

Analysis of Experienced Salvage
 1972 through 2002

Account 379 - Distribution Measuring and Regulating Station Equip. - City Gate

<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	19,060.00	1,961.00	10.29%	1,627.00	8.54%	334.00	1.75%
1973	2,561.00	716.00	27.96%	161.00	6.29%	555.00	21.67%
1974	146.00		0.00%	26.00	17.81%	(26.00)	-17.81%
1975	409.00		0.00%	76.00	18.58%	(76.00)	-18.58%
1976	-		0.00%	-	0.00%	0.00	0.00%
1977	1,523.00		0.00%	38.00	2.50%	(38.00)	-2.50%
1978	-		0.00%	-	0.00%	0.00	0.00%
1979	467.00	510.00	109.21%	510.00	109.21%	0.00	0.00%
1980	2,698.00		0.00%	389.00	14.42%	(389.00)	-14.42%
1981	8,600.00	981.00	11.41%	61.00	0.71%	920.00	10.70%
1982	10,165.00	1,891.00	18.60%	2,437.00	23.97%	(546.00)	-5.37%
1983	2,530.00		0.00%	209.00	8.26%	(209.00)	-8.26%
1984	924.00	1,011.00	109.42%	210.00	22.73%	801.00	86.69%
1985	1,766.00		0.00%	49.00	2.77%	(49.00)	-2.77%
1986	6,457.00	4,402.00	68.17%	285.00	4.41%	4,117.00	63.76%
1987	5,341.00	3,452.00	64.63%	99.00	1.85%	3,353.00	62.78%
1988	22,533.00		0.00%		0.00%	0.00	0.00%
1989	-		0.00%		0.00%	0.00	0.00%
1990	41,822.00		0.00%		0.00%	0.00	0.00%
1991	38,238.00		0.00%		0.00%	0.00	0.00%
1992	78,537.00	2,330.00	2.97%		0.00%	2,330.00	2.97%
1993	-		0.00%		0.00%	0.00	0.00%
1994	25,570.00		0.00%		0.00%	0.00	0.00%
1995	245.00	31.00	12.65%	123.00	50.20%	(92.00)	-37.55%
1996	689.00	5.00	0.73%	5.00	0.73%	0.00	0.00%
1997	-	-	0.00%	-	0.00%	0.00	0.00%
1998	6,061.00	6.00	0.10%	863.00	14.24%	(857.00)	-14.14%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	5,828.00	-	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
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 380 - 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	115,449.00	172.00	0.15%	99,696.00	86.36%	(99,524.00)	-86.21%
1973	95,115.00	529.00	0.56%	97,882.00	102.91%	(97,353.00)	-102.35%
1974	165,383.00	224.00	0.14%	166,143.00	100.46%	(165,919.00)	-100.32%
1975	132,279.00	166.00	0.13%	183,148.00	138.46%	(182,982.00)	-138.33%
1976	139,235.00		0.00%	184,674.00	132.63%	(184,674.00)	-132.63%
1977	124,246.00		0.00%	192,113.00	154.62%	(192,113.00)	-154.62%
1978	108,052.00		0.00%	204,967.00	189.69%	(204,967.00)	-189.69%
1979	117,239.00		0.00%	197,632.00	168.57%	(197,632.00)	-168.57%
1980	118,701.00		0.00%	165,368.00	139.31%	(165,368.00)	-139.31%
1981	101,867.00		0.00%	200,370.00	196.70%	(200,370.00)	-196.70%
1982	118,377.00		0.00%	262,552.00	221.79%	(262,552.00)	-221.79%
1983	209,034.00		0.00%	336,324.00	160.89%	(336,324.00)	-160.89%
1984	223,005.00	132.00	0.06%	319,483.00	143.26%	(319,351.00)	-143.20%
1985	348,062.00	(396.00)	-0.11%	407,898.00	117.19%	(408,294.00)	-117.30%
1986	230,064.00		0.00%	289,929.00	126.02%	(289,929.00)	-126.02%
1987	281,537.00		0.00%	318,085.00	112.98%	(318,085.00)	-112.98%
1988	247,152.00	(16.00)	-0.01%	505,594.00	204.57%	(505,610.00)	-204.57%
1989	481,388.00	71.00	0.01%	520,680.00	108.16%	(520,609.00)	-108.15%
1990	442,828.00		0.00%	549,593.00	124.11%	(549,593.00)	-124.11%
1991	520,043.00		0.00%	891,568.00	171.44%	(891,568.00)	-171.44%
1992	514,645.00		0.00%	1,215,601.00	236.20%	(1,215,601.00)	-236.20%
1993	985,624.00		0.00%	880,392.00	89.32%	(880,392.00)	-89.32%
1994	361,527.00		0.00%	540,459.00	149.49%	(540,459.00)	-149.49%
1995	478,218.00	5,292.00	1.11%	269,480.00	56.35%	(264,188.00)	-55.24%
1996	940,163.00	18,383.00	1.96%	269,649.00	28.68%	(251,266.00)	-26.73%
1997	940,912.00	15,628.00	1.66%	129,938.00	13.81%	(114,310.00)	-12.15%
1998	1,328,402.00	1,212.00	0.09%	189,071.00	14.23%	(187,859.00)	-14.14%
1999	714,531.00	-	0.00%	150,973.00	21.13%	(150,973.00)	-21.13%
2000	2,034,330.00	-	0.00%	105,438.00	5.18%	(105,438.00)	-5.18%
2001	3,198,483.00	24,468.00	0.76%	104,311.00	3.26%	(79,843.00)	-2.50%
2002	1,598,106.00	1,932.00	0.12%	182,196.00	11.40%	(180,264.00)	-11.28%

Louisville Gas and Electric
Gas Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 380 - Services

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	375,947.00	925.00	0.25%	363,721.00	96.75%	(362,796.00)	-96.50%
1973-1975	392,777.00	919.00	0.23%	447,173.00	113.85%	(446,254.00)	-113.62%
1974-1976	436,897.00	390.00	0.09%	533,965.00	122.22%	(533,575.00)	-122.13%
1975-1977	395,760.00	166.00	0.04%	559,935.00	141.48%	(559,769.00)	-141.44%
1976-1978	371,533.00	0.00	0.00%	581,754.00	156.58%	(581,754.00)	-156.58%
1977-1979	349,537.00	0.00	0.00%	594,712.00	170.14%	(594,712.00)	-170.14%
1978-1980	343,992.00	0.00	0.00%	567,967.00	165.11%	(567,967.00)	-165.11%
1979-1981	337,807.00	0.00	0.00%	563,370.00	166.77%	(563,370.00)	-166.77%
1980-1982	338,945.00	0.00	0.00%	628,290.00	185.37%	(628,290.00)	-185.37%
1981-1983	429,278.00	0.00	0.00%	799,246.00	186.18%	(799,246.00)	-186.18%
1982-1984	550,416.00	132.00	0.02%	918,359.00	166.85%	(918,227.00)	-166.82%
1983-1985	780,101.00	-264.00	-0.03%	1,063,705.00	136.35%	(1,063,969.00)	-136.39%
1984-1986	801,131.00	-264.00	-0.03%	1,017,310.00	126.98%	(1,017,574.00)	-127.02%
1985-1987	859,663.00	-396.00	-0.05%	1,015,912.00	118.18%	(1,016,308.00)	-118.22%
1986-1988	758,753.00	-16.00	0.00%	1,113,608.00	146.77%	(1,113,624.00)	-146.77%
1987-1989	1,010,077.00	55.00	0.01%	1,344,359.00	133.09%	(1,344,304.00)	-133.09%
1988-1990	1,171,368.00	55.00	0.00%	1,575,867.00	134.53%	(1,575,812.00)	-134.53%
1989-1991	1,444,259.00	71.00	0.00%	1,961,841.00	135.84%	(1,961,770.00)	-135.83%
1990-1992	1,477,516.00	0.00	0.00%	2,656,762.00	179.81%	(2,656,762.00)	-179.81%
1991-1993	2,020,312.00	0.00	0.00%	2,987,561.00	147.88%	(2,987,561.00)	-147.88%
1992-1994	1,861,796.00	0.00	0.00%	2,636,452.00	141.61%	(2,636,452.00)	-141.61%
1993-1995	1,825,369.00	5,292.00	0.29%	1,690,331.00	92.60%	(1,685,039.00)	-92.31%
1994-1996	1,779,908.00	23,675.00	1.33%	1,079,588.00	60.65%	(1,055,913.00)	-59.32%
1995-1997	2,359,293.00	39,303.00	1.67%	669,067.00	28.36%	(629,764.00)	-26.69%
1996-1998	3,209,477.00	35,223.00	1.10%	588,658.00	18.34%	(553,435.00)	-17.24%
1997-1999	2,983,845.00	16,840.00	0.56%	469,982.00	15.75%	(453,142.00)	-15.19%
1998-2000	4,077,263.00	1,212.00	0.03%	445,482.00	10.93%	(444,270.00)	-10.90%
1999-2001	5,947,344.00	24,468.00	0.41%	360,722.00	6.07%	(336,254.00)	-5.65%
2000-2002	6,830,919.00	26,400.00	0.39%	391,945.00	5.74%	(365,545.00)	-5.35%
1972-2002	17,413,997.00	67,797.00	0.39%	10,131,207.00	58.18%	-10,063,410.00	-57.79%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	35
Avg Ret Age	17.7
Years to ASL	17.3

Inflation Factor At 2.75% to ASL 1.60

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	0.77%
1988-2002	15-Year Trend	0.83%
1993-2002	10-Year Trend	0.65%
1998-2002	5-Year Trend	0.03%

Adjusted Salvage & C/O/R 0.03% 93.02% -93.00%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 381 - Meters

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	100,261.00	1,027.00	1.02%		0.00%	1,027.00	1.02%
1973	33,454.00	14,959.00	44.72%		0.00%	14,959.00	44.72%
1974	43,752.00	7,214.00	16.49%		0.00%	7,214.00	16.49%
1975	60,312.00	12,519.00	20.76%		0.00%	12,519.00	20.76%
1976	75,081.00	12,199.00	16.25%		0.00%	12,199.00	16.25%
1977	110,010.00	31,893.00	28.99%		0.00%	31,893.00	28.99%
1978	63,393.00	5,959.00	9.40%		0.00%	5,959.00	9.40%
1979	65,005.00	33,385.00	51.36%		0.00%	33,385.00	51.36%
1980	91,210.00	41,020.00	44.97%		0.00%	41,020.00	44.97%
1981	110,543.00	28,615.00	25.89%	1.00	0.00%	28,614.00	25.88%
1982	177,501.00	11,893.00	6.70%		0.00%	11,893.00	6.70%
1983	97,307.00	41,712.00	42.87%		0.00%	41,712.00	42.87%
1984	84,422.00	31.00	0.04%		0.00%	31.00	0.04%
1985	103,748.00		0.00%		0.00%	0.00	0.00%
1986	117,384.00	22,966.00	19.56%		0.00%	22,966.00	19.56%
1987	117,585.00	1,394.00	1.19%		0.00%	1,394.00	1.19%
1988	136,792.00	8,065.00	5.90%		0.00%	8,065.00	5.90%
1989	55,046.00	341.00	0.62%	(433.00)	-0.79%	774.00	1.41%
1990	99,180.00	882.00	0.89%	(6,543.00)	-6.60%	7,425.00	7.49%
1991	95,454.00	911.00	0.95%		0.00%	911.00	0.95%
1992	619,939.00	63.00	0.01%		0.00%	63.00	0.01%
1993	462,069.00		0.00%	(1,806.00)	-0.39%	1,806.00	0.39%
1994	292,508.00	6,725.00	2.30%	(52.00)	-0.02%	6,777.00	2.32%
1995	385,541.00	4,266.00	1.11%	217,256.00	56.35%	(212,990.00)	-55.24%
1996	474,521.00	9,279.00	1.96%	136,097.00	28.68%	(126,818.00)	-26.73%
1997	483,568.00	8,032.00	1.66%	66,780.00	13.81%	(58,748.00)	-12.15%
1998	111,986.00	102.00	0.09%	15,939.00	14.23%	(15,837.00)	-14.14%
1999	-	-	0.00%	-	0.00%	0.00	0.00%
2000	843,384.00	-	0.00%	-	0.00%	0.00	0.00%
2001	394,024.00	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 381 - Meters

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	177,467.00	23,200.00	13.07%	0.00	0.00%	23,200.00	13.07%
1973-1975	137,518.00	34,692.00	25.23%	0.00	0.00%	34,692.00	25.23%
1974-1976	179,145.00	31,932.00	17.82%	0.00	0.00%	31,932.00	17.82%
1975-1977	245,403.00	56,611.00	23.07%	0.00	0.00%	56,611.00	23.07%
1976-1978	248,484.00	50,051.00	20.14%	0.00	0.00%	50,051.00	20.14%
1977-1979	238,408.00	71,237.00	29.88%	0.00	0.00%	71,237.00	29.88%
1978-1980	219,608.00	80,364.00	36.59%	0.00	0.00%	80,364.00	36.59%
1979-1981	266,758.00	103,020.00	38.62%	1.00	0.00%	103,019.00	38.62%
1980-1982	379,254.00	81,528.00	21.50%	1.00	0.00%	81,527.00	21.50%
1981-1983	385,351.00	82,220.00	21.34%	1.00	0.00%	82,219.00	21.34%
1982-1984	359,230.00	53,636.00	14.93%	0.00	0.00%	53,636.00	14.93%
1983-1985	285,477.00	41,743.00	14.62%	0.00	0.00%	41,743.00	14.62%
1984-1986	305,554.00	22,997.00	7.53%	0.00	0.00%	22,997.00	7.53%
1985-1987	338,717.00	24,360.00	7.19%	0.00	0.00%	24,360.00	7.19%
1986-1988	371,761.00	32,425.00	8.72%	0.00	0.00%	32,425.00	8.72%
1987-1989	309,423.00	9,800.00	3.17%	(433.00)	-0.14%	10,233.00	3.31%
1988-1990	291,018.00	9,288.00	3.19%	(6,976.00)	-2.40%	16,264.00	5.59%
1989-1991	249,680.00	2,134.00	0.85%	(6,976.00)	-2.79%	9,110.00	3.65%
1990-1992	814,573.00	1,856.00	0.23%	(6,543.00)	-0.80%	8,399.00	1.03%
1991-1993	1,177,462.00	974.00	0.08%	(1,806.00)	-0.15%	2,780.00	0.24%
1992-1994	1,374,516.00	6,788.00	0.49%	(1,858.00)	-0.14%	8,646.00	0.63%
1993-1995	1,140,118.00	10,991.00	0.96%	215,398.00	18.89%	(204,407.00)	-17.93%
1994-1996	1,152,570.00	20,270.00	1.76%	353,301.00	30.65%	(333,031.00)	-28.89%
1995-1997	1,343,630.00	21,577.00	1.61%	420,133.00	31.27%	(398,556.00)	-29.66%
1996-1998	1,070,075.00	17,413.00	1.63%	218,816.00	20.45%	(201,403.00)	-18.82%
1997-1999	595,554.00	8,134.00	1.37%	82,719.00	13.89%	(74,585.00)	-12.52%
1998-2000	955,370.00	102.00	0.01%	15,939.00	1.67%	(15,837.00)	-1.66%
1999-2001	1,237,408.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	1,237,408.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	5,904,980.00	305,452.00	5.17%	427,239.00	7.24%	-121,787.00	-2.06%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	35
Avg Ret Age	32.6
Years to ASL	2.4

Inflation Factor At 2.75% to ASL 1.07

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-4.25%
1988-2002	15-Year Trend	-0.84%
1993-2002	10-Year Trend	0.45%
1998-2002	5-Year Trend	-0.79%

Adjusted Salvage & C/O/R -0.79% 7.72% -8.51%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 382 - Meter 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	5,930.00	61.00	1.03%		0.00%	61.00	1.03%
1973	2,304.00	1,029.00	44.66%		0.00%	1,029.00	44.66%
1974	2,689.00	443.00	16.47%		0.00%	443.00	16.47%
1975	3,866.00	803.00	20.77%		0.00%	803.00	20.77%
1976	4,742.00	771.00	16.26%		0.00%	771.00	16.26%
1977	6,738.00	2,126.00	31.55%		0.00%	2,126.00	31.55%
1978	3,624.00	341.00	9.41%		0.00%	341.00	9.41%
1979	3,778.00	1,757.00	46.51%		0.00%	1,757.00	46.51%
1980	5,864.00	2,442.00	41.64%		0.00%	2,442.00	41.64%
1981	7,902.00	2,226.00	28.17%		0.00%	2,226.00	28.17%
1982	14,862.00	915.00	6.16%		0.00%	915.00	6.16%
1983	7,190.00	3,082.00	42.87%		0.00%	3,082.00	42.87%
1984	7,108.00	3.00	0.04%		0.00%	3.00	0.04%
1985	7,238.00		0.00%		0.00%	0.00	0.00%
1986	8,477.00	1,566.00	18.47%		0.00%	1,566.00	18.47%
1987	9,752.00	115.00	1.18%		0.00%	115.00	1.18%
1988	6,294.00		0.00%		0.00%	0.00	0.00%
1989	6,050.00		0.00%		0.00%	0.00	0.00%
1990	10,525.00		0.00%		0.00%	0.00	0.00%
1991	10,450.00		0.00%		0.00%	0.00	0.00%
1992	113,689.00		0.00%		0.00%	0.00	0.00%
1993	75,350.00		0.00%	(294.00)	-0.39%	294.00	0.39%
1994	43,956.00		0.00%		0.00%	0.00	0.00%
1995	77,216.00	854.00	1.11%	43,512.00	56.35%	(42,658.00)	-55.25%
1996	161,191.00	3,152.00	1.96%	46,231.00	28.68%	(43,079.00)	-26.73%
1997	165,516.00	2,749.00	1.66%	22,858.00	13.81%	(20,109.00)	-12.15%
1998	22,875.00	20.00	0.09%	3,256.00	14.23%	(3,236.00)	-14.15%
1999			0.00%		0.00%	0.00	0.00%
2000	81,721.00	-	0.00%	-	0.00%	0.00	0.00%
2001	56,381.00	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 382 - Meter 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	10,923.00	1,533.00	14.03%	0.00	0.00%	1,533.00	14.03%
1973-1975	8,859.00	2,275.00	25.68%	0.00	0.00%	2,275.00	25.68%
1974-1976	11,297.00	2,017.00	17.85%	0.00	0.00%	2,017.00	17.85%
1975-1977	15,346.00	3,700.00	24.11%	0.00	0.00%	3,700.00	24.11%
1976-1978	15,104.00	3,238.00	21.44%	0.00	0.00%	3,238.00	21.44%
1977-1979	14,140.00	4,224.00	29.87%	0.00	0.00%	4,224.00	29.87%
1978-1980	13,266.00	4,540.00	34.22%	0.00	0.00%	4,540.00	34.22%
1979-1981	17,544.00	6,425.00	36.62%	0.00	0.00%	6,425.00	36.62%
1980-1982	28,628.00	5,583.00	19.50%	0.00	0.00%	5,583.00	19.50%
1981-1983	29,954.00	6,223.00	20.78%	0.00	0.00%	6,223.00	20.78%
1982-1984	29,160.00	4,000.00	13.72%	0.00	0.00%	4,000.00	13.72%
1983-1985	21,536.00	3,085.00	14.32%	0.00	0.00%	3,085.00	14.32%
1984-1986	22,823.00	1,569.00	6.87%	0.00	0.00%	1,569.00	6.87%
1985-1987	25,467.00	1,681.00	6.60%	0.00	0.00%	1,681.00	6.60%
1986-1988	24,523.00	1,681.00	6.85%	0.00	0.00%	1,681.00	6.85%
1987-1989	22,096.00	115.00	0.52%	0.00	0.00%	115.00	0.52%
1988-1990	22,869.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	27,025.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	134,664.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	199,489.00	0.00	0.00%	(294.00)	-0.15%	294.00	0.15%
1992-1994	232,995.00	0.00	0.00%	(294.00)	-0.13%	294.00	0.13%
1993-1995	196,522.00	854.00	0.43%	43,218.00	21.99%	(42,364.00)	-21.56%
1994-1996	282,363.00	4,006.00	1.42%	89,743.00	31.78%	(85,737.00)	-30.36%
1995-1997	403,923.00	6,755.00	1.67%	112,601.00	27.88%	(105,846.00)	-26.20%
1996-1998	349,582.00	5,921.00	1.69%	72,345.00	20.69%	(66,424.00)	-19.00%
1997-1999	188,391.00	2,769.00	1.47%	26,114.00	13.86%	(23,345.00)	-12.39%
1998-2000	104,596.00	20.00	0.02%	3,256.00	3.11%	(3,236.00)	-3.09%
1999-2001	138,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	138,102.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	933,278.00	24,455.00	2.62%	115,563.00	12.38%	-91,108.00	-9.76%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	25
Avg Ret Age	22.4
Years to ASL	2.6
Inflation Factor At 2.75% to ASL	1.07

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-4.11%
1988-2002	15-Year Trend	-0.07%
1993-2002	10-Year Trend	0.61%
1998-2002	5-Year Trend	-0.82%

Adjusted Salvage & C/O/R -0.82% 13.29% -14.11%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 383 - House Regulators

<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	9,773.00	100.00	1.02%		0.00%	100.00	1.02%
1973	6,113.00	2,732.00	44.69%		0.00%	2,732.00	44.69%
1974	3,787.00	624.00	16.48%		0.00%	624.00	16.48%
1975	3,937.00	817.00	20.75%		0.00%	817.00	20.75%
1976	5,653.00	919.00	16.26%		0.00%	919.00	16.26%
1977	3,881.00	1,063.00	27.39%		0.00%	1,063.00	27.39%
1978	3,893.00	366.00	9.40%		0.00%	366.00	9.40%
1979	-		0.00%	-	0.00%	0.00	0.00%
1980	8,656.00	3,907.00	45.14%		0.00%	3,907.00	45.14%
1981	2,715.00	636.00	23.43%		0.00%	636.00	23.43%
1982	2,105.00	131.00	6.22%		0.00%	131.00	6.22%
1983	9,086.00	3,895.00	42.87%		0.00%	3,895.00	42.87%
1984	5,681.00	2.00	0.04%		0.00%	2.00	0.04%
1985	6,285.00		0.00%		0.00%	0.00	0.00%
1986	5,507.00	1,044.00	18.96%		0.00%	1,044.00	18.96%
1987	1,494.00	17.00	1.14%		0.00%	17.00	1.14%
1988	11,379.00		0.00%		0.00%	0.00	0.00%
1989	6,433.00		0.00%		0.00%	0.00	0.00%
1990	6,039.00		0.00%		0.00%	0.00	0.00%
1991	20,519.00		0.00%		0.00%	0.00	0.00%
1992	21,514.00		0.00%	93.00	0.43%	(93.00)	-0.43%
1993	11,695.00		0.00%		0.00%	0.00	0.00%
1994	-		0.00%		0.00%	0.00	0.00%
1995	101,036.00	1,118.00	1.11%	56,935.00	56.35%	(55,817.00)	-55.24%
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	17,649.00	-	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
Gas Division**

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 383 - House Regulators

<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	19,673.00	3,456.00	17.57%	0.00	0.00%	3,456.00	17.57%
1973-1975	13,837.00	4,173.00	30.16%	0.00	0.00%	4,173.00	30.16%
1974-1976	13,377.00	2,360.00	17.64%	0.00	0.00%	2,360.00	17.64%
1975-1977	13,471.00	2,799.00	20.78%	0.00	0.00%	2,799.00	20.78%
1976-1978	13,427.00	2,348.00	17.49%	0.00	0.00%	2,348.00	17.49%
1977-1979	7,774.00	1,429.00	18.38%	0.00	0.00%	1,429.00	18.38%
1978-1980	12,549.00	4,273.00	34.05%	0.00	0.00%	4,273.00	34.05%
1979-1981	11,371.00	4,543.00	39.95%	0.00	0.00%	4,543.00	39.95%
1980-1982	13,476.00	4,674.00	34.68%	0.00	0.00%	4,674.00	34.68%
1981-1983	13,906.00	4,662.00	33.53%	0.00	0.00%	4,662.00	33.53%
1982-1984	16,872.00	4,028.00	23.87%	0.00	0.00%	4,028.00	23.87%
1983-1985	21,052.00	3,897.00	18.51%	0.00	0.00%	3,897.00	18.51%
1984-1986	17,473.00	1,046.00	5.99%	0.00	0.00%	1,046.00	5.99%
1985-1987	13,286.00	1,061.00	7.99%	0.00	0.00%	1,061.00	7.99%
1986-1988	18,380.00	1,061.00	5.77%	0.00	0.00%	1,061.00	5.77%
1987-1989	19,306.00	17.00	0.09%	0.00	0.00%	17.00	0.09%
1988-1990	23,851.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	32,991.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	48,072.00	0.00	0.00%	93.00	0.19%	(93.00)	-0.19%
1991-1993	53,728.00	0.00	0.00%	93.00	0.17%	(93.00)	-0.17%
1992-1994	33,209.00	0.00	0.00%	93.00	0.28%	(93.00)	-0.28%
1993-1995	112,731.00	1,118.00	0.99%	56,935.00	50.51%	(55,817.00)	-49.51%
1994-1996	101,036.00	1,118.00	1.11%	56,935.00	56.35%	(55,817.00)	-55.24%
1995-1997	101,036.00	1,118.00	1.11%	56,935.00	56.35%	(55,817.00)	-55.24%
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	17,649.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	17,649.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	17,649.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	274,830.00	17,371.00	6.32%	57,028.00	20.75%	-39,657.00	-14.43%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	45
Avg Ret Age	43.8
Years to ASL	1.2

Inflation Factor At 2.75% to ASL 1.03

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-7.02%
1988-2002	15-Year Trend	-0.47%
1993-2002	10-Year Trend	0.01%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 21.44% -21.44%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 384 - House Regulator 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	3,116.00	32.00	1.03%		0.00%	32.00	1.03%
1973	2,342.00	1,045.00	44.62%		0.00%	1,045.00	44.62%
1974	1,833.00	302.00	16.48%		0.00%	302.00	16.48%
1975	1,537.00	319.00	20.75%		0.00%	319.00	20.75%
1976	2,366.00	384.00	16.23%		0.00%	384.00	16.23%
1977	1,481.00	354.00	23.90%		0.00%	354.00	23.90%
1978	1,664.00	156.00	9.38%		0.00%	156.00	9.38%
1979	-		0.00%	-	0.00%	0.00	0.00%
1980	3,186.00	1,465.00	45.98%		0.00%	1,465.00	45.98%
1981	1,755.00	318.00	18.12%		0.00%	318.00	18.12%
1982	959.00	131.00	13.66%		0.00%	131.00	13.66%
1983	4,022.00	1,724.00	42.86%		0.00%	1,724.00	42.86%
1984	2,744.00	1.00	0.04%		0.00%	1.00	0.04%
1985	2,561.00		0.00%		0.00%	0.00	0.00%
1986	2,350.00	522.00	22.21%		0.00%	522.00	22.21%
1987	601.00	8.00	1.33%		0.00%	8.00	1.33%
1988	4,702.00		0.00%		0.00%	0.00	0.00%
1989	3,783.00		0.00%		0.00%	0.00	0.00%
1990	3,634.00		0.00%		0.00%	0.00	0.00%
1991	7,205.00		0.00%		0.00%	0.00	0.00%
1992	18,766.00		0.00%	81.00	0.43%	(81.00)	-0.43%
1993	7,339.00		0.00%		0.00%	0.00	0.00%
1994	-		0.00%		0.00%	0.00	0.00%
1995	14,886.00	165.00	1.11%	8,389.00	56.35%	(8,224.00)	-55.25%
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	19,750.00	-	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
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 384 - House Regulator 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	7,291.00	1,379.00	18.91%	0.00	0.00%	1,379.00	18.91%
1973-1975	5,712.00	1,666.00	29.17%	0.00	0.00%	1,666.00	29.17%
1974-1976	5,736.00	1,005.00	17.52%	0.00	0.00%	1,005.00	17.52%
1975-1977	5,384.00	1,057.00	19.63%	0.00	0.00%	1,057.00	19.63%
1976-1978	5,511.00	894.00	16.22%	0.00	0.00%	894.00	16.22%
1977-1979	3,145.00	510.00	16.22%	0.00	0.00%	510.00	16.22%
1978-1980	4,850.00	1,621.00	33.42%	0.00	0.00%	1,621.00	33.42%
1979-1981	4,941.00	1,783.00	36.09%	0.00	0.00%	1,783.00	36.09%
1980-1982	5,900.00	1,914.00	32.44%	0.00	0.00%	1,914.00	32.44%
1981-1983	6,736.00	2,173.00	32.26%	0.00	0.00%	2,173.00	32.26%
1982-1984	7,725.00	1,856.00	24.03%	0.00	0.00%	1,856.00	24.03%
1983-1985	9,327.00	1,725.00	18.49%	0.00	0.00%	1,725.00	18.49%
1984-1986	7,655.00	523.00	6.83%	0.00	0.00%	523.00	6.83%
1985-1987	5,512.00	530.00	9.62%	0.00	0.00%	530.00	9.62%
1986-1988	7,653.00	530.00	6.93%	0.00	0.00%	530.00	6.93%
1987-1989	9,086.00	8.00	0.09%	0.00	0.00%	8.00	0.09%
1988-1990	12,119.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	14,622.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	29,605.00	0.00	0.00%	81.00	0.27%	(81.00)	-0.27%
1991-1993	33,310.00	0.00	0.00%	81.00	0.24%	(81.00)	-0.24%
1992-1994	26,105.00	0.00	0.00%	81.00	0.31%	(81.00)	-0.31%
1993-1995	22,225.00	165.00	0.74%	8,389.00	37.75%	(8,224.00)	-37.00%
1994-1996	14,886.00	165.00	1.11%	8,389.00	56.35%	(8,224.00)	-55.25%
1995-1997	14,886.00	165.00	1.11%	8,389.00	56.35%	(8,224.00)	-55.25%
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	19,750.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	19,750.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	19,750.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	112,582.00	6,926.00	6.15%	8,470.00	7.52%	-1,544.00	-1.37%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	45
Avg Ret Age	44.4
Years to ASL	0.6
Inflation Factor At 2.75% to ASL	1.02

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-7.06%
1988-2002	15-Year Trend	-0.64%
1993-2002	10-Year Trend	0.02%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 7.65% -7.65%

Louisville Gas and Electric
Gas Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 385 - Industrial Measuring and Regulating 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	-	-	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	1,189.00	-	0.00%	98.00	8.24%	(98.00)	-8.24%
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	4,370.00	-	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
Gas Division

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 385 - Industrial Measuring and Regulating 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	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	1,189.00	0.00	0.00%	98.00	8.24%	(98.00)	-8.24%
1982-1984	1,189.00	0.00	0.00%	98.00	8.24%	(98.00)	-8.24%
1983-1985	1,189.00	0.00	0.00%	98.00	8.24%	(98.00)	-8.24%
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	4,370.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	4,370.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
2000-2002	4,370.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	5,559.00	0.00	0.00%	98.00	1.76%	-98.00	-1.76%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	45
Avg Ret Age	20.9
Years to ASL	24.1
Inflation Factor At 2.75% to ASL	1.92

