

**Attachment to Response to
LGE KIUC-2 Question No. 80**

Attachment No. 1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE GAS)
AND ELECTRIC RATES, TERMS)
AND CONDITIONS OF LOUISVILLE)
GAS AND ELECTRIC COMPANY)

CASE NO: 2003-00433

VOLUME 6 OF 7

ROBINSON APPENDIX C
DEPRECIATION STUDY FOR ELECTRIC DIVISION

Filed: December 29, 2003

Louisville Gas and Electric Company
Case No. 2003-00433
Historical Test Year Filing Requirements
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2	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(l) through 807 KAR 5:001 Section 10(6)(r)
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**LOUISVILLE GAS AND ELECTRIC
ELECTRIC DIVISION**

Depreciation Study
as of December 31, 2002

AUS
AUS CONSULTANTS
Utility Services
Weber Fick Wilson Division

October 30, 2003

Mr. Gerald Skaggs, Manager Property Accounting
Louisville Gas & Electric
820 West Broadway
P.O. Box 32020
Louisville, KY 40232

RE: Louisville Gas & Electric-Electric Division

Dear Mr. Skaggs:

In accordance with your authorization, we have prepared a depreciation study related to the utility plant in service of Louisville Gas & Electric - Electric Division as of December 31, 2002. Our findings and recommendations, together with supporting schedules and exhibits, are set forth in the accompanying report.

Summary schedules have been prepared to illustrate the impact of instituting the recommended annual depreciation rates as a basis for the Company's annual depreciation expense as compared to the rates presently utilized. The application of the present rates to the depreciable plant in service as of December 31, 2002 results in an annual depreciation expense of \$84,036,036. In comparison, the application of the proposed depreciation rates to the depreciable plant in service at December 31, 2002 results in an annual depreciation expense of \$92,717,177, which is a increase of \$8,681,141 from current rates. The composite annual depreciation rate under present rates is 2.96 percent, while the proposed proforma composite depreciation rate is 3.27 percent.

Section 2 of our report contains the summary schedules showing the results of our service life and salvage studies and summaries of presently utilized depreciation rates. The subsequent sections of the report present a detailed outline of the methodology and procedures used in the study together with supporting calculations and analyses used in the development of the results. A detailed table of contents follows this letter.

Respectfully submitted,

EARL M. ROBINSON, CDP

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LOUISVILLE GAS & ELECTRIC**Electric Division****Executive Summary**

Table 1 on pages 2-1 to 2-3 is a comparative summary which illustrates the effect of instituting the revised depreciation rates. The schedule includes a comparison of the annual depreciation rates and annual depreciation expense under both present and proposed rates applied using the Straight Line Method for each depreciable property group of the Louisville Gas & Electric - Electric Division (the "Company") plant in service as of December 31, 2002. Both the present and proposed depreciation rates were developed utilizing the Straight Line (SL) Method, Broad Group (BG) Procedure, and the Average Remaining Life (ARL) Technique.

Table1-Plant Site on pages 2-4 to 2-8 is a summary of present and proposed depreciation rates, relative to the Company's Production Plant Accounts and is summarized by each individual plant site.

Table 2 on pages 2-9 to 2-11 provides a summary of the detailed life estimates and service life parameters (Iowa Curves) utilized in preparing the Average Remaining Life depreciation rates for each property group. The schedule provides a summary of the detailed data and narrative of the study results set forth in Sections 4 through 7. The developed depreciation rates (Column L) were determined by studying the Company's historical investment data together with the interpretation of future life expectancies which will have a bearing on the overall service life of the Company's property.

Table 2-Location 2-12 to 2-17 is a summary of the depreciation rate development for

the Company's Steam and Other Production plant accounts detailed by account and plant locations.

Table 2-a on page 2-18 to 2-22 is a summary of the estimated future net salvage percents for the Company's production plant accounts including the overall estimated future net salvage and terminal net salvage. The estimate of interim net salvage was obtained from a detailed analysis of the Company's actual historical experience, while the Terminal Net Salvage was based upon information obtained from Company data relative to the terminal net salvage for its Pineville plant. The aggregate Interim and Terminal net salvage percents were incorporated into the Company's average remaining life based depreciation rate calculation (per Table 2) to enable the Company to appropriately recover its total life plant costs of the life of the assets providing customer service.

Table 3 on pages 2-23 to 2-24 reconciles the December 31, 2002 account level plant in service balances per books versus the balances utilized in the performance of the depreciation study. The table incorporates pending (unrecorded) retirements identified during the course of completing the depreciation study, other pending adjustments, as well as the mandated pollution control (NOX Project Costs).

Likewise, Table 4, on pages 2-25 to 2-27, reconciles the December 31, 2002 book depreciation reserve balances per books versus the balances utilized in preparing the depreciation rates per this study. The table incorporates the pending (unrecorded) retirements identified in assembling the detailed accounting data for this study.

Table 5, on pages 2-28 to 2-37, contains the allocation of the Company's Kentucky based book depreciation reserve for production plant sites to each individual plant account property groups. Each of the applicable property group's book depreciation reserves

(maintained by individual plant site) were proportionally distributed to each individual asset account group based upon the calculated theoretical depreciation reserves. Likewise, the schedule also allocates the Company's functional level book depreciation reserves for Transmission, Distribution, and General plant facilities to each of their applicable individual property groups on the basis of theoretical depreciation reserves. The theoretical depreciation reserves were developed using each asset category's utility plant in service as of December 31, 2002 together with the current estimated service life characteristics and net salvage factors developed per the study.

The utilization of the recommended depreciation rates based upon the Straight Line Average Remaining Life Procedure results in the setting of depreciation rates which will continuously true up the Company's level of capital recovery over the life of each asset group. Application of this procedure, which is based upon the current best estimates of service life together with the Company's plant in service and accrued depreciation, produces annual depreciation rates that will result in the Company recovering 100 percent of its investment -- no more, no less.

It is recommended that the Company continue to apply depreciation rates and maintain its book depreciation reserve on an account-level basis. The maintenance of the book reserve on an account-level basis requires both the development of annual depreciation expense and distribution of other reserve account charges to an individual level. Maintaining the Company's depreciation records in this detail will aid in completing the various rate studies and, most importantly, clearly identifies the Company's level of capital recovery relative to each category of plant investment.

The general drivers for the proposed depreciation rates include an assessment of the

Company's historical experience with regard to achieved service lives and net salvage factors. In addition, consideration is given to current and anticipated events which are anticipated to impact the Company's ability to recover its fixed capital costs related to utility plant in service utilized to provide service to the Company's customers.

The depreciation rate for each individual account changed as a result of reflecting estimates obtained through the in-depth analysis of the Company's most recent data together with an interpretation of ongoing and anticipated future events. Some of the revisions were not significant and typically reflect fine tuning of previously utilized depreciation rates while others were more substantial in nature. Several of the accounts did reflect more significant changes (as outlined in Section 4 of this report) from the previously utilized depreciation rates.

The most notable depreciation/amortization occurred relative to Account 311 - Structures and Improvements, Account 312 - Boiler Plant Equipment, Account 314 - Turbogenerator Units, Account 344 - Generators, Account 353.10 - Station Equipment, Account 364 - Poles, Towers & Fixtures, and Account 365 - Overhead Conductors and Devices.

The proposed depreciation rate for Account 312 - Boiler Plant Equipment, increased from 3.70 percent to 3.73 percent. The basic factors influencing the proposed annual depreciation rate for this account is the developed interim retirement rate, the probable retirement years, the estimated interim and terminal net salvage factors, the mandated pollution control (NOX Projects) cost and the current level of accrued depreciation reserve. The interim retirement rates were developed based upon a detailed analysis of the historically experienced retirements, and are designed to recognize the level of interim

retirements that are anticipated to occur from the study date until the probable retirement date of each facility. The estimated terminal/probable retirement years for each of the Company's operating units were developed by the Company's engineering staff after considering all factors affecting the current and prospective operation of the facilities as well as full production requirements. The probable retirement data for each of the facilities, while having been modified to reflect the latest available data, are generally consistent with those underlying the Company's current depreciation rates.

The interim net salvage was based upon an analysis of the Company's historical experience, while the terminal net salvage is based upon detailed calculations using underlying information obtained from the Company's experience in decommissioning its Pineville plant which was retired in place. Likewise, it is the Company's expressed intent to eventually retire its other existing generating facilities in place. By comparison, based upon information obtained from decommissioning cost study data relative to totally dismantling plants, the Company's historical experience and future estimates are very modest. The detailed account level decommissioning study cost data was used to distribute the Company's experienced cost relative to Steam Production facilities to the individual FERC account level.

The incorporation of the mandated pollution control (NOX Projects) cost is consistent with the inclusion of prior cost estimates into the present depreciation rates. These projects and the related costs are federally mandated and beyond the Company's managerial control. Finally, the current level of accrued depreciation directly impacts the prospective recovery levels given that the current unrecovered costs need to be rateably recovered over the average remaining life of each of the operating plants.

The depreciation rate for Account 344 - Generators, increased from 2.59 percent to 3.84 percent. The drivers for the depreciation rate change for this account is consistent with those described above for Account 312 - Boiler Plant Equipment with the exception that the resulting depreciation rates were not impacted by future NOX related expenditures.

The depreciation rate for Account 364 - Poles, Towers & Fixtures increased from 3.55 percent to 3.92 percent. The proposed depreciation rate is the product of the application of the estimated applicable service life (which was revised from forty (40) years to forty-five (45) years) and the estimated future net salvage (which was revised from negative forty-five (45) to negative seventy-five (75) percent).

The depreciation rate for Account 365 - Overhead Conductors and Devices increased from 3.82 percent to 4.29 percent. The depreciation rate increase is being driven by an increase of the underlying negative net salvage parameters from negative twenty-five (25) to negative fifty (50) percent. Conversely, however, the underlying average service life was increased from thirty-two (32) to thirty-five (35) years. The estimated service life parameters and net salvage for the proposed depreciation rate are more representative of that currently being experienced by the property group.

Conversely, several of the property groups experienced depreciation rate decreases from the current levels.

The composite depreciation rate for Account 311 - Structures and Improvements declined from 2.56 percent to 2.21 percent and Account 314 - Turbogenerator Units declined from 2.64 percent to 2.46 percent. The decrease of the depreciation rate for these property groups is a composite of applying the applicable life span and net salvage parameters as compared to that underlying the present depreciation rate and are

consistent with the changes occurring within Account 312, except that they are not impacted by the NOX expenditures.

The depreciation rate relative to Account 353.10 - Station Equipment declined from 2.10 percent to 1.85 percent. This depreciation expense reduction is the product of incorporating the estimated average service life (increased from forty-four (44) to fifty (50) years) and net salvage factors (increased from zero (0) percent to negative ten (10) percent) identified through an in depth analysis of the Company's historical experience and future expectations.

Various of the remaining account/sub-accounts experienced increases and/or declines in recommended depreciation rates to a lesser degree, as noted per Table 1 of this report. This revision in annual depreciation rates and expense is the result of both changes in the estimated service lives and salvage factors, and reflects the impact of the Company's property changes since the most recent study.

With regard to the inclusion of higher negative net salvage levels in the development of proposed depreciation rates, as noted within the discussion related to net salvage in Section 3 of the depreciation report, it is highlighted that the level of experienced net salvage should simply be a benchmark from which to estimate future net salvage. It is highly likely that the negative net salvage amounts experienced even recently will simply be the floor above which future negative net salvage levels will increase to a higher level. To appropriately and proportionately allocate the true total asset cost (original cost adjusted for net salvage) over its applicable service life, proper consideration must be given in each accounting period, to the total costs that are anticipated to occur relative to the Company's assets that provide customer service.

Applying the proposed depreciation /amortization rates to the Company's December 31, 2002 plant in service produces annual depreciation expense of \$92,717,177 which is a increase of \$8,681,141 from current depreciation rates.

The following summary compares the present and proposed composite depreciation rates for illustrative purposes only. The Composite Depreciation Rate should not be applied to the total Company investment inasmuch as the non-proportional change in plant investment as a result of property additions or retirements would render the composite rate inappropriate. The Table 1 schedule lists the recommended annual depreciation rates for each property account.

Present Depreciation Rates

Depreciable Plant In Service at December 31, 2002	\$2,838,060,986
Annual Depreciation Expense	84,036,036
Composite Annual Depreciation Rate	2.96%

Proforma Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2002	\$2,838,060,986
Annual Depreciation Expense	92,717,177
Composite Annual Depreciation Rate	3.27%

Louisville Gas and Electric
Electric DivisionSummary of Original Cost of Utility Plant in Service as of December 31, 2002
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/02 (c)	Present Rates		Proposed Rates		Net Change Depr. Exp. (h)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	
DEPRECIABLE PLANT							
STEAM PLANT							
311.00	Structures and Improvements	321,615,851.53	2.56%	8,233,365.80	2.21%	7,107,710.32	-1,125,655.48
312.00	Boiler Plant Equipment	1,121,611,543.02	3.07%	34,433,474.37	3.73%	41,836,110.55	7,402,636.18
314.00	Turbogenerator Units	188,594,179.55	2.64%	4,978,886.34	2.46%	4,639,416.82	-339,469.52
315.00	Accessory Electric Equipment	163,988,443.18	2.74%	4,493,283.34	2.74%	4,493,283.34	0.00
316.00	Miscellaneous Power Plant Equipment	9,532,034.04	2.69%	256,411.72	3.48%	331,714.78	75,303.07
	Total Steam Production Plant	1,805,342,051.32	2.90%	52,395,421.57	3.24%	58,408,235.82	6,012,814.25
HYDRAULIC PLANT							
Project 289							
331.10	Structures and Improvements	4,995,148.82	1.81%	90,412.19	0.38%	18,981.57	-71,430.63
332.10	Reservoirs, Dams and Waterways	303,530.35	1.81%	5,493.90	2.35%	7,132.96	1,639.06
333.10	Waterwheel, Turbines and Generators	2,316,031.31	1.81%	41,920.17	0.17%	3,937.25	-37,982.91
334.10	Accessory Electric Equipment	1,304,908.02	1.81%	23,618.84	1.73%	22,574.91	-1,043.93
335.10	Miscellaneous Power Plant Equipment	151,460.96	1.81%	2,741.44	1.21%	1,832.68	-908.77
336.10	Roads, Railroads and Bridges	178,846.99	1.81%	3,237.13	0.17%	304.04	-2,933.09
	Total Project 289	9,249,926.45	1.81%	167,423.67	0.59%	54,763.41	-112,660.26
Other Than Project 289							
331.00	Structures and Improvements	65,796.14	1.76%	1,158.01	2.09%	1,375.14	217.13
335.00	Miscellaneous Power Plant Equipment	7,813.67	1.76%	137.52	5.98%	467.26	329.74
336.00	Roads, Railroads and Bndges	1,133.98	1.76%	19.96	1.60%	18.14	-1.81
	Total Other Than Project 289	74,743.79	1.76%	1,315.49	2.49%	1,860.54	545.05
	Total Hydraulic Plant	9,324,670.24	1.81%	168,739.16	0.61%	56,623.95	-112,115.21
OTHER PRODUCTION PLANT							
341.00	Structures and Improvements	6,641,030.83	3.25%	215,833.50	3.66%	243,061.73	27,228.23
342.00	Fuel Holders, Producers and Accessory	5,833,515.86	3.31%	193,089.38	3.77%	219,923.55	26,834.17
343.00	Prime Movers	100,745,869.68	3.36%	3,385,061.22	3.60%	3,626,851.31	241,790.09
344.00	Generators	26,258,224.54	2.59%	680,088.02	3.84%	1,008,315.82	328,227.81
345.00	Accessory Electric Equipment	9,281,384.05	3.26%	302,573.12	3.74%	347,123.76	44,550.64
346.00	Miscellaneous Power Plant Equipment	3,678,700.81	3.41%	125,443.70	3.75%	137,951.28	12,507.58
	Total Other Production Plant	152,438,725.77	3.22%	4,902,088.93	3.66%	5,583,227.45	681,138.52
TRANSMISSION PLANT							
Project 289							
353.10	Station Equipment - Non Sys. Control/Com	0.00	2.25%	0.00	0.00%	0.00	0.00
356.10	Overhead Conductors and Devices	0.00	2.25%	0.00	0.00%	0.00	0.00
	Total Project 289	0.00	0.00%	0.00	0.00%	0.00	0.00
Other Than Project 289							
350.10	Land Rights	2,592,773.81	1.31%	33,965.34	1.27%	32,928.23	-1,037.11
352.10	Struct. and Improve. - Non Sys. Control/Com.	2,907,082.83	2.02%	58,723.07	1.82%	52,908.91	-5,814.17
353.10	Station Equipment - Non Sys. Control/Com.	116,591,836.76	2.10%	2,448,428.57	1.85%	2,156,948.98	-291,479.59
354.00	Towers and Fixtures	23,879,707.58	2.40%	573,112.98	2.27%	542,069.36	-31,043.62
355.00	Poles and Fixtures	26,398,367.92	2.95%	778,751.85	2.86%	754,993.32	-23,758.53
356.00	Overhead Conductors and Devices	33,372,312.49	2.91%	971,134.29	2.69%	897,715.21	-73,419.09
357.00	Underground Conduit	1,868,318.57	1.98%	36,992.71	1.93%	36,058.55	-934.16
358.00	Underground Conductors and Devices	5,312,495.53	2.47%	131,218.64	4.45%	236,406.05	105,187.41
	Total Other Than Project 289	212,922,895.49		5,032,327.46		4,710,028.61	-322,298.85
	Total Transmission Plant	212,922,895.49	2.36%	5,032,327.46	2.21%	4,710,028.61	-322,298.85
DISTRIBUTION PLANT							
361.00	Structures and Improvements	5,969,141.37	2.21%	131,918.02	2.12%	126,545.80	-5,372.23
362.00	Station Equipment	77,088,050.08	2.57%	1,981,162.89	2.31%	1,780,733.96	-200,428.93

Louisville Gas and Electric
Electric DivisionSummary of Original Cost of Utility Plant in Service as of December 31, 2002
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/02 (c)	Present Rates		Proposed Rates		Net Change Depr. Exp. (h)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	
364.00	Poles, Towers and Fixtures	92,365,173.96	3.55%	3,278,963.68	3.92%	3,620,714.82	341,751.14
365.00	Overhead Conductors and Devices	141,726,406.02	3.82%	5,413,948.71	4.29%	6,080,062.82	666,114.11
366.00	Underground Conduit	52,616,554.86	1.49%	783,986.67	1.54%	810,294.94	26,308.28
367.00	Underground Conductors and Devices	77,051,441.80	3.08%	2,373,184.41	4.20%	3,236,160.56	862,976.15
Line Transformers							
368.10	Line Transformers	86,278,030.41	2.70%	2,329,506.82	2.91%	2,510,690.68	181,183.86
368.20	Line Transformers Installations	8,778,300.38	2.70%	237,014.11	2.91%	255,448.54	18,434.43
	Total Account 368	95,056,330.79	2.70%	2,566,520.93	2.91%	2,766,139.23	199,618.29
Services							
369.10	Underground Services	2,342,286.94	3.21%	75,187.41	4.50%	105,402.91	30,215.50
369.20	Overhead Services	20,427,859.34	4.46%	911,082.53	4.70%	960,109.39	49,026.86
	Total Account 369	22,770,146.28	4.33%	986,269.94	4.68%	1,065,512.30	79,242.36
Meters & Installations							
370.10	Meters	25,219,577.02	3.37%	849,899.75	3.97%	1,001,217.21	151,317.46
370.20	Meter Installations	8,352,742.98	3.37%	281,487.44	3.88%	324,086.43	42,598.99
	Total Account 370	33,572,320.00	3.37%	1,131,387.18	3.95%	1,325,303.64	193,916.45
Street Lighting							
373.10	Overhead Street Lighting	22,600,470.37	5.93%	1,340,207.89	6.84%	1,545,872.17	205,664.28
373.20	Underground Street Lighting	32,156,589.32	4.34%	1,395,595.98	4.64%	1,492,065.74	96,469.77
373.40	Street Lighting Trasnformers	87,546.43	0.00%	0.00	3.95%	3,458.08	3,458.08
	Total Account 373	54,844,606.12	4.99%	2,735,803.87	5.55%	3,041,396.00	305,592.13
	Total Distribution Plant	653,060,171.28	3.27%	21,383,146.29	3.65%	23,852,864.06	2,469,717.76
GENERAL PLANT							
392.20	Transportation Equipment - Trailers	590,217.25	2.60%	15,345.65	1.93%	11,391.19	-3,954.46
394.00	Tools, Shop and Garage Equipment	2,687,990.96	3.50%	94,079.68	2.68%	72,038.16	-22,041.53
395.00	Laboratory Equipment	1,548,796.71	2.70%	41,817.51	1.47%	22,767.31	-19,050.20
396.20	Power Operated Equipment - Other	145,466.83	2.11%	3,069.35	0.00%	0.00	-3,069.35
	Total General Plant	4,972,471.75	3.10%	154,312.19	2.14%	106,196.66	-48,115.53
	Sub-Total Depreciable Plant	2,838,060,985.85	2.96%	84,036,035.61	3.27%	92,717,176.54	8,681,140.94
Other Plant (Not Studied)							
392.10	Transportation Equipment - Cars & Trucks	12,069,086.02					
396.10	Power Operated Equipment - Hourly Rated	2,337,037.87					
	Total Other Plant (Not Studied)	14,406,123.89					
	Total Depreciable Plant	2,852,467,109.74					
NON-DEPRECIABLE PLANT							
INTANGIBLE PLANT							
301.00	Organization	2,240.29					
302.00	Franchises and Consents	100.00					
	Total Intangible Plant	2,340.29					

Louisville Gas and Electric
Electric DivisionSummary of Original Cost of Utility Plant in Service as of December 31, 2002
and Related Annual Depreciation Expense Under Present and Proposed Rates

Account No. (a)	Description (b)	Original Cost 12/31/02 (c)	Present Rates		Proposed Rates		Net Change Depr. Exp. (h)
			Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	
	LAND						
310.20	Production Land	5,053,819.49					
330.20	Hydraulic Plant	13.00					
340.20	Other Production Land	41,125.94					
350.20	Transmission Land	888,237.78					
360.20	Distribution Land	2,629,414.76					
	Total Land	8,612,610.97					
	Total Non-Depreciable Plant	8,614,951.26					
	Total Utility Plant In Service	2,861,082,061.00					

Louisville Gas and Electric
Electric DivisionSummary of Original Cost of Utility Plant in Service as of December 31, 2002
And Related Annual Depreciation Expense (Plant Site) Under Present and Proposed Rates

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/02 (e)	Present Rates		Proposed Rates		Net Change Depr. Exp. (h)
					Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)	
DEPRECIABLE PLANT									
STEAM PRODUCTION PLANT									
Cane Run Locomotive & Rail Cars									
312.00	103	2020	Boiler Plant Equipment	51,549.42	0.00%	0.00	0.85%	438.17	438.17
312.00	104	2020	Boiler Plant Equipment	1,501,772.81	2.27%	34,090.24	3.64%	54,664.53	20,574.29
			Total Cane Run Locomotive & Rail Cars	1,553,322.23	2.19%	34,090.24	3.55%	55,102.70	21,012.46
Cane Run Unit 1									
311.00	112	2020	Structures and Improvements	4,182,197.33	0.00%	0.00	-1.15%	(48,095.27)	(48,095.27)
312.00	112	2020	Boiler Plant Equipment	1,053,742.53	0.00%	0.00	-0.54%	(5,690.21)	(5,690.21)
314.00	112	2020	Turbogenerator Units	106,008.55	0.00%	0.00	-2.07%	(2,194.38)	(2,194.38)
315.00	112	2020	Accessory Electric Equipment	1,891,012.53	0.00%	0.00	-1.52%	(28,743.39)	(28,743.39)
316.00	112	2020	Misc. Power Plant Equipment	151,638.76	0.00%	0.00	-1.02%	(1,546.72)	(1,546.72)
			Total Cane Run Unit 1	7,384,599.70	0.00%	0.00	-1.17%	-86,269.97	-86,269.97
Cane Run Unit 2									
311.00	121	2020	Structures and Improvements	2,102,941.66	0.00%	0.00	0.05%	1,051.47	1,051.47
312.00	121	2020	Boiler Plant Equipment	132,838.82	0.00%	0.00	0.53%	704.04	704.04
314.00	121	2020	Turbogenerator Units	19,998.97	0.00%	0.00	0.00%	0.00	0.00
315.00	121	2020	Accessory Electric Equipment	1,277,223.20	0.00%	0.00	0.03%	383.17	383.17
			Total Cane Run Unit 2	3,533,000.65	0.00%	0.00	0.06%	2,138.68	2,138.68
Cane Run Unit 3									
311.00	131	2020	Structures and Improvements	3,532,140.77	0.00%	0.00	-3.94%	(139,166.35)	(139,166.35)
312.00	131	2020	Boiler Plant Equipment	716,616.30	0.00%	0.00	-3.45%	(24,723.26)	(24,723.26)
314.00	131	2020	Turbogenerator Units	581,177.52	0.00%	0.00	-6.00%	(34,870.65)	(34,870.65)
315.00	131	2020	Accessory Electric Equipment	787,324.52	0.00%	0.00	-5.08%	(38,980.09)	(38,980.09)
316.00	131	2020	Misc. Power Plant Equipment	11,664.48	0.00%	0.00	-6.25%	(729.03)	(729.03)
			Total Cane Run Unit 3	5,608,923.59	0.00%	0.00	-4.25%	-238,469.38	-238,469.38
Cane Run Unit 4									
311.00	141	2020	Structures and Improvements	3,547,227.06	2.94%	104,288.48	2.25%	79,812.61	(24,475.87)
312.00	141	2020	Boiler Plant Equipment	25,980,016.48	2.94%	763,812.48	3.65%	948,270.60	184,458.12
312.00	141	2020	Mandated NOX Proj.-2004 Closing	2,442,926.00	2.94%	71,822.02	7.64%	186,639.55	114,817.53
314.00	141	2020	Turbogenerator Units	8,432,342.78	2.94%	247,910.88	2.40%	202,376.23	(45,534.65)
315.00	141	2020	Accessory Electric Equipment	5,490,677.18	2.94%	161,425.91	3.81%	209,194.80	47,768.89
316.00	141	2020	Misc. Power Plant Equipment	54,253.32	2.94%	1,595.05	5.57%	3,021.91	1,426.86
			Total Cane Run Unit 4	45,947,442.82	2.94%	1,350,854.82	3.55%	1,629,315.70	278,460.88
Cane Run Unit 4 Scrubber									
311.00	142	2020	Structures and Improvements	760,360.00	0.00%	0.00	-1.43%	(10,873.15)	(10,873.15)
312.00	142	2018	Boiler Plant Equipment	16,701,761.03	0.00%	0.00	-0.45%	(75,157.92)	(75,157.92)
315.00	142	2018	Accessory Electric Equipment	987,949.29	0.00%	0.00	0.00%	0.00	0.00
316.00	142	2018	Misc. Power Plant Equipment	6,464.30	0.00%	0.00	2.12%	137.04	137.04
			Total Cane Run Unit 4 Scrubber	18,456,534.62	0.00%	0.00	-0.47%	-85,894.03	-85,894.03
Cane Run Unit 5									
311.00	151	2020	Structures and Improvements	5,416,846.93	2.87%	155,463.51	2.63%	142,463.07	(13,000.44)
312.00	151	2020	Boiler Plant Equipment	21,717,140.89	2.87%	623,281.94	4.08%	886,059.35	282,777.41
312.00	151	2020	Mandated NOX Proj.-2004 Closing	2,318,975.00	2.87%	66,554.58	7.81%	181,111.95	114,557.37
314.00	151	2020	Turbogenerator Units	6,985,593.95	2.87%	200,488.55	2.22%	155,080.19	(45,406.36)
315.00	151	2020	Accessory Electric Equipment	8,846,848.21	2.87%	196,504.54	3.94%	269,765.82	73,261.28
316.00	151	2020	Misc. Power Plant Equipment	42,867.49	2.87%	1,230.30	6.67%	2,859.26	1,628.96
			Total Cane Run Unit 5	43,328,272.47	2.87%	1,243,521.42	3.78%	1,637,339.64	393,818.22

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Cane Run Unit 5 Scrubber										
311.00	152	2020	Structures and Improvements	1,696,435.28	1.77%	30,026.90	1.27%	21,544.73	(8,482.17)	
312.00	152	2018	Boiler Plant Equipment	27,928,602.90	1.77%	494,336.27	1.87%	522,264.87	27,928.60	
315.00	152	2018	Accessory Electric Equipment	2,173,037.73	1.77%	38,462.77	-0.15%	(3,259.56)	(41,722.33)	
316.00	152	2018	Misc. Power Plant Equipment	47,299.47	1.77%	837.20	0.19%	89.87	(747.33)	
			Total Cane Run Unit 5 Scrubber	31,845,375.38	1.77%	563,663.14	1.70%	540,639.91	-23,023.23	
Cane Run Unit 6										
311.00	161	2020	Structures and Improvements	18,149,961.41	3.06%	555,388.82	2.78%	504,568.93	(50,819.89)	
312.00	161	2020	Boiler Plant Equipment	35,613,831.67	3.06%	1,089,783.25	4.08%	1,453,044.33	363,261.08	
312.00	161	2020	Mandated NOX Proj.-2004 Closing	384,664.00	3.06%	11,770.72	7.73%	29,734.53	17,963.81	
314.00	161	2020	Turbogenerator Units	11,274,211.57	3.06%	344,990.87	2.67%	301,021.45	(43,969.42)	
315.00	161	2020	Accessory Electric Equipment	8,173,345.07	3.06%	250,104.36	3.81%	311,404.45	61,300.09	
316.00	161	2020	Misc. Power Plant Equipment	1,806,951.04	3.06%	55,292.70	4.03%	72,820.13	17,527.43	
			Total Cane Run Unit 6	75,402,964.76	3.06%	2,307,330.72	3.54%	2,672,593.82	365,263.10	
Cane Run Unit 6 Scrubber										
311.00	162	2020	Structures and Improvements	1,859,591.50	2.18%	40,539.09	1.50%	27,893.87	(12,645.22)	
312.00	162	2018	Boiler Plant Equipment	30,524,761.84	2.18%	665,439.81	2.99%	912,690.38	247,250.57	
315.00	162	2018	Accessory Electric Equipment	2,124,667.29	2.18%	46,317.75	0.54%	11,473.20	(34,844.55)	
316.00	162	2018	Misc. Power Plant Equipment	31,568.81	2.18%	688.20	-0.81%	(255.71)	(943.91)	
			Total Cane Run Unit 6 Scrubber	34,540,589.54	2.18%	752,984.85	2.76%	951,801.74	198,816.89	
Mill Creek Locomotive & Rails Cars										
312.00	203	2030	Boiler Plant Equipment	613,424.43	2.15%	13,188.63	0.80%	4,907.40	(8,281.23)	
312.00	204	2030	Boiler Plant Equipment	3,831,645.61	2.17%	78,806.71	2.50%	90,791.14	11,984.43	
			Total Mill Creek Locomotive & Rails Cars	4,245,070.04	2.17%	91,995.34	2.25%	95,698.54	3,703.20	
Mill Creek Unit 1										
311.00	211	2020	Structures and Improvements	18,350,957.82	2.39%	438,587.89	1.75%	321,141.76	(117,446.13)	
312.00	211	2020	Boiler Plant Equipment	40,579,284.08	2.39%	969,844.41	3.58%	1,452,737.65	482,893.24	
312.00	211	2020	Mandated NOX Proj.-2004 Closing	298,528.00	2.39%	7,134.82	7.66%	22,867.24	15,732.42	
312.00	211	2020	Mandated NOX Proj.-2005 Closing	250,000.00	2.39%	5,975.00	8.21%	20,525.00	14,550.00	
314.00	211	2020	Turbogenerator Units	13,449,713.81	2.39%	321,448.16	2.18%	293,203.76	(28,244.40)	
315.00	211	2020	Accessory Electric Equipment	14,520,069.59	2.39%	347,029.66	4.12%	598,226.87	251,197.21	
316.00	211	2020	Misc. Power Plant Equipment	654,992.48	2.39%	15,654.32	3.43%	22,466.24	6,811.92	
			Total Mill Creek Unit 1	88,103,525.78	2.39%	2,105,674.26	3.10%	2,731,168.52	625,494.26	
Mill Creek Unit 1 Scrubber										
311.00	212	2020	Structures and Improvements	1,697,743.03	3.90%	66,211.98	2.37%	40,236.51	(25,975.47)	
312.00	212	2017	Boiler Plant Equipment	33,874,404.57	3.90%	1,321,101.78	4.08%	1,382,075.71	60,973.93	
315.00	212	2017	Accessory Electric Equipment	5,541,694.53	3.90%	216,126.09	2.34%	129,675.65	(86,450.44)	
			Total Mill Creek Unit 1 Scrubber	41,113,842.13	3.90%	1,603,439.85	3.77%	1,551,987.87	-51,451.98	
Mill Creek Unit 2										
311.00	221	2022	Structures and Improvements	10,703,508.13	2.29%	245,110.29	2.55%	272,939.41	27,829.12	
312.00	221	2022	Boiler Plant Equipment	33,397,635.49	2.29%	764,805.85	3.67%	1,292,488.49	527,682.64	
312.00	221	2022	Mandated NOX Proj.-2004 Closing	243,288.00	2.29%	5,571.30	7.25%	17,638.38	12,067.08	
312.00	221	2022	Mandated NOX Proj.-2005 Closing	250.00	2.29%	5.73	7.72%	19.30	13.57	
314.00	221	2022	Turbogenerator Units	14,801,053.25	2.29%	338,944.12	2.33%	344,864.54	5,920.42	
315.00	221	2022	Accessory Electric Equipment	7,420,343.06	2.29%	169,925.86	2.93%	217,416.05	47,490.19	
316.00	221	2022	Misc. Power Plant Equipment	105,299.47	2.29%	2,411.36	3.47%	3,653.89	1,242.53	
			Total Mill Creek Unit 2	68,671,375.40	2.29%	1,526,774.51	3.22%	2,149,020.06	622,245.55	

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Mill Creek Unit 2 Scrubber									
311.00	222	2022	Structures and Improvements	1,393,403.67	3.99%	55,596.81	2.72%	37,900.58	(17,696.23)
312.00	222	2018	Boiler Plant Equipment	34,412,558.24	3.99%	1,373,061.07	4.68%	1,610,507.73	237,446.66
315.00	222	2018	Accessory Electric Equipment	4,451,153.72	3.99%	177,601.03	2.30%	102,376.54	(75,224.49)
			Total Mill Creek Unit 2 Scrubber	40,257,115.63	3.99%	1,606,258.91	4.35%	1,750,784.85	144,525.94
Mill Creek Unit 3									
311.00	231	2026	Structures and Improvements	24,487,440.44	3.03%	741,969.45	2.10%	514,236.25	(227,733.20)
312.00	231	2026	Boiler Plant Equipment	65,259,053.22	3.03%	1,977,349.31	2.67%	1,742,416.72	(234,932.59)
312.00	231	2026	Mandated NOX Proj.-2004 Closing	65,597,028.00	3.03%	1,987,589.95	6.16%	4,040,776.92	2,053,186.97
312.00	231	2026	Mandated NOX Proj.-2005 Closing	3,198,000.00	3.03%	96,899.40	6.50%	207,870.00	110,970.60
314.00	231	2026	Turbogenerator Units	26,232,206.52	3.03%	794,835.86	2.19%	574,485.32	(220,350.54)
315.00	231	2026	Accessory Electric Equipment	13,482,711.35	3.03%	408,526.15	2.11%	284,485.21	(124,040.94)
316.00	231	2026	Misc. Power Plant Equipment	318,625.29	3.03%	9,654.35	2.22%	7,073.48	(2,580.87)
			Total Mill Creek Unit 3	198,575,064.82	3.03%	6,016,824.47	3.71%	7,371,343.90	1,354,519.43
Mill Creek Unit 3 Scrubber									
311.00	232	2026	Structures and Improvements	362,866.58	4.54%	16,474.14	2.16%	7,837.92	(8,636.22)
312.00	232	2021	Boiler Plant Equipment	52,389,821.74	4.54%	2,377,580.83	4.37%	2,288,552.47	(89,028.36)
315.00	232	2021	Accessory Electric Equipment	2,531,772.82	4.54%	114,942.49	1.80%	45,571.91	(69,370.58)
			Total Mill Creek Unit 3 Scrubber	55,264,261.14	4.54%	2,508,997.46	4.24%	2,341,962.30	-167,035.16
Mill Creek Unit 4									
311.00	241	2030	Structures and Improvements	56,594,172.78	2.82%	1,595,955.67	2.25%	1,273,368.89	(322,586.78)
312.00	241	2030	Boiler Plant Equipment	154,787,100.00	2.82%	4,364,996.22	3.17%	4,906,751.07	541,754.85
312.00	241	2030	Mandated NOX Proj.-2004 Closing	63,382,718.00	2.82%	1,787,392.65	5.10%	3,232,518.82	1,445,125.97
312.00	241	2030	Mandated NOX Proj.-2005 Closing	1,402,000.00	2.82%	39,536.40	5.34%	74,866.80	35,330.40
312.00	241	2030	Mandated NOX Proj.-2006 Closing	3,000,000.00	2.82%	84,600.00	5.60%	188,000.00	83,400.00
314.00	241	2030	Turbogenerator Units	40,475,497.49	2.82%	1,141,409.03	2.45%	991,849.69	(149,759.34)
315.00	241	2030	Accessory Electric Equipment	21,428,489.73	2.82%	604,283.41	2.57%	550,712.19	(53,571.22)
316.00	241	2030	Misc. Power Plant Equipment	3,926,266.27	2.82%	110,720.71	3.47%	136,241.44	25,520.73
			Total Mill Creek Unit 4	344,986,244.27	2.82%	9,728,894.09	3.29%	11,334,108.70	1,605,214.61
Mill Creek Unit 4 Scrubber									
311.00	242	2030	Structures and Improvements	5,079,085.65	5.38%	273,254.81	2.43%	123,421.78	(149,833.03)
312.00	242	2023	Boiler Plant Equipment	105,450,790.06	5.38%	5,673,252.51	4.48%	4,724,195.39	(949,057.12)
315.00	242	2023	Accessory Electric Equipment	5,811,079.36	5.38%	312,636.07	2.51%	145,858.09	(166,777.98)
316.00	242	2023	Misc. Power Plant Equipment	41,441.04	5.38%	2,229.53	3.47%	1,438.00	(791.53)
			Total Mill Creek Unit 4 Scrubber	116,382,396.11	5.38%	6,261,372.92	4.29%	4,994,913.26	-1,266,459.66
Trimble County Unit 1									
311.00	311	2034	Structures and Improvements	161,248,919.71	2.41%	3,886,098.97	2.44%	3,934,473.64	48,374.67
312.00	311	2034	Boiler Plant Equipment	235,442,385.84	2.41%	5,674,161.50	3.33%	7,840,231.45	2,166,069.95
312.00	311	2034	Mandated NOX Proj.-2004 Closing	2,832,801.00	2.41%	68,270.50	4.47%	126,628.20	58,355.70
314.00	311	2034	Turbogenerator Units	86,238,375.14	2.41%	1,596,296.64	2.75%	1,821,500.32	225,203.68
315.00	311	2034	Accessory Electric Equipment	56,332,123.79	2.41%	1,357,604.18	2.87%	1,616,731.85	259,127.77
316.00	311	2034	Misc. Power Plant Equipment	2,332,701.72	2.41%	56,218.11	3.61%	84,210.53	27,992.42
			Total Trimble County Unit 1	524,425,307.20	2.41%	12,638,649.80	2.94%	15,423,774.09	2,785,124.19
Total Trimble County Unit 1 Scrubber									
311.00	312	2034	Structures and Improvements	450,053.78	3.47%	15,616.87	2.28%	10,261.23	(5,355.64)
312.00	312	2027	Boiler Plant Equipment	54,526,851.05	3.47%	1,892,151.13	2.81%	1,532,260.71	(359,890.42)
315.00	312	2027	Accessory Electric Equipment	2,736,920.21	3.47%	94,971.13	2.38%	85,138.70	(29,832.43)
			Total Trimble County Unit 1 Scrubber	57,715,825.04	3.47%	2,002,739.13	2.79%	1,607,660.64	-395,078.49
			Total Steam Production Plant	1,805,351,053.32	2.90%	52,344,066.03	3.24%	58,430,721.54	6,086,655.51

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HYDRAULIC PLANT										
Project 289										
Ohio Falls Plant - Project 289										
331.10	451	2035	Structures and Improvements	4,995,148.82	1.81%	90,412.19	0.38%	18,981.57	(71,430.62)	
332.10	451	2035	Reservoirs, Dams and Waterways	303,530.35	1.81%	5,493.90	2.35%	7,132.96	1,639.06	
333.10	451	2035	Waterwheel, Turbines and Generators	2,316,031.31	1.81%	41,920.17	0.17%	3,937.25	(37,982.92)	
334.10	451	2035	Accessory Electric Equipment	1,304,908.02	1.81%	23,618.84	1.73%	22,574.91	(1,043.93)	
335.10	451	2035	Miscellaneous Power Plant Equipment	151,460.96	1.81%	2,741.44	1.21%	1,832.68	(908.76)	
336.10	451	2035	Roads, Railroads and Bridges	178,848.99	1.81%	3,237.13	0.17%	304.04	(2,933.09)	
			Total Ohio Falls Plant - Project 289	9,249,926.45	1.81%	167,423.67	0.59%	54,763.41	-112,660.26	
Other Than Project 289										
Ohio Falls Plant - Non Project 289										
331.00	450	2035	Structures and Improvements	65,796.14	1.76%	1,158.01	2.09%	1,375.14	217.13	
335.00	450	2035	Miscellaneous Power Plant Equipment	7,813.67	1.76%	137.52	5.98%	467.26	329.74	
336.00	450	2035	Roads, Railroads and Bridges	1,133.98	1.76%	19.96	1.60%	18.14	(1.82)	
			Total Ohio Falls Plant - Non Project 289	74,743.79	1.76%	1,315.49	2.49%	1,860.54	545.05	
			Total Hydraulic Plant	9,324,670.24	1.81%	168,739.16	0.61%	56,623.95	-112,115.21	
OTHER PRODUCTION PLANT										
Cane Run CT's										
341.00	171	2010	Structures and Improvements	68,931.71	0.49%	337.77	5.20%	3,584.45	3,246.68	
342.00	171	2010	Fuel Holders, Producers and Accessory	123,338.90	0.49%	604.36	5.77%	7,116.65	6,512.29	
344.00	171	2010	Generators	2,492,496.42	0.49%	12,213.23	6.00%	149,549.79	137,336.56	
345.00	171	2010	Accessory Electric Equipment	113,683.82	0.49%	557.05	2.97%	3,376.41	2,819.36	
			Cane Run CT's	2,798,450.85	0.49%	13,712.41	5.85%	163,627.30	149,914.89	
Zorn CT's										
341.00	410	2010	Structures and Improvements	8,241.14	1.24%	102.19	29.07%	2,395.70	2,293.51	
342.00	410	2010	Fuel Holders, Producers and Accessory	12,801.77	1.24%	158.74	18.93%	2,423.38	2,264.64	
344.00	410	2010	Generators	1,827,580.88	1.24%	22,662.00	1.90%	34,724.04	12,062.04	
345.00	410	2010	Accessory Electric Equipment	40,936.08	1.24%	507.61	3.42%	1,400.01	892.40	
			Zorn CT's	1,889,559.87	1.24%	23,430.54	2.17%	40,943.13	17,512.59	
Waterside CT's										
341.00	420	2010	Structures and Improvements	411,977.94	1.30%	5,355.71	2.34%	9,640.28	4,264.57	
342.00	420	2010	Fuel Holders, Producers and Accessory	124,163.26	1.30%	1,614.12	5.83%	7,238.72	5,624.60	
343.00	420	2010	Prime Movers	2,871,305.84	1.30%	34,726.98	3.85%	102,845.27	68,118.29	
344.00	420	2010	Generators	451,117.33	1.30%	5,864.53	7.00%	31,578.21	25,713.68	
345.00	420	2010	Accessory Electric Equipment	342,628.38	1.30%	4,454.17	7.86%	26,930.59	22,476.42	
346.00	420	2010	Misc. Power Plant Equipment	24,768.29	1.30%	321.96	4.04%	1,000.56	678.60	
			Waterside CT's	4,025,959.04	1.30%	52,337.47	4.45%	179,233.63	126,896.16	
Paddys 11 CT										
342.00	430	2010	Fuel Holders, Producers and Accessory	9,237.57	1.26%	116.39	23.29%	2,151.43	2,035.04	
344.00	430	2010	Generators	1,523,115.56	1.26%	19,191.26	1.86%	28,329.95	9,138.69	
345.00	430	2010	Accessory Electric Equipment	88,109.35	1.26%	858.18	4.00%	2,724.37	1,866.19	
			Paddys 11 CT	1,600,462.48	1.26%	20,165.83	2.07%	33,205.75	13,039.92	
Paddys 12 CT										
341.00	431	2010	Structures and Improvements	42,864.53	1.34%	574.38	9.70%	4,157.86	3,583.48	
342.00	431	2010	Fuel Holders, Producers and Accessory	12,197.11	1.34%	163.44	38.07%	4,399.50	4,236.06	
344.00	431	2010	Generators	2,991,745.77	1.34%	40,089.39	1.29%	38,593.52	(1,495.87)	

**Louisville Gas and Electric
Electric Division**

**Summary of Original Cost of Utility Plant in Service as of December 31, 2002
And Related Annual Depreciation Expense (Plant Site) Under Present and Proposed Rates**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Original Cost 12/31/02 (e)	Present Rates		Proposed Rates		Net Change Depr. Exp. (h)	
					Rate % (d)	Annual Accrual (e)	Rate % (f)	Annual Accrual (g)		
345.00	431	2010	Accessory Electric Equipment	114,337.63	1.34%	1,532.12	3.84%	4,390.56	2,858.44	
346.00	431	2010	Accessory Electric Equipment Paddys 12 CT	3,162,285.78	1.34%	42,374.62	0.24%	2.74	(12.55)	
Paddys 13 CT										
341.00	432	2031	Structures and Improvements	2,158,698.12	3.43%	74,043.35	3.61%	77,929.00	3,885.65	
342.00	432	2031	Fuel Holders, Producers and Accessory	2,233,773.85	3.43%	76,618.44	3.58%	77,065.20	446.76	
343.00	432	2031	Prime Movers	19,627,845.35	3.43%	673,235.10	4.15%	702,676.86	29,441.76	
344.00	432	2031	Generators	5,859,857.93	3.43%	200,993.13	4.15%	243,184.10	42,190.97	
345.00	432	2031	Accessory Electric Equipment	2,778,992.60	3.43%	95,319.45	3.56%	98,932.14	3,612.69	
346.00	432	2031	Misc. Power Plant Equipment Paddys 13 CT	33,919,222.70	3.43%	1,163,429.35	3.74%	47,126.05	3,906.17	
Brown 5 CT										
341.00	459	2031	Structures and Improvements	858,538.64	3.43%	29,447.88	3.68%	31,937.64	2,489.76	
342.00	459	2031	Fuel Holders, Producers and Accessory	822,580.92	3.43%	28,214.53	3.58%	29,448.40	1,233.87	
343.00	459	2031	Prime Movers	14,126,417.74	3.43%	484,536.13	3.58%	505,725.76	21,189.63	
344.00	459	2031	Generators	3,219,205.40	3.43%	110,418.75	4.22%	135,850.47	25,431.72	
345.00	459	2031	Accessory Electric Equipment	2,575,301.42	3.43%	88,332.84	3.55%	91,423.20	3,090.36	
346.00	459	2031	Misc. Power Plant Equipment Brown 5 CT	23,972,700.50	3.43%	81,313.51	3.73%	88,425.48	7,111.97	
Brown 6 CT										
341.00	460	2028	Structures and Improvements	69,733.40	3.45%	2,405.80	3.98%	4,867.39	2,461.59	
342.00	460	2028	Fuel Holders, Producers and Accessory	383,762.04	3.45%	12,549.79	4.90%	17,824.34	5,274.55	
343.00	460	2028	Prime Movers	19,890,998.18	3.45%	686,239.44	3.87%	769,781.63	83,542.19	
344.00	460	2028	Generators	2,417,994.54	3.45%	83,420.81	4.70%	113,645.74	30,224.93	
345.00	460	2028	Accessory Electric Equipment	942,589.47	3.45%	32,519.34	3.92%	36,949.51	4,430.17	
346.00	460	2028	Misc. Power Plant Equipment Brown 6 CT	23,696,111.88	3.45%	380.68	5.54%	611.30	230.82	
Brown 7 CT										
341.00	461	2029	Structures and Improvements	105,588.33	3.33%	3,516.09	3.44%	4,529.74	1,013.65	
342.00	461	2029	Fuel Holders, Producers and Accessory	102,085.03	3.33%	3,398.77	5.71%	5,827.91	2,429.14	
343.00	461	2029	Prime Movers	20,023,957.45	3.33%	668,787.78	3.35%	670,802.57	4,004.79	
344.00	461	2029	Generators	2,421,079.26	3.33%	80,821.94	4.09%	99,022.14	18,400.20	
345.00	461	2029	Accessory Electric Equipment	943,792.03	3.33%	31,428.27	3.39%	31,994.55	568.28	
346.00	461	2029	Misc. Power Plant Equipment Brown 7 CT	11,048.30	3.33%	367.91	5.08%	561.25	193.34	
Trimble County CT5										
341.00	470	2032	Structures and Improvements	1,458,614.33	3.43%	50,030.47	3.65%	51,928.67	1,896.20	
342.00	470	2032	Fuel Holders, Producers and Accessory	97,240.96	3.43%	3,335.36	4.89%	4,755.08	1,419.72	
343.00	470	2032	Prime Movers	12,205,907.18	3.43%	418,662.62	3.56%	434,530.30	15,867.68	
344.00	470	2032	Generators	1,527,420.57	3.43%	52,390.53	4.35%	68,442.79	14,052.26	
345.00	470	2032	Accessory Electric Equipment Trimble County CT5	680,686.68	3.43%	23,347.55	3.61%	24,572.79	1,225.24	
Trimble County CT6										
341.00	471	2032	Structures and Improvements	1,457,842.69	3.43%	50,004.00	3.65%	51,899.20	1,895.20	
342.00	471	2032	Fuel Holders, Producers and Accessory	97,189.52	3.43%	3,333.60	4.89%	4,752.57	1,418.97	
343.00	471	2032	Prime Movers	12,199,437.94	3.43%	418,440.72	3.56%	434,299.99	15,859.27	
344.00	471	2032	Generators	1,526,810.88	3.43%	52,362.75	4.35%	66,407.57	14,044.82	
345.00	471	2032	Accessory Electric Equipment Trimble County CT6	680,326.59	3.43%	23,335.20	3.61%	24,559.79	1,224.59	
Trimble County Pipeline										
342.00	473	2034	Fuel Holders, Producers and Accessory Trimble County Pipeline	1,835,164.93	3.43%	62,946.16	3.10%	56,890.11	(6,056.05)	
				1,835,164.93	3.43%	62,946.16	3.10%	56,890.11	(6,056.05)	
Total Other Production Plant				152,438,725.77	3.21%	4,899,549.44	3.66%	5,575,733.22	676,183.78	
Total Production Plant				1,967,114,449.33						

**Louisville Gas and Electric
Electric Division**

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2002**

Account No. (a)	Description (b)	Original Cost 12/31/02 (c)	Estimated Future Net Salvage % (d)	Amount (e)	Original Cost Less Salvage (f)	Book Depreciation Reserve (g)	Net Original Cost Less Salvage (h)	A.S.L./ Survivor Curve (i)	Average Remaining Life (j)	Annual Depreciation Accrual (k)	Annual Depreciation Rate (l)
DEPRECIABLE PLANT											
STEAM PLANT											
311.00	Structures and Improvements	321,615,851.53	-6.5%	-20,905,030.35	342,520,881.88	154,527,070.09	187,993,811.79 (1)	120-S1	26.4	7,120,977.72	2.21%
312.00	Boiler Plant Equipment	1,121,811,543.02	-12.2%	-136,836,608.25	1,258,448,151.27	451,093,554.94	807,354,596.33 (1)	50-L0.5	19.3	41,831,844.37	3.73%
314.00	Turbogenerator Units	188,594,179.55	-8.2%	-15,464,722.72	204,058,902.27	102,251,792.50	101,807,109.77 (1)	50-S1.5	21.9	4,648,726.47	2.46%
315.00	Accessory Electric Equipment	163,988,443.18	-8.4%	-13,775,029.23	177,763,472.41	83,493,091.96	94,270,380.45 (1)	55-S1	21.0	4,489,065.74	2.74%
316.00	Miscellaneous Power Plant Equipment	9,532,034.04	-14.2%	-1,353,548.83	10,885,582.87	4,488,739.98	6,396,842.89 (1)	35-S2	19.3	331,442.64	3.48%
	Total Steam Production Plant	1,805,342,051.32	-10.4%	-188,334,939.38	1,993,676,990.70	795,854,249.45	1,197,822,741.25		20.5	58,422,056.94	3.24%
HYDRAULIC PLANT											
Project 289											
331.10	Structures and Improvements	4,995,148.82	-11.2%	-559,456.67	5,554,605.49	4,989,034.51	565,570.98 (1)	140-L1.5	30.0	18,852.37	0.38%
332.10	Reservoirs, Dams and Waterways	303,530.35	-52.7%	-159,980.49	463,490.84	237,807.60	225,683.24 (1)	150-L1.5	31.7	7,119.35	2.35%
333.10	Waterwheel, Turbines and Generators	2,316,031.31	-14.3%	-331,192.48	2,647,223.79	2,528,445.62	118,778.17 (1)	150-L1.5	30.1	3,946.12	0.17%
334.10	Accessory Electric Equipment	1,304,908.02	-22.2%	-289,889.56	1,594,597.60	1,052,232.67	542,364.93 (1)	55-S1	24.0	22,598.54	1.73%
335.10	Miscellaneous Power Plant Equipment	151,460.96	-31.2%	-47,255.82	198,716.78	173,144.02	25,572.76 (1)	35-S2	13.9	1,839.77	1.21%
336.10	Roads, Railroads and Bridges	178,846.99	0.0%	0.00	178,846.99	169,665.39	9,181.60 (1)	150-L1	29.8	308.11	0.17%
	Total Project 289	9,249,926.45	-15.0%	-1,387,555.04	10,637,481.49	9,150,329.81	1,487,151.68			54,664.24	0.59%
Other Than Project 289											
331.00	Structures and Improvements	65,796.14	-5.1%	-3,355.60	69,151.74	26,465.65	42,686.09 (1)	140-L1.5	31.0	1,376.97	2.09%
335.00	Miscellaneous Power Plant Equipment	7,813.67	-21.8%	-1,703.38	9,517.05	6,014.78	3,502.27 (1)	55-R3	7.5	466.97	5.98%
336.00	Roads, Railroads and Bridges	1,133.98	0.0%	0.00	1,133.98	592.79	541.19 (1)	150-L1	29.8	18.16	1.60%
	Total Other Than Project 289	74,743.79	-6.8%	-5,058.98	79,802.77	33,073.22	46,729.55			1,862.10	2.49%
	Total Hydraulic Plant	9,324,670.24	-14.9%	-1,392,614.02	10,717,284.26	9,183,403.03	1,533,881.23		27.1	56,526.34	0.61%
OTHER PRODUCTION PLANT											
341.00	Structures and Improvements	6,641,030.83	-8.3%	-551,205.56	7,192,236.39	733,032.81	6,459,203.58 (1)	80-L1	26.6	242,827.20	3.66%
342.00	Fuel Holders, Producers and Accessory	5,833,515.86	-10.1%	-589,185.10	6,422,700.96	486,792.55	5,935,908.41 (1)	80-L1	27.0	219,848.46	3.77%
343.00	Prime Movers	100,745,869.68	-3.2%	-3,223,867.83	103,969,737.51	9,075,025.60	94,894,711.91 (1)	80-L1	26.2	3,621,935.57	3.60%
344.00	Generators	26,258,224.54	-8.6%	-2,258,207.31	28,516,431.85	9,170,590.96	19,345,840.89 (1)	80-L1	19.2	1,007,595.88	3.84%
345.00	Accessory Electric Equipment	9,281,384.05	-3.5%	-324,848.44	9,606,232.49	990,219.94	8,616,012.55 (1)	55-S1	24.8	347,419.86	3.74%
346.00	Miscellaneous Power Plant Equipment	3,678,700.81	-3.4%	-125,075.83	3,803,776.64	218,840.38	3,584,936.26 (1)	35-S2	26.0	137,882.16	3.75%
	Total Other Production Plant	152,438,725.77	-4.8%	-7,072,380.07	159,511,115.84	20,674,502.23	138,836,613.61		24.9	5,577,509.14	3.66%
TRANSMISSION PLANT											
Project 289											
353.10	Station Equipment - Non Sys. Control/Com.	0.00	-10.0%	0.00	0.00	0.00	0.00	50-R3	36.5	0.00	0.00%
358.10	Overhead Conductors and Devices	0.00	-40.0%	0.00	0.00	0.00	0.00	47-R1.5	35.2	0.00	0.00%
	Total Project 289	0.00	0.0%	0.00	0.00	0.00	0.00			0.00	0.00%

