 a simple endeavor; however, Energy Delivery's current performance is strong, marked

¹ Case No. 2003-0433, *In re the Matter of: An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company*; Case No. 2003-0434, *In re the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company*; Case No. 2008-00252, *In re the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2008-00251, *In re the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2009-00548, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*.

² Case No. 97-300, *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of a Merger*.

1 with an exceptional safety record and a record of reliable delivery that is among the best
2 in the Commonwealth.

3 Energy Distribution Systems

4 **Q. Please describe LG&E's electric and gas distribution businesses.**

5 A. LG&E's electric distribution business serves approximately 394,000 electric customers in
6 Jefferson County and 8 surrounding counties. LG&E's service area covers
7 approximately 700 square miles. The electric distribution facilities we operate include 98
8 substations (32 of which are shared with transmission) and 3,890 miles of overhead and
9 about 2,370 miles of underground electric lines. LG&E's gas distribution business serves
10 approximately 319,000 gas customers in Jefferson County and 16 surrounding counties.
11 The gas distribution facilities we operate include approximately 4,290 miles of gas
12 distribution pipe, over 380 miles of transmission pipe, and five underground gas storage
13 fields, which are the Muldraugh and Doe Run fields in Meade County and the Magnolia
14 Upper, Magnolia Center, and Magnolia Deep fields in Larue County.

15 **Q. Please describe KU's distribution business.**

16 A. KU's distribution business serves approximately 509,000 electric customers in 77
17 counties in Kentucky. KU's service area covers approximately 4,800 noncontiguous
18 square miles. The electric distribution facilities we operate include 478 substations (57 of
19 which are shared with transmission) and 12,970 miles of overhead and approximately
20 2,230 miles of underground electric lines.

21 Energy Delivery's Safety Record

22 **Q. Please discuss Energy Delivery's commitment to safety.**

23 A. The importance of public, employee and contractor safety within Energy Delivery is best
24 espoused by the policy that has been in effect for a decade, which is "No Compromise."

1 Our employees and contractors demonstrate this policy daily in their attitude and
2 behaviors, which has resulted in a safety record that exceeds its peers. In 2011, our
3 employees had a recordable injury rate of 1.08, which was consistent with the 2010 rate,
4 which was 1.05.³ The recordable injury rate for our independent contractors was similar,
5 with a rate of 1.05 in 2011 and 1.75 in 2010. These rates are well below the average
6 recordable injury rates of 3.3 for the utility industry and 4.30 for general industry. These
7 rates indicate that our “No Compromise” approach to safety is top-of-mind with our
8 employees and independent contractors, and has resulted in a safety record that is
9 substantially better than the industry average.

10 As a result of our efforts, Energy Delivery continues to receive numerous safety
11 awards, which are listed in Appendix B. While these awards demonstrate that LG&E and
12 KU are certainly leaders among utility companies in safety performance, we will
13 continually seek improvement and strive for an incident-free workplace.

14 **Delivery of Reliable Electric Service**

15 **Q. How do LG&E and KU measure its distribution performance?**

16 A. LG&E and KU track the reliability of their distribution facilities through analyzing
17 performance metrics such as the System Average Interruption Duration Index (“SAIDI”)
18 and System Average Interruption Frequency Index (“SAIFI”). SAIDI measures the
19 average electric service interruption duration in minutes per customer for the specified
20 period and system, while SAIFI measures the average electric service interruption
21 frequency per customer for the specified period and system.

³ The recordable injury rate is calculated by multiplying the number of recordable cases by 200,000, and then dividing that number by the number of labor hours at the company.

1 The Companies' distribution performance continues to be strong, despite the
2 damage to the system resulting from the severe storms in 2008 and 2009. In 2011,
3 LG&E and KU again experienced significant weather events that affected reliability
4 performance, as data from the National Weather Service indicates that Kentucky
5 experienced nearly twice as many wind events in 2011 than in 2010. Despite these
6 external challenges, LG&E and KU achieved a distribution system SAIDI of 100.28 and
7 100.98 in 2010 and 2011, respectively, which places them among the top performers in
8 the region.

9 **Q. In the Companies' last rate cases, LG&E and KU had just received the report**
10 **issued by the Commission relating to the 2008 Wind Storm and 2009 Winter Storm.**
11 **Have the Companies now completed its review of the report?**

12 A. Yes. LG&E and KU carefully reviewed the report and the recommendations contained
13 therein. The Companies were pleased to find they had already implemented many of the
14 Commission's recommendations, and have since implemented or are in the process of
15 implementing the remaining recommendations as indicated in the responses filed with the
16 Commission.

17 For example, since March 2009, the Companies have constructed or upgraded
18 approximately 60 miles of lines to the National Electrical Safety Code "heavy" loading
19 standard. Beginning in October 2010, LG&E and KU implemented an Enhanced Hazard
20 Tree Program, consistent with the recommendations in the Commission's report. The
21 plan includes the removal of dead, dying and diseased trees inside and outside of the
22 Companies' easements, which is purposed upon reducing the likelihood of tree damage to
23 the electrical infrastructure during severe weather events. Through early 2012, over

1 31,000 trees have been removed. Moreover in 2010, the Companies implemented a pilot
2 program to underground approximately 500 existing overhead electric services in their
3 territories. Also, in 2011 the Companies participated in a four-day NLE-11 National
4 Earthquake Exercise and in the Southern Gas Association Emergency Management
5 Disaster Drill.

6 The Companies place an emphasis on storm preparedness and the Edison Electric
7 Institute recognized LG&E and KU for the efforts to restore power following the 2009
8 ice and subsequent wind storm with the Emergency Recovery Award. As always,
9 however, LG&E and KU continue to investigate other means by which to improve.

10 **Q. Please discuss the Companies' vegetation management efforts.**

11 A. For years, LG&E and KU have employed a vegetation management plan that emphasizes
12 flexibility in recognition of the variances within their service areas with regard to growth
13 and tree density. This enables the Companies to maintain a proactive trim cycle while
14 balancing the reactive needs of circuits targeted for reliability improvement. The
15 Companies' goal is to maintain an average trim cycle of 5 years or less, while ensuring
16 that all circuits targeted for improvement are trimmed in the year that they have been so
17 identified.

18 To improve our customers' understanding of the importance of vegetation
19 management, the Companies have enhanced their communications to customers before
20 trimming on their property. For example, the Companies provide educational materials
21 to affected customers, make automated phone calls to notify customers of upcoming tree
22 trimming, engage in face-to-face conversations with customers on the day the trimming
23 occurs, in addition to further developing the Companies' website to include frequently

1 asked questions and guidelines regarding tree planting. The Companies also conducted
2 customer service training to the more than 440 personnel that contract with LG&E and
3 KU to provide trimming services.

4 The Companies are conducting quarterly surveys of customers to measure the
5 impact of these efforts. To date, the results reveal that most customers believe that tree
6 trimming makes electric service more reliable, and customers are generally satisfied with
7 the Companies' tree trimming process.

8 **Q. Have LG&E and KU continued to make investments in infrastructure and electric**
9 **reliability since the last rate case?**

10 A. Yes. Since the last rate case, the Companies have invested \$210.3 million in electric
11 system distribution reliability and infrastructure in two key areas to ensure that our
12 customers benefit from a safe and reliable distribution system. First, the Companies
13 have invested in system enhancements. Although the economic downturn has decreased
14 the demand for new service, there are areas where load growth has resulted in electric
15 demand approaching the limits of the infrastructure. As such, new and upgraded electric
16 distribution circuits and substations have been constructed to ensure adequate capacity
17 and reliability to serve existing load demand.

18 Second, the Companies have made investments to address reliability and aging
19 infrastructure, including targeted circuit improvements and the replacement and life
20 extension of infrastructure such as transformers, circuit breakers and protective devices,
21 as well as underground and overhead conductors. Likewise, the Companies are
22 replacing support structures, such as wood pole and cross arms, to reduce the likelihood
23 of failure.

1 **Q. Have LG&E and KU continued to make other investments to distribution facilities**
2 **to serve customers since the last rate case?**

3 A. Yes. Since the last rate case, LG&E and KU have invested \$129.2 million in distribution
4 facilities to serve customers, principally through the installation of new and upgraded
5 infrastructure, including circuits and substations to serve the Companies' new business.
6 Additionally, LG&E and KU have invested \$21.1 million in technology, metering and
7 equipment.

8 **Q. In the Companies' last rate cases you discussed several initiatives LG&E and KU**
9 **were implementing with regard to severe weather events and restoration efforts**
10 **following same. Can you provide an update on these initiatives?**

11 A. Yes. Following the recent severe weather events that impacted LG&E's and KU's
12 service areas, the Companies looked to establish initiatives that would provide our
13 customers with more information regarding restoration efforts. For example, LG&E and
14 KU added outage maps to their website and deployed mobile outage map applications for
15 smart phones, which show current power conditions across the service territories.
16 Customers can view this information online or on their smart phones, searchable by
17 location, county or ZIP code, with information regarding the number of customers
18 affected, when the outage was reported and the estimated restoration time. Outage
19 information is updated multiple times per day.

20 Customers have responded positively by using these initiatives. For example,
21 during the August 2011 windstorm, traffic to our online outage maps increased
22 dramatically, as approximately 27,000 unique visitors went to the site, which is 10 times
23 the previous high of just over 2,600. Likewise, over 33,500 smart phone applications

1 were downloaded by March 2012. Currently, the Companies' Twitter account has over
2 1,500 followers.

3 **Q. Have there been weather challenges with regard to electric reliability?**

4 A. Yes, as stated previously, data from the National Weather Service indicates that
5 Kentucky experienced nearly twice as many wind events in 2011 than in 2010. The
6 worst of these events was a severe thunderstorm carrying high winds that affected
7 LG&E's and KU's service territories on August 13, 2011, that necessitated significant
8 repairs and restorations. Distribution facilities were heavily impacted, initially causing
9 165,000 of the Companies' customers to lose power. Of this number, 126,000 were
10 LG&E customers, which meant that one-third of LG&E's electric customers were
11 without power. This number exceeded the amount of LG&E customers that were
12 affected by any event since the ice and subsequent windstorm that struck Louisville in
13 January and February 2009. Damage from the August 13, 2011 storm was caused by
14 straight-line winds, possibly in the form of successive downbursts, which are powerful
15 winds a thunderstorm releases once the storm reaches the ground. Wind gusts in the
16 Louisville area reached as high as 69 mph.

17 **Q. Please describe LG&E's storm preparedness efforts.**

18 A. LG&E continuously monitors the weather, because advance warning of severe weather is
19 essential to emergency preparedness. For example, LG&E subscribes to DTN Televent
20 Weather Service, which provides 24/7 weather prediction services to the Companies'
21 service areas. In fact, if LG&E posts a question, the DTN meteorologists will respond
22 within 15 minutes. Both LG&E and KU participate in all National Weather Service
23 conference calls regarding weather events in the Companies' service areas. Finally,

1 LG&E and KU serve on the Kentucky Weather Preparedness Committee and participate
2 in the Kentucky Emergency Management Weather Conference and Kentucky Emergency
3 Management State Weather Exercise.

4 In order to help ensure adequate restoration resources are available, the
5 Companies are members of, actively participate in, and frequently communicate with
6 three regional mutual assistance groups: Great Lakes Mutual Assistance, Midwest Mutual
7 Assistance and Southeastern Electric Exchange. Additionally, the Companies work
8 closely with state and local emergency response and planning agencies and personnel to
9 coordinate planning for responding to disasters, including severe weather events.

10 LG&E fully utilized these resources to monitor the weather leading up to the
11 August 13, 2011 storm and was adequately prepared to respond to this storm described
12 by a National Weather Service meteorologist as “a freak one-two punch of straight-line
13 winds followed by a powerful downburst of air.”⁴

14 **Q. Please provide an overview of the Companies’ restoration efforts.**

15 A. As soon as customers began losing power, LG&E engaged in day-and-night efforts to
16 restore power. Restoring power required significant investment and labor: 1,492 lines
17 were downed; 84 poles were broken; and more than 136,484 outage calls from customers
18 were received. At the peak of the restoration efforts, 1,552 employees and contractors
19 were working to restore service. As a result of these efforts, all power was restored four
20 days later by August 17, 2011.

21 During this time, LG&E used the online outage maps on its website so that
22 customers would be apprised of the remaining outages and estimated restoration times.

⁴ Dan Klepal, *Unusual Storm Caused Heavy Damage in Area*, The Courier-Journal, Aug. 16, 2011, at A6 (citing National Weather Service meteorologist John Gordon).

1 Finally, the employees and contractors that worked long day-and-night shifts to restore
2 service continued to adhere to the Companies' "No Compromise" approach and there
3 were no injuries.

4 **Q. How did LG&E monitor the reasonableness of the costs incurred?**

5 A. In restoring service when a severe weather event occurs, LG&E and KU employ a suite
6 of controls to ensure that all incurred costs are necessary and reasonable. In restoring
7 service after the storm, LG&E utilized those controls successfully. LG&E ultimately
8 incurred capital costs of approximately \$1.5 million and operation and maintenance
9 expenses of approximately \$8.4 million. To ensure these costs were reasonable, LG&E
10 adhered to the following well-established controls.

11 LG&E utilized the Incident Command System that Energy Delivery has adopted,
12 which consists of three key sections: Operations, Logistics, and Work Planning. These
13 sections are essential to timely and effective restoration of customer service and repair of
14 infrastructure damage. Operations has the overall responsibility for developing and
15 managing tactical responses to emergencies and outage events, including public safety,
16 restoration prioritization, critical customer identification, work assignment and resource
17 allocation. Work Planning has the responsibility for working with Operations to
18 identify and secure resource needs. Work Planning also tracks resources against
19 estimated restoration times to assure that resources are reasonably distributed, while
20 simultaneously tracking and reporting on associated costs throughout the event. Logistics
21 is responsible for assuring that supplies, lodging and related needs are adequately
22 available and effectively managed throughout a restoration effort. All three of these
23 sections coordinated well during the August 13, 2011 storm.

1 A significant percentage of the independent contractors LG&E utilized to restore
2 service were the employees of LG&E's existing business partners, which means that the
3 independent contractors were familiar with LG&E and its system. When the storm
4 occurred, LG&E already had in place emergency restoration contract agreements with
5 these business partners, which assured that LG&E received market-based, competitive
6 pricing for the services performed. Moreover, because LG&E is a member of multiple
7 Regional Mutual Assistance Groups, it, as well as the other members, adheres to
8 established guidelines that assure consistency in cost reimbursement.

9 Each off-system crew that assisted with restoration efforts was assigned to a
10 LG&E representative, who was responsible for tracking the hours worked, the nature of
11 the work performed, and the equipment used during the restoration effort. Also, LG&E
12 already had in place strategic and competitively sourced agreements with the suppliers of
13 materials for the storm, including Brownstown Electric Service Corporation, which
14 provided all electrical hardware materials, including wire, cable and all associated
15 components; Brown Wood Preserving, which provided all wooden distribution and
16 transmission poles; and Howard Industries, which provided all single-phase and three-
17 phase distribution pole and pad mount transformers.

18 Cumulatively, these efforts ensured that the costs incurred in the restoration
19 efforts were carefully monitored, with a majority of the costs already controlled based
20 upon agreements with existing business partners and materials suppliers.

21 **Q. Did LG&E request regulatory asset treatment for the costs associated with the**
22 **storm?**

1 A. Yes, because the damage and consequent restoration efforts were extraordinary. As
2 discussed more fully in the testimony of Ms. Valerie Scott, LG&E is requesting in this
3 case to recover the \$8,052,125 regulatory asset over a period of five years.⁵

4 **Delivery of Reliable Gas Service**

5 **Q. Has LG&E continued to make investments in infrastructure and gas system safety**
6 **and reliability since the last rate case?**

7 A. Yes. Since the last rate case, LG&E has invested approximately \$109 million in its gas
8 system, principally for distribution safety, reliability and infrastructure such as main
9 replacements, transmission lines, compression stations and metering.

10 **Q. Has LG&E continued to make other investments to distribution facilities to serve**
11 **customers since the last rate case?**

12 A. Yes. LG&E has invested approximately \$8 million in gas distribution facilities, such as
13 main extensions, since the last rate case. Additionally, LG&E has invested \$9.2 million
14 in technology, metering and equipment.

15 **Q. Are the leak mitigation programs still ongoing?**

16 A. Yes, LG&E has continued the leak mitigation program, which includes proactive
17 replacement of certain older distribution mains and associated services. With regard to
18 this main replacement program, since its inception LG&E has installed 474 miles of gas
19 distribution piping in the replacement of aging cast iron, wrought iron, and bare steel
20 mains. Eighty-eight miles of piping have been replaced since LG&E's last rate case, at
21 an investment of \$36.8 million. As part of this proactive program, there are 141 miles of

⁵ In Case No. 2011-00380, the Commission permitted LG&E to establish, for accounting purposes, a regulatory asset based on its costs for storm damages and service restoration. *In the Matter of: Application of Louisville Gas and Electric Company for an Order Approving the Establishment of a Regulatory Asset* (Case No. 2011-00380) (December 27, 2011 Order).

1 distribution mains yet to be replaced. Additionally, LG&E has invested approximately
2 \$14 million since the last rate case in gas distribution service lines and small scale main
3 replacements to ensure continued safety, improved reliability, enhanced operating
4 efficiencies and lower operating costs for LG&E's gas customers.

5 **Q. Are there actions LG&E has taken to maintain or improve the safety and reliability**
6 **of gas system?**

7 A. Yes. LG&E's gas transmission business must comply with the Pipeline Safety
8 Improvement Act of 2002. In complying, LG&E has identified all High Consequence
9 Areas in its gas transmission lines, conducted risk analyses of its pipeline segments and is
10 scheduled to complete the initial baseline integrity assessments of all covered pipeline
11 segments by the end of 2012. Since the last rate cases LG&E has invested over \$8
12 million dollars modifying its gas transmission system to enable in-line inspections using
13 high resolution magnetic flux leakage tools capable of indentifying pipeline defects such
14 as wall losses, dents, and third-party damages. By the end of 2012 approximately 81% of
15 LG&E's gas transmission system, excluding gas storage field pipelines, will be capable
16 of in-line inspections. An additional \$3.5 million has been invested in pipeline
17 enhancements and replacements.

18 With regard to the gas distribution system, LG&E has implemented a Distribution
19 Integrity program as required by the Pipeline, Inspection, Protection, Enforcement, and
20 Safety Act of 2006 and also completed a five-year farm tap upgrade program and is
21 scheduled to complete a ten-year gas service regulator upgrade program in 2012. Farm
22 tap customers are directly served from a transmission or high pressure distribution
23 pipeline operating above 60 psig. Both upgrade programs help ensure the safe and

1 reliable delivery of gas supply to LG&E's customers. Since the last rate cases, LG&E
2 has invested \$8 million on these two programs and \$5.8 million in upgrades to gas
3 regulator facilities, city gate station equipment, customer metering and regulating
4 facilities, and supervisory control and data acquisition equipment.

5 Additionally, since the last rate cases LG&E has invested \$27.7 million in
6 replacing and upgrading equipment in the compressor stations and storage fields to
7 ensure the safe and reliable operation of the underground storage systems. This work
8 has included upgrades to compressor control systems, gas processing units, and auxiliary
9 systems within the compressor stations and replacement of pipelines, repairing,
10 upgrading and drilling gas storage wells, and upgrading gas recovery systems in the gas
11 storage fields.

12 **Q. Is LG&E proposing to replace and assume ownership of certain gas service risers?**

13 A. Yes, LG&E is proposing to replace certain gas service risers that have a compression
14 type mechanical coupling to enhance the safe, reliable delivery of natural gas service to
15 its customers. A gas service riser is a piping component protecting the plastic gas piping
16 as it transitions from below ground to above ground and also serves as the transition from
17 the plastic pipe to the steel pipe at the meter loop and delivers gas to the meter that is
18 owned by LG&E. The gas service riser, as well as the service line, is currently owned
19 by the customer. After considering the risk of natural gas leaks that can occur when a
20 riser fails, LG&E decided to seek approval for a program by which it would replace these
21 gas service risers. Although the gas service riser is owned by the customer, LG&E,
22 based upon its knowledge of the issue, is proposing a cost effective solution to implement

1 a replacement program and assume ownership to further assist customers with safe and
2 reliable service.

3 Gas service risers with compression type mechanical couplings were widely
4 utilized in the natural gas industry beginning in the 1970's and plumbers in the LG&E
5 area began using these gas service risers in the 1980's. In March 2008, the Department
6 of Transportation's Pipeline and Hazardous Materials Safety Administration issued an
7 advisory bulletin regarding potential safety issues with mechanical couplings used in
8 natural gas distribution systems, including in gas service risers. The recommendations in
9 the advisory bulletin included improved record keeping in order to help identify a trend
10 of problems that may occur and to consider whether to adopt a full replacement program
11 if there are too many unknowns related to couplings in service. Consistent with the
12 bulletin, LG&E revised its materials standard in May 2008 to eliminate the future use of
13 gas service risers with compression type mechanical fittings not incorporating an anti-
14 pull out design. In February 2009, LG&E began removing failed gas service risers for
15 investigation. Moreover, LG&E conducted a review of its roughly 300,000 customer-
16 owned gas services and found that approximately 213,000 have gas service risers with
17 mechanical compression fittings not incorporating an anti-pull out design. Since
18 February 2009, 370 customer-owned, gas service riser failures have occurred.

19 **Q. Is LG&E proposing to assume ownership of the customers' service lines, as well?**

20 A. Yes, because the gas service riser, which is currently owned by the customer, attaches to
21 the service line, which is also currently owned by the customer. Under the proposed
22 program, LG&E will proactively replace program gas service risers and assume
23 ownership of them over the program period. The Company will not assume ownership

1 of and responsibility for customers' service lines until a repair or replacement has
2 occurred, or a new service line is installed by the Company. No accounting entry will be
3 recorded with regard to the risers or service lines until replacement occurs. With LG&E
4 assuming this responsibility, the customer is relieved of the burden and inconvenience
5 associated with replacing a leaking gas service line or riser and ensures the replacement is
6 completed safely, in a timely manner and by qualified personnel consistent with
7 regulatory requirements. Hermann Exhibit 1 is attached to my testimony and contains a
8 detailed description of how the Company plans to administer the program and the
9 projected costs associated with same.

10 **Q. Please describe the proposed locations where LG&E will be replacing gas service**
11 **risers.**

12 A. LG&E will be replacing gas service risers throughout its service area, as demonstrated by
13 the maps attached to the Appendix of Hermann Exhibit 1. At the outset of the program,
14 LG&E will conduct a random sample riser replacement and assessment effort by
15 conducting replacements at 800 locations. The results of the assessment will be utilized
16 to develop an overall gas riser replacement plan according to appropriate priorities.

17 **Q. How is LG&E seeking to recover the costs associated with the proposed gas riser**
18 **replacement program?**

19 A. As discussed in the testimony of Lonnie E. Bellar, LG&E is proposing a gas line tracker
20 to recover the costs associated with the gas service riser replacement program and the
21 ongoing costs associated with replacement of gas service lines. As Mr. Bellar explains,
22 the tracker allows LG&E to timely recover the costs of these programs, which are solely
23 purposed upon ensuring our customers receive safe and reliable natural gas service.

1 Ownership of the customer service lines will result in estimated incremental operations
2 and maintenance costs of \$1.1 million in the first year of the program, and \$6.1 million
3 over the five-year riser replacement program. These costs are expected to be ongoing
4 and will be primarily associated with expenses required to maintain customer meter
5 loops.

6 **Q. Is LG&E also proposing to include the costs associated with the leak mitigation**
7 **program in the tracker?**

8 A. Yes, LG&E is proposing to include the leak mitigation program as part of the tracker, as
9 well. As explained above, there are 141 miles of distribution mains yet to be replaced, in
10 addition to the associated services. As explained by Mr. Bellar, LG&E proposes to
11 recover the costs associated with the remaining work through the gas line tracker.

12 **Customer Service and Satisfaction**

13 **Q. Please provide an overview of the Companies' objective regarding customer service**
14 **and satisfaction.**

15 A. The Companies' "Customer Experience" objective seeks to achieve and remain superior
16 providers of innovative customer experiences. LG&E and KU have met this objective by
17 expanding relationships with customers by delivering outstanding customer experiences
18 that create value and build trust. Along with this goal, the Companies employ their core
19 values - which are: safety and health; customer focus; employee commitment and
20 diversity; integrity and openness; performance excellence; and corporate citizenship -
21 across the Companies to ensure these objectives are accomplished in a safe, effective and
22 efficient manner.

23 **Q. Please provide an overview of the Companies' customer contact channels that are**
24 **available to help serve customers.**

1 A. The Companies have implemented several initiatives since the last rate cases to better
2 reflect customers' preferences across several new and/or enhanced contact channels
3 including business and residential business offices, business and residential call centers,
4 web self-service, integrated voice response systems, e-mail and outage mobile
5 applications. Customers can complete transactions across these channels at their
6 discretion. Customers, however, predominantly utilize our 24 walk-in business offices
7 and our residential and business call centers. While the Companies assess operational
8 performance across every customer contact channel, LG&E and KU also utilize a third-
9 party research firm to conduct transactional studies to measure how customers evaluate
10 the Companies' performance. Ratings for each contact channel have been excellent,
11 routinely exceeding the 8.5 target on a scale of 1 to 10.

12 **Q. Please provide an overview of the improvements the Companies have made to their**
13 **business offices.**

14 A. The Companies' business offices are critical to Energy Delivery's "Customer
15 Experience" vision because a large segment of customers prefer to utilize the walk-in,
16 face-to-face option to conduct transactions. The 24 business offices process 2,800,000
17 customer transactions annually and support call center operations by taking
18 approximately 80,000 customer calls through the Voice Over Internet Protocol (VOIP)
19 capability. With VOIP, the Companies can effectively manage customer contact volume
20 and provide additional support during severe weather events. In an effort to focus on the
21 quality of customer transactions, the business offices also have implemented a monitoring
22 program to measure the success of customer service objectives by reviewing a portion of
23 VOIP calls and incorporating their findings into training material.

1 Because of customers' increased knowledge of energy-related issues, the
2 Companies must ensure that customer service representatives can provide information
3 regarding, for example, smart grid technologies, electric vehicles and energy efficiency.
4 By transitioning business offices from primarily payment centers to energy partner
5 centers, customers benefit from a higher value transaction when they choose to walk-in to
6 transact business.

7 Four offices have undergone extensive renovation to ensure a more satisfying
8 customer experience. For example, sitting areas were updated, customer courtesy
9 telephones that make debit and credit card payment available were relocated and clearly
10 identified, and additional signage was installed to direct customers appropriately.

11 **Q. Please provide an overview of the improvements the Companies have made to their**
12 **call centers.**

13 A. Because many customers prefer to interact directly with a customer service
14 representative, the Companies have added a significant number of customer service
15 agents to both its residential and business service centers. The most substantial addition
16 to customer service agents is the new call center in Morganfield, Kentucky. The call
17 center, which is the Companies' fourth in Kentucky, opened its doors on October 31,
18 2011, and currently houses 75 employees in the 23,000 square-foot facility that includes a
19 walk-in center and a customer drive-up window. By February 2012, 51 residential
20 service center customer service agents were hired, trained and handling customer calls.

21 While the majority of the employees working at the new call center are customer
22 service agents, the facility likewise consolidates Morganfield's customer service business
23 office representatives, a western Kentucky economic development representative, line

1 technicians, meter readers and field service personnel all under one roof. Additionally,
2 there is an on-site storage facility for distribution parts and equipment. The cost to
3 construct the facility was approximately \$5.3 million, and the annual operating cost for
4 maintaining the facility is projected to be approximately \$245,000.

5 **Q. Have the Companies added additional customer service agents other than those at**
6 **the new Morganfield call center?**

7 A. Yes. From June 2011 to February 20, 2012, LG&E and KU added 25% more residential
8 service center customer service agents and 59% more business service center customer
9 service agents. The annual cost increase due to the greater number of customer service
10 agents is expected to be approximately \$3.5 million.

11 **Q. Please describe the call centers' recent operational performance.**

12 A. The residential call centers' operational performance is excellent, answering at least 80%
13 of all calls within 30 seconds, with an average speed of approximately 27 seconds while
14 processing approximately 2,200,000 calls annually. And of equal significance, the
15 Companies have maintained or exceeded the goal of resolving at least 75% of all
16 customer issues during the first phone call. Lastly, customer experience ratings for the
17 residential call centers continue to improve and have remained at the target of 8.5 or
18 higher.

19 The business call centers' operational performance has achieved answering at
20 least 80% of all calls within 30 seconds, with an average speed of approximately 22
21 seconds while processing approximately 215,000 calls annually. Also, the Companies'
22 first call resolution remains at a sustainable rate of 70% or greater. Moreover, customer

1 experience ratings for the business call centers continue to improve and have remained at
2 the target of 8.5 or higher, routinely exceeding 9.0 on a 10 point scale.

3 **Q. Please provide an overview of the Companies' initiatives with regard to web self-**
4 **service.**

5 A. Since April 2009, when LG&E and KU launched an enhanced "My Account" website,
6 the Companies have offered increased self-service functionality for customers.
7 Residential and business customers can view and pay their bills, turn on/off or transfer
8 their service, view energy usage, as well as register for many customer programs
9 including automatic bank club, budget billing, energy efficiency and demand-side
10 management offerings. In the past year, customers have completed between 115,000 and
11 141,000 online transactions on a monthly basis.

12 In 2010, LG&E and KU developed portals for low income assistance agencies
13 and landlord/property managers. In 2011, LG&E and KU interfaced the low income
14 agency portal with Community Action Agencies throughout the service territories to
15 streamline administration of the Low Income Heating Energy Assistance Program
16 ("LIHEAP"). For the 2011-12 heating season, approximately 65,000 LIHEAP customer
17 pledges and payments were processed electronically, which resulted in higher satisfaction
18 with the agencies, company employees and customers.

19 Also in 2010, LG&E and KU began offering a landlord/property managers portal
20 where the landlord or owner of multiple properties could register and manage all their
21 accounts online by using a single email address. Lastly, the customer experience ratings
22 for residential and business customers who utilize web self-service options continues to

1 improve and routinely averages above 9.0 for residential users and 8.5 for business users
2 on a 10 point scale.

3 **Q. Have the Companies recently upgraded its Interactive Voice Response system?**

4 A. Yes. In November 2010, the Companies' Interactive Voice Response (IVR) system was
5 updated with new menu options and additional information was made available to
6 customers as a self-service option. The project included replacement of the hardware and
7 software systems which allow for programming with the most current technology. The
8 cost of the project was \$1.25 million, which included hardware and software replacement
9 costs, integration with other systems, vendor development, internal software development
10 and customer focus groups to test the new options.

11 The percentage of residential customers resolving concerns while staying within
12 the IVR system has improved from approximately 8% per month to steadily maintaining
13 32-34% per month for non-outage calls or approximately 825,000 calls annually. In
14 addition, customers' satisfaction with IVR is continually measured through third-party
15 telephone surveys, and, for the last year, LG&E and KU have achieved an 8.4 or higher
16 rating on a 10 point scale.

17 Approximately 10% of business customers complete transactions using the IVR
18 system, which corresponds to approximately 30,000 calls annually. As with the
19 residential customers' satisfaction, for the last year, the Companies have achieved an 8.4
20 or higher rating on a 10 point scale.

21 **Q. Please describe the Companies' efforts to increase email as a form of customer**
22 **service.**

1 A. LG&E and KU recently established a new 10-member dedicated team to assist in
2 responding to customers that choose to do business by email, which are managed by the
3 call routing systems used within the call centers to ensure the appropriate skill set and the
4 shortest queue are utilized. Annually, the Companies address approximately 60,000 to
5 80,000 residential and business customer emails and often exceed the Companies' target
6 of answering 85% of emails within 24 hours of receipt. Customer experience ratings
7 continue to improve and remain at 8.4 or higher on a 10 point scale.

8 **Q. Have LG&E and KU implemented actions to ensure that meter reading accuracy**
9 **meets or exceeds targets?**

10 A. Yes, the Companies have taken several steps to ensure that its meter reading accuracy
11 meets or exceeds the accuracy target of 99.9%. First, an "all hands" meeting with all
12 meter reading employees, as well as executives from our contract partners, was held in
13 August 2011 to stress the Companies' commitment to meter reading accuracy. LG&E
14 and KU identified utilities that excel in meter reading accuracy and compared their
15 processes and procedures to isolate opportunities for improvement. The Companies also
16 conducted field quality audits.

17 Following these steps, LG&E and KU changed the parameters of its meter
18 reading system to tighten the tolerances for increases and decreases in consumption in
19 monthly meter reads. The tolerance compares the customer's current month consumption
20 to the same period in the prior year. The new tolerance parameter changed the
21 consumption upper limit from 4 times higher to 1.75 times higher and changed the
22 consumption lower limit from 99% lower to 50% lower (except for LG&E residential gas
23 customers, which is 75% lower). Finally, the Companies have enhanced communications

1 with meter reading employees to inform them of their performance, including a “How
2 Are We Doing” bulletin board that posts their monthly and year-to-date performance.

3 **Q. Please describe the changes associated with the Billing Integrity area.**

4 A. Billing Integrity (BI) has worked closely with the Information Technology Customer
5 Care System (“CCS”) support to detect system errors, request system improvements, and
6 identify more effective workflow processes. BI continues to enhance employee
7 knowledge and understanding of CCS to reduce the period of time between identification
8 of a concern and issuance of the associated bill or billing corrections.

9 To date, BI has completed several initiatives purposed upon improving customer
10 billing performance. These include conducting monthly meetings with the BI leadership
11 team to identify improvement needs and encourage standardization between the
12 Companies; identifying new key performance indicators to better track performance; and
13 performing a review of BI operational performance and long-term organizational needs.
14 As a result of this review, BI created two new areas - Tariffs and Rates Analyst and
15 Business Continuity and Data Integrity - which required hiring 10 additional full-time
16 employees at an annual cost of over \$800,000. The primary responsibilities of the Tariffs
17 and Rates Analyst group are to provide expertise in understanding and applying billing
18 components of the Companies’ tariffs and ensuring correct billing. The primary roles of
19 the Business Continuity and Data Integrity group are to pursue process standardization
20 and continuous improvement between LG&E and KU.

21 **Q. Have these successful initiatives led to increased expenses for the Companies?**

22 A. Yes. While superior customer service continues to be a core value of the Companies,
23 since the last rate case LG&E and KU have absorbed the costs of many external

1 challenges, including an economic downturn, several extreme weather events, and
2 investments to facilities to provide service.

3 In order to contain costs while simultaneously improving customer service, the
4 Companies developed and implemented the suite of self-serve tools described above. The
5 Companies learned, however, that while the self-serve tools were beneficial, additional
6 personnel and training of personnel were necessary at this time to address customers'
7 desire to speak directly with a customer representative about a particular issue.

8 **Q. Have LG&E and KU implemented programs that increase customers' knowledge
9 and transparency with regard to energy usage and conservation?**

10 A. Yes, as customers are increasingly seeking more detailed information regarding their
11 usage and conservation. In 2011, the Companies received approval to expand certain
12 demand-side management ("DSM") programs, as well as establish new programs, that
13 enable customers to better understand their consumption. For example, the Companies
14 received approval to expand their Residential Conservation/Home Energy Performance
15 Program, which is designed to help customers reduce home energy costs using either
16 online or on-site energy audits. The goal of the program is for the Companies to work
17 with customers to identify specific steps that can reduce energy costs, which will make
18 our customers better energy managers. In the recent proceeding, the Companies
19 received approval to propose new on-site audit incentives for this program. The
20 Companies also received approval to establish a Smart Energy Profile Program, the
21 purpose of which is to educate customers about their energy consumption, encourage
22 them to reduce consumption and empower them to use energy more wisely. By

1 utilizing available customer data, LG&E and KU will create an individualized household
2 report for each participating customer.

3 The suite of programs is expected to achieve 500 MW's of demand reduction by
4 2018, with an annual investment of approximately \$35 million. Additionally, these
5 programs reduce an estimated 1% of the annual forecasted residential and commercial
6 energy consumption. Currently, nearly one-third of all customers participate in at least
7 one energy efficiency program. Expansion of the Companies' existing programs, and
8 implementation of new programs, will ensure that customers are equipped to understand
9 their energy usage and better manage their consumption, which is beneficial not only to
10 our customers, but to the environment, as well.

11 **Q. Are the Companies satisfied with their customer service performance?**

12 A. Yes.. The metrics discussed earlier in my testimony demonstrate that the Companies are
13 achieving many of their goals with regard to customer service. Although I am proud of
14 our employees' efforts and our results, we view our progress as ongoing, as one of our
15 business philosophies is to continuously look for opportunities to improve. Although
16 mistakes may occur from time to time, each complaint is taken seriously and the
17 Companies remain committed to providing quality customer service and our recent
18 metrics demonstrate that commitment.

19 **Low Income Assistance**

20 **Q. Please describe the commitments the Companies have made to benefit low income**
21 **customers in their recent change of control proceeding.**

22 A. LG&E and KU have recently made several commitments to increase their assistance to
23 low income customers, which cumulatively represents an unprecedented increase in the
24 Companies' contribution levels. The Companies are aware of the financial toll the

1 economic downturn took on our customers, especially our low income customers, and
2 have thus not only given additional contributions, but have made our business practices
3 more flexible so as to provide those customers additional support.

4 As part of the change of control proceeding in which PPL Corporation was
5 approved to become LG&E's and KU's parent, the Companies committed to extend the
6 contributions agreed to in their most recent rate cases to Wintercare Energy Assistance
7 Fund, ACM/Metro Match, and the Home Energy Assistance ("HEA") programs for two
8 additional years.⁶ KU participates in the WinterCare Energy Assistance Fund, a state-
9 wide energy assistance fund supported privately by utilities and community action
10 agencies that provide assistance to low income persons with their utility expenses during
11 the winter season. KU agreed to contribute \$100,000 annually to the program through
12 2014. LG&E participates in a similar program, ACM/Metro Match, and has agreed to
13 continue its current matching contribution of up to \$225,000 annually through July 2014.
14 Finally, the Companies agreed to continue their 15-cent-per-meter charge for funding the
15 HEA program for an additional three-year term through September 30, 2015.

16 **Q. Did the Companies again increase their contributions in their recent environmental**
17 **surcharge proceedings?**

18 A. Yes. As part of the settlement of those cases, the Companies agreed to make two
19 additional annual contributions totaling \$500,000 to LG&E's and KU's HEA programs,
20 consisting of a shareholder contribution of \$250,000 in 2011 and 2012.⁷ The

⁶ *In the Matter of: Joint Application of PPL Corporation, E.ON AG, E.ON US Investments, Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities* (Case No. 2010-00204) (September 30, 2010 Order).

⁷ *In the Matter of: The Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge* (Case No. 2011-00161) (December 15, 2011 Order) and *In the Matter of: The Application of Louisville Gas and Electric Company*

1 contributions will be split evenly between the LG&E and KU program. Moreover,
2 beginning January 1, 2012, the Companies increased the cent-per-meter charge for the
3 HEA program from 15 to 16 cents until LG&E's and KU's next base rate cases. The
4 increase is expected to produce an annual increase of \$115,000 in HEA funds.

5 **Q. In addition to these significant increases in shareholder contributions, have the**
6 **Companies implemented measures that afford low income customers greater**
7 **flexibility in paying their electric and gas bills?**

8 A. Yes. First, the Companies have created a FLEX program by which residential customers
9 that indicate they are on a limited income may receive a payment due date that more
10 closely coincides with the receipt of their monthly income check. This option moves
11 the due date of each bill from the current 12 days from the issuance of the invoice to 28
12 days from issuance, thereby effectively extending the customer's original due date by 16
13 days. This helps prevent the customer from incurring a late payment charge, and
14 likewise minimizes the issuance of disconnection notices to these customers. Since its
15 implementation in December 2009, the program has been widely used by low income
16 customers. Through April 2012, a total of 13,601 customers were utilizing the FLEX
17 program, with participation evenly distributed between LG&E and KU. LG&E's and
18 KU's remaining customers currently have 12 days from the issuance of the invoice to pay
19 their bills.

20 Second, since October 1, 2010, residential customers who receive a pledge or
21 notice of low income energy assistance from an authorized agency are not assessed or
22 required to pay a late payment charge for the bill for which the pledge or notice is

for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge (Case No. 2011-00162) (December 15, 2011 Order).

1 received. Moreover, the customer will not be assessed or required to pay a late payment
2 charge in any of the 11 months following receipt of the pledge or notice. This waiver of
3 the late payment charge has inured significant benefit to low income customers. Since
4 the inception of the program, LG&E and KU have waived approximately \$3.5 million in
5 late payment charges to help alleviate the financial burden our low income customers are
6 facing.

7 **Q. In addition to increased contributions and greater payment flexibility, do the**
8 **Companies have DSM programs that specifically target low income customers?**

9 A. Yes. In LG&E's and KU's recent DSM proceeding, the Companies obtained approval to
10 expand its Residential Low Income Weatherization Program ("WeCare"). WeCare is an
11 education and weatherization program purposed upon reducing the energy consumption
12 of the Companies' low income customers. LG&E and KU, in its expanded program, will
13 allow for increased weatherization measures, an increase in the number of customers
14 served, as well as extension of the program for seven years.

15 Cumulatively, these efforts demonstrate that LG&E and KU are committed to
16 provide assistance to its low income customers. The Companies are endeavoring to
17 weatherize the homes of low income customers to decrease customers' monthly financial
18 obligation for energy. If the customer is unable to pay their bill when due, the customer
19 can seek to join the FLEX program which extends the due date to 28 days from issuance
20 of the invoice. To the extent further assistance is required, the Companies have
21 generously increased their giving to agencies that provide financial support and waive the
22 late payment charges for customers receiving assistance. In short, the Companies are

1 prepared to assist across the energy consumption spectrum – from before the energy is
2 consumed until after the invoice is issued.

3 **Conclusion**

4 **Q. Please summarize why a rate increase is needed as it relates to Energy Delivery.**

5 A. LG&E and KU have taken numerous steps in safety, reliability and customer service, all
6 of which have been quite successful. The Companies' performance of the Energy
7 Delivery functions is very strong. These initiatives, however, have resulted in increased
8 capital and operating and maintenance expenditures. For example, Energy Delivery has
9 hired 100 additional employees since the test year in the last rate cases. In addition to
10 benefiting our customers, the Companies' hiring efforts have been of significant value to
11 LG&E's and KU's service areas during this economic downturn because job openings,
12 especially full-time positions with benefits comparable to those of the Companies, have,
13 at best, been scarce. As shown in the testimony of Mr. Kent Blake, Chief Financial
14 Officer, the costs need to be included in base rates at this time to allow the Companies to
15 continue to earn a reasonable rate of return that will attract capital investment.

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

17 A. Yes, it does.

Appendix A

Chris Hermann

Senior Vice President, Energy Delivery
LG&E and KU Energy LLC
220 West Main Street
Louisville, Kentucky 40202

Current Major Accountabilities

- Business strategies and budgets that support the financial and best practice targets of LG&E and KU Energy and PPL.
- Natural gas and electric distribution operations focused on network enhancement, reliability, operation and maintenance.
- Service restoration and emergency operations that minimize adverse customer impact.
- Retail business and customer service functions, including metering, customer call center and business office operations, marketing, revenue collection and economic development.
- Real estate and right-of-way, facilities management, office services, corporate fleet and security operations.

Previous Accountabilities

Chris began his career with Louisville Gas and Electric in 1966 as a college worker, returned for engineering co-op assignments through 1969, then joined LG&E in 1970 as a plant staff engineer. During his company career, Chris also has been responsible for generation, fuel procurement, plant construction, load dispatch, engineering services and business integration.

Career History

	Dates
LG&E Energy Corp., Louisville, KY	
Senior Vice President, Distribution Operations	2000-2003
Vice President, Supply Chain & Operating Services	2000-2000
Vice President, Power Generation & Generation Services	1998-2000
Vice President, Business Integration	1997-1998
Vice President & General Manager, Wholesale Electric Business	1993-1997
Louisville Gas & Electric Co., Louisville, KY	
General Manager, Wholesale Electric	1992-1993
General Manager, Power Production Department	1989-1992
Manager Administration, Power Production Department	1984-1989
Plant Manager, Cane Run Station	1978-1984
Assistant Plant Manager, Cane Run Station	1976-1978
Economy Engineer, Cane Run Station	1973-1975
Mechanical Engineer, Cane Run Station	1970-1972

Present Civic Activities

University of Louisville Speed Scientific School
Chair, Board Operating Sub-Committee
Past Board of Industrial Advisors Chair,
1993-1994

Metro United Way
Board of Directors
Executive Committee
Tocqueville Steering Committee
Red Feather Society Chair

Kentucky State Parks Foundation
Board Member
Chair Membership Committee

Kentucky Chamber of Commerce
Board Member
Executive Committee
Vice Chair Administration

KET Louisville Regional Board Member

Professional/Trade Memberships

- Southern Gas Association Board Member
- American Gas Association Board Member, Safety Task Force Board Member and Strategic Planning Committee Member
- American Society of Mechanical Engineers

Education

- University of Louisville, BME, Mechanical Engineering: 1970
- Duke University, Program for Management Development: 1991
- Harvard University, Program on Negotiations: 1994
- Edison Electric Institute, Program on Senior Middle Management: 1995-1996
- E.ON Academy Executive Program Leading Corporate Transformation at Harvard University: 2003

Appendix B

Energy Delivery's Safety Awards

2010

- SGA Safety Video Excellence Award Safety 2010 Technical Short
- Utility Communicators International – Second place award for the “Safety With An Attitude” video.
- Distribution Operations, Retail and Metering – Royal Society for the Prevention of Accidents for Occupational Safety – International Safety Award
- Paul R. Fields - KGA Lifesavings Efforts Award
- SGA – Second place award for Energy Delivery wellness posters
- Kentucky Governor's Health & Safety Awards:
 - Magnolia for 1,000,000 man-hours without a lost time injury
 - Gas Regulatory for 250,000 man-hours without a lost time injury
 - Gas Control for 500,000 man-hours without a lost time injury.
- Elizabethtown Operations received an EEI Safety Achievement Award and a National Safety Council award for achieving 250,000 man-hours without a lost time injury.
- 2010 AGA Safety Achievement Award for achieving the lowest DART (Days Away, Restricted, or Transferred) incident rate among medium sized combination companies.
- 2010 KGA Accident Prevention Award for Excellence in Safety

2011

- AGA DART award for Gas Operations achieving 531,193 hours with a dart rate of .15
- SGA Safety Video Excellence Award Safety 2011 Technical Short
- Distribution Operations, Retail and Metering – Royal Society for the Prevention of Accidents for Occupational Safety – International Safety Award
- EEI Safety Achievement Awards:
 - Danville SC&M for 500,000 man-hours without a lost time injury
 - Lexington SC&M for 750,000 man-hours without a lost time injury
 - Pineville Operations Center for 750,000 man-hours without a lost time injury
- Kentucky Governor's Health & Safety Award, Pineville Operations for 250,000 man-hours without a lost time injury

Hermann Exhibit 1

Gas Service Riser Replacement Program & Customer Service Ownership

Louisville Gas & Electric Company 2012 Gas Service Riser Replacement Program & Customer Service Ownership

Introduction

Louisville Gas and Electric Company (“LG&E” or “Company”) proposes to implement a systematic targeted replacement program for customer-owned gas service risers that contain a specific compression type mechanical coupling. This will enhance the safe, reliable delivery of natural gas service to LG&E’s customers. A gas service riser is a piping component that protects plastic service pipe as it transitions from below ground to above ground and from plastic to steel just upstream of the customer meter loop.

Two prevailing types of failures have been recorded on gas service riser compression fittings in the industry: pullout or leakage. Pullouts involve the separation of the service piping from the coupling stiffener, and have been attributed to thermal cycling of the pipe, soil stresses, soil shifts, coupling deterioration, or improper installation. Leakage involves long-term viscous and elastic effects which cause a leak path to form between the mechanical coupling and plastic pipe.

The gas service riser, as well as the service line, is currently owned by the customer (see Figure 1, in the Appendix). As part of the program, LG&E proposes to assume ownership and responsibility for the gas service risers as they are replaced. LG&E is also proposing to assume ownership and responsibility of customer-owned service lines whenever an existing service line needs repair or replacement, or when a new customer service line is installed. Kentucky’s four other largest natural gas utilities, Atmos Energy Corporation, Columbia Gas of Kentucky, Delta Natural Gas, and Duke Energy Kentucky assume ownership and responsibility for customer-owned service lines on their natural gas distribution systems whenever a new service is installed or existing services are replaced.

Background

LG&E has approximately 300,000 customer-owned gas service lines installed on its gas distribution system. Approximately 213,000 of these services contain service riser compression type mechanical couplings that do not incorporate an anti-pullout design. Risers with this design were widely used in the industry starting in the 1970’s. Customers in LG&E’s service territory started using them during the 1980’s. Most of the risers on LG&E’s system were installed by third party plumbers as part of customer service installations or replacements. Since February 2009, LG&E has responded to 370 customer service riser failures. LG&E’s 2011 annual Department of Transportation (DOT) report included 167 mechanical coupling failures, 150 of which involved customer-owned gas service riser failures.

Incidents resulting from mechanical coupling fitting failures in the natural gas industry have prompted numerous studies and enhanced safety rules by regulatory entities.

1. During 2005, the Ohio Public Utility Commission (PUCO) initiated an investigation titled, *“In the Matter of the Investigation of the Installation, Use, and Performance of Natural*

Gas Service Risers, Throughout the State of Ohio and Related Matters.” The conclusions and safety recommendations resulting from the investigation were filed by the PUCO on November 24, 2006. In its report, the PUCO required gas distribution system operators to conduct system surveys and develop risk mitigation plans for at risk service risers. In response, Columbia Gas of Ohio proposed and received approval from the PUCO to implement a \$200 million dollar replacement program over three years, which included replacement of approximately 350,000 service risers. Duke Energy implemented a similar program in Ohio and in northern Kentucky, which included the replacement of 220,000 gas service risers between 2008 and 2012.

2. In April 2007, the Railroad Commission of Texas (TRC) initiated a study to review the operational history of compression couplings installed at service riser locations. The study was later expanded to include mechanical fittings installed on any portion of the distribution pipeline. The TRC consulted with natural gas distribution utilities in Texas, the National Transportation Safety Board (NTSB), and the Pipeline and Hazardous Materials Safety Administration (PHMSA) to review coupling failure incidents in Texas and the nation. Fifteen months after initiating its review, the TRC released its findings and gas safety recommendations in the “***Study Report on Compression Type Couplings.***” After releasing its report, the TRC approved gas safety rulemaking related to the use of mechanical couplings, including mandated replacement of all service riser couplings that do not have secondary restraint or are not resistant to pull-outs.
3. The Federal DOT Pipeline and Hazardous Materials Administration issued an Advisory Bulletin on March 4, 2008 related to the use of mechanical couplings. The advisory bulletin included the following recommendations:
 - a. Improve record keeping on specific couplings that exist.
 - b. Consider whether to adopt a full replacement program.
 - c. Work with Federal and State pipeline safety representatives, manufacturers, and industry partners to determine how to best resolve potential issues in a utility’s respective state or region.

Starting in 2011, the DOT’s Distribution Integrity regulations included specific annual reporting requirements for mechanical coupling failures, including number of failures, location of failure, material type, manufacturer, nature of failure, and lot number.

Risk of Failures

The natural gas industry, including LG&E, continues to experience mechanical coupling failures on gas service risers. Based on LG&E's failure data, failures occur most frequently in cold temperatures, particularly following an extremely dry period.

Failures of customer gas service risers typically result in gas leaks near the foundation of buildings. The proximity of these leaks increases the likelihood of natural gas migration into buildings.

Completed Mitigation Actions

Since release of the 2008 DOT Advisory Bulletin, LG&E has initiated several actions to assess the operation and failure rates of gas service risers on LG&E's gas distribution system, and to mitigate risks posed by certain customer-owned gas service risers.

1. Material Standards Revision – In May 2008, LG&E revised its material standards to eliminate use of the gas service riser type prone to failure. The revised material standard required the use of gas service risers with category 1 type mechanical couplings that incorporate an anti-pull-out design.
2. Failed Risers Assessment – Starting in February 2009, LG&E began replacing failed customer gas service risers in order to assess and generate data on the mode, cause, time, and result of the failures. Since beginning this assessment, a total of 370 leaking gas service risers have been replaced (as of April 30, 2012).
3. Duke Energy Visit – During March 2010, several LG&E employees traveled to Duke Energy's Cincinnati offices to discuss Duke's gas service riser replacement program. Since 2001, Duke has assumed ownership of customer services whenever they replace a service line or riser.

As part of Duke Energy's 2007 rate case, the PUCO approved Duke's program to proactively replace targeted gas service risers by the end of 2012, and report all future gas service riser failures to the PUCO. Duke subsequently implemented the riser replacement program in Kentucky.

4. Leak Survey – During early January 2011, LG&E conducted an incremental sample leak survey of gas service risers. More than 7,000 services were visited and no service riser leaks were discovered.
5. Gas Riser Survey – Between February and April 2011, LG&E conducted a field survey of customer services and identified 213,000 gas services with targeted risers.

Proposed Mitigation Actions

LG&E proposes to implement a program to systematically replace targeted customer-owned gas service risers located in the LG&E gas distribution system with a gas riser that incorporates an anti-pullout design. LG&E also proposes to assume ownership of and responsibility for (see Figure 2, in the Appendix):

- Customer-owned gas service risers as they are replaced; and
- Customer-owned service lines when a new service is installed or existing services are replaced or repaired.

1. Program Scope

- a. This proposed program will replace all targeted gas service risers over a five-year period. LG&E will take over ownership of each gas service riser upon its replacement.
- b. DOT regulations classify customer-owned services as jurisdictional piping, thus requiring operator qualified personnel to perform all covered tasks associated with gas service work. Accordingly, LG&E will assume ownership of and responsibility for installing, maintaining, and replacing all customer service lines, risers, and meter loops.

2. Program Plan

- a. **Sample Riser Replacement and Assessment** - The first step of the proposed program will be completion of a random sample riser replacement and assessment effort. Riser replacements will be completed at 800 locations for statistical significance. Figure 3, in the Appendix, displays the geographic locations for the targeted sample replacement risers. Risers targeted for the sample program were randomly selected and then qualified to assure adequate statistical significance for services installed by geographic area and decade installed.

Replaced risers will be evaluated for proper installation, material defects, etc. Results from the sample replacement program will be utilized to develop the overall priorities of the gas riser replacement plan with priority to locations having the highest risk of failure.

- b. **Replacement Plan** - Upon completion of the sampling program and establishment of an overall prioritization plan and schedule, all targeted gas service risers will be replaced over a five-year period in accordance with LG&E standards (see Figure 4, in the Appendix). Approximately 213,000 customer-owned service line risers

will be included in the program. Figure 5 in the Appendix, displays the gas service riser population density in LG&E's service area by geographical quadrant.

LG&E proposes to replace 15% of the target population of gas service risers during 2013. This provides for adequate time for customer communications and resource ramp up. An equal distribution of the remaining population of targeted risers will be replaced over the remaining four years of the proposed program period.

- c. Riser Ownership - LG&E will assume ownership of each customer service riser as it is replaced. Assumption of ownership of gas service risers will result in on-going incremental annual expenses associated with replacement and installation of customer service risers.
- d. Customer Experience - Upon receiving approval for this program, LG&E will begin a communications effort to advise customers of the program and explain its benefits. Various communication outlets will be utilized, including a program website, mailers, and a "helpline" to address customer questions or concerns. Drawings and schematics showing the proposed changes will be made available to customers so they can more readily understand the changes in ownership responsibilities.

LG&E will notify customers of targeted risers in writing regarding the replacement program timeline, as it relates to their specific addresses. These notifications will occur via USPS mail, as well as with pamphlets delivered to each customer's residence.

Throughout the program, emphasis will be placed on minimizing service disruptions and customer inconvenience. Customers will experience a brief service interruption and a minor excavation near the meter loop on their property when their gas service riser is replaced. Customer service risers are installed on polyethylene service lines, so typically a full replacement of the service will not be necessary, and the excavation required will be minor in comparison to a complete service replacement.

Once service is interrupted, the old riser will be removed from service, and replaced with a new riser. The new riser, associated meter piping, and customer house piping will then be subjected to a pressure test. Once the pressure test is complete, the customer's gas utility service and yard will be restored, as appropriate.

3. Accelerated Customer Replacements Customers desiring expedited gas service riser replacements will be required to cover the associated replacement expenses. After program implementation, LG&E will provide an operator qualified inspector to assure the installer adheres to manufacturer recommendations and Company standards.

Financial Summary

The estimated financial impacts associated with the proposed Gas Service Riser and Customer Service Ownership programs are displayed in the following table.

Program Description	2013	2014	2015	2016	2017
Implement program to replace all at risk service risers and assume ownership of cust service lines as they are replaced.					
Opex	\$ 4,147,054	\$ 2,156,437	\$ 1,881,751	\$ 1,595,027	\$ 1,296,405
Ongoing Maintenance and Repairs	\$ 1,151,839	\$ 1,186,394	\$ 1,221,986	\$ 1,258,646	\$ 1,296,405
Leak Survey Remaining At-Risk Risers Annually	\$ 903,458	\$ 663,025	\$ 450,950	\$ 229,917	\$ -
Accelerated Customer Riser Replacements	\$ 2,091,757	\$ 307,018	\$ 208,815	\$ 106,464	\$ -
Capital	\$ 24,098,470	\$ 31,125,964	\$ 31,782,019	\$ 32,516,320	\$ 33,228,918
Ongoing Construction and Replacement	\$ 6,399,445	\$ 6,591,428	\$ 6,789,171	\$ 6,992,846	\$ 7,202,632
Replace At-Risk Service Risers	\$ 17,699,025	\$ 24,534,536	\$ 24,992,848	\$ 25,523,473	\$ 26,026,286

1. Ongoing Maintenance and Repairs – Ownership of customer service lines will result in estimated incremental operations and maintenance costs of \$1.1 million in year one, and \$6.1 million over the five-year riser replacement program. These costs will continue thereafter and will be primarily associated with expenses required to maintain customer meter loops. Some existing customer service tasks and associated costs should be reduced, such as those associated with test and reconnects, cut and caps, and spot services.
2. Leak Survey Remaining Risers Annually – LG&E proposes to conduct an incremental leak survey of targeted service risers not yet replaced on an annual basis. Associated expenses are estimated to be \$903,000 in year one, and \$2.2 million over the life of the riser replacement program.
3. Accelerated Customer Riser Replacement Program – LG&E estimates that a small percentage of its customers may elect to accelerate the replacement of their gas service risers. The Company estimates that \$2.1 million will be required in year 1 (5% of customers in year 1, and 1% of customers in year 2-4), and \$2.7 million over the life of the replacement program to perform associated operating and maintenance activities and provide an operator qualified inspector for tasks completed by plumbers.
4. Ongoing Capital and Replacement Expenses - Ownership of customer service lines will result in estimated incremental capital expenses of \$6.4 million in year one, and nearly \$34 million over the five-year riser replacement program. These costs will continue for the

foreseeable future, and will be primarily associated with expenses required to install or replace customer services (property line to meter stopcock), service risers, and meter loops.

5. Gas Service Riser Replacement - LG&E identified approximately 213,000 plastic gas services with targeted service risers during the 2011 Gas Service Riser field survey. The estimated capital expenses to replace the inventory of program risers over a five-year period are \$118.8 million (includes cost of removal).

Appendix

	<u>Page</u>
1. Existing LG&E Service Line Ownership Responsibilities	9
2. Proposed LG&E Service Line Ownership Responsibilities	10
3. Sample Customer Riser Replacement Program Map	11
4. Gas Service Riser Construction Drawing	12
5. Riser Replacement Program Map (Attached)	13

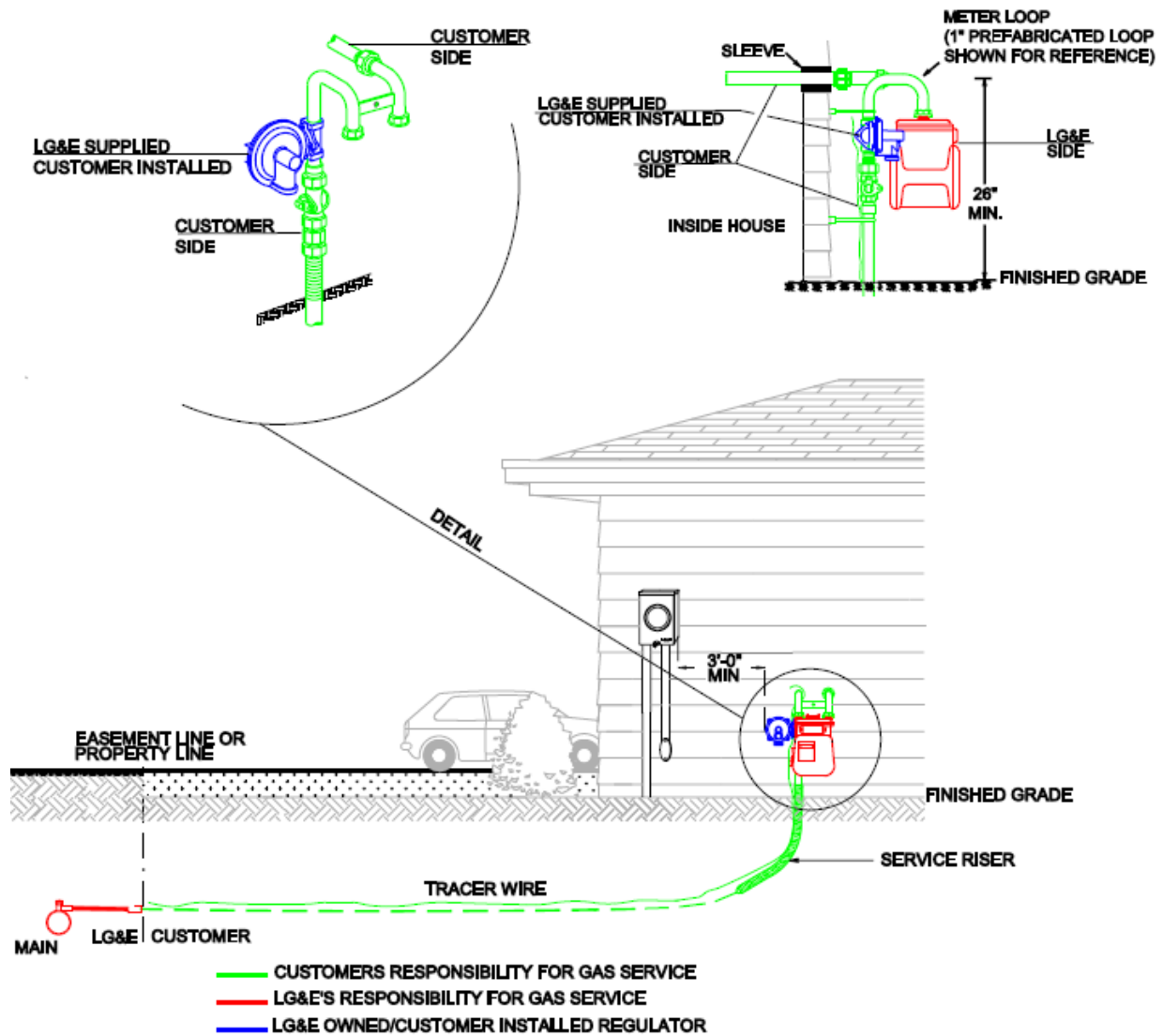


Figure 1– Existing LG&E Gas Service Ownership Responsibilities

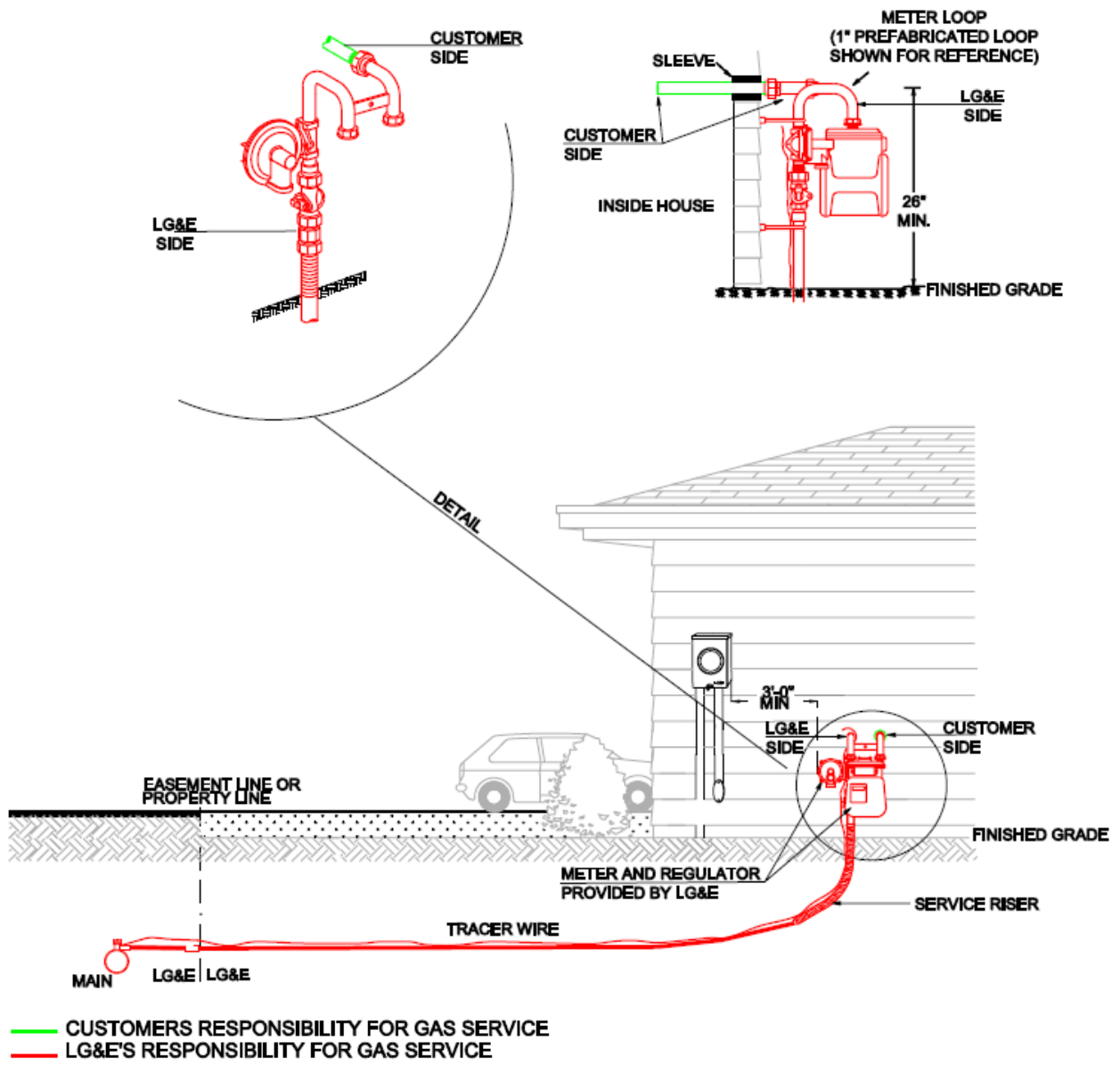


Figure 2 – Proposed LG&E Gas Service Ownership Responsibilities

LOUISVILLE GAS & ELECTRIC

CUSTOMER OWNED GAS SERVICE RISERS 2012 SAMPLE REPLACEMENT PROGRAM

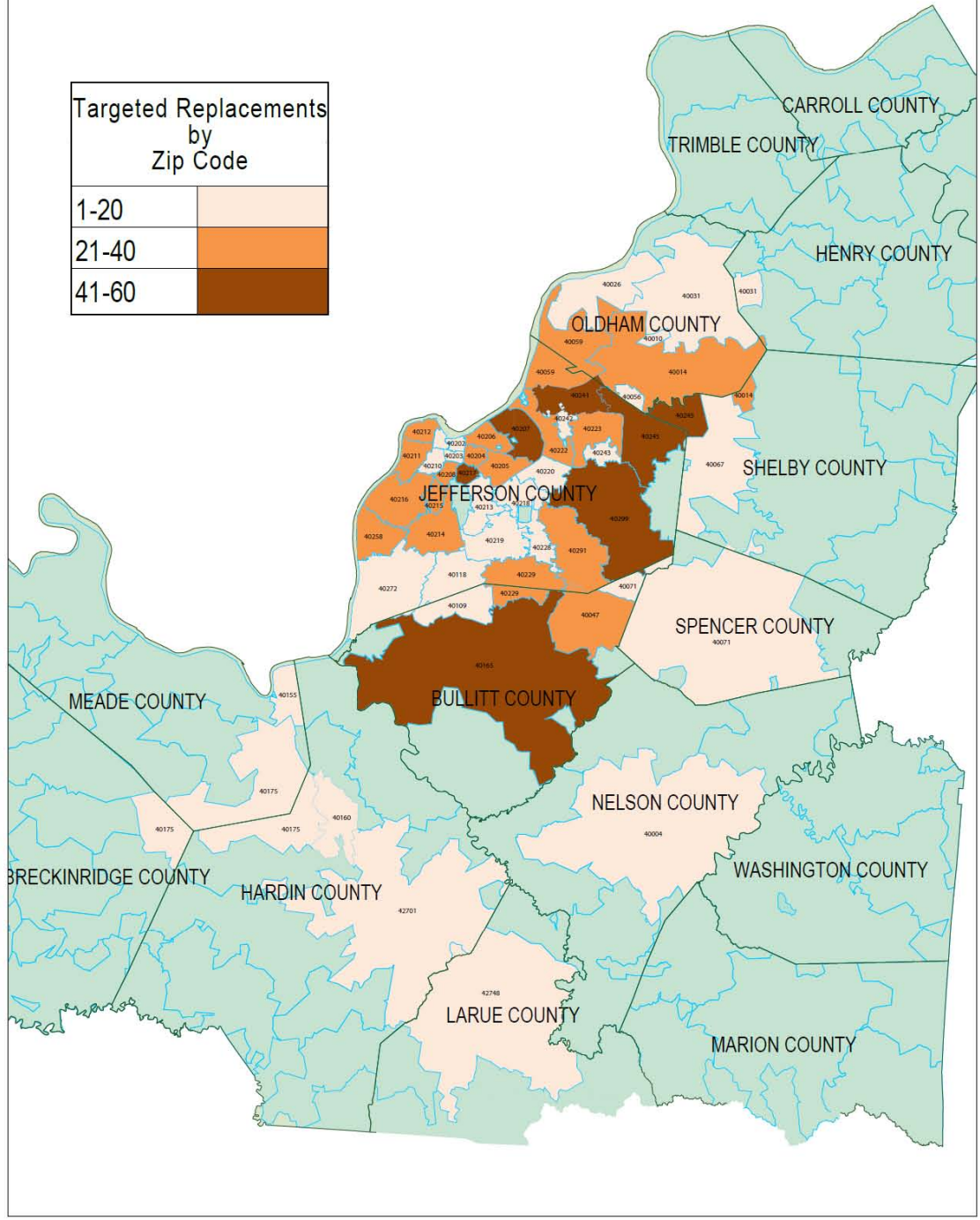


Figure 3 – 2012 Customer Service Riser Sample Replacement Program

METER LOOP INSTALLATION
FLEXIBLE METER RISER

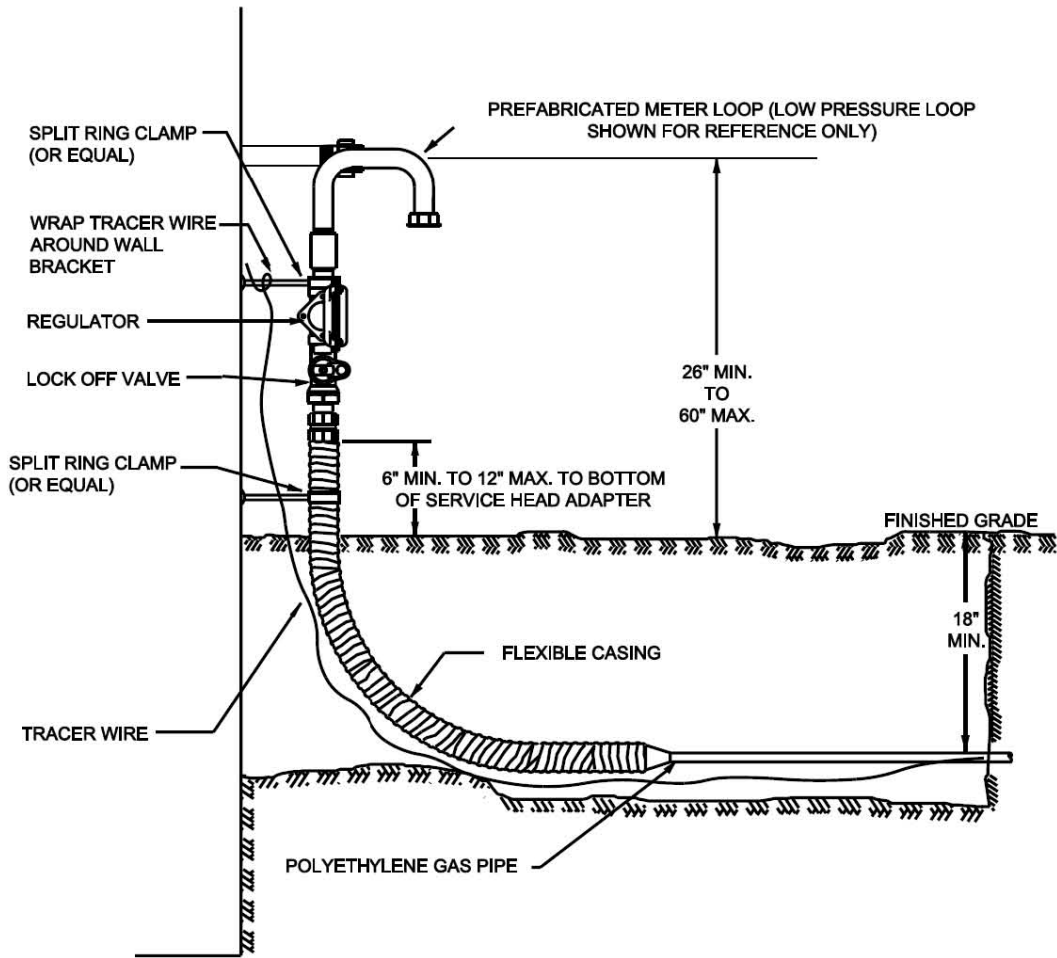


Figure 4 – Gas Service Riser Standard Drawing

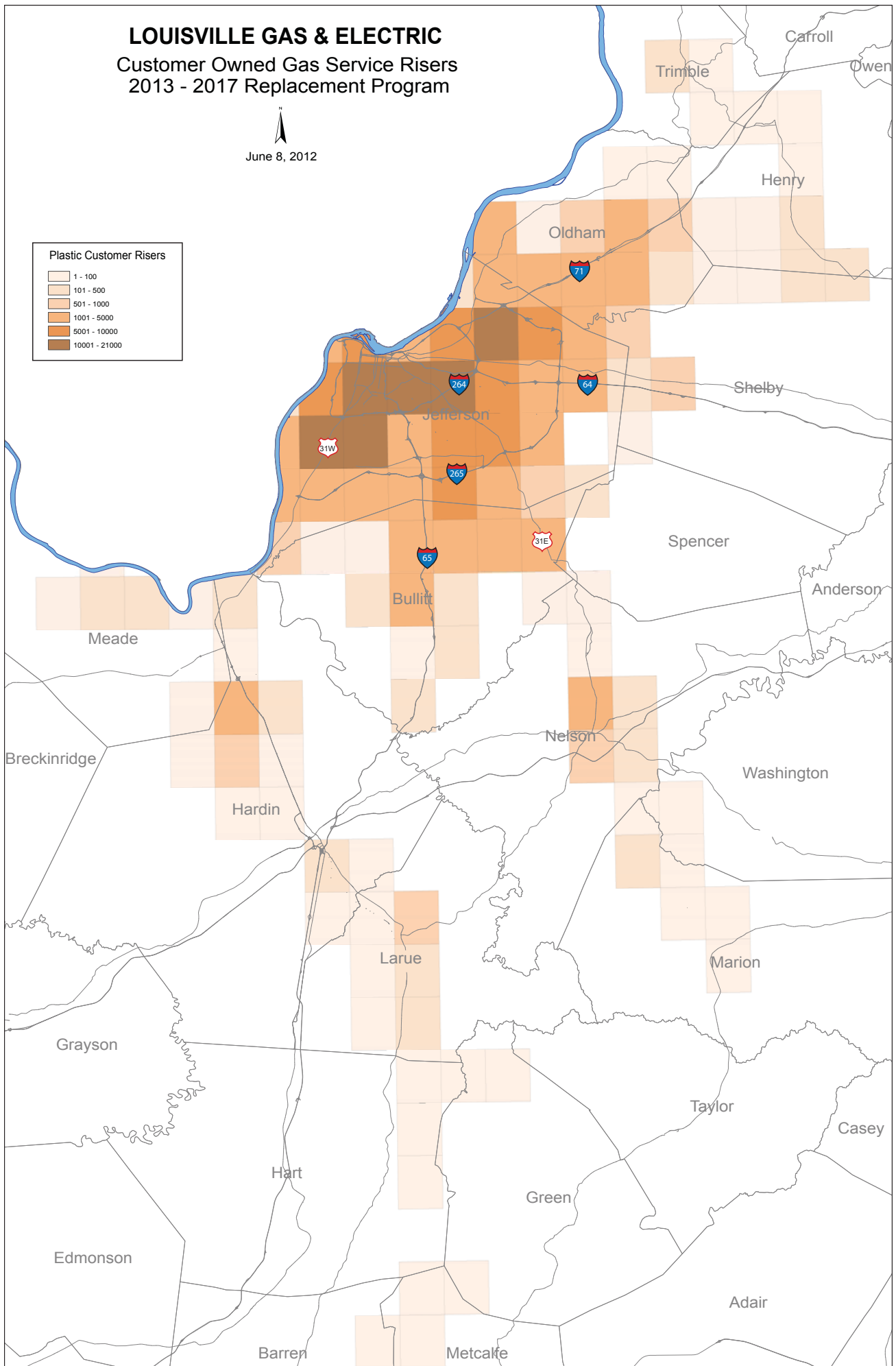
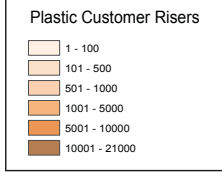
See attached.

Figure 5 – Riser Replacement Program Map

LOUISVILLE GAS & ELECTRIC

Customer Owned Gas Service Risers 2013 - 2017 Replacement Program

June 8, 2012



0 2 4 8 Miles

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
KENT W. BLAKE
CHIEF FINANCIAL OFFICER
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Kent W. Blake. I am Chief Financial Officer for Louisville Gas and
3 Electric Company (“LG&E” or the “Company”) and an employee of LG&E and KU
4 Services Company which provides services to LG&E and Kentucky Utilities
5 Company (“KU”) (collectively, the “Companies”). My business address is 220 West
6 Main Street, Louisville, Kentucky 40202. A statement of my qualifications is attached
7 hereto in Appendix A.

8 **Q. Have you previously testified before the Commission?**

9 A. Yes, I last testified on behalf of LG&E in *The Application of Louisville Gas and*
10 *Electric Company for Approval of Its 2006 Compliance Plan for Recovery by*
11 *Environmental Surcharge*, Case No. 2006-00208, and on behalf of KU in *The*
12 *Application of Kentucky Utilities Company for a Certificate of Public Convenience*
13 *and Necessity to Construct a Selective Catalytic Reduction System and Approval of*
14 *Its 2006 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2006-
15 00206.

16 **Q. What is the purpose of your testimony?**

17 A. The purposes of my testimony are: (1) to describe why LG&E’s financial condition
18 requires the requested increase in base rates; (2) to present the Financial Exhibits to
19 LG&E’s application and support certain pro forma adjustments to same; (3) to review
20 LG&E’s accounting records; (4) to describe the calculation of LG&E’s adjusted net
21 operating income for the twelve month period ended March 31, 2012; (5) to discuss
22 LG&E’s capitalization and weighted cost of capital; and (6) to support the different

1 valuations of LG&E's property required under KRS 278.290, such as LG&E's rate
2 base.

3 **LG&E's Current Financial Condition**

4 **Q. How would you describe LG&E's present financial circumstances?**

5 A. As explained more fully in the testimony of Mr. Victor A. Staffieri, Mr. Paul W.
6 Thompson, and Mr. Chris Hermann, since its last rate case, LG&E has made capital
7 investments and sustained increased operation and maintenance expenses in order to
8 provide customers with safe and reliable electric service, while also providing a
9 positive customer experience. Given the additional costs since LG&E's last rate case,
10 LG&E is not earning a reasonable rate of return. As noted in Mr. Staffieri's
11 testimony, our business remains one of the most capital-intensive industries in the
12 world, and is now more complex than ever. To provide electric and gas service,
13 LG&E must continue to raise money through financing, using both debt and equity.
14 A weakened financial condition is not supportive of these financing efforts and is not
15 in the best interest of LG&E's shareholders or its customers. Approval of this rate
16 increase is of the utmost importance to improve the Company's financial health.

17 **Q. Please explain why LG&E has sought a rate increase at this time.**

18 A. As demonstrated in the chart below, LG&E has invested hundreds of millions of
19 dollars in its distribution, generation, and transmission systems in order to provide our
20 customers with the reliable and high quality service they expect. These investments,
21 many of which are discussed more fully in the testimonies of Messrs. Thompson and
22 Hermann, include performing gas main extensions, installing new distribution
23 transformers, performing work on substations and transformers, and replacing gas
24 mains as part of the Company's leak mitigation efforts, only to name a few.

1

Investments by Business Area Since October 31, 2009

	LG&E Electric	LG&E Gas	KU	Total
Distribution	\$155.2 million	\$126.7 million	\$205.5 million	\$487.4 million
Generation	\$166.6 million	\$0.0 million	\$171.1 million	\$337.7 million
Transmission	\$32.2 million	\$0.0 million	\$113.0 million	\$145.3 million
IT and Other	\$9.6 million	\$12.8 million	\$26.7 million	\$49.0 million
Total Capital Investment	\$363.6 million	\$139.5 million	\$516.3 million	\$1.019 billion

2

3 LG&E's present rates are simply inadequate to collect sufficient revenues to
4 reasonably finance these investments and other cost increases. As a result, the
5 Company must seek a rate increase at this time.

6 **Q. Has LG&E's investment in electric utility plant increased since October 31,**
7 **2009, the test period used by the Commission in Case No. 2009-00549¹?**

8 A. Yes. The chart above shows LG&E's investments since the last rate case at their
9 original cost. For ratemaking purposes, the net utility plant, reflecting the accounting
10 adjustments for depreciation and cost of removal should be used. The following
11 chart, which includes those adjustments and is appropriate for ratemaking use, shows
12 LG&E's investment in net electric utility plant has increased by approximately \$74
13 million since October 31, 2009:

14

Net Electric Utility Plant

	October 31, 2009	March 31, 2012	Increase
Electric utility plant	\$ 3,884,036,398	\$ 4,079,661,192	\$ 195,624,794
Accumulated depreciation	<u>\$ 1,752,214,062</u>	<u>\$ 1,874,143,605</u>	<u>\$ 121,929,543</u>
Net electric utility plant	<u>\$ 2,131,822,336</u>	<u>\$ 2,205,517,587</u>	<u>\$ 73,695,251</u>

¹ In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates.

1 **Q. Has LG&E’s investment in gas utility plant increased since October 31, 2009, the**
2 **test period used by the Commission in Case No. 2009-00549?**

3 A. Yes. The following chart shows LG&E’s investment in net gas utility plant has
4 increased by approximately \$109 million since October 31, 2009:

5 **Net Gas Utility Plant**

	October 31, 2009	March 31, 2012	Increase
Gas utility plant	\$ 726,844,571	\$ 854,044,596	\$ 127,200,025
Accumulated depreciation	<u>\$ 251,930,195</u>	<u>\$ 270,116,840</u>	<u>\$ 18,186,645</u>
Net gas utility plant	<u>\$ 474,914,376</u>	<u>\$ 583,927,756</u>	<u>\$ 109,013,380</u>

6 The approximately \$183 million increase in net utility plant since the last rate case is
7 supported by an increase in capitalization of \$208 million.

8 **Q. Did LG&E earn its authorized return on common equity for the twelve months**
9 **ended March 31, 2012?**

10 A. No. For the twelve months ended March 31, 2012, Blake Exhibit 9, page 1 of 2 to my
11 testimony shows LG&E earned a return on common equity (“ROE”) of 7.49% and a
12 return on capital of 5.85% for electric operations. Similarly, for the twelve months
13 ended March 31, 2012, Blake Exhibit 9, page 2 of 2 to my testimony shows LG&E
14 earned a return on common equity of 7.31% and a return on capital of 5.75%. The
15 adjustments supporting these revenue requirement calculations in LG&E’s
16 application are supported by and are consistent with prior Commission orders.

17 Based on the analyses presented in Dr. William E. Avera’s testimony, he has
18 determined that the ROE for LG&E’s electric and gas operations should be in the
19 10.30% to 11.70% range and has recommended the Commission adopt an 11.00%

1 allowed rate of return for LG&E's electric and gas operations. LG&E's earned ROEs
2 for the twelve-month period ending March 31, 2012, for both its electric and gas
3 operations fall well below even the lower end of the range of this return.

4 **Ability to Earn Authorized Return on Equity Under Current Conditions**

5 **Q. In addition to the capital investments and operation and maintenance expenses**
6 **already incurred, are there new and additional risks to LG&E that it may not**
7 **earn its authorized return after this rate case under current conditions?**

8 A. Yes, LG&E will likely not be able to earn its authorized rate of return awarded in this
9 case for several reasons, and each of these factors should be taken into consideration
10 in establishing the ROE in this proceeding. Most significant are the capital
11 expenditures LG&E is preparing to incur. As demonstrated in the chart setting forth
12 the projected capital expenditures by year, attached as Blake Exhibit 10 to my
13 testimony, LG&E is projected to incur other capital expenditures of approximately
14 \$3.2 billion from 2012 to 2016. Less than half of these capital expenditures are
15 related to environmental compliance projects which may be recovered through the
16 environmental surcharge. These capital expenditures include cost estimates
17 associated with replacing generation capacity where it was deemed not economically
18 prudent to retrofit certain LG&E and KU coal-fired units.² These capital
19 expenditures represent a significant increase over the amount of capital expenditures

² *In the Matter of: The Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge* (Case No. 2011-00161) and *In the Matter of: The Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge* (Case No. 2011-00162); *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky* (Case No. 2011-00375).

1 in the test year in this proceeding, and will accumulate greatly in each of the next five
2 years.

3 LG&E's last base rate adjustment took effect August 1, 2010, and was based
4 on a test year ended October 31, 2009. That base rate adjustment was found
5 reasonable by this Commission in Case No. 2009-00549 based on a 10.25% return on
6 equity, used for analytical purposes. As demonstrated by its ASSD filing in Case No.
7 2012-00126, LG&E was earning an 9.07% return on equity by December 31, 2011,
8 the first calendar year following its last base rate increase. LG&E had non-ECR
9 capital expenditures of \$459 million during this 26-month period between October
10 31, 2009, and December 31, 2011. By comparison, the non-ECR capital expenditures
11 from Blake Exhibit 10 for the 26-month period following the test year in this base
12 rate case are projected to be \$704 million, one-and-a-half times greater than those that
13 contributed to the decline in LG&E's return on common equity investment for 2011.

14 Because an ROE should allow a utility to earn a fair and reasonable return
15 going forward and reflect the risk of cost increases between rate cases, the ROE
16 established in this proceeding should take into consideration the financial risk
17 associated with the expected increases in capital costs between rate cases. Otherwise,
18 it is almost a certainty that the Company will not be able to achieve the return
19 established in this proceeding, which will force LG&E into a declining financial
20 condition within the first twelve months after new rates are established.

21 **Q. Can LG&E rely on traditional revenue opportunities and native load growth in**
22 **sales to mitigate these cost increases?**

1 A. No, as explained in the testimony of Mr. Thompson, LG&E's sales forecast has
2 decreased and there has been a substantial decline in off-system sales opportunities.
3 The most recent sales forecast, provided to the Commission in Administrative Case
4 No. 387, shows the compound annual growth rate for the 2012 to 2016 time period
5 for energy sales is 0.6 percent for LG&E, and when compared to the 2011 actual
6 energy sales. Recent history reflects the decline in load growth as the economy and
7 increased focus on energy efficiency have led to year over year declines in LG&E's
8 retail electric load for two of the past three years. Gas distribution volumes have also
9 not shown growth over the last 3 years. LG&E's electric and gas retail volumes for
10 2011 were both lower than in 2008.

11 Moreover, as explained more fully in the testimony of Mr. Thompson, the
12 opportunities for off-system sales have diminished because of structural changes to
13 the Companies' generating fleet and the decreased demand for coal-fired generation,
14 which is attributable to the EPA's stringent emission limits and the historically low
15 natural gas prices and volumes of natural gas as a result of the Marcellus Shale
16 formation and the fracking advancements in horizontal drilling. Off-system sales
17 have traditionally been a source by which LG&E can defray rising expenses from
18 impacting its retail customers between rate cases. Due to recent changes in the
19 energy market, however, LG&E has no reasonable expectation that off-system sales
20 margins will meaningfully rebound and, in fact, have been nearly eliminated.

21 This is very significant to LG&E, as off-system sales opportunities and native
22 load growth between rate cases have traditionally served as revenue sources by which
23 LG&E can offset rising operating costs for its retail customers and helped mitigate

1 regulatory lag associated with investments between test years on which LG&E is not
2 recovering its cost of capital.

3 **Q. If the rates LG&E has proposed are approved, will customers continue to**
4 **receive a good value for their service?**

5 A. Yes. If the proposed rates are approved, LG&E's customers will continue to receive
6 a good value. As shown in Blake Exhibit 11, currently LG&E and KU are the only
7 utilities in the entire country that have achieved top quartile status with regard to cost
8 performance in four of the following five cost areas that FERC monitors: generation,
9 transmission, distribution, retail, and corporate - administrative and general. In fact,
10 the Companies are the fifth lowest in the country in cost per customer with regard to
11 generation, and seventh in the country in the transmission cost area.

12 These metrics demonstrate that LG&E is currently among the most cost
13 efficient utilities in the country, which provides assurance that our customers receive
14 a good value. These cost comparisons demonstrate that even if the proposed rates
15 are approved, LG&E's customers can be assured they are still receiving a good value
16 for their service.

17 **Q. Cumulatively, what do you recommend with regard to LG&E's return on**
18 **equity?**

19 A. I recommend that the Commission strongly consider the very real likelihood that
20 LG&E will not be able to achieve its authorized return on equity between rate cases
21 because of these risks - the capital investments LG&E is preparing to incur; the
22 decreased load growth forecast for the same period; and the diminished opportunities
23 for off-system sales - in establishing the Company's ROE in this proceeding. The

1 ROE should prospectively allow LG&E to earn a fair and reasonable return and, quite
2 simply, a ROE that does not consider these known risks will not.

3 **PSC Financial Exhibits**

4 **Q. Are you supporting the information required by Commission regulation 807**
5 **KAR 5:001, Section 6?**

6 A. Yes. The Financial Exhibit required by this regulation was filed with LG&E's
7 Application in this case and includes the required financial information for the twelve
8 months ended March 31, 2012.

9 **Q. Are you supporting the information required by Commission regulation 807**
10 **KAR 5:001, Section 10(6)(a)-(v)?**

11 A. Yes. I am sponsoring the following Schedules for the corresponding Filing
12 Requirements:

- 13 • Description of Adjustments Section 10(6)(a) Tab 20
- 14 • Revenue Requirements Determination Section 10(6)(h) Tab 27
- 15 • Reconcile Rate Base & Capitalization Section 10(6)(i) Tab 28
- 16 • Annual Auditor's Opinion(s) Section 10(6)(k) Tab 30
- 17 • Stock or Bond Prospectuses Section 10(6)(p) Tab 35
- 18 • Annual Reports to Shareholders Section 10(6)(q) Tab 36
- 19 • SEC Reports (10Ks, 10Qs and 8Ks) Section 10(6)(s) Tab 38

20 **Accounting Records**

21 **Q. Are the accounting records of LG&E kept in accordance with the Uniform**
22 **System of Accounts prescribed by the Federal Energy Regulatory Commission**
23 **and adopted by the Kentucky Public Service Commission?**

1 A. Yes. The records are kept in accordance with the Uniform System of Accounts
2 prescribed for electric and gas public utilities.

3 **Q. Does LG&E file monthly and annual operating reports presenting financial**
4 **results with the Kentucky Public Service Commission?**

5 A. Yes. They are also provided in LG&E's Application in Filing Requirements Tabs 32
6 and 37 and are supported by the testimony of Ms. Valerie L. Scott in this case.

7 **Q. Is an audit of the financial statements of LG&E performed annually by**
8 **independent public accountants?**

9 A. Yes. PricewaterhouseCoopers previously audited LG&E's financial statements, and
10 audits are now performed annually by Ernst & Young. Because of the timeframe in
11 which Ernst & Young became engaged by LG&E, the most recent opinion, which is
12 provided in Filing Requirements Tab 30, was performed in part by
13 PricewaterhouseCoopers and in part by Ernst & Young.

14 **Net Operating Income**

15 **Q. Please describe Blake Exhibit 1 and its purpose.**

16 A. Blake Exhibit 1 shows separately LG&E's electric and gas operating revenues,
17 operating expenses and net operating income per books for the twelve months ended
18 March 31, 2012. The test year must be adjusted to reflect known and measurable
19 changes in revenues and expenses that can be expected to occur during the period the
20 proposed rates will be effective. This Exhibit sets forth adjustments for known and
21 measurable changes, and eliminates unrepresentative conditions in order to "*pro*
22 *form*" or make the test year suitable for use in determining the deficiency of current
23 electric and gas revenues. This Exhibit also includes adjustments to remove the
24 effects of other independent rate mechanisms in order to limit the deficiency

1 determination to base revenues. A further description of, and support for, each
2 adjustment and calculation is contained in supporting Reference Schedules 1.00
3 through 1.34 of this Exhibit.

4 **Electric Operations**

5 **Q. Briefly describe the nature of the pro forma adjustments you have made to**
6 **LG&E's electric operations for the test year ended March 31, 2012, shown on**
7 **Blake Exhibit 1.**

8 A. For the electric operations as reflected in the twelve month period ended March 31,
9 2012, LG&E has made adjustments for known and measurable changes, consistent
10 with established regulatory precedent, which can be categorized as follows:

- 11 a) Eliminate the effect of unbilled revenues (Reference Schedule 1.00),
- 12 b) Remove the impact of items included in other rate mechanisms (Reference
13 Schedules 1.01-1.07),
- 14 c) Annualize year-end facts and circumstances and adjust for other known and
15 measurable changes to revenues and expenses (Reference Schedules 1.08-
16 1.17, 1.19-1.25),
- 17 d) Adjust for other unusual, non-recurring, or out-of-period items in the test year
18 (Reference Schedules 1.18), and
- 19 e) Adjust for federal and state income tax expenses for these pro forma
20 adjustments (Reference Schedules 1.29-1.33).

21 **Q. Please explain the adjustment to operating revenues shown in Reference**
22 **Schedule 1.00 of Blake Exhibit 1.**

23 A. This adjustment has been made to eliminate the effect of unbilled revenues, consistent
24 with the Commission's long-standing practice of only including twelve months of

1 customer billings in the calculation of the base rate revenue requirement. The
2 Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
3 00433³ and, LG&E proposed such an adjustment in Case No. 2008-00252,⁴ which
4 was resolved by a settlement approved by the Commission. This adjustment was
5 prepared by Mr. Lonnie E. Bellar and is discussed in his testimony.

6 **Q. Please explain the adjustment to operating revenues and expenses shown in**
7 **Reference Schedule 1.01, 1.02 and 1.03 of Blake Exhibit 1.**

8 A. These adjustments, when combined with the FAC portion of the adjustment in
9 Reference Schedule 1.07, remove the revenue and expense effects of the FAC
10 mechanism as those expenses and associated recoveries are handled via that
11 mechanism and not through base rates.

12 Reference Schedule 1.01 presents the adjustment to account for the timing
13 mismatch in fuel cost expenses and revenues under the FAC for the twelve months
14 ended March 31, 2012. The Commission approved a similar adjustment in Case Nos.
15 2009-00549 and 2003-00433, and LG&E proposed such an adjustment in Case No.
16 2008-00252, which was resolved by a settlement approved by the Commission. This
17 adjustment was prepared by Mr. Robert M. Conroy and is discussed in his testimony.

18 Reference Schedule 1.02 presents the adjustment necessary to annualize the
19 full twelve months of the test year for the “roll-in” or incorporation of the FAC into
20 base rates as directed by the Commission’s May 31, 2011 Order in Case No. 2010-

³ *In re the Matter of: An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company.*

⁴ *In re the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*

1 00493.⁵ The Commission approved a similar adjustment in Case Nos. 2009-00549
2 and 2003-00433, and LG&E proposed such an adjustment in Case No. 2008-00252,
3 which was resolved by a settlement approved by the Commission. This adjustment
4 was prepared by Mr. Conroy and is discussed in his testimony.

5 Reference Schedule 1.03 makes a revision to how LG&E calculates its FAC, by
6 revising how inadvertent power is allocated between LG&E and KU, which will
7 result in a more accurate calculation. This adjustment was prepared by Mr. Conroy
8 and is discussed in his testimony.

9 **Q. Please explain the adjustment to operating revenues and expenses shown in**
10 **Reference Schedule 1.04 of Blake Exhibit 1.**

11 A. This adjustment removes ECR revenues and expenses from net operating income
12 because those revenues and expenses are addressed by a separate rate mechanism.
13 The Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
14 00433, and LG&E proposed such an adjustment in Case No. 2008-00252, which was
15 resolved by a settlement approved by the Commission. This adjustment also
16 eliminates LG&E's 2005 and 2006 ECR Plans from its monthly ECR filings on a
17 going-forward basis because the projects in those plans are now complete and in
18 service, the costs of the projects in those plans are already included in base rates
19 through a series of "roll-ins," and eliminating the two plans will simplify the
20 oversight and administration of the ECR mechanism. This adjustment was prepared
21 by Mr. Conroy and is discussed in his testimony.

⁵ *In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2008 Through October 31, 2010*

1 **Q. Please explain the adjustment to operating revenues shown in Reference**
2 **Schedule 1.05 of Blake Exhibit 1.**

3 A. LG&E has included in this adjustment a reduction to revenues associated with ECR-
4 related off-system and intercompany sales revenues. The expenses are removed as
5 part of the previous adjustment, but are put back in with this adjustment as base rates
6 are the vehicle by which these costs are recovered. LG&E performed this adjustment
7 in a manner generally consistent with the methodology prescribed in the
8 Commission's Order on rehearing in Case No. 98-426⁶ dated June 1, 2000, and in the
9 manner used in Case Nos. 2009-00549, 2008-00252 and 2003-00433. This
10 adjustment was prepared by Mr. Conroy and is discussed in his testimony.

11 **Q. Please explain the adjustment to operating revenues and expenses shown in**
12 **Reference Schedule 1.06 of Blake Exhibit 1.**

13 A. This adjustment has been made to remove the impact of the revenues and expenses
14 associated with LG&E's DSM mechanism from the test year revenues and expenses.
15 The impact of rate mechanisms, like the DSM mechanism, should be removed from
16 the test year revenues when assessing the adequacy of base rates. The Commission
17 approved a similar adjustment in Case Nos. 2009-0549 and 2003-00433, and LG&E
18 proposed such an adjustment in Case No. 2008-00252, which was resolved by a
19 settlement approved by the Commission. This adjustment was prepared by Ms. Scott
20 and is discussed in her testimony.

21 **Q. Please explain the adjustment to operating revenues shown in Reference**
22 **Schedule 1.07 of Blake Exhibit 1.**

⁶ *Application of Louisville Gas and Electric Company for Approval of an Alternative Method of Regulation of Its Rates and Services*

1 A. This adjustment is necessary to eliminate accrued revenues associated with the
2 Environmental Cost Recovery (“ECR”), Merger Surcredit (“MSR”), Value Delivery
3 Surcredit (“VDT), Demand-Side Management (“DSM”), Fuel Adjustment Clause
4 (“FAC”), and Gas Supply Clause (“GSC”) rate mechanisms in order to completely
5 remove the effects of these mechanisms in determining the base revenue deficiency.
6 The Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
7 00433, and LG&E proposed such an adjustment in Case No. 2008-00252, which was
8 resolved by a settlement approved by the Commission. This adjustment was prepared
9 by Ms. Scott and is discussed in her testimony.

10 **Q. Please explain the adjustment to operating revenues and expenses shown in**
11 **Reference Schedule 1.08 of Blake Exhibit 1.**

12 A. This adjustment has been made to eliminate brokered and financial swap revenues.
13 Revenues and expenses associated with brokered and financial swap transactions are
14 eliminated in determining base rates because these transactions do not utilize
15 Company generation or transmission assets. Labor and labor-related costs associated
16 with executing these transactions are also eliminated. A similar adjustment was
17 approved by the Commission in Case Nos. 2009-00549, 2003-00433 and 98-426, and
18 LG&E proposed a similar adjustment in Case Nos. 2008-00252, which was resolved
19 by a settlement approved by the Commission. This adjustment was prepared by Ms.
20 Scott and is discussed in her testimony.

21 **Q. Please explain the adjustment to operating revenues shown in Reference**
22 **Schedule 1.09 of Blake Exhibit 1.**

1 A. This adjustment is to adjust the test year level of off-system sales margins for known
2 and measurable changes based upon actual margins from January 1 to March 31,
3 2012. This adjustment was prepared by Mr. Bellar and is discussed in his testimony.

4 **Q. Please explain the adjustment to operating revenues and expenses shown in**
5 **Reference Schedule 1.10 of Blake Exhibit 1.**

6 A. This adjustment has been made to annualize revenues and expenses based on actual
7 customers at March 31, 2012. The Commission approved a similar adjustment in
8 Case Nos. 2009-00549 and 2003-00433, and LG&E proposed such an adjustment in
9 Case No. 2008-00252, which was resolved by a settlement approved by the
10 Commission. This adjustment was prepared by Mr. Conroy and is discussed in his
11 testimony.

12 **Q. Please explain the adjustment to operating revenues shown in Reference**
13 **Schedule 1.11 of Blake Exhibit 1.**

14 A. This adjustment reflects the change in electric revenue due to bill adjustments and
15 certain electric customers switching rates. The Commission approved a similar
16 adjustment in Case No. 2009-00549 and LG&E proposed such an adjustment in Case
17 No. 2008-00252, which was resolved by a settlement approved by the Commission.
18 Mr. Conroy prepared this adjustment and discusses it in his testimony.

19 **Q. Please explain the adjustment to operating expenses shown in Reference**
20 **Schedule 1.12 of Blake Exhibit 1.**

21 A. This adjustment includes a full year's depreciation expense on net plant in service as
22 of the end of the test year, excluding depreciation on assets set up for asset retirement
23 obligations and depreciation on ECR assets remaining in the 2009 and 2011 ECR

1 Plans, as of March 31, 2012. The rates reflect LG&E's continued use of Average
2 Service Life methodology and are based upon the rates in John Spanos' depreciation
3 study, which are discussed in his testimony. This adjustment was prepared by Ms.
4 Shannon L. Charnas and is discussed in her testimony. The Commission approved a
5 similar adjustment in Case No. 2009-00549 and LG&E proposed such an adjustment
6 in Case No. 2008-00252, which was resolved by a settlement approved by the
7 Commission.

8 **Q. Please explain the adjustment to operating expenses shown in Reference**
9 **Schedule 1.13 of Blake Exhibit 1.**

10 A. This adjustment has been made to annualize labor and labor-related costs as of March
11 31, 2012, and includes specific adjustments for labor, payroll taxes, and LG&E's
12 401(k) contribution. This adjustment was prepared by Ms. Scott and is discussed in
13 her testimony. The Commission approved a similar adjustment in Case Nos. 2009-
14 00549, 2003-00433 and 2000-00080.⁷ LG&E proposed a similar adjustment in Case
15 No. 2008-00252, which was resolved by a settlement approved by the Commission.

16 **Q. Please explain the adjustment to operating expenses shown in Reference**
17 **Schedule 1.14 of Blake Exhibit 1.**

18 A. This adjustment is necessary to annualize pension, post-retirement, and other post-
19 employment benefit expenses. The Commission approved a similar adjustment in
20 Case Nos. 2009-00549, 2003-00433 and 2000-00080, and LG&E proposed such an
21 adjustment in Case No. 2008-00252, which was resolved by a settlement approved by
22 the Commission. This adjustment was prepared by Mr. Daniel K. Arbough and is
23 discussed in his testimony.

⁷ *An Adjustment of the Gas Rates of Louisville Gas and Electric Company*

1 **Q. Please explain the adjustment to operating expenses shown in Reference**
2 **Schedule 1.15 of Blake Exhibit 1.**

3 A. This adjustment has been made to reflect a normalized level of storm damage
4 expenses based upon a ten-year average adjusted for inflation. A similar adjustment
5 was also approved by the Commission in Case Nos. 2009-00549 and 2003-00433,
6 and LG&E proposed a similar adjustment in Case No. 2008-00252, which was
7 resolved by a settlement approved by the Commission. Ms. Scott prepared this
8 adjustment and discusses it in her testimony.

9 **Q. Please explain the adjustment to operating expenses shown in Reference**
10 **Schedule 1.16 of Blake Exhibit 1.**

11 A. This adjustment is made to normalize the expense levels in Account 925 “Injuries and
12 Damages.” The Commission approved a similar adjustment in Case Nos. 2009-
13 00549 and 2003-00433, and LG&E proposed such an adjustment in Case No. 2008-
14 00252, which was resolved by a settlement approved by the Commission. This
15 adjustment was prepared by Ms. Scott and is discussed in her testimony.

16 **Q. Please explain the adjustment to operating expenses shown in Reference**
17 **Schedule 1.17 of Blake Exhibit 1.**

18 A. This adjustment eliminates advertising expenses pursuant to 807 KAR 5:016 that are
19 primarily institutional and promotional in nature. The Commission approved a
20 similar adjustment in Case Nos. 2009-00549 and 2003-00433, and LG&E proposed
21 such an adjustment in Case No. 2008-00252, which was resolved by a settlement
22 approved by the Commission. This adjustment was prepared by Ms. Scott, and is
23 discussed in her testimony.

1 **Q. Please explain the adjustment to operating revenues and expenses shown in**
2 **Reference Schedule 1.18 of Blake Exhibit 1.**

3 A. This adjustment removes out of period items from test year operating revenues and
4 expenses. The Commission approved a similar adjustment in Case Nos. 2009-00549
5 and 2003-00433, and LG&E proposed such an adjustment in Case No. 2008-00252,
6 which was resolved by a settlement approved by the Commission. This adjustment
7 was prepared by Ms. Scott, and is discussed in her testimony.

8 **Q. Please explain the adjustment to operating expenses shown in Reference**
9 **Schedule 1.19 of Blake Exhibit 1.**

10 A. This adjustment reflects the change in the Company's property insurance premium,
11 which is renewed on April 1 of each year, from the test year to the period of April 1,
12 2012, to March 31, 2013. The Commission approved such an adjustment in Case No.
13 2009-00549. This adjustment was prepared by Mr. Arbough and is discussed in his
14 testimony.

15 **Q. Please explain the adjustment to operating expenses shown in Reference**
16 **Schedule 1.20 of Blake Exhibit 1.**

17 A. This adjustment reduces the amount of annual independent transmission operator
18 ("ITO") expenses embedded in base rates as a result of LG&E transferring nearly all
19 of the ITO functions currently performed by Southwest Power Pool, Inc. to TranServ
20 International, Inc. and its subcontractor MAPPCOR. This adjustment was prepared
21 by Mr. Bellar and is discussed in his testimony.

22 **Q. Please explain the adjustment to operating expenses shown in Reference**
23 **Schedule 1.21 of Blake Exhibit 1.**

1 A. This adjustment reflects the continued amortization of the fee associated with
2 LG&E's exit from the Midwest Independent System Transmission Operator, Inc.
3 This adjustment was prepared by Ms. Scott and is discussed in her testimony.

4 **Q. Please explain the adjustment to operating expenses shown in Reference**
5 **Schedule 1.22 of Blake Exhibit 1.**

6 A. This adjustment is necessary to recover the expenses LG&E incurred as part of the
7 general management audit conducted by The Liberty Consulting Group pursuant to
8 the Commission's July 30, 2010 Order in Case No. 2009-00549. Pursuant to KRS
9 278.255(3), LG&E is permitted to recover the expenses. This adjustment was
10 prepared by Mr. Bellar and is discussed in his testimony.

11 **Q. Please explain the adjustment to operating expenses shown in Reference**
12 **Schedule 1.23 of Blake Exhibit 1.**

13 A. This adjustment amortizes the expenses incurred in conjunction with this base rate
14 case. The Commission approved a similar adjustment in Case Nos. 2009-00549,
15 2003-00433 and 2000-00080, and LG&E proposed such an adjustment in Case No.
16 2008-00252, which was resolved by a settlement approved by the Commission. This
17 adjustment was prepared by Mr. Bellar and is discussed in his testimony.

18 **Q. Please explain the adjustment to operating expenses shown in Reference**
19 **Schedule 1.24 of Blake Exhibit 1.**

20 A. This adjustment amortizes the remaining portion of the Swap Termination regulatory
21 asset approved by the Commission in Case No. 2009-00549 on a straight-line basis,
22 which will result in consistent amortization that is straight-forward, easy to

1 understand and will not have to be adjusted in future rate cases. This adjustment was
2 prepared by Mr. Arbough and is discussed in his testimony.

3 **Q. Please explain the adjustment to operating expenses shown in Reference**
4 **Schedule 1.25 of Blake Exhibit 1.**

5 A. This adjustment is necessary to recover the expenses LG&E incurred as a result of the
6 wind storm that occurred on August 13, 2011. The Commission approved the
7 establishment of a regulatory asset for accounting purposes with regard to these
8 expenses in Case No. 2011-00380.⁸ Ms. Scott prepared the adjustment and discusses
9 it in her testimony.

10 **Q. Please explain the calculation of the composite income tax rate shown in**
11 **Reference Schedule 1.29 of Blake Exhibit 1.**

12 A. This schedule, which I am sponsoring, shows the calculation of a composite federal
13 and state income tax rate using a federal corporate income tax rate of 35%, and a
14 Kentucky corporate income tax rate of 6%. The calculation includes a reduction of
15 pre-tax income related to the domestic production activities deduction, enacted by the
16 American Jobs Creation Act of 2004, and allowed by the Internal Revenue Code
17 Section 199 (which was adopted by the state in Kentucky Revised Statutes 141.010,
18 for both federal and state taxes. The current production activities deduction rate is
19 9% for federal income taxes and 6% for state income taxes. As shown on Reference
20 Schedule 1.29 of Blake Exhibit 1, the composite federal and state income tax rate is
21 37.3280%, which applies to both LG&E gas and electric. The method for calculating
22 the composite tax rate LG&E used in this schedule is similar to the method approved

⁸ *Application of Louisville Gas and Electric Company For An Order Approving the Establishment of a Regulatory Asset*

1 by the Commission in Case Nos. 2009-00549, 2003-00433, and 2000-00080, as well
2 as the method proposed by LG&E in Case No. 2008-00252, which was resolved by a
3 settlement approved by the Commission.

4 **Q. Please explain the adjustment to operating expenses shown in Reference**
5 **Schedule 1.30 of Blake Exhibit 1.**

6 A. This adjustment, which I am sponsoring, is for federal and state income taxes
7 corresponding to the adjustment of interest expense. The Commission has
8 traditionally recognized the income tax effects of adjustments to interest expense
9 through an “interest synchronization” adjustment. The interest expense included in
10 LG&E’s “Adjusted Capitalization” as of March 31, 2012, is computed from Blake
11 Exhibit 2, and that amount is then compared to LG&E’s interest per books (excluding
12 other interest) to arrive at the interest synchronization amount. The composite federal
13 and state income tax rate from Reference Schedule 1.29 of Blake Exhibit 1 is then
14 applied to the interest synchronization amount. The adjustment will be trued-up as
15 the weighted cost of debt is updated during this proceeding. A similar
16 adjustment was approved by the Commission in Case Nos. 2009-00549, 2003-00433
17 and 2000-00080. LG&E proposed a similar adjustment in Case No. 2008-00252,
18 which was resolved by a settlement approved by the Commission.

19 **Q. Please explain the adjustment to operating expenses shown in Reference**
20 **Schedule 1.31 of Blake Exhibit 1.**

21 A. This adjustment, which I am sponsoring, is to adjust test year income tax expense for
22 out of period and non-recurring items. A similar adjustment was approved by the
23 Commission in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed a

1 similar adjustment in 2008-00252, which was resolved by a settlement approved by
2 the Commission. Specifically, the adjustment on Reference Schedule 1.31 includes
3 income tax true-ups related to the 2011 federal and state income tax returns and the
4 removal of the credit for increasing research activities under U.S. Internal Revenue
5 Code Section 41 as that credit expired on December 31, 2011.

6 **Q. Please explain the adjustment to operating expenses shown in Reference**
7 **Schedule 1.32 of Blake Exhibit 1.**

8 A. This adjustment to test year income tax expense adjusts for the permanent reduction
9 in tax depreciation basis due to the proposed change in Trimble County Unit 2's
10 ("TC2") service life. LG&E also proposed a similar adjustment in Case No. 2009-
11 00549, which was resolved by a settlement approved by the Commission.
12 Specifically, the adjustment on Reference Schedule 1.32, which applies to electric
13 operations, relates to the annual amount of permanent reduction in depreciable tax
14 basis required by Internal Revenue Code 50(c) and attributable to the Advanced Coal
15 Investment Tax Credit ("ACITC") awarded to KU and LG&E for TC2. The annual
16 amount of the lost tax basis is the ACITC awarded, amortized over the financial
17 statement life of TC2. This is the same life used to record book depreciation expense.
18 Amortization of this permanent depreciation basis difference is multiplied by the
19 statutory combined federal and state tax rate of 38.9%.

20 **Q. Please explain the adjustment to operating expenses shown in Reference**
21 **Schedule 1.33 of Blake Exhibit 1.**

22 A. Reference Schedule 1.33 adjusts Investment Tax Credit ("ITC") amortization to a
23 normal level for both the electric and gas operations. LG&E also proposed a similar

1 adjustment in Case No. 2009-00549, which was resolved by a settlement approved by
2 the Commission. ITC is amortized over the financial statement lives of the underlying
3 assets and declines over time as a vintage year is fully amortized. A reduction of
4 annual amortization associated with the normal roll-off of fully amortized vintages is
5 scheduled for 2012. The normalized ITC is also adjusted for the proposed change in
6 life of TC2 to match the same life used to record book depreciation expense.

7 **Q. Please explain the calculation of the gross up factor shown in Reference Schedule**
8 **1.34 of Blake Exhibit 1.**

9 A. This schedule, which I am sponsoring, illustrates the calculation of the factor needed
10 to gross up the net operating income deficiency on Blake Exhibit 8 to determine the
11 overall revenue deficiency. The calculation begins with an assumed \$100 of
12 incremental revenue and is adjusted for the following charges against that incremental
13 revenue: a factor for bad debt expense that is equal to the percent of net charged-off
14 accounts to revenue during the test year; the Kentucky Public Service Commission
15 assessment factor based on assessment from the Commonwealth of Kentucky Finance
16 and Administrative Cabinet; and federal and state income taxes using the statutory
17 35% and 6% rates, respectively. The production tax credit, as calculated in Reference
18 Schedule 1.29 is also factored in to the calculation.

19 The total of the bad debt, Kentucky Public Service Commission assessment,
20 and state and federal income taxes is then divided by the assumed \$100 of
21 incremental revenue to express the gross up revenue factor as a percentage.

22 The Commission has historically recognized the use of a gross-up factor as
23 part of the revenue requirement calculation. This calculation is similar to the method

1 approved by the Commission in Case Nos. 2009-00549 and 2003-00433, as well as
2 the method proposed by LG&E in Case No. 2008-00252, which was resolved by a
3 settlement approved by the Commission.

4 Gas Operations

5 **Q. Briefly describe the nature of the pro forma adjustments you have made to**
6 **LG&E's gas operations for the test year ended March 31, 2012, shown on Blake**
7 **Exhibit 1.**

8 A. For the gas operations as reflected in the twelve month period ended March 31, 2012,
9 LG&E has made adjustments for known and measurable changes, consistent with
10 established regulatory precedent, which can be categorized as follows: :

- 11 a) Eliminate the effect of unbilled revenues (Reference Schedule 1.00),
- 12 b) Remove the impact of items included in other rate mechanisms (Reference
13 Schedules 1.06-1.07, 1.26, 1.28),
- 14 c) Annualize year-end facts and circumstances and adjust for other known and
15 measurable changes to revenues and expenses (Reference Schedules 1.10-
16 1.14, 1.16-1.17, 1.19, 1.22-1.24, 1.27),
- 17 d) Adjust for other unusual, non-recurring, or out-of-period items in the test year
18 (Reference Schedules 1.18), and
- 19 e) Adjust for federal and state income tax expenses for these pro forma
20 adjustments (Reference Schedules 1.29-1.31, 1.33).

21 **Q. Please explain the adjustments to operating revenues and expenses shown in**
22 **Reference Schedules 1.00, 1.06-1.07, 1.10, 1.12-1.14, 1.16-1.19, 1.22-1.24, 1.29-**
23 **1.31 and 1.33 of Blake Exhibit 1.**

1 A. These adjustments are for the same items and reasons previously described in my
2 testimony for the electric rates. They will be discussed by the witnesses previously
3 mentioned in my testimony for each adjustment.

4 **Q. Please explain the adjustments to operating revenues and expenses shown in**
5 **Reference Schedules 1.26 of Blake Exhibit 1.**

6 A. This adjustment has been made to eliminate the effect of gas supply cost recoveries
7 and gas supply expenses for the test year ended March 31, 2012. This adjustment is
8 consistent with the methodology utilized in Case Nos. 2009-00549, 2008-00252, and
9 2003-00433, was prepared by Mr. Conroy, and is discussed in his testimony.

10 **Q. Please explain the adjustment to operating revenues and expenses shown in**
11 **Reference Schedule 1.27 of Blake Exhibit 1.**

12 A. This adjustment has been made to perform gas temperature normalization on the rate
13 schedules not covered by the automatic Weather Normalization Adjustment, and for
14 time periods in which the automatic Adjustment does not apply. The Commission
15 approved a similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E
16 proposed a similar adjustment, utilizing the same methodology, in Case No. 2008-
17 00252, which was resolved by a settlement approved by the Commission. The
18 adjustment was prepared by Mr. Conroy, and is discussed in his testimony.

19 **Q. Please explain the adjustment to operating expenses shown in Reference**
20 **Schedule 1.28 of Blake Exhibit 1.**

21 A. This adjustment provides for the recovery of the net uncollectible gas cost portion of
22 bad debt through the Gas Supply Clause. This is consistent with the recovery of
23 similar costs allowed by the Commission for other local distribution companies in

1 Kentucky. This adjustment was prepared by Mr. Conroy and is discussed in his
2 testimony.

3 **Capitalization and Weighted Average Cost of Capital**

4 **Q. Have you prepared an exhibit showing LG&E's capitalization as of March 31,**
5 **2012?**

6 A. Yes. Blake Exhibit 2, page 1 shows LG&E's capitalization at March 31, 2012, for
7 electric and gas operations. Page 2 of Blake Exhibit 2 presents the specific
8 adjustments to capitalization included in column 5, page 1 of Blake Exhibit 2. Mr.
9 Arbough, Treasurer for LG&E, presents testimony on LG&E's capitalization
10 structures, as well as on relevant bond financing matters and the cost of debt.

11 **Q. Can you explain what is contained in Blake Exhibit 2?**

12 A. Yes. Blake Exhibit 2 shows the calculation of LG&E's adjusted capitalization for
13 electric and gas operations as of March 31, 2012, as well as the weighted average cost
14 of capital to apply to the adjusted capitalization in determining net operating income
15 found reasonable on Blake Exhibit 8. As indicated on Blake Exhibit 2, the requested
16 rate of return on electric and gas capitalization as of March 31, 2012, is 7.80 percent,
17 based on the proposed 11.00 percent return on common equity recommended by Dr.
18 Avera, President of FINCAP, Inc., a firm providing financial, economic, and policy
19 consulting services to business and government.

20 **Q. Please explain the calculations of capitalization and cost of capital in Blake**
21 **Exhibit 2.**

22 A. Column 1, page 1 of Blake Exhibit 2 contains the components of capitalization as
23 recorded on the Company's books and records as of the end of the test year, March
24 31, 2012. Column 2, page 1 of Blake Exhibit 2 calculates the relative percentages of

1 each component of capitalization to the total capitalization. Column 3 of page 1
2 contains the allocation factors to split total capitalization between LG&E's electric
3 and gas operations. (These factors were calculated based on electric and gas net
4 original cost rate base as shown on Blake Exhibit 3.) Column 4 calculates the relative
5 electric and gas capitalization components by multiplying column 1 by the factors in
6 column 3.

7 **Q. Will you explain the adjustments to capitalization contained in column 5, page 1**
8 **of 2 of Blake Exhibit 2?**

9 A. Yes. The adjustments in column 5, page 1 of Blake Exhibit 2 are shown in detail in
10 columns 3 through 7 on page 2 of Blake Exhibit 2. The adjustments in columns 3
11 through 5 and column 7 of page 2 of 2 remove the 25 percent portion of Trimble
12 County Unit No. 1 inventories that represent IMEA's and IMPA's portions of these
13 assets, LG&E's equity investment in Ohio Valley Electric Corporation, and other
14 investments, and add the Job Development Investment Tax Credit and the Qualifying
15 Advanced Coal Project Program Credit, consistent with the adjustments the
16 Commission approved in Case Nos. 2009-00549 and 2003-00433, and as proposed by
17 LG&E in Case No. 2008-00252, which was resolved by a settlement approved by the
18 Commission. Column 6 removes LG&E's ECR rate base, as more fully explained
19 below. Column 8, page 2 of Blake Exhibit 2 summarizes the total capitalization
20 adjustments by adding the separate adjustments listed in columns 3 through 7. This
21 amount is then carried over to column 5, page 1. Finally, column 6, page 1 calculates
22 adjusted capitalization by adding the capitalization adjustments in column 4 to
23 column 5.

1 **Q. Does Blake Exhibit 2 contain an adjustment to capitalization to remove the ECR**
2 **amounts?**

3 A. Yes. Removing the environmental surcharge rate base from the capital structure is
4 necessary because LG&E is recovering a return on its investment through the
5 environmental surcharge. In Column 6 of Page 2, the environmental surcharge rate
6 base is removed from capitalization using a methodology similar to the one approved
7 by the Commission in Case Nos. 2009-00549, 2003-00433 and 98-00426, and as
8 proposed in Case No. 2008-00252, which was resolved by a settlement approved by
9 the Commission. The methodology utilized to remove the ECR amounts from rate
10 base is discussed in Mr. Conroy's testimony. Also, as discussed in Mr. Conroy's
11 testimony, the amount of ECR rate base removed also reflects the elimination of the
12 2005 and 2006 ECR Plans from LG&E's monthly ECR filings.

13 **Q. Please explain the annual cost rates included in Column 8 of Blake Exhibit 2.**

14 A. Column 8 (Annual Cost Rate) includes the embedded costs of the components of
15 capital, including the proposed return on equity. The cost of equity is the amount
16 recommended by Dr. Avera and supported in his testimony. The annual rates used
17 for Short Term Debt and Long Term debt are the actual rates as of March 31, 2012.
18 Following the Commission's approval in its Orders in Case Nos. 2010-00205 and
19 2010-00206, on November 1, 2010, the Company replaced its loans totaling \$485
20 million from Fidelia Corporation with new loans from PPL Investment Corporation.
21 The new loans were repaid on November 16, 2010 with the proceeds of the First
22 Mortgage Bonds. LG&E issued the following two series of First Mortgage Bonds in
23 November 2010: \$250 million at 1.625% maturing November 15, 2015 and \$285

1 million at 5.125% maturing November 15, 2040. The weighted average interest rate
2 on these first mortgage bonds is 3.49% and the average maturity is 18.32 years.
3 When combined with the current rates on LG&E's tax-exempt pollution control
4 bonds, the resulting weighted average on LG&E's long term debt is 3.78%. The
5 details of LG&E's financing are described in the testimony of Mr. Arbough.

6 **Property Valuation**

7 **Q. What are the property valuation measures to be considered by the Commission**
8 **for ratemaking purposes?**

9 A. Section 278.290 of the Kentucky Revised Statutes requires the Commission to give
10 due consideration to three quantifiable values: original cost, cost of reproduction as a
11 going concern, and capital structure. The Commission is also required to consider the
12 history and development of the utility and its property and other elements of value
13 long recognized for ratemaking purposes.

14 **Q. Have you prepared an exhibit showing LG&E's net original cost rate base as of**
15 **March 31, 2012?**

16 A. Yes. Page 1 of Blake Exhibit 3 shows LG&E's net original cost rate base at March
17 31, 2012. Page 2 of Blake Exhibit 3 shows the calculation of the allowance for cash
18 working capital. The 45-day (1/8) methodology was used in computing the
19 allowance for cash working capital.

20 **Q. Please explain rows 9 and 10 of Blake Exhibit 3 concerning asset retirement**
21 **obligation net assets and regulatory liabilities.**

22 A. In Case No. 2003-00426, the Commission issued an order on December 23, 2003,
23 approving a stipulation between LG&E and the intervenors in that proceeding, which
24 stipulation requested the Commission's approval for the following:

1) Approving the regulatory assets and liabilities associated with adopting SFAS No. 143 and going forward;⁹

2) Eliminating the impact on net operating income in the 2003 ESM annual filing caused by adopting SFAS No. 143;

3) To the extent accumulated depreciation related to the cost of removal is recorded in regulatory assets or regulatory liabilities, reclassifying such amounts to accumulated depreciation for rate-making purposes of calculating rate base; and

4) Excluding from rate base the ARO [Asset Retirement Obligation] assets, related ARO asset accumulated depreciation, ARO liabilities, and remaining regulatory assets associated with the adoption of SFAS No. 143.¹⁰

In Case No. 2003-00433, LG&E excluded ARO assets from rate base.¹¹ The Commission approved the exclusion in its June 30, 2004 Order in that proceeding.¹²

The Commission approved the exclusion in the Company's most recent rate case, 2009-00549. LG&E similarly excluded such amounts in Case No. 2008-00252, which was resolved by a settlement approved by the Commission.

Consistent with the approach described by the Commission's orders cited above and its past approach to ARO assets in its most recent base rate case, in this application LG&E is excluding the ARO-related net assets and regulatory liabilities from rate base, as shown in rows 9 and 10 of Blake Exhibit 3.

Q. Have you prepared an exhibit showing LG&E's pro forma rate base as of March 31, 2012?

⁹ The Financial Accounting Standards Board, which promulgates the U.S. Generally Accepted Accounting Principles, has renamed SFAS No. 143; it is now Accounting Standards Codification ("ASC") 410-20.

¹⁰ *In the Matter of: Application of Louisville Gas and Electric Company For An Order Approving An Accounting Adjustment to be Included in Earnings Sharing Mechanism Calculations for 2003* (Case No. 2003-00426) (December 23, 2003 Order at 3).

¹¹ *In the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Louisville Gas and Electric Company* (Case No. 2003-00433) (March 11, 2004 at LG&E Response No. 39 to Commission Staff's Third Set of Data Requests).

¹² *In the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Louisville Gas and Electric Company* (Case No. 2003-00433) (June 30, 2004 Order at 21).

1 A. Yes. Blake Exhibit 4 shows LG&E's pro forma rate base as of March 31, 2012. This
2 exhibit reflects the adjustments I previously described in connection with Blake
3 Exhibit 2. In addition, the rate base impact of the annualized depreciation expense
4 adjustment and cash working capital amount associated with the operations and
5 maintenance expense adjustments are reflected. This exhibit also contains the
6 adjustments I previously described in connection with Blake Exhibit 3 concerning the
7 asset retirement obligation items.

8 **Q. Have you prepared an exhibit showing LG&E's estimated net reproduction cost**
9 **rate base as of March 31, 2012?**

10 A. Yes. The estimated net reproduction cost rate base at March 31, 2012, is shown on
11 Blake Exhibit 5. The calculation of the reproduction cost of plant less depreciation
12 used in developing the reproduction cost rate base shown in Blake Exhibit 5 was
13 calculated under my supervision and is shown on Blake Exhibit 6.

14 **Q. Please explain Blake Exhibit 6.**

15 A. Blake Exhibit 6 shows LG&E's estimated reproduction (or current) cost of utility
16 plant and the appropriate accumulated depreciation on the reproduction cost of utility
17 plant as of March 31, 2012. The net estimated reproduction cost at March 31, 2012,
18 is approximately \$2.6 billion greater than the net original historical cost as recorded
19 on LG&E's books, \$2.0 billion for electric and \$0.6 billion for gas. The current costs
20 were determined principally by indexing the surviving plant and equity using the
21 Handy-Whitman Index of Public Utility Construction Costs and the Consumer Price
22 Index.

1 **Q. Have you prepared an exhibit showing the calculation of the actual and**
2 **proposed rate of return on net original cost rate base, pro forma rate base, and**
3 **reproduction cost rate base for the twelve months ended March 31, 2012?**

4 A. Yes. Blake Exhibit 7 shows the actual electric rate of return earned for the twelve
5 months ended March 31, 2012, was 6.36 percent on net original cost rate base, 6.45
6 percent on the electric pro forma rate base, and 3.09 percent on reproduction cost rate
7 base. Using the adjusted net operating income from Blake Exhibit 1 and the revenue
8 increase in the application, results in a requested rate of return of 8.08 percent on net
9 original cost rate base, 8.19 percent on the electric pro forma rate base, and 3.92
10 percent on reproduction cost rate base.

11 Blake Exhibit 7 also shows the actual gas rate of return earned for the twelve
12 months ended March 31, 2012, was 6.26 percent on net original cost rate base, 6.28
13 percent on the gas pro forma rate base, and 2.82 percent on reproduction cost rate
14 base. Using the adjusted net operating income from Blake Exhibit 1 and the revenue
15 increase in the application, results in a requested rate of return of 8.02 percent on net
16 original cost rate base, 8.04 percent on the gas pro forma rate base, and 3.61 percent
17 on reproduction cost rate base.

18 **Q. Have you prepared an exhibit showing the calculation of the overall revenue**
19 **deficiency at March 31, 2012, for LG&E?**

20 A. Yes. Blake Exhibit 8, page 1 of 2 shows the calculation of the revenue deficiency for
21 electric operations at March 31, 2012, to be \$62,068,503. Blake Exhibit 8, page 2 of
22 2 shows the calculation of the revenue deficiency for gas operations at March 31,
23 2012, to be \$17,201,866. The overall revenue deficiency for LG&E is \$ 79,270,369.

1 **Q. Have you prepared an exhibit showing the calculation of the electric and gas rate**
2 **of return on common equity at March 31, 2012, for LG&E?**

3 A. Yes. Blake Exhibit 9 page 1 of 2 shows the rate of return for LG&E's electric
4 operations for the twelve months ended March 31, 2012, is 5.85 percent on
5 capitalization, including 7.49 percent on common equity. Page 2 of 2 of Blake
6 Exhibit 9 shows the rate of return for LG&E's gas operations for the twelve months
7 ended March 31, 2012, is 5.75 percent on capitalization, including 7.31 percent on
8 common equity.

9 **Q. What is LG&E's recommendation for the Commission in this proceeding?**

10 A. Louisville Gas and Electric Company recommends the Commission approve the
11 recovery of the revenue deficiency of \$62,068,503 for electric operations and the
12 revenue deficiency of \$17,201,866 for gas operations through the proposed changes
13 in electric and gas base rates in this application.

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

15 A. Yes.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Kent W. Blake**, being duly sworn, deposes and says that he is Chief Financial Officer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Kent W. Blake
Kent W. Blake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of June 2012.

Sean R. Wherry (SEAL)
Notary Public

My Commission Expires:

July 21, 2015

APPENDIX A

Kent W. Blake

Chief Financial Officer
LG&E and KU Energy LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40202

Previous Positions

LG&E and KU Energy LLC (f.k.a. E.ON U.S., LG&E Energy LLC)

Vice President, Corporate Planning and Development	2007 – 2012
Vice President, State Regulation and Rates Director, State Regulation and Rates Director, Regulatory Initiatives	2003 – 2007
Director, Business Development Director, Finance and Business Analysis	2002 – 2003
Mirant Corporation (f.k.a. Southern Company Energy Marketing) Senior Director, Applications Development Director, Systems Integration Trading Controller	1998 – 2002
LG&E Energy Corp. Director, Corporate Accounting and Trading Controls	1997 – 1998
Arthur Andersen LLP Manager, Audit and Business Advisory Services Senior Auditor Audit Staff	1988 – 1997

Education

University of Kentucky, B.S. in Accounting, 1988
Certified Public Accountant, Kentucky, 1991

Professional and Community Affiliations

American Institute of Certified Public Accountants
Finance Executive Advisory Committee of the Edison Electric Institute
Financial Executives Institute
Leadership Louisville, 2007
CASA of the River Region, Vice Chair of the Board

Blake Exhibit 1

Adjustments to Electric and Gas Operating
Revenue, Operating Expenses and Net
Operating Income

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended March 31, 2012**

	Electric Department			Gas Department			
	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
1. Amount per books		1,047,904,226	925,658,737	\$122,245,489	275,941,947	243,990,242	\$31,951,705
2. Adjustments for known changes and to eliminate unrepresentative conditions							
3. Adjustment to eliminate unbilled revenue:	1.00	293,000	-	293,000	5,710,375	-	5,710,375
4. To adjust mismatch in fuel cost recovery	1.01	(35,115,292)	(39,096,200)	3,980,908	-	-	-
5. To adjust base rates and FAC to reflect a full year of the FAC roll-in	1.02	(3,930,286)	-	(3,930,286)	-	-	-
6. Adjustment to reflect changes to FAC calculations	1.03	(2,123,450)	(2,735,848)	612,398	-	-	-
7. Adjustment to eliminate Environmental Surcharge revenues and expense	1.04	(4,889,807)	(801,360)	(4,088,447)	-	-	-
8. Off-system sales revenue adjustment for the ECR calculator	1.05	(539,866)	-	(539,866)	-	-	-
9. To eliminate DSM revenues and expenses	1.06	(14,412,912)	(10,616,312)	(3,796,600)	(3,968,881)	(2,685,996)	(1,282,885)
10. To eliminate rate mechanism revenue accruals	1.07	(1,663,941)	-	(1,663,941)	635,460	-	635,460
11. To eliminate net brokered and financial swap revenues and expenses	1.08	2,741,079	(67,301)	2,808,380	-	-	-
12. To adjust Off-system sales margins	1.09	(6,108,465)	-	(6,108,465)	-	-	-
13. Adjustment to annualize year-end customers	1.10	1,202,528	803,321	399,207	387,739	90,963	296,776
14. To adjust for customer rate switching and bill adjustments	1.11	(101,432)	-	(101,432)	(295,300)	-	(295,300)
15. Adjustment to reflect annualized depreciation expenses	1.12	-	696,536	(696,536)	-	1,239,999	(1,239,999)
16. Adjustment to reflect increases in labor and labor related costs	1.13	-	3,272,923	(3,272,923)	-	818,232	(818,232)
17. Adjustment for pension, post retirement and post employment costs	1.14	-	(3,600,003)	3,600,003	-	(900,001)	900,001
18. Adjustment to reflect normalized storm damage expense	1.15	-	(1,795,723)	1,795,723	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended March 31, 2012**

	Electric Department			Gas Department			
	Reference Schedule (1)	Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
19. Adjustment for injuries and damages FERC account 925	1.16	-	(379,162)	379,162	-	(108,523)	108,523
20. Adjustment to eliminate advertising expenses pursuant to Commission Rule 807 KAR 5:016	1.17	-	(539,988)	539,988	-	(212,211)	212,211
21. Adjustment to remove out-of-period items	1.18	10,864	944,620	(933,756)	-	(169,206)	169,206
22. Adjustment to reflect increase in property insurance expense	1.19	-	245,960	(245,960)	-	65,342	(65,342)
23. Adjustment for transfer of Independent Transmission Operator function	1.20	-	(1,504,636)	1,504,636	-	-	-
24. Adjustment for MISO exit regulatory asset / liability	1.21	-	(1,044,188)	1,044,188	-	-	-
25. Adjustment for General Management audit regulatory asset	1.22	-	30,528	(30,528)	-	9,941	(9,941)
26. Adjustment for rate case expense amortization	1.23	-	(47,037)	47,037	-	23,863	(23,863)
27. Adjustment for Swap termination regulatory asset	1.24	-	102,858	(102,858)	-	27,325	(27,325)
28. Adjustment for 2011 Windstorm regulatory asset	1.25	-	1,610,425	(1,610,425)	-	-	-
29. Adjustment to revenues and expenses to eliminate gas supply cost recoveries and gas supply expenses	1.26	-	-	-	(146,406,353)	(136,419,357)	(9,986,996)
30. Adjustment to revenues for temperature normalization	1.27	-	-	-	2,313,121	-	2,313,121
31. Adjustment to remove gas supply uncollectible accounts expense	1.28	-	-	-	-	(440,662)	440,662
32. Total of above adjustments		<u>\$ (64,637,980)</u>	<u>\$ (54,520,587)</u>	<u>\$ (10,117,393)</u>	<u>\$ (141,623,839)</u>	<u>\$ (138,660,291)</u>	<u>\$ (2,963,548)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustments to Electric and Gas Operating Revenues, Operating Expenses and Net Operating Income
For the Twelve Months Ended March 31, 2012**

	Reference Schedule (1)	Electric Department			Gas Department		
		Operating Revenues (2)	Operating Expenses (3)	Net Operating Income (4)	Operating Revenues (5)	Operating Expenses (6)	Net Operating Income (7)
33. Federal and state income taxes corresponding to base revenue and expense adjustments and above adjustments -	37.3674 % 1.29		(3,780,611)	3,780,611		(1,107,402)	1,107,402
34. Federal and state income taxes corresponding to annualization and adjustment of year-end interest expense	1.30		28,247	(28,247)		67,221	(67,221)
35. Prior income tax true-ups and adjustments	1.31		(608,114)	608,114		(113,553)	113,553
36. Adjustment for tax basis depreciation reduction	1.32		(85,392)	85,392		-	-
37. Adjustment for amortization of investment tax credi	1.33		326,330	(326,330)		7,274	(7,274)
38. Total adjustments		<u>(64,637,980)</u>	<u>(58,640,127)</u>	<u>(5,997,853)</u>	<u>(141,623,839)</u>	<u>(139,806,751)</u>	<u>(1,817,088)</u>
39. Adjusted Net Operating Income		<u>983,266,246</u>	<u>867,018,610</u>	<u>\$ 116,247,636</u>	<u>134,318,108</u>	<u>104,183,491</u>	<u>\$ 30,134,617</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Eliminate Unbilled Revenues

	<u>Electric</u>	<u>Gas</u>
1. Unbilled revenues at March 31, 2011	\$ 40,410,000	\$ 14,195,468
2. Unbilled revenues at March 31, 2012	<u>(40,117,000)</u>	<u>(8,485,093)</u>
3. Increase/(Decrease) in book revenues due to unbilled revenues	<u>\$ 293,000</u>	<u>\$ 5,710,375</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust Mismatch in Fuel Cost Recovery
For the Twelve Months Ended March 31, 2012

<u>Expense Month</u>	<u>Electric Revenue Form A Page 4 of 5 Line 3</u>	<u>Electric Expense Form A* Page 4 of 5 Line 8</u>
Apr-11	1,854,801	3,326,868
May-11	1,974,419	3,988,638
Jun-11	4,566,219	3,785,239
Jul-11	4,801,258	3,166,375
Aug-11	4,512,430	2,719,617
Sep-11	2,611,672	2,776,413
Oct-11	1,941,192	1,891,077
Nov-11	2,373,057	2,197,315
Dec-11	1,909,620	2,851,922
Jan-12	2,583,863	3,708,700
Feb-12	2,621,544	4,010,474
Mar-12	3,365,217	4,673,562
Total	<u>\$ 35,115,292</u>	<u>\$ 39,096,200</u>
Adjustment	<u>\$ (35,115,292)</u>	<u>\$ (39,096,200)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example, January 2012 would be reflected in March 2012.

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust Base Rates and FAC to Reflect a Full Year of the FAC Roll-In
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Adjustment to base rate revenues to reflect a full year of the FAC Roll-In (a)	4,355,602	-
2. Adjustment to FAC revenues to reflect a full year of the FAC Roll-In (a)	(8,285,888)	-
3. Net adjustment	<u>\$ (3,930,286)</u>	<u>\$ -</u>

(a) FAC roll-in pursuant to Commission's Order dated May 31, 2011 in Case No. 2010-00493.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Changes to FAC Calculations
For the Twelve Months Ended March 31, 2012**

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ (2,123,450)	\$ -
2. Expense adjustment	(2,735,848)	-
	<hr/>	<hr/>
3. Net adjustment	<u>\$ 612,398</u>	<u>\$ -</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Environmental Surcharge Revenues and Expenses
For the Twelve Months Ended March 31, 2012**

Expense Month	(1) Environmental Compliance Revenues Collected in Base Rates (a)	(2) Environmental Compliance Revenues Collected in Environmental Surcharge (b)	(3) 2005-2006 Environmental Compliance Plans Jurisdictional Revenues (c)	(4) Net Revenues Environmental Compliance Plans (Col. 1 + 2 - 3)	(5) Total Expenses Environmental Compliance Plans (d)	(6) 2005-2006 Environmental Compliance Plans Expenses (c)	(7) Net Expenses Environmental Compliance Plans (Col. 5 - 6)
Apr-11	603,043	874,121	734,405		308,266	251,355	
May-11	617,028	666,380	790,774		356,250	304,241	
Jun-11	778,769	1,206,179	777,245		310,177	264,863	
Jul-11	823,052	1,362,039	828,022		376,294	325,912	
Aug-11	937,365	272,788	930,126		476,145	420,864	
Sep-11	785,071	165,369	775,106		395,130	315,279	
Oct-11	630,391	127,590	679,806		322,061	255,361	
Nov-11	562,500	126,855	699,351		350,770	289,696	
Dec-11	610,687	168,884	726,242		441,778	335,539	
Jan-12	681,464	279,719	744,248		422,578	342,554	
Feb-12	606,863	284,828	810,548		432,414	365,960	
Mar-12	724,414	442,133	951,852		621,003	539,882	
Total	\$ 8,360,647	\$ 5,976,885	\$ 9,447,725	\$ 4,889,807	\$ 4,812,866	\$ 4,011,506	\$ 801,360
Adjustment				\$ (4,889,807)			\$ (801,360)

- (a) ES Form 1.10, Line 13 for Apr-Nov; Line 17 for Dec, Line 13 for Jan-Mar expense month filings.
- (b) ES Form 3.00, Column 5 for Apr-Nov, Column 6 for Dec-Mar expense month filings.
- (c) Conroy Exhibit P4, Page 2, Lines 18 and 19
- (d) ES Form 2.00, Total Pollution Control Operations Expense and Net Beneficial Reuse Operations Expense less Proceeds from By-Product and Allowance Sales.

LOUISVILLE GAS AND ELECTRIC COMPANY

Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended March 31, 2012

	Electric			
	(1)	(2)	(3)	(4)
	LG&E Off-System Sales Revenue	Total Environmental Surcharge Factor	Average Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
	(Page 2, Col. 5)			
Apr-11	9,742,182	1.25%	0.43%	41,891
May-11	9,952,934	1.24%	0.43%	42,798
Jun-11	7,170,418	0.18%	0.43%	30,833
Jul-11	8,276,729	0.19%	0.43%	35,590
Aug-11	7,222,945	0.20%	0.43%	31,059
Sep-11	12,412,938	0.22%	0.43%	53,376
Oct-11	14,051,649	0.20%	0.43%	60,422
Nov-11	13,174,028	0.20%	0.43%	56,648
Dec-11	15,251,618	0.28%	0.43%	65,582
Jan-12	13,123,235	0.59%	0.43%	56,430
Feb-12	6,976,344	0.28%	0.43%	29,998
Mar-12	8,195,051	0.31%	0.43%	35,239
Total	\$ 125,550,070			\$ 539,866
Average		0.43%		
Adjustment				\$ (539,866)

LOUISVILLE GAS AND ELECTRIC COMPANY

Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended March 31, 2012

	Electric				
	(1)	(2)	(3)	(4)	(5)
	Adjusted Jurisdictional E(m) (a)	'05-'06 Environmental Compliance Plans Jurisdictional Revenues (b)	Net Adjusted Jurisdictional E(m) (Col. 1 - 2)	Jurisdictional R(m) (c)	Total Environmental Surcharge Factor (Col. 3 / 4)
Apr-11	1,656,550	734,405	922,145	73,839,618	1.25%
May-11	1,712,348	790,774	921,574	74,567,904	1.24%
Jun-11	910,232	777,245	132,987	75,008,056	0.18%
Jul-11	968,673	828,022	140,651	74,979,613	0.19%
Aug-11	1,082,164	930,126	152,038	76,198,522	0.20%
Sep-11	941,920	775,106	166,814	76,075,877	0.22%
Oct-11	829,612	679,806	149,806	75,853,157	0.20%
Nov-11	849,136	699,351	149,785	75,789,762	0.20%
Dec-11	936,706	726,242	210,464	75,619,349	0.28%
Jan-12	1,184,622	744,248	440,374	75,194,874	0.59%
Feb-12	1,024,236	810,548	213,688	75,122,552	0.28%
Mar-12	1,184,843	951,852	232,991	75,176,325	0.31%
Average					<u>0.43%</u>

(a) ES Form 1.10

(b) Conroy Exhibit P4, Page 2, Line 18

(c) ES Form 1.10 (Apr-11 through Dec-11); ES Form 3.00 (Jan-12 through Mar-12)

Exhibit 1
Reference Schedule 1.06
Sponsoring Witness: Scott

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate DSM Revenues and Expenses
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. DSM revenue adjustment	\$ (14,412,912)	\$ (3,968,881)
2. DSM expense adjustment	<u>(10,616,312)</u>	<u>(2,685,996)</u>
3. Net Adjustment	<u>\$ (3,796,600)</u>	<u>\$ (1,282,885)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Eliminate Rate Mechanism Revenue Accruals
For the Twelve Months Ended March 31, 2012**

	<u>Electric</u>	<u>Gas</u>
1. ECR Accrued Revenue in Accounts 440-445	\$ (6,021,907)	\$ -
2. MSR and VDT Accrued Revenue in Accounts 440-445	2,971	-
3. DSM Accrued Revenue in Accounts 440-445	3,970,877	-
4. DSM Accrued Revenue in Accounts 480-482	-	(635,460)
5. FAC Accrued Revenue in Accounts 440-445	<u>3,712,000</u>	<u>-</u>
6. Total Accrued Revenues	<u>\$ 1,663,941</u>	<u>\$ (635,460)</u>
7. Total Adjustment	<u>\$ (1,663,941)</u>	<u>\$ 635,460</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

To Eliminate Net Brokered and Financial Swap Revenues and Expenses
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>
1. Brokered and Financial Swap Revenues	\$ 2,055,720
2. Brokered and Financial Swap Expenses recorded in revenues	<u>4,796,799</u>
3. Net Brokered and Financial Swap Revenues	<u>\$ (2,741,079)</u>
4. Net Brokered and Financial Swap Revenues adjustment	<u>\$ 2,741,079</u>
5. Operating Expenses related to Brokered and Financial Swap	<u>\$ 67,301</u> *
6. Net Brokered and Financial Swap Operating Expenses adjustment	<u>\$ (67,301)</u>
7. Total adjustment (Line 4 - Line 6)	<u>\$ 2,808,380</u>

*NOTE: Reflects 1.62% of total labor and labor related costs from regulated trading sales activities.

LOUISVILLE GAS AND ELECTRIC COMPANY

To Adjust Off-System Sales Margins
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>
1. Off-System Sales Margins for 2012 (January - March 2012)	\$ 209,249
2. Annualized Off-System Sales Margins for 2012 (Line 1 x 4)	\$ 836,996
3. Off-System Sales Margins in test year	<u>\$ 6,945,461</u>
4. Off-System Sales Margins adjustment (Line 2 - Line 3)	<u><u>\$ (6,108,465)</u></u>

NOTE: Off-System sales margins defined as Total OSS revenues less assigned fuel and purchase power expense, transmission costs, environmental costs, and cost of losses.

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Annualize Year-End Customers
At March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Revenue adjustment	\$ 1,202,528	\$ 387,739
2. Expense adjustment	803,321	90,963
	<hr/>	<hr/>
3. Net adjustment	<u>\$ 399,207</u>	<u>\$ 296,776</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**To Adjust for Customer Rate Switching and Bill Adjustments
As Applied to the Twelve Months Ended March 31, 2012**

	<u>Electric</u>	<u>Gas</u>
1. Rate Switch - to RS	\$ (87,579)	\$ -
2. Rate Switch - to GS	(2,148,925)	-
3. Rate Switch - to PS	(1,557,397)	-
4. Rate Switch - to CTODS	2,179,309	-
5. Rate Switch - to CTODP	170,526	-
6. Rate Switch - to ITODS	837,487	-
7. Rate Switch - to ITODP	282,919	-
8. Rate Switch - to LE	365	-
9. Rate switch - to Rate FT	-	(48,271)
10. Bill Adjustments	221,863	-
11. Special Contract Cancellation	-	(247,029)
12. Total Adjustment	<u>\$ (101,432)</u>	<u>\$ (295,300)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment To Reflect Annualized Depreciation Expenses
At March 31, 2012

	Electric	Gas
1. Annualized direct depreciation expense under proposed rates	\$ 111,689,000	\$ 18,845,830
2. Annualized depreciation for 2005 and 2006 ECR plans to be eliminated	1,892,892	-
3. Common plant allocated annualized depreciation expense (1)	12,731,875	5,200,343
4. Total annualized depreciation expense	\$ 126,313,767	\$ 24,046,173
5. Depreciation expense per books for test year	\$ 127,895,417	\$ 23,851,374
6. Depreciation expense for asset retirement costs (ARO)	(2,206,653)	(1,045,200)
7. Depreciation for environmental cost recovery (ECR) plans (2)	(71,533)	-
8. Depreciation expense per books excluding ARO and ECR	\$ 125,617,231	\$ 22,806,174
9. Total Adjustment to reflect annualized depreciation expense (Line 4 - Line 8)	\$ 696,536	\$ 1,239,999

- (1) Common plant depreciation was allocated 71% to electric and 29% to gas pursuant to common utility study.
(2) Reflects the elimination of the 2005 and 2006 ECR Plans. Only reflects ECR plan amounts which will continue after effective date of new base rates in this proceeding.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended March 31, 2012**

	Electric (1)	Gas (2)	Total (3)
1 Wages (Page 2)	\$ 2,948,819	\$ 737,205	\$ 3,686,024
2 Payroll Taxes (Page 3)	210,722	52,681	263,403
3 401(k) (Page 4)	113,382	28,346	141,728
4 Total	<u>\$ 3,272,923</u>	<u>\$ 818,232</u>	<u>\$ 4,091,155</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Labor and Labor-Related Costs
As Applied to the Twelve Months Ended March 31, 2012**

	Operating	Construction/ Other	Total
1 Labor for 12 months ended March 31, 2012:			
2 Base	\$ 86,617,529	\$ 31,158,154	\$ 117,775,683
3 Overtime and Premium	11,045,201	4,531,565	15,576,766
4 Less: labor related to Regulatory Asset (J242, 244, 222, 225 & 226 included)	(522,586)		(522,586)
5 Total Labor (Sum of Lines 2 - 4)	<u>\$ 97,140,144</u>	<u>\$ 35,689,719</u>	<u>\$ 132,829,863</u>
6 Total Operating and Construction/Other %	73.131%	26.869%	100.000%
7 Annualized base labor at March 31, 2012:			
8 Union LG&E	100% of Total		\$ 46,123,709
9 Exempt LG&E	100% of Total		22,390,449
10 Non-Exempt LG&E	100% of Total		2,636,761
11 Exempt Servco (allocated to LG&E)	45.477% of total		42,495,866
12 Non-Exempt Servco (allocated to LG&E)	45.477% of total		7,972,881
13 Union KU (allocated to LG&E)	1.525% of total		143,634
14 Exempt KU (allocated to LG&E)	1.525% of total		189,950
15 Non-Exempt KU (allocated to LG&E)	1.525% of total		183,195
16 Hourly KU (allocated to LG&E)	1.525% of total		473,704
17 Total Annualized Base Labor (Sum of Lines 8 - 16)			<u>122,610,149</u>
18 Overtime & Premiums (a) (increases allocated as above):			15,556,887
19 Wage increase applied to LG&E union overtime annualized (04/01/11 - 11/13/2011 OT labor x 2.5%)			222,049
20 Wage increase applied to LG&E non-exempt overtime annualized (04/01/11 - 02/19/12 OT Labor x 3.0%)			2,432
21 Wage increase applied to Servco non-exempt overtime annualized (04/01/11 - 02/19/12 OT Labor x 3.0%)			14,381
22 Wage increase applied to KU union and hourly overtime annualized (04/01/11 - 07/16/11 OT Labor x 3.0%)			70
23 Wage increase applied to KU non-exempt overtime annualized (04/01/11 - 02/25/12 OT Labor x 3.0%)			308
24 Less: Storm Labor Related to 2011 Windstorm Restoration Regulatory Asset (b)			(522,586)
25 Less: Wage Increase Applied to Labor Related to 2011 Windstorm Restoration Regulatory Asset (522586.00) x 2.5%			(13,065)
26 Total Annualized Labor (Sum of Lines 17 - 25)			<u>\$ 137,870,625</u>
27 Operating Labor for 12 months ended March 31, 2012 (Line 5)			\$ 97,140,144
28 Operating Labor based on annualized labor	\$ 137,870,625	x	73.131%
			<u>100,826,167</u>
29 Labor Adjustment Total (Line 28 - Line 27)			<u>\$ 3,686,023</u>
30 Electric Department		80%	\$ 2,948,819
31 Gas Department		20%	\$ 737,205
32 Total			<u>\$ 3,686,024</u>

- (a) Represents actual numbers taken from the Company's financial records for the 12 months ended March 31, 2012.
- (b) All labor related to the 2011 Windstorm restoration is assumed to be overtime and premiums.

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustments to Reflect Increases in Payroll Taxes
As Applied to the Twelve Months Ended March 31, 2012

1	Operating Labor increase (Page 2 Line 29)		\$	3,686,023
2	Percentage of wages that do not exceed Social Security (OASDI) limit			<u>91.871%</u>
3	Operating Labor increase subject to Social Security tax (Line 1 x Line 2)		\$	<u>3,386,386</u>
4	Medicare Tax (Line 1 x 1.45%)		\$	53,447
5	Social Security Tax (Line 3 x 6.2%)			<u>209,956</u>
6	Payroll Tax adjustment (Line 4 + Line 5)		\$	<u>263,403</u>
7	Electric Department	80%	\$	210,722
8	Gas Department	20%	\$	<u>52,681</u>
9	Total		\$	<u>263,403</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Reflect Increases in Company Contribution to 401(k)
As Applied to the Twelve Months Ended March 31, 2012**

1	Total Labor (Page 2 Line 5)		\$	132,829,863
2	Total TIA for 12 months ended 03/31/2012			<u>10,351,709</u>
3	Direct total payroll for 12 months ended 03/31/12 (Line 1 + Line 2)		\$	143,181,572
4	Total 401(k) Company Contribution for 12 months ended 03/31/2012			<u>5,505,176</u>
5	401(k) Company Contribution as a percent of payroll (Line 4 ÷ Line 3)			3.845%
6	Operating Labor increase (Page 2 Line 29)			<u>3,686,024</u>
7	401(k) Company Contribution operating increase (Line 5 x Line 6)		\$	<u>141,728</u>
8	Electric Department	80%	\$	113,382
9	Gas Department	20%	\$	<u>28,346</u>
10	Total		\$	<u>141,728</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment for Pension, Post Retirement and Post Employment Costs
For the Twelve Months Ended March 31, 2012**

	Pension	Post Retirement	Post Employment	Total
1. Pension, Post Retirement and Post Employment expenses in test year	\$ 23,170,424	\$ 6,028,587	\$ 203,293	\$ 29,402,304
2. Pension, Post Retirement, and Post Employment expenses annualized for 2012 Mercer Study	19,095,127	5,377,848	429,325	24,902,300
3. Total adjustment (Line 2 - Line 1)	\$ (4,075,297)	\$ (650,739)	\$ 226,032	\$ (4,500,004)
4. Electric Department (a) 80%				\$ (3,600,003)
5. Gas Department (a) 20%				(900,001)
6. Total Adjustment				\$ (4,500,004)

(a) Percentages taken from Reference Schedule 1.10.

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Reflect Normalized Storm Damage Expense
For the Twelve Months Ended March 31, 2012

	Electric
1. Storm damage provision based upon ten year average	\$ 5,889,868
2. Storm damage expenses incurred during the 12 months ended March 31, 2012	7,685,591
3. Adjustment	\$ (1,795,723)

Year	Expense (a)	CPI-All Urban Consumers	Amount
2012	\$ 7,685,591	1.0000	\$ 7,685,591
2011	6,814,290 (b)	1.0069	6,861,309
2010	1,535,593	1.0387	1,595,020
2009	5,405,075 (b)	1.0558	5,706,678
2008	6,107,323 (b)	1.0520	6,424,904
2007	2,172,237	1.0924	2,372,952
2006	5,725,974	1.1235	6,433,132
2005	1,982,820	1.1598	2,299,675
2004	13,866,592	1.1990	16,626,044
2003	2,350,428	1.2310	2,893,377
Total			\$ 58,898,682
Ten Year Average			\$ 5,889,868

(a) 2012 expense is for 12 months ended March 31, 2012.
All other years expenses are for calendar year.

(b) 2008, 2009, and 2011 expenses do not include 2008 Wind storm, 2009 Winter storm, and 2011 Summer storm expenses that were recorded as regulatory assets.

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Injuries and Damages FERC Account 925
For the Twelve Months Ended March 31, 2012

	Electric	Gas
1. Injury/Damage provision based upon ten year average	\$ 2,069,198	\$ 513,084
2. Injury/Damage expenses incurred during the 12 months ended March 31, 2012	2,448,360	621,607
3. Adjustment	\$ (379,162)	\$ (108,523)

Year	Electric (a)	Gas (a)	CPI-All Urban Consumers	Adjusted Electric	Adjusted Gas
2012	\$ 2,448,360	\$ 621,607	1.0000	\$ 2,448,360	\$ 621,607
2011	2,523,088	750,642	1.0069	2,540,497	755,821
2010	1,530,489	259,966	1.0387	1,589,719	270,027
2009	1,771,382	459,701	1.0558	1,870,225	485,352
2008	1,364,902	412,850	1.0520	1,435,877	434,318
2007	2,246,508	344,007	1.0924	2,454,085	375,793
2006	1,719,223	467,962	1.1235	1,931,547	525,755
2005	2,782,603	664,940	1.1598	3,227,263	771,197
2004	1,326,433	384,722	1.1990	1,590,393	461,282
2003	1,303,019	349,057	1.2310	1,604,016	429,689
Total				\$ 20,691,982	\$ 5,130,841
Ten Year Average				\$ 2,069,198	\$ 513,084

(a) 2012 expense is for 12 months ended March 31, 2012.
All other years expenses are for calendar year.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Eliminate Advertising Expenses
Pursuant to Commission Rule 807 KAR 5:016
For the Twelve Months Ended March 31, 2012**

	<u>Electric</u>	<u>Gas</u>
1. Uniform System of Accounts - Account No. 930.1 General Advertising Expenses	\$ 520,854	\$ 205,864
2. Account No. 913 Advertising Expenses	<u>19,134</u>	<u>6,347</u>
3. Total	<u>\$ 539,988</u>	<u>\$ 212,211</u>
4. Adjustment	<u>\$ (539,988)</u>	<u>\$ (212,211)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Remove Out-of-Period Items
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>		<u>Gas</u>	
	<u>Revenue</u>	<u>Expense</u>	<u>Revenue</u>	<u>Expense</u>
1. Out of Period adjustments:				
2. Air Emmission Fee payment	\$ -	\$ 890,449	\$ -	\$ -
3. Reclassify Gas Charges to Electric	-	122,860	-	(122,860)
4. Injuries and Damages	-	(23,320)	-	(5,830)
5. Prepaid Insurance	-	(36,624)	-	(9,156)
6. Transportation Management System	-	18,452	-	(16,198)
7. Reclassify from Capital to O&M	-	(16,863)	-	(2,363)
8. Other	10,864	(10,334)	-	(12,799)
	<hr/>	<hr/>	<hr/>	<hr/>
9. Total Adjustment	<u>\$ 10,864</u>	<u>\$ 944,620</u>	<u>\$ -</u>	<u>\$ (169,206)</u>

Exhibit 1
Reference Schedule 1.19
Sponsoring Witness: Arbough

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Reflect Increase in Property Insurance Expense
For the Twelve Months Ended March 31, 2012

1. Property Insurance expense in test year		\$ 3,876,744
2. Property Insurance renewal premium for 2012/2013		<u>4,188,046</u>
3. Total Adjustment (Line 2 - Line 1)		<u>\$ 311,302</u>
4. Electric Adjustment	79%	\$ 245,960
5. Gas Adjustment	21%	<u>65,342</u>
6. Total Adjustment		<u>\$ 311,302</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Transfer of Independent Transmission Operator Functions
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>
1. SPP ITO Expenses in test year	\$ 2,481,486
2. TranServ ITO Expenses (12 months)	<u>976,850</u>
3. Total Adjustment (Line 2 - Line 1)	<u><u>\$ (1,504,636)</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for MISO Exit Regulatory Asset / Liability
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>
1. MISO Exit Fee Regulatory Asset at March 31, 2012	\$ 572,174
2. Cumulative MISO Exit Fee Refund Regulatory Liability at March 31, 2012	<u>(680,643)</u>
3. Net MISO Exit Fee Regulatory Asset / (Liability) at March 31, 2012 (Line 1 + Line 2)	\$ (108,469)
4. Less Amortization accrual for post test year (April 2012 - December 2012)	562,376
5. Less Regulatory Liability accrual for post test year (April 2012 - December 2012)	<u>212,216</u>
6. Net MISO Exit Fee Regulatory Asset / (Liability) (before amortization) at December 31, 2012 (Line 3 - Line 4 - Line 5)	\$ (883,061)
7. Amortization period in years	<u>3</u>
8. Amortization per year	\$ (294,354)
9. Less Amortization recorded in test year (April 2011 - March 2012)	<u>749,834</u>
10. Adjustment to Test Year Amortization	<u><u>\$ (1,044,188)</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for General Management Audit Regulatory Asset
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. General Management Audit Regulatory Asset	\$ 91,583	\$ 29,824
2. Amortization period in years	<u>3</u>	<u>3</u>
3. Amortization per year	\$ 30,528	\$ 9,941
4. Less Amortization recorded in test year	<u>-</u>	<u>-</u>
5. Adjustment to Test Year Amortization	<u>\$ 30,528</u>	<u>\$ 9,941</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Rate Case Expense Amortization
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Total Estimated cost of 2012 Rate Case	\$ 890,000	\$ 500,000
2. Amortization period in years	<u>3</u>	<u>3</u>
3. Annual amortization	\$ 296,667	\$ 166,667
4. 2012 Rate Case amortization included in test year	<u>-</u>	<u>-</u>
5. Net Adjustment for 2012 Rate Case expenses	<u>\$ 296,667</u>	<u>\$ 166,667</u>
6. 2009 Rate Case Annual amortization	\$ 163,238	\$ 93,416
7. 2009 Rate Case Annual amortization included in test year	<u>(279,831)</u>	<u>(160,142)</u>
8. Net Adjustment for 2009 Rate Case expenses	<u>\$ (116,593)</u>	<u>\$ (66,726)</u>
9. 2008 Rate Case Annual amortization	\$ -	\$ -
10. 2008 Rate Case Annual amortization included in test year	<u>(227,110)</u>	<u>(76,078)</u>
11. Net Adjustment for 2008 Rate Case expenses	<u>\$ (227,110)</u>	<u>\$ (76,078)</u>
12. Total Adjustment (Line 5 + Line 8 + Line 11)	<u>\$ (47,037)</u>	<u>\$ 23,863</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment for Swap Termination Regulatory Asset
For the Twelve Months Ended March 31, 2012**

	<u>Total</u>
1. Swap Termination Regulatory Asset at March 31, 2012	\$ 8,872,603
2. Less Amortization accrual for post test year (April 2012 - December 2012)	<u>193,857</u>
3. Net Swap Termination Regulatory Asset at December 31, 2012	\$ 8,678,746
4. Remaining period to amortize (24.75 years - 2.42 years)	<u>22.33</u>
5. Amortization per year	\$ 388,659
6. Less Amortization recorded in test year (April 2011 - March 2012)	<u>258,476</u>
7. Adjustment to Test Year Amortization	<u>\$ 130,183</u>
8. Electric Adjustment	79% \$ 102,858
9. Gas Adjustment	21% <u>27,325</u>
10. Adjustment to Test Year Amortization	<u>\$ 130,183</u>

Exhibit 1
Reference Schedule 1.25
Sponsoring Witness: Scott

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for 2011 Windstorm Regulatory Asset
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>
1. 2011 Windstorm Regulatory Asset	\$ 8,052,125
2. Amortization period in years	<u>5</u>
3. Amortization per year	\$ 1,610,425
4. Less Amortization recorded in test year	<u>-</u>
5. Adjustment to Test Year Amortization	<u><u>\$ 1,610,425</u></u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Adjustment to Revenues and Expenses to Eliminate
Gas Supply Cost Recoveries and Gas Supply Expenses
During the Twelve Months Ended March 31, 2012**

	<u>Gas</u>
1. Cost recoveries in revenue for the 12 months ended March 31, 2012	\$ (146,406,353)
2. Gas supply expenses for the 12 months ended March 31, 2012	<u>(136,419,357)</u>
3. Net Adjustment	<u><u>\$ (9,986,996)</u></u>

Exhibit 1
Reference Schedule 1.27
Sponsoring Witness: Conroy

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Revenues for Temperature Normalization
For the Twelve Months Ended March 31, 2012

	<u>Gas</u>
1. Revenues	<u>\$ 2,313,121</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment to Remove Gas Supply Uncollectible Accounts Expense
For the Twelve Months Ended March 31, 2012

	<u>Gas</u>
1. Total Gas Uncollectible Expense for the test year (Account 904)	\$ 828,312
2. Percent Gas Supply Cost Revenue to Total Gas Billed Revenue	<u>53.20%</u>
3. Gas Supply Uncollectible Expense for the test year (Line 1 x Line 2)	<u>\$ 440,662</u>
4. Adjustment to Remove Gas Supply Uncollectible Expense	<u>\$ (440,662)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Composite Federal and Kentucky
Income Tax Rate
(Based on Law in Effect January 1, 2012)**

1. Assume pre-tax income of		\$ 100.0000
2. State income tax at 6.00%		5.8277
3. Taxable income for Federal income tax before production deduction		94.1723
Production Rate	9%	
Allocation to Production Income	0.4785	
Allocated Production Rate	4.31%	
4. Less: Production tax deduction (4.31% of Line 3)		4.0588
5. Taxable income for Federal income tax (Line 3 - Line 4)		90.1134
6. Federal income tax at 35% (Line 5 x 35%)		31.5397
7. Total State and Federal income taxes (Line 2 + Line 6)		\$ 37.3674
8. Therefore, the composite rate is:		
9. Federal	31.5397%	
10. State	5.8277%	
11. Total	37.3674%	

State Income Tax Calculation

1. Assume pre-tax income of		\$ 100.0000
2. Less: Production tax deduction (6% x 0.4785) (1)		2.8710
3. Taxable income for State income tax		97.1290
4. State Tax Rate		6.0000%
5. State Income Tax		5.8277

Notes: (1) Pursuant to KRS 141.010(11)(c) and (13)(c), for taxable years beginning on or after January 1, 2010, the amount of domestic production activities deduction calculated at six percent (6%) as allowed in Section 199(a)(2) of the Internal Revenue Code for taxable years beginning before 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Current Tax Adjustment Resulting
From "Interest Synchronization"**

	<u>Electric</u>	<u>Gas</u>
1. Adjusted Capitalization - Exhibit 2	\$ 1,986,161,932	\$ 523,750,968
2. Weighted Cost of Debt - Exhibit 2	<u>1.68%</u>	<u>1.68%</u>
3. "Interest Synchronization"	\$ 33,367,520	\$ 8,799,016
4. Interest per books (excluding other interest)	<u>33,443,113</u>	<u>8,978,907</u>
5. "Interest Synchronization" adjustment (Line 4 - 3)	\$ 75,593	\$ 179,891
6. Composite Federal and State tax rate	<u>37.3674%</u>	<u>37.3674%</u>
7. Current tax adjustment from "Interest Synchronization"	<u>\$ 28,247</u>	<u>\$ 67,221</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Prior Period Income Tax True-Ups and Adjustments
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Prior Year Income Tax True-up:		
2. Federal Tax expense (benefit)	\$ 1,000,455	\$ 151,608
3. State Tax expense (benefit)	<u>(254,979)</u>	<u>(58,546)</u>
4. Total Income Tax True-up	\$ 745,476	\$ 93,062
5. Other Tax adjustments:		
6. Removal of expired federal credit	<u>\$ (226,605)</u>	<u>\$ -</u>
7. Total Other Tax adjustments:	\$ (226,605)	\$ -
8. Federal benefit for State Tax adjustments	<u>\$ 89,243</u>	<u>\$ 20,491</u>
9. Total adjustments (Line 4 + Line 7 + Line 8)	<u>\$ 608,114</u>	<u>\$ 113,553</u>
10. Total Adjustment	<u>\$ (608,114)</u>	<u>\$ (113,553)</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Tax Basis Depreciation Reduction
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Permanent difference due to loss of depreciable tax basis	\$ 163,622	\$ -
2. Permanent diff. due to loss of depreciable tax basis in test year	249,014	-
	<hr/>	<hr/>
3. Total Adjustment (Line 1 - Line 2)	<u>\$ (85,392)</u>	<u>\$ -</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Adjustment for Amortization of Investment Tax Credit (ITC)
For the Twelve Months Ended March 31, 2012

	<u>Electric</u>	<u>Gas</u>
1. Normalized amortization of ITC	\$ (2,335,142)	\$ (125,620)
2. ITC amortization in the test year	(2,661,472)	(132,894)
	<hr/>	<hr/>
3. Total Adjustment (Line 1 - Line 2)	<u>\$ 326,330</u>	<u>\$ 7,274</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Revenue Gross Up Factor
(Based on Law in Effect January 1, 2012)**

	<u>State</u>	<u>Federal</u>
1. Assume pre-tax income of	\$ 100.000000	\$ 100.000000
2. Bad Debt at .3800%	0.380000	0.380000
3. PSC Assessment at .1529%	0.152900	0.152900
4. Production Tax Credit-State (Reference Schedule 1.29)	<u>2.871000</u>	
5. Taxable income for State income tax	96.596100	99.467100
6. State income tax at 6.00%	5.795766	5.795766
7. Production Tax Credit-Federal (Reference Schedule 1.29)		<u>4.058824</u>
8. Taxable income for Federal income tax		89.612510
9. Federal income tax at 35%		<u>31.364378</u>
10. Total Bad Debt, PSC Assessment, State and Federal income taxes (Line 2 + Line 3 + Line 6 + Line 9)		37.693044
11. Assume pre-tax income of		<u>\$ 100.000000</u>
12. Gross Up Revenue Factor		<u><u>62.306956</u></u>

Blake Exhibit 2

Capitalization at March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at March 31, 2012

	Per Books 3-31-2012 (1)	Capital Structure (2)	Rate Base Percentage (Exhibit 3 Line 19) (3)	Capitalization (Col 1 x Col 3) (4)	Adjustments to Capitalization (Col 8, Pg 2) (5)	Adjusted Capitalization (Col 4 + Col 5) (6)	Adjusted Capital Structure (7)	Annual Cost Rate (8)		Cost of Capital (Col 8 x Col 7) (9)
<u>ELECTRIC</u>										
1. Short Term Debt	\$ -	0.00%	79.01%	\$ -	\$ -	\$ -	0.00%	0.41%	(a)	0.00%
2. Long Term Debt	1,105,705,507	44.36%	79.01%	873,617,921	7,385,010	881,002,931	44.36%	3.78%	(a)	1.68%
3. Common Equity	1,387,034,687	55.64%	79.01%	1,095,896,106	9,262,895	1,105,159,001	55.64%	11.00%	(b)	6.12%
4. Total Capitalization	<u>\$ 2,492,740,194</u>	<u>100.00%</u>		<u>\$ 1,969,514,027</u>	<u>\$ 16,647,905</u>	<u>\$ 1,986,161,932</u>	<u>100.00%</u>			<u>7.80%</u>
<u>GAS</u>										
1. Short Term Debt	\$ -	0.00%	20.99%	\$ -	\$ -	\$ -	0.00%	0.41%	(a)	0.00%
2. Long Term Debt	1,105,705,507	44.36%	20.99%	232,087,586	232,802	232,320,388	44.36%	3.78%	(a)	1.68%
3. Common Equity	1,387,034,687	55.64%	20.99%	291,138,581	291,999	291,430,580	55.64%	11.00%	(b)	6.12%
4. Total Capitalization	<u>\$ 2,492,740,194</u>	<u>100.00%</u>		<u>\$ 523,226,167</u>	<u>\$ 524,801</u>	<u>\$ 523,750,968</u>	<u>100.00%</u>			<u>7.80%</u>

- (a) Embedded cost as of March 31, 2012
(b) Recommended Rate of Return on Common Equity

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at March 31, 2012

	Capitalization (Col 6, Pg 1) (1)	Capital Structure (2)	Trimble County Inventories (c) (Col 2 x Col 3 Line 4) (3)	Investments in OVEC and Other (Col 2 x Col 4 Line 4) (4)	JDIC (Col 2 x Col 5 Line 4) (5)	Environmental Compliance Plans (d) (Col 2 x Col 6 Line 4) (6)	Advanced Coal Investment Tax Credit (Col 2 x Col 7 Line 4) (7)	Total Adjustments To Capital (8)
<u>ELECTRIC</u>								
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	873,617,921	44.36%	(1,853,698)	(268,895)	8,227,659	(8,912,431)	10,192,375	7,385,010
3. Common Equity	1,095,896,106	55.64%	(2,325,063)	(337,270)	10,319,815	(11,178,712)	12,784,125	9,262,895
4. Total Capitalization	<u>\$ 1,969,514,027</u>	<u>100.00%</u>	<u>\$ (4,178,761)</u>	<u>\$ (606,165)</u>	<u>\$ 18,547,474</u>	<u>\$ (20,091,143)</u>	<u>\$ 22,976,500</u>	<u>\$ 16,647,905</u>

<u>GAS</u>								
1. Short Term Debt	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Long Term Debt	232,087,586	44.36%	-	-	232,802	-	-	232,802
3. Common Equity	291,138,581	55.64%	-	-	291,999	-	-	291,999
4. Total Capitalization	<u>\$ 523,226,167</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,801</u>

(c) Trimble County 1 Inventories @ March 31, 2012		(d) Environmental Compliance Plans	
Stores	\$ 5,960,215	Supporting Schedule-Exhibit 3, Line 19, Column 5	<u>\$ 20,091,143</u>
Stores Expense	1,100,624		
Coal	9,196,703		
Limestone	240,236		
Fuel Oil	216,813		
Emission Allowances	<u>451</u>		
Total Trimble County Inventories	\$ 16,715,042		
Multiplied by Disallowed Portion	<u>25.00%</u>		
Trimble County Inv. Disallowed	<u>\$ 4,178,761</u>		

Blake Exhibit 3

Net Original Cost Rate Base at March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

**Net Original Cost Rate Base
At March 31, 2012**

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1. Utility Plant at Original Cost (a)	\$ 4,079,661,192	\$ 854,044,596	\$ 4,933,705,788
2. Deduct:			
3. Reserve for Depreciation (a)	1,874,143,605	270,116,840	2,144,260,445
4. Net Utility Plant	<u>2,205,517,587</u>	<u>583,927,756</u>	<u>2,789,445,343</u>
5. Deduct:			
6. Customer Advances for Construction	960,947	6,368,917	7,329,864
7. Accumulated Deferred Income Taxes (a)	406,612,247	86,384,999	492,997,246
8. FAS 109 Deferred Income Taxes	27,127,029	3,417,946	30,544,975
9. Asset Retirement Obligation-Net Assets	27,021,378	20,308,114	47,329,492
10. Asset Retirement Obligation-Regulatory Liabilities	204,351	2,155,824	2,360,175
11. Total Deductions	<u>461,925,952</u>	<u>118,635,800</u>	<u>580,561,752</u>
12. Add:			
13. Materials and Supplies (b)(d)(e)	90,578,486	55,133	90,633,619
14. Gas Stored Underground (b)	-	36,144,520	36,144,520
15. Prepayments (b)(c)	4,350,165	691,403	5,041,568
16. Cash Working Capital (page 2)	82,477,382	8,164,483	90,641,865
17. Total Additions	<u>177,406,033</u>	<u>45,055,539</u>	<u>222,461,572</u>
18. Total Net Original Cost Rate Base	<u>\$ 1,920,997,668</u>	<u>\$ 510,347,495</u>	<u>\$ 2,431,345,163</u>
19. Percentage of Rate Base to Total Company Rate Base	<u>79.01%</u>	<u>20.99%</u>	<u>100.00%</u>

(a) Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% to the Gas Department.

(b) Average for 13 months.

(c) Excludes PSC fees.

(d) Excludes 25% of Trimble County inventories disallowed.

(e) Includes emission allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Cash Working Capital
At March 31, 2012

Title of Account (1)	Electric (2)	Gas (3)	Total (4)
1. Operating and maintenance expense for the 12 months ended March 31, 2012	\$ 728,886,233	\$ 200,268,749	\$ 929,154,982
2. Deduct:			
3. Electric Power Purchased	69,067,179		69,067,179
4. Gas Supply Expenses		134,952,882	134,952,882
5. Total Deductions	\$ 69,067,179	\$ 134,952,882	\$ 204,020,061
6. Remainder (Line 1 - Line 5)	<u>\$ 659,819,054</u>	<u>\$ 65,315,867</u>	<u>\$ 725,134,921</u>
7. Cash Working Capital (12 1/2% of Line 6)	<u>\$ 82,477,382</u>	<u>\$ 8,164,483</u>	<u>\$ 90,641,865</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Original Cost Rate Base as of March 31, 2012

Title of Account (1)	Total Electric (2)	Total ECR (3)	Eliminate ECR '05 and '06 Plans (4)	Net ECR (5) (3 - 4)	Base Electric (6) (2 - 5)	Gas (7)	Total Company (8) (5 + 6 + 7)
1. Utility Plant at Original Cost (a)	\$ 4,079,661,192	\$ 86,796,537	\$ 66,538,981	\$ 20,257,556	\$ 4,059,403,636	\$ 854,044,596	\$ 4,933,705,788
2. Deduct:							
3. Reserve for Depreciation (a)	1,874,143,605	4,830,323	4,758,789	71,534	1,874,072,071	270,116,840	2,144,260,445
4. Net Utility Plant	2,205,517,587	81,966,214	61,780,192	20,186,022	2,185,331,565	583,927,756	2,789,445,343
5. Deduct:							
6. Customer Advances for Construction	960,947	-	-	-	960,947	6,368,917	7,329,864
7. Accumulated Deferred Income Taxes (a)	406,612,247	3,724,228	3,544,740	179,488	406,432,759	86,384,999	492,997,246
8. FAS 109 Deferred Income Taxes	27,127,029	-	-	-	27,127,029	3,417,946	30,544,975
9. Asset Retirement Obligation-Net Assets	27,021,378	-	-	-	27,021,378	20,308,114	47,329,492
10. Asset Retirement Obligation-Regulatory Liabilities	204,351	-	-	-	204,351	2,155,824	2,360,175
11. Total Deductions	461,925,952	3,724,228	3,544,740	179,488	461,746,464	118,635,800	580,561,752
12. Net Plant Deductions	1,743,591,635	78,241,986	58,235,452	20,006,534	1,723,585,101	465,291,956	2,208,883,591
13. Add:							
14. Materials and Supplies (b)(d)(e)	90,578,486	15,658	-	15,658	90,562,828	55,133	90,633,619
15. Gas Stored Underground (b)	-	-	-	-	-	36,144,520	36,144,520
16. Prepayments (b)(c)	4,350,165	-	-	-	4,350,165	691,403	5,041,568
17. Cash Working Capital (page 2)	82,477,382	234,528	165,577	68,951	82,408,431	8,164,483	90,641,865
18. Total Additions	177,406,033	250,186	165,577	84,609	177,321,424	45,055,539	222,461,572
19. Total Net Original Cost Rate Base	<u>\$ 1,920,997,668</u>	<u>\$ 78,492,172</u>	<u>\$ 58,401,029</u>	<u>\$ 20,091,143</u>	<u>\$ 1,900,906,525</u>	<u>\$ 510,347,495</u>	<u>\$ 2,431,345,163</u>
20. Percentage of Rate Base to Total Company Rate Base	<u>79.01%</u>	<u>3.23%</u>	<u>2.40%</u>	<u>0.83%</u>	<u>78.18%</u>	<u>20.99%</u>	<u>100.00%</u>

(a) Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% to the Gas Department.

(b) Average for 13 months.

(c) Excludes PSC fees.

(d) Excludes 25% of Trimble County inventories disallowed.

(e) Includes emission allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Calculation of Cash Working Capital
As of March 31, 2012**

Title of Account (1)	Total Electric (2)	Total ECR (3)	Eliminate ECR '05 and '06 Plans (4)	Net ECR (5) (3 - 4)	Base Electric (6) (2 - 5)	Gas (7)	Total Company (8) (5 + 6 + 7)
1. Operating and maintenance expense for the 12 months ended March 31, 2012	\$ 728,886,233	\$ 1,876,222	\$ 1,324,613	\$ 551,609	\$ 728,334,624	\$ 200,268,749	\$ 929,154,982
2. Deduct:							
3. Electric Power Purchased	69,067,179	-	-	-	69,067,179		69,067,179
4. Gas Supply Expenses						134,952,882	134,952,882
5. Total Deductions	<u>\$ 69,067,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,067,179</u>	<u>\$ 134,952,882</u>	<u>\$ 204,020,061</u>
6. Remainder (Line 1 - Line 5)	<u>\$ 659,819,054</u>	<u>\$ 1,876,222</u>	<u>\$ 1,324,613</u>	<u>\$ 551,609</u>	<u>\$ 659,267,445</u>	<u>\$ 65,315,867</u>	<u>\$ 725,134,921</u>
7. Cash Working Capital (12 1/2% of Line 6)	<u>\$ 82,477,382</u>	<u>\$ 234,528</u>	<u>\$ 165,577</u>	<u>\$ 68,951</u>	<u>\$ 82,408,431</u>	<u>\$ 8,164,483</u>	<u>\$ 90,641,865</u>

Blake Exhibit 4

Pro Forma Rate Base at March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

**Pro Forma Rate Base
At March 31, 2012**

Title of Account (1)	Electric (a) (2)	Electric Pro Forma Adjustments (b) (3)	Pro Forma Electric Rate Base (4) (2 + 3)	Gas (c) (5)	Gas Pro Forma Adjustments (d) (6)	Pro Forma Gas Rate Base (7) (5 + 6)	Pro Forma Total Company (8) (4 + 7)
1. Utility Plant at Original Cost	\$ 4,079,661,192	\$ (20,257,556)	\$ 4,059,403,636	\$ 854,044,596		\$ 854,044,596	\$ 4,913,448,232
2. Deduct:							
3. Reserve for Depreciation	1,874,143,605	625,002	1,874,768,607	270,116,840	1,239,999	271,356,839	2,146,125,446
4. Net Utility Plant	2,205,517,587	(20,882,558)	2,184,635,029	583,927,756	(1,239,999)	582,687,757	2,767,322,786
5. Deduct:							
6. Customer Advances for Construction	960,947		960,947	6,368,917		6,368,917	7,329,864
7. Accumulated Deferred Income Taxes	406,612,247	(179,488)	406,432,759	86,384,999		86,384,999	492,817,758
8. FAS 109 Deferred Income Taxes	27,127,029		27,127,029	3,417,946		3,417,946	30,544,975
9. Asset Retirement Obligation-Net Assets	27,021,378		27,021,378	20,308,114		20,308,114	47,329,492
10. Asset Retirement Obligation-Regulatory Liabilities	204,351		204,351	2,155,824		2,155,824	2,360,175
11. Total Deductions	461,925,952	(179,488)	461,746,464	118,635,800	-	118,635,800	580,382,264
12. Add:							
13. Materials and Supplies	90,578,486	(15,658)	90,562,828	55,133		55,133	90,617,961
14. Gas Stored Underground	-		-	36,144,520		36,144,520	36,144,520
15. Prepayments	4,350,165		4,350,165	691,403		691,403	5,041,568
16. Cash Working Capital	82,477,382	(5,835,185)	76,642,197	8,164,483	(435,117)	7,729,366	84,371,563
17. Total Additions	177,406,033	(5,850,843)	171,555,190	45,055,539	(435,117)	44,620,422	216,175,612
18. Total Pro Forma Rate Base	<u>\$ 1,920,997,668</u>	<u>\$ (26,553,913)</u>	<u>\$ 1,894,443,755</u>	<u>\$ 510,347,495</u>	<u>\$ (1,675,116)</u>	<u>\$ 508,672,379</u>	<u>\$ 2,403,116,134</u>

(a) Exhibit 3, Column 2

(b) Supporting Schedule-Exhibit 4, Column 4

(c) Exhibit 3, Column 3

(d) Supporting Schedule-Exhibit 4, Column 6

LOUISVILLE GAS AND ELECTRIC COMPANY

Pro Forma Adjustments to Rate Base

Title of Account (1)	Environmental Compliance Plans (2)	Electric Expense Adjustments (3)	Total Electric Pro Forma Adjustments (4) (2 + 3)	Gas Expense Adjustments (5)	Total Gas Pro Forma Adjustments (6)
1. Utility Plant at Original Cost	\$ (20,257,556)	\$ -	\$ (20,257,556)	\$ -	\$ -
2. Deduct:					
3. Reserve for Depreciation	(71,534)	696,536 (b)	625,002	1,239,999 (b)	1,239,999
4. Net Utility Plant	(20,186,022)	(696,536)	(20,882,558)	(1,239,999)	(1,239,999)
5. Deduct:					
6. Customer Advances for Construction	-	-	-	-	-
7. Accumulated Deferred Income Taxes	(179,488)	-	(179,488)	-	-
8. FAS 109 Deferred Income Taxes	-	-	-	-	-
9. Asset Retirement Obligation-Net Assets	-	-	-	-	-
10. Asset Retirement Obligation-Regulatory Liabilities	-	-	-	-	-
11. Total Deductions	(179,488)	-	(179,488)	-	-
12. Add:					
13. Materials and Supplies	(15,658)	-	(15,658)	-	-
14. Gas Stored Underground	-	-	-	-	-
15. Prepayments	-	-	-	-	-
16. Cash Working Capital	(68,951)	(5,766,234) (c)	(5,835,185)	(435,117) (d)	(435,117)
17. Total Additions	(84,609)	(5,766,234)	(5,850,843)	(435,117)	(435,117)
18. Total Pro Forma Rate Base	<u>\$ (20,091,143) (a)</u>	<u>\$ (6,462,770)</u>	<u>\$ (26,553,913)</u>	<u>\$ (1,675,116)</u>	<u>\$ (1,675,116)</u>

(a) Adjustment to remove Environmental Compliance Plans (Exhibit 2, Page 2 of 2, Col 6).

(b) Adjustment to reflect annualized depreciation expenses (Reference Schedule 1.12).

(c) Using the 1/8th formula and change in Operation and Maintenance Expenses adjusted for FAC roll-in and ECR expense adjustments ((Exhibit 1 Col 3, Line 32 - Line 7 - Line 15 - Ref Sch 1.02 Line 2) / 8).

(d) Using the 1/8th formula and change in Operation and Maintenance Expenses less GSC expense adjustments ((Exhibit 1 Col 6, Line 32 - Line 15 - Line 29) / 8) .

Blake Exhibit 5

Estimated Net Reproduction Cost Rate Base at
March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

**Estimated Net Reproduction Cost Rate Base
At March 31, 2012**

Title of Account (1)	Electric (2)	Gas (3)	Total Company (4) (2 + 3)
1. Utility Plant at Estimated Reproduction Cost (a)	\$ 9,028,612,858	\$ 1,821,466,138	\$ 10,850,078,996
2. Deduct:			
3. Reserve for Depreciation (a)	4,786,066,469	613,997,229	5,400,063,698
4. Net Utility Plant	4,242,546,389	1,207,468,909	5,450,015,298
5. Deduct:			
6. Customer Advances for Construction	960,947	6,368,917	7,329,864
7. Accumulated Deferred Income Taxes (a)	406,612,247	86,384,999	492,997,246
8. FAS 109 Deferred Income Taxes	27,127,029	3,417,946	30,544,975
9. Asset Retirement Obligation-Net Assets	27,021,378	20,308,114	47,329,492
10. Asset Retirement Obligation-Regulatory Liabilities	204,351	2,155,824	2,360,175
11. Total Deductions	461,925,952	118,635,800	580,561,752
12. Add:			
13. Materials and Supplies (b)(d)(e)	90,578,486	55,133	90,633,619
14. Gas Stored Underground (b)	-	36,144,520	36,144,520
15. Prepayments (b)(c)	4,350,165	691,403	5,041,568
16. Cash Working Capital	82,477,382	8,164,483	90,641,865
17. Total Additions	177,406,033	45,055,539	222,461,572
18. Total Net Reproduction Cost Rate Base	<u>\$ 3,958,026,470</u>	<u>\$ 1,133,888,648</u>	<u>\$ 5,091,915,118</u>

- (a) Reproduction Cost from Exhibit 6 plus Common utility plant and the reserve for depreciation are allocated 71% to the Electric Department and 29% to the Gas Department.
- (b) Average for 13 months.
- (c) Excludes PSC fees.
- (d) Excludes 25% of Trimble County inventories disallowed.
- (e) Includes emission allowances.

Blake Exhibit 6

Estimated Reproduction (or Current) Cost of
Utility Plant
And Applicable Reserve for Depreciation at
March 31, 2012

LOUISVILLE GAS & ELECTRIC COMPANY

**Estimated Reproduction (or Current) Cost of Utility Plant
and Applicable Reserve for Depreciation at March 31, 2012**

	Original Cost 3/31/2012 (1)	Effect of Changing Prices (a) (2)	At 3/31/2012 (3)
1. Plant in Service			
2. Electric Plant:			
3. Steam Production	\$ 2,160,251,679	\$ 2,667,480,175	\$ 4,827,731,854
4. Hydraulic Production	42,551,883	152,708,548	195,260,431
5. Other Production	237,689,474	178,607,117	416,296,591
6. Transmission	297,915,506	509,556,728	807,472,234
7. Distribution	1,018,639,664	1,332,125,556	2,350,765,220
8. General	16,153,742	11,258,346	27,412,088
9. Intangible	2,240	68,205	70,445
10. Total Electric Plant	3,773,204,188	4,851,804,675	8,625,008,863
11. Gas Plant:			
12. Storage Underground	90,098,629	120,902,493	211,001,122
13. Transmission	23,101,653	62,053,165	85,154,818
14. Distribution	626,522,574	738,618,285	1,365,140,859
15. General	8,980,221	6,167,507	15,147,728
16. Intangible	388	335	723
17. Total Gas Plant	748,703,465	927,741,785	1,676,445,250
18. Common Plant:			
19. General	161,197,817	129,370,135	290,567,952
20. Intangible	66,471,099	7,456,613	73,927,712
21. Total Common Plant	227,668,916	136,826,748	364,495,664
22. Total Plant in Service	4,749,576,569	5,916,373,208	10,665,949,777
23. Construction Work In Progress:			
24. Electric	137,142,289	-	137,142,289
25. Gas	36,184,416	-	36,184,416
26. Common	10,802,514	-	10,802,514
27. Total Construction Work In Progress	184,129,219	-	184,129,219
28. Total Utility Plant	4,933,705,788	5,916,373,208	10,850,078,996
29. Less Reserve for Depreciation:			
30. Electric	1,802,261,255	2,862,212,900	4,664,474,155
31. Gas	240,756,444	323,576,319	564,332,763
32. Common	101,242,747	70,014,033	171,256,780
33. Total Reserve for Depreciation	2,144,260,446	3,255,803,252	5,400,063,698
34. Total Utility Plant less Reserve for Depreciation	<u>\$ 2,789,445,342</u>	<u>\$ 2,660,569,956</u>	<u>\$ 5,450,015,298</u>
35. By Departments:			
36. Electric (Including 71% Common)	2,205,517,587	2,037,028,803	4,242,546,390
37. Gas (Including 29% Common)	583,927,755	623,541,153	1,207,468,908
38. Total Utility Plant less Reserve for Depreciation	<u>\$ 2,789,445,342</u>	<u>\$ 2,660,569,956</u>	<u>\$ 5,450,015,298</u>

(a) Based on Handy -Whitman Index

Blake Exhibit 7

Rates of Return – Actual and Requested Pro
Forma for the Rate Increase
For the Twelve Months Ended March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

**Rates of Return - Actual and Requested
Pro-Formed for the Rate Increase
For the Twelve Months Ended March 31, 2012**

	Electric (1)	Gas (2)	Total (3)
1. Net Original Cost Rate Base - Exhibit 3	\$ 1,920,997,668	\$ 510,347,495	\$ 2,431,345,163
2. Pro Forma Rate Base - Exhibit 4	\$ 1,894,443,755	\$ 508,672,379	\$ 2,403,116,134
3. Reproduction Cost Rate Base - Exhibit 5	\$ 3,958,026,470	\$ 1,133,888,648	\$ 5,091,915,118
4. Net Operating Income - Actual - Exhibit 1	\$ 122,245,489	\$ 31,951,705	\$ 154,197,194
5. Rate of Return (Actual):			
6. On Net Original Cost Rate Base	6.36%	6.26%	6.34%
7. On Pro Forma Rate Base	6.45%	6.28%	6.42%
8. On Reproduction Cost Rate Base	3.09%	2.82%	3.03%
9. Adjusted Net Operating Income - Exhibit 1	\$ 116,247,636	\$ 30,134,617	\$ 146,382,253
10. Revenue Increase Applied For - Exhibit 8	62,068,503	17,201,866	79,270,369
11. Income Taxes - Exhibit 1, Reference Schedule 1.29	37.3674 % (23,193,412)	(6,427,897)	(29,621,309)
12. Adjusted Net Operating Income Pro-formed for Rate Increase	\$ 155,122,727	\$ 40,908,586	\$ 196,031,313
13. Rate of Return (Pro-forma):			
14. On Net Original Cost Rate Base	8.08%	8.02%	8.06%
15. On Pro Forma Rate Base	8.19%	8.04%	8.16%
16. On Reproduction Cost Rate Base	3.92%	3.61%	3.85%

Blake Exhibit 8

Calculation of Overall Revenue
Deficiency/(Sufficiency) at March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Overall Revenue Deficiency/(Sufficiency) at March 31, 2012

	<u>ELECTRIC</u> <u>(1)</u>
1. Adjusted Electric Capitalization (Exhibit 2, Col 6)	\$ 1,986,161,932
2. Total Cost of Capital (Exhibit 2, Col 9)	<u>7.80%</u>
3. Net Operating Income Found Reasonable (Line 1 x Line 2)	\$ 154,920,631
4. Pro-forma Net Operating Income	<u>116,247,636</u>
5. Net Operating Income Deficiency/(Sufficiency)	\$ 38,672,995
6. Gross Up Revenue Factor - Exhibit 1, Reference Schedule 1.34	0.62306956
7. Overall Revenue Deficiency/(Sufficiency)	<u>\$ 62,068,503</u>

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Overall Revenue Deficiency/(Sufficiency) at March 31, 2012

	<u>GAS (1)</u>
1. Adjusted Gas Capitalization (Exhibit 2, Col 6)	\$ 523,750,968
2. Total Cost of Capital (Exhibit 2, Col 9)	<u>7.80%</u>
3. Net Operating Income Found Reasonable (Line 1 x Line 2)	\$ 40,852,576
4. Pro-forma Net Operating Income	<u>30,134,617</u>
5. Net Operating Income Deficiency/(Sufficiency)	\$ 10,717,959
6. Gross Up Revenue Factor - Exhibit 1, Reference Schedule 1.34	<u>0.62306956</u>
7. Overall Revenue Deficiency/(Sufficiency)	<u>\$ 17,201,866</u>

Blake Exhibit 9

Rate of Return on Common Equity
For the Twelve Months Ended March 31, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

Electric Rate of Return on Common Equity
For the Twelve Months Ended March 31, 2012

	Adjusted Electric Capitalization (Exhibit 2 Col 6) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 8) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1. Short Term Debt	\$0	0.00%	0.41%	0.00%
2. Long Term Debt	\$881,002,931	44.36%	3.78%	1.68%
3. Common Equity	<u>\$1,105,159,001</u>	<u>55.64%</u>	7.49% (a)	<u>4.17%</u> (b)
4. Total Capitalization	<u><u>\$1,986,161,932</u></u>	<u><u>100.00%</u></u>		<u><u>5.85%</u></u>
5. Pro-forma Net Operating Income				\$116,247,636 (c)
6. Net Operating Income / Total Capitalization				5.85% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 37, Column 4
(d) - Column 4, Line 5 divided by Column 1, Line 4

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Rate of Return on Common Equity
For the Twelve Months Ended March 31, 2012

	Adjusted Gas Capitalization (Exhibit 2 Col 6) (1)	Percent of Total (2)	Annual Cost Rate (Exhibit 2 Col 8) (3)	Weighted Cost of Capital (Col 2 x Col 3) (4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1. Short Term Debt	\$0	0.00%	0.41%	0.00%
2. Long Term Debt	\$232,320,388	44.36%	3.78%	1.68%
3. Common Equity	<u>\$291,430,580</u>	<u>55.64%</u>	7.31% (a)	<u>4.07%</u> (b)
4. Total Capitalization	<u><u>\$523,750,968</u></u>	<u><u>100.00%</u></u>		<u><u>5.75%</u></u>
5. Pro-forma Net Operating Income				\$30,134,617 (c)
6. Net Operating Income / Total Capitalization				5.75% (d)

Notes: (a) - Column 4, Line 3 / Column 2, Line 3
(b) - Column 4, Line 4 - Line 1 - Line 2
(c) - Exhibit 1, Line 37, Column 7
(d) - Column 4, Line 5 divided by Column 1, Line 4

Blake Exhibit 10

Current Capital Expenditure Projection

LG&E's current capital expenditure projections for the years 2012 through 2016¹³

	Projected				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Construction expenditures					
Generating facilities (a)	\$ 146	\$ 102	\$ 128	\$ 123	\$ 52
Distribution facilities	134	162	151	180	170
Transmission facilities (b)	27	57	34	30	25
Environmental	233	421	441	449	41
Other	<u>14</u>	<u>22</u>	<u>20</u>	<u>27</u>	<u>25</u>
Total Construction Expenditures	<u>\$ 554</u>	<u>\$ 764</u>	<u>\$ 774</u>	<u>\$ 809</u>	<u>\$ 313</u>

¹³ Securities and Exchange Commission 10K filing for 2011 for Louisville Gas and Electric Company.

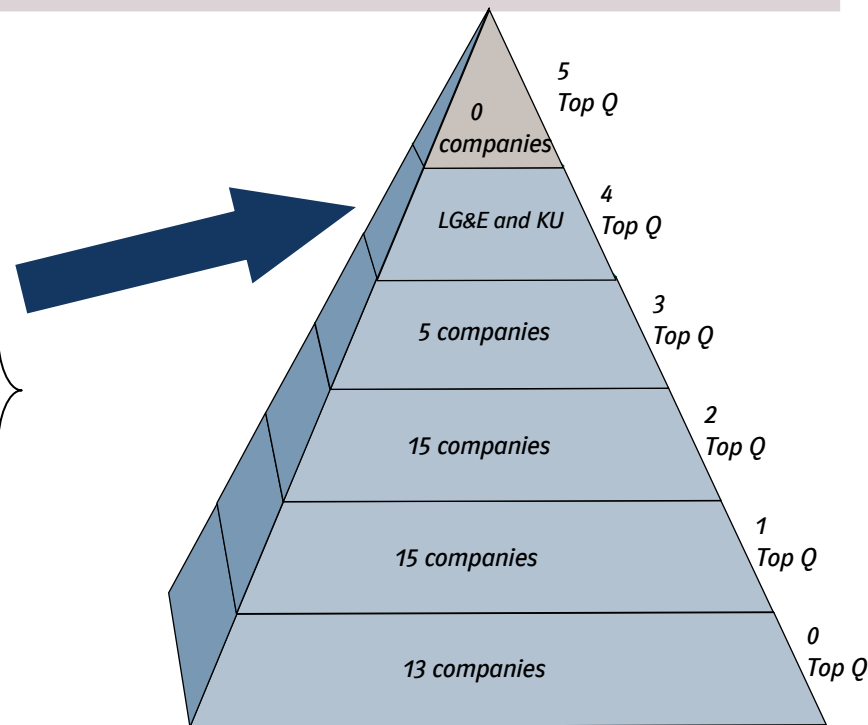
Blake Exhibit 11

2006-2010 Cost Performance Pyramid

Among Most Efficient Utilities in Country

LKE Metrics

Cost area	Metric	Performance	Ranking
Generation	Non-fuel O&M / MWh of production	\$6.18	5th – top quartile
Transmission	Cash cost / transmission mile	\$18,630	7th – top quartile
Distribution	Cash cost / retail customer	\$237.18	28th – second quartile
Retail	O&M cost / retail customer	\$57.93	15th – top quartile
Corporate A&G	A&G cost / MWh of sales	\$3.87	8th – top quartile



Source: FERC Form 1, SNL

Note: The Triangle = 49 US electric holding company's averages for 2007-2011 (only includes companies competing in all 5 segments).

LKE is the only utility with Top Quartile cost performance in four areas.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
VALERIE L. SCOTT
CONTROLLER
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Valerie L. Scott. I am the Controller for Louisville Gas and Electric
3 Company (“LG&E” or the “Company”), and an employee of LG&E and KU Services
4 Company, which provides services to LG&E and Kentucky Utilities Company
5 (“KU”). My business address is 220 West Main Street, Louisville, Kentucky. A
6 statement of my qualifications is included in the Appendix attached hereto.

7 **Q. Have you testified previously before the Commission?**

8 A. Yes, I testified in LG&E’s and KU’s last three base rate cases.¹ I have also testified
9 in environmental surcharge proceedings.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to support certain pro forma adjustments to LG&E’s
12 operating income for the twelve months ended March 31, 2012. The pro forma
13 adjustments are described on the Reference Schedules attached to Blake Exhibit 1.
14 My testimony demonstrates that these adjustments are known and measurable and,
15 therefore, reasonable. My testimony also supports certain Schedules supporting
16 LG&E’s application.

17 **Q. Are you supporting the information required by Commission regulation 807**

18 **KAR 5:001, Section 10(6)(a)-(v)?**

¹ Case No. 2003-00433, *In re the Matter of: An Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company*; Case No. 2003-00434, *In re the Matter of: An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company*; Case No. 2008-00252, *In re the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2008-00251, *In re the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2009-00548, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*.

1 A. Yes. I am sponsoring the following Schedules for the corresponding filing
2 requirements:

- 3 • Current Chart of Accounts Section 10(6)(j) Tab 29
- 4 • FERC Audit Reports Section 10(6)(l) Tab 31
- 5 • FERC Forms 1 and Annual Gas Report Section 10(6)(m) Tab 32
- 6 • Monthly Management Reports Section 10(6)(r) Tab 37
- 7 • Affiliate, et. al., Allocations/Charges Section 10(6)(t) Tab 39

8 **Q. Are you supporting the information required by Commission regulation 807**
9 **KAR 5:001, Section 10(7)(a) – (d)?**

10 A. Yes. I am sponsoring the following Schedules for the corresponding filing
11 requirements:

- 12 • Financial Statements with Adjustments Section 10(7)(a) Tab 42
- 13 • Operating Budget for the period encompassing the Pro Forma
14 Adjustments Section 10(7)(d) Tab 45

15 **Electric Pro Forma Adjustments**

16 **Q. Please explain the adjustment to operating revenues and expenses shown in**
17 **Reference Schedule 1.06 of Blake Exhibit 1.**

18 A. Consistent with the Commission’s practice of eliminating the revenues and expenses
19 associated with full-recovery cost trackers, an adjustment was made to eliminate
20 electric revenues recovered through the DSM and the corresponding expenses
21 recorded during the test year. The DSM includes a balancing adjustment that
22 automatically adjusts unit charges under the mechanism to account for differences
23 between revenues collected and costs incurred during the applicable period. The

1 Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
2 00433. LG&E also proposed a similar adjustment in Case No. 2008-00252, which
3 was resolved by a settlement approved by the Commission.

4 **Q. Please explain the adjustment to operating revenues shown in Reference**
5 **Schedule 1.07 of Blake Exhibit 1.**

6 A. This adjustment has been made to remove the effects of accrued Environmental Cost
7 Recovery (“ECR”), Merger Surcredit (“MSR”), Value Delivery Surcredit (“VDT”),
8 Fuel Adjustment Clause (“FAC”) and Demand-Side Management (“DSM”) revenues
9 in FERC Accounts 440-445. The adjustment removes the effects of the accruals
10 recorded at both the beginning and end of the test year. The Commission approved a
11 similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed
12 a similar adjustment in Case No. 2008-00252, which was resolved by a settlement
13 approved by the Commission.

14 **Q. Please explain the adjustment to operating revenues and expenses shown in**
15 **Reference Schedule 1.08 of Blake Exhibit 1.**

16 A. This adjustment has been made to eliminate net brokered and financial swap revenues
17 and related expenses. Net revenues associated with brokered and financial swap
18 transactions are eliminated in determining base rates because these transactions do
19 not utilize company generation or transmission assets. Labor and labor-related costs
20 associated with executing these transactions are also eliminated. The Commission
21 approved a similar adjustment in Case Nos. 2009-00549, 2003-00433, and 98-426.²

² *In the Matter of: Application of Louisville Gas and Electric Company for Approval of an Alternative Method of Regulation of Its Rates and Services.*

1 LG&E also proposed a similar adjustment in Case No. 2008-00252, which was
2 resolved by a settlement approved by the Commission.

3 **Q. Please explain the adjustment to operating expenses shown in Reference**
4 **Schedule 1.13 of Blake Exhibit 1.**

5 A. This adjustment has been made to annualize labor and labor-related costs as of March
6 31, 2012, and includes specific adjustments for labor, payroll taxes, and LG&E's
7 401(k) contribution. Page 1 of 4 presents an overview of the adjustment. The
8 adjustment conforms labor costs for the applicable employees to the rates that were in
9 effect as of the end of the test year.

10 Page 2 of 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
11 adjustment for labor expenses. The adjustment reflects the annualized base labor at
12 March 31, 2012, of all union and non-union LG&E employees and LG&E's share of
13 LG&E and KU Services Company labor costs as of that date. While this page also
14 shows an allocation to LG&E for KU labor, these charges are only included for
15 completeness and do not impact the adjustment as all such costs are included in the
16 "Construction/Other" category. Overtime labor costs were adjusted by applying
17 wage increases that became effective during the test year to overtime worked during
18 the test year before the effective date of the increases. Overtime and premium labor
19 costs associated with the 2011 Windstorm Regulatory asset were removed as
20 recovery of those costs are considered in the adjustment included on Reference
21 Schedule 1.25. Page 3 of 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
22 calculation of the component of the labor adjustment to reflect the increases in the
23 Federal Insurance Contributions Act employer payroll taxes due to the increase in

1 labor costs. The Medicare tax rate was applied to the entire increase since all wages
2 are subject to this tax. The same percentage of wages subject to Social Security taxes
3 experienced during the twelve months ended March 31, 2012 was applied to the
4 increased labor cost.

5 Finally, page 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
6 increase in the Company contribution for the 401(k) plan as a result of the increased
7 operating labor using the same contribution percentage as experienced during the
8 twelve months ended March 31, 2012. Although LG&E has not increased its
9 contribution percentage, the total amount of LG&E's 401(k) contribution has
10 increased as a result of increased labor costs.

11 The Commission approved a similar adjustment in Case Nos. 2009-00549,
12 2003-00433 and 2000-00080.³ LG&E proposed a similar adjustment in Case No.
13 2008-00252, which was resolved by a settlement approved by the Commission.

14 **Q. Please explain the adjustment to operating expenses shown in Reference**
15 **Schedule 1.15 of Blake Exhibit 1.**

16 A. This adjustment has been made to reflect a normalized level of storm damage
17 expenses based upon a ten-year average adjusted for inflation. Because a full year of
18 data is not available for 2012, the 2012 expense is for the twelve months ending
19 March 31, 2012; all other expense years are calendar years. The Commission
20 approved a similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E
21 also proposed a similar adjustment in Case No. 2008-00252, which was resolved by a
22 settlement approved by the Commission.

³ *An Adjustment of the Gas Rates of Louisville Gas and Electric Company*

1 **Q. Please explain the adjustment to operating expenses shown in Reference**
2 **Schedule 1.16 of Blake Exhibit 1.**

3 A. This adjustment is made to normalize the expenses in Account 925 “Injuries and
4 Damages” based on a ten-year average adjusted for inflation. Because a full year of
5 data is not available for 2012, the 2012 expense is for the twelve months ending
6 March 31, 2012; all other expense years are calendar years. The Commission
7 approved a similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E
8 also proposed a similar adjustment in Case No. 2008-00252, which was resolved by a
9 settlement approved by the Commission.

10 **Q. Please explain the adjustment to operating expenses shown in Reference**
11 **Schedule 1.17 of Blake Exhibit 1.**

12 A. This adjustment eliminates advertising expenses that are primarily institutional and
13 promotional in nature. Commission regulation 807 KAR 5:016, Section 2(1)
14 provides that a utility will be allowed to recover, for ratemaking purposes, only those
15 advertising expenses which produce a “material benefit” to its ratepayers. The
16 Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
17 00433. LG&E also proposed a similar adjustment in Case No. 2008-00252, which
18 was resolved by a settlement approved by the Commission.

19 **Q. Please explain the adjustment to operating expenses shown in Reference**
20 **Schedule 1.18 of Blake Exhibit 1.**

21 A. This adjustment eliminates the impact of amounts recorded during the test period that
22 relate to periods outside the test period. The Commission approved similar out-of-
23 period adjustments in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed

1 a similar adjustment in Case No. 2008-00252, which was resolved by a settlement
2 approved by the Commission.

3 **Q. Please explain the adjustment to operating expenses shown in Reference**
4 **Schedule 1.21 of Blake Exhibit 1.**

5 A. This adjustment is to reflect the continued amortization of the Midwest Independent
6 Transmission System Operator, Inc. (“MISO”) exit fee and related revenues and
7 refunds. In LG&E’s Case No. 2008-00252, the Commission permitted LG&E to net
8 the deferred MISO exit fee against the MISO Schedule 10 administrative fees
9 recovered through base rates post-exit and to amortize this net amount over a five-
10 year period. The Commission also permitted LG&E to continue deferring the MISO
11 Schedule 10 administrative fees recovered through base rates from May 1, 2008, until
12 the date rates from that case became effective, February 6, 2009, and to defer
13 subsequent periodic refunds of any portion of the MISO exit fee. In LG&E’s
14 following Case No. 2009-00549, LG&E received approval to net the regulatory
15 liabilities from revenues related to MISO Schedule 10 expenses that were deferred
16 from May 1, 2008, until February 5, 2009, and the deferred periodic refunds of the
17 MISO exit fee, against the net regulatory asset established in Case No. 2008-00252,
18 and to amortize this revised net regulatory asset for five years from the effective date
19 of the change in rates. LG&E now requests approval to net the regulatory liabilities
20 from the deferred periodic refunds of the MISO exit fee, including accrued refunds
21 through December 31, 2012, against the remaining net regulatory asset established in
22 Case No. 2009-00549, net of amortization of the net asset through December 31,
23 2012, and to amortize this revised remaining net regulatory liability for three years

1 from the effective date of the change in rates. LG&E proposes to adjust the test year
2 amortization to an annual amount based on this revised net regulatory asset pursuant
3 to the same adjustment the Commission accepted in Case No. 2009-00549, and
4 proposed by LG&E in Case No. 2008-00252, which was resolved by a settlement
5 approved by the Commission.

6 **Q. Please explain the adjustment to operating expenses shown in Reference**
7 **Schedule 1.25 of Blake Exhibit 1.**

8 A. This adjustment is necessary to recover the deferred operating and maintenance
9 expenses LG&E incurred as a result of the wind storm that occurred in August 2011.
10 The Commission approved the establishment of a regulatory asset for accounting
11 purposes with regard to these expenses in Case No. 2011-00380.⁴ The adjustment to
12 operating expenses represents the amortization of this regulatory asset over a five
13 year period consistent with the Orders in Case No. 2003-00434 and Case No. 6220.⁵

14 **Gas Pro Forma Adjustments**

15 **Q. Please explain the adjustment to operating revenues and expenses shown in**
16 **Reference Schedule 1.06 of Blake Exhibit 1.**

17 A. Consistent with the Commission's practice of eliminating the revenues and expenses
18 associated with full-recovery cost trackers, an adjustment was made to eliminate gas
19 revenues recovered through the DSM and the corresponding expenses recorded
20 during the test year. The DSM includes a balancing adjustment that automatically
21 adjusts unit charges under the mechanism to account for differences between

⁴ *In the Matter of: Application of Louisville Gas and Electric Company for an Order Approving the Establishment of a Regulatory Asset* (December 27, 2011 Order).

⁵ *In the Matter of: General Adjustment in Electric and Gas Rates of Louisville Gas and Electric Company* (Feb. 28, 1975 Order).

1 revenues collected and costs incurred during the applicable period. The Commission
2 approved a similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E
3 also proposed a similar adjustment in Case No. 2008-00252, which was resolved by a
4 settlement approved by the Commission.

5 **Q. Please explain the adjustment to operating revenues shown in Reference**
6 **Schedule 1.07 of Blake Exhibit 1.**

7 A. This adjustment has been made to remove the effects of accrued DSM revenues in
8 FERC Accounts 480-482. The adjustment removes the effects of the accruals
9 recorded in both the beginning and end of the test year. The Commission approved a
10 similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed
11 a similar adjustment in Case No. 2008-00252, which was resolved by a settlement
12 approved by the Commission.

13 **Q. Please explain the adjustment to operating expenses shown in Reference**
14 **Schedule 1.13 of Blake Exhibit 1.**

15 A. This adjustment has been made to annualize labor and labor-related costs as of March
16 31, 2012, and includes specific adjustments for labor, payroll taxes, and LG&E's
17 401(k) contribution. Page 1 of 4 presents an overview of the adjustment. The
18 adjustment conforms labor costs for the applicable employees to the rates that were in
19 effect as of the end of the test year.

20 Page 2 of 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
21 adjustment for labor expenses. The adjustment reflects the annualized base labor at
22 March 31, 2012, of all union and non-union LG&E employees and LG&E's share of
23 LG&E and KU Services Company labor costs as of that date. While this page also

1 shows an allocation to LG&E for KU labor, these charges are only included for
2 completeness and do not impact the adjustment as all such costs are included in the
3 “Construction/Other” category. Overtime labor costs were adjusted by applying
4 wage increases that became effective during the test year to overtime worked during
5 the test year before the effective date of the increases. Overtime and premium labor
6 costs associated with the 2011 Windstorm Regulatory asset were removed as
7 recovery of those costs are considered in the adjustment included on Reference
8 Schedule 1.25. Page 3 of 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
9 calculation of the component of the labor adjustment to reflect the increases in the
10 Federal Insurance Contributions Act employer payroll taxes due to the increase in
11 labor costs. The Medicare tax rate was applied to the entire increase since all wages
12 are subject to this tax. The same percentage of wages subject to Social Security taxes
13 experienced during the twelve months ended March 31, 2012 was applied to the
14 increased labor cost.

15 Finally, page 4 of Reference Schedule 1.13 of Blake Exhibit 1 shows the
16 increase in the Company contribution for the 401(k) plan as a result of the increased
17 operating labor using the same contribution percentage as experienced during the
18 twelve months ended March 31, 2012. Although LG&E has not increased its
19 contribution percentage, the total amount of LG&E’s 401(k) contribution has
20 increased as a result of increased labor costs.

21 The Commission approved a similar adjustment in Case Nos. 2009-00549,
22 2003-00433 and 2000-00080. LG&E proposed a similar adjustment in Case No.
23 2008-00252, which was resolved by a settlement approved by the Commission.

1 **Q. Please explain the adjustment to operating expenses shown in Reference**
2 **Schedule 1.16 of Blake Exhibit 1.**

3 A. This adjustment is made to normalize the expenses in Account 925 “Injuries and
4 Damages” based on a ten-year average adjusted for inflation. Because a full year of
5 data is not available for 2012, the 2012 expense is for the twelve months ending
6 March 31, 2012; all other expense years are calendar years. The Commission
7 approved a similar adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E
8 also proposed a similar adjustment in Case No. 2008-00252, which was resolved by a
9 settlement approved by the Commission.

10 **Q. Please explain the adjustment to operating expenses shown in Reference**
11 **Schedule 1.17 of Blake Exhibit 1.**

12 A. This adjustment eliminates advertising expenses that are primarily institutional and
13 promotional in nature. Commission regulation 807 KAR 5:016, Section 2(1)
14 provides that a utility will be allowed to recover, for ratemaking purposes, only those
15 advertising expenses which produce a “material benefit” to its ratepayers. The
16 Commission approved a similar adjustment in Case Nos. 2009-00549 and 2003-
17 00433. LG&E also proposed a similar adjustment in Case No. 2008-00252, which
18 was resolved by a settlement approved by the Commission.

19 **Q. Please explain the adjustment to operating expenses shown in Reference**
20 **Schedule 1.18 of Blake Exhibit 1.**

21 A. This adjustment eliminates the impact of amounts recorded during the test period that
22 relate to periods outside the test period. The Commission approved similar out-of-
23 period adjustments in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed

1 a similar adjustment in Case No. 2008-00252, which was resolved by a settlement
2 approved by the Commission.

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

4 A. Yes, it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Valerie L. Scott**, being duly sworn, deposes and says that she is Controller for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that she has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Valerie L. Scott
Valerie L. Scott

Subscribed and sworn to before me, a Notary Public in and before said County and State, this *20th* day of *June* 2012.

Sean H. Henry (SEAL)
Notary Public

My Commission Expires:
July 21, 2015

APPENDIX A

Valerie L. Scott

Controller
LG&E and KU Energy LLC
220 West Main Street
Louisville, Kentucky 40202
(502) 627-3660

Professional Memberships:

American Institute of Certified Public Accountants (AICPA)
Kentucky Society of Certified Public Accountants (KSCPA)

Chief Accounting Officers, Edison Electric Institute (EEI)
Accounting Executive Advisory Committee, Edison Electric Institute (EEI)

Education:

University of Louisville, Masters of Business Administration (with high distinction), 1994
University of Louisville, Bachelor of Science in Commerce with a major in Accounting (with honors), 1978

Previous Positions with LG&E and KU Energy LLC & its predecessors:

- August 2002 – December 2004 – Director, Financial Planning & Accounting – Utility Operations
- February 1999 – August 2002 – Director, Trading Controls & Energy Marketing Accounting
- May 1998 – February 1999 – Manager, Trading Controls and Manager, Financial Planning, Reporting and Special Projects
- July 1993 – May 1998 – Manager, Corporate Internal Auditing
- October 1991 – July 1993 – Senior Staff Accountant

Previous Positions prior to LG&E and KU Energy LLC & its predecessors:

- 1986 – 1990 Frankenthal Group, Controller
- 1978 – 1986 Arthur Young & Company (now Ernst & Young)
 - 1978 – 1979 Audit Staff
 - 1979 – 1983 Audit Senior
 - 1983 – 1986 Audit Manager

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
SHANNON L. CHARNAS
DIRECTOR OF ACCOUNTING AND REGULATORY REPORTING
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Shannon L. Charnas. I am the Director of Accounting and Regulatory
3 Reporting for Louisville Gas and Electric Company (“LG&E” or the “Company”)
4 and an employee of LG&E and KU Services Company, which provides services to
5 LG&E and Kentucky Utilities Company (“KU”). My business address is 220 West
6 Main Street, Louisville, Kentucky 40202. A statement of my qualifications is attached
7 hereto in Appendix A.

8 **Q. Have you previously testified before the Commission?**

9 A. Yes, I testified in LG&E’s and KU’s last two rates cases.¹ I have also testified in or
10 supported data responses in numerous environmental surcharge proceedings, as well
11 as in depreciation study proceedings.

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to: (1) describe the reasons LG&E elected to choose
14 John J. Spanos of Gannett Fleming, Inc. to conduct LG&E’s new depreciation study;
15 (2) to accept Mr. Spanos’ recommended methodology to calculate new depreciation
16 rates; (3) to support certain schedules to LG&E’s application; and (4) to support
17 certain pro forma adjustments to LG&E’s operating income and rate base for the
18 twelve months ended March 31, 2012. The pro forma adjustments are described on
19 the Reference Schedules attached to Blake Exhibit 1. My testimony demonstrates
20 that these adjustments are known and measurable and therefore, reasonable.

¹ Case No. 2008-00252, *In re the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2008-00251, *In re the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*; Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2009-00548, *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*.

1 **Q. Are you supporting the information required by Commission regulation 807**
2 **KAR 5:001, Section 10(6)(a)-(v)?**

3 A. Yes. I am sponsoring the Schedules for the corresponding filing requirements:

- 4 • Depreciation Study Section 10(6)(n) Tab 33

5 My testimony will explain why LG&E chose to accept the Study performed by Mr.
6 Spanos. Mr. Spanos describes the details of the Study in his testimony.

7 **Q. Are you supporting the information required by Commission regulation 807**
8 **KAR 5:001, Section 10(7)(a)-(d)?**

9 A. Yes. I am sponsoring the following Schedules for the corresponding filing
10 requirements:

- 11 • Capital Construction Budget Section 10(7)(b) Tab 43

- 12 • Pro Forma Adjustments – Plant Additions Section 10(7)(c) Tab 44

13 **Depreciation Study**

14 **Q. Why did LG&E choose Mr. Spanos of Gannett Fleming, Inc. to conduct its new**
15 **depreciation study?**

16 A. As described in the curriculum vitae attached to Mr. Spanos' testimony, Mr. Spanos
17 has extensive experience in the regulated utility accounting field, and particularly in
18 the area of depreciation rates. Mr. Spanos is a member of the Society of
19 Depreciation Professionals, and has submitted testimony to over twenty-five
20 regulatory commissions on the subject of utility plant depreciation. He previously
21 prepared a depreciation study for LG&E that was presented to the Commission in
22 Case No. 2007-00564.² Moreover, Mr. Spanos has presented studies to, and testified
23 before, this Commission in cases such as Kentucky American Water Company's 2010

1 base rate proceeding in Case No. 2010-00036, and Union Light, Heat and Power
2 Company's 2006 electric base rate case in Case No. 2006-00172. The Commission
3 accepted Mr. Spanos' depreciation study without modification in the Kentucky
4 American Water Company proceeding.³ Because the Union Light, Heat and Power
5 case was resolved by unanimous settlement, the Commission did not specifically rule
6 upon Mr. Spanos' study.⁴

7 **Q. What did LG&E ask Mr. Spanos to do?**

8 A. Maintenance of sound depreciation rates requires periodic reviews and assessments.
9 Five years have passed since LG&E's last study. LG&E's business policy is to review
10 and update its depreciation rates every five to seven years. The Commission has also
11 indicated that utilities should periodically review and update their depreciation rates.
12 Accordingly, LG&E asked Mr. Spanos to perform an independent depreciation study,
13 using data from "An Economic Life Assessment Study of Generating Assets LG&E
14 and KU" by Ventyx, an ABB Company, and his generation asset life assessment
15 analysis of LG&E's assets and extensive experience in depreciation studies. The
16 purpose of the study was to evaluate LG&E's depreciation rates and, if necessary,
17 recommend updated depreciation rates to reflect the actual depreciation of LG&E's
18 assets.

19 **Q. What did Mr. Spanos find and recommend?**

20 A. As in the case of many depreciation studies, Mr. Spanos found that LG&E's current
21 depreciation rates need to be updated to fully reflect the current or actual depreciation

² *In the Matter of: Application of Louisville Gas and Electric Company to File Depreciation Study.*

³ *In the Matter of: Application of Kentucky-American Water Company for an Adjustment of Rates Supported by a Fully Forecasted Test Year* (Case No. 2010-00036) (December 14, 2010 Order).

1 of LG&E's assets. After evaluating different methodologies, Mr. Spanos
2 recommended that LG&E continue to use the Average Service Life ("ASL") and
3 remaining life basis methodology of depreciation, consistent with the method and
4 resulting rates the Commission accepted in the settlement of Case Nos. 2007-00564
5 and 2008-00252. The study resulted in revised life and salvage parameters based on
6 updated historical information, industry benchmarks and site visits to LG&E's
7 facilities.

8 **Q. Did LG&E accept Mr. Spanos' recommendation to use the ASL methodology in
9 its new depreciation study?**

10 A. Yes. LG&E accepted Mr. Spanos' recommendation to continue to use the ASL and
11 remaining life basis methodology because it reasonably allocates depreciation over
12 the remaining useful lives of LG&E's assets.

13 **Electric Pro Forma Adjustments**

14 **Q. Please explain the adjustment to operating expenses shown in Reference
15 Schedule 1.12 of Blake Exhibit 1.**

16 A. This adjustment has been made to reflect annualized depreciation expenses. The
17 purpose of this adjustment is to reflect a full year's depreciation expense on net plant
18 in service, excluding depreciation on assets set up for asset retirement obligations and
19 depreciation on assets remaining in the 2009 and 2011 Environmental Cost Recovery
20 Plans, as of March 31, 2012. The Commission approved a similar adjustment in Case
21 Nos. 2009-00549 and 2003-00433. LG&E also proposed a similar adjustment in
22 Case No. 2008-00252, which was resolved by a settlement approved by the

⁴ *In the Matter of: Application of the Union Light, Heat and Power Company d/b/a Duke Energy Kentucky for an Adjustment of Electric Rates* (Case No. 2006-00172) (December 21, 2006 Order).

1 Commission. The depreciation rates used in calculating the adjustment are those
2 proposed in the testimony of Mr. Spanos.

3 **Gas Pro Forma Adjustments**

4 **Q. Please explain the adjustment to operating expenses shown in Reference**
5 **Schedule 1.12 of Blake Exhibit 1.**

6 A. This adjustment has been made to reflect annualized depreciation expenses. The
7 purpose of this adjustment is to reflect a full year's depreciation expense on net plant
8 in service, excluding depreciation on assets set up for asset retirement obligations, as
9 of March 31, 2012. The depreciation rates used in calculating the adjustment are
10 those proposed in the testimony of Mr. Spanos. The Commission approved a similar
11 adjustment in Case Nos. 2009-00549 and 2003-00433. LG&E also proposed a
12 similar adjustment in Case No. 2008-00252, which was resolved by a settlement
13 approved by the Commission.

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

15 A. Yes, it does.

APPENDIX A

Shannon L. Charnas

Director, Accounting and Regulatory Reporting
LG&E and KU Energy LLC
220 West Main Street
Louisville, KY 40202
(502) 627-4978

Professional Memberships:

American Institute of Certified Public Accountants (AICPA)
Kentucky Society of Certified Public Accountants (KSCPA)

Education:

University of Louisville, Masters of Business Administration, 2000
University of Wisconsin Oshkosh, Bachelor of Business Administration with
Majors in Accounting and Management Information Systems, 1993
Certified Public Accountant, Kentucky, 1995

Professional Experience:

LG&E and KU Energy LLC (and its predecessors)

2005 (Feb) – 2011 (Mar) – Director, Utility Accounting and Reporting
2001 (Mar) - 2005 (Feb) – Manager, Finance & Budgeting - Energy Services
1999 (Sept) - 2001 (Apr) – Senior Budget Analyst
1995 (Aug) - 1999 (Sept) – Accounting Analyst, various positions

Arthur Andersen LLP

1995 – Senior Auditor
1993 – 1994 – Audit Staff

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

DIRECT TESTIMONY OF

JOHN J. SPANOS

ON BEHALF OF

LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

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I. INTRODUCTION AND PURPOSE

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

2 A. My name is John J. Spanos. My business address is 207 Senate Avenue, Camp Hill,
3 Pennsylvania.

4 **Q. ARE YOU ASSOCIATED WITH ANY FIRM?**

5 A. Yes. I am associated with the firm of Gannett Fleming, Inc.

6 **Q. HOW LONG HAVE YOU BEEN ASSOCIATED WITH GANNETT FLEMING,**
7 **INC.?**

8 A. I have been associated with the firm since college graduation in June, 1986.

9 **Q. WHAT IS YOUR POSITION WITH THE FIRM?**

10 A. I am a Senior Vice President.

11 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

12 A. I have Bachelor of Science degrees in Industrial Management and Mathematics from
13 Carnegie-Mellon University and a Master of Business Administration from York College.

14 **Q. DO YOU BELONG TO ANY PROFESSIONAL SOCIETIES?**

15 A. Yes. I am a member and current President of the Society of Depreciation Professionals and
16 the American Gas Association/Edison Electric Institute Industry Accounting Committee.

17 **Q. DO YOU HOLD ANY SPECIAL CERTIFICATION AS A DEPRECIATION**
18 **EXPERT?**

19 A. Yes. The Society of Depreciation Professionals has established national standards for
20 depreciation professionals. The Society administers an examination to become certified in
21 this field. I passed the certification exam in September 1997 and was recertified in August
22 2003 and February 2008.

1 **Q. PLEASE OUTLINE YOUR EXPERIENCE IN THE FIELD OF DEPRECIATION.**

2 A. In June, 1986, I was employed by Gannett Fleming Valuation and Rate Consultants, Inc. as
3 a Depreciation Analyst. During the period from June, 1986 through December, 1995, I
4 helped prepare numerous depreciation and original cost studies for utility companies in
5 various industries. I helped perform depreciation studies for the following telephone
6 companies: United Telephone of Pennsylvania, United Telephone of New Jersey and
7 Anchorage Telephone Utility. I helped perform depreciation studies for the following
8 companies in the railroad industry: Union Pacific Railroad, Burlington Northern Railroad
9 and Wisconsin Central Transportation Corporation.

10 I helped perform depreciation studies for the following organizations in the electric
11 utility industry: Chugach Electric Association, The Cincinnati Gas and Electric Company
12 (CG&E), The Union Light, Heat and Power Company (ULH&P), Northwest Territories
13 Power Corporation and the City of Calgary - Electric System.

14 I helped perform depreciation studies for the following pipeline companies:
15 TransCanada Pipelines Limited, Trans Mountain Pipe Line Company Ltd., Interprovincial
16 Pipe Line Inc., Nova Gas Transmission Limited and Lakehead Pipeline Company.

17 I helped perform depreciation studies for the following gas utility companies:
18 Columbia Gas of Pennsylvania, Columbia Gas of Maryland, The Peoples Natural Gas
19 Company, T. W. Phillips Gas & Oil Company, CG&E, ULH&P, Lawrenceburg Gas
20 Company and Penn Fuel Gas, Inc.

21 I helped perform depreciation studies for the following water utility companies:
22 Indiana-American Water Company, Consumers Pennsylvania Water Company and The

1 York Water Company; and depreciation and original cost studies for Philadelphia
2 Suburban Water Company and Pennsylvania-American Water Company.

3 In each of the above studies, I assembled and analyzed historical and simulated
4 data, performed field reviews, developed preliminary estimates of service life and net
5 salvage, calculated annual depreciation, and prepared reports for submission to state public
6 utility commissions or federal regulatory agencies. I performed these studies under the
7 general direction of William M. Stout, P.E.

8 In January, 1996, I was assigned to the position of Supervisor of Depreciation
9 Studies. In July, 1999, I was promoted to the position of Manager, Depreciation and
10 Valuation Studies. In December, 2000, I was promoted to the position of Vice-President of
11 Gannett Fleming Valuation and Rate Consultants, Inc. and in April 2012, I was promoted
12 to my present position as Senior Vice President of the Valuation and Rate Division of
13 Gannett Fleming, Inc. In my current position, I am responsible for conducting all
14 depreciation, valuation and original cost studies, including the preparation of final exhibits
15 and responses to data requests for submission to the appropriate regulatory bodies.

16 Since January 1996, I have conducted depreciation studies similar to those
17 previously listed, including assignments for Pennsylvania-American Water Company;
18 Aqua Pennsylvania; Kentucky-American Water Company; Virginia-American Water
19 Company; Indiana-American Water Company; Hampton Water Works Company; Omaha
20 Public Power District; Enbridge Pipe Line Company; Inc.; Columbia Gas of Virginia, Inc.;;
21 Virginia Natural Gas Company; National Fuel Gas Distribution Corporation - New York
22 and Pennsylvania Divisions; The City of Bethlehem - Bureau of Water; The City of
23 Coatesville Authority; The City of Lancaster - Bureau of Water; Peoples Energy

1 Corporation; The York Water Company; Public Service Company of Colorado; Enbridge
2 Pipelines; Enbridge Gas Distribution, Inc.; Reliant Energy-HLP; Massachusetts-American
3 Water Company; St. Louis County Water Company; Missouri-American Water Company;
4 Chugach Electric Association; Alliant Energy; Oklahoma Gas & Electric Company;
5 Nevada Power Company; Dominion Virginia Power; NUI - Virginia Gas Companies;
6 Pacific Gas & Electric Company; PSI Energy; NUI - Elizabethtown Gas Company; Cinergy
7 Corporation - CG&E; Cinergy Corporation – ULH&P; Columbia Gas of Kentucky; South
8 Carolina Electric & Gas Company; Idaho Power Company; El Paso Electric Company;
9 Central Hudson Gas & Electric; Centennial Pipeline Company; CenterPoint Energy-
10 Arkansas; CenterPoint Energy – Oklahoma; CenterPoint Energy – Entex; CenterPoint
11 Energy - Louisiana; NSTAR – Boston Edison Company; Westar Energy, Inc.; United
12 Water Pennsylvania; PPL Electric Utilities; PPL Gas Utilities; Wisconsin Power & Light
13 Company; TransAlaska Pipeline; Avista Corporation; Northwest Natural Gas; Allegheny
14 Energy Supply, Inc.; Public Service Company of North Carolina; South Jersey Gas
15 Company; Duquesne Light Company; MidAmerican Energy Company; Laclede Gas; Duke
16 Energy Company; E.ON U.S. Services Inc.; Elkton Gas Services; Anchorage Water and
17 Wastewater Utility; Kansas City Power and Light; Duke Energy North Carolina; Duke
18 Energy South Carolina; Duke Energy Ohio Gas; Duke Energy Kentucky; Duke Energy
19 Indiana; Northern Indiana Public Service Company; Tennessee-American Water Company;
20 Columbia Gas of Maryland; Bonneville Power Administration; NSTAR Electric and Gas
21 Company; EPCOR Distribution, Inc.; B. C. Gas Utility, Ltd; Entergy Arkansas; Entergy
22 Texas; Entergy Mississippi; Entergy Louisiana, Entergy Gulf States Louisiana, the
23 Borough of Hanover, Madison Gas and Electric, Atlantic City Electric and Greater

1 Missouri Operations. My additional duties include determining final life and salvage
2 estimates, conducting field reviews, presenting recommended depreciation rates to
3 management for its consideration and supporting such rates before regulatory bodies.

4 **Q. HAVE YOU SUBMITTED TESTIMONY TO ANY STATE UTILITY**
5 **COMMISSION ON THE SUBJECT OF UTILITY PLANT DEPRECIATION?**

6 A. Yes. I have submitted testimony to the Pennsylvania Public Utility Commission; the
7 Commonwealth of Kentucky Public Service Commission; the Public Utilities Commission
8 of Ohio; the Nevada Public Utility Commission; the Public Utilities Board of New Jersey;
9 the Missouri Public Service Commission; the Massachusetts Department of
10 Telecommunications and Energy; the Alberta Energy & Utility Board; the Idaho Public
11 Utility Commission; the Louisiana Public Service Commission; the State Corporation
12 Commission of Kansas; the Oklahoma Corporate Commission; the Public Service
13 Commission of South Carolina; the Railroad Commission of Texas – Gas Services
14 Division; the New York Public Service Commission; the Illinois Commerce Commission;
15 the Indiana Utility Regulatory Commission; the California Public Utilities Commission;
16 the Federal Energy Regulatory Commission (“FERC”); the Arkansas Public Service
17 Commission; the Public Utility Commission of Texas; the Maryland Public Service
18 Commission; the Washington Utilities and Transportation Commission; the Tennessee
19 Regulatory Commission; the District of Columbia Public Service Commission; the
20 Mississippi Public Service Commission; the Regulatory Commission of Alaska; Delaware
21 Public Service Commission; Virginia State Corporation Commission; Colorado Public
22 Utility Commission; Oregon Public Utility Commission; Wisconsin Public Service
23 Commission; and the North Carolina Utilities Commission.

1 **Q. HAVE YOU HAD ANY ADDITIONAL EDUCATION RELATING TO UTILITY**
2 **PLANT DEPRECIATION?**

3 A. Yes. I have completed the following courses conducted by Depreciation Programs, Inc.:
4 “Techniques of Life Analysis,” “Techniques of Salvage and Depreciation Analysis,”
5 “Forecasting Life and Salvage,” “Modeling and Life Analysis Using Simulation” and
6 “Managing a Depreciation Study.” I have also completed the “Introduction to Public
7 Utility Accounting” program conducted by the American Gas Association.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

9 A. I sponsor the depreciation study performed for Louisville Gas and Electric Company
10 attached hereto as Exhibit JJS-LG&E.

II. DEPRECIATION STUDY

11 **Q. PLEASE DEFINE THE CONCEPT OF DEPRECIATION.**

12 A. Depreciation refers to the loss in service value not restored by current maintenance,
13 incurred in connection with the consumption or prospective retirement of utility plant in
14 the course of service from causes which can be reasonably anticipated or contemplated,
15 against which the Company is not protected by insurance. Among the causes to be given
16 consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence,
17 changes in the art, changes in demand and the requirements of public authorities.

18 **Q. DID YOU PREPARE THE DEPRECIATION STUDY FILED BY LOUISVILLE**
19 **GAS AND ELECTRIC COMPANY IN THIS PROCEEDING?**

20 A. Yes. I prepared the depreciation study submitted by Louisville Gas and Electric Company
21 with its filing in this proceeding. My report is entitled: “Depreciation Study - Calculated
22 Annual Depreciation Accruals Related to Electric, Gas and Common Plant as of December

1 31, 2011.” This report sets forth the results of my depreciation study for Louisville Gas
2 and Electric Company.

3 **Q. IN PREPARING THE DEPRECIATION STUDY, DID YOU FOLLOW**
4 **GENERALLY ACCEPTED PRACTICES IN THE FIELD OF DEPRECIATION**
5 **VALUATION?**

6 A. Yes.

7 **Q. ARE THE METHODS AND PROCEDURES OF THIS DEPRECIATION STUDY**
8 **CONSISTENT WITH PAST PRACTICES?**

9 A. The methods and procedures of this study are the same as those utilized in past studies of
10 this Company as well as others before this Commission. Depreciation rates are determined
11 based on the average service life procedure and the remaining life method.

12 **Q. PLEASE DESCRIBE THE CONTENTS OF YOUR REPORT.**

13 A. My report is presented in three parts. Part I, Introduction, presents the scope and basis for
14 the depreciation study. Part II, Methods Used in Study, includes descriptions of the basis
15 of the study, the estimation of survivor curves and net salvage and the calculation of annual
16 and accrued depreciation. Part III, Results of Study, presents a description of the results, a
17 summary of the depreciation calculations, graphs and tables that relate to the service life
18 and net salvage analyses, and the detailed depreciation calculations.

19 The table on pages III-4 through III-13 presents the estimated survivor curve, the
20 net salvage percent, the original cost as of December 31, 2011, the book depreciation
21 reserve and the calculated annual depreciation accrual and rate for each account or
22 subaccount. The section beginning on page III-14 presents the results of the retirement rate
23 analyses prepared as the historical bases for the service life estimates. The section

1 beginning on page III-353 presents the results of the salvage analysis. The section
2 beginning on page III-521 presents the depreciation calculations related to surviving
3 original cost as of December 31, 2011.

4 **Q. PLEASE EXPLAIN HOW YOU PERFORMED YOUR DEPRECIATION STUDY.**

5 A. I used the straight line remaining life method of depreciation, with the average service life
6 procedure. The annual depreciation is based on a method of depreciation accounting that
7 seeks to distribute the unrecovered cost of fixed capital assets over the estimated remaining
8 useful life of each unit, or group of assets, in a systematic and reasonable manner.

9 For General Plant Account 394 in both electric and gas plant, and 391.1, 391.2,
10 391.3, 391.31, 391.33, 391.4, 393, 394, 397.1, 397.3 and 398 in common plant I used the
11 straight line remaining life method of amortization. The account numbers identified
12 throughout my testimony represent those in effect as of December 31, 2011. The annual
13 amortization is based on amortization accounting that distributes the unrecovered cost of
14 fixed capital assets over the remaining amortization period selected for each account and
15 vintage.

16 **Q. HOW DID YOU DETERMINE THE RECOMMENDED ANNUAL**
17 **DEPRECIATION ACCRUAL RATES?**

18 A. I did this in two phases. In the first phase, I estimated the service life and net salvage
19 characteristics for each depreciable group, that is, each plant account or subaccount
20 identified as having similar characteristics. In the second phase, I calculated the composite
21 remaining lives and annual depreciation accrual rates based on the service life and net
22 salvage estimates determined in the first phase.

1 **Q. PLEASE DESCRIBE THE FIRST PHASE OF THE DEPRECIATION STUDY, IN**
2 **WHICH YOU ESTIMATED THE SERVICE LIFE AND NET SALVAGE**
3 **CHARACTERISTICS FOR EACH DEPRECIABLE GROUP.**

4 A. The service life and net salvage study consisted of compiling historical data from records
5 related to Louisville Gas and Electric Company's plant; analyzing these data to obtain
6 historical trends of survivor characteristics; obtaining supplementary information from
7 management and operating personnel concerning practices and plans as they relate to plant
8 operations; and interpreting the above data and the estimates used by other electric and gas
9 utilities to form judgments of average service life and net salvage characteristics.

10 **Q. WHAT HISTORICAL DATA DID YOU ANALYZE FOR THE PURPOSE OF**
11 **ESTIMATING SERVICE LIFE CHARACTERISTICS?**

12 A. I analyzed the Company's accounting entries that record plant transactions during the
13 period 1900 through 2011. The transactions included additions, retirements, transfers,
14 sales and the related balances.

15 **Q. WHAT METHOD DID YOU USE TO ANALYZE THESE SERVICE LIFE DATA?**

16 A. I used the retirement rate method. This is the most appropriate method when retirement
17 data covering a long period of time is available because this method determines the average
18 rates of retirement actually experienced by the Company during the period of time covered
19 by the depreciation study.

20 **Q. PLEASE DESCRIBE HOW YOU USED THE RETIREMENT RATE METHOD TO**
21 **ANALYZE LOUISVILLE GAS AND ELECTRIC COMPANY'S SERVICE LIFE**
22 **DATA.**

1 A. I applied the retirement rate analysis to each different group of property in the study. For
2 each property group, I used the retirement rate data to form a life table which, when
3 plotted, shows an original survivor curve for that property group. Each original survivor
4 curve represents the average survivor pattern experienced by the several vintage groups
5 during the experience band studied. The survivor patterns do not necessarily describe the
6 life characteristics of the property group; therefore, interpretation of the original survivor
7 curves is required in order to use them as valid considerations in estimating service life.
8 The Iowa type survivor curves were used to perform these interpretations.

9 **Q. WHAT IS AN “IOWA-TYPE SURVIVOR CURVE” AND HOW DID YOU USE**
10 **SUCH CURVES TO ESTIMATE THE SERVICE LIFE CHARACTERISTICS FOR**
11 **EACH PROPERTY GROUP?**

12 A. Iowa type curves are a widely-used group of survivor curves that contain the range of
13 survivor characteristics usually experienced by utilities and other industrial companies.
14 The Iowa curves were developed at the Iowa State College Engineering Experiment Station
15 through an extensive process of observing and classifying the ages at which various types
16 of property used by utilities and other industrial companies had been retired.

17 Iowa type curves are used to smooth and extrapolate original survivor curves
18 determined by the retirement rate method. The Iowa curves and truncated Iowa curves
19 were used in this study to describe the forecasted rates of retirement based on the observed
20 rates of retirement and the outlook for future retirements.

21 The estimated survivor curve designations for each depreciable property group
22 indicate the average service life, the family within the Iowa system to which the property
23 group belongs, and the relative height of the mode. For example, the Iowa 50-R1.5

1 indicates an average service life of fifty years; a right-moded, or R, type curve (the mode
2 occurs after average life for right-moded curves); and a relatively low height, 1.5, for the
3 mode (possible modes for R type curves range from 1 to 5).

4 **Q. WHAT APPROACH DID YOU USE TO ESTIMATE THE LIVES OF**
5 **SIGNIFICANT FACILITIES STRUCTURES SUCH AS PRODUCTION PLANTS?**

6 A. I used the life span technique to estimate the lives of significant facilities for which
7 concurrent retirement of the entire facility is anticipated. In this technique, the survivor
8 characteristics of such facilities are described by the use of interim survivor curves and
9 estimated probable retirement dates.

10 The interim survivor curves describe the rate of retirement related to the
11 replacement of elements of the facility, such as, for a building, the retirements of plumbing,
12 heating, doors, windows, roofs, etc., that occur during the life of the facility. The probable
13 retirement date provides the rate of final retirement for each year of installation for the
14 facility by truncating the interim survivor curve for each installation year at its attained age
15 at the date of probable retirement. The use of interim survivor curves truncated at the date
16 of probable retirement provides a consistent method for estimating the lives of the several
17 years of installation for a particular facility inasmuch as a single concurrent retirement for
18 all years of installation will occur when it is retired.

19 **Q. HAS GANNETT FLEMING USED THIS APPROACH IN OTHER**
20 **PROCEEDINGS?**

21 A. Yes, we have used the life span technique in performing depreciation studies presented to
22 and accepted by many public utility commissions across the United States and Canada,

1 including Kentucky. This technique is currently being utilized by Louisville Gas and
2 Electric Company in the same manner recommended in this case.

3 **Q. WHAT ARE THE BASES FOR THE PROBABLE RETIREMENT YEARS THAT**
4 **YOU HAVE ESTIMATED FOR EACH FACILITY?**

5 A. The bases for the probable retirement years are life spans for each facility that are based on
6 judgment, the life assessment study and incorporate consideration of the age, use, size,
7 nature of construction, management outlook and typical life spans experienced and used by
8 other electric utilities for similar facilities. The life assessment study is referred to in this
9 case as “An Economic Life Assessment Study of Generating Assets LG&E and KU” by
10 Ventyx, an ABB Company. Most of the life spans result in probable retirement years that
11 are many years in the future. As a result, the retirements of these facilities are not yet
12 subject to specific management plans. Such plans would be premature. At the appropriate
13 time, detailed studies of the economics of rehabilitation and continued use or retirement of
14 the structure will be performed and the results incorporated in the estimation of the
15 facility’s life span.

16 **Q. DID YOU PHYSICALLY OBSERVE LOUISVILLE GAS AND ELECTRIC**
17 **COMPANY’S PLANT AND EQUIPMENT AS PART OF YOUR DEPRECIATION**
18 **STUDY?**

19 A. Yes. I made a field review of Louisville Gas and Electric Company’s property as part of
20 this study during October 2011 and previously reviewed assets in April and May 2007 to
21 observe representative portions of plant. Field reviews are conducted to become familiar
22 with Company operations and obtain an understanding of the function of the plant and
23 information with respect to the reasons for past retirements and the expected future causes

1 of retirements. This knowledge as well as information from other discussions with
2 management was incorporated in the interpretation and extrapolation of the statistical
3 analyses.

4 **Q. PLEASE DESCRIBE HOW YOU ESTIMATED NET SALVAGE PERCENTAGES.**

5 A. I estimated the net salvage percentages by incorporating the historical data for the period
6 1972 through 2011 and considered estimates for other electric and gas companies.

7 **Q. HAVE YOU INCLUDED A DISMANTLEMENT COMPONENT INTO THE**
8 **OVERALL RECOVERY OF GENERATING FACILITIES?**

9 A. Yes. A dismantlement component has been included to the net salvage percentage for
10 steam, hydro and other production facilities.

11 **Q. CAN YOU EXPLAIN HOW THE DISMANTLEMENT COMPONENT IS**
12 **INCLUDED IN THE DEPRECIATION STUDY?**

13 A. Yes. The dismantlement component is part of the overall net salvage for each location
14 within the production assets. Based on studies for other utilities and the cost estimates of
15 LG&E, it was determined that the dismantlement or decommissioning costs for steam
16 production facilities is best calculated at 10% of the assets subject to final retirement. The
17 percentage for dismantlement of hydro and other production facilities is 5% of the assets
18 surviving at final retirement. These amounts at a location basis are added to the interim net
19 salvage percentage of the assets anticipated to be retired on an interim basis to produce the
20 weighted net salvage percentage for each location. The detailed calculation for each
21 location is set forth on pages III-355 and III-356 of Exhibit JJS-LG&E.

22 **Q. IS THIS METHODOLOGY A CHANGE FROM PAST PRACTICES?**

1 A. Yes. The past practice for LG&E and almost all others in the industry was to apply the
2 interim net salvage percentage to all plant in service at the account level. In the past, the
3 account level methodology was supported by the historical analyses, but did not take into
4 consideration individual plant balances. The new methodology is a more precise practice
5 and utilized by most utilities. The weighting of the interim and final net salvage by location
6 establishes a more precise recovery pattern for each location.

7 **Q. PLEASE DESCRIBE THE SECOND PHASE OF THE PROCESS THAT YOU**
8 **USED IN THE DEPRECIATION STUDY IN WHICH YOU CALCULATED**
9 **COMPOSITE REMAINING LIVES AND ANNUAL DEPRECIATION ACCRUAL**
10 **RATES.**

11 A. After I estimated the service life and net salvage characteristics for each depreciable
12 property group, I calculated the annual depreciation accrual rates for each group, using the
13 straight line remaining life method, and using remaining lives weighted consistent with the
14 average service life procedure.

15 **Q. PLEASE DESCRIBE THE STRAIGHT LINE REMAINING LIFE METHOD OF**
16 **DEPRECIATION.**

17 A. The straight line remaining life method of depreciation allocates the original cost of the
18 property, less accumulated depreciation, less future net salvage, in equal amounts to each
19 year of remaining service life.

20 **Q. PLEASE DESCRIBE AMORTIZATION ACCOUNTING.**

21 A. In amortization accounting, units of property are capitalized in the same manner as they are
22 in depreciation accounting. Amortization accounting is used for accounts with a large

1 number of units, but small asset values, therefore, depreciation accounting is difficult for
2 these assets because periodic inventories are required to properly reflect plant in service.
3 Consequently, retirements are recorded when a vintage is fully amortized rather than as the
4 units are removed from service. That is, there is no dispersion of retirement. All units are
5 retired when the age of the vintage reaches the amortization period. Each plant account or
6 group of assets is assigned a fixed period which represents an anticipated life during which
7 the asset will render full benefit. For example, in amortization accounting, assets that have
8 a 15-year amortization period will be fully recovered after 15 years of service and taken off
9 the Company's books, but not necessarily removed from service. In contrast, assets that
10 are taken out of service before 15 years remain on the books until the amortization period
11 for that vintage has expired.

12 **Q. AMORTIZATION ACCOUNTING IS BEING UTILIZED FOR WHICH PLANT**
13 **ACCOUNTS?**

14 A. Amortization accounting is only appropriate for certain Common and General Plant
15 accounts. These accounts are 394 for electric and gas plant; and 391.1, 391.2, 391.3,
16 391.31, 391.33, 391.4, 393, 394, 397.1, 397.3, and 398 for common plant which represent
17 approximately 2 percent of depreciable plant.

18 **Q. PLEASE USE AN EXAMPLE TO ILLUSTRATE HOW THE ANNUAL**
19 **DEPRECIATION ACCRUAL RATE FOR A PARTICULAR GROUP OF**
20 **PROPERTY IS PRESENTED IN YOUR DEPRECIATION STUDY.**

21 A. I will use Gas Plant Account 376, Mains, as an example because it is one of the largest
22 depreciable mass accounts and represents 46% of depreciable gas plant.

1 The retirement rate method was used to analyze the survivor characteristics of this
2 property group. Aged plant accounting data was compiled from 1900 through 2011 and
3 analyzed in periods that best represent the overall service life of this property. The life
4 tables for the 1935-2011 and 1961-2011 experience bands are presented on pages III-256
5 through III-261 of the report. The life table displays the retirement and surviving ratios of
6 the aged plant data exposed to retirement by age interval. For example, page III-256 shows
7 \$83,528 retired at age 0.5 with \$328,476,093 exposed to retirement. Consequently, the
8 retirement ratio is 0.0003 and the surviving ratio is 0.9997. These life tables, or original
9 survivor curves, are plotted along with the estimated smooth survivor curve, the 65-S2 on
10 page III-255.

11 My calculation of the annual depreciation related to the original cost at December
12 31, 2011, of utility plant is presented on pages III-691 and III-692. The calculation is based
13 on the 65-S2 survivor curve, 30% negative net salvage, the attained age, and the allocated
14 book reserve. The tabulation sets forth the installation year, the original cost, calculated
15 accrued depreciation, allocated book reserve, future accruals, remaining life and annual
16 accrual. These totals are brought forward to the table on page III-12.

17 **Q. WERE THERE ANY SPECIFIC ACCOUNT CHANGES TO DEPRECIATION**
18 **METHODS PROPOSED IN THE DEPRECIATION STUDY?**

19 A. Yes. The depreciation rates for assets in accounts or subaccounts of 392, 396 and 397 were
20 developed using different bases. First, Account 397, Communication Equipment was
21 segregated into multiple subaccounts to represent the assets within the group. There were
22 three subaccounts created to represent assets which should have been classified in the
23 meters account, assets to be classified in the structures account and assets that should have

1 been retired. The assets that should have been retired were assigned an accumulated
2 depreciation amount equal to the plant installed amount in order to insure full recovery at
3 the time of actual retirement in 2012. The assets to be transferred to the meters and
4 structures accounts were assigned an accumulated depreciation amount equal to recovery
5 practices of those accounts. The fourth established subaccount for Account 397 was the
6 amortized assets. These assets are subject to amortization accounting which has been the
7 current practice of this account. The final subaccount for Account 397 is structures and
8 equipment related to communication facilities which is not ideally suited for amortization
9 accounting. These assets have an average service life longer than 10 years and are subject
10 to considerably different dispersion patterns.

11 The life parameters for subaccounts of Accounts 392, Transportation Equipment,
12 and 396, Power Operated Equipment, are currently recovered over 5 years with no
13 dispersion. This life expectancy is generally too short for these type of assets and
14 expectations are that transportation and power operated equipment will have various
15 dispersion patterns. Consequently, these assets will continue to be depreciated beyond the
16 current 5 years based on survivor curves that are more appropriate for the assets in each
17 group. Assets in Account 392 have been segregated into three subaccounts; 1) cars and
18 light trucks, 2) trailers and 3) heavy trucks and other. The assets in Account 396 have been
19 segregated into two subaccounts; 1) other and 2) large machinery. The overall level of the
20 accumulated depreciation has not changed but the remaining investment will be
21 depreciated over the remaining life of each asset class.

22 **Q. WHAT IS THE EFFECT OF THESE CHANGES ON DEPRECIATION?**

1 A. The depreciation rates have been lowered and depreciation expense reduced as of
2 December 31, 2011.

3 **Q. DOES THE DECREASED DEPRECIATION EXPENSE AFFECT ELECTRIC,**
4 **GAS AND COMMON PLANT?**

5 A. Yes, the general plant function in Electric, Gas and Common Plant was decreased due to
6 the changes in depreciation practices for Accounts 392, 396 and 397.

III. CONCLUSION

7 **Q. WAS THE DEPRECIATION STUDY FILED BY LOUISVILLE GAS AND**
8 **ELECTRIC COMPANY IN THIS PROCEEDING PREPARED BY YOU OR**
9 **UNDER YOUR DIRECTION AND CONTROL?**

10 A. Yes.

11 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

12 A. Yes.

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF CUMBERLAND) SS:

The undersigned, **John J. Spanos**, being duly sworn, deposes and says that he is Senior Vice President, Valuation and Rate Division, for Gannett Fleming, Inc., that he has personal knowledge of the matters set forth in the foregoing testimony and exhibits, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

John J. Spanos

JOHN J. SPANOS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 5th day of June 2012.

Cheryl Ann Rutter (SEAL)

Notary Public

My Commission Expires:
February 20, 2015

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cheryl Ann Rutter, Notary Public
East Pennsboro Twp., Cumberland County
My Commission Expires Feb. 20, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Exhibit JJS-LG&E

Depreciation Study Performed for
Louisville Gas and Electric Company

LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville, Kentucky

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO ELECTRIC, GAS AND COMMON PLANT

AS OF DECEMBER 31, 2011

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania



Excellence Delivered *As Promised*

May 17, 2012

Louisville Gas and Electric Company
229 West Main Street
Louisville, KY 40202-1345

Attention Ms. Sara Wiseman
Manager, Property Accounting

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric, gas and common plant of Louisville Gas and Electric Company as of December 31, 2011. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual and accrued depreciation, the statistical support for the service life and net salvage estimates, and the detailed tabulations of annual and accrued depreciation.

Respectfully submitted,

GANNETT FLEMING, INC.

A handwritten signature in black ink that reads "John J. Spanos".

JOHN J. SPANOS
Sr. Vice President
Valuation and Rate Division

JJS:krm

054381 200

Gannett Fleming, Inc.
Valuation and Rate Division

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PART I. INTRODUCTION

LOUISVILLE GAS AND ELECTRIC COMPANY

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC, GAS AND COMMON PLANT AS OF DECEMBER 31, 2011

PART I. INTRODUCTION

SCOPE

This report presents the results of the depreciation study prepared for the Louisville Gas and Electric Company (“Company”) as applied to electric, gas and common plant in service as of December 31, 2011. It relates to the concepts, methods and basic judgments which underlie recommended annual depreciation accrual rates related to current electric and gas plant in service.

The service life estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through December 2011; the net salvage analyses of historical plant retirements data recorded through December 2011; a review of Company practice and outlook as they relate to plant operation and retirement; and consideration of current practice in the electric and gas industries, including knowledge of service life and salvage estimates used for other electric and gas properties.

PLAN OF REPORT

Part I includes brief statements of the scope and basis of the study. Part II presents descriptions of the methods used in the service life and salvage studies and the methods and procedures used in the calculation of depreciation. Part III presents the results of the study, including summary tables, survivor curve charts and life tables resulting from the

retirement rate method of analysis; tabular results of the historical net salvage analyses; and detailed tabulations of the calculated remaining lives and annual accruals.

BASIS OF STUDY

Depreciation

For most accounts, the annual depreciation was calculated by the straight line method using the average service life procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation was based on amortization accounting. The calculated remaining lives and annual depreciation accrual rates were based on attained ages of plant in service and the estimated service life and salvage characteristics of each depreciable group.

Survivor Curve Estimates

The procedure for estimating survivor curves, which define service lives and remaining lives, consisted of compiling historical service life data for the plant accounts or other depreciable groups, analyzing the historical data base through the use of accepted techniques, and forecasting the survivor characteristics for each depreciable account or group. These forecasts were based on interpretations of the historical data analyses and the probable future. The combination of the historical data and the estimated future trend yields a complete pattern of life characteristics, i.e., a survivor curve, from which the average service life and remaining service life are derived.

The historical data analyzed for life estimation purposes were compiled through December 2011 from the Company's plant accounting records. Such data included plant

additions, retirements, transfers and other activity recorded by the Company for each of its plant accounts and subaccounts.

The estimates of net salvage by account incorporated a review of experienced costs of removal and salvage related to plant retirements, and consideration of trends exhibited by the historical data. Each component of net salvage, i.e., cost of removal and salvage, was stated in dollars and as a percent of retirement.

An understanding of the function of the plant and information with respect to the reasons for past retirements and the expected causes of future retirements was obtained through discussions with operating and management personnel. The supplemental information obtained in this manner was considered in the interpretation and extrapolation of the statistical analyses.

Calculation of Depreciation

The depreciation accrual rates were calculated using the straight line method, the remaining life basis and the average service life depreciation procedure. The continuation of amortization accounting for certain accounts is recommended because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented on page II-33 of the report.

II-1

PART II. METHODS USED IN
THE ESTIMATION OF DEPRECIATION

PART II. METHODS USED IN THE ESTIMATION OF DEPRECIATION

DEPRECIATION

Depreciation, as defined in the Uniform System of Accounts, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, requirements of public authorities, and, in the case of natural gas companies, the exhaustion of natural resources.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual depreciation based on the straight line method requires the estimation of average life and salvage. These subjects are discussed in the sections which follow.

SERVICE LIFE AND NET SALVAGE ESTIMATION

Average Service Life

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

Survivor Curves

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

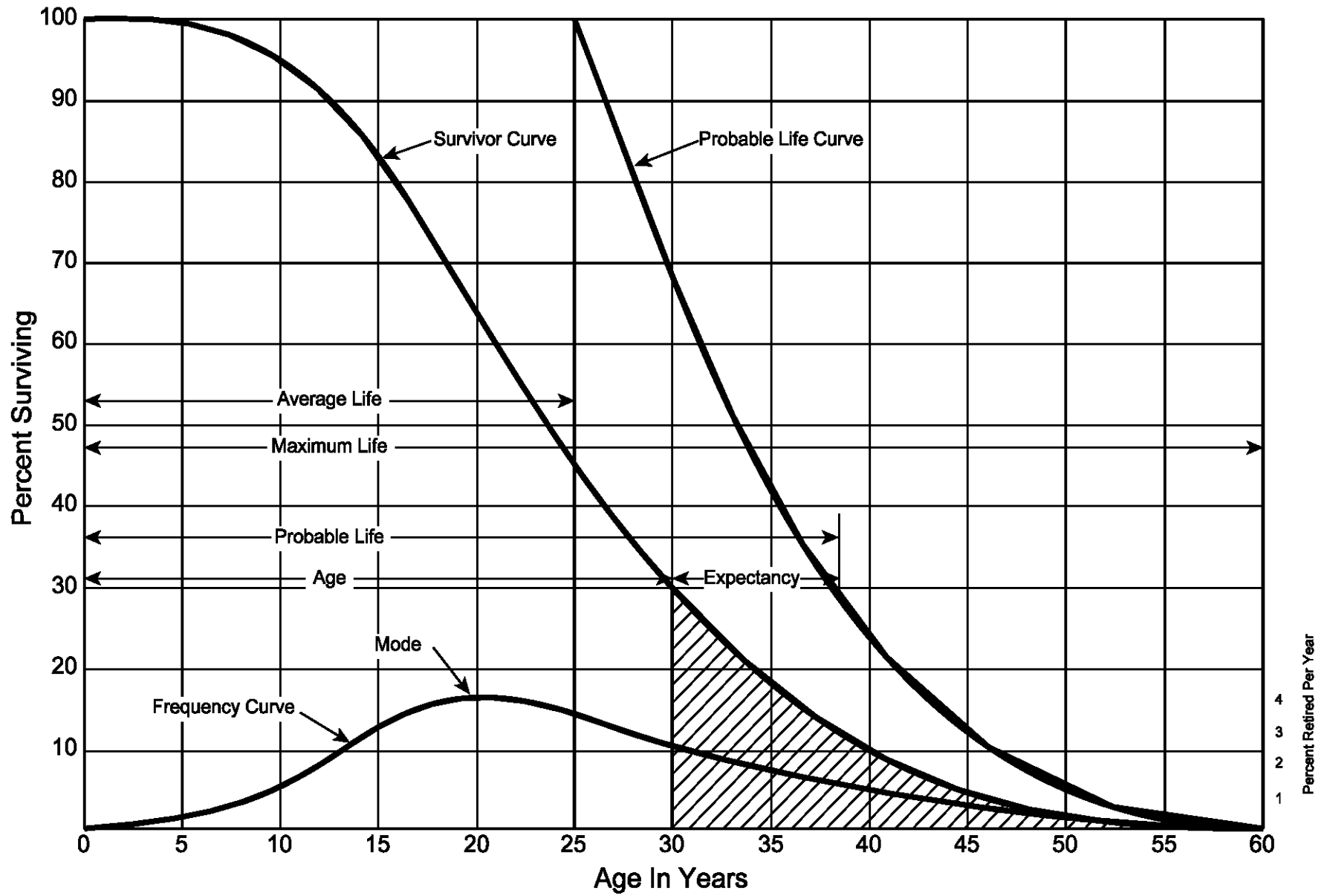


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.¹ These type curves have also been presented in subsequent Experiment Station

¹Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

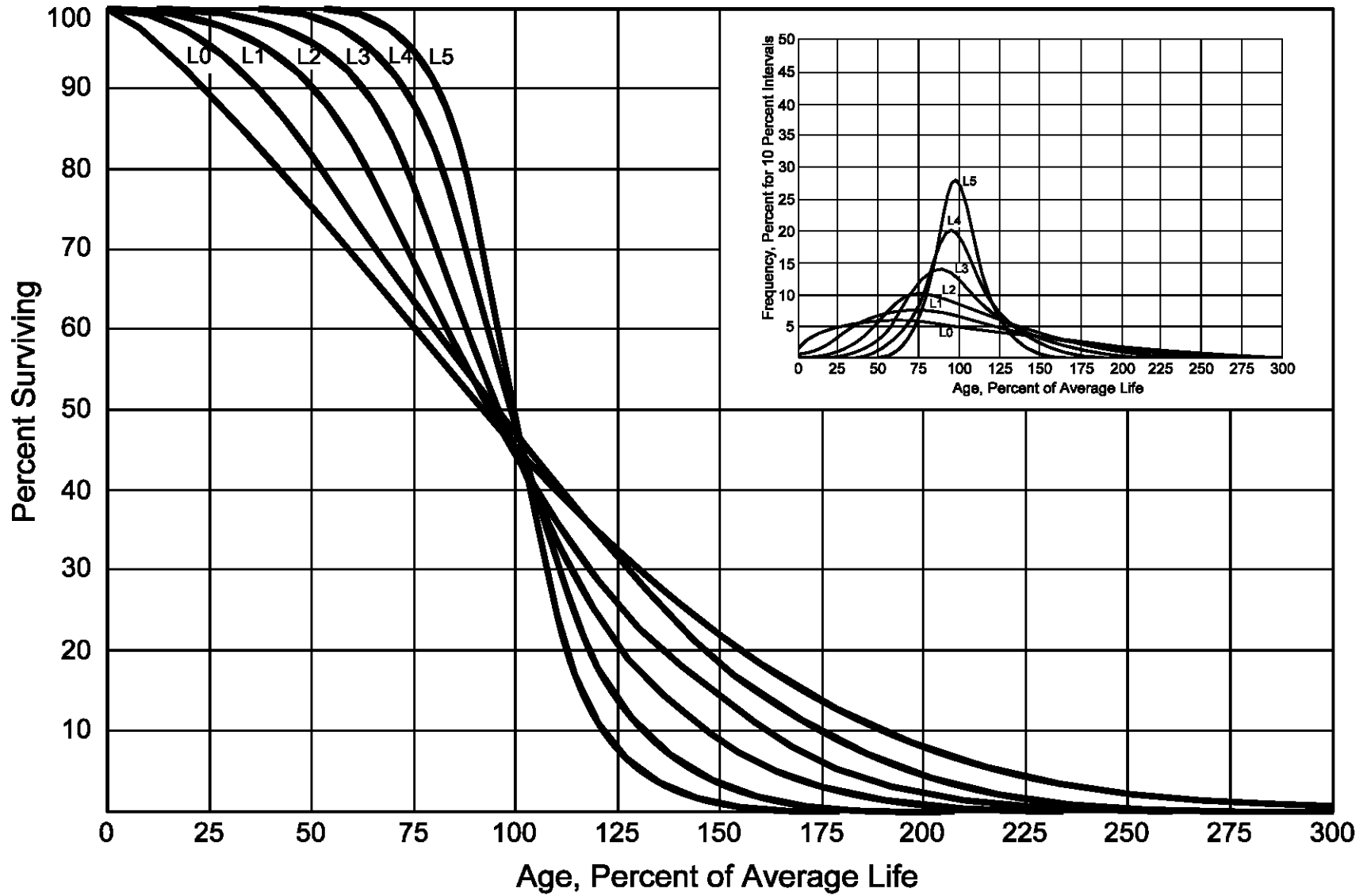


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

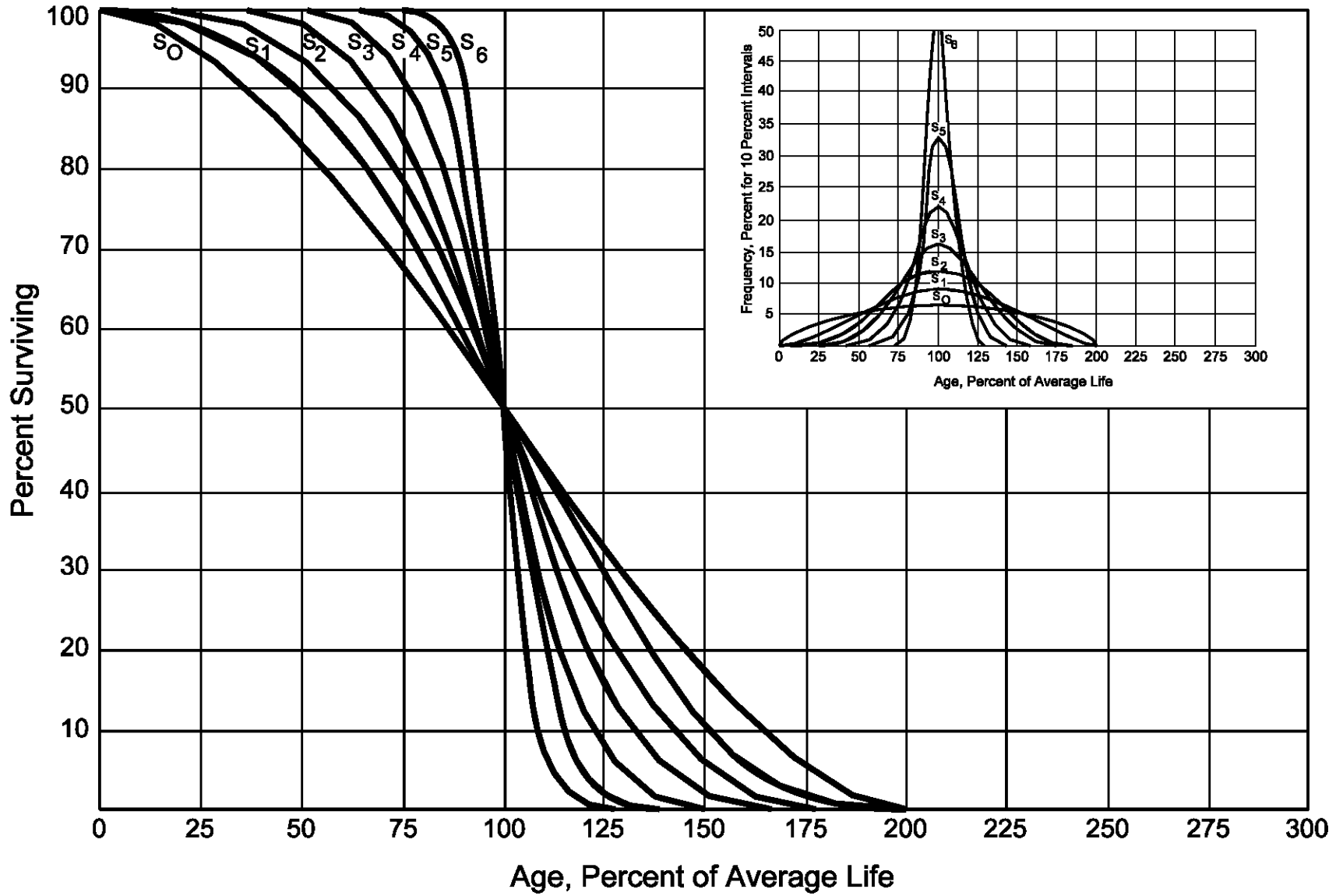


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

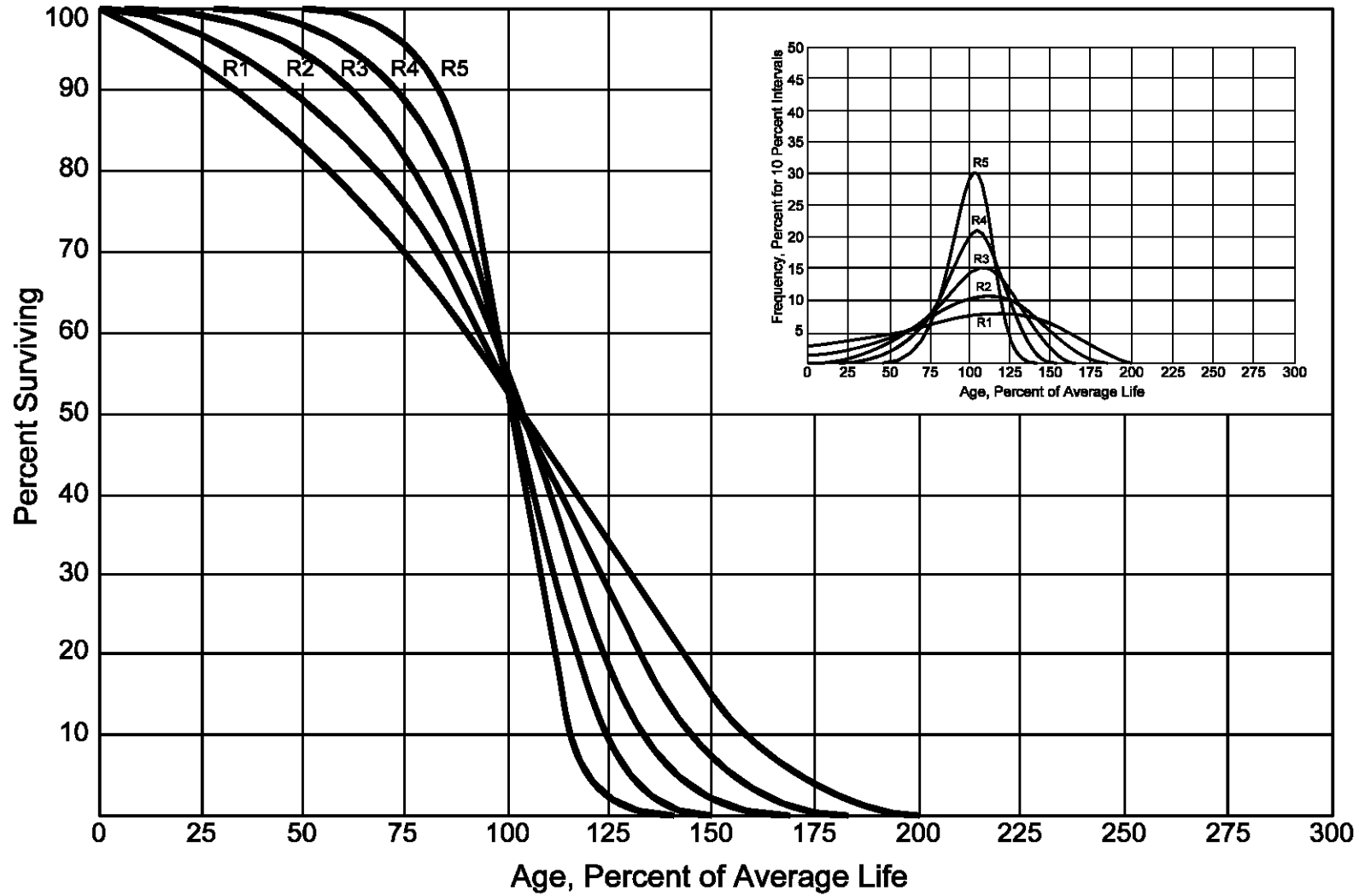


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

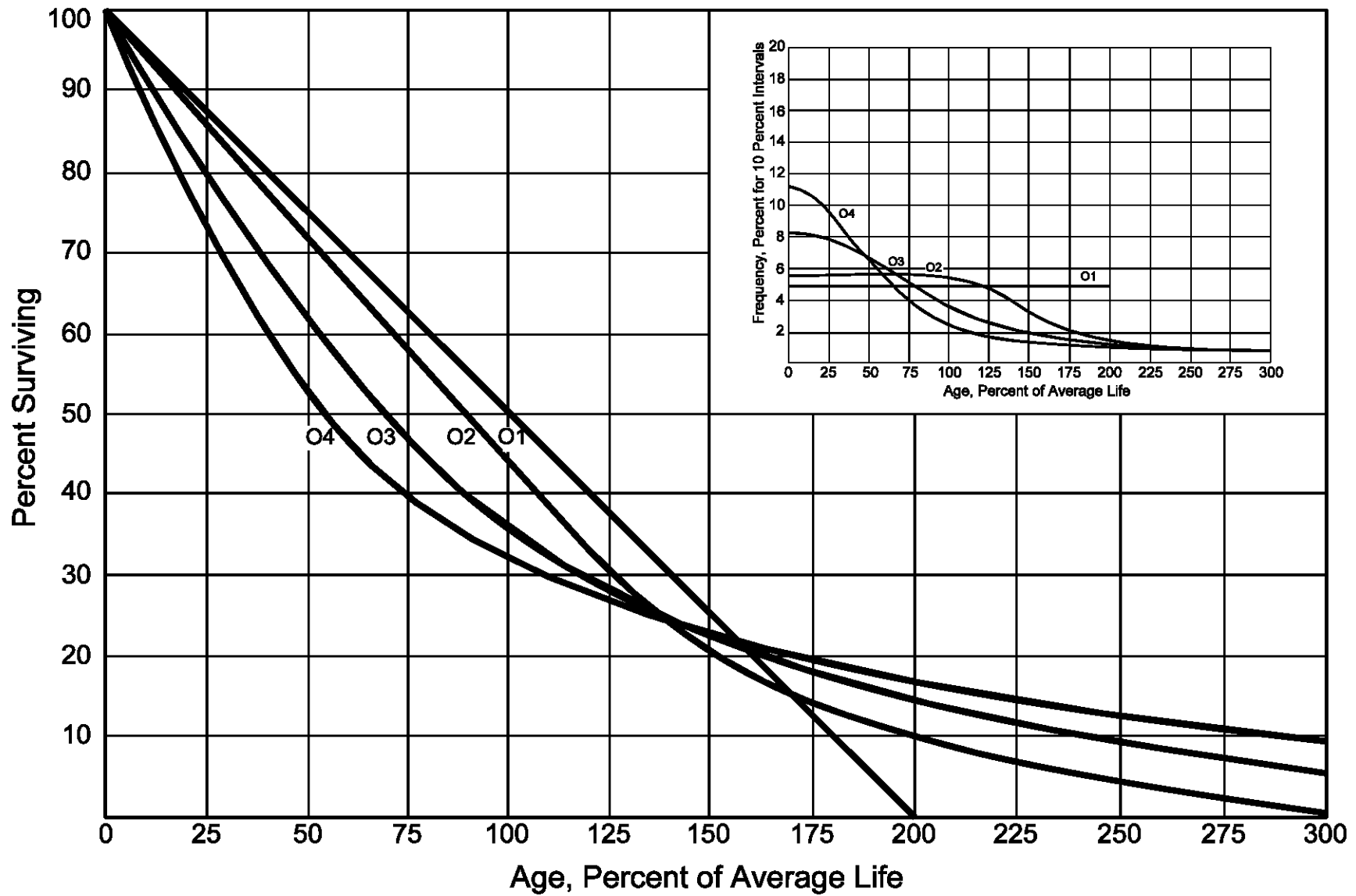


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

bulletins and in the text, "Engineering Valuation and Depreciation."² In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis³ presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"⁴ "Engineering Valuation and Depreciation,"⁵ and "Depreciation Systems."⁶

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the

²Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

³Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

⁴Winfrey, Robley, Supra Note 1.

⁵Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

⁶Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2002-2011 during which there were placements during the years 1997-2011. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-12 and II-13. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, \$10,000 of the dollars invested in 1997 were retired in 2002. The \$10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age

TABLE 1. RETIREMENTS FOR EACH YEAR 2002-2011
SUMMARIZED BY AGE INTERVAL

Experience Band 2002-2011

Placement Band 1997-2011

Year Placed (1)	Retirements, Thousands of Dollars										Total During Age Interval (12)	Age Interval (13)
	During Year											
	<u>2002</u> (2)	<u>2003</u> (3)	<u>2004</u> (4)	<u>2005</u> (5)	<u>2006</u> (6)	<u>2007</u> (7)	<u>2008</u> (8)	<u>2009</u> (9)	<u>2010</u> (10)	<u>2011</u> (11)		
1997	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1998	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1999	11	12	13	14	16	17	19	21	22	18	64	11½-12½
2000	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2001	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2002	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2003		5	11	12	13	14	15	16	18	20	113	7½-8½
2004			6	12	13	15	16	17	19	19	124	6½-7½
2005				6	13	15	16	17	19	19	131	5½-6½
2006					7	14	16	17	19	20	143	4½-5½
2007						8	18	20	22	23	146	3½-4½
2008							9	20	22	25	150	2½-3½
2009								11	23	25	151	1½-2½
2010									11	24	153	½-1½
2011	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	<u>53</u>	<u>68</u>	<u>86</u>	<u>106</u>	<u>128</u>	<u>157</u>	<u>196</u>	<u>231</u>	<u>273</u>	<u>308</u>	<u>1,606</u>	

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2002-2011
SUMMARIZED BY AGE INTERVAL

Experience Band 2002-2011

Placement Band 1997-2011

Year Placed (1)	Acquisitions, Transfers and Sales, Thousands of Dollars										Total During Age Interval (12)	Age Interval (13)
	During Year											
	2002 (2)	2003 (3)	2004 (4)	2005 (5)	2006 (6)	2007 (7)	2008 (8)	2009 (9)	2010 (10)	2011 (11)		
1997	-	-	-	-	-	-	60 ^a	-	-	-	-	13½-14½
1998	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1999	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2000	-	-	-	-	-	-	-	(5) ^b	-	-	60	10½-11½
2001	-	-	-	-	-	-	-	6 ^a	-	-	-	9½-10½
2002	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2003	-	-	-	-	-	-	-	-	-	-	6	7½-8½
2004	-	-	-	-	-	-	-	-	-	-	-	6½-7½
2005	-	-	-	-	-	-	-	(12) ^b	-	-	-	5½-6½
2006	-	-	-	-	-	-	-	-	22 ^a	-	-	4½-5½
2007	-	-	-	-	-	-	-	(19) ^b	-	-	10	3½-4½
2008	-	-	-	-	-	-	-	-	-	-	-	2½-3½
2009	-	-	-	-	-	-	-	-	-	(102) ^c	(121)	1½-2½
2010	-	-	-	-	-	-	-	-	-	-	-	½-1½
2011	-	-	-	-	-	-	-	-	-	-	-	0-½
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>(30)</u>	<u>22</u>	<u>(102)</u>	<u>(50)</u>	

^a Transfer Affecting Exposures at Beginning of Year

^b Transfer Affecting Exposures at End of Year

^c Sale with Continued Use

Parentheses denote Credit amount.

interval. For example, the total of \$143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the staircase line drawn on the table beginning with the 2002 retirements of 1997 installations and ending with the 2011 retirements of the 2006 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page II-15.

The surviving plant at the beginning of each year from 2002 through 2011 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the

TABLE 3. PLANT EXPOSED TO RETIREMENT
 JANUARY 1 OF EACH YEAR 2002-2011
 SUMMARIZED BY AGE INTERVAL

Experience Band 2002-2011

Placement Band 1997-2011

Year Placed (1)	Exposures, Thousands of Dollars										Total at Beginning of Age Interval (12)	Age Interval (13)
	Annual Survivors at the Beginning of the Year											
	2002 (2)	2003 (3)	2004 (4)	2005 (5)	2006 (6)	2007 (7)	2008 (8)	2009 (9)	2010 (10)	2011 (11)		
1997	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1998	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1999	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2000	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2001	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2002	420 ^a	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2003		460 ^a	455	444	432	419	405	390	374	356	1,952	7½-8½
2004			510 ^a	504	492	479	464	448	431	412	2,463	6½-7½
2005				580 ^a	574	561	546	530	501	482	3,057	5½-6½
2006					660 ^a	653	639	623	628	609	3,789	4½-5½
2007						750 ^a	742	724	685	663	4,332	3½-4½
2008							850 ^a	841	821	799	4,955	2½-3½
2009								960 ^a	949	926	5,719	1½-2½
2010									1,080 ^a	1,069	6,579	½-1½
2011										1,220 ^a	7,490	0-½
Total	<u>1,975</u>	<u>2,382</u>	<u>2,824</u>	<u>3,318</u>	<u>3,872</u>	<u>4,494</u>	<u>5,247</u>	<u>6,017</u>	<u>6,852</u>	<u>7,799</u>	<u>44,780</u>	

^a Additions during the year.

following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2007 are calculated in the following manner:

Exposures at age 0	= amount of addition	= \$750,000
Exposures at age ½	= \$750,000 - \$ 8,000	= \$742,000
Exposures at age 1½	= \$742,000 - \$18,000	= \$724,000
Exposures at age 2½	= \$724,000 - \$20,000 - \$19,000	= \$685,000
Exposures at age 3½	= \$685,000 - \$22,000	= \$663,000

For the entire experience band 2002-2011 the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

$$255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.$$

Original Life Table. The original life table, illustrated in Table 4 on page II-17, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2002-2011

Placement Band 1997-2011

(Exposure and Retirement Amounts are in Thousands of Dollars)

<u>Age at Beginning of Interval</u> (1)	<u>Exposures at Beginning of Age Interval</u> (2)	<u>Retirements During Age Interval</u> (3)	<u>Retirement Ratio</u> (4)	<u>Survivor Ratio</u> (5)	<u>Percent Surviving at Beginning of Age Interval</u> (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	<u>167</u>	<u>26</u>	0.1557	0.8443	42.24
					35.66
Total	<u>44,780</u>	<u>1,606</u>			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.

Column 3 from Table 1, Column 12, Retirements for Each Year.

Column 4 = Column 3 divided by Column 2.

Column 5 = 1.0000 minus Column 4.

Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15	
Exposures at age 4½	=	3,789,000	
Retirements from age 4½ to 5½	=	143,000	
Retirement Ratio	=	$143,000 \div 3,789,000$	= 0.0377
Survivor Ratio	=	$1.000 - 0.0377$	= 0.9623
Percent surviving at age 5½	=	$(88.15) \times (0.9623)$	= 84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The lowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the lowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R lowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0. In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 lowa curve would be selected as the most representative of the plotted survivor characteristics of the group, assuming no contrary relevant factors external to the analysis of historical data.

Field Trips.

In order to be familiar with the operation of the Company and to observe representative portions of the plant, field trips were conducted. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements was obtained during these trips. This knowledge and information was incorporated in the interpretation and extrapolation of the statistical analyses.

The plant facilities visited on October 10 through 12, 2011, April 23 through 25, 2007, and May 29 and 30, 2007 are as follows:

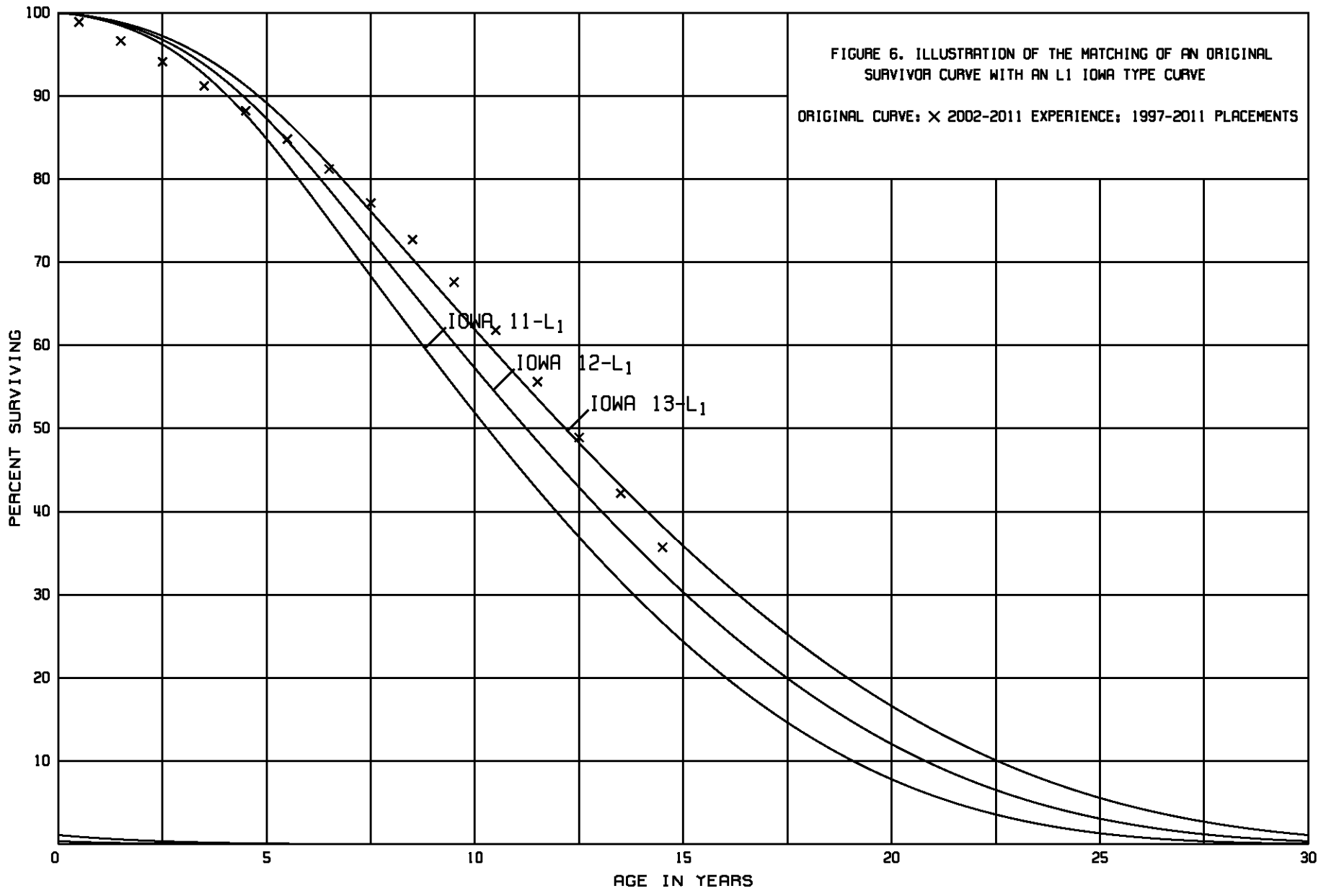
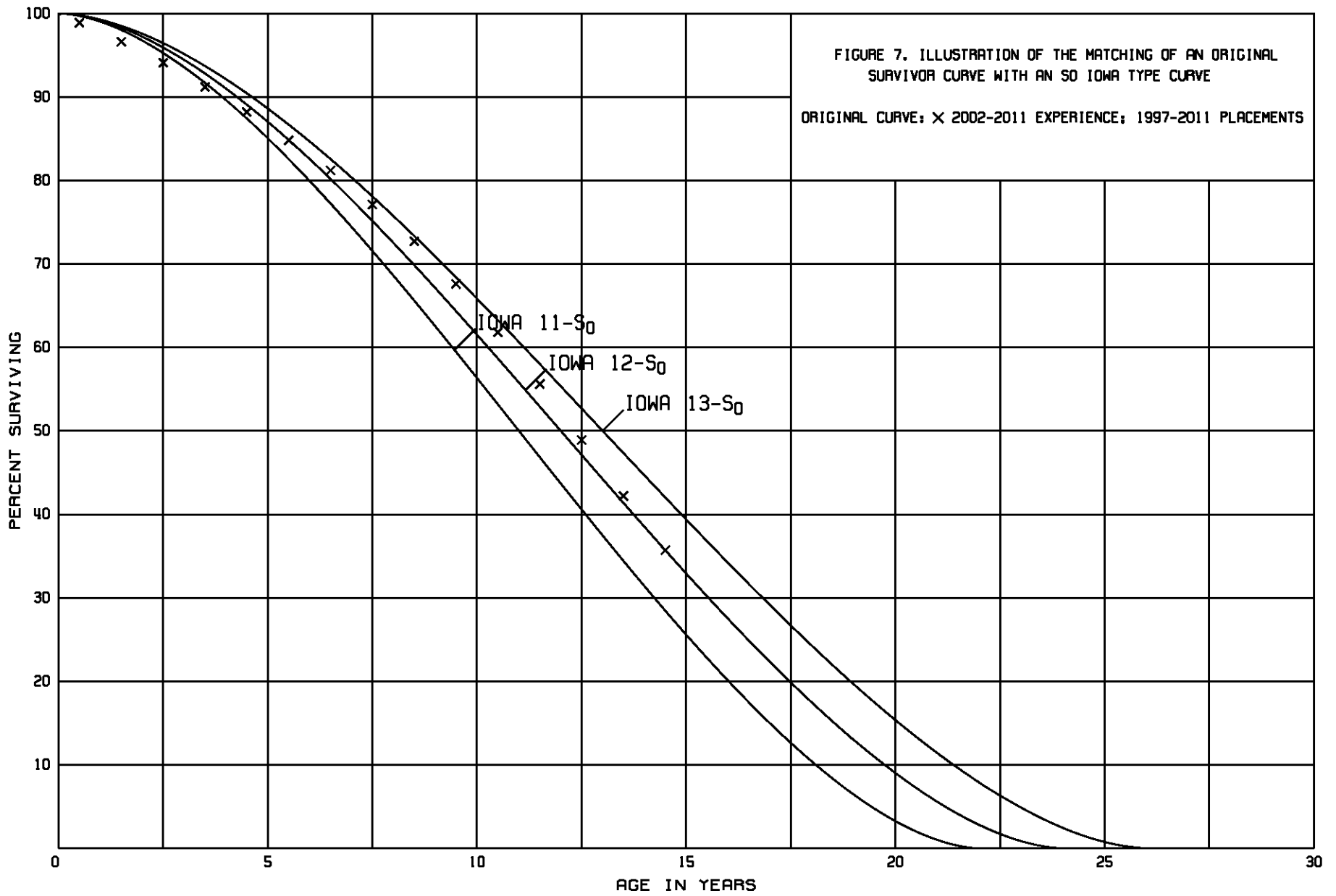
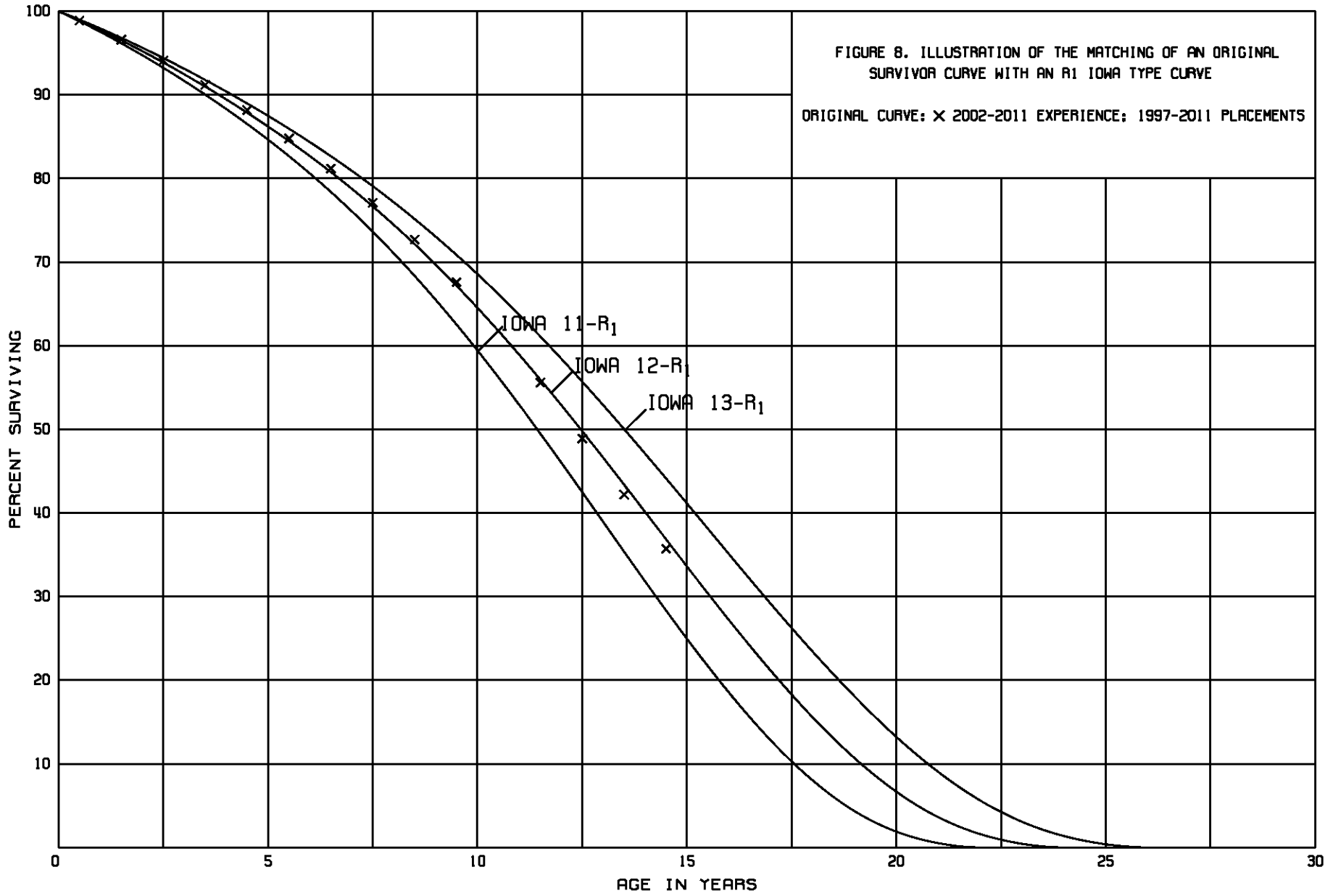
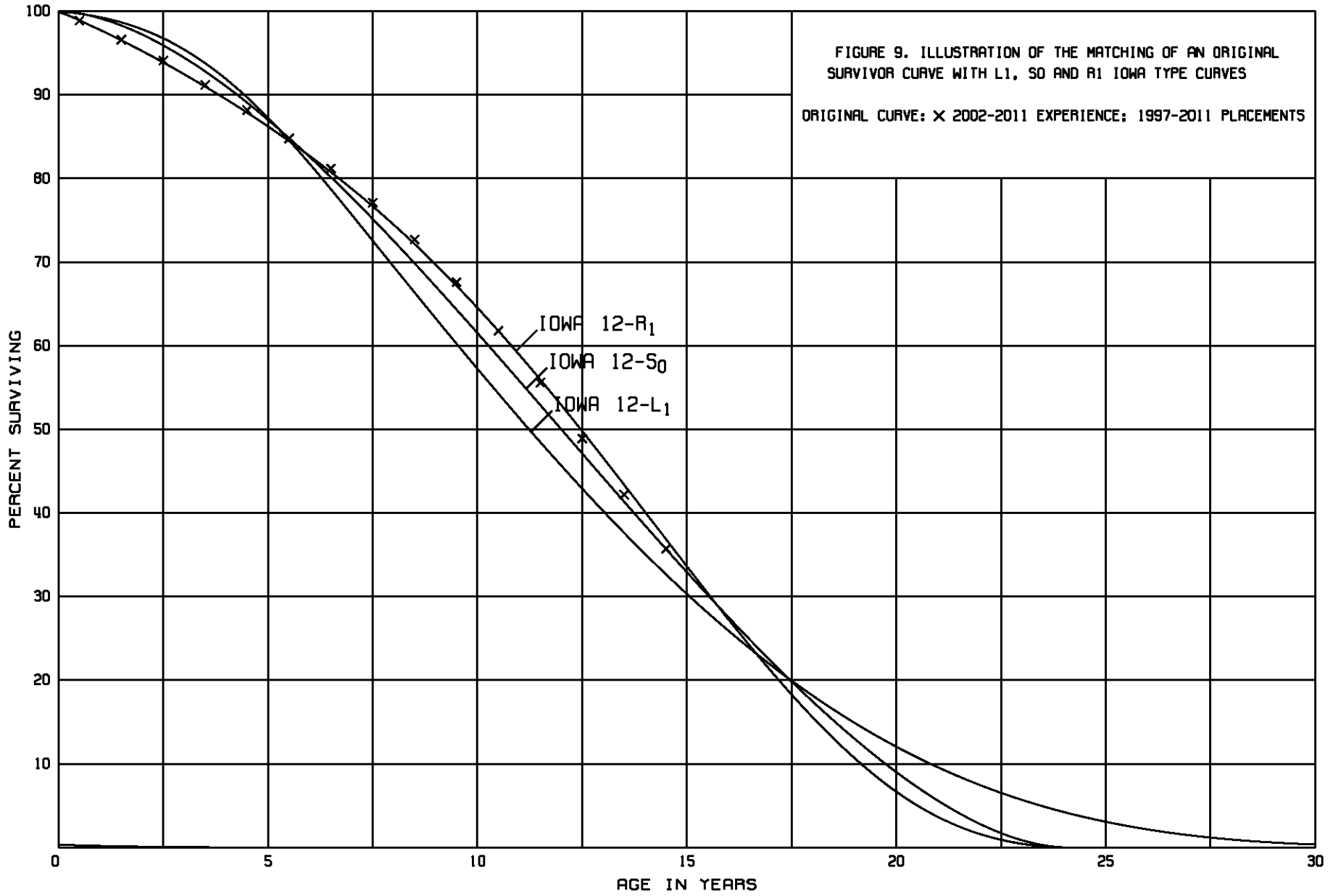


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL CURVE: X 2002-2011 EXPERIENCE; 1997-2011 PLACEMENTS







October 10-12, 2011

Muldraugh Compressor Station
Mill Creek Generating Facility
Cane Run Generating Facility
Ohio Falls Hydro Facility
E.W. Brown Generating Facility
Trimble County Generating Facility
East Service Center
Worthington Service Center
Frey's Hill Substation
Collins Substation
Old Henry Substation
Elder Park City Gate Station
LaGrange City Gate Station
Cannons Regulating Station

April 23-25, 2007

Trimble County Generating Facility
Mill Creek Generating Facility
Cane Run Generating Facility
Ohio Falls Hydro Plant
Elder Park Gate Station
E. W. Brown Generating Facility

May 29 and 30, 2007

Penile City Gate Station
Blanton Lane Regulating Station
Muldraugh Compressor Station
Ashby Substation
International Substation
Cane Run Substation
South Service Center
Auburndale Operations Center
Ashbottom Substation
Okolona Substation
Fern Valley Substation
Preston Street City Gate Station
Preston and Alder Street Dist. Regulating Station

Service Life Considerations

The service life estimates were based on judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve

estimates from previous studies of this company and other electric and gas utility companies.

For 35 of the 93 plant accounts and subaccounts for which survivor curves were estimated, the statistical analyses resulted in good to excellent indications of the survivor patterns experienced. These accounts represent 78 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below. The statistical support for the service life estimates is presented in the section beginning on page III-13.

ELECTRIC PLANT

STEAM PRODUCTION PLANT

311	Structures and Improvements
312	Boiler Plant Equipment
314	Turbogenerator Units
316	Miscellaneous Power Plant Equipment

TRANSMISSION PLANT

352	Structures and Improvements
353	Station Equipment
355	Poles and Fixtures

DISTRIBUTION PLANT

361	Structures and Improvements
362	Station Equipment
364	Poles, Towers and Fixtures
365	Overhead Conductors and Devices
368	Line Transformers
369.1	Services - Underground
369.2	Services - Overhead
370	Meters
373.1	Street Lighting and Signal Systems - Overhead
373.2	Street Lighting and Signal Systems - Underground

GAS PLANT

PRODUCTION PLANT

352.4	Well Drilling
352.5	Well Equipment
353	Lines
355	Measuring and Regulating Equipment
356	Purification Equipment
357	Other Equipment

TRANSMISSION PLANT

367 Mains

DISTRIBUTION PLANT

375.2 Structures and Improvements - Other Distribution

376 Mains

378 Measuring and Regulating Station Equipment - General

379 Measuring and Regulating Station Equipment - City Gate

380 Services

381 Meters

383 House Regulators

385 Industrial Measuring and Regulating Station Equipment

387 Other Equipment

COMMON PLANT

390.1 Structures and Improvements - General Office

390.4 Structures and Improvements - Shops

Electric Plant Account 364, Poles, Towers and Fixtures and Account 368, Line Transformers, as well as Gas Plant Account 376, Mains, are used to illustrate the manner in which the study was conducted for the groups in the preceding list. Account 364 and Account 368 each represents 4 percent of the total depreciable electric plant. Aged plant accounting data have been compiled for the years 1934 through 2011 for poles and 1963 through 2011 for line transformers. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate for Account 364, Poles, Towers and Fixtures, is based on the statistical indications for the period 1934 through 2011. The Iowa 50-R2.5 is a good fit of the original survivor curve. The 50-year service life is within the typical service life range of 35 to 50 years for poles. The 50-year life reflects the Company's practices of

continual maintenance on its poles and steady retirements for all vintages due to load demands. The previous estimate was also the Iowa 50-R2.5.

The survivor curve estimate for Account 368, Line Transformers, is the 45-R3 and is based on the statistical indication for the periods ,1963 through 2011 and 1981 through 2011. The 45-R3 is a good fit of the significant portion of the original survivor curve as set forth on page III-156 and consistent with management outlook for a continuation of past experience, and at the upper end of the service life range of 30 to 45 years for line transformers.

Gas Plant Account 376, represents 46 percent of the total depreciable gas plant. Aged plant accounting data have been compiled for the years 1935 through 2011.

The survivor curve estimate is based on the statistical indications for the periods 1935 through 2011 and 1961 through 2011. The Iowa 65-S2 is an excellent fit of the original survivor curve. The 65-year service life is at the upper end, but still within, the typical service life range of 50 to 70 years for mains. The 65-year life reflects the Company's practices of the past and plans for the near future. The previous estimate was the Iowa 65-R2.5.

Inasmuch as production plant consists of large generating units, the life span technique was employed in conjunction with the use of interim survivor curves which reflect interim retirements that occur prior to the ultimate retirement of the major unit. An interim survivor curve was estimated for each plant account, inasmuch as the rate of interim retirements differ from account to account. The interim survivor curves estimated for steam, hydro and other production plant were based on the retirement rate method of life analysis which incorporated experienced aged retirements for the period 1954 through 2011 for steam, 1934 through 2011 for hydro and 1963 through 2011 for other production.

The life span estimates for power generating stations were the result of considering experienced life spans of similar generating units, type of construction, the age of surviving units, general operating characteristics of the units, major refurbishing, and discussions with management personnel concerning the probable long-term outlook for the units, observed features and conditions at the time of the field visit, and future plans from the life assessment study.

The life span estimate for most steam, base-load units is 46 to 60 years, which is within the typical range of life spans for such units. The 111-year lifespan for the hydro production facility is within the typical range. Life spans of 30 and 49 years were estimated for the majority of combustion turbines. These life span estimates are typical for combustion turbines which are used primarily as peaking units.

A summary of the year in service, life span and probable retirement year for each power production unit follows:

<u>Depreciable Group</u>	<u>Major Year in Service</u>	<u>Probable Retirement Year</u>	<u>Life Span</u>
Steam Production Plant			
Cane Run Unit 1	1954	2002	48
Cane Run Unit 2	1956	2002	46
Cane Run Unit 3	1958	2002	44
Cane Run Unit 4	1962	2015	53
Cane Run Unit 5	1966	2015	49
Cane Run Unit 6	1969	2015	46
Mill Creek Unit 1	1972	2032	60
Mill Creek Unit 2	1974	2034	60
Mill Creek Unit 3	1978	2038	60
Mill Creek Unit 4	1982	2042	60
Trimble County Unit 1	1990	2050	60
Trimble County Unit 2	1990,2011	2066	76,55

Hydro Plant			
Ohio Falls	1934	2045	111
Other Production Plant			
Cane Run GT 11	1970	2018	48
Zorn and River Road Gas Turbine	1970	2019	49
Paddy's Run Generator 11	1970	2018	48
Paddy's Run Generator 12	1970	2018	48
Paddy's Run Generator 13	2001	2031	30
Brown CT 5	2001	2031	30
Brown CT 6	1999	2029	30
Brown CT 7	1999	2029	30
Trimble County CT 5	2002	2032	30
Trimble County CT 6	2002	2032	30
Trimble County CT 7	2004	2034	30
Trimble County CT 8	2004	2034	30
Trimble County CT 9	2004	2034	30
Trimble County CT 10	2004	2034	30

The survivor curve estimates for the remaining accounts were based on judgment incorporating the statistical analyses and previous studies for this and other electric and gas utilities.

Salvage Analysis

The estimates of net salvage by account were based in part on historical data compiled through 2011. Cost of removal and salvage were expressed as percents of the original cost of plant retired, both on annual and three-year moving average bases. The most recent five-year average also was calculated for consideration. The net salvage estimates by account are expressed as a percent of the original cost of plant retired.

Net Salvage Considerations

The estimates of future net salvage are expressed as percentages of surviving plant in service, i.e., all future retirements. In cases in which removal costs are expected to exceed salvage receipts, a negative net salvage percentage is estimated. The net salvage

estimates were based on judgment which incorporated analyses of historical cost of removal and salvage data, expectations with respect to future removal requirements and markets for retired equipment and materials.

The analyses of historical cost of removal and salvage data are presented in the section titled "Net Salvage Statistics" for the plant accounts for which the net salvage estimate relied partially on those analyses.

Statistical analyses of historical data for the period 1972 through 2011 contributed significantly toward the net salvage estimates for 59 plant accounts, representing 85 percent of the depreciable plant, as follows:

ELECTRIC PLANT

STEAM PRODUCTION

- 311 Structures and Improvements
- 312 Boiler Plant Equipment
- 314 Turbogenerator Units
- 315 Accessory Electric Equipment
- 316 Miscellaneous Plant Equipment

HYDRO PRODUCTION

- 332 Reservoirs, Dams and Waterways
- 334 Accessory Electric Equipment

OTHER PRODUCTION

- 342 Fuel Holders, Producers and Accessories
- 343 Prime Movers
- 344 Generators

TRANSMISSION PLANT

- 352 Structures and Improvements
- 353 Station Equipment
- 354 Towers and Fixtures
- 355 Poles and Fixtures
- 356 Overhead Conductors and Devices

DISTRIBUTION PLANT

- 361 Structures and Improvements
- 362 Station Equipment
- 367 Underground Conductors and Devices
- 368 Line Transformers
- 369.2 Services - Overhead
- 370 Meters

DISTRIBUTION PLANT, cont.

- 373.1 Street Lighting and Signal Systems - Overhead
- 373.2 Street Lighting and Signal Systems - Underground

GENERAL PLANT

- 392.1 Transportation Equipment - Cars and Light Trucks
- 392.2 Transportation Equipment - Trailers
- 392.3 Transportation Equipment - Heavy Trucks and Other
- 396.1 Power Operated Equipment - Small Machinery
- 396.2 Power Operated Equipment - Other
- 396.3 Power Operated Equipment - Large Machinery

GAS PLANT

PRODUCTION PLANT

- 351.2 Compressor Station Structures
- 351.4 Other Structures
- 352.4 Well Drilling
- 352.5 Well Equipment
- 353 Lines
- 354 Compressor Station Equipment
- 355 Measuring and Regulating Equipment
- 356 Purification Equipment

TRANSMISSION PLANT

- 367 Mains

DISTRIBUTION PLANT

- 375.1 Structures and Improvements - City Gate Station
- 375.2 Structures and Improvements - Other Distribution
- 376 Mains
- 378 Measuring and Regulating Station Equipment - General
- 379 Measuring and Regulating Station Equipment - City Gate
- 380 Services
- 381 Meters
- 383 House Regulators
- 387 Other Equipment

GENERAL PLANT

- 392.1 Transportation Equipment - Cars and Light Trucks
- 392.2 Transportation Equipment - Trailers
- 392.3 Transportation Equipment - Heavy Trucks and Other
- 396.1 Power Operated Equipment - Small Machinery
- 396.2 Power Operated Equipment - Other
- 396.3 Power Operated Equipment - Large Machinery

COMMON PLANT

- 390.1 Structures and Improvements - General Office
- 390.2 Structures and Improvements - Transportation
- 390.3 Structures and Improvements - Stores
- 390.4 Structures and Improvements - Shops
- 390.6 Structures and Improvements - Microwave
- 396.2 Power Operated Equipment - Other

Electric Plant Account 353, Station Equipment, and Gas Plant Account 376, Mains, are used to illustrate the manner in which the study was conducted for the groups in the preceding list. Net salvage data for the period 1972 through 2011 were analyzed for Electric Plant Account 353. The data include cost of removal, gross salvage and net salvage amounts and each of these amounts is expressed as a percent of the original cost of regular retirements. Three-year moving averages for the 1972-1974 through 2009-2011 periods were computed to smooth the annual amounts.

Cost of removal was high since 1999 with a slight reduction for the years 2002 and 2008. The high removal cost since 1999 related to the effort needed to remove primarily control equipment being retired during that time as well as the large substation upgrades. Cost of removal for the most recent five years averaged 15 percent.

Gross salvage has diminished drastically since 1996. The most recent five-year average of 1 percent gross salvage reflects recent trends of reduced salvage value for most station equipment being retired. This trend is expected to continue.

The net salvage percent based on the overall period 1972 through 2011 is 10 percent negative net salvage. The range of estimates made by other electric companies for station equipment is 0 to negative 15 percent. The net salvage estimate for station equipment is negative 10 percent, is within the range of estimates for other electric companies and reflects the recent trend toward more negative net salvage.

Net salvage data for the period 1972 through 2011 were analyzed for Gas Plant Account 376.

With the exception of a few years, cost of removal was consistent through 2002, then increased considerably over the last 10 years. The practices for applying labor costs to removing pipe versus installing new pipe has not changed, however, the labor costs have increased. Cost of removal for the most recent five years averaged 66 percent.

Gross salvage has varied slightly, however, the amounts have been minimal, particularly in the last 10 years. The most recent five-year average of 0 percent gross salvage reflects recent trends of the minimal salvage value for pipe.

The net salvage percent based on the overall period 1972 through 2011 is 35 percent negative net salvage. The range of estimates made by other gas companies for mains is negative 15 to negative 75 percent. Given the overall statistical indication, yet not putting too much emphasis on the 2011 cost of removal amount, the recommended negative 30 percent was selected for the Company's mains.

The net salvage percents for the remaining accounts were based on judgment incorporating estimates of previous studies of this and other electric and gas utilities.

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

After the survivor curve and salvage are estimated, the annual depreciation accrual rate can be calculated. In the average service life procedure, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate, Percent} = \frac{(100\% \text{ Net Salvage, Percent})}{\text{Average Service Life}}$$

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which will not be allocated to expense through

future depreciation accruals if current forecasts of life characteristics are used as a basis for straight line depreciation accounting.

The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account, based upon the attained age and the estimated survivor curve. The accrued depreciation ratios are calculated as follows:

$$\text{Ratio} = \left(1 - \frac{\text{Average Remaining Life Expectancy}}{\text{Average Service Life}} \right) (1 - \text{Net Salvage, Percent}).$$

The application of these procedures is described for a single unit of property and a group of property units. Salvage is omitted from the description for ease of application.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000 \left(1 - \frac{6}{10} \right) = \$400.$$

Group Depreciation Procedures

When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of December 31, 2011, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation follow. The detailed calculations as of December 31, 2011, are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighed average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$Ratio = 1 - \frac{Average\ Remaining\ Life}{Average\ Service\ Life}.$$

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization, as defined in the Uniform System of Accounts, is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is

anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization periods and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is appropriate for certain General Plant accounts that represent numerous units of property, but a very small portion of depreciable electric and gas plant in service. The accounts and their amortization periods are as follows:

<u>Account</u>	<u>Amortization Period, Years</u>
ELECTRIC PLANT	
394 Tools, Shop and Garage Equipment	25
GAS PLANT	
394 Tools, Shop and Garage Equipment	25
COMMON PLANT	
391.1 Office Furniture and Equipment - Furniture	20
391.2 Office Furniture and Equipment - Equipment	15
391.3 Office Furniture and Equipment - Computer Equipment	5
391.31 Office Furniture and Equipment - Personal Computers	4
391.33 Office Furniture and Equipment - ECR 2006	10
391.4 Office Furniture and Equipment - Security Equipment	10
393 Stores Equipment	25
394 Tools, Shop and Garage Equipment	25
397 Communication Equipment - General Assets	10
398 Miscellaneous Equipment	10

For the purpose of calculating annual amortization amounts as of December 31, 2011, the book or ratemaking book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The

remaining reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortization (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

III-1

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual depreciation accrual rates are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation using the equal life group procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric, gas and common plant in service as of December 31, 2011. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2011, is reasonable for a period of three to five years.

DESCRIPTION OF STATISTICAL SUPPORT

The service life and salvage estimates were based on judgment which incorporated statistical analyses of retirement data, discussions with management and consideration of estimates made for other electric utility companies. The results of the statistical analyses of service life are presented in the section titled "Service Life Statistics".

The estimated survivor curves for each account are presented in graphical form. The charts depict the estimated smooth survivor curve and original survivor curve(s), when applicable, related to each specific group. For groups where the original survivor curve was plotted, the calculation of the original life table is also presented.

The analyses of salvage data are presented in the section titled, "Net Salvage Statistics". The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

DESCRIPTION OF DEPRECIATION TABULATIONS

Summary tables of the results of the study, as applied to the original cost of electric, gas and common plant at December 31, 2011, is presented on pages III-4 through III-12 of this report. The schedule sets forth the original cost, the book reserve, future accruals, the calculated annual depreciation rate and amount, and the composite remaining life related to electric, gas and common plant.

The tables of the calculated annual depreciation accruals are presented in account sequence in the section titled "Depreciation Calculations." The tables indicate the estimated survivor curve and salvage percent for the account and set forth for each installation year the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life and the calculated annual accrual amount.

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
						ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)	
DEPRECIABLE PLANT								
STEAM PRODUCTION PLANT								
311.00	STRUCTURES AND IMPROVEMENTS							
	CANE RUN UNIT 1	FULLY ACCRUED *	(10) 4,233,239.48	4,656,563	0	0	-	-
	CANE RUN UNIT 2	FULLY ACCRUED *	(10) 2,102,422.45	2,312,665	0	0	-	-
	CANE RUN UNIT 3	FULLY ACCRUED *	(10) 3,536,934.45	3,890,628	0	0	-	-
	CANE RUN UNIT 4	100-S1 *	(10) 4,084,601.80	4,493,062	0	0	-	-
	CANE RUN UNIT 4 SCRUBBER	100-S1 *	(10) 760,360.00	836,396	0	0	-	-
	CANE RUN UNIT 5	100-S1 *	(10) 6,266,327.41	6,270,959	622,001	155,819	2.49	4.0
	CANE RUN UNIT 5 SCRUBBER	100-S1 *	(10) 1,696,435.00	1,866,079	0	0	-	-
	CANE RUN UNIT 6	100-S1 *	(10) 27,476,428.51	20,351,263	9,872,808	2,473,745	9.00	4.0
	CANE RUN UNIT 6 SCRUBBER	100-S1 *	(10) 2,004,301.46	2,204,732	0	0	-	-
	MILL CREEK UNIT 1	100-S1 *	(14) 19,891,316.24	17,615,350	5,060,751	254,260	1.28	19.9
	MILL CREEK UNIT 1 SCRUBBER	100-S1 *	(14) 1,709,710.55	1,949,070	0	0	-	-
	MILL CREEK UNIT 2	100-S1 *	(14) 11,532,774.58	9,977,701	3,169,662	146,213	1.27	21.7
	MILL CREEK UNIT 2 SCRUBBER	100-S1 *	(14) 1,393,404.00	1,588,481	0	0	-	-
	MILL CREEK UNIT 3	100-S1 *	(14) 24,500,220.48	20,580,339	7,349,912	292,422	1.19	25.1
	MILL CREEK UNIT 3 SCRUBBER	100-S1 *	(14) 362,867.00	413,668	0	0	-	-
	MILL CREEK UNIT 4	100-S1 *	(14) 64,262,882.75	38,607,501	34,652,185	1,191,499	1.85	29.1
	MILL CREEK UNIT 4 SCRUBBER	100-S1 *	(14) 5,330,551.76	4,985,213	1,091,616	37,612	0.71	29.0
	TRIMBLE COUNTY UNIT 1	100-S1 *	(15) 115,104,803.30	61,530,223	70,840,301	1,961,688	1.70	36.1
	TRIMBLE COUNTY UNIT 1 SCRUBBER	100-S1 *	(15) 493,909.75	366,848	201,148	5,516	1.12	36.5
	TRIMBLE COUNTY UNIT 2	100-S1 *	(15) 25,993,297.87	310,077	29,582,216	565,651	2.18	52.3
	<i>TOTAL ACCOUNT 311 - STRUCTURES AND IMPROVEMENTS</i>		322,736,788.84	204,806,818	162,442,600	7,084,425	2.20	22.9
312.00	BOILER PLANT EQUIPMENT							
	CANE RUN UNIT 1	FULLY ACCRUED *	(10) 1,052,270.58	1,157,498	0	0	-	-
	CANE RUN UNIT 2	FULLY ACCRUED *	(10) 132,275.78	145,503	0	0	-	-
	CANE RUN UNIT 3	FULLY ACCRUED *	(10) 705,480.33	776,028	0	0	-	-
	CANE RUN UNIT 4	50-R1.5 *	(10) 31,327,230.07	22,533,292	11,926,661	3,041,503	9.71	3.9
	CANE RUN UNIT 4 SCRUBBER	50-R1.5 *	(10) 17,050,367.50	18,755,404	0	0	-	-
	CANE RUN UNIT 5	50-R1.5 *	(10) 38,533,317.45	18,746,808	23,639,841	6,002,586	15.58	3.9
	CANE RUN UNIT 5 SCRUBBER	50-R1.5 *	(10) 27,977,906.37	30,631,510	144,187	36,426	0.13	4.0
	CANE RUN UNIT 6	50-R1.5 *	(10) 56,536,729.43	27,194,785	34,995,617	8,894,934	15.73	3.9
	CANE RUN UNIT 6 SCRUBBER	50-R1.5 *	(10) 32,458,666.05	28,381,716	7,322,817	1,863,469	5.74	3.9
	MILL CREEK UNIT 1	50-R1.5 *	(14) 56,221,452.31	34,098,918	29,993,538	1,612,266	2.87	18.6
	MILL CREEK UNIT 1 SCRUBBER	50-R1.5 *	(14) 43,569,500.63	32,558,338	17,110,893	912,792	2.10	18.7
	MILL CREEK UNIT 2	50-R1.5 *	(14) 53,298,846.20	26,986,386	33,774,299	1,678,141	3.15	20.1
	MILL CREEK UNIT 2 SCRUBBER	50-R1.5 *	(14) 35,719,947.71	28,309,628	12,411,112	611,243	1.71	20.3
	MILL CREEK UNIT 3	50-R1.5 *	(14) 143,156,558.12	66,027,985	97,170,491	4,162,112	2.91	23.3
	MILL CREEK UNIT 3 SCRUBBER	50-R1.5 *	(14) 63,237,310.85	36,126,930	35,963,604	1,538,658	2.43	23.4
	MILL CREEK UNIT 4	50-R1.5 *	(14) 249,825,281.75	104,471,839	180,328,982	6,939,970	2.78	26.0
	MILL CREEK UNIT 4 SCRUBBER	50-R1.5 *	(14) 114,224,524.76	76,611,965	53,603,993	2,051,233	1.80	26.1
	TRIMBLE COUNTY UNIT 1	50-R1.5 *	(15) 217,217,963.01	74,259,062	175,541,595	5,798,005	2.67	30.3
	TRIMBLE COUNTY UNIT 1 SCRUBBER	50-R1.5 *	(15) 63,774,643.01	46,576,791	26,764,048	885,430	1.39	30.2
	TRIMBLE COUNTY UNIT 2	50-R1.5 *	(15) 121,585,784.34	4,866,329	134,957,323	3,107,492	2.56	43.4
	TRIMBLE COUNTY UNIT 2 SCRUBBER	50-R1.5 *	(15) 14,269,003.46	555,655	15,853,699	365,040	2.56	43.4
	<i>TOTAL ACCOUNT 312 - BOILER PLANT EQUIPMENT</i>		1,381,875,059.71	679,772,370	891,502,700	49,501,300	3.58	18.0

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)		ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)		COMPOSITE REMAINING LIFE (9)=(6)/(7)
								(8)=(7)/(4)	
312.01	BOILER PLANT EQUIPMENT - LOCOMOTIVE								
	CANE RUN LOCOMOTIVE	25-R2.5	* 0	51,549.42	51,549	0	0	-	-
	MILL CREEK LOCOMOTIVE	25-R2.5	* 0	613,424.43	494,206	119,218	37,326	6.08	3.2
	<i>TOTAL ACCOUNT 312.01 - BOILER PLANT EQUIPMENT - LOCOMOTIVE</i>			664,973.85	545,755	119,218	37,326	5.61	3.2
312.02	BOILER PLANT EQUIPMENT - RAIL CARS								
	CANE RUN RAIL CARS	25-R2.5	* 0	1,501,772.81	1,161,405	340,368	103,455	6.89	3.3
	MILL CREEK RAIL CARS	25-R2.5	* 0	2,298,377.65	2,214,107	84,271	8,166	0.36	10.3
	<i>TOTAL ACCOUNT 312.02 - BOILER PLANT EQUIPMENT - RAIL CARS</i>			3,800,150.46	3,375,512	424,639	111,621	2.94	3.8
314.00	TURBOGENERATOR UNITS								
	CANE RUN UNIT 1	FULLY ACCRUED	* (10)	106,008.99	116,610	0	0	-	-
	CANE RUN UNIT 2	FULLY ACCRUED	* (10)	19,999.00	21,999	0	0	-	-
	CANE RUN UNIT 3	FULLY ACCRUED	* (10)	581,177.00	639,295	0	0	-	-
	CANE RUN UNIT 4	60-S1.5	* (10)	9,318,503.05	8,958,801	1,291,552	325,135	3.49	4.0
	CANE RUN UNIT 5	60-S1.5	* (10)	7,931,771.74	7,826,617	898,332	225,558	2.84	4.0
	CANE RUN UNIT 6	60-S1.5	* (10)	16,728,286.69	11,512,691	6,888,424	1,739,058	10.40	4.0
	MILL CREEK UNIT 1	60-S1.5	* (14)	14,686,467.07	13,065,010	3,677,562	201,763	1.37	18.2
	MILL CREEK UNIT 2	60-S1.5	* (14)	17,091,026.54	13,298,105	6,185,665	308,769	1.81	20.0
	MILL CREEK UNIT 3	60-S1.5	* (14)	31,675,230.08	19,495,161	16,614,601	689,886	2.18	24.1
	MILL CREEK UNIT 4	60-S1.5	* (14)	42,573,105.70	28,812,799	19,720,541	770,093	1.81	25.6
	TRIMBLE COUNTY UNIT 1	60-S1.5	* (15)	57,000,938.71	22,348,217	43,202,863	1,311,533	2.30	32.9
	TRIMBLE COUNTY UNIT 2	60-S1.5	* (15)	20,447,426.61	2,602,945	20,911,596	449,336	2.20	46.5
	<i>TOTAL ACCOUNT 314 - TURBOGENERATOR UNITS</i>			218,159,941.18	128,698,250	119,391,136	6,021,131	2.76	19.8
315.00	ACCESSORY ELECTRIC EQUIPMENT								
	CANE RUN UNIT 1	FULLY ACCRUED	* (10)	1,883,656.22	2,072,022	0	0	-	-
	CANE RUN UNIT 2	FULLY ACCRUED	* (10)	1,238,068.15	1,361,875	0	0	-	-
	CANE RUN UNIT 3	FULLY ACCRUED	* (10)	766,540.94	843,195	0	0	-	-
	CANE RUN UNIT 4	55-S2	* (10)	5,920,913.98	5,264,226	1,248,779	315,559	5.33	4.0
	CANE RUN UNIT 4 SCRUBBER	55-S2	* (10)	987,949.00	1,086,744	0	0	-	-
	CANE RUN UNIT 5	55-S2	* (10)	9,434,824.77	5,414,071	4,964,236	1,249,630	13.24	4.0
	CANE RUN UNIT 5 SCRUBBER	55-S2	* (10)	2,216,498.98	2,438,149	0	0	-	-
	CANE RUN UNIT 6	55-S2	* (10)	12,602,452.90	7,468,070	6,394,628	1,613,115	12.80	4.0
	CANE RUN UNIT 6 SCRUBBER	55-S2	* (10)	2,199,914.33	2,419,906	0	0	-	-
	MILL CREEK UNIT 1	55-S2	* (14)	15,688,648.70	8,807,564	9,077,496	484,211	3.09	18.7
	MILL CREEK UNIT 1 SCRUBBER	55-S2	* (14)	5,541,695.00	6,317,532	0	0	-	-
	MILL CREEK UNIT 2	55-S2	* (14)	7,415,271.51	5,475,168	2,978,242	156,250	2.11	19.1
	MILL CREEK UNIT 2 SCRUBBER	55-S2	* (14)	4,505,053.40	5,135,761	0	0	-	-
	MILL CREEK UNIT 3	55-S2	* (14)	15,049,879.17	13,392,025	3,764,837	182,523	1.21	20.6
	MILL CREEK UNIT 3 SCRUBBER	55-S2	* (14)	2,531,773.00	2,886,221	0	0	-	-
	MILL CREEK UNIT 4	55-S2	* (14)	24,032,537.03	17,602,916	9,794,176	419,766	1.75	23.3
	MILL CREEK UNIT 4 SCRUBBER	55-S2	* (14)	5,864,978.52	5,812,660	873,416	38,030	0.65	23.0
	TRIMBLE COUNTY UNIT 1	55-S2	* (15)	49,158,784.47	25,131,907	31,400,695	1,051,627	2.14	29.9
	TRIMBLE COUNTY UNIT 1 SCRUBBER	55-S2	* (15)	2,736,920.00	2,325,798	821,660	27,869	1.02	29.5
	TRIMBLE COUNTY UNIT 2	55-S2	* (15)	8,302,486.30	191,917	9,355,942	196,849	2.37	47.5
	<i>TOTAL ACCOUNT 315 - ACCESSORY ELECTRIC EQUIPMENT</i>			178,078,846.37	121,447,727	80,674,107	5,735,429	3.22	14.1
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT								
	CANE RUN UNIT 1	FULLY ACCRUED	* (10)	38,745.62	42,620	0	0	-	-
	CANE RUN UNIT 3	FULLY ACCRUED	* (10)	11,664.48	12,831	0	0	-	-
	CANE RUN UNIT 4	45-R2.5	* (10)	87,249.03	30,774	65,200	16,406	18.80	4.0

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)		ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)
							ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)	
316.00	MISCELLANEOUS POWER PLANT EQUIPMENT, cont.								
	CANE RUN UNIT 4 SCRUBBER	45-R2.5	* (10)	6,464.30	7,111	0	0	-	-
	CANE RUN UNIT 5	45-R2.5	* (10)	96,972.33	39,551	67,119	16,873	17.40	4.0
	CANE RUN UNIT 5 SCRUBBER	45-R2.5	* (10)	47,299.47	52,029	0	0	-	-
	CANE RUN UNIT 6	45-R2.5	* (10)	2,930,864.12	1,399,447	1,824,504	461,326	15.74	4.0
	CANE RUN UNIT 6 SCRUBBER	45-R2.5	* (10)	31,568.91	34,726	0	0	-	-
	MILL CREEK UNIT 1	45-R2.5	* (14)	740,548.61	490,286	353,939	21,659	2.92	16.3
	MILL CREEK UNIT 2	45-R2.5	* (14)	125,820.55	94,780	48,655	2,680	2.13	18.2
	MILL CREEK UNIT 3	45-R2.5	* (14)	410,061.13	323,848	143,622	6,338	1.55	22.7
	MILL CREEK UNIT 4	45-R2.5	* (14)	7,285,291.68	2,613,795	5,691,438	214,243	2.94	26.6
	MILL CREEK UNIT 4 SCRUBBER	45-R2.5	* (14)	74,850.91	38,270	47,060	1,730	2.31	27.2
	TRIMBLE COUNTY UNIT 1	45-R2.5	* (15)	2,917,559.67	1,204,753	2,150,441	76,345	2.62	28.2
	TRIMBLE COUNTY UNIT 2	45-R2.5	* (15)	1,540,223.39	42,234	1,729,023	40,502	2.63	42.7
	<i>TOTAL ACCOUNT 316 - MISCELLANEOUS POWER PLANT EQUIPMENT</i>			16,345,184.20	6,427,055	12,121,001	858,102	5.25	14.1
	TOTAL STEAM PRODUCTION PLANT			2,121,660,944.61	1,145,073,487	1,266,675,401	69,349,334	3.27	
	HYDRAULIC PRODUCTION PLANT								
331.00	STRUCTURES AND IMPROVEMENTS								
	OHIO FALLS - NON-PROJECT	100-S2	* (6)	65,796.14	38,867	30,877	1,031	1.57	29.9
	OHIO FALLS - PROJECT 289	100-S2	* (6)	4,897,579.69	4,267,867	923,567	27,453	0.56	33.6
	<i>TOTAL ACCOUNT 331 - STRUCTURES AND IMPROVEMENTS</i>			4,963,375.83	4,306,734	954,444	28,484	0.57	33.5
332.00	RESERVOIRS, DAMS AND WATERWAY								
	OHIO FALLS - PROJECT 289	100-S2.5	* (6)	11,690,251.61	1,705,082	10,686,585	316,944	2.71	33.7
	<i>TOTAL ACCOUNT 332 - RESERVOIRS, DAMS AND WATERWAY</i>			11,690,251.61	1,705,082	10,686,585	316,944	2.71	33.7
333.00	WATER WHEELS, TURBINES AND GENERATORS								
	OHIO FALLS - PROJECT 289	100-S2.5	* (6)	19,945,213.62	915,731	20,226,195	607,747	3.05	33.3
	<i>TOTAL ACCOUNT 333 - WATER WHEELS, TURBINES AND GENERATORS</i>			19,945,213.62	915,731	20,226,195	607,747	3.05	33.3
334.00	ACCESSORY ELECTRIC EQUIPMENT								
	OHIO FALLS - PROJECT 289	80-S4	* (6)	5,509,836.22	1,941,911	3,898,515	115,506	2.10	33.8
	<i>TOTAL ACCOUNT 334 - ACCESSORY ELECTRIC EQUIPMENT</i>			5,509,836.22	1,941,911	3,898,515	115,506	2.10	33.8
335.00	MISCELLANEOUS POWER PLANT EQUIPMENT								
	OHIO FALLS - NON-PROJECT	80-S1.5	* (6)	25,458.41	3,717	23,269	741	2.91	31.4
	OHIO FALLS - PROJECT 289	80-S1.5	* (6)	284,788.68	51,923	249,953	7,752	2.72	32.2
	<i>TOTAL ACCOUNT 335 - MISCELLANEOUS POWER PLANT EQUIPMENT</i>			310,247.09	55,640	273,222	8,493	2.74	32.2
336.00	ROADS, RAILROADS AND BRIDGES								
	OHIO FALLS - PROJECT 289	80-S4	* (6)	29,930.61	17,806	13,920	734	2.45	19.0
	<i>TOTAL ACCOUNT 336 - ROADS, RAILROADS AND BRIDGES</i>			29,930.61	17,806	13,920	734	2.45	19.0
	TOTAL HYDRAULIC PRODUCTION PLANT			42,448,854.98	8,942,904	36,052,881	1,077,908	2.54	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)		
						ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)			
OTHER PRODUCTION PLANT										
341.00	STRUCTURES AND IMPROVEMENTS									
	CANE RUN GT 11	55-R3	*	(5)	211,518.43	26,810	195,284	30,309	14.33	6.4
	ZORN AND RIVER ROAD GAS TURBINE	55-R3	*	(5)	8,241.14	8,653	0	0	-	-
	PADDY'S RUN GENERATOR 12	55-R3	*	(5)	64,113.35	52,586	14,733	2,270	3.54	6.5
	PADDY'S RUN GENERATOR 13	55-R3	*	(5)	2,158,698.12	754,202	1,512,431	79,434	3.68	19.0
	BROWN CT 5	55-R3	*	(5)	858,538.64	300,046	601,420	31,587	3.68	19.0
	BROWN CT 6	55-R3	*	(5)	105,977.86	34,594	76,683	4,459	4.21	17.2
	BROWN CT 7	55-R3	*	(5)	144,356.29	47,476	104,098	6,060	4.20	17.2
	TRIMBLE COUNTY CT 5	55-R3	*	(5)	1,555,655.08	486,383	1,147,055	57,271	3.68	20.0
	TRIMBLE COUNTY CT 6	55-R3	*	(5)	1,467,923.89	463,218	1,078,102	53,850	3.67	20.0
	TRIMBLE COUNTY CT 7	55-R3	*	(5)	2,083,698.13	533,540	1,654,343	75,232	3.61	22.0
	TRIMBLE COUNTY CT 8	55-R3	*	(5)	2,075,526.50	531,447	1,647,856	74,937	3.61	22.0
	TRIMBLE COUNTY CT 9	55-R3	*	(5)	2,137,402.33	541,181	1,703,091	77,448	3.62	22.0
	TRIMBLE COUNTY CT 10	55-R3	*	(5)	2,132,789.69	540,013	1,699,416	77,281	3.62	22.0
	<i>TOTAL ACCOUNT 341 - STRUCTURES AND IMPROVEMENTS</i>				15,004,439.45	4,320,149	11,434,512	570,138	3.80	20.1
342.00	FUEL HOLDERS, PRODUCERS AND ACCESSORIES									
	CANE RUN GT 11	45-R2.5	*	(5)	319,042.17	35,135	299,859	46,751	14.65	6.4
	ZORN AND RIVER ROAD GAS TURBINE	45-R2.5	*	(5)	23,433.81	17,418	7,188	964	4.11	7.5
	PADDY'S RUN GENERATOR 11	45-R2.5	*	(5)	9,237.57	9,699	0	0	-	-
	PADDY'S RUN GENERATOR 12	45-R2.5	*	(5)	21,667.08	15,410	7,340	1,134	5.23	6.5
	PADDY'S RUN GENERATOR 13	45-R2.5	*	(5)	2,255,338.17	785,083	1,583,022	85,785	3.80	18.5
	BROWN CT 5	45-R2.5	*	(5)	846,906.63	228,324	660,928	35,694	4.21	18.5
	BROWN CT 6	45-R2.5	*	(5)	403,060.13	49,527	373,686	22,234	5.52	16.8
	BROWN CT 7	45-R2.5	*	(5)	141,363.16	(48,742)	197,173	11,574	8.19	17.0
	TRIMBLE COUNTY CT 5	45-R2.5	*	(5)	97,996.90	31,005	71,892	3,707	3.78	19.4
	TRIMBLE COUNTY CT 6	45-R2.5	*	(5)	97,861.58	30,967	71,788	3,702	3.78	19.4
	TRIMBLE COUNTY CT PIPELINE	45-R2.5	*	(5)	1,998,390.62	645,679	1,452,631	68,823	3.44	21.1
	TRIMBLE COUNTY CT 7	45-R2.5	*	(5)	338,423.07	86,852	268,492	12,611	3.73	21.3
	TRIMBLE COUNTY CT 8	45-R2.5	*	(5)	337,096.18	86,511	267,440	12,562	3.73	21.3
	TRIMBLE COUNTY CT 9	45-R2.5	*	(5)	347,146.53	88,099	276,405	12,983	3.74	21.3
	TRIMBLE COUNTY CT 10	45-R2.5	*	(5)	361,860.02	90,772	289,181	13,575	3.75	21.3
	<i>TOTAL ACCOUNT 342 - FUEL HOLDERS, PRODUCERS AND ACCESSORIES</i>				7,598,823.62	2,151,739	5,827,025	332,099	4.37	17.5
343.00	PRIME MOVERS									
	PADDY'S RUN GENERATOR 13	30-R2	*	(5)	20,146,190.99	5,644,307	15,509,194	944,090	4.69	16.4
	BROWN CT 5	30-R2	*	(5)	15,877,891.00	4,993,220	11,678,566	707,119	4.45	16.5
	BROWN CT 6	30-R2	*	(5)	19,951,721.96	2,379,308	18,570,000	1,220,599	6.12	15.2
	BROWN CT 7	30-R2	*	(5)	18,239,647.01	4,842,316	14,309,313	945,333	5.18	15.1
	TRIMBLE COUNTY CT 5	30-R2	*	(5)	16,268,197.67	4,216,785	12,864,823	730,006	4.49	17.6
	TRIMBLE COUNTY CT 6	30-R2	*	(5)	13,120,484.41	3,291,737	10,484,772	604,661	4.61	17.3
	TRIMBLE COUNTY CT 7	30-R2	*	(5)	13,611,692.25	3,670,974	10,621,303	563,209	4.14	18.9
	TRIMBLE COUNTY CT 8	30-R2	*	(5)	13,496,647.46	3,637,317	10,534,163	558,481	4.14	18.9
	TRIMBLE COUNTY CT 9	30-R2	*	(5)	13,407,237.42	3,476,963	10,600,636	561,647	4.19	18.9
	TRIMBLE COUNTY CT 10	30-R2	*	(5)	13,352,629.95	3,461,812	10,558,449	559,580	4.19	18.9
	<i>TOTAL ACCOUNT 343 - PRIME MOVERS</i>				157,472,340.12	39,614,739	125,731,219	7,394,725	4.70	17.0
344.00	GENERATORS									
	CANE RUN GT 11	60-S3	*	(5)	2,910,123.60	2,077,069	978,561	152,169	5.23	6.4
	ZORN AND RIVER ROAD GAS TURBINE	60-S3	*	(5)	1,827,580.88	1,918,960	0	0	-	-
	PADDY'S RUN GENERATOR 11	60-S3	*	(5)	1,523,115.56	1,599,271	0	0	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)		
						ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)			
344.00	GENERATORS, cont.									
	PADDY'S RUN GENERATOR 12	60-S3	*	(5)	2,991,589.41	3,141,169	0	0	-	-
	PADDY'S RUN GENERATOR 13	60-S3	*	(5)	5,859,857.93	2,327,573	3,825,278	196,875	3.36	19.4
	BROWN CT 5	60-S3	*	(5)	3,249,359.88	1,069,622	2,342,206	120,531	3.71	19.4
	BROWN CT 6	60-S3	*	(5)	2,417,994.54	893,368	1,645,526	94,354	3.90	17.4
	BROWN CT 7	60-S3	*	(5)	2,421,079.26	871,507	1,670,626	95,793	3.96	17.4
	TRIMBLE COUNTY CT 5	60-S3	*	(5)	1,539,295.24	483,419	1,132,841	55,449	3.60	20.4
	TRIMBLE COUNTY CT 6	60-S3	*	(5)	1,537,167.60	482,827	1,131,199	55,369	3.60	20.4
	TRIMBLE COUNTY CT 7	60-S3	*	(5)	1,726,823.88	439,138	1,374,027	61,258	3.55	22.4
	TRIMBLE COUNTY CT 8	60-S3	*	(5)	1,717,276.72	436,711	1,366,430	60,920	3.55	22.4
	TRIMBLE COUNTY CT 9	60-S3	*	(5)	1,728,008.37	434,500	1,379,909	61,521	3.56	22.4
	TRIMBLE COUNTY CT 10	60-S3	*	(5)	1,722,674.29	433,159	1,375,649	61,331	3.56	22.4
	<i>TOTAL ACCOUNT 344 - GENERATORS</i>				33,171,947.16	16,608,293	18,222,252	1,015,570	3.06	17.9
345.00	ACCESSORY ELECTRIC EQUIPMENT									
	CANE RUN GT 11	45-R3	*	(5)	116,627.22	122,459	0	0	-	-
	ZORN AND RIVER ROAD GAS TURBINE	45-R3	*	(5)	44,282.77	46,497	0	0	-	-
	PADDY'S RUN GENERATOR 11	45-R3	*	(5)	68,109.35	70,884	631	98	0.14	6.4
	PADDY'S RUN GENERATOR 12	45-R3	*	(5)	912,641.50	131,728	826,546	128,022	14.03	6.5
	PADDY'S RUN GENERATOR 13	45-R3	*	(5)	2,778,992.60	992,746	1,925,196	102,951	3.70	18.7
	BROWN CT 5	45-R3	*	(5)	2,588,422.56	920,956	1,796,888	96,071	3.71	18.7
	BROWN CT 6	45-R3	*	(5)	970,189.22	359,270	659,429	39,116	4.03	16.9
	BROWN CT 7	45-R3	*	(5)	953,200.45	349,815	651,045	38,646	4.05	16.8
	TRIMBLE COUNTY CT 5	45-R3	*	(5)	706,963.22	213,484	528,827	26,855	3.80	19.7
	TRIMBLE COUNTY CT 6	45-R3	*	(5)	1,594,892.41	447,269	1,227,368	62,428	3.91	19.7
	TRIMBLE COUNTY CT 7	45-R3	*	(5)	1,843,364.42	481,481	1,454,052	67,285	3.65	21.6
	TRIMBLE COUNTY CT 8	45-R3	*	(5)	1,836,141.17	479,594	1,448,354	67,022	3.65	21.6
	TRIMBLE COUNTY CT 9	45-R3	*	(5)	1,890,840.33	488,486	1,496,896	69,268	3.66	21.6
	TRIMBLE COUNTY CT 10	45-R3	*	(5)	4,387,836.09	977,530	3,629,698	167,932	3.83	21.6
	<i>TOTAL ACCOUNT 345 - ACCESSORY ELECTRIC EQUIPMENT</i>				20,692,503.31	6,082,199	15,644,930	865,694	4.18	18.1
346.00	MISCELLANEOUS POWER PLANT EQUIPMENT									
	ZORN AND RIVER ROAD GAS TURBINE	50-S3	*	(5)	9,488.39	368	9,595	1,279	13.48	7.5
	PADDY'S RUN GENERATOR 11	50-S3	*	(5)	9,494.38	374	9,595	1,476	15.55	6.5
	PADDY'S RUN GENERATOR 13	50-S3	*	(5)	1,281,034.19	401,565	943,521	48,929	3.82	19.3
	BROWN CT 5	50-S3	*	(5)	2,395,225.12	815,731	1,699,255	88,126	3.68	19.3
	BROWN CT 6	50-S3	*	(5)	22,455.77	8,149	15,430	888	3.95	17.4
	BROWN CT 7	50-S3	*	(5)	23,047.78	8,142	16,058	924	4.01	17.4
	TRIMBLE COUNTY CT 5	50-S3	*	(5)	14,528.92	3,935	11,320	555	3.82	20.4
	TRIMBLE COUNTY CT 7	50-S3	*	(5)	5,204.51	1,298	4,167	187	3.59	22.3
	TRIMBLE COUNTY CT 8	50-S3	*	(5)	5,182.59	1,292	4,150	186	3.59	22.3
	TRIMBLE COUNTY CT 9	50-S3	*	(5)	5,328.44	1,315	4,280	192	3.60	22.3
	TRIMBLE COUNTY CT 10	50-S3	*	(5)	25,332.91	2,410	24,190	1,079	4.26	22.4
	<i>TOTAL ACCOUNT 346 - MISCELLANEOUS POWER PLANT EQUIPMENT</i>				3,796,323.00	1,244,579	2,741,561	143,821	3.79	19.1
	TOTAL OTHER PRODUCTION PLANT				237,736,376.66	70,021,698	179,601,499	10,322,047	4.34	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)	
TRANSMISSION PLANT									
350.10	LAND RIGHTS	60-R3	0	7,781,410.59	2,271,916	5,509,495	116,377	1.50	47.3
352.10	STRUCTURES AND IMPROVEMENTS	55-R1.5	(5)	6,456,555.13	1,500,856	5,278,527	112,155	1.74	47.1
353.10	STATION EQUIPMENT	55-R2.5	(10)	127,564,599.08	69,433,144	70,887,915	1,763,324	1.38	40.2
354.00	TOWERS AND FIXTURES	70-R3	(50)	40,070,495.05	22,555,849	37,549,894	688,232	1.72	54.6
355.00	POLES AND FIXTURES	53-R2	(55)	53,282,211.94	18,093,397	64,494,032	1,542,009	2.89	41.8
356.00	OVERHEAD CONDUCTORS AND DEVICES	50-R2	(40)	47,242,306.84	24,580,970	41,558,260	1,179,283	2.50	35.2
357.00	UNDERGROUND CONDUIT	55-R3	0	2,437,093.57	617,934	1,819,160	40,795	1.67	44.6
358.00	UNDERGROUND CONDUCTORS AND DEVICES	35-R3	(5)	5,659,798.38	2,183,949	3,758,839	168,808	2.98	22.3
TOTAL TRANSMISSION PLANT				290,494,470.58	141,238,015	230,856,122	5,610,983	1.93	
DISTRIBUTION PLANT									
361.00	STRUCTURES AND IMPROVEMENTS	50-L1.5	(10)	4,257,660.38	1,934,525	2,748,901	68,679	1.61	40.0
362.00	STATION EQUIPMENT	50-R1.5	(15)	106,268,031.32	37,506,516	84,701,720	2,221,197	2.09	38.1
364.00	POLES, TOWERS AND FIXTURES	50-R2.5	(70)	135,482,459.50	68,100,569	162,219,612	4,586,729	3.39	35.4
365.00	OVERHEAD CONDUCTORS AND DEVICES	50-R1.5	(60)	234,012,661.34	97,059,045	277,361,213	6,977,970	2.98	39.7
366.00	UNDERGROUND CONDUIT	70-R4	(20)	69,528,364.13	26,343,100	57,090,937	1,041,697	1.50	54.8
367.00	UNDERGROUND CONDUCTORS AND DEVICES	55-R3	(20)	145,471,542.41	48,421,476	126,144,375	2,797,549	1.92	45.1
368.00	LINE TRANSFORMERS	45-R3	(20)	140,346,229.93	63,165,088	105,250,388	3,341,572	2.38	31.5
369.10	SERVICES - UNDERGROUND	45-R2.5	(40)	6,152,801.50	1,616,005	6,997,917	204,433	3.32	34.2
369.20	SERVICES - OVERHEAD	50-R2	(100)	21,115,396.68	19,735,617	22,495,176	758,402	3.59	29.7
370.00	METERS	30-R2.5	0	37,655,788.09	19,907,329	17,748,459	1,099,191	2.92	16.1
373.10	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD	28-L0.5	(25)	34,508,233.24	12,877,300	30,257,992	1,368,855	3.97	22.1
373.20	STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND	35-R2	(30)	48,188,855.10	21,419,157	41,226,355	1,660,101	3.44	24.8
TOTAL DISTRIBUTION PLANT				982,988,023.62	418,085,727	934,243,045	26,126,375	2.66	
GENERAL PLANT									
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7-L2.5	0	1,570,997.82	1,071,980	499,018	86,083	5.48	5.8
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1	5	607,413.67	257,488	319,555	37,747	6.21	8.5
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14-S1.5	0	6,613,187.42	6,077,693	535,494	39,795	0.60	13.5
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	4,603,923.59	1,508,076	3,095,848	207,415	4.51	14.9
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	8-L2	0	1,292,580.47	1,292,580	0	0	-	-
396.20	POWER OPERATED EQUIPMENT - OTHER	17-L3	0	151,086.93	26,948	124,139	11,484	7.60	10.8
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12-L1.5	0	1,110,684.81	925,971	184,714	23,551	2.12	7.8
TOTAL GENERAL PLANT				15,949,874.71	11,160,736	4,758,768	406,075	2.55	
TOTAL DEPRECIABLE PLANT				3,691,278,545.16	1,794,522,567	2,652,187,716	112,892,722	3.06	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
NONDEPRECIABLE PLANT								
301.00	ORGANIZATION		2,240.29					
310.20	LAND		6,193,327.37					
310.25	LAND		100,000.00					
330.20	LAND		6.50					
340.20	LAND		8,132.93					
350.20	LAND		1,573,048.99					
360.20	LAND		<u>4,110,848.65</u>					
TOTAL NONDEPRECIABLE PLANT			<u>11,987,604.73</u>					
TOTAL ELECTRIC PLANT			<u>3,703,266,149.89</u>	<u>1,794,522,567</u>	<u>2,652,187,716</u>	<u>112,892,722</u>		

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

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

TABLE 2. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)	
						ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)		
DEPRECIABLE PLANT									
INTANGIBLE PLANT									
302.00	FRANCHISES AND CONSENTS	20-SQ	0	387.49	0	387	41	10.58	
	TOTAL INTANGIBLE PLANT			387.49	0	387	41		
UNDERGROUND STORAGE PLANT									
350.20	RIGHTS OF WAY	50-R4	0	95,613.59	70,451	25,163	532	0.56	47.3
351.20	COMPRESSOR STATION STRUCTURES	50-R2.5	(10)	5,410,190.92	933,237	5,017,973	108,660	2.01	46.2
351.30	MEASURING AND REGULATING STATION STRUCTURES	55-R2.5	(5)	33,151.61	14,636	20,173	377	1.14	53.5
351.40	OTHER STRUCTURES	50-R3	(10)	2,625,916.63	797,458	2,091,050	47,900	1.82	43.7
352.10	STORAGE LEASEHOLDS AND RIGHTS	65-R4	0	548,241.14	548,241	0	0	-	-
352.20	RESERVOIRS	55-R4	0	400,511.40	400,511	0	0	-	-
352.30	NONRECOVERABLE NATURAL GAS	50-SQ	0	9,648,855.00	7,772,377	1,876,478	80,455	0.83	23.3
352.40	WELL DRILLING	55-R2.5	(20)	2,479,720.03	2,363,114	612,550	17,808	0.72	34.4
352.50	WELL EQUIPMENT	45-R1.5	(20)	9,253,752.26	2,268,322	8,836,181	249,929	2.70	35.4
353.00	LINES	45-S1	(10)	14,858,719.63	7,285,215	9,059,377	271,042	1.82	33.4
354.00	COMPRESSOR STATION EQUIPMENT	45-S0.5	(5)	16,329,314.84	4,284,104	12,861,677	386,214	2.37	33.3
355.00	MEASURING AND REGULATING EQUIPMENT	40-R1	(5)	524,849.76	283,009	268,083	8,020	1.53	33.4
356.00	PURIFICATION EQUIPMENT	45-R2.5	(15)	11,973,222.45	5,297,390	8,471,816	235,774	1.97	35.9
357.00	OTHER EQUIPMENT	45-R2	(5)	1,678,594.97	353,504	1,409,021	37,731	2.25	37.3
	TOTAL UNDERGROUND STORAGE PLANT			75,860,654.23	32,671,569	50,549,542	1,444,442	1.90	
TRANSMISSION PLANT									
365.20	RIGHTS OF WAY	65-S3	0	220,659.05	208,837	11,822	359	0.16	32.9
367.00	MAINS	65-R2.5	(10)	18,839,307.69	12,039,067	8,684,171	148,781	0.79	58.4
	TOTAL TRANSMISSION PLANT			19,059,966.74	12,247,904	8,695,993	149,140	0.78	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

TABLE 2. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL		COMPOSITE REMAINING LIFE (9)=(6)/(7)	
						ACCRUAL AMOUNT (7)	ACCRUAL RATE (8)=(7)/(4)		
DISTRIBUTION PLANT									
374.22	OTHER DISTRIBUTION LAND RIGHTS	65-S3	0	74,018.23	74,018	0	0	-	-
375.10	STRUCTURES AND IMPROVEMENTS - CITY GATE STATION	55-R3	(5)	367,965.77	116,010	270,354	5,362	1.46	50.4
375.20	STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION	35-L2	(5)	532,497.30	196,424	362,698	28,015	5.26	12.9
376.00	MAINS	65-S2	(30)	324,092,532.74	107,208,091	314,112,202	6,132,273	1.89	51.2
378.00	MEASURING AND REGULATING STATION EQUIP - GENERAL	41-S0	(10)	12,438,038.09	2,753,837	10,928,005	320,825	2.58	34.1
379.00	MEASURING AND REGULATING STATION EQUIP - CITY GATE	45-R1	(15)	4,383,870.12	1,668,741	3,372,710	92,946	2.12	36.3
380.00	SERVICES	42-S0.5	(60)	193,629,870.11	69,756,860	240,050,932	7,330,124	3.79	32.7
381.00	METERS	28-R2	0	39,833,751.52	7,561,200	32,272,552	1,604,285	4.03	20.1
383.00	HOUSE REGULATORS	30-R3	(10)	23,477,954.50	591,351	25,234,399	962,582	4.10	26.2
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	40-S2.5	(5)	944,360.15	99,216	892,362	26,943	2.85	33.1
387.00	OTHER EQUIPMENT	40-S2	0	51,112.34	19,622	31,490	1,420	2.78	22.2
TOTAL DISTRIBUTION PLANT				599,825,970.87	190,045,370	627,527,704	16,504,775	2.75	
GENERAL PLANT									
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7-L2.5	0	250,262.20	208,638	41,624	6,571	2.63	6.3
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1	5	585,412.24	206,261	349,881	28,117	4.80	12.4
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14-S1.5	0	1,019,557.56	827,863	191,695	17,855	1.75	10.7
394.00	TOOLS, SHOP, AND GARAGE EQUIPMENT	25-SQ	0	4,147,480.45	1,536,691	2,610,789	193,227	4.66	13.5
396.10	POWER OPERATED EQUIPMENT - SMALL MACHINERY	8-L2	0	105,665.04	105,665	0	0	-	-
396.20	POWER OPERATED EQUIPMENT - OTHER	17-L3	5	177,781.80	36,346	132,547	10,484	5.90	12.6
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12-L1.5	0	2,181,086.96	1,894,612	286,475	25,276	1.16	11.3
TOTAL GENERAL PLANT				8,467,246.25	4,816,076	3,613,011	281,530	3.32	
TOTAL DEPRECIABLE PLANT				703,214,225.58	239,780,919	690,386,637	18,379,928	2.61	
NONDEPRECIABLE PLANT									
350.10	LAND			32,864.07					
374.12	LAND			59,724.58					
TOTAL NONDEPRECIABLE PLANT				92,588.65					
TOTAL GAS PLANT				703,306,814.23	239,780,919	690,386,637	18,379,928		

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

TABLE 3. SUMMARY OF ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND
CALCULATED ANNUAL DEPRECIATION RATES AS OF DECEMBER 31, 2011

ACCOUNT (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)=(7)/(4)	COMPOSITE REMAINING LIFE (9)=(6)/(7)
DEPRECIABLE PLANT								
INTANGIBLE PLANT								
303.00	COMPUTER SOFTWARE	5-SQ	18,699,664.04	8,710,015	9,989,649	2,612,308	13.97	3.8
303.10	CCS SOFTWARE	SQUARE *	44,348,600.76	11,361,589	32,987,012	4,398,269	9.92	7.5
TOTAL INTANGIBLE PLANT			63,048,264.80	20,071,604	42,976,661	7,010,577	11.12	
GENERAL PLANT								
STRUCTURES AND IMPROVEMENTS								
390.10	GENERAL OFFICE	35-R2	61,227,532.32	19,242,553	48,107,733	2,084,487	3.40	23.1
390.20	TRANSPORTATION	30-R1.5	412,150.57	60,313	372,445	24,628	5.98	15.1
390.30	STORES	45-R3	10,873,331.24	6,968,700	4,991,964	213,461	1.96	23.4
390.40	SHOPS	45-R0.5	536,692.08	170,857	392,670	11,022	2.05	35.6
390.60	MICROWAVE	45-R3	1,078,816.30	245,566	887,191	24,790	2.30	35.8
OFFICE FURNITURE AND EQUIPMENT								
391.10	FURNITURE	20-SQ	8,532,464.30	3,243,511	5,288,953	1,701,548	19.94	3.1
391.20	EQUIPMENT	15-SQ	2,086,579.53	958,222	1,128,358	170,315	8.16	6.6
391.30	COMPUTER EQUIPMENT	5-SQ	13,652,102.62	11,545,812	2,106,291	468,065	3.43	4.5
391.31	PERSONAL COMPUTER	4-SQ	3,810,320.93	1,956,748	1,853,573	833,643	21.88	2.2
391.33	COMPUTER EQUIPMENT - ECR 2006	10-SQ	77,639.12	77,639	0	0	-	-
391.40	SECURITY EQUIPMENT	10-SQ	2,241,823.44	964,697	1,277,126	407,636	18.18	3.1
392.10	TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS	7-L2.5	179,512.90	56,014	123,499	20,428	11.38	6.0
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	20-S1	83,874.30	28,654	51,027	5,319	6.34	9.6
392.30	TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER	14-S1.5	65,583.61	65,584	0	0	-	-
393.00	STORES EQUIPMENT	25-SQ	1,135,864.09	520,481	615,383	66,054	5.82	9.3
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	3,619,509.32	1,020,967	2,598,542	182,517	5.04	14.2
396.20	POWER OPERATED EQUIPMENT - OTHER	17-L3	14,147.08	9,287	3,445	929	6.57	3.7
396.30	POWER OPERATED EQUIPMENT - LARGE MACHINERY	12-L1.5	235,831.06	207,703	28,128	2,656	1.13	10.6
397.10	COMMUNICATION EQUIPMENT - GENERAL ASSETS	10-SQ	29,003,599.78	15,785,172	13,218,428	3,809,976	13.14	3.5
397.20	COMMUNICATION EQUIPMENT - SPECIFIC ASSETS	25-S1	5,055,373.07	1,548,518	3,506,855	247,338	4.89	14.2
397.30	COMMUNICATION EQUIPMENT - FULLY ACCURED	FULLY ACCRUED	11,378,217.07	11,378,217	0	0	-	-
397.40	COMMUNICATION EQUIPMENT - TRANSFER TO METER ACCOUNT	28-R2	2,243,314.65	1,211,390	1,031,925	63,621	2.84	16.2
397.50	COMMUNICATION EQUIPMENT - TRANSFER TO STRUCTURE ACCOUNT	35-R2	77,122.64	23,137	53,986	2,083	2.70	25.9
398.00	MISCELLANEOUS EQUIPMENT	10-SQ	21,815.61	21,816	0	0	-	-
TOTAL GENERAL PLANT			157,643,217.63	77,311,558	87,637,522	10,340,516	6.56	
TOTAL DEPRECIABLE PLANT			220,691,482.43	97,383,162	130,614,183	17,351,093	7.86	
NONDEPRECIABLE PLANT								
301.00	ORGANIZATION		83,782.29					
389.10	LAND		1,685,316.06					
389.20	LAND RIGHTS		202,094.94	134,867				
TOTAL NONDEPRECIABLE PLANT			1,971,193.29	134,867				
TOTAL COMMON PLANT			222,662,675.72	97,518,029	130,614,183	17,351,093		

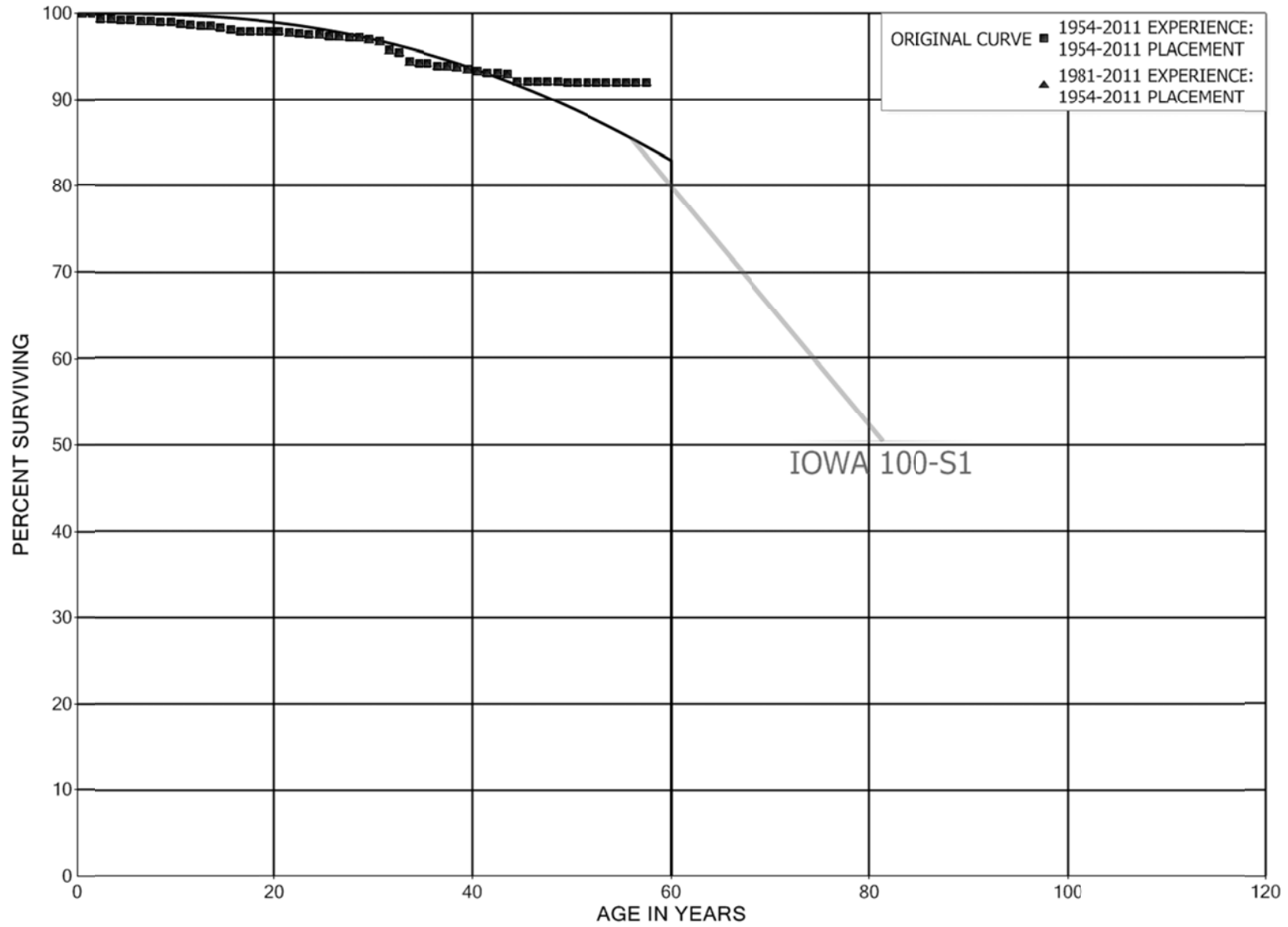
* CCS SOFTWARE IS DEPRECIATED WITH A FINAL RETIREMENT DATE OF JUNE 30, 2019

SERVICE LIFE STATISTICS

III-15

ELECTRIC PLANT

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	380,578,086		0.0000	1.0000	100.00
0.5	347,799,481	2,378	0.0000	1.0000	100.00
1.5	345,864,329	2,344,436	0.0068	0.9932	100.00
2.5	336,817,239	6,033	0.0000	1.0000	99.32
3.5	335,520,709	343,352	0.0010	0.9990	99.32
4.5	334,745,647	136,120	0.0004	0.9996	99.22
5.5	333,512,321	530,817	0.0016	0.9984	99.18
6.5	330,258,347	25,433	0.0001	0.9999	99.02
7.5	327,912,117	166,303	0.0005	0.9995	99.01
8.5	323,928,502	53,873	0.0002	0.9998	98.96
9.5	323,437,733	605,214	0.0019	0.9981	98.95
10.5	320,919,316	298,750	0.0009	0.9991	98.76
11.5	320,378,670	373,874	0.0012	0.9988	98.67
12.5	319,003,081	254,291	0.0008	0.9992	98.55
13.5	315,972,664	439,246	0.0014	0.9986	98.47
14.5	312,239,229	900,692	0.0029	0.9971	98.34
15.5	310,717,478	543,377	0.0017	0.9983	98.05
16.5	308,357,439	18,775	0.0001	0.9999	97.88
17.5	307,996,851	37,316	0.0001	0.9999	97.88
18.5	307,413,947	13,466	0.0000	1.0000	97.86
19.5	259,850,870	104,731	0.0004	0.9996	97.86
20.5	255,782,247	308,564	0.0012	0.9988	97.82
21.5	148,390,776	87,714	0.0006	0.9994	97.70
22.5	147,683,977	145,634	0.0010	0.9990	97.65
23.5	146,959,258	112,074	0.0008	0.9992	97.55
24.5	144,081,758	270,925	0.0019	0.9981	97.47
25.5	140,001,558	37,161	0.0003	0.9997	97.29
26.5	135,780,910	107,474	0.0008	0.9992	97.27
27.5	132,559,819	87,098	0.0007	0.9993	97.19
28.5	121,261,633	292,552	0.0024	0.9976	97.12
29.5	90,954,546	205,611	0.0023	0.9977	96.89
30.5	81,771,100	833,925	0.0102	0.9898	96.67
31.5	76,243,974	198,513	0.0026	0.9974	95.69
32.5	74,845,332	853,739	0.0114	0.9886	95.44
33.5	53,738,291	72,167	0.0013	0.9987	94.35
34.5	52,023,476	22,276	0.0004	0.9996	94.22
35.5	51,223,336	162,904	0.0032	0.9968	94.18
36.5	50,424,193	39,373	0.0008	0.9992	93.88
37.5	39,575,089	48,803	0.0012	0.9988	93.81
38.5	37,744,754	94,649	0.0025	0.9975	93.69

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	23,231,006	46,626	0.0020	0.9980	93.46	
40.5	23,105,577	49,569	0.0021	0.9979	93.27	
41.5	22,913,404		0.0000	1.0000	93.07	
42.5	17,524,124	28,313	0.0016	0.9984	93.07	
43.5	17,482,528	153,971	0.0088	0.9912	92.92	
44.5	16,653,200		0.0000	1.0000	92.10	
45.5	12,584,363	367	0.0000	1.0000	92.10	
46.5	12,576,795	2,868	0.0002	0.9998	92.10	
47.5	12,573,926		0.0000	1.0000	92.08	
48.5	12,552,316	12,026	0.0010	0.9990	92.08	
49.5	9,451,169	780	0.0001	0.9999	91.99	
50.5	9,450,389		0.0000	1.0000	91.98	
51.5	9,450,130	520	0.0001	0.9999	91.98	
52.5	9,447,444		0.0000	1.0000	91.98	
53.5	6,059,756	742	0.0001	0.9999	91.98	
54.5	6,058,719		0.0000	1.0000	91.97	
55.5	3,998,142		0.0000	1.0000	91.97	
56.5	3,998,142		0.0000	1.0000	91.97	
57.5					91.97	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	296,539,955		0.0000	1.0000	100.00
0.5	268,764,324	741	0.0000	1.0000	100.00
1.5	268,183,819	2,330,511	0.0087	0.9913	100.00
2.5	280,530,917	1,815	0.0000	1.0000	99.13
3.5	280,886,721	152,674	0.0005	0.9995	99.13
4.5	281,143,960	83,675	0.0003	0.9997	99.08
5.5	280,938,363	520,221	0.0019	0.9981	99.05
6.5	288,646,272	21,553	0.0001	0.9999	98.86
7.5	288,107,838	151,446	0.0005	0.9995	98.86
8.5	300,061,445	30,893	0.0001	0.9999	98.80
9.5	299,676,542	575,573	0.0019	0.9981	98.79
10.5	297,425,861	297,452	0.0010	0.9990	98.60
11.5	302,291,170	360,463	0.0012	0.9988	98.51
12.5	300,955,100	207,019	0.0007	0.9993	98.39
13.5	298,705,531	433,366	0.0015	0.9985	98.32
14.5	299,087,669	805,338	0.0027	0.9973	98.18
15.5	297,668,473	543,377	0.0018	0.9982	97.91
16.5	295,331,161	16,544	0.0001	0.9999	97.73
17.5	294,994,414	35,316	0.0001	0.9999	97.73
18.5	297,723,145	9,508	0.0000	1.0000	97.72
19.5	250,165,378	104,731	0.0004	0.9996	97.71
20.5	246,097,014	308,073	0.0013	0.9987	97.67
21.5	138,708,201	87,714	0.0006	0.9994	97.55
22.5	141,412,817	143,228	0.0010	0.9990	97.49
23.5	140,690,799	112,074	0.0008	0.9992	97.39
24.5	139,893,480	270,925	0.0019	0.9981	97.31
25.5	135,813,280	36,944	0.0003	0.9997	97.12
26.5	135,780,910	107,474	0.0008	0.9992	97.10
27.5	132,559,819	87,098	0.0007	0.9993	97.02
28.5	121,261,633	292,552	0.0024	0.9976	96.96
29.5	90,954,546	205,611	0.0023	0.9977	96.72
30.5	81,771,100	833,925	0.0102	0.9898	96.51
31.5	76,243,974	198,513	0.0026	0.9974	95.52
32.5	74,845,332	853,739	0.0114	0.9886	95.27
33.5	53,738,291	72,167	0.0013	0.9987	94.19
34.5	52,023,476	22,276	0.0004	0.9996	94.06
35.5	51,223,336	162,904	0.0032	0.9968	94.02
36.5	50,424,193	39,373	0.0008	0.9992	93.72
37.5	39,575,089	48,803	0.0012	0.9988	93.65
38.5	37,744,754	94,649	0.0025	0.9975	93.53

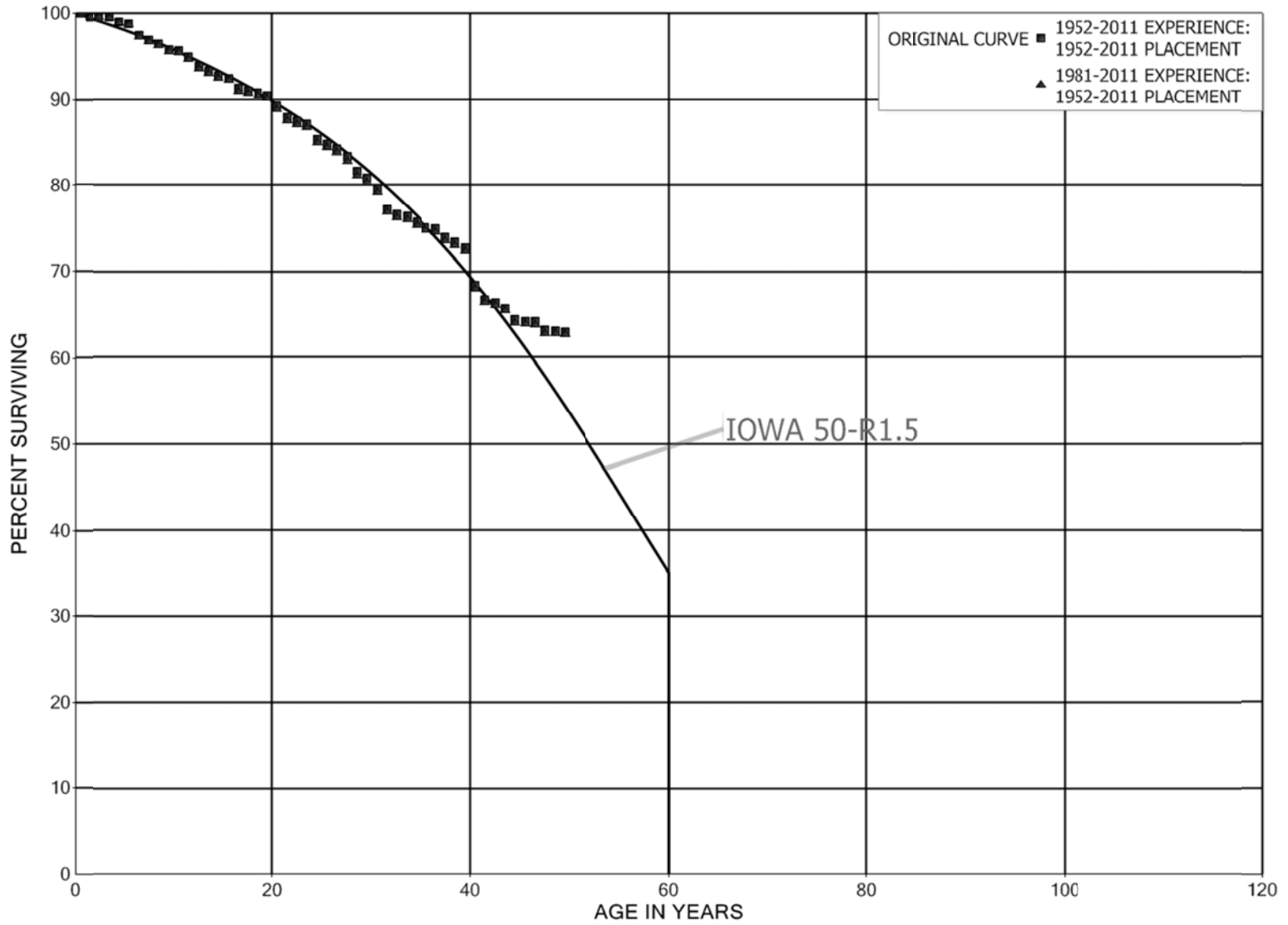
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	23,231,006	46,626	0.0020	0.9980	93.30	
40.5	23,105,577	49,569	0.0021	0.9979	93.11	
41.5	22,913,404		0.0000	1.0000	92.91	
42.5	17,524,124	28,313	0.0016	0.9984	92.91	
43.5	17,482,528	153,971	0.0088	0.9912	92.76	
44.5	16,653,200		0.0000	1.0000	91.94	
45.5	12,584,363	367	0.0000	1.0000	91.94	
46.5	12,576,795	2,868	0.0002	0.9998	91.94	
47.5	12,573,926		0.0000	1.0000	91.92	
48.5	12,552,316	12,026	0.0010	0.9990	91.92	
49.5	9,451,169	780	0.0001	0.9999	91.83	
50.5	9,450,389		0.0000	1.0000	91.82	
51.5	9,450,130	520	0.0001	0.9999	91.82	
52.5	9,447,444		0.0000	1.0000	91.82	
53.5	6,059,756	742	0.0001	0.9999	91.82	
54.5	6,058,719		0.0000	1.0000	91.81	
55.5	3,998,142		0.0000	1.0000	91.81	
56.5	3,998,142		0.0000	1.0000	91.81	
57.5					91.81	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1952-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	1,589,356,674	293,506	0.0002	0.9998	100.00	
0.5	1,427,403,177	6,203,275	0.0043	0.9957	99.98	
1.5	1,400,832,071	18,988	0.0000	1.0000	99.55	
2.5	1,378,556,057	819,486	0.0006	0.9994	99.55	
3.5	1,365,229,115	8,002,774	0.0059	0.9941	99.49	
4.5	1,360,030,496	1,755,399	0.0013	0.9987	98.90	
5.5	1,324,481,889	18,517,694	0.0140	0.9860	98.78	
6.5	1,283,298,756	7,706,521	0.0060	0.9940	97.39	
7.5	1,075,912,324	4,543,548	0.0042	0.9958	96.81	
8.5	1,029,767,713	6,772,515	0.0066	0.9934	96.40	
9.5	971,226,681	1,549,170	0.0016	0.9984	95.77	
10.5	921,567,895	6,613,608	0.0072	0.9928	95.61	
11.5	905,917,437	10,811,835	0.0119	0.9881	94.93	
12.5	844,462,797	4,564,948	0.0054	0.9946	93.80	
13.5	796,900,834	4,794,881	0.0060	0.9940	93.29	
14.5	771,980,646	2,346,110	0.0030	0.9970	92.73	
15.5	724,976,085	9,525,759	0.0131	0.9869	92.44	
16.5	707,309,600	1,788,467	0.0025	0.9975	91.23	
17.5	702,045,509	1,716,243	0.0024	0.9976	91.00	
18.5	690,571,992	2,940,930	0.0043	0.9957	90.78	
19.5	642,767,555	8,801,905	0.0137	0.9863	90.39	
20.5	628,565,867	9,654,747	0.0154	0.9846	89.15	
21.5	430,752,856	2,102,078	0.0049	0.9951	87.78	
22.5	424,816,809	1,335,223	0.0031	0.9969	87.36	
23.5	403,900,773	8,210,173	0.0203	0.9797	87.08	
24.5	362,331,322	2,369,143	0.0065	0.9935	85.31	
25.5	338,628,635	2,235,094	0.0066	0.9934	84.75	
26.5	313,367,505	3,536,545	0.0113	0.9887	84.19	
27.5	308,202,460	6,148,239	0.0199	0.9801	83.24	
28.5	294,373,866	2,874,153	0.0098	0.9902	81.58	
29.5	198,084,128	2,743,620	0.0139	0.9861	80.79	
30.5	173,092,373	5,312,695	0.0307	0.9693	79.67	
31.5	143,496,010	1,152,294	0.0080	0.9920	77.22	
32.5	130,584,229	280,508	0.0021	0.9979	76.60	
33.5	83,985,213	799,618	0.0095	0.9905	76.44	
34.5	77,177,104	622,167	0.0081	0.9919	75.71	
35.5	74,468,540	184,389	0.0025	0.9975	75.10	
36.5	73,406,551	951,734	0.0130	0.9870	74.91	
37.5	49,657,689	345,767	0.0070	0.9930	73.94	
38.5	49,018,319	462,974	0.0094	0.9906	73.43	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1952-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	26,680,195	1,596,269	0.0598	0.9402	72.73
40.5	25,081,209	603,918	0.0241	0.9759	68.38
41.5	24,223,431	116,175	0.0048	0.9952	66.74
42.5	14,245,037	140,311	0.0098	0.9902	66.42
43.5	14,000,462	296,448	0.0212	0.9788	65.76
44.5	13,240,363	42,354	0.0032	0.9968	64.37
45.5	7,720,670	2,120	0.0003	0.9997	64.16
46.5	7,709,545	122,993	0.0160	0.9840	64.15
47.5	7,586,552	5,133	0.0007	0.9993	63.12
48.5	7,581,419	8,777	0.0012	0.9988	63.08
49.5	1,517,132		0.0000	1.0000	63.01
50.5	1,501,376		0.0000	1.0000	63.01
51.5	1,501,376		0.0000	1.0000	63.01
52.5	1,501,376	6,004	0.0040	0.9960	63.01
53.5	987,136		0.0000	1.0000	62.75
54.5	987,136	561	0.0006	0.9994	62.75
55.5	866,488		0.0000	1.0000	62.72
56.5	866,488	1,471	0.0017	0.9983	62.72
57.5					62.61

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,375,528,347	293,506	0.0002	0.9998	100.00
0.5	1,241,248,831	6,202,823	0.0050	0.9950	99.98
1.5	1,216,434,712	14,308	0.0000	1.0000	99.48
2.5	1,262,721,526	818,639	0.0006	0.9994	99.48
3.5	1,258,223,486	7,741,339	0.0062	0.9938	99.41
4.5	1,260,628,220	1,722,973	0.0014	0.9986	98.80
5.5	1,226,067,790	18,419,212	0.0150	0.9850	98.67
6.5	1,206,713,859	7,646,144	0.0063	0.9937	97.18
7.5	999,893,908	3,986,922	0.0040	0.9960	96.57
8.5	980,752,133	6,686,914	0.0068	0.9932	96.18
9.5	922,436,016	1,547,885	0.0017	0.9983	95.53
10.5	873,628,063	6,555,100	0.0075	0.9925	95.37
11.5	871,087,159	10,721,228	0.0123	0.9877	94.65
12.5	810,311,247	4,503,495	0.0056	0.9944	93.49
13.5	763,542,423	4,541,094	0.0059	0.9941	92.97
14.5	747,557,576	2,331,573	0.0031	0.9969	92.41
15.5	700,579,012	9,509,787	0.0136	0.9864	92.13
16.5	683,191,014	1,752,085	0.0026	0.9974	90.88
17.5	678,003,754	1,716,243	0.0025	0.9975	90.64
18.5	674,291,784	2,935,727	0.0044	0.9956	90.41
19.5	626,528,307	8,801,905	0.0140	0.9860	90.02
20.5	612,335,822	9,590,811	0.0157	0.9843	88.75
21.5	414,634,910	2,094,275	0.0051	0.9949	87.36
22.5	414,579,008	1,328,165	0.0032	0.9968	86.92
23.5	393,714,379	8,210,173	0.0209	0.9791	86.65
24.5	356,981,537	2,369,143	0.0066	0.9934	84.84
25.5	333,278,850	2,223,381	0.0067	0.9933	84.28
26.5	313,327,505	3,536,545	0.0113	0.9887	83.71
27.5	308,162,460	6,148,239	0.0200	0.9800	82.77
28.5	294,373,866	2,874,153	0.0098	0.9902	81.12
29.5	198,084,128	2,743,620	0.0139	0.9861	80.32
30.5	173,092,373	5,312,695	0.0307	0.9693	79.21
31.5	143,496,010	1,152,294	0.0080	0.9920	76.78
32.5	130,584,229	280,508	0.0021	0.9979	76.16
33.5	83,985,213	799,618	0.0095	0.9905	76.00
34.5	77,177,104	622,167	0.0081	0.9919	75.28
35.5	74,468,540	184,389	0.0025	0.9975	74.67
36.5	73,406,551	951,734	0.0130	0.9870	74.49
37.5	49,657,689	345,767	0.0070	0.9930	73.52
38.5	49,018,319	462,974	0.0094	0.9906	73.01

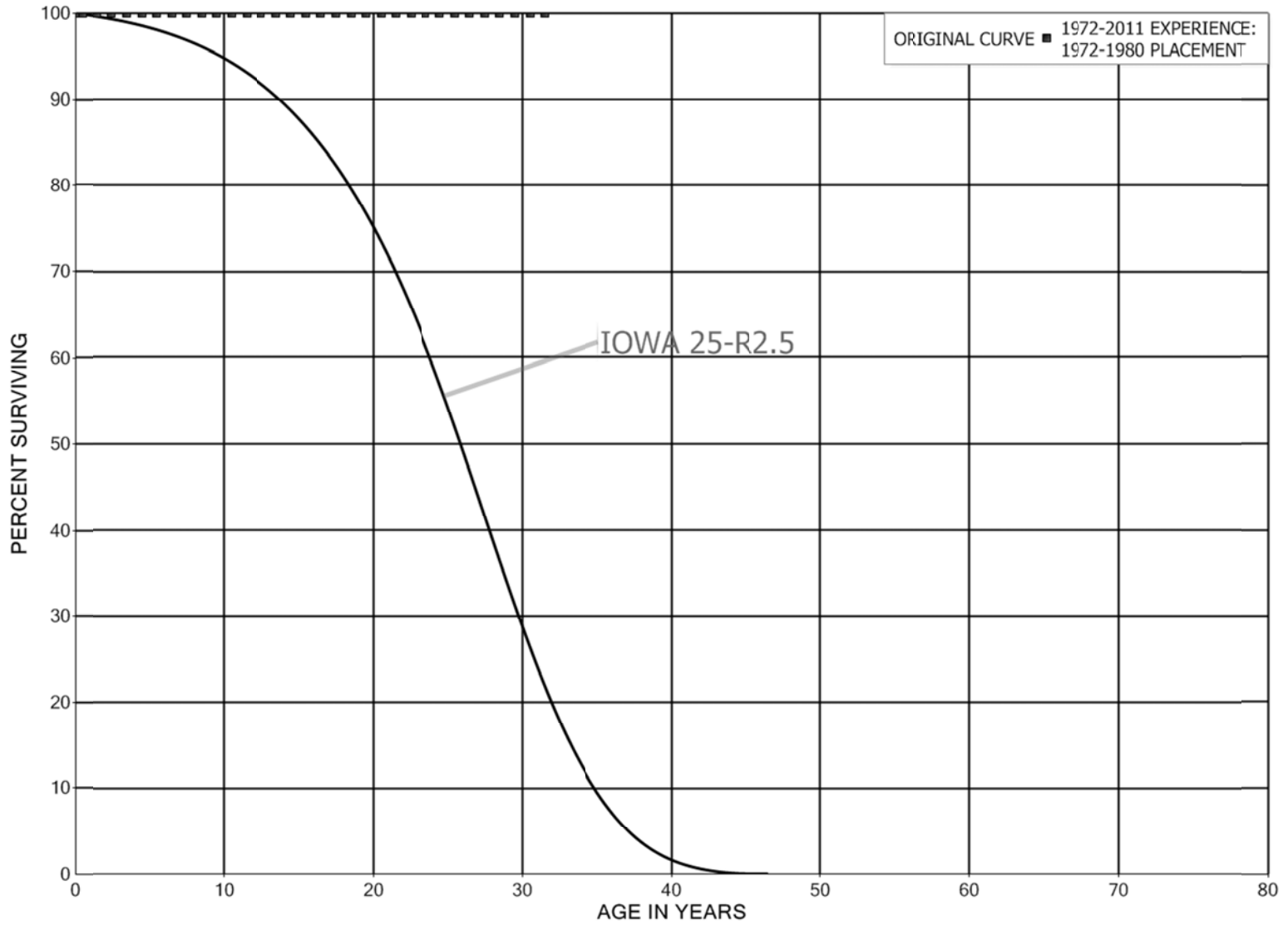
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	26,680,195	1,596,269	0.0598	0.9402	72.32
40.5	25,081,209	603,918	0.0241	0.9759	67.99
41.5	24,223,431	116,175	0.0048	0.9952	66.35
42.5	14,245,037	140,311	0.0098	0.9902	66.04
43.5	14,000,462	296,448	0.0212	0.9788	65.39
44.5	13,240,363	42,354	0.0032	0.9968	64.00
45.5	7,720,670	2,120	0.0003	0.9997	63.80
46.5	7,709,545	122,993	0.0160	0.9840	63.78
47.5	7,586,552	5,133	0.0007	0.9993	62.76
48.5	7,581,419	8,777	0.0012	0.9988	62.72
49.5	1,517,132		0.0000	1.0000	62.65
50.5	1,501,376		0.0000	1.0000	62.65
51.5	1,501,376		0.0000	1.0000	62.65
52.5	1,501,376	6,004	0.0040	0.9960	62.65
53.5	987,136		0.0000	1.0000	62.40
54.5	987,136	561	0.0006	0.9994	62.40
55.5	866,488		0.0000	1.0000	62.36
56.5	866,488	1,471	0.0017	0.9983	62.36
57.5					62.25

