

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 314 - Turbogenerator Units

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	5,300.00	-	0.00%	3,167.00	59.75%	(3,167.00)	-59.75%
1975	5,583.00	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	17,277.00	2,818.00	16.31%	2,051.00	11.87%	767.00	4.44%
1979	1,527,611.00	-	0.00%	-	0.00%	0.00	0.00%
1980	8,705.00	-	0.00%	-	0.00%	0.00	0.00%
1981	3,710,700.00	-	0.00%	-	0.00%	0.00	0.00%
1982	6,074.00	-	0.00%	620.00	10.21%	(620.00)	-10.21%
1983	2,465,234.00	-	0.00%	-	0.00%	0.00	0.00%
1984	2,791,319.00	-	0.00%	-	0.00%	0.00	0.00%
1985	7,690,532.00	-	0.00%	899.00	0.01%	(899.00)	-0.01%
1986	18,073.00	-	0.00%	813.00	4.50%	(813.00)	-4.50%
1987	43,600.00	17.00	0.04%	2,606.00	5.98%	(2,589.00)	-5.94%
1988	122,693.00	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	15,000.00	-	0.00%	-	0.00%	0.00	0.00%
1991	1,406,443.00	-	0.00%	-	0.00%	0.00	0.00%
1992	15,000.00	-	0.00%	-	0.00%	0.00	0.00%
1993	22,000.00	-	0.00%	524.00	2.38%	(524.00)	-2.38%
1994	110,318.00	-	0.00%	22,262.00	20.18%	(22,262.00)	-20.18%
1995	4,566,240.00	22,567.00	0.49%	376,944.00	8.26%	(354,377.00)	-7.76%
1996	1,314,385.00	61,486.00	4.68%	529,534.00	40.29%	(468,048.00)	-35.61%
1997	612,710.00	74,929.00	12.23%	73,876.00	12.06%	1,053.00	0.17%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	5,000.00	34.00	0.68%	1,782.00	35.64%	(1,748.00)	-34.96%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	94,480.00	-	0.00%	-	0.00%	0.00	0.00%

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<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	5,300.00	0.00	0.00%	3,167.00	59.75%	(3,167.00)	-59.75%
1973-1975	10,883.00	0.00	0.00%	3,167.00	29.10%	(3,167.00)	-29.10%
1974-1976	10,883.00	0.00	0.00%	3,167.00	29.10%	(3,167.00)	-29.10%
1975-1977	5,583.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	17,277.00	2,818.00	16.31%	2,051.00	11.87%	767.00	4.44%
1977-1979	1,544,888.00	2,818.00	0.18%	2,051.00	0.13%	767.00	0.05%
1978-1980	1,553,593.00	2,818.00	0.18%	2,051.00	0.13%	767.00	0.05%
1979-1981	5,247,016.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	3,725,479.00	0.00	0.00%	620.00	0.02%	(620.00)	-0.02%
1981-1983	6,182,008.00	0.00	0.00%	620.00	0.01%	(620.00)	-0.01%
1982-1984	5,262,627.00	0.00	0.00%	620.00	0.01%	(620.00)	-0.01%
1983-1985	12,947,085.00	0.00	0.00%	899.00	0.01%	(899.00)	-0.01%
1984-1986	10,499,924.00	0.00	0.00%	1,712.00	0.02%	(1,712.00)	-0.02%
1985-1987	7,752,205.00	17.00	0.00%	4,318.00	0.06%	(4,301.00)	-0.06%
1986-1988	184,366.00	17.00	0.01%	3,419.00	1.85%	(3,402.00)	-1.85%
1987-1989	166,293.00	17.00	0.01%	2,606.00	1.57%	(2,589.00)	-1.56%
1988-1990	137,693.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	1,421,443.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	1,436,443.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	1,443,443.00	0.00	0.00%	524.00	0.04%	(524.00)	-0.04%
1992-1994	147,318.00	0.00	0.00%	22,786.00	15.47%	(22,786.00)	-15.47%
1993-1995	4,698,558.00	22,567.00	0.48%	399,730.00	8.51%	(377,163.00)	-8.03%
1994-1996	5,990,943.00	84,053.00	1.40%	928,740.00	15.50%	(844,687.00)	-14.10%
1995-1997	6,493,335.00	158,982.00	2.45%	980,354.00	15.10%	(821,372.00)	-12.65%
1996-1998	1,927,095.00	136,415.00	7.08%	603,410.00	31.31%	(466,995.00)	-24.23%
1997-1999	617,710.00	74,963.00	12.14%	75,658.00	12.25%	(695.00)	-0.11%
1998-2000	5,000.00	34.00	0.68%	1,782.00	35.64%	(1,748.00)	-34.96%
1999-2001	5,000.00	34.00	0.68%	1,782.00	35.64%	(1,748.00)	-34.96%
2000-2002	94,480.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	26,574,277.00	161,851.00	0.61%	1,015,078.00	3.82%	-853,227.00	-3.21%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	38.6
Avg Ret Age	28.4
Years to ASL	10.2

Inflation Factor At 2.75% to ASL 1.32

Adjusted Salvage & C/O/R

-3.57%

5.04%

-8.61%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	3.55%
1988-2002	15-Year Trend	4.05%
1993-2002	10-Year Trend	3.91%
1998-2002	5-Year Trend	-3.57%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 315 - Accessory Electric Equipment

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	33,729.00		0.00%	502.00	1.49%	(502.00)	-1.49%
1973	7,724.00	1,966.00	25.45%		0.00%	1,966.00	25.45%
1974	10,311.00		0.00%	417.00	4.04%	(417.00)	-4.04%
1975	11,172.00	2,381.00	21.31%	521.00	4.66%	1,860.00	16.65%
1976	3,903.00	2,393.00	61.31%	38,121.00	976.71%	(35,728.00)	-915.40%
1977	22,153.00		0.00%	794.00	3.58%	(794.00)	-3.58%
1978	23,703.00	4,573.00	19.29%	1,238.00	5.22%	3,335.00	14.07%
1979	140,861.00	123.00	0.09%	388.00	0.28%	(265.00)	-0.19%
1980	127,304.00		0.00%	1,849.00	1.45%	(1,849.00)	-1.45%
1981	963,033.00	1,261.00	0.13%		0.00%	1,261.00	0.13%
1982	8,574.00	999.00	11.65%	993.00	11.58%	6.00	0.07%
1983	302,710.00	688.00	0.23%	(13.00)	0.00%	701.00	0.23%
1984	1,628,052.00		0.00%	4,221.00	0.26%	(4,221.00)	-0.26%
1985	1,108,851.00		0.00%	2,002.00	0.18%	(2,002.00)	-0.18%
1986	13,971.00		0.00%		0.00%	0.00	0.00%
1987	807,408.00	926.00	0.11%	95,681.00	11.85%	(94,755.00)	-11.74%
1988	12,928.00	(10.00)	-0.08%	3,297.00	25.50%	(3,307.00)	-25.58%
1989	97,796.00	-	0.00%	-	0.00%	-0.00	0.00%
1990	76,484.00	2,100.00	2.75%	(16,433.00)	-21.49%	18,533.00	24.23%
1991	313,936.00		0.00%	1,028.00	0.33%	(1,028.00)	-0.33%
1992	61,486.00		0.00%	10,547.00	17.15%	(10,547.00)	-17.15%
1993	473,682.00		0.00%	(6,732.00)	-1.42%	6,732.00	1.42%
1994	22,000.00		0.00%		0.00%	0.00	0.00%
1995	822,779.00	4,066.00	0.49%	67,921.00	8.26%	(63,855.00)	-7.76%
1996	348,770.00	16,315.00	4.68%	140,511.00	40.29%	(124,196.00)	-35.61%
1997	1,032,181.00	126,227.00	12.23%	124,452.00	12.06%	1,775.00	0.17%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	2,918.00	21.00	0.72%	1,040.00	35.64%	(1,019.00)	-34.92%
2000	671,474.00	-	0.00%	16,128.00	2.40%	(16,128.00)	-2.40%
2001	34,589.00	-	0.00%	-	0.00%	0.00	0.00%
2002	102,272.00	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 315 - Accessory Electric Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	51,764.00	1,966.00	3.80%	919.00	1.78%	1,047.00	2.02%
1973-1975	29,207.00	4,347.00	14.88%	938.00	3.21%	3,409.00	11.67%
1974-1976	25,386.00	4,774.00	18.81%	39,059.00	153.86%	(34,285.00)	-135.05%
1975-1977	37,228.00	4,774.00	12.82%	39,436.00	105.93%	(34,662.00)	-93.11%
1976-1978	49,759.00	6,966.00	14.00%	40,153.00	80.69%	(33,187.00)	-66.70%
1977-1979	186,717.00	4,696.00	2.52%	2,420.00	1.30%	2,276.00	1.22%
1978-1980	291,868.00	4,696.00	1.61%	3,475.00	1.19%	1,221.00	0.42%
1979-1981	1,231,198.00	1,384.00	0.11%	2,237.00	0.18%	(853.00)	-0.07%
1980-1982	1,098,911.00	2,260.00	0.21%	2,842.00	0.26%	(582.00)	-0.05%
1981-1983	1,274,317.00	2,948.00	0.23%	980.00	0.08%	1,968.00	0.15%
1982-1984	1,939,336.00	1,687.00	0.09%	5,201.00	0.27%	(3,514.00)	-0.18%
1983-1985	3,039,613.00	688.00	0.02%	6,210.00	0.20%	(5,522.00)	-0.18%
1984-1986	2,750,874.00	0.00	0.00%	6,223.00	0.23%	(6,223.00)	-0.23%
1985-1987	1,930,230.00	926.00	0.05%	97,683.00	5.06%	(96,757.00)	-5.01%
1986-1988	834,307.00	916.00	0.11%	98,978.00	11.86%	(98,062.00)	-11.75%
1987-1989	918,132.00	916.00	0.10%	98,978.00	10.78%	(98,062.00)	-10.68%
1988-1990	187,208.00	2,090.00	1.12%	(13,136.00)	-7.02%	15,226.00	8.13%
1989-1991	488,216.00	2,100.00	0.43%	(15,405.00)	-3.16%	17,505.00	3.59%
1990-1992	451,906.00	2,100.00	0.46%	(4,858.00)	-1.08%	6,958.00	1.54%
1991-1993	849,104.00	0.00	0.00%	4,843.00	0.57%	(4,843.00)	-0.57%
1992-1994	557,168.00	0.00	0.00%	3,815.00	0.68%	(3,815.00)	-0.68%
1993-1995	1,318,461.00	4,066.00	0.31%	61,189.00	4.64%	(57,123.00)	-4.33%
1994-1996	1,193,549.00	20,381.00	1.71%	208,432.00	17.46%	(188,051.00)	-15.76%
1995-1997	2,203,730.00	146,608.00	6.65%	332,884.00	15.11%	(186,276.00)	-8.45%
1996-1998	1,380,951.00	142,542.00	10.32%	264,963.00	19.19%	(122,421.00)	-8.86%
1997-1999	1,035,099.00	126,248.00	12.20%	125,492.00	12.12%	756.00	0.07%
1998-2000	674,392.00	21.00	0.00%	17,168.00	2.55%	(17,147.00)	-2.54%
1999-2001	708,981.00	21.00	0.00%	17,168.00	2.42%	(17,147.00)	-2.42%
2000-2002	808,335.00	0.00	0.00%	16,128.00	2.00%	(16,128.00)	-2.00%
1972-2002	9,286,754.00	164,029.00	1.77%	488,473.00	5.26%	-324,444.00	-3.49%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	55
Avg Ret Age	23.3
Years to ASL	35

Inflation Factor At 2.75% to ASL 2.58

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	4.29%
1988-2002	15-Year Trend	4.65%
1993-2002	10-Year Trend	4.24%
1998-2002	5-Year Trend	-5.35%

Adjusted Salvage & C/O/R -5.35% 13.59% -18.94%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 316 - Miscellaneous Power Plant Equipment

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	985.00		0.00%	62.00	6.29%	(62.00)	-6.29%
1973	-		0.00%	-	0.00%	0.00	0.00%
1974	2,625.00	1,400.00	53.33%		0.00%	1,400.00	53.33%
1975	2,166.00		0.00%		0.00%	0.00	0.00%
1976	3,217.00		0.00%		0.00%	0.00	0.00%
1977	4,112.00		0.00%		0.00%	0.00	0.00%
1978	2,193.00	24.00	1.09%		0.00%	24.00	1.09%
1979	33,145.00		0.00%	43.00	0.13%	(43.00)	-0.13%
1980	1,734.00		0.00%		0.00%	0.00	0.00%
1981	15,052.00	7,500.00	49.83%		0.00%	7,500.00	49.83%
1982	350.00		0.00%		0.00%	0.00	0.00%
1983	309.00		0.00%		0.00%	0.00	0.00%
1984	344,269.00		0.00%		0.00%	0.00	0.00%
1985	68,016.00	53.00	0.08%		0.00%	53.00	0.08%
1986	7,808.00		0.00%		0.00%	0.00	0.00%
1987	5,311.00		0.00%		0.00%	0.00	0.00%
1988	1,311.00		0.00%		0.00%	0.00	0.00%
1989	318.00	175.00	55.03%		0.00%	175.00	55.03%
1990	17,214.00		0.00%	(1,000.00)	-5.81%	1,000.00	5.81%
1991	15,986.00		0.00%		0.00%	0.00	0.00%
1992	5,162.00		0.00%		0.00%	0.00	0.00%
1993	137,323.00		0.00%		0.00%	0.00	0.00%
1994	-		0.00%		0.00%	0.00	0.00%
1995	114,896.00	568.00	0.49%	9,485.00	8.26%	(8,917.00)	-7.76%
1996	386,595.00	18,085.00	4.68%	155,750.00	40.29%	(137,665.00)	-35.61%
1997	63,113.00	7,719.00	12.23%	7,610.00	12.06%	109.00	0.17%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	537.00	0.00%	(537.00)	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 316 - Miscellaneous Power Plant Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	3,610.00	1,400.00	38.78%	62.00	1.72%	1,338.00	37.06%
1973-1975	4,791.00	1,400.00	29.22%	0.00	0.00%	1,400.00	29.22%
1974-1976	8,008.00	1,400.00	17.48%	0.00	0.00%	1,400.00	17.48%
1975-1977	9,495.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	9,522.00	24.00	0.25%	0.00	0.00%	24.00	0.25%
1977-1979	39,450.00	24.00	0.06%	43.00	0.11%	(19.00)	-0.05%
1978-1980	37,072.00	24.00	0.06%	43.00	0.12%	(19.00)	-0.05%
1979-1981	49,931.00	7,500.00	15.02%	43.00	0.09%	7,457.00	14.93%
1980-1982	17,136.00	7,500.00	43.77%	0.00	0.00%	7,500.00	43.77%
1981-1983	15,711.00	7,500.00	47.74%	0.00	0.00%	7,500.00	47.74%
1982-1984	344,928.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	412,594.00	53.00	0.01%	0.00	0.00%	53.00	0.01%
1984-1986	420,093.00	53.00	0.01%	0.00	0.00%	53.00	0.01%
1985-1987	81,135.00	53.00	0.07%	0.00	0.00%	53.00	0.07%
1986-1988	14,430.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	6,940.00	175.00	2.52%	0.00	0.00%	175.00	2.52%
1988-1990	18,843.00	175.00	0.93%	(1,000.00)	-5.31%	1,175.00	6.24%
1989-1991	33,518.00	175.00	0.52%	(1,000.00)	-2.98%	1,175.00	3.51%
1990-1992	38,362.00	0.00	0.00%	(1,000.00)	-2.61%	1,000.00	2.61%
1991-1993	158,471.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	142,485.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	252,219.00	568.00	0.23%	9,485.00	3.76%	(8,917.00)	-3.54%
1994-1996	501,491.00	18,653.00	3.72%	165,235.00	32.95%	(146,582.00)	-29.23%
1995-1997	564,604.00	26,372.00	4.67%	172,845.00	30.61%	(146,473.00)	-25.94%
1996-1998	449,708.00	25,804.00	5.74%	163,360.00	36.33%	(137,556.00)	-30.59%
1997-1999	63,113.00	7,719.00	12.23%	7,610.00	12.06%	109.00	0.17%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	537.00	0.00%	(537.00)	0.00%
1972-2002	1,233,210.00	35,524.00	2.88%	172,487.00	13.99%	-136,963.00	-11.11%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	29.9
Avg Ret Age	25.1
Years to ASL	4.8

Inflation Factor At 2.75% to ASL 1.14

Adjusted Salvage & C/O/R

-3.52%

15.93%

-19.45%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-1.14%
1988-2002	15-Year Trend	3.68%
1993-2002	10-Year Trend	3.51%
1998-2002	5-Year Trend	-3.52%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 331 - Hydraulic Structures and Improvements

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	15,000.00	-	0.00%	1,633.00	10.89%	(1,633.00)	-10.89%
1975	265.00	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	9,400.00	-	0.00%	25,350.00	269.68%	(25,350.00)	-269.68%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	1,239.00	-	0.00%	-	0.00%	0.00	0.00%
1985	100.00	-	0.00%	3,175.00	3175.00%	(3,175.00)	-3175.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	1,519.00	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	19,092.00	-	0.00%	5,937.00	31.10%	(5,937.00)	-31.10%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	8,858.00	-	0.00%	966.00	10.91%	(966.00)	-10.91%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	400.00	-	0.00%	10,359.00	2589.75%	(10,359.00)	-2589.75%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
 1972 through 2002

Account 331 - Hydraulic Structures and Improvements

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	15,000.00	0.00	0.00%	1,633.00	10.89%	(1,633.00)	-10.89%
1973-1975	15,265.00	0.00	0.00%	1,633.00	10.70%	(1,633.00)	-10.70%
1974-1976	15,265.00	0.00	0.00%	1,633.00	10.70%	(1,633.00)	-10.70%
1975-1977	265.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	9,400.00	0.00	0.00%	25,350.00	269.68%	(25,350.00)	-269.68%
1979-1981	9,400.00	0.00	0.00%	25,350.00	269.68%	(25,350.00)	-269.68%
1980-1982	9,400.00	0.00	0.00%	25,350.00	269.68%	(25,350.00)	-269.68%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	1,239.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	1,339.00	0.00	0.00%	3,175.00	237.12%	(3,175.00)	-237.12%
1984-1986	1,339.00	0.00	0.00%	3,175.00	237.12%	(3,175.00)	-237.12%
1985-1987	100.00	0.00	0.00%	3,175.00	3175.00%	(3,175.00)	-3175.00%
1986-1988	1,519.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	1,519.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	1,519.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	19,092.00	0.00	0.00%	5,937.00	31.10%	(5,937.00)	-31.10%
1992-1994	19,092.00	0.00	0.00%	5,937.00	31.10%	(5,937.00)	-31.10%
1993-1995	27,950.00	0.00	0.00%	6,903.00	24.70%	(6,903.00)	-24.70%
1994-1996	8,858.00	0.00	0.00%	966.00	10.91%	(966.00)	-10.91%
1995-1997	9,258.00	0.00	0.00%	11,325.00	122.33%	(11,325.00)	-122.33%
1996-1998	400.00	0.00	0.00%	10,359.00	2589.75%	(10,359.00)	-2589.75%
1997-1999	400.00	0.00	0.00%	10,359.00	2589.75%	(10,359.00)	-2589.75%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	55,873.00	0.00	0.00%	47,420.00	84.87%	-47,420.00	-84.87%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	76.8
Avg Ret Age	0
Years to ASL	76.8

Inflation Factor At 2.75% to ASL 8.03

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 681.72% -681.72%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 332 - Reservoirs, Dams and Waterways

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	1,016.00	-	0.00%	111.00	10.93%	(111.00)	-10.93%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	8,455.00	-	0.00%	10,197.00	120.60%	(10,197.00)	-120.60%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

**Analysis of Experienced Salvage
1972 through 2002**

Account 332 - Reservoirs, Dams and Waterways

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	1,016.00	0.00	0.00%	111.00	10.93%	(111.00)	-10.93%
1994-1996	1,016.00	0.00	0.00%	111.00	10.93%	(111.00)	-10.93%
1995-1997	1,016.00	0.00	0.00%	111.00	10.93%	(111.00)	-10.93%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	8,455.00	0.00	0.00%	10,197.00	120.60%	(10,197.00)	-120.60%
1999-2001	8,455.00	0.00	0.00%	10,197.00	120.60%	(10,197.00)	-120.60%
2000-2002	8,455.00	0.00	0.00%	10,197.00	120.60%	(10,197.00)	-120.60%
1972-2002	9,471.00	0.00	0.00%	10,308.00	108.84%	-10,308.00	-108.84%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	48.6
Avg Ret Age	66.5
Years to ASL	-17.9

Inflation Factor At 2.75% to ASL 0.62

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 66.97% -66.97%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 334 - Hydraulic Accessory Electric Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	133.00	-	0.00%	527.00	396.24%	(527.00)	-396.24%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	4,583.00	132.00	2.88%	2,770.00	60.44%	(2,638.00)	-57.56%
1988	9,437.00	-	0.00%	6,306.00	66.82%	(6,306.00)	-66.82%
1989	74,507.00	-	0.00%	2,186.00	2.93%	(2,186.00)	-2.93%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	143,390.00	-	0.00%	15,641.00	10.91%	(15,641.00)	-10.91%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 334 - Hydraulic Accessory Electric Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	133.00	0.00	0.00%	527.00	396.24%	(527.00)	-396.24%
1977-1979	133.00	0.00	0.00%	527.00	396.24%	(527.00)	-396.24%
1978-1980	133.00	0.00	0.00%	527.00	396.24%	(527.00)	-396.24%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	4,583.00	132.00	2.88%	2,770.00	60.44%	(2,638.00)	-57.56%
1986-1988	14,020.00	132.00	0.94%	9,076.00	64.74%	(8,944.00)	-63.79%
1987-1989	88,527.00	132.00	0.15%	11,262.00	12.72%	(11,130.00)	-12.57%
1988-1990	83,944.00	0.00	0.00%	8,492.00	10.12%	(8,492.00)	-10.12%
1989-1991	74,507.00	0.00	0.00%	2,186.00	2.93%	(2,186.00)	-2.93%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	143,390.00	0.00	0.00%	15,641.00	10.91%	(15,641.00)	-10.91%
1994-1996	143,390.00	0.00	0.00%	15,641.00	10.91%	(15,641.00)	-10.91%
1995-1997	143,390.00	0.00	0.00%	15,641.00	10.91%	(15,641.00)	-10.91%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	232,050.00	132.00	0.06%	27,430.00	11.82%	-27,298.00	-11.76%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	41.6
Avg Ret Age	0
Years to ASL	41.6

Inflation Factor At 2.75% to ASL 3.09

Adjusted Salvage & C/O/R

0.00%

36.54%

-36.54%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-0.13%
1988-2002	15-Year Trend	-0.14%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 335 - Hydraulic Miscellaneous Power Plant Equipment

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	885.00	228.00	25.76%	-	0.00%	228.00	25.76%
1974	140.00	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	150.00	-	0.00%	397.00	264.67%	(397.00)	-264.67%
1982	335.00	5.00	1.49%	-	0.00%	5.00	1.49%
1983	(335.00)	(5.00)	1.49%	-	0.00%	(5.00)	1.49%
1984	3,813.00	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	335.00	12.00	3.58%	-	0.00%	12.00	3.58%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	3,546.00	-	0.00%	-	0.00%	0.00	0.00%
1989	225.00	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	525.00	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	2,523.00	-	0.00%	275.00	10.90%	(275.00)	-10.90%
1996	4,073.00	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	3,647.00	76.00	2.08%	14.00	0.38%	62.00	1.70%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 335 - Hydraulic Miscellaneous Power Plant Equipment

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	1,025.00	228.00	22.24%	0.00	0.00%	228.00	22.24%
1973-1975	1,025.00	228.00	22.24%	0.00	0.00%	228.00	22.24%
1974-1976	140.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	150.00	0.00	0.00%	397.00	264.67%	(397.00)	-264.67%
1980-1982	485.00	5.00	1.03%	397.00	81.86%	(392.00)	-80.82%
1981-1983	150.00	0.00	0.00%	397.00	264.67%	(397.00)	-264.67%
1982-1984	3,813.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	3,478.00	-5.00	-0.14%	0.00	0.00%	(5.00)	-0.14%
1984-1986	4,148.00	12.00	0.29%	0.00	0.00%	12.00	0.29%
1985-1987	335.00	12.00	3.58%	0.00	0.00%	12.00	3.58%
1986-1988	3,881.00	12.00	0.31%	0.00	0.00%	12.00	0.31%
1987-1989	3,771.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	3,771.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	750.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	525.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	525.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	2,523.00	0.00	0.00%	275.00	10.90%	(275.00)	-10.90%
1994-1996	6,596.00	0.00	0.00%	275.00	4.17%	(275.00)	-4.17%
1995-1997	6,596.00	0.00	0.00%	275.00	4.17%	(275.00)	-4.17%
1996-1998	4,073.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	3,647.00	76.00	2.08%	14.00	0.38%	62.00	1.70%
1972-2002	19,862.00	316.00	1.59%	686.00	3.45%	-370.00	-1.86%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	46.5
Avg Ret Age	43.5
Years to ASL	3

Inflation Factor At 2.75% to ASL 1.08

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.27%
1988-2002	15-Year Trend	0.51%
1993-2002	10-Year Trend	0.83%
1998-2002	5-Year Trend	1.67%

Adjusted Salvage & C/O/R 1.67% 3.75% -2.08%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 336 - Hydraulic Roads, Railroads and Bridges

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	5,682.00	-	0.00%	6,852.00	120.59%	(6,852.00)	-120.59%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 336 - Hydraulic Roads, Railroads and Bridges

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	5,682.00	0.00	0.00%	6,852.00	120.59%	(6,852.00)	-120.59%
1999-2001	5,682.00	0.00	0.00%	6,852.00	120.59%	(6,852.00)	-120.59%
2000-2002	5,682.00	0.00	0.00%	6,852.00	120.59%	(6,852.00)	-120.59%
1972-2002	5,682.00	0.00	0.00%	6,852.00	120.59%	-6,852.00	-120.59%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	85.4
Avg Ret Age	61
Years to ASL	24.4

Inflation Factor At 2.75% to ASL 1.94

Adjusted Salvage & C/O/R 0.00% 233.77% -233.77%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 341 - Other Production Structures and Improvments

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	6,112.00	-	0.00%	6,510.00	106.51%	(6,510.00)	-106.51%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 341 - Other Production Structures and Improvements

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1973 1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974 1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975 1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976 1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977 1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978 1977-1979	6,112.00	0.00	0.00%	6,510.00	106.51%	(6,510.00)	-106.51%
1979 1978-1980	6,112.00	0.00	0.00%	6,510.00	106.51%	(6,510.00)	-106.51%
1980 1979-1981	6,112.00	0.00	0.00%	6,510.00	106.51%	(6,510.00)	-106.51%
1981 1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982 1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983 1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984 1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985 1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986 1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987 1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988 1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989 1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990 1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991 1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992 1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993 1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994 1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995 1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996 1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997 1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998 1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999 1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000 1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2001 2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	6,112.00	0.00	0.00%	6,510.00	106.51%	-6,510.00	-106.51%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	29
Avg Ret Age	0
Years to ASL	29
Inflation Factor At 2.75% to ASL	2.20

<u>Gross Salv. Trend Analysis*</u>		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 233.92% -233.92%

Louisville Gas and Electric
Electric Division

Analysis of Experienced Salvage
1972 through 2002

Account 343 - Other Production Prime Movers

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	3,454.00	-	0.00%	21.00	0.61%	(21.00)	-0.61%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	8,498.00	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	13,003.00	-	0.00%	479.00	3.68%	(479.00)	-3.68%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	14,899.00	0.00%	(14,899.00)	0.00%
2000	3,969.00	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	49,334.00	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 343 - Other Production Prime Movers

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	3,454.00	0.00	0.00%	21.00	0.61%	(21.00)	-0.61%
1983-1985	3,454.00	0.00	0.00%	21.00	0.61%	(21.00)	-0.61%
1984-1986	3,454.00	0.00	0.00%	21.00	0.61%	(21.00)	-0.61%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	8,498.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	8,498.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	8,498.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	13,003.00	0.00	0.00%	479.00	3.68%	(479.00)	-3.68%
1994-1996	13,003.00	0.00	0.00%	479.00	3.68%	(479.00)	-3.68%
1995-1997	13,003.00	0.00	0.00%	479.00	3.68%	(479.00)	-3.68%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	14,899.00	0.00%	(14,899.00)	0.00%
1998-2000	3,969.00	0.00	0.00%	14,899.00	375.38%	(14,899.00)	-375.38%
1999-2001	3,969.00	0.00	0.00%	14,899.00	375.38%	(14,899.00)	-375.38%
2000-2002	53,303.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	78,258.00	0.00	0.00%	15,399.00	19.68%	-15,399.00	-19.68%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	28
Avg Ret Age	37.4
Years to ASL	-9.4

Inflation Factor At 2.75% to ASL 0.77

Adjusted Salvage & C/O/R 0.00% 15.25% -15.25%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 344 - Other Production Generators

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	250.00	-	0.00%	16.00	6.40%	(16.00)	-6.40%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	1,984.00	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	10,000.00	-	0.00%	386.00	3.86%	(386.00)	-3.86%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	5,000.00	-	0.00%	1,209.00	24.18%	(1,209.00)	-24.18%
1988	290.00	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	2,000.00	-	0.00%	196.00	9.80%	(196.00)	-9.80%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	16,367.00	-	0.00%	603.00	3.68%	(603.00)	-3.68%
1996	50,000.00	-	0.00%	5,018.00	10.04%	(5,018.00)	-10.04%
1997	50,000.00	-	0.00%	342.00	0.68%	(342.00)	-0.68%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	191,176.00	-	0.00%	19,600.00	-10.25%	(19,600.00)	-10.25%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 344 - Other Production Generators

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	250.00	0.00	0.00%	16.00	6.40%	(16.00)	-6.40%
1973-1975	250.00	0.00	0.00%	16.00	6.40%	(16.00)	-6.40%
1974-1976	250.00	0.00	0.00%	16.00	6.40%	(16.00)	-6.40%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	1,984.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	1,984.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	11,984.00	0.00	0.00%	386.00	3.22%	(386.00)	-3.22%
1982-1984	10,000.00	0.00	0.00%	386.00	3.86%	(386.00)	-3.86%
1983-1985	10,000.00	0.00	0.00%	386.00	3.86%	(386.00)	-3.86%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	5,000.00	0.00	0.00%	1,209.00	24.18%	(1,209.00)	-24.18%
1986-1988	5,290.00	0.00	0.00%	1,209.00	22.85%	(1,209.00)	-22.85%
1987-1989	5,290.00	0.00	0.00%	1,209.00	22.85%	(1,209.00)	-22.85%
1988-1990	290.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	2,000.00	0.00	0.00%	196.00	9.80%	(196.00)	-9.80%
1992-1994	2,000.00	0.00	0.00%	196.00	9.80%	(196.00)	-9.80%
1993-1995	18,367.00	0.00	0.00%	799.00	4.35%	(799.00)	-4.35%
1994-1996	66,367.00	0.00	0.00%	5,621.00	8.47%	(5,621.00)	-8.47%
1995-1997	116,367.00	0.00	0.00%	5,963.00	5.12%	(5,963.00)	-5.12%
1996-1998	100,000.00	0.00	0.00%	5,360.00	5.36%	(5,360.00)	-5.36%
1997-1999	50,000.00	0.00	0.00%	342.00	0.68%	(342.00)	-0.68%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	191,176.00	0.00	0.00%	19,600.00	10.25%	(19,600.00)	-10.25%
1972-2002	327,067.00	0.00	0.00%	27,370.00	8.37%	-27,370.00	-8.37%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	25.3
Avg Ret Age	32.5
Years to ASL	-7.2

Inflation Factor At 2.75% to ASL 0.82

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 6.88% -6.88%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 345 - Other Production Accessory Electric Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	36,041.00	-	0.00%	1,329.00	3.69%	(1,329.00)	-3.69%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 345 - Other Production Accessory Electric Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	36,041.00	0.00	0.00%	1,329.00	3.69%	(1,329.00)	-3.69%
1994-1996	36,041.00	0.00	0.00%	1,329.00	3.69%	(1,329.00)	-3.69%
1995-1997	36,041.00	0.00	0.00%	1,329.00	3.69%	(1,329.00)	-3.69%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	36,041.00	0.00	0.00%	1,329.00	3.69%	-1,329.00	-3.69%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	27
Avg Ret Age	0
Years to ASL	27

Inflation Factor At 2.75% to ASL 2.08

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 7.67% -7.67%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 346 - Other Production Miscellaneous Power Plant Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	1,263.00	-	0.00%	47.00	3.72%	(47.00)	-3.72%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 346 - Other Production Miscellaneous Power Plant Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	1,263.00	0.00	0.00%	47.00	3.72%	(47.00)	-3.72%
1994-1996	1,263.00	0.00	0.00%	47.00	3.72%	(47.00)	-3.72%
1995-1997	1,263.00	0.00	0.00%	47.00	3.72%	(47.00)	-3.72%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	1,263.00	0.00	0.00%	47.00	3.72%	-47.00	-3.72%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	28.6
Avg Ret Age	0
Years to ASL	28.6
Inflation Factor At 2.75% to ASL	2.17

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 8.08% -8.08%

Louisville Gas and Electric
Electric Division

Analysis of Experienced Salvage
1972 through 2002

Account 350.10 - Transmission Land Rights

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	1,500.00	1,500.00	100.00%	-	0.00%	1,500.00	100.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 350.10 - Transmission Land Rights

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	1,500.00	1,500.00	100.00%	0.00	0.00%	1,500.00	100.00%
1973-1975	1,500.00	1,500.00	100.00%	0.00	0.00%	1,500.00	100.00%
1974-1976	1,500.00	1,500.00	100.00%	0.00	0.00%	1,500.00	100.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	1,500.00	1,500.00	100.00%	0.00	0.00%	1,500.00	100.00%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	50
Avg Ret Age	14.8
Years to ASL	35.2

Inflation Factor At 2.75% to ASL 2.60

Gross Saly. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 0.00% 0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 352.10 - Transmission Structures and Improvements - Non System Control/Com.