**Louisville Gas and Electric
Electric Division**

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2002**

Account No.	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Other Than Project 289											
350.10	Land Rights	2,592,773.81	0.0%	0.00	2,592,773.81	1,862,138.53	730,635.28	50-R2.5	22.2	32,911.50	1.27%
352.10	Struct. and Improve. - Non Sys. Control/Con	2,907,082.83	-15.0%	-436,082.42	3,343,145.25	1,319,755.12	2,023,390.13	55-R3	38.2	52,988.33	1.82%
353.10	Station Equipment - Non Sys. Control/Con.	116,591,836.78	-10.0%	-11,659,183.68	128,251,020.44	58,783,885.97	69,467,134.47	50-R3	32.2	2,157,364.42	1.85%
354.00	Towers and Fixtures	23,879,707.58	-60.0%	-14,327,824.55	38,207,532.13	21,296,311.23	16,911,220.90	55-R4	31.2	542,026.31	2.27%
355.00	Poles and Fixtures	26,398,367.92	-30.0%	-7,919,510.38	34,317,878.30	34,317,878.30	21,245,837.98	40-R2.5	28.1	758,079.64	2.86%
356.00	Overhead Conductors and Devices	33,372,312.49	-40.0%	-13,348,925.00	46,721,237.49	15,182,638.38	31,558,599.11	47-R1.5	35.2	896,551.11	2.69%
357.00	Underground Conduit	1,868,318.57	0.0%	0.00	1,868,318.57	273,390.24	1,594,928.33	50-R3	44.3	36,002.90	1.93%
358.00	Underground Conductors and Devices	5,312,495.53	-20.0%	-1,062,499.11	6,374,994.64	1,675,296.39	4,699,698.25	25-R1.5	19.9	235,165.74	4.45%
	Total Other Than Project 289	212,922,895.49	-22.9%	-48,754,005.14	261,676,900.63	113,445,456.18	148,231,444.45			4,710,069.95	
	Total Transmission Plant	212,922,895.49	-22.9%	-48,754,005.14	261,676,900.63	113,445,456.18	148,231,444.45		31.5	4,710,069.95	2.21%
DISTRIBUTION PLANT											
381.00	Structures and Improvements	5,969,141.37	-15.0%	-895,371.21	6,864,512.58	2,808,923.28	4,055,589.30	55-R4	32.1	126,342.35	2.12%
362.00	Station Equipment	77,088,050.08	-10.0%	-7,708,805.01	84,796,855.09	25,191,883.20	59,604,971.89	48-R2	33.5	1,779,252.89	2.31%
364.00	Poles, Towers and Fixtures	92,365,173.96	-75.0%	-69,273,880.47	161,639,054.43	52,705,237.56	108,933,816.87	45-R3	30.1	3,619,083.68	3.92%
365.00	Overhead Conductors and Devices	141,728,408.02	-50.0%	-70,863,203.01	212,589,609.03	87,131,787.38	145,457,821.65	35-R2.5	23.9	6,086,101.32	4.29%
366.00	Underground Conduit	52,816,554.66	-15.0%	-7,892,483.23	60,509,038.09	9,688,016.23	50,821,021.86	75-R3	62.8	809,251.94	1.54%
367.00	Underground Conductors and Devices	77,051,441.80	-40.0%	-30,820,578.72	107,872,018.52	38,273,266.16	69,598,752.36	33-S6	21.5	3,237,151.27	4.20%
Line Transformers											
368.10	Line Transformers	86,278,030.41	-15.0%	-12,941,704.56	99,219,734.97	30,442,557.99	68,777,176.98	40-R2	27.4	2,510,115.95	2.91%
368.20	Line Transformers Installations	8,778,300.38	-15.0%	-1,318,745.06	10,095,045.44	2,525,984.03	7,569,061.41	40-R2	29.6	255,711.53	2.91%
	Total Account 368	95,056,330.79	-15.0%	-14,258,449.62	109,314,780.41	32,968,542.02	76,346,238.39			2,765,827.48	2.91%
Services											
369.10	Underground Services	2,342,286.94	-50.0%	-1,171,143.47	3,513,430.41	1,563,578.81	1,949,851.60	33-S3	18.5	105,397.38	4.50%
369.20	Overhead Services	20,427,859.34	#####	-20,427,859.34	40,855,718.68	12,637,502.50	28,218,216.18	43-R1.5	29.4	959,803.27	4.70%
	Total Account 369	22,770,146.28	-94.9%	-21,599,002.81	44,369,149.09	14,201,081.31	30,168,067.78			1,065,200.66	4.68%
Meters & Installations											
370.10	Meters	25,219,577.02	-15.0%	-3,782,936.55	29,002,513.57	11,997,493.83	17,005,019.74	30-R4	17.0	1,000,295.28	3.97%
370.20	Meter Installations	8,352,742.98	-15.0%	-1,252,911.45	9,605,654.43	3,419,172.68	6,186,481.75	30-R4	19.1	323,899.57	3.88%
	Total Account 370	33,572,320.00	-15.0%	-5,035,848.00	38,608,168.00	15,416,666.51	23,191,501.49			1,324,194.85	3.94%
Street Lighting											
373.10	Overhead Street Lighting	22,600,470.37	-50.0%	-11,300,235.19	33,900,705.56	10,854,699.83	23,046,005.73	22-R0.5	14.9	1,546,711.79	6.84%
373.20	Underground Street Lighting	32,156,589.32	-30.0%	-9,646,978.80	41,803,568.12	11,484,555.55	30,319,012.57	28-R2.5	20.3	1,493,547.32	4.64%
373.40	Street Lighting Trnnsformers	87,546.43	5.0%	4,377.32	83,169.11	63,128.93	20,040.18	25-R0.5	5.8	3,455.20	3.95%
	Total Account 373	54,844,606.12	-38.2%	-20,942,834.67	75,787,440.79	22,402,384.31	53,385,056.48			3,043,714.32	5.55%
	Total Distribution Plant	653,060,171.28	-38.2%	-249,290,454.75	902,350,626.03	280,787,787.96	621,562,838.07		26.1	23,856,100.76	3.65%

**Louisville Gas and Electric
Electric Division**

**Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Lives as of December 31, 2002**

Account No.	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
GENERAL PLANT											
392.20	Transportation Equipment - Trailers	590,217.25	8.0%	47,217.38	542,999.87	289,107.58	253,892.29	32-R4	22.3	11,385.30	1.93%
394.00	Tools, Shop and Garage Equipment	2,687,990.96	0.0%	0.00	2,687,990.96	1,172,580.84	1,515,410.12	28-R3	21.0	72,162.39	2.68%
395.00	Laboratory Equipment	1,548,795.71	0.0%	0.00	1,548,795.71	914,919.83	633,876.88	42-L3	27.8	22,801.33	1.47%
396.20	Power Operated Equipment - Other	145,466.83	0.0%	0.00	145,466.83	145,466.83	0.00	25-R2.5	8.0	0.00	0.00%
	Total General Plant	4,972,471.75	0.0%	47,217.38	4,925,254.37	2,522,075.07	2,403,179.30		22.6	106,349.02	2.14%
	Sub-Total Depreciable Plant	2,838,060,985.85	-17.4%	-494,797,185.98	3,332,858,171.83	1,222,467,473.93	2,110,390,697.90		22.8	92,728,612.15	3.27%
	Other Plant (Not Studied)										
392.10	Transportation Equipment - Cars & Trucks	12,069,086.02				9,473,237.14					
396.10	Power Operated Equipment - Hourly Rated	2,337,037.87				2,469,599.85					
	Total Other Plant (Not Studied)	14,406,123.89				11,942,836.99					
	Total Depreciable Plant	2,852,487,109.74				1,234,410,310.91					
NON-DEPRECIABLE PLANT											
INTANGIBLE PLANT											
301.00	Organization	2,240.29				0.00					
302.00	Franchises and Consents	100.00				100.00					
	Total Intangible Plant	2,340.29				100.00					
LAND											
310.20	Production Land	5,053,819.49				-30,023.89					
330.20	Hydraulic Plant	13.00				0.00					
340.20	Other Production Land	41,125.94				0.00					
350.20	Transmission Land	888,237.78				0.00					
360.20	Distribution Land	2,629,414.76				-126,985.13					
	Total Land	8,612,610.97				-157,009.02					
	Total Non-Depreciable Plant	8,614,951.26				-156,909.02					
	Total Utility Plant in Service	2,861,082,061.00				1,234,253,401.89					

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

(2) Fully Depreciated. No Further Depreciation To Be Accrued

Table 2-Locations

**Louisville Gas and Electric
Electric Division**

Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Life Technique (Account Level Depr Rates Allocated to Location & Unit) as of December 31, 2002

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L/ Survivor Curve	Average Remaining Life	Annual Depr. Accrual Basis	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
DEPRECIABLE PLANT													
STEAM PLANT													
311.00		Structures and Improvements											
112		Cane Run Unit 1	4,182,197.33	-0.9%	-37,839.78	4,219,837.11	5,007,364.88	-787,527.78 (1)	120-S1	16.9	-46,599.28	-47,919.94	-1.15%
121		Cane Run Unit 2	2,102,941.66	-0.9%	-18,928.47	2,121,868.13	2,104,456.36	17,411.77 (1)	120-S1	17.0	1,024.22	1,053.25	0.05%
131		Cane Run Unit 3	3,532,140.77	-0.9%	-31,789.27	3,563,930.04	5,863,328.73	-2,299,398.70 (1)	120-S1	17.0	-135,258.75	-139,092.10	-3.94%
141		Cane Run Unit 4	3,547,227.06	-26.1%	-925,828.26	4,473,053.32	3,145,848.04	1,327,405.29 (1)	120-S1	17.1	77,628.04	79,826.03	2.25%
142		Cane Run Unit 4 Scrubber	760,360.00	-26.1%	-198,453.96	958,813.96	1,142,221.25	-183,407.29 (1)	120-S1	17.3	-10,801.58	-10,802.04	-1.43%
151		Cane Run Unit 5	5,418,846.93	-21.9%	-1,186,289.48	6,603,136.41	4,223,751.15	2,379,385.26 (1)	120-S1	17.2	138,336.35	142,256.92	2.63%
152		Cane Run Unit 5 Scrubber	1,696,435.28	-21.9%	-371,519.33	2,067,954.61	1,705,088.49	362,868.12 (1)	120-S1	17.3	20,975.04	21,569.49	1.27%
161		Cane Run Unit 6	18,149,961.41	-9.1%	-1,851,848.49	19,801,607.90	11,310,161.61	8,491,446.29 (1)	120-S1	17.3	490,835.05	504,745.73	2.78%
162		Cane Run Unit 6 Scrubber	1,859,591.50	-9.1%	-189,222.83	2,028,814.33	1,559,237.99	469,576.34 (1)	120-S1	17.3	27,143.14	27,912.40	1.50%
211		Mill Creek Unit 1	18,350,957.82	-11.5%	-2,110,380.15	20,461,317.97	15,111,840.28	5,349,877.69 (1)	120-S1	17.1	312,846.65	321,712.99	1.75%
212		Mill Creek Unit 1 Scrubber	1,697,743.03	-11.5%	-195,240.45	1,892,983.48	1,217,072.74	675,910.74 (1)	120-S1	17.3	39,069.98	40,177.26	2.37%
221		Mill Creek Unit 2	10,703,508.13	-19.0%	-2,033,668.16	12,737,172.29	8,178,641.31	4,558,530.98 (1)	120-S1	17.2	265,030.87	272,542.07	2.55%
222		Mill Creek Unit 2 Scrubber	1,393,403.67	-19.0%	-264,746.70	1,658,150.37	947,198.37	710,952.00 (1)	120-S1	19.3	36,836.89	37,880.88	2.72%
231		Mill Creek Unit 3	24,487,440.44	-12.0%	-2,938,492.85	27,425,933.29	15,892,174.24	11,533,759.05 (1)	120-S1	23.1	499,298.93	513,447.43	2.10%
232		Mill Creek Unit 3 Scrubber	362,868.58	-12.0%	-43,543.99	406,410.57	230,008.75	176,401.82 (1)	120-S1	23.1	7,636.44	7,852.86	2.16%
241		Mill Creek Unit 4	58,594,172.78	-6.5%	-3,878,821.23	62,472,994.01	28,768,630.73	33,506,163.28 (1)	120-S1	27.0	1,240,969.01	1,276,139.13	2.25%
242		Mill Creek Unit 4 Scrubber	5,079,085.65	-6.5%	-330,140.57	5,409,226.22	2,184,530.50	3,244,695.72 (1)	120-S1	27.0	120,173.92	123,579.75	2.43%
311		Trimble County Unit 1	161,248,919.71	-3.0%	-4,837,487.59	166,086,387.30	47,758,039.32	118,328,347.98 (1)	120-S1	30.9	3,829,396.37	3,937,924.74	2.44%
312		Trimble County Unit 1 Scrubber	450,053.78	-3.0%	-13,501.61	463,555.39	199,877.35	263,678.04 (1)	120-S1	26.4	9,987.80	10,270.86	2.28%
		Total Account 311	321,815,851.53	-6.5%	-21,037,095.18	342,852,946.69	154,527,070.09	188,125,876.61		27.2	6,924,725.09	7,120,977.72	2.21%
312.00		Boiler Plant Equipment											
103		Cane Run Locomotive	51,549.42	-7.8%	-3,917.78	55,467.18	49,217.02	8,250.16 (1)	50-L0.5	14.6	428.09	438.19	0.85%
104		Cane Run Rail Cars	1,501,772.81	-7.8%	-114,134.73	1,615,907.54	787,288.58	848,638.96 (1)	50-L0.5	15.9	53,373.52	54,632.81	3.64%
112		Cane Run Unit 1	1,053,742.53	-7.6%	-80,084.43	1,133,826.96	1,212,428.34	-78,601.38 (1)	50-L0.5	14.1	-5,574.57	-5,706.10	-0.54%
121		Cane Run Unit 2	132,838.82	-7.8%	-10,095.80	142,932.42	133,304.91	9,627.51 (1)	50-L0.5	13.9	692.83	708.97	0.53%
131		Cane Run Unit 3	716,616.30	-7.8%	-54,482.84	771,079.14	1,119,078.61	-347,999.47 (1)	50-L0.5	14.4	-24,168.63	-24,736.81	-3.45%
141		Cane Run Unit 4	25,980,016.48	-13.5%	-3,507,302.22	29,487,318.70	14,936,101.51	14,551,217.19 (1)	50-L0.5	15.7	926,829.12	948,696.58	3.65%
141		Mandated NOX Proj.-2004 Closing	2,442,928.00	-13.5%	-329,795.01	2,772,721.01	0.00	2,772,721.01 (2)		15.2	182,415.86	186,719.75	7.64%
142		Cane Run Unit 4 Scrubber	18,701,761.03	-13.5%	-2,254,737.74	20,956,498.77	19,987,932.17	-1,031,433.40 (1)	50-L0.5	14.1	-73,151.30	-74,877.22	-0.45%
151		Cane Run Unit 5	21,717,140.89	-16.7%	-3,828,762.53	25,545,903.42	11,880,384.07	13,663,519.35 (1)	50-L0.5	15.8	864,779.71	885,183.18	4.08%
151		Mandated NOX Proj.-2004 Closing	2,318,975.00	-16.7%	-387,268.83	2,706,243.83	0.00	2,706,243.83 (2)		15.3	176,878.68	181,051.93	7.81%
152		Cane Run Unit 5 Scrubber	27,928,602.90	-16.7%	-4,664,078.68	32,592,679.58	25,440,779.02	7,151,900.57 (1)	50-L0.5	14.0	510,850.04	522,902.95	1.87%
161		Cane Run Unit 6	35,613,831.67	-14.8%	-5,270,847.09	40,884,678.76	18,613,062.85	22,271,616.10 (1)	50-L0.5	15.7	1,418,574.27	1,452,043.88	4.08%
161		Mandated NOX Proj.-2004 Closing	384,864.00	-14.8%	-58,930.27	441,594.27	0.00	441,594.27 (2)		15.2	29,052.25	29,737.70	7.73%
162		Cane Run Unit 6 Scrubber	30,524,781.84	-14.8%	-4,517,664.75	35,042,426.59	22,372,713.66	12,669,712.93 (1)	50-L0.5	14.2	892,233.31	913,284.52	2.89%
203		Mill Creek Locomotive	613,424.43	-7.8%	-48,620.28	662,044.69	558,573.13	101,471.56 (1)	50-L0.5	21.1	4,809.08	4,922.54	0.80%
204		Mill Creek Rail Cars	3,831,645.61	-7.6%	-278,905.07	4,109,550.68	1,882,746.59	2,044,904.08 (1)	50-L0.5	23.1	88,523.99	90,612.61	2.50%
211		Mill Creek Unit 1	40,579,264.08	-15.9%	-6,452,102.99	47,031,367.07	25,158,522.44	21,874,844.63 (1)	50-L0.5	15.4	1,420,444.46	1,453,958.20	3.58%
211		Mandated NOX Proj.-2004 Closing	298,528.00	-11.5%	-34,330.72	332,858.72	0.00	332,858.72 (2)		14.9	22,339.51	22,868.58	7.68%

Table 2-Locations

**Louisville Gas and Electric
Electric Division**

Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Deprecation Reserve and Average Remaining Life Technique (Account Level Depr Rates Allocated to Location & Unit) as of December 31, 2002

Account No. (a)	Location Code (b)	Description (c)	Original Cost 12/31/02 (d)	Estimated Future Net Salvage % (e)	Amount (f)	Original Cost Less Salvage (g)	Book Depreciation Reserve (h)	Net Original Cost Less Salvage (i)	A.S.L./ Survivor Curve (j)	Average Remaining Life (k)	Annual Depr. Accrual Basis (l)	Annual Depreciation Accrual (m)	Annual Depreciation Rate (n)
211		Mandated NOX Proj.-2005 Closing	250,000.00	-11.5%	-28,750.00	278,750.00	0.00	278,750.00	(2)	13.9	20,053.96	20,527.11	8.21%
212		Mill Creek Unit 1 Scrubber	33,874,404.57	-15.9%	-5,388,030.33	39,260,434.90	21,426,853.04	17,833,581.85 (1)	50-L0.5	13.2	1,351,028.93	1,382,904.89	4.08%
221		Mill Creek Unit 2	33,397,635.49	-17.6%	-5,877,983.85	39,275,619.34	17,698,958.31	21,576,661.02 (1)	50-L0.5	17.1	1,261,793.04	1,291,563.58	3.87%
221		Mandated NOX Proj.-2004 Closing	243,288.00	-17.6%	-42,818.69	286,106.69	0.00	286,106.69	(2)	16.8	17,235.34	17,641.99	7.25%
221		Mandated NOX Proj.-2005 Closing	250.00	-17.6%	-44.00	294.00	0.00	294.00	(2)	15.6	18.85	19.29	7.72%
222		Mill Creek Unit 2 Scrubber	34,412,558.24	-17.6%	-6,056,810.25	40,469,368.49	17,978,498.46	22,490,870.03 (1)	50-L0.5	14.3	1,572,774.13	1,609,881.91	4.68%
231		Mill Creek Unit 3	65,259,053.22	-13.7%	-8,940,490.29	74,199,543.51	41,186,383.84	33,013,179.67 (1)	50-L0.5	19.4	1,701,710.29	1,741,860.17	2.67%
231		Mandated NOX Proj.-2004 Closing	65,597,028.00	-13.7%	-8,988,792.84	74,585,820.84	0.00	74,585,820.84	(2)	18.9	3,846,233.91	4,039,340.72	6.16%
231		Mandated NOX Proj.-2005 Closing	3,198,000.00	-13.7%	-438,126.00	3,636,126.00	0.00	3,636,126.00	(2)	17.9	203,135.53	207,928.28	6.50%
232		Mill Creek Unit 3 Scrubber	52,369,621.74	-13.7%	-7,174,838.18	59,544,259.92	21,983,281.31	37,560,998.61 (1)	50-L0.5	16.8	2,235,773.73	2,288,524.22	4.37%
241		Mill Creek Unit 4	154,787,100.00	-10.6%	-16,407,432.60	171,194,532.60	62,421,714.83	108,772,817.77 (1)	50-L0.5	22.7	4,791,754.09	4,904,809.97	3.17%
241		Mandated NOX Proj.-2004 Closing	63,382,718.00	-10.6%	-6,718,568.11	70,101,286.11	0.00	70,101,286.11	(2)	22.2	3,157,715.59	3,232,218.22	5.10%
241		Mandated NOX Proj.-2005 Closing	1,402,000.00	-10.6%	-148,612.00	1,550,612.00	0.00	1,550,612.00	(2)	21.2	73,142.08	74,867.78	5.34%
241		Mandated NOX Proj.-2006 Closing	3,000,000.00	-10.6%	-318,000.00	3,318,000.00	0.00	3,318,000.00	(2)	20.2	184,257.43	188,132.89	5.60%
242		Mill Creek Unit 4 Scrubber	105,450,790.06	-10.6%	-11,177,783.75	116,628,573.81	31,729,807.81	84,898,765.99 (1)	50-L0.5	18.4	4,614,063.37	4,722,928.84	4.48%
311		Trimble County Unit 1	235,442,385.84	-9.7%	-22,837,911.43	258,280,297.27	62,458,671.60	195,823,625.66 (1)	50-L0.5	25.6	7,649,360.38	7,829,838.16	3.33%
311		Mandated NOX Proj.-2004 Closing	2,832,801.00	-9.7%	-274,781.70	3,107,582.70	0.00	3,107,582.70	(2)	25.1	123,808.08	126,729.19	4.47%
312		Trimble County Unit 1 Scrubber	54,528,851.05	-8.5%	-4,634,952.34	59,163,803.39	30,321,313.03	28,842,490.36 (1)	50-L0.5	19.3	1,484,429.55	1,529,688.88	2.81%
		Total Account 312	1,121,620,545.02	-12.2%	-137,137,465.85	1,258,758,010.87	451,093,554.94	807,664,455.93		19.8	40,867,620.30	41,831,844.37	3.73%
314.00		Turbogenerator Units											
112		Cane Run Unit 1	108,008.55	-4.2%	-4,452.36	110,460.91	135,990.09	-25,529.18 (1)	50-S1.5	11.9	-2,145.31	-2,197.58	-2.07%
121		Cane Run Unit 2	19,998.97	-4.2%	-839.96	20,838.93	20,838.93	0.00 (1)	50-S1.5	12.0	0.00	0.00	0.00%
131		Cane Run Unit 3	581,177.52	-4.2%	-24,409.46	605,586.98	1,030,902.17	-425,315.19 (1)	50-S1.5	12.5	-34,025.22	-34,854.24	-6.00%
141		Cane Run Unit 4	6,432,342.78	-9.9%	-834,801.94	9,267,144.72	6,240,113.06	3,027,031.66 (1)	50-S1.5	15.3	197,845.21	202,665.66	2.40%
151		Cane Run Unit 5	6,985,593.95	-13.1%	-915,112.81	7,900,706.76	5,832,062.00	2,268,644.76 (1)	50-S1.5	15.0	151,242.98	154,927.98	2.22%
161		Cane Run Unit 6	11,274,211.57	-11.4%	-1,285,260.12	12,559,471.69	8,027,114.38	4,532,357.31 (1)	50-S1.5	15.4	294,308.92	301,479.68	2.67%
211		Mill Creek Unit 1	13,449,713.81	-12.1%	-1,627,415.37	15,077,129.18	10,984,989.07	4,092,130.11 (1)	50-S1.5	14.3	286,162.94	293,135.23	2.18%
221		Mill Creek Unit 2	14,801,053.25	-11.3%	-1,672,519.02	16,473,572.27	10,695,295.62	5,578,276.65 (1)	50-S1.5	16.6	336,040.76	344,228.31	2.33%
231		Mill Creek Unit 3	26,232,206.52	-9.4%	-2,465,827.41	28,698,033.93	17,259,343.05	11,438,690.88 (1)	50-S1.5	20.4	560,720.14	574,381.95	2.19%
241		Mill Creek Unit 4	40,475,497.49	-6.8%	-2,752,333.83	43,227,831.32	20,510,019.43	22,717,811.89 (1)	50-S1.5	23.5	966,715.40	990,269.18	2.45%
311		Trimble County Unit 1	68,236,375.14	-5.9%	-3,907,946.13	70,144,321.27	21,515,114.70	48,629,206.57 (1)	50-S1.5	27.3	1,781,289.62	1,824,690.30	2.75%
		Total Account 314	168,594,179.55	-8.2%	-15,490,918.40	204,085,097.95	102,251,792.50	101,833,305.45		22.4	4,538,155.44	4,648,726.47	2.46%
315.00		Accessory Electric Equipment											
112		Cane Run Unit 1	1,891,012.53	-5.4%	-102,114.68	1,993,127.21	2,361,744.12	-368,616.91 (1)	55-S1	13.5	-27,304.96	-28,763.04	-1.52%
121		Cane Run Unit 2	1,277,223.20	-5.4%	-68,970.05	1,346,193.25	1,340,998.08	5,197.18 (1)	55-S1	13.6	382.15	402.56	0.03%
131		Cane Run Unit 3	767,324.52	-5.4%	-41,435.52	808,760.04	1,326,714.57	-517,954.53 (1)	55-S1	14.0	-38,996.75	-38,972.38	-5.08%
141		Cane Run Unit 4	5,490,877.18	-8.0%	-439,254.17	5,929,931.35	2,589,321.48	3,340,609.87 (1)	55-S1	16.8	198,845.83	209,464.19	3.81%
142		Cane Run Unit 4 Scrubber	987,949.29	-8.0%	-79,035.94	1,066,985.23	1,066,985.23	0.00 (1)	55-S1	14.2	0.00	0.00	0.00%
151		Cane Run Unit 5	6,646,646.21	-8.0%	-547,747.86	7,394,394.07	3,094,934.16	4,299,461.90 (1)	55-S1	16.8	255,932.26	269,599.04	3.94%
152		Cane Run Unit 5 Scrubber	2,173,037.73	-8.0%	-173,843.02	2,346,880.75	2,390,465.99	-43,585.24 (1)	55-S1	14.4	-3,026.75	-3,188.38	-0.15%
161		Cane Run Unit 6	8,173,345.07	-8.3%	-678,387.64	8,851,732.71	3,909,387.88	4,942,344.83 (1)	55-S1	16.7	295,948.79	311,752.45	3.81%

Table 2-Locations

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant In Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Deprecation Reserve and Average Remaining Life Technique (Account Level Depr Rates Allocated to Location & Unit) as of December 31, 2002

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depr. Accrual Basis	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
162		Cane Run Unit 6 Scrubber	2,124,667.29	-8.3%	-176,347.39	2,301,014.68	2,144,382.93	156,631.74 (1)	55-S1	14.4	10,877.20	11,458.04	0.54%
211		Mill Creek Unit 1	14,520,069.59	-7.5%	-1,089,005.22	15,609,074.81	6,128,517.94	9,480,556.87 (1)	55-S1	16.7	567,698.02	598,013.09	4.12%
212		Mill Creek Unit 1 Scrubber	5,541,694.53	-7.5%	-415,627.09	5,957,321.62	4,273,045.26	1,684,276.36 (1)	55-S1	13.7	122,939.88	129,504.87	2.34%
221		Mill Creek Unit 2	7,420,343.06	-9.5%	-704,932.59	8,125,275.65	4,450,450.07	3,674,825.58 (1)	55-S1	17.8	206,450.88	217,475.35	2.93%
222		Mill Creek Unit 2 Scrubber	4,451,153.72	-9.5%	-422,859.60	4,874,013.32	3,467,639.40	1,406,373.93 (1)	55-S1	14.5	96,991.31	102,170.64	2.30%
231		Mill Creek Unit 3	13,482,711.35	-8.3%	-1,119,065.04	14,601,776.39	9,003,881.35	5,597,895.04 (1)	55-S1	20.7	270,429.71	284,870.65	2.11%
232		Mill Creek Unit 3 Scrubber	2,531,772.82	-8.3%	-210,137.14	2,741,909.96	1,845,000.66	896,909.30 (1)	55-S1	20.7	43,328.95	45,642.72	1.80%
241		Mill Creek Unit 4	21,428,489.73	-10.9%	-2,335,705.38	23,764,195.11	11,328,525.97	12,435,669.14 (1)	55-S1	23.8	522,507.11	550,408.98	2.57%
242		Mill Creek Unit 4 Scrubber	5,811,079.36	-10.9%	-633,407.65	6,444,487.01	3,142,825.39	3,301,661.63 (1)	55-S1	23.8	138,725.28	146,133.21	2.51%
311		Trimble County Unit 1	58,332,123.79	-7.6%	-4,281,241.41	60,813,365.20	18,070,820.41	42,542,544.79 (1)	55-S1	27.7	1,535,831.94	1,617,845.34	2.87%
312		Trimble County Unit 1 Scrubber	2,738,920.21	-7.6%	-208,005.94	2,944,926.15	1,557,453.07	1,387,473.07 (1)	55-S1	22.4	61,940.76	65,248.40	2.38%
		Total Account 315	163,988,443.18	-8.4%	-13,727,123.34	177,715,566.52	83,493,091.96	94,222,474.56		22.1	4,261,501.61	4,489,065.74	2.74%
316.00		Miscellaneous Power Plant Equipment											
112		Cane Run Unit 1	151,638.76	-11.8%	-17,893.37	169,532.13	183,908.16	-14,376.02 (1)	35-S2	9.5	-1,513.27	-1,554.25	-1.02%
131		Cane Run Unit 3	11,864.48	-11.8%	-1,378.41	13,040.89	20,567.80	-7,526.91 (1)	35-S2	10.6	-710.09	-729.32	-6.25%
141		Cane Run Unit 4	54,253.32	-22.7%	-12,315.50	66,568.82	17,147.80	49,421.03 (1)	35-S2	16.8	2,941.73	3,021.39	5.57%
142		Cane Run Unit 4 Scrubber	8,464.30	-22.7%	-1,467.40	7,931.70	8,464.30	1,467.40 (1)	35-S2	11.0	133.40	137.01	2.12%
151		Cane Run Unit 5	42,867.49	-29.4%	-12,603.04	55,470.53	7,894.99	47,575.55 (1)	35-S2	17.1	2,782.20	2,857.54	6.67%
152		Cane Run Unit 5 Scrubber	47,299.47	-29.4%	-13,906.04	61,205.51	60,158.06	1,047.45 (1)	35-S2	11.9	88.02	90.40	0.19%
161		Cane Run Unit 6	1,808,951.04	-12.3%	-222,254.98	2,029,206.02	915,533.28	1,113,672.74 (1)	35-S2	15.7	70,934.57	72,855.33	4.03%
162		Cane Run Unit 6 Scrubber	31,568.91	-12.3%	-3,882.98	35,451.89	38,278.10	-2,826.21 (1)	35-S2	11.4	-247.91	-254.62	-0.81%
211		Mill Creek Unit 1	654,992.48	-13.8%	-90,388.96	745,381.44	458,697.92	286,683.53 (1)	35-S2	13.1	21,884.24	22,476.82	3.43%
221		Mill Creek Unit 2	105,299.47	-24.0%	-25,271.87	130,571.34	82,487.03	48,074.31 (1)	35-S2	13.5	3,561.06	3,657.49	3.47%
231		Mill Creek Unit 3	318,625.29	-17.0%	-54,168.30	372,791.59	274,288.72	98,492.87 (1)	35-S2	14.3	6,887.81	7,074.11	2.22%
241		Mill Creek Unit 4	3,926,266.27	-13.8%	-541,824.75	4,468,091.02	1,564,750.41	2,903,340.61 (1)	35-S2	21.9	132,572.63	136,162.42	3.47%
242		Mill Creek Unit 4 Scrubber	41,441.04	-13.8%	-5,718.86	47,159.90	26,572.02	20,587.88 (1)	35-S2	14.7	1,400.54	1,438.46	3.47%
311		Trimble County Unit 1	2,332,701.72	-15.1%	-352,237.96	2,684,939.68	831,971.41	1,852,968.27 (1)	35-S2	22.6	81,989.75	84,209.86	3.61%
		Total Account 316	9,532,034.04	-14.2%	-1,355,308.42	10,887,342.46	4,488,739.98	6,398,602.49		19.8	322,704.48	331,442.64	3.48%
		Total Steam Production Plant	1,805,351,053.32	-10.5%	-188,747,911.17	1,994,098,964.49	795,854,249.45	1,198,244,715.04		21.1	56,914,706.92	58,422,056.94	3.24%
		HYDRAULIC PLANT											
331.10		Structures and Improvements											
451		Ohio Falls Plant - Project 289	4,995,148.82	-11.2%	-559,458.67	5,554,605.49	4,989,034.51	565,570.98 (1)	140-L1.5	30.0	18,852.37	18,852.37	0.38%
332.10		Reservoirs, Dams and Waterways											
451		Ohio Falls Plant - Project 289	303,530.35	-52.7%	-159,960.49	463,490.84	237,807.60	225,683.24 (1)	150-L1.5	31.7	7,119.35	7,119.35	2.35%
333.10		Waterwheel, Turbines and Genera											
451		Ohio Falls Plant - Project 289	2,316,031.31	-14.3%	-331,192.48	2,647,223.79	2,528,445.62	118,778.16 (1)	150-L1.5	30.1	3,946.12	3,946.12	0.17%

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Table 2-Locations

**Louisville Gas and Electric
Electric Division**

Summary of Original Cost of Utility Plant in Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
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Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Estimated Future Net Salvage Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depr. Accrual Basis	Annual Depreciation Accrual	Annual Deprecation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
334.10		Accessory Electric Equipment											
	451	Ohio Falls Plant - Project 289	1,304,908.02	-22.2%	-289,689.58	1,594,597.60	1,052,232.87	542,364.93 (1)	55-S1	24.8	21,869.55	22,598.54	1.73%
335.10		Miscellaneous Power Plant Equipr											
	451	Ohio Falls Plant - Project 289	151,480.96	-31.2%	-47,255.82	198,716.78	173,144.02	25,572.76 (1)	35-S2	22.7	1,126.55	1,839.77	1.21%
336.10		Roads, Railroads and Bridges											
	451	Ohio Falls Plant - Project 289	178,846.99	0.0%	0.00	178,846.99	169,665.39	9,181.60 (1)	150-L1	29.8	308.11	308.11 (3)	0.17%
		Sub-Total Hydr. Plant - (Project 289)	9,249,926.45	-15.0%	-1,387,555.04	10,637,481.49	9,150,329.81	1,487,151.68			53,222.04	54,664.24	0.59%
331.00		Other Than Project 289 Structures and Improvements											
	450	Ohio Falls Plant - Non Project 289	65,796.14	-5.1%	-3,355.60	69,151.74	26,465.65	42,686.09 (1)	140-L1.5	31.0	1,376.97	1,376.97	2.09%
335.00		Miscellaneous Power Plant Equipment											
	450	Ohio Falls Plant - Non Project 289	7,813.67	-21.8%	-1,703.36	9,517.05	6,014.78	3,502.27 (1)	55-R3	19.7	177.78	466.97	5.98%
336.00		Roads, Railroads and Bridges											
	450	Ohio Falls Plant - Non Project 289	1,133.98	0.0%	0.00	1,133.98	592.79	541.19 (1)	150-L1	29.8	18.16	18.16	1.60%
		Sub-Total Hydraulic Plant - (Other Than Project 289)	74,743.79	-6.8%	-5,058.98	79,802.77	33,073.22	46,729.55			1,572.91	1,862.10	2.49%
		Total Hydraulic Plant	9,324,670.24	-14.9%	-1,392,614.02	10,717,284.26	9,183,403.03	1,533,681.23		28.0	54,794.96	56,526.34	0.61%
341.00		OTHER PRODUCTION PLANT Structures and Improvements											
	171	Cane Run CT's	68,931.71	-24.3%	-16,750.41	85,682.12	59,101.41	26,580.70 (1)	80-L1	7.3	3,641.19	3,583.92	5.20%
	410	Zorn CT's	8,241.14	-214.1%	-17,644.28	25,885.42	8,360.08	17,525.34 (1)	80-L1	7.2	2,434.08	2,395.80	29.07%
	420	Waterside CT's	411,977.94	-12.3%	-50,673.29	462,651.23	392,074.27	70,576.96 (1)	80-L1	7.2	9,802.36	9,648.19	2.34%
	431	Paddys 12 CT	42,864.53	-76.6%	-32,834.23	75,698.76	45,293.55	30,405.21 (1)	80-L1	7.2	4,222.95	4,156.53	9.70%
	432	Paddys 13 CT	2,158,698.12	-6.0%	-129,521.89	2,288,220.01	111,866.17	2,176,333.83 (1)	80-L1	27.5	79,139.41	77,894.71	3.61%
	459	Brown 5 CT	858,538.64	-9.1%	-78,127.02	936,665.66	44,387.35	892,278.31 (1)	80-L1	27.5	32,446.48	31,936.16	3.72%
	460	Brown 6 CT	69,733.40	-83.0%	-57,878.72	127,612.12	5,427.49	122,184.63 (1)	80-L1	24.7	4,946.75	4,868.95	6.98%
	481	Brown 7 CT	105,588.33	-29.5%	-31,148.56	136,736.89	18,897.37	117,839.52 (1)	80-L1	25.6	4,603.11	4,530.71	4.29%
	470	Trimble County CT5	1,458,614.33	-4.7%	-68,554.87	1,527,169.20	23,800.76	1,503,368.44 (1)	80-L1	28.5	52,749.77	51,920.13	3.56%
	471	Trimble County CT6	1,457,842.69	-4.7%	-68,518.61	1,526,361.30	23,804.36	1,502,556.94 (1)	80-L1	28.5	52,721.30	51,892.10	3.56%
		Total Account	6,641,030.83	-8.3%	-551,651.87	7,192,682.70	733,032.81	6,459,649.89		26.2	246,707.40	242,827.20	3.66%

Table 2-Locations

**Louisville Gas and Electric
Electric Division**

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Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage % Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depr. Accrual Basis	Annual Depreciation Accrual	Annual Depreciation Rate	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
342.00		Fuel Holders, Producers and Accessory											
171		Cane Run CT's	123,338.90	-13.4%	-16,527.41	139,866.31	84,856.13	55,010.18 (1)	80-L1	7.4	7,433.81	7,110.87	5.77%
410		Zorn CT's	12,801.77	-145.6%	-18,639.38	31,441.15	13,202.27	18,238.88 (1)	80-L1	7.2	2,533.18	2,423.13	18.93%
420		Waterside CT's	124,183.26	-37.5%	-46,561.22	170,724.48	115,527.66	55,196.82 (1)	80-L1	7.3	7,561.21	7,232.73	5.83%
430		Paddys 11 CT	9,237.57	-179.4%	-16,572.20	25,809.77	9,613.48	16,196.29 (1)	80-L1	7.2	2,249.48	2,151.76	23.29%
431		Paddys 12 CT	12,197.11	-280.3%	-34,188.50	46,385.61	12,814.41	33,571.20 (1)	80-L1	7.3	4,598.79	4,399.01	36.07%
432		Paddys 13 CT	2,233,773.85	-4.4%	-98,286.05	2,332,059.90	117,701.76	2,214,358.13 (1)	80-L1	27.5	80,522.11	77,024.02	3.45%
459		Brown 5 CT	822,580.92	-8.2%	-67,451.64	890,032.56	43,235.24	846,797.32 (1)	80-L1	27.5	30,792.63	29,454.92	3.58%
460		Brown 6 CT	363,762.04	-34.5%	-125,497.90	489,259.94	28,779.79	460,480.15 (1)	80-L1	24.7	18,642.92	17,833.02	4.90%
461		Brown 7 CT	102,065.03	-71.1%	-72,568.24	174,633.27	18,571.39	156,061.88 (1)	80-L1	25.6	6,096.17	5,831.34	5.71%
470		Trimble County CT5	97,240.96	-47.3%	-45,994.97	143,235.93	1,613.28	141,622.65 (1)	80-L1	28.5	4,969.22	4,753.34	4.89%
471		Trimble County CT6	97,189.52	-47.3%	-45,970.64	143,160.16	1,612.27	141,547.89 (1)	80-L1	28.5	4,968.59	4,750.83	4.89%
473		Trimble County Pipeline	1,835,184.93	0.0%	0.00	1,835,184.93	39,264.86	1,795,900.07 (1)	80-L1	30.2	59,466.89	56,883.49	3.10%
		Total Account	5,833,515.86	-10.1%	-588,258.15	6,421,774.01	486,792.55	5,934,981.47		25.8	229,833.00	219,848.46	3.77%
343.00		Prime Movers											
420		Waterside CT's	2,671,305.84	-8.2%	-219,047.08	2,890,352.92	2,140,319.74	750,033.18 (1)	80-L1	7.3	102,744.27	102,845.68	3.85%
432		Paddys 13 CT	19,627,845.35	-3.4%	-667,348.74	20,295,192.09	969,405.90	19,325,786.19 (1)	80-L1	27.5	702,755.86	703,449.51	3.58%
459		Brown 5 CT	14,126,417.74	-3.3%	-466,171.79	14,592,589.53	695,947.72	13,896,641.80 (1)	80-L1	27.5	505,332.43	505,831.22	3.58%
460		Brown 6 CT	19,890,998.18	-2.8%	-556,947.95	20,447,946.13	1,475,064.65	18,972,881.48 (1)	80-L1	24.7	768,132.85	768,891.03	3.87%
461		Brown 7 CT	20,023,957.45	-2.8%	-560,670.81	20,584,628.26	3,414,831.32	17,169,796.94 (1)	80-L1	25.6	670,695.19	671,357.20	3.35%
470		Trimble County CT5	12,205,907.18	-3.0%	-366,177.22	12,572,084.40	189,785.32	12,382,299.07 (1)	80-L1	28.5	434,466.83	434,895.47	3.56%
471		Trimble County CT6	12,199,437.94	-3.0%	-365,983.14	12,565,421.08	189,670.95	12,375,750.13 (1)	80-L1	28.5	434,238.85	434,665.46	3.56%
		Total Account	100,745,889.68	-3.2%	-3,202,344.72	103,948,214.40	9,075,025.80	94,873,188.60		26.2	3,618,364.08	3,621,935.57	3.60%
344.00		Generators											
171		Cane Run CT's	2,492,496.42	-3.5%	-87,237.37	2,579,733.79	1,590,838.99	988,894.80 (1)	80-L1	7.4	133,634.43	149,469.30	6.00%
410		Zorn CT's	1,827,580.88	-4.8%	-87,723.88	1,915,304.76	1,688,489.30	226,835.46 (1)	80-L1	7.3	31,073.35	34,755.35	1.90%
420		Waterside CT's	451,117.33	-40.9%	-184,506.99	635,624.32	432,486.53	203,137.79 (1)	80-L1	7.2	28,213.58	31,556.72	7.00%
430		Paddys 11 CT	1,523,115.56	-5.1%	-77,678.89	1,600,794.45	1,415,850.36	184,944.10 (1)	80-L1	7.3	25,334.81	28,336.83	1.86%
431		Paddys 12 CT	2,991,745.77	-5.3%	-158,582.53	3,150,308.30	2,898,337.55	251,970.74 (1)	80-L1	7.3	34,516.54	38,608.54	1.29%
432		Paddys 13 CT	5,859,857.93	-7.3%	-427,769.63	6,287,627.56	304,558.38	5,983,069.18 (1)	80-L1	27.5	217,566.15	243,346.42	4.15%
459		Brown 5 CT	3,219,205.40	-9.0%	-289,728.49	3,508,933.89	166,895.19	3,342,038.70 (1)	80-L1	27.5	121,528.88	135,929.09	4.22%
460		Brown 6 CT	2,417,994.54	-11.6%	-280,487.37	2,698,481.91	188,895.05	2,509,586.86 (1)	80-L1	24.7	101,810.80	113,651.06	4.70%
461		Brown 7 CT	2,421,079.26	-11.6%	-280,845.19	2,701,924.45	434,489.81	2,267,434.64 (1)	80-L1	25.6	88,571.67	99,068.87	4.09%
470		Trimble County CT5	1,527,420.57	-12.5%	-190,927.57	1,718,348.14	24,992.49	1,693,355.65 (1)	80-L1	28.5	59,415.99	66,456.42	4.35%
471		Trimble County CT6	1,526,610.88	-12.5%	-190,826.36	1,717,437.24	24,977.32	1,692,459.92 (1)	80-L1	28.5	59,384.56	66,421.27	4.35%
		Total Account	26,258,224.54	-8.8%	-2,256,294.27	28,514,518.81	9,170,590.96	19,343,927.85		21.5	900,850.56	1,007,595.88	3.84%

Table 2-Locations

**Louisville Gas and Electric
Electric Division**

Summary of Original Cost of Utility Plant In Service and Calculation of
Annual Depreciation Rates and Depreciation Expense Based Upon Utilization of
Book Depreciation Reserve and Average Remaining Life Technique (Account Level Depr Rates Allocated to Location & Unit) as of December 31, 2002

Account No. (a)	Location Code (b)	Description (c)	Original Cost 12/31/02 (d)	Estimated Future Net Salvage % (e)	Amount (f)	Original Cost Less Salvage (g)	Book Depreciation Reserve (h)	Net Original Cost Less Salvage (i)	A.S.L./ Survivor Curve (j)	Average Remaining Life (k)	Annual Depr. Accrual Basis (l)	Annual Depreciation Accrual (m)	Annual Depreciation Rate (n)
345.00		Accessory Electric Equipment											
171		Cane Run CT's	113,683.82	-7.5%	-8,526.29	122,210.11	98,154.10	24,056.00 (1)	55-S1	7.1	3,388.17	3,380.80	2.97%
410		Zorn CT's	40,936.08	-21.4%	-8,760.32	49,696.40	39,733.30	9,963.10 (1)	55-S1	7.1	1,403.25	1,400.20	3.42%
420		Waterside CT's	342,628.38	-7.1%	-24,326.61	366,954.99	167,133.97	199,821.03 (1)	55-S1	7.4	27,002.84	26,944.10	7.86%
430		Paddys 11 CT	68,109.35	-11.9%	-8,105.01	76,214.36	56,264.89	19,949.47 (1)	55-S1	7.3	2,732.80	2,726.86	4.00%
431		Paddys 12 CT	114,337.63	-14.4%	-16,464.82	130,802.25	98,654.90	32,147.35 (1)	55-S1	7.3	4,403.75	4,394.17	3.84%
432		Paddys 13 CT	2,778,992.60	-2.6%	-72,253.81	2,851,246.41	141,142.47	2,710,103.94 (1)	55-S1	27.3	99,271.21	99,055.27	3.56%
459		Brown 5 CT	2,575,301.42	-2.2%	-56,656.63	2,631,958.05	130,470.02	2,501,488.03 (1)	55-S1	27.3	91,629.60	91,430.28	3.55%
480		Brown 6 CT	942,589.47	-4.2%	-39,588.76	982,178.23	71,661.01	910,517.22 (1)	55-S1	24.6	37,012.90	36,932.39	3.92%
461		Brown 7 CT	943,792.03	-4.2%	-39,639.27	983,431.30	165,275.71	818,155.58 (1)	55-S1	25.5	32,084.53	32,014.74	3.39%
470		Trimble County CT5	680,686.68	-4.0%	-27,227.47	707,914.15	10,867.85	697,046.30 (1)	55-S1	28.3	24,830.61	24,577.03	3.61%
471		Trimble County CT6	680,326.59	-4.0%	-27,213.06	707,539.65	10,861.72	696,677.94 (1)	55-S1	28.3	24,617.59	24,564.04	3.61%
		Total Account	9,281,384.05	-3.5%	-328,761.85	9,610,145.90	990,219.94	8,619,925.96		24.6	348,177.25	347,419.86	3.74%
346.00		Miscellaneous Power Plant Equipment											
420		Waterside CT's	24,766.29	-14.3%	-3,541.58	28,307.87	22,894.93	5,412.94 (1)	35-S2	5.4	1,002.40	999.71	4.04%
431		Paddys 12 CT	1,140.74	-2.8%	-31.94	1,172.68	1,155.82	18.86 (1)	35-S2	6.1	2.76	2.75	0.24%
432		Paddys 13 CT	1,260,054.85	-3.3%	-41,581.81	1,301,636.66	66,713.88	1,234,922.98 (1)	35-S2	28.1	47,315.06	47,188.00	3.74%
459		Brown 5 CT	2,370,656.38	-3.0%	-71,118.69	2,441,776.07	125,200.80	2,316,575.27 (1)	35-S2	28.1	88,757.67	88,519.32	3.73%
480		Brown 6 CT	11,034.25	-40.0%	-4,413.70	15,447.95	866.20	14,581.75 (1)	35-S2	23.8	612.68	611.03	5.54%
461		Brown 7 CT	11,048.30	-43.0%	-4,750.77	15,799.07	2,008.95	13,790.12 (1)	35-S2	24.5	562.86	561.35	5.08%
		Total Account	3,878,700.81	-3.4%	-125,439.49	3,804,140.30	218,840.36	3,585,299.92		25.9	138,253.43	137,882.16	3.75%
		Total Other Production Plant	152,438,725.77	-4.8%	-7,052,750.35	159,491,476.12	20,674,502.23	132,604,031.40		24.2	5,482,185.72	5,577,509.14	3.66%

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

(2) Based Upon Mid Year Convention From Embedded ARL

(3) Fully Depreciated. No Further Depreciation To Be Accrued

Table 2-a

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant In Service and
Interim and Terminal Net Salvage