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% 3.39% -3.39%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 387 - Distribution Other 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	37,585.00	525.00	1.40%	638.00	1.70%	(113.00)	-0.30%
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	6,897.00	651.00	9.44%	-	0.00%	651.00	9.44%
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
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 387 - Distribution Other 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	37,585.00	525.00	1.40%	638.00	1.70%	(113.00)	-0.30%
1975-1977	37,585.00	525.00	1.40%	638.00	1.70%	(113.00)	-0.30%
1976-1978	37,585.00	525.00	1.40%	638.00	1.70%	(113.00)	-0.30%
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	6,897.00	651.00	9.44%	0.00	0.00%	651.00	9.44%
1990-1992	6,897.00	651.00	9.44%	0.00	0.00%	651.00	9.44%
1991-1993	6,897.00	651.00	9.44%	0.00	0.00%	651.00	9.44%
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	44,482.00	1,176.00	2.64%	638.00	1.43%	538.00	1.21%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	40
Avg Ret Age	47.5
Years to ASL	-7.5

Inflation Factor At 2.75% to ASL 0.82

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	1.19%
1988-2002	15-Year Trend	-0.54%
1993-2002	10-Year Trend	-1.89%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 1.17% -1.17%

Louisville Gas and Electric
Gas Division

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>
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	318,611.00	-	0.00%	-	0.00%	0.00	0.00%
2000	565,832.00	(4,665.00)	-0.82%	(21,861.00)	-3.86%	17,196.00	3.04%
2001	834,850.00	-	0.00%	-	0.00%	0.00	0.00%
2002	1,391,962.00	(99,569.00)	-7.15%	2,591.00	0.19%	(102,160.00)	-7.34%

Louisville Gas and Electric
Gas Division

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	318,611.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	884,443.00	-4,665.00	-0.53%	(21,861.00)	-2.47%	17,196.00	1.94%
1999-2001	1,719,293.00	-4,665.00	-0.27%	(21,861.00)	-1.27%	17,196.00	1.00%
2000-2002	2,792,644.00	-104,234.00	-3.73%	(19,270.00)	-0.69%	(84,964.00)	-3.04%
1972-2002	3,111,255.00	-104,234.00	-3.35%	-19,270.00	-0.62%	-84,964.00	-2.73%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	7
Avg Ret Age	8.4
Years to ASL	-1.4

Inflation Factor At 2.75% to ASL 0.96

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-0.89%
1988-2002	15-Year Trend	-1.17%
1993-2002	10-Year Trend	-1.72%
1998-2002	5-Year Trend	-3.23%

Adjusted Salvage & C/O/R -3.23% -0.60% -2.63%

Louisville Gas and Electric
Gas 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	8,769.00	1,914.00	21.83%	8.00	0.09%	1,906.00	21.74%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	3,255.00	400.00	12.29%	-	0.00%	400.00	12.29%
1995	24,778.00	-	0.00%	-	0.00%	0.00	0.00%
1996	21,671.00	-	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	11,805.00	-	0.00%	-	0.00%	0.00	0.00%
2000	9,202.00	566.00	6.15%	(488.00)	-5.30%	1,054.00	11.45%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Gas Division

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	123.00	-	0.00%	-	0.00%	0.00	0.00%
1973	624.00	-	0.00%	-	0.00%	0.00	0.00%
1974	190.00	-	0.00%	-	0.00%	0.00	0.00%
1975	119.00	-	0.00%	-	0.00%	0.00	0.00%
1976	210.00	-	0.00%	-	0.00%	0.00	0.00%
1977	877.00	-	0.00%	-	0.00%	0.00	0.00%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	125.00	-	0.00%	24.00	19.20%	(24.00)	-19.20%
1980	1,917.00	-	0.00%	-	0.00%	0.00	0.00%
1981	1,233.00	-	0.00%	-	0.00%	0.00	0.00%
1982	1,735.00	-	0.00%	-	0.00%	0.00	0.00%
1983	658.00	-	0.00%	-	0.00%	0.00	0.00%
1984	1,935.00	-	0.00%	-	0.00%	0.00	0.00%
1985	1,422.00	-	0.00%	-	0.00%	0.00	0.00%
1986	6,195.00	-	0.00%	-	0.00%	0.00	0.00%
1987	728.00	-	0.00%	54.00	7.42%	(54.00)	-7.42%
1988	2,016.00	-	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	4,091.00	-	0.00%	(8,012.00)	-195.84%	8,012.00	195.84%
1993	-	-	0.00%	-	0.00%	0.00	0.00%
1994	603.00	-	0.00%	-	0.00%	0.00	0.00%
1995	77,679.00	17,428.00	22.44%	-	0.00%	17,428.00	22.44%
1996	24,216.00	-	0.00%	-	0.00%	0.00	0.00%
1997	4,953.00	-	0.00%	-	0.00%	0.00	0.00%
1998	31,307.00	-	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
Gas Division

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	81.00	-	0.00%	-	0.00%	0.00	0.00%
1973	-	-	0.00%	-	0.00%	0.00	0.00%
1974	758.00	-	0.00%	-	0.00%	0.00	0.00%
1975	796.00	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	413.00	-	0.00%	-	0.00%	0.00	0.00%
1978	386.00	-	0.00%	-	0.00%	0.00	0.00%
1979	525.00	-	0.00%	25.00	4.76%	(25.00)	-4.76%
1980	981.00	-	0.00%	-	0.00%	0.00	0.00%
1981	1,154.00	-	0.00%	-	0.00%	0.00	0.00%
1982	148.00	-	0.00%	-	0.00%	0.00	0.00%
1983	610.00	-	0.00%	-	0.00%	0.00	0.00%
1984	1,408.00	-	0.00%	-	0.00%	0.00	0.00%
1985	398.00	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	6,032.00	-	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	20,443.00	-	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	16,412.00	3,682.00	22.43%	-	0.00%	3,682.00	22.43%
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	2,168.00	-	0.00%	-	0.00%	0.00	0.00%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	9,070.00	-	0.00%	-	0.00%	0.00	0.00%

Analysis of Experienced Salvage
 1972 through 2002

Account 396.20 - Power: Operated Equipment - Other

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	2,397.00	750.00	31.29%	-	0.00%	750.00	31.29%
1975	850.00	-	0.00%	-	0.00%	0.00	0.00%
1976	986.00	252.00	25.56%	-	0.00%	252.00	25.56%
1977	1,867.00	1,302.00	69.74%	-	0.00%	1,302.00	69.74%
1978	1,132.00	-	0.00%	-	0.00%	0.00	0.00%
1979	252.00	-	0.00%	-	0.00%	0.00	0.00%
1980	-	-	0.00%	-	0.00%	0.00	0.00%
1981	1,009.00	-	0.00%	-	0.00%	0.00	0.00%
1982	563.00	-	0.00%	-	0.00%	0.00	0.00%
1983	2,309.00	-	0.00%	-	0.00%	0.00	0.00%
1984	-	-	0.00%	-	0.00%	0.00	0.00%
1985	1,095.00	-	0.00%	-	0.00%	0.00	0.00%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	7,200.00	-	0.00%	-	0.00%	0.00	0.00%
1988	418.00	-	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	30,448.00	-	0.00%	-	0.00%	0.00	0.00%
1992	5,997.00	750.00	12.51%	-	0.00%	750.00	12.51%
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	83,142.00	-	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	-	-	0.00%	-	0.00%	0.00	0.00%

Louisville Gas and Electric
Gas Division

Analysis of Experienced Salvage
1972 through 2002

Account 396.20 - Power Operated Equipment - Other

<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	2,397.00	750.00	31.29%	0.00	0.00%	750.00	31.29%
1973-1975	3,247.00	750.00	23.10%	0.00	0.00%	750.00	23.10%
1974-1976	4,233.00	1,002.00	23.67%	0.00	0.00%	1,002.00	23.67%
1975-1977	3,703.00	1,554.00	41.97%	0.00	0.00%	1,554.00	41.97%
1976-1978	3,985.00	1,554.00	39.00%	0.00	0.00%	1,554.00	39.00%
1977-1979	3,251.00	1,302.00	40.05%	0.00	0.00%	1,302.00	40.05%
1978-1980	1,384.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1979-1981	1,261.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1980-1982	1,572.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	3,881.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	2,872.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	3,404.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1984-1986	1,095.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1985-1987	8,295.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1986-1988	7,618.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1987-1989	7,618.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1988-1990	418.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	30,448.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	36,445.00	750.00	2.06%	0.00	0.00%	750.00	2.06%
1991-1993	36,445.00	750.00	2.06%	0.00	0.00%	750.00	2.06%
1992-1994	5,997.00	750.00	12.51%	0.00	0.00%	750.00	12.51%
1993-1995	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	83,142.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1995-1997	83,142.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1996-1998	83,142.00	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	139,665.00	3,054.00	2.19%	0.00	0.00%	3,054.00	2.19%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	25
Avg Ret Age	27.9
Years to ASL	-2.9

Inflation Factor At 2.75% to ASL 0.92

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	1.13%
1988-2002	15-Year Trend	0.46%
1993-2002	10-Year Trend	-2.08%
1998-2002	5-Year Trend	0.00%

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

**LOUISVILLE GAS AND ELECTRIC
COMMON 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-Common Plant

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 - Common Plant 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 \$3,264,772. 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 \$4,693,283, which is a increase of \$1,428,511 from current rates. The composite annual depreciation rate under present rates is 2.86 percent, while the proposed proforma composite depreciation rate is 4.11 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**Common Plant**Executive Summary

Table 1 on pages 2-1 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 - Common Plant (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 2-2 to 2-3 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 2-4 through 2-5 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 2-6 to 2-7, 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 2-8 to 2-9, contains the allocation of the Company's book depreciation reserve for functional level book depreciation reserves for 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 390.10 - Structures & Improvements-GO, Account 397.00 - Communication, and Account 397.10 - Communication Equipment-Computer.

The proposed depreciation rate for Account 390.10 - Structures & Improvements increased from 2.18 percent to 3.10 percent. The proposed depreciation rate is the product of the application of the estimated life spans and interim retirement rate to each of the property locations along with the anticipated level of future net salvage.

The depreciation rate for Account 397.00 - Communication Equipment increased from 3.72 percent to 6.56 percent. The depreciation rate increase is being driven by a reduction in the underlying service life parameters from twenty-five (25) years to fifteen (15) years

to reflect ongoing technological changes. Communication Equipment is a property group which has been and will continue to be impacted by rapid technological change.

The depreciation rate for Account 397.10 - Communication Equipment-Computer increased from 3.74 percent to 10.12 percent. The proposed depreciation rate is the product of the application of the estimated applicable service life (which was revised from twenty-five (25) years to ten (10) years) which is more reflective of the assets contained within this property group.

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 \$4,693,283 which is a increase of \$1,428,511 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	\$114,302,413
Annual Depreciation Expense	3,264,772
Composite Annual Depreciation Rate	2.86%

Proforma Proposed Depreciation Rates

Depreciable Plant In Service at December 31, 2002	\$114,302,413
Annual Depreciation Expense	4,693,283
Composite Annual Depreciation Rate	4.11%

Louisville Gas and Electric
Common Plant

Charnas

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							
GENERAL PLANT							
389.20	Land Rights	202,094.94	2.95%	5,961.80	2.02%	4,082.32	-1,879.48
Structures and Improvements							
390.10	Structures & Improvements - G.O.	44,852,641.93	2.18%	977,787.59	3.10%	1,390,431.90	412,644.31
390.20	Structures & Improvements - Trans.	1,803,773.44	2.14%	38,600.75	2.51%	45,274.71	6,673.96
390.30	Structures & Improvements - Stores	10,918,534.46	2.09%	228,197.37	2.59%	282,790.04	54,592.67
390.40	Structures & Improvements - Shops	379,370.51	1.96%	7,435.66	2.23%	8,459.96	1,024.30
390.60	Structures & Improvements - Micro	694,996.39	2.09%	14,525.42	3.80%	26,409.86	11,884.44
	Total Account 390	58,649,316.73	2.16%	1,266,546.79	2.99%	1,753,366.47	486,819.68
391.00	Office Furniture & Equipment	16,068,584.97	3.43%	551,152.46	1.65%	265,131.65	-286,020.81
392.20	Transportation Equipment - Trailers	63,404.28	2.87%	1,692.89	3.08%	1,952.85	259.96
393.00	Stores Equipment	1,229,701.73	2.75%	33,816.80	2.90%	35,661.35	1,844.55
394.00	Tools, Shop and Garage Equipment	1,928,936.72	2.97%	57,289.42	4.79%	92,396.07	35,106.65
395.00	Laboratory Equipment	22,281.50	2.59%	577.09	5.68%	1,265.59	688.50
Power Operated Equipment							
396.20	Power Operated Equipment - Other	14,147.08	2.51%	355.09	3.79%	536.17	181.08
	Total Account 396	14,147.08	2.51%	355.09	3.79%	536.17	181.08
Communication Equipment							
397.00	Communication Equipment	29,922,168.57	3.72%	1,113,104.60	6.56%	1,962,894.13	849,789.53
397.10	Communication Equipment - Computer	5,189,546.51	3.74%	194,089.04	10.12%	525,182.11	331,093.07
	Total Account 397	35,111,713.08	3.72%	1,307,193.64	7.09%	2,488,076.24	1,180,882.60
398.00	Miscellaneous Equipment	1,012,231.71	3.97%	40,185.60	5.02%	50,814.03	10,628.43
	TOTAL General Plant	114,302,412.74	2.86%	3,264,771.58	4.11%	4,693,282.74	1,428,511.16
	Sub-Total Depreciable Plant	114,302,412.74	2.86%	3,264,771.58	4.11%	4,693,282.74	1,428,511.16
Other Plant (Not Studied)							
390.11	Struct & Improv.-G.O. (LG&E Bldg & Actors)	2,409,305.82					
391.30	Computer Equipment	16,385,046.53					
391.31	Personal Computers	9,794,521.46					
392.10	Transportation Equipment - Cars & Trucks	223,351.84					
396.10	Power Operated Equipment - Hourly Rated	261,447.33					
	Total Other Plant (Not Studied)	29,073,672.98					
	TOTAL Depreciable Plant	143,376,085.72					
NON-DEPRECIABLE PLANT							
INTANGIBLE PLANT							
301.00	Organization	83,782.29					
302.00	Franchises and Consents	4,200.00					
303.00	Miscellaneous Intangible Plant - Soft	24,365,948.39					
303.20	Miscellaneous Intangible Plant - Law	78,799.60					
	TOTAL Intangible Plant	24,532,730.28					
LAND							
389.10	General Land	1,661,503.17					
	TOTAL Land	1,661,503.17					
	TOTAL Non-Depreciable Plant	26,194,233.45					
	TOTAL Common Utility Plant in Service	169,570,319.17					

**Louisville Gas and Electric
Common Plant**

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

Account No.	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
DEPRECIABLE PLANT											
GENERAL PLANT											
389.20	Land Rights	202,094.94	0%	0.00	202,094.94	59,152.70	142,942.24	50-R2.5	35.0	4,084.06	2.02%
Structures and Improvements											
390.10	Structures & Improvements - G.O.	44,852,641.93	-10%	-4,485,264.19	49,337,906.12	12,327,987.53	37,009,918.59 (1)	90-L1	26.6	1,391,350.32	3.10%
390.20	Structures & Improvements - Trans.	1,803,773.44	-10%	-180,377.34	1,984,150.78	429,010.82	1,555,139.96 (1)	100-L2	34.3	45,339.36	2.51%
390.30	Structures & Improvements - Stores	10,918,534.46	-10%	-1,091,853.45	12,010,387.91	3,921,748.91	8,088,639.00 (1)	95-L0.5	28.6	282,819.55	2.59%
390.40	Structures & Improvements - Shops	379,370.51	-10%	-37,937.05	417,307.56	148,753.01	268,554.55 (1)	90-L1.5	31.8	8,445.11	2.23%
390.60	Structures & Improvements - Micro	694,996.39	-10%	-69,499.64	764,496.03	91,039.63	673,456.40 (1)	85-L1	25.5	26,410.06	3.80%
	Total Account 390	58,649,316.73		-5,864,931.67	64,514,248.40	16,918,539.89	47,595,708.51			1,754,364.39	2.99%
391.00	Office Furniture & Equipment	16,068,584.97	0%	0.00	16,068,584.97	10,448,071.99	5,620,512.98	32-R2.5	21.2	265,118.54	1.65%
392.20	Transportation Equipment - Trailers	63,404.28	30%	19,021.28	44,383.00	7,659.44	36,723.56	25-L0	18.8	1,953.38	3.08%
393.00	Stores Equipment	1,229,701.73	5%	61,485.09	1,168,216.64	272,869.12	895,347.52	33-R2	25.1	35,671.22	2.90%
394.00	Tools, Shop and Garage Equipment	1,928,936.72	5%	96,446.84	1,832,489.88	558,696.04	1,273,793.84	20-L2	13.8	92,303.90	4.79%
395.00	Laboratory Equipment	22,281.50	0%	0.00	22,281.50	11,531.93	10,749.57	18-R3	8.5	1,264.66	5.68%
Power Operated Equipment											
396.20	Power Operated Equipment - Other	14,147.08	15%	2,122.06	12,025.02	6,555.71	5,469.31	23-S2	10.2	536.21	3.79%
	Total Account 396	14,147.08		2,122.06	12,025.02	6,555.71	5,469.31			536.21	3.79%
Communication Equipment											
397.00	Communication Equipment	29,922,166.57	0%	0.00	29,922,166.57	9,915,082.42	20,007,104.15	15-R1	10.2	1,961,480.80	6.56%
397.10	Communication Equipment - Computer	5,189,546.51	0%	0.00	5,189,546.51	1,514,083.95	3,675,462.56	10-R5	7.0	525,066.08	10.12%
	Total Account 397	35,111,713.08		0.00	35,111,713.08	11,429,146.37	23,682,566.71			2,486,546.88	7.08%
398.00	Miscellaneous Equipment	1,012,231.71	0%	0.00	1,012,231.71	244,741.40	767,490.31	20-R3	15.1	50,827.17	5.02%
	TOTAL General Plant	114,302,412.74		-5,685,856.40	119,988,269.14	39,956,964.59	80,031,304.55			4,692,670.41	4.11%
	Sub-Total Depreciable Plant	114,302,412.74		-5,685,856.40	119,988,269.14	39,956,964.59	80,031,304.55			4,692,670.41	4.11%
Other Plant (Not Studied)											
390.11	Struct & Improv.-G.O. (LG&E Bldg & Actors)	2,409,305.82				1,455,764.48					
391.30	Computer Equipment	16,385,046.53				8,277,681.43					
391.31	Personal Computers	9,794,521.46				5,300,087.10					
392.10	Transportation Equipment - Cars & Trucks	223,351.84				121,852.82					
396.10	Power Operated Equipment - Hourly Rated	261,447.33				170,850.79					
	Total Other Plant (Not Studied)	29,073,672.96				15,326,236.61					
	Total Depreciable Plant	143,376,085.72				55,283,201.20					

Louisville Gas and Electric
Common Plant

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

Account No.	Description	Original Cost 12/31/02	Estimated Future Net Salvage %	Amount	Original Cost Less Salvage	Book Depreciation Reserve	Net Original Cost Less Salvage	A.S.L./ Survivor Curve	Average Remaining Life	Annual Depreciation Accrual	Annual Depreciation Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
<u>NON-DEPRECIABLE PLANT</u>											
INTANGIBLE PLANT											
301.00	Organization	83,782.29				0.00					
302.00	Franchises and Consents	4,200.00				4,700.00					
303.00	Miscellaneous Intangible Plant - Soft	24,365,948.39				18,018,454.53					
303.20	Miscellaneous Intangible Plant - Law	78,799.60				78,799.60					
	TOTAL Intangible Plant	24,532,730.28				18,101,954.13					
LAND											
389.10	General Land	1,661,503.17				0.00					
	TOTAL Land	1,661,503.17				0.00					
	TOTAL Non-Depreciable Plant	26,194,233.45				18,101,954.13					
	TOTAL Common Utility Plant in Service	169,570,319.17				73,385,155.33					

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

(2) Account Fully Depreciated. No Further Depreciation

Table 3

**Louisville Gas & Electric
Common Plant**

**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)
<u>DEPRECIABLE PLANT</u>					
			47,265,376.12		
GENERAL PLANT					
389.20	Land Rights	202,094.94		0.00	202,094.94
Structures and Improvements					
390.10	Structures & Improvements - G.O.	44,856,070.30	3,428.37	0.00	44,852,641.93
390.20	Structures & Improvements - Trans.	1,803,773.44		0.00	1,803,773.44
390.30	Structures & Improvements - Stores	10,918,534.46		0.00	10,918,534.46
390.40	Structures & Improvements - Shops	379,370.51		0.00	379,370.51
390.60	Structures & Improvements - Micro	694,996.39		0.00	694,996.39
	Total Account 390	58,652,745.10	3,428.37	0.00	58,649,316.73
391.00	Office Furniture & Equipment	16,068,584.97	0.00	0.00	16,068,584.97
392.20	Transportation Equipment - Trailers	66,516.63	3,112.35	0.00	63,404.28
393.00	Stores Equipment	1,229,701.73		0.00	1,229,701.73
394.00	Tools, Shop and Garage Equipment	1,928,936.72		0.00	1,928,936.72
395.00	Laboratory Equipment	22,281.50		0.00	22,281.50
Power Operated Equipment					
396.20	Power Operated Equipment - Other	14,147.08		0.00	14,147.08
	Total Account 396	14,147.08	0.00	0.00	14,147.08
Communication Equipment					
397.00	Communication Equipment	29,922,166.57		0.00	29,922,166.57
397.10	Communication Equipment - Computer	5,189,546.51		0.00	5,189,546.51
	Total Account 397	35,111,713.08	0.00	0.00	35,111,713.08
398.00	Miscellaneous Equipment	1,012,231.71		0.00	1,012,231.71
	TOTAL General Plant	114,308,953.46	6,540.72	0.00	114,302,412.74
	Sub-Total Depreciable Plant	114,308,953.46	6,540.72	0.00	114,302,412.74
Other Plant (Not Studied)					
390.11	Struct & Improv.-G.O. (LG&E Bldg & Actors)	2,409,305.82			2,409,305.82
391.30	Computer Equipment	16,385,046.53			16,385,046.53
391.31	Personal Computers	9,794,521.46		0.00	9,794,521.46
392.10	Transportation Equipment - Cars & Trucks	223,351.84		0.00	223,351.84
396.10	Power Operated Equipment - Hourly Rated	261,447.33			261,447.33
	Total Other Plant (Not Studied)	29,073,672.98	0.00	0.00	29,073,672.98
	Total Depreciable Plant	143,382,626.44	6,540.72	0.00	143,376,085.72
<u>NON-DEPRECIABLE PLANT</u>					
INTANGIBLE PLANT					
301.00	Organization	83,782.29		0.00	83,782.29
302.00	Franchises and Consents	4,200.00		0.00	4,200.00
303.00	Miscellaneous Intangible Plant - Soft	24,365,948.39		0.00	24,365,948.39
303.20	Miscellaneous Intangible Plant - Law	78,799.60		0.00	78,799.60
	TOTAL Intangible Plant	24,532,730.28	0.00	0.00	24,532,730.28

Table 3

**Louisville Gas & Electric
Common Plant**

**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)
389.10	General Land LAND	1,661,503.17		0.00	1,661,503.17
	TOTAL Land	1,661,503.17	0.00	0.00	1,661,503.17
	TOTAL Non-Depreciable Plant	26,194,233.45	0.00	0.00	26,194,233.45
	TOTAL Common Utility Plant in Service	169,576,859.89	6,540.72	0.00	169,570,319.17

Table 4

**Louisville Gas & Electric
Common Plant**

**Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserve 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)	Book Reserve Distribution (e)	Depr Reserve Per Depr Study 12/31/02 (f)
<u>DEPRECIABLE PLANT</u>					
GENERAL PLANT					
389.20	Land Rights	85,681.56			85,681.56 (1)
Structures and Improvements					
390.10	Structures & Improvements - G.O.	14,643,039.43	3,428.37	0.00	14,639,611.06 (1)
390.20	Structures & Improvements - Trans.	582,427.55			582,427.55 (1)
390.30	Structures & Improvements - Stores	5,877,424.19			5,877,424.19 (1)
390.40	Structures & Improvements - Shops	258,257.19			258,257.19 (1)
390.60	Structures & Improvements - Micro	75,498.41			75,498.41 (1)
	Total Account 390	21,436,646.77	3,428.37	0.00	21,433,218.40
391.00	Office Furniture & Equipment	5,258,703.13	0.00	0.00	5,258,703.13 (1)
392.20	Transportation Equipment - Trailers	25,212.68	3,112.35		22,100.33 (1)
393.00	Stores Equipment	301,473.66			301,473.66 (1)
394.00	Tools, Shop and Garage Equipment	399,478.40			399,478.40 (1)
395.00	Laboratory Equipment	6,220.59			6,220.59 (1)
Power Operated Equipment					
396.20	Power Operated Equipment - Other	5,546.29			5,546.29 (1)
	Total Account 396	5,546.29	0.00	0.00	5,546.29
Communication Equipment					
397.00	Communication Equipment	8,102,574.24			8,102,574.24 (1)
397.10	Communication Equipment - Computer	2,166,773.40			2,166,773.40 (1)
	Total Account 397	10,269,347.64	0.00	0.00	10,269,347.64
398.00	Miscellaneous Equipment	147,135.95			147,135.95 (1)
	TOTAL General Plant	37,935,446.67	6,540.72	0.00	37,928,905.95
	Sub-Total Depreciable Plant	37,935,446.67	6,540.72	0.00	37,928,905.95
Other Plant (Not Studied)					
390.11	Struct & Improv.-G.O. (LG&E Bldg & Actors)	0.00		0.00	0.00 (1)
391.30	Computer Equipment	9,559,022.90			9,559,022.90 (1)
391.31	Personal Computers	7,038,486.73			7,038,486.73 (1)
392.10	Transportation Equipment - Cars & Trucks	495,338.29			495,338.29 (1)
396.10	Power Operated Equipment - Hourly Rated	261,447.33			261,447.33 (1)
	Total Other Plant (Not Studied)	17,354,295.25	0.00	0.00	17,354,295.25
	Total Depreciable Plant	55,289,741.92	6,540.72	0.00	55,283,201.20

Table 4

**Louisville Gas & Electric
Common Plant**

**Summary of Book Depreciation Reserve Relative To Original Cost of Utility Plant in Service,
Adjustments, And Depreciation Reserve 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)	Book Reserve Distribution (e)	Depr Reserve Per Depr Study 12/31/02 (f)
<u>NON-DEPRECIABLE PLANT</u>					
INTANGIBLE PLANT					
301.00	Organization	0.00			0.00
302.00	Franchises and Consents	4,700.00			4,700.00
303.00	Miscellaneous Intangible Plant - Soft	18,018,454.53			18,018,454.53
303.20	Miscellaneous Intangible Plant - Law	78,799.60			78,799.60
	TOTAL Intangible Plant	18,101,954.13	0.00	0.00	18,101,954.13
LAND					
389.10	General Land				0.00
	TOTAL Land	0.00	0.00	0.00	0.00
	TOTAL Non-Depreciable Plant	18,101,954.13	0.00		18,101,954.13
	TOTAL Common Utility Plant in Service	73,391,696.05	6,540.72	0.00	73,385,155.33

(1) The current account level book depreciation reserves for the 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 function 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
Common Division**

**Summary of Book Depreciation Reserve as of December 31, 2002
By Plant Site as of December 31, 2002**

Account No. (a)	Description (d)	Cost 12/31/02 (e)	(f)	A.S.L./ Curve (g)	Salvage % (h)	Theoretical Deprecation Reserve (i)	Allocated Book Depr. Reserve (j)	Omitted Retirements (k)	Adjusted Book Reserve (l)
<u>DEPRECIABLE PLANT</u>									
GENERAL PLANT									
389.20	Land Rights	202,094.94		50-R2.5	0%	60,500.69	59,152.70		59,152.70
Structures and Improvements									
390.10	Structures & Improvements - G.O.	44,852,641.93	(1)	90-L1	-10%	12,612,427.37	12,331,415.90	3,428.37	12,327,987.53
390.20	Structures & Improvements - Trans.	1,803,773.44	(1)	100-L2	-10%	438,787.23	429,010.82		429,010.82
390.30	Structures & Improvements - Stores	10,918,534.46	(1)	95-L0.5	-10%	4,011,118.73	3,921,748.91		3,921,748.91
390.40	Structures & Improvements - Shops	379,370.51	(1)	90-L1.5	-10%	152,142.83	148,753.01		148,753.01
390.60	Structures & Improvements - Micro	694,996.39	(1)	85-L1	-10%	93,114.26	91,039.63		91,039.63
	Total Account 390	58,649,316.73						3,428.37	16,918,539.89
391.00	Office Furniture & Equipment	16,068,584.97		32-R2.5	0%	10,686,165.34	10,448,071.99		10,448,071.99
392.20	Transportation Equipment - Trailers	63,404.28		25-L0	30%	11,017.26	10,771.79	3,112.35	7,659.44
393.00	Stores Equipment	1,229,701.73		33-R2	5%	279,087.33	272,869.12		272,869.12
394.00	Tools, Shop and Garage Equipment	1,928,936.72		20-L2	5%	571,427.75	558,696.04		558,696.04
395.00	Laboratory Equipment	22,281.50		18-R3	0%	11,794.72	11,531.93		11,531.93
Power Operated Equipment									
396.20	Power Operated Equipment - Other	14,147.08		23-S2	15%	6,705.10	6,555.71		6,555.71
	Total Account 396	14,147.08						0.00	6,555.71
Communication Equipment									
397.00	Communication Equipment	29,922,166.57		15-R1	0%	10,141,009.41	9,915,062.42		9,915,062.42
397.10	Communication Equipment - Computer	5,189,546.51		10-R5	0%	1,548,587.28	1,514,083.95		1,514,083.95
	Total Account 397	35,111,713.08						0.00	11,429,146.37
398.00	Miscellaneous Equipment	1,012,231.71		20-R3	0%	250,318.63	244,741.40		244,741.40
	TOTAL General Plant	114,302,412.74				56,549,698.76	55,289,741.92	6,540.72	39,956,964.59
	Sub-Total Depreciable Plant	114,302,412.74					55,289,741.92	6,540.72	39,956,964.59

Table 5

**Louisville Gas and Electric
Common Division**

**Summary of Book Depreciation Reserve as of December 31, 2002
By Plant Site 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)
Other Plant (Not Studied)									
390.11	Struct & Improv.-G.O. (LG&E Bldg & Actors)	2,409,305.82	(1)	90-L1	-10%	1,488,938.81	1,455,764.48		1,455,764.48
391.30	Computer Equipment	16,385,046.53		5-L4	0%	8,466,315.36	8,277,681.43		8,277,681.43
391.31	Personal Computers	9,794,521.46		3-L3	0%	5,420,866.85	5,300,087.10		5,300,087.10
392.10	Transportation Equipment - Cars & Trucks	223,351.84		9-L3	15%	124,629.63	121,852.82		121,852.82
396.10	Power Operated Equipment - Hourly Rated	261,447.33		18-S4	10%	174,744.18	170,850.79		170,850.79
	Total Other Plant (Not Studied)	29,073,672.98				15,675,494.83	0.00		15,326,236.61
	Total Depreciable Plant	143,376,085.72					55,289,741.92	6,540.72	55,283,201.20
<u>NON-DEPRECIABLE PLANT</u>									
INTANGIBLE PLANT									
301.00	Organization	83,782.29					0.00	0.00	0.00
302.00	Franchises and Consents	4,200.00					4,700.00		4,700.00
303.00	Miscellaneous Intangible Plant - Soft	24,365,948.39					18,018,454.53		18,018,454.53
303.20	Miscellaneous Intangible Plant - Law	78,799.60					78,799.60		78,799.60
	TOTAL Intangible Plant	24,532,730.28					18,101,954.13	0.00	18,101,954.13
LAND									
389.10	General Land	1,661,503.17					0.00		0.00
	TOTAL Land	1,661,503.17					0.00	0.00	0.00
	TOTAL Non-Depreciable Plant	26,194,233.45					18,101,954.13	0.00	18,101,954.13
	TOTAL Common Utility Plant in Service	169,570,319.17					73,391,696.05	6,540.72	73,385,155.33
	(1) Life Span Method Utilized. Interim Retirement Rate. Service Lives Vary.								