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	619.00	529.00	85.46%	43.00	6.95%	486.00	78.51%
1977	51,877.00	150.00	0.29%	328.00	0.63%	(178.00)	-0.34%
1978	393.00	333.00	84.73%	21.00	5.34%	312.00	79.39%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	763.00	-	0.00%	264.00	34.60%	(264.00)	-34.60%
1986	17,761.00	-	0.00%	15,241.00	85.81%	(15,241.00)	-85.81%
1987	5,215.00	-	0.00%	-	0.00%	0.00	0.00%
1988	13,043.00	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	4,469.00	-	0.00%	500.00	11.19%	(500.00)	-11.19%
1992	5,166.00	-	0.00%	18.00	0.35%	(18.00)	-0.35%
1993	28,316.00	-	0.00%	949.00	3.35%	(949.00)	-3.35%
1994	11,420.00	-	0.00%	541.00	4.74%	(541.00)	-4.74%
1995	3,295.00	57.00	1.73%	95.00	2.88%	(38.00)	-1.15%
1996	5,519.00	-	0.00%	37.00	0.67%	(37.00)	-0.67%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 352.10 - Transmission Structures and Improvements - Non System Control/Com.

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	619.00	529.00	85.46%	43.00	6.95%	486.00	78.51%
1975-1977	52,496.00	679.00	1.29%	371.00	0.71%	308.00	0.59%
1976-1978	52,889.00	1,012.00	1.91%	392.00	0.74%	620.00	1.17%
1977-1979	52,270.00	483.00	0.92%	349.00	0.67%	134.00	0.26%
1978-1980	393.00	333.00	84.73%	21.00	5.34%	312.00	79.39%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	763.00	0.00	0.00%	264.00	34.60%	(264.00)	-34.60%
1984-1986	18,524.00	0.00	0.00%	15,505.00	83.70%	(15,505.00)	-83.70%
1985-1987	23,739.00	0.00	0.00%	15,505.00	65.31%	(15,505.00)	-65.31%
1986-1988	36,019.00	0.00	0.00%	15,241.00	42.31%	(15,241.00)	-42.31%
1987-1989	18,258.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	13,043.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	4,469.00	0.00	0.00%	500.00	11.19%	(500.00)	-11.19%
1990-1992	9,635.00	0.00	0.00%	518.00	5.38%	(518.00)	-5.38%
1991-1993	37,951.00	0.00	0.00%	1,467.00	3.87%	(1,467.00)	-3.87%
1992-1994	44,902.00	0.00	0.00%	1,508.00	3.36%	(1,508.00)	-3.36%
1993-1995	43,031.00	57.00	0.13%	1,585.00	3.68%	(1,528.00)	-3.55%
1994-1996	20,234.00	57.00	0.28%	673.00	3.33%	(616.00)	-3.04%
1995-1997	8,814.00	57.00	0.65%	132.00	1.50%	(75.00)	-0.85%
1996-1998	5,519.00	0.00	0.00%	37.00	0.67%	(37.00)	-0.67%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	147,856.00	1,069.00	0.72%	18,037.00	12.20%	-16,968.00	-11.48%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	55
Avg Ret Age	27.4
Years to ASL	27.6

Inflation Factor At 2.75% to ASL 2.11

Adjusted Salvage & C/O/R

0.00%

25.79%

-25.79%

Gross Salv. Trend Analysis*

1983-2002	20-Year Trend	0.12%
1988-2002	15-Year Trend	0.12%
1993-2002	10-Year Trend	0.03%
1998-2002	5-Year Trend	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 353.10 - Transmission Station Equipment - Non System Control/Com.

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	9,504.00	-	0.00%	33.00	0.35%	(33.00)	-0.35%
1973	27,523.00	640.00	2.33%	3,513.00	12.76%	(2,873.00)	-10.44%
1974	36,315.00	14,148.00	38.96%	1,159.00	3.19%	12,989.00	35.77%
1975	31,274.00	9,236.00	29.53%	5,356.00	17.13%	3,880.00	12.41%
1976	63,202.00	26,745.00	42.32%	8,258.00	13.07%	18,487.00	29.25%
1977	329,812.00	51,629.00	15.65%	36,179.00	10.97%	15,450.00	4.68%
1978	117,987.00	15,461.00	13.10%	10,281.00	8.71%	5,180.00	4.39%
1979	167,581.00	28,697.00	17.12%	39,068.00	23.31%	(10,371.00)	-6.19%
1980	40,617.00	23,892.00	58.82%	4,429.00	10.90%	19,463.00	47.92%
1981	111,864.00	8,463.00	7.57%	7,931.00	7.09%	532.00	0.48%
1982	61,638.00	2,515.00	4.08%	53,854.00	87.37%	(51,339.00)	-83.29%
1983	52,035.00	8,841.00	16.99%	19,019.00	36.55%	(10,178.00)	-19.56%
1984	4,430.00	-	0.00%	-	0.00%	0.00	0.00%
1985	217,227.00	2,908.00	1.34%	102,797.00	47.32%	(99,889.00)	-45.98%
1986	237,354.00	66,121.00	27.86%	65,583.00	27.63%	538.00	0.23%
1987	409,677.00	155,385.00	37.93%	90,072.00	21.99%	65,313.00	15.94%
1988	530,419.00	246,275.00	46.43%	92,126.00	17.37%	154,149.00	29.06%
1989	100,959.00	5,536.00	5.48%	9,246.00	9.16%	(3,710.00)	-3.67%
1990	30,997.00	-	0.00%	2,527.00	8.15%	(2,527.00)	-8.15%
1991	129,160.00	-	0.00%	3,993.00	3.09%	(3,993.00)	-3.09%
1992	105,050.00	-	0.00%	10,953.00	10.43%	(10,953.00)	-10.43%
1993	204,560.00	5,264.00	2.57%	31,374.00	15.34%	(26,110.00)	-12.76%
1994	131,400.00	24,844.00	18.91%	5,789.00	4.41%	19,055.00	14.50%
1995	582,642.00	9,988.00	1.71%	16,868.00	2.90%	(6,880.00)	-1.18%
1996	449,821.00	-	0.00%	3,000.00	0.67%	(3,000.00)	-0.67%
1997	304,959.00	14,615.00	4.79%	33,813.00	11.09%	(19,198.00)	-6.30%
1998	7,839.00	9.00	0.11%	11,273.00	143.81%	(11,264.00)	-143.69%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	1,515.00	16,998.00	1121.98%	105,112.00	6938.09%	(88,114.00)	-5816.11%
2001	40,883.00	-	0.00%	-	0.00%	0.00	0.00%
2002	1,222,628.00	-	0.00%	27,845.00	2.28%	(27,845.00)	-2.28%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 353.10 - Transmission Station Equipment - Non System Control/Com.

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	73,342.00	14,788.00	20.16%	4,705.00	6.42%	10,083.00	13.75%
1973-1975	95,112.00	24,024.00	25.26%	10,028.00	10.54%	13,996.00	14.72%
1974-1976	130,791.00	50,129.00	38.33%	14,773.00	11.30%	35,356.00	27.03%
1975-1977	424,288.00	87,610.00	20.65%	49,793.00	11.74%	37,817.00	8.91%
1976-1978	511,001.00	93,835.00	18.36%	54,718.00	10.71%	39,117.00	7.65%
1977-1979	615,380.00	95,787.00	15.57%	85,528.00	13.90%	10,259.00	1.67%
1978-1980	326,185.00	68,050.00	20.86%	53,778.00	16.49%	14,272.00	4.38%
1979-1981	320,062.00	61,052.00	19.08%	51,428.00	16.07%	9,624.00	3.01%
1980-1982	214,119.00	34,870.00	16.29%	66,214.00	30.92%	(31,344.00)	-14.64%
1981-1983	225,537.00	19,819.00	8.79%	80,804.00	35.83%	(60,985.00)	-27.04%
1982-1984	118,103.00	11,356.00	9.62%	72,873.00	61.70%	(61,517.00)	-52.09%
1983-1985	273,692.00	11,749.00	4.29%	121,816.00	44.51%	(110,067.00)	-40.22%
1984-1986	459,011.00	69,029.00	15.04%	168,380.00	36.68%	(99,351.00)	-21.64%
1985-1987	864,258.00	224,414.00	25.97%	258,452.00	29.90%	(34,038.00)	-3.94%
1986-1988	1,177,450.00	467,781.00	39.73%	247,781.00	21.04%	220,000.00	18.68%
1987-1989	1,041,055.00	407,196.00	39.11%	191,444.00	18.39%	215,752.00	20.72%
1988-1990	662,375.00	251,811.00	38.02%	103,899.00	15.69%	147,912.00	22.33%
1989-1991	261,116.00	5,536.00	2.12%	15,766.00	6.04%	(10,230.00)	-3.92%
1990-1992	265,207.00	0.00	0.00%	17,473.00	6.59%	(17,473.00)	-6.59%
1991-1993	438,770.00	5,264.00	1.20%	46,320.00	10.56%	(41,056.00)	-9.36%
1992-1994	441,010.00	30,108.00	6.83%	48,116.00	10.91%	(18,008.00)	-4.08%
1993-1995	918,602.00	40,096.00	4.36%	54,031.00	5.88%	(13,935.00)	-1.52%
1994-1996	1,163,863.00	34,832.00	2.99%	25,657.00	2.20%	9,175.00	0.79%
1995-1997	1,337,422.00	24,603.00	1.84%	53,681.00	4.01%	(29,078.00)	-2.17%
1996-1998	762,619.00	14,624.00	1.92%	48,086.00	6.31%	(33,462.00)	-4.39%
1997-1999	312,798.00	14,624.00	4.68%	45,086.00	14.41%	(30,462.00)	-9.74%
1998-2000	9,354.00	17,007.00	181.82%	116,385.00	1244.23%	(99,378.00)	-1062.41%
1999-2001	42,398.00	16,998.00	40.09%	105,112.00	247.92%	(88,114.00)	-207.83%
2000-2002	1,265,026.00	16,998.00	1.34%	132,957.00	10.51%	(115,959.00)	-9.17%
1972-2002	5,760,872.00	738,210.00	12.81%	801,451.00	13.91%	-63,241.00	-1.10%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	55
Avg Ret Age	23.4
Years to ASL	31.6
Inflation Factor At 2.75% to ASL	2.36

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	36.44%
1988-2002	15-Year Trend	37.82%
1993-2002	10-Year Trend	62.26%
1998-2002	5-Year Trend	56.25%

Adjusted Salvage & C/O/R 56.25% 32.79% 23.46%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 354 - Transmission Tower and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	80,109.00	2,353.00	2.94%	2,748.00	3.43%	(395.00)	-0.49%
1975	9,884.00	3,749.00	37.93%	5,013.00	50.72%	(1,264.00)	-12.79%
1976	63,081.00	12,398.00	19.65%	30,554.00	48.44%	(18,156.00)	-28.78%
1977	38,580.00	2,042.00	5.29%	32,752.00	84.89%	(30,710.00)	-79.60%
1978	34,789.00	8,604.00	24.73%	49,395.00	141.98%	(40,791.00)	-117.25%
1979	14,587.00	5,974.00	40.95%	4,847.00	33.23%	1,127.00	7.73%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	20,560.00	4,278.00	20.81%	4,178.00	20.32%	100.00	0.49%
1983	360.00	-	0.00%	975.00	270.83%	(975.00)	-270.83%
1984	3,387.00	730.00	21.55%	13,663.00	403.40%	(12,933.00)	-381.84%
1985	9,098.00	2,718.00	29.87%	6,134.00	67.42%	(3,416.00)	-37.55%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	3,250.00	-	0.00%	8,836.00	271.88%	(8,836.00)	-271.88%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	8,495.00	-	0.00%	2,035.00	23.96%	(2,035.00)	-23.96%
1992	131,331.00	804.00	0.61%	52,432.00	39.92%	(51,628.00)	-39.31%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	26,231.00	4,446.00	16.95%	50,408.00	192.17%	(45,962.00)	-175.22%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	110,605.00	129.00	0.12%	159,051.00	143.80%	(158,922.00)	-143.68%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Electric Division

Analysis of Experienced Salvage
1972 through 2002

Account 354 - Transmission Tower and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	80,109.00	2,353.00	2.94%	2,748.00	3.43%	(395.00)	-0.49%
1973-1975	89,993.00	6,102.00	6.78%	7,761.00	8.62%	(1,659.00)	-1.84%
1974-1976	153,074.00	18,500.00	12.09%	38,315.00	25.03%	(19,815.00)	-12.94%
1975-1977	111,545.00	18,189.00	16.31%	68,319.00	61.25%	(50,130.00)	-44.94%
1976-1978	136,450.00	23,044.00	16.89%	112,701.00	82.60%	(89,657.00)	-65.71%
1977-1979	87,956.00	16,620.00	18.90%	86,994.00	98.91%	(70,374.00)	-80.01%
1978-1980	49,376.00	14,578.00	29.52%	54,242.00	109.85%	(39,664.00)	-80.33%
1979-1981	14,587.00	5,974.00	40.95%	4,847.00	33.23%	1,127.00	7.73%
1980-1982	20,560.00	4,278.00	20.81%	4,178.00	20.32%	100.00	0.49%
1981-1983	20,920.00	4,278.00	20.45%	5,153.00	24.63%	(875.00)	-4.18%
1982-1984	24,307.00	5,008.00	20.60%	18,816.00	77.41%	(13,808.00)	-56.81%
1983-1985	12,845.00	3,448.00	26.84%	20,772.00	161.71%	(17,324.00)	-134.87%
1984-1986	12,485.00	3,448.00	27.62%	19,797.00	158.57%	(16,349.00)	-130.95%
1985-1987	9,098.00	2,718.00	29.87%	6,134.00	67.42%	(3,416.00)	-37.55%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	3,250.00	0.00	0.00%	8,836.00	271.88%	(8,836.00)	-271.88%
1988-1990	3,250.00	0.00	0.00%	8,836.00	271.88%	(8,836.00)	-271.88%
1989-1991	11,745.00	0.00	0.00%	10,871.00	92.56%	(10,871.00)	-92.56%
1990-1992	139,826.00	804.00	0.58%	54,467.00	38.95%	(53,663.00)	-38.38%
1991-1993	139,826.00	804.00	0.58%	54,467.00	38.95%	(53,663.00)	-38.38%
1992-1994	131,331.00	804.00	0.61%	52,432.00	39.92%	(51,628.00)	-39.31%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	26,231.00	4,446.00	16.95%	50,408.00	192.17%	(45,962.00)	-175.22%
1995-1997	26,231.00	4,446.00	16.95%	50,408.00	192.17%	(45,962.00)	-175.22%
1996-1998	136,836.00	4,575.00	3.34%	209,459.00	153.07%	(204,884.00)	-149.73%
1997-1999	110,605.00	129.00	0.12%	159,051.00	143.80%	(158,922.00)	-143.68%
1998-2000	110,605.00	129.00	0.12%	159,051.00	143.80%	(158,922.00)	-143.68%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	554,347.00	48,225.00	8.70%	423,021.00	76.31%	-374,796.00	-67.61%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	60
Avg Ret Age	26.2
Years to ASL	33.8

Inflation Factor At 2.75% to ASL 2.50

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-3.74%
1988-2002	15-Year Trend	4.29%
1993-2002	10-Year Trend	1.43%
1998-2002	5-Year Trend	-1.33%

Adjusted Salvage & C/O/R -1.33% 190.90% -192.23%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 355 - Transmission Poles and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	27,938.00	8,910.00	31.89%	19,333.00	69.20%	(10,423.00)	-37.31%
1973	6,443.00	19,360.00	300.48%	2,763.00	42.88%	16,597.00	257.60%
1974	36,081.00	10,856.00	30.09%	13,883.00	38.48%	(3,027.00)	-8.39%
1975	31,006.00	13,554.00	43.71%	14,970.00	48.28%	(1,416.00)	-4.57%
1976	58,590.00	15,774.00	26.92%	40,898.00	69.80%	(25,124.00)	-42.88%
1977	9,197.00	2,489.00	27.06%	4,587.00	49.87%	(2,098.00)	-22.81%
1978	131,666.00	46,074.00	34.99%	53,085.00	40.32%	(7,011.00)	-5.32%
1979	41,446.00	4,928.00	11.89%	43,084.00	103.95%	(38,156.00)	-92.06%
1980	63,017.00	13,265.00	21.05%	50,091.00	79.49%	(36,826.00)	-58.44%
1981	24,516.00	4,467.00	18.22%	13,097.00	53.42%	(8,630.00)	-35.20%
1982	47,269.00	14,688.00	31.07%	36,388.00	76.98%	(21,700.00)	-45.91%
1983	13,572.00	11,855.00	87.35%	4,636.00	34.16%	7,219.00	53.19%
1984	27,608.00	4,072.00	14.75%	31,129.00	112.75%	(27,057.00)	-98.00%
1985	37,544.00	2,689.00	7.16%	20,131.00	53.62%	(17,442.00)	-46.46%
1986	49,007.00	6,933.00	14.15%	43,923.00	89.63%	(36,990.00)	-75.48%
1987	76,286.00	919.00	1.20%	73,033.00	95.74%	(72,114.00)	-94.53%
1988	104,755.00	3,889.00	3.71%	42,891.00	40.94%	(39,002.00)	-37.23%
1989	131,938.00	52,868.00	40.07%	109,983.00	83.36%	(57,115.00)	-43.29%
1990	70,809.00	15,867.00	22.41%	33,074.00	46.71%	(17,207.00)	-24.30%
1991	139,613.00	2,581.00	1.85%	42,345.00	30.33%	(39,764.00)	-28.48%
1992	55,786.00	2,890.00	5.18%	5,435.00	9.74%	(2,545.00)	-4.56%
1993	19,383.00	2,293.00	11.83%	8,553.00	44.13%	(6,260.00)	-32.30%
1994	85,604.00	20,099.00	23.48%	12,095.00	14.13%	8,004.00	9.35%
1995	27,541.00	1,127.00	4.09%	32,034.00	116.31%	(30,907.00)	-112.22%
1996	20,902.00	4,274.00	20.45%	40,066.00	191.69%	(35,792.00)	-171.24%
1997	354,471.00	16,988.00	4.79%	39,303.00	11.09%	(22,315.00)	-6.30%
1998	16,195.00	19.00	0.12%	23,289.00	143.80%	(23,270.00)	-143.69%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	33,756.00	-	0.00%	-	0.00%	0.00	0.00%
2001	28,631.00	18.00	0.06%	2,777.00	9.70%	(2,759.00)	-9.64%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 355 - Transmission Poles and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	70,462.00	39,126.00	55.53%	35,979.00	51.06%	3,147.00	4.47%
1973-1975	73,530.00	43,770.00	59.53%	31,616.00	43.00%	12,154.00	16.53%
1974-1976	125,677.00	40,184.00	31.97%	69,751.00	55.50%	(29,567.00)	-23.53%
1975-1977	98,793.00	31,817.00	32.21%	60,455.00	61.19%	(28,638.00)	-28.99%
1976-1978	199,453.00	64,337.00	32.26%	98,570.00	49.42%	(34,233.00)	-17.16%
1977-1979	182,309.00	53,491.00	29.34%	100,756.00	55.27%	(47,265.00)	-25.93%
1978-1980	236,129.00	64,267.00	27.22%	146,260.00	61.94%	(81,993.00)	-34.72%
1979-1981	128,979.00	22,660.00	17.57%	106,272.00	82.39%	(83,612.00)	-64.83%
1980-1982	134,802.00	32,420.00	24.05%	99,576.00	73.87%	(67,156.00)	-49.82%
1981-1983	85,357.00	31,010.00	36.33%	54,121.00	63.41%	(23,111.00)	-27.08%
1982-1984	88,449.00	30,615.00	34.61%	72,153.00	81.58%	(41,538.00)	-46.96%
1983-1985	78,724.00	18,616.00	23.65%	55,896.00	71.00%	(37,280.00)	-47.36%
1984-1986	114,159.00	13,694.00	12.00%	95,183.00	83.38%	(81,489.00)	-71.38%
1985-1987	162,837.00	10,541.00	6.47%	137,087.00	84.19%	(126,546.00)	-77.71%
1986-1988	230,048.00	11,741.00	5.10%	159,847.00	69.48%	(148,106.00)	-64.38%
1987-1989	312,979.00	57,676.00	18.43%	225,907.00	72.18%	(168,231.00)	-53.75%
1988-1990	307,502.00	72,624.00	23.62%	185,948.00	60.47%	(113,324.00)	-36.85%
1989-1991	342,360.00	71,316.00	20.83%	185,402.00	54.15%	(114,086.00)	-33.32%
1990-1992	266,208.00	21,338.00	8.02%	80,854.00	30.37%	(59,516.00)	-22.36%
1991-1993	214,782.00	7,764.00	3.61%	56,333.00	26.23%	(48,569.00)	-22.61%
1992-1994	160,773.00	25,282.00	15.73%	26,083.00	16.22%	(801.00)	-0.50%
1993-1995	132,528.00	23,519.00	17.75%	52,682.00	39.75%	(29,163.00)	-22.01%
1994-1996	134,047.00	25,500.00	19.02%	84,195.00	62.81%	(58,695.00)	-43.79%
1995-1997	402,914.00	22,389.00	5.56%	111,403.00	27.65%	(89,014.00)	-22.09%
1996-1998	391,568.00	21,281.00	5.43%	102,658.00	26.22%	(81,377.00)	-20.78%
1997-1999	370,666.00	17,007.00	4.59%	62,592.00	16.89%	(45,585.00)	-12.30%
1998-2000	49,951.00	19.00	0.04%	23,289.00	46.62%	(23,270.00)	-46.59%
1999-2001	62,387.00	18.00	0.03%	2,777.00	4.45%	(2,759.00)	-4.42%
2000-2002	62,387.00	18.00	0.03%	2,777.00	4.45%	(2,759.00)	-4.42%
1972-2002	1,770,570.00	303,746.00	17.16%	856,876.00	48.40%	-553,130.00	-31.24%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	40
Avg Ret Age	19.2
Years to ASL	20.8

Inflation Factor At 2.75% to ASL 1.76

Adjusted Salvage & C/O/R

-2.59%

85.09%

-87.68%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-1.01%
1988-2002	15-Year Trend	0.44%
1993-2002	10-Year Trend	-1.96%
1998-2002	5-Year Trend	-2.59%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 356 - Transmission Overhead conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	41,755.00	17,286.00	41.40%	24,889.00	59.61%	(7,603.00)	-18.21%
1973	23,069.00	20,287.00	87.94%	5,031.00	21.81%	15,256.00	66.13%
1974	74,884.00	15,016.00	20.05%	34,409.00	45.95%	(19,393.00)	-25.90%
1975	36,355.00	24,192.00	66.54%	21,155.00	58.19%	3,037.00	8.35%
1976	155,602.00	33,291.00	21.39%	97,925.00	62.93%	(64,634.00)	-41.54%
1977	8,274.00	3,038.00	36.72%	1,778.00	21.49%	1,260.00	15.23%
1978	174,718.00	74,983.00	42.92%	74,827.00	42.83%	156.00	0.09%
1979	136,058.00	109,705.00	80.63%	97,978.00	72.01%	11,727.00	8.62%
1980	88,788.00	42,301.00	47.64%	83,134.00	93.63%	(40,833.00)	-45.99%
1981	22,085.00	3,919.00	17.75%	17,761.00	80.42%	(13,842.00)	-62.68%
1982	101,611.00	13,663.00	13.45%	81,320.00	80.03%	(67,657.00)	-66.58%
1983	20,414.00	1,612.00	7.90%	3,584.00	17.56%	(1,972.00)	-9.66%
1984	33,900.00	12,100.00	35.69%	42,632.00	125.76%	(30,532.00)	-90.06%
1985	35,640.00	11,744.00	32.95%	16,522.00	46.36%	(4,778.00)	-13.41%
1986	13,323.00	18,127.00	136.06%	34,477.00	258.78%	(16,350.00)	-122.72%
1987	26,816.00	(174.00)	-0.65%	14,691.00	54.78%	(14,865.00)	-55.43%
1988	56,186.00	1,884.00	3.35%	34,075.00	60.65%	(32,191.00)	-57.29%
1989	36,537.00	22,837.00	62.50%	31,313.00	85.70%	(8,476.00)	-23.20%
1990	157,597.00	10,991.00	6.97%	31,997.00	20.30%	(21,006.00)	-13.33%
1991	141,259.00	3,977.00	2.82%	48,614.00	34.41%	(44,637.00)	-31.60%
1992	122,126.00	4,001.00	3.28%	12,173.00	9.97%	(8,172.00)	-6.69%
1993	21,079.00	1,563.00	7.41%	1,893.00	8.98%	(330.00)	-1.57%
1994	96,818.00	13,317.00	13.75%	17,323.00	17.89%	(4,006.00)	-4.14%
1995	33,122.00	1,356.00	4.09%	38,526.00	116.32%	(37,170.00)	-112.22%
1996	67,890.00	13,881.00	20.45%	130,137.00	191.69%	(116,256.00)	-171.24%
1997	220,263.00	10,557.00	4.79%	24,422.00	11.09%	(13,865.00)	-6.29%
1998	81,524.00	95.00	0.12%	117,232.00	143.80%	(117,137.00)	-143.68%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	19,149.00	-	0.00%	-	0.00%	0.00	0.00%
2001	9,747.00	6.00	0.06%	2,212.00	22.69%	(2,206.00)	-22.63%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 356 - Transmission Overhead conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	139,708.00	52,589.00	37.64%	64,329.00	46.05%	(11,740.00)	-8.40%
1973-1975	134,308.00	59,495.00	44.30%	60,595.00	45.12%	(1,100.00)	-0.82%
1974-1976	266,841.00	72,499.00	27.17%	153,489.00	57.52%	(80,990.00)	-30.35%
1975-1977	200,231.00	60,521.00	30.23%	120,858.00	60.36%	(60,337.00)	-30.13%
1976-1978	338,594.00	111,312.00	32.87%	174,530.00	51.55%	(63,218.00)	-18.67%
1977-1979	319,050.00	187,726.00	58.84%	174,583.00	54.72%	13,143.00	4.12%
1978-1980	399,564.00	226,989.00	56.81%	255,939.00	64.05%	(28,950.00)	-7.25%
1979-1981	246,931.00	155,925.00	63.15%	198,873.00	80.54%	(42,948.00)	-17.39%
1980-1982	212,484.00	59,883.00	28.18%	182,215.00	85.75%	(122,332.00)	-57.57%
1981-1983	144,110.00	19,194.00	13.32%	102,665.00	71.24%	(83,471.00)	-57.92%
1982-1984	155,925.00	27,375.00	17.56%	127,536.00	81.79%	(100,161.00)	-64.24%
1983-1985	89,954.00	25,456.00	28.30%	62,738.00	69.74%	(37,282.00)	-41.45%
1984-1986	82,863.00	41,971.00	50.65%	93,631.00	112.99%	(51,660.00)	-62.34%
1985-1987	75,779.00	29,697.00	39.19%	65,690.00	86.69%	(35,993.00)	-47.50%
1986-1988	96,325.00	19,837.00	20.59%	83,243.00	86.42%	(63,406.00)	-65.83%
1987-1989	119,539.00	24,547.00	20.53%	80,079.00	66.99%	(55,532.00)	-46.46%
1988-1990	250,320.00	35,712.00	14.27%	97,385.00	38.90%	(61,673.00)	-24.64%
1989-1991	335,393.00	37,805.00	11.27%	111,924.00	33.37%	(74,119.00)	-22.10%
1990-1992	420,982.00	18,969.00	4.51%	92,784.00	22.04%	(73,815.00)	-17.53%
1991-1993	284,464.00	9,541.00	3.35%	62,680.00	22.03%	(53,139.00)	-18.68%
1992-1994	240,023.00	18,881.00	7.87%	31,389.00	13.08%	(12,508.00)	-5.21%
1993-1995	151,019.00	16,236.00	10.75%	57,742.00	38.23%	(41,506.00)	-27.48%
1994-1996	197,830.00	28,554.00	14.43%	185,986.00	94.01%	(157,432.00)	-79.58%
1995-1997	321,275.00	25,794.00	8.03%	193,085.00	60.10%	(167,291.00)	-52.07%
1996-1998	369,677.00	24,533.00	6.64%	271,791.00	73.52%	(247,258.00)	-66.88%
1997-1999	301,787.00	10,652.00	3.53%	141,654.00	46.94%	(131,002.00)	-43.41%
1998-2000	100,673.00	95.00	0.09%	117,232.00	116.45%	(117,137.00)	-116.35%
1999-2001	28,896.00	6.00	0.02%	2,212.00	7.66%	(2,206.00)	-7.63%
2000-2002	28,896.00	6.00	0.02%	2,212.00	7.66%	(2,206.00)	-7.63%
1972-2002	2,056,589.00	485,555.00	23.61%	1,142,030.00	55.53%	-656,475.00	-31.92%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	55
Avg Ret Age	18.1
Years to ASL	36.9

Inflation Factor At 2.75% to ASL 2.72

<u>Gross Salv. Trend Analysis*</u>		
1983-2002	20-Year Trend	-3.06%
1988-2002	15-Year Trend	-1.51%
1993-2002	10-Year Trend	-0.27%
1998-2002	5-Year Trend	-2.96%

Adjusted Salvage & C/O/R -2.96% 151.11% -154.07%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
 1972 through 2002

Account 357 - Transmission Underground Conduit

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	441.00	6.00	1.36%	-	0.00%	6.00	1.36%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 357 - Transmission Underground Conduit

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	441.00	6.00	1.36%	0.00	0.00%	6.00	1.36%
1974-1976	441.00	6.00	1.36%	0.00	0.00%	6.00	1.36%
1975-1977	441.00	6.00	1.36%	0.00	0.00%	6.00	1.36%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	441.00	6.00	1.36%	0.00	0.00%	6.00	1.36%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	50
Avg Ret Age	8.5
Years to ASL	41.5

Inflation Factor At 2.75% to ASL 3.08

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.00%
1988-2002	15-Year Trend	0.00%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 0.00% 0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 358 - Transmission Underground Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	5,979.00	85.00	1.42%	-	0.00%	85.00	1.42%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	5,482.00	2,686.00	49.00%	510.00	9.30%	2,176.00	39.69%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	131,846.00	155.00	0.12%	189,594.00	143.80%	(189,439.00)	-143.68%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 358 - Transmission Underground Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	5,979.00	85.00	1.42%	0.00	0.00%	85.00	1.42%
1974-1976	5,979.00	85.00	1.42%	0.00	0.00%	85.00	1.42%
1975-1977	11,461.00	2,771.00	24.18%	510.00	4.45%	2,261.00	19.73%
1976-1978	5,482.00	2,686.00	49.00%	510.00	9.30%	2,176.00	39.69%
1977-1979	5,482.00	2,686.00	49.00%	510.00	9.30%	2,176.00	39.69%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	131,846.00	155.00	0.12%	189,594.00	143.80%	(189,439.00)	-143.68%
1997-1999	131,846.00	155.00	0.12%	189,594.00	143.80%	(189,439.00)	-143.68%
1998-2000	131,846.00	155.00	0.12%	189,594.00	143.80%	(189,439.00)	-143.68%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	143,307.00	2,926.00	2.04%	190,104.00	132.66%	-187,178.00	-130.61%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	25
Avg Ret Age	5.2
Years to ASL	19.8