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage					Interim Retirement Rate Calculation								
				Interim Net Salvage		Terminal Net Salvage		Total Net Salvage		Interim Ret	Avg Age	Interim Curve	Interim Retired	Interim Retired Rate	Factored Amount	Interim Ret. % Of Total Investment	
				%	Amount	%	Amount	%	Amount	ASL/Curve	(Yrs)	Percent Surv	Percent Retirement	Amount	Rate	Amount	(r)
DEPRECIABLE PLANT																	
STEAM PLANT																	
311.00		Structures and Improvements															
112		Cane Run Unit 1	4,182,197.33	-0.9%	-37,640	0.0%	0	-0.9%	-37,640	120-S1	43.2	94%	6%	250,932	-15%	-37,640	-0.9%
121		Cane Run Unit 2	2,102,941.66	-0.9%	-18,926	0.0%	0	-0.9%	-18,926	120-S1	43.2	94%	6%	126,176	-15%	-18,926	-0.9%
131		Cane Run Unit 3	3,532,140.77	-0.9%	-31,789	0.0%	0	-0.9%	-31,789	120-S1	43.2	94%	6%	211,928	-15%	-31,789	-0.9%
141		Cane Run Unit 4	3,547,227.06	-0.9%	-31,925	-25.2%	-893,901	-26.1%	-925,826	120-S1	43.2	94%	6%	212,834	-15%	-31,925	-0.9%
142		Cane Run Unit 4 Scrubber	760,360.00	-0.9%	-6,843	-25.2%	-191,611	-26.1%	-198,454	120-S1	43.2	94%	6%	45,622	-15%	-6,843	-0.9%
151		Cane Run Unit 5	5,416,846.93	-0.9%	-48,752	-21.0%	-1,137,538	-21.9%	-1,186,289	120-S1	43.2	94%	6%	325,011	-15%	-48,752	-0.9%
152		Cane Run Unit 5 Scrubber	1,696,435.28	-0.9%	-15,268	-21.0%	-356,251	-21.9%	-371,519	120-S1	43.2	94%	6%	101,786	-15%	-15,268	-0.9%
161		Cane Run Unit 6	16,149,961.41	-0.9%	-163,350	-8.2%	-1,488,297	-9.1%	-1,651,646	120-S1	43.2	94%	6%	1,088,998	-15%	-163,350	-0.9%
162		Cane Run Unit 6 Scrubber	1,859,591.50	-0.9%	-16,736	-8.2%	-152,487	-9.1%	-169,223	120-S1	43.2	94%	6%	111,575	-15%	-16,736	-0.9%
211		Mill Creek Unit 1	18,350,957.82	-0.9%	-165,159	-10.6%	-1,945,202	-11.5%	-2,110,360	120-S1	43.2	94%	6%	1,101,057	-15%	-165,159	-0.9%
212		Mill Creek Unit 1 Scrubber	1,697,743.03	-0.9%	-15,280	-10.6%	-179,961	-11.5%	-195,240	120-S1	43.2	94%	6%	101,865	-15%	-15,280	-0.9%
221		Mill Creek Unit 2	10,703,506.13	-0.9%	-96,332	-18.1%	-1,937,335	-19.0%	-2,033,666	120-S1	43.2	94%	6%	642,210	-15%	-96,332	-0.9%
222		Mill Creek Unit 2 Scrubber	1,393,403.67	-0.9%	-12,541	-18.1%	-252,206	-19.0%	-264,747	120-S1	43.2	94%	6%	83,604	-15%	-12,541	-0.9%
231		Mill Creek Unit 3	24,487,440.44	-0.9%	-220,387	-11.1%	-2,718,106	-12.0%	-2,938,493	120-S1	43.2	94%	6%	1,469,246	-15%	-220,387	-0.9%
232		Mill Creek Unit 3 Scrubber	362,866.58	-0.9%	-3,266	-11.1%	-40,278	-12.0%	-43,544	120-S1	43.2	94%	6%	21,772	-15%	-3,266	-0.9%
241		Mill Creek Unit 4	56,594,172.78	-0.9%	-509,348	-5.6%	-3,169,274	-5.5%	-3,678,621	120-S1	43.2	94%	6%	3,395,650	-15%	-509,348	-0.9%
242		Mill Creek Unit 4 Scrubber	5,079,085.65	-0.9%	-45,712	-5.6%	-264,429	-5.5%	-330,141	120-S1	43.2	94%	6%	304,745	-15%	-45,712	-0.9%
311		Trimble County Unit 1	161,248,919.71	-0.9%	-1,451,240	-2.1%	-3,386,227	-3.0%	-4,837,468	120-S1	43.2	94%	6%	9,674,935	-15%	-1,451,240	-0.9%
312		Trimble County Unit 1 Scrubber	450,053.78	-0.9%	-4,050	-2.1%	-9,451	-3.0%	-13,502	120-S1	43.2	94%	6%	27,003	-15%	-4,050	-0.9%
		Total Account 311	321,615,851.53	-0.9%	-2,894,543	-5.6%	-16,142,553	-6.5%	-21,037,095								
312.00		Boiler Plant Equipment															
103		Cane Run Locomotive	51,549.42	-7.6%	-3,918	0.0%	0	-7.6%	-3,918	50-L0.5	30.3	62%	38%	19,589	-20%	-3,918	-7.6%
104		Cane Run Rail Cars	1,501,772.81	-7.6%	-114,135	0.0%	0	-7.6%	-114,135	50-L0.5	30.3	62%	38%	570,674	-20%	-114,135	-7.6%
112		Cane Run Unit 1	1,053,742.53	-7.6%	-80,084	0.0%	0	-7.6%	-80,084	50-L0.5	30.3	62%	38%	400,422	-20%	-80,084	-7.6%
121		Cane Run Unit 2	132,838.82	-7.6%	-10,096	0.0%	0	-7.6%	-10,096	50-L0.5	30.3	62%	38%	50,478	-20%	-10,096	-7.6%
131		Cane Run Unit 3	716,616.30	-7.6%	-54,463	0.0%	0	-7.6%	-54,463	50-L0.5	30.3	62%	38%	272,314	-20%	-54,463	-7.6%
141		Cane Run Unit 4	25,980,016.48	-7.6%	-1,974,481	-5.9%	-1,532,821	-13.5%	-3,507,302	50-L0.5	30.3	62%	38%	9,872,406	-20%	-1,974,481	-7.6%
142		Cane Run Unit 4 Scrubber	16,701,761.03	-7.6%	-1,269,334	-5.9%	-985,404	-13.5%	-2,254,738	50-L0.5	30.3	62%	38%	6,346,689	-20%	-1,269,334	-7.6%
151		Cane Run Unit 5	21,717,140.89	-7.6%	-2,319,882	-9.1%	-1,976,260	-16.7%	-3,626,763	50-L0.5	30.3	62%	38%	8,252,514	-20%	-2,319,882	-7.6%
152		Cane Run Unit 5 Scrubber	27,928,602.90	-7.6%	-2,122,574	-9.1%	-2,541,503	-16.7%	-4,684,077	50-L0.5	30.3	62%	38%	10,612,869	-20%	-2,122,574	-7.6%
161		Cane Run Unit 6	35,613,831.67	-7.6%	-2,706,651	-7.2%	-2,564,196	-14.8%	-5,270,847	50-L0.5	30.3	62%	38%	13,533,256	-20%	-2,706,651	-7.6%
162		Cane Run Unit 6 Scrubber	30,524,761.84	-7.6%	-2,319,882	-7.2%	-2,197,783	-14.8%	-4,517,665	50-L0.5	30.3	62%	38%	11,599,409	-20%	-2,319,882	-7.6%
203		Mill Creek Locomotive	613,424.43	-7.6%	-46,620	0.0%	0	-7.6%	-46,620	50-L0.5	30.3	62%	38%	233,101	-20%	-46,620	-7.6%
204		Mill Creek Rail Cars	3,631,645.61	-7.6%	-276,005	0.0%	0	-7.6%	-276,005	50-L0.5	30.3	62%	38%	1,380,025	-20%	-276,005	-7.6%
211		Mill Creek Unit 1	40,535,760.73	-7.6%	-3,080,718	-8.3%	-3,364,468	-15.9%	-6,445,186	50-L0.5	30.3	62%	38%	15,403,589	-20%	-3,080,718	-7.6%
212		Mill Creek Unit 1 Scrubber	33,874,404.57	-7.6%	-2,574,455	-8.3%	-2,811,576	-15.9%	-5,386,030	50-L0.5	30.3	62%	38%	12,872,274	-20%	-2,574,455	-7.6%
221		Mill Creek Unit 2	33,397,635.49	-7.6%	-2,538,220	-10.0%	-3,339,764	-17.6%	-5,877,984	50-L0.5	30.3	62%	38%	12,691,101	-20%	-2,538,220	-7.6%
222		Mill Creek Unit 2 Scrubber	34,412,558.24	-7.6%	-2,615,354	-10.0%	-3,441,256	-17.6%	-6,056,610	50-L0.5	30.3	62%	38%	13,076,772	-20%	-2,615,354	-7.6%
231		Mill Creek Unit 3	65,259,053.22	-7.6%	-4,959,688	-6.1%	-3,980,802	-13.7%	-8,940,490	50-L0.5	30.3	62%	38%	24,798,440	-20%	-4,959,688	-7.6%
232		Mill Creek Unit 3 Scrubber	52,369,621.74	-7.6%	-3,980,091	-6.1%	-3,194,547	-13.7%	-7,174,638	50-L0.5	30.3	62%	38%	19,900,456	-20%	-3,980,091	-7.6%
241		Mill Creek Unit 4	154,787,100.00	-7.6%	-11,763,820	-3.0%	-4,643,613	-10.6%	-16,407,433	50-L0.5	30.3	62%	38%	58,819,098	-20%	-11,763,820	-7.6%
242		Mill Creek Unit 4 Scrubber	105,450,790.06	-7.6%	-8,014,260	-3.0%	-3,163,524	-10.6%	-11,177,784	50-L0.5	30.3	62%	38%	40,071,300	-20%	-8,014,260	-7.6%
311		Trimble County Unit 1	235,442,385.84	-7.6%	-17,893,621	-2.1%	-4,944,290	-9.7%	-22,837,911	50-L0.5	30.3	62%	38%	89,468,107	-20%	-17,893,621	-7.6%
312		Trimble County Unit 1 Scrubber	54,528,851.05	-6.4%	-3,489,846	-2.1%	-1,145,106	-8.5%	-4,634,952	50-L0.5	30.3	68%	32%	17,449,232	-20%	-3,489,846	-6.4%
		Total Account 312	976,225,863.67	-7.5%	-73,538,819	-4.7%	-45,826,911	-12.2%	-119,365,731								

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Table 2-a

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant in Service and
Interim and Terminal Net Salvage

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage						Interim Retirement Rate Calculation								
				Interim Net Salvage		Terminal Net Salvage		Total Net Salvage		Interim Ret.	Avg Age	Iowa Curve	Interim Retired	Interim Retired	Factored	Interim Ret.		
				%	Amount	%	Amount	%	Amount	ASL/Curve	AI Ret.	Percent Surv	Percent Retirement	Amount	Rate	Amount	% Of Total Investment	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
314.00		Turbogenerator Units																
112		Cane Run Unit 1	106,008.55	-4.2%	-4,452	0.0%	0	-4.2%	-4,452	50-S1.5	38.6	58%	42%	44,524	-10%	-4,452	-4.2%	
121		Cane Run Unit 2	19,998.97	-4.2%	-840	0.0%	0	-4.2%	-840	50-S1.5	38.6	58%	42%	8,400	-10%	-840	-4.2%	
131		Cane Run Unit 3	581,177.52	-4.2%	-24,409	0.0%	0	-4.2%	-24,409	50-S1.5	38.6	58%	42%	244,095	-10%	-24,409	-4.2%	
141		Cane Run Unit 4	8,608,132.78	-4.2%	-361,542	-5.7%	-490,664	-9.9%	-852,205	50-S1.5	38.6	58%	42%	3,615,416	-10%	-361,542	-4.2%	
151		Cane Run Unit 5	6,985,593.95	-4.2%	-293,395	-8.9%	-621,718	-13.1%	-915,113	50-S1.5	38.6	58%	42%	2,933,949	-10%	-293,395	-4.2%	
161		Cane Run Unit 6	11,274,211.57	-4.2%	-473,517	-7.2%	-811,743	-11.4%	-1,285,260	50-S1.5	38.6	58%	42%	4,735,169	-10%	-473,517	-4.2%	
211		Mill Creek Unit 1	13,449,713.81	-4.2%	-564,888	-7.9%	-1,062,527	-12.1%	-1,627,415	50-S1.5	38.6	58%	42%	5,648,880	-10%	-564,888	-4.2%	
221		Mill Creek Unit 2	14,801,053.25	-4.2%	-621,644	-7.1%	-1,050,875	-11.3%	-1,672,519	50-S1.5	38.6	58%	42%	6,216,442	-10%	-621,644	-4.2%	
231		Mill Creek Unit 3	26,232,206.52	-4.2%	-1,101,753	-5.2%	-1,364,075	-9.4%	-2,465,827	50-S1.5	38.6	58%	42%	11,017,527	-10%	-1,101,753	-4.2%	
241		Mill Creek Unit 4	40,930,150.49	-4.2%	-1,719,066	-2.6%	-1,064,184	-6.8%	-2,783,250	50-S1.5	38.6	58%	42%	17,190,663	-10%	-1,719,066	-4.2%	
311		Trimble County Unit 1	66,236,375.14	-4.2%	-2,781,928	-1.7%	-1,128,018	-5.9%	-3,907,946	50-S1.5	38.6	58%	42%	27,819,278	-10%	-2,781,928	-4.2%	
		Total Account 314	189,224,622.55	-4.2%	-7,947,434	-4.0%	-7,591,804	-8.2%	-15,539,238									
315.00		Accessory Electric Equipment																
112		Cane Run Unit 1	1,891,012.53	-5.4%	-102,115	0.0%	0	-5.4%	-102,115	55-S1	55.0	73%	27%	510,573	-20%	-102,115	-5.4%	
121		Cane Run Unit 2	1,277,223.20	-5.4%	-68,970	0.0%	0	-5.4%	-68,970	55-S1	55.0	73%	27%	344,850	-20%	-68,970	-5.4%	
131		Cane Run Unit 3	767,324.52	-5.4%	-41,436	0.0%	0	-5.4%	-41,436	55-S1	55.0	73%	27%	207,178	-20%	-41,436	-5.4%	
141		Cane Run Unit 4	5,490,677.18	-5.4%	-296,497	-2.6%	-142,758	-8.0%	-439,254	55-S1	55.0	73%	27%	1,482,483	-20%	-296,497	-5.4%	
142		Cane Run Unit 4 Scrubber	967,949.29	-5.4%	-53,349	-2.6%	-25,687	-8.0%	-79,036	55-S1	55.0	73%	27%	266,746	-20%	-53,349	-5.4%	
151		Cane Run Unit 5	6,846,848.21	-5.4%	-369,730	-2.6%	-178,018	-8.0%	-547,748	55-S1	55.0	73%	27%	1,848,649	-20%	-369,730	-5.4%	
152		Cane Run Unit 5 Scrubber	2,173,037.73	-5.4%	-117,344	-2.6%	-58,499	-8.0%	-173,843	55-S1	55.0	73%	27%	586,720	-20%	-117,344	-5.4%	
161		Cane Run Unit 6	8,173,345.07	-5.4%	-441,361	-2.9%	-237,027	-8.3%	-678,388	55-S1	55.0	73%	27%	2,206,803	-20%	-441,361	-5.4%	
162		Cane Run Unit 6 Scrubber	2,124,667.29	-5.4%	-114,732	-2.9%	-81,615	-8.3%	-176,347	55-S1	55.0	73%	27%	573,660	-20%	-114,732	-5.4%	
211		Mill Creek Unit 1	14,520,069.59	-5.4%	-784,084	-2.1%	-304,921	-7.5%	-1,089,005	55-S1	55.0	73%	27%	3,920,419	-20%	-784,084	-5.4%	
212		Mill Creek Unit 1 Scrubber	5,541,694.53	-5.4%	-299,252	-2.1%	-116,376	-7.5%	-415,627	55-S1	55.0	73%	27%	1,496,258	-20%	-299,252	-5.4%	
221		Mill Creek Unit 2	7,420,343.08	-5.4%	-400,699	-4.1%	-304,234	-9.5%	-704,933	55-S1	55.0	73%	27%	2,003,493	-20%	-400,699	-5.4%	
222		Mill Creek Unit 2 Scrubber	4,451,153.72	-5.4%	-240,362	-4.1%	-182,497	-9.5%	-422,860	55-S1	55.0	73%	27%	1,201,812	-20%	-240,362	-5.4%	
231		Mill Creek Unit 3	13,482,711.35	-5.4%	-728,066	-2.9%	-390,999	-8.3%	-1,119,065	55-S1	55.0	73%	27%	3,640,332	-20%	-728,066	-5.4%	
232		Mill Creek Unit 3 Scrubber	2,531,772.82	-5.4%	-136,716	-2.9%	-73,421	-8.3%	-210,137	55-S1	55.0	73%	27%	683,579	-20%	-136,716	-5.4%	
241		Mill Creek Unit 4	21,428,489.73	-5.4%	-1,157,138	-5.5%	-1,178,567	-10.9%	-2,335,705	55-S1	55.0	73%	27%	5,785,692	-20%	-1,157,138	-5.4%	
242		Mill Creek Unit 4 Scrubber	5,811,079.36	-5.4%	-313,798	-5.5%	-319,609	-10.9%	-633,408	55-S1	55.0	73%	27%	1,568,991	-20%	-313,798	-5.4%	
311		Trimble County Unit 1	56,332,123.79	-5.4%	-3,041,935	-2.2%	-1,239,307	-7.6%	-4,281,241	55-S1	55.0	73%	27%	15,209,673	-20%	-3,041,935	-5.4%	
312		Trimble County Unit 1 Scrubber	2,736,920.21	-5.4%	-147,794	-2.2%	-60,212	-7.6%	-208,006	55-S1	55.0	73%	27%	738,968	-20%	-147,794	-5.4%	
		Total Account 315	163,988,443.18	-5.4%	-8,855,376	-3.0%	-4,871,747	-8.4%	-13,727,123									
316.00		Miscellaneous Power Plant Equipment																
112		Cane Run Unit 1	151,638.76	-11.8%	-17,893	0.0%	0	-11.8%	-17,893	35-S2	29.9	41%	59%	89,467	-20%	-17,893	-11.8%	
131		Cane Run Unit 3	11,664.48	-11.8%	-1,376	0.0%	0	-11.8%	-1,376	35-S2	29.9	41%	59%	6,882	-20%	-1,376	-11.8%	
141		Cane Run Unit 4	54,253.32	-11.8%	-6,402	-10.9%	-5,914	-22.7%	-12,316	35-S2	29.9	41%	59%	32,009	-20%	-6,402	-11.8%	
142		Cane Run Unit 4 Scrubber	6,464.30	-11.8%	-763	-10.9%	-705	-22.7%	-1,467	35-S2	29.9	41%	59%	3,814	-20%	-763	-11.8%	
151		Cane Run Unit 5	42,867.49	-11.8%	-5,058	-17.6%	-7,545	-29.4%	-12,603	35-S2	29.9	41%	59%	25,292	-20%	-5,058	-11.8%	

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Table 2-a

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant in Service and
Interim and Terminal Net Salvage

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage						Interim Retirement Rate Calculation								
				Interim Net Salvage		Terminal Net Salvage		Total Net Salvage		Interim Ret.	Avg Age	Low Curve	Interim Retired	Interim Retired	Factored	Interim Ret.		
				%	Amount	%	Amount	%	Amount	ASU/Curve	(Yrs)	Percent Surv	Percent Retirement	Amount	Rate	Amount	% Of Total Investment	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	
152		Cane Run Unit 5 Scrubber	47,299.47	-11.8%	-5,581	-17.6%	-8,325	-29.4%	-13,906	35-S2	29.9	41%	59%	27,907	-20%	-5,581	-11.8%	
161		Cane Run Unit 6	1,806,951.04	-11.8%	-213,220	-0.5%	-9,035	-12.3%	-222,255	35-S2	29.9	41%	59%	1,066,101	-20%	-213,220	-11.8%	
162		Cane Run Unit 6 Scrubber	31,568.91	-11.8%	-3,725	-0.5%	-158	-12.3%	-3,883	35-S2	29.9	41%	59%	18,626	-20%	-3,725	-11.8%	
211		Mill Creek Unit 1	654,992.48	-11.8%	-77,289	-2.0%	-13,100	-13.8%	-90,389	35-S2	29.9	41%	59%	386,446	-20%	-77,289	-11.8%	
221		Mill Creek Unit 2	105,299.47	-11.8%	-12,425	-12.2%	-12,847	-24.0%	-25,272	35-S2	29.9	41%	59%	62,127	-20%	-12,425	-11.8%	
231		Mill Creek Unit 3	318,625.29	-11.8%	-37,598	-5.2%	-16,569	-17.0%	-54,166	35-S2	29.9	41%	59%	187,989	-20%	-37,598	-11.8%	
241		Mill Creek Unit 4	3,926,266.27	-11.8%	-463,299	-2.0%	-78,525	-13.8%	-541,825	35-S2	29.9	41%	59%	2,316,497	-20%	-463,299	-11.8%	
242		Mill Creek Unit 4 Scrubber	41,441.04	-11.8%	-4,890	-2.0%	-829	-13.8%	-5,719	35-S2	29.9	41%	59%	24,450	-20%	-4,890	-11.8%	
311		Trimble County Unit 1	2,332,701.72	-11.8%	-275,259	-3.3%	-76,979	-15.1%	-352,238	35-S2	29.9	41%	59%	1,376,294	-20%	-275,259	-11.8%	
Total Account 316			9,532,034.04	-11.8%	-1,124,780	-2.4%	-230,528	-14.2%	-1,355,308									
Total Steam Production Plant			1,860,586,814.97	-5.7%	-94,360,952	-4.6%	-76,663,543	-10.3%	-171,024,496									
HYDRAULIC PLANT																		
Project 289																		
331.10		Structures and Improvements																
451		Ohio Falls Plant - Project 289	4,995,148.82	-8.1%	-404,607	-3.1%	-154,850	-11.2%	-559,457	140-L1.5	76.8	73%	27%	1,348,690	-30%	-404,607	-8.1%	
332.10		Reservoirs, Dams and Waterways																
451		Ohio Falls Plant - Project 289	303,530.35	-1.4%	-4,249	-51.3%	-155,711	-52.7%	-159,960	150-L1.5	48.0	91%	9%	27,318	-15%	-4,098	-1.4%	
333.10		Waterwheel, Turbines and Generators																
451		Ohio Falls Plant - Project 289	2,316,031.31	-0.5%	-11,580	-13.8%	-319,812	-14.3%	-331,192	150-L1.5	48.6	75%	25%	579,008	-2%	-11,580	-0.5%	
334.10		Accessory Electric Equipment																
451		Ohio Falls Plant - Project 289	1,304,908.02	-16.5%	-215,310	-5.7%	-74,380	-22.2%	-289,690	55-S1	41.6	34%	66%	861,239	-25%	-215,310	-16.5%	
335.10		Miscellaneous Power Plant Equipment																
451		Ohio Falls Plant - Project 289	151,460.96	-24.5%	-37,108	-6.7%	-10,148	-31.2%	-47,256	35-S2	46.5	2%	98%	146,432	-25%	-37,108	-24.5%	
336.10		Roads, Railroads and Bridges																
451		Ohio Falls Plant - Project 289	178,846.99	0.0%	0	0.0%	0	0.0%	0	150-L1			100%	178,847	0	0	0.0%	
Sub-Total Hydr. Plant - (Project			9,249,926.45	-7.3%	-672,854	-7.7%	-714,701	-15.0%	-1,387,555									
Other Than Project 289																		
331.00		Structures and Improvements																
450		Ohio Falls Plant - Non Project	65,796.14	-5.1%	-3,356	0.0%	0	-5.1%	-3,356	140-L1.5	76.8	83%	17%	11,185	-30%	-3,356	-5.1%	
335.00		Miscellaneous Power Plant Equipment																
450		Ohio Falls Plant - Non Project	7,813.67	-21.8%	-1,703	0.0%	0	-21.8%	-1,703	55-R3	46.5	13%	87%	6,798	-25%	-1,699	-21.8%	
336.00		Roads, Railroads and Bridges																
450		Ohio Falls Plant - Non Project	1,133.98	0.0%	0	0.0%	0	0.0%	0	150-L1			100%	1,134	0%	0	0.0%	
Sub-Total Hydraulic Plant - (Other Than Project 289)			74,743.79	-6.8%	-5,059	0.0%	0	-6.8%	-5,059									
Total Hydraulic Plant			9,324,670.24	-7.3%	-677,913	-7.7%	-714,701	-14.9%	-1,392,614									

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Table 2-a

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant In Service and
Interim and Terminal Net Salvage

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage						Interim Retirement Rate Calculation				Interim Ret. % Of Total Investment			
				Interim Net Salvage		Terminal Net Salvage		Total Net Salvage		Interim Ret. ASU/Curve	Avg Age At Ret.	Interim Retired Amount	Interim Retired Rate		Factored Amount		
				%	Amount	%	Amount	%	Amount	(k)	(l)	(m)	(n)		(o)	(p)	(q)
OTHER PRODUCTION PLANT Structures and Improvements																	
341.00																	
	171	Cane Run CT's	68,931.71	-1.7%	-1,172	-2.6%	-15,579	-24.3%	-16,750	80-L1	29.0	89%	11%	7,582	-15%	-1,137	-1.7%
	410	Zorn CT's	8,241.14	-1.7%	-140	-2.4%	-17,504	-214.1%	-17,644	80-L1	29.0	89%	11%	907	-15%	-136	-1.7%
	420	Waterside CT's	411,977.94	-1.7%	-7,004	-1.0%	-43,870	-12.3%	-50,673	80-L1	29.0	89%	11%	45,318	-15%	-6,798	-1.7%
	431	Paddys 12 CT	42,864.53	-1.7%	-729	-1.4%	-32,106	-76.6%	-32,834	80-L1	29.0	89%	11%	4,715	-15%	-707	-1.7%
	432	Paddys 13 CT	2,158,698.12	-1.7%	-36,698	-1.3%	-92,824	-6.0%	-129,522	80-L1	29.0	89%	11%	237,457	-15%	-35,619	-1.7%
	459	Brown 5 CT	858,538.64	-1.7%	-14,595	-1.4%	-63,532	-9.1%	-78,127	80-L1	29.0	89%	11%	94,439	-15%	-14,166	-1.7%
	460	Brown 6 CT	69,733.40	-1.7%	-1,185	-1.3%	-56,693	-83.0%	-57,879	80-L1	29.0	89%	11%	7,671	-15%	-1,151	-1.7%
	461	Brown 7 CT	105,588.33	-1.7%	-1,795	-1.3%	-29,354	-29.5%	-31,149	80-L1	29.0	89%	11%	11,615	-15%	-1,742	-1.7%
	470	Trimble County CT5	1,458,614.33	-1.7%	-24,796	-1.3%	-43,758	-4.7%	-68,555	80-L1	29.0	89%	11%	160,448	-15%	-24,067	-1.7%
	471	Trimble County CT6	1,457,842.69	-1.7%	-24,783	-1.3%	-43,735	-4.7%	-68,519	80-L1	29.0	89%	11%	160,383	-15%	-24,054	-1.7%
		Total Account 341	6,641,030.83	-1.7%	-112,898	-6.6%	-438,754	-8.3%	-551,652								
342.00		Fuel Holders, Producers and Accessory															
	171	Cane Run CT's	123,338.90	0.0%	0	-13.4%	-16,527	-13.4%	-16,527	80-L1	29.0	89%	11%	13,567	0%	0	0.0%
	410	Zorn CT's	12,801.77	0.0%	0	-145.6%	-18,639	-145.6%	-18,639	80-L1	29.0	89%	11%	1,408	0%	0	0.0%
	420	Waterside CT's	124,163.26	0.0%	0	-37.5%	-46,561	-37.5%	-46,561	80-L1	29.0	89%	11%	13,658	0%	0	0.0%
	430	Paddys 11 CT	9,237.57	0.0%	0	-179.4%	-16,572	-179.4%	-16,572	80-L1	29.0	89%	11%	1,016	0%	0	0.0%
	431	Paddys 12 CT	12,197.11	0.0%	0	-280.3%	-34,188	-280.3%	-34,188	80-L1	29.0	89%	11%	1,342	0%	0	0.0%
	432	Paddys 13 CT	2,233,773.85	0.0%	0	-4.4%	-98,286	-4.4%	-98,286	80-L1	29.0	89%	11%	245,715	0%	0	0.0%
	459	Brown 5 CT	822,580.92	0.0%	0	-8.2%	-67,452	-8.2%	-67,452	80-L1	29.0	89%	11%	90,484	0%	0	0.0%
	460	Brown 6 CT	363,762.04	0.0%	0	-34.5%	-125,498	-34.5%	-125,498	80-L1	29.0	89%	11%	40,014	0%	0	0.0%
	461	Brown 7 CT	102,065.03	0.0%	0	-71.1%	-72,568	-71.1%	-72,568	80-L1	29.0	89%	11%	11,227	0%	0	0.0%
	470	Trimble County CT5	97,240.96	0.0%	0	-47.3%	-45,995	-47.3%	-45,995	80-L1	29.0	89%	11%	10,697	0%	0	0.0%
	471	Trimble County CT6	97,189.52	0.0%	0	-47.3%	-45,971	-47.3%	-45,971	80-L1	29.0	89%	11%	10,691	0%	0	0.0%
	473	Trimble County Pipeline	1,835,164.93	0.0%	0	0.0%	0	0.0%	0	80-L1	29.0	89%	11%	201,858	0%	0	0.0%
		Total Account 342	5,833,515.86	0.0%	0	-10.1%	-588,258	-10.1%	-588,258								
343.00		Prime Movers															
	420	Waterside CT's	2,671,305.84	-1.5%	-40,070	-6.7%	-178,977	-8.2%	-219,047	80-L1	28.0	90%	10%	267,131	-15%	-40,070	-1.5%
	432	Paddys 13 CT	19,627,845.35	-1.5%	-294,418	-1.9%	-372,929	-3.4%	-667,347	80-L1	28.0	90%	10%	1,962,785	-15%	-294,418	-1.5%
	459	Brown 5 CT	14,126,417.74	-1.5%	-211,896	-1.8%	-254,276	-3.3%	-466,172	80-L1	28.0	90%	10%	1,412,642	-15%	-211,896	-1.5%
	460	Brown 6 CT	19,890,998.18	-1.5%	-298,365	-1.3%	-258,583	-2.8%	-556,948	80-L1	28.0	90%	10%	1,989,100	-15%	-298,365	-1.5%
	461	Brown 7 CT	20,023,957.45	-1.5%	-300,359	-1.3%	-260,311	-2.8%	-560,671	80-L1	28.0	90%	10%	2,002,396	-15%	-300,359	-1.5%
	470	Trimble County CT5	12,205,907.18	-1.5%	-183,089	-1.5%	-183,089	-3.0%	-366,177	80-L1	28.0	90%	10%	1,220,591	-15%	-183,089	-1.5%
	471	Trimble County CT6	12,199,437.94	-1.5%	-182,992	-1.5%	-182,992	-3.0%	-365,983	80-L1	28.0	90%	10%	1,219,944	-15%	-182,992	-1.5%
		Total Account 343	100,745,869.68	-1.5%	-1,511,188	-1.7%	-1,691,157	-3.2%	-3,202,345								
344.00		Generators															
	171	Cane Run CT's	2,492,496.42	-0.9%	-22,432	-2.6%	-64,805	-3.5%	-87,237	80-L1	25.3	89%	11%	274,175	-8%	-21,934	-0.9%
	410	Zorn CT's	1,827,580.88	-0.9%	-16,448	-3.9%	-71,276	-4.8%	-87,724	80-L1	25.3	89%	11%	201,034	-8%	-16,083	-0.9%
	420	Waterside CT's	451,117.33	-0.9%	-4,060	-4.0%	-180,447	-40.9%	-184,507	80-L1	25.3	89%	11%	49,623	-8%	-3,970	-0.9%
	430	Paddys 11 CT	1,523,115.58	-0.9%	-13,708	-4.2%	-63,971	-5.1%	-77,679	80-L1	25.3	89%	11%	167,543	-8%	-13,403	-0.9%
	431	Paddys 12 CT	2,991,745.77	-0.9%	-26,926	-4.4%	-131,637	-5.3%	-158,563	80-L1	25.3	89%	11%	329,092	-8%	-26,327	-0.9%
	432	Paddys 13 CT	5,859,857.93	-0.9%	-52,739	-6.4%	-375,031	-7.3%	-427,770	80-L1	25.3	89%	11%	644,584	-8%	-51,567	-0.9%
	459	Brown 5 CT	3,219,205.40	-0.9%	-28,973	-8.1%	-260,756	-9.0%	-289,726	80-L1	25.3	89%	11%	354,113	-8%	-28,329	-0.9%

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Table 2-a

Louisville Gas and Electric
Electric Division

Summary of Original Cost of Utility Plant in Service and
Interim and Terminal Net Salvage

Account No.	Location Code	Description	Original Cost 12/31/02	Estimated Future Net Salvage						Interim Retirement Rate Calculation							
				Interim Net Salvage		Terminal Net Salvage		Total Net Salvage		Interim Ret.	Avg Age	Iowa Curve	Interim Retired	Interim Retired	Factored	Interim Ret.	
				%	Amount	%	Amount	%	Amount	ASL/Curve	(Yrs)	Percent Surv	Percent Retirement	Amount	Rate	Amount	% Of Total Investment
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
460	Brown 6 CT		2,417,994.54	-0.9%	-21,762	-10.7%	-258,725	-11.6%	-280,487	80-L1	25.3	89%	11%	265,979	-8%	-21,278	-0.9%
461	Brown 7 CT		2,421,079.28	-0.9%	-21,790	-10.7%	-259,055	-11.6%	-280,845	80-L1	25.3	89%	11%	266,319	-8%	-21,305	-0.9%
470	Trimble County CT5		1,527,420.57	-0.9%	-13,747	-11.6%	-177,181	-12.5%	-190,928	80-L1	25.3	89%	11%	168,016	-8%	-13,441	-0.9%
471	Trimble County CT6		1,526,610.88	-0.9%	-13,740	-11.6%	-177,087	-12.5%	-190,826	80-L1	25.3	89%	11%	167,927	-8%	-13,434	-0.9%
Total Account 344			26,258,224.54	-0.9%	-236,324	-7.7%	-2,019,970	-8.6%	-2,256,294								
345.00	Accessory Electric Equipment																
171	Cane Run CT's		113,683.82	-1.0%	-1,137	-8.5%	-7,389	-7.5%	-8,526	55-S1	25.3	87%	13%	14,779	-8%	-1,182	-1.0%
410	Zorn CT's		40,936.08	-1.0%	-409	-20.4%	-8,351	-21.4%	-8,760	55-S1	25.3	87%	13%	5,322	-8%	-428	-1.0%
420	Waterside CT's		342,628.38	-1.0%	-3,426	-6.1%	-20,900	-7.1%	-24,327	55-S1	25.3	87%	13%	44,542	-8%	-3,563	-1.0%
430	Paddys 11 CT		68,109.35	-1.0%	-681	-10.9%	-7,424	-11.9%	-8,105	55-S1	25.3	87%	13%	8,854	-8%	-708	-1.0%
431	Paddys 12 CT		114,337.63	-1.0%	-1,143	-13.4%	-15,321	-14.4%	-16,465	55-S1	25.3	87%	13%	14,864	-8%	-1,189	-1.0%
432	Paddys 13 CT		2,778,992.60	-1.0%	-27,790	-1.6%	-44,464	-2.6%	-72,254	55-S1	25.3	87%	13%	381,269	-8%	-28,902	-1.0%
459	Brown 5 CT		2,575,301.42	-1.0%	-25,753	-1.2%	-30,904	-2.2%	-56,657	55-S1	25.3	87%	13%	334,789	-8%	-26,783	-1.0%
460	Brown 6 CT		942,589.47	-1.0%	-9,426	-3.2%	-30,163	-4.2%	-39,589	55-S1	25.3	87%	13%	122,537	-8%	-9,803	-1.0%
461	Brown 7 CT		943,792.03	-1.0%	-9,438	-3.2%	-30,201	-4.2%	-39,639	55-S1	25.3	87%	13%	122,693	-8%	-9,815	-1.0%
470	Trimble County CT5		680,686.68	-1.0%	-6,807	-3.0%	-20,421	-4.0%	-27,227	55-S1	25.3	87%	13%	88,489	-8%	-7,079	-1.0%
471	Trimble County CT6		680,326.59	-1.0%	-6,803	-3.0%	-20,410	-4.0%	-27,213	55-S1	25.3	87%	13%	88,442	-8%	-7,075	-1.0%
Total Account 345			9,281,384.05	-1.0%	-92,814	-2.5%	-235,948	-3.5%	-328,762								
346.00	Miscellaneous Power Plant Equipment																
420	Waterside CT's		24,766.29	-2.8%	-693	-11.5%	-2,848	-14.3%	-3,542	35-S2	28.6	65%	35%	8,668	-8%	-693	-2.8%
431	Paddys 12 CT		1,140.74	-2.8%	-32	0.0%	0	-2.8%	-32	35-S2	28.6	65%	35%	399	-8%	-32	-2.8%
432	Paddys 13 CT		1,260,054.85	-2.8%	-35,282	-0.5%	-6,300	-3.3%	-41,582	35-S2	28.6	65%	35%	441,019	-8%	-35,282	-2.8%
459	Brown 5 CT		2,370,656.38	-2.8%	-66,378	-0.2%	-4,741	-3.0%	-71,120	35-S2	28.6	65%	35%	829,730	-8%	-66,378	-2.8%
460	Brown 6 CT		11,034.25	-2.8%	-309	-37.2%	-4,105	-40.0%	-4,414	35-S2	28.6	65%	35%	3,882	-8%	-309	-2.8%
461	Brown 7 CT		11,048.30	-2.8%	-309	-40.2%	-4,441	-43.0%	-4,751	35-S2	28.6	65%	35%	3,867	-8%	-309	-2.8%
Total Account 346			3,678,700.81	-2.8%	-103,004	-0.6%	-22,436	-3.4%	-125,439								
Total Other Production Plant			152,438,725.77	-1.3%	-2,056,227	-3.3%	-4,996,523	-4.6%	-7,052,750								

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Louisville Gas & Electric
Electric DivisionOriginal Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2002

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/02 (c)	Omitted (Pending) Retirements (d)	Company Pending Adjustments (e)	Mandated Pollution Control (NOX) Projects-CWIP & Budgets (f)	Original Cost Per Depr Study Data 12/31/02 (g)
DEPRECIABLE PLANT						
STEAM PLANT						
311.00	Structures and Improvements	321,615,851.53		0.00		321,615,851.53
312.00	Boiler Plant Equipment	976,269,367.02		0.00	145,342,176.00	1,121,611,543.02
314.00	Turbogenerator Units	189,224,622.55	630,443.00	0.00		188,594,179.55
315.00	Accessory Electric Equipment	163,988,443.18		0.00		163,988,443.18
316.00	Miscellaneous Power Plant Equipment	9,532,034.04		0.00		9,532,034.04
	Total Steam Production Plant	1,660,630,318.32	630,443.00	0.00	145,342,176.00	1,805,342,051.32
HYDRAULIC PLANT						
Project 289						
331.10	Structures and Improvements	4,995,148.82		0.00		4,995,148.82
332.10	Reservoirs, Dams and Waterways	303,530.35		0.00		303,530.35
333.10	Waterwheel, Turbines and Generators	2,316,031.31		0.00		2,316,031.31
334.10	Accessory Electric Equipment	1,304,908.02		0.00		1,304,908.02
335.10	Miscellaneous Power Plant Equipment	151,460.96		0.00		151,460.96
336.10	Roads, Railroads and Bridges	178,846.99		0.00		178,846.99
	Total Project 289	9,249,926.45	0.00	0.00	0.00	9,249,926.45
Other Than Project 289						
331.00	Structures and Improvements	65,796.14		0.00		65,796.14
335.00	Miscellaneous Power Plant Equipment	7,813.67		0.00		7,813.67
336.00	Roads, Railroads and Bridges	1,133.98		0.00		1,133.98
	Total Other Than Project 289	74,743.79	0.00	0.00		74,743.79
	Total Hydraulic Plant	9,324,670.24	0.00	0.00	0.00	9,324,670.24
OTHER PRODUCTION PLANT						
341.00	Structures and Improvements	6,641,030.83		0.00		6,641,030.83
342.00	Fuel Holders, Producers and Accessory	5,833,515.86		0.00		5,833,515.86
343.00	Prime Movers	100,745,869.68		0.00		100,745,869.68
344.00	Generators	26,258,224.54		0.00		26,258,224.54
345.00	Accessory Electric Equipment	9,281,384.05		0.00		9,281,384.05
346.00	Miscellaneous Power Plant Equipment	3,678,700.81		0.00		3,678,700.81
	Total Other Production Plant	152,438,725.77	0.00	0.00	0.00	152,438,725.77
TRANSMISSION PLANT						
Project 289						
353.10	Station Equipment - Non Sys. Control/Com.	1,108,850.33		(1,108,850.33)		0.00
356.10	Overhead Conductors and Devices	16,389.51		(16,389.51)		0.00
	Total Project 289	1,125,239.84	0.00	-1,125,239.84	0.00	0.00
Other Than Project 289						
350.10	Land Rights	2,592,773.81		0.00		2,592,773.81
352.10	Struct. and Improve. - Non Sys. Control/Com.	2,907,082.83		0.00		2,907,082.83
353.10	Station Equipment - Non Sys. Control/Com.	115,482,986.43		1,108,850.33		116,591,836.76
354.00	Towers and Fixtures	23,879,707.58		0.00		23,879,707.58
355.00	Poles and Fixtures	26,500,024.74	101,656.82	0.00		26,398,367.92
356.00	Overhead Conductors and Devices	33,355,922.97		16,389.52		33,372,312.49
357.00	Underground Conduit	1,868,318.57		0.00		1,868,318.57
358.00	Underground Conductors and Devices	5,312,495.53		0.00		5,312,495.53
	Total Other Than Project 289	211,899,312.46	101,656.82	1,125,239.85	0.00	212,922,895.49
	Total Transmission Plant	213,024,552.30	101,656.82	0.01	0.00	212,922,895.49
DISTRIBUTION PLANT						
361.00	Structures and Improvements	5,970,567.19	1,425.82	0.00		5,969,141.37
362.00	Station Equipment	77,076,667.96		11,362.12		77,088,050.08
364.00	Poles, Towers and Fixtures	92,365,173.97		(0.01)		92,365,173.96
365.00	Overhead Conductors and Devices	141,726,405.93		0.09		141,726,406.02
366.00	Underground Conduit	52,616,554.85		0.01		52,616,554.86
367.00	Underground Conductors and Devices	77,051,441.79		0.01		77,051,441.80

Louisville Gas & Electric
Electric DivisionOriginal Cost Per Company Books, Adjustments, And
Original Cost Per Depreciation Study of December 31, 2002

Account No. (a)	Description (b)	Original Cost Per Co. Books 12/31/02 (c)	Omitted (Pending) Retirements (d)	Company Pending Adjustments (e)	Mandated Pollution Control (NOX) Projects-CWIP & Budgets (f)	Original Cost Per Depr Study Data 12/31/02 (g)
Line Transformers						
368.10	Line Transformers	86,556,988.44	278,958.00	(0.03)		86,278,030.41
368.20	Line Transformers Installations	8,826,655.56	48,355.18	0.00		8,778,300.38
	Total Account 368	95,383,644.00	327,313.18	-0.03	0.00	95,056,330.79
Services						
369.10	Underground Services	2,342,286.94		0.00		2,342,286.94
369.20	Overhead Services	20,522,816.15	94,956.81	0.00		20,427,859.34
	Total Account 369	22,865,103.09	94,956.81	0.00	0.00	22,770,146.28
Meters & Installations						
370.10	Meters	25,504,715.46	285,138.44	0.00		25,219,577.02
370.20	Meter Installations	8,359,328.27	6,585.29	0.00		8,352,742.98
	Total Account 370	33,864,043.73	291,723.73	0.00	0.00	33,572,320.00
Street Lighting						
373.10	Overhead Street Lighting	22,600,470.38		(0.01)		22,600,470.37
373.20	Underground Street Lighting	32,156,589.30		0.02		32,156,589.32
373.40	Street Lighting Transformers	87,546.43		0.00		87,546.43
	Total Account 373	54,844,606.11	0.00	0.01		54,844,606.12
	Total Distribution Plant	653,764,208.62	715,419.54	11,382.20	0.00	653,060,171.28
GENERAL PLANT						
392.20	Transportation Equipment - Trailers	590,217.25		0.00		590,217.25
394.00	Tools, Shop and Garage Equipment	2,687,990.96		0.00		2,687,990.96
395.00	Laboratory Equipment	1,548,796.71		0.00		1,548,796.71
396.20	Power Operated Equipment - Other	145,466.83		0.00		145,466.83
	Total General Plant	4,972,471.75	0.00	0.00	0.00	4,972,471.75
	Sub-Total Depreciable Plant	2,694,154,947.00	1,447,519.36	11,382.21	145,342,176.00	2,838,060,985.85
Other Plant (Not Studied)						
392.10	Transportation Equipment - Cars & Trucks	12,069,086.02		0.00		12,069,086.02
396.10	Power Operated Equipment - Hourly Rated	2,337,037.87				2,337,037.87
	Total Other Plant (Not Studied)	14,406,123.89	0.00	0.00	0.00	14,406,123.89
	Total Depreciable Plant	2,708,561,070.89	1,447,519.36	11,382.21	145,342,176.00	2,852,467,109.74
<u>NON-DEPRECIABLE PLANT</u>						
INTANGIBLE PLANT						
301.00	Organization	2,240.29		0.00		2,240.29
302.00	Franchises and Consents	100.00		0.00		100.00
	Total Intangible Plant	2,340.29	0.00	0.00	0.00	2,340.29
LAND						
310.20	Production Land	5,053,819.49		0.00		5,053,819.49
330.20	Hydraulic Plant	13.00		0.00		13.00
340.20	Other Production Land	41,125.94		0.00		41,125.94
350.20	Transmission Land	888,237.78		0.00		888,237.78
360.20	Distribution Land	1,944,025.21		685,389.55		2,629,414.76
	Total Land	7,927,221.42	0.00	685,389.55	0.00	8,612,610.97
	Total Non-Depreciable Plant	7,929,561.71	0.00	685,389.55	0.00	8,614,951.26
	Total Electric Plant in Service	2,716,490,832.60	1,447,519.36	696,771.76	145,342,176.00	2,861,082,061.00

**Louisville Gas & Electric
Electric Division**

Charnas

**Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2002**

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/02 (c)	Omitted (Pending) Retirements (d)	Depr Reserve Per Dep'r Study 12/31/02 (e)
<u>DEPRECIABLE PLANT</u>				
STEAM PLANT				
311.00	Structures and Improvements	165,951,076.59		165,951,076.59
312.00	Boiler Plant Equipment	437,670,566.74		437,670,566.74
314.00	Turbogenerator Units	104,436,062.14	630,443.00 (1)	103,805,619.14
315.00	Accessory Electric Equipment	85,003,128.37		85,003,128.37
316.00	Miscellaneous Power Plant Equipment	3,423,858.61		3,423,858.61
	Total Steam Production Plant	796,484,692.45	630,443.00	795,854,249.45
HYDRAULIC PLANT				
Project 289				
331.10	Structures and Improvements	5,282,191.07		5,282,191.07
332.10	Reservoirs, Dams and Waterways	168,572.54		168,572.54
333.10	Waterwheel, Turbines and Generators	2,646,383.84		2,646,383.84
334.10	Accessory Electric Equipment	756,123.44		756,123.44
335.10	Miscellaneous Power Plant Equipment	89,830.98		89,830.98
336.10	Roads, Railroads and Bridges	207,227.94		207,227.94
	Total Project 289	9,150,329.81	0.00	9,150,329.81
Other Than Project 289				
331.00	Structures and Improvements	30,805.83		30,805.83
335.00	Miscellaneous Power Plant Equipment	1,516.44		1,516.44
336.00	Roads, Railroads and Bridges	750.95		750.95
	Total Other Than Project 289	33,073.22	0.00	33,073.22
	Total Hydraulic Plant	9,183,403.03	0.00	9,183,403.03
OTHER PRODUCTION PLANT				
341.00	Structures and Improvements	733,771.01		733,771.01
342.00	Fuel Holders, Producers and Accessory	439,927.45		439,927.45
343.00	Prime Movers	9,498,287.40		9,498,287.40
344.00	Generators	8,904,431.69		8,904,431.69
345.00	Accessory Electric Equipment	883,017.80		883,017.80
346.00	Miscellaneous Power Plant Equipment	215,066.88		215,066.88
	Total Other Production Plant	20,674,502.23	0.00	20,674,502.23
TRANSMISSION PLANT				
Project 289				
353.10	Station Equipment - Non Sys. Control/Com.	297,433.40		297,433.40 (2)
356.10	Overhead Conductors and Devices	13,355.25		13,355.25 (2)
	Total Project 289	310,788.65	0.00	310,788.65
Other Than Project 289				
350.10	Land Rights	1,031,180.37		1,031,180.37 (2)
352.10	Struct. and Improve. - Non Sys. Control/Com.	1,552,050.41		1,552,050.41 (2)
353.10	Station Equipment - Non Sys. Control/Com.	65,044,509.18		65,044,509.18 (2)
354.00	Towers and Fixtures	17,988,442.37		17,988,442.37 (2)
355.00	Poles and Fixtures	10,493,121.63	101,656.82	10,391,464.81 (2)
356.00	Overhead Conductors and Devices	15,768,501.62		15,768,501.62 (2)
357.00	Underground Conduit	296,505.02		296,505.02 (2)
358.00	Underground Conductors and Devices	1,062,013.75		1,062,013.75 (2)
	Total Other Than Project 289	113,236,324.35	101,656.82	113,134,667.53
	Total Transmission Plant	113,547,113.00	101,656.82	113,445,456.18

**Louisville Gas & Electric
Electric Division**

**Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2002**

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/02 (c)	Omitted (Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/02 (e)
DISTRIBUTION PLANT				
361.00	Structures and Improvements	4,271,724.59	1,425.82	4,270,298.77 (2)
362.00	Station Equipment	38,785,066.72		38,785,066.72 (2)
364.00	Poles, Towers and Fixtures	45,059,306.63		45,059,306.63 (2)
365.00	Overhead Conductors and Devices	58,580,199.30		58,580,199.30 (2)
366.00	Underground Conduit	18,971,047.06		18,971,047.06 (2)
367.00	Underground Conductors and Devices	29,087,262.42		29,087,262.42 (2)
Line Transformers				
368.10	Line Transformers	38,540,557.92	278,958.00	38,261,599.92 (2)
368.20	Line Transformers Installations	3,257,903.50	48,355.18	3,209,548.32 (2)
	Total Account 368	41,798,461.42	327,313.18	41,471,148.24
Services				
369.10	Underground Services	1,208,083.78		1,208,083.78 (2)
369.20	Overhead Services	11,533,342.19	94,956.81	11,438,385.38 (2)
	Total Account 369	12,741,425.97	94,956.81	12,646,469.16
Meters & Installations				
370.10	Meters	10,455,568.71	285,138.44	10,170,430.27 (2)
370.20	Meter Installations	2,803,436.82	6,585.29	2,796,851.53 (2)
	Total Account 370	13,259,005.53	291,723.73	12,967,281.80
Street Lighting				
373.10	Overhead Street Lighting	9,303,408.52		9,303,408.52 (2)
373.20	Underground Street Lighting	9,556,948.72		9,556,948.72 (2)
373.40	Street Lighting Transsformers	89,350.62		89,350.62 (2)
	Total Account 373	18,949,707.86	0.00	18,949,707.86
	Total Distribution Plant	281,503,207.50	715,419.54	280,787,787.96
GENERAL PLANT				
392.20	Transportation Equipment - Trailers	177,652.59		177,652.59 (2)
394.00	Tools, Shop and Garage Equipment	665,248.18		665,248.18 (2)
395.00	Laboratory Equipment	680,338.85		680,338.85 (2)
396.20	Power Operated Equipment - Other	105,364.38		105,364.38 (2)
	Total General Plant	1,628,604.00	0.00	1,628,604.00
	Sub-Total Depreciable Plant	1,223,021,522.21	1,447,519.36	1,221,574,002.85
Other Plant (Not Studied)				
392.10	Transportation Equipment - Cars & Trucks	10,747,126.97		10,747,126.97 (2)
396.10	Power Operated Equipment - Hourly Rated	2,089,181.09		2,089,181.09 (2)
	Total Other Plant (Not Studied)	12,836,308.06	0.00	12,836,308.06
	Total Depreciable Plant	1,235,857,830.27	1,447,519.36	1,234,410,310.91
NON-DEPRECIABLE PLANT				
INTANGIBLE PLANT				
301.00	Organization	0.00		0.00
302.00	Franchises and Consents	100.00		100.00
	Total Intangible Plant	100.00	0.00	100.00
LAND				
310.20	Production Land	-30,023.89		-30,023.89
330.20	Hydraulic Plant	0.00		0.00

**Louisville Gas & Electric
Electric Division**

Charnas

**Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserves Per Depreciation Study as of December 31, 2002**

Account No. (a)	Description (b)	Depr Reserve Per Books 12/31/02 (c)	Omitted (Pending) Retirements (d)	Depr Reserve Per Depr Study 12/31/02 (e)
340.20	Other Production Land	0.00		0.00
350.20	Transmission Land	0.00		0.00
360.20	Distribution Land	-126,985.13		-126,985.13
	Total Land	-157,009.02	0.00	-157,009.02
	Total Non-Depreciable Plant	-156,909.02	0.00	-156,909.02
	Total Electric Plant in Service	1,235,700,921.25	1,447,519.36	1,234,253,401.89

(1) \$175,790 - Cane Run #4; \$454,653-Mill Creek #4

(2) The current book depreciation reserves for the Production plant accounts are maintained by individual plant site. The Production plant book depreciation reserves were further allocated (over the applicable theoretical depreciation reserves) by site and account level in the process of developing ARL depreciation rates. Conversely, the current account level book depreciation reserves for the Transmission, Distribution, and General plant accounts were developed during 1999 in conjunction with the Company's loading of its property records and depreciation reserves into the acquired Power Plan software model. The Company's account level book reserve allocation was performed by simply distributing the maintained functional level book depreciation reserves over the applicable 1999 plant in service balances. In developing the applicable account level ARL depreciation rates (per this study) the functional level book depreciation reserves were reallocated (per Table 5) over the account level calculated theoretical depreciation reserves as of December 31, 2002.