LOUISVILLE GAS & ELECTRIC

Common Plant

General

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

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

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

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

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

Depreciation Study Overview

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

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

life.

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

Annual Depreciation Accrual

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

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

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

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

Group Depreciation Procedures

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

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

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

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

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

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

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

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

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

procedure.

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

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

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

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

3-8

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:

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

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

Common Plant

Study Results

Account 389.20 - Land Rights

The Company's investment in this account totals \$202,095 and has achieved a current average age of 16.5 years. The investment contained in the property group is currently being depreciated using an annual depreciation rate of 2.95 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 35.0 years.

No net salvage has been experienced in the past and is not anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 2.02 percent.

Account 390.10 -Structures & Improvements - G.O.

The Company's investment in this account totals \$44,852,642 which is related to the Company's administrative structures within its operating system. The surviving investment has achieved a current average age of 9.8 years and is presently being depreciated based upon an annual depreciation rate of 2.18 percent.

The annual depreciation rate for this account is based upon the application of the Life Span Method, in which each location was typically life spanned forty (40) years from

their principal construction date. In addition, an analysis of interim retirements totaling \$824,148 were analyzed via the Retirement Rate Method, which produced an interim retirement rate representative of an Iowa 90-L1 life and curve. Accordingly, an Iowa 90-L1 life and curve was applied to the Company's surviving investment, which produced an implicit average service life of 35.8 years and an average remaining life of 26.6 years.

An analysis of the historical retirements have generated a range of net salvage from positive to negative and aggregated approximately negative five (5) percent overall. While various recent years have generated positive net salvage, it is anticipated that overall future net salvage will be negative. Likewise, a review of general industry data indicates the use of negative net salvage. Accordingly, future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. The resulting annual depreciation rate is 3.10 percent.

Account 390.20 - Structures & Improvements Trans.

The Company's investment in this account totals \$1,803,773 which is related to the Company's Transmission structures within its operating system. The surviving investment has achieved a current average age of 11.7 years and is presently being depreciated based upon an annual depreciation rate of 2.14 percent.

The annual depreciation rate for this property group is based upon the application of the life span to each locations plant investment. The probable retirement date for each location was developed using a forty-five (45) year life span to each locations principal construction date. An analysis of interim retirements totaling \$10,521, were analyzed via the Retirement Rate Method, which produced an interim retirement rate of an Iowa 100-L2 life and curve. Accordingly, an Iowa 100-L2 life and curve was applied to the Company's

surviving investment, which produced an implicit average service life of 44.1 years and an average remaining life of 34.3 years.

While an analysis of the minor amount of historical data during the period 1972-2002 has not produced and meaningful study results, it is anticipated that this property category will experience future negative salvage at the end of property life. Likewise, a review of general industry data indicates the use of negative net salvage. Accordingly, future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. The resulting annual depreciation rate is 2.51 percent.

Account 390.30 - Structures & Improvements Stores

The Company's investment in this account totals \$10,918,534 which is related to the Company's Stores structures within its operating system. The surviving investment has achieved a current average age of 19.3 years and is presently being depreciated based upon an annual depreciation rate of 2.09 percent.

The annual depreciation rate for this property group is based upon the application of the life span to each locations plant investment. The probable retirement date for each location was developed using a forty-five (45) year life span to each locations principal construction date. In addition, an analysis of retirements totaling \$640,559, which occurred at an average age of 23.3 years were analyzed via the Retirement Rate Method, which produced an interim retirement rate of an Iowa 95-L0.5 life and curve. Accordingly, an Iowa 95-L0.5 life and curve was applied to the Company's surviving investment, which produced an implicit average service life of 43.0 years and an average remaining life of 28.6 years.

An analysis of the historical net salvage data has not experienced any significant

level of net salvage during the period 1972-2002, nevertheless, it is anticipated that this property category will experience future negative salvage at the end of property life. Likewise, a review of general industry data indicates the use of negative net salvage. Accordingly, future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. The resulting annual depreciation rate is 2.59 percent.

Account 390.40 - Structures & Improvements Shops

The Company's investment in this account totals only \$379,371 which is related to the Company's Shop structures within its operating system. The surviving investment has achieved a current average age of 24.2 years and is presently being depreciated based upon an annual depreciation rate of 1.96 percent.

The annual depreciation rate for this property group is based upon the application of the life span to each locations plant investment. The probable retirement date for each location was developed using a forty-five (45) year life span to each locations principal construction date. In addition, an analysis of retirements totaling \$20,714, which occurred at an average age of 25.5 years were analyzed via the Retirement Rate Method, which produced an interim retirement rate of an Iowa 90-L1.5 life and curve. Accordingly, an Iowa 90-L1.5 life and curve was applied to the Company's surviving investment, which produced an implicit average service life of 50.0 years and an average remaining life of 31.8 years.

An analysis of a minor amount of historical net salvage data has indicated net salvage of negative twenty (20) percent. Notwithstanding this limited data and experience, it is anticipated that this property category will experience future negative salvage at the

end of property life. Likewise, a review of general industry data indicates the use of negative net salvage. Accordingly, future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. Future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. The resulting annual depreciation rate is 2.23 percent.

Account 390.60 - Structures & Improvements Micro

The Company's investment in this account totals \$694,996 which is related to the Company's Microwave structures within its operating system. The surviving investment has achieved a current average age of 4.3 years and is presently being depreciated based upon an annual depreciation rate of 2.09 percent.

The proposed annual depreciation rate for this property group is based upon the application of the Life Span Method. A probable retirement date for each facility was developed based upon a forty-five (45) year life span from its principal construction date. In addition, an analysis of retirements totaling \$4,622, which occurred at an average age of 22.0 years were analyzed via the Retirement Rate Method, which produced an interim retirement rate of an Iowa 85-L1 life and curve. Accordingly, an Iowa 85-L1 life and curve was applied to the Company's surviving investment, which produced an implicit average service life of 29.1 and an average remaining life of 25.5 years.

An analysis of a minor amount of historical net salvage data has indicated net salvage of negative five (5) plus percent. Notwithstanding this limited data and experience, it is anticipated that this property category will experience future negative salvage at the end of property life. Likewise, a review of general industry data indicates the use of negative net salvage. Accordingly, future net salvage relative to the property contained in

this account is estimated at negative ten (10) percent. Future net salvage relative to the property contained in this account is estimated at negative ten (10) percent. The resulting annual depreciation rate is 3.80 percent.

Account 391.00 - Office Furniture & Equipment

The Company's investment in Office Furniture and Equipment totals \$16,068,585, which has achieved a current average age of 12.2 years and is presently being depreciated utilizing an annual depreciation rate of 3.43 percent.

Retirements totaling \$1,346,639 which occurred during the 1932-2001 band, were analyzed via the Retirement Rate Method which produced a life indication of thirty-two (32) years. Based upon an analysis of the available historical data an Iowa 32-R2.5 life and curve is currently estimated for this property class and when applied to the current surviving investment results in a average remaining life of 21.2 years. An analysis of the historical net salvage data during the period 1972-2002 indicates that only limited amount of net salvage have been received to date and none is anticipated in future years. Accordingly, future net salvage is estimated at zero (0) percent. Utilizing the recommended depreciation parameters together with the current surviving investment produces a recommended annual depreciation rate of 1.65 percent.

Account 392.20 - Transportation Equipment-Trailers

The present surviving investment in this account totals \$63,404 has attained a current average age of 12.5 years, and is presently being depreciated utilizing an annual depreciation rate of 2.67 percent. Retirements totaling \$207,061, which occurred during the 1992-2001 experience band, were analyzed via the Retirement Rate Method and a life indication twenty-five (25) years, accordingly, an average service life of an Iowa 25-L0 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 18.8 years.

Based upon the available Company experience and future expectations future net salvage is estimated at thirty (30) percent. The resulting recommended depreciation rate for this property group is 3.08 percent.

Account 393.00 - Stores Equipment

The Company's investment in this account totals \$1,229,702, has attained a current average age of 9.3 years, and is presently being depreciated utilizing an annual depreciation rate of 2.75 percent. The Company's investment in this account is related to general storeroom equipment located at the Company's various operations warehouses. Retirements totaling \$113,598 which occurred at an average age of 30.9 years, were analyzed via the Retirement Rate Method and generated a life indication representative of an Iowa 33-R2 life and curve. Accordingly, an Iowa 33-R2 life and curve is estimated as the applicable service life and when applied to the Company's current plant investment produces an average remaining life of 25.1 years.

An analysis of the Company's salvage experience was completed for the period 1972-2001 to identify the level of net salvage achieved with past retirements. The result of the analysis of the limited historical data indicates that the Company has experienced approximately seven (7) percent net salvage. Based upon the available Company experience and future expectations, as well as general industry experience, future net salvage is estimated at five (5) percent and the resulting annual amortization rate is 2.90 percent.

Account 394.00 - Tools, Shop and Garage Equipment

The investment in this account totaling \$1,928,937 is related to tools, garage, and

work equipment utilized by the Company's employees in providing service to the Company's customers. Retirements from the property group have totaled \$749,652 over the life of the account which have produced of life indication in the range of twenty (20) years. An average service life of an Iowa 20-L2 life and curve is estimated for this property group and the resulting average remaining life is 13.8 years.

Based upon an analysis future net salvage for the years 1972-2002 future net salvage is estimated at five (5) percent and when combined with the recommended service life parameters in the current investment produces an average remaining life depreciation rate of 4.79 percent.

Account 395.00 - Laboratory Equipment

The present surviving investment in this account totals \$22,282, has attained a current average age of 10.5 years, and is presently being depreciated utilizing an annual depreciation rate of 2.59 percent. Retirements totaling \$25,016, which occurred during the years 1919-2000, were analyzed via the Retirement Rate Method. Based upon this analysis, consideration of the general account content, related under reporting of plant assets, and general industry data an average service life of eighteen (18) years is estimated for the asset group. Utilizing the estimated Iowa 18-R3 life and curve with the Company's current investment produces an average remaining life of 8.5 years. Future net salvage is estimated at zero (0) percent and the resulting average remaining life based depreciation rate is 5.68 percent.

Account 396.20 - Power Operated Equipment - Other

The Company's current investment in this account totals \$14,147, which is currently being depreciated utilizing an annual depreciation rate of 2.51 percent. The property investment, which has attained a current average age of 14.5 years. Retirements during

the recent history of the account totaling \$417,497, were analyzed via the Retirement Rate Method. The analysis of the data provided a general life indication of twenty-three (23) years. Accordingly, an average service life of an Iowa 23-S2 is recommended for this property group. The average remaining life is 10.2 years.

The Company's available historical salvage data was analyzed during the period 1972 -2002. Based upon this analysis future net salvage for this asset class is estimated at fifteen (15) percent and when combined with the recommended service life parameters in the current investment produces an average remaining life depreciation rate of 3.79 percent.

Account 397.00 Communication Equipment

The Company's current investment in Communication Equipment only \$29,922,167 for which the current depreciation rate is 3.72 percent. Retirements totaling \$5,160,540, which occurred during the years 1919-2000, were analyzed via the Retirement Rate Method. While the general historical analysis produces a life in the range of twenty (20) plus years ongoing changes are occurring with technology. Accordingly, based upon the property group an Iowa 15-R1 life and curve is estimated relative to this investment and is the basis of the recommended amortization period for this property group. Application of the estimated service life parameters to the current surviving investment produces an average remaining life of 10.2 years.

Future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 6.56 percent

Account 397.10 Communication Equipment - Computer

The Company investment in Communication Equipment - Computer totals

\$5,189,547 and is currently being depreciated at an annual rate of 3.74 percent. Insufficient retirement activity has occurred to produce a meaningful service life indication for this property. Nevertheless, giving consideration of the general account content an average service life of ten (10) years is estimated for the asset group. Application of the estimated Iowa 10-R5 life and curve to the Company's current surviving investment produces an average remaining life of 7.0 years. Future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate for this property group is 10.12 percent.

Account 398 - Miscellaneous Equipment

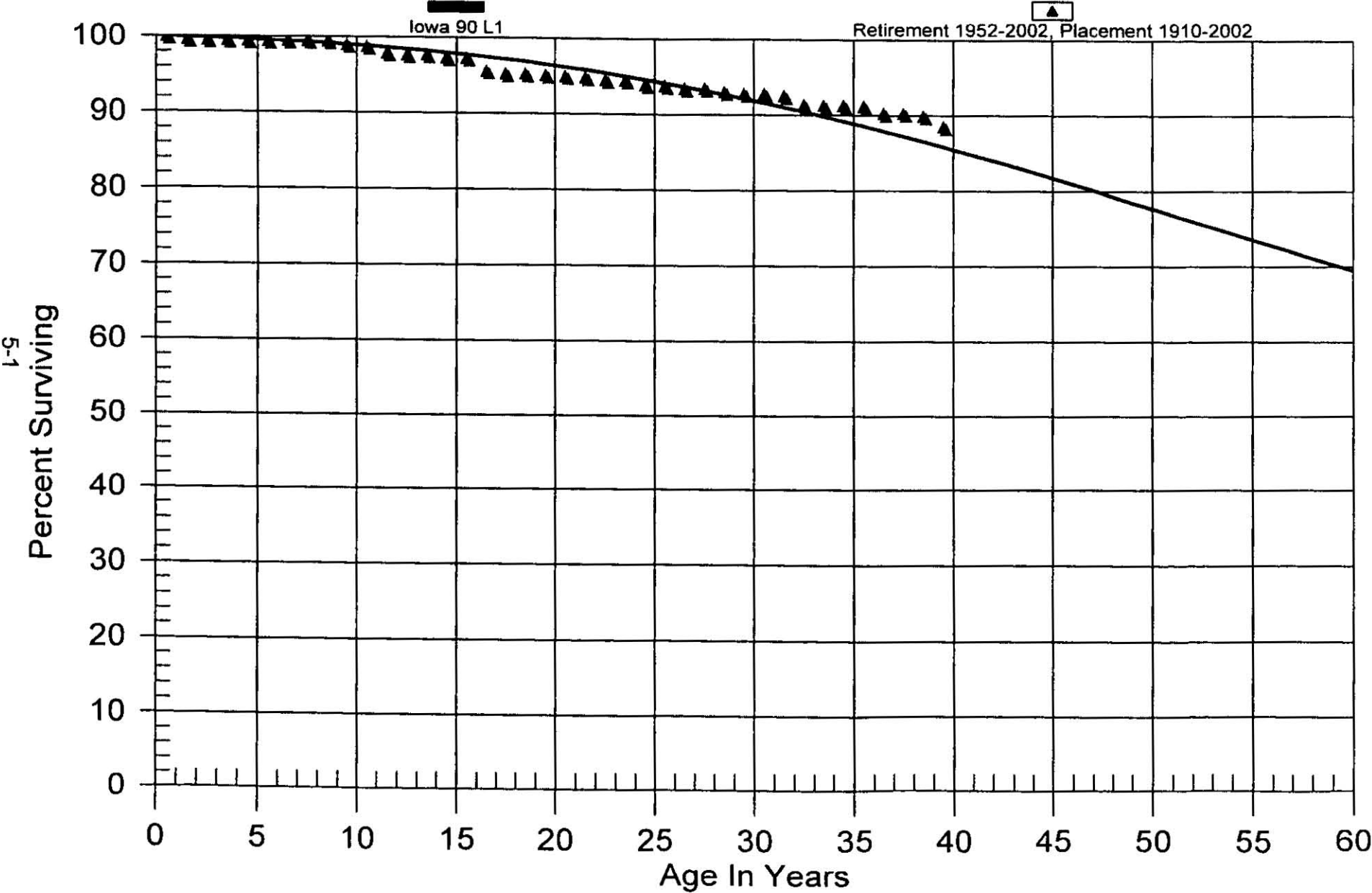
The present surviving investment in this account totals \$1,012,232, has attained a current average age of 5.51 years, and is presently being depreciated utilizing an annual depreciation rate of 3.97 percent. Retirements totaling \$2,529, which occurred at an average age of 1.5 year, were analyzed via the Retirement Rate Method. An insufficient level of activity has occurred to produce a meaningful service life. Giving consideration of the general account content and general industry data an average service life of twenty (20) years is estimated for the asset group. Application of the estimated Iowa 20-R3 life and curve to the current surviving plant in service produces an average remaining life of 15.1 years. Future net salvage is estimated at zero (0) percent and the resulting annual depreciation rate is 5.02 percent.

Louisville Gas and Electric - Common Plant

All Divisions

390.10 STRUCT. & IMPROVEMENTS - G. O.

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant**All Divisions****390.10 STRUCT. & IMPROVEMENTS - G. O.****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1910 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	\$51,634,786.12	\$0.00	0.00000	100.00
0.5 - 1.5	\$51,197,982.77	\$196,428.00	0.00384	100.00
1.5 - 2.5	\$50,175,938.71	\$54,410.00	0.00108	99.62
2.5 - 3.5	\$48,523,097.23	\$1,485.00	0.00003	99.51
3.5 - 4.5	\$46,720,819.18	\$26,499.00	0.00057	99.51
4.5 - 5.5	\$46,318,743.11	\$1,250.00	0.00003	99.45
5.5 - 6.5	\$45,949,489.19	\$300.00	0.00001	99.45
6.5 - 7.5	\$45,120,851.22	\$4,000.00	0.00009	99.45
7.5 - 8.5	\$29,393,125.72	\$7,448.00	0.00025	99.44
8.5 - 9.5	\$16,869,145.12	\$78,998.00	0.00468	99.41
9.5 - 10.5	\$16,175,990.90	\$37,005.00	0.00229	98.95
10.5 - 11.5	\$14,771,766.94	\$130,015.00	0.00880	98.72
11.5 - 12.5	\$14,579,527.55	\$30,993.00	0.00213	97.85
12.5 - 13.5	\$14,396,236.55	\$0.00	0.00000	97.64
13.5 - 14.5	\$14,155,218.11	\$50,168.00	0.00354	97.64
14.5 - 15.5	\$14,080,782.11	\$1,700.00	0.00012	97.30
15.5 - 16.5	\$13,853,086.97	\$259,109.00	0.01870	97.28
16.5 - 17.5	\$2,287,583.02	\$8,072.00	0.00353	95.47
17.5 - 18.5	\$2,214,078.02	\$71.00	0.00003	95.13
18.5 - 19.5	\$1,262,718.00	\$1,976.00	0.00156	95.13
19.5 - 20.5	\$1,319,583.00	\$1,546.00	0.00117	94.98
20.5 - 21.5	\$1,299,661.00	\$1,673.00	0.00129	94.87
21.5 - 22.5	\$1,268,308.00	\$4,559.00	0.00359	94.74
22.5 - 23.5	\$1,262,169.00	\$500.00	0.00040	94.40
23.5 - 24.5	\$1,261,055.00	\$7,173.00	0.00569	94.37
24.5 - 25.5	\$1,253,007.00	\$1,000.00	0.00080	93.83
25.5 - 26.5	\$1,205,065.00	\$4,866.00	0.00404	93.75
26.5 - 27.5	\$1,178,842.00	\$0.00	0.00000	93.37
27.5 - 28.5	\$1,173,562.00	\$5,907.00	0.00503	93.37
28.5 - 29.5	\$1,246,050.00	\$2,573.00	0.00206	92.90
29.5 - 30.5	\$1,283,894.00	\$0.00	0.00000	92.71
30.5 - 31.5	\$1,240,341.00	\$3,410.00	0.00275	92.71
31.5 - 32.5	\$1,232,317.00	\$15,953.00	0.01295	92.46
32.5 - 33.5	\$1,109,613.00	\$760.00	0.00068	91.26
33.5 - 34.5	\$1,102,922.00	\$0.00	0.00000	91.20
34.5 - 35.5	\$1,030,421.00	\$1,066.00	0.00103	91.20
35.5 - 36.5	\$970,553.00	\$9,683.00	0.00998	91.10

Louisville Gas and Electric - Common Plant
All Divisions

390.10 STRUCT. & IMPROVEMENTS - G. O.

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1910 TO 2002

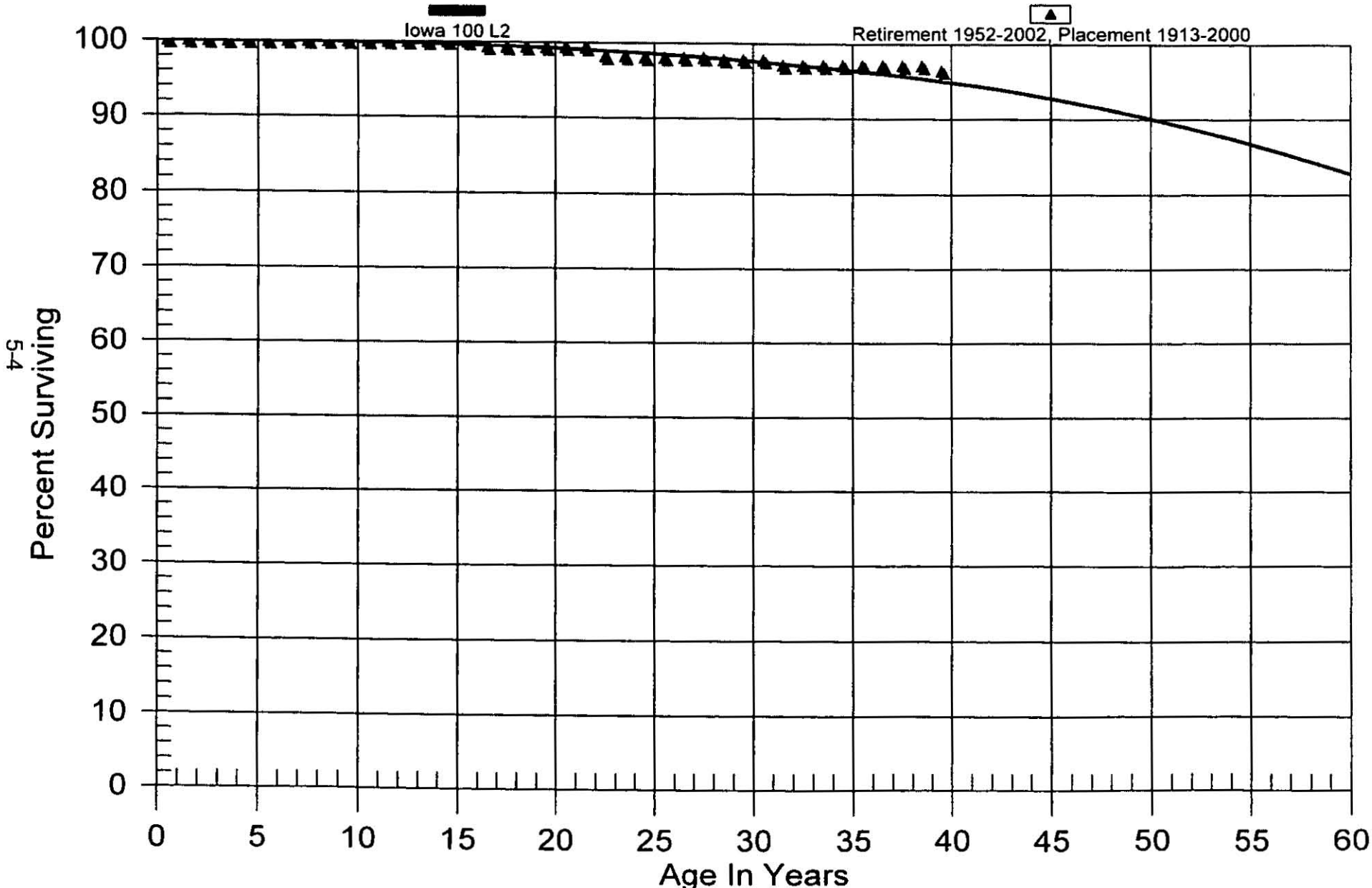
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$959,611.00	\$0.00	0.00000	90.20
37.5 - 38.5	\$959,611.00	\$3,589.00	0.00374	90.20
38.5 - 39.5	\$958,913.00	\$15,000.00	0.01564	89.86
39.5 - 40.5	\$943,731.00	\$1,736.00	0.00184	88.45
40.5 - 41.5	\$204,295.00	\$0.00	0.00000	88.29
41.5 - 42.5	\$304,915.00	\$120.00	0.00039	88.29
42.5 - 43.5	\$304,795.00	\$0.00	0.00000	88.26
43.5 - 44.5	\$292,304.00	\$0.00	0.00000	88.26
44.5 - 45.5	\$292,304.00	\$401.00	0.00137	88.26
45.5 - 46.5	\$291,903.00	\$0.00	0.00000	88.13
46.5 - 47.5	\$285,033.00	\$0.00	0.00000	88.13
47.5 - 48.5	\$282,583.00	\$0.00	0.00000	88.13
48.5 - 49.5	\$236,321.00	\$100.00	0.00042	88.13
49.5 - 50.5	\$235,691.00	\$0.00	0.00000	88.10
50.5 - 51.5	\$235,691.00	\$0.00	0.00000	88.10
51.5 - 52.5	\$235,691.00	\$0.00	0.00000	88.10
52.5 - 53.5	\$235,691.00	\$300.00	0.00127	88.10
53.5 - 54.5	\$235,391.00	\$0.00	0.00000	87.98
54.5 - 55.5	\$235,391.00	\$0.00	0.00000	87.98
55.5 - 56.5	\$234,656.00	\$1,000.00	0.00426	87.98
56.5 - 57.5	\$191,002.00	\$500.00	0.00262	87.61
57.5 - 58.5	\$190,502.00	\$0.00	0.00000	87.38
58.5 - 59.5	\$189,729.00	\$0.00	0.00000	87.38
59.5 - 60.5	\$189,616.00	\$0.00	0.00000	87.38
60.5 - 61.5	\$189,616.00	\$0.00	0.00000	87.38
61.5 - 62.5	\$189,616.00	\$0.00	0.00000	87.38
62.5 - 63.5	\$189,616.00	\$0.00	0.00000	87.38
63.5 - 64.5	\$189,616.00	\$0.00	0.00000	87.38
64.5 - 65.5	\$189,616.00	\$0.00	0.00000	87.38
65.5 - 66.5	\$189,157.00	\$0.00	0.00000	87.38
66.5 - 67.5	\$186,293.00	\$0.00	0.00000	87.38
67.5 - 68.5	\$186,293.00	\$0.00	0.00000	87.38
68.5 - 69.5	\$185,887.00	\$0.00	0.00000	87.38
69.5 - 70.5	\$170,402.00	\$278.00	0.00163	87.38
70.5 - 71.5	\$169,407.00	\$0.00	0.00000	87.24
71.5 - 72.5	\$163,917.00	\$0.00	0.00000	87.24
72.5 - 73.5	\$110,480.00	\$250.00	0.00226	87.24

Louisville Gas and Electric - Common Plant

All Divisions

390.20 STRUCT. & IMPROVEMENTS - TRANSMISSION

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant**All Divisions****390.20 STRUCT. & IMPROVEMENTS - TRANSMISSION****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1913 TO 2000**

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	\$1,694,734.51	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,688,679.51	\$0.00	0.00000	100.00
1.5 - 2.5	\$1,997,131.51	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,919,682.98	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,640,820.98	\$0.00	0.00000	100.00
4.5 - 5.5	\$1,541,665.85	\$0.00	0.00000	100.00
5.5 - 6.5	\$444,941.16	\$0.00	0.00000	100.00
6.5 - 7.5	\$445,907.16	\$0.00	0.00000	100.00
7.5 - 8.5	\$441,435.97	\$0.00	0.00000	100.00
8.5 - 9.5	\$437,602.38	\$0.00	0.00000	100.00
9.5 - 10.5	\$438,254.38	\$0.00	0.00000	100.00
10.5 - 11.5	\$437,602.38	\$0.00	0.00000	100.00
11.5 - 12.5	\$436,357.38	\$0.00	0.00000	100.00
12.5 - 13.5	\$430,302.38	\$0.00	0.00000	100.00
13.5 - 14.5	\$455,418.02	\$0.00	0.00000	100.00
14.5 - 15.5	\$160,447.22	\$0.00	0.00000	100.00
15.5 - 16.5	\$160,644.47	\$1,045.00	0.00651	100.00
16.5 - 17.5	\$159,924.45	\$0.00	0.00000	99.35
17.5 - 18.5	\$226,755.37	\$0.00	0.00000	99.35
18.5 - 19.5	\$226,755.37	\$0.00	0.00000	99.35
19.5 - 20.5	\$224,287.37	\$50.00	0.00022	99.35
20.5 - 21.5	\$191,028.85	\$0.00	0.00000	99.33
21.5 - 22.5	\$192,110.85	\$2,196.00	0.01143	99.33
22.5 - 23.5	\$200,010.85	\$0.00	0.00000	98.19
23.5 - 24.5	\$154,771.41	\$197.00	0.00127	98.19
24.5 - 25.5	\$160,440.41	\$0.00	0.00000	98.07
25.5 - 26.5	\$158,824.51	\$0.00	0.00000	98.07
26.5 - 27.5	\$150,694.88	\$0.00	0.00000	98.07
27.5 - 28.5	\$150,694.88	\$430.00	0.00285	98.07
28.5 - 29.5	\$150,221.39	\$0.00	0.00000	97.79
29.5 - 30.5	\$146,280.15	\$0.00	0.00000	97.79
30.5 - 31.5	\$146,280.15	\$982.00	0.00671	97.79
31.5 - 32.5	\$145,298.15	\$0.00	0.00000	97.13
32.5 - 33.5	\$144,530.99	\$0.00	0.00000	97.13
33.5 - 34.5	\$132,884.52	\$0.00	0.00000	97.13
34.5 - 35.5	\$132,884.52	\$0.00	0.00000	97.13
35.5 - 36.5	\$132,884.52	\$0.00	0.00000	97.13