Inflation Factor At 2.75% to ASL 1.71

Adjusted Salvage & C/O/R

-0.04%

226.99%

-227.02%

<u>Gross Salv. Trend Analysis*</u>		
1983-2002	20-Year Trend	0.05%
1988-2002	15-Year Trend	0.06%
1993-2002	10-Year Trend	0.07%
1998-2002	5-Year Trend	-0.04%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 361 - Distribution Structures and Improvements

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-		0.00%	-	0.00%	0.00	0.00%
1973	-		0.00%	-	0.00%	0.00	0.00%
1974	-		0.00%	-	0.00%	0.00	0.00%
1975	62,188.00	1,949.00	3.13%	298.00	0.48%	1,651.00	2.65%
1976	89.00	30.00	33.71%		0.00%	30.00	33.71%
1977	3,383.00	3,943.00	116.55%	4,011.00	118.56%	(68.00)	-2.01%
1978	-		0.00%	-	0.00%	0.00	0.00%
1979	15,209.00		0.00%	15,022.00	98.77%	(15,022.00)	-98.77%
1980	-		0.00%	-	0.00%	0.00	0.00%
1981	-		0.00%	-	0.00%	0.00	0.00%
1982	1,167.00		0.00%	1,582.00	135.56%	(1,582.00)	-135.56%
1983	10,896.00	1,691.00	15.52%	2,037.00	18.69%	(346.00)	-3.18%
1984	2,212.00		0.00%	282.00	12.75%	(282.00)	-12.75%
1985	5,912.00		0.00%	1,531.00	25.90%	(1,531.00)	-25.90%
1986	7,530.00	1,613.00	21.42%	9,246.00	122.79%	(7,633.00)	-101.37%
1987	13,280.00		0.00%	693.00	5.22%	(693.00)	-5.22%
1988	1,142.00		0.00%		0.00%	0.00	0.00%
1989	2,985.00		0.00%	225.00	7.54%	(225.00)	-7.54%
1990	-		0.00%		0.00%	0.00	0.00%
1991	210.00		0.00%	479.00	228.10%	(479.00)	-228.10%
1992	2,274.00		0.00%	36.00	1.58%	(36.00)	-1.58%
1993	12,449.00		0.00%	1,105.00	8.88%	(1,105.00)	-8.88%
1994	39,323.00		0.00%	651.00	1.66%	(651.00)	-1.66%
1995	22,668.00	410.00	1.81%	210.00	0.93%	200.00	0.88%
1996	45,010.00		0.00%	1,134.00	2.52%	(1,134.00)	-2.52%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	11,183.00	2,677.00	23.94%	11,342.00	101.42%	(8,665.00)	-77.48%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	2,139.00	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 361 - Distribution Structures and Improvements

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	62,188.00	1,949.00	3.13%	298.00	0.48%	1,651.00	2.65%
1974-1976	62,277.00	1,979.00	3.18%	298.00	0.48%	1,681.00	2.70%
1975-1977	65,660.00	5,922.00	9.02%	4,309.00	6.56%	1,613.00	2.46%
1976-1978	3,472.00	3,973.00	114.43%	4,011.00	115.52%	(38.00)	-1.09%
1977-1979	18,592.00	3,943.00	21.21%	19,033.00	102.37%	(15,090.00)	-81.16%
1978-1980	15,209.00	0.00	0.00%	15,022.00	98.77%	(15,022.00)	-98.77%
1979-1981	15,209.00	0.00	0.00%	15,022.00	98.77%	(15,022.00)	-98.77%
1980-1982	1,167.00	0.00	0.00%	1,582.00	135.56%	(1,582.00)	-135.56%
1981-1983	12,063.00	1,691.00	14.02%	3,619.00	30.00%	(1,928.00)	-15.98%
1982-1984	14,275.00	1,691.00	11.85%	3,901.00	27.33%	(2,210.00)	-15.48%
1983-1985	19,020.00	1,691.00	8.89%	3,850.00	20.24%	(2,159.00)	-11.35%
1984-1986	15,654.00	1,613.00	10.30%	11,059.00	70.65%	(9,446.00)	-60.34%
1985-1987	26,722.00	1,613.00	6.04%	11,470.00	42.92%	(9,857.00)	-36.89%
1986-1988	21,952.00	1,613.00	7.35%	9,939.00	45.28%	(8,326.00)	-37.93%
1987-1989	17,407.00	0.00	0.00%	918.00	5.27%	(918.00)	-5.27%
1988-1990	4,127.00	0.00	0.00%	225.00	5.45%	(225.00)	-5.45%
1989-1991	3,195.00	0.00	0.00%	704.00	22.03%	(704.00)	-22.03%
1990-1992	2,484.00	0.00	0.00%	515.00	20.73%	(515.00)	-20.73%
1991-1993	14,933.00	0.00	0.00%	1,620.00	10.85%	(1,620.00)	-10.85%
1992-1994	54,046.00	0.00	0.00%	1,792.00	3.32%	(1,792.00)	-3.32%
1993-1995	74,440.00	410.00	0.55%	1,966.00	2.64%	(1,556.00)	-2.09%
1994-1996	107,001.00	410.00	0.38%	1,995.00	1.86%	(1,585.00)	-1.48%
1995-1997	67,678.00	410.00	0.61%	1,344.00	1.99%	(934.00)	-1.38%
1996-1998	56,193.00	2,677.00	4.76%	12,476.00	22.20%	(9,799.00)	-17.44%
1997-1999	11,183.00	2,677.00	23.94%	11,342.00	101.42%	(8,665.00)	-77.48%
1998-2000	13,322.00	2,677.00	20.09%	11,342.00	85.14%	(8,665.00)	-65.04%
1999-2001	2,139.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	2,139.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	261,249.00	12,313.00	4.71%	49,884.00	19.09%	-37,571.00	-14.38%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	55
Avg Ret Age	34.7
Years to ASL	20.3

Inflation Factor At 2.75% to ASL 1.73

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	3.93%
1988-2002	15-Year Trend	8.44%
1993-2002	10-Year Trend	10.79%
1998-2002	5-Year Trend	-0.28%

Adjusted Salvage & C/O/R	-0.28%	33.12%	-33.40%
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Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 362 - Distribution Station Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	194,729.00	13,978.00	7.18%	12,736.00	6.54%	1,242.00	0.64%
1973	42,514.00	9,696.00	22.81%	5,623.00	13.23%	4,073.00	9.58%
1974	113,004.00	24,779.00	21.93%	5,763.00	5.10%	19,016.00	16.83%
1975	318,921.00	33,190.00	10.41%	10,989.00	3.45%	22,201.00	6.96%
1976	93,350.00	35,762.00	38.31%	11,531.00	12.35%	24,231.00	25.96%
1977	63,267.00	31,960.00	50.52%	29,362.00	46.41%	2,598.00	4.11%
1978	407,897.00	58,063.00	14.23%	18,874.00	4.63%	39,189.00	9.61%
1979	350,793.00	12,692.00	3.62%	62,820.00	17.91%	(50,128.00)	-14.29%
1980	167,925.00	35,828.00	21.34%	12,418.00	7.39%	23,410.00	13.94%
1981	68,573.00	887.00	1.29%	27,634.00	40.30%	(26,747.00)	-39.01%
1982	232,965.00	139,316.00	59.80%	77,618.00	33.32%	61,698.00	26.48%
1983	162,672.00	31,251.00	19.21%	23,125.00	14.22%	8,126.00	5.00%
1984	90,385.00	2,582.00	2.86%	6,843.00	7.57%	(4,261.00)	-4.71%
1985	66,363.00	58.00	0.09%	7,816.00	11.78%	(7,758.00)	-11.69%
1986	360,887.00	3,855.00	1.07%	99,226.00	27.50%	(95,371.00)	-26.43%
1987	670,901.00	56,997.00	8.50%	36,271.00	5.41%	20,726.00	3.09%
1988	201,228.00	-	0.00%	52,621.00	26.15%	(52,621.00)	-26.15%
1989	318,283.00	7,621.00	2.39%	41,203.00	12.95%	(33,582.00)	-10.55%
1990	29,520.00	11.00	0.04%	10,413.00	35.27%	(10,402.00)	-35.24%
1991	345,833.00	-	0.00%	18,189.00	5.26%	(18,189.00)	-5.26%
1992	260,448.00	-	0.00%	438.00	0.17%	(438.00)	-0.17%
1993	88,961.00	-	0.00%	-	0.00%	0.00	0.00%
1994	157,468.00	91.00	0.06%	1,003.00	0.64%	(912.00)	-0.58%
1995	644,342.00	11,640.00	1.81%	5,981.00	0.93%	5,659.00	0.88%
1996	1,452,240.00	-	0.00%	36,601.00	2.52%	(36,601.00)	-2.52%
1997	171,306.00	33,538.00	19.58%	85,952.00	50.17%	(52,414.00)	-30.60%
1998	42,480.00	10,168.00	23.94%	43,085.00	101.42%	(32,917.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	37,760.00	-	0.00%	-	0.00%	0.00	0.00%
2001	424,172.00	-	0.00%	5,081.00	1.20%	(5,081.00)	-1.20%
2002	857.00	-	0.00%	255.00	29.75%	(255.00)	-29.75%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 362 - Distribution Station Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	350,247.00	48,453.00	13.83%	24,122.00	6.89%	24,331.00	6.95%
1973-1975	474,439.00	67,665.00	14.26%	22,375.00	4.72%	45,290.00	9.55%
1974-1976	525,275.00	93,731.00	17.84%	28,283.00	5.38%	65,448.00	12.46%
1975-1977	475,538.00	100,912.00	21.22%	51,882.00	10.91%	49,030.00	10.31%
1976-1978	564,514.00	125,785.00	22.28%	59,767.00	10.59%	66,018.00	11.69%
1977-1979	821,957.00	102,715.00	12.50%	111,056.00	13.51%	(8,341.00)	-1.01%
1978-1980	926,615.00	106,583.00	11.50%	94,112.00	10.16%	12,471.00	1.35%
1979-1981	587,291.00	49,407.00	8.41%	102,872.00	17.52%	(53,465.00)	-9.10%
1980-1982	469,463.00	176,031.00	37.50%	117,670.00	25.06%	58,361.00	12.43%
1981-1983	464,210.00	171,454.00	36.93%	128,377.00	27.65%	43,077.00	9.28%
1982-1984	486,022.00	173,149.00	35.63%	107,586.00	22.14%	65,563.00	13.49%
1983-1985	319,420.00	33,891.00	10.61%	37,784.00	11.83%	(3,893.00)	-1.22%
1984-1986	517,635.00	6,495.00	1.25%	113,885.00	22.00%	(107,390.00)	-20.75%
1985-1987	1,098,151.00	60,910.00	5.55%	143,313.00	13.05%	(82,403.00)	-7.50%
1986-1988	1,233,016.00	60,852.00	4.94%	188,118.00	15.26%	(127,266.00)	-10.32%
1987-1989	1,190,412.00	64,618.00	5.43%	130,095.00	10.93%	(65,477.00)	-5.50%
1988-1990	549,031.00	7,632.00	1.39%	104,237.00	18.99%	(96,605.00)	-17.60%
1989-1991	693,636.00	7,632.00	1.10%	69,805.00	10.06%	(62,173.00)	-8.96%
1990-1992	635,801.00	11.00	0.00%	29,040.00	4.57%	(29,029.00)	-4.57%
1991-1993	695,242.00	0.00	0.00%	18,627.00	2.68%	(18,627.00)	-2.68%
1992-1994	506,877.00	91.00	0.02%	1,441.00	0.28%	(1,350.00)	-0.27%
1993-1995	890,771.00	11,731.00	1.32%	6,984.00	0.78%	4,747.00	0.53%
1994-1996	2,254,050.00	11,731.00	0.52%	43,585.00	1.93%	(31,854.00)	-1.41%
1995-1997	2,267,888.00	45,178.00	1.99%	128,534.00	5.67%	(83,356.00)	-3.68%
1996-1998	1,666,026.00	43,706.00	2.62%	165,638.00	9.94%	(121,932.00)	-7.32%
1997-1999	213,786.00	43,706.00	20.44%	129,037.00	60.36%	(85,331.00)	-39.91%
1998-2000	80,240.00	10,168.00	12.67%	43,085.00	53.70%	(32,917.00)	-41.02%
1999-2001	461,932.00	0.00	0.00%	5,081.00	1.10%	(5,081.00)	-1.10%
2000-2002	462,789.00	0.00	0.00%	5,336.00	1.15%	(5,336.00)	-1.15%
1972-2002	7,580,044.00	553,963.00	7.31%	749,471.00	9.89%	-195,508.00	-2.58%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	50
Avg Ret Age	20.6
Years to ASL	29.4

Inflation Factor At 2.75% to ASL 2.22

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-1.75%
1988-2002	15-Year Trend	5.75%
1993-2002	10-Year Trend	7.86%
1998-2002	5-Year Trend	-0.56%

Adjusted Salvage & C/O/R -0.56% 21.95% -22.51%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 364 - Distribution Poles, Towers and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	86,876.00	30,984.00	35.66%	98,888.00	113.83%	(67,904.00)	-78.16%
1973	112,681.00	60,234.00	53.46%	117,281.00	104.08%	(57,047.00)	-50.63%
1974	93,401.00	100,139.00	107.21%	115,319.00	123.47%	(15,180.00)	-16.25%
1975	97,706.00	38,466.00	39.37%	129,585.00	132.63%	(91,119.00)	-93.26%
1976	138,110.00	37,247.00	26.97%	192,708.00	139.53%	(155,461.00)	-112.56%
1977	102,019.00	38,932.00	38.16%	125,384.00	122.90%	(86,452.00)	-84.74%
1978	132,933.00	42,174.00	31.73%	220,131.00	165.60%	(177,957.00)	-133.87%
1979	138,467.00	33,763.00	24.38%	258,902.00	186.98%	(225,139.00)	-162.59%
1980	169,410.00	23,112.00	13.64%	344,068.00	203.10%	(320,956.00)	-189.46%
1981	155,231.00	38,523.00	24.82%	346,621.00	223.29%	(308,098.00)	-198.48%
1982	162,068.00	64,556.00	39.83%	370,293.00	228.48%	(305,737.00)	-188.65%
1983	178,082.00	64,182.00	36.04%	325,544.00	182.81%	(261,362.00)	-146.76%
1984	277,367.00	70,804.00	25.53%	397,955.00	143.48%	(327,151.00)	-117.95%
1985	244,216.00	75,535.00	30.93%	410,597.00	168.13%	(335,062.00)	-137.20%
1986	327,100.00	169,634.00	51.86%	535,905.00	163.84%	(366,271.00)	-111.98%
1987	205,456.00	161,249.00	78.48%	378,673.00	184.31%	(217,424.00)	-105.83%
1988	326,944.00	237,764.00	72.72%	297,521.00	91.00%	(59,757.00)	-18.28%
1989	251,258.00	163,339.00	65.01%	197,053.00	78.43%	(33,714.00)	-13.42%
1990	232,795.00	168,011.00	72.17%	232,977.00	100.08%	(64,966.00)	-27.91%
1991	230,349.00	161,299.00	70.02%	208,421.00	90.48%	(47,122.00)	-20.46%
1992	167,920.00	100,073.00	59.60%	174,775.00	104.08%	(74,702.00)	-44.49%
1993	176,283.00	62,759.00	35.60%	168,194.00	95.41%	(105,435.00)	-59.81%
1994	194,097.00	48,428.00	24.95%	236,526.00	121.86%	(188,098.00)	-96.91%
1995	165,819.00	13,724.00	8.28%	229,233.00	138.24%	(215,509.00)	-129.97%
1996	202,113.00	25,816.00	12.77%	101,841.00	50.39%	(76,025.00)	-37.62%
1997	270,517.00	52,961.00	19.58%	135,729.00	50.17%	(82,768.00)	-30.60%
1998	118,509.00	28,365.00	23.93%	120,198.00	101.43%	(91,833.00)	-77.49%
1999	10,018.00	59,952.00	598.44%	70,733.00	706.06%	(10,781.00)	-107.62%
2000	63,143.00	121,595.00	192.57%	649,282.00	1028.27%	(527,687.00)	-835.70%
2001	239,428.00	10,685.00	4.46%	111,588.00	46.61%	(100,903.00)	-42.14%
2002	103,870.00	2,257.00	2.17%	664,097.00	639.35%	(661,840.00)	-637.18%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 364 - Distribution Poles, Towers and Fixtures

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	292,958.00	191,357.00	65.32%	331,488.00	113.15%	(140,131.00)	-47.83%
1973-1975	303,788.00	198,839.00	65.45%	362,185.00	119.22%	(163,346.00)	-53.77%
1974-1976	329,217.00	175,852.00	53.42%	437,612.00	132.93%	(261,760.00)	-79.51%
1975-1977	337,835.00	114,645.00	33.94%	447,677.00	132.51%	(333,032.00)	-98.58%
1976-1978	373,062.00	118,353.00	31.72%	538,223.00	144.27%	(419,870.00)	-112.55%
1977-1979	373,419.00	114,869.00	30.76%	604,417.00	161.86%	(489,548.00)	-131.10%
1978-1980	440,810.00	99,049.00	22.47%	823,101.00	186.72%	(724,052.00)	-164.25%
1979-1981	463,108.00	95,398.00	20.60%	949,591.00	205.05%	(854,193.00)	-184.45%
1980-1982	486,709.00	126,191.00	25.93%	1,060,982.00	217.99%	(934,791.00)	-192.06%
1981-1983	495,381.00	167,261.00	33.76%	1,042,458.00	210.44%	(875,197.00)	-176.67%
1982-1984	617,517.00	199,542.00	32.31%	1,093,792.00	177.13%	(894,250.00)	-144.81%
1983-1985	699,665.00	210,521.00	30.09%	1,134,096.00	162.09%	(923,575.00)	-132.00%
1984-1986	848,683.00	315,973.00	37.23%	1,344,457.00	158.42%	(1,028,484.00)	-121.19%
1985-1987	776,772.00	406,418.00	52.32%	1,325,175.00	170.60%	(918,757.00)	-118.28%
1986-1988	859,500.00	568,647.00	66.16%	1,212,099.00	141.02%	(643,452.00)	-74.86%
1987-1989	783,658.00	562,352.00	71.76%	873,247.00	111.43%	(310,895.00)	-39.67%
1988-1990	810,997.00	569,114.00	70.17%	727,551.00	89.71%	(158,437.00)	-19.54%
1989-1991	714,402.00	492,649.00	68.96%	638,451.00	89.37%	(145,802.00)	-20.41%
1990-1992	631,064.00	429,383.00	68.04%	616,173.00	97.64%	(186,790.00)	-29.60%
1991-1993	574,552.00	324,131.00	56.41%	551,390.00	95.97%	(227,259.00)	-39.55%
1992-1994	538,300.00	211,260.00	39.25%	579,495.00	107.65%	(368,235.00)	-68.41%
1993-1995	536,199.00	124,911.00	23.30%	633,953.00	118.23%	(509,042.00)	-94.94%
1994-1996	562,029.00	87,968.00	15.65%	567,600.00	100.99%	(479,632.00)	-85.34%
1995-1997	638,449.00	92,501.00	14.49%	466,803.00	73.12%	(374,302.00)	-58.63%
1996-1998	591,139.00	107,142.00	18.12%	357,768.00	60.52%	(250,626.00)	-42.40%
1997-1999	399,044.00	141,278.00	35.40%	326,660.00	81.86%	(185,382.00)	-46.46%
1998-2000	191,670.00	209,912.00	109.52%	840,213.00	438.36%	(630,301.00)	-328.85%
1999-2001	312,589.00	192,232.00	61.50%	831,603.00	266.04%	(639,371.00)	-204.54%
2000-2002	406,441.00	134,537.00	33.10%	1,424,967.00	350.60%	(1,290,430.00)	-317.50%
1972-2002	5,374,186.00	2,306,562.00	42.92%	7,966,022.00	148.23%	-5,659,460.00	-105.31%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	65
Avg Ret Age	23
Years to ASL	42

Inflation Factor At 2.75% to ASL 3.12

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	47.53%
1988-2002	15-Year Trend	36.19%
1993-2002	10-Year Trend	55.34%
1998-2002	5-Year Trend	68.34%

Adjusted Salvage & C/O/R 68.34% 463.20% -394.85%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 365 - Distribution Overhead Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	301,704.00	216,588.00	71.79%	147,110.00	48.76%	69,478.00	23.03%
1973	307,960.00	271,933.00	88.30%	148,980.00	48.38%	122,953.00	39.92%
1974	274,179.00	197,794.00	72.14%	154,786.00	56.45%	43,008.00	15.69%
1975	298,983.00	147,113.00	49.20%	192,596.00	64.42%	(45,483.00)	-15.21%
1976	471,655.00	290,821.00	61.66%	276,041.00	58.53%	14,780.00	3.13%
1977	336,851.00	151,747.00	45.05%	166,049.00	49.29%	(14,302.00)	-4.25%
1978	547,210.00	151,017.00	27.60%	320,086.00	58.49%	(169,069.00)	-30.90%
1979	452,863.00	210,471.00	46.48%	305,648.00	67.49%	(95,177.00)	-21.02%
1980	552,752.00	316,439.00	57.25%	449,450.00	81.31%	(133,011.00)	-24.06%
1981	527,829.00	80,047.00	15.17%	40,730.00	7.72%	39,317.00	7.45%
1982	543,637.00	130,604.00	24.02%	475,181.00	87.41%	(344,577.00)	-63.38%
1983	665,940.00	144,111.00	21.64%	715,609.00	107.46%	(571,498.00)	-85.82%
1984	479,926.00	48,539.00	10.11%	417,307.00	86.95%	(368,768.00)	-76.84%
1985	335,524.00	106,998.00	31.89%	650,531.00	193.89%	(543,533.00)	-162.00%
1986	734,893.00	201,787.00	27.46%	662,152.00	90.10%	(460,365.00)	-62.64%
1987	201,036.00	157,780.00	78.48%	370,527.00	184.31%	(212,747.00)	-105.83%
1988	629,361.00	457,692.00	72.72%	572,723.00	91.00%	(115,031.00)	-18.28%
1989	612,376.00	398,098.00	65.01%	480,265.00	78.43%	(82,167.00)	-13.42%
1990	574,864.00	414,886.00	72.17%	575,312.00	100.08%	(160,426.00)	-27.91%
1991	806,506.00	564,748.00	70.02%	729,733.00	90.48%	(164,985.00)	-20.46%
1992	472,440.00	281,553.00	59.60%	491,727.00	104.08%	(210,174.00)	-44.49%
1993	534,481.00	183,514.00	34.33%	495,651.00	92.74%	(312,137.00)	-58.40%
1994	280,298.00	70,724.00	25.23%	345,425.00	123.23%	(274,701.00)	-98.00%
1995	348,063.00	28,807.00	8.28%	481,174.00	138.24%	(452,367.00)	-129.97%
1996	388,888.00	49,672.00	12.77%	195,954.00	50.39%	(146,282.00)	-37.62%
1997	397,305.00	77,784.00	19.58%	199,344.00	50.17%	(121,560.00)	-30.60%
1998	236,765.00	56,670.00	23.94%	240,139.00	101.43%	(183,469.00)	-77.49%
1999	20,082.00	120,179.00	598.44%	141,791.00	706.06%	(21,612.00)	-107.62%
2000	85,859.00	173,188.00	201.71%	694,247.00	808.59%	(521,059.00)	-606.88%
2001	415,337.00	5,178.00	1.25%	231,781.00	55.81%	(226,603.00)	-54.56%
2002	321,801.00	2,230.00	0.69%	240,218.00	74.65%	(237,988.00)	-73.96%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 365 - Distribution Overhead Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	883,843.00	686,315.00	77.65%	450,876.00	51.01%	235,439.00	26.64%
1973-1975	881,122.00	616,840.00	70.01%	496,362.00	56.33%	120,478.00	13.67%
1974-1976	1,044,817.00	635,728.00	60.85%	623,423.00	59.67%	12,305.00	1.18%
1975-1977	1,107,489.00	589,681.00	53.24%	634,686.00	57.31%	(45,005.00)	-4.06%
1976-1978	1,355,716.00	593,585.00	43.78%	762,176.00	56.22%	(168,591.00)	-12.44%
1977-1979	1,336,924.00	513,235.00	38.39%	791,783.00	59.22%	(278,548.00)	-20.83%
1978-1980	1,552,825.00	677,927.00	43.66%	1,075,184.00	69.24%	(397,257.00)	-25.58%
1979-1981	1,533,444.00	606,957.00	39.58%	795,828.00	51.90%	(188,871.00)	-12.32%
1980-1982	1,624,218.00	527,090.00	32.45%	965,361.00	59.44%	(438,271.00)	-26.98%
1981-1983	1,737,406.00	354,762.00	20.42%	1,231,520.00	70.88%	(876,758.00)	-50.46%
1982-1984	1,689,503.00	323,254.00	19.13%	1,608,097.00	95.18%	(1,284,843.00)	-76.05%
1983-1985	1,481,390.00	299,648.00	20.23%	1,783,447.00	120.39%	(1,483,799.00)	-100.16%
1984-1986	1,550,343.00	357,324.00	23.05%	1,729,990.00	111.59%	(1,372,666.00)	-88.54%
1985-1987	1,271,453.00	466,565.00	36.70%	1,683,210.00	132.38%	(1,216,645.00)	-95.69%
1986-1988	1,565,290.00	817,259.00	52.21%	1,605,402.00	102.56%	(788,143.00)	-50.35%
1987-1989	1,442,773.00	1,013,570.00	70.25%	1,423,515.00	98.67%	(409,945.00)	-28.41%
1988-1990	1,816,601.00	1,270,676.00	69.95%	1,628,300.00	89.63%	(357,624.00)	-19.69%
1989-1991	1,993,746.00	1,377,732.00	69.10%	1,785,310.00	89.55%	(407,578.00)	-20.44%
1990-1992	1,853,810.00	1,261,187.00	68.03%	1,796,772.00	96.92%	(535,585.00)	-28.89%
1991-1993	1,813,427.00	1,029,815.00	56.79%	1,717,111.00	94.69%	(687,296.00)	-37.90%
1992-1994	1,287,219.00	535,791.00	41.62%	1,332,803.00	103.54%	(797,012.00)	-61.92%
1993-1995	1,162,842.00	283,045.00	24.34%	1,322,250.00	113.71%	(1,039,205.00)	-89.37%
1994-1996	1,017,249.00	149,203.00	14.67%	1,022,553.00	100.52%	(873,350.00)	-85.85%
1995-1997	1,134,256.00	156,263.00	13.78%	876,472.00	77.27%	(720,209.00)	-63.50%
1996-1998	1,022,958.00	184,126.00	18.00%	635,437.00	62.12%	(451,311.00)	-44.12%
1997-1999	654,152.00	254,633.00	38.93%	581,274.00	88.86%	(326,641.00)	-49.93%
1998-2000	342,706.00	350,037.00	102.14%	1,076,177.00	314.02%	(726,140.00)	-211.88%
1999-2001	521,278.00	298,545.00	57.27%	1,067,819.00	204.85%	(769,274.00)	-147.57%
2000-2002	822,997.00	180,596.00	21.94%	1,166,246.00	141.71%	(985,650.00)	-119.76%
1972-2002	13,157,368.00	5,708,712.00	43.39%	11,608,267.00	88.23%	-5,899,555.00	-44.84%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	45
Avg Ret Age	12.3
Years to ASL	32.7

Inflation Factor At 2.75% to ASL 2.43

Adjusted Salvage & C/O/R 55.53% 214.22% -158.70%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	48.64%
1988-2002	15-Year Trend	33.29%
1993-2002	10-Year Trend	47.68%
1998-2002	5-Year Trend	55.53%

**Louisville Gas and Electric
Electric Division**

Analysis of Experienced Salvage
1972 through 2002

Account 366 - Distribution Underground Conduit

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	5,189.00	643.00	12.39%	852.00	16.42%	(209.00)	-4.03%
1973	22,232.00	3,132.00	14.09%	1,779.00	8.00%	1,353.00	6.09%
1974	29,511.00	11,339.00	38.42%	4,274.00	14.48%	7,065.00	23.94%
1975	4,380.00	1,156.00	26.39%	2,836.00	64.75%	(1,680.00)	-38.36%
1976	6,178.00	9,355.00	151.42%	2,084.00	33.73%	7,271.00	117.69%
1977	11,937.00	6,770.00	56.71%	8,531.00	71.47%	(1,761.00)	-14.75%
1978	15,259.00	4,009.00	26.27%	6,678.00	43.76%	(2,669.00)	-17.49%
1979	9,259.00	7,732.00	83.51%	3,465.00	37.42%	4,267.00	46.08%
1980	72,242.00	35,588.00	49.26%	27,304.00	37.80%	8,284.00	11.47%
1981	10,030.00	7,716.00	76.93%	2,853.00	28.44%	4,863.00	48.48%
1982	35,125.00	4,772.00	13.59%	9,631.00	27.42%	(4,859.00)	-13.83%
1983	17,862.00	5,599.00	31.35%	11,597.00	64.93%	(5,998.00)	-33.58%
1984	6,502.00	1,157.00	17.79%	6,363.00	97.86%	(5,206.00)	-80.07%
1985	12,231.00	3,439.00	28.12%	4,807.00	39.30%	(1,368.00)	-11.18%
1986	31,146.00	3,866.00	12.41%	11,410.00	36.63%	(7,544.00)	-24.22%
1987	22,046.00	6,321.00	28.67%	12,857.00	58.32%	(6,536.00)	-29.65%
1988	17,311.00	2,215.00	12.80%	10,687.00	61.74%	(8,472.00)	-48.94%
1989	27,180.00	5,791.00	21.31%	4,561.00	16.78%	1,230.00	4.53%
1990	56,366.00	21,480.00	38.11%	12,378.00	21.96%	9,102.00	16.15%
1991	17,777.00	552.00	3.11%	9,973.00	56.10%	(9,421.00)	-53.00%
1992	17,070.00	896.00	5.25%	3,150.00	18.45%	(2,254.00)	-13.20%
1993	2,544.00	39.00	1.53%	2,780.00	109.28%	(2,741.00)	-107.74%
1994	1,717.00	52.00	3.03%	381.00	22.19%	(329.00)	-19.16%
1995	18,148.00	1,502.00	8.28%	25,088.00	138.24%	(23,586.00)	-129.96%
1996	16,344.00	2,088.00	12.78%	8,235.00	50.39%	(6,147.00)	-37.61%
1997	1,108.00	217.00	19.58%	556.00	50.18%	(339.00)	-30.60%
1998	1,075.00	257.00	23.91%	1,090.00	101.40%	(833.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	216.00	104.00	48.15%	183.00	84.72%	(79.00)	-36.57%
2001	14,706.00	511.00	3.47%	2,914.00	19.82%	(2,403.00)	-16.34%
2002	41,863.00	-	0.00%	6,954.00	16.61%	(6,954.00)	-16.61%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 366 - Distribution Underground Conduit