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



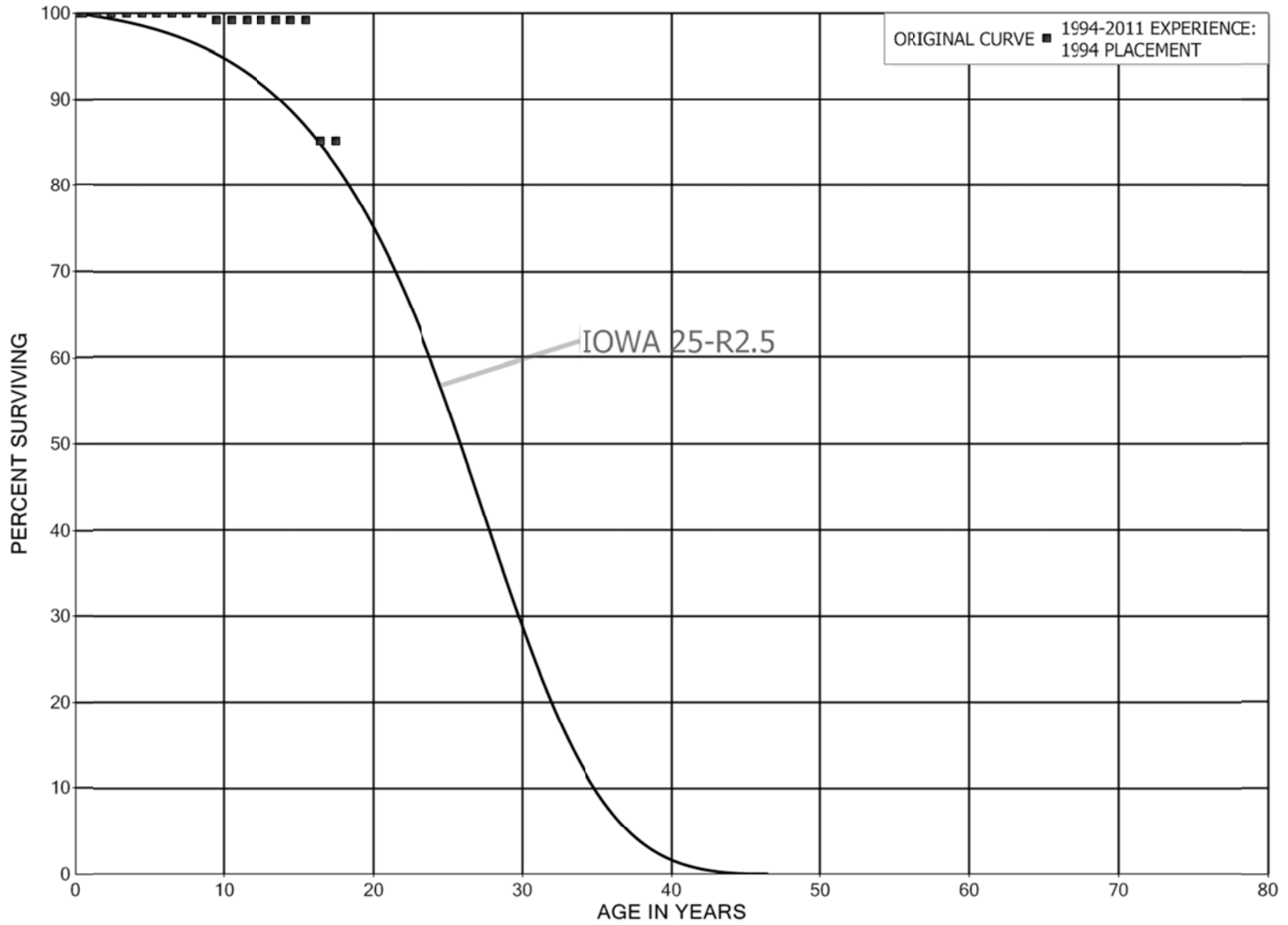
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312.01 LOCOMOTIVES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1972-1980			EXPERIENCE BAND 1972-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	664,974		0.0000	1.0000	100.00
0.5	664,974		0.0000	1.0000	100.00
1.5	664,974		0.0000	1.0000	100.00
2.5	664,974		0.0000	1.0000	100.00
3.5	664,974		0.0000	1.0000	100.00
4.5	664,974		0.0000	1.0000	100.00
5.5	664,974		0.0000	1.0000	100.00
6.5	664,974		0.0000	1.0000	100.00
7.5	664,974		0.0000	1.0000	100.00
8.5	664,974		0.0000	1.0000	100.00
9.5	664,974		0.0000	1.0000	100.00
10.5	664,974		0.0000	1.0000	100.00
11.5	664,974		0.0000	1.0000	100.00
12.5	664,974		0.0000	1.0000	100.00
13.5	664,974		0.0000	1.0000	100.00
14.5	664,974		0.0000	1.0000	100.00
15.5	664,974		0.0000	1.0000	100.00
16.5	664,974		0.0000	1.0000	100.00
17.5	664,974		0.0000	1.0000	100.00
18.5	664,974		0.0000	1.0000	100.00
19.5	664,974		0.0000	1.0000	100.00
20.5	664,974		0.0000	1.0000	100.00
21.5	664,974		0.0000	1.0000	100.00
22.5	664,974		0.0000	1.0000	100.00
23.5	664,974		0.0000	1.0000	100.00
24.5	664,974		0.0000	1.0000	100.00
25.5	664,974		0.0000	1.0000	100.00
26.5	664,974		0.0000	1.0000	100.00
27.5	664,974		0.0000	1.0000	100.00
28.5	664,974		0.0000	1.0000	100.00
29.5	664,974		0.0000	1.0000	100.00
30.5	664,974		0.0000	1.0000	100.00
31.5	198,661		0.0000	1.0000	100.00
32.5	198,661		0.0000	1.0000	100.00
33.5	198,661		0.0000	1.0000	100.00
34.5	198,661		0.0000	1.0000	100.00
35.5	198,661		0.0000	1.0000	100.00
36.5	198,661		0.0000	1.0000	100.00
37.5	198,661		0.0000	1.0000	100.00
38.5	51,549		0.0000	1.0000	100.00
39.5					100.00

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



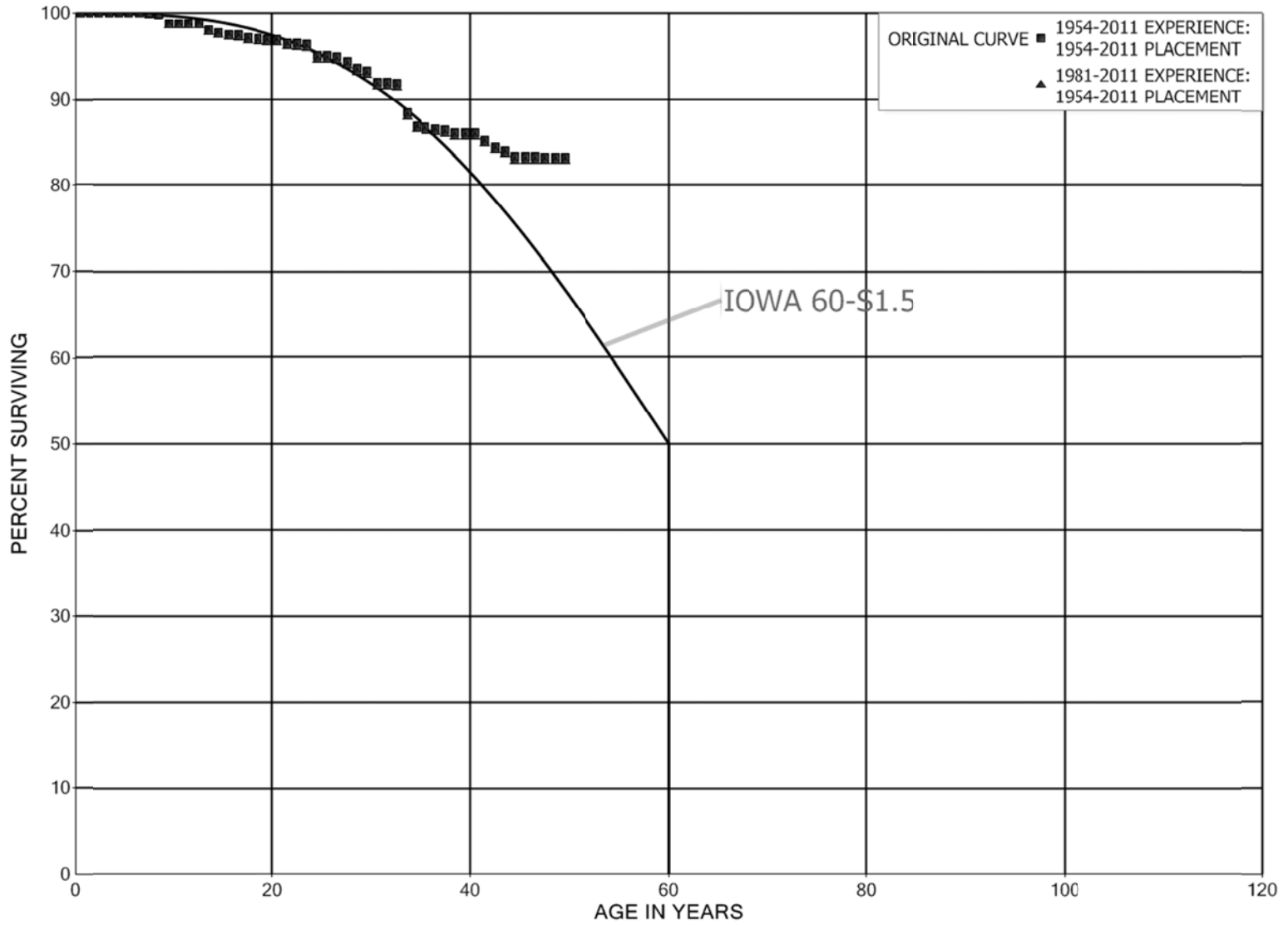
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312.02 RAIL CARS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1994			EXPERIENCE BAND 1994-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,466,784		0.0000	1.0000	100.00
0.5	4,466,784		0.0000	1.0000	100.00
1.5	4,466,784		0.0000	1.0000	100.00
2.5	4,466,784		0.0000	1.0000	100.00
3.5	4,466,784		0.0000	1.0000	100.00
4.5	4,466,784		0.0000	1.0000	100.00
5.5	4,466,784		0.0000	1.0000	100.00
6.5	4,466,784		0.0000	1.0000	100.00
7.5	4,466,784		0.0000	1.0000	100.00
8.5	4,466,784	38,534	0.0086	0.9914	100.00
9.5	4,428,250		0.0000	1.0000	99.14
10.5	4,428,250		0.0000	1.0000	99.14
11.5	4,428,250		0.0000	1.0000	99.14
12.5	4,428,250		0.0000	1.0000	99.14
13.5	4,428,250		0.0000	1.0000	99.14
14.5	4,428,250		0.0000	1.0000	99.14
15.5	4,428,250	628,100	0.1418	0.8582	99.14
16.5	3,800,150		0.0000	1.0000	85.08
17.5					85.08

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	266,879,043		0.0000	1.0000	100.00
0.5	242,114,050		0.0000	1.0000	100.00
1.5	241,631,221		0.0000	1.0000	100.00
2.5	238,599,937		0.0000	1.0000	100.00
3.5	223,729,056	7,908	0.0000	1.0000	100.00
4.5	223,192,892	39,514	0.0002	0.9998	100.00
5.5	219,493,685	115,471	0.0005	0.9995	99.98
6.5	216,389,468	239,951	0.0011	0.9989	99.93
7.5	212,509,720	276,808	0.0013	0.9987	99.82
8.5	204,697,056	1,864,424	0.0091	0.9909	99.69
9.5	202,344,807	9,300	0.0000	1.0000	98.78
10.5	201,602,794	12,000	0.0001	0.9999	98.77
11.5	200,901,209	26,735	0.0001	0.9999	98.77
12.5	199,643,589	1,447,108	0.0072	0.9928	98.75
13.5	198,023,839	563,930	0.0028	0.9972	98.04
14.5	196,049,964	416,559	0.0021	0.9979	97.76
15.5	190,128,056	126,000	0.0007	0.9993	97.55
16.5	188,149,604	654,090	0.0035	0.9965	97.49
17.5	186,318,480	218,006	0.0012	0.9988	97.15
18.5	164,211,908	77,984	0.0005	0.9995	97.03
19.5	161,231,545	27,206	0.0002	0.9998	96.99
20.5	154,924,288	764,781	0.0049	0.9951	96.97
21.5	115,484,727	34,631	0.0003	0.9997	96.49
22.5	115,450,096	118,921	0.0010	0.9990	96.46
23.5	115,263,936	1,549,810	0.0134	0.9866	96.36
24.5	113,689,645	21,006	0.0002	0.9998	95.07
25.5	113,578,492	74,875	0.0007	0.9993	95.05
26.5	113,406,065	698,722	0.0062	0.9938	94.99
27.5	112,703,224	989,623	0.0088	0.9912	94.40
28.5	110,634,985	383,235	0.0035	0.9965	93.57
29.5	74,588,697	1,044,725	0.0140	0.9860	93.25
30.5	73,496,651	2,940	0.0000	1.0000	91.94
31.5	69,950,441	107,277	0.0015	0.9985	91.94
32.5	61,490,080	2,296,618	0.0373	0.9627	91.80
33.5	47,706,035	822,237	0.0172	0.9828	88.37
34.5	46,851,084	67,967	0.0015	0.9985	86.85
35.5	46,783,117	102,528	0.0022	0.9978	86.72
36.5	46,651,606	97,824	0.0021	0.9979	86.53
37.5	29,956,225	111,776	0.0037	0.9963	86.35
38.5	29,812,744		0.0000	1.0000	86.03

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	18,524,498		0.0000	1.0000	86.03
40.5	18,467,158	175,790	0.0095	0.9905	86.03
41.5	18,284,887	167,464	0.0092	0.9908	85.21
42.5	11,569,580	64,820	0.0056	0.9944	84.43
43.5	11,504,760	97,844	0.0085	0.9915	83.96
44.5	11,406,260		0.0000	1.0000	83.24
45.5	6,084,285		0.0000	1.0000	83.24
46.5	6,084,285	2,639	0.0004	0.9996	83.24
47.5	6,079,950		0.0000	1.0000	83.21
48.5	6,066,593		0.0000	1.0000	83.21
49.5	686,900		0.0000	1.0000	83.21
50.5	686,900		0.0000	1.0000	83.21
51.5	686,900	0	0.0000	1.0000	83.21
52.5	686,900		0.0000	1.0000	83.21
53.5	119,080		0.0000	1.0000	83.21
54.5	119,080		0.0000	1.0000	83.21
55.5	105,161		0.0000	1.0000	83.21
56.5	105,161		0.0000	1.0000	83.21
57.5					83.21

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	184,268,141		0.0000	1.0000	100.00
0.5	159,503,823		0.0000	1.0000	100.00
1.5	168,632,820		0.0000	1.0000	100.00
2.5	180,551,182		0.0000	1.0000	100.00
3.5	166,021,524	7,393	0.0000	1.0000	100.00
4.5	165,491,288	39,164	0.0002	0.9998	100.00
5.5	161,851,614	113,194	0.0007	0.9993	99.97
6.5	172,531,362	236,900	0.0014	0.9986	99.90
7.5	168,819,943	271,634	0.0016	0.9984	99.76
8.5	172,526,076	1,844,424	0.0107	0.9893	99.60
9.5	170,251,167	5,000	0.0000	1.0000	98.54
10.5	169,533,736	12,000	0.0001	0.9999	98.54
11.5	177,012,878	26,735	0.0002	0.9998	98.53
12.5	175,755,258	1,446,525	0.0082	0.9918	98.51
13.5	174,142,648	563,930	0.0032	0.9968	97.70
14.5	177,807,582	403,559	0.0023	0.9977	97.39
15.5	172,062,114	126,000	0.0007	0.9993	97.17
16.5	170,086,075	654,090	0.0038	0.9962	97.10
17.5	168,268,612	218,006	0.0013	0.9987	96.72
18.5	151,878,121	77,984	0.0005	0.9995	96.60
19.5	148,897,758	27,206	0.0002	0.9998	96.55
20.5	142,629,735	764,781	0.0054	0.9946	96.53
21.5	103,190,174	19,631	0.0002	0.9998	96.01
22.5	107,958,400	118,921	0.0011	0.9989	95.99
23.5	107,772,240	1,549,810	0.0144	0.9856	95.89
24.5	110,032,510	21,006	0.0002	0.9998	94.51
25.5	109,921,357	66,171	0.0006	0.9994	94.49
26.5	113,406,065	698,722	0.0062	0.9938	94.43
27.5	112,703,224	989,623	0.0088	0.9912	93.85
28.5	110,634,985	383,235	0.0035	0.9965	93.03
29.5	74,588,697	1,044,725	0.0140	0.9860	92.71
30.5	73,496,651	2,940	0.0000	1.0000	91.41
31.5	69,950,441	107,277	0.0015	0.9985	91.40
32.5	61,490,080	2,296,618	0.0373	0.9627	91.26
33.5	47,706,035	822,237	0.0172	0.9828	87.85
34.5	46,851,084	67,967	0.0015	0.9985	86.34
35.5	46,783,117	102,528	0.0022	0.9978	86.22
36.5	46,651,606	97,824	0.0021	0.9979	86.03
37.5	29,956,225	111,776	0.0037	0.9963	85.85
38.5	29,812,744		0.0000	1.0000	85.53

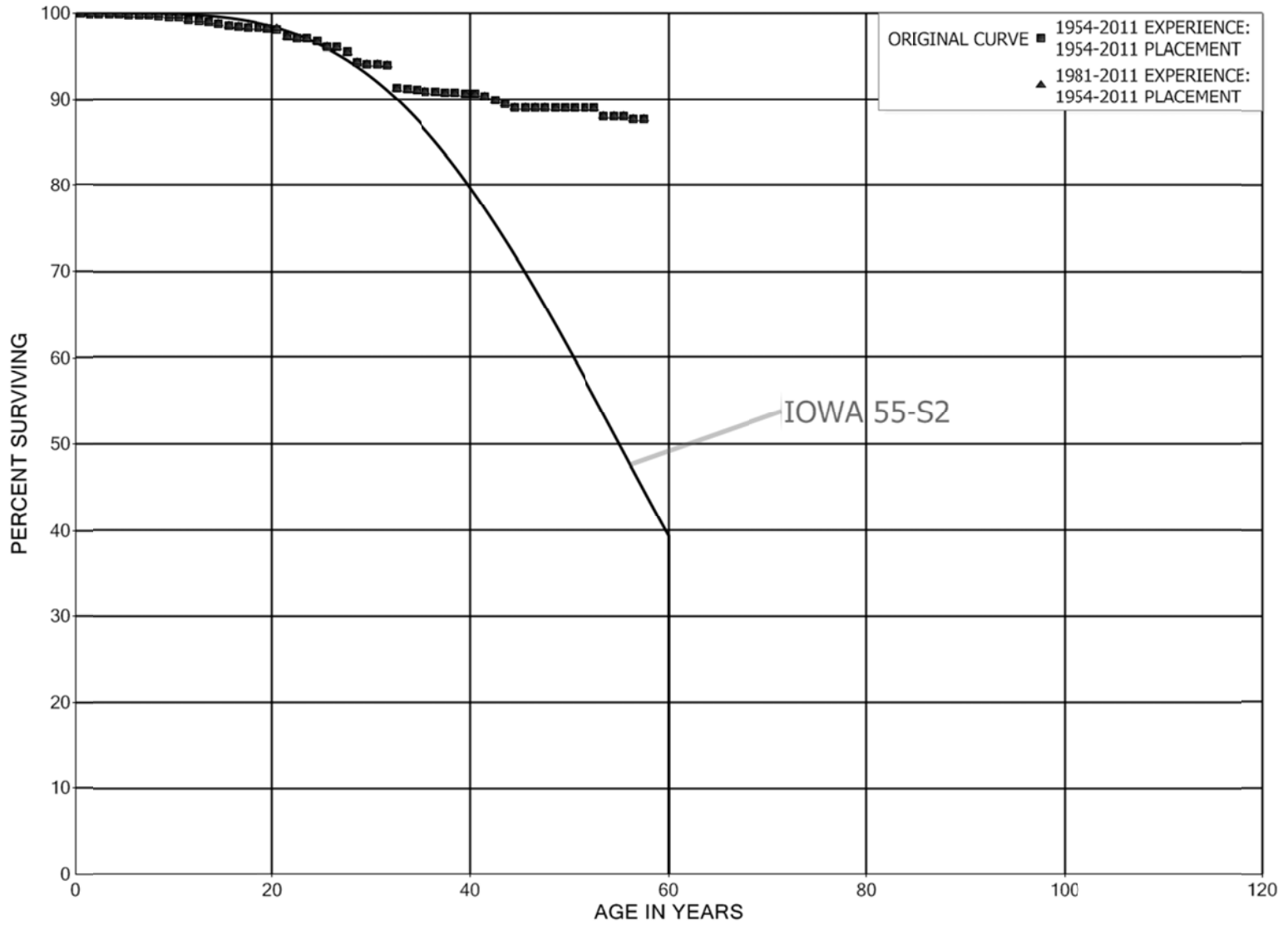
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	18,524,498		0.0000	1.0000	85.53
40.5	18,467,158	175,790	0.0095	0.9905	85.53
41.5	18,284,887	167,464	0.0092	0.9908	84.71
42.5	11,569,580	64,820	0.0056	0.9944	83.94
43.5	11,504,760	97,844	0.0085	0.9915	83.47
44.5	11,406,260		0.0000	1.0000	82.76
45.5	6,084,285		0.0000	1.0000	82.76
46.5	6,084,285	2,639	0.0004	0.9996	82.76
47.5	6,079,950		0.0000	1.0000	82.72
48.5	6,066,593		0.0000	1.0000	82.72
49.5	686,900		0.0000	1.0000	82.72
50.5	686,900		0.0000	1.0000	82.72
51.5	686,900	0	0.0000	1.0000	82.72
52.5	686,900		0.0000	1.0000	82.72
53.5	119,080		0.0000	1.0000	82.72
54.5	119,080		0.0000	1.0000	82.72
55.5	105,161		0.0000	1.0000	82.72
56.5	105,161		0.0000	1.0000	82.72
57.5					82.72

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	184,263,384		0.0000	1.0000	100.00
0.5	173,316,556	191,611	0.0011	0.9989	100.00
1.5	170,871,013	2,203	0.0000	1.0000	99.89
2.5	169,766,931	35,138	0.0002	0.9998	99.89
3.5	169,636,857	115,358	0.0007	0.9993	99.87
4.5	170,876,789	35,225	0.0002	0.9998	99.80
5.5	170,833,371	110,294	0.0006	0.9994	99.78
6.5	170,404,634	33,426	0.0002	0.9998	99.71
7.5	170,229,673	76,726	0.0005	0.9995	99.70
8.5	169,825,556	155,507	0.0009	0.9991	99.65
9.5	170,585,239	5,110	0.0000	1.0000	99.56
10.5	170,274,162	627,299	0.0037	0.9963	99.56
11.5	160,274,311	142,581	0.0009	0.9991	99.19
12.5	160,076,570	209,300	0.0013	0.9987	99.10
13.5	157,195,392	385,262	0.0025	0.9975	98.97
14.5	144,491,047	353,967	0.0024	0.9976	98.73
15.5	145,662,714	101,392	0.0007	0.9993	98.49
16.5	145,528,452	138,129	0.0009	0.9991	98.42
17.5	141,953,295	31,390	0.0002	0.9998	98.32
18.5	140,707,553	246,240	0.0018	0.9982	98.30
19.5	128,695,840	22,428	0.0002	0.9998	98.13
20.5	127,546,894	1,139,752	0.0089	0.9911	98.11
21.5	79,899,076	148,640	0.0019	0.9981	97.24
22.5	79,609,249	18,283	0.0002	0.9998	97.06
23.5	78,510,449	292,708	0.0037	0.9963	97.03
24.5	77,198,647	463,342	0.0060	0.9940	96.67
25.5	76,528,833	23,842	0.0003	0.9997	96.09
26.5	76,377,250	479,074	0.0063	0.9937	96.06
27.5	76,484,512	922,930	0.0121	0.9879	95.46
28.5	76,302,107	160,900	0.0021	0.9979	94.31
29.5	52,331,351	5,000	0.0001	0.9999	94.11
30.5	43,125,640	65,587	0.0015	0.9985	94.10
31.5	35,822,208	1,017,815	0.0284	0.9716	93.96
32.5	33,056,861	48,007	0.0015	0.9985	91.29
33.5	19,601,585	28,187	0.0014	0.9986	91.15
34.5	19,994,726	36,494	0.0018	0.9982	91.02
35.5	19,813,012	13,132	0.0007	0.9993	90.86
36.5	17,979,780	23,441	0.0013	0.9987	90.80
37.5	13,198,730		0.0000	1.0000	90.68
38.5	12,961,982	8,974	0.0007	0.9993	90.68

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1954-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,389,200		0.0000	1.0000	90.62
40.5	8,378,063	26,717	0.0032	0.9968	90.62
41.5	8,351,346	49,866	0.0060	0.9940	90.33
42.5	6,701,820	28,081	0.0042	0.9958	89.79
43.5	6,647,351	34,048	0.0051	0.9949	89.41
44.5	6,318,512		0.0000	1.0000	88.95
45.5	5,386,015		0.0000	1.0000	88.95
46.5	5,376,535		0.0000	1.0000	88.95
47.5	5,020,753	748	0.0001	0.9999	88.95
48.5	5,018,350		0.0000	1.0000	88.94
49.5	3,819,444	784	0.0002	0.9998	88.94
50.5	3,817,932		0.0000	1.0000	88.92
51.5	3,817,135		0.0000	1.0000	88.92
52.5	3,816,635	39,155	0.0103	0.9897	88.92
53.5	3,018,178		0.0000	1.0000	88.01
54.5	3,017,663		0.0000	1.0000	88.01
55.5	1,784,909	7,356	0.0041	0.9959	88.01
56.5	1,776,132		0.0000	1.0000	87.65
57.5					87.65

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	137,608,939		0.0000	1.0000	100.00
0.5	133,762,210	191,313	0.0014	0.9986	100.00
1.5	131,485,504		0.0000	1.0000	99.86
2.5	144,179,041		0.0000	1.0000	99.86
3.5	145,383,695	107,473	0.0007	0.9993	99.86
4.5	148,220,311	26,346	0.0002	0.9998	99.78
5.5	148,664,937	48,969	0.0003	0.9997	99.77
6.5	153,202,252	32,001	0.0002	0.9998	99.73
7.5	153,285,831	8,046	0.0001	0.9999	99.71
8.5	158,826,601	153,502	0.0010	0.9990	99.71
9.5	159,599,427	5,110	0.0000	1.0000	99.61
10.5	159,311,351	623,816	0.0039	0.9961	99.61
11.5	151,862,655	141,212	0.0009	0.9991	99.22
12.5	151,740,154	209,300	0.0014	0.9986	99.12
13.5	149,203,450	385,262	0.0026	0.9974	98.99
14.5	138,075,706	352,723	0.0026	0.9974	98.73
15.5	139,259,509	101,392	0.0007	0.9993	98.48
16.5	139,157,303	135,909	0.0010	0.9990	98.41
17.5	135,586,022	11,418	0.0001	0.9999	98.31
18.5	135,595,326	223,859	0.0017	0.9983	98.30
19.5	123,612,666	17,890	0.0001	0.9999	98.14
20.5	122,497,549	1,129,337	0.0092	0.9908	98.13
21.5	74,860,646	148,640	0.0020	0.9980	97.22
22.5	75,559,132	18,283	0.0002	0.9998	97.03
23.5	74,460,847	292,708	0.0039	0.9961	97.01
24.5	74,942,880	463,342	0.0062	0.9938	96.62
25.5	74,274,487	23,842	0.0003	0.9997	96.03
26.5	76,377,250	479,074	0.0063	0.9937	96.00
27.5	76,484,512	922,930	0.0121	0.9879	95.39
28.5	76,302,107	160,900	0.0021	0.9979	94.24
29.5	52,331,351	5,000	0.0001	0.9999	94.04
30.5	43,125,640	65,587	0.0015	0.9985	94.04
31.5	35,822,208	1,017,815	0.0284	0.9716	93.89
32.5	33,056,861	48,007	0.0015	0.9985	91.23
33.5	19,601,585	28,187	0.0014	0.9986	91.09
34.5	19,994,726	36,494	0.0018	0.9982	90.96
35.5	19,813,012	13,132	0.0007	0.9993	90.80
36.5	17,979,780	23,441	0.0013	0.9987	90.74
37.5	13,198,730		0.0000	1.0000	90.62
38.5	12,961,982	8,974	0.0007	0.9993	90.62

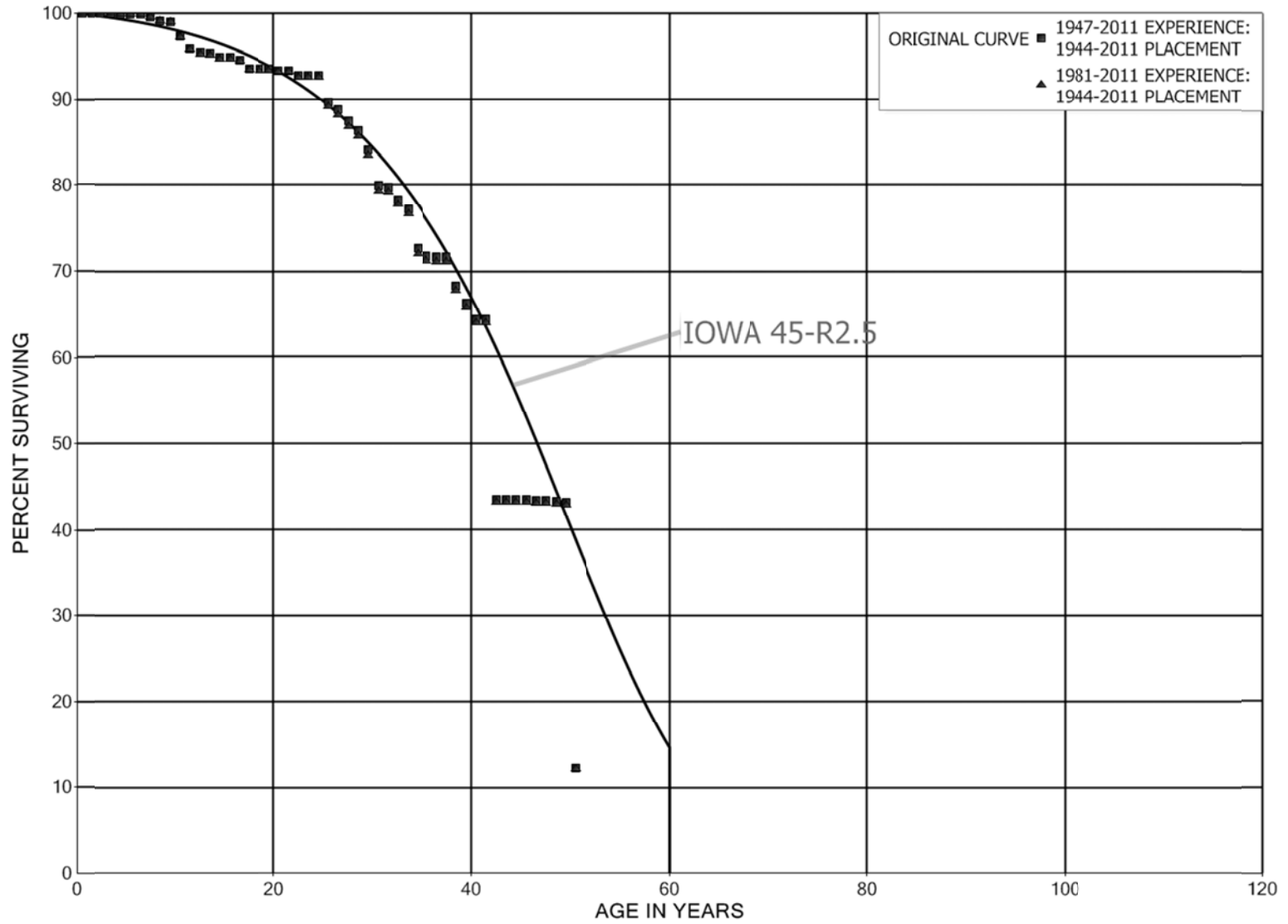
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,389,200		0.0000	1.0000	90.55
40.5	8,378,063	26,717	0.0032	0.9968	90.55
41.5	8,351,346	49,866	0.0060	0.9940	90.27
42.5	6,701,820	28,081	0.0042	0.9958	89.73
43.5	6,647,351	34,048	0.0051	0.9949	89.35
44.5	6,318,512		0.0000	1.0000	88.89
45.5	5,386,015		0.0000	1.0000	88.89
46.5	5,376,535		0.0000	1.0000	88.89
47.5	5,020,753	748	0.0001	0.9999	88.89
48.5	5,018,350		0.0000	1.0000	88.88
49.5	3,819,444	784	0.0002	0.9998	88.88
50.5	3,817,932		0.0000	1.0000	88.86
51.5	3,817,135		0.0000	1.0000	88.86
52.5	3,816,635	39,155	0.0103	0.9897	88.86
53.5	3,018,178		0.0000	1.0000	87.95
54.5	3,017,663		0.0000	1.0000	87.95
55.5	1,784,909	7,356	0.0041	0.9959	87.95
56.5	1,776,132		0.0000	1.0000	87.59
57.5					87.59

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1947-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	18,022,693		0.0000	1.0000	100.00
0.5	15,232,916	677	0.0000	1.0000	100.00
1.5	14,766,030	2,120	0.0001	0.9999	100.00
2.5	14,030,854	4,972	0.0004	0.9996	99.98
3.5	13,569,820	13,766	0.0010	0.9990	99.95
4.5	13,152,558	2,071	0.0002	0.9998	99.84
5.5	13,116,905	1,257	0.0001	0.9999	99.83
6.5	12,295,232	36,381	0.0030	0.9970	99.82
7.5	11,295,132	48,412	0.0043	0.9957	99.52
8.5	10,309,205	14,785	0.0014	0.9986	99.10
9.5	9,841,180	168,173	0.0171	0.9829	98.96
10.5	9,385,214	135,629	0.0145	0.9855	97.26
11.5	9,172,139	49,169	0.0054	0.9946	95.86
12.5	8,615,301	5,166	0.0006	0.9994	95.34
13.5	8,411,623	44,523	0.0053	0.9947	95.29
14.5	7,920,047		0.0000	1.0000	94.78
15.5	7,257,330	18,555	0.0026	0.9974	94.78
16.5	6,657,334	70,208	0.0105	0.9895	94.54
17.5	6,393,273	2,730	0.0004	0.9996	93.54
18.5	6,313,974	1,595	0.0003	0.9997	93.50
19.5	6,160,111	9,507	0.0015	0.9985	93.48
20.5	4,872,146		0.0000	1.0000	93.34
21.5	3,072,467	18,936	0.0062	0.9938	93.34
22.5	2,957,757		0.0000	1.0000	92.76
23.5	2,706,323	1	0.0000	1.0000	92.76
24.5	2,539,235	85,434	0.0336	0.9664	92.76
25.5	2,246,928	22,195	0.0099	0.9901	89.64
26.5	2,117,236	31,595	0.0149	0.9851	88.75
27.5	1,927,398	25,751	0.0134	0.9866	87.43
28.5	1,871,303	46,782	0.0250	0.9750	86.26
29.5	1,787,545	88,373	0.0494	0.9506	84.11
30.5	1,558,648	3,404	0.0022	0.9978	79.95
31.5	1,441,408	26,283	0.0182	0.9818	79.77
32.5	1,347,709	19,721	0.0146	0.9854	78.32
33.5	1,039,891	61,903	0.0595	0.9405	77.17
34.5	922,712	10,217	0.0111	0.9889	72.58
35.5	900,449	2,275	0.0025	0.9975	71.77
36.5	881,193	145	0.0002	0.9998	71.59
37.5	824,235	37,887	0.0460	0.9540	71.58
38.5	685,442	20,669	0.0302	0.9698	68.29

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1947-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	293,543	7,988	0.0272	0.9728	66.23	
40.5	281,813	2	0.0000	1.0000	64.43	
41.5	278,539	90,306	0.3242	0.6758	64.43	
42.5	187,564		0.0000	1.0000	43.54	
43.5	185,965		0.0000	1.0000	43.54	
44.5	176,031		0.0000	1.0000	43.54	
45.5	167,844	483	0.0029	0.9971	43.54	
46.5	159,831		0.0000	1.0000	43.41	
47.5	158,107	485	0.0031	0.9969	43.41	
48.5	157,299	200	0.0013	0.9987	43.28	
49.5	157,099	112,892	0.7186	0.2814	43.23	
50.5	40,689		0.0000	1.0000	12.16	
51.5	38,472		0.0000	1.0000	12.16	
52.5	38,472		0.0000	1.0000	12.16	
53.5	38,472		0.0000	1.0000	12.16	
54.5	38,270		0.0000	1.0000	12.16	
55.5	37,214		0.0000	1.0000	12.16	
56.5	29,806		0.0000	1.0000	12.16	
57.5	29,104		0.0000	1.0000	12.16	
58.5	28,982		0.0000	1.0000	12.16	
59.5	28,982		0.0000	1.0000	12.16	
60.5	28,871		0.0000	1.0000	12.16	
61.5	20,131		0.0000	1.0000	12.16	
62.5	3,223		0.0000	1.0000	12.16	
63.5	1,634		0.0000	1.0000	12.16	
64.5	277		0.0000	1.0000	12.16	
65.5	277		0.0000	1.0000	12.16	
66.5	277		0.0000	1.0000	12.16	
67.5					12.16	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	16,169,195		0.0000	1.0000	100.00
0.5	13,441,656		0.0000	1.0000	100.00
1.5	13,033,459		0.0000	1.0000	100.00
2.5	12,622,297	4,542	0.0004	0.9996	100.00
3.5	12,211,193	13,088	0.0011	0.9989	99.96
4.5	11,803,191		0.0000	1.0000	99.86
5.5	11,791,349		0.0000	1.0000	99.86
6.5	11,044,476	32,962	0.0030	0.9970	99.86
7.5	10,154,455	45,486	0.0045	0.9955	99.56
8.5	9,592,137	11,240	0.0012	0.9988	99.11
9.5	9,168,273	167,788	0.0183	0.9817	99.00
10.5	8,738,658	135,629	0.0155	0.9845	97.19
11.5	8,552,087	49,169	0.0057	0.9943	95.68
12.5	8,014,848	5,166	0.0006	0.9994	95.13
13.5	7,849,066	38,474	0.0049	0.9951	95.07
14.5	7,466,221		0.0000	1.0000	94.60
15.5	6,805,296	18,004	0.0026	0.9974	94.60
16.5	6,225,317	64,201	0.0103	0.9897	94.35
17.5	5,979,200	2,730	0.0005	0.9995	93.38
18.5	5,972,626	1,595	0.0003	0.9997	93.33
19.5	5,824,471	9,255	0.0016	0.9984	93.31
20.5	4,539,717		0.0000	1.0000	93.16
21.5	2,740,568	18,936	0.0069	0.9931	93.16
22.5	2,671,754		0.0000	1.0000	92.52
23.5	2,420,320	1	0.0000	1.0000	92.52
24.5	2,280,835	85,434	0.0375	0.9625	92.52
25.5	1,989,096	22,195	0.0112	0.9888	89.05
26.5	2,117,036	31,595	0.0149	0.9851	88.06
27.5	1,927,198	25,751	0.0134	0.9866	86.74
28.5	1,871,103	46,782	0.0250	0.9750	85.58
29.5	1,787,345	88,373	0.0494	0.9506	83.44
30.5	1,558,448	3,404	0.0022	0.9978	79.32
31.5	1,441,208	26,283	0.0182	0.9818	79.15
32.5	1,347,509	19,721	0.0146	0.9854	77.70
33.5	1,039,891	61,903	0.0595	0.9405	76.56
34.5	922,712	10,217	0.0111	0.9889	72.01
35.5	900,449	2,275	0.0025	0.9975	71.21
36.5	881,193	145	0.0002	0.9998	71.03
37.5	824,235	37,887	0.0460	0.9540	71.02
38.5	685,442	20,669	0.0302	0.9698	67.75

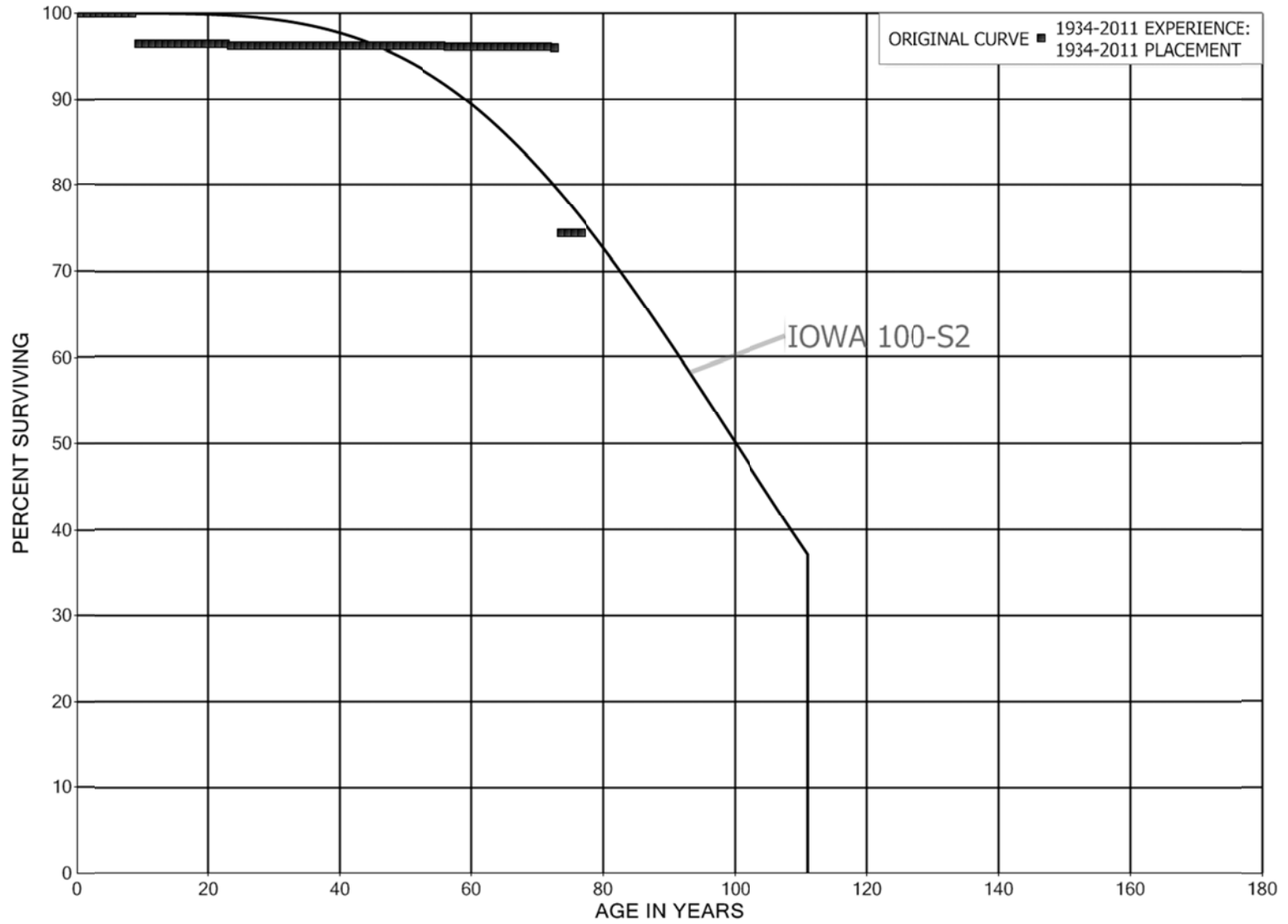
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	293,543	7,988	0.0272	0.9728	65.71	
40.5	281,813	2	0.0000	1.0000	63.92	
41.5	278,539	90,306	0.3242	0.6758	63.92	
42.5	187,564		0.0000	1.0000	43.20	
43.5	185,965		0.0000	1.0000	43.20	
44.5	176,031		0.0000	1.0000	43.20	
45.5	167,844	483	0.0029	0.9971	43.20	
46.5	159,831		0.0000	1.0000	43.07	
47.5	158,107	485	0.0031	0.9969	43.07	
48.5	157,299	200	0.0013	0.9987	42.94	
49.5	157,099	112,892	0.7186	0.2814	42.89	
50.5	40,689		0.0000	1.0000	12.07	
51.5	38,472		0.0000	1.0000	12.07	
52.5	38,472		0.0000	1.0000	12.07	
53.5	38,472		0.0000	1.0000	12.07	
54.5	38,270		0.0000	1.0000	12.07	
55.5	37,214		0.0000	1.0000	12.07	
56.5	29,806		0.0000	1.0000	12.07	
57.5	29,104		0.0000	1.0000	12.07	
58.5	28,982		0.0000	1.0000	12.07	
59.5	28,982		0.0000	1.0000	12.07	
60.5	28,871		0.0000	1.0000	12.07	
61.5	20,131		0.0000	1.0000	12.07	
62.5	3,223		0.0000	1.0000	12.07	
63.5	1,634		0.0000	1.0000	12.07	
64.5	277		0.0000	1.0000	12.07	
65.5	277		0.0000	1.0000	12.07	
66.5	277		0.0000	1.0000	12.07	
67.5					12.07	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,072,111		0.0000	1.0000	100.00
0.5	5,884,893		0.0000	1.0000	100.00
1.5	5,884,893		0.0000	1.0000	100.00
2.5	5,735,446		0.0000	1.0000	100.00
3.5	5,725,288		0.0000	1.0000	100.00
4.5	5,485,754		0.0000	1.0000	100.00
5.5	5,485,754		0.0000	1.0000	100.00
6.5	5,060,945		0.0000	1.0000	100.00
7.5	5,060,945		0.0000	1.0000	100.00
8.5	5,060,945	181,888	0.0359	0.9641	100.00
9.5	4,863,568		0.0000	1.0000	96.41
10.5	4,863,568		0.0000	1.0000	96.41
11.5	4,863,568		0.0000	1.0000	96.41
12.5	4,863,568		0.0000	1.0000	96.41
13.5	4,832,028		0.0000	1.0000	96.41
14.5	4,818,063		0.0000	1.0000	96.41
15.5	4,818,063		0.0000	1.0000	96.41
16.5	4,708,744	1,380	0.0003	0.9997	96.41
17.5	4,693,801		0.0000	1.0000	96.38
18.5	4,681,123		0.0000	1.0000	96.38
19.5	4,514,871		0.0000	1.0000	96.38
20.5	4,514,871		0.0000	1.0000	96.38
21.5	4,513,885		0.0000	1.0000	96.38
22.5	4,512,466	7,939	0.0018	0.9982	96.38
23.5	4,496,913		0.0000	1.0000	96.21
24.5	4,496,913		0.0000	1.0000	96.21
25.5	4,493,423	7	0.0000	1.0000	96.21
26.5	4,493,416	396	0.0001	0.9999	96.21
27.5	4,490,481		0.0000	1.0000	96.20
28.5	4,474,877		0.0000	1.0000	96.20
29.5	4,474,877		0.0000	1.0000	96.20
30.5	4,474,877		0.0000	1.0000	96.20
31.5	4,314,646		0.0000	1.0000	96.20
32.5	4,310,058		0.0000	1.0000	96.20
33.5	4,305,701		0.0000	1.0000	96.20
34.5	4,305,701		0.0000	1.0000	96.20
35.5	4,305,701		0.0000	1.0000	96.20
36.5	4,305,568		0.0000	1.0000	96.20
37.5	4,282,483		0.0000	1.0000	96.20
38.5	4,282,483		0.0000	1.0000	96.20

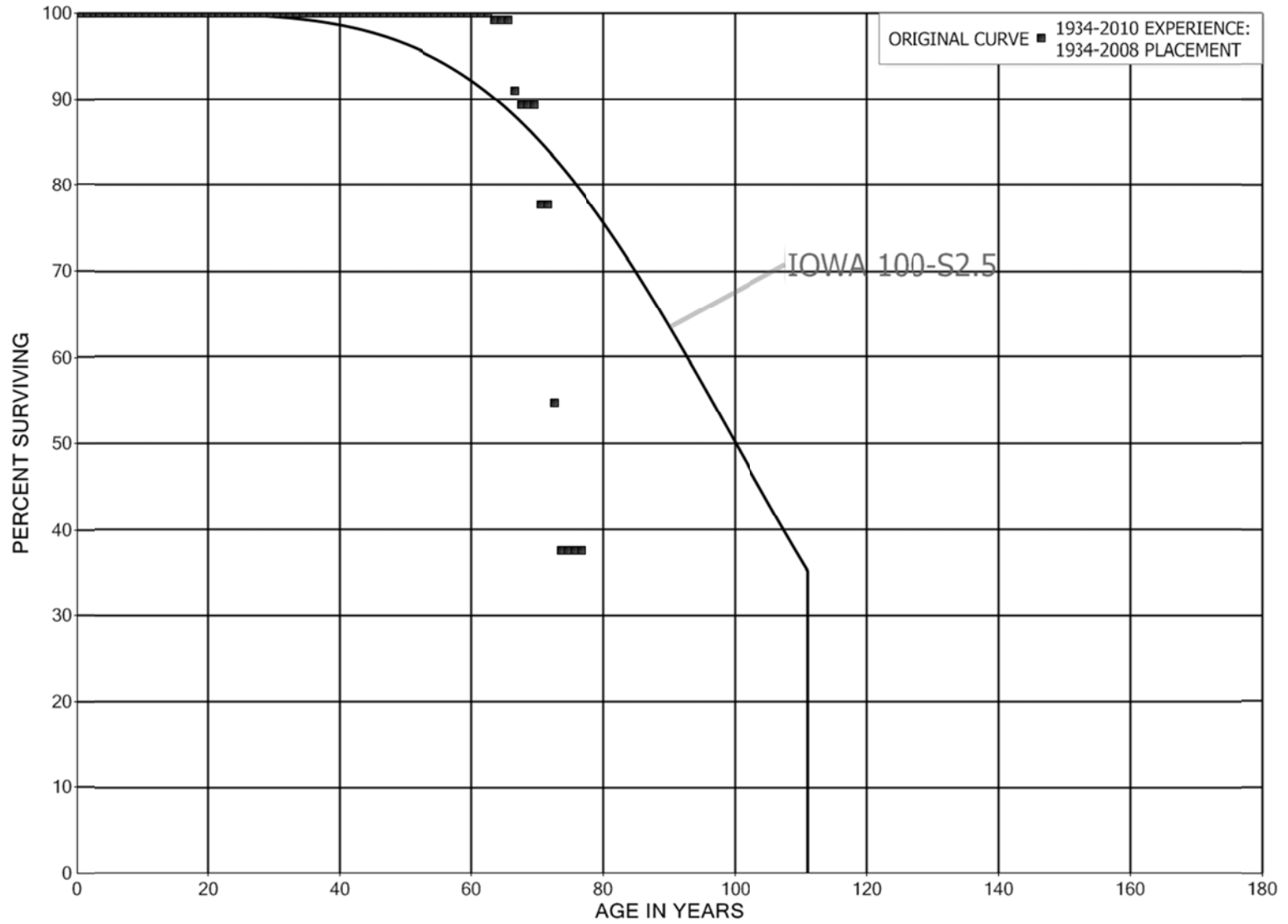
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,282,483		0.0000	1.0000	96.20
40.5	4,282,483		0.0000	1.0000	96.20
41.5	4,281,993	271	0.0001	0.9999	96.20
42.5	4,281,722		0.0000	1.0000	96.19
43.5	4,281,722		0.0000	1.0000	96.19
44.5	4,279,950		0.0000	1.0000	96.19
45.5	4,279,950		0.0000	1.0000	96.19
46.5	4,270,654		0.0000	1.0000	96.19
47.5	4,270,654		0.0000	1.0000	96.19
48.5	4,270,654		0.0000	1.0000	96.19
49.5	4,260,787		0.0000	1.0000	96.19
50.5	4,259,910		0.0000	1.0000	96.19
51.5	4,259,910		0.0000	1.0000	96.19
52.5	4,259,527		0.0000	1.0000	96.19
53.5	4,259,427		0.0000	1.0000	96.19
54.5	4,259,427	1,509	0.0004	0.9996	96.19
55.5	4,257,918	2,305	0.0005	0.9995	96.16
56.5	4,255,613	299	0.0001	0.9999	96.11
57.5	4,255,314		0.0000	1.0000	96.10
58.5	4,255,314		0.0000	1.0000	96.10
59.5	4,255,314		0.0000	1.0000	96.10
60.5	4,079,179		0.0000	1.0000	96.10
61.5	4,066,722		0.0000	1.0000	96.10
62.5	4,065,027	1,134	0.0003	0.9997	96.10
63.5	4,063,892		0.0000	1.0000	96.07
64.5	4,062,075		0.0000	1.0000	96.07
65.5	4,060,158	1,225	0.0003	0.9997	96.07
66.5	4,058,933		0.0000	1.0000	96.04
67.5	4,058,933		0.0000	1.0000	96.04
68.5	4,054,193		0.0000	1.0000	96.04
69.5	4,053,326		0.0000	1.0000	96.04
70.5	4,051,072		0.0000	1.0000	96.04
71.5	4,051,072	6,141	0.0015	0.9985	96.04
72.5	4,042,232	904,241	0.2237	0.7763	95.90
73.5	3,137,742		0.0000	1.0000	74.45
74.5	3,136,042		0.0000	1.0000	74.45
75.5	3,136,042		0.0000	1.0000	74.45
76.5	3,136,042		0.0000	1.0000	74.45
77.5					74.45

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAY

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2008			EXPERIENCE BAND 1934-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	11,528,399		0.0000	1.0000	100.00
0.5	11,528,399		0.0000	1.0000	100.00
1.5	11,528,399		0.0000	1.0000	100.00
2.5	9,423,500		0.0000	1.0000	100.00
3.5	4,998,408		0.0000	1.0000	100.00
4.5	4,998,408		0.0000	1.0000	100.00
5.5	4,998,408		0.0000	1.0000	100.00
6.5	311,985		0.0000	1.0000	100.00
7.5	311,985		0.0000	1.0000	100.00
8.5	311,985		0.0000	1.0000	100.00
9.5	311,985		0.0000	1.0000	100.00
10.5	156,421		0.0000	1.0000	100.00
11.5	156,421		0.0000	1.0000	100.00
12.5	156,421		0.0000	1.0000	100.00
13.5	156,421		0.0000	1.0000	100.00
14.5	156,421		0.0000	1.0000	100.00
15.5	156,421		0.0000	1.0000	100.00
16.5	156,421		0.0000	1.0000	100.00
17.5	156,421		0.0000	1.0000	100.00
18.5	156,421		0.0000	1.0000	100.00
19.5	156,421		0.0000	1.0000	100.00
20.5	156,421		0.0000	1.0000	100.00
21.5	156,421		0.0000	1.0000	100.00
22.5	156,421		0.0000	1.0000	100.00
23.5	156,421		0.0000	1.0000	100.00
24.5	156,421		0.0000	1.0000	100.00
25.5	156,421		0.0000	1.0000	100.00
26.5	156,421		0.0000	1.0000	100.00
27.5	156,421		0.0000	1.0000	100.00
28.5	156,421		0.0000	1.0000	100.00
29.5	156,421		0.0000	1.0000	100.00
30.5	156,421		0.0000	1.0000	100.00
31.5	156,421		0.0000	1.0000	100.00
32.5	156,421		0.0000	1.0000	100.00
33.5	149,005		0.0000	1.0000	100.00
34.5	149,005		0.0000	1.0000	100.00
35.5	149,005		0.0000	1.0000	100.00
36.5	149,005		0.0000	1.0000	100.00
37.5	149,005		0.0000	1.0000	100.00
38.5	149,005		0.0000	1.0000	100.00

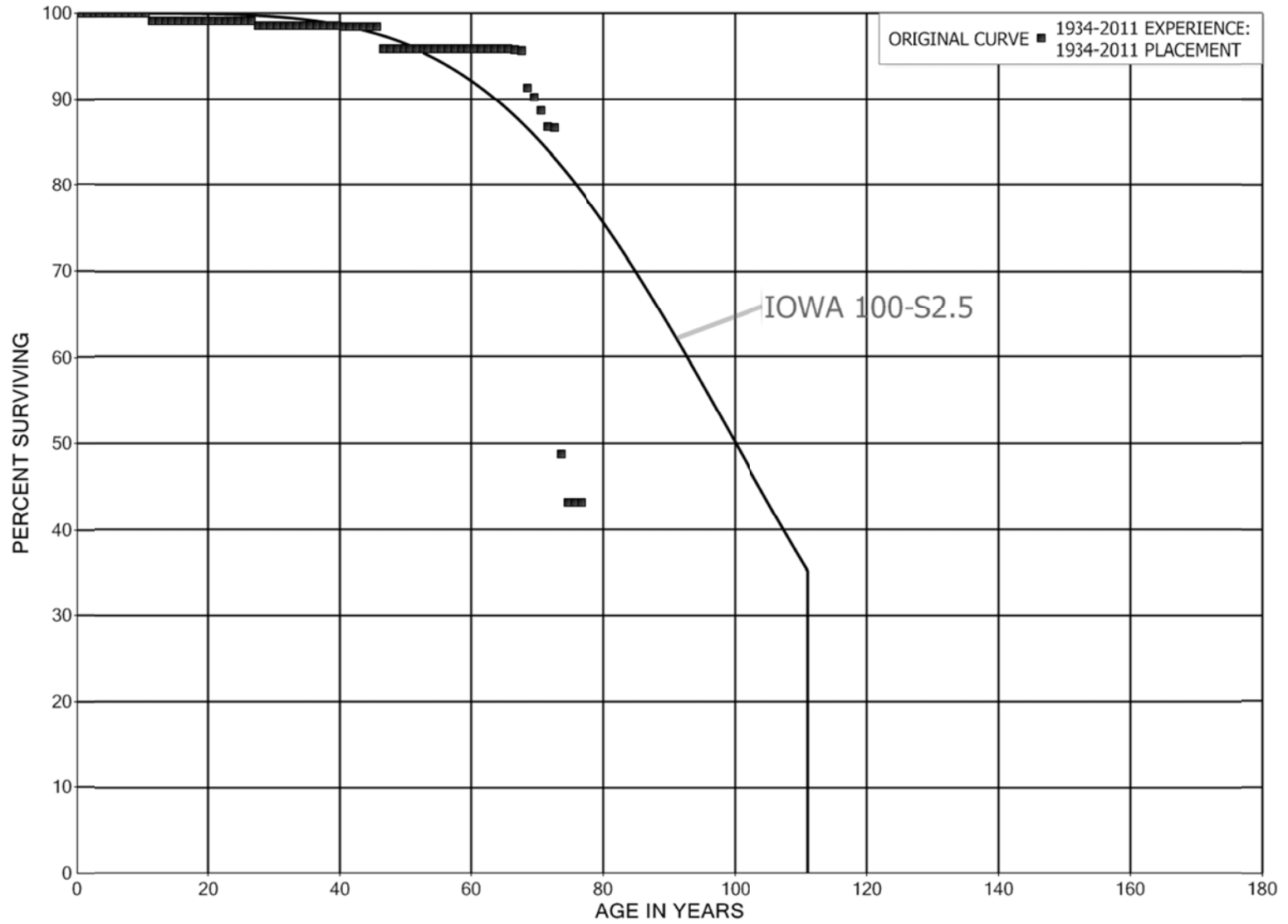
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2008			EXPERIENCE BAND 1934-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	149,005		0.0000	1.0000	100.00
40.5	149,005		0.0000	1.0000	100.00
41.5	149,005		0.0000	1.0000	100.00
42.5	149,005		0.0000	1.0000	100.00
43.5	149,005		0.0000	1.0000	100.00
44.5	149,005		0.0000	1.0000	100.00
45.5	149,005		0.0000	1.0000	100.00
46.5	149,005		0.0000	1.0000	100.00
47.5	149,005		0.0000	1.0000	100.00
48.5	149,005		0.0000	1.0000	100.00
49.5	149,005		0.0000	1.0000	100.00
50.5	114,775		0.0000	1.0000	100.00
51.5	114,775		0.0000	1.0000	100.00
52.5	114,775		0.0000	1.0000	100.00
53.5	114,775		0.0000	1.0000	100.00
54.5	114,775		0.0000	1.0000	100.00
55.5	114,775		0.0000	1.0000	100.00
56.5	114,775		0.0000	1.0000	100.00
57.5	114,775		0.0000	1.0000	100.00
58.5	114,775		0.0000	1.0000	100.00
59.5	114,775		0.0000	1.0000	100.00
60.5	114,775		0.0000	1.0000	100.00
61.5	114,771		0.0000	1.0000	100.00
62.5	114,771	1,000	0.0087	0.9913	100.00
63.5	113,770		0.0000	1.0000	99.13
64.5	113,770		0.0000	1.0000	99.13
65.5	113,770	9,374	0.0824	0.9176	99.13
66.5	104,396	1,977	0.0189	0.9811	90.96
67.5	102,419		0.0000	1.0000	89.24
68.5	102,419		0.0000	1.0000	89.24
69.5	102,419	13,208	0.1290	0.8710	89.24
70.5	89,211		0.0000	1.0000	77.73
71.5	88,648	26,286	0.2965	0.7035	77.73
72.5	62,361	19,631	0.3148	0.6852	54.68
73.5	42,731		0.0000	1.0000	37.47
74.5	42,731		0.0000	1.0000	37.47
75.5	42,731		0.0000	1.0000	37.47
76.5					37.47

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	21,170,117		0.0000	1.0000	100.00
0.5	20,767,468		0.0000	1.0000	100.00
1.5	20,767,468		0.0000	1.0000	100.00
2.5	20,767,468		0.0000	1.0000	100.00
3.5	11,892,561		0.0000	1.0000	100.00
4.5	2,698,249		0.0000	1.0000	100.00
5.5	2,698,249		0.0000	1.0000	100.00
6.5	2,517,714		0.0000	1.0000	100.00
7.5	2,517,714		0.0000	1.0000	100.00
8.5	2,316,031		0.0000	1.0000	100.00
9.5	2,316,031		0.0000	1.0000	100.00
10.5	2,316,031	22,276	0.0096	0.9904	100.00
11.5	2,293,755		0.0000	1.0000	99.04
12.5	2,293,755		0.0000	1.0000	99.04
13.5	2,293,755		0.0000	1.0000	99.04
14.5	2,293,755		0.0000	1.0000	99.04
15.5	2,228,318		0.0000	1.0000	99.04
16.5	2,223,065		0.0000	1.0000	99.04
17.5	2,223,065		0.0000	1.0000	99.04
18.5	2,223,065		0.0000	1.0000	99.04
19.5	2,223,065		0.0000	1.0000	99.04
20.5	2,223,065		0.0000	1.0000	99.04
21.5	2,223,065		0.0000	1.0000	99.04
22.5	2,223,065		0.0000	1.0000	99.04
23.5	2,223,065		0.0000	1.0000	99.04
24.5	2,223,065		0.0000	1.0000	99.04
25.5	2,223,065		0.0000	1.0000	99.04
26.5	2,223,065	10,804	0.0049	0.9951	99.04
27.5	2,212,260		0.0000	1.0000	98.56
28.5	2,212,260		0.0000	1.0000	98.56
29.5	2,212,260		0.0000	1.0000	98.56
30.5	2,212,125		0.0000	1.0000	98.56
31.5	2,212,125		0.0000	1.0000	98.56
32.5	2,212,125		0.0000	1.0000	98.56
33.5	2,212,125		0.0000	1.0000	98.56
34.5	2,212,125		0.0000	1.0000	98.56
35.5	2,212,125		0.0000	1.0000	98.56
36.5	2,212,125		0.0000	1.0000	98.56
37.5	2,212,125		0.0000	1.0000	98.56
38.5	2,212,125		0.0000	1.0000	98.56

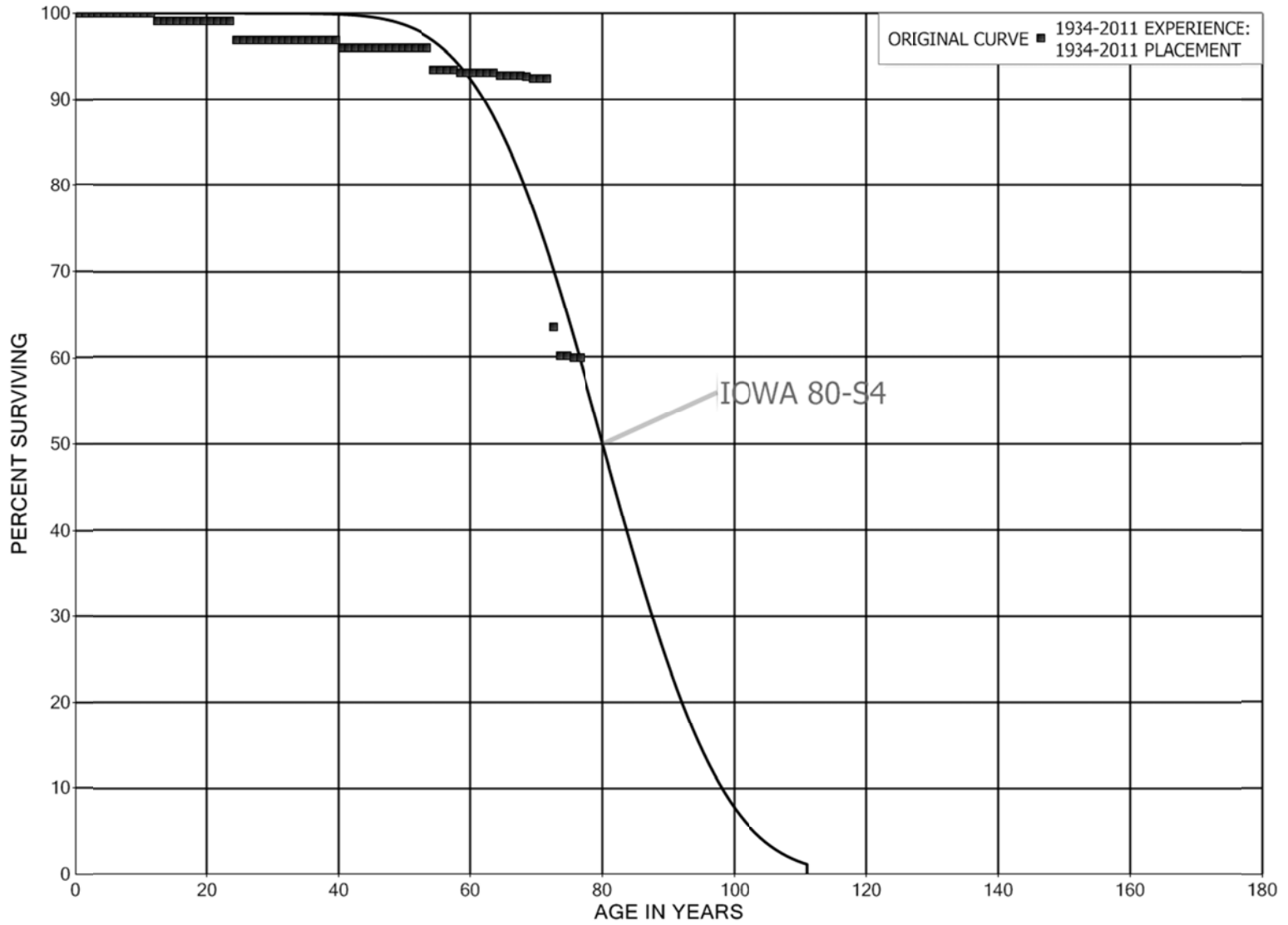
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	2,212,125	4,328	0.0020	0.9980	98.56	
40.5	2,207,798		0.0000	1.0000	98.36	
41.5	2,207,798		0.0000	1.0000	98.36	
42.5	2,207,798		0.0000	1.0000	98.36	
43.5	2,207,798		0.0000	1.0000	98.36	
44.5	2,207,394		0.0000	1.0000	98.36	
45.5	2,207,394	55,574	0.0252	0.9748	98.36	
46.5	2,144,115		0.0000	1.0000	95.89	
47.5	2,144,115		0.0000	1.0000	95.89	
48.5	2,144,115		0.0000	1.0000	95.89	
49.5	2,144,115		0.0000	1.0000	95.89	
50.5	2,144,115		0.0000	1.0000	95.89	
51.5	2,144,115		0.0000	1.0000	95.89	
52.5	2,144,115		0.0000	1.0000	95.89	
53.5	2,144,115		0.0000	1.0000	95.89	
54.5	2,144,115		0.0000	1.0000	95.89	
55.5	2,144,115		0.0000	1.0000	95.89	
56.5	2,144,115		0.0000	1.0000	95.89	
57.5	2,144,115		0.0000	1.0000	95.89	
58.5	2,144,115		0.0000	1.0000	95.89	
59.5	2,144,115		0.0000	1.0000	95.89	
60.5	2,144,115		0.0000	1.0000	95.89	
61.5	2,144,115		0.0000	1.0000	95.89	
62.5	2,144,110		0.0000	1.0000	95.89	
63.5	2,144,110		0.0000	1.0000	95.89	
64.5	2,140,214		0.0000	1.0000	95.89	
65.5	2,140,214	2,764	0.0013	0.9987	95.89	
66.5	2,137,450	4,185	0.0020	0.9980	95.76	
67.5	2,133,265	96,380	0.0452	0.9548	95.58	
68.5	2,036,878	22,949	0.0113	0.9887	91.26	
69.5	2,013,929	35,545	0.0176	0.9824	90.23	
70.5	1,978,385	42,450	0.0215	0.9785	88.64	
71.5	1,857,854	3,530	0.0019	0.9981	86.74	
72.5	1,854,324	811,571	0.4377	0.5623	86.57	
73.5	995,810	112,549	0.1130	0.8870	48.68	
74.5	647,887		0.0000	1.0000	43.18	
75.5	646,761		0.0000	1.0000	43.18	
76.5	646,761		0.0000	1.0000	43.18	
77.5					43.18	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,968,791		0.0000	1.0000	100.00
0.5	4,849,665		0.0000	1.0000	100.00
1.5	4,849,665		0.0000	1.0000	100.00
2.5	4,849,665		0.0000	1.0000	100.00
3.5	4,763,270		0.0000	1.0000	100.00
4.5	4,547,551		0.0000	1.0000	100.00
5.5	4,547,551		0.0000	1.0000	100.00
6.5	4,543,696		0.0000	1.0000	100.00
7.5	1,597,757		0.0000	1.0000	100.00
8.5	1,304,908		0.0000	1.0000	100.00
9.5	1,304,908		0.0000	1.0000	100.00
10.5	1,304,908		0.0000	1.0000	100.00
11.5	1,304,908	11,993	0.0092	0.9908	100.00
12.5	1,292,915		0.0000	1.0000	99.08
13.5	1,292,915		0.0000	1.0000	99.08
14.5	1,292,915		0.0000	1.0000	99.08
15.5	1,287,028		0.0000	1.0000	99.08
16.5	694,551		0.0000	1.0000	99.08
17.5	694,551		0.0000	1.0000	99.08
18.5	694,551		0.0000	1.0000	99.08
19.5	694,551		0.0000	1.0000	99.08
20.5	1,437,740		0.0000	1.0000	99.08
21.5	1,437,740		0.0000	1.0000	99.08
22.5	694,551		0.0000	1.0000	99.08
23.5	608,562	13,468	0.0221	0.9779	99.08
24.5	572,933		0.0000	1.0000	96.89
25.5	572,933		0.0000	1.0000	96.89
26.5	572,933		0.0000	1.0000	96.89
27.5	572,933		0.0000	1.0000	96.89
28.5	572,933		0.0000	1.0000	96.89
29.5	572,933		0.0000	1.0000	96.89
30.5	572,933		0.0000	1.0000	96.89
31.5	572,933		0.0000	1.0000	96.89
32.5	572,933		0.0000	1.0000	96.89
33.5	572,933		0.0000	1.0000	96.89
34.5	572,933		0.0000	1.0000	96.89
35.5	572,933		0.0000	1.0000	96.89
36.5	572,933		0.0000	1.0000	96.89
37.5	572,933		0.0000	1.0000	96.89
38.5	572,933		0.0000	1.0000	96.89

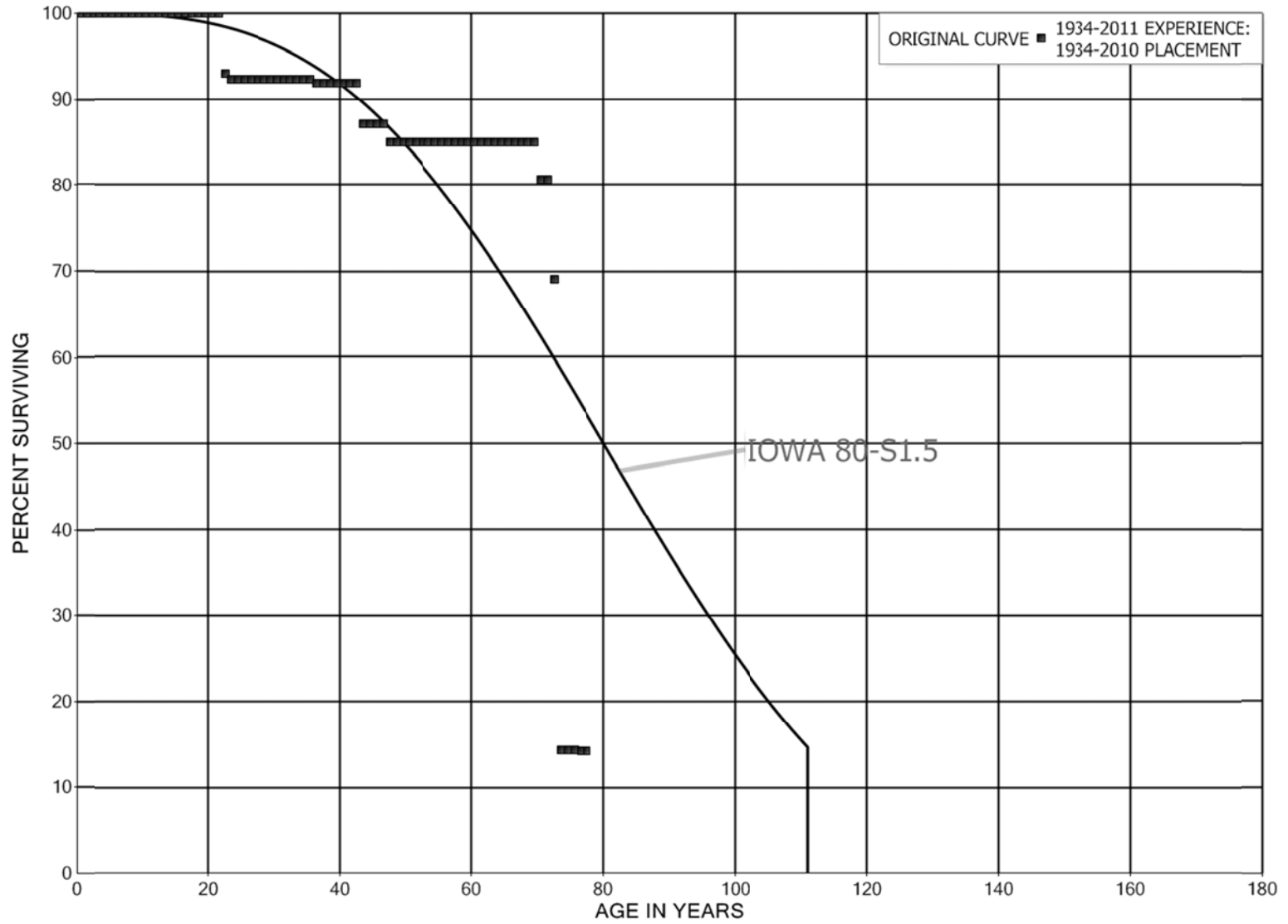
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	572,933	5,285	0.0092	0.9908	96.89	
40.5	567,648		0.0000	1.0000	95.99	
41.5	562,527	153	0.0003	0.9997	95.99	
42.5	562,374		0.0000	1.0000	95.97	
43.5	560,689		0.0000	1.0000	95.97	
44.5	560,689	407	0.0007	0.9993	95.97	
45.5	508,133		0.0000	1.0000	95.90	
46.5	508,133		0.0000	1.0000	95.90	
47.5	506,475		0.0000	1.0000	95.90	
48.5	506,475		0.0000	1.0000	95.90	
49.5	506,475		0.0000	1.0000	95.90	
50.5	506,475		0.0000	1.0000	95.90	
51.5	506,438		0.0000	1.0000	95.90	
52.5	501,400		0.0000	1.0000	95.90	
53.5	501,400	13,158	0.0262	0.9738	95.90	
54.5	488,242		0.0000	1.0000	93.38	
55.5	488,242		0.0000	1.0000	93.38	
56.5	487,768		0.0000	1.0000	93.38	
57.5	487,768	1,890	0.0039	0.9961	93.38	
58.5	485,878		0.0000	1.0000	93.02	
59.5	454,603		0.0000	1.0000	93.02	
60.5	454,603		0.0000	1.0000	93.02	
61.5	454,603		0.0000	1.0000	93.02	
62.5	450,715		0.0000	1.0000	93.02	
63.5	440,902	1,409	0.0032	0.9968	93.02	
64.5	439,493		0.0000	1.0000	92.72	
65.5	439,493		0.0000	1.0000	92.72	
66.5	439,493		0.0000	1.0000	92.72	
67.5	439,493	562	0.0013	0.9987	92.72	
68.5	438,931	1,243	0.0028	0.9972	92.60	
69.5	435,793		0.0000	1.0000	92.34	
70.5	435,793		0.0000	1.0000	92.34	
71.5	435,712	136,261	0.3127	0.6873	92.34	
72.5	294,886	15,351	0.0521	0.9479	63.46	
73.5	277,652		0.0000	1.0000	60.16	
74.5	276,163	965	0.0035	0.9965	60.16	
75.5	275,199		0.0000	1.0000	59.95	
76.5	275,199		0.0000	1.0000	59.95	
77.5					59.95	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2010			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	367,183		0.0000	1.0000	100.00
0.5	367,183		0.0000	1.0000	100.00
1.5	338,583		0.0000	1.0000	100.00
2.5	306,845		0.0000	1.0000	100.00
3.5	289,200		0.0000	1.0000	100.00
4.5	191,978		0.0000	1.0000	100.00
5.5	191,978		0.0000	1.0000	100.00
6.5	187,035		0.0000	1.0000	100.00
7.5	162,922		0.0000	1.0000	100.00
8.5	162,922		0.0000	1.0000	100.00
9.5	162,922		0.0000	1.0000	100.00
10.5	162,922		0.0000	1.0000	100.00
11.5	162,922		0.0000	1.0000	100.00
12.5	162,922		0.0000	1.0000	100.00
13.5	162,922		0.0000	1.0000	100.00
14.5	162,922		0.0000	1.0000	100.00
15.5	128,117		0.0000	1.0000	100.00
16.5	128,117		0.0000	1.0000	100.00
17.5	128,117		0.0000	1.0000	100.00
18.5	128,117		0.0000	1.0000	100.00
19.5	128,117		0.0000	1.0000	100.00
20.5	128,117		0.0000	1.0000	100.00
21.5	128,117	9,082	0.0709	0.9291	100.00
22.5	119,035	783	0.0066	0.9934	92.91
23.5	82,600		0.0000	1.0000	92.30
24.5	81,133		0.0000	1.0000	92.30
25.5	79,056		0.0000	1.0000	92.30
26.5	77,826		0.0000	1.0000	92.30
27.5	77,826		0.0000	1.0000	92.30
28.5	77,826		0.0000	1.0000	92.30
29.5	75,796		0.0000	1.0000	92.30
30.5	75,796		0.0000	1.0000	92.30
31.5	75,796		0.0000	1.0000	92.30
32.5	75,512		0.0000	1.0000	92.30
33.5	74,517		0.0000	1.0000	92.30
34.5	74,517		0.0000	1.0000	92.30
35.5	74,517	389	0.0052	0.9948	92.30
36.5	74,129		0.0000	1.0000	91.82
37.5	74,129		0.0000	1.0000	91.82
38.5	71,020		0.0000	1.0000	91.82

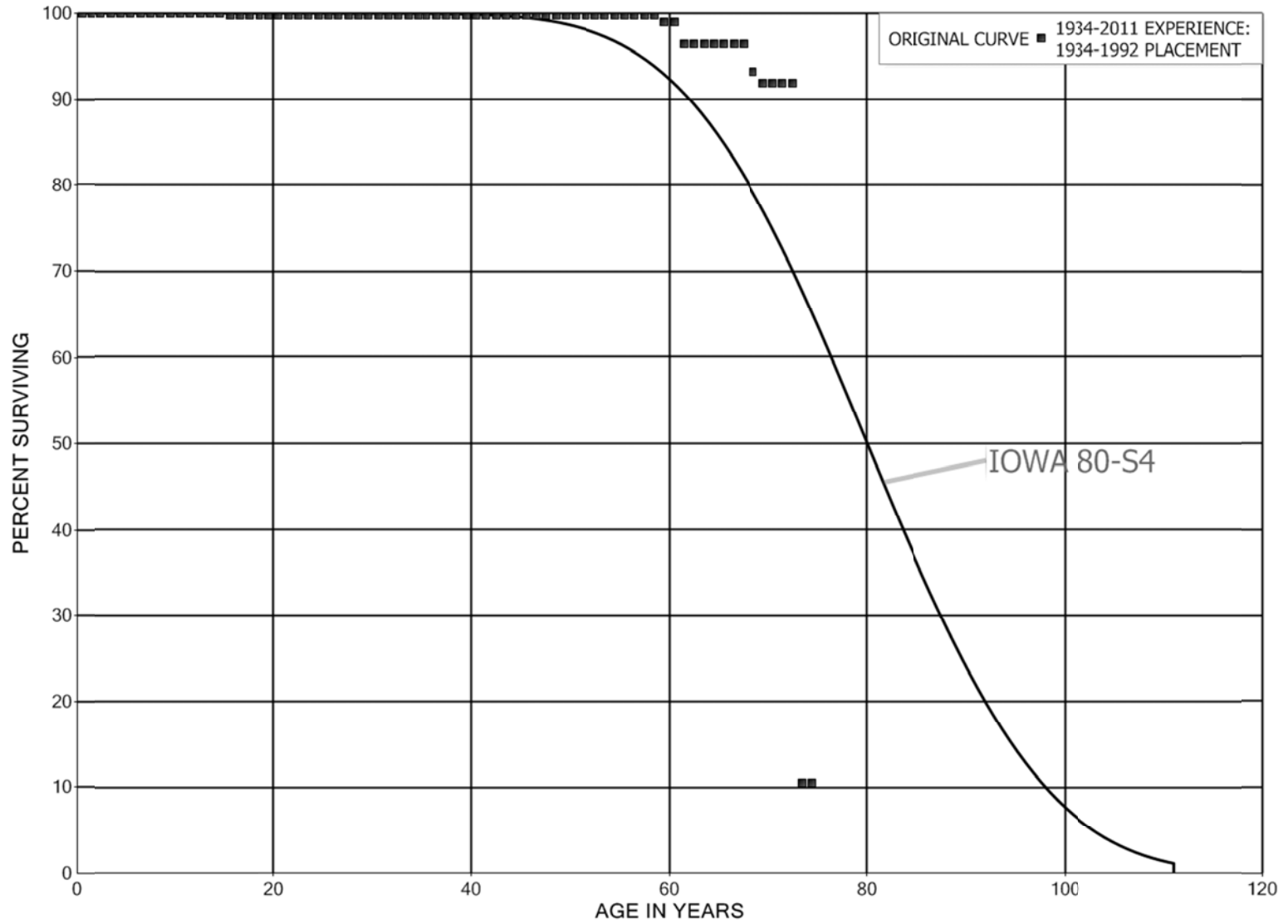
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2010			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	70,558		0.0000	1.0000	91.82
40.5	70,558		0.0000	1.0000	91.82
41.5	70,558		0.0000	1.0000	91.82
42.5	70,558	3,647	0.0517	0.9483	91.82
43.5	66,911		0.0000	1.0000	87.07
44.5	63,328		0.0000	1.0000	87.07
45.5	63,328		0.0000	1.0000	87.07
46.5	60,646	1,507	0.0248	0.9752	87.07
47.5	59,139		0.0000	1.0000	84.91
48.5	59,139		0.0000	1.0000	84.91
49.5	59,139		0.0000	1.0000	84.91
50.5	59,139		0.0000	1.0000	84.91
51.5	52,895		0.0000	1.0000	84.91
52.5	52,895		0.0000	1.0000	84.91
53.5	52,895		0.0000	1.0000	84.91
54.5	52,895		0.0000	1.0000	84.91
55.5	52,664		0.0000	1.0000	84.91
56.5	52,664		0.0000	1.0000	84.91
57.5	52,664		0.0000	1.0000	84.91
58.5	52,664		0.0000	1.0000	84.91
59.5	52,664		0.0000	1.0000	84.91
60.5	52,461		0.0000	1.0000	84.91
61.5	52,036		0.0000	1.0000	84.91
62.5	52,036		0.0000	1.0000	84.91
63.5	52,036		0.0000	1.0000	84.91
64.5	50,197		0.0000	1.0000	84.91
65.5	49,986		0.0000	1.0000	84.91
66.5	49,986		0.0000	1.0000	84.91
67.5	49,986		0.0000	1.0000	84.91
68.5	49,986		0.0000	1.0000	84.91
69.5	49,986	2,554	0.0511	0.9489	84.91
70.5	47,418		0.0000	1.0000	80.57
71.5	47,418	6,784	0.1431	0.8569	80.57
72.5	40,514	32,138	0.7932	0.2068	69.04
73.5	8,349		0.0000	1.0000	14.28
74.5	8,349		0.0000	1.0000	14.28
75.5	8,349	53	0.0063	0.9937	14.28
76.5	8,219		0.0000	1.0000	14.19
77.5					14.19

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 336 ROADS, RAILROADS AND BRIDGES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-1992			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	185,663		0.0000	1.0000	100.00
0.5	185,663		0.0000	1.0000	100.00
1.5	185,663		0.0000	1.0000	100.00
2.5	185,663		0.0000	1.0000	100.00
3.5	185,663		0.0000	1.0000	100.00
4.5	185,663		0.0000	1.0000	100.00
5.5	185,663		0.0000	1.0000	100.00
6.5	185,663		0.0000	1.0000	100.00
7.5	185,663		0.0000	1.0000	100.00
8.5	185,663		0.0000	1.0000	100.00
9.5	185,663		0.0000	1.0000	100.00
10.5	185,663		0.0000	1.0000	100.00
11.5	185,663		0.0000	1.0000	100.00
12.5	185,663		0.0000	1.0000	100.00
13.5	185,663		0.0000	1.0000	100.00
14.5	185,663	592	0.0032	0.9968	100.00
15.5	185,071		0.0000	1.0000	99.68
16.5	185,071		0.0000	1.0000	99.68
17.5	185,071		0.0000	1.0000	99.68
18.5	185,071		0.0000	1.0000	99.68
19.5	174,590		0.0000	1.0000	99.68
20.5	174,590		0.0000	1.0000	99.68
21.5	174,590		0.0000	1.0000	99.68
22.5	174,590		0.0000	1.0000	99.68
23.5	174,590		0.0000	1.0000	99.68
24.5	174,590		0.0000	1.0000	99.68
25.5	174,590		0.0000	1.0000	99.68
26.5	174,590		0.0000	1.0000	99.68
27.5	174,590		0.0000	1.0000	99.68
28.5	174,590		0.0000	1.0000	99.68
29.5	174,590		0.0000	1.0000	99.68
30.5	174,590		0.0000	1.0000	99.68
31.5	174,590		0.0000	1.0000	99.68
32.5	174,590		0.0000	1.0000	99.68
33.5	174,590		0.0000	1.0000	99.68
34.5	174,590		0.0000	1.0000	99.68
35.5	174,590		0.0000	1.0000	99.68
36.5	174,590		0.0000	1.0000	99.68
37.5	174,590		0.0000	1.0000	99.68
38.5	174,590		0.0000	1.0000	99.68

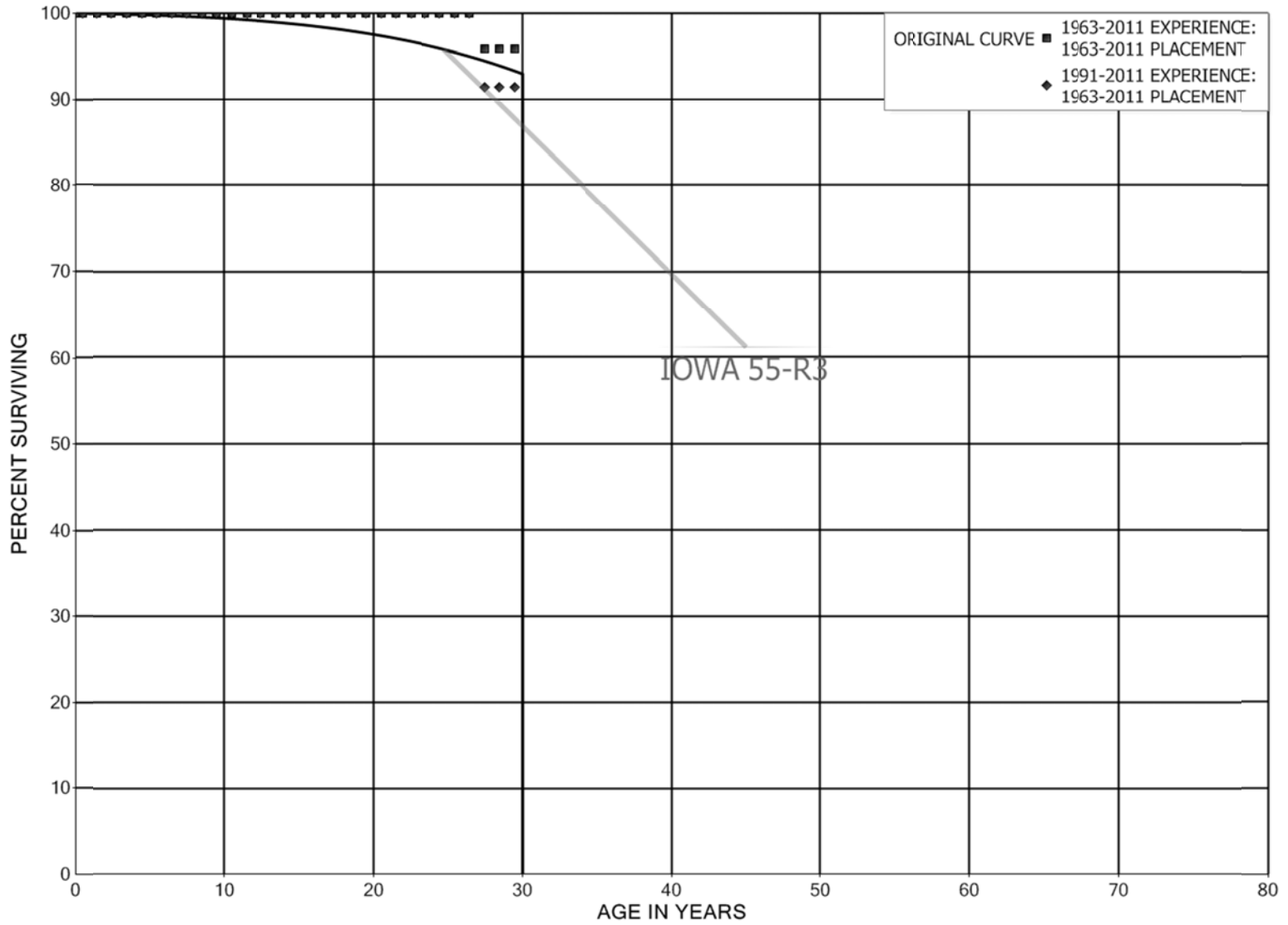
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 336 ROADS, RAILROADS AND BRIDGES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-1992			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	174,590		0.0000	1.0000	99.68
40.5	174,590		0.0000	1.0000	99.68
41.5	174,590		0.0000	1.0000	99.68
42.5	174,590		0.0000	1.0000	99.68
43.5	174,590		0.0000	1.0000	99.68
44.5	174,590		0.0000	1.0000	99.68
45.5	174,590		0.0000	1.0000	99.68
46.5	174,590		0.0000	1.0000	99.68
47.5	174,590		0.0000	1.0000	99.68
48.5	174,590		0.0000	1.0000	99.68
49.5	174,590		0.0000	1.0000	99.68
50.5	174,590		0.0000	1.0000	99.68
51.5	174,590		0.0000	1.0000	99.68
52.5	174,590		0.0000	1.0000	99.68
53.5	174,590		0.0000	1.0000	99.68
54.5	174,590		0.0000	1.0000	99.68
55.5	174,590		0.0000	1.0000	99.68
56.5	174,590		0.0000	1.0000	99.68
57.5	174,590		0.0000	1.0000	99.68
58.5	174,590	1,359	0.0078	0.9922	99.68
59.5	173,231		0.0000	1.0000	98.91
60.5	173,231	4,323	0.0250	0.9750	98.91
61.5	168,908		0.0000	1.0000	96.44
62.5	168,908		0.0000	1.0000	96.44
63.5	168,908		0.0000	1.0000	96.44
64.5	168,908		0.0000	1.0000	96.44
65.5	168,908		0.0000	1.0000	96.44
66.5	168,908		0.0000	1.0000	96.44
67.5	168,908	5,764	0.0341	0.9659	96.44
68.5	163,144	2,322	0.0142	0.9858	93.15
69.5	160,821		0.0000	1.0000	91.82
70.5	159,687		0.0000	1.0000	91.82
71.5	159,687		0.0000	1.0000	91.82
72.5	159,687	141,371	0.8853	0.1147	91.82
73.5	18,316		0.0000	1.0000	10.53
74.5	18,316		0.0000	1.0000	10.53
75.5	18,316		0.0000	1.0000	10.53
76.5	18,316		0.0000	1.0000	10.53
77.5					10.53

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,500,381		0.0000	1.0000	100.00
0.5	15,413,729		0.0000	1.0000	100.00
1.5	15,413,729		0.0000	1.0000	100.00
2.5	15,332,543		0.0000	1.0000	100.00
3.5	15,332,543		0.0000	1.0000	100.00
4.5	15,332,543		0.0000	1.0000	100.00
5.5	15,260,054		0.0000	1.0000	100.00
6.5	15,174,353		0.0000	1.0000	100.00
7.5	6,723,515		0.0000	1.0000	100.00
8.5	6,720,992		0.0000	1.0000	100.00
9.5	3,798,777		0.0000	1.0000	100.00
10.5	787,298		0.0000	1.0000	100.00
11.5	611,976		0.0000	1.0000	100.00
12.5	611,976		0.0000	1.0000	100.00
13.5	611,976		0.0000	1.0000	100.00
14.5	611,976		0.0000	1.0000	100.00
15.5	611,976		0.0000	1.0000	100.00
16.5	611,976		0.0000	1.0000	100.00
17.5	611,976		0.0000	1.0000	100.00
18.5	611,976		0.0000	1.0000	100.00
19.5	611,976		0.0000	1.0000	100.00
20.5	611,976		0.0000	1.0000	100.00
21.5	611,976		0.0000	1.0000	100.00
22.5	611,976		0.0000	1.0000	100.00
23.5	611,976		0.0000	1.0000	100.00
24.5	611,976		0.0000	1.0000	100.00
25.5	611,976		0.0000	1.0000	100.00
26.5	611,976	25,423	0.0415	0.9585	100.00
27.5	483,650		0.0000	1.0000	95.85
28.5	483,650		0.0000	1.0000	95.85
29.5	466,035		0.0000	1.0000	95.85
30.5	466,035		0.0000	1.0000	95.85
31.5	466,035		0.0000	1.0000	95.85
32.5	466,035		0.0000	1.0000	95.85
33.5	466,035		0.0000	1.0000	95.85
34.5	466,035		0.0000	1.0000	95.85
35.5	466,035		0.0000	1.0000	95.85
36.5	466,035		0.0000	1.0000	95.85
37.5	457,267		0.0000	1.0000	95.85
38.5	457,267		0.0000	1.0000	95.85

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	457,267		0.0000	1.0000	95.85	
40.5	457,267	9,265	0.0203	0.9797	95.85	
41.5	305,366		0.0000	1.0000	93.90	
42.5	305,366		0.0000	1.0000	93.90	
43.5					93.90	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	14,888,404		0.0000	1.0000	100.00
0.5	14,801,752		0.0000	1.0000	100.00
1.5	14,801,752		0.0000	1.0000	100.00
2.5	14,720,567		0.0000	1.0000	100.00
3.5	14,720,567		0.0000	1.0000	100.00
4.5	14,720,567		0.0000	1.0000	100.00
5.5	14,648,078		0.0000	1.0000	100.00
6.5	14,562,377		0.0000	1.0000	100.00
7.5	6,111,539		0.0000	1.0000	100.00
8.5	6,152,054		0.0000	1.0000	100.00
9.5	3,229,839		0.0000	1.0000	100.00
10.5	218,361		0.0000	1.0000	100.00
11.5	145,942		0.0000	1.0000	100.00
12.5	145,942		0.0000	1.0000	100.00
13.5	145,942		0.0000	1.0000	100.00
14.5	145,942		0.0000	1.0000	100.00
15.5	145,942		0.0000	1.0000	100.00
16.5	145,942		0.0000	1.0000	100.00
17.5	145,942		0.0000	1.0000	100.00
18.5	145,942		0.0000	1.0000	100.00
19.5	145,942		0.0000	1.0000	100.00
20.5	222,940		0.0000	1.0000	100.00
21.5	231,707		0.0000	1.0000	100.00
22.5	231,707		0.0000	1.0000	100.00
23.5	231,707		0.0000	1.0000	100.00
24.5	231,707		0.0000	1.0000	100.00
25.5	297,345		0.0000	1.0000	100.00
26.5	297,345	25,423	0.0855	0.9145	100.00
27.5	483,650		0.0000	1.0000	91.45
28.5	483,650		0.0000	1.0000	91.45
29.5	466,035		0.0000	1.0000	91.45
30.5	466,035		0.0000	1.0000	91.45
31.5	466,035		0.0000	1.0000	91.45
32.5	466,035		0.0000	1.0000	91.45
33.5	466,035		0.0000	1.0000	91.45
34.5	466,035		0.0000	1.0000	91.45
35.5	466,035		0.0000	1.0000	91.45
36.5	466,035		0.0000	1.0000	91.45
37.5	457,267		0.0000	1.0000	91.45
38.5	457,267		0.0000	1.0000	91.45

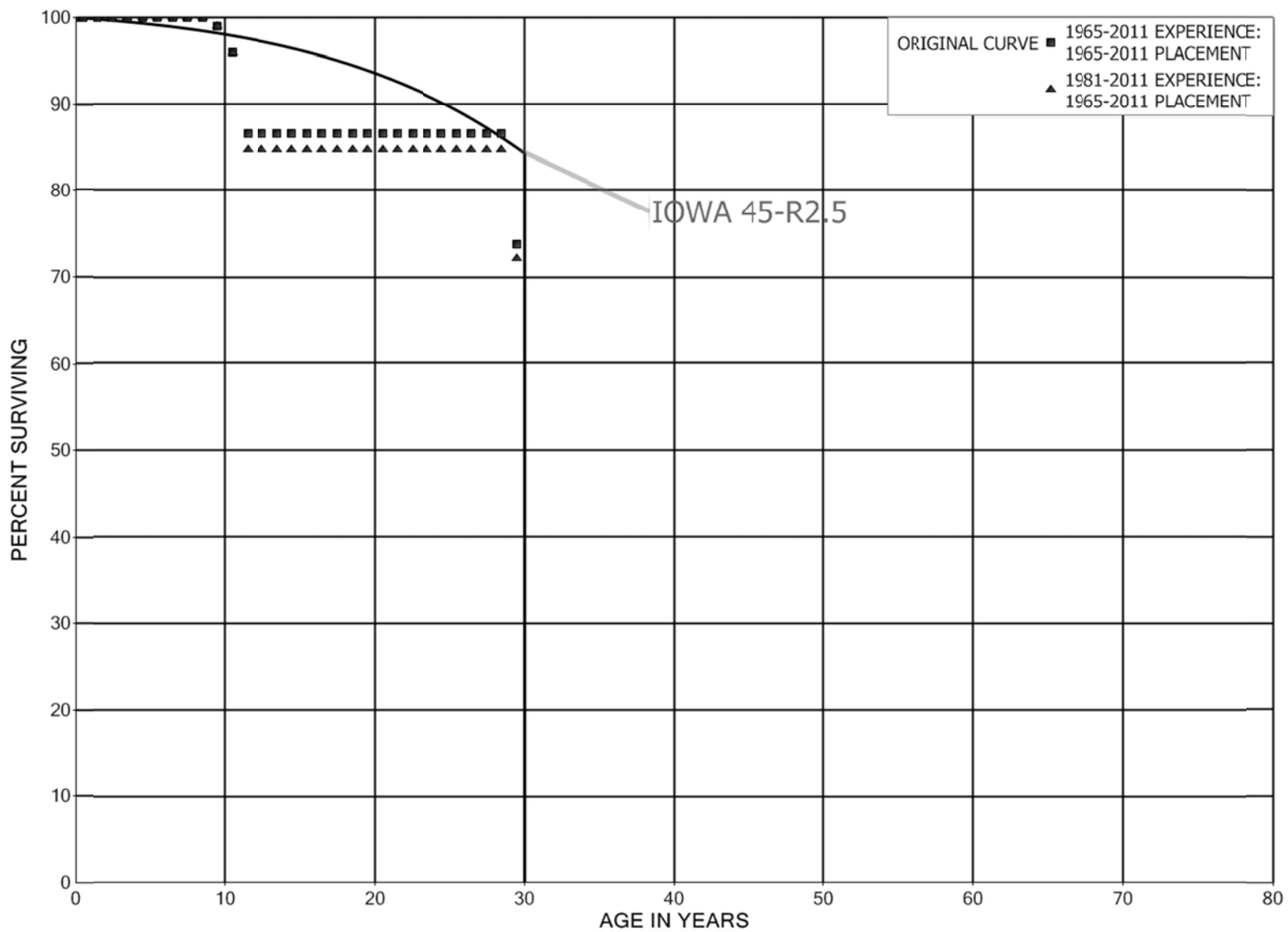
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1991-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	457,267		0.0000	1.0000	91.45	
40.5	457,267	9,265	0.0203	0.9797	91.45	
41.5	305,366		0.0000	1.0000	89.60	
42.5	305,366		0.0000	1.0000	89.60	
43.5					89.60	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1965-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,995,720		0.0000	1.0000	100.00
0.5	7,654,181		0.0000	1.0000	100.00
1.5	7,404,260		0.0000	1.0000	100.00
2.5	7,404,260		0.0000	1.0000	100.00
3.5	7,404,260		0.0000	1.0000	100.00
4.5	7,388,797		0.0000	1.0000	100.00
5.5	7,382,901		0.0000	1.0000	100.00
6.5	7,204,007		0.0000	1.0000	100.00
7.5	5,833,516		0.0000	1.0000	100.00
8.5	5,833,516	58,982	0.0101	0.9899	100.00
9.5	3,738,745	115,630	0.0309	0.9691	98.99
10.5	601,643	58,782	0.0977	0.9023	95.93
11.5	251,447		0.0000	1.0000	86.56
12.5	251,447		0.0000	1.0000	86.56
13.5	251,447		0.0000	1.0000	86.56
14.5	251,447		0.0000	1.0000	86.56
15.5	251,447		0.0000	1.0000	86.56
16.5	251,447		0.0000	1.0000	86.56
17.5	251,447		0.0000	1.0000	86.56
18.5	251,447		0.0000	1.0000	86.56
19.5	251,447		0.0000	1.0000	86.56
20.5	224,108		0.0000	1.0000	86.56
21.5	224,108		0.0000	1.0000	86.56
22.5	224,108		0.0000	1.0000	86.56
23.5	224,108		0.0000	1.0000	86.56
24.5	224,108		0.0000	1.0000	86.56
25.5	224,108		0.0000	1.0000	86.56
26.5	224,108		0.0000	1.0000	86.56
27.5	221,890		0.0000	1.0000	86.56
28.5	221,890	32,916	0.1483	0.8517	86.56
29.5	140,956		0.0000	1.0000	73.72
30.5	140,956		0.0000	1.0000	73.72
31.5	140,956		0.0000	1.0000	73.72
32.5	140,956		0.0000	1.0000	73.72
33.5	140,956	4,465	0.0317	0.9683	73.72
34.5	136,491		0.0000	1.0000	71.38
35.5	136,491		0.0000	1.0000	71.38
36.5	136,491		0.0000	1.0000	71.38
37.5	136,491	4,128	0.0302	0.9698	71.38
38.5	132,363		0.0000	1.0000	69.22

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1965-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	132,363		0.0000	1.0000	69.22	
40.5	132,363	3,386	0.0256	0.9744	69.22	
41.5					67.45	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,854,764		0.0000	1.0000	100.00
0.5	7,513,225		0.0000	1.0000	100.00
1.5	7,263,303		0.0000	1.0000	100.00
2.5	7,263,303		0.0000	1.0000	100.00
3.5	7,263,303		0.0000	1.0000	100.00
4.5	7,247,841		0.0000	1.0000	100.00
5.5	7,241,945		0.0000	1.0000	100.00
6.5	7,063,051		0.0000	1.0000	100.00
7.5	5,692,559		0.0000	1.0000	100.00
8.5	5,692,559	58,982	0.0104	0.9896	100.00
9.5	3,597,789	115,630	0.0321	0.9679	98.96
10.5	504,819	58,782	0.1164	0.8836	95.78
11.5	154,622		0.0000	1.0000	84.63
12.5	154,622		0.0000	1.0000	84.63
13.5	154,622		0.0000	1.0000	84.63
14.5	154,622		0.0000	1.0000	84.63
15.5	251,447		0.0000	1.0000	84.63
16.5	251,447		0.0000	1.0000	84.63
17.5	251,447		0.0000	1.0000	84.63
18.5	251,447		0.0000	1.0000	84.63
19.5	251,447		0.0000	1.0000	84.63
20.5	224,108		0.0000	1.0000	84.63
21.5	224,108		0.0000	1.0000	84.63
22.5	224,108		0.0000	1.0000	84.63
23.5	224,108		0.0000	1.0000	84.63
24.5	224,108		0.0000	1.0000	84.63
25.5	224,108		0.0000	1.0000	84.63
26.5	224,108		0.0000	1.0000	84.63
27.5	221,890		0.0000	1.0000	84.63
28.5	221,890	32,916	0.1483	0.8517	84.63
29.5	140,956		0.0000	1.0000	72.08
30.5	140,956		0.0000	1.0000	72.08
31.5	140,956		0.0000	1.0000	72.08
32.5	140,956		0.0000	1.0000	72.08
33.5	140,956	4,465	0.0317	0.9683	72.08
34.5	136,491		0.0000	1.0000	69.79
35.5	136,491		0.0000	1.0000	69.79
36.5	136,491		0.0000	1.0000	69.79
37.5	136,491	4,128	0.0302	0.9698	69.79
38.5	132,363		0.0000	1.0000	67.68

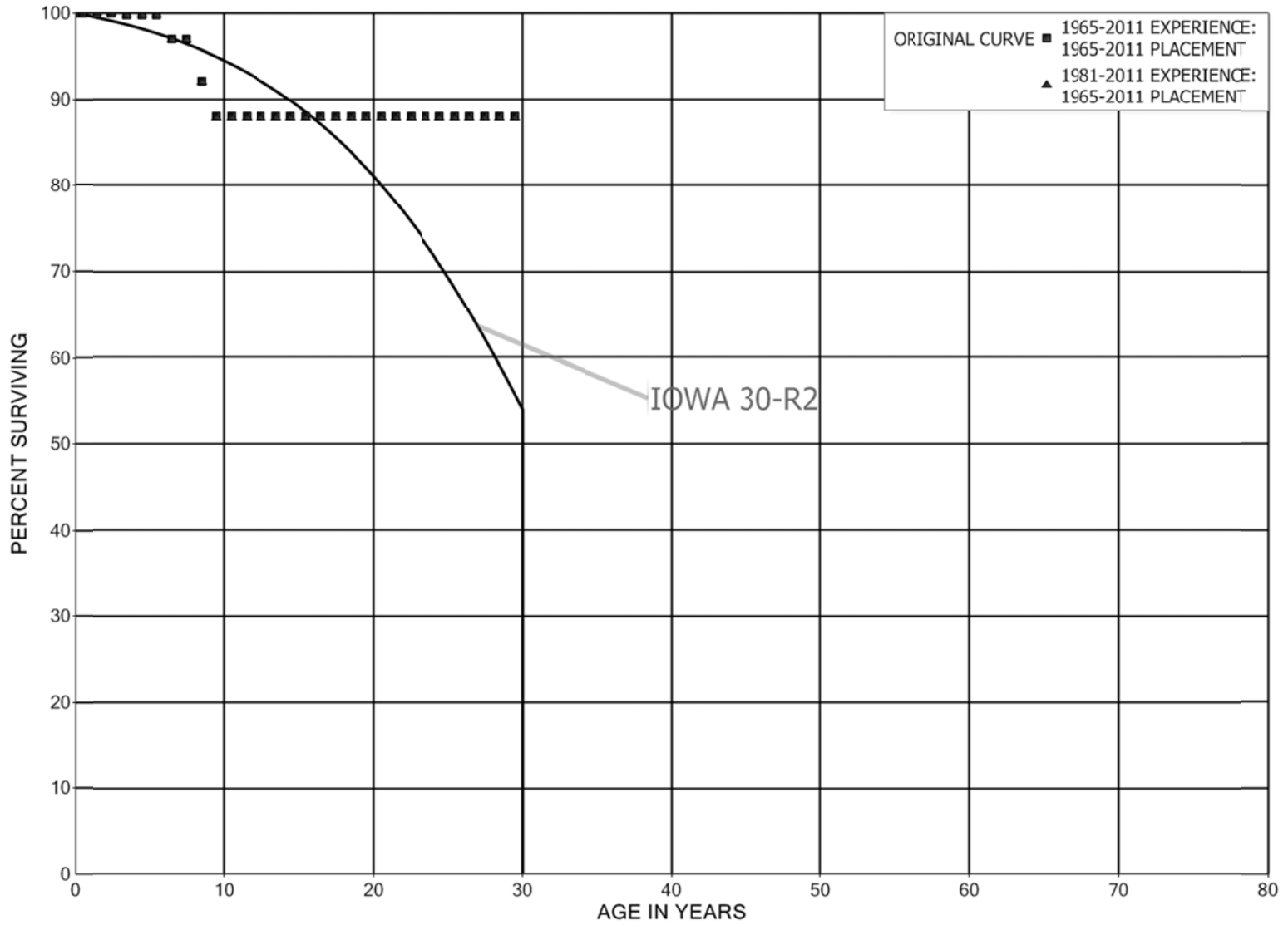
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	132,363		0.0000	1.0000	67.68	
40.5	132,363	3,386	0.0256	0.9744	67.68	
41.5					65.95	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1965-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	175,789,904		0.0000	1.0000	100.00
0.5	167,987,365		0.0000	1.0000	100.00
1.5	167,861,266		0.0000	1.0000	100.00
2.5	163,726,087	397,897	0.0024	0.9976	100.00
3.5	158,184,729	0	0.0000	1.0000	99.76
4.5	156,923,190	100,885	0.0006	0.9994	99.76
5.5	151,367,275	4,206,474	0.0278	0.9722	99.69
6.5	146,852,396		0.0000	1.0000	96.92
7.5	94,587,343	4,730,256	0.0500	0.9500	96.92
8.5	89,589,458	3,957,002	0.0442	0.9558	92.08
9.5	61,899,432		0.0000	1.0000	88.01
10.5	28,387,593		0.0000	1.0000	88.01
11.5	2,344,847		0.0000	1.0000	88.01
12.5	2,290,368		0.0000	1.0000	88.01
13.5	2,290,368		0.0000	1.0000	88.01
14.5	2,290,368		0.0000	1.0000	88.01
15.5	2,276,861		0.0000	1.0000	88.01
16.5	2,276,861		0.0000	1.0000	88.01
17.5	2,276,861		0.0000	1.0000	88.01
18.5	2,276,861		0.0000	1.0000	88.01
19.5	2,276,861		0.0000	1.0000	88.01
20.5	2,276,861		0.0000	1.0000	88.01
21.5	2,276,861		0.0000	1.0000	88.01
22.5	2,263,204		0.0000	1.0000	88.01
23.5	2,263,204		0.0000	1.0000	88.01
24.5	2,263,204		0.0000	1.0000	88.01
25.5	2,263,204		0.0000	1.0000	88.01
26.5	2,263,204		0.0000	1.0000	88.01
27.5	2,263,204		0.0000	1.0000	88.01
28.5	2,263,204		0.0000	1.0000	88.01
29.5	2,263,204		0.0000	1.0000	88.01
30.5	2,263,204		0.0000	1.0000	88.01
31.5	2,263,204		0.0000	1.0000	88.01
32.5	2,263,204		0.0000	1.0000	88.01
33.5	2,263,204		0.0000	1.0000	88.01
34.5	2,263,204		0.0000	1.0000	88.01
35.5	2,263,204		0.0000	1.0000	88.01
36.5	2,263,204	49,334	0.0218	0.9782	88.01
37.5	2,213,870		0.0000	1.0000	86.09
38.5	2,213,870		0.0000	1.0000	86.09

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1965-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,213,870		0.0000	1.0000	86.09
40.5	2,213,870		0.0000	1.0000	86.09
41.5					86.09

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	173,526,700		0.0000	1.0000	100.00
0.5	165,724,161		0.0000	1.0000	100.00
1.5	165,598,062		0.0000	1.0000	100.00
2.5	161,462,883	397,897	0.0025	0.9975	100.00
3.5	155,921,525	0	0.0000	1.0000	99.75
4.5	154,659,986	100,885	0.0007	0.9993	99.75
5.5	149,104,071	4,206,474	0.0282	0.9718	99.69
6.5	144,589,192		0.0000	1.0000	96.88
7.5	92,324,139	4,730,256	0.0512	0.9488	96.88
8.5	87,326,254	3,957,002	0.0453	0.9547	91.91
9.5	59,636,228		0.0000	1.0000	87.75
10.5	26,124,389		0.0000	1.0000	87.75
11.5	81,643		0.0000	1.0000	87.75
12.5	27,164		0.0000	1.0000	87.75
13.5	27,164		0.0000	1.0000	87.75
14.5	27,164		0.0000	1.0000	87.75
15.5	2,276,861		0.0000	1.0000	87.75
16.5	2,276,861		0.0000	1.0000	87.75
17.5	2,276,861		0.0000	1.0000	87.75
18.5	2,276,861		0.0000	1.0000	87.75
19.5	2,276,861		0.0000	1.0000	87.75
20.5	2,276,861		0.0000	1.0000	87.75
21.5	2,276,861		0.0000	1.0000	87.75
22.5	2,263,204		0.0000	1.0000	87.75
23.5	2,263,204		0.0000	1.0000	87.75
24.5	2,263,204		0.0000	1.0000	87.75
25.5	2,263,204		0.0000	1.0000	87.75
26.5	2,263,204		0.0000	1.0000	87.75
27.5	2,263,204		0.0000	1.0000	87.75
28.5	2,263,204		0.0000	1.0000	87.75
29.5	2,263,204		0.0000	1.0000	87.75
30.5	2,263,204		0.0000	1.0000	87.75
31.5	2,263,204		0.0000	1.0000	87.75
32.5	2,263,204		0.0000	1.0000	87.75
33.5	2,263,204		0.0000	1.0000	87.75
34.5	2,263,204		0.0000	1.0000	87.75
35.5	2,263,204		0.0000	1.0000	87.75
36.5	2,263,204	49,334	0.0218	0.9782	87.75
37.5	2,213,870		0.0000	1.0000	85.84
38.5	2,213,870		0.0000	1.0000	85.84

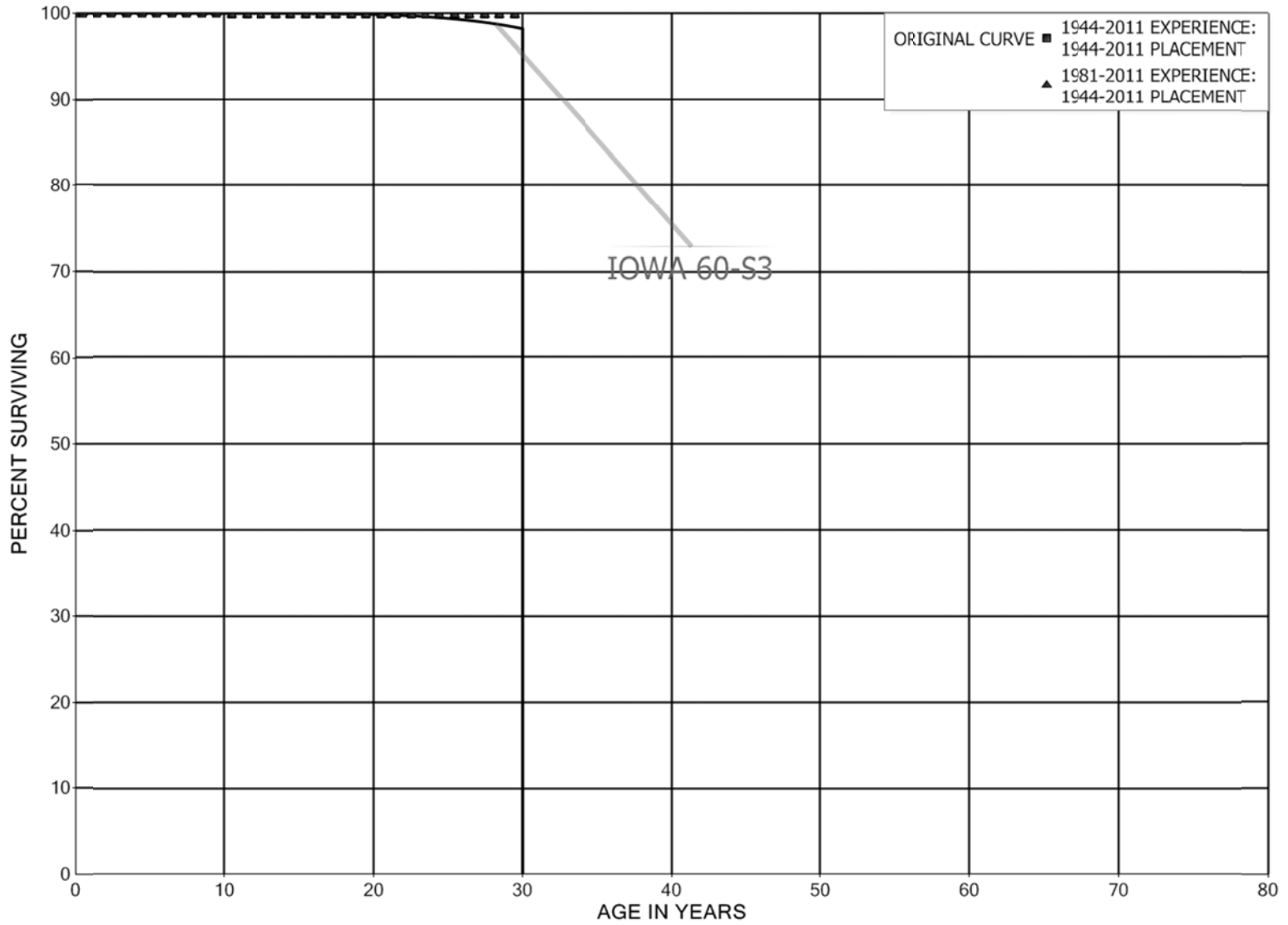
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1965-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,213,870		0.0000	1.0000	85.84
40.5	2,213,870		0.0000	1.0000	85.84
41.5					85.84

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1944-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	33,932,862		0.0000	1.0000	100.00
0.5	33,878,713		0.0000	1.0000	100.00
1.5	33,878,713		0.0000	1.0000	100.00
2.5	33,878,713		0.0000	1.0000	100.00
3.5	33,366,615		0.0000	1.0000	100.00
4.5	33,366,615		0.0000	1.0000	100.00
5.5	33,366,615		0.0000	1.0000	100.00
6.5	33,366,615		0.0000	1.0000	100.00
7.5	26,449,401		0.0000	1.0000	100.00
8.5	26,449,401		0.0000	1.0000	100.00
9.5	22,480,694	46,427	0.0021	0.9979	100.00
10.5	13,418,785		0.0000	1.0000	99.79
11.5	8,579,711		0.0000	1.0000	99.79
12.5	8,197,238		0.0000	1.0000	99.79
13.5	8,197,238		0.0000	1.0000	99.79
14.5	7,902,507		0.0000	1.0000	99.79
15.5	7,517,028		0.0000	1.0000	99.79
16.5	7,478,272		0.0000	1.0000	99.79
17.5	7,478,272		0.0000	1.0000	99.79
18.5	7,438,998		0.0000	1.0000	99.79
19.5	7,438,998		0.0000	1.0000	99.79
20.5	7,438,998		0.0000	1.0000	99.79
21.5	7,438,998		0.0000	1.0000	99.79
22.5	7,438,998		0.0000	1.0000	99.79
23.5	7,438,998		0.0000	1.0000	99.79
24.5	7,418,492		0.0000	1.0000	99.79
25.5	7,413,298		0.0000	1.0000	99.79
26.5	7,413,298		0.0000	1.0000	99.79
27.5	7,407,068		0.0000	1.0000	99.79
28.5	7,390,965		0.0000	1.0000	99.79
29.5	6,998,720		0.0000	1.0000	99.79
30.5	6,998,720		0.0000	1.0000	99.79
31.5	6,990,811	191,176	0.0273	0.9727	99.79
32.5	6,799,635		0.0000	1.0000	97.06
33.5	6,799,635		0.0000	1.0000	97.06
34.5	6,799,635		0.0000	1.0000	97.06
35.5	6,777,889		0.0000	1.0000	97.06
36.5	6,775,459		0.0000	1.0000	97.06
37.5	6,775,459	94,470	0.0139	0.9861	97.06
38.5	6,680,989		0.0000	1.0000	95.71

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1944-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	6,680,989		0.0000	1.0000	95.71	
40.5	6,680,989	156	0.0000	1.0000	95.71	
41.5	386,575		0.0000	1.0000	95.71	
42.5	386,575		0.0000	1.0000	95.71	
43.5	334		0.0000	1.0000	95.71	
44.5	334		0.0000	1.0000	95.71	
45.5	334		0.0000	1.0000	95.71	
46.5	334		0.0000	1.0000	95.71	
47.5	334		0.0000	1.0000	95.71	
48.5	334		0.0000	1.0000	95.71	
49.5	334		0.0000	1.0000	95.71	
50.5	334		0.0000	1.0000	95.71	
51.5	334		0.0000	1.0000	95.71	
52.5	334		0.0000	1.0000	95.71	
53.5	334		0.0000	1.0000	95.71	
54.5	334		0.0000	1.0000	95.71	
55.5	334		0.0000	1.0000	95.71	
56.5	334		0.0000	1.0000	95.71	
57.5	334		0.0000	1.0000	95.71	
58.5	334		0.0000	1.0000	95.71	
59.5	334		0.0000	1.0000	95.71	
60.5	334		0.0000	1.0000	95.71	
61.5	334		0.0000	1.0000	95.71	
62.5					95.71	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	26,934,142		0.0000	1.0000	100.00
0.5	26,887,902		0.0000	1.0000	100.00
1.5	26,887,902		0.0000	1.0000	100.00
2.5	26,887,902		0.0000	1.0000	100.00
3.5	26,375,805		0.0000	1.0000	100.00
4.5	26,375,805		0.0000	1.0000	100.00
5.5	26,378,234		0.0000	1.0000	100.00
6.5	26,378,234		0.0000	1.0000	100.00
7.5	19,461,019		0.0000	1.0000	100.00
8.5	19,461,019		0.0000	1.0000	100.00
9.5	15,514,059	46,427	0.0030	0.9970	100.00
10.5	12,989,216		0.0000	1.0000	99.70
11.5	8,150,143		0.0000	1.0000	99.70
12.5	7,767,866		0.0000	1.0000	99.70
13.5	7,767,866		0.0000	1.0000	99.70
14.5	7,473,135		0.0000	1.0000	99.70
15.5	7,130,493		0.0000	1.0000	99.70
16.5	7,091,737		0.0000	1.0000	99.70
17.5	7,477,937		0.0000	1.0000	99.70
18.5	7,438,663		0.0000	1.0000	99.70
19.5	7,438,663		0.0000	1.0000	99.70
20.5	7,438,663		0.0000	1.0000	99.70
21.5	7,438,663		0.0000	1.0000	99.70
22.5	7,438,663		0.0000	1.0000	99.70
23.5	7,438,663		0.0000	1.0000	99.70
24.5	7,418,157		0.0000	1.0000	99.70
25.5	7,412,964		0.0000	1.0000	99.70
26.5	7,412,964		0.0000	1.0000	99.70
27.5	7,406,734		0.0000	1.0000	99.70
28.5	7,390,630		0.0000	1.0000	99.70
29.5	6,998,386		0.0000	1.0000	99.70
30.5	6,998,386		0.0000	1.0000	99.70
31.5	6,990,476	191,176	0.0273	0.9727	99.70
32.5	6,799,300		0.0000	1.0000	96.97
33.5	6,799,300		0.0000	1.0000	96.97
34.5	6,799,300		0.0000	1.0000	96.97
35.5	6,777,554		0.0000	1.0000	96.97
36.5	6,775,459		0.0000	1.0000	96.97
37.5	6,775,459	94,470	0.0139	0.9861	96.97
38.5	6,680,989		0.0000	1.0000	95.62

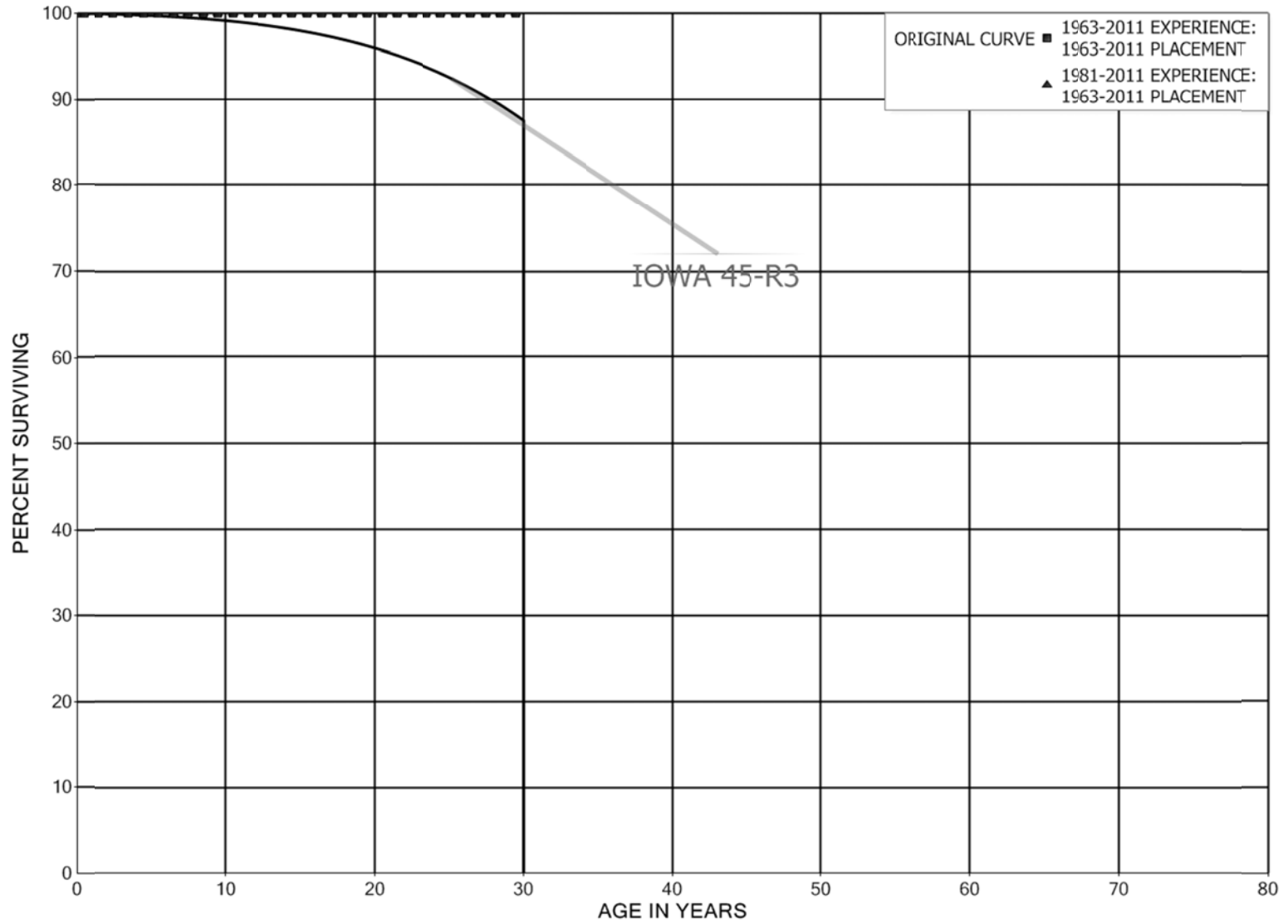
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,680,989		0.0000	1.0000	95.62
40.5	6,680,989	156	0.0000	1.0000	95.62
41.5	386,575		0.0000	1.0000	95.62
42.5	386,575		0.0000	1.0000	95.62
43.5	334		0.0000	1.0000	95.62
44.5	334		0.0000	1.0000	95.62
45.5	334		0.0000	1.0000	95.62
46.5	334		0.0000	1.0000	95.62
47.5	334		0.0000	1.0000	95.62
48.5	334		0.0000	1.0000	95.62
49.5	334		0.0000	1.0000	95.62
50.5	334		0.0000	1.0000	95.62
51.5	334		0.0000	1.0000	95.62
52.5	334		0.0000	1.0000	95.62
53.5	334		0.0000	1.0000	95.62
54.5	334		0.0000	1.0000	95.62
55.5	334		0.0000	1.0000	95.62
56.5	334		0.0000	1.0000	95.62
57.5	334		0.0000	1.0000	95.62
58.5	334		0.0000	1.0000	95.62
59.5	334		0.0000	1.0000	95.62
60.5	334		0.0000	1.0000	95.62
61.5	334		0.0000	1.0000	95.62
62.5					95.62

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,670,703		0.0000	1.0000	100.00
0.5	16,819,831		0.0000	1.0000	100.00
1.5	16,769,702		0.0000	1.0000	100.00
2.5	16,764,065		0.0000	1.0000	100.00
3.5	16,761,121		0.0000	1.0000	100.00
4.5	16,761,121		0.0000	1.0000	100.00
5.5	19,232,880		0.0000	1.0000	100.00
6.5	19,014,526		0.0000	1.0000	100.00
7.5	9,991,160		0.0000	1.0000	100.00
8.5	9,955,350	8,080	0.0008	0.9992	100.00
9.5	7,665,987		0.0000	1.0000	99.92
10.5	2,321,153		0.0000	1.0000	99.92
11.5	434,771		0.0000	1.0000	99.92
12.5	434,771		0.0000	1.0000	99.92
13.5	396,544		0.0000	1.0000	99.92
14.5	396,544		0.0000	1.0000	99.92
15.5	396,544		0.0000	1.0000	99.92
16.5	396,544		0.0000	1.0000	99.92
17.5	396,544		0.0000	1.0000	99.92
18.5	396,544		0.0000	1.0000	99.92
19.5	396,544		0.0000	1.0000	99.92
20.5	396,544		0.0000	1.0000	99.92
21.5	396,544		0.0000	1.0000	99.92
22.5	396,544		0.0000	1.0000	99.92
23.5	392,354		0.0000	1.0000	99.92
24.5	392,354		0.0000	1.0000	99.92
25.5	392,354		0.0000	1.0000	99.92
26.5	392,354		0.0000	1.0000	99.92
27.5	392,354		0.0000	1.0000	99.92
28.5	392,354		0.0000	1.0000	99.92
29.5	379,283		0.0000	1.0000	99.92
30.5	379,283		0.0000	1.0000	99.92
31.5	379,283		0.0000	1.0000	99.92
32.5	379,283		0.0000	1.0000	99.92
33.5	379,283		0.0000	1.0000	99.92
34.5	379,283		0.0000	1.0000	99.92
35.5	379,283		0.0000	1.0000	99.92
36.5	379,283		0.0000	1.0000	99.92
37.5	378,952		0.0000	1.0000	99.92
38.5	378,469	368	0.0010	0.9990	99.92

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	378,102		0.0000	1.0000	99.82	
40.5	376,346	472	0.0013	0.9987	99.82	
41.5	22,778		0.0000	1.0000	99.70	
42.5	22,778		0.0000	1.0000	99.70	
43.5					99.70	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,291,420		0.0000	1.0000	100.00
0.5	16,440,548		0.0000	1.0000	100.00
1.5	16,390,419		0.0000	1.0000	100.00
2.5	16,384,782		0.0000	1.0000	100.00
3.5	16,381,839		0.0000	1.0000	100.00
4.5	16,381,839		0.0000	1.0000	100.00
5.5	18,853,598		0.0000	1.0000	100.00
6.5	18,635,574		0.0000	1.0000	100.00
7.5	9,612,207		0.0000	1.0000	100.00
8.5	9,576,398	8,080	0.0008	0.9992	100.00
9.5	7,288,791		0.0000	1.0000	99.92
10.5	2,214,419		0.0000	1.0000	99.92
11.5	328,038		0.0000	1.0000	99.92
12.5	328,521		0.0000	1.0000	99.92
13.5	290,293		0.0000	1.0000	99.92
14.5	290,293		0.0000	1.0000	99.92
15.5	373,766		0.0000	1.0000	99.92
16.5	373,766		0.0000	1.0000	99.92
17.5	396,544		0.0000	1.0000	99.92
18.5	396,544		0.0000	1.0000	99.92
19.5	396,544		0.0000	1.0000	99.92
20.5	396,544		0.0000	1.0000	99.92
21.5	396,544		0.0000	1.0000	99.92
22.5	396,544		0.0000	1.0000	99.92
23.5	392,354		0.0000	1.0000	99.92
24.5	392,354		0.0000	1.0000	99.92
25.5	392,354		0.0000	1.0000	99.92
26.5	392,354		0.0000	1.0000	99.92
27.5	392,354		0.0000	1.0000	99.92
28.5	392,354		0.0000	1.0000	99.92
29.5	379,283		0.0000	1.0000	99.92
30.5	379,283		0.0000	1.0000	99.92
31.5	379,283		0.0000	1.0000	99.92
32.5	379,283		0.0000	1.0000	99.92
33.5	379,283		0.0000	1.0000	99.92
34.5	379,283		0.0000	1.0000	99.92
35.5	379,283		0.0000	1.0000	99.92
36.5	379,283		0.0000	1.0000	99.92
37.5	378,952		0.0000	1.0000	99.92
38.5	378,469	368	0.0010	0.9990	99.92

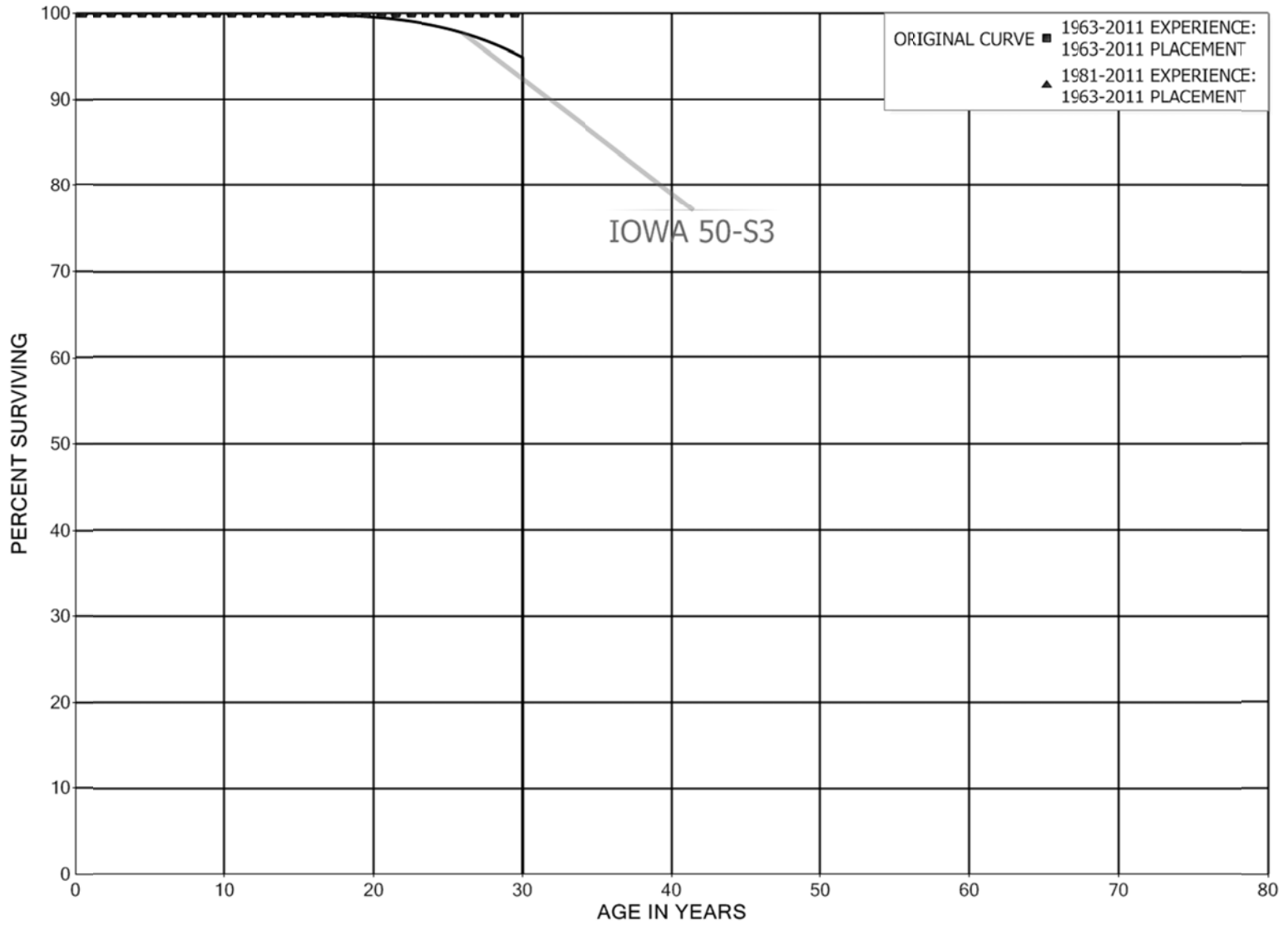
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	378,102		0.0000	1.0000	99.82	
40.5	376,346	472	0.0013	0.9987	99.82	
41.5	22,778		0.0000	1.0000	99.69	
42.5	22,778		0.0000	1.0000	99.69	
43.5					99.69	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,822,230		0.0000	1.0000	100.00
0.5	3,818,877		0.0000	1.0000	100.00
1.5	3,795,663		0.0000	1.0000	100.00
2.5	3,795,663		0.0000	1.0000	100.00
3.5	3,795,663		0.0000	1.0000	100.00
4.5	3,732,091		0.0000	1.0000	100.00
5.5	3,732,091		0.0000	1.0000	100.00
6.5	3,723,154		0.0000	1.0000	100.00
7.5	3,702,122		0.0000	1.0000	100.00
8.5	3,678,701		0.0000	1.0000	100.00
9.5	3,672,555		0.0000	1.0000	100.00
10.5	47,990		0.0000	1.0000	100.00
11.5	25,907		0.0000	1.0000	100.00
12.5	25,907		0.0000	1.0000	100.00
13.5	25,907		0.0000	1.0000	100.00
14.5	25,907		0.0000	1.0000	100.00
15.5	25,907		0.0000	1.0000	100.00
16.5	25,907		0.0000	1.0000	100.00
17.5	25,907		0.0000	1.0000	100.00
18.5	25,907		0.0000	1.0000	100.00
19.5	25,907		0.0000	1.0000	100.00
20.5	25,907		0.0000	1.0000	100.00
21.5	25,907		0.0000	1.0000	100.00
22.5	25,907		0.0000	1.0000	100.00
23.5	25,907		0.0000	1.0000	100.00
24.5	25,907		0.0000	1.0000	100.00
25.5	25,907		0.0000	1.0000	100.00
26.5	25,907		0.0000	1.0000	100.00
27.5	25,907		0.0000	1.0000	100.00
28.5	25,907		0.0000	1.0000	100.00
29.5	25,907		0.0000	1.0000	100.00
30.5	25,907		0.0000	1.0000	100.00
31.5	25,907		0.0000	1.0000	100.00
32.5	22,004		0.0000	1.0000	100.00
33.5	22,004		0.0000	1.0000	100.00
34.5	22,004		0.0000	1.0000	100.00
35.5	22,004		0.0000	1.0000	100.00
36.5	22,004		0.0000	1.0000	100.00
37.5	22,004		0.0000	1.0000	100.00
38.5	22,004	1,141	0.0518	0.9482	100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,863		0.0000	1.0000	94.82
40.5	20,863		0.0000	1.0000	94.82
41.5	20,863		0.0000	1.0000	94.82
42.5	20,863		0.0000	1.0000	94.82
43.5					94.82

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,796,323		0.0000	1.0000	100.00
0.5	3,792,970		0.0000	1.0000	100.00
1.5	3,769,756		0.0000	1.0000	100.00
2.5	3,769,756		0.0000	1.0000	100.00
3.5	3,769,756		0.0000	1.0000	100.00
4.5	3,706,184		0.0000	1.0000	100.00
5.5	3,706,184		0.0000	1.0000	100.00
6.5	3,701,150		0.0000	1.0000	100.00
7.5	3,680,118		0.0000	1.0000	100.00
8.5	3,657,838		0.0000	1.0000	100.00
9.5	3,651,692		0.0000	1.0000	100.00
10.5	27,127		0.0000	1.0000	100.00
11.5	5,044		0.0000	1.0000	100.00
12.5	5,044		0.0000	1.0000	100.00
13.5	5,044		0.0000	1.0000	100.00
14.5	5,044		0.0000	1.0000	100.00
15.5	5,044		0.0000	1.0000	100.00
16.5	5,044		0.0000	1.0000	100.00
17.5	25,907		0.0000	1.0000	100.00
18.5	25,907		0.0000	1.0000	100.00
19.5	25,907		0.0000	1.0000	100.00
20.5	25,907		0.0000	1.0000	100.00
21.5	25,907		0.0000	1.0000	100.00
22.5	25,907		0.0000	1.0000	100.00
23.5	25,907		0.0000	1.0000	100.00
24.5	25,907		0.0000	1.0000	100.00
25.5	25,907		0.0000	1.0000	100.00
26.5	25,907		0.0000	1.0000	100.00
27.5	25,907		0.0000	1.0000	100.00
28.5	25,907		0.0000	1.0000	100.00
29.5	25,907		0.0000	1.0000	100.00
30.5	25,907		0.0000	1.0000	100.00
31.5	25,907		0.0000	1.0000	100.00
32.5	22,004		0.0000	1.0000	100.00
33.5	22,004		0.0000	1.0000	100.00
34.5	22,004		0.0000	1.0000	100.00
35.5	22,004		0.0000	1.0000	100.00
36.5	22,004		0.0000	1.0000	100.00
37.5	22,004		0.0000	1.0000	100.00
38.5	22,004	1,141	0.0518	0.9482	100.00

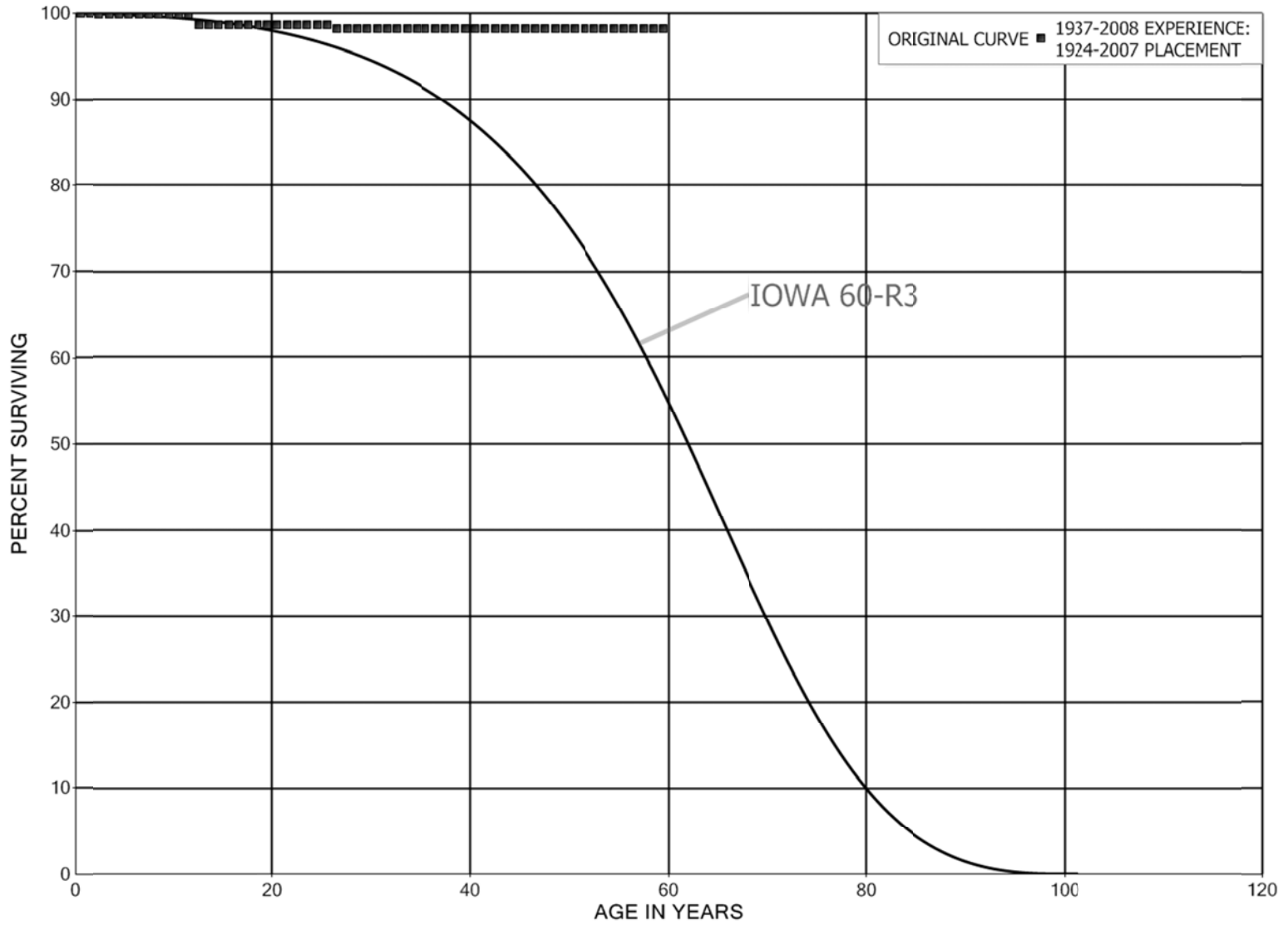
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,863		0.0000	1.0000	94.82
40.5	20,863		0.0000	1.0000	94.82
41.5	20,863		0.0000	1.0000	94.82
42.5	20,863		0.0000	1.0000	94.82
43.5					94.82

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 350.1 LAND RIGHTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2007			EXPERIENCE BAND 1937-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,793,151		0.0000	1.0000	100.00
0.5	7,793,671		0.0000	1.0000	100.00
1.5	2,605,034	4,581	0.0018	0.9982	100.00
2.5	2,747,764		0.0000	1.0000	99.82
3.5	2,755,014		0.0000	1.0000	99.82
4.5	2,690,897		0.0000	1.0000	99.82
5.5	2,690,548		0.0000	1.0000	99.82
6.5	2,696,975		0.0000	1.0000	99.82
7.5	2,699,305		0.0000	1.0000	99.82
8.5	2,695,513		0.0000	1.0000	99.82
9.5	2,716,375	750	0.0003	0.9997	99.82
10.5	2,732,998		0.0000	1.0000	99.80
11.5	2,757,696	31,630	0.0115	0.9885	99.80
12.5	2,749,951		0.0000	1.0000	98.65
13.5	2,733,467		0.0000	1.0000	98.65
14.5	2,290,740		0.0000	1.0000	98.65
15.5	2,596,153		0.0000	1.0000	98.65
16.5	2,484,887		0.0000	1.0000	98.65
17.5	2,501,576		0.0000	1.0000	98.65
18.5	2,569,333		0.0000	1.0000	98.65
19.5	2,250,803		0.0000	1.0000	98.65
20.5	2,231,469		0.0000	1.0000	98.65
21.5	2,239,929	1,500	0.0007	0.9993	98.65
22.5	2,540,244		0.0000	1.0000	98.59
23.5	2,558,508		0.0000	1.0000	98.59
24.5	2,556,178		0.0000	1.0000	98.59
25.5	2,539,461	10,368	0.0041	0.9959	98.59
26.5	2,446,296		0.0000	1.0000	98.18
27.5	2,421,175		0.0000	1.0000	98.18
28.5	2,149,899		0.0000	1.0000	98.18
29.5	2,011,623		0.0000	1.0000	98.18
30.5	1,978,989		0.0000	1.0000	98.18
31.5	1,938,109		0.0000	1.0000	98.18
32.5	1,624,204		0.0000	1.0000	98.18
33.5	1,537,160		0.0000	1.0000	98.18
34.5	1,499,306		0.0000	1.0000	98.18
35.5	1,433,271		0.0000	1.0000	98.18
36.5	1,430,864		0.0000	1.0000	98.18
37.5	1,414,466		0.0000	1.0000	98.18
38.5	1,393,363		0.0000	1.0000	98.18

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 350.1 LAND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2007			EXPERIENCE BAND 1937-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,077,461		0.0000	1.0000	98.18
40.5	1,059,030		0.0000	1.0000	98.18
41.5	1,047,213		0.0000	1.0000	98.18
42.5	1,045,967		0.0000	1.0000	98.18
43.5	1,036,808		0.0000	1.0000	98.18
44.5	1,018,186		0.0000	1.0000	98.18
45.5	893,933		0.0000	1.0000	98.18
46.5	858,979		0.0000	1.0000	98.18
47.5	849,605		0.0000	1.0000	98.18
48.5	844,669		0.0000	1.0000	98.18
49.5	802,749		0.0000	1.0000	98.18
50.5	700,508		0.0000	1.0000	98.18
51.5	652,488		0.0000	1.0000	98.18
52.5	652,385		0.0000	1.0000	98.18
53.5	650,331		0.0000	1.0000	98.18
54.5	640,269		0.0000	1.0000	98.18
55.5	640,269		0.0000	1.0000	98.18
56.5	428,131		0.0000	1.0000	98.18
57.5	423,687		0.0000	1.0000	98.18
58.5	374,360		0.0000	1.0000	98.18
59.5	301,253		0.0000	1.0000	98.18
60.5	255,921		0.0000	1.0000	98.18
61.5	255,921		0.0000	1.0000	98.18
62.5	255,921		0.0000	1.0000	98.18
63.5	254,322		0.0000	1.0000	98.18
64.5	254,322		0.0000	1.0000	98.18
65.5	155,656		0.0000	1.0000	98.18
66.5	155,656		0.0000	1.0000	98.18
67.5	153,350		0.0000	1.0000	98.18
68.5	18,945		0.0000	1.0000	98.18
69.5	8,255		0.0000	1.0000	98.18
70.5	7,058		0.0000	1.0000	98.18
71.5	6,951		0.0000	1.0000	98.18
72.5	524		0.0000	1.0000	98.18
73.5	524		0.0000	1.0000	98.18
74.5	524		0.0000	1.0000	98.18
75.5	524		0.0000	1.0000	98.18
76.5	524		0.0000	1.0000	98.18
77.5	524		0.0000	1.0000	98.18
78.5	524		0.0000	1.0000	98.18

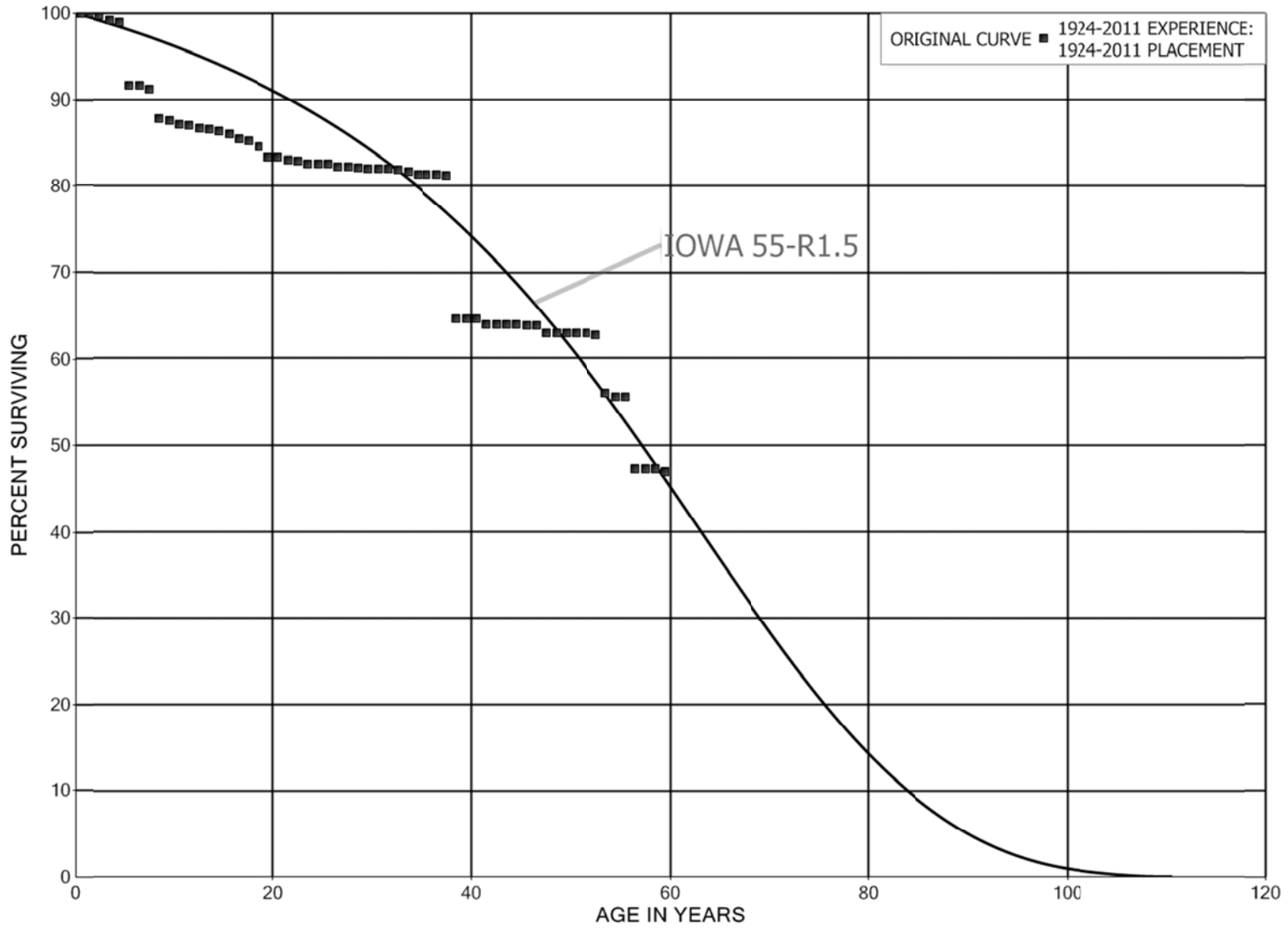
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 350.1 LAND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2007			EXPERIENCE BAND 1937-2008		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	524		0.0000	1.0000	98.18
80.5	524		0.0000	1.0000	98.18
81.5	524		0.0000	1.0000	98.18
82.5	524		0.0000	1.0000	98.18
83.5	524		0.0000	1.0000	98.18
84.5					98.18

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1924-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	7,045,650	702	0.0001	0.9999	100.00	
0.5	6,726,975	1,429	0.0002	0.9998	99.99	
1.5	5,655,641	14,926	0.0026	0.9974	99.97	
2.5	5,532,722	28,340	0.0051	0.9949	99.70	
3.5	3,299,870	7,177	0.0022	0.9978	99.19	
4.5	3,267,785	241,292	0.0738	0.9262	98.98	
5.5	2,940,429	1,933	0.0007	0.9993	91.67	
6.5	2,923,824	13,472	0.0046	0.9954	91.61	
7.5	2,873,742	107,607	0.0374	0.9626	91.19	
8.5	2,719,877	8,642	0.0032	0.9968	87.77	
9.5	2,323,951	11,156	0.0048	0.9952	87.49	
10.5	2,254,721	4,093	0.0018	0.9982	87.07	
11.5	2,197,322	7,031	0.0032	0.9968	86.92	
12.5	2,227,927	2,093	0.0009	0.9991	86.64	
13.5	2,265,403	5,726	0.0025	0.9975	86.56	
14.5	2,277,421	11,450	0.0050	0.9950	86.34	
15.5	2,223,489	13,043	0.0059	0.9941	85.90	
16.5	2,082,982	6,639	0.0032	0.9968	85.40	
17.5	1,864,678	14,806	0.0079	0.9921	85.13	
18.5	1,858,844	26,697	0.0144	0.9856	84.45	
19.5	1,724,501		0.0000	1.0000	83.24	
20.5	1,685,586	5,544	0.0033	0.9967	83.24	
21.5	1,485,398	3,086	0.0021	0.9979	82.97	
22.5	1,460,671	5,519	0.0038	0.9962	82.79	
23.5	1,438,767		0.0000	1.0000	82.48	
24.5	1,411,939		0.0000	1.0000	82.48	
25.5	1,361,953	4,138	0.0030	0.9970	82.48	
26.5	1,316,450	680	0.0005	0.9995	82.23	
27.5	1,330,223	1,691	0.0013	0.9987	82.19	
28.5	1,351,298	2,383	0.0018	0.9982	82.08	
29.5	1,317,956		0.0000	1.0000	81.94	
30.5	1,162,628		0.0000	1.0000	81.94	
31.5	1,058,829	1,179	0.0011	0.9989	81.94	
32.5	1,043,016	2,761	0.0026	0.9974	81.85	
33.5	985,350	4,275	0.0043	0.9957	81.63	
34.5	962,190		0.0000	1.0000	81.28	
35.5	959,917		0.0000	1.0000	81.28	
36.5	808,836	598	0.0007	0.9993	81.28	
37.5	741,476	151,434	0.2042	0.7958	81.22	
38.5	581,021		0.0000	1.0000	64.63	

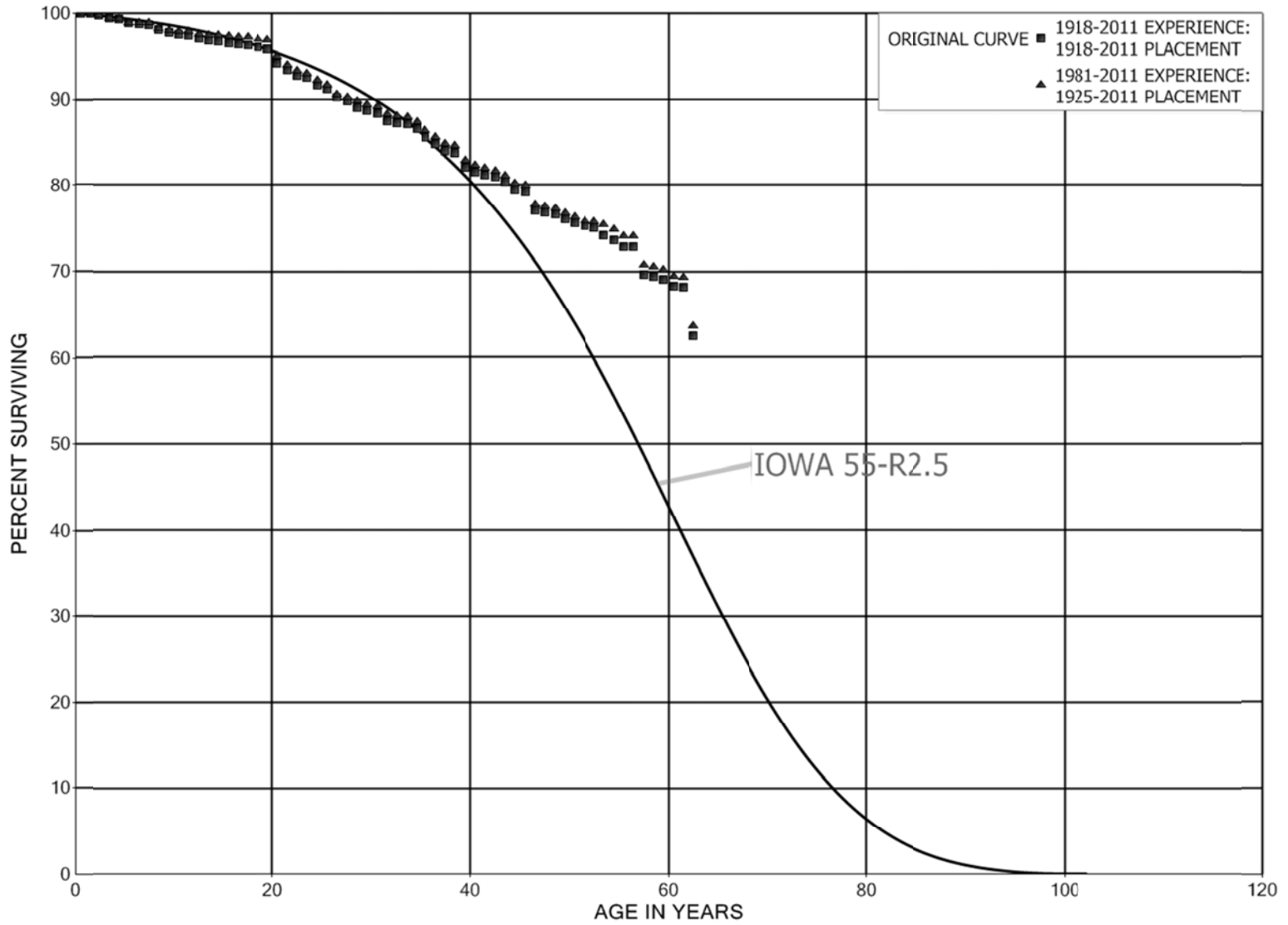
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1924-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	533,193	80	0.0001	0.9999	64.63	
40.5	527,068	4,981	0.0095	0.9905	64.62	
41.5	519,684		0.0000	1.0000	64.01	
42.5	568,268		0.0000	1.0000	64.01	
43.5	565,575	717	0.0013	0.9987	64.01	
44.5	554,318	604	0.0011	0.9989	63.93	
45.5	550,171	308	0.0006	0.9994	63.86	
46.5	544,898	7,685	0.0141	0.9859	63.82	
47.5	502,902		0.0000	1.0000	62.92	
48.5	500,426		0.0000	1.0000	62.92	
49.5	500,426		0.0000	1.0000	62.92	
50.5	485,026		0.0000	1.0000	62.92	
51.5	476,216	1,121	0.0024	0.9976	62.92	
52.5	451,088	47,821	0.1060	0.8940	62.77	
53.5	328,777	2,763	0.0084	0.9916	56.12	
54.5	292,976		0.0000	1.0000	55.65	
55.5	292,973	43,770	0.1494	0.8506	55.65	
56.5	238,919		0.0000	1.0000	47.33	
57.5	172,743		0.0000	1.0000	47.33	
58.5	123,968	852	0.0069	0.9931	47.33	
59.5	115,685		0.0000	1.0000	47.01	
60.5	114,012		0.0000	1.0000	47.01	
61.5	100,907		0.0000	1.0000	47.01	
62.5	84,552		0.0000	1.0000	47.01	
63.5	82,233	1,392	0.0169	0.9831	47.01	
64.5	79,311		0.0000	1.0000	46.21	
65.5	79,311	438	0.0055	0.9945	46.21	
66.5	78,873	3,246	0.0411	0.9589	45.96	
67.5	75,627	3,294	0.0436	0.9564	44.07	
68.5	72,334		0.0000	1.0000	42.15	
69.5	12,492		0.0000	1.0000	42.15	
70.5	1,162		0.0000	1.0000	42.15	
71.5					42.15	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	114,192,578	24,030	0.0002	0.9998	100.00	
0.5	106,536,179	11,869	0.0001	0.9999	99.98	
1.5	111,685,581	284,490	0.0025	0.9975	99.97	
2.5	125,457,999	440,381	0.0035	0.9965	99.71	
3.5	128,773,199	145,706	0.0011	0.9989	99.36	
4.5	129,248,245	517,164	0.0040	0.9960	99.25	
5.5	125,137,505	186,060	0.0015	0.9985	98.85	
6.5	117,700,264	98,599	0.0008	0.9992	98.71	
7.5	117,950,312	723,914	0.0061	0.9939	98.62	
8.5	111,955,546	350,363	0.0031	0.9969	98.02	
9.5	104,582,157	171,371	0.0016	0.9984	97.71	
10.5	104,806,808	226,465	0.0022	0.9978	97.55	
11.5	103,239,828	299,880	0.0029	0.9971	97.34	
12.5	102,886,320	195,876	0.0019	0.9981	97.06	
13.5	100,922,218	109,062	0.0011	0.9989	96.87	
14.5	99,262,231	253,404	0.0026	0.9974	96.77	
15.5	92,570,513	105,437	0.0011	0.9989	96.52	
16.5	90,917,838	96,834	0.0011	0.9989	96.41	
17.5	88,883,393	240,861	0.0027	0.9973	96.31	
18.5	87,029,295	188,194	0.0022	0.9978	96.05	
19.5	86,806,877	1,461,295	0.0168	0.9832	95.84	
20.5	82,175,762	766,452	0.0093	0.9907	94.23	
21.5	67,698,006	459,168	0.0068	0.9932	93.35	
22.5	67,485,418	181,810	0.0027	0.9973	92.72	
23.5	66,887,948	578,623	0.0087	0.9913	92.47	
24.5	66,216,443	387,442	0.0059	0.9941	91.67	
25.5	65,381,738	715,144	0.0109	0.9891	91.13	
26.5	64,695,255	294,061	0.0045	0.9955	90.13	
27.5	63,124,259	557,833	0.0088	0.9912	89.72	
28.5	60,535,082	248,100	0.0041	0.9959	88.93	
29.5	59,107,062	198,411	0.0034	0.9966	88.57	
30.5	57,989,634	548,874	0.0095	0.9905	88.27	
31.5	52,368,870	132,211	0.0025	0.9975	87.43	
32.5	49,922,005	90,013	0.0018	0.9982	87.21	
33.5	45,255,750	289,673	0.0064	0.9936	87.05	
34.5	39,315,936	468,664	0.0119	0.9881	86.50	
35.5	35,205,167	313,752	0.0089	0.9911	85.47	
36.5	34,108,941	295,857	0.0087	0.9913	84.70	
37.5	30,894,489	77,157	0.0025	0.9975	83.97	
38.5	30,356,769	602,081	0.0198	0.9802	83.76	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	23,312,143	167,186	0.0072	0.9928	82.10	
40.5	22,285,504	77,510	0.0035	0.9965	81.51	
41.5	21,968,864	90,910	0.0041	0.9959	81.23	
42.5	20,293,420	136,230	0.0067	0.9933	80.89	
43.5	19,500,227	211,940	0.0109	0.9891	80.35	
44.5	18,642,565	57,064	0.0031	0.9969	79.47	
45.5	17,155,401	474,446	0.0277	0.9723	79.23	
46.5	16,091,701	35,694	0.0022	0.9978	77.04	
47.5	15,835,548	50,701	0.0032	0.9968	76.87	
48.5	15,580,895	115,271	0.0074	0.9926	76.62	
49.5	14,634,911	87,377	0.0060	0.9940	76.06	
50.5	14,579,725	69,411	0.0048	0.9952	75.60	
51.5	13,919,897	27,262	0.0020	0.9980	75.24	
52.5	12,368,782	154,196	0.0125	0.9875	75.09	
53.5	10,493,566	75,508	0.0072	0.9928	74.16	
54.5	9,945,060	102,249	0.0103	0.9897	73.62	
55.5	7,980,888	2,752	0.0003	0.9997	72.87	
56.5	7,333,849	324,457	0.0442	0.9558	72.84	
57.5	5,384,548	20,930	0.0039	0.9961	69.62	
58.5	4,685,848	20,764	0.0044	0.9956	69.35	
59.5	3,995,658	46,684	0.0117	0.9883	69.04	
60.5	3,724,822	3,437	0.0009	0.9991	68.24	
61.5	3,351,783	276,181	0.0824	0.9176	68.17	
62.5	1,679,528	3,427	0.0020	0.9980	62.56	
63.5	1,589,236	1,496	0.0009	0.9991	62.43	
64.5	1,499,325	2,557	0.0017	0.9983	62.37	
65.5	1,488,296	108,394	0.0728	0.9272	62.26	
66.5	1,277,089	6,473	0.0051	0.9949	57.73	
67.5	1,146,739	45,224	0.0394	0.9606	57.44	
68.5	1,027,318	10,716	0.0104	0.9896	55.17	
69.5	214,028	2,450	0.0114	0.9886	54.59	
70.5	5,842		0.0000	1.0000	53.97	
71.5	2,125		0.0000	1.0000	53.97	
72.5					53.97	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	87,622,801	24,030	0.0003	0.9997	100.00	
0.5	85,522,299	2,978	0.0000	1.0000	99.97	
1.5	80,906,915	227,448	0.0028	0.9972	99.97	
2.5	90,075,013	301,812	0.0034	0.9966	99.69	
3.5	91,390,113	72,729	0.0008	0.9992	99.35	
4.5	93,312,016	409,137	0.0044	0.9956	99.27	
5.5	93,139,004	19,129	0.0002	0.9998	98.84	
6.5	88,663,050	8,329	0.0001	0.9999	98.82	
7.5	89,169,369	553,067	0.0062	0.9938	98.81	
8.5	90,392,714	272,125	0.0030	0.9970	98.20	
9.5	83,825,218	43,804	0.0005	0.9995	97.90	
10.5	84,518,428	35,254	0.0004	0.9996	97.85	
11.5	84,776,959	258,634	0.0031	0.9969	97.81	
12.5	85,163,572	55,766	0.0007	0.9993	97.51	
13.5	83,848,563	46,960	0.0006	0.9994	97.45	
14.5	83,709,028	128,826	0.0015	0.9985	97.39	
15.5	77,213,745	64,341	0.0008	0.9992	97.24	
16.5	76,200,819	17,089	0.0002	0.9998	97.16	
17.5	74,333,777	170,037	0.0023	0.9977	97.14	
18.5	73,791,480	84,986	0.0012	0.9988	96.92	
19.5	73,710,309	1,404,601	0.0191	0.9809	96.81	
20.5	69,469,298	731,835	0.0105	0.9895	94.96	
21.5	56,957,471	432,155	0.0076	0.9924	93.96	
22.5	58,215,198	150,901	0.0026	0.9974	93.25	
23.5	58,140,738	511,343	0.0088	0.9912	93.01	
24.5	59,129,836	366,310	0.0062	0.9938	92.19	
25.5	58,981,587	711,472	0.0121	0.9879	91.62	
26.5	59,684,746	253,731	0.0043	0.9957	90.51	
27.5	58,586,046	273,781	0.0047	0.9953	90.13	
28.5	57,171,317	246,947	0.0043	0.9957	89.71	
29.5	55,951,697	186,280	0.0033	0.9967	89.32	
30.5	55,296,760	542,308	0.0098	0.9902	89.02	
31.5	50,682,050	106,852	0.0021	0.9979	88.15	
32.5	48,328,322	82,470	0.0017	0.9983	87.96	
33.5	43,674,688	252,109	0.0058	0.9942	87.81	
34.5	37,773,057	452,787	0.0120	0.9880	87.31	
35.5	33,671,139	307,632	0.0091	0.9909	86.26	
36.5	32,687,993	292,164	0.0089	0.9911	85.47	
37.5	29,539,491	64,605	0.0022	0.9978	84.71	
38.5	29,785,070	597,206	0.0201	0.9799	84.52	

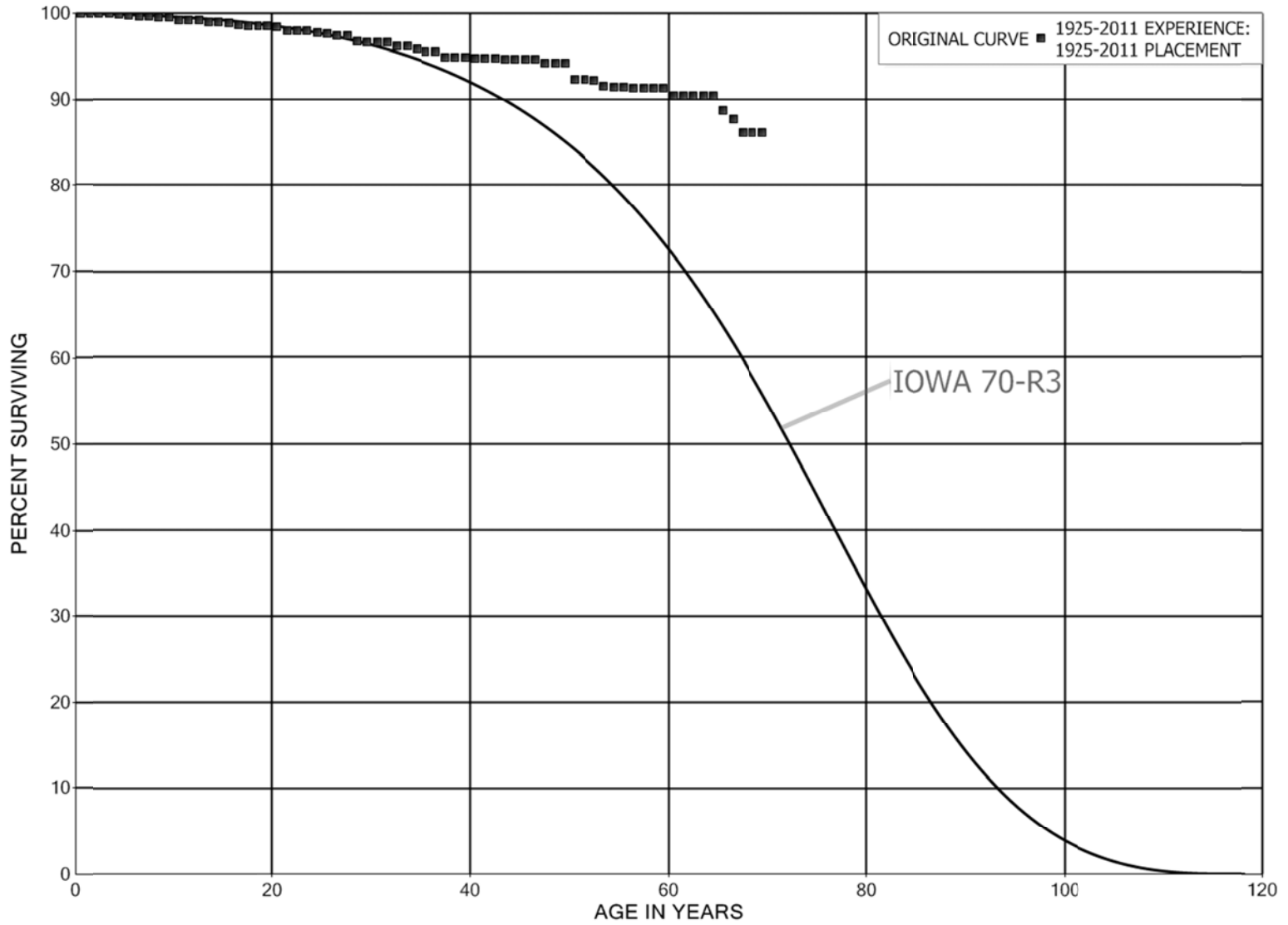
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	22,973,606	151,612	0.0066	0.9934	82.83	
40.5	22,031,744	77,510	0.0035	0.9965	82.28	
41.5	21,745,537	90,661	0.0042	0.9958	81.99	
42.5	20,161,205	135,433	0.0067	0.9933	81.65	
43.5	19,398,692	209,784	0.0108	0.9892	81.10	
44.5	18,543,186	57,064	0.0031	0.9969	80.22	
45.5	16,811,362	474,446	0.0282	0.9718	79.98	
46.5	15,747,662	35,694	0.0023	0.9977	77.72	
47.5	15,491,509	50,701	0.0033	0.9967	77.54	
48.5	15,236,862	115,271	0.0076	0.9924	77.29	
49.5	14,531,468	87,377	0.0060	0.9940	76.71	
50.5	14,477,398	69,411	0.0048	0.9952	76.24	
51.5	13,817,203	25,193	0.0018	0.9982	75.88	
52.5	12,268,157	58,750	0.0048	0.9952	75.74	
53.5	10,493,566	75,508	0.0072	0.9928	75.38	
54.5	9,945,060	102,249	0.0103	0.9897	74.83	
55.5	7,980,888	2,752	0.0003	0.9997	74.07	
56.5	7,333,849	324,457	0.0442	0.9558	74.04	
57.5	5,384,548	20,930	0.0039	0.9961	70.76	
58.5	4,685,848	20,764	0.0044	0.9956	70.49	
59.5	3,995,658	46,684	0.0117	0.9883	70.18	
60.5	3,724,822	3,437	0.0009	0.9991	69.36	
61.5	3,351,783	276,181	0.0824	0.9176	69.29	
62.5	1,679,528	3,427	0.0020	0.9980	63.58	
63.5	1,589,236	1,496	0.0009	0.9991	63.45	
64.5	1,499,325	2,557	0.0017	0.9983	63.39	
65.5	1,488,296	108,394	0.0728	0.9272	63.29	
66.5	1,277,089	6,473	0.0051	0.9949	58.68	
67.5	1,146,739	45,224	0.0394	0.9606	58.38	
68.5	1,027,318	10,716	0.0104	0.9896	56.08	
69.5	214,028	2,450	0.0114	0.9886	55.49	
70.5	5,842		0.0000	1.0000	54.86	
71.5	2,125		0.0000	1.0000	54.86	
72.5					54.86	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 354 TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1925-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	41,397,578		0.0000	1.0000	100.00
0.5	41,353,041	14,172	0.0003	0.9997	100.00
1.5	26,811,210		0.0000	1.0000	99.97
2.5	26,114,969	4,396	0.0002	0.9998	99.97
3.5	26,133,505	18,039	0.0007	0.9993	99.95
4.5	26,006,458	32,519	0.0013	0.9987	99.88
5.5	25,850,653	26,670	0.0010	0.9990	99.76
6.5	25,066,793	18,321	0.0007	0.9993	99.65
7.5	25,000,710	4,983	0.0002	0.9998	99.58
8.5	24,995,367		0.0000	1.0000	99.56
9.5	24,850,724	94,095	0.0038	0.9962	99.56
10.5	24,456,545		0.0000	1.0000	99.18
11.5	24,498,050	4,684	0.0002	0.9998	99.18
12.5	24,536,664	65,707	0.0027	0.9973	99.16
13.5	24,464,432		0.0000	1.0000	98.90
14.5	24,143,647	11,801	0.0005	0.9995	98.90
15.5	24,052,889	51,010	0.0021	0.9979	98.85
16.5	23,646,263	25,461	0.0011	0.9989	98.64
17.5	19,382,732	1,742	0.0001	0.9999	98.53
18.5	19,440,212	11,823	0.0006	0.9994	98.52
19.5	19,483,838	14,259	0.0007	0.9993	98.46
20.5	19,692,227	84,783	0.0043	0.9957	98.39
21.5	19,559,377		0.0000	1.0000	97.97
22.5	19,493,964		0.0000	1.0000	97.97
23.5	19,531,402	57,161	0.0029	0.9971	97.97
24.5	19,474,241	9,884	0.0005	0.9995	97.68
25.5	19,447,347	46,300	0.0024	0.9976	97.63
26.5	19,399,335	3,000	0.0002	0.9998	97.40
27.5	19,409,481	125,472	0.0065	0.9935	97.39
28.5	19,293,464	32,312	0.0017	0.9983	96.76
29.5	17,376,671	4,570	0.0003	0.9997	96.59
30.5	17,368,588		0.0000	1.0000	96.57
31.5	16,210,055	62,705	0.0039	0.9961	96.57
32.5	16,117,688	2,397	0.0001	0.9999	96.19
33.5	15,973,986	62,729	0.0039	0.9961	96.18
34.5	15,013,310	48,979	0.0033	0.9967	95.80
35.5	8,943,559	551	0.0001	0.9999	95.49
36.5	8,411,079	61,817	0.0073	0.9927	95.48
37.5	8,193,580		0.0000	1.0000	94.78
38.5	7,999,330		0.0000	1.0000	94.78

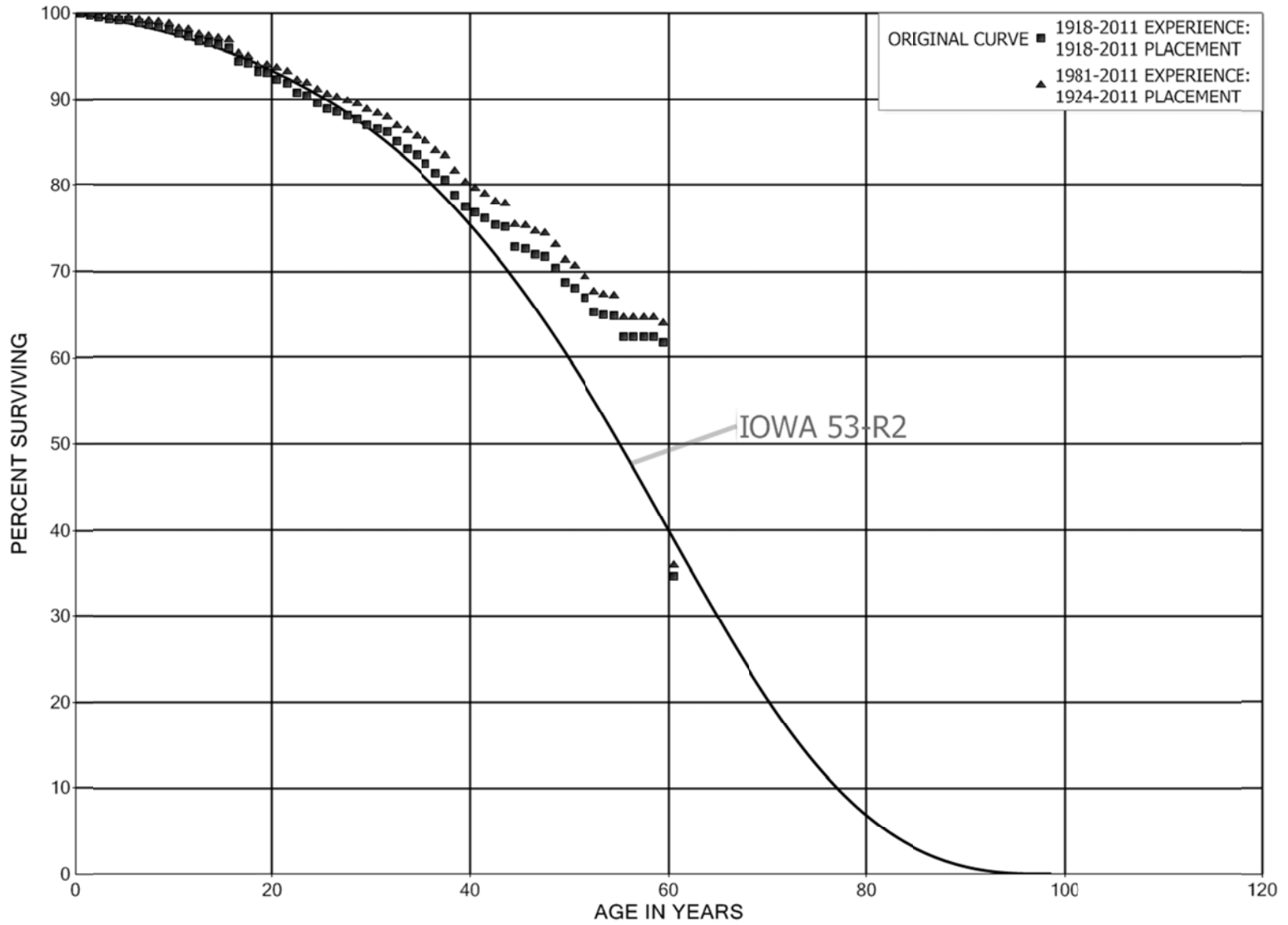
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 354 TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1925-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	7,658,538	1,850	0.0002	0.9998	94.78	
40.5	7,436,307	360	0.0000	1.0000	94.76	
41.5	7,387,619	3,387	0.0005	0.9995	94.76	
42.5	4,945,325	4,528	0.0009	0.9991	94.71	
43.5	4,927,098		0.0000	1.0000	94.63	
44.5	4,872,768		0.0000	1.0000	94.63	
45.5	4,753,553		0.0000	1.0000	94.63	
46.5	4,737,838	21,631	0.0046	0.9954	94.63	
47.5	4,684,166		0.0000	1.0000	94.19	
48.5	4,678,516		0.0000	1.0000	94.19	
49.5	3,193,116	64,938	0.0203	0.9797	94.19	
50.5	3,116,470	250	0.0001	0.9999	92.28	
51.5	3,040,536	3,139	0.0010	0.9990	92.27	
52.5	2,535,672	19,683	0.0078	0.9922	92.17	
53.5	2,254,283	2,374	0.0011	0.9989	91.46	
54.5	2,146,615		0.0000	1.0000	91.36	
55.5	2,031,784	1,877	0.0009	0.9991	91.36	
56.5	1,415,757		0.0000	1.0000	91.28	
57.5	1,298,776		0.0000	1.0000	91.28	
58.5	1,298,776		0.0000	1.0000	91.28	
59.5	1,211,341	12,157	0.0100	0.9900	91.28	
60.5	1,199,184		0.0000	1.0000	90.36	
61.5	895,934		0.0000	1.0000	90.36	
62.5	895,934	21	0.0000	1.0000	90.36	
63.5	722,381		0.0000	1.0000	90.36	
64.5	736,971	14,590	0.0198	0.9802	90.36	
65.5	722,381	8,215	0.0114	0.9886	88.57	
66.5	718,394	12,710	0.0177	0.9823	87.56	
67.5	705,684		0.0000	1.0000	86.02	
68.5	705,684		0.0000	1.0000	86.02	
69.5					86.02	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	47,121,254	38,974	0.0008	0.9992	100.00	
0.5	45,418,506	69,878	0.0015	0.9985	99.92	
1.5	38,226,586	112,551	0.0029	0.9971	99.76	
2.5	38,179,122	50,179	0.0013	0.9987	99.47	
3.5	38,512,508	55,574	0.0014	0.9986	99.34	
4.5	35,043,931	24,998	0.0007	0.9993	99.20	
5.5	34,200,630	84,753	0.0025	0.9975	99.12	
6.5	29,349,074	74,618	0.0025	0.9975	98.88	
7.5	29,045,789	73,221	0.0025	0.9975	98.63	
8.5	28,304,216	75,972	0.0027	0.9973	98.38	
9.5	28,328,523	155,420	0.0055	0.9945	98.12	
10.5	26,377,291	65,167	0.0025	0.9975	97.58	
11.5	26,681,115	158,648	0.0059	0.9941	97.34	
12.5	25,068,414	71,125	0.0028	0.9972	96.76	
13.5	23,912,519	62,461	0.0026	0.9974	96.48	
14.5	22,709,597	65,133	0.0029	0.9971	96.23	
15.5	22,794,522	359,720	0.0158	0.9842	95.95	
16.5	20,839,565	64,320	0.0031	0.9969	94.44	
17.5	18,691,419	189,349	0.0101	0.9899	94.15	
18.5	17,999,882	27,585	0.0015	0.9985	93.20	
19.5	16,580,395	142,458	0.0086	0.9914	93.05	
20.5	15,564,972	74,128	0.0048	0.9952	92.25	
21.5	15,239,489	176,932	0.0116	0.9884	91.81	
22.5	14,068,746	59,614	0.0042	0.9958	90.75	
23.5	13,729,953	137,937	0.0100	0.9900	90.36	
24.5	12,961,850	84,893	0.0065	0.9935	89.46	
25.5	12,335,315	55,617	0.0045	0.9955	88.87	
26.5	11,829,381	56,688	0.0048	0.9952	88.47	
27.5	11,619,091	54,186	0.0047	0.9953	88.04	
28.5	11,399,926	82,108	0.0072	0.9928	87.63	
29.5	9,667,328	53,199	0.0055	0.9945	87.00	
30.5	8,991,318	39,172	0.0044	0.9956	86.52	
31.5	6,465,867	77,698	0.0120	0.9880	86.15	
32.5	4,363,995	49,393	0.0113	0.9887	85.11	
33.5	3,890,948	29,833	0.0077	0.9923	84.15	
34.5	3,147,841	37,648	0.0120	0.9880	83.50	
35.5	2,508,661	35,183	0.0140	0.9860	82.50	
36.5	2,260,991	19,723	0.0087	0.9913	81.35	
37.5	2,020,102	44,581	0.0221	0.9779	80.64	
38.5	1,945,174	33,534	0.0172	0.9828	78.86	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,845,925	16,023	0.0087	0.9913	77.50	
40.5	1,619,181	14,020	0.0087	0.9913	76.83	
41.5	1,388,006	14,628	0.0105	0.9895	76.16	
42.5	1,267,907	3,463	0.0027	0.9973	75.36	
43.5	1,110,755	34,846	0.0314	0.9686	75.15	
44.5	1,000,560	1,792	0.0018	0.9982	72.79	
45.5	923,445	9,062	0.0098	0.9902	72.66	
46.5	862,575	2,984	0.0035	0.9965	71.95	
47.5	796,186	14,179	0.0178	0.9822	71.70	
48.5	769,995	18,576	0.0241	0.9759	70.43	
49.5	707,288	6,470	0.0091	0.9909	68.73	
50.5	694,961	11,832	0.0170	0.9830	68.10	
51.5	680,336	16,952	0.0249	0.9751	66.94	
52.5	632,739	3,008	0.0048	0.9952	65.27	
53.5	366,420	907	0.0025	0.9975	64.96	
54.5	187,553	6,921	0.0369	0.9631	64.80	
55.5	168,375		0.0000	1.0000	62.41	
56.5	165,762		0.0000	1.0000	62.41	
57.5	156,810	165	0.0011	0.9989	62.41	
58.5	14,284	142	0.0099	0.9901	62.34	
59.5	14,142	6,220	0.4398	0.5602	61.72	
60.5	7,922		0.0000	1.0000	34.58	
61.5	7,922	55	0.0069	0.9931	34.58	
62.5	7,827		0.0000	1.0000	34.34	
63.5	7,827		0.0000	1.0000	34.34	
64.5	7,827	429	0.0548	0.9452	34.34	
65.5	7,361	391	0.0531	0.9469	32.46	
66.5	6,970	761	0.1092	0.8908	30.73	
67.5	4,754	58	0.0121	0.9879	27.38	
68.5	4,697	27	0.0057	0.9943	27.04	
69.5	4,670	208	0.0445	0.9555	26.89	
70.5	939	13	0.0134	0.9866	25.69	
71.5	893		0.0000	1.0000	25.35	
72.5	454		0.0000	1.0000	25.35	
73.5	454	59	0.1290	0.8710	25.35	
74.5	396		0.0000	1.0000	22.08	
75.5	396		0.0000	1.0000	22.08	
76.5					22.08	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	42,712,602	36,496	0.0009	0.9991	100.00	
0.5	41,754,223	51,489	0.0012	0.9988	99.91	
1.5	34,202,698	76,155	0.0022	0.9978	99.79	
2.5	34,063,809	14,947	0.0004	0.9996	99.57	
3.5	34,654,300	28,559	0.0008	0.9992	99.53	
4.5	31,574,651	9,235	0.0003	0.9997	99.44	
5.5	31,074,178	74,811	0.0024	0.9976	99.41	
6.5	26,300,167	30,290	0.0012	0.9988	99.18	
7.5	26,218,857	36,100	0.0014	0.9986	99.06	
8.5	25,717,955	49,775	0.0019	0.9981	98.92	
9.5	26,184,870	140,858	0.0054	0.9946	98.73	
10.5	24,514,024	37,279	0.0015	0.9985	98.20	
11.5	24,999,730	133,831	0.0054	0.9946	98.05	
12.5	23,422,775	62,667	0.0027	0.9973	97.53	
13.5	22,407,547	45,233	0.0020	0.9980	97.27	
14.5	21,234,052	56,962	0.0027	0.9973	97.07	
15.5	21,320,396	347,525	0.0163	0.9837	96.81	
16.5	19,502,246	49,823	0.0026	0.9974	95.23	
17.5	17,382,489	179,109	0.0103	0.9897	94.99	
18.5	16,763,826	21,362	0.0013	0.9987	94.01	
19.5	15,354,129	43,292	0.0028	0.9972	93.89	
20.5	14,462,029	63,011	0.0044	0.9956	93.63	
21.5	14,185,909	152,219	0.0107	0.9893	93.22	
22.5	13,329,137	57,664	0.0043	0.9957	92.22	
23.5	13,255,329	108,602	0.0082	0.9918	91.82	
24.5	12,543,144	72,018	0.0057	0.9943	91.07	
25.5	11,932,999	50,709	0.0042	0.9958	90.54	
26.5	11,439,821	52,948	0.0046	0.9954	90.16	
27.5	11,437,625	49,330	0.0043	0.9957	89.74	
28.5	11,223,405	79,517	0.0071	0.9929	89.35	
29.5	9,497,167	51,638	0.0054	0.9946	88.72	
30.5	8,825,646	37,818	0.0043	0.9957	88.24	
31.5	6,310,523	73,978	0.0117	0.9883	87.86	
32.5	4,218,296	29,022	0.0069	0.9931	86.83	
33.5	3,767,108	26,536	0.0070	0.9930	86.23	
34.5	3,026,552	20,724	0.0068	0.9932	85.63	
35.5	2,407,292	29,783	0.0124	0.9876	85.04	
36.5	2,158,665	15,425	0.0071	0.9929	83.99	
37.5	1,921,738	41,321	0.0215	0.9785	83.39	
38.5	1,858,190	29,971	0.0161	0.9839	81.59	

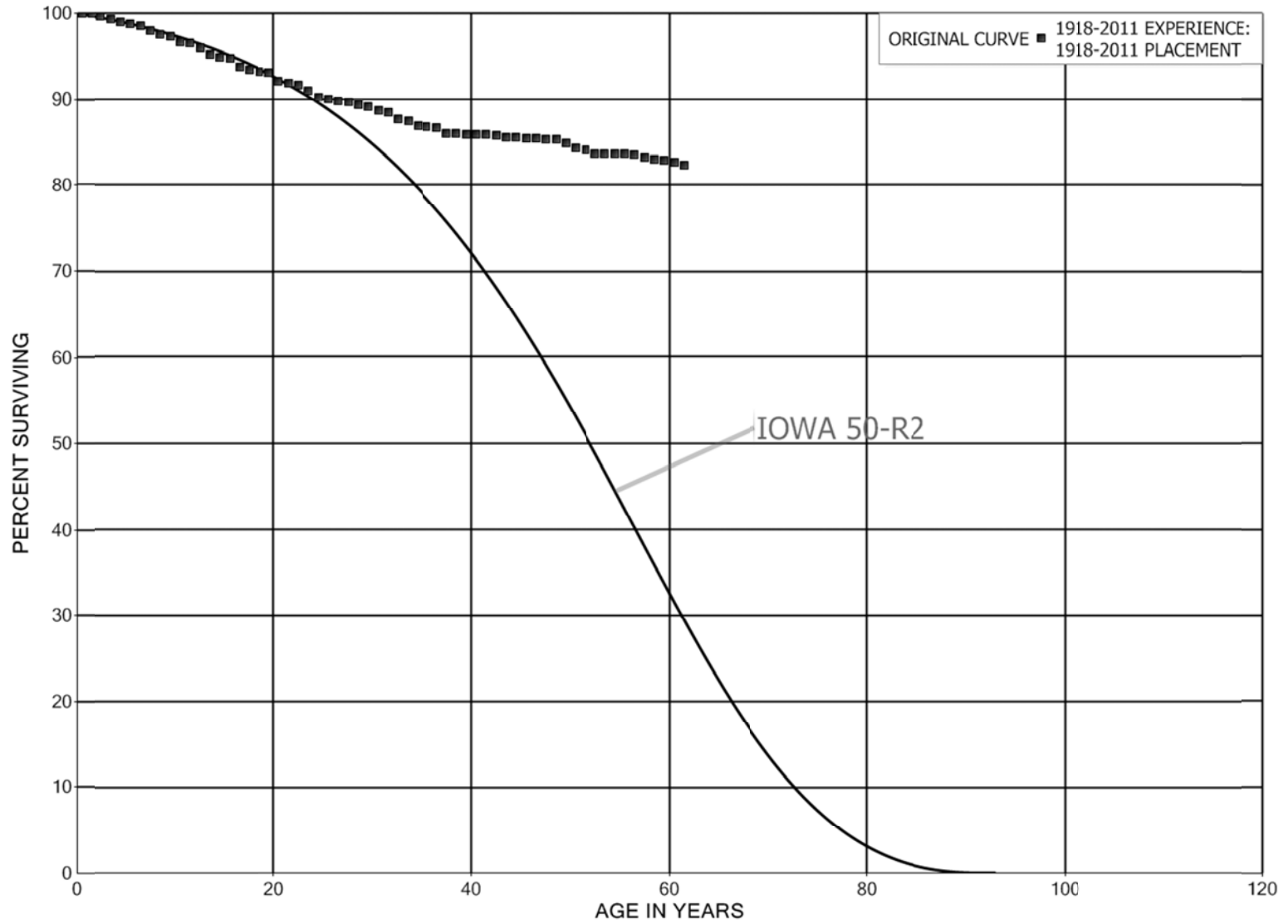
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,782,462	14,855	0.0083	0.9917	80.28	
40.5	1,567,777	13,699	0.0087	0.9913	79.61	
41.5	1,363,847	14,328	0.0105	0.9895	78.91	
42.5	1,243,550	3,264	0.0026	0.9974	78.08	
43.5	1,086,640	34,482	0.0317	0.9683	77.88	
44.5	976,814	1,648	0.0017	0.9983	75.41	
45.5	912,556	8,142	0.0089	0.9911	75.28	
46.5	853,601	2,840	0.0033	0.9967	74.61	
47.5	787,356	14,179	0.0180	0.9820	74.36	
48.5	761,165	18,576	0.0244	0.9756	73.02	
49.5	698,458	6,470	0.0093	0.9907	71.24	
50.5	692,880	11,832	0.0171	0.9829	70.58	
51.5	678,255	16,802	0.0248	0.9752	69.37	
52.5	630,808	3,008	0.0048	0.9952	67.66	
53.5	364,489	907	0.0025	0.9975	67.33	
54.5	185,622	6,921	0.0373	0.9627	67.17	
55.5	166,444		0.0000	1.0000	64.66	
56.5	165,762		0.0000	1.0000	64.66	
57.5	156,810	165	0.0011	0.9989	64.66	
58.5	14,284	142	0.0099	0.9901	64.59	
59.5	14,142	6,220	0.4398	0.5602	63.95	
60.5	7,922		0.0000	1.0000	35.83	
61.5	7,922	55	0.0069	0.9931	35.83	
62.5	7,827		0.0000	1.0000	35.58	
63.5	7,827		0.0000	1.0000	35.58	
64.5	7,827	429	0.0548	0.9452	35.58	
65.5	7,361	391	0.0531	0.9469	33.63	
66.5	6,970	761	0.1092	0.8908	31.84	
67.5	4,754	58	0.0121	0.9879	28.36	
68.5	4,697	27	0.0057	0.9943	28.02	
69.5	4,670	208	0.0445	0.9555	27.86	
70.5	939	13	0.0134	0.9866	26.62	
71.5	893		0.0000	1.0000	26.26	
72.5	454		0.0000	1.0000	26.26	
73.5	454	59	0.1290	0.8710	26.26	
74.5	396		0.0000	1.0000	22.87	
75.5	396		0.0000	1.0000	22.87	
76.5					22.87	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	39,636,695	4,497	0.0001	0.9999	100.00	
0.5	38,952,818	26,265	0.0007	0.9993	99.99	
1.5	34,976,241	99,888	0.0029	0.9971	99.92	
2.5	34,801,670	135,077	0.0039	0.9961	99.64	
3.5	37,997,741	127,266	0.0033	0.9967	99.25	
4.5	38,902,771	94,387	0.0024	0.9976	98.92	
5.5	37,847,654	53,586	0.0014	0.9986	98.68	
6.5	36,928,560	227,146	0.0062	0.9938	98.54	
7.5	36,498,189	147,203	0.0040	0.9960	97.93	
8.5	35,862,731	95,976	0.0027	0.9973	97.54	
9.5	30,386,308	201,655	0.0066	0.9934	97.27	
10.5	28,745,181	37,827	0.0013	0.9987	96.63	
11.5	29,053,013	179,537	0.0062	0.9938	96.50	
12.5	27,926,017	220,957	0.0079	0.9921	95.91	
13.5	27,598,510	75,715	0.0027	0.9973	95.15	
14.5	26,622,855	51,532	0.0019	0.9981	94.89	
15.5	26,582,948	273,097	0.0103	0.9897	94.70	
16.5	25,916,704	79,080	0.0031	0.9969	93.73	
17.5	23,389,029	57,154	0.0024	0.9976	93.44	
18.5	23,288,943	45,227	0.0019	0.9981	93.22	
19.5	22,472,666	242,195	0.0108	0.9892	93.03	
20.5	21,998,237	49,731	0.0023	0.9977	92.03	
21.5	21,441,622	38,982	0.0018	0.9982	91.82	
22.5	20,691,730	150,338	0.0073	0.9927	91.66	
23.5	20,468,918	171,872	0.0084	0.9916	90.99	
24.5	20,055,067	55,781	0.0028	0.9972	90.23	
25.5	19,717,355	49,689	0.0025	0.9975	89.98	
26.5	19,453,721	33,707	0.0017	0.9983	89.75	
27.5	19,358,032	72,691	0.0038	0.9962	89.59	
28.5	18,708,238	42,003	0.0022	0.9978	89.26	
29.5	17,053,517	91,395	0.0054	0.9946	89.06	
30.5	16,770,896	38,947	0.0023	0.9977	88.58	
31.5	15,232,225	121,411	0.0080	0.9920	88.37	
32.5	13,583,781	48,414	0.0036	0.9964	87.67	
33.5	12,834,608	74,677	0.0058	0.9942	87.36	
34.5	11,902,274	16,332	0.0014	0.9986	86.85	
35.5	9,319,557	8,441	0.0009	0.9991	86.73	
36.5	8,552,700	64,099	0.0075	0.9925	86.65	
37.5	8,131,574	1,687	0.0002	0.9998	86.00	
38.5	7,965,133	10,543	0.0013	0.9987	85.98	

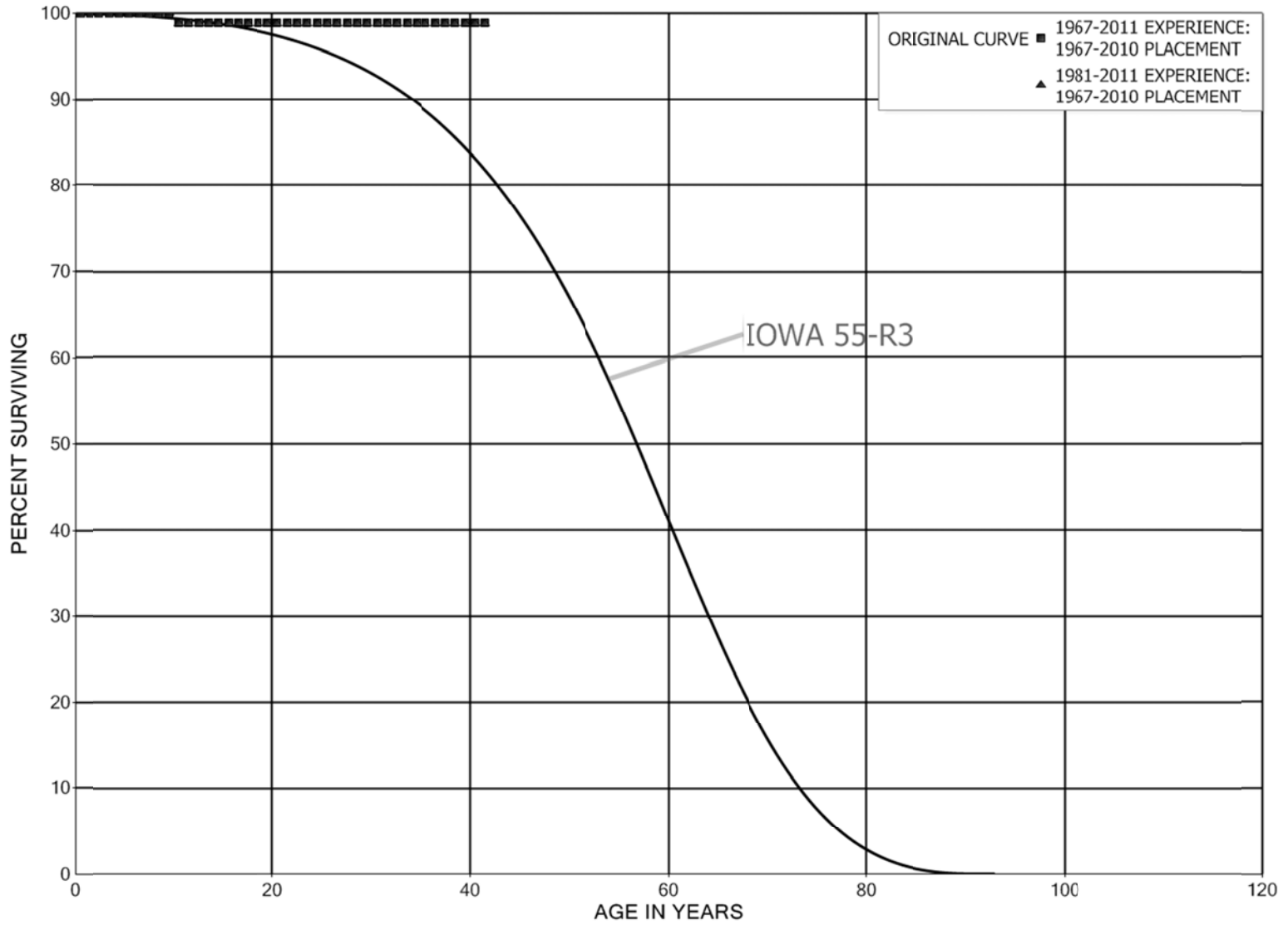
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1918-2011			EXPERIENCE BAND 1918-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	7,445,240	4,365	0.0006	0.9994	85.87	
40.5	7,144,485	2,063	0.0003	0.9997	85.82	
41.5	6,917,077	9,901	0.0014	0.9986	85.79	
42.5	4,759,774	7,610	0.0016	0.9984	85.67	
43.5	4,537,181	3,176	0.0007	0.9993	85.53	
44.5	4,359,123	2,732	0.0006	0.9994	85.47	
45.5	4,180,760	3,350	0.0008	0.9992	85.42	
46.5	4,072,367	877	0.0002	0.9998	85.35	
47.5	3,950,204	1,541	0.0004	0.9996	85.33	
48.5	3,894,649	20,227	0.0052	0.9948	85.30	
49.5	2,690,975	17,403	0.0065	0.9935	84.86	
50.5	2,651,704	5,960	0.0022	0.9978	84.31	
51.5	2,446,537	15,291	0.0062	0.9938	84.12	
52.5	2,290,983	141	0.0001	0.9999	83.59	
53.5	1,879,188	598	0.0003	0.9997	83.59	
54.5	1,581,306	14	0.0000	1.0000	83.56	
55.5	1,238,772	137	0.0001	0.9999	83.56	
56.5	1,222,736	5,427	0.0044	0.9956	83.55	
57.5	1,173,326	2,903	0.0025	0.9975	83.18	
58.5	1,091,562	1,797	0.0016	0.9984	82.98	
59.5	1,088,654	2,945	0.0027	0.9973	82.84	
60.5	1,083,176	3,804	0.0035	0.9965	82.61	
61.5	1,028,102	76	0.0001	0.9999	82.32	
62.5	762,337	1,402	0.0018	0.9982	82.32	
63.5	750,295	255	0.0003	0.9997	82.17	
64.5	750,027	21,333	0.0284	0.9716	82.14	
65.5	728,694	101	0.0001	0.9999	79.80	
66.5	728,586	1,000	0.0014	0.9986	79.79	
67.5	727,413	139	0.0002	0.9998	79.68	
68.5	727,233		0.0000	1.0000	79.67	
69.5					79.67	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 357 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1967-2010			EXPERIENCE BAND 1967-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,682,860		0.0000	1.0000	100.00
0.5	2,682,860		0.0000	1.0000	100.00
1.5	2,113,980		0.0000	1.0000	100.00
2.5	2,113,980		0.0000	1.0000	100.00
3.5	2,113,980		0.0000	1.0000	100.00
4.5	2,114,418		0.0000	1.0000	100.00
5.5	1,881,193		0.0000	1.0000	100.00
6.5	1,881,193		0.0000	1.0000	100.00
7.5	1,881,193	441	0.0002	0.9998	100.00
8.5	1,868,318		0.0000	1.0000	99.98
9.5	1,868,318	22,040	0.0118	0.9882	99.98
10.5	1,328,971		0.0000	1.0000	98.80
11.5	1,328,971		0.0000	1.0000	98.80
12.5	1,335,392		0.0000	1.0000	98.80
13.5	197,126		0.0000	1.0000	98.80
14.5	194,313		0.0000	1.0000	98.80
15.5	192,351		0.0000	1.0000	98.80
16.5	188,037		0.0000	1.0000	98.80
17.5	173,088		0.0000	1.0000	98.80
18.5	173,088		0.0000	1.0000	98.80
19.5	163,345		0.0000	1.0000	98.80
20.5	173,088		0.0000	1.0000	98.80
21.5	173,088		0.0000	1.0000	98.80
22.5	173,088		0.0000	1.0000	98.80
23.5	173,088		0.0000	1.0000	98.80
24.5	173,088		0.0000	1.0000	98.80
25.5	173,088		0.0000	1.0000	98.80
26.5	173,088		0.0000	1.0000	98.80
27.5	173,088		0.0000	1.0000	98.80
28.5	173,088		0.0000	1.0000	98.80
29.5	173,088		0.0000	1.0000	98.80
30.5	173,088		0.0000	1.0000	98.80
31.5	173,088		0.0000	1.0000	98.80
32.5	166,668		0.0000	1.0000	98.80
33.5	166,668		0.0000	1.0000	98.80
34.5	166,668		0.0000	1.0000	98.80
35.5	166,668		0.0000	1.0000	98.80
36.5	112,198		0.0000	1.0000	98.80
37.5	112,198		0.0000	1.0000	98.80
38.5	112,198		0.0000	1.0000	98.80

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 357 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1967-2010			EXPERIENCE BAND 1967-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	112,198		0.0000	1.0000	98.80
40.5	102,455		0.0000	1.0000	98.80
41.5	102,455		0.0000	1.0000	98.80
42.5	882		0.0000	1.0000	98.80
43.5	882		0.0000	1.0000	98.80
44.5					98.80

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 357 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1967-2010			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,286,045		0.0000	1.0000	100.00
0.5	2,286,045		0.0000	1.0000	100.00
1.5	1,707,665		0.0000	1.0000	100.00
2.5	1,714,085		0.0000	1.0000	100.00
3.5	1,716,898		0.0000	1.0000	100.00
4.5	1,718,860		0.0000	1.0000	100.00
5.5	1,768,554		0.0000	1.0000	100.00
6.5	1,768,554		0.0000	1.0000	100.00
7.5	1,768,554		0.0000	1.0000	100.00
8.5	1,765,863		0.0000	1.0000	100.00
9.5	1,765,863	22,040	0.0125	0.9875	100.00
10.5	1,226,516		0.0000	1.0000	98.75
11.5	1,328,089		0.0000	1.0000	98.75
12.5	1,334,509		0.0000	1.0000	98.75
13.5	197,126		0.0000	1.0000	98.75
14.5	194,313		0.0000	1.0000	98.75
15.5	192,351		0.0000	1.0000	98.75
16.5	188,037		0.0000	1.0000	98.75
17.5	173,088		0.0000	1.0000	98.75
18.5	173,088		0.0000	1.0000	98.75
19.5	163,345		0.0000	1.0000	98.75
20.5	173,088		0.0000	1.0000	98.75
21.5	173,088		0.0000	1.0000	98.75
22.5	173,088		0.0000	1.0000	98.75
23.5	173,088		0.0000	1.0000	98.75
24.5	173,088		0.0000	1.0000	98.75
25.5	173,088		0.0000	1.0000	98.75
26.5	173,088		0.0000	1.0000	98.75
27.5	173,088		0.0000	1.0000	98.75
28.5	173,088		0.0000	1.0000	98.75
29.5	173,088		0.0000	1.0000	98.75
30.5	173,088		0.0000	1.0000	98.75
31.5	173,088		0.0000	1.0000	98.75
32.5	166,668		0.0000	1.0000	98.75
33.5	166,668		0.0000	1.0000	98.75
34.5	166,668		0.0000	1.0000	98.75
35.5	166,668		0.0000	1.0000	98.75
36.5	112,198		0.0000	1.0000	98.75
37.5	112,198		0.0000	1.0000	98.75
38.5	112,198		0.0000	1.0000	98.75

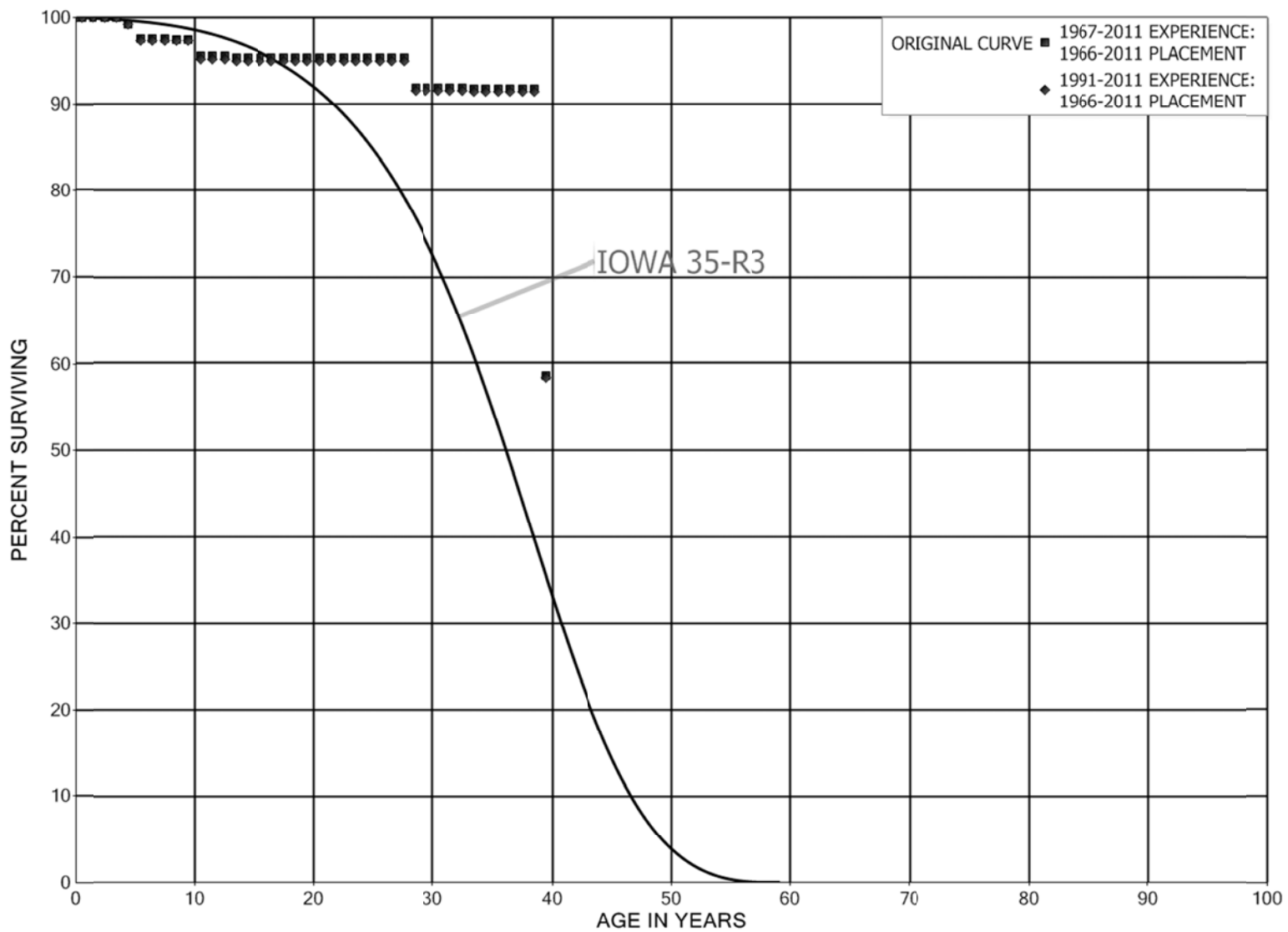
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 357 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1967-2010			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	112,198		0.0000	1.0000	98.75
40.5	102,455		0.0000	1.0000	98.75
41.5	102,455		0.0000	1.0000	98.75
42.5	882		0.0000	1.0000	98.75
43.5	882		0.0000	1.0000	98.75
44.5					98.75

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1966-2011			EXPERIENCE BAND 1967-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	5,922,164	4,488	0.0008	0.9992	100.00	
0.5	5,362,367		0.0000	1.0000	99.92	
1.5	5,402,588		0.0000	1.0000	99.92	
2.5	5,402,588		0.0000	1.0000	99.92	
3.5	5,402,588	41,195	0.0076	0.9924	99.92	
4.5	5,422,438	90,651	0.0167	0.9833	99.16	
5.5	5,331,787		0.0000	1.0000	97.50	
6.5	5,321,250		0.0000	1.0000	97.50	
7.5	5,321,250	5,979	0.0011	0.9989	97.50	
8.5	5,313,490		0.0000	1.0000	97.39	
9.5	5,313,490	104,704	0.0197	0.9803	97.39	
10.5	4,683,633		0.0000	1.0000	95.48	
11.5	4,683,633		0.0000	1.0000	95.48	
12.5	4,594,166	8,492	0.0018	0.9982	95.48	
13.5	803,902		0.0000	1.0000	95.30	
14.5	761,537		0.0000	1.0000	95.30	
15.5	747,621		0.0000	1.0000	95.30	
16.5	652,873		0.0000	1.0000	95.30	
17.5	713,918		0.0000	1.0000	95.30	
18.5	579,993		0.0000	1.0000	95.30	
19.5	534,558		0.0000	1.0000	95.30	
20.5	579,993		0.0000	1.0000	95.30	
21.5	579,993		0.0000	1.0000	95.30	
22.5	579,993		0.0000	1.0000	95.30	
23.5	579,993		0.0000	1.0000	95.30	
24.5	569,482		0.0000	1.0000	95.30	
25.5	579,993		0.0000	1.0000	95.30	
26.5	579,993		0.0000	1.0000	95.30	
27.5	579,993	20,825	0.0359	0.9641	95.30	
28.5	559,168		0.0000	1.0000	91.88	
29.5	559,168		0.0000	1.0000	91.88	
30.5	559,168		0.0000	1.0000	91.88	
31.5	559,168		0.0000	1.0000	91.88	
32.5	559,168	916	0.0016	0.9984	91.88	
33.5	548,021		0.0000	1.0000	91.73	
34.5	548,021		0.0000	1.0000	91.73	
35.5	541,887		0.0000	1.0000	91.73	
36.5	305,489		0.0000	1.0000	91.73	
37.5	244,444		0.0000	1.0000	91.73	
38.5	244,444	88,163	0.3607	0.6393	91.73	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1966-2011			EXPERIENCE BAND 1967-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	141,197		0.0000	1.0000	58.64
40.5	95,762		0.0000	1.0000	58.64
41.5	95,762		0.0000	1.0000	58.64
42.5	28,522		0.0000	1.0000	58.64
43.5	28,522		0.0000	1.0000	58.64
44.5	10,511		0.0000	1.0000	58.64
45.5					58.64

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1966-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,431,976		0.0000	1.0000	100.00
0.5	4,876,666		0.0000	1.0000	100.00
1.5	4,876,666		0.0000	1.0000	100.00
2.5	4,876,666		0.0000	1.0000	100.00
3.5	4,876,666	41,195	0.0084	0.9916	100.00
4.5	4,835,471	90,651	0.0187	0.9813	99.16
5.5	4,744,820		0.0000	1.0000	97.30
6.5	4,734,283		0.0000	1.0000	97.30
7.5	4,734,283		0.0000	1.0000	97.30
8.5	4,732,502		0.0000	1.0000	97.30
9.5	4,732,502	103,710	0.0219	0.9781	97.30
10.5	4,103,639		0.0000	1.0000	95.16
11.5	4,103,639		0.0000	1.0000	95.16
12.5	4,045,229	8,492	0.0021	0.9979	95.16
13.5	297,330		0.0000	1.0000	94.96
14.5	275,931		0.0000	1.0000	94.96
15.5	503,177		0.0000	1.0000	94.96
16.5	408,429		0.0000	1.0000	94.96
17.5	469,474		0.0000	1.0000	94.96
18.5	396,068		0.0000	1.0000	94.96
19.5	350,633		0.0000	1.0000	94.96
20.5	396,068		0.0000	1.0000	94.96
21.5	551,471		0.0000	1.0000	94.96
22.5	551,471		0.0000	1.0000	94.96
23.5	579,993		0.0000	1.0000	94.96
24.5	569,482		0.0000	1.0000	94.96
25.5	579,993		0.0000	1.0000	94.96
26.5	579,993		0.0000	1.0000	94.96
27.5	579,993	20,825	0.0359	0.9641	94.96
28.5	559,168		0.0000	1.0000	91.55
29.5	559,168		0.0000	1.0000	91.55
30.5	559,168		0.0000	1.0000	91.55
31.5	559,168		0.0000	1.0000	91.55
32.5	559,168	916	0.0016	0.9984	91.55
33.5	548,021		0.0000	1.0000	91.40
34.5	548,021		0.0000	1.0000	91.40
35.5	541,887		0.0000	1.0000	91.40
36.5	305,489		0.0000	1.0000	91.40
37.5	244,444		0.0000	1.0000	91.40
38.5	244,444	88,163	0.3607	0.6393	91.40

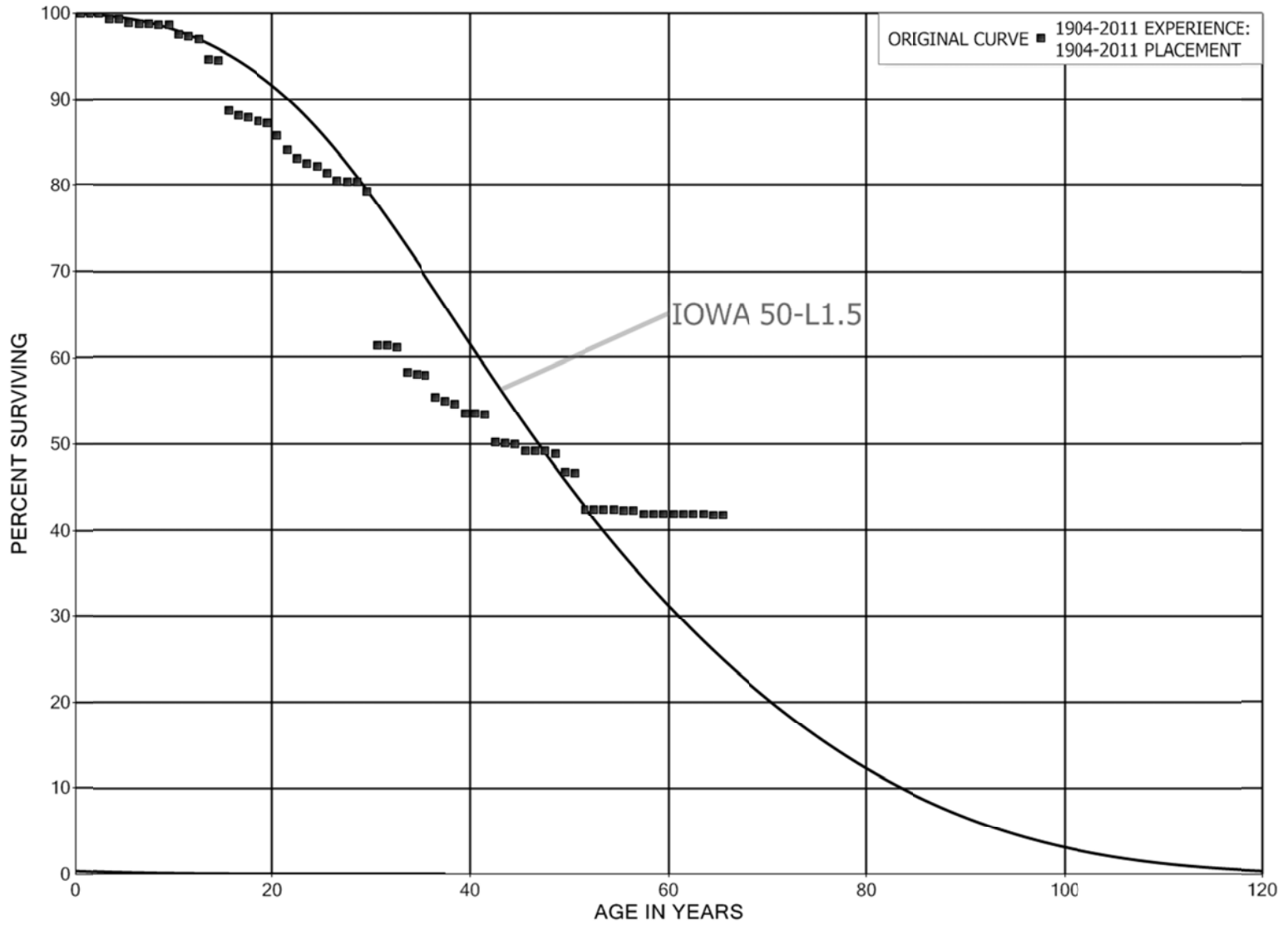
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1966-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	141,197		0.0000	1.0000	58.44
40.5	95,762		0.0000	1.0000	58.44
41.5	95,762		0.0000	1.0000	58.44
42.5	28,522		0.0000	1.0000	58.44
43.5	28,522		0.0000	1.0000	58.44
44.5	10,511		0.0000	1.0000	58.44
45.5					58.44

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	6,303,977		0.0000	1.0000	100.00	
0.5	5,960,054	1,519	0.0003	0.9997	100.00	
1.5	5,936,504	89	0.0000	1.0000	99.97	
2.5	7,126,586	47,829	0.0067	0.9933	99.97	
3.5	7,208,037	1,362	0.0002	0.9998	99.30	
4.5	7,081,860	33,392	0.0047	0.9953	99.28	
5.5	7,023,809	3,569	0.0005	0.9995	98.82	
6.5	6,753,415	1,942	0.0003	0.9997	98.76	
7.5	6,694,896	4,871	0.0007	0.9993	98.74	
8.5	6,551,588	6,845	0.0010	0.9990	98.66	
9.5	6,519,599	67,412	0.0103	0.9897	98.56	
10.5	6,449,327	15,385	0.0024	0.9976	97.54	
11.5	6,162,593	19,434	0.0032	0.9968	97.31	
12.5	6,165,950	153,730	0.0249	0.9751	97.00	
13.5	5,841,545	2,052	0.0004	0.9996	94.58	
14.5	5,837,728	363,609	0.0623	0.9377	94.55	
15.5	5,335,197	36,968	0.0069	0.9931	88.66	
16.5	5,088,216	12,312	0.0024	0.9976	88.05	
17.5	4,946,147	24,944	0.0050	0.9950	87.83	
18.5	4,840,208	9,456	0.0020	0.9980	87.39	
19.5	4,654,893	79,823	0.0171	0.9829	87.22	
20.5	4,539,961	87,974	0.0194	0.9806	85.73	
21.5	4,478,187	50,621	0.0113	0.9887	84.06	
22.5	4,257,236	28,826	0.0068	0.9932	83.11	
23.5	4,187,696	17,828	0.0043	0.9957	82.55	
24.5	4,157,939	41,941	0.0101	0.9899	82.20	
25.5	4,212,744	42,830	0.0102	0.9898	81.37	
26.5	4,023,579	5,789	0.0014	0.9986	80.54	
27.5	3,998,332	2,579	0.0006	0.9994	80.43	
28.5	3,954,678	51,380	0.0130	0.9870	80.38	
29.5	3,894,187	879,939	0.2260	0.7740	79.33	
30.5	3,012,623	2,034	0.0007	0.9993	61.41	
31.5	2,892,394	10,105	0.0035	0.9965	61.36	
32.5	2,785,565	128,039	0.0460	0.9540	61.15	
33.5	2,518,529	13,689	0.0054	0.9946	58.34	
34.5	2,360,894	1,682	0.0007	0.9993	58.02	
35.5	2,338,879	105,107	0.0449	0.9551	57.98	
36.5	2,174,726	18,431	0.0085	0.9915	55.37	
37.5	2,139,795	11,119	0.0052	0.9948	54.91	
38.5	2,019,042	40,610	0.0201	0.9799	54.62	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,975,393	1,710	0.0009	0.9991	53.52	
40.5	1,923,617	2,936	0.0015	0.9985	53.48	
41.5	1,874,157	113,622	0.0606	0.9394	53.39	
42.5	1,724,399	3,846	0.0022	0.9978	50.16	
43.5	1,631,745	2,404	0.0015	0.9985	50.04	
44.5	1,560,596	24,807	0.0159	0.9841	49.97	
45.5	1,526,636	170	0.0001	0.9999	49.18	
46.5	1,524,030	582	0.0004	0.9996	49.17	
47.5	1,510,460	10,436	0.0069	0.9931	49.15	
48.5	1,465,493	64,144	0.0438	0.9562	48.81	
49.5	1,398,345	618	0.0004	0.9996	46.68	
50.5	1,393,062	128,229	0.0920	0.9080	46.66	
51.5	1,248,614		0.0000	1.0000	42.36	
52.5	1,236,836		0.0000	1.0000	42.36	
53.5	1,219,083	516	0.0004	0.9996	42.36	
54.5	1,212,248	212	0.0002	0.9998	42.34	
55.5	1,198,723	42	0.0000	1.0000	42.34	
56.5	1,198,631	13,478	0.0112	0.9888	42.33	
57.5	1,178,044		0.0000	1.0000	41.86	
58.5	1,177,085		0.0000	1.0000	41.86	
59.5	1,177,085	1,487	0.0013	0.9987	41.86	
60.5	1,175,598		0.0000	1.0000	41.81	
61.5	1,175,598		0.0000	1.0000	41.81	
62.5	1,175,598	623	0.0005	0.9995	41.81	
63.5	1,171,391	700	0.0006	0.9994	41.78	
64.5	1,158,850		0.0000	1.0000	41.76	
65.5	1,158,789	411	0.0004	0.9996	41.76	
66.5	1,158,378		0.0000	1.0000	41.74	
67.5	1,158,378		0.0000	1.0000	41.74	
68.5	1,158,378		0.0000	1.0000	41.74	
69.5	1,158,378		0.0000	1.0000	41.74	
70.5	1,158,334	183	0.0002	0.9998	41.74	
71.5	1,153,621	27,396	0.0237	0.9763	41.74	
72.5	1,125,813		0.0000	1.0000	40.75	
73.5	1,125,813	992	0.0009	0.9991	40.75	
74.5	1,124,784	210	0.0002	0.9998	40.71	
75.5	1,124,574	40	0.0000	1.0000	40.70	
76.5	1,124,534	2,250	0.0020	0.9980	40.70	
77.5	1,122,284		0.0000	1.0000	40.62	
78.5	1,122,284		0.0000	1.0000	40.62	

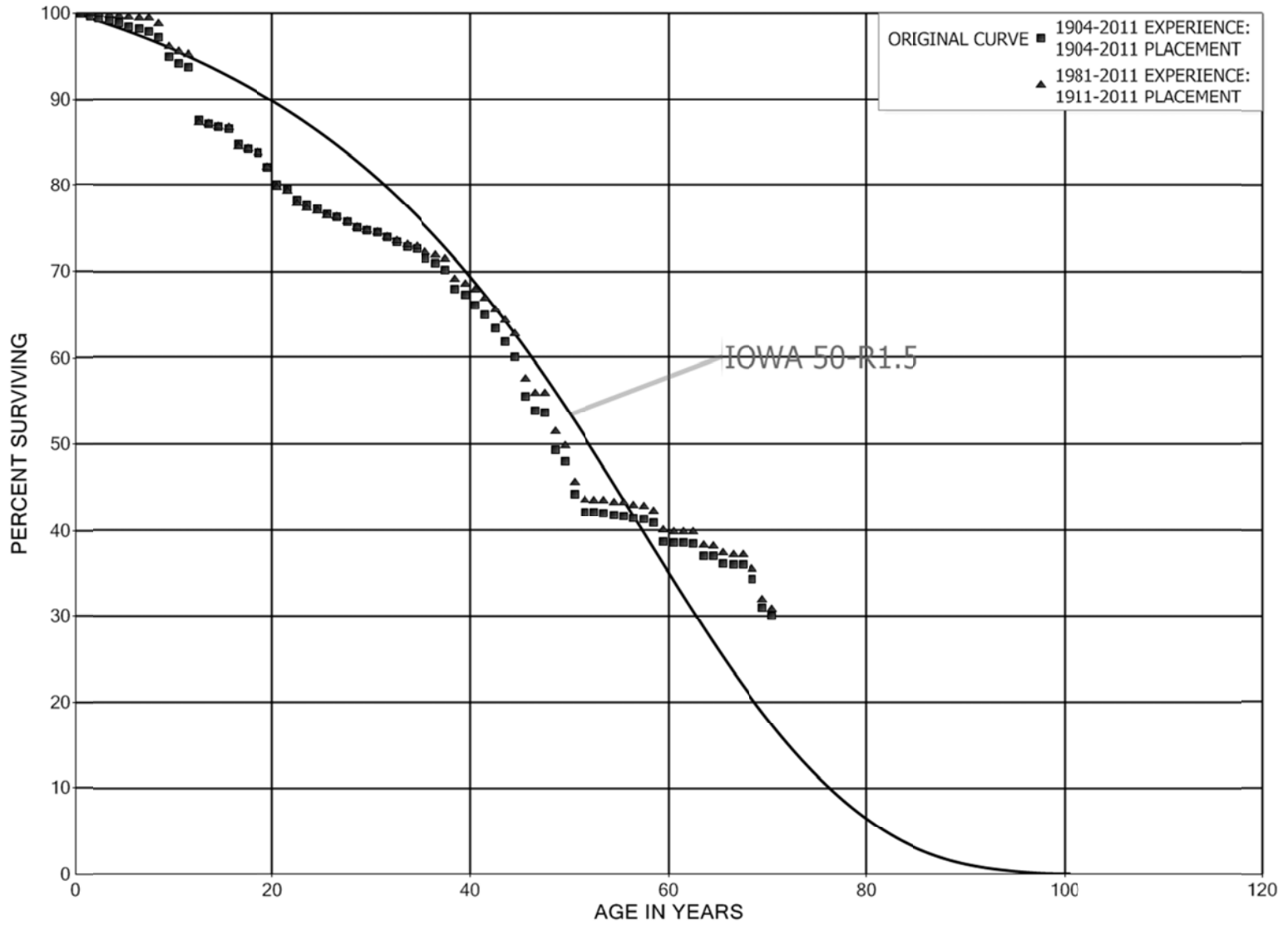
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	1,107,196		0.0000	1.0000	40.62
80.5	1,107,196		0.0000	1.0000	40.62
81.5	1,107,196		0.0000	1.0000	40.62
82.5	1,107,196		0.0000	1.0000	40.62
83.5	1,072,745		0.0000	1.0000	40.62
84.5	1,072,745	14,347	0.0134	0.9866	40.62
85.5	1,058,398	986,433	0.9320	0.0680	40.08
86.5	54,115	17,850	0.3298	0.6702	2.72
87.5	21,805		0.0000	1.0000	1.83
88.5	21,805		0.0000	1.0000	1.83
89.5					1.83

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	146,155,841	90,988	0.0006	0.9994	100.00	
0.5	133,530,839	374,954	0.0028	0.9972	99.94	
1.5	122,652,364	334,229	0.0027	0.9973	99.66	
2.5	115,073,034	295,165	0.0026	0.9974	99.39	
3.5	114,123,285	301,686	0.0026	0.9974	99.13	
4.5	111,398,587	563,504	0.0051	0.9949	98.87	
5.5	106,969,934	250,101	0.0023	0.9977	98.37	
6.5	103,550,454	360,195	0.0035	0.9965	98.14	
7.5	100,579,317	674,650	0.0067	0.9933	97.80	
8.5	96,836,326	2,180,110	0.0225	0.9775	97.14	
9.5	94,745,381	744,274	0.0079	0.9921	94.95	
10.5	90,301,729	477,392	0.0053	0.9947	94.21	
11.5	89,310,331	5,922,916	0.0663	0.9337	93.71	
12.5	79,044,166	360,240	0.0046	0.9954	87.50	
13.5	77,536,282	303,670	0.0039	0.9961	87.10	
14.5	75,353,047	237,520	0.0032	0.9968	86.76	
15.5	72,465,311	1,492,725	0.0206	0.9794	86.48	
16.5	67,298,068	387,990	0.0058	0.9942	84.70	
17.5	65,464,536	384,200	0.0059	0.9941	84.21	
18.5	61,795,226	1,185,288	0.0192	0.9808	83.72	
19.5	55,409,190	1,411,091	0.0255	0.9745	82.11	
20.5	48,639,548	284,811	0.0059	0.9941	80.02	
21.5	47,745,549	792,176	0.0166	0.9834	79.55	
22.5	46,171,694	315,226	0.0068	0.9932	78.23	
23.5	45,639,207	256,946	0.0056	0.9944	77.70	
24.5	45,105,916	409,015	0.0091	0.9909	77.26	
25.5	44,054,361	130,999	0.0030	0.9970	76.56	
26.5	43,407,997	341,067	0.0079	0.9921	76.33	
27.5	41,467,683	374,918	0.0090	0.9910	75.73	
28.5	40,404,973	163,553	0.0040	0.9960	75.05	
29.5	38,117,532	140,349	0.0037	0.9963	74.74	
30.5	37,299,315	261,124	0.0070	0.9930	74.47	
31.5	36,473,019	248,354	0.0068	0.9932	73.95	
32.5	33,574,673	280,978	0.0084	0.9916	73.44	
33.5	28,462,914	104,644	0.0037	0.9963	72.83	
34.5	26,099,056	397,646	0.0152	0.9848	72.56	
35.5	24,263,342	154,070	0.0063	0.9937	71.46	
36.5	22,809,105	263,317	0.0115	0.9885	71.00	
37.5	20,632,795	663,969	0.0322	0.9678	70.18	
38.5	18,868,772	179,995	0.0095	0.9905	67.92	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	18,021,398	322,144	0.0179	0.9821	67.28	
40.5	16,743,568	299,488	0.0179	0.9821	66.07	
41.5	15,576,339	348,920	0.0224	0.9776	64.89	
42.5	14,034,281	355,392	0.0253	0.9747	63.44	
43.5	12,958,890	369,435	0.0285	0.9715	61.83	
44.5	11,972,806	919,486	0.0768	0.9232	60.07	
45.5	10,263,888	301,875	0.0294	0.9706	55.46	
46.5	9,652,190	45,209	0.0047	0.9953	53.83	
47.5	9,029,562	719,880	0.0797	0.9203	53.57	
48.5	8,237,229	221,180	0.0269	0.9731	49.30	
49.5	7,894,411	629,288	0.0797	0.9203	47.98	
50.5	7,198,686	339,653	0.0472	0.9528	44.15	
51.5	6,301,634	7,940	0.0013	0.9987	42.07	
52.5	5,902,656	16,586	0.0028	0.9972	42.02	
53.5	4,663,532	14,833	0.0032	0.9968	41.90	
54.5	3,865,371	11,718	0.0030	0.9970	41.77	
55.5	3,495,982	20,740	0.0059	0.9941	41.64	
56.5	2,787,703	8,772	0.0031	0.9969	41.39	
57.5	2,247,655	24,248	0.0108	0.9892	41.26	
58.5	1,997,446	107,453	0.0538	0.9462	40.82	
59.5	1,839,910	7,567	0.0041	0.9959	38.62	
60.5	1,760,167	360	0.0002	0.9998	38.46	
61.5	1,729,830	2,844	0.0016	0.9984	38.45	
62.5	1,591,658	58,690	0.0369	0.9631	38.39	
63.5	1,526,073	2,374	0.0016	0.9984	36.98	
64.5	1,366,498	30,565	0.0224	0.9776	36.92	
65.5	1,330,702	4,784	0.0036	0.9964	36.09	
66.5	1,325,917	1,731	0.0013	0.9987	35.96	
67.5	1,324,122	58,635	0.0443	0.9557	35.92	
68.5	1,219,161	121,385	0.0996	0.9004	34.33	
69.5	1,088,802	35,688	0.0328	0.9672	30.91	
70.5	859,608	2,717	0.0032	0.9968	29.89	
71.5	840,285		0.0000	1.0000	29.80	
72.5	817,449		0.0000	1.0000	29.80	
73.5	774,254	5,969	0.0077	0.9923	29.80	
74.5	755,226	224	0.0003	0.9997	29.57	
75.5	753,855		0.0000	1.0000	29.56	
76.5	753,562	7,560	0.0100	0.9900	29.56	
77.5	746,002	13,499	0.0181	0.9819	29.27	
78.5	732,503	1,992	0.0027	0.9973	28.74	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1904-2011			EXPERIENCE BAND 1904-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	690,038	1,009	0.0015	0.9985	28.66	
80.5	666,219		0.0000	1.0000	28.62	
81.5	666,219	93,422	0.1402	0.8598	28.62	
82.5	571,509	145,641	0.2548	0.7452	24.60	
83.5	388,418	128,208	0.3301	0.6699	18.33	
84.5	156,783		0.0000	1.0000	12.28	
85.5					12.28	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1911-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	87,184,519		0.0000	1.0000	100.00
0.5	76,762,812	36,321	0.0005	0.9995	100.00
1.5	70,020,485	91,598	0.0013	0.9987	99.95
2.5	68,503,639	102,963	0.0015	0.9985	99.82
3.5	71,261,623	29,738	0.0004	0.9996	99.67
4.5	71,189,395	75,780	0.0011	0.9989	99.63
5.5	68,953,982	67,816	0.0010	0.9990	99.52
6.5	68,023,645	54,120	0.0008	0.9992	99.43
7.5	67,151,725	395,432	0.0059	0.9941	99.35
8.5	64,729,535	1,793,560	0.0277	0.9723	98.76
9.5	65,272,465	384,544	0.0059	0.9941	96.03
10.5	63,093,628	157,741	0.0025	0.9975	95.46
11.5	64,545,234	5,420,329	0.0840	0.9160	95.22
12.5	55,995,630	127,561	0.0023	0.9977	87.22
13.5	55,945,018	162,408	0.0029	0.9971	87.03
14.5	54,906,685	88,355	0.0016	0.9984	86.77
15.5	53,282,793	1,347,020	0.0253	0.9747	86.63
16.5	50,812,321	188,799	0.0037	0.9963	84.44
17.5	50,296,415	235,691	0.0047	0.9953	84.13
18.5	47,210,700	914,455	0.0194	0.9806	83.74
19.5	41,313,956	1,224,961	0.0297	0.9703	82.11
20.5	36,004,872	153,827	0.0043	0.9957	79.68
21.5	35,926,932	687,240	0.0191	0.9809	79.34
22.5	36,829,701	265,809	0.0072	0.9928	77.82
23.5	37,655,017	134,891	0.0036	0.9964	77.26
24.5	38,561,786	300,806	0.0078	0.9922	76.98
25.5	38,409,566	69,032	0.0018	0.9982	76.38
26.5	38,988,568	255,075	0.0065	0.9935	76.24
27.5	37,653,850	352,338	0.0094	0.9906	75.75
28.5	36,844,214	149,548	0.0041	0.9959	75.04
29.5	34,645,835	119,112	0.0034	0.9966	74.73
30.5	33,990,430	236,163	0.0069	0.9931	74.48
31.5	33,870,608	224,534	0.0066	0.9934	73.96
32.5	31,150,443	174,161	0.0056	0.9944	73.47
33.5	26,338,552	92,496	0.0035	0.9965	73.06
34.5	23,787,690	193,016	0.0081	0.9919	72.80
35.5	22,156,271	117,909	0.0053	0.9947	72.21
36.5	20,654,250	122,678	0.0059	0.9941	71.83
37.5	18,568,792	604,114	0.0325	0.9675	71.40
38.5	16,870,676	130,976	0.0078	0.9922	69.08

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	16,107,726	171,364	0.0106	0.9894	68.54	
40.5	14,941,366	222,800	0.0149	0.9851	67.81	
41.5	13,742,455	261,456	0.0190	0.9810	66.80	
42.5	12,332,764	232,046	0.0188	0.9812	65.53	
43.5	11,381,545	276,582	0.0243	0.9757	64.30	
44.5	10,490,913	868,836	0.0828	0.9172	62.73	
45.5	8,834,588	256,540	0.0290	0.9710	57.54	
46.5	8,230,124	11,588	0.0014	0.9986	55.87	
47.5	7,640,893	608,650	0.0797	0.9203	55.79	
48.5	7,059,749	215,737	0.0306	0.9694	51.34	
49.5	6,745,184	578,294	0.0857	0.9143	49.78	
50.5	6,101,700	269,551	0.0442	0.9558	45.51	
51.5	5,298,308	7,940	0.0015	0.9985	43.50	
52.5	4,912,720	7,664	0.0016	0.9984	43.43	
53.5	3,790,145	11,923	0.0031	0.9969	43.36	
54.5	3,245,435	7,590	0.0023	0.9977	43.23	
55.5	3,046,019	20,740	0.0068	0.9932	43.13	
56.5	2,537,432	8,772	0.0035	0.9965	42.83	
57.5	2,083,185	22,374	0.0107	0.9893	42.69	
58.5	1,961,939	107,453	0.0548	0.9452	42.23	
59.5	1,804,403	7,567	0.0042	0.9958	39.91	
60.5	1,724,660	176	0.0001	0.9999	39.75	
61.5	1,694,507	2,844	0.0017	0.9983	39.74	
62.5	1,556,335	58,690	0.0377	0.9623	39.68	
63.5	1,501,789	2,374	0.0016	0.9984	38.18	
64.5	1,342,438	30,565	0.0228	0.9772	38.12	
65.5	1,306,642	4,784	0.0037	0.9963	37.25	
66.5	1,301,857	1,731	0.0013	0.9987	37.12	
67.5	1,300,062	58,635	0.0451	0.9549	37.07	
68.5	1,195,101	121,385	0.1016	0.8984	35.39	
69.5	1,088,802	35,688	0.0328	0.9672	31.80	
70.5	859,608	2,717	0.0032	0.9968	30.76	
71.5	840,285		0.0000	1.0000	30.66	
72.5	817,449		0.0000	1.0000	30.66	
73.5	774,254	5,969	0.0077	0.9923	30.66	
74.5	755,226	224	0.0003	0.9997	30.42	
75.5	753,855		0.0000	1.0000	30.41	
76.5	753,562	7,560	0.0100	0.9900	30.41	
77.5	746,002	13,499	0.0181	0.9819	30.11	
78.5	732,503	1,992	0.0027	0.9973	29.56	

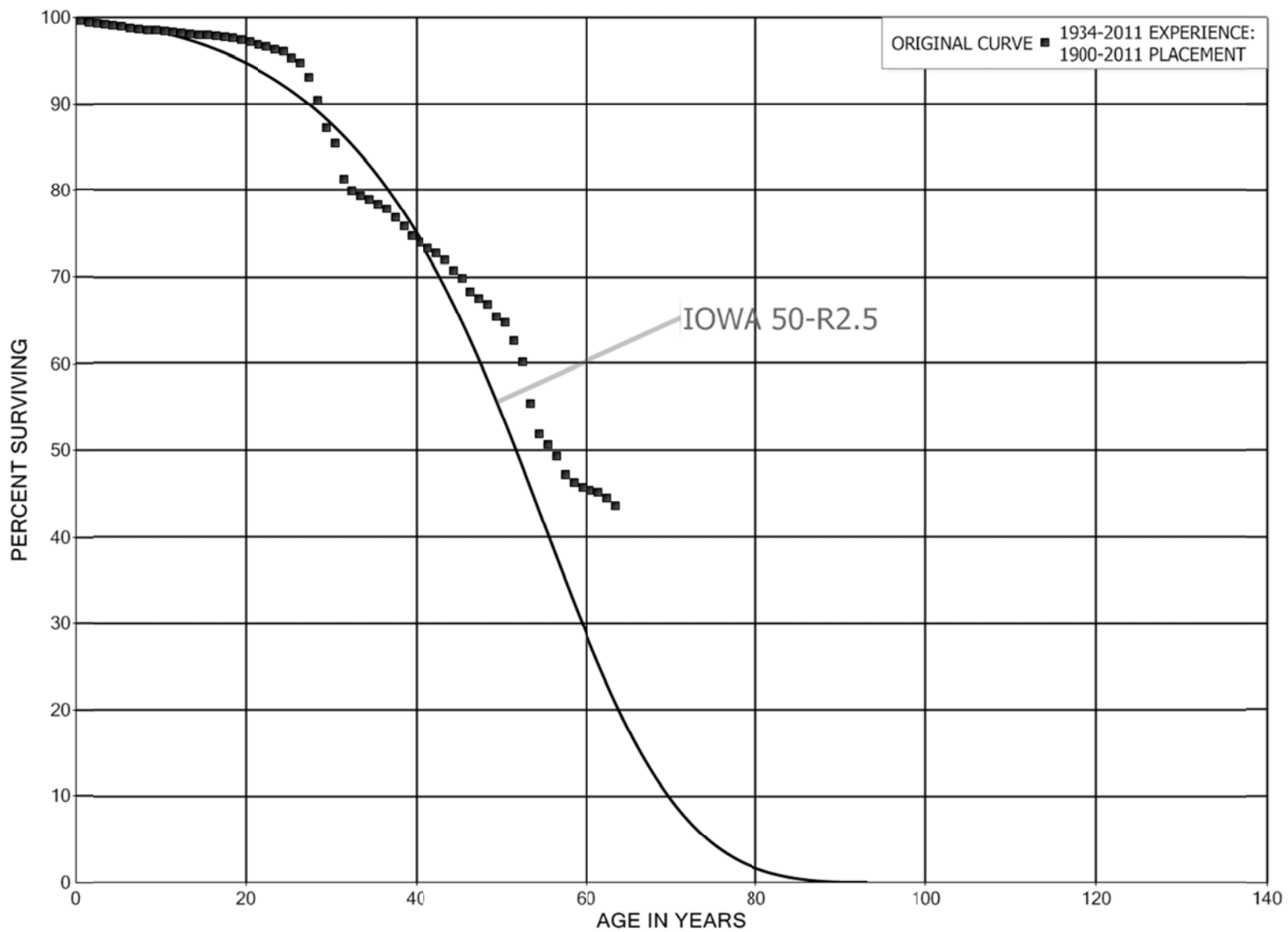
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1911-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	690,038	1,009	0.0015	0.9985	29.48	
80.5	666,219		0.0000	1.0000	29.44	
81.5	666,219	93,422	0.1402	0.8598	29.44	
82.5	571,509	145,641	0.2548	0.7452	25.31	
83.5	388,418	128,208	0.3301	0.6699	18.86	
84.5	156,783		0.0000	1.0000	12.64	
85.5					12.64	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	146,718,297	637,826	0.0043	0.9957	100.00	
0.5	139,189,674	172,500	0.0012	0.9988	99.57	
1.5	130,631,736	251,579	0.0019	0.9981	99.44	
2.5	116,189,839	127,485	0.0011	0.9989	99.25	
3.5	110,560,701	53,615	0.0005	0.9995	99.14	
4.5	109,419,017	147,649	0.0013	0.9987	99.09	
5.5	107,443,550	200,021	0.0019	0.9981	98.96	
6.5	104,305,931	145,663	0.0014	0.9986	98.78	
7.5	102,056,855	88,522	0.0009	0.9991	98.64	
8.5	99,237,696	75,407	0.0008	0.9992	98.55	
9.5	95,676,321	75,726	0.0008	0.9992	98.48	
10.5	91,351,064	141,183	0.0015	0.9985	98.40	
11.5	89,353,416	75,755	0.0008	0.9992	98.25	
12.5	87,254,514	73,339	0.0008	0.9992	98.16	
13.5	84,253,123	75,230	0.0009	0.9991	98.08	
14.5	80,144,278	74,456	0.0009	0.9991	97.99	
15.5	76,622,823	85,499	0.0011	0.9989	97.90	
16.5	73,255,367	79,413	0.0011	0.9989	97.79	
17.5	69,791,344	81,972	0.0012	0.9988	97.69	
18.5	66,662,971	86,655	0.0013	0.9987	97.57	
19.5	63,607,874	206,524	0.0032	0.9968	97.45	
20.5	60,219,592	198,252	0.0033	0.9967	97.13	
21.5	56,796,068	134,894	0.0024	0.9976	96.81	
22.5	53,369,251	146,857	0.0028	0.9972	96.58	
23.5	50,048,358	139,815	0.0028	0.9972	96.31	
24.5	47,331,409	369,921	0.0078	0.9922	96.04	
25.5	44,073,025	247,380	0.0056	0.9944	95.29	
26.5	41,191,790	718,394	0.0174	0.9826	94.76	
27.5	37,988,476	1,105,562	0.0291	0.9709	93.11	
28.5	33,714,440	1,186,932	0.0352	0.9648	90.40	
29.5	30,037,206	645,566	0.0215	0.9785	87.21	
30.5	26,921,052	1,273,218	0.0473	0.9527	85.34	
31.5	23,184,302	384,400	0.0166	0.9834	81.30	
32.5	20,674,521	133,499	0.0065	0.9935	79.96	
33.5	18,775,158	109,028	0.0058	0.9942	79.44	
34.5	17,142,735	118,781	0.0069	0.9931	78.98	
35.5	15,524,306	112,538	0.0072	0.9928	78.43	
36.5	14,078,120	183,223	0.0130	0.9870	77.86	
37.5	12,763,608	170,228	0.0133	0.9867	76.85	
38.5	11,390,295	169,386	0.0149	0.9851	75.82	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	10,280,958	103,138	0.0100	0.9900	74.70	
40.5	9,292,441	87,453	0.0094	0.9906	73.95	
41.5	8,490,767	67,274	0.0079	0.9921	73.25	
42.5	7,696,428	70,793	0.0092	0.9908	72.67	
43.5	6,972,466	123,072	0.0177	0.9823	72.00	
44.5	6,157,933	74,997	0.0122	0.9878	70.73	
45.5	5,611,625	131,113	0.0234	0.9766	69.87	
46.5	4,999,327	55,883	0.0112	0.9888	68.24	
47.5	4,456,735	45,541	0.0102	0.9898	67.48	
48.5	4,120,778	85,170	0.0207	0.9793	66.79	
49.5	3,524,963	39,387	0.0112	0.9888	65.41	
50.5	2,741,863	87,591	0.0319	0.9681	64.67	
51.5	1,829,748	69,827	0.0382	0.9618	62.61	
52.5	1,514,999	120,117	0.0793	0.9207	60.22	
53.5	1,353,164	87,766	0.0649	0.9351	55.44	
54.5	1,014,358	23,316	0.0230	0.9770	51.85	
55.5	843,667	23,503	0.0279	0.9721	50.66	
56.5	690,972	28,303	0.0410	0.9590	49.25	
57.5	625,058	11,983	0.0192	0.9808	47.23	
58.5	541,272	6,916	0.0128	0.9872	46.32	
59.5	504,425	3,255	0.0065	0.9935	45.73	
60.5	361,498	2,088	0.0058	0.9942	45.44	
61.5	347,386	4,826	0.0139	0.9861	45.17	
62.5	337,473	7,049	0.0209	0.9791	44.55	
63.5	274,267	2,952	0.0108	0.9892	43.62	
64.5	247,433	937	0.0038	0.9962	43.15	
65.5	220,286	715	0.0032	0.9968	42.98	
66.5	215,086	359	0.0017	0.9983	42.84	
67.5	208,856	1,039	0.0050	0.9950	42.77	
68.5	199,163	493	0.0025	0.9975	42.56	
69.5	160,541	225	0.0014	0.9986	42.45	
70.5	131,089	270	0.0021	0.9979	42.39	
71.5	69,247	354	0.0051	0.9949	42.31	
72.5	51,144	192	0.0038	0.9962	42.09	
73.5	50,023	1	0.0000	1.0000	41.93	
74.5	38,169	2,324	0.0609	0.9391	41.93	
75.5	33,784	5,047	0.1494	0.8506	39.38	
76.5	5,383	395	0.0734	0.9266	33.50	
77.5	4,988	388	0.0778	0.9222	31.04	
78.5	4,600	343	0.0746	0.9254	28.62	

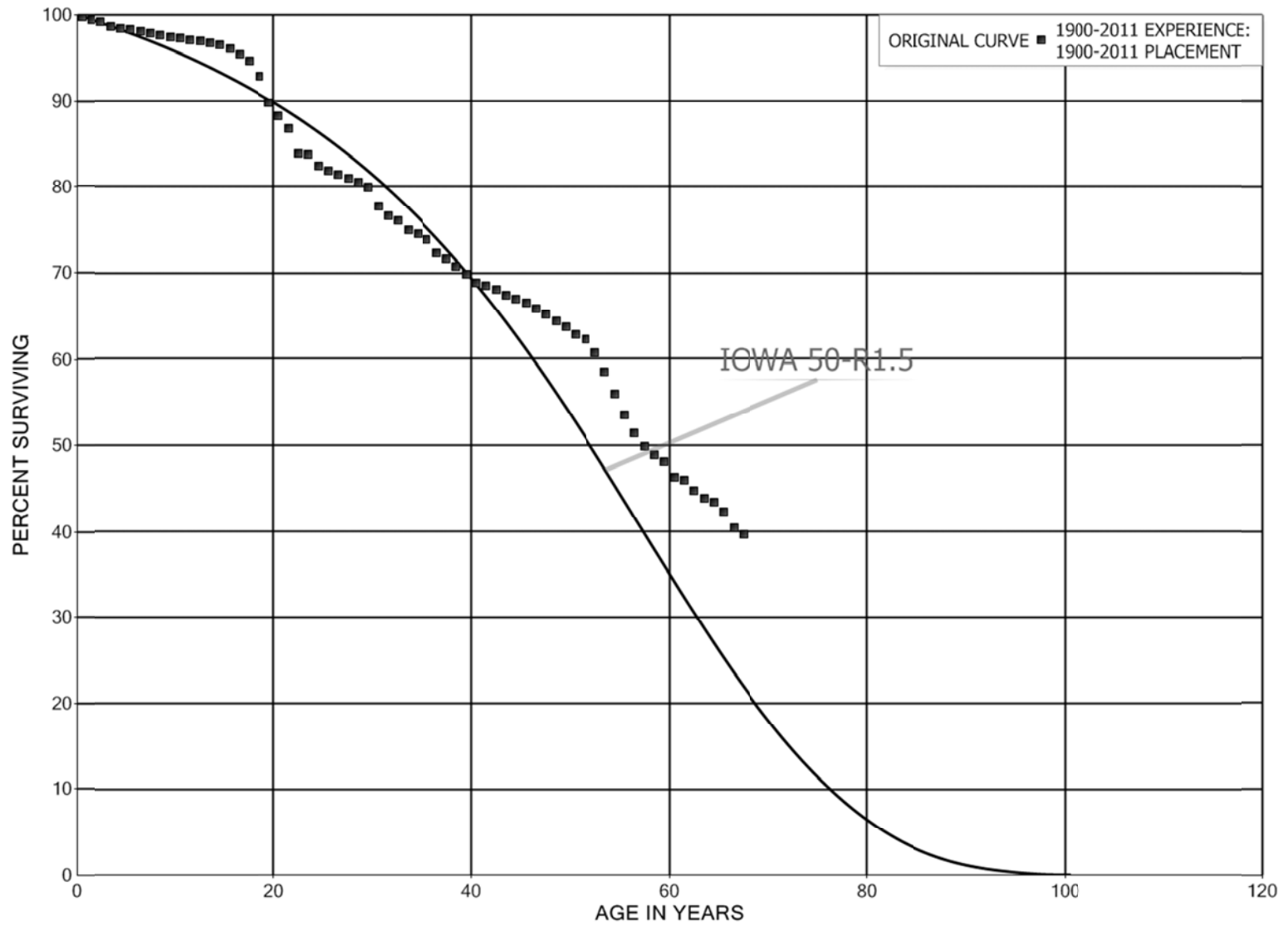
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	3,811	221	0.0579	0.9421	26.49	
80.5	3,591	269	0.0749	0.9251	24.95	
81.5	3,322	266	0.0800	0.9200	23.08	
82.5	3,056	52	0.0170	0.9830	21.24	
83.5	3,004	0	0.0002	0.9998	20.88	
84.5	3,004		0.0000	1.0000	20.87	
85.5	3,004	699	0.2328	0.7672	20.87	
86.5	834		0.0000	1.0000	16.02	
87.5	834		0.0000	1.0000	16.02	
88.5	834		0.0000	1.0000	16.02	
89.5	834	1	0.0011	0.9989	16.02	
90.5	833		0.0000	1.0000	16.00	
91.5	833		0.0000	1.0000	16.00	
92.5	833		0.0000	1.0000	16.00	
93.5	833		0.0000	1.0000	16.00	
94.5	833		0.0000	1.0000	16.00	
95.5	833		0.0000	1.0000	16.00	
96.5					16.00	

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



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ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	254,203,736	671,320	0.0026	0.9974	100.00	
0.5	245,382,702	971,852	0.0040	0.9960	99.74	
1.5	231,385,764	458,913	0.0020	0.9980	99.34	
2.5	202,657,543	1,077,843	0.0053	0.9947	99.14	
3.5	195,398,225	469,328	0.0024	0.9976	98.62	
4.5	189,903,398	226,958	0.0012	0.9988	98.38	
5.5	182,844,605	454,422	0.0025	0.9975	98.26	
6.5	177,572,705	360,155	0.0020	0.9980	98.02	
7.5	171,232,508	349,182	0.0020	0.9980	97.82	
8.5	156,263,583	274,732	0.0018	0.9982	97.62	
9.5	143,284,914	253,701	0.0018	0.9982	97.45	
10.5	135,343,929	233,996	0.0017	0.9983	97.28	
11.5	123,632,563	230,509	0.0019	0.9981	97.11	
12.5	116,726,945	248,823	0.0021	0.9979	96.93	
13.5	113,332,597	253,226	0.0022	0.9978	96.72	
14.5	107,890,659	438,896	0.0041	0.9959	96.50	
15.5	103,714,105	749,229	0.0072	0.9928	96.11	
16.5	95,481,709	775,774	0.0081	0.9919	95.42	
17.5	91,492,044	1,760,065	0.0192	0.9808	94.64	
18.5	85,969,576	2,845,683	0.0331	0.9669	92.82	
19.5	78,864,727	1,388,203	0.0176	0.9824	89.75	
20.5	72,808,120	1,183,700	0.0163	0.9837	88.17	
21.5	66,813,993	2,195,209	0.0329	0.9671	86.74	
22.5	60,560,030	154,985	0.0026	0.9974	83.89	
23.5	56,572,768	843,458	0.0149	0.9851	83.67	
24.5	52,828,982	370,534	0.0070	0.9930	82.42	
25.5	48,934,466	262,332	0.0054	0.9946	81.85	
26.5	46,121,420	234,238	0.0051	0.9949	81.41	
27.5	43,096,863	278,664	0.0065	0.9935	80.99	
28.5	39,622,054	272,921	0.0069	0.9931	80.47	
29.5	36,028,107	1,005,536	0.0279	0.9721	79.91	
30.5	31,941,269	439,484	0.0138	0.9862	77.68	
31.5	28,192,795	193,127	0.0069	0.9931	76.62	
32.5	24,494,329	381,383	0.0156	0.9844	76.09	
33.5	20,745,544	117,920	0.0057	0.9943	74.91	
34.5	18,114,381	147,002	0.0081	0.9919	74.48	
35.5	15,736,541	338,622	0.0215	0.9785	73.88	
36.5	13,323,427	133,590	0.0100	0.9900	72.29	
37.5	11,876,204	142,172	0.0120	0.9880	71.56	
38.5	10,350,282	124,122	0.0120	0.9880	70.70	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	8,970,021	126,508	0.0141	0.9859	69.86	
40.5	7,511,381	34,261	0.0046	0.9954	68.87	
41.5	6,471,645	43,768	0.0068	0.9932	68.56	
42.5	5,053,430	48,245	0.0095	0.9905	68.09	
43.5	4,071,002	32,639	0.0080	0.9920	67.44	
44.5	3,057,744	20,084	0.0066	0.9934	66.90	
45.5	2,973,489	29,038	0.0098	0.9902	66.46	
46.5	2,943,639	29,036	0.0099	0.9901	65.81	
47.5	2,898,535	35,285	0.0122	0.9878	65.17	
48.5	2,804,461	25,860	0.0092	0.9908	64.37	
49.5	2,512,009	36,537	0.0145	0.9855	63.78	
50.5	2,199,279	19,097	0.0087	0.9913	62.85	
51.5	1,945,608	50,074	0.0257	0.9743	62.31	
52.5	1,652,649	60,734	0.0367	0.9633	60.70	
53.5	1,506,835	65,126	0.0432	0.9568	58.47	
54.5	1,422,661	61,384	0.0431	0.9569	55.94	
55.5	1,292,891	51,033	0.0395	0.9605	53.53	
56.5	1,195,247	35,937	0.0301	0.9699	51.42	
57.5	1,117,596	22,952	0.0205	0.9795	49.87	
58.5	1,065,841	17,430	0.0164	0.9836	48.85	
59.5	949,577	34,296	0.0361	0.9639	48.05	
60.5	908,161	7,762	0.0085	0.9915	46.31	
61.5	893,012	22,259	0.0249	0.9751	45.92	
62.5	844,272	16,676	0.0198	0.9802	44.77	
63.5	813,994	8,794	0.0108	0.9892	43.89	
64.5	723,293	18,392	0.0254	0.9746	43.41	
65.5	690,252	30,811	0.0446	0.9554	42.31	
66.5	587,853	11,226	0.0191	0.9809	40.42	
67.5	535,113	10,147	0.0190	0.9810	39.65	
68.5	455,491	3,233	0.0071	0.9929	38.90	
69.5	450,990	2,125	0.0047	0.9953	38.62	
70.5	326,959	3,021	0.0092	0.9908	38.44	
71.5	298,350	4,083	0.0137	0.9863	38.08	
72.5	286,977	804	0.0028	0.9972	37.56	
73.5	267,489	24,153	0.0903	0.9097	37.46	
74.5	182,942	15,128	0.0827	0.9173	34.08	
75.5	127,071	26,167	0.2059	0.7941	31.26	
76.5	78,009		0.0000	1.0000	24.82	
77.5	78,009		0.0000	1.0000	24.82	
78.5	78,009	11,236	0.1440	0.8560	24.82	

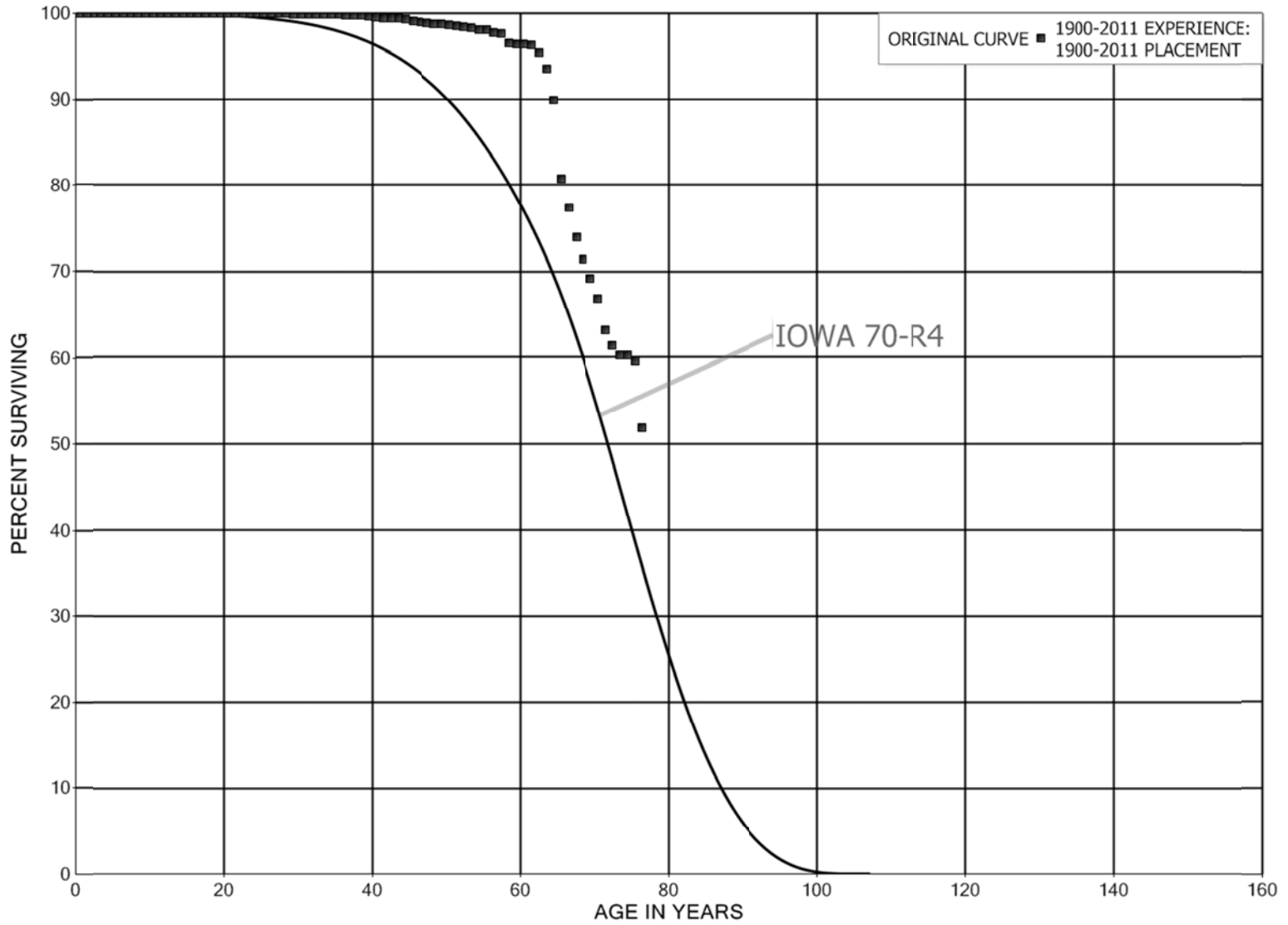
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	56,860		0.0000	1.0000	21.25
80.5	56,860		0.0000	1.0000	21.25
81.5	56,860		0.0000	1.0000	21.25
82.5	56,860		0.0000	1.0000	21.25
83.5	56,860		0.0000	1.0000	21.25
84.5	56,860		0.0000	1.0000	21.25
85.5	56,860		0.0000	1.0000	21.25
86.5	43,665		0.0000	1.0000	21.25
87.5	43,665		0.0000	1.0000	21.25
88.5	43,665		0.0000	1.0000	21.25
89.5	43,665	10,157	0.2326	0.7674	21.25
90.5	33,508		0.0000	1.0000	16.30
91.5	33,508		0.0000	1.0000	16.30
92.5	33,508		0.0000	1.0000	16.30
93.5	33,508		0.0000	1.0000	16.30
94.5	33,508		0.0000	1.0000	16.30
95.5	33,508		0.0000	1.0000	16.30
96.5	33,508		0.0000	1.0000	16.30
97.5	33,508		0.0000	1.0000	16.30
98.5	33,508		0.0000	1.0000	16.30
99.5	33,508	1,043	0.0311	0.9689	16.30
100.5	32,465	699	0.0215	0.9785	15.80
101.5	31,766	1,795	0.0565	0.9435	15.46
102.5	29,971	1,225	0.0409	0.9591	14.58
103.5	28,746	112	0.0039	0.9961	13.99
104.5	28,634		0.0000	1.0000	13.93
105.5	28,634	302	0.0105	0.9895	13.93
106.5	28,332	1,649	0.0582	0.9418	13.79
107.5	26,683	126	0.0047	0.9953	12.98
108.5	26,556	5,673	0.2136	0.7864	12.92
109.5	20,884	20,884	1.0000		10.16
110.5					

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	69,294,661	413	0.0000	1.0000	100.00	
0.5	69,170,400	14,007	0.0002	0.9998	100.00	
1.5	67,892,715	33,599	0.0005	0.9995	99.98	
2.5	63,857,410	1,528	0.0000	1.0000	99.93	
3.5	62,574,764	4	0.0000	1.0000	99.93	
4.5	62,324,019		0.0000	1.0000	99.93	
5.5	62,334,269		0.0000	1.0000	99.93	
6.5	61,229,624	851	0.0000	1.0000	99.93	
7.5	57,142,881		0.0000	1.0000	99.93	
8.5	53,309,283	524	0.0000	1.0000	99.93	
9.5	50,066,521	5,587	0.0001	0.9999	99.92	
10.5	47,842,845		0.0000	1.0000	99.91	
11.5	46,074,319	511	0.0000	1.0000	99.91	
12.5	45,074,330	176	0.0000	1.0000	99.91	
13.5	43,521,649	137	0.0000	1.0000	99.91	
14.5	39,788,647	191	0.0000	1.0000	99.91	
15.5	35,437,008		0.0000	1.0000	99.91	
16.5	30,732,613		0.0000	1.0000	99.91	
17.5	26,944,904	134	0.0000	1.0000	99.91	
18.5	22,791,806		0.0000	1.0000	99.91	
19.5	20,838,844		0.0000	1.0000	99.91	
20.5	18,355,543	24	0.0000	1.0000	99.91	
21.5	16,574,700		0.0000	1.0000	99.91	
22.5	14,718,036	107	0.0000	1.0000	99.91	
23.5	13,347,191	42	0.0000	1.0000	99.91	
24.5	12,766,982	431	0.0000	1.0000	99.91	
25.5	11,472,395	44	0.0000	1.0000	99.91	
26.5	10,726,799	15	0.0000	1.0000	99.91	
27.5	10,383,797	1,053	0.0001	0.9999	99.91	
28.5	9,905,262	1,778	0.0002	0.9998	99.90	
29.5	9,259,204	326	0.0000	1.0000	99.88	
30.5	8,834,094	246	0.0000	1.0000	99.87	
31.5	8,193,500	144	0.0000	1.0000	99.87	
32.5	7,807,526	348	0.0000	1.0000	99.87	
33.5	7,284,407	1,674	0.0002	0.9998	99.87	
34.5	6,805,749	613	0.0001	0.9999	99.84	
35.5	6,279,883	3,712	0.0006	0.9994	99.83	
36.5	5,869,426	1,922	0.0003	0.9997	99.77	
37.5	5,457,471	3,780	0.0007	0.9993	99.74	
38.5	4,827,018	1,806	0.0004	0.9996	99.67	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 366 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	4,377,804	7,100	0.0016	0.9984	99.64	
40.5	3,822,121	2,315	0.0006	0.9994	99.47	
41.5	3,450,411	1,782	0.0005	0.9995	99.41	
42.5	3,204,882	633	0.0002	0.9998	99.36	
43.5	3,005,712	2,480	0.0008	0.9992	99.34	
44.5	2,840,074	4,408	0.0016	0.9984	99.26	
45.5	2,749,819	3,000	0.0011	0.9989	99.11	
46.5	2,663,081	5,298	0.0020	0.9980	99.00	
47.5	2,587,330	1,238	0.0005	0.9995	98.80	
48.5	2,474,828	730	0.0003	0.9997	98.75	
49.5	2,412,347	2,740	0.0011	0.9989	98.73	
50.5	2,380,814	3,772	0.0016	0.9984	98.61	
51.5	2,304,592	604	0.0003	0.9997	98.46	
52.5	2,266,887	4,009	0.0018	0.9982	98.43	
53.5	2,182,318	3,613	0.0017	0.9983	98.26	
54.5	2,105,708	908	0.0004	0.9996	98.09	
55.5	2,046,498	6,242	0.0031	0.9969	98.05	
56.5	2,003,548	3,069	0.0015	0.9985	97.75	
57.5	1,984,716	21,434	0.0108	0.9892	97.60	
58.5	1,901,776	2,848	0.0015	0.9985	96.55	
59.5	1,867,101	469	0.0003	0.9997	96.40	
60.5	1,799,449	2,770	0.0015	0.9985	96.38	
61.5	1,763,402	15,207	0.0086	0.9914	96.23	
62.5	1,611,982	32,591	0.0202	0.9798	95.40	
63.5	1,572,384	61,934	0.0394	0.9606	93.47	
64.5	1,468,925	148,321	0.1010	0.8990	89.79	
65.5	1,320,304	55,224	0.0418	0.9582	80.72	
66.5	1,263,990	56,295	0.0445	0.9555	77.35	
67.5	1,205,584	40,094	0.0333	0.9667	73.90	
68.5	1,159,653	36,013	0.0311	0.9689	71.45	
69.5	1,113,180	39,210	0.0352	0.9648	69.23	
70.5	1,065,037	56,866	0.0534	0.9466	66.79	
71.5	956,709	27,235	0.0285	0.9715	63.22	
72.5	923,775	17,323	0.0188	0.9812	61.42	
73.5	819,192	334	0.0004	0.9996	60.27	
74.5	818,457	8,852	0.0108	0.9892	60.25	
75.5	807,725	104,495	0.1294	0.8706	59.59	
76.5	702,098	4,678	0.0067	0.9933	51.88	
77.5	671,276		0.0000	1.0000	51.54	
78.5	671,276		0.0000	1.0000	51.54	

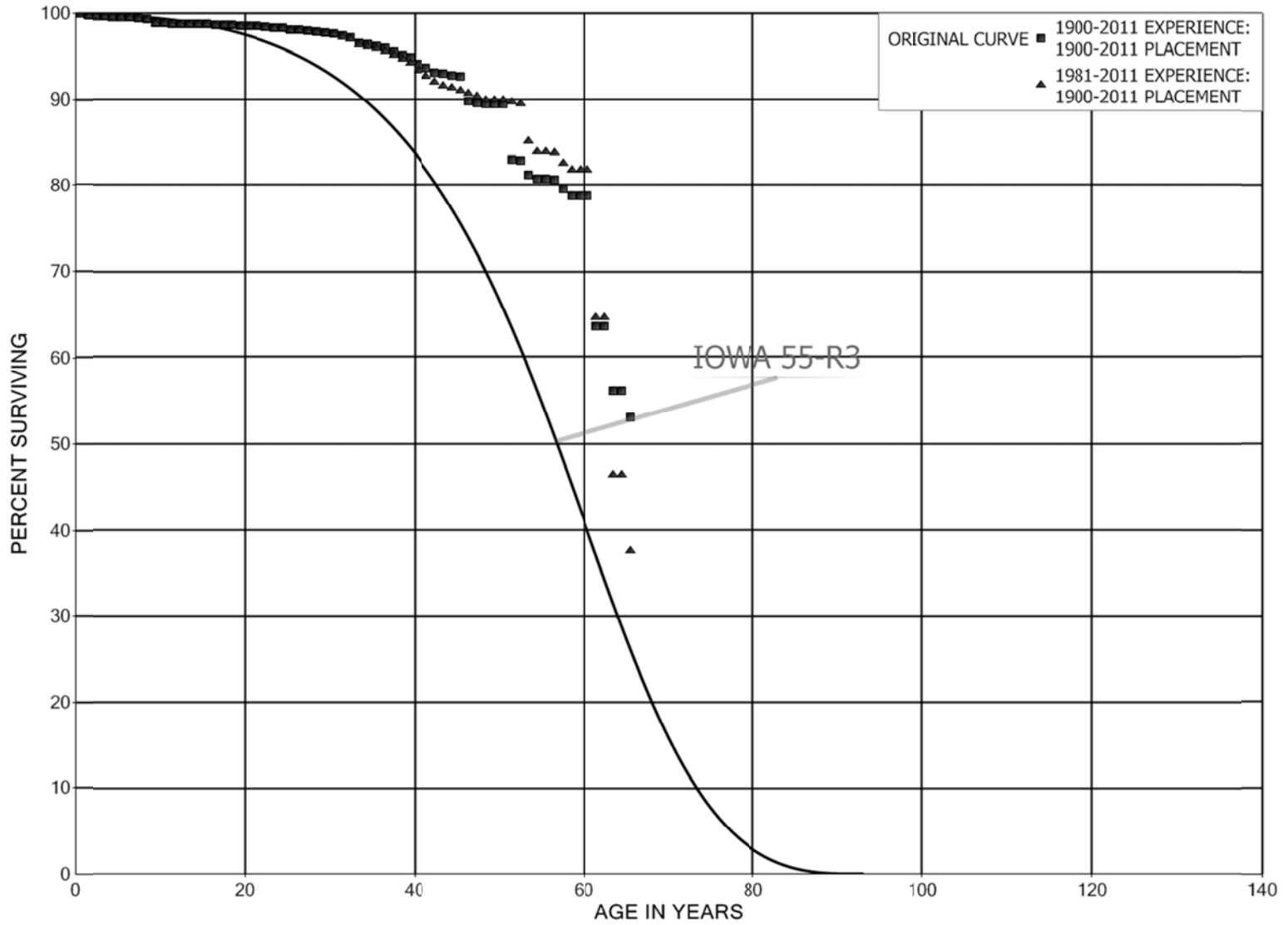
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	671,276		0.0000	1.0000	51.54
80.5	671,276		0.0000	1.0000	51.54
81.5	671,276		0.0000	1.0000	51.54
82.5	671,276		0.0000	1.0000	51.54
83.5	671,276		0.0000	1.0000	51.54
84.5	671,276		0.0000	1.0000	51.54
85.5	671,276		0.0000	1.0000	51.54
86.5	18,184		0.0000	1.0000	51.54
87.5	18,184		0.0000	1.0000	51.54
88.5	18,184	1,717	0.0944	0.9056	51.54
89.5	16,467		0.0000	1.0000	46.67
90.5	16,467		0.0000	1.0000	46.67
91.5	16,467	1,108	0.0673	0.9327	46.67
92.5	15,359	3,619	0.2356	0.7644	43.53
93.5	11,740		0.0000	1.0000	33.27
94.5	11,740		0.0000	1.0000	33.27
95.5	11,740		0.0000	1.0000	33.27
96.5	2,738		0.0000	1.0000	33.27
97.5	2,738		0.0000	1.0000	33.27
98.5	2,738		0.0000	1.0000	33.27
99.5	2,738		0.0000	1.0000	33.27
100.5	2,738		0.0000	1.0000	33.27
101.5	2,738		0.0000	1.0000	33.27
102.5	2,738		0.0000	1.0000	33.27
103.5	2,738		0.0000	1.0000	33.27
104.5	2,738		0.0000	1.0000	33.27
105.5	2,738		0.0000	1.0000	33.27
106.5	66		0.0000	1.0000	33.27
107.5	66		0.0000	1.0000	33.27
108.5	66		0.0000	1.0000	33.27
109.5	66		0.0000	1.0000	33.27
110.5	66		0.0000	1.0000	33.27
111.5					33.27

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	146,792,294	99,142	0.0007	0.9993	100.00	
0.5	137,568,942	322,206	0.0023	0.9977	99.93	
1.5	118,814,080	90,493	0.0008	0.9992	99.70	
2.5	99,298,828	61,447	0.0006	0.9994	99.62	
3.5	93,323,760	23,059	0.0002	0.9998	99.56	
4.5	91,172,279	2,178	0.0000	1.0000	99.54	
5.5	89,891,699	51,803	0.0006	0.9994	99.53	
6.5	87,369,354	64,382	0.0007	0.9993	99.48	
7.5	83,985,902	110,894	0.0013	0.9987	99.40	
8.5	77,916,571	331,398	0.0043	0.9957	99.27	
9.5	74,274,847	48,230	0.0006	0.9994	98.85	
10.5	69,222,267	32,404	0.0005	0.9995	98.79	
11.5	61,308,285	4,788	0.0001	0.9999	98.74	
12.5	57,436,597	12,214	0.0002	0.9998	98.73	
13.5	53,697,786	4,353	0.0001	0.9999	98.71	
14.5	50,004,410	5,005	0.0001	0.9999	98.70	
15.5	47,984,220	20,245	0.0004	0.9996	98.69	
16.5	44,824,919	7,429	0.0002	0.9998	98.65	
17.5	42,662,241	24,897	0.0006	0.9994	98.63	
18.5	39,117,463	10,611	0.0003	0.9997	98.58	
19.5	36,808,390	12,050	0.0003	0.9997	98.55	
20.5	33,323,515	13,094	0.0004	0.9996	98.52	
21.5	30,976,918	15,565	0.0005	0.9995	98.48	
22.5	28,497,983	26,467	0.0009	0.9991	98.43	
23.5	26,707,222	17,214	0.0006	0.9994	98.34	
24.5	24,813,428	43,566	0.0018	0.9982	98.28	
25.5	23,253,331	12,354	0.0005	0.9995	98.10	
26.5	22,186,381	13,684	0.0006	0.9994	98.05	
27.5	21,044,080	22,298	0.0011	0.9989	97.99	
28.5	19,264,199	21,086	0.0011	0.9989	97.89	
29.5	17,453,496	23,898	0.0014	0.9986	97.78	
30.5	15,918,035	37,576	0.0024	0.9976	97.65	
31.5	14,788,036	43,115	0.0029	0.9971	97.41	
32.5	13,089,725	81,056	0.0062	0.9938	97.13	
33.5	11,825,661	20,028	0.0017	0.9983	96.53	
34.5	10,663,628	25,648	0.0024	0.9976	96.37	
35.5	9,586,116	22,215	0.0023	0.9977	96.13	
36.5	8,282,290	33,691	0.0041	0.9959	95.91	
37.5	7,152,515	31,248	0.0044	0.9956	95.52	
38.5	6,563,987	21,992	0.0034	0.9966	95.10	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	5,252,681	41,267	0.0079	0.9921	94.79	
40.5	4,092,695	19,270	0.0047	0.9953	94.04	
41.5	3,477,857	17,913	0.0052	0.9948	93.60	
42.5	3,103,724	7,454	0.0024	0.9976	93.12	
43.5	2,704,930	4,293	0.0016	0.9984	92.89	
44.5	2,351,204	3,432	0.0015	0.9985	92.74	
45.5	2,193,460	68,574	0.0313	0.9687	92.61	
46.5	1,985,966	4,040	0.0020	0.9980	89.71	
47.5	1,902,262	3,972	0.0021	0.9979	89.53	
48.5	1,801,226	1	0.0000	1.0000	89.34	
49.5	1,801,226	40	0.0000	1.0000	89.34	
50.5	1,801,185	129,041	0.0716	0.9284	89.34	
51.5	1,672,144	2,000	0.0012	0.9988	82.94	
52.5	1,670,144	33,212	0.0199	0.9801	82.84	
53.5	1,636,932	9,739	0.0059	0.9941	81.20	
54.5	1,281,763		0.0000	1.0000	80.71	
55.5	1,281,763	1,091	0.0009	0.9991	80.71	
56.5	1,280,672	16,979	0.0133	0.9867	80.64	
57.5	1,263,693	11,431	0.0090	0.9910	79.57	
58.5	1,031,883		0.0000	1.0000	78.85	
59.5	1,031,883		0.0000	1.0000	78.85	
60.5	1,031,883	200,003	0.1938	0.8062	78.85	
61.5	127,572		0.0000	1.0000	63.57	
62.5	127,572	14,783	0.1159	0.8841	63.57	
63.5	112,789	10	0.0001	0.9999	56.20	
64.5	107,192	6,063	0.0566	0.9434	56.20	
65.5	101,129		0.0000	1.0000	53.02	
66.5	101,129	1	0.0000	1.0000	53.02	
67.5	101,128		0.0000	1.0000	53.02	
68.5	101,128	59	0.0006	0.9994	53.02	
69.5	98,765		0.0000	1.0000	52.99	
70.5	98,765		0.0000	1.0000	52.99	
71.5	98,765		0.0000	1.0000	52.99	
72.5	98,765	13,185	0.1335	0.8665	52.99	
73.5	85,580	100	0.0012	0.9988	45.91	
74.5	85,479	7,890	0.0923	0.9077	45.86	
75.5	77,590	2,232	0.0288	0.9712	41.63	
76.5	75,357	60	0.0008	0.9992	40.43	
77.5	75,298		0.0000	1.0000	40.40	
78.5	75,298		0.0000	1.0000	40.40	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	75,298		0.0000	1.0000	40.40
80.5	75,298		0.0000	1.0000	40.40
81.5	75,298		0.0000	1.0000	40.40
82.5	75,298		0.0000	1.0000	40.40
83.5	75,298		0.0000	1.0000	40.40
84.5	75,298		0.0000	1.0000	40.40
85.5	75,298		0.0000	1.0000	40.40
86.5	75,298		0.0000	1.0000	40.40
87.5	75,298	246	0.0033	0.9967	40.40
88.5	75,052		0.0000	1.0000	40.27
89.5	75,052		0.0000	1.0000	40.27
90.5	75,052		0.0000	1.0000	40.27
91.5	75,052		0.0000	1.0000	40.27
92.5	75,052		0.0000	1.0000	40.27
93.5	74,797	150	0.0020	0.9980	40.27
94.5	74,647	11,804	0.1581	0.8419	40.19
95.5	62,843		0.0000	1.0000	33.83
96.5	62,843		0.0000	1.0000	33.83
97.5	62,843		0.0000	1.0000	33.83
98.5	62,843		0.0000	1.0000	33.83
99.5	62,843		0.0000	1.0000	33.83
100.5	62,843		0.0000	1.0000	33.83
101.5	62,843		0.0000	1.0000	33.83
102.5	62,843		0.0000	1.0000	33.83
103.5	62,843		0.0000	1.0000	33.83
104.5	62,843		0.0000	1.0000	33.83
105.5	62,843		0.0000	1.0000	33.83
106.5	62,843	59,827	0.9520	0.0480	33.83
107.5	3,016		0.0000	1.0000	1.62
108.5	3,016	3,016	1.0000		1.62
109.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	130,959,019	99,142	0.0008	0.9992	100.00	
0.5	122,717,513	322,206	0.0026	0.9974	99.92	
1.5	105,657,994	90,493	0.0009	0.9991	99.66	
2.5	87,408,028	61,447	0.0007	0.9993	99.58	
3.5	82,613,829	23,059	0.0003	0.9997	99.51	
4.5	81,536,664	2,178	0.0000	1.0000	99.48	
5.5	81,566,099	51,803	0.0006	0.9994	99.48	
6.5	80,161,527	64,382	0.0008	0.9992	99.41	
7.5	77,366,195	110,894	0.0014	0.9986	99.33	
8.5	72,618,265	331,398	0.0046	0.9954	99.19	
9.5	70,154,927	48,230	0.0007	0.9993	98.74	
10.5	65,728,703	32,404	0.0005	0.9995	98.67	
11.5	58,187,439	4,788	0.0001	0.9999	98.62	
12.5	54,718,700	12,214	0.0002	0.9998	98.61	
13.5	51,337,012	4,353	0.0001	0.9999	98.59	
14.5	47,801,856	5,005	0.0001	0.9999	98.58	
15.5	45,924,294	20,245	0.0004	0.9996	98.57	
16.5	42,854,632	7,429	0.0002	0.9998	98.53	
17.5	40,795,875	24,897	0.0006	0.9994	98.51	
18.5	37,251,097	10,611	0.0003	0.9997	98.45	
19.5	34,942,024	12,050	0.0003	0.9997	98.42	
20.5	31,457,149	13,094	0.0004	0.9996	98.39	
21.5	29,110,551	15,565	0.0005	0.9995	98.35	
22.5	26,631,616	26,467	0.0010	0.9990	98.30	
23.5	25,232,633	17,214	0.0007	0.9993	98.20	
24.5	23,338,838	43,566	0.0019	0.9981	98.13	
25.5	21,778,742	12,354	0.0006	0.9994	97.95	
26.5	20,711,792	13,684	0.0007	0.9993	97.89	
27.5	19,819,235	22,298	0.0011	0.9989	97.83	
28.5	18,039,354	21,086	0.0012	0.9988	97.72	
29.5	16,228,651	23,898	0.0015	0.9985	97.60	
30.5	14,693,190	37,576	0.0026	0.9974	97.46	
31.5	13,563,191	43,115	0.0032	0.9968	97.21	
32.5	11,864,880	81,056	0.0068	0.9932	96.90	
33.5	10,621,748	20,028	0.0019	0.9981	96.24	
34.5	9,459,714	25,648	0.0027	0.9973	96.06	
35.5	8,382,203	22,215	0.0027	0.9973	95.80	
36.5	7,078,376	33,691	0.0048	0.9952	95.54	
37.5	5,948,602	31,248	0.0053	0.9947	95.09	
38.5	5,368,501	21,992	0.0041	0.9959	94.59	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	4,057,194	41,267	0.0102	0.9898	94.20	
40.5	2,897,208	19,270	0.0067	0.9933	93.24	
41.5	2,282,371	17,913	0.0078	0.9922	92.62	
42.5	1,908,238	7,454	0.0039	0.9961	91.90	
43.5	1,509,443	4,293	0.0028	0.9972	91.54	
44.5	1,155,718	3,432	0.0030	0.9970	91.28	
45.5	1,005,958	3,791	0.0038	0.9962	91.01	
46.5	878,731	4,040	0.0046	0.9954	90.66	
47.5	795,026	3,972	0.0050	0.9950	90.25	
48.5	693,991	1	0.0000	1.0000	89.80	
49.5	693,990	40	0.0001	0.9999	89.80	
50.5	693,950	1,414	0.0020	0.9980	89.79	
51.5	692,535	2,000	0.0029	0.9971	89.61	
52.5	690,535	33,212	0.0481	0.9519	89.35	
53.5	657,323	9,739	0.0148	0.9852	85.05	
54.5	302,155		0.0000	1.0000	83.79	
55.5	1,206,466	1,091	0.0009	0.9991	83.79	
56.5	1,205,375	16,979	0.0141	0.9859	83.72	
57.5	1,188,396	11,431	0.0096	0.9904	82.54	
58.5	956,585		0.0000	1.0000	81.74	
59.5	956,585		0.0000	1.0000	81.74	
60.5	956,585	200,003	0.2091	0.7909	81.74	
61.5	52,274		0.0000	1.0000	64.65	
62.5	52,274	14,783	0.2828	0.7172	64.65	
63.5	37,491	10	0.0003	0.9997	46.37	
64.5	31,894	6,063	0.1901	0.8099	46.36	
65.5	38,286		0.0000	1.0000	37.54	
66.5	38,286	1	0.0000	1.0000	37.54	
67.5	38,284		0.0000	1.0000	37.54	
68.5	38,284	59	0.0016	0.9984	37.54	
69.5	35,921		0.0000	1.0000	37.49	
70.5	35,921		0.0000	1.0000	37.49	
71.5	35,921		0.0000	1.0000	37.49	
72.5	35,921	13,185	0.3671	0.6329	37.49	
73.5	22,736	100	0.0044	0.9956	23.73	
74.5	22,636	7,890	0.3485	0.6515	23.62	
75.5	14,746	2,232	0.1514	0.8486	15.39	
76.5	12,514	60	0.0048	0.9952	13.06	
77.5	12,454		0.0000	1.0000	13.00	
78.5	12,454		0.0000	1.0000	13.00	

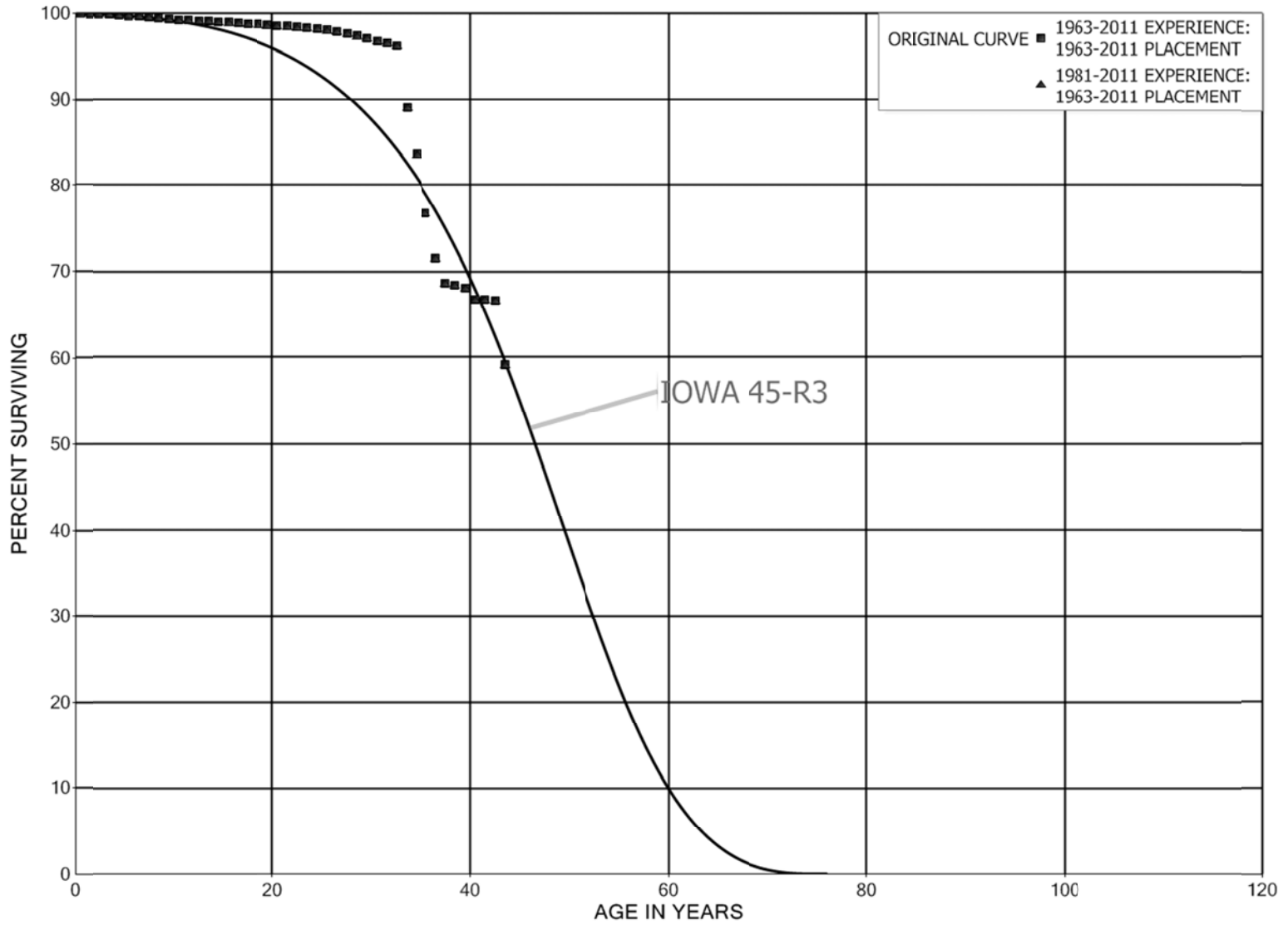
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	12,454		0.0000	1.0000	13.00
80.5	75,298		0.0000	1.0000	13.00
81.5	75,298		0.0000	1.0000	13.00
82.5	75,298		0.0000	1.0000	13.00
83.5	75,298		0.0000	1.0000	13.00
84.5	75,298		0.0000	1.0000	13.00
85.5	75,298		0.0000	1.0000	13.00
86.5	75,298		0.0000	1.0000	13.00
87.5	75,298	246	0.0033	0.9967	13.00
88.5	75,052		0.0000	1.0000	12.95
89.5	75,052		0.0000	1.0000	12.95
90.5	75,052		0.0000	1.0000	12.95
91.5	75,052		0.0000	1.0000	12.95
92.5	75,052		0.0000	1.0000	12.95
93.5	74,797	150	0.0020	0.9980	12.95
94.5	74,647	11,804	0.1581	0.8419	12.93
95.5	62,843		0.0000	1.0000	10.88
96.5	62,843		0.0000	1.0000	10.88
97.5	62,843		0.0000	1.0000	10.88
98.5	62,843		0.0000	1.0000	10.88
99.5	62,843		0.0000	1.0000	10.88
100.5	62,843		0.0000	1.0000	10.88
101.5	62,843		0.0000	1.0000	10.88
102.5	62,843		0.0000	1.0000	10.88
103.5	62,843		0.0000	1.0000	10.88
104.5	62,843		0.0000	1.0000	10.88
105.5	62,843		0.0000	1.0000	10.88
106.5	62,843	59,827	0.9520	0.0480	10.88
107.5	3,016		0.0000	1.0000	0.52
108.5	3,016	3,016	1.0000		0.52
109.5					

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	148,235,919	74,469	0.0005	0.9995	100.00	
0.5	142,000,379	87,359	0.0006	0.9994	99.95	
1.5	135,007,538	78,663	0.0006	0.9994	99.89	
2.5	124,485,863	58,987	0.0005	0.9995	99.83	
3.5	112,595,872	109,540	0.0010	0.9990	99.78	
4.5	112,021,000	43,176	0.0004	0.9996	99.69	
5.5	107,197,986	27,712	0.0003	0.9997	99.65	
6.5	103,420,074	161,964	0.0016	0.9984	99.62	
7.5	99,715,823	109,572	0.0011	0.9989	99.47	
8.5	97,871,987	87,803	0.0009	0.9991	99.36	
9.5	94,445,492	74,613	0.0008	0.9992	99.27	
10.5	91,591,100	32,881	0.0004	0.9996	99.19	
11.5	86,963,125	48,280	0.0006	0.9994	99.15	
12.5	82,895,388	37,725	0.0005	0.9995	99.10	
13.5	80,924,153	46,111	0.0006	0.9994	99.05	
14.5	77,095,528	58,594	0.0008	0.9992	99.00	
15.5	74,694,113	60,425	0.0008	0.9992	98.92	
16.5	72,081,221	54,265	0.0008	0.9992	98.84	
17.5	69,391,023	51,345	0.0007	0.9993	98.77	
18.5	66,800,459	60,111	0.0009	0.9991	98.69	
19.5	63,201,201	45,160	0.0007	0.9993	98.60	
20.5	58,897,074	49,928	0.0008	0.9992	98.53	
21.5	55,250,051	44,441	0.0008	0.9992	98.45	
22.5	51,083,017	35,646	0.0007	0.9993	98.37	
23.5	46,158,874	57,854	0.0013	0.9987	98.30	
24.5	42,245,050	63,362	0.0015	0.9985	98.18	
25.5	35,482,299	55,009	0.0016	0.9984	98.03	
26.5	33,010,544	75,591	0.0023	0.9977	97.88	
27.5	30,351,240	89,009	0.0029	0.9971	97.66	
28.5	28,978,032	93,246	0.0032	0.9968	97.37	
29.5	27,429,930	85,259	0.0031	0.9969	97.06	
30.5	25,335,522	64,440	0.0025	0.9975	96.76	
31.5	24,222,711	79,018	0.0033	0.9967	96.51	
32.5	22,650,200	1,711,491	0.0756	0.9244	96.19	
33.5	18,951,071	1,141,309	0.0602	0.9398	88.93	
34.5	16,272,544	1,331,795	0.0818	0.9182	83.57	
35.5	13,745,621	928,860	0.0676	0.9324	76.73	
36.5	11,725,315	479,979	0.0409	0.9591	71.55	
37.5	8,696,581	29,280	0.0034	0.9966	68.62	
38.5	7,003,638	33,961	0.0048	0.9952	68.39	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1963-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	5,386,093	106,550	0.0198	0.9802	68.05	
40.5	4,085,696	2,290	0.0006	0.9994	66.71	
41.5	2,796,035	1,722	0.0006	0.9994	66.67	
42.5	1,320,093	147,131	0.1115	0.8885	66.63	
43.5	254,507	174,564	0.6859	0.3141	59.20	
44.5	64,532	24,047	0.3726	0.6274	18.60	
45.5	40,486	40,486	1.0000		11.67	
46.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	122,376,058	74,469	0.0006	0.9994	100.00	
0.5	117,224,930	87,359	0.0007	0.9993	99.94	
1.5	111,775,298	78,663	0.0007	0.9993	99.86	
2.5	103,299,423	58,987	0.0006	0.9994	99.79	
3.5	93,014,970	109,540	0.0012	0.9988	99.74	
4.5	93,681,288	43,176	0.0005	0.9995	99.62	
5.5	90,036,960	27,712	0.0003	0.9997	99.57	
6.5	88,931,032	161,964	0.0018	0.9982	99.54	
7.5	86,996,281	109,572	0.0013	0.9987	99.36	
8.5	86,818,604	87,803	0.0010	0.9990	99.24	
9.5	84,652,568	74,613	0.0009	0.9991	99.14	
10.5	83,156,697	32,881	0.0004	0.9996	99.05	
11.5	80,090,897	48,280	0.0006	0.9994	99.01	
12.5	77,069,379	37,725	0.0005	0.9995	98.95	
13.5	76,858,239	46,111	0.0006	0.9994	98.90	
14.5	74,619,367	58,594	0.0008	0.9992	98.84	
15.5	73,501,838	60,425	0.0008	0.9992	98.76	
16.5	71,641,265	54,265	0.0008	0.9992	98.68	
17.5	69,391,023	51,345	0.0007	0.9993	98.61	
18.5	66,800,459	60,111	0.0009	0.9991	98.54	
19.5	63,201,201	45,160	0.0007	0.9993	98.45	
20.5	58,897,074	49,928	0.0008	0.9992	98.38	
21.5	55,250,051	44,441	0.0008	0.9992	98.29	
22.5	51,083,017	35,646	0.0007	0.9993	98.21	
23.5	46,158,874	57,854	0.0013	0.9987	98.15	
24.5	42,245,050	63,362	0.0015	0.9985	98.02	
25.5	35,482,299	55,009	0.0016	0.9984	97.88	
26.5	33,010,544	75,591	0.0023	0.9977	97.72	
27.5	30,351,240	89,009	0.0029	0.9971	97.50	
28.5	28,978,032	93,246	0.0032	0.9968	97.21	
29.5	27,429,930	85,259	0.0031	0.9969	96.90	
30.5	25,335,522	64,440	0.0025	0.9975	96.60	
31.5	24,222,711	79,018	0.0033	0.9967	96.35	
32.5	22,650,200	1,711,491	0.0756	0.9244	96.04	
33.5	18,951,071	1,141,309	0.0602	0.9398	88.78	
34.5	16,272,544	1,331,795	0.0818	0.9182	83.44	
35.5	13,745,621	928,860	0.0676	0.9324	76.61	
36.5	11,725,315	479,979	0.0409	0.9591	71.43	
37.5	8,696,581	29,280	0.0034	0.9966	68.51	
38.5	7,003,638	33,961	0.0048	0.9952	68.28	

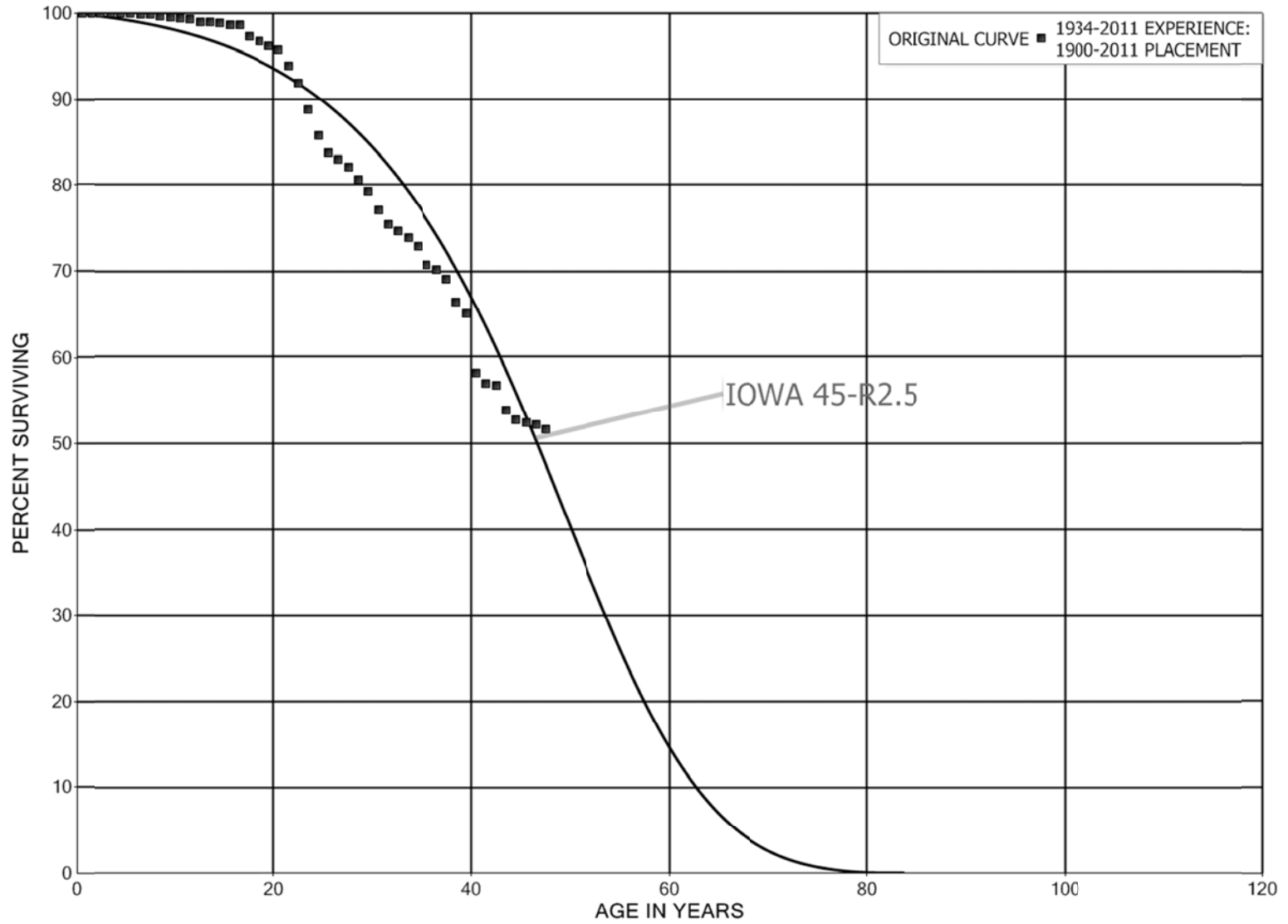
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1963-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	5,386,093	106,550	0.0198	0.9802	67.95	
40.5	4,085,696	2,290	0.0006	0.9994	66.60	
41.5	2,796,035	1,722	0.0006	0.9994	66.56	
42.5	1,320,093	147,131	0.1115	0.8885	66.52	
43.5	254,507	174,564	0.6859	0.3141	59.11	
44.5	64,532	24,047	0.3726	0.6274	18.57	
45.5	40,486	40,486	1.0000		11.65	
46.5						

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,561,606		0.0000	1.0000	100.00
0.5	5,735,469	203	0.0000	1.0000	100.00
1.5	5,019,845	321	0.0001	0.9999	100.00
2.5	4,090,546	397	0.0001	0.9999	99.99
3.5	3,909,746	1,193	0.0003	0.9997	99.98
4.5	3,908,553	1,631	0.0004	0.9996	99.95
5.5	3,906,922	1,627	0.0004	0.9996	99.91
6.5	3,905,295	2,309	0.0006	0.9994	99.87
7.5	3,873,896	6,288	0.0016	0.9984	99.81
8.5	2,753,063	2,795	0.0010	0.9990	99.65
9.5	2,750,268	2,647	0.0010	0.9990	99.54
10.5	2,747,621	3,592	0.0013	0.9987	99.45
11.5	2,742,685	9,493	0.0035	0.9965	99.32
12.5	2,733,192	2,142	0.0008	0.9992	98.97
13.5	2,701,689	3,200	0.0012	0.9988	98.90
14.5	2,380,797	2,658	0.0011	0.9989	98.78
15.5	2,198,690	2,418	0.0011	0.9989	98.67
16.5	2,182,820	27,443	0.0126	0.9874	98.56
17.5	1,960,333	12,538	0.0064	0.9936	97.32
18.5	1,778,878	9,969	0.0056	0.9944	96.70
19.5	1,722,195	7,639	0.0044	0.9956	96.16
20.5	1,608,802	32,702	0.0203	0.9797	95.73
21.5	1,383,562	28,304	0.0205	0.9795	93.79
22.5	1,310,931	44,892	0.0342	0.9658	91.87
23.5	1,207,938	41,378	0.0343	0.9657	88.72
24.5	1,129,184	26,389	0.0234	0.9766	85.68
25.5	1,028,208	9,487	0.0092	0.9908	83.68
26.5	927,907	9,149	0.0099	0.9901	82.91
27.5	845,754	15,617	0.0185	0.9815	82.09
28.5	764,643	11,948	0.0156	0.9844	80.57
29.5	694,644	20,118	0.0290	0.9710	79.31
30.5	630,451	13,504	0.0214	0.9786	77.02
31.5	586,727	5,470	0.0093	0.9907	75.37
32.5	525,491	5,525	0.0105	0.9895	74.67
33.5	498,083	7,071	0.0142	0.9858	73.88
34.5	468,457	13,357	0.0285	0.9715	72.83
35.5	402,362	2,990	0.0074	0.9926	70.76
36.5	340,046	5,546	0.0163	0.9837	70.23
37.5	315,243	12,068	0.0383	0.9617	69.08
38.5	274,096	5,507	0.0201	0.9799	66.44

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	241,739	25,903	0.1072	0.8928	65.10	
40.5	199,705	4,122	0.0206	0.9794	58.13	
41.5	172,795	696	0.0040	0.9960	56.93	
42.5	153,670	7,817	0.0509	0.9491	56.70	
43.5	133,587	2,610	0.0195	0.9805	53.82	
44.5	117,275	814	0.0069	0.9931	52.76	
45.5	103,347	422	0.0041	0.9959	52.40	
46.5	86,847	943	0.0109	0.9891	52.18	
47.5	75,012	357	0.0048	0.9952	51.62	
48.5	59,977	1,983	0.0331	0.9669	51.37	
49.5	55,507	2,116	0.0381	0.9619	49.67	
50.5	45,031	2,296	0.0510	0.9490	47.78	
51.5	39,588	1,090	0.0275	0.9725	45.34	
52.5	38,211	4,204	0.1100	0.8900	44.10	
53.5	27,552	358	0.0130	0.9870	39.24	
54.5	24,276	289	0.0119	0.9881	38.73	
55.5	21,346	3,291	0.1542	0.8458	38.27	
56.5	15,640	2,423	0.1550	0.8450	32.37	
57.5	10,597	1,283	0.1211	0.8789	27.36	
58.5	8,113	609	0.0750	0.9250	24.04	
59.5	7,324	2	0.0002	0.9998	22.24	
60.5	7,322	55	0.0075	0.9925	22.23	
61.5	6,753	2	0.0002	0.9998	22.07	
62.5	6,752	360	0.0533	0.9467	22.06	
63.5	6,391		0.0000	1.0000	20.89	
64.5	6,391	228	0.0357	0.9643	20.89	
65.5	6,163	2	0.0004	0.9996	20.14	
66.5	6,161	62	0.0101	0.9899	20.13	
67.5	6,098	1,506	0.2470	0.7530	19.93	
68.5	4,592		0.0000	1.0000	15.01	
69.5	4,592		0.0000	1.0000	15.01	
70.5	4,592		0.0000	1.0000	15.01	
71.5	4,592		0.0000	1.0000	15.01	
72.5	4,592	2,008	0.4373	0.5627	15.01	
73.5	2,584	12	0.0047	0.9953	8.44	
74.5	2,572	786	0.3056	0.6944	8.40	
75.5	1,786	1,503	0.8417	0.1583	5.84	
76.5	283	12	0.0441	0.9559	0.92	
77.5	270	175	0.6492	0.3508	0.88	
78.5	95		0.0000	1.0000	0.31	

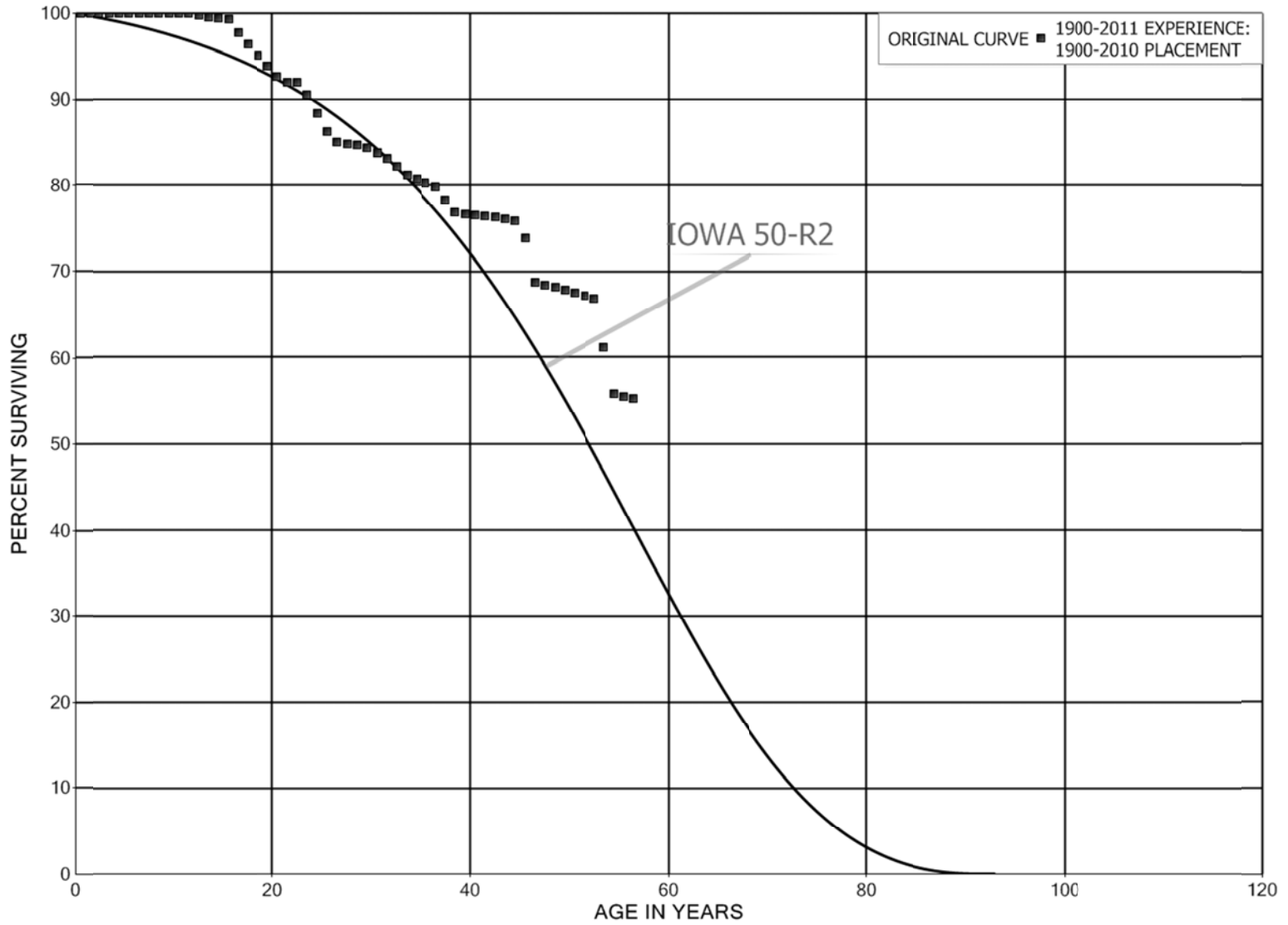
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	95		0.0000	1.0000	0.31	
80.5	95		0.0000	1.0000	0.31	
81.5	95		0.0000	1.0000	0.31	
82.5	95		0.0000	1.0000	0.31	
83.5	95		0.0000	1.0000	0.31	
84.5	95		0.0000	1.0000	0.31	
85.5	95		0.0000	1.0000	0.31	
86.5	95		0.0000	1.0000	0.31	
87.5	95		0.0000	1.0000	0.31	
88.5	95		0.0000	1.0000	0.31	
89.5	95	95	1.0000		0.31	
90.5						

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,412,415		0.0000	1.0000	100.00
0.5	24,453,318	19	0.0000	1.0000	100.00
1.5	24,266,676	107	0.0000	1.0000	100.00
2.5	24,266,568	294	0.0000	1.0000	100.00
3.5	24,266,274	647	0.0000	1.0000	100.00
4.5	24,265,627	1,060	0.0000	1.0000	100.00
5.5	24,264,567	1,658	0.0001	0.9999	99.99
6.5	24,262,909	2,321	0.0001	0.9999	99.98
7.5	24,260,588	2,882	0.0001	0.9999	99.97
8.5	23,646,347	3,475	0.0001	0.9999	99.96
9.5	23,642,626	4,013	0.0002	0.9998	99.95
10.5	23,378,589	4,485	0.0002	0.9998	99.93
11.5	23,233,740	50,723	0.0022	0.9978	99.91
12.5	22,657,137	50,315	0.0022	0.9978	99.69
13.5	21,988,213	5,585	0.0003	0.9997	99.47
14.5	21,117,791	44,909	0.0021	0.9979	99.45
15.5	20,269,835	315,961	0.0156	0.9844	99.24
16.5	19,008,670	260,881	0.0137	0.9863	97.69
17.5	18,016,079	246,382	0.0137	0.9863	96.35
18.5	17,080,951	216,276	0.0127	0.9873	95.03
19.5	16,070,396	209,784	0.0131	0.9869	93.83
20.5	15,110,104	100,339	0.0066	0.9934	92.60
21.5	14,349,592	6,741	0.0005	0.9995	91.99
22.5	13,764,358	213,599	0.0155	0.9845	91.94
23.5	12,952,794	313,190	0.0242	0.9758	90.52
24.5	11,934,302	286,752	0.0240	0.9760	88.33
25.5	10,840,486	151,894	0.0140	0.9860	86.21
26.5	9,948,265	31,773	0.0032	0.9968	85.00
27.5	9,046,162	6,644	0.0007	0.9993	84.73
28.5	8,259,665	35,967	0.0044	0.9956	84.67
29.5	7,539,335	48,414	0.0064	0.9936	84.30
30.5	6,882,381	59,275	0.0086	0.9914	83.76
31.5	6,234,990	61,517	0.0099	0.9901	83.03
32.5	5,643,877	69,864	0.0124	0.9876	82.21
33.5	5,083,620	32,929	0.0065	0.9935	81.20
34.5	4,608,352	21,775	0.0047	0.9953	80.67
35.5	4,187,099	25,373	0.0061	0.9939	80.29
36.5	3,801,824	74,784	0.0197	0.9803	79.80
37.5	3,410,038	60,968	0.0179	0.9821	78.23
38.5	3,038,697	6,951	0.0023	0.9977	76.83

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	2,748,732	5,307	0.0019	0.9981	76.66	
40.5	2,498,173	4,298	0.0017	0.9983	76.51	
41.5	2,277,241	4,057	0.0018	0.9982	76.38	
42.5	2,057,666	5,740	0.0028	0.9972	76.24	
43.5	1,846,691	4,811	0.0026	0.9974	76.03	
44.5	1,653,194	43,761	0.0265	0.9735	75.83	
45.5	1,415,721	97,393	0.0688	0.9312	73.83	
46.5	1,123,549	5,249	0.0047	0.9953	68.75	
47.5	944,184	3,163	0.0034	0.9966	68.43	
48.5	773,408	3,692	0.0048	0.9952	68.20	
49.5	725,326	3,617	0.0050	0.9950	67.87	
50.5	698,801	4,028	0.0058	0.9942	67.53	
51.5	680,408	2,700	0.0040	0.9960	67.14	
52.5	635,308	53,685	0.0845	0.9155	66.88	
53.5	560,275	49,230	0.0879	0.9121	61.22	
54.5	497,311	2,825	0.0057	0.9943	55.85	
55.5	489,968	2,560	0.0052	0.9948	55.53	
56.5	486,184	1,376	0.0028	0.9972	55.24	
57.5	446,893	1,027	0.0023	0.9977	55.08	
58.5	430,681	647	0.0015	0.9985	54.96	
59.5	426,071	337	0.0008	0.9992	54.87	
60.5	366,771	288	0.0008	0.9992	54.83	
61.5	330,394	123	0.0004	0.9996	54.79	
62.5	270,842	84	0.0003	0.9997	54.77	
63.5	269,509	16	0.0001	0.9999	54.75	
64.5	243,125	2,039	0.0084	0.9916	54.75	
65.5	235,412	1,277	0.0054	0.9946	54.29	
66.5	215,759	604	0.0028	0.9972	53.99	
67.5	199,922	667	0.0033	0.9967	53.84	
68.5	185,946	268	0.0014	0.9986	53.66	
69.5	156,874	195	0.0012	0.9988	53.58	
70.5	125,846	191	0.0015	0.9985	53.52	
71.5	102,734	103	0.0010	0.9990	53.44	
72.5	76,955	79	0.0010	0.9990	53.38	
73.5	76,553		0.0000	1.0000	53.33	
74.5	46,908	708	0.0151	0.9849	53.33	
75.5	45,144	387	0.0086	0.9914	52.52	
76.5	26,234	167	0.0064	0.9936	52.07	
77.5	21,553	183	0.0085	0.9915	51.74	
78.5	21,370	71	0.0033	0.9967	51.30	

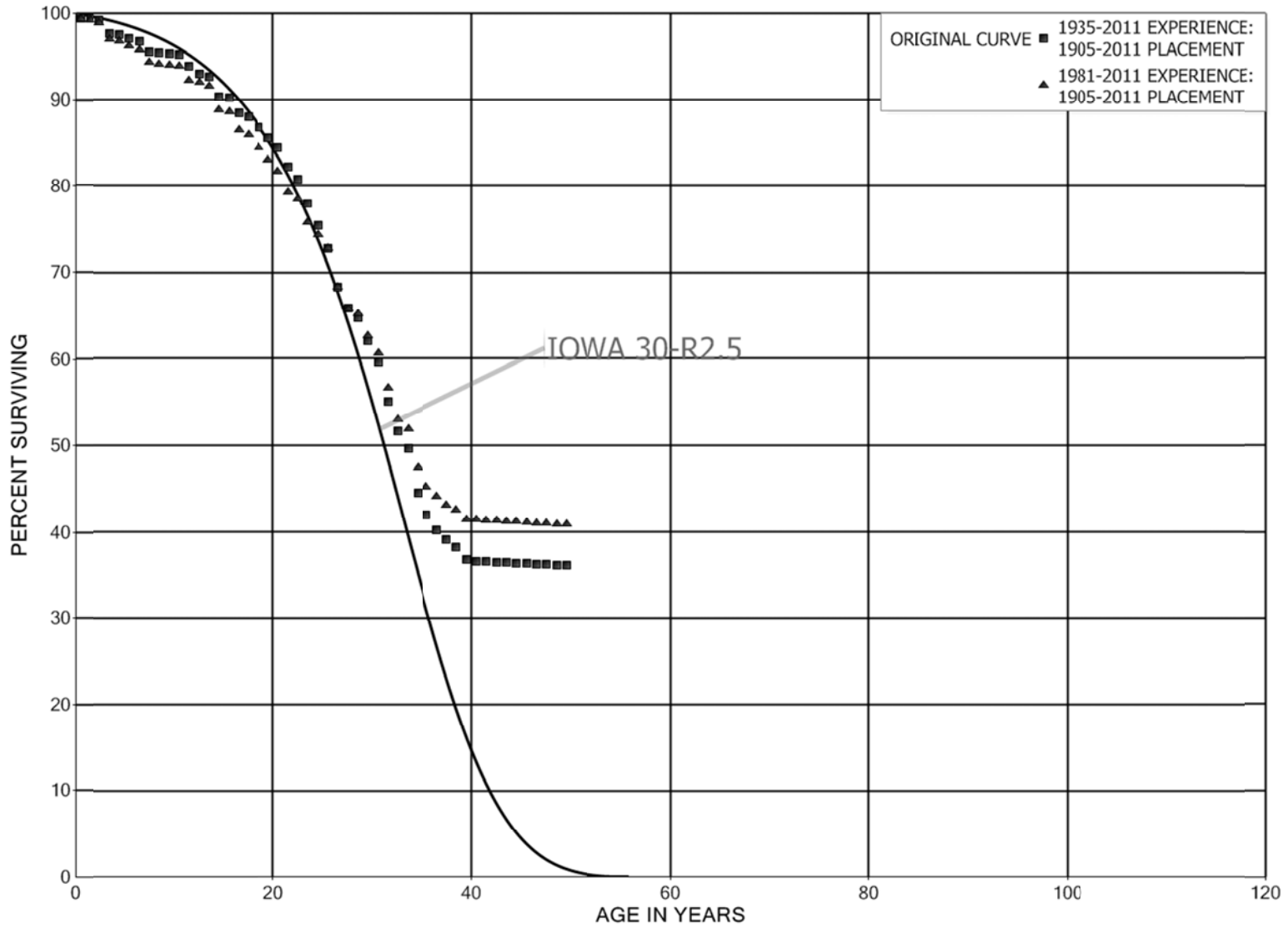
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	21,300	51	0.0024	0.9976	51.13	
80.5	21,249	49	0.0023	0.9977	51.01	
81.5	21,199	27	0.0013	0.9987	50.89	
82.5	21,173	20	0.0010	0.9990	50.83	
83.5	21,152		0.0000	1.0000	50.78	
84.5	21,152	86	0.0041	0.9959	50.78	
85.5	21,066	32	0.0015	0.9985	50.57	
86.5	3,792	12	0.0031	0.9969	50.49	
87.5	3,781	13	0.0033	0.9967	50.34	
88.5	3,768	5	0.0012	0.9988	50.17	
89.5	3,764	98	0.0261	0.9739	50.11	
90.5	3,665	29	0.0078	0.9922	48.80	
91.5	3,637	6	0.0016	0.9984	48.42	
92.5	3,631	6	0.0017	0.9983	48.34	
93.5	3,625	6	0.0016	0.9984	48.26	
94.5	3,619	1	0.0003	0.9997	48.18	
95.5	3,618	2	0.0005	0.9995	48.17	
96.5	204	1	0.0037	0.9963	48.15	
97.5	203	1	0.0036	0.9964	47.97	
98.5	202		0.0000	1.0000	47.80	
99.5	202		0.0000	1.0000	47.80	
100.5	202		0.0000	1.0000	47.80	
101.5	202		0.0000	1.0000	47.80	
102.5	202		0.0000	1.0000	47.80	
103.5	202		0.0000	1.0000	47.80	
104.5	202		0.0000	1.0000	47.80	
105.5	202		0.0000	1.0000	47.80	
106.5	32		0.0000	1.0000	47.80	
107.5	32		0.0000	1.0000	47.80	
108.5	32		0.0000	1.0000	47.80	
109.5	32		0.0000	1.0000	47.80	
110.5	32		0.0000	1.0000	47.80	
111.5					47.80	

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2011

EXPERIENCE BAND 1935-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	49,549,975	274,657	0.0055	0.9945	100.00
0.5	49,081,063	14,929	0.0003	0.9997	99.45
1.5	48,020,934	127,320	0.0027	0.9973	99.42
2.5	45,029,772	673,409	0.0150	0.9850	99.15
3.5	44,127,454	97,030	0.0022	0.9978	97.67
4.5	44,024,047	187,210	0.0043	0.9957	97.45
5.5	42,956,356	160,869	0.0037	0.9963	97.04
6.5	41,592,348	500,951	0.0120	0.9880	96.68
7.5	40,588,332	53,928	0.0013	0.9987	95.51
8.5	39,466,521	61,912	0.0016	0.9984	95.39
9.5	38,515,053	24,292	0.0006	0.9994	95.24
10.5	37,404,055	529,850	0.0142	0.9858	95.18
11.5	36,485,166	327,617	0.0090	0.9910	93.83
12.5	35,894,297	136,296	0.0038	0.9962	92.98
13.5	35,289,083	880,064	0.0249	0.9751	92.63
14.5	33,563,468	55,904	0.0017	0.9983	90.32
15.5	32,667,415	654,517	0.0200	0.9800	90.17
16.5	29,141,674	142,551	0.0049	0.9951	88.36
17.5	28,361,188	382,463	0.0135	0.9865	87.93
18.5	26,572,074	366,374	0.0138	0.9862	86.75
19.5	24,714,927	334,303	0.0135	0.9865	85.55
20.5	23,340,474	598,669	0.0256	0.9744	84.39
21.5	21,502,291	382,627	0.0178	0.9822	82.23
22.5	18,935,855	647,304	0.0342	0.9658	80.77
23.5	16,689,807	568,959	0.0341	0.9659	78.00
24.5	13,925,525	477,007	0.0343	0.9657	75.35
25.5	11,442,375	711,029	0.0621	0.9379	72.76
26.5	10,223,805	361,679	0.0354	0.9646	68.24
27.5	9,069,522	157,794	0.0174	0.9826	65.83
28.5	8,323,248	335,108	0.0403	0.9597	64.68
29.5	7,545,766	298,260	0.0395	0.9605	62.08
30.5	6,870,755	520,774	0.0758	0.9242	59.63
31.5	6,208,740	393,709	0.0634	0.9366	55.11
32.5	5,725,141	215,640	0.0377	0.9623	51.61
33.5	5,317,498	547,755	0.1030	0.8970	49.67
34.5	4,348,999	252,369	0.0580	0.9420	44.55
35.5	3,769,483	156,847	0.0416	0.9584	41.97
36.5	3,478,222	99,141	0.0285	0.9715	40.22
37.5	3,271,916	78,462	0.0240	0.9760	39.07
38.5	3,162,573	121,338	0.0384	0.9616	38.14

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	3,037,519	11,849	0.0039	0.9961	36.67	
40.5	2,929,216	3,860	0.0013	0.9987	36.53	
41.5	2,844,512	3,818	0.0013	0.9987	36.48	
42.5	2,629,831	3,734	0.0014	0.9986	36.43	
43.5	2,523,800	3,635	0.0014	0.9986	36.38	
44.5	2,514,462	3,568	0.0014	0.9986	36.33	
45.5	2,239,336	3,550	0.0016	0.9984	36.28	
46.5	2,076,924	3,543	0.0017	0.9983	36.22	
47.5	1,968,582	3,515	0.0018	0.9982	36.16	
48.5	1,927,555	3,470	0.0018	0.9982	36.09	
49.5	1,827,223	3,424	0.0019	0.9981	36.03	
50.5	1,641,066	3,395	0.0021	0.9979	35.96	
51.5	1,559,701	3,360	0.0022	0.9978	35.89	
52.5	1,545,536	3,309	0.0021	0.9979	35.81	
53.5	1,404,868	3,290	0.0023	0.9977	35.73	
54.5	1,239,491	3,275	0.0026	0.9974	35.65	
55.5	1,212,965	3,206	0.0026	0.9974	35.55	
56.5	1,112,684	3,190	0.0029	0.9971	35.46	
57.5	942,017	3,178	0.0034	0.9966	35.36	
58.5	875,742	3,144	0.0036	0.9964	35.24	
59.5	780,677	3,123	0.0040	0.9960	35.11	
60.5	693,932	3,089	0.0045	0.9955	34.97	
61.5	615,535		0.0000	1.0000	34.82	
62.5	568,778		0.0000	1.0000	34.82	
63.5	524,800		0.0000	1.0000	34.82	
64.5	379,812		0.0000	1.0000	34.82	
65.5	323,932		0.0000	1.0000	34.82	
66.5	272,176		0.0000	1.0000	34.82	
67.5	253,099		0.0000	1.0000	34.82	
68.5	234,800		0.0000	1.0000	34.82	
69.5	182,548	1,062	0.0058	0.9942	34.82	
70.5	179,955		0.0000	1.0000	34.61	
71.5	129,173		0.0000	1.0000	34.61	
72.5	90,516		0.0000	1.0000	34.61	
73.5	66,977		0.0000	1.0000	34.61	
74.5	42,356		0.0000	1.0000	34.61	
75.5	41,288		0.0000	1.0000	34.61	
76.5	20,550		0.0000	1.0000	34.61	
77.5	11,919		0.0000	1.0000	34.61	
78.5	11,919		0.0000	1.0000	34.61	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	11,919	1,057	0.0887	0.9113	34.61	
80.5	10,862		0.0000	1.0000	31.54	
81.5	10,862		0.0000	1.0000	31.54	
82.5	10,862		0.0000	1.0000	31.54	
83.5	10,862		0.0000	1.0000	31.54	
84.5	10,862		0.0000	1.0000	31.54	
85.5	10,862		0.0000	1.0000	31.54	
86.5	7,758		0.0000	1.0000	31.54	
87.5	7,758		0.0000	1.0000	31.54	
88.5	7,758		0.0000	1.0000	31.54	
89.5	7,758		0.0000	1.0000	31.54	
90.5	7,758		0.0000	1.0000	31.54	
91.5	7,758		0.0000	1.0000	31.54	
92.5	7,758		0.0000	1.0000	31.54	
93.5	7,758		0.0000	1.0000	31.54	
94.5	7,758		0.0000	1.0000	31.54	
95.5	7,758		0.0000	1.0000	31.54	
96.5	246		0.0000	1.0000	31.54	
97.5	246		0.0000	1.0000	31.54	
98.5	246		0.0000	1.0000	31.54	
99.5	246		0.0000	1.0000	31.54	
100.5	246		0.0000	1.0000	31.54	
101.5	246		0.0000	1.0000	31.54	
102.5	246		0.0000	1.0000	31.54	
103.5	246		0.0000	1.0000	31.54	
104.5	246		0.0000	1.0000	31.54	
105.5	246		0.0000	1.0000	31.54	
106.5	246		0.0000	1.0000	31.54	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2011

EXPERIENCE BAND 1981-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	37,549,429	274,657	0.0073	0.9927	100.00
0.5	37,387,899	14,929	0.0004	0.9996	99.27
1.5	36,970,098	127,320	0.0034	0.9966	99.23
2.5	34,549,719	673,409	0.0195	0.9805	98.89
3.5	34,145,652	97,030	0.0028	0.9972	96.96
4.5	34,422,576	187,210	0.0054	0.9946	96.68
5.5	33,700,317	160,869	0.0048	0.9952	96.16
6.5	32,883,810	500,951	0.0152	0.9848	95.70
7.5	32,347,373	44,284	0.0014	0.9986	94.24
8.5	31,765,884	61,912	0.0019	0.9981	94.11
9.5	30,602,319	24,292	0.0008	0.9992	93.93
10.5	29,820,910	529,850	0.0178	0.9822	93.85
11.5	29,291,912	84,490	0.0029	0.9971	92.19
12.5	29,225,192	136,296	0.0047	0.9953	91.92
13.5	28,856,515	880,064	0.0305	0.9695	91.49
14.5	27,432,325	55,904	0.0020	0.9980	88.70
15.5	26,920,029	654,517	0.0243	0.9757	88.52
16.5	23,692,137	142,551	0.0060	0.9940	86.37
17.5	23,134,947	382,463	0.0165	0.9835	85.85
18.5	21,627,161	366,374	0.0169	0.9831	84.43
19.5	19,764,070	334,303	0.0169	0.9831	83.00
20.5	18,715,840	526,624	0.0281	0.9719	81.60
21.5	17,201,514	173,551	0.0101	0.9899	79.30
22.5	15,125,712	541,007	0.0358	0.9642	78.50
23.5	13,151,974	235,595	0.0179	0.9821	75.69
24.5	10,984,853	233,781	0.0213	0.9787	74.34
25.5	8,845,860	546,699	0.0618	0.9382	72.75
26.5	7,962,894	297,879	0.0374	0.9626	68.26
27.5	7,050,739	60,563	0.0086	0.9914	65.70
28.5	6,585,743	254,861	0.0387	0.9613	65.14
29.5	5,888,327	185,090	0.0314	0.9686	62.62
30.5	5,405,344	356,755	0.0660	0.9340	60.65
31.5	4,957,644	322,985	0.0651	0.9349	56.65
32.5	4,592,262	96,079	0.0209	0.9791	52.96
33.5	4,452,647	382,912	0.0860	0.9140	51.85
34.5	3,708,312	175,427	0.0473	0.9527	47.39
35.5	3,260,882	80,934	0.0248	0.9752	45.15
36.5	3,067,967	69,248	0.0226	0.9774	44.03
37.5	2,913,160	35,720	0.0123	0.9877	43.03
38.5	2,902,094	73,676	0.0254	0.9746	42.51

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	2,829,509	3,890	0.0014	0.9986	41.43	
40.5	2,783,196	3,860	0.0014	0.9986	41.37	
41.5	2,740,328	3,818	0.0014	0.9986	41.31	
42.5	2,552,359	3,734	0.0015	0.9985	41.26	
43.5	2,474,111	3,635	0.0015	0.9985	41.20	
44.5	2,468,969	3,568	0.0014	0.9986	41.13	
45.5	2,215,654	3,550	0.0016	0.9984	41.08	
46.5	2,063,943	3,543	0.0017	0.9983	41.01	
47.5	1,955,601	3,515	0.0018	0.9982	40.94	
48.5	1,914,574	3,470	0.0018	0.9982	40.87	
49.5	1,814,242	3,424	0.0019	0.9981	40.79	
50.5	1,628,085	3,395	0.0021	0.9979	40.71	
51.5	1,546,720	3,360	0.0022	0.9978	40.63	
52.5	1,532,555	3,309	0.0022	0.9978	40.54	
53.5	1,391,887	3,290	0.0024	0.9976	40.45	
54.5	1,226,510	3,275	0.0027	0.9973	40.36	
55.5	1,204,150	3,206	0.0027	0.9973	40.25	
56.5	1,103,869	3,190	0.0029	0.9971	40.14	
57.5	933,202	3,178	0.0034	0.9966	40.03	
58.5	866,927	3,144	0.0036	0.9964	39.89	
59.5	771,862	3,123	0.0040	0.9960	39.75	
60.5	685,117	3,089	0.0045	0.9955	39.59	
61.5	606,720		0.0000	1.0000	39.41	
62.5	559,963		0.0000	1.0000	39.41	
63.5	515,985		0.0000	1.0000	39.41	
64.5	370,997		0.0000	1.0000	39.41	
65.5	323,686		0.0000	1.0000	39.41	
66.5	271,930		0.0000	1.0000	39.41	
67.5	252,853		0.0000	1.0000	39.41	
68.5	234,554		0.0000	1.0000	39.41	
69.5	182,302	1,062	0.0058	0.9942	39.41	
70.5	179,709		0.0000	1.0000	39.18	
71.5	128,927		0.0000	1.0000	39.18	
72.5	90,270		0.0000	1.0000	39.18	
73.5	66,731		0.0000	1.0000	39.18	
74.5	42,110		0.0000	1.0000	39.18	
75.5	41,288		0.0000	1.0000	39.18	
76.5	20,550		0.0000	1.0000	39.18	
77.5	11,919		0.0000	1.0000	39.18	
78.5	11,919		0.0000	1.0000	39.18	

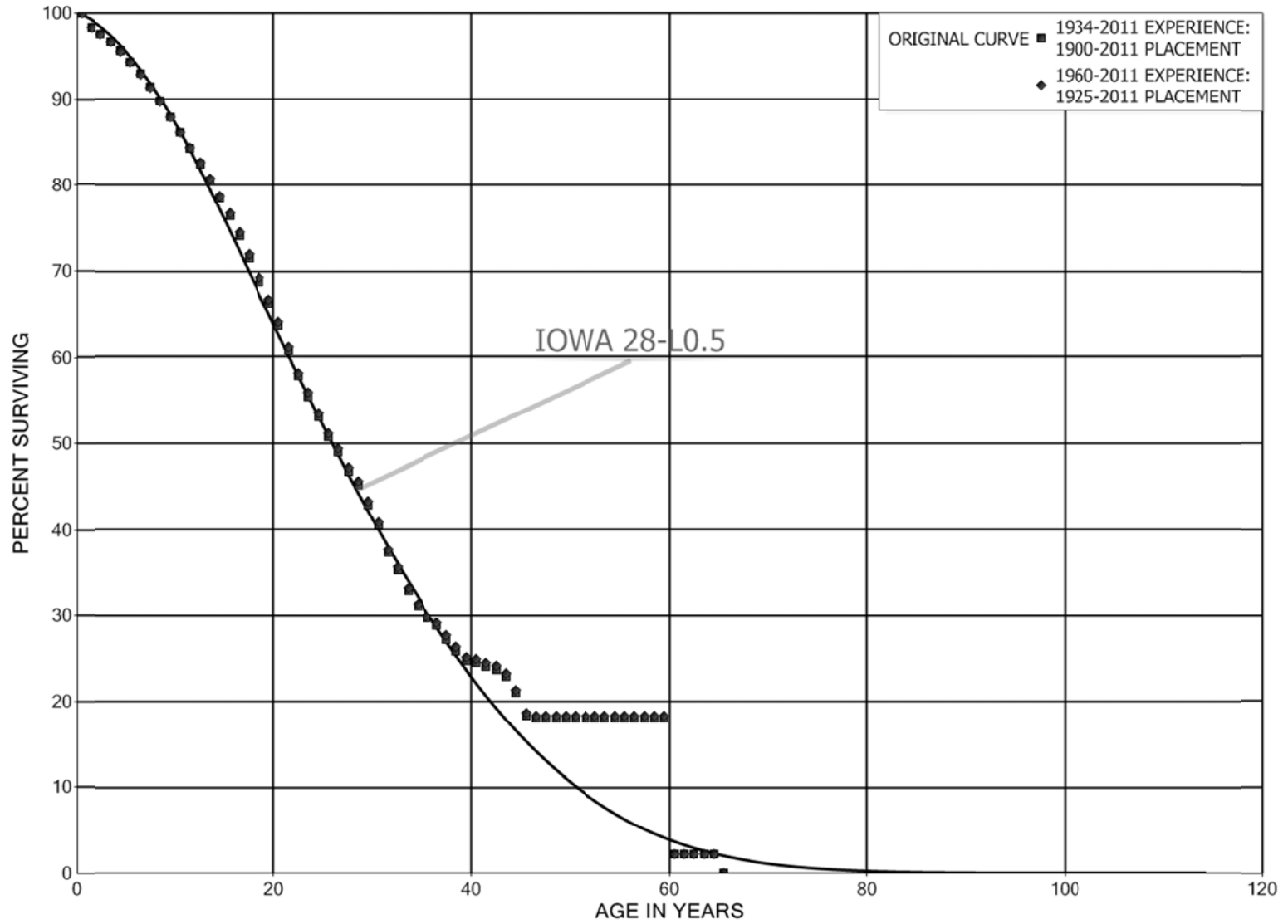
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	11,919	1,057	0.0887	0.9113	39.18	
80.5	10,862		0.0000	1.0000	35.70	
81.5	10,862		0.0000	1.0000	35.70	
82.5	10,862		0.0000	1.0000	35.70	
83.5	10,862		0.0000	1.0000	35.70	
84.5	10,862		0.0000	1.0000	35.70	
85.5	10,862		0.0000	1.0000	35.70	
86.5	7,758		0.0000	1.0000	35.70	
87.5	7,758		0.0000	1.0000	35.70	
88.5	7,758		0.0000	1.0000	35.70	
89.5	7,758		0.0000	1.0000	35.70	
90.5	7,758		0.0000	1.0000	35.70	
91.5	7,758		0.0000	1.0000	35.70	
92.5	7,758		0.0000	1.0000	35.70	
93.5	7,758		0.0000	1.0000	35.70	
94.5	7,758		0.0000	1.0000	35.70	
95.5	7,758		0.0000	1.0000	35.70	
96.5	246		0.0000	1.0000	35.70	
97.5	246		0.0000	1.0000	35.70	
98.5	246		0.0000	1.0000	35.70	
99.5	246		0.0000	1.0000	35.70	
100.5	246		0.0000	1.0000	35.70	
101.5	246		0.0000	1.0000	35.70	
102.5	246		0.0000	1.0000	35.70	
103.5	246		0.0000	1.0000	35.70	
104.5	246		0.0000	1.0000	35.70	
105.5	246		0.0000	1.0000	35.70	
106.5					35.70	

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	48,148,875	51,289	0.0011	0.9989	100.00	
0.5	45,389,436	711,885	0.0157	0.9843	99.89	
1.5	34,098,355	273,855	0.0080	0.9920	98.33	
2.5	33,772,226	319,709	0.0095	0.9905	97.54	
3.5	32,916,561	358,713	0.0109	0.9891	96.61	
4.5	31,865,062	422,812	0.0133	0.9867	95.56	
5.5	31,441,678	467,191	0.0149	0.9851	94.29	
6.5	30,318,343	503,835	0.0166	0.9834	92.89	
7.5	29,555,332	533,954	0.0181	0.9819	91.35	
8.5	28,657,027	580,332	0.0203	0.9797	89.70	
9.5	27,429,128	582,626	0.0212	0.9788	87.88	
10.5	26,332,947	578,098	0.0220	0.9780	86.01	
11.5	24,997,281	512,110	0.0205	0.9795	84.13	
12.5	23,657,923	537,181	0.0227	0.9773	82.40	
13.5	21,811,889	537,109	0.0246	0.9754	80.53	
14.5	19,947,328	555,374	0.0278	0.9722	78.55	
15.5	18,062,838	539,752	0.0299	0.9701	76.36	
16.5	16,440,314	575,415	0.0350	0.9650	74.08	
17.5	14,475,643	552,528	0.0382	0.9618	71.49	
18.5	12,706,469	472,972	0.0372	0.9628	68.76	
19.5	11,305,118	437,697	0.0387	0.9613	66.20	
20.5	10,129,546	458,547	0.0453	0.9547	63.64	
21.5	8,749,560	425,764	0.0487	0.9513	60.76	
22.5	7,538,179	306,740	0.0407	0.9593	57.80	
23.5	6,785,986	289,111	0.0426	0.9574	55.45	
24.5	6,071,307	263,699	0.0434	0.9566	53.08	
25.5	5,415,772	192,159	0.0355	0.9645	50.78	
26.5	4,903,903	229,175	0.0467	0.9533	48.98	
27.5	4,384,068	146,821	0.0335	0.9665	46.69	
28.5	3,863,112	192,570	0.0498	0.9502	45.12	
29.5	3,319,468	185,976	0.0560	0.9440	42.88	
30.5	2,897,791	226,354	0.0781	0.9219	40.47	
31.5	2,437,554	130,798	0.0537	0.9463	37.31	
32.5	2,127,804	147,011	0.0691	0.9309	35.31	
33.5	1,814,801	102,433	0.0564	0.9436	32.87	
34.5	1,555,546	69,883	0.0449	0.9551	31.01	
35.5	1,330,863	38,628	0.0290	0.9710	29.62	
36.5	1,141,492	66,861	0.0586	0.9414	28.76	
37.5	956,407	46,067	0.0482	0.9518	27.08	
38.5	767,674	36,068	0.0470	0.9530	25.77	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	588,178	5,238	0.0089	0.9911	24.56	
40.5	462,202	7,407	0.0160	0.9840	24.34	
41.5	337,986	4,458	0.0132	0.9868	23.95	
42.5	271,542	9,670	0.0356	0.9644	23.64	
43.5	219,448	17,763	0.0809	0.9191	22.80	
44.5	165,241	20,746	0.1255	0.8745	20.95	
45.5	124,146	2,414	0.0194	0.9806	18.32	
46.5	112,335		0.0000	1.0000	17.96	
47.5	92,246		0.0000	1.0000	17.96	
48.5	71,784		0.0000	1.0000	17.96	
49.5	30,432		0.0000	1.0000	17.96	
50.5	13,705		0.0000	1.0000	17.96	
51.5	5,306		0.0000	1.0000	17.96	
52.5	3,624		0.0000	1.0000	17.96	
53.5	2,025		0.0000	1.0000	17.96	
54.5	1,339		0.0000	1.0000	17.96	
55.5	1,339		0.0000	1.0000	17.96	
56.5	1,339		0.0000	1.0000	17.96	
57.5	1,339		0.0000	1.0000	17.96	
58.5	1,339		0.0000	1.0000	17.96	
59.5	1,339	1,181	0.8816	0.1184	17.96	
60.5	159		0.0000	1.0000	2.13	
61.5	159		0.0000	1.0000	2.13	
62.5	159		0.0000	1.0000	2.13	
63.5	159		0.0000	1.0000	2.13	
64.5	159	159	1.0000		2.13	
65.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

ORIGINAL LIFE TABLE

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1960-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	47,643,433	51,289	0.0011	0.9989	100.00
0.5	44,928,761	711,885	0.0158	0.9842	99.89
1.5	33,681,397	273,855	0.0081	0.9919	98.31
2.5	33,398,242	319,709	0.0096	0.9904	97.51
3.5	32,560,561	358,713	0.0110	0.9890	96.58
4.5	31,520,096	422,812	0.0134	0.9866	95.51
5.5	31,114,607	467,191	0.0150	0.9850	94.23
6.5	30,001,130	503,835	0.0168	0.9832	92.82
7.5	29,251,082	533,954	0.0183	0.9817	91.26
8.5	28,310,447	549,545	0.0194	0.9806	89.59
9.5	27,119,017	550,759	0.0203	0.9797	87.85
10.5	26,061,590	525,382	0.0202	0.9798	86.07
11.5	24,782,332	509,560	0.0206	0.9794	84.33
12.5	23,458,960	533,021	0.0227	0.9773	82.60
13.5	21,620,465	522,309	0.0242	0.9758	80.72
14.5	19,778,103	515,189	0.0260	0.9740	78.77
15.5	17,939,961	516,582	0.0288	0.9712	76.72
16.5	16,345,629	562,786	0.0344	0.9656	74.51
17.5	14,396,011	531,337	0.0369	0.9631	71.95
18.5	12,649,204	472,972	0.0374	0.9626	69.29
19.5	11,272,131	437,697	0.0388	0.9612	66.70
20.5	10,100,156	456,759	0.0452	0.9548	64.11
21.5	8,726,900	425,764	0.0488	0.9512	61.21
22.5	7,517,587	299,670	0.0399	0.9601	58.22
23.5	6,773,992	289,111	0.0427	0.9573	55.90
24.5	6,059,551	263,699	0.0435	0.9565	53.52
25.5	5,404,016	192,159	0.0356	0.9644	51.19
26.5	4,892,148	220,457	0.0451	0.9549	49.37
27.5	4,381,885	146,821	0.0335	0.9665	47.14
28.5	3,860,929	192,570	0.0499	0.9501	45.56
29.5	3,317,284	185,976	0.0561	0.9439	43.29
30.5	2,895,608	226,354	0.0782	0.9218	40.86
31.5	2,435,371	130,798	0.0537	0.9463	37.67
32.5	2,125,621	147,011	0.0692	0.9308	35.65
33.5	1,799,099	102,433	0.0569	0.9431	33.18
34.5	1,540,244	69,114	0.0449	0.9551	31.29
35.5	1,316,330	38,379	0.0292	0.9708	29.89
36.5	1,127,208	55,541	0.0493	0.9507	29.02
37.5	953,443	46,067	0.0483	0.9517	27.59
38.5	764,710	36,068	0.0472	0.9528	26.25

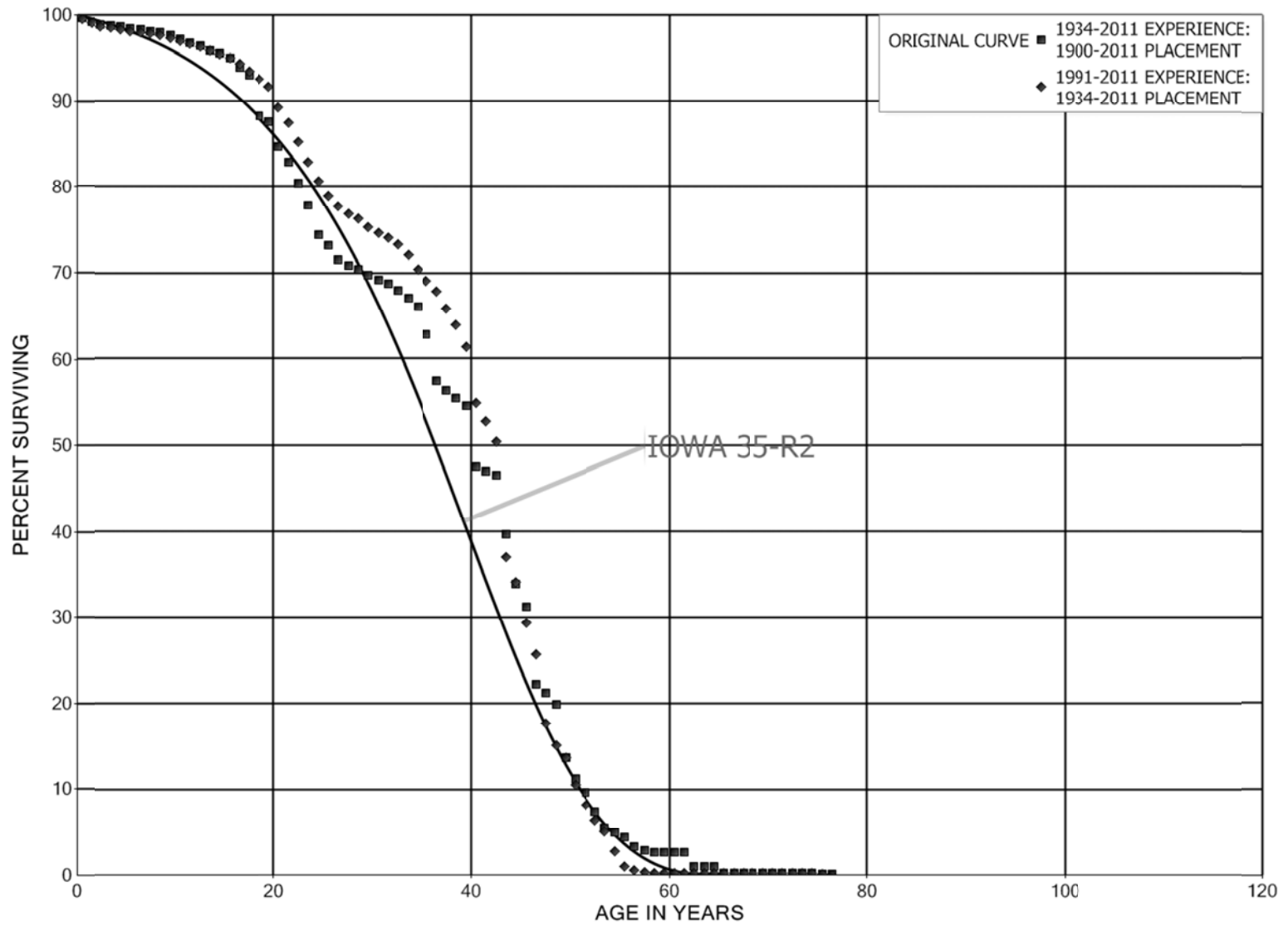
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1925-2011			EXPERIENCE BAND 1960-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	585,214	5,238	0.0090	0.9910	25.02	
40.5	459,238	7,407	0.0161	0.9839	24.79	
41.5	335,022	4,458	0.0133	0.9867	24.39	
42.5	268,578	9,670	0.0360	0.9640	24.07	
43.5	216,484	17,763	0.0821	0.9179	23.20	
44.5	164,061	20,746	0.1265	0.8735	21.30	
45.5	122,965	2,414	0.0196	0.9804	18.60	
46.5	111,155		0.0000	1.0000	18.24	
47.5	91,066		0.0000	1.0000	18.24	
48.5	70,604		0.0000	1.0000	18.24	
49.5	29,252		0.0000	1.0000	18.24	
50.5	12,525		0.0000	1.0000	18.24	
51.5	4,126		0.0000	1.0000	18.24	
52.5	2,443		0.0000	1.0000	18.24	
53.5	844		0.0000	1.0000	18.24	
54.5	159		0.0000	1.0000	18.24	
55.5	159		0.0000	1.0000	18.24	
56.5	159		0.0000	1.0000	18.24	
57.5	159		0.0000	1.0000	18.24	
58.5	159		0.0000	1.0000	18.24	
59.5	1,339	1,181	0.8816	0.1184	18.24	
60.5	159		0.0000	1.0000	2.16	
61.5	159		0.0000	1.0000	2.16	
62.5	159		0.0000	1.0000	2.16	
63.5	159		0.0000	1.0000	2.16	
64.5	159	159	1.0000		2.16	
65.5						

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



LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	53,166,070	228,771	0.0043	0.9957	100.00	
0.5	50,869,091	186,772	0.0037	0.9963	99.57	
1.5	48,389,064	156,899	0.0032	0.9968	99.20	
2.5	46,462,025	73,354	0.0016	0.9984	98.88	
3.5	44,664,956	74,325	0.0017	0.9983	98.73	
4.5	44,570,819	93,073	0.0021	0.9979	98.56	
5.5	44,355,636	53,852	0.0012	0.9988	98.36	
6.5	40,233,121	57,329	0.0014	0.9986	98.24	
7.5	38,058,592	77,474	0.0020	0.9980	98.10	
8.5	35,572,784	85,354	0.0024	0.9976	97.90	
9.5	31,500,872	155,729	0.0049	0.9951	97.66	
10.5	29,101,315	149,717	0.0051	0.9949	97.18	
11.5	27,180,997	70,495	0.0026	0.9974	96.68	
12.5	26,098,733	159,684	0.0061	0.9939	96.43	
13.5	25,164,883	99,699	0.0040	0.9960	95.84	
14.5	22,069,046	111,870	0.0051	0.9949	95.46	
15.5	19,074,390	235,951	0.0124	0.9876	94.98	
16.5	17,277,504	147,007	0.0085	0.9915	93.80	
17.5	15,475,296	796,071	0.0514	0.9486	93.00	
18.5	12,309,983	104,866	0.0085	0.9915	88.22	
19.5	11,206,284	367,008	0.0328	0.9672	87.47	
20.5	8,847,038	183,285	0.0207	0.9793	84.60	
21.5	7,173,256	212,312	0.0296	0.9704	82.85	
22.5	6,176,974	195,335	0.0316	0.9684	80.40	
23.5	5,497,248	244,390	0.0445	0.9555	77.85	
24.5	4,720,487	78,218	0.0166	0.9834	74.39	
25.5	4,263,544	96,799	0.0227	0.9773	73.16	
26.5	4,045,928	38,613	0.0095	0.9905	71.50	
27.5	3,830,099	22,071	0.0058	0.9942	70.82	
28.5	3,579,203	36,125	0.0101	0.9899	70.41	
29.5	3,293,874	24,994	0.0076	0.9924	69.70	
30.5	3,084,034	18,699	0.0061	0.9939	69.17	
31.5	2,915,688	32,421	0.0111	0.9889	68.75	
32.5	2,726,928	35,560	0.0130	0.9870	67.99	
33.5	2,634,151	40,659	0.0154	0.9846	67.10	
34.5	2,293,808	113,323	0.0494	0.9506	66.06	
35.5	1,813,182	152,976	0.0844	0.9156	62.80	
36.5	1,407,142	25,845	0.0184	0.9816	57.50	
37.5	1,204,508	20,911	0.0174	0.9826	56.45	
38.5	954,089	15,520	0.0163	0.9837	55.47	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	774,234	100,461	0.1298	0.8702	54.56	
40.5	613,336	7,030	0.0115	0.9885	47.48	
41.5	594,609	5,458	0.0092	0.9908	46.94	
42.5	583,404	86,469	0.1482	0.8518	46.51	
43.5	495,386	71,633	0.1446	0.8554	39.62	
44.5	419,275	33,212	0.0792	0.9208	33.89	
45.5	380,159	109,820	0.2889	0.7111	31.20	
46.5	267,792	11,715	0.0437	0.9563	22.19	
47.5	253,118	16,434	0.0649	0.9351	21.22	
48.5	229,881	71,567	0.3113	0.6887	19.84	
49.5	153,051	27,786	0.1815	0.8185	13.66	
50.5	122,930	17,280	0.1406	0.8594	11.18	
51.5	105,650	23,915	0.2264	0.7736	9.61	
52.5	81,735	21,040	0.2574	0.7426	7.44	
53.5	60,695	6,018	0.0992	0.9008	5.52	
54.5	54,677	5,894	0.1078	0.8922	4.97	
55.5	48,783	13,006	0.2666	0.7334	4.44	
56.5	35,777	5,188	0.1450	0.8550	3.25	
57.5	30,589	1,996	0.0652	0.9348	2.78	
58.5	28,593		0.0000	1.0000	2.60	
59.5	28,593		0.0000	1.0000	2.60	
60.5	28,593		0.0000	1.0000	2.60	
61.5	28,593	17,734	0.6202	0.3798	2.60	
62.5	10,859	132	0.0121	0.9879	0.99	
63.5	10,727		0.0000	1.0000	0.98	
64.5	10,727	9,158	0.8537	0.1463	0.98	
65.5	1,570		0.0000	1.0000	0.14	
66.5	1,570		0.0000	1.0000	0.14	
67.5	1,570	133	0.0846	0.9154	0.14	
68.5	1,437		0.0000	1.0000	0.13	
69.5	1,437		0.0000	1.0000	0.13	
70.5	1,437		0.0000	1.0000	0.13	
71.5	1,437		0.0000	1.0000	0.13	
72.5	1,437		0.0000	1.0000	0.13	
73.5	1,437		0.0000	1.0000	0.13	
74.5	1,437	886	0.6164	0.3836	0.13	
75.5	551	327	0.5937	0.4063	0.05	
76.5	224		0.0000	1.0000	0.02	
77.5	224		0.0000	1.0000	0.02	
78.5	224		0.0000	1.0000	0.02	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	224		0.0000	1.0000	0.02	
80.5	224		0.0000	1.0000	0.02	
81.5	224		0.0000	1.0000	0.02	
82.5	224		0.0000	1.0000	0.02	
83.5	224		0.0000	1.0000	0.02	
84.5	224		0.0000	1.0000	0.02	
85.5	224		0.0000	1.0000	0.02	
86.5	224		0.0000	1.0000	0.02	
87.5	224		0.0000	1.0000	0.02	
88.5	224		0.0000	1.0000	0.02	
89.5	224	224	1.0000		0.02	
90.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

ORIGINAL LIFE TABLE

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1991-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	42,714,786	228,771	0.0054	0.9946	100.00	
0.5	42,082,867	180,667	0.0043	0.9957	99.46	
1.5	40,479,553	151,274	0.0037	0.9963	99.04	
2.5	39,116,719	68,445	0.0017	0.9983	98.67	
3.5	37,935,325	70,576	0.0019	0.9981	98.49	
4.5	38,283,758	87,835	0.0023	0.9977	98.31	
5.5	38,226,158	51,770	0.0014	0.9986	98.09	
6.5	34,312,363	54,374	0.0016	0.9984	97.95	
7.5	32,435,463	73,951	0.0023	0.9977	97.80	
8.5	29,873,288	82,442	0.0028	0.9972	97.57	
9.5	26,043,478	92,848	0.0036	0.9964	97.31	
10.5	23,903,779	88,134	0.0037	0.9963	96.96	
11.5	22,250,219	66,796	0.0030	0.9970	96.60	
12.5	21,405,672	114,685	0.0054	0.9946	96.31	
13.5	20,958,048	89,963	0.0043	0.9957	95.80	
14.5	18,408,571	89,148	0.0048	0.9952	95.38	
15.5	15,816,938	109,182	0.0069	0.9931	94.92	
16.5	14,437,636	137,934	0.0096	0.9904	94.27	
17.5	13,037,336	124,257	0.0095	0.9905	93.37	
18.5	10,683,589	101,001	0.0095	0.9905	92.48	
19.5	9,720,009	256,100	0.0263	0.9737	91.60	
20.5	7,495,193	153,301	0.0205	0.9795	89.19	
21.5	5,865,165	145,904	0.0249	0.9751	87.36	
22.5	4,974,143	135,447	0.0272	0.9728	85.19	
23.5	4,365,219	118,211	0.0271	0.9729	82.87	
24.5	3,730,799	77,810	0.0209	0.9791	80.63	
25.5	3,282,297	51,525	0.0157	0.9843	78.95	
26.5	3,145,165	36,804	0.0117	0.9883	77.71	
27.5	2,960,618	20,034	0.0068	0.9932	76.80	
28.5	2,741,992	33,807	0.0123	0.9877	76.28	
29.5	2,490,371	24,838	0.0100	0.9900	75.34	
30.5	2,282,623	16,129	0.0071	0.9929	74.59	
31.5	2,145,889	22,145	0.0103	0.9897	74.06	
32.5	1,975,006	34,381	0.0174	0.9826	73.29	
33.5	1,777,330	40,480	0.0228	0.9772	72.02	
34.5	1,438,720	26,519	0.0184	0.9816	70.38	
35.5	1,045,218	19,635	0.0188	0.9812	69.08	
36.5	774,204	22,099	0.0285	0.9715	67.78	
37.5	581,529	16,430	0.0283	0.9717	65.85	
38.5	338,850	13,764	0.0406	0.9594	63.99	

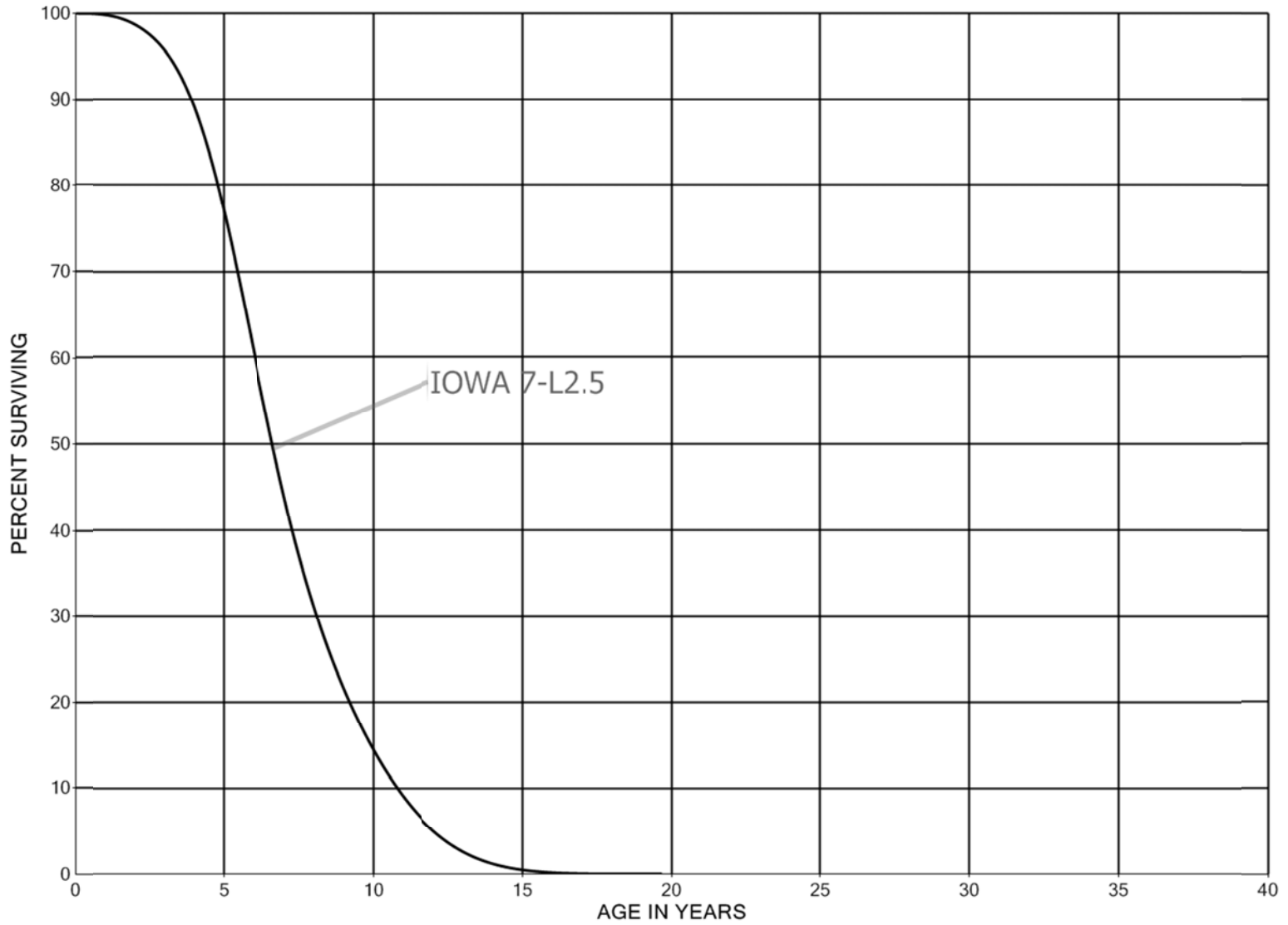
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

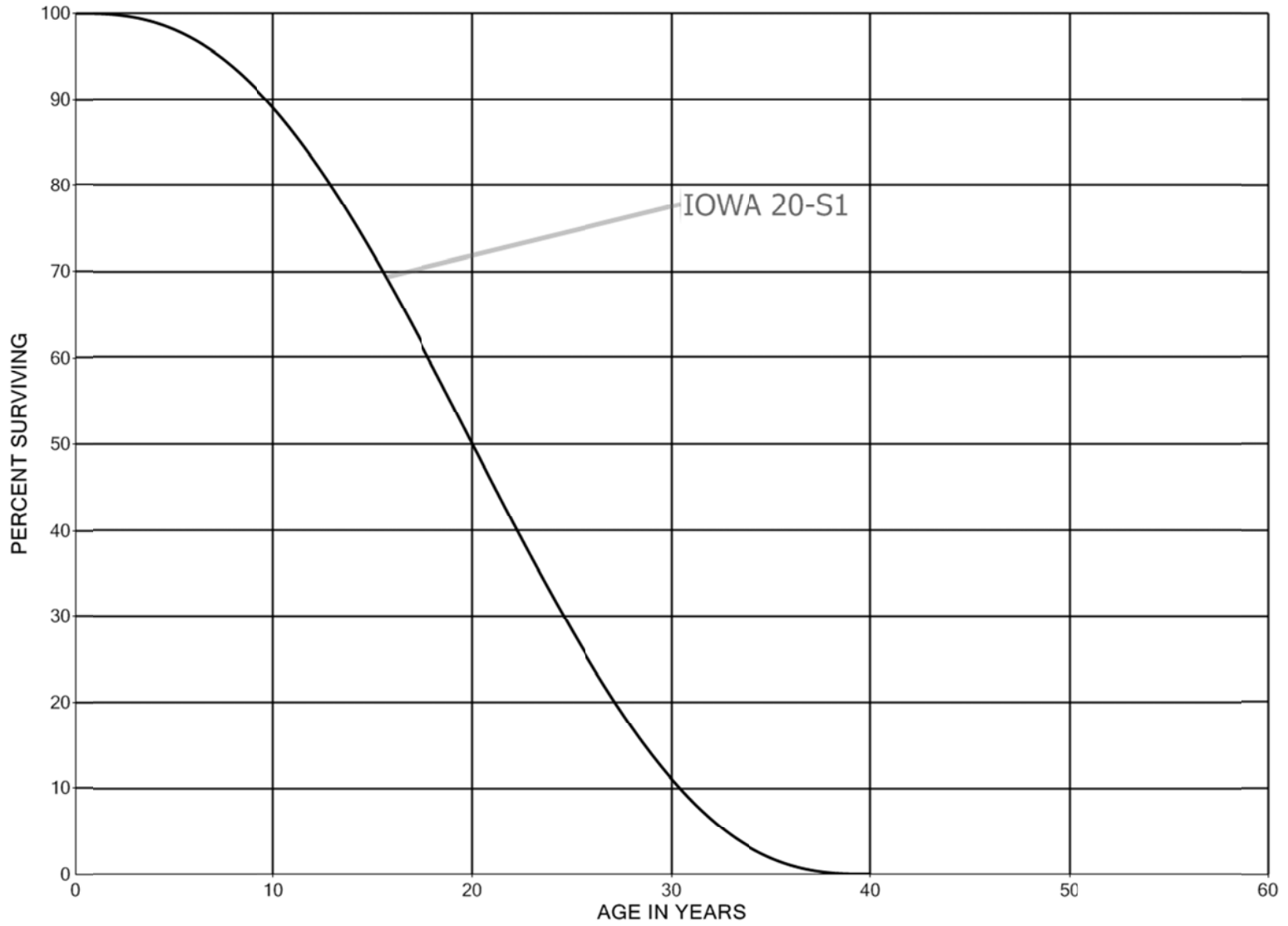
ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1934-2011			EXPERIENCE BAND 1991-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	170,802	18,041	0.1056	0.8944	61.39	
40.5	98,707	4,012	0.0406	0.9594	54.90	
41.5	88,559	3,840	0.0434	0.9566	52.67	
42.5	83,528	22,196	0.2657	0.7343	50.39	
43.5	61,521	4,900	0.0796	0.9204	37.00	
44.5	52,761	7,425	0.1407	0.8593	34.05	
45.5	41,593	5,232	0.1258	0.8742	29.26	
46.5	33,814	10,593	0.3133	0.6867	25.58	
47.5	23,061	3,212	0.1393	0.8607	17.57	
48.5	13,800	1,333	0.0966	0.9034	15.12	
49.5	14,970	3,497	0.2336	0.7664	13.66	
50.5	16,026	3,558	0.2220	0.7780	10.47	
51.5	14,274	3,117	0.2184	0.7816	8.14	
52.5	12,712	2,658	0.2091	0.7909	6.37	
53.5	10,505	4,920	0.4684	0.5316	5.03	
54.5	5,585	3,544	0.6346	0.3654	2.68	
55.5	2,043	996	0.4876	0.5124	0.98	
56.5	1,374	673	0.4898	0.5102	0.50	
57.5	701	99	0.1413	0.8587	0.26	
58.5	602		0.0000	1.0000	0.22	
59.5	602		0.0000	1.0000	0.22	
60.5	602		0.0000	1.0000	0.22	
61.5	602	8	0.0133	0.9867	0.22	
62.5	594	132	0.2218	0.7782	0.22	
63.5	462		0.0000	1.0000	0.17	
64.5	462		0.0000	1.0000	0.17	
65.5	462		0.0000	1.0000	0.17	
66.5	462		0.0000	1.0000	0.17	
67.5	462	133	0.2873	0.7127	0.17	
68.5	329		0.0000	1.0000	0.12	
69.5	329		0.0000	1.0000	0.12	
70.5	329		0.0000	1.0000	0.12	
71.5	329		0.0000	1.0000	0.12	
72.5	329		0.0000	1.0000	0.12	
73.5	329		0.0000	1.0000	0.12	
74.5	329	2	0.0063	0.9937	0.12	
75.5	327	327	1.0000		0.12	
76.5						

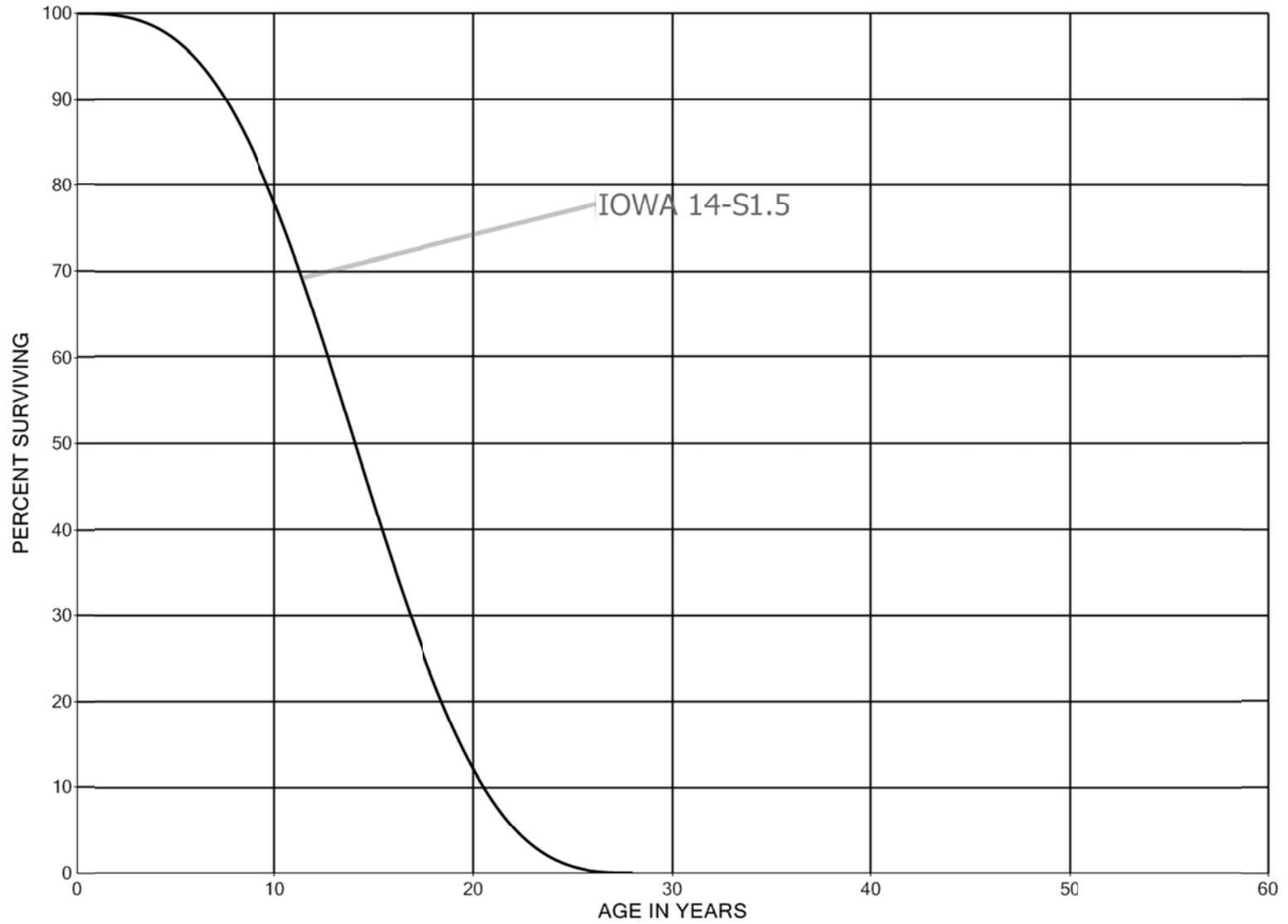
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS
SMOOTH SURVIVOR CURVE



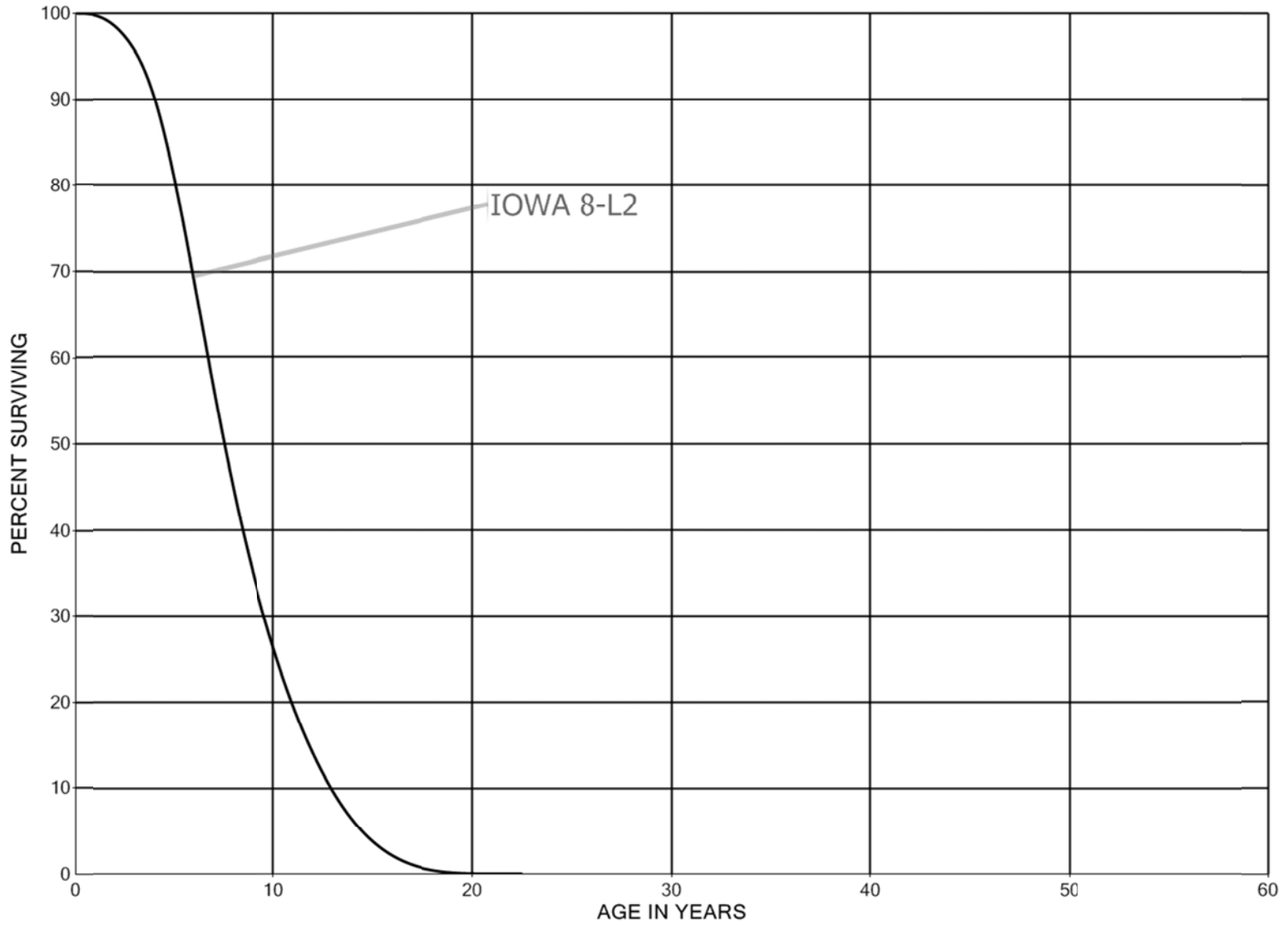
LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS
SMOOTH SURVIVOR CURVE



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

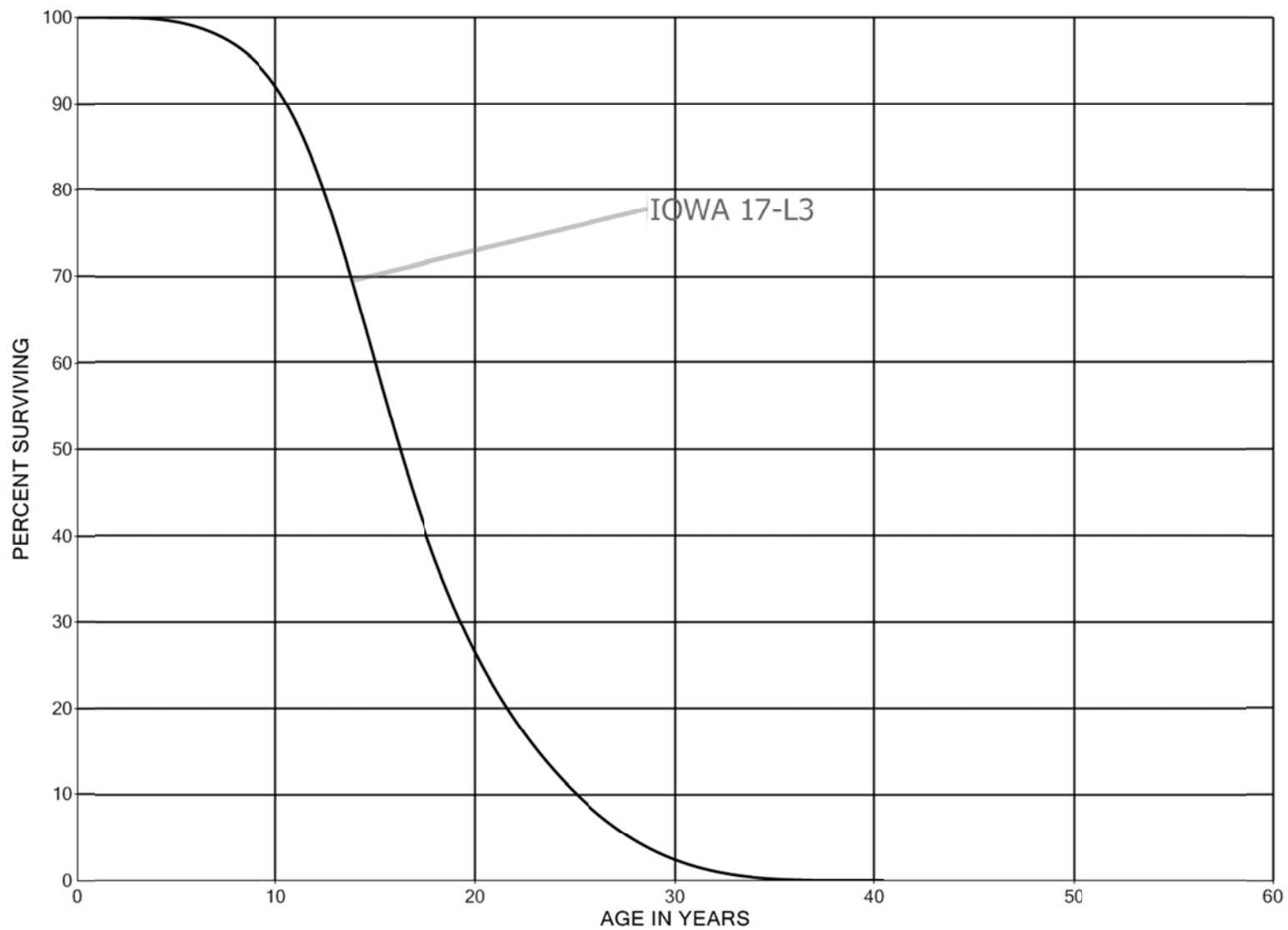


LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY
SMOOTH SURVIVOR CURVE



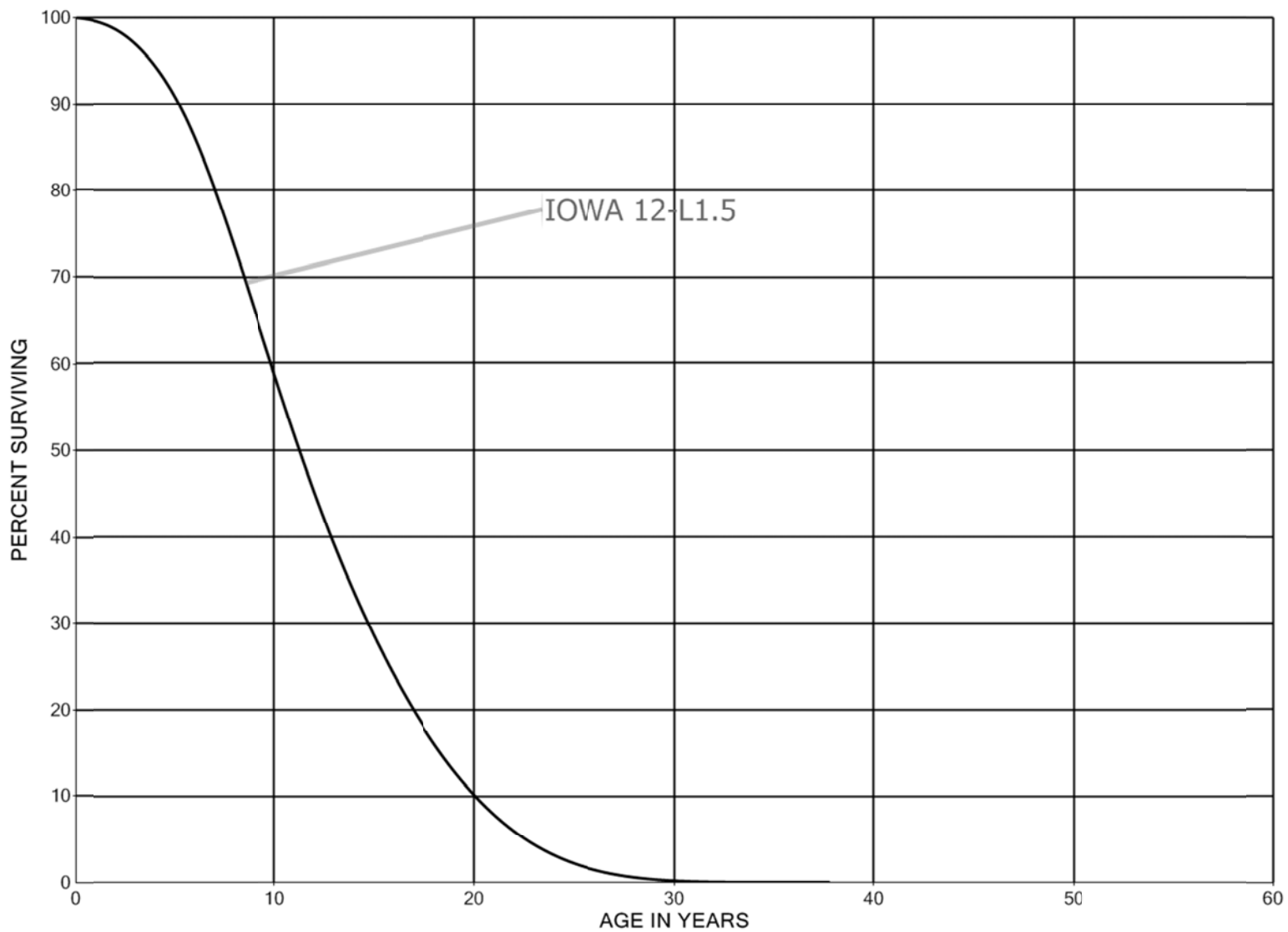
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT
ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER
SMOOTH SURVIVOR CURVE