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L/ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
DEPRECIABLE PLANT											
STEAM PRODUCTION PLANT											
Cane Run Locomotive & Rail Cars											
312.00	103	2020	Boiler Plant Equipment	51,549.42	(1)	50-L0.5	-26.1%	35,191.00	49,217.02		49,217.02
312.00	104	2020	Boiler Plant Equipment	1,501,772.81	(1)	50-L0.5	-26.1%	548,610.00	767,268.58		767,268.58
			Total Cane Run Locomotive & Rail Cars	1,553,322.23				583,801.00	816,485.60		816,485.60
Cane Run Unit 1											
311.00	112	2020	Structures and Improvements	4,182,197.33	(1)	120-S1	-0.9%	3,180,829.00	5,007,364.88		5,007,364.88
312.00	112	2020	Boiler Plant Equipment	1,053,742.53	(1)	50-L0.5	-7.6%	770,171.00	1,212,428.34		1,212,428.34
314.00	112	2020	Turbogenerator Units	106,008.55	(1)	50-S1.5	-4.2%	86,385.00	135,990.09		135,990.09
315.00	112	2020	Accessory Electric Equipment	1,891,012.53	(1)	55-S1	-5.4%	1,500,251.00	2,361,744.12		2,361,744.12
316.00	112	2020	Misc. Power Plant Equipment	151,638.78	(1)	35-S2	-11.8%	116,824.00	183,908.16		183,908.16
			Total Cane Run Unit 1	7,384,599.70				5,654,460.00	8,901,435.58		8,901,435.58
Cane Run Unit 2											
311.00	121	2020	Structures and Improvements	2,102,941.86	(1)	120-S1	-0.9%	1,581,994.00	2,104,456.36		2,104,456.36
312.00	121	2020	Boiler Plant Equipment	132,836.82		50-L0.5	-7.6%	100,210.00	133,304.91		133,304.91
314.00	121	2020	Turbogenerator Units	19,998.97		50-S1.5	-4.2%	16,196.00	20,838.93		20,838.93
315.00	121	2020	Accessory Electric Equipment	1,277,223.20		55-S1	-5.4%	1,008,074.00	1,340,996.08		1,340,996.08
			Total Cane Run Unit 2	3,533,000.65				2,706,474.00	3,599,596.28		3,599,596.28
Cane Run Unit 3											
311.00	131	2020	Structures and Improvements	3,532,140.77	(1)	120-S1	-0.9%	2,623,244.00	5,863,328.73		5,863,328.73
312.00	131	2020	Boiler Plant Equipment	716,616.30	(1)	50-L0.5	-7.6%	500,674.00	1,119,078.61		1,119,078.61
314.00	131	2020	Turbogenerator Units	581,177.52	(1)	50-S1.5	-4.2%	461,224.00	1,030,902.17		1,030,902.17
315.00	131	2020	Accessory Electric Equipment	767,324.52	(1)	55-S1	-5.4%	593,570.00	1,326,714.57		1,326,714.57
316.00	131	2020	Misc. Power Plant Equipment	11,664.48	(1)	35-S2	-11.8%	9,202.00	20,567.80		20,567.80
			Total Cane Run Unit 3	5,608,923.59				4,187,914.00	9,360,591.88		9,360,591.88
Cane Run Unit 4											
311.00	141	2020	Structures and Improvements	3,547,227.06	(1)	120-S1	-26.1%	2,394,118.00	3,145,648.04		3,145,648.04
312.00	141	2020	Boiler Plant Equipment	25,980,016.48	(1)	50-L0.5	-13.5%	11,367,702.00	14,936,101.51		14,936,101.51
312.00	141	2020	Mandated NOX Proj.-2004 Closing	2,442,926.00							
314.00	141	2020	Turbogenerator Units	8,432,342.78	(1)	50-S1.5	-9.9%	4,883,073.00	6,415,903.06	175,790.00	6,240,113.06
315.00	141	2020	Accessory Electric Equipment	5,490,677.18	(1)	55-S1	-8.0%	1,970,704.00	2,589,321.48		2,589,321.48

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No.	Location Code	Probable Retirement Date	Description	Cost 12/31/02	A.S.L./Curve	Salvage %	Theoretical Depreciation Reserve	Allocated Book Depr. Reserve	Omitted Retirements	Adjusted Book Reserve	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
316.00	141	2020	Misc. Power Plant Equipment	54,253.32	(1)	35-S2	-22.7%	13,051.00	17,147.80		17,147.80
			Total Cane Run Unit 4	45,947,442.82				20,628,648.00	27,104,121.89	175,790.00	26,928,331.89
			Cane Run Unit 4 Scrubber								
311.00	142	2020	Structures and Improvements	760,360.00	(1)	120-S1	-26.1%	456,407.00	1,115,406.02		1,142,221.25
312.00	142	2018	Boiler Plant Equipment	16,701,761.03	(1)	50-L0.5	-13.5%	7,986,747.00	19,518,687.61		19,987,932.17
315.00	142	2018	Accessory Electric Equipment	987,949.29	(1)	55-S1	-8.0%	639,574.00	1,563,045.02		1,066,985.23
316.00	142	2018	Misc. Power Plant Equipment	6,464.30	(1)	35-S2		4,913.00	6,464.30		6,464.30
			Total Cane Run Unit 4 Scrubber	18,456,534.62				9,087,641.00	22,203,602.95		22,203,602.95
			Cane Run Unit 5								
311.00	151	2020	Structures and Improvements	5,416,846.93	(1)	120-S1	-21.9%	3,335,673.00	4,223,751.15		4,223,751.15
312.00	151	2020	Boiler Plant Equipment	21,717,140.89	(1)	50-L0.5	-16.7%	9,224,488.00	11,680,384.07		11,680,384.07
312.00	151	2020	Mandated NOX Proj.-2004 Closing	2,318,975.00							
314.00	151	2020	Turbogenerator Units	6,985,593.95	(1)	50-S1.5	-13.1%	4,447,875.00	5,632,062.00		5,632,062.00
315.00	151	2020	Accessory Electric Equipment	6,846,848.21	(1)	55-S1	-8.0%	2,444,199.00	3,094,934.16		3,094,934.16
316.00	151	2020	Misc. Power Plant Equipment	42,867.49	(1)	35-S2	-29.4%	6,235.00	7,894.99		7,894.99
			Total Cane Run Unit 5	43,328,272.47				19,458,470.00	24,639,026.36		24,639,026.36
			Cane Run Unit 5 Scrubber								
311.00	152	2020	Structures and Improvements	1,696,435.28	(1)	120-S1	-21.9%	948,655.00	1,705,086.49		1,705,086.49
312.00	152	2018	Boiler Plant Equipment	27,928,602.90	(1)	50-L0.5	-16.7%	14,154,427.00	25,440,779.02		25,440,779.02
315.00	152	2018	Accessory Electric Equipment	2,173,037.73	(1)	55-S1	-8.0%	1,329,978.00	2,390,465.99		2,390,465.99
316.00	152	2018	Misc. Power Plant Equipment	47,299.47	(1)	35-S2	-29.4%	33,470.00	60,158.06		60,158.06
			Total Cane Run Unit 5 Scrubber	31,845,375.38				16,466,530.00	29,596,489.56		29,596,489.56
			Cane Run Unit 6								
311.00	161	2020	Structures and Improvements	18,149,961.41	(1)	120-S1	-9.1%	9,604,418.00	11,310,161.61		11,310,161.61
312.00	161	2020	Boiler Plant Equipment	35,613,831.67	(1)	50-L0.5	-14.8%	15,805,931.00	18,613,062.65		18,613,062.65
312.00	161	2020	Mandated NOX Proj.-2004 Closing	384,664.00							
314.00	161	2020	Turbogenerator Units	11,274,211.57	(1)	50-S1.5	-11.4%	6,816,504.00	8,027,114.38		8,027,114.38
315.00	161	2020	Accessory Electric Equipment	8,173,345.07	(1)	55-S1	-8.3%	3,319,793.00	3,909,387.88		3,909,387.88
316.00	161	2020	Misc. Power Plant Equipment	1,806,951.04	(1)	35-S2	-12.3%	777,457.00	915,533.28		915,533.28
			Total Cane Run Unit 6	75,402,964.76				36,324,103.00	42,775,259.80		42,775,259.80
			Cane Run Unit 6 Scrubber								
311.00	162	2020	Structures and Improvements	1,859,591.50	(1)	120-S1	-9.1%	947,606.00	1,559,237.99		1,559,237.99
312.00	162	2018	Boiler Plant Equipment	30,524,761.84	(1)	50-L0.5	-14.8%	13,596,717.00	22,372,713.66		22,372,713.66

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No.	Location Code	Probable Retirement Date	Description	Cost 12/31/02	A.S.L./ Curve	Salvage %	Theoretical Depreciation Reserve	Allocated Book Depr. Reserve	Omitted Retirements	Adjusted Book Reserve
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
315.00	162	2018	Accessory Electric Equipment	2,124,667.29	(1)	55-S1	-8.3%	1,303,220.00	2,144,382.93	2,144,382.93
316.00	162	2018	Misc. Power Plant Equipment	31,568.91	(1)	35-S2	-12.3%	23,263.00	38,278.10	38,278.10
			Total Cane Run Unit 6 Scrubber	34,540,589.54				15,870,806.00	26,114,612.68	26,114,612.68
Mill Creek Locomotive & Rails Cars										
312.00	203	2030	Boiler Plant Equipment	613,424.43	(1)	50-L0.5	-7.6%	313,968.00	558,573.13	558,573.13
312.00	204	2030	Boiler Plant Equipment	3,631,645.61	(1)	50-L0.5	-7.6%	1,047,030.00	1,862,746.59	1,862,746.59
			Total Mill Creek Locomotive & Rails Cars	4,245,070.04				1,360,998.00	2,421,319.72	2,421,319.72
Mill Creek Unit 1										
311.00	211	2020	Structures and Improvements	18,350,957.82	(1)	120-S1	-11.5%	13,001,242.00	15,111,640.28	15,111,640.28
312.00	211	2020	Boiler Plant Equipment	40,579,264.08	(1)	50-L0.5	-15.9%	21,643,318.00	25,156,522.44	25,156,522.44
312.00	211	2020	Mandated NOX Proj.-2004 Closing	298,528.00						
312.00	211	2020	Mandated NOX Proj.-2005 Closing	250,000.00						
314.00	211	2020	Turbogenerator Units	13,449,713.81	(1)	50-S1.5	-12.1%	9,450,902.00	10,984,999.07	10,984,999.07
315.00	211	2020	Accessory Electric Equipment	14,520,069.59	(1)	55-S1	-7.5%	5,272,647.00	6,128,517.94	6,128,517.94
316.00	211	2020	Misc. Power Plant Equipment	654,992.48	(1)	35-S2	-13.8%	394,639.00	458,697.92	458,697.92
			Total Mill Creek Unit 1	88,103,525.78				49,762,748.00	57,840,377.64	57,840,377.64
Mill Creek Unit 1 Scrubber										
311.00	212	2020	Structures and Improvements	1,697,743.03	(1)	120-S1	-11.5%	954,928.00	1,217,072.74	1,217,072.74
312.00	212	2017	Boiler Plant Equipment	33,874,404.57	(1)	50-L0.5	-15.9%	16,811,733.00	21,426,853.04	21,426,853.04
315.00	212	2017	Accessory Electric Equipment	5,541,694.53	(1)	55-S1	-7.5%	3,352,676.00	4,273,045.26	4,273,045.26
			Total Mill Creek Unit 1 Scrubber	41,113,842.13				21,119,337.00	26,916,971.04	26,916,971.04
Mill Creek Unit 2										
311.00	221	2022	Structures and Improvements	10,703,506.13	(1)	120-S1	-19.0%	6,895,487.00	8,178,641.31	8,178,641.31
312.00	221	2022	Boiler Plant Equipment	33,397,635.49	(1)	50-L0.5	-17.6%	14,922,153.00	17,698,958.31	17,698,958.31
312.00	221	2022	Mandated NOX Proj.-2004 Closing	243,288.00						
312.00	221	2022	Mandated NOX Proj.-2005 Closing	250.00						
314.00	221	2022	Turbogenerator Units	14,801,053.25	(1)	50-S1.5	-11.3%	9,185,923.00	10,895,295.62	10,895,295.62
315.00	221	2022	Accessory Electric Equipment	7,420,343.06	(1)	55-S1	-9.5%	3,752,215.00	4,450,450.07	4,450,450.07
316.00	221	2022	Misc. Power Plant Equipment	105,299.47	(1)	35-S2	-24.0%	69,554.00	82,497.03	82,497.03
			Total Mill Creek Unit 2	66,671,375.40				34,825,332.00	41,305,842.35	41,305,842.35
Mill Creek Unit 2 Scrubber										
311.00	222	2022	Structures and Improvements	1,393,403.67	(1)	120-S1	-19.0%	724,557.00	947,198.37	947,198.37
312.00	222	2018	Boiler Plant Equipment	34,412,558.24	(1)	50-L0.5	-17.6%	13,752,607.00	17,978,498.46	17,978,498.46

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
315.00	222	2018	Accessory Electric Equipment Total Mill Creek Unit 2 Scrubber	4,451,153.72 40,257,115.63	(1)	55-S1	-9.5%	2,652,562.00 17,129,726.00	3,467,639.40 22,393,336.23		3,467,639.40 22,393,336.23
Mill Creek Unit 3											
311.00	231	2026	Structures and Improvements	24,487,440.44	(1)	120-S1	-12.0%	12,163,161.00	15,892,174.24		15,892,174.24
312.00	231	2026	Boiler Plant Equipment	65,259,053.22	(1)	50-L0.5	-13.7%	31,522,205.00	41,186,363.84		41,186,363.84
312.00	231	2026	Mandated NOX Proj.-2004 Closing	65,597,028.00							
312.00	231	2026	Mandated NOX Proj.-2005 Closing	3,198,000.00							
314.00	231	2026	Turbogenerator Units	26,232,206.52	(1)	50-S1.5	-9.4%	13,209,531.00	17,259,343.05		17,259,343.05
315.00	231	2026	Accessory Electric Equipment	13,482,711.35	(1)	55-S1	-8.3%	6,891,169.00	9,003,881.35		9,003,881.35
316.00	231	2026	Misc. Power Plant Equipment	318,625.29	(1)	35-S2	-17.0%	209,936.00	274,298.72		274,298.72
			Total Mill Creek Unit 3	198,575,064.82				63,996,002.00	83,616,061.20		83,616,061.20
Mill Creek Unit 3 Scrubber											
311.00	232	2026	Structures and Improvements	362,866.58	(1)	120-S1	-12.0%	180,903.00	230,008.75		230,008.75
312.00	232	2021	Boiler Plant Equipment	52,369,621.74	(1)	50-L0.5	-13.7%	17,289,942.00	21,983,261.31		21,983,261.31
315.00	232	2021	Accessory Electric Equipment	2,531,772.82	(1)	55-S1	-8.3%	1,451,102.00	1,845,000.66		1,845,000.66
			Total Mill Creek Unit 3 Scrubber	55,264,261.14				18,921,947.00	24,058,270.72		24,058,270.72
Mill Creek Unit 4											
311.00	241	2030	Structures and Improvements	56,594,172.78	(1)	120-S1	-6.5%	22,656,478.00	26,766,630.73		26,766,630.73
312.00	241	2030	Boiler Plant Equipment	154,787,100.00	(1)	50-L0.5	-10.6%	52,836,542.00	62,421,714.83		62,421,714.83
312.00	241	2030	Mandated NOX Proj.-2004 Closing	63,382,718.00							
312.00	241	2030	Mandated NOX Proj.-2005 Closing	1,402,000.00							
312.00	241	2030	Mandated NOX Proj.-2006 Closing	3,000,000.00							
314.00	241	2030	Turbogenerator Units	40,475,497.49	(1)	50-S1.5	-6.8%	17,745,440.00	20,964,672.43	454,653.00	20,510,019.43
315.00	241	2030	Accessory Electric Equipment	21,428,489.73	(1)	55-S1	-10.9%	9,588,973.00	11,328,525.97		11,328,525.97
316.00	241	2030	Misc. Power Plant Equipment	3,926,266.27	(1)	35-S2	-13.8%	1,324,475.00	1,564,750.41		1,564,750.41
			Total Mill Creek Unit 4	344,996,244.27				104,151,908.00	123,046,294.36	454,653.00	122,591,641.36
Mill Creek Unit 4 Scrubber											
311.00	242	2030	Structures and Improvements	5,079,085.65	(1)	120-S1	-6.5%	2,123,229.00	2,164,530.50		2,164,530.50
312.00	242	2023	Boiler Plant Equipment	105,450,790.06	(1)	50-L0.5	-10.6%	31,124,370.00	31,729,807.81		31,729,807.81
315.00	242	2023	Accessory Electric Equipment	5,811,079.36	(1)	55-S1	-10.9%	3,082,857.00	3,142,825.39		3,142,825.39
316.00	242	2023	Misc. Power Plant Equipment	41,441.04	(1)	35-S2	-13.8%	26,065.00	26,572.02		26,572.02
			Total Mill Creek Unit 4 Scrubber	116,382,396.11				36,356,521.00	37,063,735.72		37,063,735.72
Trimble County Unit 1											

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No.	Location Code	Probable Retirement Date	Description	Cost 12/31/02	A.S.L./Curve	Salvage %	Theoretical Depreciation Reserve	Allocated Book Depr. Reserve	Omitted Retirements	Adjusted Book Reserve	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
311.00	311	2034	Structures and Improvements	161,248,919.71	(1)	120-S1	-3.0%	48,861,368.00	47,758,039.32		47,758,039.32
312.00	311	2034	Boiler Plant Equipment	235,442,385.84	(1)	50-L0.5	-9.7%	63,899,575.00	62,456,671.60		62,456,671.60
312.00	311	2034	Mandated NOX Proj.-2004 Closing	2,832,801.00							
314.00	311	2034	Turbogenerator Units	66,236,375.14	(1)	50-S1.5	-5.9%	22,012,167.00	21,515,114.70		21,515,114.70
315.00	311	2034	Accessory Electric Equipment	56,332,123.79	(1)	55-S1	-7.6%	18,488,301.00	18,070,820.41		18,070,820.41
316.00	311	2034	Misc. Power Plant Equipment	2,332,701.72	(1)	35-S2	-15.1%	851,192.00	831,971.41		831,971.41
			Total Trimble County Unit 1	524,425,307.20				154,112,603.00	150,632,617.44		150,632,617.44
			Total Trimble County Unit 1 Scrubber								
311.00	312	2034	Structures and Improvements	450,053.78	(1)	120-S1	-3.0%	135,014.00	199,877.35		199,877.35
312.00	312	2027	Boiler Plant Equipment	54,528,851.05	(1)	50-L0.5	-8.5%	20,481,569.00	30,321,313.03		30,321,313.03
315.00	312	2027	Accessory Electric Equipment	2,736,920.21	(1)	55-S1	-7.6%	1,052,035.00	1,557,453.07		1,557,453.07
			Total Trimble County Unit 1 Scrubber	57,715,825.04				21,668,618.00	32,078,643.45		32,078,643.45
			Total Steam Production Plant	1,805,351,053.32				654,374,587.00	796,484,692.45	630,443.00	795,854,249.45
			HYDRAULIC PLANT Project 289								
			Ohio Falls Plant - Project 289								
331.10	451	2035	Structures and Improvements	4,995,148.82	(1)	140-L1.5	-11.2%	3,390,442.00	4,989,034.51		4,989,034.51
332.10	451	2035	Reservoirs, Dams and Waterways	303,530.35	(1)	150-L1.5	-52.7%	161,609.00	237,807.60		237,807.60
333.10	451	2035	Waterwheel, Turbines and Generators	2,316,031.31	(1)	150-L1.5	-14.3%	1,718,278.00	2,528,445.62		2,528,445.62
334.10	451	2035	Accessory Electric Equipment	1,304,908.02	(1)	55-S1	-22.2%	715,075.00	1,052,232.67		1,052,232.67
335.10	451	2035	Miscellaneous Power Plant Equipment	151,460.96	(1)	35-S2	-31.2%	117,665.00	173,144.02		173,144.02
336.10	451	2035	Roads, Railroads and Bridges	178,846.99	(1)	150-L1	0.0%	115,301.00	169,665.39		169,665.39
			Total Ohio Falls Plant - Project 289	9,249,926.45				6,218,370.00	9,150,329.81		9,150,329.81
			Other Than Project 289								
			Ohio Falls Plant - Non Project 289								
331.00	450	2035	Structures and Improvements	65,796.14	(1)	140-L1.5	-5.1%	32,804.00	26,465.65		26,465.65
335.00	450	2035	Miscellaneous Power Plant Equipment	7,813.67	(1)	35-S2	-21.8%	7,478.00	6,014.78		6,014.78
336.00	450	2035	Roads, Railroads and Bridges	1,133.98	(1)	150-L1	0.0%	737.00	592.79		592.79
			Total Ohio Falls Plant - Non Project 289	74,743.79				41,119.00	33,073.22		33,073.22
			Total Hydraulic Plant	9,324,670.24				6,259,489.00	9,183,403.03		9,183,403.03

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
OTHER PRODUCTION PLANT											
Cane Run CT's											
341.00	171	2010	Structures and Improvements	68,931.71	(1)	80-L1	-24.3%	56,626.00	59,101.41		59,101.41
342.00	171	2010	Fuel Holders, Producers and Accessory	123,338.90	(1)	80-L1	-13.4%	81,302.00	84,856.13		84,856.13
344.00	171	2010	Generators	2,492,496.42	(1)	80-L1	-3.5%	1,524,208.00	1,590,838.99		1,590,838.99
345.00	171	2010	Accessory Electric Equipment	113,683.82	(1)	55-S1	-7.5%	94,043.00	98,154.10		98,154.10
			Cane Run CT's	2,798,450.85				1,756,179.00	1,832,950.64		1,832,950.64
Zorn CT's											
341.00	410	2010	Structures and Improvements	8,241.14	(1)	80-L1	-214.1%	7,203.00	8,360.08		8,360.08
342.00	410	2010	Fuel Holders, Producers and Accessory	12,801.77	(1)	80-L1	-145.6%	11,375.00	13,202.27		13,202.27
344.00	410	2010	Generators	1,827,580.88	(1)	80-L1	-4.8%	1,454,776.00	1,688,469.30		1,688,469.30
345.00	410	2010	Accessory Electric Equipment	40,936.08	(1)	55-S1	-21.4%	34,234.00	39,733.30		39,733.30
			Zorn CT's	1,889,559.87				1,507,588.00	1,749,764.95		1,749,764.95
Waterside CT's											
341.00	420	2010	Structures and Improvements	411,977.94	(1)	80-L1	-12.3%	368,991.00	392,074.27		392,074.27
342.00	420	2010	Fuel Holders, Producers and Accessory	124,163.26	(1)	80-L1	-37.5%	108,726.00	115,527.66		115,527.66
343.00	420	2010	Prime Movers	2,671,305.84	(1)	80-L1	-8.2%	2,014,309.00	2,140,319.74		2,140,319.74
344.00	420	2010	Generators	451,117.33	(1)	80-L1	-40.9%	407,024.00	432,486.53		432,486.53
345.00	420	2010	Accessory Electric Equipment	342,628.38	(1)	55-S1	-7.1%	157,294.00	167,133.97		167,133.97
346.00	420	2010	Misc. Power Plant Equipment	24,766.29	(1)	35-S2	-14.3%	21,547.00	22,894.93		22,894.93
			Waterside CT's	4,025,959.04				3,077,891.00	3,270,437.09		3,270,437.09
Paddys 11 CT											
342.00	430	2010	Fuel Holders, Producers and Accessory	9,237.57	(1)	80-L1	-179.4%	8,208.00	9,613.48		9,613.48
344.00	430	2010	Generators	1,523,115.56	(1)	80-L1	-5.1%	1,208,854.00	1,415,850.36		1,415,850.36
345.00	430	2010	Accessory Electric Equipment	68,109.35	(1)	55-S1	-11.9%	48,039.00	56,264.89		56,264.89
			Paddys 12 CT	1,600,462.48				1,265,101.00	1,481,728.73		1,481,728.73
Paddys 12 CT											
341.00	431	2010	Structures and Improvements	42,864.53	(1)	80-L1	-76.6%	37,463.00	45,293.55		45,293.55
342.00	431	2010	Fuel Holders, Producers and Accessory	12,197.11	(1)	80-L1	-280.3%	10,599.00	12,814.41		12,814.41
344.00	431	2010	Generators	2,991,745.77	(1)	80-L1	-5.3%	2,397,260.00	2,898,337.55		2,898,337.55
345.00	431	2010	Accessory Electric Equipment	114,337.63	(1)	55-S1	-14.4%	81,599.00	98,654.90		98,654.90
346.00	431	2010	Accessory Electric Equipment	1,140.74	(1)	35-S2	-2.8%	956.00	1,155.82		1,155.82

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
			Paddys 12 CT	3,162,285.78				2,527,877.00	3,056,256.24		3,056,256.24
			Paddys 13 CT								
341.00	432	2031	Structures and Improvements	2,158,698.12	(1)	80-L1	-6.0%	118,570.00	111,886.17		111,886.17
342.00	432	2031	Fuel Holders, Producers and Accessory	2,233,773.85	(1)	80-L1	-4.4%	124,733.00	117,701.76		117,701.76
343.00	432	2031	Prime Movers	19,627,845.35	(1)	80-L1	-3.4%	1,027,316.00	969,405.90		969,405.90
344.00	432	2031	Generators	5,859,857.93	(1)	80-L1	-7.3%	322,752.00	304,558.38		304,558.38
345.00	432	2031	Accessory Electric Equipment	2,778,992.60	(1)	55-S1	-2.6%	149,574.00	141,142.47		141,142.47
346.00	432	2031	Misc. Power Plant Equipment	1,260,054.85	(1)	35-S2	-3.3%	70,699.00	66,713.68		66,713.68
			Paddys 13 CT	33,919,222.70				1,813,644.00	1,711,408.36		1,711,408.36
			Brown 5 CT								
341.00	459	2031	Structures and Improvements	858,538.64	(1)	80-L1	-9.1%	47,157.00	44,387.35		44,387.35
342.00	459	2031	Fuel Holders, Producers and Accessory	822,580.92	(1)	80-L1	-8.2%	45,933.00	43,235.24		43,235.24
343.00	459	2031	Prime Movers	14,126,417.74	(1)	80-L1	-3.3%	739,373.00	695,947.72		695,947.72
344.00	459	2031	Generators	3,219,205.40	(1)	80-L1	-9.0%	177,309.00	166,895.19		166,895.19
345.00	459	2031	Accessory Electric Equipment	2,575,301.42	(1)	55-S1	-2.2%	138,611.00	130,470.02		130,470.02
346.00	459	2031	Misc. Power Plant Equipment	2,370,656.38	(1)	35-S2	-3.0%	133,013.00	125,200.80		125,200.80
			Brown 5 CT	23,972,700.50				1,281,396.00	1,206,136.32		1,206,136.32
			Brown 6 CT								
341.00	460	2028	Structures and Improvements	69,733.40	(1)	80-L1	-83.0%	6,811.00	5,427.49		5,427.49
342.00	460	2028	Fuel Holders, Producers and Accessory	363,762.04	(1)	80-L1	-34.5%	36,116.00	28,779.79		28,779.79
343.00	460	2028	Prime Movers	19,890,998.18	(1)	80-L1	-2.8%	1,851,071.00	1,475,064.65		1,475,064.65
344.00	460	2028	Generators	2,417,994.54	(1)	80-L1	-11.6%	236,795.00	188,695.05		188,695.05
345.00	460	2028	Accessory Electric Equipment	942,589.47	(1)	55-S1	-4.2%	89,928.00	71,661.01		71,661.01
346.00	460	2028	Misc. Power Plant Equipment	11,034.25	(1)	35-S2	-40.0%	1,087.00	866.20		866.20
			Brown 6 CT	23,696,111.88				2,221,808.00	1,770,494.18		1,770,494.18
			Brown 7 CT								
341.00	461	2029	Structures and Improvements	105,588.33	(1)	80-L1	-29.5%	9,971.00	18,897.37		18,897.37
342.00	461	2029	Fuel Holders, Producers and Accessory	102,065.03	(1)	80-L1	-71.1%	9,799.00	18,571.39		18,571.39
343.00	461	2029	Prime Movers	20,023,957.45	(1)	80-L1	-2.8%	1,801,800.00	3,414,831.32		3,414,831.32
344.00	461	2029	Generators	2,421,079.26	(1)	80-L1	-11.6%	229,254.00	434,489.81		434,489.81
345.00	461	2029	Accessory Electric Equipment	943,792.03	(1)	55-S1	-4.2%	87,208.00	165,275.71		165,275.71
346.00	461	2029	Misc. Power Plant Equipment	11,048.30	(1)	35-S2	-43.0%	1,060.00	2,008.95		2,008.95
			Brown 7 CT	23,607,530.40				2,139,090.00	4,054,074.55		4,054,074.55

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
Trimble County CT5											
341.00	470	2032	Structures and Improvements	1,458,614.33	(1)	80-L1	-4.7%	26,762.00	23,800.76		23,800.76
342.00	470	2032	Fuel Holders, Producers and Accessory	97,240.96	(1)	80-L1	-47.3%	1,814.00	1,613.28		1,613.28
343.00	470	2032	Prime Movers	12,205,907.18	(1)	80-L1	-3.0%	213,398.00	189,785.32		189,785.32
344.00	470	2032	Generators	1,527,420.57	(1)	80-L1	-12.5%	28,102.00	24,992.49		24,992.49
345.00	470	2032	Accessory Electric Equipment	680,686.68	(1)	55-S1	-4.0%	12,220.00	10,867.85		10,867.85
			Trimble County CT5	15,969,869.72				282,296.00	251,059.70		251,059.70
Trimble County CT6											
341.00	471	2032	Structures and Improvements	1,457,842.69	(1)	80-L1	-4.7%	26,768.00	23,804.36		23,804.36
342.00	471	2032	Fuel Holders, Producers and Accessory	97,189.52	(1)	80-L1	-47.3%	1,813.00	1,612.27		1,612.27
343.00	471	2032	Prime Movers	12,199,437.94	(1)	80-L1	-3.0%	213,285.00	189,670.95		189,670.95
344.00	471	2032	Generators	1,526,610.88	(1)	80-L1	-12.5%	28,087.00	24,977.32		24,977.32
345.00	471	2032	Accessory Electric Equipment	680,326.59	(1)	55-S1	-4.0%	12,214.00	10,861.72		10,861.72
			Trimble County CT6	15,961,407.62				282,167.00	250,926.61		250,926.61
Trimble County Pipeline											
342.00	473	2034	Fuel Holders, Producers and Accessory	1,835,164.93	(1)	80-L1	0.0%	32,208.00	39,264.86		39,264.86
			Trimble County Pipeline	1,835,164.93				32,208.00	39,264.86		39,264.86
			Total Other Production Plant	152,438,725.77				18,187,245.00	20,674,502.23	0.00	20,674,502.23
			Total Production Plant	1,967,114,449.33				678,821,321.00	826,342,597.71	630,443.00	825,712,154.71
TRANSMISSION PLANT											
Project 289											
353.10			Station Equipment - Non Sys. Control/Com.	0.00		50-R3	-10.0%	0.00	0.00		0.00
356.10			Overhead Conductors and Devices	0.00		55-R1.5	-40.0%	0.00	0.00		0.00
			Total Project 289	0.00						0.00	0.00
Other Than Project 289											
350.10			Land Rights	2,592,773.81		50-R2.5	0.0%	1,444,228.00	1,862,138.53		1,862,138.53
352.10			Struct. and Improve. - Non Sys. Control/Com.	2,907,082.83		55-R3	-15.0%	1,023,569.01	1,319,755.12		1,319,755.12
353.10			Station Equipment - Non Sys. Control/Com.	116,591,836.76		50-R3	-10.0%	45,591,309.52	58,783,885.97		58,783,885.97
354.00			Towers and Fixtures	23,879,707.58		55-R4	-60.0%	16,516,885.55	21,296,311.23		21,296,311.23
355.00			Poles and Fixtures	26,398,367.92		40-R2.5	-30.0%	10,217,189.52	13,173,697.14	101,656.82	13,072,040.32
356.00			Overhead Conductors and Devices	33,372,312.49		47-R1.5	-40.0%	11,759,762.53	15,162,638.38		15,162,638.38
357.00			Underground Conduit	1,868,318.57		50-R3	0.0%	212,034.62	273,390.24		273,390.24
358.00			Underground Conductors and Devices	5,312,495.53		25-R1.5	-20.0%	1,299,317.92	1,675,296.39		1,675,296.39
			Total Other Than Project 289	212,922,895.49						101,656.82	113,445,456.18

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Deprecation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
			Total Transmission Plant	212,922,895.49				88,064,296.67	113,547,113.00	101,656.82	113,445,456.18
			DISTRIBUTION PLANT								
361.00			Structures and Improvements	5,969,141.37		55-R4	-15.0%	2,853,715.98	2,810,349.10	1,425.82	2,808,923.28
362.00			Station Equipment	77,088,050.08		48-R2	-10.0%	25,580,622.60	25,191,883.20		25,191,883.20
364.00			Poles, Towers and Fixtures	92,365,173.96		45-R3	-75.0%	53,518,539.29	52,705,237.56		52,705,237.56
365.00			Overhead Conductors and Devices	141,726,406.02		35-R2.5	-50.0%	68,167,707.18	67,131,787.38		67,131,787.38
366.00			Underground Conduit	52,616,554.86		75-R3	-15.0%	9,837,513.33	9,688,016.23		9,688,016.23
367.00			Underground Conductors and Devices	77,051,441.80		33-S6	-40.0%	38,863,866.17	38,273,266.16		38,273,266.16
			Line Transformers								
368.10			Line Transformers	86,278,030.41		40-R2	-15.0%	31,195,583.91	30,721,515.99	278,958.00	30,442,557.99
368.20			Line Transformers Installations	8,778,300.38		40-R2	-15.0%	2,614,064.19	2,574,339.21	48,355.18	2,525,984.03
			Total Account 368	95,056,330.79						327,313.18	32,968,542.02
			Services								
369.10			Underground Services	2,342,286.94		33-S3	-50.0%	1,587,706.61	1,563,578.81		1,563,578.81
369.20			Overhead Services	20,427,859.34		43-R1.5	-100.0%	12,928,935.63	12,732,459.31	94,956.81	12,637,502.50
			Total Account 369	22,770,146.28						94,956.81	14,201,081.31
			Meters & Installations								
370.10			Meters	25,219,577.02		30-R4	-15.0%	12,472,167.25	12,282,632.27	285,138.44	11,997,493.83
370.20			Meter Installations	8,352,742.98		30-R4	-15.0%	3,478,621.31	3,425,757.97	6,585.29	3,419,172.68
			Total Account 370	33,572,320.00						291,723.73	15,416,666.51
			Street Lighting								
373.10			Overhead Street Lighting	22,600,470.37		22-R0.5	-50.0%	11,022,200.19	10,854,699.83		10,854,699.83
373.20			Underground Street Lighting	32,156,589.32		28-R2.5	-30.0%	11,661,775.30	11,484,555.55		11,484,555.55
373.40			Street Lighting Transformers	87,546.43		25-R0.5	5.0%	64,103.08	63,128.93		63,128.93
			Total Account 373	54,844,606.12						0.00	22,402,384.31
			Total Distribution Plant	653,060,171.28				285,847,122.02	281,503,207.50	715,419.54	280,787,787.96
			GENERAL PLANT								
392.20			Transportation Equipment - Trailers	590,217.25		32-R4	8.0%	165,242.23	289,107.58		289,107.58
394.00			Tools, Shop and Garage Equipment	2,687,990.96		28-R3	0.0%	670,199.91	1,172,580.84		1,172,580.84
395.00			Laboratory Equipment	1,548,796.71		42-L3	0.0%	522,931.27	914,919.83		914,919.83
396.20			Power Operated Equipment - Other	145,466.83		25-R2.5	0.0%	98,876.07	145,466.83		145,466.83
			Total General Plant	4,972,471.75				8,283,293.38	14,464,912.06	0.00	2,522,075.07
			Sub-Total Depreciable Plant	2,838,069,987.85				1,061,016,033.07	1,235,857,830.27	1,447,519.36	1,222,467,473.93

Table 5

**Louisville Gas and Electric
Electric Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves (By Location and Account) as of December 31, 2002**

Account No. (a)	Location Code (b)	Probable Retirement Date (c)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
			Other Plant (Not Studied)								
392.10			Transportation Equipment - Cars & Trucks	12,069,086.02		10-L1	15.0%	5,414,520.24	9,473,237.14		9,473,237.14
396.10			Power Operated Equipment - Hourly Rated	2,337,037.87		11-L4	10.0%	1,411,523.66	2,469,599.85		2,469,599.85
			Total Other Plant (Not Studied)	14,406,123.89				6,826,043.90	0.00	0.00	11,942,836.99
			Total Depreciable Plant	2,852,476,111.74					1,235,857,830.27	1,447,519.36	1,234,410,310.91
			<u>NON-DEPRECIABLE PLANT</u>								
			INTANGIBLE PLANT								
301.00			Organization	2,240.29					0.00		0.00
302.00			Franchises and Consents	100.00					100.00		100.00
			Total Intangible Plant	2,340.29					100.00	0.00	100.00
			LAND								
310.20			Production Land	5,053,819.49					-30,023.89		-30,023.89
330.20			Hydraulic Plant	13.00					0.00		0.00
340.20			Other Production Land	41,125.94					0.00		0.00
350.20			Transmission Land	888,237.78					0.00		0.00
360.20			Distribution Land	2,629,414.76					-126,985.13		-126,985.13
			Total Land	8,612,610.97					-157,009.02	0.00	-157,009.02
			Total Non-Depreciable Plant	8,614,951.26					-156,909.02	0.00	-156,909.02
			Total Utility Plant In Service	2,861,091,063.00					1,235,700,921.25	1,447,519.36	1,234,253,401.89
			Plant Held for Future Use								
360.20			Substation Land	685,389.54							
362.00			Substation Equipment	11,382.12							
			Total Plant Held for Future Use	696,771.66					0.00		0.00
			Total Electric Plant In Service	2,861,787,834.66					1,235,700,921.25	1,447,519.36	1,234,253,401.89

(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.

LOUISVILLE GAS & ELECTRIC

Electric Division

General

This report sets forth the results of our study of the depreciable property of Louisville Gas & Electric - Electric Division (the Company) as of December 31, 2002 and contains the basic parameters (recommended average service lives and life characteristics) for the proposed average remaining life depreciation rates until a subsequent service life study is completed. All average service lives set forth in this report are developed based upon plant in service as of December 31, 2002.

The scope of the study included an analysis of Company historical data through December 31, 2002, discussions with Company management staff to identify prior and prospective factors affecting the Company's plant in service, as well as interpretation of past service life data experience and future life expectancies to determine the appropriate average service lives of the Company's surviving plant. The service lives and life characteristics, resulting from the in-depth study, were utilized together with the Company's plant in service and book depreciation reserve to determine the recommended Average Remaining Life (ARL) depreciation rates related to the Company's plant in service as of December 31, 2002.

In preparing the study, the Company's historical investment data were studied using various service life analysis techniques. Further, discussions were held with the Company's management to obtain an overview of the Company's facilities and to discuss the general scope of operations together with other factors which could have a bearing on the service lives of the Company's property. Finally, the study results were tempered by

information gathered during plant inspection tours of a representative portion of the Company's property.

The Company maintains a property record containing a summary of its fixed capital investments by property account. This investment data was analyzed and summarized by property group and/or sub group and vintage then utilized as a basis for the various depreciation calculations.

Depreciation Study Overview

There are numerous methods utilized to recover property investment depending upon the goal. For example, accelerated methods such as double declining balance and sum of years digits are methods used in tax accounting to motivate additional investments. Broad Group (BG) and Equal Life Group (ELG) are both Straight Line Grouping Procedures recognized and utilized by various regulatory jurisdictions depending upon the policy of the specific agency.

The Straight Line (Group) Method of depreciation utilized in this study to develop the recommended depreciation rates is the Broad Group Procedure together with the Average Remaining Life Technique. The use of this procedure and technique is based upon recovering the net book cost (original cost less book reserve) of the surviving plant in service over its estimated remaining useful life. Any variance between the book reserve and an implied theoretical calculated reserve is compensated for under this procedure. That is, as the Company's book reserve increases above or declines below the theoretical reserve at a specific point in time, the Company's average remaining life depreciation rate in subsequent years will be increased or decreased to compensate for the variance, thereby, assuring full recovery of the Company's investment by the end of the property's

life.

The Company, like any other business, includes as an annual operating expense an amount which reflects a portion of the capital investment which was consumed in providing service during the accounting period. The annual depreciation amount to be utilized is based upon the remaining productive life over which the undepreciated capital investment needs to be recovered. The determination of the productive remaining life for each property group usually includes an in-depth study of past experience in addition to estimates of future expectations.

Annual Depreciation Accrual

Through the utilization of the Average Remaining Life Technique, the Company will recover the undepreciated fixed capital investment in the appropriate amounts as annual depreciation expense in each year throughout the remaining life of the property. The procedure incorporates the future life expectancy of the property, the vintaged surviving plant in service, and estimated net salvage, together with the book depreciation reserve balance to develop the annual depreciation rate for each property account. Accordingly, the ARL technique meets the objective of providing a straight line recovery of the undepreciated fixed capital property investment.

As indicated, the use of the Average Remaining Life Technique results in charging the appropriate annual depreciation amounts over the remaining life of the property to insure full recovery by end of life. That does not mean that once an average remaining life is estimated, it can not be changed at any point throughout the service life, but that the annual expense is calculated on a Straight Line Method rather than by the previously mentioned, "sum of the years digits" or "double declining balance" methods, etc. The

"group" refers to the method of calculating annual depreciation on the summation of the investment in any one depreciable group or plant account rather than calculating depreciation for each individual unit.

Under Broad Group depreciation some units may be over depreciated and other units may be under depreciated at the time when they are retired from service, but overall, the account is fully depreciated when average service life is attained. By comparison, Equal Life Group depreciation rates are designed to fully accrue the cost of the asset group by the time of retirement. For both the Broad Group and Equal Life Group Procedures the full cost of the investment is credited to plant in service when the retirement occurs and likewise the depreciation reserve is debited with an equal retirement cost. No gain or loss is recognized at the time of property retirement because of the assumption the retired property was at average service life.

Group Depreciation Procedures

Group depreciation procedures are utilized to depreciate property when more than one item of property is being depreciated. Such a procedure is appropriate because all of the items within a specific group typically do not have identical service lives, but have lives which are dispersed over a range of time. Utilizing a group depreciation procedure allows for a condensed application of depreciation rates to groups of similar property in lieu of extensive depreciation calculations on an item by item basis. The two more common group depreciation procedures are the Broad Group (BG) and Equal Life Group (ELG) approach.

In developing depreciation rates using the Broad Group procedure, the annual depreciation rate is based on the average of the overall group, which is then applied to the

group's surviving original cost investment. A characteristic of this procedure is that retirements of individual units occurring prior to average service life will be under depreciated, while individual units retired after average service life will be over depreciated when removed from service, but overall, the group investment will achieve full recovery by the end of the life of the total property group. That is, the under recovery occurring early in the life of the account is balanced by the over recovery occurring subsequent to average service life. In summary, the cost of the investment is complete at the end of the property's life cycle, but the rate of recovery does not match the consumption pattern which was used to provide service to the company's customers.

Under the average service life procedure, the annual depreciation rate is calculated by the following formula:

$$\text{Annual Accrual Rate, Percent} = \frac{100\% - \text{Salvage}}{\text{Average Service Life}} \times 100$$

The application of the broad group procedure to life span groups results in each vintage investment having a different average service life. This circumstance exists because the concurrent retirement of all vintages at the anticipated retirement year results in truncating and, therefore, restricting the life of each successive years vintage investment. An average service life is calculated for each vintage investment in accordance with the above formula. Subsequently, a composite service life and depreciation rate is calculated relative to all vintages within the property group by weighting the life for each vintage by the related surviving vintage investment within the group.

In the Equal Life Group, the property group is subdivided, through the use of plant life tables, into equal life groups. In each equal life group, portions of the overall property group includes that portion which experiences the life of the specific sub-group. The

relative size of each sub-group is determined from the overall group life characteristic (property dispersion curve). This procedure both overcomes the disadvantage of voluminous record requirements of unit depreciation, as well as, eliminates the need to base depreciation on overall lives as required under the broad group procedure. The application of this procedure results in each sub-group of the property having a single life. In this procedure, the full cost of short lived units is accrued during their lives leaving no under accruals to be recovered by over accruals on long lived plant. The annual depreciation for the group is the summation of the depreciation accruals based on the service life of each Equal Life Group.

The ELG Procedure is superior to the BG Procedure because it allocates the capital cost of a group property to annual expense in accordance with the consumption of the property group providing service to customers. In this regard, the company's customers are more appropriately charged with the cost of the property consumed in providing them service during the applicable service period. The more timely return of plant cost is accomplished by fully accruing each unit's cost during its service life, thereby, not only reducing the risk of incomplete cost recovery, but also the procedure results in less return on rate base over the life of a depreciable group. The total depreciation expense is the same for all procedures which allocate the full capital cost to expense, but at any specific point in time, the depreciated original cost is less under the ELG procedure than under the BG procedure. This circumstance exists because under the equal life group procedure, the rate base is not maintained at a level of greater than the future service value of the surviving plant as is the case when using the average service life procedure. Consequently, the total return required from the ratepayers is less under the ELG

procedure.

While the equal life group procedure has been known to depreciation experts for many years, widespread interest in applying the procedure developed only after high speed electronic computers became available to perform the large volume of arithmetic computations required in developing ELG based depreciation lives and rates. The table on the following page illustrates the procedure for calculating equal life group depreciation accrual rates and summarizes the results of the underlying calculations. Depreciation rates are determined for each age interval (one year increment) during the life of a group of property which was installed in a given year or vintage group. The age of the vintage group is shown in column (A) of the ELG table. The percent surviving at the beginning of each age interval is determined from the Iowa 10-R3 survivor curve which is set forth in column (B). The percent retired during each age interval, as shown in column (C), is the difference between the percent surviving at successive age intervals. Accordingly, the percentage amount of the vintage group retired defines the size of each equal life group. For example, during the interval 3 1/2 to 4 1/2, 1.93690 percent of the vintage group is retired at an average age of four years. In this case, the 1.93690 percent of the group experiences an equal life of four years. Likewise, 3.00339 percent is retired during the interval 4 1/2 to 5 1/2 and experiences a service life of five years. Further, 4.42969 percent experiences a six-year life; etc. Calculations are made for each age interval from the zero age interval through the end of the life of the vintage group. The average service life for each age interval's equal life group is shown in column (E) of the table.

The amount to be accrued annually for each equal life group is equal to the percentage retired in the equal life group divided by its service life. Inasmuch as additions

**XYZ UTILITY COMPANY
CALCULATION OF ASL, ARL AND ACCRUED DEPRECIATION FACTORS
BASED UPON AN IOWA 10-R3 CURVE USING THE EQUAL LIFE GROUP (ELG) PROCEDURE**

AGE AT BEGIN OF INTERVAL	LIFE TABLE BEGIN OF INTERVAL	RETIREMENT DURING INTERVAL	AVERAGE SURVIVING	AGE OF AMOUNT RETIRED	AMOUNT FOR EACH LIFE GROUP	AMOUNT FOR REMAINING LIFE GROUPS	EQUAL LIFE GROUP PROCEDURE			
							AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	ELG/ARL DEPR RATE	ACCRUED DEPR RES FACTOR
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
0.0	1.0000000	0.0009198	0.9995401	0.25	0.0009198	0.0583036	8.57	8.57	11.67	0.0000000
0.5	0.9990802	0.0033314	0.9974145	1.0	0.0033314	0.1131019	8.82	8.32	11.34	0.0566975
1.5	0.9957488	0.0065393	0.9924792	2.0	0.0032697	0.1098013	9.04	7.54	11.06	0.1659501
2.5	0.9892095	0.0117037	0.9833577	3.0	0.0039012	0.1062159	9.26	6.76	10.80	0.2700337
3.5	0.9775058	0.0193690	0.9678213	4.0	0.0048422	0.1018442	9.50	6.00	10.52	0.3683062
4.5	0.9581368	0.0300339	0.9431199	5.0	0.0060068	0.0964196	9.78	5.28	10.22	0.4600565
5.5	0.9281029	0.0442969	0.9059545	6.0	0.0073828	0.0897248	10.10	4.60	9.90	0.5447146
6.5	0.8838060	0.0631367	0.8522377	7.0	0.0090195	0.0815237	10.45	3.95	9.57	0.6217794
7.5	0.8206693	0.0876232	0.7768577	8.0	0.0109529	0.0715375	10.86	3.36	9.21	0.6906424
8.5	0.7330461	0.1166879	0.6747022	9.0	0.0129653	0.0595783	11.32	2.82	8.83	0.7505770
9.5	0.6163582	0.1431836	0.5447664	10.0	0.0143184	0.0459365	11.86	2.36	8.43	0.8010714
10.5	0.4731746	0.1533568	0.3964962	11.0	0.0139415	0.0318066	12.47	1.97	8.02	0.8423003
11.5	0.3198178	0.1363216	0.2516570	12.0	0.0113601	0.0191557	13.14	1.64	7.61	0.8753616
12.5	0.1834962	0.0975199	0.1347363	13.0	0.0075015	0.0097249	13.85	1.35	7.22	0.9022159
13.5	0.0859763	0.0559043	0.0580242	14.0	0.0039932	0.0039775	14.59	1.09	6.85	0.9254232
14.5	0.0300720	0.0244398	0.0178521	15.0	0.0016293	0.0011663	15.31	0.81	6.53	0.9473077
15.5	0.0056322	0.0055324	0.0028660	16.0	0.0003458	0.0001788	16.03	0.53	6.24	0.9667657
16.5	0.0000998	0.0000998	0.0000499	17.0	0.0000059	0.0000029	17.00	0.50	5.88	0.9705882
17.5	0.0000000	0.0000000	0.0000000	18.0	0.0000000	0.0000000				
		1.0000000				1.0000000				

3-8

Table 6

and retirements are assumed, for calculation purposes, to occur at midyear only one-half of the equal life group's annual accrual is allocated to expense during its first and last years of service life. The accrual amount for the property retired during age interval 0 to 1/2 must be equal to the amount retired to insure full recovery of that component during that period. The accruals for each equal life group during the age intervals of the vintage group's life cycle are shown in column (F). The total accrual for a given year is the summation of the equal life group accruals for that year. For example, the total accrual for the second year, as shown in column (G), is 11.31019 percent and is the sum of all succeeding years remaining equal life group accruals plus one half of the current years life group accrual listed in column (F). For the zero age interval year, the total accrual is equal to one half of the sum of all succeeding years remaining equal life accruals plus the amount for the zero interval equal life group accrual. The one half year accrual for the zero age interval is consistent with the half year convention relative to property during its installation year. The sum of the annual accruals for each age interval contained in column (G) total to 1.000 demonstrating that the developed rates will recover 100% of plant no more and no less. The annual accrual rate which will result in the accrual amount is the ratio of the accrual amount (11.31019 percent) to the average percent surviving during the interval, column (D), (99.74145 percent), which is a rate of 11.34% (column J). Column (J) contains a summary of the accrual rates for each age interval of the property groups life cycle based upon an Iowa 10-R3 survivor curve.

Remaining Life Technique

In the Average Remaining Life depreciation technique, the annual accrual is calculated according to the following formula where, (A) the annual depreciation for each

group equals, (D) the depreciable cost of plant, less (U) the accumulated provision for depreciation, less (S) the estimated future net salvage, divided by (R) the composite remaining life of the group:

$$A = \frac{D - U - S}{R}$$

The annual accrual rate (a) is expressed as a percentage of the depreciable plant balance by dividing the equation by (D) the depreciable cost of plant times 100:

$$(a) = \frac{D - U - S}{R} \times \frac{1}{D} \times 100$$

As further indicated by the equation, the accumulated provision for depreciation by vintage is required in order to calculate the remaining life depreciation rate for each property group. In practice, most often such detail is not available; therefore, composite remaining lives are determined for each depreciable group, i.e., property account.

The remaining life for a depreciable group is calculated by first determining the remaining life for each vintage year in which there is surviving investment. This is accomplished by solving the area under the survivor curve selected to represent the average life and life characteristic of the property account. The remaining life for each vintage is composited by dividing (D) the depreciable cost of each vintage, by (L) its average service life, and multiplying this ratio by its average remaining life (E). The composite remaining life of the group (R) equals the sums of products divided by the sum of the quotients:

$$R \text{ Group} = \frac{\sum \frac{D/L \times E}{D/L}}{\sum \frac{D/L \times E}{D/L}}$$

The functional level accumulated provision for depreciation, which was the basis for developing the composite average remaining life accrual and annual depreciation rate for

each property account as per this report, was obtained from the Company's books and records. The functional level depreciation reserve was further allocated to each property account and sub-account based upon a detailed theoretical depreciation reserve as of December 31, 2002.

Salvage

Net salvage is the difference between gross salvage, or what is received when an asset is disposed of, and the cost of removing it from service. Salvage experience is normally included with the depreciation rate so that current accounting periods reflect a proportional share of the ultimate abandonment and removal cost or salvage received at the end of the property service life. Net salvage is said to be positive if gross salvage exceeds the cost of removal, but if cost of removal exceeds gross salvage the result is then negative salvage.

The cost of removal includes such costs as demolishing, dismantling, tearing down, disconnecting or otherwise removing plant, as well as normal environmental clean up costs associated with the property. Salvage includes proceeds received for the sale of plant and materials or the return of equipment to stores for reuse.

Net salvage experience is studied for a period of years to determine the trends which have occurred in the past. These trends are considered together with any changes that are anticipated in the future to determine the future net salvage factor for remaining life depreciation purposes. The net salvage percentage is determined by relating the total net positive or negative salvage to the book cost of the property investment:

With regard to location type properties (e.g. generation facilities, etc.) a company will routinely experience both interim and terminal net salvage. Interim net salvage occurs in

conjunction with interim retirements that occur throughout the life of the asset group. This net salvage activity (routinely and largely cost of removal) is attributable to the removal of components within the Company's facilities to enable the placement of a new asset component. Interim net salvage is routinely negative given the care required in removing the defective component so as not to damage the remaining plant in service. Interim net salvage is applicable to the estimated interim retirement assets.

The terminal net salvage component is attributable to the end of life costs incurred (less any gross salvage received) to disconnect, remove, demolish and/or dispose of the operating asset. Terminal net salvage is attributable to those assets remaining in service subsequent to the occurrence of interim retirements.

The total net salvage incorporated into the depreciation rate for location type plant account investments is the sum of interim and terminal net salvage. Both of the items must be incorporated in the development of annual depreciation rates to enable the Company to fully recover its total plant life costs. Otherwise, upon retirement of the plant, the Company will incur end of life costs without having recovered those plant related costs from the customers who benefitted from the use of the expired facility.

Service Lives

Several factors contribute to the length of time or average service life which the property achieves. The three (3) major categories under which these factors fall are: (1) physical; (2) functional, and; (3) contingent casualties.

The physical category includes such things as deterioration, wear and tear and the action of the natural elements. The functional category includes inadequacy, obsolescence and requirements of governmental authorities. Obsolescence occurs when

it is no longer economically feasible to use the property to provide service to customers or when technological advances have provided a substitute of superior performance. The remaining factor of contingent casualties relates to retirements caused by accidental damage or construction activity of one type or another.

In performing the life analysis for any property being studied, both past experience and future expectations must be considered in order to fully evaluate the circumstances which may have a bearing on the remaining life of the property. This ensures the selection of an average service life which best represents the expected life of each property investment.

Survivor Curves

The preparation of a depreciation study or theoretical depreciation reserve typically incorporates smooth curves to represent the experienced or estimated survival characteristics of the property. The "smoothed" or standard survivor curves generally used are the family of curves developed at Iowa State University which are widely used and accepted throughout the utility industry.

The shape of the curves within the Iowa family are dependent upon whether the maximum rate of retirement occurs before, during or after the average service life. If the maximum retirement rate occurs earlier in life, it is a left (L) mode curve; if occurring at average life, it is a symmetrical (S) mode curve; if it occurs after average life, it is a right (R) mode curve. In addition, there is the origin (O) mode curve for plant which has heavy retirements at the beginning of life.

Many times, actual Company data has not completed its life cycle, therefore, the survivor table generated from the Company data is not extended to zero percent surviving.

This situation requires an estimate be made with regard to the remaining segment of the property group's life experience. Further, actual Company experience is often erratic, making its utilization for average service life estimating difficult. Accordingly, the Iowa curves are used to both extend Company experience to zero percent surviving as well as to smooth actual Company data.