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	56,932.00	15,114.00	26.55%	6,905.00	12.13%	8,209.00	14.42%
1973-1975	56,123.00	15,627.00	27.84%	8,889.00	15.84%	6,738.00	12.01%
1974-1976	40,069.00	21,850.00	54.53%	9,194.00	22.95%	12,656.00	31.59%
1975-1977	22,495.00	17,281.00	76.82%	13,451.00	59.80%	3,830.00	17.03%
1976-1978	33,374.00	20,134.00	60.33%	17,293.00	51.82%	2,841.00	8.51%
1977-1979	36,455.00	18,511.00	50.78%	18,674.00	51.22%	(163.00)	-0.45%
1978-1980	96,760.00	47,329.00	48.91%	37,447.00	38.70%	9,882.00	10.21%
1979-1981	91,531.00	51,036.00	55.76%	33,622.00	36.73%	17,414.00	19.03%
1980-1982	117,397.00	48,076.00	40.95%	39,788.00	33.89%	8,288.00	7.06%
1981-1983	63,017.00	18,087.00	28.70%	24,081.00	38.21%	(5,994.00)	-9.51%
1982-1984	59,489.00	11,528.00	19.38%	27,591.00	46.38%	(16,063.00)	-27.00%
1983-1985	36,595.00	10,195.00	27.86%	22,767.00	62.21%	(12,572.00)	-34.35%
1984-1986	49,879.00	8,462.00	16.97%	22,580.00	45.27%	(14,118.00)	-28.30%
1985-1987	65,423.00	13,626.00	20.83%	29,074.00	44.44%	(15,448.00)	-23.61%
1986-1988	70,503.00	12,402.00	17.59%	34,954.00	49.58%	(22,552.00)	-31.99%
1987-1989	66,537.00	14,327.00	21.53%	28,105.00	42.24%	(13,778.00)	-20.71%
1988-1990	100,857.00	29,486.00	29.24%	27,626.00	27.39%	1,860.00	1.84%
1989-1991	101,323.00	27,823.00	27.46%	26,912.00	26.56%	911.00	0.90%
1990-1992	91,213.00	22,928.00	25.14%	25,501.00	27.96%	(2,573.00)	-2.82%
1991-1993	37,391.00	1,487.00	3.98%	15,903.00	42.53%	(14,416.00)	-38.55%
1992-1994	21,331.00	987.00	4.63%	6,311.00	29.59%	(5,324.00)	-24.96%
1993-1995	22,409.00	1,593.00	7.11%	28,249.00	126.06%	(26,656.00)	-118.95%
1994-1996	36,209.00	3,642.00	10.06%	33,704.00	93.08%	(30,062.00)	-83.02%
1995-1997	35,600.00	3,807.00	10.69%	33,879.00	95.17%	(30,072.00)	-84.47%
1996-1998	18,527.00	2,562.00	13.83%	9,881.00	53.33%	(7,319.00)	-39.50%
1997-1999	2,183.00	474.00	21.71%	1,646.00	75.40%	(1,172.00)	-53.69%
1998-2000	1,291.00	361.00	27.96%	1,273.00	98.61%	(912.00)	-70.64%
1999-2001	14,922.00	615.00	4.12%	3,097.00	20.75%	(2,482.00)	-16.63%
2000-2002	56,785.00	615.00	1.08%	10,051.00	17.70%	(9,436.00)	-16.62%
1972-2002	544,554.00	148,298.00	27.23%	206,251.00	37.88%	-57,953.00	-10.64%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	75
Avg Ret Age	4
Years to ASL	71

Inflation Factor At 2.75% to ASL 6.86

Adjusted Salvage & C/O/R 0.82% 259.94% -259.12%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	7.99%
1988-2002	15-Year Trend	7.52%
1993-2002	10-Year Trend	14.28%
1998-2002	5-Year Trend	0.82%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 367 - Distribution Underground Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	180,805.00	250,906.00	138.77%	22,921.00	12.68%	227,985.00	126.09%
1973	62,213.00	30,756.00	49.44%	14,490.00	23.29%	16,266.00	26.15%
1974	130,232.00	110,253.00	84.66%	48,850.00	37.51%	61,403.00	47.15%
1975	100,997.00	65,858.00	65.21%	21,957.00	21.74%	43,901.00	43.47%
1976	88,600.00	66,055.00	74.55%	31,098.00	35.10%	34,957.00	39.45%
1977	106,792.00	57,094.00	53.46%	25,685.00	24.05%	31,409.00	29.41%
1978	87,661.00	24,876.00	28.38%	23,850.00	27.21%	1,026.00	1.17%
1979	106,182.00	56,993.00	53.67%	39,075.00	36.80%	17,918.00	16.87%
1980	245,023.00	175,118.00	71.47%	82,494.00	33.67%	92,624.00	37.80%
1981	77,333.00	48,866.00	63.19%	47,463.00	61.37%	1,403.00	1.81%
1982	143,403.00	37,173.00	25.92%	43,246.00	30.16%	(6,073.00)	-4.23%
1983	207,947.00	174,026.00	83.69%	26,307.00	12.65%	147,719.00	71.04%
1984	101,471.00	36,613.00	36.08%	43,760.00	43.13%	(7,147.00)	-7.04%
1985	91,883.00	33,104.00	36.03%	40,056.00	43.59%	(6,952.00)	-7.57%
1986	200,003.00	67,745.00	33.87%	93,047.00	46.52%	(25,302.00)	-12.65%
1987	156,282.00	65,556.00	41.95%	33,221.00	21.26%	32,335.00	20.69%
1988	142,346.00	101,628.00	71.40%	31,419.00	22.07%	70,209.00	49.32%
1989	185,975.00	115,195.00	61.94%	85,975.00	46.23%	29,220.00	15.71%
1990	192,163.00	88,746.00	46.18%	54,750.00	28.49%	33,996.00	17.69%
1991	202,959.00	42,684.00	21.03%	130,649.00	64.37%	(87,965.00)	-43.34%
1992	113,814.00	12,459.00	10.95%	37,334.00	32.80%	(24,875.00)	-21.86%
1993	73,068.00	10,762.00	14.73%	78,295.00	107.15%	(67,533.00)	-92.42%
1994	102,703.00	25,973.00	25.29%	64,417.00	62.72%	(38,444.00)	-37.43%
1995	214,389.00	17,744.00	8.28%	296,378.00	138.24%	(278,634.00)	-129.97%
1996	408,232.00	52,143.00	12.77%	205,701.00	50.39%	(153,558.00)	-37.62%
1997	232,609.00	45,540.00	19.58%	116,709.00	50.17%	(71,169.00)	-30.60%
1998	21,926.00	5,248.00	23.94%	22,238.00	101.42%	(16,990.00)	-77.49%
1999	3,140.00	18,791.00	598.44%	22,170.00	706.05%	(3,379.00)	-107.61%
2000	24,745.00	12,836.00	51.87%	27,465.00	110.99%	(14,629.00)	-59.12%
2001	41,770.00	116.00	0.28%	52,579.00	125.88%	(52,463.00)	-125.60%
2002	286,355.00	1,674.00	0.58%	68,961.00	24.08%	(67,287.00)	-23.50%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 367 - Distribution Underground Conductors and Devices

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	373,250.00	391,915.00	105.00%	86,261.00	23.11%	305,654.00	81.89%
1973-1975	293,442.00	206,867.00	70.50%	85,297.00	29.07%	121,570.00	41.43%
1974-1976	319,829.00	242,166.00	75.72%	101,905.00	31.86%	140,261.00	43.85%
1975-1977	296,389.00	189,007.00	63.77%	78,740.00	26.57%	110,267.00	37.20%
1976-1978	283,053.00	148,025.00	52.30%	80,633.00	28.49%	67,392.00	23.81%
1977-1979	300,635.00	138,963.00	46.22%	88,610.00	29.47%	50,353.00	16.75%
1978-1980	438,866.00	256,987.00	58.56%	145,419.00	33.14%	111,568.00	25.42%
1979-1981	428,538.00	280,977.00	65.57%	169,032.00	39.44%	111,945.00	26.12%
1980-1982	465,759.00	261,157.00	56.07%	173,203.00	37.19%	87,954.00	18.88%
1981-1983	428,683.00	260,065.00	60.67%	117,016.00	27.30%	143,049.00	33.37%
1982-1984	452,821.00	247,812.00	54.73%	113,313.00	25.02%	134,499.00	29.70%
1983-1985	401,301.00	243,743.00	60.74%	110,123.00	27.44%	133,620.00	33.30%
1984-1986	393,357.00	137,462.00	34.95%	176,863.00	44.96%	(39,401.00)	-10.02%
1985-1987	448,168.00	166,405.00	37.13%	166,324.00	37.11%	81.00	0.02%
1986-1988	498,631.00	234,929.00	47.11%	157,687.00	31.62%	77,242.00	15.49%
1987-1989	484,603.00	282,379.00	58.27%	150,615.00	31.08%	131,764.00	27.19%
1988-1990	520,484.00	305,569.00	58.71%	172,144.00	33.07%	133,425.00	25.63%
1989-1991	581,097.00	246,625.00	42.44%	271,374.00	46.70%	(24,749.00)	-4.26%
1990-1992	508,936.00	143,889.00	28.27%	222,733.00	43.76%	(78,844.00)	-15.49%
1991-1993	389,841.00	65,905.00	16.91%	246,278.00	63.17%	(180,373.00)	-46.27%
1992-1994	289,585.00	49,194.00	16.99%	180,046.00	62.17%	(130,852.00)	-45.19%
1993-1995	390,160.00	54,479.00	13.96%	439,090.00	112.54%	(384,611.00)	-98.58%
1994-1996	725,324.00	95,860.00	13.22%	566,496.00	78.10%	(470,636.00)	-64.89%
1995-1997	855,230.00	115,427.00	13.50%	618,788.00	72.35%	(503,361.00)	-58.86%
1996-1998	662,767.00	102,931.00	15.53%	344,648.00	52.00%	(241,717.00)	-36.47%
1997-1999	257,675.00	69,579.00	27.00%	161,117.00	62.53%	(91,538.00)	-35.52%
1998-2000	49,811.00	36,875.00	74.03%	71,873.00	144.29%	(34,998.00)	-70.26%
1999-2001	69,655.00	31,743.00	45.57%	102,214.00	146.74%	(70,471.00)	-101.17%
2000-2002	352,870.00	14,626.00	4.14%	149,005.00	42.23%	(134,379.00)	-38.08%
1972-2002	4,333,021.00	1,852,531.00	42.75%	1,932,560.00	44.60%	-80,029.00	-1.85%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	33
Avg Ret Age	4.3
Years to ASL	28.7

Inflation Factor At 2.75% to ASL 2.18

Adjusted Salvage & C/O/R

32.00%

97.16%

-65.16%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	18.03%
1988-2002	15-Year Trend	19.97%
1993-2002	10-Year Trend	38.38%
1998-2002	5-Year Trend	32.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 368 - Line Transformers & Installations

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	169,152.00	10,736.00	6.35%	8.00	0.00%	10,728.00	6.34%
1973	240,023.00	29,161.00	12.15%		0.00%	29,161.00	12.15%
1974	149,627.00	145,894.00	97.51%	104.00	0.07%	145,790.00	97.44%
1975	135,551.00	21,643.00	15.97%	305.00	0.23%	21,338.00	15.74%
1976	230,831.00	22,069.00	9.56%	615.00	0.27%	21,454.00	9.29%
1977	151,983.00	2,377.00	1.56%	13.00	0.01%	2,364.00	1.56%
1978	193,092.00	38,309.00	19.84%	16.00	0.01%	38,293.00	19.83%
1979	253,924.00	92,608.00	36.47%	111.00	0.04%	92,497.00	36.43%
1980	212,513.00	32,463.00	15.28%	236.00	0.11%	32,227.00	15.16%
1981	201,233.00	32,991.00	16.39%	(56.00)	-0.03%	33,047.00	16.42%
1982	203,899.00	17,774.00	8.72%	73,305.00	35.95%	(55,531.00)	-27.23%
1983	110,374.00	18,432.00	16.70%	10,113.00	9.16%	8,319.00	7.54%
1984	141,058.00	36,660.00	25.99%	215,371.00	152.68%	(178,711.00)	-126.69%
1985	572,242.00	20,800.00	3.63%	17,010.00	2.97%	3,790.00	0.66%
1986	955,707.00	54,213.00	5.67%	467,535.00	48.92%	(413,322.00)	-43.25%
1987	662,152.00	41,628.00	6.29%	14,562.00	2.20%	27,066.00	4.09%
1988	570,247.00	1,416.00	0.25%	37,991.00	6.66%	(36,575.00)	-6.41%
1989	276,028.00	5,540.00	2.01%	370,908.00	134.37%	(365,368.00)	-132.37%
1990	170,575.00	8,859.00	5.19%	(15,313.00)	-8.98%	24,172.00	14.17%
1991	221,603.00	53,954.00	24.35%	15,120.00	6.82%	38,834.00	17.52%
1992	432,054.00	78,434.00	18.15%	10,061.00	2.33%	68,373.00	15.83%
1993	482,224.00	107,697.00	22.33%	81,251.00	16.85%	26,446.00	5.48%
1994	2,774,303.00	190,848.00	6.88%	74,767.00	2.69%	116,081.00	4.18%
1995	(762,161.00)	63,080.00	-8.28%	1,053,638.00	-138.24%	(990,558.00)	129.97%
1996	395,687.00	50,541.00	12.77%	199,380.00	50.39%	(148,839.00)	-37.62%
1997	398,770.00	78,070.00	19.58%	200,079.00	50.17%	(122,009.00)	-30.60%
1998	160,617.00	38,444.00	23.94%	162,906.00	101.43%	(124,462.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	361,539.00	359,601.00	99.46%	36,895.00	10.20%	322,706.00	89.26%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	837,394.00	229,205.00	27.37%	240,244.00	28.69%	(11,039.00)	-1.32%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 368 - Line Transformers & Installations

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	558,802.00	185,791.00	33.25%	112.00	0.02%	185,679.00	33.23%
1973-1975	525,201.00	196,698.00	37.45%	409.00	0.08%	196,289.00	37.37%
1974-1976	516,009.00	189,606.00	36.74%	1,024.00	0.20%	188,582.00	36.55%
1975-1977	518,365.00	46,089.00	8.89%	933.00	0.18%	45,156.00	8.71%
1976-1978	575,906.00	62,755.00	10.90%	644.00	0.11%	62,111.00	10.78%
1977-1979	598,999.00	133,294.00	22.25%	140.00	0.02%	133,154.00	22.23%
1978-1980	659,529.00	163,380.00	24.77%	363.00	0.06%	163,017.00	24.72%
1979-1981	667,670.00	158,062.00	23.67%	291.00	0.04%	157,771.00	23.63%
1980-1982	617,645.00	83,228.00	13.48%	73,485.00	11.90%	9,743.00	1.58%
1981-1983	515,506.00	69,197.00	13.42%	83,362.00	16.17%	(14,165.00)	-2.75%
1982-1984	455,331.00	72,866.00	16.00%	298,789.00	65.62%	(225,923.00)	-49.62%
1983-1985	823,674.00	75,892.00	9.21%	242,494.00	29.44%	(166,602.00)	-20.23%
1984-1986	1,669,007.00	111,673.00	6.69%	699,916.00	41.94%	(588,243.00)	-35.25%
1985-1987	2,190,101.00	116,641.00	5.33%	499,107.00	22.79%	(382,466.00)	-17.46%
1986-1988	2,188,106.00	97,257.00	4.44%	520,088.00	23.77%	(422,831.00)	-19.32%
1987-1989	1,508,427.00	48,584.00	3.22%	423,461.00	28.07%	(374,877.00)	-24.85%
1988-1990	1,016,850.00	15,815.00	1.56%	393,586.00	38.71%	(377,771.00)	-37.15%
1989-1991	668,206.00	68,353.00	10.23%	370,715.00	55.48%	(302,362.00)	-45.25%
1990-1992	824,232.00	141,247.00	17.14%	9,868.00	1.20%	131,379.00	15.94%
1991-1993	1,135,881.00	240,085.00	21.14%	106,432.00	9.37%	133,653.00	11.77%
1992-1994	3,688,581.00	376,979.00	10.22%	166,079.00	4.50%	210,900.00	5.72%
1993-1995	2,494,366.00	361,625.00	14.50%	1,209,656.00	48.50%	(848,031.00)	-34.00%
1994-1996	2,407,829.00	304,469.00	12.64%	1,327,785.00	55.14%	(1,023,316.00)	-42.50%
1995-1997	32,296.00	191,691.00	593.54%	1,453,097.00	4499.31%	(1,261,406.00)	-3905.77%
1996-1998	955,074.00	167,055.00	17.49%	562,365.00	58.88%	(395,310.00)	-41.39%
1997-1999	559,387.00	116,514.00	20.83%	362,985.00	64.89%	(246,471.00)	-44.06%
1998-2000	522,156.00	398,045.00	76.23%	199,801.00	38.26%	198,244.00	37.97%
1999-2001	361,539.00	359,601.00	99.46%	36,895.00	10.20%	322,706.00	89.26%
2000-2002	1,198,933.00	588,806.00	49.11%	277,139.00	23.12%	311,667.00	26.00%
1972-2002	10,902,241.00	1,883,447.00	17.28%	3,267,175.00	29.97%	-1,383,728.00	-12.69%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	45
Avg Ret Age	0.5
Years to ASL	44.5

Inflation Factor At 2.75% to ASL 3.34

Adjusted Salvage & C/O/R

95.19%

100.22%

-5.03%

Gross Salv. Trend Analysis*

1983-2002	20-Year Trend	120.04%
1988-2002	15-Year Trend	133.57%
1993-2002	10-Year Trend	112.64%
1998-2002	5-Year Trend	95.19%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 369.10 - Underground Services

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	5,982.00	2,027.00	33.88%	1,978.00	33.07%	49.00	0.82%
1973	6,858.00	2,864.00	41.76%	5,102.00	74.39%	(2,238.00)	-32.63%
1974	23,595.00	16,059.00	68.06%	8,751.00	37.09%	7,308.00	30.97%
1975	5,375.00	4,614.00	85.84%	3,278.00	60.99%	1,336.00	24.86%
1976	8,079.00	4,266.00	52.80%	3,790.00	46.91%	476.00	5.89%
1977	8,378.00	3,482.00	41.56%	2,714.00	32.39%	768.00	9.17%
1978	5,289.00	2,311.00	43.69%	3,695.00	69.86%	(1,384.00)	-26.17%
1979	1,559.00	1,321.00	84.73%	4,312.00	276.59%	(2,991.00)	-191.85%
1980	18,627.00	8,234.00	44.20%	10,258.00	55.07%	(2,024.00)	-10.87%
1981	4,035.00	(1,715.00)	-42.50%	5,525.00	136.93%	(7,240.00)	-179.43%
1982	17,760.00	3,779.00	21.28%	15,258.00	85.91%	(11,479.00)	-64.63%
1983	18,906.00	18,912.00	100.03%	13,377.00	70.76%	5,535.00	29.28%
1984	19,841.00	5,857.00	29.52%	9,953.00	50.16%	(4,096.00)	-20.64%
1985	5,200.00	3,690.00	70.96%	7,671.00	147.52%	(3,981.00)	-76.56%
1986	3,660.00	1,856.00	50.71%	6,477.00	176.97%	(4,621.00)	-126.26%
1987	11,475.00	5,439.00	47.40%	5,913.00	51.53%	(474.00)	-4.13%
1988	2,136.00	63.00	2.95%	2,155.00	100.89%	(2,092.00)	-97.94%
1989	12,193.00	5,341.00	43.80%	11,112.00	91.13%	(5,771.00)	-47.33%
1990	11,156.00	1,556.00	13.95%	6,640.00	59.52%	(5,084.00)	-45.57%
1991	1,172.00	49.00	4.18%	2,750.00	234.64%	(2,701.00)	-230.46%
1992	6,267.00	1,499.00	23.92%	16,177.00	258.13%	(14,678.00)	-234.21%
1993	87,670.00	1,404.00	1.60%	32,803.00	37.42%	(31,399.00)	-35.81%
1994	3,677.00	231.00	6.28%	16,746.00	455.43%	(16,515.00)	-449.14%
1995	2,923.00	242.00	8.28%	4,041.00	138.25%	(3,799.00)	-129.97%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	2,975.00	582.00	19.56%	1,493.00	50.18%	(911.00)	-30.62%
1998	2,780.00	665.00	23.92%	2,820.00	101.44%	(2,155.00)	-77.52%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 369.10 - Underground Services

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	36,435.00	20,950.00	57.50%	15,831.00	43.45%	5,119.00	14.05%
1973-1975	35,828.00	23,537.00	65.69%	17,131.00	47.81%	6,406.00	17.88%
1974-1976	37,049.00	24,939.00	67.31%	15,819.00	42.70%	9,120.00	24.62%
1975-1977	21,832.00	12,362.00	56.62%	9,782.00	44.81%	2,580.00	11.82%
1976-1978	21,746.00	10,059.00	46.26%	10,199.00	46.90%	(140.00)	-0.64%
1977-1979	15,226.00	7,114.00	46.72%	10,721.00	70.41%	(3,607.00)	-23.69%
1978-1980	25,475.00	11,866.00	46.58%	18,265.00	71.70%	(6,399.00)	-25.12%
1979-1981	24,221.00	7,840.00	32.37%	20,095.00	82.97%	(12,255.00)	-50.60%
1980-1982	40,422.00	10,298.00	25.48%	31,041.00	76.79%	(20,743.00)	-51.32%
1981-1983	40,701.00	20,976.00	51.54%	34,160.00	83.93%	(13,184.00)	-32.39%
1982-1984	56,507.00	28,548.00	50.52%	38,588.00	68.29%	(10,040.00)	-17.77%
1983-1985	43,947.00	28,459.00	64.76%	31,001.00	70.54%	(2,542.00)	-5.78%
1984-1986	28,701.00	11,403.00	39.73%	24,101.00	83.97%	(12,698.00)	-44.24%
1985-1987	20,335.00	10,985.00	54.02%	20,061.00	98.65%	(9,076.00)	-44.63%
1986-1988	17,271.00	7,358.00	42.60%	14,545.00	84.22%	(7,187.00)	-41.61%
1987-1989	25,804.00	10,843.00	42.02%	19,180.00	74.33%	(8,337.00)	-32.31%
1988-1990	25,485.00	6,960.00	27.31%	19,907.00	78.11%	(12,947.00)	-50.80%
1989-1991	24,521.00	6,946.00	28.33%	20,502.00	83.61%	(13,556.00)	-55.28%
1990-1992	18,595.00	3,104.00	16.69%	25,567.00	137.49%	(22,463.00)	-120.80%
1991-1993	95,109.00	2,952.00	3.10%	51,730.00	54.39%	(48,778.00)	-51.29%
1992-1994	97,614.00	3,134.00	3.21%	65,726.00	67.33%	(62,592.00)	-64.12%
1993-1995	94,270.00	1,877.00	1.99%	53,590.00	56.85%	(51,713.00)	-54.86%
1994-1996	6,600.00	473.00	7.17%	20,787.00	314.95%	(20,314.00)	-307.79%
1995-1997	5,898.00	824.00	13.97%	5,534.00	93.83%	(4,710.00)	-79.86%
1996-1998	5,755.00	1,247.00	21.67%	4,313.00	74.94%	(3,066.00)	-53.28%
1997-1999	5,755.00	1,247.00	21.67%	4,313.00	74.94%	(3,066.00)	-53.28%
1998-2000	2,780.00	665.00	23.92%	2,820.00	101.44%	(2,155.00)	-77.52%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	297,568.00	94,628.00	31.80%	204,789.00	68.82%	-110,161.00	-37.02%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	33
Avg Ret Age	0.5
Years to ASL	32.5

Inflation Factor At 2.75% to ASL 2.41

Adjusted Salvage & C/O/R -6.05% 166.20% -172.25%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-3.96%
1988-2002	15-Year Trend	1.10%
1993-2002	10-Year Trend	13.35%
1998-2002	5-Year Trend	-6.05%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 369.20 - Overhead Services

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	81,834.00	15,377.00	18.79%	63,630.00	77.75%	(48,253.00)	-58.96%
1973	157,853.00	31,555.00	19.99%	72,086.00	45.67%	(40,531.00)	-25.68%
1974	27,641.00	36,646.00	132.58%	82,033.00	296.78%	(45,387.00)	-164.20%
1975	109,041.00	21,141.00	19.39%	92,198.00	84.55%	(71,057.00)	-65.17%
1976	103,025.00	36,094.00	35.03%	108,065.00	104.89%	(71,971.00)	-69.86%
1977	100,894.00	31,812.00	31.53%	115,708.00	114.68%	(83,896.00)	-83.15%
1978	100,428.00	25,053.00	24.95%	130,957.00	130.40%	(105,904.00)	-105.45%
1979	93,855.00	41,238.00	43.94%	133,559.00	142.30%	(92,321.00)	-98.37%
1980	93,701.00	41,382.00	44.16%	138,530.00	147.84%	(97,148.00)	-103.68%
1981	84,721.00	31,991.00	37.76%	148,075.00	174.78%	(116,084.00)	-137.02%
1982	100,354.00	(370.00)	-0.37%	184,299.00	183.65%	(184,669.00)	-184.02%
1983	106,374.00	19,114.00	17.97%	198,404.00	186.52%	(179,290.00)	-168.55%
1984	93,083.00	36,334.00	39.03%	178,978.00	192.28%	(142,644.00)	-153.24%
1985	79,987.00	22,947.00	28.69%	180,278.00	225.38%	(157,331.00)	-196.70%
1986	96,670.00	36,700.00	37.96%	189,717.00	196.25%	(153,017.00)	-158.29%
1987	79,882.00	62,694.00	78.48%	147,230.00	184.31%	(84,536.00)	-105.83%
1988	75,797.00	55,122.00	72.72%	68,976.00	91.00%	(13,854.00)	-18.28%
1989	66,533.00	43,274.00	65.04%	52,209.00	78.47%	(8,935.00)	-13.43%
1990	64,751.00	46,732.00	72.17%	64,802.00	100.08%	(18,070.00)	-27.91%
1991	48,468.00	33,939.00	70.02%	43,854.00	90.48%	(9,915.00)	-20.46%
1992	26,611.00	15,859.00	59.60%	27,697.00	104.08%	(11,838.00)	-44.49%
1993	31,909.00	11,360.00	35.60%	30,445.00	95.41%	(19,085.00)	-59.81%
1994	14,263.00	3,604.00	25.27%	17,602.00	123.41%	(13,998.00)	-98.14%
1995	11,188.00	926.00	8.28%	15,467.00	138.25%	(14,541.00)	-129.97%
1996	11,661.00	1,490.00	12.78%	5,876.00	50.39%	(4,386.00)	-37.61%
1997	6,788.00	1,329.00	19.58%	3,406.00	50.18%	(2,077.00)	-30.60%
1998	5,559.00	1,331.00	23.94%	5,638.00	101.42%	(4,307.00)	-77.48%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	2,294.00	-	0.00%	7,648.00	333.39%	(7,648.00)	-333.39%
2002	41,513.00	-	0.00%	171,349.00	412.76%	(171,349.00)	-412.76%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 369.20 - Overhead Services

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	267,328.00	83,578.00	31.26%	217,749.00	81.45%	(134,171.00)	-50.19%
1973-1975	294,535.00	89,342.00	30.33%	246,317.00	83.63%	(156,975.00)	-53.30%
1974-1976	239,707.00	93,881.00	39.16%	282,296.00	117.77%	(188,415.00)	-78.60%
1975-1977	312,960.00	89,047.00	28.45%	315,971.00	100.96%	(226,924.00)	-72.51%
1976-1978	304,347.00	92,959.00	30.54%	354,730.00	116.55%	(261,771.00)	-86.01%
1977-1979	295,177.00	98,103.00	33.24%	380,224.00	128.81%	(282,121.00)	-95.58%
1978-1980	287,984.00	107,673.00	37.39%	403,046.00	139.95%	(295,373.00)	-102.57%
1979-1981	272,277.00	114,611.00	42.09%	420,164.00	154.31%	(305,553.00)	-112.22%
1980-1982	278,776.00	73,003.00	26.19%	470,904.00	168.92%	(397,901.00)	-142.73%
1981-1983	291,449.00	50,735.00	17.41%	530,778.00	182.12%	(480,043.00)	-164.71%
1982-1984	299,811.00	55,078.00	18.37%	561,681.00	187.35%	(506,603.00)	-168.97%
1983-1985	279,444.00	78,395.00	28.05%	557,660.00	199.56%	(479,265.00)	-171.51%
1984-1986	269,740.00	95,981.00	35.58%	548,973.00	203.52%	(452,992.00)	-167.94%
1985-1987	256,539.00	122,341.00	47.69%	517,225.00	201.62%	(394,884.00)	-153.93%
1986-1988	252,349.00	154,516.00	61.23%	405,923.00	160.86%	(251,407.00)	-99.63%
1987-1989	222,212.00	161,090.00	72.49%	268,415.00	120.79%	(107,325.00)	-48.30%
1988-1990	207,081.00	145,128.00	70.08%	185,987.00	89.81%	(40,859.00)	-19.73%
1989-1991	179,752.00	123,945.00	68.95%	160,865.00	89.49%	(36,920.00)	-20.54%
1990-1992	139,830.00	96,530.00	69.03%	136,353.00	97.51%	(39,823.00)	-28.48%
1991-1993	106,988.00	61,158.00	57.16%	101,996.00	95.33%	(40,838.00)	-38.17%
1992-1994	72,783.00	30,823.00	42.35%	75,744.00	104.07%	(44,921.00)	-61.72%
1993-1995	57,360.00	15,890.00	27.70%	63,514.00	110.73%	(47,624.00)	-83.03%
1994-1996	37,112.00	6,020.00	16.22%	38,945.00	104.94%	(32,925.00)	-88.72%
1995-1997	29,637.00	3,745.00	12.64%	24,749.00	83.51%	(21,004.00)	-70.87%
1996-1998	24,008.00	4,150.00	17.29%	14,920.00	62.15%	(10,770.00)	-44.86%
1997-1999	12,347.00	2,660.00	21.54%	9,044.00	73.25%	(6,384.00)	-51.70%
1998-2000	5,559.00	1,331.00	23.94%	5,638.00	101.42%	(4,307.00)	-77.48%
1999-2001	2,294.00	0.00	0.00%	7,648.00	333.39%	(7,648.00)	-333.39%
2000-2002	43,807.00	0.00	0.00%	178,997.00	408.60%	(178,997.00)	-408.60%
1972-2002	1,916,678.00	704,674.00	36.77%	2,678,716.00	139.76%	-1,974,042.00	-102.99%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	43
Avg Ret Age	45.4
Years to ASL	-2.4

Inflation Factor At 2.75% to ASL 0.94

Adjusted Salvage & C/O/R -4.28% 130.95% -135.23%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	16.78%
1988-2002	15-Year Trend	-7.03%
1993-2002	10-Year Trend	-5.09%
1998-2002	5-Year Trend	-4.28%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 370 - Meters and Meter Installation

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	67,710.00	1,576.00	2.33%	493.00	0.73%	1,083.00	1.60%
1973	87,218.00	1,467.00	1.68%	944.00	1.08%	523.00	0.60%
1974	82,009.00	3,560.00	4.34%	1,356.00	1.65%	2,204.00	2.69%
1975	80,281.00	735.00	0.92%	988.00	1.23%	(253.00)	-0.32%
1976	106,187.00	2,601.00	2.45%	1,008.00	0.95%	1,593.00	1.50%
1977	93,242.00	2,648.00	2.84%	939.00	1.01%	1,709.00	1.83%
1978	106,298.00	3,963.00	3.73%	945.00	0.89%	3,018.00	2.84%
1979	96,427.00	4,452.00	4.62%	1,299.00	1.35%	3,153.00	3.27%
1980	162,946.00	1,921.00	1.18%	1,266.00	0.78%	655.00	0.40%
1981	88,463.00	2,156.00	2.44%	1,363.00	1.54%	793.00	0.90%
1982	118,455.00	1,114.00	0.94%	1,845.00	1.56%	(731.00)	-0.62%
1983	111,470.00	1,132.00	1.02%	2,338.00	2.10%	(1,206.00)	-1.08%
1984	140,196.00	1,101.00	0.79%	1,606.00	1.15%	(505.00)	-0.36%
1985	118,196.00	1,551.00	1.31%	664.00	0.56%	887.00	0.75%
1986	469,663.00	1,529.00	0.33%	153.00	0.03%	1,376.00	0.29%
1987	507,099.00	5,646.00	1.11%	5,543.00	1.09%	103.00	0.02%
1988	397,772.00	3,866.00	0.97%	4,332.00	1.09%	(466.00)	-0.12%
1989	509,256.00	60,395.00	11.86%	43,076.00	8.46%	17,319.00	3.40%
1990	269,810.00	3,617.00	1.34%	37,279.00	13.82%	(33,662.00)	-12.48%
1991	306,721.00	1,644.00	0.54%	33,402.00	10.89%	(31,758.00)	-10.35%
1992	500,495.00	8,146.00	1.63%	42,423.00	8.48%	(34,277.00)	-6.85%
1993	467,650.00	14,632.00	3.13%	42,980.00	9.19%	(28,348.00)	-6.06%
1994	595,584.00	66,339.00	11.14%	28,989.00	4.87%	37,350.00	6.27%
1995	318,861.00	26,390.00	8.28%	440,805.00	138.24%	(414,415.00)	-129.97%
1996	246,480.00	31,483.00	12.77%	124,197.00	50.39%	(92,714.00)	-37.62%
1997	350,453.00	68,611.00	19.58%	175,837.00	50.17%	(107,226.00)	-30.60%
1998	147,240.00	35,242.00	23.94%	149,338.00	101.42%	(114,096.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	280,496.00	990.00	0.35%	-	0.00%	990.00	0.35%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 370 - Meters and Meter Installation