Louisville Gas and Electric - Common Plant
All Divisions
390.20 STRUCT. & IMPROVEMENTS - TRANSMISSION

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1913 TO 2000

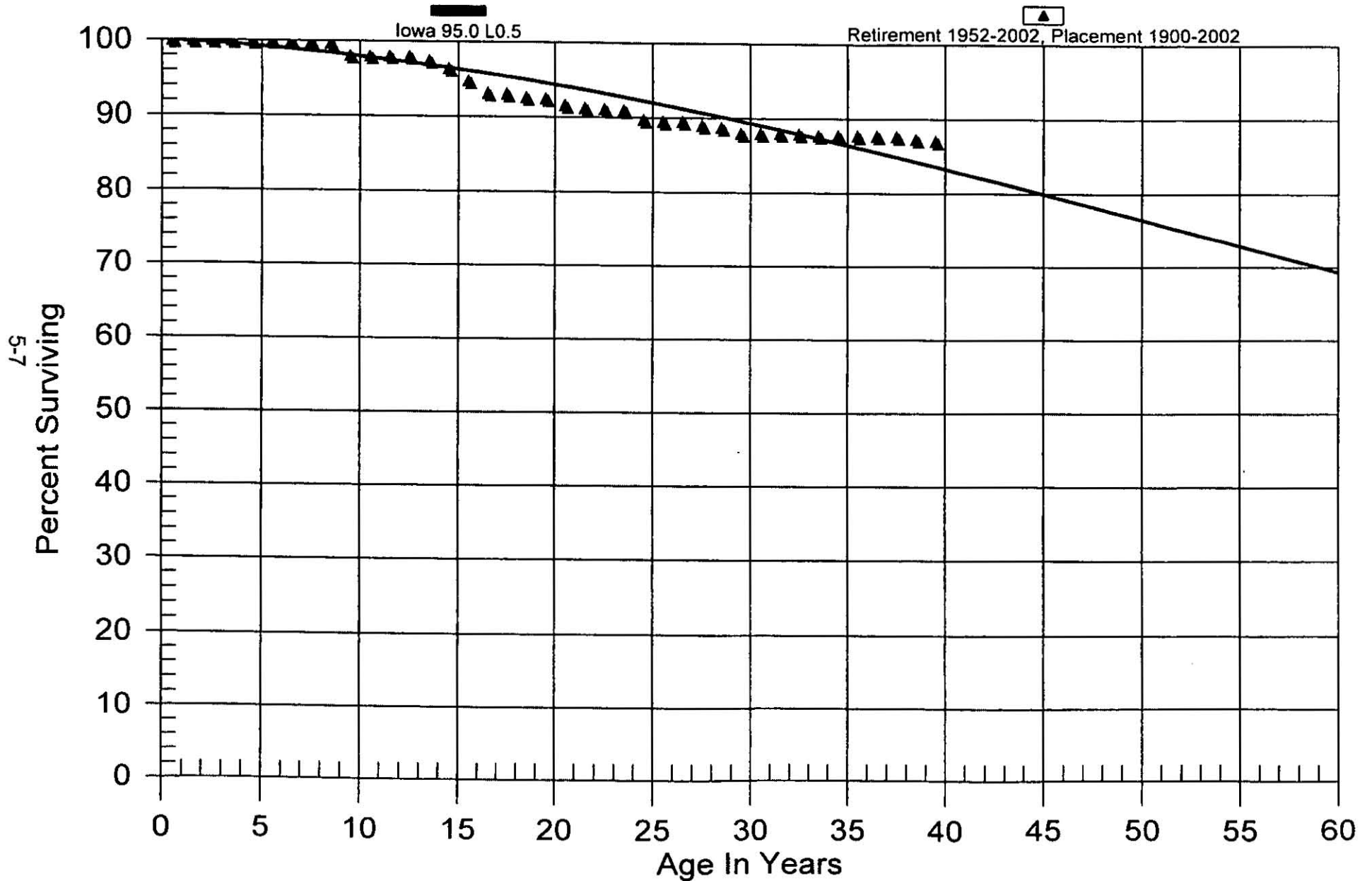
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$126,253.26	\$0.00	0.00000	97.13
37.5 - 38.5	\$125,261.53	\$0.00	0.00000	97.13
38.5 - 39.5	\$122,153.48	\$821.00	0.00672	97.13
39.5 - 40.5	\$121,332.48	\$0.00	0.00000	96.48
40.5 - 41.5	\$96,851.93	\$0.00	0.00000	96.48
41.5 - 42.5	\$96,851.93	\$0.00	0.00000	96.48
42.5 - 43.5	\$96,851.93	\$200.00	0.00207	96.48
43.5 - 44.5	\$96,651.93	\$0.00	0.00000	96.28
44.5 - 45.5	\$96,651.93	\$0.00	0.00000	96.28
45.5 - 46.5	\$96,651.93	\$0.00	0.00000	96.28
46.5 - 47.5	\$96,651.93	\$0.00	0.00000	96.28
47.5 - 48.5	\$96,651.93	\$175.00	0.00181	96.28
48.5 - 49.5	\$96,476.93	\$0.00	0.00000	96.10
49.5 - 50.5	\$96,476.93	\$0.00	0.00000	96.10
50.5 - 51.5	\$96,476.93	\$0.00	0.00000	96.10
51.5 - 52.5	\$96,476.93	\$261.00	0.00271	96.10
52.5 - 53.5	\$96,215.93	\$379.00	0.00394	95.84
53.5 - 54.5	\$95,836.93	\$200.00	0.00209	95.47
54.5 - 55.5	\$95,636.93	\$0.00	0.00000	95.27
55.5 - 56.5	\$94,556.42	\$1,500.00	0.01586	95.27
56.5 - 57.5	\$93,056.42	\$0.00	0.00000	93.76
57.5 - 58.5	\$93,056.42	\$0.00	0.00000	93.76
58.5 - 59.5	\$93,056.42	\$0.00	0.00000	93.76
59.5 - 60.5	\$93,056.42	\$0.00	0.00000	93.76
60.5 - 61.5	\$93,056.42	\$0.00	0.00000	93.76
61.5 - 62.5	\$93,056.42	\$0.00	0.00000	93.76
62.5 - 63.5	\$93,056.42	\$0.00	0.00000	93.76
63.5 - 64.5	\$93,056.42	\$0.00	0.00000	93.76
64.5 - 65.5	\$67,353.15	\$0.00	0.00000	93.76
65.5 - 66.5	\$67,353.15	\$0.00	0.00000	93.76
66.5 - 67.5	\$67,155.90	\$0.00	0.00000	93.76
67.5 - 68.5	\$66,830.92	\$0.00	0.00000	93.76
68.5 - 69.5	\$0.00	\$0.00	0.00000	93.76
69.5 - 70.5	\$0.00	\$0.00	0.00000	93.76
70.5 - 71.5	\$0.00	\$0.00	0.00000	93.76
71.5 - 72.5	\$0.00	\$0.00	0.00000	93.76
72.5 - 73.5	\$0.00	\$0.00	0.00000	93.76

Louisville Gas and Electric - Common Plant

All Divisions

390.30 STRUCT. & IMPROVEMENTS - STORES

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant
All Divisions

390.30 STRUCT. & IMPROVEMENTS - STORES

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1900 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$10,190,924.63	\$0.00	0.00000	100.00
0.5 - 1.5	\$10,442,175.35	\$0.00	0.00000	100.00
1.5 - 2.5	\$10,438,534.30	\$10.00	0.00000	100.00
2.5 - 3.5	\$10,483,787.42	\$1,875.00	0.00018	100.00
3.5 - 4.5	\$9,345,721.16	\$3,938.00	0.00042	99.98
4.5 - 5.5	\$9,254,429.59	\$3,840.00	0.00041	99.94
5.5 - 6.5	\$8,680,352.93	\$546.00	0.00006	99.90
6.5 - 7.5	\$8,660,653.59	\$12,878.00	0.00149	99.89
7.5 - 8.5	\$8,401,727.33	\$8,055.00	0.00096	99.74
8.5 - 9.5	\$8,425,240.10	\$138,365.00	0.01642	99.65
9.5 - 10.5	\$8,281,441.04	\$923.00	0.00011	98.01
10.5 - 11.5	\$8,200,211.17	\$1,209.00	0.00015	98.00
11.5 - 12.5	\$7,486,193.82	\$1,875.00	0.00025	97.99
12.5 - 13.5	\$7,480,536.21	\$38,360.00	0.00513	97.96
13.5 - 14.5	\$7,336,678.22	\$79,681.00	0.01086	97.46
14.5 - 15.5	\$2,318,873.04	\$39,379.00	0.01698	96.40
15.5 - 16.5	\$2,285,408.07	\$39,780.00	0.01741	94.76
16.5 - 17.5	\$2,225,242.90	\$918.00	0.00041	93.11
17.5 - 18.5	\$3,069,217.75	\$15,924.00	0.00519	93.08
18.5 - 19.5	\$2,957,495.80	\$2,872.00	0.00097	92.59
19.5 - 20.5	\$2,676,471.19	\$26,481.00	0.00989	92.50
20.5 - 21.5	\$2,593,715.69	\$9,567.00	0.00369	91.59
21.5 - 22.5	\$2,622,483.71	\$4,262.00	0.00163	91.25
22.5 - 23.5	\$2,323,932.00	\$1,932.00	0.00083	91.10
23.5 - 24.5	\$2,135,331.73	\$29,261.00	0.01370	91.03
24.5 - 25.5	\$2,040,216.83	\$5,168.00	0.00253	89.78
25.5 - 26.5	\$2,024,824.68	\$0.00	0.00000	89.55
26.5 - 27.5	\$1,977,568.64	\$11,330.00	0.00573	89.55
27.5 - 28.5	\$1,993,373.10	\$5,925.00	0.00297	89.04
28.5 - 29.5	\$1,934,616.06	\$16,478.00	0.00852	88.77
29.5 - 30.5	\$1,814,918.17	\$0.00	0.00000	88.02
30.5 - 31.5	\$1,804,956.74	\$0.00	0.00000	88.02
31.5 - 32.5	\$1,688,727.17	\$250.00	0.00015	88.02
32.5 - 33.5	\$1,687,498.00	\$4,439.00	0.00263	88.00
33.5 - 34.5	\$1,667,216.36	\$116.00	0.00007	87.77
34.5 - 35.5	\$1,436,381.26	\$0.00	0.00000	87.77
35.5 - 36.5	\$1,423,477.61	\$198.00	0.00014	87.77

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1900 TO 2002**

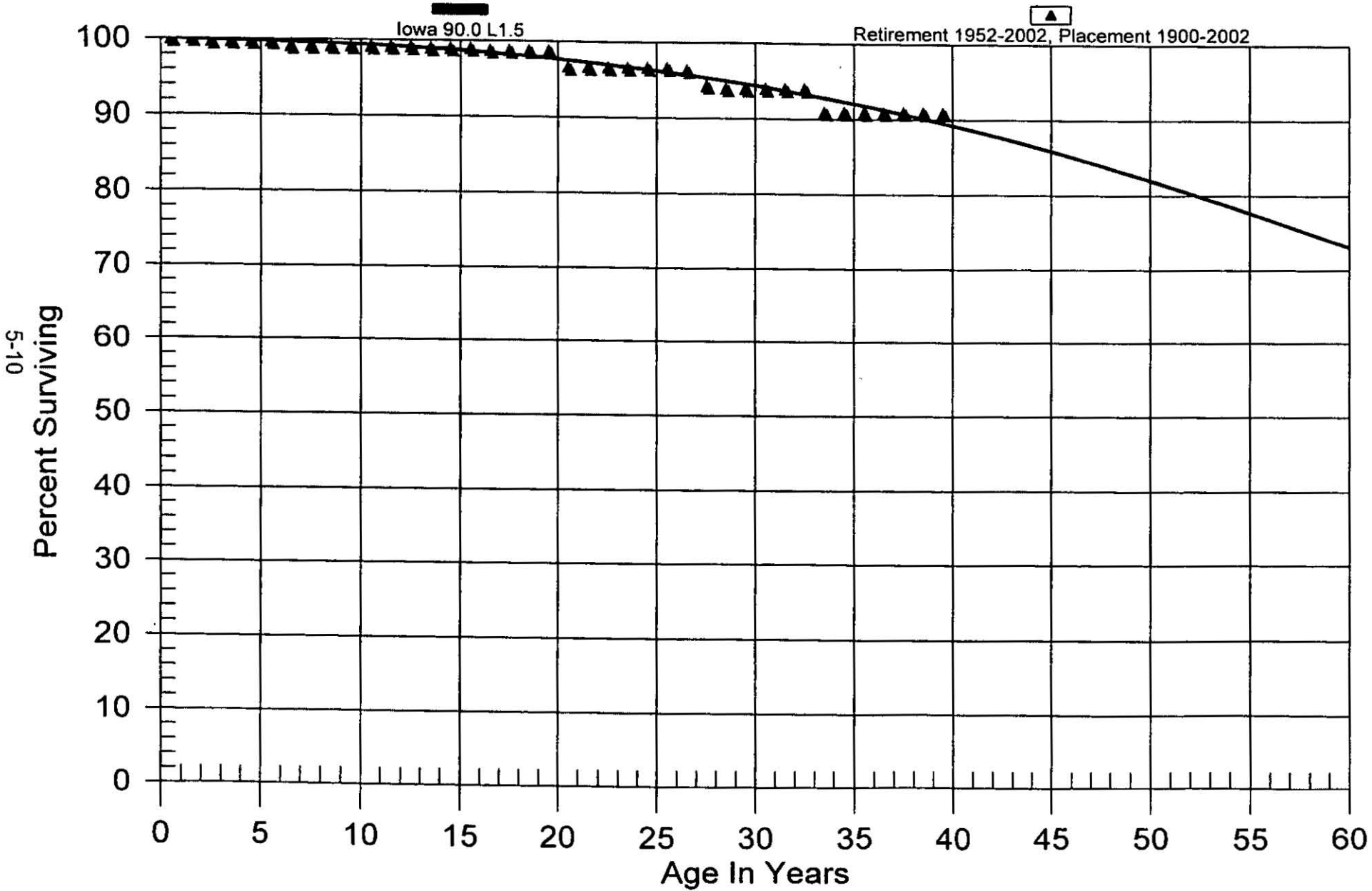
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$1,395,602.48	\$965.00	0.00069	87.75
37.5 - 38.5	\$1,384,403.89	\$5,826.00	0.00421	87.69
38.5 - 39.5	\$1,254,009.20	\$3,231.00	0.00258	87.32
39.5 - 40.5	\$1,280,104.87	\$2,513.00	0.00196	87.10
40.5 - 41.5	\$1,111,708.96	\$2,006.00	0.00180	86.93
41.5 - 42.5	\$963,937.27	\$1,500.00	0.00156	86.77
42.5 - 43.5	\$936,507.90	\$0.00	0.00000	86.64
43.5 - 44.5	\$933,574.09	\$236.00	0.00025	86.64
44.5 - 45.5	\$933,256.62	\$0.00	0.00000	86.61
45.5 - 46.5	\$923,988.65	\$1,000.00	0.00108	86.61
46.5 - 47.5	\$930,003.10	\$101.00	0.00011	86.52
47.5 - 48.5	\$929,902.10	\$1,468.00	0.00158	86.51
48.5 - 49.5	\$928,434.10	\$8,402.00	0.00905	86.38
49.5 - 50.5	\$918,659.10	\$0.00	0.00000	85.59
50.5 - 51.5	\$922,071.83	\$0.00	0.00000	85.59
51.5 - 52.5	\$921,732.31	\$0.00	0.00000	85.59
52.5 - 53.5	\$917,743.19	\$0.00	0.00000	85.59
53.5 - 54.5	\$910,205.07	\$0.00	0.00000	85.59
54.5 - 55.5	\$909,625.77	\$0.00	0.00000	85.59
55.5 - 56.5	\$908,482.21	\$0.00	0.00000	85.59
56.5 - 57.5	\$908,482.21	\$675.00	0.00074	85.59
57.5 - 58.5	\$906,080.35	\$6,195.00	0.00684	85.53
58.5 - 59.5	\$899,102.71	\$0.00	0.00000	84.95
59.5 - 60.5	\$899,102.71	\$0.00	0.00000	84.95
60.5 - 61.5	\$898,402.77	\$0.00	0.00000	84.95
61.5 - 62.5	\$898,320.64	\$0.00	0.00000	84.95
62.5 - 63.5	\$894,171.92	\$0.00	0.00000	84.95
63.5 - 64.5	\$886,187.53	\$0.00	0.00000	84.95
64.5 - 65.5	\$885,490.60	\$48,208.00	0.05444	84.95
65.5 - 66.5	\$837,165.63	\$0.00	0.00000	80.32
66.5 - 67.5	\$837,122.07	\$0.00	0.00000	80.32
67.5 - 68.5	\$837,990.60	\$14,208.00	0.01695	80.32
68.5 - 69.5	\$5,037.00	\$0.00	0.00000	78.96
69.5 - 70.5	\$5,037.00	\$4,922.00	0.97717	78.96
70.5 - 71.5	\$7,917.00	\$0.00	0.00000	1.80
71.5 - 72.5	\$7,917.00	\$0.00	0.00000	1.80
72.5 - 73.5	\$7,917.00	\$115.00	0.01453	1.80

Louisville Gas and Electric - Common Plant

All Divisions

390.40 STRUCT. & IMPROVEMENTS - SHOPS

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant
All Divisions

390.40 STRUCT. & IMPROVEMENTS - SHOPS

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1900 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$343,236.19	\$0.00	0.00000	100.00
0.5 - 1.5	\$279,830.32	\$0.00	0.00000	100.00
1.5 - 2.5	\$280,124.32	\$752.00	0.00268	100.00
2.5 - 3.5	\$279,372.32	\$0.00	0.00000	99.73
3.5 - 4.5	\$279,372.32	\$0.00	0.00000	99.73
4.5 - 5.5	\$279,372.32	\$0.00	0.00000	99.73
5.5 - 6.5	\$279,372.32	\$1,712.00	0.00613	99.73
6.5 - 7.5	\$277,660.32	\$0.00	0.00000	99.12
7.5 - 8.5	\$277,660.32	\$0.00	0.00000	99.12
8.5 - 9.5	\$278,330.32	\$0.00	0.00000	99.12
9.5 - 10.5	\$277,949.32	\$0.00	0.00000	99.12
10.5 - 11.5	\$276,687.18	\$0.00	0.00000	99.12
11.5 - 12.5	\$281,016.45	\$0.00	0.00000	99.12
12.5 - 13.5	\$254,931.65	\$423.00	0.00166	99.12
13.5 - 14.5	\$253,337.65	\$0.00	0.00000	98.96
14.5 - 15.5	\$259,535.65	\$0.00	0.00000	98.96
15.5 - 16.5	\$258,809.87	\$536.00	0.00207	98.96
16.5 - 17.5	\$258,273.87	\$0.00	0.00000	98.75
17.5 - 18.5	\$272,941.22	\$0.00	0.00000	98.75
18.5 - 19.5	\$213,871.72	\$0.00	0.00000	98.75
19.5 - 20.5	\$259,698.72	\$5,552.00	0.02138	98.75
20.5 - 21.5	\$214,172.91	\$0.00	0.00000	96.64
21.5 - 22.5	\$214,172.91	\$0.00	0.00000	96.64
22.5 - 23.5	\$213,862.20	\$0.00	0.00000	96.64
23.5 - 24.5	\$214,005.20	\$0.00	0.00000	96.64
24.5 - 25.5	\$214,005.20	\$0.00	0.00000	96.64
25.5 - 26.5	\$208,227.42	\$645.00	0.00310	96.64
26.5 - 27.5	\$202,013.09	\$4,207.00	0.02083	96.34
27.5 - 28.5	\$197,806.09	\$721.00	0.00364	94.33
28.5 - 29.5	\$196,490.26	\$0.00	0.00000	93.99
29.5 - 30.5	\$196,034.09	\$0.00	0.00000	93.99
30.5 - 31.5	\$195,302.46	\$0.00	0.00000	93.99
31.5 - 32.5	\$155,082.78	\$0.00	0.00000	93.99
32.5 - 33.5	\$154,915.78	\$5,007.00	0.03232	93.99
33.5 - 34.5	\$149,435.07	\$0.00	0.00000	90.95
34.5 - 35.5	\$149,435.07	\$0.00	0.00000	90.95
35.5 - 36.5	\$147,810.04	\$0.00	0.00000	90.95

Louisville Gas and Electric - Common Plant**All Divisions****390.40 STRUCT. & IMPROVEMENTS - SHOPS****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1900 TO 2002**

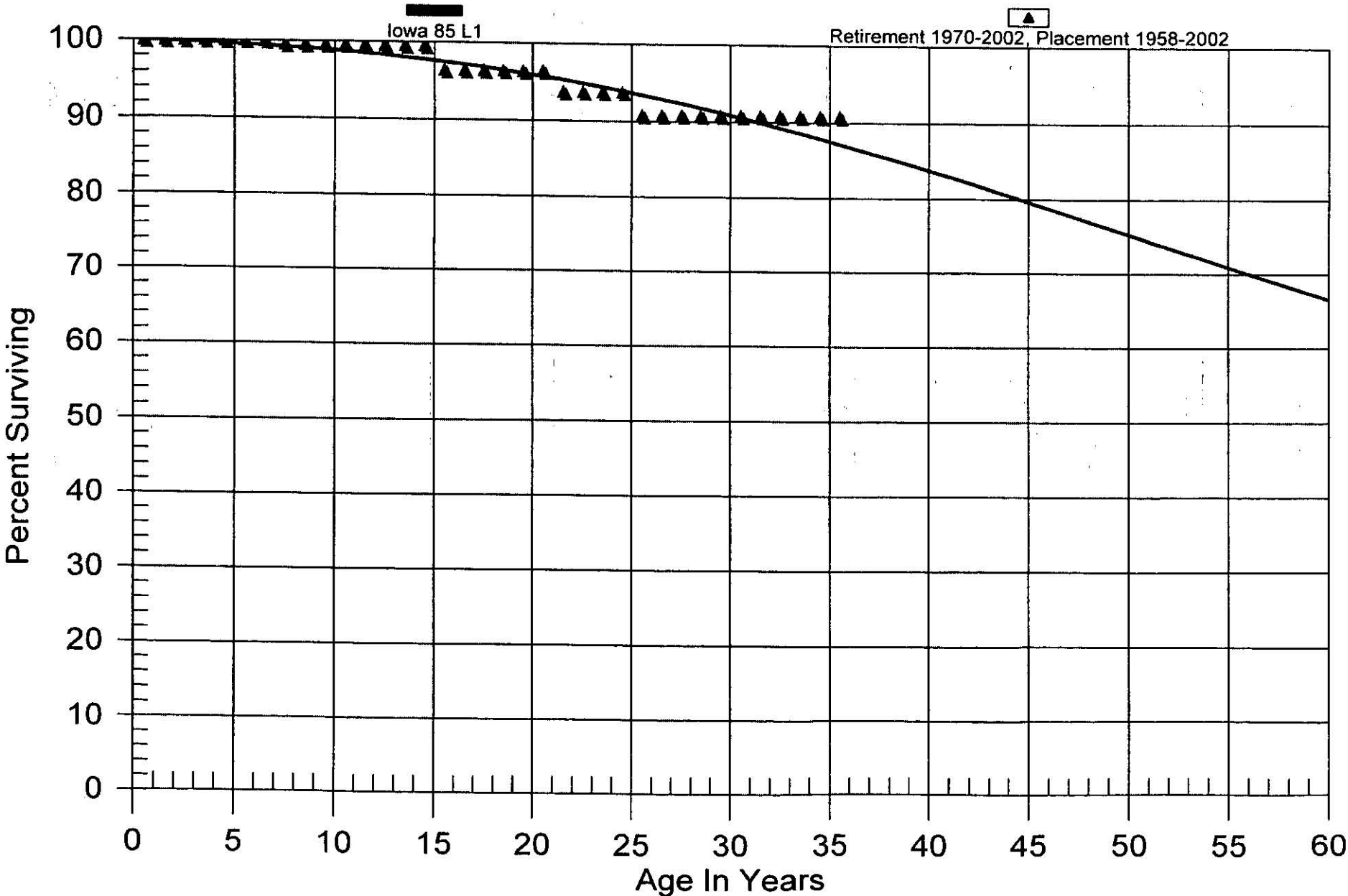
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$146,408.88	\$0.00	0.00000	90.95
37.5 - 38.5	\$146,408.88	\$0.00	0.00000	90.95
38.5 - 39.5	\$15,583.47	\$0.00	0.00000	90.95
39.5 - 40.5	\$15,583.47	\$0.00	0.00000	90.95
40.5 - 41.5	\$15,583.47	\$0.00	0.00000	90.95
41.5 - 42.5	\$15,583.47	\$0.00	0.00000	90.95
42.5 - 43.5	\$15,304.01	\$0.00	0.00000	90.95
43.5 - 44.5	\$14,936.32	\$0.00	0.00000	90.95
44.5 - 45.5	\$14,936.32	\$0.00	0.00000	90.95
45.5 - 46.5	\$14,936.32	\$0.00	0.00000	90.95
46.5 - 47.5	\$14,936.32	\$0.00	0.00000	90.95
47.5 - 48.5	\$14,936.32	\$0.00	0.00000	90.95
48.5 - 49.5	\$14,936.32	\$0.00	0.00000	90.95
49.5 - 50.5	\$14,936.32	\$0.00	0.00000	90.95
50.5 - 51.5	(\$12,897.68)	\$0.00	0.00000	90.95
51.5 - 52.5	(\$12,412.68)	\$0.00	0.00000	90.95
52.5 - 53.5	(\$12,412.68)	\$0.00	0.00000	90.95
53.5 - 54.5	(\$12,412.68)	\$0.00	0.00000	90.95
54.5 - 55.5	(\$12,412.68)	\$0.00	0.00000	90.95
55.5 - 56.5	(\$12,412.68)	\$0.00	0.00000	90.95
56.5 - 57.5	(\$12,412.68)	\$0.00	0.00000	90.95
57.5 - 58.5	(\$12,412.68)	\$0.00	0.00000	90.95
58.5 - 59.5	(\$12,412.68)	\$0.00	0.00000	90.95
59.5 - 60.5	(\$12,412.68)	\$0.00	0.00000	90.95
60.5 - 61.5	(\$12,412.68)	\$0.00	0.00000	90.95
61.5 - 62.5	(\$12,412.68)	\$0.00	0.00000	90.95
62.5 - 63.5	\$15,421.32	\$0.00	0.00000	90.95
63.5 - 64.5	\$15,152.35	\$126.00	0.00832	90.95
64.5 - 65.5	\$15,026.35	\$0.00	0.00000	90.20
65.5 - 66.5	\$15,026.35	\$0.00	0.00000	90.20
66.5 - 67.5	\$15,026.35	\$0.00	0.00000	90.20
67.5 - 68.5	\$15,026.35	\$0.00	0.00000	90.20
68.5 - 69.5	\$359.00	\$0.00	0.00000	90.20
69.5 - 70.5	\$359.00	\$0.00	0.00000	90.20
70.5 - 71.5	\$359.00	\$0.00	0.00000	90.20
71.5 - 72.5	\$359.00	\$0.00	0.00000	90.20
72.5 - 73.5	\$359.00	\$0.00	0.00000	90.20