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

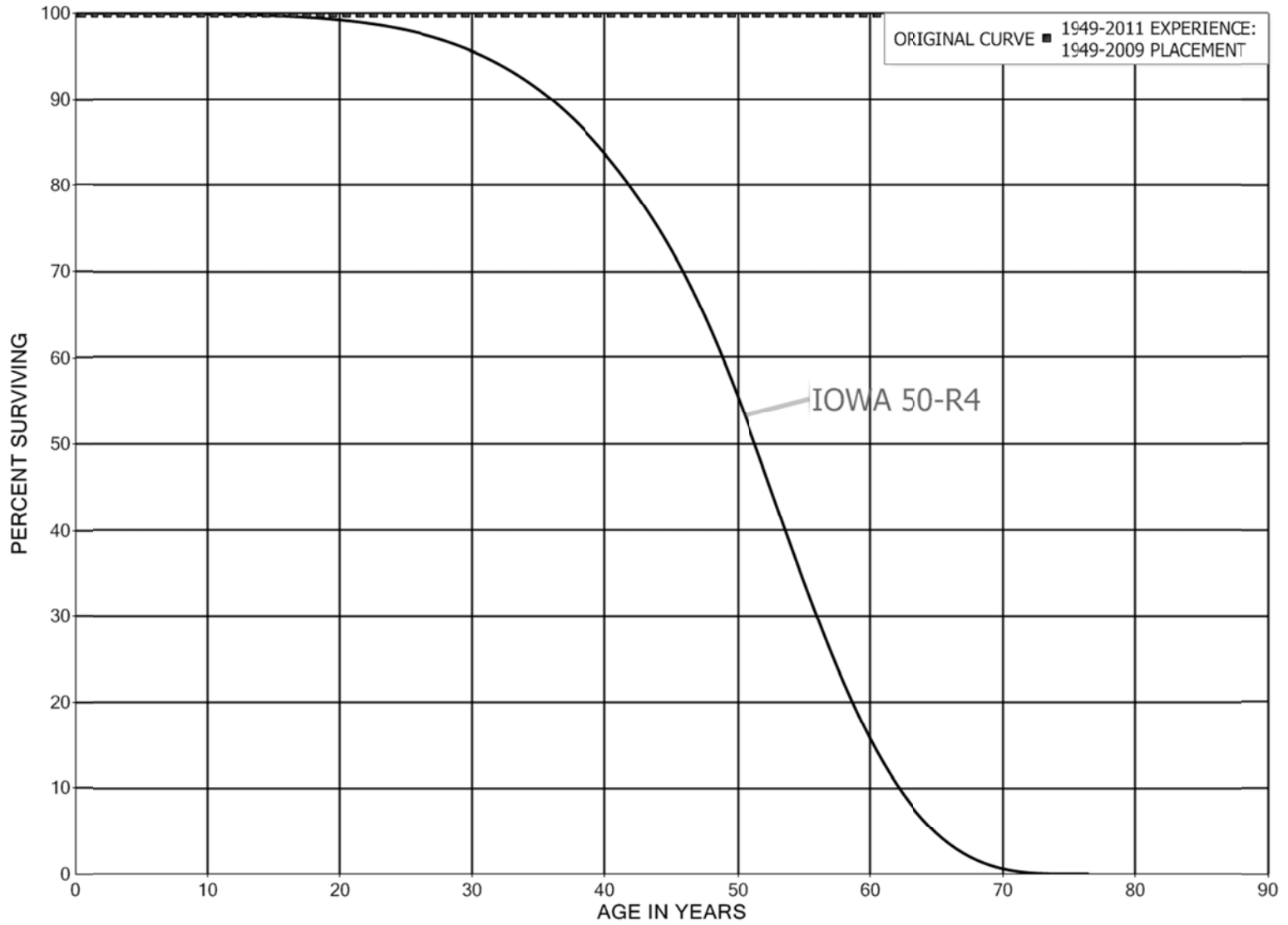


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GAS PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 350.2 RIGHTS OF WAY
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 350.2 RIGHTS OF WAY

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2009			EXPERIENCE BAND 1949-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	95,614		0.0000	1.0000	100.00
0.5	95,614		0.0000	1.0000	100.00
1.5	95,614		0.0000	1.0000	100.00
2.5	63,678		0.0000	1.0000	100.00
3.5	63,678		0.0000	1.0000	100.00
4.5	63,678		0.0000	1.0000	100.00
5.5	63,678		0.0000	1.0000	100.00
6.5	63,678		0.0000	1.0000	100.00
7.5	63,678		0.0000	1.0000	100.00
8.5	63,678		0.0000	1.0000	100.00
9.5	60,021		0.0000	1.0000	100.00
10.5	17,099		0.0000	1.0000	100.00
11.5	17,099		0.0000	1.0000	100.00
12.5	17,099		0.0000	1.0000	100.00
13.5	17,099		0.0000	1.0000	100.00
14.5	17,099		0.0000	1.0000	100.00
15.5	17,099		0.0000	1.0000	100.00
16.5	17,099		0.0000	1.0000	100.00
17.5	17,099		0.0000	1.0000	100.00
18.5	17,099		0.0000	1.0000	100.00
19.5	17,099		0.0000	1.0000	100.00
20.5	17,099		0.0000	1.0000	100.00
21.5	2,325		0.0000	1.0000	100.00
22.5	2,325		0.0000	1.0000	100.00
23.5	2,325		0.0000	1.0000	100.00
24.5	2,325		0.0000	1.0000	100.00
25.5	2,325		0.0000	1.0000	100.00
26.5	2,325		0.0000	1.0000	100.00
27.5	2,325		0.0000	1.0000	100.00
28.5	2,325		0.0000	1.0000	100.00
29.5	2,325		0.0000	1.0000	100.00
30.5	2,325		0.0000	1.0000	100.00
31.5	2,325		0.0000	1.0000	100.00
32.5	2,325		0.0000	1.0000	100.00
33.5	2,325		0.0000	1.0000	100.00
34.5	2,325		0.0000	1.0000	100.00
35.5	2,325		0.0000	1.0000	100.00
36.5	2,325		0.0000	1.0000	100.00
37.5	2,325		0.0000	1.0000	100.00
38.5	2,325		0.0000	1.0000	100.00

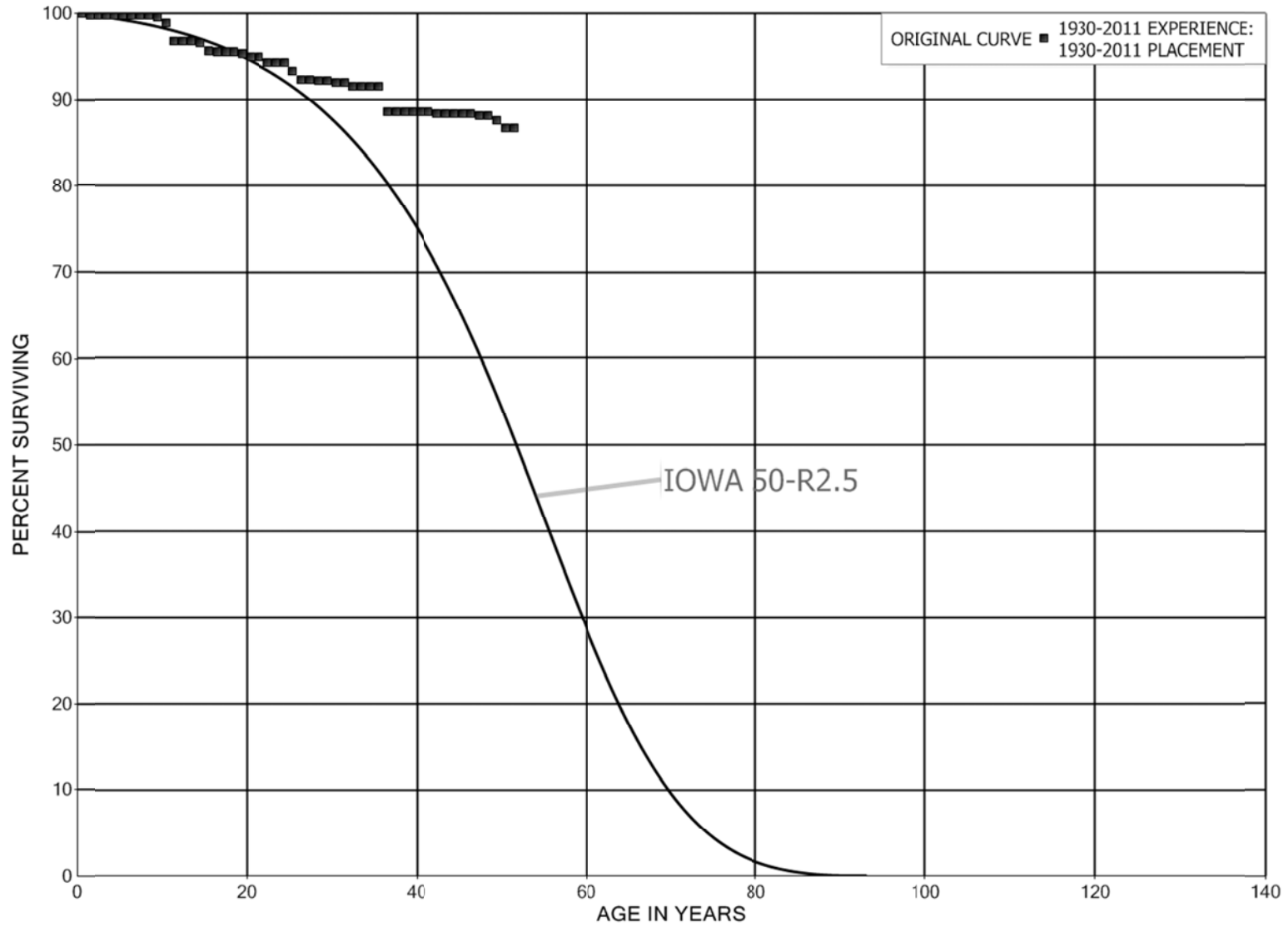
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 350.2 RIGHTS OF WAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2009			EXPERIENCE BAND 1949-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,325		0.0000	1.0000	100.00
40.5	2,325		0.0000	1.0000	100.00
41.5	2,325		0.0000	1.0000	100.00
42.5	2,325		0.0000	1.0000	100.00
43.5	2,325		0.0000	1.0000	100.00
44.5	2,325		0.0000	1.0000	100.00
45.5	2,325		0.0000	1.0000	100.00
46.5	2,325		0.0000	1.0000	100.00
47.5	2,325		0.0000	1.0000	100.00
48.5	2,325		0.0000	1.0000	100.00
49.5	2,325		0.0000	1.0000	100.00
50.5	2,325		0.0000	1.0000	100.00
51.5	2,325		0.0000	1.0000	100.00
52.5	2,325		0.0000	1.0000	100.00
53.5	2,325		0.0000	1.0000	100.00
54.5	2,325		0.0000	1.0000	100.00
55.5	2,325		0.0000	1.0000	100.00
56.5	2,325		0.0000	1.0000	100.00
57.5	2,325		0.0000	1.0000	100.00
58.5	2,325		0.0000	1.0000	100.00
59.5	2,325		0.0000	1.0000	100.00
60.5	2,325		0.0000	1.0000	100.00
61.5	2,302		0.0000	1.0000	100.00
62.5					100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	5,341,092		0.0000	1.0000	100.00	
0.5	5,318,066	13,816	0.0026	0.9974	100.00	
1.5	1,923,708	261	0.0001	0.9999	99.74	
2.5	1,793,326		0.0000	1.0000	99.73	
3.5	1,752,926		0.0000	1.0000	99.73	
4.5	1,752,926	386	0.0002	0.9998	99.73	
5.5	1,738,447		0.0000	1.0000	99.70	
6.5	1,585,967	299	0.0002	0.9998	99.70	
7.5	1,241,631		0.0000	1.0000	99.69	
8.5	1,069,926	1,904	0.0018	0.9982	99.69	
9.5	1,138,356	8,175	0.0072	0.9928	99.51	
10.5	894,855	18,522	0.0207	0.9793	98.79	
11.5	876,333		0.0000	1.0000	96.75	
12.5	889,284		0.0000	1.0000	96.75	
13.5	882,411	2,549	0.0029	0.9971	96.75	
14.5	685,979	6,253	0.0091	0.9909	96.47	
15.5	489,634	659	0.0013	0.9987	95.59	
16.5	474,342		0.0000	1.0000	95.46	
17.5	490,822		0.0000	1.0000	95.46	
18.5	490,822	926	0.0019	0.9981	95.46	
19.5	441,330	1,413	0.0032	0.9968	95.28	
20.5	432,320		0.0000	1.0000	94.98	
21.5	476,244	3,466	0.0073	0.9927	94.98	
22.5	462,789		0.0000	1.0000	94.29	
23.5	454,008		0.0000	1.0000	94.29	
24.5	410,361	4,556	0.0111	0.9889	94.29	
25.5	405,805	4,384	0.0108	0.9892	93.24	
26.5	401,421		0.0000	1.0000	92.23	
27.5	401,421	168	0.0004	0.9996	92.23	
28.5	395,176		0.0000	1.0000	92.19	
29.5	322,606	925	0.0029	0.9971	92.19	
30.5	321,681		0.0000	1.0000	91.93	
31.5	321,681	1,500	0.0047	0.9953	91.93	
32.5	307,230		0.0000	1.0000	91.50	
33.5	307,230		0.0000	1.0000	91.50	
34.5	306,207		0.0000	1.0000	91.50	
35.5	306,207	10,152	0.0332	0.9668	91.50	
36.5	293,362		0.0000	1.0000	88.47	
37.5	276,882		0.0000	1.0000	88.47	
38.5	276,882		0.0000	1.0000	88.47	

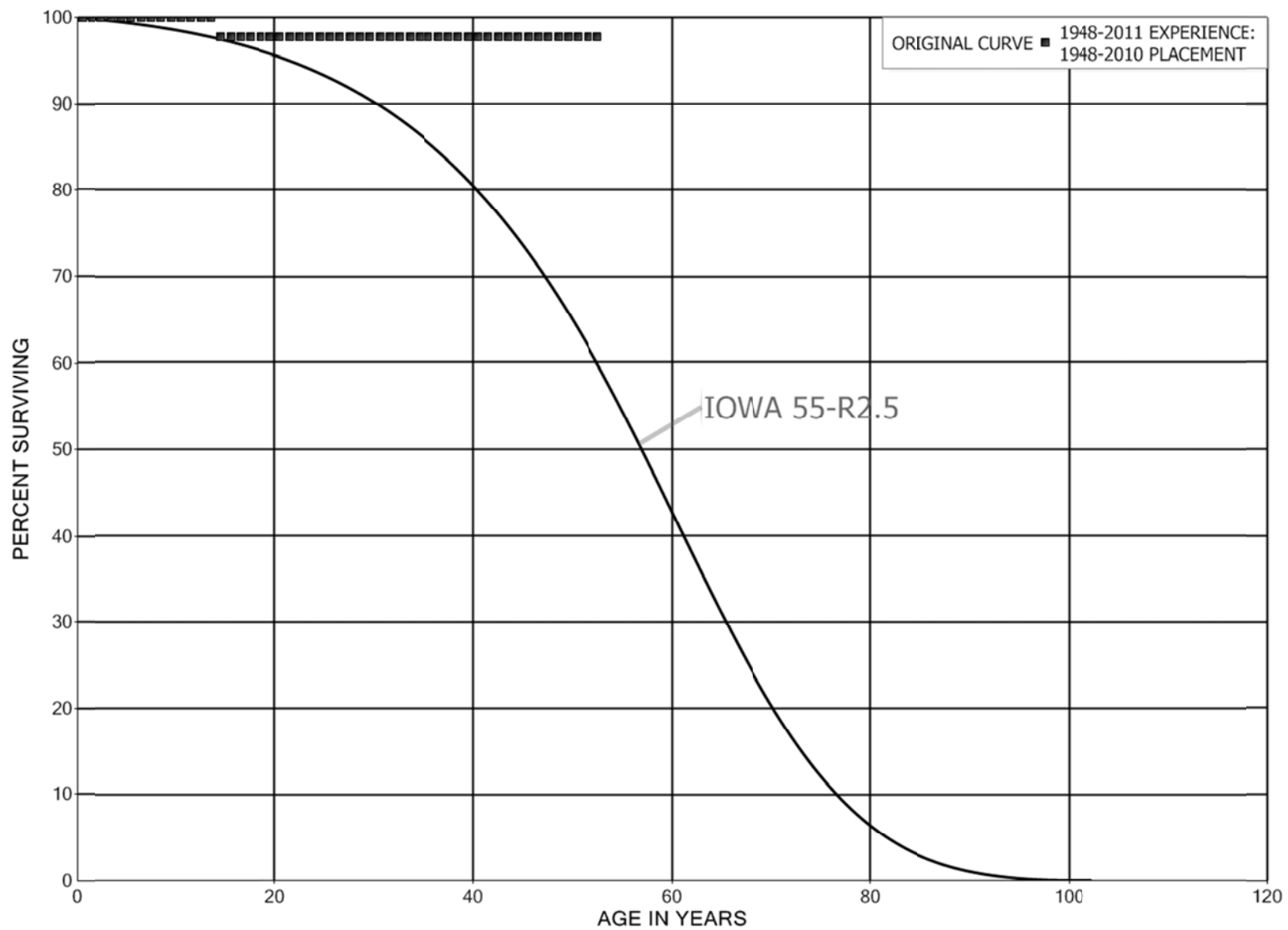
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	276,068		0.0000	1.0000	88.47
40.5	275,665		0.0000	1.0000	88.47
41.5	228,220	366	0.0016	0.9984	88.47
42.5	227,854		0.0000	1.0000	88.32
43.5	227,854		0.0000	1.0000	88.32
44.5	227,854		0.0000	1.0000	88.32
45.5	227,854		0.0000	1.0000	88.32
46.5	227,854	746	0.0033	0.9967	88.32
47.5	183,246		0.0000	1.0000	88.03
48.5	181,727	995	0.0055	0.9945	88.03
49.5	133,821	1,384	0.0103	0.9897	87.55
50.5	132,437		0.0000	1.0000	86.65
51.5	132,041		0.0000	1.0000	86.65
52.5	64,220		0.0000	1.0000	86.65
53.5	60,774		0.0000	1.0000	86.65
54.5	60,774		0.0000	1.0000	86.65
55.5	59,391		0.0000	1.0000	86.65
56.5	59,391	14	0.0002	0.9998	86.65
57.5	59,377	369	0.0062	0.9938	86.63
58.5	54,543		0.0000	1.0000	86.09
59.5	33,022	4,398	0.1332	0.8668	86.09
60.5	28,623		0.0000	1.0000	74.62
61.5	28,623	6	0.0002	0.9998	74.62
62.5	17,698	206	0.0116	0.9884	74.61
63.5	17,492	1,529	0.0874	0.9126	73.74
64.5	14,296		0.0000	1.0000	67.29
65.5	14,296		0.0000	1.0000	67.29
66.5	14,296	1,298	0.0908	0.9092	67.29
67.5	9,283		0.0000	1.0000	61.19
68.5	9,283	4,200	0.4524	0.5476	61.19
69.5					33.50

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 351.3 MEASURING AND REGULATING STATION STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.3 MEASURING AND REGULATING STATION STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1948-2010			EXPERIENCE BAND 1948-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	35,912		0.0000	1.0000	100.00
0.5	35,912		0.0000	1.0000	100.00
1.5	13,640		0.0000	1.0000	100.00
2.5	13,640		0.0000	1.0000	100.00
3.5	13,640		0.0000	1.0000	100.00
4.5	13,640		0.0000	1.0000	100.00
5.5	13,640		0.0000	1.0000	100.00
6.5	13,640		0.0000	1.0000	100.00
7.5	13,640		0.0000	1.0000	100.00
8.5	13,640		0.0000	1.0000	100.00
9.5	13,640		0.0000	1.0000	100.00
10.5	13,640		0.0000	1.0000	100.00
11.5	13,640		0.0000	1.0000	100.00
12.5	13,640		0.0000	1.0000	100.00
13.5	13,640	309	0.0227	0.9773	100.00
14.5	13,331		0.0000	1.0000	97.73
15.5	11,634		0.0000	1.0000	97.73
16.5	11,634		0.0000	1.0000	97.73
17.5	11,634		0.0000	1.0000	97.73
18.5	10,880		0.0000	1.0000	97.73
19.5	10,880		0.0000	1.0000	97.73
20.5	10,880		0.0000	1.0000	97.73
21.5	10,880		0.0000	1.0000	97.73
22.5	10,880		0.0000	1.0000	97.73
23.5	10,880		0.0000	1.0000	97.73
24.5	10,880		0.0000	1.0000	97.73
25.5	5,303		0.0000	1.0000	97.73
26.5	10,880		0.0000	1.0000	97.73
27.5	10,880		0.0000	1.0000	97.73
28.5	10,880		0.0000	1.0000	97.73
29.5	10,880		0.0000	1.0000	97.73
30.5	10,880		0.0000	1.0000	97.73
31.5	10,880		0.0000	1.0000	97.73
32.5	10,880		0.0000	1.0000	97.73
33.5	10,880		0.0000	1.0000	97.73
34.5	10,880		0.0000	1.0000	97.73
35.5	10,880		0.0000	1.0000	97.73
36.5	10,880		0.0000	1.0000	97.73
37.5	10,880		0.0000	1.0000	97.73
38.5	10,880		0.0000	1.0000	97.73

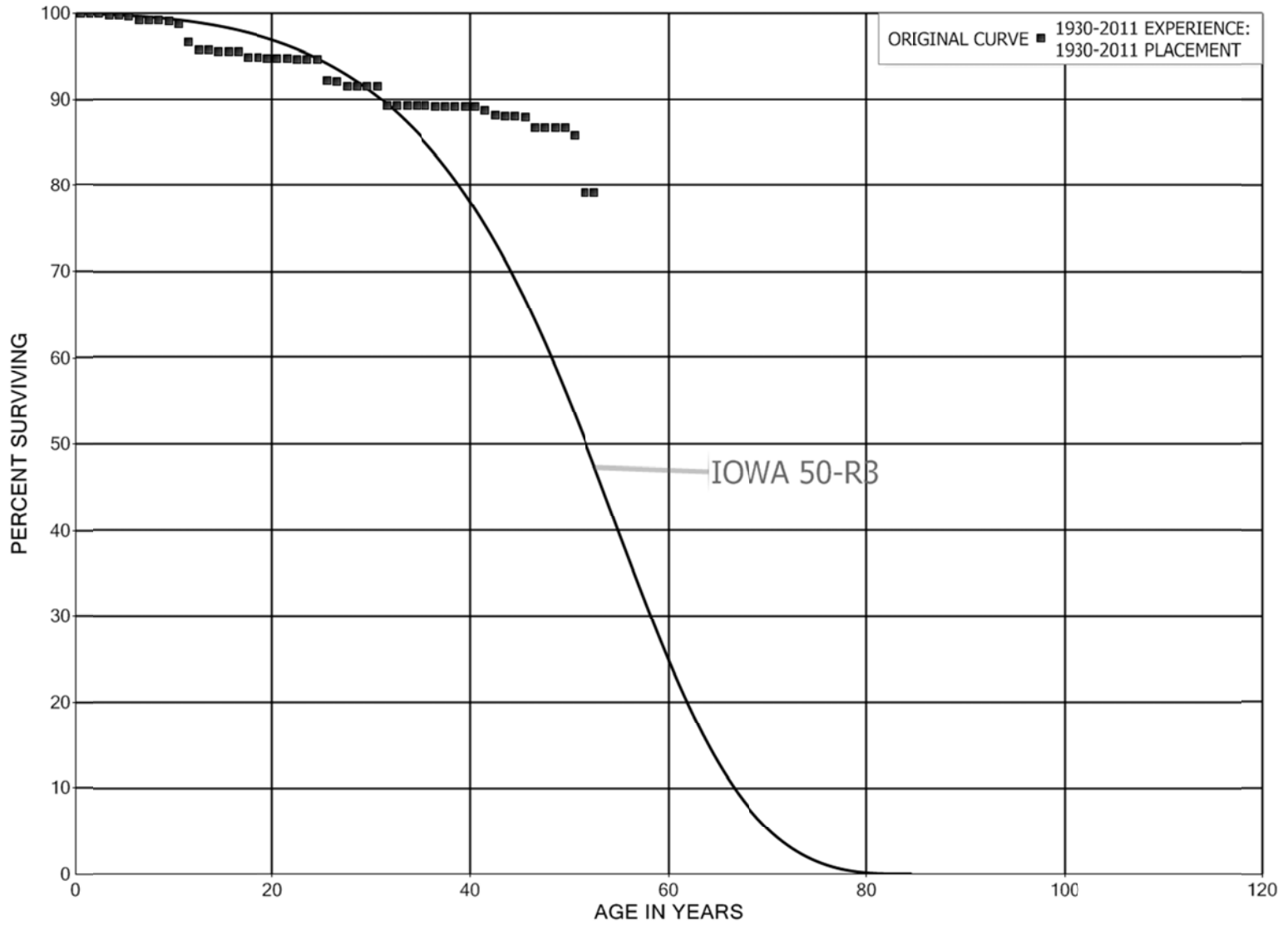
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.3 MEASURING AND REGULATING STATION STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2010			EXPERIENCE BAND 1948-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	10,880		0.0000	1.0000	97.73
40.5	10,880		0.0000	1.0000	97.73
41.5	10,880		0.0000	1.0000	97.73
42.5	10,880		0.0000	1.0000	97.73
43.5	10,514		0.0000	1.0000	97.73
44.5	10,514		0.0000	1.0000	97.73
45.5	10,275		0.0000	1.0000	97.73
46.5	4,698		0.0000	1.0000	97.73
47.5	4,698		0.0000	1.0000	97.73
48.5	4,698		0.0000	1.0000	97.73
49.5	4,698		0.0000	1.0000	97.73
50.5	4,698		0.0000	1.0000	97.73
51.5	3,000		0.0000	1.0000	97.73
52.5					97.73

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 351.4 OTHER STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,691,506		0.0000	1.0000	100.00
0.5	2,214,712		0.0000	1.0000	100.00
1.5	1,766,946	499	0.0003	0.9997	100.00
2.5	1,392,482	2,848	0.0020	0.9980	99.97
3.5	1,443,758		0.0000	1.0000	99.77
4.5	1,312,510	2,089	0.0016	0.9984	99.77
5.5	1,288,140	5,469	0.0042	0.9958	99.61
6.5	1,259,399		0.0000	1.0000	99.19
7.5	1,215,512	365	0.0003	0.9997	99.19
8.5	1,213,659	635	0.0005	0.9995	99.16
9.5	1,132,903	4,885	0.0043	0.9957	99.10
10.5	1,128,018	23,515	0.0208	0.9792	98.68
11.5	826,225	7,953	0.0096	0.9904	96.62
12.5	818,272		0.0000	1.0000	95.69
13.5	776,218	1,070	0.0014	0.9986	95.69
14.5	775,148	210	0.0003	0.9997	95.56
15.5	736,721		0.0000	1.0000	95.53
16.5	714,279	5,000	0.0070	0.9930	95.53
17.5	727,456		0.0000	1.0000	94.86
18.5	651,742	975	0.0015	0.9985	94.86
19.5	622,187		0.0000	1.0000	94.72
20.5	621,011		0.0000	1.0000	94.72
21.5	596,635	559	0.0009	0.9991	94.72
22.5	567,411	156	0.0003	0.9997	94.63
23.5	507,594		0.0000	1.0000	94.61
24.5	520,569	13,601	0.0261	0.9739	94.61
25.5	505,312	400	0.0008	0.9992	92.13
26.5	488,268	3,223	0.0066	0.9934	92.06
27.5	490,043		0.0000	1.0000	91.45
28.5	487,935		0.0000	1.0000	91.45
29.5	480,083		0.0000	1.0000	91.45
30.5	480,083	11,729	0.0244	0.9756	91.45
31.5	446,308		0.0000	1.0000	89.22
32.5	446,308		0.0000	1.0000	89.22
33.5	444,000		0.0000	1.0000	89.22
34.5	442,177		0.0000	1.0000	89.22
35.5	437,297	661	0.0015	0.9985	89.22
36.5	436,636		0.0000	1.0000	89.08
37.5	414,855		0.0000	1.0000	89.08
38.5	414,855	132	0.0003	0.9997	89.08

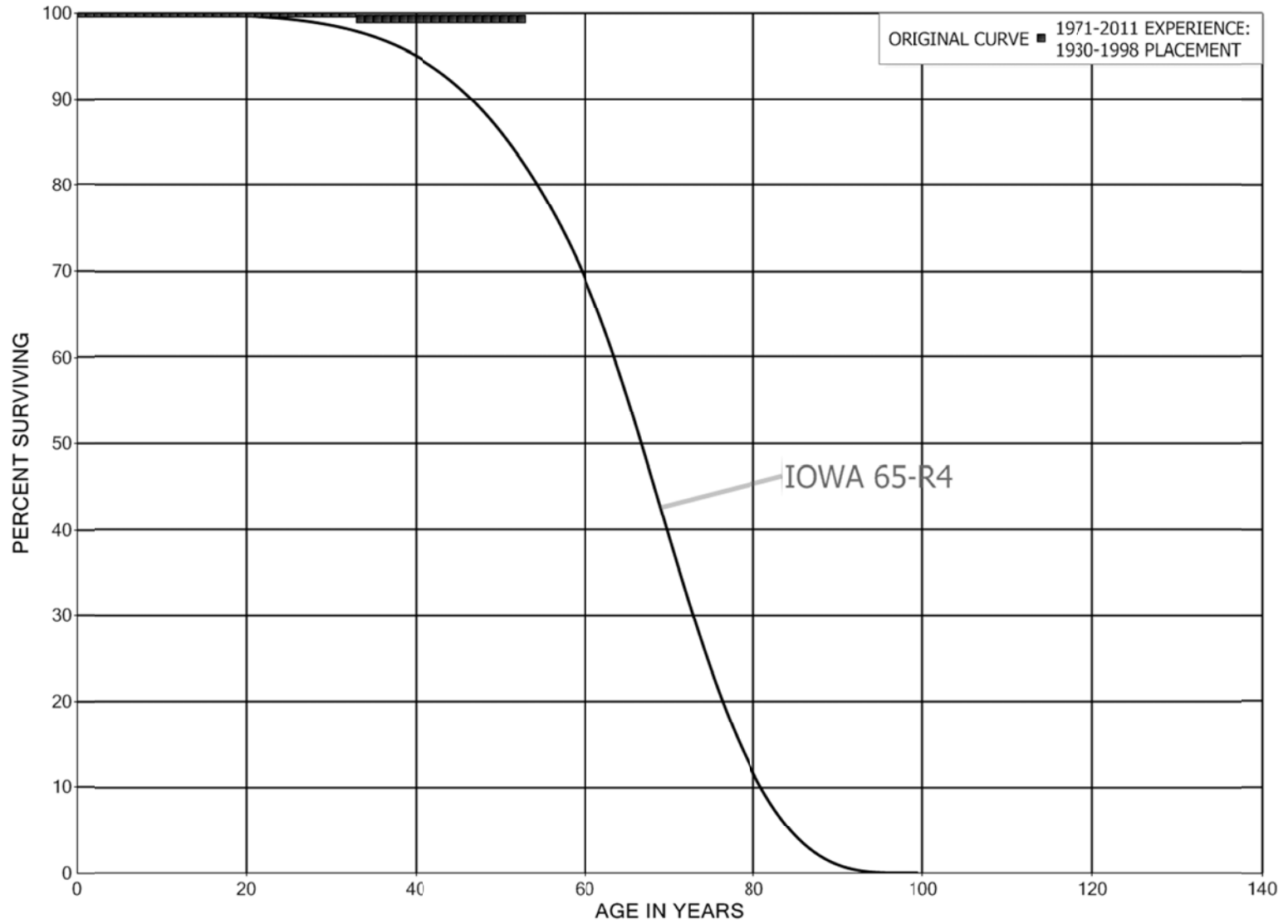
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	413,212		0.0000	1.0000	89.06
40.5	412,940	2,152	0.0052	0.9948	89.06
41.5	391,003	2,234	0.0057	0.9943	88.59
42.5	372,386	380	0.0010	0.9990	88.09
43.5	326,457		0.0000	1.0000	88.00
44.5	298,714	382	0.0013	0.9987	88.00
45.5	294,292	4,426	0.0150	0.9850	87.88
46.5	284,001		0.0000	1.0000	86.56
47.5	228,154		0.0000	1.0000	86.56
48.5	226,715		0.0000	1.0000	86.56
49.5	217,261	2,000	0.0092	0.9908	86.56
50.5	204,867	15,620	0.0762	0.9238	85.77
51.5	189,247		0.0000	1.0000	79.23
52.5	24,018		0.0000	1.0000	79.23
53.5	24,018		0.0000	1.0000	79.23
54.5	24,018		0.0000	1.0000	79.23
55.5	24,018		0.0000	1.0000	79.23
56.5	24,018		0.0000	1.0000	79.23
57.5	13,967		0.0000	1.0000	79.23
58.5	9,022		0.0000	1.0000	79.23
59.5	8,257		0.0000	1.0000	79.23
60.5	6,560		0.0000	1.0000	79.23
61.5	6,560		0.0000	1.0000	79.23
62.5	6,560		0.0000	1.0000	79.23
63.5	5,806		0.0000	1.0000	79.23
64.5	5,761		0.0000	1.0000	79.23
65.5	5,761		0.0000	1.0000	79.23
66.5	5,761		0.0000	1.0000	79.23
67.5	5,761		0.0000	1.0000	79.23
68.5	5,761		0.0000	1.0000	79.23
69.5					79.23

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 352.1 STORAGE LEASEHOLDS AND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.1 STORAGE LEASEHOLDS AND RIGHTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-1998			EXPERIENCE BAND 1971-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	296,699		0.0000	1.0000	100.00
0.5	296,699		0.0000	1.0000	100.00
1.5	296,699		0.0000	1.0000	100.00
2.5	296,699		0.0000	1.0000	100.00
3.5	296,699		0.0000	1.0000	100.00
4.5	296,699		0.0000	1.0000	100.00
5.5	296,699		0.0000	1.0000	100.00
6.5	296,699		0.0000	1.0000	100.00
7.5	339,827		0.0000	1.0000	100.00
8.5	339,827		0.0000	1.0000	100.00
9.5	339,827		0.0000	1.0000	100.00
10.5	342,025		0.0000	1.0000	100.00
11.5	342,040		0.0000	1.0000	100.00
12.5	548,108		0.0000	1.0000	100.00
13.5	546,521		0.0000	1.0000	100.00
14.5	546,521		0.0000	1.0000	100.00
15.5	546,521		0.0000	1.0000	100.00
16.5	546,521		0.0000	1.0000	100.00
17.5	546,521		0.0000	1.0000	100.00
18.5	546,521		0.0000	1.0000	100.00
19.5	546,521		0.0000	1.0000	100.00
20.5	546,521		0.0000	1.0000	100.00
21.5	544,516		0.0000	1.0000	100.00
22.5	544,516		0.0000	1.0000	100.00
23.5	544,516		0.0000	1.0000	100.00
24.5	544,516		0.0000	1.0000	100.00
25.5	544,516		0.0000	1.0000	100.00
26.5	544,516		0.0000	1.0000	100.00
27.5	544,516		0.0000	1.0000	100.00
28.5	544,516		0.0000	1.0000	100.00
29.5	543,016		0.0000	1.0000	100.00
30.5	543,016		0.0000	1.0000	100.00
31.5	543,016		0.0000	1.0000	100.00
32.5	543,016	3,804	0.0070	0.9930	100.00
33.5	539,212		0.0000	1.0000	99.30
34.5	539,212		0.0000	1.0000	99.30
35.5	539,212		0.0000	1.0000	99.30
36.5	509,046		0.0000	1.0000	99.30
37.5	509,046		0.0000	1.0000	99.30
38.5	508,754		0.0000	1.0000	99.30

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.1 STORAGE LEASEHOLDS AND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-1998			EXPERIENCE BAND 1971-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	508,754		0.0000	1.0000	99.30
40.5	251,409		0.0000	1.0000	99.30
41.5	255,346		0.0000	1.0000	99.30
42.5	255,346		0.0000	1.0000	99.30
43.5	255,346		0.0000	1.0000	99.30
44.5	255,346		0.0000	1.0000	99.30
45.5	255,346		0.0000	1.0000	99.30
46.5	255,346		0.0000	1.0000	99.30
47.5	212,218		0.0000	1.0000	99.30
48.5	212,218		0.0000	1.0000	99.30
49.5	212,218		0.0000	1.0000	99.30
50.5	210,020		0.0000	1.0000	99.30
51.5	210,005		0.0000	1.0000	99.30
52.5	3,937		0.0000	1.0000	99.30
53.5	3,937		0.0000	1.0000	99.30
54.5	3,937		0.0000	1.0000	99.30
55.5	3,937		0.0000	1.0000	99.30
56.5	3,937		0.0000	1.0000	99.30
57.5	3,937		0.0000	1.0000	99.30
58.5	3,937		0.0000	1.0000	99.30
59.5	3,937		0.0000	1.0000	99.30
60.5	3,937		0.0000	1.0000	99.30
61.5	3,937		0.0000	1.0000	99.30
62.5	3,937		0.0000	1.0000	99.30
63.5	3,937		0.0000	1.0000	99.30
64.5	3,937		0.0000	1.0000	99.30
65.5	3,937		0.0000	1.0000	99.30
66.5	3,937		0.0000	1.0000	99.30
67.5	3,937		0.0000	1.0000	99.30
68.5	3,937		0.0000	1.0000	99.30
69.5	3,937		0.0000	1.0000	99.30
70.5	3,937		0.0000	1.0000	99.30
71.5	3,937		0.0000	1.0000	99.30
72.5	3,937		0.0000	1.0000	99.30
73.5	3,937		0.0000	1.0000	99.30
74.5	3,937		0.0000	1.0000	99.30
75.5	3,937		0.0000	1.0000	99.30
76.5	3,937		0.0000	1.0000	99.30
77.5	3,937		0.0000	1.0000	99.30
78.5	3,937		0.0000	1.0000	99.30

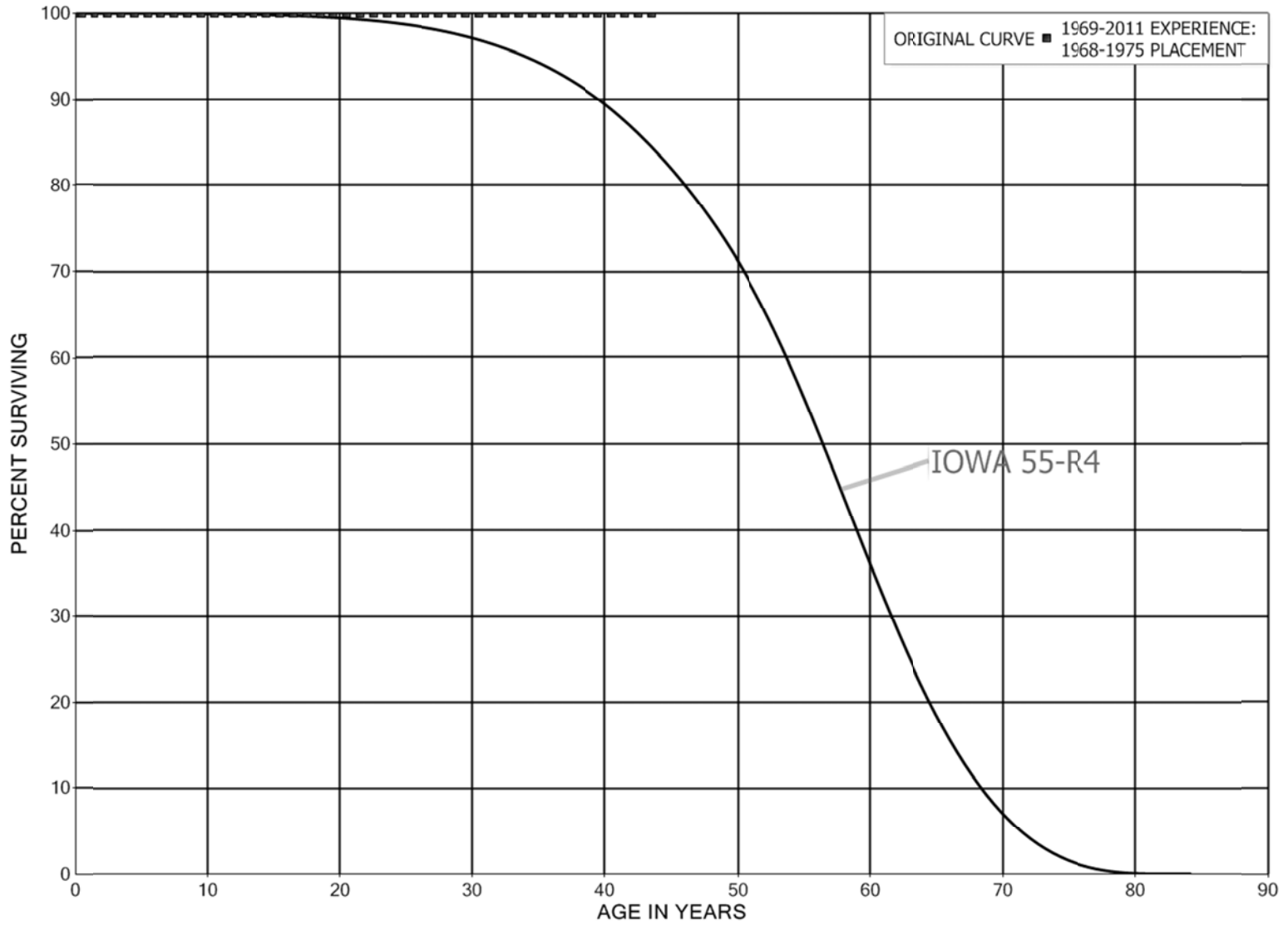
LOUISVILLE GAS AND ELECTRIC COMPANY
 GAS PLANT

ACCOUNT 352.1 STORAGE LEASEHOLDS AND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-1998			EXPERIENCE BAND 1971-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	3,937		0.0000	1.0000	99.30
80.5	3,937		0.0000	1.0000	99.30
81.5					99.30

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 352.2 RESERVOIRS
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.2 RESERVOIRS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1968-1975			EXPERIENCE BAND 1969-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	400,511		0.0000	1.0000	100.00
0.5	400,511		0.0000	1.0000	100.00
1.5	400,511		0.0000	1.0000	100.00
2.5	400,511		0.0000	1.0000	100.00
3.5	400,511		0.0000	1.0000	100.00
4.5	400,511		0.0000	1.0000	100.00
5.5	400,511		0.0000	1.0000	100.00
6.5	400,511		0.0000	1.0000	100.00
7.5	400,511		0.0000	1.0000	100.00
8.5	400,511		0.0000	1.0000	100.00
9.5	400,511		0.0000	1.0000	100.00
10.5	400,511		0.0000	1.0000	100.00
11.5	400,511		0.0000	1.0000	100.00
12.5	400,511		0.0000	1.0000	100.00
13.5	400,511		0.0000	1.0000	100.00
14.5	400,511		0.0000	1.0000	100.00
15.5	400,511		0.0000	1.0000	100.00
16.5	400,511		0.0000	1.0000	100.00
17.5	400,511		0.0000	1.0000	100.00
18.5	400,511		0.0000	1.0000	100.00
19.5	400,511		0.0000	1.0000	100.00
20.5	371,355		0.0000	1.0000	100.00
21.5	400,511		0.0000	1.0000	100.00
22.5	315,976		0.0000	1.0000	100.00
23.5	400,511		0.0000	1.0000	100.00
24.5	400,511		0.0000	1.0000	100.00
25.5	400,511		0.0000	1.0000	100.00
26.5	400,511		0.0000	1.0000	100.00
27.5	400,511		0.0000	1.0000	100.00
28.5	400,511		0.0000	1.0000	100.00
29.5	400,511		0.0000	1.0000	100.00
30.5	400,511		0.0000	1.0000	100.00
31.5	400,511		0.0000	1.0000	100.00
32.5	400,511		0.0000	1.0000	100.00
33.5	400,511		0.0000	1.0000	100.00
34.5	400,511		0.0000	1.0000	100.00
35.5	400,511		0.0000	1.0000	100.00
36.5	375,012		0.0000	1.0000	100.00
37.5	375,012		0.0000	1.0000	100.00
38.5	375,012		0.0000	1.0000	100.00

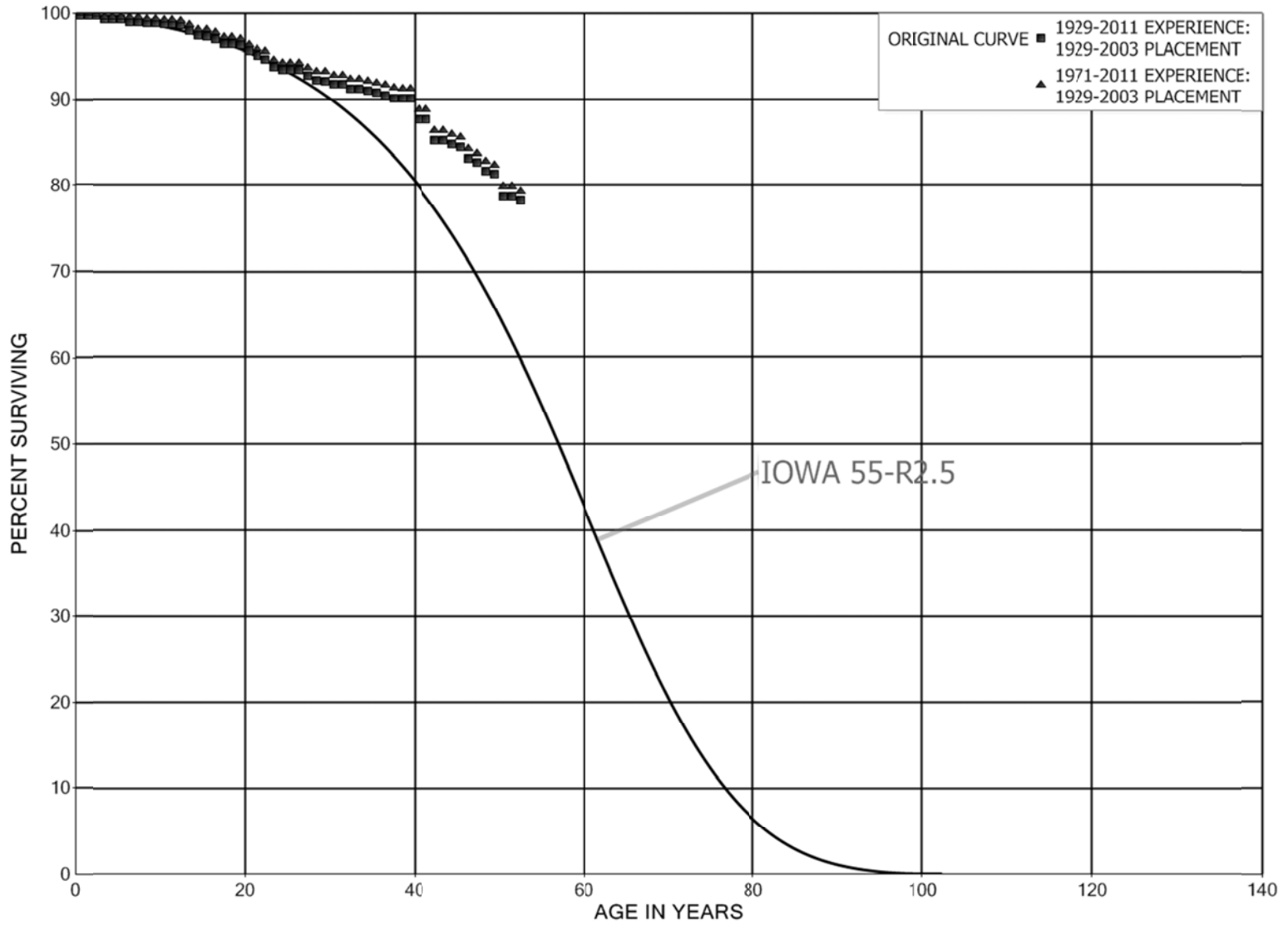
LOUISVILLE GAS AND ELECTRIC COMPANY
 GAS PLANT

ACCOUNT 352.2 RESERVOIRS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1968-1975			EXPERIENCE BAND 1969-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	336,860		0.0000	1.0000	100.00
40.5	226,092		0.0000	1.0000	100.00
41.5	196,936		0.0000	1.0000	100.00
42.5	84,535		0.0000	1.0000	100.00
43.5					100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 352.4 WELL DRILLING
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2003			EXPERIENCE BAND 1929-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	2,841,294	7,030	0.0025	0.9975	100.00	
0.5	2,834,303		0.0000	1.0000	99.75	
1.5	2,924,636	2,289	0.0008	0.9992	99.75	
2.5	2,855,987	9,954	0.0035	0.9965	99.67	
3.5	2,846,033	1,684	0.0006	0.9994	99.33	
4.5	2,835,294		0.0000	1.0000	99.27	
5.5	2,836,446	8,301	0.0029	0.9971	99.27	
6.5	2,828,145		0.0000	1.0000	98.98	
7.5	2,828,145	3,427	0.0012	0.9988	98.98	
8.5	2,751,476		0.0000	1.0000	98.86	
9.5	2,781,919	2,843	0.0010	0.9990	98.86	
10.5	2,671,737		0.0000	1.0000	98.76	
11.5	2,506,734	3,216	0.0013	0.9987	98.76	
12.5	2,517,946	16,509	0.0066	0.9934	98.63	
13.5	2,505,000	16,172	0.0065	0.9935	97.98	
14.5	2,397,506	1,498	0.0006	0.9994	97.35	
15.5	2,357,459	6,804	0.0029	0.9971	97.29	
16.5	2,373,337	13,728	0.0058	0.9942	97.01	
17.5	2,307,398		0.0000	1.0000	96.45	
18.5	2,327,756	3,528	0.0015	0.9985	96.45	
19.5	2,303,245	16,178	0.0070	0.9930	96.30	
20.5	2,237,986	14,271	0.0064	0.9936	95.63	
21.5	2,290,130	9,014	0.0039	0.9961	95.02	
22.5	2,016,313	19,639	0.0097	0.9903	94.64	
23.5	2,295,199	7,840	0.0034	0.9966	93.72	
24.5	2,254,521		0.0000	1.0000	93.40	
25.5	2,175,225		0.0000	1.0000	93.40	
26.5	2,104,406	16,046	0.0076	0.9924	93.40	
27.5	2,068,042	11,913	0.0058	0.9942	92.69	
28.5	2,056,128	1,822	0.0009	0.9991	92.15	
29.5	1,945,351	7,980	0.0041	0.9959	92.07	
30.5	1,913,829		0.0000	1.0000	91.69	
31.5	1,913,829	11,602	0.0061	0.9939	91.69	
32.5	1,864,806		0.0000	1.0000	91.14	
33.5	1,806,453	4,355	0.0024	0.9976	91.14	
34.5	1,749,692	4,175	0.0024	0.9976	90.92	
35.5	1,721,415	5,512	0.0032	0.9968	90.70	
36.5	1,688,336	5,899	0.0035	0.9965	90.41	
37.5	1,653,975	1,465	0.0009	0.9991	90.10	
38.5	1,598,797		0.0000	1.0000	90.02	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2003			EXPERIENCE BAND 1929-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,552,625	41,751	0.0269	0.9731	90.02	
40.5	1,454,507		0.0000	1.0000	87.60	
41.5	1,344,574	36,680	0.0273	0.9727	87.60	
42.5	1,117,553		0.0000	1.0000	85.21	
43.5	772,852	4,079	0.0053	0.9947	85.21	
44.5	736,723	2,764	0.0038	0.9962	84.76	
45.5	699,292	11,111	0.0159	0.9841	84.44	
46.5	658,776	4,141	0.0063	0.9937	83.10	
47.5	601,382	6,635	0.0110	0.9890	82.57	
48.5	541,418	2,445	0.0045	0.9955	81.66	
49.5	489,755	15,183	0.0310	0.9690	81.29	
50.5	428,758		0.0000	1.0000	78.77	
51.5	393,239	2,631	0.0067	0.9933	78.77	
52.5	207,779		0.0000	1.0000	78.25	
53.5	200,796		0.0000	1.0000	78.25	
54.5	173,658		0.0000	1.0000	78.25	
55.5	150,219	1,335	0.0089	0.9911	78.25	
56.5	128,333	8,868	0.0691	0.9309	77.55	
57.5	113,930		0.0000	1.0000	72.19	
58.5	98,062	1,953	0.0199	0.9801	72.19	
59.5	68,205	1,162	0.0170	0.9830	70.75	
60.5	47,156	4,888	0.1036	0.8964	69.55	
61.5	39,927		0.0000	1.0000	62.34	
62.5	31,270	2,208	0.0706	0.9294	62.34	
63.5	9,185		0.0000	1.0000	57.94	
64.5	2,107		0.0000	1.0000	57.94	
65.5	2,107		0.0000	1.0000	57.94	
66.5	2,107		0.0000	1.0000	57.94	
67.5					57.94	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2003

EXPERIENCE BAND 1971-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,150,784		0.0000	1.0000	100.00
0.5	1,196,248		0.0000	1.0000	100.00
1.5	2,004,497	2,289	0.0011	0.9989	100.00
2.5	1,990,488	6,884	0.0035	0.9965	99.89
3.5	2,015,653	1,684	0.0008	0.9992	99.54
4.5	2,055,053		0.0000	1.0000	99.46
5.5	2,097,944		0.0000	1.0000	99.46
6.5	2,142,093		0.0000	1.0000	99.46
7.5	2,201,270	3,427	0.0016	0.9984	99.46
8.5	2,173,839		0.0000	1.0000	99.30
9.5	2,250,097	2,843	0.0013	0.9987	99.30
10.5	2,175,433		0.0000	1.0000	99.18
11.5	2,207,852	3,216	0.0015	0.9985	99.18
12.5	2,226,047	8,329	0.0037	0.9963	99.03
13.5	2,248,419	13,201	0.0059	0.9941	98.66
14.5	2,167,335		0.0000	1.0000	98.08
15.5	2,157,691	6,804	0.0032	0.9968	98.08
16.5	2,189,613	13,728	0.0063	0.9937	97.77
17.5	2,139,542		0.0000	1.0000	97.16
18.5	2,192,714	3,528	0.0016	0.9984	97.16
19.5	2,188,090	16,178	0.0074	0.9926	97.00
20.5	2,145,032	9,483	0.0044	0.9956	96.29
21.5	2,222,922	9,014	0.0041	0.9959	95.86
22.5	1,980,004	19,639	0.0099	0.9901	95.47
23.5	2,265,968	7,840	0.0035	0.9965	94.53
24.5	2,225,290		0.0000	1.0000	94.20
25.5	2,145,994		0.0000	1.0000	94.20
26.5	2,080,052	12,632	0.0061	0.9939	94.20
27.5	2,047,102	10,407	0.0051	0.9949	93.63
28.5	2,040,862		0.0000	1.0000	93.15
29.5	1,931,907	7,980	0.0041	0.9959	93.15
30.5	1,900,385		0.0000	1.0000	92.77
31.5	1,900,385	10,207	0.0054	0.9946	92.77
32.5	1,853,260		0.0000	1.0000	92.27
33.5	1,794,907	3,120	0.0017	0.9983	92.27
34.5	1,739,381	4,175	0.0024	0.9976	92.11
35.5	1,711,104	5,512	0.0032	0.9968	91.89
36.5	1,678,025	5,899	0.0035	0.9965	91.59
37.5	1,643,664	1,465	0.0009	0.9991	91.27
38.5	1,588,486		0.0000	1.0000	91.19

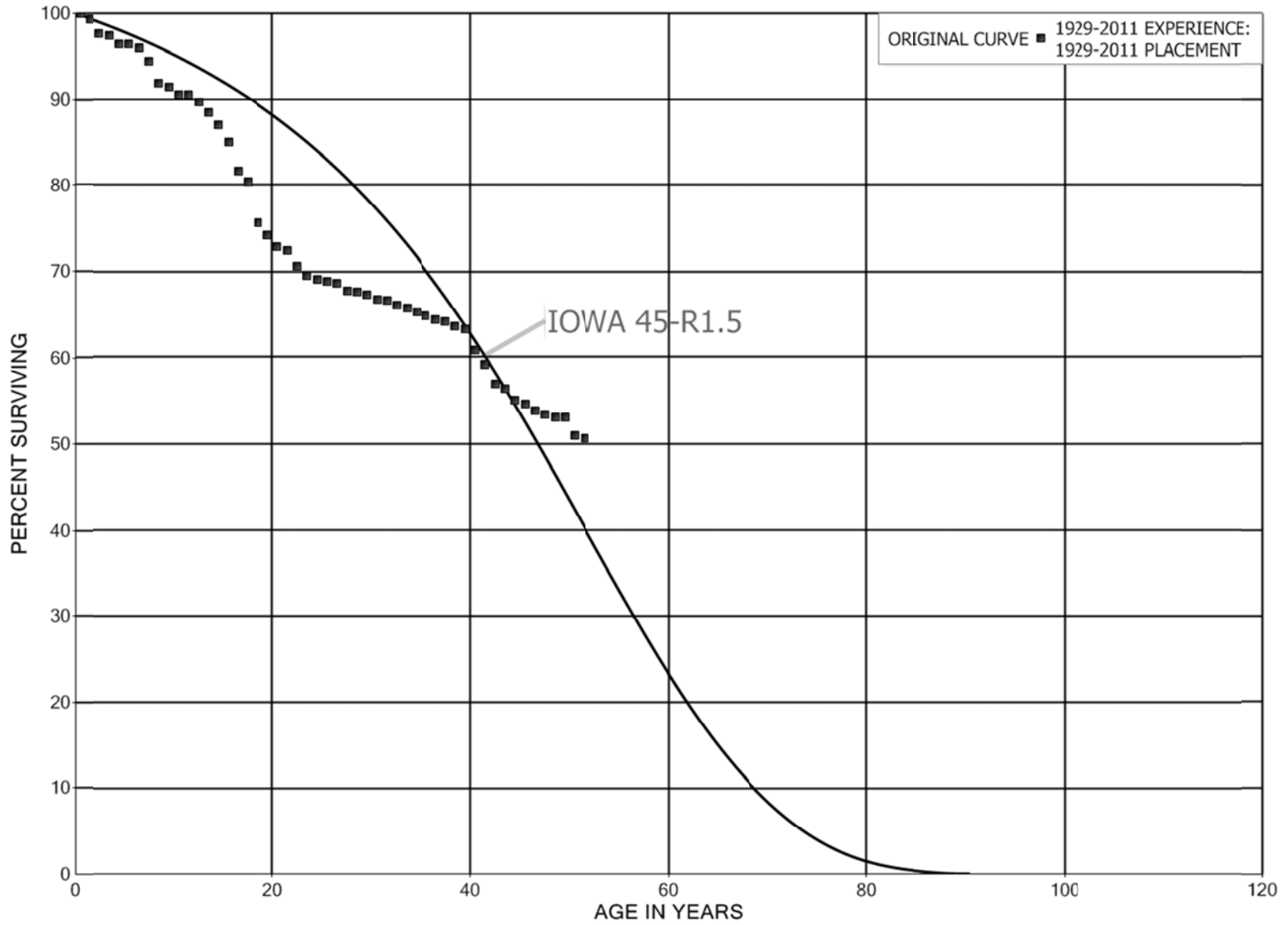
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2003			EXPERIENCE BAND 1971-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,544,267	41,751	0.0270	0.9730	91.19	
40.5	1,448,646		0.0000	1.0000	88.72	
41.5	1,344,574	36,680	0.0273	0.9727	88.72	
42.5	1,117,553		0.0000	1.0000	86.30	
43.5	772,852	4,079	0.0053	0.9947	86.30	
44.5	736,723	2,764	0.0038	0.9962	85.85	
45.5	699,292	11,111	0.0159	0.9841	85.52	
46.5	658,776	4,141	0.0063	0.9937	84.16	
47.5	601,382	6,635	0.0110	0.9890	83.64	
48.5	541,418	2,445	0.0045	0.9955	82.71	
49.5	489,755	15,183	0.0310	0.9690	82.34	
50.5	428,758		0.0000	1.0000	79.79	
51.5	393,239	2,631	0.0067	0.9933	79.79	
52.5	207,779		0.0000	1.0000	79.25	
53.5	200,796		0.0000	1.0000	79.25	
54.5	173,658		0.0000	1.0000	79.25	
55.5	150,219	1,335	0.0089	0.9911	79.25	
56.5	128,333	8,868	0.0691	0.9309	78.55	
57.5	113,930		0.0000	1.0000	73.12	
58.5	98,062	1,953	0.0199	0.9801	73.12	
59.5	68,205	1,162	0.0170	0.9830	71.66	
60.5	47,156	4,888	0.1036	0.8964	70.44	
61.5	39,927		0.0000	1.0000	63.14	
62.5	31,270	2,208	0.0706	0.9294	63.14	
63.5	9,185		0.0000	1.0000	58.68	
64.5	2,107		0.0000	1.0000	58.68	
65.5	2,107		0.0000	1.0000	58.68	
66.5	2,107		0.0000	1.0000	58.68	
67.5					58.68	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 352.5 WELL EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2011			EXPERIENCE BAND 1929-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,787,935		0.0000	1.0000	100.00
0.5	9,545,821	66,068	0.0069	0.9931	100.00
1.5	7,947,480	138,323	0.0174	0.9826	99.31
2.5	6,934,606	11,214	0.0016	0.9984	97.58
3.5	6,614,123	67,767	0.0102	0.9898	97.42
4.5	6,678,249	1,035	0.0002	0.9998	96.42
5.5	6,737,009	34,565	0.0051	0.9949	96.41
6.5	6,127,527	97,003	0.0158	0.9842	95.91
7.5	5,553,897	147,485	0.0266	0.9734	94.40
8.5	5,201,870	27,992	0.0054	0.9946	91.89
9.5	4,957,835	49,455	0.0100	0.9900	91.39
10.5	4,279,612	7	0.0000	1.0000	90.48
11.5	3,941,046	38,779	0.0098	0.9902	90.48
12.5	3,832,260	52,624	0.0137	0.9863	89.59
13.5	3,764,620	61,536	0.0163	0.9837	88.36
14.5	3,484,753	78,954	0.0227	0.9773	86.92
15.5	3,261,466	128,384	0.0394	0.9606	84.95
16.5	3,420,554	50,673	0.0148	0.9852	81.60
17.5	3,151,615	188,696	0.0599	0.9401	80.40
18.5	2,775,972	52,291	0.0188	0.9812	75.58
19.5	2,709,971	46,734	0.0172	0.9828	74.16
20.5	2,311,629	15,245	0.0066	0.9934	72.88
21.5	2,257,290	56,694	0.0251	0.9749	72.40
22.5	1,983,819	30,635	0.0154	0.9846	70.58
23.5	2,280,885	15,620	0.0068	0.9932	69.49
24.5	2,122,654	6,291	0.0030	0.9970	69.01
25.5	1,993,837	4,197	0.0021	0.9979	68.81
26.5	1,897,519	24,581	0.0130	0.9870	68.67
27.5	1,793,464	5,125	0.0029	0.9971	67.78
28.5	1,787,795	8,075	0.0045	0.9955	67.58
29.5	1,725,518	14,313	0.0083	0.9917	67.28
30.5	1,661,842	2,495	0.0015	0.9985	66.72
31.5	1,659,346	13,884	0.0084	0.9916	66.62
32.5	1,627,190	9,132	0.0056	0.9944	66.06
33.5	1,564,803	10,096	0.0065	0.9935	65.69
34.5	1,519,099	8,836	0.0058	0.9942	65.27
35.5	1,494,408	11,081	0.0074	0.9926	64.89
36.5	1,447,949	5,800	0.0040	0.9960	64.41
37.5	1,426,862	11,179	0.0078	0.9922	64.15
38.5	1,357,323	7,963	0.0059	0.9941	63.65

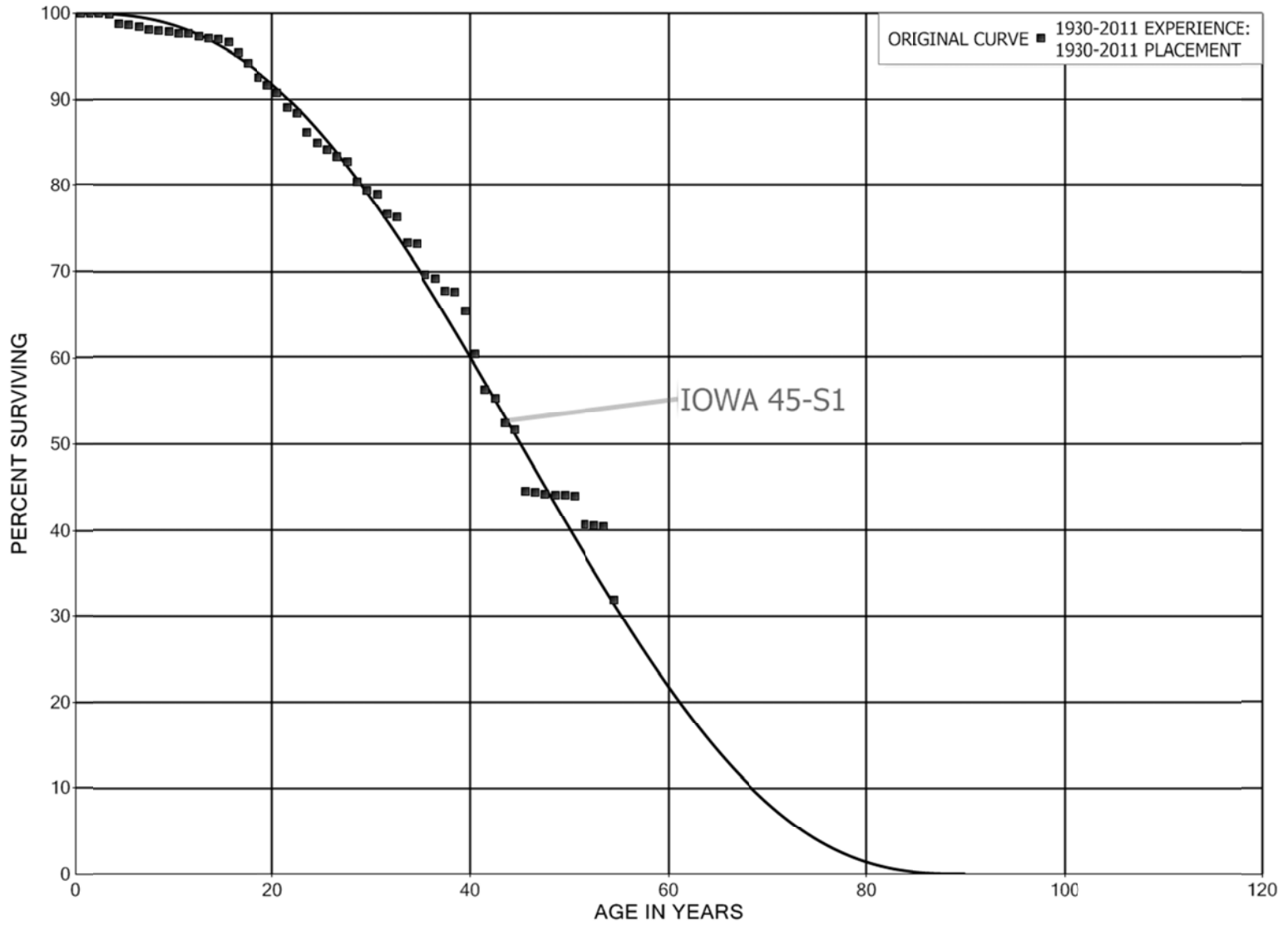
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2011			EXPERIENCE BAND 1929-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,313,740	50,120	0.0382	0.9618	63.27	
40.5	1,215,424	33,259	0.0274	0.9726	60.86	
41.5	1,085,065	41,340	0.0381	0.9619	59.19	
42.5	860,522	8,582	0.0100	0.9900	56.94	
43.5	611,341	14,409	0.0236	0.9764	56.37	
44.5	556,472	4,730	0.0085	0.9915	55.04	
45.5	515,952	7,384	0.0143	0.9857	54.57	
46.5	480,208	3,183	0.0066	0.9934	53.79	
47.5	418,866	3,255	0.0078	0.9922	53.44	
48.5	360,209		0.0000	1.0000	53.02	
49.5	313,605	11,920	0.0380	0.9620	53.02	
50.5	267,893	2,047	0.0076	0.9924	51.01	
51.5	236,457	2,142	0.0091	0.9909	50.62	
52.5	98,028	446	0.0045	0.9955	50.16	
53.5	92,196	524	0.0057	0.9943	49.93	
54.5	67,618		0.0000	1.0000	49.65	
55.5	51,297	673	0.0131	0.9869	49.65	
56.5	36,378	4,465	0.1227	0.8773	48.99	
57.5	28,524	4,691	0.1645	0.8355	42.98	
58.5	20,383	280	0.0137	0.9863	35.91	
59.5	11,009	4,796	0.4356	0.5644	35.42	
60.5	1,613	1,269	0.7872	0.2128	19.99	
61.5	232		0.0000	1.0000	4.25	
62.5	232	165	0.7146	0.2854	4.25	
63.5					1.21	
64.5						
65.5						
66.5						
67.5						
68.5						
69.5						
70.5						
71.5						
72.5						
73.5						
74.5						
75.5						
76.5	1,736	650	0.3745			
77.5						

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



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2011

EXPERIENCE BAND 1930-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	15,570,514		0.0000	1.0000	100.00
0.5	15,134,474	251	0.0000	1.0000	100.00
1.5	16,351,459	11,252	0.0007	0.9993	100.00
2.5	15,273,689	20,599	0.0013	0.9987	99.93
3.5	15,257,670	162,499	0.0107	0.9893	99.79
4.5	14,439,398	24,299	0.0017	0.9983	98.73
5.5	13,701,537	22,935	0.0017	0.9983	98.57
6.5	13,137,667	50,311	0.0038	0.9962	98.40
7.5	11,903,261	7,494	0.0006	0.9994	98.02
8.5	11,560,677	14,541	0.0013	0.9987	97.96
9.5	11,413,760	23,006	0.0020	0.9980	97.84
10.5	10,569,329	499	0.0000	1.0000	97.64
11.5	10,557,867	38,576	0.0037	0.9963	97.64
12.5	10,416,804	17,931	0.0017	0.9983	97.28
13.5	10,114,789	15,421	0.0015	0.9985	97.11
14.5	10,090,867	34,108	0.0034	0.9966	96.96
15.5	9,174,136	122,538	0.0134	0.9866	96.64
16.5	8,961,199	105,776	0.0118	0.9882	95.35
17.5	8,699,038	158,660	0.0182	0.9818	94.22
18.5	8,538,384	86,534	0.0101	0.9899	92.50
19.5	8,244,536	79,148	0.0096	0.9904	91.57
20.5	7,155,136	138,900	0.0194	0.9806	90.69
21.5	6,992,189	51,447	0.0074	0.9926	88.93
22.5	6,375,028	155,664	0.0244	0.9756	88.27
23.5	6,367,934	91,273	0.0143	0.9857	86.12
24.5	5,550,589	55,730	0.0100	0.9900	84.88
25.5	4,946,050	45,084	0.0091	0.9909	84.03
26.5	4,352,092	29,063	0.0067	0.9933	83.26
27.5	4,105,950	113,982	0.0278	0.9722	82.71
28.5	3,780,485	46,254	0.0122	0.9878	80.41
29.5	3,209,306	18,730	0.0058	0.9942	79.43
30.5	2,687,376	79,551	0.0296	0.9704	78.96
31.5	1,992,666	8,653	0.0043	0.9957	76.63
32.5	1,882,907	73,201	0.0389	0.9611	76.29
33.5	1,480,375	2,790	0.0019	0.9981	73.33
34.5	1,459,620	71,682	0.0491	0.9509	73.19
35.5	1,375,939	8,341	0.0061	0.9939	69.60
36.5	1,340,539	28,268	0.0211	0.9789	69.17
37.5	1,275,968	1,948	0.0015	0.9985	67.71
38.5	1,272,188	41,580	0.0327	0.9673	67.61

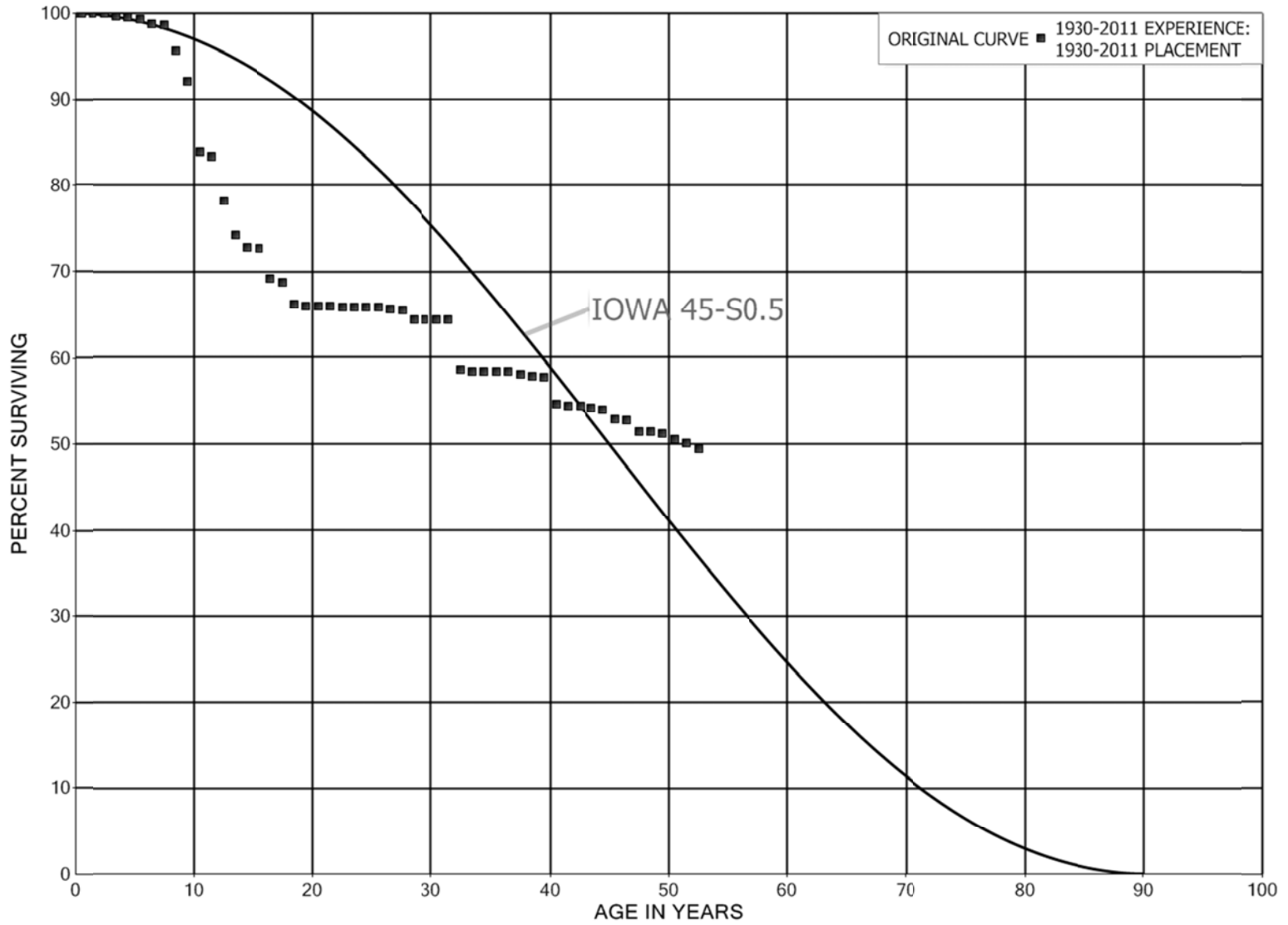
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,209,536	91,704	0.0758	0.9242	65.40	
40.5	1,084,187	74,736	0.0689	0.9311	60.44	
41.5	763,524	13,672	0.0179	0.9821	56.28	
42.5	727,740	37,873	0.0520	0.9480	55.27	
43.5	508,905	7,505	0.0147	0.9853	52.39	
44.5	370,091	51,084	0.1380	0.8620	51.62	
45.5	304,752	495	0.0016	0.9984	44.49	
46.5	277,017	1,474	0.0053	0.9947	44.42	
47.5	271,582	876	0.0032	0.9968	44.19	
48.5	256,491	180	0.0007	0.9993	44.04	
49.5	235,140	200	0.0008	0.9992	44.01	
50.5	199,552	15,190	0.0761	0.9239	43.97	
51.5	175,686	570	0.0032	0.9968	40.63	
52.5	153,122	255	0.0017	0.9983	40.50	
53.5	152,516	32,268	0.2116	0.7884	40.43	
54.5	76,230	2,237	0.0293	0.9707	31.87	
55.5	71,980	814	0.0113	0.9887	30.94	
56.5	62,192	2,874	0.0462	0.9538	30.59	
57.5	43,657	729	0.0167	0.9833	29.18	
58.5	39,685	444	0.0112	0.9888	28.69	
59.5	180		0.0000	1.0000	28.37	
60.5					28.37	

LOUISVILLE GAS AND ELECTRIC COMPANY
 GAS PLANT
 ACCOUNT 354 COMPRESSOR STATION EQUIPMENT
 ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	19,382,795	756	0.0000	1.0000	100.00	
0.5	18,342,984	1,578	0.0001	0.9999	100.00	
1.5	18,053,963	6,401	0.0004	0.9996	99.99	
2.5	15,938,185	59,499	0.0037	0.9963	99.95	
3.5	16,061,311	14,226	0.0009	0.9991	99.58	
4.5	14,827,160	25,251	0.0017	0.9983	99.49	
5.5	14,733,908	90,199	0.0061	0.9939	99.32	
6.5	14,412,192	16,287	0.0011	0.9989	98.71	
7.5	14,387,894	435,231	0.0302	0.9698	98.60	
8.5	13,867,538	516,876	0.0373	0.9627	95.62	
9.5	12,798,759	1,141,608	0.0892	0.9108	92.06	
10.5	10,125,456	63,161	0.0062	0.9938	83.84	
11.5	7,779,437	480,435	0.0618	0.9382	83.32	
12.5	7,256,636	374,827	0.0517	0.9483	78.18	
13.5	6,487,854	126,742	0.0195	0.9805	74.14	
14.5	6,346,852	5,894	0.0009	0.9991	72.69	
15.5	5,999,171	288,884	0.0482	0.9518	72.62	
16.5	5,700,019	32,814	0.0058	0.9942	69.12	
17.5	5,418,412	200,448	0.0370	0.9630	68.73	
18.5	5,075,834	14,225	0.0028	0.9972	66.18	
19.5	4,428,634	808	0.0002	0.9998	66.00	
20.5	4,358,929	478	0.0001	0.9999	65.99	
21.5	4,704,551	6,866	0.0015	0.9985	65.98	
22.5	4,705,847	1,250	0.0003	0.9997	65.88	
23.5	4,664,736	3,625	0.0008	0.9992	65.87	
24.5	4,680,548		0.0000	1.0000	65.81	
25.5	4,624,454	16,346	0.0035	0.9965	65.81	
26.5	4,626,535	4,000	0.0009	0.9991	65.58	
27.5	4,632,419	76,394	0.0165	0.9835	65.53	
28.5	4,528,078		0.0000	1.0000	64.44	
29.5	4,527,230	277	0.0001	0.9999	64.44	
30.5	4,520,376	943	0.0002	0.9998	64.44	
31.5	4,517,688	409,359	0.0906	0.9094	64.43	
32.5	4,105,593	13,865	0.0034	0.9966	58.59	
33.5	4,072,800	573	0.0001	0.9999	58.39	
34.5	3,883,528		0.0000	1.0000	58.38	
35.5	3,792,537	800	0.0002	0.9998	58.38	
36.5	3,775,397	16,718	0.0044	0.9956	58.37	
37.5	3,366,562	15,835	0.0047	0.9953	58.11	
38.5	3,303,244	8,700	0.0026	0.9974	57.84	

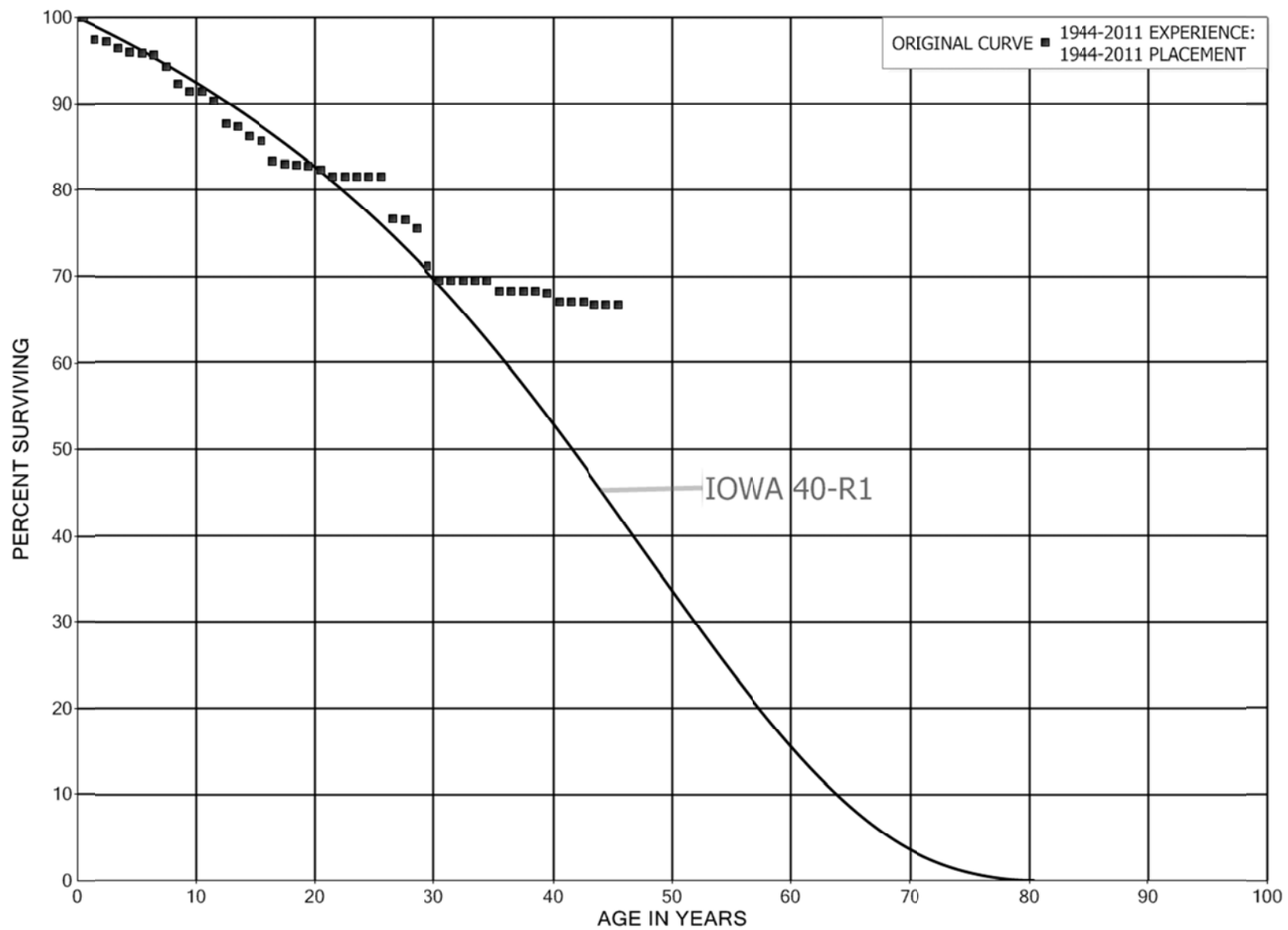
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	3,293,238	172,395	0.0523	0.9477	57.69	
40.5	3,099,042	12,633	0.0041	0.9959	54.67	
41.5	2,715,046	1,604	0.0006	0.9994	54.44	
42.5	2,637,917	12,105	0.0046	0.9954	54.41	
43.5	2,601,266	12,363	0.0048	0.9952	54.16	
44.5	2,501,186	49,307	0.0197	0.9803	53.90	
45.5	2,435,407	3,077	0.0013	0.9987	52.84	
46.5	2,356,215	60,518	0.0257	0.9743	52.78	
47.5	1,849,541	1,851	0.0010	0.9990	51.42	
48.5	1,834,123	5,362	0.0029	0.9971	51.37	
49.5	1,252,320	16,508	0.0132	0.9868	51.22	
50.5	1,217,864	10,865	0.0089	0.9911	50.54	
51.5	1,206,300	17,020	0.0141	0.9859	50.09	
52.5	414,781	2,166	0.0052	0.9948	49.39	
53.5	412,615	2,925	0.0071	0.9929	49.13	
54.5	389,616	3,121	0.0080	0.9920	48.78	
55.5	305,217	477	0.0016	0.9984	48.39	
56.5	304,740	2,390	0.0078	0.9922	48.31	
57.5	302,127	10,674	0.0353	0.9647	47.93	
58.5	290,217	949	0.0033	0.9967	46.24	
59.5	81,891	3,810	0.0465	0.9535	46.09	
60.5	73,298	368	0.0050	0.9950	43.95	
61.5	72,930	1,411	0.0194	0.9806	43.72	
62.5	1,982	127	0.0641	0.9359	42.88	
63.5	1,173		0.0000	1.0000	40.13	
64.5					40.13	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1944-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	635,874		0.0000	1.0000	100.00	
0.5	623,748	16,502	0.0265	0.9735	100.00	
1.5	492,577	1,145	0.0023	0.9977	97.35	
2.5	480,052	3,878	0.0081	0.9919	97.13	
3.5	476,174	2,217	0.0047	0.9953	96.34	
4.5	473,957	89	0.0002	0.9998	95.89	
5.5	462,529	1,072	0.0023	0.9977	95.88	
6.5	461,457	6,811	0.0148	0.9852	95.65	
7.5	454,646	9,678	0.0213	0.9787	94.24	
8.5	431,936	3,866	0.0090	0.9910	92.24	
9.5	391,180		0.0000	1.0000	91.41	
10.5	349,021	4,194	0.0120	0.9880	91.41	
11.5	344,827	10,268	0.0298	0.9702	90.31	
12.5	334,559	1,331	0.0040	0.9960	87.62	
13.5	333,228	4,116	0.0124	0.9876	87.27	
14.5	329,112	2,301	0.0070	0.9930	86.20	
15.5	326,811	8,886	0.0272	0.9728	85.59	
16.5	317,925	1,140	0.0036	0.9964	83.27	
17.5	316,785	464	0.0015	0.9985	82.97	
18.5	316,321	317	0.0010	0.9990	82.85	
19.5	315,098	1,648	0.0052	0.9948	82.76	
20.5	314,356	3,068	0.0098	0.9902	82.33	
21.5	239,018		0.0000	1.0000	81.53	
22.5	176,465		0.0000	1.0000	81.53	
23.5	186,193		0.0000	1.0000	81.53	
24.5	172,330		0.0000	1.0000	81.53	
25.5	136,510	8,177	0.0599	0.9401	81.53	
26.5	161,355	215	0.0013	0.9987	76.64	
27.5	161,140	2,067	0.0128	0.9872	76.54	
28.5	148,223	8,533	0.0576	0.9424	75.56	
29.5	139,690	3,276	0.0235	0.9765	71.21	
30.5	136,414		0.0000	1.0000	69.54	
31.5	133,566		0.0000	1.0000	69.54	
32.5	133,566		0.0000	1.0000	69.54	
33.5	133,566		0.0000	1.0000	69.54	
34.5	133,566	2,509	0.0188	0.9812	69.54	
35.5	131,057		0.0000	1.0000	68.23	
36.5	131,057		0.0000	1.0000	68.23	
37.5	131,057		0.0000	1.0000	68.23	
38.5	131,057	393	0.0030	0.9970	68.23	

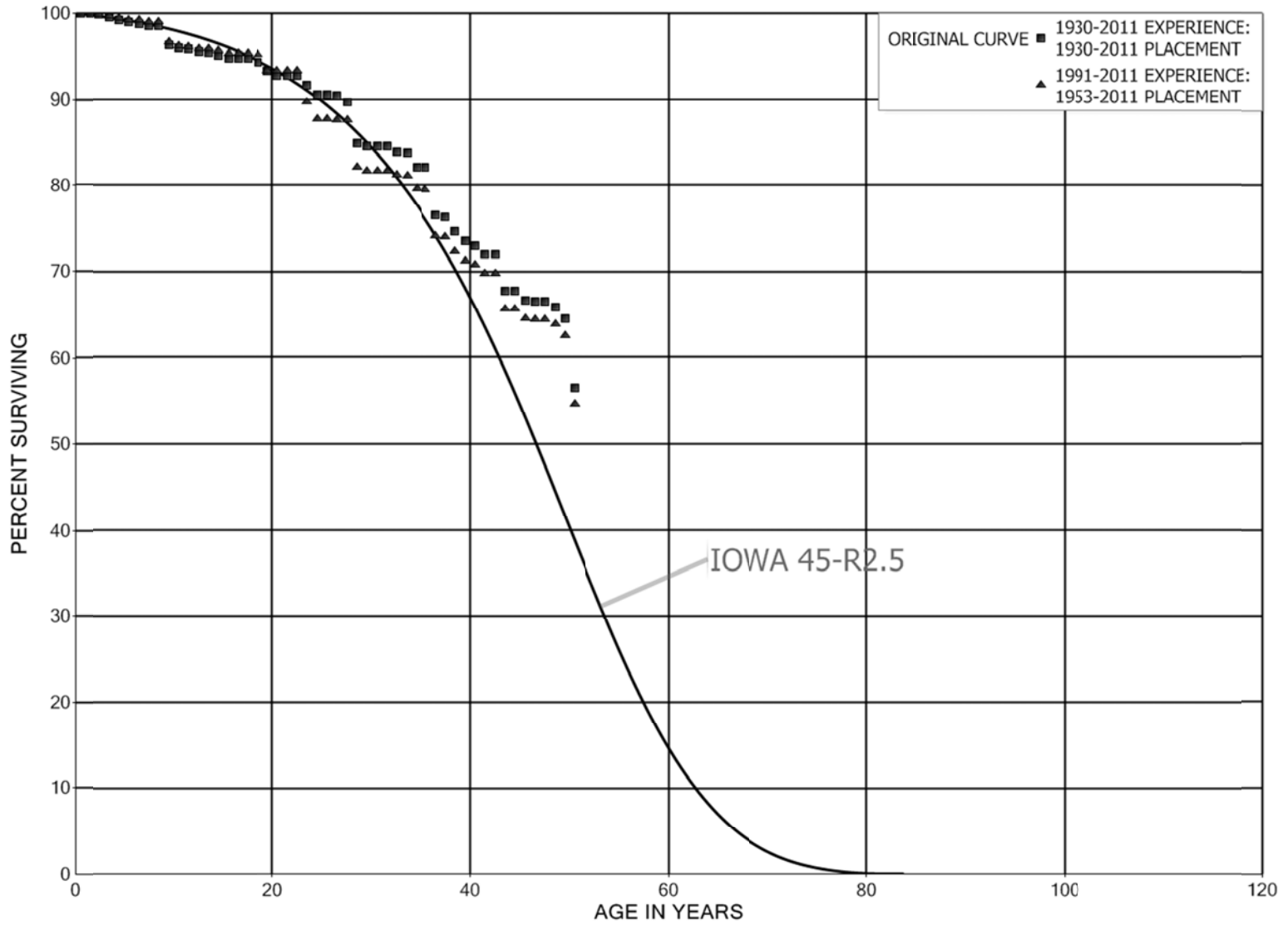
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1944-2011			EXPERIENCE BAND 1944-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	130,485	1,946	0.0149	0.9851	68.03	
40.5	127,633		0.0000	1.0000	67.01	
41.5	108,325		0.0000	1.0000	67.01	
42.5	108,325	505	0.0047	0.9953	67.01	
43.5	100,847		0.0000	1.0000	66.70	
44.5	100,847		0.0000	1.0000	66.70	
45.5	77,465		0.0000	1.0000	66.70	
46.5	44,183		0.0000	1.0000	66.70	
47.5	43,813		0.0000	1.0000	66.70	
48.5	43,813	43	0.0010	0.9990	66.70	
49.5	42,297		0.0000	1.0000	66.64	
50.5	42,297		0.0000	1.0000	66.64	
51.5	42,297		0.0000	1.0000	66.64	
52.5	7,509		0.0000	1.0000	66.64	
53.5	7,080		0.0000	1.0000	66.64	
54.5	3,357	629	0.1874	0.8126	66.64	
55.5	2,728		0.0000	1.0000	54.15	
56.5	2,728		0.0000	1.0000	54.15	
57.5	1,152		0.0000	1.0000	54.15	
58.5	1,152		0.0000	1.0000	54.15	
59.5	1,152		0.0000	1.0000	54.15	
60.5					54.15	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 356 PURIFICATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	12,889,307	770	0.0001	0.9999	100.00	
0.5	12,468,705	5,583	0.0004	0.9996	99.99	
1.5	10,954,745	18,223	0.0017	0.9983	99.95	
2.5	10,736,308	33,983	0.0032	0.9968	99.78	
3.5	10,702,325	25,871	0.0024	0.9976	99.47	
4.5	10,674,089	35,976	0.0034	0.9966	99.23	
5.5	10,590,152	14,882	0.0014	0.9986	98.89	
6.5	10,482,840	21,130	0.0020	0.9980	98.75	
7.5	10,198,282	2,908	0.0003	0.9997	98.55	
8.5	9,730,084	216,223	0.0222	0.9778	98.53	
9.5	8,769,258	30,409	0.0035	0.9965	96.34	
10.5	7,258,539	16,225	0.0022	0.9978	96.00	
11.5	6,091,870	15,358	0.0025	0.9975	95.79	
12.5	5,525,554	7,230	0.0013	0.9987	95.55	
13.5	5,519,041	20,408	0.0037	0.9963	95.42	
14.5	2,986,423	9,353	0.0031	0.9969	95.07	
15.5	2,077,362	682	0.0003	0.9997	94.77	
16.5	2,021,752		0.0000	1.0000	94.74	
17.5	1,912,368	8,492	0.0044	0.9956	94.74	
18.5	1,857,837	19,391	0.0104	0.9896	94.32	
19.5	1,675,877	10,702	0.0064	0.9936	93.33	
20.5	1,688,109		0.0000	1.0000	92.74	
21.5	1,463,825	66	0.0000	1.0000	92.74	
22.5	1,399,546	16,641	0.0119	0.9881	92.73	
23.5	1,599,245	20,358	0.0127	0.9873	91.63	
24.5	1,556,547	200	0.0001	0.9999	90.47	
25.5	1,484,103	966	0.0007	0.9993	90.45	
26.5	1,388,031	12,194	0.0088	0.9912	90.39	
27.5	1,412,966	74,364	0.0526	0.9474	89.60	
28.5	1,338,602	5,681	0.0042	0.9958	84.89	
29.5	1,332,921		0.0000	1.0000	84.52	
30.5	1,332,921		0.0000	1.0000	84.52	
31.5	1,332,921	11,545	0.0087	0.9913	84.52	
32.5	1,321,376	1,782	0.0013	0.9987	83.79	
33.5	1,319,594	24,606	0.0186	0.9814	83.68	
34.5	1,287,805	118	0.0001	0.9999	82.12	
35.5	1,286,918	88,657	0.0689	0.9311	82.11	
36.5	1,184,953	2,100	0.0018	0.9982	76.46	
37.5	1,067,697	24,379	0.0228	0.9772	76.32	
38.5	1,043,318	15,525	0.0149	0.9851	74.58	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1930-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,027,024	6,601	0.0064	0.9936	73.47	
40.5	1,019,300	14,572	0.0143	0.9857	73.00	
41.5	1,003,755		0.0000	1.0000	71.95	
42.5	960,493	56,068	0.0584	0.9416	71.95	
43.5	718,819		0.0000	1.0000	67.75	
44.5	443,502	7,733	0.0174	0.9826	67.75	
45.5	433,866	432	0.0010	0.9990	66.57	
46.5	429,283	138	0.0003	0.9997	66.50	
47.5	194,332	1,828	0.0094	0.9906	66.48	
48.5	153,695	3,085	0.0201	0.9799	65.86	
49.5	150,611	18,853	0.1252	0.8748	64.54	
50.5	47,425	889	0.0187	0.9813	56.46	
51.5	46,536	2,914	0.0626	0.9374	55.40	
52.5					51.93	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1953-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	11,089,128		0.0000	1.0000	100.00
0.5	10,677,841		0.0000	1.0000	100.00
1.5	9,211,261	18,223	0.0020	0.9980	100.00
2.5	8,958,144	16,877	0.0019	0.9981	99.80
3.5	8,954,964	23,661	0.0026	0.9974	99.61
4.5	9,010,850	14,079	0.0016	0.9984	99.35
5.5	8,961,209		0.0000	1.0000	99.20
6.5	8,914,356	21,130	0.0024	0.9976	99.20
7.5	8,629,798		0.0000	1.0000	98.96
8.5	8,164,508	195,316	0.0239	0.9761	98.96
9.5	7,224,590	28,821	0.0040	0.9960	96.59
10.5	5,715,459	7,264	0.0013	0.9987	96.21
11.5	4,557,750	11,444	0.0025	0.9975	96.09
12.5	3,995,348	2,620	0.0007	0.9993	95.84
13.5	4,018,269	6,825	0.0017	0.9983	95.78
14.5	1,513,088	5,581	0.0037	0.9963	95.62
15.5	609,737		0.0000	1.0000	95.27
16.5	668,367		0.0000	1.0000	95.27
17.5	558,983	717	0.0013	0.9987	95.27
18.5	577,779	11,343	0.0196	0.9804	95.14
19.5	405,302		0.0000	1.0000	93.28
20.5	603,926		0.0000	1.0000	93.28
21.5	422,904		0.0000	1.0000	93.28
22.5	359,650	14,016	0.0390	0.9610	93.28
23.5	911,024	20,358	0.0223	0.9777	89.64
24.5	869,410		0.0000	1.0000	87.64
25.5	884,084	966	0.0011	0.9989	87.64
26.5	978,770	550	0.0006	0.9994	87.54
27.5	1,056,257	64,892	0.0614	0.9386	87.49
28.5	991,365	5,681	0.0057	0.9943	82.12
29.5	1,166,583		0.0000	1.0000	81.65
30.5	1,166,583		0.0000	1.0000	81.65
31.5	1,324,736	7,388	0.0056	0.9944	81.65
32.5	1,317,348	1,782	0.0014	0.9986	81.19
33.5	1,315,566	24,606	0.0187	0.9813	81.08
34.5	1,283,777	118	0.0001	0.9999	79.57
35.5	1,282,890	88,657	0.0691	0.9309	79.56
36.5	1,180,925	2,100	0.0018	0.9982	74.06
37.5	1,066,938	24,379	0.0228	0.9772	73.93
38.5	1,042,559	15,525	0.0149	0.9851	72.24

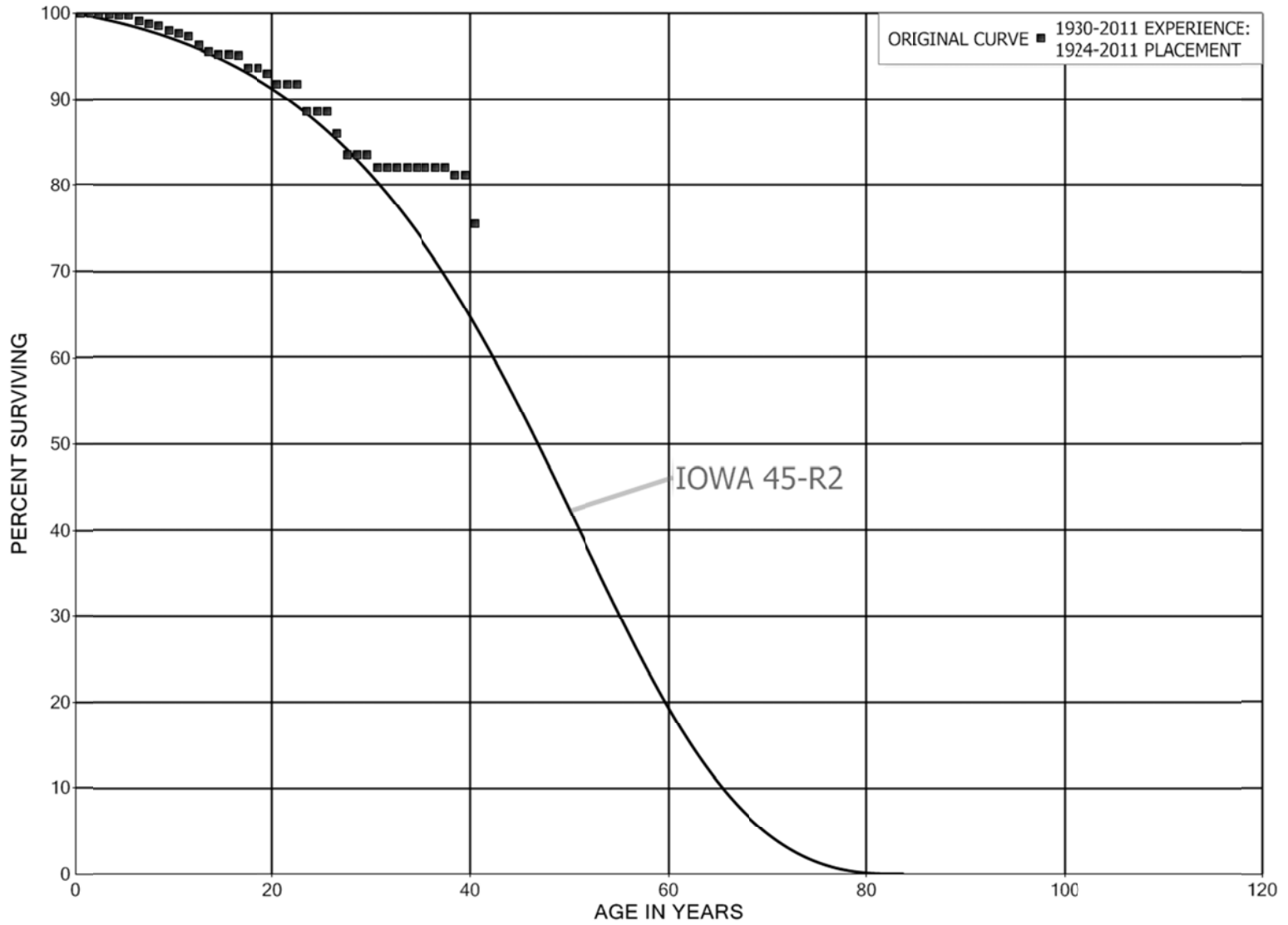
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1953-2011			EXPERIENCE BAND 1991-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,026,265	6,601	0.0064	0.9936	71.16	
40.5	1,018,541	14,572	0.0143	0.9857	70.71	
41.5	1,002,996		0.0000	1.0000	69.69	
42.5	959,734	56,068	0.0584	0.9416	69.69	
43.5	718,060		0.0000	1.0000	65.62	
44.5	442,743	7,733	0.0175	0.9825	65.62	
45.5	433,107	432	0.0010	0.9990	64.48	
46.5	428,524	138	0.0003	0.9997	64.41	
47.5	193,573	1,828	0.0094	0.9906	64.39	
48.5	152,936	3,085	0.0202	0.9798	63.78	
49.5	149,852	18,853	0.1258	0.8742	62.50	
50.5	46,666	130	0.0028	0.9972	54.63	
51.5	46,536	2,914	0.0626	0.9374	54.48	
52.5					51.07	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 357 OTHER EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	1,593,557	18	0.0000	1.0000	100.00	
0.5	1,517,591	1,436	0.0009	0.9991	100.00	
1.5	1,246,998	623	0.0005	0.9995	99.90	
2.5	1,107,082	160	0.0001	0.9999	99.85	
3.5	1,088,689	1,045	0.0010	0.9990	99.84	
4.5	1,194,431		0.0000	1.0000	99.74	
5.5	1,071,275	7,479	0.0070	0.9930	99.74	
6.5	1,029,993	3,392	0.0033	0.9967	99.05	
7.5	984,252	2,607	0.0026	0.9974	98.72	
8.5	981,054	5,494	0.0056	0.9944	98.46	
9.5	626,400	1,783	0.0028	0.9972	97.91	
10.5	401,677	1,411	0.0035	0.9965	97.63	
11.5	328,778	3,452	0.0105	0.9895	97.29	
12.5	305,479	2,414	0.0079	0.9921	96.27	
13.5	303,065	1,094	0.0036	0.9964	95.50	
14.5	290,964		0.0000	1.0000	95.16	
15.5	290,964	363	0.0012	0.9988	95.16	
16.5	242,544	3,594	0.0148	0.9852	95.04	
17.5	238,949		0.0000	1.0000	93.63	
18.5	238,949	1,736	0.0073	0.9927	93.63	
19.5	181,654	2,489	0.0137	0.9863	92.95	
20.5	145,487		0.0000	1.0000	91.68	
21.5	135,650		0.0000	1.0000	91.68	
22.5	117,458	4,007	0.0341	0.9659	91.68	
23.5	117,413		0.0000	1.0000	88.55	
24.5	103,520		0.0000	1.0000	88.55	
25.5	97,829	2,869	0.0293	0.9707	88.55	
26.5	96,021	2,705	0.0282	0.9718	85.95	
27.5	93,316		0.0000	1.0000	83.53	
28.5	86,834		0.0000	1.0000	83.53	
29.5	84,580	1,535	0.0181	0.9819	83.53	
30.5	63,951		0.0000	1.0000	82.02	
31.5	63,951		0.0000	1.0000	82.02	
32.5	63,951		0.0000	1.0000	82.02	
33.5	63,951		0.0000	1.0000	82.02	
34.5	63,951		0.0000	1.0000	82.02	
35.5	63,951		0.0000	1.0000	82.02	
36.5	63,951		0.0000	1.0000	82.02	
37.5	60,697	644	0.0106	0.9894	82.02	
38.5	60,053		0.0000	1.0000	81.15	

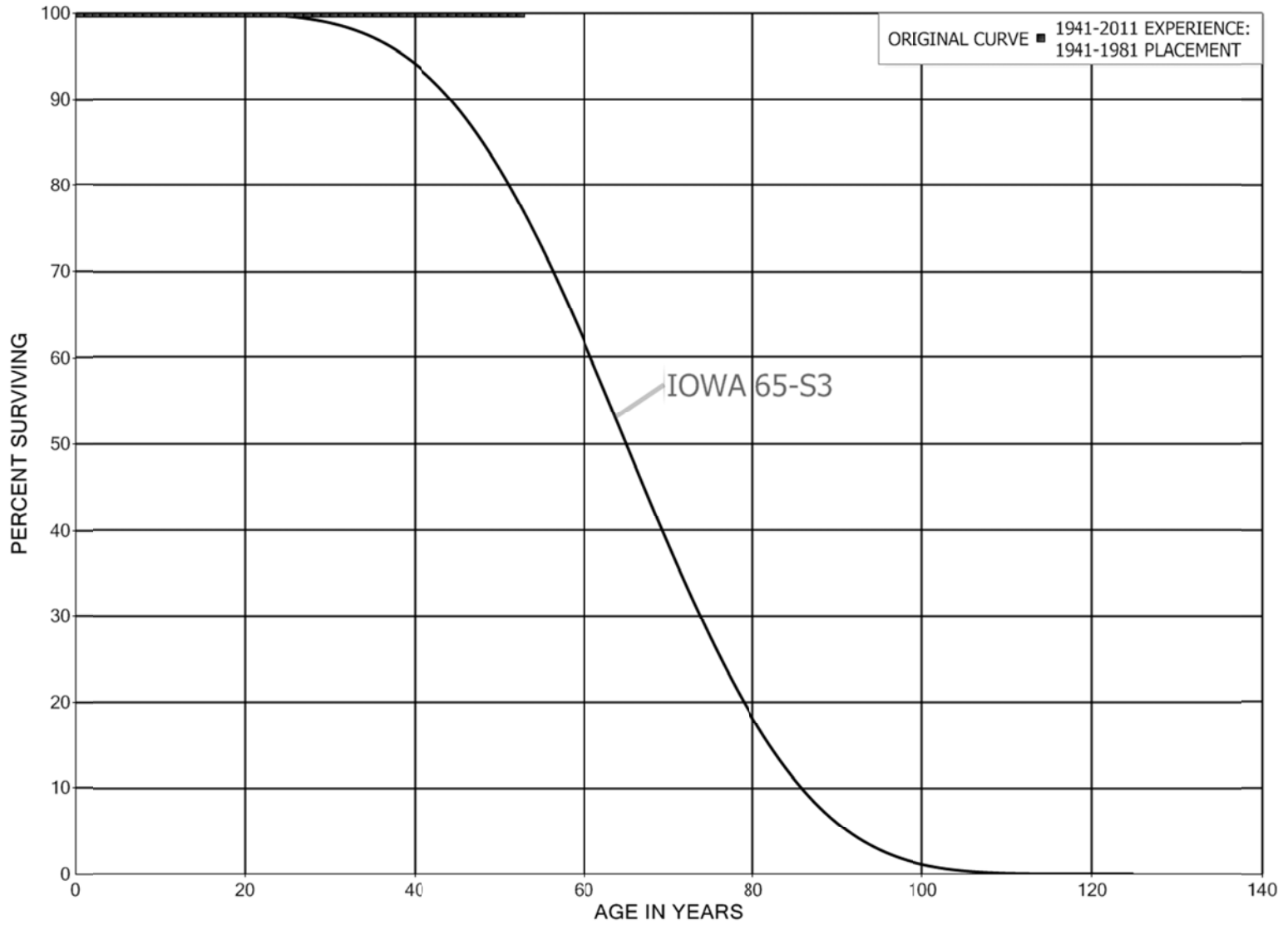
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1924-2011			EXPERIENCE BAND 1930-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	60,053	4,215	0.0702	0.9298	81.15	
40.5	55,838		0.0000	1.0000	75.45	
41.5	55,562	114	0.0021	0.9979	75.45	
42.5	52,614	596	0.0113	0.9887	75.30	
43.5	47,658		0.0000	1.0000	74.44	
44.5	43,894	489	0.0111	0.9889	74.44	
45.5	42,642	827	0.0194	0.9806	73.61	
46.5	40,755		0.0000	1.0000	72.19	
47.5	37,798		0.0000	1.0000	72.19	
48.5	33,433		0.0000	1.0000	72.19	
49.5	27,218		0.0000	1.0000	72.19	
50.5	26,785		0.0000	1.0000	72.19	
51.5	25,163		0.0000	1.0000	72.19	
52.5	11,771		0.0000	1.0000	72.19	
53.5	10,367	463	0.0446	0.9554	72.19	
54.5	9,904		0.0000	1.0000	68.96	
55.5	9,576		0.0000	1.0000	68.96	
56.5	7,423		0.0000	1.0000	68.96	
57.5	6,078		0.0000	1.0000	68.96	
58.5	6,078		0.0000	1.0000	68.96	
59.5	5,946	93	0.0156	0.9844	68.96	
60.5	5,244		0.0000	1.0000	67.89	
61.5	2,673		0.0000	1.0000	67.89	
62.5	1,060		0.0000	1.0000	67.89	
63.5	779		0.0000	1.0000	67.89	
64.5	643		0.0000	1.0000	67.89	
65.5	643		0.0000	1.0000	67.89	
66.5	643		0.0000	1.0000	67.89	
67.5	643	643	1.0000		67.89	
68.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 365.2 RIGHTS OF WAY
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 365.2 RIGHTS OF WAY

ORIGINAL LIFE TABLE

PLACEMENT BAND 1941-1981			EXPERIENCE BAND 1941-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	220,659		0.0000	1.0000	100.00
0.5	220,659		0.0000	1.0000	100.00
1.5	220,659		0.0000	1.0000	100.00
2.5	220,659		0.0000	1.0000	100.00
3.5	220,659		0.0000	1.0000	100.00
4.5	220,659		0.0000	1.0000	100.00
5.5	220,659		0.0000	1.0000	100.00
6.5	220,659		0.0000	1.0000	100.00
7.5	220,659		0.0000	1.0000	100.00
8.5	220,659		0.0000	1.0000	100.00
9.5	220,659		0.0000	1.0000	100.00
10.5	220,659		0.0000	1.0000	100.00
11.5	220,659		0.0000	1.0000	100.00
12.5	220,659		0.0000	1.0000	100.00
13.5	220,659		0.0000	1.0000	100.00
14.5	220,659		0.0000	1.0000	100.00
15.5	220,659		0.0000	1.0000	100.00
16.5	220,659		0.0000	1.0000	100.00
17.5	220,659		0.0000	1.0000	100.00
18.5	220,659		0.0000	1.0000	100.00
19.5	220,659		0.0000	1.0000	100.00
20.5	220,659		0.0000	1.0000	100.00
21.5	220,659		0.0000	1.0000	100.00
22.5	220,659		0.0000	1.0000	100.00
23.5	220,659		0.0000	1.0000	100.00
24.5	220,659		0.0000	1.0000	100.00
25.5	220,659		0.0000	1.0000	100.00
26.5	220,659		0.0000	1.0000	100.00
27.5	220,659		0.0000	1.0000	100.00
28.5	220,659		0.0000	1.0000	100.00
29.5	220,659		0.0000	1.0000	100.00
30.5	220,188		0.0000	1.0000	100.00
31.5	220,188		0.0000	1.0000	100.00
32.5	162,253		0.0000	1.0000	100.00
33.5	162,253		0.0000	1.0000	100.00
34.5	162,253		0.0000	1.0000	100.00
35.5	162,253		0.0000	1.0000	100.00
36.5	162,253		0.0000	1.0000	100.00
37.5	162,253		0.0000	1.0000	100.00
38.5	162,253		0.0000	1.0000	100.00

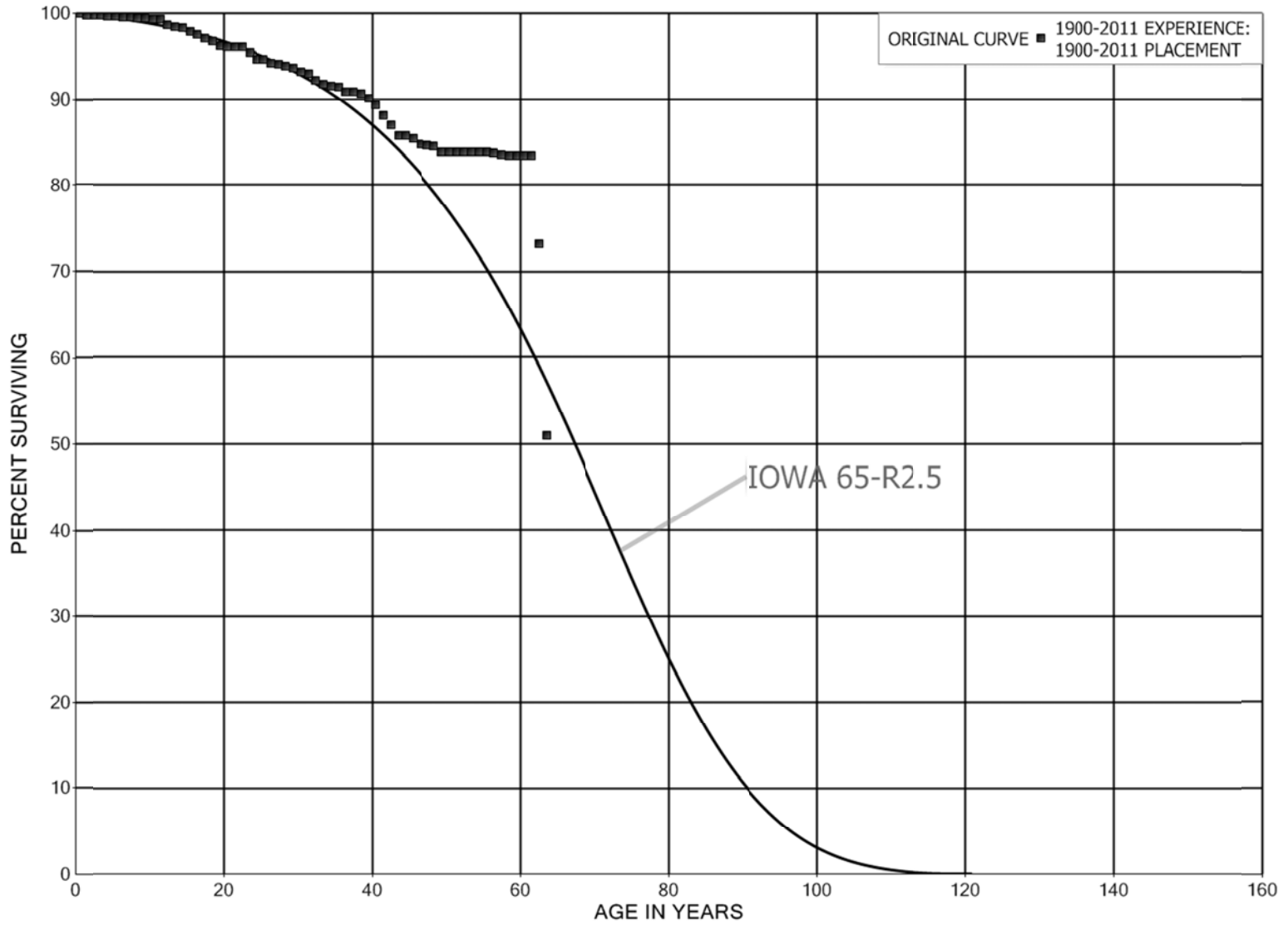
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 365.2 RIGHTS OF WAY

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1941-1981			EXPERIENCE BAND 1941-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	162,227		0.0000	1.0000	100.00
40.5	159,152		0.0000	1.0000	100.00
41.5	132,833		0.0000	1.0000	100.00
42.5	132,833		0.0000	1.0000	100.00
43.5	132,833		0.0000	1.0000	100.00
44.5	132,833		0.0000	1.0000	100.00
45.5	132,833		0.0000	1.0000	100.00
46.5	132,833		0.0000	1.0000	100.00
47.5	132,833		0.0000	1.0000	100.00
48.5	132,833		0.0000	1.0000	100.00
49.5	124,037		0.0000	1.0000	100.00
50.5	124,037		0.0000	1.0000	100.00
51.5	65,179		0.0000	1.0000	100.00
52.5	65,179		0.0000	1.0000	100.00
53.5	65,179		0.0000	1.0000	100.00
54.5	65,179		0.0000	1.0000	100.00
55.5	64,547		0.0000	1.0000	100.00
56.5	64,547		0.0000	1.0000	100.00
57.5	64,547		0.0000	1.0000	100.00
58.5	41,703		0.0000	1.0000	100.00
59.5	35,478		0.0000	1.0000	100.00
60.5	35,478		0.0000	1.0000	100.00
61.5	35,478		0.0000	1.0000	100.00
62.5	24,166		0.0000	1.0000	100.00
63.5	11,029		0.0000	1.0000	100.00
64.5	10,637		0.0000	1.0000	100.00
65.5	10,637		0.0000	1.0000	100.00
66.5	10,637		0.0000	1.0000	100.00
67.5	10,637		0.0000	1.0000	100.00
68.5	10,637		0.0000	1.0000	100.00
69.5	190		0.0000	1.0000	100.00
70.5					100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 367 MAINS
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1900-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	17,968,893	10,072	0.0006	0.9994	100.00
0.5	15,550,496	36,654	0.0024	0.9976	99.94
1.5	13,089,392	2,439	0.0002	0.9998	99.71
2.5	13,278,377	340	0.0000	1.0000	99.69
3.5	14,345,139	5,425	0.0004	0.9996	99.69
4.5	15,147,177	6,424	0.0004	0.9996	99.65
5.5	15,129,872	7,366	0.0005	0.9995	99.61
6.5	14,876,342	3,935	0.0003	0.9997	99.56
7.5	14,867,319	16,049	0.0011	0.9989	99.53
8.5	14,547,907	6,377	0.0004	0.9996	99.43
9.5	14,513,950	11,124	0.0008	0.9992	99.38
10.5	14,503,734	9,943	0.0007	0.9993	99.31
11.5	14,492,873	90,167	0.0062	0.9938	99.24
12.5	14,390,438	26,484	0.0018	0.9982	98.62
13.5	13,916,969	19,108	0.0014	0.9986	98.44
14.5	13,895,558	67,225	0.0048	0.9952	98.30
15.5	13,591,743	50,981	0.0038	0.9962	97.83
16.5	12,797,197	52,958	0.0041	0.9959	97.46
17.5	12,736,934	38,991	0.0031	0.9969	97.06
18.5	13,430,138	80,988	0.0060	0.9940	96.76
19.5	13,297,978	12,094	0.0009	0.9991	96.18
20.5	11,941,895	1,733	0.0001	0.9999	96.09
21.5	11,973,561	4,723	0.0004	0.9996	96.08
22.5	9,967,281	65,476	0.0066	0.9934	96.04
23.5	10,949,328	90,388	0.0083	0.9917	95.41
24.5	11,042,887	2,111	0.0002	0.9998	94.62
25.5	11,028,540	45,342	0.0041	0.9959	94.60
26.5	10,873,258	16,715	0.0015	0.9985	94.21
27.5	10,739,179	24,027	0.0022	0.9978	94.07
28.5	10,722,453	26,187	0.0024	0.9976	93.86
29.5	10,470,571	47,893	0.0046	0.9954	93.63
30.5	10,360,759	26,231	0.0025	0.9975	93.20
31.5	10,316,466	82,484	0.0080	0.9920	92.96
32.5	10,118,426	57,568	0.0057	0.9943	92.22
33.5	9,866,126	25,510	0.0026	0.9974	91.70
34.5	9,732,040	11,133	0.0011	0.9989	91.46
35.5	9,720,422	56,586	0.0058	0.9942	91.35
36.5	9,660,217	3,796	0.0004	0.9996	90.82
37.5	9,656,420	15,368	0.0016	0.9984	90.79
38.5	8,827,343	59,778	0.0068	0.9932	90.64

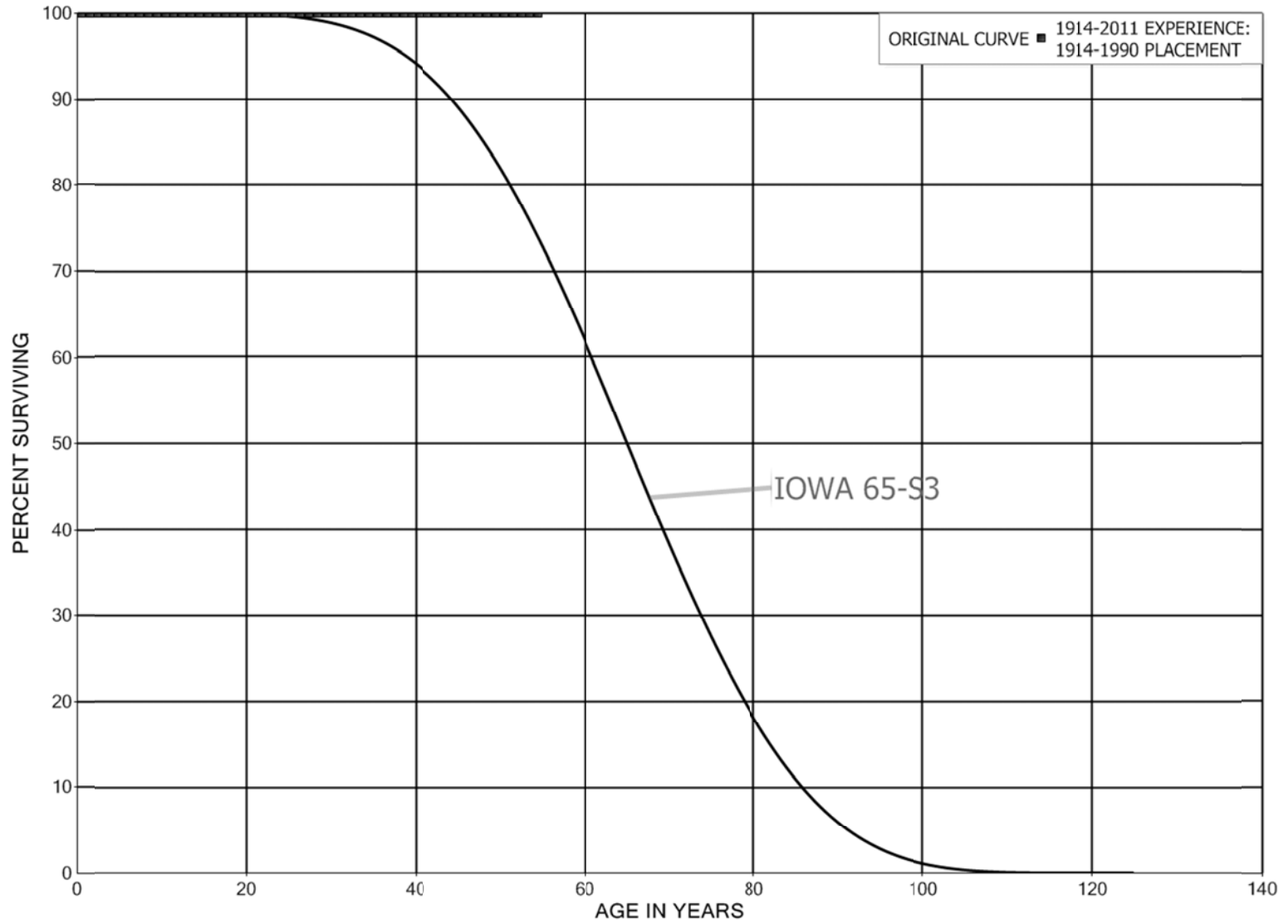
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	7,631,641	61,209	0.0080	0.9920	90.03	
40.5	7,440,602	101,566	0.0137	0.9863	89.31	
41.5	6,317,018	80,127	0.0127	0.9873	88.09	
42.5	6,056,899	83,237	0.0137	0.9863	86.97	
43.5	4,717,382	603	0.0001	0.9999	85.77	
44.5	4,507,997	22,045	0.0049	0.9951	85.76	
45.5	4,480,912	29,774	0.0066	0.9934	85.34	
46.5	4,339,963	6,883	0.0016	0.9984	84.78	
47.5	4,331,512	7,824	0.0018	0.9982	84.64	
48.5	4,111,525	29,583	0.0072	0.9928	84.49	
49.5	3,831,244	551	0.0001	0.9999	83.88	
50.5	3,825,790	40	0.0000	1.0000	83.87	
51.5	3,819,026	1,937	0.0005	0.9995	83.87	
52.5	2,806,940	719	0.0003	0.9997	83.83	
53.5	1,115,734		0.0000	1.0000	83.80	
54.5	808,040		0.0000	1.0000	83.80	
55.5	673,254	794	0.0012	0.9988	83.80	
56.5	597,494	1,750	0.0029	0.9971	83.71	
57.5	595,744	124	0.0002	0.9998	83.46	
58.5	197,169		0.0000	1.0000	83.44	
59.5	7,940		0.0000	1.0000	83.44	
60.5	7,940		0.0000	1.0000	83.44	
61.5	7,940	974	0.1227	0.8773	83.44	
62.5	6,966	2,113	0.3034	0.6966	73.20	
63.5	4,852	147	0.0303	0.9697	51.00	
64.5	4,646		0.0000	1.0000	49.45	
65.5	4,646		0.0000	1.0000	49.45	
66.5	4,646		0.0000	1.0000	49.45	
67.5	4,646		0.0000	1.0000	49.45	
68.5	4,646		0.0000	1.0000	49.45	
69.5	4,646		0.0000	1.0000	49.45	
70.5	4,646		0.0000	1.0000	49.45	
71.5	4,646	4,646	1.0000		49.45	
72.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 374.22 OTHER DISTRIBUTION LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 374.22 OTHER DISTRIBUTION LAND RIGHTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-1990			EXPERIENCE BAND 1914-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	74,018		0.0000	1.0000	100.00
0.5	74,018		0.0000	1.0000	100.00
1.5	74,018		0.0000	1.0000	100.00
2.5	74,018		0.0000	1.0000	100.00
3.5	74,018		0.0000	1.0000	100.00
4.5	74,018		0.0000	1.0000	100.00
5.5	74,018		0.0000	1.0000	100.00
6.5	74,018		0.0000	1.0000	100.00
7.5	74,018		0.0000	1.0000	100.00
8.5	74,018		0.0000	1.0000	100.00
9.5	74,018		0.0000	1.0000	100.00
10.5	74,018		0.0000	1.0000	100.00
11.5	74,018		0.0000	1.0000	100.00
12.5	74,018		0.0000	1.0000	100.00
13.5	74,018		0.0000	1.0000	100.00
14.5	74,018		0.0000	1.0000	100.00
15.5	74,018		0.0000	1.0000	100.00
16.5	74,018		0.0000	1.0000	100.00
17.5	74,018		0.0000	1.0000	100.00
18.5	74,018		0.0000	1.0000	100.00
19.5	74,018		0.0000	1.0000	100.00
20.5	74,018		0.0000	1.0000	100.00
21.5	70,517		0.0000	1.0000	100.00
22.5	70,517		0.0000	1.0000	100.00
23.5	70,517		0.0000	1.0000	100.00
24.5	70,517		0.0000	1.0000	100.00
25.5	70,517		0.0000	1.0000	100.00
26.5	70,517		0.0000	1.0000	100.00
27.5	70,517		0.0000	1.0000	100.00
28.5	70,517		0.0000	1.0000	100.00
29.5	70,517		0.0000	1.0000	100.00
30.5	70,517		0.0000	1.0000	100.00
31.5	70,517		0.0000	1.0000	100.00
32.5	65,917		0.0000	1.0000	100.00
33.5	65,917		0.0000	1.0000	100.00
34.5	65,917		0.0000	1.0000	100.00
35.5	65,917		0.0000	1.0000	100.00
36.5	65,917		0.0000	1.0000	100.00
37.5	65,917		0.0000	1.0000	100.00
38.5	65,917		0.0000	1.0000	100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 374.22 OTHER DISTRIBUTION LAND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-1990			EXPERIENCE BAND 1914-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	65,917		0.0000	1.0000	100.00
40.5	65,917		0.0000	1.0000	100.00
41.5	65,917		0.0000	1.0000	100.00
42.5	65,917		0.0000	1.0000	100.00
43.5	65,917		0.0000	1.0000	100.00
44.5	65,917		0.0000	1.0000	100.00
45.5	65,917		0.0000	1.0000	100.00
46.5	65,917		0.0000	1.0000	100.00
47.5	45,093		0.0000	1.0000	100.00
48.5	45,093		0.0000	1.0000	100.00
49.5	44,693		0.0000	1.0000	100.00
50.5	44,693		0.0000	1.0000	100.00
51.5	39,898		0.0000	1.0000	100.00
52.5	39,898		0.0000	1.0000	100.00
53.5	20,124		0.0000	1.0000	100.00
54.5	14,904		0.0000	1.0000	100.00
55.5	14,904		0.0000	1.0000	100.00
56.5	14,904		0.0000	1.0000	100.00
57.5	14,904		0.0000	1.0000	100.00
58.5	14,904		0.0000	1.0000	100.00
59.5	14,904		0.0000	1.0000	100.00
60.5	14,904		0.0000	1.0000	100.00
61.5	14,904		0.0000	1.0000	100.00
62.5	14,904		0.0000	1.0000	100.00
63.5	14,904		0.0000	1.0000	100.00
64.5	14,904		0.0000	1.0000	100.00
65.5	14,904		0.0000	1.0000	100.00
66.5	14,904		0.0000	1.0000	100.00
67.5	14,904		0.0000	1.0000	100.00
68.5	14,904		0.0000	1.0000	100.00
69.5	14,904		0.0000	1.0000	100.00
70.5	14,904		0.0000	1.0000	100.00
71.5	14,904		0.0000	1.0000	100.00
72.5	14,904		0.0000	1.0000	100.00
73.5	14,904		0.0000	1.0000	100.00
74.5	14,904		0.0000	1.0000	100.00
75.5	14,904		0.0000	1.0000	100.00
76.5	14,904		0.0000	1.0000	100.00
77.5	14,904		0.0000	1.0000	100.00
78.5	14,904		0.0000	1.0000	100.00

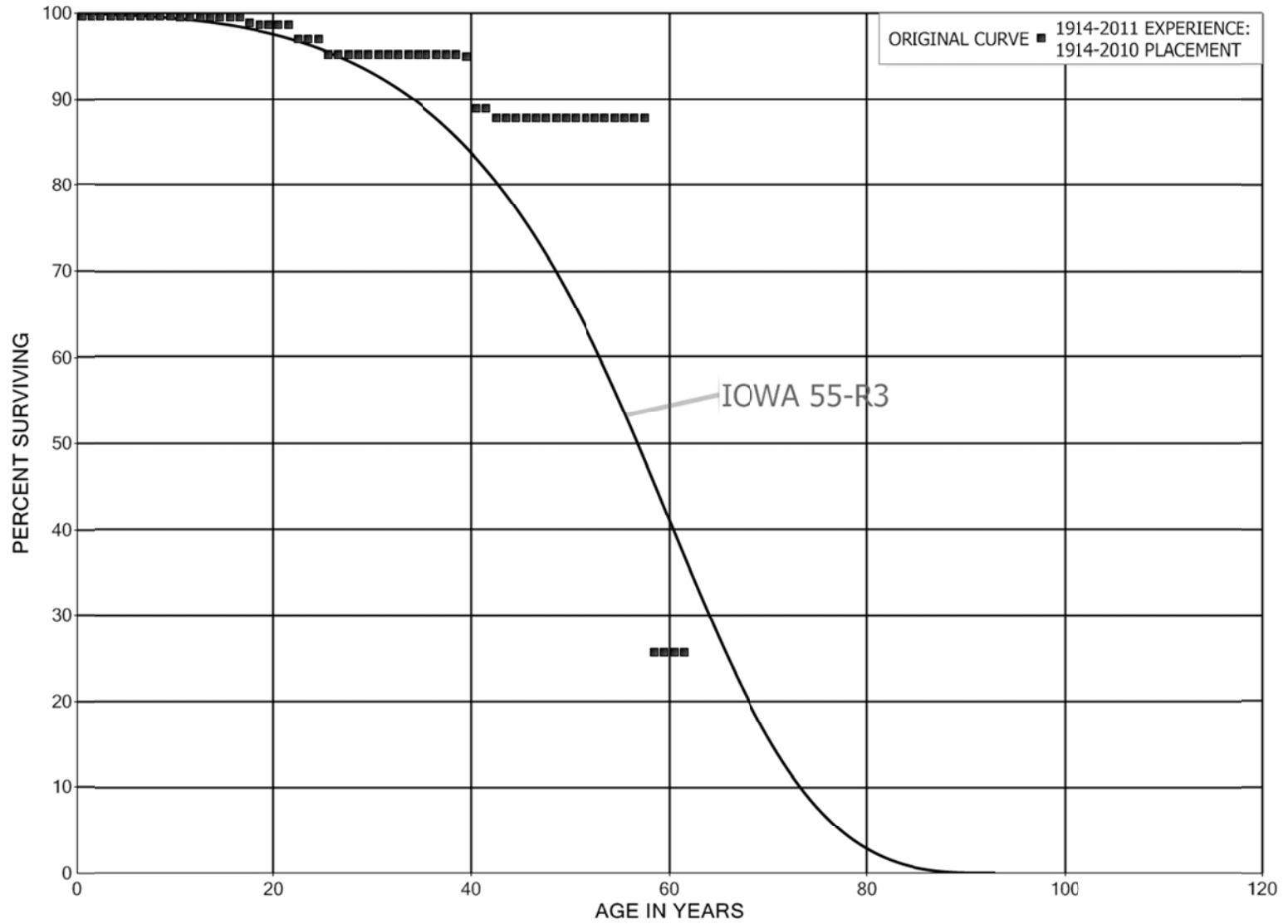
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 374.22 OTHER DISTRIBUTION LAND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-1990			EXPERIENCE BAND 1914-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	14,904		0.0000	1.0000	100.00
80.5	14,904		0.0000	1.0000	100.00
81.5	14,904		0.0000	1.0000	100.00
82.5	14,904		0.0000	1.0000	100.00
83.5	14,904		0.0000	1.0000	100.00
84.5	14,904		0.0000	1.0000	100.00
85.5	14,904		0.0000	1.0000	100.00
86.5	14,904		0.0000	1.0000	100.00
87.5	14,904		0.0000	1.0000	100.00
88.5	14,904		0.0000	1.0000	100.00
89.5	14,904		0.0000	1.0000	100.00
90.5	14,904		0.0000	1.0000	100.00
91.5	14,904		0.0000	1.0000	100.00
92.5	14,904		0.0000	1.0000	100.00
93.5	14,904		0.0000	1.0000	100.00
94.5	14,904		0.0000	1.0000	100.00
95.5	14,904		0.0000	1.0000	100.00
96.5	14,904		0.0000	1.0000	100.00
97.5					100.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 375.1 STRUCTURES AND IMPROVEMENTS - CITY GATE STATION
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 STRUCTURES AND IMPROVEMENTS - CITY GATE STATION

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-2010			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	378,899	1,308	0.0035	0.9965	100.00	
0.5	377,591		0.0000	1.0000	99.65	
1.5	218,565		0.0000	1.0000	99.65	
2.5	218,565		0.0000	1.0000	99.65	
3.5	246,924		0.0000	1.0000	99.65	
4.5	246,924		0.0000	1.0000	99.65	
5.5	231,473		0.0000	1.0000	99.65	
6.5	231,998		0.0000	1.0000	99.65	
7.5	183,949		0.0000	1.0000	99.65	
8.5	156,544		0.0000	1.0000	99.65	
9.5	156,544	278	0.0018	0.9982	99.65	
10.5	117,116		0.0000	1.0000	99.48	
11.5	117,116		0.0000	1.0000	99.48	
12.5	117,116		0.0000	1.0000	99.48	
13.5	117,116		0.0000	1.0000	99.48	
14.5	117,116		0.0000	1.0000	99.48	
15.5	116,323		0.0000	1.0000	99.48	
16.5	116,323	767	0.0066	0.9934	99.48	
17.5	107,077	177	0.0017	0.9983	98.82	
18.5	106,900		0.0000	1.0000	98.66	
19.5	106,900		0.0000	1.0000	98.66	
20.5	104,986		0.0000	1.0000	98.66	
21.5	100,260	1,749	0.0174	0.9826	98.66	
22.5	97,927		0.0000	1.0000	96.94	
23.5	97,927		0.0000	1.0000	96.94	
24.5	97,927	1,762	0.0180	0.9820	96.94	
25.5	85,386		0.0000	1.0000	95.19	
26.5	95,641		0.0000	1.0000	95.19	
27.5	95,641		0.0000	1.0000	95.19	
28.5	95,641		0.0000	1.0000	95.19	
29.5	95,641		0.0000	1.0000	95.19	
30.5	95,641		0.0000	1.0000	95.19	
31.5	95,641		0.0000	1.0000	95.19	
32.5	95,641		0.0000	1.0000	95.19	
33.5	90,700		0.0000	1.0000	95.19	
34.5	89,767		0.0000	1.0000	95.19	
35.5	89,767		0.0000	1.0000	95.19	
36.5	89,767		0.0000	1.0000	95.19	
37.5	89,767		0.0000	1.0000	95.19	
38.5	89,767	201	0.0022	0.9978	95.19	

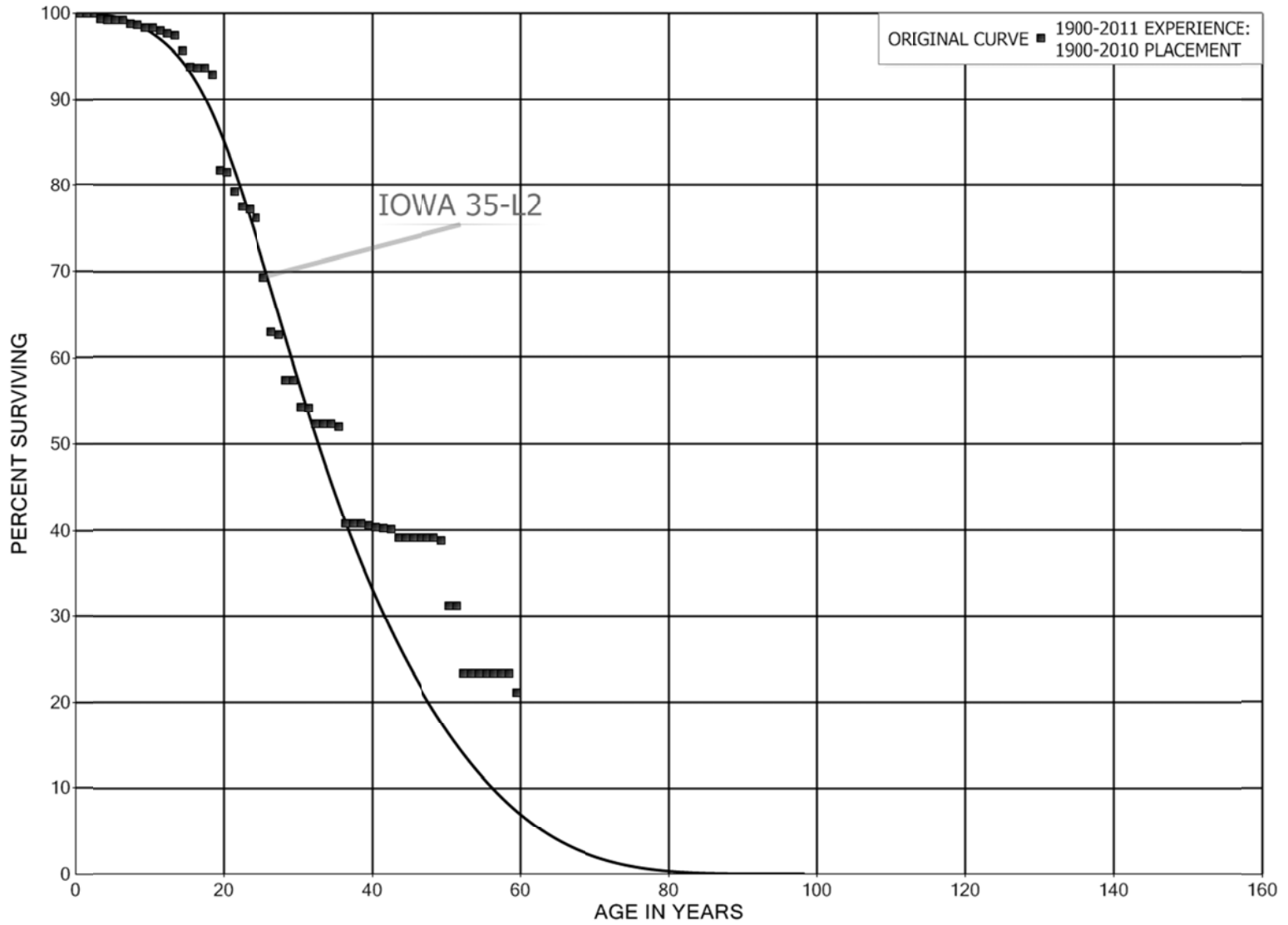
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 STRUCTURES AND IMPROVEMENTS - CITY GATE STATION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-2010			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	84,882	5,525	0.0651	0.9349	94.98	
40.5	77,826		0.0000	1.0000	88.80	
41.5	76,900	906	0.0118	0.9882	88.80	
42.5	48,142		0.0000	1.0000	87.75	
43.5	48,142		0.0000	1.0000	87.75	
44.5	48,142		0.0000	1.0000	87.75	
45.5	48,142		0.0000	1.0000	87.75	
46.5	36,779		0.0000	1.0000	87.75	
47.5	36,779		0.0000	1.0000	87.75	
48.5	26,293		0.0000	1.0000	87.75	
49.5	25,618		0.0000	1.0000	87.75	
50.5	25,618		0.0000	1.0000	87.75	
51.5	25,618		0.0000	1.0000	87.75	
52.5	25,618		0.0000	1.0000	87.75	
53.5	16,094		0.0000	1.0000	87.75	
54.5	15,497		0.0000	1.0000	87.75	
55.5	15,497		0.0000	1.0000	87.75	
56.5	14,716		0.0000	1.0000	87.75	
57.5	14,716	10,420	0.7081	0.2919	87.75	
58.5	4,296		0.0000	1.0000	25.62	
59.5	3,579		0.0000	1.0000	25.62	
60.5	3,579		0.0000	1.0000	25.62	
61.5					25.62	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	1,374,703	989	0.0007	0.9993	100.00	
0.5	1,373,714		0.0000	1.0000	99.93	
1.5	1,321,126		0.0000	1.0000	99.93	
2.5	1,332,371	8,326	0.0062	0.9938	99.93	
3.5	1,325,736	1,093	0.0008	0.9992	99.30	
4.5	1,324,643	982	0.0007	0.9993	99.22	
5.5	1,327,088		0.0000	1.0000	99.15	
6.5	1,327,088	6,365	0.0048	0.9952	99.15	
7.5	1,320,723	996	0.0008	0.9992	98.67	
8.5	1,326,273	4,150	0.0031	0.9969	98.60	
9.5	1,026,186	142	0.0001	0.9999	98.29	
10.5	1,026,044	3,856	0.0038	0.9962	98.28	
11.5	1,022,188	3,087	0.0030	0.9970	97.91	
12.5	1,019,101	1,904	0.0019	0.9981	97.61	
13.5	1,017,198	19,323	0.0190	0.9810	97.43	
14.5	997,874	19,291	0.0193	0.9807	95.58	
15.5	921,352	1,435	0.0016	0.9984	93.73	
16.5	919,917		0.0000	1.0000	93.58	
17.5	710,947	5,396	0.0076	0.9924	93.58	
18.5	720,512	86,476	0.1200	0.8800	92.87	
19.5	620,434	1,282	0.0021	0.9979	81.73	
20.5	564,673	15,529	0.0275	0.9725	81.56	
21.5	608,085	13,620	0.0224	0.9776	79.32	
22.5	587,652	2,489	0.0042	0.9958	77.54	
23.5	584,610	7,697	0.0132	0.9868	77.21	
24.5	546,260	49,223	0.0901	0.9099	76.19	
25.5	498,575	45,635	0.0915	0.9085	69.33	
26.5	479,411	2,980	0.0062	0.9938	62.98	
27.5	485,467	40,506	0.0834	0.9166	62.59	
28.5	439,530		0.0000	1.0000	57.37	
29.5	431,563	23,165	0.0537	0.9463	57.37	
30.5	408,398	507	0.0012	0.9988	54.29	
31.5	407,891	14,728	0.0361	0.9639	54.22	
32.5	393,163		0.0000	1.0000	52.26	
33.5	398,057	57	0.0001	0.9999	52.26	
34.5	397,614	1,929	0.0049	0.9951	52.26	
35.5	395,371	85,508	0.2163	0.7837	52.00	
36.5	301,339	60	0.0002	0.9998	40.76	
37.5	301,279		0.0000	1.0000	40.75	
38.5	301,279	1,564	0.0052	0.9948	40.75	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	303,895	2,168	0.0071	0.9929	40.54	
40.5	301,727	320	0.0011	0.9989	40.25	
41.5	298,824	1,315	0.0044	0.9956	40.20	
42.5	292,337	7,114	0.0243	0.9757	40.03	
43.5	282,493		0.0000	1.0000	39.05	
44.5	281,453		0.0000	1.0000	39.05	
45.5	275,262		0.0000	1.0000	39.05	
46.5	248,851		0.0000	1.0000	39.05	
47.5	245,321	273	0.0011	0.9989	39.05	
48.5	245,048	1,650	0.0067	0.9933	39.01	
49.5	243,398	47,540	0.1953	0.8047	38.75	
50.5	192,585		0.0000	1.0000	31.18	
51.5	191,694	48,766	0.2544	0.7456	31.18	
52.5	142,868		0.0000	1.0000	23.25	
53.5	141,828		0.0000	1.0000	23.25	
54.5	139,458		0.0000	1.0000	23.25	
55.5	139,458	47	0.0003	0.9997	23.25	
56.5	136,564		0.0000	1.0000	23.24	
57.5	123,460		0.0000	1.0000	23.24	
58.5	118,996	11,129	0.0935	0.9065	23.24	
59.5	107,867		0.0000	1.0000	21.07	
60.5	89,528		0.0000	1.0000	21.07	
61.5	84,865		0.0000	1.0000	21.07	
62.5	83,045		0.0000	1.0000	21.07	
63.5	83,045		0.0000	1.0000	21.07	
64.5	83,045	1,739	0.0209	0.9791	21.07	
65.5	81,306	1,449	0.0178	0.9822	20.63	
66.5	75,610		0.0000	1.0000	20.26	
67.5	75,417		0.0000	1.0000	20.26	
68.5	73,923	7,661	0.1036	0.8964	20.26	
69.5	68,433		0.0000	1.0000	18.16	
70.5	65,312	7,613	0.1166	0.8834	18.16	
71.5	57,699		0.0000	1.0000	16.04	
72.5	57,699		0.0000	1.0000	16.04	
73.5	57,699	87	0.0015	0.9985	16.04	
74.5	57,612		0.0000	1.0000	16.02	
75.5	57,659	5,467	0.0948	0.9052	16.02	
76.5	52,192		0.0000	1.0000	14.50	
77.5	52,192		0.0000	1.0000	14.50	
78.5	52,192		0.0000	1.0000	14.50	

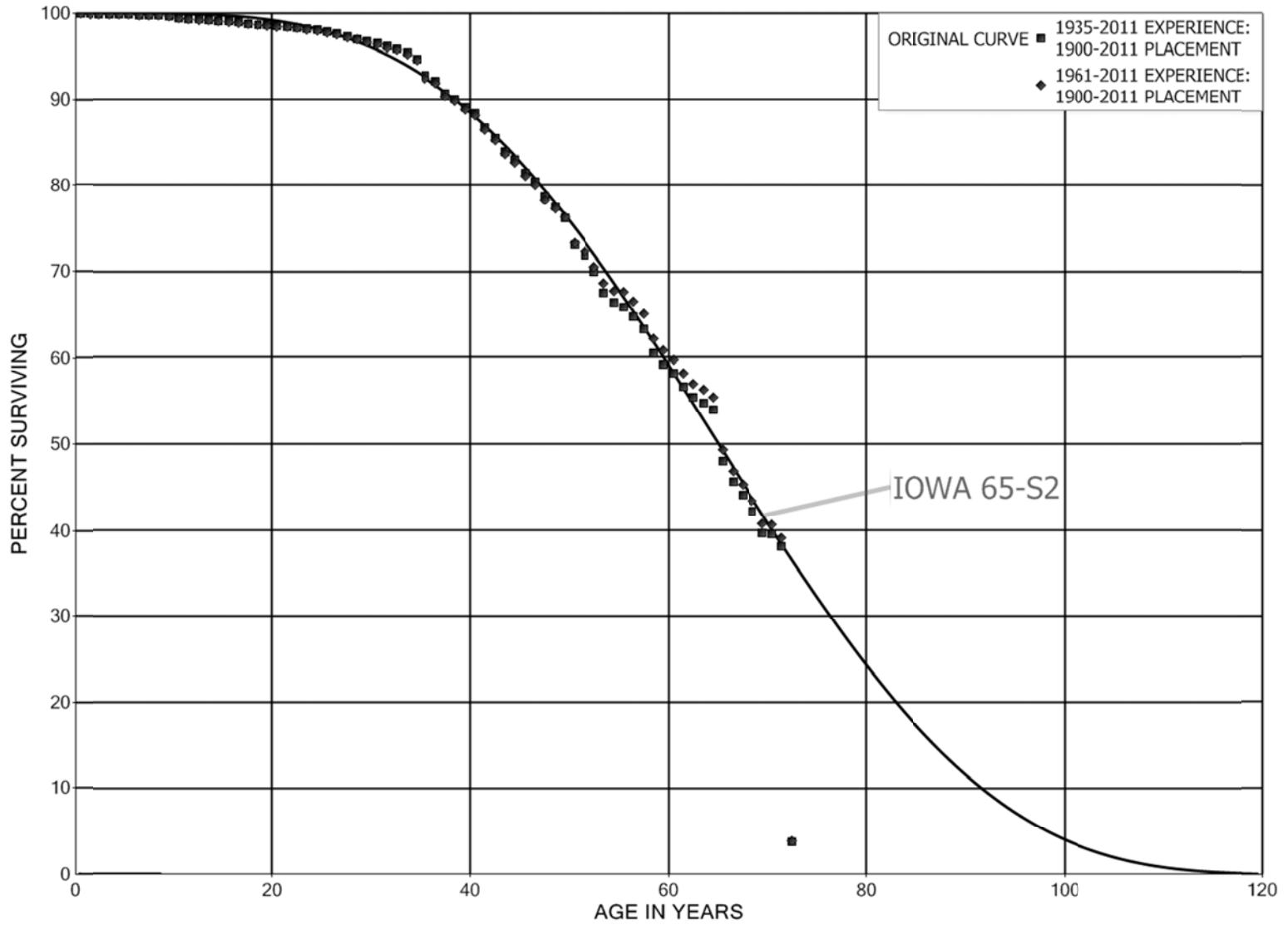
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	52,192	1,254	0.0240	0.9760	14.50	
80.5	50,938	439	0.0086	0.9914	14.15	
81.5	50,499		0.0000	1.0000	14.03	
82.5	49,023		0.0000	1.0000	14.03	
83.5	43,888		0.0000	1.0000	14.03	
84.5	43,888		0.0000	1.0000	14.03	
85.5	38,076		0.0000	1.0000	14.03	
86.5	38,076		0.0000	1.0000	14.03	
87.5	37,029	5,479	0.1480	0.8520	14.03	
88.5	31,550		0.0000	1.0000	11.95	
89.5	31,550	990	0.0314	0.9686	11.95	
90.5	30,560		0.0000	1.0000	11.58	
91.5	29,274	2,857	0.0976	0.9024	11.58	
92.5	26,417	1,314	0.0497	0.9503	10.45	
93.5	25,103	707	0.0282	0.9718	9.93	
94.5	24,396		0.0000	1.0000	9.65	
95.5	24,045		0.0000	1.0000	9.65	
96.5	23,640		0.0000	1.0000	9.65	
97.5	5,710		0.0000	1.0000	9.65	
98.5	5,710		0.0000	1.0000	9.65	
99.5	5,710		0.0000	1.0000	9.65	
100.5	4,918		0.0000	1.0000	9.65	
101.5	4,918		0.0000	1.0000	9.65	
102.5	4,918		0.0000	1.0000	9.65	
103.5	4,918		0.0000	1.0000	9.65	
104.5	4,918		0.0000	1.0000	9.65	
105.5					9.65	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 376 MAINS
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1935-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	335,209,820	268,419	0.0008	0.9992	100.00
0.5	328,476,093	83,528	0.0003	0.9997	99.92
1.5	322,253,382	42,627	0.0001	0.9999	99.89
2.5	295,304,347	131,485	0.0004	0.9996	99.88
3.5	284,752,830	76,006	0.0003	0.9997	99.84
4.5	272,253,791	38,387	0.0001	0.9999	99.81
5.5	264,860,377	109,328	0.0004	0.9996	99.80
6.5	253,602,030	85,652	0.0003	0.9997	99.75
7.5	243,477,171	43,761	0.0002	0.9998	99.72
8.5	221,896,626	89,931	0.0004	0.9996	99.70
9.5	202,494,099	551,744	0.0027	0.9973	99.66
10.5	190,899,966	134,878	0.0007	0.9993	99.39
11.5	179,336,526	160,525	0.0009	0.9991	99.32
12.5	163,436,438	140,248	0.0009	0.9991	99.23
13.5	153,311,934	117,970	0.0008	0.9992	99.15
14.5	145,358,096	88,269	0.0006	0.9994	99.07
15.5	133,377,719	143,935	0.0011	0.9989	99.01
16.5	118,606,638	162,006	0.0014	0.9986	98.90
17.5	110,755,511	136,840	0.0012	0.9988	98.77
18.5	102,722,504	87,015	0.0008	0.9992	98.65
19.5	97,878,116	83,925	0.0009	0.9991	98.56
20.5	90,637,352	70,053	0.0008	0.9992	98.48
21.5	85,804,979	92,715	0.0011	0.9989	98.40
22.5	81,304,188	95,790	0.0012	0.9988	98.30
23.5	79,075,081	120,061	0.0015	0.9985	98.18
24.5	71,998,384	131,998	0.0018	0.9982	98.03
25.5	66,191,194	155,693	0.0024	0.9976	97.85
26.5	64,236,494	231,197	0.0036	0.9964	97.62
27.5	61,619,116	168,432	0.0027	0.9973	97.27
28.5	59,302,592	148,563	0.0025	0.9975	97.00
29.5	56,019,014	162,191	0.0029	0.9971	96.76
30.5	53,142,877	187,441	0.0035	0.9965	96.48
31.5	51,647,017	154,576	0.0030	0.9970	96.14
32.5	50,227,944	249,723	0.0050	0.9950	95.85
33.5	49,665,852	369,395	0.0074	0.9926	95.38
34.5	48,583,029	1,015,836	0.0209	0.9791	94.67
35.5	47,007,294	290,627	0.0062	0.9938	92.69
36.5	45,751,383	757,671	0.0166	0.9834	92.11
37.5	43,888,540	281,355	0.0064	0.9936	90.59
38.5	41,529,099	464,207	0.0112	0.9888	90.01

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	36,593,665	288,789	0.0079	0.9921	89.00	
40.5	34,268,421	667,978	0.0195	0.9805	88.30	
41.5	31,977,905	448,339	0.0140	0.9860	86.58	
42.5	29,959,087	536,534	0.0179	0.9821	85.36	
43.5	27,113,575	301,304	0.0111	0.9889	83.84	
44.5	25,703,021	463,886	0.0180	0.9820	82.90	
45.5	22,625,682	289,468	0.0128	0.9872	81.41	
46.5	20,944,084	440,769	0.0210	0.9790	80.37	
47.5	18,870,513	283,093	0.0150	0.9850	78.68	
48.5	16,811,446	275,027	0.0164	0.9836	77.49	
49.5	15,557,259	640,786	0.0412	0.9588	76.23	
50.5	13,551,044	241,617	0.0178	0.9822	73.09	
51.5	12,014,470	317,027	0.0264	0.9736	71.78	
52.5	10,775,987	362,570	0.0336	0.9664	69.89	
53.5	8,953,932	149,317	0.0167	0.9833	67.54	
54.5	7,750,975	66,005	0.0085	0.9915	66.41	
55.5	6,011,420	101,640	0.0169	0.9831	65.85	
56.5	4,803,809	105,852	0.0220	0.9780	64.73	
57.5	3,551,835	154,819	0.0436	0.9564	63.31	
58.5	3,270,807	72,274	0.0221	0.9779	60.55	
59.5	2,878,872	50,700	0.0176	0.9824	59.21	
60.5	2,597,178	68,697	0.0265	0.9735	58.17	
61.5	2,510,267	53,398	0.0213	0.9787	56.63	
62.5	2,277,100	27,008	0.0119	0.9881	55.42	
63.5	2,239,012	33,934	0.0152	0.9848	54.77	
64.5	2,131,651	235,545	0.1105	0.8895	53.94	
65.5	1,775,053	88,652	0.0499	0.9501	47.98	
66.5	1,678,322	54,102	0.0322	0.9678	45.58	
67.5	1,615,034	69,944	0.0433	0.9567	44.11	
68.5	1,526,288	93,944	0.0616	0.9384	42.20	
69.5	1,424,863	2,826	0.0020	0.9980	39.60	
70.5	1,422,037	53,628	0.0377	0.9623	39.52	
71.5	1,368,409	1,233,226	0.9012	0.0988	38.03	
72.5	135,183	5,506	0.0407	0.9593	3.76	
73.5	129,677	42,880	0.3307	0.6693	3.60	
74.5	86,796	8,062	0.0929	0.9071	2.41	
75.5	78,735	3,590	0.0456	0.9544	2.19	
76.5	75,144	2,152	0.0286	0.9714	2.09	
77.5	72,992	3,025	0.0414	0.9586	2.03	
78.5	69,967	856	0.0122	0.9878	1.94	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	69,111	1,443	0.0209	0.9791	1.92	
80.5	67,669	4,082	0.0603	0.9397	1.88	
81.5	63,586	494	0.0078	0.9922	1.77	
82.5	63,093	5,009	0.0794	0.9206	1.75	
83.5	58,084	32,519	0.5599	0.4401	1.61	
84.5	25,565	852	0.0333	0.9667	0.71	
85.5	24,714	2,105	0.0852	0.9148	0.69	
86.5	22,609	1,264	0.0559	0.9441	0.63	
87.5	21,344	1,669	0.0782	0.9218	0.59	
88.5	19,676	484	0.0246	0.9754	0.55	
89.5	19,192	960	0.0500	0.9500	0.53	
90.5	18,232	2,578	0.1414	0.8586	0.51	
91.5	15,654	458	0.0293	0.9707	0.44	
92.5	15,196	3,010	0.1981	0.8019	0.42	
93.5	12,186	10,347	0.8491	0.1509	0.34	
94.5	1,839	136	0.0740	0.9260	0.05	
95.5	1,703	314	0.1841	0.8159	0.05	
96.5	1,390	53	0.0381	0.9619	0.04	
97.5	1,337	530	0.3964	0.6036	0.04	
98.5	807	807	1.0000		0.02	
99.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1961-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	319,382,770	268,419	0.0008	0.9992	100.00
0.5	312,337,512	83,528	0.0003	0.9997	99.92
1.5	307,414,293	42,627	0.0001	0.9999	99.89
2.5	282,226,130	131,485	0.0005	0.9995	99.88
3.5	273,226,407	76,006	0.0003	0.9997	99.83
4.5	262,802,742	38,387	0.0001	0.9999	99.80
5.5	256,800,768	109,328	0.0004	0.9996	99.79
6.5	247,006,350	85,652	0.0003	0.9997	99.74
7.5	237,442,543	43,761	0.0002	0.9998	99.71
8.5	216,284,010	89,931	0.0004	0.9996	99.69
9.5	196,512,755	551,744	0.0028	0.9972	99.65
10.5	185,539,925	134,878	0.0007	0.9993	99.37
11.5	174,228,756	155,574	0.0009	0.9991	99.30
12.5	158,539,281	140,248	0.0009	0.9991	99.21
13.5	148,534,957	117,970	0.0008	0.9992	99.12
14.5	140,765,097	88,269	0.0006	0.9994	99.04
15.5	129,553,613	143,935	0.0011	0.9989	98.98
16.5	114,797,523	162,006	0.0014	0.9986	98.87
17.5	106,978,714	136,840	0.0013	0.9987	98.73
18.5	99,032,874	87,015	0.0009	0.9991	98.60
19.5	93,934,601	83,925	0.0009	0.9991	98.52
20.5	86,861,105	70,053	0.0008	0.9992	98.43
21.5	82,105,569	92,715	0.0011	0.9989	98.35
22.5	77,665,351	95,790	0.0012	0.9988	98.24
23.5	75,495,952	120,061	0.0016	0.9984	98.12
24.5	68,450,250	131,998	0.0019	0.9981	97.96
25.5	64,629,497	155,693	0.0024	0.9976	97.77
26.5	62,674,796	231,197	0.0037	0.9963	97.54
27.5	60,057,418	168,432	0.0028	0.9972	97.18
28.5	57,740,894	148,563	0.0026	0.9974	96.91
29.5	53,794,991	162,191	0.0030	0.9970	96.66
30.5	50,918,854	187,441	0.0037	0.9963	96.36
31.5	49,422,995	154,576	0.0031	0.9969	96.01
32.5	48,003,921	249,723	0.0052	0.9948	95.71
33.5	47,441,830	369,395	0.0078	0.9922	95.21
34.5	46,139,998	1,009,225	0.0219	0.9781	94.47
35.5	45,712,291	284,686	0.0062	0.9938	92.40
36.5	44,462,321	744,450	0.0167	0.9833	91.83
37.5	42,612,699	267,207	0.0063	0.9937	90.29
38.5	40,267,406	457,603	0.0114	0.9886	89.72

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	35,338,575	233,546	0.0066	0.9934	88.71	
40.5	33,068,575	656,644	0.0199	0.9801	88.12	
41.5	30,789,393	440,175	0.0143	0.9857	86.37	
42.5	28,778,739	526,472	0.0183	0.9817	85.13	
43.5	25,943,289	299,634	0.0115	0.9885	83.58	
44.5	24,534,405	462,942	0.0189	0.9811	82.61	
45.5	21,878,290	281,273	0.0129	0.9871	81.05	
46.5	20,204,887	440,769	0.0218	0.9782	80.01	
47.5	18,131,316	233,104	0.0129	0.9871	78.27	
48.5	16,122,238	209,960	0.0130	0.9870	77.26	
49.5	14,933,117	577,332	0.0387	0.9613	76.25	
50.5	12,990,357	179,679	0.0138	0.9862	73.31	
51.5	11,515,721	281,653	0.0245	0.9755	72.29	
52.5	10,312,612	281,531	0.0273	0.9727	70.52	
53.5	8,571,595	109,302	0.0128	0.9872	68.60	
54.5	7,408,653	9,056	0.0012	0.9988	67.72	
55.5	6,008,415	101,640	0.0169	0.9831	67.64	
56.5	4,800,804	105,852	0.0220	0.9780	66.50	
57.5	3,548,830	154,819	0.0436	0.9564	65.03	
58.5	3,267,802	72,274	0.0221	0.9779	62.19	
59.5	2,875,867	50,700	0.0176	0.9824	60.82	
60.5	2,597,178	68,697	0.0265	0.9735	59.75	
61.5	2,510,267	53,398	0.0213	0.9787	58.16	
62.5	2,277,100	27,008	0.0119	0.9881	56.93	
63.5	2,239,012	33,934	0.0152	0.9848	56.25	
64.5	2,131,651	235,545	0.1105	0.8895	55.40	
65.5	1,775,053	88,652	0.0499	0.9501	49.28	
66.5	1,678,322	54,102	0.0322	0.9678	46.82	
67.5	1,615,034	69,944	0.0433	0.9567	45.31	
68.5	1,526,288	93,944	0.0616	0.9384	43.35	
69.5	1,424,863	2,826	0.0020	0.9980	40.68	
70.5	1,422,037	53,628	0.0377	0.9623	40.60	
71.5	1,368,409	1,233,226	0.9012	0.0988	39.07	
72.5	135,183	5,506	0.0407	0.9593	3.86	
73.5	129,677	42,880	0.3307	0.6693	3.70	
74.5	86,796	8,062	0.0929	0.9071	2.48	
75.5	78,735	3,590	0.0456	0.9544	2.25	
76.5	75,144	2,152	0.0286	0.9714	2.15	
77.5	72,992	3,025	0.0414	0.9586	2.08	
78.5	69,967	856	0.0122	0.9878	2.00	

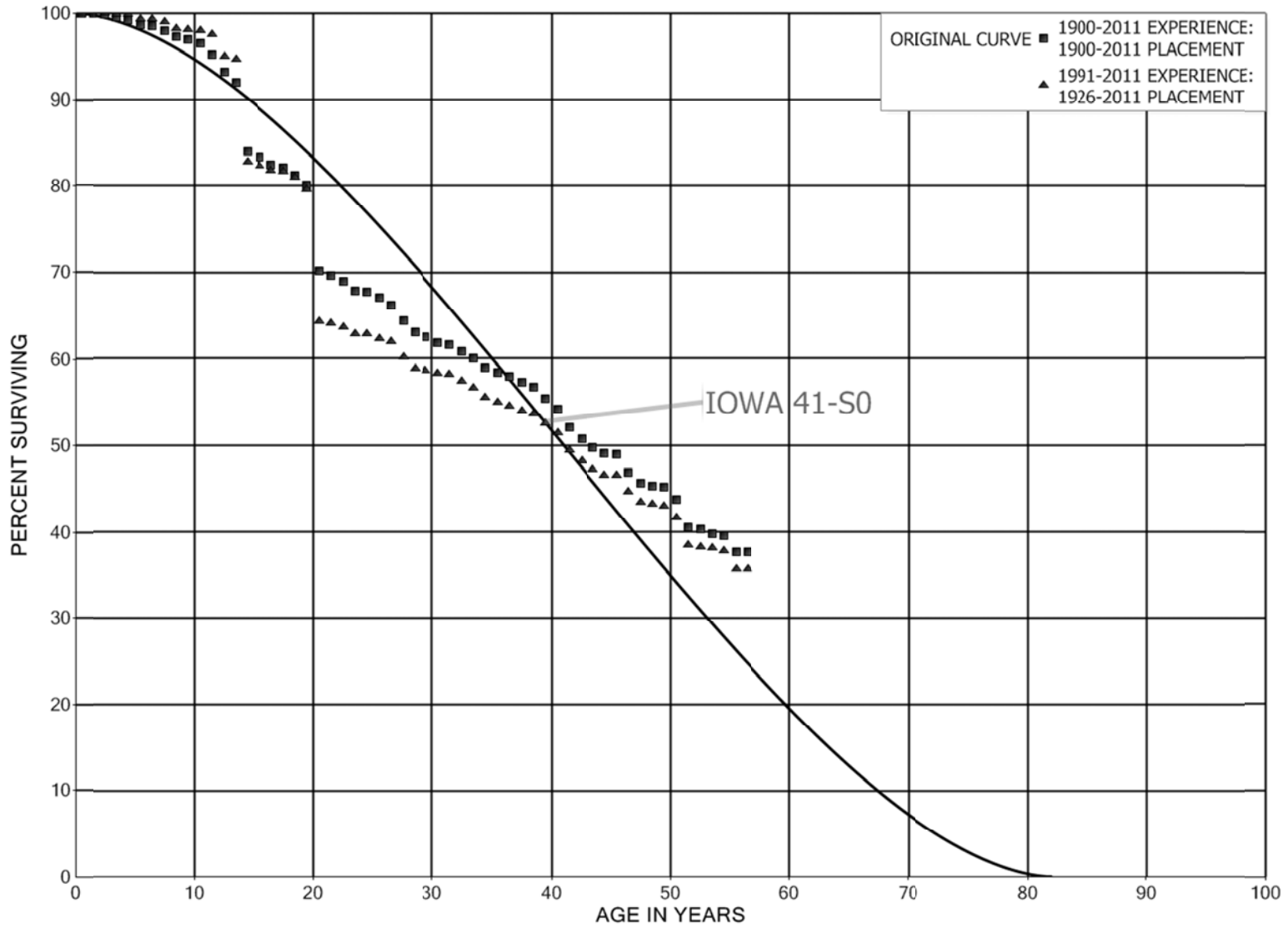
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	69,111	1,443	0.0209	0.9791	1.97	
80.5	67,669	4,082	0.0603	0.9397	1.93	
81.5	63,586	494	0.0078	0.9922	1.82	
82.5	63,093	5,009	0.0794	0.9206	1.80	
83.5	58,084	32,519	0.5599	0.4401	1.66	
84.5	25,565	852	0.0333	0.9667	0.73	
85.5	24,714	2,105	0.0852	0.9148	0.71	
86.5	22,609	1,264	0.0559	0.9441	0.65	
87.5	21,344	1,669	0.0782	0.9218	0.61	
88.5	19,676	484	0.0246	0.9754	0.56	
89.5	19,192	960	0.0500	0.9500	0.55	
90.5	18,232	2,578	0.1414	0.8586	0.52	
91.5	15,654	458	0.0293	0.9707	0.45	
92.5	15,196	3,010	0.1981	0.8019	0.43	
93.5	12,186	10,347	0.8491	0.1509	0.35	
94.5	1,839	136	0.0740	0.9260	0.05	
95.5	1,703	314	0.1841	0.8159	0.05	
96.5	1,390	53	0.0381	0.9619	0.04	
97.5	1,337	530	0.3964	0.6036	0.04	
98.5	807	807	1.0000		0.02	
99.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	13,860,610	740	0.0001	0.9999	100.00	
0.5	11,800,747	7,808	0.0007	0.9993	99.99	
1.5	10,709,767	11,747	0.0011	0.9989	99.93	
2.5	9,742,787	27,938	0.0029	0.9971	99.82	
3.5	9,514,152	30,167	0.0032	0.9968	99.53	
4.5	9,316,387	53,823	0.0058	0.9942	99.22	
5.5	8,933,477	17,186	0.0019	0.9981	98.64	
6.5	8,101,919	38,111	0.0047	0.9953	98.45	
7.5	7,332,477	52,467	0.0072	0.9928	97.99	
8.5	5,212,160	18,663	0.0036	0.9964	97.29	
9.5	5,096,175	23,508	0.0046	0.9954	96.94	
10.5	4,932,539	67,770	0.0137	0.9863	96.49	
11.5	4,199,857	86,187	0.0205	0.9795	95.17	
12.5	4,090,021	56,875	0.0139	0.9861	93.22	
13.5	3,744,785	325,575	0.0869	0.9131	91.92	
14.5	3,274,262	23,248	0.0071	0.9929	83.93	
15.5	3,185,996	35,445	0.0111	0.9889	83.33	
16.5	3,065,123	14,474	0.0047	0.9953	82.40	
17.5	3,063,659	29,721	0.0097	0.9903	82.02	
18.5	2,958,834	42,450	0.0143	0.9857	81.22	
19.5	2,904,657	359,577	0.1238	0.8762	80.05	
20.5	2,487,566	17,838	0.0072	0.9928	70.14	
21.5	2,387,546	23,044	0.0097	0.9903	69.64	
22.5	2,248,848	36,559	0.0163	0.9837	68.97	
23.5	2,221,890	5,252	0.0024	0.9976	67.85	
24.5	2,079,330	17,465	0.0084	0.9916	67.69	
25.5	1,603,847	23,212	0.0145	0.9855	67.12	
26.5	1,540,261	41,097	0.0267	0.9733	66.15	
27.5	1,510,387	30,915	0.0205	0.9795	64.38	
28.5	1,388,890	12,845	0.0092	0.9908	63.07	
29.5	1,332,939	14,386	0.0108	0.9892	62.48	
30.5	1,290,440	5,070	0.0039	0.9961	61.81	
31.5	1,253,930	15,722	0.0125	0.9875	61.56	
32.5	1,205,664	15,043	0.0125	0.9875	60.79	
33.5	1,180,740	21,459	0.0182	0.9818	60.03	
34.5	1,166,582	11,352	0.0097	0.9903	58.94	
35.5	1,106,948	7,782	0.0070	0.9930	58.37	
36.5	1,087,870	13,535	0.0124	0.9876	57.96	
37.5	1,027,496	9,209	0.0090	0.9910	57.24	
38.5	964,217	22,004	0.0228	0.9772	56.73	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	916,382	21,526	0.0235	0.9765	55.43	
40.5	855,687	32,217	0.0377	0.9623	54.13	
41.5	733,881	18,658	0.0254	0.9746	52.09	
42.5	675,443	13,712	0.0203	0.9797	50.77	
43.5	573,201	7,752	0.0135	0.9865	49.74	
44.5	511,275	646	0.0013	0.9987	49.06	
45.5	457,410	20,024	0.0438	0.9562	49.00	
46.5	414,107	11,368	0.0275	0.9725	46.86	
47.5	365,550	2,105	0.0058	0.9942	45.57	
48.5	349,743	1,318	0.0038	0.9962	45.31	
49.5	329,276	10,676	0.0324	0.9676	45.14	
50.5	270,981	19,951	0.0736	0.9264	43.67	
51.5	205,529	1,156	0.0056	0.9944	40.46	
52.5	191,006	2,144	0.0112	0.9888	40.23	
53.5	151,205	889	0.0059	0.9941	39.78	
54.5	109,384	5,396	0.0493	0.9507	39.54	
55.5	61,117		0.0000	1.0000	37.59	
56.5	29,916	990	0.0331	0.9669	37.59	
57.5	15,966	290	0.0182	0.9818	36.35	
58.5	15,676	53	0.0034	0.9966	35.69	
59.5	15,623	3,895	0.2493	0.7507	35.57	
60.5	11,728		0.0000	1.0000	26.70	
61.5	11,728	212	0.0181	0.9819	26.70	
62.5	11,516	418	0.0363	0.9637	26.22	
63.5	11,098	822	0.0741	0.9259	25.27	
64.5	10,276	1,213	0.1180	0.8820	23.40	
65.5	9,063	1,066	0.1176	0.8824	20.63	
66.5	7,997	37	0.0046	0.9954	18.21	
67.5	7,960	106	0.0133	0.9867	18.12	
68.5	7,854		0.0000	1.0000	17.88	
69.5	7,854		0.0000	1.0000	17.88	
70.5	7,854	332	0.0423	0.9577	17.88	
71.5	7,522	529	0.0703	0.9297	17.13	
72.5	6,993	106	0.0152	0.9848	15.92	
73.5	6,887	105	0.0152	0.9848	15.68	
74.5	6,782	196	0.0289	0.9711	15.44	
75.5	6,586		0.0000	1.0000	14.99	
76.5	6,586	4,608	0.6997	0.3003	14.99	
77.5	1,978		0.0000	1.0000	4.50	
78.5	1,978		0.0000	1.0000	4.50	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	1,978		0.0000	1.0000	4.50	
80.5	1,978		0.0000	1.0000	4.50	
81.5	1,978		0.0000	1.0000	4.50	
82.5	1,978		0.0000	1.0000	4.50	
83.5	1,978		0.0000	1.0000	4.50	
84.5	1,978		0.0000	1.0000	4.50	
85.5	1,978		0.0000	1.0000	4.50	
86.5	1,978		0.0000	1.0000	4.50	
87.5	1,978		0.0000	1.0000	4.50	
88.5	1,978		0.0000	1.0000	4.50	
89.5	2,968	2,613	0.8804	0.1196	4.50	
90.5	355	355	1.0000		0.54	
91.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1926-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,785,371		0.0000	1.0000	100.00
0.5	8,870,074		0.0000	1.0000	100.00
1.5	7,715,247	7,489	0.0010	0.9990	100.00
2.5	6,721,845	2,125	0.0003	0.9997	99.90
3.5	6,623,833		0.0000	1.0000	99.87
4.5	7,264,264	38,772	0.0053	0.9947	99.87
5.5	6,962,773	4,467	0.0006	0.9994	99.34
6.5	6,183,071	21,891	0.0035	0.9965	99.27
7.5	5,485,921	43,042	0.0078	0.9922	98.92
8.5	3,420,210	4,250	0.0012	0.9988	98.15
9.5	3,342,808	1,849	0.0006	0.9994	98.03
10.5	3,232,465	13,978	0.0043	0.9957	97.97
11.5	2,593,608	70,073	0.0270	0.9730	97.55
12.5	2,505,652	9,168	0.0037	0.9963	94.91
13.5	2,250,130	281,567	0.1251	0.8749	94.56
14.5	1,843,651	9,636	0.0052	0.9948	82.73
15.5	1,783,989	11,447	0.0064	0.9936	82.30
16.5	1,699,452	2,119	0.0012	0.9988	81.77
17.5	1,824,222	16,787	0.0092	0.9908	81.67
18.5	1,805,464	28,530	0.0158	0.9842	80.92
19.5	1,825,308	351,056	0.1923	0.8077	79.64
20.5	1,502,996	5,075	0.0034	0.9966	64.32
21.5	1,492,716	10,457	0.0070	0.9930	64.10
22.5	1,434,044	17,985	0.0125	0.9875	63.66
23.5	1,481,316	898	0.0006	0.9994	62.86
24.5	1,430,333	12,135	0.0085	0.9915	62.82
25.5	999,664	4,642	0.0046	0.9954	62.29
26.5	969,350	28,906	0.0298	0.9702	62.00
27.5	1,011,497	22,104	0.0219	0.9781	60.15
28.5	923,268	4,173	0.0045	0.9955	58.83
29.5	927,859	3,810	0.0041	0.9959	58.57
30.5	973,817	3,380	0.0035	0.9965	58.33
31.5	953,090	11,413	0.0120	0.9880	58.13
32.5	945,657	14,218	0.0150	0.9850	57.43
33.5	962,752	17,697	0.0184	0.9816	56.57
34.5	986,500	10,602	0.0107	0.9893	55.53
35.5	958,450	6,906	0.0072	0.9928	54.93
36.5	991,840	11,673	0.0118	0.9882	54.53
37.5	944,971	4,753	0.0050	0.9950	53.89
38.5	891,175	18,019	0.0202	0.9798	53.62

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1926-2011			EXPERIENCE BAND 1991-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	856,483	19,396	0.0226	0.9774	52.54	
40.5	812,436	31,409	0.0387	0.9613	51.35	
41.5	701,523	17,634	0.0251	0.9749	49.36	
42.5	644,343	13,087	0.0203	0.9797	48.12	
43.5	542,760	7,490	0.0138	0.9862	47.14	
44.5	482,641	434	0.0009	0.9991	46.49	
45.5	434,399	16,715	0.0385	0.9615	46.45	
46.5	394,405	11,241	0.0285	0.9715	44.66	
47.5	346,009	2,105	0.0061	0.9939	43.39	
48.5	330,202	912	0.0028	0.9972	43.13	
49.5	310,370	9,797	0.0316	0.9684	43.01	
50.5	252,954	19,951	0.0789	0.9211	41.65	
51.5	187,531	783	0.0042	0.9958	38.36	
52.5	173,381	802	0.0046	0.9954	38.20	
53.5	134,922	889	0.0066	0.9934	38.03	
54.5	93,101	5,271	0.0566	0.9434	37.78	
55.5	44,959		0.0000	1.0000	35.64	
56.5	13,758	798	0.0580	0.9420	35.64	
57.5					33.57	
58.5						
59.5						
60.5						
61.5	304		0.0000			
62.5	1,073	304	0.2833			
63.5	769	769	1.0000			
64.5	1,971	1,213	0.6154			
65.5	1,066	1,066	1.0000			
66.5	37	37	1.0000			
67.5						
68.5						
69.5						
70.5	18	18	1.0000			
71.5						
72.5						
73.5						
74.5	196	196	1.0000			
75.5						
76.5	4,608	4,608	1.0000			
77.5						
78.5						

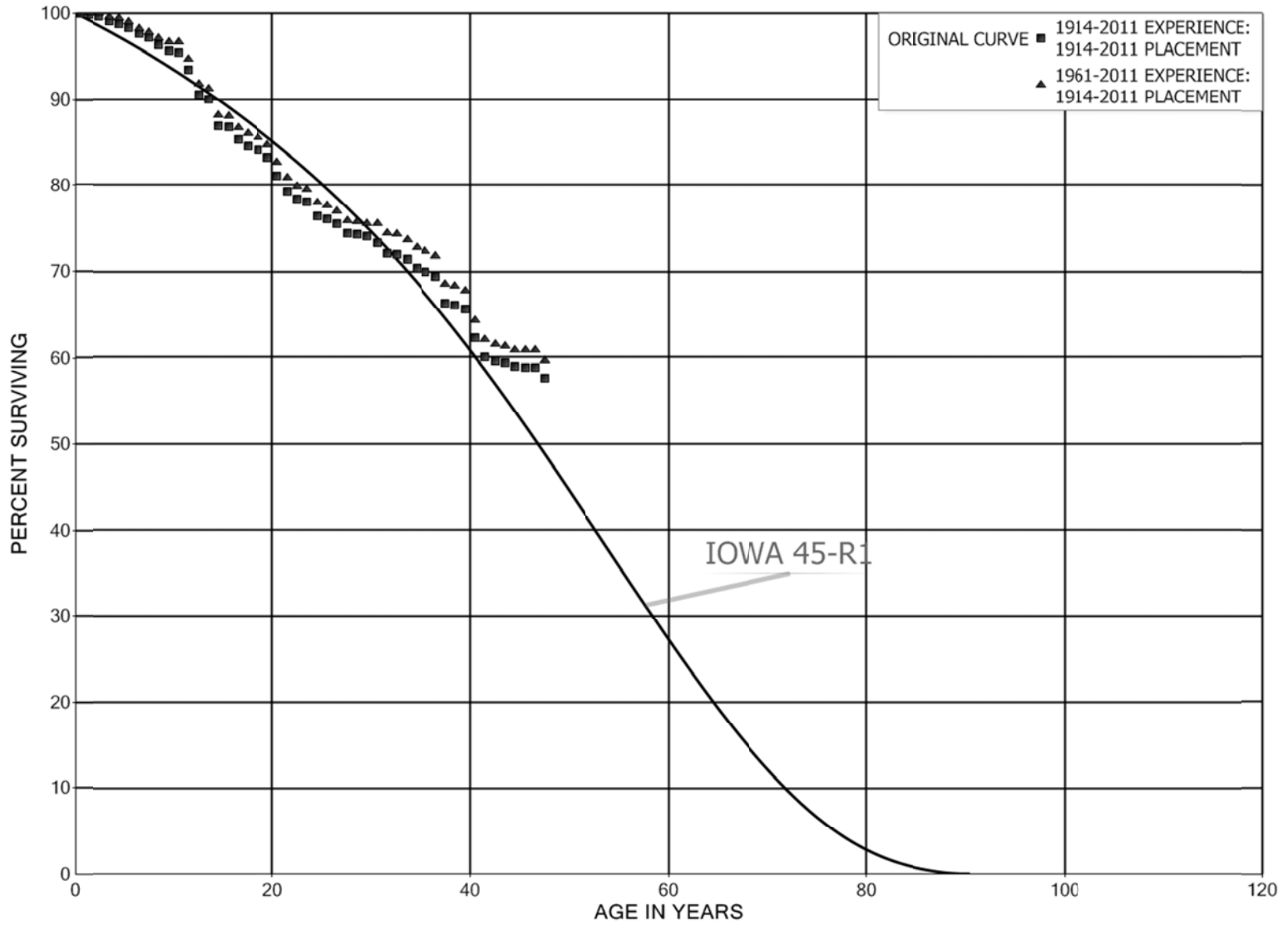
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1926-2011			EXPERIENCE BAND 1991-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5					
80.5					
81.5					
82.5					
83.5					
84.5					
85.5					
86.5					
87.5					
88.5					
89.5					
90.5	355	355	1.0000		
91.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-2011			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	5,101,778	2,402	0.0005	0.9995	100.00	
0.5	4,829,776	7,713	0.0016	0.9984	99.95	
1.5	4,664,076	9,126	0.0020	0.9980	99.79	
2.5	4,549,119	26,612	0.0058	0.9942	99.60	
3.5	4,566,056	11,932	0.0026	0.9974	99.02	
4.5	4,534,218	19,314	0.0043	0.9957	98.76	
5.5	4,444,666	31,148	0.0070	0.9930	98.34	
6.5	4,314,641	20,740	0.0048	0.9952	97.65	
7.5	4,147,217	35,800	0.0086	0.9914	97.18	
8.5	3,472,106	25,931	0.0075	0.9925	96.34	
9.5	3,437,565	6,476	0.0019	0.9981	95.62	
10.5	2,752,871	59,038	0.0214	0.9786	95.44	
11.5	2,594,861	80,919	0.0312	0.9688	93.39	
12.5	2,461,589	14,410	0.0059	0.9941	90.48	
13.5	1,870,106	65,483	0.0350	0.9650	89.95	
14.5	1,776,359	2,278	0.0013	0.9987	86.80	
15.5	1,772,398	28,529	0.0161	0.9839	86.69	
16.5	1,730,220	16,431	0.0095	0.9905	85.29	
17.5	1,734,631	8,176	0.0047	0.9953	84.48	
18.5	1,711,870	19,527	0.0114	0.9886	84.09	
19.5	1,523,608	37,851	0.0248	0.9752	83.13	
20.5	1,079,833	23,523	0.0218	0.9782	81.06	
21.5	1,185,805	14,171	0.0120	0.9880	79.30	
22.5	987,312	4,186	0.0042	0.9958	78.35	
23.5	1,004,249	20,320	0.0202	0.9798	78.02	
24.5	1,009,923	4,520	0.0045	0.9955	76.44	
25.5	937,279	7,415	0.0079	0.9921	76.10	
26.5	958,944	13,448	0.0140	0.9860	75.49	
27.5	919,276	2,093	0.0023	0.9977	74.43	
28.5	906,529	2,135	0.0024	0.9976	74.26	
29.5	757,661	8,121	0.0107	0.9893	74.09	
30.5	749,540	12,622	0.0168	0.9832	73.30	
31.5	736,655	1,065	0.0014	0.9986	72.06	
32.5	729,089	6,203	0.0085	0.9915	71.96	
33.5	718,657	9,504	0.0132	0.9868	71.35	
34.5	697,868	4,305	0.0062	0.9938	70.40	
35.5	684,839	5,368	0.0078	0.9922	69.97	
36.5	666,528	29,606	0.0444	0.9556	69.42	
37.5	616,080	2,198	0.0036	0.9964	66.34	
38.5	613,788	4,878	0.0079	0.9921	66.10	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-2011			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	601,072	30,325	0.0505	0.9495	65.57	
40.5	561,526	19,914	0.0355	0.9645	62.27	
41.5	419,325	3,309	0.0079	0.9921	60.06	
42.5	357,937	1,322	0.0037	0.9963	59.58	
43.5	321,122	2,201	0.0069	0.9931	59.36	
44.5	283,013	815	0.0029	0.9971	58.96	
45.5	263,904		0.0000	1.0000	58.79	
46.5	204,703	4,212	0.0206	0.9794	58.79	
47.5	193,814	735	0.0038	0.9962	57.58	
48.5	116,636	157	0.0013	0.9987	57.36	
49.5	104,077	62	0.0006	0.9994	57.28	
50.5	102,363		0.0000	1.0000	57.25	
51.5	75,827		0.0000	1.0000	57.25	
52.5	75,827	870	0.0115	0.9885	57.25	
53.5	14,303	100	0.0070	0.9930	56.59	
54.5	12,042		0.0000	1.0000	56.19	
55.5	5,721	673	0.1176	0.8824	56.19	
56.5	5,049	70	0.0139	0.9861	49.59	
57.5	4,414		0.0000	1.0000	48.90	
58.5	1,149		0.0000	1.0000	48.90	
59.5	1,149		0.0000	1.0000	48.90	
60.5	1,149	42	0.0366	0.9634	48.90	
61.5					47.11	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	4,689,653		0.0000	1.0000	100.00	
0.5	4,465,207	4,280	0.0010	0.9990	100.00	
1.5	4,306,836	303	0.0001	0.9999	99.90	
2.5	4,286,016	15,598	0.0036	0.9964	99.90	
3.5	4,332,731	8,084	0.0019	0.9981	99.53	
4.5	4,320,057	19,314	0.0045	0.9955	99.35	
5.5	4,230,505	30,921	0.0073	0.9927	98.90	
6.5	4,103,980	17,628	0.0043	0.9957	98.18	
7.5	3,976,662	29,515	0.0074	0.9926	97.76	
8.5	3,343,734	13,509	0.0040	0.9960	97.03	
9.5	3,340,004	1,192	0.0004	0.9996	96.64	
10.5	2,713,395	55,902	0.0206	0.9794	96.61	
11.5	2,558,888	78,335	0.0306	0.9694	94.62	
12.5	2,428,200	14,410	0.0059	0.9941	91.72	
13.5	1,836,944	63,068	0.0343	0.9657	91.18	
14.5	1,745,612	753	0.0004	0.9996	88.05	
15.5	1,752,711	27,269	0.0156	0.9844	88.01	
16.5	1,711,793	13,497	0.0079	0.9921	86.64	
17.5	1,719,138	8,176	0.0048	0.9952	85.96	
18.5	1,696,377	18,727	0.0110	0.9890	85.55	
19.5	1,508,915	35,450	0.0235	0.9765	84.60	
20.5	1,067,541	23,193	0.0217	0.9783	82.61	
21.5	1,173,843	14,171	0.0121	0.9879	80.82	
22.5	975,350	4,186	0.0043	0.9957	79.84	
23.5	992,287	19,653	0.0198	0.9802	79.50	
24.5	998,628	4,520	0.0045	0.9955	77.93	
25.5	925,984	7,415	0.0080	0.9920	77.57	
26.5	947,649	13,448	0.0142	0.9858	76.95	
27.5	907,981	2,090	0.0023	0.9977	75.86	
28.5	895,237	1,577	0.0018	0.9982	75.69	
29.5	746,927	561	0.0008	0.9992	75.55	
30.5	746,366	10,742	0.0144	0.9856	75.50	
31.5	735,361	1,065	0.0014	0.9986	74.41	
32.5	727,795	6,203	0.0085	0.9915	74.30	
33.5	717,363	9,504	0.0132	0.9868	73.67	
34.5	696,574	4,305	0.0062	0.9938	72.69	
35.5	683,545	5,046	0.0074	0.9926	72.24	
36.5	665,556	29,606	0.0445	0.9555	71.71	
37.5	615,108	2,198	0.0036	0.9964	68.52	
38.5	612,816	4,878	0.0080	0.9920	68.27	

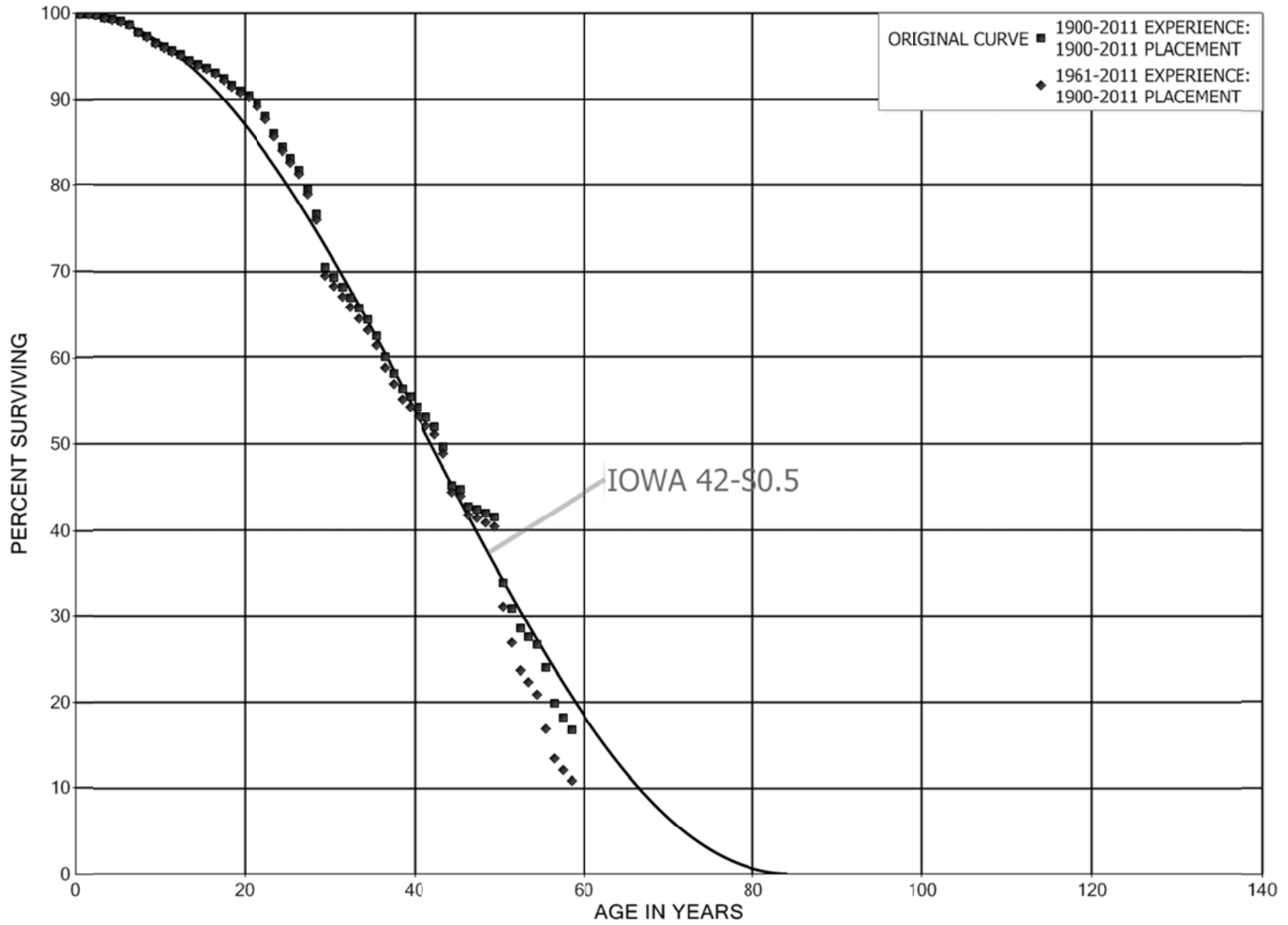
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	600,100	30,325	0.0505	0.9495	67.73	
40.5	560,554	19,914	0.0355	0.9645	64.31	
41.5	418,353	3,309	0.0079	0.9921	62.02	
42.5	356,965	1,322	0.0037	0.9963	61.53	
43.5	320,150	2,201	0.0069	0.9931	61.31	
44.5	282,041		0.0000	1.0000	60.88	
45.5	263,747		0.0000	1.0000	60.88	
46.5	204,703	4,212	0.0206	0.9794	60.88	
47.5	193,814	735	0.0038	0.9962	59.63	
48.5	116,636	157	0.0013	0.9987	59.40	
49.5	104,077	62	0.0006	0.9994	59.33	
50.5	102,363		0.0000	1.0000	59.29	
51.5	75,827		0.0000	1.0000	59.29	
52.5	75,827	870	0.0115	0.9885	59.29	
53.5	14,303	100	0.0070	0.9930	58.61	
54.5	12,042		0.0000	1.0000	58.20	
55.5	5,721	673	0.1176	0.8824	58.20	
56.5	5,049	70	0.0139	0.9861	51.36	
57.5	4,414		0.0000	1.0000	50.64	
58.5	1,149		0.0000	1.0000	50.64	
59.5	1,149		0.0000	1.0000	50.64	
60.5	1,149	42	0.0366	0.9634	50.64	
61.5					48.79	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 380 SERVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	211,285,002	280,725	0.0013	0.9987	100.00	
0.5	193,491,287	124,507	0.0006	0.9994	99.87	
1.5	191,641,101	188,236	0.0010	0.9990	99.80	
2.5	161,688,949	467,766	0.0029	0.9971	99.70	
3.5	155,398,412	266,355	0.0017	0.9983	99.42	
4.5	144,170,950	327,253	0.0023	0.9977	99.25	
5.5	142,986,141	544,981	0.0038	0.9962	99.02	
6.5	133,538,891	1,229,021	0.0092	0.9908	98.64	
7.5	126,531,435	629,340	0.0050	0.9950	97.74	
8.5	118,115,160	895,594	0.0076	0.9924	97.25	
9.5	111,330,941	504,175	0.0045	0.9955	96.51	
10.5	107,677,944	473,794	0.0044	0.9956	96.07	
11.5	98,496,445	504,482	0.0051	0.9949	95.65	
12.5	88,559,915	578,213	0.0065	0.9935	95.16	
13.5	84,066,581	381,263	0.0045	0.9955	94.54	
14.5	79,400,181	425,274	0.0054	0.9946	94.11	
15.5	73,765,837	410,500	0.0056	0.9944	93.61	
16.5	68,069,697	515,077	0.0076	0.9924	93.09	
17.5	62,778,119	532,202	0.0085	0.9915	92.38	
18.5	56,341,100	423,916	0.0075	0.9925	91.60	
19.5	50,350,364	292,723	0.0058	0.9942	90.91	
20.5	45,362,831	510,620	0.0113	0.9887	90.38	
21.5	41,721,052	668,334	0.0160	0.9840	89.36	
22.5	38,354,447	853,176	0.0222	0.9778	87.93	
23.5	34,608,877	649,713	0.0188	0.9812	85.98	
24.5	31,214,483	482,935	0.0155	0.9845	84.36	
25.5	28,696,525	460,849	0.0161	0.9839	83.06	
26.5	26,655,808	723,312	0.0271	0.9729	81.72	
27.5	24,485,268	904,760	0.0370	0.9630	79.51	
28.5	22,315,635	1,778,752	0.0797	0.9203	76.57	
29.5	19,466,553	322,757	0.0166	0.9834	70.47	
30.5	17,959,813	293,318	0.0163	0.9837	69.30	
31.5	16,587,849	295,333	0.0178	0.9822	68.17	
32.5	15,679,194	293,375	0.0187	0.9813	66.95	
33.5	14,926,508	284,079	0.0190	0.9810	65.70	
34.5	14,096,743	435,725	0.0309	0.9691	64.45	
35.5	13,258,580	518,246	0.0391	0.9609	62.46	
36.5	12,306,584	376,551	0.0306	0.9694	60.02	
37.5	11,453,747	359,893	0.0314	0.9686	58.18	
38.5	10,044,500	155,292	0.0155	0.9845	56.35	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	8,998,377	192,875	0.0214	0.9786	55.48	
40.5	7,955,774	179,880	0.0226	0.9774	54.29	
41.5	7,173,364	151,513	0.0211	0.9789	53.06	
42.5	6,500,870	284,561	0.0438	0.9562	51.94	
43.5	5,680,868	515,118	0.0907	0.9093	49.67	
44.5	4,794,825	45,678	0.0095	0.9905	45.16	
45.5	4,368,423	200,140	0.0458	0.9542	44.73	
46.5	3,687,516	25,632	0.0070	0.9930	42.68	
47.5	3,098,499	34,214	0.0110	0.9890	42.39	
48.5	2,721,780	26,013	0.0096	0.9904	41.92	
49.5	2,213,021	410,049	0.1853	0.8147	41.52	
50.5	1,359,047	122,033	0.0898	0.9102	33.83	
51.5	1,154,825	86,065	0.0745	0.9255	30.79	
52.5	1,053,936	35,842	0.0340	0.9660	28.49	
53.5	977,452	33,052	0.0338	0.9662	27.53	
54.5	909,429	91,267	0.1004	0.8996	26.59	
55.5	785,388	135,094	0.1720	0.8280	23.93	
56.5	637,248	51,273	0.0805	0.9195	19.81	
57.5	578,058	47,406	0.0820	0.9180	18.22	
58.5	516,015	1,229	0.0024	0.9976	16.72	
59.5	498,137		0.0000	1.0000	16.68	
60.5	485,049		0.0000	1.0000	16.68	
61.5	473,952	326	0.0007	0.9993	16.68	
62.5	467,803	11,491	0.0246	0.9754	16.67	
63.5	456,187		0.0000	1.0000	16.26	
64.5	454,968	4,822	0.0106	0.9894	16.26	
65.5	450,146	406	0.0009	0.9991	16.09	
66.5	449,740	117	0.0003	0.9997	16.07	
67.5	449,623	261	0.0006	0.9994	16.07	
68.5	449,362	27	0.0001	0.9999	16.06	
69.5	449,335		0.0000	1.0000	16.06	
70.5	449,335		0.0000	1.0000	16.06	
71.5	449,335	1,161	0.0026	0.9974	16.06	
72.5	448,174		0.0000	1.0000	16.02	
73.5	448,174	1,048	0.0023	0.9977	16.02	
74.5	447,127	3,634	0.0081	0.9919	15.98	
75.5	443,493		0.0000	1.0000	15.85	
76.5	443,493		0.0000	1.0000	15.85	
77.5	443,493		0.0000	1.0000	15.85	
78.5	443,493		0.0000	1.0000	15.85	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	443,493		0.0000	1.0000	15.85
80.5	443,493		0.0000	1.0000	15.85
81.5	443,493		0.0000	1.0000	15.85
82.5	443,493		0.0000	1.0000	15.85
83.5	443,493		0.0000	1.0000	15.85
84.5	443,493	641	0.0014	0.9986	15.85
85.5	442,852		0.0000	1.0000	15.83
86.5	442,852		0.0000	1.0000	15.83
87.5	442,852		0.0000	1.0000	15.83
88.5	442,852		0.0000	1.0000	15.83
89.5	442,852	120	0.0003	0.9997	15.83
90.5	442,732		0.0000	1.0000	15.82
91.5	442,732		0.0000	1.0000	15.82
92.5	442,732		0.0000	1.0000	15.82
93.5	442,732		0.0000	1.0000	15.82
94.5	442,732		0.0000	1.0000	15.82
95.5	442,732	332,340	0.7507	0.2493	15.82
96.5	110,392		0.0000	1.0000	3.95
97.5	110,392		0.0000	1.0000	3.95
98.5	110,392		0.0000	1.0000	3.95
99.5	110,392	114	0.0010	0.9990	3.95
100.5	110,278	291	0.0026	0.9974	3.94
101.5	109,987	170	0.0015	0.9985	3.93
102.5	109,817	96	0.0009	0.9991	3.93
103.5	109,720	25	0.0002	0.9998	3.92
104.5	109,696		0.0000	1.0000	3.92
105.5	109,696	209	0.0019	0.9981	3.92
106.5	109,487	4,243	0.0388	0.9612	3.91
107.5	105,244		0.0000	1.0000	3.76
108.5	105,244	103,800	0.9863	0.0137	3.76
109.5	1,444	1,444	1.0000		0.05
110.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1961-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	204,213,251	280,725	0.0014	0.9986	100.00
0.5	187,181,337	124,507	0.0007	0.9993	99.86
1.5	186,138,942	188,236	0.0010	0.9990	99.80
2.5	156,769,816	467,766	0.0030	0.9970	99.70
3.5	150,967,674	266,355	0.0018	0.9982	99.40
4.5	140,582,316	327,253	0.0023	0.9977	99.22
5.5	139,879,490	544,981	0.0039	0.9961	98.99
6.5	130,820,256	1,229,021	0.0094	0.9906	98.61
7.5	123,987,399	629,340	0.0051	0.9949	97.68
8.5	115,743,072	895,594	0.0077	0.9923	97.18
9.5	109,158,497	504,175	0.0046	0.9954	96.43
10.5	105,653,895	473,794	0.0045	0.9955	95.99
11.5	96,589,490	504,482	0.0052	0.9948	95.56
12.5	86,774,396	578,213	0.0067	0.9933	95.06
13.5	82,371,018	381,263	0.0046	0.9954	94.42
14.5	77,761,447	425,274	0.0055	0.9945	93.99
15.5	72,148,940	410,500	0.0057	0.9943	93.47
16.5	66,464,471	515,077	0.0077	0.9923	92.94
17.5	61,189,069	532,202	0.0087	0.9913	92.22
18.5	54,790,904	423,916	0.0077	0.9923	91.42
19.5	48,858,434	292,723	0.0060	0.9940	90.71
20.5	43,913,368	510,620	0.0116	0.9884	90.17
21.5	40,304,452	668,334	0.0166	0.9834	89.12
22.5	36,969,506	853,176	0.0231	0.9769	87.64
23.5	33,253,387	639,774	0.0192	0.9808	85.62
24.5	29,887,653	475,921	0.0159	0.9841	83.97
25.5	27,457,532	456,549	0.0166	0.9834	82.63
26.5	25,421,115	718,751	0.0283	0.9717	81.26
27.5	23,255,136	904,760	0.0389	0.9611	78.96
28.5	21,085,503	1,778,752	0.0844	0.9156	75.89
29.5	18,236,421	321,123	0.0176	0.9824	69.49
30.5	16,731,315	288,761	0.0173	0.9827	68.26
31.5	15,363,908	290,013	0.0189	0.9811	67.09
32.5	14,460,573	286,817	0.0198	0.9802	65.82
33.5	13,714,445	279,914	0.0204	0.9796	64.51
34.5	12,888,845	377,469	0.0293	0.9707	63.20
35.5	12,643,432	512,577	0.0405	0.9595	61.35
36.5	11,697,105	370,281	0.0317	0.9683	58.86
37.5	10,850,538	340,924	0.0314	0.9686	57.00
38.5	9,460,260	152,386	0.0161	0.9839	55.21

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1961-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	8,417,043	176,939	0.0210	0.9790	54.32	
40.5	7,390,376	152,711	0.0207	0.9793	53.17	
41.5	6,635,135	133,667	0.0201	0.9799	52.08	
42.5	5,980,487	252,908	0.0423	0.9577	51.03	
43.5	5,192,138	473,459	0.0912	0.9088	48.87	
44.5	4,347,754	45,678	0.0105	0.9895	44.41	
45.5	3,924,930	200,140	0.0510	0.9490	43.95	
46.5	3,244,023	25,632	0.0079	0.9921	41.71	
47.5	2,655,006	34,214	0.0129	0.9871	41.38	
48.5	2,278,287	26,013	0.0114	0.9886	40.84	
49.5	1,769,528	410,049	0.2317	0.7683	40.38	
50.5	915,554	122,033	0.1333	0.8667	31.02	
51.5	711,332	86,065	0.1210	0.8790	26.89	
52.5	610,443	35,842	0.0587	0.9413	23.63	
53.5	533,959	33,052	0.0619	0.9381	22.24	
54.5	465,936	91,267	0.1959	0.8041	20.87	
55.5	674,876	135,094	0.2002	0.7998	16.78	
56.5	526,736	51,273	0.0973	0.9027	13.42	
57.5	467,546	47,406	0.1014	0.8986	12.11	
58.5	405,503	1,229	0.0030	0.9970	10.89	
59.5	387,625		0.0000	1.0000	10.85	
60.5	485,049		0.0000	1.0000	10.85	
61.5	473,952	326	0.0007	0.9993	10.85	
62.5	467,803	11,491	0.0246	0.9754	10.85	
63.5	456,187		0.0000	1.0000	10.58	
64.5	454,968	4,822	0.0106	0.9894	10.58	
65.5	450,146	406	0.0009	0.9991	10.47	
66.5	449,740	117	0.0003	0.9997	10.46	
67.5	449,623	261	0.0006	0.9994	10.46	
68.5	449,362	27	0.0001	0.9999	10.45	
69.5	449,335		0.0000	1.0000	10.45	
70.5	449,335		0.0000	1.0000	10.45	
71.5	449,335	1,161	0.0026	0.9974	10.45	
72.5	448,174		0.0000	1.0000	10.42	
73.5	448,174	1,048	0.0023	0.9977	10.42	
74.5	447,127	3,634	0.0081	0.9919	10.40	
75.5	443,493		0.0000	1.0000	10.31	
76.5	443,493		0.0000	1.0000	10.31	
77.5	443,493		0.0000	1.0000	10.31	
78.5	443,493		0.0000	1.0000	10.31	

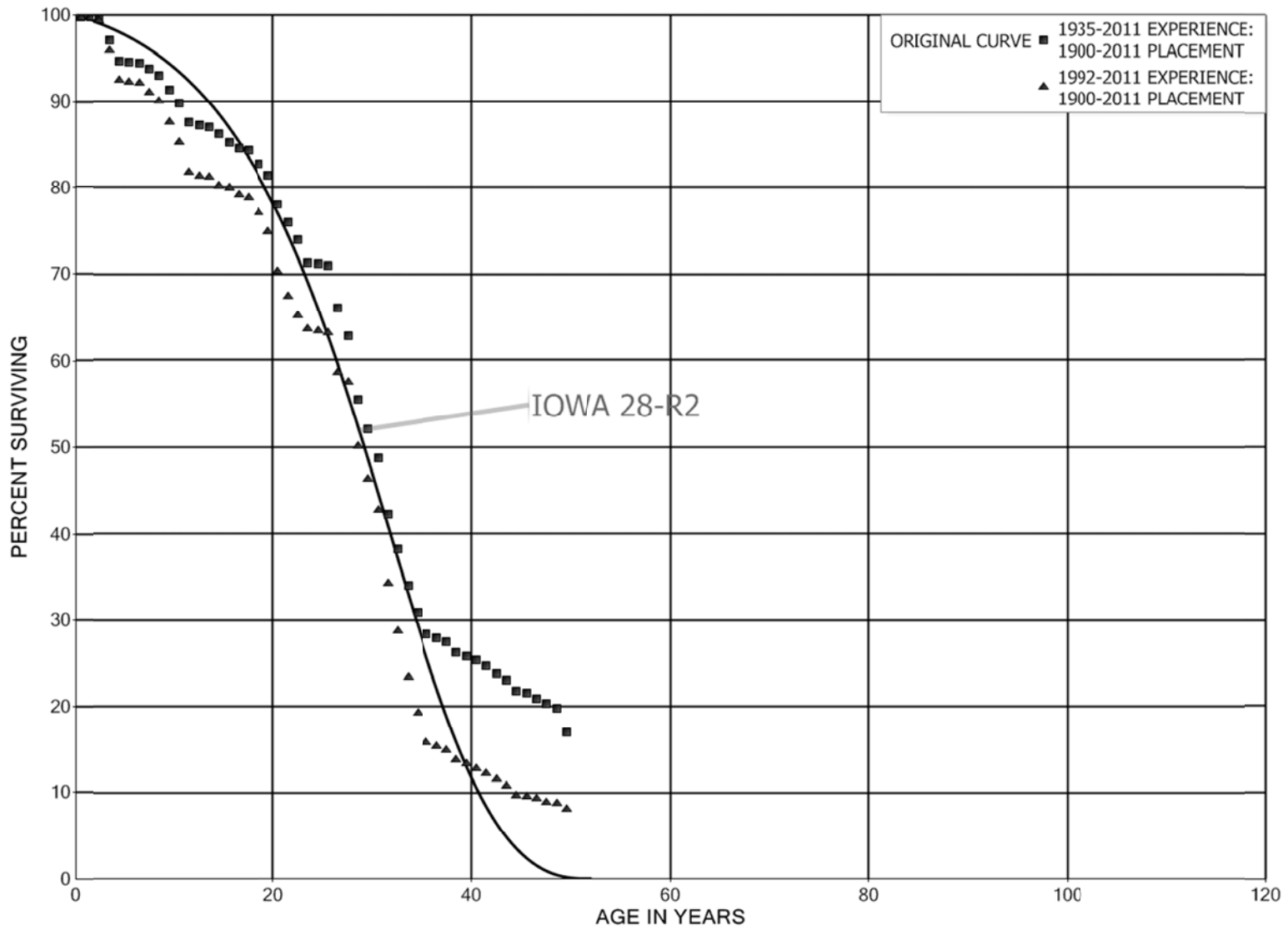
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1961-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	443,493		0.0000	1.0000	10.31
80.5	443,493		0.0000	1.0000	10.31
81.5	443,493		0.0000	1.0000	10.31
82.5	443,493		0.0000	1.0000	10.31
83.5	443,493		0.0000	1.0000	10.31
84.5	443,493	641	0.0014	0.9986	10.31
85.5	442,852		0.0000	1.0000	10.30
86.5	442,852		0.0000	1.0000	10.30
87.5	442,852		0.0000	1.0000	10.30
88.5	442,852		0.0000	1.0000	10.30
89.5	442,852	120	0.0003	0.9997	10.30
90.5	442,732		0.0000	1.0000	10.30
91.5	442,732		0.0000	1.0000	10.30
92.5	442,732		0.0000	1.0000	10.30
93.5	442,732		0.0000	1.0000	10.30
94.5	442,732		0.0000	1.0000	10.30
95.5	442,732	332,340	0.7507	0.2493	10.30
96.5	110,392		0.0000	1.0000	2.57
97.5	110,392		0.0000	1.0000	2.57
98.5	110,392		0.0000	1.0000	2.57
99.5	110,392	114	0.0010	0.9990	2.57
100.5	110,278	291	0.0026	0.9974	2.56
101.5	109,987	170	0.0015	0.9985	2.56
102.5	109,817	96	0.0009	0.9991	2.55
103.5	109,720	25	0.0002	0.9998	2.55
104.5	109,696		0.0000	1.0000	2.55
105.5	109,696	209	0.0019	0.9981	2.55
106.5	109,487	4,243	0.0388	0.9612	2.55
107.5	105,244		0.0000	1.0000	2.45
108.5	105,244	103,800	0.9863	0.0137	2.45
109.5	1,444	1,444	1.0000		0.03
110.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 381 METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1935-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	55,480,912	161,980	0.0029	0.9971	100.00
0.5	51,546,278	4,104	0.0001	0.9999	99.71
1.5	50,335,354	89,506	0.0018	0.9982	99.70
2.5	45,532,994	1,107,966	0.0243	0.9757	99.52
3.5	44,134,966	1,121,222	0.0254	0.9746	97.10
4.5	41,874,662	49,057	0.0012	0.9988	94.63
5.5	36,429,857	38,027	0.0010	0.9990	94.52
6.5	36,432,220	272,440	0.0075	0.9925	94.42
7.5	35,737,952	270,938	0.0076	0.9924	93.72
8.5	30,754,765	587,909	0.0191	0.9809	93.01
9.5	30,000,979	500,908	0.0167	0.9833	91.23
10.5	26,177,093	658,197	0.0251	0.9749	89.71
11.5	24,028,372	70,100	0.0029	0.9971	87.45
12.5	23,963,408	64,818	0.0027	0.9973	87.20
13.5	22,879,863	206,856	0.0090	0.9910	86.96
14.5	20,894,924	229,769	0.0110	0.9890	86.17
15.5	18,917,534	150,786	0.0080	0.9920	85.23
16.5	17,865,297	48,783	0.0027	0.9973	84.55
17.5	16,637,804	303,535	0.0182	0.9818	84.32
18.5	15,334,531	254,193	0.0166	0.9834	82.78
19.5	14,236,415	590,917	0.0415	0.9585	81.41
20.5	13,193,213	345,934	0.0262	0.9738	78.03
21.5	12,402,387	335,802	0.0271	0.9729	75.98
22.5	11,770,462	420,464	0.0357	0.9643	73.92
23.5	11,035,680	19,556	0.0018	0.9982	71.28
24.5	10,748,519	34,834	0.0032	0.9968	71.16
25.5	10,326,194	711,174	0.0689	0.9311	70.93
26.5	9,283,956	445,887	0.0480	0.9520	66.04
27.5	8,613,237	1,010,289	0.1173	0.8827	62.87
28.5	7,485,653	463,836	0.0620	0.9380	55.50
29.5	6,785,605	435,408	0.0642	0.9358	52.06
30.5	6,338,867	835,607	0.1318	0.8682	48.72
31.5	5,302,574	522,950	0.0986	0.9014	42.29
32.5	4,684,125	507,003	0.1082	0.8918	38.12
33.5	3,980,177	370,729	0.0931	0.9069	34.00
34.5	3,643,321	303,260	0.0832	0.9168	30.83
35.5	3,331,042	56,341	0.0169	0.9831	28.26
36.5	3,274,701	46,104	0.0141	0.9859	27.79
37.5	3,157,910	142,757	0.0452	0.9548	27.39
38.5	2,973,304	47,801	0.0161	0.9839	26.16

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	2,784,556	53,669	0.0193	0.9807	25.74	
40.5	2,698,540	64,510	0.0239	0.9761	25.24	
41.5	2,628,769	100,083	0.0381	0.9619	24.64	
42.5	2,392,853	81,134	0.0339	0.9661	23.70	
43.5	2,263,663	117,299	0.0518	0.9482	22.89	
44.5	2,114,588	15,374	0.0073	0.9927	21.71	
45.5	2,029,646	71,721	0.0353	0.9647	21.55	
46.5	1,857,512	49,747	0.0268	0.9732	20.79	
47.5	1,728,578	48,027	0.0278	0.9722	20.23	
48.5	1,643,152	231,683	0.1410	0.8590	19.67	
49.5	1,371,594	5,701	0.0042	0.9958	16.90	
50.5	1,325,184	1,728	0.0013	0.9987	16.83	
51.5	1,278,538	3,501	0.0027	0.9973	16.80	
52.5	1,210,128	1,590	0.0013	0.9987	16.76	
53.5	1,152,228	3,381	0.0029	0.9971	16.74	
54.5	1,092,295	3,329	0.0030	0.9970	16.69	
55.5	1,045,236	1,706	0.0016	0.9984	16.64	
56.5	1,009,861	1,694	0.0017	0.9983	16.61	
57.5	968,665	4,996	0.0052	0.9948	16.58	
58.5	942,211	1,840	0.0020	0.9980	16.50	
59.5	908,044	4,015	0.0044	0.9956	16.46	
60.5	842,708	1,659	0.0020	0.9980	16.39	
61.5	790,135		0.0000	1.0000	16.36	
62.5	786,234	1,531	0.0019	0.9981	16.36	
63.5	730,198	1,521	0.0021	0.9979	16.33	
64.5	716,712		0.0000	1.0000	16.29	
65.5	712,409	1,493	0.0021	0.9979	16.29	
66.5	708,491	2,989	0.0042	0.9958	16.26	
67.5	695,193	1,519	0.0022	0.9978	16.19	
68.5	692,292	36,990	0.0534	0.9466	16.15	
69.5	646,239	5,823	0.0090	0.9910	15.29	
70.5	628,968	4,687	0.0075	0.9925	15.15	
71.5	622,034	2,832	0.0046	0.9954	15.04	
72.5	618,119	2,790	0.0045	0.9955	14.97	
73.5	613,793	2,769	0.0045	0.9955	14.90	
74.5	571,374	8,467	0.0148	0.9852	14.84	
75.5	546,450	2,729	0.0050	0.9950	14.62	
76.5	528,138	1,238	0.0023	0.9977	14.54	
77.5	523,511		0.0000	1.0000	14.51	
78.5	521,508	4,989	0.0096	0.9904	14.51	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	516,425	1,182	0.0023	0.9977	14.37	
80.5	514,093	4,053	0.0079	0.9921	14.34	
81.5	505,371	1,124	0.0022	0.9978	14.23	
82.5	503,061	1,102	0.0022	0.9978	14.19	
83.5	500,682	5,511	0.0110	0.9890	14.16	
84.5	494,045		0.0000	1.0000	14.01	
85.5	486,543		0.0000	1.0000	14.01	
86.5	471,070	40,263	0.0855	0.9145	14.01	
87.5	425,334	21,748	0.0511	0.9489	12.81	
88.5	396,567	13,831	0.0349	0.9651	12.16	
89.5	370,813	23,837	0.0643	0.9357	11.73	
90.5	344,681	20,902	0.0606	0.9394	10.98	
91.5	322,371	18,799	0.0583	0.9417	10.31	
92.5	302,540	26,930	0.0890	0.9110	9.71	
93.5	273,468	22,582	0.0826	0.9174	8.85	
94.5	250,632	21,999	0.0878	0.9122	8.12	
95.5	227,217	15,395	0.0678	0.9322	7.40	
96.5	210,991	16,168	0.0766	0.9234	6.90	
97.5	193,349	16,526	0.0855	0.9145	6.37	
98.5	174,458	23,637	0.1355	0.8645	5.83	
99.5	150,821	149,009	0.9880	0.0120	5.04	
100.5	1,812		0.0000	1.0000	0.06	
101.5	1,812		0.0000	1.0000	0.06	
102.5	1,812		0.0000	1.0000	0.06	
103.5	1,812		0.0000	1.0000	0.06	
104.5	1,812		0.0000	1.0000	0.06	
105.5	1,812		0.0000	1.0000	0.06	
106.5	1,204		0.0000	1.0000	0.06	
107.5	1,204		0.0000	1.0000	0.06	
108.5	1,204		0.0000	1.0000	0.06	
109.5	1,204		0.0000	1.0000	0.06	
110.5	1,204		0.0000	1.0000	0.06	
111.5					0.06	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011

EXPERIENCE BAND 1992-2011

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	39,696,933	161,980	0.0041	0.9959	100.00
0.5	36,279,326	4,104	0.0001	0.9999	99.59
1.5	35,710,655	89,506	0.0025	0.9975	99.58
2.5	31,358,149	1,093,599	0.0349	0.9651	99.33
3.5	30,515,533	1,121,222	0.0367	0.9633	95.87
4.5	28,758,412	49,057	0.0017	0.9983	92.34
5.5	23,847,353	38,027	0.0016	0.9984	92.19
6.5	24,195,817	272,440	0.0113	0.9887	92.04
7.5	23,755,952	270,938	0.0114	0.9886	91.00
8.5	19,028,179	527,597	0.0277	0.9723	89.97
9.5	18,755,977	481,493	0.0257	0.9743	87.47
10.5	15,697,940	642,446	0.0409	0.9591	85.23
11.5	14,307,667	70,100	0.0049	0.9951	81.74
12.5	14,415,353	19,179	0.0013	0.9987	81.34
13.5	13,770,305	184,426	0.0134	0.9866	81.23
14.5	12,049,751	19,880	0.0016	0.9984	80.14
15.5	10,443,891	113,262	0.0108	0.9892	80.01
16.5	9,547,851	41,904	0.0044	0.9956	79.14
17.5	8,461,838	185,464	0.0219	0.9781	78.79
18.5	7,572,084	220,623	0.0291	0.9709	77.07
19.5	7,039,186	429,674	0.0610	0.9390	74.82
20.5	6,634,589	266,480	0.0402	0.9598	70.25
21.5	6,256,584	208,696	0.0334	0.9666	67.43
22.5	6,147,439	147,170	0.0239	0.9761	65.18
23.5	5,945,487	19,556	0.0033	0.9967	63.62
24.5	5,963,143	20,406	0.0034	0.9966	63.41
25.5	5,909,270	428,968	0.0726	0.9274	63.20
26.5	5,479,669	105,730	0.0193	0.9807	58.61
27.5	5,444,433	697,695	0.1281	0.8719	57.48
28.5	4,817,018	367,076	0.0762	0.9238	50.11
29.5	4,362,107	331,660	0.0760	0.9240	46.29
30.5	4,153,092	835,195	0.2011	0.7989	42.77
31.5	3,200,340	522,118	0.1631	0.8369	34.17
32.5	2,740,104	506,869	0.1850	0.8150	28.60
33.5	2,097,301	370,588	0.1767	0.8233	23.31
34.5	1,697,488	302,623	0.1783	0.8217	19.19
35.5	1,547,569	45,466	0.0294	0.9706	15.77
36.5	1,557,620	46,104	0.0296	0.9704	15.30
37.5	1,563,130	124,213	0.0795	0.9205	14.85
38.5	1,504,025	47,801	0.0318	0.9682	13.67

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1992-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,465,085	53,586	0.0366	0.9634	13.24	
40.5	1,456,111	64,226	0.0441	0.9559	12.75	
41.5	1,452,645	86,633	0.0596	0.9404	12.19	
42.5	1,235,650	81,078	0.0656	0.9344	11.46	
43.5	1,167,408	117,217	0.1004	0.8996	10.71	
44.5	1,092,580	15,374	0.0141	0.9859	9.64	
45.5	1,012,402	18,462	0.0182	0.9818	9.50	
46.5	903,229	49,747	0.0551	0.9449	9.33	
47.5	786,291	4,275	0.0054	0.9946	8.81	
48.5	749,384	59,755	0.0797	0.9203	8.77	
49.5	662,161	1,835	0.0028	0.9972	8.07	
50.5	634,342	1,728	0.0027	0.9973	8.04	
51.5	591,637	3,501	0.0059	0.9941	8.02	
52.5	524,310	1,590	0.0030	0.9970	7.97	
53.5	467,946	3,381	0.0072	0.9928	7.95	
54.5	489,850	3,329	0.0068	0.9932	7.89	
55.5	460,907	1,706	0.0037	0.9963	7.84	
56.5	441,115	1,694	0.0038	0.9962	7.81	
57.5	404,839	4,996	0.0123	0.9877	7.78	
58.5	381,909	1,840	0.0048	0.9952	7.68	
59.5	347,836	4,015	0.0115	0.9885	7.65	
60.5	285,143	1,659	0.0058	0.9942	7.56	
61.5	238,703		0.0000	1.0000	7.51	
62.5	237,513	1,531	0.0064	0.9936	7.51	
63.5	185,731	1,521	0.0082	0.9918	7.47	
64.5	173,371		0.0000	1.0000	7.41	
65.5	184,583	1,493	0.0081	0.9919	7.41	
66.5	200,001	2,989	0.0149	0.9851	7.35	
67.5	194,994	1,519	0.0078	0.9922	7.24	
68.5	201,883	36,990	0.1832	0.8168	7.18	
69.5	171,792	5,823	0.0339	0.9661	5.86	
70.5	159,545	4,687	0.0294	0.9706	5.67	
71.5	155,257	2,832	0.0182	0.9818	5.50	
72.5	152,374	2,790	0.0183	0.9817	5.40	
73.5	151,401	2,769	0.0183	0.9817	5.30	
74.5	110,418	2,603	0.0236	0.9764	5.20	
75.5	95,320	2,729	0.0286	0.9714	5.08	
76.5	80,470	1,238	0.0154	0.9846	4.93	
77.5	78,419		0.0000	1.0000	4.86	
78.5	124,555	1,211	0.0097	0.9903	4.86	

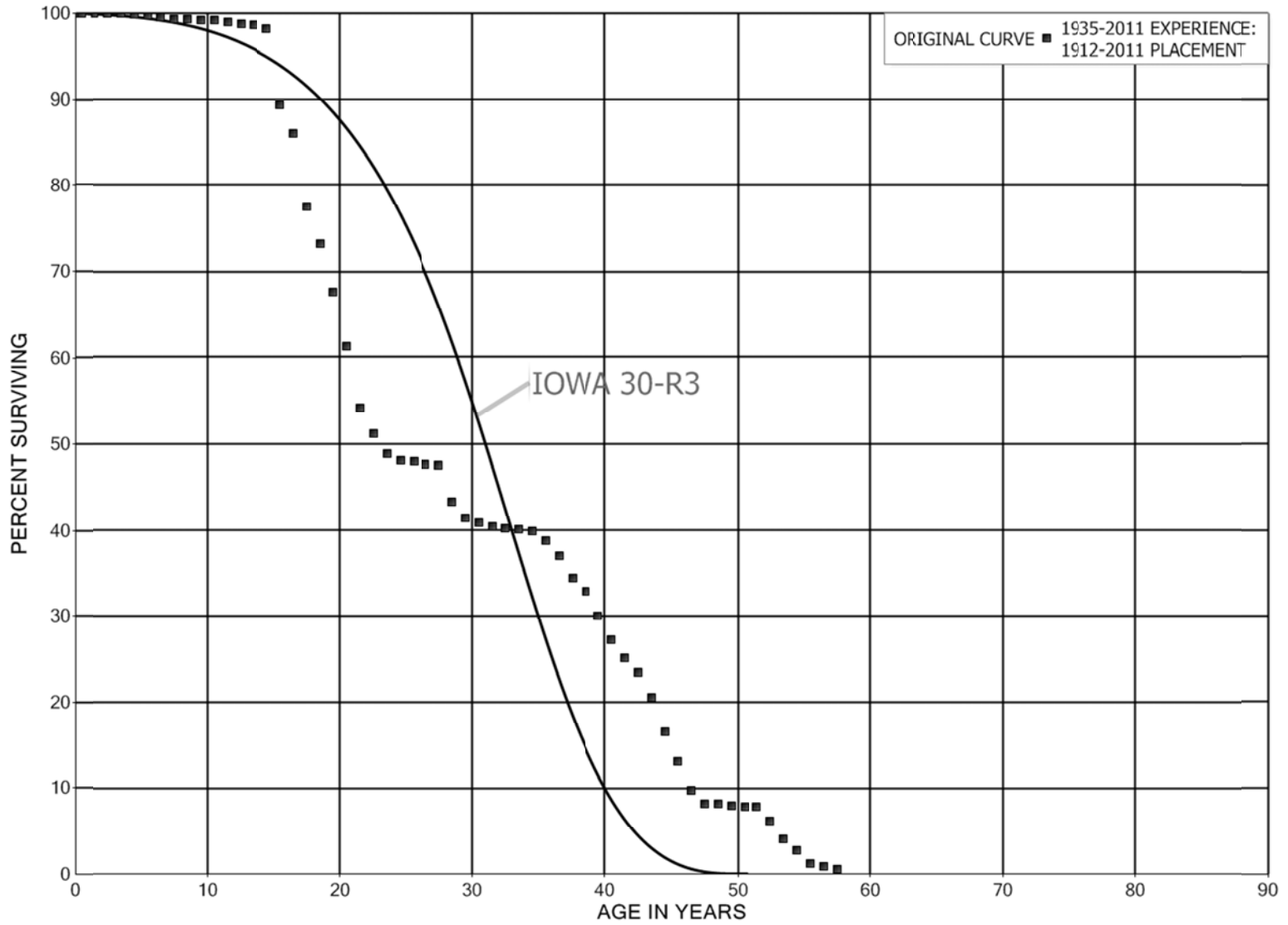
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1992-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	144,998	1,182	0.0082	0.9918	4.81	
80.5	156,497	4,053	0.0259	0.9741	4.77	
81.5	171,612	1,124	0.0065	0.9935	4.65	
82.5	190,204	1,102	0.0058	0.9942	4.62	
83.5	206,624	5,511	0.0267	0.9733	4.59	
84.5	226,917		0.0000	1.0000	4.47	
85.5	241,997		0.0000	1.0000	4.47	
86.5	248,012	40,263	0.1623	0.8377	4.47	
87.5	217,671	21,748	0.0999	0.9001	3.74	
88.5	205,072	13,831	0.0674	0.9326	3.37	
89.5	195,844	23,837	0.1217	0.8783	3.14	
90.5	193,349	20,902	0.1081	0.8919	2.76	
91.5	322,371	18,799	0.0583	0.9417	2.46	
92.5	302,540	26,930	0.0890	0.9110	2.32	
93.5	273,468	22,582	0.0826	0.9174	2.11	
94.5	250,632	21,999	0.0878	0.9122	1.94	
95.5	227,217	15,395	0.0678	0.9322	1.77	
96.5	210,991	16,168	0.0766	0.9234	1.65	
97.5	193,349	16,526	0.0855	0.9145	1.52	
98.5	174,458	23,637	0.1355	0.8645	1.39	
99.5	150,821	149,009	0.9880	0.0120	1.20	
100.5	1,812		0.0000	1.0000	0.01	
101.5	1,812		0.0000	1.0000	0.01	
102.5	1,812		0.0000	1.0000	0.01	
103.5	1,812		0.0000	1.0000	0.01	
104.5	1,812		0.0000	1.0000	0.01	
105.5	1,812		0.0000	1.0000	0.01	
106.5	1,204		0.0000	1.0000	0.01	
107.5	1,204		0.0000	1.0000	0.01	
108.5	1,204		0.0000	1.0000	0.01	
109.5	1,204		0.0000	1.0000	0.01	
110.5	1,204		0.0000	1.0000	0.01	
111.5					0.01	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 383 HOUSE REGULATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1912-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	27,188,040	771	0.0000	1.0000	100.00	
0.5	20,863,464	885	0.0000	1.0000	100.00	
1.5	16,323,924	2,691	0.0002	0.9998	99.99	
2.5	14,516,851	3,124	0.0002	0.9998	99.98	
3.5	11,726,944	20,273	0.0017	0.9983	99.95	
4.5	10,525,894	8,389	0.0008	0.9992	99.78	
5.5	6,719,043	16,014	0.0024	0.9976	99.70	
6.5	6,622,606	9,478	0.0014	0.9986	99.46	
7.5	6,594,659	1,574	0.0002	0.9998	99.32	
8.5	4,533,661	7,339	0.0016	0.9984	99.30	
9.5	4,526,322		0.0000	1.0000	99.14	
10.5	4,526,322	9,597	0.0021	0.9979	99.14	
11.5	4,516,725	10,544	0.0023	0.9977	98.93	
12.5	4,506,181	6,012	0.0013	0.9987	98.70	
13.5	4,251,291	15,528	0.0037	0.9963	98.57	
14.5	3,937,398	358,594	0.0911	0.9089	98.21	
15.5	3,417,731	126,650	0.0371	0.9629	89.26	
16.5	3,061,481	299,753	0.0979	0.9021	85.95	
17.5	2,758,172	153,831	0.0558	0.9442	77.54	
18.5	2,604,341	199,282	0.0765	0.9235	73.21	
19.5	2,405,059	224,136	0.0932	0.9068	67.61	
20.5	2,186,214	256,004	0.1171	0.8829	61.31	
21.5	1,930,210	104,738	0.0543	0.9457	54.13	
22.5	1,825,472	83,670	0.0458	0.9542	51.19	
23.5	1,742,985	27,078	0.0155	0.9845	48.85	
24.5	1,715,907	7,012	0.0041	0.9959	48.09	
25.5	1,708,895	8,108	0.0047	0.9953	47.89	
26.5	1,700,787	5,336	0.0031	0.9969	47.66	
27.5	1,695,451	149,292	0.0881	0.9119	47.51	
28.5	1,546,159	67,741	0.0438	0.9562	43.33	
29.5	1,478,418	20,605	0.0139	0.9861	41.43	
30.5	1,457,813	16,586	0.0114	0.9886	40.86	
31.5	1,441,227	5,826	0.0040	0.9960	40.39	
32.5	1,435,401	6,146	0.0043	0.9957	40.23	
33.5	1,429,255	8,826	0.0062	0.9938	40.05	
34.5	1,420,429	38,783	0.0273	0.9727	39.81	
35.5	1,381,646	62,787	0.0454	0.9546	38.72	
36.5	1,318,859	90,946	0.0690	0.9310	36.96	
37.5	1,227,913	56,444	0.0460	0.9540	34.41	
38.5	1,171,469	104,902	0.0895	0.9105	32.83	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2011			EXPERIENCE BAND 1935-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,066,566	96,825	0.0908	0.9092	29.89	
40.5	969,741	74,436	0.0768	0.9232	27.18	
41.5	895,305	58,740	0.0656	0.9344	25.09	
42.5	836,565	106,369	0.1272	0.8728	23.44	
43.5	730,195	141,776	0.1942	0.8058	20.46	
44.5	588,420	123,572	0.2100	0.7900	16.49	
45.5	464,847	117,974	0.2538	0.7462	13.03	
46.5	346,873	56,616	0.1632	0.8368	9.72	
47.5	290,257		0.0000	1.0000	8.13	
48.5	290,257	5,698	0.0196	0.9804	8.13	
49.5	284,558	5,571	0.0196	0.9804	7.97	
50.5	278,988	239	0.0009	0.9991	7.82	
51.5	278,749	58,524	0.2100	0.7900	7.81	
52.5	220,225	76,688	0.3482	0.6518	6.17	
53.5	143,537	45,107	0.3143	0.6857	4.02	
54.5	98,430	57,500	0.5842	0.4158	2.76	
55.5	40,930	11,724	0.2864	0.7136	1.15	
56.5	29,206	10,816	0.3703	0.6297	0.82	
57.5	18,390	2,969	0.1614	0.8386	0.52	
58.5	15,421	632	0.0410	0.9590	0.43	
59.5	14,789	1,464	0.0990	0.9010	0.41	
60.5	13,325	801	0.0601	0.9399	0.37	
61.5	12,524	1,227	0.0980	0.9020	0.35	
62.5	11,297	1,719	0.1522	0.8478	0.32	
63.5	9,578	279	0.0291	0.9709	0.27	
64.5	9,299	676	0.0727	0.9273	0.26	
65.5	8,623	1,077	0.1249	0.8751	0.24	
66.5	7,546	213	0.0282	0.9718	0.21	
67.5	7,333	1,068	0.1456	0.8544	0.21	
68.5	6,265	979	0.1563	0.8437	0.18	
69.5	5,286	1,032	0.1952	0.8048	0.15	
70.5	4,254	396	0.0931	0.9069	0.12	
71.5	3,858		0.0000	1.0000	0.11	
72.5	3,858		0.0000	1.0000	0.11	
73.5	3,858		0.0000	1.0000	0.11	
74.5	3,858	1,102	0.2856	0.7144	0.11	
75.5	2,756	453	0.1644	0.8356	0.08	
76.5	2,303		0.0000	1.0000	0.06	
77.5	2,303		0.0000	1.0000	0.06	
78.5	2,303		0.0000	1.0000	0.06	

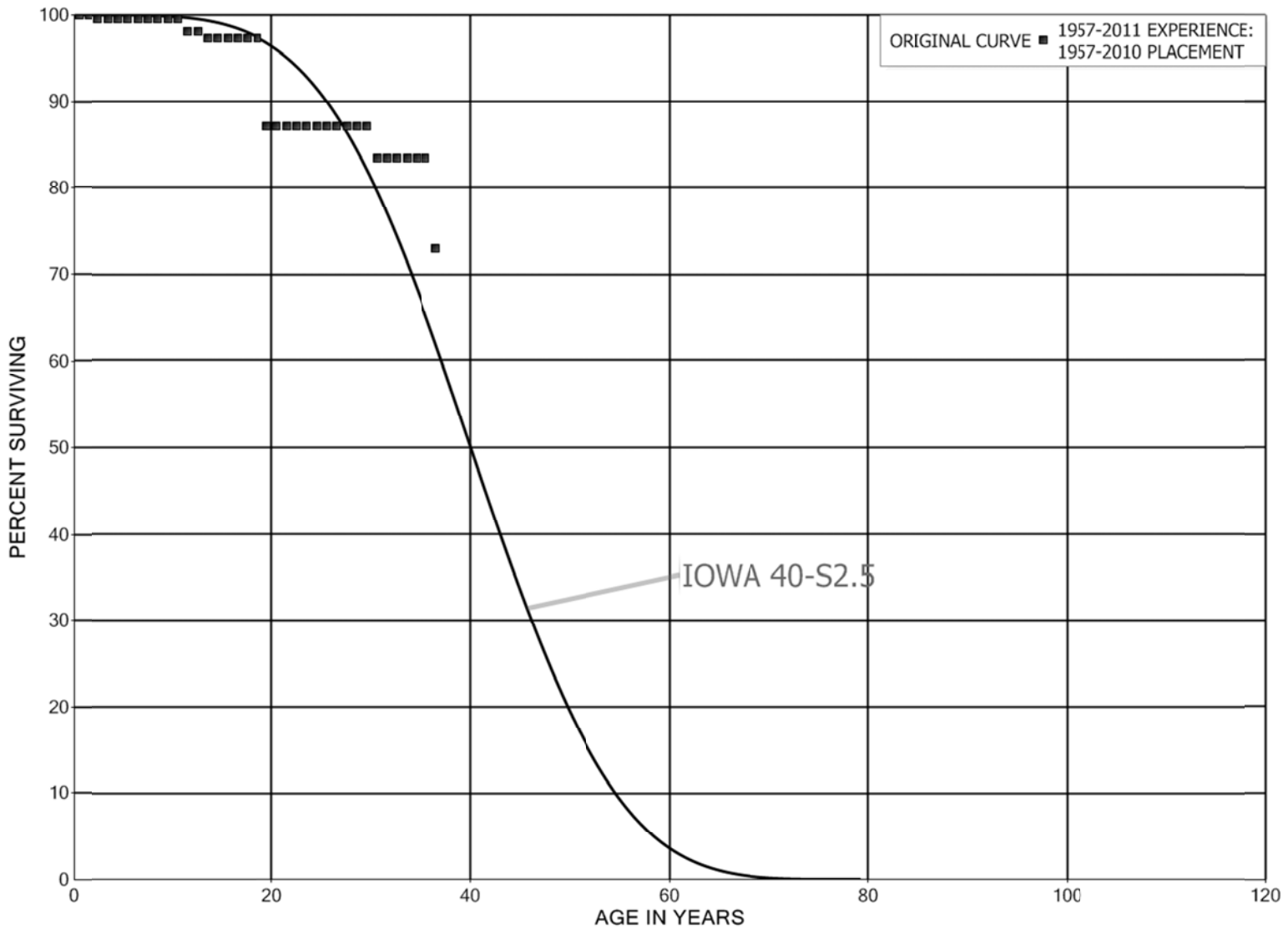
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1912-2011			EXPERIENCE BAND 1935-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	2,303		0.0000	1.0000	0.06
80.5	2,303		0.0000	1.0000	0.06
81.5	2,303		0.0000	1.0000	0.06
82.5	2,303		0.0000	1.0000	0.06
83.5	2,303		0.0000	1.0000	0.06
84.5	2,303	664	0.2883	0.7117	0.06
85.5	1,639	258	0.1574	0.8426	0.05
86.5	1,381		0.0000	1.0000	0.04
87.5	1,381		0.0000	1.0000	0.04
88.5	1,381		0.0000	1.0000	0.04
89.5	1,381		0.0000	1.0000	0.04
90.5	1,381		0.0000	1.0000	0.04
91.5	1,381		0.0000	1.0000	0.04
92.5	1,381	774	0.5605	0.4395	0.04
93.5	607		0.0000	1.0000	0.02
94.5	607	607	1.0000		0.02
95.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2010			EXPERIENCE BAND 1957-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	956,928		0.0000	1.0000	100.00	
0.5	956,928	21	0.0000	1.0000	100.00	
1.5	156,207	703	0.0045	0.9955	100.00	
2.5	166,953		0.0000	1.0000	99.55	
3.5	166,953		0.0000	1.0000	99.55	
4.5	166,953		0.0000	1.0000	99.55	
5.5	166,953		0.0000	1.0000	99.55	
6.5	150,393		0.0000	1.0000	99.55	
7.5	150,393		0.0000	1.0000	99.55	
8.5	150,393		0.0000	1.0000	99.55	
9.5	150,393		0.0000	1.0000	99.55	
10.5	150,393	2,270	0.0151	0.9849	99.55	
11.5	124,987		0.0000	1.0000	98.05	
12.5	124,987	952	0.0076	0.9924	98.05	
13.5	124,035		0.0000	1.0000	97.30	
14.5	124,035		0.0000	1.0000	97.30	
15.5	124,035		0.0000	1.0000	97.30	
16.5	124,035		0.0000	1.0000	97.30	
17.5	147,110		0.0000	1.0000	97.30	
18.5	147,110	15,457	0.1051	0.8949	97.30	
19.5	108,579		0.0000	1.0000	87.08	
20.5	108,579		0.0000	1.0000	87.08	
21.5	83,177		0.0000	1.0000	87.08	
22.5	88,079		0.0000	1.0000	87.08	
23.5	106,485		0.0000	1.0000	87.08	
24.5	106,485		0.0000	1.0000	87.08	
25.5	106,485		0.0000	1.0000	87.08	
26.5	99,383		0.0000	1.0000	87.08	
27.5	106,485		0.0000	1.0000	87.08	
28.5	101,966		0.0000	1.0000	87.08	
29.5	101,966	4,370	0.0429	0.9571	87.08	
30.5	97,596		0.0000	1.0000	83.34	
31.5	97,596		0.0000	1.0000	83.34	
32.5	97,596		0.0000	1.0000	83.34	
33.5	97,596		0.0000	1.0000	83.34	
34.5	97,596		0.0000	1.0000	83.34	
35.5	97,596	12,109	0.1241	0.8759	83.34	
36.5	85,486		0.0000	1.0000	73.00	
37.5	74,521		0.0000	1.0000	73.00	
38.5	74,521		0.0000	1.0000	73.00	

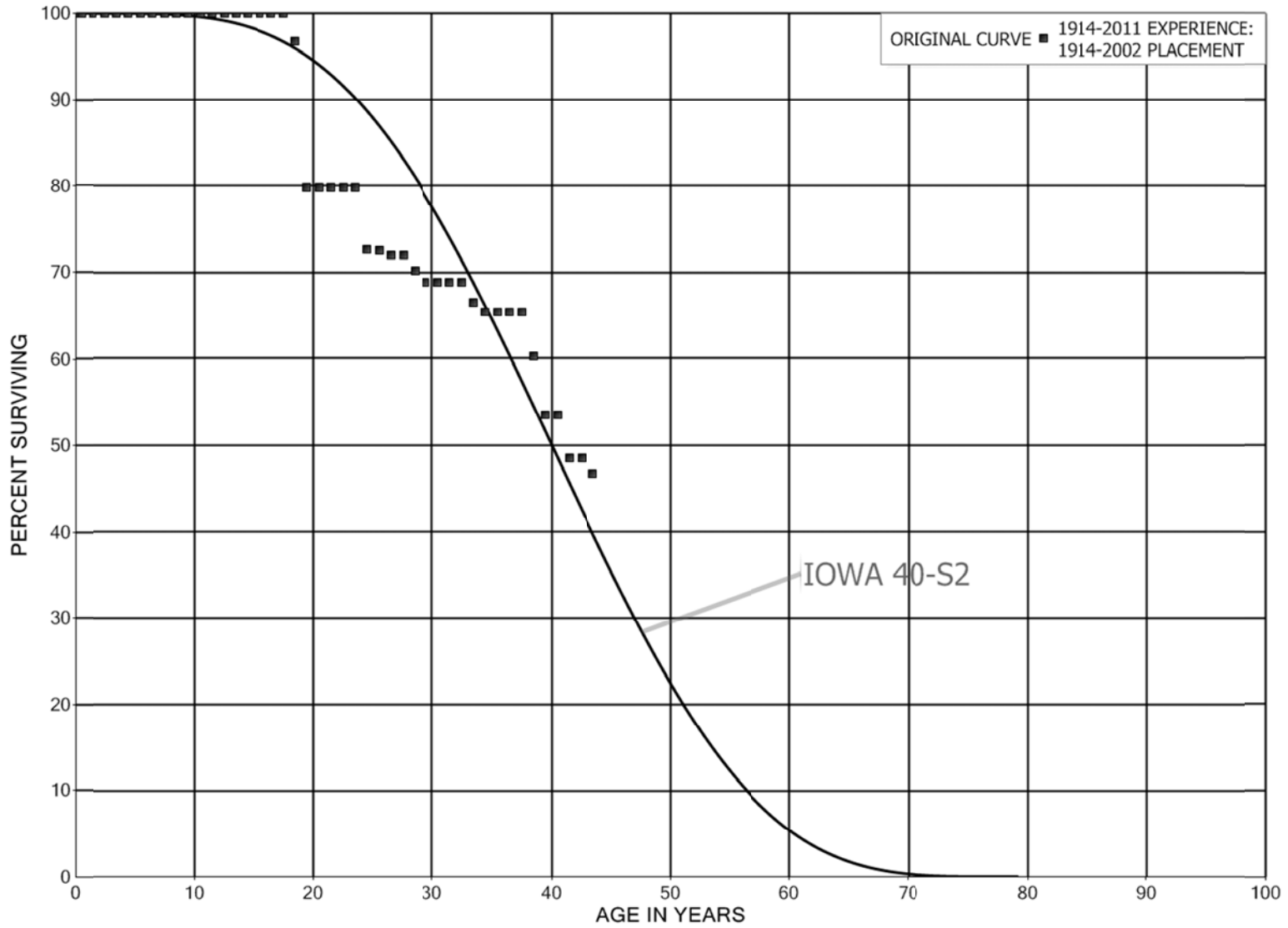
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2010			EXPERIENCE BAND 1957-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	74,000		0.0000	1.0000	73.00
40.5	71,330		0.0000	1.0000	73.00
41.5	63,756		0.0000	1.0000	73.00
42.5	58,854		0.0000	1.0000	73.00
43.5	40,448		0.0000	1.0000	73.00
44.5	40,448		0.0000	1.0000	73.00
45.5	40,448		0.0000	1.0000	73.00
46.5	40,448		0.0000	1.0000	73.00
47.5	33,346		0.0000	1.0000	73.00
48.5	33,346		0.0000	1.0000	73.00
49.5	33,346		0.0000	1.0000	73.00
50.5	33,346		0.0000	1.0000	73.00
51.5	10,036		0.0000	1.0000	73.00
52.5	10,036		0.0000	1.0000	73.00
53.5	10,036		0.0000	1.0000	73.00
54.5					73.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 387 OTHER EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-2002			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	110,194	36	0.0003	0.9997	100.00	
0.5	110,158		0.0000	1.0000	99.97	
1.5	109,398		0.0000	1.0000	99.97	
2.5	109,398		0.0000	1.0000	99.97	
3.5	109,398		0.0000	1.0000	99.97	
4.5	109,398		0.0000	1.0000	99.97	
5.5	109,398		0.0000	1.0000	99.97	
6.5	109,398		0.0000	1.0000	99.97	
7.5	109,398		0.0000	1.0000	99.97	
8.5	109,398		0.0000	1.0000	99.97	
9.5	105,989		0.0000	1.0000	99.97	
10.5	105,989		0.0000	1.0000	99.97	
11.5	72,298		0.0000	1.0000	99.97	
12.5	71,667		0.0000	1.0000	99.97	
13.5	71,667		0.0000	1.0000	99.97	
14.5	82,545		0.0000	1.0000	99.97	
15.5	82,545		0.0000	1.0000	99.97	
16.5	82,545		0.0000	1.0000	99.97	
17.5	82,545	2,671	0.0324	0.9676	99.97	
18.5	79,874	13,939	0.1745	0.8255	96.73	
19.5	65,935		0.0000	1.0000	79.85	
20.5	65,935		0.0000	1.0000	79.85	
21.5	65,935		0.0000	1.0000	79.85	
22.5	68,853		0.0000	1.0000	79.85	
23.5	68,810	6,218	0.0904	0.9096	79.85	
24.5	58,201	112	0.0019	0.9981	72.64	
25.5	58,089	397	0.0068	0.9932	72.50	
26.5	57,692		0.0000	1.0000	72.00	
27.5	57,692	1,459	0.0253	0.9747	72.00	
28.5	56,233	1,072	0.0191	0.9809	70.18	
29.5	55,161		0.0000	1.0000	68.84	
30.5	55,161		0.0000	1.0000	68.84	
31.5	55,161		0.0000	1.0000	68.84	
32.5	55,161	1,832	0.0332	0.9668	68.84	
33.5	53,329	934	0.0175	0.9825	66.56	
34.5	52,395		0.0000	1.0000	65.39	
35.5	52,395		0.0000	1.0000	65.39	
36.5	52,395		0.0000	1.0000	65.39	
37.5	52,395	4,095	0.0782	0.9218	65.39	
38.5	48,300	5,439	0.1126	0.8874	60.28	

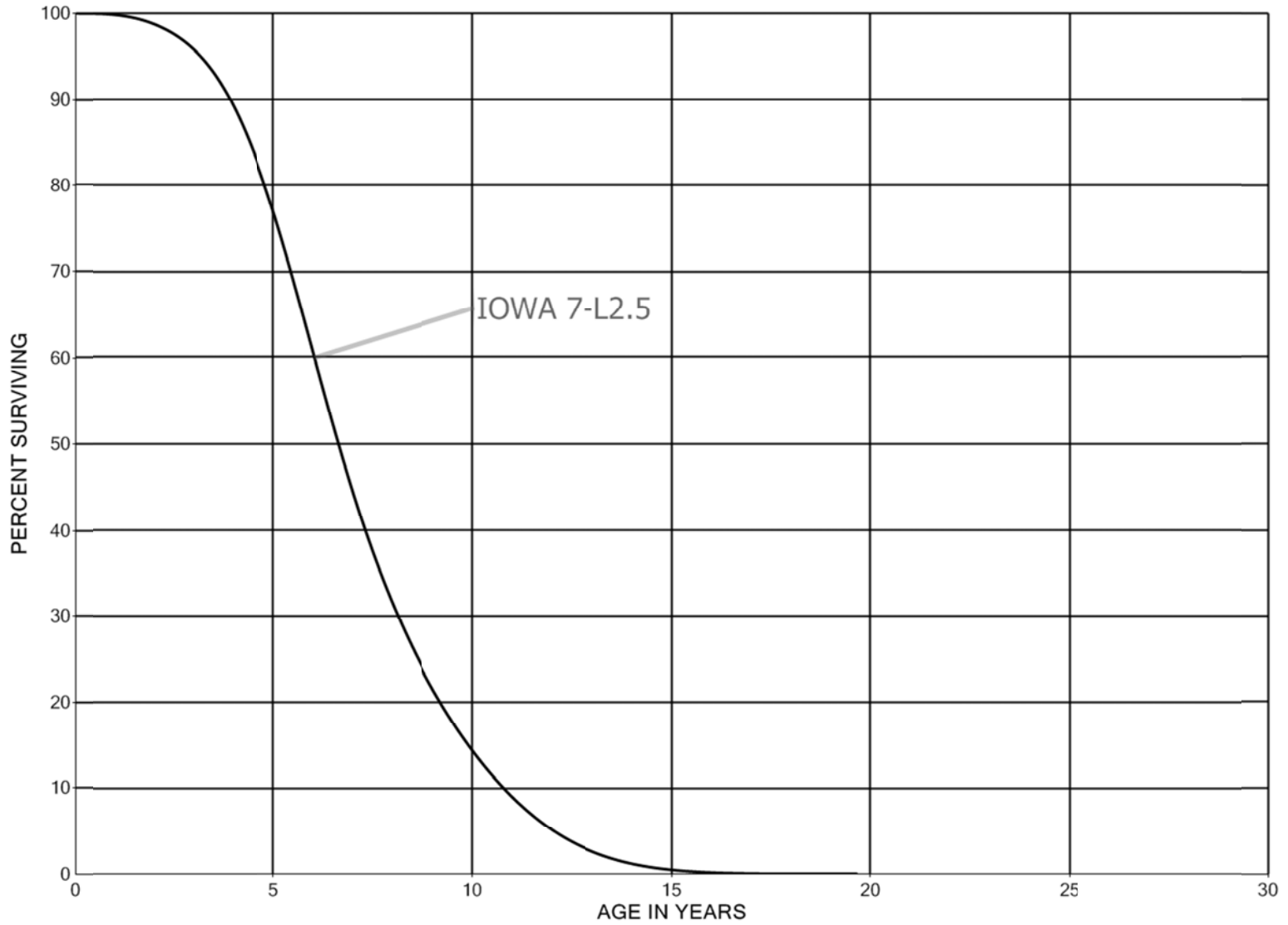
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

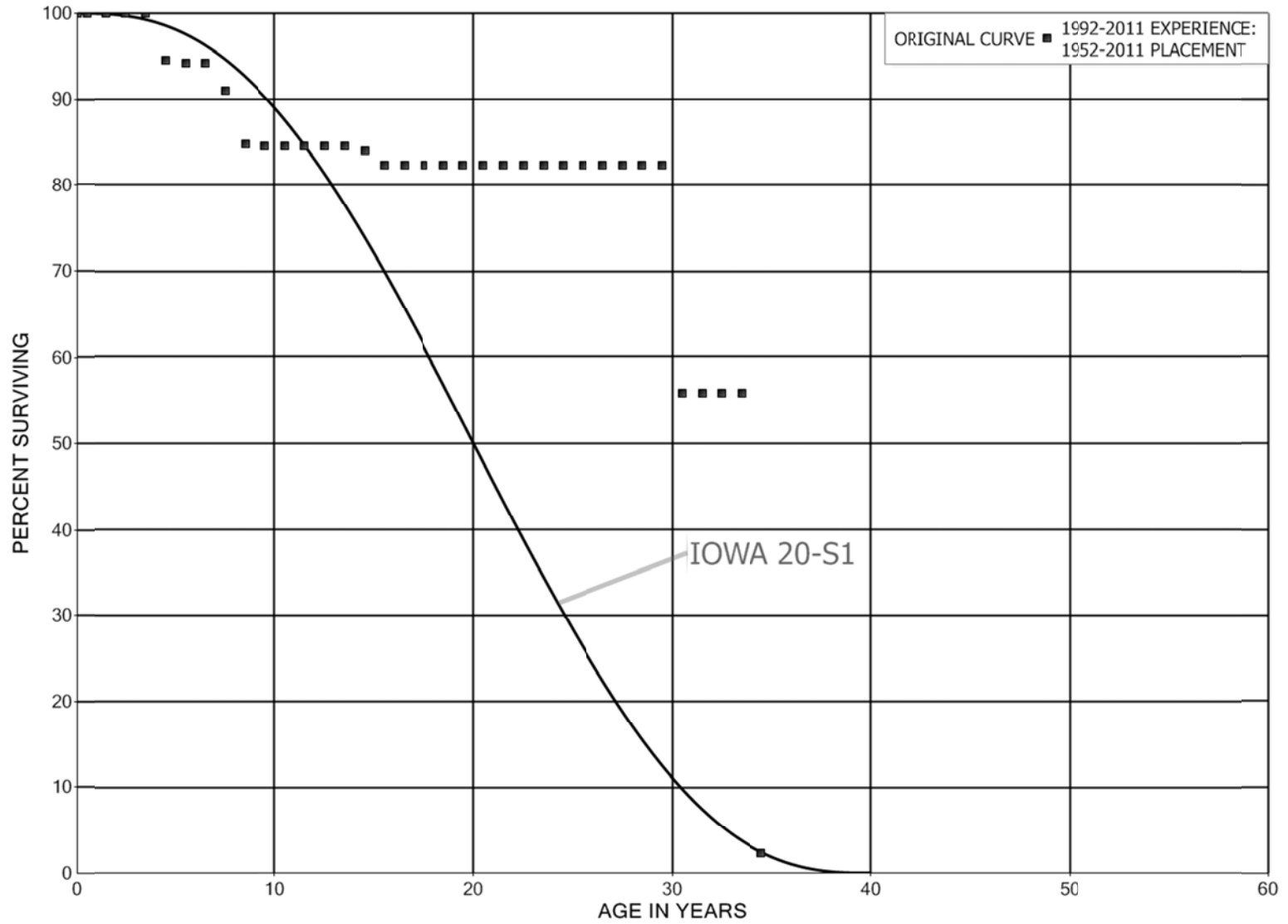
PLACEMENT BAND 1914-2002			EXPERIENCE BAND 1914-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	42,861		0.0000	1.0000	53.49	
40.5	42,861	3,996	0.0932	0.9068	53.49	
41.5	38,865		0.0000	1.0000	48.50	
42.5	38,865	1,459	0.0375	0.9625	48.50	
43.5	37,406		0.0000	1.0000	46.68	
44.5	37,406		0.0000	1.0000	46.68	
45.5	37,406		0.0000	1.0000	46.68	
46.5	37,406		0.0000	1.0000	46.68	
47.5	37,406		0.0000	1.0000	46.68	
48.5	37,406		0.0000	1.0000	46.68	
49.5	37,406		0.0000	1.0000	46.68	
50.5	37,406		0.0000	1.0000	46.68	
51.5	37,406		0.0000	1.0000	46.68	
52.5	40,324		0.0000	1.0000	46.68	
53.5	40,324		0.0000	1.0000	46.68	
54.5	40,324		0.0000	1.0000	46.68	
55.5	40,324		0.0000	1.0000	46.68	
56.5	37,406		0.0000	1.0000	46.68	
57.5	37,406		0.0000	1.0000	46.68	
58.5	28,458		0.0000	1.0000	46.68	
59.5	28,458		0.0000	1.0000	46.68	
60.5	28,458		0.0000	1.0000	46.68	
61.5	28,458	28,458	1.0000		46.68	
62.5						

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



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



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1992-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	641,535		0.0000	1.0000	100.00
0.5	549,368		0.0000	1.0000	100.00
1.5	524,567		0.0000	1.0000	100.00
2.5	500,427		0.0000	1.0000	100.00
3.5	498,296	27,122	0.0544	0.9456	100.00
4.5	445,447	1,802	0.0040	0.9960	94.56
5.5	437,966		0.0000	1.0000	94.17
6.5	406,223	13,821	0.0340	0.9660	94.17
7.5	337,259	23,171	0.0687	0.9313	90.97
8.5	321,587	851	0.0026	0.9974	84.72
9.5	317,938		0.0000	1.0000	84.50
10.5	304,155		0.0000	1.0000	84.50
11.5	255,642		0.0000	1.0000	84.50
12.5	220,314		0.0000	1.0000	84.50
13.5	210,964	1,269	0.0060	0.9940	84.50
14.5	181,670	3,705	0.0204	0.9796	83.99
15.5	116,833		0.0000	1.0000	82.27
16.5	93,857		0.0000	1.0000	82.27
17.5	78,319		0.0000	1.0000	82.27
18.5	70,203		0.0000	1.0000	82.27
19.5	51,117		0.0000	1.0000	82.27
20.5	23,883		0.0000	1.0000	82.27
21.5	12,485		0.0000	1.0000	82.27
22.5	12,485		0.0000	1.0000	82.27
23.5	12,485		0.0000	1.0000	82.27
24.5	12,485		0.0000	1.0000	82.27
25.5	12,485		0.0000	1.0000	82.27
26.5	12,485		0.0000	1.0000	82.27
27.5	12,485		0.0000	1.0000	82.27
28.5	12,485		0.0000	1.0000	82.27
29.5	12,485	4,014	0.3215	0.6785	82.27
30.5	8,471		0.0000	1.0000	55.83
31.5	8,471		0.0000	1.0000	55.83
32.5	8,832		0.0000	1.0000	55.83
33.5	8,832	8,471	0.9591	0.0409	55.83
34.5	361		0.0000	1.0000	2.28
35.5	2,332		0.0000	1.0000	2.28
36.5	2,332	1,971	0.8452	0.1548	2.28
37.5	361		0.0000	1.0000	0.35
38.5	361		0.0000	1.0000	0.35

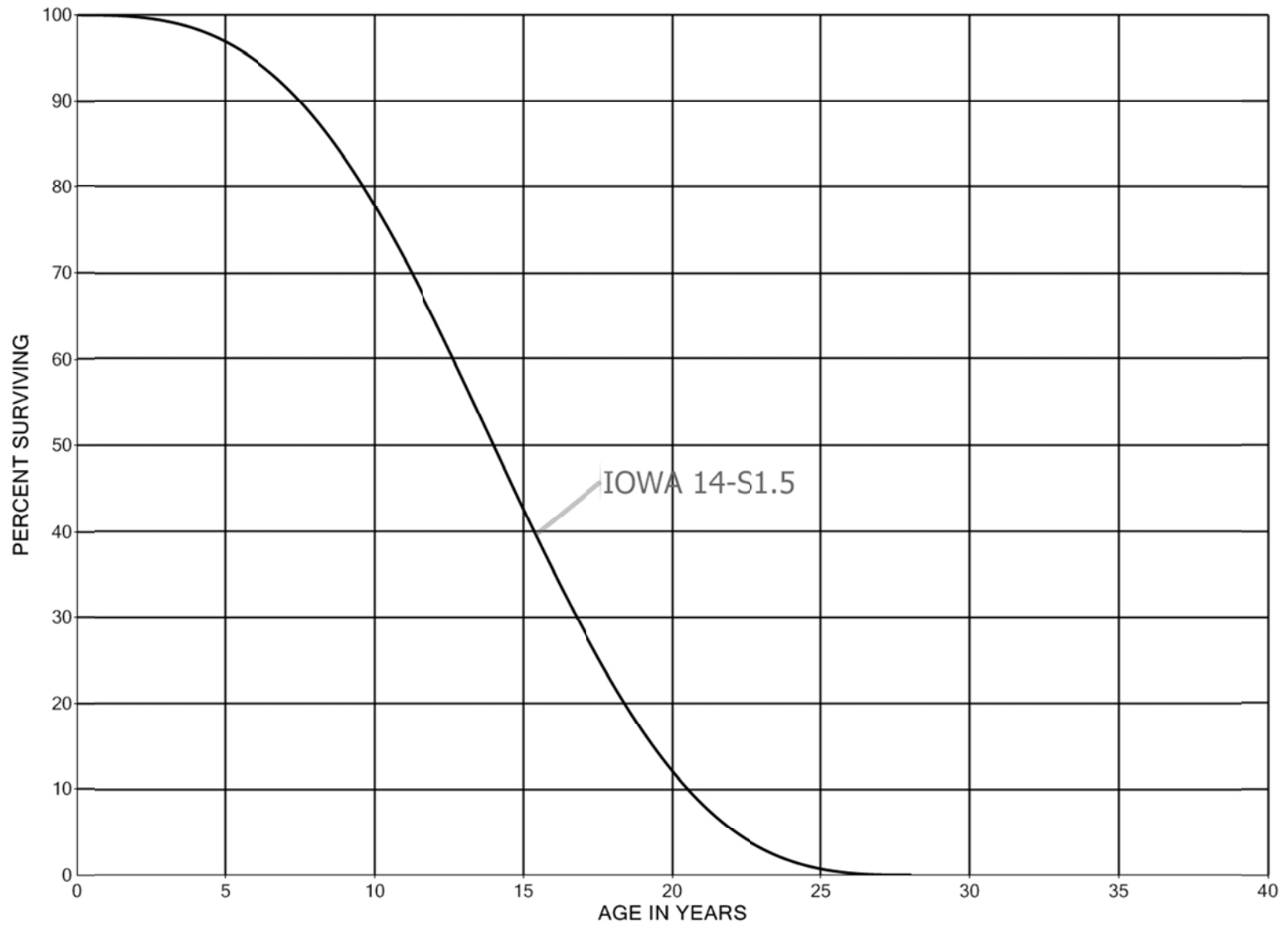
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

ORIGINAL LIFE TABLE, CONT.

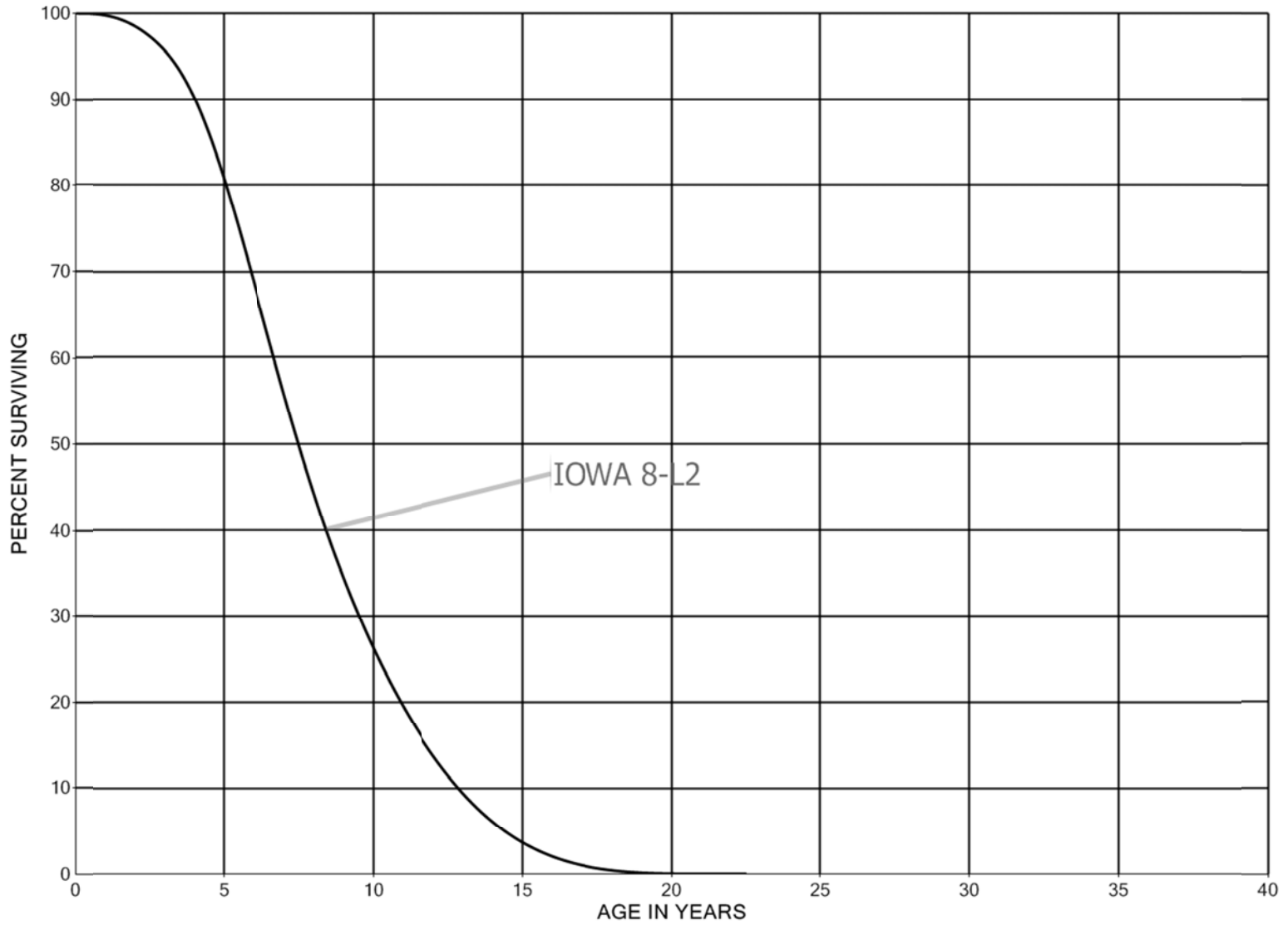
PLACEMENT BAND 1952-2011			EXPERIENCE BAND 1992-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	361		0.0000	1.0000	0.35
40.5	795		0.0000	1.0000	0.35
41.5	795	434	0.5459	0.4541	0.35
42.5	361		0.0000	1.0000	0.16
43.5	361		0.0000	1.0000	0.16
44.5	361		0.0000	1.0000	0.16
45.5	361		0.0000	1.0000	0.16
46.5	361		0.0000	1.0000	0.16
47.5	361		0.0000	1.0000	0.16
48.5	361		0.0000	1.0000	0.16
49.5	361		0.0000	1.0000	0.16
50.5	361	361	1.0000		0.16
51.5					

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



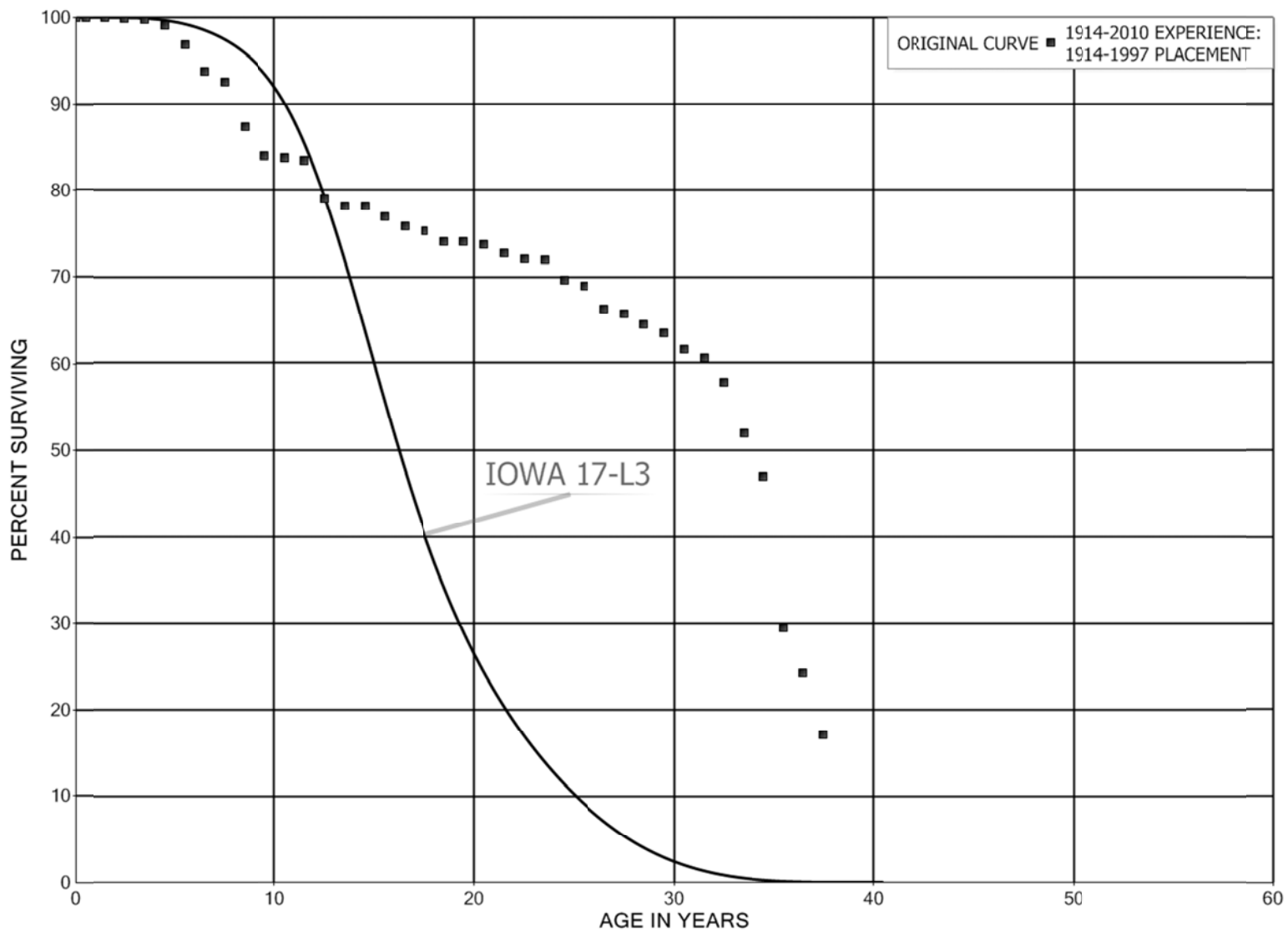
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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT
ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY
SMOOTH SURVIVOR CURVE



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



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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

ORIGINAL LIFE TABLE

PLACEMENT BAND 1914-1997			EXPERIENCE BAND 1914-2010		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	405,828		0.0000	1.0000	100.00
0.5	405,828	190	0.0005	0.9995	100.00
1.5	388,403	247	0.0006	0.9994	99.95
2.5	328,286	375	0.0011	0.9989	99.89
3.5	316,450	2,389	0.0075	0.9925	99.78
4.5	284,349	6,384	0.0225	0.9775	99.02
5.5	263,341	8,477	0.0322	0.9678	96.80
6.5	244,117	3,114	0.0128	0.9872	93.68
7.5	235,987	13,289	0.0563	0.9437	92.49
8.5	222,027	8,558	0.0385	0.9615	87.28
9.5	211,192	408	0.0019	0.9981	83.92
10.5	210,034	907	0.0043	0.9957	83.75
11.5	208,337	10,681	0.0513	0.9487	83.39
12.5	196,278	2,262	0.0115	0.9885	79.12
13.5	189,652		0.0000	1.0000	78.20
14.5	183,125	2,855	0.0156	0.9844	78.20
15.5	179,627	2,799	0.0156	0.9844	76.99
16.5	176,828	1,095	0.0062	0.9938	75.79
17.5	175,811	2,845	0.0162	0.9838	75.32
18.5	160,942	89	0.0006	0.9994	74.10
19.5	160,875	738	0.0046	0.9954	74.06
20.5	160,137	2,049	0.0128	0.9872	73.72
21.5	187,552	1,893	0.0101	0.9899	72.77
22.5	181,954	350	0.0019	0.9981	72.04
23.5	161,157	5,223	0.0324	0.9676	71.90
24.5	155,934	1,375	0.0088	0.9912	69.57
25.5	151,385	5,756	0.0380	0.9620	68.96
26.5	145,629	1,316	0.0090	0.9910	66.34
27.5	145,116	2,651	0.0183	0.9817	65.74
28.5	142,465	2,202	0.0155	0.9845	64.53
29.5	141,062	4,305	0.0305	0.9695	63.54
30.5	136,757	2,258	0.0165	0.9835	61.60
31.5	134,499	6,055	0.0450	0.9550	60.58
32.5	128,444	12,995	0.1012	0.8988	57.85
33.5	115,449	11,312	0.0980	0.9020	52.00
34.5	104,137	38,962	0.3741	0.6259	46.91
35.5	65,175	11,397	0.1749	0.8251	29.36
36.5	53,778	15,860	0.2949	0.7051	24.22
37.5	37,918	10,455	0.2757	0.7243	17.08
38.5	27,463	7,675	0.2795	0.7205	12.37

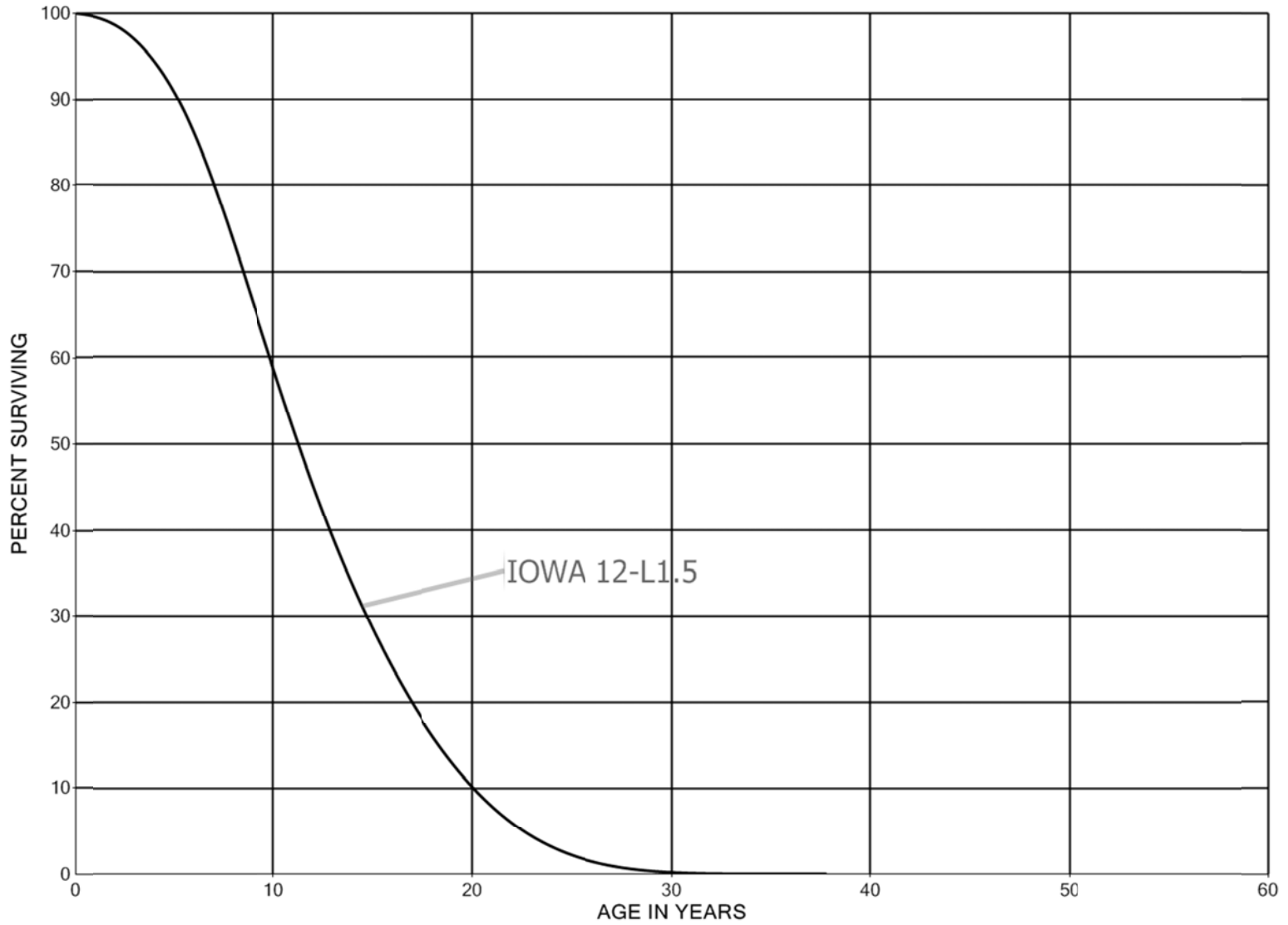
LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1914-1997			EXPERIENCE BAND 1914-2010			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	19,788	2,065	0.1044	0.8956	8.91	
40.5	17,723	1,208	0.0682	0.9318	7.98	
41.5	16,515	1,762	0.1067	0.8933	7.44	
42.5	14,753	842	0.0571	0.9429	6.65	
43.5	13,911	1,485	0.1068	0.8932	6.27	
44.5	12,426	75	0.0060	0.9940	5.60	
45.5	12,351	83	0.0067	0.9933	5.56	
46.5	12,268	322	0.0262	0.9738	5.53	
47.5	11,946	7,989	0.6688	0.3312	5.38	
48.5	3,957	751	0.1898	0.8102	1.78	
49.5	3,206	1,061	0.3309	0.6691	1.44	
50.5	2,145	220	0.1026	0.8974	0.97	
51.5	1,925	208	0.1081	0.8919	0.87	
52.5	1,717	258	0.1503	0.8497	0.77	
53.5	1,459	654	0.4483	0.5517	0.66	
54.5	805		0.0000	1.0000	0.36	
55.5	805		0.0000	1.0000	0.36	
56.5	805		0.0000	1.0000	0.36	
57.5	805		0.0000	1.0000	0.36	
58.5	805		0.0000	1.0000	0.36	
59.5	805		0.0000	1.0000	0.36	
60.5	805		0.0000	1.0000	0.36	
61.5	805		0.0000	1.0000	0.36	
62.5	805		0.0000	1.0000	0.36	
63.5	805		0.0000	1.0000	0.36	
64.5	805		0.0000	1.0000	0.36	
65.5	805		0.0000	1.0000	0.36	
66.5	805	805	1.0000		0.36	
67.5						

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



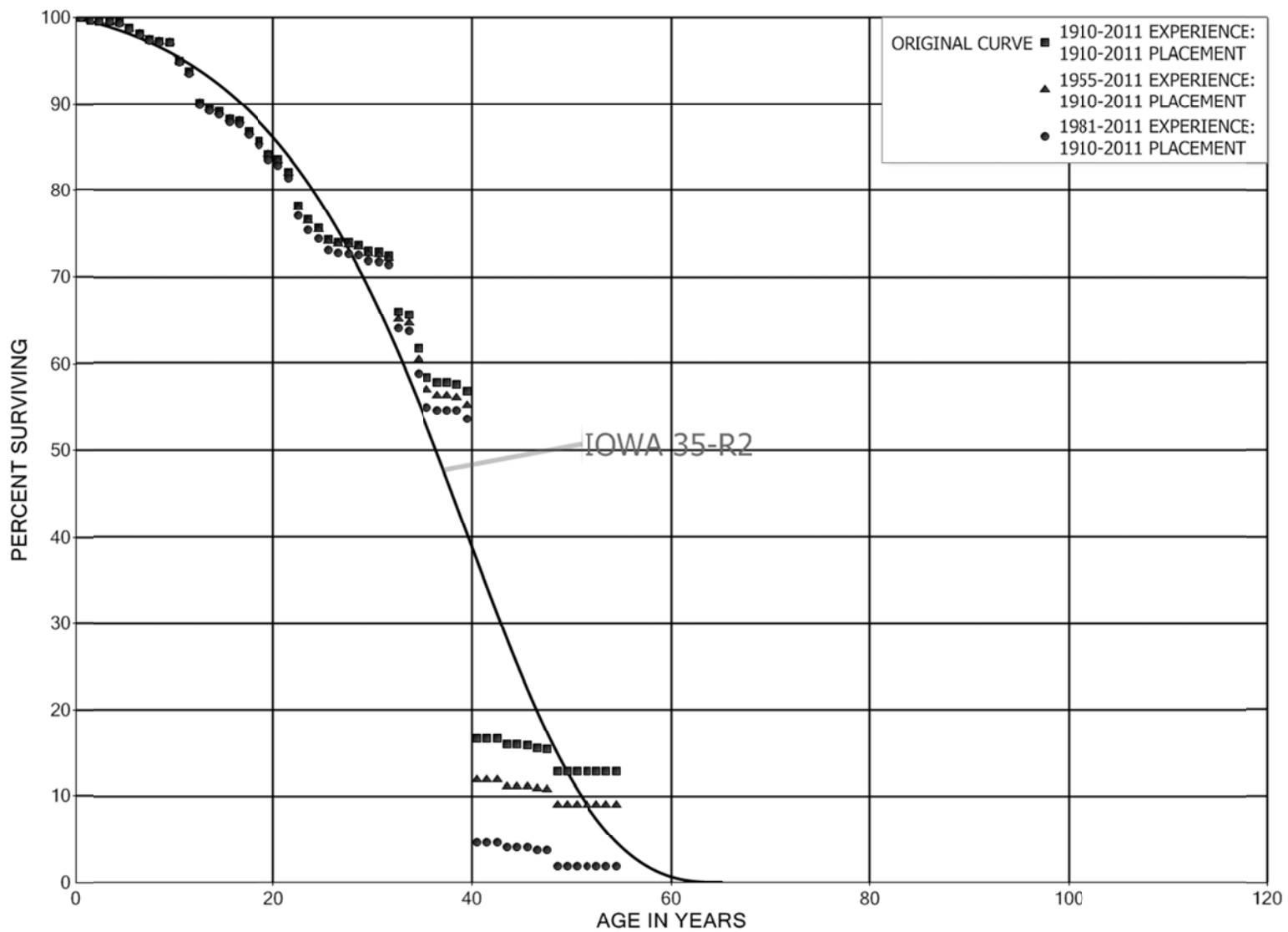
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COMMON PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
 COMMON PLANT
 ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE
 ORIGINAL AND SMOOTH SURVIVOR CURVES

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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1910-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	71,895,380	33,274	0.0005	0.9995	100.00	
0.5	67,862,532	196,428	0.0029	0.9971	99.95	
1.5	65,661,964	68,975	0.0011	0.9989	99.66	
2.5	61,932,131	53,294	0.0009	0.9991	99.56	
3.5	57,557,753	74,557	0.0013	0.9987	99.47	
4.5	56,549,123	381,690	0.0067	0.9933	99.35	
5.5	55,731,876	348,711	0.0063	0.9937	98.67	
6.5	53,488,354	373,743	0.0070	0.9930	98.06	
7.5	51,894,019	111,109	0.0021	0.9979	97.37	
8.5	50,370,356	35,261	0.0007	0.9993	97.16	
9.5	49,258,262	1,083,462	0.0220	0.9780	97.10	
10.5	47,935,109	648,248	0.0135	0.9865	94.96	
11.5	46,740,031	1,784,264	0.0382	0.9618	93.68	
12.5	42,770,956	330,202	0.0077	0.9923	90.10	
13.5	41,808,057	179,087	0.0043	0.9957	89.40	
14.5	41,369,629	385,558	0.0093	0.9907	89.02	
15.5	40,842,833	103,875	0.0025	0.9975	88.19	
16.5	26,577,929	377,596	0.0142	0.9858	87.97	
17.5	15,289,234	193,120	0.0126	0.9874	86.72	
18.5	14,975,134	263,755	0.0176	0.9824	85.62	
19.5	14,435,433	111,756	0.0077	0.9923	84.11	
20.5	13,454,679	223,279	0.0166	0.9834	83.46	
21.5	13,006,061	622,640	0.0479	0.9521	82.08	
22.5	12,383,421	247,678	0.0200	0.9800	78.15	
23.5	12,108,080	150,558	0.0124	0.9876	76.59	
24.5	11,666,710	201,551	0.0173	0.9827	75.63	
25.5	10,758,860	46,194	0.0043	0.9957	74.33	
26.5	8,917,274	13,798	0.0015	0.9985	74.01	
27.5	1,644,032	6,169	0.0038	0.9962	73.89	
28.5	1,357,898	11,373	0.0084	0.9916	73.62	
29.5	1,346,525	2,117	0.0016	0.9984	73.00	
30.5	1,344,408	8,024	0.0060	0.9940	72.88	
31.5	1,385,034	123,235	0.0890	0.9110	72.45	
32.5	1,213,149	6,691	0.0055	0.9945	66.00	
33.5	1,206,458	72,524	0.0601	0.9399	65.64	
34.5	1,133,934	59,868	0.0528	0.9472	61.69	
35.5	1,074,066	10,942	0.0102	0.9898	58.44	
36.5	1,063,124		0.0000	1.0000	57.84	
37.5	1,063,124	3,589	0.0034	0.9966	57.84	
38.5	1,059,535	15,182	0.0143	0.9857	57.65	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1910-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,044,353	739,436	0.7080	0.2920	56.82	
40.5	304,917		0.0000	1.0000	16.59	
41.5	304,917	120	0.0004	0.9996	16.59	
42.5	304,797	12,491	0.0410	0.9590	16.58	
43.5	292,306		0.0000	1.0000	15.90	
44.5	292,306	401	0.0014	0.9986	15.90	
45.5	291,905	6,870	0.0235	0.9765	15.88	
46.5	285,035	2,450	0.0086	0.9914	15.51	
47.5	282,585	46,262	0.1637	0.8363	15.37	
48.5	236,323	630	0.0027	0.9973	12.86	
49.5	235,693		0.0000	1.0000	12.82	
50.5	235,693		0.0000	1.0000	12.82	
51.5	235,693		0.0000	1.0000	12.82	
52.5	235,693	300	0.0013	0.9987	12.82	
53.5	235,393		0.0000	1.0000	12.81	
54.5	235,393	735	0.0031	0.9969	12.81	
55.5	234,658	43,654	0.1860	0.8140	12.77	
56.5	191,004	500	0.0026	0.9974	10.39	
57.5	190,504	773	0.0041	0.9959	10.36	
58.5	189,731	113	0.0006	0.9994	10.32	
59.5	189,618		0.0000	1.0000	10.32	
60.5	189,618		0.0000	1.0000	10.32	
61.5	189,618		0.0000	1.0000	10.32	
62.5	189,618		0.0000	1.0000	10.32	
63.5	189,618		0.0000	1.0000	10.32	
64.5	189,618	459	0.0024	0.9976	10.32	
65.5	189,159	2,864	0.0151	0.9849	10.29	
66.5	186,295		0.0000	1.0000	10.14	
67.5	186,295	406	0.0022	0.9978	10.14	
68.5	185,889	15,485	0.0833	0.9167	10.11	
69.5	170,404	995	0.0058	0.9942	9.27	
70.5	169,409	5,490	0.0324	0.9676	9.22	
71.5	163,919	53,437	0.3260	0.6740	8.92	
72.5	110,482	250	0.0023	0.9977	6.01	
73.5	110,232	7,214	0.0654	0.9346	6.00	
74.5	103,018		0.0000	1.0000	5.60	
75.5	103,018	531	0.0052	0.9948	5.60	
76.5	102,487		0.0000	1.0000	5.58	
77.5	102,487	1,522	0.0149	0.9851	5.58	
78.5	100,965		0.0000	1.0000	5.49	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1910-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	100,965		0.0000	1.0000	5.49
80.5	100,965		0.0000	1.0000	5.49
81.5	100,965	2,521	0.0250	0.9750	5.49
82.5	98,444		0.0000	1.0000	5.36
83.5	98,444		0.0000	1.0000	5.36
84.5	98,444	98,444	1.0000		5.36
85.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1955-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	71,509,820	32,937	0.0005	0.9995	100.00	
0.5	67,477,309	196,428	0.0029	0.9971	99.95	
1.5	65,276,942	68,975	0.0011	0.9989	99.66	
2.5	61,563,700	53,294	0.0009	0.9991	99.56	
3.5	57,189,322	74,557	0.0013	0.9987	99.47	
4.5	56,180,692	381,690	0.0068	0.9932	99.34	
5.5	55,370,555	348,711	0.0063	0.9937	98.67	
6.5	53,129,483	373,743	0.0070	0.9930	98.05	
7.5	51,599,929	111,109	0.0022	0.9978	97.36	
8.5	50,076,796	35,261	0.0007	0.9993	97.15	
9.5	48,964,702	1,080,203	0.0221	0.9779	97.08	
10.5	47,644,808	648,248	0.0136	0.9864	94.94	
11.5	46,449,730	1,784,264	0.0384	0.9616	93.64	
12.5	42,480,655	328,926	0.0077	0.9923	90.05	
13.5	41,519,032	179,087	0.0043	0.9957	89.35	
14.5	41,081,339	382,641	0.0093	0.9907	88.96	
15.5	40,605,882	102,262	0.0025	0.9975	88.14	
16.5	26,342,591	377,340	0.0143	0.9857	87.91	
17.5	15,054,925	192,057	0.0128	0.9872	86.65	
18.5	14,742,001	263,755	0.0179	0.9821	85.55	
19.5	14,202,300	111,756	0.0079	0.9921	84.02	
20.5	13,221,546	223,279	0.0169	0.9831	83.36	
21.5	12,772,928	622,640	0.0487	0.9513	81.95	
22.5	12,150,288	247,678	0.0204	0.9796	77.96	
23.5	11,874,947	148,358	0.0125	0.9875	76.37	
24.5	11,436,236	198,551	0.0174	0.9826	75.41	
25.5	10,534,750	46,118	0.0044	0.9956	74.10	
26.5	8,697,310	13,798	0.0016	0.9984	73.78	
27.5	1,425,027	6,169	0.0043	0.9957	73.66	
28.5	1,157,158	10,806	0.0093	0.9907	73.34	
29.5	1,148,069	2,117	0.0018	0.9982	72.66	
30.5	1,154,470	8,024	0.0070	0.9930	72.52	
31.5	1,273,753	123,235	0.0967	0.9033	72.02	
32.5	1,101,868	6,691	0.0061	0.9939	65.05	
33.5	1,102,391	72,524	0.0658	0.9342	64.66	
34.5	1,029,867	59,868	0.0581	0.9419	60.40	
35.5	970,530	10,942	0.0113	0.9887	56.89	
36.5	959,588		0.0000	1.0000	56.25	
37.5	959,611	3,589	0.0037	0.9963	56.25	
38.5	956,022	15,182	0.0159	0.9841	56.04	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1955-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	940,840	739,436	0.7859	0.2141	55.15	
40.5	201,404		0.0000	1.0000	11.81	
41.5	204,295	120	0.0006	0.9994	11.81	
42.5	204,175	12,491	0.0612	0.9388	11.80	
43.5	191,684		0.0000	1.0000	11.08	
44.5	292,306	401	0.0014	0.9986	11.08	
45.5	291,905	6,870	0.0235	0.9765	11.06	
46.5	285,035	2,450	0.0086	0.9914	10.80	
47.5	282,585	46,262	0.1637	0.8363	10.71	
48.5	236,323	630	0.0027	0.9973	8.96	
49.5	235,693		0.0000	1.0000	8.93	
50.5	235,693		0.0000	1.0000	8.93	
51.5	235,693		0.0000	1.0000	8.93	
52.5	235,693	300	0.0013	0.9987	8.93	
53.5	235,393		0.0000	1.0000	8.92	
54.5	235,393	735	0.0031	0.9969	8.92	
55.5	234,658	43,654	0.1860	0.8140	8.89	
56.5	191,004	500	0.0026	0.9974	7.24	
57.5	190,504	773	0.0041	0.9959	7.22	
58.5	189,731	113	0.0006	0.9994	7.19	
59.5	189,618		0.0000	1.0000	7.19	
60.5	189,618		0.0000	1.0000	7.19	
61.5	189,618		0.0000	1.0000	7.19	
62.5	189,618		0.0000	1.0000	7.19	
63.5	189,618		0.0000	1.0000	7.19	
64.5	189,618	459	0.0024	0.9976	7.19	
65.5	189,159	2,864	0.0151	0.9849	7.17	
66.5	186,295		0.0000	1.0000	7.06	
67.5	186,295	406	0.0022	0.9978	7.06	
68.5	185,889	15,485	0.0833	0.9167	7.04	
69.5	170,404	995	0.0058	0.9942	6.46	
70.5	169,409	5,490	0.0324	0.9676	6.42	
71.5	163,919	53,437	0.3260	0.6740	6.21	
72.5	110,482	250	0.0023	0.9977	4.19	
73.5	110,232	7,214	0.0654	0.9346	4.18	
74.5	103,018		0.0000	1.0000	3.90	
75.5	103,018	531	0.0052	0.9948	3.90	
76.5	102,487		0.0000	1.0000	3.88	
77.5	102,487	1,522	0.0149	0.9851	3.88	
78.5	100,965		0.0000	1.0000	3.83	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1955-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	100,965		0.0000	1.0000	3.83
80.5	100,965		0.0000	1.0000	3.83
81.5	100,965	2,521	0.0250	0.9750	3.83
82.5	98,444		0.0000	1.0000	3.73
83.5	98,444		0.0000	1.0000	3.73
84.5	98,444	98,444	1.0000		3.73
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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
0.0	69,923,747	32,937	0.0005	0.9995	100.00	
0.5	66,102,808	196,428	0.0030	0.9970	99.95	
1.5	64,000,693	68,975	0.0011	0.9989	99.66	
2.5	60,282,068	51,809	0.0009	0.9991	99.55	
3.5	55,924,499	74,423	0.0013	0.9987	99.46	
4.5	54,927,669	380,440	0.0069	0.9931	99.33	
5.5	54,157,589	348,411	0.0064	0.9936	98.64	
6.5	51,942,109	369,743	0.0071	0.9929	98.01	
7.5	50,352,765	111,109	0.0022	0.9978	97.31	
8.5	48,913,665	32,326	0.0007	0.9993	97.10	
9.5	47,806,113	1,080,203	0.0226	0.9774	97.03	
10.5	46,486,219	647,448	0.0139	0.9861	94.84	
11.5	45,315,015	1,783,882	0.0394	0.9606	93.52	
12.5	41,360,120	328,926	0.0080	0.9920	89.84	
13.5	40,398,759	178,847	0.0044	0.9956	89.12	
14.5	39,971,660	382,641	0.0096	0.9904	88.73	
15.5	39,451,000	101,114	0.0026	0.9974	87.88	
16.5	25,193,269	372,380	0.0148	0.9852	87.65	
17.5	14,017,572	192,057	0.0137	0.9863	86.36	
18.5	13,712,414	261,779	0.0191	0.9809	85.17	
19.5	13,254,120	110,210	0.0083	0.9917	83.55	
20.5	12,289,130	222,706	0.0181	0.9819	82.85	
21.5	11,890,994	620,581	0.0522	0.9478	81.35	
22.5	11,270,413	247,678	0.0220	0.9780	77.11	
23.5	10,995,072	143,358	0.0130	0.9870	75.41	
24.5	10,561,084	198,551	0.0188	0.9812	74.43	
25.5	10,393,934	44,022	0.0042	0.9958	73.03	
26.5	8,554,520	13,798	0.0016	0.9984	72.72	
27.5	1,281,278	2,669	0.0021	0.9979	72.60	
28.5	1,011,135	8,233	0.0081	0.9919	72.45	
29.5	1,002,902	2,117	0.0021	0.9979	71.86	
30.5	1,000,785	4,614	0.0046	0.9954	71.71	
31.5	1,051,691	107,282	0.1020	0.8980	71.38	
32.5	898,209	5,931	0.0066	0.9934	64.10	
33.5	957,059	72,524	0.0758	0.9242	63.67	
34.5	885,065	58,802	0.0664	0.9336	58.85	
35.5	826,263	4,778	0.0058	0.9942	54.94	
36.5	821,485		0.0000	1.0000	54.62	
37.5	821,485		0.0000	1.0000	54.62	
38.5	821,485	15,182	0.0185	0.9815	54.62	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	806,303	737,700	0.9149	0.0851	53.61	
40.5	69,338		0.0000	1.0000	4.56	
41.5	111,992		0.0000	1.0000	4.56	
42.5	111,992	12,491	0.1115	0.8885	4.56	
43.5	100,274		0.0000	1.0000	4.05	
44.5	100,387		0.0000	1.0000	4.05	
45.5	100,387	6,870	0.0684	0.9316	4.05	
46.5	93,517	2,450	0.0262	0.9738	3.78	
47.5	91,067	46,262	0.5080	0.4920	3.68	
48.5	44,805	530	0.0118	0.9882	1.81	
49.5	44,275		0.0000	1.0000	1.79	
50.5	44,734		0.0000	1.0000	1.79	
51.5	48,098		0.0000	1.0000	1.79	
52.5	48,098		0.0000	1.0000	1.79	
53.5	48,504		0.0000	1.0000	1.79	
54.5	63,989	735	0.0115	0.9885	1.79	
55.5	64,971	43,654	0.6719	0.3281	1.77	
56.5	26,807	500	0.0187	0.9813	0.58	
57.5	79,744	773	0.0097	0.9903	0.57	
58.5	78,971	113	0.0014	0.9986	0.56	
59.5	86,072		0.0000	1.0000	0.56	
60.5	86,072		0.0000	1.0000	0.56	
61.5	86,603		0.0000	1.0000	0.56	
62.5	86,603		0.0000	1.0000	0.56	
63.5	86,626		0.0000	1.0000	0.56	
64.5	86,626	459	0.0053	0.9947	0.56	
65.5	86,167	2,864	0.0332	0.9668	0.56	
66.5	83,303		0.0000	1.0000	0.54	
67.5	86,074	406	0.0047	0.9953	0.54	
68.5	85,668	15,485	0.1808	0.8192	0.54	
69.5	70,183	717	0.0102	0.9898	0.44	
70.5	169,409	5,490	0.0324	0.9676	0.44	
71.5	163,919	53,437	0.3260	0.6740	0.42	
72.5	110,482	250	0.0023	0.9977	0.28	
73.5	110,232	7,214	0.0654	0.9346	0.28	
74.5	103,018		0.0000	1.0000	0.27	
75.5	103,018	531	0.0052	0.9948	0.27	
76.5	102,487		0.0000	1.0000	0.26	
77.5	102,487	1,522	0.0149	0.9851	0.26	
78.5	100,965		0.0000	1.0000	0.26	

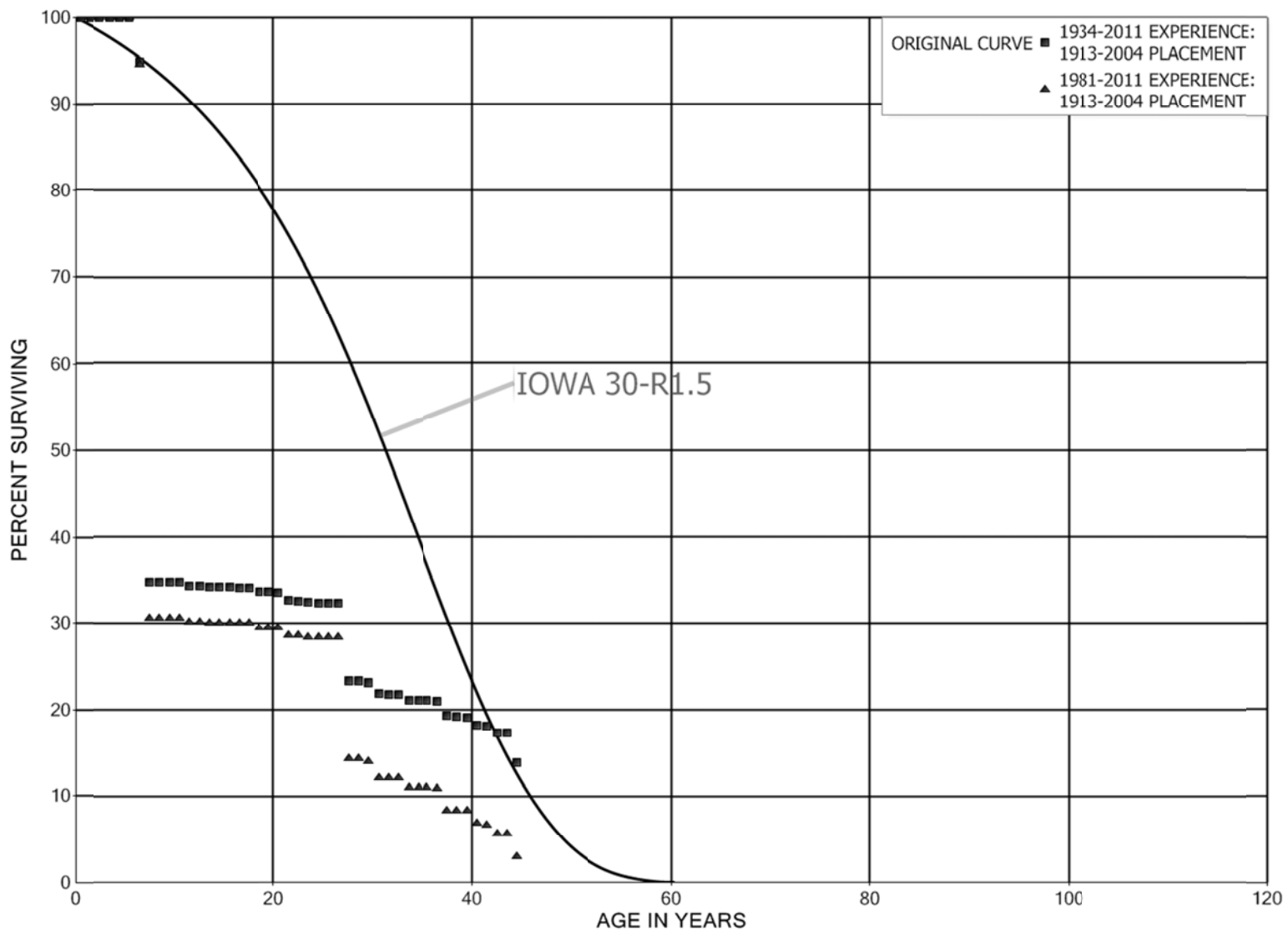
LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1910-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	100,965		0.0000	1.0000	0.26
80.5	100,965		0.0000	1.0000	0.26
81.5	100,965	2,521	0.0250	0.9750	0.26
82.5	98,444		0.0000	1.0000	0.25
83.5	98,444		0.0000	1.0000	0.25
84.5	98,444	98,444	1.0000		0.25
85.5					

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT
ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1934-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,770,027		0.0000	1.0000	100.00
0.5	1,777,002		0.0000	1.0000	100.00
1.5	1,778,029		0.0000	1.0000	100.00
2.5	1,778,029		0.0000	1.0000	100.00
3.5	2,087,267		0.0000	1.0000	100.00
4.5	2,103,460		0.0000	1.0000	100.00
5.5	1,824,598	94,169	0.0516	0.9484	100.00
6.5	1,730,429	1,096,932	0.6339	0.3661	94.84
7.5	600,279		0.0000	1.0000	34.72
8.5	581,526		0.0000	1.0000	34.72
9.5	583,824		0.0000	1.0000	34.72
10.5	582,320	6,881	0.0118	0.9882	34.72
11.5	515,741		0.0000	1.0000	34.31
12.5	526,881	1,954	0.0037	0.9963	34.31
13.5	523,690		0.0000	1.0000	34.18
14.5	517,983	228	0.0004	0.9996	34.18
15.5	518,006	1,045	0.0020	0.9980	34.17
16.5	510,719		0.0000	1.0000	34.10
17.5	510,766	7,751	0.0152	0.9848	34.10
18.5	503,465		0.0000	1.0000	33.58
19.5	506,075	1,550	0.0031	0.9969	33.58
20.5	503,692	12,542	0.0249	0.9751	33.48
21.5	506,689	2,196	0.0043	0.9957	32.64
22.5	504,493	2,468	0.0049	0.9951	32.50
23.5	225,970	197	0.0009	0.9991	32.34
24.5	225,773		0.0000	1.0000	32.32
25.5	226,203		0.0000	1.0000	32.32
26.5	226,203	62,917	0.2781	0.7219	32.32
27.5	163,286	430	0.0026	0.9974	23.33
28.5	162,856	1,616	0.0099	0.9901	23.27
29.5	161,241	8,130	0.0504	0.9496	23.04
30.5	153,111	982	0.0064	0.9936	21.87
31.5	152,129	243	0.0016	0.9984	21.73
32.5	151,885	4,762	0.0314	0.9686	21.70
33.5	147,123		0.0000	1.0000	21.02
34.5	147,123		0.0000	1.0000	21.02
35.5	147,123	767	0.0052	0.9948	21.02
36.5	146,356	11,646	0.0796	0.9204	20.91
37.5	134,710	150	0.0011	0.9989	19.24
38.5	134,560	821	0.0061	0.9939	19.22

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	133,739	6,631	0.0496	0.9504	19.11	
40.5	127,107	992	0.0078	0.9922	18.16	
41.5	126,116	4,783	0.0379	0.9621	18.02	
42.5	121,333	200	0.0016	0.9984	17.33	
43.5	121,133	24,481	0.2021	0.7979	17.31	
44.5	96,652		0.0000	1.0000	13.81	
45.5	96,652		0.0000	1.0000	13.81	
46.5	96,652		0.0000	1.0000	13.81	
47.5	96,652	175	0.0018	0.9982	13.81	
48.5	96,477		0.0000	1.0000	13.78	
49.5	96,477		0.0000	1.0000	13.78	
50.5	96,477		0.0000	1.0000	13.78	
51.5	96,477	261	0.0027	0.9973	13.78	
52.5	96,216	379	0.0039	0.9961	13.75	
53.5	95,837	200	0.0021	0.9979	13.69	
54.5	95,637		0.0000	1.0000	13.66	
55.5	95,637	1,500	0.0157	0.9843	13.66	
56.5	94,137		0.0000	1.0000	13.45	
57.5	94,137		0.0000	1.0000	13.45	
58.5	94,137	1,081	0.0115	0.9885	13.45	
59.5	93,057		0.0000	1.0000	13.29	
60.5	93,057		0.0000	1.0000	13.29	
61.5	93,057		0.0000	1.0000	13.29	
62.5	93,057		0.0000	1.0000	13.29	
63.5	93,057		0.0000	1.0000	13.29	
64.5	93,057		0.0000	1.0000	13.29	
65.5	93,057		0.0000	1.0000	13.29	
66.5	93,057		0.0000	1.0000	13.29	
67.5	93,057	26,028	0.2797	0.7203	13.29	
68.5	67,028		0.0000	1.0000	9.58	
69.5	67,028	197	0.0029	0.9971	9.58	
70.5	66,831		0.0000	1.0000	9.55	
71.5	66,831	64	0.0010	0.9990	9.55	
72.5	66,767		0.0000	1.0000	9.54	
73.5	66,767		0.0000	1.0000	9.54	
74.5	66,767	786	0.0118	0.9882	9.54	
75.5	65,981	23,262	0.3526	0.6474	9.43	
76.5	42,719		0.0000	1.0000	6.10	
77.5	42,719		0.0000	1.0000	6.10	
78.5	42,719		0.0000	1.0000	6.10	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1934-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	42,719		0.0000	1.0000	6.10	
80.5	42,719	2,298	0.0538	0.9462	6.10	
81.5	40,421	376	0.0093	0.9907	5.77	
82.5	40,045	7,692	0.1921	0.8079	5.72	
83.5	32,353	8,211	0.2538	0.7462	4.62	
84.5	24,142	145	0.0060	0.9940	3.45	
85.5	23,997	348	0.0145	0.9855	3.43	
86.5	23,649	251	0.0106	0.9894	3.38	
87.5	23,398	109	0.0047	0.9953	3.34	
88.5	23,289	47	0.0020	0.9980	3.33	
89.5	23,242	450	0.0194	0.9806	3.32	
90.5	22,792	2,610	0.1145	0.8855	3.26	
91.5	20,182	6,467	0.3204	0.6796	2.88	
92.5	13,715	13,715	1.0000		1.96	
93.5						

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,634,640		0.0000	1.0000	100.00
0.5	1,635,493		0.0000	1.0000	100.00
1.5	1,676,324		0.0000	1.0000	100.00
2.5	1,676,324		0.0000	1.0000	100.00
3.5	1,992,447		0.0000	1.0000	100.00
4.5	1,992,219		0.0000	1.0000	100.00
5.5	1,713,357	94,169	0.0550	0.9450	100.00
6.5	1,619,432	1,096,725	0.6772	0.3228	94.50
7.5	494,250		0.0000	1.0000	30.50
8.5	475,498		0.0000	1.0000	30.50
9.5	475,498		0.0000	1.0000	30.50
10.5	474,385	6,881	0.0145	0.9855	30.50
11.5	410,061		0.0000	1.0000	30.06
12.5	411,941	1,954	0.0047	0.9953	30.06
13.5	408,604		0.0000	1.0000	29.92
14.5	409,180		0.0000	1.0000	29.92
15.5	410,172		0.0000	1.0000	29.92
16.5	408,604		0.0000	1.0000	29.92
17.5	408,604	7,751	0.0190	0.9810	29.92
18.5	425,334		0.0000	1.0000	29.35
19.5	425,334		0.0000	1.0000	29.35
20.5	418,034	12,542	0.0300	0.9700	29.35
21.5	405,491		0.0000	1.0000	28.47
22.5	405,491	2,468	0.0061	0.9939	28.47
23.5	126,968		0.0000	1.0000	28.30
24.5	126,968		0.0000	1.0000	28.30
25.5	126,968		0.0000	1.0000	28.30
26.5	126,968	62,917	0.4955	0.5045	28.30
27.5	64,051		0.0000	1.0000	14.27
28.5	64,051	1,616	0.0252	0.9748	14.27
29.5	62,436	8,130	0.1302	0.8698	13.91
30.5	54,306		0.0000	1.0000	12.10
31.5	54,306	243	0.0045	0.9955	12.10
32.5	54,062	4,762	0.0881	0.9119	12.05
33.5	50,381		0.0000	1.0000	10.99
34.5	50,381		0.0000	1.0000	10.99
35.5	50,381	767	0.0152	0.9848	10.99
36.5	49,614	11,646	0.2347	0.7653	10.82
37.5	37,967		0.0000	1.0000	8.28
38.5	37,967		0.0000	1.0000	8.28

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	37,967	6,631	0.1747	0.8253	8.28	
40.5	31,336	992	0.0316	0.9684	6.83	
41.5	30,344	4,783	0.1576	0.8424	6.62	
42.5	51,589		0.0000	1.0000	5.57	
43.5	51,589	24,481	0.4745	0.5255	5.57	
44.5	27,306		0.0000	1.0000	2.93	
45.5	27,306		0.0000	1.0000	2.93	
46.5	27,370		0.0000	1.0000	2.93	
47.5	27,370		0.0000	1.0000	2.93	
48.5	27,370		0.0000	1.0000	2.93	
49.5	28,156		0.0000	1.0000	2.93	
50.5	52,058		0.0000	1.0000	2.93	
51.5	52,058	261	0.0050	0.9950	2.93	
52.5	51,797	379	0.0073	0.9927	2.91	
53.5	51,418		0.0000	1.0000	2.89	
54.5	51,418		0.0000	1.0000	2.89	
55.5	53,716		0.0000	1.0000	2.89	
56.5	54,092		0.0000	1.0000	2.89	
57.5	61,784		0.0000	1.0000	2.89	
58.5	69,995	1,081	0.0154	0.9846	2.89	
59.5	69,060		0.0000	1.0000	2.85	
60.5	69,408		0.0000	1.0000	2.85	
61.5	69,659		0.0000	1.0000	2.85	
62.5	69,768		0.0000	1.0000	2.85	
63.5	69,815		0.0000	1.0000	2.85	
64.5	70,265		0.0000	1.0000	2.85	
65.5	72,875		0.0000	1.0000	2.85	
66.5	79,342		0.0000	1.0000	2.85	
67.5	93,057	26,028	0.2797	0.7203	2.85	
68.5	67,028		0.0000	1.0000	2.05	
69.5	67,028	197	0.0029	0.9971	2.05	
70.5	66,831		0.0000	1.0000	2.05	
71.5	66,831	64	0.0010	0.9990	2.05	
72.5	66,767		0.0000	1.0000	2.04	
73.5	66,767		0.0000	1.0000	2.04	
74.5	66,767	786	0.0118	0.9882	2.04	
75.5	65,981	23,262	0.3526	0.6474	2.02	
76.5	42,719		0.0000	1.0000	1.31	
77.5	42,719		0.0000	1.0000	1.31	
78.5	42,719		0.0000	1.0000	1.31	

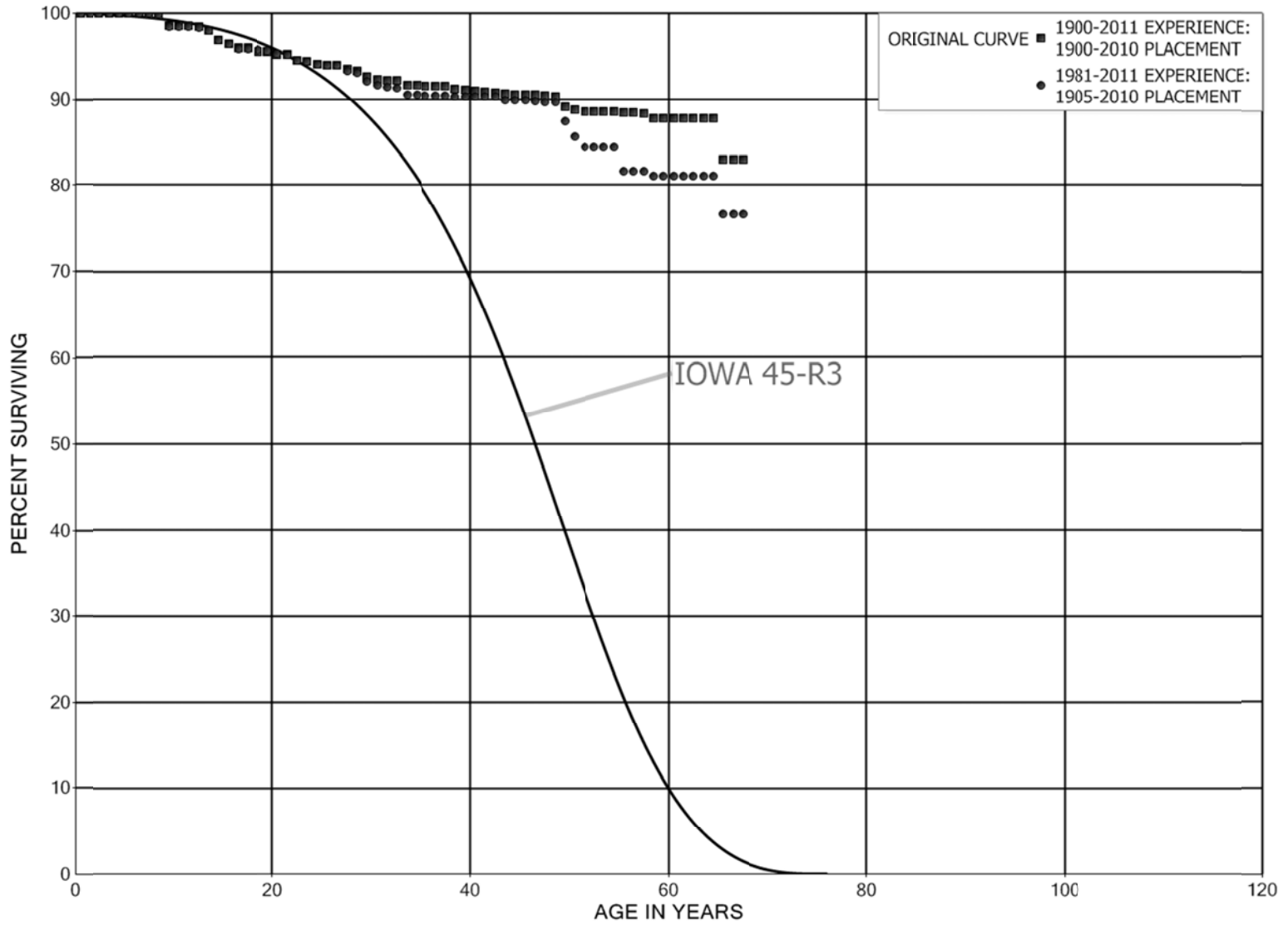
LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1913-2004			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	42,719		0.0000	1.0000	1.31	
80.5	42,719	2,298	0.0538	0.9462	1.31	
81.5	40,421	376	0.0093	0.9907	1.24	
82.5	40,045	7,692	0.1921	0.8079	1.23	
83.5	32,353	8,211	0.2538	0.7462	0.99	
84.5	24,142	145	0.0060	0.9940	0.74	
85.5	23,997	348	0.0145	0.9855	0.73	
86.5	23,649	251	0.0106	0.9894	0.72	
87.5	23,398	109	0.0047	0.9953	0.72	
88.5	23,289	47	0.0020	0.9980	0.71	
89.5	23,242	450	0.0194	0.9806	0.71	
90.5	22,792	2,610	0.1145	0.8855	0.70	
91.5	20,182	6,467	0.3204	0.6796	0.62	
92.5	13,715	13,715	1.0000		0.42	
93.5						

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ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES
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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,290,396		0.0000	1.0000	100.00
0.5	10,290,396		0.0000	1.0000	100.00
1.5	11,171,906	10	0.0000	1.0000	100.00
2.5	11,396,267	1,875	0.0002	0.9998	100.00
3.5	11,417,533	3,938	0.0003	0.9997	99.98
4.5	11,454,721	3,840	0.0003	0.9997	99.95
5.5	11,487,274	546	0.0000	1.0000	99.92
6.5	11,487,527	12,415	0.0011	0.9989	99.91
7.5	11,484,102	8,518	0.0007	0.9993	99.80
8.5	11,470,741	138,365	0.0121	0.9879	99.73
9.5	11,289,325	923	0.0001	0.9999	98.53
10.5	11,301,973	1,209	0.0001	0.9999	98.52
11.5	11,294,680	17,484	0.0015	0.9985	98.51
12.5	9,999,109	40,721	0.0041	0.9959	98.35
13.5	9,949,792	119,047	0.0120	0.9880	97.95
14.5	9,264,705	40,639	0.0044	0.9956	96.78
15.5	9,191,822	41,670	0.0045	0.9955	96.36
16.5	8,841,522	918	0.0001	0.9999	95.92
17.5	8,852,724	34,085	0.0039	0.9961	95.91
18.5	8,786,100	2,872	0.0003	0.9997	95.54
19.5	8,829,399	26,481	0.0030	0.9970	95.51
20.5	8,805,011	9,567	0.0011	0.9989	95.22
21.5	8,896,428	61,910	0.0070	0.9930	95.12
22.5	8,684,470	4,911	0.0006	0.9994	94.46
23.5	8,201,046	29,261	0.0036	0.9964	94.41
24.5	7,979,460	5,168	0.0006	0.9994	94.07
25.5	3,151,466		0.0000	1.0000	94.01
26.5	3,150,667	17,418	0.0055	0.9945	94.01
27.5	3,103,040	5,925	0.0019	0.9981	93.49
28.5	2,900,213	21,735	0.0075	0.9925	93.31
29.5	2,650,334	8,649	0.0033	0.9967	92.61
30.5	2,578,362	3,028	0.0012	0.9988	92.31
31.5	2,536,164	1,877	0.0007	0.9993	92.20
32.5	2,373,339	13,095	0.0055	0.9945	92.13
33.5	2,174,701	116	0.0001	0.9999	91.62
34.5	2,134,813	1,367	0.0006	0.9994	91.62
35.5	2,103,353	198	0.0001	0.9999	91.56
36.5	2,095,804	1,164	0.0006	0.9994	91.55
37.5	2,031,151	6,380	0.0031	0.9969	91.50
38.5	1,963,586	3,485	0.0018	0.9982	91.21

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
39.5	1,904,223	2,513	0.0013	0.9987	91.05	
40.5	1,778,837	2,006	0.0011	0.9989	90.93	
41.5	1,725,082	1,500	0.0009	0.9991	90.83	
42.5	1,723,285	3,428	0.0020	0.9980	90.75	
43.5	1,672,890	475	0.0003	0.9997	90.57	
44.5	1,660,041	32	0.0000	1.0000	90.54	
45.5	1,435,634	1,000	0.0007	0.9993	90.54	
46.5	1,424,400	784	0.0006	0.9994	90.48	
47.5	1,319,296	1,468	0.0011	0.9989	90.43	
48.5	1,297,569	17,964	0.0138	0.9862	90.33	
49.5	1,095,719	4,394	0.0040	0.9960	89.08	
50.5	1,090,006	3,001	0.0028	0.9972	88.72	
51.5	920,105		0.0000	1.0000	88.48	
52.5	917,170		0.0000	1.0000	88.48	
53.5	917,089		0.0000	1.0000	88.48	
54.5	915,623	1,086	0.0012	0.9988	88.48	
55.5	913,461		0.0000	1.0000	88.37	
56.5	913,461	675	0.0007	0.9993	88.37	
57.5	912,786	6,195	0.0068	0.9932	88.30	
58.5	905,419	190	0.0002	0.9998	87.71	
59.5	905,035		0.0000	1.0000	87.69	
60.5	904,695		0.0000	1.0000	87.69	
61.5	900,706		0.0000	1.0000	87.69	
62.5	893,168		0.0000	1.0000	87.69	
63.5	889,187		0.0000	1.0000	87.69	
64.5	884,246	48,208	0.0545	0.9455	87.69	
65.5	836,038		0.0000	1.0000	82.91	
66.5	834,311		0.0000	1.0000	82.91	
67.5	833,528	14,208	0.0170	0.9830	82.91	
68.5	819,320	527	0.0006	0.9994	81.49	
69.5	821,551	5,037	0.0061	0.9939	81.44	
70.5	816,231		0.0000	1.0000	80.94	
71.5	815,879	906	0.0011	0.9989	80.94	
72.5	817,768		0.0000	1.0000	80.85	
73.5	817,071		0.0000	1.0000	80.85	
74.5	816,954	43	0.0001	0.9999	80.85	
75.5	816,911	1	0.0000	1.0000	80.85	
76.5	814,849		0.0000	1.0000	80.85	
77.5	814,849		0.0000	1.0000	80.85	
78.5	814,849		0.0000	1.0000	80.85	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2010			EXPERIENCE BAND 1900-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	814,849	7,802	0.0096	0.9904	80.85	
80.5	807,047		0.0000	1.0000	80.07	
81.5	807,047	6,253	0.0077	0.9923	80.07	
82.5	800,794		0.0000	1.0000	79.45	
83.5	800,794		0.0000	1.0000	79.45	
84.5	800,794		0.0000	1.0000	79.45	
85.5	800,794	42,858	0.0535	0.9465	79.45	
86.5					75.20	

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1905-2010			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,426,312		0.0000	1.0000	100.00
0.5	8,427,236		0.0000	1.0000	100.00
1.5	9,036,264		0.0000	1.0000	100.00
2.5	9,089,926		0.0000	1.0000	100.00
3.5	9,178,278	917	0.0001	0.9999	100.00
4.5	9,266,154	3,653	0.0004	0.9996	99.99
5.5	9,328,446	546	0.0001	0.9999	99.95
6.5	9,378,449	3,136	0.0003	0.9997	99.94
7.5	9,525,581	5,305	0.0006	0.9994	99.91
8.5	9,526,851	135,124	0.0142	0.9858	99.86
9.5	9,464,906	923	0.0001	0.9999	98.44
10.5	9,478,533	807	0.0001	0.9999	98.43
11.5	9,504,651	15,609	0.0016	0.9984	98.42
12.5	8,211,240	28,252	0.0034	0.9966	98.26
13.5	8,187,296	90,745	0.0111	0.9889	97.92
14.5	7,806,395	36,801	0.0047	0.9953	96.84
15.5	7,747,876	39,578	0.0051	0.9949	96.38
16.5	7,514,278	801	0.0001	0.9999	95.89
17.5	7,551,778	15,722	0.0021	0.9979	95.88
18.5	7,706,029	2,439	0.0003	0.9997	95.68
19.5	7,751,293	25,600	0.0033	0.9967	95.65
20.5	7,906,403	8,803	0.0011	0.9989	95.33
21.5	8,001,519	61,460	0.0077	0.9923	95.23
22.5	7,790,092	4,737	0.0006	0.9994	94.49
23.5	7,308,308	28,211	0.0039	0.9961	94.44
24.5	7,089,884	5,168	0.0007	0.9993	94.07
25.5	2,261,710		0.0000	1.0000	94.00
26.5	2,260,911	17,418	0.0077	0.9923	94.00
27.5	2,214,456	5,925	0.0027	0.9973	93.28
28.5	2,012,013	21,664	0.0108	0.9892	93.03
29.5	1,762,851	8,649	0.0049	0.9951	92.03
30.5	1,694,868	3,028	0.0018	0.9982	91.58
31.5	1,660,208	1,627	0.0010	0.9990	91.41
32.5	1,501,614	13,095	0.0087	0.9913	91.32
33.5	1,305,085		0.0000	1.0000	90.53
34.5	1,265,313	1,367	0.0011	0.9989	90.53
35.5	1,235,580		0.0000	1.0000	90.43
36.5	1,229,012	1,164	0.0009	0.9991	90.43
37.5	1,164,359	860	0.0007	0.9993	90.34
38.5	1,103,014	254	0.0002	0.9998	90.28

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2010			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,047,165		0.0000	1.0000	90.26
40.5	924,824		0.0000	1.0000	90.26
41.5	829,774		0.0000	1.0000	90.26
42.5	830,174	3,428	0.0041	0.9959	90.26
43.5	779,896	239	0.0003	0.9997	89.88
44.5	767,326	32	0.0000	1.0000	89.86
45.5	544,981	1,000	0.0018	0.9982	89.85
46.5	533,747	683	0.0013	0.9987	89.69
47.5	428,744		0.0000	1.0000	89.57
48.5	407,111	9,742	0.0239	0.9761	89.57
49.5	213,483	4,394	0.0206	0.9794	87.43
50.5	207,770	3,001	0.0144	0.9856	85.63
51.5	37,869		0.0000	1.0000	84.39
52.5	34,934		0.0000	1.0000	84.39
53.5	34,853		0.0000	1.0000	84.39
54.5	33,387	1,086	0.0325	0.9675	84.39
55.5	861,456		0.0000	1.0000	81.65
56.5	909,664	675	0.0007	0.9993	81.65
57.5	908,989	6,195	0.0068	0.9932	81.59
58.5	901,622	190	0.0002	0.9998	81.03
59.5	901,238		0.0000	1.0000	81.01
60.5	900,898		0.0000	1.0000	81.01
61.5	896,909		0.0000	1.0000	81.01
62.5	889,371		0.0000	1.0000	81.01
63.5	885,390		0.0000	1.0000	81.01
64.5	884,246	48,208	0.0545	0.9455	81.01
65.5	836,038		0.0000	1.0000	76.60
66.5	834,311		0.0000	1.0000	76.60
67.5	833,528	14,208	0.0170	0.9830	76.60
68.5	819,320	527	0.0006	0.9994	75.29
69.5	821,551	5,037	0.0061	0.9939	75.24
70.5	816,231		0.0000	1.0000	74.78
71.5	815,879	906	0.0011	0.9989	74.78
72.5	809,966		0.0000	1.0000	74.70
73.5	809,269		0.0000	1.0000	74.70
74.5	809,152	43	0.0001	0.9999	74.70
75.5	816,911	1	0.0000	1.0000	74.69
76.5	814,849		0.0000	1.0000	74.69
77.5	814,849		0.0000	1.0000	74.69
78.5	814,849		0.0000	1.0000	74.69

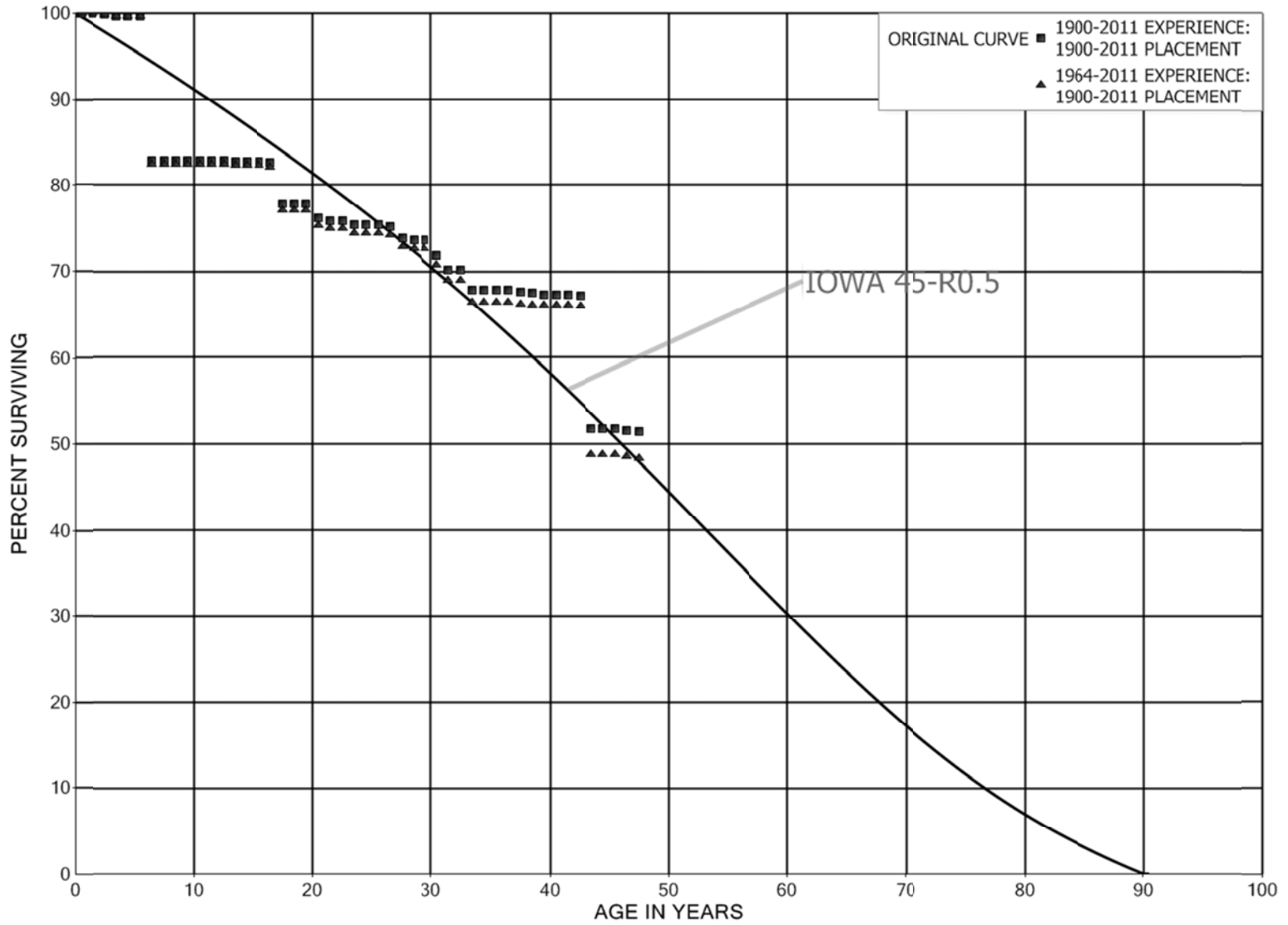
LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1905-2010			EXPERIENCE BAND 1981-2011			
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL	
79.5	814,849	7,802	0.0096	0.9904	74.69	
80.5	807,047		0.0000	1.0000	73.98	
81.5	807,047	6,253	0.0077	0.9923	73.98	
82.5	800,794		0.0000	1.0000	73.41	
83.5	800,794		0.0000	1.0000	73.41	
84.5	800,794		0.0000	1.0000	73.41	
85.5	800,794	42,858	0.0535	0.9465	73.41	
86.5					69.48	

LOUISVILLE GAS AND ELECTRIC COMPANY
 COMMON PLANT
 ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS
 ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	628,204		0.0000	1.0000	100.00
0.5	585,554		0.0000	1.0000	100.00
1.5	602,213	752	0.0012	0.9988	100.00
2.5	595,351	1,705	0.0029	0.9971	99.88
3.5	593,940		0.0000	1.0000	99.59
4.5	579,551		0.0000	1.0000	99.59
5.5	579,551	97,320	0.1679	0.8321	99.59
6.5	400,696		0.0000	1.0000	82.87
7.5	400,696		0.0000	1.0000	82.87
8.5	273,840		0.0000	1.0000	82.87
9.5	266,069		0.0000	1.0000	82.87
10.5	266,449		0.0000	1.0000	82.87
11.5	266,068		0.0000	1.0000	82.87
12.5	266,068	423	0.0016	0.9984	82.87
13.5	265,645		0.0000	1.0000	82.73
14.5	265,645		0.0000	1.0000	82.73
15.5	265,645	536	0.0020	0.9980	82.73
16.5	265,109	15,026	0.0567	0.9433	82.57
17.5	250,083		0.0000	1.0000	77.89
18.5	250,083		0.0000	1.0000	77.89
19.5	248,821	5,552	0.0223	0.9777	77.89
20.5	197,442	922	0.0047	0.9953	76.15
21.5	240,714		0.0000	1.0000	75.79
22.5	240,714	1,388	0.0058	0.9942	75.79
23.5	239,325		0.0000	1.0000	75.36
24.5	239,325		0.0000	1.0000	75.36
25.5	239,468	645	0.0027	0.9973	75.36
26.5	238,823	4,207	0.0176	0.9824	75.15
27.5	222,762	721	0.0032	0.9968	73.83
28.5	222,237		0.0000	1.0000	73.59
29.5	222,237	5,223	0.0235	0.9765	73.59
30.5	216,634	5,183	0.0239	0.9761	71.86
31.5	171,548		0.0000	1.0000	70.14
32.5	171,548	5,602	0.0327	0.9673	70.14
33.5	165,946		0.0000	1.0000	67.85
34.5	165,390		0.0000	1.0000	67.85
35.5	164,808		0.0000	1.0000	67.85
36.5	164,808	522	0.0032	0.9968	67.85
37.5	164,286	261	0.0016	0.9984	67.64
38.5	163,569	674	0.0041	0.9959	67.53

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	162,164		0.0000	1.0000	67.25
40.5	162,164		0.0000	1.0000	67.25
41.5	120,898	213	0.0018	0.9982	67.25
42.5	120,686	27,765	0.2301	0.7699	67.13
43.5	92,921		0.0000	1.0000	51.69
44.5	91,296		0.0000	1.0000	51.69
45.5	91,296	288	0.0032	0.9968	51.69
46.5	91,008	283	0.0031	0.9969	51.53
47.5	15,812	368	0.0233	0.9767	51.36
48.5	15,444		0.0000	1.0000	50.17
49.5	15,444		0.0000	1.0000	50.17
50.5	15,150		0.0000	1.0000	50.17
51.5	15,150		0.0000	1.0000	50.17
52.5	15,150		0.0000	1.0000	50.17
53.5	15,150		0.0000	1.0000	50.17
54.5	15,150		0.0000	1.0000	50.17
55.5	15,150		0.0000	1.0000	50.17
56.5	15,150		0.0000	1.0000	50.17
57.5	15,150		0.0000	1.0000	50.17
58.5	15,150		0.0000	1.0000	50.17
59.5	15,150		0.0000	1.0000	50.17
60.5	15,150		0.0000	1.0000	50.17
61.5	15,150		0.0000	1.0000	50.17
62.5	15,150		0.0000	1.0000	50.17
63.5	15,150	126	0.0083	0.9917	50.17
64.5	42,858		0.0000	1.0000	49.75
65.5	42,858		0.0000	1.0000	49.75
66.5	42,858		0.0000	1.0000	49.75
67.5	42,858	269	0.0063	0.9937	49.75
68.5	42,590		0.0000	1.0000	49.44
69.5	42,590		0.0000	1.0000	49.44
70.5	42,590		0.0000	1.0000	49.44
71.5	42,590		0.0000	1.0000	49.44
72.5	42,446		0.0000	1.0000	49.44
73.5	42,446		0.0000	1.0000	49.44
74.5	42,446		0.0000	1.0000	49.44
75.5	42,446	71	0.0017	0.9983	49.44
76.5	42,375		0.0000	1.0000	49.36
77.5	42,375		0.0000	1.0000	49.36
78.5	42,375		0.0000	1.0000	49.36

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1900-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	42,375		0.0000	1.0000	49.36
80.5	42,375		0.0000	1.0000	49.36
81.5	42,375		0.0000	1.0000	49.36
82.5	42,375		0.0000	1.0000	49.36
83.5	42,375		0.0000	1.0000	49.36
84.5	42,375		0.0000	1.0000	49.36
85.5	42,375		0.0000	1.0000	49.36
86.5	42,375		0.0000	1.0000	49.36
87.5	42,375		0.0000	1.0000	49.36
88.5	42,375		0.0000	1.0000	49.36
89.5	42,375	288	0.0068	0.9932	49.36
90.5	42,087		0.0000	1.0000	49.02
91.5	42,087		0.0000	1.0000	49.02
92.5	42,087		0.0000	1.0000	49.02
93.5	42,087		0.0000	1.0000	49.02
94.5	42,087		0.0000	1.0000	49.02
95.5	42,087		0.0000	1.0000	49.02
96.5	42,087		0.0000	1.0000	49.02
97.5	42,087		0.0000	1.0000	49.02
98.5	42,087		0.0000	1.0000	49.02
99.5	42,087		0.0000	1.0000	49.02
100.5	42,087		0.0000	1.0000	49.02
101.5	42,087		0.0000	1.0000	49.02
102.5	42,087		0.0000	1.0000	49.02
103.5	42,087		0.0000	1.0000	49.02
104.5	42,087		0.0000	1.0000	49.02
105.5	36,773		0.0000	1.0000	49.02
106.5	36,773	14,667	0.3989	0.6011	49.02
107.5	22,106		0.0000	1.0000	29.47
108.5	22,106		0.0000	1.0000	29.47
109.5	22,106		0.0000	1.0000	29.47
110.5	22,106		0.0000	1.0000	29.47
111.5					29.47

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1964-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	611,585		0.0000	1.0000	100.00
0.5	568,935		0.0000	1.0000	100.00
1.5	585,594	752	0.0013	0.9987	100.00
2.5	578,732	1,705	0.0029	0.9971	99.87
3.5	577,600		0.0000	1.0000	99.58
4.5	563,580		0.0000	1.0000	99.58
5.5	563,580	97,320	0.1727	0.8273	99.58
6.5	384,724		0.0000	1.0000	82.38
7.5	384,724		0.0000	1.0000	82.38
8.5	257,869		0.0000	1.0000	82.38
9.5	250,097		0.0000	1.0000	82.38
10.5	250,477		0.0000	1.0000	82.38
11.5	250,096		0.0000	1.0000	82.38
12.5	250,096	423	0.0017	0.9983	82.38
13.5	249,673		0.0000	1.0000	82.24
14.5	249,673		0.0000	1.0000	82.24
15.5	249,673	536	0.0021	0.9979	82.24
16.5	249,137	15,026	0.0603	0.9397	82.07
17.5	234,111		0.0000	1.0000	77.12
18.5	234,111		0.0000	1.0000	77.12
19.5	232,849	5,552	0.0238	0.9762	77.12
20.5	181,760	922	0.0051	0.9949	75.28
21.5	225,032		0.0000	1.0000	74.90
22.5	225,032	1,388	0.0062	0.9938	74.90
23.5	223,644		0.0000	1.0000	74.43
24.5	223,913		0.0000	1.0000	74.43
25.5	224,056	645	0.0029	0.9971	74.43
26.5	223,411	4,207	0.0188	0.9812	74.22
27.5	207,349	721	0.0035	0.9965	72.82
28.5	206,824		0.0000	1.0000	72.57
29.5	206,824	5,223	0.0253	0.9747	72.57
30.5	201,222	5,183	0.0258	0.9742	70.74
31.5	156,135		0.0000	1.0000	68.91
32.5	156,135	5,602	0.0359	0.9641	68.91
33.5	150,533		0.0000	1.0000	66.44
34.5	149,978		0.0000	1.0000	66.44
35.5	149,396		0.0000	1.0000	66.44
36.5	149,396	522	0.0035	0.9965	66.44
37.5	148,874	261	0.0018	0.9982	66.21
38.5	148,157		0.0000	1.0000	66.09

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1964-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	147,425		0.0000	1.0000	66.09
40.5	147,425		0.0000	1.0000	66.09
41.5	106,160	213	0.0020	0.9980	66.09
42.5	105,947	27,765	0.2621	0.7379	65.96
43.5	78,182		0.0000	1.0000	48.68
44.5	76,557		0.0000	1.0000	48.68
45.5	76,557	288	0.0038	0.9962	48.68
46.5	76,269	283	0.0037	0.9963	48.49
47.5	1,074	368	0.3425	0.6575	48.31
48.5	706		0.0000	1.0000	31.77
49.5	706		0.0000	1.0000	31.77
50.5	412		0.0000	1.0000	31.77
51.5	412		0.0000	1.0000	31.77
52.5	412		0.0000	1.0000	31.77
53.5	412		0.0000	1.0000	31.77
54.5	412		0.0000	1.0000	31.77
55.5	412		0.0000	1.0000	31.77
56.5	412		0.0000	1.0000	31.77
57.5	5,726		0.0000	1.0000	31.77
58.5	5,726		0.0000	1.0000	31.77
59.5	5,726		0.0000	1.0000	31.77
60.5	5,726		0.0000	1.0000	31.77
61.5	5,726		0.0000	1.0000	31.77
62.5	5,726		0.0000	1.0000	31.77
63.5	15,150	126	0.0083	0.9917	31.77
64.5	42,858		0.0000	1.0000	31.50
65.5	42,858		0.0000	1.0000	31.50
66.5	42,858		0.0000	1.0000	31.50
67.5	42,858	269	0.0063	0.9937	31.50
68.5	42,590		0.0000	1.0000	31.31
69.5	42,590		0.0000	1.0000	31.31
70.5	42,590		0.0000	1.0000	31.31
71.5	42,590		0.0000	1.0000	31.31
72.5	42,446		0.0000	1.0000	31.31
73.5	42,446		0.0000	1.0000	31.31
74.5	42,446		0.0000	1.0000	31.31
75.5	42,446	71	0.0017	0.9983	31.31
76.5	42,375		0.0000	1.0000	31.25
77.5	42,375		0.0000	1.0000	31.25
78.5	42,375		0.0000	1.0000	31.25

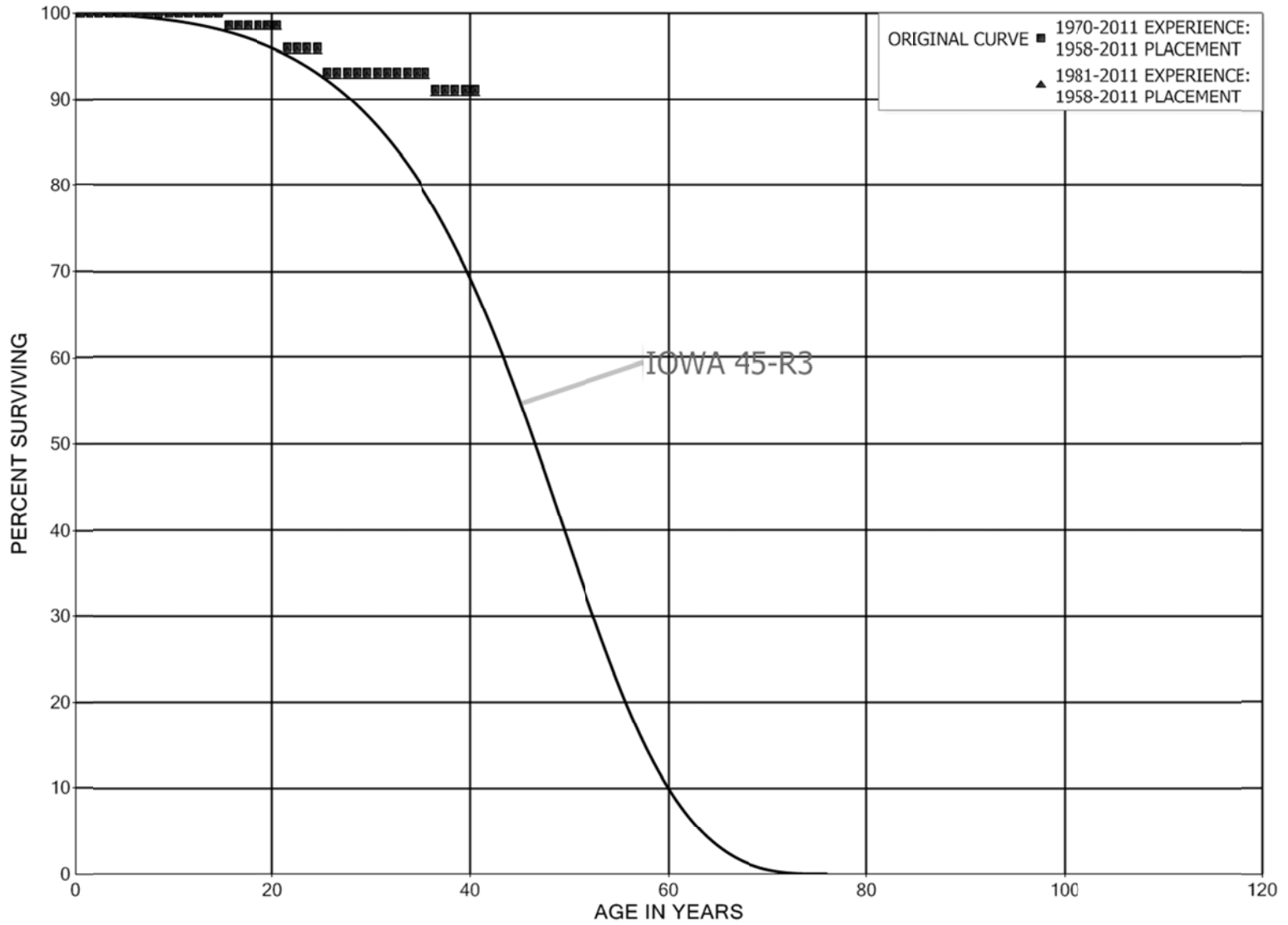
LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1900-2011			EXPERIENCE BAND 1964-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	42,375		0.0000	1.0000	31.25
80.5	42,375		0.0000	1.0000	31.25
81.5	42,375		0.0000	1.0000	31.25
82.5	42,375		0.0000	1.0000	31.25
83.5	42,375		0.0000	1.0000	31.25
84.5	42,375		0.0000	1.0000	31.25
85.5	42,375		0.0000	1.0000	31.25
86.5	42,375		0.0000	1.0000	31.25
87.5	42,375		0.0000	1.0000	31.25
88.5	42,375		0.0000	1.0000	31.25
89.5	42,375	288	0.0068	0.9932	31.25
90.5	42,087		0.0000	1.0000	31.04
91.5	42,087		0.0000	1.0000	31.04
92.5	42,087		0.0000	1.0000	31.04
93.5	42,087		0.0000	1.0000	31.04
94.5	42,087		0.0000	1.0000	31.04
95.5	42,087		0.0000	1.0000	31.04
96.5	42,087		0.0000	1.0000	31.04
97.5	42,087		0.0000	1.0000	31.04
98.5	42,087		0.0000	1.0000	31.04
99.5	42,087		0.0000	1.0000	31.04
100.5	42,087		0.0000	1.0000	31.04
101.5	42,087		0.0000	1.0000	31.04
102.5	42,087		0.0000	1.0000	31.04
103.5	42,087		0.0000	1.0000	31.04
104.5	42,087		0.0000	1.0000	31.04
105.5	36,773		0.0000	1.0000	31.04
106.5	36,773	14,667	0.3989	0.6011	31.04
107.5	22,106		0.0000	1.0000	18.66
108.5	22,106		0.0000	1.0000	18.66
109.5	22,106		0.0000	1.0000	18.66
110.5	22,106		0.0000	1.0000	18.66
111.5					18.66

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT
ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1958-2011			EXPERIENCE BAND 1970-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,055,948		0.0000	1.0000	100.00
0.5	910,153		0.0000	1.0000	100.00
1.5	911,292		0.0000	1.0000	100.00
2.5	884,058		0.0000	1.0000	100.00
3.5	833,924		0.0000	1.0000	100.00
4.5	835,259		0.0000	1.0000	100.00
5.5	841,675		0.0000	1.0000	100.00
6.5	681,018	433	0.0006	0.9994	100.00
7.5	680,585		0.0000	1.0000	99.94
8.5	680,955		0.0000	1.0000	99.94
9.5	612,851		0.0000	1.0000	99.94
10.5	612,444		0.0000	1.0000	99.94
11.5	89,648		0.0000	1.0000	99.94
12.5	89,648		0.0000	1.0000	99.94
13.5	94,004		0.0000	1.0000	99.94
14.5	94,004	1,281	0.0136	0.9864	99.94
15.5	92,723		0.0000	1.0000	98.57
16.5	92,723		0.0000	1.0000	98.57
17.5	92,723		0.0000	1.0000	98.57
18.5	39,927		0.0000	1.0000	98.57
19.5	40,270		0.0000	1.0000	98.57
20.5	40,270	1,009	0.0251	0.9749	98.57
21.5	38,755		0.0000	1.0000	96.10
22.5	38,755		0.0000	1.0000	96.10
23.5	38,755		0.0000	1.0000	96.10
24.5	37,079	1,138	0.0307	0.9693	96.10
25.5	35,941		0.0000	1.0000	93.16
26.5	34,928		0.0000	1.0000	93.16
27.5	34,928		0.0000	1.0000	93.16
28.5	34,928		0.0000	1.0000	93.16
29.5	34,928		0.0000	1.0000	93.16
30.5	34,928		0.0000	1.0000	93.16
31.5	34,928		0.0000	1.0000	93.16
32.5	34,928		0.0000	1.0000	93.16
33.5	34,928		0.0000	1.0000	93.16
34.5	34,928		0.0000	1.0000	93.16
35.5	34,928	761	0.0218	0.9782	93.16
36.5	34,167		0.0000	1.0000	91.13
37.5	34,167		0.0000	1.0000	91.13
38.5	34,167		0.0000	1.0000	91.13

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1958-2011			EXPERIENCE BAND 1970-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	33,824		0.0000	1.0000	91.13
40.5	33,824		0.0000	1.0000	91.13
41.5	23,010		0.0000	1.0000	91.13
42.5	23,010		0.0000	1.0000	91.13
43.5	23,010		0.0000	1.0000	91.13
44.5	21,675		0.0000	1.0000	91.13
45.5	21,675		0.0000	1.0000	91.13
46.5	17,839		0.0000	1.0000	91.13
47.5	17,839		0.0000	1.0000	91.13
48.5	17,469		0.0000	1.0000	91.13
49.5	17,469		0.0000	1.0000	91.13
50.5	14,306		0.0000	1.0000	91.13
51.5	3,595		0.0000	1.0000	91.13
52.5	3,595		0.0000	1.0000	91.13
53.5					91.13

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

ORIGINAL LIFE TABLE

PLACEMENT BAND 1958-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,044,649		0.0000	1.0000	100.00
0.5	898,854		0.0000	1.0000	100.00
1.5	898,854		0.0000	1.0000	100.00
2.5	871,620		0.0000	1.0000	100.00
3.5	821,486		0.0000	1.0000	100.00
4.5	821,486		0.0000	1.0000	100.00
5.5	821,486		0.0000	1.0000	100.00
6.5	660,829		0.0000	1.0000	100.00
7.5	661,172		0.0000	1.0000	100.00
8.5	661,172		0.0000	1.0000	100.00
9.5	593,068		0.0000	1.0000	100.00
10.5	601,593		0.0000	1.0000	100.00
11.5	68,086		0.0000	1.0000	100.00
12.5	68,086		0.0000	1.0000	100.00
13.5	69,421		0.0000	1.0000	100.00
14.5	75,404	1,281	0.0170	0.9830	100.00
15.5	74,123		0.0000	1.0000	98.30
16.5	74,123		0.0000	1.0000	98.30
17.5	74,493		0.0000	1.0000	98.30
18.5	21,697		0.0000	1.0000	98.30
19.5	25,203		0.0000	1.0000	98.30
20.5	35,914	1,009	0.0281	0.9719	98.30
21.5	34,398		0.0000	1.0000	95.54
22.5	38,755		0.0000	1.0000	95.54
23.5	38,755		0.0000	1.0000	95.54
24.5	37,079	1,138	0.0307	0.9693	95.54
25.5	35,941		0.0000	1.0000	92.61
26.5	34,928		0.0000	1.0000	92.61
27.5	34,928		0.0000	1.0000	92.61
28.5	34,928		0.0000	1.0000	92.61
29.5	34,928		0.0000	1.0000	92.61
30.5	34,928		0.0000	1.0000	92.61
31.5	34,928		0.0000	1.0000	92.61
32.5	34,928		0.0000	1.0000	92.61
33.5	34,928		0.0000	1.0000	92.61
34.5	34,928		0.0000	1.0000	92.61
35.5	34,928	761	0.0218	0.9782	92.61
36.5	34,167		0.0000	1.0000	90.59
37.5	34,167		0.0000	1.0000	90.59
38.5	34,167		0.0000	1.0000	90.59

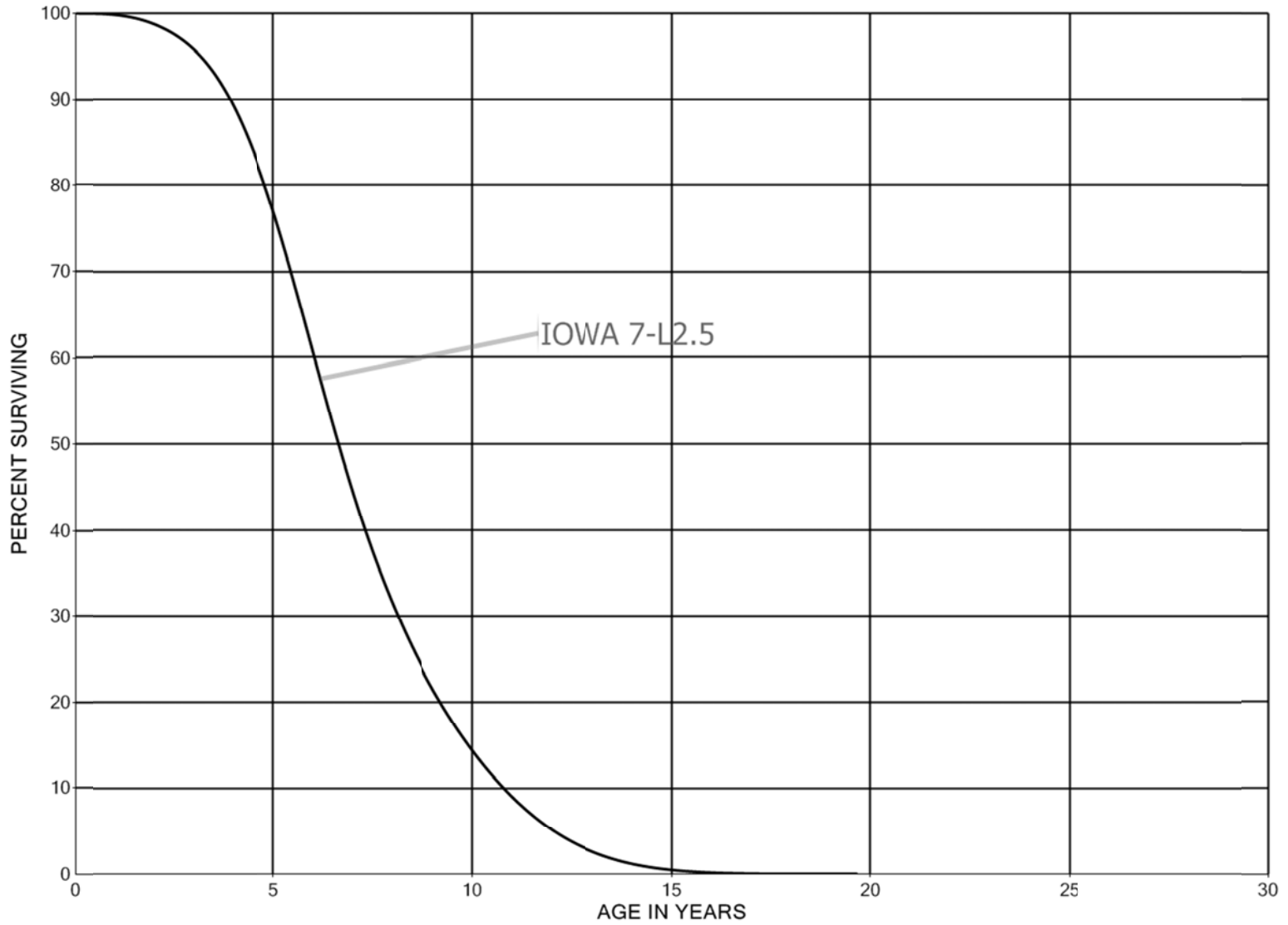
LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

ORIGINAL LIFE TABLE, CONT.