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	236,937.00	6,603.00	2.79%	2,793.00	1.18%	3,810.00	1.61%
1973-1975	249,508.00	5,762.00	2.31%	3,288.00	1.32%	2,474.00	0.99%
1974-1976	268,477.00	6,896.00	2.57%	3,352.00	1.25%	3,544.00	1.32%
1975-1977	279,710.00	5,984.00	2.14%	2,935.00	1.05%	3,049.00	1.09%
1976-1978	305,727.00	9,212.00	3.01%	2,892.00	0.95%	6,320.00	2.07%
1977-1979	295,967.00	11,063.00	3.74%	3,183.00	1.08%	7,880.00	2.66%
1978-1980	365,671.00	10,336.00	2.83%	3,510.00	0.96%	6,826.00	1.87%
1979-1981	347,836.00	8,529.00	2.45%	3,928.00	1.13%	4,601.00	1.32%
1980-1982	369,864.00	5,191.00	1.40%	4,474.00	1.21%	717.00	0.19%
1981-1983	318,388.00	4,402.00	1.38%	5,546.00	1.74%	(1,144.00)	-0.36%
1982-1984	370,121.00	3,347.00	0.90%	5,789.00	1.56%	(2,442.00)	-0.66%
1983-1985	369,862.00	3,784.00	1.02%	4,608.00	1.25%	(824.00)	-0.22%
1984-1986	728,055.00	4,181.00	0.57%	2,423.00	0.33%	1,758.00	0.24%
1985-1987	1,094,958.00	8,726.00	0.80%	6,360.00	0.58%	2,366.00	0.22%
1986-1988	1,374,534.00	11,041.00	0.80%	10,028.00	0.73%	1,013.00	0.07%
1987-1989	1,414,127.00	69,907.00	4.94%	52,951.00	3.74%	16,956.00	1.20%
1988-1990	1,176,838.00	67,878.00	5.77%	84,687.00	7.20%	(16,809.00)	-1.43%
1989-1991	1,085,787.00	65,656.00	6.05%	113,757.00	10.48%	(48,101.00)	-4.43%
1990-1992	1,077,026.00	13,407.00	1.24%	113,104.00	10.50%	(99,697.00)	-9.26%
1991-1993	1,274,866.00	24,422.00	1.92%	118,805.00	9.32%	(94,383.00)	-7.40%
1992-1994	1,563,729.00	89,117.00	5.70%	114,392.00	7.32%	(25,275.00)	-1.62%
1993-1995	1,382,095.00	107,361.00	7.77%	512,774.00	37.10%	(405,413.00)	-29.33%
1994-1996	1,160,925.00	124,212.00	10.70%	593,991.00	51.17%	(469,779.00)	-40.47%
1995-1997	915,794.00	126,484.00	13.81%	740,839.00	80.90%	(614,355.00)	-67.08%
1996-1998	744,173.00	135,336.00	18.19%	449,372.00	60.39%	(314,036.00)	-42.20%
1997-1999	497,693.00	103,853.00	20.87%	325,175.00	65.34%	(221,322.00)	-44.47%
1998-2000	147,240.00	35,242.00	23.94%	149,338.00	101.42%	(114,096.00)	-77.49%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	280,496.00	990.00	0.35%	0.00	0.00%	990.00	0.35%
1972-2002	6,826,678.00	358,507.00	5.25%	1,145,408.00	16.78%	-786,901.00	-11.53%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	30
Avg Ret Age	0.5
Years to ASL	29.5

Inflation Factor At 2.75% to ASL 2.23

Adjusted Salvage & C/O/R -4.29% 37.35% -41.64%

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	13.68%
1988-2002	15-Year Trend	13.76%
1993-2002	10-Year Trend	12.38%
1998-2002	5-Year Trend	-4.29%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.10 - Overhead Street Lighting

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	239,445.00	92,542.00	38.65%	43,714.00	18.26%	48,828.00	20.39%
1973	257,796.00	133,841.00	51.92%	50,716.00	19.67%	83,125.00	32.24%
1974	162,870.00	120,229.00	73.82%	33,403.00	20.51%	86,826.00	53.31%
1975	212,579.00	86,417.00	40.65%	48,131.00	22.64%	38,286.00	18.01%
1976	256,893.00	127,407.00	49.60%	52,172.00	20.31%	75,235.00	29.29%
1977	198,151.00	132,375.00	66.81%	47,443.00	23.94%	84,932.00	42.86%
1978	176,874.00	188,400.00	106.52%	37,555.00	21.23%	150,845.00	85.28%
1979	148,889.00	122,731.00	82.43%	34,760.00	23.35%	87,971.00	59.08%
1980	288,781.00	151,952.00	52.62%	75,591.00	26.18%	76,361.00	26.44%
1981	153,393.00	187,067.00	121.95%	443,875.00	289.37%	(256,808.00)	-167.42%
1982	222,372.00	138,501.00	62.28%	62,623.00	28.16%	75,878.00	34.12%
1983	217,100.00	163,700.00	75.40%	85,552.00	39.41%	78,148.00	36.00%
1984	257,918.00	136,165.00	52.79%	66,211.00	25.67%	69,954.00	27.12%
1985	184,583.00	61,948.00	33.56%	30,456.00	16.50%	31,492.00	17.06%
1986	321,810.00	123,041.00	38.23%	90,176.00	28.02%	32,865.00	10.21%
1987	277,917.00	218,118.00	78.48%	512,224.00	184.31%	(294,106.00)	-105.83%
1988	342,842.00	249,326.00	72.72%	311,988.00	91.00%	(62,662.00)	-18.28%
1989	529,400.00	344,326.00	65.04%	415,426.00	78.47%	(71,100.00)	-13.43%
1990	392,777.00	283,472.00	72.17%	393,084.00	100.08%	(109,612.00)	-27.91%
1991	338,835.00	237,266.00	70.02%	306,581.00	90.48%	(69,315.00)	-20.46%
1992	316,197.00	188,439.00	59.60%	329,106.00	104.08%	(140,667.00)	-44.49%
1993	365,761.00	127,423.00	34.84%	343,076.00	93.80%	(215,653.00)	-58.96%
1994	419,634.00	106,029.00	25.27%	517,857.00	123.41%	(411,828.00)	-98.14%
1995	346,204.00	28,653.00	8.28%	478,604.00	138.24%	(449,951.00)	-129.97%
1996	413,959.00	52,875.00	12.77%	208,587.00	50.39%	(155,712.00)	-37.62%
1997	468,372.00	91,697.00	19.58%	235,001.00	50.17%	(143,304.00)	-30.60%
1998	262,260.00	62,772.00	23.94%	265,997.00	101.42%	(203,225.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	57,375.00	2,598.00	4.53%	120,443.00	209.92%	(117,845.00)	-205.39%
2001	74,135.00	435.00	0.59%	17,086.00	23.05%	(16,651.00)	-22.46%
2002	193,896.00	18,069.00	9.32%	251,426.00	129.67%	(233,357.00)	-120.35%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.10 - Overhead Street Lighting

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	660,111.00	346,612.00	52.51%	127,833.00	19.37%	218,779.00	33.14%
1973-1975	633,245.00	340,487.00	53.77%	132,250.00	20.88%	208,237.00	32.88%
1974-1976	632,342.00	334,053.00	52.83%	133,706.00	21.14%	200,347.00	31.68%
1975-1977	667,623.00	346,199.00	51.86%	147,746.00	22.13%	198,453.00	29.73%
1976-1978	631,918.00	448,182.00	70.92%	137,170.00	21.71%	311,012.00	49.22%
1977-1979	523,914.00	443,506.00	84.65%	119,758.00	22.86%	323,748.00	61.79%
1978-1980	614,544.00	463,083.00	75.35%	147,906.00	24.07%	315,177.00	51.29%
1979-1981	591,063.00	461,750.00	78.12%	554,226.00	93.77%	(92,476.00)	-15.65%
1980-1982	664,546.00	477,520.00	71.86%	582,089.00	87.59%	(104,569.00)	-15.74%
1981-1983	592,865.00	489,268.00	82.53%	592,050.00	99.86%	(102,782.00)	-17.34%
1982-1984	697,390.00	438,366.00	62.86%	214,386.00	30.74%	223,980.00	32.12%
1983-1985	659,601.00	361,813.00	54.85%	182,219.00	27.63%	179,594.00	27.23%
1984-1986	764,311.00	321,154.00	42.02%	186,843.00	24.45%	134,311.00	17.57%
1985-1987	784,310.00	403,107.00	51.40%	632,856.00	80.69%	(229,749.00)	-29.29%
1986-1988	942,569.00	590,485.00	62.65%	914,388.00	97.01%	(323,903.00)	-34.36%
1987-1989	1,150,159.00	811,770.00	70.58%	1,239,638.00	107.78%	(427,868.00)	-37.20%
1988-1990	1,265,019.00	877,124.00	69.34%	1,120,498.00	88.58%	(243,374.00)	-19.24%
1989-1991	1,261,012.00	865,064.00	68.60%	1,115,091.00	88.43%	(250,027.00)	-19.83%
1990-1992	1,047,809.00	709,177.00	67.68%	1,028,771.00	98.18%	(319,594.00)	-30.50%
1991-1993	1,020,793.00	553,128.00	54.19%	978,763.00	95.88%	(425,635.00)	-41.70%
1992-1994	1,101,592.00	421,891.00	38.30%	1,190,039.00	108.03%	(768,148.00)	-69.73%
1993-1995	1,131,599.00	262,105.00	23.16%	1,339,537.00	118.38%	(1,077,432.00)	-95.21%
1994-1996	1,179,797.00	187,557.00	15.90%	1,205,048.00	102.14%	(1,017,491.00)	-86.24%
1995-1997	1,228,535.00	173,225.00	14.10%	922,192.00	75.06%	(748,967.00)	-60.96%
1996-1998	1,144,591.00	207,344.00	18.12%	709,585.00	61.99%	(502,241.00)	-43.88%
1997-1999	730,632.00	154,469.00	21.14%	500,998.00	68.57%	(346,529.00)	-47.43%
1998-2000	319,635.00	65,370.00	20.45%	386,440.00	120.90%	(321,070.00)	-100.45%
1999-2001	131,510.00	3,033.00	2.31%	137,529.00	104.58%	(134,496.00)	-102.27%
2000-2002	325,406.00	21,102.00	6.48%	388,955.00	119.53%	(367,853.00)	-113.04%
1972-2002	8,099,018.00	3,977,814.00	49.11%	5,908,864.00	72.96%	-1,931,050.00	-23.84%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	22
Avg Ret Age	12.1
Years to ASL	9.9

Inflation Factor At 2.75% to ASL 1.31

Adjusted Salvage & C/O/R 1.07% 95.44% -94.36%

<u>Gross Salv. Trend Analysis*</u>		
1983-2002	20-Year Trend	4.57%
1988-2002	15-Year Trend	-5.66%
1993-2002	10-Year Trend	-1.09%
1998-2002	5-Year Trend	1.07%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.20 - Underground Street Lighting

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	81,204.00	4,522.00	5.57%	10,997.00	13.54%	(6,475.00)	-7.97%
1973	180,857.00	18,101.00	10.01%	19,438.00	10.75%	(1,337.00)	-0.74%
1974	40,708.00	6,922.00	17.00%	11,365.00	27.92%	(4,443.00)	-10.91%
1975	54,684.00	6,617.00	12.10%	10,137.00	18.54%	(3,520.00)	-6.44%
1976	120,176.00	6,299.00	5.24%	21,227.00	17.66%	(14,928.00)	-12.42%
1977	102,068.00	16,569.00	16.23%	39,894.00	39.09%	(23,325.00)	-22.85%
1978	37,734.00	21,776.00	57.71%	15,624.00	41.41%	6,152.00	16.30%
1979	23,732.00	12,837.00	54.09%	11,708.00	49.33%	1,129.00	4.76%
1980	31,861.00	15,748.00	49.43%	21,907.00	68.76%	(6,159.00)	-19.33%
1981	110,198.00	20,353.00	18.47%	68,858.00	62.49%	(48,505.00)	-44.02%
1982	64,912.00	50,024.00	77.06%	31,311.00	48.24%	18,713.00	28.83%
1983	43,305.00	29,750.00	68.70%	16,017.00	36.99%	13,733.00	31.71%
1984	17,273.00	13,553.00	78.46%	6,644.00	38.46%	6,909.00	40.00%
1985	45,940.00	30,160.00	65.65%	3,073.00	6.69%	27,087.00	58.96%
1986	120,740.00	144,238.00	119.46%	27,554.00	22.82%	116,684.00	96.64%
1987	101,319.00	55,382.00	54.66%	3,266.00	3.22%	52,116.00	51.44%
1988	75,606.00	44,719.00	59.15%	18,444.00	24.39%	26,275.00	34.75%
1989	164,400.00	47,256.00	28.74%	30,599.00	18.61%	16,657.00	10.13%
1990	145,133.00	28,160.00	19.40%	49,593.00	34.17%	(21,433.00)	-14.77%
1991	114,736.00	7,252.00	6.32%	37,842.00	32.98%	(30,590.00)	-26.66%
1992	67,771.00	10,266.00	15.15%	15,323.00	22.61%	(5,057.00)	-7.46%
1993	69,450.00	2,913.00	4.19%	29,167.00	42.00%	(26,254.00)	-37.80%
1994	89,719.00	11,966.00	13.34%	33,943.00	37.83%	(21,977.00)	-24.50%
1995	181,761.00	15,043.00	8.28%	251,273.00	138.24%	(236,230.00)	-129.97%
1996	481,179.00	61,461.00	12.77%	242,458.00	50.39%	(180,997.00)	-37.62%
1997	464,297.00	90,899.00	19.58%	232,957.00	50.17%	(142,058.00)	-30.60%
1998	133,352.00	31,918.00	23.94%	135,254.00	101.43%	(103,336.00)	-77.49%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	47,742.00	30,303.00	63.47%	71,491.00	149.74%	(41,188.00)	-86.27%
2001	144,489.00	2,059.00	1.43%	172,258.00	119.22%	(170,199.00)	-117.79%
2002	230,965.00	252.00	0.11%	(81,625.00)	-35.34%	81,877.00	35.45%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.20 - Underground Street Lighting

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	302,769.00	29,545.00	9.76%	41,800.00	13.81%	(12,255.00)	-4.05%
1973-1975	276,249.00	31,640.00	11.45%	40,940.00	14.82%	(9,300.00)	-3.37%
1974-1976	215,568.00	19,838.00	9.20%	42,729.00	19.82%	(22,891.00)	-10.62%
1975-1977	276,928.00	29,485.00	10.65%	71,258.00	25.73%	(41,773.00)	-15.08%
1976-1978	259,978.00	44,644.00	17.17%	76,745.00	29.52%	(32,101.00)	-12.35%
1977-1979	163,534.00	51,182.00	31.30%	67,226.00	41.11%	(16,044.00)	-9.81%
1978-1980	93,327.00	50,361.00	53.96%	49,239.00	52.76%	1,122.00	1.20%
1979-1981	165,791.00	48,938.00	29.52%	102,473.00	61.81%	(53,535.00)	-32.29%
1980-1982	206,971.00	86,125.00	41.61%	122,076.00	58.98%	(35,951.00)	-17.37%
1981-1983	218,415.00	100,127.00	45.84%	116,186.00	53.20%	(16,059.00)	-7.35%
1982-1984	125,490.00	93,327.00	74.37%	53,972.00	43.01%	39,355.00	31.36%
1983-1985	106,518.00	73,463.00	68.97%	25,734.00	24.16%	47,729.00	44.81%
1984-1986	183,953.00	187,951.00	102.17%	37,271.00	20.26%	150,680.00	81.91%
1985-1987	267,999.00	229,780.00	85.74%	33,893.00	12.65%	195,887.00	73.09%
1986-1988	297,665.00	244,339.00	82.09%	49,264.00	16.55%	195,075.00	65.54%
1987-1989	341,325.00	147,357.00	43.17%	52,309.00	15.33%	95,048.00	27.85%
1988-1990	385,139.00	120,135.00	31.19%	98,636.00	25.61%	21,499.00	5.58%
1989-1991	424,269.00	82,668.00	19.48%	118,034.00	27.82%	(35,366.00)	-8.34%
1990-1992	327,640.00	45,678.00	13.94%	102,758.00	31.36%	(57,080.00)	-17.42%
1991-1993	251,957.00	20,431.00	8.11%	82,332.00	32.68%	(61,901.00)	-24.57%
1992-1994	226,940.00	25,145.00	11.08%	78,433.00	34.56%	(53,288.00)	-23.48%
1993-1995	340,930.00	29,922.00	8.78%	314,383.00	92.21%	(284,461.00)	-83.44%
1994-1996	752,659.00	88,470.00	11.75%	527,674.00	70.11%	(439,204.00)	-58.35%
1995-1997	1,127,237.00	167,403.00	14.85%	726,688.00	64.47%	(559,285.00)	-49.62%
1996-1998	1,078,828.00	184,278.00	17.08%	610,669.00	56.60%	(426,391.00)	-39.52%
1997-1999	597,649.00	122,817.00	20.55%	368,211.00	61.61%	(245,394.00)	-41.06%
1998-2000	181,094.00	62,221.00	34.36%	206,745.00	114.16%	(144,524.00)	-79.81%
1999-2001	192,231.00	32,362.00	16.83%	243,749.00	126.80%	(211,387.00)	-109.97%
2000-2002	423,196.00	32,614.00	7.71%	162,124.00	38.31%	(129,510.00)	-30.60%
1972-2002	3,587,311.00	837,318.00	23.34%	1,557,997.00	43.43%	-720,679.00	-20.09%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	28
Avg Ret Age	8.5
Years to ASL	19.5

Inflation Factor At 2.75% to ASL 1.70

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-3.62%
1988-2002	15-Year Trend	4.59%
1993-2002	10-Year Trend	21.55%
1998-2002	5-Year Trend	12.57%

Adjusted Salvage & C/O/R 12.57% 73.71% -61.15%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.40 - Street Lighting Transformers

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	7,371.00	-	0.00%	-	0.00%	0.00	0.00%
1973	4,846.00	-	0.00%	-	0.00%	0.00	0.00%
1974	3,704.00	-	0.00%	-	0.00%	0.00	0.00%
1975	5,155.00	-	0.00%	-	0.00%	0.00	0.00%
1976	8,543.00	843.00	9.87%	-	0.00%	843.00	9.87%
1977	19,431.00	-	0.00%	-	0.00%	0.00	0.00%
1978	4,947.00	-	0.00%	-	0.00%	0.00	0.00%
1979	13,521.00	-	0.00%	-	0.00%	0.00	0.00%
1980	44,658.00	-	0.00%	-	0.00%	0.00	0.00%
1981	7,053.00	-	0.00%	-	0.00%	0.00	0.00%
1982	7,047.00	-	0.00%	-	0.00%	0.00	0.00%
1983	3,232.00	-	0.00%	-	0.00%	0.00	0.00%
1984	2,048.00	-	0.00%	-	0.00%	0.00	0.00%
1985	4,441.00	-	0.00%	-	0.00%	0.00	0.00%
1986	8,203.00	-	0.00%	-	0.00%	0.00	0.00%
1987	3,574.00	22.00	0.62%	-	0.00%	22.00	0.62%
1988	22,176.00	36.00	0.16%	962.00	4.34%	(926.00)	-4.18%
1989	1,760.00	37.00	2.10%	3,685.00	209.38%	(3,648.00)	-207.27%
1990	2,065.00	89.00	4.31%	(177.00)	-8.57%	266.00	12.88%
1991	11,858.00	2,993.00	25.24%	839.00	7.08%	2,154.00	18.16%
1992	2,460.00	389.00	15.81%	43.00	1.75%	346.00	14.07%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	67,299.00	-	0.00%	-	0.00%	0.00	0.00%
2000	828,624.00	42,937.00	5.18%	(41,842.00)	-5.05%	84,779.00	10.23%
2001	787,692.00	-	0.00%	-	0.00%	0.00	0.00%
2002	1,629,220.00	102,042.00	6.26%	1,792.00	0.11%	100,250.00	6.15%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 373.40 - Street Lighting Transformers

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	15,921.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	13,705.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	17,402.00	843.00	4.84%	0.00	0.00%	843.00	4.84%
1975-1977	33,129.00	843.00	2.54%	0.00	0.00%	843.00	2.54%
1976-1978	32,921.00	843.00	2.56%	0.00	0.00%	843.00	2.56%
1977-1979	37,899.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	63,126.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	65,232.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	58,758.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	17,332.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	12,327.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	9,721.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	14,692.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	16,218.00	22.00	0.14%	0.00	0.00%	22.00	0.14%
1986-1988	33,953.00	58.00	0.17%	962.00	2.83%	(904.00)	-2.66%
1987-1989	27,510.00	95.00	0.35%	4,647.00	16.89%	(4,552.00)	-16.55%
1988-1990	26,001.00	162.00	0.62%	4,470.00	17.19%	(4,308.00)	-16.57%
1989-1991	15,683.00	3,119.00	19.89%	4,347.00	27.72%	(1,228.00)	-7.83%
1990-1992	16,383.00	3,471.00	21.19%	705.00	4.30%	2,766.00	16.88%
1991-1993	14,318.00	3,382.00	23.62%	882.00	6.16%	2,500.00	17.46%
1992-1994	2,460.00	389.00	15.81%	43.00	1.75%	346.00	14.07%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	67,299.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	895,923.00	42,937.00	4.79%	(41,842.00)	-4.67%	84,779.00	9.46%
1999-2001	1,683,615.00	42,937.00	2.55%	(41,842.00)	-2.49%	84,779.00	5.04%
2000-2002	3,245,536.00	144,979.00	4.47%	(40,050.00)	-1.23%	185,029.00	5.70%
1972-2002	3,500,928.00	149,388.00	4.27%	-34,698.00	-0.99%	184,086.00	5.26%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	25
Avg Ret Age	0
Years to ASL	25

Inflation Factor At 2.75% to ASL 1.97

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	6.11%
1988-2002	15-Year Trend	2.17%
1993-2002	10-Year Trend	-2.92%
1998-2002	5-Year Trend	5.81%

Adjusted Salvage & C/O/R 5.81% -1.95% 7.76%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
 1972 through 2002

Account 392.10 - Transportation Equipment - Cars & Trucks

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	67,299.00	-	0.00%	-	0.00%	0.00	0.00%
2000	828,624.00	42,937.00	5.18%	(41,842.00)	-5.05%	84,779.00	10.23%
2001	787,692.00	-	0.00%	-	0.00%	0.00	0.00%
2002	1,629,220.00	102,042.00	6.26%	1,792.00	0.11%	100,250.00	6.15%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 392.10 - Transportation Equipment - Cars & Trucks

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	67,299.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	895,923.00	42,937.00	4.79%	(41,842.00)	-4.67%	84,779.00	9.46%
1999-2001	1,683,615.00	42,937.00	2.55%	(41,842.00)	-2.49%	84,779.00	5.04%
2000-2002	3,245,536.00	144,979.00	4.47%	(40,050.00)	-1.23%	185,029.00	5.70%
1972-2002	3,312,835.00	144,979.00	4.38%	-40,050.00	-1.21%	185,029.00	5.59%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	10
Avg Ret Age	9.3
Years to ASL	0.7

Inflation Factor At 2.75% to ASL 1.02

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	2.17%
1988-2002	15-Year Trend	2.80%
1993-2002	10-Year Trend	3.91%
1998-2002	5-Year Trend	5.81%

Adjusted Salvage & C/O/R 5.81% -1.23% 7.04%

Louisville Gas and Electric
Electric Division

Analysis of Experienced Salvage
1972 through 2002

Account 392.20 - Transportation Equipment - Trailers

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	15,173.00	2,683.00	17.68%	5.00	0.03%	2,678.00	17.65%
1993	5,270.00	-	0.00%	270.00	5.12%	(270.00)	-5.12%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	10,629.00	-	0.00%	-	0.00%	0.00	0.00%
2000	13,048.00	803.00	6.15%	(692.00)	-5.30%	1,495.00	11.46%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 392.20 - Transportation Equipment - Trailers

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	15,173.00	2,683.00	17.68%	5.00	0.03%	2,678.00	17.65%
1991-1993	20,443.00	2,683.00	13.12%	275.00	1.35%	2,408.00	11.78%
1992-1994	20,443.00	2,683.00	13.12%	275.00	1.35%	2,408.00	11.78%
1993-1995	5,270.00	0.00	0.00%	270.00	5.12%	(270.00)	-5.12%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	10,629.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	23,677.00	803.00	3.39%	(692.00)	-2.92%	1,495.00	6.31%
1999-2001	23,677.00	803.00	3.39%	(692.00)	-2.92%	1,495.00	6.31%
2000-2002	13,048.00	803.00	6.15%	(692.00)	-5.30%	1,495.00	11.46%
1972-2002	44,120.00	3,486.00	7.90%	-417.00	-0.95%	3,903.00	8.85%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	32
Avg Ret Age	31.6
Years to ASL	0.4

Inflation Factor At 2.75% to ASL 1.01

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	4.90%
1988-2002	15-Year Trend	3.45%
1993-2002	10-Year Trend	0.12%
1998-2002	5-Year Trend	7.30%

Adjusted Salvage & C/O/R 7.30% -0.96% 8.25%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 394 - Tools, Shop & Garage Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-				0.00%	0.00	0.00%
1973	329.00		0.00%		0.00%	0.00	0.00%
1974	1,950.00	150.00	7.69%		0.00%	150.00	7.69%
1975	1,244.00		0.00%		0.00%	0.00	0.00%
1976	1,126.00	10.00	0.89%	7.00	0.62%	3.00	0.27%
1977	976.00	5.00	0.51%		0.00%	5.00	0.51%
1978	6,245.00		0.00%		0.00%	0.00	0.00%
1979	354.00		0.00%		0.00%	0.00	0.00%
1980	2,840.00	218.00	7.68%		0.00%	218.00	7.68%
1981	1,490.00		0.00%		0.00%	0.00	0.00%
1982	3,683.00		0.00%		0.00%	0.00	0.00%
1983	1,855.00		0.00%		0.00%	0.00	0.00%
1984	24,868.00		0.00%		0.00%	0.00	0.00%
1985	183.00		0.00%		0.00%	0.00	0.00%
1986	15,574.00		0.00%		0.00%	0.00	0.00%
1987	5,380.00		0.00%		0.00%	0.00	0.00%
1988	3,966.00		0.00%		0.00%	0.00	0.00%
1989	2,110.00		0.00%		0.00%	0.00	0.00%
1990	5,585.00		0.00%		0.00%	0.00	0.00%
1991	9,839.00		0.00%		0.00%	0.00	0.00%
1992	4,977.00		0.00%		0.00%	0.00	0.00%
1993	18,464.00		0.00%		0.00%	0.00	0.00%
1994	-		0.00%		0.00%	0.00	0.00%
1995	8,309.00	214.00	2.58%	2.00	0.02%	212.00	2.55%
1996	4,751.00		0.00%		0.00%	0.00	0.00%
1997	368.00	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	81,365.00	-	0.00%	-	0.00%	0.00	0.00%
2000	10,056.00	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 394 - Tools, Shop & Garage Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	2,279.00	150.00	6.58%	0.00	0.00%	150.00	6.58%
1973-1975	3,523.00	150.00	4.26%	0.00	0.00%	150.00	4.26%
1974-1976	4,320.00	160.00	3.70%	7.00	0.16%	153.00	3.54%
1975-1977	3,346.00	15.00	0.45%	7.00	0.21%	8.00	0.24%
1976-1978	8,347.00	15.00	0.18%	7.00	0.08%	8.00	0.10%
1977-1979	7,575.00	5.00	0.07%	0.00	0.00%	5.00	0.07%
1978-1980	9,439.00	218.00	2.31%	0.00	0.00%	218.00	2.31%
1979-1981	4,684.00	218.00	4.65%	0.00	0.00%	218.00	4.65%
1980-1982	8,013.00	218.00	2.72%	0.00	0.00%	218.00	2.72%
1981-1983	7,028.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	30,406.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	26,906.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	40,625.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	21,137.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	24,920.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	11,456.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	11,661.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	17,534.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	20,401.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	33,280.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	23,441.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	26,773.00	214.00	0.80%	2.00	0.01%	212.00	0.79%
1994-1996	13,060.00	214.00	1.64%	2.00	0.02%	212.00	1.62%
1995-1997	13,428.00	214.00	1.59%	2.00	0.01%	212.00	1.58%
1996-1998	5,119.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	81,733.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	91,421.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	91,421.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	10,056.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	217,887.00	597.00	0.27%	9.00	0.00%	588.00	0.27%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	28
Avg Ret Age	21.8
Years to ASL	6.2

Inflation Factor At 2.75% to ASL 1.18

Adjusted Salvage & C/O/R 0.00% 0.00% 0.00%

Gross Salv. Trend Analysis*

1983-2002	20-Year Trend	0.44%
1988-2002	15-Year Trend	0.41%
1993-2002	10-Year Trend	0.05%
1998-2002	5-Year Trend	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 395 - Laboratory Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	603.00	27.00	4.48%		0.00%	27.00	4.48%
1973	343.00		0.00%		0.00%	0.00	0.00%
1974	439.00		0.00%		0.00%	0.00	0.00%
1975	132.00		0.00%		0.00%	0.00	0.00%
1976	-		0.00%		0.00%	0.00	0.00%
1977	378.00		0.00%		0.00%	0.00	0.00%
1978	2,217.00		0.00%		0.00%	0.00	0.00%
1979	389.00		0.00%		0.00%	0.00	0.00%
1980	465.00		0.00%		0.00%	0.00	0.00%
1981	953.00	2.00	0.21%		0.00%	2.00	0.21%
1982	2,661.00		0.00%		0.00%	0.00	0.00%
1983	379.00		0.00%		0.00%	0.00	0.00%
1984	1,476.00		0.00%		0.00%	0.00	0.00%
1985	884.00		0.00%		0.00%	0.00	0.00%
1986	6,288.00		0.00%		0.00%	0.00	0.00%
1987	2,019.00		0.00%		0.00%	0.00	0.00%
1988	5,866.00		0.00%		0.00%	0.00	0.00%
1989	5,813.00		0.00%		0.00%	0.00	0.00%
1990	-		0.00%		0.00%	0.00	0.00%
1991	-		0.00%		0.00%	0.00	0.00%
1992	1,873.00		0.00%		0.00%	0.00	0.00%
1993	132.00		0.00%		0.00%	0.00	0.00%
1994	418.00		0.00%		0.00%	0.00	0.00%
1995	46,025.00	1,186.00	2.58%	8.00	0.02%	1,178.00	2.56%
1996	9,396.00		0.00%		0.00%	0.00	0.00%
1997	9,102.00	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	3,691.00	-	0.00%	-	0.00%	0.00	0.00%

**Louisville Gas and Electric
Electric Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 395 - Laboratory Equipment

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	1,385.00	27.00	1.95%	0.00	0.00%	27.00	1.95%
1973-1975	914.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	571.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	510.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	2,595.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	2,984.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	3,071.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	1,807.00	2.00	0.11%	0.00	0.00%	2.00	0.11%
1980-1982	4,079.00	2.00	0.05%	0.00	0.00%	2.00	0.05%
1981-1983	3,993.00	2.00	0.05%	0.00	0.00%	2.00	0.05%
1982-1984	4,516.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	2,739.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	8,648.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	9,191.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	14,173.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	13,698.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	11,679.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	5,813.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	1,873.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	2,005.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	2,423.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	46,575.00	1,186.00	2.55%	8.00	0.02%	1,178.00	2.53%
1994-1996	55,839.00	1,186.00	2.12%	8.00	0.01%	1,178.00	2.11%
1995-1997	64,523.00	1,186.00	1.84%	8.00	0.01%	1,178.00	1.83%
1996-1998	18,498.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	9,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	3,691.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	101,942.00	1,215.00	1.19%	8.00	0.01%	1,207.00	1.18%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	42
Avg Ret Age	33.9
Years to ASL	8.1

Inflation Factor At 2.75% to ASL 1.25

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.67%
1988-2002	15-Year Trend	0.60%
1993-2002	10-Year Trend	-0.05%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 0.01% -0.01%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 396.10 - Power Operated Equipment - Hourly Rated