Louisville Gas and Electric - Common Plant

All Divisions

390.60 STRUCT. & IMPROVEMENTS - MICRO

Original And Smooth Survivor Curves



5-13

Louisville Gas and Electric - Common Plant
All Divisions

390.60 STRUCT. & IMPROVEMENTS - MICROWAVE

Observed Life Table

Retirement Expr. 1970 TO 2002

Placement Years 1958 TO 2002

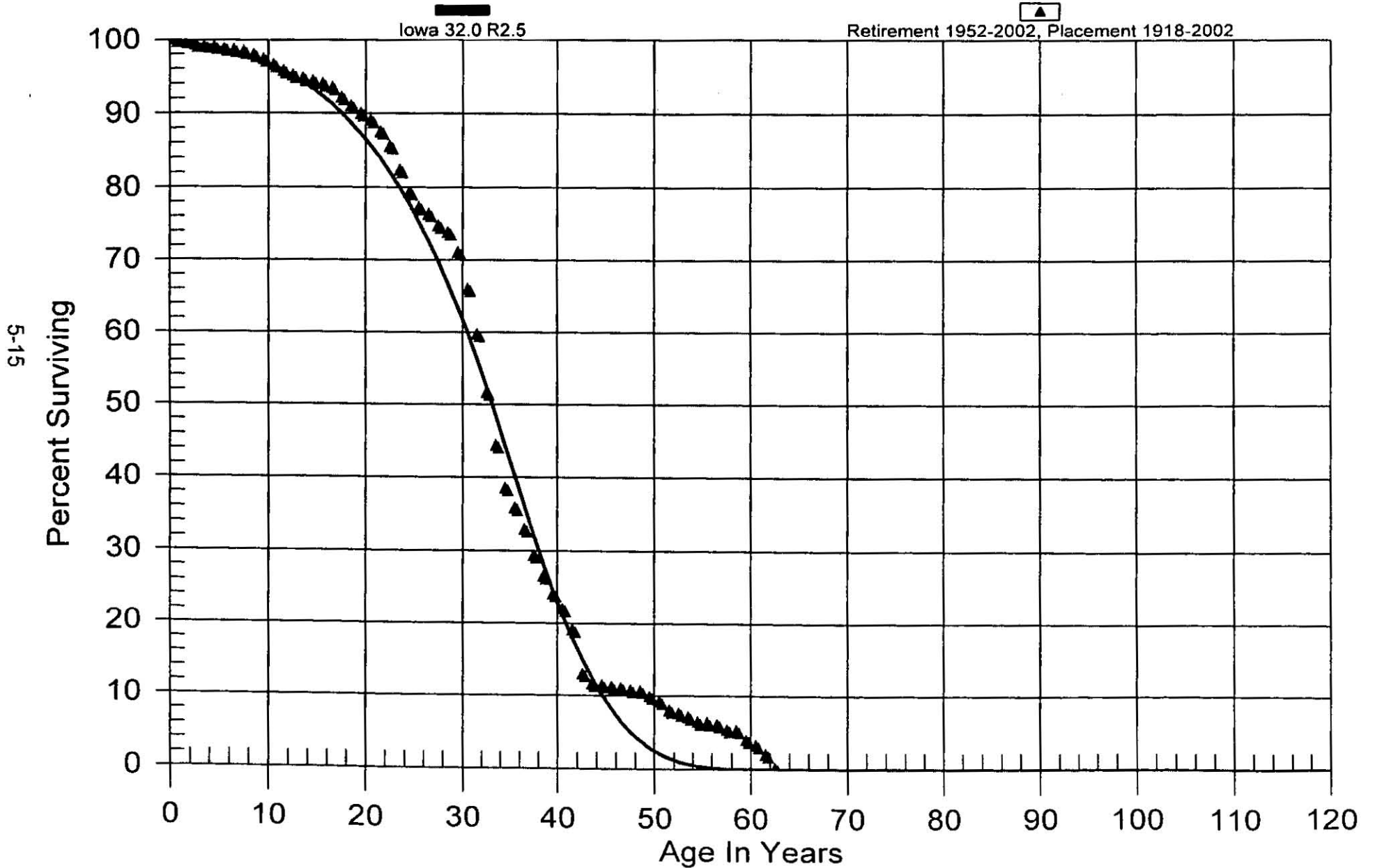
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$696,277.39	\$0.00	0.00000	100.00
0.5 - 1.5	\$628,173.29	\$0.00	0.00000	100.00
1.5 - 2.5	\$626,838.29	\$0.00	0.00000	100.00
2.5 - 3.5	\$93,225.16	\$0.00	0.00000	100.00
3.5 - 4.5	\$96,109.16	\$0.00	0.00000	100.00
4.5 - 5.5	\$97,247.16	\$0.00	0.00000	100.00
5.5 - 6.5	\$93,306.41	\$0.00	0.00000	100.00
6.5 - 7.5	\$93,676.41	\$433.00	0.00462	100.00
7.5 - 8.5	\$90,080.41	\$0.00	0.00000	99.54
8.5 - 9.5	\$30,079.48	\$0.00	0.00000	99.54
9.5 - 10.5	\$40,790.48	\$0.00	0.00000	99.54
10.5 - 11.5	\$36,433.48	\$0.00	0.00000	99.54
11.5 - 12.5	\$41,551.48	\$0.00	0.00000	99.54
12.5 - 13.5	\$41,045.38	\$0.00	0.00000	99.54
13.5 - 14.5	\$41,045.38	\$0.00	0.00000	99.54
14.5 - 15.5	\$41,045.38	\$1,281.00	0.03121	99.54
15.5 - 16.5	\$38,088.66	\$0.00	0.00000	96.43
16.5 - 17.5	\$37,745.66	\$0.00	0.00000	96.43
17.5 - 18.5	\$37,076.00	\$0.00	0.00000	96.43
18.5 - 19.5	\$37,076.00	\$0.00	0.00000	96.43
19.5 - 20.5	\$37,076.00	\$0.00	0.00000	96.43
20.5 - 21.5	\$37,076.00	\$1,009.00	0.02721	96.43
21.5 - 22.5	\$36,067.00	\$0.00	0.00000	93.81
22.5 - 23.5	\$36,067.00	\$0.00	0.00000	93.81
23.5 - 24.5	\$36,067.00	\$0.00	0.00000	93.81
24.5 - 25.5	\$36,067.00	\$1,138.00	0.03155	93.81
25.5 - 26.5	\$34,929.00	\$0.00	0.00000	90.85
26.5 - 27.5	\$34,929.00	\$0.00	0.00000	90.85
27.5 - 28.5	\$34,929.00	\$0.00	0.00000	90.85
28.5 - 29.5	\$34,929.00	\$0.00	0.00000	90.85
29.5 - 30.5	\$34,585.94	\$0.00	0.00000	90.85
30.5 - 31.5	\$34,585.94	\$0.00	0.00000	90.85
31.5 - 32.5	\$10,436.95	\$0.00	0.00000	90.85
32.5 - 33.5	\$761.00	\$0.00	0.00000	90.85
33.5 - 34.5	\$761.00	\$0.00	0.00000	90.85
34.5 - 35.5	\$761.00	\$0.00	0.00000	90.85

Louisville Gas and Electric - Common Plant

All Divisions

391.00, 391.10, 391.20, 391.40

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant**All Divisions**

391.00, 391.10, 391.20, 391.40

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1918 TO 2002

<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
0.0 - 0.5	\$15,925,216.97	\$2,151.00	0.00014	100.00
0.5 - 1.5	\$17,168,504.43	\$20,130.00	0.00117	99.99
1.5 - 2.5	\$17,689,146.77	\$89,285.00	0.00505	99.87
2.5 - 3.5	\$19,493,851.25	\$13,859.00	0.00071	99.37
3.5 - 4.5	\$18,871,944.79	\$25,287.00	0.00134	99.29
4.5 - 5.5	\$16,812,339.31	\$48,585.00	0.00289	99.16
5.5 - 6.5	\$14,914,760.88	\$35,828.00	0.00240	98.87
6.5 - 7.5	\$14,570,727.50	\$36,089.00	0.00248	98.64
7.5 - 8.5	\$12,788,457.16	\$55,242.00	0.00432	98.39
8.5 - 9.5	\$12,427,486.97	\$77,789.00	0.00626	97.97
9.5 - 10.5	\$11,669,736.02	\$91,659.00	0.00785	97.35
10.5 - 11.5	\$8,799,153.05	\$75,246.00	0.00855	96.59
11.5 - 12.5	\$8,062,634.15	\$50,459.00	0.00626	95.76
12.5 - 13.5	\$7,841,676.68	\$33,665.00	0.00429	95.16
13.5 - 14.5	\$7,364,737.61	\$30,689.00	0.00417	94.76
14.5 - 15.5	\$6,391,748.60	\$25,997.00	0.00407	94.36
15.5 - 16.5	\$5,244,832.85	\$27,384.00	0.00522	93.98
16.5 - 17.5	\$1,876,354.34	\$26,034.00	0.01387	93.49
17.5 - 18.5	\$1,717,877.89	\$20,934.00	0.01219	92.19
18.5 - 19.5	\$1,584,157.26	\$17,385.00	0.01097	91.07
19.5 - 20.5	\$1,440,744.79	\$14,747.00	0.01024	90.07
20.5 - 21.5	\$1,290,429.05	\$21,987.00	0.01704	89.15
21.5 - 22.5	\$1,176,100.50	\$26,710.00	0.02271	87.63
22.5 - 23.5	\$988,393.74	\$37,162.00	0.03760	85.64
23.5 - 24.5	\$866,923.98	\$32,451.00	0.03743	82.42
24.5 - 25.5	\$788,984.38	\$20,312.00	0.02574	79.33
25.5 - 26.5	\$717,429.01	\$8,539.00	0.01190	77.29
26.5 - 27.5	\$671,281.69	\$13,493.00	0.02010	76.37
27.5 - 28.5	\$617,360.54	\$8,041.00	0.01302	74.83
28.5 - 29.5	\$557,628.61	\$20,801.00	0.03730	73.86
29.5 - 30.5	\$494,720.98	\$35,028.00	0.07080	71.10
30.5 - 31.5	\$409,660.30	\$38,965.00	0.09512	66.07
31.5 - 32.5	\$322,841.80	\$43,738.00	0.13548	59.79
32.5 - 33.5	\$230,735.63	\$32,259.00	0.13981	51.69
33.5 - 34.5	\$182,767.18	\$24,303.00	0.13297	44.46
34.5 - 35.5	\$138,582.60	\$9,548.00	0.06890	38.55
35.5 - 36.5	\$117,686.38	\$9,553.00	0.08117	35.89

Louisville Gas and Electric - Common Plant**All Divisions****391.00, 391.10, 391.20, 391.40****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1918 TO 2002**

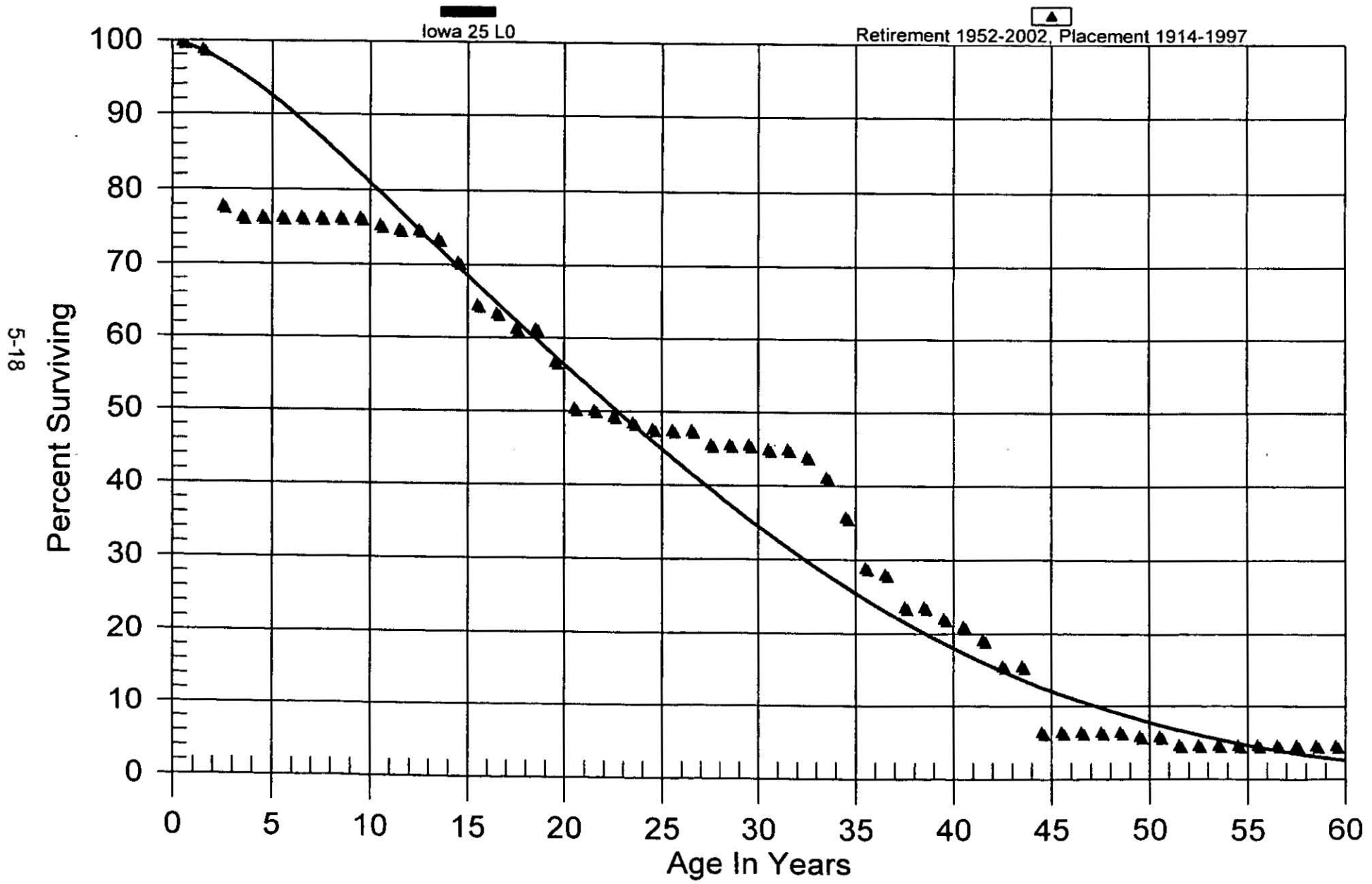
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$95,892.00	\$10,361.00	0.10805	32.98
37.5 - 38.5	\$85,531.00	\$8,310.00	0.09716	29.42
38.5 - 39.5	\$77,221.00	\$7,100.00	0.09194	26.56
39.5 - 40.5	\$70,121.00	\$6,217.00	0.08866	24.12
40.5 - 41.5	\$63,904.00	\$8,317.00	0.13015	21.98
41.5 - 42.5	\$55,587.00	\$17,556.00	0.31583	19.12
42.5 - 43.5	\$38,031.00	\$4,023.00	0.10578	13.08
43.5 - 44.5	\$34,008.00	\$511.00	0.01503	11.70
44.5 - 45.5	\$33,497.00	\$690.00	0.02060	11.52
45.5 - 46.5	\$32,807.00	\$431.00	0.01314	11.28
46.5 - 47.5	\$32,376.00	\$777.00	0.02400	11.13
47.5 - 48.5	\$31,599.00	\$372.00	0.01177	10.87
48.5 - 49.5	\$31,227.00	\$2,294.00	0.07346	10.74
49.5 - 50.5	\$28,933.00	\$1,986.00	0.06864	9.95
50.5 - 51.5	\$26,947.00	\$3,430.00	0.12729	9.27
51.5 - 52.5	\$23,517.00	\$1,200.00	0.05103	8.09
52.5 - 53.5	\$22,317.00	\$1,510.00	0.06766	7.68
53.5 - 54.5	\$20,807.00	\$1,893.00	0.09098	7.16
54.5 - 55.5	\$18,914.00	\$328.00	0.01734	6.50
55.5 - 56.5	\$18,586.00	\$659.00	0.03546	6.39
56.5 - 57.5	\$17,927.00	\$2,014.00	0.11234	6.17
57.5 - 58.5	\$15,913.00	\$403.00	0.02533	5.47
58.5 - 59.5	\$15,510.00	\$3,702.00	0.23868	5.33
59.5 - 60.5	\$11,808.00	\$2,226.00	0.18852	4.06
60.5 - 61.5	\$9,582.00	\$3,503.00	0.36558	3.30
61.5 - 62.5	\$6,079.00	\$5,415.00	0.89077	2.09

Louisville Gas and Electric - Common Plant

All Divisions

392.20 TRANSPORTATION EQUIP. - TRAILERS

Original And Smooth Survivor Curves



5-18

Louisville Gas and Electric - Common Plant
All Divisions

392.20 TRANSPORTATION EQUIP. - TRAILERS

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1914 TO 1997

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	\$498,412.33	\$0.00	0.00000	100.00
0.5 - 1.5	\$487,264.33	\$5,606.00	0.01151	100.00
1.5 - 2.5	\$472,881.63	\$100,519.00	0.21257	98.85
2.5 - 3.5	\$366,439.63	\$6,626.00	0.01808	77.84
3.5 - 4.5	\$363,472.63	\$0.00	0.00000	76.43
4.5 - 5.5	\$294,874.63	\$100.00	0.00034	76.43
5.5 - 6.5	\$267,346.16	\$0.00	0.00000	76.40
6.5 - 7.5	\$259,846.16	\$0.00	0.00000	76.40
7.5 - 8.5	\$259,846.16	\$0.00	0.00000	76.40
8.5 - 9.5	\$265,846.16	\$0.00	0.00000	76.40
9.5 - 10.5	\$233,194.56	\$2,974.00	0.01275	76.40
10.5 - 11.5	\$222,474.70	\$1,648.00	0.00741	75.43
11.5 - 12.5	\$210,489.70	\$163.00	0.00077	74.87
12.5 - 13.5	\$203,057.70	\$3,460.00	0.01704	74.81
13.5 - 14.5	\$183,533.70	\$7,758.00	0.04227	73.54
14.5 - 15.5	\$133,897.55	\$11,175.00	0.08346	70.43
15.5 - 16.5	\$136,424.55	\$2,277.00	0.01669	64.55
16.5 - 17.5	\$125,768.55	\$4,190.00	0.03332	63.47
17.5 - 18.5	\$121,160.55	\$0.00	0.00000	61.36
18.5 - 19.5	\$106,437.55	\$7,894.00	0.07417	61.36
19.5 - 20.5	\$87,884.55	\$9,801.00	0.11152	56.81
20.5 - 21.5	\$78,083.55	\$429.00	0.00549	50.47
21.5 - 22.5	\$77,654.55	\$1,237.00	0.01593	50.20
22.5 - 23.5	\$75,295.55	\$1,364.00	0.01812	49.40
23.5 - 24.5	\$73,931.55	\$1,229.00	0.01662	48.50
24.5 - 25.5	\$70,303.55	\$246.00	0.00350	47.70
25.5 - 26.5	\$65,082.55	\$0.00	0.00000	47.53
26.5 - 27.5	\$57,802.55	\$2,312.00	0.04000	47.53
27.5 - 28.5	\$53,626.35	\$0.00	0.00000	45.63
28.5 - 29.5	\$54,939.35	\$0.00	0.00000	45.63
29.5 - 30.5	\$52,610.35	\$739.00	0.01405	45.63
30.5 - 31.5	\$48,795.35	\$0.00	0.00000	44.99
31.5 - 32.5	\$42,876.35	\$923.00	0.02153	44.99
32.5 - 33.5	\$45,542.35	\$2,913.00	0.06396	44.02
33.5 - 34.5	\$31,802.35	\$4,155.00	0.13065	41.20
34.5 - 35.5	\$27,546.35	\$5,269.00	0.19128	35.82
35.5 - 36.5	\$21,268.35	\$660.00	0.03103	28.97

**Louisville Gas and Electric - Common Plant
All Divisions**

392.20 TRANSPORTATION EQUIP. - TRAILERS

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1914 TO 1997

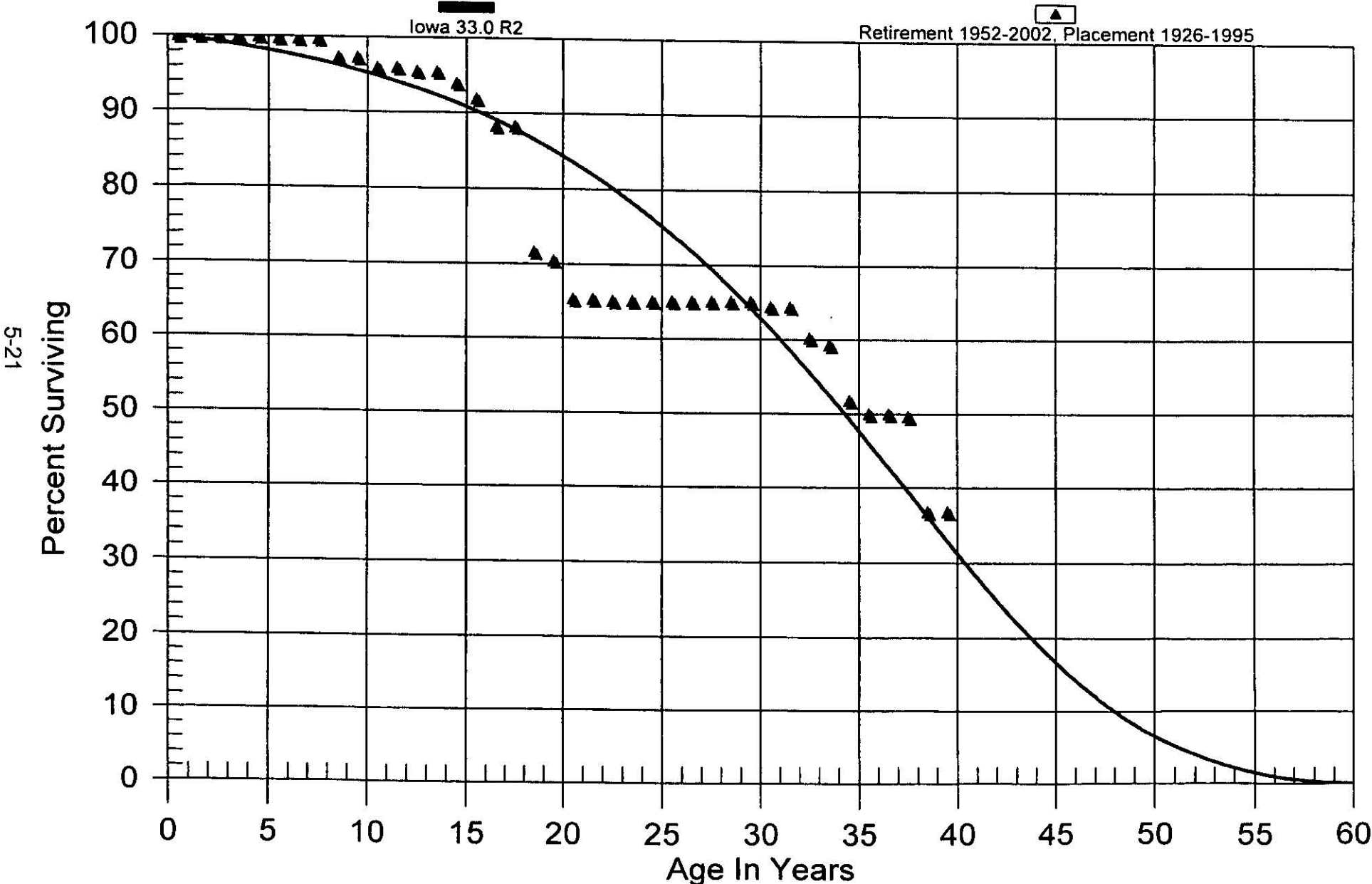
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$20,608.35	\$3,230.00	0.15673	28.07
37.5 - 38.5	\$17,820.35	\$0.00	0.00000	23.67
38.5 - 39.5	\$15,222.35	\$1,036.00	0.06806	23.67
39.5 - 40.5	\$14,061.35	\$671.00	0.04772	22.06
40.5 - 41.5	\$13,390.35	\$1,148.00	0.08573	21.01
41.5 - 42.5	\$12,127.35	\$2,259.00	0.18627	19.21
42.5 - 43.5	\$9,868.35	\$0.00	0.00000	15.63
43.5 - 44.5	\$9,868.35	\$5,765.00	0.58419	15.63
44.5 - 45.5	\$4,103.35	\$0.00	0.00000	6.50
45.5 - 46.5	\$3,158.30	\$0.00	0.00000	6.50
46.5 - 47.5	\$3,158.30	\$0.00	0.00000	6.50
47.5 - 48.5	\$3,158.30	\$0.00	0.00000	6.50
48.5 - 49.5	\$3,158.30	\$275.00	0.08707	6.50
49.5 - 50.5	\$2,883.30	\$0.00	0.00000	5.93
50.5 - 51.5	\$2,883.30	\$601.00	0.20844	5.93
51.5 - 52.5	\$2,282.30	\$0.00	0.00000	4.70
52.5 - 53.5	\$115.00	\$0.00	0.00000	4.70
53.5 - 54.5	\$115.00	\$0.00	0.00000	4.70
54.5 - 55.5	\$115.00	\$0.00	0.00000	4.70
55.5 - 56.5	\$115.00	\$0.00	0.00000	4.70
56.5 - 57.5	\$115.00	\$0.00	0.00000	4.70
57.5 - 58.5	\$115.00	\$0.00	0.00000	4.70
58.5 - 59.5	\$115.00	\$0.00	0.00000	4.70
59.5 - 60.5	\$115.00	\$0.00	0.00000	4.70
60.5 - 61.5	\$115.00	\$0.00	0.00000	4.70
61.5 - 62.5	\$115.00	\$0.00	0.00000	4.70
62.5 - 63.5	\$115.00	\$0.00	0.00000	4.70
63.5 - 64.5	\$115.00	\$0.00	0.00000	4.70
64.5 - 65.5	\$115.00	\$0.00	0.00000	4.70
65.5 - 66.5	\$115.00	\$0.00	0.00000	4.70
66.5 - 67.5	\$115.00	\$0.00	0.00000	4.70

Louisville Gas and Electric - Common Plant

All Divisions

393.00 STORES EQUIPMENT

Original And Smooth Survivor Curves



5-21

Louisville Gas and Electric - Common Plant**All Divisions****393.00 STORES EQUIPMENT****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1926 TO 1995**

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	\$1,331,632.73	\$0.00	0.00000	100.00
0.5 - 1.5	\$1,339,085.73	\$0.00	0.00000	100.00
1.5 - 2.5	\$1,334,243.73	\$0.00	0.00000	100.00
2.5 - 3.5	\$1,340,479.73	\$0.00	0.00000	100.00
3.5 - 4.5	\$1,385,225.73	\$0.00	0.00000	100.00
4.5 - 5.5	\$1,385,295.73	\$3,013.00	0.00217	100.00
5.5 - 6.5	\$1,363,654.73	\$777.00	0.00057	99.78
6.5 - 7.5	\$1,363,515.73	\$156.00	0.00011	99.73
7.5 - 8.5	\$282,959.11	\$6,754.00	0.02387	99.71
8.5 - 9.5	\$276,205.11	\$0.00	0.00000	97.33
9.5 - 10.5	\$276,205.11	\$3,686.00	0.01335	97.33
10.5 - 11.5	\$272,823.11	\$0.00	0.00000	96.04
11.5 - 12.5	\$266,397.74	\$1,319.00	0.00495	96.04
12.5 - 13.5	\$256,826.96	\$0.00	0.00000	95.56
13.5 - 14.5	\$245,437.17	\$4,038.00	0.01645	95.56
14.5 - 15.5	\$236,808.10	\$5,132.00	0.02167	93.99
15.5 - 16.5	\$207,195.33	\$8,187.00	0.03951	91.95
16.5 - 17.5	\$127,846.63	\$0.00	0.00000	88.32
17.5 - 18.5	\$130,368.62	\$24,598.00	0.18868	88.32
18.5 - 19.5	\$75,326.60	\$1,241.00	0.01647	71.65
19.5 - 20.5	\$74,085.60	\$5,446.00	0.07351	70.47
20.5 - 21.5	\$66,405.20	\$0.00	0.00000	65.29
21.5 - 22.5	\$64,375.32	\$223.00	0.00346	65.29
22.5 - 23.5	\$67,467.32	\$0.00	0.00000	65.07
23.5 - 24.5	\$65,836.82	\$0.00	0.00000	65.07
24.5 - 25.5	\$62,613.46	\$0.00	0.00000	65.07
25.5 - 26.5	\$84,139.08	\$0.00	0.00000	65.07
26.5 - 27.5	\$83,293.88	\$0.00	0.00000	65.07
27.5 - 28.5	\$80,628.82	\$0.00	0.00000	65.07
28.5 - 29.5	\$76,903.38	\$0.00	0.00000	65.07
29.5 - 30.5	\$75,833.40	\$749.00	0.00988	65.07
30.5 - 31.5	\$71,606.51	\$0.00	0.00000	64.42
31.5 - 32.5	\$69,527.64	\$4,526.00	0.06510	64.42
32.5 - 33.5	\$62,801.33	\$969.00	0.01543	60.23
33.5 - 34.5	\$61,242.68	\$7,753.00	0.12659	59.30
34.5 - 35.5	\$49,253.33	\$1,689.00	0.03429	51.79
35.5 - 36.5	\$44,112.59	\$0.00	0.00000	50.02

Louisville Gas and Electric - Common Plant***All Divisions******393.00 STORES EQUIPMENT******Observed Life Table******Retirement Expr. 1952 TO 2002******Placement Years 1926 TO 1995***

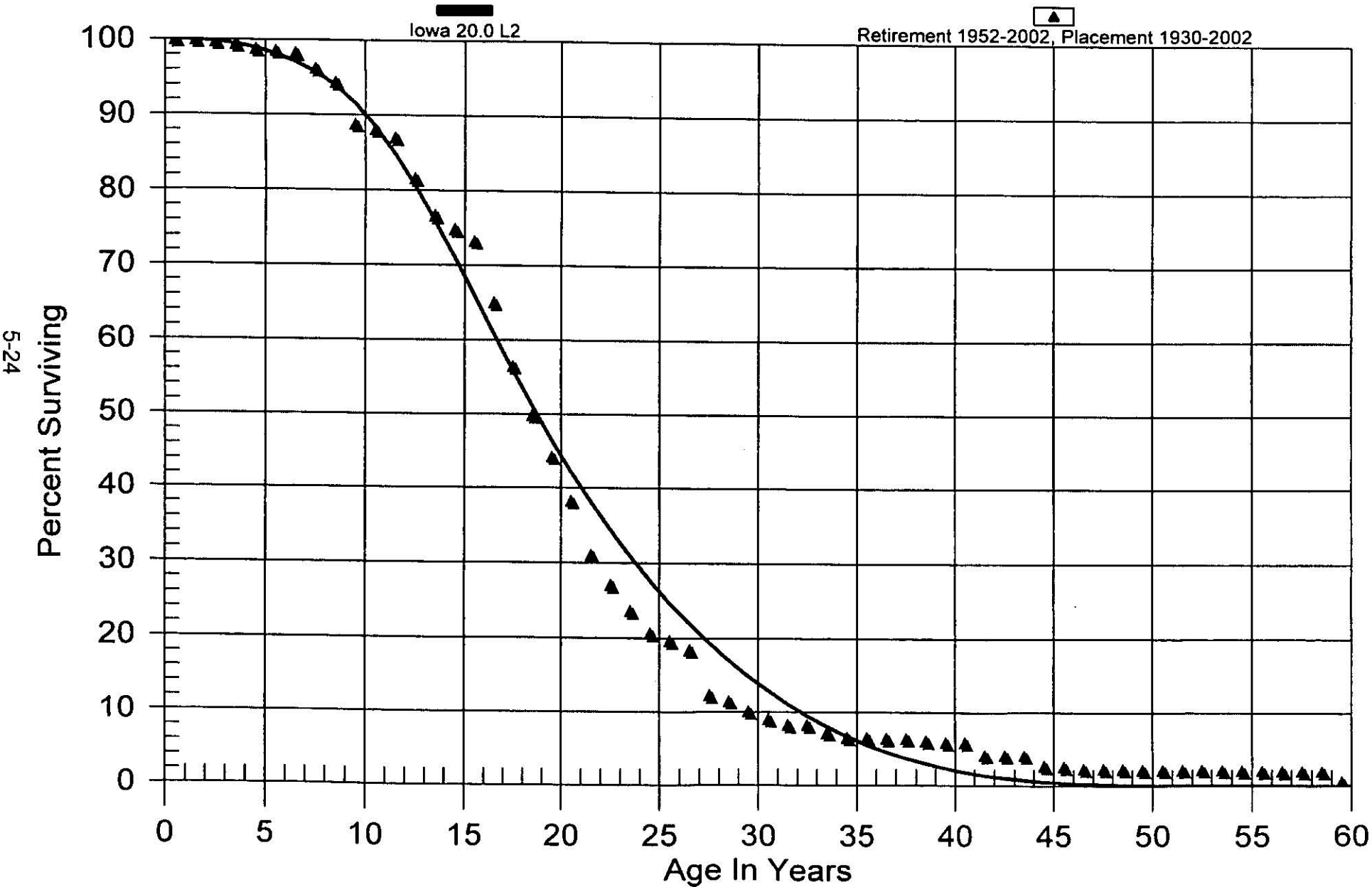
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$38,742.04	\$273.00	0.00705	50.02
37.5 - 38.5	\$33,869.00	\$8,778.00	0.25918	49.67
38.5 - 39.5	\$25,091.00	\$0.00	0.00000	36.79
39.5 - 40.5	\$24,291.00	\$0.00	0.00000	36.79
40.5 - 41.5	\$24,291.00	\$0.00	0.00000	36.79
41.5 - 42.5	\$24,291.00	\$0.00	0.00000	36.79
42.5 - 43.5	\$24,291.00	\$0.00	0.00000	36.79
43.5 - 44.5	\$24,291.00	\$0.00	0.00000	36.79
44.5 - 45.5	\$24,291.00	\$0.00	0.00000	36.79
45.5 - 46.5	\$24,291.00	\$0.00	0.00000	36.79
46.5 - 47.5	\$24,291.00	\$0.00	0.00000	36.79
47.5 - 48.5	\$24,291.00	\$70.00	0.00288	36.79
48.5 - 49.5	\$24,221.00	\$1,303.00	0.05380	36.69
49.5 - 50.5	\$22,918.00	\$638.00	0.02784	34.71
50.5 - 51.5	\$22,280.00	\$0.00	0.00000	33.75
51.5 - 52.5	\$22,280.00	\$0.00	0.00000	33.75
52.5 - 53.5	\$22,280.00	\$0.00	0.00000	33.75
53.5 - 54.5	\$22,280.00	\$304.00	0.01364	33.75
54.5 - 55.5	\$21,976.00	\$0.00	0.00000	33.29
55.5 - 56.5	\$21,976.00	\$0.00	0.00000	33.29
56.5 - 57.5	\$21,976.00	\$0.00	0.00000	33.29
57.5 - 58.5	\$21,976.00	\$0.00	0.00000	33.29
58.5 - 59.5	\$21,976.00	\$0.00	0.00000	33.29
59.5 - 60.5	\$21,976.00	\$0.00	0.00000	33.29
60.5 - 61.5	\$21,976.00	\$0.00	0.00000	33.29
61.5 - 62.5	\$21,976.00	\$0.00	0.00000	33.29
62.5 - 63.5	\$21,976.00	\$0.00	0.00000	33.29
63.5 - 64.5	\$21,976.00	\$0.00	0.00000	33.29
64.5 - 65.5	\$21,976.00	\$0.00	0.00000	33.29
65.5 - 66.5	\$21,976.00	\$0.00	0.00000	33.29
66.5 - 67.5	\$21,976.00	\$7,753.00	0.35279	33.29
67.5 - 68.5	\$14,223.00	\$0.00	0.00000	21.54