Study Procedures

Several study procedures were used to determine the prospective service lives recommended for the Company's plant in service. These include the review and analysis of historical retirements, current and future construction, historical experience and future expectations of salvage and cost of removal as related to plant investment. Service lives are affected by many different factors, some of which can be obtained from studying plant experience, others which may rely heavily on future expectations. When physical aspects are the controlling factor in determining the service life of property, historical experience is a valuable tool in selecting service lives. In the case where changing technology or a less costly alternative develops, then historical experience is of lesser value.

While various methods are available to study historical data, the principal methods utilized to determine average service lives for a Company's property are the Retirement Rate Method, the Simulated Plant Record Method, the Life Span Method, and the Judgement Method.

Retirement Rate Method - The Retirement Rate Method uses actual Company retirement experience to develop a survivor curve (observed life table) which is used to determine the average service life being experienced in the account under study. Computer processing provides the opportunity to review various experience bands

throughout the life of the account to observe trends and changes. For each experience band studied, the "observed life table" is constructed based on retirement experience within the band of years. In some cases, the total life of the account has not been achieved and the experienced life table, when plotted, results in a "stub curve." It is this "stub curve" or total life curve, if achieved, which is matched or fitted to a standard Survivor curve. The matching process is performed both by computer analysis, using a least squares technique, and by manually plotting observed life tables to which smooth curves are fitted. The fitted smooth curve provides the basis to determine the average service life of the property group under study.

Simulated Balances Method - In this method of analysis, simulated surviving balances are determined for each balance included in the test band by multiplying each proceeding years original gross additions installed by the Company by the appropriate factor of each Standard Survivor Curve, summing the products, and comparing the results with the related year end plant balance to determine the "best fitting" curve and life within the test period. Various test bands are reviewed to determine trends or changes to indicated service lives in various bands of years. By definition, the curve with the "best fit" is the curve which produces simulated plant balances that most closely matches the actual plant balances as determined by the sum of the "least squares". The sum of the "least squares" is arrived at by starting with the difference between the simulated balances and the actual balance for a given year, squaring the difference, and the curve which produces the smallest sum (of squared difference) is judged to be the "best fit".

Period Retirements Method - The application of the Period Retirements Method is similar to the "Simulated Plant Balances" Method, except the procedure utilizes a Standard

Survivor Curve and service life to simulate annual retirements instead of balances in performing the "least squares" fitting process during the test period. This procedure does tend to experience wider fluctuations due to the greater variations in level of experienced retirements versus additions and balances thereby producing greater variation in the study results.

Life Span Method - The Life Span or Forecast Method is a method utilized to study various accounts in which the expected retirement dates of specific property or locations can be reasonably estimated. In the Life Span Method, an estimated probable retirement year is determined for each location of the property group. An example of this would be a structure account, in which the various segments of the account are "life spanned" to a probable retirement date which is determined after considering a number of factors, such as management plans, industry standards, the original construction date, subsequent additions, resultant average age and the current - as well as the overall - expected service life of the property being studied. If in the past the property has experienced interim retirements, these are studied to determine an interim retirement rate. Otherwise, interim retirement rate parameters are estimated for properties which are anticipated to experience such retirements. The selected interim service life parameters (lowa curve and life) are then used with the vintage investment and probable retirement year of the property to determine the average remaining life as of the study date.

Judgement Method - Standard quantitative methods such as the Retirement Rate Method, Simulated Plant Record Method, etc. are normally utilized to analyze a Company's available historical service life data. The results of the analysis together with information provided by management as well as judgement are utilized in estimating the prospective

recommended average service lives. However, there are some circumstances where sufficient retirements have not occurred, or where prospective plans or guidelines are unavailable. In these circumstances, judgement alone is utilized to estimate service lives based upon service lives used by other utilities for this class of plant as well as what is considered to be a reasonable life for this plant giving consideration to the current age and use of the facilities.

LOUISVILLE GAS & ELECTRIC**Electric Division**Study ResultsAccount 311 - Steam Production Structures and Improvements

The current investment in this account totals \$321,615,852 and is currently being depreciated utilizing an annual depreciation rate of 2.56 percent. The property investment, which has achieved a current average age of 17.8 years is related to the Company's facilities located at three (3) different generation stations, including Cane Run, Mill Creek, and Trimble County. The Cane Run station has three (3) operating units (Cane Run Units 4, 5, and 6 that were placed into service during 1964, 1967, and 1970, respectively. There are limited residual investments for three (3) retired plants at the Cane Run site, namely, Cane Run 1, 2, and 3). Mill Creek Units 1, 2, 3, and 4 were placed into service during 1965, 1975, 1979, and 1984. Trimble County unit 1 was the latest constructed steam generation facility being placed into service during 1990. Each of the active units were equipped with Scrubber Units some of which were added a number of years subsequent to the initial construction of each of the original plants.

The depreciation rate for Company's investment in this property category is being developed via the Life Span Method in which each generating facility's location investment is life spanned to a probable retirement date (developed by the Company's engineering staff) giving consideration to the original investment, subsequent upgrades, the Company's current and anticipated plans, and general lives utilized for this property by the industry. In addition, interim retirements totaling approximately \$3,404,515 were analyzed via the Retirement Rate Method to identify the applicable interim retirement rate at which interim retirements are anticipated to be experienced by this property during the years until the applicable estimated probable retirement year. The analysis of the interim historical data

utilizing the Retirement Rate Method indicates that the interim retirements from this property group have occurred at an average age of 15.3 years. The analysis provides an indication of an Iowa 120-S1 life and curve which is considered representative of the interim retirements to be incurred by this class of property. Application of the applicable life spans to each location's investment along with the estimated interim retirement rate produces an implicit average service life of 43.2 years for the Company's generation station structures and an average remaining life of 26.4 years.

An analysis of the Company's net salvage experience was completed relative to the Company's historical information during the period 1972-2002. During the period, retirements have totaled approximately \$11.3 million and generated negative net salvage during the study period. Based upon a trend analysis results of the available data future interim net salvage is estimate at negative fifteen (15) percent of the anticipated level of interim retirements (negative 0.9 percent of total plant in service). In addition to the typical interim net salvage, the Company is also faced with the future removal and disposal of asbestos materials from its generating stations. Furthermore, the Company is anticipated to experience terminal net salvage in conjunction with the final retirement of each of the facilities. Terminal net salvage of negative 5.6 percent was estimated for each of the facilities based upon information obtained from Company data relative to the terminal net salvage for its Pineville plant.

Combining the Company's historically experienced interim net salvage with the estimated terminal net salvage, results in total future net salvage of negative 6.5 percent and when utilized together with the average remaining life of 26.4 years produces an annual depreciation rate of 2.21 percent.

Account 312 - Boiler Plant Equipment

The Company's investment in this account totals \$1,121,611,54, of which \$145,342,176 is related to pending mandated pollution control (NOX) expenditures. The

property group has achieved a current average age of 13.0 years and is currently being depreciated based upon an annual depreciation rate of 3.07 percent. This account is comprised of property investments related to eight (8) different operating units located at three (3) different plant locations. The Company's overall steam production capacity totals approximately 2760 MW. The plants, which range in size from 164 MW to 566 MW capacity, were originally placed into service between the years of 1964 and 1990 with the units principally being coal-fired steam generating units, along with some natural gas fuel source.

The Company has continuously experienced retirements from this property account over the past four (4) decades or more since the original facilities were placed into service, and retirements have increased markedly during the past two (2) decades. In fact, during 1996 through 2002, the Company experienced approximately ninety-five (95) percent of the \$103 million of interim retirements that has occurred over the account's history.

Continuous assessments are being completed to reduce the operating cost of each of the units plus bring the facilities into compliance with ever changing environmental regulations; therefore, there are ongoing and increasing risks concerning the continued utilization of various units. Accordingly, numerous ongoing changes will occur, which together with the current changes within the structure of the electric industry results in many uncertainties concerning the future of all generation plants. Based upon the historical analysis, plus discussions with Company management relative to future plans for their generating facilities, each generating unit was life spanned to a probable retirement year that was estimated by the Company's engineering staff.

An interim retirement rate of an Iowa 50-L0.5 was indicated through an analysis of the Company's experienced interim retirements. The retirements, which totaled \$102,950,907 and occurred at an average age of 14.3 years, during the overall retirement band, was analyzed via the Retirement Rate Method. It is anticipated that the Company will continue to experience boiler changes to meet air quality standards, as well as the

result of the Company's efforts to lower operating costs through the application of more efficient facilities.

The calculation of the implicit average service life and average remaining life for the account was determined through the utilization of the Life Span Methodology utilizing each unit's original cost investment, the estimated applicable retirement rate, and the related probable retirement year. The application of the service life parameters results in a 28.8 year implicit average service life and an average remaining life of 19.3 years, respectively.

An analysis was completed of the Company's net salvage experienced during the period 1972-2002 relative to the original cost of retirements during the study period. In conjunction with retirements totaling more than \$95 million, the Company has incurred more than \$12 million of negative net salvage and experienced average net salvage of approximately negative thirteen (13) percent during the overall thirty (30) year period. Trend analysis indicates that far higher levels of negative net salvage, of twenty (20) percent is anticipated relative to the current plant in service. It is noted that various of the Company's boiler plant facilities contains various levels and qualities of asbestos which will require varying amounts of remediation work which will result in further future expenditures for proper handling and disposal.

Based upon the historical and trend analysis, future interim net salvage is estimated at negative twenty (20) percent of the anticipated level of future interim retirements (negative 7.5 percent of total plant in service). Terminal net salvage, based upon available Pineville related terminal net salvage data is estimated at negative 4.7 percent. Accordingly, giving consideration to both historical experience and future obligations for interim retirements, asbestos abandonment and terminal net salvage, overall future net salvage is estimated at negative 12.2 percent. Utilizing the Company's investment together with the estimated net salvage factors and average remaining lives produces a composite annual depreciation rate of 3.73 percent.

Account 314 - Turbo-generator Units

The investment in this account totals \$188,594,180, has achieved a current average age of 19.0 years, and is being depreciated utilizing an annual depreciation rate of 2.64 percent. The Company's generating facilities are located at each of the Company's three (3) production facility sites and have a total generating capacity of approximately 2760 MW.

While some retirements have occurred, relative to turbo-generator units, during earlier years, the majority of the interim retirement activity, totaling \$16.7 million, has occurred during the most recent two (2) decades. Estimated final retirement dates for each of the operating units, were developed by the Company's engineering staff, were utilized in developing the applicable life spans and resulting depreciation rates. An interim retirement rate of an Iowa 50-S1.5 was developed via an analysis of the Company's overall interim retirements via the Retirement Rate Method. Application of the Company's surviving investments together with the estimated interim retirement rate and applicable probable retirement years for each facility produces an implicit average service life of 38.6 years and an average remaining life of 21.9 years.

Retirements totaling \$26,574,277 million during the period 1972-2002 were analyzed together with the Company's negative net salvage which totaled approximately \$853,227 million resulted in experienced historical interim net salvage experience of approximately negative three (3) percent which trended to approximately nine (9) percent future net salvage. Future interim net salvage is estimated at negative ten (10) percent of the anticipated level of future interim retirements (negative 4.2 percent of total plant in service). Terminal negative net salvage, based upon available terminal net salvage (Pineville) data is estimated at negative 4.0 percent. Based upon the Company's experience and ongoing anticipated increased costs in future years, and the terminal net salvage, overall future net salvage is estimated at negative 8.2 percent for this property category. The resulting recommended annual depreciation rate for this account is 2.46 percent.

Account 315 - Accessory Electric Equipment

The investment in this account totals \$163,988,443, has achieved a current average age of 16.1 years, and is presently being depreciated utilizing an annual depreciation rate of 2.74 percent. The annual depreciation rate for this property class was developed via the use of the Life Span Method.

The account investment has experienced interim retirements totaling \$6,378,601 during the overall study period. The analysis of the Company's historical data interim retirements for the overall study period, indicated that the property has been experiencing an interim retirement rate of an Iowa 55-S1 life and curve. Furthermore, it is anticipated that various upgrades will be required in future years to keep the facilities operating efficiency.

The Life Span methodology is being utilized along the results of the above referenced analysis together with available Company plans and probable retirement dates developed by Company engineering staff to determine the applicable depreciation rates. The result of applying the parameters via the Life Span Method is an implicit average service life of 34.5 years and an average remaining life of 21.0 years.

An analysis was completed of the Company's historical salvage data experienced in conjunction with retirements during the 1972-2002 experience band which trended to approximately negative eighteen (18) percent. Based upon historical net salvage during the period 1972-2002 and ongoing increases in cost, future interim net salvage is estimated at negative twenty (20) percent of the anticipated future interim retirements (negative 5.4 percent of total plant in service). Terminal net salvage obtained from the Company's available terminal net salvage data aggregates negative 3.0 percent. Based upon the available experience in this account, as well as other steam generation accounts, and the expectation that the Company will continue to experience greater levels of cost of removal in future years, overall total future net salvage is estimated at negative 8.4 percent. Application of the service life and salvage parameters to the current investment

produces a recommended annual depreciation rate of 2.74 percent.

Account 316 - Miscellaneous Power Plant Equipment

The investment in this account totals \$9,532,034, has achieved a current average age of 12.3 years, and is currently being depreciated based upon an annual depreciation rate of 2.69 percent.

Interim retirements totaling approximately \$950,656 have occurred from this property account at an average age of 25.1 years with the majority of the activity occurring during more recent years. An analysis was completed utilizing the Company's interim retirement historical accounting data to identify the interim retirement rate being achieved by this property group. This analysis indicated that historically the Company's investment in this account has been achieving a retirement rate representative of an Iowa 35-S2 life and curve.

The overall implicit average service life and average remaining life for this property group is being developed utilizing the Life Span Methodology. Probable retirement dates for each of the operating units were estimated by the Company's engineering department were used in life span. Application of the current investment together with the applicable interim retirement rate and the probable retirement years produced an implicit average service life of 29.9 years and a resulting remaining life of 19.3 years.

The Company's historical net salvage was analyzed for the period 1972-2002 and identifies that overall the Company has experienced net salvage of negative eleven (11) percent which trended to approximately negative twenty (20) percent. Accordingly, future interim net salvage is estimated at negative twenty (20) percent of the anticipated level of future interim retirements (negative 11.8 percent of total plant in service). In addition, terminal net salvage for this account (based upon the Company's available terminal net salvage data) is estimated at negative 2.4 percent. Based upon this account's anticipated continued negative net salvage, the overall future net salvage is estimated at negative 14.2 percent negative net salvage and the resulting annual depreciation rate is 3.48 percent.

Account 331.00 Other Than Project 289 - Structure & Improvements

The surviving investment in this account totals \$65,796, has achieved a current average age of 42.9 years, and is being depreciated using an annual depreciation rate of 1.76 percent.

Based upon the Company's content of the account, an average service life characteristic of an Iowa 140-L1.5 life and curve is currently recommended. Application of the Company's investment and interim retirement rate, and the Company's estimated probable retirement dates produces a resulting average remaining life of thirty-one (31) years.

Interim net salvage is estimated at negative thirty (30) percent of future interim retirements (negative 5.1 percent of total plant in service) and terminal net salvage is estimated at zero (0) percent. Total future net salvage is, therefore, estimated at negative 5.1 percent, resulting in an annual depreciation rate for this property group of 2.09 percent.

Account 331.10 - Project 289 - Structures & Improvements

The investment in this account totals \$4,995,149, has achieved a current average age of 59.2 years, and is being depreciated using an annual depreciation rate of 1.81 percent. No retirements have occurred to date. Based upon a review and analysis of the Company's data and consideration of the potential future replacement of various property components, an Iowa 140-L1.5 life and curve is estimated. The resulting average remaining life is 30.0 years.

Future interim net salvage is estimated at negative thirty (30) percent of anticipated interim retirements (negative 8.1 of total plant in service), while future terminal net salvage is estimated at 3.1 percent. Total future net salvage is estimated at negative 11.2 percent and the resulting recommended annual depreciation rate for this account is 0.38 percent.

Account 332.10 - Project 289 - Reservoirs, Dams and Waterways

The investment in this account totals \$303,530 and is related to the impoundments and other applicable costs for the water source to power the hydro facilities. The current

plant investment has attained a current average age of 30.6 years and is being depreciated utilizing an annual depreciation rate of 1.81 percent.

Historical retirements totaling \$8,455 have occurred to date. Based upon the study data an Iowa 150-L1.5 life and curve is estimated as the interim retirement rate.

The application of the estimated service life parameters to the Company's current surviving investment produce an implicit average service life of 48.5 years and an average remaining life of 31.7 years.

Future interim net salvage is estimated at fifteen (15) percent of estimated future interim retirements (negative 1.4 percent of total plant in service). Based upon the available experience and expectation of continued future demolition or disposal costs, future terminal net salvage is estimated at negative 51.3 percent. The resulting total future net salvage aggregating 52.7 percent and the average remaining life depreciation rate is 2.35 percent.

Account 333.10 - Project 289 - Water Wheels, Turbines and Generators

The investment in this account totals \$2,316,031, has attained a current average age of 63.9 years, and is presently being depreciated using an annual depreciation rate of 1.81 percent. This available historical data was analyzed via the Retirement Rate Method to identify an applicable interim retirement rate for this property. Based upon the general experience and the expectation that the Company will continue to experience ongoing property changes, an Iowa 150-L1.5 life and curve is estimated. The resulting implicit average service life is 85.6 years and the resulting average remaining life is 30.1 years.

Future interim net salvage is estimated at negative two (2) percent of projected interim retirements (negative 0.5 percent of total plant in service), while future terminal net salvage is estimated at negative 13.8 percent. Accordingly, total future net salvage is estimated at negative 14.3 percent, resulting in a recommended average remaining life depreciation rate of 0.17 percent.

Account 334.10 - Project 289 - Accessory Electric Equipment

The investment in this account totals \$1,304,908 and is currently depreciated using an annual depreciation rate of 1.81 percent. The current average age of the property is 32.4 years. While no historical retirements have occurred from this account to date, based upon the Company's experience other similar accounts and general account content, an Iowa 55-S1 life and curve is recommended as the interim retirement rate. Application of the recommended interim retirement rate and probable retirement years to the current investment produces an implicit average service life of 43.5 years and an average remaining life of 24.0 years.

Based upon the historical salvage data and trend analysis future interim net salvage is estimated at negative twenty-five (25) percent of anticipated future interim retirements (negative 16.5 of total plant in service). Future terminal net salvage is estimated at negative 5.7 percent. Accordingly, total future net salvage is estimated at negative 22.2 percent and the resulting annual depreciation rate is 1.73 percent.

Account 335 - Miscellaneous Power Plant Equipment

The investment in this account totals \$7,814. The current average age of the property is 33.1 years and the current depreciation rate is 1.76 percent. An Iowa 55-R3 life and curve is estimated as the applicable interim retirement rate. The result of applying the current investment to the service life parameters and probable retirement years using the Life Span Method is an implicit average service life of thirty-five (35) years and an average remaining life of 7.5 years.

Future interim net salvage is estimated at negative twenty-five (25) percent of anticipated future interim retirements (negative 21.8 percent of total plant in service) and future terminal net salvage is estimated at zero (0) percent. Accordingly, total future net salvage is estimated at negative 21.8 percent. The resulting annual depreciation rate is 5.98 percent.

Account 335.10 Project 289 - Miscellaneous Power Plant Equipment

The investment in this account totals only \$151,461. The current average age of the property is 33.1 years and the current depreciation rate is 1.81 percent. An Iowa 35-S2 life and curve is estimated as the applicable interim retirement rate. The result of applying the current investment to the estimated service life parameters and probable retirement years using the Life Span Method is an implicit average service life of 34.1 years and an average remaining life of 13.9 years.

Future interim net salvage is estimated at negative twenty-five (25) percent of future interim retirements (negative 24.5 percent of total plant in service). Future terminal net salvage is estimated at negative 6.7 percent. Accordingly, total future net salvage is estimated at negative 31.2 percent. The resulting annual depreciation rate is 1.21 percent.

Account 336 - Roads, Railroads & Bridges

The surviving investment in this account totals \$1,134, has achieved a current average age of 61.5 years, and is being depreciated using an annual depreciation rate of 1.76 percent.

Based upon the content of the account, an interim retirement rate of an Iowa 150- L1 life and curve is currently estimated. The resulting implicit average service life is eighty-five (85) years and the average remaining life is 29.8 years.

Future interim net salvage is estimated at zero (0) percent. Likewise, future terminal net salvage is estimated at zero (0) percent. Accordingly, total future net salvage is estimated at zero (0) percent. The resulting annual depreciation rate for this property group is 1.60 percent

Account 336.10 - Project 289 - Roads, Railroads & Bridges

The surviving investment in this account totals \$178,847, has achieved a current average age of 64.7 years, and is being depreciated using an annual depreciation rate of 1.81 percent.

Historical retirements totaling \$5,682 have occurred to date. Based upon the Company's experience and general content of the account, an interim retirement rate of an Iowa 150- L1 life and curve is recommended. The implicit average service life is 83.9 years and the resulting remaining life is 29.8 years.

No net salvage is anticipated in the future, accordingly, future net salvage is estimated at zero (0) percent. The resulting annual depreciation rate for this property group is 0.17 percent

Account 341 - Other Production Structures and Improvements

The current investment in this account totals \$6,641,031, has attained a current average age of 3.84 years and is presently being depreciated using an annual depreciation rate of 3.25 percent. The Company has twelve (12) Other Production units at six (6) different generating locations including Cane Run, Waterside, Paddy's Run, Brown, Zorn, and Trimble County. The investment in Structures and Improvements is principally related to enclosures utilized to house the prime movers and generators. The initial Other Production investments were placed into service during 1965 with further additions at intermittent periods through 2002. Given the nature of the property and the overall level of property investments, no retirements have occurred to date. Based upon consideration of the content of the property group as well as the life indications of the other accounts within this operating function an Iowa 80-L1 life and curve was estimated as the interim retirement rate for this property class. Application of the recommended service interim retirement rate and probable retirement years to the Company's current investment produced an implicit average service life of 29.5 years and an average remaining life of 26.6 years.

While historical net salvage activity has been somewhat limited, it is anticipated that a modest amount of future interim net salvage will occur. Accordingly, future interim net salvage is estimated at negative fifteen (15) percent of future interim retirements (negative 1.7 percent of total plant in service). Furthermore, it is anticipated that upon full retirement

of the facilities, the Company will incur cost in conjunction with retirement and/or dismantling of the facilities. Therefore, terminal net salvage, based upon available decommission study data, is estimated at negative 6.6 percent. Total future net salvage is estimated at negative 8.3 percent and the resulting annual depreciation rate is 3.66 percent.

Account 342 - Fuel Holders, Products and Accessories

The Company's investment in this account currently totals \$5,833,516 has achieved a current average age of 2.40 years, and is currently depreciated using an annual depreciation rate of 3.31 percent. This class of property is principally related to fuel storage equipment and other related facilities.

While no retirements have occurred to date, based upon the Company's other experience and general content of the account, an interim retirement rate of an Iowa 80-L1 life and curve is estimated for this property group. Application of the estimated interim retirement rate and probable retirement years (developed by Company engineering staff) results in an implicit average service life of 29.1 years and an average remaining life of 27.0 years.

An analysis of the Company's historical retirements and related net salvage data for the years 1972-2002 identifies that historical interim net salvage has been none existent and none is anticipated in future years. However, given the level of environmental regulations surrounding fuel storage facilities, etc., it is anticipated that the Company will experience significant cost of removal when each overall property is retired from service. Based upon available decommissioning study data, terminal net salvage is estimated at negative 10.1 percent. Total future net salvage is estimated at negative 10.1 percent net salvage. Utilizing the estimated service life and salvage factors together with the current account investment produces an annual depreciation rate of 3.77 percent.

Account 343 - Prime Movers

The surviving investment in this account totals \$100,745,870, has achieved a current

average age of 2.5 years, and is being depreciated using an annual depreciation rate of 3.36 percent.

Historical retirements totaling \$53,303 have occurred to date. Based upon the analysis of the Company's experience and general content of the account, an interim retirement rate reflective of an Iowa 80-L1 life and curve is currently recommended. The implicit average service life is 28.3 years and the resulting average remaining life is 26.2 years.

Net salvage relative to interim retirements have aggregated approximately negative twenty (20) percent and trended to negative fifteen (15) percent. Accordingly, future interim net salvage is estimated at negative fifteen (15) percent of anticipated future interim retirements (negative 1.5 percent of total plant in service). In addition, future terminal net salvage is estimated at negative 1.7 percent net salvage and total future net salvage is estimated at negative 3.2 percent. The resulting annual depreciation rate for this property group is 3.60 percent

Account 344 - Generators

The investment in this account totals \$26,258,225, has attained a current average age of 10.2 years, and is currently being depreciated using an annual depreciation rate of 2.59 percent.

Retirements from this property group totaling \$191,176 were analyzed via the Retirement Rate Method. Based upon the available historical data an interim retirement rate of an Iowa 80-L1 life and curve is estimated for the property group and when applied to the current surviving investment along with the probable retirement years (estimated by the Company's engineers) results in an implicit average service life of 26.7 years and an average remaining life of 19.2 years.

An analysis of the Company's historical salvage data for the years 1972-2002 identifies that historically the net salvage has averaged more than negative eight (8) percent

net salvage. Furthermore, as this property matures and larger quantities of interim retirements occur, it is anticipated that future negative salvage will continue to occur, therefore, future interim retirements are estimated at negative eight (8) percent of anticipated future interim retirements (negative 0.9 percent of total plant in service).

Future terminal net salvage based upon available decommissioning study data is estimated at negative 7.7 percent, and the resulting total future net salvage is negative 8.6 percent. The resulting average remaining life depreciation rate is 3.84 percent.

Account 345 - Accessory Electric Equipment

The investment for accessory electric equipment totals \$9,281,384. The surviving investment has achieved an average age of 3.0 years and is currently being depreciated using an annual depreciation rate of 3.26 percent. Based upon a consideration of the content of the property group, the interim retirement rate for this property group is an estimated Iowa 55-S1 life and curve. Application of the interim retirement rate and probable retirement year to the surviving investments produces an implicit average service life of 27.4 years and an average remaining life of 24.8 years.

The future interim net salvage is estimated at negative eight (8) percent of anticipated future interim retirements (negative 1.0 percent of total plant in service). Based upon decommissioning study data, terminal net salvage is estimated at negative 2.5 percent and the total future net salvage is estimated at negative 3.5 percent. The resulting annual depreciation rate is 3.74 percent.

Account 346 - Miscellaneous Power Plant Equipment

The current investment in the account totals o \$3,678,701 and is currently being depreciated using an annual depreciation rate of 3.41 percent. The current average age of the property investment is 1.8 years. An Iowa 35-R2 life and curve is estimated as the applicable interim retirement rate for this property class. Application of the interim retirement rate parameters to the current investment produces an implicit average service

life of 27.7 years and an average remaining life of 26.0 years.

In conjunction with future interim retirements, expenditures for cost of removal are expected to occur, accordingly, interim future net salvage is estimated at negative eight (8) percent of anticipated future interim retirements (negative 2.8 percent of total plant in service). Terminal net salvage based upon decommissioning study data is estimated at negative 0.6 percent and the estimated total future net salvage rate is negative 3.4 percent. The recommended resulting annual depreciation rate is 3.75 percent.

Account 350.1 - Land Rights

The surviving investment in this account totals \$2,592,774, has achieved a current average age of 34.6 years and is being depreciated using an annual depreciation rate of 1.31 percent.

While the historical retirements from the property group have totaled \$48,829 no meaningful service life indications were produced. A review of industry data indicates average service lives for land rights in the range of 25-60 years. Based upon the general content of the account, an average service life characteristic of an Iowa 50-R2.5 life and curve is recommended. The resulting average remaining life is 22.2 years.

Only minor amounts of historical salvage has been experienced and none is anticipated in the future, accordingly, future net salvage is estimated at zero (0) percent. The resulting annual depreciation rate for this property group is 1.27 percent

Account 352.1 - Structures and Improvements - Non Sys. Control/Com.

The Company's investment in this account totals \$2,907,083, has achieved a current average age of 18.6 years, and is presently being depreciated utilizing an annual depreciation rate of 2.02 percent.

Retirements totaling \$185,360 which occurred at an average age of 27.4 years, were analyzed via the Retirement Rate Method which produced a life indication of an Iowa 55-R3 life and curve. Accordingly, and Iowa 55-R3 life and curve is estimated for this property

class and application of the service life parameters to the current surviving investment produces an average remaining life of 38.2 years.

Historical analysis of net salvage experience for the years 1972-2002 produced historical average net salvage in excess of negative eleven (11) percent and the trended net salvage averaged in excess of negative twenty-five (25) percent net salvage. Accordingly, future net salvage is estimated at negative fifteen (15) percent and when combined together with the 38.2 year average remaining life the property group produces a recommended annual depreciation rate of 1.82 percent.

Account 353.1 - Station Equipment - Non Sys. Control.Com.

The Company's investment in station equipment totals \$116,591,837, has achieved a current average age of 19.8 years, and is presently being depreciated utilizing an annual depreciation rate of 2.10 percent. The investment in this account has grown continuously over the years, however, the growth has moderated somewhat during the past decade. Much of the significant growth had occurred both in the 1970's, 80's and early 1990's when the Company was adding larger amounts of new transmission facilities. The Company's transmission sub-stations range essentially from 138 KV through 345 KV facilities. At the present time, the number of transmission sub-stations within the Company's operating system is more than 20 facilities. Historically, the investment and related retirements have been more limited. Much of the activity in the account has been occurring at higher levels during the past two (2) decades.

Retirement activity temporarily declined during a number of years in the 1990's, thereby, contributing to some lengthening of the average service life indication for the property group. However, retirements have again accelerated during 2002. The average service life underlying the current depreciation rate is forty-four (44) years while a review industry life statistics identifies that average life is less than forty (40) years. A return to more normal retirement levels than experienced during 1998-2001 period will serve to

reduce future service life indications to a more typical level. Giving consideration to both the prior experience, industry data and anticipated factors, along with the experience of other property categories, an Iowa 50-R3 life and curve is estimated for this property group. Application of the recommended service life parameters to the Company's current investment produces an average remaining life 32.2 years.

Retirements of \$5,760,872, which occurred during the period 1972-2002, were analyzed in conjunction with related net salvage experience to identify the level of anticipated future net salvage for this property group. The yearly level of net salvage has varied considerably over the past several decades, overall salvage has averaged negative one (1) percent, however, salvage levels have been significantly negative during numerous recent years. Based upon the considerable fluctuations in net salvage and anticipated increased cost of removal in future years, future net salvage is estimated at negative ten (10) percent. The proposed life and salvage parameter produces an annual depreciation rate of 1.85 percent.

Account 354 - Towers and Fixtures

The investment in this account totals \$23,879,708 and is related to the metal towers generally utilized to carry the higher voltage transmission lines. The investment has currently achieved an average age of 24.9 years and is being depreciated utilizing a current annual depreciation rate of 2.40 percent. A majority of the current investment in this account was installed during the late 1970's and 1980's when the Company was expanding its transmission facilities with exception of a sizable investment during 1994 only modest additions and retirements occurred in this property group. While the recent decline in activity is being driven by the recent slow down in plant growth and resulting construction declines, activity will need to increase in future years to assure that upgrades and modernization the facilities occurs in future years. Such activity will serve to return the life indications to shorter lives than presently indicated. A review of industry data identifies that

a life of fifty (50) years is being used for this property category.

The Company's retirement totaling \$992,739 was analyzed via the Retirement Rate Method. The overall analysis of the Company's limited available retirement data produced a general life indication of fifty-five (55) plus years. As the property continues to age, additional changes and/or upgrades will be required. Giving consideration to the content of the account and general industry data an Iowa 55-R4 life and curve is currently estimated for this property and when applied to the Company's current surviving investment produces an average remaining life of 31.2 years.

An analysis of the Company's historical salvage data identifies that somewhat limited historical data occurred during the period 1972-2002. The available historical data identified high levels of negative net salvage, aggregated approximately negative sixty-eight (68) percent net salvage and trended to in excess of negative 190 percent net salvage. Based upon the Company's experience accounts and anticipated ongoing high levels of negative net salvage, future net salvage is currently estimated at negative sixty (60) percent. Utilization of the recommended service life parameters, the resulting average remaining life, and future net salvage estimates of negative sixty (60) percent produces an annual depreciation rate of 2.27 percent.

Account 355 - Poles and Fixtures

The current investment in this account totals \$26,398,368, has achieved a current average age of 13.5 years, and is being depreciated utilizing an annual depreciation rate of 2.95 percent. Various of the recent years have experienced a decline in the level of activity as compared to prior period. The property contained in this asset group is generally utilized for the Company's lower voltage transmission lines. The Company has various 138 KV transmission lines which utilize the wood poles and fixtures.

An analysis of the vintage retirements totaling \$2,239,767, which occurred at an average age of 19.2 years, were analyzed via the Retirement Rate Method. Giving

consideration to the overall, as well as various other experience band, an Iowa 40-R2.5 life and curve is recommended for this property group. Application of the recommended service life parameters to the Company's current surviving investment produces an average remaining life of 28.1 years.

Retirements totaling approximately \$1,770,570 during the period 1972-2002 were analyzed together with the net salvage to identify the Company's past experience. This analysis identifies that over the past decade, the Company has continuously experienced high levels of negative net salvage in conjunction with property retirements. The overall historical net salvage averaged in excess of negative thirty (30) percent plus the salvage trending analysis exceeded negative eighty (80) percent. Based upon the historical analysis results and consideration of the trend analysis, future net salvage is estimated at negative thirty (30) percent and when combined with the recommended service life parameters produces an average remaining life depreciation rate of 2.86 percent.

Account 356 - Overhead Conductors and Devices

The current surviving investment in this account totals \$33,372,312. The current depreciation rate for the property account is 2.91 percent, while the current average age of the surviving property group is 15.7 years. During the 1970's, this account's gross additions had grown at rates in the range of twenty (20) to fifty (50) percent per year as the Company was constructing a large amount of transmission lines. Subsequently, growth has moderated considerably to generally less than five (5) percent per year, nevertheless, ongoing additions have been added to this property group and, likewise, retirements have also continued. However, during the most recent four (4) year period retirement amounts have been somewhat sporadic.

Retirements which have occurred from the property group totaling \$3,145,875 and occurring at an average age of 18.1 years were analyzed via the Retirement Rate Method for the overall, as well as various interim bands. Giving consideration to the Company's

overall experience and general industry data, an Iowa 47-R1.5 life and curve is estimated for this property group. The review of industry data identifies an average life of thirty-nine (39) years is being used for this property group. Application of the estimate service life parameters to the current surviving investment produces an average remaining life of 35.2 years.

A review of the Company's net salvage data for the period 1972-2002 identifies that the Company has continuously experienced negative net salvage for this property group. Overall net salvage has averaged approximately negative thirty-two (32) percent with various recent three (3) year bands being considerable higher. The trend analysis of the net salvage indicates future net salvage of negative 150 plus percent. Based upon the recognition of past experience and the recent negative net salvage and anticipated future net salvage, future net salvage is currently estimated at negative forty (40) percent. Utilization of the estimated net salvage factor together with the projected average remaining life produces an annual depreciation rate of 2.69 percent.

Account 357 - Underground Conduit

The surviving investment in this account totals \$1,868,319 has achieved a current average age of 6.0 years, and is being depreciated using an annual depreciation rate of 1.98 percent.

Historical retirements totaling only \$441 have occurred to date. Based upon the general content of the account, an average service life characteristic of an Iowa 50-R3 life and curve is recommended. The resulting average remaining life is 44.3 years.

Only limited quantities of net salvage have been received in prior years and none is anticipated in the future, accordingly, future net salvage is estimated at negative zero (0) percent. The resulting annual depreciation rate for this property group is 1.93 percent

Account 358 - Underground Conductors and Devices

The current investment in this account totals \$5,312,496, has achieved a current

average age of 7.0 years, and is depreciated utilizing an annual depreciation rate of 2.47 percent.

Retirements totaling \$143,307 occurred at an average age of 5.2 years. Giving consideration to the content of the account, the limited experience to data and the increasing failure of underground conductors within the industry, an Iowa 25-R1.5 life and curve is recommended for this property group and when applied to current surviving investment produces an average remaining life of 19.9 years.

An analysis of the retirements total \$143,307 for this property group identifies that the retirement activity experienced high levels of negative net salvage exceeding negative 130 percent. This level of negative salvage is not anticipated for all the current property investments, nevertheless, negative net salvage is anticipated in conjunction with future retirements. Based upon the limited size of the property in the account, net salvage is estimated at negative twenty (20) percent and the resulting recommended annual depreciation rate is 4.45 percent.

Account 361 - Distribution Plant - Structure & Improvement

The current investment in this account totals \$5,969,141 and is presently depreciated using an annual depreciation rate of 2.21 percent. Retirements from the property group totaling \$424,899 were analyzed via the Retirement Rate Method which produced a service life indication of an Iowa 55-R4 life and curve. Application of the estimated Iowa 55-R4 life and curve to the current vintage investment produces an average remaining life of 32.1 years.

Historical retirements totaling \$261,249 during the period 1972-2002 were analyzed and identified that the property group historically experienced net salvage of approximately negative fifteen (15) percent. Trend analysis of the historical experience indicates future net salvage in excess of negative thirty (30) percent. Based upon the historical data and anticipated ongoing negative net salvage amounts, future net salvage is estimated at

negative fifteen (15) percent net salvage. The resulting average remaining life depreciation rate is 2.12 percent.

Account 362 - Station Equipment

The Company's current investment in this account totals \$77,088,050, has achieved a current average age of 17.8 years, and is presently depreciated utilizing an annual depreciation rate of 2.57 percent. This account contains the Company's investment relative to station transformers utilized to regulate voltages between higher and lower voltage lines. Currently the Company has approximately 84 distribution sub-stations throughout its service territory. Additional plant investments have continued over the years of this property account with earlier periods growth generally occurring in the range of five (5) to ten (10) percent and higher, while the growth in the most recent decade has generally been much less.

An analysis of the Company's plant investment and related vintaged retirements totaling \$13,638,551 was completed via the Retirement Rate Method which identify that the retirements have occurred at an average age of 20.6 years. The resulting recommendation giving consideration to the overall various interim bands and recent experience is an estimated useful life characteristic of an Iowa 48-R2 life and curve. Application of the recommended service life parameters to the Company's current investment produces an average remaining life of 33.5 years.

A review of the Company's historical salvage data for the years 1972-2002 identifies that the level of the Company's experienced net salvage has been somewhat intermittent and routinely negative. While the overall experience averaged negative three (3) percent net salvage, various years experienced much higher levels and the trend analysis of the historical experience indicates in excess of negative twenty-two (22) percent net salvage. Based upon recent general experience, and consideration of the account content at the trend analysis future net salvage is estimated at negative ten (10) percent and the resulting

annual depreciation rate is 2.31 percent.

Account 364 - Poles, Towers, and Fixtures

The current investment in this account totals \$92,365,174, has achieved a current average age of 16.5 years, and is currently being depreciated utilizing an annual depreciation rate of 3.55 percent. An analysis of the Company's distribution pole's account identifies that gross additions have generally occurred in the range of five (5) to ten (10) percent per year over the history of the account, however, activity has slowed during several recent years. It is anticipated that a return to more typical activity levels will occur during future years.

The total account's historical data was analyzed utilizing the Simulated Plant Record Method for the overall and various interim periods, which produced service life indications in the range of thirty (30) to fifty-five (55) plus years. A review of industry data identifies that the service lives used by industry companies averages thirty-five (35) years. Based upon the analysis of the Company's historical data and consideration of available data, a life characteristic representative of an Iowa 45-R3 life and curve is estimated for this property group. Application of the estimated service life parameters to the current surviving investment produces an average remaining life of 30.1 years for this account.

Retirements totaling \$5,374,186, which occurred during the period 1972-2002, were studied together with the Company's experienced historical net salvage for retirement of poles. This analysis identifies that the level of negative net salvage has been escalating in more recent years with several recent three (3) year rolling bands experiencing net salvage ranging upwards to more than negative 300 percent. Overall experience during the study period averaged negative 105 percent. Based upon the Company's experience, future net salvage is estimated at negative seventy-five (75) percent and when utilized together with the Company's investment and recommended average service life characteristics produces an annual depreciation rate of 3.92 percent.

Account 365 - Overhead Conductors and Devices

This account's current investment totals \$141,726,406 and includes the various conductors and appurtenant equipment utilized to distribute power throughout the Company's distribution system. The current annual depreciation rate is 3.82 percent for the property which has achieved a current average age of 13.7 years. These facilities generally operate within the distribution voltages. Gross additions to this property group have generally been ranging between five (5) and ten (10) percent per year over the history of the account.

While the Company has continued to replace and upgrade facilities on an ongoing basis, retirements have declined during several recent years. An analysis was completed utilizing the Simulated Plant Record Method together with the Company's experienced retirements. This analysis was prepared for the overall experience band, as well as various interim periods. The study data analysis results indicates lives in the range of twenty-five (25) to fifty-five (55) years with an Iowa 35-R2.5 being the estimated applicable service life parameters for this property group. A review of industry data indicates industry companies are utilizing service lives which average thirty-six (36) years. The average service life underlying present rate is thirty-two (32) years. Based upon the historical data analysis, general industry data, and future expectations, an Iowa 35-R2.5 life and curve is estimated for this property group. Applying the recommended service parameters to the Company's current surviving investment produces an average remaining life of 23.9 years.

The Company's salvage data was analyzed for the period 1972-2002, which included retirements totaling \$13,157,368, together with the related net salvage for each of the years. During the study period, the Company has routinely experienced net negative salvage relative to the historical retirements. The majority of the experience during the past thirty-one (31) years has ranged from approximately negative twenty (20) percent to significantly in excess of negative one-hundred (100) percent and for the overall thirty-one (31) year

period has averaged negative forty-five (45) percent. Recent experience has routinely experienced in excess of negative seventy-five (75) percent and future net salvage trend analysis exceeded negative 150 percent. Based upon the Company's overall experience and consideration of the general level of recent three (3) year rolling band analysis, future net salvage is estimated at negative fifty (50) percent and when combined with the estimated useful service life and property investment produces an annual depreciation rate of 4.29 percent.

Account 366 - Underground Conduit

The current investment in this account totals \$52,616,555. The property group investment has achieved a current average age of 13.0 years and is currently being depreciated utilizing an annual depreciation rate of 1.49 percent. The investments in this account category have varied between one (1) and twenty (20) percent growth within the overall range of installation years. The available historical data was analyzed via the Simulated Plant Record Method and produced service life indications in the range of seventy (70) to ninety (90) years. The average service life underlying the present rates is seventy (70) years and a review of industry data indicates an average of fifty-four (54) years. Based upon the general content of the account available historical data and considering typical lives utilized for this property, an Iowa 75-R3 life and curve is recommended. Application of the proposed service life parameters to the Company's current investment produces an average remaining life of 62.8 years.

The Company's retirements total \$554,544 along with applicable net salvage was analyzed for the period 1972-2002. The overall net salvage experience was negative eleven (11) percent while more recent years data indicated far higher negative levels. The salvage trend analysis indicated significant levels of negative net salvage. Based upon the experience and future expectations, future net salvage is estimated at negative fifteen (15) percent and the resulting average remaining life depreciation rate is 1.54 percent.

Account 367 - Underground Conductors and Devices

The current investment in this account totals \$77,051,442, is currently depreciated utilizing an annual depreciation rate of 3.08 percent, and has achieved a current average age of 12.3 years. While this property investment spans back numerous years, the majority of the surviving investment in this account has been placed in service during the past twenty (20) to twenty-five (25) years. Accordingly, high levels of gross additions have occurred throughout the last several decades. During recent years, the industry has typically been experiencing increasing levels of failures of various generations of this class of property. Such retirements and replacements are anticipated to accelerate in subsequent years as increasing amounts of underground cable fails.

An analysis of the Company's plant investments was completed utilizing the Simulated Plant Record Method together with the Company's gross additions and experienced retirements. An analysis of recent data produces service life indications of approximately thirty-three (33) years for the property group. Accordingly, an Iowa 33-S6 life and curve is recommended for the property group. Applying the estimated service life characteristics to the Company's current investment produces an average remaining life of 21.5 years.

The Company's net salvage experience was analyzed for the period 1972-2002 utilizing the retirements totaling approximately \$4,333,021 along with related net salvage experience. This analysis identifies that negative net salvage has occurred continually during the study period and has averaged negative two (2) percent over the entire thirty-one (31) year period, however, over the most recent decade the net salvage experience has been significantly negative with three (3) year rolling bands ranging between negative thirty-five (35) and negative one-hundred (100) percent net salvage as retirement levels have routinely increased. Future trend analysis indicated future net salvage of more than negative sixty-five (65) percent. Based upon the Company's recent experience and future

expectations, future net salvage is estimated at negative forty (40) percent and when combined together with the estimated service life parameters produces an annual depreciation rate of 4.20 percent.

Account 368.1 - Line Transformers

The investment in this account totals \$86,278,030. The current depreciation rate is 2.70 percent and the current average age of the property is 15.3 years. The Company's growth within this property account is generally reflective of the Company's overall customer growth. As with numerous other accounts, relatively high growth rates occurred in during the past four (4) decades.

Retirements have generally increased over the life of the account, however, as a result of an oversight, the retirements for several recent years were not recorded in the year they occurred. The retirement activity was subsequently recorded during 2003. Retirements which occurred during the life of the property, were analyzed via the Simulated Plant Record Method. This analysis identifies that the property has experienced a life of approximately forty (40) years. It is anticipated that the recent experience will continue into the future, accordingly, an Iowa 40-R2 life and curve is recommended. Applying the proposed service life parameters to the current surviving investment produces an average remaining life of 27.4 years.

Average net salvage relative to transformers was analyzed during the period 1972-2002 and identifies that the Company had routinely experienced negative net salvage in conjunction with the retirement of this equipment category. Average net salvage ranged upwards to in excess of negative one-hundred thirty (130) percent. However, in more recent periods, net salvage has been modestly negative and in some years has experienced positive net salvage. The overall net salvage has averaged negative thirteen (13) percent. Based upon the Company's overall experience and anticipation of ongoing labor cost increases, future net salvage is estimated at negative fifteen (15) percent and

when utilized together with the estimated service life parameters for this property group produces an annual remaining life depreciation rate of 2.91 percent.

Account 368.20 - Line Transformers Installations

The surviving investment in this account totals \$8,778,300 has achieved a current average age of 12.6 years, and is being depreciated using an annual depreciation rate of 2.70 percent.

Historical retirements totaling \$29,596 have occurred to date. Based upon the Simulated Plant Record analysis of the overall Account 368, an average service life characteristic of an Iowa 40-R2 life and curve is recommended. The resulting average remaining life is 29.6 years.

Likewise, based upon the salvage analysis of the overall Account 368 future net salvage is estimated at negative fifteen (15) percent. The resulting annual depreciation rate for this property group is 2.91 percent

Account 369.10 - Underground Services

The current investment for Underground Services totals \$2,342,287. The current property has achieved an average age of 17.2 years and is presently being depreciated based upon a composite annual depreciation rate of 3.21 percent. The additions to the services account during the past several decades have grown in the range of five (5) to ten (10) percent per year for both Aerial Services and Underground Services, however, the last three (3) to four (4) years has seen a marked decline. The reason for the decline is the fact that the Company no longer owns the underground services, inasmuch as the customer is responsible for maintaining such services.

The Company's historical experience was analyzed via the Simulated Plant Record Method utilizing the historical data for the overall, as well as various interim periods. While the level of retirements relative to Underground Services are significantly less than the Overhead Services, the Underground Service retirements are a larger percent of their

respective surviving investment. Accordingly, as a result of the higher percentage of retirement Underground Services are experiencing a shorter service life. While the level of Underground Services had grown over time, during various years of the most recent decade retirements have declined significantly. It is anticipated that significant and increasing levels of Underground Services replacements will return in future years. Based upon the results of the historical analysis, and consideration general industry data (industry companies are using lives which average thirty-two (32) years) and anticipated future retirement replacement activity an Iowa 33-S3 life and curve is estimated Underground Services. Application of the estimated service life parameters to the Company's current surviving investment produces an average remaining life of 18.5 years.

Retirements totaling \$297,568 were analyzed during the period 1972-2002 along with related net salvage experience and identified that the Company has routinely experienced negative net salvage in conjunction with Service retirements. The three (3) year rolling band analysis has produced net salvage ranging upwards to in excess of negative three-hundred (300) percent and has averaged negative thirty-seven (37) percent overall. Recent experience has averaged routinely in excess of negative fifty (50) percent and trend analysis identifies that future net salvage will exceed negative seventy-two (72) percent. Based upon the Company's experience and expectations and anticipated level of increase retirement activity on progressively higher retirement cost, future net salvage is estimated at negative fifty (50) percent. Utilizing the applicable average remaining lives, the estimated future net salvage of negative fifty (50) percent produces an annual depreciation rate of 4.50 percent.

Account 369.20 - Overhead Services

The current investment in this account totals \$20,427,859 and the current annual depreciation rate is 4.46 percent. The additions to the services account during the past several decades have grown in the range of five (5) to ten (10) percent per year for both Aerial Services and Underground Services, however, the last three (3) to four (4) years has

seen a marked decline. The reason for the decline in Aerial Services during 2002 is the fact that the Company's additions during 2002, which totaled more than \$600,000 were not analyzed and closed until early in 2003.

The level of retirements have generally increased over the history of the property account. Retirements were analyzed via the Simulated Plant Record Method. Based upon the available data and related analysis the estimated useful life characteristic for the property group is an Iowa 43-R1.5 life and curve. Application of the service life parameters to the Company's current surviving investment produces an average remaining life of 29.4 years.

The Company's net salvage experience relative to retirements totaling \$1,916,678 was analyzed for the period 1972-2002 which identifies that the Company has experienced net salvage in conjunction with past retirements aggregating approximately negative one-hundred three (103) percent. Trend analysis indicates future net salvage in excess of negative 135 percent. Based upon the historical data, future net salvage is at negative one-hundred (100) percent and the resulting annual depreciation rate is 4.70 percent.

Account 370.10 - Meters

The current investment in this account totals \$25,219,577 and is related to the Company's current meters in service which have achieved a current average age of 13.6 years. The current annual depreciation rate is 3.37 percent. With the exception of several years during the late 1970's and early 1980's, gross additions, as a percent of plant in service, have routinely ranged between three (3) and ten (10) percent per year for the last several decades with a marked decline during several recent years.

Likewise, the level of retirements have generally increased over the history of the property account. Through an oversight the 1999-2001 retirements failed to be recorded in the year they occurred. The retirement activity was subsequently recorded during 2003. Retirements were analyzed via the Simulated Plant Record Method. Based upon the

available data and related analysis the estimated useful life characteristic for the property group is estimated as an Iowa 30-R4 life and curve. Application of the service life parameters to the Company's current surviving investment produces an average remaining life of 17.0 years.

Based upon the Company's net salvage experience relative to total Account 370 for the period 1972-2002 future net salvage is at negative fifteen (15) percent and the resulting annual depreciation rate is 3.97 percent.

Account 370.20 - Meter Installations

The surviving investment in this account totals \$8,352,743 has achieved a current average age of 11.3 years, and is being depreciated using an annual depreciation rate of 3.37 percent.

Based upon the Company's experience and general content of the account, an average service life characteristic of an Iowa 30-R4 life and curve is recommended. The resulting average remaining life is 19.1 years.

Based upon a study of the overall account future net salvage is estimated at negative fifteen (15) percent. The resulting annual depreciation rate for this property group is 3.88 percent

Account 373.10 - Overhead Street Lighting

The current surviving investment in this property group is \$22,600,470, has achieved a current average age of 12.4 years, and is currently being depreciated utilizing an annual depreciation rate of 5.93 percent. During the recent years, the level of gross additions declined from earlier periods due to the fact that many facilities have previously been upgraded and/or converted.

Retirements totaling more than \$9.1 million were analyzed via Simulated Plant Record Method. This analysis identifies that the property group is experiencing lives in the range of twenty (20) plus years. Accordingly, an Iowa 22-R0.5, reflective of recent

experience is estimated for this property group. Application of the proposed service life parameters to the Company's current investment produces an average remaining life of 14.9 years.

An analysis of the Company's historical salvage data during the years 1972-2002 was completed and identifies that the retirement of this property routinely produces negative net salvage. Earlier year's net salvage experience was positive, however, over the past fifteen (15) plus years the Company has routinely experienced negative salvage ranging upwards in excess of negative two-hundred (200) percent net salvage. Based upon the historical experience trend of recent experience, future net salvage is estimated at negative fifty (50) percent and the resulting proposed annual depreciation rate is 6.84 percent.

Account 373.20 -Underground Street Lighting

The surviving investment in this account totals \$32,156,589 has achieved a current average age of 9.4 years, and is being depreciated using an annual depreciation rate of 4.34 percent.

Based upon the Company's experience and general content of the account, an average service life characteristic of an Iowa 28-R2.5 life and curve is recommended. The resulting average remaining life is 20.3 years.

Retirements and related net salvage during the period 1972-2002 were analyzed and identified that average net salvage was negative twenty (20) percent overall and was in the range of negative thirty (30) to negative one-hundred (100) percent during recent periods, accordingly, future net salvage is estimated at negative thirty (30) percent. The resulting annual depreciation rate for this property group is 4.64 percent.

Account 373.40 -Street Lighting Transformers

The surviving investment in this account totals \$87,546 has achieved a current average age of 36.8 years, and is being depreciated using an annual depreciation rate of zero (0) percent.

Based upon the Company's experience an average service life characteristic of an Iowa 25-R0.5 life and curve is recommended. The resulting average remaining life is 5.8 years.

Historical net salvage of five (5) percent has been previously experienced. Future net salvage is estimated at five (5) percent and the resulting annual depreciation rate for this property group is negative 3.95 percent

Account 392.2 - Transportation Equipment - Trailers

The investment in this account totaling \$590,217, which currently is depreciated utilizing an annual depreciation rate of 2.60 percent, has currently attained an average age of 10.2 years.

The Company's historical retirement data totaling \$44,121 was analyzed via the Retirement Rate Method. Based upon the Company's recent experience, an Iowa 32-R4 life and curve are recommended for this account. Application of the proposed service life parameters to the Company's current surviving investment produces an average remaining life of 22.3 years.

An analysis of the Company's retirements and related salvage during the period 1972-2002 indicates that the Company has received positive salvage relative to disposal of this property class in the past. The analysis identifies that the Company's average net salvage has ranged from negative five (5) to positive seventeen (17) percent and averaged six (6) plus percent. Based upon the general historical experience, future net salvage of 8.0 percent was incorporated in developing the resulting depreciation rate for this property. Utilizing the estimated average service life and salvage factors together with the Company's current surviving investment produces an average remaining life depreciation rate of 1.93 percent.