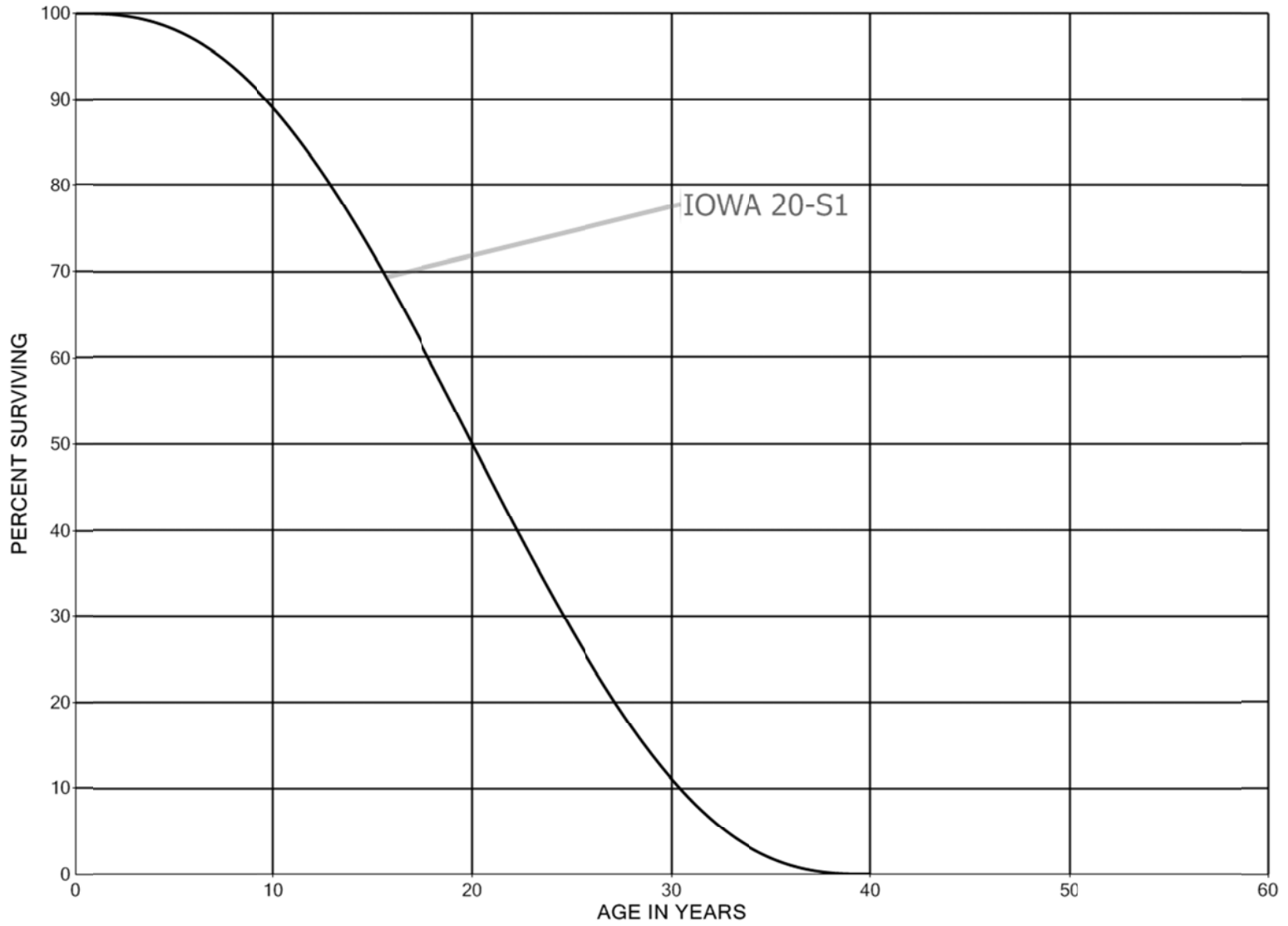
PLACEMENT BAND 1958-2011			EXPERIENCE BAND 1981-2011		
AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	33,824		0.0000	1.0000	90.59
40.5	33,824		0.0000	1.0000	90.59
41.5	23,010		0.0000	1.0000	90.59
42.5	23,010		0.0000	1.0000	90.59
43.5	23,010		0.0000	1.0000	90.59
44.5	21,675		0.0000	1.0000	90.59
45.5	21,675		0.0000	1.0000	90.59
46.5	17,839		0.0000	1.0000	90.59
47.5	17,839		0.0000	1.0000	90.59
48.5	17,469		0.0000	1.0000	90.59
49.5	17,469		0.0000	1.0000	90.59
50.5	14,306		0.0000	1.0000	90.59
51.5	3,595		0.0000	1.0000	90.59
52.5	3,595		0.0000	1.0000	90.59
53.5					90.59

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



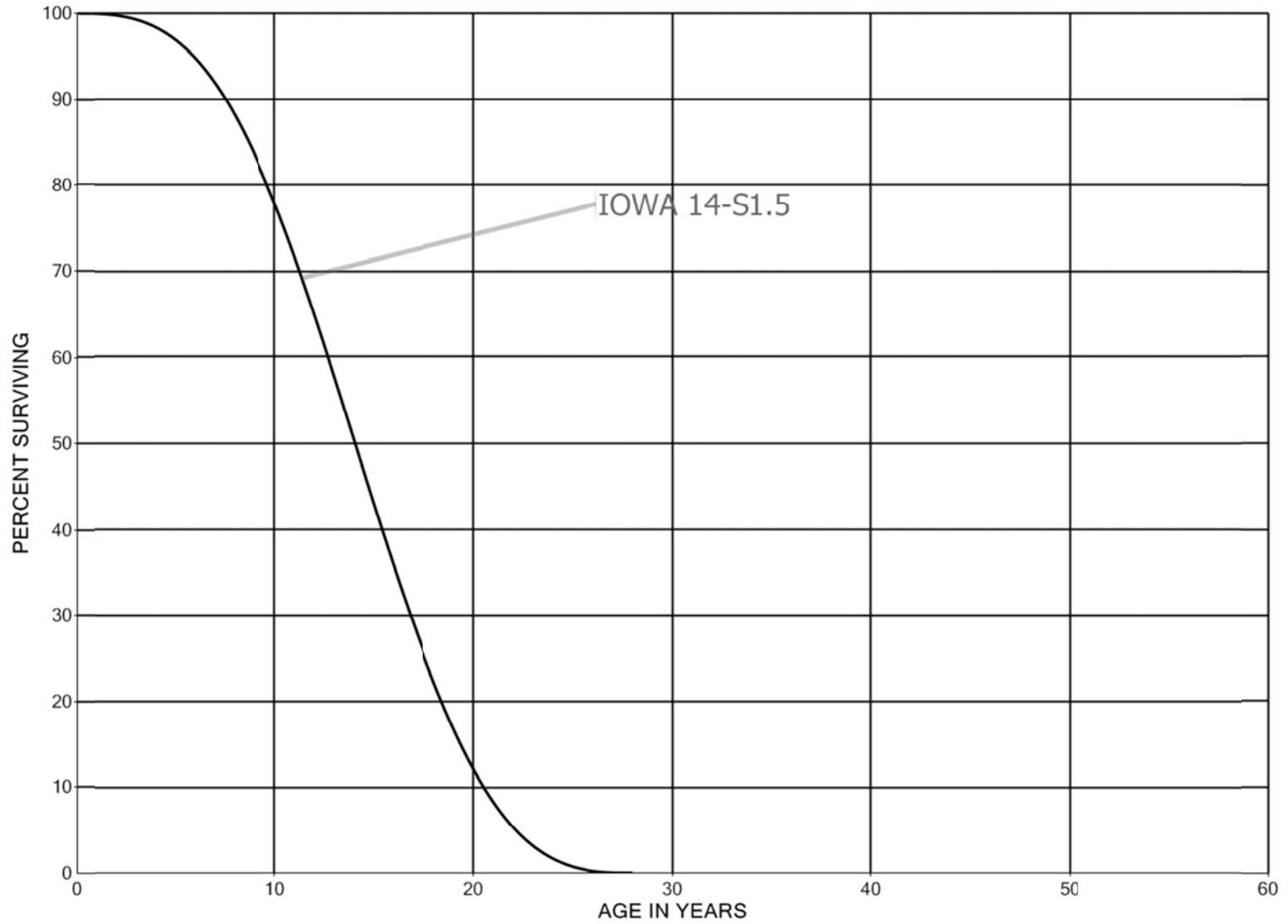
III-345

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



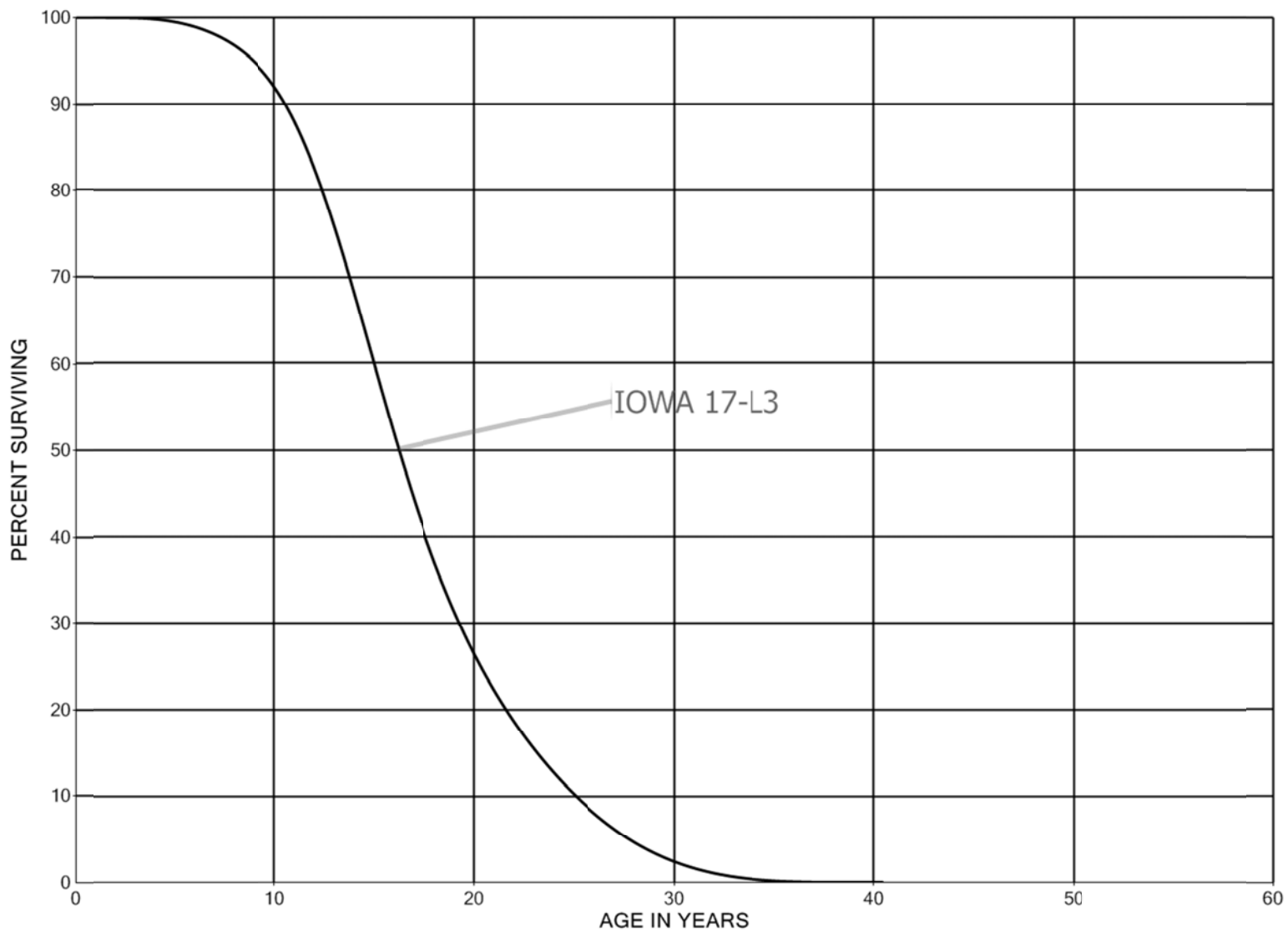
III-346

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



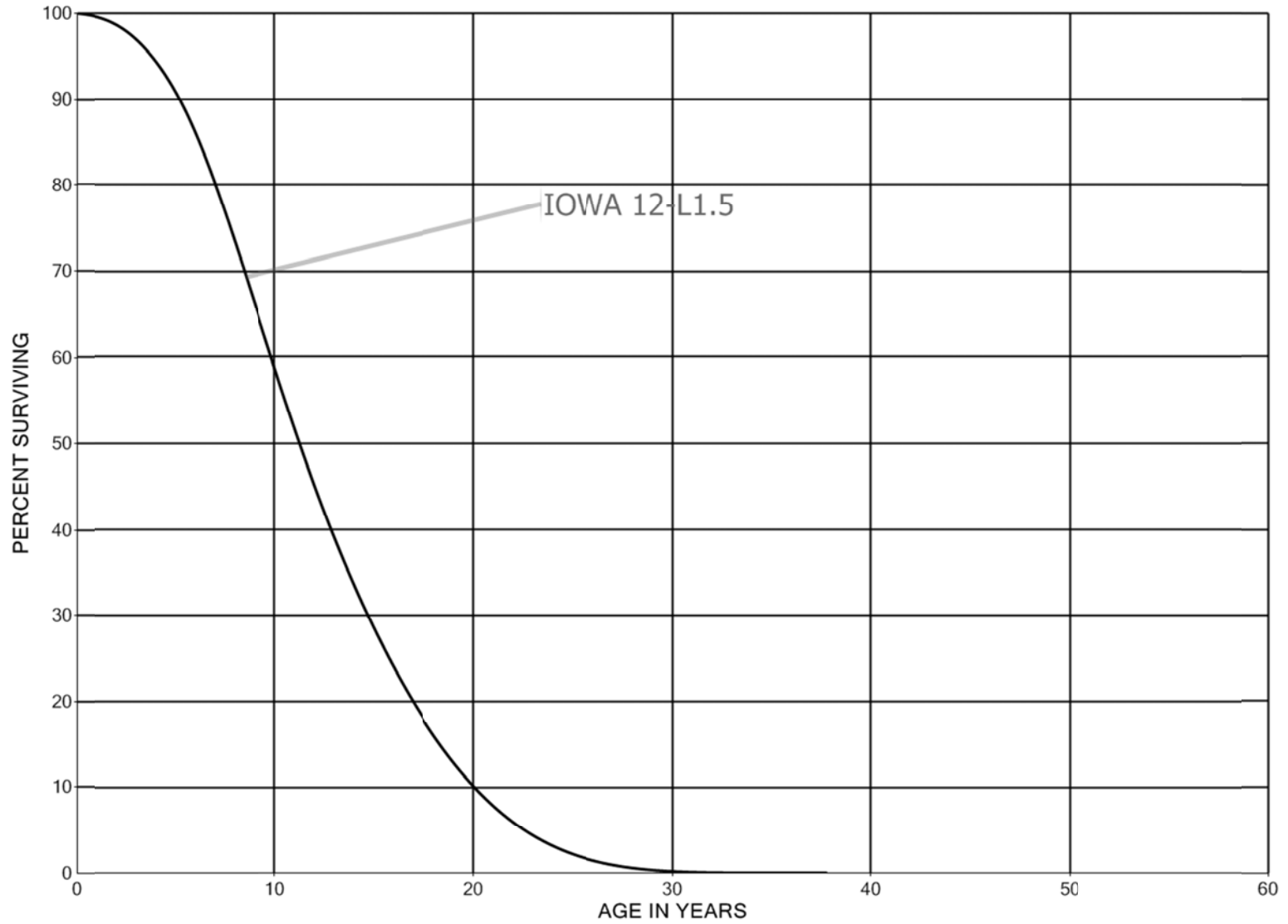
III-347

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



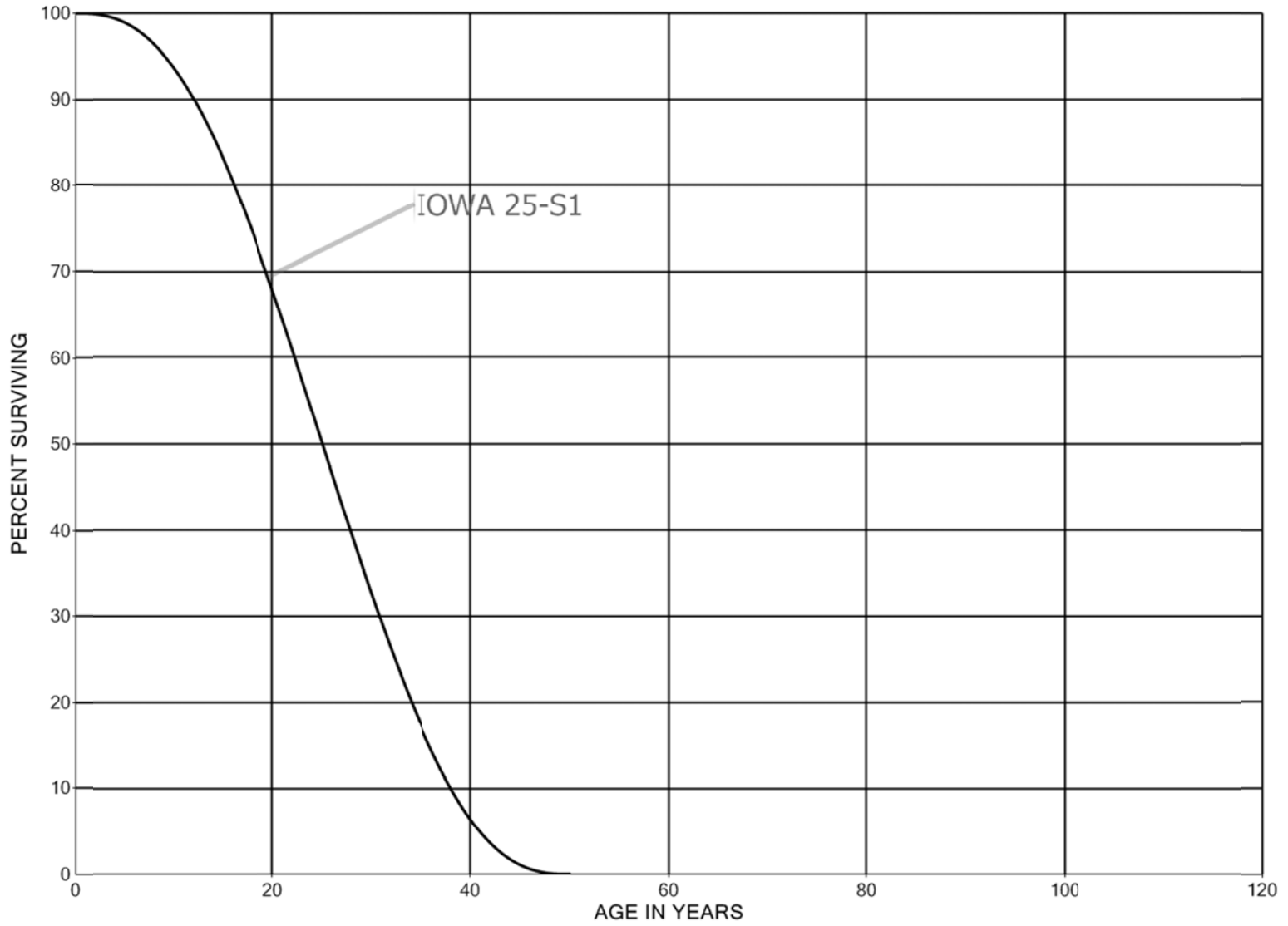
III-348

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



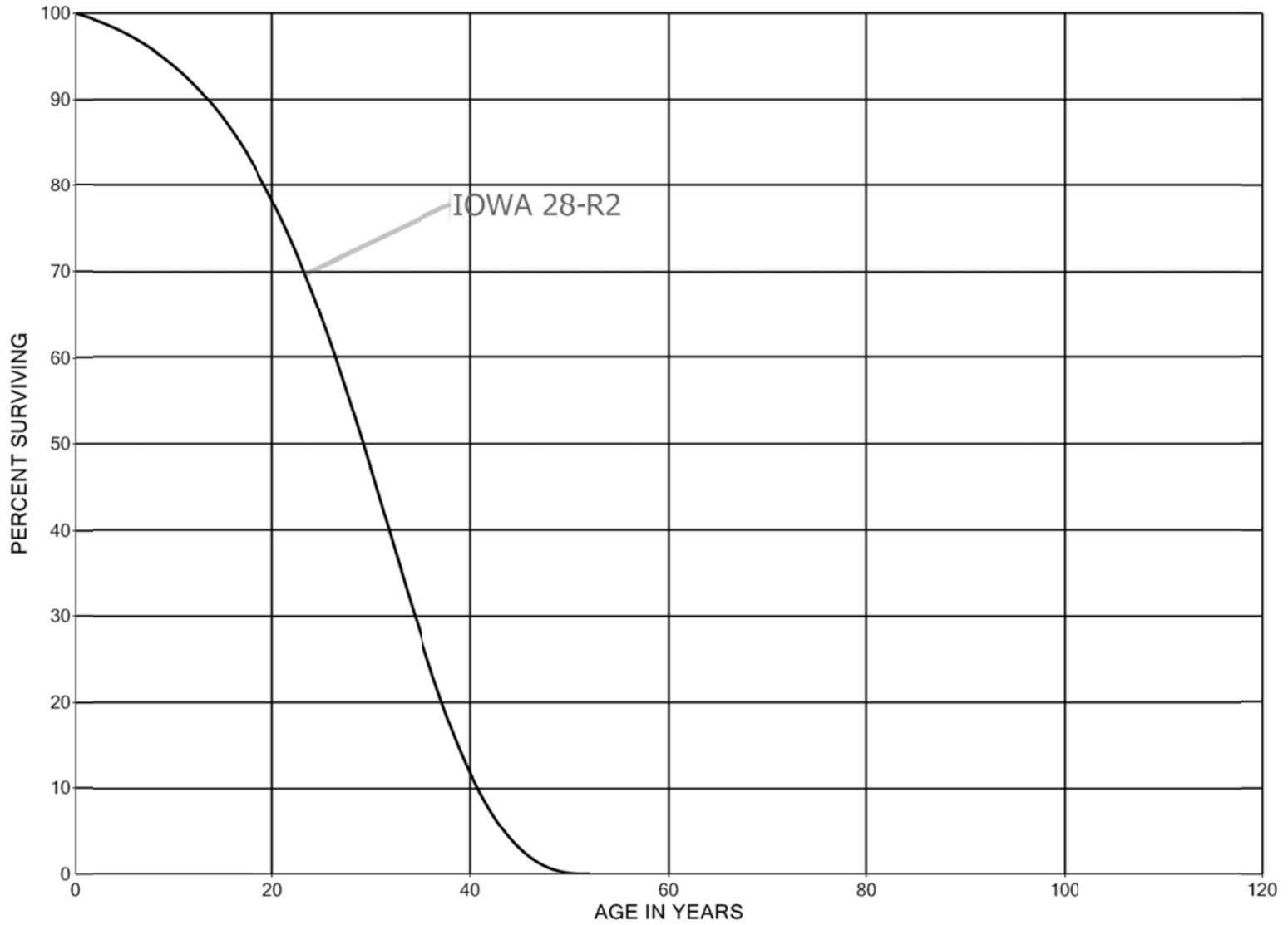
III-349

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT
ACCOUNT 397.2 COMMUNICATION EQUIPMENT - SPECIFIC ASSETS
SMOOTH SURVIVOR CURVE



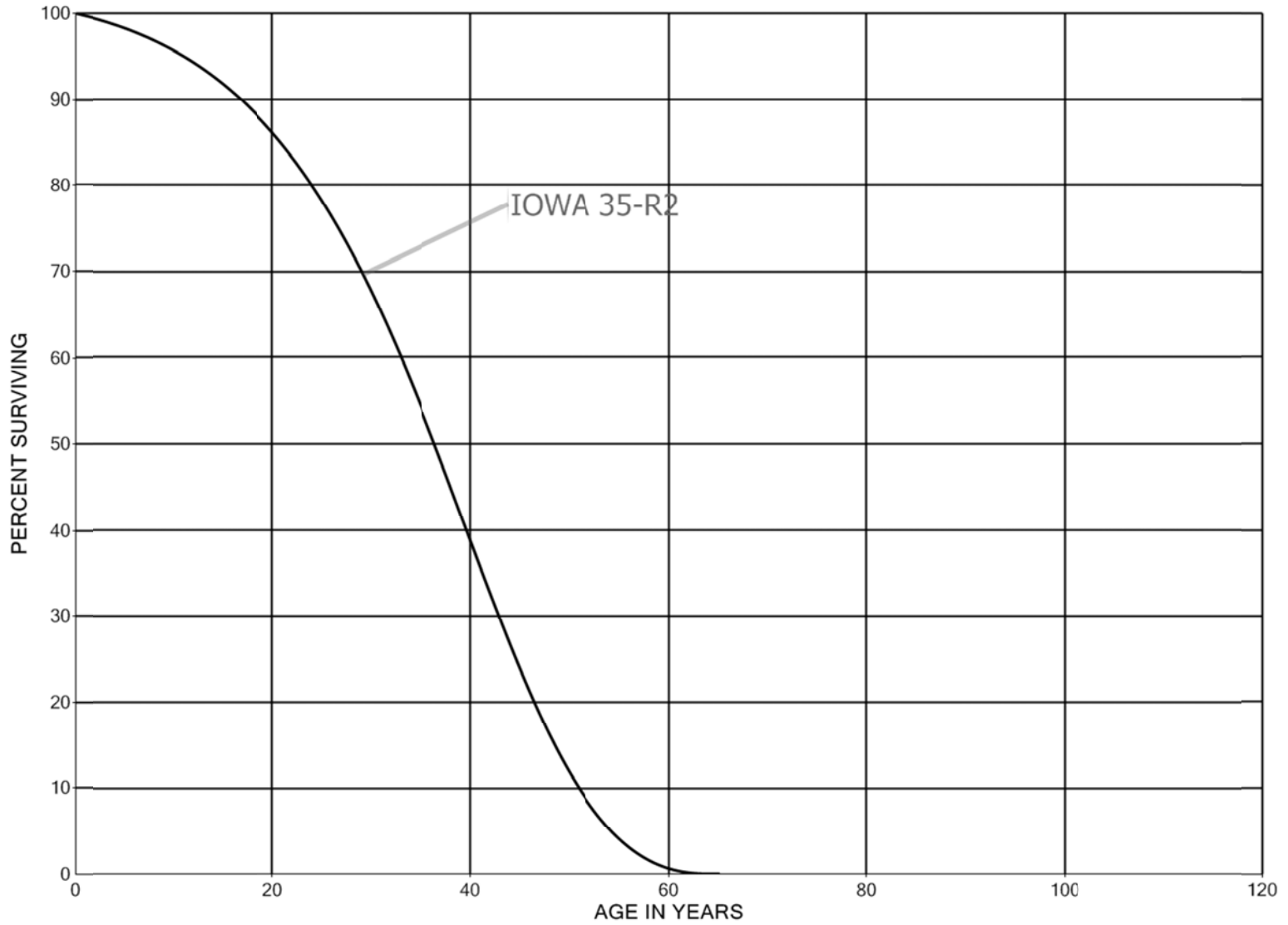
III-350

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT
ACCOUNT 397.4 COMMUNICATION EQUIPMENT - TRANSFER TO METER ACCOUNT
SMOOTH SURVIVOR CURVE



III-351

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT
ACCOUNT 397.5 COMMUNICATION EQUIPMENT - TRANSFER TO STRUCTURE ACCOUNT
SMOOTH SURVIVOR CURVE



III-352

III-353

NET SALVAGE STATISTICS

III-354

ELECTRIC PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY

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

Account (1)	Terminal Retirements			Interim Retirements			Total Net Salvage (\$) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)	Estimated Net Salvage (%) (10)=(8)/(9)	
	Retirements (\$) (2)	Net Salvage (%) (3)	Net Salvage (\$) (4)=(2)x(3)	Retirements (\$) (5)	Net Salvage (%) (6)	Net Salvage (\$) (7)=(5)x(6)				
STEAM PRODUCTION PLANT										
<i>CANE RUN GENERATING STATION</i>										
311	STRUCTURES AND IMPROVEMENTS	51,602,971	(10)	(5,160,297)	558,080	(20)	111,616	5,271,913	52,161,051	(10)
312	BOILER PLANT EQUIPMENT	199,372,082	(10)	(19,937,208)	6,402,162	(25)	1,600,541	21,537,749	205,774,244	(10)
314	TURBOGENERATOR UNITS	33,056,350	(10)	(3,305,635)	1,629,396	(15)	244,409	3,550,044	34,685,746	(10)
315	ACCESSORY ELECTRIC EQUIPMENT	35,972,609	(10)	(3,597,261)	1,278,211	(10)	127,821	3,725,082	37,250,819	(10)
316	MISCELLANEOUS POWER PLANT EQUIPMENT	3,187,494	(10)	(318,749)	63,334	0	-	318,749	3,250,828	(10)
	<i>TOTAL CANE RUN GENERATING STATION</i>	<u>323,191,505</u>		<u>(32,319,151)</u>	<u>9,931,183</u>		<u>2,084,387</u>	<u>34,403,537</u>	<u>333,122,688</u>	<u>(10)</u>
<i>MILL CREEK GENERATING STATION</i>										
311	STRUCTURES AND IMPROVEMENTS	113,860,940	(10)	(11,386,094)	15,122,788	(20)	3,024,558	14,410,652	128,983,727	(14)
312	BOILER PLANT EQUIPMENT	510,025,661	(10)	(51,002,566)	249,227,761	(25)	62,306,940	113,309,506	759,253,422	(14)
314	TURBOGENERATOR UNITS	60,055,758	(10)	(6,005,576)	45,970,072	(15)	6,895,511	12,901,087	106,025,829	(14)
315	ACCESSORY ELECTRIC EQUIPMENT	44,720,898	(10)	(4,472,090)	35,908,938	(10)	3,590,894	8,062,983.63	80,629,836	(14)
316	MISCELLANEOUS POWER PLANT EQUIPMENT	5,104,648	(10)	(510,465)	3,531,925	0	-	510,465	8,636,573	(14)
	<i>TOTAL MILL CREEK GENERATING STATION</i>	<u>733,767,906</u>		<u>(73,376,791)</u>	<u>349,761,483</u>		<u>75,817,902</u>	<u>149,194,693</u>	<u>1,083,529,388</u>	<u>(14)</u>
<i>TRIMBLE COUNTY GENERATING STATION</i>										
311	STRUCTURES AND IMPROVEMENTS	120,950,736	(10)	(12,095,074)	20,641,275	(20)	4,128,255	16,223,329	141,592,011	(15)
312	BOILER PLANT EQUIPMENT	195,964,406	(10)	(19,596,441)	220,882,987	(25)	55,220,747	74,817,188	416,847,394	(15)
314	TURBOGENERATOR UNITS	38,461,719	(10)	(3,846,172)	38,986,646	(15)	5,847,997	9,694,169	77,448,365	(15)
315	ACCESSORY ELECTRIC EQUIPMENT	26,385,902	(10)	(2,638,590)	33,812,288	(10)	3,381,229	6,019,819	60,198,191	(15)
316	MISCELLANEOUS POWER PLANT EQUIPMENT	1,302,739	(10)	(130,274)	3,155,044	0	-	130,274	4,457,783	(15)
	<i>TOTAL TRIMBLE COUNTY GENERATING STATION</i>	<u>383,065,504</u>		<u>(38,306,550)</u>	<u>317,478,240</u>		<u>68,578,228</u>	<u>106,884,778</u>	<u>700,543,744</u>	<u>(15)</u>
	TOTAL STEAM PRODUCTION PLANT	1,440,024,914		(144,002,491)	677,170,906		146,480,517	290,483,008	2,117,195,820	(14)
HYDRAULIC PRODUCTION PLANT										
<i>OHIO FALLS</i>										
331	STRUCTURES AND IMPROVEMENTS	3,328,502	(5)	(166,425)	1,634,873	(20)	326,975	493,400	4,963,376	(6)
332	RESERVOIRS, DAMS AND WATERWAYS	11,521,557	(5)	(576,078)	168,694	(10)	16,869	592,947	11,690,252	(6)
333	WATER WHEELS, TURBINES AND GENERATORS	19,222,953	(5)	(961,148)	722,261	(20)	144,452	1,105,600	19,945,214	(6)
334	ACCESSORY ELECTRIC EQUIPMENT	5,118,196	(5)	(255,910)	391,640	(20)	78,328	334,238	5,509,836	(6)
335	MISCELLANEOUS POWER PLANT EQUIPMENT	283,259	(5)	(14,163)	26,989	(15)	4,048	18,211	310,247	(6)
336	ROADS, RAILROADS AND BRIDGES	10,714	(5)	(536)	19,216	(5)	961	1,497	29,931	(6)
	<i>TOTAL OHIO FALLS</i>	<u>39,485,181</u>		<u>(1,974,259)</u>	<u>2,963,674</u>		<u>571,633</u>	<u>2,545,893</u>	<u>42,448,855</u>	<u>(6)</u>
	TOTAL HYDRAULIC PRODUCTION PLANT	39,485,181		(1,974,259)	2,963,674		571,633	2,545,893	42,448,855	

LOUISVILLE GAS AND ELECTRIC COMPANY

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

Account (1)	Terminal Retirements			Interim Retirements			Total Net Salvage (\$) (8)=(4)+(7)	Total Retirements (9)=(2)+(5)	Estimated Net Salvage (%) (10)=(8)/(9)	
	Retirements (\$) (2)	Net Salvage (%) (3)	Net Salvage (\$) (4)=(2)x(3)	Retirements (\$) (5)	Net Salvage (%) (6)	Net Salvage (\$) (7)=(5)x(6)				
OTHER PRODUCTION PLANT										
<i>BROWN CTS</i>										
341	STRUCTURES AND IMPROVEMENTS	1,044,742	(5)	(52,237)	64,131	(10)	6,413	58,650	1,108,873	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,236,676	(5)	(61,834)	154,654	(10)	15,465	77,299	1,391,330	(5)
343	PRIME MOVERS	35,802,233	(5)	(1,790,112)	18,267,027	(5)	913,351	2,703,463	54,069,260	(5)
344	GENERATORS	7,973,666	(5)	(398,683)	114,767	(10)	11,477	410,160	8,088,434	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	4,040,820	(5)	(202,041)	470,993	0	-	202,041	4,511,812	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	2,328,862	(5)	(116,443)	111,867	0	-	116,443	2,440,729	(5)
	<i>TOTAL BROWN CTS</i>	<u>52,426,998</u>		<u>(2,621,350)</u>	<u>19,183,439</u>		<u>946,707</u>	<u>3,568,057</u>	<u>71,610,437</u>	<u>(5)</u>
<i>CANE RUN CT</i>										
341	STRUCTURES AND IMPROVEMENTS	206,999	(5)	(10,350)	4,519	(10)	452	10,802	211,518	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	309,146	(5)	(15,457)	9,896	(10)	990	16,447	319,042	(5)
344	GENERATORS	2,779,505	(5)	(138,975)	130,618	(10)	13,062	152,037	2,910,124	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	86,422	(5)	(4,321)	30,206	0	-	4,321	116,627	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	-	(5)	0	-	0	-	-	-	(5)
	<i>TOTAL CANE RUN CT</i>	<u>3,382,072</u>		<u>(169,104)</u>	<u>175,239</u>		<u>14,503</u>	<u>183,607</u>	<u>3,557,311</u>	<u>(5)</u>
<i>PADDY'S RUN GENERATORS</i>										
341	STRUCTURES AND IMPROVEMENTS	2,085,881	(5)	(104,294)	136,931	(10)	13,693	117,987	2,222,811	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	1,981,670	(5)	(99,084)	304,573	(10)	30,457	129,541	2,286,243	(5)
343	PRIME MOVERS	12,324,033	(5)	(616,202)	7,822,158	(5)	391,108	1,007,310	20,146,191	(5)
344	GENERATORS	9,871,969	(5)	(493,598)	502,594	(10)	50,259	543,858	10,374,563	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	3,410,054	(5)	(170,503)	349,690	0	-	170,503	3,759,743	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	1,231,728	(5)	(61,586)	58,801	0	-	61,586	1,290,529	(5)
	<i>TOTAL PADDY'S RUN GENERATORS</i>	<u>30,905,334</u>		<u>(1,545,267)</u>	<u>9,174,746</u>		<u>485,518</u>	<u>2,030,784</u>	<u>40,080,080</u>	<u>(5)</u>
<i>TRIMBLE COUNTY CTS</i>										
341	STRUCTURES AND IMPROVEMENTS	8,733,433	(5)	(436,672)	2,719,563	(10)	271,956	708,628	11,452,996	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	2,727,814	(5)	(136,391)	850,961	(10)	85,096	221,487	3,578,775	(5)
343	PRIME MOVERS	42,005,110	(5)	(2,100,256)	41,251,779	(5)	2,062,589	4,162,844	83,256,889	(5)
344	GENERATORS	8,115,286	(5)	(405,764)	1,855,960	(10)	185,596	591,360	9,971,246	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	6,977,260	(5)	(348,863)	5,282,778	0	-	348,863	12,260,038	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	29,199	(5)	(1,460)	26,379	0	-	1,460	55,577	(5)
	<i>TOTAL TRIMBLE COUNTY CTS</i>	<u>68,588,102</u>		<u>(3,429,405)</u>	<u>51,987,419</u>		<u>2,605,237</u>	<u>6,034,642</u>	<u>120,575,521</u>	<u>(5)</u>
<i>ZORN AND RIVER ROAD CTS</i>										
341	STRUCTURES AND IMPROVEMENTS	7,050	(5)	(353)	1,191	(10)	119	472	8,241	(5)
342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	20,251	(5)	(1,013)	3,183	(10)	318	1,331	23,434	(5)
343	PRIME MOVERS	-	(5)	0	-	(5)	-	-	-	(5)
344	GENERATORS	1,639,904	(5)	(81,995)	187,677	(10)	18,768	100,763	1,827,581	(5)
345	ACCESSORY ELECTRIC EQUIPMENT	30,561	(5)	(1,528)	13,722	0	-	1,528	44,283	(5)
346	MISCELLANEOUS POWER PLANT EQUIPMENT	9,487	(5)	(474)	1	0	-	474	9,488	(5)
	<i>TOTAL ZORN AND RIVER ROAD CTS</i>	<u>1,707,254</u>		<u>(85,363)</u>	<u>205,773</u>		<u>19,205</u>	<u>104,568</u>	<u>1,913,027</u>	<u>(5)</u>
	TOTAL OTHER PRODUCTION PLANT	<u>157,009,760</u>		<u>(7,850,488)</u>	<u>80,726,617</u>		<u>4,071,170</u>	<u>11,921,658</u>	<u>237,736,377</u>	
	GRAND TOTAL	<u>1,636,519,855</u>		<u>(153,827,238)</u>	<u>760,861,197</u>		<u>151,123,320</u>	<u>304,950,559</u>	<u>2,397,381,052</u>	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	5,380	162	3		0		0	162-	3-
1973	9,301		0		0	775	8	775	8
1974	166,455	30,008	18	26	0	526	0	29,456-	18-
1975	4,816	2,201	46		0		0	2,201-	46-
1976	17,364	2,461	14		0	148	1	2,313-	13-
1977	9,993	3,390	34		0		0	3,390-	34-
1978	706		0		0		0		0
1979	35,088	9,102	26	775	2	775	2	7,552-	22-
1980	4,245		0		0		0		0
1981	336,223	1,656	0		0		0	1,656-	0
1982	3,566	335	9		0		0	335-	9-
1983	527,107	734	0		0	11	0	723-	0
1984	7,999,955	139,134	2		0		0	139,134-	2-
1985	27,301	57,960	212		0		0	57,960-	212-
1986	83,061	29,750	36		0	10,787	13	18,963-	23-
1987	125,887	20,183	16		0	69	0	20,114-	16-
1988	19,638		0		0		0		0
1989	4,499		0		0		0		0
1990									
1991	67,462	17,694	26		0		0	17,694-	26-
1992	141,612	1,588	1		0		0	1,588-	1-
1993	279,758	44,837	16		0		0	44,837-	16-
1994	52,490		0		0		0		0
1995	258,855	21,373	8		0	1,279	0	20,094-	8-
1996	135,288	54,185	40		0	6,329	5	47,856-	35-
1997	70,532	8,504	12		0	8,625	12	121	0
1998	448,015	207,901	46		0		0	207,901-	46-
1999	110,093	36,068	33		0	697	1	35,371-	32-
2000	40,964		0		0		0		0
2001	171,276	990	1		0		0	990-	1-
2002	111,468		0		0		0		0
2003	865,133	100,649	12		0		0	100,649-	12-
2004	629,199	260,812	41		0		0	260,812-	41-
2005	921,450	114,744	12		0		0	114,744-	12-
2006	697,724	278,680	40		0		0	278,680-	40-
2007	78,460	3,894	5		0		0	3,894-	5-
2008	81,616	16,027	20		0		0	16,027-	20-
2009	484,516	172,070	36		0		0	172,070-	36-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	176,038	90,160	51		0		0	90,160-	51-
2011	4,196,980	1,255,579	30		0		0	1,255,579-	30-
TOTAL	19,399,514	2,982,830	15	801	0	30,021	0	2,952,008-	15-

THREE-YEAR MOVING AVERAGES

72-74	60,379	10,057	17	9	0	434	1	9,614-	16-
73-75	60,191	10,736	18	9	0	434	1	10,294-	17-
74-76	62,878	11,557	18	9	0	225	0	11,323-	18-
75-77	10,724	2,684	25		0	49	0	2,635-	25-
76-78	9,354	1,950	21		0	49	1	1,901-	20-
77-79	15,262	4,164	27	258	2	258	2	3,647-	24-
78-80	13,346	3,034	23	258	2	258	2	2,517-	19-
79-81	125,185	3,586	3	258	0	258	0	3,069-	2-
80-82	114,678	664	1		0		0	664-	1-
81-83	288,965	908	0		0	4	0	905-	0
82-84	2,843,543	46,734	2		0	4	0	46,731-	2-
83-85	2,851,454	65,943	2		0	4	0	65,939-	2-
84-86	2,703,439	75,615	3		0	3,596	0	72,019-	3-
85-87	78,750	35,964	46		0	3,619	5	32,346-	41-
86-88	76,195	16,644	22		0	3,619	5	13,026-	17-
87-89	50,008	6,728	13		0	23	0	6,705-	13-
88-90	8,046		0		0		0		0
89-91	23,987	5,898	25		0		0	5,898-	25-
90-92	69,691	6,427	9		0		0	6,427-	9-
91-93	162,944	21,373	13		0		0	21,373-	13-
92-94	157,953	15,475	10		0		0	15,475-	10-
93-95	197,034	22,070	11		0	426	0	21,644-	11-
94-96	148,878	25,186	17		0	2,536	2	22,650-	15-
95-97	154,892	28,021	18		0	5,411	3	22,610-	15-
96-98	217,945	90,197	41		0	4,985	2	85,212-	39-
97-99	209,547	84,158	40		0	3,107	1	81,050-	39-
98-00	199,691	81,323	41		0	232	0	81,091-	41-
99-01	107,444	12,353	11		0	232	0	12,120-	11-
00-02	107,903	330	0		0		0	330-	0
01-03	382,626	33,880	9		0		0	33,880-	9-
02-04	535,267	120,487	23		0		0	120,487-	23-
03-05	805,261	158,735	20		0		0	158,735-	20-
04-06	749,457	218,078	29		0		0	218,078-	29-
05-07	565,878	132,439	23		0		0	132,439-	23-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	285,933	99,533	35		0		0	99,533-	35-
07-09	214,864	63,997	30		0		0	63,997-	30-
08-10	247,390	92,752	37		0		0	92,752-	37-
09-11	1,619,178	505,937	31		0		0	505,937-	31-
FIVE-YEAR AVERAGE									
07-11	1,003,522	307,546	31		0		0	307,546-	31-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1973	62,803	4,171	7		0	648	1	3,523-	6-
1974	7,673	6,835	89		0	12	0	6,823-	89-
1975	3,085	402	13		0	383	12	19-	1-
1976	3,221		0		0		0		0
1977	326,169	62,640	19		0	5,757	2	56,883-	17-
1978	194,645	243	0		0	2,078	1	1,835	1
1979	2,069,174	10,000	0		0		0	10,000-	0
1980	553,764	39,529	7	2,500	0	2,500	0	34,529-	6-
1981	5,642,246	130,545	2		0		0	130,545-	2-
1982	1,289,749	35,582	3		0		0	35,582-	3-
1983	2,872,642	34,486	1		0	10,535	0	23,951-	1-
1984	19,009,765	1,405,123	7		0	25,077	0	1,380,046-	7-
1985	11,336,125	1,868,829	16		0	24,791	0	1,844,038-	16-
1986	4,583,696	2,041,987	45		0	23,452	1	2,018,535-	44-
1987	5,711,646	882,146	15		0	7,564	0	874,582-	15-
1988	981,609	220,046	22		0	84-	0	220,130-	22-
1989	1,150,890	29,619	3		0		0	29,619-	3-
1990	274,896	45,528	17		0		0	45,528-	17-
1991	514,723	1,963	0		0		0	1,963-	0
1992	657,502	37,558-	6-		0		0	37,558	6
1993	727,737	130,969-	18-		0	8,692	1	139,661	19
1994	518,558	102,303	20		0	4,250	1	98,053-	19-
1995	8,391,354	687,291	8		0	41,471	0	645,820-	8-
1996	2,043,488	614,554	30		0	95,593	5	518,961-	25-
1997	1,563,889	188,562	12		0	191,250	12	2,688	0
1998	2,744,038	1,273,372	46		0		0	1,273,372-	46-
1999	6,407,359	2,121,390	33		0	41,005	1	2,080,385-	32-
2000	1,939,284	549,421	28		0	319,613	16	229,808-	12-
2001	8,057,111	330,086	4		0		0	330,086-	4-
2002	5,505,871	495,797	9		0		0	495,797-	9-
2003	7,090,285	9,195	0		0		0	9,195-	0
2004	6,901,489	1,994,239	29		0		0	1,994,239-	29-
2005	4,197,701	1,079,108	26		0		0	1,079,108-	26-
2006	27,711,972	10,223,501	37		0	577,580	2	9,645,921-	35-
2007	3,095,537	815,490	26	11,206	0	269,884	9	534,400-	17-
2008	3,796,631	1,500,760	40		0	86,662	2	1,414,098-	37-
2009	7,012,615	3,053,175	44		0	27,191	0	3,025,984-	43-
2010	3,987,134	597,884	15		0	45,462	1	552,423-	14-
2011	17,737,600	2,541,970	14		0	34,636	0	2,507,334-	14-
TOTAL	176,675,676	34,829,244	20	13,706	0	1,846,001	1	32,969,536-	19-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
73-75	24,520	3,803	16		0	348	1	3,455-	14-
74-76	4,660	2,412	52		0	132	3	2,281-	49-
75-77	110,825	21,014	19		0	2,047	2	18,967-	17-
76-78	174,678	20,961	12		0	2,612	1	18,349-	11-
77-79	863,329	24,294	3		0	2,612	0	21,683-	3-
78-80	939,194	16,591	2	833	0	1,526	0	14,231-	2-
79-81	2,755,061	60,025	2	833	0	833	0	58,358-	2-
80-82	2,495,253	68,552	3	833	0	833	0	66,885-	3-
81-83	3,268,212	66,871	2		0	3,512	0	63,359-	2-
82-84	7,724,052	491,730	6		0	11,871	0	479,860-	6-
83-85	11,072,844	1,102,813	10		0	20,134	0	1,082,678-	10-
84-86	11,643,195	1,771,980	15		0	24,440	0	1,747,540-	15-
85-87	7,210,489	1,597,654	22		0	18,602	0	1,579,052-	22-
86-88	3,758,984	1,048,060	28		0	10,311	0	1,037,749-	28-
87-89	2,614,715	377,270	14		0	2,493	0	374,777-	14-
88-90	802,465	98,398	12		0	28-	0	98,426-	12-
89-91	646,836	25,703	4		0		0	25,703-	4-
90-92	482,374	3,311	1		0		0	3,311-	1-
91-93	633,321	55,521-	9-		0	2,897	0	58,419	9
92-94	634,599	22,075-	3-		0	4,314	1	26,389	4
93-95	3,212,550	219,542	7		0	18,138	1	201,404-	6-
94-96	3,651,133	468,049	13		0	47,105	1	420,945-	12-
95-97	3,999,577	496,802	12		0	109,438	3	387,364-	10-
96-98	2,117,138	692,163	33		0	95,614	5	596,548-	28-
97-99	3,571,762	1,194,441	33		0	77,418	2	1,117,023-	31-
98-00	3,696,894	1,314,728	36		0	120,206	3	1,194,522-	32-
99-01	5,467,918	1,000,299	18		0	120,206	2	880,093-	16-
00-02	5,167,422	458,435	9		0	106,538	2	351,897-	7-
01-03	6,884,422	278,359	4		0		0	278,359-	4-
02-04	6,499,215	833,077	13		0		0	833,077-	13-
03-05	6,063,158	1,027,514	17		0		0	1,027,514-	17-
04-06	12,937,054	4,432,282	34		0	192,527	1	4,239,756-	33-
05-07	11,668,403	4,039,366	35	3,735	0	282,488	2	3,753,143-	32-
06-08	11,534,714	4,179,917	36	3,735	0	311,375	3	3,864,806-	34-
07-09	4,634,928	1,789,808	39	3,735	0	127,912	3	1,658,161-	36-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
08-10	4,932,127	1,717,273	35		0	53,105	1	1,664,168-	34-
09-11	9,579,116	2,064,343	22		0	35,763	0	2,028,580-	21-
FIVE-YEAR AVERAGE									
07-11	7,125,903	1,701,856	24	2,241	0	92,767	1	1,606,848-	23-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	5,300	3,167	60		0		0	3,167-	60-
1975	5,583		0		0		0		0
1976									
1977									
1978	17,277	2,051	12		0	2,818	16	767	4
1979	1,527,611		0		0		0		0
1980	8,705		0		0		0		0
1981	3,710,700		0		0		0		0
1982	6,074	620	10		0		0	620-	10-
1983	2,465,234		0		0		0		0
1984	2,791,319		0		0		0		0
1985	7,690,532	899	0		0		0	899-	0
1986	18,073	813	4		0		0	813-	4-
1987	43,600	2,606	6		0	17	0	2,589-	6-
1988	122,693		0		0		0		0
1989									
1990	15,000		0		0		0		0
1991	1,406,443		0		0		0		0
1992	15,000		0		0		0		0
1993	22,000	524	2		0		0	524-	2-
1994	110,318	22,262	20		0		0	22,262-	20-
1995	4,566,240	377,019	8		0	22,567	0	354,452-	8-
1996	1,314,385	530,805	40		0	61,486	5	469,319-	36-
1997	612,710	73,876	12		0	74,929	12	1,053	0
1998									
1999	5,000	1,782	36		0	34	1	1,748-	35-
2000									
2001									
2002	94,480		0		0		0		0
2003	3,077,538	277,920	9		0		0	277,920-	9-
2004	1,160,157	373,601	32		0		0	373,601-	32-
2005	464,123	60,425	13		0		0	60,425-	13-
2006	2,965,022	532,312	18		0		0	532,312-	18-
2007	115,565	2,600	2		0		0	2,600-	2-
2008	33,017	46,464	141		0		0	46,464-	141-
2009	754,568	465,855	62		0		0	465,855-	62-
2010	103,475	3,278	3		0		0	3,278-	3-
2011	3,093,988	109,173	4		0		0	109,173-	4-
TOTAL	38,341,730	2,888,053	8		0	161,851	0	2,726,202-	7-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	3,628	1,056	29		0		0	1,056-	29-
75-77	1,861		0		0		0		0
76-78	5,759	684	12		0	939	16	256	4
77-79	514,963	684	0		0	939	0	256	0
78-80	517,864	684	0		0	939	0	256	0
79-81	1,749,005		0		0		0		0
80-82	1,241,826	207	0		0		0	207-	0
81-83	2,060,669	207	0		0		0	207-	0
82-84	1,754,209	207	0		0		0	207-	0
83-85	4,315,695	300	0		0		0	300-	0
84-86	3,499,975	571	0		0		0	571-	0
85-87	2,584,068	1,439	0		0	6	0	1,434-	0
86-88	61,455	1,140	2		0	6	0	1,134-	2-
87-89	55,431	869	2		0	6	0	863-	2-
88-90	45,898		0		0		0		0
89-91	473,814		0		0		0		0
90-92	478,814		0		0		0		0
91-93	481,148	175	0		0		0	175-	0
92-94	49,106	7,595	15		0		0	7,595-	15-
93-95	1,566,186	133,268	9		0	7,522	0	125,746-	8-
94-96	1,996,981	310,029	16		0	28,018	1	282,011-	14-
95-97	2,164,445	327,233	15		0	52,994	2	274,239-	13-
96-98	642,365	201,560	31		0	45,472	7	156,089-	24-
97-99	205,903	25,219	12		0	24,988	12	232-	0
98-00	1,667	594	36		0	11	1	583-	35-
99-01	1,667	594	36		0	11	1	583-	35-
00-02	31,493		0		0		0		0
01-03	1,057,339	92,640	9		0		0	92,640-	9-
02-04	1,444,058	217,174	15		0		0	217,174-	15-
03-05	1,567,273	237,316	15		0		0	237,316-	15-
04-06	1,529,767	322,113	21		0		0	322,113-	21-
05-07	1,181,570	198,446	17		0		0	198,446-	17-
06-08	1,037,868	193,792	19		0		0	193,792-	19-
07-09	301,050	171,639	57		0		0	171,639-	57-
08-10	297,020	171,866	58		0		0	171,866-	58-
09-11	1,317,344	192,769	15		0		0	192,769-	15-
FIVE-YEAR AVERAGE									
07-11	820,123	125,474	15		0		0	125,474-	15-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	33,729	502	1		0		0	502-	1-
1973	7,724		0		0	1,966	25	1,966	25
1974	10,311	417	4		0		0	417-	4-
1975	11,172	521	5		0	2,381	21	1,860	17
1976	3,903	38,121	977		0	2,393	61	35,728-	915-
1977	22,153	794	4		0		0	794-	4-
1978	23,703	1,238	5		0	4,573	19	3,335	14
1979	140,861	388	0		0	123	0	265-	0
1980	127,304	1,849	1		0		0	1,849-	1-
1981	963,033		0		0	1,261	0	1,261	0
1982	8,574	993	12		0	999	12	6	0
1983	302,710	13-	0		0	688	0	701	0
1984	1,628,052	4,221	0		0		0	4,221-	0
1985	1,108,851	2,002	0		0		0	2,002-	0
1986	13,971		0		0		0		0
1987	807,408	95,681	12		0	926	0	94,755-	12-
1988	12,928	3,297	26		0	10-	0	3,307-	26-
1989	97,796		0		0		0		0
1990	76,484	16,433-	21-		0	2,100	3	18,533	24
1991	313,936	1,028	0		0		0	1,028-	0
1992	61,486	10,547	17		0		0	10,547-	17-
1993	473,682	6,732-	1-		0		0	6,732	1
1994	22,000		0		0		0		0
1995	822,779	67,935	8		0	4,066	0	63,869-	8-
1996	348,770	140,848	40		0	16,315	5	124,533-	36-
1997	1,032,181	124,452	12		0	126,227	12	1,775	0
1998									
1999	2,918	1,040	36		0	21	1	1,019-	35-
2000	671,474	16,128	2		0		0	16,128-	2-
2001	34,589		0		0		0		0
2002	102,272		0		0		0		0
2003	74,452		0		0		0		0
2004	829,101	26,830	3		0		0	26,830-	3-
2005									
2006	1,043,304	59,113	6		0		0	59,113-	6-
2007	106,068	23,111	22	500	0		0	22,611-	21-
2008	32,633	1,065	3		0		0	1,065-	3-
2009	197,219	109,483	56		0		0	109,483-	56-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	20,993	18,899	90		0		0	18,899-	90-
2011	639,407	243,700	38		0		0	243,700-	38-
TOTAL	12,229,932	971,025	8	500	0	164,029	1	806,496-	7-

THREE-YEAR MOVING AVERAGES

72-74	17,255	306	2		0	655	4	349	2
73-75	9,736	313	3		0	1,449	15	1,136	12
74-76	8,462	13,020	154		0	1,591	19	11,428-	135-
75-77	12,409	13,145	106		0	1,591	13	11,554-	93-
76-78	16,586	13,384	81		0	2,322	14	11,062-	67-
77-79	62,239	807	1		0	1,565	3	759	1
78-80	97,289	1,158	1		0	1,565	2	407	0
79-81	410,399	746	0		0	461	0	284-	0
80-82	366,304	947	0		0	753	0	194-	0
81-83	424,772	327	0		0	983	0	656	0
82-84	646,445	1,734	0		0	562	0	1,171-	0
83-85	1,013,204	2,070	0		0	229	0	1,841-	0
84-86	916,958	2,074	0		0		0	2,074-	0
85-87	643,410	32,561	5		0	309	0	32,252-	5-
86-88	278,102	32,993	12		0	305	0	32,687-	12-
87-89	306,044	32,993	11		0	305	0	32,687-	11-
88-90	62,403	4,379-	7-		0	697	1	5,075	8
89-91	162,739	5,135-	3-		0	700	0	5,835	4
90-92	150,635	1,619-	1-		0	700	0	2,319	2
91-93	283,035	1,614	1		0		0	1,614-	1-
92-94	185,723	1,272	1		0		0	1,272-	1-
93-95	439,487	20,401	5		0	1,355	0	19,046-	4-
94-96	397,850	69,594	17		0	6,794	2	62,801-	16-
95-97	734,577	111,078	15		0	48,869	7	62,209-	8-
96-98	460,317	88,433	19		0	47,514	10	40,919-	9-
97-99	345,033	41,831	12		0	42,083	12	252	0
98-00	224,797	5,723	3		0	7	0	5,716-	3-
99-01	236,327	5,723	2		0	7	0	5,716-	2-
00-02	269,445	5,376	2		0		0	5,376-	2-
01-03	70,438		0		0		0		0
02-04	335,275	8,943	3		0		0	8,943-	3-
03-05	301,184	8,943	3		0		0	8,943-	3-
04-06	624,135	28,648	5		0		0	28,648-	5-
05-07	383,124	27,408	7	167	0		0	27,241-	7-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	394,002	27,763	7	167	0		0	27,596-	7-
07-09	111,974	44,553	40	167	0		0	44,386-	40-
08-10	83,615	43,149	52		0		0	43,149-	52-
09-11	285,873	124,027	43		0		0	124,027-	43-
FIVE-YEAR AVERAGE									
07-11	199,264	79,252	40	100	0		0	79,152-	40-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	985	62	6		0		0	62-	6-
1973									
1974	2,625		0	1,400	53	1,400	53	2,800	107
1975	2,166		0		0		0		0
1976	3,217		0		0		0		0
1977	4,112		0		0		0		0
1978	2,193		0	24	1	24	1	48	2
1979	33,145	43	0		0		0	43-	0
1980	1,734		0		0		0		0
1981	15,052		0		0	7,500	50	7,500	50
1982	350		0		0		0		0
1983	309		0		0		0		0
1984	344,269		0		0		0		0
1985	68,016		0		0	53	0	53	0
1986	7,808		0		0		0		0
1987	5,311		0		0		0		0
1988	1,311		0		0		0		0
1989	318		0		0	175	55	175	55
1990	17,214	1,000-	6-		0		0	1,000	6
1991	15,986		0		0		0		0
1992	5,162		0		0		0		0
1993	137,323		0		0		0		0
1994									
1995	114,896	9,487	8		0	568	0	8,919-	8-
1996	386,595	156,124	40		0	18,085	5	138,039-	36-
1997	63,113	7,610	12		0	7,719	12	109	0
1998									
1999									
2000									
2001									
2002		537						537-	
2003	1,600	437	27		0		0	437-	27-
2004	159,413	4,944	3		0		0	4,944-	3-
2005									
2006	85,294	1,237	1		0		0	1,237-	1-
2007	76,996		0		0		0		0
2008	37,166		0		0	103,285	278	103,285	278
2009	31,210	2,109	7		0		0	2,109-	7-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	18,529		0		0		0		0
2011	66,012		0		0		0		0
TOTAL	1,709,429	181,589	11	1,424	0	138,809	8	41,356-	2-

THREE-YEAR MOVING AVERAGES

72-74	1,203	21	2	467	39	467	39	913	76
73-75	1,597		0	467	29	467	29	933	58
74-76	2,669		0	467	17	467	17	933	35
75-77	3,165		0		0		0		0
76-78	3,174		0	8	0	8	0	16	1
77-79	13,150	14	0	8	0	8	0	2	0
78-80	12,357	14	0	8	0	8	0	2	0
79-81	16,644	14	0		0	2,500	15	2,486	15
80-82	5,712		0		0	2,500	44	2,500	44
81-83	5,237		0		0	2,500	48	2,500	48
82-84	114,976		0		0		0		0
83-85	137,531		0		0	18	0	18	0
84-86	140,031		0		0	18	0	18	0
85-87	27,045		0		0	18	0	18	0
86-88	4,810		0		0		0		0
87-89	2,313		0		0	58	3	58	3
88-90	6,281	333-	5-		0	58	1	392	6
89-91	11,173	333-	3-		0	58	1	392	4
90-92	12,787	333-	3-		0		0	333	3
91-93	52,824		0		0		0		0
92-94	47,495		0		0		0		0
93-95	84,073	3,162	4		0	189	0	2,973-	4-
94-96	167,164	55,204	33		0	6,218	4	48,986-	29-
95-97	188,201	57,740	31		0	8,791	5	48,950-	26-
96-98	149,903	54,578	36		0	8,601	6	45,977-	31-
97-99	21,038	2,537	12		0	2,573	12	36	0
98-00									
99-01									
00-02		179						179-	
01-03	533	325	61		0		0	325-	61-
02-04	53,671	1,973	4		0		0	1,973-	4-
03-05	53,671	1,794	3		0		0	1,794-	3-
04-06	81,569	2,060	3		0		0	2,060-	3-
05-07	54,097	412	1		0		0	412-	1-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	66,485	412	1		0	34,428	52	34,016	51
07-09	48,457	703	1		0	34,428	71	33,725	70
08-10	28,968	703	2		0	34,428	119	33,725	116
09-11	38,584	703	2		0		0	703-	2-
FIVE-YEAR AVERAGE									
07-11	45,983	422	1		0	20,657	45	20,235	44

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	15,000	1,633	11		0		0	1,633-	11-
1975	265		0		0		0		0
1976									
1977									
1978									
1979									
1980	9,400	25,350	270		0		0	25,350-	270-
1981									
1982									
1983									
1984	1,239		0		0		0		0
1985	100	3,175			0		0	3,175-	
1986									
1987									
1988	1,519		0		0		0		0
1989									
1990									
1991									
1992									
1993	19,092	5,937	31		0		0	5,937-	31-
1994									
1995	8,858	966	11		0		0	966-	11-
1996									
1997	400	10,359			0		0	10,359-	
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	7,650	76,939			0		0	76,939-	
2007	1,101,085	417,395	38		0		0	417,395-	38-
2008									
2009									
2010									
2011									
TOTAL	1,164,608	541,755	47		0		0	541,755-	47-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	5,088	544	11		0		0	544-	11-
75-77	88		0		0		0		0
76-78									
77-79									
78-80	3,133	8,450	270		0		0	8,450-	270-
79-81	3,133	8,450	270		0		0	8,450-	270-
80-82	3,133	8,450	270		0		0	8,450-	270-
81-83									
82-84	413		0		0		0		0
83-85	446	1,058	237		0		0	1,058-	237-
84-86	446	1,058	237		0		0	1,058-	237-
85-87	33	1,058			0		0	1,058-	
86-88	506		0		0		0		0
87-89	506		0		0		0		0
88-90	506		0		0		0		0
89-91									
90-92									
91-93	6,364	1,979	31		0		0	1,979-	31-
92-94	6,364	1,979	31		0		0	1,979-	31-
93-95	9,317	2,301	25		0		0	2,301-	25-
94-96	2,953	322	11		0		0	322-	11-
95-97	3,086	3,775	122		0		0	3,775-	122-
96-98	133	3,453			0		0	3,453-	
97-99	133	3,453			0		0	3,453-	
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	2,550	25,646			0		0	25,646-	
05-07	369,578	164,778	45		0		0	164,778-	45-
06-08	369,578	164,778	45		0		0	164,778-	45-
07-09	367,028	139,132	38		0		0	139,132-	38-
08-10									
09-11									
FIVE-YEAR AVERAGE									
07-11	220,217	83,479	38		0		0	83,479-	38-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAY

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1995	1,016	111	11		0		0	111-	11-
1996									
1997									
1998									
1999									
2000	8,455	10,197	121		0		0	10,197-	121-
2001									
2002									
2003									
2004	12,512		0		0		0		0
2005									
2006	28,264	11,080	39		0		0	11,080-	39-
2007	22,246	8,433	38		0		0	8,433-	38-
2008									
2009									
2010									
2011	155,565		0		0		0		0
TOTAL	228,057	29,821	13		0		0	29,821-	13-

THREE-YEAR MOVING AVERAGES

95-97	339	37	11		0		0	37-	11-
96-98									
97-99									
98-00	2,818	3,399	121		0		0	3,399-	121-
99-01	2,818	3,399	121		0		0	3,399-	121-
00-02	2,818	3,399	121		0		0	3,399-	121-
01-03									
02-04	4,171		0		0		0		0
03-05	4,171		0		0		0		0
04-06	13,592	3,693	27		0		0	3,693-	27-
05-07	16,836	6,504	39		0		0	6,504-	39-
06-08	16,836	6,504	39		0		0	6,504-	39-
07-09	7,415	2,811	38		0		0	2,811-	38-
08-10									
09-11	51,855		0		0		0		0

FIVE-YEAR AVERAGE

07-11	35,562	1,687	5		0		0	1,687-	5-
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2003	16,964	26,051	154		0		0	26,051-	154-
2004									
2005									
2006	6,705	43,415	647		0		0	43,415-	647-
2007	973,655	369,089	38		0		0	369,089-	38-
2008	172,006	891,897	519		0		0	891,897-	519-
2009									
2010									
2011	55,574	34,591	62		0		0	34,591-	62-
TOTAL	1,224,903	1,365,044	111		0		0	1,365,044-	111-

THREE-YEAR MOVING AVERAGES

03-05	5,655	8,684	154		0		0	8,684-	154-
04-06	2,235	14,472	647		0		0	14,472-	647-
05-07	326,787	137,502	42		0		0	137,502-	42-
06-08	384,122	434,801	113		0		0	434,801-	113-
07-09	381,887	420,329	110		0		0	420,329-	110-
08-10	57,335	297,299	519		0		0	297,299-	519-
09-11	18,525	11,530	62		0		0	11,530-	62-

FIVE-YEAR AVERAGE

07-11	240,247	259,116	108		0		0	259,116-	108-
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1978	133	527	396		0		0	527-	396-
1979									
1980									
1981									
1982									
1983									
1984									
1985									
1986									
1987	4,583	2,770	60		0	132	3	2,638-	58-
1988	9,437	6,306	67		0		0	6,306-	67-
1989	74,507	2,186	3		0		0	2,186-	3-
1990									
1991									
1992									
1993									
1994									
1995	143,390	15,641	11		0		0	15,641-	11-
1996									
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	154,676	84,221	54		0		0	84,221-	54-
2007	27,344	10,365	38		0		0	10,365-	38-
2008									
2009	1,372	3,620	264		0	56,678		53,058	
2010									
2011	18,753	3,760	20		0		0	3,760-	20-
TOTAL	434,194	129,396	30		0	56,810	13	72,586-	17-

THREE-YEAR MOVING AVERAGES

78-80	44	176	396		0		0	176-	396-
79-81									

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
80-82									
81-83									
82-84									
83-85									
84-86									
85-87	1,528	923	60		0	44	3	879-	58-
86-88	4,673	3,025	65		0	44	1	2,981-	64-
87-89	29,509	3,754	13		0	44	0	3,710-	13-
88-90	27,981	2,831	10		0		0	2,831-	10-
89-91	24,836	729	3		0		0	729-	3-
90-92									
91-93									
92-94									
93-95	47,797	5,214	11		0		0	5,214-	11-
94-96	47,797	5,214	11		0		0	5,214-	11-
95-97	47,797	5,214	11		0		0	5,214-	11-
96-98									
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	51,559	28,074	54		0		0	28,074-	54-
05-07	60,673	31,529	52		0		0	31,529-	52-
06-08	60,673	31,529	52		0		0	31,529-	52-
07-09	9,572	4,662	49		0	18,893	197	14,231	149
08-10	457	1,207	264		0	18,893		17,686	
09-11	6,708	2,460	37		0	18,893	282	16,433	245
FIVE-YEAR AVERAGE									
07-11	9,494	3,549	37		0	11,336	119	7,787	82

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1973	885		0		0	228	26	228	26
1974	140		0		0		0		0
1975									
1976									
1977									
1978									
1979									
1980									
1981	150	397	265		0		0	397-	265-
1982	335		0		0	5	1	5	1
1983	335-		0		0	5-	1	5-	1
1984	3,813		0		0		0		0
1985									
1986	335		0		0	12	4	12	4
1987									
1988	3,546		0		0		0		0
1989	225		0		0		0		0
1990									
1991	525		0		0		0		0
1992									
1993									
1994									
1995	2,523	275	11		0		0	275-	11-
1996	4,073		0		0		0		0
1997									
1998									
1999									
2000									
2001									
2002	3,647	14	0		0	76	2	62	2
2003									
2004	2,554	1,753	69		0		0	1,753-	69-
2005									
2006	6,784	6,873	101		0		0	6,873-	101-
2007	43,898	16,641	38		0		0	16,641-	38-
2008									
2009									
2010									
2011	53		0		0		0		0
TOTAL	73,151	25,952	35		0	316	0	25,636-	35-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
73-75	342		0		0	76	22	76	22
74-76	47		0		0		0		0
75-77									
76-78									
77-79									
78-80									
79-81	50	132	265		0		0	132-	265-
80-82	162	132	82		0	2	1	131-	81-
81-83	50	132	265		0		0	132-	265-
82-84	1,271		0		0		0		0
83-85	1,159		0		0	2-	0	2-	0
84-86	1,383		0		0	4	0	4	0
85-87	112		0		0	4	4	4	4
86-88	1,294		0		0	4	0	4	0
87-89	1,257		0		0		0		0
88-90	1,257		0		0		0		0
89-91	250		0		0		0		0
90-92	175		0		0		0		0
91-93	175		0		0		0		0
92-94									
93-95	841	92	11		0		0	92-	11-
94-96	2,199	92	4		0		0	92-	4-
95-97	2,199	92	4		0		0	92-	4-
96-98	1,358		0		0		0		0
97-99									
98-00									
99-01									
00-02	1,216	5	0		0	25	2	21	2
01-03	1,216	5	0		0	25	2	21	2
02-04	2,067	589	28		0	25	1	564-	27-
03-05	851	584	69		0		0	584-	69-
04-06	3,113	2,875	92		0		0	2,875-	92-
05-07	16,894	7,838	46		0		0	7,838-	46-
06-08	16,894	7,838	46		0		0	7,838-	46-
07-09	14,633	5,547	38		0		0	5,547-	38-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
08-10									
09-11	18		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	8,790	3,328	38		0		0	3,328-	38-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 336 ROADS, RAILROADS AND BRIDGES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	5,682	6,852	121		0		0	6,852-	121-
2001									
2002									
2003									
2004									
2005									
2006									
2007	150,050	56,881	38		0		0	56,881-	38-
2008									
2009									
2010									
2011									
TOTAL	155,732	63,733	41		0		0	63,733-	41-
THREE-YEAR MOVING AVERAGES									
00-02	1,894	2,284	121		0		0	2,284-	121-
01-03									
02-04									
03-05									
04-06									
05-07	50,017	18,960	38		0		0	18,960-	38-
06-08	50,017	18,960	38		0		0	18,960-	38-
07-09	50,017	18,960	38		0		0	18,960-	38-
08-10									
09-11									
FIVE-YEAR AVERAGE									
07-11	30,010	11,376	38		0		0	11,376-	38-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2004	9,265	6,707	72		0		0	6,707-	72-
2005									
2006		18,000						18,000-	
2007									
2008									
2009	25,423	13,023	51		0		0	13,023-	51-
2010									
2011									
TOTAL	34,689	37,730	109		0		0	37,730-	109-

THREE-YEAR MOVING AVERAGES

04-06	3,088	8,236	267		0		0	8,236-	267-
05-07		6,000						6,000-	
06-08		6,000						6,000-	
07-09	8,474	4,341	51		0		0	4,341-	51-
08-10	8,474	4,341	51		0		0	4,341-	51-
09-11	8,474	4,341	51		0		0	4,341-	51-

FIVE-YEAR AVERAGE

07-11	5,085	2,605	51		0		0	2,605-	51-
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2004	4,465		0		0		0		0
2005									
2006									
2007									
2008									
2009									
2010	174,612		0		0		0		0
2011	95,084	22,264	23		0		0	22,264-	23-
TOTAL	274,162	22,264	8		0		0	22,264-	8-

THREE-YEAR MOVING AVERAGES

04-06	1,488		0		0		0		0
05-07									
06-08									
07-09									
08-10	58,204		0		0		0		0
09-11	89,899	7,421	8		0		0	7,421-	8-

FIVE-YEAR AVERAGE

07-11	53,939	4,453	8		0		0	4,453-	8-
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2004	133,032		0		0		0		0
2005									
2006	4,152,762	51,591	1		0		0	51,591-	1-
2007	158,697	2,645	2		0		0	2,645-	2-
2008	3,094,134	33,968	1		0		0	33,968-	1-
2009	4,821,769	187,922	4		0		0	187,922-	4-
2010	10,198		0		0		0		0
2011	864,934	246,198	28		0		0	246,198-	28-
TOTAL	13,235,527	522,324	4		0		0	522,324-	4-

THREE-YEAR MOVING AVERAGES

04-06	1,428,598	17,197	1		0		0	17,197-	1-
05-07	1,437,153	18,079	1		0		0	18,079-	1-
06-08	2,468,531	29,401	1		0		0	29,401-	1-
07-09	2,691,533	74,845	3		0		0	74,845-	3-
08-10	2,642,034	73,963	3		0		0	73,963-	3-
09-11	1,898,967	144,707	8		0		0	144,707-	8-

FIVE-YEAR AVERAGE

07-11	1,789,946	94,147	5		0		0	94,147-	5-
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2008	94,470	20,158	21		0		0	20,158-	21-
2009	156	413	264		0	6,460		6,047	
2010									
2011	46,427	6,632	14		0		0	6,632-	14-
TOTAL	141,053	27,203	19		0	6,460	5	20,743-	15-

THREE-YEAR MOVING AVERAGES

08-10	31,542	6,857	22		0	2,153	7	4,704-	15-
09-11	15,528	2,348	15		0	2,153	14	195-	1-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2009	368	970	264		0	15,184		14,214	
2010									
2011	8,552	12,756	149		0		0	12,756	149-
TOTAL	8,919	13,726	154		0	15,184	170	1,458	16
THREE-YEAR MOVING AVERAGES									
09-11	2,973	4,575	154		0	5,061	170	486	16

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2011	1,141	33,120			0		0	33,120-	
TOTAL	1,141	33,120			0		0	33,120-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	619	43	7		0	529	85	486	79
1977	51,877	328	1		0	150	0	178-	0
1978	393	21	5		0	333	85	312	79
1979									
1980									
1981									
1982									
1983									
1984									
1985	763	264	35		0		0	264-	35-
1986	17,761	15,241	86		0		0	15,241-	86-
1987	5,215		0		0		0		0
1988	13,043		0		0		0		0
1989									
1990									
1991	4,469	500	11		0		0	500-	11-
1992	5,166	18	0		0		0	18-	0
1993	28,316	949	3		0		0	949-	3-
1994	11,420	541	5		0		0	541-	5-
1995	3,295	95	3		0	57	2	38-	1-
1996	5,519	37	1		0		0	37-	1-
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	1,392	543	39		0		0	543-	39-
2007	22,943	3,751	16		0		0	3,751-	16-
2008	405,495	17,057	4		0	6,215	2	10,841-	3-
2009	15,069	9,723	65		0		0	9,723-	65-
2010	200,353		0		0		0		0
2011									
TOTAL	793,109	49,111	6		0	7,284	1	41,827-	5-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	17,630	131	1		0	337	2	207	1
77-79	17,423	116	1		0	161	1	45	0
78-80	131	7	5		0	111	85	104	79
79-81									
80-82									
81-83									
82-84									
83-85	254	88	35		0		0	88-	35-
84-86	6,175	5,168	84		0		0	5,168-	84-
85-87	7,913	5,168	65		0		0	5,168-	65-
86-88	12,006	5,080	42		0		0	5,080-	42-
87-89	6,086		0		0		0		0
88-90	4,348		0		0		0		0
89-91	1,490	167	11		0		0	167-	11-
90-92	3,212	173	5		0		0	173-	5-
91-93	12,650	489	4		0		0	489-	4-
92-94	14,967	503	3		0		0	503-	3-
93-95	14,344	528	4		0	19	0	509-	4-
94-96	6,745	224	3		0	19	0	205-	3-
95-97	2,938	44	1		0	19	1	25-	1-
96-98	1,840	12	1		0		0	12-	1-
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	464	181	39		0		0	181-	39-
05-07	8,112	1,431	18		0		0	1,431-	18-
06-08	143,277	7,117	5		0	2,072	1	5,045-	4-
07-09	147,836	10,177	7		0	2,072	1	8,105-	5-
08-10	206,973	8,927	4		0	2,072	1	6,855-	3-
09-11	71,808	3,241	5		0		0	3,241-	5-
FIVE-YEAR AVERAGE									
07-11	128,772	6,106	5		0	1,243	1	4,863-	4-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	9,504	33	0		0		0	33-	0
1973	27,523	3,513	13		0	640	2	2,873-	10-
1974	36,315	1,159	3	129	0	14,148	39	13,118	36
1975	31,274	5,356	17		0	9,236	30	3,880	12
1976	63,202	8,258	13		0	26,745	42	18,487	29
1977	329,812	36,179	11	21,144	6	51,629	16	36,594	11
1978	117,987	10,281	9		0	15,461	13	5,180	4
1979	167,581	39,068	23		0	28,697	17	10,371-	6-
1980	40,617	4,429	11		0	23,892	59	19,463	48
1981	111,864	7,931	7		0	8,463	8	532	0
1982	61,638	53,854	87		0	2,515	4	51,339-	83-
1983	52,035	19,019	37		0	8,841	17	10,178-	20-
1984	4,430		0		0		0		0
1985	217,227	102,797	47		0	2,908	1	99,889-	46-
1986	237,354	65,583	28		0	66,121	28	538	0
1987	409,677	90,072	22		0	155,385	38	65,313	16
1988	530,419	92,126	17		0	246,275	46	154,149	29
1989	100,959	9,246	9		0	5,536	5	3,710-	4-
1990	30,997	2,527	8		0		0	2,527-	8-
1991	129,160	3,993	3		0		0	3,993-	3-
1992	105,050	10,953	10		0		0	10,953-	10-
1993	204,560	31,374	15		0	5,264	3	26,110-	13-
1994	131,400	6,237	5	9,200	7	24,844	19	27,807	21
1995	582,642	16,868	3		0	9,988	2	6,880-	1-
1996	449,821	3,000	1		0		0	3,000-	1-
1997	304,959	33,813	11		0	14,615	5	19,198-	6-
1998	7,839	11,273	144		0	9	0	11,264-	144-
1999		107,665						107,665-	
2000	1,515	105,112			0	16,998		88,114-	
2001	40,883		0		0		0		0
2002	1,222,628	27,845	2		0		0	27,845-	2-
2003	13,875	8,599	62		0		0	8,599-	62-
2004	263,024	36,772	14		0		0	36,772-	14-
2005									
2006	2,146,397	367,595	17		0		0	367,595-	17-
2007	665,339	290,612	44		0		0	290,612-	44-
2008	3,404,433	139,017	4		0	54,436	2	84,581-	2-
2009	523,412	250,120	48		0		0	250,120-	48-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	335,979	161,304	48		0		0	161,304-	48-
2011	1,148,921	69,771	6		0		0	69,771-	6-
TOTAL	14,262,252	2,233,354	16	30,473	0	792,646	6	1,410,235-	10-

THREE-YEAR MOVING AVERAGES

72-74	24,447	1,568	6	43	0	4,929	20	3,404	14
73-75	31,704	3,343	11	43	0	8,008	25	4,708	15
74-76	43,597	4,924	11	43	0	16,710	38	11,828	27
75-77	141,429	16,598	12	7,048	5	29,203	21	19,654	14
76-78	170,334	18,239	11	7,048	4	31,278	18	20,087	12
77-79	205,127	28,509	14	7,048	3	31,929	16	10,468	5
78-80	108,728	17,926	16		0	22,683	21	4,757	4
79-81	106,687	17,143	16		0	20,351	19	3,208	3
80-82	71,373	22,071	31		0	11,623	16	10,448-	15-
81-83	75,179	26,935	36		0	6,606	9	20,328-	27-
82-84	39,368	24,291	62		0	3,785	10	20,506-	52-
83-85	91,231	40,605	45		0	3,916	4	36,689-	40-
84-86	153,004	56,127	37		0	23,010	15	33,117-	22-
85-87	288,086	86,151	30		0	74,805	26	11,346-	4-
86-88	392,483	82,594	21		0	155,927	40	73,333	19
87-89	347,018	63,815	18		0	135,732	39	71,917	21
88-90	220,792	34,633	16		0	83,937	38	49,304	22
89-91	87,039	5,255	6		0	1,845	2	3,410-	4-
90-92	88,402	5,824	7		0		0	5,824-	7-
91-93	146,257	15,440	11		0	1,755	1	13,685-	9-
92-94	147,003	16,188	11	3,067	2	10,036	7	3,085-	2-
93-95	306,201	18,160	6	3,067	1	13,365	4	1,728-	1-
94-96	387,954	8,702	2	3,067	1	11,611	3	5,976	2
95-97	445,807	17,894	4		0	8,201	2	9,693-	2-
96-98	254,206	16,029	6		0	4,875	2	11,154-	4-
97-99	104,266	50,917	49		0	4,875	5	46,042-	44-
98-00	3,118	74,683			0	5,669	182	69,014-	
99-01	14,133	70,926	502		0	5,666	40	65,260-	462-
00-02	421,675	44,319	11		0	5,666	1	38,653-	9-
01-03	425,795	12,148	3		0		0	12,148-	3-
02-04	499,842	24,405	5		0		0	24,405-	5-
03-05	92,300	15,124	16		0		0	15,124-	16-
04-06	803,140	134,789	17		0		0	134,789-	17-
05-07	937,245	219,402	23		0		0	219,402-	23-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	2,072,056	265,741	13		0	18,145	1	247,596-	12-
07-09	1,531,062	226,583	15		0	18,145	1	208,438-	14-
08-10	1,421,275	183,480	13		0	18,145	1	165,335-	12-
09-11	669,437	160,399	24		0		0	160,399-	24-
FIVE-YEAR AVERAGE									
07-11	1,215,617	182,165	15		0	10,887	1	171,278-	14-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 354 TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE		FINAL		AMOUNT	PCT
				AMOUNT	PCT	AMOUNT	PCT		
1974	80,109	2,748	3		0	2,353	3	395-	0
1975	9,884	5,013	51	7,716	78	11,465	116	14,168	143
1976	63,081	30,554	48		0	12,398	20	18,156-	29-
1977	38,580	32,752	85	28,752	75	30,794	80	26,794	69
1978	34,789	49,395	142		0	8,604	25	40,791-	117-
1979	14,587	4,847	33		0	5,974	41	1,127	8
1980									
1981									
1982	20,560	4,178	20		0	4,278	21	100	0
1983	360	975	271	800	222	800	222	625	174
1984	3,387	13,663	403	2,599	77	3,329	98	7,735-	228-
1985	9,098	6,134	67	3,786	42	6,504	71	4,156	46
1986									
1987									
1988									
1989	3,250	8,836	272		0		0	8,836-	272-
1990									
1991	8,495	2,035	24		0		0	2,035-	24-
1992	131,331	52,432	40		0	804	1	51,628-	39-
1993									
1994									
1995									
1996	26,231	50,408	192	917	3	5,363	20	44,128-	168-
1997									
1998	110,605	159,051	144		0	129	0	158,922-	144-
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	1,877	10,950	583		0		0	10,950-	583-
2007									
2008									
2009	53,943	7,060	13		0		0	7,060-	13-
2010	125,472	115,830	92		0	21,571	17	94,259-	75-
2011	21	4,244			0		0	4,244-	
TOTAL	735,659	561,105	76	44,570	6	114,366	16	402,169-	55-

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 354 TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	51,025	12,772	25	2,572	5	8,739	17	1,461-	3-
75-77	37,182	22,773	61	12,156	33	18,219	49	7,602	20
76-78	45,483	37,567	83	9,584	21	17,265	38	10,718-	24-
77-79	29,319	28,998	99	9,584	33	15,124	52	4,290-	15-
78-80	16,459	18,081	110		0	4,859	30	13,221-	80-
79-81	4,862	1,616	33		0	1,991	41	376	8
80-82	6,853	1,393	20		0	1,426	21	33	0
81-83	6,973	1,718	25	267	4	1,693	24	242	3
82-84	8,102	6,272	77	1,133	14	2,802	35	2,337-	29-
83-85	4,282	6,924	162	2,395	56	3,544	83	985-	23-
84-86	4,162	6,599	159	2,128	51	3,278	79	1,193-	29-
85-87	3,033	2,045	67	1,262	42	2,168	71	1,385	46
86-88									
87-89	1,083	2,945	272		0		0	2,945-	272-
88-90	1,083	2,945	272		0		0	2,945-	272-
89-91	3,915	3,624	93		0		0	3,624-	93-
90-92	46,609	18,156	39		0	268	1	17,888-	38-
91-93	46,609	18,156	39		0	268	1	17,888-	38-
92-94	43,777	17,477	40		0	268	1	17,209-	39-
93-95									
94-96	8,744	16,803	192	306	3	1,788	20	14,709-	168-
95-97	8,744	16,803	192	306	3	1,788	20	14,709-	168-
96-98	45,612	69,820	153	306	1	1,831	4	67,683-	148-
97-99	36,868	53,017	144		0	43	0	52,974-	144-
98-00	36,868	53,017	144		0	43	0	52,974-	144-
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	626	3,650	583		0		0	3,650-	583-
05-07	626	3,650	583		0		0	3,650-	583-
06-08	626	3,650	583		0		0	3,650-	583-
07-09	17,981	2,353	13		0		0	2,353-	13-
08-10	59,805	40,964	68		0	7,190	12	33,773-	56-
09-11	59,812	42,378	71		0	7,190	12	35,188-	59-
FIVE-YEAR AVERAGE									
07-11	35,887	25,427	71		0	4,314	12	21,113-	59-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	27,938	19,333	69		0	8,910	32	10,423-	37-
1973	6,443	2,763	43	17,142	266	19,360	300	33,739	524
1974	36,081	13,883	38	396	1	10,856	30	2,631-	7-
1975	31,006	14,970	48	1,325	4	13,554	44	91-	0
1976	58,590	40,898	70	903	2	15,774	27	24,221-	41-
1977	9,197	4,587	50	1,106	12	2,489	27	992-	11-
1978	131,666	53,085	40	8,566	7	46,074	35	1,555	1
1979	41,446	43,084	104	252	1	4,928	12	37,904-	91-
1980	63,017	50,091	79	328	1	13,265	21	36,498-	58-
1981	24,516	15,709	64	2,697	11	4,467	18	8,545-	35-
1982	47,269	44,204	94	10,078	21	14,688	31	19,438-	41-
1983	13,572	12,785	94	11,476	85	11,855	87	10,546	78
1984	27,608	33,295	121	841	3	4,072	15	28,382-	103-
1985	37,544	23,233	62	394	1	2,689	7	20,150-	54-
1986	49,007	51,511	105	4,552	9	6,933	14	40,026-	82-
1987	76,286	76,088	100	297	0	919	1	74,872-	98-
1988	104,755	44,133	42	2,069	2	3,889	4	38,175-	36-
1989	131,938	118,951	90	33,139	25	52,868	40	32,944-	25-
1990	70,809	40,334	57	9,351	13	15,867	22	15,116-	21-
1991	139,613	40,109	29	1,236-	1-	2,581	2	38,764-	28-
1992	55,786	5,622	10	1,443	3	2,890	5	1,289-	2-
1993	19,383	10,081	52	2,293	12	2,293	12	5,495-	28-
1994	85,604	20,589	24	17,484	20	20,099	23	16,994	20
1995	27,541	32,810	119	7,052	26	1,127	4	24,631-	89-
1996	20,902	40,167	192	730	3	4,274	20	35,163-	168-
1997	354,471	39,303	11		0	16,988	5	22,315-	6-
1998	16,195	23,289	144		0	19	0	23,270-	144-
1999									
2000	33,756		0		0		0		0
2001	28,631	2,777	10		0	18	0	2,759-	10-
2002									
2003	124,060	26,319	21		0	516-	0	26,835-	22-
2004	563	8,868			0		0	8,868-	
2005									
2006	243,925	129,294-	53-		0		0	129,294	53
2007	105,188	208,464	198		0		0	208,464-	198-
2008	56,090	218,931	390		0		0	218,931-	390-
2009	167,620	429,090	256		0	2,474	1	426,616-	255-

LOUISVILLE GAS AND ELECTRIC COMPANY
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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE		FINAL		AMOUNT	PCT
				AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2010	59,796	59,415	99		0		0	59,415-	99-
2011	276,058	206,654	75		0		0	206,654-	75-
TOTAL	2,803,869	1,946,132	69	132,678	5	305,704	11	1,507,749-	54-

THREE-YEAR MOVING AVERAGES

72-74	23,487	11,993	51	5,846	25	13,042	56	6,895	29
73-75	24,510	10,539	43	6,288	26	14,590	60	10,339	42
74-76	41,892	23,250	56	875	2	13,395	32	8,981-	21-
75-77	32,931	20,152	61	1,111	3	10,606	32	8,435-	26-
76-78	66,484	32,857	49	3,525	5	21,446	32	7,886-	12-
77-79	60,770	33,585	55	3,308	5	17,830	29	12,447-	20-
78-80	78,710	48,753	62	3,049	4	21,422	27	24,282-	31-
79-81	42,993	36,295	84	1,092	3	7,553	18	27,649-	64-
80-82	44,934	36,668	82	4,368	10	10,807	24	21,494-	48-
81-83	28,452	24,233	85	8,084	28	10,337	36	5,812-	20-
82-84	29,483	30,095	102	7,465	25	10,205	35	12,425-	42-
83-85	26,241	23,104	88	4,237	16	6,205	24	12,662-	48-
84-86	38,053	36,013	95	1,929	5	4,565	12	29,519-	78-
85-87	54,279	50,277	93	1,748	3	3,514	6	45,016-	83-
86-88	76,683	57,244	75	2,306	3	3,914	5	51,024-	67-
87-89	104,326	79,724	76	11,835	11	19,225	18	48,664-	47-
88-90	102,501	67,806	66	14,853	14	24,208	24	28,745-	28-
89-91	114,120	66,465	58	13,751	12	23,772	21	28,941-	25-
90-92	88,736	28,688	32	3,186	4	7,113	8	18,390-	21-
91-93	71,594	18,604	26	833	1	2,588	4	15,183-	21-
92-94	53,591	12,097	23	7,073	13	8,427	16	3,403	6
93-95	44,176	21,160	48	8,943	20	7,840	18	4,377-	10-
94-96	44,682	31,189	70	8,422	19	8,500	19	14,267-	32-
95-97	134,305	37,427	28	2,594	2	7,463	6	27,370-	20-
96-98	130,523	34,253	26	243	0	7,094	5	26,916-	21-
97-99	123,555	20,864	17		0	5,669	5	15,195-	12-
98-00	16,650	7,763	47		0	6	0	7,757-	47-
99-01	20,796	926	4		0	6	0	920-	4-
00-02	20,796	926	4		0	6	0	920-	4-
01-03	50,897	9,699	19		0	166-	0	9,865-	19-
02-04	41,541	11,729	28		0	172-	0	11,901-	29-
03-05	41,541	11,729	28		0	172-	0	11,901-	29-
04-06	81,496	40,142-	49-		0		0	40,142	49
05-07	116,371	26,390	23		0		0	26,390-	23-

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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	135,068	99,367	74		0		0	99,367-	74-
07-09	109,632	285,495	260		0	825	1	284,670-	260-
08-10	94,502	235,812	250		0	825	1	234,987-	249-
09-11	167,825	231,720	138		0	825	0	230,895-	138-
FIVE-YEAR AVERAGE									
07-11	132,950	224,511	169		0	495	0	224,016-	168-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	41,755	24,889	60		0	17,286	41	7,603-	18-
1973	23,069	5,031	22	9,737	42	20,287	88	24,993	108
1974	74,884	34,409	46	176	0	15,016	20	19,217-	26-
1975	36,355	21,155	58	8,941	25	24,192	67	11,978	33
1976	155,602	97,925	63	13	0	33,291	21	64,621-	42-
1977	8,274	1,778	21	393	5	3,038	37	1,653	20
1978	174,718	95,877	55	21,206	12	74,983	43	312	0
1979	136,058	97,978	72	105-	0	109,705	81	11,622	9
1980	88,788	83,134	94	145	0	42,301	48	40,688-	46-
1981	22,085	19,576	89	1,316	6	3,919	18	14,341-	65-
1982	101,611	83,419	82	1,777	2	13,663	13	67,979-	67-
1983	20,414	5,801	28	1,145	6	1,612	8	3,044-	15-
1984	33,900	60,494	178	3,419	10	12,100	36	44,975-	133-
1985	35,640	36,943	104	4,616-	13-	11,744	33	29,815-	84-
1986	13,323	38,341	288	9,729	73	18,127	136	10,485-	79-
1987	26,816	14,798	55	278-	1-	174-	1-	15,250-	57-
1988	56,186	34,305	61	711	1	1,884	3	31,710-	56-
1989	36,537	42,293	116	15,696	43	22,837	63	3,760-	10-
1990	157,597	33,346	21	1,229	1	10,991	7	21,126-	13-
1991	141,259	45,298	32	1,653-	1-	3,977	3	42,974-	30-
1992	122,126	12,248	10	428	0	4,001	3	7,819-	6-
1993	21,079	3,946	19	1,554	7	1,563	7	829-	4-
1994	96,818	20,608	21	6,125	6	13,317	14	1,166-	1-
1995	33,122	39,459	119	8,481	26	1,356	4	29,622-	89-
1996	67,890	130,466	192	2,373	3	13,881	20	114,212-	168-
1997	220,263	24,422	11		0	10,557	5	13,865-	6-
1998	81,524	117,232	144		0	95	0	117,137-	144-
1999									
2000	19,149		0		0		0		0
2001	9,747	2,212	23		0	6	0	2,206-	23-
2002									
2003	4,695	12,476	266		0		0	12,476-	266-
2004									
2005									
2006	187,304	56,934	30		0	12,504	7	44,430-	24-
2007	1,292	7,585	587		0		0	7,585-	587-
2008	39,171	39,527-	101-		0	7,978	20	47,505	121
2009	44,702	378,760	847		0	1,060	2	377,701-	845-

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ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	163,189	81,482	50		0	75,753	46	5,730-	4-
2011	165,679	71,740-	43-		0		0	71,740	43
TOTAL	2,662,621	1,653,355	62	87,942	3	582,850	22	982,563-	37-

THREE-YEAR MOVING AVERAGES

72-74	46,569	21,443	46	3,304	7	17,530	38	609-	1-
73-75	44,769	20,198	45	6,285	14	19,832	44	5,918	13
74-76	88,947	51,163	58	3,043	3	24,166	27	23,953-	27-
75-77	66,744	40,286	60	3,116	5	20,174	30	16,997-	25-
76-78	112,865	65,193	58	7,204	6	37,104	33	20,885-	19-
77-79	106,350	65,211	61	7,165	7	62,575	59	4,529	4
78-80	133,188	92,330	69	7,082	5	75,663	57	9,585-	7-
79-81	82,310	66,896	81	452	1	51,975	63	14,469-	18-
80-82	70,828	62,043	88	1,079	2	19,961	28	41,003-	58-
81-83	48,037	36,265	75	1,413	3	6,398	13	28,455-	59-
82-84	51,975	49,905	96	2,114	4	9,125	18	38,666-	74-
83-85	29,985	34,413	115	17-	0	8,485	28	25,945-	87-
84-86	27,621	45,259	164	2,844	10	13,990	51	28,425-	103-
85-87	25,260	30,027	119	1,612	6	9,899	39	18,517-	73-
86-88	32,108	29,148	91	3,387	11	6,612	21	19,148-	60-
87-89	39,846	30,465	76	5,376	13	8,182	21	16,907-	42-
88-90	83,440	36,648	44	5,879	7	11,904	14	18,865-	23-
89-91	111,798	40,312	36	5,091	5	12,602	11	22,620-	20-
90-92	140,327	30,297	22	1	0	6,323	5	23,973-	17-
91-93	94,821	20,497	22	110	0	3,180	3	17,207-	18-
92-94	80,008	12,267	15	2,702	3	6,294	8	3,271-	4-
93-95	50,340	21,338	42	5,387	11	5,412	11	10,539-	21-
94-96	65,943	63,511	96	5,660	9	9,518	14	48,333-	73-
95-97	107,092	64,782	60	3,618	3	8,598	8	52,566-	49-
96-98	123,226	90,707	74	791	1	8,178	7	81,738-	66-
97-99	100,596	47,218	47		0	3,551	4	43,667-	43-
98-00	33,558	39,077	116		0	32	0	39,046-	116-
99-01	9,632	737	8		0	2	0	735-	8-
00-02	9,632	737	8		0	2	0	735-	8-
01-03	4,814	4,896	102		0	2	0	4,894-	102-
02-04	1,565	4,159	266		0		0	4,159-	266-
03-05	1,565	4,159	266		0		0	4,159-	266-
04-06	62,435	18,978	30		0	4,168	7	14,810-	24-
05-07	62,865	21,506	34		0	4,168	7	17,339-	28-

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	75,922	8,331	11		0	6,827	9	1,504-	2-
07-09	28,388	115,606	407		0	3,013	11	112,594-	397-
08-10	82,354	140,239	170		0	28,264	34	111,975-	136-
09-11	124,523	129,501	104		0	25,604	21	103,897-	83-
FIVE-YEAR AVERAGE									
07-11	82,806	71,312	86		0	16,958	20	54,354-	66-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1975	5,979		0		0	85	1	85	1
1976									
1977	5,482	510	9		0	2,686	49	2,176	40
1978									
1979									
1980									
1981									
1982									
1983									
1984									
1985									
1986									
1987									
1988									
1989									
1990									
1991									
1992									
1993									
1994									
1995									
1996									
1997									
1998	131,846	189,594	144		0	155	0	189,439-	144-
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	20,825		0		0		0		0
2007									
2008	191,873	17,055	9		0	7,131	4	9,924-	5-
2009	916	2,801	306		0		0	2,801-	306-
2010									
2011	8,492	2,951	35		0		0	2,951-	35-
TOTAL	365,413	212,911	58		0	10,057	3	202,855-	56-

LOUISVILLE GAS AND ELECTRIC COMPANY
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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
75-77	3,820	170	4		0	924	24	754	20
76-78	1,827	170	9		0	895	49	725	40
77-79	1,827	170	9		0	895	49	725	40
78-80									
79-81									
80-82									
81-83									
82-84									
83-85									
84-86									
85-87									
86-88									
87-89									
88-90									
89-91									
90-92									
91-93									
92-94									
93-95									
94-96									
95-97									
96-98	43,949	63,198	144		0	52	0	63,146-	144-
97-99	43,949	63,198	144		0	52	0	63,146-	144-
98-00	43,949	63,198	144		0	52	0	63,146-	144-
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	6,942		0		0		0		0
05-07	6,942		0		0		0		0
06-08	70,899	5,685	8		0	2,377	3	3,308-	5-
07-09	64,263	6,619	10		0	2,377	4	4,242-	7-
08-10	64,263	6,619	10		0	2,377	4	4,242-	7-
09-11	3,136	1,917	61		0		0	1,917-	61-
FIVE-YEAR AVERAGE									
07-11	40,256	4,561	11		0	1,426	4	3,135-	8-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1975	62,188	298	0		0	1,949	3	1,651	3
1976	89		0		0	30	34	30	34
1977	3,383	4,011	119	3,707	110	3,943	117	3,639	108
1978									
1979	15,209	15,022	99		0		0	15,022-	99-
1980									
1981									
1982	1,167	1,582	136		0		0	1,582-	136-
1983	10,896	2,037	19		0	1,691	16	346-	3-
1984	2,212	282	13		0		0	282-	13-
1985	5,912	1,531	26		0		0	1,531-	26-
1986	7,530	9,246	123		0	1,613	21	7,633-	101-
1987	13,280	693	5		0		0	693-	5-
1988	1,142		0		0		0		0
1989	2,985	225	8		0		0	225-	8-
1990									
1991	210	479	228		0		0	479-	228-
1992	2,274	36	2		0		0	36-	2-
1993	12,449	1,105	9		0		0	1,105-	9-
1994	39,323	651	2		0		0	651-	2-
1995	22,668	215	1		0	410	2	195	1
1996	45,010	1,988	4		0		0	1,988-	4-
1997									
1998	11,183	11,342	101		0	2,677	24	8,665-	77-
1999									
2000	2,139		0		0		0		0
2001									
2002									
2003	1,426		0		0		0		0
2004									
2005									
2006	19,330	14,657	76		0		0	14,657-	76-
2007	391,030	2,486	1		0		0	2,486-	1-
2008	2,951,209	3,915	0		0		0	3,915-	0
2009	40,036	5,592	14		0		0	5,592-	14-
2010	5,399	13,864	257		0		0	13,864-	257-
2011	14,411	13,564	94		0		0	13,564-	94-
TOTAL	3,684,091	104,820	3	3,707	0	12,313	0	88,800-	2-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
75-77	21,887	1,436	7	1,236	6	1,974	9	1,773	8
76-78	1,157	1,337	116	1,236	107	1,324	114	1,223	106
77-79	6,197	6,344	102	1,236	20	1,314	21	3,794-	61-
78-80	5,070	5,007	99		0		0	5,007-	99-
79-81	5,070	5,007	99		0		0	5,007-	99-
80-82	389	527	136		0		0	527-	136-
81-83	4,021	1,206	30		0	564	14	643-	16-
82-84	4,758	1,300	27		0	564	12	737-	15-
83-85	6,340	1,283	20		0	564	9	720-	11-
84-86	5,218	3,686	71		0	538	10	3,149-	60-
85-87	8,907	3,823	43		0	538	6	3,286-	37-
86-88	7,317	3,313	45		0	538	7	2,775-	38-
87-89	5,802	306	5		0		0	306-	5-
88-90	1,376	75	5		0		0	75-	5-
89-91	1,065	235	22		0		0	235-	22-
90-92	828	172	21		0		0	172-	21-
91-93	4,978	540	11		0		0	540-	11-
92-94	18,015	597	3		0		0	597-	3-
93-95	24,813	657	3		0	137	1	520-	2-
94-96	35,667	951	3		0	137	0	815-	2-
95-97	22,559	734	3		0	137	1	598-	3-
96-98	18,731	4,443	24		0	892	5	3,551-	19-
97-99	3,728	3,781	101		0	892	24	2,888-	77-
98-00	4,441	3,781	85		0	892	20	2,888-	65-
99-01	713		0		0		0		0
00-02	713		0		0		0		0
01-03	475		0		0		0		0
02-04	475		0		0		0		0
03-05	475		0		0		0		0
04-06	6,443	4,886	76		0		0	4,886-	76-
05-07	136,787	5,714	4		0		0	5,714-	4-
06-08	1,120,523	7,019	1		0		0	7,019-	1-
07-09	1,127,425	3,997	0		0		0	3,997-	0
08-10	998,882	7,790	1		0		0	7,790-	1-
09-11	19,949	11,006	55		0		0	11,006-	55-
FIVE-YEAR AVERAGE									
07-11	680,417	7,884	1		0		0	7,884-	1-

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 362 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	194,729	12,736	7		0	13,978	7	1,242	1
1973	42,514	5,623	13		0	9,696	23	4,073	10
1974	113,004	5,763	5		0	24,779	22	19,016	17
1975	318,921	10,989	3		0	33,190	10	22,201	7
1976	93,350	11,531	12		0	35,762	38	24,231	26
1977	63,267	29,362	46	18,406	29	31,960	51	21,004	33
1978	407,897	18,874	5		0	58,063	14	39,189	10
1979	350,793	62,820	18		0	12,692	4	50,128-	14-
1980	167,925	9,421-	6-		0	35,828	21	45,249	27
1981	68,573	27,634	40		0	887	1	26,747-	39-
1982	232,965	77,618	33		0	139,316	60	61,698	26
1983	162,672	23,125	14		0	31,251	19	8,126	5
1984	90,385	6,843	8		0	2,582	3	4,261-	5-
1985	66,363	7,816	12		0	58	0	7,758-	12-
1986	360,887	99,226	27		0	3,855	1	95,371-	26-
1987	670,901	36,271	5		0	56,997	8	20,726	3
1988	201,228	52,621	26		0		0	52,621-	26-
1989	318,283	41,203	13		0	7,621	2	33,582-	11-
1990	29,520	10,413	35		0	11	0	10,402-	35-
1991	345,833	18,189	5		0		0	18,189-	5-
1992	260,448	438	0		0		0	438-	0
1993	88,961		0		0		0		0
1994	157,468	1,003	1		0	91	0	912-	1-
1995	644,342	6,119	1		0	11,640	2	5,521	1
1996	1,452,240	64,148	4		0		0	64,148-	4-
1997	171,306	85,952	50		0	33,538	20	52,414-	31-
1998	42,480	43,085	101		0	10,168	24	32,917-	77-
1999									
2000	37,760		0		0		0		0
2001	424,172	5,081	1		0		0	5,081-	1-
2002	857	255	30		0		0	255-	30-
2003	2,124	5,308	250		0		0	5,308-	250-
2004	261,151	67,251	26		0		0	67,251-	26-
2005									
2006	639,554	239,122	37		0		0	239,122-	37-
2007	1,258,626	72,772	6		0		0	72,772-	6-
2008	12,592,836	217,883	2		0	419	0	217,464-	2-
2009	894,286	486,883	54		0		0	486,883-	54-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	100,421	114,943	114		0		0	114,943-	114-
2011	517,602	226,623	44		0		0	226,623-	44-
TOTAL	23,846,643	2,186,101	9	18,406	0	554,382	2	1,613,313-	7-

THREE-YEAR MOVING AVERAGES

72-74	116,749	8,041	7		0	16,151	14	8,110	7
73-75	158,146	7,458	5		0	22,555	14	15,097	10
74-76	175,092	9,428	5		0	31,244	18	21,816	12
75-77	158,513	17,294	11	6,135	4	33,637	21	22,479	14
76-78	188,171	19,922	11	6,135	3	41,928	22	28,141	15
77-79	273,986	37,019	14	6,135	2	34,238	12	3,355	1
78-80	308,872	24,091	8		0	35,528	12	11,437	4
79-81	195,764	27,011	14		0	16,469	8	10,542-	5-
80-82	156,488	31,944	20		0	58,677	37	26,733	17
81-83	154,737	42,792	28		0	57,151	37	14,359	9
82-84	162,007	35,862	22		0	57,716	36	21,854	13
83-85	106,473	12,595	12		0	11,297	11	1,298-	1-
84-86	172,545	37,962	22		0	2,165	1	35,797-	21-
85-87	366,050	47,771	13		0	20,303	6	27,468-	8-
86-88	411,005	62,706	15		0	20,284	5	42,422-	10-
87-89	396,804	43,365	11		0	21,539	5	21,826-	6-
88-90	183,010	34,746	19		0	2,544	1	32,202-	18-
89-91	231,212	23,268	10		0	2,544	1	20,724-	9-
90-92	211,934	9,680	5		0	4	0	9,676-	5-
91-93	231,747	6,209	3		0		0	6,209-	3-
92-94	168,959	480	0		0	30	0	450-	0
93-95	296,924	2,374	1		0	3,910	1	1,536	1
94-96	751,350	23,757	3		0	3,910	1	19,846-	3-
95-97	755,963	52,073	7		0	15,059	2	37,014-	5-
96-98	555,342	64,395	12		0	14,569	3	49,826-	9-
97-99	71,262	43,012	60		0	14,569	20	28,444-	40-
98-00	26,747	14,362	54		0	3,389	13	10,972-	41-
99-01	153,977	1,694	1		0		0	1,694-	1-
00-02	154,263	1,779	1		0		0	1,779-	1-
01-03	142,384	3,548	2		0		0	3,548-	2-
02-04	88,044	24,271	28		0		0	24,271-	28-
03-05	87,758	24,186	28		0		0	24,186-	28-
04-06	300,235	102,124	34		0		0	102,124-	34-
05-07	632,727	103,965	16		0		0	103,965-	16-

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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	4,830,339	176,592	4		0	140	0	176,453-	4-
07-09	4,915,249	259,179	5		0	140	0	259,040-	5-
08-10	4,529,181	273,236	6		0	140	0	273,097-	6-
09-11	504,103	276,150	55		0		0	276,150-	55-
FIVE-YEAR AVERAGE									
07-11	3,072,754	223,821	7		0	84	0	223,737-	7-

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 364 POLES, TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	86,876	98,888	114		0	30,984	36	67,904-	78-
1973	112,681	117,281	104	25,292	22	60,234	53	31,755-	28-
1974	93,401	115,319	123	13,984	15	100,139	107	1,196-	1-
1975	97,706	129,585	133	5,477	6	38,466	39	85,642-	88-
1976	138,110	192,708	140	5,241	4	37,247	27	150,220-	109-
1977	102,019	125,384	123	7,801	8	38,932	38	78,651-	77-
1978	132,933	220,131	166	4,886	4	42,174	32	173,071-	130-
1979	138,467	258,902	187	3,560	3	33,763	24	221,579-	160-
1980	169,410	344,068	203	1,330	1	23,112	14	319,626-	189-
1981	155,231	346,621	223	2,820	2	38,523	25	305,278-	197-
1982	162,068	370,293	228	5,931	4	64,556	40	299,806-	185-
1983	178,082	325,544	183	6,520	4	64,182	36	254,842-	143-
1984	277,367	449,322	162	8,699	3	70,804	26	369,819-	133-
1985	244,216	449,184	184	8,976	4	75,535	31	364,673-	149-
1986	327,100	586,252	179	13,957	4	169,634	52	402,661-	123-
1987	205,456	403,590	196	9,164	4	161,249	78	233,177-	113-
1988	326,944	326,763	100	12,598	4	237,764	73	76,401-	23-
1989	251,258	218,569	87	4,767	2	163,339	65	50,463-	20-
1990	232,795	250,811	108	11,213	5	168,011	72	71,587-	31-
1991	230,349	222,671	97	4,472	2	161,299	70	56,900-	25-
1992	167,920	186,975	111	1,792	1	100,073	60	85,110-	51-
1993	176,283	180,183	102	597	0	62,759	36	116,827-	66-
1994	194,097	250,359	129	8,490	4	48,428	25	193,441-	100-
1995	165,819	229,279	138		0	13,724	8	215,555-	130-
1996	202,113	111,359	55	4,472	2	25,816	13	81,071-	40-
1997	270,517	135,729	50		0	52,961	20	82,768-	31-
1998	118,509	120,198	101		0	28,365	24	91,833-	77-
1999	10,018	70,733	706		0	59,952	598	10,781-	108-
2000	63,143	649,282			0	121,595	193	527,687-	836-
2001	239,428	111,588	47		0	10,685	4	100,903-	42-
2002	103,870	664,097	639		0	2,257	2	661,840-	637-
2003	91,959	742,602	808		0	502	1	742,101-	807-
2004	32,132	426,047			0	414	1	425,633-	
2005									
2006	57,426	290,070	505		0		0	290,070-	505-
2007	119,678	371,344	310		0	40,543	34	330,800-	276-
2008	10,376	48,685	469		0		0	48,685-	469-
2009	887,654	4,995,735	563		0	25,499	3	4,970,236-	560-

LOUISVILLE GAS AND ELECTRIC COMPANY
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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	1,151,012	2,155,538	187		0	10,659	1	2,144,879-	186-
2011	1,601,286	1,269,326	79		0	20,668	1	1,248,658-	78-
TOTAL	9,325,709	18,561,015	199	172,039	2	2,404,848	26	15,984,129-	171-

THREE-YEAR MOVING AVERAGES

72-74	97,653	110,496	113	13,092	13	63,786	65	33,618-	34-
73-75	101,263	120,728	119	14,918	15	66,280	65	39,531-	39-
74-76	109,739	145,871	133	8,234	8	58,617	53	79,019-	72-
75-77	112,612	149,226	133	6,173	5	38,215	34	104,838-	93-
76-78	124,354	179,408	144	5,976	5	39,451	32	133,981-	108-
77-79	124,473	201,472	162	5,416	4	38,290	31	157,767-	127-
78-80	146,937	274,367	187	3,259	2	33,016	22	238,092-	162-
79-81	154,369	316,530	205	2,570	2	31,799	21	282,161-	183-
80-82	162,236	353,661	218	3,360	2	42,064	26	308,237-	190-
81-83	165,127	347,486	210	5,090	3	55,754	34	286,642-	174-
82-84	205,839	381,720	185	7,050	3	66,514	32	308,156-	150-
83-85	233,222	408,017	175	8,065	3	70,174	30	329,778-	141-
84-86	282,894	494,919	175	10,544	4	105,324	37	379,051-	134-
85-87	258,924	479,675	185	10,699	4	135,473	52	333,504-	129-
86-88	286,500	438,868	153	11,906	4	189,549	66	237,413-	83-
87-89	261,219	316,307	121	8,843	3	187,451	72	120,014-	46-
88-90	270,332	265,381	98	9,526	4	189,705	70	66,150-	24-
89-91	238,134	230,684	97	6,817	3	164,216	69	59,650-	25-
90-92	210,355	220,152	105	5,826	3	143,128	68	71,199-	34-
91-93	191,517	196,610	103	2,287	1	108,044	56	86,279-	45-
92-94	179,433	205,839	115	3,626	2	70,420	39	131,793-	73-
93-95	178,733	219,940	123	3,029	2	41,637	23	175,274-	98-
94-96	187,343	196,999	105	4,321	2	29,323	16	163,356-	87-
95-97	212,816	158,789	75	1,491	1	30,834	14	126,465-	59-
96-98	197,046	122,429	62	1,491	1	35,714	18	85,224-	43-
97-99	133,015	108,887	82		0	47,093	35	61,794-	46-
98-00	63,890	280,071	438		0	69,971	110	210,100-	329-
99-01	104,196	277,201	266		0	64,077	61	213,124-	205-
00-02	135,480	474,989	351		0	44,846	33	430,143-	317-
01-03	145,086	506,096	349		0	4,481	3	501,615-	346-
02-04	75,987	610,916	804		0	1,058	1	609,858-	803-
03-05	41,364	389,550	942		0	305	1	389,245-	941-
04-06	29,853	238,706	800		0	138	0	238,568-	799-
05-07	59,035	220,471	373		0	13,514	23	206,957-	351-

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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	62,493	236,700	379		0	13,514	22	223,185-	357-
07-09	339,236	1,805,254	532		0	22,014	6	1,783,240-	526-
08-10	683,014	2,399,986	351		0	12,053	2	2,387,933-	350-
09-11	1,213,317	2,806,866	231		0	18,942	2	2,787,924-	230-
FIVE-YEAR AVERAGE									
07-11	754,001	1,768,126	234		0	19,474	3	1,748,652-	232-

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SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	301,704	147,110	49	41-	0	216,588	72	69,437	23
1973	307,960	148,980	48	116,419	38	271,933	88	239,372	78
1974	274,179	154,786	56	28,821	11	197,794	72	71,829	26
1975	298,983	192,596	64	21,340	7	147,113	49	24,143-	8-
1976	471,655	276,041	59	34,768	7	290,821	62	49,548	11
1977	336,851	166,049	49	29,819	9	151,747	45	15,517	5
1978	547,210	320,086	58	17,152	3	151,017	28	151,917-	28-
1979	452,863	305,648	67	16,835	4	210,471	46	78,342-	17-
1980	552,752	449,450	81	18,225	3	316,439	57	114,786-	21-
1981	527,829	40,730	8	6,015	1	80,047	15	45,332	9
1982	543,637	475,181	87	10,284	2	130,604	24	334,293-	61-
1983	665,940	715,609	107	14,676	2	144,111	22	556,822-	84-
1984	479,926	453,369	94	5,940	1	48,539	10	398,890-	83-
1985	335,524	681,921	203	11,628	3	106,998	32	563,295-	168-
1986	734,893	724,359	99	15,228	2	201,787	27	507,344-	69-
1987	201,036	394,908	196	8,967	4	157,780	78	228,161-	113-
1988	629,361	629,014	100	24,250	4	457,692	73	147,072-	23-
1989	612,376	532,708	87	11,619	2	398,098	65	122,991-	20-
1990	574,864	619,351	108	27,689	5	414,886	72	176,776-	31-
1991	806,506	779,626	97	15,656	2	564,748	70	199,222-	25-
1992	472,440	526,051	111	5,042	1	281,553	60	239,456-	51-
1993	534,481	530,708	99	1,746	0	183,514	34	345,448-	65-
1994	280,298	365,627	130	12,399	4	70,724	25	282,504-	101-
1995	348,063	481,270	138		0	28,807	8	452,463-	130-
1996	388,888	214,268	55	8,605	2	49,672	13	155,991-	40-
1997	397,305	199,344	50		0	77,784	20	121,560-	31-
1998	236,765	240,139	101		0	56,670	24	183,469-	77-
1999	20,082	141,791	706		0	120,179	598	21,612-	108-
2000	85,859	694,247	809		0	173,188	202	521,059-	607-
2001	415,337	231,781	56	6,667-	2-	5,178	1	233,270-	56-
2002	321,801	240,218	75	5,210-	2-	2,230	1	243,198-	76-
2003	1,357,459	283,055	21		0	73	0	282,982-	21-
2004	37,393	516,936			0	39	0	516,898-	
2005									
2006	95,400	434,964	456		0		0	434,964-	456-
2007	630,024	1,289,244	205	38,785	6	10,233	2	1,240,226-	197-
2008	171,790	74,845	44		0	156,808	91	81,963	48
2009	2,369,625	7,272,331	307		0	155,094	7	7,117,236-	300-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	2,089,940	2,163,477	104		0	31,712	2	2,131,765-	102-
2011	185,026	966,849	523		0	60,170	33	906,679-	490-
TOTAL	20,094,026	25,074,666	125	489,990	2	6,122,841	30	18,461,836-	92-

THREE-YEAR MOVING AVERAGES

72-74	294,614	150,292	51	48,400	16	228,772	78	126,879	43
73-75	293,707	165,454	56	55,527	19	205,613	70	95,686	33
74-76	348,272	207,808	60	28,310	8	211,909	61	32,411	9
75-77	369,163	211,562	57	28,642	8	196,560	53	13,641	4
76-78	451,905	254,059	56	27,246	6	197,862	44	28,951-	6-
77-79	445,641	263,928	59	21,269	5	171,078	38	71,581-	16-
78-80	517,608	358,395	69	17,404	3	225,976	44	115,015-	22-
79-81	511,148	265,276	52	13,692	3	202,319	40	49,265-	10-
80-82	541,406	321,787	59	11,508	2	175,697	32	134,582-	25-
81-83	579,135	410,507	71	10,325	2	118,254	20	281,928-	49-
82-84	563,168	548,053	97	10,300	2	107,751	19	430,002-	76-
83-85	493,797	616,966	125	10,748	2	99,883	20	506,336-	103-
84-86	516,781	619,883	120	10,932	2	119,108	23	489,843-	95-
85-87	423,818	600,396	142	11,941	3	155,522	37	432,933-	102-
86-88	521,763	582,760	112	16,148	3	272,420	52	294,192-	56-
87-89	480,924	518,877	108	14,945	3	337,857	70	166,075-	35-
88-90	605,534	593,691	98	21,186	3	423,559	70	148,946-	25-
89-91	664,582	643,895	97	18,321	3	459,244	69	166,330-	25-
90-92	617,937	641,676	104	16,129	3	420,396	68	205,151-	33-
91-93	604,476	612,128	101	7,481	1	343,272	57	261,375-	43-
92-94	429,073	474,129	111	6,396	1	178,597	42	289,136-	67-
93-95	387,614	459,202	118	4,715	1	94,348	24	360,138-	93-
94-96	339,083	353,722	104	7,001	2	49,734	15	296,986-	88-
95-97	378,085	298,294	79	2,868	1	52,088	14	243,338-	64-
96-98	340,986	217,917	64	2,868	1	61,375	18	153,673-	45-
97-99	218,051	193,758	89		0	84,878	39	108,880-	50-
98-00	114,235	358,726	314		0	116,679	102	242,047-	212-
99-01	173,759	355,940	205	2,222-	1-	99,515	57	258,647-	149-
00-02	274,332	388,749	142	3,959-	1-	60,199	22	332,509-	121-
01-03	698,199	251,685	36	3,959-	1-	2,494	0	253,150-	36-
02-04	572,218	346,736	61	1,737-	0	781	0	347,692-	61-
03-05	464,951	266,664	57		0	37	0	266,626-	57-
04-06	44,264	317,300	717		0	13	0	317,287-	717-
05-07	241,808	574,736	238	12,928	5	3,411	1	558,397-	231-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	299,072	599,684	201	12,928	4	55,680	19	531,076-	178-
07-09	1,057,147	2,878,806	272	12,928	1	107,379	10	2,758,500-	261-
08-10	1,543,785	3,170,217	205		0	114,538	7	3,055,679-	198-
09-11	1,548,197	3,467,552	224		0	82,325	5	3,385,227-	219-
FIVE-YEAR AVERAGE									
07-11	1,089,281	2,353,349	216	7,757	1	82,803	8	2,262,789-	208-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	5,189	852	16		0	643	12	209-	4-
1973	22,232	1,779	8	92	0	3,132	14	1,445	6
1974	29,511	4,274	14	64-	0	11,339	38	7,001	24
1975	4,380	2,836	65		0	1,156	26	1,680-	38-
1976	6,178	2,084	34	6,117	99	9,355	151	13,388	217
1977	11,937	8,531	71	124	1	6,770	57	1,637-	14-
1978	15,259	6,678	44	139	1	4,009	26	2,530-	17-
1979	9,259	3,465	37	547	6	7,732	84	4,814	52
1980	72,242	27,304	38	5,100	7	35,588	49	13,384	19
1981	10,030	3,751	37	5,606	56	7,716	77	9,571	95
1982	35,125	9,965	28	236	1	4,772	14	4,957-	14-
1983	17,862	17,007	95	1,730-	10-	5,599	31	13,138-	74-
1984	6,502	6,392	98	278	4	1,157	18	4,957-	76-
1985	12,231	5,830	48	742	6	3,439	28	1,649-	13-
1986	31,146	12,004	39	956	3	3,866	12	7,182-	23-
1987	22,046	12,871	58	247	1	6,321	29	6,303-	29-
1988	17,311	10,990	63	247	1	2,215	13	8,528-	49-
1989	27,180	4,722	17	213	1	5,791	21	1,282	5
1990	56,366	16,528	29	10,939	19	21,480	38	15,891	28
1991	17,777	10,111	57	176	1	552	3	9,383-	53-
1992	17,070	3,150	18		0	896	5	2,254-	13-
1993	2,544	2,826	111	20	1	39	2	2,767-	109-
1994	1,717	381	22		0	52	3	329-	19-
1995	18,148	25,093	138		0	1,502	8	23,591-	130-
1996	16,344	9,005	55	362	2	2,088	13	6,555-	40-
1997	1,108	556	50		0	217	20	339-	31-
1998	1,075	1,090	101		0	257	24	833-	77-
1999									
2000	216	183	85		0	104	48	79-	37-
2001	14,706	2,914	20		0	511	3	2,403-	16-
2002	41,863	6,954	17		0		0	6,954-	17-
2003									
2004	1,532	21,408			0		0	21,408-	
2005									
2006									
2007	2,190	16,257	742		0		0	16,257-	742-
2008		65						65-	
2009	9,720	42,333	436		0	611	6	41,722-	429-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	133,388	483,416	362		0	10,169	8	473,246-	355-
2011	9,214	81,226	882		0	11,342	123	69,884-	758-
TOTAL	700,597	864,831	123	30,347	4	170,420	24	664,063-	95-

THREE-YEAR MOVING AVERAGES

72-74	18,977	2,302	12	9	0	5,038	27	2,746	14
73-75	18,708	2,963	16	9	0	5,209	28	2,255	12
74-76	13,356	3,065	23	2,018	15	7,283	55	6,236	47
75-77	7,498	4,484	60	2,080	28	5,760	77	3,357	45
76-78	11,125	5,764	52	2,127	19	6,711	60	3,074	28
77-79	12,152	6,225	51	270	2	6,170	51	216	2
78-80	32,253	12,482	39	1,929	6	15,776	49	5,223	16
79-81	30,510	11,507	38	3,751	12	17,012	56	9,256	30
80-82	39,132	13,673	35	3,647	9	16,025	41	5,999	15
81-83	21,006	10,241	49	1,371	7	6,029	29	2,841-	14-
82-84	19,830	11,121	56	405-	2-	3,843	19	7,684-	39-
83-85	12,198	9,743	80	237-	2-	3,398	28	6,581-	54-
84-86	16,626	8,075	49	659	4	2,821	17	4,596-	28-
85-87	21,808	10,235	47	648	3	4,542	21	5,045-	23-
86-88	23,501	11,955	51	483	2	4,134	18	7,338-	31-
87-89	22,179	9,528	43	236	1	4,776	22	4,516-	20-
88-90	33,619	10,747	32	3,800	11	9,829	29	2,882	9
89-91	33,774	10,454	31	3,776	11	9,274	27	2,597	8
90-92	30,404	9,930	33	3,705	12	7,643	25	1,418	5
91-93	12,464	5,362	43	65	1	496	4	4,801-	39-
92-94	7,110	2,119	30	7	0	329	5	1,783-	25-
93-95	7,470	9,433	126	7	0	531	7	8,896-	119-
94-96	12,070	11,493	95	121	1	1,214	10	10,158-	84-
95-97	11,867	11,551	97	121	1	1,269	11	10,162-	86-
96-98	6,176	3,550	57	121	2	854	14	2,576-	42-
97-99	728	549	75		0	158	22	391-	54-
98-00	430	424	99		0	120	28	304-	71-
99-01	4,974	1,032	21		0	205	4	827-	17-
00-02	18,928	3,350	18		0	205	1	3,145-	17-
01-03	18,856	3,289	17		0	170	1	3,119-	17-
02-04	14,465	9,454	65		0		0	9,454-	65-
03-05	510	7,136			0		0	7,136-	
04-06	510	7,136			0		0	7,136-	
05-07	730	5,419	742		0		0	5,419-	742-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	730	5,441	745		0		0	5,441-	745-
07-09	3,970	19,552	492		0	204	5	19,348-	487-
08-10	47,702	175,271	367		0	3,594	8	171,678-	360-
09-11	50,774	202,325	398		0	7,374	15	194,951-	384-
FIVE-YEAR AVERAGE									
07-11	30,902	124,659	403		0	4,424	14	120,235-	389-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	180,805	22,921	13	193,713	107	250,906	139	421,698	233
1973	62,213	14,490	23	868	1	30,756	49	17,134	28
1974	130,232	48,850	38	3,335	3	110,253	85	64,738	50
1975	100,997	21,957	22	13,064	13	65,858	65	56,965	56
1976	88,600	31,098	35	8,377	9	66,055	75	43,334	49
1977	106,792	25,685	24	1,192	1	57,094	53	32,601	31
1978	87,661	23,850	27	4,572	5	24,876	28	5,598	6
1979	106,182	39,075	37	6,038	6	56,993	54	23,956	23
1980	245,023	82,494	34	11,186	5	175,118	71	103,810	42
1981	77,333	49,748	64	5,705	7	48,866	63	4,823	6
1982	143,403	45,640	32	3,458	2	37,173	26	5,009-	3-
1983	207,947	37,671	18	16,896	8	174,026	84	153,251	74
1984	101,471	47,206	47	7,811	8	36,613	36	2,782-	3-
1985	91,883	44,719	49	5,921	6	33,104	36	5,694-	6-
1986	200,003	98,283	49	9,560	5	67,745	34	20,978-	10-
1987	156,282	34,936	22	5,781	4	65,556	42	36,401	23
1988	142,346	35,775	25	6,286	4	101,628	71	72,139	51
1989	185,975	87,581	47	2,205	1	115,195	62	29,819	16
1990	192,163	68,680	36	29,158	15	88,746	46	49,224	26
1991	202,959	132,937	65	3,245	2	42,684	21	87,008-	43-
1992	113,814	38,151	34	1,260-	1-	12,459	11	26,952-	24-
1993	73,068	76,597	105		0	10,762	15	65,835-	90-
1994	102,703	65,828	64	2,946	3	25,973	25	36,909-	36-
1995	214,389	296,437	138		0	17,744	8	278,693-	130-
1996	408,232	224,926	55	9,033	2	52,143	13	163,750-	40-
1997	232,609	116,709	50		0	45,540	20	71,169-	31-
1998	21,926	22,238	101		0	5,248	24	16,990-	77-
1999	3,140	22,170	706		0	18,791	598	3,379-	108-
2000	24,745	27,465	111		0	12,836	52	14,629-	59-
2001	41,770	52,579	126		0	116	0	52,463-	126-
2002	286,355	68,961	24		0	1,674	1	67,287-	23-
2003	52,468	27,632	53		0		0	27,632-	53-
2004	17,852	146,249	819		0		0	146,249-	819-
2005									
2006	5,805	7,816	135		0		0	7,816-	135-
2007	121,047	132,334	109		0		0	132,334-	109-
2008	1,414	6,663	471		0		0	6,663-	471-
2009	158,363	1,474,791	931		0	54,750	35	1,420,041-	897-

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YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	1,179,733	449,799	38		0	7,786	1	442,013-	37-
2011	299,028	350,205	117		0	100,654	34	249,552-	83-
TOTAL	6,168,733	4,601,147	75	349,090	6	2,015,721	33	2,236,336-	36-

THREE-YEAR MOVING AVERAGES

72-74	124,417	28,754	23	65,972	53	130,638	105	167,857	135
73-75	97,814	28,432	29	5,756	6	68,956	70	46,279	47
74-76	106,610	33,968	32	8,259	8	80,722	76	55,012	52
75-77	98,796	26,247	27	7,544	8	63,002	64	44,300	45
76-78	94,351	26,878	28	4,714	5	49,342	52	27,178	29
77-79	100,212	29,537	29	3,934	4	46,321	46	20,718	21
78-80	146,289	48,473	33	7,265	5	85,662	59	44,455	30
79-81	142,846	57,106	40	7,643	5	93,659	66	44,196	31
80-82	155,253	59,294	38	6,783	4	87,052	56	34,541	22
81-83	142,894	44,353	31	8,686	6	86,688	61	51,022	36
82-84	150,940	43,506	29	9,388	6	82,604	55	48,487	32
83-85	133,767	43,199	32	10,209	8	81,248	61	48,258	36
84-86	131,119	63,403	48	7,764	6	45,821	35	9,818-	7-
85-87	149,389	59,313	40	7,087	5	55,468	37	3,243	2
86-88	166,210	56,331	34	7,209	4	78,310	47	29,187	18
87-89	161,534	52,764	33	4,757	3	94,126	58	46,120	29
88-90	173,495	64,012	37	12,550	7	101,856	59	50,394	29
89-91	193,699	96,399	50	11,536	6	82,208	42	2,655-	1-
90-92	169,645	79,923	47	10,381	6	47,963	28	21,579-	13-
91-93	129,947	82,562	64	662	1	21,968	17	59,932-	46-
92-94	96,528	60,192	62	562	1	16,398	17	43,232-	45-
93-95	130,053	146,287	112	982	1	18,160	14	127,146-	98-
94-96	241,775	195,730	81	3,993	2	31,953	13	159,784-	66-
95-97	285,077	212,691	75	3,011	1	38,476	13	171,204-	60-
96-98	220,922	121,291	55	3,011	1	34,310	16	83,970-	38-
97-99	85,892	53,706	63		0	23,193	27	30,513-	36-
98-00	16,604	23,958	144		0	12,292	74	11,666-	70-
99-01	23,218	34,071	147		0	10,581	46	23,490-	101-
00-02	117,623	49,668	42		0	4,875	4	44,793-	38-
01-03	126,864	49,724	39		0	597	0	49,127-	39-
02-04	118,892	80,947	68		0	558	0	80,389-	68-
03-05	23,440	57,960	247		0		0	57,960-	247-
04-06	7,886	51,355	651		0		0	51,355-	651-
05-07	42,284	46,717	110		0		0	46,717-	110-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	42,756	48,938	114		0		0	48,938-	114-
07-09	93,608	537,930	575		0	18,250	19	519,679-	555-
08-10	446,504	643,751	144		0	20,845	5	622,906-	140-
09-11	545,708	758,265	139		0	54,397	10	703,868-	129-
FIVE-YEAR AVERAGE									
07-11	351,917	482,758	137		0	32,638	9	450,121-	128-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	169,152	8	0		0	10,736	6	10,728	6
1973	240,023		0	11,454	5	29,161	12	40,615	17
1974	149,627	104	0	32,842	22	145,894	98	178,632	119
1975	135,551	305	0		0	21,643	16	21,338	16
1976	230,831	615	0	4,294	2	22,069	10	25,748	11
1977	151,983	13	0		0	2,377	2	2,364	2
1978	193,092	16	0	4,081	2	38,309	20	42,374	22
1979	253,924	111	0	26,162	10	92,608	36	118,659	47
1980	212,513	2,329-	1-		0	32,463	15	34,792	16
1981	201,233	56-	0		0	32,991	16	33,047	16
1982	203,899	73,305	36	8,641	4	17,774	9	46,890-	23-
1983	110,374	10,113	9	8,897	8	18,432	17	17,216	16
1984	141,058	215,371	153	476	0	36,660	26	178,235-	126-
1985	572,242	17,010	3	3,376	1	20,800	4	7,166	1
1986	955,707	466,501	49	1,121	0	54,213	6	411,167-	43-
1987	662,152	14,562	2		0	41,628	6	27,066	4
1988	570,247	37,991	7	1,867	0	1,416	0	34,708-	6-
1989	276,028	370,908	134	195-	0	5,540	2	365,563-	132-
1990	170,575	15,313-	9-		0	8,859	5	24,172	14
1991	221,603	15,120	7	34-	0	53,954	24	38,800	18
1992	432,054	10,061	2		0	78,434	18	68,373	16
1993	482,224	69,073	14		0	107,697	22	38,624	8
1994	2,774,303	74,767	3	159,308	6	190,848	7	275,389	10
1995	762,161-	1,053,427	138-		0	63,080	8-	990,347-	130
1996	395,687	218,015	55	8,756	2	50,541	13	158,718-	40-
1997	398,770	200,079	50		0	78,070	20	122,009-	31-
1998	160,617	162,906	101		0	38,444	24	124,462-	77-
1999									
2000	361,539	36,895	10		0	359,601	99	322,706	89
2001									
2002	837,394	240,244	29		0	229,205	27	11,039-	1-
2003	327,313	493,888	151		0	168,491	51	325,397-	99-
2004									
2005									
2006	991,937	642,503	65		0	40,523	4	601,980-	61-
2007									
2008	29,983	620,637			0	488,930		131,707-	439-
2009	528,348	692,178	131		0	125,154	24	567,024-	107-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	190,083	240,110	126		0	125,183	66	114,927-	60-
2011	89,118	240,211	270		0	203,668	229	36,543-	41-
TOTAL	13,059,023	6,199,349	47	271,046	2	3,035,396	23	2,892,907-	22-

THREE-YEAR MOVING AVERAGES

72-74	186,267	37	0	14,765	8	61,930	33	76,658	41
73-75	175,067	136	0	14,765	8	65,566	37	80,195	46
74-76	172,003	341	0	12,379	7	63,202	37	75,239	44
75-77	172,788	311	0	1,431	1	15,363	9	16,483	10
76-78	191,969	215	0	2,792	1	20,918	11	23,495	12
77-79	199,666	47	0	10,081	5	44,431	22	54,466	27
78-80	219,843	734-	0	10,081	5	54,460	25	65,275	30
79-81	222,557	758-	0	8,721	4	52,687	24	62,166	28
80-82	205,882	23,640	11	2,880	1	27,743	13	6,983	3
81-83	171,835	27,787	16	5,846	3	23,066	13	1,124	1
82-84	151,777	99,596	66	6,005	4	24,289	16	69,303-	46-
83-85	274,558	80,831	29	4,250	2	25,297	9	51,284-	19-
84-86	556,336	232,961	42	1,658	0	37,224	7	194,079-	35-
85-87	730,034	166,024	23	1,499	0	38,880	5	125,645-	17-
86-88	729,369	173,018	24	996	0	32,419	4	139,603-	19-
87-89	502,809	141,154	28	557	0	16,195	3	124,402-	25-
88-90	338,950	131,195	39	557	0	5,272	2	125,366-	37-
89-91	222,735	123,572	55	76-	0	22,784	10	100,864-	45-
90-92	274,744	3,289	1	11-	0	47,082	17	43,782	16
91-93	378,627	31,418	8	11-	0	80,028	21	48,599	13
92-94	1,229,527	51,300	4	53,103	4	125,660	10	127,462	10
93-95	831,455	399,089	48	53,103	6	120,542	14	225,445-	27-
94-96	802,610	448,736	56	56,021	7	101,490	13	291,225-	36-
95-97	10,765	490,507		2,919	27	63,897	594	423,691-	
96-98	318,358	193,667	61	2,919	1	55,685	17	135,063-	42-
97-99	186,462	120,995	65		0	38,838	21	82,157-	44-
98-00	174,052	66,600	38		0	132,682	76	66,081	38
99-01	120,513	12,298	10		0	119,867	99	107,569	89
00-02	399,644	92,380	23		0	196,269	49	103,889	26
01-03	388,236	244,711	63		0	132,565	34	112,145-	29-
02-04	388,236	244,711	63		0	132,565	34	112,145-	29-
03-05	109,104	164,629	151		0	56,164	51	108,466-	99-
04-06	330,646	214,168	65		0	13,508	4	200,660-	61-
05-07	330,646	214,168	65		0	13,508	4	200,660-	61-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	340,640	421,047	124		0	176,484	52	244,562-	72-
07-09	186,110	437,605	235		0	204,695	110	232,910-	125-
08-10	249,471	517,642	207		0	246,422	99	271,220-	109-
09-11	269,183	390,833	145		0	151,335	56	239,498-	89-
FIVE-YEAR AVERAGE									
07-11	167,506	358,627	214		0	188,587	113	170,040-	102-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	5,982	1,978	33		0	2,027	34	49	1
1973	6,858	5,102	74	476	7	2,864	42	1,762-	26-
1974	23,595	8,751	37	1,523-	6-	16,059	68	5,785	25
1975	5,375	3,278	61	63	1	4,614	86	1,399	26
1976	8,079	3,790	47	549	7	4,266	53	1,025	13
1977	8,378	2,714	32		0	3,482	42	768	9
1978	5,289	3,695	70		0	2,311	44	1,384-	26-
1979	1,559	4,312	277		0	1,321	85	2,991-	192-
1980	18,627	10,258	55	435	2	8,234	44	1,589-	9-
1981	4,035	5,525	137		0	1,715-	43-	7,240-	179-
1982	17,760	15,258	86		0	3,779	21	11,479-	65-
1983	18,906	13,403	71	31	0	18,912	100	5,540	29
1984	19,841	9,953	50		0	5,857	30	4,096-	21-
1985	5,200	7,765	149	354	7	3,690	71	3,721-	72-
1986	3,660	6,477	177		0	1,856	51	4,621-	126-
1987	11,475	5,913	52		0	5,439	47	474-	4-
1988	2,136	2,155	101		0	63	3	2,092-	98-
1989	12,193	11,112	91		0	5,341	44	5,771-	47-
1990	11,156	6,640	60		0	1,556	14	5,084-	46-
1991	1,172	2,750	235		0	49	4	2,701-	230-
1992	6,267	16,177	258		0	1,499	24	14,678-	234-
1993	87,670	32,803	37		0	1,404	2	31,399-	36-
1994	3,677	16,746	455		0	231	6	16,515-	449-
1995	2,923	4,042	138		0	242	8	3,800-	130-
1996									
1997	2,975	1,493	50		0	582	20	911-	31-
1998	2,780	2,820	101		0	665	24	2,155-	78-
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	689	223	32		0		0	223-	32-
2007	2,362	215,321			0		0	215,321-	
2008									
2009	1,606	230,558			0		0	230,558-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	22,544	160,033	710		0		0	160,033-	710-
2011	4,230	145,587			0		0	145,587-	
TOTAL	328,999	956,633	291	385	0	94,628	29	861,620-	262-

THREE-YEAR MOVING AVERAGES

72-74	12,145	5,277	43	349-	3-	6,983	57	1,357	11
73-75	11,943	5,710	48	328-	3-	7,846	66	1,807	15
74-76	12,350	5,273	43	304-	2-	8,313	67	2,736	22
75-77	7,277	3,261	45	204	3	4,121	57	1,064	15
76-78	7,249	3,400	47	183	3	3,353	46	136	2
77-79	5,075	3,574	70		0	2,371	47	1,202-	24-
78-80	8,492	6,088	72	145	2	3,955	47	1,988-	23-
79-81	8,074	6,698	83	145	2	2,613	32	3,940-	49-
80-82	13,474	10,347	77	145	1	3,433	25	6,769-	50-
81-83	13,567	11,395	84	10	0	6,992	52	4,393-	32-
82-84	18,836	12,871	68	10	0	9,516	51	3,345-	18-
83-85	14,649	10,374	71	128	1	9,486	65	759-	5-
84-86	9,567	8,065	84	118	1	3,801	40	4,146-	43-
85-87	6,778	6,718	99	118	2	3,662	54	2,939-	43-
86-88	5,757	4,848	84		0	2,453	43	2,396-	42-
87-89	8,601	6,393	74		0	3,614	42	2,779-	32-
88-90	8,495	6,636	78		0	2,320	27	4,316-	51-
89-91	8,174	6,834	84		0	2,315	28	4,519-	55-
90-92	6,198	8,522	137		0	1,035	17	7,488-	121-
91-93	31,703	17,243	54		0	984	3	16,259-	51-
92-94	32,538	21,909	67		0	1,045	3	20,864-	64-
93-95	31,423	17,864	57		0	626	2	17,238-	55-
94-96	2,200	6,929	315		0	158	7	6,772-	308-
95-97	1,966	1,845	94		0	275	14	1,570-	80-
96-98	1,918	1,438	75		0	416	22	1,022-	53-
97-99	1,918	1,438	75		0	416	22	1,022-	53-
98-00	927	940	101		0	222	24	718-	78-
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	230	74	32		0		0	74-	32-
05-07	1,017	71,848			0		0	71,848-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	1,017	71,848			0		0	71,848-	
07-09	1,323	148,626			0		0	148,626-	
08-10	8,050	130,197			0		0	130,197-	
09-11	9,460	178,726			0		0	178,726-	
FIVE-YEAR AVERAGE									
07-11	6,148	150,300			0		0	150,300-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	81,834	63,630	78		0	15,377	19	48,253-	59-
1973	157,853	72,086	46	8,881	6	31,555	20	31,650-	20-
1974	27,641	82,033	297	813	3	36,646	133	44,574-	161-
1975	109,041	92,198	85	656	1	21,141	19	70,401-	65-
1976	103,025	108,065	105	1,610	2	36,094	35	70,361-	68-
1977	100,894	115,708	115	2,840	3	31,812	32	81,056-	80-
1978	100,428	130,957	130	1,994	2	25,053	25	103,910-	103-
1979	93,855	133,559	142	1,140	1	41,238	44	91,181-	97-
1980	93,701	138,530	148	70	0	41,382	44	97,078-	104-
1981	84,721	150,614	178	106	0	31,991	38	118,517-	140-
1982	100,354	187,119	186	20,493-	20-	370-	0	207,982-	207-
1983	106,374	202,985	191	15,557-	15-	19,114	18	199,428-	187-
1984	93,083	184,688	198	57-	0	36,334	39	148,411-	159-
1985	79,987	184,000	230	6	0	22,947	29	161,047-	201-
1986	96,670	192,980	200	15,314	16	36,700	38	140,966-	146-
1987	79,882	156,918	196	3,563	4	62,694	78	90,661-	113-
1988	75,797	75,755	100	2,921	4	55,122	73	17,712-	23-
1989	66,533	57,894	87	1,262	2	43,274	65	13,358-	20-
1990	64,751	69,762	108	3,119	5	46,732	72	19,911-	31-
1991	48,468	46,852	97	941	2	33,939	70	11,972-	25-
1992	26,611	29,630	111	284	1	15,859	60	13,487-	51-
1993	31,909	32,615	102	108	0	11,360	36	21,147-	66-
1994	14,263	18,631	131	632	4	3,604	25	14,395-	101-
1995	11,188	15,470	138		0	926	8	14,544-	130-
1996	11,661	6,425	55	258	2	1,490	13	4,677-	40-
1997	6,788	3,406	50		0	1,329	20	2,077-	31-
1998	5,559	5,638	101		0	1,331	24	4,307-	77-
1999									
2000									
2001	2,294	7,648	333		0		0	7,648-	333-
2002	41,513	171,349	413		0		0	171,349-	413-
2003	94,957	161,654	170		0		0	161,654-	170-
2004									
2005									
2006	18	5,617			0		0	5,617-	
2007									
2008									
2009									

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	63,114	127,294	202		0		0	127,294-	202-
2011	47,315	69,896	148		0		0	69,896-	148-
TOTAL	2,122,081	3,101,606	146	10,411	0	704,674	33	2,386,521-	112-

THREE-YEAR MOVING AVERAGES

72-74	89,109	72,583	81	3,231	4	27,859	31	41,492-	47-
73-75	98,178	82,106	84	3,450	4	29,781	30	48,875-	50-
74-76	79,902	94,099	118	1,026	1	31,294	39	61,779-	77-
75-77	104,320	105,324	101	1,702	2	29,682	28	73,939-	71-
76-78	101,449	118,243	117	2,148	2	30,986	31	85,109-	84-
77-79	98,392	126,741	129	1,991	2	32,701	33	92,049-	94-
78-80	95,995	134,349	140	1,068	1	35,891	37	97,390-	101-
79-81	90,759	140,901	155	439	0	38,204	42	102,259-	113-
80-82	92,925	158,754	171	6,772-	7-	24,334	26	141,192-	152-
81-83	97,150	180,239	186	11,981-	12-	16,912	17	175,309-	180-
82-84	99,937	191,597	192	12,036-	12-	18,359	18	185,274-	185-
83-85	93,148	190,558	205	5,203-	6-	26,132	28	169,629-	182-
84-86	89,913	187,223	208	5,088	6	31,994	36	150,141-	167-
85-87	85,513	177,966	208	6,294	7	40,780	48	130,891-	153-
86-88	84,116	141,884	169	7,266	9	51,505	61	83,113-	99-
87-89	74,071	96,856	131	2,582	3	53,697	72	40,577-	55-
88-90	69,027	67,804	98	2,434	4	48,376	70	16,994-	25-
89-91	59,917	58,169	97	1,774	3	41,315	69	15,080-	25-
90-92	46,610	48,748	105	1,448	3	32,177	69	15,123-	32-
91-93	35,663	36,366	102	444	1	20,386	57	15,535-	44-
92-94	24,261	26,959	111	341	1	10,274	42	16,343-	67-
93-95	19,120	22,239	116	247	1	5,297	28	16,695-	87-
94-96	12,371	13,509	109	297	2	2,007	16	11,205-	91-
95-97	9,879	8,434	85	86	1	1,248	13	7,099-	72-
96-98	8,003	5,156	64	86	1	1,383	17	3,687-	46-
97-99	4,116	3,015	73		0	887	22	2,128-	52-
98-00	1,853	1,879	101		0	444	24	1,436-	77-
99-01	765	2,549	333		0		0	2,549-	333-
00-02	14,602	59,666	409		0		0	59,666-	409-
01-03	46,255	113,550	245		0		0	113,550-	245-
02-04	45,490	111,001	244		0		0	111,001-	244-
03-05	31,652	53,885	170		0		0	53,885-	170-
04-06	6	1,872			0		0	1,872-	
05-07	6	1,872			0		0	1,872-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	6	1,872			0		0	1,872-	
07-09									
08-10	21,038	42,431	202		0		0	42,431- 202-	
09-11	36,809	65,730	179		0		0	65,730- 179-	
FIVE-YEAR AVERAGE									
07-11	22,086	39,438	179		0		0	39,438- 179-	

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	67,710	493	1		0	1,576	2	1,083	2
1973	87,218	944	1	944	1	1,467	2	1,467	2
1974	82,009	1,356	2	898	1	3,560	4	3,102	4
1975	80,281	988	1		0	735	1	253-	0
1976	106,187	1,008	1		0	2,601	2	1,593	2
1977	93,242	939	1		0	2,648	3	1,709	2
1978	106,298	733	1		0	3,963	4	3,230	3
1979	96,427	1,299	1		0	4,452	5	3,153	3
1980	162,946	612	0		0	1,921	1	1,309	1
1981	88,463	1,363	2	13	0	2,156	2	806	1
1982	118,455	1,845	2	226-	0	1,114	1	957-	1-
1983	111,470	2,338	2	55	0	1,132	1	1,151-	1-
1984	140,196	1,606	1		0	1,101	1	505-	0
1985	118,196	664	1	288	0	1,551	1	1,175	1
1986	469,663	153	0	8-	0	1,529	0	1,368	0
1987	507,099	5,543	1		0	5,646	1	103	0
1988	397,772	4,332	1		0	3,866	1	466-	0
1989	509,256	43,076	8		0	60,395	12	17,319	3
1990	269,810	37,279	14		0	3,617	1	33,662-	12-
1991	306,721	33,402	11		0	1,644	1	31,758-	10-
1992	500,495	42,423	8		0	8,146	2	34,277-	7-
1993	467,650	42,980	9		0	14,632	3	28,348-	6-
1994	595,584	28,989	5		0	66,339	11	37,350	6
1995	318,861	440,893	138		0	26,390	8	414,503-	130-
1996	246,480	135,805	55	5,454	2	31,483	13	98,868-	40-
1997	350,453	175,837	50		0	68,611	20	107,226-	31-
1998	147,240	149,338	101		0	35,242	24	114,096-	77-
1999									
2000									
2001									
2002	280,496		0		0	990	0	990	0
2003	1,199,462		0		0		0		0
2004									
2005									
2006	2,035,798		0		0		0		0
2007									
2008									
2009	1,185,222		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	75,698		0		0		0		0
2011	20,204		0		0		0		0
TOTAL	11,343,062	1,156,238	10	7,418	0	358,507	3	790,313-	7-

THREE-YEAR MOVING AVERAGES

72-74	78,979	931	1	614	1	2,201	3	1,884	2
73-75	83,169	1,096	1	614	1	1,921	2	1,439	2
74-76	89,492	1,117	1	299	0	2,299	3	1,481	2
75-77	93,237	978	1		0	1,995	2	1,016	1
76-78	101,909	893	1		0	3,071	3	2,177	2
77-79	98,656	990	1		0	3,688	4	2,697	3
78-80	121,890	881	1		0	3,445	3	2,564	2
79-81	115,945	1,091	1	4	0	2,843	2	1,756	2
80-82	123,288	1,273	1	71-	0	1,730	1	386	0
81-83	106,129	1,849	2	53-	0	1,467	1	434-	0
82-84	123,374	1,930	2	57-	0	1,116	1	871-	1-
83-85	123,287	1,536	1	114	0	1,261	1	160-	0
84-86	242,685	808	0	93	0	1,394	1	679	0
85-87	364,986	2,120	1	93	0	2,909	1	882	0
86-88	458,178	3,343	1	3-	0	3,680	1	335	0
87-89	471,376	17,650	4		0	23,302	5	5,652	1
88-90	392,279	28,229	7		0	22,626	6	5,603-	1-
89-91	361,929	37,919	10		0	21,885	6	16,034-	4-
90-92	359,009	37,701	11		0	4,469	1	33,232-	9-
91-93	424,955	39,602	9		0	8,141	2	31,461-	7-
92-94	521,243	38,131	7		0	29,706	6	8,425-	2-
93-95	460,698	170,954	37		0	35,787	8	135,167-	29-
94-96	386,975	201,896	52	1,818	0	41,404	11	158,674-	41-
95-97	305,265	250,845	82	1,818	1	42,161	14	206,866-	68-
96-98	248,058	153,660	62	1,818	1	45,112	18	106,730-	43-
97-99	165,898	108,392	65		0	34,618	21	73,774-	44-
98-00	49,080	49,779	101		0	11,747	24	38,032-	77-
99-01									
00-02	93,499		0		0	330	0	330	0
01-03	493,319		0		0	330	0	330	0
02-04	493,319		0		0	330	0	330	0
03-05	399,821		0		0		0		0
04-06	678,599		0		0		0		0
05-07	678,599		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	678,599		0		0		0		0
07-09	395,074		0		0		0		0
08-10	420,307		0		0		0		0
09-11	427,041		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	256,225		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	239,445	43,714	18		0	92,542	39	48,828	20
1973	257,796	50,716	20	56,511	22	133,841	52	139,636	54
1974	162,870	33,403	21	16,090	10	120,229	74	102,916	63
1975	212,579	48,131	23	12,519	6	86,417	41	50,805	24
1976	256,893	52,172	20	15,211	6	127,407	50	90,446	35
1977	198,151	47,443	24	26,012	13	132,375	67	110,944	56
1978	176,874	37,555	21	22,361	13	188,400	107	173,206	98
1979	148,889	34,760	23	10,979	7	122,731	82	98,950	66
1980	288,781	7,974	3	8,745	3	151,952	53	152,723	53
1981	153,393	443,875	289	14,137	9	187,067	122	242,671-	158-
1982	222,372	62,623	28	10,507	5	138,501	62	86,385	39
1983	217,100	85,552	39	15,520	7	163,700	75	93,668	43
1984	257,918	74,747	29	16,663	6	136,165	53	78,081	30
1985	184,583	30,456	16	7,863	4	61,948	34	39,355	21
1986	321,810	98,648	31	9,286	3	123,041	38	33,679	10
1987	277,917	545,928	196	12,396	4	218,118	78	315,414-	113-
1988	342,842	342,652	100	13,210	4	249,326	73	80,116-	23-
1989	529,400	460,660	87	10,044	2	344,326	65	106,290-	20-
1990	392,777	423,173	108	18,919	5	283,472	72	120,782-	31-
1991	338,835	327,542	97	6,578	2	237,266	70	83,698-	25-
1992	316,197	352,078	111	3,375	1	188,439	60	160,264-	51-
1993	365,761	367,417	100	1,213	0	127,423	35	238,781-	65-
1994	419,634	548,144	131	18,589	4	106,029	25	423,526-	101-
1995	346,204	478,700	138		0	28,653	8	450,047-	130-
1996	413,959	228,082	55	9,160	2	52,875	13	166,047-	40-
1997	468,372	235,001	50		0	91,697	20	143,304-	31-
1998	262,260	265,997	101		0	62,772	24	203,225-	77-
1999									
2000	57,375	120,443	210		0	2,598	5	117,845-	205-
2001	74,135	17,086	23		0	435	1	16,651-	22-
2002	193,896	251,426	130		0	18,069	9	233,357-	120-
2003	66,928	94,331	141		0		0	94,331-	141-
2004	31,777	16,865	53		0		0	16,865-	53-
2005									
2006	81,276		0		0		0		0
2007	84,641	18,720	22		0	1,238	1	17,482-	21-
2008		19,412						19,412-	
2009	5,104	13,995	274		0		0	13,995-	274-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	929,573	2,269,682	244		0	3,611	0	2,266,071-	244-
2011	3,349,954	703,671	21		0		0	703,671-	21-
TOTAL	12,648,272	9,252,774	73	335,888	3	3,982,663	31	4,934,223-	39-

THREE-YEAR MOVING AVERAGES

72-74	220,037	42,611	19	24,200	11	115,537	53	97,127	44
73-75	211,082	44,083	21	28,373	13	113,496	54	97,786	46
74-76	210,781	44,569	21	14,607	7	111,351	53	81,389	39
75-77	222,541	49,249	22	17,914	8	115,400	52	84,065	38
76-78	210,639	45,723	22	21,195	10	149,394	71	124,865	59
77-79	174,638	39,919	23	19,784	11	147,835	85	127,700	73
78-80	204,848	26,763	13	14,028	7	154,361	75	141,626	69
79-81	197,021	162,203	82	11,287	6	153,917	78	3,001	2
80-82	221,515	171,491	77	11,130	5	159,173	72	1,188-	1-
81-83	197,622	197,350	100	13,388	7	163,089	83	20,873-	11-
82-84	232,463	74,307	32	14,230	6	146,122	63	86,045	37
83-85	219,867	63,585	29	13,349	6	120,604	55	70,368	32
84-86	254,770	67,950	27	11,271	4	107,051	42	50,372	20
85-87	261,437	225,011	86	9,848	4	134,369	51	80,793-	31-
86-88	314,190	329,076	105	11,631	4	196,828	63	120,617-	38-
87-89	383,386	449,747	117	11,883	3	270,590	71	167,273-	44-
88-90	421,673	408,828	97	14,058	3	292,375	69	102,396-	24-
89-91	420,337	403,792	96	11,847	3	288,355	69	103,590-	25-
90-92	349,270	367,598	105	9,624	3	236,392	68	121,581-	35-
91-93	340,264	349,012	103	3,722	1	184,376	54	160,914-	47-
92-94	367,197	422,546	115	7,726	2	140,630	38	274,190-	75-
93-95	377,200	464,754	123	6,601	2	87,368	23	370,785-	98-
94-96	393,266	418,309	106	9,250	2	62,519	16	346,540-	88-
95-97	409,512	313,928	77	3,053	1	57,742	14	253,133-	62-
96-98	381,530	243,027	64	3,053	1	69,115	18	170,859-	45-
97-99	243,544	166,999	69		0	51,490	21	115,510-	47-
98-00	106,545	128,813	121		0	21,790	20	107,023-	100-
99-01	43,837	45,843	105		0	1,011	2	44,832-	102-
00-02	108,469	129,652	120		0	7,034	6	122,618-	113-
01-03	111,653	120,948	108		0	6,168	6	114,780-	103-
02-04	97,534	120,874	124		0	6,023	6	114,851-	118-
03-05	32,902	37,065	113		0		0	37,065-	113-
04-06	37,684	5,622	15		0		0	5,622-	15-
05-07	55,306	6,240	11		0	413	1	5,827-	11-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	55,306	12,711	23		0	413	1	12,298-	22-
07-09	29,915	17,376	58		0	413	1	16,963-	57-
08-10	311,559	767,696	246		0	1,204	0	766,493-	246-
09-11	1,428,210	995,782	70		0	1,204	0	994,579-	70-
FIVE-YEAR AVERAGE									
07-11	873,854	605,096	69		0	970	0	604,126-	69-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	81,204	10,997	14	5,985-	7-	4,522	6	12,460-	15-
1973	180,857	19,438	11		0	18,101	10	1,337-	1-
1974	40,708	11,365	28	58	0	6,922	17	4,385-	11-
1975	54,684	10,137	19	390	1	6,617	12	3,130-	6-
1976	120,176	21,227	18		0	6,299	5	14,928-	12-
1977	102,068	39,894	39		0	16,569	16	23,325-	23-
1978	37,734	15,624	41	4,362	12	21,776	58	10,514	28
1979	23,732	11,708	49	6,719	28	12,837	54	7,848	33
1980	31,861	21,907	69	3,042	10	15,748	49	3,117-	10-
1981	110,198	70,206	64	965	1	20,353	18	48,888-	44-
1982	64,912	33,857	52	194	0	50,024	77	16,361	25
1983	43,305	17,862	41	290	1	29,750	69	12,178	28
1984	17,273	9,906	57	1,460	8	13,553	78	5,107	30
1985	45,940	9,283	20	4,763	10	30,160	66	25,640	56
1986	120,740	71,314	59	64,352	53	144,238	119	137,276	114
1987	101,319	19,753	19	19,593	19	55,382	55	55,222	55
1988	75,606	20,080	27	11,447	15	44,719	59	36,086	48
1989	164,400	30,819	19		0	47,256	29	16,437	10
1990	145,133	49,797	34	139-	0	28,160	19	21,776-	15-
1991	114,736	45,743	40	1,175	1	7,252	6	37,316-	33-
1992	67,771	16,597	24	2,827	4	10,266	15	3,504-	5-
1993	69,450	29,266	42	42	0	2,913	4	26,311-	38-
1994	89,719	34,016	38	24	0	11,966	13	22,026-	25-
1995	181,761	251,323	138		0	15,043	8	236,280-	130-
1996	481,179	265,119	55	10,648	2	61,461	13	193,010-	40-
1997	464,297	232,957	50		0	90,899	20	142,058-	31-
1998	133,352	135,254	101		0	31,918	24	103,336-	77-
1999									
2000	47,742	71,491	150		0	30,303	63	41,188-	86-
2001	144,489	172,258	119		0	2,059	1	170,199-	118-
2002	230,965	81,625-	35-		0	252	0	81,877	35
2003	207,200	208,662	101		0		0	208,662-	101-
2004	171,679	72,029	42		0		0	72,029-	42-
2005									
2006	103,177		0		0		0		0
2007	164,283	64,856	39		0	5,866	4	58,990-	36-
2008		19,072						19,072-	
2009	53,584	62,663	117		0		0	62,663-	117-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	80,772	352,672	437		0	1,761	2	350,911-	434-
2011	627,619	604,677	96		0	7,632	1	597,046-	95-
TOTAL	4,995,625	3,052,204	61	126,227	3	852,577	17	2,073,400-	42-

THREE-YEAR MOVING AVERAGES

72-74	100,923	13,933	14	1,976-	2-	9,848	10	6,061-	6-
73-75	92,083	13,647	15	149	0	10,547	11	2,951-	3-
74-76	71,856	14,243	20	149	0	6,613	9	7,481-	10-
75-77	92,309	23,753	26	130	0	9,828	11	13,794-	15-
76-78	86,659	25,582	30	1,454	2	14,881	17	9,246-	11-
77-79	54,511	22,409	41	3,694	7	17,061	31	1,654-	3-
78-80	31,109	16,413	53	4,708	15	16,787	54	5,082	16
79-81	55,264	34,607	63	3,575	6	16,313	30	14,719-	27-
80-82	68,990	41,990	61	1,400	2	28,708	42	11,881-	17-
81-83	72,805	40,642	56	483	1	33,376	46	6,783-	9-
82-84	41,830	20,542	49	648	2	31,109	74	11,215	27
83-85	35,506	12,350	35	2,171	6	24,488	69	14,308	40
84-86	61,318	30,168	49	23,525	38	62,650	102	56,008	91
85-87	89,333	33,450	37	29,569	33	76,593	86	72,713	81
86-88	99,222	37,049	37	31,797	32	81,446	82	76,195	77
87-89	113,775	23,551	21	10,347	9	49,119	43	35,915	32
88-90	128,380	33,565	26	3,769	3	40,045	31	10,249	8
89-91	141,423	42,120	30	345	0	27,556	19	14,218-	10-
90-92	109,213	37,379	34	1,288	1	15,226	14	20,865-	19-
91-93	83,986	30,535	36	1,348	2	6,810	8	22,377-	27-
92-94	75,647	26,626	35	964	1	8,382	11	17,280-	23-
93-95	113,643	104,868	92	22	0	9,974	9	94,872-	83-
94-96	250,886	183,486	73	3,557	1	29,490	12	150,439-	60-
95-97	375,746	249,800	66	3,549	1	55,801	15	190,449-	51-
96-98	359,609	211,110	59	3,549	1	61,426	17	146,135-	41-
97-99	199,216	122,737	62		0	40,939	21	81,798-	41-
98-00	60,365	68,915	114		0	20,740	34	48,175-	80-
99-01	64,077	81,250	127		0	10,787	17	70,462-	110-
00-02	141,065	54,041	38		0	10,871	8	43,170-	31-
01-03	194,218	99,765	51		0	770	0	98,995-	51-
02-04	203,281	66,355	33		0	84	0	66,271-	33-
03-05	126,293	93,564	74		0		0	93,564-	74-
04-06	91,619	24,010	26		0		0	24,010-	26-
05-07	89,153	21,619	24		0	1,955	2	19,663-	22-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	89,153	27,976	31		0	1,955	2	26,021-	29-
07-09	72,622	48,864	67		0	1,955	3	46,908-	65-
08-10	44,785	144,802	323		0	587	1	144,215-	322-
09-11	253,992	340,004	134		0	3,131	1	336,873-	133-
FIVE-YEAR AVERAGE									
07-11	185,252	220,788	119		0	3,052	2	217,736-	118-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNTS 392.1 AND 392.3 TRANSPORTATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1999	67,299		0		0		0		0
2000	828,624	41,842-	5-		0	42,937	5	84,779	10
2001	787,692		0		0		0		0
2002	1,629,220	1,792	0		0	102,042	6	100,250	6
2003	2,059,945		0		0		0		0
2004	919,186	3,411	0		0	7,269-	1-	10,680-	1-
2005									
2006									
2007	257,535		0		0		0		0
2008									
2009	63,429		0		0		0		0
2010	276,316		0		0		0		0
2011	1,875,946		0		0		0		0
TOTAL	8,765,192	36,639-	0		0	137,710	2	174,349	2

THREE-YEAR MOVING AVERAGES

99-01	561,205	13,947-	2-		0	14,312	3	28,260	5
00-02	1,081,845	13,350-	1-		0	48,326	4	61,676	6
01-03	1,492,286	597	0		0	34,014	2	33,417	2
02-04	1,536,117	1,734	0		0	31,591	2	29,857	2
03-05	993,044	1,137	0		0	2,423-	0	3,560-	0
04-06	306,395	1,137	0		0	2,423-	1-	3,560-	1-
05-07	85,845		0		0		0		0
06-08	85,845		0		0		0		0
07-09	106,988		0		0		0		0
08-10	113,248		0		0		0		0
09-11	738,564		0		0		0		0

FIVE-YEAR AVERAGE

07-11	494,645		0		0		0		0
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1992	15,173	5	0		0	2,683	18	2,678	18
1993	5,270	270	5		0		0	270-	5-
1994									
1995									
1996									
1997									
1998									
1999	10,629		0		0		0		0
2000	13,048	692-	5-		0	803	6	1,495	11
2001									
2002									
2003									
2004									
2005									
2006	42,876		0		0		0		0
2007	18,323	487	3		0		0	487-	3-
2008									
2009	1,569		0		0		0		0
2010									
2011	17,070		0		0		0		0
TOTAL	123,958	70	0		0	3,486	3	3,416	3

THREE-YEAR MOVING AVERAGES

92-94	6,814	92	1		0	894	13	803	12
93-95	1,757	90	5		0		0	90-	5-
94-96									
95-97									
96-98									
97-99	3,543		0		0		0		0
98-00	7,892	231-	3-		0	268	3	498	6
99-01	7,892	231-	3-		0	268	3	498	6
00-02	4,349	231-	5-		0	268	6	498	11
01-03									
02-04									
03-05									
04-06	14,292		0		0		0		0
05-07	20,400	162	1		0		0	162-	1-
06-08	20,400	162	1		0		0	162-	1-
07-09	6,631	162	2		0		0	162-	2-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
08-10	523		0		0		0		0
09-11	6,213		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	7,392	97	1		0		0	97-	1-

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.1 AND 396.3 POWER OPERATED EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1999	95,125		0		0		0		0
2000	254,699	13,505-	5-		0	15,676	6	29,181	11
2001	51,214		0		0		0		0
2002	164,237	619	0		0	3,408	2	2,789	2
2003	132,400		0		0		0		0
2004									
2005									
2006	26,090		0		0		0		0
2007									
2008									
2009	24,729		0		0		0		0
2010	56,703		0		0		0		0
2011	108,666		0		0		0		0
TOTAL	913,863	12,886-	1-		0	19,084	2	31,970	3

THREE-YEAR MOVING AVERAGES

99-01	133,679	4,502-	3-		0	5,225	4	9,727	7
00-02	156,717	4,295-	3-		0	6,361	4	10,657	7
01-03	115,950	206	0		0	1,136	1	930	1
02-04	98,879	206	0		0	1,136	1	930	1
03-05	44,133		0		0		0		0
04-06	8,697		0		0		0		0
05-07	8,697		0		0		0		0
06-08	8,697		0		0		0		0
07-09	8,243		0		0		0		0
08-10	27,144		0		0		0		0
09-11	63,366		0		0		0		0

FIVE-YEAR AVERAGE

07-11	38,020		0		0		0		0
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LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	33		0		0		0		0
1975	727		0		0		0		0
1976									
1977	1,515		0		0	11	1	11	1
1978	3,890		0		0	500	13	500	13
1979	4,571		0		0		0		0
1980	669		0		0		0		0
1981	393		0		0		0		0
1982									
1983	242		0		0		0		0
1984	3,472		0		0		0		0
1985									
1986									
1987	1,559		0		0	48	3	48	3
1988	811		0		0		0		0
1989									
1990	599		0		0		0		0
1991	900		0		0		0		0
1992	256		0		0		0		0
1993									
1994									
1995									
1996	62,362		0		0		0		0
1997									
1998									
1999	2,710		0		0		0		0
2000									
2001									
2002									
2003									
2004									
2005									
2006	94,399		0		0		0		0
2007									
2008									
2009									
2010									
2011	4,429		0		0		0		0
TOTAL	183,537		0		0	559	0	559	0

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	253		0		0		0		0
75-77	747		0		0	4	0	4	0
76-78	1,802		0		0	170	9	170	9
77-79	3,325		0		0	170	5	170	5
78-80	3,043		0		0	167	5	167	5
79-81	1,878		0		0		0		0
80-82	354		0		0		0		0
81-83	212		0		0		0		0
82-84	1,238		0		0		0		0
83-85	1,238		0		0		0		0
84-86	1,157		0		0		0		0
85-87	520		0		0	16	3	16	3
86-88	790		0		0	16	2	16	2
87-89	790		0		0	16	2	16	2
88-90	470		0		0		0		0
89-91	500		0		0		0		0
90-92	585		0		0		0		0
91-93	385		0		0		0		0
92-94	85		0		0		0		0
93-95									
94-96	20,787		0		0		0		0
95-97	20,787		0		0		0		0
96-98	20,787		0		0		0		0
97-99	903		0		0		0		0
98-00	903		0		0		0		0
99-01	903		0		0		0		0
00-02									
01-03									
02-04									
03-05									
04-06	31,466		0		0		0		0
05-07	31,466		0		0		0		0
06-08	31,466		0		0		0		0
07-09									
08-10									
09-11	1,476		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	886		0		0		0		0

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GAS PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	13,657	4,225	31		0		0	4,225-	31-
1975									
1976									
1977									
1978									
1979									
1980									
1981									
1982									
1983	926	52	6		0	169	18	117	13
1984	5,660	125	2		0		0	125-	2-
1985	110,552		0		0		0		0
1986									
1987									
1988									
1989	200		0		0		0		0
1990									
1991									
1992	2,102		0		0		0		0
1993									
1994									
1995									
1996									
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004	881	849	96		0		0	849-	96-
2005									
2006	2,610	12,438	477		0		0	12,438-	477-
2007									
2008	3,503		0		0		0		0
2009	6,180	1,887	31		0		0	1,887-	31-
2010	14,163		0		0		0		0
2011	14,882	22,480	151		0		0	22,480-	151-
TOTAL	175,316	42,056	24		0	169	0	41,887-	24-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	4,552	1,408	31		0		0	1,408-	31-
75-77									
76-78									
77-79									
78-80									
79-81									
80-82									
81-83	309	17	6		0	56	18	39	13
82-84	2,195	59	3		0	56	3	3-	0
83-85	39,046	59	0		0	56	0	3-	0
84-86	38,737	42	0		0		0	42-	0
85-87	36,851		0		0		0		0
86-88									
87-89	67		0		0		0		0
88-90	67		0		0		0		0
89-91	67		0		0		0		0
90-92	701		0		0		0		0
91-93	701		0		0		0		0
92-94	701		0		0		0		0
93-95									
94-96									
95-97									
96-98									
97-99									
98-00									
99-01									
00-02									
01-03									
02-04	294	283	96		0		0	283-	96-
03-05	294	283	96		0		0	283-	96-
04-06	1,163	4,429	381		0		0	4,429-	381-
05-07	870	4,146	477		0		0	4,146-	477-
06-08	2,038	4,146	203		0		0	4,146-	203-
07-09	3,228	629	19		0		0	629-	19-
08-10	7,949	629	8		0		0	629-	8-
09-11	11,742	8,123	69		0		0	8,123-	69-
FIVE-YEAR AVERAGE									
07-11	7,746	4,874	63		0		0	4,874-	63-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	4,885	958	20		0		0	958-	20-
1975									
1976									
1977									
1978									
1979									
1980									
1981									
1982	1,070	68	6		0		0	68-	6-
1983	3,415	298	9		0	556	16	258	8
1984	12,463	279	2		0	38	0	241-	2-
1985	128,728	157	0		0	100	0	57-	0
1986	1,718		0		0		0		0
1987									
1988	1,262	40	3		0		0	40-	3-
1989	2,594	3,525	136	27	1	1,472	57	2,026-	78-
1990									
1991									
1992	2,000		0		0		0		0
1993									
1994									
1995									
1996									
1997									
1998									
1999									
2000	1,765		0		0		0		0
2001									
2002									
2003									
2004	382	2,580	676		0		0	2,580-	676-
2005									
2006	2,234	864	39		0		0	864-	39-
2007									
2008									
2009	519		0		0		0		0
2010	25,726	47,605	185		0	64	0	47,541-	185-
2011	34,699	10,953	32		0		0	10,953-	32-
TOTAL	223,459	67,326	30	27	0	2,230	1	65,070-	29-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	1,628	319	20		0		0	319-	20-
75-77									
76-78									
77-79									
78-80									
79-81									
80-82	357	23	6		0		0	23-	6-
81-83	1,495	122	8		0	185	12	63	4
82-84	5,649	215	4		0	198	4	17-	0
83-85	48,202	245	1		0	231	0	13-	0
84-86	47,636	145	0		0	46	0	99-	0
85-87	43,482	52	0		0	33	0	19-	0
86-88	993	13	1		0		0	13-	1-
87-89	1,285	1,188	92	9	1	491	38	689-	54-
88-90	1,285	1,188	92	9	1	491	38	689-	54-
89-91	865	1,175	136	9	1	491	57	675-	78-
90-92	667		0		0		0		0
91-93	667		0		0		0		0
92-94	667		0		0		0		0
93-95									
94-96									
95-97									
96-98									
97-99									
98-00	588		0		0		0		0
99-01	588		0		0		0		0
00-02	588		0		0		0		0
01-03									
02-04	127	860	676		0		0	860-	676-
03-05	127	860	676		0		0	860-	676-
04-06	872	1,148	132		0		0	1,148-	132-
05-07	745	288	39		0		0	288-	39-
06-08	745	288	39		0		0	288-	39-
07-09	173		0		0		0		0
08-10	8,748	15,868	181		0	21	0	15,847-	181-
09-11	20,315	19,519	96		0	21	0	19,498-	96-
FIVE-YEAR AVERAGE									
07-11	12,189	11,712	96		0	13	0	11,699-	96-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	9,586	3,603	38		0	696	7	2,907-	30-
1973	7,754	3,416	44		0	125	2	3,291-	42-
1974									
1975	7,878	1,231	16		0	65	1	1,166-	15-
1976									
1977	2,611	2,994	115		0		0	2,994-	115-
1978	18,762	3,801	20		0		0	3,801-	20-
1979	37,681	4,452	12		0		0	4,452-	12-
1980									
1981									
1982	8,329	4,903	59		0	233	3	4,670-	56-
1983	13,201	13,819	105		0		0	13,819-	105-
1984	14,880	8,452	57		0	1,641	11	6,811-	46-
1985	1,378,120	291,281	21		0	28,820	2	262,461-	19-
1986	13,574	11,464	84		0		0	11,464-	84-
1987									
1988	247,022	5,824	2	1,921-	1-	1,921-	1-	9,666-	4-
1989	13,281		0		0		0		0
1990	5,294		0		0		0		0
1991	17,326	3,313	19		0		0	3,313-	19-
1992	23,812		0		0		0		0
1993									
1994									
1995	2,911	1,694	58		0		0	1,694-	58-
1996	21,155	2,095	10		0		0	2,095-	10-
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006									
2007									
2008									
2009	73,032	156,182	214		0		0	156,182-	214-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010									
2011	70,145	165,955	237		0		0	165,955-	237-
TOTAL	1,986,355	684,478	34	1,921-	0	29,659	1	656,740-	33-

THREE-YEAR MOVING AVERAGES

72-74	5,780	2,340	40		0	274	5	2,066-	36-
73-75	5,211	1,549	30		0	63	1	1,486-	29-
74-76	2,626	410	16		0	22	1	389-	15-
75-77	3,496	1,408	40		0	22	1	1,387-	40-
76-78	7,124	2,265	32		0		0	2,265-	32-
77-79	19,685	3,749	19		0		0	3,749-	19-
78-80	18,814	2,751	15		0		0	2,751-	15-
79-81	12,560	1,484	12		0		0	1,484-	12-
80-82	2,776	1,634	59		0	78	3	1,557-	56-
81-83	7,177	6,241	87		0	78	1	6,163-	86-
82-84	12,137	9,058	75		0	625	5	8,433-	69-
83-85	468,734	104,517	22		0	10,154	2	94,364-	20-
84-86	468,858	103,732	22		0	10,154	2	93,579-	20-
85-87	463,898	100,915	22		0	9,607	2	91,308-	20-
86-88	86,865	5,763	7	640-	1-	640-	1-	7,043-	8-
87-89	86,768	1,941	2	640-	1-	640-	1-	3,222-	4-
88-90	88,532	1,941	2	640-	1-	640-	1-	3,222-	4-
89-91	11,967	1,104	9		0		0	1,104-	9-
90-92	15,477	1,104	7		0		0	1,104-	7-
91-93	13,713	1,104	8		0		0	1,104-	8-
92-94	7,937		0		0		0		0
93-95	970	565	58		0		0	565-	58-
94-96	8,022	1,263	16		0		0	1,263-	16-
95-97	8,022	1,263	16		0		0	1,263-	16-
96-98	7,052	698	10		0		0	698-	10-
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06									
05-07									

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08									
07-09	24,344	52,061	214		0		0	52,061-	214-
08-10	24,344	52,061	214		0		0	52,061-	214-
09-11	47,726	107,379	225		0		0	107,379-	225-
FIVE-YEAR AVERAGE									
07-11	28,636	64,427	225		0		0	64,427-	225-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	8,001	2,792	35		0	492	6	2,300-	29-
1973	5,665	2,689	47		0	162	3	2,527-	45-
1974									
1975	10,623	3,354	32		0	60	1	3,294-	31-
1976									
1977	2,737	2,848	104		0		0	2,848-	104-
1978	6,086	1,246	20		0		0	1,246-	20-
1979	21,317	16,727	78		0		0	16,727-	78-
1980									
1981	4,107		0		0	883	21	883	21
1982	5,139	12,077	235		0	328	6	11,749-	229-
1983	5,125	5,213	102		0		0	5,213-	102-
1984	13,921	5,323	38		0	1,119	8	4,204-	30-
1985	1,197,451	227,089	19		0	27,626	2	199,463-	17-
1986	23,771	15,118	64		0		0	15,118-	64-
1987	25-		0		0		0		0
1988	314,880	6,804	2	1,187-	0	1,187-	0	9,178-	3-
1989	7,178		0		0		0		0
1990	4,000		0		0		0		0
1991	26,100	5,194	20		0		0	5,194-	20-
1992	58,108		0		0		0		0
1993	15,155		0		0		0		0
1994	9,352		0		0		0		0
1995	4,276	2,488	58		0		0	2,488-	58-
1996	23,940	2,371	10		0		0	2,371-	10-
1997	26,774	5,163	19		0	263	1	4,900-	18-
1998	850	337	40		0		0	337-	40-
1999	14,560	827	6		0		0	827-	6-
2000	10,993		0		0		0		0
2001									
2002									
2003									
2004	14,297	74,770	523		0		0	74,770-	523-
2005									
2006	48,825	32,192	66		0		0	32,192-	66-
2007									
2008									
2009	350,717	19,447	6		0		0	19,447-	6-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	504,706	3,427	1		0		0	3,427-	1-
2011	521,481	568,672	109		0		0	568,672-	109-
TOTAL	3,260,111	1,016,168	31	1,187-	0	29,746	1	987,609-	30-

THREE-YEAR MOVING AVERAGES

72-74	4,555	1,827	40		0	218	5	1,609-	35-
73-75	5,429	2,014	37		0	74	1	1,940-	36-
74-76	3,541	1,118	32		0	20	1	1,098-	31-
75-77	4,453	2,067	46		0	20	0	2,047-	46-
76-78	2,941	1,365	46		0		0	1,365-	46-
77-79	10,047	6,940	69		0		0	6,940-	69-
78-80	9,134	5,991	66		0		0	5,991-	66-
79-81	8,475	5,576	66		0	294	3	5,281-	62-
80-82	3,082	4,026	131		0	404	13	3,622-	118-
81-83	4,790	5,763	120		0	404	8	5,360-	112-
82-84	8,062	7,538	94		0	482	6	7,055-	88-
83-85	405,499	79,208	20		0	9,582	2	69,627-	17-
84-86	411,714	82,510	20		0	9,582	2	72,928-	18-
85-87	407,066	80,736	20		0	9,209	2	71,527-	18-
86-88	112,875	7,307	6	396-	0	396-	0	8,099-	7-
87-89	107,344	2,268	2	396-	0	396-	0	3,059-	3-
88-90	108,686	2,268	2	396-	0	396-	0	3,059-	3-
89-91	12,426	1,731	14		0		0	1,731-	14-
90-92	29,403	1,731	6		0		0	1,731-	6-
91-93	33,121	1,731	5		0		0	1,731-	5-
92-94	27,538		0		0		0		0
93-95	9,594	829	9		0		0	829-	9-
94-96	12,523	1,620	13		0		0	1,620-	13-
95-97	18,330	3,341	18		0	88	0	3,253-	18-
96-98	17,188	2,624	15		0	88	1	2,536-	15-
97-99	14,061	2,109	15		0	88	1	2,021-	14-
98-00	8,801	388	4		0		0	388-	4-
99-01	8,518	276	3		0		0	276-	3-
00-02	3,664		0		0		0		0
01-03									
02-04	4,766	24,923	523		0		0	24,923-	523-
03-05	4,766	24,923	523		0		0	24,923-	523-
04-06	21,041	35,654	169		0		0	35,654-	169-
05-07	16,275	10,731	66		0		0	10,731-	66-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	16,275	10,731	66		0		0	10,731-	66-
07-09	116,906	6,482	6		0		0	6,482-	6-
08-10	285,141	7,625	3		0		0	7,625-	3-
09-11	458,968	197,182	43		0		0	197,182-	43-
FIVE-YEAR AVERAGE									
07-11	275,381	118,309	43		0		0	118,309-	43-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	12,171	788	6		0	200	2	588-	5-
1973	16,756	1,268	8		0	311	2	957-	6-
1974	7,253	277	4		0	1,132	16	855	12
1975	28		0		0		0		0
1976	20,412	902	4		0	198	1	704-	3-
1977	6,597	93	1		0		0	93-	1-
1978	11,815	143	1		0		0	143-	1-
1979	70,270	2,301	3		0	162	0	2,139-	3-
1980	138,024	6,466	5		0	102	0	6,364-	5-
1981	784	102	13		0		0	102-	13-
1982	193,835	2,803	1		0		0	2,803-	1-
1983	17,902	1,221	7		0	1,412	8	191	1
1984	52,364	1,613	3		0	1,355	3	258-	0
1985	1,115,981	1,944	0		0	149	0	1,795-	0
1986	24,142	4,723	20		0	1,644	7	3,079-	13-
1987	94,114	4,635	5	1,693	2	2,329	2	613-	1-
1988	415,320		0		0		0		0
1989	45,430	1,128	2		0		0	1,128-	2-
1990	16,428		0		0		0		0
1991	61,296	1,150	2		0	614	1	536-	1-
1992	85,490	308	0		0		0	308-	0
1993	26,349		0		0		0		0
1994									
1995	18,779	10,925	58		0		0	10,925-	58-
1996	127,839	12,661	10		0		0	12,661-	10-
1997	5,472	1,055	19		0	54	1	1,001-	18-
1998	22,329	8,855	40		0		0	8,855-	40-
1999	49,669	2,822	6		0		0	2,822-	6-
2000	6,702		0		0		0		0
2001	36,423		0		0		0		0
2002									
2003	32,116		0		0		0		0
2004	92,230	44,595	48		0		0	44,595-	48-
2005									
2006	128,441	79,227	62		0	1,718	1	77,509-	60-
2007	17,940	12,936	72		0		0	12,936-	72-
2008									
2009	26,987	25,121	93		0		0	25,121-	93-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	279,620	60,619	22		0		0	60,619-	22-
2011	192,992	47,572	25		0		0	47,572-	25-
TOTAL	3,470,300	338,253	10	1,693	0	11,380	0	325,181-	9-

THREE-YEAR MOVING AVERAGES

72-74	12,060	778	6		0	548	5	230-	2-
73-75	8,012	515	6		0	481	6	34-	0
74-76	9,231	393	4		0	443	5	50	1
75-77	9,012	332	4		0	66	1	266-	3-
76-78	12,941	379	3		0	66	1	313-	2-
77-79	29,561	846	3		0	54	0	792-	3-
78-80	73,370	2,970	4		0	88	0	2,882-	4-
79-81	69,693	2,956	4		0	88	0	2,868-	4-
80-82	110,881	3,124	3		0	34	0	3,090-	3-
81-83	70,840	1,375	2		0	471	1	905-	1-
82-84	88,034	1,879	2		0	922	1	957-	1-
83-85	395,416	1,593	0		0	972	0	621-	0
84-86	397,496	2,760	1		0	1,049	0	1,711-	0
85-87	411,412	3,767	1	564	0	1,374	0	1,829-	0
86-88	177,859	3,119	2	564	0	1,324	1	1,231-	1-
87-89	184,955	1,921	1	564	0	776	0	580-	0
88-90	159,059	376	0		0		0	376-	0
89-91	41,051	759	2		0	205	0	555-	1-
90-92	54,405	486	1		0	205	0	281-	1-
91-93	57,712	486	1		0	205	0	281-	0
92-94	37,280	103	0		0		0	103-	0
93-95	15,043	3,642	24		0		0	3,642-	24-
94-96	48,873	7,862	16		0		0	7,862-	16-
95-97	50,697	8,214	16		0	18	0	8,196-	16-
96-98	51,880	7,524	15		0	18	0	7,506-	14-
97-99	25,823	4,244	16		0	18	0	4,226-	16-
98-00	26,233	3,892	15		0		0	3,892-	15-
99-01	30,931	941	3		0		0	941-	3-
00-02	14,375		0		0		0		0
01-03	22,846		0		0		0		0
02-04	41,449	14,865	36		0		0	14,865-	36-
03-05	41,449	14,865	36		0		0	14,865-	36-
04-06	73,557	41,274	56		0	573	1	40,702-	55-
05-07	48,794	30,721	63		0	573	1	30,148-	62-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	48,794	30,721	63		0	573	1	30,148-	62-
07-09	14,976	12,686	85		0		0	12,686-	85-
08-10	102,203	28,580	28		0		0	28,580-	28-
09-11	166,533	44,437	27		0		0	44,437-	27-
FIVE-YEAR AVERAGE									
07-11	103,508	29,250	28		0		0	29,250-	28-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	7,409		0		0	5,077	69	5,077	69
1973									
1974	2,533		0		0		0		0
1975	1,300		0		0		0		0
1976									
1977									
1978	1,769	42	2		0		0	42-	2-
1979	491	34	7		0		0	34-	7-
1980									
1981	2,553		0		0	1,645	64	1,645	64
1982									
1983	7,520	492	7		0	2,185	29	1,693	23
1984	223	131	59		0		0	131-	59-
1985	469,290	221	0		0	4,305	1	4,084	1
1986	483		0		0		0		0
1987									
1988									
1989									
1990									
1991	4,797	363	8		0		0	363-	8-
1992	21,418	1,410	7		0		0	1,410-	7-
1993	3,927		0		0		0		0
1994	15,000		0		0		0		0
1995	4,556	2,651	58		0		0	2,651-	58-
1996	5,047	500	10		0		0	500-	10-
1997	13,065	2,520	19		0	128	1	2,392-	18-
1998									
1999	8,000	455	6		0		0	455-	6-
2000									
2001	13,788		0		0		0		0
2002	268,374	1,229	0		0		0	1,229-	0
2003									
2004	8,380	5,149	61		0		0	5,149-	61-
2005									
2006	373,259	31,921	9		0		0	31,921-	9-
2007	47,351	7,738	16		0		0	7,738-	16-
2008									
2009	2,248,342	24,277	1		0		0	24,277-	1-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	1,094,363	45,190	4		0		0	45,190-	4-
2011	450,121	13,162	3		0		0	13,162-	3-
TOTAL	5,073,359	137,485	3		0	13,340	0	124,145-	2-

THREE-YEAR MOVING AVERAGES

72-74	3,314		0		0	1,692	51	1,692	51
73-75	1,278		0		0		0		0
74-76	1,278		0		0		0		0
75-77	433		0		0		0		0
76-78	590	14	2		0		0	14-	2-
77-79	753	25	3		0		0	25-	3-
78-80	753	25	3		0		0	25-	3-
79-81	1,015	11	1		0	548	54	537	53
80-82	851		0		0	548	64	548	64
81-83	3,358	164	5		0	1,277	38	1,113	33
82-84	2,581	208	8		0	728	28	521	20
83-85	159,011	281	0		0	2,163	1	1,882	1
84-86	156,665	117	0		0	1,435	1	1,318	1
85-87	156,591	74	0		0	1,435	1	1,361	1
86-88	161		0		0		0		0
87-89									
88-90									
89-91	1,599	121	8		0		0	121-	8-
90-92	8,738	591	7		0		0	591-	7-
91-93	10,047	591	6		0		0	591-	6-
92-94	13,448	470	3		0		0	470-	3-
93-95	7,828	884	11		0		0	884-	11-
94-96	8,201	1,050	13		0		0	1,050-	13-
95-97	7,556	1,890	25		0	43	1	1,848-	24-
96-98	6,037	1,007	17		0	43	1	964-	16-
97-99	7,022	992	14		0	43	1	949-	14-
98-00	2,667	152	6		0		0	152-	6-
99-01	7,263	152	2		0		0	152-	2-
00-02	94,054	410	0		0		0	410-	0
01-03	94,054	410	0		0		0	410-	0
02-04	92,251	2,126	2		0		0	2,126-	2-
03-05	2,793	1,716	61		0		0	1,716-	61-
04-06	127,213	12,356	10		0		0	12,356-	10-
05-07	140,204	13,220	9		0		0	13,220-	9-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	140,204	13,220	9		0		0	13,220-	9-
07-09	765,231	10,672	1		0		0	10,672-	1-
08-10	1,114,235	23,156	2		0		0	23,156-	2-
09-11	1,264,275	27,543	2		0		0	27,543-	2-
FIVE-YEAR AVERAGE									
07-11	768,035	18,073	2		0		0	18,073-	2-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	10,031	312	3		0		0	312-	3-
1975	1,736	274	16		0	539	31	265	15
1976	968		0		0	645	67	645	67
1977									
1978									
1979									
1980	3,497	628	18		0	1,775	51	1,147	33
1981	326	38	12		0	244	75	206	63
1982									
1983									
1984									
1985	69,599	391	1		0	1,229	2	838	1
1986	393		0		0		0		0
1987	3,950	590	15		0		0	590-	15-
1988									
1989	2,566		0		0		0		0
1990									
1991									
1992									
1993									
1994									
1995									
1996									
1997	16,710	3,223	19		0	165	1	3,058-	18-
1998									
1999									
2000									
2001	2,509		0		0		0		0
2002									
2003									
2004									
2005									
2006	7,143	5,202	73		0		0	5,202-	73-
2007									
2008									
2009	1,134	611	54		0		0	611-	54-
2010									
2011									
TOTAL	120,562	11,269	9		0	4,597	4	6,672-	6-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	4,245	195	5		0	395	9	199	5
75-77	901	91	10		0	395	44	303	34
76-78	323		0		0	215	67	215	67
77-79									
78-80	1,166	209	18		0	592	51	382	33
79-81	1,274	222	17		0	673	53	451	35
80-82	1,274	222	17		0	673	53	451	35
81-83	109	13	12		0	81	75	69	63
82-84									
83-85	23,200	130	1		0	410	2	279	1
84-86	23,331	130	1		0	410	2	279	1
85-87	24,647	327	1		0	410	2	83	0
86-88	1,448	197	14		0		0	197-	14-
87-89	2,172	197	9		0		0	197-	9-
88-90	855		0		0		0		0
89-91	855		0		0		0		0
90-92									
91-93									
92-94									
93-95									
94-96									
95-97	5,570	1,074	19		0	55	1	1,019-	18-
96-98	5,570	1,074	19		0	55	1	1,019-	18-
97-99	5,570	1,074	19		0	55	1	1,019-	18-
98-00									
99-01	836		0		0		0		0
00-02	836		0		0		0		0
01-03	836		0		0		0		0
02-04									
03-05									
04-06	2,381	1,734	73		0		0	1,734-	73-
05-07	2,381	1,734	73		0		0	1,734-	73-
06-08	2,381	1,734	73		0		0	1,734-	73-
07-09	378	204	54		0		0	204-	54-
08-10	378	204	54		0		0	204-	54-
09-11	378	204	54		0		0	204-	54-
FIVE-YEAR AVERAGE									
07-11	227	122	54		0		0	122-	54-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	4,152		0		0		0		0
1973									
1974	20,827	5,454	26		0	5,201	25	253-	1-
1975									
1976	5,294	724	14		0	1,321	25	597	11
1977									
1978	6,173		0		0		0		0
1979									
1980									
1981									
1982									
1983									
1984									
1985	52,643		0		0		0		0
1986	759		0		0		0		0
1987	13,241	7,656	58		0		0	7,656-	58-
1988									
1989	3,331		0		0		0		0
1990	14,016		0		0		0		0
1991	4,736		0		0		0		0
1992	9,743	8,133	83		0		0	8,133-	83-
1993	14,757		0		0		0		0
1994									
1995	149,973	87,247	58		0		0	87,247-	58-
1996	32,747	3,243	10		0		0	3,243-	10-
1997									
1998									
1999									
2000	78,203		0		0		0		0
2001									
2002	59,534	1,767	3		0		0	1,767-	3-
2003									
2004	64,917	6,238	10		0		0	6,238-	10-
2005									
2006	213,645	3,460	2		0		0	3,460-	2-
2007	6,130	3,415	56		0		0	3,415-	56-
2008									
2009	18,066		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	58,123	27,449	47		0		0	27,449-	47-
2011	22,683	3,183	14		0		0	3,183-	14-
TOTAL	853,693	157,969	19		0	6,522	1	151,447-	18-

THREE-YEAR MOVING AVERAGES

72-74	8,326	1,818	22		0	1,734	21	84-	1-
73-75	6,942	1,818	26		0	1,734	25	84-	1-
74-76	8,707	2,059	24		0	2,174	25	115	1
75-77	1,765	241	14		0	440	25	199	11
76-78	3,822	241	6		0	440	12	199	5
77-79	2,058		0		0		0		0
78-80	2,058		0		0		0		0
79-81									
80-82									
81-83									
82-84									
83-85	17,548		0		0		0		0
84-86	17,801		0		0		0		0
85-87	22,214	2,552	11		0		0	2,552-	11-
86-88	4,667	2,552	55		0		0	2,552-	55-
87-89	5,524	2,552	46		0		0	2,552-	46-
88-90	5,782		0		0		0		0
89-91	7,361		0		0		0		0
90-92	9,498	2,711	29		0		0	2,711-	29-
91-93	9,745	2,711	28		0		0	2,711-	28-
92-94	8,167	2,711	33		0		0	2,711-	33-
93-95	54,910	29,082	53		0		0	29,082-	53-
94-96	60,907	30,163	50		0		0	30,163-	50-
95-97	60,907	30,163	50		0		0	30,163-	50-
96-98	10,916	1,081	10		0		0	1,081-	10-
97-99									
98-00	26,068		0		0		0		0
99-01	26,068		0		0		0		0
00-02	45,912	589	1		0		0	589-	1-
01-03	19,845	589	3		0		0	589-	3-
02-04	41,484	2,668	6		0		0	2,668-	6-
03-05	21,639	2,079	10		0		0	2,079-	10-
04-06	92,854	3,233	3		0		0	3,233-	3-
05-07	73,258	2,292	3		0		0	2,292-	3-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	73,258	2,292	3		0		0	2,292-	3-
07-09	8,065	1,138	14		0		0	1,138-	14-
08-10	25,396	9,150	36		0		0	9,150-	36-
09-11	32,957	10,211	31		0		0	10,211-	31-
FIVE-YEAR AVERAGE									
07-11	21,000	6,809	32		0		0	6,809-	32-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	128	45	35		0		0	45-	35-
1975									
1976									
1977									
1978									
1979	1,108	27	2		0		0	27-	2-
1980									
1981	1,736		0		0	714	41	714	41
1982	1,772	50	3		0		0	50-	3-
1983									
1984	2,300		0		0		0		0
1985	7,519		0		0		0		0
1986	2,993	148	5		0		0	148-	5-
1987									
1988	1,283	43	3		0		0	43-	3-
1989									
1990									
1991									
1992	10,874		0		0		0		0
1993									
1994									
1995									
1996									
1997									
1998									
1999									
2000	1,384		0		0		0		0
2001									
2002	563		0		0		0		0
2003									
2004									
2005									
2006	4,812	20,640	429		0		0	20,640-	429-
2007									
2008	463	905	195		0		0	905-	195-
2009	11,543	57,968	502		0		0	57,968-	502-
2010									
2011	2,705		0		0		0		0
TOTAL	51,182	79,826	156		0	714	1	79,112-	155-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	43	15	35		0		0	15-	35-
75-77									
76-78									
77-79	369	9	2		0		0	9-	2-
78-80	369	9	2		0		0	9-	2-
79-81	948	9	1		0	238	25	229	24
80-82	1,169	17	1		0	238	20	221	19
81-83	1,169	17	1		0	238	20	221	19
82-84	1,357	17	1		0		0	17-	1-
83-85	3,273		0		0		0		0
84-86	4,271	49	1		0		0	49-	1-
85-87	3,504	49	1		0		0	49-	1-
86-88	1,425	64	4		0		0	64-	4-
87-89	428	14	3		0		0	14-	3-
88-90	428	14	3		0		0	14-	3-
89-91									
90-92	3,625		0		0		0		0
91-93	3,625		0		0		0		0
92-94	3,625		0		0		0		0
93-95									
94-96									
95-97									
96-98									
97-99									
98-00	461		0		0		0		0
99-01	461		0		0		0		0
00-02	649		0		0		0		0
01-03	188		0		0		0		0
02-04	188		0		0		0		0
03-05									
04-06	1,604	6,880	429		0		0	6,880-	429-
05-07	1,604	6,880	429		0		0	6,880-	429-
06-08	1,758	7,182	408		0		0	7,182-	408-
07-09	4,002	19,624	490		0		0	19,624-	490-
08-10	4,002	19,624	490		0		0	19,624-	490-
09-11	4,749	19,323	407		0		0	19,323-	407-
FIVE-YEAR AVERAGE									
07-11	2,942	11,774	400		0		0	11,774-	400-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	70,393	541	1	63,712	91	63,712	91	126,883	180
1973	5,796		0	62,600		62,600		125,200	
1974	6,099	1,275	21		0	5,270	86	3,995	66
1975									
1976	2,564	499	19	914	36	914	36	1,329	52
1977	16,167	4,840	30		0		0	4,840-	30-
1978	37,472	3,063	8	1,302	3	2,423	6	662	2
1979	28,412	2,367	8		0		0	2,367-	8-
1980	10,811	780	7	7,010	65	7,966	74	14,196	131
1981	11,402	2,458	22	2,004	18	3,535	31	3,081	27
1982	73,159	2,670	4	45,675	62	45,675	62	88,680	121
1983	14,331	256	2	10,238	71	10,238	71	20,220	141
1984	24,720	1,397	6		0	332	1	1,065-	4-
1985	25,785	1,043	4		0		0	1,043-	4-
1986									
1987	83,400	379,068	455		0	119,180	143	259,888-	312-
1988									
1989	17,304		0		0		0		0
1990	11,135		0		0		0		0
1991	9,540	256	3		0		0	256-	3-
1992	116,707		0		0		0		0
1993	37,225		0		0		0		0
1994									
1995									
1996									
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004	7,950	5,693	72		0		0	5,693-	72-
2005									
2006	8,338	51,392	616		0		0	51,392-	616-
2007									
2008									
2009	5,662	56,745			0		0	56,745-	

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	6,099	19,918	327		0		0	19,918-	327-
2011	20,300	46,320	228		0		0	46,320-	228-
TOTAL	650,772	580,581	89	193,455	30	321,845	49	65,281-	10-

THREE-YEAR MOVING AVERAGES

72-74	27,429	605	2	42,104	153	43,861	160	85,359	311
73-75	3,965	425	11	20,867	526	22,623	571	43,065	
74-76	2,888	591	20	305	11	2,061	71	1,775	61
75-77	6,244	1,780	29	305	5	305	5	1,170-	19-
76-78	18,734	2,801	15	739	4	1,112	6	950-	5-
77-79	27,350	3,423	13	434	2	808	3	2,182-	8-
78-80	25,565	2,070	8	2,771	11	3,463	14	4,164	16
79-81	16,875	1,868	11	3,005	18	3,834	23	4,970	29
80-82	31,791	1,969	6	18,230	57	19,059	60	35,319	111
81-83	32,964	1,795	5	19,306	59	19,816	60	37,327	113
82-84	37,403	1,441	4	18,638	50	18,748	50	35,945	96
83-85	21,612	899	4	3,413	16	3,523	16	6,037	28
84-86	16,835	813	5		0	111	1	703-	4-
85-87	36,395	126,704	348		0	39,727	109	86,977-	239-
86-88	27,800	126,356	455		0	39,727	143	86,629-	312-
87-89	33,568	126,356	376		0	39,727	118	86,629-	258-
88-90	9,480		0		0		0		0
89-91	12,660	85	1		0		0	85-	1-
90-92	45,794	85	0		0		0	85-	0
91-93	54,491	85	0		0		0	85-	0
92-94	51,311		0		0		0		0
93-95	12,408		0		0		0		0
94-96									
95-97									
96-98									
97-99									
98-00									
99-01									
00-02									
01-03									
02-04	2,650	1,898	72		0		0	1,898-	72-
03-05	2,650	1,898	72		0		0	1,898-	72-
04-06	5,429	19,028	350		0		0	19,028-	350-
05-07	2,779	17,131	616		0		0	17,131-	616-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	2,779	17,131	616		0		0	17,131-	616-
07-09	1,887	18,915			0		0	18,915-	
08-10	3,921	25,554	652		0		0	25,554-	652-
09-11	10,687	40,994	384		0		0	40,994-	384-
FIVE-YEAR AVERAGE									
07-11	6,412	24,597	384		0		0	24,597-	384-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 AND 375.2 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	245	239	98		0		0	239-	98-
1973	558	84	15		0		0	84-	15-
1974	1,561	724	46		0	148	9	576-	37-
1975	46,819	1,492	3		0		0	1,492-	3-
1976	77,515	1,627	2		0	64	0	1,563-	2-
1977									
1978									
1979									
1980	3,262	203	6		0		0	203-	6-
1981	439	2,927	667		0		0	2,927-	667-
1982	244		0		0		0		0
1983									
1984	1,013		0		0		0		0
1985	278		0		0		0		0
1986									
1987	5,414		0		0		0		0
1988									
1989									
1990	990		0		0		0		0
1991	607		0		0		0		0
1992	15,943	300	2		0		0	300-	2-
1993	1,314	92	7		0		0	92-	7-
1994	8,959	31	0		0		0	31-	0
1995									
1996	230,334	1,590	1		0	1,703	1	113	0
1997									
1998									
1999									
2000	20,000	11	0		0		0	11-	0
2001									
2002	60		0		0		0		0
2003									
2004									
2005									
2006	1,254	1,780	142		0		0	1,780-	142-
2007									
2008									
2009	27,426	15,607	57		0		0	15,607-	57-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 AND 375.2 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	4,564	13,833	303		0		0	13,833-	303-
2011	16,951	11,364	67		0		0	11,364-	67-
TOTAL	465,751	51,903	11		0	1,915	0	49,988-	11-

THREE-YEAR MOVING AVERAGES

72-74	788	349	44		0	49	6	300-	38-
73-75	16,313	767	5		0	49	0	717-	4-
74-76	41,965	1,281	3		0	71	0	1,210-	3-
75-77	41,445	1,040	3		0	21	0	1,018-	2-
76-78	25,838	542	2		0	21	0	521-	2-
77-79									
78-80	1,087	68	6		0		0	68-	6-
79-81	1,234	1,043	85		0		0	1,043-	85-
80-82	1,315	1,043	79		0		0	1,043-	79-
81-83	228	976	429		0		0	976-	429-
82-84	419		0		0		0		0
83-85	430		0		0		0		0
84-86	430		0		0		0		0
85-87	1,897		0		0		0		0
86-88	1,805		0		0		0		0
87-89	1,805		0		0		0		0
88-90	330		0		0		0		0
89-91	532		0		0		0		0
90-92	5,847	100	2		0		0	100-	2-
91-93	5,955	131	2		0		0	131-	2-
92-94	8,739	141	2		0		0	141-	2-
93-95	3,424	41	1		0		0	41-	1-
94-96	79,764	540	1		0	568	1	27	0
95-97	76,778	530	1		0	568	1	38	0
96-98	76,778	530	1		0	568	1	38	0
97-99									
98-00	6,667	4	0		0		0	4-	0
99-01	6,667	4	0		0		0	4-	0
00-02	6,687	4	0		0		0	4-	0
01-03	20		0		0		0		0
02-04	20		0		0		0		0
03-05									
04-06	418	593	142		0		0	593-	142-
05-07	418	593	142		0		0	593-	142-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 AND 375.2 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	418	593	142		0		0	593-	142-
07-09	9,142	5,202	57		0		0	5,202-	57-
08-10	10,664	9,813	92		0		0	9,813-	92-
09-11	16,314	13,601	83		0		0	13,601-	83-
FIVE-YEAR AVERAGE									
07-11	9,788	8,161	83		0		0	8,161-	83-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	223,283	25,044	11		0	39,933	18	14,889	7
1973	162,350	21,895	13	37,521	23	37,521	23	53,147	33
1974	144,028	26,994	19	11,853	8	12,136	8	3,005-	2-
1975	138,953	22,909	16	2,213	2	2,318	2	18,378-	13-
1976	91,341	18,218	20	11,015	12	12,810	14	5,607	6
1977	105,087	32,446	31	10,534	10	10,534	10	11,378-	11-
1978	65,545	20,241	31	5,938	9	5,938	9	8,365-	13-
1979	172,699	23,406	14	9,716	6	9,716	6	3,974-	2-
1980	135,991	43,385	32	10,367	8	10,367	8	22,651-	17-
1981	159,297	31,184	20	12,860	8	16,200	10	2,124-	1-
1982	217,806	52,589	24	3,530	2	3,569	2	45,490-	21-
1983	160,778	60,227	37	10,874	7	11,137	7	38,216-	24-
1984	200,202	60,047	30	4,279	2	4,368	2	51,400-	26-
1985	303,208	72,459	24	3,285	1	3,285	1	65,889-	22-
1986	462,023	102,260	22	33,937	7	34,141	7	34,182-	7-
1987	293,096	101,079	34	8,507	3	8,652	3	83,920-	29-
1988	165,500	67,975	41	32,869	20	31,584	19	3,522-	2-
1989	189,730	47,979	25	3,844	2	3,844	2	40,291-	21-
1990	150,123	31,737	21	17,522	12	17,522	12	3,307	2
1991	263,641	72,648	28	1,203	0	1,203	0	70,242-	27-
1992	209,976	33,259	16	4,931	2	4,931	2	23,397-	11-
1993	268,410	19,088	7	193	0	193	0	18,702-	7-
1994	144,869	8,102	6	5,395	4	5,395	4	2,688	2
1995	195,058	128,094	66	31,171	16	2,158	1	94,765-	49-
1996	389,237	116,786	30	498	0	7,611	2	108,677-	28-
1997	124,701	17,221	14		0	2,071	2	15,150-	12-
1998	520,442	74,074	14		0	475	0	73,599-	14-
1999	3,685,503	778,706	21		0		0	778,706-	21-
2000	448,171	520,718	116		0	46,252	10	474,466-	106-
2001	206,172	51,153	25		0	13,136	6	38,017-	18-
2002	749,343	268,857	36		0	4,095	1	264,762-	35-
2003	509,410	236,891	47		0	1,303	0	235,588-	46-
2004	153,466	234,478	153		0	5,948	4	228,530-	149-
2005									
2006	123,038	254,317	207		0		0	254,317-	207-
2007	1,556,298	47,296	3		0	4,646	0	42,649-	3-
2008		981,404				462		980,942-	
2009	1,045,646	380,863	36		0		0	380,863-	36-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	494,167	54,868	11		0		0	54,868-	11-
2011	274,128	772,182	282		0		0	772,182-	282-
TOTAL	14,902,716	5,913,078	40	274,055	2	375,454	3	5,263,569-	35-

THREE-YEAR MOVING AVERAGES

72-74	176,554	24,644	14	16,458	9	29,863	17	21,677	12
73-75	148,444	23,933	16	17,196	12	17,325	12	10,588	7
74-76	124,774	22,707	18	8,360	7	9,088	7	5,259-	4-
75-77	111,794	24,524	22	7,921	7	8,554	8	8,050-	7-
76-78	87,324	23,635	27	9,162	10	9,761	11	4,712-	5-
77-79	114,444	25,364	22	8,729	8	8,729	8	7,906-	7-
78-80	124,745	29,011	23	8,674	7	8,674	7	11,663-	9-
79-81	155,996	32,658	21	10,981	7	12,094	8	9,583-	6-
80-82	171,031	42,386	25	8,919	5	10,045	6	23,422-	14-
81-83	179,294	48,000	27	9,088	5	10,302	6	28,610-	16-
82-84	192,929	57,621	30	6,228	3	6,358	3	45,035-	23-
83-85	221,396	64,244	29	6,146	3	6,263	3	51,835-	23-
84-86	321,811	78,255	24	13,834	4	13,931	4	50,490-	16-
85-87	352,776	91,933	26	15,243	4	15,359	4	61,330-	17-
86-88	306,873	90,438	29	25,104	8	24,792	8	40,541-	13-
87-89	216,109	72,344	33	15,073	7	14,693	7	42,578-	20-
88-90	168,451	49,230	29	18,078	11	17,650	10	13,502-	8-
89-91	201,165	50,788	25	7,523	4	7,523	4	35,742-	18-
90-92	207,913	45,881	22	7,885	4	7,885	4	30,111-	14-
91-93	247,342	41,665	17	2,109	1	2,109	1	37,447-	15-
92-94	207,752	20,150	10	3,506	2	3,506	2	13,137-	6-
93-95	202,779	51,761	26	12,253	6	2,582	1	36,926-	18-
94-96	243,055	84,327	35	12,355	5	5,055	2	66,918-	28-
95-97	236,332	87,367	37	10,556	4	3,947	2	72,864-	31-
96-98	344,793	69,360	20	166	0	3,386	1	65,809-	19-
97-99	1,443,549	290,000	20		0	849	0	289,152-	20-
98-00	1,551,372	457,833	30		0	15,576	1	442,257-	29-
99-01	1,446,615	450,192	31		0	19,796	1	430,396-	30-
00-02	467,895	280,243	60		0	21,161	5	259,082-	55-
01-03	488,308	185,634	38		0	6,178	1	179,456-	37-
02-04	470,740	246,742	52		0	3,782	1	242,960-	52-
03-05	220,959	157,123	71		0	2,417	1	154,706-	70-
04-06	92,168	162,932	177		0	1,983	2	160,949-	175-
05-07	559,779	100,538	18		0	1,549	0	98,989-	18-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	559,779	427,672	76		0	1,703	0	425,969-	76-
07-09	867,315	469,854	54		0	1,703	0	468,151-	54-
08-10	513,271	472,378	92		0	154	0	472,224-	92-
09-11	604,647	402,637	67		0		0	402,637-	67-
FIVE-YEAR AVERAGE									
07-11	674,048	447,322	66		0	1,022	0	446,301-	66-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	36,875	5,561	15		0	4,126	11	1,435-	4-
1973	8,012	1,669	21		0	1,020	13	649-	8-
1974	41,552	15,892	38		0	3,865	9	12,027-	29-
1975	10,607	2,740	26	490	5	3,805	36	1,555	15
1976	9,214	1,634	18		0	3,799	41	2,165	23
1977	33,330	7,823	23		0	7,549	23	274-	1-
1978	5,376	1,615	30		0	907	17	708-	13-
1979	9,959	2,994	30		0	1,305	13	1,689-	17-
1980	7,907	3,605	46	1,807	23	6,115	77	4,317	55
1981	10,293	1,381	13	392	4	6,679	65	5,690	55
1982	13,359	3,072	23	4,521	34	7,519	56	8,968	67
1983	14,163	5,284	37		0	2,945	21	2,339-	17-
1984	21,073	2,210	10		0	9,862	47	7,652	36
1985	3,117	1,355	43		0	1,982	64	627	20
1986	31,769	7,144	22		0	8,184	26	1,040	3
1987	1,457	1,214	83		0		0	1,214-	83-
1988	11,121	1,391	13		0	1,142	10	249-	2-
1989	10,828	1,829	17		0	403	4	1,426-	13-
1990	12,149	3,090	25		0	2,276	19	814-	7-
1991	12,634	843	7		0		0	843-	7-
1992	130,889	5,761	4		0		0	5,761-	4-
1993	27,466	3,182	12		0		0	3,182-	12-
1994	4,488	12,749	284		0		0	12,749-	284-
1995	13,973	11,039	79	3,700	26	1,769	13	5,570-	40-
1996	12,427	86	1		0	92	1	6	0
1997	22,261	3,074	14		0	370	2	2,704-	12-
1998	13,787	1,962	14		0	13	0	1,949-	14-
1999									
2000	73,203	89	0		0		0	89-	0
2001	5,849		0		0		0		0
2002	8,998		0		0		0		0
2003	2,957		0		0		0		0
2004	74,549	19,059	26		0		0	19,059-	26-
2005									
2006	627,150	46,990	7		0		0	46,990-	7-
2007	10,455	1,941	19		0		0	1,941-	19-
2008	13,377	2,308	17		0		0	2,308-	17-
2009	88,463	27,657	31		0		0	27,657-	31-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	98,140	27,829	28		0		0	27,829-	28-
2011	53,303	95,653	179		0		0	95,653-	179-
TOTAL	1,586,530	331,725	21	10,910	1	75,727	5	245,088-	15-

THREE-YEAR MOVING AVERAGES

72-74	28,813	7,707	27		0	3,004	10	4,704-	16-
73-75	20,057	6,767	34	163	1	2,897	14	3,707-	18-
74-76	20,458	6,755	33	163	1	3,823	19	2,769-	14-
75-77	17,717	4,066	23	163	1	5,051	29	1,149	6
76-78	15,973	3,691	23		0	4,085	26	394	2
77-79	16,222	4,144	26		0	3,254	20	890-	5-
78-80	7,747	2,738	35	602	8	2,776	36	640	8
79-81	9,386	2,660	28	733	8	4,700	50	2,773	30
80-82	10,520	2,686	26	2,240	21	6,771	64	6,325	60
81-83	12,605	3,246	26	1,638	13	5,714	45	4,106	33
82-84	16,198	3,522	22	1,507	9	6,775	42	4,760	29
83-85	12,784	2,950	23		0	4,930	39	1,980	15
84-86	18,653	3,570	19		0	6,676	36	3,106	17
85-87	12,114	3,238	27		0	3,389	28	151	1
86-88	14,782	3,250	22		0	3,109	21	141-	1-
87-89	7,802	1,478	19		0	515	7	963-	12-
88-90	11,366	2,103	19		0	1,274	11	830-	7-
89-91	11,870	1,921	16		0	893	8	1,028-	9-
90-92	51,891	3,231	6		0	759	1	2,473-	5-
91-93	56,996	3,262	6		0		0	3,262-	6-
92-94	54,281	7,231	13		0		0	7,231-	13-
93-95	15,309	8,990	59	1,233	8	590	4	7,167-	47-
94-96	10,296	7,958	77	1,233	12	620	6	6,104-	59-
95-97	16,220	4,733	29	1,233	8	744	5	2,756-	17-
96-98	16,158	1,707	11		0	158	1	1,549-	10-
97-99	12,016	1,679	14		0	128	1	1,551-	13-
98-00	28,997	684	2		0	4	0	679-	2-
99-01	26,351	30	0		0		0	30-	0
00-02	29,350	30	0		0		0	30-	0
01-03	5,935		0		0		0		0
02-04	28,835	6,353	22		0		0	6,353-	22-
03-05	25,835	6,353	25		0		0	6,353-	25-
04-06	233,900	22,016	9		0		0	22,016-	9-
05-07	212,535	16,310	8		0		0	16,310-	8-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	216,994	17,080	8		0		0	17,080-	8-
07-09	37,432	10,635	28		0		0	10,635-	28-
08-10	66,660	19,265	29		0		0	19,265-	29-
09-11	79,969	50,380	63		0		0	50,380-	63-
FIVE-YEAR AVERAGE									
07-11	52,748	31,078	59		0		0	31,078-	59-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	19,060	1,627	9		0	1,961	10	334	2
1973	2,561	161	6		0	716	28	555	22
1974	146	26	18		0		0	26-	18-
1975	409	76	19		0		0	76-	19-
1976									
1977	1,523	38	2		0		0	38-	2-
1978									
1979	467	510	109	510	109	510	109	510	109
1980	2,698	389	14		0		0	389-	14-
1981	8,600	61	1		0	981	11	920	11
1982	10,165	2,437	24		0	1,891	19	546-	5-
1983	2,530	209	8		0		0	209-	8-
1984	924	210	23		0	1,011	109	801	87
1985	1,766	49	3		0		0	49-	3-
1986	6,457	285	4		0	4,402	68	4,117	64
1987	5,341	99	2		0	3,452	65	3,353	63
1988	22,533		0		0		0		0
1989									
1990	41,822		0		0		0		0
1991	38,238		0		0		0		0
1992	78,537		0		0	2,330	3	2,330	3
1993									
1994	25,570		0		0		0		0
1995	245	193	79	65	27	31	13	97-	40-
1996	689	5	1		0	5	1		0
1997									
1998	6,061	863	14		0	6	0	857-	14-
1999									
2000	5,828		0		0		0		0
2001									
2002									
2003	83,859		0		0		0		0
2004	57,724	53,867	93		0		0	53,867-	93-
2005									
2006	10,470	24,385	233		0		0	24,385-	233-
2007	19,580	6,627	34		0		0	6,627-	34-
2008	9,891	236	2		0		0	236-	2-
2009	7,012	2,227	32		0		0	2,227-	32-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	37,749	12,902	34		0		0	12,902-	34-
2011	59,021	14,154	24		0		0	14,154-	24-
TOTAL	567,475	121,634	21	575	0	17,296	3	103,763-	18-

THREE-YEAR MOVING AVERAGES

72-74	7,256	605	8		0	892	12	288	4
73-75	1,039	88	8		0	239	23	151	15
74-76	185	34	18		0		0	34-	18-
75-77	644	38	6		0		0	38-	6-
76-78	508	13	2		0		0	13-	2-
77-79	663	183	28	170	26	170	26	157	24
78-80	1,055	300	28	170	16	170	16	40	4
79-81	3,922	320	8	170	4	497	13	347	9
80-82	7,154	962	13		0	957	13	5-	0
81-83	7,098	902	13		0	957	13	55	1
82-84	4,540	952	21		0	967	21	15	0
83-85	1,740	156	9		0	337	19	181	10
84-86	3,049	181	6		0	1,804	59	1,623	53
85-87	4,521	144	3		0	2,618	58	2,474	55
86-88	11,444	128	1		0	2,618	23	2,490	22
87-89	9,291	33	0		0	1,151	12	1,118	12
88-90	21,452		0		0		0		0
89-91	26,687		0		0		0		0
90-92	52,866		0		0	777	1	777	1
91-93	38,925		0		0	777	2	777	2
92-94	34,702		0		0	777	2	777	2
93-95	8,605	64	1	22	0	10	0	32-	0
94-96	8,835	66	1	22	0	12	0	32-	0
95-97	311	66	21	22	7	12	4	32-	10-
96-98	2,250	289	13		0	4	0	286-	13-
97-99	2,020	288	14		0	2	0	286-	14-
98-00	3,963	288	7		0	2	0	286-	7-
99-01	1,943		0		0		0		0
00-02	1,943		0		0		0		0
01-03	27,953		0		0		0		0
02-04	47,194	17,956	38		0		0	17,956-	38-
03-05	47,194	17,956	38		0		0	17,956-	38-
04-06	22,731	26,084	115		0		0	26,084-	115-
05-07	10,016	10,337	103		0		0	10,337-	103-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	13,314	10,416	78		0		0	10,416-	78-
07-09	12,161	3,030	25		0		0	3,030-	25-
08-10	18,217	5,122	28		0		0	5,122-	28-
09-11	34,594	9,761	28		0		0	9,761-	28-
FIVE-YEAR AVERAGE									
07-11	26,650	7,229	27		0		0	7,229-	27-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	115,449	99,696	86		0	172	0	99,524-	86-
1973	95,115	97,882	103	529	1	529	1	96,824-	102-
1974	165,383	166,143	100	224	0	224	0	165,695-	100-
1975	132,279	183,148	138	166	0	166	0	182,816-	138-
1976	139,235	184,674	133		0		0	184,674-	133-
1977	124,246	192,113	155		0		0	192,113-	155-
1978	108,052	204,967	190		0		0	204,967-	190-
1979	117,239	197,632	169		0		0	197,632-	169-
1980	118,701	165,368	139		0		0	165,368-	139-
1981	101,867	200,370	197		0		0	200,370-	197-
1982	118,377	262,552	222		0		0	262,552-	222-
1983	209,034	336,324	161		0		0	336,324-	161-
1984	223,005	319,862	143	132	0	132	0	319,598-	143-
1985	348,062	407,654	117	396-	0	396-	0	408,446-	117-
1986	230,064	289,929	126		0		0	289,929-	126-
1987	281,537	318,085	113		0		0	318,085-	113-
1988	247,152	505,594	205		0	16-	0	505,610-	205-
1989	481,388	520,680	108		0	71	0	520,609-	108-
1990	442,828	549,593	124		0		0	549,593-	124-
1991	520,043	891,568	171		0		0	891,568-	171-
1992	514,645	1,215,808	236		0		0	1,215,808-	236-
1993	985,624	880,652	89		0		0	880,652-	89-
1994	361,527	540,459	149		0		0	540,459-	149-
1995	478,218	314,043	66	76,421	16	5,292	1	232,330-	49-
1996	940,163	282,085	30	1,202	0	18,383	2	262,500-	28-
1997	940,912	129,938	14		0	15,628	2	114,310-	12-
1998	1,328,402	189,071	14		0	1,212	0	187,859-	14-
1999	714,531	150,973	21		0		0	150,973-	21-
2000	2,034,330	105,438	5		0		0	105,438-	5-
2001	3,198,483	104,311	3		0	24,468	1	79,843-	2-
2002	1,598,106	182,196	11		0	1,932	0	180,264-	11-
2003	1,485,702	496,683	33		0	15	0	496,668-	33-
2004	217,830	123,224	57		0		0	123,224-	57-
2005									
2006	340	241	71		0		0	241-	71-
2007	14,110	76,246	540		0		0	76,246-	540-
2008									
2009	3,245,937	3,480,405	107		0		0	3,480,405-	107-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	41,172	58,468	142		0		0	58,468-	142-
2011	135,083	593,859	440		0		0	593,859-	440-
TOTAL	22,554,171	15,017,934	67	78,278	0	67,812	0	14,871,844-	66-

THREE-YEAR MOVING AVERAGES

72-74	125,316	121,240	97	251	0	308	0	120,681-	96-
73-75	130,926	149,058	114	306	0	306	0	148,445-	113-
74-76	145,632	177,988	122	130	0	130	0	177,728-	122-
75-77	131,920	186,645	141	55	0	55	0	186,534-	141-
76-78	123,844	193,918	157		0		0	193,918-	157-
77-79	116,512	198,237	170		0		0	198,237-	170-
78-80	114,664	189,322	165		0		0	189,322-	165-
79-81	112,602	187,790	167		0		0	187,790-	167-
80-82	112,982	209,430	185		0		0	209,430-	185-
81-83	143,093	266,415	186		0		0	266,415-	186-
82-84	183,472	306,246	167	44	0	44	0	306,158-	167-
83-85	260,034	354,613	136	88-	0	88-	0	354,789-	136-
84-86	267,044	339,148	127	88-	0	88-	0	339,324-	127-
85-87	286,554	338,556	118	132-	0	132-	0	338,820-	118-
86-88	252,918	371,203	147		0	5-	0	371,208-	147-
87-89	336,692	448,120	133		0	18	0	448,101-	133-
88-90	390,456	525,289	135		0	18	0	525,271-	135-
89-91	481,420	653,947	136		0	24	0	653,923-	136-
90-92	492,505	885,656	180		0		0	885,656-	180-
91-93	673,437	996,009	148		0		0	996,009-	148-
92-94	620,599	878,973	142		0		0	878,973-	142-
93-95	608,456	578,385	95	25,474	4	1,764	0	551,147-	91-
94-96	593,303	378,862	64	25,874	4	7,892	1	345,096-	58-
95-97	786,431	242,022	31	25,874	3	13,101	2	203,047-	26-
96-98	1,069,826	200,365	19	401	0	11,741	1	188,223-	18-
97-99	994,615	156,661	16		0	5,613	1	151,047-	15-
98-00	1,359,088	148,494	11		0	404	0	148,090-	11-
99-01	1,982,448	120,241	6		0	8,156	0	112,085-	6-
00-02	2,276,973	130,648	6		0	8,800	0	121,848-	5-
01-03	2,094,097	261,063	12		0	8,805	0	252,258-	12-
02-04	1,100,546	267,367	24		0	649	0	266,719-	24-
03-05	567,844	206,635	36		0	5	0	206,631-	36-
04-06	72,723	41,155	57		0		0	41,155-	57-
05-07	4,817	25,496	529		0		0	25,496-	529-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	4,817	25,496	529		0		0	25,496-	529-
07-09	1,086,683	1,185,550	109		0		0	1,185,550-	109-
08-10	1,095,703	1,179,625	108		0		0	1,179,625-	108-
09-11	1,140,731	1,377,578	121		0		0	1,377,578-	121-
FIVE-YEAR AVERAGE									
07-11	687,260	841,796	122		0		0	841,796-	122-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	106,191		0		0	1,088	1	1,088	1
1973	35,758		0		0	15,988	45	15,988	45
1974	46,441		0		0	7,657	16	7,657	16
1975	64,178		0		0	13,322	21	13,322	21
1976	79,823		0	72	0	12,970	16	13,042	16
1977	116,748		0		0	34,019	29	34,019	29
1978	67,017		0		0	6,300	9	6,300	9
1979	68,783		0		0	35,142	51	35,142	51
1980	97,074		0		0	43,462	45	43,462	45
1981	118,445	1	0		0	30,841	26	30,840	26
1982	192,363		0		0	12,808	7	12,808	7
1983	104,497		0		0	44,794	43	44,794	43
1984	91,530		0		0	34	0	34	0
1985	110,986		0		0		0		0
1986	125,861		0	19,251	15	24,532	19	43,783	35
1987	127,337		0		0	1,509	1	1,509	1
1988	143,086		0		0	8,065	6	8,065	6
1989	61,096	433-	1-		0	341	1	774	1
1990	109,705	6,543-	6-		0	882	1	7,425	7
1991	105,904		0		0	911	1	911	1
1992	733,628		0		0	63	0	63	0
1993	537,419	2,100-	0		0		0	2,100	0
1994	336,464	52-	0		0	6,725	2	6,777	2
1995	462,757	296,695	64	61,611	13	5,120	1	229,964-	50-
1996	635,712	188,605	30	607	0	12,431	2	175,567-	28-
1997	649,084	89,638	14		0	10,781	2	78,857-	12-
1998	134,861	19,195	14		0	122	0	19,073-	14-
1999									
2000	925,105		0		0		0		0
2001	450,405		0		0		0		0
2002									
2003	5,299,413		0		0		0		0
2004	102,792		0		0		0		0
2005									
2006	2,139,469		0		0		0		0
2007									
2008									
2009	1,524,628	2,321	0		0		0	2,321-	0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	11,216		0		0		0		0
2011	52,310		0		0		0		0
TOTAL	15,968,087	587,327	4	81,541	1	329,907	2	175,879-	1-

THREE-YEAR MOVING AVERAGES

72-74	62,797		0		0	8,244	13	8,244	13
73-75	48,792		0		0	12,322	25	12,322	25
74-76	63,481		0	24	0	11,316	18	11,340	18
75-77	86,916		0	24	0	20,104	23	20,128	23
76-78	87,863		0	24	0	17,763	20	17,787	20
77-79	84,183		0		0	25,154	30	25,154	30
78-80	77,625		0		0	28,301	36	28,301	36
79-81	94,767		0		0	36,482	38	36,481	38
80-82	135,961		0		0	29,037	21	29,037	21
81-83	138,435		0		0	29,481	21	29,481	21
82-84	129,463		0		0	19,212	15	19,212	15
83-85	102,338		0		0	14,943	15	14,943	15
84-86	109,459		0	6,417	6	8,189	7	14,606	13
85-87	121,395		0	6,417	5	8,680	7	15,097	12
86-88	132,095		0	6,417	5	11,369	9	17,786	13
87-89	110,506	144-	0		0	3,305	3	3,449	3
88-90	104,629	2,325-	2-		0	3,096	3	5,421	5
89-91	92,235	2,325-	3-		0	711	1	3,037	3
90-92	316,412	2,181-	1-		0	619	0	2,800	1
91-93	458,984	700-	0		0	325	0	1,025	0
92-94	535,837	717-	0		0	2,263	0	2,980	1
93-95	445,547	98,181	22	20,537	5	3,948	1	73,696-	17-
94-96	478,311	161,749	34	20,739	4	8,092	2	132,918-	28-
95-97	582,518	191,646	33	20,739	4	9,444	2	161,463-	28-
96-98	473,219	99,146	21	202	0	7,778	2	91,166-	19-
97-99	261,315	36,278	14		0	3,634	1	32,643-	12-
98-00	353,322	6,398	2		0	41	0	6,358-	2-
99-01	458,503		0		0		0		0
00-02	458,503		0		0		0		0
01-03	1,916,606		0		0		0		0
02-04	1,800,735		0		0		0		0
03-05	1,800,735		0		0		0		0
04-06	747,420		0		0		0		0
05-07	713,156		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	713,156		0		0		0		0
07-09	508,209	774	0		0		0	774-	0
08-10	511,948	774	0		0		0	774-	0
09-11	529,385	774	0		0		0	774-	0
FIVE-YEAR AVERAGE									
07-11	317,631	464	0		0		0	464-	0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP AMOUNT	SALVAGE PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1972	12,889		0		0	132	1	132	1
1973	8,455		0		0	3,777	45	3,777	45
1974	5,620		0		0	926	16	926	16
1975	5,474		0		0	1,136	21	1,136	21
1976	8,019		0	5	0	1,303	16	1,308	16
1977	5,362		0		0	1,417	26	1,417	26
1978	5,557		0		0	522	9	522	9
1979									
1980	11,842		0		0	5,372	45	5,372	45
1981	4,470		0		0	954	21	954	21
1982	3,064		0		0	262	9	262	9
1983	13,108		0		0	5,619	43	5,619	43
1984	8,425		0		0	3	0	3	0
1985	8,846		0		0		0		0
1986	7,857		0	875	11	1,566	20	2,441	31
1987	2,095		0		0	25	1	25	1
1988	16,081		0		0		0		0
1989	10,216		0		0		0		0
1990	9,673		0		0		0		0
1991	27,724		0		0		0		0
1992	40,280	174	0		0		0	174-	0
1993	19,034		0		0		0		0
1994									
1995	115,922	74,739	64	16,146	14	1,283	1	57,310-	49-
1996									
1997									
1998									
1999									
2000	37,399		0		0		0		0
2001									
2002									
2003	343,150	57,777	17		0		0	57,777-	17-
2004									
2005									
2006	459,973		0		0		0		0
2007	246,783	127,717	52		0		0	127,717-	52-
2008	402,567	152,047	38		0	3,794	1	148,252-	37-
2009	461,022	122,130	26		0	1,730	0	120,400-	26-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2010	918,069	69,070	8		0	9,301	1	59,769-	7-
2011	380,488	14,395	4		0	3,122	1	11,274-	3-
TOTAL	3,599,463	618,050	17	17,026	0	42,244	1	558,779-	16-

THREE-YEAR MOVING AVERAGES

72-74	8,988		0		0	1,612	18	1,612	18
73-75	6,516		0		0	1,946	30	1,946	30
74-76	6,371		0	2	0	1,122	18	1,123	18
75-77	6,285		0	2	0	1,285	20	1,287	20
76-78	6,313		0	2	0	1,081	17	1,082	17
77-79	3,640		0		0	646	18	646	18
78-80	5,800		0		0	1,965	34	1,965	34
79-81	5,437		0		0	2,109	39	2,109	39
80-82	6,459		0		0	2,196	34	2,196	34
81-83	6,881		0		0	2,278	33	2,278	33
82-84	8,199		0		0	1,961	24	1,961	24
83-85	10,126		0		0	1,874	19	1,874	19
84-86	8,376		0	292	3	523	6	815	10
85-87	6,266		0	292	5	530	8	822	13
86-88	8,678		0	292	3	530	6	822	9
87-89	9,464		0		0	8	0	8	0
88-90	11,990		0		0		0		0
89-91	15,871		0		0		0		0
90-92	25,892	58	0		0		0	58-	0
91-93	29,013	58	0		0		0	58-	0
92-94	19,771	58	0		0		0	58-	0
93-95	44,985	24,913	55	5,382	12	428	1	19,103-	42-
94-96	38,641	24,913	64	5,382	14	428	1	19,103-	49-
95-97	38,641	24,913	64	5,382	14	428	1	19,103-	49-
96-98									
97-99									
98-00	12,466		0		0		0		0
99-01	12,466		0		0		0		0
00-02	12,466		0		0		0		0
01-03	114,383	19,259	17		0		0	19,259-	17-
02-04	114,383	19,259	17		0		0	19,259-	17-
03-05	114,383	19,259	17		0		0	19,259-	17-
04-06	153,324		0		0		0		0
05-07	235,585	42,572	18		0		0	42,572-	18-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
06-08	369,774	93,255	25		0	1,265	0	91,990-	25-
07-09	370,124	133,965	36		0	1,842	0	132,123-	36-
08-10	593,886	114,416	19		0	4,942	1	109,474-	18-
09-11	586,526	68,532	12		0	4,718	1	63,814-	11-
FIVE-YEAR AVERAGE									
07-11	481,786	97,072	20		0	3,589	1	93,482-	19-

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1976	37,585	638	2		0	525	1	113-	0
1977									
1978									
1979									
1980									
1981									
1982									
1983									
1984									
1985									
1986									
1987									
1988									
1989									
1990									
1991	6,897		0		0	651	9	651	9
1992									
1993									
1994									
1995									
1996									
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	13,939		0		0		0		0
2007									
2008									
2009									
2010									
2011									
TOTAL	58,421	638	1		0	1,176	2	538	1

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
76-78	12,528	213	2		0	175	1	38-	0
77-79									
78-80									
79-81									
80-82									
81-83									
82-84									
83-85									
84-86									
85-87									
86-88									
87-89									
88-90									
89-91	2,299		0		0	217	9	217	9
90-92	2,299		0		0	217	9	217	9
91-93	2,299		0		0	217	9	217	9
92-94									
93-95									
94-96									
95-97									
96-98									
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	4,646		0		0		0		0
05-07	4,646		0		0		0		0
06-08	4,646		0		0		0		0
07-09									
08-10									
09-11									

FIVE-YEAR AVERAGE

07-11

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.1 AND 392.3 TRANSPORTATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1999	318,611		0		0		0		0
2000	565,832	21,861-	4-		0	4,665-	1-	17,196	3
2001	834,850		0		0		0		0
2002	1,391,962	2,591	0		0	99,569-	7-	102,160-	7-
2003	99,969		0		0		0		0
2004	217,646	149,719-	69-		0	1,368	1	151,087	69
2005									
2006									
2007	980,374		0		0		0		0
2008									
2009	68,040		0		0		0		0
2010	139,831		0		0		0		0
2011	668,360		0		0		0		0
TOTAL	5,285,474	168,989-	3-		0	102,866-	2-	66,123	1

THREE-YEAR MOVING AVERAGES

99-01	573,098	7,287-	1-		0	1,555-	0	5,732	1
00-02	930,881	6,423-	1-		0	34,745-	4-	28,321-	3-
01-03	775,594	864	0		0	33,190-	4-	34,053-	4-
02-04	569,859	49,043-	9-		0	32,734-	6-	16,309	3
03-05	105,872	49,906-	47-		0	456	0	50,362	48
04-06	72,549	49,906-	69-		0	456	1	50,362	69
05-07	326,791		0		0		0		0
06-08	326,791		0		0		0		0
07-09	349,471		0		0		0		0
08-10	69,290		0		0		0		0
09-11	292,077		0		0		0		0

FIVE-YEAR AVERAGE

07-11	371,321		0		0		0		0
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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1992	8,769	8	0		0	1,914	22	1,906	22
1993									
1994	3,255		0		0	400	12	400	12
1995	24,778		0		0		0		0
1996	21,671		0		0		0		0
1997									
1998									
1999	11,805		0		0		0		0
2000	9,202	488-	5-		0	566	6	1,054	11
2001									
2002									
2003									
2004									
2005									
2006	1,331		0		0		0		0
2007	15,739		0		0		0		0
2008									
2009									
2010									
2011	11,515		0		0		0		0
TOTAL	108,065	480-	0		0	2,880	3	3,360	3

THREE-YEAR MOVING AVERAGES

92-94	4,008	3	0		0	771	19	769	19
93-95	9,344		0		0	133	1	133	1
94-96	16,568		0		0	133	1	133	1
95-97	15,483		0		0		0		0
96-98	7,224		0		0		0		0
97-99	3,935		0		0		0		0
98-00	7,002	163-	2-		0	189	3	351	5
99-01	7,002	163-	2-		0	189	3	351	5
00-02	3,067	163-	5-		0	189	6	351	11
01-03									
02-04									
03-05									
04-06	444		0		0		0		0
05-07	5,690		0		0		0		0
06-08	5,690		0		0		0		0
07-09	5,246		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
08-10									
09-11	3,838		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	5,451		0		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.1 AND 396.3 POWER OPERATED EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
2000	39,994	2,121-	5-		0	2,461	6	4,582	11
2001	192,918		0		0		0		0
2002	464,971	408	0		0	36,372-	8-	36,780-	8-
2003	237,391		0		0		0		0
2004	50,180	78	0		0	181	0	103	0
2005									
2006									
2007	574,946		0		0		0		0
2008									
2009	20,078		0		0		0		0
2010	35,487		0		0		0		0
2011	422,274		0		0		0		0
TOTAL	2,038,238	1,635-	0		0	33,730-	2-	32,095-	2-

THREE-YEAR MOVING AVERAGES

00-02	232,628	571-	0		0	11,304-	5-	10,733-	5-
01-03	298,427	136	0		0	12,124-	4-	12,260-	4-
02-04	250,847	162	0		0	12,064-	5-	12,226-	5-
03-05	95,857	26	0		0	60	0	34	0
04-06	16,727	26	0		0	60	0	34	0
05-07	191,649		0		0		0		0
06-08	191,649		0		0		0		0
07-09	198,341		0		0		0		0
08-10	18,522		0		0		0		0
09-11	159,280		0		0		0		0

FIVE-YEAR AVERAGE

07-11	210,557		0		0		0		0
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LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		G R O S S S A L V A G E				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
1974	2,397		0		0	750	31	750	31
1975	850		0		0		0		0
1976	986		0		0	252	26	252	26
1977	1,867		0		0	1,302	70	1,302	70
1978	1,132		0		0		0		0
1979	252		0		0		0		0
1980									
1981	1,009		0		0		0		0
1982	563		0		0		0		0
1983	2,309		0		0		0		0
1984									
1985	1,095		0		0		0		0
1986									
1987	7,200		0		0		0		0
1988	418		0		0		0		0
1989									
1990									
1991	30,448		0		0		0		0
1992	5,997		0		0	750	13	750	13
1993									
1994									
1995									
1996	83,142		0		0		0		0
1997									
1998									
1999									
2000									
2001									
2002									
2003									
2004									
2005									
2006	4,749		0		0		0		0
2007	1,844		0		0		0		0
2008									
2009	3,570		0		0		0		0
2010									
2011									
TOTAL	149,829		0		0	3,054	2	3,054	2

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE				NET SALVAGE	
		AMOUNT	PCT	CP SALVAGE AMOUNT	PCT	FINAL AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES									
74-76	1,411		0		0	334	24	334	24
75-77	1,234		0		0	518	42	518	42
76-78	1,328		0		0	518	39	518	39
77-79	1,084		0		0	434	40	434	40
78-80	461		0		0		0		0
79-81	420		0		0		0		0
80-82	524		0		0		0		0
81-83	1,294		0		0		0		0
82-84	957		0		0		0		0
83-85	1,135		0		0		0		0
84-86	365		0		0		0		0
85-87	2,765		0		0		0		0
86-88	2,539		0		0		0		0
87-89	2,539		0		0		0		0
88-90	139		0		0		0		0
89-91	10,149		0		0		0		0
90-92	12,148		0		0	250	2	250	2
91-93	12,148		0		0	250	2	250	2
92-94	1,999		0		0	250	13	250	13
93-95									
94-96	27,714		0		0		0		0
95-97	27,714		0		0		0		0
96-98	27,714		0		0		0		0
97-99									
98-00									
99-01									
00-02									
01-03									
02-04									
03-05									
04-06	1,583		0		0		0		0
05-07	2,198		0		0		0		0
06-08	2,198		0		0		0		0
07-09	1,805		0		0		0		0
08-10	1,190		0		0		0		0
09-11	1,190		0		0		0		0
FIVE-YEAR AVERAGE									
07-11	1,083		0		0		0		0

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COMMON PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNTS 303 AND 303.1 SOFTWARE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1999	11,232,729		0		0		0
2000	5,497,388		0		0		0
2001	718,222		0		0		0
2002	1,064,685		0		0		0
2003							
2004	17,658,936		0		0		0
2005							
2006	7,113,344		0		0		0
2007	4,023,890		0		0		0
2008							
2009	13,110,856		0		0		0
2010	9,699,198		0		0		0
2011	4,364,051		0		0		0
TOTAL	74,483,299		0		0		0
THREE-YEAR MOVING AVERAGES							
99-01	5,816,113		0		0		0
00-02	2,426,765		0		0		0
01-03	594,302		0		0		0
02-04	6,241,207		0		0		0
03-05	5,886,312		0		0		0
04-06	8,257,427		0		0		0
05-07	3,712,411		0		0		0
06-08	3,712,411		0		0		0
07-09	5,711,582		0		0		0
08-10	7,603,351		0		0		0
09-11	9,058,035		0		0		0
FIVE-YEAR AVERAGE							
07-11	6,239,599		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	8,869	532	6	1,030	12	498	6
1973	12,713	4,707	37	451	4	4,256-	33-
1974	22,655	9,164	40		0	9,164-	40-
1975							
1976	15,929	1,986	12	1,545	10	441-	3-
1977	3,917	508	13	453	12	55-	1-
1978							
1979	14,338	3,867	27	101	1	3,766-	26-
1980	5,768	140	2		0	140-	2-
1981	4,577	198	4	187	4	11-	0
1982	3,996		0		0		0
1983	37,552	29,827	79	8	0	29,819-	79-
1984	5,644	6,574	116		0	6,574-	116-
1985	12,404	20,207	163	152	1	20,055-	162-
1986	23,388	18,015	77		0	18,015-	77-
1987	1,431		0		0		0
1988	34,225	2,687	8	1,143	3	1,544-	5-
1989	68,361	55,238	81	449	1	54,789-	80-
1990	297		0		0		0
1991	737		0		0		0
1992							
1993	69,905	9,139	13		0	9,139-	13-
1994	2,931-		0		0		0
1995	3,499,524	45,498	1		0	45,498-	1-
1996	4,379	34,184	781	3,450	79	30,734-	702-
1997	277,421	23,350	8	507	0	22,843-	8-
1998	26,365	28,703-	109-	1,755	7	30,458	116
1999	15,527	10,150	65	664-	4-	10,814-	70-
2000	49,928	226,988	455	243,700	488	16,712	33
2001							
2002	275,234	11,716	4		0	11,716-	4-
2003	449,588	192,692	43		0	192,692-	43-
2004	994,068	112,047	11		0	112,047-	11-
2005							
2006	1,471,553	229,582	16		0	229,582-	16-
2007	1,398,874	165,304	12		0	165,304-	12-
2008	324,631	38,070	12	3,503	1	34,566-	11-
2009	298,691	108,109	36		0	108,109-	36-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2010	245,205	148,381	61		0	148,381-	61-
2011	415,186	249,065	60		0	249,065-	60-
TOTAL	10,089,950	1,729,223	17	257,770	3	1,471,452-	15-

THREE-YEAR MOVING AVERAGES

72-74	14,746	4,801	33	494	3	4,307-	29-
73-75	11,789	4,624	39	150	1	4,473-	38-
74-76	12,861	3,717	29	515	4	3,202-	25-
75-77	6,615	831	13	666	10	165-	2-
76-78	6,615	831	13	666	10	165-	2-
77-79	6,085	1,458	24	185	3	1,274-	21-
78-80	6,702	1,336	20	34	1	1,302-	19-
79-81	8,228	1,402	17	96	1	1,306-	16-
80-82	4,780	113	2	62	1	50-	1-
81-83	15,375	10,008	65	65	0	9,943-	65-
82-84	15,731	12,134	77	3	0	12,131-	77-
83-85	18,533	18,869	102	53	0	18,816-	102-
84-86	13,812	14,932	108	51	0	14,881-	108-
85-87	12,408	12,741	103	51	0	12,690-	102-
86-88	19,681	6,901	35	381	2	6,520-	33-
87-89	34,672	19,308	56	531	2	18,778-	54-
88-90	34,294	19,308	56	531	2	18,778-	55-
89-91	23,132	18,413	80	150	1	18,263-	79-
90-92	345		0		0		0
91-93	23,547	3,046	13		0	3,046-	13-
92-94	22,325	3,046	14		0	3,046-	14-
93-95	1,188,833	18,212	2		0	18,212-	2-
94-96	1,166,991	26,561	2	1,150	0	25,411-	2-
95-97	1,260,441	34,344	3	1,319	0	33,025-	3-
96-98	102,722	9,610	9	1,904	2	7,706-	8-
97-99	106,438	1,599	2	533	1	1,066-	1-
98-00	30,607	69,478	227	81,597	267	12,119	40
99-01	21,818	79,046	362	81,012	371	1,966	9
00-02	108,387	79,568	73	81,233	75	1,665	2
01-03	241,607	68,136	28		0	68,136-	28-
02-04	572,964	105,485	18		0	105,485-	18-
03-05	481,219	101,580	21		0	101,580-	21-
04-06	821,874	113,876	14		0	113,876-	14-
05-07	956,809	131,629	14		0	131,629-	14-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
06-08	1,065,019	144,319	14	1,168	0	143,151-	13-
07-09	674,066	103,828	15	1,168	0	102,660-	15-
08-10	289,509	98,187	34	1,168	0	97,019-	34-
09-11	319,694	168,518	53		0	168,518-	53-
FIVE-YEAR AVERAGE							
07-11	536,518	141,786	26	701	0	141,085-	26-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1973	200		0		0		0
1974	276	47	17		0	47-	17-
1975							
1976							
1977	200	150	75		0	150-	75-
1978							
1979							
1980							
1981							
1982	261		0		0		0
1983	379		0		0		0
1984							
1985							
1986							
1987							
1988							
1989							
1990							
1991							
1992							
1993							
1994							
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004	1,190,893	45,676	4		0	45,676-	4-
2005							
2006	233,278		0		0		0
2007							
2008							
2009	19,423	10,990	57		0	10,990-	57-
2010							
2011							
TOTAL	1,444,910	56,863	4		0	56,863-	4-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE		
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	
THREE-YEAR MOVING AVERAGES								
73-75	159	16	10		0	16-	10-	
74-76	92	16	17		0	16-	17-	
75-77	67	50	75		0	50-	75-	
76-78	67	50	75		0	50-	75-	
77-79	67	50	75		0	50-	75-	
78-80								
79-81								
80-82	87		0		0		0	
81-83	213		0		0		0	
82-84	213		0		0		0	
83-85	126		0		0		0	
84-86								
85-87								
86-88								
87-89								
88-90								
89-91								
90-92								
91-93								
92-94								
93-95								
94-96								
95-97								
96-98								
97-99								
98-00								
99-01								
00-02								
01-03								
02-04	396,964	15,225	4		0	15,225-	4-	
03-05	396,964	15,225	4		0	15,225-	4-	
04-06	474,724	15,225	3		0	15,225-	3-	
05-07	77,759		0		0		0	
06-08	77,759		0		0		0	
07-09	6,474	3,663	57		0	3,663-	57-	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
08-10	6,474	3,663	57		0	3,663-	57-
09-11	6,474	3,663	57		0	3,663-	57-
FIVE-YEAR AVERAGE							
07-11	3,885	2,198	57		0	2,198-	57-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2001	20,419		0	563	3	563	3
2002							
2003	3,428		0		0		0
2004							
2005							
2006	9,326	19,622	210		0	19,622-	210-
2007	10,295		0		0		0
2008							
2009	42,097	14,612	35		0	14,612-	35-
2010	31,314	8,140	26		0	8,140-	26-
2011	126,344	4,073	3		0	4,073-	3-
TOTAL	243,223	46,447	19	563	0	45,884-	19-

THREE-YEAR MOVING AVERAGES

01-03	7,949		0	188	2	188	2
02-04	1,143		0		0		0
03-05	1,143		0		0		0
04-06	3,109	6,541	210		0	6,541-	210-
05-07	6,540	6,541	100		0	6,541-	100-
06-08	6,540	6,541	100		0	6,541-	100-
07-09	17,464	4,871	28		0	4,871-	28-
08-10	24,470	7,584	31		0	7,584-	31-
09-11	66,585	8,942	13		0	8,942-	13-

FIVE-YEAR AVERAGE

07-11	42,010	5,365	13		0	5,365-	13-
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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1976	71	409	576		0	409-	576-
1977	423	58	14		0	58-	14-
1978							
1979							
1980	536		0		0		0
1981							
1982							
1983							
1984	5,552	2,461	44		0	2,461-	44-
1985							
1986	752	17	2		0	17-	2-
1987							
1988							
1989							
1990	1,694		0		0		0
1991							
1992							
1993							
1994	525		0		0		0
1995							
1996							
1997	9,569	805	8	17	0	788-	8-
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007	74,173		0		0		0
2008	95,608	3,672	4	1,535	2	2,137-	2-
2009							
2010	288	1,000	347		0	1,000-	347-
2011	216	7	3		0	7-	3-
TOTAL	189,408	8,429	4	1,552	1	6,877-	4-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE		
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	
THREE-YEAR MOVING AVERAGES								
76-78	165	156	95		0	156-	95-	
77-79	141	19	14		0	19-	14-	
78-80	179		0		0		0	
79-81	179		0		0		0	
80-82	179		0		0		0	
81-83								
82-84	1,851	820	44		0	820-	44-	
83-85	1,851	820	44		0	820-	44-	
84-86	2,101	826	39		0	826-	39-	
85-87	251	6	2		0	6-	2-	
86-88	251	6	2		0	6-	2-	
87-89								
88-90	565		0		0		0	
89-91	565		0		0		0	
90-92	565		0		0		0	
91-93								
92-94	175		0		0		0	
93-95	175		0		0		0	
94-96	175		0		0		0	
95-97	3,190	268	8	6	0	263-	8-	
96-98	3,190	268	8	6	0	263-	8-	
97-99	3,190	268	8	6	0	263-	8-	
98-00								
99-01								
00-02								
01-03								
02-04								
03-05								
04-06								
05-07	24,724		0		0		0	
06-08	56,594	1,224	2	512	1	712-	1-	
07-09	56,594	1,224	2	512	1	712-	1-	
08-10	31,966	1,557	5	512	2	1,046-	3-	
09-11	168	336	200		0	336-	200-	
FIVE-YEAR AVERAGE								
07-11	34,057	936	3	307	1	629-	2-	

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR	COST OF		GROSS		NET	
	RETIREMENTS	AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1973	433	37	9		0	37-	9-
1974							
1975							
1976							
1977							
1978							
1979							
1980							
1981							
1982							
1983							
1984							
1985	1,280	73	6		0	73-	6-
1986							
1987	1,009	138	14		0	138-	14-
1988							
1989							
1990	1,139		0		0		0
1991							
1992							
1993							
1994	761		0		0		0
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010							
2011							
TOTAL	4,622	248	5		0	248-	5-

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE		
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT	
THREE-YEAR MOVING AVERAGES								
73-75	144	12	9		0	12-	9-	
74-76								
75-77								
76-78								
77-79								
78-80								
79-81								
80-82								
81-83								
82-84								
83-85	427	24	6		0	24-	6-	
84-86	427	24	6		0	24-	6-	
85-87	763	70	9		0	70-	9-	
86-88	336	46	14		0	46-	14-	
87-89	336	46	14		0	46-	14-	
88-90	380		0		0		0	
89-91	380		0		0		0	
90-92	380		0		0		0	
91-93								
92-94	254		0		0		0	
93-95	254		0		0		0	
94-96	254		0		0		0	
95-97								
96-98								
97-99								
98-00								
99-01								
00-02								
01-03								
02-04								
03-05								
04-06								
05-07								
06-08								
07-09								

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
FIVE-YEAR AVERAGE							

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNTS 392.1 AND 392.3 TRANSPORTATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1999	74,705		0		0		0
2000	87,800	3,082-	4-	2,229-	3-	853	1
2001	21,759		0		0		0
2002	34,305	129	0	712	2	583	2
2003	33,832		0		0		0
2004	56,851	100	0	466	1	366	1
2005							
2006							
2007	48,190		0		0		0
2008							
2009							
2010							
2011							
TOTAL	357,442	2,853-	1-	1,051-	0	1,802	1

THREE-YEAR MOVING AVERAGES

99-01	61,421	1,027-	2-	743-	1-	284	0
00-02	47,955	984-	2-	506-	1-	479	1
01-03	29,965	43	0	237	1	194	1
02-04	41,663	76	0	393	1	316	1
03-05	30,228	33	0	155	1	122	0
04-06	18,950	33	0	155	1	122	1
05-07	16,063		0		0		0
06-08	16,063		0		0		0
07-09	16,063		0		0		0
08-10							
09-11							

FIVE-YEAR AVERAGE

07-11	9,638		0		0		0
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LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	881		0	19	2	19	2
1973							
1974							
1975	1,273		0	20	2	20	2
1976							
1977	1,244		0	50	4	50	4
1978							
1979							
1980	2,597		0		0		0
1981	907		0		0		0
1982	246		0		0		0
1983							
1984	6,500		0		0		0
1985							
1986							
1987	404		0		0		0
1988	4,342		0		0		0
1989	10,269		0	2,111	21	2,111	21
1990							
1991	15,794		0	1,490	9	1,490	9
1992	3,338		0		0		0
1993	431		0		0		0
1994	128,910	304	0	78,304	61	78,000	61
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002							
2003	3,112		0		0		0
2004							
2005							
2006							
2007							
2008							
2009	7,589		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2010							
2011							
TOTAL	187,838	304	0	81,994	44	81,690	43

THREE-YEAR MOVING AVERAGES

72-74	294		0	6	2	6	2
73-75	424		0	7	2	7	2
74-76	424		0	7	2	7	2
75-77	839		0	23	3	23	3
76-78	415		0	17	4	17	4
77-79	415		0	17	4	17	4
78-80	866		0		0		0
79-81	1,168		0		0		0
80-82	1,250		0		0		0
81-83	384		0		0		0
82-84	2,249		0		0		0
83-85	2,167		0		0		0
84-86	2,167		0		0		0
85-87	135		0		0		0
86-88	1,582		0		0		0
87-89	5,005		0	704	14	704	14
88-90	4,870		0	704	14	704	14
89-91	8,688		0	1,200	14	1,200	14
90-92	6,377		0	497	8	497	8
91-93	6,521		0	497	8	497	8
92-94	44,226	101	0	26,101	59	26,000	59
93-95	43,114	101	0	26,101	61	26,000	60
94-96	42,970	101	0	26,101	61	26,000	61
95-97							
96-98							
97-99							
98-00							
99-01							
00-02							
01-03	1,037		0		0		0
02-04	1,037		0		0		0
03-05	1,037		0		0		0
04-06							
05-07							

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
06-08							
07-09	2,530		0		0		0
08-10	2,530		0		0		0
09-11	2,530		0		0		0
FIVE-YEAR AVERAGE							
07-11	1,518		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNTS 396.1 AND 396.3 POWER OPERATED EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2002	201,261		0		0		0
2003	3,133		0		0		0
2004							
2005							
2006							
2007							
2008							
2009							
2010	26,626		0		0		0
2011							
TOTAL	231,020		0		0		0
THREE-YEAR MOVING AVERAGES							
02-04	68,131		0		0		0
03-05	1,044		0		0		0
04-06							
05-07							
06-08							
07-09							
08-10	8,875		0		0		0
09-11	8,875		0		0		0
FIVE-YEAR AVERAGE							
07-11	5,325		0		0		0

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
1972	1,035		0		0		0
1973	6,725		0		0		0
1974	1,147		0		0		0
1975	50		0		0		0
1976	748		0	1,000	134	1,000	134
1977	745		0		0		0
1978	473		0		0		0
1979							
1980	50		0		0		0
1981	7,271		0	1,500	21	1,500	21
1982							
1983							
1984							
1985	648		0		0		0
1986							
1987	200		0		0		0
1988	257		0	125	49	125	49
1989	1,574		0	841	53	841	53
1990							
1991							
1992	100		0	778	778	778	778
1993							
1994	370,828	5,881	2	71,646	19	65,765	18
1995							
1996							
1997							
1998							
1999							
2000							
2001							
2002	2,196		0		0		0
2003							
2004							
2005							
2006							
2007							
2008							
2009							

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL		GROSS SALVAGE		NET SALVAGE	
		AMOUNT	PCT	AMOUNT	PCT	AMOUNT	PCT
2010							
2011							
TOTAL	394,047	5,881	1	75,890	19	70,009	18

THREE-YEAR MOVING AVERAGES

72-74	2,969		0		0		0
73-75	2,641		0		0		0
74-76	648		0	333	51	333	51
75-77	514		0	333	65	333	65
76-78	655		0	333	51	333	51
77-79	406		0		0		0
78-80	174		0		0		0
79-81	2,440		0	500	20	500	20
80-82	2,440		0	500	20	500	20
81-83	2,424		0	500	21	500	21
82-84							
83-85	216		0		0		0
84-86	216		0		0		0
85-87	283		0		0		0
86-88	152		0	42	27	42	27
87-89	677		0	322	48	322	48
88-90	610		0	322	53	322	53
89-91	525		0	280	53	280	53
90-92	33		0	259	778	259	778
91-93	33		0	259	778	259	778
92-94	123,643	1,960	2	24,141	20	22,181	18
93-95	123,609	1,960	2	23,882	19	21,922	18
94-96	123,609	1,960	2	23,882	19	21,922	18
95-97							
96-98							
97-99							
98-00							
99-01							
00-02	732		0		0		0
01-03	732		0		0		0
02-04	732		0		0		0
03-05							
04-06							
05-07							

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
		06-08					
		07-09					
		08-10					
		09-11					
FIVE-YEAR AVERAGE							
		07-11					

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DEPRECIATION CALCULATIONS

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ELECTRIC PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 1						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1954	3,998,142.00	4,397,956	4,397,956			
1956	6,257.00	6,883	6,883			
1957	295.00	324	325			
1963	18,257.00	20,083	20,083			
1973	1,857.00	2,043	2,043			
1978	274.00	301	301			
1981	342.00	376	376			
1985	35,742.00	39,316	39,316			
1994	39,574.00	43,531	43,531			
1997	39,194.00	43,113	43,113			
1998	41,521.00	45,673	45,673			
2004	51,784.48	56,963	56,963			
	4,233,239.48	4,656,562	4,656,563			
CANE RUN UNIT 2						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1956	2,054,320.45	2,259,752	2,259,752			
1959	2,167.00	2,384	2,384			
1960	259.00	285	285			
1963	3,353.00	3,688	3,688			
1997	42,323.00	46,555	46,556			
	2,102,422.45	2,312,664	2,312,665			
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1958	3,387,687.42	3,726,456	3,726,456			
1962	2,808.00	3,089	3,089			
1973	1,857.00	2,043	2,043			
1981	2,991.00	3,290	3,290			
1982	7,849.00	8,634	8,634			
1985	14,825.93	16,309	16,309			

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1994	30,465.00	33,512	33,512			
1997	82,878.00	91,166	91,166			
2008	5,573.10	6,130	6,131			
	3,536,934.45	3,890,629	3,890,628			
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1962	3,086,312.97	3,134,552	3,394,944			
1965	7,201.00	7,279	7,921			
1966	593.00	598	652			
1967	546.00	550	601			
1968	4,728.00	4,755	5,201			
1969	5,609.00	5,630	6,170			
1970	3,523.00	3,529	3,875			
1978	1,237.00	1,214	1,361			
1979	584.00	572	642			
1980	3.00	3	3			
1985	19,648.00	18,767	21,613			
1997	97,688.00	84,231	107,457			
1998	55,344.00	46,974	60,878			
1999	103,439.00	86,218	113,783			
2002	117,762.00	91,128	129,538			
2003	298,121.67	222,910	327,934			
2005	1,417.10	964	1,559			
2008	5,573.12	2,861	6,130			
2011	275,271.94	33,644	302,799			
	4,084,601.80	3,746,379	4,493,062			

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1976	671,842.00	663,446	739,026			
1977	65,438.00	64,438	71,982			
1978	5,046.00	4,954	5,551			
1980	18,034.00	17,590	19,837			
	760,360.00	750,428	836,396			
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1966	4,068,244.00	4,105,741	4,402,297	72,772	3.96	18,377
1967	161,777.33	162,991	174,764	3,191	3.96	806
1968	7,364.00	7,406	7,941	159	3.96	40
1969	393.00	394	422	10	3.96	3
1981	335.00	325	348	20	3.98	5
1987	2,035.00	1,924	2,063	176	3.98	44
1992	33,569.00	30,630	32,842	4,084	3.99	1,024
1994	23,663.00	21,183	22,713	3,316	3.99	831
1997	1,013,288.00	873,704	936,811	177,806	3.99	44,563
1998	77,110.00	65,449	70,176	14,645	3.99	3,670
2003	46,515.67	34,780	37,292	13,875	4.00	3,469
2004	618,904.81	443,790	475,845	204,951	4.00	51,238
2005	54,864.42	37,338	40,035	20,316	4.00	5,079
2006	42,154.66	26,846	28,785	17,585	4.00	4,396
2008	5,573.12	2,861	3,068	3,063	4.00	766
2010	110,536.40	33,161	35,556	86,034	4.00	21,508
	6,266,327.41	5,848,523	6,270,959	622,001		155,819
CANE RUN UNIT 5 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1977	339,872.00	334,679	373,859			
1978	55,267.00	54,260	60,794			

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 5 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1979	71,876.00	70,342	79,064			
1980	7,816.00	7,623	8,598			
1981	1,170,634.00	1,137,320	1,287,697			
1982	15,188.00	14,699	16,707			
1989	35,782.00	33,413	39,361			
	1,696,435.00	1,652,336	1,866,079			
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1967	513,034.00	516,882	479,663	84,674	3.96	21,382
1968	1,190.53	1,197	1,111	199	3.96	50
1969	5,383,278.00	5,403,702	5,014,602	907,003	3.96	229,041
1970	139,080.72	139,335	129,302	23,687	3.96	5,982
1971	78,803.20	78,785	73,112	13,572	3.96	3,427
1972	58,284.00	58,144	53,957	10,155	3.96	2,564
1973	762,285.80	758,528	703,909	134,605	3.97	33,906
1974	451,820.00	448,510	416,215	80,787	3.97	20,349
1975	14,447.00	14,305	13,275	2,617	3.97	659
1976	9,868.00	9,745	9,043	1,811	3.97	456
1977	1,204,048.00	1,185,650	1,100,276	224,177	3.97	56,468
1978	33,862.00	33,245	30,851	6,397	3.97	1,611
1979	41,304.00	40,423	37,512	7,922	3.97	1,995
1980	194,431.37	189,643	175,988	37,887	3.97	9,543
1981	636,110.00	618,008	573,508	126,213	3.98	31,712
1982	384,054.00	371,692	344,928	77,531	3.98	19,480
1983	250,910.00	241,843	224,429	51,572	3.98	12,958
1984	12,207.00	11,715	10,871	2,556	3.98	642
1985	452,798.00	432,501	401,358	96,720	3.98	24,302
1986	614,195.50	583,718	541,687	133,928	3.98	33,650
1987	2,363,737.00	2,234,301	2,073,418	526,693	3.98	132,335
1988	130,749.38	122,872	114,024	29,800	3.98	7,487
1989	34,837.00	32,530	30,188	8,133	3.98	2,043
1990	644.00	597	554	154	3.99	39
1991	55,443.00	51,006	47,333	13,654	3.99	3,422
1992	1,033,592.00	943,090	875,182	261,769	3.99	65,606

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1993	125,822.67	113,762	105,570	32,834	3.99	8,229
1994	183,439.00	164,213	152,389	49,394	3.99	12,379
1995	58,347.00	51,653	47,934	16,248	3.99	4,072
1996	84,123.00	73,553	68,257	24,279	3.99	6,085
1997	958,821.00	826,740	767,210	287,493	3.99	72,053
1998	980,967.00	832,616	772,663	306,401	3.99	76,792
1999	61,651.00	51,387	47,687	20,129	3.99	5,045
2000	132,197.00	107,936	100,164	45,253	3.99	11,342
2001	380,684.00	303,076	281,253	137,500	4.00	34,375
2002	236,769.00	183,218	170,025	90,421	4.00	22,605
2003	798,751.00	597,237	554,232	324,394	4.00	81,098
2004	22,649.25	16,241	15,072	9,843	4.00	2,461
2005	311,982.80	212,319	197,031	146,150	4.00	36,538
2006	2,429,462.71	1,547,191	1,435,784	1,236,625	4.00	309,156
2007	780,111.76	454,299	421,587	436,536	4.00	109,134
2008	1,210,860.85	621,580	576,822	755,125	4.00	188,781
2009	2,451,404.68	1,037,145	962,464	1,734,081	4.00	433,520
2010	233,481.59	70,045	65,001	191,828	4.00	47,957
2011	1,179,889.70	144,207	133,823	1,164,055	4.00	291,014
	27,476,428.51	21,930,385	20,351,263	9,872,808		2,473,745

CANE RUN UNIT 6 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1979	1,079,047.26	1,056,019	1,186,952			
1980	240,369.00	234,449	264,406			
1981	90,704.00	88,123	99,774			
1983	106,182.85	102,346	116,801			
1997	269,272.00	232,179	296,199			
2002	31,173.00	24,123	34,290			
2003	78,102.68	58,398	85,913			
2009	109,450.67	46,307	120,396			
	2,004,301.46	1,841,944	2,204,732			

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1972	14,360,815.57	10,799,348	14,351,768	2,019,562	19.41	104,048
1973	1,015,532.00	757,244	1,006,338	151,369	19.44	7,786
1974	978,483.00	722,959	960,775	154,696	19.48	7,941
1977	4,198.00	3,011	4,001	784	19.58	40
1979	3,756.00	2,635	3,502	780	19.64	40
1980	17,785.00	12,325	16,379	3,896	19.68	198
1981	8,073.00	5,525	7,342	1,861	19.71	94
1987	18,616.00	11,611	15,430	5,792	19.89	291
1991	23,837.00	13,655	18,147	9,027	20.01	451
1995	24,680.68	12,609	16,757	11,379	20.12	566
1996	38,410.80	18,953	25,188	18,601	20.14	924
1997	9,807.00	4,655	6,186	4,994	20.17	248
1998	611,823.00	278,371	369,940	327,538	20.19	16,223
1999	37,623.00	16,333	21,706	21,185	20.21	1,048
2001	31,634.00	12,279	16,318	19,745	20.26	975
2003	266,223.18	89,425	118,841	184,653	20.30	9,096
2004	622,530.13	190,948	253,760	455,924	20.32	22,437
2005	518,829.41	143,070	190,133	401,333	20.34	19,731
2006	438,897.34	106,263	141,218	359,125	20.36	17,639
2007	22,657.06	4,663	6,197	19,632	20.38	963
2009	272,031.03	33,840	44,972	265,144	20.41	12,991
2011	565,074.04	15,390	20,453	623,732	20.43	30,530
	19,891,316.24	13,255,112	17,615,350	5,060,751		254,260

MILL CREEK UNIT 1 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2032
NET SALVAGE PERCENT.. -14

1980	1,428,623.00	990,028	1,628,630
1981	156,281.00	106,946	178,160
1982	13,603.00	9,187	15,507
1983	91,951.05	61,223	104,824
2003	19,252.50	6,467	21,948
	1,709,710.55	1,173,851	1,949,070

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MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
1974	9,379,427.13	6,708,397	8,946,254	1,746,293	21.25	82,178
1975	621,792.74	440,312	587,196	121,648	21.29	5,714
1976	96,154.00	67,381	89,859	19,757	21.33	926
1977	22,901.00	15,872	21,167	4,940	21.37	231
1979	3,494.00	2,366	3,155	828	21.44	39
1983	6,778.00	4,342	5,790	1,936	21.60	90
1985	5,995.00	3,718	4,958	1,876	21.67	87
1987	53,255.00	31,835	42,455	18,256	21.75	839
1991	23,837.00	13,045	17,397	9,777	21.88	447
1998	184,368.00	79,313	105,771	104,408	22.11	4,722
2003	46,534.42	14,644	19,529	33,520	22.24	1,507
2004	74,290.49	21,294	28,397	56,294	22.27	2,528
2006	193,231.98	43,502	58,014	162,271	22.31	7,273
2008	5,838.00	901	1,202	5,454	22.35	244
2010	313,472.11	22,439	29,924	327,434	22.39	14,624
2011	501,405.71	12,472	16,633	554,970	22.41	24,764
	11,532,774.58	7,481,833	9,977,701	3,169,662		146,213

MILL CREEK UNIT 2 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2034
NET SALVAGE PERCENT.. -14

1981	177,885.00	117,338	202,789			
1982	131,957.00	85,810	150,431			
1983	695,564.00	445,594	792,943			
1984	387,998.00	244,677	442,318			
	1,393,404.00	893,419	1,588,481			

MILL CREEK UNIT 3
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2038
NET SALVAGE PERCENT.. -14

1977	4,839.00	3,146	4,303	1,213	24.86	49
1978	19,856,346.59	12,745,106	17,432,360	5,203,875	24.92	208,823

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MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1979	68.00	43	59	19	24.97	1
1980	2,718,078.43	1,697,635	2,321,972	776,637	25.03	31,028
1981	137,323.00	84,520	115,604	40,944	25.08	1,633
1983	18,843.00	11,237	15,370	6,111	25.18	243
1984	11,514.05	6,747	9,228	3,898	25.24	154
1985	22,104.00	12,720	17,398	7,801	25.29	308
1986	536,837.00	303,011	414,449	197,545	25.34	7,796
1987	31,896.00	17,639	24,126	12,235	25.39	482
1997	7,192.00	2,929	4,006	4,193	25.85	162
2004	270,420.03	68,629	93,869	214,410	26.12	8,209
2006	232,401.65	45,914	62,800	202,138	26.19	7,718
2007	8,568.51	1,431	1,957	7,811	26.22	298
2009	414,775.80	41,076	56,182	416,662	26.28	15,855
2011	229,013.42	4,866	6,656	254,420	26.33	9,663
	24,500,220.48	15,046,649	20,580,339	7,349,912		292,422

MILL CREEL UNIT 3 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2038
NET SALVAGE PERCENT.. -14

1978	301,270.00	193,375	343,448
1980	61,597.00	38,472	70,220
	362,867.00	231,847	413,668

MILL CREEK UNIT 4
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1981	3,105,159.00	1,794,118	2,211,190	1,328,692	28.53	46,572
1982	28,244,149.96	16,051,190	19,782,548	12,415,783	28.60	434,118
1983	10,040,859.50	5,607,222	6,910,711	4,535,869	28.67	158,210
1984	2,701,898.10	1,481,097	1,825,402	1,254,762	28.74	43,659
1985	3,632,374.00	1,952,313	2,406,160	1,734,747	28.81	60,213
1986	2,658,242.67	1,399,983	1,725,432	1,304,965	28.87	45,201

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MILL CREEK UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1987	295,887.53	152,428	187,862	149,449	28.94	5,164
1988	448,336.00	225,637	278,090	233,013	29.01	8,032
1989	493,034.44	242,124	298,410	263,650	29.07	9,069
1990	10,387.00	4,966	6,120	5,721	29.14	196
1991	31,467.00	14,630	18,031	17,841	29.20	611
1993	281,310.00	122,800	151,347	169,347	29.33	5,774
1994	64,672.00	27,268	33,607	40,119	29.39	1,365
1995	979,678.00	397,593	490,020	626,813	29.45	21,284
1996	330,665.00	128,905	158,871	218,087	29.50	7,393
1997	181,523.00	67,660	83,389	123,548	29.56	4,180
1998	533,046.00	189,083	233,038	374,634	29.62	12,648
1999	141,566.00	47,594	58,658	102,727	29.67	3,462
2000	2,944.00	931	1,147	2,209	29.73	74
2001	1,219,215.49	360,778	444,647	945,259	29.78	31,741
2003	2,263,686.80	569,952	702,447	1,878,156	29.88	62,857
2004	218,151.56	49,726	61,286	187,407	29.93	6,262
2005	1,292,426.20	261,861	322,735	1,150,631	29.98	38,380
2006	83,833.09	14,775	18,210	77,360	30.02	2,577
2007	102,299.79	15,151	18,673	97,949	30.07	3,257
2008	9,517.50	1,127	1,389	9,461	30.11	314
2009	577,223.91	50,202	61,872	596,163	30.15	19,773
2010	398,885.31	21,531	26,536	428,193	30.18	14,188
2011	3,920,443.90	72,760	89,674	4,379,632	30.22	144,925
	64,262,882.75	31,325,405	38,607,501	34,652,185		1,191,499

MILL CREEK UNIT 4 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 100-S1
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1981	3,491,997.65	2,017,628	3,490,440	490,438	28.53	17,190
1982	1,208,401.41	686,736	1,188,034	189,544	28.60	6,627
1989	55,432.00	27,222	47,093	16,099	29.07	554
1996	23,090.00	9,001	15,571	10,751	29.50	364
1997	51,675.00	19,261	33,321	25,589	29.56	866
1999	12,338.00	4,148	7,176	6,889	29.67	232
2001	224,096.00	66,312	114,718	140,752	29.78	4,726

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MILL CREEK UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
2003	123.87	31	54	88	29.88	3
2005	226,104.33	45,811	79,252	178,507	29.98	5,954
2007	37,293.50	5,523	9,555	32,960	30.07	1,096
	5,330,551.76	2,881,673	4,985,213	1,091,616		37,612

TRIMBLE COUNTY UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1990	106,809,871.67	45,165,088	57,998,136	64,833,216	36.06	1,797,926
1991	3,734,091.00	1,531,227	1,966,304	2,327,900	36.16	64,378
1992	998,709.00	396,249	508,838	639,678	36.26	17,641
1993	20,854.00	7,985	10,254	13,728	36.36	378
1995	753,956.00	266,687	342,463	524,587	36.56	14,349
1996	124,393.00	42,112	54,078	88,974	36.65	2,428
1997	540,527.90	174,299	223,824	397,783	36.75	10,824
1998	291,947.00	89,303	114,677	221,062	36.84	6,001
1999	20,033.00	5,784	7,427	15,611	36.93	423
2000	106,755.00	28,924	37,142	85,626	37.02	2,313
2001	57,574.00	14,515	18,639	47,571	37.11	1,282
2002	51,192.00	11,928	15,317	43,554	37.19	1,171
2004	441,041.93	84,514	108,528	398,671	37.36	10,671
2005	256,277.54	43,551	55,925	238,794	37.43	6,380
2007	145,623.02	17,909	22,998	144,469	37.58	3,844
2008	47,561.83	4,639	5,957	48,739	37.66	1,294
2010	704,395.41	30,928	39,716	770,339	37.79	20,385
	115,104,803.30	47,915,642	61,530,223	70,840,301		1,961,688

TRIMBLE COUNTY UNIT 1 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1990	262,003.81	110,790	215,036	86,268	36.06	2,392
1991	95,218.00	39,046	75,786	33,715	36.16	932

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 311 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 1 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1992	55,381.00	21,973	42,648	21,040	36.26	580
1996	20,052.00	6,788	13,175	9,885	36.65	270
2005	61,254.94	10,409	20,203	50,240	37.43	1,342
	493,909.75	189,006	366,848	201,148		5,516
TRIMBLE COUNTY UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 100-S1						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
1990	22,344.25	7,707	8,225	17,471	48.57	360
2011	25,970,953.62	282,837	301,852	29,564,745	52.30	565,291
	25,993,297.87	290,544	310,077	29,582,216		565,651
	322,736,788.84	167,314,831	204,806,818	162,442,600		7,084,425
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.9 2.20

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 1						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1954	865,016.58	951,518	951,518			
1956	715.00	786	787			
1958	27,636.00	30,400	30,400			
1961	15,756.00	17,332	17,332			
1970	4,821.00	5,303	5,303			
1980	29,286.00	32,215	32,215			
1981	36,161.00	39,777	39,777			
1982	10,341.00	11,375	11,375			
1987	2,652.00	2,917	2,917			
1998	24,243.00	26,667	26,667			
2001	35,643.00	39,207	39,208			
	1,052,270.58	1,157,497	1,157,498			
CANE RUN UNIT 2						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1956	119,371.78	131,309	131,309			
1958	7,600.00	8,360	8,360			
1987	5,304.00	5,834	5,834			
	132,275.78	145,503	145,503			
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1958	473,000.33	520,300	520,300			
1962	38,960.00	42,856	42,856			
1966	22,840.00	25,124	25,124			
1969	1,547.00	1,702	1,702			
1978	24,606.00	27,067	27,067			
1979	894.00	983	983			
1983	5,609.00	6,170	6,170			

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1987	48,412.00	53,253	53,253			
1988	7,503.00	8,253	8,253			
1996	82,109.00	90,320	90,320			
	705,480.33	776,028	776,028			
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1962	6,016,550.31	6,044,870	5,110,352	1,507,853	3.74	403,169
1965	9,005.00	9,009	7,616	2,289	3.77	607
1966	28,715.00	28,684	24,250	7,337	3.78	1,941
1967	111,695.00	111,393	94,172	28,693	3.79	7,571
1968	4,017.00	3,999	3,381	1,038	3.80	273
1969	51.00	51	43	13	3.81	3
1970	4,382.58	4,347	3,675	1,146	3.82	300
1973	15,950.00	15,720	13,290	4,255	3.84	1,108
1976	15,022.00	14,691	12,420	4,104	3.87	1,060
1977	20,048.00	19,556	16,533	5,520	3.87	1,426
1978	52,556.00	51,108	43,207	14,605	3.88	3,764
1979	13,993.00	13,568	11,470	3,922	3.88	1,011
1980	321,337.00	310,475	262,477	90,994	3.89	23,392
1981	14,482.00	13,945	11,789	4,141	3.89	1,065
1982	15,772.00	15,127	12,788	4,561	3.90	1,169
1983	185,256.00	176,995	149,632	54,149	3.90	13,884
1985	268,587.00	254,305	214,990	80,455	3.91	20,577
1986	3,076.88	2,898	2,450	935	3.92	239
1987	114,770.00	107,530	90,906	35,341	3.92	9,016
1988	244,305.00	227,600	192,414	76,322	3.92	19,470
1991	25,958.00	23,688	20,026	8,528	3.93	2,170
1992	268,138.60	242,581	205,079	89,874	3.94	22,811
1993	8,477,732.16	7,601,313	6,426,174	2,899,331	3.94	735,871
1994	99,942.00	88,735	75,017	34,919	3.94	8,863
1995	368,096.56	323,261	273,286	131,620	3.94	33,406
1996	300,060.00	260,122	219,908	110,158	3.95	27,888
1997	1,405,954.00	1,202,195	1,016,339	530,210	3.95	134,230
1998	3,969,582.88	3,341,714	2,825,096	1,541,446	3.95	390,239
1999	2,124,068.53	1,756,399	1,484,865	851,610	3.95	215,597

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2000	408.00	331	280	169	3.95	43
2001	69,866.78	55,262	46,719	30,135	3.95	7,629
2002	211,393.00	162,347	137,249	95,284	3.96	24,062
2003	591,327.59	438,983	371,118	279,343	3.96	70,541
2004	2,466,998.81	1,756,767	1,485,176	1,228,522	3.96	310,233
2005	1,256,082.20	849,449	718,127	663,564	3.96	167,567
2006	367,659.36	232,589	196,631	207,794	3.96	52,473
2007	685,365.61	396,794	335,451	418,451	3.96	105,669
2008	135,032.55	68,741	58,114	90,422	3.97	22,776
2009	961,380.40	403,570	341,179	716,339	3.97	180,438
2010	74,862.98	22,252	18,812	63,537	3.97	16,004
2011	7,749.29	937	792	7,732	3.97	1,948
	31,327,230.07	26,653,901	22,533,292	11,926,661		3,041,503

CANE RUN UNIT 4 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1976	2,008,432.00	1,964,222	2,209,275
1977	224,446.57	218,938	246,891
1978	23,311.00	22,669	25,642
1979	32,562.00	31,572	35,818
1988	12,348,521.30	11,504,166	13,583,373
1992	29,843.00	26,998	32,827
1993	58,034.49	52,035	63,838
1994	7,936.00	7,046	8,730
1997	323,211.00	276,369	355,532
1998	578,355.00	486,877	636,191
1999	28,783.00	23,801	31,661
2002	92,326.00	70,905	101,559
2003	91,228.36	67,725	100,351
2004	790,964.12	563,251	870,061
2005	269,920.16	182,539	296,912

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2006	54,115.54	34,235	59,527			
2007	57,172.16	33,100	62,889			
2010	31,205.80	9,276	34,326			
	17,050,367.50	15,575,724	18,755,404			
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1966	5,425,783.04	5,419,988	3,519,118	2,449,244	3.78	647,948
1968	3,067.00	3,053	1,982	1,391	3.80	366
1969	986.00	980	636	448	3.81	118
1970	9,632.34	9,553	6,203	4,393	3.82	1,150
1972	6,567.00	6,485	4,211	3,013	3.84	785
1973	22,498.00	22,174	14,397	10,351	3.84	2,696
1976	2,068.00	2,022	1,313	962	3.87	249
1977	19,455.00	18,978	12,322	9,078	3.87	2,346
1978	57,421.00	55,839	36,255	26,908	3.88	6,935
1979	894.00	867	563	420	3.88	108
1980	136,469.00	131,856	85,612	64,504	3.89	16,582
1981	290,307.00	279,548	181,506	137,831	3.89	35,432
1982	27,846.00	26,707	17,340	13,290	3.90	3,408
1983	228,564.00	218,371	141,785	109,635	3.90	28,112
1984	7,437.00	7,073	4,592	3,588	3.91	918
1986	14,810.00	13,948	9,056	7,235	3.92	1,846
1987	9.00	8	5	5	3.92	1
1990	106,825.00	98,201	63,760	53,747	3.93	13,676
1991	496,801.00	453,350	294,353	252,128	3.93	64,155
1992	454,276.60	410,977	266,841	232,863	3.94	59,102
1993	102,924.00	92,284	59,919	53,298	3.94	13,527
1994	256,026.00	227,317	147,594	134,035	3.94	34,019
1995	1,348,826.18	1,184,534	769,100	714,608	3.94	181,373
1997	4,210,658.00	3,600,424	2,337,702	2,294,022	3.95	580,765
1998	223,898.00	188,484	122,380	123,908	3.95	31,369
1999	1,385,639.64	1,145,790	743,944	780,259	3.95	197,534
2001	589,422.00	466,213	302,705	345,659	3.95	87,509
2002	671,342.00	515,582	334,760	403,716	3.96	101,948

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2003	611,176.02	453,718	294,592	377,701	3.96	95,379
2004	14,136,056.68	10,066,385	6,535,954	9,013,708	3.96	2,276,189
2005	1,050,014.27	710,092	461,052	693,964	3.96	175,243
2006	1,621,751.54	1,025,954	666,137	1,117,790	3.96	282,270
2007	103,665.05	60,017	38,968	75,063	3.96	18,955
2008	506,973.48	258,084	167,570	390,101	3.97	98,262
2009	3,793,419.15	1,592,409	1,033,928	3,138,834	3.97	790,638
2010	181,603.20	53,980	35,048	164,715	3.97	41,490
2011	428,206.26	51,752	33,602	437,425	3.97	110,183
	38,533,317.45	28,872,997	18,746,808	23,639,841		6,002,586

CANE RUN UNIT 5 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1977	5,475,793.00	5,341,406	6,023,372			
1978	848,003.00	824,635	932,803			
1979	251,940.00	244,280	277,134			
1981	4,534,984.40	4,366,918	4,988,483			
1982	48,538.00	46,553	53,392			
1983	2,581.00	2,466	2,839			
1987	12,142,236.25	11,376,231	13,356,460			
1988	151,925.00	141,537	167,118			
1989	797,118.00	737,712	876,830			
1990	358,836.00	329,867	394,720			
1991	74,774.18	68,234	82,252			
1992	270,992.00	245,162	298,091			
1993	45,321.00	40,636	49,853			
1994	8,260.00	7,334	9,086			
1997	406,230.00	347,357	446,853			
1998	163,340.43	137,505	179,674			
1999	1,211,677.00	1,001,939	1,326,388	6,457	3.95	1,635
2001	421,781.00	333,614	441,645	22,314	3.95	5,649
2002	209,513.00	160,903	213,007	17,458	3.96	4,409

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 5 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2004	403,477.80	287,319	380,359	63,467	3.96	16,027
2005	134,047.14	90,652	120,007	27,445	3.96	6,931
2008	16,538.17	8,419	11,145	7,047	3.97	1,775
	27,977,906.37	26,140,679	30,631,510	144,187		36,426
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1967	351,956.00	351,003	227,461	159,691	3.79	42,135
1968	97,180.00	96,748	62,696	44,202	3.80	11,632
1969	9,859,635.96	9,797,589	6,349,140	4,496,460	3.81	1,180,173
1970	235,024.07	233,093	151,051	107,475	3.82	28,135
1971	2,716.79	2,689	1,743	1,246	3.83	325
1972	67,568.00	66,728	43,242	31,083	3.84	8,095
1973	27,508.59	27,112	17,569	12,690	3.84	3,305
1974	910.00	895	580	421	3.85	109
1975	15,359.03	15,062	9,761	7,134	3.86	1,848
1977	140,497.00	137,049	88,812	65,735	3.87	16,986
1978	291,324.60	283,297	183,585	136,872	3.88	35,276
1979	75,428.50	73,135	47,394	35,578	3.88	9,170
1980	886,328.94	856,367	554,952	420,010	3.89	107,972
1981	90,025.00	86,689	56,177	42,850	3.89	11,015
1982	202,492.00	194,213	125,856	96,885	3.90	24,842
1983	440,639.00	420,989	272,814	211,889	3.90	54,331
1984	38,132.00	36,266	23,501	18,444	3.91	4,717
1985	1,090,953.00	1,032,942	669,378	530,670	3.91	135,721
1986	1,081,650.00	1,018,720	660,162	529,653	3.92	135,116
1987	113,218.69	106,076	68,741	55,800	3.92	14,235
1988	46,814.00	43,613	28,263	23,233	3.92	5,927
1990	212,740.00	195,565	126,732	107,282	3.93	27,298
1991	469,666.00	428,588	277,738	238,894	3.93	60,787
1992	808,355.44	731,306	473,909	415,282	3.94	105,402
1993	177,061.00	158,757	102,879	91,888	3.94	23,322
1994	435,623.00	386,774	250,641	228,544	3.94	58,006
1995	494,698.83	434,443	281,532	262,636	3.94	66,659
1996	192,573.14	166,941	108,183	103,648	3.95	26,240

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1997	4,739,117.41	4,052,296	2,626,013	2,587,016	3.95	654,941
1998	2,641,240.68	2,223,476	1,440,881	1,464,484	3.95	370,755
1999	4,004,661.68	3,311,467	2,145,933	2,259,195	3.95	571,948
2000	2,499,751.34	2,025,146	1,312,357	1,437,369	3.95	363,891
2001	2,091,597.66	1,654,383	1,072,091	1,228,666	3.95	311,055
2003	6,078,802.58	4,512,709	2,924,375	3,762,308	3.96	950,078
2004	941,760.92	670,635	434,592	601,345	3.96	151,855
2005	1,309,266.17	885,416	573,777	866,416	3.96	218,792
2006	2,003,587.55	1,267,512	821,387	1,382,559	3.96	349,131
2007	1,181,173.81	683,843	443,151	856,140	3.96	216,197
2008	4,546,979.33	2,314,726	1,500,014	3,501,663	3.97	882,031
2009	388,756.37	163,193	105,754	321,878	3.97	81,078
2010	413,053.85	122,777	79,563	374,796	3.97	94,407
2011	5,750,901.50	695,037	450,405	5,875,586	3.97	1,479,996
	56,536,729.43	41,965,265	27,194,785	34,995,617		8,894,934

CANE RUN UNIT 6 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1979	10,772,620.00	10,445,078	10,259,209	1,590,673	3.88	409,967
1980	291,389.68	281,540	276,530	43,999	3.89	11,311
1981	269,082.00	259,110	254,499	41,491	3.89	10,666
1982	67,430.72	64,674	63,523	10,651	3.90	2,731
1986	9,119,233.00	8,588,676	8,435,841	1,595,315	3.92	406,968
1987	90,232.00	84,540	83,036	16,220	3.92	4,138
1988	445,054.00	414,623	407,245	82,315	3.92	20,999
1989	262,475.00	242,914	238,591	50,131	3.93	12,756
1991	175,359.23	160,022	157,174	35,721	3.93	9,089
1992	65,124.00	58,917	57,869	13,768	3.94	3,494
1993	300,673.00	269,590	264,793	65,948	3.94	16,738
1994	75,500.00	67,034	65,841	17,209	3.94	4,368
1995	169,553.00	148,901	146,251	40,257	3.94	10,218
1996	801,689.00	694,983	682,616	199,242	3.95	50,441
1997	592,475.37	506,610	497,595	154,128	3.95	39,020
1998	263,246.87	221,609	217,665	71,906	3.95	18,204
1999	15,587.00	12,889	12,660	4,486	3.95	1,136

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 6 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2001	4,395,141.00	3,476,407	3,414,545	1,420,111	3.95	359,522
2002	991,422.00	761,399	747,850	342,714	3.96	86,544
2003	2,054,333.51	1,525,071	1,497,932	761,834	3.96	192,382
2005	46,203.79	31,246	30,690	20,134	3.96	5,084
2006	400,869.49	253,598	249,085	191,871	3.96	48,452
2007	71,106.29	41,167	40,434	37,782	3.96	9,541
2008	355,224.68	180,834	177,616	213,131	3.97	53,685
2009	200,894.59	84,332	82,831	138,153	3.97	34,799
2011	166,746.83	20,153	19,794	163,627	3.97	41,216
	32,458,666.05	28,895,917	28,381,716	7,322,817		1,863,469
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1972	21,801,015.72	16,378,977	20,759,051	4,094,107	15.63	261,939
1973	227,646.00	169,187	214,431	45,085	15.83	2,848
1974	38,294.00	28,158	35,688	7,967	16.01	498
1976	6,432.00	4,622	5,858	1,474	16.37	90
1977	108,872.92	77,327	98,006	26,109	16.53	1,579
1978	2,704.00	1,896	2,403	680	16.70	41
1979	15,998.00	11,075	14,037	4,201	16.86	249
1980	111,798.00	76,368	96,790	30,659	17.01	1,802
1981	68,942.00	46,447	58,868	19,726	17.15	1,150
1982	354,180.00	235,181	298,073	105,692	17.29	6,113
1983	25,557.36	16,707	21,175	7,961	17.43	457
1984	13,324.00	8,571	10,863	4,326	17.56	246
1985	345,337.00	218,495	276,925	116,759	17.68	6,604
1986	5,572.00	3,463	4,389	1,963	17.80	110
1987	187,467.00	114,291	144,855	68,858	17.92	3,843
1988	4,688.00	2,803	3,553	1,792	18.02	99
1990	16,106.00	9,213	11,677	6,684	18.23	367
1991	48,372.00	27,019	34,244	20,900	18.32	1,141
1993	23,285.67	12,328	15,625	10,921	18.50	590
1994	330,735.00	169,901	215,336	161,702	18.58	8,703
1995	272,815.00	135,625	171,894	139,115	18.66	7,455
1996	388,435.13	186,434	236,290	206,526	18.73	11,026

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1997	774,745.35	357,753	453,423	429,786	18.80	22,861
1998	6,476,333.60	2,865,572	3,631,885	3,751,136	18.87	198,788
1999	3,897,652.65	1,643,719	2,083,283	2,360,041	18.94	124,606
2000	36,369.00	14,556	18,449	23,012	19.00	1,211
2001	1,409,592.98	531,510	673,647	933,289	19.06	48,966
2003	2,873,697.24	938,283	1,189,199	2,086,816	19.16	108,915
2004	1,557,388.71	464,486	588,699	1,186,724	19.22	61,744
2005	3,296,658.61	883,212	1,119,401	2,638,790	19.27	136,938
2006	284,085.98	66,928	84,826	239,032	19.31	12,379
2007	1,859,142.99	372,637	472,288	1,647,135	19.36	85,079
2008	162,172.12	26,317	33,355	151,522	19.40	7,810
2009	5,915,137.03	716,201	907,728	5,835,528	19.44	300,181
2010	20,198.03	1,534	1,944	21,082	19.48	1,082
2011	3,260,701.22	87,391	110,761	3,606,438	19.52	184,756
	56,221,452.31	26,904,187	34,098,918	29,993,538		1,612,266

MILL CREEK UNIT 1 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 6-2032
NET SALVAGE PERCENT.. -14

1980	14,034,549.65	9,586,832	14,218,359	1,781,027	17.01	104,705
1981	747,036.00	503,291	746,438	105,183	17.15	6,133
1985	3,960,144.00	2,505,583	3,716,064	798,500	17.68	45,164
1986	641,500.00	398,644	591,234	140,076	17.80	7,869
1987	233,813.94	142,547	211,413	55,135	17.92	3,077
1988	448.00	268	397	113	18.02	6
1989	510,025.00	298,441	442,622	138,807	18.13	7,656
1992	841.00	458	679	279	18.41	15
1993	774.00	410	608	274	18.50	15
1994	49,028.00	25,186	37,354	18,538	18.58	998
1995	113,745.00	56,546	83,864	45,805	18.66	2,455
1996	4,003,235.00	1,921,404	2,849,660	1,714,028	18.73	91,512
1997	3,816,069.19	1,762,140	2,613,453	1,736,865	18.80	92,386
1998	1,927,292.07	852,765	1,264,747	932,366	18.87	49,410
1999	48,062.00	20,269	30,061	24,729	18.94	1,306
2001	269,078.00	101,460	150,477	156,272	19.06	8,199
2002	389,414.00	137,335	203,683	240,249	19.11	12,572

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MILL CREEK UNIT 1 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
2003	3,897,800.88	1,272,661	1,887,501	2,555,992	19.16	133,403
2004	7,024,203.17	2,094,946	3,107,043	4,900,549	19.22	254,971
2005	93,396.20	25,022	37,110	69,361	19.27	3,599
2006	11,505.64	2,711	4,021	9,096	19.31	471
2007	260,521.36	52,218	77,445	219,549	19.36	11,340
2008	486,466.46	78,943	117,081	437,490	19.40	22,551
2009	763,428.01	92,435	137,092	733,216	19.44	37,717
2010	254,175.02	19,298	28,621	261,138	19.48	13,405
2011	32,949.04	883	1,310	36,252	19.52	1,857
	43,569,500.63	21,952,696	32,558,338	17,110,893		912,792
MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
1974	17,518,087.88	12,551,335	14,670,699	5,299,921	17.03	311,211
1975	862,241.73	610,347	713,408	269,548	17.24	15,635
1976	54,442.00	38,050	44,475	17,589	17.45	1,008
1977	2,149.00	1,483	1,733	716	17.65	41
1978	17,427.00	11,864	13,867	5,999	17.84	336
1980	194,506.00	128,698	150,429	71,307	18.21	3,916
1981	43,285.00	28,207	32,970	16,375	18.39	890
1982	74,357.00	47,697	55,751	29,016	18.56	1,563
1983	112,727.00	71,135	83,147	45,362	18.72	2,423
1985	231,599.37	141,057	164,875	99,148	19.03	5,210
1986	2.00	1	1	1	19.17	
1987	81,759.00	47,905	55,994	37,211	19.31	1,927
1988	4,467.00	2,562	2,995	2,098	19.44	108
1991	52,364.00	27,949	32,668	27,027	19.81	1,364
1992	331.00	172	201	176	19.92	9
1993	4,286.99	2,162	2,527	2,360	20.03	118
1994	0.23		0			
1995	138,982.00	65,687	76,779	81,661	20.22	4,039
1996	46,272.00	21,056	24,611	28,139	20.32	1,385
1997	543,562.16	237,640	277,767	341,894	20.40	16,760
1998	4,180,134.00	1,747,074	2,042,077	2,723,276	20.49	132,908
1999	1,444,565.93	574,817	671,878	974,927	20.57	47,396

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MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
2001	214,769.00	76,154	89,013	155,824	20.71	7,524
2002	5,151,906.00	1,704,982	1,992,878	3,880,295	20.78	186,732
2003	6,454,808.45	1,971,411	2,304,295	5,054,187	20.85	242,407
2004	5,385,710.15	1,499,992	1,753,274	4,386,435	20.91	209,777
2005	3,045,372.62	760,273	888,649	2,583,075	20.97	123,180
2006	442,806.81	96,967	113,340	391,459	21.03	18,614
2007	366,601.59	68,022	79,508	338,418	21.09	16,046
2008	1,048,178.65	157,097	183,624	1,011,300	21.14	47,838
2009	660,262.95	73,697	86,141	666,559	21.19	31,456
2010	4,483,417.56	311,828	364,482	4,746,614	21.24	223,475
2011	437,464.13	10,548	12,329	486,380	21.29	22,845
	53,298,846.20	23,087,869	26,986,386	33,774,299		1,678,141

MILL CREEK UNIT 2 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 6-2034
NET SALVAGE PERCENT.. -14

1981	10,562,442.67	6,883,102	10,922,084	1,119,100	18.39	60,854
1982	2,107,764.00	1,352,036	2,145,406	257,445	18.56	13,871
1983	521,537.00	329,108	522,228	72,325	18.72	3,864
1984	877,105.99	544,016	863,243	136,658	18.88	7,238
1985	3,052,784.75	1,859,318	2,950,360	529,815	19.03	27,841
1986	646,328.00	386,326	613,021	123,793	19.17	6,458
1987	990,897.00	580,592	921,282	208,341	19.31	10,789
1989	384,022.00	215,368	341,745	96,040	19.57	4,908
1991	15,299.00	8,166	12,958	4,483	19.81	226
1992	841.00	437	693	265	19.92	13
1993	49,221.00	24,822	39,387	16,724	20.03	835
1995	173,470.00	81,988	130,098	67,658	20.22	3,346
1996	1,167,366.00	531,214	842,929	487,869	20.32	24,009
1997	118,856.00	51,963	82,455	53,041	20.40	2,600
1998	4,236,188.00	1,770,501	2,809,425	2,019,829	20.49	98,576
1999	2,345,331.00	933,247	1,480,873	1,192,804	20.57	57,988
2001	265,298.00	94,071	149,272	153,168	20.71	7,396
2002	5,496,522.00	1,819,030	2,886,431	3,379,604	20.78	162,637
2003	116,711.60	35,646	56,563	76,488	20.85	3,668
2005	505,526.04	126,204	200,260	376,040	20.97	17,932

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MILL CREEK UNIT 2 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
2006	210,710.34	46,142	73,218	166,992	21.03	7,941
2007	119,094.14	22,097	35,063	100,704	21.09	4,775
2008	443,022.31	66,398	105,360	399,685	21.14	18,907
2009	229,511.81	25,618	40,651	220,993	21.19	10,429
2010	598,361.34	41,617	66,038	616,094	21.24	29,006
2011	485,736.72	11,712	18,585	535,155	21.29	25,136
	35,719,947.71	17,840,739	28,309,628	12,411,112		611,243
MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1978	42,525,075.79	27,496,569	33,992,411	14,486,175	19.84	730,150
1980	2,936,927.68	1,838,106	2,272,344	1,075,754	20.34	52,889
1981	174,474.00	107,327	132,682	66,218	20.58	3,218
1982	384,212.70	232,106	286,939	151,063	20.82	7,256
1983	1,337,672.00	793,246	980,644	544,302	21.04	25,870
1984	424,953.00	247,135	305,519	178,928	21.26	8,416
1985	447,463.00	254,993	315,233	194,875	21.47	9,077
1986	65,483.00	36,534	45,165	29,486	21.67	1,361
1987	158,651.74	86,528	106,970	73,893	21.87	3,379
1988	372,233.00	198,288	245,132	179,214	22.06	8,124
1990	82,110.00	41,553	51,370	42,236	22.41	1,885
1991	50,356.00	24,780	30,634	26,772	22.58	1,186
1992	13,010.00	6,212	7,680	7,152	22.74	315
1993	114,295.57	52,869	65,359	64,938	22.89	2,837
1994	179,171.00	80,107	99,032	105,223	23.03	4,569
1995	2,328,301.00	1,003,285	1,240,303	1,413,960	23.17	61,025
1996	261,792.08	108,317	133,906	164,537	23.31	7,059
1997	674,549.00	267,392	330,561	438,425	23.43	18,712
1998	1,198,126.69	452,702	559,649	806,215	23.56	34,220
1999	499,689.74	179,273	221,625	348,022	23.67	14,703
2001	390,488.00	123,767	153,006	292,150	23.89	12,229
2003	1,408,726.98	381,670	471,836	1,134,112	24.09	47,078
2004	72,076,474.05	17,744,003	21,935,880	60,231,300	24.18	2,490,955
2005	1,964,043.96	431,256	533,137	1,705,873	24.27	70,287
2006	634,782.83	121,841	150,625	573,027	24.35	23,533

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MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
2007	2,085,358.33	337,221	416,887	1,960,422	24.44	80,214
2008	4,085,927.47	531,939	657,605	4,000,352	24.51	163,213
2009	1,061,729.70	101,877	125,945	1,084,427	24.59	44,100
2010	527,772.09	31,665	39,146	562,515	24.66	22,811
2011	4,692,707.72	97,685	120,762	5,228,925	24.73	211,441
	143,156,558.12	53,410,246	66,027,985	97,170,491		4,162,112

MILL CREEL UNIT 3 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 6-2038
NET SALVAGE PERCENT.. -14

1978	2,476,079.00	1,601,024	2,274,740	547,990	19.84	27,620
1979	592,000.00	376,765	535,309	139,571	20.09	6,947
1980	1,017,808.00	637,005	905,059	255,242	20.34	12,549
1985	12,649,388.86	7,208,421	10,241,747	4,178,556	21.47	194,623
1986	3,725,798.00	2,078,682	2,953,398	1,294,012	21.67	59,714
1987	850,635.00	463,935	659,160	310,564	21.87	14,200
1988	20,386.00	10,860	15,430	7,810	22.06	354
1989	8.00	4	6	3	22.24	
1991	33,036.00	16,257	23,098	14,563	22.58	645
1992	10,728.00	5,123	7,279	4,951	22.74	218
1993	50,467.00	23,344	33,167	24,365	22.89	1,064
1994	1,123,688.00	502,397	713,807	567,197	23.03	24,629
1995	1,841,122.00	793,355	1,127,201	971,678	23.17	41,937
1996	6,316,824.23	2,613,596	3,713,405	3,487,774	23.31	149,626
1998	24,958.00	9,430	13,398	15,054	23.56	639
1999	68,421.00	24,547	34,876	43,123	23.67	1,822
2000	6,439,536.00	2,179,344	3,096,419	4,244,652	23.78	178,497
2001	7,558,843.81	2,395,807	3,403,970	5,213,112	23.89	218,213
2003	82,695.02	22,405	31,833	62,439	24.09	2,592
2004	17,516,525.17	4,312,271	6,126,888	13,841,951	24.18	572,455
2005	136,417.50	29,954	42,559	112,957	24.27	4,654
2006	571,670.20	109,727	155,900	495,804	24.35	20,362
2007	72,067.10	11,654	16,558	65,598	24.44	2,684
2011	58,208.96	1,212	1,722	64,636	24.73	2,614
	63,237,310.85	25,427,119	36,126,930	35,963,604		1,538,658

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MILL CREEK UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1982	75,958,285.86	43,692,816	51,250,317	35,342,129	22.71	1,556,236
1983	4,739,865.00	2,669,627	3,131,390	2,272,056	23.01	98,742
1984	204,755.08	112,880	132,405	101,016	23.29	4,337
1985	931,616.08	502,038	588,875	473,167	23.57	20,075
1986	6,021,860.24	3,169,740	3,718,007	3,146,914	23.84	132,001
1987	354,028.00	181,778	213,220	190,372	24.10	7,899
1988	4,529,090.00	2,266,319	2,658,322	2,504,841	24.35	102,868
1989	1,451,567.00	706,941	829,220	825,567	24.59	33,573
1990	455,452.72	215,563	252,849	266,367	24.82	10,732
1991	2,448,448.00	1,123,694	1,318,058	1,473,173	25.05	58,809
1992	86,926.00	38,647	45,332	53,764	25.26	2,128
1993	223,466.00	95,952	112,549	142,203	25.47	5,583
1994	145,701.00	60,299	70,729	95,370	25.67	3,715
1995	804,312.00	320,104	375,472	541,444	25.86	20,938
1996	3,532,155.56	1,347,038	1,580,034	2,446,624	26.04	93,956
1997	876,304.00	318,986	374,161	624,826	26.22	23,830
1998	3,511,611.93	1,215,023	1,425,184	2,578,053	26.39	97,691
1999	6,722,014.30	2,201,224	2,581,967	5,081,129	26.55	191,380
2000	909,449.00	280,229	328,700	708,072	26.70	26,520
2001	25,504,487.13	7,341,757	8,611,653	20,463,462	26.85	762,140
2002	1,499,241.00	400,126	469,335	1,239,799	26.99	45,935
2003	5,888,326.09	1,440,074	1,689,162	5,023,530	27.13	185,165
2004	69,460,267.64	15,359,457	18,016,166	61,168,539	27.26	2,243,894
2005	2,406,536.02	473,410	555,295	2,188,156	27.38	79,918
2006	15,346,955.39	2,622,930	3,076,615	14,418,914	27.50	524,324
2007	1,151,587.23	165,768	194,441	1,118,369	27.61	40,506
2008	672,726.46	77,588	91,008	675,900	27.72	24,383
2009	4,012,682.70	339,333	398,027	4,176,431	27.83	150,069
2010	4,258,259.39	223,837	262,554	4,591,862	27.93	164,406
2011	5,717,304.93	102,980	120,792	6,396,935	28.03	228,217
	249,825,281.75	89,066,158	104,471,839	180,328,982		6,939,970

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 312 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1981	5,416,913.83	3,178,541	5,453,037	722,245	22.41	32,229
1982	9,418,107.23	5,417,495	9,294,138	1,442,504	22.71	63,518
1987	17,857,309.00	9,168,942	15,730,041	4,627,292	24.10	192,004
1988	1,425,923.00	713,520	1,224,100	401,453	24.35	16,487
1989	402,055.00	195,809	335,926	122,417	24.59	4,978
1992	63,581.00	28,268	48,496	23,986	25.26	950
1993	51,499.00	22,113	37,937	20,772	25.47	816
1996	27,060,112.68	10,319,758	17,704,356	13,144,173	26.04	504,769
1997	68,399.00	24,898	42,714	35,260	26.22	1,345
1998	7,871,818.00	2,723,660	4,672,653	4,301,220	26.39	162,987
1999	26,464,683.00	8,666,257	14,867,645	15,302,094	26.55	576,350
2000	295,288.48	90,987	156,095	180,534	26.70	6,762
2001	5,828,518.00	1,677,805	2,878,406	3,766,104	26.85	140,265
2002	247,191.96	65,972	113,180	168,619	26.99	6,247
2003	7,304,254.93	1,786,359	3,064,639	5,262,211	27.13	193,963
2005	785,205.03	154,464	264,995	630,139	27.38	23,015
2006	1,513,270.39	258,631	443,702	1,281,426	27.50	46,597
2007	536,647.93	77,249	132,527	479,252	27.61	17,358
2008	340,039.29	39,218	67,282	320,363	27.72	11,557
2009	300,320.08	25,397	43,571	298,794	27.83	10,736
2010	108,762.03	5,717	9,808	114,181	27.93	4,088
2011	864,625.90	15,574	26,718	958,955	28.03	34,212
	114,224,524.76	44,656,634	76,611,965	53,603,993		2,051,233

TRIMBLE COUNTY UNIT 1
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 6-2050
NET SALVAGE PERCENT.. -15

1990	138,288,909.98	59,637,092	59,689,799	99,342,447	28.65	3,467,450
1991	174,554.00	72,695	72,759	127,978	29.01	4,412
1994	29,656.00	10,981	10,991	23,114	30.03	770
1995	12,880.00	4,564	4,568	10,244	30.34	338
1996	443,487.00	149,831	149,963	360,047	30.65	11,747
1997	1,446,885.27	464,333	464,743	1,199,175	30.95	38,746
1998	4,886,966.06	1,484,470	1,485,782	4,134,229	31.23	132,380
1999	289,506.83	82,817	82,890	250,043	31.50	7,938
2000	82,951.00	22,207	22,227	73,167	31.77	2,303

LOUISVILLE GAS AND ELECTRIC COMPANY
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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
2001	659,313.57	164,039	164,184	594,027	32.02	18,552
2002	36,607,792.74	8,388,639	8,396,053	33,702,909	32.27	1,044,404
2003	3,361,289.98	703,441	704,063	3,161,421	32.50	97,274
2004	6,289,122.59	1,182,946	1,183,991	6,048,499	32.73	184,800
2005	2,227,318.03	370,381	370,708	2,190,707	32.95	66,486
2006	4,174,412.53	599,304	599,834	4,200,741	33.16	126,681
2007	908,829.41	109,145	109,241	935,912	33.36	28,055
2008	412,203.10	39,255	39,290	434,744	33.56	12,954
2009	3,557,595.14	248,297	248,516	3,842,718	33.74	113,892
2010	9,260,327.24	398,926	399,279	10,250,098	33.92	302,184
2011	4,103,962.54	60,127	60,180	4,659,377	34.10	136,639
	217,217,963.01	74,193,490	74,259,062	175,541,595		5,798,005

TRIMBLE COUNTY UNIT 1 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5
PROBABLE RETIREMENT YEAR.. 6-2050
NET SALVAGE PERCENT.. -15

1990	48,715,278.80	21,008,464	40,659,734	15,362,836	28.65	536,225
1991	1,332,341.00	554,868	1,073,890	458,302	29.01	15,798
1992	481,322.00	193,179	373,878	179,642	29.36	6,119
1994	253,366.00	93,813	181,565	109,805	30.03	3,657
1995	18,931.00	6,708	12,983	8,788	30.34	290
1996	38,612.00	13,045	25,247	19,157	30.65	625
1997	116,112.00	37,263	72,119	61,410	30.95	1,984
1998	817,158.00	248,221	480,406	459,325	31.23	14,708
1999	178,777.00	51,141	98,978	106,615	31.50	3,385
2002	24,080.00	5,518	10,680	17,012	32.27	527
2003	631,747.25	132,210	255,879	470,630	32.50	14,481
2004	1,302,676.64	245,026	474,223	1,023,855	32.73	31,282
2005	4,284,989.73	712,551	1,379,070	3,548,669	32.95	107,699
2006	4,447,620.90	638,527	1,235,804	3,878,960	33.16	116,977
2007	855,971.02	102,797	198,953	785,414	33.36	23,544
2008	197,145.43	18,774	36,335	190,382	33.56	5,673
2009	45,176.32	3,153	6,102	45,850	33.74	1,359
2011	33,337.92	488	944	37,394	34.10	1,097
	63,774,643.01	24,065,746	46,576,791	26,764,048		885,430

LOUISVILLE GAS AND ELECTRIC COMPANY
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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
2003	2,946.99	505	1,831	1,558	39.84	39
2010	95,647.77	3,129	11,346	98,649	43.03	2,293
2011	121,487,189.58	1,338,424	4,853,152	134,857,116	43.43	3,105,160
	121,585,784.34	1,342,058	4,866,329	134,957,323		3,107,492
TRIMBLE COUNTY UNIT 2 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 50-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
2011	14,269,003.46	157,202	555,655	15,853,699	43.43	365,040
	14,269,003.46	157,202	555,655	15,853,699		365,040
	1,381,875,059.71	572,287,655	679,772,370	891,502,700		49,501,300
	COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.0					3.58

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 312 BOILER PLANT EQUIPMENT - LOCOMOTIVE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN LOCOMOTIVE						
INTERIM SURVIVOR CURVE.. IOWA 25-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2015						
NET SALVAGE PERCENT.. 0						
1972	51,549.42	48,085	51,549			
	51,549.42	48,085	51,549			
MILL CREEK LOCOMOTIVE						
INTERIM SURVIVOR CURVE.. IOWA 25-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1973	147,111.85	135,225	125,363	21,749	2.02	10,767
1980	466,312.58	397,858	368,843	97,470	3.67	26,559
	613,424.43	533,083	494,206	119,218		37,326
	664,973.85	581,168	545,755	119,218		37,326
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					3.2	5.61

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 312 BOILER PLANT EQUIPMENT - RAIL CARS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN RAIL CARS						
INTERIM SURVIVOR CURVE.. IOWA 25-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2015						
NET SALVAGE PERCENT.. 0						
1994	1,501,772.81	1,244,579	1,161,405	340,368	3.29	103,455
	1,501,772.81	1,244,579	1,161,405	340,368		103,455
MILL CREEK RAIL CARS						
INTERIM SURVIVOR CURVE.. IOWA 25-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. 0						
1994	2,298,377.65	1,349,607	2,214,107	84,271	10.32	8,166
	2,298,377.65	1,349,607	2,214,107	84,271		8,166
	3,800,150.46	2,594,186	3,375,512	424,639		111,621
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					3.8	2.94

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 314 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 1						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1954	105,160.99	115,677	115,677			
1964	848.00	933	933			
	106,008.99	116,610	116,610			
CANE RUN UNIT 2						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1956	13,919.00	15,311	15,311			
1964	848.00	933	933			
1966	5,232.00	5,755	5,755			
	19,999.00	21,999	21,999			
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1958	567,820.00	624,602	624,602			
1963	13,357.00	14,693	14,693			
	581,177.00	639,295	639,295			
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1962	5,379,693.23	5,445,670	5,791,470	126,193	3.81	33,122
1967	656.00	659	701	21	3.84	5
1969	14,412.00	14,433	15,349	504	3.86	131
1970	6,481.00	6,479	6,890	239	3.86	62
1971	51,575.00	51,455	54,722	2,010	3.87	519
1982	41,051.00	39,699	42,220	2,936	3.93	747
1985	46,321.00	44,221	47,029	3,924	3.94	996
1993	2,522.00	2,280	2,425	349	3.97	88
1995	4,971.00	4,399	4,678	790	3.98	198
1996	373,345.00	326,338	347,060	63,619	3.98	15,985

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 314 TURBOGENERATOR UNITS

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1998	5,258.00	4,462	4,745	1,038	3.98	261
1999	1,190,503.00	991,725	1,054,699	254,854	3.99	63,873
2000	747,940.00	610,263	649,015	173,719	3.99	43,539
2004	19,492.36	13,989	14,877	6,564	3.99	1,645
2005	1,133,658.28	772,706	821,773	425,251	3.99	106,579
2006	102,464.60	65,203	69,343	43,368	4.00	10,842
2009	18,895.54	7,994	8,502	12,283	4.00	3,071
2011	179,264.04	21,910	23,301	173,889	4.00	43,472
	9,318,503.05	8,423,885	8,958,801	1,291,552		325,135
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1966	5,316,743.38	5,351,361	5,788,465	59,953	3.84	15,613
1969	8,948.00	8,961	9,693	150	3.86	39
1975	2,344.00	2,318	2,507	71	3.89	18
1985	46,321.00	44,221	47,833	3,120	3.94	792
1986	31,168.00	29,599	32,017	2,268	3.95	574
1987	66.00	62	67	6	3.95	2
1993	2,586.00	2,338	2,529	316	3.97	80
1995	762,152.39	674,484	729,576	108,791	3.98	27,334
1996	136,376.00	119,205	128,942	21,072	3.98	5,294
1998	20,577.00	17,463	18,889	3,745	3.98	941
2002	469,381.00	363,380	393,061	123,258	3.99	30,892
2003	328,736.44	246,000	266,094	95,517	3.99	23,939
2004	118,980.79	85,391	92,366	38,513	3.99	9,652
2009	687,391.74	290,823	314,578	441,553	4.00	110,388
	7,931,771.74	7,235,606	7,826,617	898,332		225,558

LOUISVILLE GAS AND ELECTRIC COMPANY
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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1969	6,524,482.52	6,533,878	5,607,380	1,569,551	3.86	406,619
1971	5,765.00	5,752	4,936	1,405	3.87	363
1972	687.00	684	587	169	3.87	44
1973	104.00	103	88	26	3.88	7
1974	19,793.00	19,616	16,834	4,938	3.89	1,269
1977	598.00	588	505	153	3.90	39
1984	4,120.00	3,951	3,391	1,141	3.94	290
1987	24,415.68	23,066	19,795	7,062	3.95	1,788
1988	1,025.00	963	826	301	3.95	76
1993	5,042.00	4,558	3,912	1,635	3.97	412
1994	335.00	300	257	111	3.97	28
1996	3,104,660.36	2,713,762	2,328,953	1,086,173	3.98	272,908
1998	16,663.86	14,142	12,137	6,194	3.98	1,556
2003	4,290,009.10	3,210,295	2,755,078	1,963,932	3.99	492,214
2004	117,049.92	84,005	72,093	56,662	3.99	14,201
2006	396,717.14	252,451	216,654	219,735	4.00	54,934
2007	483,230.41	281,410	241,506	290,047	4.00	72,512
2008	27,068.58	13,895	11,925	17,851	4.00	4,463
2009	26,021.91	11,009	9,448	19,176	4.00	4,794
2010	197,402.48	59,221	50,824	166,319	4.00	41,580
2011	1,483,095.73	181,265	155,562	1,475,844	4.00	368,961
	16,728,286.69	13,414,914	11,512,691	6,888,424		1,739,058

MILL CREEK UNIT 1

INTERIM SURVIVOR CURVE.. IOWA 60-S1.5

PROBABLE RETIREMENT YEAR.. 6-2032

NET SALVAGE PERCENT.. -14

1972	11,287,558.94	8,680,372	11,182,807	1,685,011	16.72	100,778
1973	31,601.00	24,085	31,028	4,997	16.86	296
1974	304.00	230	296	50	17.00	3
1975	26,639.00	19,922	25,665	4,703	17.13	275
1986	9,481.00	6,124	7,889	2,919	18.51	158
1991	1,292,584.00	751,744	968,462	505,084	19.04	26,528
1992	32,440.00	18,384	23,684	13,298	19.14	695
1994	185,064.00	99,026	127,574	83,399	19.32	4,317
1995	28,446.00	14,728	18,974	13,455	19.41	693
1996	254,032.00	126,985	163,593	126,003	19.49	6,465

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1999	18,356.00	8,056	10,378	10,547	19.73	535
2003	139,592.43	47,282	60,913	98,223	19.99	4,914
2004	312,833.02	96,707	124,586	232,043	20.05	11,573
2005	691,281.91	192,121	247,507	540,554	20.10	26,893
2008	200,644.13	33,640	43,338	185,396	20.24	9,160
2009	175,609.64	21,979	28,315	171,880	20.27	8,480
	14,686,467.07	10,141,385	13,065,010	3,677,562		201,763
MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
1974	12,360,736.21	9,094,345	11,344,544	2,746,696	18.22	150,752
1977	32,117.00	22,865	28,522	8,091	18.70	433
1985	4,909.00	3,115	3,886	1,711	19.88	86
1986	10,264.00	6,395	7,977	3,724	20.02	186
1988	61,147.46	36,593	45,647	24,061	20.29	1,186
1995	960,599.00	474,324	591,685	503,398	21.11	23,846
1996	37,365.00	17,771	22,168	20,428	21.22	963
1997	333,008.00	152,022	189,637	189,993	21.32	8,911
1999	7,342.00	3,052	3,807	4,563	21.50	212
2003	954,501.67	303,654	378,787	709,345	21.83	32,494
2004	1,623,537.09	470,278	586,638	1,264,194	21.90	57,726
2005	37,138.75	9,632	12,015	30,323	21.97	1,380
2006	165,856.12	37,664	46,983	142,093	22.03	6,450
2009	178,384.20	20,592	25,687	177,671	22.19	8,007
2011	324,121.04	8,114	10,122	359,376	22.27	16,137
	17,091,026.54	10,660,416	13,298,105	6,185,665		308,769

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 314 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1978	11,487,185.07	7,674,292	9,914,106	3,181,285	21.27	149,567
1979	8,352,780.67	5,501,434	7,107,079	2,415,091	21.48	112,434
1981	47,321.00	30,244	39,071	14,875	21.88	680
1988	2,208.00	1,234	1,594	923	23.21	40
1993	27,780.00	13,514	17,458	14,211	24.06	591
1994	904,453.00	425,237	549,346	481,730	24.22	19,890
1995	96,283.00	43,634	56,369	53,394	24.37	2,191
1996	1,355,167.00	589,994	762,189	782,701	24.52	31,921
1997	174,258.00	72,624	93,820	104,834	24.66	4,251
1999	7,342.00	2,767	3,575	4,795	24.93	192
2004	803,836.34	207,128	267,580	648,793	25.51	25,433
2005	1,035,086.73	238,360	307,928	872,071	25.60	34,065
2006	79,642.05	15,957	20,614	70,178	25.70	2,731
2008	23,053.86	3,124	4,036	22,246	25.87	860
2009	1,327,361.28	133,010	171,830	1,341,362	25.94	51,710
2010	260,400.43	16,188	20,913	275,944	26.01	10,609
2011	5,691,071.65	122,036	157,653	6,330,168	26.08	242,721
	31,675,230.08	15,090,777	19,495,161	16,614,601		689,886

MILL CREEK UNIT 4
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1982	31,794,490.09	19,032,989	23,907,216	12,338,503	24.40	505,676
1983	1,072,715.00	630,072	791,429	431,466	24.66	17,497
1988	2,208.00	1,162	1,460	1,058	25.87	41
1990	216,104.00	107,843	135,461	110,898	26.33	4,212
1991	3,920,363.00	1,898,790	2,385,058	2,084,156	26.56	78,470
1992	1,255.00	589	740	691	26.77	26
1993	30,320.00	13,760	17,284	17,281	26.99	640
1994	51,865.00	22,700	28,513	30,613	27.20	1,125
1996	209,001.00	84,292	105,879	132,382	27.60	4,796
1997	671,049.00	258,462	324,652	440,343	27.79	15,845
1998	59,502.00	21,788	27,368	40,465	27.98	1,446
1999	7,342.00	2,543	3,194	5,176	28.16	184
2001	732,713.00	222,848	279,918	555,375	28.50	19,487
2003	33,255.97	8,582	10,780	27,132	28.81	942

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
2004	253,031.34	59,021	74,136	214,320	28.96	7,401
2006	2,885,137.52	519,276	652,259	2,636,798	29.23	90,209
2007	12,384.29	1,873	2,353	11,765	29.35	401
2009	560,545.24	49,799	62,552	576,469	29.58	19,488
2010	25,026.43	1,373	1,725	26,806	29.68	903
2011	34,797.82	655	823	38,847	29.78	1,304
	42,573,105.70	22,938,417	28,812,799	19,720,541		770,093
TRIMBLE COUNTY UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1990	38,458,676.09	17,508,332	19,589,572	24,637,905	31.04	793,747
1991	903,664.00	398,154	445,483	593,730	31.38	18,921
1993	3,378.00	1,385	1,550	2,335	32.05	73
1994	35,317.00	13,906	15,559	25,056	32.38	774
1996	35,402.00	12,747	14,262	26,450	33.02	801
1997	231,629.87	79,305	88,732	177,642	33.33	5,330
1998	29,590.00	9,592	10,732	23,296	33.63	693
2000	64,646.00	18,471	20,667	53,676	34.21	1,569
2002	18,444.00	4,511	5,047	16,163	34.76	465
2003	1,789,760.53	398,946	446,369	1,611,855	35.02	46,027
2004	257,463.44	51,578	57,709	238,374	35.27	6,759
2005	37,723.50	6,677	7,471	35,911	35.51	1,011
2007	27,463.17	3,506	3,923	27,660	35.96	769
2008	14,300,272.45	1,450,970	1,623,449	14,821,864	36.17	409,783
2009	57,074.38	4,222	4,724	60,912	36.37	1,675
2011	750,434.28	11,590	12,968	850,032	36.74	23,136
	57,000,938.71	19,973,892	22,348,217	43,202,863		1,311,533

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
1990	4,145,218.19	1,679,510	2,335,002	2,431,999	37.06	65,623
2011	16,302,208.42	192,725	267,943	18,479,597	48.16	383,713
	20,447,426.61	1,872,235	2,602,945	20,911,596		449,336
	218,159,941.18	110,529,431	128,698,250	119,391,136		6,021,131
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					19.8	2.76

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 1 FULLY ACCRUED NET SALVAGE PERCENT.. -10						
1954	1,776,132.22	1,953,745	1,953,745			
1955	1,421.00	1,563	1,563			
1960	214.00	235	235			
1966	30,696.00	33,766	33,766			
1967	967.00	1,064	1,064			
1971	3,928.00	4,321	4,321			
1983	58,619.00	64,481	64,481			
1987	11,679.00	12,847	12,847			
	1,883,656.22	2,072,022	2,072,022			
CANE RUN UNIT 2 FULLY ACCRUED NET SALVAGE PERCENT.. -10						
1956	1,232,754.15	1,356,030	1,356,030			
1957	515.00	566	567			
1958	1,051.00	1,156	1,156			
1963	1,656.00	1,822	1,822			
1971	2,092.00	2,301	2,301			
	1,238,068.15	1,361,875	1,361,875			
CANE RUN UNIT 3 FULLY ACCRUED NET SALVAGE PERCENT.. -10						
1958	758,250.94	834,076	834,076			
1959	500.00	550	550			
1960	583.00	641	641			
1961	728.00	801	801			
1964	261.00	287	287			
1976	1,103.00	1,213	1,213			
1977	5,115.00	5,626	5,626			
	766,540.94	843,194	843,195			

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1962	1,198,905.41	1,214,703	1,210,609	108,187	3.73	29,005
1964	355,520.97	359,294	358,083	32,990	3.75	8,797
1965	9,480.00	9,567	9,535	893	3.76	238
1966	18,077.00	18,217	18,156	1,729	3.77	459
1967	25,607.00	25,766	25,679	2,489	3.78	658
1968	2,264.00	2,274	2,266	224	3.79	59
1973	3,142.00	3,126	3,115	341	3.84	89
1974	619.00	614	612	69	3.85	18
1976	1,932.00	1,908	1,902	224	3.87	58
1981	10,095.00	9,812	9,779	1,326	3.91	339
1983	2,039.00	1,967	1,960	283	3.92	72
1984	27,692.00	26,588	26,498	3,963	3.93	1,008
1987	5,636.00	5,329	5,311	889	3.95	225
1988	96,066.00	90,327	90,023	15,650	3.95	3,962
1989	3,478.00	3,249	3,238	588	3.96	148
1992	32,960.00	30,094	29,993	6,263	3.97	1,578
1993	274,009.00	247,967	247,131	54,279	3.97	13,672
1997	327,000.00	281,954	281,004	78,696	3.99	19,723
1998	3,274,894.43	2,779,635	2,770,267	832,117	3.99	208,551
2001	24,445.00	19,485	19,419	7,470	3.99	1,872
2002	119,479.37	92,456	92,144	39,283	4.00	9,821
2003	7,875.63	5,889	5,869	2,794	4.00	698
2007	57,951.23	33,748	33,634	30,112	4.00	7,528
2008	17,094.64	8,775	8,745	10,059	4.00	2,515
2009	15,343.78	6,492	6,470	10,408	4.00	2,602
2010	9,307.52	2,792	2,783	7,456	4.00	1,864
	5,920,913.98	5,282,028	5,264,226	1,248,779		315,559

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1976	923,567.00	911,913	1,015,924			
1977	43,482.00	42,813	47,830			
1978	6,139.00	6,026	6,753			
1980	14,761.00	14,400	16,237			
	987,949.00	975,152	1,086,744			
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1966	1,239,244.82	1,248,840	975,103	388,066	3.77	102,935
1967	174,255.95	175,337	136,904	54,777	3.78	14,491
1968	382.00	384	300	120	3.79	32
1972	7,835.00	7,811	6,099	2,520	3.83	658
1976	1,932.00	1,908	1,490	635	3.87	164
1980	13,196.00	12,873	10,051	4,464	3.90	1,145
1983	2,039.00	1,967	1,536	707	3.92	180
1984	8,543.00	8,203	6,405	2,992	3.93	761
1987	85,259.00	80,620	62,949	30,836	3.95	7,807
1988	88.00	83	65	32	3.95	8
1989	123,566.00	115,417	90,118	45,804	3.96	11,567
1990	4,389.00	4,072	3,179	1,648	3.96	416
1992	145,385.00	132,745	103,648	56,275	3.97	14,175
1993	194,410.00	175,933	137,370	76,481	3.97	19,265
1997	4,880,906.69	4,208,542	3,286,059	2,082,938	3.99	522,040
2002	119,764.94	92,677	72,363	59,379	4.00	14,845
2003	10,951.56	8,189	6,394	5,653	4.00	1,413
2005	4,529.80	3,085	2,409	2,574	4.00	644
2007	46,861.01	27,290	21,308	30,239	4.00	7,560
2009	259,062.56	109,605	85,580	199,388	4.00	49,847
2010	1,463,606.61	439,086	342,841	1,267,126	4.00	316,782
2011	648,616.83	79,275	61,898	651,580	4.00	162,895
	9,434,824.77	6,933,942	5,414,071	4,964,236		1,249,630

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CANE RUN UNIT 5 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1977	1,110,874.00	1,093,790	1,221,961			
1978	89,732.00	88,086	98,705			
1979	29,801.00	29,171	32,781			
1980	7,053.00	6,880	7,758			
1981	782,647.00	760,702	860,912			
1982	4,812.00	4,659	5,293			
1984	67,530.00	64,839	74,283			
1992	76,614.00	69,953	84,275			
1993	3,975.00	3,597	4,373			
2003	43,460.98	32,496	47,807			
	2,216,498.98	2,154,173	2,438,149			
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1967	93,961.00	94,544	67,880	35,478	3.78	9,386
1968	23,742.00	23,850	17,124	8,993	3.79	2,373
1969	1,834,521.90	1,839,686	1,320,834	697,140	3.80	183,458
1971	5,117.00	5,112	3,670	1,958	3.82	513
1972	2,287.00	2,280	1,637	879	3.83	230
1973	10,158.00	10,105	7,255	3,919	3.84	1,021
1974	76,603.00	76,025	54,583	29,680	3.85	7,709
1975	18,938.00	18,749	13,461	7,371	3.86	1,910
1976	3,162.00	3,122	2,241	1,237	3.87	320
1977	3,609.00	3,553	2,551	1,419	3.88	366
1978	3,164.00	3,106	2,230	1,250	3.89	321
1979	234.00	229	164	93	3.89	24
1980	70,504.00	68,778	49,380	28,174	3.90	7,224
1984	33,192.00	31,869	22,881	13,630	3.93	3,468
1985	41,104.00	39,276	28,199	17,016	3.94	4,319
1986	26,367.00	25,073	18,002	11,002	3.94	2,792
1987	188,739.00	178,470	128,136	79,477	3.95	20,121
1988	34,174.00	32,132	23,070	14,522	3.95	3,676
1989	5,236.00	4,891	3,512	2,248	3.96	568
1991	23,368.00	21,511	15,444	10,261	3.97	2,585
1992	517,213.00	472,244	339,056	229,879	3.97	57,904

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CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1993	374,434.78	338,848	243,282	168,596	3.97	42,468
1995	32,869.18	29,113	20,902	15,254	3.98	3,833
1996	1,449,356.01	1,268,052	910,420	683,872	3.98	171,827
1997	4,344,335.49	3,745,886	2,689,424	2,089,345	3.99	523,645
1998	146,689.00	124,505	89,391	71,967	3.99	18,037
1999	33,967.00	28,318	20,331	17,032	3.99	4,269
2000	1,598,209.62	1,304,898	936,874	821,156	3.99	205,804
2002	125,593.51	97,188	69,778	68,375	4.00	17,094
2003	117,017.29	87,495	62,819	65,900	4.00	16,475
2004	22,047.11	15,816	11,355	12,896	4.00	3,224
2005	272,521.52	185,575	133,237	166,537	4.00	41,634
2006	2,608.30	1,661	1,193	1,677	4.00	419
2008	6,992.57	3,590	2,578	5,114	4.00	1,278
2009	15,343.82	6,492	4,661	12,217	4.00	3,054
2010	460,747.73	138,226	99,242	407,581	4.00	101,895
2011	584,326.07	71,417	51,275	591,484	4.00	147,871
	12,602,452.90	10,401,685	7,468,070	6,394,628		1,613,115

CANE RUN UNIT 6 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1979	1,717,497.00	1,681,165	1,889,247
1980	282,100.00	275,192	310,310
1982	28,155.00	27,259	30,971
1983	96,915.00	93,474	106,607
2009	75,247.33	31,836	82,772
	2,199,914.33	2,108,926	2,419,906

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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1972	4,553,686.71	3,592,312	3,657,871	1,533,332	15.48	99,052
1973	223,448.00	174,572	177,758	76,973	15.69	4,906
1974	965,464.01	746,821	760,450	340,179	15.89	21,408
1985	6,940.00	4,636	4,721	3,191	17.95	178
1986	69,826.00	45,799	46,635	32,967	18.12	1,819
1987	64,183.00	41,300	42,054	31,115	18.28	1,702
1988	100,450.00	63,322	64,478	50,035	18.44	2,713
1993	23,072.00	12,828	13,062	13,240	19.16	691
1994	178,344.00	96,154	97,909	105,403	19.28	5,467
1996	29,191.00	14,669	14,937	18,341	19.51	940
1997	1,313,418.00	634,030	645,601	851,696	19.62	43,410
1998	147,314.00	68,037	69,279	98,659	19.72	5,003
2000	7,330,791.35	3,053,936	3,109,670	5,247,433	19.90	263,690
2001	216,842.00	84,997	86,548	160,652	19.98	8,041
2005	12,633.27	3,498	3,562	10,840	20.23	536
2009	4,667.04	581	592	4,729	20.38	232
2011	448,378.32	12,217	12,440	498,711	20.42	24,423
	15,688,648.70	8,649,709	8,807,564	9,077,496		484,211

MILL CREEK UNIT 1 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2032
NET SALVAGE PERCENT.. -14

1980	4,762,695.00	3,434,521	5,429,472
1981	389,602.00	277,178	444,146
1982	71,625.00	50,225	81,653
1983	50,338.00	34,760	57,385
1996	25,919.00	13,025	29,548
2000	241,516.00	100,613	275,328
	5,541,695.00	3,910,322	6,317,532

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
1974	3,541,893.47	2,681,677	3,042,747	995,012	16.88	58,946
1975	1,190,897.67	891,741	1,011,808	345,815	17.11	20,211
1976	33,287.00	24,628	27,944	10,003	17.35	577
1981	19,705.00	13,634	15,470	6,994	18.47	379
1983	8,344.00	5,592	6,345	3,167	18.90	168
1985	10,096.00	6,531	7,410	4,099	19.31	212
1986	81,785.00	51,903	58,891	34,344	19.51	1,760
1987	107,931.00	67,098	76,132	46,909	19.71	2,380
1988	12,599.00	7,664	8,696	5,667	19.90	285
1990	46,374.00	26,901	30,523	22,343	20.26	1,103
1991	53,297.00	30,110	34,164	26,594	20.44	1,301
1993	74,346.00	39,606	44,939	39,816	20.77	1,917
1994	137,636.00	70,978	80,535	76,370	20.92	3,651
1997	1,229,517.00	564,739	640,777	760,872	21.34	35,655
1998	501,096.00	219,885	249,491	321,758	21.46	14,993
2002	318,181.00	109,652	124,416	238,310	21.88	10,892
2003	32,290.53	10,264	11,646	25,165	21.96	1,146
2005	3,582.67	928	1,053	3,031	22.11	137
2008	12,413.17	1,922	2,181	11,970	22.27	537
	7,415,271.51	4,825,453	5,475,168	2,978,242		156,250

MILL CREEK UNIT 2 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2034
NET SALVAGE PERCENT.. -14

1981	3,645,102.00	2,522,088	4,155,416			
1982	203,696.00	138,738	232,213			
1983	119,400.00	80,020	136,116			
1984	482,956.00	318,103	550,570			
2004	53,899.40	15,600	61,445			
	4,505,053.40	3,074,549	5,135,761			

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 315 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1978	11,152,140.00	7,715,024	10,322,848	2,390,592	19.76	120,981
1980	1,378,226.00	924,340	1,236,784	334,393	20.35	16,432
1981	6,181.00	4,078	5,456	1,590	20.64	77
1982	1,304,057.10	845,340	1,131,081	355,544	20.93	16,987
1984	76,165.00	47,544	63,615	23,213	21.50	1,080
1987	8,834.00	5,172	6,920	3,151	22.31	141
1988	395,523.00	226,048	302,456	148,440	22.57	6,577
1990	210,094.00	113,902	152,403	87,104	23.08	3,774
1993	94,815.00	46,846	62,681	45,408	23.78	1,910
1994	6,239.00	2,974	3,979	3,133	24.00	131
1997	151,399.00	63,700	85,232	87,363	24.60	3,551
2007	7,967.19	1,339	1,792	7,291	25.96	281
2010	173,735.34	10,737	14,366	183,692	26.17	7,019
2011	84,503.54	1,802	2,411	93,923	26.22	3,582
	15,049,879.17	10,008,846	13,392,025	3,764,837		182,523

MILL CREEL UNIT 3 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2038
NET SALVAGE PERCENT.. -14

1978	2,156,094.00	1,491,581	2,457,947			
1980	281,489.00	188,787	320,897			
1982	18,338.00	11,887	20,905			
1993	75,852.00	37,477	86,471			
	2,531,773.00	1,729,732	2,886,221			

MILL CREEK UNIT 4
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1975	610,264.79	427,592	519,523	176,179	20.24	8,704
1981	2,722,152.29	1,728,109	2,099,647	1,003,606	22.44	44,724
1982	17,703,018.00	11,022,296	13,392,058	6,789,383	22.81	297,649
1983	869,644.66	530,892	645,032	346,363	23.16	14,955

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1985	69,601.00	40,685	49,432	29,913	23.87	1,253
1987	540,889.00	301,308	366,088	250,525	24.56	10,201
1988	441,617.55	239,644	291,167	212,277	24.90	8,525
1989	5,039.00	2,660	3,232	2,513	25.23	100
1990	24,881.00	12,749	15,490	12,874	25.56	504
1991	89,580.00	44,514	54,084	48,037	25.87	1,857
1994	6,239.00	2,785	3,384	3,729	26.78	139
1996	14,195.21	5,818	7,069	9,114	27.33	333
1997	46,174.20	18,036	21,914	30,725	27.59	1,114
1999	17,262.00	6,042	7,341	12,338	28.08	439
2001	68,596.37	20,999	25,514	52,686	28.52	1,847
2003	115,796.14	29,967	36,410	95,598	28.91	3,307
2005	5,395.13	1,119	1,360	4,791	29.24	164
2007	8,334.63	1,256	1,526	7,975	29.53	270
2009	512,994.01	45,323	55,067	529,746	29.76	17,801
2010	90,078.14	4,912	5,968	96,721	29.86	3,239
2011	70,784.91	1,325	1,610	79,085	29.95	2,641
	24,032,537.03	14,488,031	17,602,916	9,794,176		419,766

MILL CREEK UNIT 4 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1981	1,623,815.00	1,030,849	1,642,416	208,733	22.44	9,302
1982	4,001,120.00	2,491,187	3,969,122	592,155	22.81	25,960
1983	186,144.00	113,635	181,051	31,153	23.16	1,345
2004	53,899.52	12,598	20,072	41,373	29.08	1,423
	5,864,978.52	3,648,269	5,812,660	873,416		38,030

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
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YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1984	21,643.00	12,266	13,628	11,262	26.50	425
1990	43,567,034.74	20,724,730	23,025,857	27,076,233	29.47	918,773
1991	890,696.00	409,228	454,666	569,635	29.94	19,026
1992	266,204.00	117,733	130,805	175,329	30.42	5,764
1993	36,016.00	15,311	17,011	24,407	30.88	790
1994	3,061,086.37	1,247,189	1,385,668	2,134,581	31.33	68,132
1996	16,791.00	6,221	6,912	12,398	32.21	385
1997	16,237.00	5,706	6,340	12,333	32.63	378
1998	51,241.00	16,994	18,881	40,046	33.04	1,212
2000	79,034.00	22,973	25,524	65,365	33.82	1,933
2001	17,727.00	4,777	5,307	15,079	34.18	441
2007	54,448.27	6,954	7,726	54,889	36.02	1,524
2009	216,437.87	15,960	17,732	231,171	36.49	6,335
2010	32,862.86	1,484	1,649	36,144	36.70	985
2011	831,325.36	12,782	14,201	941,823	36.90	25,524
	49,158,784.47	22,620,308	25,131,907	31,400,695		1,051,627

TRIMBLE COUNTY UNIT 1 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 55-S2
PROBABLE RETIREMENT YEAR.. 6-2050
NET SALVAGE PERCENT.. -15

1990	2,667,343.00	1,268,848	2,268,642	798,802	29.47	27,106
1991	69,577.00	31,967	57,156	22,858	29.94	763
	2,736,920.00	1,300,815	2,325,798	821,660		27,869

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 55-S2						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
2010	23,593.89	839	1,611	25,522	47.02	543
2011	8,278,892.41	99,111	190,306	9,330,420	47.53	196,306
	8,302,486.30	99,950	191,917	9,355,942		196,849
	178,078,846.37	106,488,981	121,447,727	80,674,107		5,735,429
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.1 3.22

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 1						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
2000	38,745.62	42,620	42,620			
	38,745.62	42,620	42,620			
CANE RUN UNIT 3						
FULLY ACCRUED						
NET SALVAGE PERCENT.. -10						
1974	11,620.20	12,782	12,782			
1975	44.28	49	49			
	11,664.48	12,831	12,831			
CANE RUN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1978	1,975.54	1,931	949	1,224	3.83	320
1996	11,324.00	9,868	4,851	7,605	3.96	1,920
1999	4,498.44	3,737	1,837	3,111	3.97	784
2002	18,227.67	14,079	6,922	13,129	3.97	3,307
2003	35,117.05	26,190	12,876	25,753	3.98	6,471
2009	16,106.33	6,791	3,339	14,378	3.99	3,604
	87,249.03	62,596	30,774	65,200		16,406
CANE RUN UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1976	2,325.12	2,286	2,558			
1977	1,075.26	1,054	1,183			
1978	1,817.05	1,776	1,999			
1980	1,246.87	1,211	1,372			
	6,464.30	6,327	7,111			

LOUISVILLE GAS AND ELECTRIC COMPANY
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ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
2002	42,867.49	33,111	19,190	27,964	3.97	7,044
2003	37,998.51	28,339	16,425	25,374	3.98	6,375
2009	16,106.33	6,791	3,936	13,781	3.99	3,454
	96,972.33	68,241	39,551	67,119		16,873
CANE RUN UNIT 5 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1978	1,227.31	1,200	1,350			
1979	5.68	6	6			
1980	5.63	5	6			
1981	33,045.05	31,981	36,350			
1982	12,756.22	12,299	14,032			
1983	259.58	249	285			
	47,299.47	45,740	52,029			
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1973	28,411.53	28,145	17,167	14,085	3.75	3,756
1974	7,278.05	7,194	4,388	3,618	3.76	962
1975	15,574.00	15,354	9,365	7,766	3.78	2,054
1976	1,308.00	1,286	784	654	3.80	172
1977	32,464.00	31,832	19,416	16,294	3.81	4,277
1978	27,099.00	26,487	16,156	13,653	3.83	3,565
1979	22,298.00	21,728	13,253	11,275	3.84	2,936
1980	42,971.61	41,735	25,457	21,812	3.85	5,665
1981	52,436.00	50,748	30,954	26,725	3.86	6,924
1982	19,419.00	18,722	11,420	9,941	3.87	2,569
1983	15,381.00	14,769	9,009	7,911	3.88	2,039
1984	16,911.85	16,168	9,862	8,741	3.89	2,247
1985	18,871.00	17,956	10,952	9,806	3.90	2,514

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2015						
NET SALVAGE PERCENT.. -10						
1986	24,457.00	23,153	14,122	12,780	3.91	3,269
1987	36,028.00	33,932	20,697	18,934	3.91	4,842
1988	113,315.00	106,089	64,710	59,936	3.92	15,290
1989	6,565.55	6,107	3,725	3,497	3.93	890
1990	130,106.00	120,215	73,327	69,790	3.93	17,758
1991	279,790.00	256,516	156,465	151,304	3.94	38,402
1992	54,199.00	49,298	30,070	29,549	3.94	7,500
1993	10,970.00	9,885	6,029	6,038	3.95	1,529
1994	56,071.00	50,033	30,518	31,160	3.95	7,889
1995	85,985.00	75,894	46,292	48,291	3.95	12,226
1996	131,005.00	114,166	69,637	74,469	3.96	18,805
1997	100,978.00	86,801	52,945	58,131	3.96	14,680
1998	239,989.69	203,105	123,886	140,102	3.96	35,379
1999	3,562.43	2,960	1,805	2,113	3.97	532
2001	34,698.01	27,572	16,818	21,350	3.97	5,378
2002	109,126.00	84,289	51,413	68,626	3.97	17,286
2003	329,799.54	245,961	150,027	212,753	3.98	53,456
2004	201,001.01	143,773	87,696	133,405	3.98	33,519
2005	375,627.68	255,219	155,674	257,517	3.98	64,703
2007	45,978.26	26,726	16,302	34,274	3.98	8,612
2008	69,437.61	35,529	21,671	54,710	3.99	13,712
2009	41,557.31	17,522	10,688	35,025	3.99	8,778
2010	51,254.29	15,330	9,351	47,029	3.99	11,787
2011	98,939.70	12,120	7,393	101,441	3.99	25,424
	2,930,864.12	2,294,319	1,399,447	1,824,504		461,326

CANE RUN UNIT 6 SCRUBBER
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5
PROBABLE RETIREMENT YEAR.. 12-2015
NET SALVAGE PERCENT.. -10

1979	28,120.75	27,402	30,933
1980	133.14	129	146
1981	3,095.79	2,996	3,405
1982	219.23	211	241
	31,568.91	30,738	34,726

LOUISVILLE GAS AND ELECTRIC COMPANY
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CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -14						
1972	369,325.82	303,475	323,765	97,266	12.33	7,889
1973	71,387.48	57,855	61,723	19,659	12.72	1,546
1974	2,386.40	1,907	2,035	686	13.10	52
1981	14,471.42	10,367	11,060	5,437	15.57	349
1983	1,073.94	743	793	432	16.16	27
2002	186,981.08	67,983	72,528	140,630	19.39	7,253
2004	50,572.50	15,512	16,549	41,104	19.56	2,101
2010	9,949.34	779	831	10,511	19.92	528
2011	34,400.63	939	1,002	38,215	19.97	1,914
	740,548.61	459,560	490,286	353,939		21,659
MILL CREEK UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -14						
1974	34,334.10	27,122	33,106	6,035	13.56	445
1975	2,906.46	2,260	2,759	555	13.99	40
1977	17,116.38	12,885	15,728	3,785	14.82	255
1978	8,995.14	6,657	8,126	2,129	15.23	140
1979	9,135.22	6,643	8,109	2,306	15.63	148
1983	1,073.95	725	885	339	17.09	20
1991	31,738.22	17,791	21,716	14,466	19.32	749
2003	6,708.80	2,119	2,586	5,062	21.19	239
2007	3,862.94	738	901	3,503	21.55	163
2010	9,949.34	709	865	10,477	21.76	481
	125,820.55	77,649	94,780	48,655		2,680
MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1978	245,660.68	177,444	257,899	22,154	16.18	1,369
1980	17,077.46	11,851	17,224	2,244	17.15	131

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2038						
NET SALVAGE PERCENT.. -14						
1981	6,739.60	4,579	6,655	1,028	17.63	58
1982	6,577.00	4,372	6,354	1,143	18.10	63
1983	1,073.83	698	1,014	210	18.55	11
1987	4,218.63	2,487	3,615	1,195	20.23	59
1991	33,921.67	17,824	25,906	12,765	21.66	589
2000	3,356.42	1,191	1,731	2,095	23.92	88
2010	9,949.34	615	894	10,448	25.31	413
2011	81,486.50	1,758	2,555	90,340	25.40	3,557
	410,061.13	222,819	323,848	143,622		6,338

MILL CREEK UNIT 4
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5
PROBABLE RETIREMENT YEAR.. 6-2042
NET SALVAGE PERCENT.. -14

1944	277.00	287	316			
1947	1,357.00	1,385	1,547			
1948	1,589.00	1,613	1,811			
1949	16,908.00	17,065	19,275			
1950	8,740.00	8,770	9,964			
1951	111.00	111	127			
1953	122.00	120	139			
1954	702.00	687	800			
1955	7,408.00	7,195	8,445			
1956	1,056.00	1,018	1,195	9	6.93	1
1957	202.00	193	227	4	7.22	1
1960	2,216.75	2,068	2,428	99	8.17	12
1961	3,518.00	3,251	3,817	193	8.52	23
1963	323.00	292	343	25	9.26	3
1964	1,724.00	1,543	1,812	154	9.66	16
1965	7,530.29	6,663	7,824	761	10.07	76
1966	8,187.00	7,153	8,399	934	10.51	89
1967	9,934.00	8,565	10,057	1,268	10.96	116
1968	1,599.00	1,360	1,597	226	11.42	20
1969	668.87	561	659	104	11.90	9
1970	3,272.00	2,701	3,171	559	12.40	45
1971	4,019.00	3,265	3,834	748	12.91	58
1972	1,904.00	1,521	1,786	385	13.43	29

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1973	1,107.00	869	1,020	242	13.97	17
1974	1,351.00	1,042	1,223	317	14.51	22
1976	25,108.00	18,632	21,877	6,746	15.62	432
1977	11,324.00	8,234	9,668	3,241	16.18	200
1978	2,668.00	1,900	2,231	811	16.74	48
1980	3,508.00	2,390	2,806	1,193	17.87	67
1983	12,538.00	7,949	9,334	4,960	19.53	254
1984	141,533.00	87,465	102,700	58,648	20.07	2,922
1985	88,626.00	53,331	62,620	38,413	20.60	1,865
1986	182,416.00	106,780	125,379	82,575	21.12	3,910
1987	125,385.00	71,304	83,724	59,215	21.63	2,738
1988	139,374.00	76,942	90,344	68,543	22.12	3,099
1989	91,471.00	48,943	57,468	46,809	22.60	2,071
1990	32,897.00	17,039	20,007	17,496	23.06	759
1991	810,031.00	405,517	476,150	447,285	23.50	19,033
1992	96,148.00	46,462	54,555	55,054	23.92	2,302
1993	68,684.00	31,949	37,514	40,786	24.33	1,676
1994	89,209.16	39,869	46,813	54,885	24.72	2,220
1995	379,696.00	162,671	191,005	241,848	25.08	9,643
1996	418,404.00	171,174	200,989	275,991	25.44	10,849
1997	235,858.00	91,892	107,898	160,980	25.77	6,247
1998	9,167.00	3,390	3,980	6,470	26.08	248
1999	490,384.71	171,049	200,843	358,196	26.38	13,578
2001	254,200.99	77,629	91,151	198,639	26.92	7,379
2002	700.00	198	232	566	27.17	21
2003	455,571.24	117,560	138,037	381,314	27.41	13,911
2004	537,977.70	125,376	147,214	466,080	27.63	16,869
2005	309,784.54	64,172	75,350	277,805	27.83	9,982
2006	28,117.80	5,049	5,928	26,126	28.03	932
2007	186,863.26	28,177	33,085	179,939	28.21	6,379
2008	266,362.67	32,060	37,644	266,009	28.38	9,373
2009	479,363.35	42,390	49,774	496,701	28.54	17,404
2010	197,596.81	10,765	12,640	212,620	28.69	7,411
2011	1,028,497.54	19,604	23,019	1,149,469	28.82	39,884
	7,285,291.68	2,227,160	2,613,795	5,691,438		214,243

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MILL CREEK UNIT 4 SCRUBBER						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2042						
NET SALVAGE PERCENT.. -14						
1981	31,437.34	20,929	31,812	4,027	18.43	219
1982	202.00	131	199	31	18.98	2
2006	11,565.66	2,077	3,157	10,028	28.03	358
2009	9,333.18	825	1,254	9,386	28.54	329
2010	22,312.73	1,216	1,848	23,588	28.69	822
	74,850.91	25,178	38,270	47,060		1,730
TRIMBLE COUNTY UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2050						
NET SALVAGE PERCENT.. -15						
1990	1,636,999.00	812,113	871,242	1,011,307	25.11	40,275
1991	123,124.00	58,728	63,004	78,589	25.75	3,052
1992	11,512.00	5,271	5,655	7,584	26.38	287
1993	4,548.00	1,994	2,139	3,091	27.00	114
1994	51,199.00	21,430	22,990	35,889	27.61	1,300
1995	36,985.00	14,743	15,816	26,716	28.20	947
1996	112,826.26	42,715	45,825	83,925	28.77	2,917
1997	119,413.00	42,755	45,868	91,457	29.33	3,118
1998	29,578.00	9,981	10,708	23,307	29.86	781
1999	12,928.00	4,088	4,386	10,482	30.38	345
2000	32,184.95	9,485	10,176	26,837	30.88	869
2002	23,990.00	6,012	6,450	21,139	31.80	665
2003	97,332.89	22,119	23,729	88,203	32.24	2,736
2004	49,371.71	10,059	10,791	45,986	32.65	1,408
2005	100,178.48	18,009	19,320	95,885	33.03	2,903
2007	188,533.05	24,300	26,069	190,744	33.75	5,652
2008	107,616.35	10,986	11,786	111,973	34.08	3,286
2009	7,813.42	582	624	8,361	34.39	243
2010	165,197.20	7,523	8,071	181,906	34.68	5,245
2011	6,229.36	97	104	7,060	34.95	202
	2,917,559.67	1,122,990	1,204,753	2,150,441		76,345

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 316 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2066						
NET SALVAGE PERCENT.. -15						
2011	1,540,223.39	19,289	42,234	1,729,023	42.69	40,502
	1,540,223.39	19,289	42,234	1,729,023		40,502
	16,345,184.20	6,718,057	6,427,055	12,121,001		858,102
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.1 5.25

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - NON-PROJECT						
INTERIM SURVIVOR CURVE.. IOWA 100-S2						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	26,680.17	20,499	20,421	7,860	25.38	310
1937	946.11	718	715	288	25.91	11
1941	1,909.70	1,422	1,417	608	26.61	23
1943	4,739.57	3,493	3,480	1,544	26.96	57
1949	1,690.42	1,205	1,200	591	27.96	21
1958	100.43	67	67	40	29.38	1
1959	382.64	255	254	152	29.53	5
1961	877.35	575	573	357	29.82	12
1962	2,763.43	1,795	1,788	1,141	29.97	38
1965	4,322.71	2,732	2,722	1,861	30.39	61
1986	3,489.54	1,616	1,610	2,089	32.70	64
1989	1,418.88	609	607	897	32.92	27
1990	986.81	412	410	636	32.99	19
2002	15,488.38	3,618	3,604	12,813	33.57	382
	65,796.14	39,016	38,867	30,877		1,031

OHIO FALLS - PROJECT 289
INTERIM SURVIVOR CURVE.. IOWA 100-S2
PROBABLE RETIREMENT YEAR.. 10-2045
NET SALVAGE PERCENT.. -6

1934	3,109,362.15	2,389,050	3,295,924
1937	753.86	572	799
1938	249.22	188	264
1939	2,699.27	2,028	2,861
1941	344.18	256	365
1942	866.92	642	919
1946	1,916.57	1,390	2,032
1947	1,817.92	1,311	1,927
1949	5.35	4	6
1950	12,456.53	8,827	13,204
1951	176,135.12	124,047	186,703
1962	7,102.79	4,613	7,529
1965	4,973.69	3,143	5,272
1967	1,772.00	1,098	1,878
1970	490.54	294	520
1974	23,084.70	13,180	24,470
1975	132.59	75	141

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 331 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 100-S2						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1978	4,357.26	2,349	4,619			
1979	4,588.49	2,434	4,864			
1980	160,230.39	83,582	169,844			
1983	15,603.95	7,702	16,269	271	32.45	8
1984	2,539.26	1,229	2,596	96	32.53	3
1988	7,614.12	3,358	7,093	978	32.85	30
1992	166,251.31	65,221	137,770	38,457	33.12	1,161
1993	12,678.26	4,804	10,148	3,291	33.18	99
1994	13,562.71	4,956	10,469	3,908	33.23	118
1995	109,318.86	38,378	81,068	34,810	33.28	1,046
1997	13,965.22	4,481	9,465	5,338	33.38	160
1998	31,540.40	9,614	20,308	13,125	33.42	393
2005	424,808.83	72,899	153,988	296,309	33.65	8,806
2007	239,534.31	29,918	63,197	190,709	33.69	5,661
2008	10,158.22	1,013	2,140	8,628	33.71	256
2009	149,446.41	10,934	23,096	135,317	33.72	4,013
2011	187,218.29	2,897	6,119	192,332	33.75	5,699
	4,897,579.69	2,896,487	4,267,867	923,567		27,453
	4,963,375.83	2,935,503	4,306,734	954,444		28,484
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.5 0.57

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 332 RESERVOIRS, DAMS AND WATERWAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 100-S2.5						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	42,730.56	33,307	32,791	12,503	24.75	505
1939	563.44	429	422	175	25.87	7
1949	3.92	3	3	1	28.02	
1960	34,230.05	22,635	22,284	13,999	30.07	466
1977	7,416.11	4,041	3,978	3,883	32.35	120
2004	4,686,423.05	904,055	890,053	4,077,555	33.71	120,960
2007	4,425,091.14	551,849	543,302	4,147,294	33.75	122,883
2008	2,104,899.57	209,576	206,330	2,024,863	33.76	59,978
2011	388,893.77	6,010	5,917	406,310	33.79	12,025
	11,690,251.61	1,731,905	1,705,082	10,686,585		316,944
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					33.7	2.71

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 333 WATER WHEELS, TURBINES AND GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 100-S2.5						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	646,761.35	504,132	157,934	527,633	24.75	21,319
1936	1,125.31	869	272	921	25.20	37
1937	235,374.13	180,845	56,655	192,842	25.43	7,583
1938	46,943.41	35,890	11,244	38,516	25.65	1,502
1940	78,081.37	59,080	18,509	64,258	26.10	2,462
1943	6.75	5	2	6	26.75	
1947	3,896.01	2,833	888	3,242	27.60	117
1949	5.58	4	1	5	28.02	
1965	7,705.10	4,864	1,524	6,644	30.87	215
1967	403.77	250	78	350	31.16	11
1981	134.92	69	22	121	32.70	4
1995	5,253.00	1,837	575	4,993	33.49	149
1996	65,437.14	21,918	6,866	62,497	33.53	1,864
2003	201,682.84	43,060	13,490	200,294	33.70	5,943
2005	180,534.43	30,919	9,686	181,680	33.73	5,386
2007	9,194,312.51	1,146,614	359,211	9,386,761	33.75	278,126
2008	8,874,906.49	883,637	276,825	9,130,576	33.76	270,455
2011	402,649.51	6,223	1,950	424,859	33.79	12,574
	19,945,213.62	2,923,049	915,731	20,226,195		607,747
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.3 3.05

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 334 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 80-S4						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	275,198.85	247,566	291,711			
1937	1,488.53	1,314	1,578			
1938	1,882.79	1,651	1,996			
1939	4,565.18	3,976	4,839			
1940	81.10	70	86			
1942	1,894.80	1,613	2,008			
1948	9,812.87	7,926	9,870	532	18.88	28
1949	3,888.43	3,110	3,873	249	19.44	13
1952	31,275.41	24,240	30,184	2,968	21.17	140
1955	473.40	355	442	60	22.92	3
1959	5,038.79	3,594	4,475	866	25.20	34
1960	36.80	26	32	7	25.75	
1964	1,657.85	1,106	1,377	380	27.80	14
1966	52,148.70	33,837	42,135	13,143	28.73	457
1968	1,684.70	1,062	1,322	463	29.57	16
1970	5,121.17	3,134	3,903	1,526	30.33	50
1987	22,161.66	9,923	12,356	11,135	33.50	332
1988	85,988.77	37,539	46,744	44,404	33.56	1,323
1989	743,189.41	315,900	393,365	394,416	33.61	11,735
1995	592,477.30	206,137	256,686	371,340	33.77	10,996
1996	5,886.92	1,963	2,444	3,796	33.78	112
2003	292,849.31	62,332	77,617	232,803	33.83	6,882
2004	2,945,939.04	566,676	705,637	2,417,059	33.83	71,447
2005	3,855.04	659	821	3,266	33.83	97
2007	215,718.55	26,845	33,428	195,234	33.83	5,771
2008	86,395.31	8,586	10,691	80,888	33.83	2,391
2011	119,125.54	1,839	2,290	123,983	33.83	3,665
	5,509,836.22	1,572,979	1,941,911	3,898,515		115,506
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.8 2.10

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - NON-PROJECT						
INTERIM SURVIVOR CURVE.. IOWA 80-S1.5						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1947	1,157.43	846	459	768	23.43	33
1956	231.34	160	87	158	25.33	6
1965	2,682.43	1,720	933	1,910	27.14	70
1967	3,583.24	2,253	1,222	2,576	27.53	94
1973	159.23	94	51	118	28.65	4
2008	17,644.74	1,780	965	17,738	33.19	534
	25,458.41	6,853	3,717	23,269		741
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 80-S1.5						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	8,218.98	6,419	4,948	3,764	20.58	183
1935	77.48	60	46	36	20.80	2
1938	27.34	21	16	13	21.47	1
1939	119.73	91	70	57	21.69	3
1941	14.67	11	8	7	22.13	
1946	210.21	155	119	103	23.22	4
1947	682.37	499	385	339	23.43	14
1950	424.40	305	235	215	24.07	9
1951	203.02	145	112	103	24.29	4
1960	6,243.50	4,180	3,222	3,396	26.15	130
1972	462.00	275	212	278	28.47	10
1973	2,949.07	1,733	1,336	1,790	28.65	62
1978	994.95	545	420	635	29.53	22
1979	283.88	153	118	183	29.70	6
1982	2,030.23	1,039	801	1,351	30.19	45
1985	1,229.65	593	457	846	30.65	28
1986	2,076.71	979	755	1,447	30.80	47
1987	1,467.90	676	521	1,035	30.95	33
1988	35,652.05	16,005	12,338	25,453	31.09	819
1996	34,804.27	11,911	9,182	27,711	32.11	863
2004	24,113.47	4,736	3,651	21,909	32.89	666
2005	4,942.65	862	665	4,575	32.97	139

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 335 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 80-S1.5						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
2007	97,222.44	12,303	9,484	93,572	33.12	2,825
2009	31,738.01	2,353	1,814	31,828	33.25	957
2010	28,599.70	1,306	1,007	29,309	33.31	880
	284,788.68	67,355	51,923	249,953		7,752
	310,247.09	74,208	55,640	273,222		8,493
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						32.2 2.74

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 336 ROADS, RAILROADS AND BRIDGES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OHIO FALLS - PROJECT 289						
INTERIM SURVIVOR CURVE.. IOWA 80-S4						
PROBABLE RETIREMENT YEAR.. 10-2045						
NET SALVAGE PERCENT.. -6						
1934	18,316.02	16,477	13,633	5,782	12.10	478
1941	1,133.98	973	805	397	15.19	26
1992	10,480.61	4,071	3,368	7,741	33.71	230
	29,930.61	21,521	17,806	13,920		734
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					19.0	2.45

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN GT 11						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	25,892.83	23,461	9,803	17,385	6.10	2,850
1982	17,615.55	15,136	6,324	12,172	6.33	1,923
2009	59,937.11	17,450	7,291	55,643	6.49	8,574
2011	108,072.94	8,117	3,392	110,085	6.49	16,962
	211,518.43	64,164	26,810	195,284		30,309
ZORN AND RIVER ROAD GAS TURBINE						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. -5						
1970	8,241.14	7,323	8,653			
	8,241.14	7,323	8,653			
PADDY'S RUN GENERATOR 12						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	42,864.53	38,838	45,008			
2009	21,248.82	6,186	7,578	14,733	6.49	2,270
	64,113.35	45,024	52,586	14,733		2,270
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	2,154,198.12	797,051	752,733	1,509,176	19.04	79,263
2002	4,500.00	1,556	1,469	3,256	19.09	171
	2,158,698.12	798,607	754,202	1,512,431		79,434

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	857,280.64	317,193	299,635	600,510	19.04	31,539
2002	1,258.00	435	411	910	19.09	48
	858,538.64	317,628	300,046	601,420		31,587
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	69,733.40	29,149	26,352	46,868	17.13	2,736
2006	36,244.46	9,117	8,242	29,815	17.30	1,723
	105,977.86	38,266	34,594	76,683		4,459
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	105,588.33	44,136	38,716	72,151	17.13	4,212
2003	2,523.50	869	762	1,887	17.22	110
2006	36,244.46	9,117	7,997	30,059	17.30	1,738
	144,356.29	54,122	47,476	104,098		6,060
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	1,458,614.33	488,639	462,733	1,068,812	20.02	53,387
2004	11,339.85	3,206	3,036	8,871	20.11	441
2005	85,700.90	21,768	20,614	69,372	20.15	3,443
	1,555,655.08	513,613	486,383	1,147,055		57,271

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 6						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	1,457,842.69	488,381	460,531	1,070,204	20.02	53,457
2004	10,081.20	2,850	2,687	7,898	20.11	393
	1,467,923.89	491,231	463,218	1,078,102		53,850
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	2,083,698.13	551,434	533,540	1,654,343	21.99	75,232
	2,083,698.13	551,434	533,540	1,654,343		75,232
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	2,075,526.50	549,271	531,447	1,647,856	21.99	74,937
	2,075,526.50	549,271	531,447	1,647,856		74,937
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	2,137,402.33	565,646	541,181	1,703,091	21.99	77,448
	2,137,402.33	565,646	541,181	1,703,091		77,448

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 341 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 55-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	2,132,789.69	564,426	540,013	1,699,416	21.99	77,281
	2,132,789.69	564,426	540,013	1,699,416		77,281
	15,004,439.45	4,560,755	4,320,149	11,434,512		570,138
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						20.1 3.80

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN GT 11						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	6,979.23	6,313	2,632	4,696	5.63	834
1982	48,016.65	41,098	17,137	33,281	6.15	5,412
2001	30,291.77	19,572	8,161	23,645	6.42	3,683
2011	233,754.52	17,279	7,205	238,237	6.47	36,822
	319,042.17	84,262	35,135	299,859		46,751
ZORN AND RIVER ROAD GAS TURBINE						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. -5						
1970	10,085.27	8,959	10,590			
2011	13,348.54	864	6,828	7,188	7.46	964
	23,433.81	9,823	17,418	7,188		964
PADDY'S RUN GENERATOR 11						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	9,237.57	8,356	9,699			
	9,237.57	8,356	9,699			
PADDY'S RUN GENERATOR 12						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	9,978.71	9,027	10,478			
1984	2,218.40	1,874	2,329			
2011	9,469.97	700	2,603	7,340	6.47	1,134
	21,667.08	11,601	15,410	7,340		1,134

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	2,228,523.85	823,545	778,007	1,561,943	18.45	84,658
2002	5,250.00	1,814	1,714	3,799	18.53	205
2005	21,564.32	5,676	5,362	17,280	18.74	922
	2,255,338.17	831,035	785,083	1,583,022		85,785
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	762,655.49	281,837	223,124	577,664	18.45	31,310
2002	943.92	326	258	733	18.53	40
2010	83,307.22	6,242	4,942	82,531	19.00	4,344
	846,906.63	288,405	228,324	660,928		35,694
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	276,555.92	115,439	46,251	244,132	16.64	14,671
2010	83,307.22	6,916	2,771	84,702	17.12	4,948
2011	43,196.99	1,260	505	44,852	17.15	2,615
	403,060.13	123,615	49,527	373,686		22,234
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	14,858.91	6,202	21,025-	36,627	16.64	2,201
2010	83,307.24	6,916	23,446-	110,918	17.12	6,479
2011	43,197.01	1,260	4,271-	49,628	17.15	2,894
	141,363.16	14,378	48,742-	197,173		11,574

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	97,240.96	32,564	30,803	71,300	19.39	3,677
2004	755.94	214	202	591	19.56	30
	97,996.90	32,778	31,005	71,892		3,707
TRIMBLE COUNTY CT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	97,189.52	32,546	30,787	71,262	19.39	3,675
2004	672.06	190	180	526	19.56	27
	97,861.58	32,736	30,967	71,788		3,702
TRIMBLE COUNTY CT PIPELINE						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2002	1,835,164.93	578,790	605,364	1,321,559	21.08	62,693
2005	157,329.57	37,321	39,035	126,162	21.38	5,901
2006	5,896.12	1,224	1,280	4,911	21.47	229
	1,998,390.62	617,335	645,679	1,452,631		68,823
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	338,423.07	89,618	86,852	268,492	21.29	12,611
	338,423.07	89,618	86,852	268,492		12,611

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 342 FUEL HOLDERS, PRODUCERS AND ACCESSORIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	337,096.18	89,266	86,511	267,440	21.29	12,562
	337,096.18	89,266	86,511	267,440		12,562
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	347,146.53	91,928	88,099	276,405	21.29	12,983
	347,146.53	91,928	88,099	276,405		12,983
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 45-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	346,397.46	91,730	88,156	275,561	21.29	12,943
2007	15,462.56	2,722	2,616	13,620	21.55	632
	361,860.02	94,452	90,772	289,181		13,575
	7,598,823.62	2,419,588	2,151,739	5,827,025		332,099
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						17.5 4.37

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	18,042,882.68	6,889,170	5,422,886	13,522,140	16.24	832,644
2002	43,500.00	15,481	12,186	33,489	16.50	2,030
2004	46,174.72	13,841	10,895	37,588	16.97	2,215
2005	26,959.17	7,255	5,711	22,596	17.18	1,315
2007	54,465.86	10,932	8,605	48,584	17.56	2,767
2009	1,932,208.56	233,781	184,023	1,844,796	17.89	103,119
	20,146,190.99	7,170,460	5,644,307	15,509,194		944,090
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	13,975,140.15	5,336,016	4,903,826	9,770,072	16.24	601,605
2002	18,246.00	6,494	5,968	13,190	16.50	799
2006	179,014.46	42,255	38,833	149,133	17.38	8,581
2007	19,389.37	3,892	3,577	16,782	17.56	956
2011	1,686,101.02	44,632	41,017	1,729,389	18.17	95,178
	15,877,891.00	5,433,289	4,993,220	11,678,566		707,119
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	13,382,178.65	5,719,577	1,920,173	12,131,115	14.80	819,670
2003	267,629.11	93,548	31,406	249,605	15.41	16,198
2006	2,300,856.09	582,956	195,710	2,220,189	15.91	139,547
2007	13,901.82	3,010	1,011	13,586	16.05	846
2008	3,799,248.65	668,991	224,593	3,764,618	16.18	232,671
2009	94,897.04	12,562	4,217	95,425	16.29	5,858
2010	71,205.72	5,915	1,986	72,780	16.41	4,435
2011	21,804.88	634	213	22,682	16.51	1,374
	19,951,721.96	7,087,193	2,379,308	18,570,000		1,220,599

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
1999	54,479.22	24,567	17,482	39,722	14.56	2,728
2000	12,660,567.13	5,411,158	3,850,519	9,443,076	14.80	638,046
2001	1,389,112.87	559,609	398,211	1,060,357	15.02	70,596
2004	21,963.88	7,026	5,000	18,062	15.59	1,159
2006	2,123,163.65	537,935	382,789	1,846,533	15.91	116,061
2007	13,901.82	3,010	2,142	12,455	16.05	776
2009	1,976,458.44	261,631	186,174	1,889,108	16.29	115,967
	18,239,647.01	6,804,936	4,842,316	14,309,313		945,333
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	12,202,254.18	4,232,309	4,038,887	8,773,479	17.09	513,369
2004	237,995.35	69,216	66,053	183,842	17.62	10,434
2005	67,728.62	17,666	16,859	54,256	17.85	3,040
2007	17,083.25	3,312	3,161	14,777	18.28	808
2010	25,132.71	1,827	1,744	24,646	18.82	1,310
2011	3,718,003.56	94,396	90,082	3,813,822	18.97	201,045
	16,268,197.67	4,418,726	4,216,785	12,864,823		730,006
TRIMBLE COUNTY CT 6						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	11,469,023.43	3,977,991	3,209,648	8,832,827	17.09	516,842
2004	217,980.82	63,395	51,150	177,730	17.62	10,087
2007	3,918.62	760	613	3,501	18.28	192
2009	9,037.13	1,050	847	8,642	18.65	463
2010	9,920.21	721	582	9,834	18.82	523
2011	1,410,604.20	35,814	28,897	1,452,238	18.97	76,554
	13,120,484.41	4,079,731	3,291,737	10,484,772		604,661

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	13,099,930.80	3,616,583	3,609,387	10,145,541	18.81	539,370
2005	192,132.86	47,364	47,270	154,470	19.10	8,087
2006	34,314.19	7,377	7,362	28,668	19.38	1,479
2007	2,499.81	454	453	2,172	19.64	111
2011	282,814.59	6,515	6,502	290,453	20.51	14,162
	13,611,692.25	3,678,293	3,670,974	10,621,303		563,209
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	13,027,542.01	3,596,598	3,592,347	10,086,572	18.81	536,235
2006	173,870.82	37,382	37,338	145,227	19.38	7,494
2007	2,499.81	454	453	2,171	19.64	111
2010	9,920.21	672	671	9,745	20.31	480
2011	282,814.61	6,515	6,507	290,448	20.51	14,161
	13,496,647.46	3,641,621	3,637,317	10,534,163		558,481
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	12,828,553.40	3,541,662	3,422,410	10,047,571	18.81	534,161
2006	169,909.36	36,530	35,300	143,105	19.38	7,384
2007	2,499.81	454	439	2,186	19.64	111
2009	113,540.03	12,283	11,869	107,348	20.11	5,338
2010	9,920.21	672	649	9,767	20.31	481
2011	282,814.61	6,515	6,296	290,660	20.51	14,172
	13,407,237.42	3,598,116	3,476,963	10,600,636		561,647

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 343 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 30-R2						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	12,784,911.81	3,529,614	3,400,844	10,023,313	18.81	532,872
2006	169,917.60	36,532	35,199	143,214	19.38	7,390
2007	105,948.81	19,251	18,549	92,698	19.64	4,720
2009	9,037.12	978	942	8,547	20.11	425
2011	282,814.61	6,515	6,277	290,678	20.51	14,173
	13,352,629.95	3,592,890	3,461,812	10,558,449		559,580
	157,472,340.12	49,505,255	39,614,739	125,731,219		7,394,725
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						17.0 4.70

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN GT 11						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	1,079,054.28	982,691	974,950	158,057	6.14	25,742
1980	7,909.40	6,898	6,844	1,461	6.37	229
1982	392,244.56	338,085	335,422	76,435	6.40	11,943
1983	16,103.24	13,792	13,683	3,225	6.41	503
1986	5,193.46	4,350	4,316	1,137	6.45	176
2002	897,521.10	559,548	555,140	387,257	6.50	59,578
2008	512,097.56	188,196	186,714	350,989	6.50	53,998
	2,910,123.60	2,093,560	2,077,069	978,561		152,169
ZORN AND RIVER ROAD GAS TURBINE						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. -5						
1970	1,426,738.54	1,274,922	1,498,075			
1975	2,429.22	2,125	2,551			
1984	3,115.19	2,575	3,271			
1993	9,818.66	7,340	10,310			
1996	385,479.27	272,889	404,753			
	1,827,580.88	1,559,851	1,918,960			
PADDY'S RUN GENERATOR 11						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	1,215,926.17	1,107,340	1,276,722			
1984	3,115.19	2,649	3,271			
1993	9,343.42	7,262	9,811			
1997	294,730.78	213,635	309,467			
	1,523,115.56	1,330,886	1,599,271			

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PADDY'S RUN GENERATOR 12						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1968	40.59	37	43			
1970	2,529,701.82	2,303,791	2,656,187			
1987	20,505.89	17,031	21,531			
1993	20,111.98	15,631	21,118			
1995	38,755.83	29,206	40,694			
1999	382,473.30	264,207	401,597			
	2,991,589.41	2,629,903	3,141,169			
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	5,847,107.93	2,153,847	2,322,833	3,816,630	19.43	196,430
2002	12,750.00	4,395	4,740	8,648	19.44	445
	5,859,857.93	2,158,242	2,327,573	3,825,278		196,875
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	3,168,374.87	1,167,106	1,066,398	2,260,395	19.43	116,335
2002	4,404.00	1,518	1,387	3,237	19.44	167
2011	76,581.01	2,010	1,837	78,573	19.50	4,029
	3,249,359.88	1,170,634	1,069,622	2,342,206		120,531
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	2,417,994.54	1,008,880	893,368	1,645,526	17.44	94,354
	2,417,994.54	1,008,880	893,368	1,645,526		94,354

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	2,421,079.26	1,010,167	871,507	1,670,626	17.44	95,793
	2,421,079.26	1,010,167	871,507	1,670,626		95,793
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	1,527,420.57	509,059	480,263	1,123,528	20.43	54,994
2004	11,874.67	3,345	3,156	9,313	20.46	455
	1,539,295.24	512,404	483,419	1,132,841		55,449
TRIMBLE COUNTY CT 6						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	1,526,610.88	508,790	480,022	1,122,919	20.43	54,964
2004	10,556.72	2,973	2,805	8,280	20.46	405
	1,537,167.60	511,763	482,827	1,131,199		55,369
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,726,823.88	454,343	439,138	1,374,027	22.43	61,258
	1,726,823.88	454,343	439,138	1,374,027		61,258

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 344 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,717,276.72	451,831	436,711	1,366,430	22.43	60,920
	1,717,276.72	451,831	436,711	1,366,430		60,920
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,728,008.37	454,655	434,500	1,379,909	22.43	61,521
	1,728,008.37	454,655	434,500	1,379,909		61,521
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 60-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,722,674.29	453,251	433,159	1,375,649	22.43	61,331
	1,722,674.29	453,251	433,159	1,375,649		61,331
	33,171,947.16	15,800,370	16,608,293	18,222,252		1,015,570
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						17.9 3.06

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CANE RUN GT 11						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	98,856.44	89,999	103,799			
1971	1,756.28	1,593	1,844			
1982	13,071.10	11,236	13,725			
2008	2,943.40	1,082	3,091			
	116,627.22	103,910	122,459			
ZORN AND RIVER ROAD GAS TURBINE						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. -5						
1970	40,133.47	35,932	42,140			
1974	330.33	290	347			
2011	3,818.97	251	4,010			
	44,282.77	36,473	46,497			
PADDY'S RUN GENERATOR 11						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	48,020.14	43,718	50,421			
1988	4,190.15	3,443	4,400			
1998	6,870.11	4,865	7,214			
2002	9,028.95	5,624	8,850	631	6.46	98
	68,109.35	57,650	70,884	631		98

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PADDY'S RUN GENERATOR 12						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
1970	82,612.64	75,211	62,943	23,800	5.52	4,312
1998	31,357.45	22,206	18,584	14,341	6.43	2,230
2011	798,671.41	59,985	50,201	788,404	6.49	121,480
	912,641.50	157,402	131,728	826,546		128,022
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	2,772,992.60	1,032,847	990,741	1,920,901	18.70	102,722
2002	6,000.00	2,090	2,005	4,295	18.78	229
	2,778,992.60	1,034,937	992,746	1,925,196		102,951
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	2,571,841.42	957,925	918,850	1,781,584	18.70	95,272
2002	3,460.00	1,205	1,156	2,477	18.78	132
2010	13,121.14	991	951	12,827	19.22	667
	2,588,422.56	960,121	920,956	1,796,888		96,071
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	942,589.47	396,590	357,200	632,519	16.84	37,561
2010	27,599.75	2,298	2,070	26,910	17.30	1,555
	970,189.22	398,888	359,270	659,429		39,116

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	943,792.03	397,096	349,127	641,855	16.84	38,115
2010	9,408.42	783	688	9,190	17.30	531
	953,200.45	397,879	349,815	651,045		38,646
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	672,607.01	227,126	211,395	494,842	19.66	25,170
2004	5,292.01	1,507	1,403	4,154	19.83	209
2011	29,064.20	737	686	29,831	20.21	1,476
	706,963.22	229,370	213,484	528,827		26,855
TRIMBLE COUNTY CT 6						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2002	1,590,187.87	536,975	446,156	1,223,542	19.66	62,235
2004	4,704.54	1,340	1,113	3,826	19.83	193
	1,594,892.41	538,315	447,269	1,227,368		62,428
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,841,955.15	491,849	481,335	1,452,718	21.61	67,224
2009	1,409.27	149	146	1,334	22.00	61
	1,843,364.42	491,998	481,481	1,454,052		67,285

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 345 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,834,731.90	489,920	479,448	1,447,020	21.61	66,961
2009	1,409.27	149	146	1,334	22.00	61
	1,836,141.17	490,069	479,594	1,448,354		67,022
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	1,889,431.09	504,526	488,342	1,495,561	21.61	69,207
2009	1,409.24	149	144	1,335	22.00	61
	1,890,840.33	504,675	488,486	1,496,896		69,268
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 45-R3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	4,357,112.79	1,163,460	976,845	3,598,124	21.61	166,503
2009	1,409.27	149	125	1,355	22.00	62
2011	29,314.03	667	560	30,220	22.11	1,367
	4,387,836.09	1,164,276	977,530	3,629,698		167,932
	20,692,503.31	6,565,963	6,082,199	15,644,930		865,694
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						18.1 4.18

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ZORN AND RIVER ROAD GAS TURBINE						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. -5						
2007	9,488.39	3,736	368	9,595	7.50	1,279
	9,488.39	3,736	368	9,595		1,279
PADDY'S RUN GENERATOR 11						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2018						
NET SALVAGE PERCENT.. -5						
2007	9,494.38	4,078	374	9,595	6.50	1,476
	9,494.38	4,078	374	9,595		1,476
PADDY'S RUN GENERATOR 13						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	1,257,054.85	465,386	397,823	922,084	19.28	47,826
2002	3,000.00	1,038	887	2,263	19.32	119
2007	14,428.54	2,847	2,434	12,716	19.45	654
2010	6,550.80	492	421	6,458	19.48	332
	1,281,034.19	469,763	401,565	943,521		48,929
BROWN CT 5						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2031						
NET SALVAGE PERCENT.. -5						
2001	2,367,510.38	876,499	810,244	1,675,642	19.28	86,911
2002	3,146.00	1,089	1,007	2,297	19.32	119
2007	24,568.74	4,847	4,481	21,317	19.45	1,096
	2,395,225.12	882,435	815,731	1,699,255		88,126

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BROWN CT 6						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	11,034.25	4,623	4,403	7,183	17.32	415
2003	11,421.52	3,933	3,746	8,247	17.42	473
	22,455.77	8,556	8,149	15,430		888
BROWN CT 7						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2029						
NET SALVAGE PERCENT.. -5						
2000	11,048.30	4,629	4,302	7,299	17.32	421
2003	11,999.48	4,132	3,840	8,759	17.42	503
	23,047.78	8,761	8,142	16,058		924
TRIMBLE COUNTY CT 5						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2032						
NET SALVAGE PERCENT.. -5						
2005	8,937.45	2,268	2,682	6,702	20.39	329
2007	5,591.47	1,059	1,253	4,619	20.44	226
	14,528.92	3,327	3,935	11,320		555
TRIMBLE COUNTY CT 7						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	5,204.51	1,376	1,298	4,167	22.28	187
	5,204.51	1,376	1,298	4,167		187

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 346 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
TRIMBLE COUNTY CT 8						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	5,182.59	1,370	1,292	4,150	22.28	186
	5,182.59	1,370	1,292	4,150		186
TRIMBLE COUNTY CT 9						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	5,328.44	1,409	1,315	4,280	22.28	192
	5,328.44	1,409	1,315	4,280		192
TRIMBLE COUNTY CT 10						
INTERIM SURVIVOR CURVE.. IOWA 50-S3						
PROBABLE RETIREMENT YEAR.. 6-2034						
NET SALVAGE PERCENT.. -5						
2004	5,316.29	1,406	1,314	4,268	22.28	192
2010	16,663.61	1,096	1,024	16,473	22.45	734
2011	3,353.01	77	72	3,449	22.47	153
	25,332.91	2,579	2,410	24,190		1,079
	3,796,323.00	1,387,390	1,244,579	2,741,561		143,821
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						19.1 3.79

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 350.1 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
NET SALVAGE PERCENT.. 0						
1924	524.00	494	524			
1936	6,427.00	5,729	6,427			
1937	106.83	95	107			
1938	1,197.13	1,056	1,185	12	7.09	2
1939	10,690.00	9,375	10,519	171	7.38	23
1940	134,404.63	117,178	131,482	2,923	7.69	380
1941	2,306.00	1,999	2,243	63	8.00	8
1943	98,666.00	84,409	94,713	3,953	8.67	456
1945	1,599.00	1,349	1,514	85	9.38	9
1948	45,332.00	37,354	41,914	3,418	10.56	324
1949	73,107.00	59,728	67,019	6,088	10.98	554
1950	49,327.76	39,939	44,814	4,514	11.42	395
1951	4,444.00	3,565	4,000	444	11.87	37
1952	212,138.00	168,508	189,078	23,060	12.34	1,869
1954	10,061.48	7,826	8,781	1,280	13.33	96
1955	2,054.00	1,580	1,773	281	13.85	20
1956	103.00	78	88	15	14.38	1
1957	48,020.00	36,071	40,474	7,546	14.93	505
1958	102,241.00	75,845	85,103	17,138	15.49	1,106
1959	41,920.00	30,693	34,440	7,480	16.07	465
1960	4,936.00	3,565	4,000	936	16.66	56
1961	9,374.00	6,676	7,491	1,883	17.27	109
1962	34,954.00	24,532	27,527	7,427	17.89	415
1963	124,253.00	85,880	96,363	27,890	18.53	1,505
1964	18,622.00	12,669	14,215	4,407	19.18	230
1965	9,159.00	6,130	6,878	2,281	19.84	115
1966	1,246.00	820	920	326	20.51	16
1967	11,816.77	7,643	8,576	3,241	21.19	153
1968	18,431.00	11,707	13,136	5,295	21.89	242
1969	315,902.00	196,911	220,948	94,954	22.60	4,202
1970	21,103.00	12,901	14,476	6,627	23.32	284
1971	16,398.00	9,825	11,024	5,374	24.05	223
1972	2,407.00	1,412	1,584	823	24.79	33
1973	66,035.00	37,937	42,568	23,467	25.53	919
1974	37,854.00	21,268	23,864	13,990	26.29	532
1975	87,044.86	47,788	53,622	33,423	27.06	1,235
1976	307,843.00	165,004	185,146	122,697	27.84	4,407
1977	40,880.00	21,373	23,982	16,898	28.63	590
1978	32,634.00	16,633	18,663	13,971	29.42	475
1979	138,276.00	68,608	76,983	61,293	30.23	2,028
1980	271,275.35	130,936	146,919	124,356	31.04	4,006

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 350.1 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R3						
NET SALVAGE PERCENT.. 0						
1981	25,121.00	11,782	13,220	11,901	31.86	374
1982	82,797.00	37,687	42,288	40,509	32.69	1,239
1983	25.00	11	12	13	33.53	
1984	2,330.00	995	1,116	1,214	34.38	35
1986	5,634.00	2,245	2,519	3,115	36.09	86
1989	6.00	2	2	4	38.72	
1991	21,165.00	6,875	7,714	13,451	40.51	332
1994	2,763.00	772	866	1,897	43.24	44
1995	37,300.00	9,847	11,049	26,251	44.16	594
1998	520.00	113	127	393	46.96	8
2007	5,188,636.78	381,365	427,920	4,760,717	55.59	85,640
	7,781,410.59	2,024,783	2,271,916	5,509,495		116,377
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						47.3 1.50

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R1.5						
NET SALVAGE PERCENT.. -5						
1940	1,162.00	973	1,216	4	11.15	
1941	11,330.40	9,412	11,758	139	11.49	12
1942	59,841.27	49,319	61,615	1,218	11.83	103
1947	1,530.00	1,208	1,509	98	13.64	7
1948	2,319.00	1,814	2,266	169	14.03	12
1949	16,355.00	12,670	15,829	1,344	14.42	93
1950	13,105.00	10,050	12,556	1,204	14.83	81
1951	1,673.00	1,270	1,587	170	15.24	11
1952	7,431.00	5,581	6,972	831	15.66	53
1953	48,775.00	36,222	45,252	5,962	16.10	370
1954	66,176.24	48,589	60,703	8,782	16.54	531
1955	10,284.00	7,463	9,324	1,474	16.99	87
1956	3.00	2	2	1	17.45	
1957	33,890.00	23,990	29,971	5,614	17.92	313
1958	74,490.00	52,048	65,024	13,190	18.40	717
1959	24,007.00	16,554	20,681	4,526	18.88	240
1960	8,810.00	5,991	7,485	1,766	19.38	91
1961	15,400.08	10,322	12,895	3,275	19.89	165
1963	4,710.00	3,063	3,827	1,118	20.93	53
1964	34,311.00	21,963	27,439	8,588	21.47	400
1965	4,965.00	3,126	3,905	1,308	22.02	59
1966	3,081.00	1,908	2,384	851	22.57	38
1967	10,540.00	6,413	8,012	3,055	23.13	132
1968	2,693.00	1,609	2,010	818	23.70	35
1969	3,083.12	1,808	2,259	978	24.29	40
1970	2,402.76	1,382	1,727	796	24.88	32
1971	6,045.00	3,408	4,258	2,089	25.47	82
1972	52,809.33	29,157	36,426	19,024	26.08	729
1973	9,020.82	4,875	6,090	3,382	26.69	127
1974	83,171.00	43,950	54,907	32,423	27.32	1,187
1975	151,081.00	78,020	97,471	61,164	27.95	2,188
1976	4,720.00	2,380	2,973	1,983	28.59	69
1977	32,594.00	16,036	20,034	14,190	29.23	485
1978	65,994.00	31,636	39,523	29,771	29.89	996
1979	49,165.00	22,949	28,670	22,953	30.55	751
1980	103,799.50	47,143	58,896	50,093	31.21	1,605
1981	155,328.00	68,529	85,614	77,480	31.89	2,430
1982	30,959.00	13,257	16,562	15,945	32.57	490
1983	15,832.73	6,571	8,209	8,415	33.26	253
1984	13,695.00	5,504	6,876	7,504	33.95	221
1985	13,414.00	5,211	6,510	7,575	34.65	219

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 352 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R1.5						
NET SALVAGE PERCENT.. -5						
1986	65,150.48	24,428	30,518	37,890	35.36	1,072
1987	35,029.00	12,659	15,815	20,965	36.07	581
1988	12,383.21	4,305	5,378	7,624	36.79	207
1990	199,609.00	63,868	79,791	129,798	38.24	3,394
1991	48,040.89	14,693	18,356	32,087	38.98	823
1992	95,483.00	27,871	34,819	65,438	39.71	1,648
1993	4,265.59	1,184	1,479	3,000	40.46	74
1994	271,818.74	71,561	89,402	196,008	41.21	4,756
1995	36,997.00	9,210	11,506	27,341	41.96	652
1996	5,976.00	1,401	1,750	4,525	42.72	106
1997	9,409.00	2,069	2,585	7,294	43.48	168
2000	69,167.52	12,161	15,193	57,433	45.79	1,254
2001	26,216.00	4,219	5,271	22,256	46.57	478
2002	410,134.89	59,898	74,831	355,811	47.35	7,514
2003	66,683.98	8,733	10,910	59,108	48.14	1,228
2004	71,578.65	8,294	10,362	64,796	48.93	1,324
2005	18,356.71	1,850	2,311	16,964	49.72	341
2006	66,363.10	5,676	7,091	62,590	50.52	1,239
2007	39,921.10	2,797	3,494	38,423	51.33	749
2008	2,204,511.66	120,366	150,374	2,164,363	52.14	41,511
2009	107,992.72	4,226	5,280	108,112	52.95	2,042
2010	1,022,752.47	24,012	29,998	1,043,892	53.77	19,414
2011	318,718.17	2,493	3,115	331,539	54.59	6,073
	6,456,555.13	1,201,350	1,500,856	5,278,527		112,155

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 47.1 1.74

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -10						
1939	2,125.30	2,030	2,338			
1940	3,716.59	3,532	4,088			
1941	205,735.67	194,420	226,309			
1942	802,574.54	754,097	882,832			
1943	74,197.00	69,315	81,617			
1944	123,877.27	115,032	136,265			
1945	102,813.00	94,876	113,094			
1946	8,472.58	7,768	9,320			
1947	87,404.00	79,590	96,144			
1948	86,864.94	78,526	95,551			
1949	1,396,074.56	1,252,564	1,535,682			
1950	346,838.93	308,755	381,523			
1951	224,151.10	197,882	246,566			
1952	653,474.30	571,923	718,822			
1953	677,769.95	587,901	745,547			
1954	1,623,091.41	1,394,559	1,785,401			
1955	631,227.44	536,920	694,350			
1956	1,825,187.90	1,536,438	2,007,707			
1957	567,182.93	472,237	623,901			
1958	1,682,849.54	1,384,982	1,851,134			
1959	1,485,669.09	1,208,142	1,634,236			
1960	590,947.36	474,531	642,960	7,082	14.85	477
1961	61,963.00	49,112	66,544	1,615	15.37	105
1962	766,257.64	599,214	811,897	30,986	15.90	1,949
1963	234,473.08	180,733	244,882	13,038	16.46	792
1964	310,506.20	235,862	319,578	21,979	17.02	1,291
1965	597,775.78	447,136	605,841	51,712	17.60	2,938
1966	1,319,248.88	970,966	1,315,598	135,576	18.20	7,449
1967	657,497.83	476,027	644,987	78,261	18.80	4,163
1968	667,601.50	475,066	643,685	90,677	19.42	4,669
1969	1,709,249.32	1,194,418	1,618,362	261,812	20.06	13,051
1970	256,219.48	175,768	238,155	43,686	20.70	2,110
1971	854,412.57	574,852	778,888	160,966	21.36	7,536
1972	6,619,780.85	4,365,050	5,914,370	1,367,389	22.03	62,069
1973	400,288.52	258,506	350,259	90,058	22.71	3,966
1974	3,381,514.91	2,137,134	2,895,683	823,983	23.40	35,213
1975	877,310.18	542,179	734,619	230,422	24.10	9,561
1976	3,014,024.42	1,819,871	2,465,811	849,616	24.81	34,245
1977	4,099,746.50	2,416,399	3,274,069	1,235,652	25.53	48,400
1978	4,778,094.29	2,746,472	3,721,298	1,534,606	26.26	58,439
1979	2,812,113.22	1,574,781	2,133,730	959,595	27.00	35,541

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 353 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -10						
1980	5,179,965.37	2,823,055	3,825,063	1,872,899	27.75	67,492
1981	1,449,808.22	768,401	1,041,135	553,654	28.50	19,426
1982	1,163,885.93	598,938	811,523	468,752	29.27	16,015
1983	373,413.02	186,335	252,472	158,282	30.05	5,267
1984	27,783.12	13,430	18,197	12,364	30.83	401
1985	307,706.00	143,883	194,952	143,525	31.62	4,539
1986	190,910.18	86,216	116,817	93,184	32.42	2,874
1987	220,833.13	96,151	130,279	112,637	33.23	3,390
1988	395,368.20	165,660	224,459	210,446	34.05	6,180
1989	288,952.35	116,332	157,623	160,225	34.87	4,595
1990	13,492,466.00	5,208,105	7,056,656	7,785,057	35.70	218,069
1991	3,553,214.19	1,311,861	1,777,490	2,131,046	36.54	58,321
1992	458,913.99	161,719	219,119	285,686	37.38	7,643
1993	1,687,459.50	565,976	766,862	1,089,343	38.23	28,494
1994	3,684,542.77	1,172,410	1,588,542	2,464,455	39.09	63,046
1995	654,854.17	196,977	266,892	453,448	39.96	11,348
1996	2,894,488.14	820,310	1,111,469	2,072,468	40.83	50,758
1997	1,496,937.00	397,892	539,119	1,107,512	41.71	26,553
1998	1,456,559.17	361,524	489,842	1,112,373	42.59	26,118
1999	465,724.36	107,301	145,386	366,911	43.48	8,439
2000	2,009,326.10	426,779	578,259	1,632,000	44.38	36,773
2001	170,643.53	33,174	44,949	142,759	45.28	3,153
2002	4,991,478.70	880,477	1,192,991	4,297,636	46.18	93,063
2003	5,949,120.59	941,163	1,275,217	5,268,816	47.09	111,888
2004	697,523.68	97,513	132,124	635,152	48.01	13,230
2005	6,933,760.68	841,731	1,140,493	6,486,644	48.93	132,570
2006	974,539.95	100,382	136,011	935,983	49.85	18,776
2007	2,691,853.89	227,201	307,843	2,653,196	50.78	52,249
2008	1,936,654.18	127,436	172,668	1,957,652	51.71	37,858
2009	1,573,645.89	73,966	100,219	1,630,791	52.65	30,974
2010	5,900,603.50	167,589	227,073	6,263,591	53.58	116,902
2011	7,671,340.01	72,149	97,757	8,340,717	54.53	152,956
	127,564,599.08	51,857,602	69,433,144	70,887,915		1,763,324

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 40.2 1.38

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 354 TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. -50						
1942	705,684.00	841,380	1,058,526			
1948	173,532.18	195,372	257,736	2,562	17.46	147
1950	303,250.15	334,010	440,628	14,247	18.60	766
1952	87,435.00	94,074	124,103	7,050	19.79	356
1954	116,980.76	122,754	161,938	13,533	21.03	644
1955	614,150.00	636,041	839,069	82,156	21.67	3,791
1956	114,831.00	117,324	154,775	17,472	22.32	783
1957	105,294.00	106,091	139,956	17,985	22.98	783
1958	261,706.00	259,929	342,900	49,659	23.65	2,100
1959	501,725.00	491,011	647,745	104,842	24.33	4,309
1960	75,684.00	72,948	96,233	17,293	25.02	691
1961	11,708.00	11,109	14,655	2,907	25.72	113
1962	1,481,171.97	1,382,889	1,824,315	397,443	26.43	15,038
1963	5,650.00	5,189	6,845	1,630	27.14	60
1964	17,450.62	15,754	20,783	5,393	27.87	194
1965	15,715.05	13,938	18,387	5,186	28.61	181
1966	119,215.00	103,844	136,992	41,830	29.35	1,425
1967	66,487.00	56,832	74,973	24,758	30.11	822
1968	14,453.41	12,119	15,987	5,693	30.87	184
1969	2,438,907.51	2,004,782	2,644,720	1,013,641	31.64	32,037
1970	48,328.00	38,918	51,341	21,151	32.42	652
1971	214,059.00	168,799	222,681	98,408	33.20	2,964
1972	165,009.69	127,329	167,973	79,542	33.99	2,340
1973	194,250.14	146,562	193,345	98,030	34.79	2,818
1974	155,682.00	114,760	151,392	82,131	35.60	2,307
1975	531,929.00	382,757	504,935	292,958	36.42	8,044
1976	6,203,556.00	4,354,896	5,745,004	3,560,330	37.24	95,605
1977	897,947.00	614,384	810,499	536,422	38.07	14,090
1978	141,542.16	94,297	124,397	87,916	38.91	2,259
1979	103,749.53	67,251	88,718	66,906	39.75	1,683
1980	1,158,533.72	729,876	962,857	774,944	40.60	19,087
1982	1,886,216.09	1,118,800	1,475,927	1,353,397	42.32	31,980
1984	4,471.00	2,484	3,277	3,430	44.07	78
1985	6,969.00	3,741	4,935	5,518	44.95	123
1986	15,153.00	7,845	10,349	12,380	45.84	270
1993	13.57	5	7	13	52.21	
1994	4,284,591.72	1,547,980	2,042,104	4,384,784	53.14	82,514
1997	286,139.00	86,086	113,565	315,644	55.96	5,641
2001	24,582.00	5,389	7,109	29,764	59.77	498
2002	144,643.00	28,733	37,905	179,060	60.73	2,948
2004	48,122.49	7,558	9,971	62,213	62.67	993

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 354 TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. -50						
2005	757,189.84	103,197	136,138	999,647	63.64	15,708
2006	22,848.65	2,639	3,481	30,792	64.61	477
2009	696,240.91	36,699	48,414	995,947	67.54	14,746
2010	14,745,827.01	467,590	616,847	21,501,894	68.52	313,805
2011	101,870.88	1,070	1,412	151,394	69.51	2,178
	40,070,495.05	17,137,035	22,555,849	37,549,894		688,232
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						54.6 1.72

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R2						
NET SALVAGE PERCENT.. -55						
1935	395.82	543	558	56	6.09	9
1939	438.98	587	603	77	7.28	11
1940	32.99	44	45	6	7.59	1
1941	3,523.05	4,647	4,774	687	7.90	87
1946	37.68	48	49	9	9.55	1
1949	40.34	50	51	12	10.64	1
1953	142,361.00	169,824	174,483	46,177	12.21	3,782
1954	6,028.00	7,117	7,312	2,031	12.63	161
1955	2,182.67	2,549	2,619	764	13.07	58
1956	12,208.07	14,099	14,486	4,437	13.51	328
1957	177,879.79	203,091	208,662	67,052	13.96	4,803
1958	263,311.84	297,088	305,238	102,895	14.42	7,136
1959	30,381.94	33,853	34,782	12,310	14.90	826
1960	366.66	403	414	154	15.39	10
1961	2,044.34	2,219	2,280	889	15.89	56
1962	42,111.00	45,075	46,311	18,961	16.40	1,156
1963	10,378.99	10,952	11,252	4,835	16.92	286
1964	63,139.68	65,644	67,445	30,422	17.45	1,743
1965	51,931.00	53,171	54,630	25,863	17.99	1,438
1966	75,621.65	76,211	78,302	38,912	18.54	2,099
1967	74,642.39	73,979	76,008	39,688	19.11	2,077
1968	153,879.25	149,948	154,061	84,452	19.68	4,291
1969	105,794.21	101,266	104,044	59,937	20.27	2,957
1970	218,485.12	205,301	210,933	127,719	20.87	6,120
1971	209,495.85	193,117	198,414	126,305	21.48	5,880
1972	60,153.23	54,377	55,869	37,369	22.09	1,692
1973	30,637.07	27,131	27,875	19,612	22.72	863
1974	221,881.56	192,335	197,611	146,305	23.36	6,263
1975	219,792.93	186,345	191,457	149,222	24.01	6,215
1976	604,995.27	501,430	515,185	422,558	24.66	17,135
1977	714,873.13	578,492	594,361	513,692	25.33	20,280
1978	420,291.99	331,869	340,973	310,480	26.00	11,942
1979	2,019,355.46	1,553,795	1,596,418	1,533,583	26.69	57,459
1980	2,486,774.59	1,863,266	1,914,378	1,940,123	27.38	70,859
1981	623,914.74	454,522	466,990	500,078	28.09	17,803
1982	1,652,545.47	1,169,556	1,201,639	1,359,806	28.80	47,215
1983	225,092.58	154,567	158,807	190,086	29.52	6,439
1984	142,930.52	95,137	97,747	123,795	30.24	4,094
1985	454,262.13	292,535	300,560	403,546	30.98	13,026
1986	563,306.66	350,569	360,186	512,939	31.72	16,171
1987	587,708.96	352,692	362,367	548,582	32.48	16,890

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 355 POLES AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 53-R2						
NET SALVAGE PERCENT.. -55						
1988	382,325.59	220,941	227,002	365,603	33.24	10,999
1989	848,781.63	471,634	484,572	831,040	34.00	24,442
1990	441,402.51	235,198	241,650	442,524	34.78	12,724
1991	831,771.02	424,239	435,876	853,369	35.56	23,998
1992	1,354,908.27	659,749	677,847	1,422,261	36.35	39,127
1993	433,518.57	200,954	206,466	465,488	37.15	12,530
1994	2,234,656.17	983,557	1,010,537	2,453,180	37.95	64,642
1995	1,716,026.58	714,646	734,250	1,925,591	38.76	49,680
1996	296,657.98	116,431	119,625	340,195	39.58	8,595
1997	559,883.82	206,316	211,976	655,844	40.40	16,234
1998	571,704.44	196,794	202,192	683,950	41.23	16,589
1999	271,777.00	86,875	89,258	331,996	42.07	7,892
2000	326,477.57	96,340	98,983	407,057	42.91	9,486
2001	2,668,781.30	721,177	740,960	3,395,651	43.76	77,597
2002	24,590.00	6,034	6,200	31,914	44.61	715
2003	682,622.33	150,330	154,454	903,611	45.47	19,873
2004	159,649.61	31,095	31,948	215,509	46.34	4,651
2005	4,768,708.42	807,521	829,672	6,561,826	47.21	138,992
2006	914,675.18	131,340	134,943	1,282,804	48.09	26,675
2007	5,217,339.93	614,926	631,794	7,455,083	48.97	152,238
2008	587,401.83	53,946	55,426	855,047	49.86	17,149
2009	1,960,672.44	129,007	132,546	2,906,496	50.75	57,271
2010	11,630,784.21	459,166	471,760	17,555,956	51.65	339,902
2011	1,721,866.94	22,659	23,281	2,645,613	52.55	50,345
	53,282,211.94	17,610,319	18,093,397	64,494,032		1,542,009

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 41.8 2.89

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. -40						
1942	727,232.65	884,955	998,929	19,197	6.54	2,935
1943	41.75	50	56	2	6.84	
1944	173.00	208	235	7	7.15	1
1945	6.00	7	8			
1947	13.00	15	17	1	8.10	
1948	10,643.04	12,388	13,983	917	8.43	109
1949	265,688.65	306,722	346,225	25,739	8.77	2,935
1950	49,437.00	56,601	63,891	5,321	9.11	584
1951	2,532.00	2,873	3,243	302	9.47	32
1952	760.00	855	965	99	9.83	10
1953	78,861.31	87,861	99,177	11,229	10.21	1,100
1954	43,952.98	48,501	54,747	6,787	10.59	641
1955	15,899.12	17,366	19,603	2,656	10.99	242
1956	342,520.52	370,292	417,982	61,547	11.39	5,404
1957	297,283.88	317,892	358,833	57,364	11.81	4,857
1958	411,684.59	435,266	491,324	85,034	12.24	6,947
1959	146,043.00	152,609	172,264	32,196	12.68	2,539
1960	199,417.58	205,871	232,385	46,800	13.13	3,564
1961	6,330.42	6,452	7,283	1,580	13.60	116
1962	1,192,327.91	1,199,530	1,354,018	315,241	14.07	22,405
1963	48,234.38	47,864	54,028	13,500	14.56	927
1964	121,232.30	118,604	133,879	35,846	15.06	2,380
1965	105,066.32	101,288	114,333	32,760	15.57	2,104
1966	175,630.97	166,758	188,235	57,648	16.09	3,583
1967	176,770.42	165,167	186,439	61,040	16.63	3,670
1968	230,496.74	211,882	239,170	83,525	17.17	4,865
1969	2,129,906.38	1,924,498	2,172,355	809,514	17.73	45,658
1970	225,491.72	200,146	225,923	89,765	18.30	4,905
1971	296,389.78	258,262	291,524	123,422	18.88	6,537
1972	492,485.94	420,859	475,062	214,418	19.48	11,007
1973	172,461.21	144,481	163,089	78,357	20.08	3,902
1974	349,617.60	286,826	323,766	165,699	20.70	8,005
1975	737,397.72	592,160	668,425	363,932	21.32	17,070
1976	2,635,088.78	2,068,861	2,335,310	1,353,814	21.96	61,649
1977	848,660.09	651,092	734,946	453,178	22.60	20,052
1978	700,203.01	524,256	591,775	388,509	23.26	16,703
1979	1,522,888.02	1,111,647	1,254,816	877,227	23.93	36,658
1980	1,492,462.97	1,061,440	1,198,143	891,305	24.60	36,232
1981	194,768.75	134,757	152,112	120,564	25.29	4,767
1982	1,673,436.97	1,125,487	1,270,439	1,072,373	25.98	41,277
1983	565,180.70	368,882	416,391	374,862	26.69	14,045

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 356 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. -40						
1984	61,864.71	39,148	44,190	42,421	27.40	1,548
1985	220,030.74	134,738	152,091	155,952	28.13	5,544
1986	289,447.77	171,330	193,396	211,831	28.86	7,340
1987	264,519.02	151,093	170,552	199,775	29.60	6,749
1988	301,010.17	165,616	186,946	234,468	30.35	7,725
1989	324,414.15	171,680	193,791	260,389	31.10	8,373
1990	502,750.16	255,216	288,085	415,765	31.87	13,046
1991	247,244.97	120,181	135,659	210,484	32.64	6,449
1992	739,471.33	343,292	387,505	647,755	33.42	19,382
1993	126,850.97	56,083	63,306	114,285	34.21	3,341
1994	2,531,536.20	1,062,536	1,199,381	2,344,770	35.01	66,974
1995	488,626.50	194,141	219,144	464,933	35.81	12,983
1996	79,834.00	29,909	33,761	78,007	36.62	2,130
1997	510,562.37	179,555	202,680	512,107	37.44	13,678
1998	63,954.17	21,023	23,731	65,805	38.26	1,720
1999	294,879.34	90,080	101,681	311,150	39.09	7,960
2001	1,577,470.74	407,682	460,188	1,748,271	40.77	42,881
2002	5,455,651.29	1,278,586	1,443,255	6,194,657	41.63	148,803
2003	781,339.57	164,519	185,708	908,167	42.48	21,379
2004	77,546.66	14,439	16,299	92,266	43.35	2,128
2005	1,042,645.85	168,742	190,474	1,269,230	44.22	28,703
2006	927,638.93	127,532	143,957	1,154,738	45.09	25,610
2007	2,086,631.69	235,456	265,780	2,655,504	45.97	57,766
2008	419,298.26	36,865	41,613	545,405	46.86	11,639
2009	1,643,246.82	103,525	116,858	2,183,688	47.75	45,732
2010	6,642,628.78	251,091	283,429	9,016,251	48.65	185,329
2011	856,492.51	10,792	12,182	1,186,908	49.55	23,954
	47,242,306.84	21,776,381	24,580,970	41,558,260		1,179,283
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						35.2 2.50

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 357 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. 0						
1967	882.26	610	756	126	16.96	7
1969	101,573.00	67,832	84,084	17,489	18.27	957
1971	9,743.00	6,266	7,767	1,976	19.63	101
1975	54,469.55	32,187	39,899	14,571	22.50	648
1979	6,420.13	3,438	4,262	2,158	25.55	84
1994	14,948.90	4,539	5,627	9,322	38.30	243
1995	9,089.42	2,609	3,234	5,855	39.21	149
1998	1,131,845.28	267,738	331,886	799,959	41.99	19,051
2001	517,307.47	95,842	118,805	398,502	44.81	8,893
2003	12,433.92	1,872	2,321	10,113	46.72	216
2010	578,380.64	15,564	19,293	559,088	53.52	10,446
	2,437,093.57	498,497	617,934	1,819,160		40,795
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						44.6 1.67

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 358 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R3						
NET SALVAGE PERCENT.. -5						
1966	10,511.00	9,961	10,024	1,013	3.41	297
1967	18,010.95	16,923	17,031	1,880	3.68	511
1969	67,240.30	62,050	62,445	8,157	4.24	1,924
1971	45,435.00	41,069	41,331	6,376	4.87	1,309
1972	15,084.00	13,481	13,567	2,271	5.21	436
1974	61,045.00	53,164	53,503	10,594	5.97	1,775
1975	236,397.58	202,900	204,192	44,025	6.39	6,890
1976	6,134.45	5,184	5,217	1,224	6.83	179
1978	10,231.75	8,349	8,402	2,341	7.80	300
1993	133,925.00	68,301	68,736	71,885	18.00	3,994
1995	89,983.40	41,411	41,675	52,808	19.66	2,686
1998	3,781,771.51	1,446,545	1,455,760	2,515,100	22.25	113,038
1999	89,467.00	31,833	32,036	61,904	23.14	2,675
2001	525,152.69	158,332	159,340	392,070	24.95	15,714
2003	1,781.01	438	441	1,429	26.80	53
2005	10,537.39	1,995	2,008	9,056	28.69	316
2011	557,090.35	8,189	8,241	576,704	34.51	16,711
	5,659,798.38	2,170,125	2,183,949	3,758,839		168,808
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.3 2.98

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-L1.5						
NET SALVAGE PERCENT.. -10						
1922	21,804.66	18,315	23,985			
1924	14,461.00	12,013	15,907			
1925	17,850.00	14,746	19,635			
1928	34,451.00	27,967	37,896			
1932	15,087.70	11,949	16,596			
1937	37.00	28	41			
1939	412.00	311	453			
1940	4,530.00	3,398	4,983			
1941	44.00	33	48			
1946	61.00	44	67			
1947	11,841.00	8,422	13,025			
1948	3,584.00	2,529	3,938	4	17.92	
1953	959.00	649	1,011	44	19.22	2
1954	7,109.00	4,773	7,432	388	19.48	20
1955	50.13	33	51	4	19.75	
1956	13,313.34	8,784	13,677	968	20.01	48
1957	7,966.74	5,211	8,114	649	20.27	32
1958	17,753.00	11,506	17,915	1,613	20.54	79
1959	11,778.00	7,566	11,781	1,175	20.80	56
1960	16,219.36	10,323	16,073	1,768	21.07	84
1961	4,664.00	2,942	4,581	549	21.33	26
1962	3,004.05	1,877	2,923	381	21.60	18
1963	32,297.00	19,987	31,121	4,406	21.87	201
1964	12,987.29	7,960	12,394	1,892	22.14	85
1965	2,436.86	1,479	2,303	378	22.42	17
1966	9,152.42	5,497	8,559	1,509	22.70	66
1967	68,745.68	40,865	63,629	11,991	22.98	522
1968	88,808.00	52,224	81,315	16,374	23.27	704
1969	36,136.56	21,020	32,729	7,021	23.56	298
1970	46,523.69	26,765	41,674	9,502	23.85	398
1971	50,066.70	28,462	44,317	10,756	24.16	445
1972	3,039.10	1,707	2,658	685	24.47	28
1973	109,633.29	60,805	94,676	25,921	24.79	1,046
1974	1,620.85	887	1,381	402	25.12	16
1975	59,045.49	31,890	49,654	15,296	25.45	601
1976	20,333.04	10,825	16,855	5,511	25.80	214
1977	143,946.85	75,497	117,552	40,790	26.16	1,559
1978	127,907.49	66,016	102,790	37,908	26.54	1,428
1979	68,713.66	34,875	54,302	21,283	26.93	790
1980	118,195.51	58,949	91,786	38,229	27.33	1,399
1981	1,624.50	795	1,238	549	27.75	20

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 361 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-L1.5						
NET SALVAGE PERCENT.. -10						
1982	9,110.74	4,374	6,811	3,211	28.18	114
1983	2,478.55	1,165	1,814	912	28.64	32
1984	19,457.65	8,942	13,923	7,480	29.11	257
1985	94,047.68	42,209	65,721	37,731	29.60	1,275
1986	4,882.47	2,136	3,326	2,045	30.11	68
1987	61,389.33	26,133	40,690	26,838	30.65	876
1988	38,163.12	15,776	24,564	17,415	31.21	558
1989	32,402.31	12,981	20,212	15,431	31.79	485
1991	36,086.80	13,473	20,978	18,717	33.03	567
1992	162,896.74	58,451	91,011	88,175	33.69	2,617
1993	138,297.15	47,585	74,092	78,035	34.36	2,271
1994	129,757.00	42,677	66,450	76,283	35.05	2,176
1995	124,937.65	39,113	60,901	76,530	35.77	2,140
1996	142,700.61	42,382	65,991	90,980	36.50	2,493
1997	2,113.67	593	923	1,402	37.25	38
1998	102,412.95	26,992	42,028	70,626	38.02	1,858
2000	277,493.00	63,429	98,762	206,480	39.61	5,213
2001	41,593.00	8,757	13,635	32,117	40.43	794
2003	73,187.52	12,688	19,756	60,750	42.12	1,442
2004	19,708.36	3,035	4,726	16,953	43.00	394
2005	223,396.95	30,029	46,756	198,981	43.89	4,534
2006	89,523.54	10,261	15,977	82,499	44.79	1,842
2007	104,637.39	9,876	15,377	99,724	45.71	2,182
2009	163,484.43	8,668	13,496	166,337	47.59	3,495
2010	593,144.41	18,921	29,461	622,998	48.55	12,832
2011	362,163.40	3,904	6,079	392,301	49.51	7,924
	4,257,660.38	1,254,474	1,934,525	2,748,901		68,679

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 40.0 1.61

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -15						
1926	156,782.69	164,326	180,300			
1927	103,427.00	107,856	118,941			
1928	37,450.00	38,855	43,068			
1929	1,288.07	1,329	1,481			
1931	22,810.00	23,283	26,232			
1932	40,473.00	41,070	46,544			
1935	293.00	292	337			
1936	1,147.00	1,135	1,313	6	6.96	1
1937	13,059.00	12,843	14,859	159	7.24	22
1938	43,195.36	42,204	48,830	845	7.52	112
1939	22,835.87	22,159	25,638	623	7.81	80
1940	16,606.09	15,999	18,511	586	8.11	72
1941	193,506.01	185,102	214,165	8,367	8.41	995
1942	26,334.00	25,009	28,936	1,348	8.71	155
1943	46,325.77	43,664	50,520	2,755	9.02	305
1944	63.76	60	69	4	9.33	
1946	5,231.00	4,816	5,572	444	9.97	45
1947	157,202.00	143,541	166,078	14,704	10.30	1,428
1948	6,894.79	6,242	7,222	707	10.64	66
1949	135,328.20	121,421	140,485	15,142	10.99	1,378
1950	35,379.92	31,459	36,398	4,289	11.34	378
1951	72,176.00	63,580	73,563	9,439	11.70	807
1952	67,792.00	59,141	68,427	9,534	12.07	790
1953	225,961.41	195,152	225,793	34,063	12.45	2,736
1954	532,286.50	454,935	526,364	85,765	12.84	6,680
1955	700,635.99	592,374	685,382	120,349	13.24	9,090
1956	394,406.76	329,744	381,517	72,051	13.65	5,278
1957	690,216.91	570,388	659,944	133,805	14.07	9,510
1958	1,270,327.17	1,037,514	1,200,412	260,464	14.49	17,975
1959	453,388.84	365,708	423,127	98,270	14.93	6,582
1960	557,669.37	444,050	513,770	127,550	15.38	8,293
1961	156,988.73	123,343	142,709	37,828	15.84	2,388
1962	135,805.75	105,232	121,754	34,423	16.31	2,111
1963	49,024.78	37,447	43,326	13,052	16.79	777
1964	571,491.77	430,082	497,608	159,608	17.28	9,237
1965	344,566.04	255,344	295,435	100,816	17.78	5,670
1966	789,037.00	575,468	665,821	241,572	18.29	13,208
1967	544,105.38	390,325	451,609	174,112	18.81	9,256
1968	703,813.39	496,153	574,053	235,332	19.35	12,162
1969	1,309,434.75	906,823	1,049,202	456,648	19.89	22,959
1970	1,007,849.19	685,217	792,802	366,225	20.44	17,917