Louisville Gas and Electric - Common Plant

All Divisions

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Original And Smooth Survivor Curves



5-24

Louisville Gas and Electric - Common Plant
All Divisions

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

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	\$2,789,828.72	\$424.00	0.00015	100.00
0.5 - 1.5	\$2,694,744.17	\$726.00	0.00027	99.98
1.5 - 2.5	\$2,584,529.99	\$5,824.00	0.00225	99.96
2.5 - 3.5	\$2,205,228.60	\$6,890.00	0.00312	99.73
3.5 - 4.5	\$2,034,372.60	\$12,787.00	0.00629	99.42
4.5 - 5.5	\$1,930,382.87	\$5,653.00	0.00293	98.80
5.5 - 6.5	\$1,845,094.57	\$4,600.00	0.00249	98.51
6.5 - 7.5	\$1,809,254.19	\$38,518.00	0.02129	98.26
7.5 - 8.5	\$1,291,060.47	\$24,156.00	0.01871	96.17
8.5 - 9.5	\$1,217,166.06	\$71,417.00	0.05867	94.37
9.5 - 10.5	\$1,030,816.20	\$8,009.00	0.00777	88.83
10.5 - 11.5	\$981,662.66	\$12,131.00	0.01236	88.14
11.5 - 12.5	\$943,118.52	\$58,832.00	0.06238	87.05
12.5 - 13.5	\$818,001.96	\$49,473.00	0.06048	81.62
13.5 - 14.5	\$702,963.97	\$16,388.00	0.02331	76.69
14.5 - 15.5	\$605,925.81	\$12,795.00	0.02112	74.90
15.5 - 16.5	\$551,235.89	\$62,027.00	0.11252	73.32
16.5 - 17.5	\$452,919.34	\$59,620.00	0.13163	65.07
17.5 - 18.5	\$370,616.35	\$43,401.00	0.11710	56.50
18.5 - 19.5	\$310,388.96	\$34,826.00	0.11220	49.89
19.5 - 20.5	\$272,430.93	\$37,227.00	0.13665	44.29
20.5 - 21.5	\$218,013.73	\$40,989.00	0.18801	38.24
21.5 - 22.5	\$168,038.62	\$21,415.00	0.12744	31.05
22.5 - 23.5	\$153,604.95	\$19,566.00	0.12738	27.09
23.5 - 24.5	\$131,005.20	\$16,606.00	0.12676	23.64
24.5 - 25.5	\$107,948.39	\$5,213.00	0.04829	20.64
25.5 - 26.5	\$101,662.59	\$6,288.00	0.06185	19.65
26.5 - 27.5	\$86,555.09	\$28,553.00	0.32988	18.43
27.5 - 28.5	\$57,447.20	\$3,832.00	0.06670	12.35
28.5 - 29.5	\$53,039.38	\$6,378.00	0.12025	11.53
29.5 - 30.5	\$45,151.33	\$4,817.00	0.10669	10.14
30.5 - 31.5	\$37,325.40	\$3,156.00	0.08455	9.06
31.5 - 32.5	\$28,338.59	\$0.00	0.00000	8.29
32.5 - 33.5	\$27,744.71	\$3,598.00	0.12968	8.29
33.5 - 34.5	\$17,603.97	\$1,516.00	0.08612	7.22
34.5 - 35.5	\$15,615.35	\$0.00	0.00000	6.60
35.5 - 36.5	\$15,615.35	\$217.00	0.01390	6.60

***Louisville Gas and Electric - Common Plant
All Divisions***

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1930 TO 2002

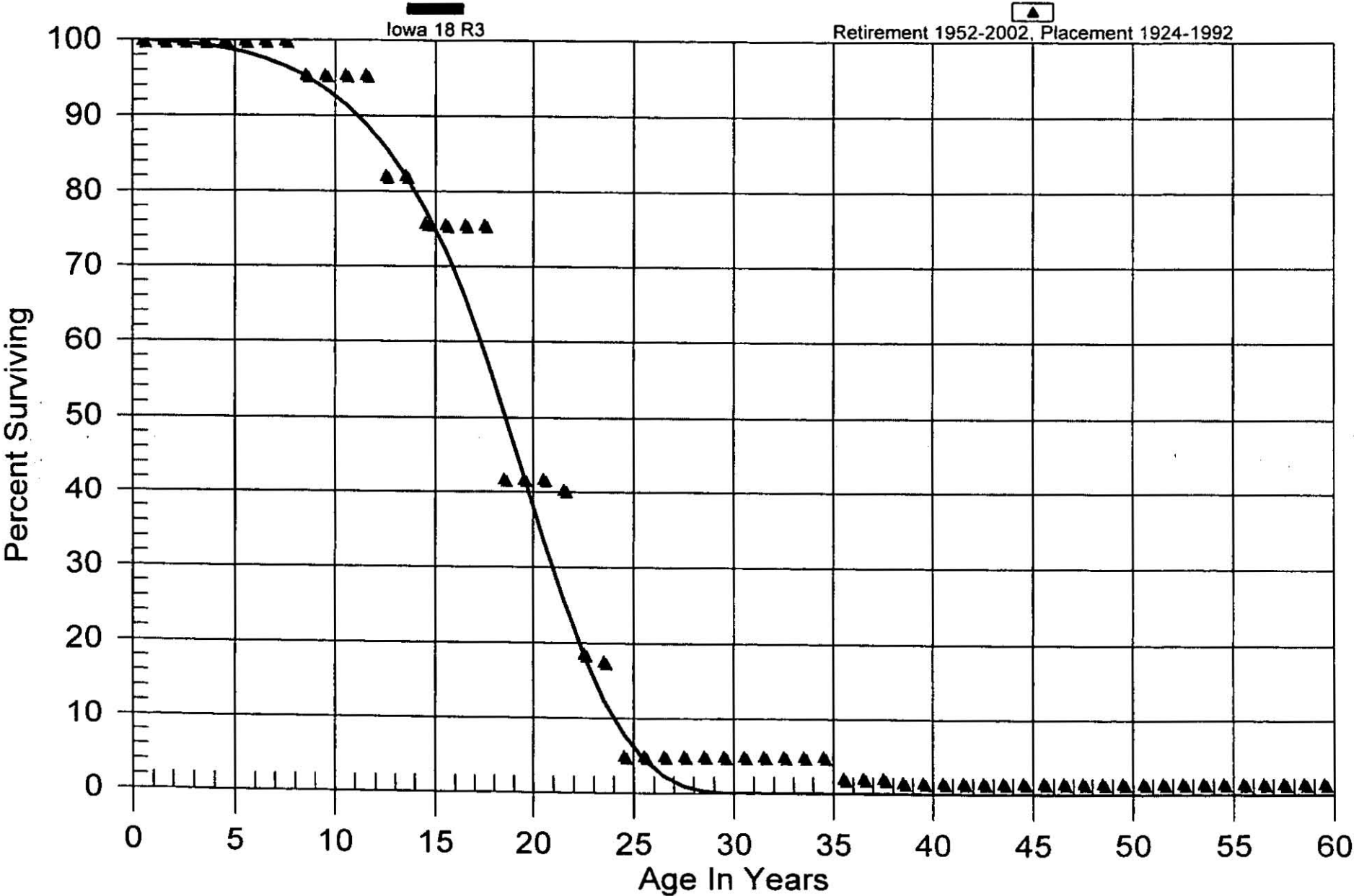
<i>Age Interval</i>	<i>\$ Surviving At Beginning of Age Interval</i>	<i>\$ Retired During The Age Interval</i>	<i>Retirement Ratio</i>	<i>% Surviving At Beginning of Age Interval</i>
36.5 - 37.5	\$15,146.00	\$47.00	0.00310	6.50
37.5 - 38.5	\$15,099.00	\$775.00	0.05133	6.48
38.5 - 39.5	\$14,324.00	\$488.00	0.03407	6.15
39.5 - 40.5	\$13,836.00	\$0.00	0.00000	5.94
40.5 - 41.5	\$13,836.00	\$4,098.00	0.29618	5.94
41.5 - 42.5	\$9,738.00	\$72.00	0.00739	4.18
42.5 - 43.5	\$9,666.00	\$60.00	0.00621	4.15
43.5 - 44.5	\$9,606.00	\$3,294.00	0.34291	4.13
44.5 - 45.5	\$6,312.00	\$235.00	0.03723	2.71
45.5 - 46.5	\$6,077.00	\$705.00	0.11601	2.61
46.5 - 47.5	\$5,372.00	\$0.00	0.00000	2.31
47.5 - 48.5	\$5,372.00	\$0.00	0.00000	2.31
48.5 - 49.5	\$5,372.00	\$204.00	0.03797	2.31
49.5 - 50.5	\$5,168.00	\$0.00	0.00000	2.22
50.5 - 51.5	\$5,168.00	\$0.00	0.00000	2.22
51.5 - 52.5	\$5,168.00	\$0.00	0.00000	2.22
52.5 - 53.5	\$5,168.00	\$210.00	0.04063	2.22
53.5 - 54.5	\$4,958.00	\$122.00	0.02461	2.13
54.5 - 55.5	\$4,836.00	\$68.00	0.01406	2.08
55.5 - 56.5	\$4,768.00	\$111.00	0.02328	2.05
56.5 - 57.5	\$4,657.00	\$0.00	0.00000	2.00
57.5 - 58.5	\$4,657.00	\$0.00	0.00000	2.00
58.5 - 59.5	\$4,657.00	\$3,300.00	0.70861	2.00
59.5 - 60.5	\$1,357.00	\$0.00	0.00000	0.58
60.5 - 61.5	\$1,357.00	\$0.00	0.00000	0.58

Louisville Gas and Electric - Common Plant

All Divisions

395.00 LABORATORY EQUIPMENT

Original And Smooth Survivor Curves



5-27

Louisville Gas and Electric - Common Plant**All Divisions****395.00 LABORATORY EQUIPMENT****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1924 TO 1992**

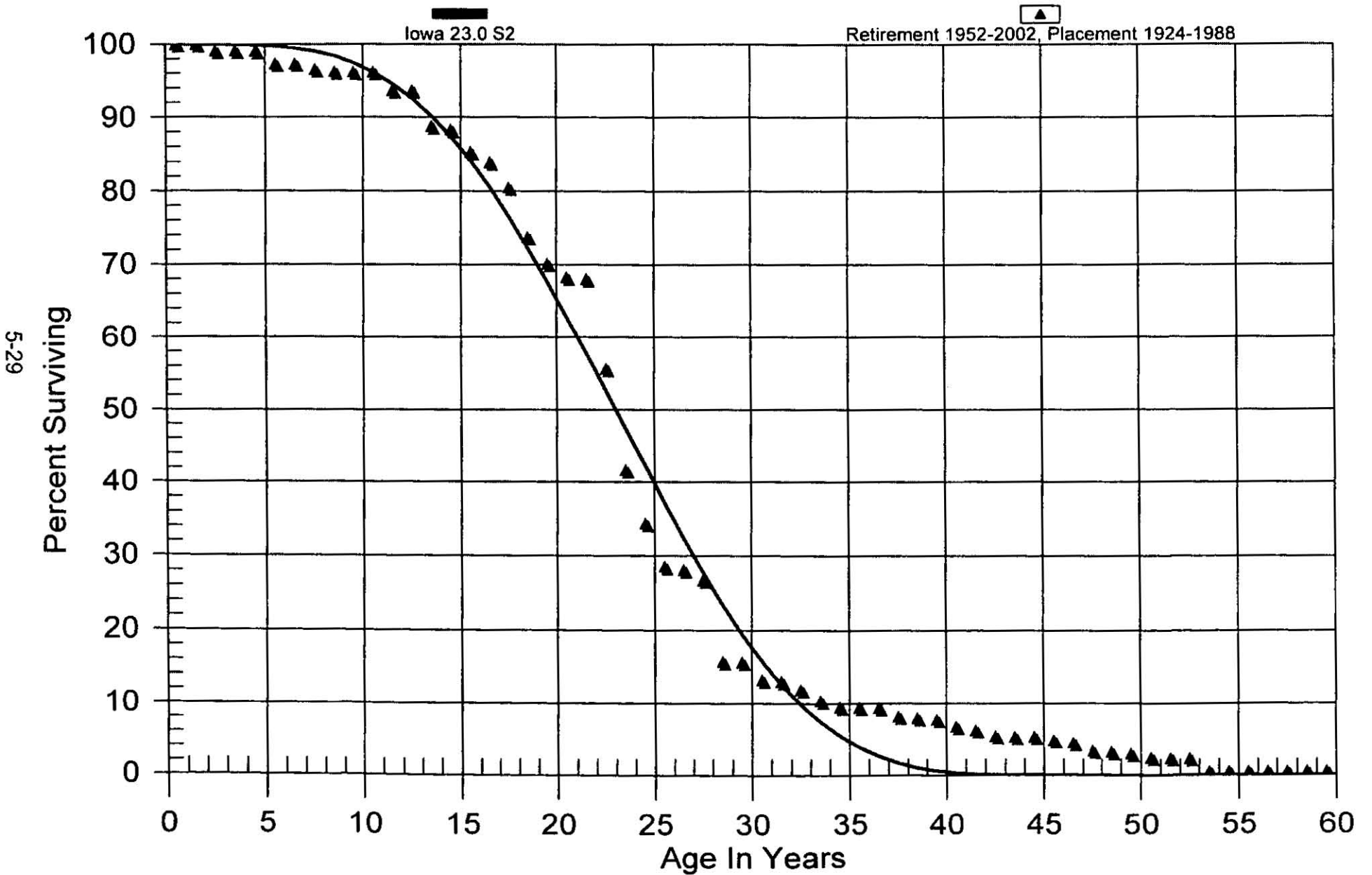
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
0.0 - 0.5	\$46,739.50	\$0.00	0.00000	100.00
0.5 - 1.5	\$46,739.50	\$0.00	0.00000	100.00
1.5 - 2.5	\$46,739.50	\$0.00	0.00000	100.00
2.5 - 3.5	\$46,739.50	\$0.00	0.00000	100.00
3.5 - 4.5	\$46,739.50	\$0.00	0.00000	100.00
4.5 - 5.5	\$46,739.50	\$0.00	0.00000	100.00
5.5 - 6.5	\$46,739.50	\$0.00	0.00000	100.00
6.5 - 7.5	\$46,739.50	\$0.00	0.00000	100.00
7.5 - 8.5	\$46,739.50	\$2,103.00	0.04499	100.00
8.5 - 9.5	\$44,636.50	\$0.00	0.00000	95.50
9.5 - 10.5	\$44,636.50	\$0.00	0.00000	95.50
10.5 - 11.5	\$22,355.00	\$0.00	0.00000	95.50
11.5 - 12.5	\$22,355.00	\$3,121.00	0.13961	95.50
12.5 - 13.5	\$11,437.00	\$0.00	0.00000	82.17
13.5 - 14.5	\$19,234.00	\$1,476.00	0.07674	82.17
14.5 - 15.5	\$17,758.00	\$58.00	0.00327	75.86
15.5 - 16.5	\$17,348.00	\$0.00	0.00000	75.61
16.5 - 17.5	\$17,700.00	\$0.00	0.00000	75.61
17.5 - 18.5	\$17,459.00	\$7,797.00	0.44659	75.61
18.5 - 19.5	\$9,903.00	\$0.00	0.00000	41.85
19.5 - 20.5	\$9,903.00	\$0.00	0.00000	41.85
20.5 - 21.5	\$9,903.00	\$352.00	0.03554	41.85
21.5 - 22.5	\$9,551.00	\$5,135.00	0.53764	40.36
22.5 - 23.5	\$4,416.00	\$241.00	0.05457	18.66
23.5 - 24.5	\$4,175.00	\$2,999.00	0.71832	17.64
24.5 - 25.5	\$1,176.00	\$0.00	0.00000	4.97
25.5 - 26.5	\$1,176.00	\$0.00	0.00000	4.97
26.5 - 27.5	\$1,176.00	\$0.00	0.00000	4.97
27.5 - 28.5	\$1,734.00	\$0.00	0.00000	4.97
28.5 - 29.5	\$1,734.00	\$0.00	0.00000	4.97
29.5 - 30.5	\$1,734.00	\$0.00	0.00000	4.97
30.5 - 31.5	\$1,734.00	\$0.00	0.00000	4.97
31.5 - 32.5	\$1,734.00	\$0.00	0.00000	4.97
32.5 - 33.5	\$1,734.00	\$0.00	0.00000	4.97
33.5 - 34.5	\$1,734.00	\$0.00	0.00000	4.97
34.5 - 35.5	\$1,734.00	\$998.00	0.57555	4.97
35.5 - 36.5	\$736.00	\$0.00	0.00000	2.11

Louisville Gas and Electric - Common Plant

All Divisions

396.20 POWER OPERATED EQUIP. - OTHER

Original And Smooth Survivor Curves



Louisville Gas and Electric - Common Plant**All Divisions****396.20 POWER OPERATED EQUIP. - OTHER****Observed Life Table****Retirement Expr. 1952 TO 2002****Placement Years 1924 TO 1988**

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	\$379,356.08	\$0.00	0.00000	100.00
0.5 - 1.5	\$385,256.08	\$0.00	0.00000	100.00
1.5 - 2.5	\$383,189.08	\$3,449.00	0.00900	100.00
2.5 - 3.5	\$383,465.08	\$0.00	0.00000	99.10
3.5 - 4.5	\$383,952.08	\$193.00	0.00050	99.10
4.5 - 5.5	\$390,742.08	\$6,908.00	0.01768	99.05
5.5 - 6.5	\$390,798.08	\$0.00	0.00000	97.30
6.5 - 7.5	\$392,921.08	\$3,291.00	0.00838	97.30
7.5 - 8.5	\$392,691.08	\$1,137.00	0.00290	96.48
8.5 - 9.5	\$396,254.08	\$150.00	0.00038	96.20
9.5 - 10.5	\$390,226.08	\$0.00	0.00000	96.17
10.5 - 11.5	\$402,128.08	\$10,295.00	0.02560	96.17
11.5 - 12.5	\$392,534.08	\$95.00	0.00024	93.71
12.5 - 13.5	\$389,752.08	\$20,272.00	0.05201	93.68
13.5 - 14.5	\$357,557.08	\$1,880.00	0.00526	88.81
14.5 - 15.5	\$354,388.00	\$12,156.00	0.03430	88.34
15.5 - 16.5	\$342,532.00	\$5,473.00	0.01598	85.31
16.5 - 17.5	\$303,919.00	\$12,544.00	0.04127	83.95
17.5 - 18.5	\$329,558.00	\$27,547.00	0.08359	80.49
18.5 - 19.5	\$303,548.00	\$14,952.00	0.04926	73.76
19.5 - 20.5	\$288,596.00	\$7,566.00	0.02622	70.12
20.5 - 21.5	\$278,767.00	\$1,050.00	0.00377	68.29
21.5 - 22.5	\$277,717.00	\$50,649.00	0.18238	68.03
22.5 - 23.5	\$183,446.00	\$46,102.00	0.25131	55.62
23.5 - 24.5	\$170,536.00	\$29,736.00	0.17437	41.64
24.5 - 25.5	\$140,800.00	\$23,881.00	0.16961	34.38
25.5 - 26.5	\$129,116.00	\$2,007.00	0.01554	28.55
26.5 - 27.5	\$127,109.00	\$6,150.00	0.04838	28.11
27.5 - 28.5	\$128,113.00	\$52,548.00	0.41017	26.75
28.5 - 29.5	\$75,565.00	\$450.00	0.00596	15.78
29.5 - 30.5	\$75,115.00	\$11,578.00	0.15414	15.68
30.5 - 31.5	\$63,537.00	\$860.00	0.01354	13.27
31.5 - 32.5	\$62,677.00	\$5,476.00	0.08737	13.09
32.5 - 33.5	\$57,201.00	\$7,484.00	0.13084	11.94
33.5 - 34.5	\$49,717.00	\$4,092.00	0.08231	10.38
34.5 - 35.5	\$45,625.00	\$293.00	0.00642	9.53
35.5 - 36.5	\$45,332.00	\$242.00	0.00534	9.46

**Louisville Gas and Electric - Common Plant
All Divisions**

396.20 POWER OPERATED EQUIP. - OTHER

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1924 TO 1988

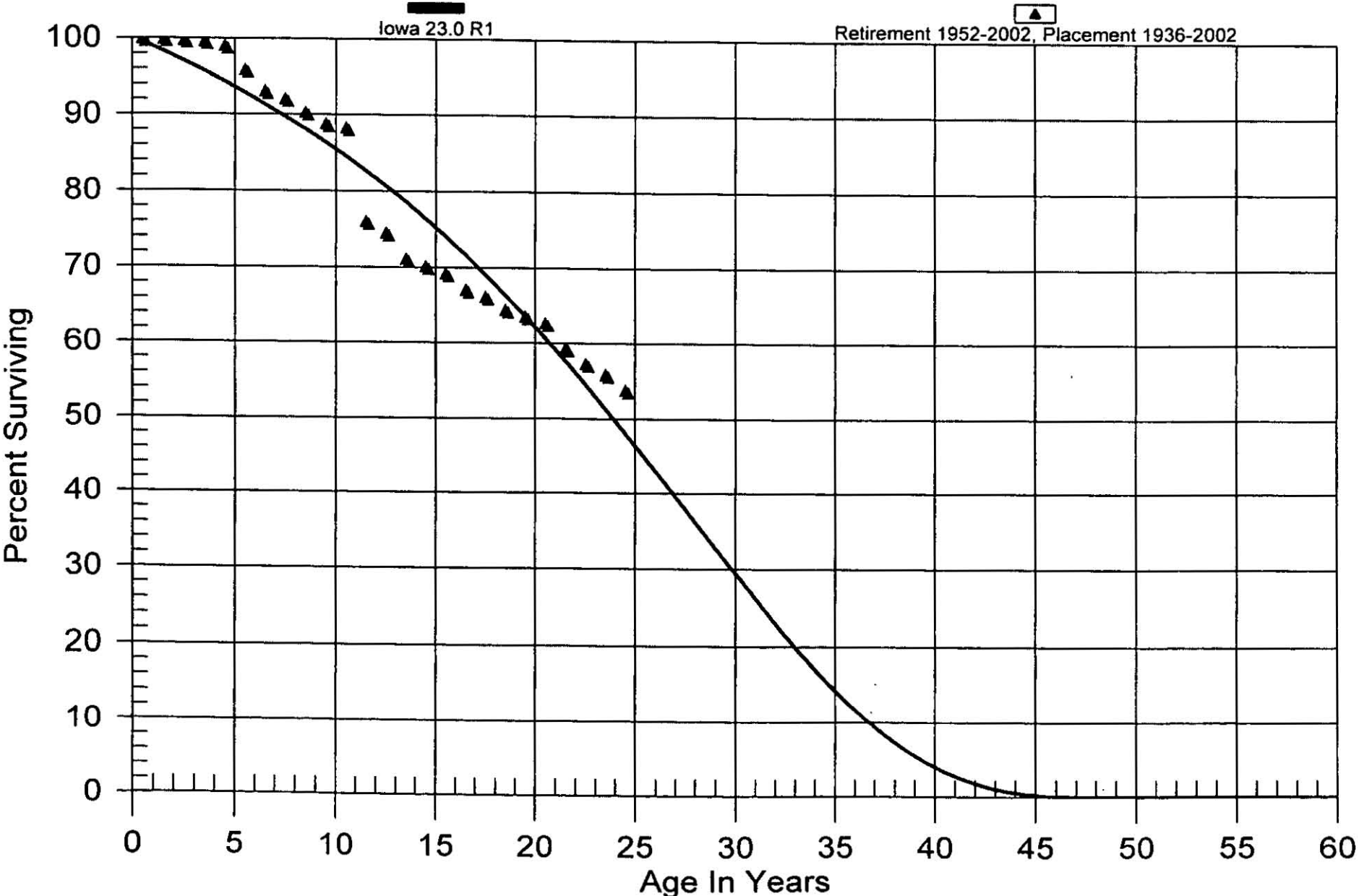
Age Interval	\$ Surviving At Beginning of Age Interval	\$ Retired During The Age Interval	Retirement Ratio	% Surviving At Beginning of Age Interval
36.5 - 37.5	\$45,090.00	\$5,789.00	0.12839	9.41
37.5 - 38.5	\$39,301.00	\$1,076.00	0.02738	8.21
38.5 - 39.5	\$38,225.00	\$1,154.00	0.03019	7.98
39.5 - 40.5	\$37,071.00	\$4,687.00	0.12643	7.74
40.5 - 41.5	\$32,384.00	\$2,475.00	0.07643	6.76
41.5 - 42.5	\$29,909.00	\$4,066.00	0.13595	6.24
42.5 - 43.5	\$25,843.00	\$300.00	0.01161	5.40
43.5 - 44.5	\$25,543.00	\$79.00	0.00309	5.33
44.5 - 45.5	\$25,464.00	\$2,450.00	0.09621	5.32
45.5 - 46.5	\$23,014.00	\$1,500.00	0.06518	4.80
46.5 - 47.5	\$21,514.00	\$5,225.00	0.24287	4.49
47.5 - 48.5	\$16,289.00	\$850.00	0.05218	3.40
48.5 - 49.5	\$15,439.00	\$1,000.00	0.06477	3.22
49.5 - 50.5	\$14,439.00	\$2,671.00	0.18499	3.01
50.5 - 51.5	\$11,768.00	\$200.00	0.01700	2.46
51.5 - 52.5	\$11,568.00	\$300.00	0.02593	2.42
52.5 - 53.5	\$11,268.00	\$6,731.00	0.77485	2.35
53.5 - 54.5	\$2,537.00	\$0.00	0.00000	0.53
54.5 - 55.5	\$2,537.00	\$0.00	0.00000	0.53
55.5 - 56.5	\$2,537.00	\$0.00	0.00000	0.53
56.5 - 57.5	\$2,537.00	\$0.00	0.00000	0.53
57.5 - 58.5	\$2,537.00	\$0.00	0.00000	0.53
58.5 - 59.5	\$2,537.00	\$0.00	0.00000	0.53
59.5 - 60.5	\$2,537.00	\$0.00	0.00000	0.53
60.5 - 61.5	\$2,537.00	\$0.00	0.00000	0.53
61.5 - 62.5	\$2,537.00	\$0.00	0.00000	0.53
62.5 - 63.5	\$2,537.00	\$0.00	0.00000	0.53
63.5 - 64.5	\$2,537.00	\$0.00	0.00000	0.53
64.5 - 65.5	\$2,537.00	\$0.00	0.00000	0.53
65.5 - 66.5	\$2,537.00	\$0.00	0.00000	0.53
66.5 - 67.5	\$2,537.00	\$0.00	0.00000	0.53
67.5 - 68.5	\$2,537.00	\$100.00	0.03942	0.53
68.5 - 69.5	\$2,437.00	\$0.00	0.00000	0.51

Louisville Gas and Electric - Common Plant

All Divisions

397.00 COMMUNICATION EQUIPMENT

Original And Smooth Survivor Curves



5-32

Louisville Gas and Electric - Common Plant
All Divisions

397.00 COMMUNICATION EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1936 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	\$33,296,080.35	\$2,431.00	0.00007	100.00
0.5 - 1.5	\$34,464,225.36	\$19,180.00	0.00056	99.99
1.5 - 2.5	\$30,499,748.27	\$47,965.00	0.00157	99.94
2.5 - 3.5	\$23,860,114.11	\$33,384.00	0.00140	99.78
3.5 - 4.5	\$23,125,848.91	\$136,740.00	0.00591	99.64
4.5 - 5.5	\$21,992,464.50	\$702,603.00	0.03195	99.05
5.5 - 6.5	\$19,711,168.10	\$569,656.00	0.02890	95.89
6.5 - 7.5	\$18,951,865.82	\$208,363.00	0.01099	93.12
7.5 - 8.5	\$14,054,785.61	\$267,293.00	0.01902	92.09
8.5 - 9.5	\$12,168,535.35	\$199,818.00	0.01642	90.34
9.5 - 10.5	\$11,279,181.33	\$66,048.00	0.00586	88.86
10.5 - 11.5	\$9,749,735.38	\$1,358,144.00	0.13930	88.34
11.5 - 12.5	\$7,775,774.06	\$152,206.00	0.01957	76.03
12.5 - 13.5	\$6,991,721.57	\$320,234.00	0.04580	74.54
13.5 - 14.5	\$6,654,583.12	\$87,636.00	0.01317	71.13
14.5 - 15.5	\$5,872,079.49	\$81,423.00	0.01387	70.19
15.5 - 16.5	\$4,588,876.02	\$139,143.00	0.03032	69.22
16.5 - 17.5	\$4,039,772.46	\$55,574.00	0.01376	67.12
17.5 - 18.5	\$3,866,135.43	\$99,506.00	0.02574	66.20
18.5 - 19.5	\$3,493,884.13	\$47,062.00	0.01347	64.49
19.5 - 20.5	\$3,079,402.24	\$44,594.00	0.01448	63.62
20.5 - 21.5	\$2,788,700.19	\$151,440.00	0.05430	62.70
21.5 - 22.5	\$2,497,586.31	\$83,920.00	0.03360	59.30
22.5 - 23.5	\$2,028,006.28	\$50,071.00	0.02469	57.31
23.5 - 24.5	\$1,814,334.04	\$66,200.00	0.03649	55.89
24.5 - 25.5	\$1,741,940.22	\$48,302.00	0.02773	53.85
25.5 - 26.5	\$1,354,761.42	\$22,622.00	0.01670	52.36
26.5 - 27.5	\$1,241,742.91	\$3,031.00	0.00244	51.48
27.5 - 28.5	\$990,171.17	\$4,915.00	0.00496	51.36
28.5 - 29.5	\$926,025.18	\$7,696.00	0.00831	51.10
29.5 - 30.5	\$878,608.68	\$17,609.00	0.02004	50.68
30.5 - 31.5	\$792,922.92	\$5,720.00	0.00721	49.66
31.5 - 32.5	\$697,382.97	\$1,369.00	0.00196	49.30
32.5 - 33.5	\$653,124.45	\$0.00	0.00000	49.21
33.5 - 34.5	\$635,493.30	\$709.00	0.00112	49.21
34.5 - 35.5	\$607,707.89	\$6,485.00	0.01067	49.15
35.5 - 36.5	\$551,080.71	\$16,726.00	0.03035	48.63