Account 394 - Tool, Shop, and Garage Equipment

The current surviving investment in this account totals \$2,687,991. The surviving

assets span the years 1928 to 1999 and currently have attained an average age of 7.6 years for which the current depreciation rate is 3.50 percent.

This historical data was analyzed via the Retirement Rate Method for the overall historical period, as well as various other interim periods. Based upon the analysis results together with the general content of the account, an Iowa 28-R3 life and curve is recommended as the applicable service life characteristic. Application of the estimated Iowa 28-R3 life and curve to the Company's current surviving investment produces an average remaining life of 21.0 years.

A review of the Company's net salvage experience for the period 1972-2002 identifies that in conjunction with retirements totaling approximately \$217,887 the Company has experienced only minimal net salvage. Any future net salvage is anticipated to be limited. Therefore, future net salvage is estimated at zero (0) percent and the recommended annual depreciation rate is 2.68 percent.

Account 395 - Laboratory Equipment

The Company's surviving investment in this account totals \$1,548,797, has achieved a current average age of 14.7 years, and is currently being depreciated using an annual depreciation rate of 2.70 percent.

Retirements from this property group have totaled \$122,203 over the history of the account. An analysis of the Company's investment data has been completed utilizing the Retirement Rate Method. Giving consideration to the range of lives indicated by the Company's historical data together, an Iowa 42-L3 life and curve is estimated for this property. Application of the recommended service life characteristics to the current surviving investment produces an average remaining life of 27.8 years.

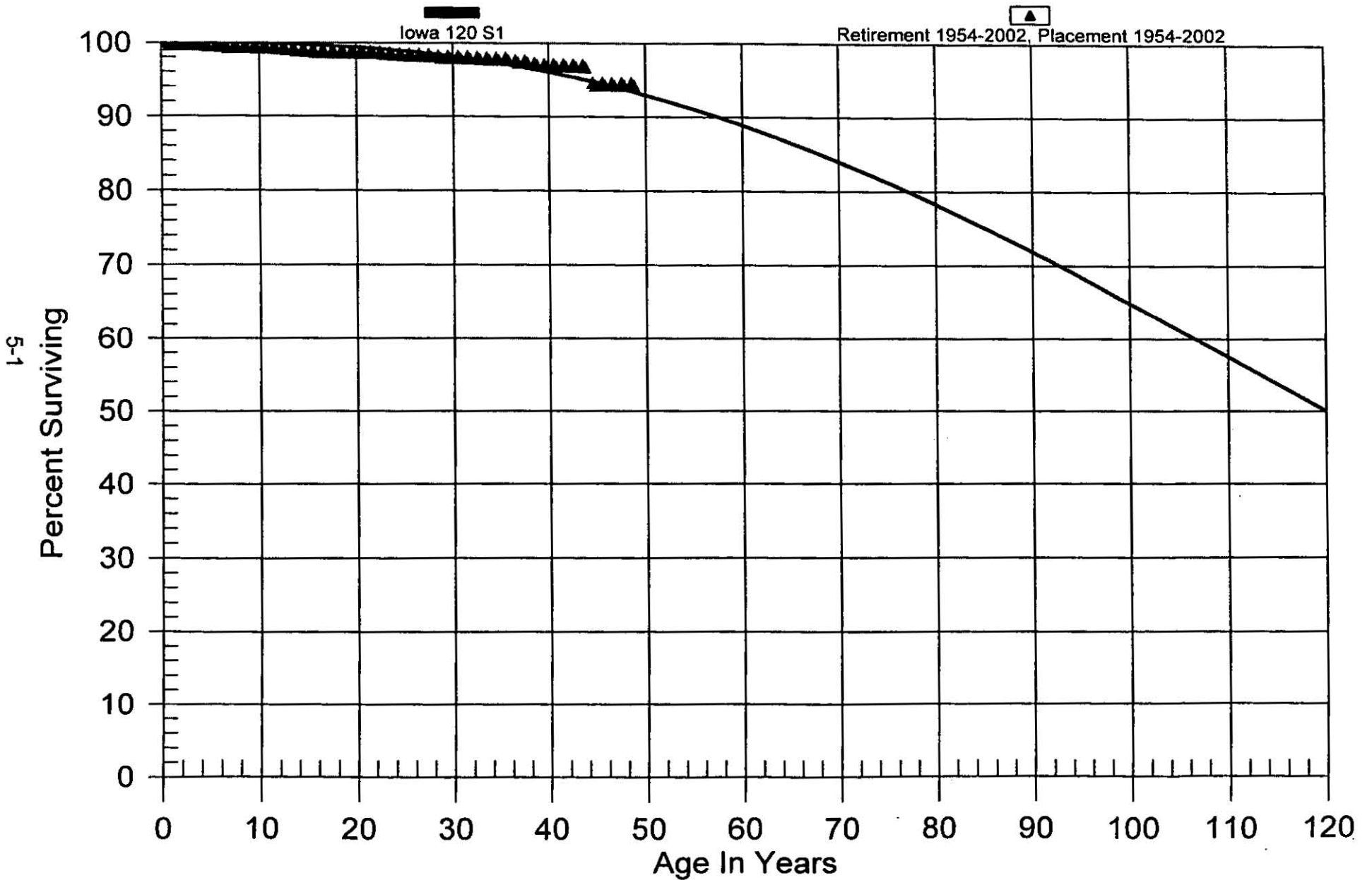
Little has been experienced in conjunction with past retirements during the 1972-2002 period. Likewise, none is anticipated in future years, thus zero (0) percent future net salvage is estimated for the property. The resulting recommended annual depreciation rate is 1.47 percent.

Louisville Gas and Electric - Electric Division

All Divisions

311.00 STRUCTURES & IMPROVEMENTS

Original And Smooth Survivor Curves



Louisville Gas and Electric - Electric Division
All Divisions

311.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1954 TO 2002

Placement Years 1954 TO 2002

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$325,022,715.53	\$0.00	0.00000	100.00
0.5 - 1.5	\$324,970,713.60	\$2,378.00	0.00001	100.00
1.5 - 2.5	\$322,362,180.98	\$20,310.00	0.00006	100.00
2.5 - 3.5	\$322,047,502.55	\$6,033.00	0.00002	99.99
3.5 - 4.5	\$321,542,955.81	\$325,417.00	0.00101	99.99
4.5 - 5.5	\$318,649,742.58	\$136,120.00	0.00043	99.89
5.5 - 6.5	\$314,546,955.88	\$521,201.00	0.00166	99.85
6.5 - 7.5	\$313,325,404.38	\$8,379.00	0.00003	99.68
7.5 - 8.5	\$311,605,101.53	\$45,356.00	0.00015	99.68
8.5 - 9.5	\$310,624,153.31	\$53,873.00	0.00017	99.66
9.5 - 10.5	\$310,271,626.77	\$147,516.00	0.00048	99.65
10.5 - 11.5	\$309,056,949.96	\$298,750.00	0.00097	99.60
11.5 - 12.5	\$308,697,619.71	\$362,476.00	0.00117	99.50
12.5 - 13.5	\$149,477,158.65	\$239,042.00	0.00160	99.39
13.5 - 14.5	\$148,611,818.65	\$163,549.00	0.00110	99.23
14.5 - 15.5	\$145,299,003.77	\$217,173.00	0.00149	99.12
15.5 - 16.5	\$140,864,523.77	\$37,524.00	0.00027	98.97
16.5 - 17.5	\$128,493,791.54	\$16,965.00	0.00013	98.94
17.5 - 18.5	\$128,447,713.31	\$19,917.00	0.00016	98.93
18.5 - 19.5	\$90,531,448.15	\$13,466.00	0.00015	98.92
19.5 - 20.5	\$80,012,845.97	\$0.00	0.00000	98.90
20.5 - 21.5	\$55,447,782.61	\$12,259.00	0.00022	98.90
21.5 - 22.5	\$54,891,361.70	\$61,919.00	0.00113	98.88
22.5 - 23.5	\$53,980,450.18	\$42,898.00	0.00079	98.77
23.5 - 24.5	\$53,934,058.73	\$83,213.00	0.00154	98.69
24.5 - 25.5	\$52,640,103.74	\$33,634.00	0.00064	98.54
25.5 - 26.5	\$52,100,588.97	\$14,754.00	0.00028	98.47
26.5 - 27.5	\$51,980,814.44	\$15,844.00	0.00030	98.45
27.5 - 28.5	\$41,288,222.93	\$64,306.00	0.00156	98.42
28.5 - 29.5	\$41,223,916.93	\$13,287.00	0.00032	98.26
29.5 - 30.5	\$39,848,195.01	\$14,726.00	0.00037	98.23
30.5 - 31.5	\$39,775,760.09	\$9,788.00	0.00025	98.19
31.5 - 32.5	\$39,736,764.29	\$29,969.00	0.00075	98.17
32.5 - 33.5	\$34,842,796.83	\$24,744.00	0.00071	98.10
33.5 - 34.5	\$34,809,779.35	\$6,166.00	0.00018	98.03
34.5 - 35.5	\$34,536,124.82	\$2,674.00	0.00008	98.01
35.5 - 36.5	\$30,287,526.57	\$110,545.00	0.00365	98.00

Louisville Gas and Electric - Electric Division
All Divisions

311.00 STRUCTURES & IMPROVEMENTS

Observed Life Table

Retirement Expr. 1954 TO 2002

Placement Years 1954 TO 2002

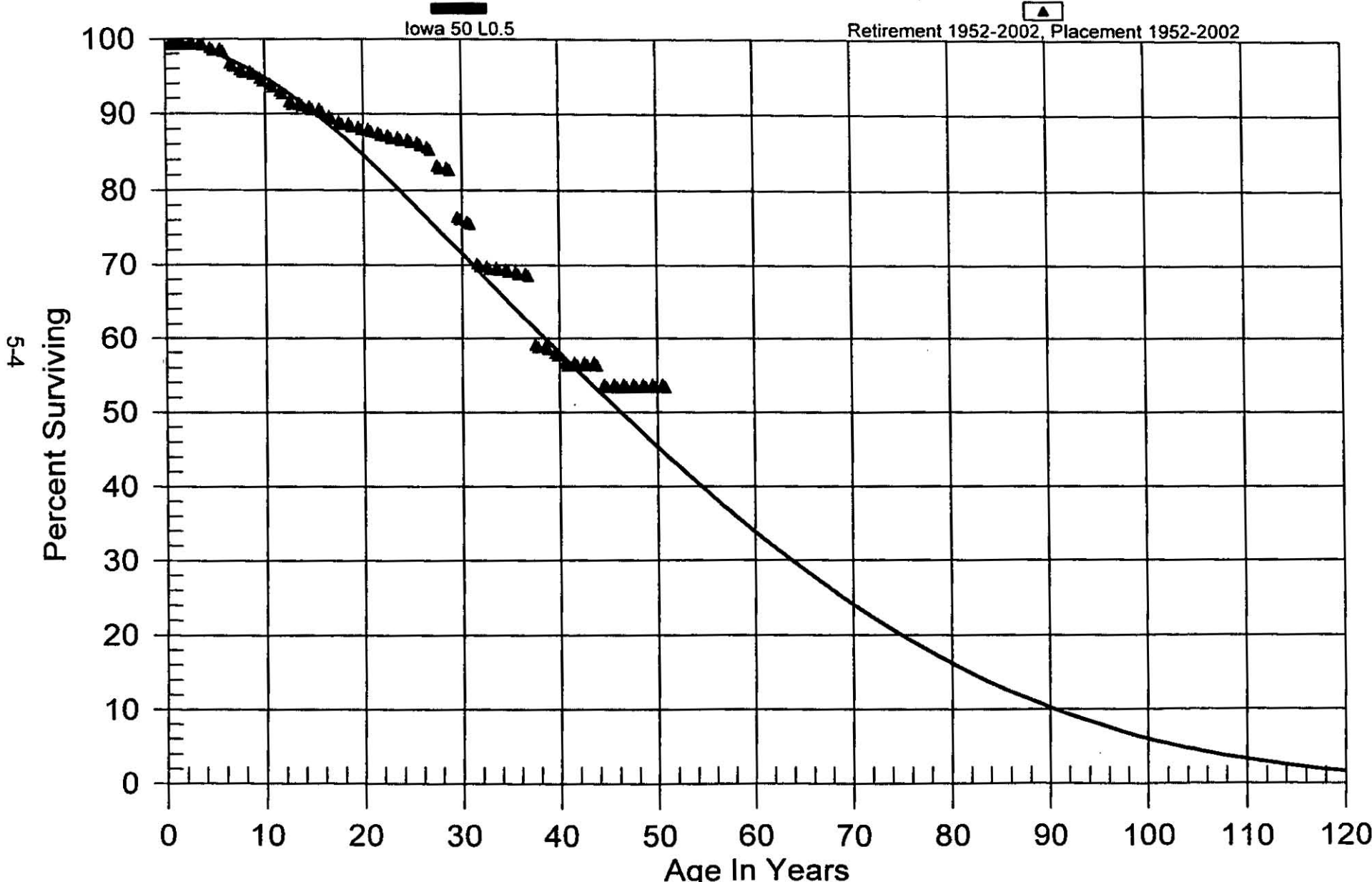
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$30,176,388.50	\$0.00	0.00000	97.64
37.5 - 38.5	\$12,772,807.60	\$49,927.00	0.00391	97.64
38.5 - 39.5	\$9,585,609.56	\$13,594.00	0.00142	97.26
39.5 - 40.5	\$9,550,406.26	\$3,442.00	0.00036	97.12
40.5 - 41.5	\$9,546,964.26	\$2,748.00	0.00029	97.09
41.5 - 42.5	\$9,544,216.26	\$0.00	0.00000	97.06
42.5 - 43.5	\$9,544,216.26	\$4,662.00	0.00049	97.06
43.5 - 44.5	\$6,138,985.30	\$153,971.00	0.02508	97.01
44.5 - 45.5	\$5,985,014.30	\$0.00	0.00000	94.58
45.5 - 46.5	\$5,985,014.30	\$0.00	0.00000	94.58
46.5 - 47.5	\$4,001,772.82	\$0.00	0.00000	94.58
47.5 - 48.5	\$0.00	\$0.00	0.00000	94.58

Louisville Gas and Electric - Electric Division

All Divisions

312.00 BOILER PLANT EQUIPMENT

Original And Smooth Survivor Curves



5-4

Louisville Gas and Electric - Electric Division**All Divisions****312.00 BOILER PLANT EQUIPMENT****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1952 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$1,063,039,956.02	\$3,830,503.00	0.00360	100.00
0.5 - 1.5	\$1,010,263,915.57	\$2,452.00	0.00000	99.64
1.5 - 2.5	\$958,384,960.15	\$4,680.00	0.00000	99.64
2.5 - 3.5	\$928,486,042.07	\$585,549.00	0.00063	99.64
3.5 - 4.5	\$909,246,322.39	\$6,442,439.00	0.00709	99.58
4.5 - 5.5	\$858,729,976.33	\$1,454,544.00	0.00169	98.87
5.5 - 6.5	\$835,392,545.46	\$16,681,339.00	0.01997	98.70
6.5 - 7.5	\$777,293,687.54	\$6,585,440.00	0.00847	96.73
7.5 - 8.5	\$760,905,898.13	\$2,046,310.00	0.00269	95.91
8.5 - 9.5	\$741,339,652.85	\$7,087,359.00	0.00956	95.65
9.5 - 10.5	\$731,638,996.49	\$6,302,985.00	0.00861	94.74
10.5 - 11.5	\$723,362,263.49	\$6,911,370.00	0.00955	93.92
11.5 - 12.5	\$619,921,751.08	\$9,158,501.00	0.01477	93.03
12.5 - 13.5	\$366,179,049.96	\$986,225.00	0.00269	91.65
13.5 - 14.5	\$361,391,311.92	\$1,910,524.00	0.00529	91.41
14.5 - 15.5	\$358,212,115.91	\$1,079,644.00	0.00301	90.92
15.5 - 16.5	\$355,868,227.39	\$3,576,675.00	0.01005	90.65
16.5 - 17.5	\$340,873,983.63	\$2,587,108.00	0.00759	89.74
17.5 - 18.5	\$337,734,510.35	\$1,143,402.00	0.00339	89.06
18.5 - 19.5	\$211,953,990.42	\$994,017.00	0.00469	88.75
19.5 - 20.5	\$173,327,055.12	\$518,828.00	0.00299	88.34
20.5 - 21.5	\$108,159,002.47	\$594,850.00	0.00550	88.07
21.5 - 22.5	\$99,984,446.71	\$442,440.00	0.00443	87.59
22.5 - 23.5	\$96,957,544.75	\$264,223.00	0.00273	87.20
23.5 - 24.5	\$95,887,764.38	\$293,582.00	0.00306	86.96
24.5 - 25.5	\$95,406,441.96	\$403,826.00	0.00423	86.70
25.5 - 26.5	\$94,875,929.83	\$714,737.00	0.00753	86.33
26.5 - 27.5	\$94,142,280.53	\$2,638,490.00	0.02803	85.68
27.5 - 28.5	\$71,348,678.48	\$237,926.00	0.00333	83.28
28.5 - 29.5	\$71,188,611.00	\$5,608,781.00	0.07879	83.00
29.5 - 30.5	\$64,708,011.24	\$517,818.00	0.00800	76.46
30.5 - 31.5	\$64,126,798.90	\$4,775,823.00	0.07447	75.85
31.5 - 32.5	\$59,260,820.03	\$310,167.00	0.00523	70.20
32.5 - 33.5	\$47,010,883.10	\$71,745.00	0.00153	69.83
33.5 - 34.5	\$46,926,961.22	\$186,001.00	0.00396	69.73
34.5 - 35.5	\$46,698,276.11	\$221,084.00	0.00473	69.45
35.5 - 36.5	\$38,885,071.11	\$130,008.00	0.00334	69.12

***Louisville Gas and Electric - Electric Division
All Divisions***

312.00 BOILER PLANT EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1952 TO 2002

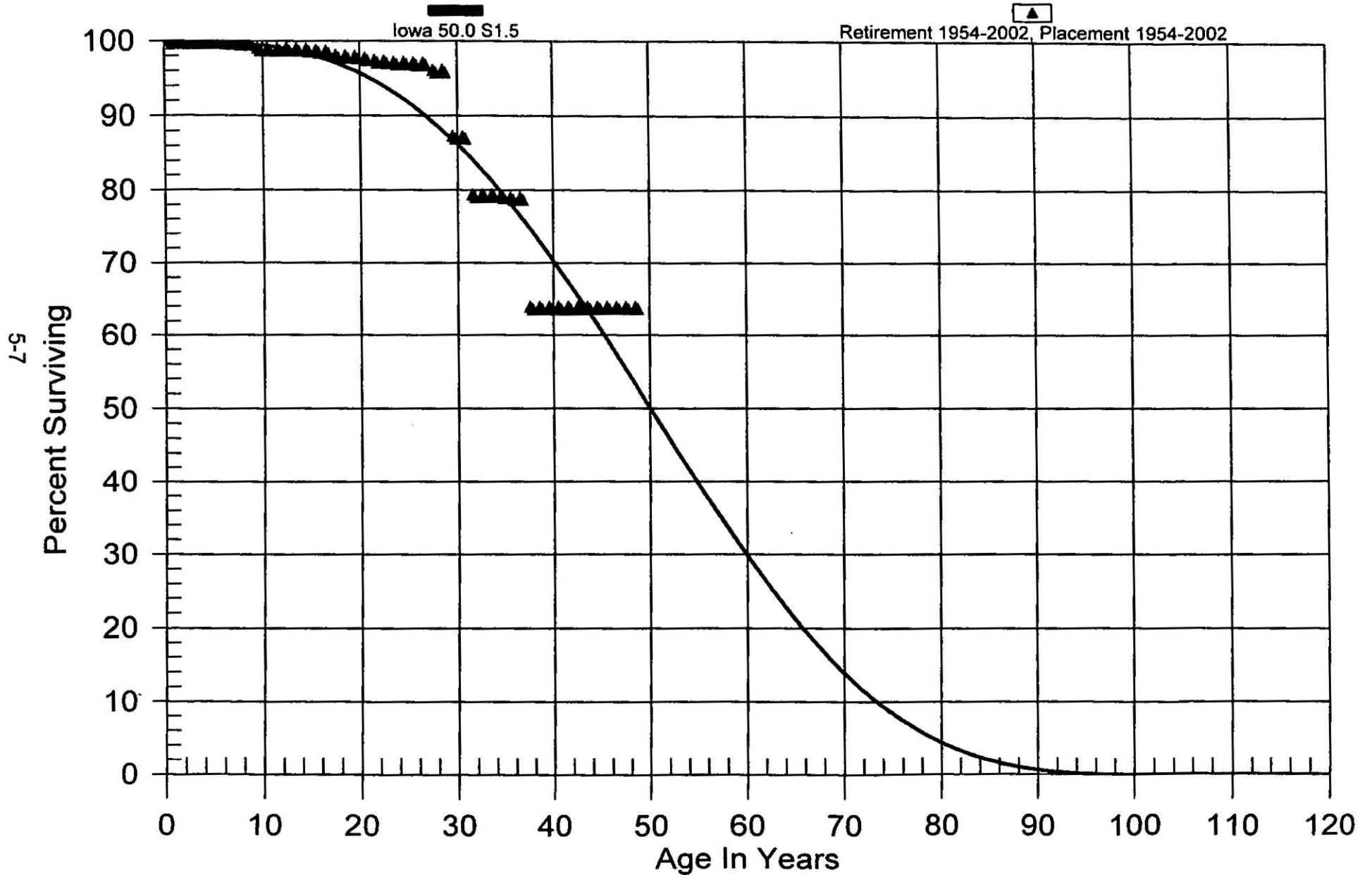
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$38,731,561.97	\$5,489,498.00	0.14173	68.89
37.5 - 38.5	\$9,278,716.68	\$38,902.00	0.00419	59.13
38.5 - 39.5	\$1,757,418.57	\$25,112.00	0.01429	58.88
39.5 - 40.5	\$1,732,306.57	\$40,000.00	0.02309	58.04
40.5 - 41.5	\$1,692,306.57	\$0.00	0.00000	56.70
41.5 - 42.5	\$1,692,306.57	\$0.00	0.00000	56.70
42.5 - 43.5	\$1,692,306.57	\$0.00	0.00000	56.70
43.5 - 44.5	\$1,075,304.81	\$56,000.00	0.05208	56.70
44.5 - 45.5	\$1,019,304.81	\$0.00	0.00000	53.74
45.5 - 46.5	\$1,019,304.81	\$0.00	0.00000	53.74
46.5 - 47.5	\$891,771.57	\$0.00	0.00000	53.74
47.5 - 48.5	(\$40,000.00)	\$0.00	0.00000	53.74
48.5 - 49.5	(\$40,000.00)	\$0.00	0.00000	53.74
49.5 - 50.5	\$0.00	\$0.00	0.00000	53.74

Louisville Gas and Electric - Electric Division

All Divisions

314.00 TURBOGENERATOR UNITS

Original And Smooth Survivor Curves



Louisville Gas and Electric - Electric Division**All Divisions****314.00 TURBOGENERATOR UNITS****Observed Life Table****Retirement Expr. 1954 TO 2002****Placement Years 1954 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$205,758,910.55	\$0.00	0.00000	100.00
0.5 - 1.5	\$205,559,041.17	\$0.00	0.00000	100.00
1.5 - 2.5	\$204,229,864.18	\$0.00	0.00000	100.00
2.5 - 3.5	\$203,412,100.73	\$11,334.00	0.00006	100.00
3.5 - 4.5	\$202,140,680.84	\$515.00	0.00000	99.99
4.5 - 5.5	\$202,027,914.77	\$40,189.00	0.00020	99.99
5.5 - 6.5	\$200,358,429.54	\$65,432.00	0.00033	99.97
6.5 - 7.5	\$196,587,959.84	\$239,951.00	0.00122	99.94
7.5 - 8.5	\$194,429,392.34	\$35,361.00	0.00018	99.82
8.5 - 9.5	\$190,634,490.37	\$1,396,443.00	0.00733	99.80
9.5 - 10.5	\$188,198,356.83	\$9,300.00	0.00005	99.07
10.5 - 11.5	\$186,083,431.11	\$12,000.00	0.00006	99.07
11.5 - 12.5	\$183,570,629.77	\$26,735.00	0.00015	99.06
12.5 - 13.5	\$117,789,705.98	\$46,595.00	0.00040	99.04
13.5 - 14.5	\$117,738,694.70	\$114,514.00	0.00097	99.01
14.5 - 15.5	\$117,473,281.29	\$161,334.00	0.00137	98.91
15.5 - 16.5	\$117,182,236.55	\$126,000.00	0.00108	98.77
16.5 - 17.5	\$117,047,808.53	\$644,622.00	0.00551	98.67
17.5 - 18.5	\$116,356,865.18	\$119,136.00	0.00102	98.12
18.5 - 19.5	\$81,209,038.59	\$44,569.00	0.00055	98.02
19.5 - 20.5	\$81,164,469.59	\$190,646.00	0.00235	97.97
20.5 - 21.5	\$57,309,107.40	\$188,737.00	0.00329	97.74
21.5 - 22.5	\$57,120,370.40	\$34,631.00	0.00061	97.42
22.5 - 23.5	\$57,085,739.40	\$99,452.00	0.00174	97.36
23.5 - 24.5	\$56,986,287.40	\$4,313.00	0.00008	97.19
24.5 - 25.5	\$56,981,974.40	\$41,052.00	0.00072	97.18
25.5 - 26.5	\$56,908,206.91	\$22,505.00	0.00040	97.11
26.5 - 27.5	\$56,885,701.91	\$560,694.00	0.00986	97.07
27.5 - 28.5	\$42,963,036.05	\$9,451.00	0.00022	96.12
28.5 - 29.5	\$42,953,585.05	\$3,908,511.00	0.09099	96.10
29.5 - 30.5	\$39,038,518.41	\$5,500.00	0.00014	87.35
30.5 - 31.5	\$39,033,018.41	\$3,546,210.00	0.09085	87.34
31.5 - 32.5	\$35,435,233.61	\$1,021.00	0.00003	79.40
32.5 - 33.5	\$27,731,827.88	\$241.00	0.00001	79.40
33.5 - 34.5	\$27,723,575.50	\$51,454.00	0.00186	79.40
34.5 - 35.5	\$27,672,121.50	\$82,657.00	0.00299	79.25
35.5 - 36.5	\$22,140,614.67	\$0.00	0.00000	79.02

Louisville Gas and Electric - Electric Division***All Divisions******314.00 TURBOGENERATOR UNITS******Observed Life Table******Retirement Expr. 1954 TO 2002******Placement Years 1954 TO 2002***

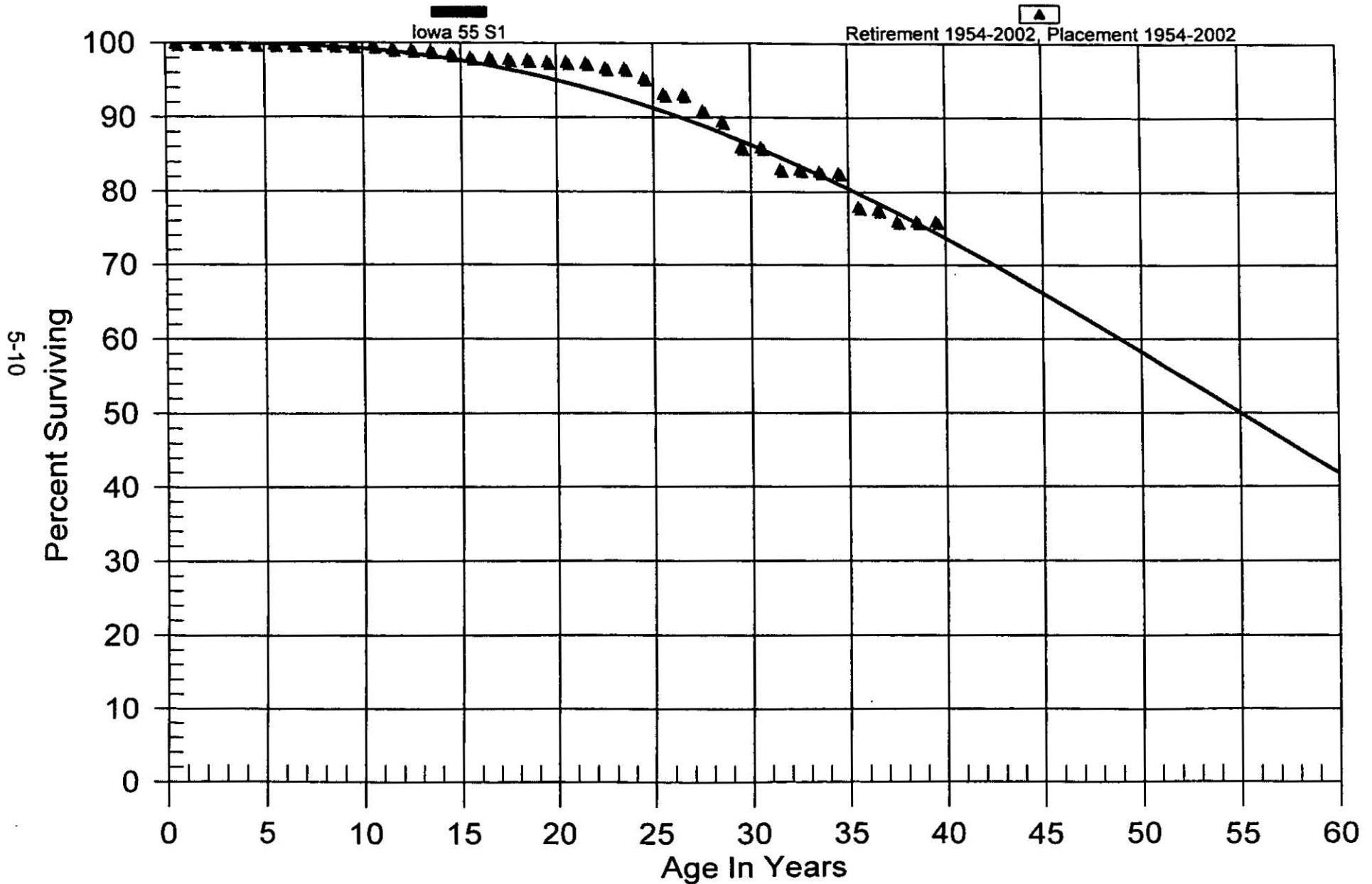
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$22,135,920.46	\$4,216,724.00	0.19049	79.02
37.5 - 38.5	\$6,448,838.49	\$0.00	0.00000	63.96
38.5 - 39.5	\$702,490.83	\$0.00	0.00000	63.96
39.5 - 40.5	\$702,490.83	\$0.00	0.00000	63.96
40.5 - 41.5	\$702,490.83	\$0.00	0.00000	63.96
41.5 - 42.5	\$702,490.83	\$0.00	0.00000	63.96
42.5 - 43.5	\$702,490.83	\$0.00	0.00000	63.96
43.5 - 44.5	\$126,007.52	\$0.00	0.00000	63.96
44.5 - 45.5	\$126,007.52	\$0.00	0.00000	63.96
45.5 - 46.5	\$126,007.52	\$0.00	0.00000	63.96
46.5 - 47.5	\$106,008.55	\$0.00	0.00000	63.96
47.5 - 48.5	\$0.00	\$0.00	0.00000	63.96

Louisville Gas and Electric - Electric Division

All Divisions

315.00 ACCESSORY ELECTRIC EQUIPMENT

Original And Smooth Survivor Curves



Louisville Gas and Electric - Electric Division**All Divisions****315.00 ACCESSORY ELECTRIC EQUIPMENT****Observed Life Table****Retirement Expr. 1954 TO 2002****Placement Years 1954 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$168,892,630.18	\$0.00	0.00000	100.00
0.5 - 1.5	\$168,507,783.06	\$298.00	0.00000	100.00
1.5 - 2.5	\$167,857,730.57	\$2,203.00	0.00001	100.00
2.5 - 3.5	\$161,568,056.31	\$45,233.00	0.00028	100.00
3.5 - 4.5	\$161,483,271.60	\$115,776.00	0.00072	99.97
4.5 - 5.5	\$157,356,573.03	\$35,225.00	0.00022	99.90
5.5 - 6.5	\$144,859,330.52	\$80,268.00	0.00055	99.88
6.5 - 7.5	\$144,684,929.52	\$1,425.00	0.00001	99.82
7.5 - 8.5	\$144,639,650.37	\$68,680.00	0.00047	99.82
8.5 - 9.5	\$144,034,946.80	\$149,343.00	0.00104	99.77
9.5 - 10.5	\$142,159,020.04	\$5,110.00	0.00004	99.67
10.5 - 11.5	\$142,093,585.42	\$627,299.00	0.00441	99.67
11.5 - 12.5	\$141,112,463.93	\$135,527.00	0.00096	99.23
12.5 - 13.5	\$81,828,297.26	\$147,023.00	0.00180	99.13
13.5 - 14.5	\$80,047,817.05	\$353,274.00	0.00441	98.95
14.5 - 15.5	\$79,512,088.49	\$353,967.00	0.00445	98.52
15.5 - 16.5	\$78,921,118.88	\$33,097.00	0.00042	98.08
16.5 - 17.5	\$77,019,555.25	\$151,663.00	0.00197	98.04
17.5 - 18.5	\$76,841,803.86	\$25,018.00	0.00033	97.84
18.5 - 19.5	\$49,643,242.96	\$146,090.00	0.00294	97.81
19.5 - 20.5	\$40,074,218.86	\$9,538.00	0.00024	97.52
20.5 - 21.5	\$24,444,859.41	\$32,778.00	0.00134	97.50
21.5 - 22.5	\$23,145,641.71	\$152,508.00	0.00659	97.37
22.5 - 23.5	\$21,991,988.47	\$15,755.00	0.00072	96.73
23.5 - 24.5	\$21,899,118.78	\$298,652.00	0.01364	96.66
24.5 - 25.5	\$21,597,302.26	\$491,836.00	0.02277	95.34
25.5 - 26.5	\$21,038,398.47	\$13,042.00	0.00062	93.17
26.5 - 27.5	\$21,018,979.34	\$479,074.00	0.02279	93.11
27.5 - 28.5	\$15,617,243.57	\$251,456.00	0.01610	90.99
28.5 - 29.5	\$15,350,087.09	\$591,658.00	0.03854	89.52
29.5 - 30.5	\$14,627,902.93	\$6,412.00	0.00044	86.07
30.5 - 31.5	\$14,612,209.32	\$493,408.00	0.03377	86.04
31.5 - 32.5	\$14,110,243.59	\$0.00	0.00000	83.13
32.5 - 33.5	\$12,266,270.95	\$48,007.00	0.00391	83.13
33.5 - 34.5	\$12,217,535.37	\$27,599.00	0.00226	82.81
34.5 - 35.5	\$12,184,869.80	\$680,369.00	0.05584	82.62
35.5 - 36.5	\$10,238,020.14	\$48,221.00	0.00471	78.00

Louisville Gas and Electric - Electric Division***All Divisions******315.00 ACCESSORY ELECTRIC EQUIPMENT******Observed Life Table******Retirement Expr. 1954 TO 2002******Placement Years 1954 TO 2002***

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$10,189,799.14	\$213,260.00	0.02093	77.64
37.5 - 38.5	\$5,229,958.87	\$0.00	0.00000	76.01
38.5 - 39.5	\$3,967,612.62	\$0.00	0.00000	76.01
39.5 - 40.5	\$3,967,612.62	\$0.00	0.00000	76.01
40.5 - 41.5	\$3,967,612.62	\$20,438.00	0.00515	76.01
41.5 - 42.5	\$3,947,174.62	\$0.00	0.00000	75.62
42.5 - 43.5	\$3,946,960.90	\$28,081.00	0.00711	75.62
43.5 - 44.5	\$3,162,002.09	\$0.00	0.00000	75.08
44.5 - 45.5	\$3,161,341.17	\$0.00	0.00000	75.08
45.5 - 46.5	\$3,161,341.17	\$0.00	0.00000	75.08
46.5 - 47.5	\$1,884,117.97	\$0.00	0.00000	75.08
47.5 - 48.5	\$0.00	\$0.00	0.00000	75.08

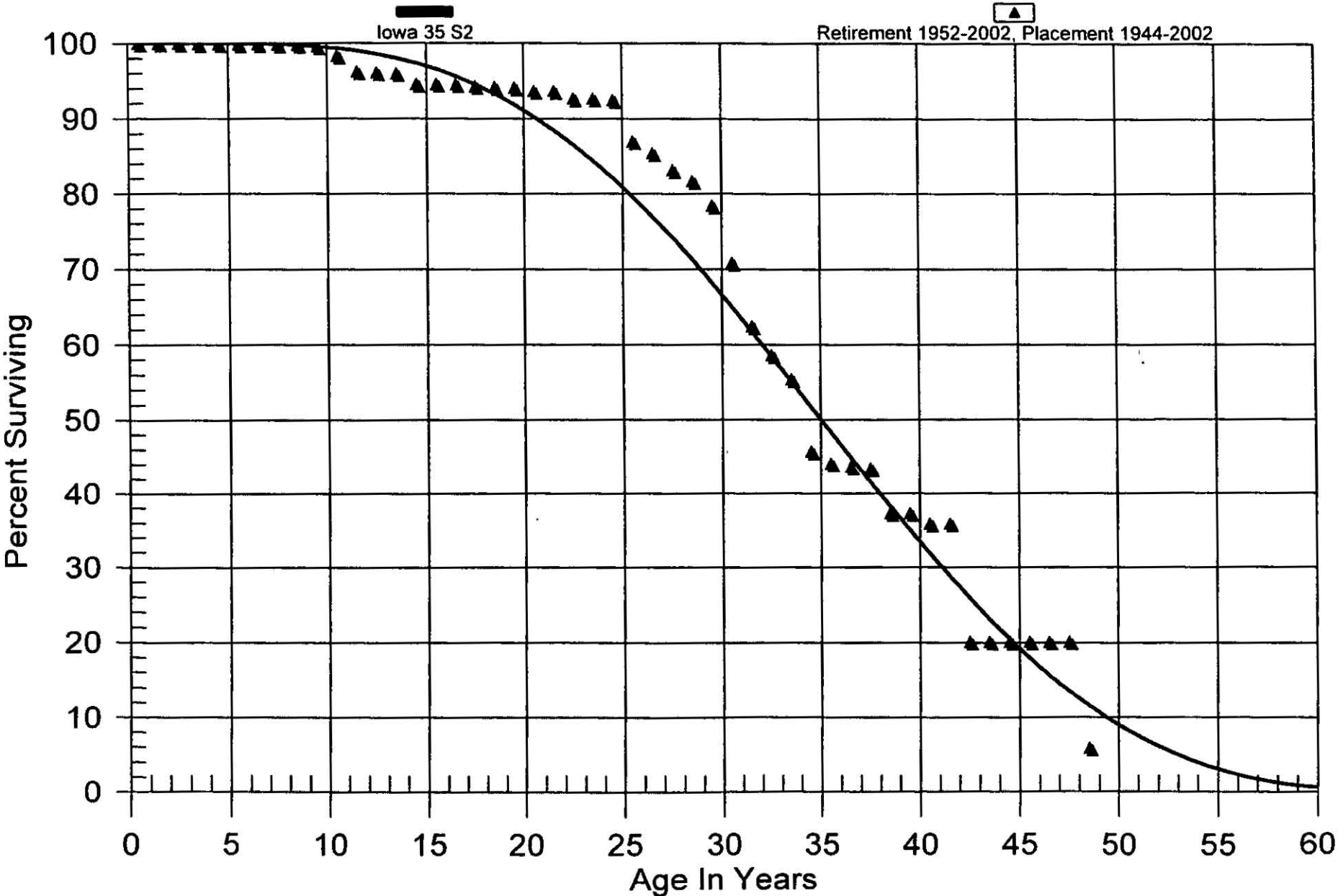
Louisville Gas and Electric - Electric Division

All Divisions

316.00 MISC. POWER PLANT EQUIPMENT

Original And Smooth Survivor Curves

5-13



Louisville Gas and Electric - Electric Division
All Divisions

316.00 MISC. POWER PLANT EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1944 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$10,695,317.04	\$3,967.00	0.00037	100.00
0.5 - 1.5	\$10,513,257.72	\$677.00	0.00006	99.96
1.5 - 2.5	\$9,954,713.46	\$2,120.00	0.00021	99.96
2.5 - 3.5	\$9,647,002.37	\$4,972.00	0.00052	99.94
3.5 - 4.5	\$9,082,374.80	\$678.00	0.00007	99.88
4.5 - 5.5	\$8,812,316.71	\$2,071.00	0.00024	99.88
5.5 - 6.5	\$8,337,016.52	\$1,257.00	0.00015	99.85
6.5 - 7.5	\$7,768,851.26	\$4,173.00	0.00054	99.84
7.5 - 8.5	\$7,209,145.48	\$2,926.00	0.00041	99.78
8.5 - 9.5	\$6,745,452.00	\$14,785.00	0.00219	99.74
9.5 - 10.5	\$6,643,306.05	\$78,679.00	0.01184	99.52
10.5 - 11.5	\$6,406,470.84	\$135,629.00	0.02117	98.35
11.5 - 12.5	\$5,072,460.31	\$6,927.00	0.00137	96.26
12.5 - 13.5	\$3,189,444.23	\$5,166.00	0.00162	96.13
13.5 - 14.5	\$3,097,083.79	\$44,523.00	0.01438	95.98
14.5 - 15.5	\$2,721,096.75	\$0.00	0.00000	94.60
15.5 - 16.5	\$2,558,091.47	\$1,146.00	0.00045	94.60
16.5 - 17.5	\$2,357,705.30	\$6,300.00	0.00267	94.55
17.5 - 18.5	\$2,253,499.45	\$2,730.00	0.00121	94.30
18.5 - 19.5	\$2,092,470.98	\$1,595.00	0.00076	94.19
19.5 - 20.5	\$1,985,391.67	\$9,507.00	0.00479	94.12
20.5 - 21.5	\$1,933,668.36	\$0.00	0.00000	93.67
21.5 - 22.5	\$1,821,707.63	\$18,936.00	0.01039	93.67
22.5 - 23.5	\$1,735,233.44	\$0.00	0.00000	92.69
23.5 - 24.5	\$1,675,674.13	\$3,673.00	0.00219	92.69
24.5 - 25.5	\$1,382,558.12	\$82,006.00	0.05931	92.49
25.5 - 26.5	\$1,236,158.22	\$22,195.00	0.01795	87.00
26.5 - 27.5	\$1,182,477.69	\$31,595.00	0.02672	85.44
27.5 - 28.5	\$1,139,329.08	\$20,267.00	0.01779	83.16
28.5 - 29.5	\$1,058,877.57	\$42,541.00	0.04018	81.68
29.5 - 30.5	\$918,576.38	\$88,373.00	0.09621	78.40
30.5 - 31.5	\$455,607.56	\$53,890.00	0.11828	70.85
31.5 - 32.5	\$400,084.95	\$24,773.00	0.06192	62.47
32.5 - 33.5	\$380,780.41	\$20,761.00	0.05452	58.61
33.5 - 34.5	\$355,589.43	\$62,222.00	0.17498	55.41
34.5 - 35.5	\$293,842.49	\$10,430.00	0.03550	45.71
35.5 - 36.5	\$274,835.02	\$2,805.00	0.01021	44.09

***Louisville Gas and Electric - Electric Division
All Divisions***

316.00 MISC. POWER PLANT EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1944 TO 2002

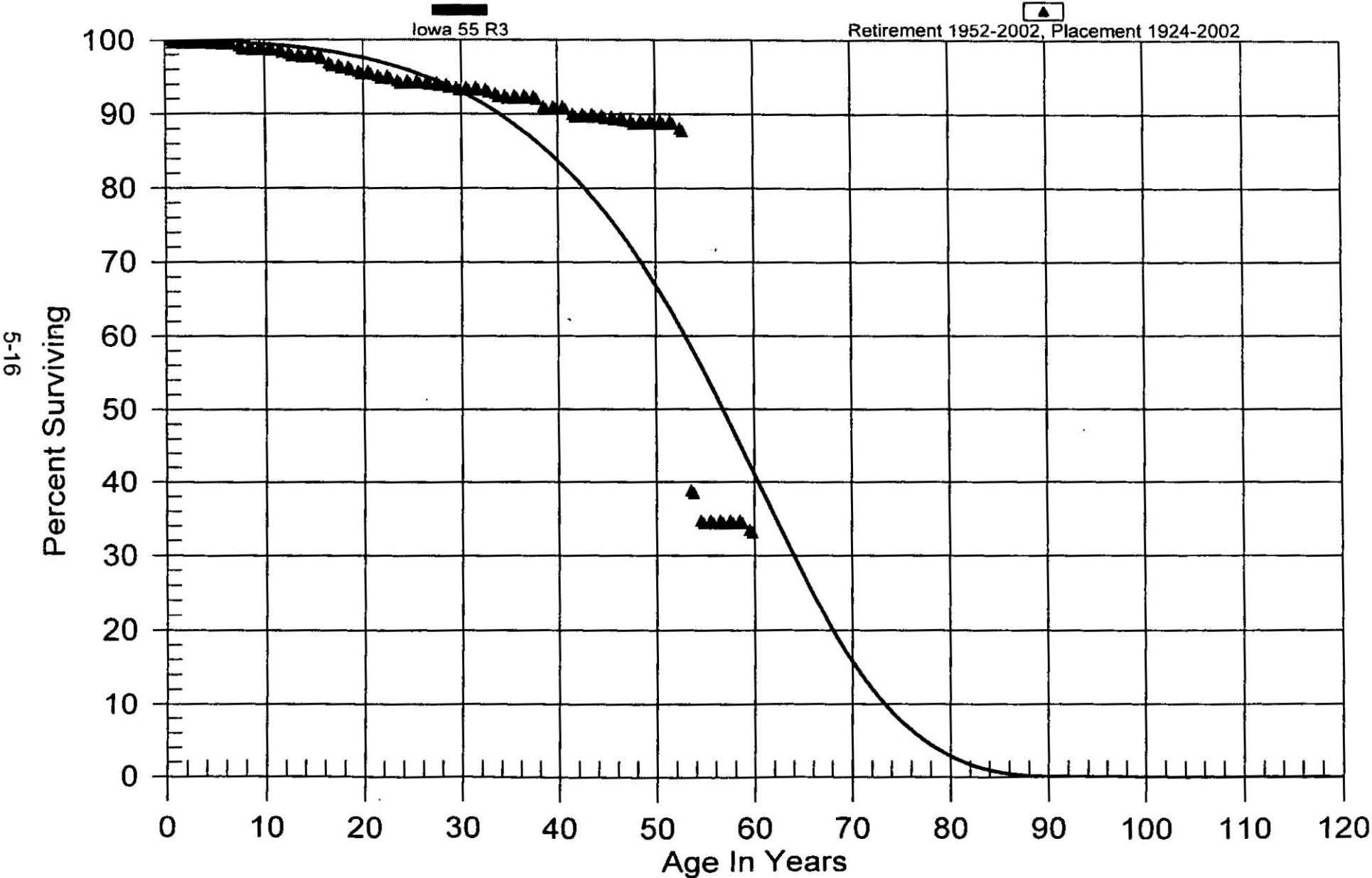
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$263,842.60	\$1,346.00	0.00510	43.64
37.5 - 38.5	\$254,483.26	\$36,035.00	0.14160	43.42
38.5 - 39.5	\$217,001.64	\$0.00	0.00000	37.27
39.5 - 40.5	\$216,678.43	\$7,988.00	0.03687	37.27
40.5 - 41.5	\$208,690.43	\$2.00	0.00001	35.90
41.5 - 42.5	\$205,170.63	\$90,306.00	0.44015	35.90
42.5 - 43.5	\$113,576.57	\$0.00	0.00000	20.10
43.5 - 44.5	\$113,576.57	\$0.00	0.00000	20.10
44.5 - 45.5	\$113,576.57	\$0.00	0.00000	20.10
45.5 - 46.5	\$113,576.57	\$0.00	0.00000	20.10
46.5 - 47.5	\$113,576.57	\$0.00	0.00000	20.10
47.5 - 48.5	\$684.00	\$485.00	0.70906	20.10

Louisville Gas and Electric - Electric Division

All Divisions

352.10 STRUCTURES & IMPROVE. NON-SYS. CONTROL/COM

Original And Smooth Survivor Curves



Louisville Gas and Electric - Electric Division
All Divisions

352.10 STRUCTURES & IMPROVE. NON-SYS. CONTROL/COM

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1924 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$2,711,605.31	\$702.00	0.00026	100.00
0.5 - 1.5	\$2,289,068.86	\$1,429.00	0.00062	99.97
1.5 - 2.5	\$2,257,640.13	\$0.00	0.00000	99.91
2.5 - 3.5	\$2,110,534.34	\$0.00	0.00000	99.91
3.5 - 4.5	\$2,109,012.34	\$1,776.00	0.00084	99.91
4.5 - 5.5	\$2,110,921.34	\$1,160.00	0.00055	99.83
5.5 - 6.5	\$2,130,338.85	\$0.00	0.00000	99.77
6.5 - 7.5	\$2,149,771.06	\$13,472.00	0.00627	99.77
7.5 - 8.5	\$2,122,152.67	\$2,035.00	0.00096	99.15
8.5 - 9.5	\$1,778,312.08	\$0.00	0.00000	99.05
9.5 - 10.5	\$1,748,541.08	\$1,979.00	0.00113	99.05
10.5 - 11.5	\$1,657,467.95	\$4,093.00	0.00247	98.94
11.5 - 12.5	\$1,490,720.69	\$7,031.00	0.00472	98.70
12.5 - 13.5	\$1,516,171.87	\$2,093.00	0.00138	98.23
13.5 - 14.5	\$1,460,877.91	\$0.00	0.00000	98.09
14.5 - 15.5	\$1,354,232.42	\$3,873.00	0.00286	98.09
15.5 - 16.5	\$1,341,623.10	\$13,043.00	0.00972	97.81
16.5 - 17.5	\$1,309,449.74	\$3,823.00	0.00292	96.86
17.5 - 18.5	\$1,268,409.18	\$3,191.00	0.00252	96.58
18.5 - 19.5	\$1,176,628.08	\$6,893.00	0.00586	96.34
19.5 - 20.5	\$997,224.17	\$0.00	0.00000	95.77
20.5 - 21.5	\$949,502.44	\$5,544.00	0.00584	95.77
21.5 - 22.5	\$928,871.74	\$461.00	0.00050	95.21
22.5 - 23.5	\$806,290.63	\$5,519.00	0.00684	95.17
23.5 - 24.5	\$785,564.12	\$0.00	0.00000	94.52
24.5 - 25.5	\$626,401.91	\$0.00	0.00000	94.52
25.5 - 26.5	\$508,148.31	\$764.00	0.00150	94.52
26.5 - 27.5	\$531,256.64	\$680.00	0.00128	94.37
27.5 - 28.5	\$605,759.64	\$1,691.00	0.00279	94.25
28.5 - 29.5	\$604,068.64	\$2,383.00	0.00394	93.99
29.5 - 30.5	\$392,429.19	\$0.00	0.00000	93.62
30.5 - 31.5	\$426,960.19	\$0.00	0.00000	93.62
31.5 - 32.5	\$428,841.48	\$1,179.00	0.00275	93.62
32.5 - 33.5	\$438,968.83	\$2,761.00	0.00629	93.36
33.5 - 34.5	\$436,038.79	\$1,136.00	0.00261	92.77
34.5 - 35.5	\$434,094.62	\$0.00	0.00000	92.53
35.5 - 36.5	\$442,657.28	\$0.00	0.00000	92.53