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	-	-	0.00%	-	0.00%	0.00	0.00%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	-	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	-	-	0.00%	-	0.00%	0.00	0.00%
1982	-	-	0.00%	-	0.00%	0.00	0.00%
1983	-	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	-	-	0.00%	-	0.00%	0.00	0.00%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	-	-	0.00%	-	0.00%	0.00	0.00%
1991	-	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	-	-	0.00%	-	0.00%	0.00	0.00%
1996	-	-	0.00%	-	0.00%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	-	-	0.00%	-	0.00%	0.00	0.00%
1999	95,125.00	-	0.00%	-	0.00%	0.00	0.00%
2000	254,699.00	15,676.00	6.15%	(13,505.00)	-5.30%	29,181.00	11.46%
2001	51,214.00	-	0.00%	-	0.00%	0.00	0.00%
2002	164,237.00	3,408.00	2.08%	619.00	0.38%	2,789.00	1.70%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 396.10 - Power Operated Equipment - Hourly Rated

<u>Year</u>	<u>Original Cost of Retirements</u>	<u>Gross Salvage</u>	<u>%</u>	<u>Cost of Removal</u>	<u>%</u>	<u>Net Salvage</u>	<u>%</u>
THREE - YEAR ROLLING BANDS							
1972-1974	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1976-1978	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1977-1979	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1978-1980	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	95,125.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	349,824.00	15,676.00	4.48%	(13,505.00)	-3.86%	29,181.00	8.34%
1999-2001	401,038.00	15,676.00	3.91%	(13,505.00)	-3.37%	29,181.00	7.28%
2000-2002	470,150.00	19,084.00	4.06%	(12,886.00)	-2.74%	31,970.00	6.80%
1972-2002	565,275.00	19,084.00	3.38%	-12,886.00	-2.28%	31,970.00	5.66%

Trend Analysis (End Year) 2002

***Based Upon 3-Year Rolling Averages**

Annual Inflation	2.75%
ASL	12
Avg Ret Age	10.7
Years to ASL	1.3

Inflation Factor At 2.75% to ASL 1.04

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	2.29%
1988-2002	15-Year Trend	2.95%
1993-2002	10-Year Trend	4.12%
1998-2002	5-Year Trend	6.10%

Adjusted Salvage & C/O/R	6.10%	-2.36%	8.46%
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Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 396.20 - Power Equipment - Other

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-				0.00%	0.00	0.00%
1973	-				0.00%	0.00	0.00%
1974	33.00				0.00%	0.00	0.00%
1975	727.00				0.00%	0.00	0.00%
1976	-				0.00%	0.00	0.00%
1977	1,515.00	11.00			0.00%	11.00	0.73%
1978	3,890.00	500.00			0.00%	500.00	12.85%
1979	4,571.00				0.00%	0.00	0.00%
1980	669.00				0.00%	0.00	0.00%
1981	393.00				0.00%	0.00	0.00%
1982	-				0.00%	0.00	0.00%
1983	242.00				0.00%	0.00	0.00%
1984	3,472.00				0.00%	0.00	0.00%
1985	-				0.00%	0.00	0.00%
1986	-				0.00%	0.00	0.00%
1987	1,559.00	48.00			0.00%	48.00	3.08%
1988	811.00				0.00%	0.00	0.00%
1989	-				0.00%	0.00	0.00%
1990	599.00				0.00%	0.00	0.00%
1991	900.00				0.00%	0.00	0.00%
1992	256.00				0.00%	0.00	0.00%
1993	-				0.00%	0.00	0.00%
1994	-				0.00%	0.00	0.00%
1995	-				0.00%	0.00	0.00%
1996	62,362.00				0.00%	0.00	0.00%
1997	-	-		-	0.00%	0.00	0.00%
1998	-	-		-	0.00%	0.00	0.00%
1999	2,710.00	-		-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Electric Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 396.20 - Power Equipment - Other

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	33.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1973-1975	760.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1974-1976	760.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1975-1977	2,242.00	11.00	0.49%	0.00	0.00%	11.00	0.49%
1976-1978	5,405.00	511.00	9.45%	0.00	0.00%	511.00	9.45%
1977-1979	9,976.00	511.00	5.12%	0.00	0.00%	511.00	5.12%
1978-1980	9,130.00	500.00	5.48%	0.00	0.00%	500.00	5.48%
1979-1981	5,633.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	1,062.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	635.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	3,714.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	3,714.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	3,472.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	1,559.00	48.00	3.08%	0.00	0.00%	48.00	3.08%
1986-1988	2,370.00	48.00	2.03%	0.00	0.00%	48.00	2.03%
1987-1989	2,370.00	48.00	2.03%	0.00	0.00%	48.00	2.03%
1988-1990	1,410.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	1,499.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	1,755.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	1,156.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1992-1994	256.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	62,362.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	62,362.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	62,362.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	2,710.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	2,710.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	2,710.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	84,709.00	559.00	0.66%	0.00	0.00%	559.00	0.66%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	25
Avg Ret Age	20.5
Years to ASL	4.5

Inflation Factor At 2.75% to ASL 1.13

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-0.17%
1988-2002	15-Year Trend	-0.48%
1993-2002	10-Year Trend	0.00%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 0.00% 0.00%

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

Attachment No. 2

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 7 OF 7

**ROBINSON APPENDIX D
DEPRECIATION STUDY FOR GAS DIVISION**

AND

**ROBINSON APPENDIX E
DEPRECIATION STUDY FOR COMMON DIVISION**

Filed: December 29, 2003

Louisville Gas and Electric Company
Case No. 2003-00433
Historical Test Year Filing Requirements
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Volume Number	Description of Contents
1	Statutory Notice
1	Application
1	Table of Contents
1	Financial Exhibit pursuant to 807 KAR 5:001 Section 6
1	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(1)(a)1 through 807 KAR 5:001 Section 10(6)(k)
2	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(l) through 807 KAR 5:001 Section 10(6)(r)
3	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(s) through 807 KAR 5:001 Section 10(7)(e)
4	Testimony
5	Seelye Exhibit - Cost-of-Service Study
6	Robinson Appendix C - Depreciation Study for Electric Division
7	Robinson Appendix D - Depreciation Study for Gas Division
7	Robinson Appendix E - Depreciation Study for Common Division

**LOUISVILLE GAS AND ELECTRIC
GAS 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-Gas 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 - Gas 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 \$11,915,802. 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 \$12,728,634, which is a increase of \$812,832 from current rates. The composite annual depreciation rate under present rates is 2.80 percent, while the proposed proforma composite depreciation rate is 2.99 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**Gas Division****Executive Summary**

Table 1 on pages 2-1 to 2-2 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 - Gas 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.

Table 2 on pages 2-3 to 2-4 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 3 on pages 2-5 through 2-6 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, and other pending adjustments.

Likewise, Table 4, on pages 2-7 to 2-8, 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 2-9 to 2-11, contains the allocation of the Company's book depreciation reserve for functional level book depreciation reserves for Gas Storage, 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 376 - Mains, Account 380 - Services, and Account 381 - Meters.

The proposed depreciation rate for Account 376 - Mains increased from 2.23 percent to 2.54 percent. The proposed depreciation rate is the product of the application of the estimated future net salvage (which was revised from negative twenty (20) to negative thirty (35) percent, plus the fact that the current book depreciation reserve is lower than required when considering the current estimated depreciation parameters.

The depreciation rate for Account 380 - Services increased from 4.25 percent to 4.62 percent. The depreciation rate increase is being driven by a reduction in the underlying

service life parameters from forty-two (42) years to thirty-five (35) years. Conversely, the negative net salvage factor declined from negative seventy-five (75) to negative fifty-five (55) percent. The estimated service life and salvage parameters for the proposed depreciation rate are more representative of those currently being experienced by the property group.

The depreciation rate for Account 381 - Meters increased from 3.11 percent to 3.70 percent. The proposed depreciation rate is the product of the application of the estimated applicable service life (which was revised from thirty-five (35) years to thirty-one (31) years) and conversely, the estimated future negative net salvage (which was reduced from negative five (5) to zero (0) percent).

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 \$12,728,635 which is a increase of \$812,832 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	\$425,724,401
Annual Depreciation Expense	11,915,802
Composite Annual Depreciation Rate	2.80%

Proforma Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2002	\$425,724,401
Annual Depreciation Expense	12,728,635
Composite Annual Depreciation Rate	2.99%

**Louisville Gas and Electric
Gas Division**

**Summary 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							
NATURAL GAS STORAGE PLANT							
350.20	Rights of Ways	63,678.14	0.00%	0.00	1.87%	1,190.78	1,190.78
Structures							
351.20	Compressor Station Structures	1,011,754.95	2.45%	24,788.00	1.79%	18,110.41	-6,677.59
351.30	Measuring and Regulating Station Structures	10,879.81	0.00%	0.00	0.48%	52.22	52.22
351.40	Other Structures	1,148,713.70	1.74%	19,987.62	2.18%	25,041.96	5,054.34
	Total Account 351	2,171,348.26	2.06%	44,775.62	1.99%	43,204.59	-1,571.03
Wells							
352.20	Reservoirs	400,511.40	0.69%	2,763.53	0.00% (2)	0.00	-2,763.53
352.30	Nonrecoverable Natural Gas	9,648,855.00	1.73%	166,925.19	1.10%	106,137.41	-60,787.78
352.40	Well Drilling	2,549,654.96	1.67%	42,579.24	0.95%	24,221.72	-18,357.52
352.50	Well Equipment	5,037,990.48	2.35%	118,392.78	1.78%	89,676.23	-28,716.55
	Total Account 352	17,637,011.84	1.87%	330,660.74	1.25%	220,035.36	-110,625.38
353.00	Lines	10,349,000.14	2.53%	261,829.70	1.92%	198,700.80	-63,128.90
354.00	Compressor Station Equipment	13,404,078.82	1.78%	238,592.60	1.73%	231,890.56	-6,702.04
355.00	Measuring and Regulating Equipment	370,320.90	1.54%	5,702.94	1.86%	6,887.97	1,185.03
356.00	Purification Equipment	9,314,575.58	3.50%	326,010.15	2.69%	250,562.08	-75,448.07
357.00	Other Equipment	961,279.76	2.49%	23,935.87	2.57%	24,704.89	769.02
	Total Natural Gas Storage Plant	54,271,293.44	2.27%	1,231,507.62	1.80%	977,177.03	-254,330.59
TRANSMISSION PLANT							
365.20	Rights of Way	220,659.05	1.68%	3,707.07	0.42%	926.77	-2,780.30
367.00	Mains	12,193,974.86	1.68%	204,858.78	1.15%	140,230.71	-64,628.07
	Total Transmission Plant	12,414,633.91	1.68%	208,565.85	1.14%	141,157.48	-67,408.37
DISTRIBUTION PLANT							
374.22	Other Distribution Land Rights	74,018.23	2.95%	2,183.54	2.39%	1,769.04	-414.50
Structures and Improvements							
375.10	City Gate Check Station Struct. and Improve.	133,639.45	3.59%	4,797.66	3.26%	4,356.65	-441.01
375.20	Other Distribution Struct. and Improve.	788,487.48	3.34%	26,335.48	4.12%	32,485.68	6,150.20
	Total Account 375	922,126.93	3.38%	31,133.14	4.00%	36,842.33	5,709.19
376.00	Mains	213,002,709.24	2.23%	4,749,960.42	2.54%	5,410,268.81	660,308.39
378.00	Measuring and Regulating Station Equip. - Gen.	4,590,719.10	3.03%	139,098.79	2.54%	116,604.27	-22,494.52
379.00	Measuring and Reg. Station Eq. - City Gate	2,947,888.13	3.14%	92,563.69	2.53%	74,581.57	-17,982.12
380.00	Services	103,680,138.72	4.25%	4,406,405.90	4.62%	4,790,022.41	383,616.51
381.00	Meters	18,573,635.12	3.11%	577,640.05	3.69%	685,367.14	107,727.09
382.00	Meter Installations	7,218,670.36	3.22%	232,441.19	3.82%	275,753.21	43,312.02
383.00	House Regulators	3,106,054.85	2.42%	75,166.53	2.70%	86,658.93	11,492.40
384.00	House Regulator Installations	970,849.46	2.28%	22,135.37	2.49%	24,174.15	2,038.78
385.00	Industrial Measuring and Reg. Station Equip.	142,801.65	3.62%	5,169.42	2.56%	3,655.72	-1,513.70
387.00	Other Equipment	65,051.59	2.36%	1,535.22	2.58%	1,678.33	143.11
	Total Distribution Plant	355,294,683.38	2.91%	10,335,433.26	3.24%	11,507,375.91	1,171,942.65
GENERAL PLANT							
392.20	Transportation Equipment - Trailers	354,261.36	4.49%	15,906.34	4.50%	15,941.76	35.42
394.00	Tools, shop and Garage Equipment	2,896,361.96	3.76%	108,903.21	2.61%	75,595.05	-33,308.16
395.00	Laboratory Equipment	435,068.27	3.16%	13,748.16	2.25%	9,789.04	-3,959.12
Power Operated Equipment							
396.20	Power Operated Equipment - Other	58,118.72	2.99%	1,737.75	2.75%	1,598.26	-139.49
	Total General Plant	3,743,810.31	3.75%	140,295.46	2.75%	102,924.11	-37,371.35
	Sub-Total Depreciable Plant	425,724,401.04	2.80%	11,915,802.19	2.99%	12,728,634.53	812,832.34

Louisville Gas and Electric
Gas Division

**Summary 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)	
	Other Plant (Not Studied)						
392.10	Transportation Equipment - Cars & Trucks	3,209,727.45					
396.10	Power Operated Equipment - Hourly Rated	2,029,908.51					
	Total Other Plant (Not Studied)	5,239,635.96					
	Total Depreciable Plant	430,964,037.00					
	<u>NON-DEPRECIABLE PLANT</u>						
	INTANGIBLE PLANT						
302.00	Franchises and Consents	1,187.49					
352.10	Storage Leaseholds and Rights	552,045.10					
	Total Intangible Plant	553,232.59					
	LAND						
350.10	Land	32,864.07					
374.11	City Gate Check Station Land	0.00					
374.12	Other Distribution Land	62,043.73					
	Total Land	94,907.80					
	Total Non-Depreciable Plant	648,140.39					
	Total Gas Plant in Service	431,612,177.39					
	(2) Account Fully Depreciation. No Further Depreciation						

Table 2

Louisville Gas and Electric
Gas DivisionSummary 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											
NATURAL GAS STORAGE PLANT											
350.20	Rights of Ways	63,678.14	0%	0.00	63,678.14	9,691.16	53,986.98	50-R2.5	45.3	1,191.77	1.87%
Structures											
351.20	Compressor Station Structures	1,011,754.95	-5%	-50,587.75	1,062,342.70	481,954.58	580,388.12 (1)	120-L0.5	32.1	18,080.63	1.79%
351.30	Measuring and Regulating Station Structures	10,879.61	-5%	-543.98	11,423.59	9,783.40	1,640.19 (1)	150-L0.5	31.7	51.74	0.48%
351.40	Other Structures	1,148,713.70	-5%	-57,435.69	1,206,149.39	627,983.27	578,166.12 (1)	130-L0.5	23.1	25,028.84	2.18%
	Total Account 351	2,171,348.26		-108,567.42	2,279,915.68	1,119,721.25	1,160,194.43			43,161.20	1.99%
Wells											
352.20	Reservoirs	400,511.40	-5%	-20,025.57	420,536.97	420,536.97	0.00	40-SQ	7.6	0.00	0.00% (2)
352.30	Nonrecoverable Natural Gas	9,648,855.00	0%	0.00	9,648,855.00	6,989,872.90	2,658,982.10	45-SQ	25.0	106,359.28	1.10%
352.40	Well Drilling	2,549,654.96	-20%	-509,930.99	3,059,585.95	2,360,349.18	699,236.77	55-R3	28.9	24,195.04	0.95%
352.50	Well Equipment	5,037,990.48	-20%	-1,007,598.10	6,045,588.58	2,872,807.26	3,172,781.32	50-R3	35.4	89,626.59	1.78%
	Total Account 352	17,637,011.84		-1,537,554.66	19,174,566.50	12,643,566.31	6,531,000.19			220,180.92	1.25%
353.00	Lines	10,349,000.14	-10%	-1,034,900.01	11,383,900.15	6,063,799.45	5,320,100.70	40-L2	26.8	198,511.22	1.92%
354.00	Compressor Station Equipment	13,404,078.82	-5%	-670,203.94	14,074,282.76	6,689,546.37	7,384,736.39	45-R4	31.9	231,496.44	1.73%
355.00	Measuring and Regulating Equipment	370,320.90	-5%	-18,516.05	388,836.95	164,482.43	224,354.52	44-R0.5	32.6	6,882.04	1.85%
356.00	Purification Equipment	9,314,575.58	-25%	-2,328,643.90	11,643,219.48	3,420,245.60	8,222,973.88	40-R3	32.8	250,700.42	2.69%
357.00	Other Equipment	961,279.76	0%	0.00	961,279.76	214,121.80	747,157.96	35-R2	30.2	24,740.33	2.57%
	Total Natural Gas Storage Plant	54,271,293.44		-5,698,385.98	59,969,679.42	30,325,174.37	29,644,505.05			978,864.34	1.80%
TRANSMISSION PLANT											
365.20	Rights of Way	220,659.05	0%	0.00	220,659.05	203,173.96	17,485.09	50-R2.5	18.8	930.06	0.42%
367.00	Mains	12,193,974.86	-20%	-2,438,794.97	14,632,769.83	10,763,203.94	3,869,565.89	55-R3	27.6	140,201.66	1.15%
	Total Transmission Plant	12,414,633.91		-2,438,794.97	14,853,428.88	10,966,377.90	3,887,050.98			141,131.72	1.14%
DISTRIBUTION PLANT											
374.22	Other Distribution Land Rights	74,018.23	0%	0.00	74,018.23	41,329.75	32,688.48	50-R2.5	18.5	1,766.94	2.39%
Structures and Improvements											
375.10	City Gate Check Station Struct. and Improve.	133,639.45	-5%	-6,681.97	140,321.42	68,371.51	71,949.91 (1)	150-L1	16.5	4,360.60	3.25%
375.20	Other Distribution Struct. and Improve.	788,487.48	-5%	-39,424.37	827,911.85	259,447.97	568,463.88	27-L2	17.5	32,483.65	4.12%
	Total Account 375	922,126.93		-46,106.34	968,233.27	327,819.48	640,413.79			36,844.25	4.00%
376.00	Mains	213,002,709.24	-35%	-74,550,948.23	287,553,657.47	60,821,356.04	226,732,301.43	55-R3	41.9	5,411,272.11	2.54%
378.00	Measuring and Regulating Station Equip. - Gen.	4,590,719.10	-10%	-459,071.91	5,049,791.01	1,143,819.63	3,905,971.38	45-S0.5	33.5	116,596.16	2.54%
379.00	Measuring and Reg. Station Eq. - City Gate	2,947,888.13	-5%	-147,394.41	3,095,282.54	414,085.03	2,681,197.51	44-R0.5	35.0	74,477.71	2.53%

Table 2

Louisville Gas and Electric
Gas 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) (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)	
			%	Amount								
380.00	Services	103,680,138.72	-55%	-57,024,076.30	160,704,215.02	42,281,968.92	118,422,246.10	35-R2.5	24.7	4,794,422.92	4.62%	
381.00	Meters	18,573,635.12	0%	0.00	18,573,635.12	4,652,792.06	13,920,843.06	31-S6	20.3	685,755.82	3.69%	
382.00	Meter Installations	7,218,670.36	-10%	-721,867.04	7,940,537.40	1,302,424.91	6,638,112.49	31-R4	24.1	275,440.35	3.82%	
383.00	House Regulators	3,106,054.85	-15%	-465,908.23	3,571,963.08	1,213,748.49	2,358,214.59	45-R4	27.2	86,699.07	2.79%	
384.00	House Regulator Installations	970,849.46	0%	0.00	970,849.46	271,546.08	699,303.38	45-S6	28.9	24,197.35	2.49%	
385.00	Industrial Measuring and Reg. Station Equip.	142,801.65	-5%	-7,140.08	149,941.73	61,409.10	88,532.63	45-R2	24.2	3,658.37	2.56%	
387.00	Other Equipment	65,051.59	0%	0.00	65,051.59	12,672.24	52,379.35	40-L2	31.2	1,678.83	2.58%	
	Total Distribution Plant	355,294,663.38		-133,422,512.54	488,717,175.92	112,544,971.74	376,172,204.18			11,512,809.88	3.24%	
	GENERAL PLANT											
392.20	Transportation Equipment - Trailers	354,261.36	0%	0.00	354,261.36	105,520.57	248,740.79	20-L0.5	15.6	15,944.92	4.50%	
394.00	Tools, shop and Garage Equipment	2,896,361.96	5%	144,818.10	2,751,543.86	936,258.93	1,815,284.93	32-L4	24.0	75,636.87	2.61%	
395.00	Laboratory Equipment	435,068.27	5%	21,753.41	413,314.86	251,764.70	161,550.16	30-L3	16.5	9,790.92	2.25%	
396.20	Power Operated Equipment - Other	58,118.72	0%	0.00	58,118.72	36,688.40	21,430.32	25-R1.5	13.4	1,599.28	2.75%	
	Total General Plant	3,743,810.31		166,571.51	3,577,238.80	1,330,232.60	2,247,006.20			102,971.99	2.75%	
	Sub-Total Depreciable Plant	425,724,401.04		-141,393,121.98	567,117,523.02	155,166,756.61	411,950,766.41			12,733,777.93	2.99%	
	Other Plant (Not Studied)											
392.10	Transportation Equipment - Cars & Trucks	3,209,727.45				2,192,655.87						
396.10	Power Operated Equipment - Hourly Rated	2,029,908.51				1,508,720.36						
	Total Other Plant (Not Studied)	5,239,635.96				3,701,376.23						
	Total Depreciable Plant	430,964,037.00				158,868,132.84						
	NON-DEPRECIABLE PLANT											
	INTANGIBLE PLANT											
302.00	Franchises and Consents	1,187.49				800.00						
352.10	Storage Leaseholds and Rights	552,045.10				573,393.92						
	Total Intangible Plant	553,232.59				574,193.92						
	LAND											
350.10	Land	32,864.07				3,154.64						
374.11	City Gate Check Station Land	0.00				0.00						
374.12	Other Distribution Land	62,043.73				-586.44						
	Total Land	94,907.80				2,568.20						
	Total Non-Depreciable Plant	648,140.39				576,762.12						
	Total Gas Plant in Service	431,612,177.39				159,444,894.96						

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

(2) Account Fully Depreciated. No Further Depreciation

Louisville Gas & Electric
Gas Division

Charnas

Original 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)	Original Cost Per Depr Study Data 12/31/02 (f)
DEPRECIABLE PLANT					
NATURAL GAS STORAGE PLANT					
350.20	Rights of Ways	63,678.14		0.00	63,678.14
Structures					
351.20	Compressor Station Structures	1,011,754.95		0.00	1,011,754.95
351.30	Measuring and Regulating Station Structures	10,879.61		0.00	10,879.61
351.40	Other Structures	1,148,713.71		(0.01)	1,148,713.70
	Total Account 351	2,171,348.27	0.00	-0.01	2,171,348.26
Wells					
352.20	Reservoirs	400,511.40		0.00	400,511.40
352.30	Nonrecoverable Natural Gas	9,648,855.00		0.00	9,648,855.00
352.40	Well Drilling	2,549,654.96		0.00	2,549,654.96
352.50	Well Equipment	5,037,990.48		0.00	5,037,990.48
	Total Account 352	17,637,011.84	0.00	0.00	17,637,011.84
353.00	Lines	10,381,116.32	32,116.18	0.00	10,349,000.14
354.00	Compressor Station Equipment	13,404,078.81		0.01	13,404,078.82
355.00	Measuring and Regulating Equipment	370,320.90		0.00	370,320.90
356.00	Purification Equipment	9,314,575.58		0.00	9,314,575.58
357.00	Other Equipment	961,279.75		0.01	961,279.76
	Total Natural Gas Storage Plant	54,303,409.61	32,116.18	0.01	54,271,293.44
TRANSMISSION PLANT					
365.20	Rights of Way	220,659.05		0.00	220,659.05
367.00	Mains	12,193,974.86		0.00	12,193,974.86
	Total Transmission Plant	12,414,633.91	0.00	0.00	12,414,633.91
DISTRIBUTION PLANT					
374.22	Other Distribution Land Rights	74,018.23		0.00	74,018.23
Structures and Improvements					
375.10	City Gate Check Station Struct. and Improve.	133,639.45		0.00	133,639.45
375.20	Other Distribution Struct. and Improve.	788,487.48		0.00	788,487.48
	Total Account 375	922,126.93	0.00	0.00	922,126.93
376.00	Mains	213,002,709.25		(0.01)	213,002,709.24
378.00	Measuring and Regulating Station Equip. - Ge	4,590,719.10		0.00	4,590,719.10
379.00	Measuring and Reg. Station Eq. - City Gate	3,031,747.20	83,859.07	0.00	2,947,888.13
380.00	Services	103,680,138.69		0.03	103,680,138.72
381.00	Meters	19,593,482.24	1,019,847.12	0.00	18,573,635.12
382.00	Meter Installations	7,490,427.94	271,757.58	0.00	7,218,670.36
383.00	House Regulators	3,145,155.44	39,100.59	0.00	3,106,054.85
384.00	House Regulator Installations	1,006,639.43	35,789.97	0.00	970,849.46
385.00	Industrial Measuring and Reg. Station Equip.	142,801.65		0.00	142,801.65
387.00	Other Equipment	65,051.59		0.00	65,051.59
	Total Distribution Plant	356,745,017.69	1,450,354.33	0.02	355,294,663.38

Louisville Gas & Electric
Gas Division

Charnas

Original 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)	Original Cost Per Depr Study Data 12/31/02 (f)
GENERAL PLANT					
392.20	Transportation Equipment - Trailers	354,261.36		0.00	354,261.36
394.00	Tools, shop and Garage Equipment	2,896,361.96		0.00	2,896,361.96
395.00	Laboratory Equipment	435,068.27		0.00	435,068.27
396.20	Power Operated Equipment - Other	58,118.72		0.00	58,118.72
	Total General Plant	3,743,810.31	0.00	0.00	3,743,810.31
	Sub-Total Depreciable Plant	427,206,871.52	1,482,470.51	0.03	425,724,401.04
Other Plant (Not Studied)					
392.10	Transportation Equipment - Cars & Trucks	3,209,727.47		(0.02)	3,209,727.45
396.10	Power Operated Equipment - Hourly Rated	2,029,908.51			2,029,908.51
	Total Other Plant (Not Studied)	5,239,635.98	0.00	-0.02	5,239,635.96
	Total Depreciable Plant	432,446,507.50	1,482,470.51	0.01	430,964,037.00
<u>NON-DEPRECIABLE PLANT</u>					
INTANGIBLE PLANT					
302.00	Franchises and Consents	1,187.49		0.00	1,187.49
352.10	Storage Leaseholds and Rights	552,045.10		0.00	552,045.10
	Total Intangible Plant	553,232.59	0.00	0.00	553,232.59
LAND					
350.10	Land	32,864.07		0.00	32,864.07
374.11	City Gate Check Station Land	7,586.67		(7,586.67)	0.00
374.12	Other Distribution Land	54,457.06		7,586.67	62,043.73
	Total Land	94,907.80	0.00	0.00	94,907.80
	Total Non-Depreciable Plant	648,140.39	0.00	0.00	648,140.39
	Total Gas Plant in Service	433,094,647.89	1,482,470.51	0.01	431,612,177.39

**Louisville Gas & Electric
Gas Division**

**Summary of Book Depreciation Reserves 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)
<u>DEPRECIABLE PLANT</u>				
NATURAL GAS STORAGE PLANT				
350.20	Rights of Ways	17,226.91		17,226.91 (1)
	Structures			
351.20	Compressor Station Structures	612,215.79		612,215.79 (1)
351.30	Measuring and Regulating Station Structures	14,189.89		14,189.89 (1)
351.40	Other Structures	757,040.09		757,040.09 (1)
	Total Account 351	1,383,445.77	0.00	1,383,445.77
	Wells			
352.20	Reservoirs	435,216.12		435,216.12 (1)
352.30	Nonrecoverable Natural Gas	6,498,004.12		6,498,004.12 (1)
352.40	Well Drilling	2,786,409.01		2,786,409.01 (1)
352.50	Well Equipment	3,054,640.53		3,054,640.53 (1)
	Total Account 352	12,774,269.78	0.00	12,774,269.78
353.00	Lines	6,323,279.75	32,116.18	6,291,163.57 (1)
354.00	Compressor Station Equipment	6,416,287.63		6,416,287.63 (1)
355.00	Measuring and Regulating Equipment	241,546.96		241,546.96 (1)
356.00	Purification Equipment	3,000,444.47		3,000,444.47 (1)
357.00	Other Equipment	200,789.28		200,789.28 (1)
	Total Natural Gas Storage Plant	30,357,290.55	32,116.18	30,325,174.37
TRANSMISSION PLANT				
365.20	Rights of Way	184,548.50		184,548.50 (1)
367.00	Mains	10,781,829.40		10,781,829.40 (1)
	Total Transmission Plant	10,966,377.90	0.00	10,966,377.90
DISTRIBUTION PLANT				
374.22	Other Distribution Land Rights	64,040.52		64,040.52 (1)
	Structures and Improvements			
375.10	City Gate Check Station Struct. and Improve.	84,620.02		84,620.02 (1)
375.20	Other Distribution Struct. and Improve.	278,034.24		278,034.24 (1)
	Total Account 375	362,654.26	0.00	362,654.26
376.00	Mains	72,244,897.23		72,244,897.23 (1)
378.00	Measuring and Regulating Station Equip. - Gen.	1,714,716.35		1,714,716.35 (1)
379.00	Measuring and Reg. Station Eq. - City Gate	1,009,275.72	83,859.07	925,416.65 (1)
380.00	Services	29,680,884.92		29,680,884.92 (1)
381.00	Meters	5,556,037.82	1,019,847.12	4,536,190.70 (1)
382.00	Meter Installations	1,395,746.35	271,757.58	1,123,988.77 (1)
383.00	House Regulators	1,442,672.11	39,100.59	1,403,571.52 (1)
384.00	House Regulator Installations	413,585.76	35,789.97	377,795.79 (1)
385.00	Industrial Measuring and Reg. Station Equip.	92,035.97		92,035.97 (1)
387.00	Other Equipment	18,779.06		18,779.06 (1)
	Total Distribution Plant	113,995,326.07	1,450,354.33	112,544,971.74

**Louisville Gas & Electric
Gas Division**

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

Account No. (a)	<u>Description</u> (b)	Depr Reserve Per Books <u>12/31/02</u> (c)	Omitted (Pending) <u>Retirements</u> (d)	Depr Reserve Per Depr Study <u>12/31/02</u> (e)
GENERAL PLANT				
392.20	Transportation Equipment - Trailers	78,755.00		78,755.00 (1)
394.00	Tools, shop and Garage Equipment	787,585.46		787,585.46 (1)
395.00	Laboratory Equipment	210,470.52		210,470.52 (1)
396.20	Power Operated Equipment - Other	31,424.61		31,424.61 (1)
	Total General Plant	1,108,235.59	0.00	1,108,235.59
	Sub-Total Depreciable Plant	156,427,230.11	1,482,470.51	154,944,759.60
	Other Plant (Not Studied)			
392.10	Transportation Equipment - Cars & Trucks	2,136,820.64		2,136,820.64 (1)
396.10	Power Operated Equipment - Hourly Rated	1,786,552.60		1,786,552.60 (1)
	Total Other Plant (Not Studied)	3,923,373.24	0.00	3,923,373.24
	Total Depreciable Plant	160,350,603.35	1,482,470.51	158,868,132.84
<u>NON-DEPRECIABLE PLANT</u>				
INTANGIBLE PLANT				
302.00	Franchises and Consents	800.00		800.00
352.10	Storage Leaseholds and Rights	573,393.92		573,393.92
	Total Intangible Plant	574,193.92	0.00	574,193.92
LAND				
350.10	Land	3,154.64		3,154.64
374.11	City Gate Check Station Land	0.00		0.00
374.12	Other Distribution Land	(586.44)		-586.44
	Total Land	2,568.20	0.00	2,568.20
	Total Non-Depreciable Plant	576,762.12	0.00	576,762.12
	Total Gas Plant in Service	160,927,365.47	1,482,470.51	159,444,894.96