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -15						
1971	1,039,403.11	693,282	802,133	393,181	21.00	18,723
1972	848,505.63	554,634	641,716	334,065	21.58	15,480
1973	1,090,690.67	698,391	808,044	446,250	22.16	20,138
1974	1,641,987.01	1,029,115	1,190,695	697,590	22.75	30,663
1975	1,318,817.77	808,369	935,290	581,350	23.35	24,897
1976	1,466,339.07	878,220	1,016,108	670,182	23.96	27,971
1977	2,419,138.60	1,414,374	1,636,443	1,145,566	24.58	46,606
1978	4,529,443.42	2,582,553	2,988,036	2,220,824	25.21	88,093
1979	2,127,320.50	1,182,109	1,367,710	1,078,709	25.84	41,746
1980	549,396.32	297,075	343,718	288,088	26.49	10,875
1981	57,824.12	30,403	35,177	31,321	27.14	1,154
1982	1,986,554.71	1,014,335	1,173,594	1,110,944	27.80	39,962
1983	189,331.04	93,755	108,475	109,256	28.47	3,838
1984	674,009.86	323,376	374,149	400,962	29.14	13,760
1985	279,335.57	129,587	149,933	171,303	29.83	5,743
1986	899,685.62	403,095	466,384	568,254	30.52	18,619
1987	712,333.65	307,685	355,994	463,190	31.22	14,836
1988	101,875.09	42,364	49,016	68,140	31.92	2,135
1989	93,523.46	37,364	43,230	64,322	32.63	1,971
1990	125,818.63	48,182	55,747	88,944	33.35	2,667
1991	4,550,830.39	1,667,379	1,929,172	3,304,283	34.07	96,985
1992	4,924,405.92	1,721,572	1,991,873	3,671,194	34.80	105,494
1993	2,957,365.91	984,241	1,138,775	2,262,196	35.53	63,670
1994	541,130.17	170,883	197,713	424,587	36.27	11,706
1995	3,242,443.98	967,999	1,119,983	2,608,828	37.02	70,471
1996	2,413,616.55	678,926	785,523	1,990,136	37.77	52,691
1997	2,028,264.00	535,543	619,628	1,712,876	38.52	44,467
1998	527,317.28	130,015	150,428	455,987	39.28	11,609
1999	3,997,295.41	914,781	1,058,410	3,538,480	40.05	88,352
2000	249,482.61	52,676	60,947	225,958	40.82	5,535
2001	2,816,708.79	544,836	630,380	2,608,835	41.59	62,727
2002	541,999.25	95,115	110,049	513,250	42.37	12,114
2003	1,805,578.17	284,469	329,133	1,747,282	43.15	40,493
2004	990,577.23	138,067	159,745	979,419	43.94	22,290
2005	3,377,749.00	409,417	473,699	3,410,712	44.73	76,251
2006	3,958,541.21	406,978	470,877	4,081,445	45.53	89,643
2007	2,376,181.04	200,573	232,065	2,500,543	46.33	53,972
2008	725,582.29	47,729	55,223	779,197	47.14	16,529

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 362 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -15						
2009	7,256,801.85	342,158	395,879	7,949,443	47.95	165,786
2010	10,735,620.34	303,711	351,396	11,994,567	48.77	245,942
2011	12,456,595.82	117,466	135,909	14,189,176	49.59	286,130
	106,268,031.32	32,433,487	37,506,516	84,701,720		2,221,197
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					38.1	2.09

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -70						
1915	833.00	1,416	1,416			
1925	1,470.52	2,417	2,434	66	1.66	40
1932	445.49	704	709	48	3.49	14
1935	23,354.26	36,399	36,649	3,053	4.16	734
1936	2,060.59	3,197	3,219	284	4.37	65
1937	11,877.57	18,338	18,464	1,728	4.59	376
1938	897.40	1,379	1,388	138	4.81	29
1939	17,748.72	27,137	27,324	2,849	5.03	566
1940	61,572.46	93,662	94,306	10,367	5.26	1,971
1941	29,226.82	44,230	44,534	5,152	5.49	938
1942	38,128.79	57,404	57,799	7,020	5.72	1,227
1943	8,653.55	12,960	13,049	1,662	5.95	279
1944	5,871.11	8,745	8,805	1,176	6.19	190
1945	4,491.39	6,652	6,698	937	6.44	145
1946	26,210.06	38,595	38,860	5,697	6.69	852
1947	23,883.22	34,966	35,206	5,395	6.94	777
1948	56,156.65	81,719	82,281	13,185	7.20	1,831
1949	5,086.76	7,356	7,407	1,240	7.47	166
1950	12,024.57	17,273	17,392	3,050	7.75	394
1951	130,037.12	185,516	186,791	34,272	8.04	4,263
1952	29,931.52	42,396	42,687	8,197	8.34	983
1953	71,802.41	100,923	101,617	20,447	8.66	2,361
1954	37,612.23	52,444	52,804	11,137	8.99	1,239
1955	129,192.33	178,645	179,873	39,754	9.33	4,261
1956	147,374.81	202,033	203,422	47,115	9.68	4,867
1957	92,688.59	125,867	126,732	30,839	10.06	3,066
1958	41,718.66	56,099	56,485	14,437	10.45	1,382
1959	244,921.99	326,016	328,257	88,110	10.85	8,121
1960	521,341.39	686,336	691,053	195,227	11.28	17,307
1961	371,789.15	483,891	487,217	144,825	11.72	12,357
1962	510,644.38	656,627	661,140	206,955	12.18	16,991
1963	290,416.30	368,701	371,235	122,473	12.66	9,674
1964	486,709.23	609,798	613,989	213,417	13.15	16,229
1965	481,185.01	594,533	598,619	219,396	13.66	16,061
1966	471,323.58	573,855	577,799	223,451	14.19	15,747
1967	575,503.88	690,133	694,876	283,481	14.73	19,245
1968	653,153.43	770,812	776,110	334,251	15.29	21,861
1969	679,301.57	788,275	793,693	361,120	15.87	22,755
1970	668,111.09	761,887	767,124	368,665	16.46	22,398
1971	838,959.90	939,316	945,772	480,460	17.07	28,146
1972	907,562.17	996,993	1,003,846	539,010	17.69	30,470

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -70						
1973	1,124,175.22	1,210,872	1,219,195	691,903	18.32	37,768
1974	1,104,121.08	1,164,870	1,172,876	704,130	18.97	37,118
1975	1,302,867.10	1,345,315	1,354,562	860,312	19.63	43,826
1976	1,529,237.54	1,544,224	1,554,838	1,044,866	20.30	51,471
1977	1,477,777.06	1,457,591	1,467,609	1,044,612	20.99	49,767
1978	1,988,187.94	1,914,386	1,927,544	1,452,375	21.68	66,991
1979	2,089,308.76	1,961,318	1,974,799	1,577,026	22.39	70,434
1980	2,434,573.41	2,225,833	2,241,132	1,897,643	23.11	82,114
1981	2,440,238.79	2,170,446	2,185,364	1,963,042	23.84	82,342
1982	2,455,168.54	2,121,953	2,136,538	2,037,249	24.58	82,882
1983	3,131,038.06	2,626,252	2,644,303	2,678,462	25.33	105,743
1984	2,442,721.24	1,985,786	1,999,435	2,153,191	26.09	82,529
1985	2,613,239.63	2,055,992	2,070,123	2,372,384	26.86	88,324
1986	2,869,950.13	2,182,827	2,197,830	2,681,085	27.63	97,035
1987	2,556,211.66	1,875,544	1,888,435	2,457,125	28.42	86,458
1988	3,149,842.45	2,225,427	2,240,723	3,114,009	29.22	106,571
1989	3,263,121.57	2,216,704	2,231,940	3,315,367	30.02	110,439
1990	3,198,683.03	2,083,750	2,098,072	3,339,689	30.84	108,291
1991	3,157,511.44	1,968,898	1,982,431	3,385,338	31.66	106,928
1992	2,966,804.42	1,766,257	1,778,397	3,265,171	32.49	100,498
1993	3,380,262.74	1,915,865	1,929,033	3,817,414	33.33	114,534
1994	3,384,641.16	1,820,531	1,833,044	3,920,846	34.18	114,712
1995	3,281,930.40	1,670,437	1,681,919	3,897,363	35.03	111,258
1996	3,446,983.50	1,653,656	1,665,022	4,194,850	35.89	116,881
1997	4,033,615.52	1,815,772	1,828,252	5,028,894	36.76	136,803
1998	2,928,019.32	1,230,471	1,238,929	3,738,704	37.64	99,328
1999	2,023,147.06	789,675	795,103	2,644,247	38.52	68,646
2000	1,856,465.36	668,439	673,033	2,482,958	39.41	63,003
2001	4,249,531.32	1,401,495	1,411,128	5,813,075	40.30	144,245
2002	3,485,971.87	1,043,003	1,050,172	4,875,980	41.20	118,349
2003	3,632,850.95	974,549	981,247	5,194,600	42.11	123,358
2004	2,103,413.01	499,182	502,613	3,073,189	43.02	71,436
2005	2,937,598.33	606,262	610,429	4,383,488	43.93	99,783
2006	1,827,817.57	319,429	321,625	2,785,665	44.86	62,097
2007	1,088,068.88	156,116	157,189	1,692,528	45.78	36,971
2008	5,501,653.38	615,415	619,645	8,733,166	46.71	186,966

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 364 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -70						
2009	14,190,317.68	1,133,806	1,141,599	22,981,941	47.65	482,307
2010	8,574,517.04	411,062	413,888	14,162,791	48.59	291,475
2011	7,549,601.67	120,643	121,472	12,712,851	49.53	256,670
	135,482,459.50	67,635,698	68,100,569	162,219,612		4,586,729
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						35.4 3.39

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -60						
1925	13,194.76	19,334	21,112			
1932	9,912.85	13,995	15,861			
1935	22,895.07	31,738	36,632			
1936	40,742.26	56,113	65,188			
1937	60,393.32	82,637	96,629			
1938	18,683.71	25,398	29,894			
1939	7,290.04	9,842	11,646	18	7.81	2
1940	25,588.10	34,300	40,587	354	8.11	44
1941	121,905.85	162,242	191,980	3,069	8.41	365
1942	1,268.32	1,676	1,983	46	8.71	5
1943	69,474.72	91,106	107,805	3,355	9.02	372
1944	41,514.05	54,028	63,931	2,491	9.33	267
1945	71,588.05	92,434	109,377	5,164	9.65	535
1946	14,648.30	18,764	22,203	1,234	9.97	124
1947	81,907.41	104,055	123,128	7,924	10.30	769
1948	13,601.12	17,131	20,271	1,491	10.64	140
1949	26,481.18	33,057	39,116	3,254	10.99	296
1950	7,387.19	9,139	10,814	1,006	11.34	89
1951	7,120.43	8,727	10,327	1,066	11.70	91
1952	98,834.19	119,961	141,949	16,186	12.07	1,341
1953	28,803.36	34,610	40,954	5,131	12.45	412
1954	41,713.72	49,603	58,695	8,047	12.84	627
1955	46,610.37	54,829	64,879	9,698	13.24	732
1956	68,386.61	79,547	94,127	15,292	13.65	1,120
1957	19,048.35	21,901	25,915	4,562	14.07	324
1958	85,079.65	96,678	114,398	21,729	14.49	1,500
1959	242,885.20	272,575	322,536	66,080	14.93	4,426
1960	234,573.69	259,870	307,502	67,816	15.38	4,409
1961	276,192.93	301,912	357,250	84,659	15.84	5,345
1962	266,592.24	287,408	340,088	86,460	16.31	5,301
1963	58,788.53	62,476	73,927	20,135	16.79	1,199
1964	16,067.93	16,824	19,908	5,801	17.28	336
1965	811.88	837	990	309	17.78	17
1966	64,170.69	65,115	77,050	25,623	18.29	1,401
1967	980,619.28	978,736	1,158,131	410,860	18.81	21,843
1968	934,183.04	916,247	1,084,189	410,504	19.35	21,215
1969	1,374,447.47	1,324,308	1,567,044	632,072	19.89	31,778
1970	1,005,474.40	951,098	1,125,428	483,331	20.44	23,646
1971	1,332,132.37	1,236,219	1,462,809	668,603	21.00	31,838
1972	1,256,138.16	1,142,382	1,351,773	658,048	21.58	30,493
1973	1,383,750.53	1,232,756	1,458,712	755,289	22.16	34,083

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -60						
1974	1,313,633.22	1,145,488	1,355,448	746,365	22.75	32,807
1975	2,074,491.35	1,769,126	2,093,394	1,225,792	23.35	52,496
1976	2,230,838.96	1,858,913	2,199,639	1,369,703	23.96	57,166
1977	2,513,241.98	2,044,372	2,419,091	1,602,096	24.58	65,179
1978	3,367,401.53	2,671,292	3,160,921	2,226,921	25.21	88,335
1979	3,505,339.13	2,710,048	3,206,781	2,401,762	25.84	92,947
1980	3,308,990.74	2,489,420	2,945,713	2,348,672	26.49	88,663
1981	3,081,301.84	2,254,034	2,667,183	2,262,900	27.14	83,379
1982	3,321,026.81	2,359,257	2,791,692	2,521,951	27.80	90,718
1983	3,196,144.77	2,202,016	2,605,630	2,508,202	28.47	88,100
1984	2,790,318.68	1,862,594	2,203,995	2,260,515	29.14	77,574
1985	2,550,808.72	1,646,394	1,948,167	2,133,127	29.83	71,509
1986	3,523,981.41	2,196,709	2,599,350	3,039,020	30.52	99,575
1987	2,900,233.99	1,742,925	2,062,391	2,577,983	31.22	82,575
1988	3,832,187.30	2,217,150	2,623,538	3,507,962	31.92	109,899
1989	4,058,589.44	2,255,926	2,669,422	3,824,321	32.63	117,203
1990	4,810,539.13	2,563,055	3,032,845	4,664,018	33.35	139,851
1991	4,668,544.52	2,379,837	2,816,045	4,653,626	34.07	136,590
1992	4,259,166.45	2,071,659	2,451,380	4,363,286	34.80	125,382
1993	3,762,449.29	1,742,165	2,061,492	3,958,427	35.53	111,411
1994	3,213,941.63	1,412,077	1,670,901	3,471,406	36.27	95,710
1995	7,483,085.71	3,108,174	3,677,881	8,295,056	37.02	224,070
1996	3,737,674.68	1,462,776	1,730,893	4,249,386	37.77	112,507
1997	5,188,680.36	1,906,114	2,255,491	6,046,398	38.52	156,968
1998	3,145,517.29	1,079,038	1,276,818	3,756,010	39.28	95,621
1999	6,675,037.46	2,125,332	2,514,890	8,165,170	40.05	203,874
2000	11,477,288.19	3,371,568	3,989,553	14,374,108	40.82	352,134
2001	7,687,445.46	2,068,845	2,448,050	9,851,863	41.59	236,881
2002	12,703,937.09	3,101,793	3,670,330	16,655,969	42.37	393,108
2003	14,619,742.50	3,204,648	3,792,038	19,599,550	43.15	454,219
2004	5,980,042.10	1,159,650	1,372,206	8,195,861	43.94	186,524
2005	4,817,478.20	812,420	961,331	6,746,634	44.73	150,830
2006	6,831,834.15	977,226	1,156,345	9,774,590	45.53	214,685
2007	5,025,499.41	590,195	698,373	7,342,426	46.33	158,481
2008	6,181,475.69	565,729	669,423	9,220,938	47.14	195,608

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 365 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R1.5						
NET SALVAGE PERCENT.. -60						
2009	28,269,307.30	1,854,467	2,194,378	43,036,514	47.95	897,529
2010	13,025,086.73	512,667	606,635	20,233,504	48.77	414,876
2011	12,409,456.81	162,812	192,654	19,662,477	49.59	396,501
	234,012,661.34	82,029,519	97,059,045	277,361,213		6,977,970
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						39.7 2.98

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
NET SALVAGE PERCENT.. -20						
1900	65.85	79	79			
1905	2,672.00	3,193	3,206			
1915	9,002.00	10,466	10,802			
1925	653,092.00	731,202	783,710			
1934	26,144.38	28,097	31,373			
1935	1,132.05	1,210	1,358			
1936	1,880.00	1,998	2,256			
1937	401.00	424	481			
1938	87,259.00	91,622	104,711			
1939	5,699.16	5,945	6,839			
1940	51,462.00	53,312	61,754			
1941	8,933.00	9,185	10,720			
1942	10,460.17	10,673	12,552			
1943	5,837.00	5,907	7,004			
1944	2,111.00	2,118	2,533			
1945	1,090.00	1,084	1,308			
1946	300.00	295	360			
1947	41,525.07	40,469	49,830			
1948	7,007.00	6,756	8,408			
1949	136,213.00	129,877	163,456			
1950	33,277.00	31,364	39,932			
1951	67,183.00	62,572	80,620			
1952	31,827.00	29,282	38,192			
1953	61,506.70	55,873	72,905	903	17.01	53
1954	15,762.00	14,132	18,440	474	17.70	27
1955	36,708.00	32,477	42,377	1,673	18.39	91
1956	58,302.00	50,872	66,379	3,583	19.10	188
1957	72,998.10	62,808	81,954	5,644	19.81	285
1958	80,559.00	68,305	89,126	7,545	20.54	367
1959	37,101.00	30,987	40,433	4,088	21.28	192
1960	72,450.00	59,579	77,740	9,200	22.03	418
1961	28,793.00	23,307	30,412	4,140	22.78	182
1962	61,751.07	49,171	64,160	9,941	23.55	422
1963	111,263.69	87,110	113,663	19,853	24.33	816
1964	70,453.56	54,205	70,728	13,816	25.12	550
1965	83,737.54	63,262	82,546	17,939	25.93	692
1966	85,847.82	63,665	83,072	19,945	26.74	746
1967	163,157.74	118,705	154,889	40,900	27.56	1,484
1968	198,537.02	141,620	184,790	53,454	28.39	1,883
1969	241,449.82	168,753	220,193	69,547	29.23	2,379
1970	369,395.23	252,728	329,766	113,508	30.09	3,772

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
NET SALVAGE PERCENT.. -20						
1971	548,582.86	367,239	479,183	179,116	30.95	5,787
1972	447,408.18	292,836	382,100	154,790	31.82	4,865
1973	624,376.62	399,246	520,947	228,305	32.70	6,982
1974	410,032.92	255,929	333,943	158,097	33.59	4,707
1975	406,746.28	247,674	323,172	164,924	34.48	4,783
1976	541,329.30	321,179	419,083	230,512	35.39	6,513
1977	472,390.76	272,908	356,098	210,771	36.30	5,806
1978	522,771.04	293,770	383,319	244,006	37.22	6,556
1979	383,533.60	209,474	273,327	186,913	38.14	4,901
1980	638,051.45	338,315	441,443	324,219	39.07	8,298
1981	424,784.33	218,388	284,959	224,782	40.01	5,618
1982	644,279.49	320,851	418,655	354,480	40.95	8,656
1983	477,481.65	230,011	300,125	272,853	41.90	6,512
1984	340,692.66	158,508	206,826	202,005	42.86	4,713
1985	745,552.19	334,729	436,763	457,900	43.81	10,452
1986	1,294,156.82	559,526	730,085	822,903	44.78	18,377
1987	580,119.69	241,262	314,805	381,339	45.74	8,337
1988	1,370,702.51	547,256	714,074	930,769	46.71	19,927
1989	1,856,632.22	710,407	926,958	1,301,001	47.68	27,286
1990	1,780,761.52	651,460	850,043	1,286,871	48.66	26,446
1991	2,483,278.56	866,744	1,130,951	1,848,983	49.64	37,248
1992	1,952,825.70	648,791	846,560	1,496,831	50.62	29,570
1993	4,152,911.95	1,309,961	1,709,272	3,274,222	51.60	63,454
1994	3,787,745.58	1,130,460	1,475,055	3,070,240	52.59	58,381
1995	4,704,319.68	1,324,981	1,728,871	3,916,313	53.57	73,106
1996	4,351,443.89	1,151,758	1,502,845	3,718,888	54.56	68,161
1997	3,733,006.68	924,725	1,206,606	3,273,002	55.55	58,920
1998	1,552,535.00	358,244	467,446	1,395,596	56.54	24,683
1999	999,659.99	213,527	278,616	920,976	57.54	16,006
2000	1,768,583.19	347,760	453,767	1,668,533	58.53	28,507
2001	2,229,775.47	400,584	522,693	2,153,038	59.52	36,173
2002	3,263,931.27	530,441	692,134	3,224,584	60.52	53,281
2003	3,837,677.73	557,876	727,932	3,877,281	61.52	63,025
2004	4,084,342.35	524,430	684,290	4,216,921	62.51	67,460
2005	1,132,984.54	126,047	164,469	1,195,112	63.51	18,818
2007	757,009.28	58,265	76,026	832,385	65.51	12,706
2008	700,362.61	42,022	54,831	785,604	66.50	11,814

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 366 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
NET SALVAGE PERCENT.. -20						
2009	4,001,705.74	171,481	223,753	4,578,294	67.50	67,827
2010	1,259,700.65	32,394	42,269	1,469,372	68.50	21,451
2011	1,229,832.21	10,537	13,749	1,462,050	69.50	21,037
	69,528,364.13	20,356,685	26,343,100	57,090,937		1,041,697
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						54.8 1.50

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -20						
1942	2,303.62	2,468	2,764			
1947	5,587.23	5,806	6,705			
1953	220,379.71	218,488	264,456			
1957	345,428.91	329,125	414,515			
1963	97,063.11	85,747	112,666	3,810	14.51	263
1964	79,664.76	69,351	91,123	4,475	15.10	296
1965	138,919.00	119,086	156,472	10,231	15.71	651
1966	154,312.39	130,228	171,112	14,063	16.32	862
1967	349,432.10	290,017	381,065	38,254	16.96	2,256
1968	391,340.49	319,249	419,474	50,135	17.61	2,847
1969	356,220.12	285,469	375,089	52,375	18.27	2,867
1970	595,567.63	468,574	615,678	99,003	18.94	5,227
1971	1,118,719.28	863,325	1,134,356	208,107	19.63	10,601
1972	1,289,314.17	975,278	1,281,456	265,721	20.33	13,070
1973	557,280.07	412,911	542,540	126,196	21.04	5,998
1974	1,096,083.44	794,678	1,044,158	271,142	21.77	12,455
1975	1,281,611.80	908,781	1,194,083	343,851	22.50	15,282
1976	1,058,327.41	733,129	963,287	306,706	23.25	13,192
1977	1,142,006.02	772,156	1,014,566	355,841	24.01	14,821
1978	1,183,008.33	780,274	1,025,232	394,378	24.77	15,922
1979	1,655,195.81	1,063,530	1,397,414	588,821	25.55	23,046
1980	1,092,422.91	683,101	897,553	413,354	26.34	15,693
1981	1,511,563.11	918,819	1,207,272	606,604	27.14	22,351
1982	1,783,229.34	1,052,819	1,383,340	756,535	27.94	27,077
1983	1,757,582.47	1,006,230	1,322,125	786,974	28.76	27,363
1984	1,128,617.11	625,705	822,138	532,203	29.59	17,986
1985	1,054,596.22	565,572	743,127	522,388	30.42	17,173
1986	1,516,531.16	785,515	1,032,119	787,718	31.26	25,199
1987	1,876,264.70	937,037	1,231,210	1,020,308	32.11	31,775
1988	1,764,543.85	848,146	1,114,412	1,003,041	32.97	30,423
1989	2,463,369.83	1,137,279	1,494,315	1,461,729	33.84	43,195
1990	2,333,252.46	1,032,408	1,356,521	1,443,382	34.72	41,572
1991	3,472,636.00	1,469,883	1,931,337	2,235,826	35.60	62,804
1992	2,298,399.60	928,232	1,219,640	1,538,440	36.49	42,161
1993	3,519,672.47	1,352,314	1,776,858	2,446,749	37.39	65,439
1994	2,155,701.71	785,469	1,032,058	1,554,784	38.30	40,595
1995	3,138,906.53	1,081,378	1,420,865	2,345,823	39.21	59,827
1996	2,015,951.86	654,039	859,367	1,559,775	40.13	38,868
1997	3,688,988.07	1,121,969	1,474,199	2,952,587	41.06	71,909
1998	3,726,518.41	1,057,810	1,389,898	3,081,924	41.99	73,397
1999	3,866,222.67	1,018,131	1,337,762	3,301,705	42.93	76,909

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 367 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -20						
2000	7,881,585.06	1,913,901	2,514,749	6,943,153	43.87	158,267
2001	5,004,335.43	1,112,584	1,461,868	4,543,335	44.81	101,391
2002	3,290,965.91	662,748	870,811	3,078,348	45.77	67,257
2003	5,978,138.49	1,080,010	1,419,067	5,754,699	46.72	123,174
2004	3,319,070.53	529,365	695,553	3,287,332	47.69	68,931
2005	2,470,542.16	342,269	449,721	2,514,930	48.65	51,694
2006	1,278,401.09	150,064	197,175	1,336,906	49.62	26,943
2007	2,128,422.48	204,788	269,079	2,285,028	50.59	45,168
2008	5,913,964.31	442,554	581,489	6,515,268	51.57	126,338
2009	19,424,758.46	1,042,643	1,369,969	21,939,741	52.54	417,582
2010	18,436,633.46	595,356	782,262	21,341,698	53.52	398,761
2011	11,061,989.15	118,275	155,406	13,118,981	54.51	240,671
	145,471,542.41	36,884,083	48,421,476	126,144,375		2,797,549
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						45.1 1.92

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -20						
1967	15,410.84	14,663	16,787	1,706	9.32	183
1968	918,455.29	861,878	986,746	115,400	9.81	11,764
1969	1,474,219.62	1,363,364	1,560,886	208,178	10.32	20,172
1970	1,287,371.92	1,172,368	1,342,219	202,627	10.85	18,675
1971	1,193,847.11	1,069,362	1,224,290	208,327	11.41	18,258
1972	1,583,583.81	1,394,403	1,596,422	303,879	11.98	25,366
1973	1,663,663.38	1,438,743	1,647,186	349,210	12.57	27,781
1974	2,548,754.44	2,162,027	2,475,259	583,246	13.19	44,219
1975	1,091,446.11	907,503	1,038,981	270,754	13.82	19,591
1976	1,195,128.31	973,317	1,114,330	319,824	14.46	22,118
1977	1,537,217.88	1,224,449	1,401,846	442,815	15.13	29,267
1978	1,987,638.20	1,547,186	1,771,340	613,826	15.81	38,825
1979	1,493,493.17	1,134,655	1,299,042	493,150	16.51	29,870
1980	1,048,371.43	776,629	889,146	368,900	17.22	21,423
1981	2,009,147.89	1,449,793	1,659,837	751,140	17.94	41,870
1982	1,454,856.80	1,021,117	1,169,055	576,773	18.68	30,876
1983	1,284,198.87	875,310	1,002,124	538,915	19.44	27,722
1984	2,583,713.14	1,708,692	1,956,245	1,144,211	20.20	56,644
1985	2,416,745.88	1,548,013	1,772,287	1,127,808	20.98	53,756
1986	6,699,389.07	4,150,030	4,751,281	3,287,986	21.77	151,033
1987	3,855,969.85	2,306,364	2,640,507	1,986,657	22.57	88,022
1988	4,888,496.72	2,818,355	3,226,675	2,639,521	23.38	112,897
1989	4,122,592.40	2,285,565	2,616,695	2,330,416	24.21	96,258
1990	3,597,095.45	1,914,633	2,192,023	2,124,492	25.04	84,844
1991	4,258,966.18	2,170,386	2,484,829	2,625,930	25.89	101,426
1992	3,539,146.91	1,723,338	1,973,013	2,273,963	26.74	85,040
1993	2,539,219.00	1,177,507	1,348,103	1,698,960	27.61	61,534
1994	2,635,933.41	1,160,517	1,328,651	1,834,469	28.49	64,390
1995	2,552,467.17	1,063,858	1,217,988	1,844,973	29.37	62,818
1996	2,342,821.13	920,251	1,053,576	1,757,809	30.27	58,071
1997	3,782,514.06	1,394,976	1,597,078	2,941,939	31.17	94,384
1998	1,933,509.87	666,156	762,668	1,557,544	32.08	48,552
1999	4,019,456.57	1,286,242	1,472,591	3,350,757	33.00	101,538
2000	4,595,094.79	1,356,472	1,552,996	3,961,118	33.93	116,744
2001	2,779,778.81	751,641	860,538	2,475,197	34.86	71,004
2002	3,338,692.72	818,193	936,732	3,069,699	35.81	85,722
2003	1,734,262.83	381,531	436,807	1,644,308	36.75	44,743
2004	3,542,287.62	688,621	788,388	3,462,357	37.71	91,815
2005	3,750,200.04	633,049	724,764	3,775,476	38.67	97,633
2006	4,779,838.71	684,454	783,617	4,952,189	39.63	124,961
2007	465,331.57	54,600	62,510	495,888	40.60	12,214

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 368 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -20						
2008	11,831,004.82	1,082,111	1,238,886	12,958,320	41.57	311,723
2009	10,443,012.00	682,221	781,060	11,750,554	42.55	276,159
2010	6,905,481.58	270,722	309,944	7,976,634	43.53	183,245
2011	6,626,402.56	86,594	99,140	7,852,543	44.51	176,422
	140,346,229.93	55,171,859	63,165,088	105,250,388		3,341,572
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					31.5	2.38

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -40						
1952	180.99	220	187	66	5.88	11
1953	1,200.04	1,451	1,233	447	6.13	73
1954	2,619.49	3,147	2,675	992	6.39	155
1955	2,415.57	2,881	2,449	933	6.66	140
1956	2,404.09	2,847	2,420	946	6.93	137
1957	2,917.84	3,430	2,915	1,170	7.22	162
1958	6,455.63	7,528	6,398	2,640	7.52	351
1959	287.43	332	282	120	7.84	15
1960	4,170.86	4,779	4,062	1,777	8.17	218
1961	8,359.17	9,487	8,063	3,640	8.52	427
1962	2,487.76	2,796	2,376	1,107	8.88	125
1963	14,677.83	16,320	13,870	6,679	9.26	721
1964	10,764.06	11,831	10,055	5,015	9.67	519
1965	15,992.50	17,369	14,762	7,628	10.09	756
1966	13,053.31	13,998	11,897	6,378	10.53	606
1967	13,702.05	14,502	12,325	6,858	10.98	625
1968	12,200.27	12,731	10,820	6,260	11.46	546
1969	18,429.08	18,943	16,099	9,702	11.96	811
1970	22,854.63	23,123	19,652	12,344	12.48	989
1971	16,131.02	16,054	13,644	8,939	13.01	687
1972	26,850.23	26,255	22,314	15,276	13.57	1,126
1973	29,079.15	27,919	23,728	16,983	14.14	1,201
1974	19,256.70	18,135	15,413	11,546	14.73	784
1975	59,326.11	54,762	46,541	36,516	15.33	2,382
1976	52,738.63	47,664	40,509	33,325	15.95	2,089
1977	22,554.27	19,935	16,942	14,634	16.59	882
1978	33,094.34	28,582	24,291	22,041	17.24	1,278
1979	55,766.27	47,017	39,959	38,114	17.90	2,129
1980	30,220.00	24,839	21,110	21,198	18.58	1,141
1981	44,074.97	35,282	29,986	31,719	19.27	1,646
1982	58,050.75	45,205	38,419	42,852	19.97	2,146
1983	65,493.55	49,533	42,097	49,594	20.69	2,397
1984	73,004.73	53,556	45,516	56,691	21.42	2,647
1985	90,814.31	64,531	54,844	72,296	22.16	3,262
1986	74,587.34	51,260	43,565	60,857	22.91	2,656
1987	37,375.59	24,802	21,079	31,247	23.67	1,320
1988	58,101.33	37,164	31,585	49,757	24.44	2,036
1989	44,325.95	27,277	23,182	38,874	25.22	1,541
1990	192,538.12	113,692	96,625	172,928	26.02	6,646
1991	105,753.81	59,814	50,835	97,220	26.82	3,625
1992	46,714.88	25,245	21,455	43,946	27.63	1,591

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.1 SERVICES - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -40						
1993	183,488.00	94,477	80,295	176,588	28.45	6,207
1994	195,044.56	95,389	81,070	191,992	29.28	6,557
1995	13,452.00	6,227	5,292	13,541	30.12	450
1996	179,450.00	78,328	66,570	184,660	30.97	5,963
1997	317,692.00	130,170	110,629	334,140	31.83	10,498
1998	29,361.00	11,245	9,557	31,548	32.69	965
2000	1,344.00	441	375	1,507	34.45	44
2003	1,153,459.93	282,420	240,024	1,374,820	37.13	37,027
2004	29,090.43	6,308	5,361	35,366	38.03	930
2008	180,402.72	18,465	15,693	236,871	41.71	5,679
2009	928,978.25	67,916	57,721	1,242,849	42.65	29,141
2010	723,576.84	31,738	26,973	986,035	43.59	22,621
2011	826,437.12	12,079	10,266	1,146,746	44.53	25,752
	6,152,801.50	1,901,441	1,616,005	6,997,917		204,433
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						34.2 3.32

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. -100						
1900	32.41	65	65			
1905	169.68	339	339			
1915	3,412.47	6,825	6,825			
1925	17,241.64	33,338	34,483			
1934	4,513.48	8,271	9,027			
1935	18,523.14	33,727	37,046			
1936	1,056.93	1,912	2,114			
1937	29,644.31	53,277	59,065	224	5.07	44
1938	323.36	577	640	7	5.36	1
1939	25,675.38	45,548	50,496	855	5.65	151
1940	22,921.81	40,397	44,786	1,058	5.94	178
1941	30,832.83	53,970	59,833	1,833	6.24	294
1942	28,803.25	50,072	55,512	2,094	6.54	320
1943	13,309.04	22,977	25,473	1,145	6.84	167
1944	15,233.00	26,109	28,945	1,521	7.15	213
1945	18,376.41	31,269	34,666	2,087	7.46	280
1946	5,674.20	9,583	10,624	724	7.78	93
1947	26,368.00	44,193	48,994	3,742	8.10	462
1948	1,249.16	2,077	2,303	195	8.43	23
1949	59,429.63	98,011	108,659	10,200	8.77	1,163
1950	36,088.09	59,026	65,438	6,738	9.11	740
1951	58,962.72	95,590	105,975	11,950	9.47	1,262
1952	3,962.80	6,367	7,059	867	9.83	88
1953	15,185.03	24,168	26,794	3,576	10.21	350
1954	37,915.02	59,769	66,262	9,568	10.59	903
1955	1,224.27	1,910	2,117	332	10.99	30
1956	4,518.55	6,978	7,736	1,301	11.39	114
1957	13,734.61	20,981	23,260	4,209	11.81	356
1958	21,347.49	32,243	35,746	6,949	12.24	568
1959	42,400.66	63,296	70,172	14,629	12.68	1,154
1960	14,364.03	21,184	23,485	5,243	13.13	399
1961	22,908.42	33,355	36,979	8,838	13.60	650
1962	44,389.47	63,797	70,728	18,051	14.07	1,283
1963	167,612.98	237,608	263,421	71,805	14.56	4,932
1964	174,116.16	243,345	269,781	78,451	15.06	5,209
1965	194,779.22	268,250	297,392	92,166	15.57	5,919
1966	193,712.00	262,751	291,295	96,129	16.09	5,974
1967	188,686.14	251,858	279,219	98,153	16.63	5,902
1968	205,235.10	269,515	298,794	111,676	17.17	6,504
1969	215,516.76	278,189	308,410	122,624	17.73	6,916
1970	216,634.50	274,693	304,535	128,734	18.30	7,035

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 369.2 SERVICES - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2						
NET SALVAGE PERCENT.. -100						
1971	245,251.80	305,289	338,455	152,049	18.88	8,053
1972	283,014.25	345,504	383,038	182,990	19.48	9,394
1973	310,325.01	371,397	411,744	208,906	20.08	10,404
1974	317,002.59	371,527	411,888	222,117	20.70	10,730
1975	359,901.10	412,879	457,733	262,069	21.32	12,292
1976	406,623.83	456,069	505,615	307,633	21.96	14,009
1977	435,408.40	477,208	529,050	341,767	22.60	15,122
1978	490,226.09	524,346	581,309	399,143	23.26	17,160
1979	529,439.92	552,100	612,078	446,802	23.93	18,671
1980	587,961.10	597,368	662,264	513,658	24.60	20,880
1981	608,851.28	601,789	667,165	550,538	25.29	21,769
1982	684,362.37	657,535	728,967	639,758	25.98	24,625
1983	779,852.60	727,135	806,129	753,576	26.69	28,234
1984	870,330.45	786,779	872,252	868,409	27.40	31,694
1985	740,327.20	647,638	717,995	762,659	28.13	27,112
1986	807,063.67	682,453	756,592	857,535	28.86	29,714
1987	705,301.94	575,526	638,049	772,555	29.60	26,100
1988	597,965.03	470,001	521,060	674,870	30.35	22,236
1989	578,493.15	437,341	484,852	672,134	31.10	21,612
1990	660,173.00	478,757	530,768	789,578	31.87	24,775
1991	750,508.00	521,153	577,769	923,247	32.64	28,286
1992	794,278.42	526,765	583,991	1,004,566	33.42	30,059
1993	688,747.00	435,013	482,272	895,222	34.21	26,168
1994	731,710.00	438,733	486,396	977,024	35.01	27,907
1995	945,204.00	536,498	594,781	1,295,627	35.81	36,181
1996	803,048.00	429,791	476,482	1,129,614	36.62	30,847
1997	864,836.00	434,494	481,696	1,247,976	37.44	33,333
1998	618,609.00	290,499	322,058	915,160	38.26	23,919
1999	525,880.00	229,494	254,426	797,334	39.09	20,397
2000	140,364.00	56,539	62,681	218,047	39.93	5,461
2001	260,024.00	96,001	106,430	413,618	40.77	10,145
2002	246.00	82	91	401	41.63	10
2003	611,358.99	183,897	203,875	1,018,843	42.48	23,984
2010	186,624.34	10,078	11,173	362,076	48.65	7,442
	21,115,396.68	17,805,088	19,735,617	22,495,176		758,402

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.7 3.59

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2.5						
NET SALVAGE PERCENT.. 0						
1905	246.00	246	246			
1915	7,512.00	7,512	7,512			
1925	3,104.00	3,104	3,104			
1934	8,631.00	8,631	8,631			
1935	20,738.00	20,738	20,738			
1936	1,068.00	1,068	1,068			
1937	24,621.00	24,621	24,621			
1938	23,539.00	23,539	23,539			
1939	38,657.00	38,657	38,657			
1940	50,782.00	50,782	50,782			
1941	1,531.00	1,531	1,531			
1942	52,252.00	52,252	52,252			
1943	18,299.00	18,299	18,299			
1944	19,077.00	19,077	19,077			
1945	51,756.00	51,756	51,756			
1946	55,880.00	55,880	55,880			
1947	144,988.00	144,988	144,988			
1948	43,978.00	43,978	43,978			
1949	46,757.00	46,757	46,757			
1950	75,308.00	75,308	75,308			
1951	83,622.00	83,622	83,622			
1952	91,921.00	91,921	91,921			
1953	63,097.00	63,097	63,097			
1954	167,477.00	167,477	167,477			
1955	97,075.00	97,075	97,075			
1956	23,251.00	23,135	23,251			
1957	162,087.00	160,413	162,087			
1958	137,359.00	134,749	137,359			
1959	10,805.00	10,506	10,805			
1960	77,970.00	75,111	77,970			
1961	182,733.00	174,388	182,733			
1962	96,862.00	91,535	96,222	640	1.65	388
1963	37,512.00	35,136	36,935	577	1.90	304
1964	104,799.00	97,324	102,307	2,492	2.14	1,164
1965	158,862.00	146,364	153,858	5,004	2.36	2,120
1966	271,558.00	248,204	260,912	10,646	2.58	4,126
1967	5,703.00	5,171	5,436	267	2.80	95
1968	102,297.00	91,999	96,709	5,588	3.02	1,850
1969	210,863.00	188,020	197,646	13,217	3.25	4,067
1970	80,843.58	71,466	75,125	5,719	3.48	1,643
1971	96,454.50	84,494	88,820	7,634	3.72	2,052

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2.5						
NET SALVAGE PERCENT.. 0						
1972	3,715.15	3,225	3,390	325	3.96	82
1973	30,881.73	26,538	27,897	2,985	4.22	707
1974	107,165.00	91,162	95,829	11,336	4.48	2,530
1975	134,412.78	113,041	118,829	15,584	4.77	3,267
1976	327,147.74	271,860	285,779	41,369	5.07	8,160
1977	420,743.36	345,148	362,819	57,924	5.39	10,747
1978	192,003.68	155,268	163,218	28,786	5.74	5,015
1979	89,889.78	71,582	75,247	14,643	6.11	2,397
1980	141,241.62	110,592	116,254	24,988	6.51	3,838
1981	376,751.05	289,597	304,424	72,327	6.94	10,422
1982	529,770.86	399,092	419,525	110,246	7.40	14,898
1983	588,479.86	433,710	455,916	132,564	7.89	16,802
1984	792,604.13	570,413	599,618	192,986	8.41	22,947
1985	507,540.52	356,126	374,359	133,182	8.95	14,881
1986	2,006,143.16	1,369,534	1,439,653	566,490	9.52	59,505
1987	2,195,323.70	1,454,775	1,529,258	666,066	10.12	65,817
1988	1,598,743.07	1,026,393	1,078,943	519,800	10.74	48,399
1989	2,183,809.10	1,355,425	1,424,822	758,987	11.38	66,695
1990	1,239,514.63	741,639	779,610	459,905	12.05	38,166
1991	1,040,150.42	598,783	629,440	410,710	12.73	32,263
1992	1,693,331.75	935,278	983,163	710,169	13.43	52,879
1993	1,406,652.01	742,712	780,738	625,914	14.16	44,203
1994	637,934.95	321,092	337,532	300,403	14.90	20,161
1995	2,871,223.71	1,373,392	1,443,709	1,427,515	15.65	91,215
1996	840,148.10	380,310	399,782	440,366	16.42	26,819
1997	845,552.32	360,484	378,940	466,612	17.21	27,113
1998	468,917.54	187,412	197,007	271,911	18.01	15,098
1999	263,251.47	98,016	103,034	160,217	18.83	8,509
2000	389,039.75	134,090	140,955	248,085	19.66	12,619
2001	1,086,706.49	343,758	361,358	725,348	20.51	35,366
2002	1,494,548.82	430,430	452,468	1,042,081	21.36	48,787
2003	1,067,882.54	276,582	290,743	777,140	22.23	34,959
2004	503,064.78	115,539	121,455	381,610	23.11	16,513
2005	1,203,139.47	240,628	252,948	950,191	24.00	39,591
2006	880,480.56	149,682	157,345	723,136	24.90	29,042
2007	6,377.66	891	937	5,441	25.81	211
2008	228,908.86	24,951	26,228	202,681	26.73	7,583

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 370 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2.5						
NET SALVAGE PERCENT.. 0						
2009	2,863,842.53	224,325	235,811	2,628,032	27.65	95,046
2010	1,045,199.90	49,124	51,639	993,561	28.59	34,752
2011	401,678.46	6,294	6,616	395,062	29.53	13,378
	37,655,788.09	19,008,824	19,907,329	17,748,459		1,099,191
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						16.1 2.92

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-L0.5						
NET SALVAGE PERCENT.. -25						
1957	685.75	598	772	85	8.46	10
1958	1,599.09	1,383	1,786	213	8.63	25
1959	1,682.32	1,442	1,862	241	8.80	27
1960	8,398.90	7,132	9,211	1,288	8.98	143
1961	16,727.03	14,061	18,160	2,749	9.17	300
1962	41,352.04	34,411	44,441	7,249	9.36	774
1963	20,462.12	16,854	21,767	3,811	9.55	399
1964	20,088.86	16,367	21,138	3,973	9.75	407
1965	9,396.77	7,572	9,779	1,967	9.95	198
1966	20,350.01	16,207	20,931	4,507	10.16	444
1967	36,443.83	28,683	37,044	8,511	10.37	821
1968	42,424.15	32,974	42,586	10,444	10.59	986
1969	61,862.20	47,474	61,312	16,016	10.81	1,482
1970	116,809.52	88,441	114,221	31,791	11.04	2,880
1971	120,737.26	90,176	116,461	34,461	11.27	3,058
1972	143,428.60	105,651	136,447	42,839	11.50	3,725
1973	141,669.33	102,836	132,812	44,275	11.74	3,771
1974	118,082.95	84,398	108,999	38,605	11.99	3,220
1975	152,003.68	106,946	138,120	51,885	12.24	4,239
1976	154,800.51	107,116	138,339	55,162	12.50	4,413
1977	156,821.91	106,696	137,797	58,230	12.76	4,563
1978	179,510.10	120,047	155,039	69,349	13.02	5,326
1979	178,952.49	117,518	151,773	71,918	13.29	5,411
1980	233,882.72	150,667	194,585	97,768	13.57	7,205
1981	235,701.13	148,892	192,293	102,333	13.85	7,389
1982	351,074.80	217,228	280,548	158,296	14.14	11,195
1983	374,134.62	226,651	292,717	174,951	14.43	12,124
1984	290,659.66	172,190	222,382	140,943	14.73	9,568
1985	319,709.47	184,976	238,895	160,742	15.04	10,688
1986	391,836.03	221,284	285,786	204,009	15.35	13,290
1987	425,568.32	234,254	302,537	229,423	15.67	14,641
1988	442,978.37	237,508	306,739	246,984	15.99	15,446
1989	785,617.74	409,641	529,047	452,975	16.32	27,756
1990	921,439.22	466,479	602,453	549,346	16.66	32,974
1991	737,874.53	362,352	467,974	454,369	17.00	26,728
1992	930,853.47	442,574	571,580	591,987	17.35	34,120
1993	1,235,196.38	567,418	732,815	811,180	17.71	45,804
1994	1,388,278.37	614,816	794,029	941,319	18.08	52,064
1995	1,081,503.45	461,085	595,487	756,392	18.45	40,997
1996	1,329,116.10	544,107	702,708	958,687	18.83	50,913
1997	1,328,720.03	520,211	671,847	989,053	19.23	51,433

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.1 STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-L0.5						
NET SALVAGE PERCENT.. -25						
1998	1,308,852.70	488,480	630,867	1,005,199	19.64	51,181
1999	827,248.19	292,856	378,221	655,839	20.07	32,678
2000	757,568.91	252,971	326,709	620,252	20.52	30,227
2001	513,553.72	160,486	207,266	434,676	21.00	20,699
2002	647,567.17	187,624	242,314	567,145	21.51	26,367
2003	411,277.40	109,431	141,329	372,768	22.04	16,913
2004	259,176.24	62,364	80,542	243,428	22.61	10,766
2005	656,143.51	140,308	181,206	638,973	23.21	27,530
2006	572.15	106	137	578	23.84	24
2007	693,577.73	108,059	139,557	727,415	24.51	29,678
2008	535,163.83	66,655	86,084	582,871	25.21	23,121
2009	52,274.06	4,807	6,208	59,135	25.94	2,280
2010	10,589,029.51	605,031	781,393	12,454,894	26.72	466,126
2011	2,707,794.29	54,393	70,248	3,314,495	27.55	120,308
	34,508,233.24	9,970,887	12,877,300	30,257,992		1,368,855
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.1 3.97

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -30						
1961	2,334.42	2,685	3,023	12	4.03	3
1962	5,262.84	5,997	6,752	90	4.32	21
1963	6,803.29	7,677	8,644	200	4.62	43
1964	2,959.30	3,305	3,721	126	4.93	26
1965	2,547.02	2,815	3,170	141	5.24	27
1966	5,904.21	6,456	7,269	406	5.56	73
1967	4,477.80	4,843	5,453	368	5.88	63
1968	1,548.05	1,655	1,863	149	6.22	24
1969	5,747.02	6,069	6,833	638	6.57	97
1970	11,697.45	12,191	13,726	1,481	6.94	213
1971	60,437.15	62,137	69,962	8,606	7.32	1,176
1972	164,335.98	166,575	187,553	26,084	7.71	3,383
1973	229,507.37	229,140	257,997	40,363	8.12	4,971
1974	176,788.94	173,682	195,555	34,271	8.55	4,008
1975	253,064.61	244,481	275,270	53,714	8.99	5,975
1976	367,303.26	348,571	392,469	85,025	9.45	8,997
1977	299,683.68	279,168	314,326	75,263	9.92	7,587
1978	171,448.27	156,591	176,312	46,571	10.41	4,474
1979	156,338.82	139,829	157,439	45,801	10.92	4,194
1980	149,646.51	130,898	147,383	47,157	11.45	4,119
1981	184,845.75	157,980	177,876	62,423	11.99	5,206
1982	249,203.46	207,707	233,865	90,099	12.56	7,173
1983	228,824.85	185,879	209,288	88,184	13.13	6,716
1984	177,215.90	140,071	157,711	72,670	13.72	5,297
1985	120,816.81	92,756	104,438	52,624	14.33	3,672
1986	378,725.41	281,901	317,403	174,940	14.96	11,694
1987	532,371.30	383,615	431,927	260,156	15.60	16,677
1988	484,390.74	337,341	379,825	249,883	16.25	15,377
1989	783,969.79	526,468	592,770	426,391	16.92	25,200
1990	1,490,496.72	963,281	1,084,595	853,051	17.60	48,469
1991	1,992,237.45	1,236,500	1,392,222	1,197,687	18.29	65,483
1992	998,833.42	593,589	668,344	630,139	19.00	33,165
1993	2,517,719.47	1,428,909	1,608,863	1,664,172	19.72	84,390
1994	1,655,200.57	893,906	1,006,483	1,145,278	20.46	55,976
1995	1,560,934.95	800,099	900,862	1,128,353	21.20	53,224
1996	2,882,786.46	1,396,252	1,572,093	2,175,529	21.96	99,068
1997	2,996,138.56	1,365,463	1,537,427	2,357,553	22.73	103,720
1998	774,166.51	330,396	372,005	634,411	23.51	26,985
1999	1,011,768.67	402,100	452,740	862,559	24.30	35,496
2000	1,770,601.80	650,415	732,327	1,569,455	25.11	62,503
2001	2,243,827.86	756,751	852,055	2,064,921	25.92	79,665

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 373.2 STREET LIGHTING AND SIGNAL SYSTEMS - UNDERGROUND

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -30						
2002	3,986,557.50	1,223,076	1,377,107	3,805,418	26.74	142,312
2003	2,804,858.12	774,076	871,562	2,774,754	27.57	100,644
2004	2,117,200.40	517,444	582,610	2,169,751	28.42	76,346
2005	4,068,663.28	865,905	974,955	4,314,307	29.27	147,397
2006	122,109.32	22,087	24,869	133,873	30.13	4,443
2007	19,812.97	2,951	3,323	22,434	30.99	724
2008	1,723,715.24	200,397	225,634	2,015,196	31.87	63,232
2009	1,770,139.56	147,276	165,823	2,135,358	32.76	65,182
2010	2,376,356.00	119,153	134,159	2,955,104	33.65	87,819
2011	2,086,530.27	34,883	39,276	2,673,213	34.55	77,372
	48,188,855.10	19,023,392	21,419,157	41,226,355		1,660,101
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						24.8 3.44

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)	
SURVIVOR CURVE.. IOWA 7-L2.5							
NET SALVAGE PERCENT.. 0							
1981	17,711.72	17,712	17,712				
1987	21,727.55	21,728	21,728				
1992	34,367.30	33,876	34,367				
1994	12,838.66	12,050	12,839				
1996	70,123.19	62,309	70,123				
1997	94,011.05	81,521	94,011				
1998	103,718.25	87,716	103,718				
1999	163,217.07	134,305	163,217				
2000	214,121.11	170,378	214,121				
2001	36,238.30	27,748	36,238				
2002	26,183.62	19,151	26,184				
2003	62,445.77	43,623	61,278	1,168	2.11	554	
2005	70,072.04	44,946	63,136	6,936	2.51	2,763	
2006	10,651.13	6,436	9,041	1,610	2.77	581	
2008	68,377.69	30,966	43,498	24,880	3.83	6,496	
2009	16,396.58	5,551	7,797	8,600	4.63	1,857	
2010	194,744.56	40,896	57,447	137,298	5.53	24,828	
2011	354,052.23	25,290	35,525	318,527	6.50	49,004	
	1,570,997.82	866,202	1,071,980	499,018		86,083	
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						5.8	5.48

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S1						
NET SALVAGE PERCENT.. +5						
1963	3,522.00	3,346	3,346			
1964	827.00	786	786			
1974	86.22	79	65	17	0.67	17
1975	8,243.00	7,463	6,156	1,675	0.94	1,675
1977	361.00	317	261	82	1.50	55
1981	6,002.93	4,936	4,072	1,631	2.69	606
1985	26,578.00	20,225	16,684	8,565	3.98	2,152
1986	30,447.00	22,662	18,694	10,231	4.33	2,363
1987	25,548.00	18,591	15,336	8,935	4.68	1,909
1989	5,764.00	3,992	3,293	2,183	5.42	403
1990	6,675.00	4,499	3,711	2,630	5.81	453
1991	15,258.00	9,994	8,244	6,251	6.21	1,007
1992	102,033.00	64,799	53,452	43,479	6.63	6,558
1993	27,035.28	16,617	13,707	11,977	7.06	1,696
1994	5,454.00	3,236	2,669	2,512	7.51	334
1996	6,909.00	3,784	3,121	3,443	8.47	406
1997	108,487.80	56,788	46,845	56,218	8.98	6,260
1999	37,360.00	17,622	14,536	20,956	10.07	2,081
2000	5,987.00	2,656	2,191	3,497	10.66	328
2002	87,767.00	33,643	27,752	55,627	11.93	4,663
2005	28,091.30	7,873	6,495	20,192	14.10	1,432
2009	54,380.23	6,328	5,220	46,441	17.55	2,646
2010	14,596.91	1,033	852	13,015	18.51	703
	607,413.67	311,269	257,488	319,555		37,747

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.5 6.21

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-S1.5						
NET SALVAGE PERCENT.. 0						
1981	662.54	663	663			
1982	43,287.38	43,287	43,287			
1986	46,791.44	44,619	46,791			
1987	212,301.16	198,502	212,301			
1988	1,003,138.99	920,019	1,003,139			
1991	417,858.35	360,252	417,858			
1992	1,358,282.03	1,143,864	1,358,282			
1993	1,126,361.04	926,026	1,126,361			
1994	80,985.74	64,846	80,986			
1995	124,241.23	96,553	124,241			
1996	3,894.38	2,932	3,894			
1997	889,180.91	645,928	889,181			
1998	435,765.55	304,413	435,766			
1999	80,279.33	53,615	80,279			
2001	64,613.22	38,630	64,613			
2005	94,769.36	39,532	94,769			
2008	16,300.83	3,924	13,679	2,622	10.63	247
2010	20,726.36	2,206	7,690	13,036	12.51	1,042
2011	593,747.58	21,203	73,913	519,835	13.50	38,506
	6,613,187.42	4,911,014	6,077,693	535,494		39,795
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					13.5	0.60

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1989	64,664.59	58,198	51,515	13,150	2.50	5,260
1990	78,210.11	67,261	59,538	18,672	3.50	5,335
1991	92,166.14	75,576	66,898	25,268	4.50	5,615
1992	143,955.40	112,285	99,391	44,564	5.50	8,103
1993	147,225.94	108,947	96,437	50,789	6.50	7,814
1994	73,231.16	51,262	45,376	27,855	7.50	3,714
1995	137,716.09	90,893	80,456	57,260	8.50	6,736
1996	216,868.73	134,459	119,019	97,850	9.50	10,300
1997	182,157.83	105,652	93,520	88,638	10.50	8,442
1998	201,239.01	108,669	96,191	105,048	11.50	9,135
1999	572,997.86	286,499	253,600	319,398	12.50	25,552
2000	181,858.39	83,655	74,049	107,809	13.50	7,986
2001	543,383.54	228,221	202,015	341,369	14.50	23,543
2002	73,586.47	27,963	24,752	48,834	15.50	3,151
2003	155,546.13	52,886	46,813	108,733	16.50	6,590
2004	19,792.68	5,938	5,256	14,537	17.50	831
2005	23,499.51	6,110	5,408	18,092	18.50	978
2006	21,063.87	4,634	4,102	16,962	19.50	870
2007	6,380.55	1,148	1,016	5,365	20.50	262
2008	92,859.95	13,000	11,507	81,353	21.50	3,784
2009	118,290.08	11,829	10,471	107,819	22.50	4,792
2010	987,026.71	59,222	52,422	934,605	23.50	39,770
2011	470,202.85	9,404	8,324	461,879	24.50	18,852
	4,603,923.59	1,703,711	1,508,076	3,095,848		207,415

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.9 4.51

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 8-L2						
NET SALVAGE PERCENT.. 0						
1961	25,200.59	25,201	25,201			
1962	7,357.42	7,357	7,357			
1965	7,141.11	7,141	7,141			
1967	5,496.78	5,497	5,497			
1973	8,937.64	8,938	8,938			
1986	133,275.84	133,276	133,276			
1987	62,715.45	62,715	62,715			
1988	50,020.33	50,020	50,020			
1989	254,425.00	254,425	254,425			
1990	8,130.57	7,887	8,131			
1993	41,727.68	37,764	41,728			
1994	85,972.15	75,763	85,972			
1995	98,661.04	84,602	98,661			
1998	4,106.57	3,198	4,107			
1999	71,332.02	53,499	71,332			
2000	151,360.01	108,790	151,360			
2002	49,786.43	32,672	49,786			
2004	106,588.30	63,553	106,588			
2009	75,289.84	21,928	75,290			
2010	45,055.70	8,166	45,055			
	1,292,580.47	1,052,392	1,292,580			

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-L3						
NET SALVAGE PERCENT.. 0						
1991	4,038.60	2,981	1,959	2,080	4.45	467
1992	22,129.87	16,064	10,558	11,572	4.66	2,483
1993	18,380.27	13,137	8,634	9,746	4.85	2,009
1995	2,090.19	1,452	954	1,136	5.19	219
2010	73,054.36	6,446	4,236	68,818	15.50	4,440
2011	31,393.64	923	607	30,787	16.50	1,866
	151,086.93	41,003	26,948	124,139		11,484
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						10.8 7.60

LOUISVILLE GAS AND ELECTRIC COMPANY
ELECTRIC PLANT

ACCOUNT 396.3 POWER OPERATED EQUIPMENT - LARGE MACHINERY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-L1.5						
NET SALVAGE PERCENT.. 0						
1987	38,247.36	31,076	38,247			
1988	122,865.38	97,883	122,865			
1989	18,282.80	14,276	18,283			
1991	112,597.35	84,073	112,597			
1992	11,506.30	8,371	11,506			
1994	217,371.73	149,806	217,372			
1997	205,017.55	128,306	186,276	18,742	4.49	4,174
1998	37,213.04	22,483	32,641	4,572	4.75	963
1999	144,668.40	84,149	122,168	22,500	5.02	4,482
2000	45,851.51	25,639	37,223	8,629	5.29	1,631
2010	157,063.39	18,455	26,793	130,270	10.59	12,301
	1,110,684.81	664,517	925,971	184,714		23,551
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						7.8 2.12

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GAS PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
 GAS PLANT

ACCOUNT 302 FRANCHISES AND CONSENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2001	387.49	203		387	9.50	41
	387.49	203		387		41
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.4 10.58

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 350.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. 0						
1949	2,301.70	2,156	2,302			
1950	23.11	22	23			
1990	14,774.44	6,250	14,774			
2001	42,921.89	8,979	42,510	412	39.54	10
2002	3,657.00	693	3,281	376	40.53	9
2009	31,935.45	1,597	7,561	24,374	47.50	513
	95,613.59	19,697	70,451	25,163		532
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 47.3 0.56						

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -10						
1942	5,083.23	4,952	5,592			
1944	3,714.69	3,580	4,086			
1947	1,667.61	1,580	1,834			
1949	10,919.66	10,217	12,012			
1952	21,521.15	19,725	23,673			
1953	4,465.00	4,061	4,912			
1956	1,383.00	1,227	1,521			
1958	3,446.26	2,999	3,791			
1959	67,821.51	58,415	74,604			
1960	395.73	337	435			
1962	46,911.00	39,032	51,602			
1963	1,519.00	1,248	1,671			
1964	43,861.00	35,558	48,247			
1970	47,445.00	35,009	48,207	3,982	16.46	242
1971	403.00	292	402	41	17.07	2
1972	814.00	579	797	98	17.69	6
1974	16,480.00	11,250	15,491	2,637	18.97	139
1975	2,693.05	1,799	2,477	485	19.63	25
1977	1,023.00	653	899	226	20.99	11
1978	0.23					
1979	12,951.00	7,867	10,833	3,413	22.39	152
1982	72,569.52	40,584	55,884	23,942	24.58	974
1983	6,077.00	3,298	4,541	2,144	25.33	85
1987	43,647.00	20,722	28,534	19,478	28.42	685
1988	8,781.00	4,014	5,527	4,132	29.22	141
1989	9,989.00	4,391	6,046	4,942	30.02	165
1990	4,239.00	1,787	2,461	2,202	30.84	71
1991	8,000.00	3,228	4,445	4,355	31.66	138
1996	187,196.00	58,109	80,016	125,900	35.89	3,508
1997	180,932.00	52,702	72,570	126,455	36.76	3,440
1998	7,922.00	2,154	2,966	5,748	37.64	153
2001	159,253.00	33,985	46,797	128,381	40.30	3,186
2003	177,445.34	30,801	42,413	152,777	42.11	3,628
2004	344,036.54	52,830	72,747	305,693	43.02	7,106
2005	152,479.69	20,362	28,038	139,690	43.93	3,180
2006	14,093.03	1,594	2,195	13,307	44.86	297
2008	30,410.72	2,201	3,031	30,421	46.71	651

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.2 COMPRESSOR STATION STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R2.5						
NET SALVAGE PERCENT.. -10						
2009	145,144.03	7,504	10,333	149,325	47.65	3,134
2010	3,542,270.90	109,881	151,305	3,745,193	48.59	77,077
2011	21,187.03	219	302	23,004	49.53	464
	5,410,190.92	690,746	933,237	5,017,973		108,660
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						46.2 2.01

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.3 MEASURING AND REGULATING STATION STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -5						
1959	3,000.00	2,329	3,150			
1960	1,697.83	1,301	1,783			
1965	5,577.00	3,982	5,856			
1966	239.41	168	251			
1968	365.37	248	384			
2010	22,272.00	604	3,212	20,174	53.58	377
	33,151.61	8,632	14,636	20,173		377
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					53.5	1.14

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. -10						
1942	5,761.00	5,867	6,337			
1947	44.98	45	49			
1948	754.00	742	829			
1951	1,697.00	1,638	1,867			
1952	765.00	733	842			
1953	4,945.00	4,705	5,440			
1954	10,051.00	9,491	11,056			
1959	165,229.35	149,146	181,752			
1961	10,393.61	9,181	11,433			
1962	9,453.61	8,253	10,331	68	10.32	7
1963	1,439.55	1,241	1,553	31	10.81	3
1964	55,846.37	47,523	59,486	1,945	11.32	172
1965	5,865.00	4,922	6,161	290	11.85	24
1966	4,041.00	3,344	4,186	259	12.39	21
1967	27,743.00	22,607	28,298	2,219	12.96	171
1968	45,548.99	36,536	45,734	4,370	13.54	323
1969	16,383.00	12,925	16,179	1,842	14.14	130
1970	19,785.00	15,343	19,205	2,558	14.75	173
1971	272.00	207	259	40	15.39	3
1972	1,511.00	1,129	1,413	249	16.03	16
1974	21,780.80	15,631	19,566	4,393	17.38	253
1976	4,879.94	3,353	4,197	1,171	18.77	62
1977	1,823.01	1,224	1,532	473	19.49	24
1978	2,308.40	1,512	1,893	646	20.22	32
1980	22,046.11	13,716	17,169	7,082	21.72	326
1982	7,851.69	4,619	5,782	2,855	23.26	123
1983	2,107.84	1,203	1,506	813	24.05	34
1985	14,236.00	7,623	9,542	6,118	25.66	238
1986	2,288.00	1,184	1,482	1,035	26.48	39
1987	5,901.00	2,946	3,688	2,803	27.31	103
1988	78,245.00	37,612	47,080	38,990	28.15	1,385
1989	28,140.00	13,001	16,274	14,680	29.00	506
1992	13,975.00	5,657	7,081	8,292	31.60	262
1993	52,743.24	20,318	25,433	32,585	32.49	1,003
1994	4,264.82	1,559	1,951	2,740	33.38	82
1996	39,914.00	13,005	16,279	27,626	35.19	785
1998	42,054.00	12,000	15,021	31,238	37.03	844
2000	301,793.01	73,764	92,333	239,639	38.89	6,162
2002	79,807.00	16,188	20,263	67,525	40.78	1,656
2003	1,488.78	271	339	1,299	41.74	31
2004	39,299.24	6,320	7,911	35,318	42.69	827

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 351.4 OTHER STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R3						
NET SALVAGE PERCENT.. -10						
2005	30,409.57	4,242	5,310	28,141	43.66	645
2006	14,041.34	1,662	2,080	13,365	44.62	300
2007	65,474.78	6,352	7,951	64,071	45.59	1,405
2008	15,645.53	1,181	1,478	15,732	46.57	338
2009	373,964.64	20,239	25,335	386,026	47.54	8,120
2010	493,621.51	16,072	20,118	522,866	48.52	10,776
2011	478,282.92	5,156	6,454	519,657	49.51	10,496
	2,625,916.63	643,188	797,458	2,091,050		47,900
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						43.7 1.82

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.1 STORAGE LEASEHOLDS AND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1930	3,937.46	3,693	3,937			
1959	206,067.42	152,014	206,067			
1960	15.43	11	15			
1961	2,198.00	1,573	2,198			
1964	43,127.71	29,400	43,128			
1971	257,345.05	153,339	257,345			
1973	292.00	166	292			
1975	30,166.00	16,383	30,166			
1982	1,500.00	668	1,500			
1990	2,005.50	658	2,006			
1998	1,586.57	328	1,587			
	548,241.14	358,233	548,241			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.2 RESERVOIRS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R4						
NET SALVAGE PERCENT.. 0						
1968	84,535.13	61,357	84,535			
1969	112,400.82	80,111	112,401			
1970	29,156.24	20,393	29,156			
1971	110,767.57	75,967	110,768			
1972	38,151.80	25,638	38,152			
1975	25,499.84	16,042	25,499			
	400,511.40	279,508	400,511			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.3 NONRECOVERABLE NATURAL GAS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 50-SQUARE						
NET SALVAGE PERCENT.. 0						
1971	1,067,813.00	864,929	1,067,813			
1977	1,179,520.00	813,869	1,151,997	27,523	15.50	1,776
1985	7,401,522.00	3,922,807	5,552,567	1,848,955	23.50	78,679
	9,648,855.00	5,601,605	7,772,377	1,876,478		80,455
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						23.3 0.83

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1944	2,106.88	2,134	2,528			
1947	7,078.00	7,031	8,494			
1948	19,877.16	19,603	23,853			
1949	8,657.00	8,473	10,388			
1950	2,341.30	2,274	2,810			
1951	19,887.08	19,152	23,864			
1952	27,903.59	26,641	33,484			
1953	15,868.56	15,016	19,042			
1954	5,534.85	5,188	6,642			
1955	20,551.14	19,070	24,661			
1956	23,438.29	21,524	28,126			
1957	27,138.22	24,649	32,566			
1958	6,983.00	6,269	8,380			
1959	182,829.29	162,192	219,395			
1960	35,518.38	31,114	42,622			
1961	45,814.49	39,614	54,977			
1962	49,218.74	41,988	59,062			
1963	53,328.78	44,843	63,995			
1964	53,252.50	44,128	63,903			
1965	29,405.38	23,995	35,286			
1966	34,667.50	27,835	41,173	428	18.20	24
1967	32,049.00	25,313	37,442	1,017	18.80	54
1968	344,701.00	267,589	395,811	17,830	19.42	918
1969	190,341.37	145,102	214,631	13,779	20.06	687
1970	109,933.05	82,270	121,692	10,228	20.70	494
1971	56,367.00	41,372	61,196	6,444	21.36	302
1972	46,172.00	33,213	49,128	6,278	22.03	285
1973	53,713.00	37,841	55,974	8,482	22.71	373
1974	28,462.00	19,623	29,026	5,128	23.40	219
1975	27,567.00	18,585	27,490	5,590	24.10	232
1976	24,102.30	15,876	23,483	5,440	24.81	219
1977	52,406.00	33,696	49,842	13,045	25.53	511
1978	58,353.00	36,591	54,125	15,899	26.26	605
1979	37,421.32	22,861	33,815	11,091	27.00	411
1981	23,542.00	13,612	20,135	8,115	28.50	285
1982	108,955.00	61,166	90,475	40,271	29.27	1,376
1983	1.00	1	1			
1984	31,530.01	16,627	24,594	13,242	30.83	430
1985	72,316.00	36,889	54,566	32,213	31.62	1,019
1986	66,588.00	32,805	48,525	31,381	32.42	968
1987	32,838.20	15,598	23,072	16,334	33.23	492

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.4 WELL DRILLING

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2.5						
NET SALVAGE PERCENT.. -20						
1988	7,903.00	3,612	5,343	4,141	34.05	122
1996	14,588.00	4,510	6,671	10,835	40.83	265
1997	73,331.00	21,264	31,453	56,544	41.71	1,356
2000	165,003.00	38,233	56,554	141,450	44.38	3,187
2001	76,894.00	16,307	24,121	68,152	45.28	1,505
2003	73,242.65	12,641	18,698	69,193	47.09	1,469
	2,479,720.03	1,645,930	2,363,114	612,550		17,808
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						34.4 0.72

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. -20						
1934	1,086.19	1,192	1,159	144	3.86	37
1948	66.08	66	64	15	7.55	2
1950	111.75	110	107	27	8.16	3
1951	4,712.23	4,589	4,463	1,192	8.48	141
1952	9,094.05	8,779	8,538	2,375	8.80	270
1953	3,449.66	3,301	3,210	930	9.12	102
1954	3,389.01	3,212	3,124	943	9.46	100
1955	14,246.12	13,372	13,004	4,091	9.80	417
1956	14,472.40	13,450	13,080	4,287	10.15	422
1957	24,053.49	22,116	21,508	7,356	10.52	699
1958	5,386.70	4,900	4,765	1,699	10.89	156
1959	136,286.60	122,586	119,216	44,328	11.27	3,933
1960	29,390.24	26,130	25,412	9,856	11.66	845
1961	33,792.17	29,683	28,867	11,684	12.06	969
1962	46,603.80	40,427	39,316	16,609	12.47	1,332
1963	55,402.21	47,439	46,135	20,348	12.89	1,579
1964	58,159.31	49,118	47,768	22,023	13.33	1,652
1965	28,359.64	23,618	22,969	11,063	13.77	803
1966	35,789.94	29,367	28,560	14,388	14.23	1,011
1967	40,459.62	32,691	31,792	16,760	14.70	1,140
1968	242,070.43	192,495	187,203	103,282	15.18	6,804
1969	123,631.79	96,664	94,007	54,351	15.68	3,466
1970	97,099.53	74,624	72,572	43,947	16.18	2,716
1971	48,196.05	36,372	35,372	22,463	16.70	1,345
1972	35,620.24	26,387	25,662	17,082	17.22	992
1973	58,359.98	42,392	41,227	28,805	17.76	1,622
1974	15,287.41	10,881	10,582	7,763	18.31	424
1975	35,378.22	24,652	23,974	18,480	18.87	979
1976	15,855.88	10,803	10,506	8,521	19.45	438
1977	35,607.00	23,710	23,058	19,670	20.03	982
1978	53,254.60	34,623	33,671	30,235	20.62	1,466
1979	18,272.97	11,583	11,265	10,663	21.23	502
1981	49,363.00	29,671	28,855	30,381	22.46	1,353
1982	54,202.29	31,654	30,784	34,259	23.10	1,483
1983	272.09	154	150	177	23.74	7
1984	92,096.18	50,616	49,224	61,291	24.39	2,513
1985	93,209.04	49,587	48,224	63,627	25.05	2,540
1986	109,460.44	56,277	54,730	76,623	25.72	2,979
1987	86,591.37	42,949	41,768	62,142	26.40	2,354
1988	19,896.24	9,502	9,241	14,634	27.09	540
1989	14,839.82	6,815	6,628	11,180	27.78	402

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 352.5 WELL EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. -20						
1990	116,052.00	51,125	49,719	89,543	28.48	3,144
1991	311,322.57	131,252	127,644	245,943	29.19	8,426
1992	4,511.30	1,817	1,767	3,647	29.90	122
1993	197,285.04	75,599	73,521	163,221	30.63	5,329
1994	168,171.19	61,169	59,487	142,318	31.36	4,538
1995	46,309.12	15,943	15,505	40,066	32.09	1,249
1996	108,881.31	35,335	34,364	96,294	32.83	2,933
1997	210,327.34	64,052	62,291	190,102	33.58	5,661
1998	12,926.39	3,678	3,577	11,935	34.33	348
1999	69,300.81	18,314	17,810	65,351	35.09	1,862
2000	349,356.70	85,242	82,898	336,330	35.85	9,382
2001	307,665.21	68,752	66,862	302,336	36.62	8,256
2002	229,505.05	46,574	45,294	230,112	37.39	6,154
2003	204,542.26	37,255	36,231	209,220	38.17	5,481
2004	436,494.34	70,419	68,483	455,310	38.95	11,690
2005	555,156.55	77,871	75,730	590,458	39.74	14,858
2006	156,655.61	18,631	18,119	169,868	40.54	4,190
2007	35,810.93	3,495	3,399	39,574	41.34	957
2008	25,531.90	1,947	1,893	28,745	42.14	682
2009	1,180,053.33	64,516	62,742	1,353,322	42.95	31,509
2010	1,442,902.84	47,321	46,020	1,685,463	43.77	38,507
2011	1,242,114.69	13,579	13,206	1,477,332	44.59	33,131
	9,253,752.26	2,332,443	2,268,322	8,836,181		249,929

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.4 2.70

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 45-S1						
NET SALVAGE PERCENT.. -10						
1952	39,061.62	34,374	42,968			
1953	3,242.34	2,826	3,567			
1954	15,661.31	13,518	17,227			
1955	8,974.17	7,669	9,872			
1956	2,063.86	1,746	2,270			
1957	44,018.00	36,842	48,420			
1958	350.73	290	386			
1959	21,994.01	18,016	24,193			
1960	8,635.85	6,994	9,499			
1961	35,388.61	28,331	38,927			
1962	21,170.41	16,746	23,287			
1963	14,215.11	11,109	15,637			
1964	3,960.98	3,057	4,341	16	13.43	1
1965	27,239.69	20,755	29,470	494	13.83	36
1966	14,254.75	10,718	15,218	462	14.24	32
1967	131,308.44	97,384	138,274	6,165	14.66	421
1968	180,961.67	132,352	187,924	11,134	15.08	738
1969	15,069.87	10,863	15,424	1,153	15.51	74
1970	245,926.85	174,637	247,964	22,556	15.95	1,414
1971	33,644.78	23,522	33,398	3,611	16.40	220
1972	21,287.14	14,648	20,798	2,618	16.85	155
1973	1,832.35	1,240	1,761	255	17.31	15
1974	37,757.59	25,123	35,672	5,861	17.78	330
1975	35,869.97	23,446	33,291	6,166	18.26	338
1976	14,459.09	9,278	13,174	2,731	18.75	146
1977	27,967.39	17,604	24,996	5,768	19.25	300
1978	329,330.66	203,270	288,619	73,645	19.75	3,729
1979	99,719.78	60,282	85,593	24,099	20.27	1,189
1980	615,130.83	363,886	516,675	159,969	20.80	7,691
1981	501,087.21	289,808	411,493	139,703	21.34	6,547
1982	530,837.68	299,879	425,792	158,129	21.89	7,224
1983	198,629.82	109,489	155,461	63,032	22.45	2,808
1984	217,933.07	117,039	166,181	73,545	23.03	3,193
1985	599,253.46	313,182	444,681	214,498	23.62	9,081
1986	540,889.85	274,749	390,111	204,868	24.22	8,459
1987	791,548.74	390,267	554,132	316,572	24.83	12,750
1988	111,616.74	53,313	75,698	47,080	25.46	1,849
1989	227,276.48	105,002	149,090	100,914	26.10	3,866
1990	214,358.00	95,574	135,704	100,090	26.76	3,740
1991	879,886.34	377,897	536,569	431,306	27.43	15,724
1992	221,902.44	91,562	130,007	114,086	28.12	4,057

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 353 LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-S1						
NET SALVAGE PERCENT.. -10						
1994	103,204.78	38,977	55,343	58,182	29.55	1,969
1995	129,697.00	46,636	66,218	76,449	30.29	2,524
1996	869,076.66	296,565	421,087	534,897	31.04	17,233
1997	11,634.00	3,748	5,322	7,475	31.82	235
1998	206,310.12	62,484	88,720	138,221	32.61	4,239
1999	160,401.91	45,404	64,468	111,974	33.42	3,351
2001	818,557.07	198,091	281,265	619,148	35.10	17,640
2002	144,240.19	31,839	45,208	113,456	35.97	3,154
2003	310,685.56	61,895	87,883	253,871	36.85	6,889
2004	1,263,528.76	223,924	317,945	1,071,937	37.75	28,396
2005	539,132.96	83,287	118,257	474,789	38.68	12,275
2006	299,165.88	39,417	55,967	273,115	39.61	6,895
2009	1,427,757.94	86,898	123,385	1,447,149	42.51	34,043
2010	706,960.63	25,919	36,802	740,855	43.50	17,031
2011	782,648.49	9,565	13,581	847,332	44.50	19,041
	14,858,719.63	5,142,936	7,285,215	9,059,377		271,042
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.4 1.82

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-S0.5						
NET SALVAGE PERCENT.. -5						
1947	1,173.31	993	970	262	8.72	30
1948	681.99	572	559	157	9.07	17
1949	69,536.24	57,729	56,399	16,614	9.42	1,764
1951	4,783.65	3,891	3,801	1,222	10.14	121
1952	207,377.16	166,939	163,092	54,654	10.50	5,205
1953	1,235.32	984	961	336	10.87	31
1954	223.00	176	172	62	11.24	6
1956	81,278.86	62,623	61,180	24,163	11.98	2,017
1957	20,074.17	15,288	14,936	6,142	12.36	497
1959	774,498.85	575,941	562,670	250,554	13.13	19,083
1960	699.00	513	501	233	13.52	17
1961	17,948.10	13,020	12,720	6,126	13.91	440
1962	576,440.62	412,789	403,278	201,985	14.31	14,115
1963	13,566.88	9,585	9,364	4,881	14.72	332
1964	446,155.96	310,957	303,792	164,672	15.13	10,884
1965	76,114.50	52,321	51,115	28,805	15.54	1,854
1966	16,472.34	11,162	10,905	6,391	15.96	400
1967	87,716.88	58,577	57,227	34,876	16.38	2,129
1968	24,546.37	16,146	15,774	10,000	16.81	595
1969	75,525.78	48,903	47,776	31,526	17.25	1,828
1970	371,362.81	236,645	231,192	158,739	17.69	8,973
1971	21,801.56	13,664	13,349	9,543	18.14	526
1972	1,306.25	805	786	586	18.59	32
1973	47,483.00	28,751	28,089	21,768	19.05	1,143
1974	392,117.41	233,126	227,755	183,968	19.52	9,425
1975	16,340.00	9,536	9,316	7,841	19.99	392
1976	90,991.00	52,080	50,880	44,661	20.47	2,182
1977	188,698.55	105,847	103,408	94,725	20.96	4,519
1978	18,927.96	10,396	10,156	9,718	21.46	453
1979	2,736.00	1,471	1,437	1,436	21.96	65
1980	1,745.00	917	896	936	22.47	42
1981	6,577.00	3,376	3,298	3,608	23.00	157
1982	848.00	425	415	475	23.53	20
1983	27,946.72	13,648	13,334	16,010	24.07	665
1984	8,054.00	3,830	3,742	4,715	24.62	192
1985	11,754.00	5,436	5,311	7,031	25.18	279
1986	7,975.00	3,582	3,499	4,875	25.75	189
1987	10,702.00	4,662	4,555	6,682	26.33	254
1988	39,372.00	16,610	16,227	25,114	26.92	933
1989	5,620.00	2,292	2,239	3,662	27.52	133
1990	7,392.00	2,908	2,841	4,921	28.14	175

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 354 COMPRESSOR STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-S0.5						
NET SALVAGE PERCENT.. -5						
1991	85,136.00	32,261	31,518	57,875	28.76	2,012
1992	219,812.00	80,012	78,168	152,635	29.40	5,192
1993	189,613.40	66,143	64,619	134,475	30.05	4,475
1994	208,751.45	69,555	67,952	151,237	30.72	4,923
1995	2,780.16	882	862	2,057	31.40	66
1996	280,153.84	84,392	82,448	211,714	32.09	6,598
1997	55,126.00	15,692	15,330	42,552	32.80	1,297
1998	410,799.19	110,039	107,504	323,835	33.52	9,661
1999	44,590.21	11,174	10,917	35,903	34.26	1,048
2000	2,284,603.03	532,013	519,755	1,879,078	35.02	53,657
2001	1,531,694.82	329,167	321,582	1,286,698	35.79	35,951
2002	551,903.00	108,557	106,056	473,442	36.57	12,946
2003	78,863.25	14,022	13,699	69,107	37.38	1,849
2004	10,519.20	1,669	1,631	9,414	38.20	246
2005	227,295.86	31,608	30,880	207,781	39.04	5,322
2006	75,975.78	9,041	8,833	70,942	39.90	1,778
2007	1,154,852.50	113,717	111,096	1,101,499	40.78	27,011
2008	111,159.44	8,611	8,413	108,304	41.68	2,598
2009	2,266,471.94	126,914	123,989	2,255,807	42.60	52,953
2010	1,721,912.08	58,652	57,300	1,750,708	43.54	40,209
2011	1,041,502.45	11,909	11,635	1,081,943	44.51	24,308
	16,329,314.84	4,385,146	4,284,104	12,861,677		386,214
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.3 2.37

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 355 MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R1						
NET SALVAGE PERCENT.. -5						
1951	1,151.71	1,018	1,209			
1954	1,576.10	1,350	1,655			
1957	3,723.60	3,082	3,910			
1958	428.07	350	449			
1959	34,788.71	28,090	36,528			
1962	1,472.35	1,142	1,546			
1964	369.92	279	388			
1965	33,282.00	24,724	34,946			
1966	23,382.87	17,100	24,552			
1968	6,972.00	4,934	7,321			
1970	19,308.00	13,193	20,273			
1971	906.00	608	951			
1972	179.00	118	188			
1980	2,848.81	1,561	2,696	295	19.13	15
1983	10,849.53	5,454	9,418	1,974	20.85	95
1986	5,089.85	2,319	4,005	1,339	22.64	59
1987	11,571.60	5,085	8,781	3,369	23.26	145
1989	52,825.00	21,479	37,090	18,376	24.51	750
1990	72,270.01	28,191	48,681	27,203	25.14	1,082
2001	42,158.70	8,311	14,352	29,915	32.49	921
2002	36,889.85	6,604	11,404	27,330	33.18	824
2003	13,292.02	2,135	3,687	10,270	33.88	303
2006	11,339.56	1,191	2,057	9,850	36.00	274
2009	11,379.40	550	950	10,998	38.16	288
2010	114,669.26	3,341	5,768	114,635	38.89	2,948
2011	12,125.84	118	204	12,528	39.63	316
	524,849.76	182,327	283,009	268,083		8,020

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.4 1.53

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -15						
1959	43,622.34	41,426	50,166			
1961	84,332.34	78,621	96,982			
1963	38,808.00	35,445	44,629			
1964	234,812.93	212,007	270,035			
1965	4,150.73	3,703	4,773			
1966	1,902.00	1,675	2,187			
1967	275,317.00	239,361	316,615			
1968	185,606.65	159,089	213,448			
1969	43,262.00	36,528	49,751			
1970	972.55	808	1,118			
1971	1,123.74	919	1,292			
1972	769.00	618	884			
1974	115,156.00	89,081	132,429			
1975	13,307.44	10,090	15,304			
1976	769.00	571	872	12	15.95	1
1977	7,183.00	5,215	7,966	294	16.59	18
1984	45,577.00	27,465	41,954	10,460	21.42	488
1985	12,400.00	7,238	11,056	3,204	22.16	145
1986	78,743.00	44,452	67,902	22,652	22.91	989
1987	16,866.00	9,194	14,044	5,352	23.67	226
1989	64,213.00	32,459	49,582	24,263	25.22	962
1990	8,546.00	4,145	6,332	3,496	26.02	134
1991	24,159.00	11,224	17,145	10,638	26.82	397
1992	113,847.00	50,537	77,197	53,727	27.63	1,945
1993	46,039.00	19,472	29,744	23,201	28.45	816
1994	110,982.00	44,585	68,105	59,524	29.28	2,033
1995	66,415.00	25,256	38,580	37,797	30.12	1,255
1996	886,623.07	317,896	485,599	534,018	30.97	17,243
1997	2,511,493.00	845,294	1,291,220	1,596,997	31.83	50,173
1999	550,958.00	160,935	245,834	387,768	33.57	11,551
2000	1,150,444.77	310,167	473,792	849,219	34.45	24,651
2001	1,480,310.00	365,819	558,803	1,143,554	35.33	32,368
2002	744,603.00	166,883	254,920	601,373	36.23	16,599
2003	465,289.73	93,581	142,949	392,134	37.13	10,561
2004	263,428.56	46,923	71,677	231,266	38.03	6,081
2005	92,430.18	14,290	21,829	84,466	38.95	2,169
2006	44,793.23	5,884	8,988	42,524	39.86	1,067
2007	5,533.37	595	909	5,454	40.79	134

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 356 PURIFICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2.5						
NET SALVAGE PERCENT.. -15						
2009	234,894.06	14,106	21,547	248,581	42.65	5,828
2010	1,480,250.72	53,333	81,468	1,620,820	43.59	37,183
2011	423,289.04	5,082	7,763	479,019	44.53	10,757
	11,973,222.45	3,591,972	5,297,390	8,471,816		235,774
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						35.9 1.97

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2						
NET SALVAGE PERCENT.. -5						
1947	135.75	126	140	3	5.30	1
1948	281.00	258	287	8	5.60	1
1949	1,613.30	1,472	1,635	59	5.90	10
1950	2,571.00	2,328	2,586	114	6.20	18
1951	609.00	547	608	31	6.51	5
1952	132.00	118	131	8	6.82	1
1954	1,345.17	1,178	1,309	103	7.47	14
1955	2,153.00	1,868	2,075	186	7.81	24
1956	328.00	282	313	31	8.15	4
1958	1,404.00	1,184	1,315	159	8.87	18
1959	13,392.00	11,174	12,414	1,648	9.24	178
1960	1,622.00	1,339	1,488	215	9.63	22
1961	433.00	353	392	63	10.03	6
1962	6,215.00	5,012	5,568	958	10.44	92
1963	4,364.86	3,477	3,863	720	10.86	66
1964	2,957.00	2,325	2,583	522	11.30	46
1965	1,061.00	823	914	200	11.75	17
1966	762.94	584	649	152	12.21	12
1967	3,764.00	2,838	3,153	799	12.69	63
1968	4,359.00	3,236	3,595	982	13.18	75
1969	2,834.00	2,071	2,301	675	13.68	49
1970	276.00	198	220	70	14.19	5
1974	3,254.00	2,172	2,413	1,004	16.39	61
1979	0.18					
1981	19,094.00	10,826	12,028	8,021	20.70	387
1982	2,254.22	1,243	1,381	986	21.37	46
1983	6,482.00	3,473	3,858	2,948	22.04	134
1986	866.00	422	469	440	24.13	18
1987	18,300.00	8,608	9,563	9,652	24.84	389
1989	15,115.00	6,595	7,327	8,544	26.30	325
1990	8,951.00	3,749	4,165	5,234	27.05	193
1991	33,678.00	13,516	15,016	20,346	27.80	732
1992	55,559.51	21,300	23,664	34,673	28.57	1,214
1995	51,149.00	16,816	18,682	35,024	30.91	1,133
1997	11,007.00	3,208	3,564	7,993	32.51	246
1999	19,846.78	5,025	5,583	15,256	34.15	447
2000	71,488.74	16,714	18,569	56,494	34.98	1,615
2001	222,940.00	47,805	53,111	180,976	35.81	5,054
2002	349,159.00	67,945	75,486	291,131	36.66	7,941
2003	591.31	103	114	507	37.51	14
2004	42,348.74	6,561	7,289	37,177	38.36	969

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 357 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R2						
NET SALVAGE PERCENT.. -5						
2005	33,803.28	4,551	5,056	30,437	39.23	776
2006	123,155.70	14,081	15,644	113,669	40.10	2,835
2007	16,368.60	1,535	1,705	15,482	40.98	378
2008	34,601.54	2,535	2,817	33,515	41.86	801
2009	138,396.24	7,266	8,073	137,243	42.75	3,210
2010	271,456.87	8,551	9,500	275,530	43.65	6,312
2011	76,115.24	799	888	79,033	44.55	1,774
	1,678,594.97	318,190	353,504	1,409,021		37,731
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						37.3 2.25

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 365.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S3						
NET SALVAGE PERCENT.. 0						
1941	190.15	158	190			
1942	10,446.81	8,642	10,447			
1947	391.73	313	392			
1948	13,137.32	10,423	13,137			
1949	11,311.93	8,903	11,312			
1952	6,225.01	4,776	6,225			
1953	22,843.90	17,365	22,844			
1956	632.50	467	632			
1960	58,857.92	41,463	58,858			
1962	8,796.11	6,038	8,796			
1970	26,318.99	15,876	26,062	257	25.79	10
1971	3,075.02	1,819	2,986	89	26.54	3
1972	25.84	15	25	1	27.31	
1979	57,934.38	28,370	46,573	11,361	33.17	343
1981	471.44	218	358	113	34.98	3
	220,659.05	144,846	208,837	11,822		359

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.9 0.16

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 65-R2.5						
NET SALVAGE PERCENT.. -10						
1947	59.30	49	65			
1952	189,228.86	149,678	208,152			
1953	398,451.76	311,528	438,297			
1955	74,966.00	57,203	82,463			
1956	134,786.00	101,549	148,265			
1957	307,693.73	228,750	338,463			
1958	1,690,487.00	1,239,604	1,859,536			
1959	1,010,148.89	730,290	1,111,164			
1960	6,725.00	4,791	7,398			
1961	4,902.73	3,441	5,393			
1962	250,698.00	173,224	275,768			
1963	212,162.84	144,263	233,379			
1964	1,567.00	1,048	1,724			
1965	111,175.91	73,075	122,294			
1966	5,039.68	3,255	5,544			
1967	208,781.00	132,389	229,659			
1968	1,256,279.80	781,953	1,381,908			
1969	179,992.24	109,869	196,967	1,024	28.93	35
1970	1,022,018.00	611,576	1,096,400	27,820	29.64	939
1971	129,830.56	76,087	136,405	6,409	30.37	211
1972	1,135,923.61	651,673	1,168,284	81,232	31.10	2,612
1973	813,709.00	456,625	818,613	76,467	31.84	2,402
1975	3,619.49	1,939	3,476	505	33.34	15
1976	485.00	254	455	78	34.10	2
1977	108,576.16	55,362	99,250	20,184	34.87	579
1978	188,084.00	93,420	167,478	39,414	35.65	1,106
1979	115,555.08	55,850	100,125	26,986	36.44	741
1980	24,709.92	11,613	20,819	6,362	37.23	171
1981	61,915.64	28,270	50,681	17,426	38.02	458
1982	212,442.22	94,087	168,674	65,012	38.83	1,674
1983	2,483.46	1,066	1,911	821	39.64	21
1984	117,364.00	48,741	87,380	41,720	40.46	1,031
1985	115,321.00	46,291	82,988	43,865	41.28	1,063
1986	12,236.00	4,740	8,498	4,962	42.11	118
1987	7,053.00	2,632	4,719	3,039	42.95	71
1989	95,198.78	32,801	58,804	45,915	44.64	1,029
1991	1,286,892.07	405,946	727,758	687,823	46.36	14,837
1993	4,162.00	1,190	2,133	2,445	48.10	51
1996	218,430.00	52,711	94,497	145,776	50.74	2,873
1998	433,397.95	91,462	163,968	312,770	52.53	5,954
1999	3,356.77	657	1,178	2,514	53.43	47

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 367 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R2.5						
NET SALVAGE PERCENT.. -10						
2003	300,010.47	40,261	72,178	257,834	57.07	4,518
2004	7,671.74	910	1,631	6,808	57.99	117
2005	188,063.30	19,382	34,747	172,123	58.91	2,922
2007	7,816.74	560	1,004	7,594	60.77	125
2009	761,957.99	30,433	54,559	783,595	62.64	12,509
2010	3,009,552.99	72,335	129,678	3,180,830	63.58	50,029
2011	2,408,325.01	19,153	34,337	2,614,821	64.53	40,521
	18,839,307.69	7,253,986	12,039,067	8,684,171		148,781
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						58.4 0.79

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 374.22 OTHER DISTRIBUTION LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S3						
NET SALVAGE PERCENT.. 0						
1914	14,904.32	13,877	14,904			
1957	5,219.36	3,809	5,219			
1958	19,774.35	14,268	19,774			
1960	4,795.00	3,378	4,795			
1962	400.00	275	400			
1964	20,823.97	13,894	20,824			
1979	4,600.00	2,253	4,600			
1990	3,501.23	1,155	3,502			
	74,018.23	52,909	74,018			

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.1 STRUCTURES AND IMPROVEMENTS - CITY GATE STATION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -5						
1950	3,579.00	3,184	3,758			
1952	717.00	627	753			
1955	781.00	665	820			
1957	597.48	498	627			
1958	9,523.24	7,850	9,999			
1962	675.00	529	709			
1963	10,486.10	8,106	11,010			
1965	11,363.00	8,523	11,931			
1969	27,852.23	19,530	29,245			
1970	925.82	637	972			
1971	1,531.01	1,034	1,608			
1972	503.39	333	529			
1985	524.73	246	392	159	30.42	5
1994	8,479.00	2,703	4,304	4,599	38.30	120
2001	39,150.16	7,616	12,128	28,980	44.81	647
2003	27,404.15	4,332	6,898	21,876	46.72	468
2004	47,524.57	6,632	10,561	39,340	47.69	825
2006	15,450.34	1,587	2,527	13,696	49.62	276
2010	160,898.55	4,546	7,239	161,704	53.52	3,021
	367,965.77	79,178	116,010	270,354		5,362
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						50.4 1.46

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-L2						
NET SALVAGE PERCENT.. -5						
1906	4,918.00	5,164	5,164			
1911	792.00	832	832			
1914	17,930.00	18,595	13,156	5,670	0.43	5,670
1915	405.00	417	295	130	0.67	130
1916	351.00	360	255	114	0.83	114
1920	1,286.00	1,293	915	435	1.48	294
1924	1,047.00	1,031	729	370	2.17	171
1926	5,811.71	5,663	4,006	2,096	2.52	832
1928	5,135.00	4,948	3,501	1,891	2.88	657
1929	1,476.00	1,414	1,000	550	3.06	180
1935	0.15					
1941	3,121.00	2,779	1,966	1,311	5.32	246
1942	153.00	135	96	65	5.52	12
1943	1,494.00	1,312	928	641	5.73	112
1944	193.00	168	119	84	5.93	14
1945	4,247.00	3,677	2,601	1,858	6.14	303
1949	1,820.00	1,529	1,082	829	6.99	119
1950	4,663.00	3,888	2,751	2,145	7.21	298
1951	18,339.00	15,168	10,731	8,525	7.43	1,147
1953	4,464.00	3,632	2,570	2,117	7.88	269
1954	13,104.00	10,571	7,479	6,280	8.11	774
1955	2,847.00	2,277	1,611	1,378	8.34	165
1957	2,370.00	1,862	1,317	1,172	8.81	133
1958	1,040.00	809	572	520	9.06	57
1959	60.00	46	33	30	9.30	3
1960	891.26	681	482	454	9.54	48
1961	3,273.00	2,475	1,751	1,686	9.79	172
1964	3,530.00	2,590	1,832	1,874	10.54	178
1965	26,411.00	19,174	13,565	14,167	10.80	1,312
1966	6,191.00	4,448	3,147	3,354	11.05	304
1967	1,040.00	739	523	569	11.30	50
1968	2,730.00	1,921	1,359	1,508	11.55	131
1969	5,172.31	3,600	2,547	2,884	11.80	244
1970	2,582.33	1,778	1,258	1,453	12.05	121
1975	8,524.00	5,559	3,933	5,017	13.26	378
1976	314.00	203	144	186	13.50	14
1977	1,318.00	841	595	789	13.74	57
1982	1,692.00	1,015	718	1,059	15.00	71
1983	4,642.00	2,746	1,943	2,931	15.28	192
1986	1,225.00	691	489	797	16.21	49
1989	11,245.00	5,954	4,212	7,595	17.35	438

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 375.2 STRUCTURES AND IMPROVEMENTS - OTHER DISTRIBUTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-L2						
NET SALVAGE PERCENT.. -5						
1992	16,080.00	7,825	5,536	11,348	18.78	604
1993	4,615.00	2,169	1,535	3,311	19.33	171
1994	208,970.52	94,475	66,838	152,581	19.93	7,656
1996	58,024.00	23,935	16,933	43,992	21.25	2,070
2002	7,827.00	2,109	1,492	6,726	26.02	258
2010	59,133.02	2,661	1,883	60,207	33.50	1,797
	532,497.30	275,159	196,424	362,698		28,015
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						12.9 5.26

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUTURE BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 65-S2						
NET SALVAGE PERCENT.. -30						
1942	7,480.70	7,517	8,546	1,179	14.76	80
1943	18,801.32	18,752	21,320	3,122	15.13	206
1944	9,185.51	9,092	10,337	1,604	15.51	103
1945	8,080.05	7,936	9,023	1,481	15.89	93
1946	121,052.36	117,954	134,105	23,263	16.28	1,429
1947	73,426.96	70,975	80,693	14,762	16.67	886
1948	11,080.84	10,620	12,074	2,331	17.08	136
1949	179,768.14	170,815	194,204	39,495	17.49	2,258
1950	18,214.46	17,154	19,503	4,176	17.91	233
1951	230,994.13	215,565	245,082	55,210	18.34	3,010
1952	319,660.35	295,558	336,028	79,530	18.77	4,237
1953	126,208.85	115,557	131,380	32,692	19.22	1,701
1954	1,146,121.60	1,038,843	1,181,088	308,870	19.68	15,695
1955	1,105,970.44	992,271	1,128,139	309,623	20.14	15,374
1956	1,673,550.03	1,485,771	1,689,213	486,402	20.61	23,600
1957	1,053,640.06	925,090	1,051,760	317,972	21.10	15,070
1958	1,459,484.98	1,267,132	1,440,636	456,694	21.59	21,153
1959	921,456.05	790,609	898,865	299,028	22.10	13,531
1960	1,294,957.64	1,097,859	1,248,185	435,260	22.61	19,251
1961	1,365,428.84	1,143,137	1,299,663	475,394	23.14	20,544
1962	979,160.64	809,175	919,973	352,936	23.68	14,904
1963	1,775,973.97	1,448,127	1,646,414	662,352	24.23	27,336
1964	1,632,802.10	1,313,109	1,492,909	629,734	24.79	25,403
1965	1,392,129.74	1,103,687	1,254,811	554,958	25.36	21,883
1966	2,613,453.22	2,041,619	2,321,171	1,076,318	25.94	41,493
1967	1,109,250.00	853,232	970,062	471,963	26.54	17,783
1968	2,308,977.74	1,747,903	1,987,238	1,014,433	27.15	37,364
1969	1,570,478.69	1,169,074	1,329,152	712,470	27.78	25,647
1970	1,622,537.41	1,187,366	1,349,948	759,351	28.41	26,728
1971	2,036,454.23	1,463,795	1,664,228	983,162	29.06	33,832
1972	4,471,226.90	3,154,902	3,586,893	2,225,702	29.72	74,889
1973	2,078,086.69	1,438,042	1,634,948	1,066,565	30.40	35,084
1974	1,105,171.55	749,524	852,154	584,569	31.09	18,802
1975	965,284.29	640,950	728,713	526,157	31.80	16,546
1976	559,898.58	363,708	413,509	314,359	32.52	9,667
1977	932,437.36	592,096	673,170	538,999	33.25	16,210
1978	312,368.77	193,732	220,259	185,820	33.99	5,467
1979	1,264,497.88	765,014	869,765	774,082	34.75	22,276
1980	1,308,418.96	771,174	876,768	824,177	35.53	23,197
1981	2,713,945.82	1,556,717	1,769,873	1,758,257	36.32	48,410
1982	3,797,340.63	2,117,382	2,407,308	2,529,235	37.12	68,137

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-S2						
NET SALVAGE PERCENT.. -30						
1983	2,148,091.82	1,162,554	1,321,739	1,470,780	37.94	38,766
1984	2,386,180.95	1,251,795	1,423,199	1,678,836	38.77	43,302
1985	1,800,403.81	914,256	1,039,442	1,301,083	39.61	32,847
1986	5,675,121.10	2,784,180	3,165,409	4,212,248	40.47	104,083
1987	6,956,547.78	3,293,195	3,744,122	5,299,390	41.33	128,221
1988	2,133,092.55	972,276	1,105,407	1,667,613	42.21	39,508
1989	4,407,973.10	1,929,815	2,194,058	3,536,307	43.11	82,030
1990	4,762,199.48	1,999,152	2,272,889	3,917,970	44.01	89,025
1991	7,156,807.39	2,872,750	3,266,106	6,037,744	44.93	134,381
1992	5,177,570.92	1,983,041	2,254,572	4,476,270	45.85	97,629
1993	7,896,103.61	2,875,721	3,269,484	6,995,451	46.79	149,507
1994	7,689,011.97	2,655,762	3,019,407	6,976,309	47.73	146,162
1995	11,776,698.38	3,843,961	4,370,302	10,939,406	48.68	224,721
1996	7,983,410.91	2,452,528	2,788,345	7,590,089	49.64	152,903
1997	6,887,035.82	1,982,048	2,253,444	6,699,703	50.61	132,379
1998	9,280,890.38	2,490,972	2,832,053	9,233,104	51.58	179,006
1999	15,133,127.51	3,765,031	4,280,565	15,392,501	52.56	292,856
2000	11,428,521.11	2,619,451	2,978,124	11,878,953	53.54	221,871
2001	11,042,155.11	2,312,271	2,628,883	11,725,919	54.53	215,036
2002	20,454,014.39	3,878,183	4,409,210	22,181,009	55.52	399,514
2003	21,536,783.48	3,657,075	4,157,827	23,839,992	56.51	421,872
2004	10,039,459.47	1,503,901	1,709,825	11,341,472	57.51	197,209
2005	11,149,018.25	1,449,372	1,647,830	12,845,894	58.50	219,588
2006	7,355,027.49	809,097	919,884	8,641,652	59.50	145,238
2007	12,423,031.94	1,118,060	1,271,153	14,878,789	60.50	245,930
2008	10,420,031.65	729,454	829,336	12,716,705	61.50	206,776
2009	26,906,408.65	1,345,267	1,529,470	33,448,861	62.50	535,182
2010	6,139,183.10	184,200	209,422	7,771,516	63.50	122,386
2011	18,254,172.14	182,487	207,474	23,522,950	64.50	364,697
	324,092,532.74	94,296,390	107,208,091	314,112,202		6,132,273
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						51.2 1.89

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-S0						
NET SALVAGE PERCENT.. -10						
1954	12,959.97	11,012	12,315	1,941	9.33	208
1955	31,201.00	26,176	29,273	5,048	9.73	519
1956	42,871.10	35,495	39,695	7,463	10.14	736
1957	40,932.78	33,440	37,397	7,629	10.55	723
1958	37,656.14	30,359	33,951	7,471	10.95	682
1959	13,368.00	10,627	11,884	2,821	11.37	248
1960	45,500.80	35,670	39,891	10,160	11.78	862
1961	47,619.31	36,795	41,149	11,232	12.20	921
1962	19,148.52	14,580	16,305	4,758	12.62	377
1963	13,701.82	10,278	11,494	3,578	13.04	274
1964	37,190.00	27,479	30,730	10,179	13.46	756
1965	23,278.14	16,931	18,934	6,672	13.89	480
1966	53,219.07	38,094	42,602	15,939	14.32	1,113
1967	54,173.33	38,138	42,651	16,940	14.76	1,148
1968	88,530.66	61,304	68,558	28,826	15.19	1,898
1969	39,779.99	27,077	30,281	13,477	15.63	862
1970	89,589.67	59,898	66,985	31,564	16.08	1,963
1971	39,168.02	25,714	28,757	14,328	16.53	867
1972	31,242.86	20,134	22,516	11,851	16.98	698
1973	53,457.59	33,805	37,805	20,998	17.43	1,205
1974	46,838.71	29,041	32,477	19,046	17.89	1,065
1975	11,296.48	6,865	7,677	4,749	18.35	259
1976	48,648.98	28,950	32,376	21,138	18.82	1,123
1977	3,331.66	1,941	2,171	1,494	19.29	77
1978	14,110.00	8,037	8,988	6,533	19.77	330
1979	34,588.00	19,255	21,533	16,514	20.25	816
1980	31,440.00	17,098	19,121	15,463	20.73	746
1981	28,112.00	14,919	16,684	14,239	21.22	671
1982	43,106.68	22,298	24,936	22,481	21.72	1,035
1983	61,762.12	31,119	34,801	33,137	22.22	1,491
1984	35,488.19	17,395	19,453	19,584	22.73	862
1985	69,111.43	32,931	36,828	39,195	23.24	1,687
1986	438,264.31	202,714	226,701	255,390	23.76	10,749
1987	138,068.26	61,898	69,222	82,653	24.29	3,403
1988	17,369.72	7,540	8,432	10,675	24.82	430
1989	84,023.00	35,257	39,429	52,996	25.36	2,090
1990	117,337.99	47,505	53,126	75,946	25.91	2,931
1991	51,780.20	20,185	22,573	34,385	26.47	1,299
1993	31,934.00	11,472	12,829	22,298	27.61	808
1994	27,325.22	9,384	10,494	19,564	28.20	694
1995	76,316.30	25,000	27,958	55,990	28.79	1,945

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT - GENERAL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-S0						
NET SALVAGE PERCENT.. -10						
1996	103,606.01	32,245	36,060	77,907	29.40	2,650
1997	113,348.45	33,421	37,376	87,307	30.01	2,909
1998	285,213.53	79,275	88,655	225,080	30.64	7,346
1999	39,571.00	10,309	11,529	31,999	31.29	1,023
2000	662,067.00	160,934	179,977	548,297	31.94	17,166
2001	144,276.14	32,476	36,319	122,385	32.61	3,753
2002	94,741.24	19,572	21,888	82,327	33.30	2,472
2003	2,076,137.64	389,357	435,429	1,848,322	34.01	54,346
2004	737,618.78	124,084	138,767	672,614	34.73	19,367
2005	815,225.93	120,953	135,265	761,484	35.47	21,468
2006	295,129.71	37,691	42,151	282,492	36.24	7,795
2007	205,738.59	21,914	24,507	201,805	37.03	5,450
2008	205,565.98	17,373	19,429	206,694	37.85	5,461
2009	1,026,365.10	63,337	70,831	1,058,171	38.70	27,343
2010	1,238,849.89	47,192	52,776	1,309,959	39.58	33,096
2011	2,169,741.08	28,521	31,896	2,354,819	40.51	58,129
	12,438,038.09	2,462,464	2,753,837	10,928,005		320,825

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.1 2.58

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1						
NET SALVAGE PERCENT.. -15						
1950	1,106.97	1,005	1,273			
1953	3,265.16	2,870	3,755			
1954	564.41	490	649			
1956	6,320.26	5,359	7,268			
1957	2,161.00	1,809	2,485			
1958	60,655.00	50,130	69,096	657	12.66	52
1960	26,535.81	21,348	29,425	1,091	13.52	81
1961	1,652.52	1,311	1,807	93	13.96	7
1962	12,402.00	9,695	13,363	899	14.41	62
1963	76,442.36	58,860	81,129	6,780	14.87	456
1964	6,677.00	5,063	6,979	700	15.33	46
1965	59,201.00	44,162	60,870	7,211	15.81	456
1966	18,293.61	13,427	18,507	2,531	16.28	155
1967	35,908.35	25,905	35,706	5,589	16.77	333
1968	35,491.68	25,160	34,679	6,136	17.26	356
1969	59,227.75	41,215	56,808	11,304	17.77	636
1970	122,287.42	83,535	115,139	25,492	18.27	1,395
1971	9,220.97	6,176	8,513	2,091	18.79	111
1972	1,960.09	1,286	1,773	481	19.32	25
1973	93.49	60	83	25	19.85	1
1974	20,842.00	13,108	18,067	5,901	20.39	289
1975	12,943.00	7,962	10,974	3,910	20.93	187
1976	8,356.00	5,020	6,919	2,690	21.49	125
1977	653.00	383	528	223	22.05	10
1979	4,457.00	2,483	3,422	1,704	23.20	73
1980	262.00	142	196	105	23.79	4
1982	146,733.57	75,072	103,475	65,269	24.98	2,613
1983	9,019.00	4,474	6,167	4,205	25.59	164
1984	32,182.00	15,462	21,312	15,697	26.20	599
1985	39,106.97	18,169	25,043	19,930	26.82	743
1986	695.00	312	430	369	27.45	13
1987	10,800.00	4,667	6,433	5,987	28.09	213
1989	112,800.99	45,056	62,102	67,619	29.37	2,302
1990	2,821.88	1,080	1,489	1,756	30.02	58
1991	356,997.09	130,644	180,071	230,476	30.68	7,512
1992	71,511.22	24,964	34,409	47,829	31.34	1,526
1995	5,026.61	1,497	2,063	3,718	33.35	111
1997	7,539.00	1,984	2,735	5,935	34.70	171
1998	577,073.00	141,726	195,346	468,288	35.39	13,232
1999	35,632.00	8,131	11,207	29,770	36.07	825
2000	98,972.10	20,841	28,726	85,092	36.76	2,315

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 379 MEASURING AND REGULATING STATION EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1						
NET SALVAGE PERCENT.. -15						
2001	673,479.00	129,775	178,874	595,627	37.46	15,900
2002	8,901.00	1,558	2,147	8,089	38.15	212
2003	627,032.26	98,385	135,608	585,479	38.86	15,066
2004	158,962.81	22,100	30,461	152,346	39.56	3,851
2005	98,876.83	11,952	16,474	97,234	40.27	2,415
2006	52,150.90	5,344	7,366	52,608	40.99	1,283
2007	37,525.78	3,155	4,349	38,806	41.71	930
2008	50,427.29	3,312	4,565	53,426	42.43	1,259
2009	105,907.73	4,980	6,864	114,930	43.16	2,663
2010	207,116.06	5,876	8,099	230,084	43.89	5,242
2011	269,600.18	2,549	3,513	306,527	44.63	6,868
	4,383,870.12	1,211,029	1,668,741	3,372,710		92,946
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						36.3 2.12

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-S0.5						
NET SALVAGE PERCENT.. -60						
1947	1,218.46	1,641	1,668	282	6.65	42
1948	124.91	167	170	30	6.99	4
1949	5,823.43	7,689	7,818	1,499	7.34	204
1950	11,096.70	14,508	14,750	3,005	7.68	391
1951	13,088.46	16,938	17,221	3,721	8.03	463
1952	16,648.10	21,322	21,678	4,959	8.38	592
1953	14,636.66	18,545	18,855	4,564	8.74	522
1954	7,916.82	9,925	10,091	2,576	9.09	283
1955	13,045.81	16,177	16,447	4,426	9.45	468
1956	32,774.10	40,190	40,862	11,577	9.81	1,180
1957	34,970.99	42,392	43,101	12,853	10.18	1,263
1958	40,642.28	48,693	49,507	15,521	10.55	1,471
1959	14,823.37	17,551	17,844	5,873	10.92	538
1960	82,188.46	96,121	97,728	33,774	11.30	2,989
1961	443,925.51	512,752	521,322	188,959	11.68	16,178
1962	482,746.52	550,609	559,812	212,582	12.06	17,627
1963	342,505.08	385,562	392,006	156,002	12.45	12,530
1964	563,384.63	625,844	636,304	265,111	12.84	20,647
1965	480,766.68	526,736	535,540	233,687	13.24	17,650
1966	380,724.53	411,329	418,204	190,955	13.64	14,000
1967	370,925.24	394,949	401,550	191,930	14.05	13,660
1968	535,441.45	561,751	571,140	285,566	14.46	19,749
1969	520,981.10	538,244	547,240	286,330	14.88	19,243
1970	602,529.83	612,855	623,098	340,950	15.30	22,284
1971	849,727.38	850,380	864,593	494,971	15.73	31,467
1972	890,831.13	876,578	891,229	534,101	16.17	33,030
1973	1,049,353.78	1,014,969	1,031,933	647,033	16.61	38,954
1974	476,286.33	452,518	460,081	301,977	17.06	17,701
1975	433,750.55	404,505	411,266	282,735	17.52	16,138
1976	389,101.61	356,044	361,995	260,568	17.98	14,492
1977	545,685.86	489,554	497,736	375,361	18.45	20,345
1978	459,049.74	403,442	410,185	324,295	18.93	17,131
1979	613,064.76	527,353	536,167	444,737	19.42	22,901
1980	1,078,129.17	907,267	922,431	802,576	19.91	40,310
1981	1,183,468.27	973,379	989,648	903,901	20.41	44,287
1982	1,069,575.65	858,518	872,867	838,454	20.93	40,060
1983	1,264,370.86	989,830	1,006,374	1,016,619	21.45	47,395
1984	1,442,818.68	1,100,397	1,118,789	1,189,721	21.98	54,127
1985	1,617,194.92	1,200,114	1,220,173	1,367,339	22.52	60,717
1986	2,032,782.66	1,465,913	1,490,414	1,762,038	23.07	76,378
1987	2,741,920.83	1,918,818	1,950,889	2,436,184	23.63	103,097

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-S0.5						
NET SALVAGE PERCENT.. -60						
1988	2,891,213.78	1,960,520	1,993,288	2,632,654	24.20	108,787
1989	2,696,752.07	1,768,034	1,797,585	2,517,218	24.79	101,542
1990	3,130,161.10	1,981,818	2,014,942	2,993,316	25.38	117,940
1991	4,693,529.63	2,862,602	2,910,447	4,599,200	25.99	176,960
1992	5,564,058.13	3,260,004	3,314,491	5,588,002	26.62	209,917
1993	5,903,348.91	3,317,115	3,372,557	6,072,801	27.25	222,855
1994	4,773,783.99	2,564,171	2,607,028	5,031,026	27.90	180,324
1995	5,285,615.95	2,706,235	2,751,467	5,705,519	28.56	199,773
1996	5,208,815.15	2,531,984	2,574,303	5,759,801	29.24	196,984
1997	4,285,182.81	1,970,361	2,003,293	4,852,999	29.93	162,145
1998	3,914,978.77	1,694,278	1,722,596	4,541,370	30.64	148,217
1999	9,432,006.49	3,823,056	3,886,954	11,204,256	31.36	357,279
2000	8,707,644.75	3,283,966	3,338,854	10,593,378	32.10	330,012
2001	3,148,711.35	1,096,356	1,114,680	3,923,258	32.86	119,393
2002	5,889,116.64	1,875,566	1,906,914	7,515,673	33.64	223,415
2003	7,787,047.60	2,245,660	2,283,194	10,176,082	34.43	295,559
2004	5,778,468.21	1,488,071	1,512,943	7,732,606	35.24	219,427
2005	8,902,331.25	2,011,072	2,044,685	12,199,045	36.07	338,205
2006	857,594.31	165,962	168,736	1,203,415	36.92	32,595
2007	10,961,107.61	1,753,777	1,783,089	15,754,683	37.80	416,791
2008	5,822,770.14	734,228	746,500	8,569,932	38.69	221,503
2009	29,763,916.55	2,721,136	2,766,617	44,855,649	39.60	1,132,718
2010	1,725,679.02	95,975	97,579	2,663,507	40.54	65,701
2011	23,355,994.60	436,103	443,392	36,926,199	41.51	889,574
	193,629,870.11	68,610,119	69,756,860	240,050,932		7,330,124

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 32.7 3.79

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-R2						
NET SALVAGE PERCENT.. 0						
1983	21,997.36	16,097	11,488	10,509	7.51	1,399
1984	41,698.96	29,800	21,267	20,432	7.99	2,557
1985	43,783.50	30,523	21,783	22,000	8.48	2,594
1986	64,084.11	43,486	31,034	33,050	9.00	3,672
1987	187,429.18	123,570	88,186	99,243	9.54	10,403
1988	27,468.34	17,560	12,532	14,936	10.10	1,479
1989	148,566.38	91,899	65,584	82,982	10.68	7,770
1990	205,025.33	122,429	87,372	117,653	11.28	10,430
1991	134,768.69	77,492	55,302	79,467	11.90	6,678
1992	456,361.56	251,975	179,823	276,539	12.54	22,053
1993	1,449,226.85	766,018	546,671	902,556	13.20	68,375
1994	1,678,524.65	847,051	604,500	1,074,025	13.87	77,435
1995	1,197,700.08	574,465	409,969	787,731	14.57	54,065
1996	2,090,898.37	950,606	678,403	1,412,495	15.27	92,501
1997	1,841,175.62	789,073	563,124	1,278,052	16.00	79,878
1998	1,029,239.91	413,899	295,380	733,860	16.74	43,839
1999	936,178.25	351,404	250,780	685,398	17.49	39,188
2000	1,120,206.00	389,675	278,093	842,113	18.26	46,118
2001	5,008,065.00	1,600,778	1,142,400	3,865,665	19.05	202,922
2002	271,683.00	79,177	56,505	215,178	19.84	10,846
2003	4,850,728.81	1,273,316	908,705	3,942,024	20.65	190,897
2004	446,576.39	103,990	74,213	372,363	21.48	17,335
2006	5,468,519.91	945,288	674,607	4,793,913	23.16	206,991
2007	1,255,905.02	178,966	127,720	1,128,185	24.01	46,988
2008	292,704.77	32,616	23,277	269,428	24.88	10,829
2009	4,712,948.01	377,036	269,072	4,443,876	25.76	172,511
2010	1,210,344.23	58,351	41,643	1,168,701	26.65	43,854
2011	3,641,943.24	58,526	41,767	3,600,176	27.55	130,678
	39,833,751.52	10,595,066	7,561,200	32,272,552		1,604,285

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 20.1 4.03

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R3						
NET SALVAGE PERCENT.. -10						
1995	230,369.69	127,464	25,850	227,557	14.91	15,262
1996	161,073.06	84,279	17,092	160,088	15.73	10,177
1997	298,362.00	147,141	29,840	298,358	16.55	18,028
1998	249,939.00	115,472	23,418	251,515	17.40	14,455
2003	2,059,424.49	615,432	124,809	2,140,558	21.85	97,966
2004	18,468.30	4,889	991	19,324	22.78	848
2005	80,423.54	18,549	3,762	84,704	23.71	3,573
2006	3,798,461.59	743,739	150,829	4,027,479	24.66	163,320
2007	1,180,776.85	189,633	38,457	1,260,398	25.62	49,196
2008	2,787,571.51	349,561	70,890	2,995,439	26.58	112,695
2009	1,810,331.08	162,635	32,982	1,958,382	27.55	71,085
2010	4,538,655.05	244,634	49,612	4,942,909	28.53	173,253
2011	6,264,098.34	112,522	22,819	6,867,689	29.51	232,724
	23,477,954.50	2,915,950	591,351	25,234,399		962,582
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						26.2 4.10

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 385 INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S2.5						
NET SALVAGE PERCENT.. -5						
1957	10,036.15	9,258	7,660	2,878	4.86	592
1960	23,309.56	21,079	17,442	7,033	5.55	1,267
1964	7,102.05	6,230	5,155	2,302	6.58	350
1968	18,406.00	15,563	12,877	6,449	7.79	828
1969	4,902.00	4,102	3,394	1,753	8.12	216
1970	7,574.00	6,269	5,187	2,766	8.47	327
1971	2,670.00	2,185	1,808	996	8.83	113
1972	521.00	421	348	199	9.21	22
1974	10,965.53	8,630	7,141	4,373	10.02	436
1983	4,519.00	3,002	2,484	2,261	14.69	154
1990	2,094.65	1,118	925	1,274	19.67	65
2000	23,135.70	6,923	5,728	18,564	28.60	649
2005	16,560.23	2,821	2,334	15,054	33.51	449
2009	11,863.75	779	645	11,812	37.50	315
2010	800,700.53	31,528	26,088	814,648	38.50	21,160
	944,360.15	119,908	99,216	892,362		26,943
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						33.1 2.85

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-S2						
NET SALVAGE PERCENT.. 0						
1953	8,948.41	7,962	7,470	1,478	4.41	335
1987	4,390.75	2,397	2,249	2,142	18.16	118
1988	43.00	23	22	21	18.84	1
1999	630.65	193	181	450	27.75	16
2000	33,691.23	9,535	8,947	24,744	28.68	863
2002	3,408.30	803	753	2,655	30.58	87
	51,112.34	20,913	19,622	31,490		1,420
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						22.2 2.78

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
1991	27,994.24	27,994	27,994			
1997	21,468.44	18,616	21,468			
1998	109,336.08	92,467	109,336			
2010	41,621.67	8,741	35,416	6,206	5.53	1,122
2011	49,841.77	3,560	14,424	35,418	6.50	5,449
	250,262.20	151,378	208,638	41,624		6,571
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					6.3	2.63

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S1						
NET SALVAGE PERCENT.. +5						
1990	11,398.00	7,683	7,581	3,247	5.81	559
1991	28,564.96	18,711	18,463	8,674	6.21	1,397
1992	19,085.34	12,121	11,960	6,171	6.63	931
1993	8,116.45	4,989	4,923	2,788	7.06	395
1994	15,538.27	9,218	9,096	5,665	7.51	754
1995	22,975.80	13,118	12,944	8,883	7.98	1,113
1996	68,272.12	37,391	36,895	27,964	8.47	3,302
1997	29,294.63	15,334	15,131	12,699	8.98	1,414
1998	9,349.25	4,658	4,596	4,286	9.51	451
1999	39,033.74	18,411	18,167	18,915	10.07	1,878
2000	52,526.84	23,304	22,995	26,905	10.66	2,524
2002	2,798.00	1,073	1,059	1,599	11.93	134
2004	55,993.81	17,714	17,479	35,715	13.34	2,677
2005	45,525.94	12,759	12,590	30,660	14.10	2,174
2006	5,679.65	1,376	1,358	4,038	14.90	271
2007	25,726.76	5,206	5,137	19,303	15.74	1,226
2010	53,365.71	3,777	3,727	46,970	18.51	2,538
2011	92,166.97	2,189	2,160	85,399	19.50	4,379
	585,412.24	209,032	206,261	349,881		28,117

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.4 4.80

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-S1.5						
NET SALVAGE PERCENT.. 0						
1988	46,644.42	42,779	46,644			
1991	40,581.50	34,987	40,582			
1994	96,430.59	77,213	96,431			
1995	151,202.70	117,506	151,203			
1999	111,884.74	74,723	111,885			
2000	207,293.54	131,484	197,716	9,578	5.12	1,871
2001	172,357.96	103,046	154,953	17,405	5.63	3,091
2002	6,460.12	3,608	5,425	1,035	6.18	167
2010	122,217.71	13,008	19,561	102,657	12.51	8,206
2011	64,484.28	2,303	3,463	61,021	13.50	4,520
	1,019,557.56	600,657	827,863	191,695		17,855
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					10.7	1.75

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	245,638.37	201,423	175,139	70,499	4.50	15,666
1992	335,120.42	261,394	227,284	107,836	5.50	19,607
1993	201,687.03	149,248	129,772	71,915	6.50	11,064
1994	107,642.84	75,350	65,518	42,125	7.50	5,617
1995	22,071.60	14,567	12,666	9,406	8.50	1,107
1996	428,334.65	265,567	230,913	197,422	9.50	20,781
1997	61,102.73	35,440	30,815	30,288	10.50	2,885
1999	341,633.48	170,817	148,527	193,106	12.50	15,448
2000	466,222.69	214,462	186,477	279,746	13.50	20,722
2001	125,333.72	52,640	45,771	79,563	14.50	5,487
2002	28,810.98	10,948	9,519	19,292	15.50	1,245
2003	317,715.91	108,023	93,927	223,789	16.50	13,563
2004	165,137.39	49,541	43,076	122,061	17.50	6,975
2005	247,875.10	64,448	56,038	191,837	18.50	10,370
2006	90,928.58	20,004	17,394	73,535	19.50	3,771
2007	98,700.97	17,766	15,448	83,253	20.50	4,061
2008	31,925.95	4,470	3,887	28,039	21.50	1,304
2009	262,049.87	26,205	22,785	239,265	22.50	10,634
2010	340,141.82	20,409	17,746	322,396	23.50	13,719
2011	229,406.35	4,588	3,989	225,417	24.50	9,201
	4,147,480.45	1,767,310	1,536,691	2,610,789		193,227
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						13.5 4.66

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.1 POWER OPERATED EQUIPMENT - SMALL MACHINERY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 8-L2						
NET SALVAGE PERCENT.. 0						
1990	4,790.26	4,647	4,790			
1991	11,696.52	11,097	11,697			
1994	13,963.38	12,305	13,963			
2003	62,487.00	39,132	62,487			
2010	12,727.88	2,307	12,728			
	105,665.04	69,488	105,665			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-L3						
NET SALVAGE PERCENT.. +5						
1985	3,174.15	2,494	2,349	666	2.94	227
1987	24,017.44	18,186	17,129	5,688	3.45	1,649
1988	3,704.44	2,751	2,591	928	3.71	250
1992	12,695.67	8,755	8,247	3,814	4.66	818
1997	4,363.43	2,775	2,614	1,531	5.62	272
2011	129,826.67	3,627	3,416	119,919	16.50	7,268
	177,781.80	38,588	36,346	132,547		10,484
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					12.6	5.90

LOUISVILLE GAS AND ELECTRIC COMPANY
GAS PLANT

ACCOUNT 396.3 POWER OPERATED EQUIPMENT - LARGE MACHINERY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-L1.5						
NET SALVAGE PERCENT.. 0						
1990	11,971.02	9,148	11,971			
1991	150,676.48	112,506	150,676			
1993	42,766.74	30,329	42,767			
1996	40,358.93	26,132	40,359			
1997	116,644.89	73,000	116,645			
1998	75,615.53	45,685	75,616			
1999	195,027.72	113,442	195,028			
2000	19,654.58	10,990	19,655			
2001	58,876.64	31,548	58,877			
2003	534,297.10	258,242	534,297			
2005	599,276.14	248,202	599,276			
2009	37,337.36	7,094	17,305	20,032	9.72	2,061
2010	15,888.54	1,867	4,554	11,335	10.59	1,070
2011	282,695.29	11,308	27,586	255,109	11.52	22,145
	2,181,086.96	979,493	1,894,612	286,475		25,276
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						11.3 1.16

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COMMON PLANT

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 303 COMPUTER SOFTWARE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	1,059,136.76	953,223	1,059,137			
2008	2,183,504.40	1,528,453	2,130,877	52,627	1.50	35,085
2009	3,835,434.63	1,917,717	2,673,566	1,161,869	2.50	464,748
2010	4,397,771.74	1,319,332	1,839,333	2,558,439	3.50	730,983
2011	7,223,816.51	722,382	1,007,102	6,216,715	4.50	1,381,492
	18,699,664.04	6,441,107	8,710,015	9,989,649		2,612,308
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.8 13.97

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 303.1 CCS SOFTWARE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 6-2019						
NET SALVAGE PERCENT.. 0						
2009	40,427,359.16	10,106,840	10,974,565	29,452,794	7.50	3,927,039
2010	1,068,878.91	178,150	193,445	875,434	7.50	116,725
2011	2,852,362.69	178,273	193,579	2,658,784	7.50	354,505
	44,348,600.76	10,463,263	11,361,589	32,987,012		4,398,269
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						7.5 9.92

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.1 STRUCTURES AND IMPROVEMENTS - GENERAL OFFICE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -10						
1983	279,965.00	192,433	166,626	141,336	13.13	10,764
1984	7,259,646.01	4,855,251	4,204,120	3,781,491	13.72	275,619
1985	1,795,188.95	1,166,203	1,009,805	964,903	14.33	67,334
1986	706,298.59	444,846	385,188	391,740	14.96	26,186
1987	290,812.14	177,314	153,535	166,358	15.60	10,664
1988	27,664.00	16,302	14,116	16,314	16.25	1,004
1990	290,748.00	158,997	137,674	182,149	17.60	10,349
1991	869,020.88	456,386	395,181	560,742	18.29	30,658
1992	210,513.48	105,858	91,662	139,903	19.00	7,363
1993	124,933.00	59,996	51,950	85,476	19.72	4,334
1994	10,913,496.34	4,987,173	4,318,349	7,686,497	20.46	375,684
1995	14,133,487.91	6,129,962	5,307,880	10,238,957	21.20	482,970
1996	136,139.16	55,794	48,312	101,441	21.96	4,619
1997	259,341.37	100,009	86,597	198,679	22.73	8,741
1998	632,696.43	228,479	197,838	498,128	23.51	21,188
1999	2,184,811.47	734,711	636,180	1,767,113	24.30	72,721
2000	546,830.21	169,970	147,175	454,338	25.11	18,094
2001	211,748.20	60,427	52,323	180,600	25.92	6,968
2002	1,067,192.37	277,043	239,889	934,023	26.74	34,930
2003	790,476.92	184,591	159,836	709,689	27.57	25,741
2004	1,141,902.34	236,145	204,476	1,051,617	28.42	37,003
2005	2,201,137.85	396,383	343,224	2,078,028	29.27	70,995
2006	667,666.61	102,189	88,485	645,948	30.13	21,439
2007	934,072.66	117,718	101,931	925,549	30.99	29,866
2008	4,520,496.15	444,695	385,057	4,587,489	31.87	143,944
2009	3,356,774.58	236,317	204,625	3,487,827	32.76	106,466
2010	1,674,774.26	71,056	61,527	1,780,725	33.65	52,919
2011	3,999,697.44	56,580	48,992	4,350,675	34.55	125,924
	61,227,532.32	22,222,828	19,242,553	48,107,733		2,084,487

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.1 3.40

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.2 STRUCTURES AND IMPROVEMENTS - TRANSPORTATION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R1.5						
NET SALVAGE PERCENT.. -5						
1988	276,054.58	163,674	48,419	241,438	13.06	18,487
1991	7,300.00	3,866	1,144	6,521	14.87	439
1995	6,351.19	2,781	823	5,846	17.49	334
1998	1,382.80	504	149	1,303	19.58	67
2000	69,090.53	21,691	6,416	66,129	21.03	3,145
2003	18,752.40	4,424	1,309	18,381	23.26	790
2004	33,219.07	6,941	2,053	32,827	24.03	1,366
	412,150.57	203,881	60,313	372,445		24,628
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 15.1						5.98

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -10						
1925	757,936.02	833,730	833,730			
1935	2,061.44	2,268	2,268			
1937	117.00	128	129			
1938	697.00	756	767			
1939	5,007.29	5,404	5,508			
1940	352.00	378	387			
1941	283.00	302	311			
1942	172.89	184	190			
1944	783.00	822	861			
1945	1,727.00	1,802	1,900			
1947	1,144.00	1,179	1,258			
1948	3,981.00	4,078	4,379			
1949	7,538.00	7,675	8,292			
1950	3,989.00	4,037	4,388			
1951	340.00	342	374			
1952	194.00	194	213			
1953	1,172.00	1,164	1,283	6	4.38	1
1956	1,076.12	1,047	1,154	30	5.21	6
1957	1,466.00	1,416	1,561	52	5.50	9
1958	81.00	78	86	3	5.80	1
1959	2,934.58	2,789	3,074	154	6.12	25
1960	166,900.54	157,234	173,304	10,287	6.46	1,592
1961	1,319.26	1,232	1,358	93	6.81	14
1962	183,886.45	170,000	187,374	14,901	7.18	2,075
1963	21,633.00	19,799	21,822	1,974	7.56	261
1964	104,320.27	94,429	104,080	10,672	7.97	1,339
1965	10,234.00	9,156	10,092	1,165	8.40	139
1966	224,375.00	198,272	218,536	28,276	8.85	3,195
1967	12,373.50	10,792	11,895	1,716	9.32	184
1968	46,966.79	40,401	44,530	7,133	9.81	727
1969	297.00	252	278	49	10.32	5
1970	101,963.00	85,117	93,816	18,343	10.85	1,691
1971	122,873.00	100,889	111,200	23,960	11.41	2,100
1972	55,877.52	45,102	49,712	11,753	11.98	981
1973	61,185.22	48,504	53,461	13,843	12.57	1,101
1974	63,488.54	49,367	54,412	15,425	13.19	1,169
1975	7,351.00	5,603	6,176	1,910	13.82	138
1976	30,092.64	22,465	24,761	8,341	14.46	577
1977	39,772.00	29,040	32,008	11,741	15.13	776
1978	185,542.65	132,392	145,923	58,174	15.81	3,680
1979	160,947.97	112,088	123,544	53,499	16.51	3,240

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.3 STRUCTURES AND IMPROVEMENTS - STORES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -10						
1980	39,169.92	26,599	29,317	13,770	17.22	800
1981	63,323.23	41,886	46,167	23,489	17.94	1,309
1982	228,144.31	146,783	161,784	89,175	18.68	4,774
1983	196,902.00	123,024	135,597	80,995	19.44	4,166
1984	30,209.28	18,313	20,185	13,045	20.20	646
1985	799.00	469	517	362	20.98	17
1986	4,776,345.00	2,712,209	2,989,401	2,264,578	21.77	104,023
1987	191,999.00	105,270	116,029	95,170	22.57	4,217
1988	553,316.23	292,419	322,305	286,343	23.38	12,247
1989	123,260.56	62,641	69,043	66,544	24.21	2,749
1991	4,550.00	2,125	2,342	2,663	25.89	103
1993	10,683.00	4,541	5,005	6,746	27.61	244
1994	2,090.00	843	929	1,370	28.49	48
1995	186,119.61	71,109	78,376	126,356	29.37	4,302
1996	16,037.20	5,774	6,364	11,277	30.27	373
1997	551,969.38	186,600	205,671	401,495	31.17	12,881
1998	90,261.13	28,506	31,419	67,868	32.08	2,116
1999	1,196,499.56	350,978	386,849	929,301	33.00	28,161
2001	30,771.17	7,627	8,407	25,441	34.86	730
2002	8,828.80	1,983	2,186	7,526	35.81	210
2006	23,335.76	3,063	3,376	22,293	39.63	563
2009	35,062.67	2,100	2,314	36,255	42.55	852
2010	119,202.74	4,284	4,722	126,401	43.53	2,904
	10,873,331.24	6,401,053	6,968,700	4,991,964		213,461

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.4 1.96

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.4 STRUCTURES AND IMPROVEMENTS - SHOPS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R0.5						
NET SALVAGE PERCENT.. -5						
1900	22,106.14	23,211	23,211			
1906	5,314.00	5,580	5,580			
1939	143.03	124	144	6	7.76	1
1961	294.00	193	224	85	16.87	5
1964	74,912.39	46,757	54,361	24,297	18.25	1,331
1967	1,625.03	960	1,116	590	19.67	30
1970	41,265.06	22,974	26,710	16,618	21.14	786
1972	731.63	390	453	315	22.14	14
1973	456.17	238	277	202	22.66	9
1976	582.29	282	328	283	24.22	12
1977	555.37	262	305	278	24.75	11
1980	39,903.71	17,346	20,167	21,732	26.37	824
1981	380.00	160	186	213	26.92	8
1984	11,854.67	4,539	5,277	7,170	28.59	251
1990	1,633.21	494	574	1,141	32.04	36
1992	1,262.14	347	403	922	33.21	28
2002	7,771.55	1,055	1,227	6,933	39.18	177
2003	126,855.39	15,451	17,964	115,234	39.78	2,897
2005	81,535.18	7,610	8,848	76,764	41.00	1,872
2007	14,388.56	933	1,085	14,023	42.22	332
2009	46,083.39	1,666	1,937	46,451	43.45	1,069
2011	57,039.17	413	480	59,411	44.69	1,329
	536,692.08	150,985	170,857	392,670		11,022

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.6 2.05

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 390.6 STRUCTURES AND IMPROVEMENTS - MICROWAVE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -5						
1958	3,595.10	3,288	3,414	361	5.80	62
1960	10,711.00	9,632	10,001	1,246	6.46	193
1961	3,163.00	2,819	2,927	394	6.81	58
1963	370.00	323	335	54	7.56	7
1965	3,836.00	3,276	3,401	627	8.40	75
1967	1,335.00	1,111	1,154	248	9.32	27
1970	10,814.00	8,617	8,947	2,408	10.85	222
1972	343.00	264	274	86	11.98	7
1973	0.06					
1985	1,012.66	568	590	473	20.98	23
1987	1,675.72	877	911	849	22.57	38
1990	506.10	236	245	286	25.04	11
1993	52,453.00	21,283	22,097	32,979	27.61	1,194
2000	533,507.00	137,805	143,079	417,103	33.93	12,293
2001	3,570.75	845	877	2,872	34.86	82
2002	68,104.00	14,604	15,163	56,346	35.81	1,573
2005	160,656.37	23,730	24,638	144,051	38.67	3,725
2008	50,133.90	4,012	4,166	48,475	41.57	1,166
2009	27,234.52	1,557	1,616	26,980	42.55	634
2011	145,795.12	1,667	1,731	151,354	44.51	3,400
	1,078,816.30	236,514	245,566	887,191		24,790

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 35.8 2.30

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - OFFICE FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	2,385,516.40	2,325,878	1,333,105	1,052,411	0.50	1,052,411
1993	453,067.33	419,087	240,205	212,862	1.50	141,908
1994	173,826.69	152,098	87,177	86,650	2.50	34,660
1995	989,539.25	816,370	467,912	521,627	3.50	149,036
1996	146,305.31	113,387	64,989	81,316	4.50	18,070
1997	97,474.13	70,669	40,505	56,969	5.50	10,358
1998	304,646.05	205,636	117,863	186,783	6.50	28,736
1999	603,515.98	377,197	216,195	387,321	7.50	51,643
2000	548,724.47	315,517	180,842	367,882	8.50	43,280
2001	277,006.49	145,428	83,354	193,652	9.50	20,384
2002	85,418.33	40,574	23,255	62,163	10.50	5,920
2003	366,817.44	155,897	89,354	277,463	11.50	24,127
2004	559,471.40	209,802	120,251	439,220	12.50	35,138
2005	253,803.99	82,486	47,278	206,526	13.50	15,298
2006	240,714.52	66,196	37,941	202,774	14.50	13,984
2007	359,226.26	80,826	46,326	312,900	15.50	20,187
2008	258,259.64	45,195	25,904	232,356	16.50	14,082
2009	142,112.23	17,764	10,182	131,930	17.50	7,539
2010	235,921.41	17,694	10,141	225,780	18.50	12,204
2011	51,096.98	1,277	732	50,365	19.50	2,583
	8,532,464.30	5,658,978	3,243,511	5,288,953		1,701,548

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 3.1 19.94

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - OFFICE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	396,046.57	396,047	396,047			
1993	121,707.53	121,708	121,708			
1994	75,504.16	75,504	75,504			
1995	382,922.34	382,922	382,922			
1996	76,928.07	76,928	76,928			
1997	21,169.83	20,464	4,382-	25,552	0.50	25,552
1998	14,809.35	13,328	2,854-	17,663	1.50	11,775
2000	3,439.17	2,637	565-	4,004	3.50	1,144
2002	135,769.88	85,987	18,412-	154,182	5.50	28,033
2003	91,975.60	52,120	11,160-	103,136	6.50	15,867
2004	212,876.52	106,438	22,791-	235,668	7.50	31,422
2005	98,246.54	42,573	9,116-	107,363	8.50	12,631
2006	45,462.27	16,670	3,569-	49,031	9.50	5,161
2007	205,216.62	61,565	13,183-	218,400	10.50	20,800
2008	158,110.43	36,892	7,899-	166,009	11.50	14,436
2010	43,735.11	4,374	937-	44,672	13.50	3,309
2011	2,659.54	89	19-	2,679	14.50	185
	2,086,579.53	1,496,246	958,222	1,128,358		170,315

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.6 8.16

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	2,394,193.84	2,154,774	2,394,194			
2008	1,450,115.72	1,015,081	1,450,116			
2009	1,027,626.04	513,813	1,027,626			
2010	3,322,476.54	996,743	3,322,477			
2011	5,457,690.48	545,769	3,351,399	2,106,291	4.50	468,065
	13,652,102.62	5,226,180	11,545,812	2,106,291		468,065
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					4.5	3.43

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.31 OFFICE FURNITURE AND EQUIPMENT - PERSONAL COMPUTERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 4-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	1,353,157.73	1,353,158	1,353,158			
2008	428,645.39	375,065	220,830	207,815	0.50	207,815
2009	229,231.79	143,270	84,354	144,878	1.50	96,585
2010	1,127,650.93	422,869	248,976	878,675	2.50	351,470
2011	671,635.09	83,954	49,430	622,205	3.50	177,773
	3,810,320.93	2,378,316	1,956,748	1,853,573		833,643
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 2.2						21.88

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.33 COMPUTER EQUIPMENT - ECR 2006

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2007	77,639.12	34,938	77,639			
	77,639.12	34,938	77,639			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 391.4 OFFICE FURNITURE AND EQUIPMENT - SECURITY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	54,882.50	54,882	54,882			
1993	130,711.09	130,711	130,711			
1994	55,322.34	55,322	55,322			
1995	370,575.75	370,576	370,576			
1997	35,607.47	35,607	35,607			
1998	48,025.08	48,025	48,025			
1999	25,153.66	25,154	25,154			
2000	168,980.34	168,980	168,980			
2001	219,595.77	219,596	219,596			
2002	703.98	669	168-	872	0.50	872
2003	269,946.27	229,454	57,695-	327,641	1.50	218,427
2004	66,352.33	49,764	12,513-	78,865	2.50	31,546
2005	149,840.62	97,396	24,489-	174,330	3.50	49,809
2006	47,206.91	25,964	6,528-	53,735	4.50	11,941
2007	239,496.27	107,773	27,099-	266,595	5.50	48,472
2008	97,170.99	34,010	8,552-	105,723	6.50	16,265
2010	151,728.76	22,759	5,723-	157,452	8.50	18,524
2011	110,523.31	5,526	1,389-	111,912	9.50	11,780
	2,241,823.44	1,682,168	964,697	1,277,126		407,636
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.1 18.18

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.1 TRANSPORTATION EQUIPMENT - CARS AND LIGHT TRUCKS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-L2.5						
NET SALVAGE PERCENT.. 0						
1995	18,895.24	17,249	18,895			
2009	47,749.65	16,167	24,768	22,982	4.63	4,964
2011	112,868.01	8,062	12,351	100,517	6.50	15,464
	179,512.90	41,478	56,014	123,499		20,428
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.0						11.38

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.2 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S1						
NET SALVAGE PERCENT.. +5						
1988	15,407.15	10,941	8,386	6,251	5.05	1,238
1992	26,624.46	16,909	12,960	12,333	6.63	1,860
1996	13,783.47	7,549	5,786	7,308	8.47	863
2010	28,059.22	1,986	1,522	25,134	18.51	1,358
	83,874.30	37,385	28,654	51,027		5,319
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						9.6 6.34

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 392.3 TRANSPORTATION EQUIPMENT - HEAVY TRUCKS AND OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-S1.5						
NET SALVAGE PERCENT.. 0						
1994	65,583.61	52,513	65,584			
	65,583.61	52,513	65,584			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1995	1,048,710.62	692,149	517,279	531,432	8.50	62,521
2009	25,140.50	2,514	1,879	23,262	22.50	1,034
2010	13,234.95	794	593	12,642	23.50	538
2011	48,778.02	976	730	48,048	24.50	1,961
	1,135,864.09	696,433	520,481	615,383		66,054
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.3						5.82

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1993	112,930.86	83,569	58,161	54,770	6.50	8,426
1994	44,164.49	30,915	21,516	22,648	7.50	3,020
1995	482,263.72	318,294	221,522	260,742	8.50	30,676
1996	26,178.38	16,231	11,296	14,882	9.50	1,567
1997	66,557.30	38,603	26,866	39,691	10.50	3,780
1998	88,199.73	47,628	33,147	55,053	11.50	4,787
1999	121,348.00	60,674	42,227	79,121	12.50	6,330
2000	315,891.49	145,310	101,131	214,760	13.50	15,908
2001	346,825.04	145,667	101,379	245,446	14.50	16,927
2002	260,877.56	99,133	68,993	191,885	15.50	12,380
2003	1,016,987.43	345,776	240,648	776,339	16.50	47,051
2004	159,776.78	47,933	33,360	126,417	17.50	7,224
2005	103,031.86	26,788	18,644	84,388	18.50	4,562
2006	127,724.69	28,099	19,556	108,169	19.50	5,547
2007	127,136.15	22,885	15,927	111,209	20.50	5,425
2008	3,454.86	484	337	3,118	21.50	145
2010	116,679.22	7,001	4,872	111,807	23.50	4,758
2011	99,481.76	1,990	1,385	98,097	24.50	4,004
	3,619,509.32	1,466,980	1,020,967	2,598,542		182,517
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						14.2 5.04

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 396.2 POWER OPERATED EQUIPMENT - OTHER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 17-L3						
NET SALVAGE PERCENT.. +10						
1988	14,147.08	9,954	9,287	3,445	3.71	929
	14,147.08	9,954	9,287	3,445		929
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.7 6.57

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 396.3 POWER OPERATED EQUIPMENT - LARGE MACHINERY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-L1.5						
NET SALVAGE PERCENT.. 0						
1987	98,792.55	80,269	98,793			
1988	30,196.78	24,057	30,197			
1991	63,523.57	47,431	63,524			
1994	8,357.04	5,759	8,357			
2010	34,961.12	4,108	6,832	28,129	10.59	2,656
	235,831.06	161,624	207,703	28,128		2,656
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					10.6	1.13

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.1 COMMUNICATION EQUIPMENT - GENERAL ASSETS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
1997	160,709.52	160,710	160,710			
1998	7,177.01	7,177	7,177			
1999	743,465.03	743,465	743,465			
2000	8,716,619.14	8,716,619	8,716,619			
2001	3,492,349.92	3,492,350	3,492,350			
2002	190,403.80	180,884	64,901	125,503	0.50	125,503
2003	4,391,016.95	3,732,364	1,339,159	3,051,858	1.50	2,034,572
2004	1,235,712.04	926,784	332,527	903,185	2.50	361,274
2005	132,353.03	86,029	30,867	101,486	3.50	28,996
2006	1,497,729.04	823,751	295,559	1,202,170	4.50	267,149
2007	534,977.29	240,740	86,377	448,600	5.50	81,564
2008	1,371,477.45	480,017	172,228	1,199,249	6.50	184,500
2009	653,851.53	163,463	58,650	595,202	7.50	79,360
2010	4,993,733.22	749,060	268,760	4,724,973	8.50	555,879
2011	882,024.81	44,101	15,823	866,202	9.50	91,179
	29,003,599.78	20,547,514	15,785,172	13,218,428		3,809,976
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						3.5 13.14

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.2 COMMUNICATION EQUIPMENT - SPECIFIC ASSETS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-S1						
NET SALVAGE PERCENT.. 0						
1966	6,297.22	5,992	4,603	1,694	1.21	1,400
1982	124,114.34	93,036	71,473	52,641	6.26	8,409
1983	51,080.37	37,513	28,819	22,261	6.64	3,353
1984	73,766.09	53,053	40,757	33,009	7.02	4,702
1985	9,470.20	6,663	5,119	4,351	7.41	587
1986	101,713.77	69,898	53,698	48,016	7.82	6,140
1987	401,504.53	269,169	206,783	194,722	8.24	23,631
1988	219,028.12	143,069	109,910	109,118	8.67	12,586
1989	29,759.72	18,915	14,531	15,229	9.11	1,672
1990	174,979.31	107,997	82,966	92,013	9.57	9,615
1991	148,544.33	88,889	68,287	80,257	10.04	7,994
1992	225,136.63	130,309	100,107	125,030	10.53	11,874
1993	73,172.71	40,889	31,412	41,761	11.03	3,786
1994	159,793.26	85,905	65,995	93,798	11.56	8,114
1995	241,475.19	124,601	95,722	145,753	12.10	12,046
1996	71,743.76	35,413	27,205	44,539	12.66	3,518
1997	95,154.71	44,723	34,357	60,798	13.25	4,589
1998	193,383.96	86,172	66,200	127,184	13.86	9,176
1999	37,362.88	15,692	12,055	25,308	14.50	1,745
2000	515,426.91	202,872	155,852	359,575	15.16	23,719
2001	170,047.16	62,169	47,760	122,287	15.86	7,710
2002	386,453.20	130,157	99,990	286,463	16.58	17,278
2003	67,972.19	20,854	16,021	51,951	17.33	2,998
2004	28,240.49	7,772	5,971	22,269	18.12	1,229
2005	20,890.05	5,072	3,896	16,994	18.93	898
2006	303,677.22	63,286	48,618	255,059	19.79	12,888
2007	53,128.36	9,202	7,069	46,059	20.67	2,228
2008	89,948.36	12,269	9,425	80,523	21.59	3,730
2009	222,286.59	21,873	16,803	205,484	22.54	9,116
2010	178,807.02	10,657	8,187	170,620	23.51	7,257
2011	581,014.42	11,620	8,927	572,087	24.50	23,350
	5,055,373.07	2,015,701	1,548,518	3,506,855		247,338

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.2 4.89

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.3 COMMUNICATION EQUIPMENT - FULLY ACCRUED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED						
NET SALVAGE PERCENT. . 0						
1949	7,443.69	7,444	7,444			
1955	25,964.53	25,965	25,965			
1956	122,175.52	122,176	122,176			
1957	1,371.93	1,372	1,372			
1958	9,929.91	9,930	9,930			
1959	43,921.12	43,921	43,921			
1960	1,949.60	1,950	1,950			
1961	10,554.05	10,554	10,554			
1962	18,099.94	18,100	18,100			
1963	10,992.59	10,993	10,993			
1964	62,824.89	62,825	62,825			
1965	46,919.30	46,919	46,919			
1966	73,030.49	73,030	73,030			
1967	44,718.11	44,718	44,718			
1968	22,069.10	22,069	22,069			
1969	14,534.35	14,534	14,534			
1970	41,261.34	41,261	41,261			
1971	89,151.84	89,152	89,152			
1972	59,249.21	59,249	59,249			
1973	31,170.95	31,171	31,171			
1974	43,861.10	43,861	43,861			
1975	47,577.13	47,577	47,577			
1976	72,343.33	72,343	72,343			
1977	127,665.67	127,666	127,666			
1978	7,958.39	7,958	7,958			
1979	28,565.70	28,566	28,566			
1980	349,941.52	349,942	349,942			
1981	30,039.39	30,039	30,039			
1982	17,311.43	17,311	17,311			
1983	100,610.80	100,611	100,611			
1984	27,310.70	27,311	27,311			
1985	7,267.96	7,268	7,268			
1986	78,897.03	78,897	78,897			
1987	531,131.07	531,131	531,131			
1988	384,876.60	384,877	384,877			
1989	85,450.12	85,450	85,450			
1990	30,805.61	30,806	30,806			
1991	371,860.84	371,861	371,861			
1992	803,847.98	803,848	803,848			
1993	353,874.29	353,874	353,874			
1994	1,163,878.22	1,163,878	1,163,878			

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.3 COMMUNICATION EQUIPMENT - FULLY ACCRUED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY ACCRUED						
NET SALVAGE PERCENT.. 0						
1995	3,035,928.68	3,035,929	3,035,929			
1996	220,873.61	220,874	220,874			
1997	650,788.37	650,788	650,788			
1998	35,059.58	35,060	35,060			
1999	1,304,600.60	1,304,601	1,304,601			
2000	162,323.05	162,323	162,323			
2002	208,404.88	208,405	208,405			
2003	83,549.00	83,549	83,549			
2005	25,405.38	25,405	25,405			
2006	13,487.47	13,487	13,487			
2008	223,885.59	223,886	223,886			
2009	11,503.52	11,504	11,502			
	11,378,217.07	11,378,219	11,378,217			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.4 COMMUNICATION EQUIPMENT - TRANSFER TO METER ACCOUNT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 28-R2						
NET SALVAGE PERCENT.. 0						
1995	1,300,212.11	623,634	789,030	511,182	14.57	35,085
1997	501,344.02	214,861	271,845	229,499	16.00	14,344
2001	263,477.58	84,218	106,554	156,924	19.05	8,237
2004	65,478.43	15,247	19,291	46,187	21.48	2,150
2006	112,802.51	19,499	24,670	88,133	23.16	3,805
	2,243,314.65	957,459	1,211,390	1,031,925		63,621
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 16.2						2.84

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 397.5 COMMUNICATION EQUIPMENT - TRANSFER TO STRUCTURES ACCOUNT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. 0						
2001	77,122.64	20,008	23,137	53,986	25.92	2,083
	77,122.64	20,008	23,137	53,986		2,083
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..					25.9	2.70

LOUISVILLE GAS AND ELECTRIC COMPANY
COMMON PLANT

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2011

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2010	4,609.58	691	4,610			
2011	17,206.03	860	17,206			
	21,815.61	1,551	21,816			
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT ..						0.0 0.00

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
DANIEL K. ARBOUGH
TREASURER
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Daniel K. Arbough. I am the Treasurer for Louisville Gas and Electric
3 Company (“LG&E” or the “Company”) and an employee of LG&E and KU Services
4 Company, which provides services to LG&E and Kentucky Utilities Company
5 (“KU”). My business address is 220 West Main Street, Louisville, Kentucky. A
6 statement of my education and work experience is attached to this testimony as
7 Appendix A.

8 **Q. Have you previously testified before the Commission?**

9 A. Yes. I testified in LG&E’s and KU’s last base rate cases.¹ Since 2000, I have also
10 attested to the factual representations in each of LG&E’s financing applications filed
11 with the Kentucky Public Service Commission (“Commission”) and have appeared
12 before Commission Staff on behalf of the Company on a regular basis.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to discuss LG&E’s cost of debt, current and target
15 capital structures, and the effects of PPL Corporation’s acquisition of LG&E on the
16 Company’s finances. I am also sponsoring Reference Schedule 1.14 of Blake Exhibit
17 1, which describes pro-forma adjustments related to pension, post-retirement, and
18 post-employment benefit expenses; Reference Schedule 1.19 of Blake Exhibit 1,
19 which describes pro-forma adjustments related to insurance costs of the Company;
20 Reference Schedule 1.24 of Blake Exhibit 1, which relates to regulatory asset

¹ Case No. 2009-00549, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*; Case No. 2008-00252, *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*.

1 treatment for the costs associated with the termination of an interest rate swap; and
2 several industry articles and assessments relevant to the topics I discuss.

3 **Capital Structure**

4 **Q. Please explain the capital structure of LG&E.**

5 A. As I testified in Case No. 2009-00549, LG&E is firmly committed to maintaining the
6 financial strength of the Company. The Company has a target capital structure of the
7 midpoint of the range for “A” rated utilities published by Standard and Poor’s
8 (“S&P”), an independent credit rating agency.

9 **Q. What is the current target capital structure?**

10 A. LG&E’s current capital structure is established in accordance with the independent
11 criteria set forth by S&P, to achieve a rating in the “A” range. S&P first adopted a
12 business risk/financial risk matrix structure in 2007. S&P’s current methodology for
13 assessing investor-owned utilities is found in an article entitled “*Key Credit Factors:*
14 *Business and Financial Risks in the Investor-Owned Utilities Industry*,” dated
15 November 26, 2008, and reissued March 11, 2010, and attached as Arbough Exhibit
16 1. Table 1 from that article shows the relationship of S&P’s assessments of the
17 business and the financial risks for purposes of determining the credit rating of an
18 investor-owned utility. S&P updated Table 1 in a May 27, 2009 article entitled
19 “*Criteria Methodology: Business Risk/Financial Matrix Expanded*” which is attached
20 as Arbough Exhibit 2. Collectively, these two publications represent S&P’s current
21 view on financial risk profile metrics for independently determining the credit ratings
22 of investor-owned utilities.

23 LG&E’s financial risk profile, according to S&P, fits the category between
24 “Significant” and “Highly Leveraged” known as the “Aggressive” category. In other

1 words, debt is a prominent form of capital in this financial risk profile. S&P
2 recommends a debt to total capital range of 50% to 60% to remain in this category.
3 LG&E's target capital structure is based on achieving a rating in the "A" range rather
4 than the current BBB. Table 1 in the same article shows LG&E must achieve the
5 "Intermediate" risk profile to achieve an A rating, and a "Significant" risk profile to
6 achieve an A- rating. To reach the Intermediate financial risk profile, LG&E must
7 maintain a maximum debt/capital ratio of 45% as measured by S&P, and a maximum
8 of 50% to achieve the "Significant" risk profile. Given S&P's assessment that the
9 Company meets the "Excellent" business risk profile, the Company targets a
10 debt/total capital ratio of 48% as measured by S&P.

11 Based on these criteria, the Company is targeting an adjusted equity to total
12 capital ratio (including imputed debt for purchased power, leases, post-retirement
13 benefit obligations, and other credit rating agency adjustments) of 52%, or the
14 equivalent of a 48% adjusted debt to total capital ratio. When the credit rating agency
15 debt adjustments set forth in S&P's November 1, 2011 report are included, the equity
16 ratio decreases to 50.7% as of March 31, 2012.

17 **Q. Why do the credit rating agencies adjust the debt balances when determining the**
18 **target capital structure?**

19 A. Because the credit rating agencies view certain obligations such as power purchase
20 agreements and post-retirement benefit obligations as fixed obligations equivalent to
21 debt, the Company makes corresponding adjustments when calculating the debt in the
22 target capital structure for this purpose. Two S&P articles further explain the
23 reasoning behind treating certain items as adjustments to the target capital structure.

1 First, “2008 Corporate Criteria: Ratios and Adjustments,” dated April 15, 2008, and
2 attached as Arbough Exhibit 3, discusses twenty-two adjustments S&P considers
3 when analyzing industrial companies. Second, “Standard & Poor’s Methodology for
4 *Imputing Debt for U.S. Utilities’ Power Purchase Agreements*,” dated May 7, 2007,
5 and attached as Arbough Exhibit 4, is specific to the utility industry and recognizes
6 that power purchase agreement fixed obligations “merit inclusion in a utility’s
7 financial metrics as though they are part of a utility’s permanent capital structure.”

8 S&P’s November 2011 review of LG&E, attached as Arbough Exhibit 5,
9 noted that it had imputed \$242.4 million in debt to LG&E for the year-end 2010
10 financial statements. This imputed debt included \$137.2 million for Postretirement
11 Benefit Obligations, \$83.2 million for “Debt—Other” (includes power purchases),
12 \$17.0 million for Operating Leases, and \$5.0 million for “Debt—Accrued Interest
13 Not Included In Reported Debt.” Disregarding the impact of imputed debt could
14 affect the Company’s debt rating, resulting in a ratings downgrade and an increase in
15 debt costs, and thereby limiting the Company’s future access to attractively priced
16 debt capital.

17 **Cost of Debt**

18 **Q. Has LG&E prepared an exhibit showing its capitalization as of March 31, 2012?**

19 A. Yes. Blake Exhibit 2 to the testimony of Kent Blake shows LG&E’s capitalization at
20 March 31, 2012, for electric and gas operations. Blake Exhibit 2 also shows the
21 calculation of LG&E’s adjusted capitalization for gas and electric operations as of
22 March 31, 2012, for ratemaking purposes as well as the weighted average cost of
23 capital to apply to the adjusted capitalization. Mr. Blake provides a fuller description
24 of Blake Exhibit 2 in his testimony.

1 **Q. Please explain how the cost of debt was calculated in Blake Exhibit 2.**

2 A. The cost of debt shown in Blake Exhibit 2 is a weighted-average cost of debt of
3 3.78% as of the end of March 2012. It includes all components of interest expense
4 for each bond, including the interest paid to the bondholders, amortization of bond
5 issuance costs and debt discounts, interest rate swaps, credit facility costs, and credit
6 enhancements that support each series, if applicable. The credit enhancement costs
7 include any ongoing bond insurance fees and letter of credit fees paid to banks.

8 **Q. How does LG&E's cost of debt compare to other utility companies?**

9 A. LG&E monitors its cost of debt relative to a peer group of other utility companies.
10 LG&E's 3.96% cost of debt (combined taxable and tax-exempt debt) is the third
11 lowest of any utility company in the peer group (with KU being one of the two
12 companies with a lower cost) for the twelve months ending March 2012, as
13 demonstrated by Arbough Exhibit 6.

14 **Q. How was LG&E's debt refinanced after the PPL Corporation acquisition?**

15 A. In connection with the PPL Corporation acquisition, LG&E sought the Commission's
16 approval in Case No. 2010-00205 to refinance \$485 million in debt it owed to a
17 former E.ON AG affiliate, Fidelity Corporation ("Fidelity"). Initially, LG&E replaced
18 the Fidelity loans with loans from PPL Investment Corporation. The new loans were
19 repaid on November 16, 2010, with the proceeds from the issuance of First Mortgage
20 Bonds.

21 **Q. Please describe the results of the refinancing transaction.**

22 A. LG&E issued a total of \$535 million in two series of First Mortgage Bonds in
23 accordance with the Commission's Order in Case No. 2010-00205. The first, Series

1 A, was for \$250 million and has a maturity date of November 15, 2015. The
2 Company was able to obtain an interest rate of 1.625% for Series A. Series B was
3 issued in the amount of \$285 million and has a maturity date of November 15, 2040.
4 The interest rate for Series B is 5.125%. The proceeds of the bond issuances were
5 used to repay existing unsecured promissory notes totaling \$485 million in principal,
6 plus accrued interest. The remaining proceeds of the issuances were used to fund
7 capital projects and for other purposes as described in the refinancing application.

8 The refinancing of the Fidelia loans with First Mortgage Bonds resulted in
9 very attractive interest rates that will benefit ratepayers for many years. The weighted
10 average interest rate on the new First Mortgage Bonds is 3.49% and the average
11 maturity of the bonds is slightly over 18 years, whereas the Fidelia loans had a
12 weighted average interest rate of approximately 5.50% and an average maturity of
13 almost ten years. There were no prepayment fees or penalties associated with the
14 refinancing because it was in conjunction with the PPL Corporation acquisition.

15 **Credit Ratings**

16 **Q. What are LG&E's current credit ratings?**

17 A. Arbough Exhibit 7 shows the current credit ratings for LG&E and demonstrates that
18 LG&E continues to retain strong credit ratings and is able to raise capital in the form
19 of debt at very reasonable costs, but continues to target a rating in the "A" range.

20 **Q. Has S&P issued any other rankings relevant to LG&E's credit rating?**

21 A. Yes. In an article entitled "*Assessing U.S. Utility Regulatory Environments*," dated
22 March 11, 2010, and attached as Arbough Exhibit 8, S&P ranked state regulatory
23 commissions based upon S&P's "assessment of regulatory risk." S&P cited
24 regulatory risk as "perhaps the most important factor in Standard & Poor's Ratings

1 Services' analysis of a U.S. regulated, investor-owned utility's business risk." The
2 Commission was listed as "credit supportive," placing it in the middle on a continuum
3 from "most credit supportive" to "least credit supportive." LG&E believes that the
4 Commission's balanced approach serves utility companies and ratepayers well and
5 allows Kentucky customers to receive some of the lowest cost electricity in the
6 United States.

7 Access to Capital

8 **Q. Does LG&E have sufficient access to capital?**

9 A. Yes. LG&E has authority from the Federal Energy Regulatory Commission to issue
10 up to \$500 million in short-term debt. LG&E maintains a \$400 million unused
11 revolving line of credit. LG&E also has a commercial paper program with
12 authorization to issue up to \$250 million in commercial paper. The revolving line of
13 credit serves as a backstop for any commercial paper issuances. LG&E presently does
14 not have any unexercised authority to issue long-term debt, but filed for such
15 authority and for authority to increase its revolving line of credit facility on June 6,
16 2012.²

17 **Q. Does the existing capital structure allow LG&E to compete for attractively
18 priced capital for future investments in facilities to serve customers?**

19 A. Yes. In my opinion, LG&E's capital structure is appropriate and should be used for
20 ratemaking purposes. The structure is well-balanced from the perspectives of the
21 customers, shareholders, and the market, and provides the necessary ability to attract
22 capital in public markets in the future at favorable pricing. This is particularly

² Case No. 2012-00233, *In the Matter of: The Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Securities and the Assumption of Obligations.*

1 important given the market volatility in recent years and LG&E's significant
2 upcoming capital expenditures. Maintaining strong investment grade ratings is even
3 more important than in the recent past, as the Company, following several years of
4 utilizing intercompany loans under E.ON AG's ownership, is once again accessing
5 the public capital markets and issuing securities in the form of debt.

6 **Pro Forma Adjustments**

7 **Q. Please describe the adjustment to operating expenses shown in Reference**
8 **Schedule 1.14 of Blake Exhibit 1.**

9 A. This adjustment is necessary to adjust the pension, post-retirement, and post-
10 employment benefit expenses for the test year to the 2012 annualized cost as
11 calculated in March 2012 by Mercer, the Company's actuarial consultant. Based on a
12 review of Mercer's calculation of expenses and subsequent earnings on plan
13 investments, the Company determined the net periodic expenses recorded in the test
14 year should be adjusted to reflect the going-forward level. LG&E proposed a similar
15 adjustment in Case No. 2008-00252, which was resolved by a settlement approved
16 by the Commission, while a similar adjustment was approved by the Commission in
17 Case Nos. 2009-00549 and 2003-00433.

18 **Q. Please describe the adjustment shown on Reference Schedule 1.19 of Blake**
19 **Exhibit 1 relating to Property Insurance costs.**

20 A. Since merging its property insurance program with PPL Corporation in April 2011,
21 the Company renews its policy on April 1 each year. The adjustment reflected on the
22 schedule shows the change in the insurance premium from the test year to the April 1,
23 2012, to March 31, 2013 period based on actual renewal rates. The property
24 insurance premium is determined by multiplying the premium rate times the

1 estimated replacement cost of the insured facilities. Insurance costs are higher after a
2 recent appraisal conducted by an independent third party increased the valuation of
3 LG&E's property. The adjustment shown in Reference Schedule 1.19 of Blake
4 Exhibit 1 allocates the increased premium proportionally between gas and electric
5 operating expenses.

6 **Q. Please describe the adjustment shown on Reference Schedule 1.24 of Blake**
7 **Exhibit 1 relating to an Interest Rate Swap.**

8 A. In LG&E's last rate case, the Commission approved the establishment of a regulatory
9 asset for \$9,303,396 due to a terminated interest rate swap. This regulatory asset was
10 to be amortized over 24.75 years (the term then-remaining for the related debt
11 agreements).

12 A total of \$624,650 of the regulatory asset will have been amortized during
13 the period from August 1, 2010, to December 31, 2012. The Company is now
14 proposing to amortize the remaining portion of the regulatory asset on a straight-line
15 basis. Straight-line amortization will result in consistent amortization that is straight-
16 forward, easy to understand, and will not have to be adjusted in future rate cases. The
17 adjustment shown in Reference Schedule 1.24 to Blake Exhibit 1 reflects the
18 proposed annual amortization of the regulatory asset, proportionally allocated to gas
19 and electric expenses.

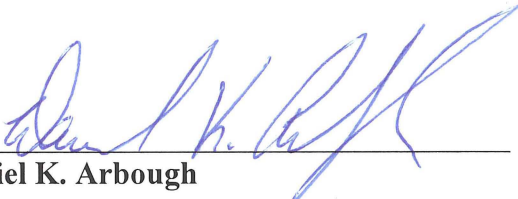
20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.


Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of June 2012.

 (SEAL)
Notary Public

My Commission Expires:
July 21, 2015

APPENDIX A

Daniel K. Arbough

Treasurer
LG&E and KU Services LLC
220 West Main Street
Louisville, Kentucky 40202
(502) 627-4956

Previous Positions

E.ON U.S. LLC

Director, Corporate Finance and Treasurer January 2001 – September 2007

LG&E Energy Corp.

Director, Corporate Finance May 1998 – January 2001
Manager, Corporate Finance August 1996 – May 1998

LG&E Power Inc.

Manager, Project Finance June 1994 - August 1996

Conoco Inc., Houston, Texas

Corporate Finance, Project Finance,
and Credit Management June 1988 - May 1994

Boise Cascade Office Products, Denver, Colorado

Inventory Management November 1983 - September 1987

Professional/Trade Memberships

National Association of Corporate Treasurers
Association for Financial Professionals

Education

Master of Business Administration – Finance - May 1988 – GPA 3.8
University of Denver

Bachelor of Science Business Administration – General Business
June 1983 – GPA 3.9 – Graduated Summa Cum Laude
Honors Program scholarship recipient
University of Denver

Civic Activities

Louisville and Jefferson County Metropolitan Sewer District – Board of Directors
Leadership Louisville – Bingham Fellows – Class of 2012
National Center for Family Literacy – Endowment Oversight Committee Member
Louisville Central Community Centers – Past President of Board of Directors

Arbough Exhibit 1

Standard and Poor's Report: Key Credit
Factors

Criteria | Corporates | Utilities:

Key Credit Factors: Business And Financial Risks In The Investor-Owned Utilities Industry

Primary Credit Analyst:

Todd A Shipman, CFA, New York (1) 212-438-7676; todd_shipman@standardandpoors.com

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Relationship Between Business And Financial Risks

Part 1--Business Risk Analysis

Part 2—Financial Risk Analysis

Criteria | Corporates | Utilities:

Key Credit Factors: Business And Financial Risks In The Investor-Owned Utilities Industry

(Editor's Note: Table 1 in this article is no longer current. It has been superseded by the table found in "Criteria Methodology: Business Risk/Financial Risk Matrix Expanded," published May 27, 2009, on RatingsDirect. For our latest comments on regulated utility subsidiaries, please see "Methodology: Differentiating The Issuer Credit Ratings Of A Regulated Utility Subsidiary And Its Parent," published March 11, 2010, on RatingsDirect.)

Standard & Poor's Ratings Services' analytic framework for companies in all sectors, including investor-owned utilities, is divided into two major segments: The first part is the fundamental business risk analysis. This step forms the basis and provides the industry and business contexts for the second segment of the analysis, an in-depth financial risk analysis of the company.

An integrated utility is often a part of a larger holding company structure that also owns other businesses, including unregulated power generation. This fact does not alter how we analyze the regulated utility, but it may affect the ultimate rating outcome because of any higher risk credit drag that the unregulated activities may have on the utility. Such considerations include the freedom and practice of management with respect to shifting cash resources among subsidiaries and the presence of ring-fencing mechanisms that may protect the utility.

Relationship Between Business And Financial Risks

Prior to discussing the specific risk factors we analyze within our framework, it is important to understand how we view the relationship between business and financial risks. Table 1 displays this relationship and its implications for a company's rating.

Table 1

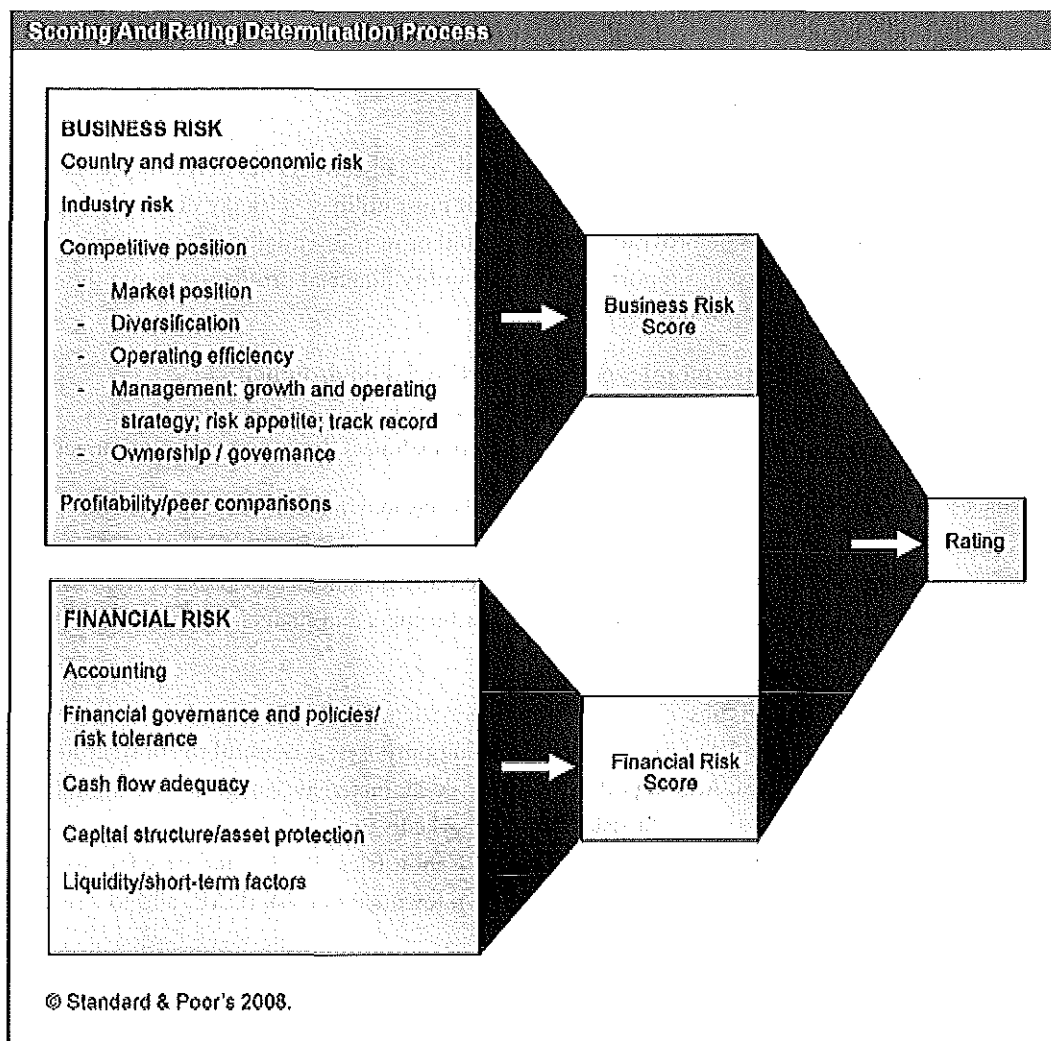
Business And Financial Risk Profile Matrix							
		Financial Risk Profile					
		Minimal	Modest	Intermediate	Aggressive	Highly leveraged	
Business Risk Profile	Excellent	(AAA/AA)	(AAA)	(A)	(BBB)	(BB)	(B)
	Strong	(A)	AA	A	A-	BBB-	BB-
	Satisfactory	(BBB)	A	BBB+	BBB	BB+	B+
	Weak	(BB)	BBB	BBB-	BB+	BB-	B
	Vulnerable	(B)	BB	B+	B+	B	B-

These rating outcomes are shown for guidance purposes only. Other qualitative and quantitative rating factors may override these measures.

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Chart 1 summarizes the ratings process.

Chart 1



Part 1--Business Risk Analysis

Business risk is analyzed in four categories: country risk, industry risk, competitive position, and profitability. We determine a score for the overall business risk based on the scale shown in table 2.

Table 2

Business Risk Measures	
Description	Rating equivalent
Excellent	AAA/AA
Strong	A
Satisfactory	BBB
Weak	BB
Vulnerable	B/CCC

Analysis of business risk factors is supported by factual data, including statistics, but ultimately involves a fair amount of subjective judgment. Understanding business risk provides a context in which to judge financial risk, which covers analysis of cash flow generation, capitalization, and liquidity. In all cases, the analysis uses historical experience to make estimates of future performance and risk.

In the U.S., regulated utilities and holding companies that are utility-focused virtually always fall in the upper range (Excellent or Strong) of business risk profiles. The defining characteristics of most utilities--a legally defined service territory generally free of significant competition, the provision of an essential or near-essential service, and the presence of regulators that have an abiding interest in supporting a healthy utility financial profile--underpin the business risk profiles of the electric, gas, and water utilities.

1. Country risk and macroeconomic factors (economic, political, and social environments)

Country risk plays a critical role in determining all ratings on companies in a given national domicile.

Sovereign-related stress can have an overwhelming effect on company creditworthiness, both directly and indirectly.

Sovereign credit ratings suggest the general risk local entities face, but the ratings may not fully capture the risk applicable to the private sector. As a result, when rating a corporation, we look beyond the sovereign rating to evaluate the specific economic or country risks that may affect the entity's creditworthiness. Such risks pertain to the effect of government policies and other country risk factors on the obligor's business and financial environments, and an entity's ability to insulate itself from these risks.

2. Industry business and credit risk characteristics

In establishing a view of the degree of credit risk in a given industry for rating purposes, it is useful to consider how its risk profile compares to that of other industries. Although the industry risk characteristic categories are broadly similar across industries, the effect of these factors on credit risk can vary markedly among industries. Chart 2 illustrates how the effects of these credit-risk factors vary among some major industries. The key industry factors are scored as follows: High risk (H), medium/high risk (M/H), medium risk (M), low/medium risk (L/M), and low risk (L).

Chart 2

	Utilities regulated	Competitive power	Oil & gas downstream	Autos	Airlines
Industry dynamics and competitive environment					
Industry cyclicality	M	H	H	H	H
Ease of entry	L	M/H	H	M/H	M/H
Product cycle/obsolescence	L	L	L	H	L
Level of product quality	L	L	M	H	M
Disintermediation/substitution	L	L	L	L/M	L
Competition/commoditization	L/M	H	M	H	H
Pricing inflexibility	M	H	M	H	H
Business model stability	M	M/H	L	L/M	M
Demographic trends	L	L	M	H	L
Growth and profitability					
Growth outlook	L	M	L	M/H	L/M
Profit margin pressure/outlook	M	M/H	M	M/H	H
Earnings volatility	M	M/H	H	H	H
Operating considerations and costs					
Technological risk/change	L	L	L/M	L/M	L/M
Cost efficiency/pressures	M	H	M	H	H
Operating leverage	M/H	H	H	H	H
R&D costs	L	L	L	H	L
Energy cost sensitivity	H	H	H	H	H
Raw material cost sensitivity	H	H	H	H	L
Labor costs	M	M	M	H	H
Labor inflexibility/unrest	L	L	M	H	H
Pension costs/contingents	M	L	L/M	H	M/H
Environmental impact/costs	H	L	H	H	M/H
Marketing costs	L	L	M	H	L/M
Customer concentration	L	M	L	L	L
Supplier concentration	H	H	H	M	M
Risk management	M	H	M	M	M
Asset/plant quality and age/upkeep	M	H	H	M	M/H
Event risk sensitivity	M/H	H	H	M/H	H
Financial market volatility/sensitivity	M	M/H	L	M	M
Fashion/fad/design sensitivity	L	L	L	H	L/M
Capital and financing characteristics					
Capital intensity	H	H	H	H	H
Borrowing requirement	H	H	L/M	H	H
Interest rate sensitivity	L/M	L/M	L/M	H	L/M
Government, regulatory, and legal environments					
Regulation/deregulation	H	H	M	M/H	H
Government microeconomic and social policies	H	H	H	H	M/H
Litigiousness/legal risk	L	H	M	M	M

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Industry strengths:

- Material barriers to entry because of government-granted franchises, despite deregulatory trends;
- Strategically important to national and regional economies; key pillar of the consumer and commercial economy;
- Improving management focus industry-wide on operating efficiency in recent years; and
- Cross-border growth opportunities in Europe and industrializing emerging markets.

Industry challenges/risks:

- Maturity, with a weak growth outlook in developed countries;
- Highly politicized and burdensome regulatory (i.e., rate setting and investment recovery) process; and
- Risks of "legacy cost drag" as wholesale and retail markets move toward greater deregulation.

Major global risk issues facing the utilities industry:

- Increased volatility in the regulatory environment and competitive landscape leading to greater uncertainty regarding adequacy of pricing and return on capital;
- Longer-term impact of, and ability to absorb, significant secular upturn in fuel costs, which is the industry's major operating expense;
- Ability to recover massive investment costs that will likely be necessary to replace aging industry infrastructure in a harsher cost and regulatory environment; and
- The debate over global warming will continue far beyond 2008. What the ultimate outcome will be is unclear, but growing legislation addressing carbon emissions and other greenhouse gases is probable in the near future. Utilities' ability to recover environmentally mandated costs in authorized rates and consumers' willingness to pay them could impact the industry's future credit strength.

Industry business model and risk profile in transition

Regulated utilities are in many developed countries transitioning away from quasi-monopolies toward more open competitive environments.

The level of business and credit risk associated with the investor-owned regulated utilities has historically proven in most countries to be lower (risk) than for many other industries. This has been because of the existence of government policy and related regulation that created significant barriers to entry limiting competition, and regulatory rate setting designed to provide an opportunity to achieve a specific level of profitability. The credit quality of most vertically integrated utilities in developed countries has historically been, and remains, solidly investment grade. This, to reiterate, is primarily a function of the existence of protective regulation.

The risks of, and rationale for, deregulation

The traditional protected and privileged utilities industry business model with its marked monopolistic characteristics is in many countries undergoing transition to a more competitive and open framework. This transition process, known as deregulation or liberalization, is weakening the business and credit risk profile of the industry. While the impact of these changes may prove positive in the longer term for more efficient industry players, it is important to bear in mind that economic history is littered with the vestiges of industries and enterprises that once flourished under the protection of government-created barriers and other protections. The shift is being driven by introduction in many countries of policies to encourage the entrance of new competitors and to reduce the traditional regulatory protections and privileges enjoyed by incumbents. Historically, the regulated investor-owned utilities were usually granted exclusive franchises. Because of the significant risks associated with the capital-intensive nature of the utility investment, including massive sunk/fixed costs and long-term break-even horizons, governments in many countries created legal and regulatory frameworks that granted exclusivity to one operator in a given geographic area. To offset the monopolistic pricing power this exclusivity created, a system of heavy regulation was typically developed, which included the setting of pricing. The model often set pricing on a "cost-plus-basis", i.e., the margin over cost allowing for a perceived fair return to shareholders of investor-owned utilities. One major weakness of this system is that it created little incentive for utilities to efficiently manage costs. In recent years as many governments have adopted more liberal open market economic philosophies and related

policies focused on the creation of greater competition—in an effort to foster improved economic growth and pricing efficiency throughout the economy—the traditional utility models in many countries have come under increasing political scrutiny and pressure.

A major public policy and political risk, as well as a credit risk, associated with deregulation of protected industries, is that existing incumbents often experience significant challenges in readjusting their management strategies, cultures, and expense basis to be able to compete effectively in the new environment.

The turmoil and bankruptcies in the U.S. in the nonregulated power marketing and trading arena between 2000 and 2002 arose subsequent to a major government initiative to deregulate the wholesale market. These failures, as well as other high-profile problems arising from deregulation elsewhere in the world, have given governments pause as to the desirability of a headlong rush into deregulation. In the U.S., for example, there is currently little impetus to carry deregulation any further.

Regulation and deregulation in the U.S.

While considerable attention has been focused on companies in states that deregulated in the late 1990s and the early part of this decade, and the related consequences of disaggregation and nonregulated generation, 27 states (plus four that formally reversed, suspended, or delayed restructuring) have retained the traditional regulated model. For utilities operating in those states, the quality of regulation and management loom considerably larger than markets, operations, and competitiveness in shaping overall financial performance. Policies and practices among state and federal regulatory bodies will be key credit determinants. Likewise, the quality of management, defined by its posture towards creditworthiness, strategic decisions, execution and consistency, and its ability to sustain a good working relationship with regulators, will be key. Importantly, however, it is virtually impossible to completely segregate each of these characteristics from the others; to some extent they are all interrelated.

Fragmentation of original model emerges in the U.S.

- Traditional regulated, vertically integrated utilities (generation, transmission, and distribution);
- Transmission and distribution;
- Diversified;
- Transmission; and
- Merchant generation.

We view a company that owns regulated generation, transmission, and distribution operations as positioned between companies with relatively low-risk transmission and distribution operations and companies with higher-risk diversified activities on the business profile spectrum. What typically distinguishes one vertically integrated utility's business profile score from another is the quality of regulation and management, which are the two leading drivers of credit quality.

Deregulation in the U.S. creates a new volatile industry subsector

The birth of large-scale, nonregulated power generators created the opportunity--and the need--for companies to market and broker power. Power marketers, independent power producers, and unregulated subsidiaries of utility companies offer power-supply alternatives to other utilities in the wholesale market as well as to large industrial customers. Power marketing operations have been formed by energy companies (many with experience in marketing natural gas), utility subsidiaries, and independents. As with the gas industry, electric power marketers expected to develop an efficient market by straddling the gulf between electricity generators and their customers, who have become "free agents" in the newly competitive environment.

Deregulation creates tiering of industry, business and credit risk profiles in Europe

The regional differences in market liberalization across Western Europe result in material variations in industry and business risk profiles for the utilities industry at the national level. The U.K. and Nordic markets, in particular, are substantially deregulated and open, and consequently present higher risks than other markets that are less open, including France and the Iberian market. Ratings therefore generally are lower in these more deregulated markets. The less-liberalized markets may face more regulatory risk going forward, particularly if efforts by the EU to advance the internal market by increasing the extent of market liberalization across the EU continue.

Legal action against companies that infringe on competition laws should be expected--particularly against those that move to prevent new entry and limit customer choice (for example, through the tying of markets and capacity hoarding) or collude with other incumbents to do so. The European Commission (EC) can fine companies that have violated antitrust laws up to 10% of their global annual turnover and, under certain conditions, impose structural remedies. Particular emphasis would be placed on increasing the effective unbundling of network and supply activities and on diminishing market concentration and barriers to entry.

The EC has publicly stated its intention to pursue, as a priority, abuses of the dominant position of vertically integrated companies (called vertical foreclosure). Behavioral remedies, such as energy release programs, are expected to be imposed by the EC for which such abuses, or collusion, are proved. The commission could also enforce structural measures when behavioral remedies are deemed insufficient.

3. Company competitive position and keys to competitive success

In analyzing a company's competitive position, we consider the following:

- Regulation;
- Markets;
- Diversification;
- Operations;
- Management, including growth strategy;
- Governance; and
- Profitability.

We are most concerned about how these elements contribute individually and in aggregate to the predictability and sustainability of financial performance, particularly cash flow generation relative to fixed obligations.

Regulation. Critical success factors include:

- Consistency and predictability of decisions;
- Support for recovery of fuel and investment costs;
- History of timely and consistent rate treatment, permitting satisfactory profit margins and timely return on investment; and
- Support for a reasonable cash return on investment.

Regulation is the most critical aspect that underlies regulated integrated utilities' creditworthiness. Regulatory decisions can profoundly affect financial performance. Our assessment of the regulatory environments in which a utility operates is guided by certain principles, most prominently consistency and predictability, as well as efficiency and timeliness. For a regulatory process to be considered supportive of credit quality, it must limit uncertainty in the recovery of a utility's investment. They must also eliminate, or at least greatly reduce, the issue of rate-case lag,

especially when a utility engages in a sizable capital expenditure program.

Our evaluation encompasses the administrative, judicial, and legislative processes involved in state and national government regulation, and includes the political environment in which commissions render decisions. Regulation is assessed in terms of its ability to satisfy the particular needs of individual utilities. Rate-setting actions are reviewed case by case with regard to the potential effect on credit quality.

Evaluation of regulation focuses on the ability of regulation to provide utilities with the opportunity to generate cash flow and earnings quality and stability adequate to:

- Meet investment needs;
- Service debt and maintain a satisfactory rating profile; and
- Generate a competitive rate of return to investors.

To achieve this, regulation must allow for:

- Timely recognition of volatile cost components such as fuel and satisfactory returns on invested capital and equity;
- Ability to enter into long-term arrangements at negotiated rates without having to seek regulatory approval for each contract; and
- Ability to recover costs in new investment over a reasonable time frame.

Because the bulk of a utility's operating expenses relate to fuel and purchased power, of primary importance to rating stability is the level of support that state regulators provide to utilities for fuel cost recovery, particularly as gas and coal costs have risen. Utilities that are operating under rate moratoriums, or without access to fuel and purchased-power adjustment clauses, or face significant regulatory lag, also are subject to reduced operating margins, increased cash flow volatility, and greater demand for working capital. Companies that are granted fuel true-ups may be required to spread recovery over many years to ease the pain for the consumer. In addition to fuel cost recovery filings, regulators will have to address significant rate increase requests related to new generating capacity additions, environmental modifications, and reliability upgrades. Current cash recovery and/or return by means of construction work in progress support what would otherwise sometimes be a significant cash flow drain and reduces the utility's need to issue debt during construction.

Markets/market position. Critical success factors include:

- A healthy and growing economy;
- Growth in population and residential and commercial customer base;
- An attractive business environment;
- An above-average residential base; and
- Limited bypass risk.

The importance of diversification and size. Critical success factors include:

- Regional and cross-border market diversification (mitigates economic, demographic, and political risk concentration);
- Industrial customer diversification;
- Fuel supplier diversification;

- Retail, compared with wholesale;
- Regulatory regime diversification; and
- Generating facility diversification.

Operations (operating strategy, capability, and performance efficiency). Critical success factors include:

- Low cost structure;
- Well-maintained assets;
- Solid plant performance;
- Adequate generating reserves, and compliance with environmental standards; and
- Limited environmental exposures.

Management evaluation. Utilities are complex specialized businesses requiring experienced and successful management teams to have a strong mix of the aforementioned disciplines. Critical elements of management success include:

- Commitment to credit quality;
- Operating efficiency and cost control;
- Maintaining a competitive asset base, i.e., power plant construction project management, and plant upkeep and renovation;
- Regulatory track record, process, and relationship management;
- M&A experience in successfully identifying, executing, and integrating acquisitions;
- Credibility and strong corporate governance;
- Conservative financial policies, especially regarding non-regulated activities; and
- Ability and track record in repositioning and transforming business to not just survive, but prosper in a more open market environment.

Management is assessed for its ability to run and expand the business efficiently, while mitigating inherent business and financial risks. The evaluation also focuses on the credibility of management's strategy and projections, its operating and financial track record, and its appetite for assuming business and financial risk.

The management assessment is based on tenure, turnover, industry experience, financial track record, corporate governance, a grasp of industry issues, and knowledge of regulation, the impact of deregulation, of customers, and their needs. Management's ability and willingness to develop workable strategies to address system needs, and to execute reasonable and effective long-term plans are assessed. Management quality is also indicated by thoughtful balancing of multiple priorities; a record of credibility; and effective communication with the public, regulatory bodies, and the financial community.

We also focus on management's ability to achieve cost-effective operations and commitment to maintaining credit quality. This can be assessed by evaluating accounting and financial practices, capitalization and common dividend objectives, and the company's philosophy regarding growth and risk-taking.

4. Profitability/peer comparison

Regulated. Traditionally, the lower levels of risk in utilities because of the highly regulated environment has resulted in lower profitability and return on capital than in many other industrial sectors. In the regulated marketplace the level and margin of profitability has often primarily been a function of regulatory leeway, with the contribution of operating efficiency and revenue growth taking more of a back seat.

Deregulated/liberalized environments. In deregulated markets, cost efficiency and flexibility, and internal growth, are the major profitability drivers. The development of a robust risk management culture and infrastructure are also keys to creating stability of earnings, because the company no longer has recourse to the regulator to cover costs or losses—a recourse that usually protects from downside earnings surprises in the regulated sector.

Whether generated by the regulated or deregulated side of the business, profitability is critical for utilities because of the need to fund investment-generating capacity, maintain access to external debt and equity capital, and make acquisitions. Profit potential and stability is a critical determinant of credit protection. A company that generates higher operating margins and returns on capital also has a greater ability to fund growth internally, attract capital externally, and withstand business adversity. Earnings power ultimately attests to the value of the company's assets, as well. In fact, a company's profit performance offers a litmus test of its fundamental health and competitive position. Accordingly, the conclusions about profitability should confirm the assessment of business risk, including the degree of advantage provided by the regulatory environment.

Part 2—Financial Risk Analysis

Having evaluated a company's competitive position, operating environment, and earnings quality, our analysis proceeds to several financial categories. Financial risk is portrayed largely through quantitative means, particularly by using financial ratios.

We analyze five risk categories: accounting characteristics; financial governance/policies and risk tolerance; cash flow adequacy; capital structure and leverage; and liquidity/short-term factors. We then determine a score for overall financial risk using the following scale:

Table 3

Financial Risk Measures	
Description	Rating equivalent
Minimal	AAA/AA
Modest	A
Intermediate	BBB
Aggressive	BB
Highly leveraged	B

The major goal of financial risk analysis is to determine the quality of cash resources from operations and other major sources available to service the debt and other financial liabilities, including any new debt. An integral part of this analysis is to form an understanding of the debt structure, including the mix of senior versus subordinated, fixed versus floating debt, as well as its maturity structure. It is also important to analyze and form an opinion of management's financial policy, accounting elections, and risk appetite. Using cash flow analysis as a building block, it is further necessary to establish the company's liquidity profile and flexibility. While closely interrelated, the analysis of a company's liquidity differs from that of its cash flow as it also incorporates the evaluation of other sources and uses of funds, such as committed undrawn bank facilities, as well as contingent liabilities (e.g., guarantees, triggers, regulatory issues, and legal settlements).

1. Accounting characteristics

Financial statements and related footnotes are the primary source of information about a company's financial condition and performance. The analysis begins with a review of accounting characteristics to determine whether

ratios and statistics derived from the statements adequately measure a company's performance and position relative to those of both its direct peer group and the universe of industrial companies. This assessment is important in providing a common frame of reference and in helping the analyst determine the quality of disclosure and the reliability of the reported numbers. We focus on the following areas:

- Analytical adjustments and areas of potential concern;
- Significant transactions and notable events that have accounting implications.
- Significant accounting and financial reporting policies and the underlying assumptions.
- History of nonoperating results and extraordinary charges or adjustments and underlying accounting treatment, disclosure, and explanation.

2. Financial governance/policies and risk tolerance

The robustness of management's financial and accounting strategies and related implementation processes is a key element in credit risk evaluation. We attach great importance to management's philosophies and policies involving financial risk.

Financial policies are also important because companies with more conservative balance sheets and the credit capacity to pursue the necessary investments or acquisitions gain an advantage. Overly aggressive capital structures can leave very little capacity to absorb unexpected negative developments and will certainly leave little capacity to make future strategic investments. Companies with the credit capacity to support strategic investments will be better positioned to both evolve with industry change and to withstand inevitable downturns.

Understanding management's strategy for raising its share price, including its financial performance objectives, e.g., return on equity, can provide invaluable insight about the financial and business risk appetite.

3. Cash flow adequacy

Cash-flow analysis is one of the most critical elements of all credit rating decisions. Although there usually is a strong relationship between cash flow and profitability, many transactions and accounting entries affect one and not the other. Analysis of cash-flow patterns can reveal a level of debt-servicing capability that is either stronger or weaker than might be apparent from earnings. Focusing on the source and quality/volatility of cash flow is also important (e.g., regulated/deregulated; generation/transmission/trading).

A review of cash flow historically, as well as needs on a forward-looking basis, should take into account levels of capital expenditures for new generation plants. In periods where elevated new construction occurs in anticipation of a rise in power demand, cash outflows will be high.

It is particularly important to evaluate capital-intensive businesses, such as utility companies, on the basis of how much cash they generate and absorb. Debt service is an especially important use of cash flow.

Cash-flow ratios. Ratios show the relationship of cash flow to debt and debt service, and also to the company's needs. Because there are calls on cash flow other than repaying debt, it is important to know the extent to which those requirements will allow cash to be used for debt service or, alternatively, lead to greater need for borrowing. The most important cash flow ratios we look at for the investor-owned utilities are:

- Funds from operations (FFO)/Total debt;
- FFO/Income;
- Funds from operations/Total debt (adjusted for off-balance-sheet liabilities);

- EBITDA/Interest; and
- Net cash flow/Capital spending requirements.

4. Capital structure and leverage

For utilities, the long-term nature of capital commitments and extended breakeven periods on investment, make the type of financing required by these companies to finance these needs to be similar in many ways to the financing needs of other long-term asset-intensive businesses. Our analysts review projections of future CAPEX, debt, and FFO levels to make a determination of the likely level of leverage and debt over the medium term, and the companies' ability to sustain them. The valuation of the debt amortization scheduled is tied into projections of profitability breakeven, and the underlying assets becoming cash-flow-positive, are key components of the combined cash flow and leverage analysis.

Capitalization ratios. When analyzing a utility's balance sheet, a key element is analysis of capitalization ratios. The main factors influencing the level of debt are the level of capital expenditures, particularly construction expenditures, and the cost of debt. Companies with strong balance sheets will have more flexibility to further reduce their debt, and/or increase their dividends. The following are useful indicators of leverage:

- Total debt*/total debt + equity; and
- Total debt* + off-balance-sheet liabilities/total debt + off-balance-sheet liabilities + equity.

*Power purchase agreement-adjusted total debt. Fully adjusted, historically demonstrated, and expected to consistently continue.

Debt leverage, and interest and amortization coverage ratios are the key drivers of the financial risk score.

5. Liquidity/working capital/short-term factors:

Our liquidity analysis starts with operating cash flow and cash on hand, and then looks forward at other actual and contingent sources and uses of funds in the short term that could either provide or drain cash under given circumstances.

A key source of liquidity is bank lines. Key factors reviewed are total amount of facilities; whether they are contractually committed; facility expiration date(s); current and expected usage and estimated availability; bank group quality; evidence of support/lack of support of bank group; and covenant and trigger analysis. Financial covenant analysis is critical for speculative-grade credits. We request copies of all bank loan agreements and bond terms and conditions for rated entities, and review supplemental information provided by issuers for listing of financial covenants and stipulated compliance levels. We review covenant compliance as indicated in compliance certificates, as well as expected future compliance and covenant headroom levels. Entities that have already tripped or are expected to trip financial covenants need to be subject to special scrutiny and are reviewed for their ability to obtain waivers or modifications need to be subject to special scrutiny and are reviewed for their ability to obtain waivers or modifications to covenants. Tripping covenants can have a double negative effect on a company's liquidity. It may preclude it from borrowing further under its credit line, and may also lead to a contractual acceleration of repayment and increased interest rates.

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Arbough Exhibit 2

Standard and Poor's Report: Criteria
Methodology: Business Risk/Financial Risk
Matrix Expanded

Criteria | Corporates | General:
**Criteria Methodology: Business
Risk/Financial Risk Matrix
Expanded**

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Criteria Methodology: Business Risk/Financial Risk Matrix Expanded

(Editor's Note: We are republishing this criteria following our periodic review completed on Dec. 8, 2010. In the original version of this article published on May 26, 2009, certain rating outcomes in the table 1 matrix were missated. A corrected version follows.

Table 1 supersedes tables 1, 2, and 3 in the following articles:

- "Business And Financial Risks In The Global Telecommunication, Cable, And Satellite Broadcast Industry," published Jan. 27, 2009;*
- "Business And Financial Risks In The U.S. For-Profit Health Care Facilities Industry," published Jan. 21, 2009;*
- "Business And Financial Risks In The Health Care Equipment And Supply Industry," published Feb. 6, 2009;*
- "Methodology And Assumptions On Risks In The Packaging Industry," published Dec. 4, 2008;*
- "Business And Financial Risks In The Investor-Owned Utilities Industry," published Nov. 26, 2008;*
- "Business And Financial Risks In The Global Building Products And Materials Industry," published Nov. 19, 2008;*
- "Business And Financial Risks In The Commodity And Specialty Chemical Industry," published Nov. 20, 2008;*
- "Business And Financial Risks In The Oil And Gas Exploration And Production Industry," published Nov. 10, 2008;*
- "Business And Financial Risks In The U.S. Trucking Industry," published Nov. 4, 2008;*
- "Business And Financial Risks In The U.S. Gaming Industry," published Sept. 25, 2008;*
- "Business And Financial Risks In The Retail Industry," published Sept. 18, 2008; and*
- "Business And Financial Risks In The Restaurant Industry," published Dec. 4, 2008.*

Table 1 also supersedes only table 1 in "Business And Financial Risks In The Global High Technology Industry," published Sept. 18, 2008.)

Standard & Poor's Ratings Services is refining its methodology for corporate ratings related to its business risk/financial risk matrix, which we published as part of "2008 Corporate Ratings Criteria" on April 15, 2008, on RatingsDirect at www.ratingsdirect.com and Standard & Poor's Web site at www.standardandpoors.com.

This article amends and supersedes the criteria as published in Corporate Ratings Criteria, page 21, and the articles listed in the "Related Articles" section at the end of this report.

This article is part of a broad series of measures announced last year to enhance our governance, analytics,

dissemination of information, and investor education initiatives. These initiatives are aimed at augmenting our independence, strengthening the rating process, and increasing our transparency to better serve the global markets.

We introduced the business risk/financial risk matrix four years ago. The relationships depicted in the matrix represent an essential element of our corporate analytical methodology.

We are now expanding the matrix, by adding one category to both business and financial risks (see table 1). As a result, the matrix allows for greater differentiation regarding companies rated lower than investment grade (i.e., 'BB' and below).

Table 1

Business And Financial Risk Profile Matrix						
Business Risk Profile	--Financial Risk Profile--					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly Leveraged
Excellent	AAA	AA	A	A-	BBB	--
Strong	AA	A	A-	BBB	BB	BB-
Satisfactory	A-	BBB+	BBB	BB+	BB-	B+
Fair	--	BBB-	BB+	BB	BB-	B
Weak	--	--	BB	BB-	B+	B-
Vulnerable	--	--	--	B+	B	CCC+

These rating outcomes are shown for guidance purposes only. Actual rating should be within one notch of indicated rating outcomes.

The rating outcomes refer to issuer credit ratings. The ratings indicated in each cell of the matrix are the midpoints of a range of likely rating possibilities. This range would ordinarily span one notch above and below the indicated rating.

Business Risk/Financial Risk Framework

Our corporate analytical methodology organizes the analytical process according to a common framework, and it divides the task into several categories so that all salient issues are considered. The first categories involve fundamental business analysis; the financial analysis categories follow.

Our ratings analysis starts with the assessment of the business and competitive profile of the company. Two companies with identical financial metrics can be rated very differently, to the extent that their business challenges and prospects differ. The categories underlying our business and financial risk assessments are:

Business risk

- Country risk
- Industry risk
- Competitive position
- Profitability/Peer group comparisons

Financial risk

- Accounting
- Financial governance and policies/risk tolerance
- Cash flow adequacy

- Capital structure/asset protection
- Liquidity/short-term factors

We do not have any predetermined weights for these categories. The significance of specific factors varies from situation to situation.

Updated Matrix

We developed the matrix to make explicit the rating outcomes that are typical for various business risk/financial risk combinations. It illustrates the relationship of business and financial risk profiles to the issuer credit rating.

We tend to weight business risk slightly more than financial risk when differentiating among investment-grade ratings. Conversely, we place slightly more weight on financial risk for speculative-grade issuers (see table 1, again). There also is a subtle compounding effect when both business risk and financial risk are aligned at extremes (i.e., excellent/minimal and vulnerable/highly leveraged.)

The new, more granular version of the matrix represents a refinement--not any change in rating criteria or standards--and, consequently, holds no implications for any changes to existing ratings. However, the expanded matrix should enhance the transparency of the analytical process.

Financial Benchmarks

Table 2

Financial Risk Indicative Ratios (Corporates)			
	FFO/Debt (%)	Debt/EBITDA (x)	Debt/Capital (%)
Minimal	greater than 60	less than 1.5	less than 25
Modest	45-60	1.5-2	25-35
Intermediate	30-45	2-3	35-45
Significant	20-30	3-4	45-50
Aggressive	12-20	4-5	50-60
Highly Leveraged	less than 12	greater than 5	greater than 60

How To Use The Matrix--And Its Limitations

The rating matrix indicative outcomes are what we typically observe--but are not meant to be precise indications or guarantees of future rating opinions. Positive and negative nuances in our analysis may lead to a notch higher or lower than the outcomes indicated in the various cells of the matrix.

In certain situations there may be specific, overarching risks that are outside the standard framework, e.g., a liquidity crisis, major litigation, or large acquisition. This often is the case regarding credits at the lowest end of the credit spectrum--i.e., the 'CCC' category and lower. These ratings, by definition, reflect some impending crisis or acute vulnerability, and the balanced approach that underlies the matrix framework just does not lend itself to such situations.

Similarly, some matrix cells are blank because the underlying combinations are highly unusual--and presumably

would involve complicated factors and analysis.

The following hypothetical example illustrates how the tables can be used to better understand our rating process (see tables 1 and 2).

We believe that Company ABC has a satisfactory business risk profile, typical of a low investment-grade industrial issuer. If we believed its financial risk were intermediate, the expected rating outcome should be within one notch of 'BBB'. ABC's ratios of cash flow to debt (35%) and debt leverage (total debt to EBITDA of 2.5x) are indeed characteristic of intermediate financial risk.

It might be possible for Company ABC to be upgraded to the 'A' category by, for example, reducing its debt burden to the point that financial risk is viewed as minimal. Funds from operations (FFO) to debt of more than 60% and debt to EBITDA of only 1.5x would, in most cases, indicate minimal.

Conversely, ABC may choose to become more financially aggressive--perhaps it decides to reward shareholders by borrowing to repurchase its stock. It is possible that the company may fall into the 'BB' category if we view its financial risk as significant. FFO to debt of 20% and debt to EBITDA 4x would, in our view, typify the significant financial risk category.

Still, it is essential to realize that the financial benchmarks are guidelines, neither gospel nor guarantees. They can vary in nonstandard cases: For example, if a company's financial measures exhibit very little volatility, benchmarks may be somewhat more relaxed.

Moreover, our assessment of financial risk is not as simplistic as looking at a few ratios. It encompasses:

- a view of accounting and disclosure practices;
- a view of corporate governance, financial policies, and risk tolerance;
- the degree of capital intensity, flexibility regarding capital expenditures and other cash needs, including acquisitions and shareholder distributions; and
- various aspects of liquidity--including the risk of refinancing near-term maturities.

The matrix addresses a company's standalone credit profile, and does not take account of external influences, which would pertain in the case of government-related entities or subsidiaries that in our view may benefit or suffer from affiliation with a stronger or weaker group. The matrix refers only to local-currency ratings, rather than foreign-currency ratings, which incorporate additional transfer and convertibility risks. Finally, the matrix does not apply to project finance or corporate securitizations.

Related Criteria And Research

Industrials' Business Risk/Financial Risk Matrix--A Fundamental Perspective On Corporate Ratings, April 7, 2005

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Arbough Exhibit 3

Standard and Poor's Report: 2008 Corporate
Criteria: Ratios & Adjustments

Criteria | Corporates | General:

2008 Corporate Criteria: Ratios And Adjustments

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Ratios And Adjustments

Incorporating Adjustments Into The Analytical Process

Encyclopedia Of Analytical Adjustments

2008 Corporate Criteria: Ratios And Adjustments

(Editor's Note: This criteria article, originally published on April 15, 2008, has been partially amended by "Methodology And Assumptions: Standard & Poor's Revises Key Ratios Used In Global Corporate Ratings Analysis," published Dec. 28, 2011.

This criteria article has been superseded by the following articles:

- *"Recognizing The Settlement Obligation For Foreign-Currency Hedges Of Debt Principal," published April 15, 2010;*
- *"Revised Methodology For Adjusting Amounts Reported By U.K. GAAP Water Companies For Infrastructure Renewals Accounting," Jan. 27, 2010;*
- *"Recognizing The Sustainable Cash Cost Of Inflation-Linked Debt For Corporates," Feb. 10, 2009;*
- *"Analytical Adjustments For Captive Finance Operations," June 27, 2008; and*
- *"Calculating Adjusted Debt And Interest For Corporate Issuers," June 2, 2008.*

This article supersedes "Standard & Poor's Encyclopedia Of Analytical Adjustments For Corporate Entities," published July 9, 2007, "Net Debt Adjustments Reflect Asset Quality, Strategic Intent," published Feb. 22, 2007, and "Corporate Ratings Criteria 2008," published April 15, 2008. The section "Encyclopedia Of Analytical Adjustments" supersedes the article titled, "Securitization's Effect On Corporate Credit Quality," published Nov. 28, 2005.)

Ratios And Adjustments

Key ratios and glossary of terms

Table 1

Key Ratios	
Ratio	Formula
Operating income before D&A to revenues	Operating income before D&A/revenues
EBIT interest coverage	EBIT/interest
EBITDA interest coverage	EBITDA/interest
FFO interest coverage	FFO plus interest paid minus operating lease adjustment to depreciation/interest*
Return on capital	EBIT/average beginning of year and end of year capital
FFO to debt	FFO/debt
FOCF to debt	FOCF/debt
Discretionary cash flow to debt	Discretionary cash flow/debt
Net cash flow to capital expenditures	Net cash flow/capital expenditures
Debt to EBITDA	Debt/EBITDA
Debt to debt plus equity	Debt/debt plus equity

Table 1

Key Ratios (cont.)

*The numerator reflects FFO before interest paid; the denominator reflects interest expense.

Table 2

Glossary Of Terms

Term	Definition
Capital	Debt plus noncurrent deferred taxes plus equity.
Capital expenditures	Funds expended to acquire or develop tangible and certain intangible assets. It includes the cost of acquisition of assets through leases and similar arrangements, and excludes capitalized costs that we expense as an analytical adjustment.
Cash flow from operations	This measure reflects cash flows from operating activities, not investment and financing activities. It includes interest received and paid, dividends received, and taxes paid in the period. Additionally, for some items such as postretirement benefit and asset retirement obligations, we include the (net) cost for the period rather than actual cash outflows, in order to separate what we view as financing of these obligations from the operating cost component.
Debt	Total short- and long-term borrowings of the company (including maturities), adjusted by adding a variety of on- and off-balance-sheet financing arrangements pursuant to our adjustment methodology, and subtracting surplus cash, where applicable. Borrowings are measured at amortized cost (including remeasurement upon change in ownership of the issuer). Foreign-currency unhedged borrowings are measured at each period-end spot rate.
Discretionary cash flow	Cash flow from operations minus capital expenditures minus dividends paid.
Dividends	Dividends paid to common and preferred shareholders and to minority interest shareholders of consolidated subsidiaries.
EBIT	A traditional view of profit that factors in capital intensity. However, it also includes interest income, the company's share of equity earnings of associates and joint ventures, and other recurring, nonoperating items.
EBITDA	Operating profits before interest income, interest expense, income taxes, D&A, and asset impairment. Excludes undistributed equity earnings of affiliates. While at times EBITDA is considered a proxy for cash earnings, changes in accounting make this increasingly an accrual-based earnings measure. The difference between EBITDA and operating income before D&A is in the adjustments we make for operating leases, exploration expense, and stock-based compensation. Exploration expense is added back to EBITDA, rather than being treated as an operating cost. The operating lease adjustment to EBITDA increases for the implicit interest component of rent expense, but not for the depreciation component. Finally, the charge to earnings for share-based compensation is reversed in calculating EBITDA.
Equity	Common equity and equity hybrids, and minority interest.
Equity hybrids	The portion of hybrid instruments attributed to equity pursuant to our methodology for classifying such securities.
FOCF	Cash flow from operations minus capital expenditures.
FFO	Operating profits from continuing operations, after tax, plus D&A, plus deferred income tax, plus other major recurring noncash items.
Interest	The gross amount of interest incurred (including amounts capitalized), adjusted for charges related to items that we add to debt; no subtraction of interest income, except where derived from assets structurally linked to a borrowing.
Net cash flow	FFO minus dividends.
Operating income before D&A	A measure of operating profitability that excludes D&A, to partially neutralize capital intensity as a factor when comparing the profitability of companies.
Revenues	Total sales and other revenues we consider to be operating.

Incorporating Adjustments Into The Analytical Process

Our analysis of financial statements begins with a review of accounting characteristics to determine whether ratios and statistics derived from the statements adequately measure a company's performance and position relative to both its direct peer group and the larger universe of industrial companies. To the extent possible, our analytical adjustments are made to better reflect reality and to minimize differences among companies.

Our approach to adjustments is meant to modify measures used in the analysis, rather than fully recast the entire set of financial statements. Further, it often may be preferable or more practical to adjust separate parts of the financial

statements in different ways. For example, while stock-options expense represents a cost of doing business that must be considered as part of our profitability analysis, fully recasting the cash implications associated with their grant on operating cash flows is neither practical nor feasible, given repurchases and complexities associated with tax laws driving the deduction timing. Similarly, the analyst may prefer to derive profitability measures from LIFO-based inventory accounting--while retaining FIFO-based measures when looking at the valuation of balance sheet assets.

Certain adjustments are routine, as they apply to many of our issuers for all periods (e.g., operating lease, securitizations, and pension-related adjustments). Other adjustments are made on a specific industry basis (e.g., adjustments made to reflect asset retirement obligations of regulated utilities and volumetric production payments of oil and gas producing companies).

Beyond that, we encourage use of nonstandard adjustments that promote the objectives outlined above. Individual situations require creative application of analytical techniques--including adjustments--to capture the specific fact pattern and its nuances. For example, retail dealer stock sometimes has the characteristics of manufacturer inventory--notwithstanding its legal sale to the dealer. Subtle differences or changes in the fact pattern (such as financing terms, level of inventory relative to sales, and seasonal variations) would influence the analytical perspective.

We recognize that the use of nonstandard adjustments involves an inherent risk of inconsistency. Also, some of our constituencies want to be able to easily replicate and even anticipate our analysis--and nonstandard adjustments may frustrate that ability. However, for us, the paramount consideration is producing the best possible quality analysis. Sometimes, one must accept the tradeoffs that may be involved in its pursuit.

In many instances, sensitivity analyses and range estimates are more informative than choosing a single number. Accordingly, our analysis at times is expressed in terms of numerical ranges, multiple scenarios, or tolerance levels. Such an approach is critical when evaluating highly discretionary or potentially varied outcomes, where using exact measurement is often impossible, impractical, or even imprudent (e.g., adjusting for a major litigation where there is an equal probability of an adverse or a favorable outcome).

Similarly, in some cases, the analyst must evaluate financial information on an adjusted and an unadjusted basis. For example, most hybrid equity securities fall in a grey area that is hard to appreciate merely by making numerical adjustments. So, while we do employ a standard adjustment that splits the amounts in two, we also prefer that our analysts look at measures that treat these instruments entirely as debt--and entirely as equity.

In any event, adjustments do not always neatly allow one to gain full appreciation of financial risks and rewards. For example, a company that elects to use operating leases for its core assets must be compared with peers that purchase the same assets (e.g., retail stores), and our lease adjustment helps in this respect. But we also recognize the flexibility associated with the leases in the event of potential downsizing, and would not treat the company identically with peers that exhibit identical numbers. Likewise, in a receivable securitization, while the sale of the receivables to the securitization vehicle generally shifts some of the risks, often the predominant share remains with the issuer. Beyond adjusting to incorporate the assets and related debt of the securitization vehicles, analysts must appreciate the funding flexibility and efficiencies related to these vehicles and the limited risk transference that may pertain.

Apart from their importance to the quantitative aspects of the financial analysis, qualitative conclusions regarding the company's financial data can also influence other aspects of the analysis--including the assessment of

management, financial policy, and internal controls.

Communicating our adjustments and related criteria

We traditionally have incorporated analytical adjustments to the ratings process. Our published key ratio statistics are also adjusted to reflect many of the adjustments made.

Since 2003, we have published accounting sections that outline our view of the issuer's accounting characteristics, including the underlying considerations and key adjustments made in our published industrial companies' issuer reports. The purpose is to capture in one place the major accounting issues that affect an issuer's financials, their related analytical significance, and the adjustments made; it is not intended to be a summary of every accounting policy.

We provide a reconciliation table in our credit analysis reports on corporate issuers (see "New Reconciliation Table Shows Standard & Poor's Adjustments To Company Reported Amounts," published Oct. 3, 2006, on RatingsDirect). It is a bridge between a company's reported amounts and various Standard & Poor's adjusted measures. The reconciliation table begins with company reported amounts for a range of balance sheet, earnings, and cash flow measures, then lists adjustments to each measure by topic and our total adjusted measure. Not all adjustments are included as of yet in these reconciliation tables. We are modifying our software to incorporate additional adjustments--but some adjustments may not be included, as they do not lend themselves to precision or standardization (e.g., litigation or other contingencies).

Occasionally, adjustments are based in whole or in part on nonpublic information provided to us during the rating process. Our rating analysis, evaluation, and commentary incorporate consideration of this information, but our published data refer exclusively to publicly available information.

Our criteria governing financial-statement adjustments are subject to ongoing review and occasional revisions necessary to address changes in accounting rules and in response to emerging financial products and structures--consistent with our broad objective of maintaining a dynamic criteria framework capable of addressing evolving market conditions in a timely and comprehensive manner.

When considering significant criteria changes (including ratio adjustments), we solicit public input and comments. In addition, we encourage ongoing dialogue with market participants regarding all criteria matters. We regard this dialogue as an important facet of maintaining a robust criteria framework, responsive to the needs of those who use our ratings and other market participants.

Encyclopedia Of Analytical Adjustments

The following sections outline the specific adjustments we use in analyzing industrial companies. At the end, we include our key ratios and their definitions. The list of adjustments, in alphabetical order, includes:

- Accrued Interest And Dividends
- Asset Retirement Obligations
- Capitalized Development Costs
- Capitalized Interest
- Captive Finance Operations
- Exploration Costs

- Foreign Currency Exchange Gains/Losses
- Guarantees
- Hybrid Instruments
- LIFO/FIFO: Inventory Accounting Methods
- Litigation
- Nonrecourse Debt Of Affiliates (Scope Of Consolidation)
- Nonrecurring Items/Noncore Activities
- Operating Leases
- Postretirement Employee Benefits/Deferred Compensation
- Power Purchase Agreements
- Share-Based Compensation Expense
- Stranded Costs Securitizations Of Regulated Utilities
- Surplus Cash
- Trade Receivables Securitizations
- Volumetric Production Payment
- Workers Compensation/Self Insurance

Accrued Interest And Dividends

Accrued interest that is not already included in reported debt is reclassified as debt. This adjustment allows more consistent comparisons of companies' financial obligations, by eliminating differences arising from the frequency of payments--for example, quarterly, rather than annually--or calendar dates of specific payments--for example, January 1 or December 31.

In a similar vein, accrued dividends on hybrid equity securities are treated as debt, irrespective of the extent of the securities' equity content. (Deferred amounts--whether the deferral was optional or mandatory--are also usually treated as debt, given the need to pay them in a relatively short time. Obviously, we would not include amounts that are noncumulative, which never will be paid.)

Adjustment procedures

- Balance sheet: Accrued interest and dividends accrued on hybrid securities are reclassified as debt. There is no adjustment needed to equity.
- Cash flow statement: Because the impact usually is quite limited, no adjustment is performed to FFO or operating cash flow. Annual cash flow is not affected by payment frequency or dates, except in the year a particular security is issued or retired.

Asset Retirement Obligations

We treat asset retirement obligations (AROs) as debt-like liabilities. AROs are legal commitments, assumed when commissioning or operating long-lived assets, to incur restoration and removal costs for disposing, dismantling or decommissioning those assets. Examples include the costs of plugging and dismantling on- and off-shore oil and gas facilities; decommissioning nuclear power plants and recycling or storing used nuclear fuel; and capping mining and waste-disposal sites.

These commitments are independent from the level and timing of any cash flow generated by the use of the assets. In certain instances, we expect ARO costs to be reimbursed to the entity through rates or assumed by other parties. When the asset operator's costs are reimbursed by the government or via a rate-setting process, the entity bears far

different and less open-ended economic risks--and may not require debt imputation. We have tended to view AROs related to nuclear power plants of rate-regulated U.S. utilities in this light.

Several characteristics distinguish AROs from conventional debt, including timing and measurement uncertainties; tax implications; and the standing of claimants in bankruptcy.

ARO measurement involves a high degree of subjectivity and measurement imprecision. Our starting point is the reported liability amount, which may be adjusted for anticipated reimbursements, asset salvage value, and tax reductions, further adjusted for any assumptions we view as unrealistic.

Most AROs involve obligations to incur costs that may extend well into the future. Uncertainties inherent in their estimation include:

- The amount of the ultimate cost of abandonment, which will depend on the relevant country's laws and asset-specific environmental regulations at retirement; the condition of the markets for the specific assets' retirement services; possible economies of scale for the operator; and whether the activities ultimately are performed by the operator or by a third party.
- The timing of asset retirement, which is subject to assumptions that can change materially. For example, in extractive projects, future price expectations for hydrocarbon or minerals affect the economic life of the assets. For power generators, asset-retirement timing depends notably on local regulatory decisions. Their impact might be favorable (i.e., in the case of an operating license extension) or unfavorable (i.e., in the case of an early mandated closure).
- The discount rate to be used in the present value calculation. U.S. GAAP requires the use of an entity-specific discount rate. Hence, the stronger the entity's credit, the lower the discount rate--and the higher the liability. Similarly, the periodic accretion rate is lower for stronger credits, and higher for weaker credits. If nothing else, this hinders comparability across companies using U.S. GAAP, as well as IFRS-reporting companies, which use market-related rates adjusted to risk-specific factors attributable to the liability.

ARO are recorded on a pretax basis under most accounting standards. Any expected tax benefits generally are reflected as a separate deferred tax asset on the balance sheet (because the ARO-related asset is depreciated). Tax savings, when they coincide with the ARO payments (as opposed to their provisioning), reduce the net cash cost, which we factor in our analysis to the extent we expect the company to generate taxable income in the particular jurisdiction.

- The obligation, net of any dedicated retirement-fund assets, salvage value, and anticipated tax savings, is added to debt. We generally adjust for the net aggregate funding position, even if some specific obligations are underfunded and others are overfunded.
- Adjustments are made on a tax-effected basis in cases where it is likely the company will be able to use the deductions.
- The accretion of the obligation reflects the time value of money and is akin to noncash interest--similar to postretirement benefit (PRB) interest charges. Accordingly, we reclassify it (net of earnings on any dedicated funds, if applicable--but never less than zero) as interest expense for both income-statement and cash-flow statement analysis. We keep the net present value of the obligations newly incurred during the period (analogous to PRB service costs) within operating expenses. If dedicated funding is in place and the related returns are not entirely reflected in reported earnings and cash flows, the unrecognized portion of the return on these assets is

added and the recognized portion is reclassified to interest expense and operating cash flow.

- Cash payments for abandonment and contributions into dedicated funds that exceed/are less than the sum of: newly incurred obligations plus accretion of existing obligations are reclassified as repayment/incurrence of a debt obligation; this increases/decreases operating cash flow and FFO by the difference.
- For U.S. rate-regulated utilities that own nuclear power plants included in rate base, we have concluded that the decommissioning liability should not be viewed as a debt-equivalent liability. This is because of the safeguards that ensure funding sufficiency and collection of decommissioning costs in rates. Funding through customer rates and the probable nature of recovery result in a substantive liability defeasance.

Adjustment procedures

Data requirements

- The estimated asset retirement obligation (ARO), based on financial statement disclosure or analyst estimate;
- Any associated assets or funds set aside for the ARO;
- ARO interest costs, whether charged to operating or financing costs;
- New provisions (increases in liability during the period);
- Gain or loss on assets set aside for funding; and
- Cash payments for AROs.

Calculations

- Subtract assets set aside to fund asset-retirement liabilities from the ARO to create a net ARO.
- Multiply this net obligation by (1 minus the tax rate) to derive ARO adjustment for debt.
- Subtract both the gain (loss) on assets set aside from the sum of new provisions and interest costs and compare this amount with the cash payments made to arrive at the excess contribution/shortfall.
- Multiply this excess contribution/shortfall by (1 minus the tax rate) to arrive at the ARO adjustments to FFO and cash flow from operations.

Procedures

- ARO debt is added to reported debt.
- ARO interest costs (net of ARO fund earnings) are removed from operating expenses, if they are included in these, and added to interest expense.
- The ARO adjustment to FFO is added to FFO.

(Please see "Asset Retirement Obligations: How SFAS 143 Affects U.S. Utilities Owning Nuclear Plants," published March 31, 2004, and "Corporate Ratings Criteria, 2006 edition--Corporate Asset-Retirement Obligations," on RatingsDirect.)

Capitalized Development Costs

Costs relating to the conceptual formulation and design of products for sale or lease commonly are expensed on the income statement--while costs incurred subsequent to establishing the technological feasibility of these products are capitalized. The asset is then amortized over its estimated economic life.

Defining feasibility involves substantial subjectivity. Accordingly, the treatment of product or asset development costs sometimes varies substantially among companies or accounting regimes. For example, many U.S. software companies do not capitalize any software development costs (an analytically conservative approach), while others

capitalize certain expenditures and amortize them over future periods.

Expensing, rather than capitalizing, can have a meaningful impact on a company's financial statements and credit metrics, making peer comparisons difficult. Automaker accounting for tooling poses similar comparability issues relating to varying capitalization policies.

While it is acceptable under the applicable accounting rules for a company to capitalize certain development costs, in order to facilitate comparability, we adjust reported financial statements. The amounts capitalized are treated as if they had been expensed. To the extent that the amortization of past capitalization equals current development spending, there is no impact on operating expenses, operating profit, or EBIT, but there is an impact on EBITDA and operating profit before depreciation.

This approach helps make companies' operating performance more transparent and comparable, regardless of their stance on capitalizing software and similar development costs. Note that with respect to energy exploration costs, we take the opposite approach (see "Adjustment For Exploration Costs"), given the objective of comparability with most companies in that industry and the pragmatic aspects of doing so.

A company's position in its product life cycle has a great effect on its current spending relative to the amortization of past capitalization of development costs. However, as a practical matter--in the absence of more accurate figures--we use the annual amortization figure reported in the financial statements as a proxy for the current year's development costs. We realize, too, that the amount amortized is not entirely comparable across companies, as the amortization period for these assets may vary. For example, in the case of software, it typically ranges from two to five years.

Adjustment procedures

Data requirements

- Amount of development costs incurred and capitalized during the period; and
- Amount of amortization of relevant capitalized costs.

Calculations

- EBITDA, operating profit before depreciation, and capital expenditures: subtract the amount of net capitalized development costs, or, alternatively, the amortization amount for that period.
- EBIT and operating profit after depreciation: subtract (or add, as the case may be) the difference between the spending and amortization in the period.
- FFO and capital expenditures: subtract the amount capitalized in the period.
- Balance sheet accounts: We do not carry through the adjustment to the cumulative asset (and equity) accounts, weighing the complexity of such adjustments against the limited impact that can be expected in most cases on amounts that are secondary to our analysis.

(Please see "Accounting Issues In The U.S. High Technology Group," published Jan. 3, 2007, on RatingsDirect.)

Capitalized Interest

We factor in capitalized interest as expense in the period when incurred. The valuation of property, plant, and equipment (PP&E) includes, under some GAAP, a cost of carry element relating to multiperiod project expenditures. Part of the rationale is that the company must factor the carrying costs when deciding on a project's economics, but this obscures the amount that actually must be paid during the period. Companies may also have significant

discretion with respect to the amounts they capitalize, making comparisons difficult. Accordingly, we prefer to focus on total interest cost.

As a result, we reverse interest capitalization and include the amount as an expense. In the cash flow statement, we reclassify capitalized interest from investing to operating cash flow. This correspondingly reduces funds FFO and capital expenditure amounts. Free cash flow remains unchanged.

We do not adjust for the cumulative gross-up of PP&E resulting from interest capitalization, tax effects, or future depreciation effects. That is, we do not try to identify the portion of PP&E attributable to past interest capitalization, to reduce PP&E by the amount that would correspond to the expensed view taken on such interest capitalized in the past. It would be impractical to attempt to do so, given the lack of data available. Moreover, the more material impact tends to be to coverage and profitability measures, not to asset or equity-based ratios.

Adjustment procedures

Data requirements

- The amount of capitalized interest during the period.

Calculations

- Interest expense: add amount of capitalized interest.
- Capital expenditures, FFO, and operating cash flows: reduce by amount of capitalized interest that is reclassified as operating cash flows.

Captive Finance Operations

A captive finance operation (captive) functions primarily as an extension of a company's marketing activities. The captive facilitates the sale of goods or services by providing financing (in the form of loans or leases) to the company's dealers and/or end customers. The captive can be structured as a legally separate subsidiary, or as a distinct operating division or business line of the company. Captive finance units organized as separate subsidiaries are rated the same as their parents in the overwhelming majority of cases, meaning we view their default risk as indistinguishable from that of the parent.

Whatever the legal/organizational structure, the two businesses are not analyzed on a consolidated basis. Rather, we segregate financing activities from corporate/industrial activities and analyze each separately, reflecting the differences in business dynamics and economic characteristics, and the appropriateness of different financial measures. Our approach is to create a pro forma captive unit to enable finance company analytical techniques to be applied to the captive finance activity, and correspondingly appropriate analytical techniques to the pure industrial company.

Finance assets (e.g., loans receivable and leases)--along with appropriate amounts of financial debt and equity--are allocated to the pro forma finance company; all other assets and liabilities are included in the parent/industrial balance sheet. Similarly, only finance-related revenues and expenses are included in the pro forma finance company income statement. The debt and equity of the parents and the captives are apportioned so that both entities will reflect, in most cases, identical credit quality.

In our analytical methodology for captive finance operations, we attribute debt and equity to the pro forma finance company based on our assessment of the quality of the finance assets, taking account of factors such as underwriting

standards, charge-off policy, quality of the collateral, and portfolio concentration or diversity. The adjusted financial measures are highly sensitive to assumptions we make about the leverage appropriate to the finance assets in question. We continue to refine our leverage guidelines for major finance asset types.

Adjustment procedures

Note: In almost all instances, financial statements fully consolidate majority-owned captive finance operations: Here, consolidated financial statements are assumed as the starting point. Where separate financial statements are also available for the finance unit, information from these can be used to refine the adjustment.

Data requirements

- On-balance-sheet finance receivables and leases, net;
- Finance receivables and leases sold or securitized--carried off-balance-sheet;
- Finance company revenues (if actual finance revenues are unavailable, we use 15% of total finance receivables);
- Finance company administrative expenses (if actual finance company expenses are unavailable, we use 3% of total finance receivables);
- Debt-to-equity ratio: determined to reflect our view of the "leveragability" of the captive's assets (on- and off-balance-sheet finance receivables and leases);
- Interest rate (the average rate experienced by the company); and
- Required fixed charge coverage--an interest coverage appropriate for the rating. (Often, 1.25x is used.)

Calculations

- Total finance assets: on-balance-sheet finance receivables and leases plus finance receivables and leases sold or securitized (carried off-balance-sheet).
- Finance company EBIT: finance company revenues minus noninterest expenses.
- Finance company debt: total finance assets times the debt-to-equity ratio/(1 plus the debt-to-equity ratio). This can never be more than reported consolidated debt; if so, the debt-to-equity ratio should be adjusted. (Separately, consolidated debt also is adjusted to reflect the debt equivalent of securitized assets and hybrid securities.)
- Finance company equity: total finance assets minus finance company debt.
- Finance company interest: most recent two-year finance company debt times interest rate.
- Finance company required EBIT: finance company interest times required fixed-charge coverage.
- Transfer payment: finance company EBIT minus finance company required EBIT (which can be positive or negative).
- Subtract finance company revenues from total revenues to derive adjusted industrial company revenues.
- Subtract finance company operating expenses, including depreciation, from total operating expenses to derive adjusted industrial company operating expenses.
- Industrial EBIT: adjusted revenues minus adjusted expenses plus transfer payment.
- Reduce reported interest by finance company interest, if reported captive finance company's interest is included in consolidated operating expenses; otherwise, no adjustment is required.
- Reduce reported debt (adjusted for securitized assets) by finance company debt.
- Reduce reported equity by finance company equity (after increasing total reported equity by the minority interests in the captive finance company's equity, if the captive is not fully owned, and its reported equity excludes minority interests).
- Remove the finance company's cash flows, including capital expenditures, from reported cash flows.

(Please see "Criteria: Request For Comment: Risk-Based Framework For Assessing The Capital Adequacy Of Financial Institutions," published Jan. 12, 2007; "Criteria: Captive Finance Operations," published April 17, 2007; and Finance Subsidiaries' Rating Link To Parent, in "Corporate Ratings Criteria 2006" edition, on RatingsDirect.)

Exploration Costs

Under some accounting systems, oil and gas exploration and production (E&P) companies may choose between two alternative accounting methods, full cost and successful efforts. These accounting methods differ in what costs these companies capitalize or expense. A successful-efforts-reporting company expenses the costs of unsuccessful exploration drilling (dry-hole costs) and exploration costs, such as geologic and geophysical expenditures (seismic surveys) and the costs of carrying and retaining undeveloped properties. In successful-efforts accounting, only exploratory drilling costs that result in the discovery and development of a commercial oil and gas field may be capitalized and amortized based on the field's proved reserves on a unit-of-production basis; all dry-hole expenditures are expensed as incurred. Using the full-cost accounting method, all exploration and development expenditures are capitalized and amortized over the reserves of the related pool of properties.

Another difference is the size of the cost center used to amortize capitalized costs. Successful-efforts companies use smaller cost centers, such as a particular lease or field; full-cost companies generally use larger cost centers, which may be as large as an entire country.

We view successful-efforts accounting as more appropriate, given the highly risky nature of hydrocarbon exploration. Successful-efforts accounting does not have the potential to inflate equity and smooth earnings to the same degree as full-cost accounting. In general, large companies (e.g., major integrated companies) use the successful-efforts method, while smaller companies (e.g., independent E&P companies) use the full-cost system.

However, our analysis of exploration costs requires making comparisons between companies that use different accounting methods, which can best be accomplished by adding back exploration expense to EBITDA for successful-effort companies. (While we prefer the successful efforts approach, there is no practical way to adjust full cost users to a successful efforts method.) Exploration expense usually is disclosed on the face of the income statement of successful efforts companies. This number often is referred to as EBITDAX.

Given our preference for successful efforts, we limit this adjustment to EBITDA measures--and do not carry the adjustment through to all related accounts or to other ratios. Adjusting EBITDA usually suffices for comparative purposes. And, adjusting a successful efforts company's balance sheet to reflect what it would look like if it had used the full-cost method--or vice versa--is not really feasible. (Apart from the differences as to what companies can capitalize under the two methods, the rules for asset impairment tests also differ. The full-cost impairment test, called the ceiling test, generally is easier to violate because of higher asset carrying costs and its trigger mechanism. (If the book value of assets falls below the discounted present value of cash flows, a charge may be necessary. The trigger for ordinary impairment is related to the undiscounted future cash flows.)

Adjustment procedures

Data requirements

- Exploration expenses (only applies to E&P companies using the successful-efforts method of accounting).

Calculations

- Adjustment to operating income before depreciation, depletion, and amortization to calculate EBITDA: We add

exploration expense back to operating income before depreciation, depletion, and amortization in the EBITDA calculation. This increases EBITDA and operating income before depreciation and amortization by the entire amount of exploration expense.

(Please see "Credit FAQ: Exploring Standard & Poor's Oil And Gas Company Reconciliation Tables," published Feb. 12, 2007, on RatingsDirect.)

Foreign Currency Exchange Gains/Losses

Foreign currency exchange gains/losses can be related to transactions or translations:

- Transaction gains/losses arise from transactions that are denominated in a currency other than the entity's functional currency (generally the currency in which the entity principally transacts). Examples include buying and selling goods or services whose prices are denominated in a foreign currency, borrowing or lending in a foreign currency, or other contractual obligations denominated in a foreign currency. A change in the exchange rate will increase or decrease the amount of functional currency needed to settle the account between the time the transaction is recorded in the functional-currency accounts and the time it is settled, leading to exchange gains or losses. When translating the related accounts (e.g., loans receivable, accounts payable, and debt) into the reporting currency, such gains and losses are recognized in the income statement as incurred.
- Translation gains/losses occur when translating financial statements of a subsidiary from a local currency to the reporting currency of the enterprise for consolidation. Translation gains or losses are included in shareholders' equity (under U.S. GAAP, included in other comprehensive income for the period and in accumulated other comprehensive income in the owners' equity section of the balance sheet).

Foreign currency transaction gains/losses recognized in the income statement raise questions similar to those in Nonrecurring Items/Noncore Activity (see below). To present a representative view of operating performance and financial ratios, we typically adjust company income statements to exclude nonrecurring and other unusual transaction gains and losses.

Currency transaction gains and losses may be viewed as recurring or nonrecurring. We review transaction gains and losses and determine whether to adjust for them. We may adjust reported financial results for currency gains and losses that result from one-time or infrequent transactions; for example, we may adjust (or exclude) foreign currency gains or losses resulting from the infrequent purchase of a specialized capital asset payable in a foreign currency.

When the gains or losses result from recurring or ongoing transactions, we do not adjust. We consider transaction gains and losses as ongoing when the company has a history of entering into transactions denominated in foreign currencies. The purchase of inventory that is paid in a foreign currency is an example. Debt denominated in a foreign currency could also result in recurring foreign currency gains and losses that we would not adjust for.

Companies may not report currency gains or losses separately for recurring and nonrecurring transactions. Consequently, we may not make adjustments if the data are not available, or if the amount is immaterial. Our analysis must also take into account the potential for changes in actual cash flows that may be required to settle a transaction denominated in a foreign currency.

Translation gains/losses are not included in determining net income, but are included in shareholders equity (and, under U.S. GAAP, in other comprehensive income) as mentioned above. Companies generally translate assets and liabilities using the exchange rate at the balance sheet date. The income statement is translated at the exchange rate

in effect at the time revenues, expenses, gains, and losses are recognized. The cash flow statement is translated using the exchange rate in effect at the time of the cash flow. As a practical matter, companies often use an average exchange rate for the reporting period for both income and cash flow statements. In addition, the cash flow statement reports the effects of exchange rate changes on cash balances held in foreign currencies on a separate line. We do not adjust the balance sheet, the income statement, or the cash flow statement for translation gains or losses included in other comprehensive income.

If a parent liquidates its investment in a foreign subsidiary (or investment), the amount of foreign currency gains or losses built up in equity are removed from equity and included in net income for the period. This amount should be excluded from income as a nonrecurring item (as would generally apply to the gain or loss resulting from the sale).

Adjustment procedures

Data requirements

- Amounts of nonrecurring (analytically determined) foreign currency exchange transaction gains and losses.

Calculations

- The amount of nonrecurring foreign currency gain or loss is added to or subtracted from operating income before and after D&A, EBITDA, and EBIT.

Guarantees

The accounting for guarantees can vary greatly. In many instances, a guarantee to support borrowings of unconsolidated affiliates or third parties is not recorded on the guarantor's consolidated balance sheet until it meets certain tests regarding probability of payment.

Alternatively, it may be recorded at the lowest amount in a range of possible outcomes or at a statistically calculated expected value (e.g., under IFRS, a contingent obligation may be measured at a probability-weighted figure of potential payment amounts). To illustrate, if the company estimates a 70% chance of having to pay nothing and a 30% chance of having to pay €1 million, then the company obligation would be measured at €300,000, an amount that has no probability of being paid.

We may take a different approach, to reflect our own assessment of the risk of ultimately being required to pay (upon the default of the other party).

We add the guaranteed amount to the guarantor's total debt, unless the other party is sufficiently creditworthy (i.e., investment grade) in its own right, or if we assess the likelihood of payment at a lower amount. (Interest is not imputed on such adjustment items, because the potential obligation may materialize far in the future, and there is no current need to service that potential obligation.)

In the case of an affiliate, we consider the possibility of support for the borrower's debt even absent a formal guarantee.

Performance guarantees are treated differently, because there should be little impact as long as the company maintains its work or product quality. Construction companies often provide performance guarantees as a condition in work contracts.

A company's track record of payments for performance guarantees could be an indicator of the amount of potential

future liability. Only if the track record gives us specific reason for concern would we attempt an estimate of the liability--and add that amount to debt for ratio calculations.

Adjustment procedures

Data requirements

- Determine the value of the guarantees on and off the balance sheet to be added to debt, net of tax benefit, as applicable.

Calculations

- Debt: Add the amount of off-balance-sheet debt-equivalent; reclassify as debt the amount of on-balance-sheet liability.
- Equity: Subtract amount of off-balance-sheet debt-equivalent.

Hybrid Instruments

Hybrid instruments have some characteristics of debt, and some of common equity. The more weight the latter carries, the more equity content we attribute to the instrument. We classify corporate hybrids' equity content as minimal, intermediate, or high.

How to reflect hybrids in credit ratios is not a simple question. For many years, we did not divide the amounts involved in proportion to the equity content of the specific security, believing the resulting numbers could be misleading. As an example, a company might pay the stipulated periodic amount or defer it; under no scenario would it defer a fraction of the payment: Therefore, calculating a fixed-charge coverage ratio with a fractional amount has little intuitive meaning.

For hybrids with intermediate equity content, we instead computed financial ratios both ways--viewed alternatively, as debt and as equity. Two sets of coverage ratios were calculated--to display deferrable ongoing payments (whether technically dividends or interest) entirely as ordinary interest and, alternatively, as an equity dividend. Similarly, two sets of balance-sheet ratios were calculated for the principal amount of the hybrid instruments, displaying those amounts entirely as debt and entirely as equity.

For hybrids, analytical truth lies somewhere between these two perspectives, and analysts have been--and are--encouraged to continue viewing hybrids from all perspectives--i.e., computing ratios with the security as debt and, alternatively, as equity; to interpolate between the sets of ratios to arrive at the most meaningful depiction of an issuer's financial profile; and note and give effect to each more-equity-like or less-equity-like feature of various hybrids in the same category, although such nuances play, at most, a very subtle role in the overall rating analysis.

However, we changed our methodology in 2006 because it proved too challenging to communicate our previous, more abstract approach--and issuers, in particular, had trouble appreciating the potential impact on our view of their financial profile. Notwithstanding the issues mentioned above, we adopted the following adjustments (after adjusting convertible debt issued by IFRS reporting companies as described below):

- For hybrids in the intermediate category, we calculate ratios with outstanding amounts (excluding unpaid accrued remunerations) split 50-50: One-half of the principal is categorized as debt and one-half as equity; one-half of the period payments is treated as common dividends and one-half as interest. (There is no adjustment to taxes.) This set of ratios is used as the basic adjusted measures, and these are the ratios we publish.

- Hybrids with minimal equity content are treated entirely as debt for calculating ratios.
- Hybrids with high equity content are treated entirely as equity for calculating ratios.
- Unpaid dividends that have accrued, prior to period end, are viewed as debt--even for equity-like securities.

Convertible debt is not treated as a hybrid--unless the conversion is mandatory, or it features appropriate tenor, subordination, and deferability characteristics. While IFRS and other accounting regimes split the issued value of a convertible debt obligation between its pure debt component (the fair value of a similar debt obligation without the conversion feature), accounted for as debt, and the embedded conversion feature (the difference between the debt component and the issue price), accounted for as equity, such convertible debt generally does not attract any equity credit in our methodology. Rather, we adjust reported debt by the value of the conversion option included in shareholders' equity. Cash-based measures such as FFO continue to reflect only the actual cash cost of the convertible debt, based on the coupon rate.

Adjustment procedures

Data requirements

- Amount of hybrid instrument in the balance sheet and shareholders' equity;
- Amount of associated expense and payments in the period; and
- Amounts of accrued unpaid interest/dividends.

Calculations

- A high-equity-content hybrid reported as equity is treated as reported, as are its associated dividends. However, accrued dividends are included as debt.
- A high equity content hybrid reported as debt is removed from debt and added to equity. The associated interest charge is removed from interest expense and treated as a dividend. Additionally, interest payments are also adjusted as dividends in the FFO and operating cash flow calculations.
- An intermediate equity content hybrid reported as equity (e.g., preferred stock) has 50% of its value removed from equity and added to debt. Also, 50% of the dividend amount is removed and added to interest expense and interest paid, affecting the FFO and operating cash flow calculations.
- An intermediate equity content hybrid reported as debt has 50% of its value removed from debt and added to equity. Also, 50% of the associated interest is removed from interest expense and interest paid and added to dividends.
- A minimal equity content hybrid reported as equity is removed from equity and added to debt. Its associated dividends are added to interest expense and interest paid, thereby also reducing FFO and operating cash flow.
- A minimal equity content hybrid reported as debt is treated as reported, as is its associated interest.
- The accrued unpaid charges on hybrid instruments are categorized as debt.

Note: For optionally convertible instruments, prior to the reclassifications above, we recombine the instrument's issued amount (amortized cost) if it has been bifurcated (as described above, notably for IFRS-reporting companies). We also adjust the period's expense, where necessary and practicable, to equal the instrument's debt component multiplied by the company's refinancing rate, at the convertible's issuance date, for the equivalent nonconvertible instrument.

(Please see "Criteria: Equity Credit For Corporate Hybrid Securities," published May 8, 2006, on RatingsDirect; "Criteria: Clarification Regarding Step-Ups Used In Equity Hybrids," Aug. 9, 2007; and "Criteria: Standard &

Poor's Announces Several Refinements To Its Hybrid Capital Criteria," Oct. 30, 2007.)

LIFO/FIFO: Inventory Accounting Methods

The choice of inventory accounting methods under U.S. GAAP between FIFO, LIFO, weighted average, and specific identification can provide dramatically different results for peers that engage in the same underlying activities. This issue is more pronounced in sectors that are inventory-intensive, and in particular, where inventory prices fluctuate significantly.

The challenge of comparing peers increases on a global dimension. Similar choice of accounting options exists in generally accepted accounting standards other than U.S. GAAP--while LIFO, widely used in the U.S., is not permissible under many other accounting standards, including IFRS. Tax treatment of permissible inventory costing methods is a key driver in management's decision to elect a method, and varies significantly by jurisdiction. (For example, LIFO is permitted for tax-reporting purposes in the U.S., and those who elect LIFO for tax purposes must also use it for their financial statement reporting.)

Moreover, some companies use a combination of costing methods. For example, management may elect to use the LIFO method for a portion of inventory in which prices are expected to rise and FIFO for the balance. In other instances, inventory reported on a consolidated financial statement can include inventory balances of subsidiaries in different countries, each of which use different accounting methods.

The greatest potential disparity of financial results is between FIFO and LIFO accounting methods. In a period of rising prices, the LIFO method results in a lower income than FIFO, because the most recent costs flow into cost of goods sold on the income statement, and the oldest costs are reflected in inventory on the balance sheet. Furthermore, cash flows are temporarily improved, because current income taxes are lower as a result of the lower income. Apart from intercompany comparisons, different methods can skew the perspective of corporate performance. For example, LIFO provides a better reflection of matching costs against revenues on the income statement, but creates a balance-sheet distortion by having older costs residing in inventory. The FIFO method, on the other hand, provides a more current valuation of inventory on the balance sheet, but can significantly understate cost of goods sold in a period of rising prices, resulting in artificially overstated income.

- **Balance sheet:** Where significant to our analytical process or essential for peer comparability, we add back the LIFO reserve to inventory amounts on the balance sheet for companies that use the LIFO method. This enables us to reflect inventory balances at approximate current market value. (Companies that apply the LIFO method are required to disclose what the inventory valuation would be under FIFO, through an account called the LIFO reserve, which represents the cumulative effect on gross profit from the use of the LIFO method.) A corresponding adjustment, net of tax, is made to equity.
- **Income statement:** We do not adjust the income statement when companies use LIFO, believing the LIFO method results in costs of goods sold that are more indicative of replacement-cost values, and the best matching to revenues. While it might be desirable to adjust for those companies that use FIFO or average costs methods, the data generally are unavailable.
- **When a company using the LIFO method has inventory balances that decrease over a period of time, LIFO liquidation may result.** It means that older, less-recent layers of inventory are turned into cost of goods sold as a result. (These are older in terms of their accounting, not necessarily in any physical sense.) Assuming an inflationary environment, cost of goods sold is reduced, and as a result, income increases because of LIFO liquidation gains. To capture the true sustainable profitability of a company, the gains generated from LIFO

liquidation generally are excluded from our current profitability measures and ratios.

- Cash flows: We typically do not adjust the cash flows, but we consider, qualitatively, the boost to cash flows the LIFO method affords during periods of price inflation (via taxes deferred to future periods).

Adjustment procedures

Data requirements

- For the balance-sheet adjustments: LIFO reserve; and
- For the income statement adjustments: LIFO liquidation gains.

Calculations

The balance sheet adjustments affect inventory (assets) and equity.

- LIFO reserve is added to inventory (assets).
- Equity is increased by the LIFO reserve (after-tax).

The income statement adjustment affects operating income before and after D&A, and EBITDA and EBIT.

- LIFO liquidation gains are deducted from operating income when calculating operating income before and after D&A, and EBITDA and EBIT.

Litigation

We make case-by-case judgments regarding the probability of a negative outcome, the potential financial effect, and its timing, including duration of any appeals process. We also regularly obtain additional data from the company involved, on a confidential basis, to enable a more meaningful analysis of plausible scenarios. These might include any available legal opinions and research; the company's legal strategy; and the number, size, and status of claims. To assist us, we may consult legal counsel to evaluate likely scenarios. This includes in-house legal staff, external counsel, and/or industry-related counsel.

To the extent that a monetary judgment is predictable, we size the amount that will be paid and treat it as a debt-equivalent. If payment is not imminent--if, for example, there is an extended appeals process--we would estimate the time until actual payment, and discount the eventual payment amount unless interest will be added. The adjusted debt ratios are calculated including the present value of the estimated payout, on an after-tax basis. Where applicable, we subtract any expected insurance recoveries.

It usually is very challenging to size litigation outcomes. Previous cases of similar nature can serve as benchmarks. Subjective judgments regarding the merits of a case may also inform our view of possible outcomes.

Sometimes, the company's litigation reserves recorded in its financial statements can offer insight. Companies must reserve for litigation they can quantify. In practice, most companies tend to minimize legal reserves (although some companies--especially European companies--will over-reserve to enable smoothing of future earnings). Therefore, to the extent that a company does reserve, one may ordinarily conclude there is a high likelihood that required payments will be at least that amount. The company's reserve is not a reliable indicator that the ultimate liability will not exceed that amount. In any event, providing reserves is merely an accounting recognition of the liability; it does not mean the company has put aside cash to fund the liability. We would still need to adjust the debt figures to reflect the cash impact that a payment would entail. (On the other hand, there often will be a lengthy period until payment is made, so we also consider the company's ability to generate cash in the interim.)

A class-action suit permits a large number of individual claims to be combined and tried as one lawsuit. We view class-action lawsuits as the most troublesome type for credit quality because of the potential size of awards. Class-action suits must be certified by a court to proceed to trial; however, once certified, the lawsuit often takes years to wind through the litigation process.

Outside the U.S., litigation is less significant as a credit risk than in the U.S. Typically, there is no award of punitive damages, class actions are limited, and/or trials may not come before juries that can react unpredictably to the litigation.

Because the specific financial effect of a lawsuit is difficult to quantify accurately, we may rely on analytical techniques such as calculating ranges of outcomes or performing sensitivity analysis. This can be very helpful if it allows us to conclude, for example, that the company can manage even the more dire potential outcomes without materially affecting its financial profile. Alternatively, if significant uncertainty remains, we might consider a downgrade based on a very large risk exposure.

Litigation poses several important, potentially troubling considerations beyond any direct financial consequences. We consider the potential damage to a company's reputation or ability to conduct normal business operations. For example, product liability cases sometimes result in the product's being removed from the market. Substantial litigation may require an inordinate amount of management time and create quite a distraction from running the business.

More broadly, lawsuits can affect a company's reputation and/or its ability to garner further business or raise capital. Public mistrust and a negative perception of the company's operating strategy would definitely be of concern.

Last, but not least, bonding requirements can pose a tremendous liquidity challenge, especially in jurisdictions that have no bonding caps. Bonding can tie up cash that could otherwise be invested in the business, even if it does not pose an immediate threat to solvency. (Naturally, in the case of litigation expected to benefit the company, similar adjustments apply, in reverse.)

Adjustment procedures

Data requirements

- Determine the value of the litigation exposure to be added to debt.

Calculations

- Debt: Add the amount of debt equivalent (net of tax benefit, as applicable) to debt.
- Equity: Subtract the amount of off-balance-sheet debt equivalent, net of tax.

(Please see "How Litigation Risk Affects Corporate Ratings," published Nov. 28, 2005, on RatingsDirect.)

Nonrecourse Debt Of Affiliates (Scope Of Consolidation)

In the context of corporate debt analysis, nonrecourse debt often refers to a situation in which an affiliate or subsidiary of a company borrows funds, possibly pledging its assets as collateral, while the parent company and other subsidiaries in the corporate structure have no legal obligation to perform under the borrowing agreement. If an event of default occurs, the lender's claims are limited solely to the subsidiary that borrowed the money.

Nonrecourse debt may exist for a variety of reasons. A company may want to legally isolate the bankruptcy risk of a subsidiary, for example, because the subsidiary's business prospects are more unpredictable than those of the parent. Also, nonrecourse debt may result from a particular jurisdiction's legal requirement to operate locally through a separate legal entity. In other cases, a company may own only a portion of a subsidiary, maybe even a minority interest, and the company may be unwilling to put itself on the hook to fund the obligations of the joint venture.

In nonrecourse structures, the parent company has the legal right to walk away from the troubled (or bankrupt) subsidiary. This often is a by-product of corporate law and related legal isolation doctrines related to entities structured as corporations or other limited-liability structures. Notwithstanding the theory, history has shown this often is not the way things play out. The parent company often ends up providing economic support to the subsidiary, despite the nonrecourse nature of the obligation.

In analyzing these situations, we attempt to understand the relationship between the parent and subsidiary, and make a judgment about whether the parent would be inclined to step in (and to what extent). Predicting the outcome of such a scenario is not an exact science, but we believe that considering plausible scenarios is superior to relying solely on the legal framework, and ignoring the economic relationship extant between the entities.

The relationships between the affiliated entities can vary greatly. The entity issuing the debt considered to be nonrecourse may simply represent a noncore, nonstrategic investment; if so, the parent is not burdened with the subsidiary's debt obligations.

At the other end of the spectrum, the subsidiary's operations may be characterized as an integrated business. The analysis would then fully consolidate the subsidiary's financial statements, including debt. Furthermore, the risk profile of the subsidiary's operations would be integrated with the overall business risk analysis of its parent.

Often, the subsidiary issuing the debt may not fall neatly into either category; it may lay somewhere in the middle of the spectrum. Sometimes we use a pro rata consolidation to reflect this middle ground. For example, we would apply pro rata consolidation to joint ventures between partners of comparable capacity and willingness to support for their respective strategic reasons. Even in cases that do not call for analytical consolidation, we presume there will be additional investment in the nonrecourse entity, i.e., the money the company likely would spend to provide support or bail out the unit in which it invested.

No single factor determines the analytical view of the relationship with the affiliate; rather, several factors, taken together, will lead to one characterization or another, including:

- Strategic importance--integrated lines of business or critical supplier;
- Percentage ownership (current and prospective);
- Management control;
- Shared corporate name;
- Domicile in same country;
- Common sources of capital and lending relationships;
- Financial capacity for providing support;
- Significance of amount of investment;
- Investment relative to amount of debt at the venture or project;
- Nature of any other owners (strategic or financial; financial capacity);
- Management's stated posture;

- Track record of parent company in similar circumstances;
- Nature of potential risks;
- Shared collective bargaining agreements; and
- Jurisdiction's bankruptcy-law regime.

Adjustment procedures

There is no standardized adjustment, given the multiple fact patterns and subjective nature relating to subsidiaries/projects/joint ventures. As explained above, some consolidated entities--and their liabilities--might be deconsolidated, while some nonconsolidated entities may be consolidated.

Another possible adjustment is pro rata consolidation. This approach is not used too frequently and typically applies only when both owners have similar financial profiles and motivations with respect to a joint venture.

Note that even in cases where we conclude that the liability will not ultimately be supported, we could well expect that the owner would extend partial support to the venture or subsidiary, including additional investments to attempt to rescue it. We would try to size such additional expenditures--and impute that amount as debt to the parent.

(Please see "Corporate Ratings Criteria, 2006 edition: Parent/Subsidiary Links", and "Credit FAQ: Knowing The Investors In A Company's Debt And Equity," published April 4, 2006, on RatingsDirect.)

Nonrecurring Items/Noncore Activities

We typically make adjustments to a company's reported operating income and cash flow to remove items we consider nonrecurring and include those we consider recurring, so the historical financial ratios will be more indicative of future performance. These adjustments cover items including discontinued operations; effects of natural disasters; gains or losses on asset sales and sale/leasebacks; and one-time charges for asset write-downs, restructurings, and plant shutdowns.

We review each potential nonrecurring item, and determine whether to adjust for it. Our view of these items may differ from the company's view, as presented in financial statements or footnotes.

We may view some supposedly one-time restructurings as ongoing for a particular company. Taking such a view may reflect a company's history of recurring restructuring charges, or the perceived need to address either company-specific or industrywide competitive issues (for example, the need to move facilities offshore in order to be cost competitive).

We may also view certain other items that company management characterizes as one-time items as normal operating costs: In the retail industry, we do not typically view inventory write-downs or high store pre-opening costs from a rapid expansion program as unusual items.

In a similar vein, we often distinguish between a company's core business activity and other, ancillary activities--especially if there is some question about the latter's sustainability. A manufacturer may earn money from trading activity; it may even set up its treasury operations as a profit center, but we may isolate, reclassify, and separately analyze the results of those operations.

For income derived from the sale and licensing of corporate assets, we similarly distinguish between sustainable, ongoing sales and those that are more opportunistic. Ancillary activities can distort measures of core operating

performance, and peer analyses that rely on comparability of data, unless adjustments are made. An analogy can be drawn to the analytical segregation of nonhomogenous activity. Some GAAP rules may require consolidation if a company owns both manufacturing and finance subsidiaries: We would separate the two for analytical purposes.

These adjustments require an appreciation of industry-specific contexts. For example, in the high technology industry, companies dedicate substantial amounts of capital to R&D efforts and accumulate intellectual property in the form of patents, trade secrets, domain names, etc., which may be sold or licensed to complement revenues generated from core operations.

We consider revenue generated from the licensing of intellectual property to be a part of operating income, and therefore a component of EBITDA, because this arrangement allows for a relatively predictable, recurring source of revenue. However, revenue generated from the sale of intellectual property is not considered part of operating income. While there may be advantages in selling intellectual property, rather than licensing--e.g., the receipt of greater upfront proceeds or the elimination of future responsibilities--this arrangement normally is treated as nonoperating income.

In other situations, the sale of assets may be considered recurring. For example, companies that lease or rent automobiles or industrial equipment routinely and periodically dispose of these assets via auctions and/or other sales.

Adjustment procedures

Data requirements

- Amounts of income, expense, and cash flows to be reclassified (including nonrecurring items reported as operating, and recurring items not reported as operating). These amounts are judgmentally determined, based on information disclosed and our assessment.

Calculations

- Add or subtract amounts from respective measures, (e.g., revenue, operating income before and after D&A; D&A; EBIT; EBITDA; operating cash flows and FFO) to reclassify as appropriate. Because operating cash flows and FFO are post-tax measures, they also are adjusted to reflect the tax effects, where feasible.
- Beyond the standard adjustment, additional insights may be gleaned by adjusting individual line items within cost of goods sold or selling, general, and administrative (SG&A) expense, if there is sufficient data to reflect adjustments at such levels. Similarly, ancillary activities data are segregated and separately analyzed, to the extent practicable with available data.

Operating Leases

Companies commonly use leasing as a means of financing. The accounting for leases distinguishes between operating and finance leases. Finance leases (also referred to as capital leases) are accounted for in a manner similar to a debt-financed acquisition of an asset, while many operating leases are reflected in the accounts on a pay-as-you-go basis. We view the accounting distinction between operating and capital leases as substantially artificial. In both cases, the lessee contracts for the use of an asset, entering into a debt-like obligation to make periodic rental payments.

Our lease adjustments seek to enhance comparability of reported results (both operating and financial) and financial obligations among companies whether they lease assets under leases accounted for as operating or financing leases,

or use debt to finance asset acquisition. The operating-lease-adjustment model is intended to bring companies' financial ratios closer to the underlying economics and more comparable, by taking into consideration all financial obligations incurred, whether on or off the balance sheet. The model improves our analysis of how profitably a company employs its leased and owned assets.

Our model does not fully replicate a scenario in which a company acquired an asset and financed it with debt; rather, our adjustment is narrower in scope: It attempts to capture only the debt equivalent of a company's lease contracts in place. For example, when a company leases an asset with a 20-year productive life for five years, the adjustment picks up only the payments relating to the contracted lease period, ignoring the cost of the entire asset that would have been purchased--and depreciated--by a company that chose to buy instead of lease. We have chosen not to use alternative methodologies that capitalize the entire asset because they entail various data and interpretation challenges. In cases where the company has an economic need to use the asset for longer than the lease term, we take account of this qualitatively; however, if the lease is viewed as artificially short, and there is adequate information, such as for sale/leaseback transactions, we capitalize the entire sale amount.

Adjustment procedures

Data requirements

- Minimum lease payments: Noncancelable future lease payment stream (and residual value guarantees if not included in minimum lease payments); discount factor; annual lease-related operating expense for the most recent year; and deferred gains on sale leaseback transactions that resulted in leases accounted for as operating.
- Future-lease payment data are found in the notes to the financial statements. Annual payments for the coming five years (itemized by year) and the aggregate amount for subsequent years are provided under U.S. GAAP. Our model assumes that future payments for years beyond the fifth year approximate the fifth-year amount. Under IFRS, companies are permitted to disclose amounts payable in years two through four in a single combined amount, instead of disclosing separate amounts for each of the next five years. In this case, we assume a flat level of payments in years two through four, based on the total minimum lease payment disclosed for these three years. This approximation--caused by the limited disclosure--does not capture how future payments may decline in these years. Future lease payments are considered net of sublease rental only when the lease and sublease terms match and the sublessee is sufficiently creditworthy.
- The discount factor is determined in one of the following ways: ideally, the imputed discount rate associated with the lease would be used, but rarely is available, and unlikely to be available for all companies in an industry; use the average rate on the company's secured debt; and/or use a rate imputed from the company's total interest expense and average debt.
- Annual operating-lease-related expense is sometimes available in the notes and will be used. When the amount is not separately disclosed (e.g., when presented with contingent rent and other amounts, or incorporated with other costs), it is estimated using the average of the first projected annual payment at the end of the most recent and prior year.

Calculations

- Debt: The present value of the payment stream, determined using the discount factor, is added to debt. (Lease debt is not tax-effected because its taxes will never reflect the analytical construct underlying our adjustment. The company is, in fact, getting the tax treatment afforded to leases--assuming GAAP and tax treatment as operating lease is the same. The actual tax amounts are those included in the accounts--and generally require no adjustment.

This contrasts with PRB and ARO adjustments, which may be tax-effected. Those adjustments are based on the anticipation that tax-deductible recognition of the obligations will ultimately be required.)

- Operating income and cash flow measures: The operating-lease-related expense is apportioned to interest and depreciation components, as described below. The effect is to increase operating income measures: SG&A, by the entire amount of the expense; EBIT, by the implicit interest portion; EBITDA, by the implicit interest portion; and FFO, by the implicit depreciation portion. In addition, operating income would be adjusted to reverse gain or loss on sale/leaseback transactions.
- Interest expense: Interest expense is increased by the product of the discount rate multiplied by the average first-year projected payment for the current and previous years.
- Depreciation: Operating lease depreciation, i.e., the operating-lease-related expense amount less the calculated lease interest, is added to depreciation expense. (We deliberately calculate EBITDA without adding back the imputed depreciation component, despite the apparent definitional conflict. The cash flow characteristics of leasing do not neatly conform with the alternative of borrowing to acquire--even though our adjustment attempts to equate them. Lease payments represent ongoing cash outflows--quite different than depreciation, or even amortization of asset acquisition-related debt.)
- Capital expenditures: Capital expenditures are increased by an implied amount calculated as the year-over-year change in operating lease debt plus annual operating lease depreciation. This amount cannot be negative. Capital expenditures are also adjusted in the same fashion for capital leases.
- Property plant & equipment: Operating lease debt is added to PP&E to approximate the depreciated asset cost.

Postretirement Employee Benefits/Deferred Compensation

Defined-benefit obligations for retirees, including pensions and health care coverage (collectively referred to as PRB), and other forms of deferred compensation are financial obligations that must be paid over time, just as debt must be serviced, so we include them in debt ratios. A company may prefund the obligation or part of it (and companies often do prefund their pension obligations), which offsets the financial burden. Our objective, therefore, is to reflect the level of underfunding of defined-benefit pension obligations, as well as typically unfunded health care obligations and retiree lump-sum payment schemes, and other forms of deferred compensation. In arriving at adjusted financial measures, we must undo accounting shortcomings that affect balance sheets, cash flow statements, and income statements (under most current GAAP). The adjustments pertain to obligations already incurred, without trying to capture future levels of liability.

When PRB obligations constitute a major rating consideration, we delve more deeply into the company's particular circumstances and its benefits plans. Also, for some companies, funding and liquidity considerations surrounding retiree obligations can be much more important to the credit profile than imputing debt to the financial ratios. This situation typically pertains to speculative-grade companies that tend to have fewer available resources for cash requirements, including meeting mandated funding of PRB obligations.

We do not include in debt any amounts for defined-contribution plans, because they entail no obligations or risks to the sponsor related to past services beyond the current period's payments. We also have a slightly different position regarding multiemployer plans, not otherwise dealt with here. (See "Standard & Poor's Approach To Analyzing Employers' Participation In U.S. Multi-Employer Pension Plans," published May 30, 2006, on RatingsDirect.)

A key difference between debt and PRB obligations is the inherent measurement uncertainty, as the benefits and related assets, to the extent they are funded, are variable. Quantifying PRB obligations relies on numerous assumptions, including:

- Employee turnover rates and length of service, according to which benefits vary;
- Mortality rates and dependency status/longevity assumptions, as the employee and his/her dependents' lifespan determine how long the benefit will be paid;
- Future compensation levels, to the extent wages prior to retirement are a factor in determining the amount of the benefit;
- Health care cost inflation, use, and delivery patterns; and
- Discount rate assumptions required to calculate a present value of the future required cash outflows.

Standard financial adjustments cannot easily factor in deviations from normal assumptions on these measurement drivers. However, for some factors, the analysis can, at least, gauge the sensitivity to changes in those assumptions. For example, a rough rule of thumb is that for each percentage point increase or decrease in the discount rate, the liability decreases or increases by at least 10%, and often by 15%-20%. (The more mature the plan, or the higher the market interest rates, the lesser the impact.)

To simplify the numerical analysis, we combine all retiree benefit plan assets and liabilities, for pension, health, and other obligations, netting the positions of a company's plans in surplus against those that are in deficit.

In theory, and in the long term, companies with multiple plans should be able to curtail contributions to overfunded plans and redirect contributions to underfunded plans. In the near term, however, funding surpluses are often hard to tap--and may have adverse tax consequences if drawn--even while cash contribution requirements may be onerous on other, underfunded plans. But, if meeting near-term cash requirements is an important issue for a particular company, its credit profile likely will be driven by liquidity considerations, while debt ratio levels would be of secondary importance.

We focus on the measure of the obligation that reflects a going-concern view. For example, under U.S. GAAP for pensions, this is the projected benefit obligation (PBO), or an equivalent actuarial measure of the ultimate liability. The going-concern view of the company includes the effect of expected wage increases if the benefit attributable to past employment services is tied to employee compensation according to some formula. However, for collectively bargained labor contracts, the PBO does not take account of expected wage increases beyond the term of the existing contract.

We do not use the accumulated benefit obligation (ABO), which takes into account only the benefits payable upon plan termination at period end, or the vested benefit obligation (which is no longer disclosed under U.S. GAAP), because they reflect a shutdown value perspective, rather than an ongoing firm perspective. Similarly, in the U.K., we do not focus on the value of beneficiaries' claims based on a full buyout basis (i.e., based on the price prevailing on the annuity market, where demand is currently insufficiently covered by supply), which often considerably exceeds the amount equivalent to PBO under IFRS or U.K. GAAP. (The ABO and full buyout value are more appropriate measures in our recovery and subordination analyses.)

For other postretirement obligations--including medical liabilities, we use a measure equivalent to the pension PBO. For example, under U.S. GAAP, this is the accumulated postretirement benefit obligation (APBO).

We tax-effect our PRB adjustments--unless the related tax benefits have already been, or are unlikely to be, realized. We use the rates applicable to the company's plans, or, if this is unavailable, the current corporate rate--even while recognizing that fiscal reality may be more complex or dynamic as the company's fortunes change over time. In the typical situation, the company has credible prospects of generating sufficient future taxable income to take

advantage of PRB-related deductions and reduce future tax payments. When a company's ability to generate profits is indeed dubious, we would not tax-effect. Moreover, in such cases, the company likely would be so pressured that liquidity--rather than capitalization or coverage levels--would be the overriding analytical focus.

Capital structure

We adjust capitalization for PRB effects by adjusting both debt and equity, where applicable. Debt is grossed up by the company's tax-effected unfunded PRB obligation. Equity is adjusted by the difference between the amount accrued on the corporate balance sheet and the amount of net over/underfunded obligation (net surplus/deficit), net of tax.

Companies following U.S. GAAP recently adopted SFAS 158, and record the unfunded PRB obligation on their balance sheets; companies following IFRS have the option to fully recognize actuarial gains and losses on their balance sheets. Accordingly, our equity adjustment is no longer required in many instances.

Debt is not adjusted down for net surpluses, so net overfunding (surplus) leaves debt unchanged. Equity can be adjusted up (if the net recognized asset is less than the pretax surplus) or down. We do not split the debt adjustment between short- and long-term.

Although the surplus is not treated as a cash equivalent, it nonetheless can be of value, especially to obviate future contributions. Sometimes it becomes evident that the amount is unrecoverable or cannot be used to offset future contributions. Given inconsistent accounting disclosure regarding the recoverability of surpluses, we rely on inquiries to company management.

Cash flow

We try to identify catch-up contributions made to reduce unfunded obligations, which would artificially depress reported operating cash flows. We view these contributions as akin to debt amortization, which represents a financing, rather than an operating cash flow. Specifically, cash paid (plan contributions plus benefits paid directly to beneficiaries) exceeding the sum of current-period service and net interest costs (that is, interest cost net of actual or expected returns on plan assets) is added back to FFO on a tax-effected basis. We look at actual investment returns for the period and returns normalized for potentially nonrecurring, unusually high or low performance.

Conversely, if the company is funding postretirement obligations at a level substantially below its net expense (service cost and net interest cost), we interpret this as a form of borrowing that artificially bolsters reported cash flow from operations.

In order to appropriately interpret adjusted numbers, note that our cash flow adjustment:

- Reallocates to the period certain costs (service and interest) that often differ from the cash impact in the period;
- Ignores prior service costs and other items such as curtailments, settlements and special termination benefits, and foreign-exchange variations;
- Ignores any income or charge (whether through income-statement or directly recognized into equity) that reflected the recognition of actuarial gains and losses; and
- Until early 2006, was capped at zero (no longer the case).

Income statement

In analyzing profitability (including operating profit and EBITDA), we disaggregate the benefits-cost components that may be lumped into operating income and expenses, allocate the amounts to operating and financial

components, and eliminate those components we believe have no economic substance. The period's current service cost--reflecting the present value of future benefits earned by employees for services rendered during the period--is the sole item we keep as part of operating expenses.

The components, if any, that represent accounting artifacts and stem from the smoothing approach of the accounting rules--e.g., amortization of variations from previous expectations regarding plan benefits, investment performance, and actuarial experience--are eliminated from our income measures. As a result of these adjustments, pretax and after-tax income no longer match reported amounts.

Interest expense, which results from applying the discount rate to the beginning-of-period obligation to accrete the liability with the passage of time for the reporting period, is essentially a finance charge--and is reclassified as such, if reported differently.

The expected return on plan assets represents management's subjective, long-range expectation about the performance of the investment portfolio; in some accounting systems--such as U.S. GAAP--it may be applied to a smoothed, market-related value, rather than the fair-market values of the assets. We may choose instead to apply a standardized return, to gauge what multiyear average returns can be expected. We note the risks in the asset mix, but only subjectively. (In the future, we may find a way to reflect the risk profile of the portfolios in a more quantitative manner.)

Either way, the return on plan assets is netted against PRB-related interest expense up to the amount of the interest expense reported, but not beyond, as the economic benefits to be derived from such overage are limited. If, however, the actual return is negative, the full amount is treated as an addition to interest expense because the resulting economic detriment to the company is quite tangible.

Adjustment procedures

Data requirements

For the income and cash flow adjustments, amounts for the period of:

- Service cost;
- Interest cost;
- Expected return on plan assets;
- Actual return on plan assets;
- Actuarial gains/losses (amortization or immediate recognition in earnings);
- Prior service costs (amount included in earnings);
- Other amounts included in earnings (e.g., special benefits, settlements/curtailments);
- Total benefit costs; and
- The sum of employer contributions and direct payments made to participants.
- For the balance-sheet adjustments:
 - PRB-related assets on the balance sheet, including intangible assets, prepaid or noncurrent assets, or any other assets;
 - PRB-related liabilities on the balance sheet, including current and noncurrent liabilities;
 - PRB-related deferred tax assets (or tax rate applicable to PRB costs);
 - Fair value of plan assets; and
 - Total plan obligations.

Note: Relevant pension and other postretirement benefit amounts are combined for all plans.

Calculations

Income-statement adjustments include adjustments to expenses and interest.

- Total PRB costs charged to operating income, less the service cost, yields the PRB adjustment to operating income. This is added to operating income before and after D&A, EBIT, and EBITDA.
- Interest cost less the expected return is PRB interest. In some cases, we may adjust expected returns to normalize it at a more realistic level. If net PRB interest is a cost, we include it in adjusted interest expense (we do not reduce interest expense if expected returns exceed interest cost). This PRB interest is added to reported interest when the net benefit costs are included in operating income. If reported interest already includes an interest component for PRBs (e.g., as may be the case under IFRS), we adjust it, if necessary, to ensure it reflects the amount of PRB interest cost. A similar calculation is made using the actual, rather than expected, return on plan assets.

The adjustment to FFO starts with a calculation of excess contributions or PRB borrowing:

- Total employer contributions (including direct payments to retirees), less service costs, less interest costs, plus expected return yields the excess contribution, if positive, or PRB borrowing, if negative. (A similar calculation is made using actual, rather than expected return.)
- The excess contribution or PRB borrowing is reduced by taxes at the rate applicable to PRB costs. That is, the amount is multiplied by (1 minus the tax rate) to create the PRB adjustment to FFO.
- The excess contribution on PRB borrowing is added or subtracted to or from FFO.

The balance-sheet adjustments affect assets, debt, and equity.

- Plan obligations less assets equals the net pension and postretirement funded status (deficit or surplus).
- The net balance sheet asset (liability) position is determined as the balance sheet assets less liabilities. For the adjustment to debt, if net pension and postretirement funded status is a surplus, debt is not adjusted. If the net pension and postretirement is a deficit, this amount is reduced by the expected tax shield, that is, the amount is multiplied by (1 minus the tax rate).
- In some jurisdictions, the tax benefit is realized in advance of funding the deficit or paying benefits, for example, when the liability is accrued for tax purposes. The expected tax shield used in our calculation only takes into account amounts that have not yet been received. The adjustment to equity also considers existing balance sheet amounts.
- Equity is adjusted for the tax-effected difference between the deficit/surplus and the net balance sheet assets/liabilities, i.e., multiplied by (1 minus the tax rate).

Unlike the adjustment to debt, the adjustment to equity can be an increase or decrease.

(Please see "Corporate Ratings Criteria, 2006 edition: Postretirement Obligations"; and "Ratings Implications Of New FASB Standard On Pensions And Other Postretirement Benefit Obligations," published Sept. 29, 2006, on RatingsDirect.)

Power Purchase Agreements

We view purchased power supply agreements (PPAs) as creating fixed, debt-like, financial obligations that represent substitutes for debt-financed capital investments in generation capacity. In a sense, a utility that has entered into a

PPA has contracted with a supplier to make the financial investment on its behalf. Consequently, by adjusting financial metrics to incorporate PPA fixed obligations, we achieve greater comparability of utilities that finance and build generation capacity and those that purchase capacity to satisfy customer needs.

PPAs do benefit utilities by shifting various risks to the suppliers, such as construction risk and most of the operating risk. The principal risk borne by a utility that relies on PPAs is the recovery of the costs of the financial obligation in rates. Differentiating the risk profiles of utilities that take divergent approaches is incorporated in our qualitative business-risk assessments.

We calculate the present value (PV) of the future stream of capacity payments under the contracts as reported in the financial statement footnotes, or as supplied directly by the company. The discount rate used is equivalent to the company's average cost of nonsecuritization debt. For U.S. companies, notes to the financial statements enumerate capacity payments for the coming five years, and a thereafter period. We often have access to company forecasts that show the detail underlying the thereafter amount; otherwise, we divide the amount reported as thereafter by the average of the capacity payments in the preceding five years to derive an approximation of annual payments after year five.

In calculating the amount we add to debt, we also consider new contracts that will commence during the forecast period. Such contracts are not reflected in the notes to the financial statements--but information regarding these contracts may be provided to us by the company.

If these contracts represent extensions of existing PPAs, they are immediately included in the PV calculation. However, a contract sometimes is executed in anticipation of incremental future needs, so the energy will not flow until some later period and there are no interim payments. In these instances, we incorporate that contract in our projections, starting in the year that energy deliveries begin under the contract, just as if the company had purchased a plant at that juncture. That way, the debt imputation is viewed in the context of all the related activity, including revenues and cash flow from the forecast demand. (Of course, the projected PPA debt is included in projected ratios. That way, the future PPA figures as a current rating factor, even if it is not included in the current-year ratio calculations.)

The calculated PV is adjusted to reflect the benefits of regulatory or legislative cost recovery mechanisms. The adjustment reduces the debt-equivalent amount by multiplying the PV by a specific risk factor that pertains to each contract. The stronger the recovery mechanisms, the smaller the risk factor. These risk factors typically range between 0% and 50%, but can be as high as 100%.

A 100% risk factor would signify that substantially all risk related to contractual obligations rests on the company, with no mitigating regulatory or legislative support. For example, an unregulated energy company that has entered into a tolling arrangement with a third-party supplier would be assigned a 100% risk factor. Conversely, a 0% risk factor indicates that the burden of the contractual payments rests solely with ratepayers. This fact pattern frequently is found among regulated utilities that act as conduits for the delivery of a third party's electricity, and essentially deliver power, collect charges, and remit revenues to the suppliers. These utilities typically have been directed to divest their generation assets; are barred from developing new generation assets; and the power supplied to their customers is sourced through a state auction or third parties that act as intermediaries between retail customers and electricity suppliers.

Intermediate degrees of recovery risk are presented by a number of regulatory and legislative mechanisms. For

example, we employ a 50% risk factor in cases where regulators use a utility's rate case to establish base rates to provide for the recovery of the fixed costs created by a PPA. While we view this type of mechanism as generally supportive of credit quality, the utility still needs to obtain approval to recover costs and the prudence of PPA capacity payments in successive rate cases to ensure ongoing recovery of its fixed costs. If a regulator has established a power cost adjustment mechanism that recovers all prudent PPA costs, a risk factor of 25% is employed, because the recovery hurdle is lower than it is for a utility that must litigate time and again its right to recovery costs.

In certain jurisdictions, true-up mechanisms are more favorable and frequent than the review of base rates, but still do not amount to pure fuel adjustment clauses. Such mechanisms may be triggered by financial thresholds or passage of prescribed periods of time. In these instances, a risk factor between 25% and 50% is employed.

Legislatively created cost-recovery mechanisms are long-lasting and more resilient to change. Consequently, such mechanisms lead to risk factors between 0% and 15%, depending on the legislative provisions for cost recovery and the supply function borne by the utility. Legislative guarantees of complete and timely recovery of costs are particularly important to achieving the lowest risk factors.

We do not impute debt for supply arrangements if a utility acts merely as a conduit for the delivery of power. As an example, New Jersey's vertically integrated utility companies were transformed into pure transmission and distribution utilities. The state commission, or an appointed proxy, leads an annual auction in which suppliers bid to serve the state's retail customers, and the utilities are protected from supplier default. The state's utilities merely deliver power and collect revenues from retail customers on behalf of the suppliers. Therefore, we impute debt only to New Jersey utilities' qualifying facility and exempt wholesale generator contracts--and not for other electricity supply contracts where the utilities merely act as conduits between the winners of the regulator's supply auction and the end-user, retail customers.

We also exclude PPAs with durations of less than one year where they serve merely as gap fillers, pending either the construction of new capacity or the execution of long-term PPA contracts. These contracts are temporary--and we focus on the more permanent situation, which is factored into the forecast ratios.

Given the long-term mandate of electric utilities to meet their customers' demand for electricity, and also to enable comparison of companies with different contract lengths, we use an evergreening methodology. Evergreen treatment extends the duration of short- and intermediate-term contracts to a common length of about 12 years. To quantify the cost of the extended capacity, we use empirical data regarding the cost of developing new peaking capacity, incorporating regional differences. The cost of new capacity is translated into a dollars-per-kilowatt-year figure using a proxy weighted average cost of capital and a proxy capital recovery period.

Some PPAs are treated as operating leases for accounting purposes--based on the tenor of the PPA or the residual value of the asset upon the PPA's expiration. We accord PPA treatment to those obligations, in lieu of lease treatment, if companies identify them to us. That way, such PPAs will not be subject to a 100% risk factor for analytical purposes as though they were ordinary leases; rather, the PV of the stream of capacity payments associated with these PPAs is reduced to reflect the applicable risk factor. (PPAs treated as capital leases for accounting purposes do not fall under our PPA adjustment.)

Long-term transmission contracts can also serve in lieu of building generation, and, accordingly, fall under our PPA methodology. In some cases, these transmission contracts provide access to specific power plants, while other transmission arrangements provide access to competitive wholesale electricity markets. We view these types of

transmission arrangements as extensions of the power plants to which they are connected or the markets that they serve. Accordingly, we impute debt for the fixed costs associated with such transmission contracts.

Adjustment procedures

Data requirements

- Future capacity payments obtained from the financial statement footnotes or from management;
- Discount rate: the company's cost of nonsecuritized debt; and
- Analytically determined risk factor.

Calculations

- Balance-sheet debt is increased by the PV of the stream of capacity payments multiplied by the risk factor.
- Equity is not adjusted, because the recharacterization of the PPA implies the creation of an asset, which offsets the debt.
- PP&E and total assets are increased for the implied creation of an asset equivalent to the debt.
- An implied interest expense for the imputed debt is calculated by multiplying the utility's average cost of nonsecuritized debt by the amount of imputed debt (or, average PPA imputed debt, if there is fluctuation of the level), and is added to interest expense.
- The cost amount attributed to depreciation is reclassified as capex, thereby increasing operating cash flow and FFO.
- We impute a depreciation component to PPAs. The depreciation component is derived by multiplying the relevant year's capacity payment by the risk factor and then subtracting the implied PPA-related interest for that year. Accordingly, the impact of PPAs on cash flow measures is tempered.
- Some PPA contracts refer only to a single, all-in energy price. We identify an implied capacity price within such an all-in energy price, to calculate an implied capacity payment associated with the PPA. This implied capacity payment is expressed in dollars per kilowatt year, multiplied by the number of kilowatts under contract. (In cases that exhibit markedly different capacity factors, such as wind power, the relation of capacity payment to the all-in charge is adjusted accordingly.)
- Operating income before D&A and EBITDA are increased for the imputed interest expense and imputed depreciation component, the total of which equals the entire amount paid for PPA (subject to the risk factor).
- Operating income after D&A and EBIT are increased for interest expense.

(Please see "Standard & Poor's Methodology For Imputing Debt For U.S. Utilities' Power Purchase Agreements," published May 7, 2007, and "Credit FAQ: Imputed Debt Calculation For U.S. Utilities' Power Purchase Agreements," published March 30, 2007, on RatingsDirect.)

Share-Based Compensation Expense

We view the value of equity instruments (for example, stock options and restricted shares awards) granted to employees and/or other service providers as an outlay that should be taken into account in evaluating issuers' performance and profitability. When we assess a company's ability to generate a real, all-in return on capital employed, we should not view differently companies granting equity from peers using cash as a form of compensation. Although often not representing a direct or an immediate call on a company's cash resources, these grants are made in exchange for, or in anticipation of, services to be provided: They have a real economic value and so should be considered.

In analyzing the financial aspects of equity awards granted by an issuer, we consider adjustments to:

- Normalize the value of these grants in calculating earnings and performance-based metrics. That is, certain accounting regimes mandate expensing of stock-based grants while others do not. In addition, certain practices employed by management, such as vesting acceleration and other award modifications, could meaningfully affect reported results. Accordingly, certain adjustments may be warranted for more meaningful peer and period-over-period comparisons.
- Highlight the effect that these arrangements might have over time on cash flows. That is, although most awards do not result in cash being exchanged upon grant, future cash flows are clearly affected. This occurs as a result of payments received by the company upon exercise or issuance of shares; payments made by the company for share repurchases (to mitigate earnings per share dilution); a company's practice to settle the value of equity grants in cash in lieu of shares; and tax savings generated by the favorable tax treatment generally afforded to options and other grants.
- Separately, we try to ascertain the effectiveness of a company's grants in aligning employee incentives with shareholders' and creditors' objectives.

Until recently, the major accounting regimes (e.g., IFRS, U.S. GAAP, Canadian GAAP, and Australian GAAP) did not mandate expensing of these costs. Now most require the fair value of equity-based grants (or an approximation of that value) to be included as an expense in the income statement. This amount is generally expensed over the benefiting period, i.e., the period the employee is assumed to provide services in exchange for the award. Often the vesting period is used as a proxy. Prior to the advent of IFRS and the recent mandating of expensing under U.S. GAAP for all stock-based grants, the accounting was greatly fragmented and inconsistent among companies and jurisdictions, and also varied according to the form of the award. For example, although restricted shares or stock appreciation rights may be economically equivalent to stock option grants, the accounting differed. Further, disclosures of stock-based compensation arrangements, which were lacking in the past, have vastly improved as a result of governance and transparency requirements by accounting-standard setters, securities regulators, and exchanges, providing more pertinent data on these arrangements.

Profitability analysis

Our objective is to capture compensation cost in our profitability measures--regardless of the means of payment (i.e., whether paid in cash, shares, options or other in-kind payment)--as fully and as consistently as possible.

With the recent accounting changes, most rated companies now expense the cost of equity-based grants, so the consistency of reported earnings is significantly enhanced, obviating in many cases the need to define a different common basis for analysis. However, where information enabling quantification is not available, we employ a qualitative assessment, to be conscious of the difference among peers.

Companies may, at times, modify their share-based awards, grant a one-time award (e.g., upon an acquisition), or accelerate vesting (e.g., upon a change in control or downsizing). These actions could meaningfully alter reported income and introduce discrete volatility to earnings. However, adjustments for these variants generally are not feasible as a practical matter, and are attempted only where material and the relevant information is available.

Cash flow analysis

When a company grants share-based awards, generally no cash is paid or received. Cash-flow consequences, if any, only arise when the options are exercised (e.g., as a result of payment of the exercise price and from associated tax benefits). For some other grants, such as stock appreciation rights (SARs) payable in shares and restricted share

grants, no cash changes hands at all. Just as with all issuance of equity, the company's financial position is enhanced, or at least is not diminished, as a result of the grant (assuming settlement is effected with shares, and the grant/exercise is not tied to commensurate repurchases). From a cash flow standpoint, companies would gain flexibility to the extent that stock-based grants provide an alternative to cash compensation and their creditors should be better off, while their shareholders will be diluted.

Our cash-flow measures, such as FFO and operating cash flow, are not affected by share-based grants. Being a noncash item, share-based related expense will continue to be backed out on the cash flow statement. Because options and restricted share grants represent noncash events, our key cash flow ratios--FFO to total debt, EBITDA to interest, and debt to EBITDA--exclude stock option expense. Accordingly, for companies whose stock-based compensation expense (payable in shares) has been deducted, we adjust EBITDA measures by adding back the expense.

Unlike options or restricted share awards, certain other share-based arrangements are payable solely in cash (e.g., stock appreciation rights required to be settled in cash), and represent a future call on a company's cash flow. The obligations under these arrangements are treated as debt.

For tax-reporting purposes, the exercise or the point of vesting (not granting) of certain stock-based awards often generates a tax-deductible expense, regardless of whether the company has been expensing stock-option grants for financial reporting purposes. Tax credits are shown as an operating item on the cash flow statement under U.S. GAAP only to the extent they relate to the accounting expense; if the tax deduction exceeds the amount attributable to the accounting expense, such excess is a financing item. Analytically, we view tax benefits more appropriately as a financing item on the cash flow statement, because they are triggered only upon equity issuance.

To mitigate dilution caused by options and other share-related grants, companies often engage in share repurchases. Arguably, if a company regularly reverses the dilution resulting from the exercise of share-based awards through share repurchases, the related cash outlays (net of cash proceeds from the exercise) could be treated as a cash operating expense. However, we view a company's decision to repurchase its shares as a separate matter--and part of the company's overall corporate finance strategy. Accordingly, we determine the level of expected share repurchases in the context of a broader assessment of liquidity, capitalization, and financial policy.

In contrast, when an issuer enters into derivative or similar contracts to repurchase shares at a future date, we view these contracts as precursors to such purchases--and incorporate the repurchase immediately in the analysis. Still, even in the absence of such contractual arrangements, the analysis incorporates the eventual share repurchases if they are anticipated. We adjust debt by adding amounts that are anticipated as necessary to fund these transactions.

Additional considerations

For U.S. tax purposes, generally the exercise (not granting) of certain stock options results in a tax-deductible expense to the employer. However, for GAAP purposes, the company expenses the fair value of stock options, which is determined at the grant date, ratably over the related service period. As a result of the use of the grant date fair value to determine the accounting expense, rather than an exercise-date intrinsic or other value for tax deduction purposes, the book and the tax expenses will differ. Furthermore, U.S. GAAP does not allow companies to record a reduction to income tax expense on their income statements for these excess tax benefits. Instead, the tax benefit is recorded directly as an incremental increase to equity (more specifically, additional paid-in capital) and a reduction of taxes payable (i.e., never recorded in as a benefit in the income statement). Consistent with our view that the tax benefits are more financing in nature, because they relate to equity issuance, this will not give rise to an

adjustment.

If the options ultimately expire unexercised, any previously recorded accounting expense (recorded based on the award's initial fair value) is not reversed under U.S. GAAP. Although in this circumstance no tax deduction would be generated at all, it would result in a deferred tax asset being recorded on the company's balance sheet over the expense recognition period (because the book expense and resulting deferred tax assets are calculated based on the initial fair value). This tax asset is reversed through earnings only upon expiration of the exercise period. This requirement can cause large deferred tax assets, unlikely to be realized, to remain on a company's balance sheet, causing artificially inflated equity balance in circumstances in which a company's fortunes are adversely changing, and its options are moving substantially out of the money (rendering both exercise and use of the tax benefit improbable). Analytically, it would be more appropriate to reverse the asset amount against equity when it becomes apparent that use of the benefits is unlikely. Adjustments for these situations are considered only in rare circumstances.

Both IFRS and U.S. GAAP now require the expensing of stock options and other share-based employee compensation. However, to facilitate the transition from the prior approach of not expensing, the transition provision allows companies to apply this approach only to grants that were made after a specific date (e.g., Nov. 7, 2002, under IFRS). As a result, costs for an increasing proportion of outstanding grants will be expensed over time. We have generally not attempted to adjust earnings measures to include the missing expenses in the early years of the transition.

Adjustment procedures

Data requirements

- Total period share-based compensation expense reflected in the financial statements. (Amounts may be available in the statements or in the notes.);
- In jurisdictions that do not require expensing of such compensation, an estimate of what would be expensed;
- Amount of deferred taxes unlikely to be realized;
- Tax cash flows included in operating that we view as financing; and
- Estimate of amounts to be used for share repurchases.

Calculations

- EBITDA: Where noncash stock compensation costs have been expensed, we reverse the expense amount.
- SG&A, Operating income before and after D&A, and EBIT: In jurisdictions where share-based compensation is not required to be expensed, the estimated amount is deducted from these profitability measures.
- Tax assets that are unlikely to be realized are subtracted from assets and equity.
- Taxes that are financing in nature are added to operating cash flow and FFO.
- Debt is increased--and equity decreased--for related share repurchases that are contractually committed or otherwise imminent.

(Please see "Analytic Implications Of Stock-Based Compensation Accounting," published March 24, 2005, and "Camouflaged Share Repurchases: The Rating Implications Of Total-Return Swaps And Similar Equity Derivatives," published Dec. 7, 2000, on RatingsDirect.)

Stranded costs securitizations of regulated utilities

For rate-regulated utilities, we remove the effects of debt related to securitization of stranded costs, to the extent that debt is serviced separately by the utilities' customers through direct inclusion in rates. Because the customers, not the utility, are responsible, by statute, for principal and interest payments, we remove the debt from the balance sheet for analytical purposes. We also remove related amounts from revenue, depreciation, and interest.

Adjustment procedures

Data requirements

- Amount of securitized debt related to stranded costs on the utility's balance sheet at period end;
- Interest expense related to securitized stranded-cost debt for the period; and
- Principal repayments on stranded-cost securitized debt during the period.
- Note: We obtain the data from the financial statements and footnotes of the utility; or separate special purpose vehicle (SPV) created for the debt securitization; or information received directly from the utility.

Calculations

- Adjustment to debt: We subtract the stranded-cost securitized debt from total debt.
- Adjustment to revenues: We remove the revenue earned from customers that is committed to paying securitized debt principal and interest from total revenues. We assume that revenue equals the sum of interest and principal payments made during the year.
- Adjustment to operating income before D&A and EBITDA: We remove the revenue earned from customers committed to paying principal and interest on securitized debt.
- Adjustment to operating income after depreciation and amortization and EBIT: We remove the revenue earned from customers committed to paying principal and interest. We also remove D&A related to the regulatory asset, which we assume equals the sum on principal payments during the period. As a result, the reduction to operating income after D&A is only for the interest portion.
- Adjustment to interest expense: We reduce interest expense by interest expense of the securitized debt.
- Operating cash flows: We reduce operating cash flows for revenues and increase for the assumed interest amount related to the securitized debt. This results in a net decrease to operating cash flows equal to the principal repayment amount.

(Please see "Securitizing Stranded Costs," published Jan. 18, 2001, on RatingsDirect.)

Surplus Cash

The credit profile of companies that have accumulated cash is, of course, enhanced by the available liquidity. But our analytical methodology regularly goes a step further, by adjusting both financial and operating ratios to reflect a company's surplus cash (that is, unless the surplus is deemed to be only temporary).

Industrial credit ratios are intended to capture the degree to which a company has leveraged its risk assets, and highly liquid financial assets often involve virtually no risk. Moreover, ratios are designed to indicate a company's ability to service and repay debt obligations from operating cash flow, and surplus cash and/or highly liquid assets are, in a sense, available to repay debt apart from ongoing cash flow generation. Accordingly, we often net surplus cash against debt and debt-like obligations--so that net debt is what figures in ratio calculations.

In some situations--only where the surplus cash is structurally linked to debt that would not be needed, were it not

for the cash holdings--we also use a net interest expense when calculating the denominator of coverage ratios, such as FFO/interest, EBIT/interest, and EBITDA/interest. (Absent such linkage, we use gross interest in the denominator. Also, since interest income is differentiated from operating income, it is generally not included in the numerator.)

Further, maintenance of surplus cash distorts operational benchmarks and return on assets measures that are important for peer comparisons in some sectors, such as pharmaceuticals. Given the relatively low returns on low-risk financial assets, maintaining such assets depresses asset-related margins (even without taking into account interest expense required if the company is financing the cash with debt that otherwise would not be needed).

The key analytical considerations regarding net debt adjustments are the quality of the financial assets themselves and the company's purpose and strategies for maintaining them--although doing so involves commensurately higher levels of debt. Some of the possible strategies--and what they imply for the permanence of the surplus--are discussed below.

Virtually all companies require some cash to facilitate their operations. Retailers, restaurants, and supermarkets, for example, need cash to make change. More broadly, companies require a certain level of cash for very-near-term liquidity. We do not give any special credit or make any adjustments for cash that is merely adequate to support ongoing operations, even though the amount can sometimes be quite substantial--especially for companies that operate numerous facilities, and those that transact in diverse currencies.

Companies engage in dialogue with us to help us gauge these near-term operating liquidity needs, and our sector comparisons and reviews also target peer consistency regarding maintenance of sufficient liquidity. Apart from potential netting for surpluses, maintaining adequate liquidity is always an important rating consideration. A company with a deficient level of cash for working capital needs would be penalized in its rating assignment.

However, many companies possess still greater cash, and/or liquid, low-risk, financial resources. Several different possible purposes and strategies could apply. This is important to our analytical treatment: There are many situations in which we use net calculations and, many others where we do not, usually determined by the company's strategies. The strategies explained below are in descending order, starting with the most supportive of a net approach and concluding with a number of strategies that do not lead to a net approach.

Strategies that support net-debt treatment

- **Defeasance (both legal and economic).** Because the company places very high-quality assets in a trust to cover the interest and principal of a specific debt issue, this is the most obvious application of the net debt adjustment. (See "Defeasance Of Corporate Bonds May Be Gaining Popularity," published July 25, 2006, on RatingsDirect).
- **Tax arbitrage.** Some companies manufacture in various tax havens; retain related profits in those low-tax locales and avoid tollgate taxes by holding financial investments there; while financing and incurring tax-deductible interest expense in higher-tax rate jurisdictions. Such structural basis for maintaining cash is another solid reason for applying the net debt adjustments. (However, for analytical purposes, any "tollgate" taxes payable upon repatriation are subtracted from the cash.) The large, cash-rich U.S. pharmaceutical companies offer a good example of this tax arbitrage strategy. And, given the magnitude of this aspect of these companies' finances, profitability measures could be quite distorted without also adjusting return on asset ratios to a net basis. (See "Credit FAQ: Tax Relief On Foreign Cash And Its Special Benefit To U.S. Drug And Medical Device Firms," published Sept. 14, 2004, and "Ratings Implications Of Earnings Repatriations Under The American Jobs Creation Act," published June 26, 2006, on RatingsDirect.)
- **Funding future payment of obligations--especially retiree obligations.** Some companies may earmark financial

assets on their balance sheet to provide for their retiree benefit obligations. In particular, some large German corporations assert that this is their financial policy. Indeed, while these assets are not legally segregated, we would view them as offsetting the liability. Application of the net debt approach in such cases presumes that the liability itself is sufficiently debt-like to be included in our definition of adjusted debt. (U.S., U.K., and Dutch companies, among others, are forced by law to fund their pension obligations in a trust. Our pension adjustment adds back only any unfunded portion, which is equivalent to netting these financial assets against the debt-like pension liability.)

- Meet seasonal requirements. A company may choose to pre-fund its intrayear borrowing needs, by borrowing (or not repaying outstanding debt balances), holding the proceeds in cash or near-cash investments, drawing down the cash as the year progresses, and then replenishing it at period end. The company should not be penalized relative to a company that instead relies on borrowing only as the need actually materializes, thus avoiding the debt showing up on its yearend financial statements. (In both cases, there may be equal prudence, since the latter company would typically be able to rely on a revolving credit agreement.) To avoid such a distortion and promote comparability, we would use a net-debt approach. However, it would be tricky to estimate the impact on interest expense involved for this pattern, which is one reason we are reluctant to focus on net interest expense.
- Maintain access to financial markets. Very similar to the above strategy, some companies believe it is in their best interests to keep a fairly stable presence in the financial markets, especially in CP markets. They maintain market presence on a regular basis, and avoid going in and out of the markets as their cash flow patterns would dictate.

Strategies that do not support net-debt treatment

- Cyclical safety net. Some companies tend to accumulate cash during good times and hold onto it for self-preservation during expected lean years. For companies that have large ongoing capital requirements, this can be critical. The large U.S. auto companies offer a dramatic example. Similarly, high technology companies tend to operate with a large cash cushion, given the vicissitudes of the technology product life cycles. Such cash is not really an offset to debt, and net debt is not used as the basis for analysis in these instances. (Nonetheless, it is hard to forecast how much cash is appropriately dedicated to spending in future downturns. So the analyst might calculate supplementary ratios based on netting, just to gain perspective and for peer comparison purposes.)
- Reserve for investment opportunities. Cash earmarked for investment in operations--expansion or capital projects--or acquisitions does not qualify for netting against debt. The cash position is temporary, although some companies may take their time until the opportunity they seek arrives. Of course, having such cash to invest is a great positive that must not be overlooked; it figures in other aspects of the analysis: The potential additional cash flow that can be anticipated from enlarged operations is considered in financial projections, and the current availability of cash enhances liquidity.
- Awaiting return to shareholders. In the current financial environment, this situation may be the most common, at least in the U.S. Many companies that have been successful at generating surplus cash are motivated to repurchase stock or pay out special dividends. While shareholder enrichment programs may stretch out over several quarters or even a few years, the cash position of such companies is ephemeral, and should not be netted against debt.

There are many instances where the purpose may be mixed or the strategy unclear. Local business practice can then form the basis for deciding whether the cash position is likely to be long-lasting. Accordingly, companies with surplus cash that operate in the European context are regularly afforded net debt treatment, given the acceptance--even tradition--of companies operating permanently with surplus cash. (Whatever portion is deemed to be needed for operations is excluded from the adjustment.)

In contrast, North American companies operate in an environment that looks askance at cash accumulation. Shareholders expect these funds to be invested, or returned to them for reinvestment. We therefore presume that, in most cases, surplus cash will be distributed to shareholders sooner or later. Accordingly, few companies in North America are analyzed on a net-debt basis.

Some companies participate in global industries, and may be influenced, to some extent, by the behavior of cross-border peers. This could provide additional insight into what to expect in those instances.

A company's excess cash may be invested in assets of varying quality or liquidity. We tend to be fairly conservative about which assets can be used to fully offset debt. However, a diversified portfolio of assets--such as traded equities, for example--can constitute a reasonably high quality investment, and is certainly very liquid. We have sometimes taken a net approach even with respect to nonfinancial assets, when they exhibit similar critical aspects of low risk and liquidity. For example, agricultural commodity and energy trading companies hold inventory against committed orders. Netting the value of these commodities against debt allows a better picture of the true credit risks.

To the extent that asset values may be subject to decline, we would haircut the investment prior to the netting adjustment. There are situations where we would not adjust for excess cash on the balance sheet because the company has only limited access to the funds. Such exceptions include:

- Funds held at partially owned subsidiaries. Joint venture partners or minority shareholders may insist on maintaining significant liquidity at the subsidiary level, or may otherwise limit the repatriation of cash to the group's central treasury operations. Restrictive bank loan covenants at these units create similar restrictions.
- Operating subsidiaries that are regulated. These business units may be prevented from up-streaming cash to their parents, or may have to maintain substantial cash balances for regulatory reasons.
- Captive insurance subsidiaries. Although cash appears unencumbered, it usually has to be invested in line with the subsidiary's insurance status and regulations.
- Pension funding vehicles. Even pension surpluses are generally regarded as inaccessible for all practical purposes.

Adjustment procedures

Data requirements

- The amount of surplus cash is judgmentally determined, based on our assessment of liquidity available to repay debt; and
- Estimated taxes that would be subject to collection upon repatriation, if applicable.

Calculations

- Debt and cash and investments are reduced by the surplus cash amount, net of related taxes. However, the resulting debt amount may never be negative.
- If the cash and debt are structurally linked, interest expense is reduced by an amount that corresponds to earnings on the surplus cash.

(Please see "Net Debt Adjustments Reflect Asset Quality, Strategic Intent," published Feb. 22, 2007, on RatingsDirect.)

Trade Receivables Securitizations

Securitization is an important financing vehicle for many companies, often providing lower-cost, more diverse sources of funding and liquidity than otherwise available to the company. However, securitizations do not ordinarily transform the risks or the underlying economic reality of the business activity, and do not necessarily provide equity relief (i.e., that having accomplished a securitization, the issuer can retain less equity, or incur more debt, than otherwise would be the case, without any change in its credit quality).

To the extent the securitization accomplishes true risk transfer (i.e., all risks--contractual, legal, and reputational), the transaction is interpreted as an asset sale. Yet, in the much more common case, the company retains the bulk of risks related to the assets transferred, and the transaction is akin, in our view, to a secured financing. More importantly, perhaps, we do not give any benefit for securitization of assets that will be regenerated in the ordinary course of business (and financed on an ongoing basis).

Key considerations in assessing the extent of equity relief include:

- Riskiness of the securitized assets. The only risk that can be transferred is that which existed in the first place. If, as is often the case, an issuer securitizes its highest-quality or most liquid assets, that limits the extent of any meaningful equity relief.
- First-loss exposure. The issuer commonly retains the first-loss exposure, to enhance the credit protection afforded for the securitized debt. For the securitized debt to be highly rated, the extent of enhancement must be a multiple of the expected losses associated with the assets. The first-loss layer thus encompasses the preponderance of risk associated with the securitized assets, and the issuer's total realizations from the securitization will vary depending on the performance of the assets. Often, only the risk of catastrophic loss is transferred to third-party investors--risk generally of little relevance in the corporate rating analysis.
- Moral recourse. How the company would behave if losses did reach catastrophic levels. Empirical evidence suggests companies often believe they must bail out troubled financings (for example, by repurchasing problematic assets or replacing them with other assets) to preserve access to this funding source and, more broadly, to preserve their good name in the capital markets, even though they have no legal requirement to do so. Moral recourse is magnified when securitizations are a significant part of a company's financing activity, or when a company remains linked to the securitized assets by continuing in the role of servicer or operator.
- Ongoing funding needs. Even if it were contractually and legally certain that the risks related to a given pool of assets had been fully transferred and the issuer would not support failing securitizations, equity relief (or an analytical deconsolidation) still would not necessarily have been achieved. If, for whatever reason, losses related to the securitized assets rose dramatically higher than initially anticipated, and if the issuer has a recurring need to finance similar assets, future access to the securitization market would be dubious--at least economically. Future funding needs would then have to be met by other means, with the requisite equity (and the equivalent level of borrowings) to support them. Thus, even if a company separately sells the first-loss exposures, or sells the entire asset without retaining any first-loss exposure, it would not achieve equity relief.

The accounting treatment of securitizations may not be congruent with our analytical perspective, and, accordingly, adjustments to the reported financials often are necessary (especially for companies reporting under U.S. GAAP, since many securitizations remain on balance sheet under IFRS).

For transactions in which a company retains the preponderance of risks (including those related to ongoing funding needs), we calculate ratios where the outstanding amount of securitized assets are consolidated, along with the

related securitized debt--regardless of the accounting treatment. If securitization is used essentially to transfer risk in full and there are no contingent or indirect liabilities, we view the transaction as the equivalent of an asset sale. When necessary, then, we recast the assets, debt, earnings and cash flows, and shareholders' equity accordingly, including adjusting for deferred tax effects and imputed interest.

Issues/limitations of adjustments

When securitizations are accounted for as sales, they commonly give rise to upfront gain/loss-on-sale effects, which represent the present value of the estimated difference between the asset yield and the securitization funding rate and other securitization-related costs. For securitizations that we are putting back on the balance sheet, it is appropriate to back out such gains and spread them out over the life of the securitizations, given the uncertainty about whether the earnings will ultimately be realized as expected and their essentially nonrecurring character. Losses that reflect the discount on sale are also backed out, to avoid double-counting the interest component of the transactions.

To impute interest, we generally have to approximate a rate, given the lack of precise information that is available. Since securitizations tend to be relatively well-secured and risk-free for the investor, we assume a rate that approximates the risk-free rate, currently 5%.

In theory, it might be desirable to fully recast the income statement, and consolidate off-balance-sheet securitizations, but as a practical matter, this is difficult to accomplish. Still, some companies have voluntarily included pro forma schedules in their public disclosures to enable such analysis.

Cash inflows or outflows related to working capital assets or liabilities, or finance receivables, are classified as operating in nature on the statement of cash flows under U.S. GAAP and IFRS. Hence, securitizations affect operating cash flow, with particularly significant effects possible in reporting periods when securitizations are initiated or mature. The reporting convention varies in line with the balance sheet classification. If the securitization is consolidated, the related borrowings are treated as a financing activity. If the securitization is not consolidated, it is as if the assets self-liquidated on an accelerated basis: No debt incurrence is identified separately, either as an operating or financing source of cash. When our analytic view is that securitizations should be consolidated (or, in rare situations, when those that are consolidated should not be), it would be desirable to recast the statement of cash flow accordingly--to smooth out the variations in operating cash flow that can result from the sale treatment of the securitization, which can give a distorted picture of recurring cash flow. Again, as a practical matter, this often can be difficult to accomplish.

Adjustment procedures

Data requirements

- Identify the period-end amount and average outstanding amount of trade receivables sold or securitized, for which an adjustment is warranted, that are not on the balance sheet.

Calculations

- Debt and receivables are increased by the amount of trade receivables sold or securitized.
- Interest expense is increased by an amount of interest imputed at the risk-free discount rate.
- Operating cash flows are adjusted to remove the proceeds from the securitization when there is an increased level of securitization--upon initiation of securitization or subsequent fluctuation in amounts securitized. Merely rolling over existing securitization requires no cash flow adjustment.

(Please see "Securitization's Effect On Corporate Credit Quality," published Nov. 28, 2005, and "Finance Company Rating Methodology: Credit Ratios To Be Analyzed On A Managed Basis," published Feb. 23, 2001, on RatingsDirect.)

Volumetric Production Payments

A volumetric production payment (VPP) is an arrangement in which an E&P company agrees to deliver a specified quantity of hydrocarbons from specific properties to a counterparty (often a financial institution) in return for a fixed amount of cash received at the beginning of the transaction. The seller often bears all of the production and development costs associated with delivering the agreed-upon volumes. The buyer receives a nonoperating interest in oil and gas properties that produce the required volumes. The security is a real interest in the producing properties that is expected to survive bankruptcy of the E&P company that sold the VPP. When the total requisite units of production are delivered, the production payment arrangement terminates and the conveyed interest reverts back to the seller.

We view production payments structured with a high level of security to production coverage as debt-like obligations, and adjust financial and operating analysis accordingly. The retention of risk in VPPs is central to our treatment of such deals as largely debt-like.

The accounting for VPPs affects the seller's financial statements and operating statistics in several ways. The VPP volumes (i.e., the amount of oil and gas required to be delivered under the agreement) are removed from the seller's reserves. Proceeds received for the VPP increase the seller's cash balances, and the seller books a deferred revenue liability--or debt--to reflect the obligation under the agreement. Revenues and costs incurred to produce the VPP volumes are included in the seller's income statement as and when the oil and gas is produced. Operating statistics calculated on a per-barrel basis will be overstated because they include both the amortization of deferred revenues and costs, but do not factor in the volumes related to the VPP. In the case of lifting costs, for example, barrels produced in the numerator are lower, while the expense in the denominator continues to include the cost of producing the VPP volumes.

When the necessary data are available, we adjust the reported results to minimize the distortion caused by accounting for a production payment. The required volumes are returned to reserves and deferred revenue is treated as debt. Similarly, the oil and gas volumes produced to meet the VPP requirements are added to the E&P company's production when calculating per-barrel sales and lifting costs. This treatment reflects the view that VPPs are conceptually similar to secured debt, rather than asset sales. The similarity pertains in typical deals, in which the reserves included in the production agreement are significantly greater than the required volumes. The seller bears the obligation to deliver the agreed-upon volumes, and retains the production and a significant amount of reserve risk, while receiving the benefit of fixing commodity prices. A VPP structured with minimal coverage would be viewed as closer to an asset sale, since the transfer of risk would be more substantial.

Adjustment procedures

Data requirements

- Amount of VPP-related deferred revenue reported on the balance sheet at period end;
- Oil and gas reserve data (related to VPPs that have been removed from reported amounts);
- Remaining quantity of oil and gas reserves removed from reported reserves at end of period (yet to be delivered);
and
- Oil and gas volumes produced during the year from the VPPs.

The amount of deferred revenue related to VPPs at period end is obtained from the financial statements. Reserve quantities may come from the financial statements or from the company.

Calculations

- Adjustment to debt: We add the amount of deferred VPP revenue at period end to debt.
- Adjustment to interest expense: We impute interest expense on the adjustment to debt. The rate is that inherent in the contract, or a rate estimated by the analyst based on the company's secured borrowing rates. In either case, it is applied to the average of the current period end, and the previous period end deferred VPP revenue balance.
- We add period-end reserve volumes related to VPPs back to reported reserves.
- Similarly, we add the oil and gas volumes produced to meet the VPP requirements to the company's production and sales statistics used to calculate per-barrel selling prices and lifting costs.
- Adjustment to operating cash flow: We reclassify cash proceeds from VPPs as financing cash flows. Future cash flows will be adjusted (if practicable and data are available) upon delivery, to reflect the cash flows associated with the properties.

(Please see "Credit FAQ: Volumetric Production Payments For U.S. Oil And Gas Companies," published April 14, 2005, and "Oil And Gas Volumetric Production Payments: The Corporate Ratings Perspective," published Dec. 4, 2003, on RatingsDirect.)

Workers Compensation/Self Insurance

Workers compensation systems provide compensation for employees injured in the course of employment. While schemes differ between jurisdictions, provisions may be made for payments in lieu of wages, compensation for economic losses (past and future), reimbursement for or payment of medical and like expenses, general damages for pain and suffering, and benefits payable to the dependents of workers killed during employment. (For example, U.S. coal mining companies, under the Federal Coal Mine Health and Safety Act, are responsible for medical and disability benefits to existing and former employees and their families who are affected by pneumoconiosis, better known as black lung disease.)

Workers compensation coverage may be provided through insurance companies, and thus is not a financial concern for the company. But, in certain instances and/or industries, employers assume direct responsibility for medical treatment, lost wages, etc.

In these cases, under U.S. GAAP or IFRS, the incurred liabilities usually are recorded on the company's balance sheet as other liabilities, based on an actuarially determined present value of known and estimated claims. Accordingly, these obligations represent a call on future cash flow, distinguishing them from many other, less-certain contingencies. They are analogous to postretirement obligations, which we also add to debt.

Treating the workers compensation liability as debt affects many line items on the financial statements. Ideally, if there is sufficient disclosure available, we would adjust fully (in a manner akin to our postretirement adjustments). In practice, the data are not available, so we reclassify these obligations, adjusted for tax, as debt. Similarly, we may also treat other analogous self-insurance-type liabilities as debt.

Adjustment procedures

Data requirements

- Net amount recognized as a liability for workers compensation obligations and for self-insurance claims.

Calculations

- Add amount recognized for workers compensation obligations (net of tax) and net amount recognized for self-insurance claims (net of tax) to debt.

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Arbough Exhibit 4

Standard and Poor's Report Methodology for
Inputting Debt for US Utilities Power Purchase
Agreements

Criteria | Corporates | Utilities:

**Standard & Poor's Methodology For
Imputing Debt For U.S. Utilities'
Power Purchase Agreements**

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Standard & Poor's Methodology For Imputing Debt For U.S. Utilities' Power Purchase Agreements

(Editor's Note: This criteria article was originally published on May 7, 2007. We are republishing this article following our periodic review, completed on April 26, 2011.)

For many years, Standard & Poor's Ratings Services has viewed power supply agreements (PPA) in the U.S. utility sector as creating fixed, debt-like, financial obligations that represent substitutes for debt-financed capital investments in generation capacity. In a sense, a utility that has entered into a PPA has contracted with a supplier to make the financial investment on its behalf. Consequently, PPA fixed obligations, in the form of capacity payments, merit inclusion in a utility's financial metrics as though they are part of a utility's permanent capital structure and are incorporated in our assessment of a utility's creditworthiness.

We adjust utilities' financial metrics, incorporating PPA fixed obligations, so that we can compare companies that finance and build generation capacity and those that purchase capacity to satisfy customer needs. The analytical goal of our financial adjustments for PPAs is to reflect fixed obligations in a way that depicts the credit exposure that is added by PPAs. That said, PPAs also benefit utilities that enter into contracts with suppliers because PPAs will typically shift various risks to the suppliers, such as construction risk and most of the operating risk. PPAs can also provide utilities with asset diversity that might not have been achievable through self-build. The principal risk borne by a utility that relies on PPAs is the recovery of the financial obligation in rates.

The Mechanics Of PPA Debt Imputation

A starting point for calculating the debt to be imputed for PPA-related fixed obligations can be found among the "commitments and contingencies" in the notes to a utility's financial statements. We calculate a net present value (NPV) of the stream of the outstanding contracts' capacity payments reported in the financial statements as the foundation of our financial adjustments.

The notes to the financial statements enumerate capacity payments for the five years succeeding the annual report and a "thereafter" period. While we have access to proprietary forecasts that show the detail underlying the costs that are amalgamated beyond the five-year horizon, others, for purposes of calculating an NPV, can divide the amount reported as "thereafter" by the average of the capacity payments in the preceding five years to derive an approximate tenor of the amounts combined as the sum of the obligations beyond the fifth year.

In calculating debt equivalents, we also include new contracts that will commence during the forecast period. Such contracts aren't reflected in the notes to the financial statements, but relevant information regarding these contracts are provided to us on a confidential basis. If a contract has been executed but the energy will not flow until some later period, we won't impute debt for that contract until the year that energy deliveries begin under the contract if the contract represents incremental capacity. However, to the extent that the contract will simply replace an expiring contract, we will impute debt as though the future contract is a continuation of the existing contract.

We calculate the NPV of capacity payments using a discount rate equivalent to the company's average cost of debt, net of securitization debt. Once we arrive at the NPV, we apply a risk factor, as is discussed below, to reflect the benefits of regulatory or legislative cost recovery mechanisms.

Balance sheet debt is increased by the risk-factor-adjusted NPV of the stream of capacity payments. We derive an adjusted debt-to-capitalization ratio by adding the adjusted NPV to both the numerator and the denominator of that ratio.

We calculate an implied interest expense for the imputed debt by multiplying the same utility average cost of debt used as the discount rate in the NPV calculation by the amount of imputed debt. The adjusted FFO-to-interest expense ratio is calculated by adding the implied interest expense to both the numerator and denominator of the equation. We also add implied depreciation to the equation's numerator. We calculate the adjusted FFO-to-total-debt ratio by adding imputed debt to the equation's denominator and an implied depreciation expense to its numerator.

Our adjusted cash flow credit metrics include a depreciation expense adjustment to FFO. This adjustment represents a vehicle for capturing the ownership-like attributes of the contracted asset and tempers the effects of imputation on the cash flow ratios. We derive the depreciation expense adjustment by multiplying the relevant year's capacity payment obligation by the risk factor and then subtracting the implied PPA-related interest expense for that year from the product of the risk factor times the scheduled capacity payment.

Risk Factors

The NPVs that Standard & Poor's calculates to adjust reported financial metrics to capture PPA capacity payments are multiplied by risk factors. These risk factors typically range between 0% to 50%, but can be as high as 100%. Risk factors are inversely related to the strength and availability of regulatory or legislative vehicles for the recovery of the capacity costs associated with power supply arrangements. The strongest recovery mechanisms translate into the smallest risk factors. A 100% risk factor would signify that all risk related to contractual obligations rests on the company with no mitigating regulatory or legislative support.

For example, an unregulated energy company that has entered into a tolling arrangement with a third-party supplier would be assigned a 100% risk factor. Conversely, a 0% risk factor indicates that the burden of the contractual payments rests solely with ratepayers. This type of arrangement is frequently found among regulated utilities that act as conduits for the delivery of a third party's electricity and essentially deliver power, collect charges, and remit revenues to the suppliers. These utilities have typically been directed to sell all their generation assets, are barred from developing new generation assets, and the power supplied to their customers is sourced through a state auction or third parties, leaving the utilities to act as intermediaries between retail customers and the electricity suppliers.

Intermediate degrees of recovery risk are presented by a number of regulatory and legislative mechanisms. For example, some regulators use a utility's rate case to establish base rates that provide for the recovery of the fixed costs created by PPAs. Although we see this type of mechanism as generally supportive of credit quality, the fact remains that the utility will need to litigate the right to recover costs and the prudence of PPA capacity payments in successive rate cases to ensure ongoing recovery of its fixed costs. For such a PPA, we employ a 50% risk factor. In cases where a regulator has established a power cost adjustment mechanism that recovers all prudent PPA costs, we employ a risk factor of 25% because the recovery hurdle is lower than it is for a utility that must litigate time and

again its right to recover costs.

We recognize that there are certain jurisdictions that have true-up mechanisms that are more favorable and frequent than the review of base rates, but still don't amount to pure pass-through mechanisms. Some of these mechanisms are triggered when certain financial thresholds are met or after prescribed periods of time have passed. In these instances, in calculating adjusted ratios, we will employ a risk factor between the revised 25% risk factors for utilities with power cost adjustment mechanisms and 50%.

Finally, we view legislatively created cost recovery mechanisms as longer lasting and more resilient to change than regulatory cost recovery vehicles. Consequently, such mechanisms lead to risk factors between 0% and 15%, depending on the legislative provisions for cost recovery and the supply function borne by the utility. Legislative guarantees of complete and timely recovery of costs are particularly important to achieving the lowest risk factors.

Illustration Of The PPA Adjustment Methodology

The calculations of the debt equivalents, implied interest expense, depreciation expense, and adjusted financial metrics, using risk factors, are illustrated in the following example:

Example Of Power-Purchase Agreement Adjustment							
(\$000s)	Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Cash from operations	2,000,000						
Funds from operations	1,500,000						
Interest expense	444,000						
Directly issued debt							
Short-term debt	600,000						
Long-term due within one year	300,000						
Long-term debt	6,500,000						
Shareholder's Equity	6,000,000						
Fixed capacity commitments	600,000	600,000	600,000	600,000	600,000	600,000	4,200,000*
NPV of fixed capacity commitments							
Using a 6.0% discount rate	5,030,306						
Application of an assumed 25% risk factor	1,257,577						
Implied interest expense [¶]	75,455						
Implied depreciation expense	74,545						
Unadjusted ratios							
FFO to interest (x)	4.4						
FFO to total Debt (%)	20.0						
Debt to capitalization (%)	55.0						
Ratios adjusted for debt imputation							
FFO to interest (x) [§]	4.0						
FFO to total debt (%)**	18.0						
Debt to capitalization (%) ^{¶¶}	59.0						

Example Of Power-Purchase Agreement Adjustment (cont.)

*Thereafter approximate years: 7. ¶The current year's implied interest is subtracted from the product of the risk factor multiplied by the current year's capacity payment. §Adds implied interest to the numerator and denominator and adds implied depreciation to FFO. **Adds implied depreciation expense to FFO and implied debt to reported debt. ¶¶Adds implied debt to both the numerator and the denominator. FFO—Funds from operations. NPV—Net present value.

Short-Term Contracts

Standard & Poor's has abandoned its historical practice of not imputing debt for contracts with terms of three years or less. However, we understand that there are some utilities that use short-term PPAs of approximately one year or less as gap fillers pending the construction of new capacity. To the extent that such short-term supply arrangements represent a nominal percentage of demand and serve the purposes described above, we will neither impute debt for such contracts nor provide evergreen treatment to such contracts.

Evergreen Treatment

The NPV of the fixed obligations associated with a portfolio of short-term or intermediate-term contracts can lead to distortions in a utility's financial profile relative to the NPV of the fixed obligations of a utility with a portfolio of PPAs that is made up of longer-term commitments. Where there is the potential for such distortions, rating committees will consider evergreen treatment of existing PPA obligations as a scenario for inclusion in the rating analysis. Evergreen treatment extends the tenor of short- and intermediate-term contracts to reflect the long-term obligation of electric utilities to meet their customers' demand for electricity.

While we have concluded that there is a limited pool of utilities whose portfolios of existing and projected PPAs don't meaningfully correspond to long-term load serving obligations, we will nevertheless apply evergreen treatment in those cases where the portfolio of existing and projected PPAs is inconsistent with long-term load-serving obligations. A blanket application of evergreen treatment is not warranted.

To provide evergreen treatment, Standard & Poor's starts by looking at the tenor of outstanding PPAs. Others can look to the "commitments and contingencies" in the notes to a utility's financial statements to derive an approximate tenor of the contracts. If we conclude that the duration of PPAs is short relative to our targeted tenor, we would then add capacity payments until the targeted tenor is achieved. Based on our analysis of several companies, we have determined that the evergreen extension of the tenor of existing contracts and anticipated contracts should extend contracts to a common length of about 12 years.

The price for the capacity that we add will be derived from new peaker entry economics. We use empirical data to establish the cost of developing new peaking capacity and reflect regional differences in our analysis. The cost of new capacity is translated into a dollars per kilowatt-year (kW-year) figure using a weighted average cost of capital for the utility and a proxy capital recovery period.

Analytical Treatment Of Contracts With All-In Energy Prices

The pricing for some PPA contracts is stated as a single, all-in energy price. Standard & Poor's considers an implied capacity price that funds the recovery of the supplier's capital investment to be subsumed within the all-in energy price. Consequently, we use a proxy capacity charge, stated in \$/kW, to calculate an implied capacity payment associated with the PPA. The \$/kW figure is multiplied by the number of kilowatts under contract. In cases of

resources such as wind power that exhibit very low capacity factors, we will adjust the kilowatts under contract to reflect the anticipated capacity factor that the resource is expected to achieve.

We derive the proxy cost of capacity using empirical data evidencing the cost of developing new peaking capacity. We will reflect regional differences in our analysis. The cost of new capacity is translated into a \$/kW figure using a weighted average cost of capital and a proxy capital recovery period. This number will be updated from time to time to reflect prevailing costs for the development and financing of the marginal unit, a combustion turbine.

Transmission Arrangements

In recent years, some utilities have entered into long-term transmission contracts in lieu of building generation. In some cases, these contracts provide access to specific power plants, while other transmission arrangements provide access to competitive wholesale electricity markets. We have concluded that these types of transmission arrangements represent extensions of the power plants to which they are connected or the markets that they serve. Irrespective of whether these transmission lines are integral to the delivery of power from a specific plant or are conduits to wholesale markets, we view these arrangements as exhibiting very strong parallels to PPAs as a substitute for investment in power plants. Consequently, we will impute debt for the fixed costs associated with long-term transmission contracts.

PPAs Treated As Leases

Several utilities have reported that their accountants dictate that certain PPAs need to be treated as leases for accounting purposes due to the tenor of the PPA or the residual value of the asset upon the PPA's expiration. We have consistently taken the position that companies should identify those capacity charges that are subject to operating lease treatment in the financial statements so that we can accord PPA treatment to those obligations, in lieu of lease treatment. That is, PPAs that receive operating lease treatment for accounting purposes won't be subject to a 100% risk factor for analytical purposes as though they were leases. Rather, the NPV of the stream of capacity payments associated with these PPAs will be reduced by the risk factor that is applied to the utility's other PPA commitments. PPAs that are treated as capital leases for accounting purposes will not receive PPA treatment because capital lease treatment indicates that the plant under contract economically "belongs" to the utility.

Evaluating The Effect Of PPAs

Though history is on the side of full cost recovery, PPAs nevertheless add financial obligations that heighten financial risk. Yet, we apply risk factors that reduce debt imputation to recognize that utilities that rely on PPAs transfer significant risks to ratepayers and suppliers.

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The McGraw-Hill Companies

Arbough Exhibit 5

Standard and Poor's Report: Louisville Gas &
Electric Company

Louisville Gas & Electric Co.

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Louisville Gas & Electric Co.

Major Rating Factors

Strengths:

- Stable and relatively predictable utility operations and associated cash flows;
- Credit-supportive regulatory environment in Kentucky;
- Competitive rates; and
- Efficient operations and high customer satisfaction ratings.

Corporate Credit Rating

BBB/Stable/A-2

Weaknesses:

- Little fuel diversity, virtually all plants are coal-fired;
- Exposure to pending environmental standards; and
- Linked to parent credit quality.

Rationale

Standard & Poor's Ratings Services bases its rating on vertically integrated electric utility and natural gas distribution utility Louisville Gas & Electric Co. (LG&E) on the consolidated credit profile of ultimate parent PPL Corp., which includes what we consider to be an excellent business risk profile and aggressive financial risk profile. (For more on business risk and financial risk, see "Business Risk/Financial Risk Matrix Expanded," published on May 27, 2009.) In the U.S., holding company PPL Corp. consists of LG&E and other vertically integrated utility subsidiary Kentucky Utilities Co. (KU). In addition, PPL Corp. owns transmission and distribution electric utility PPL Electric Utilities Corp. (PPLEU) and PPL Energy Supply LLC, an unregulated generation subsidiary that has 10,760 megawatts of unregulated generation capacity that consists of well-located, low-cost nuclear and coal plants that are well hedged through 2012. In the U.K., PPL Corp. owns electric distribution networks Western Power Distribution (South West) PLC, Western Power Distribution (South Wales) PLC, Western Power Distribution (West Midlands) PLC, and Western Power Distribution (East Midlands) PLC. Our rating on PPL Corp. reflects the company's mostly regulated utility strategy that will include continuous capital spending and timely cost recovery through various regulatory mechanisms.

The excellent business risk profile incorporates PPL Corp.'s strategy as a mostly regulated public utility holding company. PPL Corp.'s numerous utilities serve 10 million electric customers in the U.K., Pennsylvania, and Kentucky, and 320,000 natural gas distribution customers in Kentucky. The U.K. wires-only distribution utilities have credit-supportive U.K. regulation and no commodity risk because nonaffiliated retail suppliers procure the electricity for retail customers. We expect these U.K. operations to contribute about 30% of PPL Corp.'s consolidated cash flow. The stability of the U.K. cash flows, along with existing utility assets in Kentucky and Pennsylvania, all of which we assess as excellent, will more than offset the business risk profile of PPL Energy's merchant generation, which we assess as satisfactory, resulting in the excellent business profile overall. We expect the merchant generation business to comprise less than 25% of pro forma consolidated cash flows.

LG&E's business risk profile, which we consider excellent, reflects the strengths of serving electric and natural gas customers in the Louisville area. The utility's strengths include relatively predictable utility operations with steady cash flows, constructive cost recovery, and relatively low rates stemming from low-cost coal-fired generation.

Although most of its plants burn coal, they meet current environmental requirements, and the significant amount of capital spending needed for environmental compliance through 2015 should be recoverable through rates.

The financial risk profile for LG&E reflects that of PPL Corp. The consolidated financial profile, which we consider aggressive, reflects adjusted financial measures that are in line with the rating. We expect that financial measures will continue at current levels as the company incorporates full cost recovery of capital spending in operating cash flow. We expect consolidated financial measures, including ratios of debt to EBITDA, funds from operations (FFO) to total debt, and debt to capital, to remain in line with the rating. For the 12 months ended June 30, 2011, FFO to total debt was 16.5%, total debt to total capital was about 58%, and debt to EBITDA was 4.8x. After reducing cash flow from operations by capital spending and dividends, discretionary cash flow was negative \$275 million, indicating a need for external funding. In addition, net cash flow (FFO after dividends) to capital spending was 101%. FFO interest coverage was 4.1x, and the company's dividend payout ratio was 50%. The consolidated adjustments for PPL Corp. include pension-related items, intermediate equity treatment of the junior subordinated notes, and high equity treatment of mandatory convertible securities.

Liquidity

The short-term rating on LG&E is 'A-2'. The utility's liquidity position reflects that of parent PPL Corp., which we consider adequate under Standard & Poor's liquidity methodology. (We categorize liquidity in five standard descriptors. See "Liquidity Descriptors For Global Corporate Issuers," published on Sept. 28, 2011.)

We base our liquidity assessment on the following factors and assumptions:

- We expect PPL Corp.'s liquidity sources over the next 12 months, including FFO and credit facility availability, to exceed uses by 1.2x. Uses include necessary capital spending, working capital, debt maturities, and shareholder distributions.
- Debt maturities are manageable over the next 12 months.
- We believe liquidity sources would exceed uses by 30% even if EBITDA declined 15%.
- In our assessment, PPL Corp. has good relationships with its banks, and has a good standing in the credit markets, having successfully issued debt during the recent credit crisis.

In our analysis of liquidity over the next 12 months, we assume \$6.9 billion of liquidity sources, consisting of FFO and credit facility availability. We estimate liquidity uses of \$5 billion for capital spending, maturing debt, working capital, and shareholder distributions.

PPL Corp.'s credit agreements include a financial covenant requiring debt to total capitalization no greater than 65% for PPL Energy Supply and 70% for the U.S. utilities. As of June 30, 2011, the company was in compliance with the covenants.

Debt maturities are manageable through 2014, with \$500 million in 2011, \$0 in 2012, \$737 million in 2013, and \$300 million in 2014. However, in 2015, \$1.3 billion is due. We expect that the company will refinance many of these debt maturities.

Recovery analysis

We assign recovery ratings to first mortgage bonds (FMBs) issued by investment-grade U.S. utilities, which can result in issue ratings being notched above the corporate credit rating (CCR) on a utility depending on the CCR category and the extent of the collateral coverage. We base the investment-grade FMB recovery methodology on the ample

historical record of nearly 100% recovery for secured bondholders in utility bankruptcies and on our view that the factors that supported those recoveries (limited size of the creditor class, and the durable value of utility rate-based assets during and after a reorganization, given the essential service provided and the high replacement cost) will persist in the future. Under our notching criteria, when assigning issue ratings to utility FMBs, we consider the limitations of FMB issuance under the utility's indenture relative to the value of the collateral pledged to bondholders, management's stated intentions on future FMB issuance, as well as the regulatory limitations on bond issuance. FMB ratings can exceed the CCR on a utility by up to one notch in the 'A' category, two notches in the 'BBB' category, and three notches in speculative-grade categories.

LG&E's FMBs benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of about 1.5x supports a recovery rating of '1+' and an issue rating two notches above the CCR.

Outlook

The stable outlook on LG&E reflects our expectation that PPL Corp.'s management will focus on its fully regulated utilities and will not increase unregulated operations beyond current levels. The outlook also reflects our expectations that cash flow protection and debt leverage measures will be appropriate for the rating. Specifically, our baseline forecast includes FFO to total debt of around 15%, debt to EBITDA between 4x and 5x, and debt leverage to total capital under 60%, consistent with our expectations for the 'BBB' rating. Given the company's mostly regulated focus, we expect that PPL Corp. will avoid any meaningful rise in business risk by reaching constructive regulatory outcomes and limit its unregulated operations to existing levels. We could lower the ratings if PPL Corp. cannot sustain consolidated financial measures of FFO to total debt of at least 12%, debt to EBITDA below 5x, and debt leverage under 62%. This could occur if market power prices remain weak due to ongoing depressed demand. Although unlikely over the intermediate term, we could raise the ratings if the business profile further strengthens and if financial measures exceed our baseline forecast on a consistent basis, including FFO to total debt in excess of 20%, debt to EBITDA below 4x, and debt to total capital around 50%.

Related Criteria And Research

- Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
- Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- Analytical Methodology, April 15, 2008
- Ratios And Adjustments, April 15, 2008
- Changes To Collateral Coverage Requirements For '1+' Recovery Ratings On U.S. Utility First Mortgage Bonds, Sept. 6, 2007

Table 1

PPL Corp. -- Peer Comparison*				
Industry Sector: Energy				
	PPL Corp.	FirstEnergy Corp.	Public Service Enterprise Group Inc.	Ameren Corp.
Rating as of Oct. 31, 2011	BBB/Stable/--	BBB-/Stable/--	BBB/Positive/A-2	BBB-/Stable/A-3

Table 1

PPL Corp. -- Peer Comparison* (cont.)				
--Average of past three fiscal years--				
(Mil. \$)				
Revenues	5,285.6	13,266.0	11,995.5	7,522.3
Net income from cont. oper.	483.9	1,044.0	1,466.6	452.0
Funds from operations (FFO)	1,560.7	2,675.2	2,494.4	1,836.9
Capital expenditures	1,177.4	2,352.5	1,874.5	1,668.3
Cash and short-term investments	721.6	812.7	290.2	419.7
Debt	8,598.5	17,675.4	8,875.7	9,223.1
Preferred stock	333.3	0.0	53.3	88.7
Equity	4,776.7	8,451.0	8,533.8	7,619.0
Debt and equity	13,375.2	26,126.4	17,409.5	16,842.1
Adjusted ratios				
EBIT interest coverage (x)	2.7	2.4	6.2	3.0
FFO int. cov. (X)	4.8	3.2	6.0	4.6
FFO/debt (%)	18.2	15.1	28.1	19.9
Discretionary cash flow/debt (%)	(1.2)	(2.5)	1.0	(2.8)
Net cash flow/capex (%)	86.6	85.2	97.1	85.0
Total debt/debt plus equity (%)	64.3	67.7	51.0	54.8
Return on common equity (%)	12.7	10.9	17.5	5.6
Common dividend payout ratio (un-adj.) (%)	111.4	64.2	46.0	95.0

*Fully adjusted (including postretirement obligations).

Table 2

Louisville Gas & Electric Co. -- Financial Summary		
Industry Sector: Combo		
--Fiscal year ended Dec. 31--		
	2010	2009
Rating history	BBB+/Stable/--	BBB+/Stable/--
(Mil. \$)		
Revenues	1,311.0	1,272.0
EBITDA	388.7	333.9
Operating income	250.7	197.9
Net income from continuing operations	128.0	95.0
Funds from operations (FFO)	262.7	223.7
Capital expenditures	221.8	186.3
Free operating cash flow	(26.1)	129.4
Dividends paid	55.0	80.0
Discretionary cash flow	(81.1)	49.4
Debt	1,561.1	1,313.0
Preferred stock	0.0	0.0
Equity	1,721.0	1,253.0
Debt and equity	3,282.1	2,566.0

Table 2

Louisville Gas & Electric Co. -- Financial Summary (cont.)

Adjusted ratios		
EBITDA margin (%)	29.7	26.3
EBITDA interest coverage (x)	6.8	5.7
EBIT interest coverage (x)	4.7	3.7
FFO int. cov. (x)	5.4	4.3
FFO/debt (%)	16.8	17.0
Free operating cash flow/debt (%)	(1.7)	9.9
Discretionary cash flow/debt (%)	(5.2)	3.8
Net cash flow/capex (%)	93.6	77.2
Debt/EBITDA (x)	4.0	3.9
Debt/debt and equity (%)	47.6	51.2
Return on capital (%)	7.9	7.2
Return on common equity (%)	8.6	7.6
Common dividend payout ratio (un-adj.) (%)	43.0	84.2

Table 3

Reconciliation Of Louisville Gas & Electric Co. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)

--Fiscal year ended Dec. 31, 2010--

Louisville Gas & Electric Co. reported amounts

	Debt	Shareholders' equity	Revenues	EBITDA	Operating income	Interest expense	Cash flow from operations	Cash flow from operations	Dividends paid	Capital expenditures
Reported	1,287.0	1,721.0	1,311.0	366.0	228.0	46.0	181.0	181.0	55.0	220.0
Standard & Poor's adjustments										
Operating leases	17.0	--	--	0.7	0.7	0.7	4.3	4.3	--	1.8
Postretirement benefit obligations	137.2	--	--	22.0	22.0	6.0	10.4	10.4	--	--
Asset retirement obligations	31.9	--	--	--	--	--	--	--	--	--
Reclassification of nonoperating income (expenses)	--	--	--	--	14.0	--	--	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	--	67.0	--	--
Debt - Accrued interest not included in reported debt	5.0	--	--	--	--	--	--	--	--	--
Debt - Other	83.2	--	--	--	--	--	--	--	--	--
Interest expense - Other	--	--	--	--	--	4.1	--	--	--	--

Table 3

Reconciliation Of Louisville Gas & Electric Co. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$) (cont.)										
Total adjustments	274.1	0.0	0.0	22.7	36.7	10.8	14.7	81.7	0.0	1.8

Standard & Poor's adjusted amounts

	Debt	Equity	Revenues	EBITDA	EBIT	Interest expense	Cash flow from operations	Funds from operations	Dividends paid	Capital expenditures
Adjusted	1,561.1	1,721.0	1,311.0	388.7	264.7	56.8	195.7	262.7	55.0	221.8

Ratings Data (As of November 4, 2011)

Louisville Gas & Electric Co.

Corporate Credit Rating	BBB/Stable/A-2
Senior Secured (2 Issues)	A-
Senior Secured (11 Issues)	A-/A-2
Senior Secured (1 Issue)	A-/NR

Corporate Credit Ratings History

15-Apr-2011	BBB/Stable/A-2
21-Mar-2011	BBB/Watch Neg/A-3
02-Mar-2011	BBB/Watch Neg/NR

Business Risk Profile

Excellent

Financial Risk Profile

Aggressive

Related Entities

Kentucky Utilities Co.

Issuer Credit Rating	BBB/Stable/A-2
Senior Secured (3 Issues)	A-
Senior Secured (5 Issues)	A-/A-2
Senior Secured (2 Issues)	A-/NR

LG&E and KU Energy LLC

Issuer Credit Rating	BBB/Stable/-
Senior Unsecured (3 Issues)	BBB-

PPL Corp.

Issuer Credit Rating	BBB/Stable/NR
Junior Subordinated (3 Issues)	BB+
Senior Unsecured (1 Issue)	BBB-

PPL Electric Utilities Corp.

Issuer Credit Rating	BBB/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preference Stock (1 Issue)	BB+
Senior Secured (9 Issues)	A-

PPL Energy Supply LLC

Issuer Credit Rating	BBB/Stable/A-2
Senior Unsecured (13 Issues)	BBB

Ratings Detail (As Of November 1, 2011) (cont.)

PPL Montana LLC

Senior Secured (1 Issue) BBB-/Positive

PPL WEM Holdings PLC

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (1 Issue) BBB-

PPL WW Holdings Ltd.

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (2 Issues) BBB-

Western Power Distribution (East Midlands) PLC

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (4 Issues) BBB

Western Power Distribution (South Wales) PLC

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (3 Issues) BBB

Western Power Distribution (South West) PLC

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (4 Issues) BBB

Western Power Distribution (West Midlands) PLC

Issuer Credit Rating BBB/Stable/A-2

Senior Unsecured (3 Issues) BBB

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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The McGraw-Hill Companies

Arbough Exhibit 6

Utility Cost of Debt Comparision 12 Months
Ending March 2012

Utility Cost of Debt Comparison
12 Months Ending March 2012

Rank	Company	Per Public Data
1.	Duke Energy Indiana Inc.	3.67%
2.	KU	3.75%
3.	LG&E	3.96%
4.	Duke Energy Ohio	4.07%
5.	AEP Texas Central Company	4.79%
6.	Indiana Michigan Power Company	4.83%
7.	NiSource	5.18%
8.	Appalachian Power Company	5.18%
9.	PECO Energy Company	5.23%
10.	Union Electric Company	5.34%
11.	AEP Texas North Company	5.46%
12.	Pennsylvania Electric Company	5.54%
13.	Detroit Edison	5.67%
14.	Metropolitan Edison Company	5.69%
15.	Public Service Electric and Gas Company	5.74%
16.	Michigan Consolidated Gas Company	5.88%
17.	Commonwealth Edison	5.91%
18.	PPL Electric Utilities	6.14%
19.	Jersey Central Power & Light Co.	6.48%
20.	Kentucky Power Company	6.55%
21.	Ohio Power Company	6.73%
22.	Ameren Energy Generating Company	6.86%
23.	Toledo Edison Company	6.99%
24.	Ohio Edison Company	7.28%
25.	Ameren Illinois Company	7.73%

EXPLANATION OF COST OF DEBT CALCULATION

The cost of debt in the "Utility Ranking" analysis is calculated by dividing (i) the total interest expense stated within the quarterly and annual income statements for a period of 12 months by (ii) the average of (a) the beginning total current and long-term debt and (b) the ending total current and long-term debt of the 12 month period within the quarterly and annual balance sheets. Capitalized interest (if clearly identified within the financial statements) is excluded from interest expense in the calculation. Current Debt typically consists of "Long-Term Debt Due Within One Year", "Notes Payable", and "Notes Payable to Affiliates".

Arbough Exhibit 7

LG&E Corporate Credit Ratings

LG&E
Corporate Credit Ratings

	Moody's	S&P	Fitch
Issuer/ Corporate credit rating	Baa1	BBB	A-
Senior secured rating	A2	A-	A+
Short-term rating	P2	A2	F2

Arbough Exhibit 8

Standard and Poor's Report: Assessing US
Utilities Regulatory Environments

Assessing U.S. Utility Regulatory Environments

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Assessing U.S. Utility Regulatory Environments

(Editor's Note: For our latest comments on regulated utility subsidiaries, please see "Methodology: Differentiating The Issuer Credit Ratings Of A Regulated Utility Subsidiary And Its Parent," published March 11, 2010, on RatingsDirect.)

The assessment of regulatory risk is perhaps the most important factor in Standard & Poor's Ratings Services' analysis of a U.S. regulated, investor-owned utility's business risk. Each of the other four factors we examine--markets, operations, competitiveness, and management--can affect the quality of the regulation a utility experiences, but we believe the fundamental regulatory environment in the jurisdictions in which a utility operates often influences credit quality the most. In our credit analysis, we evaluate regulatory risk on a company-specific basis. A utility management's skill in managing regulatory risk can in many cases overcome a difficult regulatory environment. Conversely, other companies can experience greater regulatory risk even with supportive regulatory regimes if management fails to devote the necessary time and resources to the important task of managing regulatory risk. Operating in a state with a regulatory structure that is conducive to maintaining credit quality will improve the chances for a utility to successfully negotiate the regulatory maze.

This commentary discusses our views on what constitutes a favorable regulatory climate. We then use those factors to create assessments of the regulatory environments in states that regulate the electric and gas utilities that we rate. (See the table at the end of this article.) Our intention is to provide a common base for our own analysis of regulatory risk and to better communicate to investors, issuers, and regulators how various elements of regulation can affect credit quality. The exercise is also expected to enhance our ability to evaluate management by highlighting instances where our opinion of a company's regulatory risk diverges significantly from the fundamental quality of the regulatory jurisdictions where it operates.

The assessments of relevant jurisdictions are based on quantitative and qualitative factors. Importantly, we make our assessments from a credit perspective. We plan to update them annually or when significant events occur that have an important impact on the regulatory climate in a particular jurisdiction. The new regulatory assessment information augments the methodology applied to regulated utilities today.

Our introduction of these regulatory assessments coincides with what we view as the increasing influence of regulatory matters on the rated utilities' risk profiles and greater credit market awareness of the importance of understanding the regulatory process. Our goal in explaining our views on regulatory practices and policies and their effect on Standard & Poor's analysis of the credit quality of utilities is to provide additional transparency to the market.

Background

State utility regulation is almost as old as credit ratings. Standard & Poor's predecessor, Standard Statistics Bureau, was formed in 1906, and the first state utility commissions, as we know them today, appeared in 1907. Regulation has always been a factor in Standard & Poor's analysis of utility ratings, but its importance to our analysis has shifted with industry trends over time.

Before the 1970s, regulators presided for the most part over stable or decreasing rates as economic growth, rising consumption, and economies of scale drove costs down. The advent of inflation, rising and volatile fuel costs, and

nuclear power missteps led to higher rates and, in our view, greater regulatory influence on credit quality during the 1980s. Restructuring in the natural gas and then the electric industries marked the 1990s and the first years of the new millennium, and the importance of regulatory issues in our analysis again started to subside. In our view, we are now in another era of increasing and unstable costs and some semblance of a return to traditional utility regulation. Consequently, the quality of regulation is at the forefront of our analysis of utility creditworthiness.

We have historically focused on regulatory risk on a company-specific basis. Nothing in what follows will change that approach. Utility commissions regulate diverse industries and adopt different approaches to different types of businesses. Treatment of utilities within the same industry can vary significantly in the same jurisdiction. The quality of the regulation experienced by a company is often the product of the company's management and business strategy as much as its regulators. The regulatory climate assessments only serve as a baseline of our opinion on the fundamental attitude of a jurisdiction toward the credit quality of the utilities in that state, and they are the starting point for Standard & Poor's analysis of the regulatory risk of each rated utility. Our goal is to achieve greater consistency and continuity in utility ratings.

Assessing Regulatory Jurisdictions

We assess jurisdictions on one basic attribute--the fundamental approach to controlling utility rates--and then in three major categories. The resulting assessments are based primarily on various measures of regulatory risk that are discussed briefly below. With respect to qualitative factors, we look for long-term, historical characteristics of the jurisdiction, as well as transient regulatory and political developments.

The foundation of our opinion of the regulation in a jurisdiction is the degree to which competitive market forces are allowed to influence rates. In order of credit-friendliness, a state will rely either on full cost-based regulation for all components of the utility bill, market-based mechanisms for generation, and (more rarely) retail markets, or a hybrid of the two to control the amount charged and the terms on which that service is offered. It may surprise some to learn that we consider a hybrid setup, which in most cases exists because the transition to some sort of competition has stalled, to harbor more risk for bondholders than a system that is committed to letting market prices set a major part of the customer's bill.

The risk inherent in the market-based model is straightforward: the price for electricity can be more volatile when based on a market than when it is based on embedded costs, and regulators are apt to resist full and timely recovery when changes in generation costs are abrupt and substantial (and perhaps misunderstood). The risks in a hybrid or transitional model are less apparent, but, in our opinion, potentially more significant. First, we consider the uncertainty of the timing of reaching the end state--and what that end state will look like--to be a negative factor from a credit perspective. Second, in some cases, the hybrid model may result in a "lower-of-cost-or-market" approach that allows generation rates to reflect one or the other at different times depending on which one suits ratepayers best. A utility and its bondholders may then face a prolonged period of potential exposure to market risk (the downside) with little or no opportunity to participate in the benefits of competition (the upside of greater returns).

After identifying the fundamental regulatory paradigm, our analysis turns to factors that influence the utility's business risk climate in the jurisdiction. The factors fall into three broad categories: ratemaking, political environment, and financial stability. Broadly speaking, the ratemaking and financial stability factors influence our assessments more than the paradigm and political factors.

Ratemaking Practices And Procedures

The main, and often the most contentious, task of a regulator is to set the rates a utility may charge its customers. We analyze specific rate decisions as part of the surveillance of each utility. Our regulatory assessments focus on the jurisdiction's overall approach to setting rates and the process it uses to conduct and manage base rate filings. Practices pertaining to separate tariff clauses for large expense items are examined in the third category of the analysis (see below). In this part of the assessment, we concentrate on whether established base rates fairly reflect the cost structure of a utility and allow management an opportunity to earn a compensatory return that provides bondholders with a financial cushion that promotes credit quality.

Notably, the analysis does not revolve around "authorized" returns, but rather on actual earned returns. We note the many examples of utilities with healthy authorized returns that, we believe, have no meaningful expectation of actually earning that return because of rate case lag, expense disallowances, etc. Although, in general, the absolute level of financial returns is less important to our analysis than how that return is earned, we recognize that, all else being equal, higher earned returns translate into better credit metrics and a more comfortable equity cushion for bondholders. A regulatory approach that allows utilities the opportunity to consistently earn a reasonable return is a positive factor in our view of credit quality.

The rates of return and capital structures used to generate the revenue requirement in rate proceedings may not be the primary focus of the assessment, but those and other decisions made in the ratemaking process are still noted. We consider those decisions to be potential signals from regulators on their attitude toward credit quality. We believe that the capital structure in particular is a handy and direct indication from the regulator as to whether or not creditworthiness is an important consideration in its deliberations when setting rates. Obviously, any pronouncements from a regulator that explicitly address credit ratings or ratemaking practices that incorporate credit-minded adjustments (e.g., the use of double-leveraged capital structures or off-balance-sheet debt-like obligations) are considered in the Standard & Poor's assessment.

We analyze the issue of "regulatory lag" in a comprehensive manner and not just as a matter of the efficiency of the regulator in completing rate cases. As part of this analysis, we evaluate the timeliness of rate decisions, coupled with an evaluation of the test year. In addition, we take into account the timing of interim rates, and other practices that affect the appropriateness of rates periodically established by the regulator. We do not view the issue of regulatory lag as an intermittent concern, consequential only during times of acute inflation or rising capital spending, but as a consistent part of our credit analysis. Accordingly, in our regulatory assessments we focus on whether the regulator efficiently prosecutes rate requests and bases its decisions with respect to rate setting on the most current information.

In our view, the prevalence of rate case settlements is not necessarily an important credit consideration. Although the common assumption among market participants seems to be that a settlement must be in the best interest of a utility, we believe this assumption disregards the possibility that management will sometimes make decisions based on its effect on earnings at the expense of cash flow considerations. This does not mean we dismiss the ability of stipulations to reach a fair resolution of difficult matters that help regulators issue timely and constructive rate decisions. It just means that frequent settlements do not, in our view, directly lead to a conclusion that the regulatory environment in a state enhances credit quality.

An important policy-related issue outside of individual rate cases that falls under this part of the assessment is the

regulatory oversight of large capital projects with long lead times that carry out-sized risks to a utility and its bondholders. In our opinion, practices such as legislative or regulatory recognition of the need for pre-approval of such endeavors, periodic reviews that substantively involve the regulator in the progress of the project, and rolling prudence determinations during construction can reduce the general level of risk associated with a utility committing substantial capital well in advance of the rate proceeding that results in the project being placed into rate base. Before committing to such projects, a resource-procurement process that uses objective guidelines to evaluate competing proposals to meet load obligations and keeps the regulator informed and involved in the decisions can, in our view, help to reduce the risk of subsequent disallowances. If the jurisdiction has an Integrated Resource Plan or similar mechanism that includes the participation of many parties and is used to definitively establish the need for new generation, we consider credit risk to be further diminished.

One more factor that we examine in this part of the analysis is whether a jurisdiction employs nontraditional ratemaking practices. Examples of what we may view to be potentially credit-enhancing regulatory mechanisms include weather normalization and incentive ratemaking. We believe that the beneficial effect on credit quality of a tariff clause that smooths out cash flows that can vary with outside influences like weather is self evident. The benefits of incentives incorporated into the regulatory regime may be less clear. Well-designed incentives can be at least credit neutral. A moderate amount of incentives can be credit supportive. We generally view incentive provisions (whether tied to cost control, reliability, or operational performance) as being beneficial for credit quality if they are linked to fair and objective benchmarks. Incentives that lack some or all of those features, such as a plain, long-term rate freeze, can be, in our opinion, detrimental to credit quality.

Political Insulation

The role of politics in utility regulation is often misunderstood. In most jurisdictions, legislatures created regulatory commissions and invested them with the power to set and enforce utility rates and service standards. Regardless of how a regulatory commission is statutorily organized, its function is to set and regulate rates and service standards with due regard not only for the interests of those who advance the capital needed to provide safe and reliable utility service but for other constituents as well. In this regard, bondholders should recognize that the setting of utility rates invariably reflects political as well as economic factors. Therefore, the potential for political considerations to affect utility regulation can be a key determinant when we assess a regulatory jurisdiction.

A primary factor in this part of our assessment is the method of selecting utility commissioners. In some jurisdictions, the governors appoint regulatory commissioners. In others, the same voters who pay utility bills directly elect commissioners. The regulatory risk associated with that model can sometimes be managed, but there is an inherent level of risk in elected regulatory bodies that we reflect in the assessment. Standard & Poor's also analyzes the track record of the involvement of the executive branch or the legislature in utility matters, and the relative visibility of utility issues in the political arena.

The ability of a regulator to deliver sound, fair, and timely rate decisions and set prudent regulatory policies that assist utility managers in managing business and financial risk can be affected by the overall atmosphere that it operates in. The tone can be set by the governor or legislature, the history and tradition of independence accorded to the regulatory body, and the behavior of important constituent groups that intervene in utility proceedings.

Cash Flow Support And Stability

The final set of factors in our assessment of regulatory environments is arguably the most important. The phrase "cash is king" can be overused, but it does highlight an essential part of the credit analysis. A regulatory jurisdiction that recognizes the significance of cash flow in its decision making is one that will appeal to bondholders.

Generating cash is a function of the actions of utility management, but the regulator can supply (or withhold) the tools that can affect the company's essential ability to actually realize the intended level of cash flow.

The most prominent factor in this part of the analysis is the application of separate tariff provisions for major expenses such as fuel and purchased power. The timely adjustment of rates in response to changing commodity prices and other expenses that are largely out of the control of utility management is a key component of a credit-enhancing regulatory jurisdiction. We analyze the quality of special tariff mechanisms to determine their effectiveness in producing the cash flow stability they are designed to achieve. The frequency of rate adjustments, the ability to quickly react to unusual market volatility, and the control of opportunities to engage in hindsight disallowances of costs could affect the analysis almost as much as whether the tariff provisions exist at all. The record of disallowances plays a part in the regulatory assessment.

The commission's policies and oversight covering hedging activities may also be a factor in this part of the review if a utility has sought regulatory approval. For utilities that attempt to manage commodity risks, we look for a clearly-stated hedging policy and a track record of activity that conforms to that policy. The responsibility for communicating the policy and demonstrating the prudence of the hedging activity rests with the utility, but the initial response to a hedging program and the history of the regulator's treatment of the results of the program could influence our assessment.

Regulators can employ other ratemaking techniques that promote stable cash flows. We consider a commission's decisions on rate design in assessing its attitude on credit quality. For example, we take into account the relative size of the typical monthly customer charge, a decoupling mechanism that severs the direct relationship between revenues and customer usage, or other rate design features that bolster credit quality.

Especially during upswings in the capital expenditure cycle, such as we are experiencing now, a jurisdiction's willingness to support large capital projects with cash during the construction phase is an important aspect of our analysis. This is especially true for ventures with big budgets and long lead times, such as baseload coal-fired or nuclear power plants and high-voltage transmission lines that are susceptible to construction delays. Allowance of a cash return on construction work-in-progress or similar ratemaking methods historically were considered extraordinary measures for use in unusual circumstances, but in today's environment of rising construction costs and possible inflationary pressures, cash flow support could be crucial in maintaining credit quality through the spending program.

Jurisdictional Assessments

The table below shows Standard & Poor's assessments of regulatory jurisdictions. The category titles are designed to communicate one other important point regarding utility regulation and its effect on ratings. All categories are denoted as "credit-supportive". To one degree or another, all U.S. utility regulation sustains credit quality when compared with the rest of corporate ratings at Standard & Poor's. The presence of regulators, no matter where in

the spectrum of our assessments, reduces business risk and generally supports all U.S. utility ratings.

Regulatory Jurisdictions For Utilities Among U.S. States				
Most credit supportive	More credit supportive	Credit supportive	Less credit supportive	Least credit supportive
	Alabama	Arkansas	Louisiana	Arizona
	California	Colorado	Maine	Delaware
	Florida	Connecticut	Missouri	Dist. of Columbia
	Georgia	Hawaii	Montana	Illinois
	Indiana	Idaho	New York	Maryland
	Iowa	Kansas	Oklahoma	New Mexico
	South Carolina	Kentucky	Rhode Island	
	Wisconsin	Massachusetts	Texas	
		Michigan	Utah	
		Minnesota	Vermont	
		Mississippi	Washington	
		Nevada	West Virginia	
		New Hampshire	Wyoming	
		New Jersey		
		North Carolina		
		North Dakota		
		Ohio		
		Oregon		
		Pennsylvania		
		South Dakota		
		Virginia		

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The McGraw-Hill Companies

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
WILLIAM E. AVERA

on behalf of

LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

DIRECT TESTIMONY OF WILLIAM E. AVERA

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<u>Exhibit</u>	<u>Description</u>
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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. William E. Avera, 3907 Red River, Austin, Texas, 78751.

3 **Q. IN WHAT CAPACITY ARE YOU EMPLOYED?**

4 A. I am the President of FINCAP, Inc., a firm providing financial, economic, and
5 policy consulting services to business and government.

A. Qualifications

6 **Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.**

7 A. I received a B.A. degree with a major in economics from Emory University. After
8 serving in the United States Navy, I entered the doctoral program in economics at
9 the University of North Carolina at Chapel Hill. Upon receiving my Ph.D., I joined
10 the faculty at the University of North Carolina and taught finance in the Graduate
11 School of Business. I subsequently accepted a position at the University of Texas at
12 Austin where I taught courses in financial management and investment analysis. I
13 then went to work for International Paper Company in New York City as Manager
14 of Financial Education, a position in which I had responsibility for all corporate
15 education programs in finance, accounting, and economics.

16 In 1977, I joined the staff of the Public Utility Commission of Texas
17 (“PUCT”) as Director of the Economic Research Division. During my tenure at the
18 PUCT, I managed a division responsible for financial analysis, cost allocation and
19 rate design, economic and financial research, and data processing systems, and I
20 testified in cases on a variety of financial and economic issues. Since leaving the
21 PUCT, I have been engaged as a consultant. I have participated in a wide range of
22 assignments involving utility-related matters on behalf of utilities, industrial

1 customers, municipalities, and regulatory commissions. I have previously testified
 2 before the Federal Energy Regulatory Commission (“FERC”), as well as the Federal
 3 Communications Commission, the Surface Transportation Board (and its
 4 predecessor, the Interstate Commerce Commission), the Canadian Radio-Television
 5 and Telecommunications Commission, and regulatory agencies, courts, and
 6 legislative committees in over 40 states, including the Public Service Commission
 7 of the Commonwealth of Kentucky (“KPSC” or “the Commission”).

8 In 1995, I was appointed by the PUCT to the Synchronous Interconnection
 9 Committee to advise the Texas legislature on the costs and benefits of connecting
 10 Texas to the national electric transmission grid. In addition, I served as an outside
 11 director of Georgia System Operations Corporation, the system operator for electric
 12 cooperatives in Georgia.

13 I have served as Lecturer in the Finance Department at the University of
 14 Texas at Austin and taught in the evening graduate program at St. Edward’s
 15 University for twenty years. In addition, I have lectured on economic and
 16 regulatory topics in programs sponsored by universities and industry groups. I have
 17 taught in hundreds of educational programs for financial analysts in programs
 18 sponsored by the Association for Investment Management and Research, the
 19 Financial Analysts Review, and local financial analysts societies. These programs
 20 have been presented in Asia, Europe, and North America, including the Financial
 21 Analysts Seminar at Northwestern University. I hold the Chartered Financial
 22 Analyst (CFA[®]) designation and have served as Vice President for Membership of
 23 the Financial Management Association. I have also served on the Board of
 24 Directors of the North Carolina Society of Financial Analysts. I was elected Vice
 25 Chairman of the National Association of Regulatory Commissioners (“NARUC”)
 26 Subcommittee on Economics and appointed to NARUC’s Technical Subcommittee

1 on the National Energy Act. I have also served as an officer of various other
 2 professional organizations and societies. A resume containing the details of my
 3 experience and qualifications is attached as Exhibit WEA-1.

B. Overview

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

5 A. The purpose of my testimony is to present to the KPSC my independent assessment
 6 of the fair rate of return on equity (“ROE”) that Louisville Gas and Electric
 7 Company (“LGE” or “the Company”) should be authorized to earn on its investment
 8 in providing electric and gas utility service. In addition, I also examined the
 9 reasonableness of LGE’s capital structure, considering both the specific risks faced
 10 by the Company, as well as other industry guidelines.

11 **Q. PLEASE SUMMARIZE THE BASIS OF YOUR KNOWLEDGE AND**
 12 **CONCLUSIONS CONCERNING THE ISSUES TO WHICH YOU ARE**
 13 **TESTIFYING IN THIS CASE.**

14 A. To prepare my testimony, I used information from a variety of sources that would
 15 normally be relied upon by a person in my capacity. In connection with the present
 16 filing, I considered and relied upon corporate disclosures, publicly available
 17 financial reports and filings, and other published information relating to LGE. I also
 18 reviewed information relating generally to capital market conditions and specifically
 19 to investor perceptions, requirements, and expectations for utilities. These sources,
 20 coupled with my experience in the fields of finance and utility regulation, have
 21 given me a working knowledge of the issues relevant to investors’ required return
 22 for LGE, and they form the basis of my analyses and conclusions.

1 **Q. WHAT IS THE PRACTICAL TEST OF THE REASONABLENESS OF THE**
 2 **ROE USED IN SETTING A UTILITY’S RATES?**

3 A. The ROE compensates common equity investors for the use of their capital to
 4 finance the plant and equipment necessary to provide utility service. Investors
 5 commit capital only if they expect to earn a return on their investment
 6 commensurate with returns available from alternative investments with comparable
 7 risks. To be consistent with sound regulatory economics and the standards set forth
 8 by the Supreme Court in the *Bluefield*¹ and *Hope*² cases, a utility’s allowed ROE
 9 should be sufficient to: (1) fairly compensate investors for capital invested in the
 10 utility, (2) enable the utility to offer a return adequate to attract new capital on
 11 reasonable terms, and (3) maintain the utility’s financial integrity.

12 **Q. HOW IS YOUR TESTIMONY ORGANIZED?**

13 A. I first reviewed the operations and finances of LGE and the current conditions in the
 14 utility industry and the capital markets. With this as a background, I conducted
 15 various well-accepted quantitative analyses to estimate the current cost of equity,
 16 including alternative applications of the discounted cash flow (“DCF”) model and
 17 the Capital Asset Pricing Model (“CAPM”), an equity risk premium method
 18 (“RPM”) based on allowed rates of return, as well as reference to expected earned
 19 rates of return for utilities. Based on the cost of equity estimates indicated by my
 20 analyses, LGE’s ROE was evaluated taking into account the specific risks and
 21 potential challenges for its jurisdictional utility operations in Kentucky, as well as
 22 other factors (*e.g.*, flotation costs) that are properly considered in setting a fair ROE
 23 for the Company.

¹ *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm'n*, 262 U.S. 679 (1923).

² *Fed. Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944).

C. Summary of Conclusions

1 **Q. WHAT ARE YOUR FINDINGS REGARDING THE FAIR ROE FOR LGE?**

2 A. Based on the results of my analyses and the economic requirements necessary to
 3 support continuous access to capital, I recommend an ROE for LGE from the
 4 middle of my 10.3% to 11.7% reasonable range, or 11.0%. The bases for my
 5 conclusion are summarized below:

- 6 • In order to reflect the risks and prospects associated with LGE’s
 7 jurisdictional utility operations, my analyses focused on a proxy group of
 8 other combination utilities with both gas and electric utility operations.
 9 Consistent with the fact that utilities must compete for capital with firms
 10 outside their own industry, I also referenced a proxy group of low-risk
 11 companies in the non-utility sector of the economy;
- 12 • Because investors’ required return on equity is unobservable and no single
 13 method should be viewed in isolation, I applied the DCF, CAPM, and RPM,
 14 as well as the expected earnings approach, to estimate a fair ROE for LGE;
- 15 • Based on the results of these analyses, and giving less weight to extremes at
 16 the high and low ends of the range, I concluded that the cost of equity for the
 17 proxy groups of utilities and non-utility companies is in the 10.1% to 11.5%
 18 range, or 10.3% to 11.7% after incorporating an adjustment to account for
 19 the impact of common equity flotation costs;
- 20 • I recommend an ROE for LGE at the midpoint of my 10.3% to 11.7% range,
 21 or 11.0%; and
- 22 • Investors view existing cost recovery mechanisms as supportive of LGE’s
 23 financial integrity, but there is no evidence that these provisions will result
 24 in a measurable change in the Company’s investment risk or ROE relative to
 25 the proxy companies;
- 26 • The reasonableness of a 11.0% ROE for LGE is also supported by the need
 27 to consider the expected upward trend in capital costs and support access to
 28 capital.

29 **Q. WHAT OTHER EVIDENCE DID YOU CONSIDER IN EVALUATING YOUR**
 30 **ROE RECOMMENDATION IN THIS CASE?**

31 A. My recommendation is reinforced by the following findings:

- 32 • Sensitivity to financial market and regulatory uncertainties has increased
 33 dramatically and investors recognize that constructive regulation, as

1 demonstrated by regulatory treatment including authorized ROEs, is a key
 2 ingredient in supporting utility credit standing and financial integrity; and,
 3 • Providing LGE with the opportunity to earn a return that reflects these
 4 realities is an essential ingredient to support the Company's financial
 5 position, which ultimately benefits customers by ensuring reliable service at
 6 lower long-run costs.

7 **Q. WHAT IS YOUR CONCLUSION AS TO THE REASONABLENESS OF THE**
 8 **COMPANY'S CAPITAL STRUCTURE?**

9 A. Based on my evaluation, I concluded that a common equity ratio of 55.64%
 10 represents a reasonable basis from which to calculate LGE's overall rate of return.

11 This conclusion was based on the following findings:

- 12 • LGE's common equity ratio is consistent with the range of capitalizations
 13 maintained by the firms in the proxy group of utilities and electric utility
 14 operating companies based on data at year-end 2011 and near-term
 15 expectations;
- 16 • The additional leverage implied by LGE's leases and pension obligations
 17 warrant a more conservative financial posture; and,
- 18 • The requested capitalization reflects the need to support the credit standing
 19 and financial flexibility of LGE as the Company seeks to fund system
 20 investments and meet the requirements of customers.

II. FUNDAMENTAL ANALYSES

21 **Q. WHAT IS THE PURPOSE OF THIS SECTION?**

22 A. As a predicate to subsequent quantitative analyses, this section briefly reviews the
 23 operations and finances of LGE. In addition, it examines the risks and prospects for
 24 the utility industry and conditions in the capital markets and the general economy.
 25 An understanding of the fundamental factors driving the risks and prospects of
 26 electric utilities is essential in developing an informed opinion of investors'
 27 expectations and requirements that are the basis of a fair rate of return.

A. Louisville Gas and Electric Company

1 **Q. BRIEFLY DESCRIBE LGE.**

2 A. Along with Kentucky Utilities Company (“KU”), LGE is a wholly owned subsidiary
 3 of PPL Corporation (“PPL”), which completed its acquisition of the Company from
 4 E.ON AG on November 1, 2010. Headquartered in Louisville, Kentucky, LGE is
 5 principally engaged in providing regulated electric and gas utility service in
 6 Louisville and adjacent areas. The Company serves approximately 394,000 electric
 7 customers and provides gas service to approximately 319,000 customers.

8 Although LGE and KU are separate operating subsidiaries, they are operated
 9 as a single, fully integrated system. The Company’s utility facilities include over
 10 3,300 megawatts (“MW”) of generating capacity. Coal-fired generating stations
 11 account for approximately 79% of LGE’s total generating capacity and produced
 12 approximately 98% of the electricity generated by the Company in 2011. In
 13 addition to company-owned generation, the Company purchases power under long-
 14 term contracts with various suppliers and meets a portion of its energy needs by
 15 purchases of additional supplies in the wholesale electricity markets. LGE’s
 16 transmission and distribution system includes approximately 7,000 miles of lines.
 17 At December 31, 2011, the Company had total assets of \$4.4 billion, with annual
 18 revenues totaling approximately \$1.4 billion. LGE’s retail electric operations are
 19 subject to the jurisdiction of the KPSC, with FERC regulating the Company’s
 20 interstate transmission and wholesale operations.

21 **Q. HOW ARE FLUCTUATIONS IN THE COMPANY’S OPERATING**
 22 **EXPENSES CAUSED BY VARYING ENERGY MARKET CONDITIONS**
 23 **ACCOMMODATED IN ITS RATES?**

24 A. LGE’s retail electric rates in Kentucky contain a fuel adjustment clause (“FAC”),
 25 whereby increases and decreases in the cost of fuel for electric generation are

1 reflected in the rates charged to retail electric customers. The KPSC requires public
 2 hearings at six-month intervals to examine past fuel adjustments, and at two-year
 3 intervals to review past operations of the fuel clause and transfer of the then current
 4 fuel adjustment charge or credit to the base charges. The Commission also requires
 5 that electric utilities, including LGE, file documents relating to fuel procurement
 6 and the purchase of power and energy from other utilities.

7 With respect to its gas utility operations, LGE is allowed to adjust natural
 8 gas rates on a periodic basis for the difference between the actual gas costs and
 9 those collected from customers. These adjustments under the provisions of LGE's
 10 Gas Supply Clause ("GSC") are subject to applicable regulatory review by the
 11 KPSC. The GSC provides for quarterly rate adjustments to reflect the expected cost
 12 of natural gas supply in that quarter. In addition, the GSC contains a mechanism
 13 whereby any over- or under-recoveries of natural gas supply cost from prior quarters
 14 are to be refunded to or recovered from customers through the adjustment factor
 15 determined for subsequent quarters.

16 **Q. ARE THERE OTHER MECHANISMS THAT AFFECT LGE'S RATES FOR**
 17 **UTILITY SERVICE?**

18 A. Yes. The KPSC has approved an environmental cost recovery mechanism ("ECR")
 19 for the Company that allows for recovery of related costs required to comply with
 20 federal and state environmental statutes. In addition, LGE utilizes a KPSC-
 21 approved weather normalization adjustment ("WNA") that partially adjusts natural
 22 gas utility revenues for the effect of weather extremes by accounting for differences
 23 in consumption due to deviations from normal weather patterns during the heating
 24 season months of November through April. LGE also operates under a Demand
 25 Side Management ("DSM") rate mechanism that provides for recovery of DSM
 26 costs – including a provision to earn a return of and on capital investment for DSM

1 programs. As discussed in the testimonies of Mr. Chris Hermann and Mr. Lonnie E.
 2 Bellar, LGE is also proposing to implement a tracker for its leak mitigation and gas
 3 riser replacement programs.

4 **Q. WHERE DOES LGE OBTAIN THE CAPITAL USED TO FINANCE ITS**
 5 **INVESTMENT IN UTILITY PLANT?**

6 A. As a wholly-owned subsidiary, LGE’s common equity capital is provided through
 7 LG&E and KU Energy LLC (“LKE”). Ultimately, LKE obtains investor-supplied
 8 common equity capital solely from PPL, whose common stock is publicly traded on
 9 the New York Stock Exchange. In addition to capital supplied by PPL, LGE also
 10 issues first mortgage bonds and tax-exempt debt securities in its own name.

11 **Q. WHAT CREDIT RATINGS ARE ASSIGNED TO LGE?**

12 A. Currently, LGE is assigned a corporate credit rating of “BBB” by Standard & Poor’s
 13 Corporation (“S&P”). Moody’s Investors Service (“Moody’s”) has assigned the
 14 Company an issuer rating of “Baa1”, while Fitch Ratings Ltd. (“Fitch”) has assigned
 15 LGE an “A-” issuer default rating.

B. Risks for LGE

16 **Q. HOW HAVE INVESTORS’ RISK PERCEPTIONS FOR THE UTILITY**
 17 **INDUSTRY EVOLVED?**

18 A. Numerous challenges impact investors’ perceptions of the relative risks inherent in
 19 the utility industry and have implications for the financial standing of the utilities
 20 themselves, including LGE. Uncertain costs associated with environmental
 21 compliance, reduced demand in the wake of economic slowdown, the implications
 22 of increased conservation and renewables goals, as well as exposure to regulatory
 23 uncertainties all impact the industry’s future. As Moody’s noted:

24 [A] sustained period of sluggish economic growth, characterized by high
 25 unemployment, could stress the sector’s recovery prospects, financial

1 performance, and credit ratings. The quality of the sector’s cash flows
 2 are already showing signs of decline, partly because of higher operating
 3 costs and investments.³

4 Moody’s concluded, “Regardless of whether the capital investment is required for
 5 maintenance, compliance or growth, from a credit perspective the expanded capital
 6 investment program will contribute to a more challenging business environment for
 7 utilities.”⁴

8 **Q. DOES LGE ANTICIPATE THE NEED FOR ADDITIONAL CAPITAL**
 9 **GOING FORWARD?**

10 A. Yes. LGE will require capital investment to provide for necessary maintenance and
 11 replacements of its utility infrastructure, as well as to fund new investment in
 12 electric generation, transmission and distribution facilities. Total capital
 13 expenditures for the Company are expected to be approximately \$3.2 billion over
 14 the 2012-2016 period, with Moody’s noting the challenges associated with the
 15 Company’s “[e]levated capital expenditure spending program,” and “[l]ack of fuel
 16 diversity relating to its electric generating portfolio.”⁵ Support for LGE’s financial
 17 integrity and flexibility will be instrumental in attracting the capital necessary to
 18 fund its share of these projects in an effective manner.

19 **Q. IS THE POTENTIAL FOR ENERGY MARKET VOLATILITY AN**
 20 **ONGOING CONCERN FOR INVESTORS?**

21 A. Yes. In recent years utilities and their customers have had to contend with dramatic
 22 fluctuations in fuel costs due to ongoing price volatility, and investors recognize the

³ Moody’s Investors Service, “U.S. Electric Utilities: Uncertain Times Ahead; Strengthening Balance Sheets Now Would Protect Credit,” *Special Comment* (Oct. 28, 2010).

⁴ Moody’s Investors Service, “US Regulated Electric and Gas Utilities: Stable Despite Rising Headline Rhetoric,” *Industry Outlook* (Jan. 17, 2012).

⁵ Moody’s Investors Service, “Credit Opinion: Louisville Gas & Electric Co.,” *Global Credit Research* (Nov, 16, 2011).

1 potential for further turmoil in energy markets. In times of extreme volatility,
2 utilities can quickly find themselves in a significant under-recovery position with
3 respect to power costs, which can severely stress liquidity. Coal has historically
4 provided relative stability with respect to fuel costs, but prices have experienced
5 periods of significant volatility. The power industry and its customers have also had
6 to contend with dramatic fluctuations in gas costs due to ongoing price volatility in
7 the spot markets.

8 While current expectations for significantly lower wholesale power prices
9 reflect weaker fundamentals affecting current load and fuel prices, investors
10 recognize the potential that such trends could quickly reverse. For example,
11 recurring political crises in the Middle East have led to sharp increases in petroleum
12 prices. As Moody's noted, "This view, that commodity prices remain low, could
13 easily be proved incorrect, due to the evidence of historical volatility."⁶ Moody's
14 recently concluded that, "Should fuel and commodity costs rise, utilities will face
15 growing underfunded fuel balances or potential rate shock issues when they seek to
16 recover the higher costs. Liquidity profiles could become strained."⁷ Fitch recently
17 observed that market conditions will likely result in higher natural gas prices, and
18 noted the utility industry's potential exposure to future price shocks.⁸ Volatile
19 energy markets can discourage potential customers from choosing natural gas, cause
20 fuel substitution, and lead to decreased customer usage, all of which increase the
21 risks of investing in natural gas utilities and place additional pressure on credit
22 ratings.

⁶ Moody's Investors Service, "U.S. Electric Utilities: Uncertain Times Ahead; Strengthening Balance Sheets Now Would Protect Credit," *Special Comment* (Oct. 28, 2010).

⁷ Moody's Investors Service, "US Regulated Electric and Gas Utilities: Stable Despite Rising Headline Rhetoric," *Industry Outlook* (Jan. 17, 2012).

⁸ Fitch Ratings Ltd., 2012 Outlook: Utilities, Power, and Gas," *Outlook Report* (Dec. 5, 2011).

1 **Q. DO THE KPSC'S ADJUSTMENT MECHANISMS PROTECT LGE FROM**
 2 **EXPOSURE TO FLUCTUATIONS IN POWER SUPPLY AND GAS COSTS?**

3 A. To a limited extent, yes. The investment community views LGE's ability to
 4 periodically adjust retail rates to accommodate fluctuations in fuel, purchased
 5 power, and gas costs as an important source of support for LGE's financial integrity.
 6 Nevertheless, they also recognize that there can be a lag between the time LGE
 7 actually incurs the expenditure and when it is recovered from ratepayers. As a
 8 result, LGE is not insulated from the need to finance deferred power production and
 9 energy supply costs. Indeed, despite the significant investment of resources to
 10 manage energy procurement, investors are aware that the best that LGE can do is to
 11 recover its actual costs. In other words, LGE earns no return on fuel, purchased
 12 power, or natural gas supply costs and is exposed to disallowances in its energy
 13 procurement.

14 **Q. WHAT OTHER FINANCIAL PRESSURES IMPACT INVESTORS' RISK**
 15 **ASSESSMENT OF LGE?**

16 A. Investors are aware of the financial and regulatory pressures faced by utilities
 17 associated with rising costs and the need to undertake significant capital
 18 investments. S&P noted that cost increases and capital projects, along with
 19 uncertain load growth, were a significant challenge to the utility industry.⁹ As
 20 Moody's observed:

21 [W]e also see the sector's overall business risk and operating risks
 22 increasing, owing primarily to rising costs associated with upgrading and
 23 expanding the nation's trillion dollar electric infrastructure.¹⁰

⁹ Standard & Poor's Corporation, "Industry Economic And Ratings Outlook," *RatingsDirect* (Feb. 2, 2010).

¹⁰ Moody's Investors Service, "Regulation Provides Stability As Risks Mount," *Industry Outlook* (Jan. 19, 2011).

1 As The Value Line Investment Survey (“Value Line”) observed with respect to gas
 2 utilities:

3 The economy remains weighed down by tight credit, a soft housing
 4 market, and high unemployment. The weakness in the housing sector has
 5 particularly affected this industry. The large inventory of unsold houses
 6 has limited the need for natural gas. This is particularly troubling for
 7 these utilities as we enter the peak heating season. Moreover, customer
 8 growth has declined, which continues to pressure revenues across this
 9 group. Additionally, more conservation consumer spending has impacted
 10 customer usage, which has hurt volumes. Lastly, bill collection has been
 11 difficult given high unemployment rates. Looking ahead, these factors
 12 will likely continue to play on these companies as the calendar turns to
 13 2011.¹¹

14 As noted earlier, investors anticipate that LGE will undertake significant electric
 15 and gas utility capital expenditures. While providing the infrastructure necessary to
 16 meet the energy needs of customers is certainly desirable, it imposes additional
 17 financial responsibilities on the Company that are intensified during times of capital
 18 market turmoil.

19 **Q. ARE ENVIRONMENTAL CONSIDERATIONS ALSO AFFECTING**
 20 **INVESTORS’ EVALUATION OF ELECTRIC UTILITIES, INCLUDING**
 21 **LGE?**

22 A. Yes. Although LGE’s exposure is moderated through the ECR mechanism in
 23 Kentucky, increased environmental pressures and speculation over the potential
 24 costs associated with new regulatory mandates have also created uncertainties.
 25 Moody’s noted that, “the sector is exposed to increasingly stringent environmental
 26 mandates.”¹² While the momentum for carbon emissions legislation has slowed at
 27 the national level, expectations for eventual regulations continue to pose uncertainty.
 28 Fitch recently noted that it, “expects the thrust of the EPA’s agenda will continue to

¹¹ The Value Line Investment Survey at 547 (Dec. 10, 2010).

¹² Moody’s Investors Service, “Regulation Provides Stability As Risks Mount,” *Industry Outlook* (Jan. 19, 2011).

1 challenge the creditworthiness of issuers in the utility and power sector.”¹³ Given
 2 the significance of LGE’s exposure, Moody’s went on to conclude that it would
 3 consider a downgrade to the Company’s credit ratings if significant changes were
 4 made to the ECR mechanism.¹⁴

D. Impact of Capital Market Conditions

5 **Q. WHAT ARE THE IMPLICATIONS OF RECENT CAPITAL MARKET**
 6 **CONDITIONS?**

7 A. As Value Line recently recognized, “It has been a turbulent year for the financial
 8 markets, to say the least.”¹⁵ Investors have faced a myriad of challenges and
 9 uncertainties, including the threat of a United States government default, political
 10 brinkmanship over raising the federal debt ceiling, and S&P’s subsequent
 11 downgrade of its United States sovereign debt rating.¹⁶ The sovereign debt crisis in
 12 Europe has also dealt a harsh blow to investor confidence, and concerns over
 13 potential exposure to a Euro-zone default continues to undermine confidence in the
 14 financial and banking sector.¹⁷ Meanwhile, speculation that the economy remains
 15 exposed to a potential “double-dip” recession persists, with unemployment
 16 remaining stubbornly high, lackluster consumer confidence, rising petroleum prices,
 17 and continued weakness plaguing the real estate sector.

¹³ Fitch Ratings Ltd., *New EPA Rules: Ready or Not*, *Special Report* (Mar. 1, 2012).

¹⁴ Moody’s Investors Service, “Credit Opinion: Louisville Gas & Electric Company,” *Global Credit Research* (Nov. 16, 2011).

¹⁵ The Value Line Investment Survey at 541 (Dec. 9, 2011).

¹⁶ See, e.g., Standard & Poor’s Corporation, “Economic Forecast: Still Treading Water,” *RatingsDirect* (Aug. 17, 2011).

¹⁷ See, e.g., Standard & Poor’s Corporation, “U.S. Risks To The Forecast: Choppy Seas,” *RatingsDirect* (Dec. 21, 2011).

1 Investors have had to confront ongoing volatility in share prices and stress in
 2 the credit markets,¹⁸ and in response have repeatedly fled to the safety of United
 3 States Treasury bonds. As Fidelity Investments recently reported to investors:

4 It's been quite a year, one of violent mood swings but little overall
 5 direction. We seem to be in a time warp where everything happens faster
 6 and faster. Everything seems to be correlated. There are very few places
 7 to hide, and even those places don't feel like good options anymore.¹⁹

8 Fidelity Investments concluded that, "2012 will offer more of the same, with
 9 significant ups and downs driven by three major factors: Europe, China, and the
 10 U.S."²⁰

11 Fluctuations in the price of gold and other commodities also attest to
 12 investors' heightened concerns over prospective challenges and risks, including the
 13 overhanging threat of inflation and renewed economic turmoil. Fidelity Investments
 14 noted that, "The sovereign debt crisis in the Euro-zone remains at the epicenter of
 15 the financial markets."²¹ With respect to utilities, Moody's noted the dangers to
 16 credit availability associated with exposure to European banks,²² and concluded:

17 Over the past few months, we have been reminded that global financial
 18 markets, which are still receiving extraordinary intervention benefits by
 19 sovereign governments, are exposed to turmoil. Access to the capital
 20 markets could therefore become intermittent, even for safer, more
 21 defensive sectors like the power industry.²³

¹⁸ See, e.g., Gongloff, Mark, "Stock Rebound Is a Crisis Flashback – Late Surge Recalls Market's Volatility at Peak of Credit Difficulties; Unusual Correlations," *Wall Street Journal* at B1 (Feb. 6, 2010); Lauricella, Tom, "Stocks Nose-Dive Amid Global Fears – Weak Outlook, Government Debt Worries Drive Dow's Biggest Point Drop Since '08," *Wall Street Journal* at A1 (Aug. 5, 2011).

¹⁹ Fidelity Investments, "2012 markets: Expect ups and downs," *Fidelity Viewpoints* (Dec. 21, 2011).

²⁰ *Id.*

²¹ *Id.*

²² Moody's Investors Service, "Electric Utilities Stable But Face Increasing Regulatory Uncertainty," *Industry Outlook* (Jul. 22, 2010).

²³ Moody's Investors Service, "Regulation Provides Stability As Risks Mount," *Industry Outlook* (Jan. 19, 2011).

1 Uncertainties surrounding economic and capital market conditions heighten the
 2 risks faced by utilities, which, as described earlier, face a variety of operating and
 3 financial challenges.

4 **Q. HOW DO INTEREST RATES ON LONG-TERM BONDS COMPARE WITH**
 5 **THOSE PROJECTED FOR THE NEXT FEW YEARS?**

6 A. Table WEA-1 below compares current interest rates on 30-year Treasury bonds,
 7 triple-A rated corporate bonds, and double-A rated utility bonds with near-term
 8 projections from Value Line, IHS Global Insight, Blue Chip Financial Forecasts
 9 (“Blue Chip”), S&P, and the Energy Information Administration (“EIA”), which is a
 10 statistical agency of the United States Department of Energy:

**TABLE WEA-1
 INTEREST RATE TRENDS**

	<u>Current (a)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
30-Yr. Treasury						
Value Line (b)	3.1%	3.3%	3.7%	4.0%	4.5%	5.0%
IHS Global Insight (c)	3.1%	3.3%	3.8%	4.5%	5.1%	5.3%
Blue Chip (d)	3.1%	3.7%	4.2%	4.8%	5.3%	5.5%
AAA Corporate						
Value Line (b)	3.9%	4.2%	4.6%	5.0%	5.3%	5.8%
IHS Global Insight (c)	3.9%	4.2%	4.5%	5.1%	6.0%	6.2%
Blue Chip (d)	3.9%	4.3%	4.7%	5.4%	5.8%	6.2%
S&P (e)	3.9%	4.2%	4.6%	5.1%	6.0%	
AA Utility						
IHS Global Insight (c)	4.0%	4.4%	4.9%	5.6%	6.5%	6.8%
EIA (f)	4.0%	4.7%	4.8%	5.7%	6.8%	6.9%

(a) Based on monthly average bond yields for the six-month period Nov. 2011 - Apr. 2012 reported at www.credittrends.moodys.com and <http://www.federalreserve.gov/releases/h15/data.htm>.
 (b) The Value Line Investment Survey, Forecast for the U.S. Economy (Feb. 24, 2011).
 (c) IHS Global Insight, *U.S. Economic Outlook* at 25 (Dec. 2011).
 (d) *Blue Chip Financial Forecasts*, Vol. 30, No. 12 (Dec. 1, 2011).
 (e) Standard & Poor's Corporation, "U.S. Economic Forecast: Just Like Ol' Times," *RatingsDirect* (Jan. 12, 2012).
 (f) Energy Information Administration, *Annual Energy Outlook 2012, Early Release* (Jan. 23, 2012).

1 As evidenced above, there is a clear consensus that the cost of permanent capital
 2 will be higher through 2016 than it is currently. As a result, current cost of capital
 3 estimates are conservative, because they are likely to understate investors'
 4 requirements at the time the rates set in this proceeding are in effect.

5 **Q. WHAT DO THESE EVENTS IMPLY WITH RESPECT TO LGE?**

6 A. While conditions in the economy and capital markets appear to have stabilized – at
 7 least for the moment – no one knows the future of our complex global economy.
 8 Investors continue to react swiftly and negatively to any future signs of trouble in
 9 the financial system or economy, and this climate has important implications with
 10 respect to the fair ROE for LGE. Given the importance of reliable utility service, it
 11 would be unwise to ignore investors' increased sensitivity to risk and future capital
 12 market trends in evaluating a fair ROE in this case.

13 The prospect for continued turmoil in capital markets also influences the
 14 appropriate capital structure for LGE. Financial flexibility plays a crucial role in
 15 ensuring the wherewithal to meet funding needs, and utilities with higher financial
 16 leverage may be foreclosed from additional borrowing, especially during times of
 17 stress. During the credit crisis, for example, utilities were forced to draw on short-
 18 term credit lines to meet debt retirement obligations because of uncertainties
 19 regarding the availability of long-term capital,²⁴ while others were effectively shut
 20 out of the commercial paper market altogether. Fitch recently highlighted this
 21 exposure:

22 **Capital Markets Freeze:** Significant tightening or loss of capital
 23 markets and bank access would have a deleterious affect (sic) on sector
 24 creditworthiness in the face of high capex budgets.²⁵

²⁴ Riddell, Kelly, "Cash-Starved Companies Scrap Dividends, Tap Credit," Pittsburgh Post-Gazette (Oct. 2, 2008).

²⁵ Fitch Ratings Ltd., "2012 Outlook: Utilities, Power, and Gas," *Outlook Report* (Dec. 5, 2011).

1 As a result, the Company’s capital structure must maintain an equity “cushion” that
 2 preserves the flexibility necessary to maintain continuous access to capital, even
 3 during times of unfavorable market conditions.

III. CAPITAL MARKET ESTIMATES

4 **Q. WHAT IS THE PURPOSE OF THIS SECTION?**

5 A. This section presents capital market estimates of the cost of equity. First, I address
 6 the concept of the cost of common equity, along with the risk-return tradeoff
 7 principle fundamental to capital markets. Next, I describe DCF, CAPM, and RPM
 8 analyses conducted to estimate the cost of common equity for benchmark groups of
 9 comparable risk firms and evaluate expected earned rates of return for utilities.
 10 Finally, I examine flotation costs, which are properly considered in evaluating a fair
 11 ROE.

A. Economic Standards

12 **Q. WHAT ROLE DOES THE ROE PLAY IN A UTILITY’S RATES?**

13 A. The ROE is the cost of inducing and retaining investment in the utility’s physical
 14 plant and assets. This investment is necessary to finance the asset base needed to
 15 provide utility service. Investors will commit money to a particular investment only
 16 if they expect it to produce a return commensurate with those from other
 17 investments with comparable risks. Moreover, the ROE is integral in achieving the
 18 sound regulatory objectives of rates that are sufficient to: 1) fairly compensate
 19 capital investment in the utility, 2) enable the utility to offer a return adequate to
 20 attract new capital on reasonable terms, and 3) maintain the utility’s financial
 21 integrity. Meeting these objectives allows the utility to fulfill its obligation to

1 provide reliable service while meeting the needs of customers through necessary
 2 system expansion.

3 **Q. WHAT FUNDAMENTAL ECONOMIC PRINCIPLE UNDERLIES THE**
 4 **COST OF EQUITY CONCEPT?**

5 A. The fundamental economic principle underlying the cost of equity concept is the
 6 notion that investors are risk averse. In capital markets where relatively risk-free
 7 assets are available (*e.g.*, U.S. Treasury securities), investors can be induced to hold
 8 riskier assets only if they are offered a premium, or additional return, above the rate
 9 of return on a risk-free asset. Because all assets compete with each other for
 10 investor funds, riskier assets must yield a higher expected rate of return than safer
 11 assets to induce investors to invest and hold them.

12 Given this risk-return tradeoff, the required rate of return (k) from an asset
 13 (i) can generally be expressed as:

14
$$k_i = R_f + RP_i$$

15 where: R_f = Risk-free rate of return, and
 16 RP_i = Risk premium required to hold riskier asset i.

17 Thus, the required rate of return for a particular asset at any time is a function of:
 18 (1) the yield on risk-free assets, and (2) the asset's relative risk, with investors
 19 demanding correspondingly larger risk premiums for bearing greater risk.

20 **Q. IS THERE EVIDENCE THAT THE RISK-RETURN TRADEOFF**
 21 **PRINCIPLE ACTUALLY OPERATES IN THE CAPITAL MARKETS?**

22 A. Yes. The risk-return tradeoff can be readily documented in segments of the capital
 23 markets where required rates of return can be directly inferred from market data and
 24 where generally accepted measures of risk exist. Bond yields, for example, reflect
 25 investors' expected rates of return, and bond ratings measure the risk of individual
 26 bond issues. The observed yields on government securities, which are considered

1 free of default risk, and bonds of various rating categories demonstrate that the risk-
 2 return tradeoff does, in fact, exist in the capital markets.