Louisville Gas and Electric - Electric Division
All Divisions

352.10 STRUCTURES & IMPROVE. NON-SYS. CONTROL/COM

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1924 TO 2002

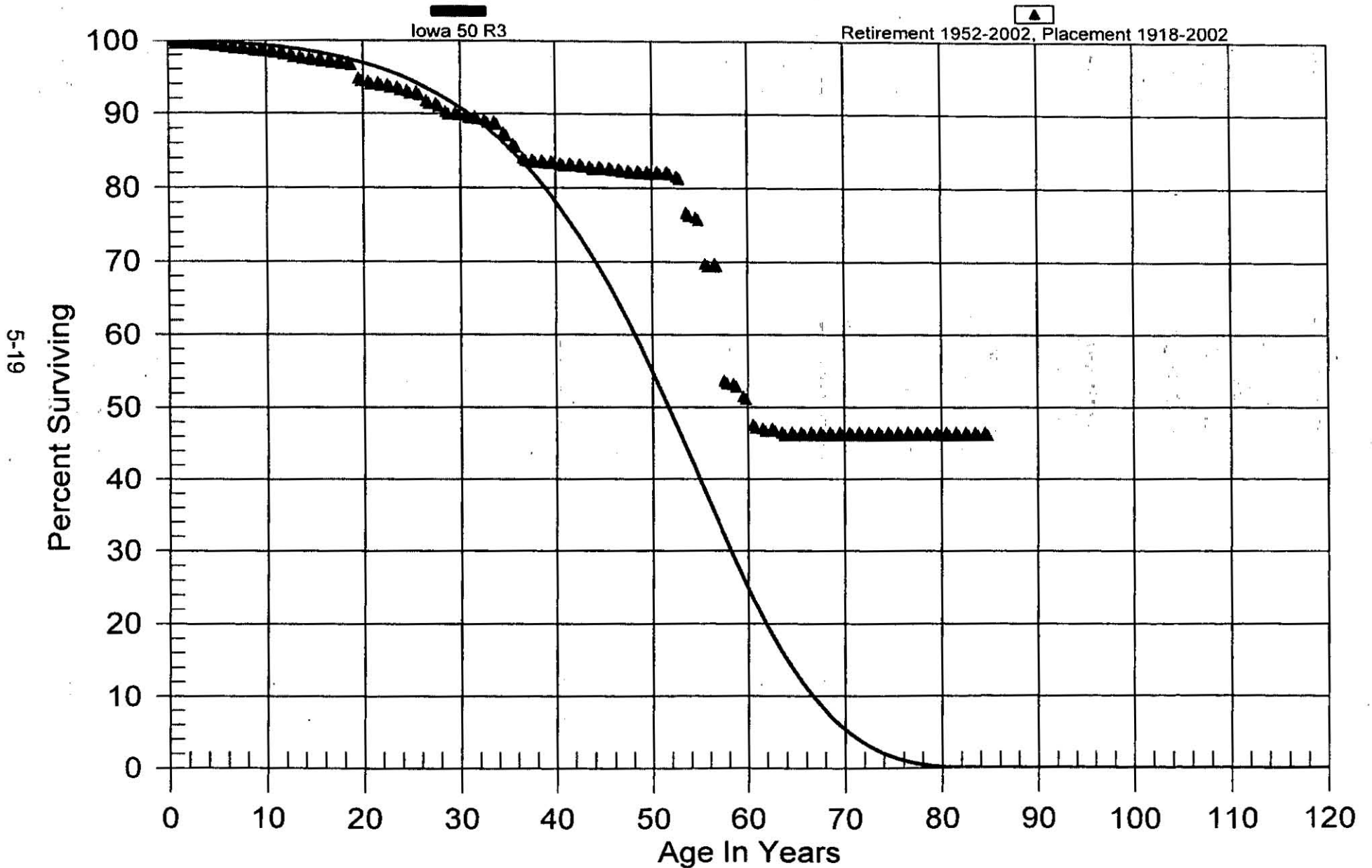
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$436,192.58	\$598.00	0.00137	92.53
37.5 - 38.5	\$412,267.79	\$6,092.00	0.01478	92.41
38.5 - 39.5	\$404,098.89	\$0.00	0.00000	91.04
39.5 - 40.5	\$399,389.14	\$0.00	0.00000	91.04
40.5 - 41.5	\$451,056.14	\$4,981.00	0.01104	91.04
41.5 - 42.5	\$427,542.79	\$0.00	0.00000	90.03
42.5 - 43.5	\$408,256.93	\$0.00	0.00000	90.03
43.5 - 44.5	\$378,902.99	\$717.00	0.00189	90.03
44.5 - 45.5	\$303,408.82	\$604.00	0.00199	89.86
45.5 - 46.5	\$267,543.26	\$308.00	0.00115	89.69
46.5 - 47.5	\$230,206.67	\$1,218.00	0.00529	89.58
47.5 - 48.5	\$149,619.17	\$0.00	0.00000	89.11
48.5 - 49.5	\$101,338.39	\$0.00	0.00000	89.11
49.5 - 50.5	\$101,338.39	\$0.00	0.00000	89.11
50.5 - 51.5	\$98,753.52	\$0.00	0.00000	89.11
51.5 - 52.5	\$98,753.52	\$1,121.00	0.01135	89.11
52.5 - 53.5	\$85,546.39	\$47,821.00	0.55901	88.10
53.5 - 54.5	\$26,073.61	\$2,763.00	0.10597	38.85
54.5 - 55.5	\$23,310.61	\$0.00	0.00000	34.73
55.5 - 56.5	\$23,310.61	\$0.00	0.00000	34.73
56.5 - 57.5	\$23,310.61	\$0.00	0.00000	34.73
57.5 - 58.5	\$23,310.61	\$0.00	0.00000	34.73
58.5 - 59.5	\$23,310.61	\$852.00	0.03655	34.73
59.5 - 60.5	\$22,458.61	\$0.00	0.00000	33.46
60.5 - 61.5	\$6,977.18	\$0.00	0.00000	33.46
61.5 - 62.5	\$6,977.18	\$0.00	0.00000	33.46
62.5 - 63.5	\$3,731.58	\$0.00	0.00000	33.46
63.5 - 64.5	\$1,289.40	\$0.00	0.00000	33.46
64.5 - 65.5	\$851.57	\$0.00	0.00000	33.46
65.5 - 66.5	\$851.57	\$0.00	0.00000	33.46
66.5 - 67.5	\$851.57	\$0.00	0.00000	33.46
67.5 - 68.5	\$851.57	\$0.00	0.00000	33.46
68.5 - 69.5	\$0.00	\$0.00	0.00000	33.46
69.5 - 70.5	\$0.00	\$0.00	0.00000	33.46
70.5 - 71.5	\$0.00	\$0.00	0.00000	33.46
71.5 - 72.5	\$0.00	\$0.00	0.00000	33.46
72.5 - 73.5	\$0.00	\$0.00	0.00000	33.46

Louisville Gas and Electric - Electric Division

All Divisions

353.10 STATION EQ.-NON SYS. CONTROL/COM

Original And Smooth Survivor Curves



Louisville Gas and Electric - Electric Division**All Divisions****353.10 STATION EQ.-NON SYS. CONTROL/COM****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1918 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$83,606,172.13	\$26,675.00	0.00032	100.00
0.5 - 1.5	\$97,228,577.35	\$10,508.00	0.00011	99.97
1.5 - 2.5	\$101,595,433.05	\$53,105.00	0.00052	99.96
2.5 - 3.5	\$97,466,429.17	\$132,256.00	0.00136	99.91
3.5 - 4.5	\$97,402,991.01	\$112,804.00	0.00116	99.77
4.5 - 5.5	\$95,937,589.05	\$166,389.00	0.00173	99.65
5.5 - 6.5	\$91,926,283.54	\$174,459.00	0.00190	99.48
6.5 - 7.5	\$88,568,632.98	\$89,871.00	0.00101	99.29
7.5 - 8.5	\$89,053,367.71	\$180,806.00	0.00203	99.19
8.5 - 9.5	\$82,996,385.77	\$77,698.00	0.00094	98.99
9.5 - 10.5	\$83,782,635.74	\$167,359.00	0.00200	98.90
10.5 - 11.5	\$83,210,571.61	\$206,203.00	0.00248	98.70
11.5 - 12.5	\$70,673,398.39	\$276,606.00	0.00391	98.46
12.5 - 13.5	\$70,442,130.27	\$171,154.00	0.00243	98.07
13.5 - 14.5	\$67,082,238.10	\$100,374.00	0.00150	97.83
14.5 - 15.5	\$65,198,423.39	\$131,649.00	0.00202	97.69
15.5 - 16.5	\$65,724,934.34	\$97,515.00	0.00148	97.49
16.5 - 17.5	\$64,904,384.34	\$122,776.00	0.00189	97.34
17.5 - 18.5	\$64,980,810.59	\$108,002.00	0.00166	97.16
18.5 - 19.5	\$60,633,699.67	\$1,354,454.00	0.02234	97.00
19.5 - 20.5	\$56,430,674.60	\$258,149.00	0.00457	94.83
20.5 - 21.5	\$53,955,406.25	\$83,308.00	0.00154	94.40
21.5 - 22.5	\$51,561,841.36	\$180,456.00	0.00350	94.25
22.5 - 23.5	\$39,929,212.23	\$141,917.00	0.00355	93.92
23.5 - 24.5	\$38,251,436.62	\$184,289.00	0.00482	93.59
24.5 - 25.5	\$35,107,762.28	\$69,181.00	0.00197	93.14
25.5 - 26.5	\$32,574,734.06	\$399,679.00	0.01227	92.95
26.5 - 27.5	\$32,005,735.26	\$146,012.00	0.00456	91.81
27.5 - 28.5	\$27,917,412.22	\$321,678.00	0.01152	91.39
28.5 - 29.5	\$26,142,342.50	\$32,764.00	0.00125	90.34
29.5 - 30.5	\$20,394,470.16	\$85,967.00	0.00422	90.23
30.5 - 31.5	\$19,450,471.49	\$36,938.00	0.00190	89.85
31.5 - 32.5	\$18,650,863.19	\$93,849.00	0.00503	89.68
32.5 - 33.5	\$16,512,998.12	\$47,282.00	0.00286	89.23
33.5 - 34.5	\$16,201,147.66	\$271,175.00	0.01674	88.97
34.5 - 35.5	\$15,276,387.99	\$274,302.00	0.01796	87.48
35.5 - 36.5	\$14,298,543.32	\$306,827.00	0.02146	85.91

Louisville Gas and Electric - Electric Division**All Divisions****353.10 STATION EQ.-NON SYS. CONTROL/COM****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1918 TO 2002**

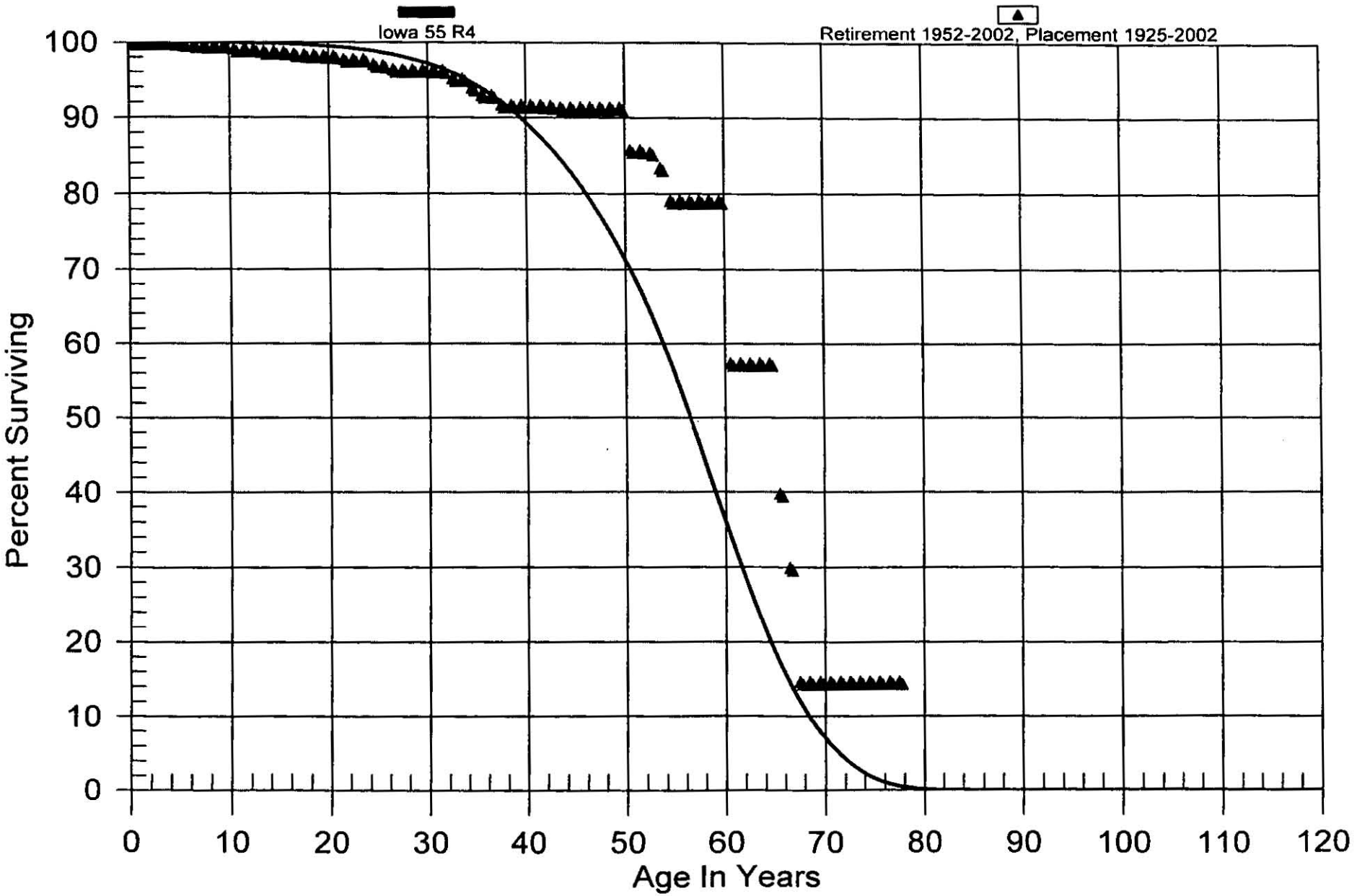
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$13,010,345.46	\$30,847.00	0.00237	84.07
37.5 - 38.5	\$12,440,461.19	\$20,002.00	0.00161	83.87
38.5 - 39.5	\$11,573,011.72	\$10,481.00	0.00091	83.73
39.5 - 40.5	\$11,139,228.87	\$36,384.00	0.00327	83.66
40.5 - 41.5	\$11,357,826.92	\$8,748.00	0.00077	83.38
41.5 - 42.5	\$10,564,996.90	\$12,443.00	0.00118	83.32
42.5 - 43.5	\$9,579,158.90	\$33,594.00	0.00351	83.22
43.5 - 44.5	\$8,949,325.43	\$6,185.00	0.00069	82.93
44.5 - 45.5	\$7,920,120.02	\$12,843.00	0.00162	82.87
45.5 - 46.5	\$7,179,580.33	\$13,910.00	0.00194	82.74
46.5 - 47.5	\$6,274,448.45	\$14,916.00	0.00238	82.58
47.5 - 48.5	\$4,838,919.98	\$2,327.00	0.00048	82.38
48.5 - 49.5	\$4,210,472.51	\$3,585.00	0.00085	82.34
49.5 - 50.5	\$3,971,517.18	\$0.00	0.00000	82.27
50.5 - 51.5	\$3,772,474.63	\$1,384.00	0.00037	82.27
51.5 - 52.5	\$3,345,302.12	\$24,729.00	0.00739	82.24
52.5 - 53.5	\$2,273,255.54	\$137,834.00	0.06063	81.63
53.5 - 54.5	\$1,201,515.84	\$8,797.00	0.00732	76.68
54.5 - 55.5	\$1,095,204.97	\$91,260.00	0.08333	76.12
55.5 - 56.5	\$1,002,026.30	\$0.00	0.00000	69.78
56.5 - 57.5	\$991,796.73	\$228,759.00	0.23065	69.78
57.5 - 58.5	\$745,706.58	\$6,280.00	0.00842	53.68
58.5 - 59.5	\$602,283.64	\$19,650.00	0.03263	53.23
59.5 - 60.5	\$559,357.31	\$42,912.00	0.07672	51.50
60.5 - 61.5	\$309,420.92	\$2,960.00	0.00957	47.54
61.5 - 62.5	\$301,190.16	\$0.00	0.00000	47.09
62.5 - 63.5	\$272,944.87	\$3,427.00	0.01256	47.09
63.5 - 64.5	\$147,569.89	\$0.00	0.00000	46.50
64.5 - 65.5	\$116,580.56	\$0.00	0.00000	46.50
65.5 - 66.5	\$116,280.10	\$0.00	0.00000	46.50
66.5 - 67.5	\$92,900.86	\$0.00	0.00000	46.50
67.5 - 68.5	\$91,890.14	\$0.00	0.00000	46.50
68.5 - 69.5	\$0.00	\$0.00	0.00000	46.50
69.5 - 70.5	\$0.00	\$0.00	0.00000	46.50
70.5 - 71.5	\$0.00	\$0.00	0.00000	46.50
71.5 - 72.5	\$0.00	\$0.00	0.00000	46.50
72.5 - 73.5	\$0.00	\$0.00	0.00000	46.50

Louisville Gas and Electric - Electric Division

All Divisions

354.00 TOWERS AND FIXTURES

Original And Smooth Survivor Curves



5-22

Louisville Gas and Electric - Electric Division**All Divisions****354.00 TOWERS AND FIXTURES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1925 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$23,935,160.11	\$0.00	0.00000	100.00
0.5 - 1.5	\$23,787,095.93	\$0.00	0.00000	100.00
1.5 - 2.5	\$23,957,616.25	\$0.00	0.00000	100.00
2.5 - 3.5	\$24,581,560.76	\$4,396.00	0.00018	100.00
3.5 - 4.5	\$24,516,257.76	\$18,039.00	0.00074	99.98
4.5 - 5.5	\$24,498,218.76	\$32,519.00	0.00133	99.91
5.5 - 6.5	\$24,179,921.07	\$26,670.00	0.00110	99.78
6.5 - 7.5	\$24,152,891.07	\$18,321.00	0.00076	99.67
7.5 - 8.5	\$24,134,570.07	\$4,983.00	0.00021	99.59
8.5 - 9.5	\$19,674,443.59	\$0.00	0.00000	99.57
9.5 - 10.5	\$19,791,142.02	\$94,095.00	0.00475	99.57
10.5 - 11.5	\$19,761,606.02	\$0.00	0.00000	99.10
11.5 - 12.5	\$19,777,865.56	\$4,684.00	0.00024	99.10
12.5 - 13.5	\$19,738,535.56	\$62,856.00	0.00318	99.07
13.5 - 14.5	\$19,630,224.56	\$0.00	0.00000	98.76
14.5 - 15.5	\$19,274,608.56	\$11,801.00	0.00061	98.76
15.5 - 16.5	\$19,309,329.56	\$51,010.00	0.00264	98.70
16.5 - 17.5	\$19,289,784.04	\$25,461.00	0.00132	98.44
17.5 - 18.5	\$19,331,569.61	\$1,742.00	0.00009	98.31
18.5 - 19.5	\$18,651,267.28	\$11,823.00	0.00063	98.30
19.5 - 20.5	\$18,719,023.67	\$14,259.00	0.00076	98.24
20.5 - 21.5	\$18,249,084.10	\$84,783.00	0.00465	98.16
21.5 - 22.5	\$18,014,725.62	\$0.00	0.00000	97.70
22.5 - 23.5	\$9,802,636.16	\$0.00	0.00000	97.70
23.5 - 24.5	\$8,232,857.02	\$57,161.00	0.00694	97.70
24.5 - 25.5	\$8,141,955.70	\$9,884.00	0.00121	97.03
25.5 - 26.5	\$8,148,934.70	\$46,300.00	0.00568	96.91
26.5 - 27.5	\$7,989,836.70	\$3,000.00	0.00038	96.36
27.5 - 28.5	\$7,853,359.40	\$0.00	0.00000	96.32
28.5 - 29.5	\$7,849,846.40	\$0.00	0.00000	96.32
29.5 - 30.5	\$8,034,310.72	\$4,570.00	0.00057	96.32
30.5 - 31.5	\$5,539,134.69	\$0.00	0.00000	96.27
31.5 - 32.5	\$5,539,371.69	\$62,705.00	0.01132	96.27
32.5 - 33.5	\$5,210,182.58	\$2,397.00	0.00046	95.18
33.5 - 34.5	\$4,932,153.64	\$62,729.00	0.01272	95.13
34.5 - 35.5	\$4,854,204.97	\$48,979.00	0.01009	93.92
35.5 - 36.5	\$4,738,739.44	\$551.00	0.00012	92.98

Louisville Gas and Electric - Electric Division
All Divisions

354.00 TOWERS AND FIXTURES

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1925 TO 2002

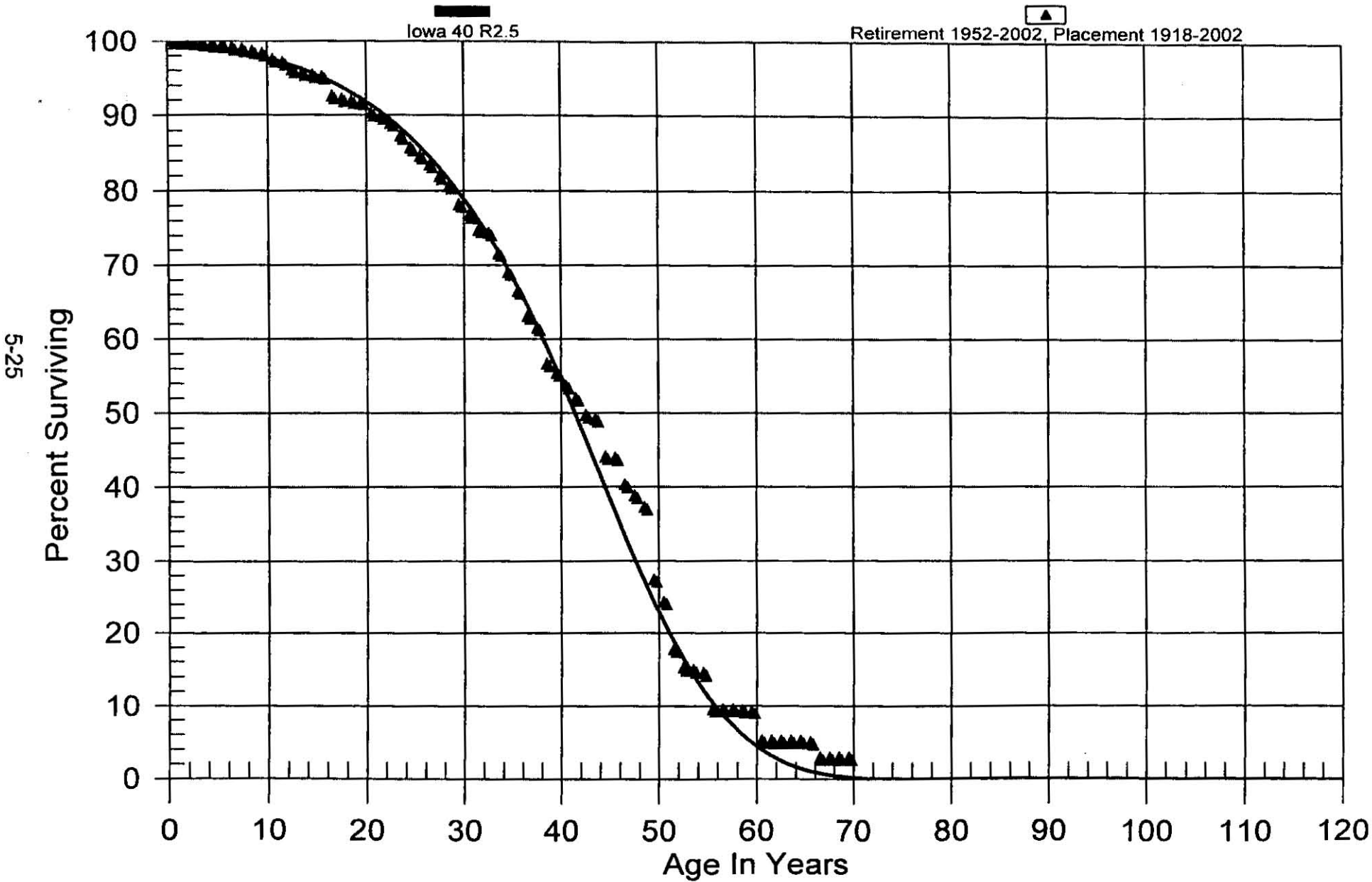
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$4,619,171.09	\$61,817.00	0.01338	92.96
37.5 - 38.5	\$4,531,981.07	\$0.00	0.00000	91.72
38.5 - 39.5	\$4,463,526.34	\$0.00	0.00000	91.72
39.5 - 40.5	\$3,280,210.45	\$1,850.00	0.00056	91.72
40.5 - 41.5	\$3,076,176.62	\$360.00	0.00012	91.67
41.5 - 42.5	\$2,523,295.66	\$3,387.00	0.00134	91.66
42.5 - 43.5	\$2,375,394.48	\$4,528.00	0.00191	91.53
43.5 - 44.5	\$2,356,022.91	\$0.00	0.00000	91.36
44.5 - 45.5	\$2,243,963.72	\$0.00	0.00000	91.36
45.5 - 46.5	\$1,915,628.27	\$0.00	0.00000	91.36
46.5 - 47.5	\$1,209,465.62	\$0.00	0.00000	91.36
47.5 - 48.5	\$1,195,364.09	\$0.00	0.00000	91.36
48.5 - 49.5	\$1,078,383.33	\$0.00	0.00000	91.36
49.5 - 50.5	\$1,055,658.26	\$64,938.00	0.06151	91.36
50.5 - 51.5	\$971,250.47	\$250.00	0.00026	85.74
51.5 - 52.5	\$971,000.47	\$3,139.00	0.00323	85.72
52.5 - 53.5	\$808,149.34	\$19,683.00	0.02436	85.44
53.5 - 54.5	\$46,523.83	\$2,374.00	0.05103	83.36
54.5 - 55.5	\$44,149.83	\$0.00	0.00000	79.11
55.5 - 56.5	\$44,149.83	\$0.00	0.00000	79.11
56.5 - 57.5	\$44,149.83	\$0.00	0.00000	79.11
57.5 - 58.5	\$44,149.83	\$0.00	0.00000	79.11
58.5 - 59.5	\$44,149.83	\$0.00	0.00000	79.11
59.5 - 60.5	\$44,149.83	\$12,157.00	0.27536	79.11
60.5 - 61.5	\$31,992.83	\$0.00	0.00000	57.32
61.5 - 62.5	\$31,992.83	\$0.00	0.00000	57.32
62.5 - 63.5	\$43,444.29	\$0.00	0.00000	57.32
63.5 - 64.5	\$43,444.29	\$0.00	0.00000	57.32
64.5 - 65.5	\$47,672.29	\$14,590.00	0.30605	57.32
65.5 - 66.5	\$33,082.29	\$8,215.00	0.24832	39.78
66.5 - 67.5	\$24,867.29	\$12,710.00	0.51111	29.90
67.5 - 68.5	\$12,157.29	\$0.00	0.00000	14.62
68.5 - 69.5	\$0.00	\$0.00	0.00000	14.62
69.5 - 70.5	\$0.00	\$0.00	0.00000	14.62
70.5 - 71.5	\$0.00	\$0.00	0.00000	14.62
71.5 - 72.5	\$0.00	\$0.00	0.00000	14.62
72.5 - 73.5	\$0.00	\$0.00	0.00000	14.62

Louisville Gas and Electric - Electric Division

All Divisions

355.00 POLES AND FIXTURES

Original And Smooth Survivor Curves



5-25

Louisville Gas and Electric - Electric Division***All Divisions******355.00 POLES AND FIXTURES******Observed Life Table******Retirement Expr. 1952 TO 2002******Placement Years 1918 TO 2002***

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$23,571,468.86	\$1,731.00	0.00007	100.00
0.5 - 1.5	\$25,579,993.53	\$13,813.00	0.00054	99.99
1.5 - 2.5	\$24,258,972.29	\$20,817.00	0.00086	99.94
2.5 - 3.5	\$25,179,746.21	\$46,611.00	0.00185	99.85
3.5 - 4.5	\$24,842,695.34	\$41,707.00	0.00168	99.67
4.5 - 5.5	\$24,224,561.85	\$21,084.00	0.00087	99.50
5.5 - 6.5	\$23,453,878.45	\$61,349.00	0.00262	99.41
6.5 - 7.5	\$23,441,039.79	\$59,792.00	0.00255	99.15
7.5 - 8.5	\$21,460,755.13	\$59,886.00	0.00279	98.90
8.5 - 9.5	\$19,111,259.09	\$59,916.00	0.00314	98.63
9.5 - 10.5	\$18,550,280.44	\$153,841.00	0.00829	98.32
10.5 - 11.5	\$15,978,916.36	\$61,993.00	0.00388	97.50
11.5 - 12.5	\$14,958,357.44	\$154,154.00	0.01031	97.12
12.5 - 13.5	\$13,231,420.74	\$55,927.00	0.00423	96.12
13.5 - 14.5	\$12,769,162.03	\$37,926.00	0.00297	95.72
14.5 - 15.5	\$11,902,663.07	\$26,752.00	0.00225	95.43
15.5 - 16.5	\$11,606,478.09	\$319,309.00	0.02751	95.22
16.5 - 17.5	\$10,738,452.91	\$43,866.00	0.00408	92.60
17.5 - 18.5	\$10,605,145.53	\$31,786.00	0.00300	92.22
18.5 - 19.5	\$10,383,724.57	\$17,114.00	0.00165	91.94
19.5 - 20.5	\$7,797,303.88	\$124,841.00	0.01601	91.79
20.5 - 21.5	\$7,081,221.01	\$32,359.00	0.00457	90.32
21.5 - 22.5	\$5,192,042.10	\$52,666.00	0.01014	89.91
22.5 - 23.5	\$2,757,988.45	\$52,346.00	0.01898	89.00
23.5 - 24.5	\$2,427,277.22	\$42,572.00	0.01754	87.31
24.5 - 25.5	\$2,306,213.46	\$30,430.00	0.01319	85.78
25.5 - 26.5	\$2,063,772.74	\$27,896.00	0.01352	84.64
26.5 - 27.5	\$1,912,695.18	\$35,537.00	0.01858	83.50
27.5 - 28.5	\$1,623,920.54	\$25,382.00	0.01563	81.95
28.5 - 29.5	\$1,503,559.90	\$45,515.00	0.03027	80.67
29.5 - 30.5	\$1,434,702.47	\$27,654.00	0.01928	78.23
30.5 - 31.5	\$1,324,989.06	\$33,295.00	0.02513	76.72
31.5 - 32.5	\$1,140,710.95	\$5,951.00	0.00522	74.79
32.5 - 33.5	\$1,067,446.62	\$40,209.00	0.03767	74.40
33.5 - 34.5	\$729,354.95	\$25,915.00	0.03553	71.60
34.5 - 35.5	\$695,925.11	\$25,979.00	0.03733	69.05
35.5 - 36.5	\$589,562.83	\$30,163.00	0.05116	66.48

Louisville Gas and Electric - Electric Division**All Divisions****355.00 POLES AND FIXTURES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1918 TO 2002**

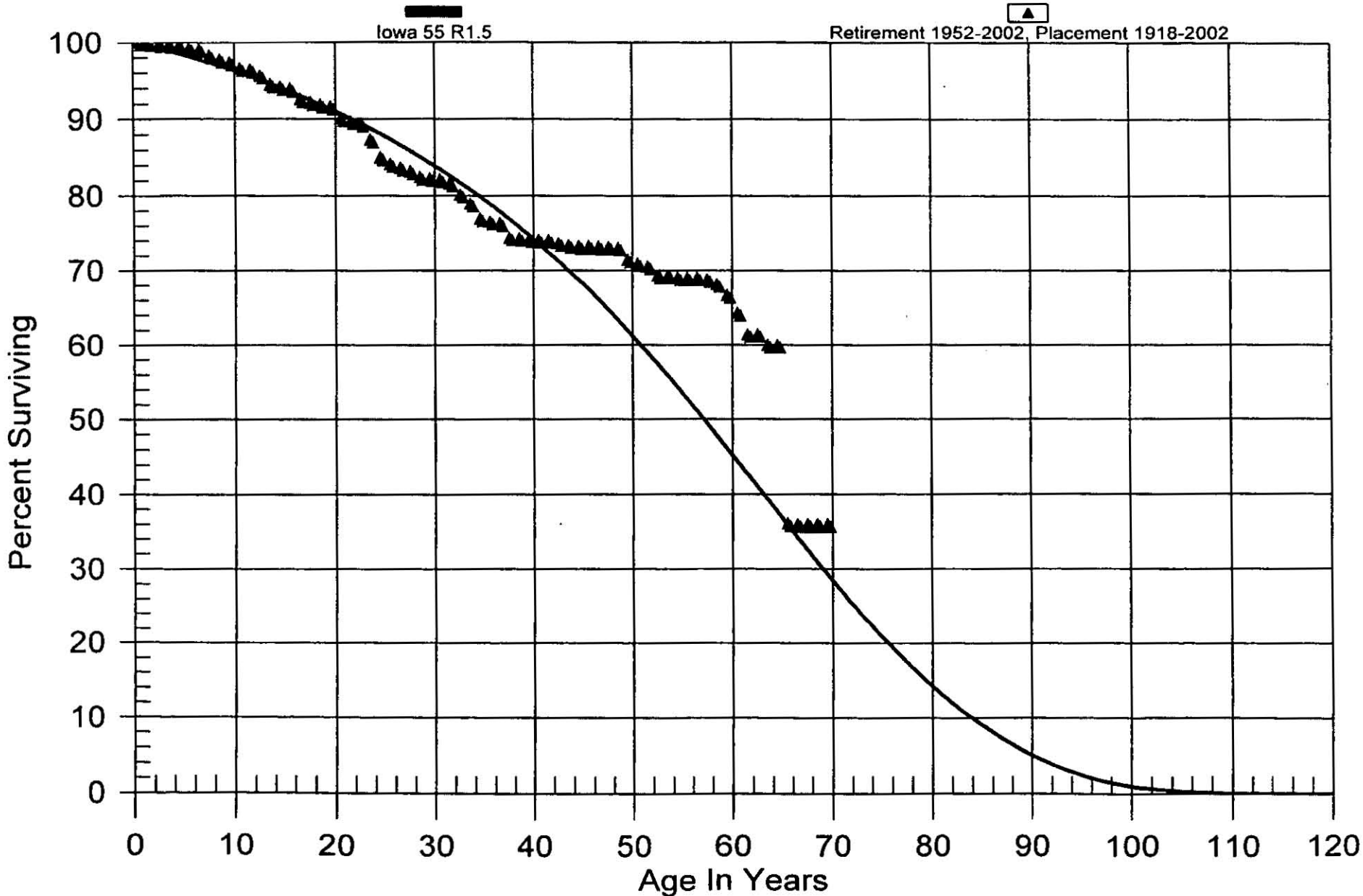
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$536,075.91	\$12,803.00	0.02388	63.07
37.5 - 38.5	\$517,677.78	\$41,124.00	0.07944	61.57
38.5 - 39.5	\$442,048.96	\$9,823.00	0.02222	56.68
39.5 - 40.5	\$426,836.10	\$13,633.00	0.03194	55.42
40.5 - 41.5	\$413,526.10	\$12,868.00	0.03112	53.65
41.5 - 42.5	\$297,963.07	\$12,834.00	0.04307	51.98
42.5 - 43.5	\$284,290.08	\$3,003.00	0.01056	49.74
43.5 - 44.5	\$257,457.08	\$26,631.00	0.10344	49.21
44.5 - 45.5	\$227,802.10	\$764.00	0.00335	44.12
45.5 - 46.5	\$97,844.22	\$8,130.00	0.08309	43.98
46.5 - 47.5	\$80,788.03	\$2,984.00	0.03694	40.32
47.5 - 48.5	\$74,153.88	\$2,892.00	0.03900	38.83
48.5 - 49.5	\$67,451.88	\$17,845.00	0.26456	37.32
49.5 - 50.5	\$47,179.88	\$5,300.00	0.11234	27.45
50.5 - 51.5	\$41,616.88	\$11,296.00	0.27143	24.36
51.5 - 52.5	\$30,237.07	\$4,248.00	0.14049	17.75
52.5 - 53.5	\$22,007.07	\$432.00	0.01963	15.26
53.5 - 54.5	\$21,401.92	\$605.00	0.02827	14.96
54.5 - 55.5	\$20,366.92	\$6,921.00	0.33982	14.53
55.5 - 56.5	\$10,466.87	\$0.00	0.00000	9.59
56.5 - 57.5	\$10,429.19	\$0.00	0.00000	9.59
57.5 - 58.5	\$10,429.19	\$165.00	0.01582	9.59
58.5 - 59.5	\$10,264.19	\$142.00	0.01383	9.44
59.5 - 60.5	\$14,024.19	\$6,136.00	0.43753	9.31
60.5 - 61.5	\$7,888.19	\$0.00	0.00000	5.24
61.5 - 62.5	\$3,970.73	\$0.00	0.00000	5.24
62.5 - 63.5	\$3,937.74	\$0.00	0.00000	5.24
63.5 - 64.5	\$2,484.40	\$0.00	0.00000	5.24
64.5 - 65.5	\$2,484.40	\$86.00	0.03462	5.24
65.5 - 66.5	\$944.40	\$391.00	0.41402	5.06
66.5 - 67.5	\$553.40	\$0.00	0.00000	2.96
67.5 - 68.5	\$98.94	\$0.00	0.00000	2.96
68.5 - 69.5	\$0.00	\$0.00	0.00000	2.96
69.5 - 70.5	\$0.00	\$0.00	0.00000	2.96
70.5 - 71.5	\$0.00	\$0.00	0.00000	2.96
71.5 - 72.5	\$0.00	\$0.00	0.00000	2.96
72.5 - 73.5	\$0.00	\$0.00	0.00000	2.96

Louisville Gas and Electric - Electric Division

All Divisions

356.00 OVERHEAD CONDUCTORS AND DEVICES

Original And Smooth Survivor Curves



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Louisville Gas and Electric - Electric Division
All Divisions

356.00 OVERHEAD CONDUCTORS AND DEVICES

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1918 TO 2002

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$25,983,419.65	\$917.00	0.00004	100.00
0.5 - 1.5	\$21,918,821.50	\$17,875.00	0.00082	100.00
1.5 - 2.5	\$24,191,906.09	\$36,285.00	0.00150	99.91
2.5 - 3.5	\$27,723,169.58	\$33,386.00	0.00120	99.77
3.5 - 4.5	\$27,745,392.01	\$39,523.00	0.00142	99.64
4.5 - 5.5	\$27,757,143.01	\$86,029.00	0.00310	99.50
5.5 - 6.5	\$27,228,130.25	\$52,773.00	0.00194	99.19
6.5 - 7.5	\$27,386,312.34	\$212,425.00	0.00776	99.00
7.5 - 8.5	\$26,382,063.23	\$144,712.00	0.00549	98.23
8.5 - 9.5	\$23,519,064.40	\$94,817.00	0.00403	97.70
9.5 - 10.5	\$23,343,199.52	\$181,498.00	0.00778	97.30
10.5 - 11.5	\$22,067,643.99	\$34,845.00	0.00158	96.55
11.5 - 12.5	\$21,700,528.70	\$176,358.00	0.00813	96.39
12.5 - 13.5	\$18,409,168.32	\$218,902.00	0.01189	95.61
13.5 - 14.5	\$18,028,727.83	\$63,237.00	0.00351	94.47
14.5 - 15.5	\$17,247,965.54	\$39,374.00	0.00228	94.14
15.5 - 16.5	\$17,185,806.42	\$242,765.00	0.01413	93.93
16.5 - 17.5	\$16,851,111.95	\$75,911.00	0.00450	92.60
17.5 - 18.5	\$16,713,220.99	\$51,153.00	0.00306	92.18
18.5 - 19.5	\$16,502,604.62	\$42,277.00	0.00256	91.90
19.5 - 20.5	\$14,251,603.15	\$240,477.00	0.01687	91.66
20.5 - 21.5	\$10,720,797.11	\$46,439.00	0.00433	90.12
21.5 - 22.5	\$8,675,901.18	\$31,789.00	0.00366	89.73
22.5 - 23.5	\$6,521,353.71	\$149,347.00	0.02290	89.40
23.5 - 24.5	\$5,290,142.02	\$138,768.00	0.02623	87.35
24.5 - 25.5	\$5,126,149.47	\$52,943.00	0.01033	85.06
25.5 - 26.5	\$4,774,463.07	\$27,406.00	0.00574	84.18
26.5 - 27.5	\$4,424,982.43	\$26,425.00	0.00597	83.70
27.5 - 28.5	\$4,153,518.57	\$35,423.00	0.00853	83.20
28.5 - 29.5	\$4,036,043.96	\$8,598.00	0.00213	82.49
29.5 - 30.5	\$4,010,090.34	\$7,581.00	0.00189	82.31
30.5 - 31.5	\$3,567,486.38	\$22,753.00	0.00638	82.16
31.5 - 32.5	\$3,446,388.20	\$62,855.00	0.01824	81.63
32.5 - 33.5	\$3,124,635.96	\$46,527.00	0.01489	80.14
33.5 - 34.5	\$2,913,815.49	\$73,643.00	0.02527	78.95
34.5 - 35.5	\$2,814,236.75	\$14,759.00	0.00524	76.96
35.5 - 36.5	\$2,674,191.75	\$8,147.00	0.00305	76.55

Louisville Gas and Electric - Electric Division**All Divisions****356.00 OVERHEAD CONDUCTORS AND DEVICES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1918 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$2,519,562.84	\$64,071.00	0.02543	76.32
37.5 - 38.5	\$2,453,280.10	\$1,666.00	0.00068	74.38
38.5 - 39.5	\$2,332,652.76	\$4,238.00	0.00182	74.33
39.5 - 40.5	\$2,307,031.75	\$2,585.00	0.00112	74.19
40.5 - 41.5	\$1,837,245.76	\$612.00	0.00033	74.11
41.5 - 42.5	\$1,635,791.37	\$9,303.00	0.00569	74.09
42.5 - 43.5	\$1,618,842.48	\$6,350.00	0.00392	73.66
43.5 - 44.5	\$1,575,004.88	\$2,373.00	0.00151	73.37
44.5 - 45.5	\$1,531,397.63	\$316.00	0.00021	73.26
45.5 - 46.5	\$1,263,254.62	\$860.00	0.00068	73.25
46.5 - 47.5	\$987,854.63	\$847.00	0.00086	73.20
47.5 - 48.5	\$991,082.59	\$1,222.00	0.00123	73.14
48.5 - 49.5	\$930,527.30	\$20,221.00	0.02173	73.05
49.5 - 50.5	\$876,800.15	\$6,565.00	0.00749	71.46
50.5 - 51.5	\$874,972.84	\$4,808.00	0.00550	70.92
51.5 - 52.5	\$868,939.03	\$14,857.00	0.01710	70.53
52.5 - 53.5	\$848,459.96	\$0.00	0.00000	69.33
53.5 - 54.5	\$94,724.96	\$389.00	0.00411	69.33
54.5 - 55.5	\$84,592.87	\$14.00	0.00017	69.04
55.5 - 56.5	\$84,536.18	\$0.00	0.00000	69.03
56.5 - 57.5	\$84,536.18	\$255.00	0.00302	69.03
57.5 - 58.5	\$83,922.81	\$825.00	0.00983	68.82
58.5 - 59.5	\$83,097.81	\$1,797.00	0.02163	68.15
59.5 - 60.5	\$79,337.56	\$2,832.00	0.03570	66.67
60.5 - 61.5	\$76,386.19	\$3,409.00	0.04463	64.29
61.5 - 62.5	\$61,883.74	\$0.00	0.00000	61.42
62.5 - 63.5	\$60,383.83	\$1,402.00	0.02322	61.42
63.5 - 64.5	\$53,524.80	\$8.00	0.00015	60.00
64.5 - 65.5	\$53,516.80	\$21,333.00	0.39862	59.99
65.5 - 66.5	\$32,183.80	\$66.00	0.00205	36.08
66.5 - 67.5	\$32,117.80	\$0.00	0.00000	36.00
67.5 - 68.5	\$304.47	\$0.00	0.00000	36.00
68.5 - 69.5	\$0.00	\$0.00	0.00000	36.00
69.5 - 70.5	\$0.00	\$0.00	0.00000	36.00
70.5 - 71.5	\$0.00	\$0.00	0.00000	36.00
71.5 - 72.5	\$0.00	\$0.00	0.00000	36.00
72.5 - 73.5	\$0.00	\$0.00	0.00000	36.00

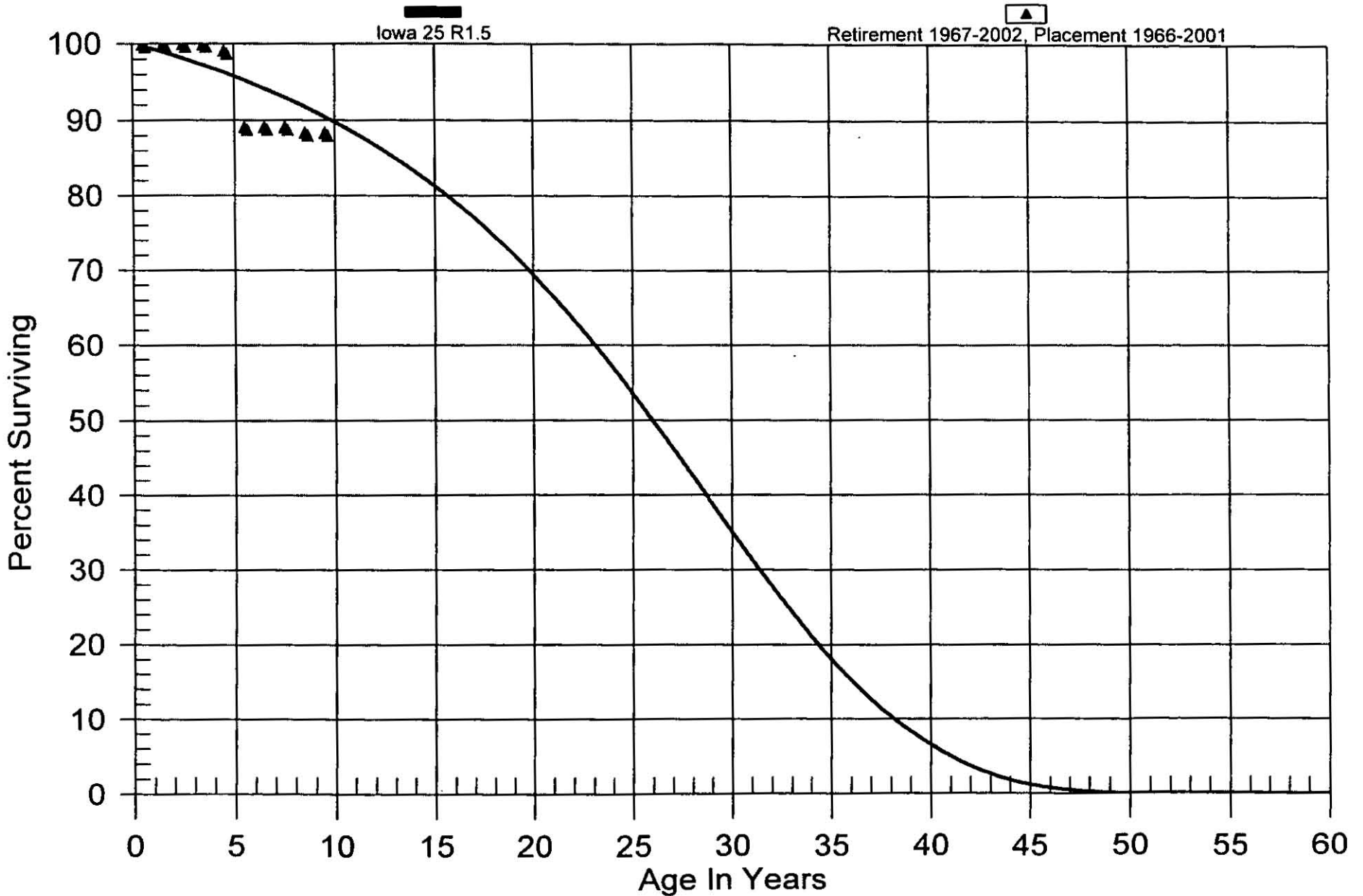
Louisville Gas and Electric - Electric Division

All Divisions

358.00 UNDERGROUND CONDUCTORS & DEVICES

Original And Smooth Survivor Curves

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Louisville Gas and Electric - Electric Division**All Divisions****358.00 UNDERGROUND CONDUCTORS & DEVICES****Observed Life Table****Retirement Expr. 1967 TO 2002****Placement Years 1966 TO 2001**

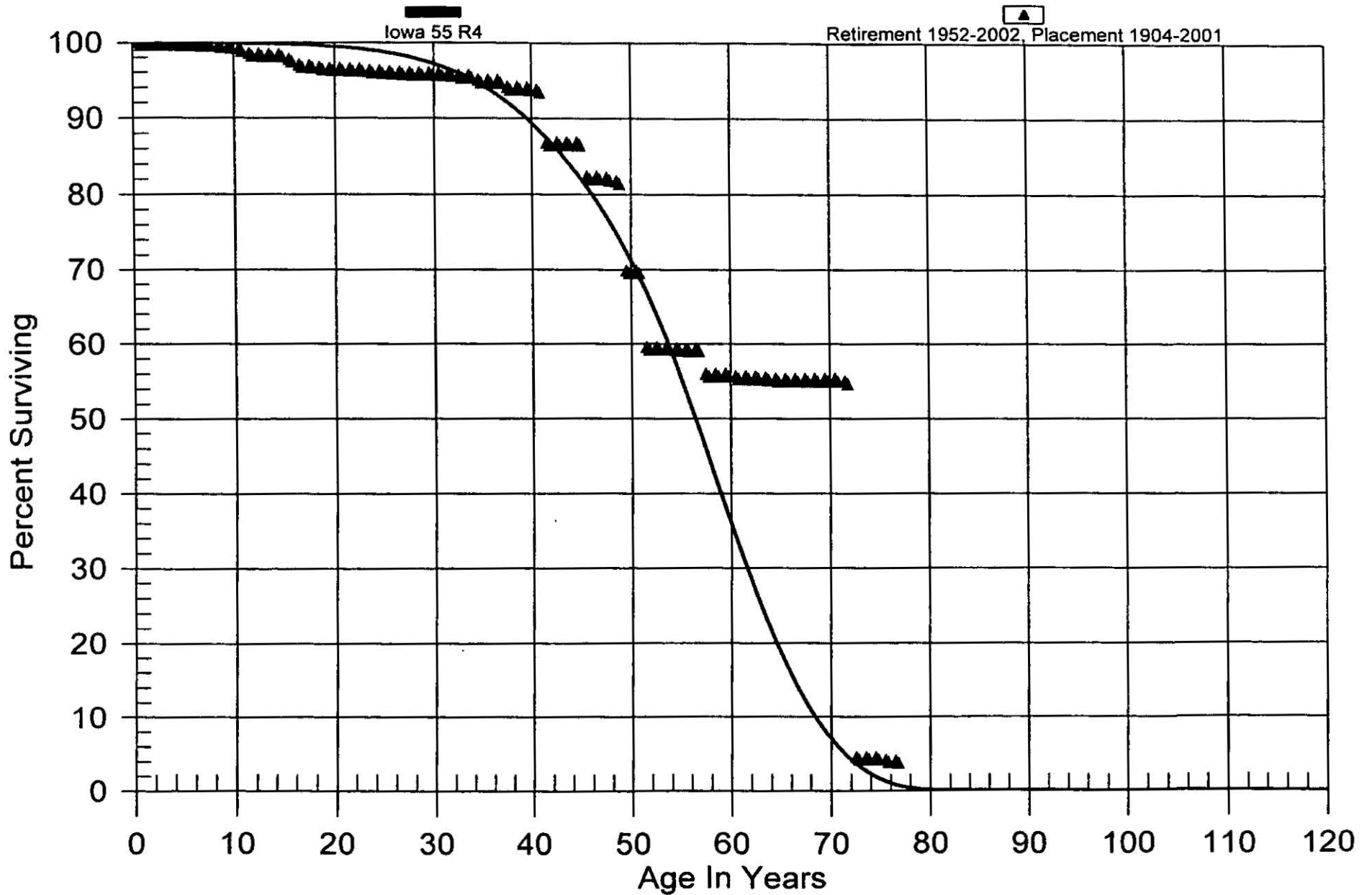
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$5,394,757.53	\$4,488.00	0.00083	100.00
0.5 - 1.5	\$5,390,269.53	\$0.00	0.00000	99.92
1.5 - 2.5	\$4,865,116.84	\$0.00	0.00000	99.92
2.5 - 3.5	\$4,836,696.00	\$0.00	0.00000	99.92
3.5 - 4.5	\$4,836,696.00	\$41,195.00	0.00852	99.92
4.5 - 5.5	\$901,526.17	\$90,651.00	0.10055	99.07
5.5 - 6.5	\$810,875.17	\$0.00	0.00000	89.10
6.5 - 7.5	\$810,875.17	\$0.00	0.00000	89.10
7.5 - 8.5	\$720,891.77	\$5,979.00	0.00829	89.10
8.5 - 9.5	\$580,988.02	\$0.00	0.00000	88.37
9.5 - 10.5	\$580,988.02	\$994.00	0.00171	88.37
10.5 - 11.5	\$595,306.02	\$0.00	0.00000	88.21
11.5 - 12.5	\$579,994.02	\$0.00	0.00000	88.21
12.5 - 13.5	\$537,629.02	\$0.00	0.00000	88.21
13.5 - 14.5	\$523,713.02	\$0.00	0.00000	88.21
14.5 - 15.5	\$518,949.02	\$0.00	0.00000	88.21
15.5 - 16.5	\$579,994.02	\$0.00	0.00000	88.21
16.5 - 17.5	\$579,994.02	\$0.00	0.00000	88.21
17.5 - 18.5	\$534,559.02	\$0.00	0.00000	88.21
18.5 - 19.5	\$579,994.02	\$0.00	0.00000	88.21
19.5 - 20.5	\$579,994.02	\$0.00	0.00000	88.21
20.5 - 21.5	\$579,994.02	\$0.00	0.00000	88.21
21.5 - 22.5	\$579,994.02	\$0.00	0.00000	88.21
22.5 - 23.5	\$538,426.11	\$0.00	0.00000	88.21
23.5 - 24.5	\$487,892.19	\$0.00	0.00000	88.21
24.5 - 25.5	\$487,892.19	\$0.00	0.00000	88.21
25.5 - 26.5	\$445,526.81	\$0.00	0.00000	88.21
26.5 - 27.5	\$384,340.01	\$0.00	0.00000	88.21
27.5 - 28.5	\$244,443.98	\$0.00	0.00000	88.21
28.5 - 29.5	\$244,443.98	\$0.00	0.00000	88.21
29.5 - 30.5	\$601,270.94	\$0.00	0.00000	88.21
30.5 - 31.5	\$540,752.31	\$0.00	0.00000	88.21
31.5 - 32.5	\$540,752.31	\$0.00	0.00000	88.21
32.5 - 33.5	\$540,752.31	\$0.00	0.00000	88.21
33.5 - 34.5	\$28,521.95	\$0.00	0.00000	88.21
34.5 - 35.5	\$28,521.95	\$0.00	0.00000	88.21
35.5 - 36.5	\$0.00	\$0.00	0.00000	88.21