Louisville Gas and Electric - Common Plant
All Divisions

397.00 COMMUNICATION EQUIPMENT

Observed Life Table

Retirement Expr. 1952 TO 2002

Placement Years 1936 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	\$453,178.03	\$498.00	0.00110	47.15
37.5 - 38.5	\$404,746.25	\$6,470.00	0.01599	47.10
38.5 - 39.5	\$335,451.36	\$4,392.00	0.01309	46.35
39.5 - 40.5	\$320,066.77	\$5,139.00	0.01606	45.74
40.5 - 41.5	\$296,735.05	\$9,218.00	0.03106	45.01
41.5 - 42.5	\$269,547.55	\$535.00	0.00198	43.61
42.5 - 43.5	\$266,858.67	\$0.00	0.00000	43.52
43.5 - 44.5	\$221,746.74	\$0.00	0.00000	43.52
44.5 - 45.5	\$196,755.18	\$0.00	0.00000	43.52
45.5 - 46.5	\$192,505.44	\$0.00	0.00000	43.52
46.5 - 47.5	\$47,840.57	\$44.00	0.00092	43.52
47.5 - 48.5	\$19,387.97	\$0.00	0.00000	43.48
48.5 - 49.5	\$19,387.97	\$0.00	0.00000	43.48
49.5 - 50.5	\$18,908.80	\$0.00	0.00000	43.48
50.5 - 51.5	\$18,726.22	\$2,601.00	0.13890	43.48
51.5 - 52.5	\$16,125.22	\$0.00	0.00000	37.44
52.5 - 53.5	\$15,604.76	\$1,796.00	0.11509	37.44
53.5 - 54.5	\$5,209.95	\$0.00	0.00000	33.13
54.5 - 55.5	\$5,209.95	\$0.00	0.00000	33.13
55.5 - 56.5	\$4,727.93	\$0.00	0.00000	33.13
56.5 - 57.5	\$4,727.93	\$0.00	0.00000	33.13
57.5 - 58.5	\$4,727.93	\$0.00	0.00000	33.13
58.5 - 59.5	\$4,727.93	\$0.00	0.00000	33.13
59.5 - 60.5	\$4,727.93	\$0.00	0.00000	33.13
60.5 - 61.5	\$4,727.93	\$0.00	0.00000	33.13
61.5 - 62.5	\$4,727.93	\$0.00	0.00000	33.13
62.5 - 63.5	\$4,727.93	\$0.00	0.00000	33.13
63.5 - 64.5	\$2,126.53	\$0.00	0.00000	33.13
64.5 - 65.5	\$2,126.53	\$0.00	0.00000	33.13
65.5 - 66.5	\$2,126.53	\$0.00	0.00000	33.13

Louisville Gas and Electric - Common Plant**All Divisions****390.10 STRUCT. & IMPROVEMENTS - G. O.****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
KY-WATERSIDE SUB					
<i>Interim Survivor Curve: Iowa 90 L1</i>					
<i>Probable Retirement Year: 2016</i>					
2001	1,309.89	14.87	88.07	13.39	1,179.01
Total	1,309.89	14.87	88.07	13.39	1,179.01
KY-EAST SERVICE CENTER					
<i>Interim Survivor Curve: Iowa 90 L1</i>					
<i>Probable Retirement Year: 2033</i>					
2001	144,593.14	30.98	4,666.87	29.51	137,732.14
Total	144,593.14	30.98	4,666.87	29.51	137,732.14
KY-SOUTH SERVICE CENTER					
<i>Interim Survivor Curve: Iowa 90 L1</i>					
<i>Probable Retirement Year: 2042</i>					
2001	57,243.99	38.89	1,471.93	37.43	55,091.54
Total	57,243.99	38.89	1,471.93	37.43	55,091.54
KY-OUTERLOOP CUSTOMER SERVICE CENTER					
<i>Interim Survivor Curve: Iowa 90 L1</i>					
<i>Probable Retirement Year: 2032</i>					
1987	7,775.95	42.22	184.17	27.49	5,063.11
1998	8,599.15	32.79	262.28	28.40	7,447.86
Total	16,375.10	36.68	446.46	28.02	12,510.97

Louisville Gas and Electric - Common Plant**All Divisions****390.10 STRUCT. & IMPROVEMENTS - G. O.****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

KY-SERVICE BUILDING-SEVENTH AND ORMSBY

*Interim Survivor Curve: Iowa 90 L1**Probable Retirement Year: 2025*

2000	25,294.25	24.50	1,032.47	22.04	22,755.53
Total	25,294.25	24.50	1,032.47	22.04	22,755.53

KY-AUBURNDALE SERVICE CENTER

*Interim Survivor Curve: Iowa 90 L1**Probable Retirement Year: 2035*

1994	6,620,097.88	38.89	170,224.28	30.69	5,223,983.80
1995	14,965,539.64	38.04	393,424.07	30.79	12,111,856.56
1997	25,222.06	36.32	694.53	30.97	21,511.68
1998	28,776.40	35.44	811.91	31.06	25,220.37
1999	1,011,846.79	34.56	29,274.94	31.15	911,926.56
2000	64,163.15	33.68	1,905.20	31.24	59,509.52
2001	428,121.68	32.79	13,058.19	31.32	408,947.45
2002	1,601.07	31.89	50.21	31.40	1,576.43
Total	23,145,368.67	37.98	609,443.34	30.79	18,764,532.38

KY-BROADWAY OFFICE COMPLEX

*Interim Survivor Curve: Iowa 90 L1**Probable Retirement Year: 2026*

1984	938,227.02	39.73	23,612.52	22.15	523,119.79
1986	11,218,169.63	38.04	294,910.71	22.27	6,568,932.92
1989	43,420.44	35.44	1,225.09	22.45	27,498.19
1991	19,404.39	33.68	576.18	22.56	12,995.89
1993	239,072.22	31.89	7,497.41	22.66	169,892.08

Louisville Gas and Electric - Common Plant
All Divisions

390.10 STRUCT. & IMPROVEMENTS - G. O.

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1994	5,529,853.04	30.98	178,480.97	22.71	4,053,638.68
1995	402,412.70	30.07	13,381.39	22.76	304,573.43
1996	46,904.04	29.16	1,608.69	22.81	36,691.99
1997	321,230.04	28.24	11,376.97	22.85	260,015.46
1998	129,200.53	27.31	4,731.17	22.90	108,338.69
1999	601,339.98	26.38	22,798.25	22.94	523,029.96
2000	1,345,855.92	25.44	52,903.18	22.98	1,215,861.99
2001	359,296.70	24.50	14,665.95	23.02	337,641.58
2002	131,118.28	23.55	5,566.95	23.06	128,372.66
Total	21,325,504.93	33.67	633,335.43	22.53	14,270,603.31

KY-ST MATTHEWS CUSTOMER SERVICE CENTER

Interim Survivor Curve: Iowa 90 L1

Probable Retirement Year: 2031

1986	11,204.32	42.22	265.38	26.57	7,049.98
Total	11,204.32	42.22	265.38	26.57	7,049.98

KY-WESTERN CUSTOMER SERVICE CENTER

Interim Survivor Curve: Iowa 90 L1

Probable Retirement Year: 2032

1987	11,194.82	42.22	265.15	27.49	7,289.22
Total	11,194.82	42.22	265.15	27.49	7,289.22

KY-GENERAL PLANT - COMMON

Interim Survivor Curve: Iowa 90 L1

Probable Retirement Year: 2040

2000	80,090.16	38.04	2,105.46	35.60	74,963.67
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Louisville Gas and Electric - Common Plant***All Divisions******390.10 STRUCT. & IMPROVEMENTS - G. O.******Original Cost Of Utility Plant In Service******And Development Of Composite Remaining Life as of December 31, 2002******Based Upon Broad Group/Remaining Life Procedure and Technique***

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2001	34,462.66	37.18	926.90	35.72	33,105.66
Total	114,552.82	37.78	3,032.36	35.64	108,069.33
<i>Account</i>					
Total	44,852,641.93	35.77	1,254,047.46	26.62	33,386,813.42

Composite Average Remaining Life ... 26.62 Years

Louisville Gas and Electric - Common Plant
All Divisions

390.20 STRUCT. & IMPROVEMENTS - TRANSMISSION

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
KY-GARAGE - SEVENTH AND ORMSBY					
<i>Interim Survivor Curve: Iowa 100 L2</i>					
<i>Probable Retirement Year: 2025</i>					
1934	66,830.92	78.42	852.19	19.11	16,283.65
1935	324.98	77.89	4.17	19.16	79.95
1936	197.25	77.35	2.55	19.22	49.00
1938	25,703.27	76.25	337.11	19.33	6,516.12
1947	1,080.51	70.77	15.27	19.91	304.02
1962	24,480.55	59.82	409.23	21.02	8,601.71
1964	4,783.05	58.20	82.18	21.16	1,738.89
1965	991.73	57.38	17.28	21.23	366.92
1966	6,631.26	56.54	117.28	21.29	2,496.89
1969	11,646.47	54.00	215.68	21.47	4,631.24
1970	767.16	53.14	14.44	21.53	310.79
1973	4,762.24	50.50	94.30	21.68	2,043.98
1974	243.49	49.61	4.91	21.72	106.60
1976	8,129.63	47.81	170.05	21.80	3,707.06
1977	1,615.90	46.90	34.45	21.84	752.48
1979	39,803.44	45.06	883.27	21.91	19,352.57
1982	23,113.52	42.27	546.76	22.00	12,030.95
1983	2,468.00	41.33	59.71	22.03	1,315.62
1988	7,751.01	36.58	211.87	22.17	4,696.45
1994	1,953.59	30.78	63.46	22.30	1,415.20
Total	233,277.97	56.40	4,136.17	20.99	86,800.09

KY-EAST SERVICE CENTER

Interim Survivor Curve: Iowa 100 L2

Probable Retirement Year: 2033

**Louisville Gas and Electric - Common Plant
All Divisions**

390.20 STRUCT. & IMPROVEMENTS - TRANSMISSION

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1988	287,219.79	44.14	6,507.29	29.75	193,561.84
1989	1,377.63	43.21	31.88	29.79	949.97
1991	7,300.00	41.33	176.61	29.89	5,278.58
1995	6,351.19	37.54	169.18	30.06	5,084.92
1998	102,431.64	34.66	2,955.26	30.16	89,141.63
2000	69,090.53	32.73	2,111.10	30.23	63,813.45
Total	473,770.78	39.64	11,951.32	29.94	357,830.40

KY-SOUTH SERVICE CENTER

Interim Survivor Curve: Iowa 100 L2

Probable Retirement Year: 2042

1997	1,096,724.69	44.14	24,847.53	38.65	960,257.74
Total	1,096,724.69	44.14	24,847.53	38.65	960,257.74
Account					
Total	1,803,773.44	44.06	40,935.02	34.32	1,404,888.23

Composite Average Remaining Life ... 34.32 Years

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
KY-CABLE SHED - SEVENTH AND ORMSBY					
<i>Interim Survivor Curve: Iowa 95 L0.5</i>					
<i>Probable Retirement Year: 2025</i>					
1964	21,935.21	53.34	411.20	20.44	8,405.50
Total	21,935.21	53.34	411.20	20.44	8,405.50
KY-DRIVEWAY/SERVICE BLDG-SEVENTH AND ORSMBY					
<i>Interim Survivor Curve: Iowa 95 L0.5</i>					
<i>Probable Retirement Year: 2025</i>					
1940	351.72	67.77	5.19	19.86	103.05
Total	351.72	67.77	5.19	19.86	103.05
KY-GUARD HOUSE - SEVENTH AND ORSMBY					
<i>Interim Survivor Curve: Iowa 95 L0.5</i>					
<i>Probable Retirement Year: 2025</i>					
1978	4,042.35	43.04	93.92	20.93	1,965.87
Total	4,042.35	43.04	93.92	20.93	1,965.87
KY-EAST SERVICE CENTER					
<i>Interim Survivor Curve: Iowa 95 L0.5</i>					
<i>Probable Retirement Year: 2033</i>					
1988	4,812,752.30	41.46	116,095.26	28.16	3,269,473.29
1989	23,878.36	40.65	587.38	28.23	16,581.07
1991	4,007.59	39.03	102.69	28.36	2,912.56
1995	26,488.29	35.69	742.11	28.63	21,247.25
1996	16,037.20	34.84	460.26	28.70	13,208.75

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1997	456,142.58	33.99	13,420.42	28.77	386,066.57
1998	68,858.46	33.13	2,078.61	28.84	59,939.39
1999	1,068,092.25	32.26	33,109.46	28.91	957,076.55
2001	30,771.17	30.51	1,008.68	29.05	29,304.66
Total	6,507,028.20	38.82	167,604.88	28.38	4,755,810.09

KY-SOUTH SERVICE CENTER**Interim Survivor Curve: Iowa 95 L0.5****Probable Retirement Year: 2042**

1961	134,487.07	65.64	2,048.72	32.83	67,262.17
1962	13,457.22	65.10	206.73	32.91	6,802.43
1964	53,756.88	63.98	840.24	33.06	27,775.85
1966	27,677.13	62.83	440.49	33.22	14,631.90
1967	406.07	62.25	6.52	33.30	217.22
1968	231,807.64	61.66	3,759.50	33.38	125,501.62
1969	10,202.90	61.06	167.09	33.47	5,592.12
1970	979.17	60.46	16.20	33.55	543.44
1971	110,618.86	59.85	1,848.37	33.64	62,183.49
1972	1,413.39	59.23	23.86	33.73	804.96
1973	79,673.96	58.60	1,359.55	33.82	45,984.25
1974	29,753.45	57.97	513.25	33.92	17,407.19
1975	23,079.54	57.33	402.56	34.01	13,691.05
1977	7,000.02	56.03	124.93	34.20	4,272.81
1978	38,404.90	55.37	693.60	34.30	23,789.84
1979	65,127.61	54.70	1,190.58	34.40	40,953.42
1980	193,160.28	54.03	3,575.24	34.50	123,337.36
1981	13,447.72	53.34	252.09	34.60	8,721.92
1982	19,391.90	52.66	368.28	34.70	12,779.33
1983	276,305.77	51.96	5,317.77	34.80	185,072.88

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1984	35,872.60	51.26	699.88	34.91	24,431.68
1985	12,705.21	50.54	251.37	35.01	8,801.01
1986	591.64	49.83	11.87	35.12	416.98
1987	8,339.53	49.10	169.85	35.22	5,982.37
1989	35,831.12	47.63	752.31	35.43	26,657.51
1991	790,997.48	46.13	17,148.05	35.65	611,295.81
1994	12,775.23	43.82	291.52	35.97	10,486.49
1995	92,623.87	43.04	2,152.01	36.08	77,646.23
1997	111,435.30	41.46	2,688.09	36.30	97,580.42
1998	21,402.67	40.65	526.48	36.41	19,170.71
1999	128,407.31	39.84	3,222.89	36.53	117,719.70
2002	8,828.80	37.37	236.24	36.88	8,713.47
Total	2,589,962.24	50.48	51,306.12	35.01	1,796,227.63

KY-PORTABLE TRANSFORMER SHED-SEVENTH & ORSM**Interim Survivor Curve: Iowa 95 L0.5****Probable Retirement Year: 2025**

1964	1,537.86	53.34	28.83	20.44	589.30
Total	1,537.86	53.34	28.83	20.44	589.30

KY-R.R. SIDING AND TRESTLE-SEVENTH AND ORMS**Interim Survivor Curve: Iowa 95 L0.5****Probable Retirement Year: 2025**

1934	6,252.70	70.76	88.37	19.72	1,742.73
Total	6,252.70	70.76	88.37	19.72	1,742.73

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

KY-SERVICE BUILDING-SEVENTH AND ORMSBY

*Interim Survivor Curve: Iowa 95 L0.5**Probable Retirement Year: 2025*

1934	785,170.46	70.76	11,096.34	19.72	218,839.98
1935	2,062.47	70.28	29.35	19.74	579.45
1936	43.56	69.79	0.62	19.77	12.34
1937	116.97	69.30	1.69	19.79	33.40
1939	7,984.39	68.29	116.93	19.83	2,319.15
1941	39.05	67.25	0.58	19.88	11.54
1942	699.94	66.72	10.49	19.90	208.77
1944	782.64	65.64	11.92	19.94	237.79
1945	1,726.86	65.10	26.53	19.97	529.66
1947	1,143.56	63.98	17.87	20.01	357.65
1948	579.30	63.41	9.14	20.03	183.00
1949	7,538.12	62.83	119.97	20.05	2,405.78
1950	3,989.12	62.25	64.08	20.08	1,286.46
1951	339.52	61.66	5.51	20.10	110.66
1952	384.27	61.06	6.29	20.12	126.62
1956	357.70	58.60	6.10	20.22	123.40
1957	1,465.97	57.97	25.29	20.24	511.89
1959	2,933.81	56.68	51.76	20.30	1,050.43
1960	25,929.37	56.03	462.77	20.32	9,405.00
1961	11,278.62	55.37	203.69	20.35	4,145.56
1962	139,342.69	54.70	2,547.29	20.38	51,916.37
1963	18,003.51	54.03	333.23	20.41	6,801.55
1964	35,709.50	53.34	669.41	20.44	13,683.77
1965	10,233.59	52.66	194.35	20.47	3,979.12
1967	11,541.84	51.26	225.18	20.54	4,625.05
1968	285.46	50.54	5.65	20.57	116.19

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1969	3,174.79	49.83	63.72	20.61	1,312.99
1971	5,610.71	48.37	116.00	20.68	2,398.42
1972	4,032.63	47.63	84.67	20.71	1,753.62
1973	23,660.93	46.88	504.70	20.75	10,471.15
1974	22,306.89	46.13	483.59	20.78	10,050.82
1976	30,350.96	44.60	680.54	20.86	14,194.14
1977	293.13	43.82	6.69	20.89	139.76
1978	20,239.90	43.04	470.25	20.93	9,843.03
1979	17,785.74	42.25	420.95	20.97	8,826.85
1980	100,803.43	41.46	2,431.62	21.01	51,079.56
1981	7,023.48	40.65	172.77	21.04	3,635.77
1982	8,880.91	39.84	222.90	21.08	4,699.12
1983	102,830.84	39.03	2,634.95	21.12	55,648.22
1984	15,261.33	38.20	399.49	21.16	8,452.42
1985	7,318.54	37.37	195.83	21.20	4,150.73
1995	93,495.74	28.73	3,254.27	21.57	70,196.67
1997	11,648.78	26.93	432.53	21.65	9,362.73
Total	1,544,401.02	53.59	28,817.49	20.47	589,816.58

KY-SEVENTH AND ORMSBY-YARD STRUCTURES**Interim Survivor Curve: Iowa 95 L0.5****Probable Retirement Year: 2025**

1934	27,322.44	70.76	386.13	19.72	7,615.22
1938	696.93	68.79	10.13	19.81	200.71
1941	43.08	67.25	0.64	19.88	12.73
1953	1,373.00	60.46	22.71	20.14	457.46
1956	1,803.85	58.60	30.78	20.22	622.29
1958	81.47	57.33	1.42	20.27	28.80
1962	13,083.00	54.70	239.17	20.38	4,874.47

Louisville Gas and Electric - Common Plant**All Divisions****390.30 STRUCT. & IMPROVEMENTS - STORES****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1963	2,883.82	54.03	53.38	20.41	1,089.48
1964	11,629.24	53.34	218.00	20.44	4,456.29
1967	955.74	51.26	18.65	20.54	382.98
1969	1,090.95	49.83	21.90	20.61	451.18
1972	4,515.41	47.63	94.80	20.71	1,963.56
1974	771.70	46.13	16.73	20.78	347.70
1976	14,556.08	44.60	326.38	20.86	6,807.40
1978	3,166.75	43.04	73.58	20.93	1,540.05
1979	57,273.92	42.25	1,355.55	20.97	28,424.35
1981	15,996.78	40.65	393.50	21.04	8,280.88
1982	1,214.69	39.84	30.49	21.08	642.72
1984	51,307.02	38.20	1,343.03	21.16	28,416.18
1988	2,978.85	34.84	85.49	21.31	1,821.70
1989	30,278.44	33.99	890.84	21.35	19,015.99
Total	243,023.16	43.29	5,613.30	20.92	117,452.13
Account					
Total	10,918,534.46	42.99	253,969.28	28.63	7,272,112.89

Composite Average Remaining Life ... 28.63 Years

Louisville Gas and Electric - Common Plant**All Divisions****390.40 STRUCT. & IMPROVEMENTS - SHOPS****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

KY-WATERSIDE G.T. 7 & 8 - COMMON

*Interim Survivor Curve: Iowa 90 L1.5**Probable Retirement Year: 2042*

2002	95,608.32	38.65	2,473.74	38.15	94,385.20
Total	95,608.32	38.65	2,473.74	38.15	94,385.20

KY-CARPENTER AND MACH SHOP-SEVENTH AND ORMS

*Interim Survivor Curve: Iowa 90 L1.5**Probable Retirement Year: 2025*

1934	5,314.40	73.07	72.73	18.81	1,367.65
1969	260.94	52.00	5.02	20.76	104.20
1970	167.00	51.22	3.26	20.83	67.90
1976	3,571.58	46.41	76.96	21.19	1,631.16
1977	5,222.63	45.57	114.60	21.25	2,435.15
Total	14,536.55	53.33	272.57	20.57	5,606.06

KY-GAS & ELECT REPAIR SHOP-SEVENTH AND ORMS

*Interim Survivor Curve: Iowa 90 L1.5**Probable Retirement Year: 2025*

1934	9,352.95	73.07	127.99	18.81	2,406.97
1939	268.97	70.76	3.80	19.01	72.26
1959	367.69	59.21	6.21	20.10	124.80
1960	279.46	58.53	4.77	20.16	96.26
1964	27,764.78	55.72	498.27	20.43	10,178.28
1971	354.94	50.44	7.04	20.89	147.01
1974	594.83	48.05	12.38	21.08	260.94
1976	1,611.13	46.41	34.72	21.19	735.81

Louisville Gas and Electric - Common Plant***All Divisions******390.40 STRUCT. & IMPROVEMENTS - SHOPS******Original Cost Of Utility Plant In Service******And Development Of Composite Remaining Life as of December 31, 2002******Based Upon Broad Group/Remaining Life Procedure and Technique***

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1984	1,388.33	39.54	35.11	21.60	758.53
1987	921.78	36.85	25.01	21.74	543.73
1990	370.44	34.11	10.86	21.86	237.41
1991	14,655.35	33.19	441.55	21.90	9,671.01
Total	57,930.65	47.97	1,207.72	20.89	25,233.01

KY-GAS DIST SHOP BLDG - SEVENTH AND ORMSBY***Interim Survivor Curve: Iowa 90 L1.5******Probable Retirement Year: 2025***

1964	11,411.23	55.72	204.79	20.43	4,183.24
1967	1,625.03	53.51	30.37	20.63	626.46
1969	212.77	52.00	4.09	20.76	84.96
1976	582.62	46.41	12.55	21.19	266.09
1977	555.15	45.57	12.18	21.25	258.85
1984	7,433.80	39.54	188.01	21.60	4,061.54
1991	872.38	33.19	26.28	21.90	575.68
Total	22,692.98	47.45	478.28	21.03	10,056.81

KY-SOUTH SERVICE CENTER***Interim Survivor Curve: Iowa 90 L1.5******Probable Retirement Year: 2042***

1964	91,649.40	66.60	1,376.21	32.49	44,707.88
1966	1,401.16	65.46	21.40	32.83	702.72
1971	39,864.74	62.46	638.28	33.71	21,516.55
1972	731.63	61.83	11.83	33.89	400.98
1973	456.17	61.19	7.46	34.06	253.92
1980	310.71	56.44	5.51	35.24	193.98
1982	39,973.81	55.00	726.85	35.55	25,842.54

Louisville Gas and Electric - Common Plant**All Divisions****390.40 STRUCT. & IMPROVEMENTS - SHOPS****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1984	4,420.37	53.51	82.60	35.86	2,962.44
1990	760.33	48.85	15.56	36.74	571.83
1992	1,262.14	47.23	26.72	37.01	989.07
Total	180,830.46	62.09	2,912.42	33.70	98,141.91

KY-AUBURNDALE SERVICE CENTER**Interim Survivor Curve: Iowa 90 L1.5****Probable Retirement Year: 2035**

2002	7,771.55	32.26	240.89	31.77	7,652.22
Total	7,771.55	32.26	240.89	31.77	7,652.22

Account

Total	379,370.51	50.01	7,585.62	31.78	241,075.21
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Composite Average Remaining Life ... 31.78 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

390.60 STRUCT. & IMPROVEMENTS - MICROWAVE

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

KY-BALLARDSVILLE STATION

Interim Survivor Curve: Iowa 85 L1

Probable Retirement Year: 2011

1971	4,974.32	37.81	131.57	8.22	1,081.26
1973	343.06	36.12	9.50	8.24	78.24
Total	5,317.38	37.69	141.07	8.22	1,159.50

KY-CANE RUN MICROWAVE BUILDING

Interim Survivor Curve: Iowa 85 L1

Probable Retirement Year: 2010

1970	9,675.95	37.81	255.93	7.27	1,861.87
1985	1,012.66	24.44	41.43	7.39	305.99
1997	3,570.75	12.90	276.72	7.45	2,062.78
Total	14,259.36	24.84	574.08	7.37	4,230.64

KY-HOLSCLAW HILL MICROWAVE STATION

Interim Survivor Curve: Iowa 85 L1

Probable Retirement Year: 2042

1971	6,629.94	59.65	111.15	32.51	3,613.13
1994	52,452.93	44.24	1,185.61	36.12	42,820.61
2002	68,104.10	37.81	1,801.39	37.32	67,224.58
Total	127,186.97	41.05	3,098.15	36.69	113,658.32

Louisville Gas and Electric - Common Plant**All Divisions****390.60 STRUCT. & IMPROVEMENTS - MICROWAVE****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>

KY-MIDDLETOWN SUB MICROWAVE**Interim Survivor Curve: Iowa 85 L1****Probable Retirement Year: 2012**

1971	5,195.33	38.64	134.46	9.14	1,229.55
1987	1,675.72	24.44	68.55	9.33	639.77
Total	6,871.05	33.85	203.01	9.21	1,869.32

KY-MULDRAUGH STATION MICROWAVE**Interim Survivor Curve: Iowa 85 L1****Probable Retirement Year: 2042**

1971	7,349.40	59.65	123.21	32.51	4,005.22
1990	506.10	47.25	10.71	35.46	379.79
2000	89,133.61	39.47	2,258.54	37.04	83,651.41
Total	96,989.11	40.54	2,392.45	36.80	88,036.41

KY-BROADWAY OFFICE COMPLEX**Interim Survivor Curve: Iowa 85 L1****Probable Retirement Year: 2026**

2000	444,372.52	25.38	17,510.35	22.92	401,399.23
Total	444,372.52	25.38	17,510.35	22.92	401,399.23

Account

Total	694,996.39	29.06	23,919.12	25.52	610,353.42
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Composite Average Remaining Life ... 25.52 Years

Louisville Gas and Electric - Common Plant**All Divisions**

391.00, 391.10, 391.20, 391.40

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 32

Survivor Curve: R2.5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1966	12,241.38	32.00	382.54	5.86	2,241.76
1967	11,348.22	32.00	354.63	6.21	2,203.32
1968	19,881.58	32.00	621.30	6.59	4,094.77
1969	18,669.45	32.00	583.42	6.99	4,080.71
1970	49,656.17	32.00	1,551.75	7.43	11,522.08
1971	48,193.50	32.00	1,506.04	7.88	11,874.36
1972	50,592.68	32.00	1,581.01	8.37	13,233.30
1973	49,091.63	32.00	1,534.11	8.88	13,626.88
1974	62,780.93	32.00	1,961.89	9.42	18,483.49
1975	40,741.15	32.00	1,273.15	9.99	12,712.57
1976	53,832.32	32.00	1,682.25	10.57	17,786.59
1977	61,781.37	32.00	1,930.66	11.18	21,592.61
1978	54,939.60	32.00	1,716.85	11.82	20,287.81
1979	94,991.76	32.00	2,968.48	12.47	37,022.46
1980	156,540.76	32.00	4,891.87	13.15	64,303.84
1981	98,342.55	32.00	3,073.19	13.84	42,522.87
1982	136,696.74	32.00	4,271.75	14.55	62,137.14
1983	126,898.47	32.00	3,965.56	15.27	60,563.02
1984	118,894.63	32.00	3,715.44	16.01	59,501.40
1985	133,951.45	32.00	4,185.96	16.77	70,209.39
1986	3,343,669.51	32.00	104,489.16	17.55	1,833,317.93
1987	1,122,793.75	32.00	35,087.13	18.33	643,293.06
1988	948,800.01	32.00	29,649.85	19.14	567,372.23
1989	447,423.07	32.00	13,981.90	19.95	278,950.42
1990	177,105.47	32.00	5,534.52	20.78	115,001.06
1991	651,585.90	32.00	20,361.96	21.62	440,213.26
1992	2,781,562.97	32.00	86,923.42	22.47	1,953,330.15

Louisville Gas and Electric - Common Plant**All Divisions**

391.00, 391.10, 391.20, 391.40

Original Cost Of Utility Plant In Service**And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique***Average Service Life: 32**Survivor Curve: R2.5*

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1993	705,485.95	32.00	22,046.33	23.34	514,466.36
1994	304,653.19	32.00	9,520.37	24.21	230,491.41
1995	1,743,037.34	32.00	54,469.65	25.10	1,366,970.35
1996	223,233.38	32.00	6,976.01	25.99	181,310.76
1997	154,251.43	32.00	4,820.33	26.89	129,639.31
1998	367,480.48	32.00	11,483.71	27.81	319,319.94
1999	624,589.46	32.00	19,518.32	28.73	560,688.87
2000	825,405.52	32.00	25,793.80	29.65	764,876.36
2001	233,621.66	32.00	7,300.64	30.59	223,308.04
2002	13,819.54	32.00	431.86	31.53	13,615.47
Total	16,068,584.97	32.00	502,140.82	21.28	10,686,165.34