3 **Q. DOES THE RISK-RETURN TRADEOFF OBSERVED WITH FIXED**
 4 **INCOME SECURITIES EXTEND TO COMMON STOCKS AND OTHER**
 5 **ASSETS?**

6 A. It is generally accepted that the risk-return tradeoff evidenced with long-term debt
 7 extends to all assets. Documenting the risk-return tradeoff for assets other than
 8 fixed income securities, however, is complicated by two factors. First, there is no
 9 standard measure of risk applicable to all assets. Second, for most assets –
 10 including common stock – required rates of return cannot be directly observed. Yet
 11 there is every reason to believe that investors exhibit risk aversion in deciding
 12 whether or not to hold common stocks and other assets, just as when choosing
 13 among fixed-income securities.

14 **Q. IS THIS RISK-RETURN TRADEOFF LIMITED TO DIFFERENCES**
 15 **BETWEEN FIRMS?**

16 A. No. The risk-return tradeoff principle applies not only to investments in different
 17 firms, but also to different securities issued by the same firm. The securities issued
 18 by a utility vary considerably in risk because they have different characteristics and
 19 priorities. Long-term debt is senior among all capital in its claim on a utility's net
 20 revenues and is, therefore, the least risky. The last investors in line are common
 21 shareholders. They receive only the net revenues, if any, remaining after all other
 22 claimants have been paid. As a result, the rate of return that investors require from a
 23 utility's common stock, the most junior and riskiest of its securities, must be
 24 considerably higher than the yield offered by the utility's senior, long-term debt.

1 **Q. WHAT DOES THE ABOVE DISCUSSION IMPLY WITH RESPECT TO**
 2 **ESTIMATING THE COST OF COMMON EQUITY FOR A UTILITY?**

3 A. Although the cost of common equity cannot be observed directly, it is a function of
 4 the returns available from other investment alternatives and the risks to which the
 5 equity capital is exposed. Because it is not readily observable, the cost of common
 6 equity for a particular utility must be estimated by analyzing information about
 7 capital market conditions generally, assessing the relative risks of the company
 8 specifically, and employing various quantitative methods that focus on investors'
 9 required rates of return. These various quantitative methods typically attempt to
 10 infer investors' required rates of return from stock prices, interest rates, or other
 11 capital market data.

B. Comparable Risk Proxy Groups

12 **Q. HOW DID YOU IMPLEMENT THESE QUANTITATIVE METHODS TO**
 13 **ESTIMATE THE COST OF COMMON EQUITY FOR LGE?**

14 A. Application of the DCF model and other quantitative methods to estimate the cost of
 15 common equity requires observable capital market data, such as stock prices.
 16 Moreover, even for a firm with publicly traded stock, the cost of common equity can
 17 only be estimated. As a result, applying quantitative models using observable
 18 market data only produces an estimate that inherently includes some degree of
 19 observation error. Thus, the accepted approach to increase confidence in the results
 20 is to apply the DCF model and other quantitative methods to a proxy group of
 21 publicly traded companies that investors regard as risk-comparable.

1 **Q. WHAT SPECIFIC PROXY GROUP OF UTILITIES DID YOU RELY ON**
 2 **FOR YOUR ANALYSIS?**

3 A. In order to reflect the risks and prospects associated with LGE’s jurisdictional utility
 4 operations, my DCF analyses focused on a reference group of other utilities
 5 composed of those companies classified by Value Line as electric utilities with: (1)
 6 both electric and gas utility operations, (2) S&P corporate credit ratings of “BBB-”,
 7 “BBB”, or “BBB+”, (3) a Value Line Safety Rank of “2” or “3”, and (4) a Value
 8 Line Financial Strength Rating of “B+” or higher. In addition, I excluded one firm
 9 because it was rated below investment grade by Moody’s (CMS Energy
 10 Corporation), as well as one utility (Entergy Corporation) that otherwise would have
 11 been in the proxy group, but is not appropriate for inclusion because of current
 12 involvement in a major merger or acquisition. These criteria resulted in a proxy
 13 group composed of sixteen companies, which I will refer to as the “Combination
 14 Utility Group.”

15 **Q. WHAT OTHER PROXY GROUP DID YOU CONSIDER IN EVALUATING A**
 16 **FAIR ROE FOR LGE?**

17 A. Under the regulatory standards established by *Hope* and *Bluefield*, the salient
 18 criterion in establishing a meaningful benchmark to evaluate a fair ROE is relative
 19 risk, not the particular business activity or degree of regulation. With regulation
 20 taking the place of competitive market forces, required returns for utilities should be
 21 in line with those of non-utility firms of comparable risk operating under the
 22 constraints of free competition. Consistent with this accepted regulatory standard, I
 23 also applied the DCF model to a reference group of comparable risk companies in
 24 the non-utility sectors of the economy. I refer to this group as the “Non-Utility
 25 Group”.

1 **Q. DO UTILITIES HAVE TO COMPETE WITH NON-REGULATED FIRMS**
 2 **FOR CAPITAL?**

3 A. Yes. The cost of capital is an opportunity cost based on the returns that investors
 4 could realize by putting their money in other alternatives. Clearly, the total capital
 5 invested in utility stocks is only the tip of the iceberg of total common stock
 6 investment, and there are a plethora of other enterprises available to investors
 7 beyond those in the utility industry. Utilities must compete for capital, not just
 8 against firms in their own industry, but with other investment opportunities of
 9 comparable risk. As the KPSC concluded, “the Commission agrees with LG&E that
 10 investors are always looking for the best investment opportunity and that a utility is
 11 in competition with unregulated firms.”²⁶ Indeed, modern portfolio theory is built
 12 on the assumption that rational investors will hold a diverse portfolio of stocks, not
 13 just companies in a single industry.

14 **Q. IS IT CONSISTENT WITH THE *BLUEFIELD* AND *HOPE* CASES TO**
 15 **CONSIDER REQUIRED RETURNS FOR NON-UTILITY COMPANIES?**

16 A. Yes. The cost of equity capital in the competitive sector of the economy forms the
 17 very underpinning for utility ROEs because regulation purports to serve as a
 18 substitute for the actions of competitive markets. The Supreme Court has
 19 recognized that it is the degree of risk, not the nature of the business, which is
 20 relevant in evaluating an allowed ROE for a utility. The *Bluefield* case refers to
 21 “business undertakings attended with comparable risks and uncertainties.”²⁷ It does
 22 not restrict consideration to other utilities. Similarly, the *Hope* case states:

²⁶ *Case No. 2009-00549*, Final Order at 33.

²⁷ *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm’n*, 262 U.S. 679 (1923).

1 By that standard the return to the equity owner should be commensurate
 2 with returns on investments in other enterprises having corresponding
 3 risks.²⁸

4 As in the *Bluefield* decision, there is nothing to restrict “other enterprises” solely to
 5 the utility industry.

6 Indeed, in teaching regulatory policy I usually observe that in the early
 7 applications of the comparable earnings approach, utilities were explicitly
 8 eliminated due to a concern about circularity. In other words, soon after the *Hope*
 9 decision regulatory commissions did not want to get involved in circular logic by
 10 looking to the returns of utilities that were established by the same or similar
 11 regulatory commissions in the same geographic region. To avoid circularity,
 12 regulators looked only to the returns of non-utility companies.

13 **Q. DOES CONSIDERATION OF THE RESULTS FOR THE NON-UTILITY**
 14 **GROUP MAKE THE ESTIMATION OF THE COST OF EQUITY USING**
 15 **THE DCF MODEL MORE RELIABLE?**

16 A. Yes. The estimates of growth from the DCF model depend on analysts’ forecasts. It
 17 is possible for utility growth rates to be distorted by short-term trends in the industry
 18 or the industry falling into favor or disfavor by analysts. The result of such
 19 distortions would be to bias the DCF estimates for utilities. For example, Value
 20 Line observed that near-term growth rates understate the longer-term expectations
 21 for gas utilities:

22 Natural Gas Utility stocks have fallen near the bottom of our Industry
 23 spectrum for Timeliness. Accordingly, short-term investors would
 24 probably do best to find a group with better prospects over the coming six
 25 to 12 months. Longer-term, we expect these businesses to rebound. An

²⁸ *Federal Power Comm’n v. Hope Natural Gas Co.* (320 U.S. 391, 1944).

1 improved economic environment, coupled with stronger pricing, should
 2 boost results across this sector over the coming years.²⁹

3 Because the Non-Utility Group includes low risk companies from many industries,
 4 it diversifies away any distortion that may be caused by the ebb and flow of
 5 enthusiasm for a particular sector.

6 **Q. WHAT CRITERIA DID YOU APPLY TO DEVELOP THE NON-UTILITY**
 7 **GROUP?**

8 A. My comparable risk proxy group of non-utility firms was composed of those U.S.
 9 companies followed by Value Line that: (1) pay common dividends; (2) have a
 10 Safety Rank of “1”; (3) have a Financial Strength Rating of “B++” or greater; (4)
 11 have a beta of 0.65 or less; and, (5) have investment grade credit ratings from S&P.

12 **Q. DO THESE CRITERIA PROVIDE OBJECTIVE EVIDENCE TO**
 13 **EVALUATE INVESTORS’ RISK PERCEPTIONS?**

14 A. Yes. Credit ratings are assigned by independent rating agencies for the purpose of
 15 providing investors with a broad assessment of the creditworthiness of a firm.
 16 Ratings generally extend from triple-A (the highest) to D (in default). Other
 17 symbols (*e.g.*, "A+") are used to show relative standing within a category. Because
 18 the rating agencies’ evaluation includes virtually all of the factors normally
 19 considered important in assessing a firm’s relative credit standing, corporate credit
 20 ratings provide a broad, objective measure of overall investment risk that is readily
 21 available to investors. Investment restrictions tied to credit ratings continue to
 22 influence capital flows, and credit ratings are widely cited in the investment
 23 community and referenced by investors, and also frequently used as a primary risk
 24 indicator in establishing proxy groups to estimate the cost of common equity.

²⁹ The Value Line Investment Survey at 445 (Mar. 12, 2010).

1 While credit ratings provide the most widely referenced benchmark for
2 investment risks, other quality rankings published by investment advisory services
3 also provide relative assessments of risks that are considered by investors in forming
4 their expectations for common stocks. Value Line's primary risk indicator is its
5 Safety Rank, which ranges from "1" (Safest) to "5" (Riskiest). This overall risk
6 measure is intended to capture the total risk of a stock, and incorporates elements of
7 stock price stability and financial strength. Given that Value Line is perhaps the
8 most widely available source of investment advisory information, its Safety Rank
9 provides useful guidance regarding the risk perceptions of investors.

10 The Financial Strength Rating is designed as a guide to overall financial
11 strength and creditworthiness, with the key inputs including financial leverage,
12 business volatility measures, and company size. Value Line's Financial Strength
13 Ratings range from "A++" (strongest) down to "C" (weakest) in nine steps. Finally,
14 Value Line's beta measures the volatility of a security's price relative to the market
15 as a whole. A stock that tends to respond less to market movements has a beta less
16 than 1.00, while stocks that tend to move more than the market have betas greater
17 than 1.00.

18 **Q. HOW DO THE OVERALL RISKS OF YOUR PROXY GROUPS COMPARE**
19 **WITH LGE?**

20 A. Table WEA-2 compares the Combination Utility Group and the Non-Utility Group
21 with LGE across four key indicators of investment risk. Because the Company does
22 not have publicly traded common stock, the Value Line risk measures shown reflect
23 those published for the Company's parent, PPL:

1
2

**TABLE WEA-2
COMPARISON OF RISK INDICATORS**

<u>Proxy Group</u>	<u>S&P Credit Rating</u>	<u>Value Line</u>		
		<u>Safety Rank</u>	<u>Financial Strength</u>	<u>Beta</u>
Combination Utility	BBB	2	B++	0.74
Non-Utility	A	1	A+	0.66
LGE	BBB	3	B++	0.65

3 **Q. DOES THIS COMPARISON INDICATE THAT INVESTORS WOULD VIEW**
4 **THE FIRMS IN YOUR PROXY GROUPS AS RISK-COMPARABLE TO**
5 **LGE?**

6 A. Yes. As discussed earlier, LGE, like its parent, PPL, is rated “BBB” by S&P, which
7 is identical to the average corporate credit rating for the utilities in the Combination
8 Utility Group. Similarly, the average Financial Strength Rating for the Combination
9 Utility group is the same as that assigned to PPL. While PPL’s Safety Rank of 3
10 indicated greater risk than the average for the group of electric and gas utilities, its
11 beta value is lower than the average for Combination Utility Group. Considered
12 together, a comparison of these objective measures, which consider a broad
13 spectrum of risks, including financial and business position, and exposure to
14 company specific factors, indicates that investors would likely conclude that the
15 overall investment risks for LGE are comparable to those of the firms in the
16 Combination Utility Group.

17 With respect to the Non-Utility Group, its average credit ratings, Quality
18 Ranking, and Safety Rank suggest less risk than for the Combination Utility Group,
19 with its 0.66 average beta indicating essentially identical risk. The indicators of
20 investment risk considered in my analysis provide a sound, objective, and consistent
21 basis to evaluate relative risks across companies and industry sectors. These
22 measures incorporate a broad spectrum of risks, including financial and business

1 position, the impact of regulation, relative size, and exposure to company specific
 2 factors, and they apply equally to regulated and unregulated firms. Indeed, the core
 3 idea of modern portfolio theory is that investors will diversify their holdings across
 4 multiple firms and industry groups, so that the risk of a stock is directly proportional
 5 to its beta, not the extent of competition or the freedom to set prices.

6 **Q. DO THE BETA VALUES FOR THE NON-UTILITY GROUP ADDRESS THE**
 7 **CONCERNS EXPRESSED BY THE KPSC IN LGE’S LAST RATE**
 8 **PROCEEDING?**

9 A. Yes. The KPSC concluded in Case No. 2009-00549 that utilities must compete with
 10 non-regulated firms for capital and recognized that investors consider the
 11 opportunity costs associated with investment alternatives outside the utility industry.
 12 However, the Commission found that lower beta values for utility common stocks
 13 supported a finding that the non-utility companies were “riskier alternatives.”³⁰ To
 14 address the KPSC’s concerns, my proxy group criteria restricted the Non-Utility
 15 Group to include only firms with beta values of 0.65 or less, with the group’s
 16 average beta of 0.66 being significantly lower than the 0.74 average for the Utility
 17 Group and essentially equal to the 0.65 value corresponding to LGE.

C. Discounted Cash Flow Analyses

18 **Q. HOW IS THE DCF MODEL USED TO ESTIMATE THE COST OF**
 19 **COMMON EQUITY?**

20 A. DCF models attempt to replicate the market valuation process that sets the price
 21 investors are willing to pay for a share of a company’s stock. The model rests on
 22 the assumption that investors evaluate the risks and expected rates of return from all

³⁰ *Case No. 2009-00549, Final Order at 33.*

1 securities in the capital markets. Given these expectations, the price of each stock is
 2 adjusted by the market until investors are adequately compensated for the risks they
 3 bear. Therefore, we can look to the market to determine what investors believe a
 4 share of common stock is worth. By estimating the cash flows investors expect to
 5 receive from the stock in the way of future dividends and capital gains, we can
 6 calculate their required rate of return. That is, the cost of equity is the discount rate
 7 that equates the current price of a share of stock with the present value of all
 8 expected cash flows from the stock. The general form of the DCF model is
 9 expressed mathematically as follows:

$$10 \quad P_0 = \frac{D_1}{(1+k_e)^1} + \frac{D_2}{(1+k_e)^2} + \dots + \frac{D_t}{(1+k_e)^t} + \frac{P_t}{(1+k_e)^t}$$

11 where: P_0 = Current price per share;
 12 P_t = Expected future price per share in period t;
 13 D_t = Expected dividend per share in period t;
 14 k_e = Cost of common equity.

15 **Q. WHAT FORM OF THE DCF MODEL IS CUSTOMARILY USED TO**
 16 **ESTIMATE THE COST OF COMMON EQUITY IN RATE CASES?**

17 A. Rather than developing annual estimates of cash flows into perpetuity, the DCF
 18 model can be simplified to a “constant growth” form:³¹

³¹ The constant growth DCF model is dependent on a number of strict assumptions, which in practice are never met. These include a constant growth rate for both dividends and earnings; a stable dividend payout ratio; the discount rate exceeds the growth rate; a constant growth rate for book value and price; a constant earned rate of return on book value; no sales of stock at a price above or below book value; a constant price-earnings ratio; a constant discount rate (*i.e.*, no changes in risk or interest rate levels and a flat yield curve); and all of the above extend to infinity.

1
$$P_0 = \frac{D_1}{k_e - g}$$

2 where: g = Investors' long-term growth expectations.

3 The cost of common equity (k_e) can be isolated by rearranging terms within the
4 equation:

5
$$k_e = \frac{D_1}{P_0} + g$$

6 This constant growth form of the DCF model recognizes that the rate of return to
7 stockholders consists of two parts: 1) dividend yield (D_1/P_0); and, 2) growth (g). In
8 other words, investors expect to receive a portion of their total return in the form of
9 current dividends and the remainder through price appreciation.

10 **Q. WHAT FORM OF THE DCF MODEL DID YOU USE?**

11 A. I applied the constant growth DCF model to estimate the cost of common equity for
12 LGE, which is the form of the model most commonly relied on to establish the cost
13 of common equity for traditional regulated utilities and the method most often
14 referenced by regulators.

15 **Q. HOW IS THE CONSTANT GROWTH FORM OF THE DCF MODEL
16 TYPICALLY USED TO ESTIMATE THE COST OF COMMON EQUITY?**

17 A. The first step in implementing the constant growth DCF model is to determine the
18 expected dividend yield (D_1/P_0) for the firm in question. This is usually calculated
19 based on an estimate of dividends to be paid in the coming year divided by the
20 current price of the stock. The second, and more controversial, step is to estimate
21 investors' long-term growth expectations (g) for the firm. The final step is to sum
22 the firm's dividend yield and estimated growth rate to arrive at an estimate of its
23 cost of common equity.

1 **Q. HOW WAS THE DIVIDEND YIELD FOR THE COMBINATION UTILITY**
2 **GROUP DETERMINED?**

3 A. Estimates of dividends to be paid by each of these utilities over the next twelve
4 months, obtained from Value Line, served as D_1 . This annual dividend was then
5 divided by a 30-day average stock price for each utility to arrive at the expected
6 dividend yield. The expected dividends, stock prices, and resulting dividend yields
7 for the firms in the Combination Utility Group are presented on page 1 of Exhibit
8 WEA-2. As shown there, dividend yields for the firms in the Combination Utility
9 Group ranged from 3.9% to 5.5%, and averaged 4.7%.

10 **Q. WHAT IS THE NEXT STEP IN APPLYING THE CONSTANT GROWTH**
11 **DCF MODEL?**

12 A. The next step is to evaluate long-term growth expectations, or “ g ”, for the firm in
13 question. In constant growth DCF theory, earnings, dividends, book value, and
14 market price are all assumed to grow in lockstep, and the growth horizon of the
15 DCF model is infinite. But implementation of the DCF model is more than just a
16 theoretical exercise; it is an attempt to replicate the mechanism investors used to
17 arrive at observable stock prices. A wide variety of techniques can be used to derive
18 growth rates, but the only “ g ” that matters in applying the DCF model is the value
19 that investors expect.

20 **Q. ARE HISTORICAL GROWTH RATES LIKELY TO BE REPRESENTATIVE**
21 **OF INVESTORS’ EXPECTATIONS FOR UTILITIES?**

22 A. No. If past trends in earnings, dividends, and book value are to be representative of
23 investors’ expectations for the future, then the historical conditions giving rise to
24 these growth rates should be expected to continue. That is clearly not the case for
25 utilities, where structural and industry changes have led to declining dividends,
26 earnings pressure, and, in many cases, significant write-offs. While these conditions

1 serve to depress historical growth measures, they are not representative of long-term
 2 expectations for the utility industry or the expectations that investors have
 3 incorporated into current market prices. As a result, historical growth measures for
 4 utilities do not currently meet the requirements of the DCF model.

5 **Q. WHAT ARE INVESTORS MOST LIKELY TO CONSIDER IN**
 6 **DEVELOPING THEIR LONG-TERM GROWTH EXPECTATIONS?**

7 A. While the DCF model is technically concerned with growth in dividend cash flows,
 8 implementation of this DCF model is solely concerned with replicating the forward-
 9 looking evaluation of real-world investors. In the case of utilities, dividend growth
 10 rates are not likely to provide a meaningful guide to investors' current growth
 11 expectations. This is because utilities have significantly altered their dividend
 12 policies in response to more accentuated business risks in the industry, with the
 13 payout ratio for utilities falling from approximately 80% historically to on the order
 14 of 60%.³² As a result of this trend towards a more conservative payout ratio,
 15 dividend growth in the utility industry has remained largely stagnant as utilities
 16 conserve financial resources to provide a hedge against heightened uncertainties.

17 As payout ratios for firms in the utility industry trended downward,
 18 investors' focus has increasingly shifted from dividends to earnings as a measure of
 19 long-term growth. Future trends in earnings per share ("EPS"), which provide the
 20 source for future dividends and ultimately support share prices, play a pivotal role in
 21 determining investors' long-term growth expectations. The importance of earnings
 22 in evaluating investors' expectations and requirements is well accepted in the
 23 investment community, and surveys of analytical techniques relied on by
 24 professional analysts indicate that growth in earnings is far more influential than

³² See, e.g., The Value Line Investment Survey (Mar. 29, 1996 at 472, Mar. 9, 2012 at 540); The Value Line Investment Survey (Sep. 15, 1995 at 161, Feb. 24, 2012 at 136).

1 trends in dividends per share (“DPS”). Apart from Value Line, investment advisory
 2 services do not generally publish comprehensive DPS growth projections, and this
 3 scarcity of dividend growth rates relative to the abundance of earnings forecasts
 4 attests to their relative influence. The fact that securities analysts focus on EPS
 5 growth, and that dividend growth rates are not routinely published, indicates that
 6 projected EPS growth rates are likely to provide a superior indicator of the future
 7 long-term growth expected by investors.

8 **Q. DO THE GROWTH RATE PROJECTIONS OF SECURITY ANALYSTS**
 9 **CONSIDER HISTORICAL TRENDS?**

10 A. Yes. Professional security analysts study historical trends extensively in developing
 11 their projections of future earnings. Hence, to the extent there is any useful
 12 information in historical patterns, that information is incorporated into analysts’
 13 growth forecasts.

14 **Q. WHAT ARE SECURITY ANALYSTS CURRENTLY PROJECTING IN THE**
 15 **WAY OF GROWTH FOR THE FIRMS IN THE COMBINATION UTILITY**
 16 **GROUP?**

17 A. The EPS growth projections for each of the firms in the Combination Utility Group
 18 reported by Value Line, Thomson Reuters (“IBES”), and Zacks Investment Research
 19 (“Zacks”) are displayed on page 2 of Exhibit WEA-2.³³

³³ Formerly I/B/E/S International, Inc., IBES growth rates are now compiled and published by Thomson Reuters.

1 **Q. SOME ARGUE THAT ANALYSTS' ASSESSMENTS OF GROWTH RATES**
 2 **ARE BIASED. DO YOU BELIEVE THESE PROJECTIONS ARE**
 3 **INAPPROPRIATE FOR ESTIMATING INVESTORS' REQUIRED RETURN**
 4 **USING THE DCF MODEL?**

5 A. No. In applying the DCF model to estimate the cost of common equity, the only
 6 relevant growth rate is the forward-looking expectations of investors that are
 7 captured in current stock prices. Investors, just like securities analysts and others in
 8 the investment community, do not know how the future will actually turn out. They
 9 can only make investment decisions based on their best estimate of what the future
 10 holds in the way of long-term growth for a particular stock, and securities prices are
 11 constantly adjusting to reflect their assessment of available information.

12 Any claims that analysts' estimates are not relied upon by investors are
 13 illogical given the reality of a competitive market for investment advice. If financial
 14 analysts' forecasts do not add value to investors' decision making, then it is
 15 irrational for investors to pay for these estimates. Similarly, those financial analysts
 16 who fail to provide reliable forecasts will lose out in competitive markets relative to
 17 those analysts whose forecasts investors find more credible. The reality that analyst
 18 estimates are routinely referenced in the financial media and in investment advisory
 19 publications (e.g., Value Line) implies that investors use them as a basis for their
 20 expectations.

21 The continued success of investment services such as Thompson Reuters and
 22 Value Line, and the fact that projected growth rates from such sources are widely
 23 referenced, provides strong evidence that investors give considerable weight to
 24 analysts' earnings projections in forming their expectations for future growth.
 25 While the projections of securities analysts may be proven optimistic or pessimistic
 26 in hindsight, this is irrelevant in assessing the expected growth that investors have

1 incorporated into current stock prices, and any bias in analysts’ forecasts – whether
 2 pessimistic or optimistic – is irrelevant if investors share analysts’ views. Earnings
 3 growth projections of security analysts provide the most frequently referenced guide
 4 to investors’ views and are widely accepted in applying the DCF model. As
 5 explained in *New Regulatory Finance*:

6 Because of the dominance of institutional investors and their influence on
 7 individual investors, analysts’ forecasts of long-run growth rates provide
 8 a sound basis for estimating required returns. Financial analysts exert a
 9 strong influence on the expectations of many investors who do not
 10 possess the resources to make their own forecasts, that is, they are a cause
 11 of *g* [growth]. The accuracy of these forecasts in the sense of whether
 12 they turn out to be correct is not an issue here, as long as they reflect
 13 widely held expectations.³⁴

14 As the KPSC concluded:

15 LG&E’s argument concerning the appropriateness of using investors’
 16 expectations in performing a DCF analysis is more persuasive than the
 17 AG’s argument that analysts’ projections should be rejected in favor of
 18 historical results. The Commission agrees that analysts’ projections of
 19 growth will be relatively more compelling in forming investors’³⁵ forward-
 20 looking expectations than relying on historical performance...

21 **Q. HOW ELSE ARE INVESTORS’ EXPECTATIONS OF FUTURE LONG-**
 22 **TERM GROWTH PROSPECTS OFTEN ESTIMATED WHEN APPLYING**
 23 **THE CONSTANT GROWTH DCF MODEL?**

24 A. In constant growth theory, growth in book equity will be equal to the product of the
 25 earnings retention ratio (one minus the dividend payout ratio) and the earned rate of
 26 return on book equity. Furthermore, if the earned rate of return and the payout ratio
 27 are constant over time, growth in earnings and dividends will be equal to growth in
 28 book value. Despite the fact that these conditions are seldom, if ever, met in
 29 practice, this “sustainable growth” approach may provide a rough guide for

³⁴ Morin, Roger A., “New Regulatory Finance,” *Public Utilities Reports, Inc.* at 298 (2006) (emphasis added).

³⁵ *Case No. 2009-00549*, Final Order at 32-33.

1 evaluating a firm's growth prospects and is frequently proposed in regulatory
 2 proceedings.

3 Accordingly, while I believe that analysts' forecasts provide a superior and
 4 more direct guide to investors' growth expectations, I have included the "sustainable
 5 growth" approach for completeness. The sustainable growth rate is calculated by
 6 the formula, $g = br + sv$, where "b" is the expected retention ratio, "r" is the expected
 7 earned return on equity, "s" is the percent of common equity expected to be issued
 8 annually as new common stock, and "v" is the equity accretion rate.

9 **Q. WHAT IS THE PURPOSE OF THE "SV" TERM?**

10 A. Under DCF theory, the "sv" factor is a component of the growth rate designed to
 11 capture the impact of issuing new common stock at a price above, or below, book
 12 value. When a company's stock price is greater than its book value per share, the
 13 per-share contribution in excess of book value associated with new stock issues will
 14 accrue to the current shareholders. This increase to the book value of existing
 15 shareholders leads to higher expected earnings and dividends, with the "sv" factor
 16 incorporating this additional growth component.

17 **Q. WHAT GROWTH RATE DOES THE EARNINGS RETENTION METHOD**
 18 **SUGGEST FOR THE COMBINATION UTILITY GROUP?**

19 A. The sustainable, "br+sv" growth rates for each firm in the Combination Utility
 20 Group are summarized on page 2 of Exhibit WEA-2, with the underlying details
 21 being presented on Exhibit WEA-3. For each firm, the expected retention ratio (b)
 22 was calculated based on Value Line's projected dividends and earnings per share.
 23 Likewise, each firm's expected earned rate of return (r) was computed by dividing
 24 projected earnings per share by projected net book value. Because Value Line
 25 reports end-of-year book values, an adjustment factor was incorporated to compute
 26 an average rate of return over the year, consistent with the theory underlying this

1 approach to estimating investors' growth expectations. Meanwhile, the percent of
 2 common equity expected to be issued annually as new common stock (s) was equal
 3 to the product of the projected market-to-book ratio and growth in common shares
 4 outstanding, while the equity accretion rate (v) was computed as 1 minus the inverse
 5 of the projected market-to-book ratio.

6 **Q. WHAT COST OF COMMON EQUITY ESTIMATES WERE IMPLIED FOR**
 7 **THE COMBINATION UTILITY GROUP USING THE DCF MODEL?**

8 A. After combining the dividend yields and respective growth projections for each
 9 utility, the resulting cost of common equity estimates are shown on page 3 of
 10 Exhibit WEA-2.

11 **Q. IN EVALUATING THE RESULTS OF THE CONSTANT GROWTH DCF**
 12 **MODEL, IS IT APPROPRIATE TO ELIMINATE ESTIMATES THAT ARE**
 13 **EXTREME LOW OR HIGH OUTLIERS?**

14 A. Yes. In applying quantitative methods to estimate the cost of equity, it is essential
 15 that the resulting values pass fundamental tests of reasonableness and economic
 16 logic. Accordingly, DCF estimates that are implausibly low or high should be
 17 eliminated when evaluating the results of this method.

18 **Q. HOW DID YOU EVALUATE DCF ESTIMATES AT THE LOW END OF THE**
 19 **RANGE?**

20 A. It is a basic economic principle that investors can be induced to hold more risky
 21 assets only if they expect to earn a return to compensate them for their risk bearing.
 22 As a result, the rate of return that investors require from a utility's common stock,
 23 the most junior and riskiest of its securities, must be considerably higher than the
 24 yield offered by senior, long-term debt. Consistent with this principle, the DCF
 25 results must be adjusted to eliminate estimates that are determined to be extreme

1 low outliers when compared against the yields available to investors from less risky
2 utility bonds.

3 **Q. WHAT DOES THIS TEST OF LOGIC IMPLY WITH RESPECT TO THE**
4 **DCF RESULTS FOR THE COMBINATION UTILITY GROUP?**

5 A. S&P corporate credit ratings for the firms in the Combination Utility Group ranged
6 from “BBB-” to “BBB+,” with Moody’s monthly yields on triple-B bonds averaging
7 approximately 5.0% in May 2012.³⁶ It is inconceivable that investors are not
8 requiring a substantially higher rate of return for holding common stock. Consistent
9 with this principle, the DCF results for the Combination Utility Group must be
10 adjusted to eliminate estimates that are determined to be extreme low outliers when
11 compared against the yields available to investors from less risky utility bonds.

12 **Q. HAVE SIMILAR TESTS BEEN APPLIED BY REGULATORS?**

13 A. Yes. FERC has noted that adjustments are justified where applications of the DCF
14 approach produce illogical results. FERC evaluates DCF results against observable
15 yields on long-term public utility debt and has recognized that it is appropriate to
16 eliminate estimates that do not sufficiently exceed this threshold. In a 2000 opinion
17 establishing its current precedent for determining ROEs for electric utilities, for
18 example, FERC noted:

19 An adjustment to this data is appropriate in the case of PG&E’s low-end
20 return of 8.42 percent, which is comparable to the average Moody’s “A”
21 grade public utility bond yield of 8.06 percent, for October 1999.
22 Because investors cannot be expected to purchase stock if debt, which has
23 less risk than stock, yields essentially the same return, this low-end return
24 cannot be considered reliable in this case.³⁷

25 For gas utilities, FERC noted in its August 2006 decision in *Kern River Gas*
26 *Transmission Company* that:

³⁶ Moody’s Investors Service, www.credittrends.com.

³⁷ *Southern California Edison Company*, 92 FERC ¶ 61,070 (2000) at p. 22.

1 [T]he 7.31 and 7.32 percent costs of equity for El Paso and Williams
 2 found by the ALJ are only 110 and 122 basis points above that average
 3 yield for public utility debt.³⁸

4 The Commission upheld the opinion of Staff and the Administrative Law Judge that
 5 cost of equity estimates for these two proxy group companies “were too low to be
 6 credible.”³⁹

7 The practice of eliminating low-end outliers has been affirmed in numerous
 8 FERC proceedings,⁴⁰ and in its April 15, 2010 decision in *SoCal Edison*, FERC
 9 affirmed that, “it is reasonable to exclude any company whose low-end ROE fails to
 10 exceed the average bond yield by about 100 basis points or more.”⁴¹

11 **Q. WHAT ELSE SHOULD BE CONSIDERED IN EVALUATING DCF**
 12 **ESTIMATES AT THE LOW END OF THE RANGE?**

13 A. As indicated earlier, while corporate bond yields have declined substantially from
 14 the levels reached during the height of the financial crisis, it is generally expected
 15 that long-term interest rates will rise as the economy returns to a more normal
 16 pattern of growth. As shown in Table WEA-3 below, forecasts of IHS Global
 17 Insight and the EIA imply average triple-B bond yield of approximately 6.7% over
 18 the period 2012-2016:

³⁸ *Kern River Gas Transmission Company*, Opinion No. 486, 117 FERC ¶ 61,077 at P 140 & n. 227 (2006).

³⁹ *Id.*

⁴⁰ *See, e.g., Virginia Electric Power Co.*, 123 FERC ¶ 61,098 at P 64 (2008).

⁴¹ *Southern California Edison Co.*, 131 FERC ¶ 61,020 at P 55 (2010) (“*SoCal Edison*”).

1
2

**TABLE WEA-3
IMPLIED BBB BOND YIELD**

	<u>2012-16</u>
Projected AA Utility Yield	
IHS Global Insight (a)	5.65%
EIA (b)	<u>5.80%</u>
Average	5.72%
Current BBB - AA Yield Spread (c)	<u>1.02%</u>
Implied Triple-B Utility Yield	6.74%

-
- (a) IHS Global Insight, *U.S. Economic Outlook* at 25 (Dec. 2011).
 - (b) Energy Information Administration, *Annual Energy Outlook 2012, Early Release* (Jan. 23, 2012).
 - (c) Based on monthly average bond yields from Moody's Investors Service for the six-month period Dec. 2011 - May 2012.

3

4 The increase in debt yields anticipated by IHS Global Insight and EIA is also
5 supported by the widely-referenced Blue Chip Financial Forecasts, which projects
6 that yields on corporate bonds will climb more than 100 basis points through the
7 period 2012-2017.⁴²

8 **Q. WHAT DOES THIS TEST OF LOGIC IMPLY WITH RESPECT TO THE**
9 **DCF RESULTS FOR THE COMBINATION UTILITY GROUP?**

10 A. As shown on page 3 of Exhibit WEA-2, ten low-end DCF estimates ranged from
11 2.5% to 6.7%, with six of these values being equal to or less than the yield currently
12 available on triple-B utility bonds. In light of the risk-return tradeoff principle and
13 the test applied in *SoCal Edison*, it is inconceivable that investors are not requiring a
14 substantially higher rate of return for holding common stock, which is the riskiest of
15 a utility's securities. As a result, consistent with the test of economic logic applied

⁴² *Blue Chip Financial Forecasts*, Vol. 30, No. 12 (Dec. 1, 2011).

1 by FERC and the upward trend expected for utility bond yields, these values provide
 2 little guidance as to the returns investors require from utility common stocks and
 3 should be excluded.

4 **Q. IS IT ALSO APPROPRIATE TO EVALUATE ESTIMATES AT THE HIGH**
 5 **END OF THE RANGE OF DCF RESULTS?**

6 A. Yes. It is just as important to eliminate high-end outliers as low-end outliers. This
 7 is also consistent with the precedent adopted by FERC, which has established that
 8 estimates found to be “extreme outliers” should be disregarded in interpreting the
 9 results of the DCF model.⁴³ Under FERC’s test, cost of equity estimates of 17.7%
 10 or greater are considered extreme outliers, as are estimates based on growth rates of
 11 13.3% or higher.

12 **Q. IS THERE A BASIS TO EXCLUDE DCF ESTIMATES AT THE HIGH END**
 13 **OF THE RANGE FOR THE COMBINATION UTILITY GROUP?**

14 A. No. The upper end of the DCF range for the Combination Utility Group was set by
 15 a cost of equity estimates of 15.2%. While this cost of equity estimate may exceed
 16 the majority of the remaining estimates, low-end estimates of approximately 7.5%
 17 are assuredly far below investors’ required rate of return. This high-end estimate
 18 also falls far below the thresholds established by FERC. Taken together and
 19 considered along with the balance of the DCF estimates, these values provide a
 20 reasonable basis on which to evaluate investors’ required rate of return.

⁴³ See, e.g., *ISO New England, Inc.*, 109 FERC ¶ 61,147 at P 205 (2004).

1 **Q. WHAT COST OF COMMON EQUITY ESTIMATES ARE IMPLIED BY**
 2 **YOUR DCF RESULTS FOR THE COMBINATION UTILITY GROUP?**

3 A. As shown on page 3 of Exhibit WEA-2 and summarized in Table WEA-4, below,
 4 after eliminating illogical low-end values, application of the constant growth DCF
 5 model resulted in the following cost of equity estimates:

6 **TABLE WEA-4**
 7 **DCF RESULTS – COMBINATION UTILITY GROUP**

<u>Growth Rate</u>	<u>Cost of Equity</u>	
	<u>Average</u>	<u>Midpoint</u>
Value Line	10.0%	11.0%
IBES	10.2%	11.9%
Zacks	9.4%	9.6%
br + sv	9.0%	9.2%

8
 9 **Q. WHAT WERE THE RESULTS OF YOUR DCF ANALYSIS FOR THE NON-**
 10 **UTILITY GROUP?**

11 A. I applied the DCF model to the Non-Utility Group in exactly the same manner
 12 described earlier for the Combination Utility Group. The results of my DCF
 13 analysis for the Non-Utility Group are presented in Exhibit WEA-4, with the
 14 sustainable, “br+sv” growth rates being developed on Exhibit WEA-5.

15 I noted earlier that values that are implausibly low or high should be
 16 eliminated when evaluating the results of any quantitative method used to estimate
 17 the cost of equity. As highlighted on page 3 of Exhibit WEA-4, in addition to
 18 illogical low-end values, various DCF estimates for the firms in the Non-Utility
 19 Group exceeded 17.0%. I determined that, when compared with the balance of the
 20 remaining estimates, these values could be considered implausible and should be
 21 excluded.

1 As shown on page 3 of Exhibit WEA-4 and summarized in Table WEA-5,
 2 below, after eliminating illogical low- and high-end values, application of the
 3 constant growth DCF model resulted in cost of common equity estimates ranging
 4 from 10.9% to 13.2%:

5 **TABLE WEA-5**
 6 **DCF RESULTS – NON-UTILITY GROUP**

<u>Growth Rate</u>	<u>Cost of Equity</u>	
	<u>Average</u>	<u>Midpoint</u>
Value Line	12.2%	12.6%
IBES	10.9%	10.9%
Zacks	11.7%	12.2%
br + sv	13.2%	12.1%

7
 8 As discussed earlier, reference to the Non-Utility Group is consistent with
 9 established regulatory principles. Required returns for utilities should be in line
 10 with those of non-utility firms of comparable risk operating under the constraints of
 11 free competition.

12 **Q. HOW CAN YOU RECONCILE THESE DCF RESULTS FOR THE NON-**
 13 **UTILITY GROUP AGAINST THE SIGNIFICANTLY LOWER ESTIMATES**
 14 **PRODUCED FOR YOUR COMPARABLE-RISK GROUP OF UTILITIES?**

15 A. First, it is important to be clear that the higher DCF results for the Non-Utility
 16 Group cannot be attributed to risk differences. As I documented earlier, the risks
 17 that investors associate with the group of non-utility firms - as measured by S&P's
 18 credit ratings and Value Line's Safety Rank, Financial Strength, and Beta – are
 19 lower than the risks investors associate with the Combination Utility Group. The
 20 objective evidence provided by these observable risk measures rules out a
 21 conclusion that the higher non-utility DCF estimates are associated with higher
 22 investment risk.

1 Rather, the divergence between the DCF results for these groups of utility
 2 and non-utility firms can be attributed to the fact that DCF estimates invariably
 3 depart from the returns that investors actually require because their expectations
 4 may not be captured by the inputs to the model, particularly the assumed growth
 5 rate. Because the actual cost of equity is unobservable, and DCF results inherently
 6 incorporate a degree of error, the cost of equity estimates for the Non-Utility Group
 7 provide an important benchmark in evaluating a fair ROE for LGE. There is no
 8 basis to conclude that DCF results for a group of utilities would be inherently more
 9 reliable than those for firms in the competitive sector, and the divergence between
 10 the DCF estimates for the groups of utilities and the Non-Utility Group suggests that
 11 both should be considered to ensure a balanced end-result.

D. Capital Asset Pricing Model

12 **Q. PLEASE DESCRIBE THE CAPM.**

13 A. The CAPM is a theory of market equilibrium that measures risk using the beta
 14 coefficient. Assuming investors are fully diversified, the relevant risk of an
 15 individual asset (*e.g.*, common stock) is its volatility relative to the market as a
 16 whole, with beta reflecting the tendency of a stock’s price to follow changes in the
 17 market. The CAPM is mathematically expressed as:

18
$$R_j = R_f + \beta_j(R_m - R_f)$$

19 where: R_j = required rate of return for stock j;
 20 R_f = risk-free rate;
 21 R_m = expected return on the market portfolio; and,
 22 β_j = beta, or systematic risk, for stock j.

23 Like the DCF model, the CAPM is an *ex-ante*, or forward-looking model
 24 based on expectations of the future. As a result, in order to produce a meaningful
 25 estimate of investors’ required rate of return, the CAPM must be applied using

1 estimates that reflect the expectations of actual investors in the market, not with
 2 backward-looking, historical data.

3 **Q. HOW DID YOU APPLY THE CAPM TO ESTIMATE THE COST OF**
 4 **COMMON EQUITY?**

5 A. Application of the CAPM to the Combination Utility Group based on a forward-
 6 looking estimate for investors' required rate of return from common stocks is
 7 presented on Exhibit WEA-6. In order to capture the expectations of today's
 8 investors in current capital markets, the expected market rate of return was
 9 estimated by conducting a DCF analysis on the dividend paying firms in the S&P
 10 500.

11 The dividend yield for each firm was obtained from Value Line, and the
 12 growth rate was equal to the consensus earnings growth projections for each firm
 13 published by IBES, with each firm's dividend yield and growth rate being weighted
 14 by its proportionate share of total market value. Based on the weighted average of
 15 the projections for the 382 individual firms, current estimates imply an average
 16 growth rate over the next five years of 10.8%. Combining this average growth rate
 17 with a year-ahead dividend yield of 2.5% results in a current cost of common equity
 18 estimate for the market as a whole (R_m) of approximately 13.3%. Subtracting a
 19 2.9% risk-free rate based on the average yield on 30-year Treasury bonds produced
 20 a market equity risk premium of 10.4%.

21 **Q. WHAT WAS THE SOURCE OF THE BETA VALUES YOU USED TO APPLY**
 22 **THE CAPM?**

23 A. I relied on the beta values reported by Value Line, which in my experience is the
 24 most widely referenced source for beta in regulatory proceedings. As noted in *New*
 25 *Regulatory Finance*:

1 Value Line is the largest and most widely circulated independent
 2 investment advisory service, and influences the expectations of a large
 3 number of institutional and individual investors. ... Value Line betas are
 4 computed on a theoretically sound basis using a broadly based market
 5 index, and they are adjusted for the regression tendency of betas to
 6 converge to 1.00.⁴⁴

7 **Q. WHAT ELSE SHOULD BE CONSIDERED IN APPLYING THE CAPM?**

8 A. As explained by Morningstar:

9 One of the most remarkable discoveries of modern finance is that of a
 10 relationship between firm size and return. The relationship cuts across
 11 the entire size spectrum but is most evident among smaller companies,
 12 which have higher returns on average than larger ones.⁴⁵

13 Empirical research indicates that the CAPM does not fully account for observed
 14 differences in rates of return attributable to firm size, necessitating a modification to
 15 account for this size effect. As explained below, this adjustment to incorporate the
 16 increment of investors' required return that is related to firm size is specific to the
 17 CAPM model. I am not proposing to apply a general size risk premium in arriving
 18 at a fair ROE for LGE; rather, this adjustment merely corrects for an observed
 19 inability of the CAPM to fully reflect the risks perceived by investors.

20 According to the CAPM, the expected return on a security should consist of
 21 the riskless rate, plus a premium to compensate for the systematic risk of the
 22 particular security. The degree of systematic risk is represented by the beta
 23 coefficient. The need for the size adjustment arises because differences in investors'
 24 required rates of return that are related to firm size are not fully captured by beta.
 25 To account for this, Morningstar has developed size premiums that need to be added
 26 to the theoretical CAPM cost of equity estimates to account for the level of a firm's

⁴⁴ Morin, Roger A., "New Regulatory Finance," *Public Utilities Reports* at 71 (2006).

⁴⁵ *Morningstar*, "Ibbotson SBBI 2012 Valuation Yearbook," at p. 85.

1 market capitalization in determining the CAPM cost of equity.⁴⁶ These premiums
2 correspond to the size deciles of publicly traded common stocks, and range from a
3 premium of 6.1% for a company in the first decile (market capitalization less than
4 \$207 million), to a reduction of 38 basis points for firms in the tenth decile (market
5 capitalization between \$15.5 billion and \$354.4 billion). Accordingly, my CAPM
6 analyses incorporated an adjustment to recognize the impact of size distinctions, as
7 measured by the average market capitalization for the Combination Utility Group,
8 that are not captured by the beta value, but which are acknowledged by empirical
9 research.

10 **Q. WHAT COST OF EQUITY ESTIMATE WAS INDICATED FOR THE**
11 **COMBINATION UTILITY GROUP BASED ON THIS FORWARD-**
12 **LOOKING APPLICATION OF THE CAPM?**

13 A. The average market capitalization of the Combination Utility Group is \$8.2 billion.
14 Based on data from Morningstar, this means that the theoretical CAPM cost of
15 equity estimate must be increased by 78 basis points to account for the group's
16 relative size. As shown on page 1 of Exhibit WEA-6, adjusting the 10.6%
17 theoretical CAPM result to incorporate this size adjustment results in an average
18 indicated cost of common equity of 11.4%.

19 **Q. IS IT APPROPRIATE TO CONSIDER ANTICIPATED CAPITAL MARKET**
20 **CHANGES IN APPLYING THE CAPM?**

21 A. Yes. As discussed earlier, there is widespread consensus that interest rates will
22 increase materially as the economy continues to strengthen. As a result, current
23 bond yields are likely to understate capital market requirements at the time the
24 outcome of this proceeding becomes effective. Accordingly, in addition to the use

⁴⁶ *Id.* at Table C-1.

1 of current bond yields, I also applied the CAPM based on the forecasted long-term
2 Treasury bond yields developed based on projections published by Value Line, IHS
3 Global Insight and Blue Chip.

4 **Q. WHAT COST OF EQUITY WAS PRODUCED BY THE CAPM AFTER**
5 **INCORPORATING FORECASTED BOND YIELDS?**

6 A. As shown on page 2 of Exhibit WEA-6, incorporating a forecasted Treasury bond
7 yield for 2012-2016 implied a cost of equity of approximately 11.0% for the
8 Combination Utility Group, or 11.8% after adjusting for the impact of relative size.

9 **Q. SHOULD THE CAPM APPROACH BE APPLIED USING HISTORICAL**
10 **RATES OF RETURN?**

11 A. No. While investors undoubtedly consider historical information as one facet in
12 their evaluation of future expectations, the cost of capital is a forward-looking
13 concept. Because the CAPM is focused solely on the perceptions of today's capital
14 market investors, it should not be applied using historical rates of return. The
15 CAPM cost of common equity estimate is calibrated from investors' required risk
16 premium between Treasury bonds and common stocks. In response to heightened
17 uncertainties, investors have repeatedly sought a safe haven in U.S. government
18 bonds and this "flight to safety" has pushed Treasury yields significantly lower
19 while yield spreads for corporate debt have widened. This distortion not only
20 impacts the absolute level of the CAPM cost of equity estimate, but it affects
21 estimated risk premiums. Economic logic would suggest that investors' required
22 risk premium for common stocks over Treasury bonds has also increased.

23 Meanwhile, backward-looking approaches incorrectly assume that investors'
24 assessment of the required risk premium between Treasury bonds and common
25 stocks is constant, and equal to some historical average. At no time in recent history
26 has the fallacy of this assumption been demonstrated more concretely than it is

1 today. This incongruity between investors’ current expectations and historical risk
 2 premiums is particularly relevant during periods of heightened uncertainty and
 3 rapidly changing capital market conditions, such as those experienced recently. As
 4 the Staff of the Florida Public Service Commission concluded:

5 [R]ecognizing the impact the Federal Government’s unprecedented
 6 intervention in the capital markets has had on the yields on long-term
 7 Treasury bonds, staff believes models that relate the investor-required
 8 return on equity to the yield on government securities, such as the CAPM
 9 approach, produce less reliable estimates of the ROE at this time.⁴⁷

10 **Q. HAS THE FEDERAL RESERVE CONTINUED TO PURSUE A POLICY OF**
 11 **ACTIVELY MANAGING LONG-TERM GOVERNMENT BOND YIELDS?**

12 A. Yes. In September 2011, the Federal Reserve announced “Operation Twist,”
 13 involving the exchange of short-term Treasury instruments for longer-term
 14 government bonds, in an effort to put downward pressure on long-term interest
 15 rates. The ongoing potential for renewed turmoil in the capital markets has been
 16 seen repeatedly, with common stock prices exhibiting the dramatic volatility that is
 17 indicative of heightened sensitivity to risk.

18 Nowhere has this been more evident than in the market for Treasury bonds,
 19 with yields being pushed significantly lower due to a global “flight to safety” in the
 20 face of rising political, economic, and capital market risks. In turn, this has led to a
 21 dramatic increase in risk premiums, as illustrated by the spreads between triple-B
 22 utility bond yields and 30-year Treasuries shown in Figure WEA-1, below:

⁴⁷ *Staff Recommendation for Docket No. 080677-E1 - Petition for increase in rates by Florida Power & Light Company*, at p. 280 (Dec. 23, 2009).

**FIGURE WEA-1
YIELD SPREAD (BASIS POINTS) – BBB UTILITY – 30-YR. TREASURY**



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This increase in the yield spread indicates that the additional compensation investors demand to take on higher risks has increased. As S&P observed:

Standard & Poor’s U.S. speculative-grade composite spread, which measures the extra yield above U.S. Treasury bonds that investors demand to hold the bonds of riskier companies, widened by 63% to 781 basis points (bps) from April 18, 2011, to Sept. 30, 2011. This sharp expansion reflected the bond market’s increasing aversion to credit risk in an uncertain and riskier environment. ... During periods of stress, correlations frequently increase among risky asset classes such as the relationship between the return on speculative-grade bonds and the return from equities.⁴⁸

Equity risk premiums cannot be observed directly, but because common stock investors are the last in line with respect to their claim on a utility’s cash flows, higher yield spreads imply an even steeper increase in the additional return required

⁴⁸ Standard & Poor’s Corporation, “Recent Expansion In Credit Spreads Shows Bond Market Stress, But Less Severe Than During The Financial Crisis,” *RatingsDirect* (Oct. 11, 2011).

1 from an investment in common equity. In short, heightened capital market and
 2 economic uncertainties, and the increase in risk premiums demanded by investors,
 3 further undermine any reliance on historical studies to apply the CAPM.

E. Risk Premium Method

4 **Q. BRIEFLY DESCRIBE THE RPM.**

5 A. The RPM extends the risk-return tradeoff observed with bonds to estimate investors’
 6 required rate of return on common stocks. The cost of equity is estimated by first
 7 determining the additional return investors require to forgo the relative safety of
 8 bonds and to bear the greater risks associated with common stock, and by then
 9 adding this equity risk premium to the current yield on bonds. Like the DCF model,
 10 the RPM is capital market oriented. However, unlike DCF models, which indirectly
 11 impute the cost of equity, risk premium methods directly estimate investors’
 12 required rate of return by adding an equity risk premium to observable bond yields.

13 **Q. HOW DID YOU IMPLEMENT THE RPM?**

14 A. I based my estimates of equity risk premiums for utilities on surveys of previously
 15 authorized rates of return on common equity. Authorized returns presumably reflect
 16 regulatory commissions’ best estimates of the cost of equity, however determined, at
 17 the time they issued their final order. Such returns should represent a balanced and
 18 impartial outcome that considers the need to maintain a utility’s financial integrity
 19 and ability to attract capital. Moreover, allowed returns are an important
 20 consideration for investors and have the potential to influence other observable
 21 investment parameters, including credit ratings and borrowing costs. Thus, these
 22 data provide a logical and frequently referenced basis for estimating equity risk
 23 premiums for regulated utilities.

1 **Q. IS IT CIRCULAR TO CONSIDER RISK PREMIUMS BASED ON**
 2 **AUTHORIZED RETURNS IN ASSESSING A FAIR ROE FOR LGE?**

3 A. No. In establishing authorized returns, regulators typically consider the results of
 4 alternative market-based approaches, including the DCF model. Because allowed
 5 risk premiums consider objective market data (*e.g.*, stock prices dividends, beta, and
 6 interest rates), and are not based strictly on past actions of other regulators, this
 7 mitigates concerns over any potential for circularity.

8 **Q. HOW DID YOU IMPLEMENT THE RPM USING SURVEYS OF ALLOWED**
 9 **RATES OF RETURN?**

10 A. Surveys of previously authorized rates of return on common equity are frequently
 11 referenced as the basis for estimating equity risk premiums. The rates of return on
 12 common equity authorized utilities by regulatory commissions across the U.S. are
 13 compiled by Regulatory Research Associates and published in its *Regulatory Focus*
 14 report. In Exhibit WEA-7, the average yield on public utility bonds is subtracted
 15 from the average allowed rate of return on common equity for electric utilities to
 16 calculate equity risk premiums for each year between 1974 and 2011.⁴⁹ As shown
 17 on page 3 of Exhibit WEA-7, over this period, these equity risk premiums for
 18 electric averaged 3.41%, and the yield on public utility bonds averaged 8.91%.

19 **Q. IS THERE ANY CAPITAL MARKET RELATIONSHIP THAT MUST BE**
 20 **CONSIDERED WHEN IMPLEMENTING THE RISK PREMIUM**
 21 **METHOD?**

22 A. Yes. There is considerable evidence that the magnitude of equity risk premiums is
 23 not constant and that equity risk premiums tend to move inversely with interest

⁴⁹ My analysis encompasses the entire period for which published data is available.

1 rates.⁵⁰ In other words, when interest rate levels are relatively high, equity risk
 2 premiums narrow, and when interest rates are relatively low, equity risk premiums
 3 widen. The implication of this inverse relationship is that the cost of equity does not
 4 move as much as, or in lockstep with, interest rates. Accordingly, for a 1 % increase
 5 or decrease in interest rates, the cost of equity may only rise or fall, say, 50 basis
 6 points. Therefore, when implementing the risk premium method, adjustments may
 7 be required to incorporate this inverse relationship if current interest rate levels have
 8 diverged from the average interest rate level represented in the data set.

9 Finally, it is important to recognize that the historical focus of risk premium
 10 studies almost certainly ensures that they fail to fully capture the significantly
 11 greater risks that investors now associate with providing utility service. As a result,
 12 they are likely to understate the cost of equity for a firm operating in today's utility
 13 industry.

14 **Q. WHAT COST OF EQUITY IS IMPLIED BY THE RPM USING SURVEYS**
 15 **OF ALLOWED RATES OF RETURN ON EQUITY?**

16 A. Based on the regression output between the interest rates and equity risk premiums
 17 displayed on page 4 of Exhibit WEA-7, the equity risk premium for electric utilities
 18 increased approximately 41 basis points for each percentage point drop in the yield
 19 on average public utility bonds. As illustrated on page 1 of Exhibit WEA-7, with
 20 the average yield on public utility bonds in May 2012 being 4.36%, this implied a
 21 current equity risk premium of 5.28% for electric utilities. Adding this equity risk
 22 premium to the average yield on triple-B utility bonds of 4.97% implies a current
 23 cost of equity for LGE of approximately 10.3%.

⁵⁰ See, e.g., Brigham, E.F., Shome, D.K., and Vinson, S.R., "The Risk Premium Approach to Measuring a Utility's Cost of Equity," *Financial Management* (Spring 1985); Harris, R.S., and Marston, F.C., "Estimating Shareholder Risk Premia Using Analysts' Growth Forecasts," *Financial Management* (Summer 1992).

1 **Q. WHAT COST OF EQUITY WAS PRODUCED BY THE RPM AFTER**
 2 **INCORPORATING FORECASTED BOND YIELDS?**

3 A. As shown on page 2 of Exhibit WEA-7, incorporating a forecasted yield for 2012-
 4 2016 and adjusting for changes in interest rates since the study period implied an
 5 equity risk premium of 4.54% for electric utilities. Adding this equity risk premium
 6 to the implied average yield on triple-B public utility bonds for 2012-2016 of 6.74%
 7 resulted in an implied cost of equity of approximately 11.3%.

F. Expected Earnings Approach

8 **Q. WHAT OTHER ANALYSES DID YOU CONDUCT TO ESTIMATE THE**
 9 **COST OF COMMON EQUITY?**

10 A. As I noted earlier, I also evaluated the cost of common equity using the expected
 11 earnings method. Reference to rates of return available from alternative investments
 12 of comparable risk can provide an important benchmark in assessing the return
 13 necessary to assure confidence in the financial integrity of a firm and its ability to
 14 attract capital. This expected earnings approach is consistent with the economic
 15 underpinnings for a fair rate of return established by the U.S. Supreme Court in
 16 *Bluefield* and *Hope*. Moreover, it avoids the complexities and limitations of capital
 17 market methods and instead focuses on the returns earned on book equity, which are
 18 readily available to investors.

19 **Q. WHAT ECONOMIC PREMISE UNDERLIES THE EXPECTED EARNINGS**
 20 **APPROACH?**

21 A. The simple, but powerful concept underlying the expected earnings approach is that
 22 investors compare each investment alternative with the next best opportunity. If the
 23 utility is unable to offer a return similar to that available from other opportunities of
 24 comparable risk, investors will become unwilling to supply the capital on reasonable

1 terms. For existing investors, denying the utility an opportunity to earn what is
 2 available from other similar risk alternatives prevents them from earning their
 3 opportunity cost of capital. In this situation the government is effectively taking the
 4 value of investors' capital without adequate compensation. The expected earnings
 5 approach is consistent with the economic rationale underpinning established
 6 regulatory standards, which specifies a methodology to determine an ROE
 7 benchmark based on earned rates of return for a peer group of other regional
 8 utilities.

9 **Q. HOW IS THE COMPARISON OF OPPORTUNITY COSTS TYPICALLY**
 10 **IMPLEMENTED?**

11 A. The traditional comparable earnings test identifies a group of companies that are
 12 believed to be comparable in risk to the utility. The actual earnings of those
 13 companies on the book value of their investment are then compared to the allowed
 14 return of the utility. While the traditional comparable earnings test is implemented
 15 using historical data taken from the accounting records, it is also common to use
 16 projections of returns on book investment, such as those published by recognized
 17 investment advisory publications (*e.g.*, Value Line). Because these returns on book
 18 value equity are analogous to the allowed return on a utility's rate base, this measure
 19 of opportunity costs results in a direct, "apples to apples" comparison.

20 Moreover, regulators do not set the returns that investors earn in the capital
 21 markets – they can only establish the allowed return on the value of a utility's
 22 investment, as reflected on its accounting records. As a result, the expected earnings
 23 approach provides a direct guide to ensure that the allowed ROE is similar to what
 24 other utilities of comparable risk will earn on invested capital. This opportunity cost
 25 test does not require theoretical models to indirectly infer investors' perceptions
 26 from stock prices or other market data. As long as the proxy companies are similar

1 in risk, their expected earned returns on invested capital provide a direct benchmark
 2 for investors' opportunity costs that is independent of fluctuating stock prices,
 3 market-to-book ratios, debates over DCF growth rates, or the limitations inherent in
 4 any theoretical model of investor behavior.

5 **Q. WHAT RATES OF RETURN ON EQUITY ARE INDICATED FOR**
 6 **UTILITIES BASED ON THE EXPECTED EARNINGS APPROACH?**

7 A. For the firms in the Combination Utility Group specifically, the returns on common
 8 equity projected by Value Line over its three-to-five year forecast horizon are shown
 9 on Exhibit WEA-8.

10 Consistent with the rationale underlying the development of the $br+sv$
 11 growth rates, these year-end values were converted to average returns using the
 12 same adjustment factors discussed earlier and developed on Exhibits WEA-3. As
 13 shown on Exhibit WEA-8, Value Line's projections for the Combination Utility
 14 Group suggested an average ROE of 10.4%.

G. Flotation Costs

15 **Q. WHAT OTHER CONSIDERATIONS ARE RELEVANT IN DETERMINING**
 16 **THE ROE FOR LGE?**

17 A. The common equity used to finance the investment in utility assets is provided from
 18 either the sale of stock in the capital markets or from retained earnings not paid out
 19 as dividends. When equity is raised through the sale of common stock, there are
 20 costs associated with "floating" the new equity securities. These flotation costs
 21 include services such as legal, accounting, and printing, as well as the fees and
 22 discounts paid to compensate brokers for selling the stock to the public. Also, some
 23 argue that the "market pressure" from the additional supply of common stock and

1 other market factors may further reduce the amount of funds a utility nets when it
 2 issues common equity.

3 **Q. IS THERE AN ESTABLISHED MECHANISM FOR A UTILITY TO**
 4 **RECOGNIZE EQUITY ISSUANCE COSTS?**

5 A. No. While debt flotation costs are recorded on the books of the utility, amortized
 6 over the life of the issue, and thus increase the effective cost of debt capital, there is
 7 no similar accounting treatment to ensure that equity flotation costs are recorded and
 8 ultimately recognized. No rate of return is authorized on flotation costs necessarily
 9 incurred to obtain a portion of the equity capital used to finance plant. In other words,
 10 equity flotation costs are not included in a utility's rate base because neither that
 11 portion of the gross proceeds from the sale of common stock used to pay flotation
 12 costs is available to invest in plant and equipment, nor are flotation costs capitalized
 13 as an intangible asset. Unless some provision is made to recognize these issuance
 14 costs, a utility's revenue requirements will not fully reflect all of the costs incurred for
 15 the use of investors' funds. Because there is no accounting convention to accumulate
 16 the flotation costs associated with equity issues, they must be accounted for
 17 indirectly, with an upward adjustment to the cost of equity being the most
 18 appropriate mechanism. For example, the Washington Utilities and Transportation
 19 Commission concluded that a flotation cost adjustment of 25 basis points should be
 20 included in the allowed return on equity:

21 The Commission also agrees with both Dr. Avera and Dr. Lurito that a 25
 22 basis point markup for flotation costs should be made. This amount
 23 compensates the Company for costs incurred from past issues of common
 24 stock. Flotation costs incurred in connection with a sale of common stock
 25 are not included in a utility's rate base because the portion of gross

1 proceeds that is used to pay these costs is not available to invest in plant
 2 and equipment.⁵¹

3 **Q. HAS THE KPSC ROUTINELY APPROVED A FLOTATION COST**
 4 **ADJUSTMENT FOR LGE?**

5 A. I am aware that the KPSC has not routinely approved a flotation cost adjustment for
 6 LGE in past proceedings. Nevertheless, the evidence in this case provides a sound
 7 theoretical and practical basis to include consideration of flotation costs for LGE.
 8 First, an adjustment for flotation costs associated with past equity issues is
 9 appropriate, even when the utility is not contemplating any new sales of common
 10 stock. The need for a flotation cost adjustment to compensate for past equity issues
 11 has been recognized in the financial literature.

12 In a *Public Utilities Fortnightly* article, for example, Brigham, Aberwald,
 13 and Gapenski demonstrated that even if no further stock issues are contemplated, a
 14 flotation cost adjustment in all future years is required to keep shareholders whole,
 15 and that the flotation cost adjustment must consider total equity, including retained
 16 earnings.⁵² Similarly, *New Regulatory Finance* contains the following discussion:

17 Another controversy is whether the flotation cost allowance should still
 18 be applied when the utility is not contemplating an imminent common
 19 stock issue. Some argue that flotation costs are real and should be
 20 recognized in calculating the fair rate of return on equity, but only at the
 21 time when the expenses are incurred. In other words, the flotation cost
 22 allowance should not continue indefinitely, but should be made in the
 23 year in which the sale of securities occurs, with no need for continuing
 24 compensation in future years. This argument implies that the company
 25 has already been compensated for these costs and/or the initial
 26 contributed capital was obtained freely, devoid of any flotation costs,
 27 which is an unlikely assumption, and certainly not applicable to most
 28 utilities. ... The flotation cost adjustment cannot be strictly forward-

⁵¹ *Third Supplemental Order*, Washington Utilities and Transportation Commission, Docket No. UE-991606, et al., p. 95 (September 2000).

⁵² Brigham, E.F., Aberwald, D.A., and Gapenski, L.C., "Common Equity Flotation Costs and Rate Making," *Public Utilities Fortnightly*, May, 2, 1985.

1 looking unless all past flotation costs associated with past issues have
 2 been recovered.⁵³

3 The following example demonstrates that investors will not have the
 4 opportunity to earn their required rate of return (*i.e.*, dividend yield plus expected
 5 growth) unless an allowance for past flotation costs is included in the allowed rate
 6 of return on equity. Assume a utility sells \$10 worth of common stock at the
 7 beginning of year 1. If the utility incurs flotation costs of \$0.48 (5% of the net
 8 proceeds), then only \$9.52 is available to invest in rate base. Assume that common
 9 shareholders' required rate of return is 11.5%, the expected dividend in year 1 is
 10 \$0.50 (*i.e.*, a dividend yield of 5 percent), and that growth is expected to be 6.5%
 11 annually. As developed below, if the allowed rate of return on common equity is
 12 only equal to the utility's 11.5% "bare bones" cost of equity, common stockholders
 13 will not earn their required rate of return on their \$10 investment, since growth will
 14 really only be 6.25%, instead of 6.5%:

15 **TABLE WEA-6**
 16 **NO FLOTATION COST ADJUSTMENT**

Year	Common Stock	Retained Earnings	Total Equity	Market Price	M/B Ratio	Allowed ROE	Earnings Per Share	Dividends Per Share	Payout Ratio
1	\$ 9.52	\$ -	\$ 9.52	\$ 10.00	1.050	11.50%	\$ 1.09	\$ 0.50	45.7%
2	\$ 9.52	\$ 0.59	\$ 10.11	\$ 10.62	1.050	11.50%	\$ 1.16	\$ 0.53	45.7%
3	\$ 9.52	\$ 0.63	<u>\$ 10.75</u>	<u>\$ 11.29</u>	1.050	11.50%	<u>\$ 1.24</u>	<u>\$ 0.56</u>	45.7%
Growth			6.25%	6.25%			6.25%	6.25%	

17 The reason that investors never really earn 11.5% on their investment in the above
 18 example is that the \$0.48 in flotation costs initially incurred to raise the common
 19 stock is not treated like debt issuance costs (*i.e.*, amortized into interest expense and
 20 therefore increasing the embedded cost of debt), nor is it included as an asset in rate
 21 base.

⁵³ Morin, Roger A., "New Regulatory Finance," *Public Utilities Reports, Inc.* (2006) at 335.

1 Including a flotation cost adjustment allows investors to be fully
 2 compensated for the impact of these costs. One commonly referenced method for
 3 calculating the flotation cost adjustment is to multiply the dividend yield by a
 4 flotation cost percentage. Thus, with a 5% dividend yield and a 5% flotation cost
 5 percentage, the flotation cost adjustment in the above example would be
 6 approximately 25 basis points. As shown below, by allowing a rate of return on
 7 common equity of 11.75% (an 11.5% cost of equity plus a 25 basis point flotation
 8 cost adjustment), investors earn their 11.5% required rate of return, since actual
 9 growth is now equal to 6.5%:

10 **TABLE WEA-7**
 11 **INCLUDING FLOTATION COST ADJUSTMENT**

<u>Year</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Equity</u>	<u>Market Price</u>	<u>M/B Ratio</u>	<u>Allowed ROE</u>	<u>Earnings Per Share</u>	<u>Dividends Per Share</u>	<u>Payout Ratio</u>
1	\$ 9.52	\$ -	\$ 9.52	\$ 10.00	1.050	11.75%	\$ 1.12	\$ 0.50	44.7%
2	\$ 9.52	\$ 0.62	\$ 10.14	\$ 10.65	1.050	11.75%	\$ 1.19	\$ 0.53	44.7%
3	\$ 9.52	\$ 0.66	<u>\$ 10.80</u>	<u>\$ 11.34</u>	1.050	11.75%	<u>\$ 1.27</u>	<u>\$ 0.57</u>	44.7%
Growth			6.50%	6.50%			6.50%	6.50%	

12 The only way for investors to be fully compensated for issuance costs is to include
 13 an ongoing adjustment to account for past flotation costs when setting the return on
 14 common equity. This is the case regardless of whether or not the utility is expected
 15 to issue additional shares of common stock in the future.

16 **Q. DOES THE FACT THAT UTILITY STOCK PRICES GENERALLY EXCEED**
 17 **BOOK VALUE UNDERMINE THE NEED TO CONSIDER FLOTATION**
 18 **COSTS?**

19 **A.** No. While utility stocks continue to trade at prices that exceed book value, this says
 20 nothing about the need to recognize the impact of legitimate costs of issuing
 21 common stock when establishing a fair rate of return. Investors determine the price
 22 they are willing to pay for a share of common stock based on their assessment of

1 expected cash flows and relative risks. The fact that the market price of a utility’s
 2 common stock exceeds book value doesn’t change the fact that investors must be
 3 granted an opportunity to earn their required rate of return on *all* invested capital,
 4 including that portion paid out as issuance expenses. As I demonstrated in the
 5 example above, this can only occur if an upward adjustment to the ROE is made to
 6 account for flotation costs.

7 The only purpose of the flotation cost adjustment is to allow the utility an
 8 opportunity to recover a reasonable and necessary expense associated with raising
 9 equity capital. As discussed earlier, these costs are directly analogous to debt
 10 issuance expenses that are routinely recovered from ratepayers. A flotation cost
 11 adjustment does not constitute any form of “windfall” for investors; rather, it merely
 12 recognizes a legitimate cost of raising capital that is invested in the facilities used to
 13 serve customers.

14 **Q. WILL ADDITIONAL EQUITY CAPITAL BE REQUIRED TO SUPPORT**
 15 **LGE?**

16 A. Yes. Additional equity will be instrumental in financing the sizeable investment in
 17 utility infrastructure contemplated for the Company. Moody’s observed that the
 18 substantial magnitude of future capital spending will be likely to strain LGE’s
 19 balance sheet and will require new common equity capital.⁵⁴ Moody’s noted that
 20 the rating profile of PPL and its subsidiaries was supported by a “conservative
 21 financing approach,” which has included the sale of more than \$4.8 billion of
 22 common stock and more than \$2.0 billion of convertible equity units.⁵⁵

⁵⁴ Moody’s Investors Service, “Credit Opinion: Louisville Gas & Electric Company,” *Global Credit Research* (Nov. 16, 2011).

⁵⁵ Moody’s Investors Service, “Credit Opinion: PPL Corporation,” *Global Credit Research* (Mar. 30, 2012).

1 In addition to the theoretical justification for recovering flotation costs
 2 associated with past sales of common stock, PPL will also be incurring flotation
 3 costs associated with ongoing sales of new shares. Moody's noted that "capital
 4 spending for the rate regulated businesses is expected to show material increases,"
 5 with "\$6.3 billion of capital expected to be spent at the Kentucky utilities [over the
 6 next five years] including about \$3 billion for environmental capital projects."⁵⁶ In
 7 order to meet these commitments while maintaining a balanced mix of long-term
 8 capital sources, PPL anticipates the sale of significant amounts of new common
 9 stock. On April 9, 2012, PPL filed a Prospectus Supplement with the Securities and
 10 Exchange Commission governing the sale of new common shares with a gross
 11 offering price of up to approximately \$315 million, with the proceeds to be used in
 12 part, "to make capital contributions to our subsidiaries."⁵⁷

13 **Q. WHAT IS THE MAGNITUDE OF THE ADJUSTMENT TO THE "BARE**
 14 **BONES" COST OF EQUITY TO ACCOUNT FOR ISSUANCE COSTS?**

15 A. There are any number of ways in which a flotation cost adjustment can be
 16 calculated, and the adjustment can range from just a few basis points to more than a
 17 full percent. One of the most common methods used to account for flotation costs
 18 in regulatory proceedings is to apply an average flotation-cost percentage to a
 19 utility's dividend yield. Based on a review of the finance literature, *New Regulatory*
 20 *Finance* concluded:

21 The flotation cost allowance requires an estimated adjustment to the
 22 return on equity of approximately 5% to 10%, depending on the size and
 23 risk of the issue.⁵⁸

⁵⁶ *Id.*

⁵⁷ PPL Corporation, *Preliminary Prospectus Supplement*, (Apr. 9, 2012).

⁵⁸ Roger A. Morin, "New Regulatory Finance," *Public Utilities Reports, Inc.* at 323 (2006).

1 Alternatively, a study of data from Morgan Stanley regarding issuance costs
 2 associated with utility common stock issuances suggests an average flotation cost
 3 percentage of 3.6%.⁵⁹ With respect to shares sold under PPL's current offering,
 4 underwriting discounts, commission, and direct expenses are estimated at
 5 approximately 2.6% of gross proceeds.⁶⁰

6 Issuance costs are a legitimate consideration in setting the ROE for a utility,
 7 and applying these expense percentages to a representative dividend yield for the
 8 Combination Utility Group of 4.7% implies a flotation cost adjustment on the order
 9 of 12 to 47 basis points. I recommend a flotation cost adjustment of 20 basis points,
 10 which falls approximately in the middle of this range.

IV. ROE FOR LOUISVILLE GAS AND ELECTRIC COMPANY

11 **Q. WHAT IS THE PURPOSE OF THIS SECTION?**

12 A. In addition to presenting my conclusions regarding a fair ROE for LGE, this section
 13 also discusses the relationship between ROE and preservation of a utility's financial
 14 integrity and the ability to attract capital. In addition, I evaluate the reasonableness
 15 of LGE's requested capital structure and examine the implications of cost
 16 adjustment mechanisms for the Company's ROE.

A. Implications for Financial Integrity

17 **Q. WHY IS IT IMPORTANT TO ALLOW LGE AN ADEQUATE ROE?**

18 A. Given the importance of the utility industry to the economy and society, it is
 19 essential to maintain reliable and economical service to all consumers. While the

⁵⁹ *Application of Yankee Gas Services Company for a Rate Increase*, DPUC Docket No. 04-06-01, Direct Testimony of George J. Eckenroth (Jul. 2, 2004) at Exhibit GJE-11.1. Updating the results presented by Mr. Eckenroth through April 2005 also resulted in an average flotation cost percentage of 3.6%.

⁶⁰ PPL Corporation, *Preliminary Prospectus Supplement* (Apr. 4, 2012).

1 Company remains committed to providing reliable electric service, a utility’s ability
 2 to fulfill its mandate can be compromised if it lacks the necessary financial
 3 wherewithal or is unable to earn a return sufficient to attract capital.

4 As documented earlier, the major rating agencies have warned of exposure to
 5 uncertainties associated with political and regulatory developments, especially in
 6 view of the pressures associated with ongoing capital expenditure requirements,
 7 uncertain environmental compliance costs, and the potential for continued energy
 8 price volatility. Investors understand just how swiftly unforeseen circumstances can
 9 lead to deterioration in a utility’s financial condition, and stakeholders have
 10 discovered first hand how difficult and complex it can be to remedy the situation
 11 after the fact. Investors’ increased reticence to supply additional capital during
 12 times of crisis highlights the need to preserve financial flexibility and the
 13 importance of allowing an adequate ROE.

14 **Q. WHAT ROLE DOES REGULATION PLAY IN ENSURING THAT LGE HAS**
 15 **ACCESS TO CAPITAL UNDER REASONABLE TERMS AND ON A**
 16 **SUSTAINABLE BASIS?**

17 A. Considering investors’ heightened awareness of the risks associated with the utility
 18 industry and the damage that results when a utility’s financial flexibility is
 19 compromised, the continuation of supportive regulation remains crucial to the
 20 Company’s access to capital. Investors recognize that regulation has its own risks,
 21 and that constructive regulation is a key ingredient in supporting utility credit
 22 ratings and financial integrity, particularly during times of adverse conditions.

23 Fitch concluded, “[G]iven the lingering rate of unemployment and voter
 24 concerns about the economy, there could well be pockets of adverse rate decisions,

1 and those companies with little financial cushion could suffer adverse effects.”⁶¹

2 Moody’s has also emphasized the need for regulatory support, concluding:

3 For the longer term, however, we are becoming increasingly concerned
 4 about possible changes to our fundamental assumptions about regulatory
 5 risk, particularly the prospect of a more adversarial political (and
 6 therefore regulatory) environment. A prolonged recessionary climate
 7 with high unemployment, or an intense period of inflation, could make
 8 cost recovery more uncertain.⁶²

9 More recently, Moody’s observed that, “A much larger risk lies in the potential for
 10 political intervention, which we see as a more unpredictable and severe event risk,
 11 accompanied by material unintended consequences.”⁶³ Similarly, S&P concluded,
 12 “the quality of regulation is at the forefront of our analysis of utility
 13 creditworthiness.”⁶⁴

14 **Q. IS IT REASONABLE TO CONSIDER THE IMPACT OF LGE’S EXPOSURE**
 15 **TO ATTRITION?**

16 A. Yes. Investors are concerned with what they can expect in the future, not what they
 17 might expect in theory if a historical test year were to repeat. To be fair to investors
 18 and to benefit customers, a regulated utility must have a reasonable opportunity to
 19 actually earn a return that will maintain financial integrity, facilitate capital
 20 attraction, and compensate for risk. In other words, it is the end result in the future
 21 that determines whether or not the *Hope* and *Bluefield* standards are met. S&P
 22 observed that its risk analysis focuses on the utility’s ability to consistently earn a
 23 reasonable return:

⁶¹ Fitch Ratings Ltd., “U.S. Utilities, Power and Gas 2010 Outlook,” *Global Power North America Special Report* (Dec. 4, 2009).

⁶² Moody’s Investors Service, “U.S. Regulated Electric Utilities, Six-Month Update,” *Industry Outlook* (July 2009).

⁶³ Moody’s Investors Service, “US Regulated Electric and Gas Utilities: Stable Despite Rising Headline Rhetoric,” *Industry Outlook* (Jan. 17, 2012).

⁶⁴ Standard & Poor’s Corporation, “Assessing U.S. Utility Regulatory Environments,” *RatingsDirect* (Nov. 7, 2008).

1 Notably, the analysis does not revolve around “authorized” returns,
 2 but rather on actual earned returns. We note the many examples of
 3 utilities with healthy authorized returns that, we believe, have no
 4 meaningful expectation of actually earning that return because of rate
 5 case lag, expense disallowances, etc.⁶⁵

6 Similarly, Moody’s concluded, “we evaluate the framework and mechanisms that
 7 allow a utility to recover its costs and investments and earn allowed returns. We are
 8 less concerned with the official allowed return on equity, instead focusing on the
 9 earned returns and cash flows.”⁶⁶

10 As documented in the testimony of Mr. Kent Blake, the effects of regulatory
 11 lag have denied LGE an opportunity to actually earn its allowed ROE in the past,
 12 and increasing capital expenditures that fall outside the provisions of the ECR
 13 mechanism, coupled with anemic sales growth and sharp declines in off-system
 14 sales, will challenge LGE going forward. Given the Company’s inability to earn its
 15 authorized ROE in the past and the dynamics faced by LGE, there is every reason to
 16 believe that attrition will result in under-earning the allowed ROE if the impact of
 17 regulatory lag and rising capital requirements are ignored.

18 In real world capital markets, investors have many competing places to put
 19 their money. If the capital dedicated to public utility service does not have an
 20 opportunity to earn a return commensurate with that available from alternatives of
 21 equivalent risk in the capital markets, investors are not being adequately
 22 compensated for the use of their money and bearing risk. LGE’s ROE should
 23 consider the past record of earnings attrition and future prospects for regulatory lag

⁶⁵ Standard & Poor’s Corporation, “Assessing U.S. Utility Regulatory Environments,” *RatingsDirect* (Nov. 7, 2008).

⁶⁶ Moody’s Investors Service, “Electric Utilities Face Challenges Beyond Near-Term,” *Industry Outlook* (Jan. 2010).

1 that pressure LGE's credit standing and undermine the Company's ability to attract
 2 capital on reasonable terms.

3 **Q. DO CUSTOMERS BENEFIT BY ENHANCING THE UTILITY'S**
 4 **FINANCIAL FLEXIBILITY?**

5 A. Yes. Providing a return that is both commensurate with those available from
 6 investments of corresponding risk and sufficient to maintain LGE's ability to attract
 7 capital, even under duress, is consistent with the economic requirements embodied
 8 in the U.S. Supreme Court's *Bluefield* and *Hope* decisions; but it is also in
 9 customers' best interests. Ultimately, it is customers and the service area economy
 10 that enjoy the benefits that come from ensuring that the utility has the financial
 11 wherewithal to take whatever actions are required to ensure a reliable energy supply.
 12 By the same token, customers also bear a significant burden when the ability of the
 13 utility to attract capital is impaired and service quality is compromised.

B. Capital Structure

14 **Q. IS AN EVALUATION OF THE CAPITAL STRUCTURE MAINTAINED BY A**
 15 **UTILITY RELEVANT IN ASSESSING ITS RETURN ON EQUITY?**

16 A. Yes. Other things equal, a higher debt ratio, or lower common equity ratio,
 17 translates into increased financial risk for all investors. A greater amount of debt
 18 means more investors have a senior claim on available cash flow, thereby reducing
 19 the certainty that each will receive his contractual payments. This increases the
 20 risks to which lenders are exposed, and they require correspondingly higher rates of
 21 interest. From common shareholders' standpoint, a higher debt ratio means that
 22 there are proportionately more investors ahead of them, thereby increasing the
 23 uncertainty as to the amount of cash flow, if any, that will remain.

1 **Q. WHAT COMMON EQUITY RATIO IS IMPLICIT IN LGE'S REQUESTED**
 2 **CAPITAL STRUCTURE?**

3 A. The Company's capital structure is discussed in the testimony of Daniel K.
 4 Arbough. As summarized there, common equity as a percent of the capital sources
 5 used to compute the overall rate of return for LGE was 55.64%.

6 **Q. HOW CAN THE COMPANY'S REQUESTED CAPITAL STRUCTURE BE**
 7 **EVALUATED?**

8 A. It is generally accepted that the norms established by comparable firms provide one
 9 valid benchmark against which to evaluate the reasonableness of a utility's capital
 10 structure. The capital structure maintained by other electric utilities should reflect
 11 their collective efforts to finance themselves so as to minimize capital costs while
 12 preserving their financial integrity and ability to attract capital. Moreover, these
 13 industry capital structures should also incorporate the requirements of investors
 14 (both debt and equity), as well as the influence of regulators.

15 **Q. WHAT CAPITALIZATION RATIOS ARE MAINTAINED BY OTHER**
 16 **UTILITY OPERATING COMPANIES?**

17 A. Exhibit WEA-9 displays capital structure data at year-end 2011 for the group of
 18 electric utility operating companies owned by the firms in the Combination Utility
 19 Group used to estimate the cost of equity. As shown there, common equity ratios
 20 for these utilities ranged from 47.5% to 61.8% and averaged 53.8%.

21 **Q. WHAT WAS THE AVERAGE CAPITALIZATION MAINTAINED BY THE**
 22 **COMBINATION UTILITY GROUP?**

23 A. As shown on Exhibit WEA-10, for the firms in the Combination Utility Group,
 24 common equity ratios at December 31, 2011 ranged between 38.1% and 60.9% and
 25 averaged 49.9% of long-term capital, with Value Line projecting an average

1 common equity ratio for 2015-2017 in the range of 43.0% to 60.0%, and averaging
 2 50.5%.

3 **Q. WHAT IMPLICATION DOES THE INCREASING RISK OF THE UTILITY**
 4 **INDUSTRY HAVE FOR THE CAPITAL STRUCTURE MAINTAINED BY**
 5 **LGE?**

6 A. As discussed earlier, utilities are facing energy market volatility, rising cost
 7 structures, the need to finance significant capital investment plans, uncertainties
 8 over accommodating future environmental mandates, and ongoing regulatory risks.
 9 Coupled with the ongoing turmoil in capital markets, these considerations warrant a
 10 stronger balance sheet to deal with an increasingly uncertain environment. A more
 11 conservative financial profile, in the form of a higher common equity ratio, is
 12 consistent with increasing uncertainties and the need to maintain the continuous
 13 access to capital that is required to fund operations and necessary system
 14 investment, even during times of adverse capital market conditions.

15 Moody's has warned investors of the risks associated with debt leverage and
 16 fixed obligations and affirmed that it expects regulated utilities to strengthen their
 17 balance sheets in order "to prepare for more challenging business conditions."⁶⁷
 18 Similarly, S&P noted that, "we generally consider a debt to capital level of 50% or
 19 greater to be aggressive or highly leveraged for utilities."⁶⁸ Fitch affirmed that
 20 equity issuances are needed if regulated utilities are to maintain a balanced capital
 21 mix.⁶⁹

⁶⁷ Moody's Investors Service, "U.S. Electric Utilities: Uncertain Times Ahead; Strengthening Balance Sheets Now Would Protect Credit," *Special Comment* (Oct. 28, 2010).

⁶⁸ Standard & Poor's Corporation, "Ratings Roundup: U.S. Electric Utility Sector Maintained Strong Credit Quality In A Gloomy 2009," *RatingsDirect* (Jan. 26, 2010).

⁶⁹ Fitch Ratings Ltd., "2012 Outlook: Utilities, Power, and Gas," *Outlook Report* (Dec. 5, 2011).

1 **Q. WHAT OTHER FACTORS DO INVESTORS CONSIDER IN THEIR**
 2 **ASSESSMENT OF A COMPANY’S CAPITAL STRUCTURE?**

3 A. Depending on their specific attributes, contractual agreements or other obligations
 4 that require the utility to make specified payments may be treated as debt in
 5 evaluating a utility’s financial risk. For example, because power purchase
 6 agreements, leases, and postretirement benefit obligations typically obligate the
 7 utility to make specified minimum contractual payments akin to those associated
 8 with traditional debt financing, investors consider a portion of these commitments as
 9 debt in evaluating total financial risks. Because investors consider the debt impact
 10 of such fixed obligations in assessing a utility’s financial position, they imply
 11 greater risk and reduced financial flexibility. In order to offset the debt equivalent
 12 associated with off-balance sheet obligations, the utility must rebalance its capital
 13 structure by increasing its common equity in order to restore its effective
 14 capitalization ratios to previous levels.⁷⁰

15 These commitments have been repeatedly cited by major bond rating
 16 agencies in connection with assessments of utility financial risks,⁷¹ with S&P
 17 adjusting LGE’s reported debt amounts upward to include debt equivalents
 18 associated with leases and postretirement benefit obligations.⁷² Unless the
 19 Company takes action to offset this additional financial risk by maintaining a higher
 20 equity ratio, the resulting leverage will weaken LGE’s creditworthiness and imply
 21 greater risk.

⁷⁰ The capital structure ratios presented earlier do not include imputed debt associated with power purchase agreements or the impact of other off-balance sheet obligations.

⁷¹ See, e.g., Standard & Poor’s Corporation, “Implications Of Operating Leases On Analysis Of U.S. Electric Utilities,” *RatingsDirect* (Jan. 15, 2008)

⁷² Standard & Poor’s Corporation, “Louisville Gas & Electric Co.,” *RatingsDirect* (Nov. 1, 2011).

1 **Q. WHAT DID YOU CONCLUDE REGARDING THE REASONABLENESS OF**
 2 **LGE'S REQUESTED CAPITAL STRUCTURE?**

3 A. Based on my evaluation, I concluded that the 55.64% common equity ratio
 4 requested by LGE represents a reasonable mix of capital sources from which to
 5 calculate the Company's overall rate of return. Although this common equity ratio
 6 is somewhat higher than the historical and projected averages maintained by the
 7 Combination Utility Group, it is well within the range of individual results,
 8 consistent with the capitalization maintained by other utility operating companies,
 9 and reflects the trend towards lower financial leverage necessary to accommodate
 10 higher expected capital expenditures in the industry.

11 While industry averages provide one benchmark for comparison, each firm
 12 must select its capitalization based on the risks and prospects it faces, as well as its
 13 specific needs to access the capital markets. Financial flexibility plays a crucial role
 14 in ensuring the wherewithal to meet the needs of customers, and utilities with higher
 15 leverage may be foreclosed from additional borrowing, especially during times of
 16 stress. LGE's proposed capital structure is consistent with industry benchmarks and
 17 reflects the Company's ongoing efforts to maintain its credit standing and support
 18 access to capital on reasonable terms. The reasonableness of the Company's capital
 19 structure is reinforced by the ongoing uncertainties associated with the utility
 20 industry and the importance of supporting continued system investment, even
 21 during times of adverse industry or market conditions.

C. Impact of Trackers

1 **Q. DOES THE FACT THAT LGE OPERATES UNDER CERTAIN RATE**
 2 **ADJUSTMENT MECHANISMS WARRANT ANY ADJUSTMENT IN YOUR**
 3 **EVALUATION OF A FAIR ROE?**

4 A. No. Investors recognize that LGE is exposed to significant risks associated with
 5 energy price volatility and rising costs and concerns over these risks have become
 6 increasingly pronounced in the industry. The KPSC’s rate adjustment mechanisms
 7 are a valuable means of mitigating those risks, but they do not eliminate them. In
 8 addition, investors also recognize that the increased scrutiny associated with
 9 trackers exposes the Company to increased risk for retroactive reviews and
 10 disallowances. While the adjustment mechanisms approved for LGE partially
 11 attenuate exposure to attrition in an era of rising costs, this leveling of the playing
 12 field only serves to address factors that could otherwise impair LGE’s opportunity to
 13 earn its authorized return, as required by established regulatory standards.

14 Reflective of this industry trend, the companies in the Combination Utility
 15 Group operate under a wide variety of cost adjustment mechanisms, which range
 16 from riders to recover bad debt expense and post-retirement employee benefit costs
 17 to revenue decoupling and adjustment clauses designed to address the rising costs of
 18 environmental compliance measures. Similarly, the firms in the Non-Utility Group
 19 also have the ability to alter prices in response to rising production costs, with the
 20 added flexibility to withdraw from the market altogether. As a result, the mitigation
 21 in risks associated with utilities’ ability to attenuate the risk of cost recovery is
 22 already reflected in the cost of equity range determined earlier, and no separate
 23 adjustment to LGE’s ROE is necessary or warranted.

1 **Q. WHAT ABOUT THE TRACKER FOR LGE'S LEAK MITIGATION AND**
2 **GAS RISER REPLACEMENT PROGRAMS PROPOSED IN THIS**
3 **PROCEEDING?**

4 A. Adopting LGE's proposed tracker for its leak mitigation and gas riser replacement
5 programs would be supportive of the Company's financial integrity, but it would not
6 constitute a dramatic change in the investment risk that investors associate with
7 LGE. Moreover, utilities across the U.S. are increasingly availing themselves of
8 similar adjustments that allow for the recovery of costs associated with capital
9 investment programs outside of a rate case. There is certainly no evidence to
10 suggest that implementation of the proposed tracker alone would alter the relative
11 risk of LGE enough to warrant a change in its return.

D. Return on Equity Range Recommendation

12 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR ANALYSES.**

13 A. The cost of common equity estimates produced by the various capital market
14 oriented analyses described in my testimony are summarized in Table WEA-8,
15 below:

**TABLE WEA-8
SUMMARY OF QUANTITATIVE RESULTS**

DCF	<u>Combination Utility</u>		<u>Non-Utility</u>	
	<u>Average</u>	<u>Midpoint</u>	<u>Average</u>	<u>Midpoint</u>
Value Line	10.0%	11.0%	12.2%	12.6%
IBES	10.2%	11.9%	10.9%	10.9%
Zacks	9.4%	9.6%	11.7%	12.2%
br + sv	9.0%	9.2%	13.2%	12.1%
<u>CAPM - Current Bond Yield</u>				
Unadjusted	10.6%			
Size Adjusted	11.4%			
<u>CAPM - Projected Bond Yield</u>				
Unadjusted	11.0%			
Size Adjusted	11.8%			
<u>Utility Risk Premium</u>				
Current Bond Yields	10.3%			
Projected Bond Yields	11.3%			
<u>Expected Earnings</u>	10.4%	10.6%		

1 **Q. BASED ON THE RESULTS FOR THE COMBINATION UTILITY GROUP,**
2 **WHAT IS YOUR CONCLUSION REGARDING A FAIR ROE RANGE?**

3 A. Considering the relative strengths and weaknesses inherent in each method, and
4 conservatively giving less emphasis to the upper- and lower-most boundaries of the
5 range of results for the two groups of utilities, I concluded that the cost of common
6 equity is in the 10.1% to 11.5% range. After incorporating an adjustment for
7 flotation costs of 20 basis points to my “bare bones” cost of equity range, I
8 concluded that my analyses indicate a fair ROE in the 10.3% to 11.7% range, with a
9 midpoint of 11.0%.

10 **Q. HOW WERE THE DCF ESTIMATES FOR THE NON-UTILITY GROUP**
11 **CONSIDERED IN ARRIVING AT YOUR RECOMMENDED ROE RANGE?**

12 A. As discussed earlier in my testimony, DCF estimates for the Non-Utility Group
13 provide a useful benchmark because investors evaluate the required rate of return
14 from utility investments against other opportunities available in the capital markets.

1 The purpose of regulation is to serve as a substitute for the actions of competitive
2 markets, and expected returns for non-utility companies form the basis for the
3 regulatory standards underlying a fair ROE.

4 The DCF results for the Non-Utility Group were considerably higher than
5 those implied for the proxy group of utilities, even though objective evidence
6 demonstrates that the investment risks of the unregulated companies are lower.⁷³
7 Moreover, there is no basis to conclude that DCF results for a group of utilities
8 would be inherently more reliable than those for firms in the competitive sector. In
9 fact, considering the prominence of the 12 non-utility companies, the diversification
10 afforded by considering multiple industries, and the scrutiny that analysts' afford to
11 these paragons of American industry, the DCF results for the Non-Utility Group
12 provide compelling evidence that suggests a downward bias in the utility DCF
13 results. I considered this downward bias in evaluating my recommended ROE
14 range from within the results produced for the Combination Utility Group.

15 **Q. WHAT THEN IS YOUR CONCLUSION AS TO A FAIR ROE FOR LGE?**

16 A. Considering capital market expectations, the potential exposures faced by LGE, and
17 the economic requirements necessary to maintain financial integrity and support
18 additional capital investment even under adverse circumstances, it is my opinion
19 that the 11.0% midpoint of my recommended 10.3% to 11.7% range represents a
20 fair and reasonable ROE for LGE. My conclusion is supported by the need to
21 consider the potential exposures faced by LGE and the economic requirements
22 necessary to maintain financial integrity and support access to capital even under
23 adverse circumstances.

⁷³ As indicated earlier, my selection criteria were specifically designed to result in a conservative, low-risk group of non-utility firms. These companies do not reflect the market as a whole; instead, they represent the pinnacle of corporate America.

1 Apart from the results of the quantitative methods summarized above, it is
2 crucial to recognize the importance of supporting the Company's financial position
3 so that LGE remains prepared to respond to unforeseen events that may materialize
4 in the future. Recent challenges in the economic and financial market environment
5 highlight the imperative of maintaining the Company's financial strength in
6 attracting the capital needed to secure reliable service at a lower cost for customers.
7 The reasonableness of my recommended ROE is reinforced by the expected upward
8 trend in long-term capital costs and the ongoing uncertainties faced by LGE related
9 to future emissions legislation. Coupled with the need to provide an ROE that
10 supports LGE's credit standing while funding necessary system investments, these
11 considerations indicate that an ROE from the middle of my recommended range is
12 reasonable.


13 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

14 A. Yes.

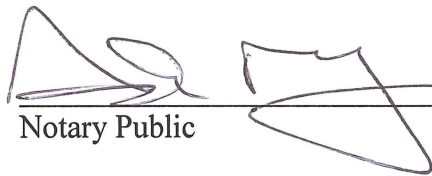
VERIFICATION

STATE OF TEXAS)
) SS:
COUNTY OF TRAVIS)

The undersigned, **William E. Avera**, being duly sworn, deposes and says he is President of FINCAP, Inc., that he has personal knowledge of the matters set forth in the foregoing testimony and exhibits, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


William E. Avera

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of June 2012.

 (SEAL)
Notary Public

My Commission Expires:
1/10/2015

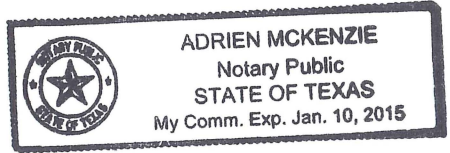


EXHIBIT WEA-1

QUALIFICATIONS OF WILLIAM E. AVERA

WILLIAM E. AVERA

FINCAP, INC.
Financial Concepts and Applications
Economic and Financial Counsel

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Austin, Texas 78751
(512) 458-4644
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fincap@texas.net

Summary of Qualifications

Ph.D. in economics and finance; Chartered Financial Analyst (CFA[®]) designation; extensive expert witness testimony before courts, alternative dispute resolution panels, regulatory agencies and legislative committees; lectured in executive education programs around the world on ethics, investment analysis, and regulation; undergraduate and graduate teaching in business and economics; appointed to leadership positions in government, industry, academia, and the military.

Employment

Principal,
FINCAP, Inc.
(Sep. 1979 to present)

Financial, economic and policy consulting to business and government. Perform business and public policy research, cost/benefit analyses and financial modeling, valuation of businesses (almost 200 entities valued), estimation of damages, statistical and industry studies. Provide strategy advice and educational services in public and private sectors, and serve as expert witness before regulatory agencies, legislative committees, arbitration panels, and courts.

*Director, Economic Research
Division,*
Public Utility Commission of Texas
(Dec. 1977 to Aug. 1979)

Responsible for research and testimony preparation on rate of return, rate structure, and econometric analysis dealing with energy, telecommunications, water and sewer utilities. Testified in major rate cases and appeared before legislative committees and served as Chief Economist for agency. Administered state and federal grant funds. Communicated frequently with political leaders and representatives from consumer groups, media, and investment community.

Manager, Financial Education,
International Paper Company
New York City
(Feb. 1977 to Nov. 1977)

Directed corporate education programs in accounting, finance, and economics. Developed course materials, recruited and trained instructors, liaison within the company and with academic institutions. Prepared operating budget and designed financial controls for corporate professional development program.

Lecturer in Finance,
The University of Texas at Austin
(Sep. 1979 to May 1981)
Assistant Professor of Finance,
(Sep. 1975 to May 1977)

Taught graduate and undergraduate courses in financial management and investment theory. Conducted research in business and public policy. Named Outstanding Graduate Business Professor and received various administrative appointments.

Assistant Professor of Business,
University of North Carolina at
Chapel Hill
(Sep. 1972 to Jul. 1975)

Taught in BBA, MBA, and Ph.D. programs. Created project course in finance, Financial Management for Women, and participated in developing Small Business Management sequence. Organized the North Carolina Institute for Investment Research, a group of financial institutions that supported academic research. Faculty advisor to the Media Board, which funds student publications and broadcast stations.

Education

Ph.D., Economics and Finance,
University of North Carolina at
Chapel Hill
(Jan. 1969 to Aug. 1972)

Elective courses included financial management, public finance, monetary theory, and econometrics. Awarded the Stonier Fellowship by the American Bankers' Association and University Teaching Fellowship. Taught statistics, macroeconomics, and microeconomics.

Dissertation: *The Geometric Mean Strategy as a Theory of Multiperiod Portfolio Choice*

B.A., Economics,
Emory University, Atlanta, Georgia
(Sep. 1961 to Jun. 1965)

Active in extracurricular activities, president of the Barkley Forum (debate team), Emory Religious Association, and Delta Tau Delta chapter. Individual awards and team championships at national collegiate debate tournaments.

Professional Associations

Received Chartered Financial Analyst (CFA) designation in 1977; Vice President for Membership, Financial Management Association; President, Austin Chapter of Planning Executives Institute; Board of Directors, North Carolina Society of Financial Analysts; Candidate Curriculum Committee, Association for Investment Management and Research; Executive Committee of Southern Finance Association; Vice Chair, Staff Subcommittee on Economics and National Association of Regulatory Utility Commissioners (NARUC); Appointed to NARUC Technical Subcommittee on the National Energy Act.

Teaching in Executive Education Programs

University-Sponsored Programs: Central Michigan University, Duke University, Louisiana State University, National Defense University, National University of Singapore, Texas A&M University, University of Kansas, University of North Carolina, University of Texas.

Business and Government-Sponsored Programs: Advanced Seminar on Earnings Regulation, American Public Welfare Association, Association for Investment Management and Research, Congressional Fellows Program, Cost of Capital Workshop, Electricity Consumers Resource Council, Financial Analysts Association of Indonesia, Financial Analysts Review, Financial Analysts Seminar at Northwestern University, Governor's Executive Development Program of Texas, Louisiana Association of Business and Industry, National Association of Purchasing Management, National Association of Tire Dealers, Planning Executives Institute, School of Banking of the South, State of Wisconsin Investment Board, Stock Exchange of Thailand, Texas Association of State Sponsored Computer Centers, Texas Bankers' Association, Texas Bar Association, Texas Savings and Loan League, Texas Society of CPAs, Tokyo Association of Foreign Banks, Union Bank of Switzerland, U.S. Department of State, U.S. Navy, U.S. Veterans Administration, in addition to Texas state agencies and major corporations.

Presented papers for Mills B. Lane Lecture Series at the University of Georgia and Heubner Lectures at the University of Pennsylvania. Taught graduate courses in finance and economics for evening program at St. Edward's University in Austin from January 1979 through 1998.

Expert Witness Testimony

Testified in over 300 cases before regulatory agencies addressing cost of capital, regulatory policy, rate design, and other economic and financial issues.

Federal Agencies: Federal Communications Commission, Federal Energy Regulatory Commission, Surface Transportation Board, Interstate Commerce Commission, and the Canadian Radio-Television and Telecommunications Commission.

State Regulatory Agencies: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Missouri, Nevada, New Mexico, Montana, Nebraska, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

Testified in 42 cases before federal and state courts, arbitration panels, and alternative dispute tribunals (89 depositions given) regarding damages, valuation, antitrust liability, fiduciary duties, and other economic and financial issues.

Board Positions and Other Professional Activities

Co-chair, Synchronous Interconnection Committee established by Texas Legislature to study interconnection of Texas with national grid; Audit Committee and Outside Director, Georgia System Operations Corporation (electric system operator for member-owned electric cooperatives in Georgia); Chairman, Board of Print Depot, Inc. and FINCAP, Inc.; Appointed by Hays County Commission to Citizens Advisory Committee of Habitat Conservation Plan, Operator of AAA Ranch, a certified organic producer of agricultural products; Appointed to Organic Livestock

Advisory Committee by Texas Agricultural Commissioner; Appointed by Texas Railroad Commissioners to study group for *The UP/SP Merger: An Assessment of the Impacts on the State of Texas*; Appointed by Hawaii Public Utilities Commission to team reviewing affiliate relationships of Hawaiian Electric Industries; Chairman, Energy Task Force, Greater Austin-San Antonio Corridor Council; Consultant to Public Utility Commission of Texas on cogeneration policy and other matters; Consultant to Public Service Commission of New Mexico on cogeneration policy; Evaluator of Energy Research Grant Proposals for Texas Higher Education Coordinating Board.

Community Activities

Treasurer, Dripping Springs Presbyterian Church; Board of Directors, Sustainable Food Center; Chair, Board of Deacons, Finance Committee, and Elder, Central Presbyterian Church of Austin; Founding Member, Orange-Chatham County (N.C.) Legal Aid Screening Committee.

Military

Captain, U.S. Naval Reserve (retired after 28 years service); Commanding Officer, Naval Special Warfare Engineering (SEAL) Support Unit; Officer-in-Charge of SWIFT patrol boat in Vietnam; Enlisted service as weather analyst (advanced to second class petty officer).

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Monographs

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"Economic Perspective on Water Marketing in Texas," 2009 Water Law Institute, The University of Texas School of Law, Austin, TX (Dec. 2009).

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"The Who, What, When, How, and Why of Ethics," San Antonio Financial Analysts Society (Jan. 16, 2002). Similar presentation given to the Austin Society of Financial Analysts (Jan. 17, 2002)

"Ethics for Financial Analysts," Sponsored by Canadian Council of Financial Analysts: delivered in Calgary, Edmonton, Regina, and Winnipeg, June 1997. Similar presentations given to Austin Society of Financial Analysts (Mar. 1994), San Antonio Society of Financial Analysts (Nov. 1985), and St. Louis Society of Financial Analysts (Feb. 1986)

"Cost of Capital for Multi-Divisional Corporations," Financial Management Association, New Orleans, Louisiana (Oct. 1996)

"Ethics and the Treasury Function," Government Treasurers Organization of Texas, Corpus Christi, Texas (Jun. 1996)

- "A Cooperative Future," Iowa Association of Electric Cooperatives, Des Moines (December 1995). Similar presentations given to National G & T Conference, Irving, Texas (June 1995), Kentucky Association of Electric Cooperatives Annual Meeting, Louisville (Nov. 1994), Virginia, Maryland, and Delaware Association of Electric Cooperatives Annual Meeting, Richmond (July 1994), and Carolina Electric Cooperatives Annual Meeting, Raleigh (Mar. 1994)
- "Information Superhighway Warnings: Speed Bumps on Wall Street and Detours from the Economy," Texas Society of Certified Public Accountants Natural Gas, Telecommunications and Electric Industries Conference, Austin (Apr. 1995)
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DIVIDEND YIELD

		(a)	(b)	
	<u>Company</u>	<u>Price</u>	<u>Dividends</u>	<u>Yield</u>
1	ALLETE	\$ 40.83	\$ 1.85	4.5%
2	Alliant Energy	\$ 43.71	\$ 1.83	4.2%
3	Ameren Corp.	\$ 32.08	\$ 1.63	5.1%
4	Avista Corp.	\$ 25.71	\$ 1.18	4.6%
5	Black Hills Corp.	\$ 32.99	\$ 1.49	4.5%
6	DTE Energy Co.	\$ 55.31	\$ 2.44	4.4%
7	Empire District Elec	\$ 20.14	\$ 1.00	5.0%
8	Exelon Corp.	\$ 38.48	\$ 2.10	5.5%
9	Northwestern Corp.	\$ 34.92	\$ 1.49	4.3%
10	PG&E Corp.	\$ 43.28	\$ 1.82	4.2%
11	PPL Corp.	\$ 27.45	\$ 1.44	5.2%
12	Pub Sv Enterprise Grp	\$ 30.35	\$ 1.42	4.7%
13	SCANA Corp.	\$ 45.25	\$ 1.98	4.4%
14	Sempra Energy	\$ 62.52	\$ 2.43	3.9%
15	TECO Energy	\$ 17.61	\$ 0.89	5.1%
16	UIL Holdings	\$ 34.06	\$ 1.73	5.1%
	Average			4.7%

(a) Average of closing prices for 30 trading days ended May 4, 2012.

(b) The Value Line Investment Survey, Summary & Index (May 4, 2012).

GROWTH RATES

	<u>Company</u>	(a)	(b)	(c)	(d)
		<u>Earnings Growth</u>			<u>br+sv</u>
		<u>V Line</u>	<u>IBES</u>	<u>Zacks</u>	<u>Growth</u>
1	ALLETE	6.5%	5.0%	5.0%	4.1%
2	Alliant Energy	6.5%	6.4%	6.2%	4.8%
3	Ameren Corp.	-0.5%	-2.3%	4.0%	2.7%
4	Avista Corp.	5.5%	4.0%	4.7%	3.9%
5	Black Hills Corp.	7.0%	6.0%	6.0%	3.0%
6	DTE Energy Co.	5.0%	4.3%	4.4%	3.8%
7	Empire District Elec	6.0%	10.2%	NA	3.1%
8	Exelon Corp.	-3.0%	-10.2%	0.0%	3.7%
9	Northwestern Corp.	5.0%	5.0%	5.0%	4.3%
10	PG&E Corp.	4.5%	1.5%	4.6%	5.3%
11	PPL Corp.	5.0%	-1.0%	NA	5.7%
12	Pub Sv Enterprise Grp	0.0%	1.7%	2.0%	6.0%
13	SCANA Corp.	3.5%	6.7%	4.0%	5.2%
14	Sempra Energy	4.5%	7.1%	7.0%	6.0%
15	TECO Energy	9.0%	4.1%	3.7%	5.3%
16	UIL Holdings	3.0%	4.1%	4.0%	2.5%

(a) The Value Line Investment Survey (Feb. 24, Mar. 23, & May 4, 2012).

(b) www.finance.yahoo.com (Retrieved May 17, 2012).

(c) www.zacks.com (retrieved May 17, 2012).

(d) See Exhibit WEA-3.

DCF COST OF EQUITY ESTIMATES

<u>Company</u>	(a)	(a)	(a)	(a)
	<u>Earnings Growth</u>			<u>br+sv</u>
	<u>V Line</u>	<u>IBES</u>	<u>Zacks</u>	<u>Growth</u>
1 ALLETE	11.0%	9.5%	9.5%	8.6%
2 Alliant Energy	10.7%	10.5%	10.4%	9.0%
3 Ameren Corp.	4.6%	2.8%	9.1%	7.8%
4 Avista Corp.	10.1%	8.6%	9.3%	8.5%
5 Black Hills Corp.	11.5%	10.5%	10.5%	7.5%
6 DTE Energy Co.	9.4%	8.7%	8.8%	8.2%
7 Empire District Elec	11.0%	15.2%	NA	8.0%
8 Exelon Corp.	2.5%	-4.7%	5.5%	9.2%
9 Northwestern Corp.	9.3%	9.3%	9.3%	8.6%
10 PG&E Corp.	8.7%	5.7%	8.8%	9.5%
11 PPL Corp.	10.2%	4.3%	NA	11.0%
12 Pub Sv Enterprise Grp	4.7%	6.3%	6.7%	10.7%
13 SCANA Corp.	7.9%	11.1%	8.4%	9.6%
14 Sempra Energy	8.4%	10.9%	10.9%	9.9%
15 TECO Energy	14.1%	9.2%	8.8%	10.4%
16 UIL Holdings	8.1%	9.2%	9.1%	7.5%
Average (b)	10.0%	10.2%	9.4%	9.0%
Midpoint (c)	11.0%	11.9%	9.6%	9.2%

(a) Sum of dividend yield (page 1) and respective growth rate (page 2).

(b) Excludes highlighted figures.

(c) Average of low and high values.

DCF MODEL - COMBINATION UTILITY GROUP

Exhibit WEA-3

Page 1 of 2

BR+SV GROWTH RATE

	(a)	(a)	(a)			(b)	(c)		(d)	(e)		
	----- 2016 -----					Adjustment			----- "sv" Factor -----			
<u>Company</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>b</u>	<u>r</u>	<u>Factor</u>	<u>Adjusted r</u>	<u>br</u>	<u>s</u>	<u>v</u>	<u>sv</u>	<u>br + sv</u>
1 ALLETE	\$3.25	\$2.00	\$34.50	38.5%	9.4%	1.0257	9.7%	3.7%	0.0191	0.1882	0.36%	4.1%
2 Alliant Energy	\$3.60	\$2.20	\$32.35	38.9%	11.1%	1.0216	11.4%	4.4%	0.0129	0.3189	0.41%	4.8%
3 Ameren Corp.	\$2.75	\$1.80	\$36.25	34.5%	7.6%	1.0158	7.7%	2.7%	0.0104	0.0333	0.03%	2.7%
4 Avista Corp.	\$2.25	\$1.40	\$24.00	37.8%	9.4%	1.0235	9.6%	3.6%	0.0150	0.2000	0.30%	3.9%
5 Black Hills Corp.	\$2.50	\$1.60	\$31.00	36.0%	8.1%	1.0145	8.2%	2.9%	0.0051	0.0462	0.02%	3.0%
6 DTE Energy Co.	\$4.50	\$2.80	\$49.25	37.8%	9.1%	1.0244	9.4%	3.5%	0.0165	0.1792	0.29%	3.8%
7 Empire District Elec	\$1.75	\$1.20	\$18.75	31.4%	9.3%	1.0157	9.5%	3.0%	0.0070	0.1477	0.10%	3.1%
8 Exelon Corp.	\$3.25	\$2.10	\$25.00	35.4%	13.0%	1.0084	13.1%	4.6%	(0.0193)	0.4737	-0.91%	3.7%
9 Northwestern Corp.	\$3.00	\$1.80	\$29.00	40.0%	10.3%	1.0214	10.6%	4.2%	0.0037	0.2267	0.08%	4.3%
10 PG&E Corp.	\$3.75	\$2.00	\$36.00	46.7%	10.4%	1.0254	10.7%	5.0%	0.0135	0.2000	0.27%	5.3%
11 PPL Corp.	\$2.75	\$1.70	\$24.75	38.2%	11.1%	1.0426	11.6%	4.4%	0.0378	0.3400	1.28%	5.7%
12 Pub Sv Enterprise Grp	\$3.00	\$1.45	\$26.50	51.7%	11.3%	1.0274	11.6%	6.0%	-	0.2429	0.00%	6.0%
13 SCANA Corp.	\$3.75	\$2.15	\$39.00	42.7%	9.6%	1.0468	10.1%	4.3%	0.0516	0.1789	0.92%	5.2%
14 Sempra Energy	\$5.75	\$2.80	\$52.00	51.3%	11.1%	1.0262	11.3%	5.8%	0.0072	0.3067	0.22%	6.0%
15 TECO Energy	\$1.75	\$1.10	\$13.25	37.1%	13.2%	1.0250	13.5%	5.0%	0.0076	0.3977	0.30%	5.3%
16 UIL Holdings	\$2.40	\$1.73	\$27.50	27.9%	8.7%	1.0139	8.8%	2.5%	-	0.3125	0.00%	2.5%

BR+SV GROWTH RATE

	(a)	(a)	(f)	(a)	(a)	(f)	(g)	(a)	(a)		(h)	(a)	(a)	(g)
	----- 2011 -----			----- 2016 -----			Chg	----- 2016 Price -----				---- Common Shares ----		
<u>Company</u>	<u>Eq Ratio</u>	<u>Tot Cap</u>	<u>Com Eq</u>	<u>Eq Ratio</u>	<u>Tot Cap</u>	<u>Com Eq</u>	<u>Equity</u>	<u>High</u>	<u>Low</u>	<u>Avg.</u>	<u>M/B</u>	<u>2011</u>	<u>2016</u>	<u>Growth</u>
1 ALLETE	55.7%	\$1,937	\$1,079	60.0%	\$2,325	\$1,395	5.3%	\$50.00	\$35.00	\$42.50	1.232	37.50	40.50	1.55%
2 Alliant Energy	50.9%	\$5,921	\$3,014	49.5%	\$7,555	\$3,740	4.4%	\$55.00	\$40.00	\$47.50	1.468	111.02	116.00	0.88%
3 Ameren Corp.	53.7%	\$14,738	\$7,914	55.5%	\$16,700	\$9,269	3.2%	\$45.00	\$30.00	\$37.50	1.034	242.60	255.00	1.00%
4 Avista Corp.	48.6%	\$2,440	\$1,186	48.0%	\$3,125	\$1,500	4.8%	\$35.00	\$25.00	\$30.00	1.250	58.42	62.00	1.20%
5 Black Hills Corp.	48.6%	\$2,490	\$1,210	49.5%	\$2,825	\$1,398	2.9%	\$40.00	\$25.00	\$32.50	1.048	43.92	45.00	0.49%
6 DTE Energy Co.	49.4%	\$14,196	\$7,013	50.0%	\$17,900	\$8,950	5.0%	\$70.00	\$50.00	\$60.00	1.218	169.25	181.00	1.35%
7 Empire District Elec	50.1%	\$1,386	\$694	50.0%	\$1,625	\$813	3.2%	\$25.00	\$19.00	\$22.00	1.173	41.98	43.25	0.60%
8 Exelon Corp.	54.0%	\$26,661	\$14,397	50.5%	\$31,000	\$15,655	1.7%	\$55.00	\$40.00	\$47.50	1.900	663.00	630.00	-1.02%
9 Northwestern Corp.	47.8%	\$1,797	\$859	57.5%	\$1,850	\$1,064	4.4%	\$45.00	\$30.00	\$37.50	1.293	36.28	36.80	0.29%
10 PG&E Corp.	50.2%	\$24,119	\$12,108	50.5%	\$30,900	\$15,605	5.2%	\$55.00	\$35.00	\$45.00	1.250	412.26	435.00	1.08%
11 PPL Corp.	37.1%	\$29,018	\$10,766	47.5%	\$34,700	\$16,483	8.9%	\$45.00	\$30.00	\$37.50	1.515	588.00	665.00	2.49%
12 Pub Sv Enterprise Grp	55.5%	\$18,375	\$10,198	55.0%	\$24,400	\$13,420	5.6%	\$40.00	\$30.00	\$35.00	1.321	505.90	505.90	0.00%
13 SCANA Corp.	45.7%	\$8,511	\$3,890	48.0%	\$12,950	\$6,216	9.8%	\$55.00	\$40.00	\$47.50	1.218	130.00	160.00	4.24%
14 Sempra Energy	49.2%	\$20,015	\$9,847	48.5%	\$26,400	\$12,804	5.4%	\$85.00	\$65.00	\$75.00	1.442	239.93	246.00	0.50%
15 TECO Energy	45.8%	\$4,954	\$2,269	44.5%	\$6,550	\$2,915	5.1%	\$25.00	\$19.00	\$22.00	1.660	216.00	221.00	0.46%
16 UIL Holdings	42.0%	\$2,850	\$1,197	43.0%	\$3,200	\$1,376	2.8%	\$45.00	\$35.00	\$40.00	1.455	50.00	50.00	0.00%

- (a) The Value Line Investment Survey (Feb. 24, Mar. 23, & May 4, 2012).
- (b) Computed using the formula $2 * (1 + 5 \text{ Yr. Change in Equity}) / (2 + 5 \text{ Yr. Change in Equity})$.
- (c) Product of average year-end "r" for 2016 and Adjustment Factor.
- (d) Product of change in common shares outstanding and M/B Ratio.
- (e) Computed as $1 - B/M$ Ratio.
- (f) Product of total capital and equity ratio.
- (g) Five-year rate of change.
- (h) Average of High and Low expected market prices divided by 2016 BVPS.

DIVIDEND YIELD

		(a)	(b)	
	<u>Company</u>	<u>Price</u>	<u>Dividends</u>	<u>Yield</u>
1	Abbott Labs.	\$ 56.68	\$ 2.04	3.6%
2	Bard (C.R.)	\$ 94.21	\$ 0.76	0.8%
3	Church & Dwight	\$ 47.75	\$ 0.96	2.0%
4	Coca-Cola	\$ 69.06	\$ 2.04	3.0%
5	Colgate-Palmolive	\$ 93.04	\$ 2.32	2.5%
6	Gen'l Mills	\$ 38.77	\$ 1.28	3.3%
7	Kellogg	\$ 51.92	\$ 1.72	3.3%
8	Kimberly-Clark	\$ 72.03	\$ 2.96	4.1%
9	McCormick & Co.	\$ 50.72	\$ 1.24	2.4%
10	PepsiCo, Inc.	\$ 63.76	\$ 2.18	3.4%
11	Procter & Gamble	\$ 65.82	\$ 2.10	3.2%
12	Wal-Mart Stores	\$ 60.49	\$ 1.59	2.6%
	Average			<u>2.9%</u>

(a) Average of closing prices for 30 trading days ended Mar. 16, 2012.

(b) The Value Line Investment Survey, *Summary & Index* (Mar. 16, 2012).

GROWTH RATES

<u>Company</u>	(a)	(b)	(c)	(d)
	<u>Earnings Growth</u>			<u>br+sv</u>
	<u>V Line</u>	<u>IBES</u>	<u>Zacks</u>	<u>Growth</u>
1 Abbott Labs.	8.5%	8.3%	7.5%	18.6%
2 Bard (C.R.)	8.5%	8.5%	10.4%	19.8%
3 Church & Dwight	10.5%	10.5%	11.8%	12.5%
4 Coca-Cola	10.0%	6.4%	8.0%	12.4%
5 Colgate-Palmolive	11.0%	8.8%	8.8%	11.0%
6 Gen'l Mills	8.5%	7.6%	8.0%	9.0%
7 Kellogg	7.5%	8.0%	8.8%	12.4%
8 Kimberly-Clark	7.0%	6.1%	6.5%	11.3%
9 McCormick & Co.	13.5%	8.4%	9.0%	18.0%
10 PepsiCo, Inc.	8.5%	6.2%	8.0%	11.2%
11 Procter & Gamble	10.0%	8.5%	8.8%	5.9%
12 Wal-Mart Stores	8.5%	9.1%	10.6%	5.8%

(a) The Value Line Investment Survey (retrieved Mar. 16, 2012).

(b) www.finance.yahoo.com (retrieved Mar. 16, 2012).

(c) www.zacks.com (retrieved Mar. 16, 2012).

(d) See Exhibit WEA-5.

DCF COST OF EQUITY ESTIMATES

<u>Company</u>	(a)	(a)	(a)	(a)
	<u>Earnings Growth</u>			<u>br+sv</u>
	<u>V Line</u>	<u>IBES</u>	<u>Zacks</u>	<u>Growth</u>
1 Abbott Labs.	12.1%	11.9%	11.1%	22.2%
2 Bard (C.R.)	9.3%	9.3%	11.2%	20.6%
3 Church & Dwight	12.5%	12.5%	13.8%	14.5%
4 Coca-Cola	13.0%	9.3%	11.0%	15.4%
5 Colgate-Palmolive	13.5%	11.2%	11.3%	13.5%
6 Gen'l Mills	11.8%	10.9%	11.3%	12.3%
7 Kellogg	10.8%	11.3%	12.1%	15.7%
8 Kimberly-Clark	11.1%	10.2%	10.6%	15.5%
9 McCormick & Co.	15.9%	10.8%	11.4%	20.4%
10 PepsiCo, Inc.	11.9%	9.6%	11.4%	14.6%
11 Procter & Gamble	13.2%	11.7%	12.0%	9.1%
12 Wal-Mart Stores	11.1%	11.7%	13.2%	8.4%
Average (b)	12.2%	10.9%	11.7%	13.2%
Midpoint (c)	12.6%	10.9%	12.2%	12.1%

(a) Sum of dividend yield (page 1) and respective growth rate (page 2).

(b) Excludes highlighted figures.

DCF MODEL - NON-UTILITY GROUP

BR+SV GROWTH RATE

	(a)	(a)	(a)			(b)	(c)			(d)	(e)	
	----- 2016 -----					Adjust.				----- "sv" Factor -----		
<u>Company</u>	<u>EPS</u>	<u>DPS</u>	<u>BVPS</u>	<u>b</u>	<u>r</u>	<u>Factor</u>	<u>Adj. r</u>	<u>br</u>	<u>s</u>	<u>v</u>	<u>sv</u>	<u>br + sv</u>
1 Abbott Labs.	\$6.00	\$2.20	\$20.50	63.3%	29.3%	1.0341	30.3%	19.2%	(0.0068)	0.7722	-0.53%	18.6%
2 Bard (C.R.)	\$9.00	\$0.94	\$36.75	89.6%	24.5%	1.0553	25.8%	23.1%	(0.0429)	0.7738	-3.32%	19.8%
3 Church & Dwight	\$3.10	\$0.72	\$19.70	76.8%	15.7%	1.0403	16.4%	12.6%	(0.0015)	0.6248	-0.09%	12.5%
4 Coca-Cola	\$4.90	\$2.15	\$9.10	56.1%	53.8%	1.0318	55.6%	31.2%	(0.2109)	0.8897	-18.77%	12.4%
5 Colgate-Palmolive	\$7.60	\$3.40	\$11.00	55.3%	69.1%	1.0574	73.1%	40.4%	(0.3167)	0.9267	-29.34%	11.0%
6 Gen'l Mills	\$3.40	\$1.60	\$14.30	52.9%	23.8%	1.0478	24.9%	13.2%	(0.0561)	0.7400	-4.15%	9.0%
7 Kellogg	\$4.90	\$2.15	\$9.10	56.1%	53.8%	1.0318	55.6%	31.2%	(0.2109)	0.8897	-18.77%	12.4%
8 Kimberly-Clark	\$6.50	\$3.00	\$21.25	53.8%	30.6%	1.0298	31.5%	17.0%	(0.0724)	0.7763	-5.62%	11.3%
9 McCormick & Co.	\$5.05	\$1.72	\$23.10	65.9%	21.9%	1.0778	23.6%	15.5%	0.0314	0.7690	2.42%	18.0%
10 PepsiCo, Inc.	\$5.95	\$2.36	\$25.40	60.3%	23.4%	1.0573	24.8%	14.9%	(0.0484)	0.7838	-3.79%	11.2%
11 Procter & Gamble	\$5.95	\$3.00	\$32.85	49.6%	18.1%	1.0333	18.7%	9.3%	(0.0507)	0.6715	-3.40%	5.9%
12 Wal-Mart Stores	\$6.00	\$2.20	\$26.30	63.3%	22.8%	1.0108	23.1%	14.6%	(0.1257)	0.6994	-8.79%	5.8%

BR+SV GROWTH RATE

	(a)	(a)	(f)	(a)	(a)		(g)	(a)	(a)	(f)
	---- Common Equity ----			----- 2016 Price -----				----- Common Shares -----		
<u>Company</u>	<u>2011</u>	<u>2016</u>	<u>Chg.</u>	<u>High</u>	<u>Low</u>	<u>Avg.</u>	<u>M/B</u>	<u>2011</u>	<u>2016</u>	<u>Growth</u>
1 Abbott Labs.	\$22,388	\$31,500	7.1%	\$100.00	\$80.00	\$90.00	4.390	1,547.00	1,535.00	-0.16%
2 Bard (C.R.)	\$1,690	\$2,940	11.7%	\$180.00	\$145.00	\$162.50	4.422	84.00	80.00	-0.97%
3 Church & Dwight	\$1,871	\$2,800	8.4%	\$60.00	\$45.00	\$52.50	2.665	142.40	142.00	-0.06%
4 Coca-Cola	\$2,158	\$2,965	6.6%	\$90.00	\$75.00	\$82.50	9.066	365.60	325.00	-2.33%
5 Colgate-Palmolive	\$2,675	\$4,750	12.2%	\$165.00	\$135.00	\$150.00	13.636	494.85	440.00	-2.32%
6 Gen'l Mills	\$5,403	\$8,720	10.0%	\$60.00	\$50.00	\$55.00	3.846	656.50	610.00	-1.46%
7 Kellogg	\$2,158	\$2,965	6.6%	\$90.00	\$75.00	\$82.50	9.066	365.60	325.00	-2.33%
8 Kimberly-Clark	\$5,917	\$7,975	6.2%	\$105.00	\$85.00	\$95.00	4.471	406.90	375.00	-1.62%
9 McCormick & Co.	\$1,463	\$3,190	16.9%	\$110.00	\$90.00	\$100.00	4.329	133.10	138.00	0.73%
10 PepsiCo, Inc.	\$21,476	\$38,125	12.2%	\$130.00	\$105.00	\$117.50	4.626	1,581.00	1,500.00	-1.05%
11 Procter & Gamble	\$61,439	\$85,700	6.9%	\$110.00	\$90.00	\$100.00	3.044	2,838.50	2,610.00	-1.66%
12 Wal-Mart Stores	\$68,542	\$76,360	2.2%	\$95.00	\$80.00	\$87.50	3.327	3,516.00	2,900.00	-3.78%

- (a) The Value Line Investment Survey (retrieved Mar. 16, 2012).
- (b) Computed using the formula $2 * (1 + 5\text{-Yr. Change in Equity}) / (2 + 5\text{ Yr. Change in Equity})$.
- (c) Product of year-end "r" for 2016 and Adjustment Factor.
- (d) Product of change in common shares outstanding and M/B Ratio.
- (e) Computed as $1 - B/M$ Ratio.
- (f) Five-year rate of change.
- (g) Average of High and Low expected market prices divided by 2016 BVPS.

COMBINATION UTILITY GROUPMarket Rate of Return

Dividend Yield (a)	2.5%	
Growth Rate (b)	<u>10.8%</u>	
Market Return (c)		13.3%

Less: Risk-Free Rate (d)

Long-term Treasury Bond Yield		<u>2.9%</u>
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<u>Market Risk Premium (e)</u>		10.4%
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<u>Utility Proxy Group Beta (f)</u>		<u>0.74</u>
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<u>Risk Premium (g)</u>		7.7%
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Plus: Risk-free Rate (d)

Long-term Treasury Bond Yield		<u>2.9%</u>
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Unadjusted CAPM (h)		10.6%
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Size Adjustment (i)		<u>0.78%</u>
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Implied Cost of Equity (j)		<u>11.4%</u>
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- (a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (retrieved Apr. 17, 2012).
- (b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 (retrieved May 8, 2012).
- (c) (a) + (b)
- (d) Average yield on 30-year Treasury bonds for May 2012 from the Federal Reserve Board at http://www.federalreserve.gov/releases/h15/data/Monthly/H15_TCMNOM_Y20.txt.
- (e) (c) - (d).
- (f) www.valueline.com (retrieved May 2, 2012).
- (g) (e) x (f).
- (h) (d) + (g).
- (i) *Morningstar*, "2012 Ibbotson S&P Valuation Yearbook," at Appendix C, Table C-1 (2012).
- (j) (h) + (i).

CAPM - PROJECTED BOND YIELD

Exhibit WEA-6

Page 2 of 2

COMBINATION UTILITY GROUP

Market Rate of Return

Dividend Yield (a)	2.5%	
Growth Rate (b)	<u>10.8%</u>	
Market Return (c)		13.3%
<u>Less: Risk-Free Rate (d)</u>		
Projected Long-term Treasury Bond Yield		<u>4.4%</u>
<u>Market Risk Premium (e)</u>		8.9%
<u>Utility Proxy Group Beta (f)</u>		<u>0.74</u>
<u>Risk Premium (g)</u>		6.5%
<u>Plus: Risk-free Rate (d)</u>		
Projected Long-term Treasury Bond Yield		<u>4.4%</u>
Unadjusted CAPM (h)		11.0%
Size Adjustment (i)		<u>0.78%</u>
Implied Cost of Equity (j)		<u><u>11.8%</u></u>

- (a) Weighted average dividend yield for the dividend paying firms in the S&P 500 from www.valueline.com (retrieved Apr. 17, 2012).
- (b) Weighted average of IBES earnings growth rates for the dividend paying firms in the S&P 500 (retrieved May 8, 2012).
- (c) (a) + (b)
- (d) Average projected 30-year Treasury bond yield for 2012-2016 based on data from the Value Line Investment Survey, *Forecast for the U.S. Economy* (Feb. 24, 2012), IHS Global Insight, *U.S. Economic Outlook* at 25 (Dec. 2011), Blue Chip Financial Forecasts, Vol. 30, No. 12 (Dec. 1, 2011).
- (e) (c) - (d).
- (f) www.valueline.com (retrieved May 2, 2012).
- (g) (e) x (f).
- (h) (d) + (g).
- (i) *Morningstar*, "2012 Ibbotson S&BBI Valuation Yearbook," at Appendix C, Table C-1 (2012).
- (j) (h) + (i).

ELECTRIC UTILITY RISK PREMIUM

Exhibit WEA-7

Page 1 of 4

CURRENT BOND YIELDS

Current Equity Risk Premium

(a) Avg. Yield over Study Period	8.91%
(b) May 2012 Average Utility Bond Yield	<u>4.36%</u>
Change in Bond Yield	-4.55%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4114</u>
Adjustment to Average Risk Premium	1.87%
(a) Average Risk Premium over Study Period	<u>3.41%</u>
Adjusted Risk Premium	5.28%

Implied Cost of Equity

(b) May 2012 BBB Utility Bond Yield	4.97%
Adjusted Equity Risk Premium	<u>5.28%</u>
Risk Premium Cost of Equity	10.25%

(a) Exhibit WEA-7, page 3.

(b) Moody's Investors Service, www.credittrends.com.

(c) Exhibit WEA-7, page 4.

PROJECTED BOND YIELDSCurrent Equity Risk Premium

(a) Avg. Yield over Study Period	8.91%
(b) Projected Average Utility Bond Yield	<u>6.16%</u>
Change in Bond Yield	-2.75%
(c) Risk Premium/Interest Rate Relationship	<u>-0.4114</u>
Adjustment to Average Risk Premium	1.13%
(a) Average Risk Premium over Study Period	<u>3.41%</u>
Adjusted Risk Premium	4.54%

Implied Cost of Equity

(b) Projected BBB Utility Bond Yield	6.74%
Adjusted Equity Risk Premium	<u>4.54%</u>
Risk Premium Cost of Equity	11.28%

(a) Exhibit WEA-7, page 3.

(b) Projected yields on utility bonds for 2012-16 based on data from IHS Global Insight, *U.S. Economic Outlook* at 25 (Dec. 2011), Energy Information Administration, *Annual Energy Outlook 2012, Early Release* (Jan. 23, 2012), and Moody's Investors Service at www.credittrends.com.

(c) Exhibit WEA-7, page 4.

AUTHORIZED RETURNS

Year	(a)	(b)	Risk Premium
	Allowed ROE	Average Utility Bond Yield	
1974	13.10%	9.27%	3.83%
1975	13.20%	9.88%	3.32%
1976	13.10%	9.17%	3.93%
1977	13.30%	8.58%	4.72%
1978	13.20%	9.22%	3.98%
1979	13.50%	10.39%	3.11%
1980	14.23%	13.15%	1.08%
1981	15.22%	15.62%	-0.40%
1982	15.78%	15.33%	0.45%
1983	15.36%	13.31%	2.05%
1984	15.32%	14.03%	1.29%
1985	15.20%	12.29%	2.91%
1986	13.93%	9.46%	4.47%
1987	12.99%	9.98%	3.01%
1988	12.79%	10.45%	2.34%
1989	12.97%	9.66%	3.31%
1990	12.70%	9.76%	2.94%
1991	12.55%	9.21%	3.34%
1992	12.09%	8.57%	3.52%
1993	11.41%	7.56%	3.85%
1994	11.34%	8.30%	3.04%
1995	11.55%	7.91%	3.64%
1996	11.39%	7.74%	3.65%
1997	11.40%	7.63%	3.77%
1998	11.66%	7.00%	4.66%
1999	10.77%	7.55%	3.22%
2000	11.43%	8.09%	3.34%
2001	11.09%	7.72%	3.37%
2002	11.16%	7.53%	3.63%
2003	10.97%	6.61%	4.36%
2004	10.75%	6.20%	4.55%
2005	10.54%	5.67%	4.87%
2006	10.36%	6.08%	4.28%
2007	10.36%	6.11%	4.25%
2008	10.46%	6.65%	3.81%
2009	10.48%	6.28%	4.20%
2010	10.34%	5.56%	4.78%
2011	<u>10.22%</u>	<u>5.13%</u>	<u>5.09%</u>
Average	12.32%	8.91%	3.41%

(a) Major Rate Case Decisions, Regulatory Focus, Regulatory Research Associates; *UtilityScope Regulatory Service*, Argus.

(b) Moody's Investors Service.

REGRESSION RESULTS

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.9062018
R Square	0.8212016
Adjusted R Square	0.816235
Standard Error	0.005182
Observations	38

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.004439957	0.00444	165.344	5.054E-15
Residual	36	0.000966702	2.7E-05		
Total	37	0.005406659			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.0707625	0.00297293	23.8023	1.3E-23	0.06473308	0.07679183	0.064733085	0.07679183
X Variable 1	-0.411449	0.031997942	-12.8586	5.1E-15	-0.4763441	-0.3465546	-0.47634415	-0.34655465

COMBINATION UTILITY GROUP

	(a)	(b)	(c)
<u>Company</u>	<u>Expected Return on Common Equity</u>	<u>Adjustment Factor</u>	<u>Adjusted Return on Common Equity</u>
1 ALLETE	9.5%	1.025678	9.7%
2 Alliant Energy	11.0%	1.021575	11.2%
3 Ameren Corp.	7.5%	1.015794	7.6%
4 Avista Corp.	9.0%	1.023501	9.2%
5 Black Hills Corp.	8.5%	1.014469	8.6%
6 DTE Energy Co.	9.0%	1.024386	9.2%
7 Empire District Elec	9.5%	1.015693	9.6%
8 Exelon Corp.	13.5%	1.008377	13.6%
9 Northwestern Corp.	10.5%	1.021374	10.7%
10 PG&E Corp.	10.5%	1.025366	10.8%
11 PPL Corp.	11.0%	1.042568	11.5%
12 Pub Sv Enterprise Grp	11.5%	1.027447	11.8%
13 SCANA Corp.	9.5%	1.04685	9.9%
14 Sempra Energy	11.0%	1.026249	11.3%
15 TECO Energy	13.0%	1.025044	13.3%
16 UIL Holdings	8.5%	1.013935	8.6%
Average (d)			10.4%
Midpoint (e)			10.6%

(a) The Value Line Investment Survey (Feb. 24, Mar. 23, & May 4, 2012).

(b) Adjustment to convert year-end return to an average rate of return from Exhibit WEA-3.

(c) (a) x (b).

(d) Excludes highlighted figures.

(e) Average of low and high values.

CAPITAL STRUCTURE

Exhibit WEA-9

Page 1 of 1

UTILITY OPERATING COS.

		<u>At Fiscal Year-End 2011 (a)</u>		
<u>Company</u>		<u>Debt</u>	<u>Preferred</u>	<u>Common Equity</u>
1	Ameren Illinois Co.	40.3%	1.5%	58.2%
2	Black Hills Power	45.1%	0.0%	54.9%
3	Cheyenne Light Fuel & Power	41.8%	0.0%	58.2%
4	Commonweath Edison Co.	44.6%	0.0%	55.4%
5	Detroit Edison Co.	52.5%	0.0%	47.5%
6	Interstate Power & Light	46.0%	5.1%	49.0%
7	Pacific Gas & Electric Co.	48.1%	1.1%	50.8%
8	PECO Energy Co.	39.5%	1.7%	58.8%
9	PPL Electric Utilities Corp.	44.7%	6.5%	48.8%
10	Pub Service Electric & Gas Co.	47.9%	0.0%	52.1%
11	San Diego Gas & Electric	51.5%	0.0%	48.5%
12	South Carolina Electric & Gas	46.2%	0.0%	53.8%
13	Southern California Gas Co.	37.6%	0.6%	61.8%
14	Superior Water, Light & Power Co.	40.1%	0.0%	59.9%
15	Tampa Electric Co.	48.0%	0.0%	52.0%
16	Union Electric Co.	49.5%	1.0%	49.5%
17	Wisconsin Power & Light	41.9%	2.3%	55.8%
	Average	45.0%	1.2%	53.8%

(a) Company Form 10-K and Annual Reports, FERC Form 1 Annual Reports.

COMBINATION UTILITY GROUP

	Company	At Fiscal Year-End 2011 (a)			Value Line Projected (b)		
		Debt	Preferred	Common Equity	Debt	Other	Common Equity
1	ALLETE	44.4%	0.0%	55.6%	40.0%	0.0%	60.0%
2	Alliant Energy	45.7%	3.5%	50.9%	47.5%	3.0%	49.5%
3	Ameren Corp.	45.9%	0.0%	54.1%	43.5%	1.0%	55.5%
4	Avista Corp.	48.7%	2.1%	49.1%	52.0%	0.0%	48.0%
5	Black Hills Corp.	39.1%	0.0%	60.9%	50.5%	0.0%	49.5%
6	DTE Energy Co.	50.6%	0.0%	49.4%	50.0%	0.0%	50.0%
7	Empire District Elec	50.0%	0.0%	50.0%	50.0%	0.0%	50.0%
8	Exelon Corp.	46.6%	0.3%	53.1%	49.0%	0.5%	50.5%
9	Northwestern Corp.	51.4%	0.0%	48.6%	42.5%	0.0%	57.5%
10	PG&E Corp.	48.9%	1.0%	50.1%	48.5%	1.0%	50.5%
11	PPL Corp.	61.9%	0.0%	38.1%	52.0%	0.5%	47.5%
12	Pub Sv Enterprise Grp	40.9%	0.0%	59.1%	45.0%	0.0%	55.0%
13	SCANA Corp.	54.5%	0.0%	45.5%	52.0%	0.0%	48.0%
14	Sempra Energy	50.4%	0.1%	49.5%	51.5%	0.0%	48.5%
15	TECO Energy	57.3%	0.0%	42.7%	55.5%	0.0%	44.5%
16	UIL Holdings	58.8%	0.0%	41.2%	57.0%	0.0%	43.0%
	Average	49.7%	0.4%	49.9%	49.2%	0.4%	50.5%

(a) Company Form 10-K and Annual Reports.

(b) The Value Line Investment Survey (Feb. 24, Mar. 23, & May 4, 2012).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
LONNIE E. BELLAR
VICE PRESIDENT OF STATE REGULATION AND RATES
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

1 **Q. Please state your name, position and business address.**

2 A. My name is Lonnie E. Bellar. I am the Vice President, State Regulation and Rates for
3 Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company
4 (“LG&E” or “Company”). I am employed by LG&E and KU Services Company,
5 which provides services to LG&E and KU (collectively “the Companies”). My
6 business address is 220 West Main Street, Louisville, Kentucky, 40202. A complete
7 statement of my education and work experience is attached to this testimony as
8 Appendix A.

9 **Q. Have you previously testified before the Kentucky Public Service Commission?**

10 A. Yes. I have testified before the Commission numerous times, including the
11 Companies’ most recent base rate cases,¹ and most recently in the Companies’
12 application for Certificates of Public Convenience and Necessity to purchase existing
13 generating units and to build a new natural-gas combined cycle generating facility.²

14 **Q. What are the purposes of your testimony?**

15 A. The purposes of my testimony are: (1) to support certain exhibits required by the
16 Commission’s regulations; (2) to present the revenue effects and the bill impacts to
17 the average residential customer; (3) to present LG&E’s recommendation for the
18 allocation of the proposed increases in revenues among the customer classes based on
19 the results of the Company’s cost of service study prepared by Robert M. Conroy in
20

¹ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Its Base Rates*, Case No. 2009-00548; *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*, Case No. 2009-00549.

² *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity and Site Compatibility Certificate for the Construction of a Combined Cycle Combustion Turbine at the Cane Run Generating Station and the Purchase of Existing Simple Cycle Combustion Turbine Facilities from Bluegrass Generation Company, LLC in LaGrange, Kentucky*, Case No. 2011-00375.

1 this case; (4) to explain the relationship of LG&E’s various cost-recovery
2 mechanisms to its base rates; (5) to explain certain pro forma adjustments to which
3 the testimony of Kent W. Blake refers; (6) to discuss and support LG&E’s proposed
4 Gas Line Tracker (“GLT”) and LG&E’s request for a Certificate of Public
5 Convenience and Necessity for its proposed Gas Line Program; (7) to discuss
6 proposed changes to LG&E’s Curtailable Service Riders (“CSRs”); and (8) to
7 describe the various ways the Companies pursue energy-efficiency initiatives and
8 provide customers ways to “go green.”

9 **Q. Are you supporting the schedules that are required by Commission regulations**
10 **807 KAR 5:001?**

11 A. Yes, the table of contents to LG&E’s filing requirements lists the schedules I am
12 sponsoring. Although I am sponsoring LG&E’s proposed gas and electric tariffs and
13 proposed tariff changes, Mr. Conroy’s testimony will address issues of electric and
14 gas rate design, as well as changes to the terms and conditions of LG&E’s gas and
15 electric services.

16 **Revenue Effect**

17 **Q. What are the revenue effects of the proposed rates?**

18 A. As shown in Tab 23 of the Company’s Filing Requirements attached to the
19 Application in this case, the total increase in revenues to LG&E that would result
20 from the proposed rate adjustments is \$62,057,882 for electric operations and
21 \$17,200,997 for gas operations.

22

1 **Q. If the Commission approves the proposed base rates, what will be the percentage**
2 **increases in monthly residential gas and electric bills?**

3 A. The average monthly residential electric bill increase due to the proposed electric
4 base rates will be 8.60%, or approximately \$7.25, for a residential customer using an
5 average of 1,010 kWh of electricity.

6 Likewise, the monthly residential gas bill increase due to the proposed gas
7 base rates will be 7.57%, or approximately \$3.42, for a residential customer using an
8 average of 57 Ccf of gas.

9 **Revenue Allocation**

10 **Q. Has LG&E analyzed how the proposed increase in revenue should be allocated**
11 **among its customers?**

12 A. Yes. Mr. Conroy and the State Regulation and Rates group conducted a fully
13 allocated, embedded cost of service study. For electric operations, the study was also
14 time-differentiated.

15 **Q. What methodology did LG&E use in its electric cost of service study?**

16 A. LG&E used the modified Base-Intermediate-Peak methodology that the Commission
17 has followed in every LG&E rate case in the last thirty years. The details of that
18 study are presented in the testimony of Mr. Conroy. The summary of the results of
19 that study, reflecting the pro forma rate of return for the principal rate schedules, is
20 set forth below:

21

1

Bellar Table I – Pro Forma Electric Rates of Return

Customer Class	LG&E Electric Actual
Residential – Rate RS	3.59%
General Service – Rate GS	10.33%
Power Service – Rate PS	
- Secondary	10.60%
- Primary	12.41%
Time of Day Secondary – Rate TODS	7.17%
Time of Day Primary – Rate TODP	5.56%
Retail Transmission Service – Rate RTS	4.65%
Lighting	8.73%
Special Contracts	0.71%
Total System	6.14%

2

Based on the actual class rates of return, Mr. Conroy prepared a revenue allocation that, while increasing revenues across all the electric rate classes, also reduced some inter-class subsidies and capped certain classes at a maximum rate of return. The details of the LG&E electric revenue allocation are contained in Mr. Conroy's testimony. The overall results are shown below:

3

4

5

6

7

Bellar Table II

8

Pro Forma Electric Rates of Return as Adjusted for Proposed Increase

Customer Class	LG&E Electric Proposed
Residential – Rate RS	5.66%
General Service – Rate GS	12.06%
Power Service – Rate PS	
- Secondary	12.49%
- Primary	12.49%
Time of Day Secondary – Rate TODS	9.45%
Industrial Time of Day – Rate TODP	8.18%
Retail Transmission Service – Rate RTS	8.13%
Lighting	9.69%
Special Contracts	3.36%
Total System	8.19%

9

1 **Q. What methodology did LG&E use in its gas cost of service study?**

2 A. In general, the methodology used followed the electric cost of service study, except
3 that the gas cost of service study is not time differentiated. The Commission has
4 followed this methodology in every LG&E rate case in the last thirty years. The
5 details of that study are presented in the testimony of Mr. Conroy, as well. The
6 summary of the results of that study, reflecting the pro forma rate of return for the
7 principal rate schedules, is set forth below:

8 **Bellar Table III– Pro Forma Gas Rates of Return**

Customer Class	LG&E Gas Actual
Residential – Rate RGS	4.28%
Commercial – Rate CGS	10.22%
Industrial – Rate IGS	15.81%
As-Available Service – Rate AAGS	16.69%
Firm Transportation Service – Rate FT	48.63%
Special Contracts	41.30%
Total System	5.92%

9 The results of the study demonstrate that class rates-of-return vary, and for two
10 customer classes, the returns vary substantially, from the total system class rate-of-
11 return average of 5.92%. Mr. Conroy prepared a revenue allocation that would
12 recognize the subsidies between rate classes as well as the important considerations of
13 gradualism and rate continuity to residential customers and the risk of bypass by other
14 customer classes. The details of the LG&E gas revenue allocation are contained in
15 Mr. Conroy’s testimony. The results of the proposed gas revenue allocation are
16 shown below:

17

1 **Bellar Table IV**

2 **Pro Forma Gas Rates of Return as Adjusted for Proposed Increase**

Customer Class	LG&E Gas Proposed
Residential – Rate RGS	6.19%
Commercial – Rate CGS	13.01%
Industrial – Rate IGS	19.30%
As-Available Service – Rate AAGS	20.02%
Firm Transportation Service – Rate FT	53.51%
Special Contracts	43.73%
Total System	8.04%

3 The proposed residential increase strikes a balance between the cost of service
4 principles of gradualism and reducing interclass subsidies.

5 **Q. Following the results of the electric cost of service study, what ratemaking**
6 **concepts did LG&E employ to develop the electric rates for this proceeding?**

7 A. The foremost principle of proper rate design is cost causation. Therefore, LG&E
8 crafted unit charges to reflect the cost of service study as nearly as practicable so
9 customer charges would be more reflective of customer-related costs, demand
10 charges would be more reflective of demand-related costs, and energy-commodities
11 charges would be more reflective of energy-commodity-related costs. Also, LG&E
12 sought to simplify rate design wherever feasible.

13 **Q. Following the results of the gas cost of service study, what ratemaking concepts**
14 **did LG&E employ to develop the gas rates for this proceeding?**

15 A. As with electric rates, LG&E used the cost of service study to guide the allocation of
16 revenue increases to the customer classes while also taking into account the
17 ratemaking principle of gradualism concerning residential rate increases.

1 **Q. With respect to the design of the residential gas rates, did LG&E use a**
2 **particular structure?**

3 A. Yes. The Company chose to follow the cost of service study for its gas customers,
4 including those customers in the residential class. On the gas side, the rate increase is
5 7.57% for the gas residential class, which slightly exceeds the overall system average
6 increase. In addition, as can be seen from Bellar Table III, the rates of return among
7 gas service customer classes were so widely disparate that bringing all classes to the
8 overall rate of return was inconsistent with gradualism, and furthermore had the real
9 potential to bring economic hardship to some residential customers. Therefore,
10 LG&E attempted to find a balance between gradually increasing the contribution the
11 residential class makes to the overall return against the very real threat that industrial
12 customers may attempt to bypass the Company altogether and connect to interstate
13 transmission pipelines directly.

14 **Relationship of Other Ratemaking Mechanisms to Base Rates**

15 **Q. Please give an overview of the composition of LG&E's current retail rates.**

16 A. In addition to the base rates, certain cost items, such as fuel costs, demand-side
17 management plan costs, and environmental compliance costs are included in our retail
18 rates, but are assessed separately from base rates.

19 **Q. Do ratemaking mechanisms such as the fuel adjustment clause, gas supply**
20 **clause, environmental cost recovery mechanism, and demand-side management**
21 **cost recovery mechanism have any effect on the base rate increase LG&E is**
22 **requesting?**

23 A. No. As presented in the testimony of Mr. Blake and discussed in Mr. Conroy's
24 testimony, the impact of those mechanisms has been removed from the calculation of

1 LG&E's operating revenues and expenses for the test year ended March 31, 2012.
2 The mechanisms, and the costs and revenues associated with them, therefore have no
3 effect on the calculation of the revenue deficiency and corresponding base rate
4 increases that LG&E is requesting in this case. In addition, by removing these items
5 from the calculation of net operating income in the Application, there is no double
6 recovery of these costs or double counting of these revenues.

7 **Electric and Gas Pro Forma Adjustments**

8 **Q. Please explain the adjustment to operating revenues concerning unbilled**
9 **revenues shown in Reference Schedule 1.00 of Blake Exhibit 1.**

10 A. Consistent with prior rate cases, unbilled revenues were removed from test-year
11 operating revenues for the electric and gas businesses. The Commission determined a
12 similar adjustment to be reasonable in Case Nos. 2003-00433 and 2009-00549.
13 LG&E proposed a similar adjustment in Case No. 2008-00252, which was resolved
14 by a settlement approved by the Commission.

15 **Q. Please explain the adjustment to operating expenses concerning the amortization**
16 **of the general management audit regulatory asset shown in Reference Schedule**
17 **1.22 of Blake Exhibit 1.**

18 A. In its July 30, 2010 Orders in the Companies' most recent rate cases, the Commission
19 ordered a general management audit to be conducted of the Companies.³ Consistent
20 with KRS 278.255(3), the Companies paid the cost of the audit.

21
22

³ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Base Rates*, Case No. 2009-00548, Order at 35 (July 30, 2010); *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Base Rates*, Case No. 2009-00549, Order at 37 (July 30, 2010).

1 KRS 278.255(3) entitles the Companies to recover the cost of the audit
2 through base rates as part of their cost of service. Based on that authority, the
3 Companies created a regulatory asset for each utility in the amount of each utility's
4 share of the management audit's cost, and now propose to amortize each asset over
5 three years. The Commission found a similar adjustment and amortization period to
6 be reasonable in Case No. 2003-00433.⁴

7 **Q. Please explain the adjustment to operating expenses concerning rate case**
8 **expenses shown in Reference Schedule 1.23 of Blake Exhibit 1.**

9 A. This adjustment to operating expenses is necessary to include the expenses incurred
10 in conjunction with this base rate case and to remove the appropriate amounts of
11 annualized amortization for expenses incurred in the two most recent base rate cases,
12 Case Nos. 2009-00549 and 2008-00252. LG&E estimates the total electric rate case
13 expense to be \$890,000 and the total gas rate case expense to be \$500,000. These
14 expenses include the cost of publishing public notices. LG&E proposes to amortize
15 these expenses over 3 years at a rate of \$296,667 per year for the electric business and
16 \$166,667 per year for the gas business. This estimate was used only for the purpose
17 of calculating the revenue requirement at the time of filing LG&E's Application.
18 LG&E requests recovery of its actual expenses in this proceeding in accordance with
19 Commission policy, and requests that it be allowed to provide the Commission
20 monthly updates to reflect its actual rate case expenses through Commission requests
21 for information. The adjustment thus will be trued-up as actual expenditures are
22 incurred. This adjustment also accounts for amortizations of LG&E's two most recent

⁴ *In the Matter of: Adjustment of the Gas and Electric Rates, Terms and Conditions of Louisville Gas and Electric Company*, Case No. 2003-00433, Order Appx. F (June 30, 2004).

1 base rate case costs and is consistent with a similar adjustment in the revenue
2 requirements analysis performed and found reasonable by the Commission in the
3 Company's most recent base rate case, Case No. 2009-00549, and in Case Nos. 2008-
4 00252, 2003-00433, and 2000-00080.

5 **Electric-Only Pro Forma Adjustments**

6 **Q. Please explain the adjustment to operating revenues concerning off-system sales**
7 **margins shown in Reference Schedule 1.09 of Blake Exhibit 1.**

8 A. For the reasons discussed in Paul Thompson's testimony, LG&E is facing
9 significantly declining off-system sales margins and cannot reasonably expect to
10 achieve the amount of off-system sales margins in the test year going forward. Clear
11 evidence of this phenomenon can be seen in Reference Schedule 1.09 of Blake
12 Exhibit 1, which compares test-year off-system sales margins to an annualized
13 amount of such margins based on the first three months' results from 2012 (the last
14 three months of the test year). The comparison, based on known and measurable
15 changes during the test year, shows that LG&E's off-system sales margins are in
16 steep decline. This proposed adjustment therefore removes from test-year off-system
17 sales margins the difference between the test-year results and the annualized amount
18 of such margins based on the first three months' results from 2012. LG&E will
19 update this adjustment upon request to include post-test-year data.

20 **Q. Please explain the adjustment to operating expenses concerning the SPP-to-**
21 **TranServ ITO expenses shown in Reference Schedule 1.20 of Blake Exhibit 1.**

22 A. LG&E currently has embedded in its electric base rates its share of the cost of
23 Independent Transmission Operator ("ITO") services performed for the Companies
24 by the Southwest Power Pool, Inc. ("SPP"). On January 31, 2012, the Companies

1 filed an application with the Commission in Case No. 2012-00031 for approval of the
2 transfer of nearly all of the ITO functions currently performed by SPP to TranServ
3 International, Inc. (“TranServ”) and its subcontractor MAPPCOR. LG&E’s share of
4 the expected annual cost of ITO services from TranServ and MAPPCOR is less than
5 the amount currently embedded in LG&E’s base electric rates. The Commission
6 issued an order on May 11, 2012, approving the transfer from SPP to TranServ and
7 MAPPCOR to be effective as of September 1, 2012, well before any changes to base
8 rates resulting from this proceeding will be decided by this Commission or placed
9 into effect. The time for appealing or seeking rehearing of the May 11 order has now
10 passed. Therefore, the adjustment to operating expenses shown in Reference
11 Schedule 1.20 of Blake Exhibit 1 reflects the reduction in annual operating expenses
12 that will result from this transfer.

13 **Proposed Gas Line Tracker**

14 **Q. What is the purpose of LG&E’s proposed Gas Line Tracker?**

15 A. As Mr. Hermann describes in his testimony, LG&E proposes to implement a multi-
16 year Gas Line Program to replace certain of its customers’ gas risers and, as needed,
17 service lines. Under the proposed program, LG&E will proactively replace program
18 gas service risers and assume ownership of them over the program period. LG&E
19 will not assume ownership of or responsibility for a customer’s service line until
20 LG&E has repaired or replaced the line, or LG&E installs a new service line. No
21 accounting entry will be recorded with regard to the risers or service lines until
22 replacement occurs.

23 To recover the cost of this significant, multi-year capital program, LG&E
24 proposes a Gas Line Tracker (GLT). LG&E further proposes to recover the costs of

1 its ongoing leak mitigation program, which includes its main replacement program,
2 through the GLT, as Mr. Hermann also explains in his testimony.

3 **Q. Does LG&E need the Commission’s approval for the Gas Line Program?**

4 A. Yes, and LG&E requests that approval in its application in this proceeding. The
5 applicable Commission regulation is 807 KAR 5:022 § 9(17)(a)(2):

6 *The customer, or the company at its option and with*
7 *commission approval, shall furnish and lay necessary*
8 *pipe to make the connection from curb stop to place of*
9 *consumption and shall keep the service line in good*
10 *repair and in accordance with reasonable requirements*
11 *of the utility's rules and the commission's administrative*
12 *regulations.*

13 (Emphasis added.) For the reasons stated in Mr. Hermann’s testimony concerning
14 public safety and to ensure quality of service, LG&E desires to exercise its option
15 under 807 KAR 5:022 § 9(17)(a)(2) and respectfully asks the Commission to approve
16 the proposed Gas Line Program for LG&E.

17 Furthermore, because LG&E’s proposed Gas Line Program will constitute
18 new construction that will result in increased charges to its customers, LG&E is
19 seeking a Certificate of Public Convenience and Necessity (“CPCN”) for the
20 program.⁵ As Mr. Hermann describes in his testimony, the proposed Gas Line
21 Program will not create wasteful duplication, but rather will ensure that adequate and
22 safe facilities are in place to serve LG&E’s customers. Ensuring public safety and
23 quality of service are self-evidently in the public interest, and the proposed program

24

⁵ See 807 KAR 5:001 § 9(3): “No certificate of public convenience and necessity will be required for extensions that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general area in which the utility renders service or contiguous thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.”

1 will not interfere with the service or operations of other utilities under the
2 Commission’s jurisdiction. Therefore, LG&E respectfully asks the Commission to
3 grant the requested CPCN.

4 For the sake of clarity, please note that LG&E is not seeking a CPCN for the
5 gas leak mitigation program, including the gas main replacement component of that
6 program, which does not involve new construction, but rather involves repairs to, and
7 replacements of, existing LG&E facilities.

8 **Q. How does LG&E plan to finance the Gas Line Program costs?**

9 A. LG&E expects to finance the Gas Line Program costs pursuant to its overall financing
10 plan and consistent with maintaining its current capital structure with a combination
11 of new debt and equity. The debt is expected to be a combination of short-term debt,
12 in the form of commercial paper notes, loans from affiliates via the money pool or
13 draws from existing credit facilities. As short term borrowings increase in size,
14 LG&E will seek to refinance the short-term debt over a longer term in the bond
15 market. In addition, retained earnings will be used for a source of equity financing,
16 and if this source is not sufficient to maintain the current capital structure, an equity
17 contribution from LG&E’s parent will be provided. The mix of debt and equity used
18 to finance the projects will be determined so as to allow the Companies to maintain
19 their strong investment-grade credit ratings. The Companies will continue to evaluate
20 financing alternatives as these projects progress and will seek the approval of the
21 Commission pursuant to KRS 278.300 to the extent required.

22

1 **Q. Please explain how the proposed Gas Line Tracker would operate.**

2 A. The proposed GLT will operate much like the Companies' existing Environmental
3 Cost Recovery Surcharge mechanisms and Demand-Side Management Cost Recovery
4 Mechanisms ("DSM Mechanism"). The proposed GLT is also similar to comparable
5 tariff provisions of Atmos Energy Corporation ("Atmos"), Delta Natural Gas
6 Company, Inc. ("Delta"), and Columbia Gas of Kentucky, Inc. ("Columbia"), which
7 the Commission has reviewed, approved, and monitored successfully for years. The
8 GLT will allow LG&E to recover its operating expenses, depreciation expense,
9 related taxes, and a fair, just, and reasonable rate of return on capital deployed
10 through the Gas Line Program and the leak mitigation program.

11 LG&E will calculate the amount it will collect through the GLT by taking into
12 account the following items:

- 13 • GLT-related plant-in-service not included in base gas rates minus the
14 associated GLT-related accumulated depreciation and accumulated
15 deferred income taxes;
- 16 • Retirement and removal of plant related to GLT construction;
- 17 • The overall rate of return on capital authorized in LG&E's most recent gas
18 base rate case, grossed up for federal and state income taxes, as applied to
19 the net rate base;
- 20 • Depreciation expense on the GLT-related plant-in-service less retirement
21 and removals; and

22

- Incremental operating and maintenance (“O&M”) expenses due to GLT-related projects, including any O&M savings GLT-related projects create, if any, with respect to related O&M expense amounts embedded in base rates.

As it does with the DSM Mechanism, LG&E proposes to use 12-month projected costs to calculate the GLT, which would be reconciled to actual costs annually. Any differences between projected and annual costs would be credited to or recovered from customers via a balancing adjustment. A filing to update the projected program costs will be submitted annually at least two months prior to the beginning of the effective period. The filing will reflect the anticipated impact on LG&E’s revenue requirements of net plant additions expected during the upcoming year. Sample forms to be used in the annual filing are contained in Bellar Exhibit 1. After the completion of a plan year, LG&E will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year, much like it does with the DSM Mechanism. Such adjustment to the GLT will become effective with the first billing cycle on or after the effective date of such change. LG&E proposes to initiate the mechanism’s charges based on projected costs for calendar year 2013 and the estimated costs of its leak mitigation program from March 31, 2012 through and including December 31, 2012.

1 **Q. How will the cost for the Gas Line Program be allocated to the different rate**
2 **schedules?**

3 A. The annual revenue requirement determined above will be allocated to each of the
4 rate schedules to which it applies based on the relationship of each rate schedule's
5 total revenue for the test year ended March 31, 2012.

6 **Q. What are the charges LG&E proposes for the GLT?**

7 A. The charges proposed in 2013 for the GLT are shown in the table below. The charges
8 indicated will be applicable to all customers served under Rates RGS, VFD, CGS,
9 IGS, AAGS, and DGGGS. At this time, there are no customers served under Rate
10 DGGGS, therefore none of the costs for the Gas Line Program have been allocated to
11 this class of customers. However, if customers begin taking service under Rate
12 DGGGS, the costs for the program will be allocated to Rate DGGGS in the same manner
13 allocated to the other rate schedules.

Monthly Rate Per Bill	2013
Residential Gas Service - Rate RGS	\$ 2.35
Volunteer Fire Department Service - Rate VFD	\$ 2.35
Commercial Gas Service - Rate CGS	\$ 11.60
Industrial Gas Service - Rate IGS	\$ 93.25
As-Available Gas Service - Rate AAGS	\$ 514.23
Distributed Generation Service - Rate DGGGS	\$ 0

14 Detailed calculations of the charges above along with projections for 2014-
15 2017 are shown in Bellar Exhibit 2.

16 **Q. Does LG&E propose to make other tariff changes related to the Gas Line**
17 **Program?**

18 A. Yes. A number of changes to LG&E's gas Terms and Conditions are necessary to
19 reflect the change in ownership of, and responsibility for, customers' gas risers and

1 service lines, as well as to clarify LG&E’s right to access customers’ property to
2 make needed repairs and replacements. These changes are in the Customer
3 Responsibilities and Company Responsibilities sections of the Terms and Conditions.

4 **Q. Has the Commission approved similar riders and programs for other gas**
5 **utilities?**

6 A. Yes. In its May 28, 2010 Order in Case No. 2009-00354, the Commission approved
7 Atmos’s Pipe Replacement Program (“PRP”) and related PRP Rider.⁶ Atmos
8 proposed its PRP to replace “approximately 250 miles of bare steel transmission and
9 distribution mains *along with the associated service lines, service risers*, meters and
10 appurtenances needed to deliver natural gas.”⁷ Like LG&E’s proposed Gas Line
11 Tracker, Atmos’s PRP Rider permits Atmos to recover through a separate recovery
12 mechanism its operating expenses, depreciation expense, related taxes, and a fair,
13 just, and reasonable rate of return on capital deployed through the PRP.⁸

14 Similarly, the Commission approved a PRP in Delta’s most recent base rate
15 proceeding, Case No. 2010-00116.⁹ Delta proposed a PRP to “provide a mechanism
16 to recover more currently the cost of replacing all existing bare steel within the
17 Company’s system. The proposed PRP included replacement of service lines, curb
18 valves, meter loops, and any mandated relocates.”¹⁰ Delta clearly stated that service

⁶ *In the Matter of: Rate Application of Atmos Energy Corporation*, Case No. 2009-00354, Order at 3 (May 28, 2010).

⁷ Case No. 2009-00354, Direct Testimony of Earnest B. Napier at 13 (Oct. 29, 2009) (emphasis added).

⁸ Atmos Energy Corporation, P.S.C. No. 1, First Revised Sheet No. 43.

⁹ *In the Matter of: Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates*, Case No. 2010-00116, Order at 26 (Oct. 21, 2010).

¹⁰ Case No. 2010-00116, Direct Testimony of John B. Brown at 8 (Apr. 23, 2010); *see also* Case No. 2010-00116, Post-Hearing Brief of Delta Natural Gas Co. at 34-36 (Oct. 9, 2010) (“The program would encompass the planning, design, replacement, construction, investment and retirement costs. Further, the proposed PRP would also include the replacement/retirement of service lines, curb valves, meter loops, and any mandated relocations.”).

1 risers were among the gas facilities containing bare steel and therefore needing to be
2 replaced: “Delta proposes to include . . . all piping from the main to the customer’s
3 meter including curb valves, service risers, meter sets and all other related
4 appurtenances [not meeting current standards].”¹¹ Like LG&E’s proposed Gas Line
5 Tracker and Atmos’s PRP Rider, Delta’s PRP Rider permits Delta to recover through
6 a separate recovery mechanism its operating expenses, depreciation expense, related
7 taxes, and a fair, just, and reasonable rate of return on capital deployed through the
8 PRP.¹²

9 Likewise, the Commission approved an Accelerated Main Replacement
10 Program (“AMRP”) for Columbia in 2009.¹³ Columbia proposed its AMRP to
11 address “unprotected steel and cast iron mains” and its need to relocate some meters
12 to an outside location.¹⁴ Like LG&E’s proposed Gas Line Tracker, Atmos’s PRP
13 Rider, and Delta’s PRP Rider, Columbia’s AMRP Rider permits Columbia to recover
14 through a separate recovery mechanism its operating expenses, depreciation expense,
15 related taxes, and a fair, just, and reasonable rate of return on capital deployed
16 through the AMRP.¹⁵

17 In 2005, the General Assembly specifically provided that the Commission
18 “may allow the recovery of costs for investment in natural gas pipeline replacement
19 programs which are not recovered in the existing rates of a regulated utility.”¹⁶ The

¹¹ Case No. 2010-00116, Direct Testimony of John B. Brown at 9-10 (Apr. 23, 2010).

¹² Delta Natural Gas Company, Inc., P.S.C. No. 12, Original Sheet No. 43.

¹³ *In the Matter of: An Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc.*, Case No. 2009-00141, Order (Oct. 26, 2009).

¹⁴ *In the Matter of: An Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc.*, Case No. 2009-00141, Direct Testimony of James M. Webb at 21 (May 1, 2009).

¹⁵ Columbia Gas of Kentucky, Inc., P.S.C. Ky. No. 5, Fifth Revised Sheet No. 58.

¹⁶ KRS 278.509.

1 Supreme Court of Kentucky upheld the constitutionality of that statutory provision in
2 2010.¹⁷

3 In view of these Commission precedents, KRS 278.509, and the clear need to
4 help protect public safety and ensure quality of service, I respectfully recommend that
5 the Commission approve LG&E's request to implement the gas riser replacement
6 program, grant the requested CPCN for the program, and approve the proposed Gas
7 Line Tracker to ensure the program has the needed funds to be successful.

8 **Proposed Changes to Curtailable Service Riders**

9 **Q. Please summarize the changes LG&E proposes to make to its current**
10 **Curtailable Service Riders CSR10 and CSR30.**

11 A. LG&E proposes to reduce the credits available under both riders to reflect more
12 accurately the value CSR customers provide under the riders. For CSR10, LG&E
13 proposes to reduce the credit to \$2.80 kVA/month for primary-level customers and
14 \$2.75 kVA/month for transmission-level customers. For CSR30, in recognition of the
15 lower value associated with a 30-minute notice compared to a 10-minute notice,
16 LG&E proposes a credit of \$2.30 kVA/month for primary-level customers and \$2.25
17 kVA/month for transmission-level customers. Additionally, LG&E proposes to
18 remove the current restrictions on when LG&E can require physical curtailment,
19 which will increase the value of the riders to LG&E and its non-CSR customers.
20 Even with these modifications in place, LG&E's two CSR options should still be
21 attractive to its large industrial customers.

22

¹⁷ *Ky. P.S.C. v. Commonwealth ex rel. Conway*, 324 S.W.3d 373 (Ky. 2010).

1 **Q. How are LG&E’s CSRs currently structured?**

2 A. The Commission approved KU’s and LG&E’s current CSRs in their most recent rate
3 cases, Case Nos. 2009-00548 and 2009-00549, as part of the stipulation and
4 recommendation reached in the cases. Each of the Companies has two CSRs, which
5 are structured as shown in the table below.

	Min. Notice	Interruption (hrs.)		Credit \$/kW Month	
		Physical	Buy Through	Trans.	Primary
CSR 10	10	100	275	5.4	5.5
CSR 30	30	100	250	4.3	4.4

6 LG&E may request a buy-through interruption without restriction, but may request
7 physical curtailment only in the event of a “system reliability event,” defined to be
8 any condition or occurrence: 1) that impairs KU and LG&E’s ability to maintain
9 service to contractually committed system load; 2) where KU and LG&E’s ability to
10 meet their compliance obligations with NERC reliability standards cannot otherwise
11 be achieved; or 3) that KU and LG&E reasonably anticipate will last more than six
12 hours and could require KU and LG&E to call upon automatic reserve sharing at
13 some point during the event. The constraint on when LG&E may use physical
14 curtailment significantly reduces the value of the CSRs to LG&E and its non-CSR
15 customers.

16 KU currently has just three CSR customers, all of which are on CSR10.
17 LG&E has just two CSR customers, one on CSR10 and the other on CSR30.

18 **Q. Why does LG&E propose to change its existing CSRs?**

19 A. Although the credits LG&E currently provides under its CSRs are less than the
20 estimated cost of a combustion turbine (“CT”) in today’s marketplace, they are still

1 too high in view of the significant limitations on the use of CSR and the availability
2 of only 100 hours of physical interruption.

3 By way of comparison, from the time the new CSRs went into effect in
4 August 2010 through the end of the test year (March 31, 2012), the Companies used
5 their large-frame CTs extensively, accumulating an average of 948 operating hours
6 per unit from an average of 126 starts. This equates to an annual average of 598
7 operating hours per unit and 80 starts. Over the same period, the Companies operated
8 their five 100 MW CTs on an annual average basis of 95 hours per unit and 21 starts.
9 Thus, the average annual usage of the Companies' 14 modern CTs is 643 hours and
10 59 starts. This value far exceeds the operational limitations in the CSR tariff.
11 Moreover, existing CSR customers can terminate their CSR contracts with only six
12 months' notice and new customers have a minimum contract term of just one year,
13 further differentiating this resource from a physical resource. It is therefore
14 unreasonable to use the fully loaded cost of a CT for the calculation of the value for
15 CSR, and suggests a markedly lower value for CSR curtailment would be appropriate.

16 Fortunately, determining what would be a more appropriate CSR value does
17 not have to occur in a vacuum; recent data are available to review in determining
18 what would be a reasonable base CSR credit. For example, the purchase price of
19 Bluegrass CTs the Companies recently negotiated, and the most recent PJM demand-
20 response auction. The purchase price for the Bluegrass CTs was \$222/kW, which,
21 using a 10% carrying cost, would yield a CSR-equivalent value of \$1.85/kW-month.
22 The most recent PJM demand response auction generated a \$3.83/kW-month result
23 for 2014-15. Values in the auction were considerably less in 2012-13 at \$0.50/kW-

1 month and \$0.84/kW-month for 2013-14. Based on these data, offering a
2 transmission-level credit of \$2.75/kVA-month and a primary-level credit of
3 \$2.80/kVA-month for CSR10 strikes a reasonable balance between capacity-market
4 prices and the desire to encourage demand response.

5 But to justify even this reduced CSR credit requires removing the restriction
6 on the circumstances under which LG&E can use physical curtailment. Although
7 increasing the number of hours of physical curtailment available would increase the
8 value of the CSRs to LG&E and its non-CSR customers, LG&E's CSR customers
9 have expressed a strong desire to limit the hours of physical interruption to no more
10 than 100 hours. LG&E therefore proposes to eliminate the current "system reliability
11 event" restriction on its ability to request physical curtailment of CSR customers'
12 loads. The physical assets LG&E controls have no such restriction. Thus, to justify
13 even a reduced CSR credit of \$2.75/kVA-month, LG&E proposes to remove the
14 current restriction.

15 **Q. What will be the effect of changing the CSRs as LG&E proposes?**

16 A. The result of changing the CSRs as LG&E proposes will be to bring the amount of
17 the CSR credits more in line with the actual economic value CSR customers provide.
18 This approach should still provide CSR customers with a healthy incentive to
19 participate in the program while ensuring non-CSR customers receive a fair value for
20 the credits they provide.

21

1 **Programs to Encourage Conservation and Green Energy**

2 **Q. What steps have the Companies taken to encourage energy conservation and to**
3 **permit customers to “go green”?**

4 A. The Companies have taken numerous steps to encourage energy conservation and to
5 permit customers to “go green.” First and foremost, the Companies are the clear
6 leaders in Demand-Side Management and Energy Efficiency (“DSM-EE”) programs
7 in Kentucky, having been involved in such programs for almost twenty years and
8 recently expanding and reconfiguring their DSM-EE portfolio. Second, the
9 Companies have several different tariff structures to permit customers who wish to
10 self-generate with renewable or other kinds of generation to do so while still
11 receiving service from the Companies. Third, the Companies offer a Green Energy
12 Rider and Low-Emission Vehicle (“LEV”) Rate for customers who desire to “go
13 green” by encouraging lower carbon emissions. Fourth and finally, the Companies’
14 personnel involved in these matters periodically consult with their counterparts
15 throughout the PPL family of companies to share best practices and to further our
16 goal to continue to improve and expand the Companies’ DSM-EE, “green,” and
17 related offerings to our customers, all in a manner consistent with our commitment
18 and obligation to provide lowest-reasonable-cost service safely and reliably to all
19 customers.

20 **Q. Please describe briefly the Companies’ leadership in DSM-EE programs in**
21 **Kentucky.**

22 A. LG&E first applied for DSM programs on a pilot basis on April, 21, 1993, which the
23 Commission approved in Case No. 93-150 on November 12, 1993. Since then, the
24 Companies have expanded and improved their portfolio of DSM-EE programs to

1 include numerous residential and commercial offerings. They are currently in the
2 process of implementing the portfolio changes the Commission approved in Case No.
3 2011-00134. The Companies' current and soon-to-be-implemented DSM-EE
4 program offerings provide customers a wide array of options for reducing their
5 electric demand and energy usage, from the long-standing residential and commercial
6 load-control programs to residential and commercial energy-efficiency rebate
7 programs. Through the end of the test year, the Companies' DSM-EE programs
8 produced cumulative energy savings of over 900,000 MWh, gas savings of over 15
9 million Ccf, and a cumulative demand reduction of 226 MW. For large industrial
10 customers, the Companies provide CSR options to compensate such customers for the
11 value of being able to interrupt their service—in other words, to decrease their
12 demand—at times of peak need, which is a form of demand-side management.
13 Therefore, the Companies are currently providing and continue to work to provide
14 conservation-minded customers plentiful options to achieve their conservation and
15 bill-reduction goals.

16 **Q. What options are available for customers who desire to self-generate?**

17 A. The Companies offer three tariff options for customers who desire to self-generate:
18 Net Metering Service (Rider NMS), Small Capacity Cogeneration Qualifying
19 Facilities (Rider SQF), and Large Capacity Cogeneration Qualifying Facilities (Rider
20 LQF). These options permit customers who self-generate on their own property to do
21 so while remaining connected to the Companies' facilities to provide any additional
22 energy such customers may need. All three of the tariff options provide a means of
23 compensating customers who self-generate beyond their own energy requirements.

1 **Q. Please describe further the tariff options the Companies provide for customers**
2 **who desire to “go green.”**

3 A. The Companies provide two explicitly “green” tariff options to customers. The first
4 is the Green Energy Rider. The Green Energy Rider enables customers to contribute
5 funds to be used to purchase Renewable Energy Certificates, which directly support
6 renewable energy sources as they produce verifiable amounts of energy. It is an
7 entirely voluntary program in which over one thousand customers participate.

8 The second “green” option the Companies offer is the Low-Emission Vehicle
9 rate. The LEV rate is available to residential customers who invest in battery-
10 powered vehicles or natural-gas-powered vehicles that use the electricity supplied
11 under Rate LEV to power natural-gas filling stations at their residences. The time-
12 differentiated rates offered under Rate LEV enable participating customers to enjoy
13 reduced off-peak rates during hours when it is most likely they will need the energy
14 to charge or power the fueling of their cars.

15 **Q. How is the Companies’ approach to these conservation and “green” programs**
16 **and tariff options consistent with the Companies’ commitment to providing low-**
17 **cost service?**

18 A. The Companies’ foremost responsibility is to provide lowest-reasonable-cost service
19 safely and reliably to all customers. Therefore, where programs, such as the
20 Companies’ DSM-EE programs, are part of a lowest-reasonable-cost solution to
21 providing service to all customers, the Companies proudly take ownership of them.
22 That is also true of the renewable resources, as the Companies have demonstrated by
23 their work to refurbish the Ohio Falls hydroelectric facility.

1 But as the Companies demonstrated conclusively in their most recent IRP and
2 generation CPCN cases, fossil-fueled generation remains the least-reasonable-cost
3 means of providing the capacity and energy their customers need and desire.
4 Moreover, it appears that will continue to be the case for decades to come. But that is
5 all the more reason for the Companies to provide their customers options to
6 encourage or even generate “green” energy; it enables customers to achieve their
7 goals while the Companies continue to fulfill their mandate to all customers.

8 **Administrative Case No. 2008-00408**

9 **Q. The Commission’s October 6, 2011 Order in Administrative Case No. 2008-**
10 **00408 states, “In each rate case, the subject electric utility shall fully explain its**
11 **consideration of cost-effective energy efficiency resources and the impact of such**
12 **resources on its test year.”¹⁸ Although the order is not binding on the**
13 **Companies because the Commission has granted rehearing in that proceeding,**
14 **how has LG&E considered such resources, and what impact have they had on**
15 **LG&E’s test year?**

16 **A.** During the test year, the Companies filed an application seeking revisions to, and an
17 expansion of, their current DSM-EE offerings in Case No. 2011-00134.¹⁹ The
18 Commission approved the Companies’ application on November 9, 2011.²⁰ (Rather
19 than recite at length the contents of that application and the testimony that

¹⁸ *In the Matter of: Consideration of the New Federal Standards of the Energy Independent and Security Act of 2007*, Case No. 2008-00408, Order at 24 (Oct. 6, 2011).

¹⁹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New Demand-Side Management and Energy Efficiency*, Case No. 2011-00134, Application (April 14, 2011).

²⁰ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New Demand-Side Management and Energy Efficiency*, Case No. 2011-00134, Order (Nov. 9, 2011).

1 accompanied it, I respectfully refer the Commission to the record of that proceeding.)
2 As the electric utilities offering the most extensive DSM-EE programs in the
3 Commonwealth, the Companies are not just considering such programs, but are
4 successfully implementing them on a large scale. Indeed, in its final order in Case
5 No. 2011-00375, the Commission “recognize[d] that the ICF Report indicated that the
6 Joint Applicants’ DSM portfolio contained many elements of best practices, including
7 cost effectiveness, broad targeting, and flexible design.”²¹

8 Also, the Companies consider and evaluate such programs in their Integrated
9 Resource Planning, and assume that such programs will deliver the forecasted results
10 when making generation investment decisions, as the Companies demonstrated in
11 their recent application for additional generating resources in Case No. 2011-00375.

12 Through the end of the test year, LG&E’s DSM-EE programs achieved a total
13 demand reduction of 136 MW, and in the test year alone produced energy savings of
14 over 200,000 MWh.

15 Finally, in accordance with the Commission’s May 3, 2012 Order in Case No.
16 2011-00375, the Companies issued a request for proposals for a vendor to conduct a
17 DSM-EE potential and market-characterization study to determine what additional
18 DSM-EE potential may exist for the Companies’ service territory. The Companies
19 are currently reviewing the proposals and expect to select a vendor in July. The
20 Companies look forward to receiving the results of the study and to providing it to the
21 Commission.

²¹ *Id.* at 18.

1 **Q. The Commission’s October 6, 2011 Order in Administrative Case No. 2008-**
2 **00408 further states, “At each of the LDCs’ rate cases subsequent to the date of**
3 **this order, the subject LDC will be required to provide its most current energy**
4 **efficiency policy and respond to appropriate interrogatories related to the**
5 **policy.”²² Although the order is not binding on LG&E because the Commission**
6 **has granted rehearing in that proceeding, what is LG&E’s most current gas**
7 **energy efficiency policy?**

8 A. LG&E’s DSM-EE programs extend to gas customers, although there are not currently
9 any gas-specific DSM-EE programs. LG&E’s overall DSM-EE efforts have
10 produced gas savings of over 3 million Ccf in the test year alone. LG&E will
11 continue to explore additional gas energy efficiency opportunities after it receives the
12 study discussed above.

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

14 A. Yes.

²² *In the Matter of: Consideration of the New Federal Standards of the Energy Independent and Security Act of 2007*, Case No, 2008-00408, Order at 77 (Oct. 6, 2011).

APPENDIX A

Lonnie E. Bellar

LG&E and KU Energy LLC
220 West Main Street
Louisville, Kentucky 40202

Education

Bachelors in Electrical Engineering;
University of Kentucky, May 1987
Bachelors in Engineering Arts;
Georgetown College, May 1987
E.ON Academy, Intercultural Effectiveness Program: 2002-2003
E.ON Finance, Harvard Business School: 2003
E.ON Executive Pool: 2003-2007
E.ON Executive Program, Harvard Business School: 2006
E.ON Academy, Personal Awareness and Impact: 2006

Professional Experience

E.ON U.S. LLC

Vice President, State Regulation and Rates	Aug. 2007 – Present
Director, Transmission	Sept. 2006 – Aug. 2007
Director, Financial Planning and Controlling	April 2005 – Sept. 2006
General Manager, Cane Run, Ohio Falls and Combustion Turbines	Feb. 2003 – April 2005
Director, Generation Services	Feb. 2000 – Feb. 2003
Manager, Generation Systems Planning	Sept. 1998 – Feb. 2000
Group Leader, Generation Planning and Sales Support	May 1998 – Sept. 1998

Kentucky Utilities Company

Manager, Generation Planning	Sept. 1995 – May 1998
Supervisor, Generation Planning	Jan. 1993 – Sept. 1995
Technical Engineer I, II and Senior, Generation System Planning	May 1987 – Jan. 1993

Professional Memberships

IEEE

Civic Activities

E.ON U.S. Power of One Co-Chair – 2007
Louisville Science Center – Board of Directors – 2008 – Present
Chairman of Louisville Science Center Board beginning June 2012
Metro United Way Campaign – 2008
UK College of Engineering Advisory Board – 2009 – Present

Bellar Exhibit 1

Sample Forms for Gas Line Tracker

**Louisville Gas and Electric Company
GLT by Rate Schedule**

Line No.	Rate Schedule	Total Revenue as Approved in Case No. 2012-00222	Allocation Percent	Revenue Requirement	Billing Determinants	Monthly GSR Factor
	(1)	(2)	(3)	(4)	(5)	(6)
1	RGS,VFD					
2	CGS					
3	IGS					
4	AAGS					
5	Total	<hr/> <hr/> <hr/>				

**Louisville Gas and Electric Company
GLT Annual Revenue Requirement**

Line No.	Description	Actual Through (Date)	Activity Through (Date)	Total As of (Date)	Reference
	(1)	(2)	(3)	(4)	(5)
	<u>Rate Base</u>				
1	Gas Plant Investment				Form 1.5
2	Cost of Removal				Form 1.5
3	Accumulated Depreciation Reserve				
4	Net Gas Plant				
5	Accumulated Deferred Taxes				Form 1.4
6	Net Rate Base				
7	Rate of Return				Form 1.3
8	Return on Net Rate Base				
9	<u>Operating Expenses</u>				
10	Annualized Depreciation				Form 1.2
11	Incremental Operation & Maintenance				Form 1.5
12	Total Operating Expenses				
14	Annual Revenue Requirement				
15	Balancing Adjustment				Form 1.7
16	Total Annual Revenue Requirement				

**Louisville Gas and Electric Company
GLT Book Depreciation**

Line No.	Description	Account No.	20xx Beginning Plant Balance	Depr Rates	Depr on Beginning Balance	20xx Additions and Retirements	Current Year Depr on Adds/Ret	Current Year Annualized Depreciation	20xx Ending Plant Balance
	(1)	(2)	(3)	(4)	(5)=(3)*(4)	(6)	(7)=(4)*(6)*50%	(8)=(6)*(4)	(9)=(6)+(3)
<u>Additions</u>									
1	Mains	376							
2	Services-Lines	380							
3	Services-Risers	380							
4	Ongoing Capital								
5	Total Additions		_____		_____				_____
<u>Retirements</u>									
6	Mains	376							
7	Services-Lines	380							
8	Services-Risers	380							
9	Total Retirements		_____		_____				_____
10	<u>Total Plant</u>								
<u>Cost of Removal</u>									
11	Mains	376							
12	Services-Lines	380							
13	Services-Risers	380							
14	Total Cost of Removal		_____		_____				_____

Louisville Gas and Electric Company
GLT Rate of Return

Line No.	Capital Structure	Ratio	Cost	Weighted Cost	Tax Gross-up @ 38.9%	Rate of Return Adjusted for Income Taxes
	(1)	(2)	(3)	(4)	(5)	(6)
1	Short-Term Debt					
2	Long-Term Debt					
3	Equity					
4	Total					

Louisville Gas and Electric Company
GLT Accumulated Deferred Taxes

Line No.	MACRS Tax Rate Life Rates	Year	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	2015 Year 4 Additions	2016 Year 5 Additions	2017 Year 6 Additions	2018 Year 7 Additions	Annual Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ 38.9%	Accumulated Deferred Taxes
1	20-year														
2	Repairs														
Tax Depreciation															
3	0.037500	1	-							-					
4	0.072190	2	-	-						-					
5	0.066770	3	-	-	-					-					
6	0.061770	4	-	-	-	-				-					
7	0.057130	5	-	-	-	-	-			-					
8	0.052850	6	-	-	-	-	-	-		-					
9	0.048880	7	-	-	-	-	-	-	-	-					
10	0.045220	8	-	-	-	-	-	-	-	-					
11	0.044620	9	-	-	-	-	-	-	-	-					
12	0.044610	10	-	-	-	-	-	-	-	-					
13	0.044620	11	-	-	-	-	-	-	-	-					
14	0.044610	12	-	-	-	-	-	-	-	-					
15	0.044620	13	-	-	-	-	-	-	-	-					
16	0.044610	14	-	-	-	-	-	-	-	-					
17	0.044620	15	-	-	-	-	-	-	-	-					
18	0.044610	16	-	-	-	-	-	-	-	-					
19	0.044620	17	-	-	-	-	-	-	-	-					
20	0.044610	18	-	-	-	-	-	-	-	-					
21	0.044620	19	-	-	-	-	-	-	-	-					
22	0.044610	20	-	-	-	-	-	-	-	-					
23	0.022310	21	-	-	-	-	-	-	-	-					
24	-	22		-	-	-	-	-	-	-					
25	-	23			-	-	-	-	-	-					
26	-	24				-	-	-	-	-					
27	-	25					-	-	-	-					
28	-	26						-	-	-					
29	-	27							-	-					

Louisville Gas and Electric Company
GLT Balancing Adjustment

Line No.	Description	Amount
	(1)	(2)
1	Actual GLT Revenue for period ending XX	
2	Actual Annual Revenue Requirement for period ending XX	
3	Balancing Adjustment (Line 1 - 2)	

Bellar Exhibit 2

Calculation of Gas Line Tracker Charges

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
CLASS ALLOCATION AND BILL IMPACT**

Line No.	Rate Schedule	Total Current Revenue for YE		Revenue Requirement	Number of Bills	Monthly Rate Per Bill
		3/31/12 in Case No. 2012-00222	Allocation Percent			
2013						
1	Residential Gas Service - Rate RGS (Note 1)	\$157,968,420	67.76%	\$8,200,650	3,492,362	\$2.35
2	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$3,580,891	308,576	\$11.60
3	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$242,355	2,599	\$93.25
4	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$78,163	152	\$514.23
5	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$12,102,060</u>	<u>3,803,689</u>	
2014						
6	Residential Gas Service - Rate RGS	\$157,968,420	67.76%	\$11,694,975	3,492,362	\$3.35
7	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$5,106,722	308,576	\$16.55
8	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$345,624	2,599	\$132.98
9	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$111,469.10	152	\$733.35
10	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$17,258,790</u>	<u>3,803,689</u>	
2015						
11	Residential Gas Service - Rate RGS	\$157,968,420	67.76%	\$16,387,215	3,492,362	\$4.69
12	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$7,155,632	308,576	\$23.19
13	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$484,294	2,599	\$186.34
14	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$156,192.56	152	\$1,027.58
15	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$24,183,334</u>	<u>3,803,689</u>	
2016						
16	Residential Gas Service - Rate RGS	\$157,968,420	67.76%	\$21,250,047	3,492,362	\$6.08
17	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$9,279,034	308,576	\$30.07
18	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$628,006	2,599	\$241.63
19	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$202,541.99	152	\$1,332.51
20	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$31,359,629</u>	<u>3,803,689</u>	
2017						
21	Residential Gas Service - Rate RGS	\$157,968,420	67.76%	\$23,624,850	3,492,362	\$6.76
22	Commercial Gas Service - Rate CGS	\$68,978,406	29.59%	\$10,316,014	308,576	\$33.43
23	Industrial Gas Service - Rate IGS	\$4,668,469	2.00%	\$698,189	2,599	\$268.64
24	As-Available Gas Service - Rate AAGS	\$1,505,655	0.65%	\$225,177.11	152	\$1,481.43
25	Total	<u>\$233,120,949</u>	<u>100.00%</u>	<u>\$34,864,231</u>	<u>3,803,689</u>	

Note 1: Rate Schedule VFD is included in Rate RGS

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
REVENUE REQUIREMENT**

Line No.	Description	2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	2016 Year 5	2017 Year 6
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Rate Base							
1	Gas Plant Investment	13,421,976	53,915,199	102,118,032	152,924,298	205,648,056	234,200,100
2	Cost of Removal	681,891	3,282,224	6,266,609	8,601,251	11,160,954	12,462,268
3	Accumulated Depreciation Reserve	617,089	4,225,046	6,531,259	7,443,466	6,882,621	3,752,874
4	Net Gas Plant	<u>14,720,956</u>	<u>61,422,469</u>	<u>114,915,900</u>	<u>168,969,015</u>	<u>223,691,631</u>	<u>250,415,242</u>
5	Accumulated Deferred Taxes	<u>(1,984,525)</u>	<u>(5,798,735)</u>	<u>(10,542,358)</u>	<u>(15,932,942)</u>	<u>(20,169,794)</u>	<u>(23,624,694)</u>
6	Net Rate Base	12,736,431	55,623,734	104,373,541	153,036,073	203,521,837	226,790,548
7	Rate of Return	<u>11.69%</u>	<u>11.69%</u>	<u>11.69%</u>	<u>11.69%</u>	<u>11.69%</u>	<u>11.69%</u>
8	Return on Net Rate Base	<u>1,489,430</u>	<u>6,504,780</u>	<u>12,205,705</u>	<u>17,896,424</u>	<u>23,800,356</u>	<u>26,521,458</u>
Operating Expenses							
9	Annualized Depreciation	277,664	1,450,227	2,896,648	4,405,160	5,964,246	7,046,368
10	Incremental Operation & Maintenance	<u>-</u>	<u>4,147,054</u>	<u>2,156,437</u>	<u>1,881,751</u>	<u>1,595,027</u>	<u>1,296,405</u>
11	Total Operating Expenses	277,664	5,597,281	5,053,085	6,286,911	7,559,273	8,342,773
12	<u>Total Annual Revenue Requirement</u>	<u><u>1,767,095</u></u>	<u><u>12,102,060</u></u>	<u><u>17,258,790</u></u>	<u><u>24,183,334</u></u>	<u><u>31,359,629</u></u>	<u><u>34,864,231</u></u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CAPITAL AND OPERATING COSTS BY YEAR**

Description	2012	2013	2014	2015	2016	2017
Main Capex	\$12,844,209	\$20,071,157	\$21,044,331	\$23,052,000	\$24,273,471	\$0
Main Retirements	(\$684,813)	(\$1,011,643)	(\$1,019,821)	(\$1,102,203)	(\$1,160,606)	\$0
Service Line Capex	\$1,333,688	\$1,680,450	\$1,738,915	\$1,785,000	\$1,834,000	\$0
Service Line Retirements	(\$71,108)	(\$84,699)	(\$84,269)	(\$85,348)	(\$87,690)	\$0
Riser Capex	\$0	\$16,814,074	\$23,307,809	\$23,743,206	\$24,247,299	\$24,724,972
Riser Retirements	\$0	(\$3,375,560)	(\$3,375,560)	(\$3,375,560)	(\$3,375,560)	(\$3,375,560)
Service Capex	\$0	\$6,399,445	\$6,591,428	\$6,789,171	\$6,992,846	\$7,202,632
Gas Plant Investment	\$13,421,976	\$40,493,223	\$48,202,833	\$50,806,266	\$52,723,759	\$28,552,044
Main Cost of Removal	\$378,111	\$1,300,434	\$1,350,228	\$666,000	\$853,529	\$0
Service Line Cost of Removal	\$303,780	\$414,948	\$407,430	\$419,000	\$430,000	\$0
Riser Cost of Removal	\$0	\$884,951	\$1,226,727	\$1,249,642	\$1,276,174	\$1,301,314
Cost of Removal	\$681,891	\$2,600,333	\$2,984,385	\$2,334,642	\$2,559,703	\$1,301,314
Leak Survey Opex	\$0	\$903,458	\$663,025	\$450,950	\$229,917	\$0
Ongoing Opex	\$0	\$1,151,839	\$1,186,394	\$1,221,986	\$1,258,646	\$1,296,405
Accelerated Riser Opex	\$0	\$2,091,757	\$307,018	\$208,815	\$106,464	\$0
Incremental Operation & Maintenance	\$0	\$4,147,054	\$2,156,437	\$1,881,751	\$1,595,027	\$1,296,405

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
RATE OF RETURN**

Line No.	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Tax Gross-up @ 38.9%</u> (5)	<u>Rate of Return Adjusted for Income Taxes</u> (6)
1	Short term debt	0.00%	0.41%	0.00%		0.00%
2	Long term debt	44.36%	3.78%	1.68%		1.68%
3	Common equity	<u>55.64%</u>	11.00%	<u>6.12%</u>	<u>3.90%</u>	<u>10.02%</u>
4	Total	100.00%		7.80%	3.90%	11.69%

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
2013 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>2013 Beginning Plant Balance</u> (3)	<u>Depr Rates</u> (4)	<u>Depr on Beginning Balance</u> (5)=(3)*(4)	<u>2013 Additions and Retirements</u> (6)	<u>Current Year Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Year Annualized Depreciation</u> (8)=(6)*(4)	<u>2013 Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	-	1.89%	-	-	-	-	-
2	Services-Lines	380	-	3.79%	-	-	-	-	-
3	Services-Risers	380	-	3.79%	-	-	-	-	-
4	Ongoing Capital		-	3.79%	-	-	-	-	-
5	Total Additions		-		-	-	-	-	-
<u>Retirements</u>									
6	Mains	376	-	1.89%	-	-	-	-	-
7	Services-Lines	380	-	3.79%	-	-	-	-	-
8	Services-Risers	380	-	3.79%	-	-	-	-	-
9	Total Retirements		-		-	-	-	-	-
10	<u>Total Plant</u>		-		-	-	-	-	-
<u>Cost of Removal</u>									
11	Mains	376	-						
12	Services-Lines	380	-						
12	Services-Risers	380	-						
14	Total Cost of Removal		-		-	-	-	-	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
2014 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>2014 Beginning Plant Balance</u> (3)	<u>Depr Rates</u> (4)	<u>Depr on Beginning Balance</u> (5)=(3)*(4)	<u>2014 Additions and Retirements</u> (6)	<u>Current Year Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Year Annualized Depreciation</u> (8)=(6)*(4)	<u>2014 Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	-	1.89%	-	-	-	-	-
2	Services-Lines	380	-	3.79%	-	-	-	-	-
3	Services-Risers	380	-	3.79%	-	-	-	-	-
4	Ongoing Capital		-	3.79%	-	-	-	-	-
5	Total Additions		-		-	-	-	-	-
<u>Retirements</u>									
6	Mains	376	-	1.89%	-	-	-	-	-
7	Services-Lines	380	-	3.79%	-	-	-	-	-
8	Services-Risers	380	-	3.79%	-	-	-	-	-
9	Total Retirements		-		-	-	-	-	-
10	<u>Total Plant</u>		-		-	-	-	-	-
<u>Cost of Removal</u>									
11	Mains	376	-		-	-	-	-	-
12	Services-Lines	380	-		-	-	-	-	-
12	Services-Risers	380	-		-	-	-	-	-
14	Total Cost of Removal		-		-	-	-	-	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
2015 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>2015 Beginning Plant Balance</u> (3)	<u>Depr Rates</u> (4)	<u>Depr on Beginning Balance</u> (5)=(3)*(4)	<u>2015 Additions and Retirements</u> (6)	<u>Current Year Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Year Annualized Depreciation</u> (8)=(6)*(4)	<u>2015 Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	-	1.89%	-	-	-	-	-
2	Services-Lines	380	-	3.79%	-	-	-	-	-
3	Services-Risers	380	-	3.79%	-	-	-	-	-
4	Ongoing Capital		-	3.79%	-	-	-	-	-
5	Total Additions		-		-	-	-	-	-
<u>Retirements</u>									
6	Mains	376	-	1.89%	-	-	-	-	-
7	Services-Lines	380	-	3.79%	-	-	-	-	-
8	Services-Risers	380	-	3.79%	-	-	-	-	-
9	Total Retirements		-		-	-	-	-	-
10	<u>Total Plant</u>		-		-	-	-	-	-
<u>Cost of Removal</u>									
11	Mains	376	-		-	-	-	-	-
12	Services-Lines	380	-		-	-	-	-	-
12	Services-Risers	380	-		-	-	-	-	-
14	Total Cost of Removal		-		-	-	-	-	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
2016 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>2016 Beginning Plant Balance</u> (3)	<u>Depr Rates</u> (4)	<u>Depr on Beginning Balance</u> (5)=(3)*(4)	<u>2016 Additions and Retirements</u> (6)	<u>Current Year Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Year Annualized Depreciation</u> (8)=(6)*(4)	<u>2016 Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	-	1.89%	-	-	-	-	-
2	Services-Lines	380	-	3.79%	-	-	-	-	-
3	Services-Risers	380	-	3.79%	-	-	-	-	-
4	Ongoing Capital		-	3.79%	-	-	-	-	-
5	Total Additions		-		-	-	-	-	-
<u>Retirements</u>									
6	Mains	376	-	1.89%	-	-	-	-	-
7	Services-Lines	380	-	3.79%	-	-	-	-	-
8	Services-Risers	380	-	3.79%	-	-	-	-	-
9	Total Retirements		-		-	-	-	-	-
10	<u>Total Plant</u>		-		-	-	-	-	-
<u>Cost of Removal</u>									
11	Mains	376	-		-	-	-	-	-
12	Services-Lines	380	-		-	-	-	-	-
12	Services-Risers	380	-		-	-	-	-	-
14	Total Cost of Removal		-		-	-	-	-	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
2017 BOOK DEPRECIATION**

<u>Line No.</u>	<u>Description</u> (1)	<u>Account No.</u> (2)	<u>2017 Beginning Plant Balance</u> (3)	<u>Depr Rates</u> (4)	<u>Depr on Beginning Balance</u> (5)=(3)*(4)	<u>2017 Additions and Retirements</u> (6)	<u>Current Year Depr on Adds/Ret</u> (7)=(4)*(6)*50%	<u>Current Year Annualized Depreciation</u> (8)=(6)*(4)	<u>2017 Ending Plant Balance</u> (9)=(6)+(3)
<u>Additions</u>									
1	Mains	376	-	1.89%	-	-	-	-	-
2	Services-Lines	380	-	3.79%	-	-	-	-	-
3	Services-Risers	380	-	3.79%	-	-	-	-	-
4	Ongoing Capital		-	3.79%	-	-	-	-	-
5	Total Additions		-		-	-	-	-	-
<u>Retirements</u>									
6	Mains	376	-	1.89%	-	-	-	-	-
7	Services-Lines	380	-	3.79%	-	-	-	-	-
8	Services-Risers	380	-	3.79%	-	-	-	-	-
9	Total Retirements		-		-	-	-	-	-
10	<u>Total Plant</u>		-		-	-	-	-	-
<u>Cost of Removal</u>									
11	Mains	376	-			-			-
12	Services-Lines	380	-			-			-
12	Services-Risers	380	-			-			-
14	Total Cost of Removal		-		-	-	-	-	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
ANNUAL ADJUSTMENT TO THE GAS LINE TRACKER
TAX DEPRECIATION**

Line No.	MACRS Tax Life Rates	Year	2012 Year 1 Additions	2013 Year 2 Additions	2014 Year 3 Additions	2015 Year 4 Additions	2016 Year 5 Additions	2017 Year 6 Additions	Annual Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ 38.9%	Accumulated Deferred Taxes
1	20-year		9,994,129	39,083,452	46,532,746	48,604,377	55,513,616	31,927,604						
2	Repairs		4,183,768	5,881,674	6,149,737	6,765,000	1,834,000	-						
Tax Depreciation														
3	0.037500	1	4,558,548						4,558,548	681,891	138,832	5,101,607	1,984,525	1,984,525
4	0.072190	2	721,476	7,347,303					8,068,780	2,600,333	863,946	9,805,167	3,814,210	5,798,735
5	0.066770	3	667,308	2,821,434	7,894,715				11,383,457	2,984,385	2,173,438	12,194,405	4,743,623	10,542,358
6	0.061770	4	617,337	2,609,602	3,359,199	8,587,664			15,173,803	2,334,642	3,650,904	13,857,540	5,390,583	15,932,942
7	0.057130	5	570,965	2,414,185	3,106,991	3,508,750	3,915,761		13,516,651	2,559,703	5,184,703	10,891,652	4,236,853	20,169,794
8	0.052850	6	528,190	2,232,838	2,874,328	3,245,314	4,007,528	1,197,285	14,085,482	1,301,314	6,505,307	8,881,489	3,454,899	23,624,694
9	0.048880	7	488,513	2,065,560	2,658,416	3,002,292	3,706,644	2,304,854	14,226,279	-	7,046,368	7,179,911	2,792,985	26,417,679
10	0.045220	8	451,935	1,910,399	2,459,256	2,776,768	3,429,076	2,131,806	13,159,240					
11	0.044620	9	445,938	1,767,354	2,274,521	2,568,741	3,171,493	1,972,168	12,200,215					
12	0.044610	10	445,838	1,743,904	2,104,211	2,375,782	2,933,895	1,824,024	11,427,653					
13	0.044620	11	445,938	1,743,513	2,076,291	2,197,890	2,713,506	1,687,374	10,864,511					
14	0.044610	12	445,838	1,743,904	2,075,826	2,168,727	2,510,326	1,560,621	10,505,242					
15	0.044620	13	445,938	1,743,513	2,076,291	2,168,241	2,477,018	1,443,766	10,354,767					
16	0.044610	14	445,838	1,743,904	2,075,826	2,168,727	2,476,462	1,424,610	10,335,367					
17	0.044620	15	445,938	1,743,513	2,076,291	2,168,241	2,477,018	1,424,290	10,335,291					
18	0.044610	16	445,838	1,743,904	2,075,826	2,168,727	2,476,462	1,424,610	10,335,367					
19	0.044620	17	445,938	1,743,513	2,076,291	2,168,241	2,477,018	1,424,290	10,335,291					
20	0.044610	18	445,838	1,743,904	2,075,826	2,168,727	2,476,462	1,424,610	10,335,367					
21	0.044620	19	445,938	1,743,513	2,076,291	2,168,241	2,477,018	1,424,290	10,335,291					
22	0.044610	20	445,838	1,743,904	2,075,826	2,168,727	2,476,462	1,424,610	10,335,367					
23	0.022310	21	222,969	1,743,513	2,076,291	2,168,241	2,477,018	1,424,290	10,112,322					
24	-	22		871,952	2,075,826	2,168,727	2,476,462	1,424,610	9,017,577					
25	-	23			1,038,146	2,168,241	2,477,018	1,424,290	7,107,695					
26	-	24				1,084,364	2,476,462	1,424,610	4,985,436					
27	-	25					1,238,509	1,424,290	2,662,799					
28	-	26						712,305	712,305					
29	-	27							-					
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
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51														
52														
53														
54														
55														
56														
57														
58														
59														
60														
61			14,177,897	44,965,126	52,682,483	55,369,377	57,347,616	31,927,604	256,470,103	12,462,268	25,563,497			

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**TESTIMONY OF
J. CLAY MURPHY
DIRECTOR – GAS MANAGEMENT, PLANNING, AND SUPPLY
LOUISVILLE GAS AND ELECTRIC COMPANY**

Filed: June 29, 2012

1 **Q. Please state your name and business address.**

2 A. My name is J. Clay Murphy and my business address is 820 West Broadway, Louisville,
3 Kentucky.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am the Director – Gas Management, Planning, and Supply for Louisville Gas and
6 Electric Company (“LG&E”).

7 **Q. What is your role as Director – Gas Management, Planning, and Supply?**

8 A. I am responsible for overseeing the procurement of natural gas supplies and pipeline
9 transportation services for LG&E, end-use natural gas transportation services, and
10 regulatory issues related to LG&E’s pipeline transportation service providers. I am also
11 involved in a number of other regulatory and planning activities and initiatives related to
12 LG&E’s natural gas business.

13 **Q. What is your educational background and work experience?**

14 A. I graduated from Bellarmine College in Louisville, Kentucky, with a B. A. degree in
15 Accounting in 1979. I graduated from Indiana University in Bloomington, Indiana, with
16 an M.B.A. in 1981. I was employed by LG&E in the same year in the Rate Department,
17 where I remained until 1986 when I transferred to the newly created Gas Supply
18 Department. I became manager of that department in 1989 and director in 2000. A
19 statement of my education and work experience is contained in Appendix A.

1 **Q. Have you previously testified before the Kentucky Public Service Commission**
2 **(“Commission”)?**

3 A. Yes. I submitted written testimony in the Commission’s Administrative Case No. 346,
4 “An Investigation of the Impact of the Federal Energy Regulatory Commission’s Order
5 636 on Kentucky Consumers and Suppliers of Natural Gas.” I have also submitted
6 testimony in previous rate proceedings, including Case Nos. 2000-00080, 2003-00433,
7 and 2008-00252, as well as in other proceedings before this Commission related, for
8 example to LG&E’s gas supply cost performance-based ratemaking mechanism in Case
9 Nos. 1997-00171, 2001-00017, 2005-00031, 2009-00550. Most recently, I testified in
10 Case No. 2010-00146, “An Investigation of Natural Gas Retail Competition Programs.”

11 **Q. What is the purpose of your testimony in this case?**

12 A. The purpose of my testimony is to discuss certain changes that LG&E is proposing to its
13 Gas Supply Clause (“GSC”), changes to its existing transportation programs, and certain
14 other tariff changes required to facilitate those transportation programs. I will address the
15 terms and conditions of service, and Robert M. Conroy, Director of Rates (“Mr. Conroy”) will address the various specific rates and charges. My testimony follows the following
16 format:
17

18	Gas Supply Clause Modifications	page 4
19	Findings of the Retail Choice Proceeding	page 7
20	Current Transportation Services	page 10
21	Transportation Rider TS and Rider TS-2	page 13
22	Pooling Service Rider PS-TS and Rider PS-TS-2	page 18
23	Transportation Service Rate FT	page 21

24

3 **Q. Please describe LG&E's gas system.**

4 A. LG&E's gas distribution business serves approximately 319,000 gas customers. For the
5 12 months ended March 31, 2012, LG&E's annual throughput volume was about 39 Bcf.
6 About one quarter of LG&E's throughput was gas transported for large volume
7 commercial and industrial customers; about half was gas sold to residential customers;
8 and about one quarter was gas sold to commercial customers. Therefore, the bulk of
9 LG&E's annual throughput is to high-priority, space-heating customers. LG&E is
10 somewhat unusual among local gas distribution companies in that it owns and operates a
11 large amount of on-system underground gas storage, which typically provides about half
12 of LG&E's winter sales volumes.

13
14 **I. GAS SUPPLY CLAUSE MODIFICATIONS**

15
16 **Q. Please describe LG&E's Gas Supply Clause.**

17 A. LG&E's natural gas tariff provides for the recovery of its gas costs through rates
18 determined pursuant to its GSC. Under the GSC, the expected cost of natural gas
19 supplies and remaining over- or under- collections of actual gas costs from prior periods
20 are determined quarterly subject to approval by the Commission. LG&E's GSC changes
21 quarterly effective with service rendered on and after February 1, May 1, August 1, and
22 November 1 of each year. Like other purchased gas adjustment mechanisms, LG&E's
23 GSC provides for the dollar-for-dollar recovery of all prudently incurred gas supply

1 costs. These costs include the cost of the gas commodity as well as the transportation of
2 that gas via interstate pipelines from the production area to the local distribution company
3 (“LDC”).

4 **Q. What adjustments are included in LG&E’s Gas Supply Clause to account for over
5 or under- collections from prior periods?**

6 A. The Gas Cost Actual Adjustment (“GCAA”) recovers over- and under-collections for the
7 previous 12 months and remains in effect for one year from the effective date. The Gas
8 Cost Balance Adjustment (“GCBA”) aggregates any remaining over- and under-
9 collections not resolved by the GCAA into one adjustment that remains in effect for a
10 single quarter. From start to finish, the refund (or recovery) of these over- (or under-)
11 collections takes 18 months to complete. The Refund Factor (“RF”) credits customers
12 with any cash refunds received from suppliers.

13 **Q. Please enumerate and discuss the changes being proposed by LG&E to its Gas
14 Supply Clause.**

15 A. In addition to some clarifying language, LG&E is proposing to provide for the recovery
16 of the net uncollectible gas cost portion of bad debt through the GSC. This is consistent
17 with the recovery of similar costs allowed by the Commission for other LDCs in
18 Kentucky. LG&E proposes to recover these costs by reflecting them in the GCAA and
19 GCBA components of the GSC. As a result of this proposed change, Mr. Conroy is
20 sponsoring a test year adjustment to remove the bad debt portion of gas costs from
21 revenue requirements that will now be recovered through this mechanism.

22 LG&E also proposes to reference the Commission’s Order in Case No. 7799-D requiring
23 LG&E to pay interest on cash refunds in the GSC.

1 **Q. What other change is LG&E proposing to its Gas Supply Clause?**

2 A. LG&E is proposing to establish the ability to reduce its GSC rate upon twenty (20) days'
3 notice to the Commission, and specifically asks the Commission to allow reductions with
4 twenty days' notice. While reductions in gas costs could be reflected monthly, any
5 increases in gas costs would only be reflected in LG&E's quarterly GSC filings. LG&E
6 would have the flexibility to pass along decreases in gas supply costs on a more
7 contemporaneous basis and consequently eliminate potentially large over-collections of
8 gas costs. With the ability to reduce the GSC rate upon 20 days' notice, LG&E would be
9 more likely to incur under-collections that, over the long run, might not be off-set with
10 over-collections. The potential increase in under-collections without offsetting over-
11 collections supports the need to incorporate a provision to apply carrying charges to the
12 over- and under-collections in the GSC.

13 In part, this carrying charge proposal looks to the Commission Order dated March 2,
14 2001, in Administrative Case No. 384 requiring monthly changes in gas cost recovery
15 rates to pass along gas supply cost changes in a timely fashion.¹ In other respects, it
16 reflects the ability already approved by the Commission for Duke Energy Kentucky to
17 file monthly changes in its gas cost recovery mechanism upon 20 days' notice.²

18 LG&E recognizes that the Order dated July 17, 2001, in Administrative Case No. 384
19 recommends the recovery of carrying charges if the over- or under-recovered amounts are
20 spread over 24 rather than 12 months.³ However, LG&E distinguishes its proposal from
21 the guidance provided in that Order because gas cost reductions can be reflected monthly
22 while gas cost increases are reflected quarterly.

¹ Orders in Administrative Case No. 384 dated January 30, 2001, at p. 16, and March 2, 2001, at pp. 1-5.

² Case Nos. 2003-00386 and 2006-00144.

³ Order in Administrative Case No. 384 dated July 17, 2001, at p. 15.

1 **Q. What benefits would such a change bring to LG&E’s sales customers?**

2 A. Among other benefits, the proposed change would make LG&E’s gas rates more
3 indicative of the market by mitigating price distortions arising from prior month’s over-
4 collections, and by allowing LG&E to reduce in a timely manner its gas cost recovery
5 rate in response to a reduction in expected gas costs. Customers would continue to be
6 protected from upward price volatility during the quarter because the GSC will not
7 change for the quarter in response to an increase in expected gas costs.

8
9 **II. FINDINGS OF THE RETAIL CHOICE PROCEEDING**

10
11 **Q. Please summarize the findings of the Commission in its December 28, 2010, Order
12 in Case No. 2010-00146.**

13 A. The Commission’s Order in Administrative Case No. 2010-00146 dated December 28,
14 2010, was issued to address the General Assembly’s questions regarding natural gas retail
15 choice for residential and small commercial customers. The Commission’s report did not
16 lend itself to supporting an extension of retail choice across Kentucky. However, the
17 report did state in its findings that “existing transportation thresholds bear further
18 examination, and the Commission will evaluate each LDC’s tariffs and rate design in
19 each LDC’s next general rate proceeding.”⁴ Importantly, the Commission said it was
20 appropriate to evaluate each LDC’s existing transportation tariffs “within the context of
21 the operation of their distribution systems and the maintenance of system integrity.”⁵

22

⁴ See Report to the General Assembly attached as an appendix to the Order dated December 28, 2010, in Case No. 2010-00146, p. 23.

⁵ Ibid. p. 16.

1 **Q. In Administrative Case No. 2010-00146, what did the Commission conclude with**
2 **respect to retail choice for residential and small commercial and industrial**
3 **customers?**

4 A. The Commission found that with respect to residential and small non-residential
5 customers that “[c]ertainly, there is no assurance of savings on the cost of gas, but the
6 incurrence of stranded costs, transition costs, and additional regulatory costs is virtually
7 guaranteed.”⁶

8 **Q. Did the Commission present any support for its conclusion regarding added costs**
9 **paid by residential customers as a result of participation in choice programs?**

10 A. Yes. The Commission cited Table 24 of the Energy Information Administration (“EIA”)
11 Natural Gas Annual Report 2008 which includes a comparison of the average price of
12 natural gas delivered to residential and commercial customers by LDCs and marketers in
13 eight states for 2007 and 2008.⁷ Combined with other information presented in LG&E’s
14 testimony in Administrative Case 2010-00146, Table 24 indicates that residential
15 customers are likely to pay more for natural gas when participating in a choice program.

16 **Q. Can you infer from Table 24 that the higher average price paid by residential**
17 **customers participating in choice programs is the result of paying a higher price for**
18 **the gas commodity combined with the costs of those programs?**

19 A. Yes. At the bottom of Table 24, EIA notes that “[l]ocalized tariff rates, distinct
20 contract/pricing options, and contract timing may affect the price differential between
21 marketers and licensed distribution companies.”⁸ Other than the costs incurred to
22 facilitate retail choice programs, residential customers generally pay the LDC the same

⁶ Ibid. p. 15.

⁷ See Appendix C to the Order dated December 28, 2010, in Case No. 2010-00146.

⁸ Ibid.

1 non-gas charges for the firm LDC service that they receive irrespective of whether or not
2 they participate in a customer choice program. From this understanding, it can be
3 inferred that both higher gas commodity costs and the costs of facilitating retail choice
4 programs result in a higher total rate for customers participating in choice programs.
5 Therefore, the comparison for residential customers is close to an apples-to-apples
6 comparison.

7 **Q. In Administrative Case No. 2010-00146, what did the Commission conclude**
8 **regarding participation by commercial customers in choice programs?**

9 A. The Commission noted that “[t]he EIA data on marketer and LDC prices for commercial
10 customers, contrary to the data on prices for residential customers, reflects that the
11 average marketer price was lower than the average LDC price in the majority of states.”⁹
12 However, the Commission did not make a determination based on the 2007 and 2008
13 EIA data that commercial and industrial customers will indeed achieve gas cost savings
14 as a result of participating in gas transportation programs. The Commission concluded
15 only that “LDCs are best equipped to propose and implement their own systems’
16 products and programs....”¹⁰

17 **Q. Does Table 24 indicate whether or not commercial customers have achieved gas**
18 **commodity savings by participating in choice programs?**

19 A. Unlike the residential customer comparison, it is less clear from Table 24 whether or not
20 commercial customers have achieved gas commodity savings by participating in choice
21 programs. Unlike residential customers, commercial customers, who as a class are less
22 homogeneous than residential customers, almost certainly have more than one applicable

⁹ Ibid. p. 16.

¹⁰ Ibid. p. 16.

1 rate schedule from which they may choose to receive gas service from the LDC,
2 depending on the customer's consumption and applicable character of service. The fact
3 that a variety of rates and schedules are available to commercial customers may indicate
4 that with respect to commercial customers Table 24 is an apples-to-oranges comparison.

5 **Q. Given the Commission's findings in Administrative Case No. 2010-00146, is LG&E**
6 **proposing to expand transportation service?**

7 A. Yes. LG&E is proposing to introduce a transportation service with an annual threshold
8 that will provide additional qualifying large volume commercial and industrial customers
9 an opportunity to transport their own gas supplies. The lower qualification threshold
10 under proposed Rider TS-2 combined with its other proposed features and the
11 accompanying modifications to Rate FT will allow LG&E to accommodate increased
12 availability of transportation service while preserving system reliability and integrity for
13 all customers.

14
15 **III. CURRENT TRANSPORTATION SERVICES**

16
17 **Q. What kinds of transportation services are offered by LG&E?**

18 A. LG&E currently provides two natural gas transportation services, each with a
19 significantly different character of service. Under Rider TS transportation service,
20 LG&E provides customers with a level of service and reliability equivalent to sales
21 service, while at the same time allowing them the option to purchase natural gas supply
22 from a third-party. Under Rate FT transportation service, LG&E provides customers

1 with a firm re-delivery service but LG&E has no obligation to provide any gas supplies
2 or any firm balancing services.

3 **Q. Briefly, please describe the nature of the changes that LG&E is proposing to its**
4 **natural gas transportation services.**

5 A. LG&E is proposing to withdraw Rider TS which includes a threshold of either 50 Mcf
6 per day or 50,000 Mcf per year. In its place, LG&E is proposing a new Rider TS-2 with
7 a single threshold of 25,000 Mcf per year. Almost all of the other features of Rider TS-2
8 and its associated pooling service as well as changes being proposed to Rate FT and its
9 associated pooling service are designed to work together to accommodate additional
10 transportation volumes without diminishing system reliability or shifting costs.
11 Importantly, LG&E is not proposing to alter the qualification threshold of 50 Mcf per day
12 under Rate FT.

13 **Q. How has your experience with Rate FT customers influenced your proposals with**
14 **respect to Rider TS-2 and its associated pooling service?**

15 A. There is considerable risk associated with the LDC's role in the management of customer
16 loads served under Rate FT. Customers served under Rate FT (or their Pool Managers
17 served under Rider PS-FT) manage their own upstream pipeline resources. LG&E is
18 unable to either specify or determine the kind of interstate pipeline transportation
19 capacity being utilized or its firmness. This concern is compounded by the fact that Rate
20 FT customers (or their Pool Managers), despite the fact that they are process gas
21 consumers, are often unable to nominate their gas supplies with any degree of accuracy.
22 While LG&E has no obligation to serve Rate FT customers with natural gas in the event
23 that their supplies fail to match their use, discontinuing gas service to these customers

1 may be impractical. Still LG&E has no resources (*e.g.*, interstate pipeline transportation
2 capacity and storage) to provide gas service to them. Expanding service under Rate FT to
3 serve low load factor and space-heating customers expands the risks associated with
4 serving all customer loads. Consequently, LG&E is proposing to provide service to large
5 volume space-heating and non-process gas users pursuant to Rider TS-2 which will
6 include features (not present in Rate FT) designed to mitigate the risk of providing
7 transportation service to these kinds of customers. LG&E believes that proposed Rider
8 TS-2 and Rider PS-TS-2, as well as changes to Rate FT and Rider PS-FT, will help to
9 maintain service reliability to both transportation customers and non-transportation
10 customers, mitigate costs associated with expanding transportation programs, and
11 mitigate cost-shifting to other customers to the greatest extent possible.

12 **Q. What major principles did LG&E consider in reviewing and updating its gas**
13 **transportation programs?**

14 A. In providing for the expansion of its large commercial and industrial transportation program,
15 LG&E has developed the following principles to guide it in proposing changes:

- 16 (1) Preservation and enhancement of system reliability;
- 17 (2) Preservation of LG&E's obligation to serve;
- 18 (3) Avoidance of stranded costs and transition costs and commensurate cost
19 shifting;
- 20 (4) Promotion of successful cost management of gas supplies for sales
21 customers; and
- 22 (5) Adherence to ratemaking principles associated with cost causation.

1 These five principles are distilled from the fifteen items the Commission required parties to
2 address in Case No. 2010-00146.¹¹ Importantly, none of the changes proposed by LG&E
3 are anticipated to modify the role of the Commission in the competitive marketplace.¹²
4

5 **IV. TRANSPORTATION RIDER TS AND RIDER TS-2**

6

7 **Q. What changes is LG&E proposing to Rider TS?**

8 A. LG&E is proposing to withdraw Rider TS effective October 31, 2013, and replace it with
9 a transportation service to be offered under Rider TS-2. Under Rider TS-2, LG&E is
10 proposing a single threshold of 25,000 Mcf per year (as opposed to the thresholds of 50
11 Mcf per day or 50,000 Mcf per year found in current Rider TS). This lower annual
12 threshold will allow LG&E to provide lower load factor, temperature-sensitive, large
13 volume gas customers with an opportunity to transport their own gas supplies.

14 **Q. Why is Rider TS-2 appropriate for lower load factor, temperature-sensitive, large** 15 **volume gas customers?**

16 A. Rider TS-2 is designed to address the firm balancing needs of lower load factor and
17 temperature-sensitive gas customers that transport their own gas supplies. These kinds of
18 customers have highly variable hourly and daily loads that are temperature dependent.
19 For example, low load factor, temperature-sensitive customers do not use significant

¹¹ See Order in Case No. 2010-00146 dated April 19, 2010, pp. 4 - 5.

¹² LG&E does not currently certify third-party marketers that provide gas supplies to customers participating in transportation programs offered under either Rate FT or Rider TS. Similarly, no code of conduct is applicable to third-party gas suppliers of customers served under either Rate FT or Rider TS. Also, LG&E does not invoice customers served under either Rate FT or Rider TS for the gas cost charges of the third-party supplier; the third-party supplier assumes responsibility for invoicing of its own charges and services. Given the proposed eligibility thresholds, no changes are proposed with respect to these items. Similarly, there is no change with respect to disconnection policies as they apply to these customers.

1 quantities of gas during the summer months, but have, however, potentially large and
2 temperature-dependent gas use during the winter months. These kinds of loads are very
3 different from the large volume process gas loads that Rate FT is designed to serve.

4 **Q. What kinds of customers are served under Rider TS-2?**

5 A. Customers served under Rider TS-2, because of the annual threshold of 25,000 Mcf can
6 be expected to have a lower load factor than customers served under Rate FT. As such,
7 LG&E will incur costs associated with having adequate storage and other facilities in
8 place in order to meet the obligation to serve and to provide the necessary hourly and
9 daily firm balancing services to customers served under Rider TS-2. These customers,
10 like sales customers, are responsible for the costs associated with the firm balancing
11 services that they require.

12 **Q. What resources are used by LG&E to provide firm balancing service to
13 transportation customers under Rider TS-2?**

14 A. Unlike Rate FT customers which generally use gas in process applications, it may be
15 impractical to isolate space-heating customers from LG&E's gas distribution system in
16 the event that their hourly and daily deliveries to LG&E do not match their requirements.
17 Yet, failure by these customers to match deliveries and requirements might jeopardize
18 LG&E's system integrity. Therefore, LG&E must utilize its on-system storage, pipeline
19 transportation capacity and gas supplies to balance the receipts and deliveries of Rider
20 TS-2 customers on a firm hourly and daily basis.

21 **Q. How are the costs associated with on-system storage, pipeline transportation
22 capacity, and gas supplies used to provide firm balancing service to Rider TS-2
23 customers recovered?**

1 A. As is currently the case with Rider TS, LG&E proposes to recover the associated costs
2 from Rider TS-2 customers through two different rate components. LG&E’s on-system
3 storage costs are recovered through the Distribution Charge. The fixed costs associated
4 with gas supplies and pipeline transportation capacity are recovered through the Pipeline
5 Supplier’s Demand Component (“PSDC”).

6 **Q. Will lowering the eligibility threshold under Rider TS be revenue neutral?**

7 A. Yes. Transportation under Rider TS-2 is revenue neutral because customers pay the same
8 distribution and customer charges as if they had been served under the otherwise
9 applicable sales rate schedule. The charges are the same because the character of service
10 is the same. Therefore, when a customer elects service under Rider TS-2, costs are not
11 shifted to other customers. Additionally, expanding service eligibility under Rider TS-2 is
12 not expected to create either stranded or transition costs.

13 **Q. Please describe the proposed “Availability of Service” section of Rider TS-2.**

14 A. In addition to the lower threshold of 25,000 Mcf per year, the “Availability of Service”
15 section of Rider TS-2 includes a service request date of March 31 prior to the annual
16 service commencement date of November 1; specifies the use of a contract year; and
17 specifies how a customer is determined to qualify (or not) for service under the rider.
18 That section also sets forth threshold levels above which (and types of customers to
19 which) service under Rider TS-2 is not applicable.

20 **Q. Please briefly describe the “Character of Service” section of Rider TS-2.**

21 A. This section describes Rider TS-2 as a firm transportation service that provides firm
22 balancing service to customers. This section requires individual customers served under
23 Rider TS-2 to join a Rider PS-TS-2 pool. In order to preserve system reliability, this

1 section requires that gas deliveries must be made to LG&E on behalf of the customer via
2 Texas Gas Transmission, LLC. This requirement is consistent with the historic delivery
3 practices of Rider TS customers. Lastly, this section states that pools operated pursuant
4 to Rider PS-TS-2 are subject to Action Alerts and balancing charges as further described
5 in Rider PS-TS-2.

6 **Q. What new rates and charges are proposed for Rider TS-2?**

7 A. Three new rate components are being proposed for Rider TS-2 that are designed to
8 maintain reliability, prevent cost shifting, or facilitate administration of Rider TS-2.
9 They are as follows: (1) a mechanism to assess customers transferring to Rider TS-2 for
10 any gas cost true-up amounts (whether a credit or a charge) applicable to the gas supply
11 costs incurred by LG&E while the customer was a sales customer such that the applicable
12 components of the GCAA, GCBA, and PBRRC¹³ would be assessed for the 18 months
13 following the customer's transfer to Rider TS-2; (2) a mechanism to assess a charge to a
14 customer failing to meet the minimum annual threshold, and, in the event that a customer
15 fails to meet the minimum annual threshold requirement for two consecutive years, to
16 allow Company to discontinue service under Rider TS-2; and (3) a monthly telemetry
17 charge for the telemetry required under Rider TS-2.¹⁴

18 **Q. What is telemetry and why is telemetry required for customers served under Rider**
19 **TS-2?**

¹³ The Performance-Based Rate Recovery Component ("PBRRC") is a part of LG&E's GSC and compensates LG&E for its portion of any savings or expenses that are incurred under LG&E's tariffed gas supply cost Performance-Based Ratemaking mechanism.

¹⁴ Rather than requiring the customer to make a lump-sum payment for the telemetry as required under Rate FT, LG&E will install the telemetry at its cost and charge a monthly telemetry fee. This does not eliminate the customer's responsibilities associated with piping modifications, or the installation of necessary electric and telephone service as described in Rider TS-2.

1 A. Telemetry equipment transmits information for the remote review of daily consumption
2 data, thereby assisting in the management of gas deliveries. It seems to be generally
3 acknowledged that telemetry enables the customer and the gas marketer/supplier to better
4 manage gas supply issues (including daily nominations, imbalances, and cash-out levels).
5 It is for this reason that telemetry is required for service under this rider. LG&E is
6 proposing a monthly charge associated with the telemetry equipment. Mr. Conroy
7 addresses the development of the monthly telemetry charge in his testimony.

8 **Q. What Special Terms and Conditions is LG&E proposing for Rider TS-2?**

9 A. The Special Terms and Conditions require the customer's designation of a TS-2 Pool
10 Manager, specify the calculation of the customer's Maximum Daily Quantity, and set
11 forth other terms and conditions designed to facilitate service under the Rider.

12 **Q. How will LG&E transition from service currently being provided under existing
13 Rider TS to Rider TS-2?**

14 A. Service under Rider TS-2 is proposed to be available beginning November 1, 2013.
15 Initiating service at the beginning of the heating season allows for the uniform
16 implementation of the rate schedule and its various features. As of October 31, 2013,
17 service under Rider TS will be withdrawn. Customers served under Rider TS that qualify
18 for service under Rider TS-2 will be given the opportunity to elect service under Rider
19 TS-2 pursuant to the enrollment schedule set forth in Rider TS-2. Otherwise the
20 customer would be returned to the applicable sales service.

21

1 **V. POOLING SERVICE RIDER PS-TS AND RIDER PS-TS-2**

2

3 **Q. Please generally describe Rider PS-TS.**

4 A. Like Rider TS, LG&E is proposing to withdraw Rider PS-TS effective October 31, 2013,
5 and establish a new pooling service under Rider PS-TS-2 applicable to Rider TS-2.
6 Customers eligible to receive service under the proposed Rider TS-2 are required to be
7 members of a Rider PS-TS-2 pool. Each pool is operated by a Pool Manager who
8 aggregates the total requirements of customers served under Rider TS-2 that have
9 enrolled in the Pool Manager's pool. Rider PS-TS-2 is not an aggregation service for
10 non-qualifying customers in order to reach the minimum annual threshold for service
11 under Rider TS-2. It is important to note that nothing in the tariff prevents a customer
12 under Rider TS-2 from being its own Pool Manager under Rider PS-TS-2 should it not
13 want to join a pool operated by a third party.

14 **Q. Please describe the Pool Manager's functions pursuant to Rider PS-TS-2?**

15 A. Under the proposed Rider PS-TS-2, a Pool Manager will secure its own upstream gas
16 supplies and pipeline transportation capacity for delivering gas to LG&E as a part of
17 determining and delivering the customer's gas supply requirements. A Pool Manager
18 must also make timely nominations to LG&E and comply with Action Alerts.

19 **Q. What is an Action Alert, and why is it important to maintaining daily system**
20 **integrity?**

21 A. Rider PS-TS-2 provides large customers with the ability to work with their Pool Manager
22 to determine their supply requirements and secure third-party gas supplies. Rider PS-TS-
23 2 presumes that Pool Managers will deliver volumes to LG&E that closely match the use

1 of the customers in their pools. However, in LG&E's experience, large daily imbalances
2 can occur. The incorporation of an "Action Alert" gives LG&E the ability to manage the
3 deliveries by the Pool Manager for customers served under Rider TS-2. Through an
4 Action Alert, LG&E may require a Pool Manager to deliver anywhere between 0% and
5 100% of the total maximum daily quantity of the Pool on any given day. If a Pool
6 Manager fails to respond accordingly, LG&E will assess a charge equal to *Platts Gas*
7 *Daily* price for *Dominion South Point* plus \$5.00 per MMBtu on the difference between
8 the volumes delivered by Pool Manager and the volume specified by LG&E.

9 **Q. Is the Action Alert Charge similar to the Operational Flow Order Charge under**
10 **Rate FT?**

11 A. Yes. Similar to the Operational Flow Order ("OFO") under Rate FT, the Action Alert
12 incorporates a charge to help ensure that Pool Managers comply with the directive of the
13 Action Alert. Like OFO Charges under Rate FT, any revenues collected pursuant to the
14 Action Alert Charge would be credited to sales customers through the GSC. In general,
15 well defined balancing provisions, such as the Action Alert, help promote successful cost
16 management by the LDC and prevent sales customers from subsidizing transportation
17 customers.

18 **Q. Will Rider PS-TS-2 contain a provision that encourages Pool Managers to minimize**
19 **imbalances on a monthly basis?**

20 A. Yes. Over the course of the month, consumption by customers and deliveries by their
21 Pool Managers may not match, and these imbalances will be resolved through the
22 operation of the cash-out provision of Rider PS-TS-2. Under that provision, over-
23 deliveries by the Pool Manager are purchased by LG&E and under-deliveries are sold to

1 the Pool Manager. This is the same cash-out mechanism currently applicable to
2 customers served under Rider TS.

3 **Q. What are some of the other features of Rider PS-TS-2 that help ensure system**
4 **reliability?**

5 A. Rider PS-TS-2 contains detailed nomination provisions for how and when the Pool
6 Manager must specify the volumes to be delivered to LG&E. These nomination and
7 scheduling provisions are necessary to enable LG&E to manage its system on a day-to-
8 day basis, make appropriate and timely gas supply purchases, and maintain system
9 integrity.

10 **Q. Is LG&E incorporating a lost and unaccounted for gas provision in Rider PS-TS-2?**

11 A. Yes. Rider PS-TS-2 will include a provision to recover lost and unaccounted for gas
12 (“LAUFG”) as a result of expanding eligibility for transportation service under Rider TS-
13 2. The LAUFG provision requires the Pool Manager to gross up the volume scheduled
14 for delivery to LG&E for its pool by a volume to cover LAUFG. The proposed LAUFG
15 factor is a rolling 3-year weighted average of LAUFG associated with sales volumes and
16 transportation volumes served pursuant to Rider TS and Rider TS-2. The LAUFG
17 percentage is based upon LG&E’s annual report of these gas volumes made to the U.S.
18 Department of Transportation (“USDOT”). The LAUFG reported to the USDOT covers
19 the 12 months ended June 30 and is corrected for pressure and temperature, which is
20 consistent with the telemetry measurement equipment proposed for customers served
21 under Rider TS-2 which also corrects for pressure and temperature.

22 **Q. Please generally describe the modifications proposed to the Special Terms and**
23 **Conditions of Rider PS-TS-2?**

1 A. The special terms and conditions generally describe the administrative and contractual
2 requirements for service under Rider PS-TS-2 as well as other terms and conditions
3 designed to facilitate service under the Rider. This section is primarily intended to define
4 the administration and contractual requirements for both the Pool Manager and LG&E.

5 **Q. How will LG&E transition from service currently being provided under existing
6 Rider PS-TS to Rider PS-TS-2 as proposed herein?**

7 A. As with Rider TS-2, service under Rider PS-TS-2 will be available beginning November
8 1, 2013. Initiating service at the beginning of the heating season corresponds with the
9 initiation of service under Rider TS-2. As of October 31, 2013, service under Rider PS-
10 TS will be withdrawn. Pool Managers served under Rider PS-TS will be given the
11 opportunity to elect service under Rider PS-TS-2 pursuant to the enrollment schedule set
12 forth in Rider PS-TS-2. It should be noted that there are currently no Pool Managers
13 served under Rider PS-TS.

14 **Q. Is LG&E proposing any other tariff changes related to Rider PS-TS-2?**

15 A. Yes, LG&E is proposing to change its Curtailment Rules. LG&E proposes to incorporate
16 a modification to Section 4 of LG&E's Curtailment Rules to include Action Alerts issued
17 to Pool Managers under Rider PS-TS-2.

18

19 **VI. TRANSPORTATION SERVICE RATE FT**

20

21 **Q. Please generally describe some of the attributes of Rate FT.**

22 A. Rate FT is a natural gas transportation-only service available to customers who use at
23 least 50 Mcf per day. Customers served under Rate FT are large volume, commercial

1 and industrial natural gas consumers that generally use gas at higher load factors in
2 process applications. For example, high load factor customers use natural gas at
3 relatively consistent levels throughout the entire year. These customers also tend to be
4 served from LG&E's high-pressure gas system. Under Rate FT, LG&E provides firm
5 transportation service from the city-gate (the point where the customer delivers the gas to
6 LG&E for its account) to the customer's facility. LG&E has no obligation (and
7 consequently has no pipeline transportation capacity or storage available) to provide
8 natural gas or firm balancing services to customers served under Rate FT. Customers
9 served under Rate FT are responsible for their own supply arrangements and are required
10 to manage their supplies within the parameters of Rate FT. When daily balancing by
11 Rate FT customers (or their Pool Managers) is critical to LG&E's gas operations, LG&E
12 issues an OFO to manage customer receipts and deliveries and thereby protect system
13 integrity. An OFO suspends "as-available" daily balancing service and requires Rate FT
14 customers (or their Pool Managers) to follow a specific directive. If a Rate FT customer
15 (or Pool Manager) fails to comply with an OFO directive, it is financially penalized, in
16 addition to any other action which LG&E may be required to take to preserve system
17 reliability. These other actions can include, for example, physically isolating and
18 curtailing the customer in order to preserve system integrity. In general, well defined
19 balancing provisions, such as the OFO provision, help promote successful cost
20 management by the LDC and prevent sales customers from subsidizing transportation
21 customers.

22 **Q. What reliability concerns support LG&E's decision not to extend Rate FT service to**
23 **smaller predominantly temperature-sensitive, space-heating customers?**

1 A. The minimum daily volume requirement of 50 Mcf per day incorporated in Rate FT is
2 intended to ensure that customers served under that rate schedule use gas primarily for
3 process use and not for space-heating. Allowing space-heating customers to transport
4 under Rate FT poses risks with respect to LG&E's system reliability and integrity
5 because LG&E would not have the storage or pipeline transportation capacity resources
6 and the associated flexibility to manage the hourly or daily imbalances that space-heating
7 customers create. Extending transportation service under Rate FT to predominantly
8 temperature sensitive, space-heating customers, whose hourly and daily usage can
9 fluctuate significantly in response to weather, could jeopardize LG&E's ability to meet
10 its firm sales obligations.

11 **Q. Are there other reliability concerns associated with allowing smaller, predominantly**
12 **space-heating customers to qualify for Rate FT?**

13 A. Yes. Retaining the minimum daily volume requirement of 50 Mcf per day necessarily
14 limits the number of customers served under Rate FT that may have to be physically
15 isolated or curtailed to prevent a supply disruption or respond to an emergency. It would
16 be impractical and problematic to physically isolate or curtail a large number of space-
17 heating customers in the event of a supply or other emergency.

18 **Q. How has LG&E's operational experience related to Rate FT influenced its decision**
19 **not to expand service under that rate schedule?**

20 A. LG&E's experience with customers served under Rate FT has had a significant impact on
21 its proposed structure to serve temperature-sensitive and non-process customers under
22 transportation programs. Despite the fact that customers served under Rate FT are
23 typically process gas customers, customers served under Rate FT impose two significant

1 system management risks on LG&E. First, by not accurately nominating daily gas
2 requirements, current Rate FT customers often create significant daily imbalances which
3 LG&E must resolve. Second, and as important, these customers can create hourly
4 imbalances which LG&E must resolve. While these customers can be expected to
5 generally use natural gas more consistently throughout the day than space-heating
6 customers, they do not use natural gas in equal hourly increments. These customers use
7 interstate pipeline transportation capacity that requires LG&E to take gas from the
8 pipeline at uniform daily rates of flow (*i.e.*, 1/24th of the daily nominated gas supply
9 volume in a given hour). Any difference between hourly receipts from the pipeline and
10 hourly deliveries to the customer are balanced by LG&E. That balancing requires LG&E
11 to use either its on-system storage or the more flexible pipeline services held by LG&E
12 for sales customers. Allowing space-heating customers with highly variable daily and
13 hourly loads to transport under Rate FT would only exacerbate the inherent operational
14 and other risks involved in serving currently qualifying customers. In short, if process
15 gas customers have problems providing timely and accurate daily gas supply nominations
16 and do not deliver gas using pipeline transportation capacity that provides for variable
17 hourly flows, then providing space-heating customers the option to transport under Rate
18 FT can only be more problematic and inherently riskier.

19 **Q. How would lowering the threshold for Rate FT impact the rates charged to sales**
20 **customers?**

21 A. Another factor considered in retaining the minimum daily volume requirement of 50 Mcf
22 is that it limits the costs shifted to sales customers. Although LG&E has included certain
23 provisions in Rate FT to mitigate cost shifting, the fact remains that if customers who are

1 not large volume, process gas users are allowed to elect service under Rate FT, they
2 would decrease their contribution to fixed costs, and shift cost responsibility to remaining
3 sales customers. Therefore, increasing the number of customers eligible for service under
4 Rate FT would increase the costs paid by sales customers.

5 **Q. How would lowering the eligibility threshold of Rate FT impact current Rate FT**
6 **customers?**

7 A. Changing either the eligibility for existing transportation services or the associated
8 character of service would have an impact on the costs assigned to, and consequently the
9 distribution rates and other charges for, a given transportation service. Importantly, if
10 low load factor space-heating customers were allowed to transport under Rate FT, the
11 overall class load factor for Rate FT would decline and over time raise costs to high load
12 factor customers currently on the rate schedule. Lowering the threshold could also
13 expand the number of customers that would be served on low and medium pressure
14 mains, not only requiring a change to present cost allocation methods, but also prompting
15 the assessment of LAUFG volumes on Rate FT customers as is being proposed herein for
16 customers on Rider TS-2. Additionally, lower load factor, space-heating customers are
17 also likely to have more difficulty balancing daily use with daily delivered supplies than
18 higher load factor process gas customers. This could increase the frequency or duration
19 with which OFOs may be issued and raise costs and decrease delivery flexibility for
20 customers served under Rate FT. Furthermore, broadening eligibility under Rate FT is
21 inconsistent with promoting successful cost management by the LDC. Retaining the
22 current threshold helps prevent sales customers from subsidizing transportation

1 customers. Therefore, the changes proposed by LG&E do not include the expansion of
2 service availability under Rate FT.

3 **Q. Given that the threshold for Rate FT will not change, why is LG&E proposing**
4 **modifications to other provisions of Rate FT?**

5 A. The modifications proposed by LG&E to Rate FT are intended to clarify certain aspects
6 of LG&E's tariff and maintain system reliability in the wake of offering a new gas
7 transportation service for low load factor and space-heating customers under Rider TS-2.

8 **Q. Please describe the major changes to the "Availability of Service" section of Rate**
9 **FT?**

10 A. In the "Availability of Service" section of Rate FT, LG&E is proposing to clearly specify
11 how a customer is determined to qualify for service (or not) under the rate; and to provide
12 for a contract term of one year beginning November 1 of each year. The "Availability of
13 Service" section also sets forth the threshold levels (and types of customers) to which the
14 rate is applicable.

15 **Q. Please briefly describe the major changes to the "Character of Service" section of**
16 **Rate FT.**

17 A. This section describes Rate FT as a firm transportation service from the point where the
18 customer's gas is received from the interstate pipeline to the point where it is delivered to
19 the customer's facility. In order to preserve system reliability, this section requires that
20 gas deliveries must be made to LG&E on behalf of the customer via Texas Gas
21 Transmission, LLC. This requirement is consistent with the historic delivery practices of
22 Rate FT customers. Additionally, the imbalance threshold level for the application of the
23 Utilization Charge for Daily Imbalances ("UCDI") has been reduced from 10% to 5%.

1 This change is in part designed to encourage customers to increase the accuracy in their
2 daily nominated supply volumes, and thereby accommodate the flexibility that will be
3 required to serve customers who will now be eligible for transportation service under
4 Rider TS-2.

5 **Q. Please describe the new rate components proposed for Rate FT?**

6 A. Two new rate components are being proposed for Rate FT that are designed to prevent
7 cost shifting to other customers or improve the administration of Rate FT. They are as
8 follows: (1) a mechanism to assess customers transferring to Rate FT from sales service
9 for any gas cost true-up amounts (whether a credit or a charge) applicable to the gas
10 supply costs incurred by LG&E while the customer was a sales customer so that the
11 applicable components of the GCAA, GCBA, and PBRRC would be assessed for the 18
12 months following the customer's transfer to Rate FT; and (2) a mechanism to assess a
13 charge to customers failing to meet the minimum daily threshold volume, and, in the
14 event that a customer does not meet the minimum daily threshold requirement for 120
15 days in a Contract Year, to allow the Company to discontinue service under Rate FT.

16 **Q. What other changes are proposed for Rate FT?**

17 A. In addition to some changes designed to improve the overall administration of the tariff,
18 LG&E is proposing to lower the threshold to which the UCIDI will apply. Currently,
19 daily imbalances of +/- 10% are allowed and the UCIDI is charged on volumes outside
20 that tolerance level. LG&E is proposing to change the +/- 10% tolerance level to +/- 5%.
21 This change is in part designed to encourage increases in the accuracy of daily nominated
22 supply volumes by customers, and in part designed to accommodate the system flexibility
23 that will be required to serve customers who will now be eligible for transportation

1 service under Rider TS-2. In general, well defined balancing provisions, such as daily
2 balancing tolerances, help promote successful cost management by the LDC and prevent
3 sales customers from subsidizing transportation customers. LG&E is also proposing to
4 advance the daily nomination deadline by which gas supply nominations are to be
5 submitted in order to improve its ability to manage the gas system.

6 **Q. Is LG&E proposing any other changes related to Rate FT?**

7 A. Yes, LG&E is proposing to change to its Curtailment Rules with respect to customers
8 served under Rate FT. The change is proposed to Section 4 of those Curtailment Rules
9 and incorporates a provision allowing LG&E to purchase gas supplies from customers
10 served under Rate FT in the event of a supply emergency in order to serve higher priority
11 customers.

12
13 **VII. POOLING SERVICE RIDER PS-FT**

14
15 **Q. Please describe some of the features of Rider PS-FT.**

16 A. Customers eligible to receive service under Rate FT may (but are not required to) be
17 members of a pool under Rider PS-FT. Each pool is operated by a Pool Manager who
18 aggregates the total requirements of one or more customers served under Rate FT that
19 have enrolled in the FT Pool Manager's pool. Rider PS-FT is not an aggregation service
20 for non-qualifying customers in order to reach the minimum threshold of 50 Mcf per day.

21 **Q. What changes are proposed to Rider PS-FT?**

22 A. In addition to some changes designed to improve the overall administration of the tariff,
23 LG&E is proposing to lower the threshold to which the UCDI will apply. Currently,

1 daily imbalances of +/- 5% are allowed and the UCIDI is charged on volumes outside that
2 tolerance level. LG&E is proposing to change that tolerance level from +/- 5% to +/- 2%.
3 This change is in part designed to encourage increases in the accuracy of daily nominated
4 supply volumes by a Pool Manager, and in part designed to accommodate the system
5 flexibility that will be required to serve customers who will now be eligible for
6 transportation service under Rider TS-2. In general, well defined balancing provisions,
7 such as daily balancing tolerances, help promote successful cost management by the LDC
8 and prevent sales customers from subsidizing transportation customers.
9

10 **VIII. OTHER GAS TARIFF CHANGES**

11
12 **Q. Are there any other changes in LG&E's gas tariff which you wish to mention?**

13 A. Yes. There are additional changes affecting Rate GMPS and changes affecting the
14 "Customer Responsibilities" and "Company Responsibilities" sections.

15 **Q. Please describe the changes to Rate GMPS.**

16 A. Because Rider TS-2 and Rate FT will both make use of pressure- and temperature-
17 corrected telemetry, which is now the case only for Rate FT, four added references, each
18 following the four current references in Rate GMPS to "Rate Schedule FT", are required.
19 The changes are accomplished by adding "or Rider TS-2" following each of the four
20 references to "Rate Schedule FT".

21 **Q. What change is LG&E proposing to the "Customer Responsibilities" and**
22 **"Company Responsibilities" sections?**

1 A. LG&E is proposing to add language to the “Customer Responsibilities” and “Company
2 Responsibilities” sections to limit the Company’s obligation to serve under standard rate
3 schedules customers that do not take natural gas or natural gas services exclusively from
4 the Company because they are physically connected to the facilities of other providers of
5 natural gas service.

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

7 A. Yes, it does.

APPENDIX A

J. CLAY MURPHY

Director – Gas Management, Planning, and Supply
Louisville Gas and Electric Company
820 West Broadway
Louisville, Kentucky 40202

PROFESSIONAL EXPERIENCE:

LOUISVILLE GAS AND ELECTRIC COMPANY

Director – Gas Management, Planning and Supply (7/00 – Present)
Manager – Gas Supply (12/89 – 7/00)
Gas Supply Coordinator (10/86 – 12/89)
Rate Analyst (10/81 – 10/86)

EDUCATION:

INDIANA UNIVERSITY

Bloomington, Indiana (8/79 – 5/81)
Master of Business Administration

BELLARMINE COLLEGE

Louisville, Kentucky (8/75 - 5/79)
Bachelor of Arts with Major in Accounting

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

TESTIMONY OF
ROBERT M. CONROY
DIRECTOR, RATES
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: June 29, 2012

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Exhibits

Pro forma Adjustments

Conroy Exhibit P1 – Effect on Electric Base Rate Revenues of Rate Changes for Full Year
Conroy Exhibit P2 – Impact on FAC Billings Reflecting New Base Fuel Cost for Full Year
Conroy Exhibit P3 – Adjustment to FAC mechanism for the inclusion of Interchange Energy
Conroy Exhibit P4 – Calculation ECR Revenue Requirement by Plan as of March 31, 2012
Conroy Exhibit P5 – Adjustment for Electric Year-End number of Customer
Conroy Exhibit P6 – Adjustment for Gas Year-End number of Customer
Conroy Exhibit P7 – Adjustment for Electric Rate Switching during Test Year
Conroy Exhibit P8 – Adjustment for Electric Customer not billed in Test Year
Conroy Exhibit P9 – Adjustment to Reflect Cancellation of Gas Rate FT Special Contract
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Conroy Exhibit P11 – Eliminate Gas Supply Clause Revenues and Expenses
Conroy Exhibit P12 – Gas Temperature Normalization Adjustment

Cost of Service – Electric & Gas

Conroy Exhibit C1 – Base-Intermediate-Peak (BIP) Differentiation
Conroy Exhibit C2 – Electric Cost of Service Study – Functional Assignment
Conroy Exhibit C3 – Electric Cost of Service Study – Class Allocation
Conroy Exhibit C4 – Zero Intercept – Overhead Conductor
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Conroy Exhibit C6 – Zero Intercept – Transformers
Conroy Exhibit C7 – Gas Cost of Service Study – Functional Assignment
Conroy Exhibit C8 – Gas Demand Allocation Factors
Conroy Exhibit C9 – Gas Zero Intercept – Distribution Mains
Conroy Exhibit C10 – Gas Cost of Service Study – Class Allocation

Electric/Gas Rate Design & Allocation of Increase

Conroy Exhibit R1 - Visual Comparison of LG&E and KU electric rate schedules
Conroy Exhibit R2 – Residential Electric Unit Cost
Conroy Exhibit R3 – Reconstruction of Electric Billing Determinants
Conroy Exhibit R4 – Summary of Electric Revenue Increase
Conroy Exhibit R5 – Electric Revenue Increase by Rate Schedule
Conroy Exhibit R6 – Summary of Increases (Decreases) to Miscellaneous Charges
Conroy Exhibit R7 – Residential Gas Unit Cost
Conroy Exhibit R8 – Administrative Charge Cost Support
Conroy Exhibit R9 – Reconstruction of Gas Billing Determinants
Conroy Exhibit R10 – Summary of Gas Revenue Increase
Conroy Exhibit R11 – Gas Revenue Increase by Rate Schedule

Miscellaneous Service Charges & Deposits

Conroy Exhibit M1 – Excess Facilities Charge Cost Support
Conroy Exhibit M2 – Redundant Capacity Charge Cost Support
Conroy Exhibit M3 – Supplemental and Standby Service Cost Support

Conroy Exhibit M4 – Telemetry Cost Support - Gas
Conroy Exhibit M5 – Cable TV Attachment Charges
Conroy Exhibit M6 – Meter Test Charge Cost Support -- Electric
Conroy Exhibit M7 – Meter Test Charge Cost Support – Gas
Conroy Exhibit M8 – Disconnect/Reconnect Charge Cost Support
Conroy Exhibit M9 – Electric Meter Relay Pulse Charge Cost Support
Conroy Exhibit M10 – Gas Meter Relay Pulse Charge Cost Support
Conroy Exhibit M11 – Customer Deposit Requirements
Conroy Exhibit M12 – Inspection Charge Cost Support - Gas

1 **I. INTRODUCTION**

2 **Q. Please state your name, position and business address.**

3 A. My name is Robert M. Conroy. I am the Director of Rates for Kentucky Utilities
4 Company (“KU”) and Louisville Gas and Electric Company (“LG&E” or “the
5 Company”). I am employed by LG&E and KU Services Company, which provides
6 services to LG&E and KU (collectively “the Companies”). My business address is
7 220 West Main Street, Louisville, Kentucky. A statement of my professional history
8 and education is attached to this testimony as Appendix A.

9 **Q. Have you previously testified before this Commission?**

10 A. Yes, I have testified before the Commission numerous times, including LG&E’s two
11 most recent base rate cases,¹ and most recently in the LG&E 2011 environmental
12 cost recovery (“ECR”) proceeding.²

13 **Q. What are the purposes of your testimony?**

14 A. The purposes of my testimony are: (1) to support certain exhibits identified below
15 which are required by the Commission’s regulations; (2) to explain certain proposed
16 pro forma adjustments; (3) to sponsor the fully allocated class cost of service studies
17 based on LG&E’s embedded cost of providing electric and natural gas service for
18 the 12 months ended March 31, 2012; (4) to describe the proposed allocation of
19 revenue increases for LG&E’s electric and natural gas operations; and (5) to discuss
20 and explain the various tariff changes LG&E proposes.

¹ *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Base Rates*, Case No. 2008-00252; *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Base Rates*, Case No. 2009-00549.

² *In the Matter of: The Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2011-00162.

1 **Q. Are you supporting certain information required by Commission regulation**
2 **807 KAR 5:001, Section 10(6)(a)-(v) and Section 10(7)(e)?**

3 A. Yes, I am sponsoring the following schedules for the corresponding filing
4 requirements:

- 5 • New Rates Effect – Overall Revenues Section 10(6)(d) Tab 23
- 6 • Average Customer Class Bill Impact Section 10(6)(e) Tab 24
- 7 • Analysis of Customer Bills Section 10(6)(g) Tab 26
- 8 • Cost of Service Study Section 10(6)(u) Tab 40
- 9 • Period-End Customer Additions Section 10(7)(e) Tab 46

10

11 **II. PRO FORMA ADJUSTMENTS**

12 **Q. Please explain the adjustment to operating expenses and revenues to eliminate**
13 **the mismatch between fuel costs and fuel cost recovery through the Fuel**
14 **Adjustment Clause (“FAC”) shown in Reference Schedule 1.01 of Blake Exhibit**
15 **1.**

16 A. Consistent with past Commission practice, the mismatch between fuel costs and fuel
17 cost recovery through LG&E’s FAC has been eliminated. These over- and under-
18 recoveries were taken directly from LG&E’s monthly FAC filings. The Commission
19 determined a similar adjustment to be reasonable in Case Nos. 2003-00433 and
20 2009-00549, and LG&E proposed such an adjustment in Case No. 2008-00252,
21 which was resolved by a settlement approved by the Commission.

22 **Q. Please explain the adjustment to operating revenues to reflect the annualized**
23 **roll-in of the FAC shown in Reference Schedule 1.02 of Blake Exhibit 1.**

1 A. The Commission's May 31, 2011 Order in Case No. 2010-00493 authorized the roll-
2 in of the FAC into base rates effective with the July 2011 billing cycle. Test-year
3 revenues have been adjusted to reflect the rolled-in level of base rates and FAC
4 billings for a full year.³ Conroy Exhibit P1 shows the impact on base rate revenues
5 of the FAC roll-in for a full year. Conroy Exhibit P2 shows the impact on FAC
6 billings of reflecting the new base fuel cost (Fb/Sb) for a full year. The Commission
7 determined a similar adjustment to be reasonable in Case Nos. 2003-00433 and
8 2009-00549. LG&E proposed a similar adjustment in Case No. 2008-00252, which
9 was resolved by a settlement approved by the Commission.

10 **Q. Please explain the adjustment to operating expenses concerning FAC and**
11 **LG&E interchange shown in Reference Schedule 1.03 of Blake Exhibit 1.**

12 A. LG&E is seeking to correct a long-standing mismatch in the calculation of its
13 monthly FAC billing factors. The mismatch in the monthly FAC calculations that
14 LG&E is seeking to correct relates to the inclusion of Interchange In as a component
15 of sales. LG&E currently does not include Interchange In energy in the reported
16 Purchases component of Sales. LG&E proposes to implement the inclusion of
17 Interchange in the FAC monthly calculation with the expense month coinciding with
18 the implementation of new base rates in this proceeding, thereby ensuring that there
19 is no inadvertent opportunity for over- or under-recovery of FAC-eligible fuel
20 expenses. Supporting calculations to adjust for the inclusion of Interchange In are
21 shown in Conroy Exhibit P3.

³ *In the Matter of: An Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2008 through October 31, 2010, Case No. 2010-00493* (Order dated May 31, 2011).

1 **Q. Please explain the adjustment to operating expenses and revenues to eliminate**
2 **ECR revenues and expenses shown in Reference Schedule 1.04 of Blake Exhibit**
3 **1.**

4 A. Consistent with the Commission's practice of eliminating the revenues and expenses
5 associated with full-cost-recovery trackers, an adjustment was made to eliminate
6 ECR revenues and expenses during the test year that will continue to be included in
7 the ECR mechanism after the implementation of new base rates as shown in
8 Reference Schedule 1.04 of Blake Exhibit 1. The ECR surcharge provides for full
9 recovery of approved environmental costs that qualify for the surcharge.

10 **Q. Did LG&E make changes to the methodology used to eliminate ECR revenues**
11 **from the test period?**

12 A. Yes. As a result of the Commission's Order in Case No. 2009-00311 approving the
13 use of the revenue requirement method for calculating the monthly ECR billing
14 factor, LG&E is removing all ECR revenues collected in the environmental
15 surcharge and in base rates.⁴ The removal of ECR revenues from base rates is
16 necessary to ensure base revenues reflect only base rate components and costs are
17 recovered through the appropriate rate-making mechanism.

18 **Q Please explain why it is necessary to eliminate all ECR revenues from the test**
19 **period.**

20 A. Prior to the Commission's Order in Case No. 2009-00311, LG&E used a percentage
21 method called the Base-Current methodology to calculate the monthly ECR billing
22 factors. The calculation to determine the Monthly Environmental Surcharge Factor

⁴ *In the Matter of: An Examination By The Public Service Commission of the Environmental Surcharge Mechanism of Louisville Gas and Electric Company for the Two-Year Billing Period Ending April 30, 2009, Case No. 2009-00311, final Order dated December 2, 2009.*

1 (“MESF”) was established by subtracting the Base Environmental Surcharge Factor
2 (“BESF”) from the Current Environmental Surcharge Factor (“CESF”). All three
3 factors were based on a percentage of a 12-month historical revenue calculation.

4 The CESF was the net jurisdictional E(m) divided by the 12-month average
5 retail revenues (excluding ECR revenues). The BESF was the ECR annual revenue
6 requirement currently included in base rates divided by 12-month base rate revenues
7 (basic service charges, energy charges, and demand charges) for the period
8 immediately preceding the effective date of the roll-in adjustment to base rates. The
9 MESF was the arithmetic difference between CESF and BESF and was the billing
10 factor applied to retail bills. However, the CESF and BESF were determined using
11 different 12-month historical revenues in the denominator.

12 In Case No. 2009-00311, LG&E proposed, and the Commission approved,
13 the use of the revenue requirement method for calculating the monthly ECR billing
14 factor. Through continued process improvements and modifications to the billing
15 system, LG&E can identify the amount of ECR revenue collected through base rates
16 in a given month prior to the filing of the ECR monthly billing factor for the expense
17 month. To determine the monthly ECR billing factor, the Net Jurisdictional
18 Revenue Requirement for the environmental projects is reduced by the actual ECR
19 revenue collected through base rates to arrive at the Net Jurisdictional Revenue
20 Requirement to be collected through the monthly ECR billing factor. Therefore, the
21 ECR billing factor revenues are directly impacted by the revenues collected through
22 bases rates for the ECR roll-in. Thus, it is necessary to remove all revenues
23 associated with the total ECR revenue requirement from revenues when determining

1 the revenue requirement for the establishment of new base rates. As previously
2 stated, this will ensure that base rate revenues only reflect base rate components.

3 **Q. Is LG&E proposing to eliminate from the ECR mechanism the 2005 and 2006**
4 **ECR Plans?**

5 A. Yes. In Case Nos. 2003-00433 and 2009-00549, LG&E proposed, and the
6 Commission approved, the elimination of the 1995 ECR Plan, and the 2001 and
7 2003 ECR Plans, respectively, from the ECR mechanism. In a similar manner,
8 LG&E is proposing in this proceeding to eliminate its 2005 and 2006 ECR Plans
9 (with the exception of Project 17 discussed below) from its monthly ECR filings on
10 a going-forward basis because the projects in those plans are now complete and in
11 service, the costs of the projects in those plans are already included in base rates
12 through a series of “roll-ins,” and eliminating the two plans will simplify the
13 oversight and administration of the ECR mechanism. As a result of eliminating the
14 2005 and 2006 ECR Plans in Reference Schedule 1.04 of Blake Exhibit 1, only the
15 revenues and operating expenses associated with LG&E’s 2009, 2011, and
16 subsequent ECR Plans that will continue to be part of the ECR mechanism are
17 eliminated in this adjustment. LG&E proposes to recover the revenue requirements
18 for the environmental compliance rate base associated with the 2005 and 2006 Plans
19 through base rates, and proposes to continue to recover the revenue requirements of
20 the remaining environmental compliance rate base through its monthly ECR
21 mechanism (both the roll-in component and the monthly billing factor component).
22 Upon approval of new base rates, LG&E will continue to use the approved ES
23 Forms in the monthly ECR filings but exclude the costs associated with the 2005 and

1 2006 Plan projects in the expense month associated with the change in base rates
2 until the next 2-year review, at which time the ES Forms will be modified to reflect
3 the elimination of the 2005 and 2006 Plans. Conroy Exhibit P4 shows the
4 supporting data and calculations of the revenue requirement and expenses associated
5 with the 2005 and 2006 ECR Plans that are included in Reference Schedule 1.04 of
6 Blake Exhibit 1.

7 **Q. Please describe LG&E's proposal concerning the treatment of emission**
8 **allowance expenses, inventory, and sales currently being recovered through the**
9 **environmental surcharge mechanism.**

10 A. LG&E's Project 17 (2005 Plan) in its current environmental surcharge mechanism
11 includes the costs related to the use of emission allowances, a return on the emission
12 allowance inventory, and the total proceeds from the sale of emission allowances
13 less an allowance sales proceeds baseline of \$223,921 included in current base rates.

14 LG&E is proposing to separate Project 17 from the 2005 Plan to maintain the
15 current treatment of emission allowance expenses, inventory, and sales currently
16 being recovered through the environmental surcharge mechanism and remove the
17 base rate baseline amount from the monthly calculations. The amount in the base
18 rate baseline related to emission allowances was established based on the test-year in
19 Case No. 2003-00433. Due to the uncertainty of future environmental regulation, it
20 is more appropriate to include emission allowances in a separate tracking mechanism
21 like the environmental surcharge mechanism than in base rates. The emission
22 allowance base rate baseline amount is included in the 2005-2006 Plans Revenues
23 and Expenses in Reference Schedule 1.04 of Blake Exhibit 1. The total amounts

1 related to emission allowances are included the Net Revenues and Expenses in
2 Reference Schedule 1.04 of Blake Exhibit 1.

3 **Q. Are there other adjustments necessary for the elimination of the 2005 and 2006**
4 **ECR Plans previously discussed?**

5 A. Yes. As discussed in the testimony of Mr. Blake, LG&E's capitalization as of
6 March 31, 2012, is adjusted to remove the environmental compliance rate base
7 associated with the ECR mechanism. This adjustment, shown in Column 6 on Page
8 2 of Blake Exhibit 2, includes only the environmental compliance rate base
9 associated with the ECR Plans that will continue to be included in the ECR monthly
10 filings and the remaining amount associated with the roll-in recently approved in
11 Case No. 2011-00232.⁵ It does not include the environmental compliance rate base
12 associated with the 2005 and 2006 ECR Plans.

13 **Q. Please explain the adjustment to operating revenues shown in Reference**
14 **Schedule 1.05, which concerns off-system sales revenues related to the ECR**
15 **calculation.**

16 A. In the determination of the monthly ECR surcharge, a portion of LG&E's
17 environmental compliance costs are allocated to off-system sales, including
18 intercompany sales, through the jurisdictional allocation ratio. But by including off-
19 system and intercompany sales revenues in test-year operating results, these
20 revenues are credited to jurisdictional customers. Moreover, because total ECR
21 expenses are removed through the adjustment in Reference Schedule 1.04, the
22 expenses associated with off-system and intercompany sales are understated. This

⁵ *In the Matter of: An Examination by the Public Service Commission of the Environmental Surcharge Mechanism of Louisville Gas and Electric Company for the Two-Year Billing Period Ending April 30, 2011.* Case No. 2011-00232, final Order dated January 31, 2012.

1 results in an overstatement of margins from off-system and intercompany sales and a
2 mismatch of the revenues and expenses related to the off-system and intercompany
3 sales portion of the allocated environmental surcharge monthly revenue requirement.
4 LG&E has included in this adjustment a reduction to revenues associated with ECR-
5 related off-system and intercompany sales revenues. LG&E performed the
6 adjustment in a manner generally consistent with the methodology used in Case No.
7 2009-00549; however, an adjustment (shown on page 2 of 2 in Reference Schedule
8 1.05 of Blake Exhibit 1) was made to the ECR revenue requirements to reflect the
9 elimination of the 2005 and 2006 Plans as previously discussed.

10 **Q. Please explain the adjustment to operating revenues and expenses shown in**
11 **Reference Schedule 1.10, which annualizes year-end customers for the electric**
12 **business.**

13 A. The numbers of customers served at the end of the test period for the rate classes
14 differed from the average number of customers for the 13-month period including
15 the test year. Prior practice has been to multiply the differences between the number
16 of customers served at year-end and the average number for each rate class during
17 the 13-month period by the average annual kWh usage per customer. The average
18 usage for each rate class was then multiplied by the average revenue per kWh
19 (including basic service charges, energy charges, demand charges and minimum bills
20 calculated net of base ECR). This approach is reasonable when applied to rate
21 classes with large numbers of customers and relatively low average per customer
22 usage, i.e. homogenous groups of customers such as Residential and General
23 Services. However, the average usage and average cost methods can cause

1 inaccurate results when applied to rate classes with smaller numbers of customers
2 and larger average usage, particularly rate classes with wide ranges of electricity
3 usage. For example, if LG&E applied the average usage methodology to its analysis
4 of the ITODP class, the resulting calculation would indicate a net increase of five
5 customers and a corresponding increase in revenue of approximately \$6.9 million.
6 To verify this result, LG&E undertook a detailed analysis of the ITODP class and
7 found that three customers left the LG&E system, and five customers joined the
8 system during the test year, for a net change in customer count of positive two.
9 Because this result is significantly different than the result predicted by the average
10 usage method, LG&E elected to analyze the customers in the Time-of-Day rate
11 classes: Rate CTODP, Rate CTODS, Rate ITODP, Rate ITODS, and Rate RTS. For
12 customers that were determined to have left the system during the test year, LG&E
13 removed the revenue received (adjusted to current rates net of base ECR) from the
14 test year revenue and from the total for the rate class. For customers that joined the
15 LG&E system during the test year, LG&E annualized each customer's actual usage
16 and calculated incremental revenue at current rates net of base ECR, which was
17 added to test year revenues and to the total revenue for the rate class. These
18 calculations are detailed on pages 3-6 of Conroy Exhibit P5, and the results of the
19 calculations are included in Conroy Exhibit R4 (Summary of Electric Revenue
20 Increase) and Conroy Exhibit R5 (Electric Revenue Increase by Rate Schedule).
21 Base ECR was removed from current rates to ensure that the revenue adjustments for
22 year-end customers were calculated on a consistent basis with the total revenue

1 requirement and electric cost of service study, both of which are net of all ECR
2 revenues and costs.

3 As discussed in more detail below, several LG&E customers changed rates
4 during the test year. To ensure that the calculations of the year-end customer
5 adjustment accurately reflected the rate schedule which customers are currently on,
6 the total customer count, energy consumption and revenues were adjusted to reflect
7 annual usage on the current rate net of base ECR for the entire test year. These
8 calculations are detailed on pages 7 and 8 of Conroy Exhibit P5 and are included in
9 Conroy Exhibit R4 (Summary of Electric Revenue Increase) and Conroy Exhibit R5
10 (Electric Revenue Increase by Rate Schedule).

11 The change in operating expenses associated with serving the change in
12 customers and volumes was calculated by applying an operating ratio to the revenue
13 adjustment. Consistent with the Commission's practice, the operating ratio was
14 determined by dividing operation and maintenance expenses, exclusive of wages and
15 salaries, pensions and benefits, and regulatory commission expenses, by base rate
16 revenues calculated at the currently effective rates net of base ECR.

17 The detailed calculations of the electric year-end customer adjustment to
18 revenues and expenses are contained in Conroy Exhibit P5, pages 1 and 2.

19 **Q. Please explain the adjustment to operating revenues and expenses shown in**
20 **Reference Schedule 1.10, which annualizes year-end customers for the gas**
21 **business.**

22 A. The numbers of customers served at the end of the test period for the rate classes
23 were different from the average number of customers for the 13-month period

1 including the test year. The purpose of this adjustment is to reflect the deliveries and
2 revenue assuming that the year-end number of customers had been served for the
3 entire test period. The differences between the number of customers served at year-
4 end and the average number for each rate class during the test period was multiplied
5 by the average annual consumption per customer to determine the deliveries
6 expected. The average annual consumption per customer from the temperature
7 normalization adjustment was utilized. The volumetric adjustment for each rate
8 class was then multiplied by the average rate per Mcf (including basic service
9 charges, distribution charges and minimum bills).

10 The additional operating expenses associated with serving the higher number
11 of customers and volumes were calculated by applying an operating ratio to the
12 revenue adjustment. Consistent with the Commission's Order in Case No. 2000-
13 080, the operating ratio was determined by dividing operation and maintenance
14 expenses, exclusive of gas supply costs, wages and salaries, pensions and benefits,
15 and regulatory commission expenses, by base rate revenues calculated at the
16 currently effective rates.

17 The detailed calculations of the year-end adjustment to revenues and
18 expenses are contained in Conroy Exhibit P6.

19 **Q. Please explain the adjustment to electric operating revenues shown in Reference**
20 **Schedule 1.11, which concerns customer rate switching for electric customers**
21 **and a billing adjustment for an electric customer.**

22 A. LG&E must adjust its electric operating revenues to account for customer rate
23 switching related to a number of customers, and to recognize the revenue from a

1 special contract customer that was not billed in March 2012 (the final month of the
2 test year). Detail of the customers switching rates is more fully shown in Conroy
3 Exhibit P7 and the detail of the billing adjustment for the unbilled special contract
4 customer is shown in Conroy Exhibit P8. The Commission determined a similar
5 adjustment to be reasonable in Case Nos. 2003-00433 and 2009-00549. LG&E
6 proposed a similar adjustment in Case No. 2008-00252, which was resolved by a
7 settlement approved by the Commission.

8 LG&E identified the customers that switched rate schedules during the test
9 year, tracking the rate schedule each customer switched from and to. All customers
10 switching to a particular rate schedule were grouped together and analyzed. First,
11 test-year usage was re-billed at current rates net of Base ECR to reflect the FAC and
12 ECR roll-ins and the proposed elimination of the 2005 and 2006 ECR Plans. Then,
13 test-year usage was recalculated as if each customer had been on the new rate
14 schedule for the entire year. The revenue adjustment for rate switching is the net
15 difference between the two calculations. The calculations are summarized in Conroy
16 Exhibit P7. Page 1 of the exhibit presents the revenue calculations for the rate
17 schedule that customers left (or switched from). Page 2 of the exhibit presents the
18 revenue calculations for the rate schedule that customers switched to, and presents
19 the net difference in the calculations.

20 In the process of reconstructing test year billings, LG&E determined that an
21 electric service customer on a special contract had not been billed in the final month
22 of the test year. This customer's revenues were included in unbilled revenue for
23 March, which is eliminated from test year results. Because this customer was

1 identified, and its March 2012 usage and billing data was readily available, LG&E
2 made a pro forma adjustment to test year results to include the revenue from the
3 customer in the development of the final revenue requirement. LG&E also included
4 the appropriate billing data in the electric cost of service study and in the
5 development of new rates. The calculations are summarized in Conroy Exhibit P8.

6 **Q. Please explain the adjustment to gas operating revenues shown in Reference**
7 **Schedule 1.11, which concerns customer rate switching for gas customers and**
8 **special contract cancellation for a gas customer.**

9 A. In April 2012, LG&E received a termination notice effective November 1, 2012
10 from a customer served under a special contract for gas transportation service. The
11 termination notice states the customer's intention is to bypass the LG&E system.
12 Therefore, LG&E is making an adjustment to test year revenues to remove the
13 customer's actual test year revenues, as shown on Conroy Exhibit P9.

14 In addition to these adjustments, LG&E proposes to adjust its gas operating
15 revenues to account for two customers' rate-switching. One customer switched from
16 Rate CGS and Rate AAGS to Rate FT; the other went from Rate IGS-TS to Rate FT.
17 Conroy Exhibit P10 applies the two customers' new rates to their full test-year
18 usage, supporting a corresponding reduction to LG&E's test-year gas operating
19 revenues. The Commission determined a similar adjustment to be reasonable in
20 Case No. 2009-00549. LG&E proposed a similar adjustment in Case Nos. 2003-
21 00433 and 2008-00252, which were resolved by a settlement approved by the
22 Commission.

1 **Q. Please explain the adjustment to operating revenues and expenses shown in**
2 **Reference Schedule 1.26, which eliminates Gas Supply Clause (“GSC”)**
3 **recoveries and expenses.**

4 A. This adjustment has been made to eliminate the effect of GSC recoveries and gas
5 supply expenses for the test year. The supporting calculations are contained in
6 Conroy Exhibit P11. The Commission determined a similar adjustment to be
7 reasonable in Case No. 2009-00549. LG&E proposed a similar adjustment in Case
8 Nos. 2003-00433 and 2008-00252, which were resolved by a settlement approved by
9 the Commission.

10 **Q. Please explain the adjustment to operating revenues shown in Reference**
11 **Schedule 1.27, which applies a temperature normalization adjustment to test**
12 **period revenues for LG&E’s gas operations.**

13 A. LG&E has a Weather Normalization Adjustment (“WNA”) clause that automatically
14 adjusts the distribution cost component of customer bills to reflect normal
15 temperatures. The WNA clause applies to Rates RGS and CGS and is currently
16 applied during the months of November through April. Because the WNA
17 automatically normalizes customer billings for Rates RGS and CGS during the
18 months of November through April it is not necessary to perform a temperature
19 normalization adjustment for these two classes during the months of November
20 through April of the test year. However, it is necessary to perform a temperature
21 normalization adjustment for Rates RGS and CGS to reflect the heating months not
22 covered by the WNA. Additionally, it is necessary to perform a temperature
23 normalization adjustment for rate classes not billed under the WNA, namely, Rates

1 IGS, AAGS, FT, and the special contracts. The Commission determined a similar
2 adjustment to be reasonable in Case No. 2009-00549. LG&E proposed a similar
3 adjustment in Case Nos. 2003-00433 and 2008-00252, which were resolved by a
4 settlement approved by the Commission.

5 **Q. How was the gas temperature normalization adjustment performed for the rate**
6 **classes not billed under the WNA?**

7 A. A standard temperature normalization adjustment covering the entire heating season
8 was performed for Rates IGS, AAGS, FT, and the special contracts. Heating degree
9 days related to cycle billed customer deliveries were 655 less than the 30-year
10 average NOAA heating-degree days of 4,104. The 30-year average was determined
11 using the most recent 30-year period (i.e., the 30-year period ended March 2012).
12 Thus, LG&E's actual revenues were understated due to warmer-than-normal
13 temperatures experienced during the test period. The degree-day data used for
14 purposes of calculating the temperature normalization adjustment were obtained
15 from the Louisville, Kentucky weather station.

16 The first step in computing the temperature-related variance in deliveries was
17 to determine the annual non-temperature sensitive and temperature sensitive
18 volumes for each rate class. The determination of the non-temperature sensitive
19 volumes was based on the gas deliveries that occurred in July and August since those
20 months had the lowest volumes and also had no heating degree days. The volumes
21 in those two months were then multiplied by six to calculate an annual non-
22 temperature sensitive load that was deducted from total deliveries to arrive at the
23 annual temperature sensitive volumes.

1 The next step was to determine the volumetric adjustment required to
2 normalize deliveries to reflect normal temperatures. The annual temperature
3 sensitive volumes were divided by the actual heating degree days (3,449 for billing
4 cycle customers and 3,242 for classes billed on calendar month) in the test period.
5 The resulting Mcf per degree day was then multiplied by the degree-day departure
6 from normal (655 and 858, respectively) to arrive at the volumetric adjustment for
7 each rate class.

8 In the final step, the volumetric adjustment for each rate class was applied to
9 the applicable distribution component (rate per Mcf) for each rate schedule, resulting
10 in an adjustment to gas operating revenue for rate classes not billed under the WNA.
11 The details of these calculations are shown on page 2 of Conroy Exhibit P12.

12 **Q. How was the gas temperature normalization adjustment performed for Rates**
13 **RGS and CGS, which are billed under the WNA?**

14 A. For Rates RGS and CGS the difference in degree days from normal for the entire test
15 year (as a practical matter, for the heating season) was compared to the difference in
16 degree days from normal for the WNA months of April 2011 and November 2011
17 through March 2012. As mentioned earlier, there were 655 less billing-cycle degree
18 days than normal during the twelve months ended March 2012. However, there
19 were 639 less billing-cycle degree days from normal during the WNA months of
20 April 2011 and November 2011 through March 2012. In other words, the non-WNA
21 months were 16 degree days warmer than normal. Therefore, it was necessary to
22 adjust the actual billing adjustments (in Mcf) determined under the WNA to reflect
23 the fact that the heating months not covered by the WNA were 16 degree days

1 warmer than normal. This was done by prorating the actual billing adjustments (in
2 Mcf) determined under the WNA by the ratio of the degree days under normal for
3 the 12 months compared to the WNA period. The details of these calculations are
4 shown on pages 3 and 4 of Conroy Exhibit P12.

5 **Q. Please explain the adjustment to gas operating expenses shown in Reference**
6 **Schedule 1.28, which concerns gas supply uncollectible accounts expense.**

7 A. Currently, LG&E collects all test year uncollectible expense through base rates. As
8 discussed further in the testimony of J. Clay Murphy, LG&E is proposing to collect
9 the gas supply cost portion of this expense through its Gas Supply Clause (“GSC”)
10 filing submitted quarterly. LG&E is making an adjustment to test year expenses to
11 reflect the inclusion of uncollectible gas expense in the GSC going forward.

12

13 **III. ELECTRIC COST OF SERVICE STUDY**

14 **Q. Did you prepare a cost of service study for LG&E’s electric operations based on**
15 **financial and operating results for the twelve months ended March 31, 2012?**

16 A. Yes. I supervised the preparation of a fully allocated, time-differentiated, embedded
17 cost of service study for electric operations. The cost of service study corresponds to
18 the pro forma financial exhibits included in the testimony of Mr. Blake. The
19 objective in performing the electric cost of service study is to determine the rate of
20 return on rate base that LG&E is earning from each jurisdictional customer class,
21 which provides an indication as to whether LG&E’s electric service rates reflect the
22 cost of providing service to each customer class.

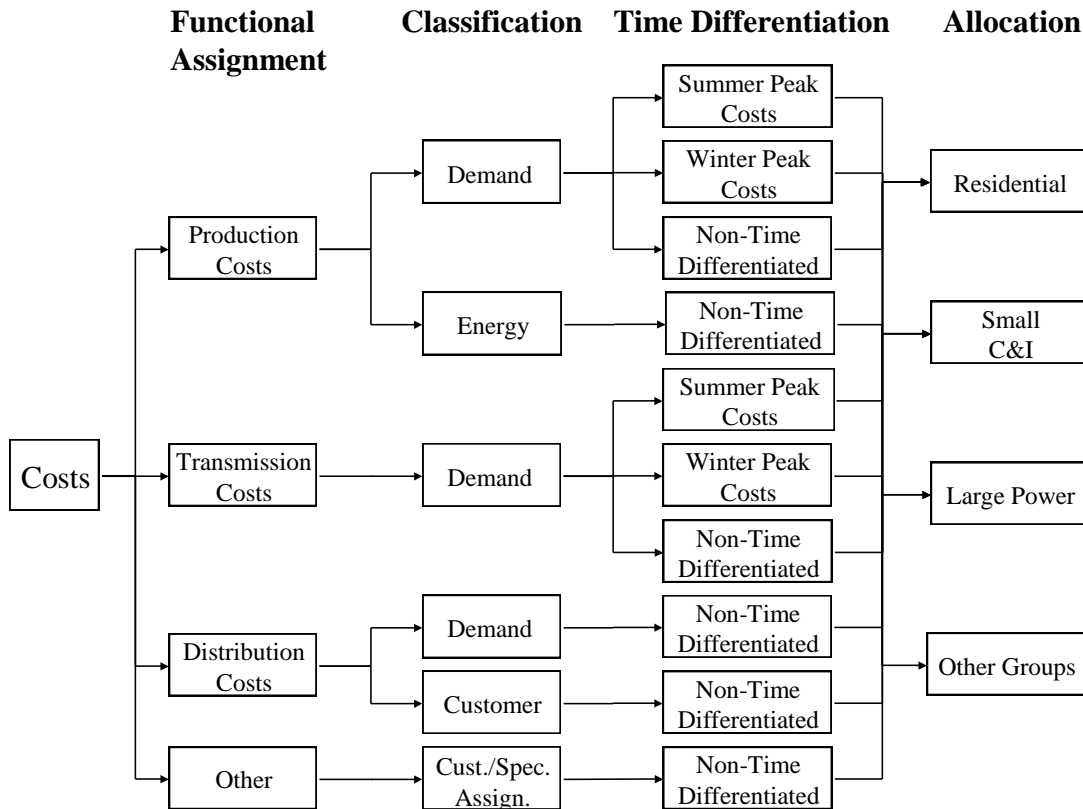
1 **Q. Are the models used to perform the electric cost of service study consistent with**
2 **prior base rate case proceedings?**

3 A. Yes. LG&E continues to use the same spreadsheet models developed and utilized in
4 prior base rate proceedings to perform the electric cost of service study.

5 **Q. What procedure was used in performing the cost of service study?**

6 A. The three traditional steps of an embedded cost of service study – functional
7 assignment, classification, and allocation – were augmented to include a fourth step,
8 assigning costs to costing periods. The cost of service study was therefore prepared
9 using the following procedure: (1) costs were functionally assigned (*functionalized*)
10 to the major functional groups; (2) costs were then *classified* as energy-related,
11 demand-related, or customer-related; (3) costs were assigned to the costing periods;
12 and then (4) costs were allocated to the rate classes. These steps are depicted in the
13 following diagram (Figure 1).

14



1

2

Figure 1

3

4 The following functional groups were identified in the cost of service study: (1)
 5 Production, (2) Transmission, (3) Distribution Substation (4) Distribution Primary
 6 Lines, (5) Distribution Secondary Lines (6) Distribution Line Transformers, (7)
 7 Distribution Services, (8) Distribution Meters, (9) Distribution Street and Customer
 8 Lighting, (10) Customer Accounts Expense, (11) Customer Service and Information,
 9 and (12) Sales Expense.

10 **Q. How were costs time differentiated in the study?**

11 A. Consistent with prior studies, the modified Base-Intermediate-Peak (“BIP”)
 12 methodology was used to assign production and transmission costs to each costing

1 period.⁶ Using this methodology, production and transmission demand-related costs
2 were assigned to three categories of capacity – base, intermediate, and peak. Base
3 costs were determined by dividing the minimum system demand by the maximum
4 demand. Intermediate costs were calculated by dividing the winter peak demand by
5 the summer peak demand and subtracting the base component. Peak costs included
6 all costs not assigned to base and intermediate components.

7 Costs that were assigned as base, intermediate, and peak were then either
8 assigned to the summer or winter peak periods or assigned as non-time-
9 differentiated. Base costs were assigned as non-time-differentiated. Intermediate
10 costs were assigned to the winter peak period. Peak costs were assigned to the
11 summer peak period.

12 **Q. In applying the modified BIP methodology, what demands were used?**

13 A Demands for the combined LG&E and KU systems were used to determine the
14 costing periods and to determine the percentages of production and transmission
15 fixed cost assigned to the costing periods. Since the two systems are planned and
16 operated jointly it is important to develop costing periods and assign costs to the
17 costing periods based on the combined loads for LG&E and KU. Developing the
18 costing periods and allocation factors using the combined LG&E and KU loads in
19 the cost of service study does not result in any shifting in booked expenses of one
20 utility to the other. LG&E’s cost of service study relied on LG&E’s accounting
21 costs, and KU’s cost of service study relied on KU’s accounting costs. The modified

⁶ In Case No. 90-158, the Commission found LG&E’s cost of service study, which utilized the modified BIP methodology, to be “acceptable and suitable for use as a starting point for electric rate design.” (Order in Case No. 90-158, dated December 21, 1990, at 58.)

1 BIP methodology simply affects how costs are assigned to the costing periods within
2 the LG&E and KU cost of service studies.

3 **Q. What percentages were assigned to the costing periods?**

4 A Conroy Exhibit C1 shows the application of the modified BIP methodology. Using
5 this methodology, 32.39% of LG&E's production and transmission fixed costs were
6 assigned to the winter peak period, 33.26% to the summer peak period, and 34.35%
7 as non-time-differentiated.

8 **Q. How were costs classified as energy related, demand related, or customer
9 related?**

10 A. Classification provides a method of arranging costs so that the service characteristics
11 that give rise to the costs can serve as a basis for allocation. Costs classified as
12 *energy related* tend to vary with the amount of kilowatt-hours consumed. Fuel and
13 purchased power expenses are examples of costs typically classified as energy costs.
14 Costs classified as *demand related* tend to vary with the capacity needs of customers,
15 such as the amount of generation, transmission or distribution equipment necessary
16 to meet a customer's needs. Production plant and the cost of transmission lines are
17 examples of costs typically classified as demand costs. Costs classified as *customer
18 related* include costs incurred to serve customers regardless of the quantity of
19 electric energy purchased or the peak requirements of the customers and include the
20 cost of the minimum system necessary to provide a customer with access to the
21 electric grid. As will be discussed later in my testimony, costs related to Distribution
22 Primary Lines, Distribution Secondary Lines, and Distribution Line Transformers
23 were classified as demand-related and customer-related using the zero-intercept

1 methodology. Distribution Services, Distribution Meters, Distribution Street and
2 Customer Lighting, Customer Accounts Expense, Customer Service and
3 Information, and Sales Expense were classified as customer-related.

4 **Q. Have you prepared an exhibit showing the results of the functional assignment,
5 time-differentiation, and classification steps of the electric cost of service study?**

6 A. Yes. Conroy Exhibit C2 shows the results of the first three steps of the electric cost
7 of service study: functional assignment, time differentiation and classification.

8 **Q. Please describe the allocation factors used in the electric cost of service study.**

9 A. The following allocation factors were used in the electric cost of service study:

10

11 • **E01** – Production energy costs and the energy cost
12 component of purchased power costs were allocated
13 on the basis of the kWh sales to each class of
14 customers during the test year.

15 • **PPBDA** – The base demand cost components of
16 production and transmission fixed costs were allocated
17 on the basis each class’s average annual demands, or
18 the loss adjusted energy delivered divided by the hours
19 in the test period.

20 • **PPWDA and PPSDA** – The winter demand and
21 summer demand cost components of production and
22 transmission fixed costs were allocated on the basis of
23 each class’s contribution to the coincident peak

1 demand during the winter and summer peak hour of
2 the test year.

3 • **NCPL and NCPS** – The demand cost component of
4 distribution Poles and Lines (NCPL) and distribution
5 Substations (NCPS) is allocated on the basis of the
6 maximum class demands for primary and secondary
7 voltage customers.

8 • **SICD** – The demand cost component of distribution
9 fixed costs is allocated on the basis of the sum of
10 individual customer demands for secondary voltage
11 customers.

12 • **C02** – Distribution services costs were specifically
13 assigned by relating the costs associated with various
14 types of service installations for customers taking
15 service at secondary voltage.

16 • **C03** – Meter costs were specifically assigned by
17 relating the costs associated with various types of
18 meters to the class of customers for whom these
19 meters were installed.

20 • **C04** -- O&M expenses related to outdoor lighting costs
21 are directly assigned to the Lighting rate class.

22 • **C05** – O&M expenses related to meter reading and
23 customer billing costs are allocated on the basis of

- 1 weighted average customers.
- 2 • **C06** – O&M expenses related to marketing and
3 economic development costs are allocated on the basis
4 of average customers.
- 5 • **YECust04** – Plant costs associated with lighting
6 systems were specifically assigned to the lighting class
7 of customers based on the lighting customers taking
8 service at the end of the test period.
- 9 • **YECust05 and YECust06** – Plant costs associated
10 with meter reading, billing costs and customer service
11 expenses were allocated on the basis of a customer
12 weighting factor based on discussions with LG&E’s
13 meter reading, billing, and customer service
14 departments and applied to the number of customers in
15 each class at the end of the test period.
- 16 • **Cust07** – O&M expenses related to distribution
17 secondary line costs are allocated on the basis of
18 average secondary customers.
- 19 • **Cust08** – O&M expenses related to distribution
20 primary line costs are allocated on the basis of average
21 primary customers.
- 22 • **YECust07** – The customer-related Plant cost
23 component of line transformers and secondary voltage

1 conductor is allocated on the basis of the year-end
2 number of secondary customers.

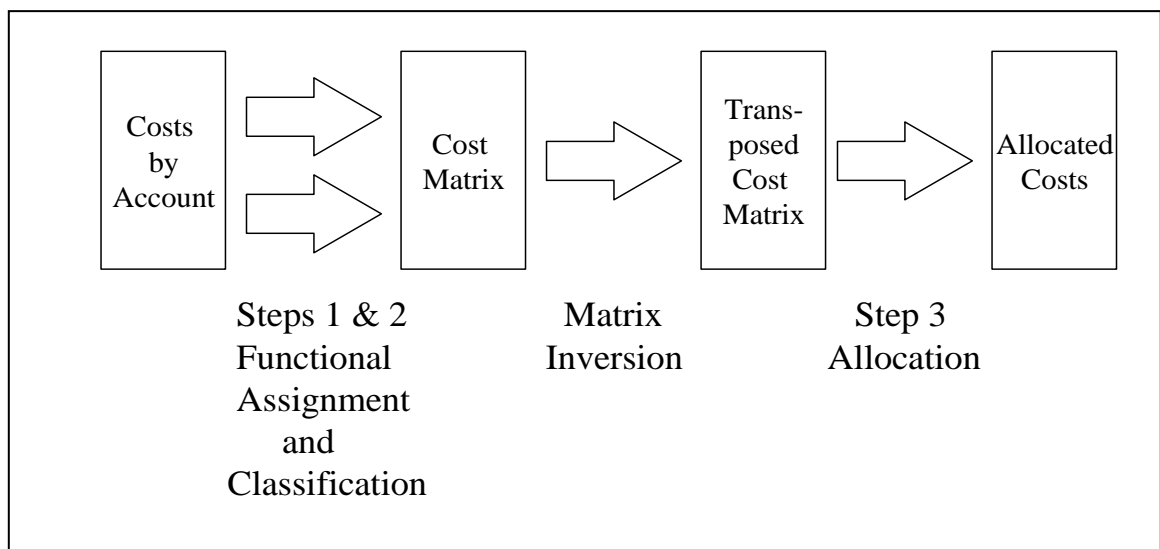
3 • **YECust08** – The customer-related Plant cost
4 component of primary voltage conductor is allocated
5 on the basis of the year-end number of primary
6 customers.

7 **Q. How are functionally assigned and classified costs allocated to the customer**
8 **classes in the cost of service study?**

9 A. In the cost of service model used in this study, LG&E’s accounting costs are
10 functionally assigned and classified using what are referred to in the model as
11 “functional vectors.” These vectors are multiplied (using *scalar multiplication*) by
12 the various accounting costs to simultaneously assign costs to the functional groups
13 and classify costs. Therefore, in the portion of the model included in Conroy Exhibit
14 C2, LG&E’s accounting costs are functionally assigned and classified using the
15 explicitly determined functional vectors of the analysis and using internally
16 generated functional vectors. The explicitly determined functional vectors, which
17 are primarily used to direct where costs are functionally assigned and classified, are
18 shown on pages 43 through 45. Internally generated functional vectors are utilized
19 throughout the study to functionally assign costs on the basis of similar costs or on
20 the basis of internal cost drivers. The internally generated functional vectors are
21 shown on pages 46 through 48 of Conroy Exhibit C2. An example of this process is
22 the use of total operation and maintenance expenses less purchased power
23 (“OMLPP”) to allocate cash working capital included in rate base. Because cash

1 working capital is determined on the basis of 12.5% of operation and maintenance
2 expenses, exclusive of purchased power expenses, it is appropriate to functionally
3 assign and classify cash working capital on the same basis as total operation and
4 maintenance expenses less purchased power. (See Conroy Exhibit C2, pages 7
5 through 9 for the functional assignment of cash working capital on the basis of
6 OMLPP shown on pages 46 through 48.) The functional vector used to allocate a
7 specific cost is identified by the column in the model labeled “Vector” and refers to
8 a vector identified elsewhere in the analysis by the column labeled “Name.”

9 Once the accounting costs are functionally assigned and classified, the
10 resultant cost matrix for the major cost groupings (e.g., Plant in Service, Rate Base,
11 Operation and Maintenance Expenses) is then transposed and allocated to the
12 customer classes using “allocation vectors” or “allocation factors.” This process is
13 illustrated in Figure 2 below.



23 **Figure 2**

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The results of the class allocation step of the cost of service study are included in Conroy Exhibit C3. The costs shown in the column labeled “Total System” in Conroy Exhibit C3 were carried forward *from* the functionally assigned and classified costs shown in Conroy Exhibit C2. The column labeled “Ref” in Conroy Exhibit C3 provides a reference to the results included in Conroy Exhibit C2, in the column labeled “Name”.

8

Q. What methodology was used to classify distribution plant?

9

A. Consistent with the prior base rate proceedings, the “zero-intercept” methodology was used to determine the customer components of overhead conductors, underground conductors, and line transformers.

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As explained in prior proceedings, the theory behind the zero-intercept methodology is that there is a linear relationship between the unit cost (\$/ft or \$/transformer) of conductors or line transformers and the load flow capability of the plant, which is proportionate to the cross-sectional area of the conductor or the kVA rating of the transformer. After establishing a linear relation, which is given by the equation:

$$y = a + bx$$

18

19

where:

20

y is the unit cost of the conductor or transformer,

21

x is the size of the conductor (MCM) or transformer (kVA), and

1 **a, b** are the coefficients representing the intercept and slope,
2 respectively

3

4 it can be determined that, theoretically, the unit cost of a foot of conductor or
5 transformer with zero size (or conductor or transformer with zero load carrying
6 capability) is **a**, the zero-intercept. The zero-intercept is essentially the cost
7 component of conductor or transformers that is invariant to the size (and load
8 carrying capability) of the plant.

9 The feet of conductor and number of transformers on LG&E's system are not
10 uniformly distributed over all sizes of wire and transformer. For this reason, it was
11 necessary to use a weighted regression analysis in the determination of the zero
12 intercept. Without performing a weighted regression analysis all types of conductor
13 and transformers would have the same impact on the analysis, even though the
14 quantity of conductor and transformers are not the same for each size and type.

15 Using a weighted regression analysis, the cost and size of each type of
16 conductor or transformer is, in effect, weighted by the number of feet of installed
17 conductor or the number of transformers. In a weighted regression analysis, the
18 following weighted sum of squared differences

$$\sum_i w_i (y_i - \hat{y}_i)^2$$

19

1 is minimized, where w is the weighting factor for each size of conductor or
2 transformer, and y is the observed value and \hat{y} is the predicted value of the
3 dependent variable.

4 **Q. Has the Commission accepted the use of the zero-intercept methodology?**

5 A. Yes. The Commission found LG&E's cost of service studies (both electric and gas)
6 submitted in Case No. 2000-080 and Case No. 90-158 to be reasonable, thus
7 providing a means of measuring class rates of return and suitable for use as a guide
8 in developing appropriate revenue allocations and rate design. The Commission also
9 found the embedded cost of service study submitted by The Union Light, Heat and
10 Power Company in Case No. 2001-00092, which utilized a zero-intercept
11 methodology, to be reasonable. In addition, LG&E has utilized the zero-intercept
12 methodology when preparing the cost of service studies in Case Nos. 2003-00433,
13 2008-00252, and 2009-00549.

14 **Q. Have you prepared exhibits showing the results of the zero-intercept analysis?**

15 A. Yes. For overhead conductors, the zero-intercept analysis is contained in Conroy
16 Exhibit C4. For underground conductors, the analysis is included in Conroy Exhibit
17 C5. Finally, for line transformers, the analysis is included in Conroy Exhibit C6.

18 **Q. Please summarize the results of the electric cost of service study.**

19 A. The following table (Table 1) summarizes the rates of return for each customer class
20 before and after reflecting the rate adjustments proposed by LG&E. The Actual
21 Adjusted Rate of Return was calculated by dividing the adjusted net operating
22 income by the adjusted net cost rate base for each customer class. The adjusted net
23 operating income and rate base reflect the pro forma adjustments discussed in Mr.

1 Blake's testimony. The Proposed Rate of Return was calculated by dividing the net
 2 operating income adjusted for the proposed rate increase by the adjusted net cost rate
 3 base.

4

TABLE 1		
Electric Class Rates of Return		
Customer Class	Actual Adjusted Rate of Return	Proposed Rate of Return
Residential Rate - RS	3.59%	5.66%
General Service - GS	10.33%	12.06%
Power Service - PS		
- Secondary	10.60%	12.49%
- Primary	12.41%	12.49%
Time of Day Secondary – TODS	7.17%	9.45%
Time of Day Primary – TODP	5.56%	8.18%
Retail Transmission Service - RTS	4.65%	8.13%
Lighting	8.73%	9.69%
Special Contracts	0.71%	3.36%
Total System	6.14%	8.19%

5

6 Determination of the actual adjusted and proposed rates of return are detailed in
 7 Conroy Exhibit C3, pages 33 - 34 and pages 35 - 36, respectively.

8

9 **IV. GAS COST OF SERVICE STUDY**

10 **Q. Did you prepare a cost of service study for LG&E's gas operations based on**
 11 **financial and operating results for the 12 months ended March 31, 2012?**

12 A. Yes. I supervised and participated in the preparation of a fully allocated, embedded
 13 cost of service study for gas operations. The cost of service study corresponds to
 14 the pro forma financial exhibits included in the testimony of Mr. Blake. As with the
 15 electric cost of service study, the objective in performing the gas cost of service

1 study is to determine the rate of return on rate base that LG&E is earning from each
2 customer class, which provides an indication as to whether LG&E's gas service rates
3 reflect the cost of providing service to each customer class.

4 **Q. Are the models used to perform the gas cost of service study consistent with**
5 **prior base rate case proceedings?**

6 A. Yes. LG&E continues to use the same spreadsheet models developed and utilized in
7 prior base rate proceedings to perform the gas cost of service study.

8 **Q. Generally, were the procedures used in performing the gas cost of service study**
9 **the same as those described above for the electric cost of service study?**

10 A. Yes, with the exception that the study was not time differentiated. The cost of
11 service study was prepared using the following procedure: (1) costs were
12 functionally assigned (*functionalized*) to the major functional groups, (2) costs were
13 then *classified* as commodity-related, demand-related, or customer-related; and then
14 (3) costs were allocated to LG&E's rate classes. These steps are depicted in the
15 following diagram (Figure 3). This is a standard approach utilized in the preparation
16 of embedded cost of service studies for gas utilities.

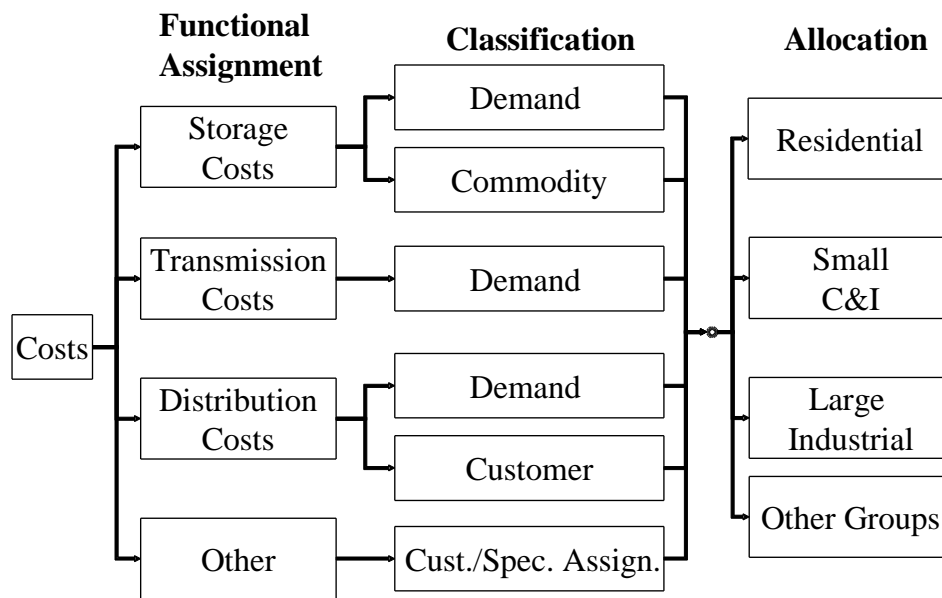


Figure 3

1

2 The following standard functional groups were identified in the cost of service study:
 3 (1) Procurement, (2) Storage, (3) Transmission, (4) Distribution Commodity, (5)
 4 Distribution Structures and Equipment, (6) Distribution Mains – Low- and Medium-
 5 Pressure, (7) Distribution Mains – High-Pressure, (8) Services, (9) Meters, (10)
 6 Customer Accounts, and (11) Customer Service Expense.

7 **Q. How were costs classified as commodity related, demand related or customer**
 8 **related?**

9 A. Classification provides a method of arranging costs so that the service characteristics
 10 that give rise to the costs can serve as a basis for allocation. Costs classified as
 11 *commodity related* tend to vary with the quantity of gas delivered, such as gas supply
 12 and the operation of compressors. Since gas supply costs were removed from the
 13 cost of service study, it was not necessary to classify gas supply costs. Costs
 14 classified as *demand related* are costs related to facilities installed to meet design-

1 day usage requirements. Costs classified as *customer related* include costs incurred
2 to serve customers regardless of the quantity of gas purchased or the peak
3 requirements of the customers. All transmission plant costs were classified as
4 demand related and were allocated on the same basis as storage. Unlike other local
5 gas distribution companies (“LDCs”), LG&E’s transmission system is used
6 primarily to get gas in and out of its gas storage fields; therefore, Distribution
7 Structures and Equipment costs were classified as demand-related. As will be
8 discussed later in my testimony, costs related to Distribution Mains were
9 functionally assigned as either low and medium pressure mains or high-pressure
10 mains and then classified as demand-related and customer-related using the zero-
11 intercept methodology. Services, Meters, Customer Accounts, and Customer
12 Service Expenses were classified as customer-related.

13 **Q. Have you prepared an exhibit showing the results of the functional assignment**
14 **and classification steps of the cost of service study?**

15 A. Yes. Conroy Exhibit C7 shows the results of the first two steps of the natural gas
16 cost of service study, functional assignment and classification.

17 **Q. Please describe the allocation factors used in the gas cost of service study.**

18 A. The following allocation factors were used in the gas cost of service study:

- 19 • **DEM01** is used to allocate procurement demand-
20 related costs; these costs are the procurement-related
21 expenses that are not recovered through LG&E’s Gas
22 Supply Clause.

- 1 • **DEM02** is used to allocate Storage demand-related
2 costs and represents a composite allocation based on
3 extreme winter season requirements and design day
4 demands. The class allocation factor is the sum of (a)
5 the volumes (commodity) withdrawn from storage
6 during the design winter season, and (b) the volumes
7 needed in storage to meet the design-day demands. The
8 calculation of this allocation factor is shown on Conroy
9 Exhibit C8.
- 10 • **DEM03** is used to allocate Transmission demand-
11 related costs and is allocated on the same basis as
12 storage demand. Because LG&E’s transmission lines
13 are used primarily to either fill the storage fields or
14 remove gas from storage, transmission demand-related
15 costs are allocated on the same basis as storage
16 demand-related costs.
- 17 • **DEM04** is used to allocate Distribution Structures and
18 Equipment demand-related costs and represents
19 maximum class demands determined at LG&E’s -12° F
20 design day mean temperature. These demands, which
21 are shown in Conroy Exhibit C8, were calculated using
22 base loads and temperature sensitive loads developed
23 for the temperature normalization adjustment. The

1 temperature normalization adjustment is discussed
2 earlier in my testimony.

3 • **DEM05** is used to allocate the demand-related portion
4 of the cost of high-pressure distribution mains and
5 represents maximum class demands determined at the
6 design day mean temperature of customers served at
7 high-pressure or below. The high-pressure system
8 consists of pipe pressured at 60 psi and above. All of
9 the gas delivered into the low- and medium-pressure
10 system must first pass through the high-pressure
11 system. Consequently, all customers utilize the high-
12 pressure system.

13 • **DEM05a** is used to allocate the demand-related
14 portion of the cost of low- and medium-pressure
15 distribution mains and represents maximum class
16 demands determined at the design day mean
17 temperature of customers served at medium pressure
18 or low pressure. The low- and medium-pressure
19 system consists of pipe pressured below 60 psi. The
20 demands of customers served at high pressure are not
21 included in the determination of this allocation factor.
22 The low- and medium-pressure system is not used to
23 provide distribution delivery service to customers

- 1 served at high pressure.
- 2 • **COM01** is used to allocate commodity-related
3 procurement expenses and represents annual
4 throughput volumes (including both sales and
5 transportation). Procurement expenses correspond to
6 expenses incurred by LG&E's gas supply department
7 (including labor), which are not recovered through the
8 Gas Supply Clause. This department not only
9 purchases gas for sales customers but also administers
10 LG&E's transportation service schedules.
 - 11 • **COM02** is used to allocate Storage commodity-related
12 costs and represents actual customer class deliveries
13 during the winter withdrawal season (defined as the
14 months of November through March).
 - 15 • **COM03** is used to allocate Transmission commodity-
16 related costs and represents actual customer class
17 deliveries during the winter withdrawal season
18 (defined as the months of November through March).
 - 19 • **COM04** is used to allocate Distribution commodity-
20 related costs and represents annual throughput
21 volumes (including both sales and transportation).
 - 22 • **CUST01** is used to allocate the customer-related
23 portion of LG&E's high-pressure distribution mains

1 and represents the year-end number of customers
2 served at high pressure and below.

3 • **CUST01a** is used to allocate the customer-related
4 portion of LG&E's low and medium pressure
5 distribution mains and represents the year-end number
6 of customers at low and medium pressure. The
7 customers served at high pressure are not included in
8 the determination of this allocation factor. The low-
9 and medium-pressure system is not used to provide
10 distribution delivery service to customers served at
11 high pressure.

12 • **CUST02** is used to allocate Services and is based on
13 the total estimated cost of installing a service line per
14 customer in each customer class weighted by the year-
15 end number of customers in each class.

16 • **CUST03** is used to allocate Meters and is based on the
17 total cost of meters and meter installation costs per
18 customer in each customer class weighted by the year-
19 end number of customers in each class.

20 • **CUST04** is used to allocate customer accounts
21 expenses (Accounts 901 through 905) and represents a

1 composite allocation factor.⁷
2 • **CUST05** is used to allocate customer service expenses
3 using the same customer-weighting factor used to
4 allocate Accounts 901 through 905 as in the calculation
5 of CUST04.

6 **Q. Did you classify the costs of mains between demand and customer costs?**

7 A. Yes. Mains were classified using the zero-intercept methodology, which was
8 described above in connection with the electric cost of service study. The zero-
9 intercept analysis is included in Conroy Exhibit C9.

10 **Q. How were distribution mains functionally separated between high pressure and**
11 **low and medium pressure categories?**

12 A. The feet of high-pressure mains by size of pipe were identified from LG&E's maps
13 and records. The feet of low- and medium-pressure pipe were determined residually
14 by subtracting the specifically identified high-pressure mains from the total feet for
15 each pipe size. The zero-intercept unit cost of \$7.23 was then applied to the high-
16 pressure mains and to the low and medium pressure mains to determine the
17 customer-related portion of the mains.⁸ By identifying high-pressure mains from
18 LG&E's maps and records, it was determined that LG&E's high-pressure

⁷ This allocation factor is determined as follows: First, customer accounts supervision (Account 901), meter reading (Account 902), customer records and collections (Account 903), and miscellaneous customer account expenses (Account 905) were allocated to each customer class using a customer weighting factor based on discussions with LG&E's meter reading, billing and customer service departments. A cost weighting factor of 1.0 was utilized for Residential Gas Service, a cost weighting factor of 1.1 was utilized for Commercial Gas Service, a cost weighting factor of 10 was utilized for Industrial Gas Service and Rate AAGS, and a customer weighting factor of 20 was utilized for Firm Transportation Service Rate FT and special contracts. Using a cost weighting factor of 20 for Rate FT and special contracts, for example, means that the cost of performing the meter reading, billing and customer service functions for customers served under Rate FT is 20 times more than the cost of performing these same services for customers served under Rate RGS.

⁸ The cost of service study used the zero intercept results from the detailed analysis that was performed based on plant records as of March 31, 2012.

1 distribution mains represent 8.83% of the total installed cost, with 3.95%
2 corresponding to customer related costs and 4.88% corresponding to demand related
3 costs. The low- and medium-pressure pipe comprises the remaining 91.17% of
4 installed cost, with 60.20% classified as customer related and 30.96% classified as
5 demand related. The breakdown is shown on page 4 of Conroy Exhibit C9.

6 **Q. Was a similar separation made in the electric cost of service study?**

7 A. Yes. The electric cost of service study separates distribution conductor between
8 primary voltage conductor and secondary voltage conductor. The functional
9 separation in the gas cost of service study between high-pressure and low- and
10 medium-pressure pipe is analogous to the primary and secondary splits determined
11 in the electric cost of service study. Differences in the pressure in a pipe are often
12 used as an analogy to differences in voltages.

13 **Q. Please summarize the results of the gas cost of service study.**

14 A. The following table (Table 2) summarizes the rates of return for each customer class
15 before and after reflecting the rate adjustments proposed by LG&E. The Actual
16 Adjusted Rate of Return was calculated by dividing the adjusted net operating
17 income by the adjusted net cost rate base for each customer class. The adjusted net
18 operating income and rate base reflect the pro forma adjustments discussed in Mr.
19 Blake's testimony. The Proposed Rate of Return was calculated by dividing the net
20 operating income adjusted for the proposed rate increase by the adjusted net cost rate
21 base.

22

23

TABLE 2 Gas Class Rates of Return		
Customer Class	Actual Adjusted Rate of Return	Proposed Rate of Return
Residential – RGS	4.28%	6.19%
Commercial – CGS	10.22%	13.01%
Industrial – IGS	15.81%	19.30%
As-Available Service - AAGS	16.69%	20.02%
Firm Transportation Service – FT	48.63%	53.51%
Special Contracts	41.30%	43.73%
Total System	5.92%	8.04%

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V. ELECTRIC RATE DESIGN AND ALLOCATION OF INCREASE

6

A. ALLOCATION OF ELECTRIC REVENUE INCREASE

7

Q. What is the basic objective of the rate design being proposed?

8

A. It is the Companies' intent to continue the principles followed in the previous two rate cases of gradually eliminating cross-subsidization and bringing both the structure and the charges of the rate design in line with the results of the cost of service study. My testimony will address changes the Company is proposing to rate structures and the charges supported by the cost of service studies.

10

11

12

13

Q. What changes does LG&E propose to its electric rate structures?

14

A. Though LG&E proposes to change most charges, it proposes consolidation of and structural changes to only its Time-of-Day Primary and Secondary rates and a re-evaluation of the lighting rates. I will address only those rates the Company proposes to change structurally or with significant text changes.

15

16

17

1 **Q. What efforts have LG&E and KU made towards harmonizing the service**
2 **schedules offered by each company?**

3 A. The Companies continue to take strides towards harmonizing the rate schedules
4 where possible and have consolidated schedules, renamed schedules and added
5 schedules, and revised language to be as consistent as possible between the two
6 Companies. The table below summarizes the changes being made to the current and
7 proposed LG&E rate schedule designations.

Current Rate Schedule	Proposed Rate Schedule	Availability kW or kVA
RS	RS	All
GS	GS	0 – 50 kW
PS (Secondary)	PS (Secondary)	50 – 250 kW
PS (Primary)	PS (Primary)	0 – 250 kW
CTODS (Secondary)	TODS (Secondary)	250 - 5,000 kW
ITODS (Secondary)		
CTODP (Primary)	TODP (Primary)	250 - 75,000 kVA
ITODP (Primary)		
RTS	RTS	0 - 75,000 kVA
FLS	FLS	20,000 - 200,000 kVA

8
9 Through the changes made in the previous rate cases and the changes proposed in
10 this proceeding, the Companies are close to completely harmonizing the rate
11 schedules between LG&E and KU. Conroy Exhibit R1 shows a visual comparison
12 of LG&E's and KU's rate schedules for most of the service offerings.

13 **Q. Please summarize how LG&E proposes to allocate the electric revenue increase**
14 **to the classes of service.**

15 A. LG&E relied on the results of the electric cost of service study to determine the
16 methodology used to allocate the revenues to the classes of service, although
17 consistent with gradualism, LG&E is not proposing rate adjustments that will move

1 all classes of service to the overall rate of return. Instead, LG&E took a multi-step
 2 approach at allocating the revenue increase. First, LG&E allocated the increase
 3 across all rate schedules in an equal percentage. Second, in recognition of the fact
 4 that class subsidization exists, LG&E adjusted the revenue allocation to eliminate
 5 15% of the subsidy received/(provided) between rate classes. Finally, given that
 6 the Rate PS Primary class had a significantly higher rate of return than the other
 7 classes, LG&E made a further adjustment to lower the allocation to this class of
 8 customers. The Company is proposing a total revenue increase from sales to ultimate
 9 consumers of 6.89%. In recognition of differences in class rates of return, larger
 10 percentage increases are proposed for those classes with a rate of return from the
 11 cost of service study below the overall pro forma rate of return; conversely, smaller
 12 percentage increases are proposed for classes with rates of return that are higher than
 13 the overall.

14 The following table shows the pro forma class rates of return alongside the
 15 proposed percentage increase for each rate class:

16

TABLE 3		
Electric Class Rates of Return and Proposed Percentage Increases		
Customer Class	Actual Adjusted Rate of Return	Proposed Increase
Residential Rate – RS	3.59%	8.60%
General Service – GS	10.33%	5.09%
Power Service – PS		
- Secondary	10.60%	5.02%
- Primary	12.41%	0.17%
Time of Day Secondary – TODS	7.17%	6.52%

TABLE 3 Electric Class Rates of Return and Proposed Percentage Increases		
Customer Class	Actual Adjusted Rate of Return	Proposed Increase
Time of Day Primary – TODP	5.56%	7.20%
Retail Transmission Service – RTS	4.65%	7.54%
Lighting	8.73%	5.01%
Special Contracts	0.71%	9.44%
Total System	6.14%	6.89%

1

2

B. RESIDENTIAL ELECTRIC RATE DESIGN & INCREASE

3 **Q.**

Does LG&E propose to change its Residential Service, Rate RS, rate structure?

4 A.

No. The rate structure will remain the same and consist of a Basic Service Charge and a flat energy charge.

5

6 **Q.**

Is LG&E proposing to bring the rate components in residential electric rates more in line with the unit costs shown in the cost of service study?

7

8 A.

Yes. LG&E is proposing to increase the monthly residential basic service charge from \$8.50 to \$13.00 to bring it more in line with the customer-related costs identified in the cost of service study. Even considering this increase, the basic service charge will be less than the cost of service. The cost of service study indicates that the customer-related cost for the residential class is \$18.12 per customer per month, so LG&E is proposing to increase the basic service charge in a direction that will more accurately reflect the actual cost of providing service. This cost is derived in Conroy Exhibit R2.

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16 **Q.**

Does the current monthly basic service charge of \$8.50 adequately recover customer-related costs from residential customers?

17

1 A. No. The current basic service charge of \$8.50 per customer per month does not even
2 recover all of the customer-related operating expenses, let alone any of the margins
3 (return) that would normally be assigned as customer-related cost. Based on
4 calculations from the cost of service study, customer-related costs are \$18.12 per
5 customer per month; therefore, there is under-recovery of \$9.62 per customer per
6 month through the basic service charge. When this under-recovery of \$9.62 per
7 customer per month is multiplied by the 4,173,222 customer months for the
8 residential rate class during the test year, the result is \$40,146,396 in customer
9 related fixed operating expenses and margins that are not being recovered through
10 the basic service charge. When this amount is recovered through the energy charge
11 instead, the result is about 0.952 cents per kWh of customer fixed operating
12 expenses and margins collected through the energy charge (calculated as
13 $\$40,146,396 / 4,216,187,376 \text{ kWh} = \0.00952 per kWh). Thus, the basic service
14 charge is \$9.62 per customer per month too low and the energy charge is 0.952 cents
15 per kWh too high. This recovery of fixed operating expenses and margins through
16 the energy charge results in intra-class subsidies. The proposed basic service charge
17 of \$13.00 partially mitigates this intra-class subsidy by removing a portion of fixed
18 cost recovery from the energy component of residential rates. Consistent with the
19 Commission's long-standing acceptance of gradualism, LG&E is not proposing the
20 basic service charge that is supported by the electric cost of service study.

21 **Q. What are intra-class subsidies and how can intra-class subsidies be avoided?**

22 A. When one rate class subsidizes another rate class it is referred to as "inter-class
23 subsidies," but when customers within a particular rate class subsidize other

1 customers served under the same rate schedule it is referred to as “intra-class
2 subsidies.” The rate-making principle that should be followed to avoid intra-class
3 subsidies is that, as much as possible, fixed costs should be recovered through fixed
4 charges (such as the basic service charge and demand charge) and variable costs
5 should be recovered through variable charges (such as the energy charge). If fixed
6 costs are recovered through variable charges, each kWh contains a component of
7 fixed costs and customers using more energy than the average customer in the class
8 are paying more than their fair share of fixed costs and margins, while customers
9 using less energy than the average customer in the class are paying less than their
10 fair share of fixed costs and margins. These fixed costs and margins should be
11 collected through the billing units associated with the appropriate cost driver, and
12 energy usage clearly is *not* the correct cost driver for fixed costs. The collection of
13 fixed costs through the energy charge typically results in customers with above-
14 average usage subsidizing customers with below-average usage. The collection of
15 variable costs through fixed charges also results in an intra-class subsidy, with
16 customers with below-average usage subsidizing customers with above-average
17 usage. To eliminate this source of intra-class subsidies, LG&E wants to pursue a rate
18 design that moves more in the direction of recovering fixed costs through fixed
19 charges and variable costs through variable charges.

20 **Q. What impact would recovering more of the increase through the basic service**
21 **charge than the energy charge have on the average customer?**

22 A. Given a specified increase for the class, the average residential customer would see
23 the same increase whether more is recovered through the basic service charge or

1 energy charge. Ultimately, the proposed rate for any given class of customers is
2 based on averages and any rate design that is revenue neutral (i.e., generates the
3 same amount of revenue) will have no impact whatsoever on a customer with a
4 usage equal to the class average. Even average customers would see greater seasonal
5 fluctuation as the impact on customer energy bills would be greatest at the extremes
6 of very low energy usage and very high energy usage. The change would result in
7 higher energy bills for low-usage customers, as the subsidy that they had been
8 receiving was removed, and lower energy bills for high-usage customers as the
9 subsidies that they had been paying were eliminated. Both would see smaller
10 seasonal fluctuations.

11 **Q. Typically, who are the low-usage customers who would be paying higher energy**
12 **bills once the subsidies were removed?**

13 A. For utilities such as LG&E, operating in an urban service territory, low-usage
14 customers tend to be loads like garages, workshops, outbuildings, and unusual
15 service connections, and for utilities such as KU, operating in a mixed service
16 territory consisting of both urban and suburban customers, their low-usage
17 customers tend to be loads like garages, workshops, outbuildings, vacation homes,
18 hunting camps, and fishing camps. All of these loads typically consume very few
19 kilowatt hours during the course of a year and the usage is sporadic. However, the
20 utility still incurs fixed costs in installing the minimum system requirements
21 necessary to serve these loads. A rate design with a low basic service charge and
22 with a significant portion of fixed operating expenses and margins recovered through
23 the energy charge would result in the intra-class subsidies discussed above. It sends

1 a signal that it is relatively inexpensive to provide the physical equipment necessary
2 to provide service to customers, and this is definitely not the case.

3 **Q. Would recovering more of the increase through the basic service charge rather**
4 **than through the energy charge send the wrong signals for energy**
5 **conservation?**

6 A. No. The problem with recovering fixed costs through the energy charge is that
7 whenever customers take measures to conserve energy they reduce the amount of
8 fixed costs recovered by the utility. In this situation, even though its revenues have
9 been reduced by efforts of its customers to conserve energy, none of the utility's
10 fixed costs have been avoided. What happens in this situation is that the utility's
11 earnings are reduced as a result of customers using less energy. This is exactly what
12 has happened with natural gas distribution companies. As customers have installed
13 more efficient appliances, customer usage has gone down resulting in a
14 corresponding reduction in revenues. The utility's fixed costs, however, have
15 remained the same or may have even gone up causing its earnings to go down.

16 **Q. Would recovering more of the cost through the basic service charge rather than**
17 **through the energy charge have the effect of stabilizing customers' monthly**
18 **bills?**

19 A. Yes. Increasing the basic service charge will reduce the spikes that customers see in
20 their bills during high usage months and cause customer bills to be somewhat more
21 level throughout the course of a year.

22

1 **C. LARGE CUSTOMER TIME OF DAY RATES**

2 **Q. Please describe the Company's proposed changes to the time-of-day industrial**
3 **and commercial rates.**

4 A. To complete the harmonization of the rate schedules between LG&E and KU,
5 LG&E is proposing to combine the commercial and industrial time-of-day (TOD)
6 rates. LG&E currently has four different rate schedules for service to this group
7 designated as Commercial TOD Secondary (Rate CTODS), Industrial TOD
8 Secondary (Rate ITODS), Commercial TOD Primary (Rate CTODP), and Industrial
9 TOD Primary (Rate ITODP). To be consistent with the previous changes made by
10 KU, LG&E is proposing to consolidate secondary service for Rate CTODS and Rate
11 ITODS into the same rate schedule designated as Rate TODS. In addition, LG&E is
12 proposing to consolidate primary service for Rate CTODP and Rate ITODP into the
13 same rate schedule designated as Rate TODP.

14 **Q. Is LG&E proposing any additional changes to the large time-of-day rates?**

15 A. Yes. With the consolidation of the Rate ITODP and Rate CTODP, LG&E is
16 proposing to bill primary voltage customers currently on Rate ITODP on a kVA
17 basis. This is a continuation of the transition to kVA billing for large voltage
18 customers that was begun in the Company's last two rate cases. In the rates that
19 were approved in the Company's last rate case (Case No. 2009-00549), LG&E began
20 billing Rate CTODP customers on a kVA basis but kept the rate structure for Rate
21 ITODP on a kW basis as a result of the Settlement Agreement. Rate ITODP is the
22 only high voltage customer rate schedule not billed on a kVA basis for LG&E and
23 KU.

1 **D. OTHER STANDARD RATE SCHEDULES**

2 **Q. What changes does LG&E propose to make to its lighting rates?**

3 A. LG&E is maintaining the Rate LS and Rate RLS rate schedules for lighting service.
4 However, throughout both Rate LS and Rate RLS, LG&E has consolidated various
5 lights with the same or similar rate and has eliminated other lights which are not in
6 service to simplify the number of lighting offerings. In addition, the lighting fixtures
7 contained in Rate DSK are being incorporated in the Rate LS rate schedule. The
8 lighting rates as a group, inclusive of Rate LS, RLS, LE and TE, are being increased
9 by an average of approximately 5%.

10 **Q. Other than the changes mentioned previously, is the Company proposing any**
11 **other significant structural changes to its rates?**

12 A. No. However, in general, the Company is proposing to modify individual rate
13 components to more accurately reflect the results of the cost of service study. The
14 details of the proposed rates for each rate schedule are shown in Conroy Exhibit R5.

15

16 **E. SUMMARY OF ELECTRIC RATE INCREASES**

17 **Q. Have you prepared exhibits reconstructing LG&E's test-year billing**
18 **determinants for the electric business and showing the impact of applying the**
19 **new rates to test-year billing determinants?**

20 A. Yes. The reconstruction of LG&E's electric billing determinants is shown on Conroy
21 Exhibit R3. The revenue increase by rate class is summarized on Conroy Exhibit
22 R4. Conroy Exhibit R5 shows the impact of applying the current and proposed rates
23 to test-year billing units. Conroy Exhibit R6 shows the impact of the proposed

1 changes to the Company's miscellaneous charges. Specifically, the increase in other
2 revenues is included in the Company's proposed revenue increase on Conroy Exhibit
3 R4. Consequently, these increased miscellaneous charges reduce the amount of the
4 increase that would otherwise be recovered through the Company's base rates.
5 Changes to the miscellaneous charges are discussed below.

6 **Q. What revenue increase is LG&E proposing for electric operations?**

7 A. LG&E is proposing an increase in electric test-year revenues of \$62,057,882, which
8 is calculated by applying the proposed rates to test-year billing determinants and
9 including the proposed increases in miscellaneous charges discussed below. This
10 increase is slightly different from the revenue requirement increase of \$62,068,503
11 shown in Blake Exhibit 8 because the number of decimal places in the proposed
12 charges cannot be carried out far enough to yield the exact amount shown in Mr.
13 Blake's exhibit.

14

15 **VI. GAS RATE DESIGN AND THE ALLOCATION OF THE INCREASE**

16 **A. ALLOCATION OF THE GAS REVENUE INCREASE**

17 **Q. Please summarize how LG&E proposes to allocate the gas revenue increase to**
18 **the classes of service.**

19 A. In developing its proposed gas rates, LG&E allocated the increase an equal
20 percentage of base rate revenues (non GSC) across Rate RGS, Rate CGS, Rate IGS,
21 and Rate AAGS after adjusting the administration charge for Rate FT and the special
22 contract tied to Rate FT. LG&E is proposing to increase Residential Gas Service --
23 Rate RGS by 7.57%, Commercial Gas Service -- Rate CGS by 6.07%, Industrial Gas

1 Service -- Rate IGS by 5.09%, As-Available Gas Service – Rate AAGS by 2.10%,
2 Firm Transportation Service Rate FT by 6.45%, and Special Contracts by a
3 combined 6.20%.

4

5 **B. RESIDENTIAL GAS SERVICE**

6 **Q. Does LG&E propose to change its Residential Gas Service, Rate RGS, rate**
7 **structure?**

8 A. No. The existing rate structure will remain unchanged, with a monthly Basic
9 Service Charge and a flat distribution charge per 100 cubic feet.

10 **Q. Have you analyzed the customer-related costs for Rate RGS?**

11 A. Yes. Conroy Exhibit R7 shows the unit customer-related costs for Rate RGS based
12 on the results of the cost of service study. The customer-related cost was derived by
13 calculating the customer-related cost of service, or “revenue requirement” and
14 dividing this amount by the number of customers. LG&E’s cost of service includes
15 (1) return on investment, (2) income taxes, (3) operation and maintenance expenses,
16 (4) depreciation expenses, and (5) other taxes. The proposed rate of return for Rate
17 RGS of 6.19% was utilized to calculate the unit cost. As shown in Conroy Exhibit
18 R7, the gas cost of service indicates that residential customer-related costs are
19 \$19.43 per customer per month.

20 **Q. What basic service charge is LG&E proposing for Rate RGS?**

21 A. LG&E is proposing to increase the monthly residential basic service charge from
22 \$12.50 to \$15.50 to bring it more in line with the customer-related costs identified in
23 the gas cost of service study. Even considering this increase, the basic service

1 charge will be less than the gas cost of service. Consistent with the long-standing
2 Commission acceptance of the practice of gradualism, LG&E is not proposing the
3 basic service charge that is supported by the gas cost of service study. The gas cost
4 of service study indicates that the customer-related cost for the residential class is
5 \$19.43 per customer per month, so LG&E is proposing to increase the basic service
6 charge in a direction that will more accurately reflect the actual cost of providing
7 service.

8 **Q. What distribution cost component is LG&E proposing for Rate RGS?**

9 A. LG&E is proposing to increase the distribution cost component from \$2.2396 per
10 Mcf to \$2.31210 per Mcf.

11 **Q. What is the proposed rate of return for Rate RGS?**

12 A. The proposed rate of return for Rate RGS is 6.19%, which is still under the overall
13 rate of return of 8.04%.

14

15 **C. OTHER GAS RATE CHANGES**

16 **Q. What increases are being proposed for Rate CGS and Rate IGS?**

17 A. Yes. For Rate CGS, LG&E is proposing to increase the on-peak Distribution Cost
18 Component from \$1.8722 per Mcf to \$2.11420 per Mcf and maintain the \$0.5 per
19 Mcf reduction from the on-peak charge for the off-peak Distribution Cost
20 Component. For Rate IGS, LG&E is proposing to increase the on-peak Distribution
21 Cost Component from \$1.9022 per Mcf to \$2.15230 per Mcf and maintain the \$0.5
22 per Mcf reduction from the on-peak charge for the off-peak Distribution Cost
23 Component. For Rate CGS and Rate IGS, we are proposing to increase the monthly

1 basic service charge for meters less than 5,000 cubic feet per hour from \$30.00 to
2 \$35.00 and to increase the monthly basic service charge for meters of 5,000 cubic
3 feet per hour or higher from \$170.00 to \$175.00.

4 **Q. What other changes are you proposing?**

5 A. We are proposing to increase the monthly administrative charge applicable to Gas
6 Transportation Service/Standby Rate TS from \$230.00 to \$600.00. We are
7 proposing to increase the monthly administrative charge applicable to Rate FT and
8 the special contract customers from \$230.00 to \$600.00. The higher administrative
9 charges are intended to cover the costs associated with administering and facilitating
10 the transportation program under which these customers are served. The cost support
11 for these charges is included in Conroy Exhibit R8.

12 **Q. Please explain the new proposed components for Rate FT.**

13 A. LG&E is proposing two new components to Rate FT. The first is a Gas Cost True-
14 Up Charge which would be applied during the first 18 months after a Customer
15 moves from a sales rate to Rate FT. The purpose of this charge is to recover or
16 refund the difference between the GSC amount and the actual gas cost incurred
17 while Customer was a sales Customer. The Gas Cost True-Up Charge will be
18 updated in conjunction with the quarterly GSC filings. The second charge is a
19 Minimum Daily Threshold Charge which would be applied if a Customer's daily
20 usage falls below the Minimum Daily Threshold Requirement. The Minimum Daily
21 Threshold Charge will be calculated as the volume deficiency multiplied by the
22 Commission approved Distribution Charge per Mcf for the Customer's rate
23 schedule. These new components as well as changes related to the Availability of

1 Service, Character of Service, and other general administrative changes are
2 discussed in detail in the testimony of Mr. Murphy.

3 **D. SUMMARY OF GAS RATE INCREASES**

4 **Q. Have you prepared exhibits reconstructing LG&E's test-year billing**
5 **determinants for the gas business and showing the impact of applying the new**
6 **rates to test-year billing determinants?**

7 A. Yes. The reconstruction of LG&E's gas billing determinants is shown on Conroy
8 Exhibit R9. The revenue increase by rate class is summarized on Conroy Exhibit
9 R10. Conroy Exhibit R11 shows the impact of applying the current and proposed
10 rates to test-year billing units. Conroy Exhibit R6 shows the impact of the proposed
11 changes to the Company's miscellaneous charges. Specifically, the decrease in other
12 revenues is included in the Company's proposed revenue increase on Conroy Exhibit
13 R10. Changes to the miscellaneous charges are discussed below.

14 **Q. What revenue increase is LG&E proposing for gas operations?**

15 A. LG&E is proposing an increase in gas test-year revenues of \$17,200,997, which is
16 calculated by applying the proposed rates to test-year billing determinants, and
17 including proposed changes to miscellaneous charges. This increase is slightly
18 different from the revenue requirement increase of \$17,201,866 shown in Blake
19 Exhibit 8 because the number of decimal places in the proposed charges cannot be
20 carried out far enough to yield the exact amount shown in Mr. Blake's exhibit.

1

2 **VII. RIDERS, PILOT PROGRAMS, AND ADJUSTMENT CLAUSES**

3 **A. RIDERS - ELECTRIC**

4 **Q. Is LG&E proposing to change its Curtailable Service Rider (CSR 10 and CSR**
5 **30)?**

6 A. Yes. The discussion of the changes is contained in the testimony of Lonnie E.
7 Bellar.

8 **Q. What changes does LG&E propose to make to its Load Reduction Incentive**
9 **Rider, Rider LRI?**

10 A. The Company proposes to eliminate Rider LRI. Rider LRI was initially
11 implemented in 2000 as a three-year pilot program. It was extended for an
12 additional three year period and subsequently made a permanent rate schedule in
13 2006. However, since it was made a permanent rate schedule, there have been no
14 customers requesting to participate in Rider LRI. Since there are other options
15 (through Rider CSR, Rider SQF or LQF, or Net Metering Service) for customers to
16 utilize the output of their own generation, LG&E is proposing to remove this rider.

17 **Q. What changes does LG&E propose to make to its electric Excess Facilities**
18 **Rider, Rider EF?**

19 A. The language was revised generally to provide greater clarity without changing the
20 intent or application of the rate. In addition, a change to prevent an increase in the
21 monthly charge during the initial 5-year term of contract was made in response to
22 customer concerns over a possible failure in facilities requiring a replacement of
23 equipment that would increase the installed cost.

1 **Q. Is LG&E proposing any changes to the calculation of the electric Excess**
2 **Facilities Rider, Rider EF, charges?**

3 A. No. The calculation of the two charges is consistent with the methodology used in
4 prior rate proceedings. The Excess Facilities Rider applies to customer requests for
5 service arrangements requiring equipment and facilities in excess of those the
6 Company would normally install. Examples of excess facilities would include
7 requests for non-standard facilities such as emergency backup feeds, automatic
8 transfer switches, redundant transformer capacity, and duplicate or check meters. As
9 shown in the Rider EF rate schedule, the customer has the option of either (a)
10 requesting that LG&E incur the full cost of the equipment (including up-front
11 equipment cost), in which event the monthly excess facilities charge (percentage
12 with no Contribution-in-Aid of Construction) would cover the expected carrying
13 charges on the equipment, the estimated maintenance cost on the equipment, and the
14 estimated cost of replacing the equipment if it fails prior to the service life of the
15 facilities, or (b) making an up-front payment to cover the cost of the facilities, in
16 which event the monthly excess facilities charge (percentage with Contribution-in-
17 Aid of Construction) would only cover the Company's estimated maintenance cost
18 on the equipment and the estimated cost of replacing the facilities if they fail prior to
19 the expected service life of the equipment. Because estimated failure costs would be
20 included in the charge for either scenario, LG&E would replace the equipment if it
21 fails prior to the end of the specified service life under either option.

22 **Q. What are the proposed electric excess facilities charges?**

1 A. Under the first option (a) discussed above, in which the Company makes the up-front
2 investment, the monthly charge would be 1.37% of the original cost of the facilities.
3 Under the second option (b) discussed above, in which the customer makes the
4 initial up-front investment, the monthly charge would be 0.55% of the original cost
5 of the facilities. Cost support for the proposed excess facilities charges is included
6 in Conroy Exhibit M1, pages 1-5.

7 **Q. What changes does LG&E propose to make to its Redundant Capacity Rider,
8 Rider RC?**

9 A. The rider as originally provided considered a load being served on one delivery feed
10 where an alternate feed allowed the transfer of that load to a second feed. There
11 have been requests for a configuration allowing the load to be served on a split bus
12 so that, in effect, half the load is served on each of two feeds and each of the half-
13 loads can be switched to put the total load on either circuit. The Rider RC language
14 is being changed to ensure these configurations will have the proper metering.

15 **Q. What are the proposed Redundant Capacity charges?**

16 A. The proposed demand charge for primary voltage customers is \$0.88 per kW or kVA
17 per month of billing demand and the proposed demand charge for secondary voltage
18 customers is \$1.13 per kW per month of billing demand.

19 **Q. How was the demand charge for the proposed Redundant Capacity rider
20 determined?**

21 A. The demand charge was determined by computing the distribution demand-related
22 revenue requirements from the electric cost of service study for primary and
23 secondary voltage service under LG&E's standard demand/energy rates (Rates PS,

1 TODS, and TODP) and dividing this amount by the billing demands for these classes
2 of customers. There are different demand charges for customers served at primary
3 and secondary voltages. The cost support for the proposed demand charges is
4 included in Conroy Exhibit M2.

5 **Q. What changes does LG&E propose to make to its Supplemental/Stand-by
6 Rider, Rider SS?**

7 A. Historically, LG&E's services have been provided under firm-service rates. With
8 the advent of customer-owned generation, this situation is gradually changing. The
9 statement being added to Rider SS simply clarifies that LG&E is obligated only to
10 provide firm service and is not required to provide supplemental or standby service
11 unless that service is contracted for under Rider SS. This provision is supported by
12 "EXCLUSIVE SERVICE ON INSTALLATION CONNECTED" on Rate Sheet No.
13 97.2. This provision does not in any way restrict or impinge upon a customer's right
14 to receive firm service under the applicable rate schedule while also taking service
15 under the Company's Net Metering Service Rider, Rider NMS.

16 **Q. What are the proposed Supplemental/Standby Service charges?**

17 A. The proposed demand charge per contract demand (kW or kVA) for secondary
18 customers is \$13.14 per kW per month, for primary customers is \$12.50 per kW or
19 kVA per month, and for transmission customers is \$11.28 per kVA per month.

20 **Q. How were the demand charges for the Supplemental/Standby Service charges
21 determined?**

22 A. The proposed rates for Supplemental/Standby Service are determined by calculating
23 unit charges for production, transmission and distribution services based on

1 information contained in the cost-of-service study. For customers served at
 2 transmission voltage, the Supplemental/Standby Service demand charge includes
 3 fixed production and transmission costs. For customers served at primary voltages,
 4 the Supplemental/Standby Service demand charge includes fixed production,
 5 transmission and primary distribution costs. For customers served at secondary
 6 voltages, the Supplemental/Standby Service demand charge includes fixed
 7 production, transmission, primary and secondary distribution costs. The fixed costs
 8 are calculated based on cost information from the cost of service study for the
 9 following cost categories: (i) Production and Transmission, (ii) Primary Distribution,
 10 and (iii) Secondary Distribution. The additive nature of the Supplemental/Standby
 11 Service demand charges is illustrated in the table below:

Fixed Cost Category	Transmission Voltage Service	Primary Voltage Service	Secondary Voltage Service
Production and Transmission Costs	\$11.28/kVA	\$11.28/kW/kVA	\$11.28/kW
Primary Distribution Costs	-	\$1.22/kW/kVA	\$1.22/kW
Secondary Distribution Costs	-	-	\$0.64/kW
Total	\$11.28/kVA	\$12.50/kW/kVA	\$13.14/kW

13
 14 Production and Transmission Costs represent annual fixed cost revenue
 15 requirements. The unit charge is calculated by multiplying the LG&E coincident
 16 peak demand by twelve months and dividing this product into the production and
 17 transmission fixed cost determined based on the rate of return in this proceeding.

1 Because customers on LG&E's system are served at different voltages, distribution
2 fixed costs must be based on a fixed charge calculation for customers served
3 exclusively under a primary-voltage rate or a secondary-voltage rate. Primary
4 Distribution Costs were determined based on the fixed cost revenue requirements for
5 the Power Service - Primary and Time of Day Primary customer classes on a
6 combined basis, and Secondary Distribution Costs were determined based on the
7 fixed cost revenue requirements for the Power Service - Secondary and Time of Day
8 Secondary customer classes on a combined basis. The cost support for the proposed
9 demand charges is included in Conroy Exhibit M3.

10 **Q. What changes does LG&E propose to make to its Temporary Service Rider,**
11 **Rider TS?**

12 A. LG&E is clarifying the availability of service under Rider TS. The intent of Rider
13 TS is for temporary service of short term duration where the Company is not
14 required to permanently install facilities to serve the customer's load requirements.
15 Additionally, a correction is being made to state that the Excess Facilities percentage
16 will be applied to salvageable materials.

17
18 **B. RIDERS - GAS**

19 **Q. What changes does LG&E propose to make to its gas Excess Facilities Rider,**
20 **Rider EF?**

21 A. The language was revised generally to provide greater clarity without changing the
22 intent or application of the rate. In addition, a change to prevent an increase in the
23 monthly charge during the initial 5-year term of contract was made in response to

1 customer concerns over a possible failure in facilities requiring a replacement of
2 equipment that would increase the installed cost.

3 **Q. Is LG&E proposing any changes to the calculation of the gas Excess Facilities**
4 **Rider, Rider EF, charges?**

5 A. No. The calculation of the two charges is consistent with the methodology used in
6 prior rate proceedings. The Excess Facilities Rider applies to customer requests for
7 service arrangements requiring equipment and facilities in excess of those the
8 Company would normally install. Examples of excess facilities would include
9 requests for non-standard facilities such as redundant gas regulator capacity, gas
10 filters or separators, odorant removal systems, gas compression equipment, indirect
11 heaters, or gas purification systems. As shown in the Rider EF rate schedule, the
12 customer has the option of either (a) requesting that LG&E incur the full cost of the
13 equipment (including up-front equipment cost), in which event the monthly excess
14 facilities charge (percentage with no Contribution-in-Aid of Construction) would
15 cover the expected carrying charges on the equipment, the estimated maintenance
16 cost on the equipment, and the estimated cost of replacing the equipment if it fails
17 prior to the service life of the facilities, or (b) making an up-front payment to cover
18 the cost of the facilities, in which event the monthly excess facilities charge
19 (percentage with Contribution-in-Aid of Construction) would only cover the
20 Company's estimated maintenance cost on the equipment and the estimated cost of
21 replacing the facilities if they fail prior to the expected service life of the equipment.
22 Because estimated failure costs would be included in the charge for either scenario,

1 LG&E would replace the equipment if it fails prior to the end of the specified service
2 life under either option.

3 **Q. What are the proposed gas excess facilities charges?**

4 A. Under the first option (a) discussed above, in which the Company makes the up-front
5 investment, the monthly charge would be 1.29% of the original cost of the facilities.
6 Under the second option (b) discussed above, in which the customer makes the
7 initial up-front investment, the monthly charge would be 0.48% of the original cost
8 of the facilities. Cost support for the proposed excess facilities charges is included
9 in Conroy Exhibit M1, pages 6-10.

10 **Q. What changes does LG&E propose to make to its Gas Transportation Service
11 Rate Rider, Rider TS and Pooling Service Rider PS-TS?**

12 A. LG&E is proposing that Rider TS and Rider PS-TS would no longer be available
13 effective October 31, 2013. LG&E is proposing to increase the Rider TS monthly
14 administrative charge from \$153.00 to \$592.00. The cost support is included in
15 Conroy Exhibit R8. The distribution charges are changing consistent with the
16 corresponding sales rate schedule.

17 **Q. What does LG&E propose to offer in place of Riders TS and PS-TS?**

18 A. LG&E is proposing to implement a new Gas Transportation Service/Firm Balancing
19 Service Standard Rate Rider, Rider TS-2 and Pooling Service Rider PS-TS-2 to be
20 available November 1, 2013. Riders TS-2 and PS-TS-2 are designed to better
21 address the firm balancing needs of the temperature sensitive gas customers served
22 under this rider and will more adequately recover the costs associated with providing

1 firm service to this group. The details of the proposed Riders TS-2 and PS-TS-2 are
2 discussed in the testimony of Mr. Murphy.

3 **Q. What are the proposed Rider TS-2 charges?**

4 A. Similar to Rider TS, the proposed Rider TS-2 includes an administrative charge,
5 distribution charge, and pipeline suppliers demand component. In addition, Rider
6 TS-2 contains three new charges. The first is a Gas Cost True-Up Charge which
7 would be applied during the first 18 months after a Customer moves from a sales
8 rate to Rider TS-2. The purpose of this charge is to recover or refund the difference
9 between the GSC amount and the actual gas cost incurred while Customer was a
10 sales Customer. The Gas Cost True-Up Charge will be updated in conjunction with
11 the quarterly GSC filings. The second charge is a Minimum Annual Threshold
12 Charge which would be applied if a Customer's annual usage falls below the
13 Minimum Annual Threshold Requirement. The Minimum Annual Threshold Charge
14 will be calculated as the volume deficiency multiplied by the Commission approved
15 Distribution Charge per Mcf for the Customer's rate schedule. The third charge is a
16 Monthly Telemetry Charge designed to recover the cost of Telemetry equipment
17 installed to assist TS-2 Customers in managing gas deliveries. The cost support for
18 the Monthly Telemetry Charge is included in Conroy Exhibit M4.

19 **Q. What are the proposed Rider PS-TS-2 charges?**

20 A. Similar to Rider PS-TS, the proposed Rider PS-TS-2 will include an administrative
21 charge.

22 **Q. What changes does LG&E propose to make to its Pooling Service Rate FT
23 Rider, Rider PS-FT?**

1 A. To improve the overall administration of the tariff, LG&E is proposing to lower the
2 overall threshold used to apply the Utilization Charge for Daily Imbalances. A full
3 discussion of the rationale for the modifications is included in the testimony of Mr.
4 Murphy.

5
6 **C. PILOT PROGRAMS**

7 **Q. What changes does LG&E propose to make to its pilot program Real Time**
8 **Pricing, RTP?**

9 A. On December 21, 2006, the Commission issued an order in Administrative Case No.
10 2006-00045.⁹ Among other things, the order required KU and LG&E to “develop
11 voluntary pilot real-time pricing programs for their commercial and industrial
12 customers.”¹⁰ The Commission further ordered the Companies to “submit the
13 proposed real-time pricing tariffs for their large commercial and industrial customers
14 for Commission consideration within 120 days of the date of this Order.”¹¹

15 In compliance with the Commission’s order, the Companies applied and
16 received Commission approval for the Real Time Pricing Program in Case No.
17 2007-00161.¹² As approved by the Commission, the pilot was to run for a term of
18 three years, which began on December 1, 2008, though the tariff continues to be in
19 effect until the Commission approves termination of the program. Because the pilot
20 was intended to have only a three-year term, the Availability of Service section of

⁹ *In the Matter of: Consideration of the Requirements of the Federal Energy Policy Act of 2005 Regarding Time-Based Metering, Demand Response, and Interconnection Service*, Admin. Case No. 2006-00045, Order (December 21, 2006).

¹⁰ *Id.* at 13.

¹¹ *Id.* at 18.

¹² *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for an Order Approving a Large Commercial and Industrial Real-Time Pricing Pilot Program*, Case No. 2007-00161, Order (Feb. 1, 2008).

1 Rider RTP states that no customers may begin to participate in the program after the
2 end of the program's second year.

3 LG&E respectfully proposes to terminate the RTP program and eliminate
4 Rider RTP. None of LG&E's customers has ever participated in the program, and
5 none has expressed any interest in doing so. Moreover, because the pilot's second
6 year ended on November 31, 2010, Rider RTP currently does not permit customers
7 to begin to participate in the pilot, rendering it moot. Therefore, it is now
8 appropriate to eliminate Rider RTP and terminate the pilot program.

9 **Q. What changes does LG&E propose to make to its pilot program Low Emissions
10 Vehicle, Rate LEV?**

11 A. The language is being modified to recognize that there may be Rate RS customers
12 with detached garages on Rate GS that are precluded from taking advantage of Rate
13 LEV because the current language is restricted to Rate RS customers only. With this
14 change Rate LEV will be available to them.

15

16 **D. ADJUSTMENT CLAUSES**

17 **Q. What changes does LG&E propose to make to its electric adjustment clause
18 rate schedule ECR?**

19 A. LG&E proposes to make conforming language changes to the ECR schedule that are
20 necessary due to the proposed names for the rates schedules and the elimination of
21 the 2005 and 2006 ECR Plans.

22 **Q. What changes does LG&E propose to make to its gas cost adjustment clause
23 rate schedule GSC?**

1 A. LG&E proposes to make changes to the GSC clause to conform to the inclusion of
2 the gas cost portion of net uncollectibles in the GSC mechanism. Further language
3 changes are proposed to permit LG&E to implement a reduction to the GSC with
4 twenty (20) days notice under certain conditions and to begin recovering carrying
5 charges on under-collections. The details of these proposed changes are discussed in
6 the testimony of Mr. Murphy.

7 **Q. Is LG&E proposing a new adjustment clause for a Gas Line Tracker (GLT)?**

8 A. Yes. LG&E is proposing a GLT clause to recover the costs associated with its
9 various programs to replace gas mains, gas service lines and gas risers and to take
10 ownership of any customer service lines and risers it replaces. The clause allows
11 LG&E to project its program capital and operating expenses for collection from
12 customers during a 12-month period. After the 12-month period is complete and the
13 Company can identify the actual costs for the period, it will file a true-up calculation
14 to either collect or refund the difference between the projected and actual costs. A
15 more detailed discussion of the replacement programs is found in the testimony of
16 Chris Hermann while the testimony of Mr. Bellar contains further details of the GLT
17 clause.

18

19 **VIII. MISCELLANEOUS SERVICE CHARGES AND CUSTOMER DEPOSITS**

20 **A. CABLE TV ATTACHMENT CHARGES**

21 **Q. Is the Company proposing to adjust the Cable TV Attachment charges?**

1 A. Yes. The charges were last updated in Case No. 2009-00549 through a unanimous
2 settlement agreement. LG&E's proposed Cable TV attachment charge is \$9.42 per
3 attachment per year.

4 **Q. How were the proposed charges for Cable Television Attachment Charges**
5 **developed?**

6 A. The proposed charges were calculated in the same manner as LG&E utilized in Case
7 No. 2009-00549. In its Order in Administrative Case No. 251, the Commission
8 prescribed a methodology for determining the attachment charges. The calculations
9 proposed in this filing, shown in Conroy Exhibit M5, follow the guidelines
10 established in Administrative Case No. 251 and also follow the methodology that
11 was approved by the Commission in LG&E's Case No. 90-158.

12

13 **B. METER TEST CHARGE**

14 **Q. Is the Company proposing any changes to the meter test charge set forth in the**
15 **electric tariff?**

16 A. Yes. LG&E currently under-recovers its costs for performing such a meter test and
17 for the associated transportation costs. As a result, the Company proposes to
18 increase its electric meter test charge from \$60.00 to \$75.00 to collect the reasonable
19 costs of this service. The cost support for the proposed charge is included in Conroy
20 Exhibit M6.

21 **Q. Is the Company proposing any changes to the meter test charge set forth in the**
22 **gas tariff?**

1 A. Yes. LG&E currently under-recovers its costs for performing such a meter test and
2 for the associated transportation costs. As a result, the Company proposes to
3 increase its gas meter test charge from \$80.00 to \$90.00 to collect the reasonable
4 costs of this service. The cost support for the proposed charge is included in Conroy
5 Exhibit M7.

6

7 **C. DISCONNECT / RECONNECT SERVICE CHARGE**

8 **Q. Is LG&E proposing any changes to its electric and gas Disconnect/Reconnect**
9 **Service Charge?**

10 A. Yes. Based on current cost and to harmonize the costs between LG&E and KU,
11 LG&E is proposing to decrease its charge for disconnecting and reconnecting
12 electric service associated with nonpayment of bills or for violation of the
13 Company's Rules and Regulations. Pursuant to 807 KAR 5:006, Section 8(3)(b),
14 customers qualifying for service reconnection under 807 KAR 5:006, Section 15,
15 will continue to be exempt from this charge.

16 Based upon the above analysis, the Company proposes to decrease its electric
17 Charge for Disconnecting and Reconnecting Service from \$29.00 to \$28.00, which is
18 applied only when a customer's service is reconnected. The cost support for the
19 proposed charge is included in Conroy Exhibit M8.

20

21 **D. METER PULSE CHARGE**

22 **Q. Is the Company proposing any changes to the meter pulse charge set forth in**
23 **the electric tariff?**

1 A. Yes. LG&E currently under-recovers its costs for providing electric meter pulses.
2 The meter pulse relay service is a special service provided strictly at the option of
3 the customer whereby the Company installs special equipment on industrial and
4 commercial demand meters to provide customers a demand pulse so that they can
5 better manage their demands. The charge was filed for the first time in Case No.
6 2008-00251 and was not revised in Case No. 2009-00548. The charge is somewhat
7 understated because the costs as originally set were simply amortized over 5 years
8 without any consideration for carrying costs and replacement. The proper
9 calculation of a charge that includes carrying costs is included in Conroy Exhibit
10 M9. The carrying charge methodology is consistent with the methodology shown in
11 the Excess Facilities Rider, except the life of electronic metering equipment is much
12 shorter than the type of long-lived utility property contemplated under the Excess
13 Facilities Rider. This calculation would support a charge of \$25.27. However, due
14 to the magnitude of the increase required to provide full recovery, to minimize the
15 impact on customers recently signing up for this services, and because the charge
16 was introduced only recently, the Company is only proposing a modest increase
17 from \$9.00 to \$15.00 per month per installed set of pulse-generating equipment.

18 **Q. Is the Company proposing any changes to the meter pulse charge set forth in**
19 **the gas tariff?**

20 A. Yes. The Company is proposing a modest increase in the gas meter pulse charge for
21 Customers not served under Rate FT or Rider TS-2 from \$21.06 to \$24.60 and a
22 small decrease for Customers served under Rate FT or Rider TS-2 from \$8.10 to
23 \$7.25. The cost support is included in Conroy Exhibit M10. The reference to the

1 additional trip charge previously included on the Gas Meter Pulse Service, Sheet No.
2 52.1 has been moved to Special Charges, Sheet No. 45.

3

4 **E. CUSTOMER DEPOSITS**

5 **Q. Is LG&E proposing any changes to its residential customer deposit**
6 **requirements?**

7 A. Yes. The current residential deposit requirements are \$135.00 for electric customers,
8 \$115.00 for gas customers, and \$250.00 for combination electric and gas customers.
9 The Commission’s regulations 807 KAR 5:005, Section 7(b) state that, “The utility
10 may establish an equal amount for each class based on the average bill of customers
11 in that class. Deposit amounts shall not exceed two-twelfths (2/12) of the average
12 bill of customers in the class where bills are rendered monthly....” Consistent with
13 these regulations, LG&E could have supported higher customer deposit requirements
14 for residential and general service customers. To minimize the impact on affected
15 customers and to harmonize the deposit requirements with those proposed for KU,
16 LG&E is proposing no change to the current deposit requirements of \$135.00 for
17 electric customers and a reduction to \$95.00 for gas customers. The proposed
18 combination electric and gas customer deposit would be \$230.00. The determination
19 of the customer deposits that could be supported are shown in Conroy Exhibit M11.

20

21 **F. INSPECTION CHARGE**

22 **Q. Is LG&E proposing any changes to the gas Inspection Charge?**

1 A. Yes. LG&E currently under-recovers its costs when more than two trips are
2 necessary to complete an inspection at any one location. As a result, the Company
3 proposes to increase its gas Inspection Charge from \$135.00 to \$150.00 to collect the
4 reasonable costs of this service. The cost support for the proposed charge is included
5 in Conroy Exhibit M12.

6

7 **G. ADDITIONAL TRIP CHARGE**

8 **Q. Please describe the proposed change to the Additional Trip Charge.**

9 A. In the current tariff, the Additional Trip Charge is shown on the Standard Rate Rider
10 Gas Meter Pulse Service, Rider GMPS. LG&E proposes to move the Additional
11 Trip Charge to the Special Charges, Sheet No. 45 and clarify the applicability to
12 Rate FT and Rider TS-2.

13

14 **H. OTHER SPECIAL CHARGES**

15 **Q. Is LG&E proposing changes to any other electric Special Charges?**

16 A. No. LG&E is not proposing to change the Returned Payment Charge or the Meter
17 Data Processing Charge. The cost of service for these charges does not support a
18 change to the charges at this time.

19 **Q. Is LG&E proposing changes to any other gas Special Charges?**

20 A. No. LG&E is not proposing to change the Returned Payment Charge or the Charge
21 for Temporary and Short Term Service. The cost of service for these charges does
22 not support a change to the charges at this time.

1

2 **IX. ELECTRIC TARIFF CHANGES**

3 **Q. What changes does LG&E propose to make to its Terms and Conditions tariff**
4 **which sets the parameters for Customer Responsibilities and the Company**
5 **Responsibilities?**

6 A. Similar to the change discussed above for Rider SS regarding the obligation of the
7 customer to receive firm service when the customer provides some or all of their
8 own load through a customer owned generator, LG&E is proposing to add the same
9 statement to the Customer Responsibility section. Likewise, the obligation of the
10 Company to provide firm service under such a situation is being included in the
11 Company Responsibilities section.

12 **Q. What changes does LG&E propose to make to its Terms and Conditions tariff**
13 **which sets the parameters for Billing?**

14 A. The Company is adding a section on Customer Rate Migration which defines the
15 circumstances for customer migration from one rate to another. When such change
16 in rate schedule occurs, the language added is in recognition of the need to allow
17 time for metering, meter programming, and meter reading changes to occur prior to
18 the new rate schedule being effective for the customer.

19 **Q. Please describe the Customer Rate Assignment provision LG&E proposes to**
20 **add to its Terms and Conditions.**

21 A. The Company is adding a Customer Rate Assignment provision to clarify the
22 procedure the Company will use to determine whether a customer taking service
23 under a rate schedule with a demand component continues to be eligible to take

1 service under that rate schedule or should be moved to another rate schedule. The
2 provision states that the Company will at least annually evaluate such a customer's
3 demand and usage for the prior 12 months to determine if the customer should
4 change rate schedules based on the eligibility requirements set out in the rate
5 schedules that contain demand-based billing components. The Company will also
6 conduct such a review at the customer's request. Any change will be made only
7 after consulting with the affected customer to determine if changing rates is
8 appropriate in view of the customer's anticipated demand.

9 Once the Company has made a rate determination, the proposed provision
10 states that the Company will neither be liable for a refund nor be able to back-bill a
11 customer for the period following the determination until the next review and
12 determination because the rate determination will be deemed to be conclusively
13 correct for all purposes. This provision does not apply to misread or defective
14 meters or other errors or events not related to rate assignment that could result in
15 inaccurate bills, and it does not apply if the Company's rate determination is
16 erroneous at the time it is made. Rather, the purpose of the provision is to clarify
17 how the Company will make rate determinations and to ensure that such
18 determinations, once made, are dispositive and protect customers and the Company.

19 **Q. What changes does LG&E propose to make to its Terms and Conditions tariff**
20 **which sets the parameters for Deposits?**

21 A. LG&E proposes to change the requirement for the collection of deposits from a
22 residential customer served under Rate RS who also has a service under Rate GS
23 through a second meter for service to a detached building with minor electric use.

1 The Company is proposing to collect only one deposit from the customer under such
2 circumstances when the customer's energy usage for the detached building is less
3 than 300 kWh per month.

4 **Q. Has LG&E proposed any changes to the Company's tariffs that are not**
5 **expressly discussed in your testimony?**

6 A. Yes. There are a number of minor changes that are proposed to simplify or clarify
7 the language in the tariff. Each of the changes can be seen in the side-by-side
8 comparison of the present and proposed tariff provided in response to filing
9 requirement 807 KAR 5:001 Section 10(1)(a)8.

10

11 **X. GAS TARIFF CHANGES**

12 **Q. Does LG&E propose to change certain of its gas rate structures?**

13 A. Yes. As described in detail in the testimony of Mr. Murphy, LG&E proposes to
14 make changes to its Gas Supply Clause and to its existing transportation programs,
15 as well as certain other tariff changes required to facilitate those transportation
16 programs.

17 **Q. What changes does LG&E propose to make to its Terms and Conditions tariff**
18 **which sets the parameters for Curtailment Rules?**

19 A. LG&E proposes to incorporate a modification to Section 4 of the Curtailment Rules
20 to include Action Alerts issued to Pool Managers under Rate PS-TS-2. Other
21 modifications to this section are intended to clarify and simplify the administration
22 and contractual requirements for both the Pool Managers and LG&E.

1 **Q. Has LG&E proposed any changes to the Company's gas tariffs that are not**
2 **expressly discussed in your testimony?**

3 A. Yes. There are a number of minor changes that are proposed to simplify or clarify
4 the language in the tariff. Each of the changes can be seen in the side-by-side
5 comparison of the present and proposed tariff provided in response to filing
6 requirement 807 KAR 5:001 Section 10(1)(a)8.