(1) The current account level book depreciation reserves for the Gas Storage, 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
Gas Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves as of December 31, 2002**

Account No. (a)	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)
<u>DEPRECIABLE PLANT</u>									
NATURAL GAS STORAGE PLANT									
350.20	Rights of Ways	63,678.14		50-R2.5	0%	5,953.77	9,691.16		9,691.16
Structures									
351.20	Compressor Station Structures	1,011,754.95	(1)	120-L0.5	-5%	296,089.14	481,954.58		481,954.58
351.30	Measuring and Regulating Station Structures	10,879.61	(1)	150-L0.5	-5%	6,010.44	9,783.40		9,783.40
351.40	Other Structures	1,148,713.70	(1)	130-L0.5	-5%	385,801.97	627,983.27		627,983.27
	Total Account 351	2,171,348.26						0.00	1,119,721.25
Wells									
352.20	Reservoirs	400,511.40		40-SQ	-5%	340,817.43	420,536.97		420,536.97
352.30	Nonrecoverable Natural Gas	9,648,855.00		45-SQ	0%	4,294,233.43	6,989,872.90		6,989,872.90
352.40	Well Drilling	2,549,654.96		55-R3	-20%	1,450,082.21	2,360,349.18		2,360,349.18
352.50	Well Equipment	5,037,990.48		50-R3	-20%	1,764,911.20	2,872,807.26		2,872,807.26
	Total Account 352	17,637,011.84						0.00	12,643,566.31
353.00	Lines	10,349,000.14		40-L2	-10%	3,745,030.14	6,095,915.63	32,116.18	6,063,799.45
354.00	Compressor Station Equipment	13,404,078.82		45-R4	-5%	4,109,727.61	6,689,546.37		6,689,546.37
355.00	Measuring and Regulating Equipment	370,320.90		44-R0.5	-5%	101,049.90	164,482.43		164,482.43
356.00	Purification Equipment	9,314,575.58		40-R3	-25%	2,101,230.34	3,420,245.60		3,420,245.60
357.00	Other Equipment	961,279.76		35-R2	0%	131,545.88	214,121.80		214,121.80
	Total Natural Gas Storage Plant	54,271,293.44				18,732,483.46	30,357,290.55	32,116.18	30,325,174.37
TRANSMISSION PLANT									
365.20	Rights of Way	220,659.05		50-R2.5	0%	137,668.21	203,173.96		203,173.96
367.00	Mains	12,193,974.86		55-R3	-20%	7,293,016.44	10,763,203.94		10,763,203.94
	Total Transmission Plant	12,414,633.91				7,430,684.65	10,966,377.90	0.00	10,966,377.90

Table 5

**Louisville Gas and Electric
Gas Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves as of December 31, 2002**

Account No. (a)	Description (d)	Cost 12/31/02 (e)	A.S.L./ Curve (f) (g)	Salvage % (h)	Theoretical Depreciation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
DISTRIBUTION PLANT								
374.22	Other Distribution Land Rights	74,018.23	50-R2.5	0%	46,582.67	41,329.75		41,329.75
Structures and Improvements								
375.10	City Gate Check Station Struct. and Improve.	133,639.45	(1) 150-L1	-5%	77,061.38	68,371.51		68,371.51
375.20	Other Distribution Struct. and Improve.	788,487.48	27-L2	-5%	292,423.22	259,447.97		259,447.97
	Total Account 375	922,126.93					0.00	327,819.48
376.00	Mains	213,002,709.24	55-R3	-35%	68,551,613.65	60,821,356.04		60,821,356.04
378.00	Measuring and Regulating Station Equip. - Gen	4,590,719.10	45-S0.5	-10%	1,289,196.53	1,143,819.63		1,143,819.63
379.00	Measuring and Reg. Station Eq. - City Gate	2,947,888.13	44-R0.5	-5%	561,231.68	497,944.10	83,859.07	414,085.03
380.00	Services	103,680,138.72	35-R2.5	-55%	47,655,912.11	42,281,968.92		42,281,968.92
381.00	Meters	18,573,635.12	31-S6	0%	6,393,618.87	5,672,639.18	1,019,847.12	4,652,792.06
382.00	Meter Installations	7,218,670.36	31-R4	-10%	1,774,257.55	1,574,182.49	271,757.58	1,302,424.91
383.00	House Regulators	3,106,054.85	45-R4	-15%	1,412,083.38	1,252,849.08	39,100.59	1,213,748.49
384.00	House Regulator Installations	970,849.46	45-S6	0%	346,397.77	307,336.05	35,789.97	271,546.08
385.00	Industrial Measuring and Reg. Station Equip.	142,801.65	45-R2	-5%	69,214.06	61,409.10		61,409.10
387.00	Other Equipment	65,051.59	40-L2	0%	14,282.85	12,672.24		12,672.24
	Total Distribution Plant	355,294,663.38			128,483,875.72	113,995,326.07	1,450,354.33	112,544,971.74
GENERAL PLANT								
392.20	Transportation Equipment - Trailers	354,261.36	20-L0.5	0%	77,721.23	105,520.57		105,520.57
394.00	Tools, shop and Garage Equipment	2,896,361.96	32-L4	5%	689,602.00	936,258.93		936,258.93
395.00	Laboratory Equipment	435,068.27	30-L3	5%	185,437.42	251,764.70		251,764.70
Power Operated Equipment								
396.20	Power Operated Equipment - Other	58,118.72	25-R1.5	0%	27,022.86	36,688.40		36,688.40
	Total Account 396	58,118.72					0.00	36,688.40
	Total General Plant	3,743,810.31			3,706,034.09	5,031,608.83	0.00	1,330,232.60
	Sub-Total Depreciable Plant	425,724,401.04				160,350,603.35	1,482,470.51	155,166,756.61

Table 5

**Louisville Gas and Electric
Gas Division**

**Allocation of Book Depreciation Reserves as of December 31, 2002
Based Upon Calculated Depreciation Reserves as of December 31, 2002**

Account No. (a)	Description (d)	Cost 12/31/02 (e)	A.S.L./ Curve (f)	Salvage % (g)	Theoretical Deprecation Reserve (h)	Allocated Book Depr. Reserve (i)	Omitted Retirements (j)	Adjusted Book Reserve (k)
Other Plant (Not Studied)								
392.10	Transportation Equipment - Cars & Trucks	3,209,727.45	7-R3	15%	1,615,001.82	2,192,655.87		2,192,655.87
396.10	Power Operated Equipment - Hourly Rated	2,029,908.51	9-L3	10%	1,111,248.76	1,508,720.36		1,508,720.36
	Total Other Plant (Not Studied)	5,239,635.96			2,726,250.58	0.00	0.00	3,701,376.23
	Total Depreciable Plant	430,964,037.00				160,350,603.35	1,482,470.51	158,868,132.84
<u>NON-DEPRECIABLE PLANT</u>								
INTANGIBLE PLANT								
302.00	Franchises and Consents	1,187.49				800.00		800.00
352.10	Storage Leaseholds and Rights	552,045.10				573,393.92		573,393.92
	Total Intangible Plant	553,232.59				574,193.92	0.00	574,193.92
LAND								
350.10	Land	32,864.07				3,154.64		3,154.64
374.11	City Gate Check Station Land	0.00				0.00		0.00
374.12	Other Distribution Land	62,043.73				-586.44		-586.44
	Total Land	94,907.80				2,568.20	0.00	2,568.20
	Total Non-Depreciable Plant	648,140.39				576,762.12	0.00	576,762.12
	Total Gas Plant in Service	431,612,177.39				160,927,365.47	1,482,470.51	159,444,894.96

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

LOUISVILLE GAS & ELECTRIC**Gas Division**General

This report sets forth the results of our study of the depreciable property of Louisville Gas & Electric - Gas 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				

C-3

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:

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

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 lowa 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

Gas Division

Study Results

Account 350.20 - Rights of Way

The Company's investment in this account totals \$63,678 and has achieved a current average age of 5.4 years. The investment contained in the property group is currently being depreciated using an annual depreciation rate of zero (0) percent. The investment is principally related to rights of way for the Company's numerous gathering systems.

There have been no retirements from the property group, therefore no historical life analysis could be performed. 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. Application of the recommended service life parameters to the current surviving investments produces an average remaining life of 45.3 years.

No net salvage has been experienced in the past and not is anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 1.87 percent.

Account 351.20 - Compressor Station Structures

The Company's investment in this account totals \$1,011,755 and is being depreciated using an annual depreciation rate of 2.45 percent. Interim retirements totaling \$53,606 were analyzed via the Retirement Rate method. Based upon the historical

analysis results, an Iowa 120-L0.5 life and curve is estimated as the applicable interim retirement rate parameters for this property group investment. Based upon the modest size of the facilities, probable retirement dates are estimated for each property location using a forty (40) year life span from its principal construction date. Application of the recommended service life parameters to the Company's investment produces an average remaining life of 32.1 years.

Future net salvage relative to this asset account was relatively limited and averaged negative three (3) while the trend analysis indicated negative eight (8) percent. A modest level of negative net salvage (cost to retire) is anticipated in conjunction with the ultimate retirement of the facilities, accordingly, future net salvage is estimated at negative five (5) percent. Applying the resulting average remaining life and net salvage factor produces an annual depreciation rate of 1.79 percent.

Account 351.30 - Measuring & Regulating Station Structures

The present remaining investment within this asset category totals only \$10,880, and is being depreciated using an annual depreciation rate of zero (0) percent. The only retirement experience relative to the remaining property group occurred during earlier years at a very young age. Based upon the content and the current age of the investment within the account, plus the Company's experience for the property class in its distribution Company, and general industry data, an Iowa 150-L0.5 life and curve are estimated as the interim retirement rate for the well equipment investment. Based upon the modest size of the facilities, probable retirement dates are estimated for each property location using a forty (40) year life span from its principal construction date. Application of the estimated service life parameters to the current surviving investment produces an average remaining

life of 31.7 years.

Future net salvage is currently estimated at a modest negative five (5) percent and when combined with the life characteristics produces an average remaining life depreciation rate of 0.48 percent.

Account 351:40 Other Structures

The Company's investment in this account totals \$1,148,714, and is being depreciated using an annual depreciation rate of 1.74 percent. Based upon this historical analysis, an Iowa 130-L0.5 life and curve is estimated as the applicable interim retirement rate for this property group investment. Based upon the modest size of the facilities, probable retirement dates are estimated for each property location using a forty (40) year life span from its principal construction date. Application of the recommended service life parameters to the Company's investment produces an average remaining life of 23.1 years.

Future net salvage relative to this minor investment is estimated at negative five (5) percent. Applying the resulting average remaining life and net salvage factor produces an annual depreciation rate of 2.18 percent.

Account 352.2 - Reservoirs

The surviving investment within this asset category totals only \$400,511, and is being depreciated using an annual depreciation rates of 0.69 percent. No retirements have been experienced, accordingly, it is recommended that the life of the assets continue to be based upon the current Iowa 40-SQ life and curve presently utilized as the basis for the depreciation rate. Application of the service life parameters to the current surviving investment produces an average remaining life of 7.6 years.

Given that there has not been any recent retirements, likewise, there has not been any net salvage experience. Notwithstanding the lack of experience prior net salvage, a modest level of negative salvage is anticipated for closure of the facilities at the end of the property's useful service life. This expectation is consistent with the fact that a review of industry data identifies that, on average, operating companies are incorporating negative net salvage into their depreciation rates. Therefore, negative five (5) percent net salvage is estimated for this property group. Inasmuch as the property group is currently fully depreciated, the resulting current annual depreciation rate is zero (0) percent.

Account 352.30 Nonrecoverable Natural Gas

The surviving investment within this asset category totals only \$9,648,855, and is being depreciated using an annual depreciation rates of 1.73 percent. No retirements have been experienced, and none are anticipated to the end of life of the storage facilities, accordingly, the life of the assets is being based upon the Iowa 45-SQ life and curve. Application of the service life parameters to the current surviving investment produces an average remaining life of 25.0 years.

No net salvage has been experienced in the past and none is anticipated in future years, thus, zero (0) percent net salvage is estimated. The resulting annual depreciation rate is 1.10 percent.

Account 352.40 Well Drilling

The surviving investment within this asset category totals \$2,549,655, and is being depreciated using an annual depreciation rates of 1.67 percent. Retirements totaling \$239,349, have been experienced at an average age of 22.5 years. Based upon an

analysis of the historical experience via the Retirement Rate method, an Iowa 55-R3 life and curve is estimated as the applicable average service life parameters for the property group. Application of the service life parameters to the current surviving investment produces an average remaining life of 28.9 years.

An analysis of the historical net salvage data during the period 1972-2002 indicates that the property group has experienced overall net salvage which averaged in excess of negative eighteen (18) percent and has demonstrated a trend analysis in excess of negative forty-seven (47) percent net salvage. Accordingly, future negative twenty (20) percent net salvage is estimated. The result of applying the applicable depreciation parameters to the Company investments is a proposed annual depreciation rate of 0.95 percent.

Account 352.50 Well Equipment

The surviving investment within this asset category totals \$5,037,990, and is being depreciated using an annual depreciation rates of 2.35 percent. Retirements totaling \$361,130 have been experienced, accordingly, the life of the assets is being based upon the Iowa 50-R3 life and curve used for the Well Equipment assets. Application of the service life parameters to the current surviving investment produces an average remaining life of 35.4 years.

Future net salvage is estimated at negative twenty (20) percent. The resulting annual depreciation rate is 1.78 percent

Account 353.00 Lines

The surviving investment within this asset category totals \$10,349,000 and is being depreciated using an annual depreciation rates of 2.53 percent, and has achieved an

average age of 16.2 years. Retirements totaling \$1,623,374 have been experienced at an average age of 23.2 years. Based upon and analysis of the Company's historical data via the Retirement Rate method Iowa 40-L2 life and curve is estimated for this property group. Application of the service life parameters to the current surviving investment produces an average remaining life of 26.8 years.

An analysis of the Company's historical net salvage was completed based upon the Company's historical records for the period 1972 through 2000. While the Company has experienced some gross salvage, increasing levels of costs of removal are routinely being incurred with the result that the overall experience has been negative two (2) percent. However, during more recent years net salvage has been occurring at significantly higher negative levels. Likewise, a review of industry data identifies that the negative net salvage incorporated into depreciation rates are significantly. Based upon the anticipation that future cost of removal will continue to escalate and gross salvage will decline as the property retirement ages increase more towards average service life age. Accordingly, future net salvage is estimated at negative ten (10) percent. The resulting proposed annual depreciation rate is 1.92%.

Account 354 - Compressor Station Equipment

The surviving investment within this asset category totals \$13,404,079 and is being depreciated using an annual depreciation rates of 1.78 percent. Retirements totaling \$654,386, which occurred at an average age of 25.3 years, have been experienced over the life of the property group. An analysis of this historical identifies that only a modest level of retirement activity (as well as the average age of historical data) has occurred, therefore the achieved service life indication is generally limited. Based upon the analysis

of the available data and the content of the account a life of forty-five (45) years is currently estimated. By comparison, average industry service life data is thirty-four (34) years. Accordingly, the life of the assets is being based upon a general estimate of an Iowa 45-R4 life and curve. Application of the estimated Iowa 45-R4 service life parameters to the current surviving investment produces an average remaining life of 31.9 years.

An analysis of the Company's historical net salvage was completed based upon the Company's historical records for the period 1972 through 2000. During several earlier years, the Company has experienced some positive net salvage, however, more recent years significant levels of negative net salvage has been routinely being incurred. Likewise, a review of industry data identifies that the net negative salvage has been incorporated into their depreciation rates. Based upon the anticipation that future cost of removal will continue to escalate and gross salvage will decline as the property retirement ages increase more towards average service life age. Accordingly, future net salvage is estimated at negative five (5) percent. The resulting annual depreciation rate is 1.73 percent.

Account 355 - Measuring & Regulating Equipment

The current surviving investment totals only \$370,321 and is being depreciated using an annual depreciation rate of 1.54 percent. Based upon the results of the Retirement Rate analysis of the Company's historical data, an average service life of an Iowa 44-R0.5 is estimated for this property group. The result of applying the life characteristics to the account's surviving investment is an average remaining life of 32.6 years. Future net salvage is estimated at negative five (5) percent and the resulting annual depreciation rate is 1.86 percent.

Account 356 - Purification Equipment

The surviving investment within this asset category totals \$9,314,576 and is being depreciated using an annual depreciation rates of 3.50 percent. Retirements totaling \$542,530 have been experienced to date. The historical analysis of the Company's data via the Retirement Rate method produces a life indication of forty (40) years. Application of the estimated Iowa 40-R3 service life parameters to the current surviving investment produces an average remaining life of 32.8 years.

Based upon an analysis of the Company's historical data during the years 1972-2002, future net salvage is estimated at negative twenty-five (25) percent and the resulting annual depreciation rate is 2.69 percent.

Account 357 - Other Equipment

The surviving investment within this asset category totals \$961,280 and is being depreciated using an annual depreciation rates of 2.49 percent. Retirements totaling \$40,268 have been experienced. Using the results of the analysis of the Company's historical data, the average service life of the assets is being estimated as representative of an Iowa 35-R2 life and curve. Application of the service life parameters to the current surviving investment produces an average remaining life of 30.2 years.

Only limited net salvage has been experienced in the past and none is anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 2.57 percent.

Account 365.2 - Rights of Way

The current surviving investment in this account totals \$220,659 and is related to rights of way acquired in the course of the Company's constructing various transmission

lines and/or facilities. The current average age of the property investment in this account is 39.2 years which is presently being depreciated utilizing an annual depreciation rate of 1.68 percent.

There have been no retirements from the property group, therefore no historical life analysis could be performed. 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. Application of the recommended service life parameters to the current surviving investments produces an average remaining life of 18.8 years.

Future net salvage is estimated at zero (0) percent which when utilized together with the recommended service life parameters produces an annual depreciation rate of 0.42 percent.

Account 367 - Mains

The Company's current investment in this account totals \$12,193,975, which has achieved a current average age of 30.9 years, and is presently being depreciated utilizing an implicit depreciation rate of 1.68 percent. The Company had initially installed transmission line equipment from the 1920's forward, however, a significant portion of the current surviving investments have generally been placed into service during the late 1950's through the 1970's. The mains range in size from less than 4-inch to 28-inch with the majority being 10-inch or larger diameter pipe. While the Company has some bare steel pipe, approximately ninety-five (95) percent of the mains are coated and wrapped steel.

Retirements totaling than \$1,606,492 have occurred over the Company's history

during the account's history at an average age of 28.6 years. The Company's historical data base, which is inclusive of the overall investment history was analyzed via the Retirement Rate Method. This analysis shows that while the Company's retirements have varied from year to year, in general they are driven by changing construction, etc. Retirements have routinely occurred over the history of the property group, however, during the most recent decade, along with a significant decline in the level of construction activity, no retirements have occurred during numerous years. This circumstances is considered an aberration of normal activity therefore a return to the occurrence of upgrades and replacements are anticipated in future years. An overall analysis of the historical activity indicates a life of approximately sixty (60) years while an analysis of data through 1993, (which reflects more typical activity levels) produced an average service life indication of forty-five (45) years. A review of industry data indicates an underlying service life for this property group of fifty-three (53) years. Based upon the anticipated pending future changes/upgrades/replacements within the Company's operating system which is consistent with more typical life characteristics, an Iowa 55-R3 life and curve is estimated for this property group. Application of the applicable service life parameters to the Company's current surviving investment produced an implicit average remaining life of 27.6 years.

An analysis of the Company's historical net salvage was completed based upon the Company's historical records for the period 1972 through 2000. The Company has experienced various levels of gross positive net salvage; however, higher levels of costs of removal are being incurred during more recent years in which retirements occurred. It is anticipated that future cost of removal will continue to escalate and gross salvage will

decline as the property retirement ages increase more towards average service life age. Accordingly, at the time ultimate future retirements of larger segments of the property group, it is expected that the future net salvage will become significantly negative.

While the retirement of mains, in some circumstances results in the abandonment of pipe, there are various reasons for the pipe to be physically removed. As a general rule, operating companies concluded that it is not economical to remove pipe that is less than 12 inches in diameter, however, the removal of pipe is not based solely on economics. For example, previous right of way agreements may state that a line is to be removed when no longer in operation, or if a rebuild project, the agreement may state that the Company may have only one line in the easement.

More importantly, however, future retirement costs will continue to include items such as trenching, back filling, cutting, plugging, and/or removal of pipe from its location. In addition, the Company will incur various other costs, including right of way damages, permitting costs, supervision, vehicle costs, etc., in its ultimate retirement and/or disposal of transmission mains. Giving consideration to the historical and prospective factors, negative salvage is clearly warranted for this property. Accordingly, giving consideration to past historical experience plus future expectations, a modest future net salvage of negative twenty (20) percent is currently being incorporated in the development of the depreciation rate for this property group. Utilization of the Company's plant in service investment and related service life and salvage factors produce a recommended annual depreciation rate of 1.15 percent.

Account 374.22 - Other Distribution Land Rights

The Company's investment in this account totals \$74,018, and is presently being

depreciated utilizing an annual depreciation rate of 2.95 percent.

While no retirements have been experienced, a review of industry data indicates average service lives for land rights in the range of 25-60 years. Accordingly, the life of the assets is being based upon an estimated Iowa 50-R2.5 life and curve. Application of the recommended service life parameters to the Company's vintage investment produces an average remaining life of 18.5 years.

An analysis of the Company's historical experience relative to net salvage shows that this account has not experienced any net salvage and none is anticipated in the future. Accordingly, future net salvage is estimated at zero (0) percent and when combined together with the recommended service life parameters and Company's investment, produces a recommended annual depreciation rate of 2.39 percent.

Account 375 .10 - City Gate Check Station Structure & Improvement

The Company's investment in this account totals only \$133,639, and is presently being depreciated utilizing an annual depreciation rate of 3.59 percent. The investment in the account is principally related to smaller metal structures utilized to house the Company's property at the various regulator sites.

Interim retirements totaling \$6,141, which occurred at an average age of 17.7 years, were analyzed via the Retirement Rate method. Based upon the historical analysis results, an Iowa 150-L1 life and curve is estimated as the applicable interim retirement rate parameters for this property group investment. Based upon the modest size of the facilities, probable retirement dates are estimated for each property location using a forty (40) year life span from its principal construction date. Application of the recommended service life parameters to the Company's investment produces an average remaining life

of 16.5 years.

The Company's historical retirement data was analyzed to identify the level of net salvage being experienced by this property. Based upon the content of the account and the anticipation that negative salvage will occur in conjunction with future retirements, future net salvage is estimated at negative five (5) percent. The resulting recommended annual depreciation rate for this property group is 3.26 percent.

Account 375.20 - Other Distribution Structure & Improvements

The Company's investment in this account totals \$788,487 and is presently being depreciated utilizing an annual depreciation rate of 3.34 percent. Company retirements totaling \$594,422 were analyzed via the Retirement Rate Method for the overall 1971-2000 experience band as well as various interim periods. This analysis identified that the Company's retirements have been occurring at an average age of 32.8 years and produced a life indication of an Iowa 27-L2 life and curve. Application of the recommended service life parameters to the Company's current surviving investment produces an average remaining life 17.5 years.

Based upon the content of the account and the anticipation that negative salvage will occur in conjunction with future retirements, future net salvage is estimated at negative five (5) percent. The resulting recommended annual depreciation rate for this property group is 4.12 percent.

Account 376 - Mains

The Company's current investment in mains totals \$213,002,709 and is being depreciated utilizing an annual depreciation rate of 2.23 percent while the current overall average age is 14.4 years. Retirements totaling \$12,175,734 were analyzed via the

Simulated Plant Record method for the overall 1935-2002 experience band as well as various interim retirement periods. This analysis identified that the Company's property investment within this account have been achieving an overall, as well as recent average service life representative of an Iowa 55-R3 life and curve. In addition, a review of the service lives used by operating companies within the industry, identifies that the average of the industry data is a fifty-five (55) year life. Application of the estimated Iowa 55-R3 life and curve to the current surviving investments produces an average remaining life of 41.9 years.

An analysis of the historical net salvage data during the period 1972-2002 indicates that the property group has experienced overall net salvage which averaged in excess of negative twenty-three (23) percent and has demonstrated a trend analysis in excess of negative eighty (80) percent net salvage. Recent periods have experienced far higher levels of negative net salvage. Giving consideration to the Company's overall, as well as recent experience, future net salvage relative to this property group is estimated at negative thirty-five (35) percent. The resulting recommended annual depreciation rate for this property group is 2.54 percent.

Account 378 - Measuring and Regulating Station Equipment - General

The investment in this account totals \$4,590,719, has attained a current average age of 15.2 years, and is presently being depreciated based upon an annual depreciation rate of 3.03 percent. The measuring and regulating equipment is utilized to regulate its gas pressure within its various service areas to the appropriate level to meet the customer needs. As the Company continues to upgrade and/or modify its operating pressure within its service territory, ongoing changes will be required to the Company's existing measuring

and regulating facilities.

Retirements totaling \$886,568, which occurred during the period 1940-2002 were analyzed via the Retirement Rate Method. This detailed analysis of the historical data identifies that the retirements have been occurring at an average age of 22.4 years over the life of the account. It is anticipated that changes will continue as the Company strives to upgrade its system and provide improved customer service in future years. Based upon the historical analysis, an Iowa 45-S0.5 life and curve is recommended for this property group and when applied to the current surviving assets produces an average remaining life of 33.5 years.

The Company's historic net salvage was studied for the period 1972-2000 which produced an overall average experience of approximately negative five (5) percent net salvage and trended to in excess of negative thirty (30) percent net salvage. While salvage factors have varied from year to year, various recent years have experienced significant levels of negative salvage and it is anticipated that similar negative experience will continue into the future. Based upon the historical experience, together with the Company's net salvage trends, future net salvage is currently estimated at negative ten (10) percent. Utilization of the recommended service life and salvage parameters together with the Company's current investment produces an annual depreciation rate of 2.54 percent.

Account 379 - Measuring & Regulating Station Equipment - City Gate

The Company's investment in this account totals \$2,947,888, is currently depreciated utilizing an annual depreciation rate of 3.14 percent, and has achieved a current average age of 13.4 years. Retirements totaling \$485,022 which occurred at an average age of 17.5 years, were analyzed via the Retirement Rate Method. Based upon the analysis of the

available historical data and general content of the account an Iowa 44-R0.5 life and curve continues to be recommended for this property group. Application of the recommended service life parameters to the current surviving investment produces an average remaining life of 36.0 years.

Based upon the experience and expected future net salvage for this property class is estimated at negative five (5) percent. Utilization of the recommended service life parameters and the negative five (5) percent net salvage produces an average remaining life depreciation rate of 2.53 percent.

Account 380 - Services

The Company's current investment in Services totals \$103,680,139 has achieved a current average age of 12.5 years, and is presently being depreciated utilizing an annual depreciation rate of 4.25 percent.

Retirements totaling \$18,357,963 were analyzed via the Simulated Plant Record method for the overall 1935-2002 experience band as well as various interim retirement periods. This analysis identified that the Company's property investment within this account have been continuously achieving an average service life representative of an Iowa 35-R2.5 life and curve. An application of the estimated Iowa 35-R2.5 life and curve to the current surviving investments produces an average remaining life of 24.7 years.

An analysis of the historical net salvage data during the period 1972-2002 indicates that the property group has experienced overall net salvage which averaged in excess of negative fifty-seven (57) percent and has demonstrated a trend analysis in excess of negative ninety (90) percent net salvage. Giving consideration to the Company's historical experience, trend analysis and industry data as well as recent experience, future net

salvage relative to this property group is estimated at negative fifty-five (55) percent. The resulting recommended annual depreciation rate for this property group is 4.62 percent.

Account 381 - Meters

The investment in this account totaling \$18,573,635 is presently depreciated utilizing an annual depreciation rate of 3.11 percent. The current average age of the property group is 10.7 years.

Retirements totaling \$6,601,959 were analyzed via the Simulated Plant Record method for the overall 1935-2002 experience band as well as various interim retirement periods. This analysis identified that the Company's property investment within this account has been achieving an average service life in the range of 31-33 years. In addition actuarial retirements totaling \$1,237,409, which have been occurring at an average age of 32.6 years during more recent periods were analyzed via the Retirement Rate Method. Due to the continuing increases in regulation and concern of proper metering, continued emphasis will be placed on the proper testing and/or replacement of metering facilities. This recent experience has likewise indicated a useful average service life characteristic of an Iowa 31-S6 life and curve and is the recommended parameters for the property group. Application of the recommended service life parameters to the Company's current surviving investment produces an average remaining life of 20.3 years.

The Company's historical salvage experience relative to the retirement of meters was analyzed for the period 1972-2000 which identifies that the amount of net salvage being achieved relative to the retirement of meters has been relatively modest. For example, while during earlier periods, however, by comparison during more recent years the net salvage experience has turned significantly negative. For the overall analysis, the property

group has experienced negative two (2) percent net salvage. Based upon the historical experience and the general trend, future net salvage is currently estimated at zero (0) percent and when utilized together with the recommended service life parameters produces an annual depreciation rate of 3.69 percent.

Account 382 - Meter Installations

The investment in this account totals \$7,218,670, and has attained an average age of 7.0 years and is presently depreciated using an annual depreciation rate of 3.22 percent.

Retirements totaling \$966,292 were analyzed via the Simulated Plant Record method for the overall 1941-2002 experience band as well as various interim retirement periods. The analysis identified that the Company's property investment within this account has been achieving an average service life of approximately thirty (30) years.

In addition, available actuarial retirements totaling \$17,649, which occurred at an average age of 43.8 years during recent periods, were analyzed via the Retirement Rate Method. This analysis of recent data indicates an achieved service life of only twenty-one years. Based upon the various analysis results plus giving consideration to the average service life estimated for Meters, along with future expectations, an Iowa 31-R4 life and curve is currently estimated for this property class. An application of the estimated Iowa 31-R4 life and curve to the current surviving investments produces an average remaining life of 24.1 years.

Based upon the available experience, future net salvage for the current property is estimated at negative ten (10) percent and the resulting annual depreciation rate is 3.82 percent.

Account 383 - House Regulators

The Company's investment in this account totals \$3,106,055, has achieved a current average age of 19.0 years, and is presently being depreciated based upon an annual depreciation rate of 2.42 percent. Additions have been placed into service for this property class continuously over the life of the account with many of the property additions being related to additions of plant in conjunction with medium pressure rebuilds and new customers. Various retirements have also occurred in conjunction with the upgrading of distribution systems to higher pressures, as well as normal ongoing retirements.

Retirements totaling \$323,199 were analyzed via the Simulated Plant Record method for the overall 1935-2002 experience band as well as various interim retirement periods. This analysis identified that the Company's property investment within this account have been achieving an average service life representative of an Iowa 45-R4 life and curve.

In addition, retirements totaling \$17,649, which occurred at an average age of 43.8 years during recent years were analyzed via the Retirement Rate Method. This historic life analysis also indicates a life of forty-five (45) years. Giving consideration to the results of the two studies and future expectations, an Iowa 45-R4 life and curve is currently estimated for this property class. Application of the proposed service life parameters to the Company's current surviving investment produces an average remaining life of 27.2 years.

The Company's salvage analysis was analyzed for the period 1972-2000 and identified that during earlier years the Company did experience levels of positive net salvage, however, in more recent periods, the Company's net salvage experience has turned negative and averaged approximately negative fifteen (15) percent net salvage. A large portion of the cost of this property class is relative to labor with little or no expectancy

of any significant future gross salvage, accordingly, future net salvage can be anticipated to be increasingly negative. Accordingly, future net salvage is estimated at negative fifteen (15) percent, and the resulting recommended annual depreciation rate of 2.79 percent.

384.0 House Regulation Installations

The Company's investment in this account totals only \$970,849, is currently depreciated utilizing an annual depreciation rate of 2.28 percent, and has achieved a current average age of 16.3 years. Retirements totaling \$19,750 which occurred at an average age of 44.4 years, were analyzed via the Retirement Rate Method. Based upon the analysis of the available historical data and general content of the account an Iowa 45-S6 life and curve continues to be recommended for this property group. Application of the recommended service life parameters to the current surviving investment produces an average remaining life of 28.9 years.

Based upon the experience and expectation, future net salvage for this property class is estimated at zero (0) percent. Utilization of the recommended service life parameters and the zero (0) percent net salvage produces an average remaining life depreciation rate of 2.49 percent.