Composite Average Remaining Life ... 21.28 Years

***Louisville Gas and Electric - Common Plant
All Divisions***

392.20 TRANSPORTATION EQUIP. - TRAILERS

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 25

Survivor Curve: L0

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1971	5,000.00	25.00	200.00	12.55	2,510.63
1975	2,589.20	25.00	103.57	13.64	1,412.66
1988	15,407.15	25.00	616.29	17.81	10,977.70
1992	8,805.86	25.00	352.24	19.34	6,810.75
1993	17,818.60	25.00	712.75	19.74	14,071.62
1997	13,783.47	25.00	551.34	21.55	11,881.96
Total	63,404.28	25.00	2,536.20	18.79	47,665.33

Composite Average Remaining Life ... 18.79 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

393.00 STORES EQUIPMENT

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 33

Survivor Curve: R2

Year	Original Cost	Avg. Service Life	Avg. Annual Accrual	Avg. Remaining Life	Future Annual Accruals
(1)	(2)	(3)	(4)	(5)	(6)
1963	800.00	33.00	24.24	6.41	155.47
1965	4,600.04	33.00	139.39	7.17	1,000.07
1966	5,370.55	33.00	162.74	7.58	1,233.45
1967	3,451.74	33.00	104.60	8.00	836.88
1968	4,236.35	33.00	128.37	8.44	1,083.51
1969	589.65	33.00	17.87	8.90	158.98
1970	2,200.31	33.00	66.68	9.37	624.98
1971	2,078.87	33.00	63.00	9.87	621.57
1972	3,477.89	33.00	105.39	10.38	1,093.77
1973	1,225.98	33.00	37.15	10.91	405.23
1974	3,725.44	33.00	112.89	11.46	1,293.18
1975	2,665.06	33.00	80.76	12.02	970.72
1976	845.20	33.00	25.61	12.60	322.76
1977	1,316.38	33.00	39.89	13.20	526.60
1978	3,310.36	33.00	100.31	13.82	1,386.01
1979	1,543.50	33.00	46.77	14.45	675.80
1981	2,029.88	33.00	61.51	15.76	969.38
1982	2,068.40	33.00	62.68	16.44	1,030.26
1984	2,456.02	33.00	74.42	17.84	1,327.45
1985	7,620.01	33.00	230.91	18.56	4,284.83
1986	73,189.70	33.00	2,217.85	19.29	42,782.36
1987	24,480.77	33.00	741.84	20.04	14,863.73
1988	4,591.07	33.00	139.12	20.80	2,893.10
1989	11,389.79	33.00	345.14	21.57	7,443.52
1990	8,251.78	33.00	250.05	22.35	5,588.53
1991	3,476.37	33.00	105.34	23.14	2,438.07
1995	1,048,710.62	33.00	31,778.88	26.43	839,915.38

Louisville Gas and Electric - Common Plant**All Divisions****393.00 STORES EQUIPMENT****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique****Average Service Life: 33****Survivor Curve: R2**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
Total	1,229,701.73	33.00	37,263.42	25.12	935,925.59

Composite Average Remaining Life ... 25.12 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 20

Survivor Curve: L2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1966	252.35	20.00	12.62	3.84	48.46
1968	472.62	20.00	23.63	4.28	101.03
1969	6,542.74	20.00	327.14	4.50	1,471.47
1970	593.88	20.00	29.69	4.73	140.44
1971	5,830.81	20.00	291.54	4.96	1,446.81
1972	3,008.93	20.00	150.45	5.20	782.88
1973	1,146.05	20.00	57.30	5.45	312.09
1974	575.82	20.00	28.79	5.70	163.97
1975	554.89	20.00	27.74	5.94	164.92
1976	8,819.50	20.00	440.97	6.20	2,732.81
1977	1,303.80	20.00	65.19	6.45	420.32
1978	6,703.81	20.00	335.19	6.70	2,245.46
1979	4,029.75	20.00	201.49	6.95	1,399.44
1980	8,106.67	20.00	405.33	7.19	2,914.79
1981	1,308.11	20.00	65.41	7.43	486.04
1982	17,554.20	20.00	877.71	7.67	6,732.63
1983	7,626.03	20.00	381.30	7.91	3,016.29
1984	12,622.39	20.00	631.12	8.16	5,146.93
1985	23,128.99	20.00	1,156.44	8.41	9,723.05
1986	36,040.55	20.00	1,802.02	8.68	15,635.90
1987	59,973.92	20.00	2,998.68	8.97	26,894.12
1988	70,084.16	20.00	3,504.19	9.29	32,561.41
1989	83,294.99	20.00	4,164.73	9.66	40,219.90
1990	43,770.56	20.00	2,188.52	10.07	22,041.86
1991	20,895.14	20.00	1,044.75	10.55	11,019.94
1992	42,047.54	20.00	2,102.37	11.09	23,314.45
1993	112,930.86	20.00	5,646.52	11.71	66,108.81

**Louisville Gas and Electric - Common Plant
All Divisions**

394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 20

Survivor Curve: L2

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1994	45,099.41	20.00	2,254.96	12.40	27,954.22
1995	482,263.72	20.00	24,113.07	13.16	317,218.84
1996	26,178.38	20.00	1,308.91	13.96	18,276.52
1997	66,557.30	20.00	3,327.85	14.81	49,276.86
1998	88,199.73	20.00	4,409.97	15.68	69,168.04
1999	121,348.00	20.00	6,067.37	16.60	100,692.67
2000	385,479.39	20.00	19,273.88	17.54	338,021.47
2001	33,285.18	20.00	1,664.25	18.51	30,804.05
2002	101,306.55	20.00	5,065.30	19.50	98,774.94
Total	1,928,936.72	20.00	96,446.37	13.76	1,327,433.82

Composite Average Remaining Life ... 13.76 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

395.00 LABORATORY EQUIPMENT

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 18

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1992	22,281.50	18.00	1,237.86	8.47	10,486.78
Total	22,281.50	18.00	1,237.86	8.47	10,486.78

Composite Average Remaining Life ... 8.47 Years

Louisville Gas and Electric - Common Plant**All Divisions****396.20 POWER OPERATED EQUIP. - OTHER****Original Cost Of Utility Plant In Service****And Development Of Composite Remaining Life as of December 31, 2002****Based Upon Broad Group/Remaining Life Procedure and Technique****Average Service Life: 23****Survivor Curve: S2**

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1988	14,147.08	23.00	615.09	10.18	6,258.72
Total	14,147.08	23.00	615.09	10.18	6,258.72

Composite Average Remaining Life ... 10.18 Years

***Louisville Gas and Electric - Common Plant
All Divisions***

397.00 COMMUNICATION EQUIPMENT

Original Cost Of Utility Plant In Service

And Development Of Composite Remaining Life as of December 31, 2002

Based Upon Broad Group/Remaining Life Procedure and Technique

Average Service Life: 15

Survivor Curve: R1

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1936	2,126.53	0.00	0.00	0.00	0.00
1939	2,601.40	0.00	0.00	0.00	0.00
1947	482.02	0.00	0.00	0.00	0.00
1949	8,598.81	0.00	0.00	0.00	0.00
1950	520.46	0.00	0.00	0.00	0.00
1952	182.58	0.00	0.00	0.00	0.00
1953	479.17	0.00	0.00	0.00	0.00
1955	28,408.60	0.00	0.00	0.00	0.00
1956	144,708.87	0.00	0.00	0.00	0.00
1957	4,249.74	0.00	0.00	0.00	0.00
1958	24,991.56	0.00	0.00	0.00	0.00
1959	45,111.93	0.00	0.00	0.00	0.00
1960	2,153.88	0.00	0.00	0.00	0.00
1961	17,969.50	0.00	0.00	0.00	0.00
1962	18,192.72	0.00	0.00	0.00	0.00
1963	10,992.59	0.00	0.00	0.00	0.00
1964	62,824.89	0.00	0.00	0.00	0.00
1965	47,933.78	0.00	0.00	0.00	0.00
1966	81,132.68	0.00	0.00	0.00	0.00
1967	50,142.18	0.00	0.00	0.00	0.00
1968	27,076.41	0.00	0.00	0.00	0.00
1969	17,631.15	0.00	0.00	0.00	0.00
1970	42,889.52	0.00	0.00	0.00	0.00
1971	89,819.95	0.00	0.00	0.00	0.00
1972	68,076.76	0.00	0.00	0.00	0.00
1973	39,720.50	15.00	2,647.73	0.50	1,323.87
1974	59,211.99	15.00	3,947.02	0.65	2,548.79

***Louisville Gas and Electric - Common Plant
All Divisions***

397.00 COMMUNICATION EQUIPMENT

***Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique***

Average Service Life: 15

Survivor Curve: R1

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1975	248,540.74	15.00	16,567.52	0.94	15,601.32
1976	90,396.51	15.00	6,025.75	1.23	7,414.89
1977	344,198.80	15.00	22,944.00	1.52	34,784.54
1978	58,136.82	15.00	3,875.35	1.81	7,031.73
1979	107,435.24	15.00	7,161.54	2.13	15,246.11
1980	401,362.03	15.00	26,754.45	2.46	65,766.36
1981	136,467.88	15.00	9,096.83	2.80	25,513.79
1982	271,851.05	15.00	18,121.36	3.17	57,426.06
1983	376,881.89	15.00	25,122.63	3.55	89,206.34
1984	248,444.30	15.00	16,561.09	3.95	65,444.94
1985	103,299.03	15.00	6,885.83	4.37	30,107.42
1986	441,190.56	15.00	29,409.39	4.81	141,566.97
1987	1,254,487.00	15.00	83,623.04	5.28	441,237.48
1988	651,239.63	15.00	43,411.08	5.76	250,111.98
1989	156,821.45	15.00	10,453.59	6.27	65,540.45
1990	396,405.89	15.00	26,424.08	6.80	179,713.47
1991	610,426.32	15.00	40,690.50	7.36	299,305.87
1992	1,408,302.95	15.00	93,876.28	7.93	744,775.67
1993	777,039.02	15.00	51,796.76	8.53	442,008.42
1994	1,450,834.26	15.00	96,711.38	9.15	885,277.40
1995	4,657,188.21	15.00	310,444.23	9.79	3,040,224.01
1996	315,564.28	15.00	21,035.25	10.45	219,788.68
1997	1,676,900.40	15.00	111,780.76	11.12	1,242,709.10
1998	989,847.43	15.00	65,982.39	11.80	778,437.06
1999	654,630.20	15.00	43,637.10	12.49	544,939.22
2000	6,618,351.97	15.00	441,173.74	13.19	5,818,763.97
2001	4,026,942.55	15.00	268,432.58	13.90	3,732,167.90

Louisville Gas and Electric - Common Plant***All Divisions******397.00 COMMUNICATION EQUIPMENT******Original Cost Of Utility Plant In Service******And Development Of Composite Remaining Life as of December 31, 2002******Based Upon Broad Group/Remaining Life Procedure and Technique******Average Service Life: 15******Survivor Curve: R1***

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
2002	550,749.99	15.00	36,712.53	14.63	537,173.36
<i>Total</i>	29,922,166.57	8.18	1,941,305.80	10.19	19,781,157.16

Composite Average Remaining Life ... 10.19 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

397.10 COMMUNICATION EQUIP. - COMPUTER

Original Cost Of Utility Plant In Service

**And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 10

Survivor Curve: R5

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1995	63,303.68	10.00	6,330.26	2.66	16,835.65
1996	177,975.55	10.00	17,797.25	3.55	63,190.79
1997	1,614.78	10.00	161.48	4.51	728.13
1999	1,642,977.54	10.00	164,294.90	6.50	1,067,945.60
2000	3,218,356.08	10.00	321,830.01	7.50	2,413,781.05
2001	25,750.49	10.00	2,575.00	8.50	21,887.98
2002	59,568.39	10.00	5,956.74	9.50	56,590.02
Total	5,189,546.51	10.00	518,945.63	7.02	3,640,959.23

Composite Average Remaining Life ... 7.02 Years

**Louisville Gas and Electric - Common Plant
All Divisions**

398.00 MISCELLANEOUS EQUIPMENT

**Original Cost Of Utility Plant In Service
And Development Of Composite Remaining Life as of December 31, 2002
Based Upon Broad Group/Remaining Life Procedure and Technique**

Average Service Life: 20

Survivor Curve: R3

<i>Year</i>	<i>Original Cost</i>	<i>Avg. Service Life</i>	<i>Avg. Annual Accrual</i>	<i>Avg. Remaining Life</i>	<i>Future Annual Accruals</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>
1986	4,050.56	20.00	202.53	5.97	1,208.67
1987	244,933.88	20.00	12,246.69	6.62	81,024.87
1992	676.28	20.00	33.81	10.35	349.88
1995	14,060.58	20.00	703.03	12.91	9,073.91
1996	6,619.97	20.00	331.00	13.80	4,568.82
1998	9,906.32	20.00	495.32	15.65	7,752.54
1999	9,989.97	20.00	499.50	16.60	8,291.41
2000	397,126.62	20.00	19,856.32	17.56	348,659.49
2001	324,867.53	20.00	16,243.37	18.53	300,983.48
Total	1,012,231.71	20.00	50,611.55	15.05	761,913.08

Composite Average Remaining Life ... 15.05 Years

Analysis of Experienced Salvage
 1972 through 2002

Account 390.10 - Structures and Improvements - General Office

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	8,869.00	1,030.00	11.61%	532.00	6.00%	498.00	5.62%
1973	12,713.00	451.00	3.55%	4,707.00	37.03%	(4,256.00)	-33.48%
1974	22,655.00	-	0.00%	9,164.00	40.45%	(9,164.00)	-40.45%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	15,929.00	1,545.00	9.70%	1,986.00	12.47%	(441.00)	-2.77%
1977	3,917.00	453.00	11.56%	508.00	12.97%	(55.00)	-1.40%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	14,338.00	101.00	0.70%	3,867.00	26.97%	(3,766.00)	-26.27%
1980	5,768.00	-	0.00%	140.00	2.43%	(140.00)	-2.43%
1981	4,577.00	187.00	4.09%	198.00	4.33%	(11.00)	-0.24%
1982	3,996.00	-	0.00%	-	0.00%	0.00	0.00%
1983	37,552.00	8.00	0.02%	29,827.00	79.43%	(29,819.00)	-79.41%
1984	5,644.00	-	0.00%	6,574.00	116.48%	(6,574.00)	-116.48%
1985	12,404.00	152.00	1.23%	20,207.00	162.91%	(20,055.00)	-161.68%
1986	23,388.00	-	0.00%	18,015.00	77.03%	(18,015.00)	-77.03%
1987	1,431.00	-	0.00%	-	0.00%	0.00	0.00%
1988	34,225.00	1,143.00	3.34%	2,687.00	7.85%	(1,544.00)	-4.51%
1989	68,361.00	449.00	0.66%	55,238.00	80.80%	(54,789.00)	-80.15%
1990	297.00	-	0.00%	-	0.00%	0.00	0.00%
1991	737.00	-	0.00%	-	0.00%	0.00	0.00%
1992	-	-	0.00%	-	0.00%	0.00	0.00%
1993	69,905.00	-	0.00%	9,139.00	13.07%	(9,139.00)	-13.07%
1994	(2,931.00)	-	0.00%	-	0.00%	0.00	0.00%
1995	3,499,524.00	-	0.00%	45,498.00	1.30%	(45,498.00)	-1.30%
1996	4,379.00	3,450.00	78.79%	34,184.00	780.63%	(30,734.00)	-701.85%
1997	303,786.00	2,262.00	0.74%	(5,353.00)	-1.76%	7,615.00	2.51%
1998	26,365.00	1,755.00	6.66%	(28,703.00)	-108.87%	30,458.00	115.52%
1999	15,527.00	(664.00)	-4.28%	10,150.00	65.37%	(10,814.00)	-69.65%
2000	49,928.00	243,700.00	488.10%	226,988.00	454.63%	16,712.00	33.47%
2001	-	-	0.00%	-	0.00%	0.00	0.00%
2002	275,234.00	-	0.00%	11,716.00	4.26%	(11,716.00)	-4.26%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.10 - Structures and Improvements - General Office

<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	44,237.00	1,481.00	3.35%	14,403.00	32.56%	(12,922.00)	-29.21%
1973-1975	35,368.00	451.00	1.28%	13,871.00	39.22%	(13,420.00)	-37.94%
1974-1976	38,584.00	1,545.00	4.00%	11,150.00	28.90%	(9,605.00)	-24.89%
1975-1977	19,846.00	1,998.00	10.07%	2,494.00	12.57%	(496.00)	-2.50%
1976-1978	19,846.00	1,998.00	10.07%	2,494.00	12.57%	(496.00)	-2.50%
1977-1979	18,255.00	554.00	3.03%	4,375.00	23.97%	(3,821.00)	-20.93%
1978-1980	20,106.00	101.00	0.50%	4,007.00	19.93%	(3,906.00)	-19.43%
1979-1981	24,683.00	288.00	1.17%	4,205.00	17.04%	(3,917.00)	-15.87%
1980-1982	14,341.00	187.00	1.30%	338.00	2.36%	(151.00)	-1.05%
1981-1983	46,125.00	195.00	0.42%	30,025.00	65.09%	(29,830.00)	-64.67%
1982-1984	47,192.00	8.00	0.02%	36,401.00	77.13%	(36,393.00)	-77.12%
1983-1985	55,600.00	160.00	0.29%	56,608.00	101.81%	(56,448.00)	-101.53%
1984-1986	41,436.00	152.00	0.37%	44,796.00	108.11%	(44,644.00)	-107.74%
1985-1987	37,223.00	152.00	0.41%	38,222.00	102.68%	(38,070.00)	-102.28%
1986-1988	59,044.00	1,143.00	1.94%	20,702.00	35.06%	(19,559.00)	-33.13%
1987-1989	104,017.00	1,592.00	1.53%	57,925.00	55.69%	(56,333.00)	-54.16%
1988-1990	102,883.00	1,592.00	1.55%	57,925.00	56.30%	(56,333.00)	-54.75%
1989-1991	69,395.00	449.00	0.65%	55,238.00	79.60%	(54,789.00)	-78.95%
1990-1992	1,034.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1991-1993	70,642.00	0.00	0.00%	9,139.00	12.94%	(9,139.00)	-12.94%
1992-1994	66,974.00	0.00	0.00%	9,139.00	13.65%	(9,139.00)	-13.65%
1993-1995	3,566,498.00	0.00	0.00%	54,637.00	1.53%	(54,637.00)	-1.53%
1994-1996	3,500,972.00	3,450.00	0.10%	79,682.00	2.28%	(76,232.00)	-2.18%
1995-1997	3,807,689.00	5,712.00	0.15%	74,329.00	1.95%	(68,617.00)	-1.80%
1996-1998	334,530.00	7,467.00	2.23%	128.00	0.04%	7,339.00	2.19%
1997-1999	345,678.00	3,353.00	0.97%	(23,906.00)	-6.92%	27,259.00	7.89%
1998-2000	91,820.00	244,791.00	266.60%	208,435.00	227.00%	36,356.00	39.59%
1999-2001	65,455.00	243,036.00	371.30%	237,138.00	362.29%	5,898.00	9.01%
2000-2002	325,162.00	243,700.00	74.95%	238,704.00	73.41%	4,996.00	1.54%
1972-2002	4,518,518.00	256,022.00	5.67%	457,269.00	10.12%	-201,247.00	-4.45%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	35.8
Avg Ret Age	12.2
Years to ASL	23.6
Inflation Factor At 2.75% to ASL	1.90

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	128.66%
1988-2002	15-Year Trend	164.23%
1993-2002	10-Year Trend	225.34%
1998-2002	5-Year Trend	297.94%

Adjusted Salvage & C/O/R 297.94% 19.20% 278.74%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.20 - Structures and Improvements - Trans.

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
1972	-	-	0.00%	-	0.00%	0.00	0.00%
1973	200.00	-	0.00%	-	0.00%	0.00	0.00%
1974	276.00	-	0.00%	47.00	17.03%	(47.00)	-17.03%
1975	-	-	0.00%	-	0.00%	0.00	0.00%
1976	-	-	0.00%	-	0.00%	0.00	0.00%
1977	200.00	-	0.00%	150.00	75.00%	(150.00)	-75.00%
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	261.00	-	0.00%	-	0.00%	0.00	0.00%
1983	379.00	-	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
Common Plant

Charnas

Analysis of Experienced Salvage
1972 through 2002

Account 390.20 - Structures and Improvements - Trans.

Year	Original Cost of Retirements	Gross Salvage	%	Cost of Removal	%	Net Salvage	%
THREE - YEAR ROLLING BANDS							
1972-1974	476.00	0.00	0.00%	47.00	9.87%	(47.00)	-9.87%
1973-1975	476.00	0.00	0.00%	47.00	9.87%	(47.00)	-9.87%
1974-1976	276.00	0.00	0.00%	47.00	17.03%	(47.00)	-17.03%
1975-1977	200.00	0.00	0.00%	150.00	75.00%	(150.00)	-75.00%
1976-1978	200.00	0.00	0.00%	150.00	75.00%	(150.00)	-75.00%
1977-1979	200.00	0.00	0.00%	150.00	75.00%	(150.00)	-75.00%
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	261.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1981-1983	640.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1982-1984	640.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1983-1985	379.00	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	1,316.00	0.00	0.00%	197.00	14.97%	-197.00	-14.97%

Trend Analysis (End Year) 2002

*Based Upon 3-Year Rolling Averages

Annual Inflation	2.75%
ASL	39.2
Avg Ret Age	32
Years to ASL	7.2

Inflation Factor At 2.75% to ASL 1.22

Adjusted Salvage & C/O/R 0.00% 18.20% -18.20%

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%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.30 - Structures and Improvements - Stores

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	-	-	0.00%	-	0.00%	0.00	0.00%
2000	-	-	0.00%	-	0.00%	0.00	0.00%
2001	20,419.00	563.00	2.76%	-	0.00%	563.00	2.76%
2002	-	-	0.00%	-	0.00%	0.00	0.00%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.40 - Structures and Improvements - Shops

<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	71.00	-	0.00%	409.00	576.06%	(409.00)	-576.06%
1977	423.00	-	0.00%	58.00	13.71%	(58.00)	-13.71%
1978	-	-	0.00%	-	0.00%	0.00	0.00%
1979	-	-	0.00%	-	0.00%	0.00	0.00%
1980	536.00	-	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	5,552.00	-	0.00%	2,461.00	44.33%	(2,461.00)	-44.33%
1985	-	-	0.00%	-	0.00%	0.00	0.00%
1986	752.00	-	0.00%	17.00	2.26%	(17.00)	-2.26%
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	1,694.00	-	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	525.00	-	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	9,569.00	17.00	0.18%	805.00	8.41%	(788.00)	-8.23%
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%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.60 - Structures and Improvements-Micro

<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	433.00	-		37.00	8.55%	(37.00)	-8.55%
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	1,280.00	-	0.00%	73.00	5.70%	(73.00)	-5.70%
1986	-	-	0.00%	-	0.00%	0.00	0.00%
1987	1,009.00	-	0.00%	138.00	13.68%	(138.00)	-13.68%
1988	-	-	0.00%	-	0.00%	0.00	0.00%
1989	-	-	0.00%	-	0.00%	0.00	0.00%
1990	1,139.00	-	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	761.00	-	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%

Analysis of Experienced Salvage
 1972 through 2002

Account 390.60 - Structures and Improvements-Micro

<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	433.00	0.00	0.00%	37.00	8.55%	(37.00)	-8.55%
1973-1975	433.00	0.00	0.00%	37.00	8.55%	(37.00)	-8.55%
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	1,280.00	0.00	0.00%	73.00	5.70%	(73.00)	-5.70%
1984-1986	1,280.00	0.00	0.00%	73.00	5.70%	(73.00)	-5.70%
1985-1987	2,289.00	0.00	0.00%	211.00	9.22%	(211.00)	-9.22%
1986-1988	1,009.00	0.00	0.00%	138.00	13.68%	(138.00)	-13.68%
1987-1989	1,009.00	0.00	0.00%	138.00	13.68%	(138.00)	-13.68%
1988-1990	1,139.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1989-1991	1,139.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1990-1992	1,139.00	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	761.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1993-1995	761.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1994-1996	761.00	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	4,622.00	0.00	0.00%	248.00	5.37%	-248.00	-5.37%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	28.2
Avg Ret Age	22
Years to ASL	6.2

Inflation Factor At 2.75% to ASL 1.18

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% 6.35% -6.35%

Analysis of Experienced Salvage
 1972 through 2002

Account 391 - Office Furniture and 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	6,276.00	700.00	11.15%	-	0.00%	700.00	11.15%
1973	16,447.00	1,008.00	6.13%	-	0.00%	1,008.00	6.13%
1974	16,549.00	238.00	1.44%	-	0.00%	238.00	1.44%
1975	23,242.00	609.00	2.62%	-	0.00%	609.00	2.62%
1976	31,121.00	525.00	1.69%	-	0.00%	525.00	1.69%
1977	11,436.00	152.00	1.33%	-	0.00%	152.00	1.33%
1978	22,231.00	1,216.00	5.47%	-	0.00%	1,216.00	5.47%
1979	20,209.00	1,928.00	9.54%	-	0.00%	1,928.00	9.54%
1980	24,937.00	992.00	3.98%	-	0.00%	992.00	3.98%
1981	20,075.00	2,800.00	13.95%	-	0.00%	2,800.00	13.95%
1982	26,300.00	1,795.00	6.83%	-	0.00%	1,795.00	6.83%
1983	29,665.00	910.00	3.07%	-	0.00%	910.00	3.07%
1984	17,437.00	438.00	2.51%	-	0.00%	438.00	2.51%
1985	162,055.00	8,270.00	5.10%	-	0.00%	8,270.00	5.10%
1986	29,646.00	1,169.00	3.94%	-	0.00%	1,169.00	3.94%
1987	88,144.00	5,120.00	5.81%	-	0.00%	5,120.00	5.81%
1988	274,035.00	12,543.00	4.58%	(20.00)	-0.01%	12,563.00	4.58%
1989	148,577.00	1,156.00	0.78%	215.00	0.14%	941.00	0.63%
1990	927,696.00	25,036.00	2.70%	(194.00)	-0.02%	25,230.00	2.72%
1991	71,379.00	215.00	0.30%	-	0.00%	215.00	0.30%
1992	3,139,514.00	1,318.00	0.04%	-	0.00%	1,318.00	0.04%
1993	46,948.00	957.00	2.04%	-	0.00%	957.00	2.04%
1994	-	-	0.00%	-	0.00%	0.00	0.00%
1995	79,104.00	1,050.00	1.33%	1,386.00	1.75%	(336.00)	-0.42%
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	1,597,740.00	-	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%

Analysis of Experienced Salvage
 1972 through 2002

Account 391 - Office Furniture and 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	39,272.00	1,946.00	4.96%	0.00	0.00%	1,946.00	4.96%
1973-1975	56,238.00	1,855.00	3.30%	0.00	0.00%	1,855.00	3.30%
1974-1976	70,912.00	1,372.00	1.93%	0.00	0.00%	1,372.00	1.93%
1975-1977	65,799.00	1,286.00	1.95%	0.00	0.00%	1,286.00	1.95%
1976-1978	64,788.00	1,893.00	2.92%	0.00	0.00%	1,893.00	2.92%
1977-1979	53,876.00	3,296.00	6.12%	0.00	0.00%	3,296.00	6.12%
1978-1980	67,377.00	4,136.00	6.14%	0.00	0.00%	4,136.00	6.14%
1979-1981	65,221.00	5,720.00	8.77%	0.00	0.00%	5,720.00	8.77%
1980-1982	71,312.00	5,587.00	7.83%	0.00	0.00%	5,587.00	7.83%
1981-1983	76,040.00	5,505.00	7.24%	0.00	0.00%	5,505.00	7.24%
1982-1984	73,402.00	3,143.00	4.28%	0.00	0.00%	3,143.00	4.28%
1983-1985	209,157.00	9,618.00	4.60%	0.00	0.00%	9,618.00	4.60%
1984-1986	209,138.00	9,877.00	4.72%	0.00	0.00%	9,877.00	4.72%
1985-1987	279,845.00	14,559.00	5.20%	0.00	0.00%	14,559.00	5.20%
1986-1988	391,825.00	18,832.00	4.81%	(20.00)	-0.01%	18,852.00	4.81%
1987-1989	510,756.00	18,819.00	3.68%	195.00	0.04%	18,624.00	3.65%
1988-1990	1,350,308.00	38,735.00	2.87%	1.00	0.00%	38,734.00	2.87%
1989-1991	1,147,652.00	26,407.00	2.30%	21.00	0.00%	26,386.00	2.30%
1990-1992	4,138,589.00	26,569.00	0.64%	(194.00)	0.00%	26,763.00	0.65%
1991-1993	3,257,841.00	2,490.00	0.08%	0.00	0.00%	2,490.00	0.08%
1992-1994	3,186,462.00	2,275.00	0.07%	0.00	0.00%	2,275.00	0.07%
1993-1995	126,052.00	2,007.00	1.59%	1,386.00	1.10%	621.00	0.49%
1994-1996	79,104.00	1,050.00	1.33%	1,386.00	1.75%	(336.00)	-0.42%
1995-1997	79,104.00	1,050.00	1.33%	1,386.00	1.75%	(336.00)	-0.42%
1996-1998	0.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1997-1999	1,597,740.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1998-2000	1,597,740.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1999-2001	1,597,740.00	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	6,830,763.00	70,145.00	1.03%	1,387.00	0.02%	68,758.00	1.01%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	8
Avg Ret Age	18
Years to ASL	-10

Inflation Factor At 2.75% to ASL 0.76

Gross Salv. Trend Analysis*		
1983-2002	20-Year Trend	-1.39%
1988-2002	15-Year Trend	-0.97%
1993-2002	10-Year Trend	-0.04%
1998-2002	5-Year Trend	0.00%

Adjusted Salvage & C/O/R 0.00% 0.02% -0.02%

Analysis of Experienced Salvage
 1972 through 2002

Account 391.10 - Office Furniture

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	-	-	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	3,153.00	-	0.00%	-	0.00%	0.00	0.00%

Analysis of Experienced Salvage
 1972 through 2002

Account 391.10 - Office Furniture

<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	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	3,153.00	0.00	0.00%	0.00	0.00%	0.00	0.00%
1972-2002	3,153.00	0.00	0.00%	0.00	0.00%	0.00	0.00%

Trend Analysis (End Year) 2002

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

Annual Inflation	2.75%
ASL	15
Avg Ret Age	37.5
Years to ASL	-22.5

Inflation Factor At 2.75% to ASL 0.54

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%

Analysis of Experienced Salvage
 1972 through 2002

Account 391.20 - Office Equipment

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	-	-	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	836.00	-	0.00%	-	0.00%	0.00	0.00%