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

8 A. Yes, it does.

APPENDIX A

Robert M. Conroy

Director, Rates

LG&E and KU Energy LLC

220 West Main Street

Louisville, Kentucky 40202

Telephone: (502) 627-3324

Education

Masters of Business Administration

Indiana University (Southeast campus), December 1998. GPA: 3.9

Bachelor of Science in Electrical Engineering

Rose Hulman Institute of Technology, May 1987. GPA: 3.3

Essentials of Leadership, London Business School, 2004

Center for Creative Leadership, Foundations in Leadership program, 1998

Registered Professional Engineer in Kentucky, 1995

Previous Positions

Manager, Rates

April 2004 – Feb 2008

Manager, Generation Systems Planning

Feb. 2001 – April 2004

Group Leader, Generation Systems Planning

Feb. 2000 – Feb. 2001

Lead Planning Engineer

Oct. 1999 – Feb. 2000

Consulting System Planning Analyst

April 1996 – Oct. 1999

System Planning Analyst III & IV

Oct. 1992 - April 1996

System Planning Analyst II

Jan. 1991 - Oct. 1992

Electrical Engineer II

Jun. 1990 - Jan. 1991

Electrical Engineer I

Jun. 1987 - Jun. 1990

Professional/Trade Memberships

Registered Professional Engineer in Kentucky, 1995

Conroy Exhibit P1

Effect on Electric Base Rate Revenues
of Rate Changes for Full Year

LOUISVILLE GAS AND ELECTRIC COMPANY
Summary of Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

	As Billed Base Rates Revenues	FAC Rollin Rates For a Full Year		ECR Rollin Rates For a Full Year	
		Calculated Base Rates Revenue	Increased Revenue	Calculated Base Rates Revenue	Increased Revenue
Residential Service					
Residential Rate - RS inclusive of VFD	\$ 338,531,904	\$ 340,020,296	\$ 1,488,392	\$ 340,689,704	\$ 669,408
Residential Responsive Pricing -- RRP	\$ 80,558	\$ 80,965	\$ 407	\$ 81,136	\$ 171
Low Emission Vehicle -- LEV (Residential Service only)	\$ 1,811	\$ 1,811	\$ -	\$ 1,814	\$ 3
Volunteer Fire Department -- VFD	\$ 27,887	\$ 28,032	\$ 145	\$ 28,091	\$ 59
	\$ 338,642,160	\$ 340,131,104	\$ 1,488,944	\$ 340,800,745	\$ 669,641
General Service					
General Service Rate GS	\$ 43,313,510	\$ 43,486,784	\$ 173,274	\$ 43,622,208	\$ 135,424
General Service Three Phase	\$ 85,571,415	\$ 85,939,223	\$ 367,808	\$ 86,229,415	\$ 290,192
General Service Responsive Pricing -- GRP	\$ 5,452	\$ 5,473	\$ 21	\$ 5,489	\$ 16
General Service Three Phase Responsive Pricing	\$ 6,977	\$ 6,999	\$ 22	\$ 7,021	\$ 22
	\$ 128,897,354	\$ 129,438,479	\$ 541,125	\$ 129,864,133	\$ 425,654
Power Service					
Power Service Rate PSS - Secondary	\$ 168,471,714	\$ 169,367,437	\$ 895,723	\$ 169,757,405	\$ 389,968
Power Service Rate PSP - Primary	\$ 16,450,796	\$ 16,559,242	\$ 108,446	\$ 16,602,273	\$ 43,031
	\$ 184,922,510	\$ 185,926,679	\$ 1,004,169	\$ 186,359,678	\$ 432,999
Time of Day Service					
Commercial Time-of-Day Service - Secondary	\$ 26,805,225	\$ 26,965,104	\$ 159,879	\$ 26,891,453	\$ (73,651)
Commercial Time-of-Day Service - Primary	\$ 23,106,315	\$ 23,247,465	\$ 141,150	\$ 23,129,727	\$ (117,738)
Industrial Time-of-Day Service - Secondary	\$ 8,510,000	\$ 8,556,773	\$ 46,773	\$ 8,540,106	\$ (16,667)
Industrial Time-of-Day Service - Primary	\$ 82,813,443	\$ 83,412,028	\$ 598,585	\$ 83,471,026	\$ 58,998
	\$ 141,234,983	\$ 142,181,370	\$ 946,387	\$ 142,032,312	\$ (149,058)
Retail Transmission Service -- RTS	\$ 28,190,570	\$ 28,414,666	\$ 224,096	\$ 28,274,995	\$ (139,671)
Fluctuating Load Service -- FLS	\$ -	\$ -	\$ -	\$ -	\$ -
Special Contracts					
Customer #1	\$ 11,303,763	\$ 11,386,857	\$ 83,094	\$ 11,394,576	\$ 7,719
Customer #2	\$ 2,678,417	\$ 2,702,587	\$ 24,170	\$ 2,704,760	\$ 2,173
	\$ 13,982,180	\$ 14,089,444	\$ 107,264	\$ 14,099,336	\$ 9,892
Outdoor Lighting Service -- LE	\$ 205,078	\$ 206,342	\$ 1,264	\$ 207,166	\$ 824
Traffic Lighting Energy -- TE	\$ 246,099	\$ 247,334	\$ 1,235	\$ 248,011	\$ 677
Lighting Service	\$ 3,145,059	\$ 3,149,677	\$ 4,618	\$ 3,144,604	\$ (5,073)
Restricted Lighting Service	\$ 13,635,356	\$ 13,671,856	\$ 36,500	\$ 13,699,755	\$ 27,899
Dark Sky Friendly -- DSK	\$ 1,895	\$ 1,895	\$ -	\$ 1,902	\$ 7
	\$ 17,233,487	\$ 17,277,104	\$ 43,617	\$ 17,301,438	\$ 24,334
TOTAL	\$ 853,103,244	\$ 857,458,846	\$ 4,355,602	\$ 858,732,637	\$ 1,273,791

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
RESIDENTIAL RATE RS										
Residential Service										
Customers Apr11-Jun11	1,044,759				\$ 8.50	\$ 8,880,452	\$ 8.50	\$ 8,880,452	\$ 8.50	\$ 8,880,452
Customers Jul11-Feb12	2,779,053				\$ 8.50	\$ 23,621,951	\$ 8.50	\$ 23,621,951	\$ 8.50	\$ 23,621,951
Customers Mar12-Mar12	348,712				\$ 8.50	\$ 2,964,052	\$ 8.50	\$ 2,964,052	\$ 8.50	\$ 2,964,052
Customers on Water Heating Rider (no basic service charge)	46,214									
Partial month, prorated and corrected billings						\$ (89,551)		\$ (89,551)		\$ (89,551)
kWh billed at Apr11-Jun11				948,019,827	\$ 0.07068	\$ 67,006,041	\$ 0.07225	\$ 68,494,433	\$ 0.07242	\$ 68,655,596
kWh billed at Jul11-Feb12				2,989,679,165	\$ 0.07225	\$ 216,004,320	\$ 0.07225	\$ 216,004,320	\$ 0.07242	\$ 216,512,565
kWh billed at Mar12-Mar12				278,200,112	\$ 0.07242	\$ 20,147,252	\$ 0.07242	\$ 20,147,252	\$ 0.07242	\$ 20,147,252
Minimum and Partial Month Billings						\$ (2,613)		\$ (2,613)		\$ (2,613)
TOTAL	4,218,738			4,215,899,104	25.71535	\$ 338,531,904		\$ 340,020,296		\$ 340,689,704
Residential Responsive Pricing Service										
Customers Apr11-Jun11	231				\$ 13.50	\$ 3,119	\$ 13.50	\$ 3,119	\$ 13.50	\$ 3,119
Customers Jul11-Feb12	532				\$ 13.50	\$ 7,182	\$ 13.50	\$ 7,182	\$ 13.50	\$ 7,182
Customers Mar12-Mar12	64				\$ 13.50	\$ 864	\$ 13.50	\$ 864	\$ 13.50	\$ 864
Partial month, prorated and corrected billings						\$ 2		\$ 2		\$ 2
kWh billed at Apr11-Jun11 Period 1				133,014	\$ 0.04872	\$ 6,480	\$ 0.05029	\$ 6,689	\$ 0.05046	\$ 6,712
kWh billed at Jul11-Feb12 Period 1				386,108	\$ 0.05029	\$ 19,417	\$ 0.05029	\$ 19,417	\$ 0.05046	\$ 19,483
kWh billed at Mar12-Mar12 Period 1				42,836	\$ 0.05046	\$ 2,162	\$ 0.05046	\$ 2,162	\$ 0.05046	\$ 2,162
kWh billed at Apr11-Jun11 Period 2				89,342	\$ 0.06168	\$ 5,511	\$ 0.06325	\$ 5,651	\$ 0.06342	\$ 5,666
kWh billed at Jul11-Feb12 Period 2				238,206	\$ 0.06325	\$ 15,067	\$ 0.06325	\$ 15,067	\$ 0.06342	\$ 15,107
kWh billed at Mar12-Mar12 Period 2				25,320	\$ 0.06342	\$ 1,606	\$ 0.06342	\$ 1,606	\$ 0.06342	\$ 1,606
kWh billed at Apr11-Jun11 Period 3				37,261	\$ 0.11873	\$ 4,424	\$ 0.12030	\$ 4,482	\$ 0.12047	\$ 4,489
kWh billed at Jul11-Feb12 Period 3				112,714	\$ 0.12030	\$ 13,559	\$ 0.12030	\$ 13,559	\$ 0.12047	\$ 13,579
kWh billed at Mar12-Mar12 Period 3				9,672	\$ 0.12047	\$ 1,165	\$ 0.12047	\$ 1,165	\$ 0.12047	\$ 1,165
kWh billed at Apr11-Jun11 Period 4				-	\$ 0.32364	\$ -	\$ 0.32521	\$ -	\$ 0.32538	\$ -
kWh billed at Jul11-Feb12 Period 4				-	\$ 0.32521	\$ -	\$ 0.32521	\$ -	\$ 0.32538	\$ -
kWh billed at Mar12-Mar12 Period 4				-	\$ 0.32538	\$ -	\$ 0.32538	\$ -	\$ 0.32538	\$ -
Minimum and Partial Month Billings						\$ -		\$ -		\$ -
TOTAL	827			1,074,473		\$ 80,558		\$ 80,965		\$ 81,136

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
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Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
Residential Service Low Emission Vehicle Service										
Customers Apr11-Jun11	-				\$ 8.50	\$ -	\$ 8.50	\$ -	\$ 8.50	\$ -
Customers Jul11-Feb12	11				\$ 8.50	\$ 94	\$ 8.50	\$ 94	\$ 8.50	\$ 94
Customers Mar12-Mar12	3				\$ 8.50	\$ 26	\$ 8.50	\$ 26	\$ 8.50	\$ 26
					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
kWh billed at Apr11-Jun11 Period 1				-	\$ 0.04872	\$ -	\$ 0.05029	\$ -	\$ 0.05046	\$ -
kWh billed at Jul11-Feb12 Period 1				11,869	\$ 0.05029	\$ 597	\$ 0.05029	\$ 597	\$ 0.05046	\$ 599
kWh billed at Mar12-Mar12 Period 1				1,858	\$ 0.05046	\$ 94	\$ 0.05046	\$ 94	\$ 0.05046	\$ 94
kWh billed at Apr11-Jun11 Period 2				-	\$ 0.06896	\$ -	\$ 0.07053	\$ -	\$ 0.07070	\$ -
kWh billed at Jul11-Feb12 Period 2				4,939	\$ 0.07053	\$ 348	\$ 0.07053	\$ 348	\$ 0.07070	\$ 349
kWh billed at Mar12-Mar12 Period 2				899	\$ 0.07070	\$ 64	\$ 0.07070	\$ 64	\$ 0.07070	\$ 64
kWh billed at Apr11-Jun11 Period 3				-	\$ 0.13274	\$ -	\$ 0.13431	\$ -	\$ 0.13448	\$ -
kWh billed at Jul11-Feb12 Period 3				3,870	\$ 0.13431	\$ 520	\$ 0.13431	\$ 520	\$ 0.13448	\$ 520
kWh billed at Mar12-Mar12 Period 3				517	\$ 0.13448	\$ 70	\$ 0.13448	\$ 70	\$ 0.13448	\$ 70
Minimum and Partial Month Billings					\$ -	\$ (2)	\$ -	\$ (2)	\$ -	\$ (2)
TOTAL	14			23,952		\$ 1,811		\$ 1,811		\$ 1,814
Volunteer Fire Department										
Customers Apr11-Jun11	15				\$ 8.50	\$ 128	\$ 8.50	\$ 128	\$ 8.50	\$ 128
Customers Jul11-Feb12	40				\$ 8.50	\$ 340	\$ 8.50	\$ 340	\$ 8.50	\$ 340
Customers Mar12-Mar12	5				\$ 8.50	\$ 43	\$ 8.50	\$ 43	\$ 8.50	\$ 43
Partial month, prorated and corrected billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
kWh billed at Apr11-Jun11				92,147	\$ 0.07068	\$ 6,513	\$ 0.07225	\$ 6,658	\$ 0.07242	\$ 6,673
kWh billed at Jul11-Feb12				260,197	\$ 0.07225	\$ 18,799	\$ 0.07225	\$ 18,799	\$ 0.07242	\$ 18,843
kWh billed at Mar12-Mar12				28,507	\$ 0.07242	\$ 2,064	\$ 0.07242	\$ 2,064	\$ 0.07242	\$ 2,064
Minimum and Partial Month Billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	60			380,851		\$ 27,887		\$ 28,032		\$ 28,091
TOTAL RESIDENTIAL	4,219,639			4,217,378,380		\$ 338,642,160		\$ 340,131,104		\$ 340,800,745
					Correction Factor -	1.00000000		1.00000000		1.00000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 338,642,160		\$ 340,131,104		\$ 340,800,745
RESIDENTIAL INCREASE IN BASE RATES REVENUE								\$ 1,488,944		\$ 669,641
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings									\$	13,018,496
Environmental Cost Recovery Surcharge Billings									\$	2,388,224
Demand Side Management Billings									\$	9,998,518
Total Revenue Adjustments									\$	25,405,238
Total Test Year Adjusted Revenues									\$	366,205,983

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
GENERAL SERVICE RATE GS										
General Service Single Phase										
Customers Apr11-Jun11	85,557				\$ 17.50	\$ 1,497,248	\$ 17.50	\$ 1,497,248	\$ 17.50	\$ 1,497,248
Customers Jul11-Feb12	228,776				\$ 17.50	\$ 4,003,580	\$ 17.50	\$ 4,003,580	\$ 17.50	\$ 4,003,580
Customers Mar12-Mar12	28,640				\$ 17.50	\$ 501,200	\$ 17.50	\$ 501,200	\$ 17.50	\$ 501,200
Customers on Water and Space Heating Riders (no basic service charge)	2,586									
Partial month, prorated and corrected billings						\$ (35,924)		\$ (35,924)		\$ (35,924)
kWh billed at Apr11-Jun11				110,365,131	\$ 0.08051	\$ 8,885,497	\$ 0.08208	\$ 9,058,770	\$ 0.08240	\$ 9,094,087
kWh billed at Jul11-Feb12				312,834,785	\$ 0.08208	\$ 25,677,479	\$ 0.08208	\$ 25,677,479	\$ 0.08240	\$ 25,777,586
kWh billed at Mar12-Mar12				33,824,767	\$ 0.08240	\$ 2,787,161	\$ 0.08240	\$ 2,787,161	\$ 0.08240	\$ 2,787,161
Minimum and Partial Month Billings						\$ (2,731)		\$ (2,731)		\$ (2,731)
TOTAL GENERAL SERVICE SINGLE PHASE	345,559			457,024,683		\$ 43,313,510		\$ 43,486,783		\$ 43,622,207
General Service Three Phase										
Customers Apr11-Jun11	43,151				\$ 32.50	\$ 1,402,408	\$ 32.50	\$ 1,402,408	\$ 32.50	\$ 1,402,408
Customers Jul11-Feb12	118,210				\$ 32.50	\$ 3,841,825	\$ 32.50	\$ 3,841,825	\$ 32.50	\$ 3,841,825
Customers Mar12-Mar12	14,764				\$ 32.50	\$ 479,830	\$ 32.50	\$ 479,830	\$ 32.50	\$ 479,830
Customers on Space Heating Rider (no basic service charge)	8,335									
Partial month, prorated and corrected billings						\$ (16,304)		\$ (16,304)		\$ (16,304)
kWh billed at Apr11-Jun11				234,271,413	\$ 0.08051	\$ 18,861,191	\$ 0.08208	\$ 19,228,998	\$ 0.08240	\$ 19,303,964
kWh billed at Jul11-Feb12				672,581,892	\$ 0.08208	\$ 55,205,522	\$ 0.08208	\$ 55,205,522	\$ 0.08240	\$ 55,420,748
kWh billed at Mar12-Mar12				70,057,173	\$ 0.08240	\$ 5,772,711	\$ 0.08240	\$ 5,772,711	\$ 0.08240	\$ 5,772,711
Minimum and Partial Month Billings						\$ 24,232		\$ 24,232		\$ 24,232
TOTAL GENERAL SERVICE THREE PHASE	176,125			976,910,478		\$ 85,571,415		\$ 85,939,222		\$ 86,229,414
General Service Single Phase Responsive Pricing										
Customers Apr11-Jun11	13				\$ 27.50	\$ 358	\$ 27.50	\$ 358	\$ 27.50	\$ 358
Customers Jul11-Feb12	32				\$ 27.50	\$ 880	\$ 27.50	\$ 880	\$ 27.50	\$ 880
Customers Mar12-Mar12	4				\$ 27.50	\$ 110	\$ 27.50	\$ 110	\$ 27.50	\$ 110
Partial month, prorated and corrected billings						\$ -		\$ -		\$ -
kWh billed at Apr11-Jun11 Period 1				5,889	\$ 0.05649	\$ 333	\$ 0.05806	\$ 342	\$ 0.05838	\$ 344
kWh billed at Jul11-Feb12 Period 1				17,452	\$ 0.05806	\$ 1,013	\$ 0.05806	\$ 1,013	\$ 0.05838	\$ 1,019
kWh billed at Mar12-Mar12 Period 1				1,478	\$ 0.05838	\$ 86	\$ 0.05838	\$ 86	\$ 0.05838	\$ 86
kWh billed at Apr11-Jun11 Period 2				6,287	\$ 0.07232	\$ 455	\$ 0.07389	\$ 465	\$ 0.07421	\$ 467
kWh billed at Jul11-Feb12 Period 2				12,572	\$ 0.07389	\$ 929	\$ 0.07389	\$ 929	\$ 0.07421	\$ 933
kWh billed at Mar12-Mar12 Period 2				1,477	\$ 0.07421	\$ 109	\$ 0.07421	\$ 110	\$ 0.07421	\$ 110
kWh billed at Apr11-Jun11 Period 3				1,584	\$ 0.15134	\$ 240	\$ 0.15291	\$ 242	\$ 0.15323	\$ 243
kWh billed at Jul11-Feb12 Period 3				5,831	\$ 0.15291	\$ 892	\$ 0.15291	\$ 892	\$ 0.15323	\$ 893
kWh billed at Mar12-Mar12 Period 3				309	\$ 0.15323	\$ 47	\$ 0.15323	\$ 47	\$ 0.15323	\$ 47
kWh billed at Apr11-Jun11 Period 4				-	\$ 0.32783	\$ -	\$ 0.32940	\$ -	\$ 0.32972	\$ -
kWh billed at Jul11-Feb12 Period 4				-	\$ 0.32940	\$ -	\$ 0.32940	\$ -	\$ 0.32972	\$ -
kWh billed at Mar12-Mar12 Period 4				-	\$ 0.32972	\$ -	\$ 0.32972	\$ -	\$ 0.32972	\$ -
Minimum and Partial Month Billings						\$ -		\$ -		\$ -
TOTAL	49			52,879		\$ 5,452		\$ 5,474		\$ 5,490

Louisville Gas and Electric Company
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Based on Sales for the 12 months ended March 31, 2012
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Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
General Service Three Phase Responsive Pricing										
Customers Apr11-Jun11	6				\$ 42.50	\$ 255	\$ 42.50	\$ 255	\$ 42.50	\$ 255
Customers Jul11-Feb12	16				\$ 42.50	\$ 680	\$ 42.50	\$ 680	\$ 42.50	\$ 680
Customers Mar12-Mar12	2				\$ 42.50	\$ 85	\$ 42.50	\$ 85	\$ 42.50	\$ 85
Partial month, prorated and corrected billings						\$ -		\$ -		\$ -
kWh billed at Apr11-Jun11 Period 1				6,374	\$ 0.05649	\$ 360	\$ 0.05806	\$ 370	\$ 0.05838	\$ 372
kWh billed at Jul11-Feb12 Period 1				27,424	\$ 0.05806	\$ 1,592	\$ 0.05806	\$ 1,592	\$ 0.05838	\$ 1,601
kWh billed at Mar12-Mar12 Period 1				1,825	\$ 0.05838	\$ 107	\$ 0.05838	\$ 107	\$ 0.05838	\$ 107
kWh billed at Apr11-Jun11 Period 2				5,847	\$ 0.07232	\$ 423	\$ 0.07389	\$ 432	\$ 0.07421	\$ 434
kWh billed at Jul11-Feb12 Period 2				18,683	\$ 0.07389	\$ 1,381	\$ 0.07389	\$ 1,380	\$ 0.07421	\$ 1,386
kWh billed at Mar12-Mar12 Period 2				1,405	\$ 0.07421	\$ 104	\$ 0.07421	\$ 104	\$ 0.07421	\$ 104
kWh billed at Apr11-Jun11 Period 3				1,727	\$ 0.15134	\$ 261	\$ 0.15291	\$ 264	\$ 0.15323	\$ 265
kWh billed at Jul11-Feb12 Period 3				10,910	\$ 0.15291	\$ 1,668	\$ 0.15291	\$ 1,668	\$ 0.15323	\$ 1,672
kWh billed at Mar12-Mar12 Period 3				401	\$ 0.15323	\$ 61	\$ 0.15323	\$ 61	\$ 0.15323	\$ 61
kWh billed at Apr11-Jun11 Period 4				-	\$ 0.32783	\$ -	\$ 0.32940	\$ -	\$ 0.32972	\$ -
kWh billed at Jul11-Feb12 Period 4				-	\$ 0.32940	\$ -	\$ 0.32940	\$ -	\$ 0.32972	\$ -
kWh billed at Mar12-Mar12 Period 4				-	\$ 0.32972	\$ -	\$ 0.32972	\$ -	\$ 0.32972	\$ -
Minimum and Partial Month Billings						\$ -		\$ -		\$ -
TOTAL	24			74,596		\$ 6,977		\$ 6,998		\$ 7,022
TOTAL GENERAL SERVICE	521,757			1,434,062,636		\$ 128,897,354		\$ 129,438,477		\$ 129,864,133
						Correction Factor -	1.000000000		1.000000000	1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 128,897,354		\$ 129,438,477		\$ 129,864,133
GENERAL SERVICE INCREASE IN BASE RATES REVENUE								\$ 541,123		\$ 425,656
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings									\$ 4,353,626	
Environmental Cost Recovery Surcharge Billings									\$ 900,976	
Demand Side Management Billings									\$ 2,376,817	
Total Revenue Adjustments									\$ 7,631,419	
Total Test Year Adjusted Revenues									\$ 137,495,552	

Louisville Gas and Electric Company
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Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
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Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS -- SECONDARY DELIVERY										
Customers Apr11-Jun11	8,957				\$ 90.00	\$ 806,130	\$ 90.00	\$ 806,130	\$ 90.00	\$ 806,130
Customers Jul11-Feb12	23,611				\$ 90.00	\$ 2,124,990	\$ 90.00	\$ 2,124,990	\$ 90.00	\$ 2,124,990
Customers Mar12-Mar12	2,899				\$ 90.00	\$ 260,910	\$ 90.00	\$ 260,910	\$ 90.00	\$ 260,910
Partial month, prorated and corrected billings						\$ (3,521)		\$ (3,521)		\$ (3,521)
kWh billed at Apr11-Jun11				570,523,400	\$ 0.03264	\$ 18,621,884	\$ 0.03421	\$ 19,517,606	\$ 0.03421	\$ 19,517,606
kWh billed at Jul11-Feb12				1,587,812,561	\$ 0.03421	\$ 54,319,068	\$ 0.03421	\$ 54,319,069	\$ 0.03421	\$ 54,319,068
kWh billed at Mar12-Mar12				174,492,624	\$ 0.03421	\$ 5,969,393	\$ 0.03421	\$ 5,969,393	\$ 0.03421	\$ 5,969,393
Minimum and Partial Month Billings						\$ 20,922		\$ 20,922		\$ 20,922
kW billed at Summer ratesApr11-Jun11		1,010,651			\$ 15.32	\$ 15,483,173	\$ 15.32	\$ 15,483,173	\$ 15.39	\$ 15,553,919
kW billed at Summer ratesJul11-Feb12		1,640,010			\$ 15.32	\$ 25,124,950	\$ 15.32	\$ 25,124,950	\$ 15.39	\$ 25,239,751
kW billed at Summer ratesMar12-Mar12		-			\$ 15.39	\$ -	\$ 15.39	\$ -	\$ 15.39	\$ -
kW billed at Winter ratesApr11-Jun11		469,447			\$ 13.07	\$ 6,135,672	\$ 13.07	\$ 6,135,672	\$ 13.14	\$ 6,168,534
kW billed at Winter ratesJul11-Feb12		2,274,779			\$ 13.07	\$ 29,731,364	\$ 13.07	\$ 29,731,364	\$ 13.14	\$ 29,890,598
kW billed at Winter ratesMar12-Mar12		460,849			\$ 13.14	\$ 6,055,561	\$ 13.14	\$ 6,055,561	\$ 13.14	\$ 6,055,561
Minimum Winter Demand and Billings		193,392				\$ 2,682,493		\$ 2,682,493		\$ 2,694,819
Power Factor Demand Revenue						\$ 1,208,017		\$ 1,208,017		\$ 1,208,017
Partial Month and Prorated Billings						\$ (69,292)		\$ (69,292)		\$ (69,292)
TOTAL	35,467	6,049,129		2,332,828,585		\$ 168,471,714		\$ 169,367,437		\$ 169,757,405
					Correction Factor -	1.00000000		1.00000000		1.00000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 168,471,714		\$ 169,367,437		\$ 169,757,405
POWER SERVICE SECONDARY INCREASE IN BASE RATES REVENUE								\$ 895,723		\$ 389,968
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 7,037,575
Environmental Cost Recovery Surcharge Billings										\$ 1,179,789
Demand Side Management Billings										\$ 1,368,757
Total Revenue Adjustments										\$ 9,586,121
Total Test Year Adjusted Revenues										\$ 179,343,527

Louisville Gas and Electric Company
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Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
POWER SERVICE RATE PS -- PRIMARY DELIVERY										
Customers Apr11-Jun11	265				\$ 90.00	\$ 23,850	\$ 90.00	\$ 23,850	\$ 90.00	\$ 23,850
Customers Jul11-Feb12	689				\$ 90.00	\$ 62,010	\$ 90.00	\$ 62,010	\$ 90.00	\$ 62,010
Customers Mar12-Mar12	85				\$ 90.00	\$ 7,650	\$ 90.00	\$ 7,650	\$ 90.00	\$ 7,650
Partial month, prorated and corrected billings						\$ 3,213		\$ 3,213		\$ 3,213
kWh billed at Apr11-Jun11				69,073,820	\$ 0.03264	\$ 2,254,569	\$ 0.03421	\$ 2,363,015	\$ 0.03421	\$ 2,363,015
kWh billed at Jul11-Feb12				153,797,620	\$ 0.03421	\$ 5,261,417	\$ 0.03421	\$ 5,261,417	\$ 0.03421	\$ 5,261,417
kWh billed at Mar12-Mar12				15,944,860	\$ 0.03421	\$ 545,474	\$ 0.03421	\$ 545,474	\$ 0.03421	\$ 545,474
Minimum and Partial Month Billings						\$ (55,774)		\$ (55,774)		\$ (55,774)
kW billed at Summer ratesApr11-Jun11		154,802			\$ 13.48	\$ 2,086,728	\$ 13.48	\$ 2,086,728	\$ 13.55	\$ 2,097,564
kW billed at Summer ratesJul11-Feb12		145,820			\$ 13.48	\$ 1,965,651	\$ 13.48	\$ 1,965,651	\$ 13.55	\$ 1,975,858
kW billed at Summer ratesMar12-Mar12		-			\$ 13.55	\$ -	\$ 13.55	\$ -	\$ 13.55	\$ -
Minimum Demand		34,381								
kW billed at Winter ratesApr11-Jun11		42,580			\$ 11.24	\$ 478,599	\$ 11.24	\$ 478,599	\$ 11.31	\$ 481,580
kW billed at Winter ratesJul11-Feb12		192,281			\$ 11.24	\$ 2,161,233	\$ 11.24	\$ 2,161,233	\$ 11.31	\$ 2,174,692
kW billed at Winter ratesMar12-Mar12		41,322			\$ 11.31	\$ 467,351	\$ 11.31	\$ 467,351	\$ 11.31	\$ 467,351
Minimum Demand		53,120								
Minimum Demand Revenues						\$ 1,061,102		\$ 1,061,102		\$ 1,066,650
Power Factor Revenue						\$ 228,558		\$ 228,558		\$ 228,558
Partial Month and Prorated Billings						\$ (100,835)		\$ (100,835)		\$ (100,835)
TOTAL	1,039	664,305		238,816,300		\$ 16,450,796		\$ 16,559,242		\$ 16,602,273
					Correction Factor -	1.00000000		1.00000000		1.00000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 16,450,796		\$ 16,559,242		\$ 16,602,273
POWER SERVICE PRIMARY INCREASE IN BASE RATES REVENUE								\$ 108,446		\$ 43,031
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 687,514
Environmental Cost Recovery Surcharge Billings										\$ 119,565
Demand Side Management Billings										\$ 134,492
Total Revenue Adjustments										\$ 941,572
Total Test Year Adjusted Revenues										\$ 17,543,845

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
TIME OF DAY SERVICE -- COMMERCIAL SECONDARY										
Customers Apr11-Jun11	297				\$ 200.00	\$ 59,400	\$ 200.00	\$ 59,400	\$ 200.00	\$ 59,400
Customers Jul11-Feb12	855				\$ 200.00	\$ 171,000	\$ 200.00	\$ 171,000	\$ 200.00	\$ 171,000
Customers Mar12-Mar12	114				\$ 200.00	\$ 22,800	\$ 200.00	\$ 22,800	\$ 200.00	\$ 22,800
Partial month, prorated and corrected billings						\$ (585)		\$ (585)		\$ (585)
kWh billed at Apr11-Jun11				101,833,687	\$ 0.03226	\$ 3,285,155	\$ 0.03383	\$ 3,445,034	\$ 0.03383	\$ 3,445,034
kWh billed at Jul11-Feb12				286,362,658	\$ 0.03383	\$ 9,687,649	\$ 0.03383	\$ 9,687,649	\$ 0.03383	\$ 9,687,649
kWh billed at Mar12-Mar12				34,382,523	\$ 0.03383	\$ 1,163,161	\$ 0.03383	\$ 1,163,161	\$ 0.03383	\$ 1,163,161
Minimum and Partial Month Billings						\$ (4,392)		\$ (4,392)		\$ (4,392)
Demand Billings										
Base Demand Period										
kWh billed Apr11-Jun11		216,471			\$ 3.79	\$ 820,424	\$ 3.79	\$ 820,424	\$ 3.76	\$ 813,930
kWh billed Jul11-Feb12		596,006			\$ 3.79	\$ 2,258,862	\$ 3.79	\$ 2,258,862	\$ 3.76	\$ 2,240,982
kWh billed Mar12-Mar12		75,787			\$ 3.76	\$ 284,959	\$ 3.76	\$ 284,959	\$ 3.76	\$ 284,959
Base Minimum Demands Billed		50,250								
Intermediate Demand Period										
kWh billed Apr11-Jun11		214,713			\$ 4.28	\$ 918,973	\$ 4.28	\$ 918,973	\$ 4.25	\$ 912,532
kWh billed Jul11-Feb12		591,147			\$ 4.28	\$ 2,530,107	\$ 4.28	\$ 2,530,107	\$ 4.25	\$ 2,512,373
kWh billed Mar12-Mar12		74,955			\$ 4.25	\$ 318,560	\$ 4.25	\$ 318,560	\$ 4.25	\$ 318,560
Intermediate Minimum Demands Billed		313								
Peak Demand Period										
kWh billed Apr11-Jun11		209,812			\$ 5.81	\$ 1,219,009	\$ 5.81	\$ 1,219,009	\$ 5.78	\$ 1,212,715
kWh billed Jul11-Feb12		580,946			\$ 5.81	\$ 3,375,298	\$ 5.81	\$ 3,375,298	\$ 5.78	\$ 3,357,870
kWh billed Mar12-Mar12		72,442			\$ 5.78	\$ 418,712	\$ 5.78	\$ 418,712	\$ 5.78	\$ 418,712
Peak Minimum Demands Billed		546								
Redundant Capacity billings		6,000			\$ 1.52	\$ 9,120	\$ 1.52	\$ 9,120	\$ 1.52	\$ 9,120
Minimum Demand billings						\$ 194,804		\$ 194,804		\$ 193,424
Power Factor Revenues						\$ 105,564		\$ 105,564		\$ 105,564
Partial Month and Prorated Billings						\$ (33,355)		\$ (33,355)		\$ (33,355)
TOTAL	1,266	2,689,388		422,578,868		\$ 26,805,225		\$ 26,965,104		\$ 26,891,453
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 26,805,225		\$ 26,965,104		\$ 26,891,453
TIME OF DAY COMMERCIAL SECONDARY SERVICE INCREASE IN BASE RATES REVENUE								\$ 159,879		\$ (73,651)
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 1,263,547
Demand Side Management Billings										\$ 290,498
Environmental Cost Recovery Surcharge Billings										\$ 184,267
Total Pro Forma Revenue Adjustments										\$ 1,738,311
Total Test Year Adjusted Revenues										\$ 28,629,764

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
TIME OF DAY SERVICE -- INDUSTRIAL SECONDARY										
Customers Apr11-Jun11	96				\$ 300.00	\$ 28,800	\$ 300.00	\$ 28,800	\$ 300.00	\$ 28,800
Customers Jul11-Feb12	302				\$ 300.00	\$ 90,600	\$ 300.00	\$ 90,600	\$ 300.00	\$ 90,600
Customers Mar12-Mar12	43				\$ 300.00	\$ 12,900	\$ 300.00	\$ 12,900	\$ 300.00	\$ 12,900
Partial month, prorated and corrected billings						\$ 683		\$ 683		\$ 683
kWh billed at Apr11-Jun11				29,791,550	\$ 0.02827	\$ 842,207	\$ 0.02984	\$ 888,980	\$ 0.02984	\$ 888,980
kWh billed at Jul11-Feb12				85,678,604	\$ 0.02984	\$ 2,556,650	\$ 0.02984	\$ 2,556,650	\$ 0.02984	\$ 2,556,650
kWh billed at Mar12-Mar12				11,311,120	\$ 0.02984	\$ 337,524	\$ 0.02984	\$ 337,524	\$ 0.02984	\$ 337,524
Minimum and Partial Month Billings						\$ (394)		\$ (394)		\$ (394)
Demand Billings										
Base Demand Period										
kW billed Apr11-Jun11		68,614			\$ 5.48	\$ 376,005	\$ 5.48	\$ 376,005	\$ 5.46	\$ 374,633
kW billed Apr11-Jun11		214,125			\$ 5.48	\$ 1,173,406	\$ 5.48	\$ 1,173,406	\$ 5.46	\$ 1,169,124
kW billed Apr11-Jun11		30,831			\$ 5.46	\$ 168,335	\$ 5.46	\$ 168,335	\$ 5.46	\$ 168,335
Minimum Demand -- Base Period		13,356								
Intermediate Demand Period										
kW billed Apr11-Jun11		66,338			\$ 3.70	\$ 245,450	\$ 3.70	\$ 245,450	\$ 3.68	\$ 244,123
kW billed Apr11-Jun11		203,336			\$ 3.70	\$ 752,344	\$ 3.70	\$ 752,344	\$ 3.68	\$ 748,278
kW billed Apr11-Jun11		28,724			\$ 3.68	\$ 105,705	\$ 3.68	\$ 105,705	\$ 3.68	\$ 105,705
Minimum Demand -- Intermediate Period		3,320								
Peak Demand Period										
kW billed Apr11-Jun11		64,813			\$ 5.20	\$ 337,028	\$ 5.20	\$ 337,028	\$ 5.18	\$ 335,731
kW billed Apr11-Jun11		196,169			\$ 5.20	\$ 1,020,081	\$ 5.20	\$ 1,020,081	\$ 5.18	\$ 1,016,157
kW billed Apr11-Jun11		27,733			\$ 5.18	\$ 143,656	\$ 5.18	\$ 143,656	\$ 5.18	\$ 143,656
Minimum Demand -- Peak Period		3,291								
Minimum Demand billings						\$ 102,588		\$ 102,588		\$ 102,189
Power Factor Demand Revenue						\$ 242,391		\$ 242,391		\$ 242,391
Partial Month and Prorated Billings						\$ (25,959)		\$ (25,959)		\$ (25,959)
TOTAL	441	920,651		126,781,274		\$ 8,510,000		\$ 8,556,773		\$ 8,540,106
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 8,510,000		\$ 8,556,773		\$ 8,540,106
TIME OF DAY SECONDARY SERVICE INCREASE IN BASE RATES REVENUE									\$ 46,773	\$ (16,667)
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings									\$	378,313
Demand Side Management Billings									\$	-
Environmental Cost Recovery Surcharge Billings									\$	55,676
Total Pro Forma Revenue Adjustments									\$	433,989
Total Test Year Adjusted Revenues									\$	8,974,095

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
TIME OF DAY SERVICE -- COMMERCIAL PRIMARY										
Customers Apr11-Jun11	81				\$ 200.00	\$ 16,200	\$ 200.00	\$ 16,200	\$ 200.00	\$ 16,200
Customers Jul11-Feb12	246				\$ 200.00	\$ 49,200	\$ 200.00	\$ 49,200	\$ 200.00	\$ 49,200
Customers Mar12-Mar12	31				\$ 200.00	\$ 6,200	\$ 200.00	\$ 6,200	\$ 200.00	\$ 6,200
Partial month, prorated and corrected billings						\$ (427)		\$ (427)		\$ (427)
kWh billed at Apr11-Jun11				89,904,682	\$ 0.03226	\$ 2,900,325	\$ 0.03383	\$ 3,041,475	\$ 0.03383	\$ 3,041,475
kWh billed at Jul11-Feb12				244,234,488	\$ 0.03383	\$ 8,262,453	\$ 0.03383	\$ 8,262,453	\$ 0.03383	\$ 8,262,453
kWh billed at Mar12-Mar12				34,802,479	\$ 0.03383	\$ 1,177,368	\$ 0.03383	\$ 1,177,368	\$ 0.03383	\$ 1,177,368
Minimum and Partial Month Billings						\$ (2,157)		\$ (2,157)		\$ (2,157)
Demand Billings										
Base Demand Period										
kW billed Apr11-Jun11		221,677			\$ 2.64	\$ 585,228	\$ 2.64	\$ 585,228	\$ 2.59	\$ 574,144
kW billed Jul11-Feb12		574,418			\$ 2.64	\$ 1,516,464	\$ 2.64	\$ 1,516,464	\$ 2.59	\$ 1,487,743
kW billed Mar12-Mar12		93,607			\$ 2.59	\$ 242,441	\$ 2.59	\$ 242,441	\$ 2.59	\$ 242,441
Minimum Demand -- Base Period		37,161								
Intermediate Demand Period										
kW billed Apr11-Jun11		217,584			\$ 4.20	\$ 913,852	\$ 4.20	\$ 913,852	\$ 4.15	\$ 902,972
kW billed Jul11-Feb12		548,740			\$ 4.20	\$ 2,304,708	\$ 4.20	\$ 2,304,708	\$ 4.15	\$ 2,277,271
kW billed Mar12-Mar12		79,596			\$ 4.15	\$ 330,323	\$ 4.15	\$ 330,323	\$ 4.15	\$ 330,323
Minimum Demand -- Intermediate Period		2,704								
Peak Demand Period										
kW billed Apr11-Jun11		212,530			\$ 5.70	\$ 1,211,420	\$ 5.70	\$ 1,211,420	\$ 5.65	\$ 1,200,793
kW billed Jul11-Feb12		537,318			\$ 5.70	\$ 3,062,713	\$ 5.70	\$ 3,062,713	\$ 5.65	\$ 3,035,847
kW billed Mar12-Mar12		76,426			\$ 5.65	\$ 431,807	\$ 5.65	\$ 431,807	\$ 5.65	\$ 431,807
Minimum Demand -- Peak Period		2,627								
Minimum Demand billings						\$ 124,438		\$ 124,438		\$ 122,315
Partial Month and Prorated Billings						\$ (26,241)		\$ (26,241)		\$ (26,241)
TOTAL	358	2,604,388		368,941,649		\$ 23,106,315		\$ 23,247,465		\$ 23,129,727
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 23,106,315		\$ 23,247,465		\$ 23,129,727
TIME OF DAY PRIMARY SERVICE INCREASE IN BASE RATES REVENUE									\$ 141,150	\$ (117,738)
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										
										\$ 1,096,701
Demand Side Management Billings										
										\$ 254,806
Environmental Cost Recovery Surcharge Billings										
										\$ 158,312
Total Pro Forma Revenue Adjustments										
										\$ 1,509,819
Total Test Year Adjusted Revenues										
										\$ 24,639,546

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates"		FAC Rollin for Full Year		"Current Rates"	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
TIME OF DAY SERVICE -- INDUSTRIAL PRIMARY										
Customers Apr11-Jun11	170				\$ 300.00	\$ 51,000	\$ 300.00	\$ 51,000	\$ 300.00	\$ 51,000
Customers Jul11-Feb12	471				\$ 300.00	\$ 141,300	\$ 300.00	\$ 141,300	\$ 300.00	\$ 141,300
Customers Mar12-Mar12	63				\$ 300.00	\$ 18,900	\$ 300.00	\$ 18,900	\$ 300.00	\$ 18,900
Partial month, prorated and corrected basic service charge billings						\$ (270)		\$ (270)		\$ (270)
kWh billed at Apr11-Jun11				381,264,030	\$ 0.02827	\$ 10,778,334	\$ 0.02984	\$ 11,376,919	\$ 0.02984	\$ 11,376,919
kWh billed at Jul11-Feb12				1,016,697,361	\$ 0.02984	\$ 30,338,249	\$ 0.02984	\$ 30,338,249	\$ 0.02984	\$ 30,338,249
kWh billed at Mar12-Mar12				119,122,911	\$ 0.02984	\$ 3,554,628	\$ 0.02984	\$ 3,554,628	\$ 0.02984	\$ 3,554,628
Minimum and Partial Month Energy Billings						\$ (46,799)		\$ (46,799)		\$ (46,799)
Summer Peak Demand Period										
kW billed Apr11-Jun11		279,230			\$ 10.11	\$ 2,823,013	\$ 10.11	\$ 2,823,013	\$ 10.12	\$ 2,825,806
kW billed Jul11-Feb12		885,712			\$ 10.11	\$ 8,954,549	\$ 10.11	\$ 8,954,549	\$ 10.12	\$ 8,963,406
kW billed Mar12-Mar12		-			\$ 10.12	\$ -	\$ 10.12	\$ -	\$ 10.12	\$ -
Minimum Demand -- Summer Period		3,840								
Winter Peak Demand Period										
kW billed Apr11-Jun11		517,248			\$ 7.31	\$ 3,781,083	\$ 7.31	\$ 3,781,083	\$ 7.32	\$ 3,786,255
kW billed Jul11-Feb12		1,204,511			\$ 7.31	\$ 8,804,973	\$ 7.31	\$ 8,804,973	\$ 7.32	\$ 8,817,018
kW billed Mar12-Mar12		264,275			\$ 7.32	\$ 1,934,493	\$ 7.32	\$ 1,934,493	\$ 7.32	\$ 1,934,493
Minimum Demand -- Winter Period		14,870								
Basic Demand										
kW billed Apr11-Jun11		818,779			\$ 4.16	\$ 3,406,119	\$ 4.16	\$ 3,406,119	\$ 4.17	\$ 3,414,306
kW billed Jul11-Feb12		2,156,307			\$ 4.16	\$ 8,970,237	\$ 4.16	\$ 8,970,237	\$ 4.17	\$ 8,991,800
kW billed Mar12-Mar12		285,198			\$ 4.17	\$ 1,189,276	\$ 4.17	\$ 1,189,276	\$ 4.17	\$ 1,189,276
Minimum Demand -- Basic		19,360								
Minimum Demand Billings						\$ 228,057		\$ 228,057		\$ 228,438
Power Factor Demand Revenue						\$ (1,912,236)		\$ (1,912,236)		\$ (1,912,236)
Partial Month and Prorated Demand Billings						\$ (201,463)		\$ (201,463)		\$ (201,463)
TOTAL	704	6,449,328		1,517,084,302		\$ 82,813,443		\$ 83,412,028		\$ 83,471,026
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 82,813,443		\$ 83,412,028		\$ 83,471,026
TIME OF DAY PRIMARY SERVICE INCREASE IN BASE RATES REVENUE								\$ 598,585		\$ 58,998
REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 4,456,098
Demand Side Management Billings										\$ -
Environmental Cost Recovery Surcharge Billings										\$ 577,097
Total Pro Forma Revenue Adjustments										\$ 5,033,195
Total Test Year Adjusted Revenues										\$ 88,504,221

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
RETAIL TRANSMISSION SERVICE										
Customers Apr11-Jun11	33				\$ 500.00	\$ 16,500	\$ 500.00	\$ 16,500	\$ 500.00	\$ 16,500
Customers Jul11-Feb12	89				\$ 500.00	\$ 44,500	\$ 500.00	\$ 44,500	\$ 500.00	\$ 44,500
Customers Mar12-Mar12	11				\$ 500.00	\$ 5,500	\$ 500.00	\$ 5,500	\$ 500.00	\$ 5,500
Partial month, prorated and corrected billings						\$ (500)		\$ (500)		\$ (500)
kWh billed at Apr11-Jun11				142,736,168	\$ 0.02827	\$ 4,035,151	\$ 0.02984	\$ 4,259,247	\$ 0.02984	\$ 4,259,247
kWh billed at Jul11-Feb12				327,513,304	\$ 0.02984	\$ 9,772,997	\$ 0.02984	\$ 9,772,997	\$ 0.02984	\$ 9,772,997
kWh billed at Mar12-Mar12				53,631,000	\$ 0.02984	\$ 1,600,349	\$ 0.02984	\$ 1,600,349	\$ 0.02984	\$ 1,600,349
Minimum and Partial Month Billings						\$ -		\$ -		\$ -
Demand Billings										
Base Demand Period										
kW billed Apr11-Jun11		356,718			\$ 2.61	\$ 931,035	\$ 2.61	\$ 931,035	\$ 2.57	\$ 916,766
kW billed Jul11-Feb12		788,435			\$ 2.61	\$ 2,057,814	\$ 2.61	\$ 2,057,814	\$ 2.57	\$ 2,026,277
kW billed Mar12-Mar12		123,681			\$ 2.57	\$ 317,859	\$ 2.57	\$ 317,859	\$ 2.57	\$ 317,859
Minimum Demand -- Base Period		108,439								
Intermediate Demand Period										
kW billed Apr11-Jun11		352,186			\$ 2.86	\$ 1,007,251	\$ 2.86	\$ 1,007,251	\$ 2.82	\$ 993,163
kW billed Jul11-Feb12		743,456			\$ 2.86	\$ 2,126,283	\$ 2.86	\$ 2,126,283	\$ 2.82	\$ 2,096,545
kW billed Mar12-Mar12		123,609			\$ 2.82	\$ 348,578	\$ 2.82	\$ 348,578	\$ 2.82	\$ 348,578
Minimum Demand -- Intermediate Period		66,122								
Peak Demand Period										
kW billed Apr11-Jun11		343,687			\$ 4.36	\$ 1,498,477	\$ 4.36	\$ 1,498,477	\$ 4.32	\$ 1,484,730
kW billed Jul11-Feb12		720,947			\$ 4.36	\$ 3,143,328	\$ 4.36	\$ 3,143,328	\$ 4.32	\$ 3,114,490
kW billed Mar12-Mar12		121,488			\$ 4.32	\$ 524,828	\$ 4.32	\$ 524,828	\$ 4.32	\$ 524,828
Minimum Demand -- Peak Period		65,809								
Minimum Demand Billings						\$ 756,900		\$ 756,900		\$ 749,446
Partial Month and Prorated Billings						\$ 3,720		\$ 3,720		\$ 3,720
TOTAL	133	3,914,575		523,880,472		\$ 28,190,570		\$ 28,414,666		\$ 28,274,995
					Correction Factor -	1.0000000000		1.0000000000		1.0000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 28,190,570		\$ 28,414,666		\$ 28,274,995
RETAIL TRANSMISSION SERVICE INCREASE IN BASE RATES REVENUE								\$ 224,096		\$ (139,671)
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										
										\$ 1,565,273
Demand Side Management Billings										
										\$ -
Environmental Cost Recovery Surcharge Billings										
										\$ 196,069
Total Pro Forma Revenue Adjustments										
										\$ 1,761,342
Total Test Year Adjusted Revenues										
										\$ 30,036,337

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
SPECIAL CONTRACT -- CUSTOMER #1										
Customers Apr11-Jun11	3				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Jul11-Feb12	7				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Mar12-Mar12	1				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partial month, prorated and corrected billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
kWh billed at Apr11-Jun11				52,926,000	\$ 0.02883	\$ 1,525,857	\$ 0.03040	\$ 1,608,951	\$ 0.03040	\$ 1,608,951
kWh billed at Jul11-Feb12				146,290,000	\$ 0.03040	\$ 4,447,216	\$ 0.03040	\$ 4,447,216	\$ 0.03040	\$ 4,447,216
kWh billed at Mar12-Mar12				16,489,000	\$ 0.03040	\$ 501,266	\$ 0.03040	\$ 501,266	\$ 0.03040	\$ 501,266
Minimum and Partial Month Billings					\$ -	\$ (32,470)	\$ -	\$ (32,470)	\$ -	\$ (32,470)
kW billed at Summer ratesApr11-Jun11		68,215			\$ 13.82	\$ 942,734	\$ 13.82	\$ 942,734	\$ 13.84	\$ 944,098
kW billed at Summer ratesJul11-Feb12		167,832			\$ 13.82	\$ 2,319,438	\$ 13.82	\$ 2,319,438	\$ 13.84	\$ 2,322,795
kW billed at Summer ratesMar12-Mar12		-			\$ 13.84	\$ -	\$ 13.84	\$ -	\$ 13.84	\$ -
kW billed at Winter ratesApr11-Jun11		31,716			\$ 11.63	\$ 368,857	\$ 11.63	\$ 368,857	\$ 11.65	\$ 369,491
kW billed at Winter ratesJul11-Feb12		118,188			\$ 11.63	\$ 1,374,526	\$ 11.63	\$ 1,374,526	\$ 11.65	\$ 1,376,890
kW billed at Winter ratesMar12-Mar12		33,120			\$ 11.65	\$ 385,848	\$ 11.65	\$ 385,848	\$ 11.65	\$ 385,848
Minimum Demand and Billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Factor Demand Revenue					\$ -	\$ (379,455)	\$ -	\$ (379,455)	\$ -	\$ (379,455)
Partial Month and Prorated Billings					\$ -	\$ (150,054)	\$ -	\$ (150,054)	\$ -	\$ (150,054)
TOTAL	11	419,071		215,705,000		\$ 11,303,763		\$ 11,386,857		\$ 11,394,576
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 11,303,763		\$ 11,386,857		\$ 11,394,576
SPECIAL CONTRACT INCREASE IN BASE RATES REVENUE								\$ 83,094		\$ 7,719
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 597,789
Demand Side Management Billings										\$ -
Environmental Cost Recovery Surcharge Billings										\$ 86,285
Total Pro Forma Revenue Adjustments										\$ 684,074
Total Test Year Adjusted Revenues										\$ 12,078,650

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
SPECIAL CONTRACT -- CUSTOMER #2										
Customers Apr11-Jun11	6				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Jul11-Feb12	16				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Mar12-Mar12	-				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partial month, prorated and corrected billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
kWh billed at Apr11-Jun11				15,394,800	\$ 0.02882	\$ 443,678	\$ 0.03039	\$ 467,848	\$ 0.03039	\$ 467,848
kWh billed at Jul11-Feb12				38,336,400	\$ 0.03039	\$ 1,165,043	\$ 0.03039	\$ 1,165,043	\$ 0.03039	\$ 1,165,043
kWh billed at Mar12-Mar12				-	\$ 0.03039	\$ -	\$ 0.03039	\$ -	\$ 0.03039	\$ -
Minimum and Partial Month Billings					\$ -	\$ (62)	\$ -	\$ (62)	\$ -	\$ (62)
kW billed Apr11-Jun11		29,309			\$ 9.85	\$ 288,692	\$ 9.85	\$ 288,692	\$ 9.87	\$ 289,278
kW billed Jul11-Feb12		72,505			\$ 9.85	\$ 714,176	\$ 9.85	\$ 714,176	\$ 9.87	\$ 715,626
kW billed Mar12-Mar12		-			\$ 9.87	\$ -	\$ 9.87	\$ -	\$ 9.87	\$ -
Minimum Demand and Billings		4,629			\$ -	\$ 67,195	\$ -	\$ 67,195	\$ -	\$ 67,332
Partial Month and Prorated Billings					\$ -	\$ (305)	\$ -	\$ (305)	\$ -	\$ (305)
TOTAL	22	106,443		53,731,200		\$ 2,678,417		\$ 2,702,587		\$ 2,704,760
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 2,678,417		\$ 2,702,587		\$ 2,704,760
SPECIAL CONTRACT INCREASE IN BASE RATES REVENUE								\$ 24,170		\$ 2,173
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings									\$	153,139
Demand Side Management Billings									\$	-
Environmental Cost Recovery Surcharge Billings									\$	18,832
Total Pro Forma Revenue Adjustments									\$	171,971
Total Test Year Adjusted Revenues									\$	2,876,731

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ending March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 29, 2012

	Customers 12mos Mar 2012	Basic Demand	Peak Demand	kWh's	"As Billed Rates" During 12 Month Period		FAC Rollin for Full Year		"Current Rates" ECR Rollin for Full Year	
					Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue	Unit Charges	Calculated Revenue
LIGHTING ENERGY RATE LE										
Customers Apr11-Jun11	339				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Jul11-Feb12	1,230				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customers Mar12-Mar12	173				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partial month, prorated and corrected billings					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
kWh billed at Apr11-Jun11				804,720	\$ 0.05465	\$ 43,978	\$ 0.05622	\$ 45,242	\$ 0.05646	\$ 45,434
kWh billed at Jul11-Feb12				2,631,690	\$ 0.05622	\$ 147,954	\$ 0.05622	\$ 147,954	\$ 0.05646	\$ 148,586
kWh billed at Mar12-Mar12				237,805	\$ 0.05646	\$ 13,426	\$ 0.05646	\$ 13,426	\$ 0.05646	\$ 13,426
Minimum and Partial Month Billings					\$ (280)	\$ (280)	\$ (280)	\$ (280)	\$ (280)	\$ (280)
TOTAL	1,742			3,674,215		\$ 205,078		\$ 206,342		\$ 207,166
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 205,078		\$ 206,342		\$ 207,166
LIGHTING ENERGY SERVICE INCREASE IN BASE RATES REVENUE								\$ 1,264		\$ 824
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 10,659
Demand Side Management Billings										\$ -
Environmental Cost Recovery Surcharge Billings										\$ 1,293
Total Pro Forma Revenue Adjustments										\$ 11,952
Total Test Year Adjusted Revenues										\$ 219,118
TRAFFIC ENERGY SERVICE RATE TE										
Customers Apr11-Jun11	3,041				\$ 3.14	\$ 9,549	\$ 3.14	\$ 9,549	\$ 3.14	\$ 9,549
Customers Jul11-Feb12	8,161				\$ 3.14	\$ 25,626	\$ 3.14	\$ 25,626	\$ 3.14	\$ 25,626
Customers Mar12-Mar12	1,018				\$ 3.14	\$ 3,197	\$ 3.14	\$ 3,197	\$ 3.14	\$ 3,197
Partial month, prorated and corrected billings					\$ -	\$ 53	\$ -	\$ 53	\$ -	\$ 53
kWh billed at Apr11-Jun11				786,850	\$ 0.06623	\$ 52,113	\$ 0.06780	\$ 53,348	\$ 0.06804	\$ 53,537
kWh billed at Jul11-Feb12				2,031,851	\$ 0.06780	\$ 137,759	\$ 0.06780	\$ 137,759	\$ 0.06804	\$ 138,247
kWh billed at Mar12-Mar12				257,019	\$ 0.06804	\$ 17,488	\$ 0.06804	\$ 17,488	\$ 0.06804	\$ 17,488
Minimum and Partial Month Billings					\$ 314	\$ 314	\$ 314	\$ 314	\$ 314	\$ 314
TOTAL	12,220			3,075,720		\$ 246,099		\$ 247,334		\$ 248,011
					Correction Factor -	1.000000000		1.000000000		1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR						\$ 246,099		\$ 247,334		\$ 248,011
TRAFFIC ENERGY SERVICE INCREASE IN BASE RATES REVENUE								\$ 1,235		\$ 677
PRO FORMA REVENUE ADJUSTMENTS:										
Fuel Adjustment Clause Billings										\$ 9,134
Demand Side Management Billings										\$ -
Environmental Cost Recovery Surcharge Billings										\$ 1,633
Total Pro Forma Revenue Adjustments										\$ 10,768
Total Test Year Adjusted Revenues										\$ 258,779

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

		Lights at	Lights at	Lights at	Apr11-Jun11	Jul11-Feb12	Mar12-Mar12	Revenue	Revenue	Revenue
		Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Rates	Rates	Rates	for 12 Months	Reflecting	Reflecting
								Ended March 31, 2012	FAC Rollin	ECR Rollin
LIGHTING SERVICE LS										
Underground Service										
High Pressure Sodium										
4 Sided Colonial, 5800 Lumens	LGUM_412	517	1,399	209	\$ 18.59	\$ 18.63	\$ 18.76	\$ 39,595.00	\$ 39,616.00	\$ 39,865.00
4 Sided Colonial, 9500 Lumens	LGUM_413	5,197	14,282	1,855	\$ 19.16	\$ 19.22	\$ 19.36	\$ 409,987.00	\$ 410,299.00	\$ 413,026.00
4 Sided Colonial, 16000 Lumens	LGUM_414	930	2,738	388	\$ 20.24	\$ 20.33	\$ 20.36	\$ 82,386.00	\$ 82,470.00	\$ 82,580.00
Acorn, 5800 Lumens	LGUM_415	75	201	24	\$ 18.96	\$ 19.00	\$ 19.13	\$ 5,700.00	\$ 5,703.00	\$ 5,739.00
Acorn, 9500 Lumens	LGUM_416	5,061	14,112	1,812	\$ 21.16	\$ 21.22	\$ 21.36	\$ 445,252.00	\$ 445,555.00	\$ 448,240.00
Acorn, 9500 Lumens with Bronze Pole	LGUM_417	126	126	36	\$ 22.24	\$ 22.30	\$ 22.44	\$ 6,420.00	\$ 6,427.00	\$ 6,463.00
Acorn, 16000 Lumens	LGUM_418	588	1,805	238	\$ 22.15	\$ 22.24	\$ 22.27	\$ 58,468.00	\$ 58,521.00	\$ 58,592.00
Acorn, 16000 Lumens with Bronze Pole	LGUM_419	180	480	60	\$ 23.16	\$ 23.25	\$ 23.28	\$ 16,726.00	\$ 16,742.00	\$ 16,762.00
Contemporary, 16000 Lumens	LGUM_420	108	316	304	\$ 28.23	\$ 28.32	\$ 28.35	\$ 20,616.00	\$ 20,626.00	\$ 20,639.00
Fixture Only	LGUM_439	-	-	-	\$ 15.26	\$ 15.35	\$ 15.38	\$ -	\$ -	\$ -
Contemporary, 28500 Lumens	LGUM_421	485	1,311	171	\$ 31.39	\$ 31.54	\$ 31.00	\$ 61,874.00	\$ 61,947.00	\$ 60,977.00
Fixture Only	LGUM_440	-	-	2	\$ 17.31	\$ 17.46	\$ 16.92	\$ 34.00	\$ 34.00	\$ 34.00
Contemporary, 50000 Lumens	LGUM_422	920	2,711	331	\$ 35.73	\$ 35.98	\$ 36.04	\$ 142,343.00	\$ 142,573.00	\$ 142,790.00
Fixture Only	LGUM_441	5	16	2	\$ 20.21	\$ 20.46	\$ 20.52	\$ 469.00	\$ 471.00	\$ 472.00
Cobra Head, 16000 Lumens	LGUM_423	67	184	23	\$ 24.81	\$ 24.90	\$ 24.93	\$ 6,817.00	\$ 6,823.00	\$ 6,831.00
Cobra Head, 28500 Lumens	LGUM_424	566	1,780	13	\$ 27.13	\$ 27.28	\$ 26.74	\$ 64,262.00	\$ 64,347.00	\$ 63,080.00
Cobra Head, 50000 Lumens	LGUM_425	96	241	23	\$ 31.52	\$ 31.77	\$ 31.83	\$ 11,415.00	\$ 11,439.00	\$ 11,459.00
London (10' Smooth Pole), 5800 Lumens	LGUM_426	75	270	35	\$ 31.56	\$ 31.60	\$ 31.73	\$ 12,010.00	\$ 12,013.00	\$ 12,057.00
London (10' Fluted Pole), 5800 Lumens	LGUM_427	44	310	53	\$ 33.47	\$ 33.51	\$ 33.64	\$ 13,644.00	\$ 13,645.00	\$ 13,691.00
London (10' Smooth Pole), 9500 Lumens	LGUM_428	432	1,264	167	\$ 32.30	\$ 32.36	\$ 32.50	\$ 60,284.00	\$ 60,310.00	\$ 60,548.00
London (10' Fluted Pole), 9500 Lumens	LGUM_429	567	1,752	215	\$ 34.21	\$ 34.27	\$ 34.41	\$ 86,836.00	\$ 86,870.00	\$ 87,195.00
Victorian (10' Smooth Pole), 5800 Lumens	LGUM_430	39	104	13	\$ 30.63	\$ 30.67	\$ 30.80	\$ 4,785.00	\$ 4,786.00	\$ 4,805.00
Victorian (10' Fluted Pole), 5800 Lumens	LGUM_431	105	513	45	\$ 31.28	\$ 31.32	\$ 31.45	\$ 20,767.00	\$ 20,771.00	\$ 20,851.00
Victorian (10' Smooth Pole), 9500 Lumens	LGUM_432	27	72	9	\$ 32.53	\$ 32.59	\$ 32.73	\$ 3,519.00	\$ 3,521.00	\$ 3,535.00
Victorian (10' Fluted Pole), 9500 Lumens	LGUM_433	369	1,836	182	\$ 33.17	\$ 33.23	\$ 33.37	\$ 79,323.00	\$ 79,345.00	\$ 79,654.00
Mercury Vapor										
4 Sided Colonial, 4000 Lumens	LGUM_434	3	8	1	\$ 16.35	\$ 16.41	\$ 16.35	\$ 197.00	\$ 197.00	\$ 196.00
4 Sided Colonial, 8000 Lumens	LGUM_435	100	265	33	\$ 17.92	\$ 18.03	\$ 18.02	\$ 7,165.00	\$ 7,176.00	\$ 7,172.00
Cobra Head, 8000 Lumens	LGUM_436	-	-	-	\$ 21.89	\$ 22.00	\$ 21.99	\$ -	\$ -	\$ -
Cobra Head, 13000 Lumens	LGUM_437	3	-	-	\$ 23.31	\$ 23.47	\$ 23.46	\$ 70.00	\$ 70.00	\$ 70.00
Cobra Head, 25000 Lumens	LGUM_438	24	30	8	\$ 26.69	\$ 26.93	\$ 26.91	\$ 1,664.00	\$ 1,670.00	\$ 1,668.00

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

		Lights at	Lights at	Lights at	Apr11-Jun11	Jul11-Feb12	Mar12-Mar12	Revenue	Revenue	Revenue
		Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Rates	Rates	Rates	for 12 Months	Reflecting	Reflecting
								Ended March 31, 2012	FAC Rollin	ECR Rollin
Overhead Service										
High Pressure Sodium										
Cobra Head, 16000 Lumens	LGUM_452	3,139	9,195	1,311	\$ 11.50	\$ 11.59	\$ 11.62	\$ 157,902.00	\$ 158,185.00	\$ 158,555.00
Cobra Head, 28500 Lumens	LGUM_453	6,220	18,833	2,690	\$ 13.83	\$ 13.98	\$ 13.44	\$ 385,462.00	\$ 386,395.00	\$ 372,866.00
Cobra Head, 50000 Lumens	LGUM_454	1,191	3,399	447	\$ 18.22	\$ 18.47	\$ 18.53	\$ 92,762.00	\$ 93,060.00	\$ 93,336.00
Directional Flood, 16000 Lumens	LGUM_455	287	800	106	\$ 13.11	\$ 13.20	\$ 13.23	\$ 15,725.00	\$ 15,751.00	\$ 15,783.00
Directional Flood, 50000 Lumens	LGUM_456	4,865	13,593	1,828	\$ 19.19	\$ 19.44	\$ 19.50	\$ 393,253.00	\$ 394,470.00	\$ 395,577.00
Open Bottom, 9500 Lumens	LGUM_457	2,240	6,596	906	\$ 10.20	\$ 10.26	\$ 10.40	\$ 99,945.00	\$ 100,080.00	\$ 101,317.00
Mercury Vapor										
Cobra Head, 8000 Lumens	LGUM_458	14	41	5	\$ 10.16	\$ 10.27	\$ 10.26	\$ 615.00	\$ 616.00	\$ 616.00
Cobra Head, 13000 Lumens	LGUM_459	69	188	27	\$ 11.59	\$ 11.75	\$ 11.74	\$ 3,326.00	\$ 3,337.00	\$ 3,334.00
Cobra Head, 25000 Lumens	LGUM_460	64	190	19	\$ 14.96	\$ 15.20	\$ 15.18	\$ 4,134.00	\$ 4,149.00	\$ 4,144.00
Directional Flood, 25000 Lumens	LGUM_461	486	1,332	162	\$ 16.31	\$ 16.55	\$ 16.53	\$ 32,649.00	\$ 32,766.00	\$ 32,729.00
Open Bottom, 8000 Lumens	LGUM_462	53	129	16	\$ 9.90	\$ 10.01	\$ 10.00	\$ 1,976.00	\$ 1,982.00	\$ 1,980.00
Bases Available										
Old Town / Manchester	LE_954Base	-	-	-	\$ 2.83	\$ 2.83	\$ 2.83	\$ -	\$ -	\$ -
Chesapeake / Franklin	LE_955Base	-	-	-	\$ 2.83	\$ 2.83	\$ 2.83	\$ -	\$ -	\$ -
Jefferson / Westchester	LE_956Base	450	1,224	192	\$ 2.83	\$ 2.83	\$ 2.83	\$ 5,281.00	\$ 5,281.00	\$ 5,281.00
Norfolk / Essex	LE_957Base	108	395	55	\$ 3.00	\$ 3.00	\$ 3.00	\$ 1,674.00	\$ 1,674.00	\$ 1,674.00
Old Town / Manchester	LE_960Base	30	80	10	\$ 3.35	\$ 3.35	\$ 3.35	\$ 402.00	\$ 402.00	\$ 402.00
Chesapeake / Franklin	LE_961Base	9	24	3	\$ 3.60	\$ 3.60	\$ 3.60	\$ 130.00	\$ 130.00	\$ 130.00
Chesapeake / Franklin	LE_962Base	204	530	64	\$ 3.62	\$ 3.62	\$ 3.62	\$ 2,889.00	\$ 2,889.00	\$ 2,889.00
Norfolk / Essex	LE_963Base	405	1,082	94	\$ 3.81	\$ 3.81	\$ 3.81	\$ 6,024.00	\$ 6,024.00	\$ 6,024.00
Additional Poles	LE_958Pole	1,056	3,199	437	\$ 10.92	\$ 10.92	\$ 10.92	\$ 51,237.00	\$ 51,237.00	\$ 51,237.00
Additional Poles	LE_910Pole	585	1,745	241	\$ 1.99	\$ 1.99	\$ 1.99	\$ 5,116.00	\$ 5,116.00	\$ 5,116.00
Additional Poles	LE_911Pole	-	-	-	\$ 10.44	\$ 10.44	\$ 10.44	\$ -	\$ -	\$ -
Additional Poles	LE_912Pole	9	24	3	\$ 12.46	\$ 12.46	\$ 12.46	\$ 449.00	\$ 449.00	\$ 449.00

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

	Lights at Apr11-Jun11 Rates	Lights at Jul11-Feb12 Rates	Lights at Mar12-Mar12 Rates	Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Revenue for 12 Months Ended March 31, 2012	Revenue Reflecting FAC Rollin	Revenue Reflecting ECR Rollin
Metal Halide Commercial and Industrial Lighting									
Overhead and Underground									
Directional Fixture Only, 12000 Lumens LGUM_470	41	121	15	\$ 11.79	\$ 11.87	\$ 11.85	\$ 2,097.00	\$ 2,101.00	\$ 2,097.00
Directional Fixture with Wood Pole, 12000 Lumens LGUM_471	3	11	2	\$ 13.99	\$ 14.07	\$ 14.05	\$ 225.00	\$ 225.00	\$ 225.00
Directional Fixture with Direct Buried Metal Pole, 12 LGUM_472	-	-	-	\$ 21.20	\$ 21.28	\$ 21.26	\$ -	\$ -	\$ -
Directional Fixture Only, 32000 Lumens LGUM_473	284	844	120	\$ 16.95	\$ 17.13	\$ 17.19	\$ 21,334.00	\$ 21,385.00	\$ 21,453.00
Directional Fixture with Wood Pole, 32000 Lumens LGUM_474	40	117	16	\$ 19.16	\$ 19.34	\$ 19.40	\$ 3,340.00	\$ 3,347.00	\$ 3,356.00
Directional Fixture with Metal Pole, 32000 Lumens LGUM_475	3	8	1	\$ 26.36	\$ 26.54	\$ 26.60	\$ 318.00	\$ 319.00	\$ 319.00
Directional Fixture Only, 107800 Lumens LGUM_476	227	841	154	\$ 35.07	\$ 35.64	\$ 35.92	\$ 43,466.00	\$ 43,595.00	\$ 43,894.00
Directional Fixture with Wood Pole, 107800 Lumens LGUM_477	16	86	30	\$ 38.14	\$ 38.71	\$ 38.99	\$ 5,109.00	\$ 5,118.00	\$ 5,147.00
Directional Fixture with Metal Pole, 107800 Lumens LGUM_478	-	-	-	\$ 44.47	\$ 45.04	\$ 45.32	\$ -	\$ -	\$ -
Contemporary Fixture Only, 12000 Lumens LGUM_479	-	-	-	\$ 13.02	\$ 13.10	\$ 13.08	\$ -	\$ -	\$ -
Contemporary Fixture with Direct Buried Metal Pole LGUM_480	-	36	18	\$ 22.45	\$ 22.53	\$ 22.51	\$ 1,216.00	\$ 1,216.00	\$ 1,216.00
Contemporary Fixture Only, 32000 Lumens LGUM_481	6	16	2	\$ 18.67	\$ 18.85	\$ 18.91	\$ 451.00	\$ 453.00	\$ 454.00
Contemporary Fixture with Metal Pole, 32000 Lumen LGUM_482	39	112	15	\$ 28.09	\$ 28.27	\$ 28.33	\$ 4,687.00	\$ 4,694.00	\$ 4,703.00
Contemporary Fixture Only, 107800 Lumens LGUM_483	6	16	2	\$ 37.93	\$ 38.50	\$ 38.78	\$ 921.00	\$ 925.00	\$ 931.00
Contemporary Fixture with Metal Pole, 107800 Lum LGUM_484	39	104	13	\$ 47.34	\$ 47.91	\$ 48.19	\$ 7,455.00	\$ 7,478.00	\$ 7,518.00
Partial month billings and billing corrections							\$ 130,861	\$ 130,861	\$ 130,861
Total Lighting Service	<u>38,897</u>	<u>113,037</u>	<u>15,256</u>				<u>\$ 3,145,059</u>	<u>\$ 3,149,677</u>	<u>\$ 3,144,604</u>
					Correction Factor -		1.000000000	1.000000000	1.000000000
TOTAL AFTER APPLICATION OF CORRECTION FACTOR							<u>\$ 3,145,059</u>	<u>\$ 3,149,677</u>	<u>\$ 3,144,604</u>
LIGHTING SERVICE INCREASE IN BASE RATES REVENUE								<u>\$ 4,618</u>	<u>\$ (5,073)</u>
PRO FORMA REVENUE ADJUSTMENTS:									
Fuel Adjustment Clause Billings									\$ 38,569
Demand Side Management Billings									\$ -
Environmental Cost Recovery Surcharge Billings									\$ 20,515
Temperature Normalization Revenue Adjustment									\$ -
Year End Customer Revenue Adjustment									\$ 384,733
Total Pro Forma Revenue Adjustments									<u>\$ 443,817</u>
Total Test Year Adjusted Revenues									<u><u>\$ 3,588,421</u></u>

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

		Lights at	Lights at	Lights at	Apr11-Jun11	Jul11-Feb12	Mar12-Mar12	Revenue	Revenue	Revenue
		Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Rates	Rates	Rates	for 12 Months	Reflecting	Reflecting
								Ended March 31, 2012	FAC Rollin	ECR Rollin
RESTRICTED LIGHTING SERVICE										
OUTDOOR LIGHTING										
Overhead Service										
Mercury Vapor Installed Prior to January 1, 1991										
100 Watt	LGUM_201	124	329	43	\$ 7.89	\$ 7.95	\$ 7.92	\$ 3,934.00	\$ 3,942.00	\$ 3,928.00
175 Watt	LGUM_202	7,501	19,831	2,469	\$ 8.82	\$ 8.93	\$ 8.97	\$ 265,397.00	\$ 266,222.00	\$ 267,315.00
250 Watt	LGUM_203	3,665	9,528	1,145	\$ 10.18	\$ 10.34	\$ 10.33	\$ 147,657.00	\$ 148,243.00	\$ 148,112.00
400 Watt	LGUM_204	2,334	6,052	767	\$ 12.54	\$ 12.78	\$ 12.78	\$ 116,415.00	\$ 116,975.00	\$ 116,975.00
400 Watt Flood	LGUM_207	1,490	3,908	444	\$ 12.54	\$ 12.78	\$ 12.78	\$ 74,303.00	\$ 74,661.00	\$ 74,661.00
1000 Watt	LGUM_209	135	335	41	\$ 23.44	\$ 24.02	\$ 24.04	\$ 12,197.00	\$ 12,275.00	\$ 12,284.00
1000 Watt Flood	LGUM_210	622	1,526	185	\$ 23.44	\$ 24.02	\$ 24.04	\$ 55,682.00	\$ 56,042.00	\$ 56,085.00
Mercury Vapor Installed After December 31, 1990										
175 Watt	LGUM_252	257	667	72	\$ 10.22	\$ 10.33	\$ 10.37	\$ 10,263.00	\$ 10,291.00	\$ 10,326.00
250 Watt	LGUM_253	146	378	47	\$ 11.65	\$ 11.81	\$ 11.80	\$ 6,720.00	\$ 6,743.00	\$ 6,738.00
400 Watt	LGUM_254	109	299	33	\$ 14.15	\$ 14.39	\$ 14.39	\$ 6,320.00	\$ 6,346.00	\$ 6,346.00
400 Watt Flood	LGUM_257	497	1,345	140	\$ 14.15	\$ 14.39	\$ 14.39	\$ 28,402.00	\$ 28,521.00	\$ 28,521.00
1000 Watt	LGUM_259	11	84	11	\$ 26.08	\$ 26.66	\$ 26.68	\$ 2,820.00	\$ 2,826.00	\$ 2,828.00
1000 Watt Flood	LGUM_260	825	2,039	261	\$ 26.21	\$ 26.79	\$ 26.81	\$ 83,245.00	\$ 83,724.00	\$ 83,781.00
High Pressure Sodium Installed Prior to January 1, 1991										
100 Watt	LGUM_205	572	1,509	187	\$ 9.88	\$ 9.96	\$ 10.00	\$ 22,551.00	\$ 22,597.00	\$ 22,680.00
150 Watt	LGUM_222	1,526	3,943	488	\$ 12.51	\$ 12.62	\$ 12.63	\$ 75,014.00	\$ 75,182.00	\$ 75,237.00
150 Watt Flood	LGUM_223	237	635	79	\$ 12.51	\$ 12.62	\$ 12.63	\$ 11,976.00	\$ 12,002.00	\$ 12,011.00
250 Watt	LGUM_211	1,124	2,979	375	\$ 14.75	\$ 14.91	\$ 14.97	\$ 66,610.00	\$ 66,789.00	\$ 67,036.00
400 Watt	LGUM_212	2,305	6,125	766	\$ 16.03	\$ 16.29	\$ 16.34	\$ 149,242.00	\$ 149,841.00	\$ 150,263.00
400 Watt Flood	LGUM_213	8,716	23,198	2,890	\$ 16.03	\$ 16.29	\$ 16.34	\$ 564,836.00	\$ 567,102.00	\$ 568,697.00
High Pressure Sodium Installed After December 31, 1990										
100 Watt	LGUM_255	5,131	13,450	1,689	\$ 9.88	\$ 9.96	\$ 10.00	\$ 201,546.00	\$ 201,957.00	\$ 202,700.00
150 Watt	LGUM_272	3,597	9,845	1,207	\$ 12.51	\$ 12.62	\$ 12.63	\$ 184,487.00	\$ 184,882.00	\$ 185,017.00
150 Watt Flood	LGUM_273	643	1,697	209	\$ 12.51	\$ 12.62	\$ 12.63	\$ 32,100.00	\$ 32,170.00	\$ 32,194.00
250 Watt	LGUM_261	1,119	2,986	374	\$ 14.75	\$ 14.91	\$ 14.97	\$ 66,625.00	\$ 66,804.00	\$ 67,051.00
400 Watt	LGUM_262	4,408	12,208	1,529	\$ 16.03	\$ 16.29	\$ 16.34	\$ 294,512.00	\$ 295,659.00	\$ 296,489.00
400 Watt Flood	LGUM_263	20,825	55,307	6,915	\$ 16.03	\$ 16.29	\$ 16.34	\$ 1,347,767.00	\$ 1,353,181.00	\$ 1,356,988.00
1000 Watt	LGUM_279	27	72	9	\$ 37.40	\$ 37.98	\$ 38.35	\$ 4,090.00	\$ 4,105.00	\$ 4,142.00

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

		Lights at	Lights at	Lights at	Apr11-Jun11	Jul11-Feb12	Mar12-Mar12	Revenue	Revenue	Revenue
		Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Rates	Rates	Rates	for 12 Months	Reflecting	Reflecting
								Ended March 31, 2012	FAC Rollin	ECR Rollin
Underground Service										
Mercury Vapor Installed Prior to January 1, 1991										
100 Watt -- Top Mounted	LGUM_206	81	215	26	\$ 13.13	\$ 13.19	\$ 13.16	\$ 4,242.00	\$ 4,246.00	\$ 4,238.00
175 Watt -- Top Mounted	LGUM_208	1,294	3,637	350	\$ 13.91	\$ 14.02	\$ 14.06	\$ 73,911.00	\$ 74,054.00	\$ 74,251.00
400 Watt -- Top Mounted		-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mercury Vapor Installed After December 31, 1990										
100 Watt -- Top Mounted	LGUM_256	-	-	-	\$ 13.12	\$ 13.18	\$ 13.15	\$ -	\$ -	\$ -
175 Watt -- Top Mounted	LGUM_258	598	1,521	183	\$ 14.88	\$ 14.99	\$ 15.03	\$ 34,449.00	\$ 34,514.00	\$ 34,599.00
400 Watt -- Top Mounted		-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
High Pressure Sodium Vapor Installed Prior to January 1, 1991										
70 Watt -- Top Mounted	LGUM_226	-	-	-	\$ 13.22	\$ 13.27	\$ 13.30	\$ -	\$ -	\$ -
100 Watt -- Top Mounted	LGUM_224	3,634	9,495	1,194	\$ 17.37	\$ 17.45	\$ 17.49	\$ 249,693.00	\$ 249,984.00	\$ 250,509.00
150 Watt	LGUM_225	-	-	-	\$ 23.41	\$ 23.51	\$ 23.52	\$ -	\$ -	\$ -
250 Watt	LGUM_216	69	184	19	\$ 26.92	\$ 27.08	\$ 27.14	\$ 7,356.00	\$ 7,367.00	\$ 7,382.00
400 Watt	LGUM_217	126	329	49	\$ 30.00	\$ 30.26	\$ 30.31	\$ 15,221.00	\$ 15,253.00	\$ 15,276.00
High Pressure Sodium Vapor Installed After December 31, 1990										
70 Watt -- Top Mounted	LGUM_276	3,471	9,217	1,152	\$ 13.22	\$ 13.27	\$ 13.30	\$ 183,518.00	\$ 183,691.00	\$ 184,072.00
100 Watt -- Top Mounted	LGUM_274	27,158	72,111	9,043	\$ 17.56	\$ 17.64	\$ 17.68	\$ 1,908,813.00	\$ 1,910,985.00	\$ 1,914,956.00
150 Watt -- Top Mounted	LGUM_277	2,775	7,336	914	\$ 20.97	\$ 21.07	\$ 21.08	\$ 232,028.00	\$ 232,306.00	\$ 232,407.00
150 Watt	LGUM_275	1,188	2,930	362	\$ 23.41	\$ 23.51	\$ 23.52	\$ 105,210.00	\$ 105,328.00	\$ 105,370.00
250 Watt	LGUM_266	1,429	3,770	468	\$ 26.92	\$ 27.08	\$ 27.14	\$ 153,262.00	\$ 153,490.00	\$ 153,802.00
400 Watt	LGUM_267	4,413	11,763	1,478	\$ 30.00	\$ 30.26	\$ 30.31	\$ 533,137.00	\$ 534,284.00	\$ 535,093.00
1000 Watt	LGUM_278	45	120	15	\$ 67.18	\$ 67.76	\$ 68.13	\$ 12,176.00	\$ 12,202.00	\$ 12,263.00
Decorative Lighting Service										
Fixtures										
Acorn with Decorative Basket										
70 Watt High Pressure Sodium	LGUM_280	105	280	35	\$ 18.37	\$ 18.42	\$ 18.45	\$ 7,732.00	\$ 7,737.00	\$ 7,749.00
100 Watt High Pressure Sodium	LGUM_281	411	1,104	137	\$ 19.36	\$ 19.44	\$ 19.48	\$ 32,087.00	\$ 32,120.00	\$ 32,181.00
8-Sided Coach										
70 Watt High Pressure Sodium	LGUM_282	210	560	70	\$ 18.55	\$ 18.60	\$ 18.63	\$ 15,616.00	\$ 15,626.00	\$ 15,649.00
100 Watt High Pressure Sodium	LGUM_283	203	611	74	\$ 19.56	\$ 19.64	\$ 19.68	\$ 17,427.00	\$ 17,443.00	\$ 17,476.00
Additional Poles	LE_900Pole	21,007	55,610	6,848	\$ 1.99	\$ 1.99	\$ 1.99	\$ 166,095.00	\$ 166,095.00	\$ 166,095.00
Total Outdoor Lighting		136,163	361,068	44,792				\$ 7,586,684	\$ 7,605,807	\$ 7,621,773

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
Including the rate change due to FAC roll-in effective on July 01, 2011
Including the rate change due to ECR roll-in effective on February 27, 2012

	Lights at Apr11-Jun11 Rates	Lights at Jul11-Feb12 Rates	Lights at Mar12-Mar12 Rates	Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Revenue for 12 Months Ended March 31, 2012	Revenue Reflecting FAC Rollin	Revenue Reflecting ECR Rollin
PUBLIC STREET LIGHTING									
Overhead Service									
Mercury Vapor Installed Prior to January 1, 1991									
100 Watt	141	345	41	\$ 7.17	\$ 7.23	\$ 7.20	\$ 3,801.00	\$ 3,809.00	\$ 3,794.00
175 Watt	6,316	16,310	2,154	\$ 8.25	\$ 8.36	\$ 8.40	\$ 206,552.00	\$ 207,247.00	\$ 208,152.00
250 Watt	10,544	26,551	3,328	\$ 9.57	\$ 9.73	\$ 9.72	\$ 391,595.00	\$ 393,283.00	\$ 392,912.00
400 Watt	11,908	30,239	4,237	\$ 11.64	\$ 11.88	\$ 11.88	\$ 548,184.00	\$ 551,042.00	\$ 551,042.00
400 Watt Metal Pole	189	507	64	\$ 16.15	\$ 16.39	\$ 16.39	\$ 12,411.00	\$ 12,456.00	\$ 12,456.00
400 Watt	-	-	-	\$ 16.11	\$ 16.22	\$ 16.39	\$ -	\$ -	\$ -
1000 Watt	6	16	2	\$ 22.12	\$ 22.70	\$ 22.72	\$ 541.00	\$ 545.00	\$ 545.00
1000 Watt Flood	27	72	9	\$ 22.12	\$ 22.70	\$ 22.72	\$ 2,436.00	\$ 2,452.00	\$ 2,454.00
Mercury Vapor Installed After December 31, 1990									
175 Watt	15	39	5	\$ 10.04	\$ 10.15	\$ 10.19	\$ 597.00	\$ 599.00	\$ 601.00
250 Watt	156	417	57	\$ 11.46	\$ 11.62	\$ 11.61	\$ 7,295.00	\$ 7,320.00	\$ 7,314.00
400 Watt	119	254	32	\$ 13.95	\$ 14.19	\$ 14.19	\$ 5,718.00	\$ 5,747.00	\$ 5,747.00
400 Watt Flood	9	26	3	\$ 13.95	\$ 14.19	\$ 14.19	\$ 537.00	\$ 539.00	\$ 539.00
1000 Watt Flood	24	64	8	\$ 25.83	\$ 26.41	\$ 26.43	\$ 2,522.00	\$ 2,536.00	\$ 2,537.00
High Pressure Sodium Installed Prior to January 1, 1991									
100 Watt	69	183	24	\$ 9.58	\$ 9.66	\$ 9.70	\$ 2,662.00	\$ 2,667.00	\$ 2,677.00
150 Watt	5,381	13,975	1,961	\$ 11.40	\$ 11.51	\$ 11.52	\$ 244,786.00	\$ 245,378.00	\$ 245,572.00
150 Watt Flood	42	42	12	\$ 13.73	\$ 13.84	\$ 13.85	\$ 1,324.00	\$ 1,329.00	\$ 1,330.00
250 Watt	10,220	26,663	3,674	\$ 13.64	\$ 13.80	\$ 13.86	\$ 558,272.00	\$ 559,907.00	\$ 562,120.00
400 Watt	7,616	19,472	2,527	\$ 14.66	\$ 14.92	\$ 14.97	\$ 440,002.00	\$ 441,982.00	\$ 443,337.00
400 Watt Flood	1,644	4,129	525	\$ 14.66	\$ 14.92	\$ 14.97	\$ 93,565.00	\$ 93,992.00	\$ 94,281.00
High Pressure Sodium Installed After December 31, 1990									
100 Watt	1,083	2,882	360	\$ 9.58	\$ 9.66	\$ 9.70	\$ 41,707.00	\$ 41,794.00	\$ 41,953.00
150 Watt	4,125	10,780	1,418	\$ 11.40	\$ 11.51	\$ 11.52	\$ 187,438.00	\$ 187,892.00	\$ 188,041.00
150 Watt Flood	27	71	10	\$ 11.40	\$ 11.51	\$ 11.52	\$ 1,240.00	\$ 1,243.00	\$ 1,244.00
250 Watt	3,944	10,225	1,406	\$ 13.64	\$ 13.80	\$ 13.86	\$ 214,388.00	\$ 215,019.00	\$ 215,870.00
400 Watt	2,180	5,767	722	\$ 14.66	\$ 14.92	\$ 14.97	\$ 128,811.00	\$ 129,378.00	\$ 129,775.00
400 Watt Flood	4,084	10,574	1,376	\$ 14.66	\$ 14.92	\$ 14.97	\$ 238,234.00	\$ 239,296.00	\$ 240,029.00
1000 Watt	6	16	2	\$ 32.97	\$ 33.55	\$ 33.92	\$ 802.00	\$ 806.00	\$ 814.00

Louisville Gas and Electric Company
Effect of Base Rate Changes for the Test Year
Twelve Months Ended March 31, 2012

Based on Sales for the 12 months ended March 31, 2012
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Including the rate change due to ECR roll-in effective on February 27, 2012

		Lights at	Lights at	Lights at	Apr11-Jun11	Jul11-Feb12	Mar12-Mar12	Revenue	Revenue	Revenue
		Apr11-Jun11 Rates	Jul11-Feb12 Rates	Mar12-Mar12 Rates	Rates	Rates	Rates	for 12 Months	Reflecting	Reflecting
								Ended March 31, 2012	FAC Rollin	ECR Rollin
Underground Service										
Mercury Vapor Installed Prior to January 1, 1991										
100 Watt -- Top Mounted	LGUM_306	252	666	82	\$ 11.17	\$ 11.23	\$ 11.20	\$ 11,212.00	\$ 11,228.00	\$ 11,200.00
175 Watt -- Top Mounted	LGUM_308	2,806	7,486	919	\$ 12.15	\$ 12.26	\$ 12.30	\$ 137,175.00	\$ 137,484.00	\$ 137,895.00
175 Watt (Metal Pole)	LGUM_318	196	501	61	\$ 16.18	\$ 16.29	\$ 16.33	\$ 12,329.00	\$ 12,350.00	\$ 12,378.00
250 Watt	LGUM_314	1,870	4,868	600	\$ 17.54	\$ 17.70	\$ 17.69	\$ 129,577.00	\$ 129,877.00	\$ 129,809.00
400 Watt	LGUM_315	1,730	4,530	(433)	\$ 20.85	\$ 21.09	\$ 21.09	\$ 122,476.00	\$ 122,891.00	\$ 122,891.00
400 Watt (Metal Pole)	LGUM_319	-	-	-	\$ 20.95	\$ 21.19	\$ 21.19	\$ -	\$ -	\$ -
400 Watt on State of Ky Pole	LGUM_347	-	-	-	\$ 20.95	\$ 21.19	\$ 21.19	\$ -	\$ -	\$ -
Mercury Vapor Installed After December 31, 1990										
100 Watt -- Top Mounted	LGUM_356	-	-	-	\$ 13.86	\$ 13.92	\$ 13.89	\$ -	\$ -	\$ -
175 Watt -- Top Mounted	LGUM_358	105	217	26	\$ 14.68	\$ 14.79	\$ 14.83	\$ 5,136.00	\$ 5,148.00	\$ 5,161.00
175 Watt (metal pole)	LGUM_368	-	-	-	\$ 23.12	\$ 23.23	\$ 23.27	\$ -	\$ -	\$ -
250 Watt	LGUM_364	57	152	19	\$ 24.05	\$ 24.21	\$ 24.20	\$ 5,511.00	\$ 5,520.00	\$ 5,518.00
400 Watt	LGUM_365	12	32	3	\$ 27.09	\$ 27.33	\$ 27.33	\$ 1,282.00	\$ 1,285.00	\$ 1,285.00
400 Watt (metal pole)	LGUM_369	-	-	-	\$ 27.09	\$ 27.33	\$ 27.33	\$ -	\$ -	\$ -
High Pressure Sodium Vapor Installed Prior to January 1, 1991										
100 Watt -- Top Mounted	LGUM_324	4,864	12,530	1,606	\$ 13.87	\$ 13.95	\$ 13.99	\$ 264,725.00	\$ 265,114.00	\$ 265,810.00
150 Watt	LGUM_325	78	208	25	\$ 23.39	\$ 23.49	\$ 23.50	\$ 7,298.00	\$ 7,306.00	\$ 7,309.00
250 Watt	LGUM_316	3,637	9,614	180	\$ 24.98	\$ 25.14	\$ 25.20	\$ 337,084.00	\$ 337,666.00	\$ 338,461.00
250 Watt (metal pole)	LGUM_320	-	-	-	\$ 24.98	\$ 25.14	\$ 25.20	\$ -	\$ -	\$ -
250 Watt on State of Ky Pole	LGUM_346	-	-	-	\$ 22.05	\$ 22.21	\$ 22.27	\$ -	\$ -	\$ -
400 Watt	LGUM_317	1,616	4,174	531	\$ 27.18	\$ 27.44	\$ 27.49	\$ 173,055.00	\$ 173,475.00	\$ 173,764.00
400 Watt (metal pole)	LGUM_321	6	16	2	\$ 27.18	\$ 27.44	\$ 27.49	\$ 657.00	\$ 659.00	\$ 660.00
High Pressure Sodium Vapor Installed After December 31, 1990										
70 Watt -- Top Mounted	LGUM_376	543	1,496	229	\$ 13.30	\$ 13.36	\$ 13.39	\$ 30,275.00	\$ 30,307.00	\$ 30,369.00
100 Watt -- Top Mounted	LGUM_374	16,544	43,709	5,519	\$ 13.87	\$ 13.95	\$ 13.99	\$ 916,417.00	\$ 917,740.00	\$ 920,150.00
150 Watt -- Top Mounted	LGUM_377	1,551	4,147	522	\$ 20.14	\$ 20.24	\$ 20.25	\$ 125,743.00	\$ 125,898.00	\$ 125,955.00
150 Watt	LGUM_375	467	1,068	151	\$ 23.39	\$ 23.49	\$ 23.50	\$ 39,559.00	\$ 39,606.00	\$ 39,621.00
250 Watt	LGUM_366	831	2,161	282	\$ 24.98	\$ 25.14	\$ 25.20	\$ 82,192.00	\$ 82,325.00	\$ 82,505.00
250 Watt (metal pole)	LGUM_370	285	759	74	\$ 24.98	\$ 25.14	\$ 25.20	\$ 28,065.00	\$ 28,111.00	\$ 28,174.00
400 Watt	LGUM_367	902	2,257	278	\$ 27.18	\$ 27.44	\$ 27.49	\$ 94,091.00	\$ 94,325.00	\$ 94,483.00
400 Watt (metal pole)	LGUM_371	69	290	44	\$ 27.18	\$ 27.44	\$ 27.49	\$ 11,043.00	\$ 11,061.00	\$ 11,078.00
1000 Watt	LGUM_378	6	16	2	\$ 62.75	\$ 63.33	\$ 63.70	\$ 1,517.00	\$ 1,521.00	\$ 1,529.00
Incandescent Installed Prior to January 1, 1991										
70 Watt -- Top Mounted	LGUM_348	124	328	41	\$ 11.89	\$ 12.05	\$ 11.76	\$ 5,909.00	\$ 5,929.00	\$ 5,798.00
100 Watt -- Top Mounted	LGUM_349	51	136	17	\$ 8.35	\$ 8.40	\$ 8.42	\$ 1,711.00	\$ 1,714.00	\$ 1,718.00

Conroy Exhibit P2

Impact on FAC Billings
Reflecting New Base Fuel Cost
for Full Year

LOUISVILLE GAS AND ELECTRIC COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 Twelve Months Ended March 31, 2012

	Jan 2012	Feb 2012	Mar 2012	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	BASE RATE ACTUAL FUEL ADJUSTMENT CLAUSE BILILNGS												
<i>FAC RATE CHARGED:</i>	0.00265	0.00313	0.00395	0.00225	0.00232	0.00418	0.00416	0.00334	0.00234	0.00221	0.00307	0.00224	
Residential Rate													
Residential Rate RS	\$ 963,920	\$ 1,013,482	\$ 1,098,890	\$ 594,887	\$ 619,938	\$ 1,740,598	\$ 2,063,119	\$ 1,939,837	\$ 1,030,574	\$ 557,595	\$ 722,973	\$ 665,707	\$ 13,011,520
Volunteer Fire Department Rate VFD	\$ 92	\$ 95	\$ 113	\$ 62	\$ 65	\$ 151	\$ 155	\$ 135	\$ 84	\$ 60	\$ 77	\$ 65	\$ 1,154
Residential Responsive Pricing RRP	\$ 259	\$ 266	\$ 307	\$ 169	\$ 171	\$ 464	\$ 510	\$ 466	\$ 238	\$ 129	\$ 164	\$ 176	\$ 3,319
Low Emission Vehicle Rate LEV	\$ 7	\$ 10	\$ 13	\$ -	\$ -	\$ -	\$ 15	\$ 13	\$ 7	\$ 4	\$ 4	\$ 3	\$ 76
General Service													
General Service Secondary	\$ 103,932	\$ 112,980	\$ 133,608	\$ 77,084	\$ 79,053	\$ 175,689	\$ 186,506	\$ 167,501	\$ 103,111	\$ 74,407	\$ 93,594	\$ 76,869	\$ 1,384,334
General Service Three Phase	\$ 213,700	\$ 235,511	\$ 276,726	\$ 155,151	\$ 173,827	\$ 377,830	\$ 404,133	\$ 368,836	\$ 231,934	\$ 166,661	\$ 198,505	\$ 156,645	\$ 2,959,459
General Service Responsive Pricing	\$ 9	\$ 10	\$ 13	\$ 12	\$ 7	\$ 22	\$ 24	\$ 26	\$ 15	\$ 7	\$ 11	\$ 6	\$ 162
General Service Three Phase Responsive Pricing	\$ 11	\$ 10	\$ 14	\$ 10	\$ 6	\$ 29	\$ 46	\$ 58	\$ 27	\$ 9	\$ 8	\$ 7	\$ 235
Power Service Rate													
Power Service Rate PS - Secondary	\$ 509,666	\$ 547,276	\$ 689,246	\$ 402,822	\$ 401,446	\$ 913,139	\$ 920,274	\$ 820,629	\$ 527,685	\$ 422,087	\$ 510,964	\$ 382,563	\$ 7,047,797
Power Service Rate PS - Primary	\$ 47,475	\$ 54,791	\$ 62,982	\$ 34,599	\$ 77,571	\$ 84,690	\$ 82,461	\$ 91,099	\$ 47,095	\$ 40,636	\$ 46,426	\$ 39,522	\$ 709,347
Industrial Time of Day Secondary Service	\$ 27,550	\$ 30,250	\$ 44,679	\$ 20,475	\$ 20,616	\$ 49,347	\$ 40,359	\$ 39,211	\$ 29,557	\$ 25,026	\$ 30,800	\$ 22,822	\$ 380,692
Commercial Time of Day Secondary Service	\$ 100,541	\$ 103,934	\$ 135,811	\$ 70,269	\$ 77,408	\$ 155,652	\$ 157,723	\$ 141,614	\$ 90,260	\$ 76,075	\$ 92,287	\$ 71,337	\$ 1,272,911
Industrial Service -- Primary	\$ 327,028	\$ 361,758	\$ 470,535	\$ 276,595	\$ 275,403	\$ 583,630	\$ 495,809	\$ 538,104	\$ 310,627	\$ 279,395	\$ 379,432	\$ 256,829	\$ 4,555,145
Commercial Time of Day Primary Service	\$ 68,585	\$ 57,282	\$ 137,470	\$ 64,125	\$ 62,311	\$ 144,404	\$ 136,418	\$ 128,229	\$ 89,740	\$ 78,158	\$ 76,928	\$ 67,411	\$ 1,111,061
Retail Transmission Service Rate RTS	\$ 127,955	\$ 59,364	\$ 211,842	\$ 97,004	\$ 114,144	\$ 210,769	\$ 179,271	\$ 155,207	\$ 67,460	\$ 121,110	\$ 133,241	\$ 97,816	\$ 1,575,183
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Contract Customer #1	\$ 47,968	\$ -	\$ 65,132	\$ 41,256	\$ 38,254	\$ 75,662	\$ 85,451	\$ 79,211	\$ 50,261	\$ 69,361	\$ 44,564	\$ 37,076	\$ 634,196
Special Contract Customer #2	\$ 14,014	\$ 13,788	\$ -	\$ 9,480	\$ 14,079	\$ 21,373	\$ 21,491	\$ 17,788	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 156,414
Lighting Rates													
Lighting Service	\$ 1,015	\$ 1,109	\$ 939	\$ 622	\$ 673	\$ 996	\$ 961	\$ 840	\$ 840	\$ 663	\$ 1,025	\$ 940	\$ 10,623
Traffic Lighting Service	\$ 762	\$ 837	\$ 1,015	\$ 611	\$ 584	\$ 1,102	\$ 1,023	\$ 832	\$ 614	\$ 567	\$ 782	\$ 466	\$ 9,195
Lighting Service	\$ 4,076	\$ 3,894	\$ 4,910	\$ 2,202	\$ 2,259	\$ 3,610	\$ 3,313	\$ 2,989	\$ 2,423	\$ 2,441	\$ 3,622	\$ 3,023	\$ 38,762
Restricted Lighting Service	\$ 25,446	\$ 24,896	\$ 30,970	\$ 15,371	\$ 16,192	\$ 27,002	\$ 24,099	\$ 22,613	\$ 16,995	\$ 17,578	\$ 25,331	\$ 20,038	\$ 266,531
Dark Sky Friendly Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,584,011	\$ 2,621,543	\$ 3,365,215	\$ 1,862,806	\$ 1,974,007	\$ 4,566,159	\$ 4,803,161	\$ 4,515,238	\$ 2,612,107	\$ 1,941,193	\$ 2,373,057	\$ 1,909,619	\$ 35,128,116

LOUISVILLE GAS AND ELECTRIC COMPANY
 Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
 Twelve Months Ended March 31, 2012

	Jan 2012	Feb 2012	Mar 2012	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
	Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in For A Full Year												
<i>FAC RATE CHARGED:</i>	\$ 0.00265	\$ 0.00313	\$ 0.00395	\$ 0.00225	\$ 0.00232	\$ 0.00418	\$ 0.00416	\$ 0.00334	\$ 0.00234	\$ 0.00221	\$ 0.00307	\$ 0.00224	
<i>FAC Rate Rolled in:</i>	\$ -	\$ -	\$ -	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ (0.00157)	\$ -	\$ -	\$ -	\$ -	
<i>FAC Rate After Roll-in:</i>	\$ 0.00265	\$ 0.00313	\$ 0.00395	\$ 0.00068	\$ 0.00075	\$ 0.00261	\$ 0.00259	\$ 0.00177	\$ 0.00234	\$ 0.00221	\$ 0.00307	\$ 0.00224	
Residential Rate													
Residential Rate RS	\$ 963,920	\$ 1,013,482	\$ 1,098,890	\$ 179,788	\$ 200,411	\$ 1,086,833	\$ 1,284,490	\$ 1,027,997	\$ 1,030,574	\$ 557,595	\$ 722,973	\$ 665,707	\$ 9,832,660
Volunteer Fire Department Rate VFD	\$ 92	\$ 95	\$ 113	\$ 19	\$ 21	\$ 95	\$ 97	\$ 71	\$ 84	\$ 60	\$ 77	\$ 65	\$ 889
Residential Responsive Pricing RRP	\$ 259	\$ 266	\$ 307	\$ 51	\$ 55	\$ 290	\$ 317	\$ 247	\$ 238	\$ 129	\$ 164	\$ 176	\$ 2,499
Low Emission Vehicle Rate LEV	\$ 7	\$ 10	\$ 13	\$ -	\$ -	\$ -	\$ 9	\$ 7	\$ 7	\$ 4	\$ 4	\$ 3	\$ 64
General Service													
General Service Secondary	\$ 103,932	\$ 112,980	\$ 133,608	\$ 23,297	\$ 25,556	\$ 109,700	\$ 116,118	\$ 88,766	\$ 103,111	\$ 74,407	\$ 93,594	\$ 76,869	\$ 1,061,938
General Service Three Phase	\$ 213,700	\$ 235,511	\$ 276,726	\$ 46,890	\$ 56,194	\$ 235,918	\$ 251,612	\$ 195,461	\$ 231,934	\$ 166,661	\$ 198,505	\$ 156,645	\$ 2,265,757
General Service Responsive Pricing	\$ 9	\$ 10	\$ 13	\$ 4	\$ 2	\$ 14	\$ 15	\$ 14	\$ 15	\$ 7	\$ 11	\$ 6	\$ 120
General Service Three Phase Responsive Pricing	\$ 11	\$ 10	\$ 14	\$ 3	\$ 2	\$ 18	\$ 28	\$ 31	\$ 27	\$ 9	\$ 8	\$ 7	\$ 168
Power Service Rate													
Power Service Rate PS - Secondary	\$ 509,666	\$ 547,276	\$ 689,246	\$ 121,742	\$ 129,778	\$ 570,166	\$ 572,959	\$ 434,884	\$ 527,685	\$ 422,087	\$ 510,964	\$ 382,563	\$ 5,419,016
Power Service Rate PS - Primary	\$ 47,475	\$ 54,791	\$ 62,982	\$ 10,457	\$ 25,077	\$ 52,881	\$ 51,340	\$ 48,277	\$ 47,095	\$ 40,636	\$ 46,426	\$ 39,522	\$ 526,959
Industrial Time of Day Secondary Service	\$ 27,550	\$ 30,250	\$ 44,679	\$ 6,188	\$ 6,665	\$ 30,812	\$ 25,127	\$ 20,780	\$ 29,557	\$ 25,026	\$ 30,800	\$ 22,822	\$ 300,256
Commercial Time of Day Secondary Service	\$ 100,541	\$ 103,934	\$ 135,811	\$ 21,237	\$ 25,024	\$ 97,189	\$ 98,198	\$ 75,047	\$ 90,260	\$ 76,075	\$ 92,287	\$ 71,337	\$ 986,940
Industrial Service -- Primary	\$ 327,028	\$ 361,758	\$ 470,535	\$ 83,593	\$ 89,031	\$ 364,420	\$ 308,689	\$ 285,163	\$ 310,627	\$ 279,395	\$ 379,432	\$ 256,829	\$ 3,516,500
Commercial Time of Day Primary Service	\$ 68,585	\$ 57,282	\$ 137,470	\$ 19,380	\$ 20,144	\$ 90,166	\$ 84,933	\$ 67,953	\$ 89,740	\$ 78,158	\$ 76,928	\$ 67,411	\$ 858,150
Retail Transmission Service Rate RTS	\$ 127,955	\$ 59,364	\$ 211,842	\$ 29,317	\$ 36,900	\$ 131,604	\$ 111,613	\$ 82,251	\$ 67,460	\$ 121,110	\$ 133,241	\$ 97,816	\$ 1,210,473
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Contract Customer #1	\$ 47,968	\$ -	\$ 65,132	\$ 12,468	\$ 12,367	\$ 47,244	\$ 53,201	\$ 41,977	\$ 50,261	\$ 69,361	\$ 44,564	\$ 37,076	\$ 481,619
Special Contract Customer #2	\$ 14,014	\$ 13,788	\$ -	\$ 2,865	\$ 4,551	\$ 13,345	\$ 13,380	\$ 9,426	\$ 12,560	\$ 9,224	\$ 12,319	\$ 10,298	\$ 115,770
Lighting Rates													
Lighting Service	\$ 1,015	\$ 1,109	\$ 939	\$ 188	\$ 217	\$ 622	\$ 598	\$ 445	\$ 840	\$ 663	\$ 1,025	\$ 940	\$ 8,601
Traffic Lighting Service	\$ 762	\$ 837	\$ 1,015	\$ 185	\$ 189	\$ 688	\$ 637	\$ 441	\$ 614	\$ 567	\$ 782	\$ 466	\$ 7,183
Lighting Service	\$ 4,076	\$ 3,894	\$ 4,910	\$ 665	\$ 730	\$ 2,254	\$ 2,063	\$ 1,584	\$ 2,423	\$ 2,441	\$ 3,622	\$ 3,023	\$ 31,685
Restricted Lighting Service	\$ 25,446	\$ 24,896	\$ 30,970	\$ 4,645	\$ 5,234	\$ 16,860	\$ 15,004	\$ 11,984	\$ 16,995	\$ 17,578	\$ 25,331	\$ 20,038	\$ 214,981
Dark Sky Friendly Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,584,011	\$ 2,621,543	\$ 3,365,215	\$ 562,982	\$ 638,148	\$ 2,851,119	\$ 2,990,428	\$ 2,392,806	\$ 2,612,107	\$ 1,941,193	\$ 2,373,057	\$ 1,909,619	\$ 26,842,228

LOUISVILLE GAS AND ELECTRIC COMPANY
Adjustment to Reflect FAC Billings for a Full Year of the Roll-in
Twelve Months Ended March 31, 2012

	Jan 2012	Feb 2012	Mar 2012	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Twelve Month Total
Reduced Fuel Adjustment Clause Billings Reflecting Base Rate Roll-in for a Full Year													
Residential Rate													
Residential Rate RS	\$ -	\$ -	\$ -	\$ (415,099)	\$ (419,527)	\$ (653,765)	\$ (778,629)	\$ (911,840)	\$ -	\$ -	\$ -	\$ -	\$ (3,178,860)
Volunteer Fire Department Rate VFD	\$ -	\$ -	\$ -	\$ (43)	\$ (44)	\$ (56)	\$ (58)	\$ (64)	\$ -	\$ -	\$ -	\$ -	\$ (265)
Residential Responsive Pricing RRP	\$ -	\$ -	\$ -	\$ (118)	\$ (116)	\$ (174)	\$ (193)	\$ (219)	\$ -	\$ -	\$ -	\$ -	\$ (820)
Low Emission Vehicle Rate LEV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6)	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ (12)
General Service													
General Service Secondary	\$ -	\$ -	\$ -	\$ (53,787)	\$ (53,497)	\$ (65,989)	\$ (70,388)	\$ (78,735)	\$ -	\$ -	\$ -	\$ -	\$ (322,396)
General Service Three Phase	\$ -	\$ -	\$ -	\$ (108,261)	\$ (117,633)	\$ (141,912)	\$ (152,521)	\$ (173,375)	\$ -	\$ -	\$ -	\$ -	\$ (693,702)
General Service Responsive Pricing	\$ -	\$ -	\$ -	\$ (8)	\$ (5)	\$ (8)	\$ (9)	\$ (12)	\$ -	\$ -	\$ -	\$ -	\$ (42)
General Service Three Phase Responsive Pricing	\$ -	\$ -	\$ -	\$ (7)	\$ (4)	\$ (11)	\$ (18)	\$ (27)	\$ -	\$ -	\$ -	\$ -	\$ (67)
Power Service Rate													
Power Service Rate PS - Secondary	\$ -	\$ -	\$ -	\$ (281,080)	\$ (271,668)	\$ (342,973)	\$ (347,315)	\$ (385,745)	\$ -	\$ -	\$ -	\$ -	\$ (1,628,781)
Power Service Rate PS - Primary	\$ -	\$ -	\$ -	\$ (24,142)	\$ (52,494)	\$ (31,809)	\$ (31,121)	\$ (42,822)	\$ -	\$ -	\$ -	\$ -	\$ (182,388)
Industrial Time of Day Secondary Service	\$ -	\$ -	\$ -	\$ (14,287)	\$ (13,951)	\$ (18,535)	\$ (15,232)	\$ (18,431)	\$ -	\$ -	\$ -	\$ -	\$ (80,436)
Commercial Time of Day Secondary Service	\$ -	\$ -	\$ -	\$ (49,032)	\$ (52,384)	\$ (58,463)	\$ (59,525)	\$ (66,567)	\$ -	\$ -	\$ -	\$ -	\$ (285,971)
Industrial Service -- Primary	\$ -	\$ -	\$ -	\$ (193,002)	\$ (186,372)	\$ (219,210)	\$ (187,120)	\$ (252,941)	\$ -	\$ -	\$ -	\$ -	\$ (1,038,645)
Commercial Time of Day Primary Service	\$ -	\$ -	\$ -	\$ (44,745)	\$ (42,167)	\$ (54,238)	\$ (51,485)	\$ (60,276)	\$ -	\$ -	\$ -	\$ -	\$ (252,911)
Retail Transmission Service Rate RTS	\$ -	\$ -	\$ -	\$ (67,687)	\$ (77,244)	\$ (79,165)	\$ (67,658)	\$ (72,956)	\$ -	\$ -	\$ -	\$ -	\$ (364,710)
Fluctuating Load Primary Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fluctuating Load Transmission Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Contract Customer #1	\$ -	\$ -	\$ -	\$ (28,788)	\$ (25,887)	\$ (28,418)	\$ (32,250)	\$ (37,234)	\$ -	\$ -	\$ -	\$ -	\$ (152,577)
Special Contract Customer #2	\$ -	\$ -	\$ -	\$ (6,615)	\$ (9,528)	\$ (8,028)	\$ (8,111)	\$ (8,362)	\$ -	\$ -	\$ -	\$ -	\$ (40,644)
Lighting Rates													
Lighting Service	\$ -	\$ -	\$ -	\$ (434)	\$ (456)	\$ (374)	\$ (363)	\$ (395)	\$ -	\$ -	\$ -	\$ -	\$ (2,022)
Traffic Lighting Service	\$ -	\$ -	\$ -	\$ (426)	\$ (395)	\$ (414)	\$ (386)	\$ (391)	\$ -	\$ -	\$ -	\$ -	\$ (2,012)
Lighting Service	\$ -	\$ -	\$ -	\$ (1,537)	\$ (1,529)	\$ (1,356)	\$ (1,250)	\$ (1,405)	\$ -	\$ -	\$ -	\$ -	\$ (7,077)
Restricted Lighting Service	\$ -	\$ -	\$ -	\$ (10,726)	\$ (10,958)	\$ (10,142)	\$ (9,095)	\$ (10,629)	\$ -	\$ -	\$ -	\$ -	\$ (51,550)
Dark Sky Friendly Lighting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ (1,299,824)	\$ (1,335,859)	\$ (1,715,040)	\$ (1,812,733)	\$ (2,122,432)	\$ -	\$ -	\$ -	\$ -	\$ (8,285,888)

Conroy Exhibit P3

Adjustment to FAC Mechanism
for the Inclusion of
Interchange Energy

Louisville Gas and Electric Company
 Modificaiton of Fuel Adjustment Clause to Include Interchange In
 Twelve Months Ended March 31, 2012

Expense Month	Proposed Modification Revenue Form A Page 4 of 5 Line 3 (Conroy Exhibit P3, page 2)	As Filed Revenue Form A Page 4 of 5 Line 3** (Conroy Exhibit P3, Page 3)	Change in Revenue Due to Proposed Modification (Proposed less As Filed)	Proposed Modification Expense Form A* Page 4 of 5 Line 8 (Conroy Exhibit P3, page 2)	As Filed Expense Form A* Page 4 of 5 Line 8** (Conroy Exhibit P3, Page 3)	Change in Expense Due to Proposed Modification (Proposed less As Filed)
Apr-11	1,854,801	1,854,801	-	3,286,958	3,326,868	(39,910)
May-11	1,974,419	1,974,419	-	3,981,600	3,988,638	(7,038)
Jun-11	4,500,676	4,566,219	(65,543)	3,787,682	3,785,239	2,443
Jul-11	4,789,716	4,801,258	(11,542)	3,142,066	3,166,375	(24,309)
Aug-11	4,512,430	4,512,430	-	2,697,290	2,719,617	(22,327)
Sep-11	2,589,350	2,611,672	(22,322)	2,751,491	2,776,413	(24,922)
Oct-11	1,923,624	1,941,192	(17,568)	2,476,701	1,891,077	585,624
Nov-11	2,349,868	2,373,057	(23,189)	2,771,528	2,197,315	574,213
Dec-11	2,583,101	1,909,620	673,481	3,261,644	2,851,922	409,722
Jan-12	3,363,897	2,583,863	780,034	4,003,538	3,708,700	294,838
Feb-12	3,073,823	2,621,544	452,279	4,888,023	4,300,662	587,360
Mar-12	3,723,037	3,365,217	357,820	5,432,719	5,032,565	400,154
Total	<u>\$ 37,238,742</u>	<u>\$ 35,115,292</u>	<u>\$ 2,123,450</u>	<u>\$ 42,481,239</u>	<u>\$ 39,745,391</u>	<u>\$ 2,735,848</u>
Adjustment	<u>\$ (37,238,742)</u>	<u>\$ (35,115,292)</u>	<u>\$ (2,123,450)</u>	<u>\$ (42,481,239)</u>	<u>\$ (39,745,391)</u>	<u>\$ (2,735,848)</u>

* NOTE : Expenses are recovered in the second succeeding month. For example, January 2012 would be reflected in March 2012.

** See Blake Exhibit 1, Reference Schedule 1.01 To Adjust Mismatch in Fuel Cost Recovery

Louisville Gas and Electric Company
Modification of Fuel Adjustment Clause to Include Interchange In
Twelve Months Ended March 31, 2012

Calculation of the Fuel Clause Including Interchange In

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Page 1:												
F(m) Page 2	\$ 19,706,364	\$ 23,725,652	\$ 27,129,913	\$ 33,139,906	\$ 29,973,647	\$ 22,802,646	\$ 20,584,108	\$ 20,565,756	\$ 22,944,916	\$ 24,299,777	\$ 22,786,529	\$ 23,919,811
S(m) Page 3	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400	824,193,749	851,895,219
Base Factor	\$ 0.02470	\$ 0.02473	\$ 0.02392	\$ 0.02447	\$ 0.02434	\$ 0.02519	\$ 0.02518	\$ 0.02560	\$ 0.02582	\$ 0.02652	\$ 0.02765	\$ 0.02808
FAC Factor	\$ 0.02058	\$ 0.02058	\$ 0.02058	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215	\$ 0.02215
FAC Factor	\$ 0.00412	\$ 0.00415	\$ 0.00334	\$ 0.00232	\$ 0.00219	\$ 0.00304	\$ 0.00303	\$ 0.00345	\$ 0.00367	\$ 0.00437	\$ 0.00550	\$ 0.00593
Page 2:												
Company Generation												
Coal Burned	23,534,122	24,806,903	26,041,006	31,787,411	30,584,942	27,614,430	24,900,487	25,792,832	30,438,703	31,855,369	26,023,750	27,342,341
Oil Burned	18,575	245,530	85,139	180,498	217,483	110,865	36,456	385,422	351,397	57,821	184,084	200,427
Gas Burned	2,454,899	2,258,171	2,904,914	4,082,667	3,326,375	1,774,879	1,122,215	1,306,913	1,069,455	1,363,251	1,179,481	1,604,491
Assigned Fuel	2,305,911	632,989	1,644,186	3,306,285	4,884,847	875,315	840,369	1,815,732	1,431,289	854,177	534,390	1,841,036
Substitute Fuel	2,327,429	619,231	1,612,941	3,242,507	4,718,803	1,057,524	829,101	1,631,421	1,336,548	872,993	518,755	1,780,023
Subtotal Fuel	25,986,078	27,324,362	29,062,304	36,114,354	34,294,843	29,317,965	26,059,158	27,485,167	31,859,555	33,257,625	27,387,315	29,147,259
Purchases												
Economy	2,090,409	2,037,287	2,347,311	2,958,302	2,493,065	1,669,625	1,411,506	1,324,113	1,652,570	1,376,015	1,675,376	1,937,149
Substitute Purchases	10,376	22,131	298,716	787,230	985,364	176	466	1,598	20	-	1,000	21,960
Non-Economic	-	-	-	10,022	24,394	159	-	-	-	-	-	-
Internal Economy	324	230,565	850,816	326,077	166,228	-	55,056	-	-	1,278	1,559	9,084
Internal Replacement	910,535	2,448,554	2,027,919	2,183,842	1,298,071	2,323,327	3,963,563	1,863,831	3,179,160	2,491,594	386,945	521,486
Subtotal	2,990,891	4,694,276	4,927,330	4,670,968	2,947,606	3,992,617	5,430,125	3,187,945	4,831,730	3,868,886	2,063,881	2,467,720
Intersystem Sales												
Off-system sales	1,219,106	3,368,640	2,564,981	2,719,965	1,482,457	2,754,187	5,002,523	5,048,738	4,053,917	2,538,169	403,496	564,969
Internal Economy	8,118,393	4,953,044	3,009,742	4,056,643	5,039,518	8,278,923	6,625,524	5,409,753	9,545,513	9,670,814	6,444,957	7,405,050
Internal Replacement	41	27,814	45,630	33,493	7,255	-	769	-	-	-	-	-
Cost of OSS losses	12,191	33,686	25,650	27,200	14,825	27,542	50,025	50,487	40,539	25,382	4,035	5,650
Subtotal	9,349,731	8,383,183	5,646,004	6,837,301	6,544,054	11,060,652	11,678,840	10,508,978	13,639,969	12,234,366	6,852,488	7,975,669
Over/(Under) Recovery - Pg 5	\$ (79,125)	\$ (90,197)	\$ 1,213,718	\$ 808,116	\$ 724,748	\$ (552,716)	\$ (773,666)	\$ (401,623)	\$ 106,400	\$ 592,369	\$ (187,821)	\$ (280,501)
Fuel Cost Adjustment												
Total Fuel Cost	\$ 19,706,364	\$ 23,725,652	\$ 27,129,913	\$ 33,139,906	\$ 29,973,647	\$ 22,802,646	\$ 20,584,108	\$ 20,565,756	\$ 22,944,916	\$ 24,299,777	\$ 22,786,529	\$ 23,919,811
Page 3:												
Net Generation	1,140,289,000	1,183,486,000	1,255,362,000	1,537,049,000	1,462,945,000	1,297,346,000	1,195,249,000	1,200,660,000	1,371,438,000	1,385,912,000	1,131,339,000	1,167,952,000
Purchases+Interchange	79,071,549	72,660,076	76,774,368	85,940,756	75,318,903	54,273,308	14,594,000	22,280,000	34,587,000	23,414,000	31,693,000	51,154,000
Internal Economy	8,000	8,230,000	21,663,000	8,108,000	3,723,000	-	2,102,000	-	-	44,000	56,000	267,000
Internal Replacement	32,734,000	86,379,000	75,035,000	76,982,000	43,067,000	90,092,000	158,275,000	71,349,000	120,983,000	93,872,000	13,054,000	17,109,000
Subtotal	1,252,102,549	1,350,755,076	1,428,834,368	1,708,079,756	1,585,053,903	1,441,711,308	1,370,220,000	1,294,289,000	1,527,008,000	1,503,242,000	1,176,142,000	1,236,482,000
Intersystem Sales	45,904,000	124,917,000	96,244,000	96,890,000	49,158,000	108,739,000	205,726,000	207,341,000	158,716,000	95,688,000	13,702,000	18,865,000
Internal Economy	367,550,000	211,197,000	128,241,000	165,231,000	214,643,000	367,228,000	298,394,000	240,256,000	425,541,000	436,448,000	290,185,000	317,379,000
Internal Replacement	1,000	882,000	1,000,000	714,000	177,000	-	34,000	-	-	-	-	-
System Loss Percentage	4.87%	5.36%	5.76%	6.29%	6.77%	6.28%	5.62%	5.12%	5.73%	5.66%	5.51%	5.37%
System Losses	40,842,136	54,337,486	69,312,924	90,905,895	89,436,839	60,648,743	48,672,909	43,350,630	54,019,632	54,964,600	48,061,251	48,342,781
Subtotal	454,297,136	391,333,486	294,797,924	353,740,895	353,414,839	536,615,743	552,826,909	490,947,630	638,276,632	587,100,600	351,948,251	384,586,781
Total Sales	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400	824,193,749	851,895,219
Page 4:												
Last FAC Rate Billed	\$ 0.00224	\$ 0.00232	\$ 0.00412	\$ 0.00415	\$ 0.00334	\$ 0.00232	\$ 0.00219	\$ 0.00304	\$ 0.00303	\$ 0.00345	\$ 0.00367	\$ 0.00437
KWH Billed	828,036,132	851,042,663	1,092,396,993	1,154,148,472	1,351,026,921	1,116,099,061	878,367,270	772,982,759	852,508,721	975,042,588	837,554,049	851,953,567
FAC Revenue (Refund)	\$ 1,854,801	\$ 1,974,419	\$ 4,500,676	\$ 4,789,716	\$ 4,512,430	\$ 2,589,350	\$ 1,923,624	\$ 2,349,868	\$ 2,583,101	\$ 3,363,897	\$ 3,073,823	\$ 3,723,037
S(m), last FAC Rate	863,359,867	889,920,492	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400
Non-juris. Included	-	-	-	-	-	-	-	-	-	-	-	-
Kentucky Jurisdiction	863,359,867	889,920,492	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400
Revised FAC Factor	-	-	-	-	-	-	-	-	-	-	-	-
L.8 Recoverable FAC cost	\$ 1,933,926	\$ 2,064,616	\$ 3,286,958	\$ 3,981,600	\$ 3,787,682	\$ 3,142,066	\$ 2,697,290	\$ 2,751,491	\$ 2,476,701	\$ 2,771,528	\$ 3,261,644	\$ 4,003,538
O/U -- retail	\$ (79,125)	\$ (90,197)	\$ 1,213,718	\$ 808,116	\$ 724,748	\$ (552,716)	\$ (773,666)	\$ (401,623)	\$ 106,400	\$ 592,369	\$ (187,821)	\$ (280,501)
S(m), current month	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400	824,193,749	851,895,219
Kentucky Jurisdiction	797,805,413	959,421,590	1,134,036,444	1,354,338,861	1,231,639,064	905,095,565	817,393,091	803,341,370	888,731,368	916,141,400	824,193,749	851,895,219
Gross-up Factor	1	1	1	1	1	1	1	1	1	1	1	1
O/U, total company	\$ (79,125)	\$ (90,197)	\$ 1,213,718	\$ 808,116	\$ 724,748	\$ (552,716)	\$ (773,666)	\$ (401,623)	\$ 106,400	\$ 592,369	\$ (187,821)	\$ (280,501)

Louisville Gas and Electric Company
Modification of Fuel Adjustment Clause to Include Interchange In
Twelve Months Ended March 31, 2012

Calculation of the Fuel Clause As Originally Filed

		Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Page 1:													
F(m) Page 2	\$	19,706,364	23,725,652	27,104,280	33,135,402	29,971,204	22,804,633	20,588,867	20,567,489	23,032,773	24,505,598	22,829,086	23,982,793
S(m) Page 3	\$	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303	849,676,758	871,933,122
	\$	0.02476	0.02474	0.02392	0.02449	0.02436	0.02522	0.02439	0.02480	0.02528	0.02610	0.02687	0.02751
Base Factor	\$	0.02058	0.02058	0.02058	0.02215	0.02215	0.02215	0.02215	0.02215	0.02215	0.02215	0.02215	0.02215
FAC Factor	\$	0.00418	0.00416	0.00334	0.00234	0.00221	0.00307	0.00224	0.00265	0.00313	0.00395	0.00472	0.00536
Page 2:													
Company Generation													
Coal Burned	23,534,122	24,806,903	26,041,006	31,787,411	30,584,942	27,614,430	24,900,487	25,792,832	30,438,703	31,855,369	26,023,750	27,342,341	
Oil Burned	18,575	245,530	85,139	180,498	217,483	110,865	36,456	385,422	351,397	57,821	184,084	200,427	
Gas Burned	2,454,899	2,258,171	2,904,914	4,082,667	3,326,375	1,774,879	1,122,215	1,306,913	1,069,455	1,363,251	1,179,481	1,604,491	
Assigned Fuel	2,305,911	632,989	1,644,186	3,306,285	4,884,847	875,315	840,369	1,815,732	1,431,289	854,177	534,390	1,841,036	
Substitute Fuel	2,327,429	619,231	1,612,941	3,242,507	4,718,803	1,057,524	829,101	1,631,421	1,336,548	872,993	518,755	1,780,023	
Subtotal Fuel	25,986,078	27,324,362	29,062,304	36,114,354	34,294,843	29,317,965	26,059,158	27,485,167	31,859,555	33,257,625	27,387,315	29,147,259	
Purchases													
Economy	2,090,409	2,037,287	2,347,311	2,958,302	2,493,065	1,669,625	1,411,506	1,324,113	1,652,570	1,376,015	1,675,376	1,937,149	
Substitute Purchases	10,376	22,131	298,716	787,230	985,364	176	466	1,598	20	-	1,000	21,960	
Non-Economic	-	-	-	10,022	24,394	159	-	-	-	-	-	-	
Internal Economy	324	230,565	850,816	326,077	166,228	-	55,056	-	-	1,278	-	1,559	
Internal Replacement	910,535	2,448,554	2,027,919	2,183,842	1,298,071	2,323,327	3,963,563	1,863,831	3,179,160	2,491,594	386,945	521,486	
Subtotal	2,990,891	4,694,276	4,927,330	4,670,968	2,947,606	3,992,617	5,430,125	3,187,945	4,831,730	3,868,886	2,063,881	2,467,720	
Intersystem Sales													
Off-system sales	1,219,106	3,368,640	2,564,981	2,719,965	1,482,457	2,754,187	5,002,523	5,048,738	4,053,917	2,538,169	403,496	564,969	
Internal Economy	8,118,393	4,953,044	3,009,742	4,056,643	5,039,518	8,278,923	6,625,524	5,409,753	9,545,513	9,670,814	6,444,957	7,405,050	
Internal Replacement	41	27,814	45,630	33,493	7,255	-	769	-	-	-	-	-	
Cost of OSS losses	12,191	33,686	25,660	27,200	14,825	27,542	50,025	50,487	40,539	25,382	4,035	5,650	
Subtotal	9,349,731	8,383,183	5,646,004	6,837,301	6,544,054	11,060,652	11,678,840	10,508,978	13,639,969	12,234,366	6,852,488	7,975,669	
Over/(Under) Recovery - Pg 5	\$ (79,125)	\$ (90,197)	\$ 1,239,351	\$ 812,620	\$ 727,191	\$ (554,703)	\$ (778,425)	\$ (403,356)	\$ 18,543	\$ 386,548	\$ (230,378)	\$ (343,483)	
Fuel Cost Adjustment													
Total Fuel Cost	\$ 19,706,364	\$ 23,725,652	\$ 27,104,280	\$ 33,135,402	\$ 29,971,204	\$ 22,804,633	\$ 20,588,867	\$ 20,567,489	\$ 23,032,773	\$ 24,505,598	\$ 22,829,086	\$ 23,982,793	
Page 3:													
Net Generation	1,140,289,000	1,183,486,000	1,255,362,000	1,537,049,000	1,462,945,000	1,297,346,000	1,195,249,000	1,200,660,000	1,371,438,000	1,385,912,000	1,131,339,000	1,167,952,000	
Purchases-Interchange	77,070,000	72,011,000	75,998,168	84,673,968	74,200,216	53,498,120	43,030,000	49,508,000	58,376,000	47,550,000	58,662,000	72,329,000	
Internal Economy	8,000	8,230,000	21,663,000	8,108,000	3,723,000	-	2,102,000	-	-	44,000	56,000	267,000	
Internal Replacement	32,734,000	86,379,000	75,035,000	76,982,000	43,067,000	90,092,000	158,275,000	71,349,000	120,983,000	93,872,000	13,054,000	17,109,000	
Subtotal	1,250,101,000	1,350,106,000	1,428,058,168	1,706,812,968	1,583,935,216	1,440,936,120	1,398,656,000	1,321,517,000	1,550,797,000	1,527,378,000	1,203,111,000	1,257,657,000	
Intersystem Sales													
Internal Economy	45,904,000	124,917,000	96,244,000	96,890,000	49,158,000	108,739,000	205,726,000	207,341,000	158,716,000	95,688,000	13,702,000	18,865,000	
Internal Replacement	367,550,000	211,197,000	128,241,000	165,231,000	214,643,000	367,228,000	298,394,000	240,256,000	425,541,000	436,448,000	290,185,000	317,379,000	
System Loss Percentage	1,000	882,000	1,000,000	714,000	177,000	-	34,000	-	-	-	-	-	
System Losses	4,87%	5.36%	5.76%	6.29%	6.77%	6.28%	5.62%	5.12%	5.73%	5.66%	5.51%	5.37%	
Subtotal	40,744,660	54,302,696	69,268,214	90,826,214	89,361,104	60,600,061	50,271,012	44,744,704	55,382,742	56,330,697	49,547,242	49,479,878	
Subtotal	454,199,660	391,298,696	294,753,214	353,661,214	353,339,104	536,567,061	554,425,012	492,341,704	639,639,742	588,466,697	353,434,242	385,723,878	
Total Sales	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303	849,676,758	871,933,122	
Page 4:													
L.3	\$	0.00224	0.00232	0.00418	0.00416	0.00334	0.00234	0.00221	0.00307	0.00224	0.00265	0.00313	0.00395
KWH Billed	\$	828,036,132	851,042,663	1,092,396,993	1,154,148,472	1,351,026,921	1,116,099,061	878,367,270	772,982,759	852,508,721	975,042,588	837,554,049	851,953,567
FAC Revenue (Refund)	\$	1,854,801	1,974,419	4,566,219	4,801,258	4,512,430	2,611,672	1,941,192	2,373,057	1,909,620	2,583,863	2,621,544	3,365,217
S(m), last FAC Rate	\$	863,359,867	889,920,492	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303
Non-juris. Included	\$	-	-	-	-	-	-	-	-	-	-	-	-
Kentucky Jurisdiction	\$	863,359,867	889,920,492	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303
Revised FAC Factor	\$	-	-	-	-	-	-	-	-	-	-	-	-
L.8 Recoverable FAC cost	\$	1,933,926	2,064,616	3,326,868	3,988,638	3,785,239	3,166,375	2,719,617	2,776,413	1,891,077	2,197,315	2,851,922	3,708,700
O/U -- retail	\$	(79,125)	(90,197)	1,239,351	812,620	727,191	(554,703)	(778,425)	(403,356)	18,543	386,548	(230,378)	(343,483)
S(m), current month	\$	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303	849,676,758	871,933,122
Kentucky Jurisdiction	\$	795,901,340	958,807,304	1,133,304,954	1,353,151,754	1,230,596,112	904,369,059	844,230,988	829,175,296	911,157,258	938,911,303	849,676,758	871,933,122
Gross-up Factor	\$	1	1	1	1	1	1	1	1	1	1	1	1
O/U, total company	\$	(79,125)	(90,197)	1,239,351	812,620	727,191	(554,703)	(778,425)	(403,356)	18,543	386,548	(230,378)	(343,483)

Conroy Exhibit P4

Calculation ECR Revenue Requirement
by Plan as of March 31, 2012

Louisville Gas And Electric Company

Calculation of ECR Revenue Requirement by Plan at March 31, 2012

	TOTAL				Eliminated Plans (2005 & 2006)		Post Rate Case ECR Plan (2009)		Post Rate Case ECR Plan (2011)	
	Pre-2011 Environmental Compliance Plans at March 31, 2012	Jurisdictional Basis	2011 Environmental Compliance Plan at March 31, 2012	Jurisdictional Basis	Pre-2011 Environmental Compliance Plans at March 31, 2012	Jurisdictional Basis	Pre-2011 Environmental Compliance Plans at March 31, 2012	Jurisdictional Basis	2011 Environmental Compliance Plan at March 31, 2012	Jurisdictional Basis
Calculation of Revenue Requirement										
Environmental Compliance Rate Base										
Pollution Control Plant in Service	76,130,659	66,814,807	-	-	66,536,312	58,394,488	9,594,347	8,420,319	-	-
Pollution Control CWIP Excluding AFUDC	8,722,671	7,655,307	1,943,207	1,705,423	2,669	2,342	8,720,002	7,652,965	1,943,207	1,705,423
Subtotal	84,853,330	74,470,114	1,943,207	1,705,423	66,538,981	58,396,830	18,314,349	16,073,284	1,943,207	1,705,423
Additions:										
Emission Allowance Inventory	15,658	13,742	-	-	-	-	15,658	13,742	-	-
Cash Working Capital Allowance	165,577	145,316	68,951	60,514	165,577	145,316	-	-	68,951	60,514
Subtotal	181,235	159,058	68,951	60,514	165,577	145,316	15,658	13,742	68,951	60,514
Deductions:										
Accumulated Depreciation on Pollution Control Plant	4,830,323	4,239,253	-	-	4,758,789	4,176,472	71,534	62,781	-	-
Pollution Control Deferred Income Taxes	3,724,228	3,268,507	-	-	3,544,740	3,110,982	179,488	157,525	-	-
Subtotal	8,554,551	7,507,759	-	-	8,303,529	7,287,454	251,022	220,305	-	-
Environmental Compliance Rate Base	\$ 76,480,014	\$ 67,121,412	\$ 2,012,158	\$ 1,765,937	\$ 58,401,029	\$ 51,254,692	\$ 18,078,985	\$ 15,866,721	\$ 2,012,158	\$ 1,765,937
Rate of Return -- Environmental Compliance Rate Base	10.82%	10.82%	10.37%	10.37%	10.82%	10.82%	10.82%	10.82%	10.37%	10.37%
Return on Environmental Compliance Rate Bas	\$ 8,275,138	\$ 7,262,537	\$ 208,661	\$ 183,128	\$ 6,318,991	\$ 5,545,758	\$ 1,956,146	\$ 1,716,779	\$ 208,661	\$ 183,128
Return on Environmental Compliance Rate Base										
Pollution Control Operating Expenses										
12 Month Depreciation and Amortization Expense	2,614,695	2,294,744	-	-	2,543,162	2,231,964	71,533	62,780	-	-
12 Month Amortization of Investment Tax Credit	(174,324)	(152,993)	-	-	(174,324)	(152,993)	-	-	-	-
12 Month Taxes Other than Income Taxes	108,786	95,475	405	355	94,134	82,615	14,652	12,859	405	355
12 Month Operating and Maintenance Expense	1,324,613	1,162,525	551,609	484,110	1,324,613	1,162,525	-	-	551,609	484,110
12 Month Emission Allowance Expense	65,356	57,359	-	-	-	-	65,356	57,359	-	-
12 Month Beneficial Reuse Expense, net of amounts in base rates	5,985	5,253	-	-	-	-	5,985	5,253	-	-
12 Month KPSC Consultant Expense	-	-	92,713	81,368	-	-	-	-	92,713	81,368
Total Pollution Control Operating Expense	\$ 3,945,111	\$ 3,462,361	\$ 644,727	\$ 565,834	\$ 3,787,585	\$ 3,324,111	\$ 157,526	\$ 138,250	\$ 644,727	\$ 565,834
Gross Proceeds from By-Product Sales and Allowance Sales-Base Rate amount only	(223,921)	(196,521)	-	-	(223,921)	(196,521)	-	-	-	-
Gross Proceeds from Allowance Sales (less Base Rate amount)	893	784	-	-	-	-	893	784	-	-
Total Company Environmental Surcharge Gross Revenue Requirement										
Return on Environmental Compliance Rate Base	8,275,138	7,262,537	208,661	183,128	6,318,991	5,545,758	1,956,146	1,716,779	208,661	183,128
Pollution Control Operating Expenses	3,945,111	3,462,361	644,727	565,834	3,787,585	3,324,111	157,526	138,250	644,727	565,834
Less Gross Proceeds from By-Product & Allowance Sales	223,028	195,737	-	-	223,921	196,521	(893)	(784)	-	-
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 12,443,277	\$ 10,920,635	\$ 853,387	\$ 748,961	\$ 10,330,497	\$ 9,066,389	\$ 2,112,780	\$ 1,854,246	\$ 853,387	\$ 748,961
Jurisdictional Allocation Ratio	<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>	
Jurisdictional Revenues for 12 Months	\$ 900,465,528		\$ 900,465,528		\$ 900,465,528		\$ 900,465,528		\$ 900,465,528	
Total Company Environmental Surcharge Gross Revenue Requirement	\$ 12,443,277		\$ 853,387		\$ 10,330,497		\$ 2,112,780		\$ 853,387	
Jurisdictional Allocation Ratio	<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>		<u>87.7633%</u>	
Jurisdictional Environmental Surcharge Gross Revenue Requirement	\$ 10,920,635		\$ 748,961		\$ 9,066,389		\$ 1,854,246		\$ 748,961	

Louisville Gas & Electric Company
Calculation of 2005 & 2006 Plans Monthly Jurisdictional Revenue Requirements

Line	Note	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
(1) Eligible Pollution Control Plant	(a)	\$ 65,553,070	\$ 68,088,518	\$ 64,865,222	\$ 64,865,222	\$ 64,865,222	\$ 64,865,222
(2) Eligible Pollution CWIP Excluding AFUDC	(a)	2,887,321	1,664,077	1,472,488	1,554,057	1,568,518	1,626,056
(3) Subtotal		\$ 68,440,391	\$ 69,752,595	\$ 66,337,710	\$ 66,419,279	\$ 66,433,740	\$ 66,491,278
(4) Additions:							
(5) Cash Working Capital Allowance	(d)	193,576	197,014	191,776	194,544	213,862	213,699
(6) Subtotal		\$ 193,576	\$ 197,014	\$ 191,776	\$ 194,544	\$ 213,862	\$ 213,699
(7) Deductions:							
(8) Accum Depreciation on Eligible Pollution Control Plant	(a)	\$ 2,855,097	\$ 3,071,963	\$ 2,805,876	\$ 3,022,814	\$ 3,237,960	\$ 3,454,898
(9) Pollution Control Deferred Income Taxes	(a)	2,365,820	2,519,150	2,450,998	2,469,191	2,617,371	2,767,368
(10) Subtotal		\$ 5,220,917	\$ 5,591,113	\$ 5,256,874	\$ 5,492,005	\$ 5,855,331	\$ 6,222,266
(11) Environmental Compliance Rate Base [Lines (3)+(6)-(10)]		\$ 63,413,050	\$ 64,358,496	\$ 61,272,612	\$ 61,121,818	\$ 60,792,271	\$ 60,482,711
(12) Monthly Environmental Compliance Rate Base [Line (11)/12]		\$ 5,284,421	\$ 5,363,208	\$ 5,106,051	\$ 5,093,485	\$ 5,066,023	\$ 5,040,226
(13) Rate of Return on Environmental Compliance Rate Base	(e)	11.31%	11.31%	11.31%	11.31%	11.31%	11.31%
(14) Pollution Control Operating Expenses	(f)	251,355	304,241	264,863	325,912	420,864	315,279
(15) Total Proceeds from By-Product Sales and Allowance Sales (base rate amount only)	(b)	-	-	-	-	-	-
(16) Total Revenue Requirement [Lines (12)x(13)+(14)-(15)]		\$ 849,023	\$ 910,820	\$ 842,357	\$ 901,985	\$ 993,831	\$ 885,329
(17) Jurisdictional Allocation Ratio for Expense Month	(e)	86.50%	86.82%	92.27%	91.80%	93.59%	87.55%
(18) Jurisdictional Revenue Requirement		\$ 734,405	\$ 790,774	\$ 777,245	\$ 828,022	\$ 930,126	\$ 775,106
(19) 2005-2006 Plans Expenses [Lines (14) - (15)]		\$ 251,355	\$ 304,241	\$ 264,863	\$ 325,912	\$ 420,864	\$ 315,279

Line	Note	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
(1) Eligible Pollution Control Plant	(a)	\$ 64,865,222	\$ 64,865,222	\$ 64,865,222	\$ 64,865,222	\$ 64,865,222	\$ 66,536,312
(2) Eligible Pollution CWIP Excluding AFUDC	(a)	1,651,248	1,686,057	1,600,267	1,639,354	1,637,666	2,669
(3) Subtotal		\$ 66,516,470	\$ 66,551,279	\$ 66,465,489	\$ 66,504,576	\$ 66,502,888	\$ 66,538,981
(4) Additions:							
(5) Cash Working Capital Allowance	(b)	216,231	213,035	209,839	214,428	214,549	209,372
(6) Subtotal		\$ 216,231	\$ 213,035	\$ 209,839	\$ 214,428	\$ 214,549	\$ 209,372
(7) Deductions:							
(8) Accum Depreciation on Eligible Pollution Control Plant	(a)	\$ 3,671,836	\$ 3,888,775	\$ 4,105,713	\$ 4,322,651	\$ 4,539,589	\$ 4,758,788
(9) Pollution Control Deferred Income Taxes	(a)	2,917,365	3,067,363	3,217,100	3,325,745	3,434,236	3,544,740
(10) Subtotal		\$ 6,589,201	\$ 6,956,138	\$ 7,322,813	\$ 7,648,396	\$ 7,973,825	\$ 8,303,528
(11) Environmental Compliance Rate Base [Lines (3)+(6)-(10)]		\$ 60,143,500	\$ 59,808,176	\$ 59,352,515	\$ 59,070,608	\$ 58,743,612	\$ 58,444,825
(12) Monthly Environmental Compliance Rate Base [Line (11)/12]		\$ 5,011,958	\$ 4,984,015	\$ 4,946,043	\$ 4,922,551	\$ 4,895,301	\$ 4,870,402
(13) Rate of Return on Environmental Compliance Rate Base	(c)	11.31%	11.31%	11.31%	10.82%	10.82%	10.82%
(14) Pollution Control Operating Expenses	(d)	255,361	289,696	335,539	342,554	365,960	315,961
(15) Total Proceeds from By-Product Sales and Allowance Sales (base rate amount only)	(e)	-	-	-	-	-	(223,921)
(16) Total Revenue Requirement [Lines (12)x(13)+(14)-(15)]		\$ 822,213	\$ 853,388	\$ 894,936	\$ 875,174	\$ 895,632	\$ 1,066,859
(17) Jurisdictional Allocation Ratio for Expense Month	(f)	82.68%	81.95%	81.15%	85.04%	90.50%	89.22%
(18) Jurisdictional Revenue Requirement		\$ 679,806	\$ 699,351	\$ 726,242	\$ 744,248	\$ 810,548	\$ 951,852
(19) 2005-2006 Plans Expenses [Lines (14) - (15)]		\$ 255,361	\$ 289,696	\$ 335,539	\$ 342,554	\$ 365,960	\$ 539,882

- (a) ES Form 2.10 - Net Total 2005 & 2006 Plans
- (b) ES Form 2.40 - Recalculation based on 2005 & 2006 Plans only
- (c) ES Form 1.10, line 3
- (d) ES Form 2.50 - Total 2005 & 2006 Plan O&M Expenses
- (e) ES Form 2.00 - Proceeds from By-Product and Allowance Sales
- (f) ES Form 1.10, line 8 for Apr-Nov, line 9 for Dec-Mar expense months

Louisville Gas and Electric Company
Balances for Selected Operating Expense Accounts for 12-months ended March 31, 2012

All Plans	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	211,473	9,299	35,899	53,325	12,798	(14,527)	-	-	-	308,266
May-11	213,428	9,299	37,578	102,055	8,446	(14,527)	-	-	-	356,279
Jun-11	210,834	7,652	39,805	57,405	9,045	(14,527)	-	-	-	310,214
Jul-11	211,685	8,900	74,962	88,189	7,137	(14,527)	-	-	-	376,346
Aug-11	211,685	8,900	65,999	192,353	11,772	(14,527)	-	-	-	476,182
Sep-11	211,685	8,900	58,460	101,497	14,587	(14,527)	-	-	14,565	395,167
Oct-11	211,685	8,900	(14,134)	64,922	10,779	(14,527)	-	-	54,443	322,068
Nov-11	211,685	8,900	(17,674)	104,037	17,910	(14,527)	32,919	-	7,520	350,770
Dec-11	221,904	8,900	51,676	118,326	13,009	(14,527)	28,072	-	14,418	441,778
Jan-12	232,123	9,847	65,315	116,524	9,769	(14,527)	1,760	-	1,767	422,578
Feb-12	232,123	9,847	73,885	110,907	18,973	(14,527)	1,206	-	-	432,414
Mar-12	234,385	9,847	44,766	107,887	8,034	(14,527)	1,399	5,985	-	397,776
Totals	2,614,695	109,191	516,537	1,217,426	142,259	(174,324)	65,356	5,985	92,713	4,589,838

Balances for Allowance Sales and By-Product Sales for 12-months ended March 31, 2012

	Proceeds from Allowance Sales	Proceeds from By-Product Sales & Base Rate Amount of Allowance Sales	Total All Sale Proceeds
	Net of Base Rate Amount ES Form 2.00	ES Form 2.00	
Apr-11	-	-	-
May-11	29	-	29
Jun-11	37	-	37
Jul-11	52	-	52
Aug-11	37	-	37
Sep-11	37	-	37
Oct-11	7	-	7
Nov-11	-	-	-
Dec-11	-	-	-
Jan-12	-	-	-
Feb-12	-	-	-
Mar-12	694	(223,921)	(223,227)
Totals	893	(223,921)	(223,028)

Determination of Cash Working Capital Allowance - by Plan

	2005 Plan	2006 Plan	2009 Plan	2011 Plan	Total
12 Months O&M	350,565	974,048	-	551,609	1,876,222
(1/8) of 12 mo O&M Expenses	1/8	1/8	1/8	1/8	1/8
Cash Working Capital Allowance	43,821	121,756	-	68,951	234,528

	KY Retail Revenues, Excl. Envir. Surch. Revenues	Total Company Revenues, Excluding Envir. Surch. Revenues	KY Retail Allocation Ratio
	ES Form 3.10	ES Form 3.10	KY Retail/ Total Company
Apr-11	\$ 62,399,735	\$ 72,141,917	86.4958%
May-11	65,590,042	75,542,976	86.8248%
Jun-11	85,552,331	92,722,749	92.2668%
Jul-11	92,680,126	100,956,855	91.8017%
Aug-11	105,502,255	112,725,200	93.5924%
Sep-11	87,284,465	99,697,403	87.5494%
Oct-11	67,100,418	81,152,067	82.6848%
Nov-11	59,812,659	72,986,687	81.9501%
Dec-11	65,648,206	80,899,824	81.1475%
Jan-12	74,605,985	87,729,220	85.0412%
Feb-12	66,491,403	73,467,747	90.5042%
Mar-12	67,797,903	75,992,954	89.2160%
Totals	\$ 900,465,528	\$ 1,026,015,599	87.7633%

Louisville Gas and Electric Company
Balances for Selected Operating Expense Accounts for 12-months ended March 31, 2012
Eliminated Plans (2005 & 2006)

2005 Plan	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	40,616	2,166	35,899	-	-	-	-	-	-	78,681
May-11	42,571	2,166	16,976	-	-	-	-	-	-	61,713
Jun-11	39,127	519	20,219	-	-	-	-	-	-	59,865
Jul-11	39,127	1,767	79,604	-	-	-	-	-	-	120,498
Aug-11	39,127	1,767	52,402	-	-	-	-	-	-	93,296
Sep-11	39,127	1,767	51,109	-	-	-	-	-	-	92,003
Oct-11	39,127	1,767	(36,303)	-	-	-	-	-	-	4,591
Nov-11	39,127	1,767	(37,080)	-	-	-	-	-	-	3,814
Dec-11	39,127	1,767	33,300	-	-	-	-	-	-	74,194
Jan-12	39,127	1,848	48,774	-	-	-	-	-	-	89,749
Feb-12	39,127	1,848	51,259	-	-	-	-	-	-	92,234
Mar-12	40,079	1,848	34,406	-	-	-	-	-	-	76,333
Totals	475,409	20,997	350,565	-	-	-	-	-	-	846,971

2006 Plan	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	170,857	6,144	-	2,012	8,188	(14,527)	-	-	-	172,674
May-11	170,857	6,144	20,602	51,717	7,735	(14,527)	-	-	-	242,528
Jun-11	171,707	6,144	19,586	13,302	8,786	(14,527)	-	-	-	204,998
Jul-11	172,558	6,144	(4,642)	38,282	7,599	(14,527)	-	-	-	205,414
Aug-11	172,558	6,144	13,597	138,130	11,666	(14,527)	-	-	-	327,568
Sep-11	172,558	6,144	7,351	37,489	14,261	(14,527)	-	-	-	223,276
Oct-11	172,558	6,144	22,169	53,647	10,779	(14,527)	-	-	-	250,770
Nov-11	172,558	6,144	19,406	85,467	16,834	(14,527)	-	-	-	285,882
Dec-11	172,558	6,144	18,376	66,578	12,216	(14,527)	-	-	-	261,345
Jan-12	172,558	5,947	16,541	62,748	9,538	(14,527)	-	-	-	252,805
Feb-12	172,558	5,947	22,626	68,857	18,265	(14,527)	-	-	-	273,726
Mar-12	173,868	5,947	10,360	57,245	6,735	(14,527)	-	-	-	239,628
Totals	2,067,753	73,137	165,972	675,474	132,602	(174,324)	-	-	-	2,940,614

2005 & 2006 Plans	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	211,473	8,310	35,899	2,012	8,188	(14,527)	-	-	-	251,355
May-11	213,428	8,310	37,578	51,717	7,735	(14,527)	-	-	-	304,241
Jun-11	210,834	6,663	39,805	13,302	8,786	(14,527)	-	-	-	264,863
Jul-11	211,685	7,911	74,962	38,282	7,599	(14,527)	-	-	-	325,912
Aug-11	211,685	7,911	65,999	138,130	11,666	(14,527)	-	-	-	420,864
Sep-11	211,685	7,911	58,460	37,489	14,261	(14,527)	-	-	-	315,279
Oct-11	211,685	7,911	(14,134)	53,647	10,779	(14,527)	-	-	-	255,361
Nov-11	211,685	7,911	(17,674)	85,467	16,834	(14,527)	-	-	-	289,696
Dec-11	211,685	7,911	51,676	66,578	12,216	(14,527)	-	-	-	335,539
Jan-12	211,685	7,795	65,315	62,748	9,538	(14,527)	-	-	-	342,554
Feb-12	211,685	7,795	73,885	68,857	18,265	(14,527)	-	-	-	365,960
Mar-12	213,947	7,795	44,766	57,245	6,735	(14,527)	-	-	-	315,961
Totals	2,543,162	94,134	516,537	675,474	132,602	(174,324)	-	-	-	3,787,585

Louisville Gas and Electric Company
Balances for Selected Operating Expense Accounts for 12-months ended March 31, 2012
Post Rate Case ECR Plans (2009 & 2011)

2009 Plan	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	-	989	-	-	-	-	-	-	-	989
May-11	-	989	-	-	-	-	-	-	-	989
Jun-11	-	989	-	-	-	-	-	-	-	989
Jul-11	-	989	-	-	-	-	-	-	-	989
Aug-11	-	989	-	-	-	-	-	-	-	989
Sep-11	-	989	-	-	-	-	-	-	-	989
Oct-11	-	989	-	-	-	-	-	-	-	989
Nov-11	-	989	-	-	-	-	32,919	-	-	33,908
Dec-11	10,219	989	-	-	-	-	28,072	-	-	39,280
Jan-12	20,438	1,917	-	-	-	-	1,760	-	-	24,115
Feb-12	20,438	1,917	-	-	-	-	1,206	-	-	23,561
Mar-12	20,438	1,917	-	-	-	-	1,399	5,985	-	29,739
Totals	71,533	14,652	-	-	-	-	65,356	5,985	-	157,526

2011 Plan	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	-	-	-	51,313	4,610	-	-	-	-	55,922
May-11	-	-	-	50,338	711	-	-	-	-	51,049
Jun-11	-	-	-	44,103	259	-	-	-	-	44,362
Jul-11	-	-	-	49,907	(462)	-	-	-	-	49,445
Aug-11	-	-	-	54,223	106	-	-	-	-	54,329
Sep-11	-	-	-	64,008	326	-	-	-	14,565	78,899
Oct-11	-	-	-	11,275	-	-	-	-	54,443	65,718
Nov-11	-	-	-	18,570	1,076	-	-	-	7,520	27,166
Dec-11	-	-	-	51,748	793	-	-	-	14,418	66,959
Jan-12	-	135	-	53,776	231	-	-	-	1,767	55,909
Feb-12	-	135	-	42,050	708	-	-	-	-	42,893
Mar-12	-	135	-	50,642	1,299	-	-	-	-	52,076
Totals	-	405	-	541,952	9,657	-	-	-	92,713	644,727

2009 & 2011 Plans	Depreciation & Amortization Steam Plant	Taxes Other than Income Taxes	Operating and Maintenance Expense			Amortization of ITC	Emission Allowance Expense FERC 509	Beneficial Reuse Expense FERC 501	KPSC Consultant	Total
			FERC 502	FERC 506	FERC 512					
Apr-11	-	989	-	51,313	4,610	-	-	-	-	56,911
May-11	-	989	-	50,338	711	-	-	-	-	52,038
Jun-11	-	989	-	44,103	259	-	-	-	-	45,351
Jul-11	-	989	-	49,907	(462)	-	-	-	-	50,434
Aug-11	-	989	-	54,223	106	-	-	-	-	55,318
Sep-11	-	989	-	64,008	326	-	-	-	14,565	79,888
Oct-11	-	989	-	11,275	-	-	-	-	54,443	66,707
Nov-11	-	989	-	18,570	1,076	-	32,919	-	7,520	61,074
Dec-11	10,219	989	-	51,748	793	-	28,072	-	14,418	106,239
Jan-12	20,438	2,052	-	53,776	231	-	1,760	-	1,767	80,024
Feb-12	20,438	2,052	-	42,050	708	-	1,206	-	-	66,454
Mar-12	20,438	2,052	-	50,642	1,299	-	1,399	5,985	-	81,815
Totals	71,533	15,057	-	541,952	9,657	-	65,356	5,985	92,713	802,253

Conroy Exhibit P5

Adjustment for Electric
Year-End Number of Customer

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

	(1) Average Number of Customers, 13 Months Ended March 31, 2012	(2) Number of Customers Served at March 31, 2012	(3) Year-End Over / (Under) 13- Month Average (2) - (1)	(4) Actual kWh Adjusted for Rate Switching See Col (8), pg 7 of 8	(5) Average kWh per Customer per Year (4) / (1)	(6) Year-End kWh Adjustment (3) * (5)	(7) Current Rates Net Revenue (Base Rates + FAC - Base ECR) See Col (9), pg 8 of 8	(8) Average Revenue per kWh (7) / (4)	(9) Revenue Adjustment (6) * (8)
Residential Service including VFD and former RRP customers	351,730	352,582	853	4,515,198,514	12,836	10,949,108	\$ 375,505,416	\$ 0.08317	\$ 910,637
Residential Service Low Emission Vehicle only	1	3	-	23,952	-	-	\$ 1,885	\$ -	\$ -
General Service including former GRP customers	44,179	44,326	147	1,521,852,097	34,447	5,063,709	\$ 141,152,047	\$ 0.09275	\$ 469,659
Power Service									
Primary	85	85	-	252,227,760	2,967,385	-	\$ 17,123,993	\$ 0.06789	\$ -
Secondary	2,917	2,899	(18)	2,500,618,909	857,257	(15,430,626)	\$ 180,746,379	\$ 0.07228	\$ (1,115,326)
Time of Day									
Commercial Primary (a)		31		400,708,998			\$ 26,187,363		\$ (157,957)
Commercial Secondary (b)		114		487,527,305			\$ 32,341,052		\$ 256,043
Industrial Primary (c)		63		1,686,553,447			\$ 80,806,956		\$ 551,270
Industrial Secondary (d)		43		147,166,752			\$ 10,331,584		\$ 96,484
Retail Transmisison Service	11	11	-	554,717,472	50,428,861	-	\$ 31,414,400	\$ 0.05663	\$ -
Fluctuating Load Service	-	-	-	-	-	-	\$ -	\$ -	\$ -
Lighting Energy	166	173	7	4,110,052	24,759	173,313	\$ 233,967	\$ 0.05693	\$ 9,867
Traffic Energy	1,008	1,018	10	3,410,206	3,383	33,830	\$ 275,979	\$ 0.08093	\$ 2,738
Special Contract Customers	3	3	-	289,765,600	96,588,533	-	\$ 15,798,356	\$ 0.05452	\$ -
		Number of Lights						Per Light	
Lighting Service	12,785	14,157	1,372	14,623,647	1,143	1,568,196	\$ 3,585,139	\$ 280	\$ 384,733
Restricted Lighting Service	73,872	72,862	(1,010)	99,063,931	1,341	(1,354,410)	\$ 15,039,071	\$ 204	\$ (205,619)
Dark Sky Friendly	7	7	-	1,525	217	-	\$ 2,054	\$ 293	\$ -
Totals	487,016	488,378		12,477,570,167			\$ 930,545,640		\$ 1,202,528
Expenses at an Operating Ratio of	0.668026726	(see page 2)							<u>803,321</u>
									<u>\$ 399,207</u>
									<u>Adjustment to Net Operating Income Before Taxes</u>

- (a) See page 3 of 8 for supporting calculations
(b) See page 4 of 8 for supporting calculations
(c) See page 5 of 8 for supporting calculations
(d) See page 6 of 8 for supporting calculations

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

CALCULATION OF ELECTRIC OPERATING RATIO

Total Electric Operating Expenses	\$ 728,886,233	all amounts are LG&E Electric only, per income statement and/O&M account detail
Less Wages and Salaries	\$ 84,734,344	
Less Pensions and Benefits	\$ 37,074,584	
Less Regulatory Commission Expense	<u>\$ 1,173,366</u>	
Net Expenses	\$ 605,903,939	
 Total Electric Operating Revenues (As Billed)	 \$ 907,005,536	
 Operating Ratio	 0.668026726	

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

Calculation of Year End Adjustment for Time of Day Primary - Commercial Rate

	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
							Test Year Billing Data at Current Rates		Revenue Adjustment
				Test Year Billing Data					
		Customer-Months	kWh	kW or kVa-Base	kw or kVa- Intermediate	kW or kVa-Peak			
Customer #1 (two meters)	Left the System	6.0	748,800.0	21,205.7	18,704.7	14,885.0	\$ 203,170	\$	(203,170)
Customer #2 (two meters)	New in June 2011	20.0	3,278,400.0	13,622.5	8,814.7	7,005.9	\$ 226,060		
	Test Year Billing Data Annualized for 12 months	24.0	3,934,100.0	16,347.0	10,578.0	8,407.0	\$ 271,273	\$	45,213
Customers leaving the system:	(2)								
Customers joining the system:	<u>2</u>								
Net change in time of day primary - commercial customers:	-								
									Net commercial primary time of day revenue adjustment for change in customers:
								\$	(157,957)

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

Calculation of Year End Adjustment for Time of Day Secondary - Commercial Rate

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Test Year Billing Data				Test Year Billing Data at Current Rates	Revenue Adjustment
		Customer-Months	kWh	kW or kVa-Base	kw or kVa- Intermediate	kW or kVa-Peak		
Customer #1	Left the System	8.0	6,881,280.0	12,499.2	12,433.5	12,345.1	\$ 359,782	\$ (359,782)
Customer #2	Left the System	3.0	103,800.0	750.0	311.4	311.4	\$ 10,041	\$ (10,041)
Customer #3	New in June 2011	10	673,200.0	2,500.0	1,567.2	1,562.4	\$ 49,809	
	Test Year Billing Data Annualized for 12 months	12	807,800.0	3,000.0	1,881.0	1,875.0	\$ 59,770	\$ 9,960
Customer #4	New in August 2011	8	1,343.0	4,860.0	4,790.0	4,749.6	\$ 112,989	
	Test Year Billing Data Annualized for 12 months	12	2,015,100.0	7,290.0	7,186.0	7,124.0	\$ 169,483	\$ 56,494
Customer #5	New in November 201	5	2,671,200.0	8,234.3	8,229.5	7,983.7	\$ 204,204	
	Test Year Billing Data Annualized for 12 months	12	6,410,900.0	19,762.0	19,751.0	19,161.0	\$ 490,091	\$ 285,887
Customer #6	New in November 201	5	3,377,280.0	5,834.8	5,834.8	5,806.0	\$ 195,374	
	Test Year Billing Data Annualized for 12 months	12	8,105,500.0	14,004.0	14,004.0	13,934.0	\$ 468,899	\$ 273,524
Customers leaving the system:	(2)							
Customers joining the system:	<u>4</u>							
Net change in time of day secondary - commercial customers:	2							
								Net commercial secondary time of day revenue adjustment for change in customers: \$ 256,043

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

Calculation of Year End Adjustment for Time of Day Service Primary - Industrial Rate

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Test Year Billing Data			Test Year Billing Data at Current Rates	Revenue Adjustment
		Customer- Months	kWh	kW - Base	kW - Winter	kW - Summer		
Customer #1	Left the System	4	237,600.0	468.0		464.0	\$ 14,222	\$ (14,222)
Customer #2	Left the System	10	4,224,000.0	9,300.0		10,564.0	\$ 258,272	\$ (258,272)
Customer #3	Left the System	10	13,171,200.0	28,543.0		27,695.0	\$ 753,727	\$ (753,727)
Customer #4	New in February 2012	2	1,094,400.0	2,113.0			\$ 57,514	
	Test Year Billing Data Annualized for 12 months	12	6,566,400.0	12,678.0	8,452.0	4,226.0	\$ 356,791	\$ 299,277
Customer #5	New in February 2012	2	1,012,800.0	3,180.0			\$ 53,885	
	Test Year Billing Data Annualized for 12 months	12	6,076,800.0	2,009.0	8,036.0	4,018.0	\$ 334,441	\$ 280,556
Customer #6	New in January 2012	3	4,480,800.0	8,056.0			\$ 227,090	
	Test Year Billing Data Annualized for 12 months	12	17,923,200.0	32,224.0	21,483.0	10,741.0	\$ 938,113	\$ 711,023
Customer #7	New in February 2012	2	897,600.0	2,281.0		21,320.8	\$ 53,570	
	Test Year Billing Data Annualized for 12 months	12	5,385,600.0	13,686.0	9,124.0	4,560.0	\$ 334,058	\$ 280,488
Customer #8	New in February 2012	2	-	50.0			\$ 1,174	
	Test Year Billing Data Annualized for 12 months	12	-	300.0	200.0	100.0	\$ 7,321	\$ 6,147
Customers leaving the system:		(3)						
Customers joining the system:		<u>5</u>						
Net change in time of day primary - industrial customers:		2						
				Industrial primary time of day service revenue adjustment for change in customers:				\$ 551,270

Louisville Gas and Electric Company
 Adjustment to Reflect Year End Number of Customers
 Twelve Months Ended March 31, 2012

Calculation of Year End Adjustment for Time of Day Service Secondary - Industrial Rate

	Customer-Months	kWh	kW or kVa-Base	kW or kVa-Intermediate	kW or kVa-Peak	Test Year Billing Data at Current Rates	Revenue Adjustment
Customer #1	New in March 2012	1	88,740.0	407.5	407.5	\$ 8,771	
	Test Year Billing Data Annualized for 12 months	12	1,067,900.0	4,890.0	4,890.0	\$ 105,255	\$ 96,484
Customers leaving the system:	-						
Customers joining the system:	<u>1</u>						
Net change in time of day secondary - industrial customers:	1						\$ 96,484
				Net industrial secondary time of day revenue adjustment for change in customers:			\$ 96,484

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

Impact of Rate Switching on Customer Count and Energy Usage for the Year End Customer Calculations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Actual Number of Customers for the 13-Month Period	Customers Switching TO the Rate	Customers Switching FROM the Rate	Adjusted 13-Month Customer Count to Reflect Rate Switching	Actual Energy Delivered for the 13-month period	Energy Used by Customers Switching TO the Rate Before the Rate Switch	Energy Used by Customers Switching FROM the Rate Before the Rate Switch	Adjusted Energy Usage to Reflect Rate Switching
Residential Service including VFD and former RRP customers	4,572,285	337	(540)	4,572,488	4,514,007,510	235,355	(1,426,359)	4,515,198,514
Residential Service Low Emission Vehicle only	14	-	-	14	23,952	-	-	23,952
General Service including former GRP customers	574,526	1,945	(1,754)	574,335	1,495,604,954	16,219,022	(42,466,165)	1,521,852,097
Power Service								
Primary	1,076	-	(26)	1,102	247,683,480	-	(4,544,280)	252,227,760
Secondary	37,377	857	(1,405)	37,925	2,482,413,846	32,643,437	(50,848,500)	2,500,618,909
Time of Day								
Commercial Primary	417	16	-	401	403,298,570	2,589,572	-	400,708,998
Commercial Secondary	1,698	187	(20)	1,531	519,775,155	34,301,555	(2,053,705)	487,527,305
Industrial Primary	813	29	(2)	786	1,690,783,687	4,442,640	(212,400)	1,686,553,447
Industrial Secondary	617	73	-	544	158,280,113	11,113,361	-	147,166,752
Retail Transmisison Service	144	-	-	144	554,717,472	-	-	554,717,472
Fluctuating Load Service	-	-	-	-	-	-	-	-
Lighting Energy	2,462	303	-	2,159	4,116,519	6,467	-	4,110,052
Traffic Energy	13,105	-	-	13,105	3,410,206	-	-	3,410,206
Special Contract Customers	36	-	-	36	289,765,600	-	-	289,765,600
Lighting Service	1,126,637	-	-	1,126,637	113,689,103	-	-	113,689,103
Totals	6,331,207	3,747	(3,747)	6,331,207	12,477,570,167	101,551,409	(101,551,409)	12,477,570,167

Louisville Gas and Electric Company
Adjustment to Reflect Year End Number of Customers
Twelve Months Ended March 31, 2012

Impact of the ECR Elimination and Customer Rate Switching on Test Year Revenues Used in the Year End Customer Adjustment

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Test Year Base Revenues At Current Rates	Test Year FAC Revenues At Current Rates	Test Year ECR Base Revenues Reflecting Plan Elimination	March 2011 Revenues at Current Rates	March 2011 Actual FAC Revenues	March 2011 Base ECR Revenue Reflecting Plan Elimination	Base + FAC Revenues From Customers Switching TO the Rate Before the Rate Switch (Current Rates, Reflecting ECR Plan Elimination)	Energy Used by Customers Switching FROM the Rate Before the Rate Switch	Adjusted Revenue Totals Used to Calculate Average Cost per kWh
Residential Service including VFD and former RRP customers	\$ 338,640,350	\$ 13,018,420	\$ (295,215)	\$ 24,098,115	\$ 159,309	\$ (20,932)	\$ 15,008	\$ (109,640)	\$ 375,505,416
Residential Service Low Emission Vehicle only	\$ 1,811	\$ 76	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,885
General Service	\$ 128,897,356	\$ 4,353,626	\$ (129,066)	\$ 10,162,544	\$ 71,028	\$ (10,263)	\$ 1,419,150	\$ (3,612,328)	\$ 141,152,047
Power Service									
Primary	\$ 16,450,795	\$ 687,514	\$ (839,037)	\$ 1,132,305	\$ 12,901	\$ (163)	\$ -	\$ (320,323)	\$ 17,123,993
Secondary	\$ 168,471,714	\$ 7,037,575	\$ (6,393,236)	\$ 12,799,797	\$ 113,941	\$ (1,015)	\$ 2,655,777	\$ (3,938,173)	\$ 180,746,379
Time of Day									
Commercial Primary	\$ 23,106,315	\$ 1,096,701	\$ (25,619)	\$ 1,818,517	\$ 18,826	\$ (2,172)	\$ 174,795	\$ -	\$ 26,187,363
Commercial Secondary	\$ 26,805,225	\$ 1,263,547	\$ (26,323)	\$ 2,033,257	\$ 23,836	\$ (2,082)	\$ 2,387,912	\$ (144,320)	\$ 32,341,052
Industrial Primary	\$ 82,813,443	\$ 4,456,098	\$ (15,202,353)	\$ 8,243,958	\$ 204,254	\$ (68)	\$ 303,518	\$ (11,895)	\$ 80,806,956
Industrial Secondary	\$ 8,510,000	\$ 378,313	\$ (9,007)	\$ 590,780	\$ 5,303	\$ (650)	\$ 856,845	\$ -	\$ 10,331,584
Retail Transmisison Service	\$ 28,190,570	\$ 1,565,273	\$ (36,742)	\$ 1,681,276	\$ 16,344	\$ (2,321)	\$ -	\$ -	\$ 31,414,400
Fluctuating Load Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting Energy	\$ 205,078	\$ 10,659	\$ (220)	\$ 17,906	\$ 191	\$ (26)	\$ 379	\$ -	\$ 233,967
Traffic Energy	\$ 246,099	\$ 9,134	\$ (184)	\$ 20,787	\$ 163	\$ (20)	\$ -	\$ -	\$ 275,979
Special Contract Customers	\$ 13,982,180	\$ 750,928	\$ (10,554)	\$ 1,031,206	\$ 44,601	\$ (5)	\$ -	\$ -	\$ 15,798,356
Lighting Service	\$ 16,782,309	\$ 304,374	\$ (15,331)	\$ 1,550,293	\$ 5,889	\$ (1,271)	\$ -	\$ -	\$ 18,626,264
Totals	\$ 853,103,246	\$ 34,932,238	\$ (22,982,888)	\$ 65,180,742	\$ 676,586	\$ (40,989)	\$ 7,813,384	\$ (8,136,679)	\$ 930,545,640

Conroy Exhibit P6

Adjustment for Gas
Year-End Number of Customer

**LOUISVILLE GAS AND ELECTRIC COMPANY
ADJUSTMENT TO REFLECT NUMBER OF YEAR-END GAS
CUSTOMERS OVER AVERAGE NUMBER OF CUSTOMERS
13-MONTHS ENDED MARCH 31, 2012**

	Avg. Number of Customers 13 Months Ended March 31, 2012	Number of Customers Served at March 31, 2012	Year-End Over/(Under) Average (Col. 2 - 1)	Weather Normalized Mcf	Average Mcf per Customer (Col. 4 / 1)	Year-End Mcf Adjustment (Col. 3 x 5)	Net Revenue Adjusted for Temperatures	Average Revenue per Mcf	Revenue Adjustment
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Residential Rate RGS	291,228	292,094	866	19,871,758	68.2	59,061	\$ 88,139,930	\$ 4.4354	261,960
Commercial Rate CGS	25,761	25,873	112	10,851,887	421.3	47,186	\$ 30,863,143	2.8440	134,196
Industrial Rate IGS	215	214	(1)	866,503	4,030.2	(4,030)	\$ 1,809,789	2.0886	(8,417)
Rate AAGS	14	14	-						
Rate FT	76	76	-						
Intra-Company	3	3	-						
Special Contracts	2	2	-						
TOTAL	317,299	318,276	977	31,590,147.3		102,216.6	120,812,862.3		387,739
Expenses at an Operating Ratio of -		0.2346	(see page 2)						<u>90,963</u>
ADJUSTMENT TO NET OPERATING INCOME BEFORE TAXES									<u><u>\$ 296,776</u></u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
ADJUSTMENT TO REFLECT NUMBER OF YEAR-END GAS
CUSTOMERS OVER AVERAGE NUMBER OF CUSTOMERS
13-MONTHS ENDED MARCH 31, 2012**

CALCULATION OF GAS OPERATING RATIO

TOTAL GAS OPERATING EXPENSES	\$ 200,268,749	
LESS GAS SUPPLY EXPENSES	\$ 134,952,882	
LESS WAGES AND SALARIES	\$ 24,545,027	
LESS PENSIONS AND BENEFITS	\$ 9,315,864	
LESS REGULATORY COMMISSION EXPENSE	\$ 236,219	
NET EXPENSES	<u>31,218,757</u>	
TOTAL GAS OPERATIONS REVENUES (AS BILLED)	\$ 279,479,120	
LESS GSC REVENUE	\$ 146,406,353	
NET REVENUE	<u>133,072,767</u>	
OPERATING RATIO	<table border="1"><tr><td>0.2346</td></tr></table>	0.2346
0.2346		

Conroy Exhibit P7

Adjustment for Electric Rate Switching
During Test Year

Louisville Gas and Electric Company
Adjustment to Operating Revenues Due to Rate Switching
Twelve Months Ended March 31, 2012

Adjustment to Operating Revenues Due to Customers Switching Rates During the Test Year

Rate Switch To:	From Rate Category:	Test Year Billing Determinants at Original Rates					Revenue Increase to Report for Current Tariff Due to Additional Customers From Rate Switching						
		Customer-Months on the Old Rate	Energy -- kWh on Old Rate	Summer or Peak Demand, kW or kVa on Old Rate	Winter or Intermediate Demand, kW or kVa on Old Rate	Basic Demand, kW or kVa on Old Rate	Basic Service Charge Revenues	Energy Revenues	Demand Revenues	Base Rate Component of ECR	Total Base Revenues Net of ECR	FAC Revenues	Total Base Revenues Net of ECR Including FAC
Rate RS	RS water heating	70	56,658	-	-	-	\$ 264	\$ 4,103	\$ -	\$ 4	\$ 4,363	\$ 102	\$ 4,465
	RRP	59	63,829	-	-	-	\$ 502	\$ 4,623	\$ -	\$ 4	\$ 5,121	\$ 122	\$ 5,243
	GS	169	98,510	-	-	-	\$ 1,437	\$ 7,134	\$ -	\$ 7	\$ 8,564	\$ (4,384)	\$ 4,180
	GS water heating	8	1,247	-	-	-	\$ -	\$ 90	\$ -	\$ -	\$ 90	\$ 2	\$ 92
	GS 3 phase	31	15,111	-	-	-	\$ 264	\$ 1,094	\$ -	\$ 1	\$ 1,357	\$ (329)	\$ 1,028
		337	235,355	-	-	-	\$ 2,467	\$ 17,044	\$ -	\$ 16	\$ 19,495	\$ (4,487)	\$ 15,008
Rate GS	RS	355	497,117	-	-	-	\$ 6,213	\$ 40,962	\$ -	\$ 45	\$ 47,130	\$ 944	\$ 48,074
	GS 3 phase	163	281,910	-	-	-	\$ 2,853	\$ 23,229	\$ -	\$ 25	\$ 26,057	\$ 532	\$ 26,589
	GS water heating	2	-	-	-	-	\$ 35	\$ -	\$ -	\$ -	\$ 35	\$ -	\$ 35
	PS Secondary	117	1,396,830	3,860	2,245	-	\$ 2,048	\$ 115,099	\$ -	\$ 126	\$ 117,021	\$ 2,683	\$ 119,704
		637	2,175,857	3,860	2,245	-	\$ 11,149	\$ 179,290	\$ -	\$ 196	\$ 190,243	\$ 4,159	\$ 194,402
Rate GS 3 Phase	RS	52	448,155	-	-	-	\$ 1,690	\$ 36,928	\$ -	\$ 40	\$ 38,578	\$ 777	\$ 39,355
	GS	159	967,647	-	-	-	\$ 5,168	\$ 79,734	\$ -	\$ 87	\$ 84,815	\$ 1,709	\$ 86,524
	GS3 space heating	11	37,120	-	-	-	\$ 358	\$ 3,059	\$ -	\$ 3	\$ 3,414	\$ 69	\$ 3,483
	PS Secondary	1,082	12,497,963	23,727	16,013	-	\$ 35,165	\$ 1,029,832	\$ -	\$ 1,125	\$ 1,063,872	\$ 23,677	\$ 1,087,549
	PS Primary	4	92,280	29	318	-	\$ 130	\$ 7,604	\$ -	\$ 8	\$ 7,726	\$ 111	\$ 7,837
		1,308	14,043,165	23,756	16,331	-	\$ 42,511	\$ 1,157,157	\$ -	\$ 1,263	\$ 1,198,405	\$ 26,343	\$ 1,224,748
PS Secondary	RS	4	360,600	-	-	-	\$ 360	\$ 12,336	\$ 2,966	\$ -	\$ 15,662	\$ 621	\$ 16,283
	GS	282	10,535,682	20,112	12,217	-	\$ 25,380	\$ 360,426	\$ 477,232	\$ 970	\$ 862,068	\$ 20,159	\$ 882,227
	GS 3 Phase	552	20,440,090	33,453	26,146	-	\$ 49,680	\$ 699,256	\$ 875,424	\$ 1,788	\$ 1,622,572	\$ 38,996	\$ 1,661,568
	TOD Secondary-C	17	1,094,665	4,250	3,029	2,929	\$ 1,530	\$ 37,448	\$ 44,188	\$ 218	\$ 82,948	\$ 2,131	\$ 85,079
		855	32,431,037	57,815	41,392	2,929	\$ 76,950	\$ 1,109,466	\$ 1,399,810	\$ 2,976	\$ 2,583,250	\$ 61,907	\$ 2,645,157
PS Primary	TOD Primary (I)	2	212,400	202	-	204	\$ 180	\$ 7,266	\$ 2,761	\$ 6	\$ 10,201	\$ 419	\$ 10,620
TOD Secondary-C	GS	20	2,927,500	-	-	6,285	\$ 4,000	\$ 99,037	\$ 86,545	\$ 63	\$ 189,519	\$ 5,225	\$ 194,744
	GS 3 Phase	17	2,350,400	-	-	6,553	\$ 3,400	\$ 79,514	\$ 90,363	\$ 66	\$ 173,211	\$ 3,369	\$ 176,580
	PS Secondary	150	29,023,655	41,883	27,021	-	\$ 30,000	\$ 981,870	\$ 946,150	\$ 689	\$ 1,957,331	\$ 59,257	\$ 2,016,588
		187	34,301,555	41,883	27,021	12,838	\$ 37,400	\$ 1,160,421	\$ 1,123,058	\$ 818	\$ 2,320,061	\$ 67,851	\$ 2,387,912
TOD Primary-C	GS 3 Phase	4	916,200	-	-	2,031	\$ 800	\$ 30,995	\$ 25,164	\$ 20	\$ 56,939	\$ 1,683	\$ 58,622
	PS Secondary	5	146,732	587	136	-	\$ 1,000	\$ 4,964	\$ 8,958	\$ 7	\$ 14,915	\$ 234	\$ 15,149
	PS Primary	4	567,600	1,353	487	-	\$ 800	\$ 19,202	\$ 22,798	\$ 18	\$ 42,782	\$ 915	\$ 43,697
	TOD Secondary-C	3	959,040	1,799	1,847	1,872	\$ 600	\$ 32,444	\$ 22,901	\$ 55	\$ 55,890	\$ 1,437	\$ 57,327
		16	2,589,572	3,739	2,470	3,903	\$ 3,200	\$ 87,605	\$ 79,821	\$ 100	\$ 170,526	\$ 4,269	\$ 174,795
TOD Secondary-I	GS	10	1,185,300	-	-	3,349	\$ 3,000	\$ 35,369	\$ 47,958	\$ 33	\$ 86,294	\$ 2,425	\$ 88,719
	GS 3 Phase	23	2,702,981	-	-	9,874	\$ 6,900	\$ 80,657	\$ 141,396	\$ 99	\$ 228,854	\$ 5,285	\$ 234,139
	PS Secondary	40	7,225,080	13,025	7,572	-	\$ 12,000	\$ 215,596	\$ 294,949	\$ 206	\$ 522,339	\$ 11,648	\$ 533,987
		73	11,113,361	13,025	7,572	13,223	\$ 21,900	\$ 331,622	\$ 484,303	\$ 338	\$ 837,487	\$ 19,358	\$ 856,845
TOD Primary-I	PS Secondary	11	558,240	1,014	647	-	\$ 3,300	\$ 16,658	\$ 21,924	\$ 17	\$ 41,865	\$ 1,042	\$ 42,907
	PS Primary	18	3,884,400	6,712	2,693	-	\$ 5,400	\$ 115,911	\$ 131,313	\$ 94	\$ 252,530	\$ 8,081	\$ 260,611
		29	4,442,640	7,726	3,340	-	\$ 8,700	\$ 132,569	\$ 153,237	\$ 111	\$ 294,395	\$ 9,123	\$ 303,518
LE	GS	303	6,467	-	-	-	\$ -	\$ 365	\$ -	\$ -	\$ 365	\$ 14	\$ 379
Total Moving to New Rates		3,747	101,551,409	152,004	100,371	33,096	\$ 204,457	\$ 4,182,805	\$ 3,242,990	\$ 5,824	\$ 7,624,428	\$ 188,956	\$ 7,813,384

Louisville Gas and Electric Company
Adjustment to Operating Revenues Due to Rate Switching
Twelve Months Ended March 31, 2012

		Test Year Billing Determinants at Original Rates					Revenue Decrease to Report for Previous Tariff Due to Additional Customers From Rate Switching						
Rate Switch From	To Rate Category:	Customer-Months on the Old Rate	Energy -- kWh on Old Rate	Summer or	Winter or	Basic Demand, kW or kVa on Old Rate	Basic Service Charge Revenues	Energy Revenues	Demand Revenues	Base Rate Component of ECR	Total Base Revenues Net of ECR	FAC Revenues	Total Base Revenues Net of ECR Including
				Peak Demand, kW or kVa on Old Rate	Intermediate Demand, kW or kVa on Old Rate								FAC
Rate RS	GS	355	497,117	-	-	-	\$ 3,018	\$ 36,001	\$ -	\$ 35	\$ 38,984	\$ 944	\$ 39,928
	GS 3 phase	52	448,155	-	-	-	\$ 442	\$ 32,455	\$ -	\$ 31	\$ 32,866	\$ 777	\$ 33,643
	PS Secondary	4	360,600	-	-	-	\$ 34	\$ 26,115	\$ -	\$ 25	\$ 26,124	\$ 621	\$ 26,745
		411	1,305,872	-	-	-	\$ 3,494	\$ 94,571	\$ -	\$ 91	\$ 97,974	\$ 2,342	\$ 100,316
Rate RS-Water Heating	RS	70	56,658	-	-	-	\$ -	\$ 4,103	\$ -	\$ 4	\$ 4,099	\$ 102	\$ 4,201
Rate RRP	RS	59	63,829	-	-	-	\$ 797	\$ 4,208	\$ -	\$ 4	\$ 5,001	\$ 122	\$ 5,123
Rate GS	RS	169	98,510	-	-	-	\$ 2,958	\$ 8,117	\$ -	\$ 9	\$ 11,066	\$ (4,384)	\$ 6,682
	GS 3-Phase	159	967,647	-	-	-	\$ 2,783	\$ 79,734	\$ -	\$ 87	\$ 82,430	\$ 1,709	\$ 84,139
	PS Secondary	282	10,535,682	20,112	12,217	-	\$ 4,936	\$ 868,141	\$ -	\$ 948	\$ 872,129	\$ 20,159	\$ 892,288
	TOD Secondary-C	20	2,927,500	-	-	6,285	\$ 350	\$ 241,226	\$ -	\$ 263	\$ 241,313	\$ 5,225	\$ 246,538
	TOD Secondary-I	10	1,185,300	-	-	3,349	\$ 175	\$ 97,669	\$ -	\$ 107	\$ 97,737	\$ 2,425	\$ 100,162
	LE	303	6,467	-	-	-	\$ 5,303	\$ 533	\$ -	\$ 1	\$ 5,835	\$ 14	\$ 5,849
		943	15,721,106	20,112	12,217	9,634	\$ 16,505	\$ 1,295,420	\$ -	\$ 1,415	\$ 1,310,510	\$ 25,148	\$ 1,335,658
Rate GS 3 Phase	RS	31	15,111	-	-	-	\$ 1,008	\$ 1,245	\$ -	\$ 1	\$ 2,252	\$ (329)	\$ 1,923
	GS	163	281,910	-	-	-	\$ 5,298	\$ 23,229	\$ -	\$ 25	\$ 28,502	\$ 532	\$ 29,034
	PS Secondary	552	20,440,090	33,453	26,146	-	\$ 17,940	\$ 1,684,263	\$ -	\$ 1,840	\$ 1,700,363	\$ 38,996	\$ 1,739,359
	TOD Secondary-C	17	2,350,400	-	-	6,553	\$ 553	\$ 193,673	\$ -	\$ 212	\$ 194,014	\$ 3,369	\$ 197,383
	TOD Secondary-I	23	2,702,981	-	-	9,874	\$ 748	\$ 222,726	\$ -	\$ 243	\$ 223,231	\$ 5,285	\$ 228,516
	TOD Primary-C	4	916,200	-	-	2,031	\$ 130	\$ 75,495	\$ -	\$ 82	\$ 75,543	\$ 1,683	\$ 77,226
		790	26,706,692	33,453	26,146	18,458	\$ 25,677	\$ 2,200,631	\$ -	\$ 2,403	\$ 2,223,905	\$ 49,536	\$ 2,273,441
Rate GS Water Heating	RS	8	1,247	-	-	-	\$ -	\$ 103	\$ -	\$ -	\$ 103	\$ 2	\$ 105
	GS	2	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		10	1,247	-	-	-	\$ -	\$ 103	\$ -	\$ -	\$ 103	\$ 2	\$ 105
Rate GS 3 Phase Space Heating	GS 3-Phase	11	37,120	-	-	-	\$ -	\$ 3,059	\$ -	\$ 3	\$ 3,056	\$ 69	\$ 3,125
PS Secondary	GS	117	1,396,830	3,860	2,245	-	\$ 10,530	\$ 47,786	\$ 80,218	\$ 183	\$ 138,351	\$ 2,683	\$ 141,034
	GS 3 Phase	1,082	12,497,963	23,727	16,013	-	\$ 97,380	\$ 427,555	\$ 566,875	\$ 1,192	\$ 1,090,618	\$ 23,677	\$ 1,114,295
	TOD Secondary-C	150	29,023,655	41,883	27,021	-	\$ 13,500	\$ 992,899	\$ 995,815	\$ 2,067	\$ 2,000,147	\$ 59,257	\$ 2,059,404
	TOD Secondary-I	40	7,225,080	13,025	7,572	-	\$ 3,600	\$ 247,170	\$ 299,951	\$ 618	\$ 550,103	\$ 11,648	\$ 561,751
	TOD Primary-C	5	146,732	587	136	-	\$ 450	\$ 5,020	\$ 10,821	\$ 22	\$ 16,269	\$ 234	\$ 16,503
	TOD Primary-I	11	558,240	1,014	647	-	\$ 990	\$ 19,097	\$ 24,107	\$ 50	\$ 44,144	\$ 1,042	\$ 45,186
		1,405	50,848,500	84,095	53,634	-	\$ 126,450	\$ 1,739,527	\$ 1,977,787	\$ 4,132	\$ 3,839,632	\$ 98,541	\$ 3,938,173
PS Primary	GS 3 Phase	4	92,280	29	318	-	\$ 360	\$ 3,157	\$ 3,925	\$ 10	\$ 7,432	\$ 111	\$ 7,543
	TOD Primary-C	4	567,600	1,353	487	-	\$ 360	\$ 19,418	\$ 23,841	\$ 55	\$ 43,564	\$ 915	\$ 44,479
	TOD Primary-I	18	3,884,400	6,712	2,693	-	\$ 1,620	\$ 132,885	\$ 125,997	\$ 282	\$ 260,220	\$ 8,081	\$ 268,301
		26	4,544,280	8,094	3,498	-	\$ 2,340	\$ 155,460	\$ 153,763	\$ 347	\$ 311,216	\$ 9,107	\$ 320,323
TOD Secondary-C	PS Secondary	17	1,094,665	4,250	3,029	2,929	\$ 3,400	\$ 37,033	\$ 45,780	\$ 102	\$ 86,111	\$ 2,131	\$ 88,242
	TOD Primary-C	3	959,040	1,799	1,847	1,872	\$ 600	\$ 32,444	\$ 21,652	\$ 55	\$ 54,641	\$ 1,437	\$ 56,078
		20	2,053,705	6,049	4,876	4,800	\$ 4,000	\$ 69,477	\$ 67,432	\$ 157	\$ 140,752	\$ 3,568	\$ 144,320
TOD Primary-I	PS Primary	2	212,400	202	-	204	\$ 600	\$ 6,338	\$ 4,542	\$ 4	\$ 11,476	\$ 419	\$ 11,895
Total Moving From Previous Rates		3,747	101,551,409	152,004	100,371	33,096	\$ 179,862	\$ 5,572,897	\$ 2,203,524	\$ 8,560	\$ 7,947,723	\$ 188,956	\$ 8,136,679
Net Change From Previous Rate to Current Rate		-	-	-	-	-	\$ 24,595	\$ (1,390,092)	\$ 1,039,466	\$ (2,736)	\$ (323,295)	\$ -	\$ (323,295)

Conroy Exhibit P8

Adjustment for Electric Customer
Not billed in Test Year

**Louisville Gas and Electric Company
Adjustment to Electric Test Year Revenue
Unbilled Customer Data in Test Year**

Account #1

Meter Read Date	Bill Date	kWh Billed	kW Billed	Energy Charge	Demand Charge	Total Base Rate Charges
3/23/2012	4/5/2012	2,278,800	4,996.8	\$ 69,252.73	\$ 49,318.42	\$ 118,571.15

Account #2

Meter Read Date	Bill Date	kWh Billed	kW Billed	Energy Charge	Demand Charge	Total Base Rate Charges
3/23/2012	4/5/2012	1,958,400	4,435.2	\$ 59,515.78	\$ 43,775.42	\$ 103,291.20

Total Adjustment to Revenue, Energy and Demand

kWh Billed	kW Billed	Energy Charge	Demand Charge	Total Base Rate Charges
4,237,200	9,432.0	\$ 128,768.51	\$ 93,093.84	\$ 221,862.35

Total Adjustment amounts are included on Conroy Exhibit R5, page 12.

Additional energy and revenue are included on Conroy Exhibit C3, pages 38 and 42.

Conroy Exhibit P9

Adjustment to Reflect
Cancellation of Gas Rate
FT Special Contract

**LOUISVILLE GAS AND ELECTRIC COMPANY
ADJUSTMENT TO REFLECT SPECIAL CONTRACT CANCELLATION
TERMINATION EFFECTIVE NOVEMBER 1, 2012**

	Jan-12	Feb-12	Mar-12	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	12-MO TOTAL
Rate FT Special Contract													
Transportation													
MCF	55,023.0	41,951.0	10,916.0	11,220.1	5,436.6	1,205.8	637.0	471.1	258.0	7,660.0	18,978.0	41,756.0	195,512.6
Admin Chgs	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230
Distr Chgs	\$ 2,680	\$ 2,043	\$ 532	\$ 546	\$ 265	\$ 59	\$ 31	\$ 23	\$ 13	\$ 373	\$ 924	\$ 2,034	\$ 2,034
Demand	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225	\$ 18,225
UCDI-Storage	\$ 861	\$ 709	\$ 320	\$ 876	\$ 458	\$ 200	\$ 94	\$ 57	\$ 92	\$ 816	\$ 1,283	\$ 706	\$ 706
Total Billed	\$ 21,995	\$ 21,207	\$ 19,306	\$ 19,877	\$ 19,177	\$ 18,714	\$ 18,580	\$ 18,535	\$ 18,560	\$ 19,644	\$ 20,663	\$ 21,194	\$ 237,452
Cash Out Sales													
MCF	428.1	1,431.4	998.6	0.0	0.0	0.0	0.0	154.7	0.0	70.8	752.3	380.0	4,215.9
Customer Chgs	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781	\$ 781
Distr Chgs	\$ 21	\$ 70	\$ 49	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ 3	\$ 37	\$ 19	\$ 19
	\$ 802	\$ 851	\$ 830	\$ 781	\$ 781	\$ 781	\$ 781	\$ 789	\$ 781	\$ 784	\$ 818	\$ 800	\$ 9,577

Total Revenue for 12-months ended March 31, 2012

\$ 247,029

Conroy Exhibit P10

Adjustment to Reflect Gas Rate Switching
During Test Year

**Louisville Gas and Electric Company
Adjustment to Reflect Rate Switching
For 12-months Ended March 31, 2012**

	Billing Determinants	Actual Base Rate Billings		Calculated Base Rate Billings		Increase (Decreased) Net Revenue
		Base Rates	Base Rate Billings	Base Rates	Base Rate Billings	
RATE SWITCHING						
Customer A:						
Transferred from Rate CGS & AAGS to Rate FT Effective November 1, 2012						
Rate CGS Basic Service Charge -	12	\$	170.00 per Month	\$	2,040	
Rate CGS Mcf Billings -	5,502.1 Mcf	\$	1.87220 per Mcf	\$	10,301	\$ 0.43000 per Mcf \$ 2,366
Rate CGS Mcf Billings-Off Peak (Apr-Oct) -	6,068.7 Mcf	\$	1.37220 per Mcf	\$	8,327	\$ 0.43000 per Mcf \$ 2,610
Rate AAGS Basic Service Charge -	12	\$	275.00 per Month	\$	3,300	
Rate AAGS Mcf Billings -	14,765.4 Mcf	\$	0.52520 per Mcf	\$	7,755	\$ 0.43000 per Mcf \$ 6,349
Administrative Charges	12					\$ 230 per Month \$ 2,760
Total Base Rate Billings -				\$	31,723	\$ 14,085 \$ (17,639)
Customer B:						
Transferred from Rate IGS-TS to Rate FT Effective November 1, 2012						
Basic Service Charge -	12	\$	170 per Month	\$	2,040	
Mcf Billings -	11,642.6 Mcf	\$	1.90220 per Mcf	\$	22,147	\$ 0.43000 per Mcf \$ 5,006
Mcf Billings-Off Peak (Apr-Oct) -	12,730.1 Mcf	\$	1.40220 per Mcf	\$	17,850	\$ 0.43000 per Mcf \$ 5,474
Administrative Charges	12	\$	153 per Month	\$	1,836	\$ 230 per Month \$ 2,760
Total Base Rate Billings -				\$	43,873	\$ 13,240 \$ (30,632)
TOTAL - RATE SWITCH ADJUSTMENT						\$ (48,271)

**Louisville Gas and Electric Company
Adjustment to Reflect Rate Switching
For 12-months Ended March 31, 2012**

CUSTOMER A:

Customer transferred to Rate FT effective November 1, 2012

	Jan-12	Feb-12	Mar-12	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	12-Month Total
Actual Billings - Rate CGS													
MCF (1st 100)	1,034.0	919.2	891.6	100.0	100.0	100.0	100.0	100.0	100.0	100.0	949.3	1,008.0	
Off Peak MCF (>100)	0.0	0.0	0.0	918.2	826.4	929.0	782.0	850.1	891.9	871.1	0.0	0.0	
Total MCF	1,034.0	919.2	891.6	1,018.2	926.4	1,029.0	882.0	950.1	991.9	971.1	949.3	1,008.0	11,570.8
Distribution Rate	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	\$ 1.87220	
Distribution Rate Off-Peak	\$ -	\$ -	\$ -	\$ 1.37220	\$ 1.37220	\$ 1.37220	\$ 1.37220	\$ 1.37220	\$ 1.37220	\$ 1.37220	\$ -	\$ -	
Basic Service Charge	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	
Distribution Charge	1,936	1,721	1,669	1,447	1,321	1,462	1,260	1,354	1,411	1,383	1,777	1,887	
Subtotal	\$ 2,106	\$ 1,891	\$ 1,839	\$ 1,617	\$ 1,491	\$ 1,632	\$ 1,430	\$ 1,524	\$ 1,581	\$ 1,553	\$ 1,947	\$ 2,057	\$ 20,669
Actual Billings - Rate AAGS													
Total MCF	1,485.0	1,305.2	1,200.4	1,422.1	1,119.1	1,227.5	1,102.3	1,161.0	1,217.2	1,175.2	1,163.4	1,187.0	14,765.4
Distribution Rate	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	\$ 0.52520	
Basic Service Charge	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	\$ 275	
Distribution Charge	780	685	630	747	588	645	579	610	639	617	611	623	
Subtotal	\$ 1,055	\$ 960	\$ 905	\$ 1,022	\$ 863	\$ 920	\$ 854	\$ 885	\$ 914	\$ 892	\$ 886	\$ 898	\$ 11,055
Actual Billings - TOTAL	\$ 3,161	\$ 2,851	\$ 2,745	\$ 2,639	\$ 2,354	\$ 2,552	\$ 2,284	\$ 2,408	\$ 2,495	\$ 2,445	\$ 2,833	\$ 2,956	\$ 31,723
Calculated Billings - Rate FT													
MCF	2,519.0	2,224.4	2,092.0	2,440.3	2,045.5	2,256.5	1,984.3	2,111.1	2,209.1	2,146.3	2,112.7	2,195.0	26,336.2
Distribution Rate	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	
Administrative Charge	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	
Distribution Charge	1,083	956	900	1,049	880	970	853	908	950	923	908	944	
Total Calculated Billings	\$ 1,313	\$ 1,186	\$ 1,130	\$ 1,279	\$ 1,110	\$ 1,200	\$ 1,083	\$ 1,138	\$ 1,180	\$ 1,153	\$ 1,138	\$ 1,174	\$ 14,085
Increase/(Decrease) Net Revenue	\$ (1,848)	\$ (1,665)	\$ (1,615)	\$ (1,360)	\$ (1,244)	\$ (1,351)	\$ (1,201)	\$ (1,271)	\$ (1,315)	\$ (1,292)	\$ (1,695)	\$ (1,782)	\$ (17,639)

**Louisville Gas and Electric Company
Adjustment to Reflect Rate Switching
For 12-months Ended March 31, 2012**

CUSTOMER B:

Customer transferred to Rate FT effective November 1, 2012

	Jan-12	Feb-12	Mar-12	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	12-Month Total
Actual Billings - Rate IGS - TS													
MCF (1st 100)	2,518.3	1,720.1	2,096.0	200.0	200.0	200.0	140.7	200.0	100.0	200.0	2,056.7	2,010.8	
Off Peak MCF (>100)	0.0	0.0	0.0	1,780.4	1,676.3	1,832.9	1,733.0	1,930.3	1,897.1	1,880.1	0.0	0.0	
Total MCF	2,518.3	1,720.1	2,096.0	1,980.4	1,876.3	2,032.9	1,873.7	2,130.3	1,997.1	2,080.1	2,056.7	2,010.8	24,372.7
Distribution Rate	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220	\$ 1.90220
Distribution Rate Off-Peak	\$ -	\$ -	\$ -	\$ 1.40220	\$ 1.40220	\$ 1.40220	\$ 1.40220	\$ 1.40220	\$ 1.40220	\$ 1.40220	\$ -	\$ -	\$ -
Basic Service Charge	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170	\$ 170
Administrative Charge	153	153	153	153	153	153	153	153	153	153	153	153	153
Distribution Charge	4,790	3,272	3,987	2,877	2,731	2,951	2,698	3,087	2,850	3,017	3,912	3,825	
Actual Billings - Total	\$ 5,113	\$ 3,595	\$ 4,310	\$ 3,200	\$ 3,054	\$ 3,274	\$ 3,021	\$ 3,410	\$ 3,173	\$ 3,340	\$ 4,235	\$ 4,148	\$ 43,873
Calculated Billings - Rate FT													
MCF	2,518.3	1,720.1	2,096.0	1,980.4	1,876.3	2,032.9	1,873.7	2,130.3	1,997.1	2,080.1	2,056.7	2,010.8	24,372.7
Distribution Rate	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000	\$ 0.43000
Administrative Charge	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230	\$ 230
Distribution Charge	1,083	740	901	852	807	874	806	916	859	894	884	865	
Total Calculated Billings	\$ 1,313	\$ 970	\$ 1,131	\$ 1,082	\$ 1,037	\$ 1,104	\$ 1,036	\$ 1,146	\$ 1,089	\$ 1,124	\$ 1,114	\$ 1,095	\$ 13,240
Increase/(Decrease) Net Revenue	\$ (3,800)	\$ (2,625)	\$ (3,179)	\$ (2,118)	\$ (2,017)	\$ (2,169)	\$ (1,985)	\$ (2,264)	\$ (2,085)	\$ (2,215)	\$ (3,121)	\$ (3,053)	\$ (30,632)

Conroy Exhibit P11

Eliminate Gas Supply Clause
Revenues and Expenses

Louisville Gas and Electric Company
Gas Supply Revenues by Month
For the 12-months Ended March 31, 2012

	Jan-12 Jan-12 GSC Billings	Feb-12 Feb. Billings at Previous Rate	Feb-12 Feb Billings at Current Rate	Feb-12 Feb-12 GSC Billings	Mar-12 Mar-12 GSC Billings	Apr-11 Apr-11 GSC Billings	May-11 May Billings at Previous Rate	May-11 May Billings at Current Rate	May-11 May-11 GSC Billings	Jun-11 Jun-11 GSC Billings	Jul-11 Jul-11 GSC Billings
Gas Supply Cost Component	\$ 5.1602	\$ 5.1602	\$ 4.7423	Prorated	\$ 4.7423	\$ 5.2720	\$ 5.2720	\$ 5.6143	Prorated	\$ 5.6143	\$ 5.6143
Pipeline Supplier Demand Component	\$ 0.8227			\$ 0.8766	\$ 0.8766	\$ 0.8839			\$ 0.8823	\$ 0.8823	\$ 0.8823
UCDI Daily Demand Charge	\$ 0.1720			\$ 0.1722	\$ 0.1722	\$ 0.1847			\$ 0.1850	\$ 0.1850	\$ 0.1850
Gas Supply Revenue											
Residential Rate RGS	\$ 17,786,844	\$ 9,121,677	\$ 7,229,519	\$ 16,351,196	\$ 10,607,436	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Total Rate RGS	\$ 17,786,844	\$ 9,121,677	\$ 7,229,519	\$ 16,351,196	\$ 10,607,436	\$ 9,290,369	\$ 2,438,152	\$ 2,245,744	\$ 4,683,896	\$ 3,050,958	\$ 2,155,269
Firm Commercial Rate CGS	\$ 8,377,136	\$ 4,213,448	\$ 3,328,824	\$ 7,542,272	\$ 5,305,663	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
TS Transportation Rider to Rate CGS	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate CGS	\$ 8,377,136	\$ 4,213,448	\$ 3,328,824	\$ 7,542,272	\$ 5,305,663	\$ 4,612,382	\$ 1,407,273	\$ 1,191,115	\$ 2,598,388	\$ 1,908,812	\$ 1,539,171
Firm Industrial Rate IGS	\$ 574,891	\$ 223,111	\$ 309,447	\$ 532,558	\$ 393,979	\$ 369,789	\$ 109,946	\$ 154,136	\$ 264,082	\$ 301,816	\$ 192,541
TS Transportation Rider to Rate IGS	\$ 1,894			\$ 3,365	\$ 4,824	\$ 1,826			\$ 1,842	\$ 5,243	\$ 4,780
Total Rate IGS	\$ 576,785	\$ 223,111	\$ 309,447	\$ 535,923	\$ 398,803	\$ 371,615	\$ 109,946	\$ 154,136	\$ 265,924	\$ 307,059	\$ 197,322
Rate AAGS-Commercial	\$ 53,623	\$ 27,945	\$ 36,566	\$ 64,511	\$ 49,489	\$ 52,796	\$ 10,537	\$ 5,357	\$ 15,893	\$ 80,805	\$ 33,806
Rate AAGS-Commercial-TS Transportation Rider											
Rate AAGS-Industrial	\$ 96,678	\$ 19,663	\$ 70,544	\$ 90,208	\$ 90,028	\$ 90,979	\$ 34,969	\$ 84,906	\$ 119,875	\$ 95,658	\$ 64,636
Rate AAGS-Industrial-TS Transportation Rider											
Total Rate AAGS	\$ 150,301	\$ 47,608	\$ 107,111	\$ 154,719	\$ 139,517	\$ 143,775	\$ 45,506	\$ 90,263	\$ 135,769	\$ 176,463	\$ 98,442
Special Contract-LG&E Mill Creek/Cane Run	\$ 201,394			\$ 141,585	\$ 272,384	\$ 495,934			\$ 250,701	\$ 383,900	\$ 345,583
Special Contract-LG&E Paddy's Run	\$ 3,099			\$ (132)	\$ -	\$ 2,677			\$ 606	\$ 478	\$ 25,863
Total LG&E Special Contract	\$ 204,494			\$ 141,453	\$ 272,384	\$ 498,612	\$ -	\$ -	\$ 251,306	\$ 384,379	\$ 371,446
FT Cashouts	\$ 35,617			\$ 1,073	\$ 2,778	\$ 53,888			\$ 27,232	\$ 4,246	\$ 36,380
Rate FT - UCDI Daily Demand Charges	\$ 23,092			\$ 8,909	\$ 12,550	\$ 17,506			\$ 16,519	\$ 10,886	\$ 13,172
Rate FT OFO Charges	\$ -			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate FT	\$ 58,709			\$ 9,982	\$ 15,328	\$ 71,394			\$ 43,750	\$ 15,132	\$ 49,552
Special Contracts	\$ 1,567			\$ 4,258	\$ 2,746	\$ 4,275			\$ -	\$ -	\$ -
Off-System Sales											
Billing Adjustments											
Total Gas Supply Revenue	\$ 27,155,834			\$ 24,739,803	\$ 16,741,877	\$ 14,992,421			\$ 7,979,033	\$ 5,842,803	\$ 4,411,202

Louisville Gas and Electric Company
Gas Supply Revenues by Month
For the 12-months Ended March 31, 2012

	Aug-11 Aug. Billings at Previous Rate	Aug-11 Aug. Billings at Current Rate	Aug-11 GSC Billings	Sep-11 Sep-11 GSC Billings	Oct-11 Oct-11 GSC Billings	Nov-11 Nov Billings at Previous Rate	Nov-11 Nov Billings at Current Rate	Nov-11 Nov-11 GSC Billings	Dec-11 Dec-11 GSC Billings	12 Mos. Ended March 31, 2012
Gas Supply Cost Component	\$ 5.6143	\$ 5.6050	Prorated	\$ 5.6050	\$ 5.6050	\$ 5.6050	\$ 5.6050	\$ 5.1602	Prorated	\$ 5.1602
Pipeline Supplier Demand Component			\$ 0.8783	\$ 0.8783	\$ 0.8783			\$ 0.8227	\$ 0.8227	
UCDI Daily Demand Charge			\$ 0.1846	\$ 0.1846	\$ 0.1846			\$ 0.1720	\$ 0.1720	
Gas Supply Revenue										
Residential Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 90,214,487
Total Rate RGS	\$ 999,111	\$ 1,014,992	\$ 2,014,104	\$ 2,198,760	\$ 3,220,061	\$ 3,596,105	\$ 3,386,914	\$ 6,983,020	\$ 11,872,576	\$ 90,214,487
Firm Commercial Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ 3,173,208	\$ 5,564,136	\$ 45,914,384
TS Transportation Rider to Rate CGS			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate CGS	\$ 779,882	\$ 689,312	\$ 1,469,194	\$ 1,727,577	\$ 2,096,444	\$ 1,705,239	\$ 1,467,969	\$ 3,173,208	\$ 5,564,136	\$ 45,914,384
Firm Industrial Rate IGS	\$ 121,916	\$ 127,102	\$ 249,017	\$ 241,322	\$ 290,432	\$ 154,966	\$ 184,863	\$ 339,829	\$ 412,537	\$ 4,162,794
TS Transportation Rider to Rate IGS			\$ 3,070	\$ 3,943	\$ 4,043			\$ 5,020	\$ 2,976	\$ 42,826
Total Rate IGS	\$ 121,916	\$ 127,102	\$ 252,087	\$ 245,265	\$ 294,475	\$ 154,966	\$ 184,863	\$ 344,848	\$ 415,513	\$ 4,205,620
Rate AAGS-Commercial	\$ 15,037	\$ 26,711	\$ 41,749	\$ 49,257	\$ 49,657	\$ 205,700	\$ 33,902	\$ 239,602	\$ 117,290	\$ 848,477
Rate AAGS-Commercial-TS Transportation Rider										\$ -
Rate AAGS-Industrial	\$ 21,790	\$ 34,939	\$ 56,729	\$ 35,055	\$ 94,146	\$ 19,095	\$ 53,897	\$ 72,992	\$ 75,043	\$ 982,027
Rate AAGS-Industrial-TS Transportation Rider										\$ -
Total Rate AAGS	\$ 36,827	\$ 61,651	\$ 98,478	\$ 84,312	\$ 143,804	\$ 224,795	\$ 87,799	\$ 312,593	\$ 192,333	\$ 1,830,503
Special Contract-LG&E Mill Creek/Cane Run			\$ 492,186	\$ 221,897	\$ 307,610			\$ 235,227	\$ 255,148	\$ 3,603,549
Special Contract-LG&E Paddy's Run			\$ 21,367	\$ (17,235)	\$ -			\$ 81	\$ 6,733	\$ 43,538
Total LG&E Special Contract	\$ -	\$ -	\$ 513,553	\$ 204,663	\$ 307,610	\$ -	\$ -	\$ 235,307	\$ 261,881	\$ 3,647,087
FT Cashouts			\$ 59,556	\$ 2,403	\$ 42,185			\$ 68,787	\$ 38,025	\$ 372,169
Rate FT - UCDI Daily Demand Charges			\$ 9,266	\$ 13,750	\$ 24,249			\$ 17,091	\$ 20,699	\$ 187,688
Rate FT OFO Charges			\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
Total Rate FT			\$ 68,822	\$ 16,153	\$ 66,434			\$ 85,877	\$ 58,724	\$ 559,856
Special Contracts			\$ 907	\$ -	\$ 366			\$ 17,138	\$ 3,157	\$ 34,415
Off-System Sales										\$ -
Billing Adjustments										\$ -
Total Gas Supply Revenue			\$ 4,417,145	\$ 4,476,729	\$ 6,129,194			\$ 11,151,993	\$ 18,368,320	\$ 146,406,353

<u>Gas Supply Expense</u>	<u>Total 12 mos. ended 3/31/2012</u>
Purchased Gas	\$ 139,626,468.71
Gas to Storage	(55,617,356.82)
Gas from Storage	52,696,260.56
Other Supply Expenses	36,723.62
Other Electric Credits	<u>(57,228.32)</u>
Total Gas Supply Expenses	136,684,868
Purchased Gas - Wholesale Sales	-
Wholesale Sales Margin	-
Acquisition and Transportation Incentive	(3,169,374.00)
Performance-Based Ratemaking Recovery	1,944,477.55
Other Gas Credits	(653,302.37)
Refunds	(385,325.36)
Gas Supply Actual Adjustment	(359,017.06)
Gas Cost Balance Adjustment	145,592.82
Underground Gas Storage Losses	<u>2,211,438</u>
Net Gas Supply Expense	<u><u>136,419,357</u></u>

Source: LG&E Financial Report, page 41 -- MCF Sendout and Supply Cost
Year Ended Current Month

Conroy Exhibit P12

Gas Temperature Normalization Adjustment

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months Ended March 31, 2012**

SUMMARY

	MCF	Annual Revenue	Less: Revenue Billed under Weather Normalization Clause	Net Adjustment to Revenue
Residential Rate RGS - see page 3	2,416,566.9	\$ 5,412,143	\$ 5,279,890	\$ 132,253
Commercial Rate CGS - see page 3	2,010,350.8	3,763,779	1,961,243	1,802,536
Industrial Rate IGS - see page 2	60,045.7	114,219		114,219
Rate AAGS - see page 2	35,305.4	18,543		18,543
Rate FT - see page 2	620,932.0	267,001		267,001
Special Contracts - see page 2	(235,494.2)	(21,430)		(21,430)
Total	4,907,706.6	\$ 9,554,255	\$ 7,241,133	\$ 2,313,121

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months Ended March 31, 2012**

CUSTOMERS NOT BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Actual	Normal	Normal over (under)Actual
Billing Cycle Heating Degree Days	3,449	4,104	655
Calendar Month Degree Days	3,242	4,100	858

	(1) Total MCF Sales & Trans.	(2) Non-Temp Sales & Trans. (Jul - Aug)	(3) Non-Temp Sales & Trans. Full Year col 2 x 6	(4) Temp Sensitive Sales & Trans. col 1 - col 3	(5) Actual Degree Days	(6) Mcf per Degree Day col 4 / col 5	(7) Normal Degree Days	(8) Departure From Normal col 7 - col 5	(9) Normal Temp Adjustment col 6 x col 8	(10) Net Revenue Per Mcf Sold	(11) Net Revenue Adjustment col 9 x col 10
Industrial Rate IGS	841,764	87,598	525,585	316,179	3,449	92	4,104	655	60,046	1.9022	\$ 114,219
As Available Gas Service (AAGS)											
Commercial	146,923	13,465	80,792	66,131	3,242	20	4,100	858	17,502	0.5252	9,192
Industrial	197,038	21,628	129,765	67,273	3,242	21	4,100	858	17,804	0.5252	9,351
Total Rate AAGS	343,961	35,093	210,557	133,404	3,242	41			35,305		18,543
Rate FT	10,079,083	1,288,810	7,732,858	2,346,226	3,242	724	4,100	858	620,932	0.4300	267,001
Special Contracts	1,633,474	420,550	2,523,302	(889,828)	3,242	(274)	4,100	858	(235,494)	0.0910	(21,430)
Total Net Temperature Normalization Adjustment for Customers Not Billed Under the WNA											<u>\$ 378,333</u>

Notes:

Non-Temperature Sensitive Sales and Transportation are based on July and August deliveries.

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months Ended March 31, 2012**

CUSTOMERS BILLED UNDER WEATHER NORMALIZATION ADJUSTMENT CLAUSE

			Normal over/(under) Actual	
	Actual	Normal	WNA Months	12 Months
Billing Cycle Degree Days				
12 mos. Ended March 31, 2012	3,449	4,104		655
WNA Months - Apr11, Nov-Dec11, Jan-Mar12	3,184	3,823	639	

Degree Days over Normal for 12 months as compared to WNA Period - 1.0250

	Mcf	Unit Price	Revenue
<u>Residential Rate RGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 6 mos. (see page 4)	2,357,536.3	\$	5,279,890
Degree Day Deficiency for 12 months as compared to WNA Period -	1.0250		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	2,416,566.9	\$ 2.2396	\$ 5,412,143
Net Adjustment for Residential Rate RGS		\$	132,253
 <u>Commercial Rate CGS</u>			
Actual Billing Adjustments (Mcf and Revenue) under WNA - 5 mos. (see page 4)	1,961,243.0	\$	1,961,243
Degree Day Deficiency for 12 months as compared to WNA Period -	1.0250		
Calculated Adjustment (Mcf and Revenue) to Temperature Normalize for 12 months -	2,010,350.8	\$ 1.8722	\$ 3,763,779
Net Adjustment for Residential Rate CGS		\$	1,802,536
Total Net Temperature Normalization Adjustment for Customers Billed Under the WNA		<u>\$</u>	<u>1,934,789</u>

**Louisville Gas and Electric Company
Temperature Normalization Adjustment
For the 12-months Ended March 31, 2012**

SUMMARY OF ACTUAL MONTHLY BILLINGS UNDER THE WEATHER NORMALIZATION ADJUSTMENT CLAUSE

	Jan. 2012		Feb. 2012		Mar. 2012		Apr. 2011		Nov. 2011		Dec. 2011		Total	
<u>BILLINGS:</u>														
Rate RGS	\$	1,278,887	\$	950,030	\$	1,302,760	\$	620,052	\$	186,069	\$	942,091	\$	5,279,890
Rate CGS		456,787	\$	347,783		529,398.70		223,124	\$	71,025	\$	333,125		1,961,243
Total Billings	\$	1,735,674	\$	1,297,814	\$	1,832,159	\$	843,176	\$	257,094	\$	1,275,216	\$	7,241,133
 <u>APPLICABLE MCF:</u>														
Rate RGS		571,038.4		424,201.6		581,696.4		276,863.1		83,081.8		420,655.0		2,357,536.3
Rate CGS		243,968.0		185,747.8		52,939.9		119,171.4		37,934.7		177,915.8		817,677.6
Total Mcf		815,006.4		609,949.4		634,636.3		396,034.5		121,016.5		598,570.8		3,175,213.9

Note: WNA Billings are included in "Sales." However, the applicable volumes used to compute the Billings are not included

Conroy Exhibit C1

Base-Intermediate-Peak (BIP)
Differentiation

**Louisville Gas and Electric Company and Kentucky Utilities Company
Assignment of Production and Transmission Demand-Related Costs
Twelve Months Ended March 31, 2012**

Minimum System Demand	2,321
Winter System Peak Demand	5,704
Summer System Peak Demand	6,756

Assignment of Production and Transmission
Demand-Related Costs to the Costing Periods

Non-Time-Differentiated Capacity Costs

1. Minimum System Demand	2,321	
2. Maximum System Demand	6,756	
3. Non-Time-Differentiated Capacity Factor (Line 1/Line 2)	0.3435	
4. Non-Time-Differentiated Cost (Line 3)		34.35%

Winter Peak Period Costs

5. Maximum Winter System Demand	5,704	
6. Intermediate Peak Period Capacity Factor (Line 5/Line 2 - Line 3)	0.5008	
7. Winter Peak Period Hours	2,416	
8. Summer Peak Period Hours	1,320	
9. Total Summer and Winter Peak Period Hours (Line 7 + Line 8)	3,736	
10. Winter Peak Period Costs (Line 7/Line 9 x Line 6)		32.39%

Summer Peak Period Costs

11. Peak Capacity Factor (1.0000 - Line 3 - Line 6)	0.1557	
12. Summer Peak Period Costs (Line 11 + Line 8/Line 9 x Line 6)		33.26% 100.00%

Conroy Exhibit C2

Electric Cost of Service Study – Functional Assignment

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
<u>Plant in Service</u>										
<u>Intangible Plant</u>										
301.00 ORGANIZATION	P301	PT&D	\$ 2,240	508	479	492	-	55	51	53
302.00 FRANCHISE AND CONSENTS	P301	PT&D	-	-	-	-	-	-	-	-
303.00 SOFTWARE - COMMON	P302	PT&D	-	-	-	-	-	-	-	-
301.00 ORGANIZATION - COMMON	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISE AND CONSENTS - COMMON	P301	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ 2,240	\$ 508	\$ 479	\$ 492	\$ -	\$ 55	\$ 51	\$ 53
<u>Steam Production Plant</u>										
Total Steam Production Plant	PSTPR	F017	\$ 2,130,297,618	731,856,242	689,904,594	708,536,781	-	-	-	-
<u>Hydraulic Production Plant</u>										
Total Hydraulic Production Plant	PHDPR	F017	\$ 42,551,883	14,618,549	13,780,581	14,152,752	-	-	-	-
<u>Other Production Plant</u>										
Total Other Production Plant	POTPR	F017	\$ 237,084,259	81,449,462	76,780,596	78,854,202	-	-	-	-
Total Production Plant	PPRTL		\$ 2,409,933,759	\$ 827,924,253	\$ 780,465,771	\$ 801,543,735	\$ -	\$ -	\$ -	\$ -
<u>Transmission</u>										
Total Transmission Plant	PTRAN	F011	\$ 258,654,497	-	-	-	-	88,859,841	83,766,195	86,028,461
<u>Distribution</u>										
TOTAL ACCTS 360-362	P362	F001	\$ 108,073,255	-	-	-	-	-	-	-
364 & 365-OVERHEAD LINES	P365	F003	371,611,072	-	-	-	-	-	-	-
366 & 367-UNDERGROUND LINES	P367	F004	212,881,720	-	-	-	-	-	-	-
368-TRANSFORMERS - POWER POOL	P368	F005	139,487,571	-	-	-	-	-	-	-
369-SERVICES	P369	F006	28,292,567	-	-	-	-	-	-	-
370-METERS	P370	F007	38,125,261	-	-	-	-	-	-	-
371-CUSTOMER INSTALLATION	P371	F008	-	-	-	-	-	-	-	-
373-STREET LIGHTING	P373	F008	83,856,546	-	-	-	-	-	-	-
374-ASSET RETIRE OBLIGATIONS DIST PLANT	P374	F003	626,515	-	-	-	-	-	-	-
Total Distribution Plant	PDIST		\$ 982,954,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Prod, Trans, and Dist Plant	PT&D		\$ 3,651,542,765	\$ 827,924,253	\$ 780,465,771	\$ 801,543,735	\$ -	\$ 88,859,841	\$ 83,766,195	\$ 86,028,461

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
<u>Plant in Service</u>									
<u>Intangible Plant</u>									
301.00 ORGANIZATION	P301	PT&D	66	-	102	167	34	56	
302.00 FRANCHISE AND CONSENTS	P301	PT&D	-	-	-	-	-	-	
303.00 SOFTWARE - COMMON	P302	PT&D	-	-	-	-	-	-	
301.00 ORGANIZATION - COMMON	P301	PT&D	-	-	-	-	-	-	
302.00 FRANCHISE AND CONSENTS - COMMON	P301	PT&D	-	-	-	-	-	-	
Total Intangible Plant	PINT		\$ 66	\$ -	\$ 102	\$ 167	\$ 34	\$ 56	
<u>Steam Production Plant</u>									
Total Steam Production Plant	PSTPR	F017	-	-	-	-	-	-	
<u>Hydraulic Production Plant</u>									
Total Hydraulic Production Plant	PHDPR	F017	-	-	-	-	-	-	
<u>Other Production Plant</u>									
Total Other Production Plant	POTPR	F017	-	-	-	-	-	-	
Total Production Plant	PPRTL		\$ -	\$ -	-	-	-	-	
<u>Transmission</u>									
Total Transmission Plant	PTRAN	F011	-	-	-	-	-	-	
<u>Distribution</u>									
TOTAL ACCTS 360-362	P362	F001	108,073,255	-	-	-	-	-	
364 & 365-OVERHEAD LINES	P365	F003	-	-	126,617,183	152,091,121	42,205,728	50,697,040	
366 & 367-UNDERGROUND LINES	P367	F004	-	-	39,580,034	120,081,256	13,193,345	40,027,085	
368-TRANSFORMERS - POWER POOL	P368	F005	-	-	-	-	-	-	
369-SERVICES	P369	F006	-	-	-	-	-	-	
370-METERS	P370	F007	-	-	-	-	-	-	
371-CUSTOMER INSTALLATION	P371	F008	-	-	-	-	-	-	
373-STREET LIGHTING	P373	F008	-	-	-	-	-	-	
374-ASSET RETIRE OBLIGATIONS DIST PLANT	P374	F003	-	-	213,469	256,417	71,156	85,472	
Total Distribution Plant	PDIST		\$ 108,073,255	\$ -	\$ 166,410,686	\$ 272,428,795	\$ 55,470,229	\$ 90,809,598	
Total Prod, Trans, and Dist Plant	PT&D		\$ 108,073,255	\$ -	\$ 166,410,686	\$ 272,428,795	\$ 55,470,229	\$ 90,809,598	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
<u>Plant in Service</u>										
<u>Intangible Plant</u>										
301.00 ORGANIZATION	P301	PT&D	48	38	17	23	51	-	-	-
302.00 FRANCHISE AND CONSENTS	P301	PT&D	-	-	-	-	-	-	-	-
303.00 SOFTWARE - COMMON	P302	PT&D	-	-	-	-	-	-	-	-
301.00 ORGANIZATION - COMMON	P301	PT&D	-	-	-	-	-	-	-	-
302.00 FRANCHISE AND CONSENTS - COMMON	P301	PT&D	-	-	-	-	-	-	-	-
Total Intangible Plant	PINT		\$ 48	\$ 38	\$ 17	\$ 23	\$ 51	\$ -	\$ -	\$ -
<u>Steam Production Plant</u>										
Total Steam Production Plant	PSTPR	F017	-	-	-	-	-	-	-	-
<u>Hydraulic Production Plant</u>										
Total Hydraulic Production Plant	PHDPR	F017	-	-	-	-	-	-	-	-
<u>Other Production Plant</u>										
Total Other Production Plant	POTPR	F017	-	-	-	-	-	-	-	-
Total Production Plant	PPRTL		\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
<u>Transmission</u>										
Total Transmission Plant	PTRAN	F011	-	-	-	-	-	-	-	-
<u>Distribution</u>										
TOTAL ACCTS 360-362	P362	F001	-	-	-	-	-	-	-	-
364 & 365-OVERHEAD LINES	P365	F003	-	-	-	-	-	-	-	-
366 & 367-UNDERGROUND LINES	P367	F004	-	-	-	-	-	-	-	-
368-TRANSFORMERS - POWER POOL	P368	F005	77,694,577	61,792,994	-	-	-	-	-	-
369-SERVICES	P369	F006	-	-	28,292,567	-	-	-	-	-
370-METERS	P370	F007	-	-	-	38,125,261	-	-	-	-
371-CUSTOMER INSTALLATION	P371	F008	-	-	-	-	-	-	-	-
373-STREET LIGHTING	P373	F008	-	-	-	-	83,856,546	-	-	-
374-ASSET RETIRE OBLIGATIONS DIST PLANT	P374	F003	-	-	-	-	-	-	-	-
Total Distribution Plant	PDIST		\$ 77,694,577	\$ 61,792,994	\$ 28,292,567	\$ 38,125,261	\$ 83,856,546	\$ -	\$ -	\$ -
Total Prod, Trans, and Dist Plant	PT&D		\$ 77,694,577	\$ 61,792,994	\$ 28,292,567	\$ 38,125,261	\$ 83,856,546	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
General Plant										
Total General Plant	PGP	PT&D	\$ 16,083,154	3,646,577	3,437,547	3,530,385	-	391,382	368,947	378,911
TOTAL COMMON PLANT	PCOM	PT&D	\$ 156,297,545	35,437,769	33,406,396	34,308,599	-	3,803,481	3,585,457	3,682,289
106.00 COMPLETED CONSTR NOT CLASSIFIED	P106	PT&D	110,296,327	25,007,787	23,574,284	24,210,953	-	2,684,047	2,530,192	2,598,524
105.00 PLANT HELD FOR FUTURE USE - DIST	P105	PDIST	627,088	-	-	-	-	-	-	-
105.00 PLANT HELD FOR FUTURE USE - PROD	P105	F017	-	-	-	-	-	-	-	-
PROPERTY HELD UNDER CAPITAL LEASE		F017	-	0	0	0	0	0	-	-
OTHER		PDIST	\$ -	-	-	-	-	-	-	-
Total Plant in Service	TPIS		\$ 3,934,849,118	\$ 892,016,895	\$ 840,884,478	\$ 863,594,164	\$ -	\$ 95,738,806	\$ 90,250,842	\$ 92,688,238
Construction Work in Progress (CWIP)										
CWIP Production	CWIP1	F017	\$ 104,203,661	35,798,801	33,746,733	34,658,128	-	-	-	-
CWIP Transmission	CWIP2	F011	11,300,039	-	-	-	-	3,882,089	3,659,559	3,758,392
CWIP Distribution	CWIP3	PDIST	21,638,589	-	-	-	-	-	-	-
CWIP Common	CWIP4	PT&D	7,669,785	1,738,991	1,639,308	1,683,581	-	186,643	175,944	180,696
Total Construction Work in Progress	TCWIP		\$ 144,812,074	\$ 37,537,792	\$ 35,386,041	\$ 36,341,709	\$ -	\$ 4,068,732	\$ 3,835,503	\$ 3,939,088
Total Utility Plant			\$ 4,079,661,192	\$ 929,554,686	\$ 876,270,519	\$ 899,935,872	\$ -	\$ 99,807,538	\$ 94,086,345	\$ 96,627,326

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation		Distribution Primary Lines			Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
<u>General Plant</u>									
Total General Plant	PGP	PT&D	476,007	-	732,953	1,199,908	244,318	399,969	
TOTAL COMMON PLANT	PCOM	PT&D	4,625,876	-	7,122,902	11,660,811	2,374,301	3,886,937	
106.00 COMPLETED CONSTR NOT CLASSIFIED	P106	PT&D	3,264,396	-	5,026,502	8,228,822	1,675,501	2,742,941	
105.00 PLANT HELD FOR FUTURE USE - DIST	P105	PDIST	68,947	-	106,164	173,799	35,388	57,933	
105.00 PLANT HELD FOR FUTURE USE - PROD	P105	F017	-	-	-	-	-	-	
PROPERTY HELD UNDER CAPITAL LEASE		F017	0	0	0	0	0	0	
OTHER		PDIST	-	-	-	-	-	-	
Total Plant in Service	TPIS		\$ 116,508,547	\$ -	\$ 179,399,309	\$ 293,692,302	\$ 59,799,770	\$ 97,897,434	
<u>Construction Work in Progress (CWIP)</u>									
CWIP Production	CWIP1	F017	-	-	-	-	-	-	
CWIP Transmission	CWIP2	F011	-	-	-	-	-	-	
CWIP Distribution	CWIP3	PDIST	2,379,106	-	3,663,336	5,997,200	1,221,112	1,999,067	
CWIP Common	CWIP4	PT&D	227,000	-	349,533	572,216	116,511	190,739	
Total Construction Work in Progress	TCWIP		\$ 2,606,105	\$ -	\$ 4,012,869	\$ 6,569,416	\$ 1,337,623	\$ 2,189,805	
Total Utility Plant			\$ 119,114,652	\$ -	\$ 183,412,177	\$ 300,261,718	\$ 61,137,392	\$ 100,087,239	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
General Plant										
Total General Plant	PGP	PT&D	342,204	272,166	124,614	167,922	369,345	-	-	-
TOTAL COMMON PLANT	PCOM	PT&D	3,325,573	2,644,935	1,211,011	1,631,881	3,589,325	-	-	-
106.00 COMPLETED CONSTR NOT CLASSIFIED	P106	PT&D	2,346,796	1,866,482	854,588	1,151,589	2,532,921	-	-	-
105.00 PLANT HELD FOR FUTURE USE - DIST	P105	PDIST	49,566	39,422	18,050	24,322	53,497	-	-	-
105.00 PLANT HELD FOR FUTURE USE - PROD	P105	F017	-	-	-	-	-	-	-	-
PROPERTY HELD UNDER CAPITAL LEASE		F017	0	0	0	0	0	0	0	0
OTHER		PDIST	-	-	-	-	-	-	-	-
Total Plant in Service	TPIS		\$ 83,758,764	\$ 66,616,037	\$ 30,500,848	\$ 41,101,000	\$ 90,401,685	\$ -	\$ -	\$ -
Construction Work in Progress (CWIP)										
CWIP Production	CWIP1	F017	-	-	-	-	-	-	-	-
CWIP Transmission	CWIP2	F011	-	-	-	-	-	-	-	-
CWIP Distribution	CWIP3	PDIST	1,710,355	1,360,300	622,828	839,283	1,846,003	-	-	-
CWIP Common	CWIP4	PT&D	163,191	129,791	59,426	80,079	176,134	-	-	-
Total Construction Work in Progress	TCWIP		\$ 1,873,546	\$ 1,490,092	\$ 682,254	\$ 919,362	\$ 2,022,138	\$ -	\$ -	\$ -
Total Utility Plant			\$ 85,632,311	\$ 68,106,129	\$ 31,183,102	\$ 42,020,362	\$ 92,423,823	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Rate Base										
Utility Plant										
Plant in Service			\$ 3,934,849,118	\$ 892,016,895	\$ 840,884,478	\$ 863,594,164	\$ -	\$ 95,738,806	\$ 90,250,842	\$ 92,688,238
Construction Work in Progress (CWIP)			144,812,074	37,537,791.97	35,386,041.22	36,341,708.62	-	4,068,731.83	3,835,502.96	3,939,088.02
Total Utility Plant	TUP		\$ 4,079,661,192	\$ 929,554,686	\$ 876,270,519	\$ 899,935,872	\$ -	\$ 99,807,538	\$ 94,086,345	\$ 96,627,326
Less: Accumulated Provision for Depreciation and RWIP										
Production	ADEPREPA	F017	\$ 1,236,518,343	424,801,521	400,450,941	411,265,881	-	-	-	-
Transmission	ADEPRTP	PTRAN	139,855,579	-	-	-	-	48,046,892	45,292,736	46,515,952
Distribution	ADEPRD11	PDIST	416,199,198	-	-	-	-	-	-	-
General & Common Plant	ADEPRD12	PT&D	81,570,485	18,494,699	17,434,541	17,905,394	-	1,985,008	1,871,223	1,921,758
Intangible Plant	ADEPRGP	PT&D	-	-	-	-	-	-	-	-
Total Accumulated Depreciation	TADEPR		\$ 1,874,143,605	\$ 443,296,219	\$ 417,885,482	\$ 429,171,275	\$ -	\$ 50,031,899	\$ 47,163,958	\$ 48,437,711
Net Utility Plant	NTPLANT		\$ 2,205,517,586	\$ 486,258,467	\$ 458,385,037	\$ 470,764,597	\$ -	\$ 49,775,639	\$ 46,922,387	\$ 48,189,616
Working Capital										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	\$ 82,477,382	4,322,128	4,074,374	4,184,410	55,761,561	942,062	888,061	912,045
Materials and Supplies	M&S	TPIS	90,578,486	20,533,834	19,356,789	19,879,556	-	2,203,865	2,077,534	2,133,642
Prepayments	PREPAY	TPIS	4,350,165	986,168	929,638	954,745	-	105,844	99,777	102,471
Mill Creek Ash Dredging Project		F017	-	-	-	-	-	-	-	-
Total Working Capital	TWC		\$ 177,406,033	\$ 25,842,130	\$ 24,360,801	\$ 25,018,711	\$ 55,761,561	\$ 3,251,771	\$ 3,065,372	\$ 3,148,158
Deferred Debits										
Service Pension Cost	PENSCOST	TLB	\$ -	-	-	-	-	-	-	-
Other Deferred Debits	DDEBPP	OMSUB2	-	-	-	-	-	-	-	-
Total Deferred Debits			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Customer Advances	CSTDEP	F027	\$ 960,947	-	-	-	-	-	-	-
Accumulated Deferred Income Taxes										
Accumulated Deferred Income Taxes	DIT	TPIS	\$ 406,612,247	92,177,612	86,893,783	89,240,515	-	9,893,282	9,326,177	9,578,048
FAS 109 Deferred Income Taxes	DIT	TPIS	\$ 27,127,029	6,149,605	5,797,096	5,953,657	-	660,028	622,193	638,997
Asset Retirement Obligation-Net Assets	DIT	TPIS	\$ 27,021,378	6,125,654	5,774,518	5,930,470	-	657,457	619,770	636,508
Asset Retirement Obligation-Regulatory Liabilities	DIT	TPIS	\$ 204,351	46,326	43,670	44,850	-	4,972	4,687	4,814
Total Accumulated Deferred Income Tax			\$ 460,965,004	\$ 104,499,197	\$ 98,509,067	\$ 101,169,492	\$ -	\$ 11,215,739	\$ 10,572,827	\$ 10,858,367
Investment Tax Credits										
Total Production Plant	DIT	F017	\$ -	-	-	-	-	-	-	-
Total Transmission Plant	DIT	PTRAN	-	-	-	-	-	-	-	-
Total Distribution Plant	DIT	PDIST	-	-	-	-	-	-	-	-
Total General Plant	DIT	PT&D	-	-	-	-	-	-	-	-
Total Investment Tax Credit			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Rate Base	RB		\$ 1,920,997,668	\$ 407,601,400	\$ 384,236,771	\$ 394,613,816	\$ 55,761,561	\$ 41,811,671	\$ 39,414,932	\$ 40,479,407

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation		Distribution Primary Lines			Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Rate Base									
Utility Plant									
Plant in Service			\$ 116,508,547	\$ -	\$ 179,399,309	\$ 293,692,302	\$ 59,799,770	\$ 97,897,434	
Construction Work in Progress (CWIP)			2,606,105.29	-	4,012,868.59	6,569,415.59	1,337,622.86	2,189,805.20	
Total Utility Plant	TUP		\$ 119,114,652	\$ -	\$ 183,412,177	\$ 300,261,718	\$ 61,137,392	\$ 100,087,239	
Less: Accumulated Provision for Depreciation and RWIP									
Production	ADEPREPA	F017	-	-	-	-	-	-	
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	
Distribution	ADEPRD11	PDIST	45,760,004	-	70,461,037	115,350,858	23,487,012	38,450,286	
General & Common Plant	ADEPRD12	PT&D	2,414,209	-	3,717,388	6,085,688	1,239,129	2,028,563	
Intangible Plant	ADEPRGP	PT&D	-	-	-	-	-	-	
Total Accumulated Depreciation	TADEPR		\$ 48,174,213	\$ -	\$ 74,178,425	\$ 121,436,546	\$ 24,726,142	\$ 40,478,849	
Net Utility Plant	NTPLANT		\$ 70,940,439	\$ -	\$ 109,233,752	\$ 178,825,172	\$ 36,411,251	\$ 59,608,391	
Working Capital									
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	781,335	-	1,643,236	2,205,449	547,745	735,150	
Materials and Supplies	M&S	TPIS	2,681,975	-	4,129,693	6,760,667	1,376,564	2,253,556	
Prepayments	PREPAY	TPIS	128,806	-	198,335	324,691	66,112	108,230	
Mill Creek Ash Dredging Project		F017	-	-	-	-	-	-	
Total Working Capital	TWC		\$ 3,592,116	\$ -	\$ 5,971,264	\$ 9,290,807	\$ 1,990,421	\$ 3,096,936	
Deferred Debits									
Service Pension Cost	PENSCOST	TLB	-	-	-	-	-	-	
Other Deferred Debits	DDEBPP	OMSUB2	-	-	-	-	-	-	
Total Deferred Debits			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Less: Customer Advances	CSTDEP	F027	-	-	273,240	447,470	91,080	149,157	
Accumulated Deferred Income Taxes									
Accumulated Deferred Income Taxes	DIT	TPIS	12,039,547	-	18,538,438	30,349,038	6,179,479	10,116,346	
FAS 109 Deferred Income Taxes	DIT	TPIS	803,215	-	1,236,787	2,024,728	412,262	674,909	
Asset Retirement Obligation-Net Assets	DIT	TPIS	800,087	-	1,231,970	2,016,842	410,657	672,281	
Asset Retirement Obligation-Regulatory Liabilities	DIT	TPIS	6,051	-	9,317	15,252	3,106	5,084	
Total Accumulated Deferred Income Tax			\$ 13,648,900	\$ -	\$ 21,016,512	\$ 34,405,861	\$ 7,005,504	\$ 11,468,620	
Investment Tax Credits									
Total Production Plant	DIT	F017	-	-	-	-	-	-	
Total Transmission Plant	DIT	PTRAN	-	-	-	-	-	-	
Total Distribution Plant	DIT	PDIST	-	-	-	-	-	-	
Total General Plant	DIT	PT&D	-	-	-	-	-	-	
Total Investment Tax Credit			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Rate Base	RB		\$ 60,883,655	\$ -	\$ 93,915,264	\$ 153,262,647	\$ 31,305,088	\$ 51,087,549	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Rate Base										
Utility Plant										
Plant in Service			\$ 83,758,764	\$ 66,616,037	\$ 30,500,848	\$ 41,101,000	\$ 90,401,685	\$ -	\$ -	\$ -
Construction Work in Progress (CWIP)			1,873,546.32	1,490,091.60	682,253.99	919,362.02	2,022,137.58	-	-	-
Total Utility Plant	TUP		\$ 85,632,311	\$ 68,106,129	\$ 31,183,102	\$ 42,020,362	\$ 92,423,823	\$ -	\$ -	\$ -
Less: Accumulated Provision for Depreciation and RWIP										
Production	ADEPREPA	F017	-	-	-	-	-	-	-	-
Transmission	ADEPRTP	PTRAN	-	-	-	-	-	-	-	-
Distribution	ADEPRD11	PDIST	32,897,169	26,164,176	11,979,541	16,142,866	35,506,249	-	-	-
General & Common Plant	ADEPRD12	PT&D	1,735,591	1,380,371	632,017	851,666	1,873,241	-	-	-
Intangible Plant	ADEPRGP	PT&D	-	-	-	-	-	-	-	-
Total Accumulated Depreciation	TADEPR		\$ 34,632,760	\$ 27,544,547	\$ 12,611,558	\$ 16,994,533	\$ 37,379,490	\$ -	\$ -	\$ -
Net Utility Plant	NTPLANT		\$ 50,999,551	\$ 40,561,582	\$ 18,571,543	\$ 25,025,829	\$ 55,044,333	\$ -	\$ -	\$ -
Working Capital										
Cash Working Capital - Operation and Maintenance Expenses	CWC	OMLPP	121,357	96,519	34,937	1,410,410	146,401	2,120,281	1,549,920	-
Materials and Supplies	M&S	TPIS	1,928,090	1,533,472	702,116	946,127	2,081,007	-	-	-
Prepayments	PREPAY	TPIS	92,599	73,647	33,720	45,439	99,943	-	-	-
Mill Creek Ash Dredging Project		F017	-	-	-	-	-	-	-	-
Total Working Capital	TWC		\$ 2,142,046	\$ 1,703,638	\$ 770,773	\$ 2,401,976	\$ 2,327,351	\$ 2,120,281	\$ 1,549,920	\$ -
Deferred Debits										
Service Pension Cost	PENSCOST	TLB	-	-	-	-	-	-	-	-
Other Deferred Debits	DDEBPP	OMSUB2	-	-	-	-	-	-	-	-
Total Deferred Debits			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Customer Advances	CSTDEP	F027	-	-	-	-	-	-	-	-
Accumulated Deferred Income Taxes										
Accumulated Deferred Income Taxes	DIT	TPIS	8,655,310	6,883,846	3,151,841	4,247,220	9,341,764	-	-	-
FAS 109 Deferred Income Taxes	DIT	TPIS	577,437	459,254	210,274	283,352	623,233	-	-	-
Asset Retirement Obligation-Net Assets	DIT	TPIS	575,188	457,465	209,455	282,249	620,806	-	-	-
Asset Retirement Obligation-Regulatory Liabilities	DIT	TPIS	4,350	3,460	1,584	2,135	4,695	-	-	-
Total Accumulated Deferred Income Tax			\$ 9,812,285	\$ 7,804,025	\$ 3,573,154	\$ 4,814,955	\$ 10,590,498	\$ -	\$ -	\$ -
Investment Tax Credits										
Total Production Plant	DIT	F017	-	-	-	-	-	-	-	-
Total Transmission Plant	DIT	PTRAN	-	-	-	-	-	-	-	-
Total Distribution Plant	DIT	PDIST	-	-	-	-	-	-	-	-
Total General Plant	DIT	PT&D	-	-	-	-	-	-	-	-
Total Investment Tax Credit			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Rate Base	RB		\$ 43,329,312	\$ 34,461,194	\$ 15,769,162	\$ 22,612,850	\$ 46,781,186	\$ 2,120,281	\$ 1,549,920	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Operation and Maintenance Expenses										
Steam Power Generation Operation Expenses										
500 OPERATION SUPERVISION & ENGINEERING	OM500	LBSUB1	\$ 2,338,675	701,276	661,077	678,931	297,391	-	-	-
501 FUEL	OM501	Energy	347,138,171	-	-	-	347,138,171	-	-	-
502 STEAM EXPENSES	OM502	PROFIX	34,888,636	11,985,868	11,298,811	11,603,957	-	-	-	-
504 STEAM TRANSFER EXPENSES	OM504	PROFIX	37,603	12,918	12,178	12,507	-	-	-	-
505 ELECTRIC EXPENSES	OM505	PROFIX	736,005	252,852	238,358	244,795	-	-	-	-
506 MISC. STEAM POWER EXPENSES	OM506	PROFIX	17,654,961	6,065,300	5,717,623	5,872,038	-	-	-	-
507 RENTS	OM507	PROFIX	88,736	30,485	28,737	29,514	-	-	-	-
509 ALLOWANCES	OM509	PROFIX	81,359	27,951	26,348	27,060	-	-	-	-
Total Steam Power Operation Expenses			\$ 402,964,146	\$ 19,076,649	\$ 17,983,133	\$ 18,468,802	\$ 347,435,563	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses										
510 MAINTENANCE SUPERVISION & ENGINEERING	OM510	LBSUB2	\$ 3,628,672	41,297	38,930	39,981	3,508,464	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	PROFIX	2,040,568	701,030	660,845	678,693	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	Energy	46,350,908	-	-	-	46,350,908	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	Energy	11,612,285	-	-	-	11,612,285	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	Energy	1,927,230	-	-	-	1,927,230	-	-	-
Total Steam Power Generation Maintenance Expense			\$ 65,559,662	\$ 742,327	\$ 699,775	\$ 718,674	\$ 63,398,887	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ 468,523,808	\$ 19,818,976	\$ 18,682,908	\$ 19,187,475	\$ 410,834,449	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses										
535 OPERATION SUPERVISION & ENGINEERING	OM535	LBSUB3	\$ 109,553	37,636	35,479	36,437	-	-	-	-
536 WATER FOR POWER	OM536	PROFIX	38,568	13,250	12,490	12,828	-	-	-	-
537 HYDRAULIC EXPENSES	OM537	PROFIX	-	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	OM538	PROFIX	258,566	88,829	83,738	85,999	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	OM539	PROFIX	94,572	32,490	30,627	31,454	-	-	-	-
540 RENTS	OM540	PROFIX	341,099	117,183	110,466	113,449	-	-	-	-
Total Hydraulic Power Operation Expenses			\$ 842,357	\$ 289,389	\$ 272,800	\$ 280,168	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses										
541 MAINTENANCE SUPERVISION & ENGINEERING	OM541	LBSUB4	\$ 13,044	1,499	1,413	1,451	8,682	-	-	-
542 MAINTENANCE OF STRUCTURES	OM542	PROFIX	309,385	106,288	100,196	102,902	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	OM543	PROFIX	78,637	27,016	25,467	26,155	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	OM544	Energy	287,064	-	-	-	287,064	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	OM545	Energy	1,939	-	-	-	1,939	-	-	-
Total Hydraulic Power Generation Maint. Expense			\$ 690,070	\$ 134,802	\$ 127,075	\$ 130,507	\$ 297,686	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ 1,532,427	\$ 424,191	\$ 399,876	\$ 410,675	\$ 297,686	\$ -	\$ -	\$ -
Other Power Generation Operation Expense										
546 OPERATION SUPERVISION & ENGINEERING	OM546	LBSUB5	\$ 49,813	17,113	16,132	16,568	-	-	-	-
547 FUEL	OM547	Energy	17,279,551	-	-	-	17,279,551	-	-	-
548 GENERATION EXPENSE	OM548	PROFIX	154,402	53,044	50,004	51,354	-	-	-	-
549 MISC OTHER POWER GENERATION	OM549	PROFIX	36,953	12,695	11,967	12,291	-	-	-	-
550 RENTS	OM550	PROFIX	22,784	7,827	7,379	7,578	-	-	-	-
Total Other Power Generation Operation Expenses			\$ 17,543,504	\$ 90,680	\$ 85,482	\$ 87,791	\$ 17,279,551	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Operation and Maintenance Expenses									
Steam Power Generation Operation Expenses									
500 OPERATION SUPERVISION & ENGINEERING	OM500	LBSUB1	-	-	-	-	-	-	-
501 FUEL	OM501	Energy	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	PROFIX	-	-	-	-	-	-	-
504 STEAM TRANSFER EXPENSES	OM504	PROFIX	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	PROFIX	-	-	-	-	-	-	-
506 MISC. STEAM POWER EXPENSES	OM506	PROFIX	-	-	-	-	-	-	-
507 RENTS	OM507	PROFIX	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	PROFIX	-	-	-	-	-	-	-
Total Steam Power Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses									
510 MAINTENANCE SUPERVISION & ENGINEERING	OM510	LBSUB2	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	PROFIX	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	Energy	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	Energy	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	Energy	-	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses									
535 OPERATION SUPERVISION & ENGINEERING	OM535	LBSUB3	-	-	-	-	-	-	-
536 WATER FOR POWER	OM536	PROFIX	-	-	-	-	-	-	-
537 HYDRAULIC EXPENSES	OM537	PROFIX	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	OM538	PROFIX	-	-	-	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	OM539	PROFIX	-	-	-	-	-	-	-
540 RENTS		PROFIX	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses									
541 MAINTENANCE SUPERVISION & ENGINEERING	OM541	LBSUB4	-	-	-	-	-	-	-
542 MAINTENANCE OF STRUCTURES	OM542	PROFIX	-	-	-	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	OM543	PROFIX	-	-	-	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	OM544	Energy	-	-	-	-	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	OM545	Energy	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Generation Operation Expense									
546 OPERATION SUPERVISION & ENGINEERING	OM546	LBSUB5	-	-	-	-	-	-	-
547 FUEL	OM547	Energy	-	-	-	-	-	-	-
548 GENERATION EXPENSE	OM548	PROFIX	-	-	-	-	-	-	-
549 MISC OTHER POWER GENERATION	OM549	PROFIX	-	-	-	-	-	-	-
550 RENTS	OM550	PROFIX	-	-	-	-	-	-	-
Total Other Power Generation Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
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Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Operation and Maintenance Expenses										
Steam Power Generation Operation Expenses										
500 OPERATION SUPERVISION & ENGINEERING	OM500	LBSUB1	-	-	-	-	-	-	-	-
501 FUEL	OM501	Energy	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	OM502	PROFIX	-	-	-	-	-	-	-	-
504 STEAM TRANSFER EXPENSES	OM504	PROFIX	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	OM505	PROFIX	-	-	-	-	-	-	-	-
506 MISC. STEAM POWER EXPENSES	OM506	PROFIX	-	-	-	-	-	-	-	-
507 RENTS	OM507	PROFIX	-	-	-	-	-	-	-	-
509 ALLOWANCES	OM509	PROFIX	-	-	-	-	-	-	-	-
Total Steam Power Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses										
510 MAINTENANCE SUPERVISION & ENGINEERING	OM510	LBSUB2	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	OM511	PROFIX	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	OM512	Energy	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	OM513	Energy	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	OM514	Energy	-	-	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses										
535 OPERATION SUPERVISION & ENGINEERING	OM535	LBSUB3	-	-	-	-	-	-	-	-
536 WATER FOR POWER	OM536	PROFIX	-	-	-	-	-	-	-	-
537 HYDRAULIC EXPENSES	OM537	PROFIX	-	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	OM538	PROFIX	-	-	-	-	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	OM539	PROFIX	-	-	-	-	-	-	-	-
540 RENTS	OM539	PROFIX	-	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses										
541 MAINTENANCE SUPERVISION & ENGINEERING	OM541	LBSUB4	-	-	-	-	-	-	-	-
542 MAINTENANCE OF STRUCTURES	OM542	PROFIX	-	-	-	-	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	OM543	PROFIX	-	-	-	-	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	OM544	Energy	-	-	-	-	-	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	OM545	Energy	-	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Generation Operation Expense										
546 OPERATION SUPERVISION & ENGINEERING	OM546	LBSUB5	-	-	-	-	-	-	-	-
547 FUEL	OM547	Energy	-	-	-	-	-	-	-	-
548 GENERATION EXPENSE	OM548	PROFIX	-	-	-	-	-	-	-	-
549 MISC OTHER POWER GENERATION	OM549	PROFIX	-	-	-	-	-	-	-	-
550 RENTS	OM550	PROFIX	-	-	-	-	-	-	-	-
Total Other Power Generation Operation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Operation and Maintenance Expenses (Continued)										
Other Power Generation Maintenance Expense										
551 MAINTENANCE SUPERVISION & ENGINEERING	OM551	PROFIX	\$ 24,273	8,339	7,861	8,073	-	-	-	-
552 MAINTENANCE OF STRUCTURES	OM552	PROFIX	96,755	33,240	31,335	32,181	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	OM553	PROFIX	885,069	304,062	286,633	294,374	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	OM554	PROFIX	61,651	21,180	19,966	20,505	-	-	-	-
Total Other Power Generation Maintenance Expense			\$ 1,067,748	\$ 366,821	\$ 345,794	\$ 355,133	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ 18,611,252	\$ 457,501	\$ 431,276	\$ 442,924	\$ 17,279,551	\$ -	\$ -	\$ -
Total Station Expense			\$ 488,667,488	\$ 20,700,668	\$ 19,514,059	\$ 20,041,074	\$ 428,411,686	\$ -	\$ -	\$ -
Other Power Supply Expenses										
555 PURCHASED POWER	OM555	OMPP	\$ 69,067,179	7,133,946	6,725,012	6,906,634	48,301,587	-	-	-
555 PURCHASED POWER OPTIONS	OMO555	OMPP	-	-	-	-	-	-	-	-
555 BROKERAGE FEES	OMB555	OMPP	-	-	-	-	-	-	-	-
555 MISO TRANSMISSION EXPENSES	OMM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	OM556	PROFIX	1,536,733	527,939	497,677	511,117	-	-	-	-
557 OTHER EXPENSES	OM557	PROFIX	1,845,858	634,138	597,788	613,932	-	-	-	-
558 DUPLICATE CHARGES	OM558	Energy	-	-	-	-	-	-	-	-
Total Other Power Supply Expenses	TPP		\$ 72,449,770	\$ 8,296,023	\$ 7,820,476	\$ 8,031,683	\$ 48,301,587	\$ -	\$ -	\$ -
Total Electric Power Generation Expenses			\$ 561,117,258	\$ 28,996,691	\$ 27,334,536	\$ 28,072,757	\$ 476,713,274	\$ -	\$ -	\$ -
Transmission Expenses										
560 OPERATION SUPERVISION AND ENG	OM560	LBTRAN	\$ 1,024,769	-	-	-	-	352,056	331,875	340,838
561 LOAD DISPATCHING	OM561	LBTRAN	1,912,859	-	-	-	-	657,156	619,486	636,217
562 STATION EXPENSES	OM562	LBTRAN	1,302,918	-	-	-	-	447,613	421,955	433,350
563 OVERHEAD LINE EXPENSES	OM563	LBTRAN	145,909	-	-	-	-	50,126	47,253	48,529
565 TRANSMISSION OF ELECTRICITY BY OTHERS	OM565	LBTRAN	2,891,642	-	-	-	-	993,413	936,469	961,760
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	6,311,826	-	-	-	-	2,168,405	2,044,108	2,099,313
567 RENTS	OM567	PTRAN	25,478	-	-	-	-	8,753	8,251	8,474
568 MAINTENANCE SUPERVISION AND ENG	OM568	LBTRAN	-	-	-	-	-	-	-	-
569 STRUCTURES	OM569	LBTRAN	1,012	-	-	-	-	348	328	337
570 MAINT OF STATION EQUIPMENT	OM570	LBTRAN	1,320,531	-	-	-	-	453,664	427,659	439,208
571 MAINT OF OVERHEAD LINES	OM571	LBTRAN	1,037,324	-	-	-	-	356,369	335,941	345,014
572 UNDERGROUND LINES	OM572	LBTRAN	-	-	-	-	-	-	-	-
573 MISC PLANT	OM573	PTRAN	14,482	-	-	-	-	4,975	4,690	4,817
575 MARKET FACILITATION, MONITORING AND COMPLIANCE	OM575	LBTRAN	753,467	-	-	-	-	258,851	244,013	250,603
Total Transmission Expenses			\$ 16,742,215	\$ -	\$ -	\$ -	\$ -	\$ 5,751,729	\$ 5,422,027	\$ 5,568,459

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Operation and Maintenance Expenses (Continued)									
Other Power Generation Maintenance Expense									
551 MAINTENANCE SUPERVISION & ENGINEERING	OM551	PROFIX	-	-	-	-	-	-	-
552 MAINTENANCE OF STRUCTURES	OM552	PROFIX	-	-	-	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	OM553	PROFIX	-	-	-	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	OM554	PROFIX	-	-	-	-	-	-	-
Total Other Power Generation Maintenance Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Station Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Supply Expenses									
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-
555 PURCHASED POWER OPTIONS	OMO555	OMPP	-	-	-	-	-	-	-
555 BROKERAGE FEES	OMB555	OMPP	-	-	-	-	-	-	-
555 MISO TRANSMISSION EXPENSES	OMM555	OMPP	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	OM556	PROFIX	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	PROFIX	-	-	-	-	-	-	-
558 DUPLICATE CHARGES	OM558	Energy	-	-	-	-	-	-	-
Total Other Power Supply Expenses	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Electric Power Generation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Expenses									
560 OPERATION SUPERVISION AND ENG	OM560	LBTRAN	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	LBTRAN	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	LBTRAN	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	LBTRAN	-	-	-	-	-	-	-
565 TRANSMISSION OF ELECTRICITY BY OTHERS	OM565	LBTRAN	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-
568 MAINTENACE SUPERVISION AND ENG	OM568	LBTRAN	-	-	-	-	-	-	-
569 STRUCTURES	OM569	LBTRAN	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	LBTRAN	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	LBTRAN	-	-	-	-	-	-	-
572 UNDERGROUND LINES	OM572	LBTRAN	-	-	-	-	-	-	-
573 MISC PLANT	OM573	PTRAN	-	-	-	-	-	-	-
575 MARKET FACILITATION, MONITORING AND COMPLIANCE	OM575	LBTRAN	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Operation and Maintenance Expenses (Continued)										
Other Power Generation Maintenance Expense										
551 MAINTENANCE SUPERVISION & ENGINEERING	OM551	PROFIX	-	-	-	-	-	-	-	-
552 MAINTENANCE OF STRUCTURES	OM552	PROFIX	-	-	-	-	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	OM553	PROFIX	-	-	-	-	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	OM554	PROFIX	-	-	-	-	-	-	-	-
Total Other Power Generation Maintenance Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Station Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Supply Expenses										
555 PURCHASED POWER	OM555	OMPP	-	-	-	-	-	-	-	-
555 PURCHASED POWER OPTIONS	OMO555	OMPP	-	-	-	-	-	-	-	-
555 BROKERAGE FEES	OMB555	OMPP	-	-	-	-	-	-	-	-
555 MISO TRANSMISSION EXPENSES	OMM555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	OM556	PROFIX	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	OM557	PROFIX	-	-	-	-	-	-	-	-
558 DUPLICATE CHARGES	OM558	Energy	-	-	-	-	-	-	-	-
Total Other Power Supply Expenses	TPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Electric Power Generation Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transmission Expenses										
560 OPERATION SUPERVISION AND ENG	OM560	LBTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	OM561	LBTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	OM562	LBTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	OM563	LBTRAN	-	-	-	-	-	-	-	-
565 TRANSMISSION OF ELECTRICITY BY OTHERS	OM565	LBTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	OM566	PTRAN	-	-	-	-	-	-	-	-
567 RENTS	OM567	PTRAN	-	-	-	-	-	-	-	-
568 MAINTENANCE SUPERVISION AND ENG	OM568	LBTRAN	-	-	-	-	-	-	-	-
569 STRUCTURES	OM569	LBTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	OM570	LBTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	OM571	LBTRAN	-	-	-	-	-	-	-	-
572 UNDERGROUND LINES	OM572	LBTRAN	-	-	-	-	-	-	-	-
573 MISC PLANT	OM573	PTRAN	-	-	-	-	-	-	-	-
575 MARKET FACILITATION, MONITORING AND COMPLIANCE	OM575	LBTRAN	-	-	-	-	-	-	-	-
Total Transmission Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Operation and Maintenance Expenses (Continued)										
Distribution Operation Expense										
580 OPERATION SUPERVISION AND ENGI	OM580	LBDO	\$ 2,530,733	-	-	-	-	-	-	-
581 LOAD DISPATCHING	OM581	P362	583,899	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	1,131,098	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	4,528,695	-	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	674,010	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P373	-	-	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	6,212,508	-	-	-	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	PDIST	(192,842)	-	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	2,989,237	-	-	-	-	-	-	-
588 MISC DISTR EXP -- MAPPIN	OM588x	PDIST	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	13,309	-	-	-	-	-	-	-
Total Distribution Operation Expense	OMDO		\$ 18,470,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Maintenance Expense										
590 MAINTENANCE SUPERVISION AND EN	OM590	LBDM	\$ 351,679	-	-	-	-	-	-	-
591 STRUCTURES	OM591	P362	784,053	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	901,232	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	20,552,385	-	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	1,784,778	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	212,121	-	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	331,958	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	-	-	-	-
598 MISCELLANEOUS DISTRIBUTION EXPENSES	OM598	PDIST	400,476	-	-	-	-	-	-	-
Total Distribution Maintenance Expense	OMDM		\$ 25,318,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			\$ 43,789,329	-	-	-	-	-	-	-
Transmission and Distribution Expenses			\$ 60,531,544	-	-	-	-	5,751,729	5,422,027	5,568,459
Production, Transmission and Distribution Expenses	OMSUB		\$ 621,648,802	\$ 28,996,691	\$ 27,334,536	\$ 28,072,757	\$ 476,713,274	\$ 5,751,729	\$ 5,422,027	\$ 5,568,459

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Operation and Maintenance Expenses (Continued)									
Distribution Operation Expense									
580 OPERATION SUPERVISION AND ENGI	OM580	LBDO	348,850	-	352,809	474,666	117,603	158,222	
581 LOAD DISPATCHING	OM581	P362	583,899	-	-	-	-	-	
582 STATION EXPENSES	OM582	P362	1,131,098	-	-	-	-	-	
583 OVERHEAD LINE EXPENSES	OM583	P365	-	-	1,543,040	1,853,482	514,347	617,827	
584 UNDERGROUND LINE EXPENSES	OM584	P367	-	-	125,315	380,192	41,772	126,731	
585 STREET LIGHTING EXPENSE	OM585	P373	-	-	-	-	-	-	
586 METER EXPENSES	OM586	P370	-	-	-	-	-	-	
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	PDIST	(21,202)	-	(32,647)	(53,447)	(10,882)	(17,816)	
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	328,659	-	506,067	828,476	168,689	276,159	
588 MISC DISTR EXP -- MAPPIN	OM588x	PDIST	-	-	-	-	-	-	
589 RENTS	OM589	PDIST	1,463	-	2,253	3,689	751	1,230	
Total Distribution Operation Expense	OMDO		\$ 2,372,767	\$ -	\$ 2,496,836	\$ 3,487,057	\$ 832,279	\$ 1,162,352	
Distribution Maintenance Expense									
590 MAINTENANCE SUPERVISION AND EN	OM590	LBDM	26,180	-	97,319	134,715	32,440	44,905	
591 STRUCTURES	OM591	P362	784,053	-	-	-	-	-	
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	901,232	-	-	-	-	-	
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	-	-	7,002,712	8,411,578	2,334,237	2,803,859	
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	-	-	331,835	1,006,749	110,612	335,583	
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	-	-	-	-	-	-	
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	-	-	
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	-	-	
598 MISCELLANEOUS DISTRIBUTION EXPENSES	OM598	PDIST	44,031	-	67,799	110,993	22,600	36,998	
Total Distribution Maintenance Expense	OMDM		\$ 1,755,496	\$ -	\$ 7,499,665	\$ 9,664,034	\$ 2,499,888	\$ 3,221,345	
Total Distribution Operation and Maintenance Expenses			4,128,263	-	9,996,501	13,151,091	3,332,167	4,383,697	
Transmission and Distribution Expenses			4,128,263	-	9,996,501	13,151,091	3,332,167	4,383,697	
Production, Transmission and Distribution Expenses	OMSUB		\$ 4,128,263	\$ -	\$ 9,996,501	\$ 13,151,091	\$ 3,332,167	\$ 4,383,697	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Operation and Maintenance Expenses (Continued)										
Distribution Operation Expense										
580 OPERATION SUPERVISION AND ENGI	OM580	LBDO	33,159	26,373	12,075	971,188	35,789	-	-	-
581 LOAD DISPATCHING	OM581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	OM582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	OM583	P365	-	-	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	OM584	P367	-	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	OM585	P373	-	-	-	-	-	-	-	-
586 METER EXPENSES	OM586	P370	-	-	-	6,212,508	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	OM586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	OM587	PDIST	(15,243)	(12,123)	(5,551)	(7,480)	(16,451)	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	OM588	PDIST	236,275	187,917	86,040	115,942	255,014	-	-	-
588 MISC DISTR EXP -- MAPPIN	OM588x	PDIST	-	-	-	-	-	-	-	-
589 RENTS	OM589	PDIST	1,052	837	383	516	1,135	-	-	-
Total Distribution Operation Expense	OMDO		\$ 255,243	\$ 203,003	\$ 92,947	\$ 7,292,675	\$ 275,487	\$ -	\$ -	\$ -
Distribution Maintenance Expense										
590 MAINTENANCE SUPERVISION AND EN	OM590	LBDM	7,885	6,271	193	260	1,509	-	-	-
591 STRUCTURES	OM591	P362	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	OM592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	OM593	P365	-	-	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	OM594	P367	-	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	OM595	P368	118,151	93,969	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	OM596	P373	-	-	-	-	331,958	-	-	-
597 MAINTENANCE OF METERS	OM597	P370	-	-	-	-	-	-	-	-
598 MISCELLANEOUS DISTRIBUTION EXPENSES	OM598	PDIST	31,654	25,176	11,527	15,533	34,165	-	-	-
Total Distribution Maintenance Expense	OMDM		\$ 157,691	\$ 125,417	\$ 11,720	\$ 15,793	\$ 367,633	\$ -	\$ -	\$ -
Total Distribution Operation and Maintenance Expenses			412,934	328,420	104,667	7,308,468	643,119	-	-	-
Transmission and Distribution Expenses			412,934	328,420	104,667	7,308,468	643,119	-	-	-
Production, Transmission and Distribution Expenses	OMSUB		\$ 412,934	\$ 328,420	\$ 104,667	\$ 7,308,468	\$ 643,119	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Operation and Maintenance Expenses (Continued)										
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F025	\$ 1,017,838	-	-	-	-	-	-	-
902 METER READING EXPENSES	OM902	F025	2,161,886	-	-	-	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F025	5,334,272	-	-	-	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F025	3,310,298	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F025	441,963	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ 12,266,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expense										
907 SUPERVISION	OM907	F026	\$ 171,596	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F026	10,918,539	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-INCENTIVES	OM908x	F026	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F026	50,475	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F026	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F026	317,977	-	-	-	-	-	-	-
911 DEMONSTRATION AND SELLING EXP	OM911	F026	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F026	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F026	19,134	-	-	-	-	-	-	-
915 MDSE-JOBGING-CONTRACT	OM915	F026	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F026	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ 11,477,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service	OMSUB2		645,392,779	28,996,691	27,334,536	28,072,757	476,713,274	5,751,729	5,422,027	5,568,459

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Operation and Maintenance Expenses (Continued)									
Customer Accounts Expense									
901 SUPERVISION/CUSTOMER ACCTS	OM901	F025	-	-	-	-	-	-	-
902 METER READING EXPENSES	OM902	F025	-	-	-	-	-	-	-
903 RECORDS AND COLLECTION	OM903	F025	-	-	-	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F025	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	OM903	F025	-	-	-	-	-	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expense									
907 SUPERVISION	OM907	F026	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F026	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-INCENTIVES	OM908x	F026	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F026	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F026	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F026	-	-	-	-	-	-	-
911 DEMONSTRATION AND SELLING EXP	OM911	F026	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F026	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F026	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	OM915	F026	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F026	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service	OMSUB2		4,128,263	-	9,996,501	13,151,091	3,332,167	4,383,697	

LOUISVILLE GAS AND ELECTRIC COMPANY
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Operation and Maintenance Expenses (Continued)										
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	OM901	F025	-	-	-	-	-	1,017,838	-	-
902 METER READING EXPENSES	OM902	F025	-	-	-	-	-	2,161,886	-	-
903 RECORDS AND COLLECTION	OM903	F025	-	-	-	-	-	5,334,272	-	-
904 UNCOLLECTIBLE ACCOUNTS	OM904	F025	-	-	-	-	-	3,310,298	-	-
905 MISC CUST ACCOUNTS	OM903	F025	-	-	-	-	-	441,963	-	-
Total Customer Accounts Expense	OMCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,266,257	\$ -	\$ -
Customer Service Expense										
907 SUPERVISION	OM907	F026	-	-	-	-	-	-	171,596	-
908 CUSTOMER ASSISTANCE EXPENSES	OM908	F026	-	-	-	-	-	-	10,918,539	-
908 CUSTOMER ASSISTANCE EXP-INCENTIVES	OM908x	F026	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	OM909	F026	-	-	-	-	-	-	50,475	-
909 INFORM AND INSTRUC -LOAD MGMT	OM909x	F026	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	OM910	F026	-	-	-	-	-	-	317,977	-
911 DEMONSTRATION AND SELLING EXP	OM911	F026	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	OM912	F026	-	-	-	-	-	-	-	-
913 ADVERTISING EXPENSES	OM913	F026	-	-	-	-	-	-	19,134	-
915 MDSE-JOBING-CONTRACT	OM915	F026	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	OM916	F026	-	-	-	-	-	-	-	-
Total Customer Service Expense	OMCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,477,720	\$ -
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service	OMSUB2		412,934	328,420	104,667	7,308,468	643,119	12,266,257	11,477,720	-

LOUISVILLE GAS AND ELECTRIC COMPANY
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Operation and Maintenance Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	OM920	LBSUB7	\$ 16,456,591	2,207,788	2,081,233	2,137,440	4,328,619	339,810	320,331	328,982
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB7	5,348,737	717,577	676,444	694,713	1,406,892	110,445	104,114	106,926
922 ADMINISTRATIVE EXPENSES TRANSFERRED	OM922	LBSUB7	(2,107,022)	(282,674)	(266,471)	(273,667)	(554,215)	(43,508)	(41,014)	(42,121)
923 OUTSIDE SERVICES EMPLOYED	OM923	LBSUB7	5,267,224	706,642	666,135	684,126	1,385,451	108,762	102,528	105,297
924 PROPERTY INSURANCE	OM924	TUP	4,471,918	1,018,931	960,523	986,464	-	109,404	103,133	105,918
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB7	2,448,360	328,468	309,639	318,002	643,998	50,556	47,658	48,945
926 EMPLOYEE BENEFITS	OM926	LBSUB7	37,074,584	4,973,862	4,688,749	4,815,378	9,751,822	765,548	721,665	741,155
927 FRANCHISE REQUIREMENTS	OM927	TUP	30,731	7,002	6,601	6,779	-	752	709	728
928 REGULATORY COMMISSION FEES	OM928	TUP	1,173,366	267,353	252,027	258,834	-	28,706	27,061	27,791
929 DUPLICATE CHARGES-CR	OM929	LBSUB7	(153,701)	(20,620)	(19,438)	(19,963)	(40,428)	(3,174)	(2,992)	(3,073)
930 MISCELLANEOUS GENERAL EXPENSES	OM930	LBSUB7	2,884,284	386,951	364,770	374,621	758,660	59,557	56,143	57,659
931 RENTS AND LEASES	OM931	PGP	1,598,925	362,529	341,748	350,977	-	38,910	36,679	37,670
935 MAINTENANCE OF GENERAL PLANT	OM935	PGP	8,999,458	2,040,472	1,923,507	1,975,455	-	219,001	206,447	212,023
Total Administrative and General Expense	OMAG		\$ 83,493,455	\$ 12,714,279	\$ 11,985,468	\$ 12,309,158	\$ 17,680,799	\$ 1,784,769	\$ 1,682,462	\$ 1,727,900
Total Operation and Maintenance Expenses	TOM		\$ 728,886,233	\$ 41,710,970	\$ 39,320,004	\$ 40,381,915	\$ 494,394,073	\$ 7,536,498	\$ 7,104,489	\$ 7,296,359
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 659,819,054	\$ 34,577,024	\$ 32,594,991	\$ 33,475,281	\$ 446,092,485	\$ 7,536,498	\$ 7,104,489	\$ 7,296,359

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
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Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Operation and Maintenance Expenses (Continued)									
Administrative and General Expense									
920 ADMIN. & GEN. SALARIES-	OM920	LBSUB7	402,244	-	590,314	804,000	196,771	268,000	
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB7	130,738	-	191,864	261,317	63,955	87,106	
922 ADMINISTRATIVE EXPENSES TRANSFERRED	OM922	LBSUB7	(51,501)	-	(75,581)	(102,940)	(25,194)	(34,313)	
923 OUTSIDE SERVICES EMPLOYED	OM923	LBSUB7	128,745	-	188,940	257,334	62,980	85,778	
924 PROPERTY INSURANCE	OM924	TUP	130,567	-	201,047	329,132	67,016	109,711	
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB7	59,845	-	87,825	119,617	29,275	39,872	
926 EMPLOYEE BENEFITS	OM926	LBSUB7	906,203	-	1,329,901	1,811,309	443,300	603,770	
927 FRANCHISE REQUIREMENTS	OM927	TUP	897	-	1,382	2,262	461	754	
928 REGULATORY COMMISSION FEES	OM928	TUP	34,259	-	52,752	86,359	17,584	28,786	
929 DUPLICATE CHARGES-CR	OM929	LBSUB7	(3,757)	-	(5,513)	(7,509)	(1,838)	(2,503)	
930 MISCELLANEOUS GENERAL EXPENSES	OM930	LBSUB7	70,500	-	103,462	140,914	34,487	46,971	
931 RENTS AND LEASES	OM931	PGP	47,323	-	72,867	119,290	24,289	39,763	
935 MAINTENANCE OF GENERAL PLANT	OM935	PGP	266,353	-	410,130	671,418	136,710	223,806	
Total Administrative and General Expense	OMAG		\$ 2,122,415	\$ -	\$ 3,149,390	\$ 4,492,502	\$ 1,049,797	\$ 1,497,501	
Total Operation and Maintenance Expenses	TOM		\$ 6,250,679	\$ -	\$ 13,145,891	\$ 17,643,593	\$ 4,381,964	\$ 5,881,198	
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 6,250,679	\$ -	\$ 13,145,891	\$ 17,643,593	\$ 4,381,964	\$ 5,881,198	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Operation and Maintenance Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	OM920	LBSUB7	52,214	41,528	12,076	931,711	38,219	1,149,675	225,636	-
921 OFFICE SUPPLIES AND EXPENSES	OM921	LBSUB7	16,971	13,497	3,925	302,826	12,422	373,668	73,337	-
922 ADMINISTRATIVE EXPENSES TRANSFERRED	OM922	LBSUB7	(6,685)	(5,317)	(1,546)	(119,292)	(4,893)	(147,199)	(28,889)	-
923 OUTSIDE SERVICES EMPLOYED	OM923	LBSUB7	16,712	13,292	3,865	298,211	12,233	367,974	72,219	-
924 PROPERTY INSURANCE	OM924	TUP	93,866	74,654	34,181	46,061	101,310	-	-	-
925 INJURIES AND DAMAGES - INSURAN	OM925	LBSUB7	7,768	6,178	1,797	138,617	5,686	171,045	33,569	-
926 EMPLOYEE BENEFITS	OM926	LBSUB7	117,632	93,556	27,206	2,099,025	86,103	2,590,070	508,330	-
927 FRANCHISE REQUIREMENTS	OM927	TUP	645	513	235	317	696	-	-	-
928 REGULATORY COMMISSION FEES	OM928	TUP	24,629	19,588	8,969	12,086	26,582	-	-	-
929 DUPLICATE CHARGES-CR	OM929	LBSUB7	(488)	(388)	(113)	(8,702)	(357)	(10,738)	(2,107)	-
930 MISCELLANEOUS GENERAL EXPENSES	OM930	LBSUB7	9,151	7,278	2,117	163,297	6,699	201,499	39,546	-
931 RENTS AND LEASES	OM931	PGP	34,021	27,058	12,389	16,694	36,719	-	-	-
935 MAINTENANCE OF GENERAL PLANT	OM935	PGP	191,483	152,293	69,729	93,962	206,670	-	-	-
Total Administrative and General Expense	OMAG		\$ 557,919	\$ 443,731	\$ 174,828	\$ 3,974,813	\$ 528,089	\$ 4,695,994	\$ 921,641	\$ -
Total Operation and Maintenance Expenses	TOM		\$ 970,854	\$ 772,151	\$ 279,495	\$ 11,283,281	\$ 1,171,209	\$ 16,962,251	\$ 12,399,361	\$ -
Operation and Maintenance Expenses Less Purchase Power	OMLPP		\$ 970,854	\$ 772,151	\$ 279,495	\$ 11,283,281	\$ 1,171,209	\$ 16,962,251	\$ 12,399,361	\$ -
						\$ 60,609,105				

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Labor Expenses										
Steam Power Generation Operation Expenses										
500 OPERATION SUPERVISION & ENGINEERING	LB500	F019	\$ 1,479,457	443,630	418,200	429,495	188,131	-	-	-
501 FUEL	LB501	Energy	2,373,175	-	-	-	2,373,175	-	-	-
502 STEAM EXPENSES	LB502	PROFIX	11,440,138	3,930,219	3,704,930	3,804,989	-	-	-	-
504 STEAM TRANSFER EXPENSES	LB504	PROFIX	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	PROFIX	490,915	168,652	158,985	163,278	-	-	-	-
506 MISC. STEAM POWER EXPENSES	LB506	PROFIX	4,358,335	1,497,291	1,411,463	1,449,582	-	-	-	-
507 RENTS	LB507	PROFIX	-	-	-	-	-	-	-	-
Total Steam Power Operation Expenses	LBSUB1		\$ 20,142,020	\$ 6,039,792	\$ 5,693,578	\$ 5,847,344	\$ 2,561,306	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses										
510 MAINTENANCE SUPERVISION & ENGINEERING	LB510	F020	\$ 1,735,387	19,750	18,618	19,121	1,677,899	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	PROFIX	310,285	106,597	100,487	103,201	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	Energy	7,287,310	-	-	-	7,287,310	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	Energy	1,619,341	-	-	-	1,619,341	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	Energy	149,573	-	-	-	149,573	-	-	-
Total Steam Power Generation Maintenance Expense	LBSUB2		\$ 11,101,897	\$ 126,347	\$ 119,105	\$ 122,321	\$ 10,734,123	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ 31,243,916	\$ 6,166,139	\$ 5,812,682	\$ 5,969,665	\$ 13,295,429	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses										
535 OPERATION SUPERVISION & ENGINEERING	LB535	F021	\$ 86,702	29,786	28,079	28,837	-	-	-	-
536 WATER FOR POWER	LB536	PROFIX	-	-	-	-	-	-	-	-
537 HYDRAULIC EXPENSES	LB537	PROFIX	-	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	LB538	PROFIX	212,163	72,888	68,710	70,565	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	LB539	PROFIX	1,053	362	341	350	-	-	-	-
540 RENTS		PROFIX	-	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses	LBSUB3		\$ 299,917	\$ 103,036	\$ 97,129	\$ 99,752	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses										
541 MAINTENANCE SUPERVISION & ENGINEERING	LB541	F022	\$ 9,934	1,141	1,076	1,105	6,612	-	-	-
542 MAINTENANCE OF STRUCTURES	LB542	PROFIX	30,440	10,457	9,858	10,124	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	LB543	PROFIX	31,136	10,697	10,084	10,356	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	LB544	Energy	122,557	-	-	-	122,557	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	LB545	Energy	-	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense	LBSUB4		\$ 194,067	\$ 22,295	\$ 21,017	\$ 21,585	\$ 129,169	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ 493,985	\$ 125,331	\$ 118,147	\$ 121,337	\$ 129,169	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Labor Expenses									
Steam Power Generation Operation Expenses									
500 OPERATION SUPERVISION & ENGINEERING	LB500	F019	-	-	-	-	-	-	-
501 FUEL	LB501	Energy	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	PROFIX	-	-	-	-	-	-	-
504 STEAM TRANSFER EXPENSES	LB504	PROFIX	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	PROFIX	-	-	-	-	-	-	-
506 MISC. STEAM POWER EXPENSES	LB506	PROFIX	-	-	-	-	-	-	-
507 RENTS	LB507	PROFIX	-	-	-	-	-	-	-
Total Steam Power Operation Expenses	LBSUB1		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses									
510 MAINTENANCE SUPERVISION & ENGINEERING	LB510	F020	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	PROFIX	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	Energy	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	Energy	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	Energy	-	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense	LBSUB2		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses									
535 OPERATION SUPERVISION & ENGINEERING	LB535	F021	-	-	-	-	-	-	-
536 WATER FOR POWER	LB536	PROFIX	-	-	-	-	-	-	-
537 HYDRAULIC EXPENSES	LB537	PROFIX	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	LB538	PROFIX	-	-	-	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	LB539	PROFIX	-	-	-	-	-	-	-
540 RENTS		PROFIX	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses	LBSUB3		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses									
541 MAINTENANCE SUPERVISION & ENGINEERING	LB541	F022	-	-	-	-	-	-	-
542 MAINTENANCE OF STRUCTURES	LB542	PROFIX	-	-	-	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	LB543	PROFIX	-	-	-	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	LB544	Energy	-	-	-	-	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	LB545	Energy	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense	LBSUB4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Labor Expenses										
Steam Power Generation Operation Expenses										
500 OPERATION SUPERVISION & ENGINEERING	LB500	F019	-	-	-	-	-	-	-	-
501 FUEL	LB501	Energy	-	-	-	-	-	-	-	-
502 STEAM EXPENSES	LB502	PROFIX	-	-	-	-	-	-	-	-
504 STEAM TRANSFER EXPENSES	LB504	PROFIX	-	-	-	-	-	-	-	-
505 ELECTRIC EXPENSES	LB505	PROFIX	-	-	-	-	-	-	-	-
506 MISC. STEAM POWER EXPENSES	LB506	PROFIX	-	-	-	-	-	-	-	-
507 RENTS	LB507	PROFIX	-	-	-	-	-	-	-	-
Total Steam Power Operation Expenses	LBSUB1		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Steam Power Generation Maintenance Expenses										
510 MAINTENANCE SUPERVISION & ENGINEERING	LB510	F020	-	-	-	-	-	-	-	-
511 MAINTENANCE OF STRUCTURES	LB511	PROFIX	-	-	-	-	-	-	-	-
512 MAINTENANCE OF BOILER PLANT	LB512	Energy	-	-	-	-	-	-	-	-
513 MAINTENANCE OF ELECTRIC PLANT	LB513	Energy	-	-	-	-	-	-	-	-
514 MAINTENANCE OF MISC STEAM PLANT	LB514	Energy	-	-	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense	LBSUB2		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Steam Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Operation Expenses										
535 OPERATION SUPERVISION & ENGINEERING	LB535	F021	-	-	-	-	-	-	-	-
536 WATER FOR POWER	LB536	PROFIX	-	-	-	-	-	-	-	-
537 HYDRAULIC EXPENSES	LB537	PROFIX	-	-	-	-	-	-	-	-
538 ELECTRIC EXPENSES	LB538	PROFIX	-	-	-	-	-	-	-	-
539 MISC. HYDRAULIC POWER EXPENSES	LB539	PROFIX	-	-	-	-	-	-	-	-
540 RENTS		PROFIX	-	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses	LBSUB3		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydraulic Power Generation Maintenance Expenses										
541 MAINTENANCE SUPERVISION & ENGINEERING	LB541	F022	-	-	-	-	-	-	-	-
542 MAINTENANCE OF STRUCTURES	LB542	PROFIX	-	-	-	-	-	-	-	-
543 MAINT. OF RESERVES, DAMS, AND WATERWAYS	LB543	PROFIX	-	-	-	-	-	-	-	-
544 MAINTENANCE OF ELECTRIC PLANT	LB544	Energy	-	-	-	-	-	-	-	-
545 MAINTENANCE OF MISC HYDRAULIC PLANT	LB545	Energy	-	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense	LBSUB4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hydraulic Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Labor Expenses (Continued)										
Other Power Generation Operation Expense										
546 OPERATION SUPERVISION & ENGINEERING	LB546	PROFIX	\$ 37,065	12,733	12,004	12,328	-	-	-	-
547 FUEL	LB547	Energy	-	-	-	-	-	-	-	-
548 GENERATION EXPENSE	LB548	PROFIX	96,566	33,175	31,273	32,118	-	-	-	-
549 MISC OTHER POWER GENERATION	LB549	PROFIX	1,649	566	534	548	-	-	-	-
550 RENTS	LB550	PROFIX	-	-	-	-	-	-	-	-
Total Other Power Generation Expenses	LBSUB5		\$ 135,279	\$ 46,475	\$ 43,811	\$ 44,994	\$ -	\$ -	\$ -	\$ -
Other Power Generation Maintenance Expense										
551 MAINTENANCE SUPERVISION & ENGINEERING	LB551	PROFIX	\$ 21,608	7,423	6,998	7,187	-	-	-	-
552 MAINTENANCE OF STRUCTURES	LB552	PROFIX	57,956	19,911	18,769	19,276	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	LB553	PROFIX	264,849	90,988	85,772	88,089	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	LB554	PROFIX	31,948	10,976	10,346	10,626	-	-	-	-
Total Other Power Generation Maintenance Expense	LBSUB6		\$ 376,361	\$ 129,297	\$ 121,886	\$ 125,178	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ 511,640	\$ 175,772	\$ 165,696	\$ 170,171	\$ -	\$ -	\$ -	\$ -
Total Production Expense	LPREX		\$ 32,249,541	\$ 6,467,243	\$ 6,096,526	\$ 6,261,174	\$ 13,424,599	\$ -	\$ -	\$ -
Purchased Power										
555 PURCHASED POWER	LB555	OMPP	\$ -	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	LB556	PROFIX	1,105,816	379,899	358,123	367,794	-	-	-	-
557 OTHER EXPENSES	LB557	PROFIX	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ 1,105,816	\$ 379,899	\$ 358,123	\$ 367,794	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Labor Expenses (Continued)									
Other Power Generation Operation Expense									
546 OPERATION SUPERVISION & ENGINEERING	LB546	PROFIX	-	-	-	-	-	-	-
547 FUEL	LB547	Energy	-	-	-	-	-	-	-
548 GENERATION EXPENSE	LB548	PROFIX	-	-	-	-	-	-	-
549 MISC OTHER POWER GENERATION	LB549	PROFIX	-	-	-	-	-	-	-
550 RENTS	LB550	PROFIX	-	-	-	-	-	-	-
Total Other Power Generation Expenses	LBSUB5		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Generation Maintenance Expense									
551 MAINTENANCE SUPERVISION & ENGINEERING	LB551	PROFIX	-	-	-	-	-	-	-
552 MAINTENANCE OF STRUCTURES	LB552	PROFIX	-	-	-	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	LB553	PROFIX	-	-	-	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	LB554	PROFIX	-	-	-	-	-	-	-
Total Other Power Generation Maintenance Expense	LBSUB6		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Production Expense	LPREX		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Power									
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	LB556	PROFIX	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	PROFIX	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Labor Expenses (Continued)										
Other Power Generation Operation Expense										
546 OPERATION SUPERVISION & ENGINEERING	LB546	PROFIX	-	-	-	-	-	-	-	-
547 FUEL	LB547	Energy	-	-	-	-	-	-	-	-
548 GENERATION EXPENSE	LB548	PROFIX	-	-	-	-	-	-	-	-
549 MISC OTHER POWER GENERATION	LB549	PROFIX	-	-	-	-	-	-	-	-
550 RENTS	LB550	PROFIX	-	-	-	-	-	-	-	-
Total Other Power Generation Expenses	LBSUB5		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Power Generation Maintenance Expense										
551 MAINTENANCE SUPERVISION & ENGINEERING	LB551	PROFIX	-	-	-	-	-	-	-	-
552 MAINTENANCE OF STRUCTURES	LB552	PROFIX	-	-	-	-	-	-	-	-
553 MAINTENANCE OF GENERATING & ELEC PLANT	LB553	PROFIX	-	-	-	-	-	-	-	-
554 MAINTENANCE OF MISC OTHER POWER GEN PLT	LB554	PROFIX	-	-	-	-	-	-	-	-
Total Other Power Generation Maintenance Expense	LBSUB6		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Power Generation Expense			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Production Expense	LPREX		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Power										
555 PURCHASED POWER	LB555	OMPP	-	-	-	-	-	-	-	-
556 SYSTEM CONTROL AND LOAD DISPATCH	LB556	PROFIX	-	-	-	-	-	-	-	-
557 OTHER EXPENSES	LB557	PROFIX	-	-	-	-	-	-	-	-
Total Purchased Power Labor	LBPP		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Labor Expenses (Continued)										
Transmission Labor Expenses										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	\$ 586,814	-	-	-	-	201,598	190,042	195,174
561 LOAD DISPATCHING	LB561	PTRAN	1,395,743	-	-	-	-	479,502	452,016	464,224
562 STATION EXPENSES	LB562	PTRAN	668,825	-	-	-	-	229,772	216,601	222,451
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	21,025	-	-	-	-	7,223	6,809	6,993
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	88,917	-	-	-	-	30,547	28,796	29,574
569 MAINTENACE OF STRUCTURES	LB569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	259,554	-	-	-	-	89,169	84,057	86,327
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	44,707	-	-	-	-	15,359	14,478	14,869
573 MAINT OF MISC. TRANSMISSION PLANT	LB573	PTRAN	2,042	-	-	-	-	702	661	679
Total Transmission Labor Expenses	LBTRAN		\$ 3,067,626	\$ -	\$ -	\$ -	\$ -	\$ 1,053,872	\$ 993,462	\$ 1,020,292
Distribution Operation Labor Expense										
580 OPERATION SUPERVISION AND ENGI	LB580	F023	\$ 1,318,755	-	-	-	-	-	-	-
581 LOAD DISPATCHING	LB581	P362	452,751	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	289,546	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	1,949,678	-	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	143,329	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P373	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	2,341,499	-	-	-	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P371	-	-	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	1,028,668	-	-	-	-	-	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 7,524,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Labor Expenses (Continued)									
Transmission Labor Expenses									
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-
569 MAINTENACE OF STRUCTURES	LB569	PTRAN	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-
573 MAINT OF MISC. TRANSMISSION PLANT	LB573	PTRAN	-	-	-	-	-	-	-
Total Transmission Labor Expenses	LBTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense									
580 OPERATION SUPERVISION AND ENGI	LB580	F023	181,785	-	183,847	247,346	61,282	82,449	
581 LOAD DISPATCHING	LB581	P362	452,751	-	-	-	-	-	
582 STATION EXPENSES	LB582	P362	289,546	-	-	-	-	-	
583 OVERHEAD LINE EXPENSES	LB583	P365	-	-	664,304	797,955	221,435	265,985	
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	26,649	80,848	8,883	26,949	
585 STREET LIGHTING EXPENSE	LB585	P373	-	-	-	-	-	-	
586 METER EXPENSES	LB586	P370	-	-	-	-	-	-	
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P371	-	-	-	-	-	-	
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	113,099	-	174,150	285,098	58,050	95,033	
589 RENTS	LB589	PDIST	-	-	-	-	-	-	
Total Distribution Operation Labor Expense	LBDO		\$ 1,037,181	\$ -	\$ 1,048,950	\$ 1,411,248	\$ 349,650	\$ 470,416	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Labor Expenses (Continued)										
Transmission Labor Expenses										
560 OPERATION SUPERVISION AND ENG	LB560	PTRAN	-	-	-	-	-	-	-	-
561 LOAD DISPATCHING	LB561	PTRAN	-	-	-	-	-	-	-	-
562 STATION EXPENSES	LB562	PTRAN	-	-	-	-	-	-	-	-
563 OVERHEAD LINE EXPENSES	LB563	PTRAN	-	-	-	-	-	-	-	-
566 MISC. TRANSMISSION EXPENSES	LB566	PTRAN	-	-	-	-	-	-	-	-
569 MAINTENACE OF STRUCTURES	LB569	PTRAN	-	-	-	-	-	-	-	-
570 MAINT OF STATION EQUIPMENT	LB570	PTRAN	-	-	-	-	-	-	-	-
571 MAINT OF OVERHEAD LINES	LB571	PTRAN	-	-	-	-	-	-	-	-
573 MAINT OF MISC. TRANSMISSION PLANT	LB573	PTRAN	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses	LBTRAN		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Operation Labor Expense										
580 OPERATION SUPERVISION AND ENGI	LB580	F023	17,279	13,743	6,292	506,082	18,650	-	-	-
581 LOAD DISPATCHING	LB581	P362	-	-	-	-	-	-	-	-
582 STATION EXPENSES	LB582	P362	-	-	-	-	-	-	-	-
583 OVERHEAD LINE EXPENSES	LB583	P365	-	-	-	-	-	-	-	-
584 UNDERGROUND LINE EXPENSES	LB584	P367	-	-	-	-	-	-	-	-
585 STREET LIGHTING EXPENSE	LB585	P373	-	-	-	-	-	-	-	-
586 METER EXPENSES	LB586	P370	-	-	-	2,341,499	-	-	-	-
586 METER EXPENSES - LOAD MANAGEMENT	LB586x	F012	-	-	-	-	-	-	-	-
587 CUSTOMER INSTALLATIONS EXPENSE	LB587	P371	-	-	-	-	-	-	-	-
588 MISCELLANEOUS DISTRIBUTION EXP	LB588	PDIST	81,308	64,667	29,608	39,898	87,756	-	-	-
589 RENTS	LB589	PDIST	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense	LBDO		\$ 98,587	\$ 78,409	\$ 35,901	\$ 2,887,480	\$ 106,406	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Labor Expenses (Continued)										
Distribution Maintenance Labor Expense										
590 MAINTENANCE SUPERVISION AND EN	LB590	F024	\$ 72,860	-	-	-	-	-	-	-
591 MAINTENANCE OF STRUCTURES	LB591	P362	1,047	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	198,076	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	1,992,241	-	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	397,833	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	103,347	-	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	7,334	-	-	-	-	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	52,506	-	-	-	-	-	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 2,825,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses		PDIST	\$ 10,349,471	-	-	-	-	-	-	-
Transmission and Distribution Labor Expenses			\$ 13,417,097	-	-	-	-	1,053,872	993,462	1,020,292
Production, Transmission and Distribution Labor Expenses	LBSUB		\$ 46,772,454	\$ 6,847,142	\$ 6,454,648	\$ 6,628,968	\$ 13,424,599	\$ 1,053,872	\$ 993,462	\$ 1,020,292
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F025	\$ 678,685	-	-	-	-	-	-	-
902 METER READING EXPENSES	LB902	F025	232,835	-	-	-	-	-	-	-
903 RECORDS AND COLLECTION	LB903	F025	2,494,338	-	-	-	-	-	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F025	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F025	159,695	-	-	-	-	-	-	-
Total Customer Accounts Labor Expense	LBCA		\$ 3,565,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expense										
907 SUPERVISION	LB907	F026	\$ 105,222	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F026	594,558	-	-	-	-	-	-	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F026	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F026	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F026	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F026	-	-	-	-	-	-	-	-
911 DEMONSTRATION AND SELLING EXP	LB911	F026	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F026	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F026	-	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F026	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F026	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ 699,780	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total Labor Exp	LBSUB7		\$ 51,037,788	6,847,142	6,454,648	6,628,968	13,424,599	1,053,872	993,462	1,020,292

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Labor Expenses (Continued)									
Distribution Maintenance Labor Expense									
590 MAINTENANCE SUPERVISION AND EN	LB590	F024	5,424	-	20,162	27,910	6,721	9,303	
591 MAINTENANCE OF STRUCTURES	LB591	P362	1,047	-	-	-	-	-	
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	198,076	-	-	-	-	-	
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	-	-	678,806	815,375	226,269	271,792	
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	73,967	224,408	24,656	74,803	
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	-	-	-	-	-	-	
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	-	-	
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	-	-	
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	5,773	-	8,889	14,552	2,963	4,851	
Total Distribution Maintenance Labor Expense	LBDM		\$ 210,321	\$ -	\$ 781,825	\$ 1,082,244	\$ 260,608	\$ 360,748	
Total Distribution Operation and Maintenance Labor Expenses		PDIST	1,247,502	-	1,830,774	2,493,492	610,258	831,164	
Transmission and Distribution Labor Expenses			1,247,502	-	1,830,774	2,493,492	610,258	831,164	
Production, Transmission and Distribution Labor Expenses	LBSUB		\$ 1,247,502	\$ -	\$ 1,830,774	\$ 2,493,492	\$ 610,258	\$ 831,164	
Customer Accounts Expense									
901 SUPERVISION/CUSTOMER ACCTS	LB901	F025	-	-	-	-	-	-	
902 METER READING EXPENSES	LB902	F025	-	-	-	-	-	-	
903 RECORDS AND COLLECTION	LB903	F025	-	-	-	-	-	-	
904 UNCOLLECTIBLE ACCOUNTS	LB904	F025	-	-	-	-	-	-	
905 MISC CUST ACCOUNTS	LB903	F025	-	-	-	-	-	-	
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service Expense									
907 SUPERVISION	LB907	F026	-	-	-	-	-	-	
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F026	-	-	-	-	-	-	
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F026	-	-	-	-	-	-	
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F026	-	-	-	-	-	-	
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F026	-	-	-	-	-	-	
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F026	-	-	-	-	-	-	
911 DEMONSTRATION AND SELLING EXP	LB911	F026	-	-	-	-	-	-	
912 DEMONSTRATION AND SELLING EXP	LB912	F026	-	-	-	-	-	-	
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F026	-	-	-	-	-	-	
915 MDSE-JOBING-CONTRACT	LB915	F026	-	-	-	-	-	-	
916 MISC SALES EXPENSE	LB916	F026	-	-	-	-	-	-	
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sub-Total Labor Exp	LBSUB7		1,247,502	-	1,830,774	2,493,492	610,258	831,164	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Labor Expenses (Continued)										
Distribution Maintenance Labor Expense										
590 MAINTENANCE SUPERVISION AND EN	LB590	F024	1,634	1,299	40	54	313	-	-	-
591 MAINTENANCE OF STRUCTURES	LB591	P362	-	-	-	-	-	-	-	-
592 MAINTENANCE OF STATION EQUIPME	LB592	P362	-	-	-	-	-	-	-	-
593 MAINTENANCE OF OVERHEAD LINES	LB593	P365	-	-	-	-	-	-	-	-
594 MAINTENANCE OF UNDERGROUND LIN	LB594	P367	-	-	-	-	-	-	-	-
595 MAINTENANCE OF LINE TRANSFORME	LB595	P368	57,564	45,782	-	-	-	-	-	-
596 MAINTENANCE OF ST LIGHTS & SIG SYSTEMS	LB596	P373	-	-	-	-	7,334	-	-	-
597 MAINTENANCE OF METERS	LB597	P370	-	-	-	-	-	-	-	-
598 MAINTENANCE OF MISC DISTR PLANT	LB598	PDIST	4,150	3,301	1,511	2,037	4,479	-	-	-
Total Distribution Maintenance Labor Expense	LBDM		\$ 63,348	\$ 50,383	\$ 1,551	\$ 2,090	\$ 12,126	\$ -	\$ -	\$ -
Total Distribution Operation and Maintenance Labor Expenses		PDIST	161,935	128,792	37,452	2,889,570	118,532	-	-	-
Transmission and Distribution Labor Expenses			161,935	128,792	37,452	2,889,570	118,532	-	-	-
Production, Transmission and Distribution Labor Expenses	LBSUB		\$ 161,935	\$ 128,792	\$ 37,452	\$ 2,889,570	\$ 118,532	\$ -	\$ -	\$ -
Customer Accounts Expense										
901 SUPERVISION/CUSTOMER ACCTS	LB901	F025	-	-	-	-	-	678,685	-	-
902 METER READING EXPENSES	LB902	F025	-	-	-	-	-	232,835	-	-
903 RECORDS AND COLLECTION	LB903	F025	-	-	-	-	-	2,494,338	-	-
904 UNCOLLECTIBLE ACCOUNTS	LB904	F025	-	-	-	-	-	-	-	-
905 MISC CUST ACCOUNTS	LB903	F025	-	-	-	-	-	159,695	-	-
Total Customer Accounts Labor Expense	LBCA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,565,554	\$ -	\$ -
Customer Service Expense										
907 SUPERVISION	LB907	F026	-	-	-	-	-	-	105,222	-
908 CUSTOMER ASSISTANCE EXPENSES	LB908	F026	-	-	-	-	-	-	594,558	-
908 CUSTOMER ASSISTANCE EXP-LOAD MGMT	LB908x	F026	-	-	-	-	-	-	-	-
909 INFORMATIONAL AND INSTRUCTIONA	LB909	F026	-	-	-	-	-	-	-	-
909 INFORM AND INSTRUC -LOAD MGMT	LB909x	F026	-	-	-	-	-	-	-	-
910 MISCELLANEOUS CUSTOMER SERVICE	LB910	F026	-	-	-	-	-	-	-	-
911 DEMONSTRATION AND SELLING EXP	LB911	F026	-	-	-	-	-	-	-	-
912 DEMONSTRATION AND SELLING EXP	LB912	F026	-	-	-	-	-	-	-	-
913 WATER HEATER - HEAT PUMP PROGRAM	LB913	F026	-	-	-	-	-	-	-	-
915 MDSE-JOBING-CONTRACT	LB915	F026	-	-	-	-	-	-	-	-
916 MISC SALES EXPENSE	LB916	F026	-	-	-	-	-	-	-	-
Total Customer Service Labor Expense	LBCS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 699,780	\$ -
Sub-Total Labor Exp	LBSUB7		161,935	128,792	37,452	2,889,570	118,532	3,565,554	699,780	-

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Labor Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	LB920	LBSUB7	\$ 12,759,896	1,711,846	1,613,719	1,657,300	3,356,268	263,477	248,374	255,082
921 OFFICE SUPPLIES AND EXPENSES	LB920	LBSUB7	\$ 28,200	3,783	3,566	3,663	7,418	582	549	564
922 ADMIN. EXPENSES TRANSFERRED - CREDIT	LB922	LBSUB7	(1,186,638)	(159,197)	(150,072)	(154,125)	(312,124)	(24,503)	(23,098)	(23,722)
923 OUTSIDE SERVICES EMPLOYED	LB923	LBSUB7	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	TUP	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB7	49,990	6,707	6,322	6,493	13,149	1,032	973	999
926 EMPLOYEE BENEFITS	LB926	LBSUB7	346	46	44	45	91	7	7	7
928 REGULATORY COMMISSION FEES	LB928	TUP	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	LBSUB7	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	LBSUB7	23,307	3,127	2,948	3,027	6,131	481	454	466
931 RENTS AND LEASES	LB931	PGP	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB932	PGP	1,251,386	283,730	267,466	274,690	-	30,452	28,707	29,482
Total Administrative and General Expense	LBAG		\$ 12,926,487	\$ 1,850,042	\$ 1,743,993	\$ 1,791,093	\$ 3,070,931	\$ 271,530	\$ 255,965	\$ 262,878
Total Operation and Maintenance Expenses	TLB		\$ 63,964,275	\$ 8,697,184	\$ 8,198,641	\$ 8,420,061	\$ 16,495,530	\$ 1,325,402	\$ 1,249,427	\$ 1,283,170
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 63,964,275	\$ 8,697,184	\$ 8,198,641	\$ 8,420,061	\$ 16,495,530	\$ 1,325,402	\$ 1,249,427	\$ 1,283,170

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines				Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer	
Labor Expenses (Continued)									
Administrative and General Expense									
920 ADMIN. & GEN. SALARIES-	LB920	LBSUB7	311,886	-	457,710	623,395	152,570	207,798	
921 OFFICE SUPPLIES AND EXPENSES	LB920	LBSUB7	689	-	1,012	1,378	337	459	
922 ADMIN. EXPENSES TRANSFERRED - CREDIT	LB922	LBSUB7	(29,005)	-	(42,566)	(57,974)	(14,189)	(19,325)	
923 OUTSIDE SERVICES EMPLOYED	LB923	LBSUB7	-	-	-	-	-	-	
924 PROPERTY INSURANCE	LB924	TUP	-	-	-	-	-	-	
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB7	1,222	-	1,793	2,442	598	814	
926 EMPLOYEE BENEFITS	LB926	LBSUB7	8	-	12	17	4	6	
928 REGULATORY COMMISSION FEES	LB928	TUP	-	-	-	-	-	-	
929 DUPLICATE CHARGES-CR	LB929	LBSUB7	-	-	-	-	-	-	
930 MISCELLANEOUS GENERAL EXPENSES	LB930	LBSUB7	570	-	836	1,139	279	380	
931 RENTS AND LEASES	LB931	PGP	-	-	-	-	-	-	
935 MAINTENANCE OF GENERAL PLANT	LB932	PGP	37,037	-	57,029	93,362	19,010	31,121	
Total Administrative and General Expense	LBAG		\$ 322,408	\$ -	\$ 475,826	\$ 663,758	\$ 158,609	\$ 221,253	
Total Operation and Maintenance Expenses	TLB		\$ 1,569,910	\$ -	\$ 2,306,601	\$ 3,157,250	\$ 768,867	\$ 1,052,417	
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 1,569,910	\$ -	\$ 2,306,601	\$ 3,157,250	\$ 768,867	\$ 1,052,417	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Labor Expenses (Continued)										
Administrative and General Expense										
920 ADMIN. & GEN. SALARIES-	LB920	LBSUB7	40,485	32,199	9,363	722,418	29,634	891,420	174,951	-
921 OFFICE SUPPLIES AND EXPENSES	LB920	LBSUB7	89	71	21	1,597	65	1,970	387	-
922 ADMIN. EXPENSES TRANSFERRED - CREDIT	LB922	LBSUB7	(3,765)	(2,994)	(871)	(67,183)	(2,756)	(82,900)	(16,270)	-
923 OUTSIDE SERVICES EMPLOYED	LB923	LBSUB7	-	-	-	-	-	-	-	-
924 PROPERTY INSURANCE	LB924	TUP	-	-	-	-	-	-	-	-
925 INJURIES AND DAMAGES - INSURAN	LB925	LBSUB7	159	126	37	2,830	116	3,492	685	-
926 EMPLOYEE BENEFITS	LB926	LBSUB7	1	1	0	20	1	24	5	-
928 REGULATORY COMMISSION FEES	LB928	TUP	-	-	-	-	-	-	-	-
929 DUPLICATE CHARGES-CR	LB929	LBSUB7	-	-	-	-	-	-	-	-
930 MISCELLANEOUS GENERAL EXPENSES	LB930	LBSUB7	74	59	17	1,320	54	1,628	320	-
931 RENTS AND LEASES	LB931	PGP	-	-	-	-	-	-	-	-
935 MAINTENANCE OF GENERAL PLANT	LB932	PGP	26,626	21,176	9,696	13,066	28,738	-	-	-
Total Administrative and General Expense	LBAG		\$ 63,669	\$ 50,638	\$ 18,263	\$ 674,066	\$ 55,852	\$ 815,635	\$ 160,077	\$ -
Total Operation and Maintenance Expenses	TLB		\$ 225,604	\$ 179,430	\$ 55,715	\$ 3,563,637	\$ 174,384	\$ 4,381,189	\$ 859,857	\$ -
Operation and Maintenance Expenses Less Purchase Power	LBLPP		\$ 225,604	\$ 179,430	\$ 55,715	\$ 3,563,637	\$ 174,384	\$ 4,381,189	\$ 859,857	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Other Expenses										
Depreciation Expenses										
Steam Production	DEPRTP	PPRTL	\$ 74,399,456	25,559,671	24,094,533	24,745,252	-	-	-	-
Hydraulic Production	DEPRDP1	PPRTL	611,031	209,917	197,884	203,229	-	-	-	-
Other Production	DEPRDP2	PPRTL	8,549,263	2,937,069	2,768,710	2,843,484	-	-	-	-
Transmission - Kentucky System Property	DEPRDP3	PTRAN	5,608,413	-	-	-	-	1,926,750	1,816,305	1,865,357
Transmission - Virginia Property	DEPRDP4	PTRAN	-	-	-	-	-	-	-	-
Distribution	DEPRDP5	PDIST	23,284,454	-	-	-	-	-	-	-
General & Common Plant	DEPRDP6	PGP	9,517,748	2,157,985	2,034,284	2,089,224	-	231,613	218,337	224,233
Intangible Plant	DEPRAADJ	PINT	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		\$ 121,970,363	\$ 30,864,642	\$ 29,095,412	\$ 29,881,188	\$ -	\$ 2,158,364	\$ 2,034,641	\$ 2,089,591
Regulatory Credits										
Production	RCTNP	F017	\$ (3,808,582)	(1,308,425)	(1,233,423)	(1,266,734)	-	-	-	-
Transmission	RCTNT	PTRAN	(6,882)	-	-	-	-	(2,364)	(2,229)	(2,289)
Distribution	RDTND	PDIST	(37,081)	-	-	-	-	-	-	-
Common	RCTNC	PGP	(5,617)	(1,274)	(1,201)	(1,233)	-	(137)	(129)	(132)
Total Regulatory Credits	TRCTN		\$ (3,858,162)	\$ (1,309,699)	\$ (1,234,624)	\$ (1,267,967)	\$ -	\$ (2,501)	\$ (2,358)	\$ (2,421)
Accretion Expense										
Production	ACRTNP	F017	\$ 1,613,619	554,353	522,576	536,689	-	-	-	-
Transmission	ACRTNT	PTRAN	4,031	-	-	-	-	1,385	1,305	1,341
Distribution	ACRTND	PDIST	29,705	-	-	-	-	-	-	-
Common	ACRTNC	PGP	4,155	942	888	912	-	101	95	98
Total Accretion Expense	TACRTN		\$ 1,651,510	\$ 555,295	\$ 523,464	\$ 537,601	\$ -	\$ 1,486	\$ 1,401	\$ 1,439
Property Taxes & Other	PTAX	TUP	\$ 21,920,601	4,994,630	4,708,326	4,835,484	-	536,280	505,539	519,192
Amortization of Investment Tax Credit	OTAX	TUP	\$ (2,661,472)	(606,419)	(571,658)	(587,096)	-	(65,112)	(61,380)	(63,037)
Gain on Disposition of Allowances	OT	TUP	\$ (694)	(158)	(149)	(153)	-	(17)	(16)	(16)
Interest	INTLTD	TUP	\$ 34,922,373	7,957,096	7,500,977	7,703,555	-	854,364	805,390	827,141
Other Deductions	DEDUCT	TUP	\$ -	-	-	-	-	-	-	-
Total Other Expenses	TOE		\$ 173,944,517	\$ 42,455,387	\$ 40,021,749	\$ 41,102,612	\$ -	\$ 3,482,864	\$ 3,283,218	\$ 3,371,888
Total Cost of Service (O&M + Other Expenses)			\$ 902,830,751	\$ 84,166,357	\$ 79,341,752	\$ 81,484,527	\$ 494,394,073	\$ 11,019,362	\$ 10,387,707	\$ 10,668,247

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines			Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer
Other Expenses								
Depreciation Expenses								
Steam Production	DEPRTP	PPRTL	-	-	-	-	-	-
Hydraulic Production	DEPRDP1	PPRTL	-	-	-	-	-	-
Other Production	DEPRDP2	PPRTL	-	-	-	-	-	-
Transmission - Kentucky System Property	DEPRDP3	PTRAN	-	-	-	-	-	-
Transmission - Virginia Property	DEPRDP4	PTRAN	-	-	-	-	-	-
Distribution	DEPRDP5	PDIST	2,560,064	-	3,941,975	6,453,356	1,313,992	2,151,119
General & Common Plant	DEPRDP6	PGP	281,693	-	433,750	710,086	144,583	236,695
Intangible Plant	DEPRAADJ	PINT	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		2,841,757	-	4,375,724	7,163,442	1,458,575	2,387,814
Regulatory Credits								
Production	RCTNP	F017	-	-	-	-	-	-
Transmission	RCTNT	PTRAN	-	-	-	-	-	-
Distribution	RDTND	PDIST	(4,077)	-	(6,278)	(10,277)	(2,093)	(3,426)
Common	RCTNC	PGP	(166)	-	(256)	(419)	(85)	(140)
Total Regulatory Credits	TRCTN		\$ (4,243)	\$ -	\$ (6,534)	\$ (10,696)	\$ (2,178)	\$ (3,565)
Accretion Expense								
Production	ACRTNP	F017	-	-	-	-	-	-
Transmission	ACRTNT	PTRAN	-	-	-	-	-	-
Distribution	ACRTND	PDIST	3,266	-	5,029	8,233	1,676	2,744
Common	ACRTNC	PGP	123	-	189	310	63	103
Total Accretion Expense	TACRTN		\$ 3,389	\$ -	\$ 5,218	\$ 8,543	\$ 1,739	\$ 2,848
Property Taxes & Other	PTAX	TUP	640,020	-	985,500	1,613,349	328,500	537,783
Amortization of Investment Tax Credit	OTAX	TUP	(77,708)	-	(119,654)	(195,883)	(39,885)	(65,294)
Gain on Disposition of Allowances	OT	TUP	(20)	-	(31)	(51)	(10)	(17)
Interest	INTLTD	TUP	1,019,635	-	1,570,030	2,570,275	523,343	856,758
Other Deductions	DEDUCT	TUP	-	-	-	-	-	-
Total Other Expenses	TOE		\$ 4,422,830	\$ -	\$ 6,810,253	\$ 11,148,978	\$ 2,270,084	\$ 3,716,326
Total Cost of Service (O&M + Other Expenses)			\$ 10,673,509	\$ -	\$ 19,956,144	\$ 28,792,572	\$ 6,652,048	\$ 9,597,524

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Other Expenses										
Depreciation Expenses										
Steam Production	DEPRTP	PPRTL	-	-	-	-	-	-	-	-
Hydraulic Production	DEPRDP1	PPRTL	-	-	-	-	-	-	-	-
Other Production	DEPRDP2	PPRTL	-	-	-	-	-	-	-	-
Transmission - Kentucky System Property	DEPRDP3	PTRAN	-	-	-	-	-	-	-	-
Transmission - Virginia Property	DEPRDP4	PTRAN	-	-	-	-	-	-	-	-
Distribution	DEPRDP5	PDIST	1,840,447	1,463,767	670,201	903,120	1,986,413	-	-	-
General & Common Plant	DEPRDP6	PGP	202,511	161,063	73,745	99,374	218,572	-	-	-
Intangible Plant	DEPRAADJ	PINT	-	-	-	-	-	-	-	-
Total Depreciation Expense	TDEPR		2,042,958	1,624,830	743,945	1,002,494	2,204,985	-	-	-
Regulatory Credits										
Production	RCTNP	F017	-	-	-	-	-	-	-	-
Transmission	RCTNT	PTRAN	-	-	-	-	-	-	-	-
Distribution	RDTND	PDIST	(2,931)	(2,331)	(1,067)	(1,438)	(3,163)	-	-	-
Common	RCTNC	PGP	(120)	(95)	(44)	(59)	(129)	-	-	-
Total Regulatory Credits	TRCTN		\$ (3,050)	\$ (2,426)	\$ (1,111)	\$ (1,497)	\$ (3,292)	\$ -	\$ -	\$ -
Accretion Expense										
Production	ACRTNP	F017	-	-	-	-	-	-	-	-
Transmission	ACRTNT	PTRAN	-	-	-	-	-	-	-	-
Distribution	ACRTND	PDIST	2,348	1,867	855	1,152	2,534	-	-	-
Common	ACRTNC	PGP	88	70	32	43	95	-	-	-
Total Accretion Expense	TACRTN		\$ 2,436	\$ 1,938	\$ 887	\$ 1,196	\$ 2,630	\$ -	\$ -	\$ -
Property Taxes & Other	PTAX	TUP	460,115	365,944	167,551	225,781	496,606	-	-	-
Amortization of Investment Tax Credit	OTAX	TUP	(55,864)	(44,431)	(20,343)	(27,413)	(60,295)	-	-	-
Gain on Disposition of Allowances	OT	TUP	(15)	(12)	(5)	(7)	(16)	-	-	-
Interest	INTLTD	TUP	733,023	582,996	266,931	359,699	791,159	-	-	-
Other Deductions	DEDUCT	TUP	-	-	-	-	-	-	-	-
Total Other Expenses	TOE		\$ 3,179,602	\$ 2,528,840	\$ 1,157,856	\$ 1,560,253	\$ 3,431,777	\$ -	\$ -	\$ -
Total Cost of Service (O&M + Other Expenses)			\$ 4,150,456	\$ 3,300,991	\$ 1,437,351	\$ 12,843,533	\$ 4,602,986	\$ 16,962,251	\$ 12,399,361	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Functional Vectors										
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		1.000000	0.000000	0.000000	0.000000	0.000000	0.343546	0.323854	0.332600
Load Management	F012		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production Plant	F017		1.000000	0.343546	0.323854	0.332600	0.000000	0.000000	0.000000	0.000000
Provar	PROVAR		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Fuel	F018		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Steam Generation Operation Labor	F019		18,662,563	5,596,162	5,275,377	5,417,849	2,373,175	-	-	-
PROFIX	PROFIX		1.000000	0.343546	0.323854	0.332600	0.000000	0.000000	0.000000	0.000000
Steam Generation Maintenance Labor	F020		9,366,510	106,597	100,487	103,201	9,056,224	-	-	-
Hydraulic Generation Operation Labor	F021		213,215	73,249	69,051	70,915	-	-	-	-
Hydraulic Generation Maintenance Labor	F022		184,133	21,154	19,942	20,480	122,557	-	-	-
Distribution Operation Labor	F023		6,205,472	-	-	-	-	-	-	-
Distribution Maintenance Labor	F024		2,752,384	-	-	-	-	-	-	-
Customer Accounts Expense	F025		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Service Expense	F026		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Advances	F027		584,492,792	-	-	-	-	-	-	-
Purchase Power Demand		F017	20,765,366	7,133,868	6,724,939	6,906,559	-	-	-	-
Purchase Power Energy		F018	48,301,062	-	-	-	48,301,062	-	-	-
Purchased Power Expenses		OMPP	69,066,428	7,133,868	6,724,939	6,906,559	48,301,062	-	-	-
Intallations on Customer Premises - Plant in Service	F013		1.000000	-	-	-	-	-	-	-
Intallations on Customer Premises - Accum Depr	F014		1.000000	-	-	-	-	-	-	-
Generators -Energy	F015		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Generators - Demand	F016		1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Energy	Energy		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines			Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer
Functional Vectors								
Station Equipment	F001		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.000000	0.000000	0.340725	0.409275	0.113575	0.136425
Overhead Conductors and Devices	F003		0.000000	0.000000	0.340725	0.409275	0.113575	0.136425
Underground Conductors and Devices	F004		0.000000	0.000000	0.185925	0.564075	0.061975	0.188025
Line Transformers	F005		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Production Plant	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Provar	PROVAR		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Fuel	F018		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Steam Generation Operation Labor	F019		-	-	-	-	-	-
PROFIX	PROFIX		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Steam Generation Maintenance Labor	F020		-	-	-	-	-	-
Hydraulic Generation Operation Labor	F021		-	-	-	-	-	-
Hydraulic Generation Maintenance Labor	F022		-	-	-	-	-	-
Distribution Operation Labor	F023		855,396.55	-	865,102.44	1,163,901.48	288,367.48	387,967.16
Distribution Maintenance Labor	F024		204,896.66	-	761,662.49	1,054,334.23	253,887.50	351,444.74
Customer Accounts Expense	F025		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Service Expense	F026		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Advances	F027		-	-	166,197,216	272,172,378	55,399,072	90,724,126
Purchase Power Demand		F017	-	-	-	-	-	-
Purchase Power Energy		F018	-	-	-	-	-	-
Purchased Power Expenses		OMPP	-	-	-	-	-	-
Intallations on Customer Premises - Plant in Service	F013		-	-	-	-	-	-
Intallations on Customer Premises - Accum Depr	F014		-	-	-	-	-	-
Generators -Energy	F015		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Generators - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Energy	Energy		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Functional Vectors										
Station Equipment	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Poles, Towers and Fixtures	F002		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Overhead Conductors and Devices	F003		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Underground Conductors and Devices	F004		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Line Transformers	F005		0.557000	0.443000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F006		0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meters	F007		0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Street Lighting	F008		0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Meter Reading	F009		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Billing	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Load Management	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Production Plant	F017		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Provar	PROVAR		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Fuel	F018		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Steam Generation Operation Labor	F019		-	-	-	-	-	-	-	-
PROFIX	PROFIX		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Steam Generation Maintenance Labor	F020		-	-	-	-	-	-	-	-
Hydraulic Generation Operation Labor	F021		-	-	-	-	-	-	-	-
Hydraulic Generation Maintenance Labor	F022		-	-	-	-	-	-	-	-
Distribution Operation Labor	F023		81,307.86	64,666.75	29,608.35	2,381,397.35	87,756.40	-	-	-
Distribution Maintenance Labor	F024		61,714.14	49,083.24	1,511.28	2,036.50	11,813.41	-	-	-
Customer Accounts Expense	F025		0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Customer Service Expense	F026		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Customer Advances	F027		-	-	-	-	-	-	-	-
Purchase Power Demand		F017	-	-	-	-	-	-	-	-
Purchase Power Energy		F018	-	-	-	-	-	-	-	-
Purchased Power Expenses		OMPP	-	-	-	-	-	-	-	-
Intallations on Customer Premises - Plant in Service	F013		-	-	-	-	-	1.00000	-	-
Intallations on Customer Premises - Accum Depr	F014		-	-	-	-	-	1.00000	-	-
Generators -Energy	F015		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Generators - Demand	F016		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Energy		Energy	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Total System	Production Demand			Production Energy	Transmission Demand		
				Base	Winter Peak	Summer Peak		Base	Winter Peak	Summer Peak
Internally Generated Functional Vectors										
Total Prod, Trans, and Dist Plant		PT&D	1.000000	0.226733	0.213736	0.219508	-	0.024335	0.022940	0.023559
Total Distribution Plant		PDIST	1.000000	-	-	-	-	-	-	-
Total Transmission Plant		PTRAN	1.000000	-	-	-	-	0.343546	0.323854	0.332600
Operation and Maintenance Expenses Less Purchase Power		OMLPP	1.000000	0.052404	0.049400	0.050734	0.676083	0.011422	0.010767	0.011058
Total Plant in Service		TPIS	1.000000	0.226697	0.213702	0.219473	-	0.024331	0.022936	0.023556
Total Operation and Maintenance Expenses (Labor)		TLB	1.000000	0.135969	0.128175	0.131637	0.257887	0.020721	0.019533	0.020061
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service		OMSUB2	1.000000	0.044929	0.042353	0.043497	0.738641	0.008912	0.008401	0.008628
Total Steam Power Operation Expenses (Labor)		LBSUB1	1.000000	0.299860	0.282672	0.290306	0.127162	-	-	-
Total Steam Power Generation Maintenance Expense (Labor)		LBSUB2	1.000000	0.011381	0.010728	0.011018	0.966873	-	-	-
Total Hydraulic Power Operation Expenses (Labor)		LBSUB3	1.000000	0.343546	0.323854	0.332600	-	-	-	-
Total Hydraulic Power Generation Maint. Expense (Labor)		LBSUB4	1.000000	0.114885	0.108300	0.111224	0.665591	-	-	-
Total Other Power Generation Expenses (Labor)		LBSUB5	1.000000	0.343546	0.323854	0.332600	-	-	-	-
Total Transmission Labor Expenses		LBTRAN	1.000000	-	-	-	-	0.3435465	0.3238536	0.3325999
Total Distribution Operation Labor Expense		LBDO	1.000000	-	-	-	-	-	-	-
Total Distribution Maintenance Labor Expense		LBDM	1.000000	-	-	-	-	-	-	-
Sub-Total Labor Exp		LBSUB7	1.000000	0.134158	0.126468	0.129884	0.263033	0.020649	0.019465	0.019991
Total General Plant		PGP	1.000000	0.226733	0.213736	0.219508	-	0.024335	0.022940	0.023559
Total Production Plant		PPRTL	1.000000	0.343546	0.323854	0.332600	-	-	-	-
Total Intangible Plant		PINT	1.000000	0.226733	0.213736	0.219508	-	0.024335	0.022940	0.023559

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Substation	Distribution Primary Lines			Distribution Sec. Lines	
			General	Specific	Demand	Customer	Demand	Customer
Internally Generated Functional Vectors								
Total Prod, Trans, and Dist Plant		PT&D	0.029597	-	0.045573	0.074606	0.015191	0.024869
Total Distribution Plant		PDIST	0.109947	-	0.169296	0.277153	0.056432	0.092384
Total Transmission Plant		PTRAN	-	-	-	-	-	-
Operation and Maintenance Expenses Less Purchase Power		OMLPP	0.009473	-	0.019923	0.026740	0.006641	0.008913
Total Plant in Service		TPIS	0.029609	-	0.045592	0.074639	0.015197	0.024880
Total Operation and Maintenance Expenses (Labor)		TLB	0.024544	-	0.036061	0.049360	0.012020	0.016453
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service		OMSUB2	0.006397	-	0.015489	0.020377	0.005163	0.006792
Total Steam Power Operation Expenses (Labor)		LBSUB1	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense (Labor)		LBSUB2	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses (Labor)		LBSUB3	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense (Labor)		LBSUB4	-	-	-	-	-	-
Total Other Power Generation Expenses (Labor)		LBSUB5	-	-	-	-	-	-
Total Transmission Labor Expenses		LBTRAN	-	-	-	-	-	-
Total Distribution Operation Labor Expense		LBDO	0.137846	-	0.139410	0.187561	0.046470	0.062520
Total Distribution Maintenance Labor Expense		LBDM	0.074443	-	0.276728	0.383062	0.092243	0.127687
Sub-Total Labor Exp		LBSUB7	0.024443	-	0.035871	0.048856	0.011957	0.016285
Total General Plant		PGP	0.029597	-	0.045573	0.074606	0.015191	0.024869
Total Production Plant		PPRTL	-	-	-	-	-	-
Total Intangible Plant		PINT	0.029597	-	0.045573	0.074606	0.015191	0.024869

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Functional Assignment and Classification
Twelve Months Ended March 31, 2012

Description	Name	Functional Vector	Distribution Line Trans.		Distribution Services	Distribution Meters	Distribution St. & Cust. Lighting	Customer Accounts Expense	Customer Service & Info.	Sales Expense
			Demand	Customer	Customer					
Internally Generated Functional Vectors										
Total Prod, Trans, and Dist Plant		PT&D	0.021277	0.016922	0.007748	0.010441	0.022965	-	-	-
Total Distribution Plant		PDIST	0.079042	0.062865	0.028783	0.038786	0.085311	-	-	-
Total Transmission Plant		PTRAN	-	-	-	-	-	-	-	-
Operation and Maintenance Expenses Less Purchase Power		OMLPP	0.001471	0.001170	0.000424	0.017101	0.001775	0.025707	0.018792	-
Total Plant in Service		TPIS	0.021286	0.016930	0.007751	0.010445	0.022975	-	-	-
Total Operation and Maintenance Expenses (Labor)		TLB	0.003527	0.002805	0.000871	0.055713	0.002726	0.068494	0.013443	-
Sub-Total Prod, Trans, Dist, Cust Acct and Cust Service		OMSUB2	0.000640	0.000509	0.000162	0.011324	0.000996	0.019006	0.017784	-
Total Steam Power Operation Expenses (Labor)		LBSUB1	-	-	-	-	-	-	-	-
Total Steam Power Generation Maintenance Expense (Labor)		LBSUB2	-	-	-	-	-	-	-	-
Total Hydraulic Power Operation Expenses (Labor)		LBSUB3	-	-	-	-	-	-	-	-
Total Hydraulic Power Generation Maint. Expense (Labor)		LBSUB4	-	-	-	-	-	-	-	-
Total Other Power Generation Expenses (Labor)		LBSUB5	-	-	-	-	-	-	-	-
Total Transmission Labor Expenses		LBTRAN	-	-	-	-	-	-	-	-
Total Distribution Operation Labor Expense		LBDO	0.013103	0.010421	0.004771	0.383758	0.014142	-	-	-
Total Distribution Maintenance Labor Expense		LBDM	0.022422	0.017833	0.000549	0.000740	0.004292	-	-	-
Sub-Total Labor Exp		LBSUB7	0.003173	0.002523	0.000734	0.056616	0.002322	0.069861	0.013711	-
Total General Plant		PGP	0.021277	0.016922	0.007748	0.010441	0.022965	-	-	-
Total Production Plant		PPRTL	-	-	-	-	-	-	-	-
Total Intangible Plant		PINT	0.021277	0.016922	0.007748	0.010441	0.022965	-	-	-

Conroy Exhibit C3

Electric Cost of Service Study – Class Allocation

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Plant in Service										
Power Production Plant										
Production Demand - Base	TPIS	PLPPDB	PPBDA	\$ 892,016,895	\$ 326,098,322	\$ 107,557,572	\$ 17,603,951	\$ 179,342,839	\$ 144,223,706	\$ 48,762,051
Production Demand - Winter Peak	TPIS	PLPPDI	PPWDA	840,884,478	339,075,241	133,846,580	13,630,455	156,969,649	103,264,542	39,445,632
Production Demand - Summer Peak	TPIS	PLPPDP	PPSDA	863,594,164	421,666,650	112,876,391	12,662,179	151,013,196	89,193,215	34,058,677
Production Energy	TPIS	PLPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TPIS	PLPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TPIS	PLPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		PLPPT		\$ 2,596,495,536	\$ 1,086,840,213	\$ 354,280,544	\$ 43,896,585	\$ 487,325,684	\$ 336,681,463	\$ 122,266,360
Transmission Plant										
Transmission Demand - Base	TPIS	PLTRB	PPBDA	\$ 95,738,806	\$ 34,999,633	\$ 11,543,989	\$ 1,889,405	\$ 19,248,592	\$ 15,479,309	\$ 5,233,556
Transmission Demand - Inter.	TPIS	PLTRI	PPWDA	90,250,842	36,392,426	14,365,548	1,462,936	16,847,312	11,083,225	4,233,639
Transmission Demand - Peak	TPIS	PLTRP	PPSDA	92,688,238	45,256,835	12,114,850	1,359,012	16,208,015	9,572,971	3,655,466
Total Transmission Plant		PLTRT		\$ 278,677,887	\$ 116,648,894	\$ 38,024,388	\$ 4,711,353	\$ 52,303,919	\$ 36,135,505	\$ 13,122,661
Distribution Poles										
Specific	TPIS	PLDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TPIS	PLDSG	NCPS	\$ 116,508,547	\$ 55,895,468	\$ 15,857,625	\$ 1,652,606	\$ 19,333,980	\$ 15,471,766	\$ 4,635,515
Distribution Primary & Secondary Lines										
Primary Specific	TPIS	PLDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TPIS	PLDPLD	NCPL	179,399,309	86,067,577	24,417,497	2,544,675	29,770,371	23,823,352	7,137,743
Primary Customer	TPIS	PLDPLC	YECust08	293,692,302	253,200,291	31,831,632	61,041	2,081,846	67,504	112,746
Secondary Demand	TPIS	PLDSL	SICD	59,799,770	41,387,449	7,977,654	-	7,953,339	-	2,134,141
Secondary Customer	TPIS	PLDSL	YECust07	97,897,434	84,437,674	10,615,268	-	694,258	-	37,599
Total Distribution Primary & Secondary Lines		PLDLT		\$ 630,788,815	\$ 465,092,990	\$ 74,842,052	\$ 2,605,715	\$ 40,499,813	\$ 23,890,856	\$ 9,422,229
Distribution Line Transformers										
Demand	TPIS	PLDLTD	SICD	\$ 83,758,764	\$ 57,969,480	\$ 11,173,931	\$ -	\$ 11,139,873	\$ -	\$ 2,989,192
Customer	TPIS	PLDLTC	YECust07	66,616,037	57,457,105	7,223,347	-	472,420	-	25,585
Total Distribution Line Transformers		PLDLTT		\$ 150,374,802	\$ 115,426,586	\$ 18,397,277	\$ -	\$ 11,612,293	\$ -	\$ 3,014,777
Distribution Services										
Customer	TPIS	PLDSC	C02	\$ 30,500,848	\$ 25,230,130	\$ 4,213,678	\$ -	\$ 900,137	\$ -	\$ 71,678
Distribution Meters										
Customer	TPIS	PLDMC	C03	\$ 41,101,000	\$ 28,766,192	\$ 8,542,958	\$ 389,815	\$ 2,238,285	\$ 438,675	\$ 134,475
Distribution Street & Customer Lighting										
Customer	TPIS	PLDSCL	YECust04	\$ 90,401,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TPIS	PLCAE	YECust05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	TPIS	PLCSI	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	TPIS	PLSEC	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		PLT		\$ 3,934,849,118	\$ 1,893,900,474	\$ 514,158,522	\$ 53,256,075	\$ 614,214,111	\$ 412,618,265	\$ 152,667,696

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate			Lighting Service	Lighting Energy		Traffic Energy
				RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Rate RLS, LS, DSK	Rate LE	Service Rate TE	
Plant in Service										
Power Production Plant										
Production Demand - Base	TPIS	PLPPDB	PPBDA	\$ 39,045,548	\$ 16,390,589	\$ 4,404,792	\$ 8,057,619	\$ 291,257	\$ 238,648	
Production Demand - Winter Peak	TPIS	PLPPDI	PPWDA	36,551,613	15,005,715	2,904,095	-	5,881	185,073	
Production Demand - Summer Peak	TPIS	PLPPDP	PPSDA	22,781,350	16,102,423	3,111,692	-	7,312	121,079	
Production Energy	TPIS	PLPPEB	E01	-	-	-	-	-	-	
Production Energy - Not Used	TPIS	PLPPEI	E01	-	-	-	-	-	-	
Production Energy - Not Used	TPIS	PLPPEP	E01	-	-	-	-	-	-	
Total Power Production Plant		PLPPT		\$ 98,378,510	\$ 47,498,728	\$ 10,420,579	\$ 8,057,619	\$ 304,450	\$ 544,801	
Transmission Plant										
Transmission Demand - Base	TPIS	PLTRB	PPBDA	\$ 4,190,699	\$ 1,759,177	\$ 472,760	\$ 864,812	\$ 31,260	\$ 25,614	
Transmission Demand - Inter.	TPIS	PLTRI	PPWDA	3,923,029	1,610,540	311,692	-	631	19,864	
Transmission Demand - Peak	TPIS	PLTRP	PPSDA	2,445,087	1,728,248	333,973	-	785	12,995	
Total Transmission Plant		PLTRT		\$ 10,558,815	\$ 5,097,966	\$ 1,118,425	\$ 864,812	\$ 32,676	\$ 58,473	
Distribution Poles										
Specific	TPIS	PLDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Substation										
General	TPIS	PLDSG	NCPS	\$ -	\$ 2,167,230	\$ 489,327	\$ 956,461	\$ 34,423	\$ 14,146	
Distribution Primary & Secondary Lines										
Primary Specific	TPIS	PLDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Primary Demand	TPIS	PLDPLD	NCPL	-	3,337,091	753,464	1,472,754	53,004	21,782	
Primary Customer	TPIS	PLDPLC	YECust08	-	718	1,436	6,249,559	12,424	73,105	
Secondary Demand	TPIS	PLDSL D	SICD	-	-	-	330,043	12,261	4,881	
Secondary Customer	TPIS	PLDSL C	YECust07	-	-	-	2,084,114	4,143	24,379	
Total Distribution Primary & Secondary Lines		PLDLT		\$ -	\$ 3,337,809	\$ 754,900	\$ 10,136,470	\$ 81,832	\$ 124,148	
Distribution Line Transformers										
Demand	TPIS	PLDLTD	SICD	\$ -	\$ -	\$ -	\$ 462,277	\$ 17,174	\$ 6,837	
Customer	TPIS	PLDLTC	YECust07	-	-	-	1,418,172	2,819	16,589	
Total Distribution Line Transformers		PLDLTT		\$ -	\$ -	\$ -	\$ 1,880,449	\$ 19,993	\$ 23,426	
Distribution Services										
Customer	TPIS	PLDSC	C02	\$ -	\$ -	\$ -	\$ -	\$ 12,379	\$ 72,846	
Distribution Meters										
Customer	TPIS	PLDMC	C03	\$ 387,695	\$ 35,245	\$ 70,490	\$ -	\$ 14,114	\$ 83,055	
Distribution Street & Customer Lighting										
Customer	TPIS	PLDSCL	YECust04	\$ -	\$ -	\$ -	\$ 90,401,685	\$ -	\$ -	
Customer Accounts Expense										
Customer	TPIS	PLCAE	YECust05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service & Info.										
Customer	TPIS	PLCSI	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Expense										
Customer	TPIS	PLSEC	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		PLT		\$ 109,325,020	\$ 58,136,978	\$ 12,853,721	\$ 112,297,495	\$ 499,868	\$ 920,894	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Net Utility Plant										
Power Production Plant										
Production Demand - Base	NTPLANT	UPPPDB	PPBDA	\$ 486,258,467	\$ 177,763,528	\$ 58,632,051	\$ 9,596,309	\$ 97,763,814	\$ 78,619,585	\$ 26,581,290
Production Demand - Winter Peak	NTPLANT	UPPPDI	PPWDA	458,385,037	184,837,539	72,962,781	7,430,268	85,567,685	56,291,824	21,502,701
Production Demand - Summer Peak	NTPLANT	UPPPDP	PPSDA	470,764,597	229,859,972	61,531,459	6,902,439	82,320,689	48,621,227	18,566,151
Production Energy	NTPLANT	UPPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	NTPLANT	UPPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	NTPLANT	UPPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		UPPPT		\$ 1,415,408,102	\$ 592,461,039	\$ 193,126,291	\$ 23,929,016	\$ 265,652,188	\$ 183,532,636	\$ 66,650,142
Transmission Plant										
Transmission Demand - Base	NTPLANT	UPTRB	PPBDA	\$ 49,775,639	\$ 18,196,687	\$ 6,001,845	\$ 982,322	\$ 10,007,551	\$ 8,047,860	\$ 2,720,982
Transmission Demand - Inter.	NTPLANT	UPTRI	PPWDA	46,922,387	18,920,815	7,468,804	760,596	8,759,099	5,762,288	2,201,115
Transmission Demand - Peak	NTPLANT	UPTRP	PPSDA	48,189,616	23,529,517	6,298,641	706,565	8,426,722	4,977,091	1,900,516
Total Transmission Plant		UPTRT		\$ 144,887,642	\$ 60,647,019	\$ 19,769,290	\$ 2,449,483	\$ 27,193,372	\$ 18,787,239	\$ 6,822,613
Distribution Poles										
Specific	NTPLANT	UPDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	NTPLANT	UPDSG	NCPS	\$ 70,940,439	\$ 34,033,976	\$ 9,655,488	\$ 1,006,249	\$ 11,772,192	\$ 9,420,544	\$ 2,822,501
Distribution Primary & Secondary Lines										
Primary Specific	NTPLANT	UPDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	NTPLANT	UPDPLD	NCPL	109,233,752	52,405,355	14,867,475	1,549,417	18,126,766	14,505,709	4,346,073
Primary Customer	NTPLANT	UPDPLC	YECust08	178,825,172	154,170,148	19,381,840	37,167	1,267,607	41,102	68,649
Secondary Demand	NTPLANT	UPDSL	SICD	36,411,251	25,200,244	4,857,483	-	4,842,678	-	1,299,449
Secondary Customer	NTPLANT	UPDSL	YECust07	59,608,391	51,412,929	6,463,490	-	422,724	-	22,893
Total Distribution Primary & Secondary Lines		UPDLT		\$ 384,078,566	\$ 283,188,675	\$ 45,570,288	\$ 1,586,584	\$ 24,659,775	\$ 14,546,811	\$ 5,737,064
Distribution Line Transformers										
Demand	NTPLANT	UPDLTD	SICD	\$ 50,999,551	\$ 35,296,813	\$ 6,803,651	\$ -	\$ 6,782,915	\$ -	\$ 1,820,078
Customer	NTPLANT	UPDLTC	YECust07	40,561,582	34,984,835	4,398,196	-	287,650	-	15,578
Total Distribution Line Transformers		UPDLTT		\$ 91,561,132	\$ 70,281,648	\$ 11,201,847	\$ -	\$ 7,070,564	\$ -	\$ 1,835,656
Distribution Services										
Customer	NTPLANT	UPDSC	C02	\$ 18,571,543	\$ 15,362,276	\$ 2,565,650	\$ -	\$ 548,081	\$ -	\$ 43,644
Distribution Meters										
Customer	NTPLANT	UPDMC	C03	\$ 25,025,829	\$ 17,515,336	\$ 5,201,688	\$ 237,353	\$ 1,362,861	\$ 267,103	\$ 81,880
Distribution Street & Customer Lighting										
Customer	NTPLANT	UPDSCL	YECust04	\$ 55,044,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	NTPLANT	UPCAE	YECust05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	NTPLANT	UPCSI	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	NTPLANT	UPSEC	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		UPT		\$ 2,205,517,586	\$ 1,073,489,970	\$ 287,090,542	\$ 29,208,685	\$ 338,259,034	\$ 226,554,333	\$ 83,993,501

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service	Lighting Energy	Traffic Energy					
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK		Rate LE	Service Rate TE				
Net Utility Plant															
Power Production Plant															
Production Demand - Base	NTPLANT	UPPPDB	PPBDA	\$	21,284,606	\$	8,934,879	\$	2,401,151	\$	4,392,389	\$	158,771	\$	130,093
Production Demand - Winter Peak	NTPLANT	UPPPDI	PPWDA		19,925,106		8,179,953		1,583,088		-		3,206		100,887
Production Demand - Summer Peak	NTPLANT	UPPPDP	PPSDA		12,418,626		8,777,793		1,696,253		-		3,986		66,003
Production Energy	NTPLANT	UPPPEB	E01		-		-		-		-		-		-
Production Energy - Not Used	NTPLANT	UPPPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	NTPLANT	UPPPEP	E01		-		-		-		-		-		-
Total Power Production Plant		UPPPT		\$	53,628,338	\$	25,892,625	\$	5,680,492	\$	4,392,389	\$	165,963	\$	296,983
Transmission Plant															
Transmission Demand - Base	NTPLANT	UPTRB	PPBDA	\$	2,178,790	\$	914,615	\$	245,793	\$	449,625	\$	16,253	\$	13,317
Transmission Demand - Inter.	NTPLANT	UPTRI	PPWDA		2,039,625		837,337		162,052		-		328		10,327
Transmission Demand - Peak	NTPLANT	UPTRP	PPSDA		1,271,227		898,535		173,636		-		408		6,756
Total Transmission Plant		UPTRT		\$	5,489,642	\$	2,650,487	\$	581,481	\$	449,625	\$	16,989	\$	30,401
Distribution Poles															
Specific	NTPLANT	UPDPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	NTPLANT	UPDSG	NCPS	\$	-	\$	1,319,597	\$	297,945	\$	582,376	\$	20,959	\$	8,613
Distribution Primary & Secondary Lines															
Primary Specific	NTPLANT	UPDPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	NTPLANT	UPDPLD	NCPL		-		2,031,909		458,774		896,739		32,273		13,263
Primary Customer	NTPLANT	UPDPLC	YECust08		-		437		875		3,805,270		7,565		44,513
Secondary Demand	NTPLANT	UPDSL D	SICD		-		-		-		200,959		7,466		2,972
Secondary Customer	NTPLANT	UPDSL C	YECust07		-		-		-		1,268,988		2,523		14,844
Total Distribution Primary & Secondary Lines		UPDLT		\$	-	\$	2,032,346	\$	459,648	\$	6,171,956	\$	49,826	\$	75,592
Distribution Line Transformers															
Demand	NTPLANT	UPDLTD	SICD	\$	-	\$	-	\$	-	\$	281,474	\$	10,457	\$	4,163
Customer	NTPLANT	UPDLTC	YECust07		-		-		-		863,505		1,717		10,101
Total Distribution Line Transformers		UPDLTT		\$	-	\$	-	\$	-	\$	1,144,979	\$	12,174	\$	14,264
Distribution Services															
Customer	NTPLANT	UPDSC	C02	\$	-	\$	-	\$	-	\$	-	\$	7,538	\$	44,355
Distribution Meters															
Customer	NTPLANT	UPDMC	C03	\$	236,062	\$	21,460	\$	42,920	\$	-	\$	8,594	\$	50,571
Distribution Street & Customer Lighting															
Customer	NTPLANT	UPDSCL	YECust04	\$	-	\$	-	\$	-	\$	55,044,333	\$	-	\$	-
Customer Accounts Expense															
Customer	NTPLANT	UPCAE	YECust05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Service & Info.															
Customer	NTPLANT	UPCSI	YECust06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sales Expense															
Customer	NTPLANT	UPSEC	YECust06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		UPT		\$	59,354,042	\$	31,916,515	\$	7,062,486	\$	67,785,658	\$	282,042	\$	520,778

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Net Cost Rate Base										
Power Production Plant										
Production Demand - Base	RB	RBPPDB	PPBDA	\$ 407,601,400	\$ 149,008,537	\$ 49,147,743	\$ 8,044,012	\$ 81,949,560	\$ 65,902,098	\$ 22,281,506
Production Demand - Winter Peak	RB	RBPPDI	PPWDA	384,236,771	154,938,257	61,160,337	6,228,349	71,726,275	47,186,070	18,024,429
Production Demand - Summer Peak	RB	RBPPDP	PPSDA	394,613,816	192,677,872	51,578,143	5,785,902	69,004,512	40,756,268	15,562,894
Production Energy	RB	RBPPEB	E01	55,761,561	20,450,212	6,828,474	1,113,808	11,225,829	8,991,070	2,874,938
Production Energy - Not Used	RB	RBPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	RB	RBPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		RBPPT		\$ 1,242,213,548	\$ 517,074,879	\$ 168,714,697	\$ 21,172,071	\$ 233,906,176	\$ 162,835,506	\$ 58,743,767
Transmission Plant										
Transmission Demand - Base	RB	RBTRB	PPBDA	\$ 41,811,671	\$ 15,285,266	\$ 5,041,566	\$ 825,153	\$ 8,406,370	\$ 6,760,224	\$ 2,285,633
Transmission Demand - Inter.	RB	RBTRI	PPWDA	39,414,932	15,893,536	6,273,815	638,903	7,357,667	4,840,338	1,848,942
Transmission Demand - Peak	RB	RBTRP	PPSDA	40,479,407	19,764,858	5,290,876	593,517	7,078,469	4,180,770	1,596,439
Total Transmission Plant		RBTRT		\$ 121,706,011	\$ 50,943,660	\$ 16,606,257	\$ 2,057,573	\$ 22,842,506	\$ 15,781,332	\$ 5,731,014
Distribution Poles										
Specific	RB	RBGPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	RB	RBDGS	NCPS	\$ 60,883,655	\$ 29,209,191	\$ 8,286,690	\$ 863,599	\$ 10,103,322	\$ 8,085,052	\$ 2,422,372
Distribution Primary & Secondary Lines										
Primary Specific	RB	RBDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	RB	RBDPLD	NCPL	93,915,264	45,056,245	12,782,522	1,332,133	15,584,744	12,471,488	3,736,598
Primary Customer	RB	RBDPLC	YECust08	153,262,647	132,131,985	16,611,264	31,854	1,086,406	35,227	58,836
Secondary Demand	RB	RBDSDL	SICD	31,305,088	21,666,266	4,176,290	-	4,163,561	-	1,117,220
Secondary Customer	RB	RBDSLC	YECust07	51,087,549	44,063,604	5,539,553	-	362,297	-	19,621
Total Distribution Primary & Secondary Lines		RBDLT		\$ 329,570,549	\$ 242,918,101	\$ 39,109,629	\$ 1,363,987	\$ 21,197,008	\$ 12,506,715	\$ 4,932,274
Distribution Line Transformers										
Demand	RB	RBDLTD	SICD	\$ 43,329,312	\$ 29,988,237	\$ 5,780,395	\$ -	\$ 5,762,777	\$ -	\$ 1,546,341
Customer	RB	RBDLTC	YECust07	34,461,194	29,723,180	3,736,715	-	244,388	-	13,235
Total Distribution Line Transformers		RBDLTT		\$ 77,790,506	\$ 59,711,417	\$ 9,517,110	\$ -	\$ 6,007,165	\$ -	\$ 1,559,577
Distribution Services										
Customer	RB	RBDSC	C02	\$ 15,769,162	\$ 13,044,162	\$ 2,178,503	\$ -	\$ 465,377	\$ -	\$ 37,058
Distribution Meters										
Customer	RB	RBDMC	C03	\$ 22,612,850	\$ 15,826,515	\$ 4,700,144	\$ 214,468	\$ 1,231,454	\$ 241,349	\$ 73,985
Distribution Street & Customer Lighting										
Customer	RB	RBDACL	YECust04	\$ 46,781,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	RB	RBCAE	YECust05	\$ 2,120,281	\$ 1,585,387	\$ 398,621	\$ 1,911	\$ 65,176	\$ 10,567	\$ 17,649
Customer Service & Info.										
Customer	RB	RBCSI	YECust06	\$ 1,549,920	\$ 1,336,193	\$ 167,982	\$ 322	\$ 10,986	\$ 356	\$ 595
Sales Expense										
Customer	RB	RBSEC	YECust06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		RBT		\$ 1,920,997,668	\$ 931,649,506	\$ 249,679,632	\$ 25,673,931	\$ 295,829,170	\$ 199,460,877	\$ 73,518,291

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service	Lighting Energy		Traffic Energy				
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Rate LE	Service Rate TE					
Net Cost Rate Base															
Power Production Plant															
Production Demand - Base	RB	RBPPDB	PPBDA	\$	17,841,613	\$	7,489,575	\$	2,012,741	\$	3,681,877	\$	133,088	\$	109,049
Production Demand - Winter Peak	RB	RBPPDI	PPWDA		16,702,025		6,856,765		1,327,008		-		2,687		84,568
Production Demand - Summer Peak	RB	RBPPDP	PPSDA		10,409,792		7,357,899		1,421,868		-		3,341		55,326
Production Energy	RB	RBPPEB	E01		2,440,807		1,024,605		275,352		503,696		17,853		14,918
Production Energy - Not Used	RB	RBPPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	RB	RBPPEP	E01		-		-		-		-		-		-
Total Power Production Plant		RBPPT		\$	47,394,236	\$	22,728,844	\$	5,036,968	\$	4,185,573	\$	156,969	\$	263,862
Transmission Plant															
Transmission Demand - Base	RB	RBTRB	PPBDA	\$	1,830,189	\$	768,279	\$	206,467	\$	377,686	\$	13,652	\$	11,186
Transmission Demand - Inter.	RB	RBTRI	PPWDA		1,713,290		703,366		136,124		-		276		8,675
Transmission Demand - Peak	RB	RBTRP	PPSDA		1,067,834		754,772		145,855		-		343		5,675
Total Transmission Plant		RBTRT		\$	4,611,314	\$	2,226,417	\$	488,446	\$	377,686	\$	14,271	\$	25,537
Distribution Poles															
Specific	RB	RBGPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	RB	RBDGS	NCPS	\$	-	\$	1,132,526	\$	255,707	\$	499,816	\$	17,988	\$	7,392
Distribution Primary & Secondary Lines															
Primary Specific	RB	RBDPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	RB	RBDPLD	NCPL		-		1,746,962		394,437		770,984		27,747		11,403
Primary Customer	RB	RBDPLC	YECust08		-		375		750		3,261,318		6,483		38,150
Secondary Demand	RB	RBDSLD	SICD		-		-		-		172,777		6,419		2,555
Secondary Customer	RB	RBDSLC	YECust07		-		-		-		1,087,590		2,162		12,722
Total Distribution Primary & Secondary Lines		RBDLT		\$	-	\$	1,747,337	\$	395,187	\$	5,292,670	\$	42,812	\$	64,830
Distribution Line Transformers															
Demand	RB	RBDLTD	SICD	\$	-	\$	-	\$	-	\$	239,141	\$	8,884	\$	3,537
Customer	RB	RBDLTC	YECust07		-		-		-		733,636		1,458		8,582
Total Distribution Line Transformers		RBDLTT		\$	-	\$	-	\$	-	\$	972,776	\$	10,343	\$	12,119
Distribution Services															
Customer	RB	RBDSC	C02	\$	-	\$	-	\$	-	\$	-	\$	6,400	\$	37,662
Distribution Meters															
Customer	RB	RBDMC	C03	\$	213,301	\$	19,391	\$	38,782	\$	-	\$	7,765	\$	45,695
Distribution Street & Customer Lighting															
Customer	RB	RBDSCS	YECust04	\$	-	\$	-	\$	-	\$	46,781,186	\$	-	\$	-
Customer Accounts Expense															
Customer	RB	RBCAE	YECust05	\$	1,237	\$	22	\$	45	\$	39,131	\$	78	\$	458
Customer Service & Info.															
Customer	RB	RBCSI	YECust06	\$	42	\$	4	\$	8	\$	32,980	\$	66	\$	386
Sales Expense															
Customer	RB	RBSEC	YECust06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		RBT		\$	52,220,129	\$	27,854,540	\$	6,215,142	\$	58,181,819	\$	256,691	\$	457,939

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Operation and Maintenance Expenses										
Power Production Plant										
Production Demand - Base	TOM	OMPPDB	PPBDA	\$ 41,710,970	\$ 15,248,453	\$ 5,029,423	\$ 823,166	\$ 8,386,123	\$ 6,743,943	\$ 2,280,128
Production Demand - Winter Peak	TOM	OMPPDI	PPWDA	39,320,004	15,855,257	6,258,705	637,364	7,339,947	4,828,680	1,844,489
Production Demand - Summer Peak	TOM	OMPPDP	PPSDA	40,381,915	19,717,256	5,278,133	592,087	7,061,421	4,170,701	1,592,594
Production Energy	TOM	OMPPEB	E01	494,394,073	181,316,008	60,542,728	9,875,259	99,530,630	79,716,775	25,489,823
Production Energy - Not Used	TOM	OMPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TOM	OMPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		OMPPT		\$ 615,806,961	\$ 232,136,973	\$ 77,108,990	\$ 11,927,876	\$ 122,318,121	\$ 95,460,098	\$ 31,207,034
Transmission Plant										
Transmission Demand - Base	TOM	OMTRB	PPBDA	\$ 7,536,498	\$ 2,755,149	\$ 908,735	\$ 148,733	\$ 1,515,237	\$ 1,218,521	\$ 411,982
Transmission Demand - Inter.	TOM	OMTRI	PPWDA	7,104,489	2,864,789	1,130,847	115,161	1,326,210	872,464	333,269
Transmission Demand - Peak	TOM	OMTRP	PPSDA	7,296,359	3,562,589	953,673	106,981	1,275,885	753,578	287,756
Total Transmission Plant		OMTRT		\$ 21,937,346	\$ 9,182,527	\$ 2,993,256	\$ 370,875	\$ 4,117,331	\$ 2,844,564	\$ 1,033,008
Distribution Poles										
Specific	TOM	OMDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TOM	OMDSG	NCPS	\$ 6,250,679	\$ 2,998,790	\$ 850,761	\$ 88,662	\$ 1,037,267	\$ 830,060	\$ 248,695
Distribution Primary & Secondary Lines										
Primary Specific	TOM	OMDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TOM	OMDPLD	NCPL	13,145,891	6,306,797	1,789,247	186,467	2,181,491	1,745,710	523,034
Primary Customer	TOM	OMDPLC	Cust08	17,643,593	15,188,858	1,890,347	3,712	127,095	4,018	7,075
Secondary Demand	TOM	OMDSL D	SICD	4,381,964	3,032,759	584,581	-	582,799	-	156,384
Secondary Customer	TOM	OMDSL C	Cust07	5,881,198	5,065,210	630,397	-	42,384	-	2,360
Total Distribution Primary & Secondary Lines		OMDLT		\$ 41,052,645	\$ 29,593,624	\$ 4,894,572	\$ 190,179	\$ 2,933,769	\$ 1,749,728	\$ 688,853
Distribution Line Transformers										
Demand	TOM	OMDLTD	SICD	\$ 970,854	\$ 671,928	\$ 129,518	\$ -	\$ 129,123	\$ -	\$ 34,648
Customer	TOM	OMDLTC	Cust07	772,151	665,019	82,766	-	5,565	-	310
Total Distribution Line Transformers		OMDLTT		\$ 1,743,005	\$ 1,336,947	\$ 212,283	\$ -	\$ 134,688	\$ -	\$ 34,958
Distribution Services										
Customer	TOM	OMDSC	C02	\$ 279,495	\$ 231,197	\$ 38,612	\$ -	\$ 8,248	\$ -	\$ 657
Distribution Meters										
Customer	TOM	OMDMC	C03	\$ 11,283,281	\$ 7,897,059	\$ 2,345,261	\$ 107,014	\$ 614,467	\$ 120,427	\$ 36,917
Distribution Street & Customer Lighting										
Customer	TOM	OMDSCL	C04	\$ 1,171,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TOM	OMCAE	C05	\$ 16,962,251	\$ 12,669,055	\$ 3,153,484	\$ 15,483	\$ 530,049	\$ 83,788	\$ 147,540
Customer Service & Info.										
Customer	TOM	OMCSI	C05	\$ 12,399,361	\$ 9,261,046	\$ 2,305,189	\$ 11,318	\$ 387,465	\$ 61,249	\$ 107,851
Sales Expense										
Customer	TOM	OMSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		OMT		\$ 728,886,233	\$ 305,307,218	\$ 93,902,408	\$ 12,711,407	\$ 132,081,405	\$ 101,149,914	\$ 33,505,512

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service	Lighting Energy		Traffic Energy
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Rate LE	Service Rate TE	
Operation and Maintenance Expenses											
Power Production Plant											
Production Demand - Base	TOM	OMPPDB	PPBDA	\$ 1,825,781	\$	766,429	\$ 205,969	\$ 376,777	\$ 13,619	\$	11,159
Production Demand - Winter Peak	TOM	OMPPDI	PPWDA	1,709,164		701,672	135,796	-	275		8,654
Production Demand - Summer Peak	TOM	OMPPDP	PPSDA	1,065,263		752,954	145,504	-	342		5,662
Production Energy	TOM	OMPPEB	E01	21,640,721		9,084,368	2,441,326	4,465,878	158,287		132,271
Production Energy - Not Used	TOM	OMPPEI	E01	-		-	-	-	-		-
Production Energy - Not Used	TOM	OMPPEP	E01	-		-	-	-	-		-
Total Power Production Plant		OMPPT		\$ 26,240,929	\$	11,305,422	\$ 2,928,595	\$ 4,842,655	\$ 172,523	\$	157,746
Transmission Plant											
Transmission Demand - Base	TOM	OMTRB	PPBDA	\$ 329,889	\$	138,481	\$ 37,215	\$ 68,077	\$ 2,461	\$	2,016
Transmission Demand - Inter.	TOM	OMTRI	PPWDA	308,818		126,781	24,536	-	50		1,564
Transmission Demand - Peak	TOM	OMTRP	PPSDA	192,476		136,047	26,290	-	62		1,023
Total Transmission Plant		OMTRT		\$ 831,183	\$	401,309	\$ 88,042	\$ 68,077	\$ 2,572	\$	4,603
Distribution Poles											
Specific	TOM	OMDPS	NCPL	\$ -	\$	-	\$ -	\$ -	\$ -	\$	-
Distribution Substation											
General	TOM	OMDSG	NCPS	\$ -	\$	116,272	\$ 26,252	\$ 51,314	\$ 1,847	\$	759
Distribution Primary & Secondary Lines											
Primary Specific	TOM	OMDPLS	NCPL	\$ -	\$	-	\$ -	\$ -	\$ -	\$	-
Primary Demand	TOM	OMDPLD	NCPL	-		244,533	55,212	107,919	3,884		1,596
Primary Customer	TOM	OMDPLC	Cust08	-		44	87	417,167	742		4,446
Secondary Demand	TOM	OMDSL D	SICD	-		-	-	24,185	898		358
Secondary Customer	TOM	OMDSL C	Cust07	-		-	-	139,118	248		1,483
Total Distribution Primary & Secondary Lines		OMDLT		\$ -	\$	244,577	\$ 55,299	\$ 688,389	\$ 5,773	\$	7,883
Distribution Line Transformers											
Demand	TOM	OMDLTD	SICD	\$ -	\$	-	\$ -	\$ 5,358	\$ 199	\$	79
Customer	TOM	OMDLTC	Cust07	-		-	-	18,265	33		195
Total Distribution Line Transformers		OMDLTT		\$ -	\$	-	\$ -	\$ 23,623	\$ 232	\$	274
Distribution Services											
Customer	TOM	OMDSC	C02	\$ -	\$	-	\$ -	\$ -	\$ 113	\$	668
Distribution Meters											
Customer	TOM	OMDMC	C03	\$ 106,432	\$	9,676	\$ 19,351	\$ -	\$ 3,875	\$	22,801
Distribution Street & Customer Lighting											
Customer	TOM	OMDSCL	C04	\$ -	\$	-	\$ -	\$ 1,171,209	\$ -	\$	-
Customer Accounts Expense											
Customer	TOM	OMCAE	C05	\$ 10,018	\$	182	\$ 364	\$ 347,960	\$ 619	\$	3,709
Customer Service & Info.											
Customer	TOM	OMCSI	C05	\$ 7,323	\$	133	\$ 266	\$ 254,358	\$ 453	\$	2,711
Sales Expense											
Customer	TOM	OMSEC	C06	\$ -	\$	-	\$ -	\$ -	\$ -	\$	-
Total		OMT		\$ 27,195,885	\$	12,077,570	\$ 3,118,171	\$ 7,447,586	\$ 188,006	\$	201,152

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Labor Expenses										
Power Production Plant										
Production Demand - Base	TLB	LBPPDB	PPBDA	\$ 8,697,184	\$ 3,179,466	\$ 1,048,689	\$ 171,639	\$ 1,748,596	\$ 1,406,184	\$ 475,431
Production Demand - Winter Peak	TLB	LBPPDI	PPWDA	8,198,641	3,305,991	1,305,007	132,897	1,530,457	1,006,831	384,596
Production Demand - Summer Peak	TLB	LBPPDP	PPSDA	8,420,061	4,111,259	1,100,547	123,457	1,472,382	869,636	332,073
Production Energy	TLB	LBPPEB	E01	16,495,530	6,049,635	2,020,017	329,489	3,320,854	2,659,762	850,472
Production Energy - Not Used	TLB	LBPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TLB	LBPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		LBPPPT		\$ 41,811,416	\$ 16,646,350	\$ 5,474,260	\$ 757,482	\$ 8,072,290	\$ 5,942,413	\$ 2,042,571
Transmission Plant										
Transmission Demand - Base	TLB	LBTRB	PPBDA	\$ 1,325,402	\$ 484,533	\$ 159,814	\$ 26,157	\$ 266,476	\$ 214,295	\$ 72,453
Transmission Demand - Inter.	TLB	LBTRI	PPWDA	1,249,427	503,814	198,876	20,253	233,233	153,435	58,610
Transmission Demand - Peak	TLB	LBTRP	PPSDA	1,283,170	626,533	167,717	18,814	224,383	132,528	50,606
Total Transmission Plant		LBTRT		\$ 3,857,999	\$ 1,614,880	\$ 526,407	\$ 65,224	\$ 724,092	\$ 500,258	\$ 181,669
Distribution Poles										
Specific	TLB	LBGPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TLB	LBDSG	NCPS	\$ 1,569,910	\$ 753,171	\$ 213,676	\$ 22,268	\$ 260,518	\$ 208,476	\$ 62,462
Distribution Primary & Secondary Lines										
Primary Specific	TLB	LBGPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TLB	LBGPLD	NCPL	2,306,601	1,106,601	313,944	32,718	382,768	306,305	91,773
Primary Customer	TLB	LBGPLC	Cust08	3,157,250	2,717,985	338,270	664	22,743	719	1,266
Secondary Demand	TLB	LBGPLS	SICD	768,867	532,133	102,572	-	102,259	-	27,439
Secondary Customer	TLB	LBGPLC	Cust07	1,052,417	906,399	112,807	-	7,584	-	422
Total Distribution Primary & Secondary Lines		LBGPLT		\$ 7,285,134	\$ 5,263,118	\$ 867,593	\$ 33,382	\$ 515,355	\$ 307,024	\$ 120,900
Distribution Line Transformers										
Demand	TLB	LBGLTD	SICD	\$ 225,604	\$ 156,141	\$ 30,097	\$ -	\$ 30,005	\$ -	\$ 8,051
Customer	TLB	LBGLTC	Cust07	179,430	154,535	19,233	-	1,293	-	72
Total Distribution Line Transformers		LBGLTT		\$ 405,034	\$ 310,676	\$ 49,330	\$ -	\$ 31,298	\$ -	\$ 8,123
Distribution Services										
Customer	TLB	LBGLSC	C02	\$ 55,715	\$ 46,087	\$ 7,697	\$ -	\$ 1,644	\$ -	\$ 131
Distribution Meters										
Customer	TLB	LBGLMC	C03	\$ 3,563,637	\$ 2,494,155	\$ 740,712	\$ 33,799	\$ 194,069	\$ 38,035	\$ 11,660
Distribution Street & Customer Lighting										
Customer	TLB	LBGLSCL	C04	\$ 174,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TLB	LBGLCAE	C05	\$ 4,381,189	\$ 3,272,297	\$ 814,515	\$ 3,999	\$ 136,907	\$ 21,642	\$ 38,108
Customer Service & Info.										
Customer	TLB	LBGLCSI	C05	\$ 859,857	\$ 642,225	\$ 159,858	\$ 785	\$ 26,869	\$ 4,247	\$ 7,479
Sales Expense										
Customer	TLB	LBGLSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		LBT		\$ 63,964,275	\$ 31,042,958	\$ 8,854,047	\$ 916,939	\$ 9,963,043	\$ 7,022,095	\$ 2,473,104

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service		Traffic Energy					
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Lighting Energy Rate LE	Service Rate TE					
Labor Expenses															
Power Production Plant															
Production Demand - Base	TLB	LBPPDB	PPBDA	\$	380,695	\$	159,809	\$	42,947	\$	78,562	\$	2,840	\$	2,327
Production Demand - Winter Peak	TLB	LBPPDI	PPWDA		356,379		146,306		28,315		-		57		1,804
Production Demand - Summer Peak	TLB	LBPPDP	PPSDA		222,119		156,999		30,339		-		71		1,181
Production Energy	TLB	LBPPEB	E01		722,046		303,101		81,455		149,005		5,281		4,413
Production Energy - Not Used	TLB	LBPPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	TLB	LBPPEP	E01		-		-		-		-		-		-
Total Power Production Plant		LBPPT		\$	1,681,238	\$	766,215	\$	183,056	\$	227,567	\$	8,250	\$	9,725
Transmission Plant															
Transmission Demand - Base	TLB	LBTRB	PPBDA	\$	58,016	\$	24,354	\$	6,545	\$	11,972	\$	433	\$	355
Transmission Demand - Inter.	TLB	LBTRI	PPWDA		54,310		22,296		4,315		-		9		275
Transmission Demand - Peak	TLB	LBTRP	PPSDA		33,850		23,926		4,624		-		11		180
Total Transmission Plant		LBTRT		\$	146,176	\$	70,576	\$	15,483	\$	11,972	\$	452	\$	809
Distribution Poles															
Specific	TLB	LBGPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	TLB	LBDSG	NCPS	\$	-	\$	29,203	\$	6,594	\$	12,888	\$	464	\$	191
Distribution Primary & Secondary Lines															
Primary Specific	TLB	LBPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	TLB	LBPLD	NCPL		-		42,906		9,688		18,936		681		280
Primary Customer	TLB	LBPLC	Cust08		-		8		16		74,650		133		796
Secondary Demand	TLB	LBDSL	SICD		-		-		-		4,243		158		63
Secondary Customer	TLB	LBDSL	Cust07		-		-		-		24,895		44		265
Total Distribution Primary & Secondary Lines		LBDLT		\$	-	\$	42,914	\$	9,703	\$	122,724	\$	1,016	\$	1,404
Distribution Line Transformers															
Demand	TLB	LBDLTD	SICD	\$	-	\$	-	\$	-	\$	1,245	\$	46	\$	18
Customer	TLB	LBDLTC	Cust07		-		-		-		4,244		8		45
Total Distribution Line Transformers		LBDLTT		\$	-	\$	-	\$	-	\$	5,490	\$	54	\$	64
Distribution Services															
Customer	TLB	LBDS	C02	\$	-	\$	-	\$	-	\$	-	\$	23	\$	133
Distribution Meters															
Customer	TLB	LBDMC	C03	\$	33,615	\$	3,056	\$	6,112	\$	-	\$	1,224	\$	7,201
Distribution Street & Customer Lighting															
Customer	TLB	LBDSCL	C04	\$	-	\$	-	\$	-	\$	174,384	\$	-	\$	-
Customer Accounts Expense															
Customer	TLB	LBCAE	C05	\$	2,588	\$	47	\$	94	\$	89,875	\$	160	\$	958
Customer Service & Info.															
Customer	TLB	LBCSI	C05	\$	508	\$	9	\$	18	\$	17,639	\$	31	\$	188
Sales Expense															
Customer	TLB	LBSEC	C06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		LBT		\$	1,864,124	\$	912,020	\$	221,061	\$	662,539	\$	11,674	\$	20,673

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Depreciation Expenses										
Power Production Plant										
Production Demand - Base	TDEPR	DEPPDB	PPBDA	\$ 30,864,642	\$ 11,283,316	\$ 3,721,595	\$ 609,114	\$ 6,205,435	\$ 4,990,279	\$ 1,687,214
Production Demand - Winter Peak	TDEPR	DEPPDI	PPWDA	29,095,412	11,732,329	4,631,220	471,627	5,431,301	3,573,052	1,364,857
Production Demand - Summer Peak	TDEPR	DEPPDP	PPSDA	29,881,188	14,590,072	3,905,632	438,124	5,225,202	3,086,171	1,178,463
Production Energy	TDEPR	DEPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TDEPR	DEPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TDEPR	DEPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		DEPPT		\$ 89,841,242	\$ 37,605,716	\$ 12,258,447	\$ 1,518,864	\$ 16,861,937	\$ 11,649,502	\$ 4,230,534
Transmission Plant										
Transmission Demand - Base	TDEPR	DETRB	PPBDA	\$ 2,158,364	\$ 789,042	\$ 260,251	\$ 42,595	\$ 433,946	\$ 348,970	\$ 117,987
Transmission Demand - Inter.	TDEPR	DETRI	PPWDA	2,034,641	820,441	323,861	32,981	379,811	249,863	95,444
Transmission Demand - Peak	TDEPR	DETRP	PPSDA	2,089,591	1,020,283	273,121	30,638	365,398	215,816	82,410
Total Transmission Plant		DETRT		\$ 6,282,596	\$ 2,629,767	\$ 857,233	\$ 106,214	\$ 1,179,155	\$ 814,649	\$ 295,841
Distribution Poles										
Specific	TDEPR	DEDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TDEPR	DEDSG	NCPS	\$ 2,841,757	\$ 1,363,345	\$ 386,783	\$ 40,309	\$ 471,575	\$ 377,371	\$ 113,065
Distribution Primary & Secondary Lines										
Primary Specific	TDEPR	DEDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TDEPR	DEDPLD	NCPL	4,375,724	2,099,272	595,567	62,067	726,128	581,075	174,097
Primary Customer	TDEPR	DEDPLC	Cust08	7,163,442	6,166,800	767,496	1,507	51,601	1,631	2,873
Secondary Demand	TDEPR	DEDSL	SICD	1,458,575	1,009,480	194,583	-	193,990	-	52,054
Secondary Customer	TDEPR	DEDSL	Cust07	2,387,814	2,056,516	255,946	-	17,208	-	958
Total Distribution Primary & Secondary Lines		DEDLT		\$ 15,385,555	\$ 11,332,069	\$ 1,813,592	\$ 63,574	\$ 988,928	\$ 582,706	\$ 229,981
Distribution Line Transformers										
Demand	TDEPR	DEDLTD	SICD	\$ 2,042,958	\$ 1,413,932	\$ 272,543	\$ -	\$ 271,712	\$ -	\$ 72,909
Customer	TDEPR	DEDLTC	Cust07	1,624,830	1,399,393	174,163	-	11,710	-	652
Total Distribution Line Transformers		DEDLTT		\$ 3,667,788	\$ 2,813,325	\$ 446,706	\$ -	\$ 283,422	\$ -	\$ 73,561
Distribution Services										
Customer	TDEPR	DEDESC	C02	\$ 743,945	\$ 615,387	\$ 102,776	\$ -	\$ 21,955	\$ -	\$ 1,748
Distribution Meters										
Customer	TDEPR	DEDMC	C03	\$ 1,002,494	\$ 701,636	\$ 208,371	\$ 9,508	\$ 54,594	\$ 10,700	\$ 3,280
Distribution Street & Customer Lighting										
Customer	TDEPR	DEDSCL	C04	\$ 2,204,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TDEPR	DECAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	TDEPR	DECSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	TDEPR	DESEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		DET		\$ 121,970,363	\$ 57,061,245	\$ 16,073,908	\$ 1,738,469	\$ 19,861,566	\$ 13,434,929	\$ 4,948,010

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate			Lighting Service	Lighting Energy Rate LE	Traffic Energy Service Rate TE
				RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Rate RLS, LS, DSK		
Depreciation Expenses									
Power Production Plant									
Production Demand - Base	TDEPR	DEPPDB	PPBDA	\$ 1,351,014	\$ 567,130	\$ 152,410	\$ 278,801	\$ 10,078	\$ 8,257
Production Demand - Winter Peak	TDEPR	DEPPDI	PPWDA	1,264,721	519,212	100,484	-	203	6,404
Production Demand - Summer Peak	TDEPR	DEPPDP	PPSDA	788,257	557,159	107,668	-	253	4,189
Production Energy	TDEPR	DEPPEB	E01	-	-	-	-	-	-
Production Energy - Not Used	TDEPR	DEPPEI	E01	-	-	-	-	-	-
Production Energy - Not Used	TDEPR	DEPPEP	E01	-	-	-	-	-	-
Total Power Production Plant		DEPPT		\$ 3,403,991	\$ 1,643,502	\$ 360,562	\$ 278,801	\$ 10,534	\$ 18,851
Transmission Plant									
Transmission Demand - Base	TDEPR	DETRB	PPBDA	\$ 94,476	\$ 39,659	\$ 10,658	\$ 19,497	\$ 705	\$ 577
Transmission Demand - Inter.	TDEPR	DETRI	PPWDA	88,442	36,308	7,027	-	14	448
Transmission Demand - Peak	TDEPR	DETRP	PPSDA	55,123	38,962	7,529	-	18	293
Total Transmission Plant		DETRT		\$ 238,041	\$ 114,930	\$ 25,214	\$ 19,497	\$ 737	\$ 1,318
Distribution Poles									
Specific	TDEPR	DEDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation									
General	TDEPR	DEDSG	NCPS	\$ -	\$ 52,861	\$ 11,935	\$ 23,329	\$ 840	\$ 345
Distribution Primary & Secondary Lines									
Primary Specific	TDEPR	DEDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TDEPR	DEDPLD	NCPL	-	81,395	18,378	35,922	1,293	531
Primary Customer	TDEPR	DEDPLC	Cust08	-	18	35	169,373	301	1,805
Secondary Demand	TDEPR	DEDSL	SICD	-	-	-	8,050	299	119
Secondary Customer	TDEPR	DEDSL	Cust07	-	-	-	56,483	101	602
Total Distribution Primary & Secondary Lines		DEDLT		\$ -	\$ 81,413	\$ 18,413	\$ 269,828	\$ 1,994	\$ 3,057
Distribution Line Transformers									
Demand	TDEPR	DEDLTD	SICD	\$ -	\$ -	\$ -	\$ 11,275	\$ 419	\$ 167
Customer	TDEPR	DEDLTC	Cust07	-	-	-	38,435	68	410
Total Distribution Line Transformers		DEDLTT		\$ -	\$ -	\$ -	\$ 49,710	\$ 487	\$ 576
Distribution Services									
Customer	TDEPR	DEDESC	C02	\$ -	\$ -	\$ -	\$ -	\$ 302	\$ 1,777
Distribution Meters									
Customer	TDEPR	DEDMC	C03	\$ 9,456	\$ 860	\$ 1,719	\$ -	\$ 344	\$ 2,026
Distribution Street & Customer Lighting									
Customer	TDEPR	DEDSCL	C04	\$ -	\$ -	\$ -	\$ 2,204,985	\$ -	\$ -
Customer Accounts Expense									
Customer	TDEPR	DECAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.									
Customer	TDEPR	DECSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense									
Customer	TDEPR	DESEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		DET		\$ 3,651,488	\$ 1,893,565	\$ 417,844	\$ 2,846,151	\$ 15,238	\$ 27,950

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Regulatory Credits										
Power Production Plant										
Production Demand - Base	TRCTN	RCPDB	PPBDA	\$ (1,309,699)	\$ (478,792)	\$ (157,921)	\$ (25,847)	\$ (263,319)	\$ (211,756)	\$ (71,595)
Production Demand - Winter Peak	TRCTN	RCPDI	PPWDA	(1,234,624)	(497,845)	(196,519)	(20,013)	(230,470)	(151,618)	(57,916)
Production Demand - Summer Peak	TRCTN	RCPDP	PPSDA	(1,267,967)	(619,110)	(165,730)	(18,591)	(221,724)	(130,957)	(50,006)
Production Energy	TRCTN	RCPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TRCTN	RCPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TRCTN	RCPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		RCPT		\$ (3,812,290)	\$ (1,595,747)	\$ (520,170)	\$ (64,451)	\$ (715,513)	\$ (494,331)	\$ (179,517)
Transmission Plant										
Transmission Demand - Base	TRCTN	RCRB	PPBDA	\$ (2,501)	\$ (914)	\$ (302)	\$ (49)	\$ (503)	\$ (404)	\$ (137)
Transmission Demand - Inter.	TRCTN	RCRI	PPWDA	(2,358)	(951)	(375)	(38)	(440)	(290)	(111)
Transmission Demand - Peak	TRCTN	RCRP	PPSDA	(2,421)	(1,182)	(316)	(36)	(423)	(250)	(95)
Total Transmission Plant		RCRT		\$ (7,280)	\$ (3,047)	\$ (993)	\$ (123)	\$ (1,366)	\$ (944)	\$ (343)
Distribution Poles										
Specific	TRCTN	RCPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TRCTN	RCSG	NCPS	\$ (4,243)	\$ (2,036)	\$ (578)	\$ (60)	\$ (704)	\$ (563)	\$ (169)
Distribution Primary & Secondary Lines										
Primary Specific	TRCTN	RCPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TRCTN	RCPLD	NCPL	(6,534)	(3,135)	(889)	(93)	(1,084)	(868)	(260)
Primary Customer	TRCTN	RCPLC	Cust08	(10,696)	(9,208)	(1,146)	(2)	(77)	(2)	(4)
Secondary Demand	TRCTN	RCSLD	SICD	(2,178)	(1,507)	(291)	-	(290)	-	(78)
Secondary Customer	TRCTN	RCSLC	Cust07	(3,565)	(3,071)	(382)	-	(26)	-	(1)
Total Distribution Primary & Secondary Lines		RCLT		\$ (22,973)	\$ (16,920)	\$ (2,708)	\$ (95)	\$ (1,477)	\$ (870)	\$ (343)
Distribution Line Transformers										
Demand	TRCTN	RCLTD	SICD	\$ (3,050)	\$ (2,111)	\$ (407)	\$ -	\$ (406)	\$ -	\$ (109)
Customer	TRCTN	RCLTC	Cust07	(2,426)	(2,090)	(260)	-	(17)	-	(1)
Total Distribution Line Transformers		RCLTT		\$ (5,477)	\$ (4,201)	\$ (667)	\$ -	\$ (423)	\$ -	\$ (110)
Distribution Services										
Customer	TRCTN	RCSC	C02	\$ (1,111)	\$ (919)	\$ (153)	\$ -	\$ (33)	\$ -	\$ (3)
Distribution Meters										
Customer	TRCTN	RCMC	C03	\$ (1,497)	\$ (1,048)	\$ (311)	\$ (14)	\$ (82)	\$ (16)	\$ (5)
Distribution Street & Customer Lighting										
Customer	TRCTN	RCSCL	C04	\$ (3,292)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TRCTN	RCCA	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	TRCTN	RCCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	TRCTN	RCSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		RCT		\$ (3,858,162)	\$ (1,623,918)	\$ (525,581)	\$ (64,743)	\$ (719,598)	\$ (496,724)	\$ (180,489)

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy	
							Rate RLS, LS, DSK		Service Rate TE	
Regulatory Credits										
Power Production Plant										
Production Demand - Base	TRCTN	RCPDB	PPBDA	\$ (57,328)	\$ (24,065)	\$ (6,467)	\$ (11,831)	\$ (428)	\$ (350)	
Production Demand - Winter Peak	TRCTN	RCPDI	PPWDA	(53,667)	(22,032)	(4,264)	-	(9)	(272)	
Production Demand - Summer Peak	TRCTN	RCPDP	PPSDA	(33,449)	(23,642)	(4,569)	-	(11)	(178)	
Production Energy	TRCTN	RCPEB	E01	-	-	-	-	-	-	
Production Energy - Not Used	TRCTN	RCPEI	E01	-	-	-	-	-	-	
Production Energy - Not Used	TRCTN	RCPEP	E01	-	-	-	-	-	-	
Total Power Production Plant		RCPT		\$ (144,444)	\$ (69,740)	\$ (15,300)	\$ (11,831)	\$ (447)	\$ (800)	
Transmission Plant										
Transmission Demand - Base	TRCTN	RCRB	PPBDA	\$ (109)	\$ (46)	\$ (12)	\$ (23)	\$ (1)	\$ (1)	
Transmission Demand - Inter.	TRCTN	RCRI	PPWDA	(102)	(42)	(8)	-	(0)	(1)	
Transmission Demand - Peak	TRCTN	RCRP	PPSDA	(64)	(45)	(9)	-	(0)	(0)	
Total Transmission Plant		RCRT		\$ (276)	\$ (133)	\$ (29)	\$ (23)	\$ (1)	\$ (2)	
Distribution Poles										
Specific	TRCTN	RCPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Substation										
General	TRCTN	RCSG	NCPS	\$ -	\$ (79)	\$ (18)	\$ (35)	\$ (1)	\$ (1)	
Distribution Primary & Secondary Lines										
Primary Specific	TRCTN	RCPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Primary Demand	TRCTN	RCPLD	NCPL	-	(122)	(27)	(54)	(2)	(1)	
Primary Customer	TRCTN	RCPLC	Cust08	-	(0)	(0)	(253)	(0)	(3)	
Secondary Demand	TRCTN	RCSLD	SICD	-	-	-	(12)	(0)	(0)	
Secondary Customer	TRCTN	RCSLC	Cust07	-	-	-	(84)	(0)	(1)	
Total Distribution Primary & Secondary Lines		RCLT		\$ -	\$ (122)	\$ (27)	\$ (403)	\$ (3)	\$ (5)	
Distribution Line Transformers										
Demand	TRCTN	RCLTD	SICD	\$ -	\$ -	\$ -	\$ (17)	\$ (1)	\$ (0)	
Customer	TRCTN	RCLTC	Cust07	-	-	-	(57)	(0)	(1)	
Total Distribution Line Transformers		RCLTT		\$ -	\$ -	\$ -	\$ (74)	\$ (1)	\$ (1)	
Distribution Services										
Customer	TRCTN	RCSC	C02	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (3)	
Distribution Meters										
Customer	TRCTN	RCMC	C03	\$ (14)	\$ (1)	\$ (3)	\$ -	\$ (1)	\$ (3)	
Distribution Street & Customer Lighting										
Customer	TRCTN	RCSCL	C04	\$ -	\$ -	\$ -	\$ (3,292)	\$ -	\$ -	
Customer Accounts Expense										
Customer	TRCTN	RCCA	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service & Info.										
Customer	TRCTN	RCCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Expense										
Customer	TRCTN	RCSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		RCT		\$ (144,734)	\$ (70,075)	\$ (15,377)	\$ (15,657)	\$ (454)	\$ (813)	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Accretion Expenses										
Power Production Plant										
Production Demand - Base	TACRTN	ACRPDB	PPBDA	\$ 555,295	\$ 203,002	\$ 66,956	\$ 10,959	\$ 111,644	\$ 89,782	\$ 30,355
Production Demand - Winter Peak	TACRTN	ACRPDI	PPWDA	523,464	211,080	83,322	8,485	97,716	64,284	24,556
Production Demand - Summer Peak	TACRTN	ACRPDP	PPSDA	537,601	262,494	70,267	7,882	94,008	55,524	21,202
Production Energy	TACRTN	ACRPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TACRTN	ACRPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	TACRTN	ACRPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		ACRPT		\$ 1,616,361	\$ 676,576	\$ 220,545	\$ 27,326	\$ 303,368	\$ 209,590	\$ 76,113
Transmission Plant										
Transmission Demand - Base	TACRTN	ACRRB	PPBDA	\$ 1,486	\$ 543	\$ 179	\$ 29	\$ 299	\$ 240	\$ 81
Transmission Demand - Inter.	TACRTN	ACRRI	PPWDA	1,401	565	223	23	261	172	66
Transmission Demand - Peak	TACRTN	ACRRP	PPSDA	1,439	702	188	21	252	149	57
Total Transmission Plant		ACRRT		\$ 4,325	\$ 1,810	\$ 590	\$ 73	\$ 812	\$ 561	\$ 204
Distribution Poles										
Specific	TACRTN	ACRPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	TACRTN	ACRSG	NCPS	\$ 3,389	\$ 1,626	\$ 461	\$ 48	\$ 562	\$ 450	\$ 135
Distribution Primary & Secondary Lines										
Primary Specific	TACRTN	ACRPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	TACRTN	ACRPLD	NCPL	5,218	2,504	710	74	866	693	208
Primary Customer	TACRTN	ACRPLC	Cust08	8,543	7,354	915	2	62	2	3
Secondary Demand	TACRTN	ACRSLD	SICD	1,739	1,204	232	-	231	-	62
Secondary Customer	TACRTN	ACRSLC	Cust07	2,848	2,453	305	-	21	-	1
Total Distribution Primary & Secondary Lines		ACRLT		\$ 18,348	\$ 13,514	\$ 2,163	\$ 76	\$ 1,179	\$ 695	\$ 274
Distribution Line Transformers										
Demand	TACRTN	ACRLTD	SICD	\$ 2,436	\$ 1,686	\$ 325	\$ -	\$ 324	\$ -	\$ 87
Customer	TACRTN	ACRLTC	Cust07	1,938	1,669	208	-	14	-	1
Total Distribution Line Transformers		ACRLTT		\$ 4,374	\$ 3,355	\$ 533	\$ -	\$ 338	\$ -	\$ 88
Distribution Services										
Customer	TACRTN	ACRSC	C02	\$ 887	\$ 734	\$ 123	\$ -	\$ 26	\$ -	\$ 2
Distribution Meters										
Customer	TACRTN	ACRMC	C03	\$ 1,196	\$ 837	\$ 248	\$ 11	\$ 65	\$ 13	\$ 4
Distribution Street & Customer Lighting										
Customer	TACRTN	ACRSCL	C04	\$ 2,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	TACRTN	ACRCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	TACRTN	ACRCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	TACRTN	ACRSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		ACRT		\$ 1,651,510	\$ 698,452	\$ 224,663	\$ 27,535	\$ 306,351	\$ 211,308	\$ 76,819

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service		Traffic Energy					
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Lighting Energy Rate LE	Service Rate TE					
Accretion Expenses															
Power Production Plant															
Production Demand - Base	TACRTN	ACRPDB	PPBDA	\$	24,306	\$	10,203	\$	2,742	\$	5,016	\$	181	\$	149
Production Demand - Winter Peak	TACRTN	ACRPDI	PPWDA		22,754		9,341		1,808		-		4		115
Production Demand - Summer Peak	TACRTN	ACRPDP	PPSDA		14,182		10,024		1,937		-		5		75
Production Energy	TACRTN	ACRPEB	E01		-		-		-		-		-		-
Production Energy - Not Used	TACRTN	ACRPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	TACRTN	ACRPEP	E01		-		-		-		-		-		-
Total Power Production Plant		ACRPT		\$	61,242	\$	29,569	\$	6,487	\$	5,016	\$	190	\$	339
Transmission Plant															
Transmission Demand - Base	TACRTN	ACRRB	PPBDA	\$	65	\$	27	\$	7	\$	13	\$	0	\$	0
Transmission Demand - Inter.	TACRTN	ACRRI	PPWDA		61		25		5		-		0		0
Transmission Demand - Peak	TACRTN	ACRRP	PPSDA		38		27		5		-		0		0
Total Transmission Plant		ACRRT		\$	164	\$	79	\$	17	\$	13	\$	1	\$	1
Distribution Poles															
Specific	TACRTN	ACRPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	TACRTN	ACRSG	NCPS	\$	-	\$	63	\$	14	\$	28	\$	1	\$	0
Distribution Primary & Secondary Lines															
Primary Specific	TACRTN	ACRPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	TACRTN	ACRPLD	NCPL		-		97		22		43		2		1
Primary Customer	TACRTN	ACRPLC	Cust08		-		0		0		202		0		2
Secondary Demand	TACRTN	ACRSLD	SICD		-		-		-		10		0		0
Secondary Customer	TACRTN	ACRSLC	Cust07		-		-		-		67		0		1
Total Distribution Primary & Secondary Lines		ACRLT		\$	-	\$	97	\$	22	\$	322	\$	2	\$	4
Distribution Line Transformers															
Demand	TACRTN	ACRLTD	SICD	\$	-	\$	-	\$	-	\$	13	\$	0	\$	0
Customer	TACRTN	ACRLTC	Cust07		-		-		-		46		0		0
Total Distribution Line Transformers		ACRLTT		\$	-	\$	-	\$	-	\$	59	\$	1	\$	1
Distribution Services															
Customer	TACRTN	ACRSC	C02	\$	-	\$	-	\$	-	\$	-	\$	0	\$	2
Distribution Meters															
Customer	TACRTN	ACRMC	C03	\$	11	\$	1	\$	2	\$	-	\$	0	\$	2
Distribution Street & Customer Lighting															
Customer	TACRTN	ACRSCL	C04	\$	-	\$	-	\$	-	\$	2,630	\$	-	\$	-
Customer Accounts Expense															
Customer	TACRTN	ACRCAE	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Service & Info.															
Customer	TACRTN	ACRCSI	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sales Expense															
Customer	TACRTN	ACRSEC	C06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		ACRT		\$	61,417	\$	29,809	\$	6,543	\$	8,068	\$	195	\$	349

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Property and Other Taxes										
Power Production Plant										
Production Demand - Base	PTAX	PTPPDB	PPBDA	\$ 4,994,630	\$ 1,825,908	\$ 602,242	\$ 98,569	\$ 1,004,186	\$ 807,545	\$ 273,031
Production Demand - Winter Peak	PTAX	PTPPDI	PPWDA	4,708,326	1,898,569	749,441	76,320	878,913	578,204	220,866
Production Demand - Summer Peak	PTAX	PTPPDP	PPSDA	4,835,484	2,361,019	632,024	70,899	845,561	499,416	190,703
Production Energy	PTAX	PTPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	PTAX	PTPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	PTAX	PTPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		PTPPT		\$ 14,538,440	\$ 6,085,495	\$ 1,983,707	\$ 245,788	\$ 2,728,661	\$ 1,885,165	\$ 684,600
Transmission Plant										
Transmission Demand - Base	PTAX	PTTRB	PPBDA	\$ 536,280	\$ 196,050	\$ 64,664	\$ 10,583	\$ 107,821	\$ 86,707	\$ 29,316
Transmission Demand - Inter.	PTAX	PTTRI	PPWDA	505,539	203,852	80,468	8,195	94,370	62,083	23,715
Transmission Demand - Peak	PTAX	PTTRP	PPSDA	519,192	253,506	67,861	7,612	90,789	53,623	20,476
Total Transmission Plant		PTTRT		\$ 1,561,012	\$ 653,408	\$ 212,993	\$ 26,391	\$ 292,980	\$ 202,413	\$ 73,506
Distribution Poles										
Specific	PTAX	PTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	PTAX	PTDSG	NCPS	\$ 640,020	\$ 307,052	\$ 87,111	\$ 9,078	\$ 106,208	\$ 84,992	\$ 25,464
Distribution Primary & Secondary Lines										
Primary Specific	PTAX	PTDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	PTAX	PTDPLD	NCPL	985,500	472,798	134,133	13,979	163,538	130,870	39,210
Primary Customer	PTAX	PTDPLC	Cust08	1,613,349	1,388,885	172,855	339	11,622	367	647
Secondary Demand	PTAX	PTDSL D	SICD	328,500	227,355	43,824	-	43,690	-	11,724
Secondary Customer	PTAX	PTDSL C	Cust07	537,783	463,168	57,644	-	3,876	-	216
Total Distribution Primary & Secondary Lines		PTDLT		\$ 3,465,132	\$ 2,552,206	\$ 408,457	\$ 14,318	\$ 222,726	\$ 131,237	\$ 51,796
Distribution Line Transformers										
Demand	PTAX	PTDLTD	SICD	\$ 460,115	\$ 318,446	\$ 61,382	\$ -	\$ 61,195	\$ -	\$ 16,421
Customer	PTAX	PTDLTC	Cust07	365,944	315,171	39,225	-	2,637	-	147
Total Distribution Line Transformers		PTDLTT		\$ 826,059	\$ 633,617	\$ 100,607	\$ -	\$ 63,832	\$ -	\$ 16,567
Distribution Services										
Customer	PTAX	PTDSC	C02	\$ 167,551	\$ 138,597	\$ 23,147	\$ -	\$ 4,945	\$ -	\$ 394
Distribution Meters										
Customer	PTAX	PTDMC	C03	\$ 225,781	\$ 158,022	\$ 46,929	\$ 2,141	\$ 12,296	\$ 2,410	\$ 739
Distribution Street & Customer Lighting										
Customer	PTAX	PTDSCL	C04	\$ 496,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	PTAX	PTCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	PTAX	PTCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	PTAX	PTSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		PTT		\$ 21,920,601	\$ 10,528,398	\$ 2,862,952	\$ 297,717	\$ 3,431,647	\$ 2,306,216	\$ 853,068

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service		Traffic Energy					
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Lighting Energy Rate LE	Service Rate TE					
Property and Other Taxes															
Power Production Plant															
Production Demand - Base	PTAX	PTPPDB	PPBDA	\$	218,626	\$	91,775	\$	24,664	\$	45,117	\$	1,631	\$	1,336
Production Demand - Winter Peak	PTAX	PTPPDI	PPWDA		204,662		84,021		16,261		-		33		1,036
Production Demand - Summer Peak	PTAX	PTPPDP	PPSDA		127,559		90,162		17,423		-		41		678
Production Energy	PTAX	PTPPEB	E01		-		-		-		-		-		-
Production Energy - Not Used	PTAX	PTPPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	PTAX	PTPPEP	E01		-		-		-		-		-		-
Total Power Production Plant		PTPPT		\$	550,846	\$	265,957	\$	58,347	\$	45,117	\$	1,705	\$	3,050
Transmission Plant															
Transmission Demand - Base	PTAX	PTTRB	PPBDA	\$	23,474	\$	9,854	\$	2,648	\$	4,844	\$	175	\$	143
Transmission Demand - Inter.	PTAX	PTTRI	PPWDA		21,975		9,021		1,746		-		4		111
Transmission Demand - Peak	PTAX	PTTRP	PPSDA		13,696		9,681		1,871		-		4		73
Total Transmission Plant		PTTRT		\$	59,145	\$	28,556	\$	6,265	\$	4,844	\$	183	\$	328
Distribution Poles															
Specific	PTAX	PTDPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	PTAX	PTDSG	NCPS	\$	-	\$	11,905	\$	2,688	\$	5,254	\$	189	\$	78
Distribution Primary & Secondary Lines															
Primary Specific	PTAX	PTDPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	PTAX	PTDPLD	NCPL		-		18,332		4,139		8,090		291		120
Primary Customer	PTAX	PTDPLC	Cust08		-		4		8		38,146		68		407
Secondary Demand	PTAX	PTDSL D	SICD		-		-		-		1,813		67		27
Secondary Customer	PTAX	PTDSL C	Cust07		-		-		-		12,721		23		136
Total Distribution Primary & Secondary Lines		PTDLT		\$	-	\$	18,336	\$	4,147	\$	60,771	\$	449	\$	689
Distribution Line Transformers															
Demand	PTAX	PTDLTD	SICD	\$	-	\$	-	\$	-	\$	2,539	\$	94	\$	38
Customer	PTAX	PTDLTC	Cust07		-		-		-		8,656		15		92
Total Distribution Line Transformers		PTDLTT		\$	-	\$	-	\$	-	\$	11,196	\$	110	\$	130
Distribution Services															
Customer	PTAX	PTDSC	C02	\$	-	\$	-	\$	-	\$	-	\$	68	\$	400
Distribution Meters															
Customer	PTAX	PTDMC	C03	\$	2,130	\$	194	\$	387	\$	-	\$	78	\$	456
Distribution Street & Customer Lighting															
Customer	PTAX	PTDSCL	C04	\$	-	\$	-	\$	-	\$	496,606	\$	-	\$	-
Customer Accounts Expense															
Customer	PTAX	PTCAE	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Service & Info.															
Customer	PTAX	PTCSI	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sales Expense															
Customer	PTAX	PTSEC	C06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		PTT		\$	612,121	\$	324,948	\$	71,835	\$	623,788	\$	2,781	\$	5,131

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Amortization of ITC										
Power Production Plant										
Production Demand - Base	OTAX	OTPPDB	PPBDA	\$ (606,419)	\$ (221,691)	\$ (73,121)	\$ (11,968)	\$ (121,922)	\$ (98,047)	\$ (33,150)
Production Demand - Winter Peak	OTAX	OTPPDI	PPWDA	(571,658)	(230,513)	(90,993)	(9,266)	(106,713)	(70,202)	(26,816)
Production Demand - Summer Peak	OTAX	OTPPDP	PPSDA	(587,096)	(286,661)	(76,737)	(8,608)	(102,663)	(60,636)	(23,154)
Production Energy	OTAX	OTPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	OTAX	OTPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	OTAX	OTPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		OTPPT		\$ (1,765,173)	\$ (738,866)	\$ (240,850)	\$ (29,842)	\$ (331,298)	\$ (228,886)	\$ (83,120)
Transmission Plant										
Transmission Demand - Base	OTAX	OTTRB	PPBDA	\$ (65,112)	\$ (23,803)	\$ (7,851)	\$ (1,285)	\$ (13,091)	\$ (10,527)	\$ (3,559)
Transmission Demand - Inter.	OTAX	OTTRI	PPWDA	(61,380)	(24,751)	(9,770)	(995)	(11,458)	(7,538)	(2,879)
Transmission Demand - Peak	OTAX	OTTRP	PPSDA	(63,037)	(30,779)	(8,239)	(924)	(11,023)	(6,511)	(2,486)
Total Transmission Plant		OTTRT		\$ (189,529)	\$ (79,333)	\$ (25,860)	\$ (3,204)	\$ (35,572)	\$ (24,576)	\$ (8,925)
Distribution Poles										
Specific	OTAX	OTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	OTAX	OTDSG	NCPS	\$ (77,708)	\$ (37,281)	\$ (10,577)	\$ (1,102)	\$ (12,895)	\$ (10,319)	\$ (3,092)
Distribution Primary & Secondary Lines										
Primary Specific	OTAX	OTDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	OTAX	OTDPLD	NCPL	(119,654)	(57,404)	(16,286)	(1,697)	(19,856)	(15,889)	(4,761)
Primary Customer	OTAX	OTDPLC	Cust08	(195,883)	(168,630)	(20,987)	(41)	(1,411)	(45)	(79)
Secondary Demand	OTAX	OTDSL D	SICD	(39,885)	(27,604)	(5,321)	-	(5,305)	-	(1,423)
Secondary Customer	OTAX	OTDSL C	Cust07	(65,294)	(56,235)	(6,999)	-	(471)	-	(26)
Total Distribution Primary & Secondary Lines		OTDLT		\$ (420,716)	\$ (309,874)	\$ (49,592)	\$ (1,738)	\$ (27,042)	\$ (15,934)	\$ (6,289)
Distribution Line Transformers										
Demand	OTAX	OTDLTD	SICD	\$ (55,864)	\$ (38,664)	\$ (7,453)	\$ -	\$ (7,430)	\$ -	\$ (1,994)
Customer	OTAX	OTDLTC	Cust07	(44,431)	(38,266)	(4,762)	-	(320)	-	(18)
Total Distribution Line Transformers		OTDLTT		\$ (100,295)	\$ (76,930)	\$ (12,215)	\$ -	\$ (7,750)	\$ -	\$ (2,012)
Distribution Services										
Customer	OTAX	OTDSC	C02	\$ (20,343)	\$ (16,828)	\$ (2,810)	\$ -	\$ (600)	\$ -	\$ (48)
Distribution Meters										
Customer	OTAX	OTDMC	C03	\$ (27,413)	\$ (19,186)	\$ (5,698)	\$ (260)	\$ (1,493)	\$ (293)	\$ (90)
Distribution Street & Customer Lighting										
Customer	OTAX	OTDSCL	C04	\$ (60,295)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	OTAX	OTCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	OTAX	OTCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	OTAX	OTSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		OTT		\$ (2,661,472)	\$ (1,278,297)	\$ (347,603)	\$ (36,147)	\$ (416,651)	\$ (280,007)	\$ (103,575)

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy	
							Rate RLS, LS, DSK		Service Rate TE	
Amortization of ITC										
Power Production Plant										
Production Demand - Base	OTAX	OTPPDB	PPBDA	\$ (26,544)	\$ (11,143)	\$ (2,995)	\$ (5,478)	\$ (198)	\$ (162)	
Production Demand - Winter Peak	OTAX	OTPPDI	PPWDA	(24,849)	(10,201)	(1,974)	-	(4)	(126)	
Production Demand - Summer Peak	OTAX	OTPPDP	PPSDA	(15,487)	(10,947)	(2,115)	-	(5)	(82)	
Production Energy	OTAX	OTPPEB	E01	-	-	-	-	-	-	
Production Energy - Not Used	OTAX	OTPPEI	E01	-	-	-	-	-	-	
Production Energy - Not Used	OTAX	OTPPEP	E01	-	-	-	-	-	-	
Total Power Production Plant		OTPPT		\$ (66,881)	\$ (32,291)	\$ (7,084)	\$ (5,478)	\$ (207)	\$ (370)	
Transmission Plant										
Transmission Demand - Base	OTAX	OTTRB	PPBDA	\$ (2,850)	\$ (1,196)	\$ (322)	\$ (588)	\$ (21)	\$ (17)	
Transmission Demand - Inter.	OTAX	OTTRI	PPWDA	(2,668)	(1,095)	(212)	-	(0)	(14)	
Transmission Demand - Peak	OTAX	OTTRP	PPSDA	(1,663)	(1,175)	(227)	-	(1)	(9)	
Total Transmission Plant		OTTRT		\$ (7,181)	\$ (3,467)	\$ (761)	\$ (588)	\$ (22)	\$ (40)	
Distribution Poles										
Specific	OTAX	OTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Substation										
General	OTAX	OTDSG	NCPS	\$ -	\$ (1,445)	\$ (326)	\$ (638)	\$ (23)	\$ (9)	
Distribution Primary & Secondary Lines										
Primary Specific	OTAX	OTDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Primary Demand	OTAX	OTDPLD	NCPL	-	(2,226)	(503)	(982)	(35)	(15)	
Primary Customer	OTAX	OTDPLC	Cust08	-	(0)	(1)	(4,631)	(8)	(49)	
Secondary Demand	OTAX	OTDSL D	SICD	-	-	-	(220)	(8)	(3)	
Secondary Customer	OTAX	OTDSL C	Cust07	-	-	-	(1,545)	(3)	(16)	
Total Distribution Primary & Secondary Lines		OTDLT		\$ -	\$ (2,226)	\$ (504)	\$ (7,378)	\$ (55)	\$ (84)	
Distribution Line Transformers										
Demand	OTAX	OTDLTD	SICD	\$ -	\$ -	\$ -	\$ (308)	\$ (11)	\$ (5)	
Customer	OTAX	OTDLTC	Cust07	-	-	-	(1,051)	(2)	(11)	
Total Distribution Line Transformers		OTDLTT		\$ -	\$ -	\$ -	\$ (1,359)	\$ (13)	\$ (16)	
Distribution Services										
Customer	OTAX	OTDSC	C02	\$ -	\$ -	\$ -	\$ -	\$ (8)	\$ (49)	
Distribution Meters										
Customer	OTAX	OTDMC	C03	\$ (259)	\$ (24)	\$ (47)	\$ -	\$ (9)	\$ (55)	
Distribution Street & Customer Lighting										
Customer	OTAX	OTDSCL	C04	\$ -	\$ -	\$ -	\$ (60,295)	\$ -	\$ -	
Customer Accounts Expense										
Customer	OTAX	OTCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service & Info.										
Customer	OTAX	OTCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Expense										
Customer	OTAX	OTSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		OTT		\$ (74,320)	\$ (39,453)	\$ (8,722)	\$ (75,737)	\$ (338)	\$ (623)	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Other Expenses										
Power Production Plant										
Production Demand - Base	OT	OTPPDB	PPBDA	\$ (158)	\$ (58)	\$ (19)	\$ (3)	\$ (32)	\$ (26)	\$ (9)
Production Demand - Winter Peak	OT	OTPPDI	PPWDA	(149)	(60)	(24)	(2)	(28)	(18)	(7)
Production Demand - Summer Peak	OT	OTPPDP	PPSDA	(153)	(75)	(20)	(2)	(27)	(16)	(6)
Production Energy	OT	OTPPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	OT	OTPPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	OT	OTPPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		OTPPT		\$ (460)	\$ (193)	\$ (63)	\$ (8)	\$ (86)	\$ (60)	\$ (22)
Transmission Plant										
Transmission Demand - Base	OT	OTTRB	PPBDA	\$ (17)	\$ (6)	\$ (2)	\$ (0)	\$ (3)	\$ (3)	\$ (1)
Transmission Demand - Inter.	OT	OTTRI	PPWDA	(16)	(6)	(3)	(0)	(3)	(2)	(1)
Transmission Demand - Peak	OT	OTTRP	PPSDA	(16)	(8)	(2)	(0)	(3)	(2)	(1)
Total Transmission Plant		OTTRT		\$ (49)	\$ (21)	\$ (7)	\$ (1)	\$ (9)	\$ (6)	\$ (2)
Distribution Poles										
Specific	OT	OTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	OT	OTDSG	NCPS	\$ (20)	\$ (10)	\$ (3)	\$ (0)	\$ (3)	\$ (3)	\$ (1)
Distribution Primary & Secondary Lines										
Primary Specific	OT	OTDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	OT	OTDPLD	NCPL	(31)	(15)	(4)	(0)	(5)	(4)	(1)
Primary Customer	OT	OTDPLC	Cust08	(51)	(44)	(5)	(0)	(0)	(0)	(0)
Secondary Demand	OT	OTDSL D	SICD	(10)	(7)	(1)	-	(1)	-	(0)
Secondary Customer	OT	OTDSL C	Cust07	(17)	(15)	(2)	-	(0)	-	(0)
Total Distribution Primary & Secondary Lines		OTDLT		\$ (110)	\$ (81)	\$ (13)	\$ (0)	\$ (7)	\$ (4)	\$ (2)
Distribution Line Transformers										
Demand	OT	OTDLTD	SICD	\$ (15)	\$ (10)	\$ (2)	\$ -	\$ (2)	\$ -	\$ (1)
Customer	OT	OTDLTC	Cust07	(12)	(10)	(1)	-	(0)	-	(0)
Total Distribution Line Transformers		OTDLTT		\$ (26)	\$ (20)	\$ (3)	\$ -	\$ (2)	\$ -	\$ (1)
Distribution Services										
Customer	OT	OTDSC	C02	\$ (5)	\$ (4)	\$ (1)	\$ -	\$ (0)	\$ -	\$ (0)
Distribution Meters										
Customer	OT	OTDMC	C03	\$ (7)	\$ (5)	\$ (1)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Distribution Street & Customer Lighting										
Customer	OT	OTDSCL	C04	\$ (16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	OT	OTCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	OT	OTCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	OT	OTSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		OTT		\$ (694)	\$ (333)	\$ (91)	\$ (9)	\$ (109)	\$ (73)	\$ (27)

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy	
							Rate RLS, LS, DSK		Service Rate TE	
Other Expenses										
Power Production Plant										
Production Demand - Base	OT	OTPPDB	PPBDA	\$ (7)	\$ (3)	\$ (1)	\$ (1)	\$ (0)	\$ (0)	
Production Demand - Winter Peak	OT	OTPPDI	PPWDA	(6)	(3)	(1)	-	(0)	(0)	
Production Demand - Summer Peak	OT	OTPPDP	PPSDA	(4)	(3)	(1)	-	(0)	(0)	
Production Energy	OT	OTPPEB	E01	-	-	-	-	-	-	
Production Energy - Not Used	OT	OTPPEI	E01	-	-	-	-	-	-	
Production Energy - Not Used	OT	OTPPEP	E01	-	-	-	-	-	-	
Total Power Production Plant		OTPPT		\$ (17)	\$ (8)	\$ (2)	\$ (1)	\$ (0)	\$ (0)	
Transmission Plant										
Transmission Demand - Base	OT	OTTRB	PPBDA	\$ (1)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	
Transmission Demand - Inter.	OT	OTTRI	PPWDA	(1)	(0)	(0)	-	(0)	(0)	
Transmission Demand - Peak	OT	OTTRP	PPSDA	(0)	(0)	(0)	-	(0)	(0)	
Total Transmission Plant		OTTRT		\$ (2)	\$ (1)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	
Distribution Poles										
Specific	OT	OTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Distribution Substation										
General	OT	OTDSG	NCPS	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	
Distribution Primary & Secondary Lines										
Primary Specific	OT	OTDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Primary Demand	OT	OTDPLD	NCPL	-	(1)	(0)	(0)	(0)	(0)	
Primary Customer	OT	OTDPLC	Cust08	-	(0)	(0)	(1)	(0)	(0)	
Secondary Demand	OT	OTDSL	SICD	-	-	-	(0)	(0)	(0)	
Secondary Customer	OT	OTDSL	Cust07	-	-	-	(0)	(0)	(0)	
Total Distribution Primary & Secondary Lines		OTDLT		\$ -	\$ (1)	\$ (0)	\$ (2)	\$ (0)	\$ (0)	
Distribution Line Transformers										
Demand	OT	OTDLTD	SICD	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)	
Customer	OT	OTDLTC	Cust07	-	-	-	(0)	(0)	(0)	
Total Distribution Line Transformers		OTDLTT		\$ -	\$ -	\$ -	\$ (0)	\$ (0)	\$ (0)	
Distribution Services										
Customer	OT	OTDSC	C02	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ (0)	
Distribution Meters										
Customer	OT	OTDMC	C03	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ (0)	\$ (0)	
Distribution Street & Customer Lighting										
Customer	OT	OTDSCL	C04	\$ -	\$ -	\$ -	\$ (16)	\$ -	\$ -	
Customer Accounts Expense										
Customer	OT	OTCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Customer Service & Info.										
Customer	OT	OTCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Expense										
Customer	OT	OTSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total		OTT		\$ (19)	\$ (10)	\$ (2)	\$ (20)	\$ (0)	\$ (0)	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Interest Expenses										
Power Production Plant										
Production Demand - Base	INTLTD	INTPDB	PPBDA	\$ 7,957,096	\$ 2,908,909	\$ 959,450	\$ 157,033	\$ 1,599,799	\$ 1,286,525	\$ 434,974
Production Demand - Winter Peak	INTLTD	INTPDI	PPWDA	7,500,977	3,024,667	1,193,957	121,588	1,400,223	921,155	351,869
Production Demand - Summer Peak	INTLTD	INTPDP	PPSDA	7,703,555	3,761,411	1,006,896	112,951	1,347,089	795,634	303,815
Production Energy	INTLTD	INTPEB	E01	-	-	-	-	-	-	-
Production Energy - Not Used	INTLTD	INTPEI	E01	-	-	-	-	-	-	-
Production Energy - Not Used	INTLTD	INTPEP	E01	-	-	-	-	-	-	-
Total Power Production Plant		INTPT		\$ 23,161,629	\$ 9,694,987	\$ 3,160,304	\$ 391,573	\$ 4,347,112	\$ 3,003,314	\$ 1,090,658
Transmission Plant										
Transmission Demand - Base	INTLTD	INTTRB	PPBDA	\$ 854,364	\$ 312,333	\$ 103,017	\$ 16,861	\$ 171,773	\$ 138,136	\$ 46,704
Transmission Demand - Inter.	INTLTD	INTTRI	PPWDA	805,390	324,763	128,197	13,055	150,344	98,906	37,781
Transmission Demand - Peak	INTLTD	INTTRP	PPSDA	827,141	403,868	108,112	12,128	144,639	85,428	32,621
Total Transmission Plant		INTTRT		\$ 2,486,895	\$ 1,040,964	\$ 339,326	\$ 42,044	\$ 466,755	\$ 322,470	\$ 117,105
Distribution Poles										
Specific	INTLTD	INTDPS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Substation										
General	INTLTD	INTDSG	NCPS	\$ 1,019,635	\$ 489,174	\$ 138,779	\$ 14,463	\$ 169,203	\$ 135,403	\$ 40,568
Distribution Primary & Secondary Lines										
Primary Specific	INTLTD	INDPLS	NCPL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary Demand	INTLTD	INDPLD	NCPL	1,570,030	753,228	213,692	22,270	260,538	208,492	62,467
Primary Customer	INTLTD	INDPLC	Cust08	2,570,275	2,212,675	275,381	541	18,515	585	1,031
Secondary Demand	INTLTD	INDSLD	SICD	523,343	362,206	69,817	-	69,604	-	18,677
Secondary Customer	INTLTD	INDSLC	Cust07	856,758	737,887	91,835	-	6,174	-	344
Total Distribution Primary & Secondary Lines		INDLT		\$ 5,520,406	\$ 4,065,997	\$ 650,725	\$ 22,811	\$ 354,832	\$ 209,078	\$ 82,518
Distribution Line Transformers										
Demand	INTLTD	INDLTD	SICD	\$ 733,023	\$ 507,325	\$ 97,790	\$ -	\$ 97,492	\$ -	\$ 26,160
Customer	INTLTD	INDLTC	Cust07	582,996	502,108	62,490	-	4,201	-	234
Total Distribution Line Transformers		INDLTT		\$ 1,316,019	\$ 1,009,434	\$ 160,280	\$ -	\$ 101,693	\$ -	\$ 26,394
Distribution Services										
Customer	INTLTD	INDSC	C02	\$ 266,931	\$ 220,804	\$ 36,876	\$ -	\$ 7,878	\$ -	\$ 627
Distribution Meters										
Customer	INTLTD	INDMC	C03	\$ 359,699	\$ 251,750	\$ 74,764	\$ 3,412	\$ 19,589	\$ 3,839	\$ 1,177
Distribution Street & Customer Lighting										
Customer	INTLTD	INDSCL	C04	\$ 791,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Accounts Expense										
Customer	INTLTD	INCAE	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service & Info.										
Customer	INTLTD	INCSI	C05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Expense										
Customer	INTLTD	INSEC	C06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		INTT		\$ 34,922,373	\$ 16,773,109	\$ 4,561,055	\$ 474,301	\$ 5,467,061	\$ 3,674,103	\$ 1,359,048

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS		Special Contract		Lighting Service		Traffic Energy					
				Transmission		Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Lighting Energy Rate LE	Service Rate TE					
Interest Expenses															
Power Production Plant															
Production Demand - Base	INTLTD	INTPDB	PPBDA	\$	348,300	\$	146,210	\$	39,292	\$	71,877	\$	2,598	\$	2,129
Production Demand - Winter Peak	INTLTD	INTPDI	PPWDA		326,053		133,856		25,906		-		52		1,651
Production Demand - Summer Peak	INTLTD	INTPDP	PPSDA		203,217		143,639		27,757		-		65		1,080
Production Energy	INTLTD	INTPEB	E01		-		-		-		-		-		-
Production Energy - Not Used	INTLTD	INTPEI	E01		-		-		-		-		-		-
Production Energy - Not Used	INTLTD	INTPEP	E01		-		-		-		-		-		-
Total Power Production Plant		INTPT		\$	877,570	\$	423,705	\$	92,955	\$	71,877	\$	2,716	\$	4,860
Transmission Plant															
Transmission Demand - Base	INTLTD	INTTRB	PPBDA	\$	37,397	\$	15,699	\$	4,219	\$	7,717	\$	279	\$	229
Transmission Demand - Inter.	INTLTD	INTTRI	PPWDA		35,009		14,372		2,782		-		6		177
Transmission Demand - Peak	INTLTD	INTTRP	PPSDA		21,820		15,423		2,980		-		7		116
Total Transmission Plant		INTTRT		\$	94,226	\$	45,494	\$	9,981	\$	7,717	\$	292	\$	522
Distribution Poles															
Specific	INTLTD	INTDPS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Distribution Substation															
General	INTLTD	INTDSG	NCPS	\$	-	\$	18,967	\$	4,282	\$	8,371	\$	301	\$	124
Distribution Primary & Secondary Lines															
Primary Specific	INTLTD	INDPLS	NCPL	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Primary Demand	INTLTD	INDPLD	NCPL		-		29,205		6,594		12,889		464		191
Primary Customer	INTLTD	INDPLC	Cust08		-		6		13		60,772		108		648
Secondary Demand	INTLTD	INDSLD	SICD		-		-		-		2,888		107		43
Secondary Customer	INTLTD	INDSLC	Cust07		-		-		-		20,266		36		216
Total Distribution Primary & Secondary Lines		INDLT		\$	-	\$	29,211	\$	6,607	\$	96,816	\$	715	\$	1,097
Distribution Line Transformers															
Demand	INTLTD	INDLTD	SICD	\$	-	\$	-	\$	-	\$	4,046	\$	150	\$	60
Customer	INTLTD	INDLTC	Cust07		-		-		-		13,791		25		147
Total Distribution Line Transformers		INDLTT		\$	-	\$	-	\$	-	\$	17,836	\$	175	\$	207
Distribution Services															
Customer	INTLTD	INDSC	C02	\$	-	\$	-	\$	-	\$	-	\$	108	\$	638
Distribution Meters															
Customer	INTLTD	INDMC	C03	\$	3,393	\$	308	\$	617	\$	-	\$	124	\$	727
Distribution Street & Customer Lighting															
Customer	INTLTD	INDSCL	C04	\$	-	\$	-	\$	-	\$	791,159	\$	-	\$	-
Customer Accounts Expense															
Customer	INTLTD	INCAE	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Customer Service & Info.															
Customer	INTLTD	INCSI	C05	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sales Expense															
Customer	INTLTD	INSEC	C06	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total		INTT		\$	975,189	\$	517,685	\$	114,442	\$	993,775	\$	4,431	\$	8,174