Account 385.0 Industrial Measuring & Reg. Station Equipment

The present surviving investment in this account totals only \$142,802, has attained a current average age of 26.7 years, and is presently being depreciated utilizing an annual depreciation rate of 3.62 percent. While, retirements totaling \$8,316, which occurred at an average age of 20.9 years occurred over the life of this property group, an insufficient data was available to produce meaningful service life indications. Based upon the account content an Iowa 45-R2 life and curve is estimated for this property group. Application of the

recommended life and curve to the Company's current surviving investment produces an average remaining life of 24.2 years.

An analysis of the Company's salvage experience relative to retirements from this account was studied for the period 1972-2000. This analysis identified that only limited levels of salvage have been received relative to previous retirements from this account. Based upon the content of the account, future net salvage is estimated at negative five (5) percent, and the resulting recommended remaining life depreciation rate is 2.56 percent.

Account 387 - Other Equipment

The investment in this account totals \$65,052 has attained an average age of 12.3 years, and is presently depreciated using an annual depreciation rate of 2.36 percent. An Iowa 40-L2 life and curve is estimated as the applicable service life parameters and when applied to the current investment produces an average remaining life of 31.2 years.

Future net salvage for the current property is estimated at zero (0) percent and the resulting annual depreciation rate is 2.58 percent.

Account 392.20 -Transportation Equipment - Trailers

The investment in this account totaling \$354,261, which currently is depreciated utilizing an annual depreciation rate of 4.49 percent, and has current attained an average age of 6.9 years.

Retirements totaling \$58,408, which occurred at an average age of 8.2 years during the period 1938-20002, were analyzed for the overall experience period, as well as the various other interim bands. Based upon the Company's recent experience, an Iowa 20-L0.5 life and curve is recommended for this account. Application of the proposed service life parameters to the Company's current surviving investment produces an average

remaining life of 15.6 years.

Future net salvage of zero (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 4.50 percent.

Account 394 - Tools, Shop and Garage Equipment

The investment in this account totaling \$2,896,362 is related to tools, garage, and work equipment utilized by the Company's employees in providing service to the Company's customers. The current property investment has attained an average age of 8.1 years and general content of the account as well as general industry data is presently being depreciated by an annual depreciation rate of 3.76 percent.

Retirements totaling \$181,289 which occurred at an average age of 21.4 years during the 1953-2002 period, were analyzed via the Retirement Rate Method. The overall analysis of this account identifies that the property group has been achieving an average service life of approximately thirty-two (32) years. Based upon the historical experience and general content of the account, an Iowa 32-L4 life and curve is being estimated for this property group and when applied to the current surviving investment produces an average remaining life of 24.0 years.

Based upon this experience, future net salvage is estimated at five (5) percent. The resulting recommended annual depreciation rate is 2.61 percent.

Account 395 - Laboratory Equipment

The present surviving investment in this account totals \$435,068, has attained a current average age of 14.4 years, and is presently being depreciated utilizing an annual

depreciation rate of 3.16 percent. An insufficient level of historical data is available to produce any meaningful service life indications. Based upon general industry information and future expectations for the property group, an Iowa 30-L3 life and curve is estimated for this property class. Application of the recommended service life parameters to the Company's current investment produces an average remaining life 16.5 years. Future net salvage is estimated at five (5) percent and the resulting annual depreciation rate is 2.25 percent.

Account 396.20 - Power Operated Equipment - Other

The present surviving investment in this account totals \$58,119, has attained a current average age of 16.2 years, and is presently being depreciated utilizing an annual depreciation rate of 2.99 percent. Retirements totaling \$97,041, which occurred at an average age of 27.9 years, were analyzed via the Retirement Rate Method and produced an Iowa 25-R1.5 life and curve. Application of the recommended life and curve to the Company's current surviving investment produces an average remaining life of 13.4 years.

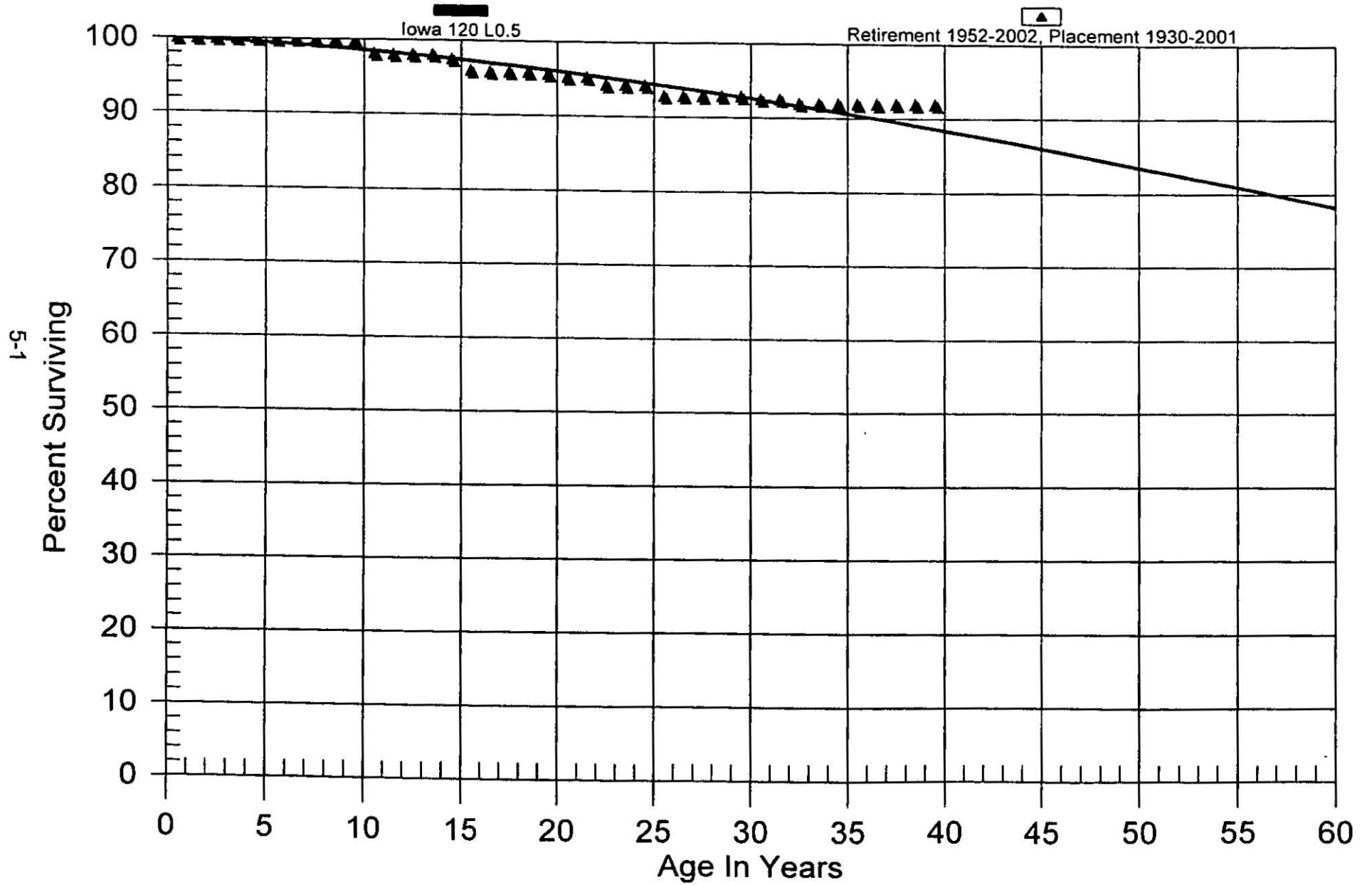
An analysis of the Company's salvage experience relative to retirements from this account was studied for the period 1963-2002. This analysis identified that only limited levels of salvage have been received relative to previous retirements from this account. Accordingly, future net salvage is estimated at zero (0) percent, and the resulting recommended remaining life depreciation rate is 2.75 percent.

Louisville Gas & Electric - Gas Div.

All Divisions

351.20 COMPRESSOR STATION STRUCTURES

Original And Smooth Survivor Curves



Louisville Gas & Electric - Gas Div.
All Divisions
351.20 COMPRESSOR STATION STRUCTURES

Observed Life Table
Retirement Expr. 1952 TO 2002
Placement Years 1930 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	\$991,260.34	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,006,813.34	\$228.00	0.00023	100.00
1.5 - 2.5	\$837,341.32	\$261.00	0.00031	99.98
2.5 - 3.5	\$855,888.60	\$0.00	0.00000	99.95
3.5 - 4.5	\$862,407.60	\$0.00	0.00000	99.95
4.5 - 5.5	\$857,024.77	\$386.00	0.00045	99.95
5.5 - 6.5	\$675,706.36	\$0.00	0.00000	99.90
6.5 - 7.5	\$494,250.01	\$299.00	0.00060	99.90
7.5 - 8.5	\$569,123.70	\$0.00	0.00000	99.84
8.5 - 9.5	\$493,050.70	\$275.00	0.00056	99.84
9.5 - 10.5	\$509,337.74	\$8,175.00	0.01605	99.79
10.5 - 11.5	\$506,113.88	\$881.00	0.00174	98.18
11.5 - 12.5	\$506,281.88	\$0.00	0.00000	98.01
12.5 - 13.5	\$489,091.50	\$0.00	0.00000	98.01
13.5 - 14.5	\$476,206.33	\$2,549.00	0.00535	98.01
14.5 - 15.5	\$406,596.21	\$6,253.00	0.01538	97.49
15.5 - 16.5	\$416,823.21	\$659.00	0.00158	95.99
16.5 - 17.5	\$416,164.21	\$0.00	0.00000	95.84
17.5 - 18.5	\$367,598.21	\$0.00	0.00000	95.84
18.5 - 19.5	\$368,001.21	\$926.00	0.00252	95.84
19.5 - 20.5	\$409,161.81	\$1,413.00	0.00345	95.60
20.5 - 21.5	\$331,676.04	\$0.00	0.00000	95.27
21.5 - 22.5	\$331,676.04	\$3,466.00	0.01045	95.27
22.5 - 23.5	\$328,210.04	\$0.00	0.00000	94.27
23.5 - 24.5	\$314,236.50	\$0.00	0.00000	94.27
24.5 - 25.5	\$313,187.73	\$4,556.00	0.01455	94.27
25.5 - 26.5	\$308,631.73	\$0.00	0.00000	92.90
26.5 - 27.5	\$308,370.88	\$0.00	0.00000	92.90
27.5 - 28.5	\$279,306.40	\$0.00	0.00000	92.90
28.5 - 29.5	\$279,306.40	\$0.00	0.00000	92.90
29.5 - 30.5	\$279,306.40	\$925.00	0.00331	92.90
30.5 - 31.5	\$229,719.37	\$0.00	0.00000	92.59
31.5 - 32.5	\$229,719.37	\$1,500.00	0.00653	92.59
32.5 - 33.5	\$228,219.37	\$0.00	0.00000	91.99
33.5 - 34.5	\$228,219.37	\$0.00	0.00000	91.99
34.5 - 35.5	\$228,219.37	\$0.00	0.00000	91.99
35.5 - 36.5	\$228,219.37	\$0.00	0.00000	91.99

Louisville Gas & Electric - Gas Div.
All Divisions
351.20 COMPRESSOR STATION STRUCTURES

Observed Life Table
Retirement Expr. 1952 TO 2002
Placement Years 1930 TO 2001

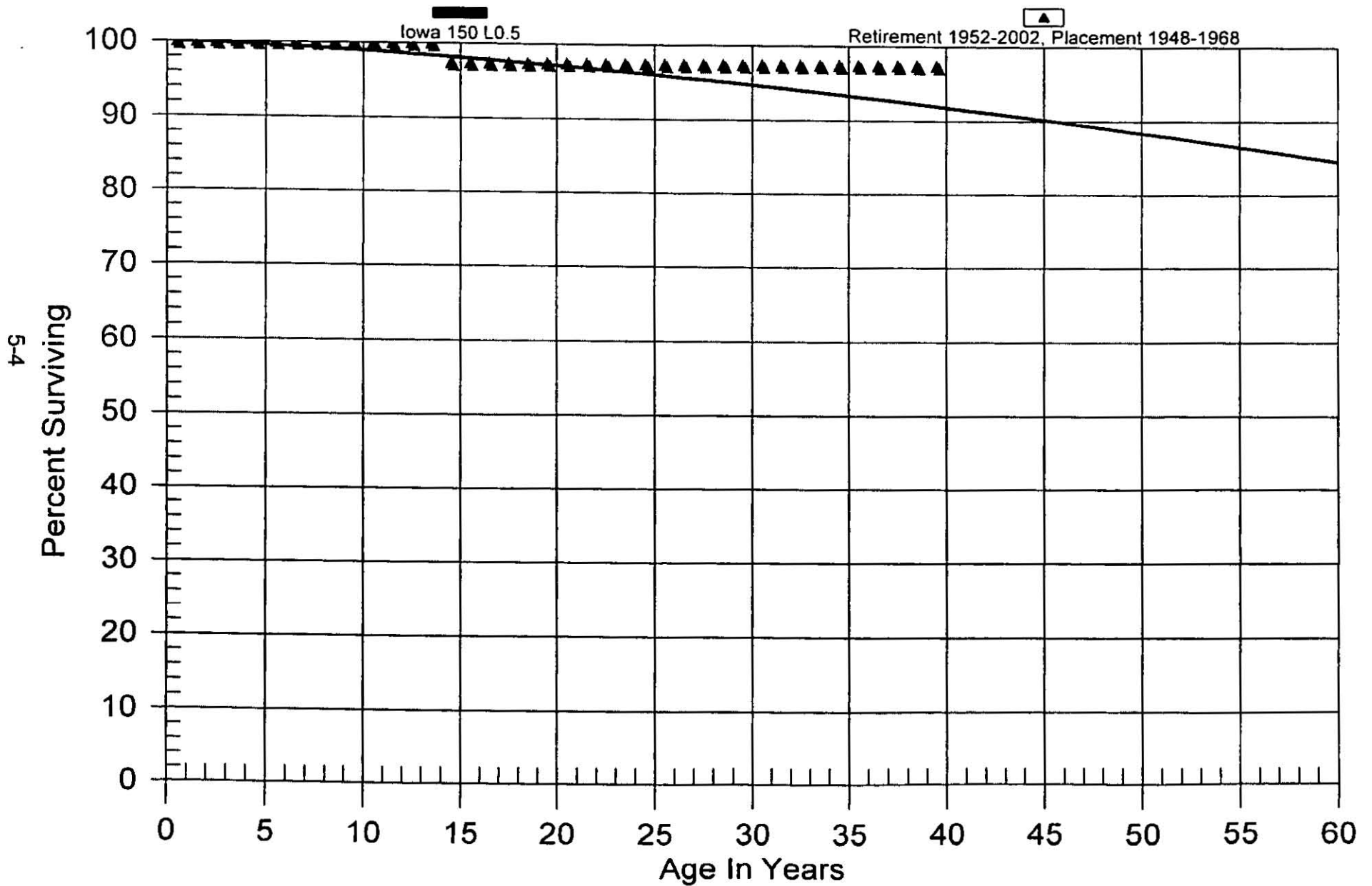
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$228,219.37	\$0.00	0.00000	91.99
37.5 - 38.5	\$228,219.37	\$0.00	0.00000	91.99
38.5 - 39.5	\$184,226.74	\$0.00	0.00000	91.99
39.5 - 40.5	\$182,707.50	\$0.00	0.00000	91.99
40.5 - 41.5	\$136,351.59	\$0.00	0.00000	91.99
41.5 - 42.5	\$136,351.59	\$0.00	0.00000	91.99
42.5 - 43.5	\$67,188.62	\$0.00	0.00000	91.99
43.5 - 44.5	\$67,188.62	\$0.00	0.00000	91.99
44.5 - 45.5	\$63,742.15	\$0.00	0.00000	91.99
45.5 - 46.5	\$63,742.15	\$0.00	0.00000	91.99
46.5 - 47.5	\$62,359.95	\$200.00	0.00321	91.99
47.5 - 48.5	\$62,159.95	\$0.00	0.00000	91.69
48.5 - 49.5	\$62,159.95	\$0.00	0.00000	91.69
49.5 - 50.5	\$48,923.91	\$1,384.00	0.02829	91.69
50.5 - 51.5	\$34,273.61	\$0.00	0.00000	89.10
51.5 - 52.5	\$33,743.61	\$0.00	0.00000	89.10
52.5 - 53.5	\$33,743.61	\$0.00	0.00000	89.10
53.5 - 54.5	\$18,955.33	\$0.00	0.00000	89.10
54.5 - 55.5	\$18,955.33	\$0.00	0.00000	89.10
55.5 - 56.5	\$17,075.73	\$0.00	0.00000	89.10
56.5 - 57.5	\$17,075.73	\$0.00	0.00000	89.10
57.5 - 58.5	\$17,075.73	\$0.00	0.00000	89.10
58.5 - 59.5	\$13,361.04	\$0.00	0.00000	89.10
59.5 - 60.5	\$13,361.04	\$0.00	0.00000	89.10
60.5 - 61.5	\$0.00	\$0.00	0.00000	89.10
61.5 - 62.5	\$0.00	\$0.00	0.00000	89.10
62.5 - 63.5	\$0.00	\$0.00	0.00000	89.10
63.5 - 64.5	\$0.00	\$0.00	0.00000	89.10
64.5 - 65.5	\$0.00	\$0.00	0.00000	89.10
65.5 - 66.5	\$0.00	\$0.00	0.00000	89.10
66.5 - 67.5	\$0.00	\$0.00	0.00000	89.10
67.5 - 68.5	\$0.00	\$0.00	0.00000	89.10
68.5 - 69.5	\$0.00	\$0.00	0.00000	89.10
69.5 - 70.5	\$0.00	\$0.00	0.00000	89.10
70.5 - 71.5	\$0.00	\$0.00	0.00000	89.10
71.5 - 72.5	\$0.00	\$0.00	0.00000	89.10

Louisville Gas & Electric - Gas Div.

All Divisions

351.30 MEASURING & REG. STATION STRUCT.

Original And Smooth Survivor Curves



Louisville Gas & Electric - Gas Div.
All Divisions
351.30 MEASURING & REG. STATION STRUCT.

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1948 TO 1968

<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	\$12,576.61	\$0.00	0.00000	100.00
0.5 - 1.5	\$12,885.61	\$0.00	0.00000	100.00
1.5 - 2.5	\$12,885.61	\$0.00	0.00000	100.00
2.5 - 3.5	\$13,639.61	\$0.00	0.00000	100.00
3.5 - 4.5	\$13,639.61	\$0.00	0.00000	100.00
4.5 - 5.5	\$13,639.61	\$0.00	0.00000	100.00
5.5 - 6.5	\$13,639.61	\$0.00	0.00000	100.00
6.5 - 7.5	\$13,639.61	\$0.00	0.00000	100.00
7.5 - 8.5	\$13,639.61	\$0.00	0.00000	100.00
8.5 - 9.5	\$13,639.61	\$0.00	0.00000	100.00
9.5 - 10.5	\$13,639.61	\$0.00	0.00000	100.00
10.5 - 11.5	\$13,639.61	\$0.00	0.00000	100.00
11.5 - 12.5	\$13,639.61	\$0.00	0.00000	100.00
12.5 - 13.5	\$13,639.61	\$0.00	0.00000	100.00
13.5 - 14.5	\$11,942.61	\$309.00	0.02587	100.00
14.5 - 15.5	\$11,633.61	\$0.00	0.00000	97.41
15.5 - 16.5	\$11,633.61	\$0.00	0.00000	97.41
16.5 - 17.5	\$10,879.61	\$0.00	0.00000	97.41
17.5 - 18.5	\$10,879.61	\$0.00	0.00000	97.41
18.5 - 19.5	\$10,879.61	\$0.00	0.00000	97.41
19.5 - 20.5	\$10,879.61	\$0.00	0.00000	97.41
20.5 - 21.5	\$10,879.61	\$0.00	0.00000	97.41
21.5 - 22.5	\$10,879.61	\$0.00	0.00000	97.41
22.5 - 23.5	\$10,879.61	\$0.00	0.00000	97.41
23.5 - 24.5	\$5,302.61	\$0.00	0.00000	97.41
24.5 - 25.5	\$10,879.61	\$0.00	0.00000	97.41
25.5 - 26.5	\$10,879.61	\$0.00	0.00000	97.41
26.5 - 27.5	\$10,879.61	\$0.00	0.00000	97.41
27.5 - 28.5	\$10,879.61	\$0.00	0.00000	97.41
28.5 - 29.5	\$10,879.61	\$0.00	0.00000	97.41
29.5 - 30.5	\$10,879.61	\$0.00	0.00000	97.41
30.5 - 31.5	\$10,879.61	\$0.00	0.00000	97.41
31.5 - 32.5	\$10,879.61	\$0.00	0.00000	97.41
32.5 - 33.5	\$10,879.61	\$0.00	0.00000	97.41
33.5 - 34.5	\$10,879.61	\$0.00	0.00000	97.41
34.5 - 35.5	\$10,514.24	\$0.00	0.00000	97.41
35.5 - 36.5	\$10,514.24	\$0.00	0.00000	97.41

Louisville Gas & Electric - Gas Div.**All Divisions****351.30 MEASURING & REG. STATION STRUCT.****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1948 TO 1968**

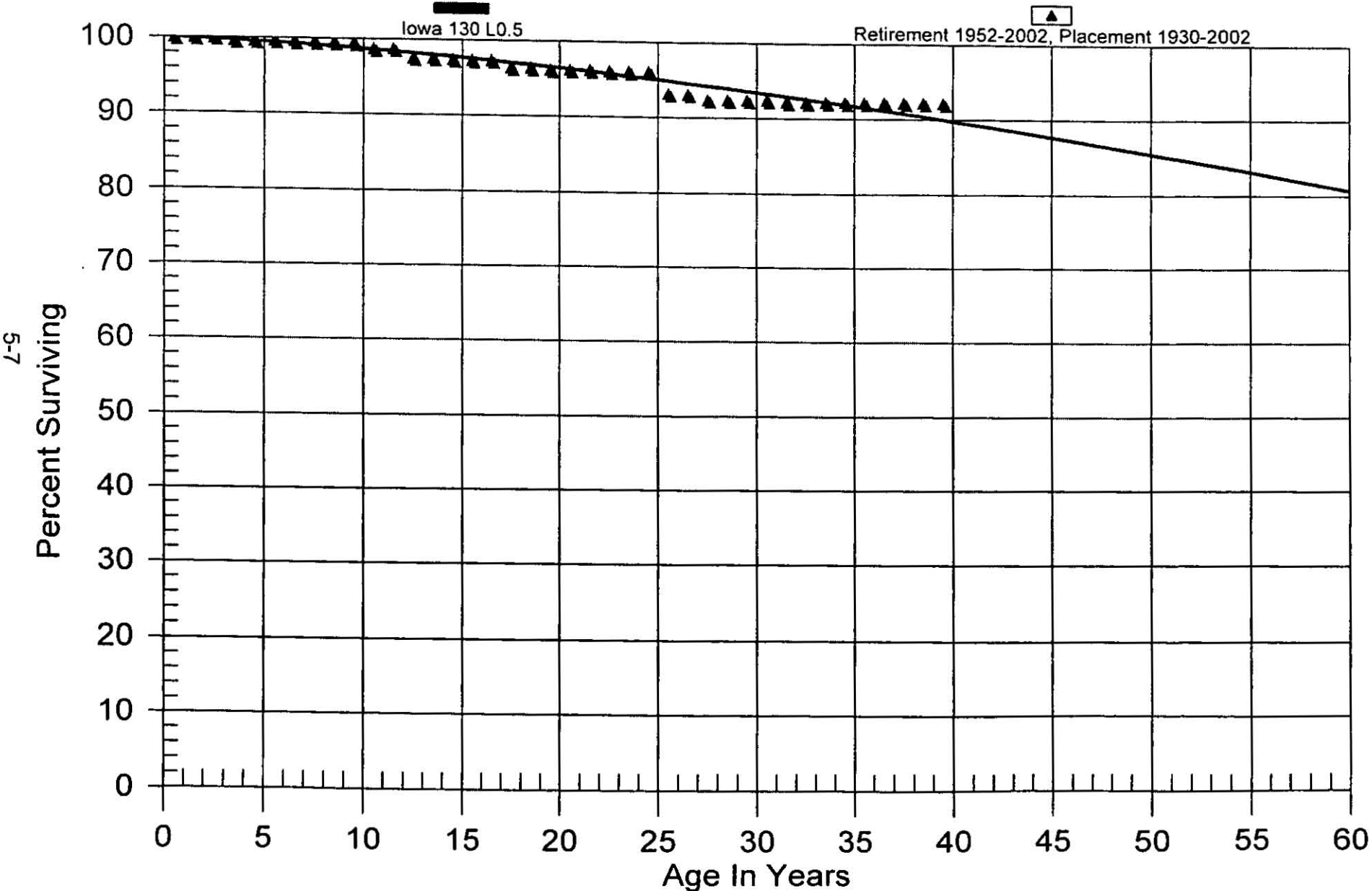
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$4,697.83	\$0.00	0.00000	97.41
37.5 - 38.5	\$4,697.83	\$0.00	0.00000	97.41
38.5 - 39.5	\$4,697.83	\$0.00	0.00000	97.41
39.5 - 40.5	\$4,697.83	\$0.00	0.00000	97.41
40.5 - 41.5	\$4,697.83	\$0.00	0.00000	97.41
41.5 - 42.5	\$4,697.83	\$0.00	0.00000	97.41
42.5 - 43.5	\$0.00	\$0.00	0.00000	97.41
43.5 - 44.5	\$0.00	\$0.00	0.00000	97.41
44.5 - 45.5	\$0.00	\$0.00	0.00000	97.41
45.5 - 46.5	\$0.00	\$0.00	0.00000	97.41
46.5 - 47.5	\$0.00	\$0.00	0.00000	97.41
47.5 - 48.5	\$0.00	\$0.00	0.00000	97.41
48.5 - 49.5	\$0.00	\$0.00	0.00000	97.41
49.5 - 50.5	\$0.00	\$0.00	0.00000	97.41
50.5 - 51.5	\$0.00	\$0.00	0.00000	97.41
51.5 - 52.5	\$0.00	\$0.00	0.00000	97.41
52.5 - 53.5	\$0.00	\$0.00	0.00000	97.41
53.5 - 54.5	\$0.00	\$0.00	0.00000	97.41

Louisville Gas & Electric - Gas Div.

All Divisions

351.40 OTHER STRUCTURES

Original And Smooth Survivor Curves



Louisville Gas & Electric - Gas Div.**All Divisions****351.40 OTHER STRUCTURES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1930 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	\$1,202,492.90	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,122,686.13	\$0.00	0.00000	100.00
1.5 - 2.5	\$1,192,666.13	\$499.00	0.00042	100.00
2.5 - 3.5	\$823,846.12	\$2,848.00	0.00346	99.96
3.5 - 4.5	\$817,759.12	\$0.00	0.00000	99.61
4.5 - 5.5	\$782,887.93	\$0.00	0.00000	99.61
5.5 - 6.5	\$778,300.93	\$450.00	0.00058	99.61
6.5 - 7.5	\$737,937.35	\$0.00	0.00000	99.56
7.5 - 8.5	\$737,623.35	\$365.00	0.00049	99.56
8.5 - 9.5	\$732,993.53	\$635.00	0.00087	99.51
9.5 - 10.5	\$689,935.98	\$4,885.00	0.00708	99.42
10.5 - 11.5	\$671,075.84	\$0.00	0.00000	98.72
11.5 - 12.5	\$671,075.84	\$7,953.00	0.01185	98.72
12.5 - 13.5	\$635,957.33	\$0.00	0.00000	97.55
13.5 - 14.5	\$636,679.93	\$1,070.00	0.00168	97.55
14.5 - 15.5	\$534,923.30	\$210.00	0.00039	97.38
15.5 - 16.5	\$549,074.07	\$0.00	0.00000	97.34
16.5 - 17.5	\$517,618.62	\$5,000.00	0.00966	97.34
17.5 - 18.5	\$493,427.07	\$0.00	0.00000	96.40
18.5 - 19.5	\$490,143.23	\$975.00	0.00199	96.40
19.5 - 20.5	\$464,792.23	\$0.00	0.00000	96.21
20.5 - 21.5	\$457,340.54	\$0.00	0.00000	96.21
21.5 - 22.5	\$443,074.54	\$559.00	0.00126	96.21
22.5 - 23.5	\$461,391.54	\$156.00	0.00034	96.09
23.5 - 24.5	\$461,867.54	\$0.00	0.00000	96.06
24.5 - 25.5	\$457,151.14	\$13,601.00	0.02975	96.06
25.5 - 26.5	\$446,725.13	\$400.00	0.00090	93.20
26.5 - 27.5	\$441,446.19	\$3,223.00	0.00730	93.12
27.5 - 28.5	\$415,780.91	\$0.00	0.00000	92.44
28.5 - 29.5	\$415,780.91	\$0.00	0.00000	92.44
29.5 - 30.5	\$415,780.91	\$0.00	0.00000	92.44
30.5 - 31.5	\$399,664.92	\$925.00	0.00231	92.44
31.5 - 32.5	\$397,292.20	\$0.00	0.00000	92.22
32.5 - 33.5	\$353,130.73	\$0.00	0.00000	92.22
33.5 - 34.5	\$336,223.12	\$0.00	0.00000	92.22
34.5 - 35.5	\$308,359.28	\$0.00	0.00000	92.22
35.5 - 36.5	\$300,447.75	\$0.00	0.00000	92.22

Louisville Gas & Electric - Gas Div.**All Divisions****351.40 OTHER STRUCTURES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1930 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	\$294,431.66	\$0.00	0.00000	92.22
37.5 - 38.5	\$286,158.53	\$0.00	0.00000	92.22
38.5 - 39.5	\$227,851.36	\$132.00	0.00058	92.22
39.5 - 40.5	\$226,279.81	\$1,633.00	0.00722	92.17
40.5 - 41.5	\$215,193.20	\$0.00	0.00000	91.50
41.5 - 42.5	\$204,800.59	\$0.00	0.00000	91.50
42.5 - 43.5	\$27,475.45	\$0.00	0.00000	91.50
43.5 - 44.5	\$25,569.23	\$0.00	0.00000	91.50
44.5 - 45.5	\$25,569.23	\$0.00	0.00000	91.50
45.5 - 46.5	\$25,569.23	\$0.00	0.00000	91.50
46.5 - 47.5	\$25,569.23	\$0.00	0.00000	91.50
47.5 - 48.5	\$25,569.23	\$0.00	0.00000	91.50
48.5 - 49.5	\$15,517.95	\$0.00	0.00000	91.50
49.5 - 50.5	\$10,572.58	\$2,000.00	0.18917	91.50
50.5 - 51.5	\$7,807.80	\$0.00	0.00000	74.19
51.5 - 52.5	\$7,807.80	\$0.00	0.00000	74.19
52.5 - 53.5	\$7,807.80	\$0.00	0.00000	74.19
53.5 - 54.5	\$7,807.80	\$0.00	0.00000	74.19
54.5 - 55.5	\$7,807.80	\$0.00	0.00000	74.19
55.5 - 56.5	\$7,761.69	\$0.00	0.00000	74.19
56.5 - 57.5	\$7,761.69	\$0.00	0.00000	74.19
57.5 - 58.5	\$7,761.69	\$0.00	0.00000	74.19
58.5 - 59.5	\$7,761.69	\$0.00	0.00000	74.19
59.5 - 60.5	\$7,761.69	\$0.00	0.00000	74.19
60.5 - 61.5	\$0.00	\$0.00	0.00000	74.19
61.5 - 62.5	\$0.00	\$0.00	0.00000	74.19
62.5 - 63.5	\$0.00	\$0.00	0.00000	74.19
63.5 - 64.5	\$0.00	\$0.00	0.00000	74.19
64.5 - 65.5	\$0.00	\$0.00	0.00000	74.19
65.5 - 66.5	\$0.00	\$0.00	0.00000	74.19
66.5 - 67.5	\$0.00	\$0.00	0.00000	74.19
67.5 - 68.5	\$0.00	\$0.00	0.00000	74.19
68.5 - 69.5	\$0.00	\$0.00	0.00000	74.19
69.5 - 70.5	\$0.00	\$0.00	0.00000	74.19
70.5 - 71.5	\$0.00	\$0.00	0.00000	74.19
71.5 - 72.5	\$0.00	\$0.00	0.00000	74.19

Louisville Gas & Electric - Gas Div.

All Divisions

352.40 WELL DRILLING

Original And Smooth Survivor Curves