Louisville Gas and Electric - Electric Division

All Divisions

361.00 STRUCTURES AND IMPROVEMENTS

Original And Smooth Survivor Curves



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Louisville Gas and Electric - Electric Division**All Divisions****361.00 STRUCTURES AND IMPROVEMENTS****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1904 TO 2001**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$4,729,415.11	\$1,402.00	0.00030	100.00
0.5 - 1.5	\$6,081,668.11	\$985.00	0.00016	99.97
1.5 - 2.5	\$6,183,250.65	\$89.00	0.00001	99.95
2.5 - 3.5	\$5,818,290.63	\$0.00	0.00000	99.95
3.5 - 4.5	\$5,885,698.41	\$1,362.00	0.00023	99.95
4.5 - 5.5	\$5,786,863.47	\$418.00	0.00007	99.93
5.5 - 6.5	\$5,739,999.12	\$3,407.00	0.00059	99.92
6.5 - 7.5	\$5,579,691.34	\$1,942.00	0.00035	99.86
7.5 - 8.5	\$5,365,392.06	\$4,871.00	0.00091	99.83
8.5 - 9.5	\$4,990,167.73	\$6,845.00	0.00137	99.74
9.5 - 10.5	\$4,663,346.78	\$18,037.00	0.00387	99.60
10.5 - 11.5	\$4,643,803.83	\$30,432.00	0.00655	99.22
11.5 - 12.5	\$4,523,904.65	\$3,282.00	0.00073	98.57
12.5 - 13.5	\$4,523,742.57	\$1,106.00	0.00024	98.49
13.5 - 14.5	\$4,494,194.08	\$2,052.00	0.00046	98.47
14.5 - 15.5	\$4,242,087.11	\$27,842.00	0.00656	98.42
15.5 - 16.5	\$4,040,558.90	\$31,480.00	0.00779	97.78
16.5 - 17.5	\$3,943,807.60	\$3,592.00	0.00091	97.02
17.5 - 18.5	\$4,071,910.83	\$8,972.00	0.00220	96.93
18.5 - 19.5	\$4,063,822.98	\$5,457.00	0.00134	96.72
19.5 - 20.5	\$4,007,893.99	\$1,819.00	0.00045	96.59
20.5 - 21.5	\$3,819,794.97	\$500.00	0.00013	96.54
21.5 - 22.5	\$3,515,804.80	\$1,440.00	0.00041	96.53
22.5 - 23.5	\$2,607,975.26	\$5,485.00	0.00210	96.49
23.5 - 24.5	\$2,612,032.06	\$1,198.00	0.00046	96.29
24.5 - 25.5	\$2,397,306.24	\$1,956.00	0.00082	96.24
25.5 - 26.5	\$2,415,032.81	\$1,182.00	0.00049	96.16
26.5 - 27.5	\$2,342,010.09	\$2,544.00	0.00109	96.12
27.5 - 28.5	\$2,333,169.10	\$0.00	0.00000	96.01
28.5 - 29.5	\$2,197,774.38	\$600.00	0.00027	96.01
29.5 - 30.5	\$2,217,528.37	\$80.00	0.00004	95.99
30.5 - 31.5	\$2,159,930.64	\$2,026.00	0.00094	95.98
31.5 - 32.5	\$2,016,616.34	\$4,592.00	0.00228	95.89
32.5 - 33.5	\$1,796,462.89	\$0.00	0.00000	95.67
33.5 - 34.5	\$1,624,579.78	\$11,183.00	0.00688	95.67
34.5 - 35.5	\$1,608,875.35	\$100.00	0.00006	95.02
35.5 - 36.5	\$1,629,761.03	\$909.00	0.00056	95.01

Louisville Gas and Electric - Electric Division**All Divisions****361.00 STRUCTURES AND IMPROVEMENTS****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1904 TO 2001**

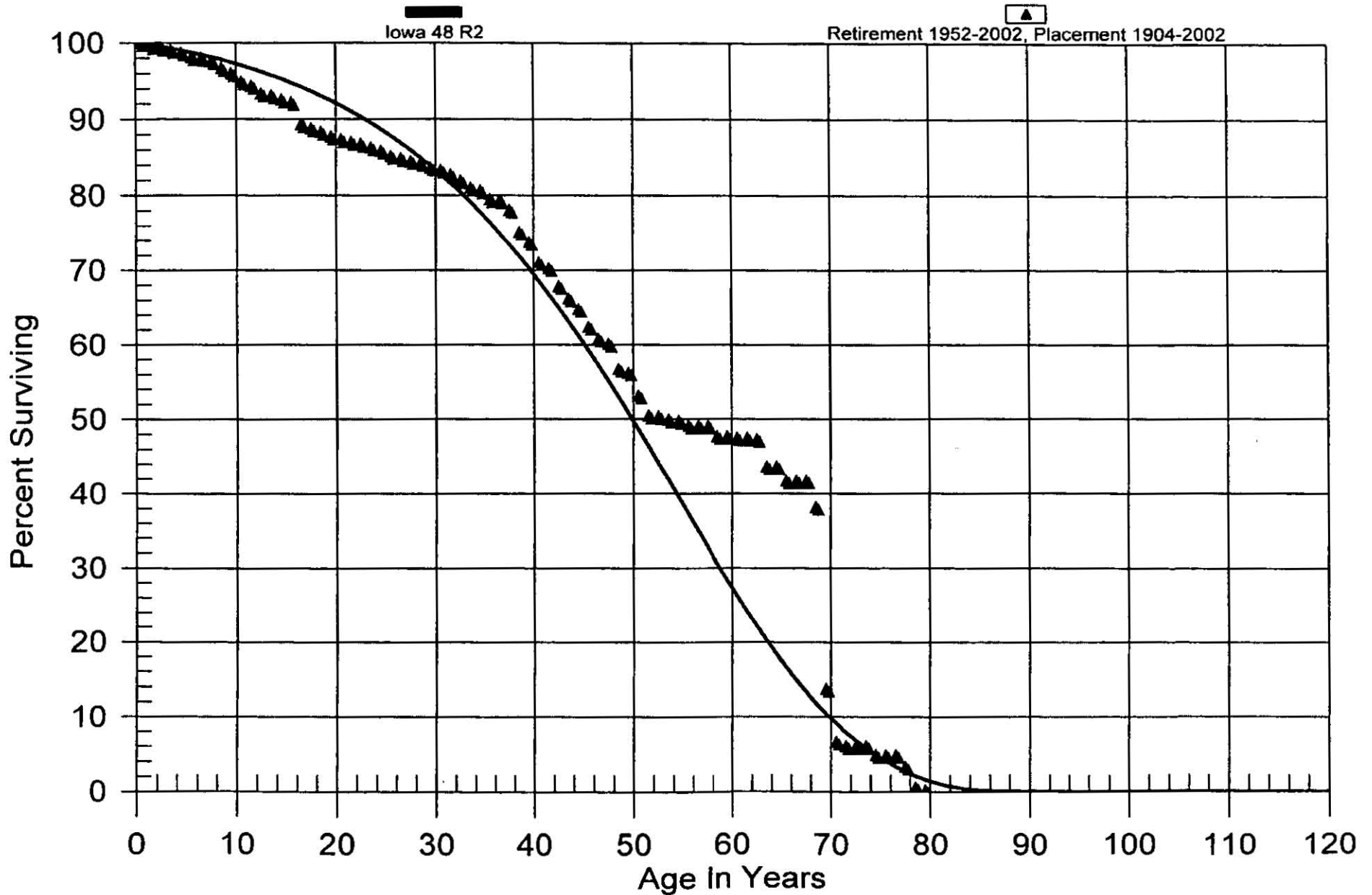
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$1,625,977.32	\$14,596.00	0.00898	94.96
37.5 - 38.5	\$1,525,558.96	\$90.00	0.00006	94.10
38.5 - 39.5	\$1,516,402.74	\$795.00	0.00052	94.10
39.5 - 40.5	\$547,138.23	\$1,710.00	0.00313	94.05
40.5 - 41.5	\$542,254.69	\$39,815.00	0.07342	93.76
41.5 - 42.5	\$468,550.27	\$0.00	0.00000	86.87
42.5 - 43.5	\$435,922.99	\$0.00	0.00000	86.87
43.5 - 44.5	\$446,997.06	\$0.00	0.00000	86.87
44.5 - 45.5	\$400,474.96	\$20,802.00	0.05194	86.87
45.5 - 46.5	\$371,418.41	\$0.00	0.00000	82.36
46.5 - 47.5	\$366,806.84	\$582.00	0.00159	82.36
47.5 - 48.5	\$362,331.36	\$2,000.00	0.00552	82.23
48.5 - 49.5	\$351,774.08	\$51,148.00	0.14540	81.77
49.5 - 50.5	\$300,626.08	\$0.00	0.00000	69.88
50.5 - 51.5	\$300,626.08	\$44,316.00	0.14741	69.88
51.5 - 52.5	\$256,310.08	\$0.00	0.00000	59.58
52.5 - 53.5	\$257,958.08	\$0.00	0.00000	59.58
53.5 - 54.5	\$257,958.08	\$516.00	0.00200	59.58
54.5 - 55.5	\$239,511.30	\$212.00	0.00089	59.46
55.5 - 56.5	\$239,107.87	\$0.00	0.00000	59.41
56.5 - 57.5	\$239,047.34	\$13,478.00	0.05638	59.41
57.5 - 58.5	\$225,569.34	\$0.00	0.00000	56.06
58.5 - 59.5	\$225,569.34	\$0.00	0.00000	56.06
59.5 - 60.5	\$225,569.34	\$1,487.00	0.00659	56.06
60.5 - 61.5	\$224,082.34	\$0.00	0.00000	55.69
61.5 - 62.5	\$224,038.82	\$0.00	0.00000	55.69
62.5 - 63.5	\$219,097.40	\$623.00	0.00284	55.69
63.5 - 64.5	\$218,062.48	\$700.00	0.00321	55.53
64.5 - 65.5	\$217,362.48	\$0.00	0.00000	55.35
65.5 - 66.5	\$217,325.86	\$0.00	0.00000	55.35
66.5 - 67.5	\$217,325.86	\$0.00	0.00000	55.35
67.5 - 68.5	\$201,246.76	\$0.00	0.00000	55.35
68.5 - 69.5	\$30,079.00	\$0.00	0.00000	55.35
69.5 - 70.5	\$30,079.00	\$0.00	0.00000	55.35
70.5 - 71.5	\$30,079.00	\$183.00	0.00608	55.35
71.5 - 72.5	\$29,896.00	\$27,396.00	0.91638	55.02
72.5 - 73.5	\$2,500.00	\$0.00	0.00000	4.60

Louisville Gas and Electric - Electric Division

All Divisions

362.00 STATION EQUIPMENT

Original And Smooth Survivor Curves



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Louisville Gas and Electric - Electric Division**All Divisions****362.00 STATION EQUIPMENT****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1904 TO 2002**

Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$98,202,647.55	\$76,854.00	0.00078	100.00
0.5 - 1.5	\$97,968,121.48	\$357,916.00	0.00365	99.92
1.5 - 2.5	\$95,400,018.43	\$244,969.00	0.00257	99.56
2.5 - 3.5	\$91,163,529.13	\$274,133.00	0.00301	99.30
3.5 - 4.5	\$90,941,016.09	\$278,932.00	0.00307	99.00
4.5 - 5.5	\$90,152,776.59	\$524,924.00	0.00582	98.70
5.5 - 6.5	\$85,987,408.15	\$144,709.00	0.00168	98.12
6.5 - 7.5	\$76,801,028.99	\$310,514.00	0.00404	97.96
7.5 - 8.5	\$71,648,504.34	\$661,439.00	0.00923	97.56
8.5 - 9.5	\$64,632,889.58	\$431,002.00	0.00667	96.66
9.5 - 10.5	\$60,162,166.35	\$688,795.00	0.01145	96.02
10.5 - 11.5	\$56,179,552.55	\$316,419.00	0.00563	94.92
11.5 - 12.5	\$54,037,438.36	\$576,852.00	0.01068	94.38
12.5 - 13.5	\$53,394,354.54	\$157,239.00	0.00294	93.38
13.5 - 14.5	\$51,111,869.97	\$281,500.00	0.00551	93.10
14.5 - 15.5	\$49,868,369.14	\$191,489.00	0.00384	92.59
15.5 - 16.5	\$46,386,961.34	\$1,438,524.00	0.03101	92.23
16.5 - 17.5	\$42,422,360.81	\$251,597.00	0.00593	89.37
17.5 - 18.5	\$42,076,706.55	\$224,428.00	0.00533	88.84
18.5 - 19.5	\$40,111,337.89	\$277,223.00	0.00691	88.37
19.5 - 20.5	\$38,313,551.88	\$153,270.00	0.00400	87.76
20.5 - 21.5	\$36,668,083.70	\$156,451.00	0.00427	87.41
21.5 - 22.5	\$30,361,959.98	\$101,937.00	0.00336	87.03
22.5 - 23.5	\$27,652,515.23	\$134,223.00	0.00485	86.74
23.5 - 24.5	\$26,485,530.05	\$137,813.00	0.00520	86.32
24.5 - 25.5	\$24,125,875.38	\$191,873.00	0.00795	85.87
25.5 - 26.5	\$22,216,745.52	\$75,193.00	0.00338	85.19
26.5 - 27.5	\$20,415,758.60	\$95,817.00	0.00469	84.90
27.5 - 28.5	\$19,514,517.49	\$57,959.00	0.00297	84.50
28.5 - 29.5	\$18,336,320.29	\$125,882.00	0.00687	84.25
29.5 - 30.5	\$16,656,693.05	\$56,594.00	0.00340	83.67
30.5 - 31.5	\$15,088,218.16	\$122,533.00	0.00812	83.39
31.5 - 32.5	\$13,189,703.14	\$117,011.00	0.00887	82.71
32.5 - 33.5	\$11,936,715.98	\$140,295.00	0.01175	81.98
33.5 - 34.5	\$11,471,763.07	\$52,385.00	0.00457	81.01
34.5 - 35.5	\$10,939,702.75	\$153,127.00	0.01400	80.64
35.5 - 36.5	\$10,429,764.72	\$18,066.00	0.00173	79.51

Louisville Gas and Electric - Electric Division***All Divisions******362.00 STATION EQUIPMENT******Observed Life Table******Retirement Expr. 1952 TO 2002******Placement Years 1904 TO 2002***

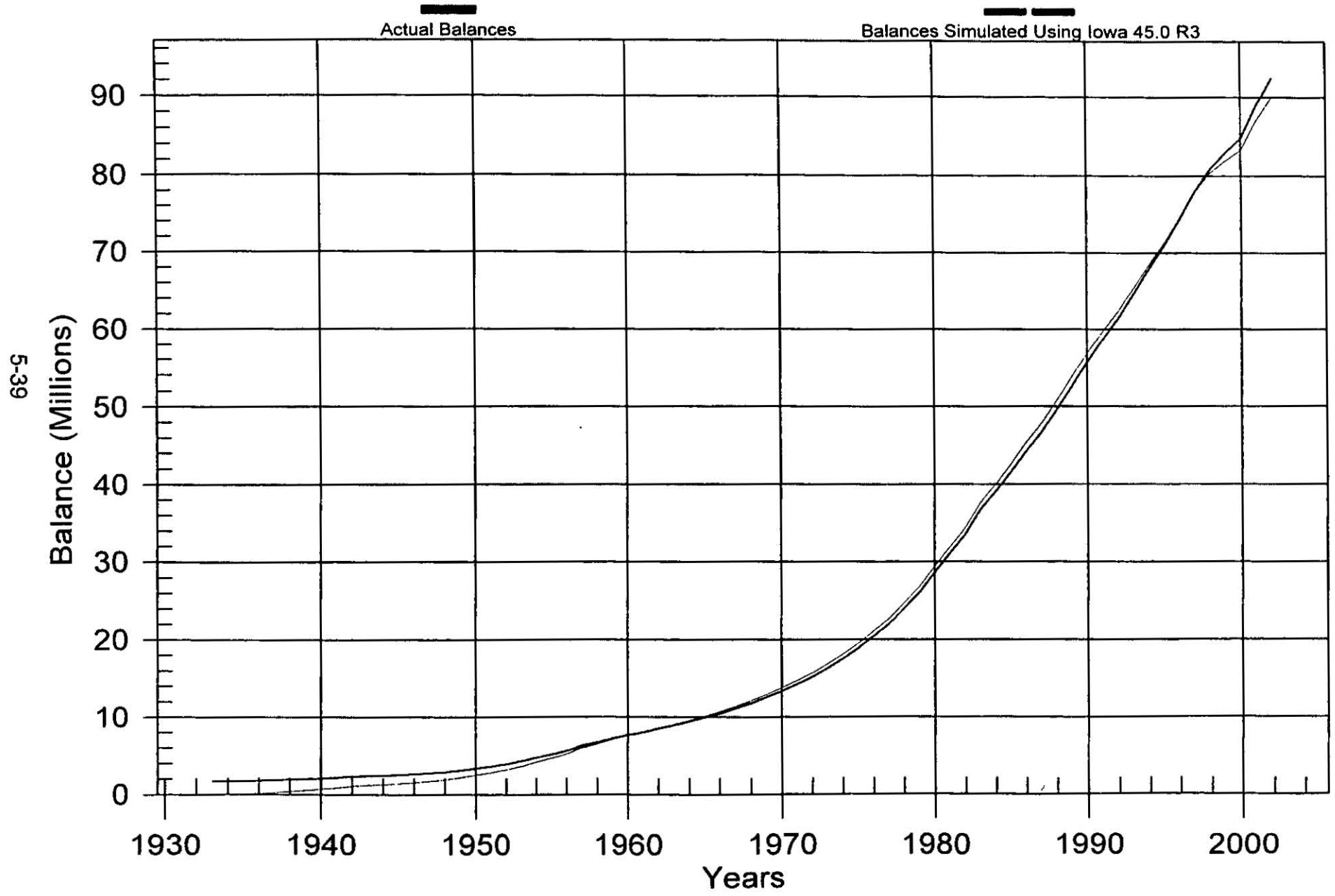
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$10,326,945.01	\$160,611.00	0.01555	79.38
37.5 - 38.5	\$10,073,836.12	\$382,338.00	0.03795	78.14
38.5 - 39.5	\$8,875,489.18	\$162,110.00	0.01826	75.18
39.5 - 40.5	\$7,740,909.11	\$289,089.00	0.03735	73.80
40.5 - 41.5	\$7,286,868.52	\$79,556.00	0.01092	71.05
41.5 - 42.5	\$6,192,008.17	\$212,531.00	0.03432	70.27
42.5 - 43.5	\$5,244,497.35	\$124,914.00	0.02382	67.86
43.5 - 44.5	\$4,475,533.23	\$96,587.00	0.02158	66.24
44.5 - 45.5	\$3,473,237.05	\$129,335.00	0.03724	64.81
45.5 - 46.5	\$2,842,987.44	\$73,358.00	0.02580	62.40
46.5 - 47.5	\$2,103,750.10	\$23,339.00	0.01109	60.79
47.5 - 48.5	\$2,042,007.14	\$114,283.00	0.05597	60.12
48.5 - 49.5	\$1,412,585.62	\$13,220.00	0.00936	56.75
49.5 - 50.5	\$1,397,840.97	\$76,390.00	0.05465	56.22
50.5 - 51.5	\$1,380,786.53	\$70,102.00	0.05077	53.15
51.5 - 52.5	\$1,285,878.99	\$1,650.00	0.00128	50.45
52.5 - 53.5	\$1,142,368.49	\$10,374.00	0.00908	50.38
53.5 - 54.5	\$1,127,370.81	\$3,670.00	0.00326	49.93
54.5 - 55.5	\$914,686.92	\$11,481.00	0.01255	49.76
55.5 - 56.5	\$841,091.88	\$198.00	0.00024	49.14
56.5 - 57.5	\$840,893.88	\$487.00	0.00058	49.13
57.5 - 58.5	\$858,116.88	\$24,144.00	0.02814	49.10
58.5 - 59.5	\$820,745.15	\$0.00	0.00000	47.72
59.5 - 60.5	\$825,497.49	\$3,695.00	0.00448	47.72
60.5 - 61.5	\$821,802.49	\$360.00	0.00044	47.51
61.5 - 62.5	\$808,656.68	\$2,844.00	0.00352	47.48
62.5 - 63.5	\$757,063.83	\$58,606.00	0.07741	47.32
63.5 - 64.5	\$698,407.70	\$0.00	0.00000	43.65
64.5 - 65.5	\$697,624.24	\$30,363.00	0.04352	43.65
65.5 - 66.5	\$667,261.24	\$0.00	0.00000	41.75
66.5 - 67.5	\$667,124.95	\$0.00	0.00000	41.75
67.5 - 68.5	\$684,484.95	\$58,635.00	0.08566	41.75
68.5 - 69.5	\$189,453.00	\$121,335.00	0.64045	38.18
69.5 - 70.5	\$68,118.00	\$35,148.00	0.51599	13.73
70.5 - 71.5	\$32,970.00	\$2,717.00	0.08241	6.64
71.5 - 72.5	\$30,253.00	\$0.00	0.00000	6.10
72.5 - 73.5	\$30,253.00	\$0.00	0.00000	6.10

Louisville Gas and Electric - Electric Division

Electric Division

364.00 POLES, TOWER AND FIXTURES

Actual And Simulated Balances

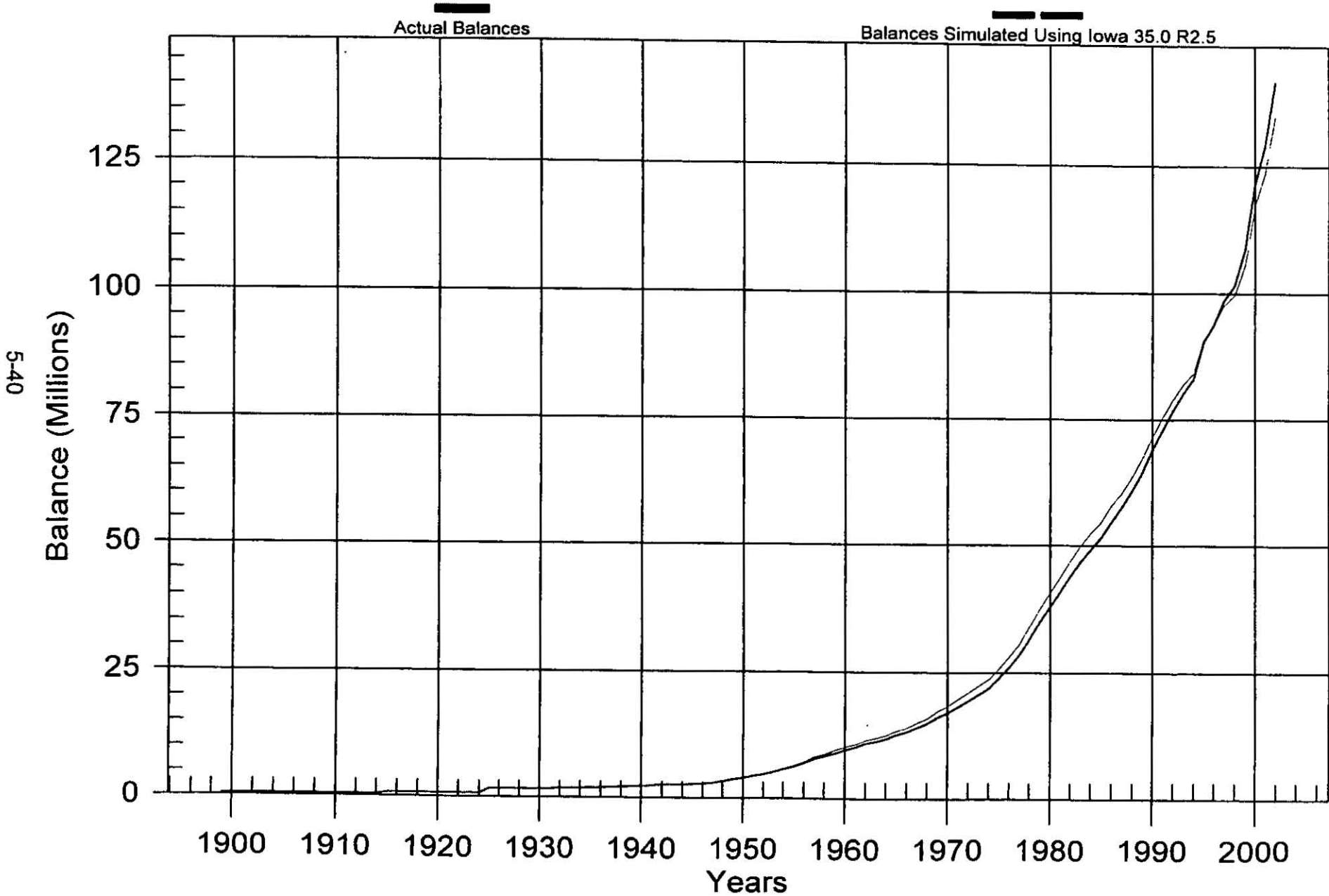


Louisville Gas and Electric - Electric Division

Electric Division

365.00 OVERHEAD CONDUCTORS & DEVICES

Actual And Simulated Balances

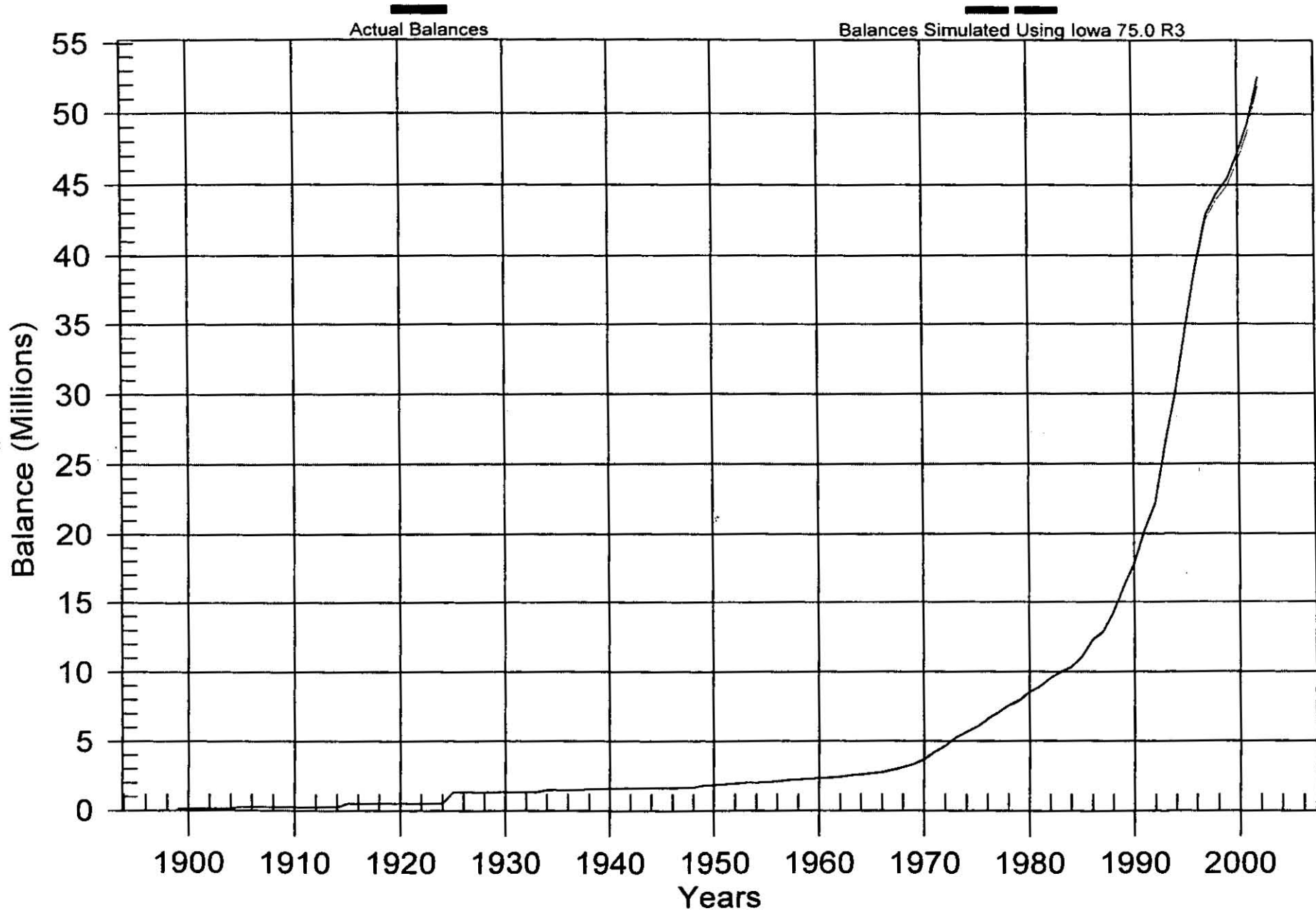


Louisville Gas and Electric - Electric Division

All Divisions

366.00 UNDERGROUND CONDUIT

Actual And Simulated Balances



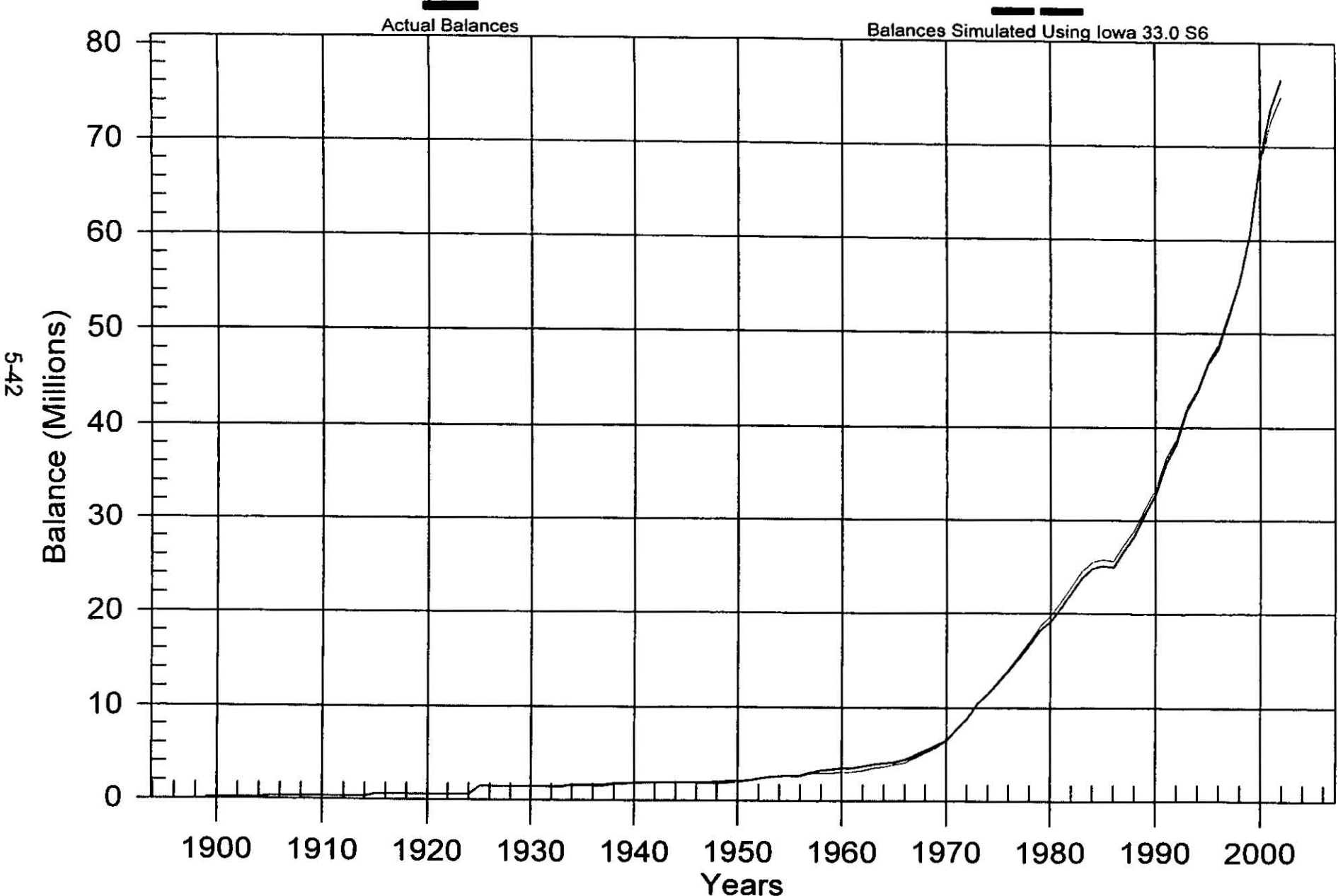
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Louisville Gas and Electric - Electric Division

All Divisions

367.00 UNDERGROUND CONDUCTORS & DEVICES

Actual And Simulated Balances



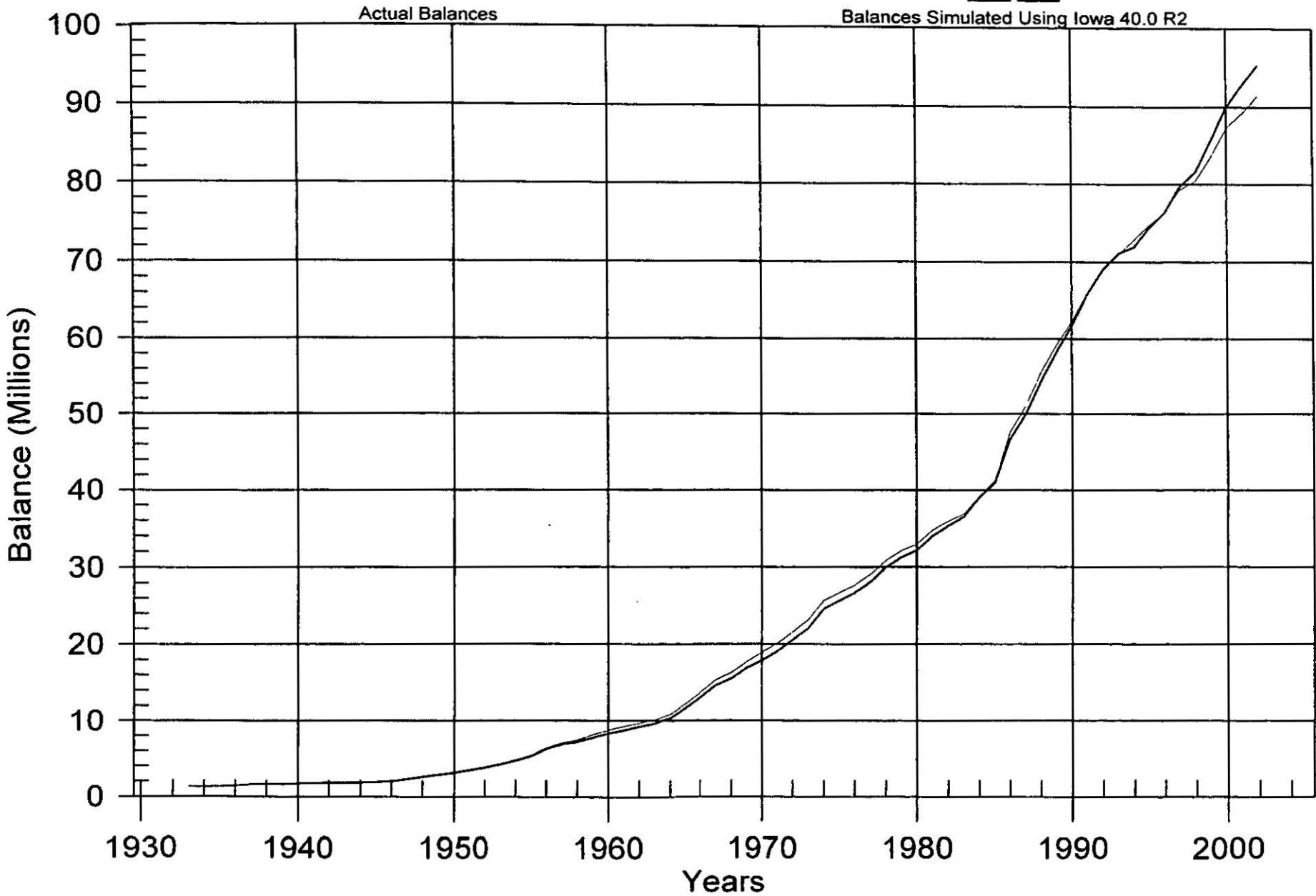
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Louisville Gas and Electric - Electric Division

Electric Division

368.00 LINE TRANSFORMERS

Actual And Simulated Balances



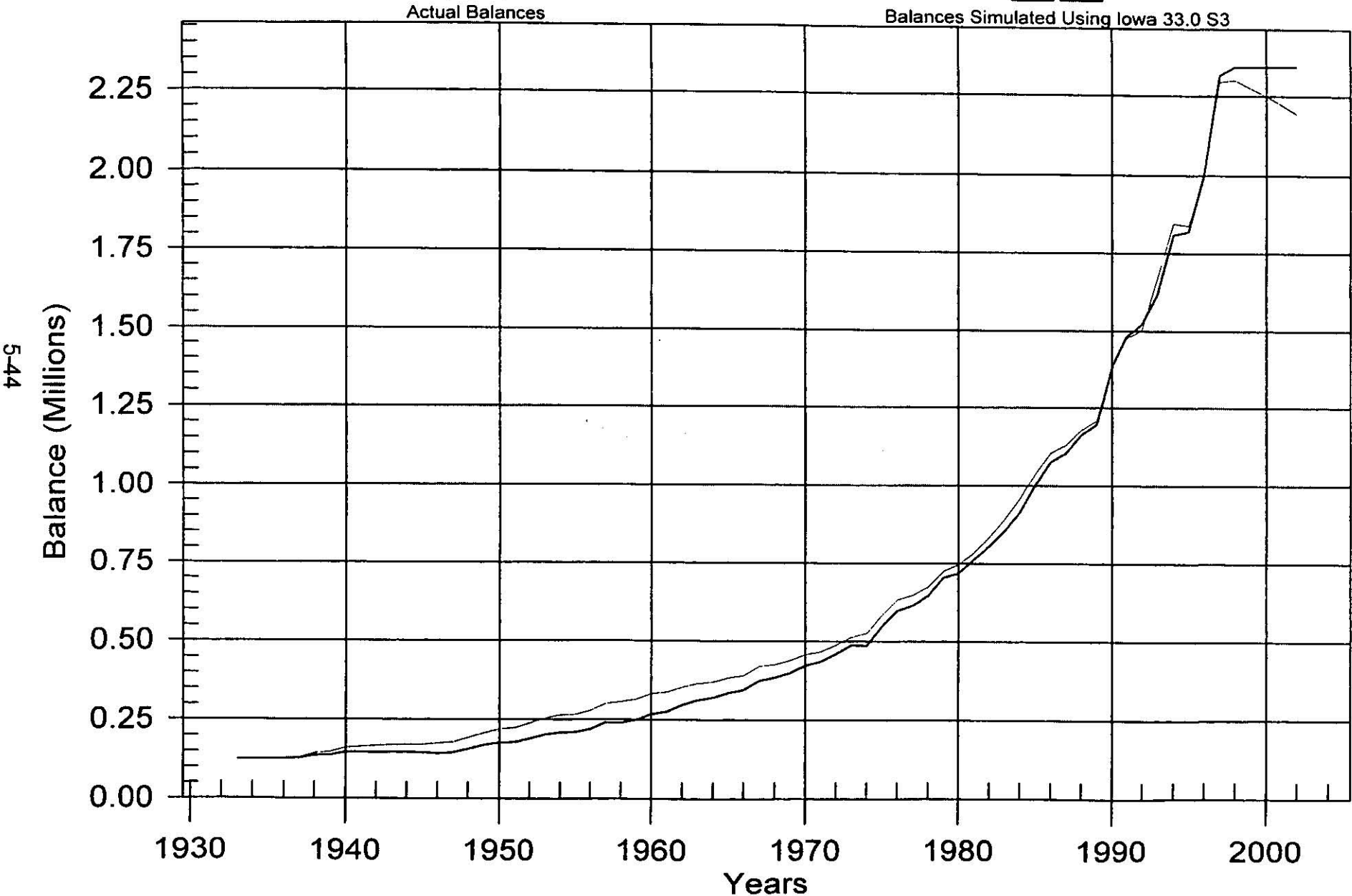
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Louisville Gas and Electric - Electric Division

All Divisions

369.10 UNDERGROUND SERVICES

Actual And Simulated Balances



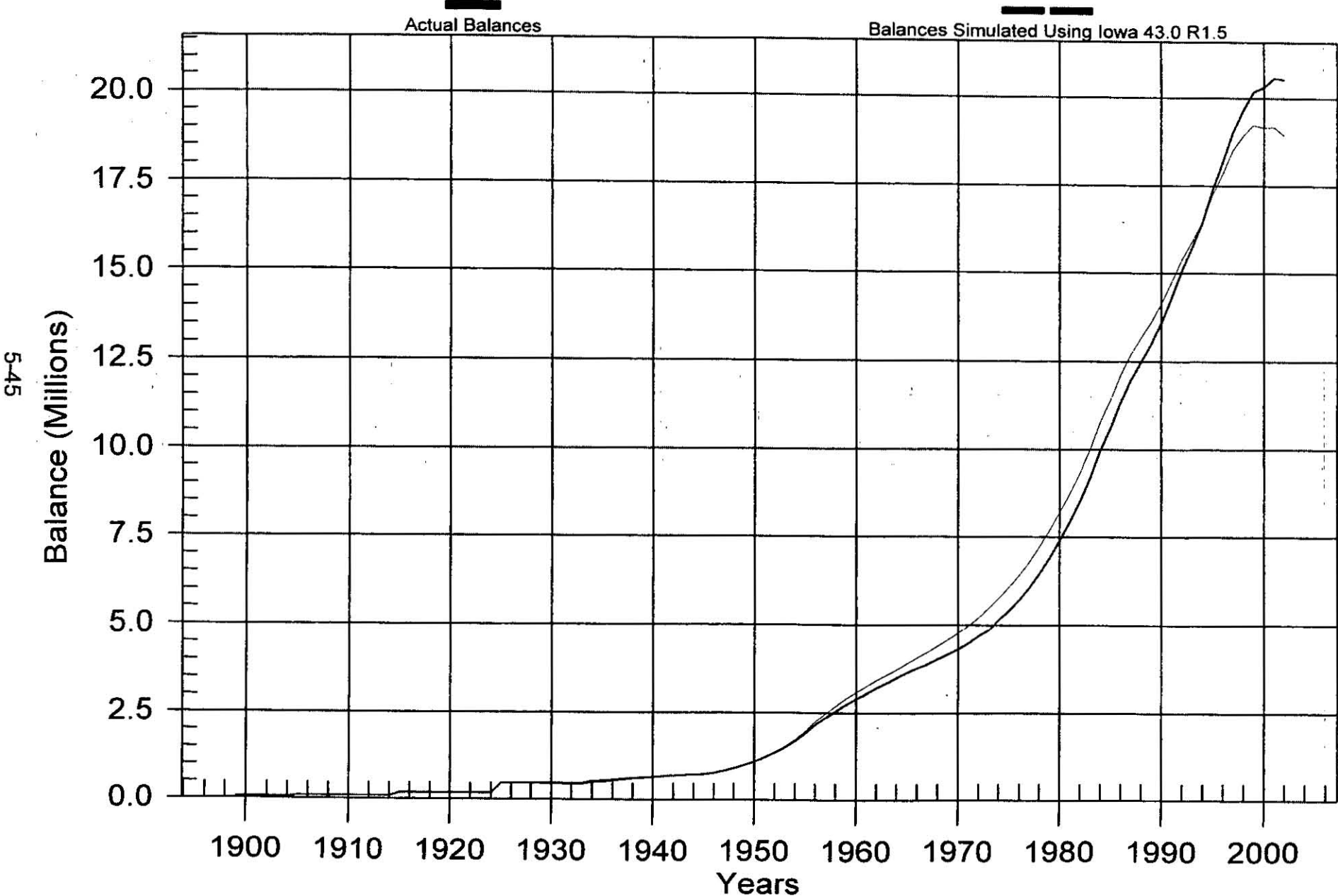
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Louisville Gas and Electric - Electric Division

All Divisions

369.20 OVERHEAD SERVICES

Actual And Simulated Balances

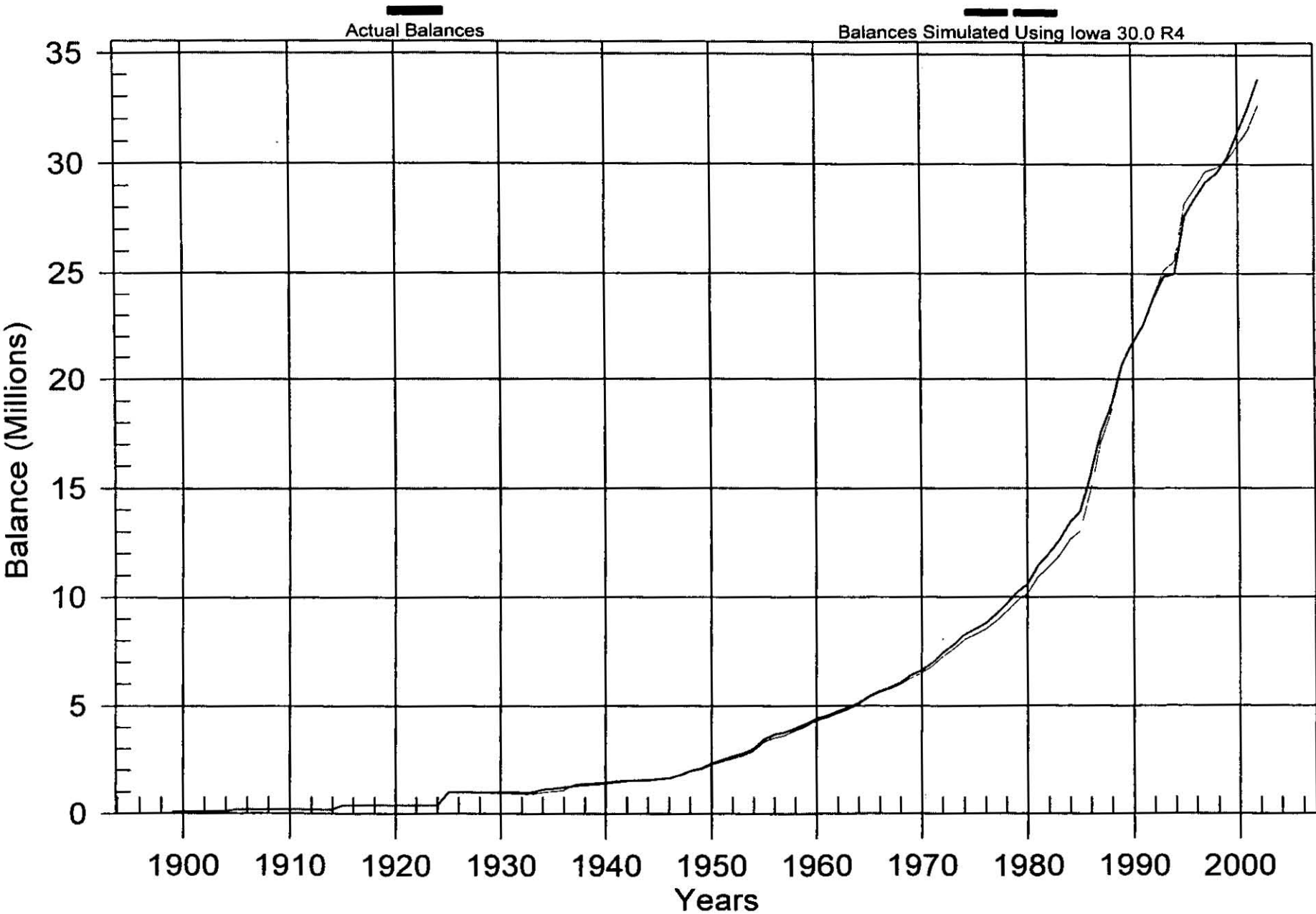


Louisville Gas and Electric - Electric Division

All Divisions

370.00 METERS & METER INSTALLATIONS

Actual And Simulated Balances



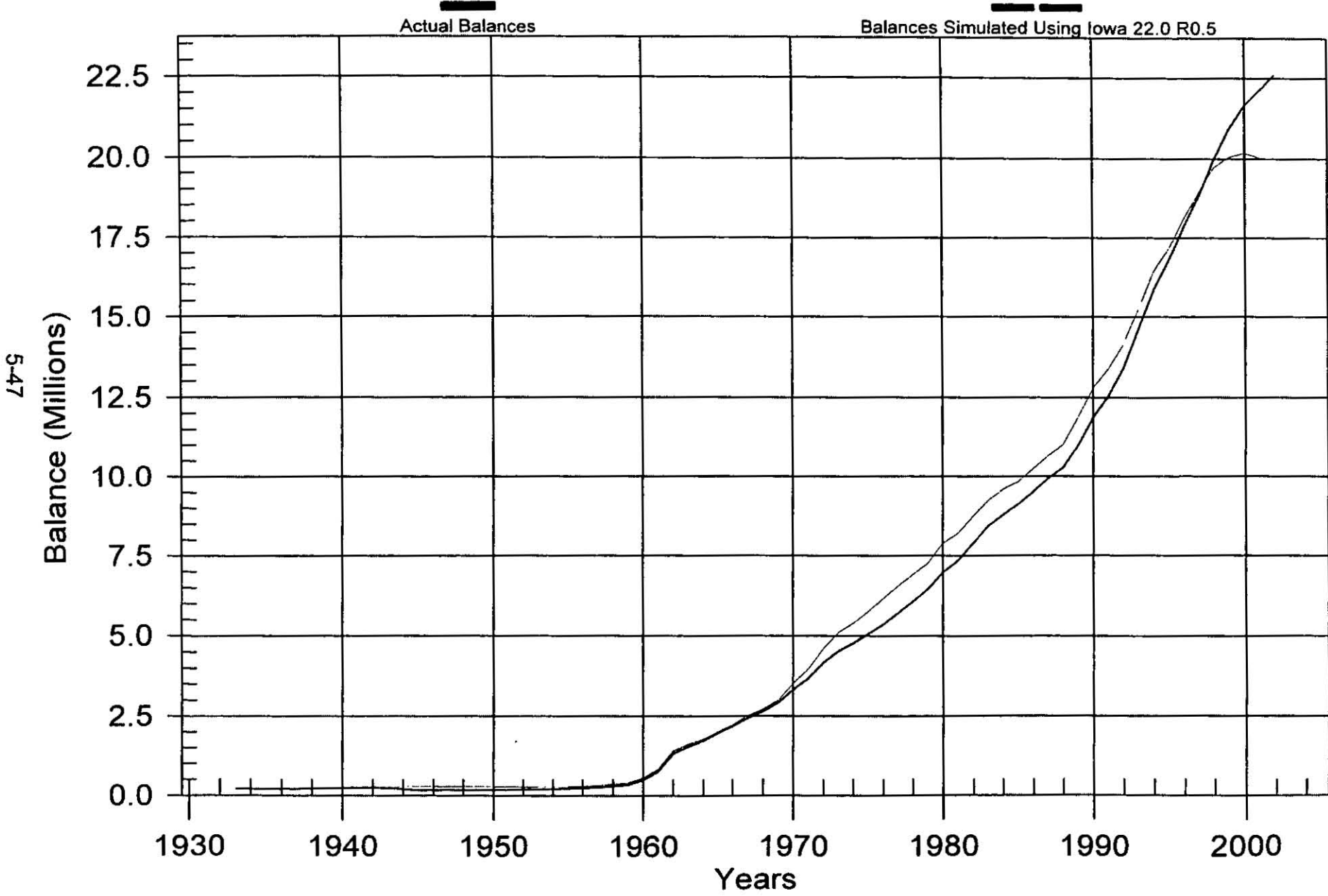
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Louisville Gas and Electric - Electric Division

All Divisions

373.10 OVERHEAD STREET LIGHTING

Actual And Simulated Balances



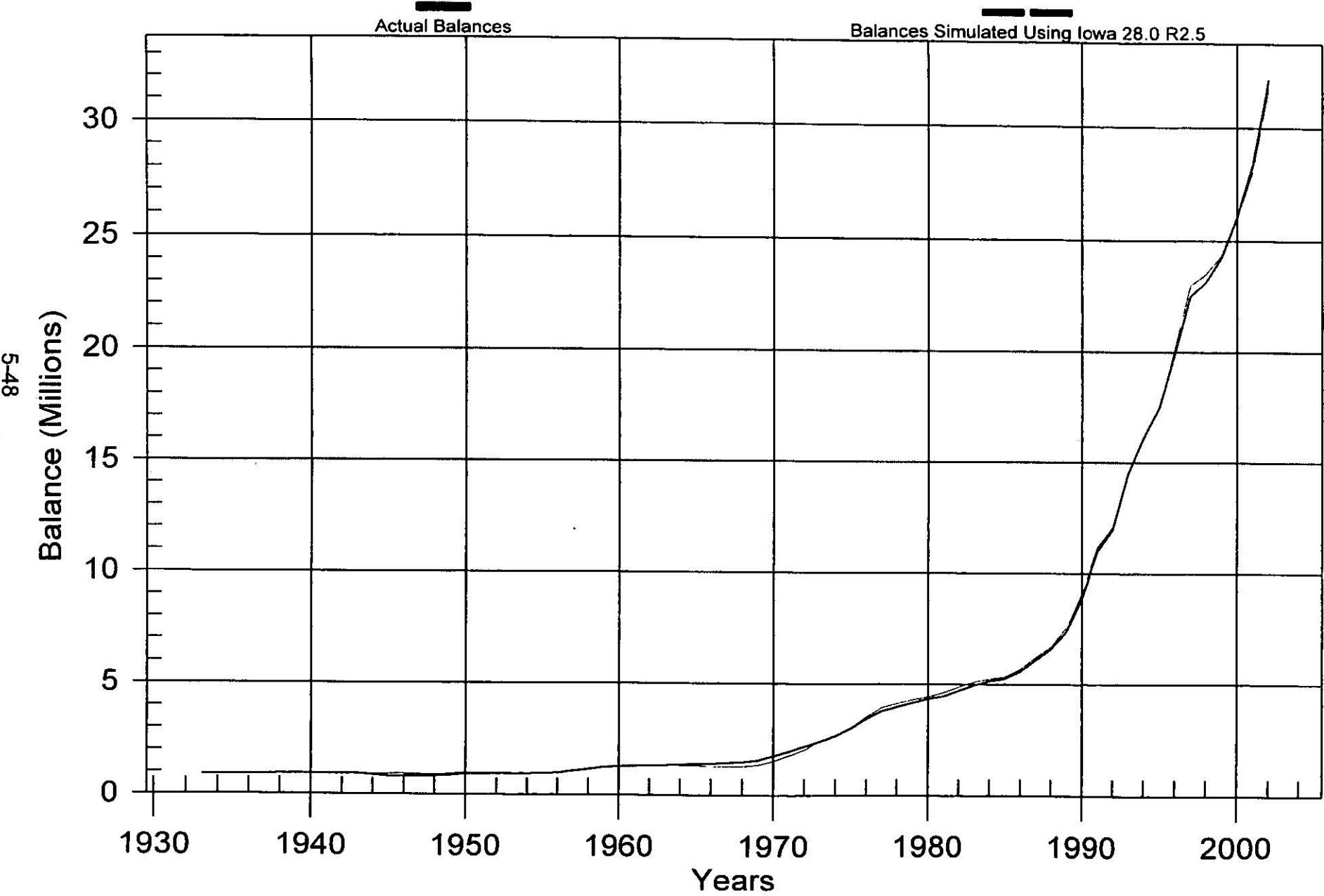
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Louisville Gas and Electric - Electric Division

All Divisions

373.20 UNDERGROUND STREET LIGHTING

Actual And Simulated Balances



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