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Cost of Service Summary -- Unadjusted										
Operating Revenues										
Sales to Ultimate Consumers		REVUC	R01	\$ 908,666,506	\$ 364,969,257	\$ 136,637,414	\$ 17,404,836	\$ 178,183,330	\$ 112,340,938	\$ 37,513,761
Intercompany Sales		ICSALES	E01	78,675,999	28,853,942	9,634,540	1,571,511	15,838,927	12,685,826	4,056,354
Off-System Sales		SFRS	OSSALL	46,874,070	18,135,543	5,995,058	880,360	9,188,146	6,982,573	2,335,272
Brokered Purchases		BRKS	Energy	-	-	-	-	-	-	-
Settled Swap Revenue			Energy	2,055,720	753,923	251,740	41,062	413,854	331,467	105,988
Settled Swap Expense			Energy	(4,796,799)	(1,759,197)	(587,408)	(95,814)	(965,684)	(773,442)	(247,312)
Forfeited Discounts		FORDIS	FDIS	5,456,486	4,190,879	944,054	10,700	193,798	71,158	40,121
Misc Service Revenues		REVMISC	MISCR	1,623,075	1,371,661	251,414	-	-	-	-
Rent From Electric Property			RBT	2,958,357	1,434,750	384,509	39,538	455,580	307,172	113,219
Other Electric Revenue			RBT	6,683,812	3,241,529	868,721	89,328	1,029,292	693,993	255,795
Unbilled Revenue		UNBREV	R01	(293,000)	(117,685)	(44,059)	(5,612)	(57,455)	(36,224)	(12,096)
Total Operating Revenues		TOR		\$ 1,047,904,226	\$ 421,074,604	\$ 154,335,984	\$ 19,935,909	\$ 204,279,788	\$ 132,603,460	\$ 44,161,102
Operating Expenses										
Operation and Maintenance Expenses				\$ 728,886,233	\$ 305,307,218	\$ 93,902,408	\$ 12,711,407	\$ 132,081,405	\$ 101,149,914	\$ 33,505,512
Depreciation Expenses				121,970,363	57,061,245	16,073,908	1,738,469	19,861,566	13,434,929	4,948,010
Regulatory Credits				(3,858,162)	(1,623,918)	(525,581)	(64,743)	(719,598)	(496,724)	(180,489)
Accretion Expense				1,651,510	698,452	224,663	27,535	306,351	211,308	76,819
Depreciation for Asset Retirement Costs			DET	-	-	-	-	-	-	-
Amortization Expense			DET	5,925,055	2,771,911	780,835	84,451	964,832	652,640	240,364
Property and Other Taxes			NPT	21,920,601	10,528,398	2,862,952	297,717	3,431,647	2,306,216	853,068
Amortization of Investment Tax Credit				(2,661,472)	(1,278,297)	(347,603)	(36,147)	(416,651)	(280,007)	(103,575)
Other Expenses				(694)	(333)	(91)	(9)	(109)	(73)	(27)
State and Federal Income Taxes			TAXINC	51,825,304	11,406,467	13,681,813	1,748,872	16,096,327	4,469,277	1,281,954
Specific Assignment of Interruptible Credit				(472,778)	-	-	-	-	(102,021)	-
Allocation of Interruptible Credits			INTCRE	472,778	211,010	68,435	7,293	85,426	53,383	20,388
Total Operating Expenses		TOE		\$ 925,658,736	\$ 385,082,153	\$ 126,721,740	\$ 16,514,843	\$ 171,691,197	\$ 121,398,842	\$ 40,642,024
Utility Operating Income		TOM		\$ 122,245,489	\$ 35,992,451	\$ 27,614,244	\$ 3,421,066	\$ 32,588,590	\$ 11,204,618	\$ 3,519,079
Net Cost Rate Base				\$ 1,920,997,668	\$ 931,649,506	\$ 249,679,632	\$ 25,673,931	\$ 295,829,170	\$ 199,460,877	\$ 73,518,291

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate			Lighting Service	Lighting Energy		Traffic Energy
				RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Rate RLS, LS, DSK	Rate LE	Service Rate TE	
Cost of Service Summary -- Unadjusted										
Operating Revenues										
Sales to Ultimate Consumers		REVUC	R01	\$ 29,082,432	\$ 11,996,226	\$ 2,852,383	\$ 17,211,692	\$ 217,184	\$ 257,053	
Intercompany Sales		ICSALES	E01	3,443,822	1,445,652	388,503	710,683	25,189	21,049	
Off-System Sales		SFRS	OSSALL	1,944,553	859,817	214,611	315,338	11,309	11,489	
Brokered Purchases		BRKS	Energy	-	-	-	-	-	-	
Settled Swap Revenue			Energy	89,983	37,773	10,151	18,569	658	550	
Settled Swap Expense			Energy	(209,966)	(88,140)	(23,687)	(43,330)	(1,536)	(1,283)	
Forfeited Discounts		FORDIS	FDIS	5,776	-	-	-	-	-	
Misc Service Revenues		REVMISC	MISCR	-	-	-	-	-	-	
Rent From Electric Property			RBT	80,420	42,896	9,571	89,601	395	705	
Other Electric Revenue			RBT	181,692	96,916	21,625	202,435	893	1,593	
Unbilled Revenue		UNBREV	R01	(9,378)	(3,868)	(920)	(5,550)	(70)	(83)	
Total Operating Revenues		TOR		\$ 34,609,334	\$ 14,387,272	\$ 3,472,238	\$ 18,499,438	\$ 254,023	\$ 291,073	
Operating Expenses										
Operation and Maintenance Expenses				\$ 27,195,885	\$ 12,077,570	\$ 3,118,171	\$ 7,447,586	\$ 188,006	\$ 201,152	
Depreciation Expenses				3,651,488	1,893,565	417,844	2,846,151	15,238	27,950	
Regulatory Credits				(144,734)	(70,075)	(15,377)	(15,657)	(454)	(813)	
Accretion Expense				61,417	29,809	6,543	8,068	195	349	
Depreciation for Asset Retirement Costs			DET	-	-	-	-	-	-	
Amortization Expense			DET	177,381	91,985	20,298	138,260	740	1,358	
Property and Other Taxes			NPT	612,121	324,948	71,835	623,788	2,781	5,131	
Amortization of Investment Tax Credit				(74,320)	(39,453)	(8,722)	(75,737)	(338)	(623)	
Other Expenses				(19)	(10)	(2)	(20)	(0)	(0)	
State and Federal Income Taxes			TAXINC	934,552	(166,625)	(94,773)	2,433,275	16,172	17,993	
Specific Assignment of Interruptible Credit				(370,757)	-	-	-	-	-	
Allocation of Interruptible Credits			INTCRE	16,457	8,629	1,669	-	4	85	
Total Operating Expenses		TOE		\$ 32,059,472	\$ 14,150,342	\$ 3,517,484	\$ 13,405,713	\$ 222,344	\$ 252,582	
Utility Operating Income		TOM		\$ 2,549,863	\$ 236,929	\$ (45,246)	\$ 5,093,725	\$ 31,679	\$ 38,491	
Net Cost Rate Base				\$ 52,220,129	\$ 27,854,540	\$ 6,215,142	\$ 58,181,819	\$ 256,691	\$ 457,939	

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Taxable Income Unadjusted										
Total Operating Revenue				\$ 1,047,904,226	\$ 421,074,604	\$ 154,335,984	\$ 19,935,909	\$ 204,279,788	\$ 132,603,460	\$ 44,161,102
Operating Expenses				\$ 873,833,432	\$ 373,675,686	\$ 113,039,927	\$ 14,765,971	\$ 155,594,870	\$ 116,929,565	\$ 39,360,069
Interest Expense		INTEXP		\$ 34,922,373	\$ 16,773,109	\$ 4,561,055	\$ 474,301	\$ 5,467,061	\$ 3,674,103	\$ 1,359,048
Taxable Income		TAXINC		\$ 139,148,420	\$ 30,625,809	\$ 36,735,002	\$ 4,695,637	\$ 43,217,856	\$ 11,999,792	\$ 3,441,985

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service Rate RLS, LS, DSK	Lighting Energy Rate LE	Traffic Energy Service Rate TE
Taxable Income Unadjusted									
Total Operating Revenue				\$ 34,609,334	\$ 14,387,272	\$ 3,472,238	\$ 18,499,438	\$ 254,023	\$ 291,073
Operating Expenses				\$ 31,124,920	\$ 14,316,968	\$ 3,612,257	\$ 10,972,438	\$ 206,172	\$ 234,588
Interest Expense		INTEXP		\$ 975,189	\$ 517,685	\$ 114,442	\$ 993,775	\$ 4,431	\$ 8,174
Taxable Income		TAXINC		\$ 2,509,225	\$ (447,381)	\$ (254,461)	\$ 6,533,225	\$ 43,420	\$ 48,311

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Cost of Service Summary -- Pro-Forma										
Operating Revenues										
Total Operating Revenue -- Actual				\$ 1,047,904,226	\$ 421,074,604	\$ 154,335,984	\$ 19,935,909	\$ 204,279,788	\$ 132,603,460	\$ 44,161,102
Pro-Forma Adjustments:										
Eliminate unbilled revenues			R01	\$ 293,000	\$ 117,685	\$ 44,059	\$ 5,612	\$ 57,455	\$ 36,224	\$ 12,096
Eliminate rate mechanism revenue accruals			R01	(1,663,941)	(668,328)	(250,209)	(31,872)	(326,288)	(205,718)	(68,695)
Mismatch in fuel cost recovery			Energy	(35,115,292)	(12,878,319)	(4,300,164)	(701,409)	(7,069,355)	(5,662,038)	(1,810,464)
Annualized FAC roll-in to base rates		FACRI	REV01	(3,930,286)	(1,508,372)	(482,005)	(86,513)	(772,592)	(612,633)	(173,801)
Adjustment to reflect changes to FAC calculations			REV01	(2,123,450)	(814,941)	(260,417)	(46,741)	(417,415)	(330,993)	(93,901)
Eliminate ECR revenues			ECRREV	(4,889,807)	(1,953,120)	(736,830)	(97,782)	(964,846)	(601,427)	(196,228)
To Reflect a Full Year of the ECR Roll-In		ECRRI	ECRREV2	-	-	-	-	-	-	-
Remove Off-System ECR revenues			OSSALL	(539,866)	(208,874)	(69,047)	(10,139)	(105,823)	(80,421)	(26,896)
Adjustment to Off-System sales margins			OSSALL	(6,108,465)	(2,363,361)	(781,255)	(114,725)	(1,197,367)	(909,945)	(304,325)
Eliminate brokered sales revenues			Energy	2,741,079	1,005,274	335,668	54,752	551,830	441,975	141,324
Eliminate DSM Revenue			DSMREV	(14,412,912)	(9,990,910)	(2,375,008)	(134,390)	(1,367,715)	(254,612)	(290,277)
Annualized Year end customer revenues			YREND	1,202,528	868,168	109,144	209	7,138	231	387
Customer rate switching revenue adjustment			RS01	(101,432)	(87,579)	(2,148,925)	(301,015)	(1,256,382)	453,445	3,016,796
Adjustment to remove out of period items			R01	10,864	4,364	1,634	208	2,130	1,343	449
Total Pro-Forma Operating Revenue				\$ 983,266,246	\$ 392,596,290	\$ 143,422,627	\$ 18,472,104	\$ 191,420,558	\$ 124,878,894	\$ 44,367,567

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS			Lighting Service		Traffic Energy	
				Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Rate RLS, LS, DSK	Lighting Energy Rate LE	Service Rate TE	
Cost of Service Summary -- Pro-Forma										
Operating Revenues										
Total Operating Revenue -- Actual				\$ 34,609,334	\$ 14,387,272	\$ 3,472,238	\$ 18,499,438	\$ 254,023	\$ 291,073	
Pro-Forma Adjustments:										
Eliminate unbilled revenues			R01	\$ 9,378	\$ 3,868	\$ 920	\$ 5,550	\$ 70	\$ 83	
Eliminate rate mechanism revenue accruals			R01	(53,255)	(21,967)	(5,223)	(31,518)	(398)	(471)	
Mismatch in fuel cost recovery			Energy	(1,537,074)	(645,235)	(173,400)	(317,198)	(11,243)	(9,395)	
Annualized FAC roll-in to base rates		FACRI	REV01	(172,996)	(72,373)	(19,279)	(27,809)	(959)	(954)	
Adjustment to reflect changes to FAC calculations			REV01	(93,466)	(39,102)	(10,416)	(15,025)	(518)	(516)	
Eliminate ECR revenues			ECRREV	(160,348)	(70,565)	(15,401)	(90,867)	(1,057)	(1,335)	
To Reflect a Full Year of the ECR Roll-In		ECRRI	ECRREV2	-	-	-	-	-	-	
Remove Off-System ECR revenues			OSSALL	(22,396)	(9,903)	(2,472)	(3,632)	(130)	(132)	
Adjustment to Off-System sales margins			OSSALL	(253,407)	(112,048)	(27,967)	(41,094)	(1,474)	(1,497)	
Eliminate brokered sales revenues			Energy	119,983	50,367	13,535	24,760	878	733	
Eliminate DSM Revenue			DSMREV	-	-	-	-	-	-	
Annualized Year end customer revenues			YREND	27	2	5	214,284	426	2,507	
Customer rate switching revenue adjustment			RS01	-	-	221,863	-	365	-	
Adjustment to remove out of period items			R01	348	143	34	206	3	3	
Total Pro-Forma Operating Revenue				\$ 32,446,128	\$ 13,470,460	\$ 3,454,437	\$ 18,217,096	\$ 239,985	\$ 280,099	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Cost of Service Summary -- Pro-Forma										
Operating Expenses										
Operation and Maintenance Expenses				\$ 728,886,233	\$ 305,307,218	\$ 93,902,408	\$ 12,711,407	\$ 132,081,405	\$ 101,149,914	\$ 33,505,512
Depreciation and Amortization Expenses				121,970,363	57,061,245	16,073,908	1,738,469	19,861,566	13,434,929	4,948,010
Regulatory Credits				(3,858,162)	(1,623,918)	(525,581)	(64,743)	(719,598)	(496,724)	(180,489)
Accretion Expense				1,651,510	698,452	224,663	27,535	306,351	211,308	76,819
Depreciation for Asset Retirement Costs				-	-	-	-	-	-	-
Amortization Expense				5,925,055	2,771,911	780,835	84,451	964,832	652,640	240,364
Property and Other Taxes			NPT	21,920,601	10,528,398	2,862,952	297,717	3,431,647	2,306,216	853,068
Amortization of Investment Tax Credit				(2,661,472)	(1,278,297)	(347,603)	(36,147)	(416,651)	(280,007)	(103,575)
Other Expenses				(694)	(333)	(91)	(9)	(109)	(73)	(27)
State and Federal Income Taxes			TAXINC	51,825,304	11,406,467	13,681,813	1,748,872	16,096,327	4,469,277	1,281,954
Specific Assignment of Interruptible Credit				(472,778)	-	-	-	-	(102,021)	-
Allocation of Interruptible Credits			INTCRE	472,778	211,010	68,435	7,293	85,426	53,383	20,388
Adjustments to Operating Expenses:										
Eliminate mismatch in fuel cost recovery			Energy	\$ (39,096,200)	\$ (14,338,293)	\$ (4,787,660)	\$ (780,926)	\$ (7,870,785)	\$ (6,303,925)	\$ (2,015,710)
Remove ECR expenses			ECRREV	(801,360)	(320,085)	(120,755)	(16,025)	(158,123)	(98,564)	(32,159)
Eliminate brokered sales expenses			Energy	(67,301)	(24,682)	(8,242)	(1,344)	(13,549)	(10,852)	(3,470)
Adjustment to reflect changes to FAC calculations			REV01	(2,735,848)	(1,049,969)	(335,521)	(60,221)	(537,796)	(426,450)	(120,981)
Eliminate DSM expenses			DSMREV	(10,616,312)	(7,359,138)	(1,749,392)	(98,989)	(1,007,437)	(187,543)	(213,813)
Year end customer expense adjustment			YREND	803,321	579,960	72,911	140	4,769	155	258
Annualized depreciation expense adjustment			DET	696,536	325,860	91,793	9,928	113,423	76,723	28,257
Labor expense adjustment			LBT	3,272,923	1,588,406	453,044	46,918	509,789	359,306	126,544
Pension & post retirement expense adjustment			LBT	(3,600,003)	(1,747,143)	(498,319)	(51,607)	(560,735)	(395,214)	(139,190)
Property insurance expense adjustment			UPT	245,960	119,716	32,016	3,257	37,723	25,265	9,367
Adjustment for transfer of ITO functions			PLTRT	(1,504,636)	(629,810)	(205,301)	(25,438)	(282,399)	(195,103)	(70,852)
Normalized storm damage expenses			SDALL	(1,795,723)	(1,280,075)	(219,220)	(8,239)	(139,967)	(76,154)	(33,169)
Eliminate advertising expenses			REVUC	(539,988)	(216,888)	(81,199)	(10,343)	(105,888)	(66,760)	(22,293)
Remove out of period expense items			RBT	944,620	458,124	122,776	12,625	145,469	98,082	36,151
MISO exit fee regulatory asset amortization			PLTRT	(1,044,188)	(437,076)	(142,475)	(17,653)	(195,979)	(135,397)	(49,170)
Amortization of rate case expenses			OMT	(47,037)	(19,702)	(6,060)	(820)	(8,524)	(6,527)	(2,162)
Adjustment for Swap termination regulatory asset			UPT	102,858	50,064	13,389	1,362	15,775	10,566	3,917
2011 Wind Storm regulatory asset amortization			RBT	1,610,425	781,027	209,313	21,523	248,002	167,214	61,632
Adjustment for injuries and damages FERC account 925			UPT	(379,162)	(184,549)	(49,355)	(5,021)	(58,152)	(38,948)	(14,440)
General Management Audit regulatory asset amortization			UPT	30,528	14,859	3,974	404	4,682	3,136	1,163
Federal & State Income Tax Adjustment			ITADJ	(3,780,611)	(1,789,496)	(1,385,987)	(180,611)	(1,120,847)	(195,646)	992,698
Federal & State Income Tax Interest Adjustment			TAXINC	28,247	6,217	7,457	953	8,773	2,436	699
Prior income tax true-ups & adjustments			TAXINC	(608,114)	(133,843)	(160,541)	(20,521)	(188,873)	(52,442)	(15,042)
Adjustment for tax basis depreciation reduction			UPT	(85,392)	(41,563)	(11,115)	(1,131)	(13,097)	(8,772)	(3,252)
Adjustment for amortization of investment tax credit			UPT	326,330	158,834	42,478	4,322	50,049	33,521	12,428
Total Expense Adjustments				(58,640,127)	(25,489,246)	(8,711,989)	(1,177,457)	(11,123,695)	(7,421,895)	(1,462,590)
Total Operating Expenses			TOE	\$ 867,018,609	\$ 359,592,906	\$ 118,009,751	\$ 15,337,387	\$ 160,567,502	\$ 113,976,948	\$ 39,179,434
Net Operating Income -- Pro-Forma				\$ 116,247,636	\$ 33,003,384	\$ 25,412,877	\$ 3,134,717	\$ 30,853,056	\$ 10,901,946	\$ 5,188,133

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy
							Rate RLS, LS, DSK		Service Rate TE
Cost of Service Summary -- Pro-Forma									
Operating Expenses									
Operation and Maintenance Expenses				\$ 27,195,885	\$ 12,077,570	\$ 3,118,171	\$ 7,447,586	\$ 188,006	\$ 201,152
Depreciation and Amortization Expenses				3,651,488	1,893,565	417,844	2,846,151	15,238	27,950
Regulatory Credits				(144,734)	(70,075)	(15,377)	(15,657)	(454)	(813)
Accretion Expense				61,417	29,809	6,543	8,068	195	349
Depreciation for Asset Retirement Costs				-	-	-	-	-	-
Amortization Expense				177,381	91,985	20,298	138,260	740	1,358
Property and Other Taxes		NPT		612,121	324,948	71,835	623,788	2,781	5,131
Amortization of Investment Tax Credit				(74,320)	(39,453)	(8,722)	(75,737)	(338)	(623)
Other Expenses				(19)	(10)	(2)	(20)	(0)	(0)
State and Federal Income Taxes		TAXINC		934,552	(166,625)	(94,773)	2,433,275	16,172	17,993
Specific Assignment of Interruptible Credit				(370,757)	-	-	-	-	-
Allocation of Interruptible Credits		INTCRE		16,457	8,629	1,669	-	4	85
Adjustments to Operating Expenses:									
Eliminate mismatch in fuel cost recovery		Energy		\$ (1,711,327)	\$ (718,383)	\$ (193,058)	\$ (353,157)	\$ (12,517)	\$ (10,460)
Remove ECR expenses		ECRREV		(26,278)	(11,564)	(2,524)	(14,892)	(173)	(219)
Eliminate brokered sales expenses		Energy		(2,946)	(1,237)	(332)	(608)	(22)	(18)
Adjustment to reflect changes to FAC calculations		REV01		(120,421)	(50,378)	(13,420)	(19,358)	(688)	(664)
Eliminate DSM expenses		DSMREV		-	-	-	-	-	-
Year end customer expense adjustment		YREND		18	2	3	143,147	285	1,674
Annualized depreciation expense adjustment		DET		20,853	10,814	2,386	16,254	87	160
Labor expense adjustment		LBT		95,383	46,666	11,311	33,901	597	1,058
Pension & post retirement expense adjustment		LBT		(104,916)	(51,330)	(12,442)	(37,289)	(657)	(1,163)
Property insurance expense adjustment		UPT		6,619	3,559	788	7,559	31	58
Adjustment for transfer of ITO functions		PLTRT		(57,009)	(27,525)	(6,039)	(4,669)	(176)	(316)
Normalized storm damage expenses		SDALL		-	(10,651)	(2,407)	(25,099)	(288)	(454)
Eliminate advertising expenses		REVUC		(17,283)	(7,129)	(1,695)	(10,228)	(129)	(153)
Remove out of period expense items		RBT		25,678	13,697	3,056	28,610	126	225
MISO exit fee regulatory asset amortization		PLTRT		(39,563)	(19,102)	(4,191)	(3,240)	(122)	(219)
Amortization of rate case expenses		OMT		(1,755)	(779)	(201)	(481)	(12)	(13)
Adjustment for Swap termination regulatory asset		UPT		2,768	1,488	329	3,161	13	24
2011 Wind Storm regulatory asset amortization		RBT		43,778	23,351	5,210	48,775	215	384
Adjustment for injuries and damages FERC account 925		UPT		(10,204)	(5,487)	(1,214)	(11,653)	(48)	(90)
General Management Audit regulatory asset amortization		UPT		822	442	98	938	4	7
Federal & State Income Tax Adjustment		ITADJ		(99,929)	(42,325)	73,442	(31,394)	(218)	(298)
Federal & State Income Tax Interest Adjustment		TAXINC		509	(91)	(52)	1,326	9	10
Prior income tax true-ups & adjustments		TAXINC		(10,966)	1,955	1,112	(28,552)	(190)	(211)
Adjustment for tax basis depreciation reduction		UPT		\$ (2,298)	\$ (1,236)	\$ (273)	\$ (2,624)	\$ (11)	\$ (20)
Adjustment for amortization of investment tax credit		UPT		\$ 8,782	\$ 4,722	\$ 1,045	\$ 10,030	\$ 42	\$ 77
Total Expense Adjustments				(1,999,685)	(840,519)	(139,067)	(249,543)	(13,822)	(10,620)
Total Operating Expenses		TOE		\$ 30,059,787	\$ 13,309,823	\$ 3,378,417	\$ 13,156,170	\$ 208,522	\$ 241,962
Net Operating Income -- Pro-Forma				\$ 2,386,341	\$ 160,637	\$ 76,020	\$ 5,060,926	\$ 31,463	\$ 38,137

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Cost of Service Summary -- Pro-Forma										
Net Operating Income -- Pro-Forma				\$ 116,247,636	\$ 33,003,384	\$ 25,412,877	\$ 3,134,717	\$ 30,853,056	\$ 10,901,946	\$ 5,188,133
Net Cost Rate Base				\$ 1,920,997,668	\$ 931,649,506	\$ 249,679,632	\$ 25,673,931	\$ 295,829,170	\$ 199,460,877	\$ 73,518,291
ECR Plan Eliminations			PLPPT	(20,091,143)	(8,409,744)	(2,741,349)	(339,663)	(3,770,825)	(2,605,171)	(946,072)
Adjustment to Reflect Depreciation Reserve			DET	(696,536)	(325,860)	(91,793)	(9,928)	(113,423)	(76,723)	(28,257)
Cash Working Capital			OMLF	(5,766,234)	(3,048,982)	(820,325)	(69,742)	(800,434)	(527,047)	(197,108)
Adjusted Net Cost Rate Base				\$ 1,894,443,755	\$ 919,864,921	\$ 246,026,165	\$ 25,254,598	\$ 291,144,488	\$ 196,251,936	\$ 72,346,855
Rate of Return				6.14%	3.59%	10.33%	12.41%	10.60%	5.56%	7.17%

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS	Special Contract	Special Contract	Lighting Service	Lighting Energy	Traffic Energy
				Transmission	Customer No. 1	Customer No. 2	Rate RLS, LS, DSK	Rate LE	Rate TE
Cost of Service Summary -- Pro-Forma									
Net Operating Income -- Pro-Forma				\$ 2,386,341	\$ 160,637	\$ 76,020	\$ 5,060,926	\$ 31,463	\$ 38,137
Net Cost Rate Base				\$ 52,220,129	\$ 27,854,540	\$ 6,215,142	\$ 58,181,819	\$ 256,691	\$ 457,939
ECR Plan Eliminations			PLPPT	(761,232)	(367,535)	(80,632)	(62,348)	(2,356)	(4,216)
Adjustment to Reflect Depreciation Reserve			DET	(20,853)	(10,814)	(2,386)	(16,254)	(87)	(160)
Cash Working Capital			OMLF	(136,603)	(73,604)	(16,644)	(73,321)	(731)	(1,694)
Adjusted Net Cost Rate Base				\$ 51,301,441	\$ 27,402,588	\$ 6,115,480	\$ 58,029,896	\$ 253,518	\$ 451,870
Rate of Return				4.65%	0.59%	1.24%	8.72%	12.41%	8.44%

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Cost of Service Summary -- Pro-Forma (Adjusted for Proposed Increase)										
Operating Revenues										
Total Operating Revenue -- Pro-Forma Actual				\$ 983,266,246	\$ 392,596,290	\$ 143,422,627	\$ 18,472,104	\$ 191,420,558	\$ 124,878,894	\$ 44,367,567
Pro-Forma Adjustments:										
To Reflect Proposed Increase to Ultimate Consumers				\$ 61,763,212	\$ 30,238,063	\$ 6,743,615	\$ 28,624	\$ 8,753,240	\$ 8,205,551	\$ 2,631,417
To Reflect Proposed Increase in Miscellaneous Charges			SDALL	294,670	210,055	35,973	1,352	22,968	12,497	5,443
Total Pro-Forma Operating Revenue				\$ 1,045,324,127	\$ 423,044,408	\$ 150,202,216	\$ 18,502,080	\$ 200,196,767	\$ 133,096,942	\$ 47,004,427
Operating Expenses										
Total Operating Expenses				\$ 925,658,736	\$ 385,082,153	\$ 126,721,740	\$ 16,514,843	\$ 171,691,197	\$ 121,398,842	\$ 40,642,024
Total Pro-Forma Adjustments				(58,640,127)	(25,489,246)	(8,711,989)	(1,177,457)	(11,123,695)	(7,421,895)	(1,462,590)
Incremental Income Taxes				23,189,417	11,377,670	2,533,356	11,201	3,279,441	3,070,871	985,326
Total Pro-forma Operating Expenses				\$ 890,208,026	\$ 370,970,576	\$ 120,543,107	\$ 15,348,588	\$ 163,846,943	\$ 117,047,818	\$ 40,164,760
Net Operating Income -- Pro-Forma				\$ 155,116,101	\$ 52,073,831	\$ 29,659,109	\$ 3,153,491	\$ 36,349,824	\$ 16,049,123	\$ 6,839,667
Net Cost Rate Base				\$ 1,894,443,755	\$ 919,864,921	\$ 246,026,165	\$ 25,254,598	\$ 291,144,488	\$ 196,251,936	\$ 72,346,855
Rate of Return				8.19%	5.66%	12.06%	12.49%	12.49%	8.18%	9.45%

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service Rate RLS, LS, DSK	Lighting Energy Rate LE	Traffic Energy Service Rate TE
Cost of Service Summary -- Pro-Forma (Adjusted for Proposed Increase)									
Operating Revenues									
Total Operating Revenue -- Pro-Forma Actual				\$ 32,446,128	\$ 13,470,460	\$ 3,454,437	\$ 18,217,096	\$ 239,985	\$ 280,099
Pro-Forma Adjustments:									
To Reflect Proposed Increase to Ultimate Consumers				\$ 2,851,375	\$ 1,195,733	\$ 219,964	\$ 871,225	\$ 11,397	\$ 13,007
To Reflect Proposed Increase in Miscellaneous Charges			SDALL	\$ -	\$ 1,748	\$ 395	\$ 4,119	\$ 47	\$ 74
Total Pro-Forma Operating Revenue				\$ 35,297,503	\$ 14,667,941	\$ 3,674,796	\$ 19,092,439	\$ 251,430	\$ 293,180
Operating Expenses									
Total Operating Expenses				\$ 32,059,472	\$ 14,150,342	\$ 3,517,484	\$ 13,405,713	\$ 222,344	\$ 252,582
Total Pro-Forma Adjustments				(1,999,685)	(840,519)	(139,067)	(249,543)	(13,822)	(10,620)
Incremental Income Taxes				1,065,485	447,467	82,342	327,093	4,276	4,888
Total Pro-forma Operating Expenses				\$ 31,125,272	\$ 13,757,291	\$ 3,460,760	\$ 13,483,263	\$ 212,798	\$ 246,850
Net Operating Income -- Pro-Forma				\$ 4,172,231	\$ 910,650	\$ 214,036	\$ 5,609,176	\$ 38,631	\$ 46,330
Net Cost Rate Base				\$ 51,301,441	\$ 27,402,588	\$ 6,115,480	\$ 58,029,896	\$ 253,518	\$ 451,870
Rate of Return				8.13%	3.32%	3.50%	9.67%	15.24%	10.25%

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Allocation Factors										
Energy Allocation Factors										
Energy Usage by Class		E01	Energy	1.000000	0.366744	0.122458	0.019974	0.201318	0.161241	0.051558
Customer Allocation Factors										
Primary Distribution Plant -- Average Number of Custom	C01		Cust08	1.000000	0.86087	0.10714	0.00021	0.00720	0.00023	0.00040
Customer Services -- Weighted cost of Services	C02			1.000000	0.82719	0.13815	-	0.02951	-	0.00235
Meter Costs -- Weighted Cost of Meters	C03			1.000000	0.69989	0.20785	0.00948	0.05446	0.01067	0.00327
Lighting Systems -- Lighting Customers	C04		Cust04	1.000000	-	-	-	-	-	-
Meter Reading and Billing -- Weighted Cost	C05		Cust05	1.000000	0.74690	0.18591	0.00091	0.03125	0.00494	0.00870
Marketing/Economic Development	C06		Cust06	1.000000	0.86085	0.10714	0.00021	0.00720	0.00023	0.00040
Revenue per Billing Determinants				909,121,260	364,714,022	136,541,859	17,392,664	178,058,720	112,462,772	37,487,526
CSR Credits				(1,178,734)					(200,398)	
Buythrough Charges				88,518						
Revenue net of CSR		R01		908,031,044	364,714,022	136,541,859	17,392,664	178,058,720	112,262,374	37,487,526
Energy				11,562,384,799	4,217,378,380	1,434,062,636	238,816,300	2,332,828,585	1,886,025,951	549,360,142
Energy changes due to rate switching				4,237,200	(1,191,004)	(26,247,143)	(4,331,880)	(18,417,463)	6,819,812	43,361,211
Net delivered energy				11,566,621,999	4,216,187,376	1,407,815,493	234,484,420	2,314,411,122	1,892,845,763	592,721,353
Energy (Loss Adjusted)		Energy		12,251,529,227	4,493,173,553	1,500,303,183	244,717,784	2,466,458,418	1,975,453,293	631,660,709
O&M Customer Allocators										
Customers (Monthly Bills)				5,892,216	4,173,228	519,384	1,020	34,920	1,104	1,944
Average Customers (Bills/12)				491,018	347,769	43,282	85	2,910	92	162
Average Customers (Lighting = Lights)				491,018	347,769	43,282	85	2,910	92	162
Weighted Average Customers (Lighting = 10 Lights per Cust)			Cust05	465,618	347,769	86,564	425	14,550	2,300	4,050
Street Lighting			Cust04	95,516						-
Average Customers			Cust01	491,018	347,769	43,282	85	2,910	92	162
Average Customers (Lighting = 10 Lights per Cust)			Cust06	403,984	347,769	43,282	85	2,910	92	162
Average Secondary Customers			Cust07	403,793	347,769	43,282	-	2,910	-	162
Average Primary Customers			Cust08	403,973	347,769	43,282	85	2,910	92	162
Plant Customer Allocators										
Year End Customers				488,377	352,585	44,326	85	2,899	94	157
Year End Customers (Lighting = 10 Lights)				488,377	352,585	44,326	85	2,899	94	157
Weighted Year End Customers			YECust05	471,544	352,585	88,652	425	14,495	2,350	3,925
Street Lighting (plant in service balance)			YECust04	83,856,546						-
Year End Customers			YECust01	488,377	352,585	44,326	85	2,899	94	157
Year End Customers (Lighting = 10 Lights per Cust)			YECust06	408,982	352,585	44,326	85	2,899	94	157
Year End Secondary Customers			YECust07	408,789	352,585	44,326	-	2,899	-	157
Year End Primary Customers			YECust08	408,971	352,585	44,326	85	2,899	94	157

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy	Traffic Energy
							Rate RLS, LS, DSK	Rate LE	Service Rate TE
Allocation Factors									
Energy Allocation Factors									
Energy Usage by Class	E01		Energy	0.043772	0.018375	0.004938	0.009033	0.000320	0.000268
Customer Allocation Factors									
Primary Distribution Plant -- Average Number of Custom	C01		Cust08	-	0.00000	0.00000	0.02364	0.00004	0.00025
Customer Services -- Weighted cost of Services	C02			-	-	-	-	0.00041	0.00239
Meter Costs -- Weighted Cost of Meters	C03			0.00943	0.00086	0.00172	-	0.00034	0.00202
Lighting Systems -- Lighting Customers	C04		Cust04	-	-	-	1.00000	-	-
Meter Reading and Billing -- Weighted Cost	C05		Cust05	0.00059	0.00001	0.00002	0.02051	0.00004	0.00022
Marketing/Economic Development	C06		Cust06	0.00003	0.00000	0.00000	0.02364	0.00004	0.00025
Revenue per Billing Determinants				29,951,912	11,987,837	2,850,388	17,199,655	217,032	256,873
CSR Credits				(978,336)					
Buythrough Charges				88,518					
Revenue net of CSR	R01			29,062,094	11,987,837	2,850,388	17,199,655	217,032	256,873
Energy				523,880,472	215,705,000	53,731,200	103,846,198	3,674,215	3,075,720
Energy changes due to rate switching				-	-	4,237,200	-	6,467	-
Net delivered energy				523,880,472	215,705,000	57,968,400	103,846,198	3,680,682	3,075,720
Energy (Loss Adjusted)			Energy	536,276,503	225,118,793	60,498,256	110,668,466	3,922,488	3,277,782
O&M Customer Allocators									
Customers (Monthly Bills)				132	12	24	1,146,192	2,040	12,216
Average Customers (Bills/12)				11	1	2	95,516	170	1,018
Average Customers (Lighting = Lights)				11	1	2	95,516	170	1,018
Weighted Average Customers (Lighting = 10 Lights per Cust)			Cust05	275	5	10	9,552	17	102
Street Lighting			Cust04	-	-	-	95,516	-	-
Average Customers			Cust01	11	1	2	95,516	170	1,018
Average Customers (Lighting = 10 Lights per Cust)			Cust06	11	1	2	9,552	17	102
Average Secondary Customers			Cust07	-	-	-	9,552	17	102
Average Primary Customers			Cust08	-	1	2	9,552	17	102
Plant Customer Allocators									
Year End Customers				11	1	2	87,026	173	1,018
Year End Customers (Lighting = 10 Lights)				11	1	2	87,026	173	1,018
Weighted Year End Customers			YECust05	275	5	10	8,703	17	102
Street Lighting (plant in service balance)			YECust04	-	-	-	83,856,546	-	-
Year End Customers			YECust01	11	1	2	87,026	173	1,018
Year End Customers (Lighting = 10 Lights per Cust)			YECust06	11	1	2	8,703	17	102
Year End Secondary Customers			YECust07	-	-	-	8,703	17	102
Year End Primary Customers			YECust08	-	1	2	8,703	17	102

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Allocation Factors (Continued)										
Demand Allocators										
Maximum Class Non-Coincident Peak Demands		NCP		3,163,309	1,469,824	416,991	43,457	508,405	406,845	121,895
Maximum Class Demands (Primary Subs)		NCPS		3,063,702	1,469,824	416,991	43,457	508,405	406,845	121,895
Maximum Class Demands (Primary Lines)		NCPL		3,063,702	1,469,824	416,991	43,457	508,405	406,845	121,895
Sum of the Individual Customer Demands (Secondary)		SICD		4,317,585	2,988,203	575,992	-	574,237	-	154,086
Summer Peak Period Demand Allocator		SCP		2,653,133	1,295,444	346,779	38,901	463,942	274,019	104,635
Winter Peak Period Demand Allocator		WCP		1,690,104	681,511	269,020	27,396	315,495	207,553	79,282
Base Demand Allocator		BDEM		1,394,755	509,886	168,177	27,525	280,420	225,508	76,244
Rate Switching Adjustments to Demand Allocators										
Sum of the Individual Customer Demands				-	(4,481)	(2,737)	(949)	(2,196)	1,592	8,720
Maximum Class Non-Coincident Peak Demands				-	(3,568)	(3,197)	(608)	(560)	1,064	6,843
Summer Peak Period Demand Allocator				-	(2,994)	(3,266)	(412)	59	808	5,783
Winter Peak Period Demand Allocator				-	(2,351)	(1,835)	(312)	(563)	571	4,479
Base Demand Allocator				-	(1,632)	(2,623)	(334)	(370)	616	4,334
Production Allocation										
Production Residual Winter Demand Allocator		PPWDRA		1,690,104	681,511	269,020	27,396	315,495	207,553	79,282
Production Winter Demand Costs				\$ 39,320,004						
Customer Specific Assignment				\$ -		\$ -				
Production Winter Demand Residual			PPWDRA	\$ 39,320,004	\$ 15,855,257	\$ 6,258,705	\$ 637,364	\$ 7,339,947	\$ 4,828,680	\$ 1,844,489
Production Winter Demand Total		PPWDT		\$ 39,320,004	\$ 15,855,257	\$ 6,258,705	\$ 637,364	\$ 7,339,947	\$ 4,828,680	\$ 1,844,489
Production Winter Demand Allocator		PPWDA	PPWDT	1.000000	0.40324	0.15917	0.01621	0.18667	0.12280	0.04691
Production Residual Summer Demand Allocator		PPSDRA		2,653,133	1,295,444	346,779	38,901	463,942	274,019	104,635
Production Summer Demand Costs				\$ 40,381,915						
Customer Specific Assignment				\$ -		\$ -				
Production Summer Demand Residual			PPSDRA	\$ 40,381,915	\$ 19,717,256	\$ 5,278,133	\$ 592,087	\$ 7,061,421	\$ 4,170,701	\$ 1,592,594
Production Summer Demand Total		PPSDT		\$ 40,381,915	\$ 19,717,256	\$ 5,278,133	\$ 592,087	\$ 7,061,421	\$ 4,170,701	\$ 1,592,594
Production Summer Demand Allocator		PPSDA	PPSDT	1.000000	0.48827	0.13071	0.01466	0.17487	0.10328	0.03944
Production Residual Base Demand Allocator		PPBDRA		1,394,755	509,886	168,177	27,525	280,420	225,508	76,244
Production Base Demand Costs				\$ 41,710,970						
Customer Specific Assignment				\$ -		\$ -				
Production Base Demand Residual			PPBDRA	\$ 41,710,970	\$ 15,248,453	\$ 5,029,423	\$ 823,166	\$ 8,386,123	\$ 6,743,943	\$ 2,280,128
Production Base Demand Total		PPBDT		\$ 41,710,970	\$ 15,248,453	\$ 5,029,423	\$ 823,166	\$ 8,386,123	\$ 6,743,943	\$ 2,280,128
Production Base Demand Allocator		PPBDA	PPBDT	1.000000	0.36557	0.12058	0.01973	0.20105	0.16168	0.05466

LOUISVILLE GAS AND ELECTRIC COMPANY
 Electric Cost of Service Study
 Class Allocation
 Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy
							Rate RLS, LS, DSK		Service Rate TE
Allocation Factors (Continued)									
Demand Allocators									
Maximum Class Non-Coincident Peak Demands		NCP		99,607	56,989	12,867	25,151	905	372
Maximum Class Demands (Primary Subs)		NCPS		-	56,989	12,867	25,151	905	372
Maximum Class Demands (Primary Lines)		NCPL		-	56,989	12,867	25,151	905	372
Sum of the Individual Customer Demands (Secondary)		SICD		-	-	-	23,829	885	352
Summer Peak Period Demand Allocator		SCP		69,989	49,470	9,560	-	22	372
Winter Peak Period Demand Allocator		WCP		73,466	30,160	5,837	-	12	372
Base Demand Allocator		BDEM		61,052	25,628	6,887	12,599	455	373
Rate Switching Adjustments to Demand Allocators									
Sum of the Individual Customer Demands				-	-	-	-	52	-
Maximum Class Non-Coincident Peak Demands				-	-	-	-	25	-
Summer Peak Period Demand Allocator				-	-	-	-	22	-
Winter Peak Period Demand Allocator				-	-	-	-	12	-
Base Demand Allocator				-	-	-	-	9	-
Production Allocation									
Production Residual Winter Demand Allocator		PPWDRA		73,466	30,160	5,837	-	12	372
Production Winter Demand Costs				-	-	-	-	-	-
Customer Specific Assignment				-	-	-	-	-	-
Production Winter Demand Residual			PPWDRA	\$ 1,709,164	\$ 701,672	\$ 135,796	\$ -	\$ 275	\$ 8,654
Production Winter Demand Total		PPWDT		\$ 1,709,164	\$ 701,672	\$ 135,796	\$ -	\$ 275	\$ 8,654
Production Winter Demand Allocator		PPWDA	PPWDT	0.04347	0.01785	0.00345	-	0.00001	0.00022
Production Residual Summer Demand Allocator		PPSDRA		69,989	49,470	9,560	-	22	372
Production Summer Demand Costs				-	-	-	-	-	-
Customer Specific Assignment				-	-	-	-	-	-
Production Summer Demand Residual			PPSDRA	\$ 1,065,263	\$ 752,954	\$ 145,504	\$ -	\$ 342	\$ 5,662
Production Summer Demand Total		PPSDT		\$ 1,065,263	\$ 752,954	\$ 145,504	\$ -	\$ 342	\$ 5,662
Production Summer Demand Allocator		PPSDA	PPSDT	0.02638	0.01865	0.00360	-	0.00001	0.00014
Production Residual Base Demand Allocator		PPBDRA		61,052	25,628	6,887	12,599	455	373
Production Base Demand Costs				-	-	-	-	-	-
Customer Specific Assignment				-	-	-	-	-	-
Production Base Demand Residual			PPBDRA	\$ 1,825,781	\$ 766,429	\$ 205,969	\$ 376,777	\$ 13,619	\$ 11,159
Production Base Demand Total		PPBDT		\$ 1,825,781	\$ 766,429	\$ 205,969	\$ 376,777	\$ 13,619	\$ 11,159
Production Base Demand Allocator		PPBDA	PPBDT	0.04377	0.01837	0.00494	0.00903	0.00033	0.00027

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Residential Rate RS	General Service Rate GS	Rate PS Primary	Rate PS Secondary	Rate TOD Primary	Rate TOD Secondary
Allocation Factors (Continued)										
Storm Damage Allocator										
Distribution O&M		SDALL		928,173,010.51	661,645,173.84	113,310,632.35	4,258,321.35	72,346,222.91	39,362,621.84	17,144,198.71
Revenue Adjustment Allocators										
Forfeited Discounts		FDIS		5,456,486	4,190,879	944,054	10,700	193,798	71,158	40,121
Misc Service Revenue Allocator		MISCR		1.00000	0.84510	0.15490	-	-	-	-
Revenue and Expense Adjust before IT		ITADJ		\$ (10,117,393)	\$ (4,788,918)	\$ (3,709,076)	\$ (483,337)	\$ (2,999,528)	\$ (523,575)	2,656,585
Full Year FAC Base Rate Change		REV01		(8,285,846)	(3,179,957)	(1,016,165)	(182,388)	(1,628,781)	(1,291,556)	(366,407)
Temperature Normalization - Revenue		TREV01		-	-	-	-	-	-	-
Temperature Normalization - Expenses		TEXP01		-	-	-	-	-	-	-
VDT Revenue		VDTREV		-	-	-	-	-	-	-
Merger Surcredit Revenue		MSCREV		(62)	(3)	(32)	297	(312)	-	-
ECR Revenue		ECRREV		5,979,130	2,388,225	900,977	119,565	1,179,789	735,409	239,943
ECR Revenue for Roll-In		ECRREV2		1,273,059	669,641	425,656	43,031	389,969	(58,740)	(90,318)
DSM revenue		DSMREV		14,423,888	9,998,518	2,376,817	134,492	1,368,757	254,806	290,498
Rate Switching		RS01		(101,432)	(87,579)	(2,148,925)	(301,015)	(1,256,382)	453,445	3,016,796
Year Customers		YREND		488,377	352,585	44,326	85	2,899	94	157
ECR Revenue in Base Rates		ECRPLAN		9,615,648	3,795,641	1,606,150	212,578	1,935,721	1,072,808	387,238
Off-System Sales Allocator										
Off-System Sales			RBPPT	\$ 46,874,070	\$ 19,511,463	\$ 6,366,332	\$ 798,913	\$ 8,826,288	\$ 6,144,485	\$ 2,216,655
Less: Adjustment to Reallocate Expenses										
Costs allocated on Energy to be reallocated on RBPPT			Energy	\$ (27,791,363)	\$ (10,192,313)	\$ (3,403,287)	\$ (555,118)	\$ (5,594,913)	\$ (4,481,117)	\$ (1,432,859)
Costs allocated on Energy reallocated on RBPPT			RBPPT	27,791,363	11,568,233	3,774,561	473,671	5,233,055	3,643,030	1,314,242
Net Adjustment				-	1,375,920	371,274	(81,447)	(361,858)	(838,088)	(118,617)
Off-System Sales Allocator		OSSALL		\$ 46,874,070	\$ 18,135,543	\$ 5,995,058	\$ 880,360	\$ 9,188,146	\$ 6,982,573	\$ 2,335,272
Expense Adjustment Allocators										
Interruptible Credit Allocator (Winter & Summer Peak Pr		INTCRE		1,704,478,642	760,741,891	246,722,972	26,292,634	307,982,845	192,457,757	73,504,310
O&M less fuel		OMLF		234,492,160.80	123,991,209.89	33,359,680.28	2,836,147.82	32,550,775.29	21,433,139.30	8,015,688.60
Base Rate Revenue at Current Rates				858,722,785	340,800,745	129,864,133	16,602,273	169,757,405	106,600,753	35,422,439
CSR Avoided Cost										
Interruptible Demands				201,217					36,436	
Avoided Cost per KW									2.80	
Avoided Cost				472,778					102,021	

LOUISVILLE GAS AND ELECTRIC COMPANY
Electric Cost of Service Study
Class Allocation
Twelve Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Rate RTS Transmission	Special Contract Customer No. 1	Special Contract Customer No. 2	Lighting Service	Lighting Energy Rate LE	Traffic Energy
							Rate RLS, LS, DSK		Service Rate TE
Allocation Factors (Continued)									
Storm Damage Allocator									
Distribution O&M		SDALL		-	5,505,039.66	1,244,227.59	12,973,379.70	148,627.27	234,565.31
Revenue Adjustment Allocators									
Forfeited Discounts		FDIS		5,776	-	-	-	-	-
Misc Service Revenue Allocator		MISCR		-	-	-	-	-	-
Revenue and Expense Adjust before IT		ITADJ		\$ (267,423)	\$ (113,267)	\$ 196,539	\$ (84,014)	\$ (584)	\$ (797)
Full Year FAC Base Rate Change		REV01		(364,710)	(152,577)	(40,644)	(58,627)	(2,022)	(2,012)
Temperature Normalization - Revenue		TREV01		-	-	-	-	-	-
Temperature Normalization - Expenses		TEXP01		-	-	-	-	-	-
VDT Revenue		VDTREV		-	-	-	-	-	-
Merger Surcredit Revenue		MSCREV		-	-	-	(12)	2	(2)
ECR Revenue		ECRREV		196,069	86,285	18,832	111,110	1,293	1,633
ECR Revenue for Roll-In		ECRREV2		(139,671)	7,719	2,173	22,098	824	677
DSM revenue		DSMREV		-	-	-	-	-	-
Rate Switching		RS01		-	-	221,863	-	365	-
Year Customers		YREND		11	1	2	87,026	173	1,018
ECR Revenue in Base Rates		ECRPLAN		274,020	108,958	25,546	191,925	2,756	2,307
Off-System Sales Allocator									
Off-System Sales			RBPPT	\$ 1,788,389	\$ 857,657	\$ 190,067	\$ 157,940	\$ 5,923	\$ 9,957
Less: Adjustment to Reallocate Expenses									
Costs allocated on Energy to be reallocated on RBPPT			Energy	\$ (1,216,489)	\$ (510,659)	\$ (137,234)	\$ (251,040)	\$ (8,898)	\$ (7,435)
Costs allocated on Energy reallocated on RBPPT			RBPPT	1,060,325	508,500	112,689	93,642	3,512	5,903
Net Adjustment				(156,164)	(2,159)	(24,545)	(157,399)	(5,386)	(1,532)
Off-System Sales Allocator		OSSALL		\$ 1,944,553	\$ 859,817	\$ 214,611	\$ 315,338	\$ 11,309	\$ 11,489
Expense Adjustment Allocators									
Interruptible Credit Allocator (Winter & Summer Peak Pr		INTCRE		59,332,962	31,108,138	6,015,787	-	13,193	306,152
O&M less fuel		OMLF		5,555,164.55	2,993,202.35	676,844.42	2,981,707.59	29,719.55	68,881.16
Base Rate Revenue at Current Rates				28,274,995	11,394,576	2,704,760	16,845,529	207,166	248,011
CSR Avoided Cost									
Interruptible Demands				164,781					
Avoided Cost per KW				2.25					
Avoided Cost				370,757					

Conroy Exhibit C4

Zero Intercept –
Overhead Conductor

Louisville Gas and Electric Company

**Zero Intercept Analysis
Account 365 -- Overhead Conductor**

March 31, 2012

Weighted Linear Regression Statistics

	Estimate	Standard Error
Size Coefficient (\$ per MCM)	0.0039965	0.0004991
Zero Intercept (\$ per Unit)	0.8900773	0.1479166
R-Square	0.9102948	

Plant Classification

Total Number of Units		97,430,621
Zero Intercept		0.8900773
Zero Intercept Cost	\$	86,720,783
Total Cost of Sample	\$	158,902,799
Percentage of Total		0.545747358
Percentage Classified as Customer-Related		54.57%
Percentage Classified as Demand-Related		45.43%

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 365 -- Overhead Conductor

March 31, 2012

Description	Size	Cost	Quantity	Avg Cost
1 CONDUCTOR	83.69	787,710.67	115,720.00	6.80704001
1/0 CONDUCTOR	105.6	1,166,718.87	247,264.00	4.71851491
123,270 ACAR WIRE	123.27	15,545,949.30	9,048,033.00	1.71815789
195,700 ACAR WIRE	195.7	2,181,982.80	1,815,854.00	1.20162899
2/0 COPPER CONDUCTOR	133.1	683,344.27	648,440.00	1.05382806
20 M.A.W. MESSENGER WIRE	20	2,510,875.21	1,257,889.00	1.99610237
336,400 19 STR. ALL ALUMINUM	336.4	7,896,534.44	5,641,385.00	1.39975103
392,500 24/13 ACAR WIRE	392.5	1,032,139.22	882,355.00	1.16975505
4 COPPER CONDUCTOR	41.74	11,166,434.41	11,494,338.00	0.9714726
6 COPPER CONDUCTOR	26.25	6,297,126.83	14,969,991.00	0.42065001
6A COPPER CONDUCTOR	26.25	776,041.34	99,522.00	7.79768634
795 MCM ALUMINUM CONDUCTOR	795	44,852,609.86	10,579,084.00	4.23974418
8 COPPER CONDUCTOR	16.51	572,627.12	292,367.00	1.95859013
840,200 24/13 ACAR WIRE	840.2	576,093.95	212,837.00	2.70673779
#2 CONDUCTOR	66.36	9,648,825.89	9,402,756.00	1.02616998
1/0 CABLE	105.6	38,201,146.14	22,107,346.00	1.72798427
101 MCM ACSR CONDUCTOR	101	1,181.18	250.00	4.72472
1272 MCM ACSR CONDUCTOR	1272	78,453.74	30,063.00	2.60964441
200 MCM CABLE	200	1,627.11	500.00	3.25422
3/0 CONDUCTOR	167.8	5,610,202.89	2,032,233.00	2.76061007
300 MCM COPPER CONDUCTOR	300	3,564.60	260.00	13.71
4/0 CONDUCTOR	211.6	9,192,393.32	6,532,846.00	1.40710394
520 MCM CONDUCTOR	520	98.28	30.00	3.276
600 MCM CONDUCTOR	600	90,560.30	14,160.00	6.39550141
636 MCM ALUMINUM CONDUCTOR	636	3,083.82	190.00	16.2306316
7/C CONDUCTOR	20.92	3,543.53	500.00	7.08706
80 MCM ACSR CONDUCTOR	80	7,736.84	3,500.00	2.21052571
954 MCM ACSR CONDUCTOR	954	14,193.53	908.00	15.631641

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 365 -- Overhead Conductor

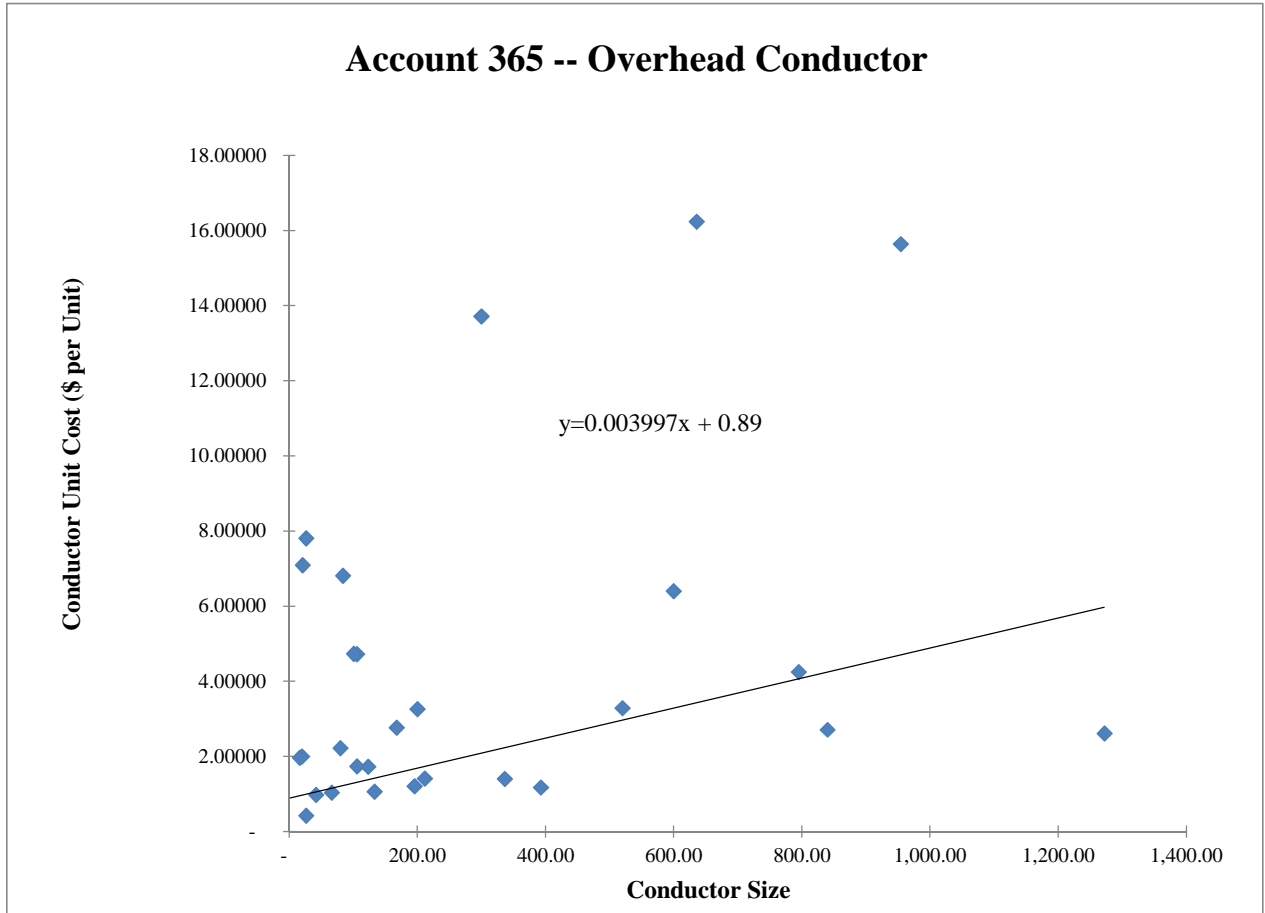
March 31, 2012

n	y	x	est y	y*n ^{.5}	n ^{.5}	xn ^{.5}
115,720	6.80704	83.69	1.225	2315.594534	340.18	28469.36
247,264	4.71851	105.60	1.312	2346.312081	497.26	52510.28
9,048,033	1.71816	123.27	1.383	5168.210084	3,007.99	370795.5
1,815,854	1.20163	195.70	1.672	1619.238642	1,347.54	263712.8
648,440	1.05383	133.10	1.422	848.6031872	805.26	107179.8
1,257,889	1.99610	20.00	0.970	2238.741599	1,121.56	22431.13
5,641,385	1.39975	336.40	2.234	3324.632639	2,375.16	799003.8
882,355	1.16976	392.50	2.459	1098.794825	939.34	368690
11,494,338	0.97147	41.74	1.057	3293.612767	3,390.33	141512.4
14,969,991	0.42065	26.25	0.995	1627.539999	3,869.11	101564.1
99,522	7.79769	26.25	0.995	2459.944503	315.47	8281.116
10,579,084	4.23974	795.00	4.067	13789.98157	3,252.55	2585778
292,367	1.95859	16.51	0.956	1059.028717	540.71	8927.117
212,837	2.70674	840.20	4.248	1248.733463	461.34	387620.1
9,402,756	1.02617	66.36	1.155	3146.63875	3,066.39	203485.7
22,107,346	1.72798	105.60	1.312	8124.714126	4,701.84	496514.8
250	4.72472	101.00	1.294	74.70438253	15.81	1596.95
30,063	2.60964	1,272.00	5.974	452.4780263	173.39	220548.1
500	3.25422	200.00	1.689	72.76657134	22.36	4472.136
2,032,233	2.76061	167.80	1.561	3935.426611	1,425.56	239209.7
260	13.71000	300.00	2.089	221.0671075	16.12	4837.355
6,532,846	1.40710	211.60	1.736	3596.477836	2,555.94	540837.6
30	3.27600	520.00	2.968	17.94339098	5.48	2848.157
14,160	6.39550	600.00	3.288	761.0377958	119.00	71397.48
190	16.23063	636.00	3.432	223.723817	13.78	8766.655
500	7.08706	20.92	0.974	158.4714792	22.36	467.7854
3,500	2.21053	80.00	1.210	130.7764649	59.16	4732.864
908	15.63164	954.00	4.703	471.0288367	30.13	28746.92

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 365 -- Overhead Conductor

March 31, 2012



Louisville Gas & Electric Company
Pri/Sec Splits for Overhead Conductor
As of March 31, 2012

		Customer	Demand
Overhead		54.57%	45.43%
Primary	75.00%	0.4093	0.3407
Secondary	25.00%	0.1364	0.1136

Conroy Exhibit C5

Zero Intercept –
Underground Conductor

Louisville Gas and Electric Company

**Zero Intercept Analysis
Account 367 -- Underground Conductor**

March 31, 2012

Weighted Linear Regression Statistics

	<u>Estimate</u>	<u>Standard Error</u>
Size Coefficient (\$ per MCM)	0.0049856	0.0008547
Zero Intercept (\$ per Unit)	3.0485020	0.2770197
R-Square	0.9527450	

Plant Classification

Total Number of Units	25,068,243
Zero Intercept	3.0485020
Zero Intercept Cost	\$ 76,420,588
Total Cost of Sample	\$ 101,609,671
Percentage of Total	0.75209955
Percentage Classified as Customer-Related	75.21%
Percentage Classified as Demand-Related	24.79%

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 367 -- Underground Conductor

March 31, 2012

Description	Size	Cost	Quantity	Avg Cost
#12 CABLE	13.12	205,379.63	76,950	2.669001
1 CONDUCTOR	83.69	363,509.72	25,784	14.098267
1/0 CONDUCTOR	105.6	442,400.14	29,323	15.087138
1000 MCM CONDUCTOR	1000	16,663,251.48	2,053,440	8.1147983
2/0 COPPER CONDUCTOR	133.1	1,578,325.63	556,011	2.838659
250 MCM COPPER CONDUCTOR	250	238,897.61	179,098	1.3338932
4 COPPER CONDUCTOR	41.74	615,869.87	603,313	1.0208132
6 COPPER CONDUCTOR	26.25	932,008.09	315,342	2.955547
750 MCM COPPER CONDUCTOR	750	2,034,708.32	263,893	7.7103535
795 MCM ALUMINUM CONDUCTOR	795	200,933.94	42,680	4.707918
8 COPPER CONDUCTOR	16.51	40,615.72	27,641	1.4694013
#2 CONDUCTOR	66.36	15,830,503.74	3,536,317	4.4765511
1/0 CABLE	105.6	41,903,850.41	12,165,040	3.4446126
123,270 ACAR WIRE	123.27	5,370.94	496	10.828508
2000 MCM CABLE	2000	4,904.75	90	54.497222
3/0 CONDUCTOR	167.8	322,311.91	30,870	10.440943
336,400 19 STR. ALL ALUMINUM	336.4	94,991.29	2,149	44.202555
4/0 CONDUCTOR	211.6	19,800,239.35	5104786	3.8787599
600 MCM CONDUCTOR	600	21,636.43	1634	13.241389
6A COPPER CONDUCTOR	26.25	309,784.89	53278	5.8144992
840,200 24/13 ACAR WIRE	840.2	177.03	108	1.6391667

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 367 -- Underground Conductor

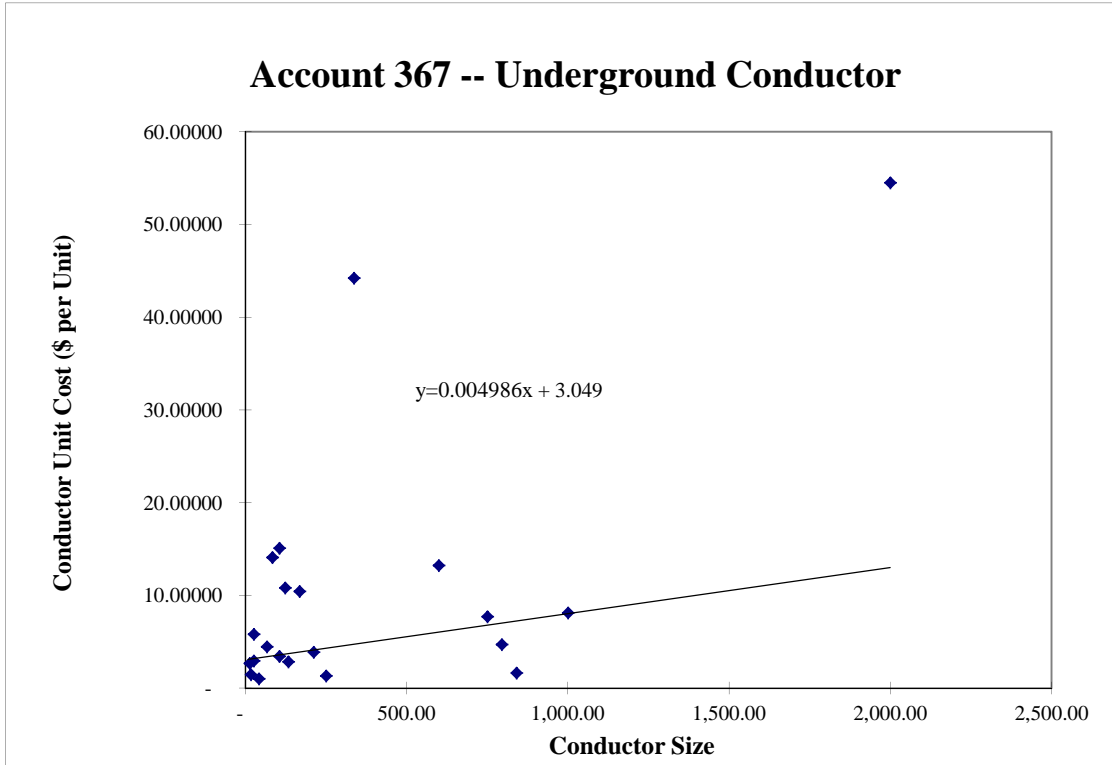
March 31, 2012

n	y	x	est y	$y \cdot n^{.5}$	$n^{.5}$	$xn^{.5}$
76,950	2.66900	13.12	3.114	740.3772322	277.40	3639.47003
25,784	14.09827	83.69	3.466	2263.814732	160.57	13438.4356
29,323	15.08714	105.60	3.575	2583.515405	171.24	18082.9016
2,053,440	8.11480	1,000.00	8.034	11628.36727	1,432.98	1432982.9
556,011	2.83866	133.10	3.712	2116.678591	745.66	99247.5392
179,098	1.33389	250.00	4.295	564.5032374	423.20	105799.929
603,313	1.02081	41.74	3.257	792.8985361	776.73	32420.8044
315,342	2.95555	26.25	3.179	1659.696863	561.55	14740.7716
263,893	7.71035	750.00	6.788	3960.84845	513.71	385278.876
42,680	4.70792	795.00	7.012	972.6152949	206.59	164240.15
27,641	1.46940	16.51	3.131	244.2965203	166.26	2744.8837
3,536,317	4.47655	66.36	3.379	8418.198077	1,880.51	124790.628
12,165,040	3.44461	105.60	3.575	12014.2637	3,487.84	368316.088
496	10.82851	123.27	3.663	241.1623252	22.27	2745.35325
90	54.49722	2,000.00	13.020	517.0060451	9.49	18973.666
30,870	10.44094	167.80	3.885	1834.459124	175.70	29482.226
2,149	44.20255	336.40	4.726	2049.111439	46.36	15594.5984
5,104,786	3.87876	211.60	4.103	8763.582307	2,259.38	478084.247
1,634	13.24139	600.00	6.040	535.2535765	40.42	24253.6595
53,278	5.81450	26.25	3.179	1342.10432	230.82	6059.03226
108	1.63917	840.20	7.237	17.03471969	10.39	8731.61453

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 367 -- Underground Conductor

March 31, 2012



Louisville Gas & Electric Company
Pri/Sec Splits for Underground Conductor
As of March 31, 2012

		Customer	Demand
Underground		75.21%	24.79%
Primary	75.00%	0.5641	0.1859
Secondary	25.00%	0.1880	0.0620

Conroy Exhibit C6

Zero Intercept –
Transformers

Louisville Gas and Electric Company

**Zero Intercept Analysis
Account 368 - Line Transformers**

March 31, 2012

Weighted Linear Regression Statistics

	Estimate	Standard Error
Size Coefficient (\$ per kVA)	12.1105648	0.6845822
Zero Intercept (\$ per Unit)	817.77	147.6554252
R-Square	0.9413918	

Plant Classification

Total Number of Units	19,269
Zero Intercept	817.77
Zero Intercept Cost	\$ 15,757,572
Total Cost of Sample	\$ 35,572,121
Percentage of Total	0.442975323
Percentage Classified as Customer-Related	<input type="text" value="44.30%"/>
Percentage Classified as Demand-Related	<input type="text" value="55.70%"/>

Louisville Gas and Electric Company

**Zero Intercept Analysis
Account 368 - Line Transformers**

March 31, 2012

Description	Size	Cost	Quantity	Avg Cost
TRANSFORMERS - OH 1P - 100 KVA	100	774524.72	408	1898.34
TRANSFORMERS - OH 1P - 15 KVA	15	935743.91	1532	610.80
TRANSFORMERS - OH 1P - 150 KVA	150	239101.48	64	3735.96
TRANSFORMERS - OH 1P - 167 KVA	167	493281.64	266	1854.44
TRANSFORMERS - OH 1P - 25 KVA	25	2856292.12	3213	888.98
TRANSFORMERS - OH 1P - 250 KVA	250	76132.57	30	2537.75
TRANSFORMERS - OH 1P - 37.5 KVA	37.5	2549770.68	2676	952.83
TRANSFORMERS - OH 1P - 50 KVA	50	2656327.89	1903	1395.86
TRANSFORMERS - OH 1P - 500 KVA	500	309787.90	89	3480.76
TRANSFORMERS - OH 1P - 75 KVA	75	1024532.46	616	1663.20
TRANSFORMERS - PM 1P - 100 KVA	100	1244624.80	556	2238.53
TRANSFORMERS - PM 1P - 150 KVA	150	583737.81	175	3335.64
TRANSFORMERS - PM 1P - 225 KVA	225	540183.84	104	5194.08
TRANSFORMERS - PM 1P - 25 KVA	25	605240.51	610	992.20
TRANSFORMERS - PM 1P - 37.5 KVA	37.5	1876764.59	1509	1243.71
TRANSFORMERS - PM 1P - 50 KVA	50	4327908.73	2503	1729.09
TRANSFORMERS - PM 1P - 75 KVA	75	3314570.04	1794	1847.59
TRANSFORMERS - PM 3P - 1000 KVA	1000	1382192.25	98	14104.00
TRANSFORMERS - PM 3P - 150 KVA	150	470685.56	102	4614.56
TRANSFORMERS - PM 3P - 1500 KVA	1500	822894.12	54	15238.78
TRANSFORMERS - PM 3P - 2000 KVA	2000	998393.77	39	25599.84
TRANSFORMERS - PM 3P - 225 KVA	225	315235.68	50	6304.71
TRANSFORMERS - PM 3P - 2500 KVA	2500	834344.53	32	26073.27
TRANSFORMERS - PM 3P - 300 KVA	300	1790345.51	265	6756.02
TRANSFORMERS - PM 3P - 3000 KVA	3000	275051.83	7	39293.12
TRANSFORMERS - PM 3P - 500 KVA	500	1079831.80	144	7498.83
TRANSFORMERS - PM 3P - 75 KVA	75	49805.97	15	3320.40
TRANSFORMERS - PM 3P - 750 KVA	750	1881450.25	169	11132.84
TRANSFORMERS - OH 1P - 10 KVA	10	75502.11	59	1279.70
TRANSFORMERS - PM 1P - 15 KVA	15	2243.67	3	747.89
TRANSFORMERS - PM 1P - 167 KVA	167	492053.14	139	3539.95
TRANSFORMERS - PM 1P - 250 KVA	250	151367.24	11	13760.66
TRANSFORMERS - PM 1P - 500 KVA	500	542197.87	34	15947.00

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 368 - Line Transformers

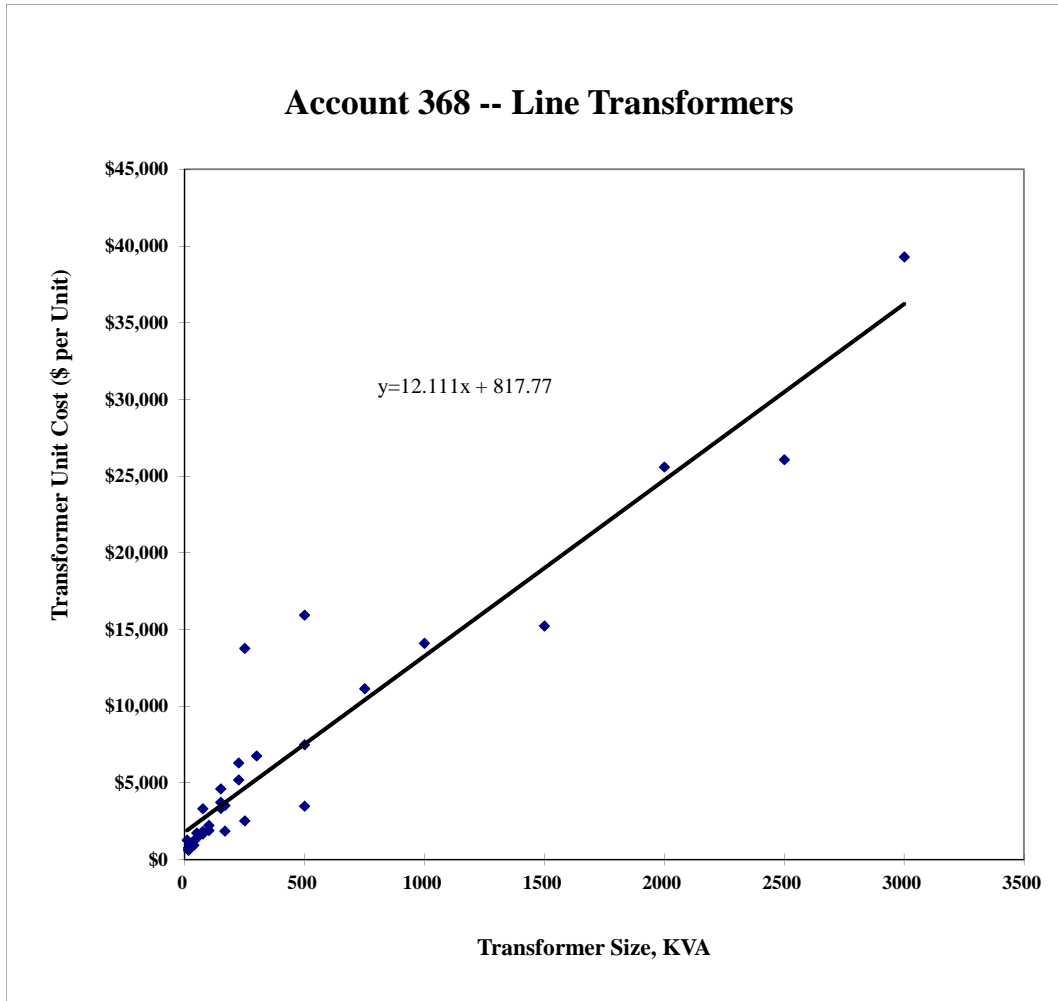
March 31, 2012

n	y	x	est y	y*n ^{.5}	n ^{.5}	xn ^{.5}
408	1,898	100.00	81,789	38344.68742	20.20	2019.900988
1,532	611	15.00	12,279	23907.1401	39.14	587.1115737
64	3,736	150.00	122,677	29887.685	8.00	1200
266	1,854	167.00	136,579	30245.03789	16.31	2723.687574
3,213	889	25.00	20,456	50390.33655	56.68	1417.083272
30	2,538	250.00	204,454	13899.84198	5.48	1369.306394
2,676	953	37.50	30,678	49289.91489	51.73	1939.877573
1,903	1,396	50.00	40,901	60892.28733	43.62	2181.169411
89	3,481	500.00	408,896	32837.45173	9.43	4716.990566
616	1,663	75.00	61,345	41279.58918	24.82	1861.451047
556	2,239	100.00	81,789	52783.84885	23.58	2357.965225
175	3,336	150.00	122,677	44126.43075	13.23	1984.313483
104	5,194	225.00	184,010	52969.38348	10.20	2294.558781
610	992	25.00	20,456	24505.47195	24.70	617.4544518
1,509	1,244	37.50	30,678	48313.13071	38.85	1456.719345
2,503	1,729	50.00	40,901	86506.28639	50.03	2501.49955
1,794	1,848	75.00	61,345	78255.7001	42.36	3176.672788
98	14,104	1,000.00	817,780	139622.5018	9.90	9899.494937
102	4,615	150.00	122,677	46604.81507	10.10	1514.925741
54	15,239	1,500.00	1,226,664	111981.7059	7.35	11022.70384
39	25,600	2,000.00	1,635,548	159870.9512	6.24	12489.996
50	6,305	225.00	184,010	44581.0574	7.07	1590.990258
32	26,073	2,500.00	2,044,432	147492.6688	5.66	14142.13562
265	6,756	300.00	245,343	109980.0504	16.28	4883.646179
7	39,293	3,000.00	2,453,316	103959.82	2.65	7937.253933
144	7,499	500.00	408,896	89985.98333	12.00	6000
15	3,320	75.00	61,345	12859.84616	3.87	290.473751
169	11,133	750.00	613,338	144726.9423	13.00	9750
59	1,280	10.00	8,190	9829.537478	7.68	76.81145748
3	748	15.00	12,279	1295.383478	1.73	25.98076211
139	3,540	167.00	136,579	41735.40262	11.79	1968.900962
11	13,761	250.00	204,454	45638.94006	3.32	829.1561976
34	15,947	500.00	408,896	92986.16757	5.83	2915.475947

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 368 - Line Transformers

March 31, 2012



Conroy Exhibit C7

Gas Cost of Service Study – Functional Assignment

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
Gas Plant at Original Cost									
Underground Storage Plant									
350-357	Underground Storage Plant	PT350	F003 \$ 75,948,560	-	-	75,948,560	-	-	-
358	Asset Retire Obligation Gas Plant	PT350	F003 \$ 5,201,173	-	-	5,201,173	-	-	-
Total Storage Plant		PTST	\$ 81,149,733	\$ -	\$ -	\$ 81,149,733	\$ -	\$ -	\$ -
Transmission Plant									
365-371	Transmission	PT365	F005 \$ 22,558,415	-	-	-	-	22,558,415	-
Distribution Plant									
374	Land and Land Rights	PT374	F008 \$ 133,743	-	-	-	-	-	-
375	Structures & Improvements	PT375	F008 900,463	-	-	-	-	-	-
376	Mains	PT376	F009 315,318,356	-	-	-	-	-	-
378	Meas. & Reg. Sta. Equip. - General	PT378	F008 11,741,524	-	-	-	-	-	-
379	Meas. & Reg. Sta. Equip. - City Gate	PT379	F008 4,383,870	-	-	-	-	-	-
380	Services	PT380	F010 187,198,266	-	-	-	-	-	-
381	Meters	PT381	F011 39,833,752	-	-	-	-	-	-
382	Meter Installations	PT382	F011 -	-	-	-	-	-	-
383	House Regulators	PT383	F011 23,145,111	-	-	-	-	-	-
384	House Regulator Installations	PT384	F011 -	-	-	-	-	-	-
385	Industrial Meas. & Reg. Equip.	PT385	F011 944,360	-	-	-	-	-	-
387	Other Equipment	PT387	F011 51,112	-	-	-	-	-	-
388	Asset Retire Obligation Gas Plant-City Gate	PT388	F008 2,963	-	-	-	-	-	-
388	Asset Retire Obligation Gas Plant-Mains	PT388	F009 11,928,647	-	-	-	-	-	-
Sub-Total Distribution Plant		PTDSUB	\$ 595,582,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U-T-D Subtotal		PTSUB	\$ 699,290,316	-	-	81,149,733	-	22,558,415	-
Plant in Service									
117	Gas Stored Underground/Non-Current	PT117	F003 \$ 2,139,990	-	-	2,139,990	-	-	-
301-303	Intangible Plant	PT301	PTSUB 387	-	-	45	-	13	-
392-396	General Plant	PT389	PTSUB 8,980,221	-	-	1,042,117	-	289,693	-
389-399	Common Utility Plant	PTCP	PTSUB 66,023,986	-	-	7,661,809	-	2,129,869	-
Total Plant in Service		PTIS	\$ 776,434,900	-	-	91,993,695	-	24,977,989	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
Gas Plant at Original Cost									
Underground Storage Plant									
350-357	Underground Storage Plant	PT350	F003	-	-	-	-	-	
358	Asset Retire Obligation Gas Plant	PT350	F003	-	-	-	-	-	
Total Storage Plant		PTST	\$	- \$	- \$	- \$	- \$	- \$	
Transmission Plant									
365-371	Transmission	PT365	F005	-	-	-	-	-	
Distribution Plant									
374	Land and Land Rights	PT374	F008	-	133,743	-	-	-	
375	Structures & Improvements	PT375	F008	-	900,463	-	-	-	
376	Mains	PT376	F009	-	-	97,630,819	189,832,099	15,401,007	
378	Meas. & Reg. Sta. Equip. - General	PT378	F008	-	11,741,524	-	-	-	
379	Meas. & Reg. Sta. Equip. - City Gate	PT379	F008	-	4,383,870	-	-	-	
380	Services	PT380	F010	-	-	-	-	-	
381	Meters	PT381	F011	-	-	-	-	-	
382	Meter Installations	PT382	F011	-	-	-	-	-	
383	House Regulators	PT383	F011	-	-	-	-	-	
384	House Regulator Installations	PT384	F011	-	-	-	-	-	
385	Industrial Meas. & Reg. Equip.	PT385	F011	-	-	-	-	-	
387	Other Equipment	PT387	F011	-	-	-	-	-	
388	Asset Retire Obligation Gas Plant-City Gate	PT388	F008	-	2,963	-	-	-	
388	Asset Retire Obligation Gas Plant-Mains	PT388	F009	-	-	3,693,421	7,181,440	582,628	
Sub-Total Distribution Plant		PTDSUB	\$	- \$	17,162,563 \$	101,324,240 \$	197,013,539 \$	15,983,634 \$	12,925,589
U-T-D Subtotal		PTSUB		-	17,162,563	101,324,240	197,013,539	15,983,634	12,925,589
117	Gas Stored Underground/Non-Current	PT117	F003	-	-	-	-	-	
301-303	Intangible Plant	PT301	PTSUB	-	10	56	109	9	
392-396	General Plant	PT389	PTSUB	-	220,400	1,301,196	2,530,029	205,260	
389-399	Common Utility Plant	PTCP	PTSUB	-	1,620,415	9,566,599	18,601,171	1,509,106	
Total Plant in Service		PTIS		-	19,003,388	112,192,092	218,144,849	17,698,010	14,311,964

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
Gas Plant at Original Cost						
Underground Storage Plant						
350-357	Underground Storage Plant	PT350	F003	-	-	-
358	Asset Retire Obligation Gas Plant	PT350	F003	-	-	-
Total Storage Plant		PTST	\$ -	\$ -	\$ -	\$ -
Transmission Plant						
365-371	Transmission	PT365	F005	-	-	-
Distribution Plant						
374	Land and Land Rights	PT374	F008	-	-	-
375	Structures & Improvements	PT375	F008	-	-	-
376	Mains	PT376	F009	-	-	-
378	Meas. & Reg. Sta. Equip. - General	PT378	F008	-	-	-
379	Meas. & Reg. Sta. Equip. - City Gate	PT379	F008	-	-	-
380	Services	PT380	F010	187,198,266	-	-
381	Meters	PT381	F011	-	39,833,752	-
382	Meter Installations	PT382	F011	-	-	-
383	House Regulators	PT383	F011	-	23,145,111	-
384	House Regulator Installations	PT384	F011	-	-	-
385	Industrial Meas. & Reg. Equip.	PT385	F011	-	944,360	-
387	Other Equipment	PT387	F011	-	51,112	-
388	Asset Retire Obligation Gas Plant-City Gate	PT388	F008	-	-	-
388	Asset Retire Obligation Gas Plant-Mains	PT388	F009	-	-	-
Sub-Total Distribution Plant		PTDSUB	\$ 187,198,266	\$ 63,974,335	\$ -	\$ -
U-T-D Subtotal		PTSUB	187,198,266	63,974,335	-	-
117	Gas Stored Underground/Non-Current	PT117	F003	-	-	-
301-303	Intangible Plant	PT301	PTSUB	104	35	-
392-396	General Plant	PT389	PTSUB	2,403,983	821,552	-
389-399	Common Utility Plant	PTCP	PTSUB	17,674,456	6,040,182	-
Total Plant in Service		PTIS	207,276,808	70,836,105	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Gas Plant at Original Cost (Continued)</u>									
Construction Work In Progress									
106.00	Underground Storage	CWIPUS F003	\$ 6,808,906	-	-	6,808,906	-	-	-
106.00	Transmission	CWIPTR F005	543,238	-	-	-	-	543,238	-
106.00	Distribution Mains	CWIPDM F009	20,758,360	-	-	-	-	-	-
106.00	Other Distribution	CWIPOD PTDSUB	10,182,047	-	-	-	-	-	-
106.00	General	CWIPCO PTSUB	-	-	-	-	-	-	-
107.00	Common	PTSUB	39,317,146	-	-	4,562,591	-	1,268,332	-
Total CWIP		CWIP	\$ 77,609,697	\$ -	\$ -	\$ 11,371,497	\$ -	\$ 1,811,570	\$ -
Total Gas Plant at Original Cost		PTT	\$ 854,044,596	-	-	103,365,192	-	26,789,559	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
<u>Gas Plant at Original Cost (Continued)</u>									
Construction Work In Progress									
106.00	Underground Storage	CWIPUS	F003	-	-	-	-	-	
106.00	Transmission	CWIPTR	F005	-	-	-	-	-	
106.00	Distribution Mains	CWIPDM	F009	-	6,427,332	12,497,221	1,013,895	819,913	
106.00	Other Distribution	CWIPOD	PTDSUB	-	293,410	1,732,235	3,368,135	273,256	
106.00	General	CWIPCO	PTSUB	-	-	-	-	-	
107.00	Common		PTSUB	-	964,954	5,696,890	11,076,959	898,670	
Total CWIP		CWIP		\$ -	\$ 1,258,364	\$ 13,856,456	\$ 26,942,315	\$ 2,185,820	\$ 1,767,621
Total Gas Plant at Original Cost		PTT		-	20,261,753	126,048,548	245,087,164	19,883,830	16,079,586

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

<u>Description</u>	<u>Name</u>	<u>Vector</u>	<u>Services Customer</u>	<u>Meters Customer</u>	<u>Customer Accounts Customer</u>	<u>Customer Service Expense Customer</u>
<u>Gas Plant at Original Cost (Continued)</u>						
Construction Work In Progress						
106.00 Underground Storage	CWIPUS	F003	-	-	-	-
106.00 Transmission	CWIPTR	F005	-	-	-	-
106.00 Distribution Mains	CWIPDM	F009	-	-	-	-
106.00 Other Distribution	CWIPOD	PTDSUB	3,200,333	1,093,702	-	-
106.00 General	CWIPCO	PTSUB	-	-	-	-
107.00 Common		PTSUB	10,525,101	3,596,916	-	-
Total CWIP	CWIP		\$ 13,725,435	\$ 4,690,618	\$ -	\$ -
Total Gas Plant at Original Cost	PTT		221,002,242	75,526,723	-	-
			\$	723,889,845		

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
Net Cost Rate Base									
Total Gas Utility Plant at Original Cost			\$ 854,044,596	\$ -	\$ -	\$ 103,365,192	\$ -	\$ 26,789,559	\$ -
Less:									
Reserve for Depreciation									
Underground Storage	DEPRUS	PTST	\$ 31,115,896	-	-	31,115,896	-	-	-
Transmission	DEPTR	F005	12,306,066	-	-	-	-	12,306,066	-
Distribution	DEPRDI	DEPRDIS	192,425,924	-	-	-	-	-	-
General & Intangible	DEPRGE	PT389	4,908,558	-	-	569,618	-	158,345	-
Common	DEPRCO	PTCP	29,360,397	-	-	3,407,152	-	947,137	-
Total Depreciation Reserve	DEPR		\$ 270,116,840	\$ -	\$ -	\$ 35,092,666	\$ -	\$ 13,411,549	\$ -
Customer Advances For Construction	CAD	CADAL	\$ 6,368,917	-	-	-	-	-	-
Accum. Deferred Income Taxes	DIT	PTSUB	86,384,999	-	-	10,024,620	-	2,786,695	-
FAS 109 Deferred Income taxes		PTSUB	3,417,946	-	-	396,638	-	110,260	-
Asset Retirement Obligation-Net Assets		DEPR	20,308,114	-	-	2,638,361	-	1,008,316	-
Asset Retirement Obligation-Liabilities		DEPR	-	-	-	-	-	-	-
Asset Retirement Obligation-Regulatory Assets		DEPR	-	-	-	-	-	-	-
Asset Retirement Obligation-Regulatory Liabilities		DEPR	2,155,824	-	-	280,077	-	107,039	-
Accum Depre reclassification	ITC	PTSUB	-	-	-	-	-	-	-
PLUS:									
Materials and Supplies	MSP	PTSUB	\$ 55,133	-	-	6,398	-	1,779	-
Prepayments	PPY	PTSUB	691,403	-	-	80,234	-	22,304	-
Gas Stored Underground	GSU	F003	36,144,520	-	-	36,144,520	-	-	-
Cash Working Capital	CWC	OMT	8,164,483	18,730	140,808	484,388	982,434	360,325	-
Adjustments:									
Unamortized Debt		PTSUB	\$ -	-	-	-	-	-	-
Regulatory		PTSUB	-	-	-	-	-	-	-
Customer Advances for Construction		PTSUB	-	-	-	-	-	-	-
Depreciation Adjustment		PTSUB	-	-	-	-	-	-	-
Net Cost Rate Base	NCRB		\$ 510,347,494	\$ 18,730	\$ 140,808	\$ 91,648,369	\$ 982,434	\$ 9,750,108	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer
Net Cost Rate Base								
Total Gas Utility Plant at Original Cost		\$	-	\$ 20,261,753	\$ 126,048,548	\$ 245,087,164	\$ 19,883,830	\$ 16,079,586
Less:								
Reserve for Depreciation								
Underground Storage	DEPRUS	PTST	-	-	-	-	-	-
Transmission	DEPTR	F005	-	-	-	-	-	-
Distribution	DEPRDI	DEPRDIS	-	4,649,112	35,957,557	69,915,409	5,672,211	4,586,984
General & Intangible	DEPRGE	PT389	-	120,470	711,229	1,382,905	112,195	90,729
Common	DEPRCO	PTCP	-	720,587	4,254,199	8,271,809	671,089	542,694
Total Depreciation Reserve	DEPR		\$ -	\$ 5,490,169	\$ 40,922,985	\$ 79,570,122	\$ 6,455,494	\$ 5,220,406
Customer Advances For Construction	CAD	CADAL	-	-	1,237,377	2,405,940	195,193	157,848
Accum. Deferred Income Taxes	DIT	PTSUB	-	2,120,132	12,516,825	24,337,552	1,974,496	1,596,729
FAS 109 Deferred Income taxes		PTSUB	-	83,886	495,246	962,950	78,124	63,177
Asset Retirement Obligation-Net Assets		DEPR	-	412,766	3,076,701	5,982,297	485,341	392,484
Asset Retirement Obligation-Liabilities		DEPR	-	-	-	-	-	-
Asset Retirement Obligation-Regulatory Assets		DEPR	-	-	-	-	-	-
Asset Retirement Obligation-Regulatory Liabilities		DEPR	-	43,817	326,610	635,056	51,522	41,664
Accum Depre reclassification	ITC	PTSUB	-	-	-	-	-	-
PLUS:								
Materials and Supplies	MSP	PTSUB	-	1,353	7,989	15,533	1,260	1,019
Prepayments	PPY	PTSUB	-	16,969	100,181	194,791	15,803	12,780
Gas Stored Underground	GSU	F003	-	-	-	-	-	-
Cash Working Capital	CWC	OMT	105,605	363,657	819,203	1,592,848	129,227	104,503
Adjustments:								
Unamortized Debt		PTSUB	-	-	-	-	-	-
Regulatory		PTSUB	-	-	-	-	-	-
Customer Advances for Construction		PTSUB	-	-	-	-	-	-
Depreciation Adjustment		PTSUB	-	-	-	-	-	-
Net Cost Rate Base	NCRB		\$ 105,605	\$ 12,492,962	\$ 68,400,178	\$ 132,996,419	\$ 10,789,950	\$ 8,725,579

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
Net Cost Rate Base						
Total Gas Utility Plant at Original Cost		\$	221,002,242	\$	75,526,723	\$ -
Less:						
Reserve for Depreciation						
Underground Storage	DEPRUS	PTST	-	-	-	-
Transmission	DEPTR	F005	-	-	-	-
Distribution	DEPRDI	DEPRDIS	64,430,039	7,214,613	-	-
General & Intangible	DEPRGE	PT389	1,314,009	449,058	-	-
Common	DEPRCO	PTCP	7,859,705	2,686,026	-	-
Total Depreciation Reserve	DEPR		\$ 73,603,752	\$ 10,349,696	\$ -	\$ -
Customer Advances For Construction	CAD	CADAL	2,372,559	-	-	-
Accum. Deferred Income Taxes	DIT	PTSUB	23,125,048	7,902,902	-	-
FAS 109 Deferred Income taxes		PTSUB	914,976	312,690	-	-
Asset Retirement Obligation-Net Assets		DEPR	5,533,729	778,118	-	-
Asset Retirement Obligation-Liabilities		DEPR	-	-	-	-
Asset Retirement Obligation-Regulatory Assets		DEPR	-	-	-	-
Asset Retirement Obligation-Regulatory Liabilities		DEPR	587,437	82,602	-	-
Accum Depre reclassification	ITC	PTSUB	-	-	-	-
PLUS:						
Materials and Supplies	MSP	PTSUB	14,759	5,044	-	-
Prepayments	PPY	PTSUB	185,087	63,253	-	-
Gas Stored Underground	GSU	F003	-	-	-	-
Cash Working Capital	CWC	OMT	748,566	486,660	1,416,306	411,223
Adjustments:						
Unamortized Debt		PTSUB	-	-	-	-
Regulatory		PTSUB	-	-	-	-
Customer Advances for Construction		PTSUB	-	-	-	-
Depreciation Adjustment		PTSUB	-	-	-	-
Net Cost Rate Base	NCRB		\$ 115,813,154	\$ 56,655,671	\$ 1,416,306	\$ 411,223

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
Labor Expenses									
807-813	Procurement Expenses	LB807	DPCM	495,110	58,126	436,984	-	-	-
Storage Expenses									
Operation									
814	Operations Supervision and Engineer	LB814	OSE	379,908	-	-	117,894	262,014	-
815	Maps and Records	LB815	F003	-	-	-	-	-	-
816	Well Expenses	LB816	F003	124,556	-	-	124,556	-	-
817	Lines Expenses	LB817	F003	266,927	-	-	266,927	-	-
818	Compressor Station Exp - Payroll	LB818	F004	376,942	-	-	-	376,942	-
819	Compressor Station Fuel and Power	LB819	F004	-	-	-	-	-	-
820	Measurement and Regulator Station	LB820	F003	-	-	-	-	-	-
821	Purification of Natural Gas	LB821	F004	493,112	-	-	-	493,112	-
823	Gas losses	LB823	F004	-	-	-	-	-	-
824	Other Expenses	LB824	F004	-	-	-	-	-	-
825	Storage Well Royalties	LB825	F003	-	-	-	-	-	-
826	Rents	LB826	F003	-	-	-	-	-	-
Total Storage Operation Labor		LBSO		\$ 1,641,445	\$ -	\$ -	\$ 509,378	\$ 1,132,067	\$ -
Storage Expense									
Maintenance									
830	Maintenance Super and Eng.	LB830	MSE	279,461	-	-	76,276	203,185	-
831	Maintenance of Structures	LB831	F003	-	-	-	-	-	-
832	Maintenance of Reservoirs	LB832	F003	136,874	-	-	136,874	-	-
833	Maintenance of Lines	LB833	F003	73,990	-	-	73,990	-	-
834	Main of Compressor Station Equipment	LB834	F004	350,853	-	-	-	350,853	-
835	Main of Meas and Reg Sta. Equip	LB835	F003	18,337	-	-	18,337	-	-
836	Main of Purification Equip	LB836	F004	316,939	-	-	-	316,939	-
837	Main of Other Equipment	LB837	F003	21,491	-	-	21,491	-	-
Total Maintenance Labor		LBSM		\$ 1,197,944	\$ -	\$ -	\$ 326,967	\$ 870,977	\$ -
Total Storage Labor		LBS		\$ 2,839,389	-	-	836,345	2,003,044	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer		
Labor Expenses										
807-813	Procurement Expenses	LB807	DMCM	-	-	-	-	-		
Storage Expenses										
Operation										
814	Operations Supervision and Engineer	LB814	OSE	-	-	-	-	-		
815	Maps and Records	LB815	F003	-	-	-	-	-		
816	Well Expenses	LB816	F003	-	-	-	-	-		
817	Lines Expenses	LB817	F003	-	-	-	-	-		
818	Compressor Station Exp - Payroll	LB818	F004	-	-	-	-	-		
819	Compressor Station Fuel and Power	LB819	F004	-	-	-	-	-		
820	Measurement and Regulator Station	LB820	F003	-	-	-	-	-		
821	Purification of Natural Gas	LB821	F004	-	-	-	-	-		
823	Gas losses	LB823	F004	-	-	-	-	-		
824	Other Expenses	LB824	F004	-	-	-	-	-		
825	Storage Well Royalties	LB825	F003	-	-	-	-	-		
826	Rents	LB826	F003	-	-	-	-	-		
Total Storage Operation Labor		LBSO	\$	-	\$	-	\$	-	\$	-
Storage Expense										
Maintenance										
830	Maintenance Super and Eng.	LB830	MSE	-	-	-	-	-		
831	Maintenance of Structures	LB831	F003	-	-	-	-	-		
832	Maintenance of Reservoirs	LB832	F003	-	-	-	-	-		
833	Maintenance of Lines	LB833	F003	-	-	-	-	-		
834	Main of Compressor Station Equipment	LB834	F004	-	-	-	-	-		
835	Main of Meas and Reg Sta. Equip	LB835	F003	-	-	-	-	-		
836	Main of Purification Equip	LB836	F004	-	-	-	-	-		
837	Main of Other Equipment	LB837	F003	-	-	-	-	-		
Total Maintenance Labor		LBSM	\$	-	\$	-	\$	-	\$	-
Total Storage Labor		LBS		-	-	-	-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
Labor Expenses						
807-813 Procurement Expenses	LB807	DMCM	-	-	-	-
Storage Expenses						
Operation						
814 Operations Supervision and Engineer	LB814	OSE	-	-	-	-
815 Maps and Records	LB815	F003	-	-	-	-
816 Well Expenses	LB816	F003	-	-	-	-
817 Lines Expenses	LB817	F003	-	-	-	-
818 Compressor Station Exp - Payroll	LB818	F004	-	-	-	-
819 Compressor Station Fuel and Power	LB819	F004	-	-	-	-
820 Measurement and Regulator Station	LB820	F003	-	-	-	-
821 Purification of Natural Gas	LB821	F004	-	-	-	-
823 Gas losses	LB823	F004	-	-	-	-
824 Other Expenses	LB824	F004	-	-	-	-
825 Storage Well Royalties	LB825	F003	-	-	-	-
826 Rents	LB826	F003	-	-	-	-
Total Storage Operation Labor	LBSO	\$	- \$	- \$	- \$	- \$
Storage Expense						
Maintenance						
830 Maintenance Super and Eng.	LB830	MSE	-	-	-	-
831 Maintenance of Structures	LB831	F003	-	-	-	-
832 Maintenance of Reservoirs	LB832	F003	-	-	-	-
833 Maintenance of Lines	LB833	F003	-	-	-	-
834 Main of Compressor Station Equipment	LB834	F004	-	-	-	-
835 Main of Meas and Reg Sta. Equip	LB835	F003	-	-	-	-
836 Main of Purification Equip	LB836	F004	-	-	-	-
837 Main of Other Equipment	LB837	F003	-	-	-	-
Total Maintenance Labor	LBSM	\$	- \$	- \$	- \$	- \$
Total Storage Labor	LBS		-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Labor Expenses (Continued)</u>									
Transmission									
850-867	Transmission Expenses	LB850	F005 \$	616,794	-	-	-	616,794	-
Distribution Expenses									
Operation									
870	Operation Supr and Engr	LB870	DOES \$	-	-	-	-	-	-
871	Dist Load Dispatching	LB871	F007	339,244	-	-	-	-	-
872	Compr. Station Labor and Exp.	LB872	F007	-	-	-	-	-	-
873	Compr. Station Fuel and Power	LB873	F007	-	-	-	-	-	-
874.01	Other Mains/Serv. Expenses	LB874.01	CADAL	527,072	-	-	-	-	-
874.02	Leak Survey-Mains	LB874.02	F009	-	-	-	-	-	-
874.03	Leak Survey - Service	LB874.03	F010	-	-	-	-	-	-
874.04	Locate Main per Request	LB874.04	CADAL	-	-	-	-	-	-
874.05	Check Stop Box Access	LB874.05	F010	-	-	-	-	-	-
874.06	Patrolling Mains	LB874.06	F009	-	-	-	-	-	-
874.07	Check/Grease Valves	LB874.07	F009	-	-	-	-	-	-
874.08	Opr. Odor Equipment	LB874.08	F007	-	-	-	-	-	-
874.09	Locate and Inspect Valve Boxes	LB874.09	F009	-	-	-	-	-	-
874.1	Cut Grass - Right of Way	LB874.10	F009	-	-	-	-	-	-
875	Meas and Reg Station Exp.- General	LB875	F008 \$	401,227	-	-	-	-	-
876	Meas and Reg Station Exp.- Industrial	LB876	F011 \$	188,171	-	-	-	-	-
877	Meas and Reg Station Exp. - City Gate	LB877	F008 \$	32,505	-	-	-	-	-
878	Meter and House Reg. Expense	LB878	F011 \$	490,795	-	-	-	-	-
879	Customer Installation Expense	LB879	F011 \$	234,588	-	-	-	-	-
880	Other Expenses	LB880	PTDSUB \$	1,298,940	-	-	-	-	-
881	Rents	LB881	PTDSUB \$	-	-	-	-	-	-
Total Operations Distribution Labor		LBDO	\$	3,512,542 \$	- \$	- \$	- \$	- \$	-
Total Operations Transmission and Distribution Labor		LBTDO	\$	4,129,336 \$	- \$	- \$	- \$	616,794 \$	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
Labor Expenses (Continued)									
Transmission									
850-867	Transmission Expenses	LB850	F005	-	-	-	-	-	
Distribution Expenses									
Operation									
870	Operation Supr and Engr	LB870	DOES	-	-	-	-	-	
871	Dist Load Dispatching	LB871	F007	339,244	-	-	-	-	
872	Compr. Station Labor and Exp.	LB872	F007	-	-	-	-	-	
873	Compr. Station Fuel and Power	LB873	F007	-	-	-	-	-	
874.01	Other Mains/Serv. Expenses	LB874.01	CADAL	-	-	102,401	199,108	16,154	
874.02	Leak Survey-Mains	LB874.02	F009	-	-	-	-	-	
874.03	Leak Survey - Service	LB874.03	F010	-	-	-	-	-	
874.04	Locate Main per Request	LB874.04	CADAL	-	-	-	-	-	
874.05	Check Stop Box Access	LB874.05	F010	-	-	-	-	-	
874.06	Patrolling Mains	LB874.06	F009	-	-	-	-	-	
874.07	Check/Grease Valves	LB874.07	F009	-	-	-	-	-	
874.08	Opr. Odor Equipment	LB874.08	F007	-	-	-	-	-	
874.09	Locate and Inspect Valve Boxes	LB874.09	F009	-	-	-	-	-	
874.1	Cut Grass - Right of Way	LB874.10	F009	-	-	-	-	-	
875	Meas and Reg Station Exp.- General	LB875	F008	-	401,227	-	-	-	
876	Meas and Reg Station Exp.- Industrial	LB876	F011	-	-	-	-	-	
877	Meas and Reg Station Exp. - City Gate	LB877	F008	-	32,505	-	-	-	
878	Meter and House Reg. Expense	LB878	F011	-	-	-	-	-	
879	Customer Installation Expense	LB879	F011	-	-	-	-	-	
880	Other Expenses	LB880	PTDSUB	-	37,431	220,984	429,678	34,860	
881	Rents	LB881	PTDSUB	-	-	-	-	-	
Total Operations Distribution Labor		LBDO		\$ 339,244	\$ 471,164	\$ 323,385	\$ 628,786	\$ 51,013	\$ 41,253
Total Operations Transmission and Distribution Labor		LBTDO		\$ 339,244	\$ 471,164	\$ 323,385	\$ 628,786	\$ 51,013	\$ 41,253

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

<u>Description</u>	<u>Name</u>	<u>Vector</u>	<u>Services Customer</u>	<u>Meters Customer</u>	<u>Customer Accounts Customer</u>	<u>Customer Service Expense Customer</u>
<u>Labor Expenses (Continued)</u>						
Transmission						
850-867	Transmission Expenses	LB850	F005	-	-	-
Distribution Expenses						
Operation						
870	Operation Supr and Engr	LB870	DOES	-	-	-
871	Dist Load Dispatching	LB871	F007	-	-	-
872	Compr. Station Labor and Exp.	LB872	F007	-	-	-
873	Compr. Station Fuel and Power	LB873	F007	-	-	-
874.01	Other Mains/Serv. Expenses	LB874.01	CADAL	196,346	-	-
874.02	Leak Survey-Mains	LB874.02	F009	-	-	-
874.03	Leak Survey - Service	LB874.03	F010	-	-	-
874.04	Locate Main per Request	LB874.04	CADAL	-	-	-
874.05	Check Stop Box Access	LB874.05	F010	-	-	-
874.06	Patrolling Mains	LB874.06	F009	-	-	-
874.07	Check/Grease Valves	LB874.07	F009	-	-	-
874.08	Opr. Odor Equipment	LB874.08	F007	-	-	-
874.09	Locate and Inspect Valve Boxes	LB874.09	F009	-	-	-
874.1	Cut Grass - Right of Way	LB874.10	F009	-	-	-
875	Meas and Reg Station Exp.- General	LB875	F008	-	-	-
876	Meas and Reg Station Exp.- Industrial	LB876	F011	-	188,171	-
877	Meas and Reg Station Exp. - City Gate	LB877	F008	-	-	-
878	Meter and House Reg. Expense	LB878	F011	-	490,795	-
879	Customer Installation Expense	LB879	F011	-	234,588	-
880	Other Expenses	LB880	PTDSUB	408,272	139,525	-
881	Rents	LB881	PTDSUB	-	-	-
Total Operations Distribution Labor	LBDO	\$	604,617	\$	1,053,079	\$
Total Operations Transmission and Distribution Labor	LBTDO	\$	604,617	\$	1,053,079	\$

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Labor Expenses (Continued)</u>									
Maintenance Expense -- Distribution									
885	Maintenance Supr and Engr	LB885	DMES \$	-	-	-	-	-	-
886	Maintenance Structures	LB886	F008	17,910.69	-	-	-	-	-
887	Maintenance Mains	LB887	F009	3,615,006.60	-	-	-	-	-
888	Maintenance Comp. Station Equip.	LB888	F007	-	-	-	-	-	-
889	Maintenance Meas and Reg. General	LB889	F008	62,063.87	-	-	-	-	-
890	Maintenance Meas and Reg - Industrial	LB890	F011	145,376.17	-	-	-	-	-
891	Maintenance Meas and Reg.-City Gate	LB891	F008	177,909.18	-	-	-	-	-
892	Maintenance Services	LB892	F010	507,169.90	-	-	-	-	-
893	Maintenance Meters and House Reg.	LB893	F011	-	-	-	-	-	-
894	Maintenance Other Equipment	LB894	PTDSUB	166,264.54	-	-	-	-	-
Total Maintenance Labor			LBDM	\$ 4,691,701	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission & Distribution Labor			LBTD	\$ 8,821,037	\$ -	\$ -	\$ -	\$ 616,794	\$ -
Customer Accounts Expense									
901	Supervision	LB901	F012 \$	555,288	-	-	-	-	-
902	Meter Reading	LB902	F012	190,502	-	-	-	-	-
903	Customer Records and Collections	LB903	F012	2,040,683	-	-	-	-	-
904	Uncollectible Accounts	LB904	F012	-	-	-	-	-	-
905	Misc. Cust Account Expenses	LB905	F012	130,637	-	-	-	-	-
Total Customer Accounts Labor			LBCA	\$ 2,917,109	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expenses									
907-910	Customer Service	LB907	F013 \$	266,898	-	-	-	-	-
Sales Expenses									
911-916	Sales Expenses	LB911	F013 \$	-	-	-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
<u>Labor Expenses (Continued)</u>									
Maintenance Expense -- Distribution									
885	Maintenance Supr and Engr	LB885	DMES	-	-	-	-	-	
886	Maintenance Structures	LB886	F008	-	17,911	-	-	-	
887	Maintenance Mains	LB887	F009	-	-	1,119,301	2,176,354	176,567	
888	Maintenance Comp. Station Equip.	LB888	F007	-	-	-	-	-	
889	Maintenance Meas and Reg. General	LB889	F008	-	62,064	-	-	-	
890	Maintenance Meas and Reg - Industrial	LB890	F011	-	-	-	-	-	
891	Maintenance Meas and Reg.-City Gate	LB891	F008	-	177,909	-	-	-	
892	Maintenance Services	LB892	F010	-	-	-	-	-	
893	Maintenance Meters and House Reg.	LB893	F011	-	-	-	-	-	
894	Maintenance Other Equipment	LB894	PTDSUB	-	4,791	28,286	54,999	4,462	
Total Maintenance Labor		LBDM	\$	-	\$ 262,675	\$ 1,147,587	\$ 2,231,353	\$ 181,029	\$ 146,394
Total Transmission & Distribution Labor		LBTD	\$	339,244	\$ 733,839	\$ 1,470,972	\$ 2,860,139	\$ 232,042	\$ 187,647
Customer Accounts Expense									
901	Supervision	LB901	F012	-	-	-	-	-	
902	Meter Reading	LB902	F012	-	-	-	-	-	
903	Customer Records and Collections	LB903	F012	-	-	-	-	-	
904	Uncollectible Accounts	LB904	F012	-	-	-	-	-	
905	Misc. Cust Account Expenses	LB905	F012	-	-	-	-	-	
Total Customer Accounts Labor		LBCA	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expenses									
907-910	Customer Service	LB907	F013	-	-	-	-	-	
Sales Expenses									
911-916	Sales Expenses	LB911	F013	-	-	-	-	-	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
<u>Labor Expenses (Continued)</u>						
Maintenance Expense -- Distribution						
885	Maintenance Supr and Engr	LB885	DMES	-	-	-
886	Maintenance Structures	LB886	F008	-	-	-
887	Maintenance Mains	LB887	F009	-	-	-
888	Maintenance Comp. Station Equip.	LB888	F007	-	-	-
889	Maintenance Meas and Reg. General	LB889	F008	-	-	-
890	Maintenance Meas and Reg - Industrial	LB890	F011	-	145,376	-
891	Maintenance Meas and Reg.-City Gate	LB891	F008	-	-	-
892	Maintenance Services	LB892	F010	507,170	-	-
893	Maintenance Meters and House Reg.	LB893	F011	-	-	-
894	Maintenance Other Equipment	LB894	PTDSUB	52,259	17,859	-
Total Maintenance Labor	LBDM	\$	559,429	\$	163,235	\$
Total Transmission & Distribution Labor	LBTD	\$	1,164,046	\$	1,216,314	\$
Customer Accounts Expense						
901	Supervision	LB901	F012	-	-	555,288
902	Meter Reading	LB902	F012	-	-	190,502
903	Customer Records and Collections	LB903	F012	-	-	2,040,683
904	Uncollectible Accounts	LB904	F012	-	-	-
905	Misc. Cust Account Expenses	LB905	F012	-	-	130,637
Total Customer Accounts Labor	LBCA	\$	-	\$	-	\$
Customer Service Expenses						
907-910	Customer Service	LB907	F013	-	-	266,898
Sales Expenses						
911-916	Sales Expenses	LB911	F013	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity	
<u>Labor Expenses (Continued)</u>										
Administrative & General										
920	Admin and General Salaries	LB920	LBSUB	\$2,993,016.00	11,341	85,263	163,186	390,829	120,347	-
921	Office Supplies and Expense	LB921	LBSUB	7,050.00	27	201	384	921	283	-
922	Admin. Expenses Transferred	LB922	LBSUB	(236,354.39)	(896)	(6,733)	(12,887)	(30,863)	(9,504)	-
923	Outside Services Employed	LB923	LBSUB	-	-	-	-	-	-	-
924	Property Insurance	LB924	PTT	-	-	-	-	-	-	-
925	Injuries and Damages	LB925	LBSUB	6,587.37	25	188	359	860	265	-
926	Employee Pensions and Benefits	LB926	LBSUB	6.25	0	0	0	1	0	-
927	Franchise Requirement	LB927	PTT	-	-	-	-	-	-	-
928	Regulatory Commission Fee	LB928	PTT	-	-	-	-	-	-	-
929	Duplicate Charges -Credit	LB929	LBSUB	-	-	-	-	-	-	-
930.1	General Advertising Expense	LB930.1	PTT	-	-	-	-	-	-	-
930.2	Misc. General Expense	LB930.2	LBSUB	-	-	-	-	-	-	-
931	Rents	LB931	PTT	-	-	-	-	-	-	-
935	Maintenance of General Plant	LB935	PT389	1,328,128.40	-	-	154,124	-	42,844	-
Total Administrative and General Labor			LBAG	\$ 4,098,434	\$ 10,497	\$ 78,919	\$ 305,167	\$ 361,748	\$ 154,236	\$ -
Total Labor Expense			LBTOT	\$ 19,437,977	\$ 68,623	\$ 515,903	\$ 1,141,512	\$ 2,364,792	\$ 771,031	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Structures & Equipment		Distribution Mains -	Distribution Mains -	Distribution Mains -	Distribution Mains -	
			Distribution Commodity	Demand	Low & Med. Pressure Demand	Low & Med. Pressure Customer	High Pressure Demand	High Pressure Customer	
<u>Labor Expenses (Continued)</u>									
Administrative & General									
920	Admin and General Salaries	LB920	LBSUB	66,193	143,185	287,013	558,064	45,275	36,613
921	Office Supplies and Expense	LB921	LBSUB	156	337	676	1,315	107	86
922	Admin. Expenses Transferred	LB922	LBSUB	(5,227)	(11,307)	(22,665)	(44,070)	(3,575)	(2,891)
923	Outside Services Employed	LB923	LBSUB	-	-	-	-	-	-
924	Property Insurance	LB924	PTT	-	-	-	-	-	-
925	Injuries and Damages	LB925	LBSUB	146	315	632	1,228	100	81
926	Employee Pensions and Benefits	LB926	LBSUB	0	0	1	1	0	0
927	Franchise Requirement	LB927	PTT	-	-	-	-	-	-
928	Regulatory Commission Fee	LB928	PTT	-	-	-	-	-	-
929	Duplicate Charges -Credit	LB929	LBSUB	-	-	-	-	-	-
930.1	General Advertising Expense	LB930.1	PTT	-	-	-	-	-	-
930.2	Misc. General Expense	LB930.2	LBSUB	-	-	-	-	-	-
931	Rents	LB931	PTT	-	-	-	-	-	-
935	Maintenance of General Plant	LB935	PT389	-	32,596	192,440	374,178	30,357	24,549
Total Administrative and General Labor			LBAG	\$ 61,267	\$ 165,127	\$ 458,096	\$ 890,716	\$ 72,263	\$ 58,438
Total Labor Expense			LBTOT	\$ 400,511	\$ 898,965	\$ 1,929,068	\$ 3,750,855	\$ 304,305	\$ 246,085

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer				
<u>Labor Expenses (Continued)</u>										
Administrative & General										
920	Admin and General Salaries	LB920	LBSUB	227,126	237,324	569,179	52,077			
921	Office Supplies and Expense	LB921	LBSUB	535	559	1,341	123			
922	Admin. Expenses Transferred	LB922	LBSUB	(17,936)	(18,741)	(44,947)	(4,112)			
923	Outside Services Employed	LB923	LBSUB	-	-	-	-			
924	Property Insurance	LB924	PTT	-	-	-	-			
925	Injuries and Damages	LB925	LBSUB	500	522	1,253	115			
926	Employee Pensions and Benefits	LB926	LBSUB	0	0	1	0			
927	Franchise Requirement	LB927	PTT	-	-	-	-			
928	Regulatory Commission Fee	LB928	PTT	-	-	-	-			
929	Duplicate Charges -Credit	LB929	LBSUB	-	-	-	-			
930.1	General Advertising Expense	LB930.1	PTT	-	-	-	-			
930.2	Misc. General Expense	LB930.2	LBSUB	-	-	-	-			
931	Rents	LB931	PTT	-	-	-	-			
935	Maintenance of General Plant	LB935	PT389	355,537	121,503	-	-			
Total Administrative and General Labor		LBAG	\$	565,762	\$	341,168	\$	526,827	\$	48,202
Total Labor Expense		LBTOT	\$	1,729,808	\$	1,557,483	\$	3,443,936	\$	315,100

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Operation & Maintenance Expenses</u>									
807 & 813 Procurement Expenses	OM807	DMCM	\$ 744,962	87,459	657,504	-	-	-	-
Storage Expenses									
Operation									
814 Operations Supervision and Engineer	OM814	OSE	524,636.67	-	-	162,807	361,830	-	-
815 Maps and Records	OM815	F003	-	-	-	-	-	-	-
816 Well Expenses	OM816	F003	364,845.62	-	-	364,846	-	-	-
817 Lines Expenses	OM817	F003	553,668.23	-	-	553,668	-	-	-
818 Compressor Station Exp - Payroll	OM818	F004	1,522,428.93	-	-	-	1,522,429	-	-
819 Compressor Station Fuel and Power	OM819	F004	627,559.43	-	-	-	627,559	-	-
820 Measurement and Regulator Station	OM820	F003	-	-	-	-	-	-	-
821 Purification of Natural Gas (1)	OM821	F004	1,270,760.28	-	-	-	1,270,760	-	-
823 Gas losses (2)	OM823	F004	-	-	-	-	-	-	-
824 Other Expenses	OM824	F004	15,691.23	-	-	-	15,691	-	-
825 Storage Well Royalties	OM825	F003	47,558.37	-	-	47,558	-	-	-
826 Rents	OM826	F003	35,483.02	-	-	35,483	-	-	-
Total Operation Expenses	OMOE		\$ 4,962,632	\$ -	\$ -	\$ 1,164,362	\$ 3,798,270	\$ -	\$ -
Storage Expense									
Maintenance									
830 Maintenance Super and Eng.	OM830	MSE	\$ 383,841	-	-	104,766	279,075	-	-
831 Maintenance of Structures	OM831	F003	-	-	-	-	-	-	-
832 Maintenance of Reservoirs	OM832	F003	814,234.57	-	-	814,235	-	-	-
833 Maintenance of Lines	OM833	F003	173,505.99	-	-	173,506	-	-	-
834 Main of Compressor Station Equipment	OM834	F004	691,884.59	-	-	-	691,885	-	-
835 Main of Meas and Reg Sta. Equip	OM835	F003	32,819.51	-	-	32,820	-	-	-
836 Main of Purification Equip	OM836	F004	880,091.73	-	-	-	880,092	-	-
837 Main of Other Equipment	OM837	F003	43,201.19	-	-	43,201	-	-	-
Total Maintenance Expense	OMME		\$ 3,019,578	\$ -	\$ -	\$ 1,168,527	\$ 1,851,051	\$ -	\$ -
Total Storage Expense	OMS		\$ 7,982,210	-	-	2,332,889	5,649,321	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer
Operation & Maintenance Expenses								
807 & 813 Procurement Expenses	OM807	DMCM	-	-	-	-	-	-
Storage Expenses								
Operation								
814 Operations Supervision and Engineer	OM814	OSE	-	-	-	-	-	-
815 Maps and Records	OM815	F003	-	-	-	-	-	-
816 Well Expenses	OM816	F003	-	-	-	-	-	-
817 Lines Expenses	OM817	F003	-	-	-	-	-	-
818 Compressor Station Exp - Payroll	OM818	F004	-	-	-	-	-	-
819 Compressor Station Fuel and Power	OM819	F004	-	-	-	-	-	-
820 Measurement and Regulator Station	OM820	F003	-	-	-	-	-	-
821 Purification of Natural Gas (1)	OM821	F004	-	-	-	-	-	-
823 Gas losses (2)	OM823	F004	-	-	-	-	-	-
824 Other Expenses	OM824	F004	-	-	-	-	-	-
825 Storage Well Royalties	OM825	F003	-	-	-	-	-	-
826 Rents	OM826	F003	-	-	-	-	-	-
Total Operation Expenses	OMOE	\$	- \$	- \$	- \$	- \$	- \$	- \$
Storage Expense								
Maintenance								
830 Maintenance Super and Eng.	OM830	MSE	-	-	-	-	-	-
831 Maintenance of Structures	OM831	F003	-	-	-	-	-	-
832 Maintenance of Reservoirs	OM832	F003	-	-	-	-	-	-
833 Maintenance of Lines	OM833	F003	-	-	-	-	-	-
834 Main of Compressor Station Equipment	OM834	F004	-	-	-	-	-	-
835 Main of Meas and Reg Sta. Equip	OM835	F003	-	-	-	-	-	-
836 Main of Purification Equip	OM836	F004	-	-	-	-	-	-
837 Main of Other Equipment	OM837	F003	-	-	-	-	-	-
Total Maintenance Expense	OMME	\$	- \$	- \$	- \$	- \$	- \$	- \$
Total Storage Expense	OMS		-	-	-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
Operation & Maintenance Expenses						
807 & 813 Procurement Expenses	OM807	DMCM	-	-	-	-
Storage Expenses						
Operation						
814 Operations Supervision and Engineer	OM814	OSE	-	-	-	-
815 Maps and Records	OM815	F003	-	-	-	-
816 Well Expenses	OM816	F003	-	-	-	-
817 Lines Expenses	OM817	F003	-	-	-	-
818 Compressor Station Exp - Payroll	OM818	F004	-	-	-	-
819 Compressor Station Fuel and Power	OM819	F004	-	-	-	-
820 Measurement and Regulator Station	OM820	F003	-	-	-	-
821 Purification of Natural Gas (1)	OM821	F004	-	-	-	-
823 Gas losses (2)	OM823	F004	-	-	-	-
824 Other Expenses	OM824	F004	-	-	-	-
825 Storage Well Royalties	OM825	F003	-	-	-	-
826 Rents	OM826	F003	-	-	-	-
Total Operation Expenses	OMOE	\$	- \$	- \$	- \$	- \$
Storage Expense						
Maintenance						
830 Maintenance Super and Eng.	OM830	MSE	-	-	-	-
831 Maintenance of Structures	OM831	F003	-	-	-	-
832 Maintenance of Reservoirs	OM832	F003	-	-	-	-
833 Maintenance of Lines	OM833	F003	-	-	-	-
834 Main of Compressor Station Equipment	OM834	F004	-	-	-	-
835 Main of Meas and Reg Sta. Equip	OM835	F003	-	-	-	-
836 Main of Purification Equip	OM836	F004	-	-	-	-
837 Main of Other Equipment	OM837	F003	-	-	-	-
Total Maintenance Expense	OMME	\$	- \$	- \$	- \$	- \$
Total Storage Expense	OMS		-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Operation & Maintenance Expenses (Continued)</u>									
Transmission									
850-867	Transmission Expenses	OM850	F005 \$	2,026,620	-	-	-	2,026,620	-
Distribution Expenses									
Operation									
870	Operation Supr and Engr	OM870	DOES \$	-	-	-	-	-	-
871	Dist Load Dispatching	OM871	F007	481,434	-	-	-	-	-
872	Compr. Station Labor and Exp.	OM872	F007	-	-	-	-	-	-
873	Compr. Station Fuel and Power	OM873	F007	-	-	-	-	-	-
874.01	Other Mains/Serv. Expenses	OM874.01	CADAL	2,952,758	-	-	-	-	-
874.02	Leak Survey-Mains	OM874.02	F009	-	-	-	-	-	-
874.03	Leak Survey - Service	OM874.03	F010	-	-	-	-	-	-
874.04	Locate Main per Request	OM874.04	CADAL	-	-	-	-	-	-
874.05	Check Stop Box Access	OM874.05	F010	-	-	-	-	-	-
874.06	Patrolling Mains	OM874.06	F009	-	-	-	-	-	-
874.07	Check/Grease Valves	OM874.07	F009	-	-	-	-	-	-
874.08	Opr. Odor Equipment	OM874.08	F007	-	-	-	-	-	-
874.09	Locate and Inspect Valve Boxes	OM874.09	F009	-	-	-	-	-	-
874.1	Cut Grass - Right of Way	OM874.10	F009	-	-	-	-	-	-
875	Meas and Reg Station Exp.- General	OM875	F008	754,896	-	-	-	-	-
876	Meas and Reg Station Exp.- Industrial	OM876	F011	285,484	-	-	-	-	-
877	Meas and Reg Station Exp. - City Gate	OM877	F008	122,422	-	-	-	-	-
878	Meter and House Reg. Expense	OM878	F011	718,284	-	-	-	-	-
879	Customer Installation Expense	OM879	F011	485,598	-	-	-	-	-
880	Other Expenses	OM880	PTDSUB	3,223,073	-	-	-	-	-
881	Rents	OM881	PTDSUB	9,921	-	-	-	-	-
Total Operations Distribution Expense		OMDO	\$	9,033,870	-	-	-	-	-
Total Transmission and Distribution Oper Exp		OMTDO	\$	11,060,490	\$	-	\$	-	\$ 2,026,620

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer						
<u>Operation & Maintenance Expenses (Continued)</u>														
Transmission														
850-867	Transmission Expenses	OM850	F005	-	-	-	-	-						
Distribution Expenses														
Operation														
870	Operation Supr and Engr	OM870	DOES	-	-	-	-	-						
871	Dist Load Dispatching	OM871	F007	481,434	-	-	-	-						
872	Compr. Station Labor and Exp.	OM872	F007	-	-	-	-	-						
873	Compr. Station Fuel and Power	OM873	F007	-	-	-	-	-						
874.01	Other Mains/Serv. Expenses	OM874.01	CADAL	-	573,673	1,115,442	90,495	73,182						
874.02	Leak Survey-Mains	OM874.02	F009	-	-	-	-	-						
874.03	Leak Survey - Service	OM874.03	F010	-	-	-	-	-						
874.04	Locate Main per Request	OM874.04	CADAL	-	-	-	-	-						
874.05	Check Stop Box Access	OM874.05	F010	-	-	-	-	-						
874.06	Patrolling Mains	OM874.06	F009	-	-	-	-	-						
874.07	Check/Grease Valves	OM874.07	F009	-	-	-	-	-						
874.08	Opr. Odor Equipment	OM874.08	F007	-	-	-	-	-						
874.09	Locate and Inspect Valve Boxes	OM874.09	F009	-	-	-	-	-						
874.1	Cut Grass - Right of Way	OM874.10	F009	-	-	-	-	-						
875	Meas and Reg Station Exp.- General	OM875	F008	-	754,896	-	-	-						
876	Meas and Reg Station Exp.- Industrial	OM876	F011	-	-	-	-	-						
877	Meas and Reg Station Exp. - City Gate	OM877	F008	-	122,422	-	-	-						
878	Meter and House Reg. Expense	OM878	F011	-	-	-	-	-						
879	Customer Installation Expense	OM879	F011	-	-	-	-	-						
880	Other Expenses	OM880	PTDSUB	-	92,878	548,330	1,066,165	86,498						
881	Rents	OM881	PTDSUB	-	286	1,688	3,282	266						
Total Operations Distribution Expense		OMDO		481,434	970,481	1,123,691	2,184,889	177,259	143,345					
Total Transmission and Distribution Oper Exp		OMTDO	\$	481,434	\$	970,481	\$	1,123,691	\$	2,184,889	\$	177,259	\$	143,345

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
<u>Operation & Maintenance Expenses (Continued)</u>						
Transmission						
850-867	Transmission Expenses	OM850	F005	-	-	-
Distribution Expenses						
Operation						
870	Operation Supr and Engr	OM870	DOES	-	-	-
871	Dist Load Dispatching	OM871	F007	-	-	-
872	Compr. Station Labor and Exp.	OM872	F007	-	-	-
873	Compr. Station Fuel and Power	OM873	F007	-	-	-
874.01	Other Mains/Serv. Expenses	OM874.01	CADAL	1,099,966	-	-
874.02	Leak Survey-Mains	OM874.02	F009	-	-	-
874.03	Leak Survey - Service	OM874.03	F010	-	-	-
874.04	Locate Main per Request	OM874.04	CADAL	-	-	-
874.05	Check Stop Box Access	OM874.05	F010	-	-	-
874.06	Patrolling Mains	OM874.06	F009	-	-	-
874.07	Check/Grease Valves	OM874.07	F009	-	-	-
874.08	Opr. Odor Equipment	OM874.08	F007	-	-	-
874.09	Locate and Inspect Valve Boxes	OM874.09	F009	-	-	-
874.1	Cut Grass - Right of Way	OM874.10	F009	-	-	-
875	Meas and Reg Station Exp.- General	OM875	F008	-	-	-
876	Meas and Reg Station Exp.- Industrial	OM876	F011	-	285,484	-
877	Meas and Reg Station Exp. - City Gate	OM877	F008	-	-	-
878	Meter and House Reg. Expense	OM878	F011	-	718,284	-
879	Customer Installation Expense	OM879	F011	-	485,598	-
880	Other Expenses	OM880	PTDSUB	1,013,049	346,206	-
881	Rents	OM881	PTDSUB	3,118	1,066	-
Total Operations Distribution Expense		OMDO		2,116,133	1,836,638	-
Total Transmission and Distribution Oper Exp		OMTDO	\$	2,116,133	\$	1,836,638

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Operation & Maintenance Expenses (Continued)</u>									
Maintenance Expense -- Distribution									
885	Maintenance Supr and Engr	OM885	DMES	-	-	-	-	-	-
886	Maintenance Structures	OM886	F008	570,798	-	-	-	-	-
887	Maintenance Mains	OM887	F009	9,579,520	-	-	-	-	-
888	Maintenance Comp. Station Equip.	OM888	F007	-	-	-	-	-	-
889	Maintenance Meas and Reg. General	OM889	F008	100,383	-	-	-	-	-
890	Maintenance Meas and Reg - Industrial	OM890	F011	221,727	-	-	-	-	-
891	Maintenance Meas and Reg.-City Gate	OM891	F008	319,701	-	-	-	-	-
892	Maintenance Services	OM892	F010	1,056,214	-	-	-	-	-
893	Maintenance Meters and House Reg.	OM893	F011	-	-	-	-	-	-
894	Maintenance Other Equipment	OM894	PTDSUB	422,328	-	-	-	-	-
Total Maintenance Expenses	OMME	\$	12,270,670	\$	-	\$	-	\$	-
Total Transmission & Distribution Expenses	OMDE	\$	23,331,160	\$	-	\$	-	\$	2,026,620
Customer Accounts Expense									
901	Supervision	OM901	F012	832,776	-	-	-	-	-
902	Meter Reading	OM902	F012	1,768,816	-	-	-	-	-
903	Customer Records and Collections	OM903	F012	4,364,163	-	-	-	-	-
904	Uncollectible Accounts	OM904	F012	828,312	-	-	-	-	-
905	Misc. Cust Account Expenses	OM905	F012	320,243	-	-	-	-	-
Total Customer Accounts Expense	OMCA	\$	8,114,311	\$	-	\$	-	\$	-
Customer Service Expenses									
907-910	Customer Service	OM907	F013	\$ 2,938,592	-	-	-	-	-
Sales Expenses									
911-916	Sales Expenses	OM911	F013	\$ 6,347	-	-	-	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
<u>Operation & Maintenance Expenses (Continued)</u>									
Maintenance Expense -- Distribution									
885	Maintenance Supr and Engr	OM885	DMES	-	-	-	-	-	
886	Maintenance Structures	OM886	F008	-	570,798	-	-	-	
887	Maintenance Mains	OM887	F009	-	-	2,966,070	5,767,188	378,372	
888	Maintenance Comp. Station Equip.	OM888	F007	-	-	-	-	-	
889	Maintenance Meas and Reg. General	OM889	F008	-	100,383	-	-	-	
890	Maintenance Meas and Reg - Industrial	OM890	F011	-	-	-	-	-	
891	Maintenance Meas and Reg.-City Gate	OM891	F008	-	319,701	-	-	-	
892	Maintenance Services	OM892	F010	-	-	-	-	-	
893	Maintenance Meters and House Reg.	OM893	F011	-	-	-	-	-	
894	Maintenance Other Equipment	OM894	PTDSUB	-	12,170	71,849	139,703	9,166	
Total Maintenance Expenses		OMME	\$	-	\$ 1,003,052	\$ 3,037,919	\$ 5,906,891	\$ 479,224	\$ 387,537
Total Transmission & Distribution Expenses		OMDE	\$	481,434	\$ 1,973,533	\$ 4,161,610	\$ 8,091,780	\$ 656,483	\$ 530,882
Customer Accounts Expense									
901	Supervision	OM901	F012	-	-	-	-	-	
902	Meter Reading	OM902	F012	-	-	-	-	-	
903	Customer Records and Collections	OM903	F012	-	-	-	-	-	
904	Uncollectible Accounts	OM904	F012	-	-	-	-	-	
905	Misc. Cust Account Expenses	OM905	F012	-	-	-	-	-	
Total Customer Accounts Expense		OMCA	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service Expenses									
907-910	Customer Service	OM907	F013	-	-	-	-	-	
Sales Expenses									
911-916	Sales Expenses	OM911	F013	-	-	-	-	-	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer		
<u>Operation & Maintenance Expenses (Continued)</u>								
Maintenance Expense -- Distribution								
885	Maintenance Supr and Engr	OM885	DMES	-	-	-		
886	Maintenance Structures	OM886	F008	-	-	-		
887	Maintenance Mains	OM887	F009	-	-	-		
888	Maintenance Comp. Station Equip.	OM888	F007	-	-	-		
889	Maintenance Meas and Reg. General	OM889	F008	-	-	-		
890	Maintenance Meas and Reg - Industrial	OM890	F011	-	221,727	-		
891	Maintenance Meas and Reg.-City Gate	OM891	F008	-	-	-		
892	Maintenance Services	OM892	F010	1,056,214	-	-		
893	Maintenance Meters and House Reg.	OM893	F011	-	-	-		
894	Maintenance Other Equipment	OM894	PTDSUB	132,742	45,364	-		
Total Maintenance Expenses		OMME	\$	1,188,957	\$	267,091	\$	-
Total Transmission & Distribution Expenses		OMDE	\$	3,305,090	\$	2,103,729	\$	-
Customer Accounts Expense								
901	Supervision	OM901	F012	-	-	832,776	-	
902	Meter Reading	OM902	F012	-	-	1,768,816	-	
903	Customer Records and Collections	OM903	F012	-	-	4,364,163	-	
904	Uncollectible Accounts	OM904	F012	-	-	828,312	-	
905	Misc. Cust Account Expenses	OM905	F012	-	-	320,243	-	
Total Customer Accounts Expense		OMCA	\$	-	\$	-	\$	8,114,311
Customer Service Expenses								
907-910	Customer Service	OM907	F013	-	-	-	2,938,592	
Sales Expenses								
911-916	Sales Expenses	OM911	F013	-	-	-	6,347	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity								
<u>Operation & Maintenance Expenses (Continued)</u>																	
Administrative & General																	
920	Admin and General Salaries	OM920	LBSUB \$	3,861,279	14,631	109,998	210,525	504,207	155,260	-							
921	Office Supplies and Expense	OM921	LBSUB	1,253,647	4,750	35,713	68,352	163,702	50,408	-							
922	Admin. Expenses Transferred	OM922	LBSUB	(389,615)	(1,476)	(11,099)	(21,243)	(50,876)	(15,666)	-							
923	Outside Services Employed	OM923	LBSUB	1,156,536	4,382	32,947	63,057	151,021	46,504	-							
924	Property Insurance	OM924	PTT	107,371	-	-	12,995	-	3,368	-							
925	Injuries and Damages	OM925	LBSUB	621,607	2,355	17,708	33,891	81,170	24,994	-							
926	Employee Pensions and Benefits	OM926	LBSUB	9,315,870	35,301	265,385	507,921	1,216,470	374,586	-							
927	Franchise Requirement	OM927	PTT	567,069	-	-	68,633	-	17,788	-							
928	Regulatory Commission Fee	OM928	PTT	236,219	-	-	28,590	-	7,410	-							
929	Duplicate Charges -Credit	OM929	LBSUB	(527,144)	(1,998)	(15,017)	(28,741)	(68,835)	(21,196)	-							
930.1	General Advertising Expense	OM930.1	PTT	205,864	-	-	24,916	-	6,458	-							
930.2	Misc. General Expense	OM930.2	LBSUB	282,072	1,069	8,036	15,379	36,833	11,342	-							
931	Rents	OM931	PTT	399,731	-	-	48,380	-	12,539	-							
935	Maintenance of General Plant	OM935	PT389	3,641,303	-	-	422,558	-	117,465	-							
Total Administrative and General Expense			OMAGT	\$	20,731,809	\$	59,015	\$	443,670	\$	1,455,212	\$	2,033,692	\$	791,258	\$	-
Total Operation & Maintenance Expense			OMT	\$	63,849,392	\$	146,474	\$	1,101,174	\$	3,788,101	\$	7,683,014	\$	2,817,878	\$	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
Operation & Maintenance Expenses (Continued)									
Administrative & General									
920	Admin and General Salaries	OM920	LBSUB	85,395	184,722	370,274	719,956	58,410	47,235
921	Office Supplies and Expense	OM921	LBSUB	27,725	59,974	120,217	233,749	18,964	15,336
922	Admin. Expenses Transferred	OM922	LBSUB	(8,617)	(18,639)	(37,362)	(72,646)	(5,894)	(4,766)
923	Outside Services Employed	OM923	LBSUB	25,578	55,328	110,905	215,642	17,495	14,148
924	Property Insurance	OM924	PTT	-	2,547	15,847	30,813	2,500	2,022
925	Injuries and Damages	OM925	LBSUB	13,747	29,737	59,608	115,902	9,403	7,604
926	Employee Pensions and Benefits	OM926	LBSUB	206,027	445,668	893,337	1,736,993	140,922	113,960
927	Franchise Requirement	OM927	PTT	-	13,453	83,694	162,733	13,202	10,677
928	Regulatory Commission Fee	OM928	PTT	-	5,604	34,864	67,788	5,500	4,447
929	Duplicate Charges -Credit	OM929	LBSUB	(11,658)	(25,218)	(50,550)	(98,289)	(7,974)	(6,448)
930.1	General Advertising Expense	OM930.1	PTT	-	4,884	30,383	59,077	4,793	3,876
930.2	Misc. General Expense	OM930.2	LBSUB	6,238	13,494	27,049	52,594	4,267	3,451
931	Rents	OM931	PTT	-	9,483	58,996	114,712	9,307	7,526
935	Maintenance of General Plant	OM935	PT389	-	89,368	527,610	1,025,877	83,229	67,305
Total Administrative and General Expense		OMAGT	\$	344,435	\$ 870,407	\$ 2,244,873	\$ 4,364,902	\$ 354,123	\$ 286,371
Total Operation & Maintenance Expense		OMT	\$	825,869	\$ 2,843,940	\$ 6,406,483	\$ 12,456,682	\$ 1,010,606	\$ 817,253

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer			
<u>Operation & Maintenance Expenses (Continued)</u>									
Administrative & General									
920	Admin and General Salaries	OM920	LBSUB	293,014	306,171	734,296	67,184		
921	Office Supplies and Expense	OM921	LBSUB	95,133	99,405	238,405	21,813		
922	Admin. Expenses Transferred	OM922	LBSUB	(29,566)	(30,894)	(74,093)	(6,779)		
923	Outside Services Employed	OM923	LBSUB	87,764	91,705	219,938	20,123		
924	Property Insurance	OM924	PTT	27,785	9,495	-	-		
925	Injuries and Damages	OM925	LBSUB	47,171	49,289	118,210	10,816		
926	Employee Pensions and Benefits	OM926	LBSUB	706,938	738,681	1,771,592	162,090		
927	Franchise Requirement	OM927	PTT	146,741	50,148	-	-		
928	Regulatory Commission Fee	OM928	PTT	61,127	20,890	-	-		
929	Duplicate Charges -Credit	OM929	LBSUB	(40,003)	(41,799)	(100,247)	(9,172)		
930.1	General Advertising Expense	OM930.1	PTT	53,272	18,205	-	-		
930.2	Misc. General Expense	OM930.2	LBSUB	21,405	22,366	53,641	4,908		
931	Rents	OM931	PTT	103,439	35,350	-	-		
935	Maintenance of General Plant	OM935	PT389	974,768	333,123	-	-		
Total Administrative and General Expense	OMAGT	\$	2,548,988	\$	1,702,137	\$	2,961,743	\$	270,982
Total Operation & Maintenance Expense	OMT	\$	5,854,077	\$	3,805,866	\$	11,076,054	\$	3,215,921
				\$	34,020,776				

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Depreciation Expenses</u>									
Underground Storage									
350-357	Underground Storage Plant	DP350	F003	\$ 1,269,757	-	-	1,269,757	-	-
358	Asset Retire Obligation Gas Plant	DP350	F003	\$ 609,257	-	-	609,257	-	-
Total Underground Storage			\$	1,879,014	-	-	1,879,014	-	-
Transmission									
365-371	Transmission Plant	DP365	F005	\$ 130,619	-	-	-	130,619	-
Distribution									
374	Land & Land Rights	DP374	F008	\$ 30	-	-	-	-	-
375	Structures & Improvements	DP375	F008	48,371	-	-	-	-	-
376	Mains	DP376	F009	5,716,998	-	-	-	-	-
378	Meas & Reg Station Eq.-Gen	DP378	F008	306,178	-	-	-	-	-
379	Meas & Reg Station Eq.-City Gate	DP379	F008	101,578	-	-	-	-	-
380	Services	DP380	F010	6,809,068	-	-	-	-	-
381	Meters	DP381	F011	1,489,670	-	-	-	-	-
382	Meter Installations	DP382	F011	-	-	-	-	-	-
383	House Regulators	DP383	F011	506,813	-	-	-	-	-
384	House Regulator Installations	DP384	F011	-	-	-	-	-	-
385	Industrial Meas & Reg Equipment	DP385	F011	8,877	-	-	-	-	-
387	Other Equipment	DP387	F011	1,694	-	-	-	-	-
388	Asset Retire Obligation Gas Plant-City Gate	DP388	F008	74	-	-	-	-	-
388	Asset Retire Obligation Gas Plant-Mains	DP388	F009	373,549	-	-	-	-	-
Total Distribution			\$	15,362,900	\$	-	\$	-	\$
117	Gas Stored Underground	DP117	F003	\$ -	-	-	-	-	-
301-303	Intangible Plant	DP301	PTSUB	-	-	-	-	-	-
389-399	General Plant	DP389	PTSUB	233,576	-	-	27,106	7,535	-
Common Utility Plant		DPCP	PTSUB	3,789,063	-	-	439,705	122,231	-
Common Utility Plant Amortization		DPCP	PTSUB	2,456,201	-	-	285,032	79,235	-
Total Depreciation Expense			DEPREX	\$ 23,851,374	\$	-	\$ 2,630,857	\$ 339,620	\$
<u>Regulatory Credits and Accretion</u>									
Regulatory Credits		REGCR	PTSUB	\$ (2,104,902)	-	-	(244,265)	(67,902)	-
Accretion		ACCRE	PTSUB	\$ 1,059,702	-	-	122,974	34,185	-
Amortization of Income Tax Credits		ITCAM	PTSUB	\$ (132,894)	-	-	(15,422)	(4,287)	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer	
<u>Depreciation Expenses</u>									
Underground Storage									
350-357	Underground Storage Plant	DP350	F003	-	-	-	-	-	
358	Asset Retire Obligation Gas Plant	DP350	F003	-	-	-	-	-	
Total Underground Storage				-	-	-	-	-	
Transmission									
365-371	Transmission Plant	DP365	F005	-	-	-	-	-	
Distribution									
374	Land & Land Rights	DP374	F008	-	30	-	-	-	
375	Structures & Improvements	DP375	F008	-	48,371	-	-	-	
376	Mains	DP376	F009	-	-	1,770,132	3,441,822	279,234	
378	Meas & Reg Station Eq.-Gen	DP378	F008	-	306,178	-	-	-	
379	Meas & Reg Station Eq.-City Gate	DP379	F008	-	101,578	-	-	-	
380	Services	DP380	F010	-	-	-	-	-	
381	Meters	DP381	F011	-	-	-	-	-	
382	Meter Installations	DP382	F011	-	-	-	-	-	
383	House Regulators	DP383	F011	-	-	-	-	-	
384	House Regulator Installations	DP384	F011	-	-	-	-	-	
385	Industrial Meas & Reg Equipment	DP385	F011	-	-	-	-	-	
387	Other Equipment	DP387	F011	-	-	-	-	-	
388	Asset Retire Obligation Gas Plant-City Gate	DP388	F008	-	74	-	-	-	
388	Asset Retire Obligation Gas Plant-Mains	DP388	F009	-	-	115,660	224,889	18,245	
Total Distribution				\$ -	\$ 456,231	\$ 1,885,793	\$ 3,666,711	\$ 297,479	\$ 240,564
117	Gas Stored Underground	DP117	F003	-	-	-	-	-	
301-303	Intangible Plant	DP301	PTSUB	-	-	-	-	-	
389-399	General Plant	DP389	PTSUB	-	5,733	33,844	65,806	5,339	
Common Utility Plant		DPCP	PTSUB	-	92,994	549,019	1,067,506	86,606	
Common Utility Plant Amortization		DPCP	PTSUB	-	60,282	355,893	691,994	56,141	
Total Depreciation Expense				DEPREX	\$ -	\$ 615,240	\$ 2,824,549	\$ 5,492,017	\$ 445,565
<u>Regulatory Credits and Accretion</u>									
Regulatory Credits		REGCR	PTSUB	-	(51,660)	(304,992)	(593,022)	(48,112)	(38,907)
Accretion		ACCRE	PTSUB	-	26,008	153,546	298,554	24,222	19,587
Amortization of Income Tax Credits		ITCAM	PTSUB	-	(3,262)	(19,256)	(37,441)	(3,038)	(2,456)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
<u>Depreciation Expenses</u>						
Underground Storage						
350-357	Underground Storage Plant	DP350	F003	-	-	-
358	Asset Retire Obligation Gas Plant	DP350	F003	-	-	-
Total Underground Storage				-	-	-
Transmission						
365-371	Transmission Plant	DP365	F005	-	-	-
Distribution						
374	Land & Land Rights	DP374	F008	-	-	-
375	Structures & Improvements	DP375	F008	-	-	-
376	Mains	DP376	F009	-	-	-
378	Meas & Reg Station Eq.-Gen	DP378	F008	-	-	-
379	Meas & Reg Station Eq.-City Gate	DP379	F008	-	-	-
380	Services	DP380	F010	6,809,068	-	-
381	Meters	DP381	F011	-	1,489,670	-
382	Meter Installations	DP382	F011	-	-	-
383	House Regulators	DP383	F011	-	506,813	-
384	House Regulator Installations	DP384	F011	-	-	-
385	Industrial Meas & Reg Equipment	DP385	F011	-	8,877	-
387	Other Equipment	DP387	F011	-	1,694	-
388	Asset Retire Obligation Gas Plant-City Gate	DP388	F008	-	-	-
388	Asset Retire Obligation Gas Plant-Mains	DP388	F009	-	-	-
Total Distribution			\$ 6,809,068	\$ 2,007,055	\$ -	\$ -
117	Gas Stored Underground	DP117	F003	-	-	-
301-303	Intangible Plant	DP301	PTSUB	-	-	-
389-399	General Plant	DP389	PTSUB	62,528	21,369	-
Common Utility Plant		DPCP	PTSUB	1,014,323	346,641	-
Common Utility Plant Amortization		DPCP	PTSUB	657,519	224,705	-
Total Depreciation Expense			DEPREX \$ 8,543,437	\$ 2,599,770	\$ -	\$ -
<u>Regulatory Credits and Accretion</u>						
Regulatory Credits		REGCR	PTSUB	(563,477)	(192,566)	-
Accretion		ACCRES	PTSUB	283,680	96,946	-
Amortization of Income Tax Credits		ITCAM	PTSUB	(35,575)	(12,158)	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Taxes Other Than Income Taxes</u>									
Property Taxes	OTRE	PTT		-	-	-	-	-	-
Unemployment Insurance	OTPP	PTT	6,572,639	-	-	795,488	-	206,170	-
Federal Old Age & Survivor Insurance	OTUN	LBTOT	-	-	-	-	-	-	-
Public Service Commission Fee	OTFICA	LBTOT	-	-	-	-	-	-	-
Miscellaneous	OTCF	PTT	-	-	-	-	-	-	-
	OTMISC	PTT	-	-	-	-	-	-	-
Total Taxes Other Than Income Taxes	OTT	\$	6,572,639 \$	- \$	- \$	795,488 \$	- \$	206,170 \$	-
Interest Expenses	INT	PTT \$	9,337,962	-	-	1,130,175	-	292,912	-

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer
<u>Taxes Other Than Income Taxes</u>								
Property Taxes	OTRE	PTT	-	-	-	-	-	-
Unemployment Insurance	OTPP	PTT	-	155,932	970,057	1,886,165	153,024	123,747
Federal Old Age & Survivor Insurance	OTUN	LBTOT	-	-	-	-	-	-
Public Service Commission Fee	OTFICA	LBTOT	-	-	-	-	-	-
Miscellaneous	OTCF	PTT	-	-	-	-	-	-
	OTMISC	PTT	-	-	-	-	-	-
Total Taxes Other Than Income Taxes	OTT	\$	- \$	155,932 \$	970,057 \$	1,886,165 \$	153,024 \$	123,747
Interest Expenses	INT	PTT	-	221,538	1,378,191	2,679,737	217,406	175,811

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
<u>Taxes Other Than Income Taxes</u>						
Property Taxes	OTRE	PTT	-	-	-	-
Unemployment Insurance	OTPP	PTT	1,700,810	581,246	-	-
Federal Old Age & Survivor Insurance	OTUN	LBTOT	-	-	-	-
Public Service Commission Fee	OTFICA	LBTOT	-	-	-	-
Miscellaneous	OTCF	PTT	-	-	-	-
	OTMISC	PTT	-	-	-	-
Total Taxes Other Than Income Taxes	OTT	\$	1,700,810	\$ 581,246	\$ -	-
Interest Expenses	INT	PTT	2,416,397	825,795	-	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
Functional Assignment Vectors									
Gas Supply Demand	F001		1.000000	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Gas Supply Commodity	F002		1.000000	0.000000	1.000000	0.000000	0.000000	0.000000	0.000000
Storage Demand	F003		1.000000	0.000000	0.000000	1.000000	0.000000	0.000000	0.000000
Storage Commodity	F004		1.000000	0.000000	0.000000	0.000000	1.000000	0.000000	0.000000
Transmission Demand	F005		1.000000	0.000000	0.000000	0.000000	0.000000	1.000000	0.000000
Transmission Commodity	F006		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	1.000000
Distribution Expense Commodity	F007		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Distribution Structures & Equipment	F008		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Distribution Mains	F009		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Services	F010		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Meters	F011		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Accounts	F012		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Customer Service Expense	F013		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Transmission & Distribution Mains	TDMSUB	\$	337,876,772 \$	- \$	- \$	- \$	- \$	22,558,415 \$	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer					
Functional Assignment Vectors													
Gas Supply Demand	F001		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Gas Supply Commodity	F002		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Storage Demand	F003		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Storage Commodity	F004		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Transmission Demand	F005		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Transmission Commodity	F006		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Distribution Expense Commodity	F007		1.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Distribution Structures & Equipment	F008		0.000000	1.000000	0.000000	0.000000	0.000000	0.000000					
Distribution Mains	F009		0.000000	0.000000	0.309626	0.602033	0.048843	0.039498					
Services	F010		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Meters	F011		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Customer Accounts	F012		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Customer Service Expense	F013		0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Transmission & Distribution Mains	TDMSUB	\$	-	\$	-	\$	97,630,819	\$	189,832,099	\$	15,401,007	\$	12,454,432

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
Functional Assignment Vectors						
Gas Supply Demand	F001		0.000000	0.000000	0.000000	0.000000
Gas Supply Commodity	F002		0.000000	0.000000	0.000000	0.000000
Storage Demand	F003		0.000000	0.000000	0.000000	0.000000
Storage Commodity	F004		0.000000	0.000000	0.000000	0.000000
Transmission Demand	F005		0.000000	0.000000	0.000000	0.000000
Transmission Commodity	F006		0.000000	0.000000	0.000000	0.000000
Distribution Expense Commodity	F007		0.000000	0.000000	0.000000	0.000000
Distribution Structures & Equipment	F008		0.000000	0.000000	0.000000	0.000000
Distribution Mains	F009		0.000000	0.000000	0.000000	0.000000
Services	F010		1.000000	0.000000	0.000000	0.000000
Meters	F011		0.000000	1.000000	0.000000	0.000000
Customer Accounts	F012		0.000000	0.000000	1.000000	0.000000
Customer Service Expense	F013		0.000000	0.000000	0.000000	1.000000
Transmission & Distribution Mains	TDMSUB	\$	- \$	- \$	- \$	-

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Total Company	Procurement Demand	Procurement Commodity	Storage Demand	Storage Commodity	Transmission Demand	Transmission Commodity
<u>Internally Generated Functional Vectors</u>									
Sub-Total Distribution Plant		PTDSUB	1.000000	-	-	-	-	-	-
Storage-Transmission-Distribution Subtotal		PTSUB	1.000000	-	-	0.116046	-	0.032259	-
Total Storage Plant		PTST	1.000000	-	-	1.000000	-	-	-
Transmission Plant		PT365	1.000000	-	-	-	-	1.000000	-
General Plant		PT389	1.000000	-	-	0.116046	-	0.032259	-
Total Distribution Plant		PTDSUB	1.000000	-	-	-	-	-	-
Sub-Total CWIP		CWIP	1.000000	-	-	0.146522	-	0.023342	-
Total Operation and Maintenance Expenses		OMT	1.000000	0.002294	0.017246	0.059329	0.120330	0.044133	-
Total Depreciation Reserve		DEPR	1.000000	-	-	0.129917	-	0.049651	-
Storage-Transmission -Distribution Plant Subtotal		PTSUB	1.000000	-	-	0.116046	-	0.032259	-
Total Labor Expenses		LBTOT	1.000000	0.003530	0.026541	0.058726	0.121658	0.039666	-
Transmission and Distribution Payroll		LBTD	1.000000	-	-	-	-	0.069923	-
Transmission and Distribution Mains		TDMSUB	1.000000	-	-	-	-	0.066765	-
Storage Operation Expenses Labor Subtotal		OSE	1,261,537	-	-	391,484	870,054	-	-
Storage Maintenance Expenses Labor Subtotal		MSE	918,483	-	-	250,691	667,792	-	-
Mains & Services		CADAL	502,516,622	-	-	-	-	-	-
Demand/Commodity Percent of Purchased Gas Cost		DMCM	1.00000	11.74%	88.26%	-	-	-	-
Distribution Operation Expenses Labor Subtotal		DOES	3,512,542	-	-	-	-	-	-
Distribution Maintenance Expenses Labor Subtotal		DMES	4,691,701	-	-	-	-	-	-
Subtotal Labor Expenses		LBSUB	\$ 15,339,543	\$ 58,126	\$ 436,984	\$ 836,345	\$ 2,003,044	\$ 616,794	\$ -
Subtotal O&M Expenses		OMSUB	\$ 43,117,583	\$ 87,459	\$ 657,504	\$ 2,332,889	\$ 5,649,321	\$ 2,026,620	\$ -
Depreciation Reserve - Distribution		DEPRDIS	\$ 163,053,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Functional Assignment and Classification

Description	Name	Vector	Distribution Commodity	Distribution Structures & Equipment Demand	Distribution Mains - Low & Med. Pressure Demand	Distribution Mains - Low & Med. Pressure Customer	Distribution Mains - High Pressure Demand	Distribution Mains - High Pressure Customer
<u>Internally Generated Functional Vectors</u>								
Sub-Total Distribution Plant	PTDSUB		-	0.028816	0.170126	0.330792	0.026837	0.021702
Storage-Transmission-Distribution Subtotal	PTSUB		-	0.024543	0.144896	0.281734	0	0
Total Storage Plant	PTST		-	-	-	-	-	-
Transmission Plant	PT365		-	-	-	-	-	-
General Plant	PT389		-	0.024543	0.144896	0.281734	0	0
Total Distribution Plant	PTDSUB		-	0.028816	0.170126	0.330792	0	0
Sub-Total CWIP	CWIP		-	0.016214	0.178540	0.347151	0	0
Total Operation and Maintenance Expenses	OMT		0.012935	0.044541	0.100337	0.195095	0	0
Total Depreciation Reserve	DEPR		-	0.020325	0.151501	0.294577	0	0
Storage-Transmission -Distribution Plant Subtotal	PTSUB		-	0.024543	0.144896	0.281734	0	0
Total Labor Expenses	LBTOT		0.020605	0.046248	0.099242	0.192965	0	0
Transmission and Distribution Payroll	LBTOT		0.038459	0.083192	0.166757	0.324241	0	0
Transmission and Distribution Mains	TDMSUB		-	-	0.288954	0.561838	0	0
Storage Operation Expenses Labor Subtotal	OSE		-	-	-	-	-	-
Storage Maintenance Expenses Labor Subtotal	MSE		-	-	-	-	-	-
Mains & Services	CADAL		-	-	97,630,819	189,832,099	15,401,007	12,454,432
Demand/Commodity Percent of Purchased Gas Cost	DMCM		-	-	-	-	-	-
Distribution Operation Expenses Labor Subtotal	DOES		339,244	471,164	323,385	628,786	51,013	41,253
Distribution Maintenance Expenses Labor Subtotal	DMES		-	262,675	1,147,587	2,231,353	181,029	146,394
Subtotal Labor Expenses	LBSUB	\$	339,244	\$ 733,839	\$ 1,470,972	\$ 2,860,139	\$ 232,042	\$ 187,647
Subtotal O&M Expenses	OMSUB	\$	481,434	\$ 1,973,533	\$ 4,161,610	\$ 8,091,780	\$ 656,483	\$ 530,882
Depreciation Reserve - Distribution	DEPRDIS	\$	-	\$ 3,939,462	\$ 30,468,923	\$ 59,243,379	\$ 4,806,393	\$ 3,886,817

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Functional Assignment and Classification

Description	Name	Vector	Services Customer	Meters Customer	Customer Accounts Customer	Customer Service Expense Customer
<u>Internally Generated Functional Vectors</u>						
Sub-Total Distribution Plant		PTDSUB	0.314311	0.107415	-	-
Storage-Transmission-Distribution Subtotal		PTSUB	0	0	-	-
Total Storage Plant		PTST	-	-	-	-
Transmission Plant		PT365	-	-	-	-
General Plant		PT389	0	0	-	-
Total Distribution Plant		PTDSUB	0	0	-	-
Sub-Total CWIP		CWIP	0	0	-	-
Total Operation and Maintenance Expenses		OMT	0	0	0	0
Total Depreciation Reserve		DEPR	0	0	-	-
Storage-Transmission -Distribution Plant Subtotal		PTSUB	0	0	-	-
Total Labor Expenses		LBTOT	0	0	0	0
Transmission and Distribution Payroll		LBTD	0	0	-	-
Transmission and Distribution Mains		TDMSUB	-	-	-	-
Storage Operation Expenses Labor Subtotal		OSE	-	-	-	-
Storage Maintenance Expenses Labor Subtotal		MSE	-	-	-	-
Mains & Services		CADAL	187,198,266	-	-	-
Demand/Commodity Percent of Purchased Gas Cost		DMMCM	-	-	-	-
Distribution Operation Expenses Labor Subtotal		DOES	604,617	1,053,079	-	-
Distribution Maintenance Expenses Labor Subtotal		DMES	559,429	163,235	-	-
Subtotal Labor Expenses		LBSUB	\$ 1,164,046	\$ 1,216,314	\$ 2,917,109	\$ 266,898
Subtotal O&M Expenses		OMSUB	\$ 3,305,090	\$ 2,103,729	\$ 8,114,311	\$ 2,944,939
Depreciation Reserve - Distribution		DEPRDIS	\$ 54,595,308	\$ 6,113,360	\$ -	\$ -

Conroy Exhibit C8

Gas Demand Allocation Factors

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATION OF MAXIMUM CLASS DEMANDS FOR
DETERMINATION OF DEMAND ALLOCATION FACTORS
12 MONTHS ENDED MARCH 31, 2012**

	Residential Rate RGS	Commercial Rate CGS	Industrial Rate IGS	Rate AAGS	IntraCompany	Rate FT (1)	Special Contracts	Total
Actual								
Total Mcf Sales and Transportation	17,455,191	8,841,536	841,764	343,961	672,290	10,420,424	815,355	39,390,522
Non-Temp. Sensitive Sales & Transportation - Jul. & Aug.	742,889	536,106	87,598	35,093	149,366	1,462,325	98,778	3,112,154
Annualized Non-Temperature Sensitive Sales & Transport.	4,457,334	3,216,637	525,585	210,557	896,195	8,773,948	592,665	18,672,921
Non-Temperature Sensitive Sales & Transportation per Day	12,212	8,813	1,440	577	2,455	24,038	1,624	51,159
Temperature Sensitive Sales & Transportation	12,997,857	5,624,899	316,179	133,404	-	1,646,477	222,690	20,717,601
Degree Days	3,449	3,449	3,449	3,242	3,242	3,242	3,242	
Temperature Sensitive Sales & Transportation per Degree Day	3,769	1,631	92	41	-	508	69	6,109
Calculated Daily Customer Deliveries (Demands) @ -12 Degrees (77 Degree Days)								
Total Demands	302,393	134,390	8,499	3,745	2,455	63,143	6,913	521,539
Percentage of Total	57.98%	25.77%	1.63%	0.72%	0.47%	12.11%	1.33%	100.00%
Demands - High Pressure Distribution System	302,393	134,390	8,499	3,745	2,455	63,143	6,913	521,539
Demands - Low and Medium Pressure Distribution System	302,393	134,215	8,320	2,245	-	9,250	-	456,423
Adjustment for Rate Switching:								
Total Mcf Sales and Transportation		(11,571)	(24,373)	(14,765)		50,709	(199,729)	(199,729)
Non-Temp. Sensitive Sales & Transportation - Jul. & Aug.		(1,832)	(4,004)	(2,263)		8,099	(1,263)	(1,263)
Annualized Non-Temperature Sensitive Sales & Transport.		(10,993)	(24,024)	(13,580)		48,596	(7,577)	(7,577)
Non-Temperature Sensitive Sales & Transportation per Day		(30)	(66)	(37)		133	(21)	(21)
Temperature Sensitive Sales & Transportation		(578)	(349)	(1,186)		2,113	(192,152)	(192,152)
Degree Days		3,242	3,242	3,242		3,242	3,242	
Temperature Sensitive Sales & Transportation per Degree Day		(0)	(0)	(0)		0	(59)	(59)
Calculated Daily Customer Deliveries (Demands) @ -12 Degrees		(44)	(74)	(65)		164	(4,585)	(4,604)
Calculated Daily Customer Deliveries (Demands) @ -12 Degrees (As Adjusted)								
Total Demands	302,393	134,346	8,425	3,680	2,455	63,307	2,328	516,935
Percentage of Total	58.50%	25.99%	1.63%	0.71%	0.47%	12.25%	0.45%	100.00%
Demands - High Pressure Distribution System	302,393	134,346	8,425	3,680	2,455	63,307	2,328	516,935
Demands - Low and Medium Pressure Distribution System	302,393	134,172	8,246	2,180	-	9,250	-	456,240

(1) Rate FT includes LG&E Transportation Special Contract

Conroy Exhibit C9

Gas Zero Intercept –
Distribution Mains

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 376 -- Distribution Mains

March 31, 2012

Weighted Linear Regression Statistics

	<u>Estimate</u>	<u>Standard Error</u>
Size Coefficient (\$ per Foot)	1.0179392	0.3582163
Zero Intercept (\$ per Foot)	7.2324132	1.7707224
R-Square	80.30%	

Plant Classification

Total All Distribution Mains		24,139,901
Zero Intercept		7.2324132
Zero Intercept Cost	\$	174,589,740
Total Cost of Sample	\$	272,145,404
Percentage of Total		59.74%

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 376 -- Distribution Mains

March 31, 2012

Type of Main	Pipe Size	Net Cost of Plant	Quantity	Avg Cost
PIPE, CAST IRON, 10	10	77,658.52	45,547	1.70501943
PIPE, CAST IRON, 12	12	68,782.87	32,141	2.14003516
PIPE, CAST IRON, 14	14	21,255.50	7,950	2.6736478
PIPE, CAST IRON, 16	16	93,348.65	29,398	3.17534016
PIPE, CAST IRON, 18	18	34,819.46	8,986	3.87485644
PIPE, CAST IRON, 24	24	464,327.77	7,681	60.4514738
PIPE, CAST IRON, 4	4	235,704.34	289,062	0.81541102
PIPE, CAST IRON, 6	6	45,722.07	45,060	1.01469308
PIPE, CAST IRON, 8	8	39,006.81	28,205	1.382975
PIPE, PLASTIC, 2	2	76,786,742.02	6,609,351	11.6178944
PIPE, PLASTIC, 4	4	76,931,193.71	3,486,959	22.0625461
PIPE, STEEL, 1 1/2	1.5	25,393.20	652	38.9466258
PIPE, STEEL, 1 1/4	1.25	8,525.60	382	22.3183246
PIPE, STEEL, 10	10	14,840.16	5,096	2.91211931
PIPE, STEEL, 12	12	13,394,076.77	513,572	26.0802317
PIPE, STEEL, 16	16	7,658,004.02	257,182	29.7765941
PIPE, STEEL, 2	2	18,242,853.94	4,486,438	4.06622223
PIPE, STEEL, 2 1/2	2.5	624.01	438	1.42468037
PIPE, STEEL, 20	20	3,658,736.02	154,201	23.7270577
PIPE, STEEL, 22	22	56,616.99	3,497	16.1901601
PIPE, STEEL, 4	4	37,599,748.42	4,924,293	7.63556279
PIPE, STEEL, 6	6	11,357,682.10	964,156	11.7799216
PIPE, STEEL, 8	8	25,100,256.49	2,027,197	12.381755
PIPE, WROUGHT IRON, 1 1/2	1.5	989.28	2,508	0.39444976
PIPE, WROUGHT IRON, 1 1/4	1.25	3,524.09	8,830	0.39910419
PIPE, WROUGHT IRON, 10	10	49,206.04	26,572	1.85180039
PIPE, WROUGHT IRON, 12	12	15,152.39	5,917	2.56082305
PIPE, WROUGHT IRON, 16	16	50,405.16	15,081	3.3422956
PIPE, WROUGHT IRON, 2	2	30,132.14	60,540	0.49772283
PIPE, WROUGHT IRON, 3	3	1,368.58	2,426	0.56413026
PIPE, WROUGHT IRON, 4	4	78,494.84	90,376	0.86853634
PIPE, WROUGHT IRON, 6	6	212.27	207	1.02545894

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 376 -- Distribution Mains

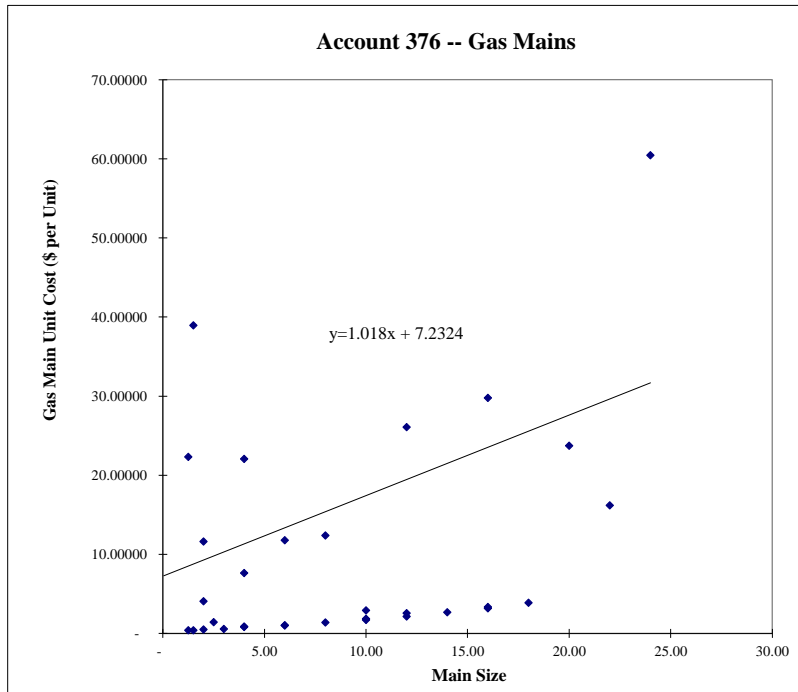
March 31, 2012

Type of Main	n	y	x	est y	y*n ^{.5}	n ^{.5}	xn ^{.5}
PIPE, CAST IRON, 10	45,547	1.70502	10.00	17.412	363.881	213.42	2134.174
PIPE, CAST IRON, 12	32,141	2.14004	12.00	19.448	383.664	179.28	2151.349
PIPE, CAST IRON, 14	7,950	2.67365	14.00	21.484	238.39	89.16	1248.279
PIPE, CAST IRON, 16	29,398	3.17534	16.00	23.519	544.439	171.46	2743.335
PIPE, CAST IRON, 18	8,986	3.87486	18.00	25.555	367.315	94.79	1706.301
PIPE, CAST IRON, 24	7,681	60.45147	24.00	31.663	5298.05	87.64	2103.392
PIPE, CAST IRON, 4	289,062	0.81541	4.00	11.304	438.402	537.64	2150.579
PIPE, CAST IRON, 6	45,060	1.01469	6.00	13.340	215.392	212.27	1273.64
PIPE, CAST IRON, 8	28,205	1.38298	8.00	15.376	232.262	167.94	1343.548
PIPE, PLASTIC, 2	6,609,351	11.61789	2.00	9.268	29868	2,570.87	5141.732
PIPE, PLASTIC, 4	3,486,959	22.06255	4.00	11.304	41198.3	1,867.34	7469.36
PIPE, STEEL, 1 1/2	652	38.94663	1.50	8.759	994.474	25.53	38.30144
PIPE, STEEL, 1 1/4	382	22.31832	1.25	8.505	436.208	19.54	24.43103
PIPE, STEEL, 10	5,096	2.91212	10.00	17.412	207.885	71.39	713.8627
PIPE, STEEL, 12	513,572	26.08023	12.00	19.448	18690.1	716.64	8599.673
PIPE, STEEL, 16	257,182	29.77659	16.00	23.519	15100.6	507.13	8114.098
PIPE, STEEL, 2	4,486,438	4.06622	2.00	9.268	8612.75	2,118.12	4236.243
PIPE, STEEL, 2 1/2	438	1.42468	2.50	9.777	29.8164	20.93	52.32112
PIPE, STEEL, 20	154,201	23.72706	20.00	27.591	9317.24	392.68	7853.687
PIPE, STEEL, 22	3,497	16.19016	22.00	29.627	957.412	59.14	1300.98
PIPE, STEEL, 4	4,924,293	7.63556	4.00	11.304	16943.9	2,219.07	8876.299
PIPE, STEEL, 6	964,156	11.77992	6.00	13.340	11566.9	981.91	5891.487
PIPE, STEEL, 8	2,027,197	12.38175	8.00	15.376	17629.1	1,423.80	11390.37
PIPE, WROUGHT IRON, 1 1/2	2,508	0.39445	1.50	8.759	19.754	50.08	75.1199
PIPE, WROUGHT IRON, 1 1/4	8,830	0.39910	1.25	8.505	37.5031	93.97	117.4601
PIPE, WROUGHT IRON, 10	26,572	1.85180	10.00	17.412	301.861	163.01	1630.092
PIPE, WROUGHT IRON, 12	5,917	2.56082	12.00	19.448	196.984	76.92	923.0645
PIPE, WROUGHT IRON, 16	15,081	3.34230	16.00	23.519	410.45	122.80	1964.876
PIPE, WROUGHT IRON, 2	60,540	0.49772	2.00	9.268	122.464	246.05	492.0976
PIPE, WROUGHT IRON, 3	2,426	0.56413	3.00	10.286	27.7859	49.25	147.7633
PIPE, WROUGHT IRON, 4	90,376	0.86854	4.00	11.304	261.105	300.63	1202.504
PIPE, WROUGHT IRON, 6	207	1.02546	6.00	13.340	14.7538	14.39	86.32497

Louisville Gas and Electric Company

Zero Intercept Analysis
Account 376 -- Distribution Mains

March 31, 2012



Louisville Gas and Electric Company

Zero Intercept Analysis
Account 376 -- Distribution Mains

March 31, 2012

Nominal Size (in inches)	Total Distribution Mains			High Pressure Mains		Low and Medium Pressure Mains	
	Feet of Pipe	Installed Costs	Unit Costs	Feet of Pipe	Installed Costs	Feet of Pipe	Installed Costs
1.25	9,212	12,050	1.3080	0	0	9,212	12,050
1.5	3,160	26,382	8.3489	0	0	3,160	26,382
2	11,156,329	95,059,728	8.5207	Category II 2" Category III 2" <u>61,991</u>	528,207	11,094,338	94,531,521
2.5	438	624	1.4247	0	0	438	624
3	2,426	1,369	0.5641	Category II 3" Category III 3" <u>298</u>	168	2,128	1,201
4	8,790,690	114,845,141	13.0644	Category II 4" Category III 4" <u>161,839 183,215 345,054</u>	4,507,925	8,445,636	110,337,216
6	1,009,423	11,403,616	11.2972	Category II 6" Category III 6" <u>77,342 63,559 140,901</u>	1,591,782	868,522	9,811,834
8	2,055,402	25,139,263	12.2308	Category II 8" Category III 8" <u>364,971 104,206 469,177</u>	5,738,422	1,586,225	19,400,841
10	77,215	141,705	1.8352	Category II 10' Category III 10' <u>385</u>	707	76,830	140,998
12	551,630	13,478,012	24.4331	Category II 12' Category III 12' <u>214,435 3,740 218,175</u>	5,330,684	333,455	8,147,328
14	7,950	21,256	2.6736	0	0	7,950	21,256
16	301,661	7,801,758	25.8627	Category II 16' Category III 16' <u>177,273</u>	4,584,752	124,388	3,217,006
18	8,986	34,819	3.8749	0	0	8,986	34,819
20	154,201	3,658,736	23.7271	Category II 20' Category III 20' <u>71,130 20 71,150</u>	1,688,180	83,051	1,970,556
22	3,497	56,617	16.1902	Category II 22' Category III 22' <u>927</u>	15,008	2,570	41,609
24	7,681	464,328	60.4515	Category II 24' Category III 24' <u>921</u>	55,676	6,760	408,652
Total All Mains Portion of Total	24,139,901	\$ 272,145,404		1,486,252	\$ 24,041,511	22,653,649	\$ 248,103,893
					0.08834068		0.91165932
Zero Intercept		\$ 7.2324132			\$ 7.2324132		\$ 7.2324132
Customer-Related Costs* Portion of Total		\$ 174,589,740			\$ 10,749,189		\$ 163,840,551
		0.64153110			0.03949796		0.60203314
Demand-Related Costs** Portion of Total		\$ 97,555,665			\$ 13,292,322		\$ 84,263,342
		0.35846890			0.04884272		0.30962618

Notes:

* Customer-Related Costs calculated by applying the zero intercept unit cost of \$7.2324132 to total feet of pipe.

** Demand-Related Costs equal Total All Distribution Mains less Customer-Related Costs

Conroy Exhibit C10

Gas Cost of Service Study – Class Allocation

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Plant in Service										
Procurement Expenses										
Demand	PTIS	PTISGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	PTIS	PTISGSC	COM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Procurement Expenses				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	PTIS	PTISSD	DEM02	\$ 91,993,695	\$ 62,050,805	\$ 28,042,556	\$ 1,900,333	\$ -	\$ -	\$ -
Commodity	PTIS	PTISSC	COM02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Storage				\$ 91,993,695	\$ 62,050,805	\$ 28,042,556	\$ 1,900,333	\$ -	\$ -	\$ -
Transmission										
Demand	PTIS	PTISTD	DEM03	\$ 24,977,989	\$ 16,847,941	\$ 7,614,073	\$ 515,976	\$ -	\$ -	\$ -
Commodity	PTIS	PTISTC	COM03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission				\$ 24,977,989	\$ 16,847,941	\$ 7,614,073	\$ 515,976	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	PTIS	PTISDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	PTIS	PTISDSD	DEM04	\$ 19,003,388	\$ 11,161,735	\$ 4,960,528	\$ 313,701	\$ 138,244	\$ 2,330,704	\$ 98,477
Distribution Mains										
Low/Medium Pressure - Demand	PTIS	PTISDMD	DEM05a	\$ 112,192,092	\$ 74,330,404	\$ 32,991,124	\$ 2,045,058	\$ 551,863	\$ 2,273,642	\$ -
Low/Medium Pressure - Customer	PTIS	PTISDMC	CUST01a	218,144,849	200,241,355	17,736,223	144,648	2,057	20,566	-
High Pressure - Demand	PTIS	PTISDMD	DEM05	17,698,010	10,395,014	4,619,780	292,152	128,748	2,170,604	91,712
High Pressure - Customer	PTIS	PTISDMC	CUST01	14,311,964	13,134,800	1,163,450	9,623	630	3,418	45
Total Distribution Mains		PTISDIS		\$ 362,346,915	\$ 298,101,573	\$ 56,510,577	\$ 2,491,481	\$ 683,297	\$ 4,468,229	\$ 91,757
Services										
Customer	PTIS	PTISSC	CUST02	\$ 207,276,808	\$ 174,287,460	\$ 32,373,114	\$ 301,380	\$ 89,336	\$ 220,543	\$ 4,975
Meters										
Customer	PTIS	PTISMC	CUST03	\$ 70,836,105	\$ 58,496,992	\$ 11,741,337	\$ 469,421	\$ 65,813	\$ 62,542	\$ -
Customer Accounts										
Customer	PTIS	PTISCAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	PTIS	PTISCSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		PLT		\$ 776,434,900	\$ 620,946,507	\$ 141,242,184	\$ 5,992,292	\$ 976,691	\$ 7,082,018	\$ 195,209

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Rate Base										
Procurement Expenses										
Demand	NCRB	RBGSD	DEM01	\$ 18,730	\$ 11,001	\$ 4,889	\$ 309	\$ 136	\$ 2,297	\$ 97
Commodity	NCRB	RBGSC	COM01	140,808	64,375	32,603	3,104	1,269	37,172	2,286
Total Procurement Expenses				\$ 159,538	\$ 75,376	\$ 37,492	\$ 3,414	\$ 1,405	\$ 39,469	\$ 2,383
Storage										
Demand	NCRB	RBSD	DEM02	\$ 91,648,369	\$ 61,817,880	\$ 27,937,290	\$ 1,893,200	\$ -	\$ -	\$ -
Commodity	NCRB	RBSC	COM02	982,434	651,229	306,982	24,223	-	-	-
Total Storage				\$ 92,630,804	\$ 62,469,108	\$ 28,244,272	\$ 1,917,423	\$ -	\$ -	\$ -
Transmission										
Demand	NCRB	RBDT	DEM03	\$ 9,750,108	\$ 6,576,560	\$ 2,972,138	\$ 201,410	\$ -	\$ -	\$ -
Commodity	NCRB	RBTC	COM03	-	-	-	-	-	-	-
Total Transmission				\$ 9,750,108	\$ 6,576,560	\$ 2,972,138	\$ 201,410	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	NCRB	RBDEC	COM04	\$ 105,605	\$ 48,280	\$ 24,452	\$ 2,328	\$ 951	\$ 27,878	\$ 1,714
Distribution Structures & Equipment										
Demand	NCRB	RBDSD	DEM04	\$ 12,492,962	\$ 7,337,803	\$ 3,261,086	\$ 206,229	\$ 90,883	\$ 1,532,221	\$ 64,739
Distribution Mains										
Low/Medium Pressure - Demand	NCRB	RBDMD	DEM05a	\$ 68,400,178	\$ 45,317,034	\$ 20,113,706	\$ 1,246,811	\$ 336,455	\$ 1,386,172	\$ -
Low/Medium Pressure - Customer	NCRB	RBDMC	CUST01a	132,996,419	122,081,192	10,813,247	88,188	1,254	12,539	-
High Pressure - Demand	NCRB	RBDMD	DEM05	10,789,950	6,337,531	2,816,542	178,116	78,494	1,323,352	55,914
High Pressure - Customer	NCRB	RBDMC	CUST01	8,725,579	8,007,896	709,321	5,867	384	2,084	27
Total Distribution Mains				\$ 220,912,125	\$ 181,743,653	\$ 34,452,816	\$ 1,518,982	\$ 416,586	\$ 2,724,146	\$ 55,942
Services										
Customer	NCRB	RBSC	CUST02	\$ 115,813,154	\$ 97,380,796	\$ 18,088,046	\$ 168,392	\$ 49,915	\$ 123,225	\$ 2,780
Meters										
Customer	NCRB	RBMC	CUST03	\$ 56,655,671	\$ 46,786,683	\$ 9,390,880	\$ 375,449	\$ 52,638	\$ 50,022	\$ -
Customer Accounts										
Customer	NCRB	RBCAC	CUST04	\$ 1,416,306	\$ 1,188,470	\$ 210,256	\$ 1,755	\$ 114	\$ 15,507	\$ 204
Customer Service										
Customer	NCRB	RBCSC	CUST05	\$ 411,223	\$ 345,071	\$ 61,048	\$ 509	\$ 33	\$ 4,503	\$ 59
Total		RBT		\$ 510,347,494	\$ 403,951,800	\$ 96,742,484	\$ 4,395,892	\$ 612,526	\$ 4,516,972	\$ 127,821

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Operation and Maintenance Expenses										
Procurement Expenses										
Demand	OMT	OMGSD	DEM01	\$ 146,474	\$ 86,032	\$ 38,235	\$ 2,418	\$ 1,066	\$ 17,965	\$ 759
Commodity	OMT	OMGSC	COM01	1,101,174	503,436	254,966	24,278	9,920	290,697	17,877
Total Procurement Expenses		OMGST		\$ 1,247,648	\$ 589,468	\$ 293,201	\$ 26,696	\$ 10,986	\$ 308,662	\$ 18,636
Storage										
Demand	OMT	OMSD	DEM02	\$ 3,788,101	\$ 2,555,118	\$ 1,154,732	\$ 78,252	\$ -	\$ -	\$ -
Commodity	OMT	OMSC	COM02	7,683,014	5,092,858	2,400,720	189,435	-	-	-
Total Storage		OMST		\$ 11,471,115	\$ 7,647,976	\$ 3,555,452	\$ 267,687	\$ -	\$ -	\$ -
Transmission										
Demand	OMT	OMTD	DEM03	\$ 2,817,878	\$ 1,900,691	\$ 858,977	\$ 58,210	\$ -	\$ -	\$ -
Commodity	OMT	OMTC	COM03	-	-	-	-	-	-	-
Total Transmission		OMTRT		\$ 2,817,878	\$ 1,900,691	\$ 858,977	\$ 58,210	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	OMT	OMDEC	COM04	\$ 825,869	\$ 377,571	\$ 191,222	\$ 18,208	\$ 7,440	\$ 218,020	\$ 13,408
Distribution Structures & Equipment										
Demand	OMT	OMDSD	DEM04	\$ 2,843,940	\$ 1,670,402	\$ 742,365	\$ 46,947	\$ 20,689	\$ 348,800	\$ 14,737
Distribution Mains										
Low/Medium Pressure - Demand	OMT	OMDMD	DEM05a	\$ 6,406,483	\$ 4,244,474	\$ 1,883,886	\$ 116,779	\$ 31,513	\$ 129,831	\$ -
Low/Medium Pressure - Customer	OMT	OMDMC	CUST01a	12,456,682	11,434,343	1,012,788	8,260	117	1,174	-
High Pressure - Demand	OMT	OMDMD	DEM05	1,010,606	593,584	263,802	16,683	7,352	123,948	5,237
High Pressure - Customer	OMT	OMDMD	CUST01	817,253	750,034	66,436	550	36	195	3
Total Distribution Mains				\$ 20,691,024	\$ 17,022,435	\$ 3,226,912	\$ 142,271	\$ 39,018	\$ 255,148	\$ 5,240
Services										
Customer	OMT	OMSC	CUST02	\$ 5,854,077	\$ 4,922,366	\$ 914,307	\$ 8,512	\$ 2,523	\$ 6,229	\$ 140
Meters										
Customer	OMT	OMMC	CUST03	\$ 3,805,866	\$ 3,142,913	\$ 630,836	\$ 25,221	\$ 3,536	\$ 3,360	\$ -
Customer Accounts										
Customer	OMT	OMCAC	CUST04	\$ 11,076,054	\$ 9,294,288	\$ 1,644,280	\$ 13,723	\$ 894	\$ 121,274	\$ 1,596
Customer Service										
Customer	OMT	OMCSC	CUST05	\$ 3,215,921	\$ 2,698,587	\$ 477,415	\$ 3,984	\$ 259	\$ 35,212	\$ 463
Total		OMTT		\$ 63,849,392	\$ 49,266,698	\$ 12,534,966	\$ 611,458	\$ 85,345	\$ 1,296,704	\$ 54,221

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
<u>Pavroll Expenses</u>										
Procurement Expenses										
Demand	LBTOT	LBGSD	DEM01	\$ 68,623	\$ 40,306	\$ 17,913	\$ 1,133	\$ 499	\$ 8,416	\$ 356
Commodity	LBTOT	LBGSC	COM01	515,903	235,861	119,452	11,374	4,648	136,192	8,376
Total Procurement Expenses		LBGST		\$ 584,527	\$ 276,167	\$ 137,365	\$ 12,507	\$ 5,147	\$ 144,609	\$ 8,731
Storage										
Demand	LBTOT	LBSD	DEM02	\$ 1,141,512	\$ 769,963	\$ 347,968	\$ 23,580	\$ -	\$ -	\$ -
Commodity	LBTOT	LBSC	COM02	2,364,792	1,567,555	738,929	58,307	-	-	-
Total Storage		LBST		\$ 3,506,304	\$ 2,337,518	\$ 1,086,898	\$ 81,888	\$ -	\$ -	\$ -
Transmission										
Demand	LBTOT	LBDT	DEM03	\$ 771,031	\$ 520,069	\$ 235,034	\$ 15,927	\$ -	\$ -	\$ -
Commodity	LBTOT	LBTC	COM03	-	-	-	-	-	-	-
Total Transmission		LBTRT		\$ 771,031	\$ 520,069	\$ 235,034	\$ 15,927	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	LBTOT	LBDEC	COM04	\$ 400,511	\$ 183,106	\$ 92,734	\$ 8,830	\$ 3,608	\$ 105,730	\$ 6,502
Distribution Structures & Equipment										
Demand	LBTOT	LBDS	DEM04	\$ 898,965	\$ 528,012	\$ 234,660	\$ 14,840	\$ 6,540	\$ 110,255	\$ 4,659
Distribution Mains										
Low/Medium Pressure - Demand	LBTOT	LBDMD	DEM05a	\$ 1,929,068	\$ 1,278,062	\$ 567,260	\$ 35,163	\$ 9,489	\$ 39,094	\$ -
Low/Medium Pressure - Customer	LBTOT	LBDMC	CUST01a	3,750,855	3,443,017	304,963	2,487	35	354	-
High Pressure - Demand	LBTOT	LBDMC	DEM05	304,305	178,735	79,434	5,023	2,214	37,322	1,577
High Pressure - Customer	LBTOT	LBDMC	CUST01	246,085	225,844	20,005	165	11	59	1
Total Distribution Mains				\$ 6,230,314	\$ 5,125,658	\$ 971,662	\$ 42,839	\$ 11,749	\$ 76,828	\$ 1,578
Services										
Customer	LBTOT	LBSC	CUST02	\$ 1,729,808	\$ 1,454,499	\$ 270,167	\$ 2,515	\$ 746	\$ 1,841	\$ 42
Meters										
Customer	LBTOT	LBMC	CUST03	\$ 1,557,483	\$ 1,286,181	\$ 258,158	\$ 10,321	\$ 1,447	\$ 1,375	\$ -
Customer Accounts										
Customer	LBTOT	LBCAC	CUST04	\$ 3,443,936	\$ 2,889,922	\$ 511,265	\$ 4,267	\$ 278	\$ 37,708	\$ 496
Customer Service										
Customer	LBTOT	LBCSC	CUST05	\$ 315,100	\$ 264,411	\$ 46,778	\$ 390	\$ 25	\$ 3,450	\$ 45
Total		LBTT		\$ 19,437,977	\$ 14,865,543	\$ 3,844,721	\$ 194,325	\$ 29,540	\$ 481,796	\$ 22,053

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Depreciation Expenses										
Procurement Expenses										
Demand	DEPREX	DEGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	DEPREX	DEGSC	COM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Procurement Expenses		DEGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	DEPREX	DESD	DEM02	\$ 2,630,857	\$ 1,774,543	\$ 801,967	\$ 54,346	\$ -	\$ -	\$ -
Commodity	DEPREX	DESC	COM02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Storage		DEST		\$ 2,630,857	\$ 1,774,543	\$ 801,967	\$ 54,346	\$ -	\$ -	\$ -
Transmission										
Demand	DEPREX	DETD	DEM03	\$ 339,620	\$ 229,078	\$ 103,527	\$ 7,016	\$ -	\$ -	\$ -
Commodity	DEPREX	DETC	COM03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transmission		DETT		\$ 339,620	\$ 229,078	\$ 103,527	\$ 7,016	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	DEPREX	DEDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	DEPREX	DESD	DEM04	\$ 615,240	\$ 361,364	\$ 160,598	\$ 10,156	\$ 4,476	\$ 75,457	\$ 3,188
Distribution Mains										
Low/Medium Pressure - Demand	DEPREX	DEDMD	DEM05a	\$ 2,824,549	\$ 1,871,343	\$ 830,585	\$ 51,486	\$ 13,894	\$ 57,241	\$ -
Low/Medium Pressure - Customer	DEPREX	DEDMC	CUST01a	\$ 5,492,017	\$ 5,041,279	\$ 446,527	\$ 3,642	\$ 52	\$ 518	\$ -
High Pressure - Demand	DEPREX	DEDMD	DEM05	\$ 445,565	\$ 261,705	\$ 116,308	\$ 7,355	\$ 3,241	\$ 54,647	\$ 2,309
High Pressure - Customer	DEPREX	DEDMC	CUST01	\$ 360,318	\$ 330,682	\$ 29,291	\$ 242	\$ 16	\$ 86	\$ 1
Total Distribution Mains				\$ 9,122,450	\$ 7,505,009	\$ 1,422,711	\$ 62,726	\$ 17,203	\$ 112,492	\$ 2,310
Services										
Customer	DEPREX	DESC	CUST02	\$ 8,543,437	\$ 7,183,698	\$ 1,334,340	\$ 12,422	\$ 3,682	\$ 9,090	\$ 205
Meters										
Customer	DEPREX	DEMC	CUST03	\$ 2,599,770	\$ 2,146,909	\$ 430,921	\$ 17,228	\$ 2,415	\$ 2,295	\$ -
Customer Accounts										
Customer	DEPREX	DECAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	DEPREX	DECSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		DET		\$ 23,851,374	\$ 19,200,601	\$ 4,254,064	\$ 163,894	\$ 27,776	\$ 199,335	\$ 5,703

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Regulatory Credits										
Procurement Expenses										
Demand	REGCR	DEGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	REGCR	DEGSC	COM01	-	-	-	-	-	-	-
Total Procurement Expenses		DEGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	REGCR	DESD	DEM02	\$ (244,265)	\$ (164,760)	\$ (74,460)	\$ (5,046)	\$ -	\$ -	\$ -
Commodity	REGCR	DESC	COM02	-	-	-	-	-	-	-
Total Storage		DEST		\$ (244,265)	\$ (164,760)	\$ (74,460)	\$ (5,046)	\$ -	\$ -	\$ -
Transmission										
Demand	REGCR	DETD	DEM03	\$ (67,902)	\$ (45,801)	\$ (20,699)	\$ (1,403)	\$ -	\$ -	\$ -
Commodity	REGCR	DETC	COM03	-	-	-	-	-	-	-
Total Transmission		DETT		\$ (67,902)	\$ (45,801)	\$ (20,699)	\$ (1,403)	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	REGCR	DEDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	REGCR	DESD	DEM04	\$ (51,660)	\$ (30,343)	\$ (13,485)	\$ (853)	\$ (376)	\$ (6,336)	\$ (268)
Distribution Mains										
Low/Medium Pressure - Demand	REGCR	DEDMD	DEM05a	\$ (304,992)	\$ (202,065)	\$ (89,686)	\$ (5,559)	\$ (1,500)	\$ (6,181)	\$ -
Low/Medium Pressure - Customer	REGCR	DEDMC	CUST01a	(593,022)	(544,351)	(48,215)	(393)	(6)	(56)	-
High Pressure - Demand	REGCR	DEDMD	DEM05	(48,112)	(28,259)	(12,559)	(794)	(350)	(5,901)	(249)
High Pressure - Customer	REGCR	DEDMC	CUST01	(38,907)	(35,707)	(3,163)	(26)	(2)	(9)	(0)
Total Distribution Mains				\$ (985,031)	\$ (810,382)	\$ (153,623)	\$ (6,773)	\$ (1,858)	\$ (12,147)	\$ (249)
Services										
Customer	REGCR	DESC	CUST02	\$ (563,477)	\$ (473,796)	\$ (88,006)	\$ (819)	\$ (243)	\$ (600)	\$ (14)
Meters										
Customer	REGCR	DEMC	CUST03	\$ (192,566)	\$ (159,023)	\$ (31,919)	\$ (1,276)	\$ (179)	\$ (170)	\$ -
Customer Accounts										
Customer	REGCR	DECAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	REGCR	DECSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		RCR		\$ (2,104,902)	\$ (1,684,104)	\$ (382,190)	\$ (16,170)	\$ (2,655)	\$ (19,252)	\$ (531)

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Accretion Expense										
Procurement Expenses										
Demand	ACCRE	DEGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	ACCRE	DEGSC	COM01	-	-	-	-	-	-	-
Total Procurement Expenses		DEGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	ACCRE	DESD	DEM02	\$ 122,974	\$ 82,947	\$ 37,486	\$ 2,540	\$ -	\$ -	\$ -
Commodity	ACCRE	DESC	COM02	-	-	-	-	-	-	-
Total Storage		DEST		\$ 122,974	\$ 82,947	\$ 37,486	\$ 2,540	\$ -	\$ -	\$ -
Transmission										
Demand	ACCRE	DETD	DEM03	\$ 34,185	\$ 23,058	\$ 10,421	\$ 706	\$ -	\$ -	\$ -
Commodity	ACCRE	DETC	COM03	-	-	-	-	-	-	-
Total Transmission		DETT		\$ 34,185	\$ 23,058	\$ 10,421	\$ 706	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	ACCRE	DEDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	ACCRE	DESD	DEM04	\$ 26,008	\$ 15,276	\$ 6,789	\$ 429	\$ 189	\$ 3,190	\$ 135
Distribution Mains										
Low/Medium Pressure - Demand	ACCRE	DEDMD	DEM05a	\$ 153,546	\$ 101,729	\$ 45,152	\$ 2,799	\$ 755	\$ 3,112	\$ -
Low/Medium Pressure - Customer	ACCRE	DEDMC	CUST01a	298,554	274,051	24,274	198	3	28	-
High Pressure - Demand	ACCRE	DEDMD	DEM05	24,222	14,227	6,323	400	176	2,971	126
High Pressure - Customer	ACCRE	DEDMC	CUST01	19,587	17,976	1,592	13	1	5	0
Total Distribution Mains				\$ 495,909	\$ 407,983	\$ 77,341	\$ 3,410	\$ 935	\$ 6,115	\$ 126
Services										
Customer	ACCRE	DESC	CUST02	\$ 283,680	\$ 238,530	\$ 44,306	\$ 412	\$ 122	\$ 302	\$ 7
Meters										
Customer	ACCRE	DEMC	CUST03	\$ 96,946	\$ 80,059	\$ 16,069	\$ 642	\$ 90	\$ 86	\$ -
Customer Accounts										
Customer	ACCRE	DECAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	ACCRE	DECSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		ACC		\$ 1,059,702	\$ 847,853	\$ 192,412	\$ 8,141	\$ 1,337	\$ 9,692	\$ 267

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
ITC Amortization										
Procurement Expenses										
Demand	ITCAM	DEGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	ITCAM	DEGSC	COM01	-	-	-	-	-	-	-
Total Procurement Expenses		DEGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	ITCAM	DESD	DEM02	\$ (15,422)	\$ (10,402)	\$ (4,701)	\$ (319)	\$ -	\$ -	\$ -
Commodity	ITCAM	DESC	COM02	-	-	-	-	-	-	-
Total Storage		DEST		\$ (15,422)	\$ (10,402)	\$ (4,701)	\$ (319)	\$ -	\$ -	\$ -
Transmission										
Demand	ITCAM	DETD	DEM03	\$ (4,287)	\$ (2,892)	\$ (1,307)	\$ (89)	\$ -	\$ -	\$ -
Commodity	ITCAM	DETC	COM03	-	-	-	-	-	-	-
Total Transmission		DETT		\$ (4,287)	\$ (2,892)	\$ (1,307)	\$ (89)	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	ITCAM	DEDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	ITCAM	DESD	DEM04	\$ (3,262)	\$ (1,916)	\$ (851)	\$ (54)	\$ (24)	\$ (400)	\$ (17)
Distribution Mains										
Low/Medium Pressure - Demand	ITCAM	DEDMD	DEM05a	\$ (19,256)	\$ (12,757)	\$ (5,662)	\$ (351)	\$ (95)	\$ (390)	\$ -
Low/Medium Pressure - Customer	ITCAM	DEDMC	CUST01a	(37,441)	(34,368)	(3,044)	(25)	(0)	(4)	-
High Pressure - Demand	ITCAM	DEDMD	DEM05	(3,038)	(1,784)	(793)	(50)	(22)	(373)	(16)
High Pressure - Customer	ITCAM	DEDMC	CUST01	(2,456)	(2,254)	(200)	(2)	(0)	(1)	(0)
Total Distribution Mains				\$ (62,190)	\$ (51,164)	\$ (9,699)	\$ (428)	\$ (117)	\$ (767)	\$ (16)
Services										
Customer	ITCAM	DESC	CUST02	\$ (35,575)	\$ (29,913)	\$ (5,556)	\$ (52)	\$ (15)	\$ (38)	\$ (1)
Meters										
Customer	ITCAM	DEMC	CUST03	\$ (12,158)	\$ (10,040)	\$ (2,015)	\$ (81)	\$ (11)	\$ (11)	\$ -
Customer Accounts										
Customer	ITCAM	DECAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	ITCAM	DECSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		ITC		\$ (132,894)	\$ (106,327)	\$ (24,130)	\$ (1,021)	\$ (168)	\$ (1,216)	\$ (34)

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Other Taxes										
Procurement Expenses										
Demand	OTT	OTTGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	OTT	OTTGSC	COM01	-	-	-	-	-	-	-
Total Procurement Expenses		OTTGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	OTT	OTTSD	DEM02	\$ 795,488	\$ 536,566	\$ 242,490	\$ 16,433	\$ -	\$ -	\$ -
Commodity	OTT	OTTSC	COM02	-	-	-	-	-	-	-
Total Storage		OTTST		\$ 795,488	\$ 536,566	\$ 242,490	\$ 16,433	\$ -	\$ -	\$ -
Transmission										
Demand	OTT	OTTTD	DEM03	\$ 206,170	\$ 139,064	\$ 62,847	\$ 4,259	\$ -	\$ -	\$ -
Commodity	OTT	OTTTTC	COM03	-	-	-	-	-	-	-
Total Transmission		OTTTT		\$ 206,170	\$ 139,064	\$ 62,847	\$ 4,259	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	OTT	OTTDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	OTT	OTTSD	DEM04	\$ 155,932	\$ 91,588	\$ 40,704	\$ 2,574	\$ 1,134	\$ 19,125	\$ 808
Distribution Mains										
Low/Medium Pressure - Demand	OTT	OTTDM	DEM05a	\$ 970,057	\$ 642,690	\$ 285,254	\$ 17,682	\$ 4,772	\$ 19,659	\$ -
Low/Medium Pressure - Customer	OTT	OTTDMC	CUST01a	1,886,165	1,731,365	153,354	1,251	18	178	-
High Pressure - Demand	OTT	OTTDM	DEM05	153,024	89,879	39,944	2,526	1,113	18,768	793
High Pressure - Customer	OTT	OTTDMC	CUST01	123,747	113,569	10,060	83	5	30	0
Total Distribution Mains				\$ 3,132,993	\$ 2,577,502	\$ 488,612	\$ 21,542	\$ 5,908	\$ 38,634	\$ 793
Services										
Customer	OTT	OTTSC	CUST02	\$ 1,700,810	\$ 1,430,116	\$ 265,638	\$ 2,473	\$ 733	\$ 1,810	\$ 41
Meters										
Customer	OTT	OTTMC	CUST03	\$ 581,246	\$ 479,997	\$ 96,344	\$ 3,852	\$ 540	\$ 513	\$ -
Customer Accounts										
Customer	OTT	OTTCAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	OTT	OTTCSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		OTTT		\$ 6,572,639	\$ 5,254,833	\$ 1,196,634	\$ 51,133	\$ 8,315	\$ 60,081	\$ 1,642

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Interest Expense										
Procurement Expenses										
Demand	INT	INTGSD	DEM01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	INT	INTGSC	COM01	-	-	-	-	-	-	-
Total Procurement Expenses		INTGST		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage										
Demand	INT	INTSD	DEM02	\$ 1,130,175	\$ 762,316	\$ 344,513	\$ 23,346	\$ -	\$ -	\$ -
Commodity	INT	INTSC	COM02	-	-	-	-	-	-	-
Total Storage		INTST		\$ 1,130,175	\$ 762,316	\$ 344,513	\$ 23,346	\$ -	\$ -	\$ -
Transmission										
Demand	INT	INTTD	DEM03	\$ 292,912	\$ 197,572	\$ 89,289	\$ 6,051	\$ -	\$ -	\$ -
Commodity	INT	INTTC	COM03	-	-	-	-	-	-	-
Total Transmission		INTTT		\$ 292,912	\$ 197,572	\$ 89,289	\$ 6,051	\$ -	\$ -	\$ -
Distribution Expenses										
Commodity	INT	INTDEC	COM04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distribution Structures & Equipment										
Demand	INT	INTDSD	DEM04	\$ 221,538	\$ 130,122	\$ 57,829	\$ 3,657	\$ 1,612	\$ 27,171	\$ 1,148
Distribution Mains										
Low/Medium Pressure - Demand	INT	INTDMD	DEM05a	\$ 1,378,191	\$ 913,090	\$ 405,270	\$ 25,122	\$ 6,779	\$ 27,930	\$ -
Low/Medium Pressure - Customer	INT	INTDMC	CUST01a	2,679,737	2,459,806	217,875	1,777	25	253	-
High Pressure - Demand	INT	INTDMD	DEM05	217,406	127,695	56,750	3,589	1,582	26,664	1,127
High Pressure - Customer	INT	INTDMC	CUST01	175,811	161,351	14,292	118	8	42	1
Total Distribution Mains				\$ 4,451,145	\$ 3,661,942	\$ 694,188	\$ 30,606	\$ 8,394	\$ 54,889	\$ 1,127
Services										
Customer	INT	INTSC	CUST02	\$ 2,416,397	\$ 2,031,813	\$ 377,400	\$ 3,513	\$ 1,041	\$ 2,571	\$ 58
Meters										
Customer	INT	INTMC	CUST03	\$ 825,795	\$ 681,948	\$ 136,878	\$ 5,472	\$ 767	\$ 729	\$ -
Customer Accounts										
Customer	INT	INTCAC	CUST04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Service										
Customer	INT	INTCSC	CUST05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		INTT		\$ 9,337,962	\$ 7,465,712	\$ 1,700,097	\$ 72,646	\$ 11,814	\$ 85,360	\$ 2,333

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Net Operating Income -- Adjusted Test Period										
Operating Revenues										
Sales and Transportation			REV01	271,922,589	182,956,905	75,428,219	5,929,323	2,067,816	5,339,384	200,941
Interdepartmental Sales			REV01	7,290,452	4,905,214	2,022,288	158,970	55,440	143,153	5,387
Forfeited Discounts			REVFD	\$ 2,474,416	1,928,928	494,023	49,719	1,745	-	-
Miscellaneous Revenue		REVMIS	REVMISC	332,763	95,489	237,274	-	-	-	-
Unbilled Revenue			REV01	(5,710,375)	(3,842,095)	(1,583,993)	(124,516)	(43,424)	(112,127)	(4,220)
Accrued Revenue			REV01	(635,460)	(427,555)	(176,269)	(13,856)	(4,832)	(12,478)	(470)
Ft Knox Revenue			REV01	267,562	180,023	74,219	5,834	2,035	5,254	198
Total Operating Revenues		TOR		\$ 275,941,947	\$ 185,796,909	\$ 76,495,762	\$ 6,005,474	\$ 2,078,779	\$ 5,363,186	\$ 201,837
Pro-Forma Adjustments to Revenues										
Temperature Normalization				2,313,122	132,253	1,802,536	114,219	18,543	267,001	(21,430)
Year-End Customer Adjustment		REVADJ2		387,739	261,960	134,196	(8,417)	-	-	-
Rate Switching				(48,271)	-	(17,639)	(30,632)	-	-	-
Adjustment to reflect Contract Cancellation			REV01	(247,029)	(166,208)	(68,523)	(5,387)	(1,879)	(4,851)	(183)
Adjustment to eliminate gas supply cost recoveries			REVGSC	(146,406,353)	(92,532,514)	(47,094,137)	(4,313,682)	(1,877,537)	(551,768)	(36,714)
Adjustment to eliminate unbilled revenues			REV01	5,710,375	3,842,095	1,583,993	124,516	43,424	112,127	4,220
Adjustment to eliminate accrued revenues			REV01	635,460	427,555	176,269	13,856	4,832	12,478	470
Removal of DSM Revenues			REVADJ4	(3,968,881)	(3,868,117)	(92,275)	-	(1,588)	(6,900)	-
Total Revenue Adjustments				\$ (141,623,838)	\$ (91,902,976)	\$ (43,575,581)	\$ (4,105,526)	\$ (1,814,205)	\$ (171,913)	\$ (53,637)
Total Adjusted Revenue		TREVADJ		\$ 134,318,109	\$ 93,893,933	\$ 32,920,181	\$ 1,899,947	\$ 264,574	\$ 5,191,273	\$ 148,200
Expenses										
Operation and Maintenance Expenses				\$ 63,849,392	\$ 49,266,698	\$ 12,534,966	\$ 611,458	\$ 85,345	\$ 1,296,704	\$ 54,221
Depreciation and Amortization Expenses				23,851,374	19,200,601	4,254,064	163,894	27,776	199,335	5,703
Other Expenses (ITC amortization, Reg Credits, Accretion)				(1,178,094)	(942,578)	(213,908)	(9,050)	(1,486)	(10,775)	(297)
Other Taxes				6,572,639	5,254,833	1,196,634	51,133	8,315	60,081	1,642
Total Operating Expenses		TOE		\$ 93,095,310	\$ 72,779,555	\$ 17,771,756	\$ 817,434	\$ 119,951	\$ 1,545,345	\$ 61,269

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Net Operating Income -- Adjusted Test Period (Cont.)										
Pro-Forma Adjustments to Expenses										
Eliminate DSM Expenses	EXADJ1	REVADJ4		(2,685,996)	(2,617,803)	(62,449)	-	(1,075)	(4,670)	-
Year-End Customer Adjustment	EXADJ2	REVADJ2		90,963	61,455	31,482	(1,975)	-	-	-
Depreciation Expenses	EXADJ3	DET		1,239,999	998,212	221,163	8,521	1,444	10,363	297
Labor Adjustment	EXADJ4	LBTT		818,232	625,758	161,842	8,180	1,243	20,281	928
Pensions/Post Retirement Benefits Adjmt.	EXADJ6	LBTT		(900,001)	(688,292)	(178,015)	(8,997)	(1,368)	(22,308)	(1,021)
Property Insurance Adjmt.		RBT		65,342	51,720	12,386	563	78	578	16
General Management audit regulatory asset		RBT		9,941	7,869	1,884	86	12	88	2
Eliminate Advertising Expenses	EXADJ7	PLT		(212,211)	(169,714)	(38,604)	(1,638)	(267)	(1,936)	(53)
Rate Case Expenses	EXADJ8	OMTT		23,863	18,413	4,685	229	32	485	20
Swap termination regulatory asset		RBT		27,325	21,628	5,180	235	33	242	7
Gas Supply Uncollectible Accounts Expense		REVGSC		(440,662)	(278,510)	(141,747)	(12,984)	(5,651)	(1,661)	(111)
Interest Rate Swap Amortization	EXADJ9	RBT		-	-	-	-	-	-	-
Normalize 925 Injuries/Damages Adjmt.	EXADJ10	LBTT		(108,523)	(82,995)	(21,465)	(1,085)	(165)	(2,690)	(123)
Adjustment to correct Edison Electric invoice		RBT		-	-	-	-	-	-	-
Property Tax Adjmt.		RBT		-	-	-	-	-	-	-
Federal & State Income Tax Adjmt.		PROFO		(1,107,402)	(724,074)	(335,847)	(31,708)	(14,025)	(1,334)	(414)
Federal & State Income Tax Interest Adjmt.		INTT		67,221	53,743	12,238	523	85	614	17
Prior Income tax true-ups & adjustments		RBT		(113,553)	(89,880)	(21,525)	(978)	(136)	(1,005)	(28)
Adjustment for amortization of investment tax credit		DET		7,274	5,856	1,297	50	8	61	2
Remove out of period items.		RBT		(169,206)	(133,930)	(32,075)	(1,457)	(203)	(1,498)	(42)
Total Expense Adjustments	ADJTOT			\$ (3,387,394)	\$ (2,940,544)	\$ (379,569)	\$ (42,436)	\$ (19,954)	\$ (4,389)	\$ (503)
Net Income Before Income Taxes				\$ 44,610,193	\$ 24,054,922	\$ 15,527,994	\$ 1,124,949	\$ 164,578	\$ 3,650,316	\$ 87,434
Income Taxes		TXINC		\$ 14,475,575	6,808,142	5,674,911	431,861	62,694	1,463,043	34,925
Net Operating Income (Pro-Forma)	TOM			\$ 30,134,617	\$ 17,246,780	\$ 9,853,083	\$ 693,088	\$ 101,884	\$ 2,187,273	\$ 52,509
Unadjusted Net Cost Rate Base				\$ 510,347,494	\$ 403,951,800	\$ 96,742,484	\$ 4,395,892	\$ 612,526	\$ 4,516,972	\$ 127,821
Depreciation Adjustment		DET		\$ (1,239,999)	(998,212)	(221,163)	(8,521)	(1,444)	(10,363)	(297)
Cash Working Capital Adjustment		OMTT		\$ (435,117)	(335,740)	(85,423)	(4,167)	(582)	(8,837)	(369)
Net Cost Rate Base				\$ 508,672,378	\$ 402,617,848	\$ 96,435,899	\$ 4,383,204	\$ 610,500	\$ 4,497,772	\$ 127,155
Rate of Return -- Pro-Forma				5.92%	4.28%	10.22%	15.81%	16.69%	48.63%	41.30%

LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Net Operating Income -- Proposed Rates										
Test Year Operating Income				\$ 30,134,617	\$ 17,246,780	\$ 9,853,083	\$ 693,088	\$ 101,884	\$ 2,187,273	\$ 52,509
Proposed Increase				\$ 16,744,899	\$ 11,950,695	\$ 4,187,611	\$ 237,589	\$ 31,553	\$ 333,011	\$ 4,440
Increase in Miscellaneous Charges - Disc/Recon		TREVADJ		456,967	319,439	111,999	6,464	900	17,661	504
Incremental Income Taxes			37.37%	6,427,890	4,585,030	1,606,652	91,196	12,127	131,037	1,848
Net Operating Income Adjusted for Increase				40,908,593	24,931,884	12,546,040	845,945	122,210	2,406,908	55,606
Net Cost Rate Base (Same as Above)				\$ 508,672,378	\$ 402,617,848	\$ 96,435,899	\$ 4,383,204	\$ 610,500	\$ 4,497,772	\$ 127,155
Rate of Return -- Proposed				8.04%	6.19%	13.01%	19.30%	20.02%	53.51%	43.73%

LOUISVILLE GAS AND ELECTRIC COMPANY

**Gas Cost of Service Study
12 Months Ended March 31, 2012**

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Allocation Factors										
Commodity										
Procurement Expenses		COM01		38,180,053	17,455,191	8,840,212	841,764	343,961	10,079,083	619,843
					0,457,181	0,231,540	0,022,047			
Storage		COM02		18,974,755	12,577,844	5,929,064	467,848			-
Transmission		COM03		18,974,755	12,577,844	5,929,064	467,848	-	-	-
Distribution		COM04		38,180,053	17,455,191	8,840,212	841,764	343,961	10,079,083	619,843
Adjusted Deliveries				43,189,977	19,930,819	10,897,748	897,780	379,266	10,700,015	384,348
Demand										
Procurement Expenses		DEM01		514,839	302,393	134,390	8,499	3,745	63,143	2,668
Storage		DEM02		12,229,953	8,249,244	3,728,072	252,637			
					0,674,512	0,304,831	0,020,657			
Transmission		DEM03		12,229,953	8,249,244	3,728,072	252,637	-	-	-
Distribution Structures		DEM04		514,839	302,393	134,390	8,499	3,745	63,143	2,668
High Pressure Distribution Mains		DEM05		514,839	302,393	134,390	8,499	3,745	63,143	2,668
Low/Medium Pressure Distribution Mains		DEM05a		456,423	302,393	134,215	8,320	2,245	9,250	-
Customer										
High Pressure Distrib Mains (yr-end cust.)		CUST01		318,272	292,094	25,873	214	14	76	1
Low/Med Pres. Distrib Mains (yr-end cust.)		CUST01a		318,210	292,094	25,872	211	3	30	-
Services		CUST02		207,276,808	174,287,460	32,373,114	301,380	89,336	220,543	4,975
Meters		CUST03		79,575,508	65,714,058	13,189,924	527,336	73,932	70,258	-
Customer Count (Average)				317,295	291,228	25,761	215	14	76	1
Customer Accounts		CUST04		347,058	291,228	51,522	430	28	3,800	50
Customer Service		CUST05		347,058	291,228	51,522	430	28	3,800	50
Forfeited Discounts		REVFD		2,474,416	1,928,928	494,023	49,719	1,745	-	-

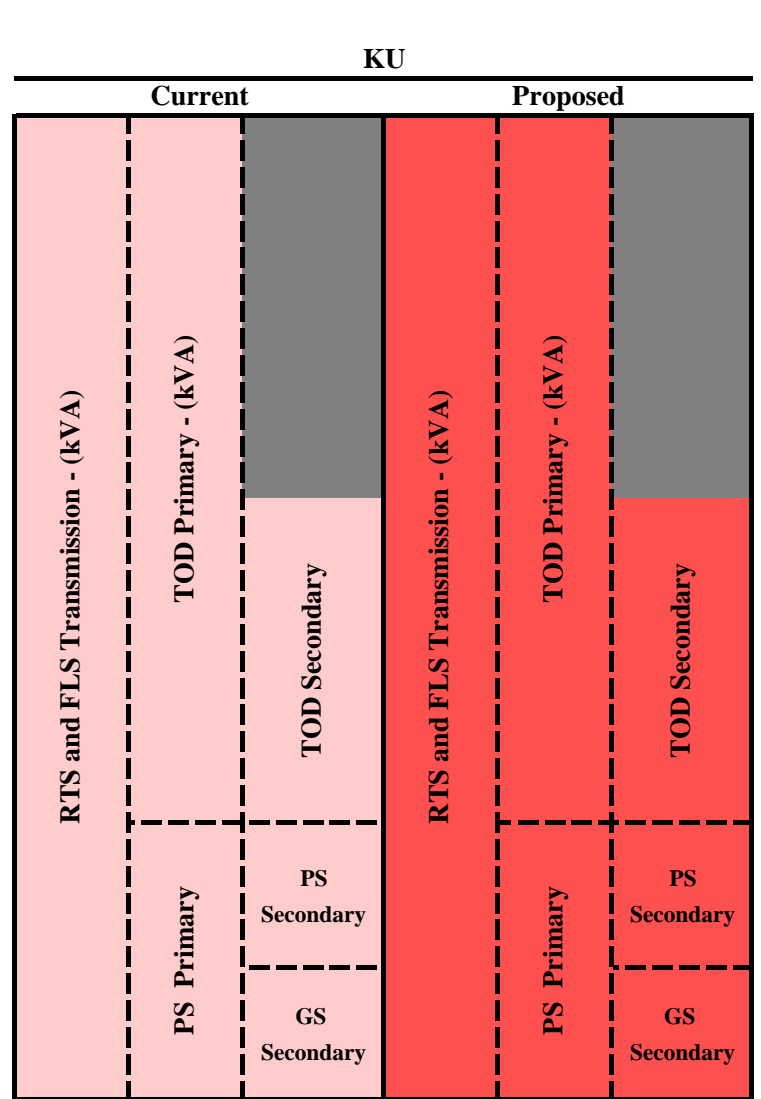
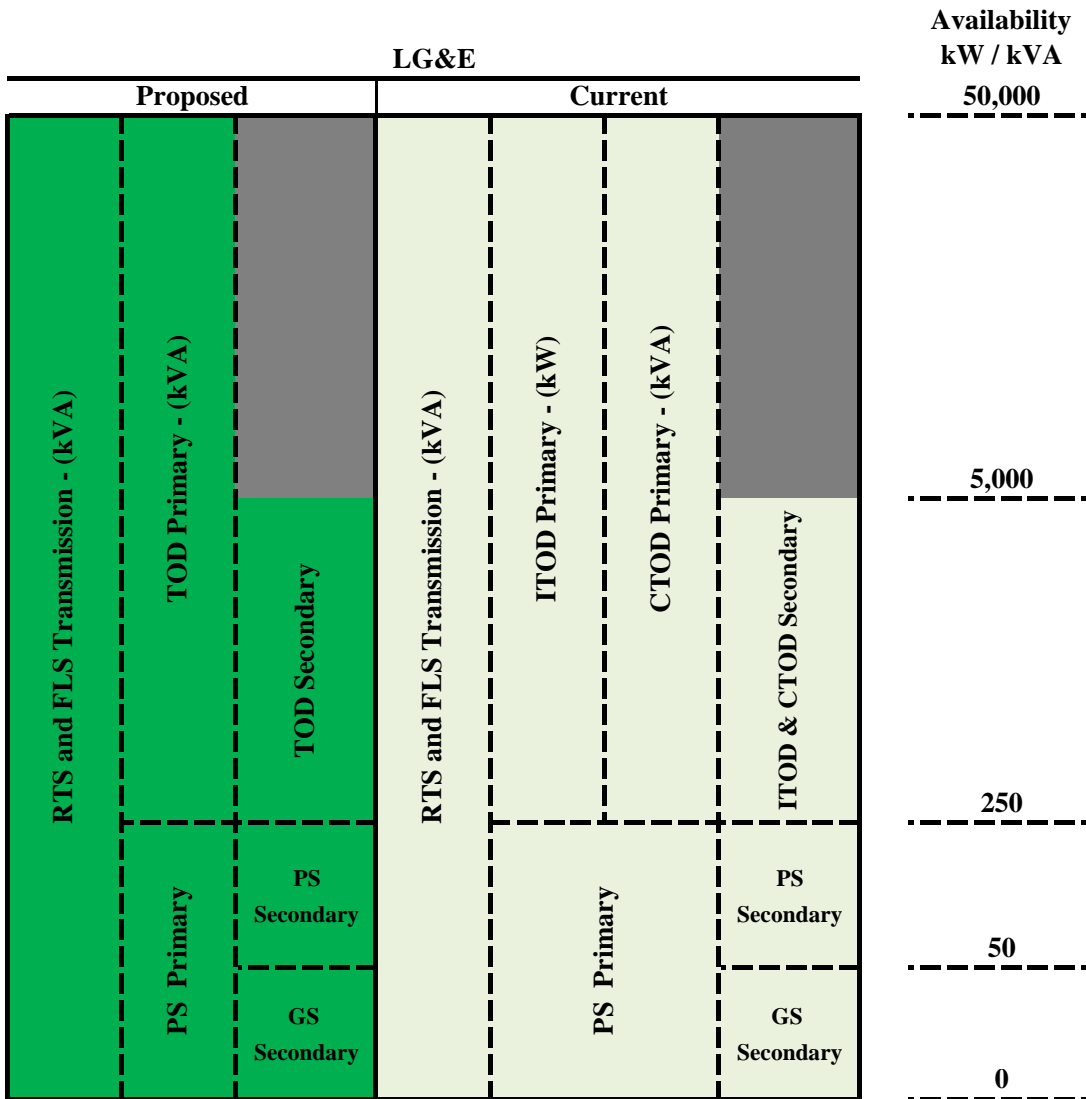
LOUISVILLE GAS AND ELECTRIC COMPANY

Gas Cost of Service Study
12 Months Ended March 31, 2012

Description	Ref	Name	Allocation Vector	Total System	Class Allocation			As Available Gas Service (AAGS)	Firm Transportation Service (FT)	Special Contracts (SP)
					Residential (RGS)	Commercial (CGS)	Industrial (IGS)			
Allocation Factors (continued)										
Taxable Income										
Net Income Before Income Tax		NIBIT		\$ 44,610,193	\$ 24,054,922	\$ 15,527,994	\$ 1,124,949	\$ 164,578	\$ 3,650,316	\$ 87,434
Interest Expense		INT		\$ 9,337,962	\$ 7,465,712	\$ 1,700,097	\$ 72,646	\$ 11,814	\$ 85,360	\$ 2,333
Interest Adjustment				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxable Income		TXINC		\$ 35,272,231	\$ 16,589,210	\$ 13,827,897	\$ 1,052,303	\$ 152,764	\$ 3,564,957	\$ 85,101
Total Distribution Expense		DISTR		\$ 34,020,776	\$ 27,135,687	\$ 5,705,642	\$ 241,158	\$ 73,206	\$ 831,557	\$ 33,525
Number of Customers				318,272	292,094	25,873	214	14	76	1
Services Cost				207,276,808	174,287,460	32,373,114	301,380	89,336	220,543	4,975
					0.840844	0.156183	0.001454	0.000431	0.001064	0.000024
Actual Revenue		REV01		270,632,420	182,088,844	75,070,341	5,901,190	2,058,005	5,314,051	199,988
Actual Net Revenue		REVUC		127,893,686	91,874,358	29,155,957	1,695,570	227,502	4,776,105	164,194
DSM Allocation		REVADJ4		3,968,881	3,868,118	92,275	-	1,588	6,900	
Miscellaneous Revenue Allocation		REVMISC		332,763	95,489	237,274				
GSC Revenue		REVGSC		142,738,734	90,214,487	45,914,384	4,205,620	1,830,503	537,946	35,794
Revenue Adjustment Reflective Base Rates for Full Year		REVADJ1								
Pro-Forma Adjustments		PROFO		(143,695,566)	(93,955,235)	(43,579,238)	(4,114,392)	(1,819,888)	(173,140)	(53,674)
High Pressure System		RBTHP		19,515,528	14,345,427	3,525,863	183,983	78,878	1,325,436	55,942

Conroy Exhibit R1

Visual Comparison of LG&E and KU Electric Rate Schedules



Conroy Exhibit R2

Residential Electric Unit Cost

Louisville Gas and Electric Company
Calculation of Residential Electric Unit Cost
Twelve Months Ended March 31, 2012

Description	Production		Transmission	Distribution		Customer Service Expenses	Total
	Demand-Related	Energy-Related	Demand-Related	Demand-Related	Customer-Related	Customer-Related	
(1) Rate Base	\$ 496,624,667	\$ 20,450,212	\$ 50,943,660	\$ 125,919,940	\$ 234,789,447	\$ 2,921,581	\$ 931,649,506
(2) Rate Base Adjustments	(6,281,886)	(258,678)	(644,395)	(1,592,782)	(2,969,890)	(36,956)	(11,784,585)
(3) Rate Base as Adjusted	\$ 490,342,781	\$ 20,191,534	\$ 50,299,266	\$ 124,327,158	\$ 231,819,557	\$ 2,884,625	\$ 919,864,921
(4) Rate of Return	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%	
(5) Return	\$ 27,758,453	\$ 1,143,049	\$ 2,847,457	\$ 7,038,198	\$ 13,123,375	\$ 163,299	\$ 52,073,831
(6) Interest Expenses	\$ 8,941,066	\$ 368,179	\$ 917,173	\$ 2,267,021	\$ 4,227,071	\$ 52,599	\$ 16,773,109
(7) Net Income	\$ 18,817,387	\$ 774,870	\$ 1,930,284	\$ 4,771,177	\$ 8,896,304	\$ 110,700	\$ 35,300,722
(8) Income Taxes	\$ 12,145,302	\$ 500,124	\$ 1,245,863	\$ 3,079,460	\$ 5,741,939	\$ 71,449	\$ 22,784,137
(9) Operation and Maintenance Expenses	\$ 50,820,965	\$ 181,316,008	\$ 9,182,527	\$ 13,010,274	\$ 29,047,343	\$ 21,930,101	\$ 305,307,218
(10) Depreciation Expenses	\$ 37,605,716	\$ -	\$ 2,629,767	\$ 5,886,030	\$ 10,939,732	\$ -	\$ 57,061,245
(11) Other Taxes	\$ 4,427,266	\$ -	\$ 572,817	\$ 1,162,886	\$ 2,161,332	\$ -	\$ 8,324,302
(12) Other Depreciation Expenses	\$ 1,477,594	\$ 60,845	\$ 151,571	\$ 374,646	\$ 698,563	\$ 8,692	\$ 2,771,911
(13) Curtailable Service Credit	\$ 211,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,010
(14) Expense Adjustments - Prod. Demand	\$ (320,085)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320,085)
(15) Expense Adjustments - Energy	\$ -	\$ (15,412,944)	\$ -	\$ -	\$ -	\$ -	\$ (15,412,944)
(16) Expense Adjustments - Trans. Demand	\$ -	\$ -	\$ (1,066,886)	\$ -	\$ -	\$ -	\$ (1,066,886)
(17) Expense Adjustments - Distribution	\$ -	\$ -	\$ -	\$ (3,015,861)	\$ (5,623,353)	\$ -	\$ (8,639,214)
(18) Expense Adjustments - Other	\$ (26,716)	\$ (1,100)	\$ (2,741)	\$ (6,774)	\$ (12,631)	\$ (157)	\$ (50,118)
(19) Expense Adjustments - Total	\$ (346,801)	\$ (15,414,044)	\$ (1,069,626)	\$ (3,022,635)	\$ (5,635,984)	\$ (157)	\$ (25,489,246)
(20) Total Cost of Service	\$ 134,099,506	\$ 167,605,982	\$ 15,560,375	\$ 27,528,859	\$ 56,076,301	\$ 22,173,385	\$ 423,044,408
(21) Less: Misc Revenue - Energy	\$ -	\$ 1,005,274	\$ -	\$ -	\$ -	\$ -	\$ 1,005,274
(22) Less: Misc Revenue - Other	\$ (52,447,386)	\$ (224,748)	\$ (559,870)	\$ (1,383,859)	\$ (2,580,334)	\$ (32,108)	\$ (57,228,305)
(23) Less: Misc Revenue - Total	\$ (52,447,386)	\$ 780,526	\$ (559,870)	\$ (1,383,859)	\$ (2,580,334)	\$ (32,108)	\$ (56,223,031)
(24) Net Cost of Service	\$ 81,652,120	\$ 168,386,509	\$ 15,000,505	\$ 26,145,000	\$ 53,495,967	\$ 22,141,277	\$ 366,821,377
(25) Billing Units	4,216,187,376	4,216,187,376	4,216,187,376	4,216,187,376	4,173,222	4,173,222	
(26) Unit Costs	\$ 0.01937	\$ 0.03994	\$ 0.00356	\$ 0.00620	\$ 12.82	\$ 5.31	\$ 18.12

Customer Charge	18.12
Energy Charge	0.069063376
Distribution Customer	18.12
Distribution Customer Margin	1.026
	\$ 19.15

Conroy Exhibit R3

Reconstruction of Electric Billing Determinants

Louisville Gas and Electric Company
Reconstruction of Test Year Billing Determinants
Twelve Months Ended March 31, 2012

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	Revenue As Billed	FAC Billings	DSM Billings	ECR Billings	Merger Surcredit Billings	CSR Billings	Interruptible Buy Thru Revenue	Franchise Fees, HEA Charges, Other Misc Revenue	Actual Net Revenue at Base Rates	Calculated Net Revenue at Base Rates	Calculated Divided by Actual
Residential Rate											
Residential Service	\$ 364,594,792	\$ 13,013,945	\$ 9,995,019	\$ 2,387,429	\$ (3)	\$ -	\$ -	\$ 666,498	\$ 338,531,904	\$ 338,531,904	1.00000
Volunteer Fire Departments	30,138	1,155	899	197	-	-	-	-	27,887	27,887	1.00000
Residential Service, Responsive Pricing	87,135	3,320	2,542	589	-	-	-	126	80,558	80,558	1.00000
Residential Service, Low Emission Vehicle	1,957	76	58	10	-	-	-	2	1,811	1,811	1.00000
Total Residential Service	364,714,022	13,018,496	9,998,518	2,388,225	(3)	-	-	666,626	338,642,160	338,642,160	1.00000
General Service Rate											
General Service	45,764,780	1,383,507	757,290	302,484	6	-	-	7,983	43,313,510	43,313,510	1.00000
General Service Three Phase	90,763,969	2,969,728	1,619,322	598,408	(38)	-	-	5,134	85,571,415	85,571,415	1.00000
General Service Responsive Pricing	5,737	160	86	39	-	-	-	-	5,452	5,452	1.00000
General Service Three Phase Responsive Pricing	7,373	231	119	46	-	-	-	-	6,977	6,977	1.00000
Total General Service	136,541,859	4,353,626	2,376,817	900,977	(32)	-	-	13,117	128,897,354	128,897,354	1.00000
Power Service Rate											
Secondary Service	178,058,720	7,037,575	1,368,757	1,179,789	(312)	-	-	1,197	168,471,714	168,471,714	1.00000
Primary Service	17,392,664	687,514	134,492	119,565	297	-	-	-	16,450,796	16,450,796	1.00000
Total Power Service	195,451,384	7,725,089	1,503,249	1,299,354	(15)	-	-	1,197	184,922,510	184,922,510	1.00000
Time of Day Rate											
Commercial Secondary Service	28,543,537	1,263,547	290,498	184,267	-	-	-	-	26,805,225	26,805,225	1.00000
Commercial Primary Service	24,616,134	1,096,701	254,806	158,312	-	-	-	-	23,106,315	23,106,315	1.00000
Industrial Secondary Service	8,943,989	378,313	-	55,676	-	-	-	-	8,510,000	8,510,000	1.00000
Industrial Primary Service	87,846,638	4,456,098	-	577,097	-	-	-	-	82,813,443	82,813,443	1.00000
Total Time of Day Service	149,950,298	7,194,659	545,304	975,352	-	-	-	-	141,234,983	141,234,983	1.00000
Retail Transmission Service	30,040,430	1,565,273	-	196,069	-	-	88,518	-	28,190,570	28,190,570	1.00000
Fluctuating Load Service											
Primary	-	-	-	-	-	-	-	-	-	-	0.00000
Transmission	-	-	-	-	-	-	-	-	-	-	0.00000
Fluctuating Load Service	-	-	-	-	-	-	-	-	-	-	0.00000
Special Contract Customer #1	11,987,837	597,789	-	86,285	-	-	-	-	11,303,763	11,303,763	1.00000
Special Contract Customer #2	2,850,388	153,139	-	18,832	-	-	-	-	2,678,417	2,678,417	1.00000
	14,838,225	750,928	-	105,117	-	-	-	-	13,982,180	13,982,180	1.00000
Curtable Service Rider	(200,398)	-	-	-	-	(200,398)	-	-	-	-	0.00000
Curtable Service Rider	(978,336)	-	-	-	-	(978,336)	-	-	-	-	0.00000
Lighting Energy	217,032	10,659	-	1,293	2	-	-	-	205,078	205,078	1.00000
Traffic Energy	256,873	9,134	-	1,633	(2)	-	-	9	246,099	246,099	1.00000
Lighting Service	3,204,212	38,569	-	20,515	(3)	-	-	72	3,145,059	3,145,059	1.00000
Restricted Lighting Service	13,993,532	265,802	-	90,583	(9)	-	-	1,800	13,635,356	13,635,356	1.00000
Dark Sky Friendly	1,911	4	-	12	-	-	-	1,895	1,895	1,895	1.00000
	17,199,655	304,375	-	111,110	(12)	-	-	1,872	16,782,310	16,782,310	1.00000
Total	908,031,044	34,932,239	14,423,888	5,979,130	(62)	(1,178,734)	88,518	682,821	853,103,244	853,103,244	1.00000

Conroy Exhibit R4

Summary of Electric Revenue Increase

Louisville Gas and Electric Company
 Summary of Proposed Electric Revenue Increase
 Based on Sales for the Twelve Months Ended March 31, 2012

	Revenue Adjusted to as Billed Basis	Adjustment to Remove Fuel Adjustment Clause Billings	Adjustment to Remove DSM Billings	Adjustment to Remove ECR Billings	Adjustment to Remove Merger Surcredit Billings	Adjustment to Remove Interruptible Buy Thru	Adjustment to Remove HEA, Franchise Fees and Misc Revenue	Test Year Base Revenues, As Billed	Adjustment to Reflect a Full Year of Base Rate Changes for FAC Rollin	Adjustment to Reflect a Full Year of Base Rate Changes for ECR Rollin	Test Year Base Revenues, At Current Rates
Residential Rate - RS	\$ 364,714,022	\$ 13,018,496	\$ 9,998,518	\$ 2,388,225	\$ (3)	\$ -	\$ 666,626	\$ 338,642,160	\$ 1,488,944	\$ 669,641	\$ 340,800,745
General Service Rate - GS	\$ 136,541,859	\$ 4,353,626	\$ 2,376,817	\$ 900,977	\$ (32)	\$ -	\$ 13,117	\$ 128,897,354	\$ 541,125	\$ 425,654	\$ 129,864,133
Power Service Rate											
Power Service Rate PS - Secondary	\$ 178,058,720	\$ 7,037,575	\$ 1,368,757	\$ 1,179,789	\$ (312)	\$ -	\$ 1,197	\$ 168,471,714	\$ 895,723	\$ 389,968	\$ 169,757,405
Power Service Rate PS - Primary	\$ 17,392,664	\$ 687,514	\$ 134,492	\$ 119,565	\$ 297	\$ -	\$ -	\$ 16,450,796	\$ 108,446	\$ 43,031	\$ 16,602,273
	\$ 195,451,384	\$ 7,725,089	\$ 1,503,249	\$ 1,299,354	\$ (15)	\$ -	\$ 1,197	\$ 184,922,510	\$ 1,004,169	\$ 432,999	\$ 186,359,678
Time of Day Secondary Service TODS											
Commercial time of day secondary	\$ 28,543,537	\$ 1,263,547	\$ 290,498	\$ 184,267	\$ -	\$ -	\$ -	\$ 26,805,225	\$ 159,879	\$ (73,651)	\$ 26,891,453
Industrial time of day secondary	\$ 8,943,989	\$ 378,313	\$ -	\$ 55,676	\$ -	\$ -	\$ -	\$ 8,510,000	\$ 46,773	\$ (16,667)	\$ 8,540,106
	\$ 37,487,526	\$ 1,641,860	\$ 290,498	\$ 239,943	\$ -	\$ -	\$ -	\$ 35,315,225	\$ 206,652	\$ (90,318)	\$ 35,431,559
Time of Day Primary Service TODP											
Commercial time of day primary	\$ 24,616,134	\$ 1,096,701	\$ 254,806	\$ 158,312	\$ -	\$ -	\$ -	\$ 23,106,315	\$ 141,150	\$ (117,738)	\$ 23,129,727
Industrial time of day primary	\$ 87,846,638	\$ 4,456,098	\$ -	\$ 577,097	\$ -	\$ -	\$ -	\$ 82,813,443	\$ 598,585	\$ 58,998	\$ 83,471,026
	\$ 112,462,772	\$ 5,552,799	\$ 254,806	\$ 735,409	\$ -	\$ -	\$ -	\$ 105,919,758	\$ 739,735	\$ (58,740)	\$ 106,600,753
Retail Transmission Service -- RTS	\$ 30,040,430	\$ 1,565,273	\$ -	\$ 196,069	\$ -	\$ 88,518	\$ -	\$ 28,190,570	\$ 224,096	\$ (139,671)	\$ 28,274,995
Special Contract -- Customer #1	\$ 11,987,837	\$ 597,789	\$ -	\$ 86,285	\$ -	\$ -	\$ -	\$ 11,303,763	\$ 83,094	\$ 7,719	\$ 11,394,576
Special Contract -- Customer #2	\$ 2,850,388	\$ 153,139	\$ -	\$ 18,832	\$ -	\$ -	\$ -	\$ 2,678,417	\$ 24,170	\$ 2,173	\$ 2,704,760
Curtable Service Riders - CSR10	\$ (200,398)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,398)	\$ -	\$ -	\$ (200,398)
Curtable Service Riders - CSR30	\$ (978,336)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (978,336)	\$ -	\$ -	\$ (978,336)
Total Curtable Service Riders	\$ (1,178,734)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,178,734)	\$ -	\$ -	\$ (1,178,734)
Lighting Energy -- LE	\$ 217,032	\$ 10,659	\$ -	\$ 1,293	\$ 2	\$ -	\$ -	\$ 205,078	\$ 1,264	\$ 824	\$ 207,166
Traffic Lighting Energy -- TE	\$ 256,873	\$ 9,134	\$ -	\$ 1,633	\$ (2)	\$ -	\$ 9	\$ 246,099	\$ 1,235	\$ 677	\$ 248,011
Lighting Service -- LS	\$ 3,204,212	\$ 38,569	\$ -	\$ 20,515	\$ (3)	\$ -	\$ 72	\$ 3,145,059	\$ 4,618	\$ (5,073)	\$ 3,144,604
Restricted Lighting Service -- RLS	\$ 13,993,532	\$ 265,802	\$ -	\$ 90,583	\$ (9)	\$ -	\$ 1,800	\$ 13,635,356	\$ 36,500	\$ 27,899	\$ 13,699,755
Dark Sky Friendly -- DSK	\$ 1,911	\$ 4	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 1,895	\$ -	\$ 7	\$ 1,902
Total Lighting Service	\$ 17,199,655	\$ 304,375	\$ -	\$ 111,110	\$ (12)	\$ -	\$ 1,872	\$ 16,782,310	\$ 41,118	\$ 22,833	\$ 16,846,261
TOTAL ULTIMATE CONSUMERS	\$ 908,031,044	\$ 34,932,239	\$ 14,423,888	\$ 5,979,130	\$ (62)	\$ 88,518	\$ 682,821	\$ 851,924,510	\$ 4,355,602	\$ 1,273,791	\$ 857,553,903
Forfeited Discounts	\$ 5,456,486							\$ 5,456,486			\$ 5,456,486
Electric Service Revenues	\$ 1,623,075							\$ 1,623,075			\$ 1,623,075
Rent from Electric Property	\$ 2,958,357							\$ 2,958,357			\$ 2,958,357
Other Miscellaneous Electric Revenue	\$ 1,002,835							\$ 1,002,835			\$ 1,002,835
TOTAL JURISDICTIONAL	\$ 919,071,796	\$ 34,932,239	\$ 14,423,888	\$ 5,979,130	\$ (62)	\$ 88,518	\$ 682,821	\$ 862,965,262	\$ 4,355,602	\$ 1,273,791	\$ 868,594,655

Louisville Gas and Electric Company
Summary of Proposed Electric Revenue Increase
Based on Sales for the Twelve Months Ended March 31, 2012

	Adjustment to Reflect FAC Billings for Full Year of the Rollin	Adjustment to Reflect Elimination of Responsive Pricing	Adjustment Reflecting Year-End Number of Customers	Adjustment Reflecting Rate Switching And Bill Corrections	Adjustment to Reflect Removal of Base Rate ECR Revenues	Adjustment to Reflect Elimination of ECR Plans	Adjusted Billings Net of ECR at Current Rates
Residential Rate - RS	\$ 9,836,112	\$ 3,709	\$ 910,637	\$ (87,579)	\$ (3,795,641)	\$ 3,500,424	\$ 351,168,407
General Service Rate - GS	\$ 3,327,983	\$ (1,150)	\$ 469,659	\$ (2,148,925)	\$ (1,606,150)	\$ 1,477,084	\$ 131,382,634
Power Service Rate							
Power Service Rate PS - Secondary	\$ 5,419,016	\$ -	\$ (1,115,326)	\$ (1,256,382)	\$ (1,935,721)	\$ 1,754,248	\$ 172,623,240
Power Service Rate PS - Primary	\$ 526,959	\$ -	\$ -	\$ (301,015)	\$ (212,578)	\$ 192,649	\$ 16,808,288
	\$ 5,945,975		\$ (1,115,326)	\$ (1,557,397)	\$ (2,148,299)	\$ 1,946,897	\$ 189,431,528
Time of Day Secondary Service TODS							
Commercial time of day secondary	\$ 986,940	\$ -	\$ 256,043	\$ 2,179,309	\$ (295,173)	\$ 268,339	\$ 30,286,911
Industrial time of day secondary	\$ 300,256	\$ -	\$ 96,484	\$ 837,487	\$ (92,065)	\$ 82,858	\$ 9,765,126
	\$ 1,287,196		\$ 352,527	\$ 3,016,796	\$ (387,238)	\$ 351,197	\$ 40,052,037
Time of Day Primary Service TODP							
Commercial time of day primary	\$ 858,150	\$ -	\$ (157,957)	\$ 170,526	\$ (234,395)	\$ 208,352	\$ 23,974,403
Industrial time of day primary	\$ 3,516,500	\$ -	\$ 551,270	\$ 282,919	\$ (838,413)	\$ 773,920	\$ 87,757,222
	\$ 4,374,650		\$ 393,313	\$ 453,445	\$ (1,072,808)	\$ 982,272	\$ 111,731,625
Retail Transmission Service -- RTS	\$ 1,210,473	\$ -	\$ -	\$ -	\$ (274,020)	\$ 234,874	\$ 29,446,322
Special Contract -- Customer #1	\$ 481,619	\$ -	\$ -	\$ -	\$ (108,958)	\$ 100,577	\$ 11,867,814
Special Contract -- Customer #2	\$ 115,770	\$ -	\$ -	\$ 221,863	\$ (25,546)	\$ 23,417	\$ 3,040,264
Curtailable Service Riders - CSR10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (200,398)
Curtailable Service Riders - CSR30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (978,336)
Total Curtailable Service Riders	\$ -		\$ -	\$ -	\$ -	\$ -	\$ (1,178,734)
Lighting Energy -- LE	\$ 8,601	\$ -	\$ 9,867	\$ 365	\$ (2,756)	\$ 2,536	\$ 225,779
Traffic Lighting Energy -- TE	\$ 7,183	\$ -	\$ 2,738	\$ -	\$ (2,307)	\$ 2,122	\$ 257,747
Lighting Service -- LS	\$ 31,685	\$ -	\$ 384,733	\$ -			\$ 3,561,022
Restricted Lighting Service -- RLS	\$ 214,981	\$ -	\$ (205,619)	\$ -			\$ 13,709,117
Dark Sky Friendly -- DSK	\$ -	\$ -	\$ -	\$ -			\$ 1,902
Total Lighting Service	\$ 246,666	\$ -	\$ 179,114	\$ -	\$ (191,925)	\$ 176,598	\$ 17,256,714
TOTAL ULTIMATE CONSUMERS	\$ 26,842,228	\$ 2,559	\$ 1,202,528	\$ (101,432)	\$ (9,615,648)	\$ 8,797,998	\$ 884,682,137
Forfeited Discounts							\$ 5,456,486
Electric Service Revenues							\$ 1,623,075
Rent from Electric Property							\$ 2,958,357
Other Miscellaneous Electric Revenue							\$ 1,002,835
TOTAL JURISDICTIONAL	\$ 26,842,228	\$ 2,559	\$ 1,202,528	\$ (101,432)	\$ (9,615,648)	\$ 8,797,998	\$ 895,722,889

Louisville Gas and Electric Company
Summary of Proposed Electric Revenue Increase
Based on Sales for the Twelve Months Ended March 31, 2012

	Adjusted Billings Net of ECR at Current Rates	Add Base ECR Revenues	ECR Billing Factor Revenues Reflecting Rollin	Adjusted Billings Including All ECR Revenue at Current Rates	Increase	Percentage Increase
Residential Rate - RS	\$ 351,168,407	\$ 295,217	\$ 902	\$ 351,464,526	\$ 30,238,063	8.60%
General Service Rate - GS	\$ 131,382,634	\$ 129,066	\$ 1,033,423	\$ 132,545,123	\$ 6,743,615	5.09%
Power Service Rate						
Power Service Rate PS - Secondary	\$ 172,623,240	\$ 181,473	\$ 1,451,175	\$ 174,255,888	\$ 8,753,240	5.02%
Power Service Rate PS - Primary	\$ 16,808,288	\$ 19,929	\$ 151,994	\$ 16,980,211	\$ 28,624	0.17%
	\$ 189,431,528	\$ 201,402	\$ 1,603,169	\$ 191,236,099	\$ 8,781,864	4.59%
Time of Day Secondary Service TODS						
Commercial time of day secondary	\$ 30,286,911	\$ 26,834	\$ 199,842	\$ 30,513,587		
Industrial time of day secondary	\$ 9,765,126	\$ 9,207	\$ 61,110	\$ 9,835,443		
	\$ 40,052,037	\$ 36,041	\$ 260,952	\$ 40,349,030	2,631,417	6.52%
Time of Day Primary Service TODP						
Commercial time of day primary	\$ 23,974,403	\$ 26,043	\$ 203,138	\$ 24,203,584		
Industrial time of day primary	\$ 87,757,222	\$ 64,493	\$ 519,655	\$ 88,341,370		
	\$ 111,731,625	\$ 90,536	\$ 722,793	\$ 112,544,954	8,107,174	7.20%
Retail Transmission Service -- RTS	\$ 29,446,322	\$ 39,146	\$ 272,934	\$ 29,758,402	\$ 2,243,796	7.54%
Special Contract -- Customer #1	\$ 11,867,814	\$ 8,381	\$ 63,266	\$ 11,939,461	\$ 1,195,733	10.01%
Special Contract -- Customer #2	\$ 3,040,264	\$ 2,129	\$ 16,678	\$ 3,059,071	\$ 219,964	7.19%
Curtable Service Riders - CSR10	\$ (200,398)	\$ -	\$ -	\$ (200,398)	\$ 98,377	
Curtable Service Riders - CSR30	\$ (978,336)	\$ -	\$ -	\$ (978,336)	\$ 607,579	
Total Curtable Service Riders	\$ (1,178,734)	\$ -	\$ -	\$ (1,178,734)	705,956	
Lighting Energy -- LE	\$ 225,779	\$ 220	\$ 1,709	\$ 227,708	\$ 11,397	5.01%
Traffic Lighting Energy -- TE	\$ 257,747	\$ 185	\$ 1,474	\$ 259,406	\$ 13,007	5.01%
	\$ -	\$ -	\$ -	\$ -	\$ -	
Lighting Service -- LS	\$ 3,561,022	\$ -	\$ 21,537	\$ 3,582,559		
Restricted Lighting Service -- RLS	\$ 13,709,117	\$ -	\$ 96,529	\$ 13,805,646		
Dark Sky Friendly -- DSK	\$ 1,902	\$ -	\$ 8	\$ 1,910		
Total Lighting Service	\$ 17,272,041	\$ 15,327	\$ 118,074	\$ 17,390,115	\$ 871,225	5.01%
TOTAL ULTIMATE CONSUMERS	\$ 884,697,464	\$ 817,650	\$ 4,095,374	\$ 889,595,161	\$ 61,763,212	6.94%
Forfeited Discounts	\$ 5,456,486			\$ 5,456,486		
Electric Service Revenues	\$ 1,623,075			\$ 1,623,075		
Rent from Electric Property	\$ 2,958,357			\$ 2,958,357	\$ 353,101 (1)	
Other Miscellaneous Electric Revenue	\$ 1,002,835			\$ 1,002,835	\$ (58,431) (2)	
TOTAL JURISDICTIONAL	\$ 895,738,216	\$ 817,650	\$ 4,095,374	\$ 900,635,913	\$ 62,057,882	6.89%

(1) Increase in the CATV Pole Attachment charge.

(2) Increase in the Meter Pulse Relay, Disconnect/Reconnect, and Meter Test Charges

Conroy Exhibit R5

Electric Revenue Increase by Rate Schedule

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
RESIDENTIAL RATE RS, inclusive of Volunteer Fire Department and Responsive Pricing customers						
Basic Service Charges	4,172,584		\$ 8.50	\$ 35,466,964	\$ 13.00	\$ 54,243,592
All Energy		4,216,279,955	\$ 0.07242	\$ 305,342,994	\$ 0.07513	\$ 316,769,113
Responsive Pricing Program -- Rate Eliminated, Customers Moved to Rate RS						
Basic Service Charges	827		\$ 13.50	\$ 11,166	\$ 13.00	\$ 10,751
Energy used, Period 1		561,958	\$ 0.05046	\$ 28,356	\$ 0.07513	\$ 42,220
Energy used, Period 2		352,868	\$ 0.06342	\$ 22,379	\$ 0.07513	\$ 26,511
Energy used, Period 3		159,647	\$ 0.12047	\$ 19,233	\$ 0.07513	\$ 11,994
Energy used, Period 4		-	\$ 0.32538	\$ -	\$ 0.07513	\$ -
Low Emission Vehicle Rate LEV (Residential Only)						
Basic Service Charges	14		\$ 8.50	\$ 120	\$ 13.00	\$ 182
Energy used, Period 1		13,727	\$ 0.05046	\$ 693	\$ 0.05235	\$ 719
Energy used, Period 2		5,838	\$ 0.07070	\$ 413	\$ 0.07335	\$ 428
Energy used, Period 3		4,387	\$ 0.13448	\$ 590	\$ 0.13951	\$ 612
Prorated and corrected basic service charge billings				\$ (89,548)		\$ (136,956)
Prorated and corrected energy billings				\$ (2,615)		\$ (2,713)
Total Calculated at Base Rates				\$ 340,800,745		\$ 370,966,453
				Correction Factor		1.000000000
Total After Application of Correction Factor				\$ 340,800,745		\$ 370,966,453
Fuel Clause Billings - proforma for rollin				\$ 9,836,112		\$ 9,836,112
Adjustment to Reflect Elimination of RRP				\$ 3,709		\$ -
Adjustment to Reflect Year-End Customers				\$ 910,637		\$ 991,242
Adjustment to Reflect Customers Moving To Rate				\$ 19,495		
Customer-Months Moving To Rate	337				\$ 13.00	\$ 4,381
Energy Usage by Customers Moving to Rate		235,355			\$ 0.07513	\$ 17,682
Adjustment to Reflect Customers Moving From Rate				\$ (107,074)		
Customer-Months Moving From Rate	(540)				\$ 13.00	\$ (7,020)
Energy Usage by Customers Moving From Rate		(1,426,359)			\$ 0.07513	\$ (107,162)
Adjustment to Reflect Removal of Base ECR Revenues				\$ (3,795,641)		\$ (295,217)
Adjustment to Reflect Elimination of ECR Plans				\$ 3,500,424		\$ -
Total Net Base Revenues				\$ 351,168,407		\$ 381,406,471
ECR Base Revenues				\$ 295,217		\$ 295,217
ECR Billings - proforma for rollin				\$ 902		\$ 902
Total Base Revenues Inclusive of ECR				\$ 351,464,526		\$ 381,702,590
Proposed Increase						30,238,063
Percentage Increase						8.60%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
GENERAL SERVICE RATE GS						
Single Phase Customer Charge	342,973		\$ 17.50	\$ 6,002,028	\$ 20.00	\$ 6,859,460
Three Phase Customer Charge	176,125		\$ 32.50	\$ 5,724,063	\$ 35.00	\$ 6,164,375
All Energy		1,433,935,161	\$ 0.08240	\$ 118,156,257	\$ 0.08624	\$ 123,662,568
Responsive Pricing Program -- Rate Eliminated, Customers Moved to Rate GS						
Single Phase Customer Charge	49		\$ 27.50	\$ 1,348	\$ 20.00	\$ 980
Three Phase Customer Charge	24		\$ 42.50	\$ 1,020	\$ 35.00	\$ 840
Energy used, Period 1		60,442	\$ 0.05838	\$ 3,529	\$ 0.08624	\$ 5,213
Energy used, Period 2		46,271	\$ 0.07421	\$ 3,434	\$ 0.08624	\$ 3,990
Energy used, Period 3		20,762	\$ 0.15323	\$ 3,181	\$ 0.08624	\$ 1,791
Energy used, Period 4		-	\$ 0.32972	\$ -	\$ 0.08624	\$ -
Prorated and corrected basic service charge billings				\$ (52,228)		\$ (37,970)
Prorated and corrected energy billings				\$ 21,501		\$ 23,303
Total Calculated at Base Rates				\$ 129,864,133		\$ 136,684,550
				Correction Factor		<u>1.000000000</u>
Total After Application of Correction Factor				\$ 129,864,133		\$ 136,684,550
				Fuel Clause Billings - proforma for rollin		\$ 3,327,983
				Adjustment to Reflect Elimination of GRP		\$ (1,150)
				Adjustment to Reflect Year-End Customers		\$ 469,659
				Adjustment to Reflect Customers Moving To Rate		\$ 190,243
Customer-Months Moving To Rate (single phase)	637				\$ 20.00	\$ 12,740
Energy Usage by Customers Moving to Rate		2,175,857			\$ 0.08624	\$ 187,646
				Adjustment to Reflect Customers Moving From Rate		\$ (1,310,613)
Customer-Months Moving From Rate (single phase)	(943)				\$ 20.00	\$ (18,860)
Energy Usage by Customers Moving From Rate		(15,722,353)			\$ 0.08624	\$ (1,355,896)
				Adjustment to Reflect Customers Moving To Rate		\$ 1,198,405
Customer-Months Moving To Rate (3 phase)	1,308				\$ 35.00	\$ 45,780
Energy Usage by Customers Moving to Rate		14,043,165			\$ 0.08624	\$ 1,211,083
				Adjustment to Reflect Customers Moving From Rate		\$ (2,226,961)
Customer-Months Moving From Rate (3 phase)	(790)				\$ 35.00	\$ (27,650)
Energy Usage by Customers Moving From Rate		(26,743,812)			\$ 0.08624	\$ (2,306,386)
				Adjustment to Reflect Removal of Base ECR Revenues		\$ (1,606,150)
				Adjustment to Reflect Elimination of ECR Plans		\$ 1,477,084
				Total Net Base Revenues		\$ 131,382,634
				ECR Base Revenues		\$ 129,066
				ECR Billings - proforma for rollin		\$ 1,033,423
				Total Base Revenues Inclusive of ECR		\$ 132,545,123
Proposed Increase						6,743,615 5.09%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Customer Bills	Demand kW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
POWER SERVICE RATE PS-Secondary							
Basic Service Charges	35,467			\$ 90.00	\$ 3,192,030	\$ 90.00	\$ 3,192,030
All Energy			2,332,828,585	\$ 0.03421	\$ 79,806,067	\$ 0.03615	\$ 84,331,753
Summer Demand		2,650,661		\$ 15.39	\$ 40,793,670	\$ 16.20	\$ 42,940,705
Winter Demand		3,205,076		\$ 13.14	\$ 42,114,693	\$ 13.75	\$ 44,069,790
Minimum kW and charges		193,392			\$ 2,694,819		\$ 2,828,153
Power factor adjustment charges					\$ 1,208,017		\$ 1,267,787
Prorated and corrected basic service charge billings					\$ (3,521)		\$ (3,521)
Prorated and corrected energy billings					\$ 20,922		\$ 22,108
Prorated and corrected demand billings					\$ (69,292)		\$ (72,720)
					\$ 169,757,405		\$ 178,576,085
					Correction Factor <u>1.0000000000</u>		<u>1.0000000000</u>
					\$ 169,757,405		\$ 178,576,085
Fuel Clause Billings - proforma for rollin					\$ 5,419,016		\$ 5,419,016
Adjustment to Reflect Year-End Customers					\$ (1,115,326)		\$ (1,173,266)
Adjustment to Reflect Rate Switching to Rate PS-Secondary					\$ 2,583,250		
Customer-months Moving to Rate	855					\$ 90.00	\$ 76,950
Energy Use Moving to Rate			32,431,037			\$ 0.03615	\$ 1,172,382
Summer Demand for Customers Moving to Rate		59,944				\$ 16.20	\$ 971,094
Winter Demand for Customers Moving to Rate		42,191				\$ 13.75	\$ 580,125
Adjustment to Reflect Rate Switching From Rate PS-Secondary					\$ (3,839,632)		
Customer-months Moving to Rate	(1,405)					\$ 90.00	\$ (126,450)
Energy Use Moving to Rate			(50,848,500)			\$ 0.03615	\$ (1,838,173)
Summer Demand for Customers Moving From Rate		(84,095)				\$ 16.20	\$ (1,362,344)
Winter Demand for Customers Moving From Rate		(53,634)				\$ 13.75	\$ (737,466)
Adjustment to Reflect Removal of Base ECR Revenues					\$ (1,935,721)		\$ (181,473)
Adjustment to Reflect Elimination of ECR Plans					\$ 1,754,248		\$ -
Total Base Revenues Net of ECR					\$ 172,623,240		\$ 181,376,480
ECR Base Revenues					\$ 181,473		\$ 181,473
ECR Billings - proforma for rollin					\$ 1,451,175		\$ 1,451,175
Total Base Revenues Inclusive of ECR					\$ 174,255,888		\$ 183,009,128
Proposed Increase							8,753,240
							5.02%
							Percentage Increase

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Customer Bills	Demand kW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
POWER SERVICE RATE PS-Primary							
Basic Service Charges	1,039			\$ 90.00	\$ 93,510	\$ 125.00	\$ 129,875
All Energy			238,816,300	\$ 0.03421	\$ 8,169,906	\$ 0.03416	\$ 8,157,965
Summer Demand		300,622		\$ 13.55	\$ 4,073,422	\$ 13.54	\$ 4,070,416
Winter Demand		276,182		\$ 11.31	\$ 3,123,623	\$ 11.31	\$ 3,123,623
Minimum kW and charges		87,501			\$ 1,066,650		\$ 1,066,205
Power factor adjustment charges					\$ 228,558		\$ 228,463
Prorated and corrected basic service charge billings					\$ 3,213		\$ 4,463
Prorated and corrected energy billings					\$ (55,774)		\$ (55,692)
Prorated and corrected demand billings					\$ (100,835)		\$ (100,793)
					\$ 16,602,273		\$ 16,624,525
					Correction Factor		1.000000000
					Total After Application of Correction Factor		\$ 16,624,525
Fuel Clause Billings - proforma for rollin					\$ 526,959		\$ 526,959
Adjustment to Reflect Year-End Customers					\$ -		\$ -
Adjustment to Reflect Rate Switching to Rate PS-Primary					\$ 10,201		
Customer-months Moving to Rate	2					\$ 125.00	\$ 250
Energy Use Moving to Rate			212,400			\$ 0.03416	\$ 7,256
Summer Demand for Customers Moving to Rate		405				\$ 13.54	\$ 5,489
Winter Demand for Customers Moving to Rate						\$ 11.31	\$ -
Adjustment to Reflect Rate Switching From Rate PS-Primary					\$ (311,216)		
Customer-months Moving From Rate	(26)					\$ 125.00	\$ (3,250)
Energy Use Moving From Rate			(4,544,280)			\$ 0.03416	\$ (155,233)
Summer Demand for Customers Moving From Rate		(8,094)				\$ 13.54	\$ (109,593)
Winter Demand for Customers Moving From Rate		(3,498)				\$ 11.31	\$ (39,562)
Adjustment to Reflect Removal of Base ECR Revenues					(212,578)		\$ (19,929)
Adjustment to Reflect Elimination of ECR Plans					\$ 192,649		\$ -
					\$ 16,808,288		\$ 16,836,912
ECR Base Revenues					\$ 19,929		\$ 19,929
ECR Billings - proforma for rollin					\$ 151,994		\$ 151,994
					\$ 16,980,211		\$ 17,008,835
Proposed Increase							28,624
							0.17%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Bills/kW	Minimum kW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
TIME OF DAY SECONDARY SERVICE RATE TODS (consolidation of CTODS and ITODS)							
TIME OF DAY SECONDARY SERVICE RATE CTODS -- (Commercial)							
Basic Service Charges	1,266			\$ 200.00	\$ 253,200	\$ 200.00	\$ 253,200
All Energy			422,578,868	\$ 0.03383	\$ 14,295,844	\$ 0.03580	\$ 15,128,323
Demand Base	888,264	50,250		\$ 3.76	\$ 3,339,871	\$ 4.00	\$ 3,553,054
Demand Intermediate	880,815	313		\$ 4.25	\$ 3,743,465	\$ 4.52	\$ 3,981,285
Demand Peak	863,200	546		\$ 5.78	\$ 4,989,297	\$ 6.15	\$ 5,308,681
Redundant Capacity Billings	6,000			\$ 1.52	\$ 9,120	\$ 1.13	\$ 6,780
Minimum Demand Billings					\$ 193,424		\$ 205,767
Power Factor Correction Charges					\$ 105,564		\$ 112,300
Prorated and corrected basic service charge billings					\$ (585)		\$ (585)
Prorated and corrected energy billings					\$ (4,392)		\$ (4,648)
Prorated and corrected demand billings					\$ (33,355)		\$ (35,483)
					\$ 26,891,453		\$ 28,508,676
					Correction Factor		1.000000000
					\$ 26,891,453		\$ 28,508,676
Fuel Clause Billings - proforma for rollin					\$ 986,940		\$ 986,940
Adjustment to Reflect Year-End Customers					\$ 256,043		\$ 271,441
Adjustment to Reflect Rate Switching to Rate CTOD-Secondary					\$ 2,320,061		
Customer-months Moving to Rate	187					\$ 200.00	\$ 37,400
Energy Use Moving to Rate			34,301,555			\$ 0.03580	\$ 1,227,996
Base Demand for Customers Moving to Rate		81,741				\$ 4.00	\$ 326,964
Intermediate Demand for Customers Moving to Rate		81,741				\$ 4.52	\$ 369,470
Peak Demand for Customers Moving to Rate		81,741				\$ 6.15	\$ 502,708
Adjustment to Reflect Rate Switching from Rate CTOD-Secondary					\$ (140,752)		
Customer-months Moving from Rate	(20)					\$ 200.00	\$ (4,000)
Energy Use Moving from Rate			(2,053,705)			\$ 0.03580	\$ (73,523)
Base Demand for Customers Moving from Rate	(4,800)					\$ 4.00	\$ (19,202)
Intermediate Demand for Customers Moving from Rate	(4,876)					\$ 4.52	\$ (22,040)
Peak Demand for Customers Moving from Rate	(6,049)					\$ 6.15	\$ (37,201)
Adjustment to Reflect Removal of Base ECR Revenues					(295,173)		(26,834)
Adjustment to Reflect Elimination of ECR Plans					268,339		-
Total Net Base Revenues					\$ 30,286,911		\$ 32,048,796
ECR Base Revenues					\$ 26,834		\$ 26,834
ECR Billings - proforma for rollin					\$ 199,842		\$ 199,842
Total Base Revenues Inclusive of Base ECR					\$ 30,513,587		\$ 32,275,472

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)		(3)	(4)	(5)	(6)	(7)
	Bills/kW	Minimum kW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
TIME OF DAY SECONDARY SERVICE RATE ITODS -- (Industrial)							
Basic Service Charges	441			\$ 300.00	\$ 132,300	\$ 200.00	\$ 88,200
All Energy			126,781,274	\$ 0.02984	\$ 3,783,154	\$ 0.03580	\$ 4,538,770
Demand Base	313,570	13,356		\$ 5.46	\$ 1,712,092	\$ 4.00	\$ 1,254,280
Demand Intermediate	298,398	3,320		\$ 3.68	\$ 1,098,106	\$ 4.52	\$ 1,348,761
Demand Peak	288,715	3,291		\$ 5.18	\$ 1,495,544	\$ 6.15	\$ 1,775,599
Minimum Demand Billings					\$ 102,189		\$ 103,919
Power Factor Correction Charges					\$ 242,391		\$ 246,495
Prorated and corrected basic service charge billings					\$ 683		\$ 455
Prorated and corrected energy billings					\$ (394)		\$ (473)
Prorated and corrected demand billings					\$ (25,959)		\$ (26,398)
					\$ 8,540,106		\$ 9,329,608
					Correction Factor <u>1.000000000</u>		<u>1.000000000</u>
					Total After Application of Correction Factor \$ 8,540,106		\$ 9,329,608
Fuel Clause Billings - proforma for rollin					\$ 300,256		\$ 300,256
Adjustment to Reflect Year-End Customers					\$ 96,484		\$ 105,403
Adjustment to Reflect Rate Switching to Rate ITOD-Secondary					\$ 837,487		
Customer-months Moving to Rate	73					\$ 200.00	\$ 14,600
Energy Use Moving to Rate			11,113,361			\$ 0.03580	\$ 397,858
Base Demand for Customers Moving to Rate	33,820					\$ 4.00	\$ 135,280
Intermediate Demand for Customers Moving to Rate	33,820					\$ 4.52	\$ 152,866
Peak Demand for Customers Moving to Rate	33,820					\$ 6.15	\$ 207,993
Adjustment to Reflect Removal of Base ECR Revenues					(92,065)		(9,207)
Adjustment to Reflect Elimination of ECR Plans					82,858		-
Total Net Base Revenues					\$ 9,765,126		\$ 10,634,658
ECR Base Revenues					\$ 9,207		\$ 9,207
ECR Billings - proforma for rollin					\$ 61,110		\$ 61,110
Total Base Revenues Inclusive of Base ECR					\$ 9,835,443		\$ 10,704,975
TIME OF DAY SECONDARY SERVICE RATE TODS							
Total Base Revenues Inclusive of Base ECR					\$ 40,349,030		\$ 42,980,447
Proposed Increase							2,631,417
		Percentage Increase					6.52%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Bills/kVa	Minimum Demand	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
TIME OF DAY PRIMARY SERVICE RATE TODP (consolidation of CTODP and ITODP)							
TIME OF DAY PRIMARY SERVICE RATE CTODP - (Commercial)(Current designation, to be renamed TODP and combined with current ITODP)							
Basic Service Charges	358			\$ 200.00	\$ 71,600	\$ 300.00	\$ 107,400
All Energy			368,941,649	\$ 0.03383	\$ 12,481,296	\$ 0.03028	\$ 11,171,553
Demand Base	889,702	37,161		\$ 2.59	\$ 2,304,328	\$ 3.72	\$ 3,309,691
Demand Intermediate	845,920	2,704		\$ 4.15	\$ 3,510,566	\$ 3.95	\$ 3,341,382
Demand Peak	826,274	2,627		\$ 5.65	\$ 4,668,447	\$ 5.59	\$ 4,618,871
Minimum Demand Billings					\$ 122,315		\$ 131,493
Prorated and corrected basic service charge billings					\$ (427)		\$ (641)
Prorated and corrected energy billings					\$ (2,157)		\$ (1,931)
Prorated and corrected demand billings					\$ (26,241)		\$ (28,210)
					\$ 23,129,727		\$ 22,649,609
					Correction Factor		<u>1.000000000</u>
					Total After Application of Correction Factor		\$ 23,129,727
					\$ 23,129,727		\$ 22,649,609
Fuel Clause Billings - proforma for rollin					\$ 858,150		\$ 858,150
Adjustment to Reflect Year-End Customers					\$ (157,957)		\$ (154,678)
Adjustment to Reflect Rate Switching to Rate CTOD-Primary					\$ 170,526		
Customer-months Moving to Rate	16					\$ 300.00	\$ 4,800
Energy Use Moving to Rate			2,589,572			\$ 0.03028	\$ 78,412
Base Demand for Customers Moving to Rate	10,112					\$ 3.72	\$ 37,616
Intermediate Demand for Customers Moving to Rate	10,112					\$ 3.95	\$ 39,942
Peak Demand for Customers Moving to Rate	10,112					\$ 5.59	\$ 56,526
Adjustment to Reflect Removal of Base ECR Revenues					\$ (234,395)		\$ (26,043)
Adjustment to Reflect Elimination of ECR Plans					\$ 208,352		\$ -
					\$ 23,974,403		\$ 23,544,334
ECR Base Revenues					\$ 26,043		\$ 26,043
ECR Billings - proforma for rollin					\$ 203,138		\$ 203,138
					\$ 24,203,584		\$ 23,773,515

Louisville Gas and Electric Company
 Calculation of Proposed Electric Rate Increase
 Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Bills/kW/kVa	Minimum Demand	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
TIME OF DAY PRIMARY SERVICE RATE ITODP - (Industrial)(Current designation, to be renamed TODP and combined with current CTODP)							
Basic Service Charges	704			\$ 300.00	\$ 211,200	\$ 300.00	\$ 211,200
All Energy			1,517,084,302	\$ 0.02984	\$ 45,269,796	\$ 0.03028	\$ 45,937,313
Demand Base, kW	3,260,283	19,360		\$ 4.17	\$ 13,595,382	\$ -	\$ -
Demand Summer Peak, kW	1,164,942	3,840		\$ 10.12	\$ 11,789,212	\$ -	\$ -
Demand Winter Peak, kW	1,986,034	14,870		\$ 7.32	\$ 14,537,766	\$ -	\$ -
Minimum Demand Billings, kW					\$ 228,438		\$ -
Power Factor Revenue					\$ (1,912,236)		\$ -
Demand Base, kVa	3,560,885			\$ -	\$ -	\$ 3.72	\$ 13,246,494
Demand Intermediate, kVa	3,450,788			\$ -	\$ -	\$ 3.95	\$ 13,630,612
Demand Peak, kVa	3,389,303			\$ -	\$ -	\$ 5.59	\$ 18,946,205
Minimum Demand Billings, kVa							\$ 262,204
Prorated and corrected basic service charge billings					\$ (270)		\$ (270)
Prorated and corrected energy billings					\$ (46,799)		\$ (47,489)
Prorated and corrected demand billings					\$ (201,463)		\$ (231,241)
Total Calculated at Base Rates					\$ 83,471,026		\$ 91,955,027
Correction Factor					<u>1.000000000</u>		<u>1.000000000</u>
Total After Application of Correction Factor					\$ 83,471,026		\$ 91,955,027
Fuel Clause Billings - proforma for rollin					\$ 3,516,500		\$ 3,516,500
Adjustment to Reflect Year-End Customers					\$ 551,270		\$ 607,301
Adjustment to Reflect Rate Switching to Rate ITOD-Primary					\$ 294,395		
Customer-months Moving to Rate	29					\$ 300.00	\$ 8,700
Energy Use Moving to Rate			4,442,640			\$ 0.03028	\$ 134,523
Base Demand for Customers Moving to Rate	11,066					\$ 3.72	\$ 41,166
Intermediate Demand for Customers Moving to Rate	11,066					\$ 3.95	\$ 43,711
Peak Demand for Customers Moving to Rate	11,066					\$ 5.59	\$ 61,859
Adjustment to Reflect Rate Switching From Rate ITOD-Primary					\$ (11,476)		
Customer-months Moving from Rate	(2)			\$ 300.00			\$ (600)
Energy Use Moving from Rate			(212,400)	\$ 0.02984			\$ (6,338)
Basic Demand for Customers Moving from Rate	(204)			\$ 4.17			\$ (850)
Summer Peak Demand for Customers Moving from Rate	(202)			\$ 10.12			\$ (2,040)
Adjustment to Reflect Removal of Base ECR Revenues					\$ (838,413)		\$ (64,493)
Adjustment to Reflect Elimination of ECR Plans					\$ 773,920		\$ -
Total Base Revenues Net of ECR					\$ 87,757,222		\$ 96,294,465
ECR Base Revenues					\$ 64,493		\$ 64,493
ECR Billings - proforma for rollin					\$ 519,655		\$ 519,655
Total Base Revenues Inclusive of Base ECR					\$ 88,341,370		\$ 96,878,613
TIME OF DAY PRIMARY SERVICE RATE TODP							
Total Base Revenues Inclusive of Base ECR					\$ 112,544,954		\$ 120,652,128
Proposed Increase							8,107,174
			Percentage Increase				7.20%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)		(3)	(4)	(5)	(6)	(7)
	Bills/kVa	Minimum Demand	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
RETAIL TRANSMISSION SERVICE RATE RTS							
Basic Service Charges	133			\$ 500.00	\$ 66,500	\$ 750.00	\$ 99,750
All Energy			523,880,472	\$ 0.02984	\$ 15,632,593	\$ 0.03228	\$ 16,910,862
Demand Base	1,268,834	108,439		\$ 2.57	\$ 3,260,902	\$ 2.76	\$ 3,501,981
Demand Intermediate	1,219,250	66,122		\$ 2.82	\$ 3,438,286	\$ 3.03	\$ 3,694,328
Demand Peak	1,186,122	65,809		\$ 4.32	\$ 5,124,048	\$ 4.64	\$ 5,503,607
Minimum Demand Billings					\$ 749,446		\$ 805,017
Prorated and corrected basic service charge billings					\$ (500)		\$ (750)
Prorated and corrected energy billings					-		-
Prorated and corrected demand billings					\$ 3,720		\$ 3,996
					\$ 28,274,995		\$ 30,518,791
					Correction Factor <u>1.000000000</u>		<u>1.000000000</u>
					\$ 28,274,995		\$ 30,518,791
Fuel Clause Billings - proforma for rollin					\$ 1,210,473		\$ 1,210,473
Adjustment to Reflect Year-End Customers					\$ -		\$ -
Adjustment to Reflect Removal of Base ECR Revenues					\$ (274,020)		\$ (39,146)
Adjustment to Reflect Elimination of ECR Plans					\$ 234,874		\$ -
					\$ 29,446,322		\$ 31,690,118
ECR Base Revenues					\$ 39,146		\$ 39,146
ECR Billings - proforma for rollin					\$ 272,934		\$ 272,934
					\$ 29,758,402		\$ 32,002,198
Proposed Increase							2,243,796
				Percentage Increase			7.54%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	Bills/kVa	Minimum Demand:	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
FLUCTUATING LOAD SERVICE RATE FLS							
Primary Delivery							
Basic Service Charges	-			\$ 500.00	-	\$ 750.00	-
All Energy			-	\$ 0.03710	-	\$ 0.03228	-
Demand Base	-			\$ 1.71	-	\$ 1.90	-
Demand Intermediate	-			\$ 1.71	-	\$ 1.92	-
Demand Peak	-			\$ 2.71	-	\$ 3.03	-
Transmission Delivery							
Basic Service Charges	-			\$ 500.00	-	\$ 750.00	-
All Energy			-	\$ 0.03428	-	\$ 0.03228	-
Demand Base	-			\$ 0.96	-	\$ 1.15	-
Demand Intermediate	-			\$ 1.71	-	\$ 1.92	-
Demand Peak	-			\$ 2.71	-	\$ 3.03	-
Adjustment to Reflect Year-End Customers					\$ -		\$ -
Adjustment to Reflect Removal of Base ECR Revenues					\$ -		\$ -
Adjustment to Reflect Elimination of ECR Plans					\$ -		\$ -
Total Base Revenues Net of ECR					<u>\$ -</u>		<u>\$ -</u>
ECR Base Revenues					\$ -		\$ -
ECR Billings - proforma for rollin					\$ -		\$ -
Total Base Revenues Inclusive of Base ECR					<u>\$ -</u>		<u>\$ -</u>
Proposed Increase							-
		Percentage Increase					0.00%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills/kVa	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
SPECIAL CONTRACTS						
Customer Number 1						
Basic Service Charges	11		\$ -	\$ -	\$ -	\$ -
All Energy		215,705,000	\$ 0.03040	\$ 6,557,433	\$ 0.03371	\$ 7,271,416
Winter Demand	183,024		\$ 11.65	\$ 2,132,229	\$ 12.81	\$ 2,344,537
Summer Demand	236,047		\$ 13.84	\$ 3,266,893	\$ 15.22	\$ 3,592,638
Power Factor Adjustment				\$ (379,455)		\$ (417,270)
Prorated and corrected basic service charge billings				\$ -		\$ -
Prorated and corrected energy billings				\$ (32,470)		\$ (36,005)
Prorated and corrected demand billings				\$ (150,054)		\$ (165,007)
				\$ 11,394,576		\$ 12,590,309
				Correction Factor		<u>1.000000000</u>
				Total After Application of Correction Factor		\$ 12,590,309
Fuel Clause Billings - proforma for rollin				\$ 481,619		\$ 481,619
Adjustment to Reflect Year-End Customers				\$ -		\$ -
Adjustment to Reflect Removal of Base ECR Revenues				\$ (108,958)		\$ (8,381)
Adjustment to Reflect Elimination of ECR Plans				\$ 100,577		\$ -
				Total Base Revenues Net of ECR		\$ 13,063,547
ECR Base Revenues				\$ 8,381		\$ 8,381
ECR Billings - proforma for rollin				\$ 63,266		\$ 63,266
				Total Base Revenues Inclusive of Base ECR		\$ 13,135,194
Proposed Increase						\$ 1,195,733
			Percentage Increase			10.01%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)		(3)	(4)	(5)	(6)	(7)
	Bills/kVa	Minimum Demand	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
SPECIAL CONTRACTS							
Customer Number 2							
Basic Service Charges	22			\$ -	\$ -	\$ -	\$ -
All Energy			53,731,200	\$ 0.03039	\$ 1,632,892	\$ 0.03280	\$ 1,762,383
Demand Billings	101,814	4,629		\$ 9.87	\$ 1,004,903	\$ 10.55	\$ 1,074,138
Minimum Demands billings					\$ 67,332		\$ 71,971
Prorated and corrected basic service charge billings					\$ -		\$ -
Prorated and corrected energy billings					\$ (62)		\$ (67)
Prorated and corrected demand billings					\$ (305)		\$ (326)
					\$ 2,704,760		\$ 2,908,099
					Correction Factor		Correction Factor
					<u>1.000000000</u>		<u>1.000000000</u>
					\$ 2,704,760		\$ 2,908,099
Fuel Clause Billings - proforma for rollin					\$ 115,770		\$ 115,770
Adjustment to Reflect Year-End Customers					\$ -		\$ -
Adjustment to Reflect March 2012 Billing Included in Accrued Revenues							
Customer-months Not Included in Test Year Billings	2			-	\$ -	\$ -	\$ -
Energy Use Not Included in Test Year Billings			4,237,200	\$ 0.03039	\$ 128,769	\$ 0.03280	\$ 138,980
Demand Not Included in Test Year Billings		9,432		\$ 9.87	\$ 93,094	\$ 10.55	\$ 99,508
Adjustment to Reflect Removal of Base ECR Revenues					\$ (25,546)		\$ (2,129)
Adjustment to Reflect Elimination of ECR Plans					\$ 23,417		\$ -
					\$ 3,040,264		\$ 3,260,228
ECR Base Revenues					\$ 2,129		\$ 2,129
ECR Billings - proforma for rollin					\$ 16,678		\$ 16,678
					\$ 3,059,071		\$ 3,279,035
Proposed Increase							\$ 219,964
				Percentage Increase			7.19%

Louisville Gas and Electric Company
 Calculation of Proposed Electric Rate Increase
 Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills/Kw	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LIGHTING ENERGY SERVICE RATE LE						
Basic Service Charges	1,742		\$ -	\$ -	\$ -	\$ -
All Energy		3,674,215	\$ 0.05646	\$ 207,446	\$ 0.05942	\$ 218,322
Prorated and corrected energy billings				(280)		(295)
				\$ 207,166		\$ 218,027
				Correction Factor <u>1.000000000</u>		<u>1.000000000</u>
				\$ 207,166		\$ 218,027
Fuel Clause Billings - proforma for rollin				\$ 8,601		\$ 8,601
Adjustment to Reflect Year-End Customers				\$ 9,867		\$ 10,384
Adjustment to Reflect Customers Moving To Rate				\$ 365		\$ -
Customer-Months Moving To Rate	303				\$ -	\$ -
Energy Usage by Customers Moving to Rate		6,467			\$ 0.05942	\$ 384
Adjustment to Reflect Removal of Base ECR Revenues				\$ (2,756)		\$ (220)
Adjustment to Reflect Elimination of ECR Plans				\$ 2,536		\$ -
Total Base Revenues Net of ECR				<u>\$ 225,779</u>		<u>\$ 237,176</u>
ECR Base Revenues				\$ 220		\$ 220
ECR Billings - proforma for rollin				\$ 1,709		\$ 1,709
Total Base Revenues Inclusive of Base ECR				<u>\$ 227,708</u>		<u>\$ 239,105</u>
Proposed Increase						11,397
			Percentage Increase			5.01%

Louisville Gas and Electric Company
Calculation of Proposed Electric Rate Increase
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills/Kw	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
TRAFFIC ENERGY SERVICE RATE TE						
Basic Service Charges	12,220		\$ 3.14	\$ 38,372	\$ 3.25	\$ 39,715
All Energy		3,075,720	\$ 0.06804	\$ 209,272	\$ 0.07178	\$ 220,775
Prorated and corrected basic service charge billings				\$ 53		\$ 55
Prorated and corrected energy billings				\$ 314		\$ 331
				\$ 248,011		\$ 260,876
				Correction Factor 1.000000000		1.000000000
				\$ 248,011		\$ 260,876
Fuel Clause Billings - proforma for rollin				\$ 7,183		\$ 7,183
Adjustment to Reflect Year-End Customers				\$ 2,738		\$ 2,880
Adjustment to Reflect Removal of Base ECR Revenues				\$ (2,307)		\$ (185)
Adjustment to Reflect Elimination of ECR Plans				\$ 2,122		\$ -
Total Base Revenues Net of ECR				\$ 257,747		\$ 270,754
ECR Base Revenues				\$ 185		\$ 185
ECR Billings - proforma for rollin				\$ 1,474		\$ 1,474
Total Base Revenues Inclusive of Base ECR				\$ 259,406		\$ 272,413
Proposed Increase						13,007
			Percentage Increase			5.01%

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
LIGHTING SERVICE -- PROPOSED RATE SHEET No. 35									
Overhead									
High Pressure Sodium									
Cobra Head, 16000 Lumen, Fixture Only									
						452	71,891	\$ 12.48	\$ 897,200
COBRA HEAD 16000L OHHP	LS 35.2	452	13,645	\$ 11.62	\$ 158,555				
150 W HP SODIUM OUTDOOR LIGHT	RLS 36	222	5,957	\$ 12.63	\$ 75,237				
150 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	272	14,649	\$ 12.63	\$ 185,017				
150 W HP SODIUM OUTDOOR LIGHT	RLS 36.3	322	21,317	\$ 11.52	\$ 245,572				
150 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	372	16,323	\$ 11.52	\$ 188,041				
Cobra Head, 28500 Lumen, Fixture Only									
						453	92,832	\$ 14.57	\$ 1,352,562
COBRA HEAD 28500L OHHP	LS 35.2	453	27,743	\$ 13.44	\$ 372,866				
250 W HP SODIUM OUTDOOR LIGHT	RLS 36	211	4,478	\$ 14.97	\$ 67,036				
250 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	261	4,479	\$ 14.97	\$ 67,051				
250 W HP SODIUM OUTDOOR LIGHT	RLS 36.3	311	40,557	\$ 13.86	\$ 562,120				
250 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	361	15,575	\$ 13.86	\$ 215,870				
Cobra Head, 50000 Lumen, Fixture Only									
						454	70,662	\$ 16.58	\$ 1,171,576
COBRA HEAD 50000L OHHP	LS 35.2	454	5,037	\$ 18.53	\$ 93,336				
400 W HP SODIUM OUTDOOR LIGHT	RLS 36	212	9,196	\$ 16.34	\$ 150,263				
400 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	262	18,145	\$ 16.34	\$ 296,489				
400 W HP SODIUM OUTDOOR LIGHT	RLS 36.3	312	29,615	\$ 14.97	\$ 443,337				
400 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	362	8,669	\$ 14.97	\$ 129,775				
Directional, 16000 Lumen, Fixture Only									
						455	4,897	\$ 13.44	\$ 65,816
DIRECTIONAL FLOOD 16000L OHHP	LS 35.2	455	1,193	\$ 13.23	\$ 15,783				
150 W HP SODIUM FLOOD LIGHT	RLS 36	223	951	\$ 12.63	\$ 12,011				
150 W HP SODIUM FLOOD LIGHT AFTER JAN 1, 1991	RLS 36	273	2,549	\$ 12.63	\$ 32,194				
150 W HP SODIUM FLOOD LIGHT	RLS 36.3	323	96	\$ 13.85	\$ 1,330				
150 W HP SODIUM FLOOD LIGHT AFTER JAN 1, 1991	RLS 36.3	373	108	\$ 11.52	\$ 1,244				
Directional, 50000 Lumen, Fixture Only									
						456	160,469	\$ 17.41	\$ 2,793,765
DIRECTIONAL FLOOD 50000L OHHP	LS 35.2	456	20,286	\$ 19.50	\$ 395,577				
400 W HP SODIUM FLOOD LIGHT	RLS 36	213	34,804	\$ 16.34	\$ 568,697				
400 W HP SODIUM FLOOD LIGHT AFTER JAN 1, 1991	RLS 36	263	83,047	\$ 16.34	\$ 1,356,988				
400 W HP SODIUM FLOOD LIGHT	RLS 36.3	313	6,298	\$ 14.97	\$ 94,281				
400 W HP SODIUM FLOOD LIGHT AFTER JAN 1, 1991	RLS 36.3	363	16,034	\$ 14.97	\$ 240,029				
Open Bottom, 9500 Lumen, Fixture Only									
						457	36,881	\$ 10.60	\$ 390,939
OPEN BOTTOM 9500L OHHP	LS 35.2	457	9,742	\$ 10.40	\$ 101,317				
100 W HP SODIUM OUTDOOR LIGHT	RLS 36	205	2,268	\$ 10.00	\$ 22,680				
100 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	255	20,270	\$ 10.00	\$ 202,700				
100 W HP SODIUM OUTDOOR LIGHT	RLS 36.3	305	276	\$ 9.70	\$ 2,677				
100 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	355	4,325	\$ 9.70	\$ 41,953				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Metal Halide									
Directional, 12000 Lumen, Fixture Only						470	177	\$ 12.47	\$ 2,207
Directional Fixture Only, 12,000	LS 35.3	470	177	\$ 11.85	\$ 2,097				
Directional, 32000 Lumen, Fixture Only						473	1,248	\$ 18.09	\$ 22,576
Directional Fixture Only, 32,000	LS 35.3	473	1,248	\$ 17.19	\$ 21,453				
Directional, 107800 Lumen, Fixture Only						476	1,222	\$ 37.80	\$ 46,192
Directional Fixture Only, 107,800	LS 35.3	476	1,222	\$ 35.92	\$ 43,894				
Underground									
High Pressure Sodium									
Colonial, 4-Sided, 5800 Lumen, Smooth Pole						412	2,125	\$ 19.74	\$ 41,948
4 SIDED COLONIAL 5800L	LS 35	412	2,125	\$ 18.76	\$ 39,865				
Colonial, 4-Sided, 9500 Lumen, Smooth Pole						413	21,334	\$ 20.37	\$ 434,574
4 SIDED COLONIAL 9500L	LS 35	413	21,334	\$ 19.36	\$ 413,026				
Acorn, 5800 Lumen, Smooth Pole						415	300	\$ 20.13	\$ 6,039
ACORN 5800L	LS 35	415	300	\$ 19.13	\$ 5,739				
Acorn, 9500 Lumen, Smooth Pole						416	20,985	\$ 22.48	\$ 471,743
ACORN 9500L	LS 35	416	20,985	\$ 21.36	\$ 448,240				
London 5800 Lumen, Fluted Pole						427	407	\$ 35.40	\$ 14,408
LONDON (10' FLUTED POLE) 5800L	LS 35.1	427	407	\$ 33.64	\$ 13,691				
London, 9500 Lumen, Fluted Pole						429	2,534	\$ 36.21	\$ 91,756
LONDON (10' FLUTED POLE) 9500L	LS 35.1	429	2,534	\$ 34.41	\$ 87,195				
Victorian, 5800 Lumen, Fluted Pole						431	663	\$ 33.10	\$ 21,945
VICTORIAN (10' FLUTED POLE) 5800L	LS 35.1	431	663	\$ 31.45	\$ 20,851				
Victorian, 9500 Lumen, Fluted Pole						433	2,387	\$ 35.12	\$ 83,831
VICTORIAN (10' FLUTED POLE) 9500L	LS 35.1	433	2,387	\$ 33.37	\$ 79,654				
Victorian/London Bases -- Westchester						956	7,116	\$ 3.61	\$ 25,689
Old Town/Chesapeake/Franklin/Jefferson	LS 35.1	956	1,866	\$ 2.83	\$ 5,281				
Norfolk	LS 35.1	957	558	\$ 3.00	\$ 1,674				
Norfolk	RLS 36.4	963	1,581	\$ 3.81	\$ 6,024				
Jefferson	RLS 36.1	952	2,109	\$ 3.62	\$ 7,635				
Norfolk	RLS 36.1	953	1,002	\$ 3.81	\$ 3,818				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Cobra Head, 16000 Lumen, Smooth Pole						423	274	\$ 26.23	\$ 7,187
COBRA HEAD 16000L UGHPS	LS 35	423	274	\$ 24.93	\$ 6,831				
Cobra Head, 28500 Lumen, Smooth Pole						424	2,359	\$ 28.14	\$ 66,382
COBRA HEAD 28500L UGHPS	LS 35	424	2,359	\$ 26.74	\$ 63,080				
Cobra Head, 50000 Lumen, Smooth Pole						425	360	\$ 33.50	\$ 12,060
COBRA HEAD 50000L UGHPS	LS 35	425	360	\$ 31.83	\$ 11,459				
Contemporary Fixture only, 16000 Lumen						439	-	\$ 16.18	\$ -
CONTEMPORARY 16000L -- Fixture only	LS 35	439	-	\$ 15.38	\$ -				
Contemporary Fixture with Pole, 16000 Lumen						420	728	\$ 29.83	\$ 21,716
CONTEMPORARY 16000L	LS 35	420	728	\$ 28.35	\$ 20,639				
Contemporary Fixture only, 28500 Lumen						440	2	\$ 17.81	\$ 36
CONTEMPORARY 28500L -- Fixture only	LS 35	440	2	\$ 16.92	\$ 34				
Contemporary Fixture with Pole, 28500 Lumen						421	1,967	\$ 32.62	\$ 64,164
CONTEMPORARY 28500L	LS 35	421	1,967	\$ 31.00	\$ 60,977				
Contemporary Fixture only, 50000 Lumen						441	23	\$ 21.59	\$ 497
CONTEMPORARY 50000L -- fixture only	LS 35	441	23	\$ 20.52	\$ 472				
Contemporary Fixture with Pole, 50000 Lumen						422	3,962	\$ 37.93	\$ 150,279
CONTEMPORARY 50000L	LS 35	422	3,962	\$ 36.04	\$ 142,790				
Dark Sky, 4000 Lumen, Smooth Pole						400	84	\$ 23.82	\$ 2,001
HPS Dark Sky Friendly 4000 Lumen	DSK 39	400	84	\$ 22.64	\$ 1,902				
Dark Sky, 9500 Lumen, Smooth Pole						401	-	\$ 24.86	\$ -
HPS Dark Sky Friendly 9500 Lumen	DSK 39	401	-	\$ 23.62	\$ -				
Metal Halide									
Contemporary Fixture only, 12000 Lumen						479	-	\$ 13.76	\$ -
Contemporary Fixture Only, 12,000	LS 35.3	479	-	\$ 13.08	\$ -				
Contemporary Fixture with Pole, 12000 Lumen						480	54	\$ 23.69	\$ 1,279
Contemporary Fixture with Direct Buried Metal Pole, 12,000	LS 35.3	480	54	\$ 22.51	\$ 1,216				
Contemporary Fixture only, 32000 Lumen						481	24	\$ 19.90	\$ 478
Contemporary Fixture Only, 32,000	LS 35.3	481	24	\$ 18.91	\$ 454				
Contemporary Fixture with Pole, 32000 Lumen						482	166	\$ 29.81	\$ 4,948
Contemporary Fixture with Direct Buried Metal Pole, 32,000	LS 35.3	482	166	\$ 28.33	\$ 4,703				
Contemporary Fixture only, 107800 Lumen						483	24	\$ 40.81	\$ 979
Contemporary Fixture Only, 107,800	LS 35.3	483	24	\$ 38.78	\$ 931				
Contemporary Fixture with Pole, 107800 Lumen						484	156	\$ 50.71	\$ 7,911
Contemporary Fixture with Direct Buried Metal Pole, 107,800	LS 35.3	484	156	\$ 48.19	\$ 7,518				

Louisville Gas and Electric Company
 Calculation of Proposed Lighting Rate Increases
 Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
RESTRICTED LIGHTING SERVICE -- PROPOSED RATE SHEET No. 36									
Overhead									
Mercury Vapor									
Cobra/Open Bottom, 8000 Lumen, Fixture Only									
175 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	252	996	\$ 10.37	\$ 10,326	252	55,834	\$ 9.20	\$ 513,673
175 W MERCURY OUTDOOR LIGHT	RLS 36.3	302	24,780	\$ 8.40	\$ 208,152				
OPEN BOTTOM 8000L MV	LS 35.2	462	198	\$ 10.00	\$ 1,980				
175 W MERCURY OUTDOOR LIGHT	RLS 36	202	29,801	\$ 8.97	\$ 267,315				
175 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	352	59	\$ 10.19	\$ 601				
Cobra Head, 8000 Lumen, Fixture Only									
COBRA HEAD 8000L MV	LS 35.2	458	60	\$ 10.26	\$ 616	458	60	\$ 10.80	\$ 648
Cobra Head, 13000 Lumen, Fixture Only									
COBRA HEAD 13000L MV	LS 35.2	459	284	\$ 11.74	\$ 3,334	203	56,246	\$ 10.45	\$ 587,771
250 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	253	571	\$ 11.80	\$ 6,738				
250 W MERCURY OUTDOOR LIGHT	RLS 36	203	14,338	\$ 10.33	\$ 148,112				
250 W MERCURY OUTDOOR LIGHT	RLS 36.3	303	40,423	\$ 9.72	\$ 392,912				
250 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	353	630	\$ 11.61	\$ 7,314				
Cobra Head, 25000 Lumen, Fixture Only									
COBRA HEAD 25000L MV	LS 35.2	460	273	\$ 15.18	\$ 4,144	204	56,656	\$ 12.71	\$ 720,098
400 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	254	441	\$ 14.39	\$ 6,346				
400 W MERCURY OUTDOOR LIGHT	RLS 36	204	9,153	\$ 12.78	\$ 116,975				
400 W MERCURY OUTDOOR LIGHT	RLS 36.3	304	46,384	\$ 11.88	\$ 551,042				
400 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	354	405	\$ 14.19	\$ 5,747				
Cobra Head, 60000 Lumen, Fixture Only									
1000 W MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	259	106	\$ 26.68	\$ 2,828	209	641	\$ 25.70	\$ 16,474
1000 W MERCURY OUTDOOR LIGHT	RLS 36.3	309	24	\$ 22.72	\$ 545				
1000 W MERCURY OUTDOOR LIGHT	RLS 36	209	511	\$ 24.04	\$ 12,284				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Directional, 25000 Lumen, Fixture Only						207	10,602	\$ 14.78	\$ 156,698
DIRECTIONAL FLOOD 25000L MV	LS 35.2	461	1,980	\$ 16.53	\$ 32,729				
400 W MERCURY FLOOD LIGHT AFTER JAN 1, 1991	RLS 36	257	1,982	\$ 14.39	\$ 28,521				
400 W MERCURY FLOOD LIGHT	RLS 36	207	5,842	\$ 12.78	\$ 74,661				
400 W MERCURY FLOOD LIGHT AFTER JAN 1, 1991	RLS 36.3	357	38	\$ 14.19	\$ 539				
400 W MERCURY OUTDOOR LIGHT Metal Pole	RLS 36.3	307	760	\$ 16.39	\$ 12,456				
Directional, 60000 Lumen, Fixture Only						210	5,662	\$ 26.92	\$ 152,421
1000 W MERCURY FLOOD LIGHT AFTER JAN 1, 1991	RLS 36	260	3,125	\$ 26.81	\$ 83,781				
1000 W MERCURY FLOOD LIGHT	RLS 36	210	2,333	\$ 24.04	\$ 56,085				
1000 W MERCURY FLOOD LIGHT	RLS 36.3	310	108	\$ 22.72	\$ 2,454				
1000 W MERCURY FLOOD LIGHT AFTER JAN 1, 1991	RLS 36.3	360	96	\$ 26.43	\$ 2,537				
Open Bottom, 4000 Lumen, Fixture Only						201	1,023	\$ 7.94	\$ 8,123
100 W MERCURY OUTDOOR LIGHT	RLS 36	201	496	\$ 7.92	\$ 3,928				
100 W MERCURY OUTDOOR LIGHT	RLS 36.3	301	527	\$ 7.20	\$ 3,794				
Metal Halide									
Directional, 12000 Lumen, Fixture and Wood Pole						471	16	\$ 14.79	\$ 237
Directional Fixture with Wood Pole, 12,000	LS 35.3	471	16	\$ 14.05	\$ 225				
Directional, 32000 Lumen, Fixture and Wood Pole						474	173	\$ 20.42	\$ 3,533
Directional Fixture with Wood Pole, 32,000	LS 35.3	474	173	\$ 19.40	\$ 3,356				
Directional, 32000 Lumen, Fixture and Metal Pole						475	12	\$ 27.99	\$ 336
Directional Fixture with Direct Buried Metal Pole, 32,000	LS 35.3	475	12	\$ 26.60	\$ 319				
Directional, 107800 Lumen, Fixture and Wood Pole						477	132	\$ 41.03	\$ 5,416
Directional Fixture with Wood Pole, 107,800	LS 35.3	477	132	\$ 38.99	\$ 5,147				
Wood Pole									
After July 1, 2004						958	4,692	\$ 11.49	\$ 53,911
Wood Pole Installed After June 30, 2004	LS 35.2	958	4,692	\$ 10.92	\$ 51,237				
Wood Pole Installed After June 30, 2004	LS 35.2	910	2,571	\$ 1.99	\$ 5,116		2,571	\$ 2.09	\$ 5,373
Pre-1991						900	83,465	\$ 2.09	\$ 174,442
Wood Pole Installed Before July 1, 2004	RLS 36.1	900	83,465	\$ 1.99	\$ 166,095				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Underground									
High Pressure Sodium									
Cobra/Contemporary, 16000 Lumen, Fixture Only									
150 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	275	4,480	\$ 23.52	\$ 105,370	275	6,477	\$ 24.74	\$ 160,241
150 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	375	1,686	\$ 23.50	\$ 39,621				
150 W HP SODIUM OUTDOOR LIGHT	RLS 36	225	-	\$ 23.52	\$ -				
150 W UG HP SODIUM OUTDOOR LIGHT	RLS 36.3	325	311	\$ 23.50	\$ 7,309				
Cobra/Contemporary, 28500 Lumen, Fixture Only									
250 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	266	5,667	\$ 27.14	\$ 153,802	266	23,762	\$ 27.03	\$ 642,287
250 W HP SODIUM LIGHT METAL POLE AFTER JAN 1, 1991	RLS 36.3	370	1,118	\$ 25.20	\$ 28,174				
250 W UG HP SODIUM OUTDOOR LIGHT	RLS 36	216	272	\$ 27.14	\$ 7,382				
250 W UG HP SODIUM OUTDOOR LIGHT	RLS 36.3	316	13,431	\$ 25.20	\$ 338,461				
250 W UG HP SODIUM LIGHT METAL POLE	RLS 36.3	320	-	\$ 25.20	\$ -				
250 W UG HP Sodium State of Ky Pole	RLS 36.3	346	-	\$ 22.27	\$ -				
250 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	366	3,274	\$ 25.20	\$ 82,505				
Cobra/Contemporary, 50000 Lumen, Fixture Only									
400 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	267	17,654	\$ 30.31	\$ 535,093	267	28,343	\$ 30.83	\$ 873,815
400 W HP SODIUM LIGHT METAL POLE AFTER JAN 1, 1991	RLS 36.3	371	403	\$ 27.49	\$ 11,078				
400 W UG HP SODIUM OUTDOOR LIGHT	RLS 36	217	504	\$ 30.31	\$ 15,276				
400 W UG HP SODIUM OUTDOOR LIGHT	RLS 36.3	317	6,321	\$ 27.49	\$ 173,764				
400 W HP SODIUM LIGHT METAL POLE	RLS 36.3	321	24	\$ 27.49	\$ 660				
400 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	367	3,437	\$ 27.49	\$ 94,483				
Coach Acorn, 5800 Lumen, Fixture Only									
70 W HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36	276	13,840	\$ 13.30	\$ 184,072	276	16,108	\$ 14.01	\$ 225,673
70 W HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36.3	376	2,268	\$ 13.39	\$ 30,369				
70 W HP SODIUM LIGHT TOP MOUNT	RLS 36	226	-	\$ 13.30	\$ -				
Coach Acorn, 9500 Lumen, Fixture Only									
100 W HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36	274	108,312	\$ 17.68	\$ 1,914,956	274	207,407	\$ 17.00	\$ 3,525,919
100W HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36.3	374	65,772	\$ 13.99	\$ 920,150				
100 W HP SODIUM LIGHT TOP MOUNT	RLS 36	224	14,323	\$ 17.49	\$ 250,509				
100W HP SODIUM LIGHT TOP MOUNT	RLS 36.3	324	19,000	\$ 13.99	\$ 265,810				
Coach Acorn, 16000 Lumen, Fixture Only									
150 W HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36	277	11,025	\$ 21.08	\$ 232,407	277	23,932	\$ 21.97	\$ 525,786
4 SIDED COLONIAL 16000L	LS 35	414	4,056	\$ 20.36	\$ 82,580				
ACORN 16000L	LS 35	418	2,631	\$ 22.27	\$ 58,592				
150 W UG HP SODIUM LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36.3	377	6,220	\$ 20.25	\$ 125,955				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Contemporary, 120000 Lumen, Fixture Only						279	132	\$ 39.51	\$ 5,215
1000 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	279	108	\$ 38.35	\$ 4,142				
1000 W HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	379	24	\$ 33.92	\$ 814				
Contemporary, 120000 Lumen, Fixture and Pole						278	204	\$ 71.15	\$ 14,515
1000 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36	278	180	\$ 68.13	\$ 12,263				
1000 W UG HP SODIUM OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	378	24	\$ 63.70	\$ 1,529				
Acorn, 9500 Lumen, Bronze Decorative Pole						417	288	\$ 23.61	\$ 6,800
ACORN 9500L BRONZE POLE	LS 35	417	288	\$ 22.44	\$ 6,463				
Acorn, 16000 Lumen, Bronze Decorative Pole						419	720	\$ 24.50	\$ 17,640
ACORN 16000L BRONZE POLE	LS 35	419	720	\$ 23.28	\$ 16,762				
Victorian, 5800 Lumen, Fixture Only						280	552	\$ 19.30	\$ 10,654
70 W HP SODIUM ACORN/DECO BASKET	RLS 36.1	280	420	\$ 18.45	\$ 7,749				
70 W HP SODIUM ACORN/DECO BASKET	RLS 36.4	380	132	\$ 18.00	\$ 2,376				
Victorian, 9500 Lumen, Fixture Only						281	3,140	\$ 20.22	\$ 63,491
100 W HP SODIUM ACORN/DECO BASKET	RLS 36.1	281	1,652	\$ 19.48	\$ 32,181				
100W HP SODIUM ACORN/DECO BASKET	RLS 36.4	381	1,488	\$ 18.91	\$ 28,138				
London, 5800 Lumen, Fixture Only						282	1,272	\$ 19.46	\$ 24,753
70 W HP SODIUM 80SIDED COACH	RLS 36.1	282	840	\$ 18.63	\$ 15,649				
70 W HP SODIUM 80SIDED COACH	RLS 36.4	382	432	\$ 18.21	\$ 7,867				
London, 9500 Lumen, Fixture Only						283	984	\$ 20.69	\$ 20,359
100 W HP SODIUM 80SIDED COACH	RLS 36.1	283	888	\$ 19.68	\$ 17,476				
100W HP SODIUM 80SIDED COACH	RLS 36.4	383	96	\$ 19.51	\$ 1,873				

Louisville Gas and Electric Company
 Calculation of Proposed Lighting Rate Increases
 Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
London, 5800 Lumen, Fixture and Pole						426	380	\$ 33.39	\$ 12,688
LONDON (10' SMOOTH POLE) 5800L	LS 35.1	426	380	\$ 31.73	\$ 12,057				
London, 9500 Lumen, Fixture and Pole						428	1,863	\$ 34.20	\$ 63,715
LONDON (10' SMOOTH POLE) 9500L	LS 35.1	428	1,863	\$ 32.50	\$ 60,548				
Victorian, 5800 Lumen, Fixture and Pole						430	156	\$ 32.41	\$ 5,056
VICTORIAN (10' SMOOTH POLE) 5800L	LS 35.1	430	156	\$ 30.80	\$ 4,805				
Victorian, 9500 Lumen, Fixture and Pole						432	108	\$ 34.44	\$ 3,720
VICTORIAN (10' SMOOTH POLE) 9500L	LS 35.1	432	108	\$ 32.73	\$ 3,535				
Victorian/London Bases, Old Town						950	495	\$ 3.52	\$ 1,742
Chesapeake/Franklin Base	LS 35.1	954	-	\$ 2.83	\$ -				
Old Town/Manchester	RLS 36.4	960	120	\$ 3.35	\$ 402				
Old Town/Manchester	RLS 36.1	950	375	\$ 3.35	\$ 1,256				
Victorian/London Bases, Chesapeake						951	2,599	\$ 3.80	\$ 9,876
Chesapeake/Franklin Base	RLS 36.1	951	1,765	\$ 3.60	\$ 6,354				
Jefferson/Westchester	LS 35.1	955	-	\$ 2.83	\$ -				
Chesapeake/Franklin Base	RLS 36.4	961	36	\$ 3.60	\$ 130				
Jefferson/Westchester	RLS 36.4	962	798	\$ 3.62	\$ 2,889				
Smooth 10' Pole						901	2,021	\$ 10.99	\$ 22,211
10' Smooth Pole	RLS 36.1	901	2,021	\$ 10.44	\$ 21,099				
10' Smooth Pole	RLS 36.4	911	-	\$ 10.44	\$ -				
Fluted 10' Pole						902	3,311	\$ 13.11	\$ 43,407
10' Fluted Pole	RLS 36.1	902	3,275	\$ 12.46	\$ 40,807				
10' Fluted Pole	RLS 36.4	912	36	\$ 12.46	\$ 449				

Louisville Gas and Electric Company
Calculation of Proposed Lighting Rate Increases
Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Mercury Vapor									
Cobra Head, 8000 Lumen, Fixture with Pole						318	758	\$ 17.18	\$ 13,022
COBRA HEAD 8000L UGMV	LS 35.1	436	-	\$ 21.99	\$ -				
175 W UG MERCURY LIGHT METAL POLE	RLS 36.3	318	758	\$ 16.33	\$ 12,378				
175 W UG MERCURY LIGHT METAL POLE	RLS 36.3	368	-	\$ 23.27	\$ -				
Cobra Head, 13000 Lumen, Fixture with Pole						314	7,569	\$ 18.82	\$ 142,449
COBRA HEAD 13000L UGMV	LS 35.1	437	3	\$ 23.46	\$ 70				
250 W UG MERCURY OUTDOOR LIGHT	RLS 36.3	314	7,338	\$ 17.69	\$ 129,809				
250 W UG MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	364	228	\$ 24.20	\$ 5,518				
Cobra Head, 25000 Lumen, Fixture with Pole						315	5,936	\$ 22.31	\$ 132,432
COBRA HEAD 25000L UGMV	LS 35.1	438	62	\$ 26.91	\$ 1,668				
400 W UG MERCURY OUTDOOR LIGHT	RLS 36.3	315	5,827	\$ 21.09	\$ 122,891				
400 W UG MERCURY OUTDOOR LIGHT AFTER JAN 1, 1991	RLS 36.3	365	47	\$ 27.33	\$ 1,285				
400 W UG MERCURY LIGHT METAL POLE AFTER JAN 1, 1991	RLS 36.3	369	-	\$ 27.33	\$ -				
Cobra Head, 25000 Lumen, State of Ky Pole						347	-	\$ 22.30	\$ -
400 W UG MERCURY LIGHT METAL POLE	RLS 36.3	319	-	\$ 21.19	\$ -				
Coach, 4000 Lumen, Fixture with Pole						206	1,334	\$ 12.33	\$ 16,448
4 SIDED COLONIAL 4000L UGMV	LS 35.1	434	12	\$ 16.35	\$ 196				
100 W MERCURY LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36	256	-	\$ 13.15	\$ -				
100 W MERCURY LIGHT TOP MOUNT	RLS 36	206	322	\$ 13.16	\$ 4,238				
100W MERCURY LIGHT TOP MOUNT (UG)	RLS 36.3	306	1,000	\$ 11.20	\$ 11,200				
100W MERCURY LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36.3	356	-	\$ 13.89	\$ -				
Coach, 8000 Lumen, Fixture with Pole						208	19,540	\$ 13.95	\$ 272,583
4 SIDED COLONIAL 8000L UGMV	LS 35.1	435	398	\$ 18.02	\$ 7,172				
175 W MERCURY LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36	258	2,302	\$ 15.03	\$ 34,599				
175 W MERCURY LIGHT TOP MOUNT	RLS 36	208	5,281	\$ 14.06	\$ 74,251				
175 W MERCURY LIGHT TOP MOUNT (UG)	RLS 36.3	308	11,211	\$ 12.30	\$ 137,895				
175 W MERCURY LIGHT TOP MOUNT AFTER JAN 1, 1991	RLS 36.3	358	348	\$ 14.83	\$ 5,161				

Louisville Gas and Electric Company
 Calculation of Proposed Lighting Rate Increases
 Based on Sales for the Twelve Months Ended March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Existing Tariff Sheet	Existing Bill Code	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Bill Code	Total Lights	Proposed Rates	Calculated Revenue at Proposed Rates
Incandescent									
Tear Drop, 1500 Lumen, Fixture Only									
100W 1500 Lumen Incandescent	RLS 36.4	349	204	\$ 8.42	\$ 1,718	349	204	\$ 8.86	\$ 1,807
Tear Drop, 6000 Lumen, Fixture Only									
300W 6000 Lumen Incandescent	RLS 36.4	348	493	\$ 11.76	\$ 5,798	348	493	\$ 12.38	\$ 6,103
Total Revenue			1,145,489		\$ 16,667,298		1,145,489		\$ 17,538,244
Partial month billings					\$ 178,963				\$ 170,076
					Total Calculated at Base Rates				\$ 17,708,320
					Correction Factor				1.00000000
					Total After Application of Correction Factor				\$ 17,708,320
Fuel Clause Billings - proforma for rollin					\$ 246,666				\$ 246,666
Adjustment to Reflect Year-End Customers					\$ 179,114				\$ 188,280
Adjustment to Reflect Removal of Base ECR Revenues					\$ (191,925)				\$ (15,327)
Adjustment to Reflect Elimination of ECR Plans					\$ 176,598				\$ -
					Total Base Revenues Net of ECR				\$ 18,127,939
ECR Base Revenues					\$ 15,327				\$ 15,327
ECR Billings - proforma for rollin					\$ 118,074				\$ 118,074
					Total Base Revenues Inclusive of Base ECR				\$ 18,261,340
Proposed Increase									\$ 871,225 5.01%

Conroy Exhibit R6

Miscellaneous Charge
Revenue Increase

Louisville Gas and Electric Company
Summary of Increases (Decreases) to Miscellaneous Charges
Based on the 12 Months Ended March 31, 2012

Miscellaneous Charge	LG&E Electric	LG&E Gas
Cable TV Charge (Electric Only)	\$ 353,100.99	\$ -
Disconnect/Reconnect Charge	(64,773.00)	(2,353.00)
Meter-Test Charge	510.00	-
Meter Pulse Relaying	5,832.00	88.50
Third-Trip Inspection Charge (Gas Only)	-	750.00
Total	<u>\$ 294,669.99</u>	<u>\$ (1,514.50)</u>

Louisville Gas and Electric Company

Calculation of Proposed Rate Increase

Based on Billing Units for the 12 Months Ended March 31, 2012

Cable TV Pole Attachment Charge

Description	Current Rate			Proposed Rate		
	Current Actuals Annual Billing Units	Annual Charge	Actual Billings	Test-Year End Annual Billing Units	Annual Charge	Proposed Billings
Cable TV Pole Attachment Charge	86,757	\$ 5.35 /Yr	\$ 464,150	86,757	\$ 9.42 /Yr	\$ 817,251
Total			<u>\$ 464,150</u>			<u>\$ 817,251</u>
Increase						<u>\$ 353,101</u>

Louisville Gas and Electric Company
Disconnect/Reconnect Charges
12 Months Ended March 31, 2012

<u>Description</u>	<u>Current</u>	<u>Proposed</u>
<u>Electric</u>		
Disconnect/Reconnects During Test-Year	64,773	64,773
Disconnect/Reconnect Charge	\$ 29.00	\$ 28.00
Total Electric	<u>\$ 1,878,417.00</u>	<u>\$ 1,813,644.00</u>
Increase		<u>\$ (64,773.00)</u>
<u>Gas</u>		
Disconnect/Reconnects During Test-Year	2,353	2,353
Disconnect/Reconnect Charge	\$ 29.00	\$ 28.00
Total Electric	<u>\$ 68,237.00</u>	<u>\$ 65,884.00</u>
Increase		<u>\$ (2,353.00)</u>

Louisville Gas and Electric Company
Meter Test Charge
12 Months Ended March 31, 2012

Description	Current	Proposed
<u>Electric</u>		
Electric Meter Tests During Test-Year	34	34
Electric Meter Test Charge	\$ 60.00	\$ 75.00
Total	\$ 2,040.00	\$ 2,550.00
Increase		\$ 510.00
<u>Gas</u>		
Gas Meter Tests During Test-Year	-	-
Gas Meter Test Charge	\$ 80.00	\$ 90.00
Total	\$ -	\$ -
Increase		\$ -

Note: Charges would only be applicable to meters within tolerance.

Louisville Gas and Electric Company
Electric Meter Pulse Relaying
12 Months Ended March 31, 2012

<u>Description</u>	<u>Current</u>	<u>Proposed</u>
Meter Pulse Relays During Test-Year (Electric)	972	972
Meter Pulse Relay Charge	\$ 9.00	\$ 15.00
Total	<u>\$ 8,748.00</u>	<u>\$ 14,580.00</u>
Increase		<u>\$ 5,832.00</u>

**Louisville Gas and Electric Company
Gas Meter Pulse Relaying
12 Months Ended March 31, 2012**

Description	Current	Proposed
<u>Non-Rate FT or Rider TS-2</u>		
Non-Rate FT or Rider TS-2 Gas Meter Pulse Relays During Test-Year	25	25
Non-Rate FT or Rider TS-2 Gas Meter Pulse Relay Charge	\$ 21.06	\$ 24.60
Total Non-Rate FT or Rider TS-2 Gas Meter Pulse Relay Charge	<u>\$ 526.50</u>	<u>\$ 615.00</u>
Increase		<u>\$ 88.50</u>
<u>Rate FT or Rider TS-2</u>		
Rate FT or Rider TS-2 Gas Meter Pulse Relays During Test-Year	-	-
Rate FT or Rider TS-2 Gas Meter Pulse Relay Charge	\$ 8.10	\$ 7.25
Total Rate FT or Rider TS-2 Gas Meter Pulse Relay Charge	<u>\$ -</u>	<u>\$ -</u>
Increase		<u>\$ -</u>
Total Increase		<u><u>\$ 88.50</u></u>

**Louisville Gas and Electric Company
Gas Service Line and House Line Inspections
Third-Trip Inspection Charge
12 Months Ended March 31, 2012**

Description	Current	Proposed
Third-Trip Inspections During Test Year	50	50
Third-Trip Inspection Charge	\$ 135.00	\$ 150.00
Sub-Total	<u>\$ 6,750.00</u>	<u>\$ 7,500.00</u>
Increase (Decrease)		<u><u>\$ 750.00</u></u>

Conroy Exhibit R7

Residential Gas Unit Cost

Louisville Gas and Electric Company

Unit Cost of Service Based on the Cost of Service Study
For the 12 Months Ended March 31, 2012

Rate RGS

Description	Customer Costs				Storage Demand-Related Costs	Storage Compressor Costs	Other Procurement Costs	Demand Related Low Pressure Mains Costs	Demand Related High Pressure Mains Costs	Total Costs
	Customer-Related Low Pressure Mains Costs	Customer-Related High Pressure Main Costs	Customer-Related Direct Costs	Total Customer-Related Costs						
(1) Rate Base	\$ 122,081,192	\$ 8,007,896	\$ 145,701,019	\$ 275,790,107	\$ 61,817,880	\$ 651,229	\$ 112,655	\$ 45,317,034	\$ 20,262,895	\$ 403,951,800
(2) Rate Base Adjustments	(403,143)	(26,444)	(481,142)	(910,729)	(204,138)	(2,151)	(372)	(149,648)	(66,913)	(1,333,952)
(3) Rate Base as Adjusted [(1) + (2)]	\$ 121,678,049	\$ 7,981,452	\$ 145,219,877	\$ 274,879,378	\$ 61,613,741	\$ 649,078	\$ 112,283	\$ 45,167,386	\$ 20,195,982	\$ 402,617,848
(4) Rate of Return	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%	6.19%
(5) Return [(3) x (4)]	\$ 7,534,845	\$ 494,247	\$ 8,992,659	\$ 17,021,751	\$ 3,815,396	\$ 40,194	\$ 6,953	\$ 2,796,965	\$ 1,250,625	\$ 24,931,884
(6) Interest Expenses	\$ 2,459,806	\$ 161,351	\$ 2,713,760	\$ 5,334,917	\$ 762,316	\$ -	\$ -	\$ 913,090	\$ 455,389	\$ 7,465,712
(7) Net Income [(5) - (6)]	\$ 5,075,038	\$ 332,896	\$ 6,278,899	\$ 11,686,834	\$ 3,053,080	\$ 40,194	\$ 6,953	\$ 1,883,875	\$ 795,236	\$ 17,466,172
(8) Income Taxes	\$ 3,310,444	\$ 217,148	\$ 4,095,722	\$ 7,623,314	\$ 1,991,522	\$ 26,218	\$ 4,535	\$ 1,228,850	\$ 518,732	\$ 11,393,172
(9) Operation and Maintenance Expenses	\$ 11,434,343	\$ 750,034	\$ 20,058,153	\$ 32,242,530	\$ 2,555,118	\$ 5,092,858	\$ 881,007	\$ 4,244,474	\$ 4,250,710	\$ 49,266,698
(10) Depreciation Expenses	5,041,279	330,682	9,330,608	14,702,568	1,774,543	-	-	1,871,343	852,147	19,200,601
(11) Other Taxes	1,731,365	113,569	1,910,113	3,755,047	536,566	-	-	642,690	320,531	5,254,833
(12) Other Expenses	(304,668)	(19,985)	(354,183)	(678,836)	(92,214)	-	-	(113,094)	(58,433)	(942,578)
(13) Expense Adjustments	(682,473)	(44,767)	(1,197,196)	(1,924,435)	(152,505)	(303,974)	(52,584)	(253,337)	(253,709)	(2,940,544)
(14) Total Cost of Service [(4)+(8)+(9)+(10)+(11)+(12)+(13)]	\$ 28,065,134	\$ 1,840,928	\$ 42,835,877	\$ 72,741,939	\$ 10,428,425	\$ 4,855,297	\$ 839,912	\$ 10,417,892	\$ 6,880,603	\$ 106,164,067
(15) Less: Misc Revenue	1,879,482	123,284	2,868,657	4,871,423	698,377	325,152	56,248	697,671	460,784	\$ 7,109,654
(16) Net Cost of Service [(13) - (14)]	\$ 26,185,652	\$ 1,717,644	\$ 39,967,220	\$ 67,870,516	\$ 9,730,049	\$ 4,530,145	\$ 783,664	\$ 9,720,221	\$ 6,419,819	\$ 99,054,413
(17) Billing Units	3,492,362	3,492,362	3,492,362	3,492,362	8,249,244	17,455,191	17,455,191	12,577,844	12,577,844	
(18) Unit Costs [(15) / (16)]	\$7.50/Cust/Mo	\$0.49/Cust/Mo	\$11.44/Cust/Mo	\$19.43/Cust/Mo	\$1.1795/Mcf	\$0.2595/Mcf	\$0.0449/Mcf	\$0.7728/Mcf	\$0.5104/Mcf	

Note: Income Taxes = Income Taxes for the Test Year (\$6,808,142) + Income Taxes calculated to yield the Proposed Rate of Return of 6.19% (\$4,585,030).

Conroy Exhibit R8

Administrative Charge
Cost Support

**LOUISVILLE GAS AND ELECTRIC COMPANY
DETERMINATION OF ADMINISTRATIVE CHARGES UNDER RIDER TS, RIDER TS-2 AND RATE FT**

		Fully Loaded Rate	Hours	Estimated Expenses
Billing Integrity	Labor	\$48.10	481	\$23,136
Gas Supply	Labor	\$102.25	3,432	\$350,938
Gas Control	Labor	\$74.36	3,120	\$232,000
	Eagle Talon Data Acquisition System			
	Annual License Fee			\$2,900
	System Cost		\$58,141	
	Carrying Charge Rate (5-Year Life)		37.85%	\$22,008
Total				<u><u>\$630,982</u></u>

	Charge	Units	
Less PS-FT Revenues	\$75	827	\$62,025
Subtotal			<u><u>\$568,957</u></u>
Rate FT		900	
Rider TS		19	
Total			<u><u>919</u></u>
Administrative Charge for Rider TS through October 31, 2013			<u><u>\$592.00</u></u>
Administrative Charge for Rate FT and Rider TS-2 (beginning Nov. 1, 2013)			<u><u>\$619.10</u></u>

Louisville Gas & Electric Company

Gas Meter Pulse Charge

1	Present Value of Replacement Plant as a Percentage of Original Cost		38.55
2	Original Cost Basis (100)		100
3	Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost		138.55
4	Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)		0.02061
5	Applicable Carrying Charge Percentage (Lines 3 x 5)		2.86%
6	O&M Percentage		0.30%
			3.15%
7	Distribution O&M 12 Months Ended March 31, 2012	\$ 21,304,540	
8	Distribution Plant in Service as March 31, 2012	\$ 595,582,167	
9	Total Monthly Revenue Requirement as Percentage of Original Cost		3.15%

Louisville Gas & Electric Company

Present Value of Replacement Plant as a Percentage of Original Cost

Year	5-Year R3 Iowa Curve Percent Surviving	Annual Replacement Percentage	Cumulative Replacement Percentage	Cost Escalation Factor at a 3.00% Inflation Factor	Nominal Replacement Cost	Present Value Factor at a 7.00% Discount Rate	Present Value of Annual Replacement Cost	Cumulative Present Value of Annual Replaced Cost
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
					(3) x (5)		(6) x (7)	
0	100.0000							
1	99.2989	0.7011	0.7011	1.0300	0.7222	0.9346	0.6749	0.6749
2	96.8953	2.4035	3.1047	1.0609	2.5499	0.8734	2.2272	2.9021
3	90.7990	6.0963	9.2010	1.0927	6.6616	0.8163	5.4379	8.3400
4	78.0273	12.7718	21.9727	1.1255	14.3747	0.7629	10.9664	19.3064
5	54.7415	23.2857	45.2585	1.1593	26.9946	0.7130	19.2468	38.5531

Present Value of Replacement Plant as a Percentage of Original Cost

38.5531

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Capital Structure:

	Percent	Rate	COC	Weighted Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	0.41%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
2	32.000%	18.000%	9.500%	7.219%
3	19.200%	14.400%	8.550%	6.677%
4	11.520%	11.520%	7.700%	6.177%
5	11.520%	9.220%	6.930%	5.713%
6	5.760%	7.370%	6.230%	5.285%
7	0.000%	6.550%	5.900%	4.888%
8	0.000%	6.550%	5.900%	4.522%
9	0.000%	6.560%	5.910%	4.462%
10	0.000%	6.550%	5.900%	4.461%
11	0.000%	0.000%	5.910%	4.462%
12	0.000%	0.000%	5.900%	4.461%
13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
20	0.000%	0.000%	0.000%	4.461%
21	0.000%	0.000%	0.000%	2.231%
22	0.000%	0.000%	0.000%	0.000%
23	0.000%	0.000%	0.000%	0.000%
24	0.000%	0.000%	0.000%	0.000%
25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		200	800	200	800	-	-
2		200	600	320	480	45	45
3		200	400	192	288	(3)	42
4		200	200	115	173	(32)	10
5		200	-	115	58	(32)	(22)
6		-	-	58	-	22	-

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Rate Base	Interest	Equity	Income Taxes	Annual Revenue Requirement	Present Value Interest Factor	Present Value Revenue Requirement
0	\$ -	-	-	-	\$ -	1.000000	\$ -
1	800	13	49	29	292	0.927668	270
2	555	9	34	20	264	0.860568	227
3	358	6	22	13	241	0.798321	192
4	190	3	12	7	222	0.740577	164
5	22	0	1	1	202	0.687009	139
6	-	-	0	-	-	0.637316	-
							\$ 993

Conroy Exhibit R9

Reconstruction of Gas Billing Determinants

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

	(1)	(2)	(3)	(4)	(6)	(7)
	Booked Revenue Adjusted to as Billed Basis	Less: Gas Supply Cost (GSC) Billings	Net Revenue excluding GSC Billings	Less: Demand-Side Mgmt. (DSM) Billings	Less: WNA Billings	Net Revenue @ Base Rates
GAS SALES AND TRANSPORTATION						
Residential Gas Service Rate RGS	\$ 182,088,844	\$ 90,214,487	\$ 91,874,358	\$ 3,868,118		
Total Residential Gas Service Rate RGS	<u>182,088,844</u>	<u>90,214,487</u>	<u>91,874,358</u>	<u>3,868,118</u>	<u>5,278,453</u>	<u>82,727,787</u>
Firm Commercial Gas Service Rate CGS	75,069,270	45,914,384	29,154,886	92,275		
Gas Transportation Service/Standby Rider to Rate CGS	1,071	-	1,071	-		
Total Firm Commercial Gas Service Rate CGS	<u>75,070,341</u>	<u>45,914,384</u>	<u>29,155,957</u>	<u>92,275</u>	<u>1,964,317</u>	<u>27,099,364</u>
Firm Industrial Gas Service Rate IGS	5,773,806	4,162,794	1,611,012	-		
Gas Transportation Service/Standby Rider to Rate IGS	127,384	42,826	84,558	-		
Total Firm Industrial Gas Service Rate IGS	<u>5,901,190</u>	<u>4,205,620</u>	<u>1,695,570</u>	<u>-</u>		<u>1,695,570</u>
As Available Gas Service	2,058,005	1,830,503	227,502	1,588		
Total Rate AAGS	<u>2,058,005</u>	<u>1,830,503</u>	<u>227,502</u>	<u>1,588</u>		<u>225,913</u>
FT - Cashouts	373,902	372,169	1,733	8		1,725
Firm Transportation Service Rate FT	4,878,125	165,777	4,712,347	6,892		4,705,455
Total Rate FT	<u>5,252,026</u>	<u>537,946</u>	<u>4,714,080</u>	<u>6,900</u>		<u>4,707,180</u>
Pooling Service Rate PS-FT	<u>62,025</u>		<u>62,025</u>			<u>62,025</u>
Intra-Company Special Contract - Sales Customers	7,242,791	3,603,549	3,639,242	-		3,639,242
Intra-Company Special Contract - FT Customer	1,336,348	43,538	1,292,810	-		1,292,810
Total Intra-Company	<u>8,579,139</u>	<u>3,647,087</u>	<u>4,932,052</u>	<u>-</u>		<u>4,932,052</u>
Special Contracts	<u>467,549</u>	<u>56,326</u>	<u>411,223</u>			<u>411,223</u>
Total Ultimate Consumers	<u>279,479,120</u>	<u>146,406,353</u>	<u>133,072,767</u>	<u>3,968,881</u>	<u>7,242,771</u>	<u>121,861,115</u>
Off-System Sales	-	-	-	-		-
Grand Total	<u>279,479,120</u>	<u>146,406,353</u>	<u>133,072,767</u>	<u>3,968,881</u>	<u>7,242,771</u>	<u>121,861,115</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

	(8)	(9)	(10)	(11)	(12)	(13)
	Net Revenue Page 1, Col. 7	Calculated Net Revenue Pages 3 thru 9	Column 2 divided by Column 1	Mcf Billed	Less: Mcf Cashouts and Off-system sales	Mcf Billed at Base Rates
GAS SALES AND TRANSPORTATION						
Residential Gas Service Rate RGS				17,455,190.6		17,455,190.6
Total Residential Gas Service Rate RGS	82,727,787	82,727,787	1.000000	17,455,190.6		17,455,190.6
Firm Commercial Gas Service Rate CGS				8,841,535.9		8,841,535.9
Gas Transportation Service/Standby Rider to Rate CGS				0.0		0.0
Total Firm Commercial Gas Service Rate CGS	27,099,364	27,099,364	1.000000	8,841,535.9		8,841,535.9
Firm Industrial Gas Service Rate IGS				792,351.4		792,351.4
Gas Transportation Service/Standby Rider to Rate IGS				49,413.0		49,413.0
Total Firm Industrial Gas Service Rate IGS	1,695,570	1,695,570	1.000000	841,764.4		841,764.4
As Available Gas Service				343,960.9		343,960.9
Total Rate AAGS	225,913	225,913	1.000000	343,960.9		343,960.9
FT - Cashouts	1,725			14,106.0	14,106.0	0.0
Firm Transportation Service Rate FT	4,705,455			10,079,083.3		10,079,083.3
Total Rate FT	4,707,180	4,707,180	1.000000	10,093,189.3	14,106.0	10,079,083.3
Pooling Service Rate PS-FT	62,025	62,025	1.000000			
Intra-Company Special Contract - Sales Customers	3,639,242	3,639,242	1.000000	672,290.4		672,290.4
Intra-Company Special Contract - FT Customer	1,292,810	1,292,810	1.000000	353,134.2	11,793.4	341,340.8
Total Intra-Company	4,932,052	4,932,052	1.000000	1,025,424.6	11,793.4	1,013,631.2
Special Contracts	411,223	411,223	1.000000	815,355.3	9,121.1	806,234.2
Total Ultimate Consumers	121,861,115	121,861,115	1.000000	39,416,421.0	35,020.5	39,381,400.5
Off-System Sales	-	-	-	-	-	-
Grand Total	121,861,115	121,861,115		39,416,421.0	35,020.5	39,381,400.5

**LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
 FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>RATE RGS:</u>					
Residential Gas Service Rate RGS					
Customers for the 12-Month Period	3,492,362			\$ 12.50	\$ 43,654,525
Distribution Cost Component (MCF)		17,455,191		\$ 2.23960	\$ 39,092,645
Billing Adjustments				\$	(19,383)
Total Rate RGS				\$	<u>82,727,787</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>RATE CGS:</u>					
Firm Commercial Gas Service Rate CGS					
Customers for the 12-Month Period					
Customer Charges (meters < 5000 cfh)	295,931			\$ 30.00	\$ 8,877,930
Customer Charges (meters 5000 cfh or >)	12,650			\$ 170.00	\$ 2,150,500
Distribution Cost Component					
On Peak Mcf		7,881,220		\$ 1.87220	\$ 14,755,220
Off Peak Mcf			960,316	\$ 1.37220	\$ 1,317,745
Billing Adjustments				\$	(3,102)
Gas Transportation Service/Standby Rider to Rate CGS					
Administrative Charges	7			\$ 153.00	\$ 1,071
Distribution Cost Component					
On Peak Mcf		0		\$ 1.87220	\$ -
Off Peak Mcf			0	\$ 1.37220	\$ -
Total Rate CGS				\$	<u>27,099,364</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>RATE IGS:</u>					
Firm Industrial Gas Service Rate IGS					
Customers for the 12-Month Period					
Customer Charges (meters < 5000 cfh)	1,358			\$ 30.00	\$ 40,740
Customer Charges (meters 5000 cfh or >)	1,229			\$ 170.00	\$ 208,930
Distribution Cost Component					
On Peak Mcf		500,686		\$ 1.90220	\$ 952,405
Off Peak Mcf			291,665	\$ 1.40220	\$ 408,973
Billing Adjustments				\$	(36)
Gas Transportation Service/Standby Rider to Rate IGS					
Administrative Charges	24			\$ 153.00	\$ 3,672
Distribution Cost Component					
On Peak Mcf		23,199		\$ 1.90220	\$ 44,129
Off Peak Mcf			26,214	\$ 1.40220	\$ 36,758
Total Rate IGS				\$	<u>1,695,570</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
 FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>RATE AAGS:</u>					
As Available Gas Service Rate AAGS					
Customers for the 12-Month Period	164			\$ 275.00	\$ 45,100
Distribution Cost Component		343,961		\$ 0.52520	\$ 180,648
Billing Adjustments				\$	165
Total Rate AAGS				\$	<u>225,913</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>RATE FT:</u>					
Firm Transportation Service (Non-Standby) Rate FT					
Administrative Charges	876			\$ 230.00	\$ 201,480
Distribution Cost Component		10,079,083		\$ 0.43000	\$ 4,334,006
Distribution Cost Component of Cash Out Sales		4,013		\$ 0.43000	\$ 1,725
Utilization Charge for Daily Imbalances: Daily Storage Charge		169,815.8		\$ 0.18330	\$ 169,816
Billing Adjustments				\$	153
Total Rate FT				\$	<u>4,707,180</u>
<u>RATE PS-FT:</u>					
Pooling Service Rate PS - FT					
Administrative Charges	827			\$ 75.00	\$ 62,025
Total Rate PS-FT				\$	<u>62,025</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>INTRA-COMPANY SPECIAL CONTRACTS</u>					
Intra-Company Special Contract - Sales Customers					
Customers for the 12-Month Period	24			\$ 170.00	\$ 4,080
Distribution Cost Component		672,290		\$ 0.28480	\$ 191,468
Demand Charge		3,556,800		\$ 0.9682	\$ 3,443,694
					\$ 3,639,242
Intra-Company Special Contract - Rate FT Customer					
Customers for the 12-Month Period	12			\$ 781.00	\$ 9,372
Distribution Cost Component		353,134		\$ 0.04870	\$ 17,198
Demand Charge		518,400		\$ 2.43	\$ 1,259,712
Utilization Charge for Daily Imbalances:					
Daily Storage Charge		35,616		\$ 0.18330	\$ 6,528
					\$ 1,292,810

**LOUISVILLE GAS AND ELECTRIC COMPANY
CALCULATIONS TO RECONSTRUCT TEST PERIOD BILLING DETERMINANTS
FOR 12-MONTHS ENDED MARCH 31, 2012**

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates
<u>SPECIAL CONTRACTS - TRANSPORTATION SERVICE</u>					
Special Contract					
Customer Charges	12			\$ 275.00	\$ 3,300
Administrative Charges	12			\$ 230.00	\$ 2,760
Distribution Charge		619,843		\$ 0.10490	\$ 65,022
Demand Charge		27,897		\$ 2.75	\$ 76,716
Distribution Cost Component of Cash Out Sales		4,905		\$ 0.10490	\$ 515
Utilization Charge for Daily Imbalances:					
Daily Storage Charge		86,645		\$ 0.18330	\$ 15,882
					\$ 164,194
Special Contract - terminated effective November 2012					
Customer Charges	12			\$ 781.00	\$ 9,372
Administrative Charges	12			\$ 230.00	\$ 2,760
Distribution Charge		195,513		\$ 0.04870	\$ 9,521
Demand Charge		90,000		\$ 2.43	\$ 218,700
Distribution Cost Component of Cash Out Sales		4,216		\$ 0.04870	\$ 206
Utilization Charge for Daily Imbalances:					
Daily Storage Charge		35,297		\$ 0.18330	\$ 6,470
					\$ 247,029
Total Special Contracts				\$	<u>411,223</u>

Conroy Exhibit R10

Summary of Gas Revenue Increase

Louisville Gas and Electric Company
Summary of Proposed Rate Increase
Based on Billing Determinants for the 12 Months Ended March 31, 2012

Rate Class	Base Rate Revenue	Temperature Normalization Adjustment	Year-End Adjustment	Rate Switching Adjustment	Base Rate Revenue As Adjusted	GSC Revenue as Adjusted	Total Current Revenue	Increase	Percentage Change
Residential Gas Service - Rate RGS	\$ 82,727,787	\$ 5,412,143	\$ 261,960		\$ 88,401,890	\$ 69,566,530	\$ 157,968,420	\$ 11,950,450	7.57%
Commercial Gas Service - Rate CGS	27,099,364	3,763,779	134,196	(20,669)	30,976,671	38,001,735	68,978,406	4,186,992	6.07%
Industrial Gas Service - Rate IGS	1,695,570	114,219	(8,417)	(43,873)	1,757,499	2,910,969	4,668,469	237,585	5.09%
As-Available Gas Service - Rate AAGS	225,913	18,542	-	(11,055)	233,401	1,272,254	1,505,655	31,551	2.10%
Total Firm Transportation Service (Non-Standby) Rate FT	4,707,180	267,001	-	27,325	5,001,506	159,532	5,161,038	333,011	6.45%
Total Rate PS-FT	62,025	-	-	-	62,025		62,025	-	0.00%
Special Contract - Intra-Company Sales	3,639,242				3,639,242	2,346,562	5,985,804	458,482	7.66%
Special Contract - Intra-Company Transportation	1,292,810				1,292,810	6,133	1,298,943	(0)	0.00%
Special Contract	164,194				164,194	14,920	179,114	4,440	2.48%
Subtotal Sales to Ultimate Consumers and Inter-Company	\$ 121,614,086	\$ 9,575,684	\$ 387,739	\$ (48,271)	\$ 131,529,237	\$ 114,278,636	\$ 245,807,874	\$ 17,202,511	7.00%
Special Contract - terminated effective November 1, 2012	247,029			\$ (247,029)	-		-		
Miscellaneous Revenue	332,763				332,763		332,763	(1,515)	-0.46%
Total Sales to Ultimate Consumers and Inter-Company	\$ 121,861,115	\$ 9,575,684	\$ 387,739	\$ (295,300)	\$ 131,529,237	\$ 114,278,636	\$ 246,140,637	\$ 17,200,997	6.99%

Conroy Exhibit R11

Gas Revenue Increase by Rate Schedule

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>RATE RGS:</u>							
Residential Gas Service Rate RGS							
Basic Service Charge for the 12-Month Period	3,492,362			\$ 12.50	\$ 43,654,525	\$ 15.50	\$ 54,131,611
Distribution Cost Component (MCF)		17,455,191		\$ 2.23960	\$ 39,092,645	\$ 2.31210	\$ 40,358,146
Billing Adjustments					\$ (19,383)		\$ (22,134)
Subtotal		17,455,191			\$ 82,727,787		\$ 94,467,623
Correction Factor				1.000000		1.000000	
Subtotal Rate RGS after application of Correction Factor					\$ 82,727,787		\$ 94,467,623
Temperature Normalization Adjustment to Reflect Year-End Customers		2,416,567 59,061		\$ 2.23960	\$ 5,412,143 \$ 261,960	\$ 2.31210	\$ 5,587,344 \$ 297,373
GSC at Current (May 2012 to July 2012) Charges		19,930,819		\$ 3.49040	\$ 69,566,530	\$ 3.49040	\$ 69,566,530
Total Residential Gas Service Rate RGS		19,930,819			\$ 157,968,420		\$ 169,918,870
Proposed Increase in Revenue							11,950,450 7.57%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>RATE CGS:</u>							
Firm Commercial Gas Service Rate CGS							
Customers for the 12-Month Period							
Basic Service Charge (meters < 5000 cfh)	295,931			\$ 30.00	\$ 8,877,930	\$ 35.00	\$ 10,357,585
Basic Service Charge (meters 5000 cfh or >)	12,650			\$ 170.00	\$ 2,150,500	\$ 175.00	\$ 2,213,750
Distribution Cost Component							
On Peak Mcf		7,881,220		\$ 1.87220	\$ 14,755,220	\$ 2.11420	\$ 16,662,475
Off Peak Mcf			960,316	\$ 1.37220	\$ 1,317,745	\$ 1.61420	\$ 1,550,142
Billing Adjustments					\$ (3,102)		\$ (3,524)
Gas Transportation Service/Standby Rider to Rate CGS							
Administrative Charges	7			\$ 153.00	\$ 1,071.00	\$ 592.00	\$ 4,144.00
Distribution Cost Component							
On Peak Mcf		0		\$ 1.87220	\$ -	\$ 2.11420	\$ -
Off Peak Mcf			0	\$ 1.37220	\$ -	\$ 1.61420	\$ -
Subtotal		7,881,220	960,316		\$ 27,099,364		\$ 30,784,573
Correction Factor				1.000000		1.000000	
Subtotal Rate CGS after application of Correction Factor					\$ 27,099,364		\$ 30,784,573
Temperature Normalization		2,010,351		\$ 1.87220	\$ 3,763,779	\$ 2.11420	\$ 4,250,284
Adjustment to Reflect Year-End Customers		47,186			\$ 134,196		\$ 152,335
Adjustment for Rate Switching							
Basic Service Chg 12-months	(12)			\$ 170.00	\$ (2,040)	\$ 175.00	\$ (2,100)
On-Peak MCF 12-months		(5,502)		\$ 1.87220	\$ (10,301)	\$ 2.11420	\$ (11,633)
Off-Peak MCF Apr11-Oct11			(6,069)	\$ 1.37220	\$ (8,327)	\$ 1.61420	\$ (9,796)
GSC at Current (May 2012 to July 2012) Charges		10,887,502		\$ 3.49040	\$ 38,001,735	\$ 3.49040	\$ 38,001,735
GSC at Current - Pipeline Suppliers Demand		0		\$ 0.88000	\$ -	\$ 0.88000	\$ -
Total Commercial Gas Service Rate CGS		10,887,502			\$ 68,978,406		\$ 73,165,398
Proposed Increase in Revenue							4,186,992 6.07%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>RATE IGS:</u>							
Firm Industrial Gas Service Rate IGS							
Customers for the 12-Month Period							
Basic Service Charge (meters < 5000 cfh)	1,358			\$ 30.00	\$ 40,740	\$ 35.00	\$ 47,530
Basic Service Charge (meters 5000 cfh or >)	1,229			\$ 170.00	\$ 208,930	\$ 175.00	\$ 215,075
Distribution Cost Component							
On Peak Mcf		500,686		\$ 1.90220	\$ 952,405	\$ 2.15230	\$ 1,077,627
Off Peak Mcf			291,665	\$ 1.40220	\$ 408,973	\$ 1.65230	\$ 481,919
Billing Adjustments					\$ (36)		\$ (41)
Gas Transportation Service/Standby Rider to Rate IGS							
Administrative Charges	24			\$ 153.00	\$ 3,672	\$ 592.00	\$ 14,208
Distribution Cost Component							
On Peak Mcf		23,199		\$ 1.90220	\$ 44,129	\$ 2.15230	\$ 49,931
Off Peak Mcf			26,214	\$ 1.40220	\$ 36,758	\$ 1.65230	\$ 43,314
Subtotal		523,885	317,880		\$ 1,695,570		\$ 1,929,562
Correction Factor				1.000000		1.000000	
Subtotal Rate IGS after application of Correction Factor					\$ 1,695,570		\$ 1,929,562
Temperature Normalization Adjustment to Reflect Year-End Customers		60,046 (4,030)		\$ 1.90220	\$ 114,219 \$ (8,417)	\$ 2.15230	\$ 129,236 \$ (8,417)
Adjustment for Rate Switching							
Basic Service Chg 12-months	(12)			\$ 170.00	\$ (2,040)	\$ 175.00	\$ (2,100)
On-Peak MCF 12-months		(11,643)		\$ 1.90220	\$ (22,147)	\$ 2.15230	\$ (25,058)
Off-Peak MCF Apr11-Oct11			(12,730)	\$ 1.40220	\$ (17,850)	\$ 1.65230	\$ (21,034)
Administrative Charge 12-months	(12)			\$ 153.00	\$ (1,836)	\$ 592.00	\$ (7,104)
GSC at Current (May 2012 to July 2012) Charges		820,706		\$ 3.49040	\$ 2,864,592	\$ 3.49040	\$ 2,864,592
GSC at Current - Pipeline Suppliers Demand		52,701		\$ 0.88000	\$ 46,377	\$ 0.88000	\$ 46,377
Total Industrial Gas Service Rate IGS		873,407			\$ 4,668,469		\$ 4,906,054
Proposed Increase in Revenue							237,585 5.09%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>RATE AAGS:</u>							
As Available Gas Service Rate AAGS							
Basic Service Charge for the 12-Month Period	164			\$ 275.00	\$ 45,100	\$ 275.00	\$ 45,100
Distribution Cost Component		343,961		\$ 0.52520	\$ 180,648	\$ 0.61170	\$ 210,401
Billing Adjustments					\$ 165		\$ 187
Subtotal		343,961			\$ 225,913		\$ 255,688
Correction Factor				1.000000		1.000000	
Subtotal Rate AAGS after application of Correction Factor					\$ 225,913		\$ 255,688
Temperature Normalization Adjustment to Reflect Year-End Customers		35,305 0		\$ 0.52520	\$ 18,542 -	\$ 0.61170	\$ 21,596 -
Adjustment for Rate Switching							
Basic Service Chg 12-months	(12)			\$ 275.00	\$ (3,300)	\$ 275.00	\$ (3,300)
On-Peak MCF 12-months		(14,765)		\$ 0.52520	\$ (7,755)	\$ 0.61170	\$ (9,032)
GSC at Current (May 2012 to July 2012) Charges		364,501		\$ 3.49040	\$ 1,272,254	\$ 3.49040	\$ 1,272,254
GSC at Current - Pipeline Suppliers Demand		0		\$ 0.88000	\$ -	\$ 0.88000	\$ -
Total As Available Gas Service Rate AAGS					\$ 1,505,655		\$ 1,537,206
Proposed Increase in Revenue							31,551 2.10%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>RATE FT:</u>							
Firm Transportation Service (Non-Standby) Rate FT							
Administrative Charges	876			\$ 230.00	\$ 201,480	\$ 600.00	\$ 525,600
Distribution Cost Component		10,079,083		\$ 0.43000	\$ 4,334,006	\$ 0.43000	\$ 4,334,006
Sales		4,013		\$ 0.43000	\$ 1,725	\$ 0.43000	\$ 1,726
Utilization Charge for Daily Imbalances:							
Daily Storage Charge		926,436		\$ 0.18330	\$ 169,816	\$ 0.18330	\$ 169,816
Billing Adjustments					\$ 153		\$ 164
Subtotal					\$ 4,707,180		\$ 5,031,311
Correction Factor				1.000000		1.000000	
Subtotal Rate FT after application of Correction Factor					\$ 4,707,180		\$ 5,031,311
Temperature Normalization		620,932		\$ 0.43000	\$ 267,001	\$ 0.43000	\$ 267,001
Adjustment to Reflect Year-End Customers		0			\$ -	\$ -	\$ -
Adjustment for Rate Switching							
Administrative Charge 12-months	24			\$ 230.00	\$ 5,520	\$ 600.00	\$ 14,400
On-Peak MCF 12-months		50,709		\$ 0.43000	\$ 21,805	\$ 0.43000	\$ 21,805
UCDI Charge - Daily Demand (current)		926,436		\$ 0.17220	\$ 159,532	\$ 0.17220	\$ 159,532
Total Firm Transportation (Non-Standby) Rate FT		10,750,724			\$ 5,161,038		\$ 5,494,049
Proposed Increase in Revenue							333,011 6.45%
<u>RATE PS-FT:</u>							
Pooling Service Rate PS - FT							
Administrative Charges	827			\$ 75.00	\$ 62,025	\$ 75	\$ 62,025
Total Rate PS-FT					\$ 62,025		\$ 62,025
							- 0.00%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>INTRA-COMPANY SPECIAL CONTRACTS</u>							
Intra-Company Special Contract - Sales Service							
Customers for the 12-Month Period	24			\$ 170.00	\$ 4,080	\$ 175.00	\$ 4,200
Distribution Cost Component		672,290 Mcf		\$ 0.28480	\$ 191,468	\$ 0.32220	\$ 216,612
Demand Charge		3,556,800 Ccf		\$ 0.9682	\$ 3,443,694	\$ 1.0900	\$ 3,876,912
Subtotal					\$ 3,639,242		\$ 4,097,724
GSC at Current (May 2012 to July 2012) Charges		672,290		\$ 3.49040	\$ 2,346,562	\$ 3.49040	\$ 2,346,562
Total Intra-Company Special Contract - Sales Service					<u>\$ 5,985,804</u>		<u>\$ 6,444,286</u>
						\$	458,482
							7.66%
Intra-Company Special Contract - Rate FT Customer							
Monthly Transport Customer Charge	12			\$ 781.00	\$ 9,372	\$ 781.00	\$ 9,372
Distribution Cost Component		353,134 Mcf		\$ 0.04870	\$ 17,198	\$ 0.04870	\$ 17,198
Demand Charge		518,400 Mcfd		\$ 2.43	\$ 1,259,712	\$ 2.43	\$ 1,259,712
Utilization Charge for Daily Imbalances:							
Daily Storage Charge		35,616		\$ 0.18330	\$ 6,528	\$ 0.18330	\$ 6,528
Subtotal					\$ 1,292,810		\$ 1,292,810
UCDI Charge - Daily Demand (current)		35,616		\$ 0.17220	\$ 6,133	\$ 0.17220	\$ 6,133
Total Intra-Company Special Contract - Rate FT Customer					<u>\$ 1,298,943</u>		<u>\$ 1,298,943</u>
						\$	(0)
							0.00%

LOUISVILLE GAS AND ELECTRIC COMPANY
 CALCULATIONS OF PROPOSED RATE INCREASE
 FOR 12-MONTHS ENDED MARCH 31, 2012

Rate Class	Customers	MCF	Off-Peak MCF	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	
						Unit Charges	Calculated Revenue
<u>SPECIAL CONTRACTS - TRANSPORTATION SERVICE</u>							
Special Contract							
Customer Charges	12			\$ 275.00	\$ 3,300	\$ 275.00	\$ 3,300
Administrative Charges	12			\$ 230.00	\$ 2,760	\$ 600.00	\$ 7,200
Distribution Charge		619,843		\$ 0.10490	\$ 65,022	\$ 0.10490	\$ 65,021
Demand Charge		27,897		\$ 2.75	\$ 76,716	\$ 2.75	\$ 76,716
Sales		4,905		\$ 0.10490	\$ 515	\$ 0.10490	\$ 515
Utilization Charge for Daily Imbalances:							
Daily Storage Charge		86,645		\$ 0.18330	\$ 15,882	\$ 0.18330	\$ 15,882
					\$ 164,194		\$ 168,634
UCDI Charge - Daily Demand (current)		86,645		\$ 0.17220	\$ 14,920	\$ 0.17220	\$ 14,920
Total Special Contracts					<u>\$ 179,114</u>		<u>\$ 183,554</u>
						\$	4,440
							2.48%

Conroy Exhibit M1

Excess Facilities Charge
Cost Support

Louisville Gas and Electric Company

Excess Facilities Charges

Electric Service

	Assuming Customer Does Not Make Contribution In Aid of Construction	Assuming Customer Makes Contribution In Aid of Construction
1 Present Value of Replacement Plant as a Percentage of Original Cost	21.77	21.77
2 Original Cost Value	100	-
3 Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost	121.77	21.77
4 Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)	0.00818	0.00818
5 Applicable Carrying Charge Percentage (Lines 3 x 5)	1.00%	0.18%
6 O&M Percentage	0.37%	0.37%
7 Total Excess Facilities Charge	1.37%	0.55%

Louisville Gas and Electric Company

Present Value of Replacement Plant as a Percentage of Original Cost
Electric Service

Year (1)	30 Year R2 Iowa Curve Percent Surviving (2)	Annual Replacement Percentage (3)	Cumulative Replacement Percentage (4)	Cost Escalation Factor at a 3.00% Inflation Factor (5)	Nominal Replacement Cost (6)	Present Value Factor at a 7.00% Discount Rate (7)	Present Value of Annual Replacement Cost (8)	Cumulative Present Value of Annual Replaced Cost (9)
					(3) x (5)		(6) x (7)	
0	100.0000							
1	99.6710	0.3290	0.3290	1.0300	0.3389	0.9346	0.3167	0.3167
2	99.3034	0.3676	0.6966	1.0609	0.3900	0.8734	0.3406	0.6573
3	98.8936	0.4098	1.1064	1.0927	0.4478	0.8163	0.3655	1.0229
4	98.4380	0.4556	1.5620	1.1255	0.5128	0.7629	0.3912	1.4141
5	97.9327	0.5053	2.0673	1.1593	0.5858	0.7130	0.4177	1.8317
6	97.3737	0.5590	2.6263	1.1941	0.6675	0.6663	0.4448	2.2765
7	96.7565	0.6172	3.2435	1.2299	0.7591	0.6227	0.4727	2.7492
8	96.0767	0.6798	3.9233	1.2668	0.8612	0.5820	0.5012	3.2504
9	95.3294	0.7473	4.6706	1.3048	0.9751	0.5439	0.5304	3.7808
10	94.5095	0.8199	5.4905	1.3439	1.1019	0.5083	0.5601	4.3409
11	93.6118	0.8977	6.3882	1.3842	1.2426	0.4751	0.5904	4.9313
12	92.6306	0.9812	7.3694	1.4258	1.3990	0.4440	0.6212	5.5524
13	91.5602	1.0704	8.4398	1.4685	1.5719	0.4150	0.6523	6.2047
14	90.3943	1.1659	9.6057	1.5126	1.7635	0.3878	0.6839	6.8886
15	89.1267	1.2676	10.8733	1.5580	1.9749	0.3624	0.7158	7.6044
16	87.7508	1.3759	12.2492	1.6047	2.2079	0.3387	0.7479	8.3523
17	86.2598	1.4910	13.7402	1.6528	2.4644	0.3166	0.7802	9.1325
18	84.6471	1.6127	15.3529	1.7024	2.7455	0.2959	0.8123	9.9448
19	82.9057	1.7414	17.0943	1.7535	3.0536	0.2765	0.8443	10.7891
20	81.0292	1.8765	18.9708	1.8061	3.3892	0.2584	0.8758	11.6649
21	79.0113	2.0179	20.9887	1.8603	3.7539	0.2415	0.9066	12.5716
22	76.8463	2.1650	23.1537	1.9161	4.1484	0.2257	0.9363	13.5079
23	74.5295	2.3168	25.4705	1.9736	4.5724	0.2109	0.9645	14.4724
24	72.0573	2.4722	27.9427	2.0328	5.0255	0.1971	0.9908	15.4632
25	69.4278	2.6295	30.5722	2.0938	5.5056	0.1842	1.0144	16.4776
26	66.6411	2.7867	33.3589	2.1566	6.0098	0.1722	1.0349	17.5124
27	63.7000	2.9411	36.3000	2.2213	6.5330	0.1609	1.0514	18.5638
28	60.6101	3.0899	39.3899	2.2879	7.0695	0.1504	1.0633	19.6271
29	57.3808	3.2293	42.6192	2.3566	7.6101	0.1406	1.0697	20.6968
30	54.0251	3.3557	45.9749	2.4273	8.1452	0.1314	1.0700	21.7668

Present Value of Replacement Plant as a Percentage of Original Cost

21.7668

Louisville Gas and Electric Company

Levelized Carrying Charge Analysis - Electric

Electric Service

Capital Structure:

	Percent	Rate	Weighted COC	Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	0.41%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
2	32.000%	18.000%	9.500%	7.219%
3	19.200%	14.400%	8.550%	6.677%
4	11.520%	11.520%	7.700%	6.177%
5	11.520%	9.220%	6.930%	5.713%
6	0.000%	7.370%	6.230%	5.285%
7	0.000%	6.550%	5.900%	4.888%
8	0.000%	6.550%	5.900%	4.522%
9	0.000%	6.560%	5.910%	4.462%
10	0.000%	6.550%	5.900%	4.461%
11	0.000%	0.000%	5.910%	4.462%
12	0.000%	0.000%	5.900%	4.461%
13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
20	0.000%	0.000%	0.000%	4.461%
21	0.000%	0.000%	0.000%	2.231%
22	0.000%	0.000%	0.000%	0.000%
23	0.000%	0.000%	0.000%	0.000%
24	0.000%	0.000%	0.000%	0.000%
25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas and Electric Company

Levelized Carrying Charge Analysis
Electric Service

Assumptions:

Investment	\$	1,000
Book Life		30
Tax Life		20
Composite Tax Rate		37.3674%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		35
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	1,168
Levelized Revenue Requirement		\$98
Levelized Carrying Charge Rate		9.82%
Level of Investment that can be Supported by Revenue		10.19 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		33	967	38	963	2	2
2		33	933	72	890	15	16
3		33	900	67	824	12	29
4		33	867	62	762	11	39
5		33	833	57	705	9	48
6		33	800	53	652	7	55
7		33	767	49	603	6	61
8		33	733	45	558	4	66
9		33	700	45	513	4	70
10		33	667	45	468	4	74
11		33	633	45	424	4	78
12		33	600	45	379	4	82
13		33	567	45	335	4	87
14		33	533	45	290	4	91
15		33	500	45	245	4	95
16		33	467	45	201	4	99
17		33	433	45	156	4	104
18		33	400	45	112	4	108
19		33	367	45	67	4	112
20		33	333	45	22	4	116
21		33	300	22	(0)	(4)	112
22		33	267	-	(0)	(12)	100
23		33	233	-	(0)	(12)	87
24		33	200	-	(0)	(12)	75
25		33	167	-	(0)	(12)	62
26		33	133	-	(0)	(12)	50
27		33	100	-	(0)	(12)	37
28		33	67	-	(0)	(12)	25
29		33	33	-	(0)	(12)	12
30		33	(0)	-	(0)	(12)	-

Louisville Gas and Electric Company

Excess Facilities Charges

Gas Service

	Assuming Customer Does Not Make Contribution In Aid of Construction	Assuming Customer Makes Contribution In Aid of Construction
1 Present Value of Replacement Plant as a Percentage of Original Cost	21.77	21.77
2 Original Cost Value	100	-
3 Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost	121.77	21.77
4 Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)	0.00818	0.00818
5 Applicable Carrying Charge Percentage (Lines 3 x 5)	1.00%	0.18%
6 O&M Percentage	0.30%	0.30%
7 Total Excess Facilities Charge	1.29%	0.48%

Louisville Gas and Electric Company

Present Value of Replacement Plant as a Percentage of Original Cost
Gas Service

Year (1)	30 Year R2 Iowa Curve Percent Surviving (2)	Annual Replacement Percentage (3)	Cumulative Replacement Percentage (4)	Cost Escalation Factor at a 3.00% Inflation Factor (5)	Nominal Replacement Cost (6)	Present Value Factor at a 7.00% Discount Rate (7)	Present Value of Annual Replacement Cost (8)	Cumulative Present Value of Annual Replaced Cost (9)
					(3) x (5)		(6) x (7)	
0	100.0000							
1	99.6710	0.3290	0.3290	1.0300	0.3389	0.9346	0.3167	0.3167
2	99.3034	0.3676	0.6966	1.0609	0.3900	0.8734	0.3406	0.6573
3	98.8936	0.4098	1.1064	1.0927	0.4478	0.8163	0.3655	1.0229
4	98.4380	0.4556	1.5620	1.1255	0.5128	0.7629	0.3912	1.4141
5	97.9327	0.5053	2.0673	1.1593	0.5858	0.7130	0.4177	1.8317
6	97.3737	0.5590	2.6263	1.1941	0.6675	0.6663	0.4448	2.2765
7	96.7565	0.6172	3.2435	1.2299	0.7591	0.6227	0.4727	2.7492
8	96.0767	0.6798	3.9233	1.2668	0.8612	0.5820	0.5012	3.2504
9	95.3294	0.7473	4.6706	1.3048	0.9751	0.5439	0.5304	3.7808
10	94.5095	0.8199	5.4905	1.3439	1.1019	0.5083	0.5601	4.3409
11	93.6118	0.8977	6.3882	1.3842	1.2426	0.4751	0.5904	4.9313
12	92.6306	0.9812	7.3694	1.4258	1.3990	0.4440	0.6212	5.5524
13	91.5602	1.0704	8.4398	1.4685	1.5719	0.4150	0.6523	6.2047
14	90.3943	1.1659	9.6057	1.5126	1.7635	0.3878	0.6839	6.8886
15	89.1267	1.2676	10.8733	1.5580	1.9749	0.3624	0.7158	7.6044
16	87.7508	1.3759	12.2492	1.6047	2.2079	0.3387	0.7479	8.3523
17	86.2598	1.4910	13.7402	1.6528	2.4644	0.3166	0.7802	9.1325
18	84.6471	1.6127	15.3529	1.7024	2.7455	0.2959	0.8123	9.9448
19	82.9057	1.7414	17.0943	1.7535	3.0536	0.2765	0.8443	10.7891
20	81.0292	1.8765	18.9708	1.8061	3.3892	0.2584	0.8758	11.6649
21	79.0113	2.0179	20.9887	1.8603	3.7539	0.2415	0.9066	12.5716
22	76.8463	2.1650	23.1537	1.9161	4.1484	0.2257	0.9363	13.5079
23	74.5295	2.3168	25.4705	1.9736	4.5724	0.2109	0.9645	14.4724
24	72.0573	2.4722	27.9427	2.0328	5.0255	0.1971	0.9908	15.4632
25	69.4278	2.6295	30.5722	2.0938	5.5056	0.1842	1.0144	16.4776
26	66.6411	2.7867	33.3589	2.1566	6.0098	0.1722	1.0349	17.5124
27	63.7000	2.9411	36.3000	2.2213	6.5330	0.1609	1.0514	18.5638
28	60.6101	3.0899	39.3899	2.2879	7.0695	0.1504	1.0633	19.6271
29	57.3808	3.2293	42.6192	2.3566	7.6101	0.1406	1.0697	20.6968
30	54.0251	3.3557	45.9749	2.4273	8.1452	0.1314	1.0700	21.7668

Present Value of Replacement Plant as a Percentage of Original Cost

21.7668

Louisville Gas and Electric Company

Levelized Carrying Charge Analysis
Gas Service

Capital Structure:

	Percent	Rate	Weighted COC	Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	0.41%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
2	32.000%	18.000%	9.500%	7.219%
3	19.200%	14.400%	8.550%	6.677%
4	11.520%	11.520%	7.700%	6.177%
5	11.520%	9.220%	6.930%	5.713%
6	0.000%	7.370%	6.230%	5.285%
7	0.000%	6.550%	5.900%	4.888%
8	0.000%	6.550%	5.900%	4.522%
9	0.000%	6.560%	5.910%	4.462%
10	0.000%	6.550%	5.900%	4.461%
11	0.000%	0.000%	5.910%	4.462%
12	0.000%	0.000%	5.900%	4.461%
13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
20	0.000%	0.000%	0.000%	4.461%
21	0.000%	0.000%	0.000%	2.231%
22	0.000%	0.000%	0.000%	0.000%
23	0.000%	0.000%	0.000%	0.000%
24	0.000%	0.000%	0.000%	0.000%
25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas and Electric Company

Levelized Carrying Charge Analysis
Gas Service

Assumptions:

Investment	\$	1,000
Book Life		30
Tax Life		20
Composite Tax Rate		37.3674%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		35
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	1,168
Levelized Revenue Requirement		\$98
Levelized Carrying Charge Rate		9.82%
Level of Investment that can be Supported by Revenue		10.19 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		33	967	38	963	2	2
2		33	933	72	890	15	16
3		33	900	67	824	12	29
4		33	867	62	762	11	39
5		33	833	57	705	9	48
6		33	800	53	652	7	55
7		33	767	49	603	6	61
8		33	733	45	558	4	66
9		33	700	45	513	4	70
10		33	667	45	468	4	74
11		33	633	45	424	4	78
12		33	600	45	379	4	82
13		33	567	45	335	4	87
14		33	533	45	290	4	91
15		33	500	45	245	4	95
16		33	467	45	201	4	99
17		33	433	45	156	4	104
18		33	400	45	112	4	108
19		33	367	45	67	4	112
20		33	333	45	22	4	116
21		33	300	22	(0)	(4)	112
22		33	267	-	(0)	(12)	100
23		33	233	-	(0)	(12)	87
24		33	200	-	(0)	(12)	75
25		33	167	-	(0)	(12)	62
26		33	133	-	(0)	(12)	50
27		33	100	-	(0)	(12)	37
28		33	67	-	(0)	(12)	25
29		33	33	-	(0)	(12)	12
30		33	(0)	-	(0)	(12)	-

Conroy Exhibit M2

Redundant Capacity Charge
Cost Support

**Louisville Gas and Electric Company
Redundant Capacity Charge Cost Support
Derivation of Distribution Demand-Related Cost
Twelve Months Ended March 31, 2012**

Secondary Service

Distribution Demand Costs

PSS	\$ 3,999,603
C-TOD	558,671
I-TOD	268,326
Total Cost	<u>\$ 4,826,600</u>

Billing Demand

PS	6,013,535
C-TOD	1,015,454
I-TOD	360,746
Total Cost	<u>7,389,735</u>

Unit Cost \$ 0.65

Rate Base

PS	\$ 35,050,415
C-TOD	6,685,685
I-TOD	1,996,270
Total Cost	<u>\$ 43,732,371</u>

Return \$ 3,581,681

Unit Return \$ 0.48

Capacity Charge \$ 1.13 / kW

Source: Electric Cost of Service Study, Conroy Exhibit C3

**Louisville Gas and Electric Company
Redundant Capacity Charge Cost Support
Derivation of Distribution Demand-Related Cost
Twelve Months Ended March 31, 2012**

Primary Service

Distribution Demand Costs

PSP	\$	246,969
C-TOD	\$	580,488
I-TOD	\$	<u>1,926,045</u>
Total Cost	\$	2,753,502

Billing Demand

PSP	652,713
C-TOD	936,975
I-TOD	<u>3,591,102</u>
Total Cost	5,180,790

Unit Cost \$ 0.53

Rate Base

PSP	\$	2,159,870
C-TOD	\$	3,538,519
I-TOD	\$	<u>16,687,527</u>
Total Cost	\$	22,385,915

Return \$ 1,833,406

Unit Return \$ 0.35

Capacity Charge \$ 0.88 / kW

Source: Electric Cost of Service Study, Conroy Exhibit C3

Conroy Exhibit M3

Supplemental and Standby Service Cost Support

Louisville Gas and Electric Company
Supplemental / Standby Rate Cost Support

Production and Transmission Unit Demand Costs
Total System

	Reference	Total Production Cost	Total Transmission Cost	Total
Operation and Maintenance Expenses	Conroy Exhibit C3	\$ 121,412,889	\$ 21,937,346	\$ 143,350,235
Depreciation Expenses	Conroy Exhibit C3	89,841,242	6,282,596	\$ 96,123,838
Accretion Expenses	Conroy Exhibit C3	1,616,361	4,325	\$ 1,620,686
Property Taxes	Conroy Exhibit C3	14,538,440	1,561,012	\$ 16,099,452
Other Expenses	Conroy Exhibit C3	(460)	(49)	\$ (509)
Regulatory Credits	Conroy Exhibit C3	(3,812,290)	(7,280)	\$ (3,819,570)
Amortization Expense	Conroy Exhibit C3	3,659,449	375,386	\$ 4,034,834
Amortization of ITC	Conroy Exhibit C3	(1,765,173)	(189,529)	\$ (1,954,702)
Expense Adjustments	Conroy Exhibit C3	(1,405,740)	(2,610,821)	\$ (4,016,562)
Sub-Total Expenses		<u>\$ 224,084,717</u>	<u>\$ 27,352,984</u>	<u>\$ 251,437,702</u>
Adjusted Rate Base	Conroy Exhibit C3	1,170,051,684	120,023,671	1,290,075,355
Return	Rate Base x Weighted Cost of Capital %	91,231,364	9,358,495	100,589,859
Income Taxes	Rate Base x Income Tax %	42,724,607	4,382,682	47,107,288
Total Revenue Requirement	Expenses + Return + Income Taxes	<u>\$ 358,040,688</u>	<u>\$ 41,094,161</u>	<u>\$ 399,134,849</u>
100% Load Factor Demand	System CP x 12 months @ 90% PF	35,375,107	35,375,107	35,375,107
Unit Cost	Total Revenue Requirement / Demand	<u>\$ 10.12</u>	<u>\$ 1.16</u>	<u>\$ 11.28</u>

	Weighted Cost of Capital	Income Taxes	Weighted Cost of Capital Grossed Up For Inc Taxes
Short Term Debt	0.00%	0.41%	0.00%
Long Term Debt	44.36%	3.78%	1.68%
Common Equity	<u>55.64%</u>	11.00%	<u>6.12%</u>
Total Capitalization	<u>100.00%</u>	<u>7.80%</u>	<u>9.77%</u>

Composite State and Fed Inc Tax Rate 37.3674%

Louisville Gas and Electric Company
Supplemental / Standby Rate Cost Support

Primary Distribution Unit Demand Costs
Power Service Primary & TOD Primary

	Reference	Distribution Primary Substation Cost	Distribution Primary Lines Cost	Distribution Primary Transformer Cost	Total
Operation and Maintenance Expenses	Conroy Exhibit C3	\$ 918,722	\$ 1,932,177	\$ -	\$ 2,850,899
Depreciation Expenses	Conroy Exhibit C3	\$ 417,680	\$ 643,142	\$ -	\$ 1,060,822
Accretion Expenses	Conroy Exhibit C3	\$ 498	\$ 767	\$ -	\$ 1,265
Property Taxes	Conroy Exhibit C3	\$ 94,070	\$ 144,849	\$ -	\$ 238,919
Other Expenses	Conroy Exhibit C3	\$ (3)	\$ (4)	\$ -	\$ (8)
Regulatory Credits	Conroy Exhibit C3	\$ (623)	\$ (961)	\$ -	\$ (1,584)
Amortization Expense	Conroy Exhibit C3	\$ 29,295	\$ 45,189	\$ -	\$ 74,484
Amortization of ITC	Conroy Exhibit C3	\$ (11,421)	\$ (17,586)	\$ -	\$ (29,007)
Expense Adjustments	Conroy Exhibit C3	\$ (119,166)	\$ (250,621)	\$ -	\$ (369,787)
Sub-Total Expenses		<u>\$ 1,329,051</u>	<u>\$ 2,496,952</u>	<u>\$ -</u>	<u>\$ 3,826,003</u>
Adjusted Rate Base	Conroy Exhibit C3	8,804,473	13,581,221	-	22,385,694
Return	Rate Base x Weighted Cost of Capital %	686,503	1,058,956	-	1,745,459
Income Taxes	Rate Base x Income Tax %	321,497	495,920	-	817,417
Total Revenue Requirement	Expenses + Return + Income Taxes	<u>\$ 2,337,051</u>	<u>\$ 4,051,828</u>	<u>\$ -</u>	<u>\$ 6,388,879</u>
Billing Demand	Billing Demand @ 90% PF	5,234,410	5,234,410	5,234,410	5,234,410
Unit Cost	Total Revenue Requirement / Demand	<u>\$ 0.4465</u>	<u>\$ 0.7741</u>	<u>\$ -</u>	<u>\$ 1.2206</u>

			Weighted Cost of Capital	Income Taxes	Weighted Cost of Capital Grossed Up For Inc Taxes
Short Term Debt	0.00%	0.41%	0.00%		0.00%
Long Term Debt	44.36%	3.78%	1.68%		1.68%
Common Equity	<u>55.64%</u>	<u>11.00%</u>	<u>6.12%</u>	3.65%	<u>9.77%</u>
Total Capitalization	<u>100.00%</u>		<u>7.80%</u>		<u>11.45%</u>

Composite State and Fed Inc Tax Rate 37.3674%

**Louisville Gas and Electric Company
Supplemental / Standby Rate Cost Support**

**Secondary Distribution Unit Demand Costs
Power Service Secondary & TOD Secondary**

	Reference	Distribution Secondary Substation Cost	Distribution Secondary Lines Cost	Distribution Secondary Transformer Cost	Total
Operation and Maintenance Expenses	Conroy Exhibit C3	\$ 1,285,962	\$ 739,183	\$ 163,771	\$ 2,188,916
Depreciation Expenses	Conroy Exhibit C3	\$ 584,640	\$ 246,043	\$ 344,621	\$ 1,175,305
Accretion Expenses	Conroy Exhibit C3	\$ 697	\$ 293	\$ 411	\$ 1,402
Property Taxes	Conroy Exhibit C3	\$ 131,672	\$ 55,414	\$ 77,616	\$ 264,702
Other Expenses	Conroy Exhibit C3	\$ (4)	\$ (2)	\$ (3)	\$ (9)
Regulatory Credits	Conroy Exhibit C3	\$ (873)	\$ (367)	\$ (515)	\$ (1,755)
Amortization Expense	Conroy Exhibit C3	\$ 36,317	\$ 15,134	\$ 21,041	\$ 72,491
Amortization of ITC	Conroy Exhibit C3	\$ (15,987)	\$ (6,728)	\$ (9,424)	\$ (32,139)
Expense Adjustments	Conroy Exhibit C3	\$ (750,315)	\$ (425,822)	\$ (94,344)	\$ (1,270,481)
Sub-Total Expenses		<u>\$ 1,272,108</u>	<u>\$ 623,148</u>	<u>\$ 503,175</u>	<u>\$ 2,398,431</u>
Adjusted Rate Base	Conroy Exhibit C3	12,174,253	5,132,664	7,132,268	24,439,185
Return	Rate Base x Weighted Cost of Capital %	949,252	400,204	556,118	1,905,574
Income Taxes	Rate Base x Income Tax %	444,545	187,420	260,436	892,400
Total Revenue Requirement	Expenses + Return + Income Taxes	<u>\$ 2,665,904</u>	<u>\$ 1,210,773</u>	<u>\$ 1,319,728</u>	<u>\$ 5,196,405</u>
Billing Demand	Billing Demand @ 90% PF	8,097,988	8,097,988	8,097,988	8,097,988
Unit Cost	Total Revenue Requirement / Demand	<u>\$ 0.3292</u>	<u>\$ 0.1495</u>	<u>\$ 0.1630</u>	<u>\$ 0.6417</u>

			Weighted Cost of Capital	Income Taxes	Weighted Cost of Capital Grossed Up For Inc Taxes
Short Term Debt	0.00%	0.41%	0.00%		0.00%
Long Term Debt	44.36%	3.78%	1.68%		1.68%
Common Equity	<u>55.64%</u>	11.00%	<u>6.12%</u>	3.65%	<u>9.77%</u>
Total Capitalization	<u>100.00%</u>		<u>7.80%</u>		<u>11.45%</u>

Composite State and Fed Inc Tax Rate 37.3674%

**Louisville Gas and Electric Company
Supplemental / Standby Rate Cost Support**

Calculation of LG&E 100% Load Factor Demand

LG&E System Peak	(1) * 12
(1)	(2)
2,653,133	31,837,596

90% Power Factor Adjustment	(6) / (7)
(7)	(8)
90%	35,375,107

100% Load Factor Demand
35,375,107

Conroy Exhibit M4

Telemetry Cost Support (Gas)

Louisville Gas and Electric Company Gas Telemetry Charge Cost Support

Gas Telemetry Equipment Charge

1	Present Value of Replacement Plant as a Percentage of Original Cost		38.55
2	Original Cost Basis (100)		100
3	Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost		138.55
4	Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)		0.02061
5	Applicable Carrying Charge Charge Percentage (Lines 3 x 4)		2.86%
6	O&M Percentage		0.30%
7	Distribution O&M 12 Months Ended March 31, 2012	\$ 21,304,540	
8	Distribution Plant in Service as March 31, 2012	\$ 595,582,167	
9	Total Monthly Revenue Requirement as Percentage of Original Cost		3.15%
10	Installed Cost of Telemetry Equipment	\$	9,676
11	Monthly Charge for Telemetry Equipment	\$	305.21

Louisville Gas and Electric Company Gas Telemetry Charge Cost Support

Present Value of Replacement Plant as a Percentage of Original Cost

Year (1)	5-Year R3 Iowa Curve Percent Surviving (2)	Annual Replacement Percentage (3)	Cumulative Replacement Percentage (4)	Cost Escalation Factor at a 3.00% Inflation Factor (5)	Nominal Replacement Cost (6)	Present Value Factor at a 7.00% Discount Rate (7)	Present Value of Annual Replacement Cost (8)	Cumulative Present Value of Annual Replaced Cost (9)
					(3) x (5)		(6) x (7)	
0	100.0000							
1	99.2989	0.7011	0.7011	1.0300	0.7222	0.9346	0.6749	0.6749
2	96.8953	2.4035	3.1047	1.0609	2.5499	0.8734	2.2272	2.9021
3	90.7990	6.0963	9.2010	1.0927	6.6616	0.8163	5.4379	8.3400
4	78.0273	12.7718	21.9727	1.1255	14.3747	0.7629	10.9664	19.3064
5	54.7415	23.2857	45.2585	1.1593	26.9946	0.7130	19.2468	38.5531
Present Value of Replacement Plant as a Percentage of Original Cost								38.5531

Louisville Gas and Electric Company Gas Telemetry Charge Cost Support

Levelized Carrying Charge Analysis

Capital Structure:

	Percent	Rate	COC	Weighted Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	0.41%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
2	32.000%	18.000%	9.500%	7.219%
3	19.200%	14.400%	8.550%	6.677%
4	11.520%	11.520%	7.700%	6.177%
5	11.520%	9.220%	6.930%	5.713%
6	5.760%	7.370%	6.230%	5.285%
7	0.000%	6.550%	5.900%	4.888%
	0.000%	6.550%	5.900%	4.522%
9	0.000%	6.560%	5.910%	4.462%
10	0.000%	6.550%	5.900%	4.461%
11	0.000%	0.000%	5.910%	4.462%
12	0.000%	0.000%	5.900%	4.461%
13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
20	0.000%	0.000%	0.000%	4.461%
21	0.000%	0.000%	0.000%	2.231%
22	0.000%	0.000%	0.000%	0.000%
23	0.000%	0.000%	0.000%	0.000%
24	0.000%	0.000%	0.000%	0.000%
25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas and Electric Company Gas Telemetry Charge Cost Support

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		200	800	200	800	-	-
2		200	600	320	480	45	45
3		200	400	192	288	(3)	42
4		200	200	115	173	(32)	10
5		200	-	115	58	(32)	(22)
6		-	-	58	-	22	-

Louisville Gas and Electric Company Gas Telemetry Charge Cost Support

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Rate Base	Interest	Equity	Income Taxes	Annual Revenue Requirement	Present Value Interest Factor	Present Value Revenue Requirement
0	\$ -	-	\$ -	-	\$ -	1.000000	\$ -
1	800	13	\$ 49	29	292	0.927668	270
2	555	9	\$ 34	20	264	0.860568	227
3	358	6	\$ 22	13	241	0.798321	192
4	190	3	\$ 12	7	222	0.740577	164
5	22	0	\$ 1	1	202	0.687009	139
6	-	-	\$ -	-	-	0.637316	-
							\$ 993

Conroy Exhibit M5

Cable TV Attachment Charges

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation Of Attachment Charges for CATV

<u>Pole Size</u>	<u>Quantity</u>	<u>Installed Cost</u>	<u>Average Installed Cost</u>
<u>Weighted Average Bare Pole Cost as of 10/31/2009</u>			
35'	23,130	\$ 11,527,332	\$ 498.37
40'	<u>59,477</u>	<u>27,701,656</u>	<u>465.75</u>
	82,607	\$ 39,228,988	\$ 474.89

Three-User Poles

40'	59,477	\$ 27,701,656	\$ 465.75
45'	<u>22,454</u>	<u>27,726,577</u>	<u>1,234.82</u>
	81,931	\$ 55,428,233	\$ 676.52

<u>Number of Attachments</u>	<u>Weighted Cost</u>
----------------------------------	--------------------------

Pole Cost (Space Factor determined from 3 user Pole)

\$676.52 x .0759 Usage Space Factor = \$51.35		
\$ 51.35 x .1834 Annual Carrying Charge = \$9.42	86,757	\$ 817,205
Total	<u>86,757</u>	<u>\$ 817,205</u>
Annual Cost		\$ 9.42

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation Of Annual Carrying Charge

Proposed Rate of Return	7.80%
Depreciation - Sinking Fund	0.61%
Income Tax (1)	3.65%
Property Tax and Insurance	0.22%
Operation and Maintenance (Page 3)	<u>6.07%</u>
Total	18.34%

(1) Derived from rates of equity capital

	<u>Capitalization Ratio</u>	<u>Annual Rate</u>	<u>Composite Rate</u>
Short Term Debt	0.00%	0.41%	0.00%
Long Term Debt	44.36%	3.78%	1.68%
Common Equity	<u>55.64%</u>	11.00%	<u>6.12%</u>
Total Capitalization	100.00%		7.80%

Composite Federal and State Income Taxes rate = 37.37%

Income Tax = $(0.3737 / (1 - 0.3737)) \times 0.0612 = 3.65\%$

LOUISVILLE GAS AND ELECTRIC COMPANY

Operation and Maintenance Expenses for
the 12 Months Ended March 31, 2012

(1) Labor Charged to 593 - Poles, Towers and Fixtures Subaccount	\$ 232,934	
- Tree Trimming	<u>276,515</u>	
		\$ 509,449
Total Labor		\$ 63,964,275
Total Administrative and General Expenses		\$ 83,493,455

Assignment of a Portion of A & G Expenses to Poles

$(\$509,449/\$63,964,275) \times \$83,493,455 = \$664,991$

Expenses Assigned to Poles

Maintenance of Poles, Towers, and Fixtures Subaccount 593001	\$ 564,286
Tree Trimming of Electric Distribution Routes 593004	7,007,225
A & G Expenses Assigned to Poles	<u>664,991</u>
Total	\$ 8,236,502

Adder to Annual Carrying Charges for O & M Expenses

\$ 8,236,502	Expenses Assigned to Poles	=	6.07%
<u>135,724,485</u>	Plant in Service - Account 364		

Conroy Exhibit M6

Meter Test Charge
Cost Support – Electric

Louisville Gas and Electric Company
Electric Meter Test
Cost Justification

Labor - One Hour	\$	69.73
Vehicle - 2/3 Hour		4.59
Total Charge	\$	<u>74.32</u>

Average hourly rate for all employees including overheads (\$69.73) and vehicles (\$6.89) used in the performance of this work multiplied by the time associated with performing this work including travel, test, set-up, etc.

Conroy Exhibit M7

Meter Test Charge
Cost Support – Gas

Louisville Gas and Electric Company
Gas Meter Test
Cost Justification

Labor	\$	49.67
Meter Test		40.60
Total Charge	\$	<u>90.27</u>

Contractor costs to test gas meter. Costs include travel, set-up, turning off and on gas service, turning off and relighting customer's gas appliances, removing gas meter and installing new meter and meter testing.

Conroy Exhibit M8

Disconnect/Reconnect Charge
Cost Support

Louisville Gas and Electric Company
Disconnect/Reconnect
Cost Justification

Disconnect Service	\$	13.81
Reconnect Service		13.81
Total Charge	\$	<u>27.62</u>

Based on average cost per credit order. (\$13.81) Cost per credit order consist of labor, transporation, supplies, and equipment. Front and back office service order processing expenses are not included.

Conroy Exhibit M9

Electric Meter Relay Pulse Charge
Cost Support

Louisville Gas & Electric Company

Electric Meter Pulse Charge

1	Present Value of Replacement Plant as a Percentage of Original Cost		38.55
2	Original Cost Basis (100)		100
3	Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost		138.55
4	Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)		0.02061
5	Applicable Carrying Charge Charge Percentage (Lines 3 x 5)		2.86%
6	O&M Percentage		0.37%
7	Distribution O&M 12 Months Ended March 31, 2012	\$ 43,789,329	
8	Distribution Plant in Service as March 31, 2012	\$ 982,954,508	
9	Total Monthly Revenue Requirement as Percentage of Original Cost		3.23%
10	Installed Cost of Meter Pulse Equipment		783.11
11	Monthly Charge	\$	25.27

Louisville Gas & Electric Company

Present Value of Replacement Plant as a Percentage of Original Cost

Year	5-Year R3 Iowa Curve Percent Surviving	Annual Replacement Percentage	Cumulative Replacement Percentage	Cost Escalation Factor at a 3.00% Inflation Factor	Nominal Replacement Cost (6)	Present Value Factor at a 7.00% Discount Rate (7)	Present Value of Annual Replacement Cost (8)	Cumulative Present Value of Annual Replaced Cost (9)
(1)	(2)	(3)	(4)	(5)	(6) x (5)	(7)	(6) x (7)	(9)
0	100.0000							
1	99.2989	0.7011	0.7011	1.0300	0.7222	0.9346	0.6749	0.6749
2	96.8953	2.4035	3.1047	1.0609	2.5499	0.8734	2.2272	2.9021
3	90.7990	6.0963	9.2010	1.0927	6.6616	0.8163	5.4379	8.3400
4	78.0273	12.7718	21.9727	1.1255	14.3747	0.7629	10.9664	19.3064
5	54.7415	23.2857	45.2585	1.1593	26.9946	0.7130	19.2468	38.5531

Present Value of Replacement Plant as a Percentage of Original Cost

38.5531

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Capital Structure:

	Percent	Rate	Weighted COC	Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	0.41%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
2	32.000%	18.000%	9.500%	7.219%
3	19.200%	14.400%	8.550%	6.677%
4	11.520%	11.520%	7.700%	6.177%
5	11.520%	9.220%	6.930%	5.713%
6	5.760%	7.370%	6.230%	5.285%
7	0.000%	6.550%	5.900%	4.888%
8	0.000%	6.550%	5.900%	4.522%
9	0.000%	6.560%	5.910%	4.462%
10	0.000%	6.550%	5.900%	4.461%
11	0.000%	0.000%	5.910%	4.462%
12	0.000%	0.000%	5.900%	4.461%
13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
20	0.000%	0.000%	0.000%	4.461%
21	0.000%	0.000%	0.000%	2.231%
22	0.000%	0.000%	0.000%	0.000%
23	0.000%	0.000%	0.000%	0.000%
24	0.000%	0.000%	0.000%	0.000%
25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		200	800	200	800	-	-
2		200	600	320	480	45	45
3		200	400	192	288	(3)	42
4		200	200	115	173	(32)	10
5		200	-	115	58	(32)	(22)
6		-	-	58	-	22	-

Louisville Gas & Electric Company
Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Rate Base	Interest	Equity	Income Taxes	Annual Revenue Requirement	Present Value Interest Factor	Present Value Revenue Requirement
0	\$ -	-	\$ -	-	\$ -	1.000000	\$ -
1	800	13	49	29	292	0.927668	270
2	555	9	34	20	264	0.860568	227
3	358	6	22	13	241	0.798321	192
4	190	3	12	7	222	0.740577	164
5	22	0	1	1	202	0.687009	139
6	-	-	-	-	-	0.637316	-
							\$ 993

Conroy Exhibit M10

Gas Meter Relay Pulse Charge
Cost Support

Louisville Gas & Electric Company

Gas Meter Pulse Charge

1	Present Value of Replacement Plant as a Percentage of Original Cost			38.55	
2	Original Cost Basis (100)			100	
3	Total Present Value of Original and Replacement Cost Value as a Percentage of Original Cost			138.55	
4	Monthly Carrying Charge Percentage (Levelized Carrying Charge Rate / 12 months)			0.02061	
5	Applicable Carrying Charge Charge Percentage (Lines 3 x 5)			2.86%	
6	O&M Percentage			0.30%	
7	Distribution O&M 12 Months Ended March 31, 2012	\$	21,304,540		
8	Distribution Plant in Service as March 31, 2012	\$	595,582,167		
9	Total Monthly Revenue Requirement as Percentage of Original Cost			3.15%	
10	Installed Cost of Meter Pulse Equipment	\$		Non-FT 780	FT 230
11	Monthly Charge	\$		24.60	\$ 7.25

Louisville Gas & Electric Company

Present Value of Replacement Plant as a Percentage of Original Cost

Year	5-Year R3 Iowa Curve Percent Surviving	Annual Replacement Percentage	Cumulative Replacement Percentage	Cost Escalation Factor at a 3.00% Inflation Factor	Nominal Replacement Cost (6)	Present Value Factor at a 7.00% Discount Rate (7)	Present Value of Annual Replacement Cost (8)	Cumulative Present Value of Annual Replaced Cost (9)
(1)	(2)	(3)	(4)	(5)	(6) x (5)	(7)	(6) x (7)	(9)
0	100.0000							
1	99.2989	0.7011	0.7011	1.0300	0.7222	0.9346	0.6749	0.6749
2	96.8953	2.4035	3.1047	1.0609	2.5499	0.8734	2.2272	2.9021
3	90.7990	6.0963	9.2010	1.0927	6.6616	0.8163	5.4379	8.3400
4	78.0273	12.7718	21.9727	1.1255	14.3747	0.7629	10.9664	19.3064
5	54.7415	23.2857	45.2585	1.1593	26.9946	0.7130	19.2468	38.5531

Present Value of Replacement Plant as a Percentage of Original Cost

38.5531

Louisville Gas & Electric Company
Levelized Carrying Charge Analysis

Capital Structure:

	Percent	Rate	Weighted COC	Tax Rate	Adjusted Rate
Short-Term Debt	0.00%	41.00%	0.00%		0.00%
Long-Term Debt	44.36%	3.78%	1.68%	37.37%	1.05%
Common Equity	55.64%	11.00%	6.12%		6.12%
			7.80%		7.17%

Tax Depreciation Table (MACRS)

	5	10	15	20
1	20.000%	10.000%	5.000%	3.750%
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5	11.520%	9.220%	6.930%	5.713%
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13	0.000%	0.000%	5.910%	4.462%
14	0.000%	0.000%	5.900%	4.461%
15	0.000%	0.000%	5.910%	4.462%
16	0.000%	0.000%	2.950%	4.461%
17	0.000%	0.000%	0.000%	4.462%
18	0.000%	0.000%	0.000%	4.461%
19	0.000%	0.000%	0.000%	4.462%
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25	0.000%	0.000%	0.000%	0.000%
26	0.000%	0.000%	0.000%	0.000%
27	0.000%	0.000%	0.000%	0.000%
28	0.000%	0.000%	0.000%	0.000%
29	0.000%	0.000%	0.000%	0.000%
30	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%
31	0.000%	0.000%	0.000%	0.000%

Louisville Gas & Electric Company

Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

Present Value Revenue Requirement	\$	993
Levelized Revenue Requirement		\$247
Levelized Carrying Charge Rate		24.74%
Level of Investment that can be Supported by Revenue		4.04 Times Net Revenue

Year	Investment	Book Depreciation	Residual Plant	Tax Depreciation	Residual Plant	Deferred Income Tax	Accumulated Deferred Income Tax
0	\$ 1,000						
1		200	800	200	800	-	-
2		200	600	320	480	45	45
3		200	400	192	288	(3)	42
4		200	200	115	173	(32)	10
5		200	-	115	58	(32)	(22)
6		-	-	58	-	22	-

Louisville Gas & Electric Company
Levelized Carrying Charge Analysis

Assumptions:

Investment	\$	1,000
Book Life		5
Tax Life		5
Composite Tax Rate		37.37%
Property Tax Rate		0.00%
Levelized Revenue Requirement Years		5
O&M as Percent of Investment		0.00%

Results:

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Year	Rate Base	Interest	Equity	Income Taxes	Annual Revenue Requirement	Present Value Interest Factor	Present Value Revenue Requirement
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1	800	13	49	29	292	0.927668	270
2	555	9	34	20	264	0.860568	227
3	358	6	22	13	241	0.798321	192
4	190	3	12	7	222	0.740577	164
5	22	0	1	1	202	0.687009	139
6	-	-	-	-	-	0.637316	-
							\$ 993

Conroy Exhibit M11

Customer Deposit Requirements

LOUISVILLE GAS AND ELECTRIC COMPANY

Customer Deposit Requirements

Residential Electric -- Rate RS

(1) Proposed Revenue	\$ 381,702,590
(2) Customer Months	4,173,222
(3) Residential Electric Deposit Requirement [(1) / (2)] * 2 months	\$ 183
(4) Proposed Deposit Requirement	\$ 135

Residential Gas -- Rate RGS

(5) Proposed Revenue	\$ 169,918,870
(6) Customer Months	3,492,362
(7) Residential Electric Deposit Requirement [(5) / (6)] * 2 months	\$ 97
(8) Proposed Deposit Requirement	\$ 95

Combination Residential Gas and Electric

(9) Proposed Deposit Requirement [(4) + (8)]	\$ 230
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General Service -- Rate GS (Electric)

(10) Proposed Revenue	\$ 139,288,738
(11) Customer Months	519,383
(12) General Service Deposit Requirement [(10) / (11)] * 2 months	\$ 536
(13) Proposed Deposit Requirement	\$ 220

Conroy Exhibit M12

Inspection Charge
Cost Support (Gas)

Louisville Gas and Electric Company
Gas Inspection Charge
Cost Justification

Labor	\$	142.81
Transportation		<u>7.27</u>
Total Charge	\$	150.08

Labor and transportation costs to inspect gas service. Costs include travel, set-up, turning off and on gas service, and relighting customer's gas appliances.